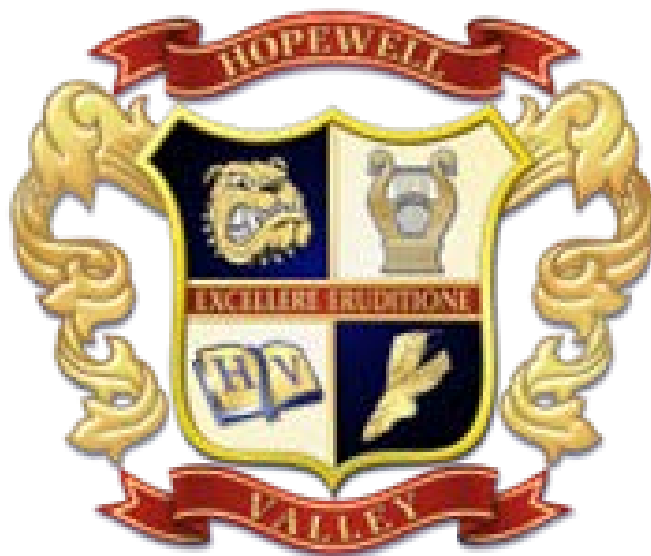


Hopewell Valley

Regional School District

Hopewell Valley Regional Board of Education
Pennington, New Jersey 08534

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2021



Hopewell Valley Regional School District

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2021

Hopewell Valley Regional School District
Pennington, New Jersey

Prepared by Hopewell Valley Regional School District
Business Office
Robert Colavita
Business Administrator, Board Secretary

Table of Contents

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1
Organizational Chart	7
Roster of Officials	8
Independent Auditors and Advisors	9
Certificate of Excellence	10
FINANCIAL SECTION	
Independent Auditors' Report	11
Required Supplementary Information – Part I	
Management's Discussion and Analysis	14
Basic Financial Statements	
Government-wide Financial Statements:	
A-1 Statement of Net Position	23
A-2 Statement of Activities	24
Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	25
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	26
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	27
Proprietary Funds:	
B-4 Combining Statement of Net Position	28
B-5 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	29
B-6 Combining Statement of Cash Flows	30
Notes to the Basic Financial Statements	31

Table of Contents (continued)

	<u>Page</u>
FINANCIAL SECTION (continued)	
Required Supplementary Information – Part II	
Schedules and Note Related to Accounting and Reporting for Pensions (GASB 68)	
L-1 Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employee’s Retirement System (PERS)	71
L-2 Schedule of District Pension Contributions – Public Employee’s Retirement System (PERS)	72
L-3 Schedule of State’s Proportionate Share of the Net Pension Liability Associated with the District – Teacher’s Pension and Annuity Fund (TPAF)	73
Schedule Related to Accounting and Reporting for OPEB (GASB 75)	
M-1 Schedule of the State’s Proportionate Share of the District’s Net OPEB Liability Associated with the District and Changes in the Total OPEB Liability and Related Ratios – (PERS and TPAF)	74
Notes to Required Supplementary Information	75
Required Supplementary Information – Part III	
Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule – General Fund – Budgetary Basis	76
C-1a Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Budgetary Basis - Not Applicable	N/A
C-1b Community Development Block Grant – Budget and Actual – Not Applicable	N/A
C-2 Budgetary Comparison Schedule – Special Revenue Fund – Budgetary Basis	82
C-3 Budget to GAAP Reconciliation – Note to Required Supplementary Information	83

Table of Contents (continued)

FINANCIAL SECTION (continued)

Supplementary Information

	<u>Page</u>
D School Based Budget Schedules - Not Applicable	N/A
Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues and Expenditures – Budgetary Basis	84
E-2 Schedule of Preschool Education Aid Expenditures – Budgetary Basis– Not Applicable	N/A
Capital Projects Fund:	
F-1 Summary Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis	86
F-1a Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis	87
F-2 Summary Schedule of Project Expenditures – Not Applicable	N/A
Long-Term Debt:	
I-1 Schedule of Serial Bonds Payable	88
I-2 Schedule of Obligations Under Capital Leases	89
I-3 Budgetary Comparison Schedule – Debt Service Fund	90

STATISTICAL SECTION – OTHER INFORMATION

Financial Trends:	
J-1 Net Position by Component	91
J-2 Changes in Net Position	92
J-3 Fund Balances, Governmental Funds	93
J-4 Changes in Fund Balances – Governmental Funds	94
J-5 General Fund Other Local Revenues by Source	95
Revenue Capacity:	
J-6 Assessed Value and Actual Value of Taxable Property	96
J-7 Property Tax Rates – Direct and Overlapping Governments	97
J-8 Principal Property Tax Payers	98
J-9 Property Tax Levies and Collections	99

Table of Contents (continued)

STATISTICAL SECTION – OTHER INFORMATION (continued)

	<u>Page</u>
Debt Capacity:	
J-10 Ratios of Outstanding Debt by Type	100
J-11 Ratios of Net General Bonded Debt Outstanding	101
J-12 Ratios of Overlapping Governmental Activities Debt	101
J-13 Legal Debt Margin Information	102
Demographic and Economic Information:	
J-14 Demographic and Economic Statistics	103
J-15 Principal Employers	104
Operating Information:	
J-16 Full-Time Equivalent District Employees by Function/Program	105
J-17 Operating Statistics	106
J-18 School Building Information	107
J-19 Schedule of Required Maintenance for School Facilities	108
J-20 Insurance Schedule	109

Table of Contents (continued)

SINGLE AUDIT SECTION

K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	110
K-2	Report on Compliance For Each Major Federal and State Program and Report on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey OMB 15-08	112
K-3	Schedule A – Schedule of Expenditures of Federal Awards-Supplementary Information	115
K-4	Schedule B – Schedule of Expenditures of State Financial Assistance-Supplementary Information	116
K-5	Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance	117
K-6	Schedule of Findings and Questioned Costs	120
K-7	Summary Schedule of Prior Year Audit Findings	124

Introductory Section

Hopewell Valley Regional School District

Administrative Offices
425 South Main Street
Pennington, NJ 08534
www.hvrds.org



February 17, 2022

Honorable President and Members
of the Board of Education and Constituents
Hopewell Valley Regional School District
Pennington, New Jersey
County of Mercer

Dear Board Members and Constituents:

The Annual Comprehensive Financial Report (ACFR) of the Hopewell Valley Regional School District (hereinafter, the District) as of and for the 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 Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position of the governmental activities, the business-type activities and each major fund at June 30, 2021, and the respective changes in financial position and cash flows, where applicable, for the year then ended. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The ACFR is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter (designed to complement Management's Discussion and Analysis and should be read in conjunction with it), the District's organizational chart, a roster of officials, independent auditors and advisors and the certificate of excellence in financial reporting. The financial section includes Management's Discussion and Analysis, basic financial statements, required supplementary information and other supplementary information, as well as the auditors' report therein. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis and is unaudited. The District is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of Federal regulations (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and the New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments*. Information related to this single audit, including the independent auditors' reports on internal control and compliance with applicable major programs are included in the single audit section of this report.

1. Reporting Entity and Its Services

The Hopewell Valley Regional School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds and the government-wide financial statements of the District are included in this report. The Hopewell Valley Regional School District 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 PK through 12. These include regular education as well as special education for handicapped students. The District sends its vocational students to county vocational schools, which are more suited to provide that type of educational program. The District completed the 2020-21 fiscal year with an average daily enrollment of 3,398 students, which is 47 students less than the previous year's average daily enrollment. The following chart details the changes in the average daily student enrollment of the District over the last five years:

Average Daily Enrollment

Fiscal Year	Student Enrollment	Percent Change
2020-21	3,398	(1.36)%
2019-20	3,445	(1.15)%
2018-19	3,485	(0.88)%
2017-18	3,516	(2.41)%
2016-17	3,603	(1.40)%

2. Economic Condition and Outlook

Hopewell Valley serves the two boroughs of Pennington and Hopewell and the much larger Hopewell Township, a sending area of nearly 60 square miles with a population exceeding 20,000. Six schools comprise the district -- four elementary schools, a middle school and a high school ranging in age from 19 years to 95 years old. Average daily enrollment for the 2020-21 year was 3,398, a slight decline from 2019-20. The economy in the Hopewell Valley communities is reflective of the national economy and shows signs of growth but experienced a modest decrease in ratables. Most of the undeveloped land in the Valley is in Hopewell Township. There is an understanding that there is little room for additional development in either commercial or residential projects within the Boroughs. It is believed that there may be some commercial and residential growth potential in Hopewell Township. Janssen Pharmaceuticals, a large employer, is expecting an increase of approximately 600 employees at the Hopewell Township campus in the coming year. As we understand it, new housing subdivisions are being considered in Hopewell Township that will likely bring additional students into the District's schools, but not in the upcoming school year.

3. Major Initiatives

Facilities Improvement Plan

The Board budgets funds for minor maintenance work throughout the District in each budget year. The District's annual budget cannot afford the expense of any large maintenance projects without negatively impacting the educational program. Through aggressive planning, the Board has been able to build its capital reserve fund balance over the past several years. As a result, the Board was able to address many

needed capital maintenance projects in 2020-21 including paving/curbing/sidewalks at Bear Tavern Elementary School, Timberlane Middle School and the Administration Building. Additional projects are planned for 2021-22 and beyond to address additional paving/curbing/sidewalk issues, HVAC upgrades, boiler replacements, building-envelope, fire alarms and athletic facilities. Projects related to the \$35.8 million referendum passed by the community on September 27, 2016, have been completed and addressed more extensive capital needs and infrastructure upgrades in the areas of HVAC, lighting, building-envelope, life-safety, and ADA accessibility. The list of projects completed was approved by the New Jersey Department of Education as well as included in the District's Long Range Facility Plan.

Personnel Management

The Human Resources Department continued to use an established protocol to ensure that all candidates were properly credentialed and certified. To find the best possible candidates, District staff attended job fairs across the mid-Atlantic region and connected with local colleges and universities. In addition, the software program *AppliTrack*, was used successfully, again this past year, to manage job applications. Within *AppliTrack*, Gallup's *Teacher Insight* tool provides administrators with information regarding a candidate's talent index and potential for success. Human Resources handbooks are used by administrators to provide better oversight of the supervision/evaluation process; by new hires to aid in their orientation to District policies, procedures, and expectations; and by mentors to improve upon the State's process for initiating new hires to the teaching profession. In collaboration with the Curriculum and Instruction Office, Human Resources provided professional development activities so that teachers and support staff could meet District and State requirements (20 hours and Professional Improvement Plans). Personnel policies and specified job descriptions were reviewed and revised as necessary. The Danielson Model of supervision and evaluation has been implemented as the evaluation tool for teachers and the Stronge model is being used for administrators. The District has kept abreast of all new regulations related to the new laws regarding evaluation and acquisition of tenure.

Educational Program

The mission of the Hopewell Valley Regional School District is to provide a comprehensive, caring educational experience which nurtures the unique talents of each individual; creates fulfilled, socially responsible, lifelong learners; develops confidence and capabilities to face the challenges of a rapidly changing world; and promotes a culture of respect that values diversity. We pursue this mission through a strong and varied curriculum, superb teaching staff and an array of extracurricular opportunities designed to enrich the learning experience of all students.

In preparing our students for success, we offer a diverse and innovative curriculum guided by the New Jersey Student Learning Standards and supplemented with a wide variety of courses designed to prepare our youth to compete successfully in their postgraduate years. Eligible students, who exhaust the extensive course offerings at Central High School, can take classes at nearby universities including Princeton, The College of New Jersey, and Rider, and for those interested in niche subjects, online learning is available through several web providers. Students also experience a one to one learning environment using chromebooks to enhance our blended and personalized learning approach.

Hopewell Valley has a commitment to STEM education which is evidenced in the various offerings that are available by grade band. In the elementary schools, STEM is infused in all curriculum areas through the training and guidance of the STEM Facilitators. At the middle school, the district subscribes to the Project Lead the Way (PLTW) curriculum which is offered in various elective courses at each grade

level. Finally, Central High School has a STEM pathway program providing students with exposure to four possible STEM fields including Biomedicine, Engineering, Computer Science, and Environmental Engineering.

A longstanding and important element of our curriculum is our visual and performing arts program. Hopewell Valley's extraordinary commitment to music education continues to be recognized by the nation's foremost music educators and advocates; including the American Music Conference, which has saluted Hopewell Valley as among the 100 Best Communities in America for music education. Our student musicians and vocalists continue to collect trophies through a wide variety of national competitions, as well as win distinction as selected members of highly competitive regional chorus, band, and orchestra ensembles. Additionally, we added a performing arts concentration which will result in a specialized diploma for students who chose to take performing arts credits beyond the graduation requirements.

Student success in Hopewell Valley is measured in a variety of ways. While they represent just one measure of student learning; SAT Reasoning test scores of Hopewell Valley students exceed state and national averages. Average scores in Hopewell Valley remained solidly higher than those of comparable, high achieving suburban districts in New Jersey. In 2021, CHS students achieved mean scores on the SAT of 615 in Reading/Writing and 622 in Mathematics. These scores were significantly higher than state and national mean scores. Each year, more and more students are also choosing to take the ACT. This policy of inclusion is proudly upheld throughout the district, which strives to help every student learn optimally, regardless of ability or special need.

In the consistently popular Advanced Placement Program, 25+ courses are offered in subjects ranging from Latin to Studio Art, making it one of the largest high school menus in New Jersey. Student performance on AP exams continues to track upward at a remarkable pace. Of the 651 tests taken last year, 89 percent scored a 3 or better -- enough to win college credit. Hopewell Valley's high overall achievement is annually recognized by the College Board, which continues to honor dozens of students every year as AP Scholars and the National Merit Scholarship Corporation. In 2021, Collegeboard named 15 students as Commended Scholars, 9 students as Program Scholars, and 5 National Merit Semi-Finalists.

Professional development continues to be a high priority in Hopewell Valley where rigorous standards, an extensive offering of workshops, and a mentoring system for our newest teachers reflect the district's belief that good teaching is the single largest factor in students' classroom success. The high caliber of the faculty is demonstrated in other ways as well. Teachers have collected regional and national honors, including being published in professional journals and authoring textbooks, as well as being selected to be AP readers with Collegeboard (to name a few).

4. Internal Control

District administration is responsible for establishing and maintaining internal control designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States (GAAP). Internal control 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 administration.

As a recipient of federal awards and state financial assistance, the District is also responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. Internal control is also subject to periodic evaluation by District administration.

As part of the District's single audit described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards and state financial assistance, as well as to determine that the District has complied with applicable laws, regulations, contracts, and grants.

5. Budgetary Controls

In addition to internal control, the District maintains budgetary controls. The legal level of budgetary control is established at line item accounts within each fund. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters and State Department of Education. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. The over-expenditure in the general fund is due to the inclusion of the non-budgeted on-behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and, as such; **do not** represent over-expenditures in this budget.

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-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as assigned fund balance at year-end.

6. Accounting System and Reports

The District's accounting records reflect accounting principles generally accepted in the United States, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and a government-wide presentation is also included. These funds and government-wide statements are explained in "Notes to the Basic Financial Statements," Note 1.

7. Other Information

Independent Audit: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Wiss and Company, LLP was selected by the Board of Education to perform auditing services. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Federal Uniform Guidance and New Jersey OMB Circular 15-08. The auditors' report on the basic financial statements, required supplementary information, and other supplementary information are included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

Awards: The District had applied to the Association of School Business Officials (ASBO) International for the "Certificate of Excellence in Financial Reporting" for its comprehensive annual financial report for the fiscal year ended June 30, 2020, and was granted the award. In order to be awarded this certificate, the District published an easily readable and efficiently organized comprehensive annual

financial report and satisfied both generally accepted accounting principles and applicable legal requirements. This is the ninth year the District has received this award.

We believe that our current comprehensive annual financial report continues to meet the Program's rigorous requirements, and we are submitting it to ASBO to determine its eligibility for the fiscal year 2020-21 award.

8. COVID-19

The District began a program to prevent the transmission of the coronavirus in March 2020, beginning with cautionary signage and enhanced cleaning of buildings as well as more frequent cleaning of surfaces. As the pandemic continued, the District took a variety of safety precautions, including implementing remote learning, providing PPE to staff, enforcing physical distancing in the buildings, improving ventilation and HVAC systems, and sharing information with employees and students about safety protocols. The District has changed protocols for classrooms, buses, cafeterias, and shared spaces. HVAC systems were fully inspected for proper operation and set to allow maximum fresh air. The district purchased HEPA air filtration machines for every instructional space. The district also purchased Hydroxyl generators that utilize ultraviolet light to scrub the air. These machines are deployed anytime there is a suspected case. Cleaning protocols were adjusted; those adjustments include disinfecting all high touch surfaces continually during the day and the use of electrostatic spray wands to disinfect all buildings nightly. In addition, the District has provided hand sanitizer, and distributed a range of PPE to staff including cloth masks, surgical masks, N95 masks, face shields, and lab coats as needed. Masks are required in all buildings. Students and staff are screened before entering buildings and non-touch temperature taking has been instituted as well as a daily health screening form. The District anticipates continued vigilance will be necessary and will examine any new options or protocols that become available to keep students and staff as safe as possible.

9. Acknowledgments

We would like to express our appreciation to the members of the Hopewell Valley Regional School District Board of Education for its concern in providing fiscal accountability to the citizens and taxpayers of the District and thereby contributing 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,

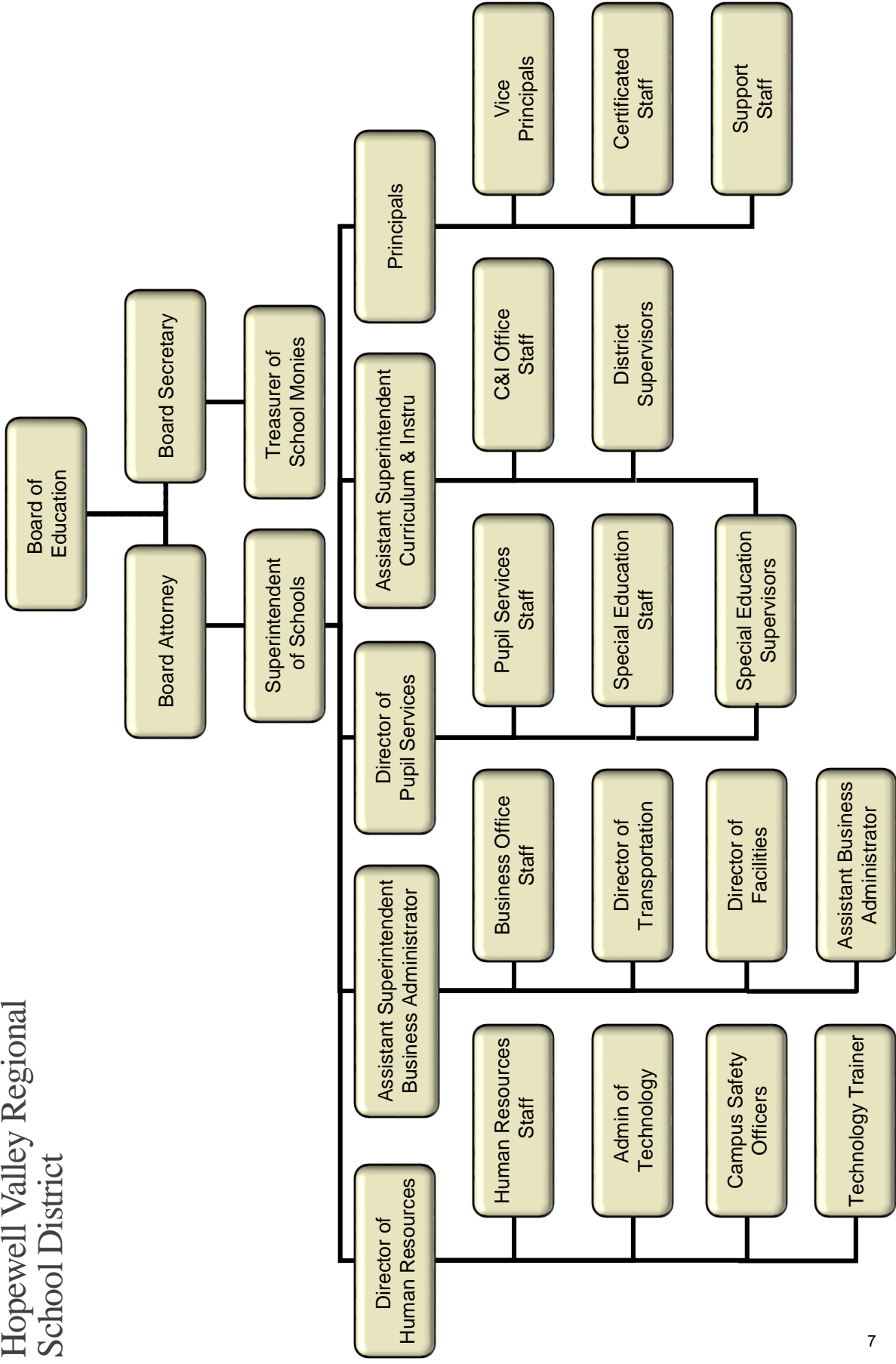
Rosetta D. Treece, Ed. D.

Robert Colavita

Dr. Rosetta Treece
Superintendent

Robert Colavita
Business Administrator/Board Secretary

Hopewell Valley Regional School District



Hopewell Valley Regional School District
Pennington, New Jersey

Roster of Officials

June 30, 2021

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Deborah Linthorst, President	2021
Jessica Grillo, Vice President	2022
Andrea Driver	2023
William Herbert	2022
Jenny Long	2021
John Mason	2022
Debra O'Reilly	2021
Adam J. Sawicki, Jr.	2021
Anita Williams Galiano	2023

Other Officials

Dr. Thomas Smith, Superintendent of Schools (retired July 31, 2021)

Dr. Rosetta Treece, Superintendent of Schools (effective August 1, 2021)

Robert Colavita, Business Administrator/Board Secretary

James Bartolomei, Treasurer

Mr. Paul Green, Esq., Solicitor

Hopewell Valley Regional School District
Pennington, New Jersey

Independent Auditors and Advisors

Independent Auditors

Wiss and Company, LLP
100 Campus Drive, Suite 400
Florham Park, New Jersey 07932

Attorney

Schenck, Price, Smith, & King, LLP
220 Park Avenue
Post Office Box 991
Florham Park, New Jersey 07932

Architect

Fraytak, Veisz, Hopkins, Duthie P.C.
1515 Lower Ferry Road
Post Office Box 7371
Trenton, New Jersey 08628

Fiscal Agents

Depository Trust Company
Seven Hanover Street
New York, New York 10004

Official Depository

Northfield Bank
4 Route 31 South
Pennington, New Jersey 08534



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Hopewell Valley Regional School District

**for its Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2020.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink that reads 'W. Edward Chabal'.

W. Edward Chabal
President

A handwritten signature in black ink that reads 'David J. Lewis'.

David J. Lewis
Executive Director

Financial Section



Independent Auditors' Report

Honorable President and Members
of the Board of Education
Hopewell Valley Regional School District
Pennington, New Jersey
County of Mercer

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Hopewell Valley Regional School District, County of Mercer, New Jersey (the "District"), 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards and requirements 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 auditors' 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the 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.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 20 to the financial statements, during the fiscal year ended June 30, 2021, the District adopted new accounting guidelines, Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, which represents a change in accounting principle. As of July 1, 2020, the District's government-wide financial statements net position and the fund balances of the general fund and special revenue fund were retroactively adjusted to reflect the impact of the change in accounting principle. 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 management's discussion and analysis, schedule of the District's proportionate share of the net pension liability-PERS, schedule of District pension contributions-PERS, schedule of the State's proportionate share of the net pension liability associated with the District-TPAF, schedule of the State's proportionate share of the net OPEB liability associated with the District and changes in the total OPEB liability and related ratios-PERS and TPAF, and budgetary comparison information as identified 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 opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements, long-term debt schedules and the schedules of expenditures of federal awards

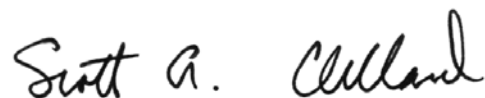
and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and the other information, such as the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, long-term debt schedules and the schedules of expenditures of federal awards and 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, long-term debt schedules and the schedules of expenditures for federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

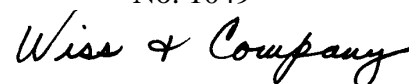
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Scott A. Clelland
Licensed Public School Accountant
No. 1049



WISS & COMPANY, LLP

February 17, 2022
Florham Park, New Jersey

Required Supplementary Information
Part I

Management's Discussion and Analysis

Hopewell Valley Regional School District Management's Discussion and Analysis

Year ended June 30, 2021

As management of the Hopewell Valley Regional School District (District), we offer readers of the District's financial statements this narrative discussion, overview, and analysis of the financial activities of the District for the year ended June 30, 2021. We encourage readers to consider the information presented, in conjunction with additional information that we have furnished in our letter of transmittal.

Management's Discussion and Analysis (MD&A) is Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain comparative information between the current fiscal year and the prior fiscal year is presented in the MD&A as required by GASB Statement No. 34.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This document also contains required supplementary information, supplementary information and other information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the assets, deferred outflows of resources, deferred inflows of resources and liabilities of the District, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation and sick leave).

The government-wide financial statements can be found on pages 23-24 of this report.

Fund financial statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund, special revenue fund, capital projects fund and debt service fund, all of which are considered to be major funds.

The District adopts an annual appropriated budget for its general fund, special revenue fund and debt service fund. Budgetary comparison statements have been provided as required supplementary information for the general fund and special revenue fund and as supplementary information for the debt service fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 25-27 of this report.

Proprietary funds. The District maintains one proprietary fund type as enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for the operations of its food service, driver education, and kindergarten extension programs. Also, a self-insurance fund is used to record the activity of the District's health insurance program. The basic enterprise fund financial statements can be found on pages 28-30 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 31-70 of this report.

Other information. The required supplementary information and the individual and combining statements referred to earlier in connection with governmental funds are presented immediately following the notes to the financial statements. Required supplementary information and combining and individual fund statements and schedules can be found on pages 71-109 of this report.

Financial Highlights

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$34,572,917 (net position) at the close of 2021 and our overall net position increased in the current year, primarily as a result of the decrease in the District's net pension liability. The following table provides a summary of net position relating to the District's governmental and business-type activities at June 30, 2021 and 2020:

Hopewell Valley Board of Education						
Net Position						
June 30,						
	2021			2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 24,690,885	\$ 484,566	\$ 25,175,451	\$ 19,841,786	\$ 512,251	\$20,354,037
Restricted cash	245,797		245,797			
Capital assets, net	84,374,139	113,974	84,488,113	86,609,287	107,102	86,716,389
Total assets	109,310,821	598,540	109,909,361	106,451,073	619,353	107,070,426
Deferred Outflows of Resources	3,592,195		3,592,195	4,768,059		4,768,059
Current liabilities	14,699,239	87,827	14,787,066	9,695,211	88,170	9,783,381
Net pension liability	18,695,624		18,695,624	20,831,617		20,831,617
Long-term liabilities outstanding	37,313,557		37,313,557	43,835,250		43,835,250
Total liabilities	70,708,420	87,827	70,796,247	74,362,078	88,170	74,450,248
Deferred Inflows of Resources	8,132,392		8,132,392	7,808,567		7,808,567
Net position:						
Net investment in capital assets	44,558,715	113,974	44,672,689	43,583,209	107,102	43,690,311
Restricted	11,382,965		11,382,965	8,030,556		8,030,556
Unrestricted (deficit)	(21,879,476)	396,739	(21,482,737)	(22,565,278)	424,081	(22,141,197)
Total net position	\$ 34,062,204	\$ 510,713	\$ 34,572,917	\$ 29,048,487	\$ 531,183	\$29,579,670

The increase in the current and other assets is mainly due to the increase in cash in the current year which is mostly due to the implementation of GASB 84 which required the inclusion of payroll, unemployment, student activities and scholarships to be included in the general and special revenue funds in the current year.

The largest portion of the District's net position is its net investment in capital assets. The increase in the District's net investment in capital assets is due to ongoing capital projects combined with the paying down of related debt. Restricted net position includes assets that are subject to external restrictions (e.g., for capital reserve, maintenance reserve, scholarship reserve, student activity reserve, excess fund balance, capital projects and debt service).

Deferred outflows of resources represent deferred losses on refunded debt associated with the District's outstanding debt issuances and deferred pension costs associated with the District's net

pension liability. Deferred inflows of resources represent the District's proportionate share of earnings and assumptions associated with the District's net pension liability and deferred gains on refunded debt. Long-term liabilities decreased due to the current year bond repayments. The net pension liability decreased due to the State contributing a greater percentage of their obligation in the current year.

Government-wide activities. The key elements of the District's changes in net position for the years ended June 30, 2021 and 2020 are as follows:

Hopewell Valley Board of Education						
Changes in Net Position						
Year Ended June 30,						
	2021			2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program Revenues:						
Charges for services	\$ 793,464	\$ 2,011	\$ 795,475	\$ 487,969	\$ 890,796	\$ 1,378,765
Operating and capital grants and contributions	1,567,490	620,829	2,188,319	1,295,974	128,668	1,424,642
Capital grants and contributions	13,412		13,412			
General revenues:						
Property taxes	82,168,163		82,168,163	81,215,297		81,215,297
Grants and contributions not restricted to specific programs	40,673,135		40,673,135	29,377,600		29,377,600
Investment Earnings	41,648	645	42,293	209,162	2,893	212,055
Other	302,012		302,012	436,852	50,000	486,852
Total Revenues	125,559,324	623,485	126,182,809	113,022,854	1,072,357	114,095,211
Expenses:						
Instructional services	75,868,552		75,868,552	65,438,096		65,438,096
Support services	43,537,347	643,955	44,181,302	40,840,901	1,060,692	41,901,593
Special schools	398,107		398,107	409,031		409,031
Interest and other charges on long-term debt	1,161,411		1,161,411	1,376,918		1,376,918
Total Expenses	120,965,417	643,955	121,609,372	108,064,946	1,060,692	109,125,638
Change in net position	4,593,907	(20,470)	4,573,437	4,957,908	11,665	4,969,573
Net position-beginning of year (as retroactively adjusted)	29,468,297	531,183	29,999,480	24,090,579	519,518	24,610,097
Net position-end of year	\$ 34,062,204	\$ 510,713	\$ 34,572,917	\$ 29,048,487	\$ 531,183	\$ 29,579,670

Property tax revenue increased due to an increase in the current year property tax levy.

Governmental instructional expenses and governmental support services increased because of additional expenditures incurred in the current year due to an increase in grant revenues to fund specific COVID-19 related necessities.

Business-type activities revenues decreased because of decreases in revenues in the food service, driver education and after school programs which was mostly attributable to the COVID-19 pandemic.

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District’s financing requirements.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$3,686,979, while total fund balance was \$17,895,971. As a measure of the general fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 3.9% of the total general fund expenditures while total fund balance represents 20.5% of that same amount.

The fund balance of the District’s general fund increased by \$3,992,775 during the current fiscal year. Factors in this increase include the revenues exceeding expenditures by approximately \$2.8 million plus other financing sources of \$1.2 million.

The Capital Projects Fund was active once again during the fiscal year. Fund balance restricted for capital projects decreased by \$730,355 to \$945,286 which represents the unspent balance of the bond proceeds. The decrease is attributed to the expenditures related to the ongoing capital projects.

The Debt Service Fund has a total fund balance of \$72,597, all of which is restricted for the payment of debt service and \$70,930 of which has been anticipated in the District’s 2021-22 budget. The net decrease in fund balance during the current year was \$198,301, which is mainly attributable to the principal and interest payments incurred during the year. The District received \$4,992,165 from the local tax levy and \$509,830 in state aid and paid \$4,180,000 and \$1,521,963 in principal and interest on bonds, respectively.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the General Fund, Special Revenue Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2021, and the increases in relation to the prior year.

Revenue	Amount	Percent of Total	Increase from 2020	Percent of Increase
Local sources	\$ 83,370,880	79.3%	\$ 979,763	1.2%
State sources	20,493,381	19.4	3,267,366	19.0
Federal sources	1,326,190	1.3	266,189	25.1
Total	\$105,190,451	100.0%	\$ 4,513,318	4.5%

The increase in local sources is due to an increase in the local tax levy and the implementation of GASB 84 requiring the inclusion of unemployment, student activities, and scholarships in the General and Special Revenue Funds.

The increase in state sources is mainly attributable to increases in on-behalf TPAF pension, medical and long-term disability contributions paid by the State.

The increase in federal sources is mainly attributable to the new COVID-19 related grants in the current year: Coronavirus Relief Fund, COVID-19 Nonpublic Technology, CARES Emergency

(ESSER I).

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2021, and the increases and decreases in relation to the prior year.

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2020	Percent of Increase (Decrease)
Current expenditures:				
Instruction	\$ 38,718,633	37.7%	\$2,305,012	6.3%
Support services	54,571,210	53.2	730,319	1.4
Capital outlay	2,712,699	2.7	1,692,100	165.8
Special schools	195,847	0.2	(34,143)	(14.8)
Debt service:				
Principal	4,831,492	4.7	(219,405)	(4.3)
Interest and costs	1,545,136	1.5	(203,447)	(11.6)
Total	<u>\$102,575,017</u>	<u>100.0%</u>	<u>\$4,270,436</u>	<u>4.3%</u>

The increase in instruction is mainly attributable to the decrease in salaries and general supplies costs necessary to provide a comprehensive education.

The increase in capital outlay is due to more construction and maintenance projects having completed in the prior year and an increase in capital lease activity during the current year.

The decrease in special schools is due to fewer students attending those schools.

The decrease in debt service principal and interest is due to the payments being made on debt service in the general fund in the current year.

General Fund Budgetary Highlights

The District budget is prepared according to New Jersey Statutes. The most significant budgeted fund is the general fund. During the fiscal year, there were several differences between the original budget and the final amended budget as a result of transfers being applied to certain line items. These transfers were made between line items as part of the normal process as permitted by State guidelines. Readers should refer to Section C of the financial report for comparisons between the actual and budgeted amounts.

Tuition revenues exceeded anticipated revenues by \$175,680 as a result of an increase in student enrollment. State sources exceeded anticipated revenues by \$16,044,709 as a result of the District not anticipating revenues related to Extraordinary Aid, Non-public transportation aid, State on-behalf TPAF pension, medical and disability contributions, and State reimbursed TPAF social security contributions.

Budgetary transfers were made between budgetary line items and approved by the Board for various reasons including:

- Regular Programs – instruction – grades 1-5 – salaries of teachers – an increase of \$636,593 occurred in the budget mainly due to the need for additional substitutes related to the COVID-19 pandemic.
- Capital Outlay – facilities acquisition and construction services – construction services – an increase of \$747,375 occurred in the budget mainly due to withdrawal from capital reserve to perform several projects in the District.

The District experienced significant variations between the final amended budget and the actual expenditures for various reasons including:

- Instruction – regular programs – undistributed instruction – general supplies – a remaining balance of \$249,267. Decrease was mainly attributable to overestimating supplies needed due to COVID-19 Pandemic.
- Undistributed Expenditures – instruction – tuition to private schools for the disabled – within state – a remaining balance of \$325,150. Decrease is mainly attributable to projected students not being placed out of district.
- Undistributed Expenditures – instruction – tuition – other – a remaining balance of \$259,345. Decrease is mainly attributable to projected students not being placed out of district.
- Undistributed expenditures – other supp. serv. students – extra serv. – purchased professional – educational services – a remaining balance of \$442,455. Decrease is mainly attributable to budgeted services not being required as projected students did not utilize the services.
- Undistributed expenditures – required maint. for sch. facil. – cleaning, repair and maintenance services – a remaining balance of \$341,342. Decrease is mainly attributable to overestimating the anticipated need related to the COVID-19 Pandemic.
- Undistributed expenditures – student transportation serv. – contracted services (between home and school) – vendors – a remaining balance of \$286,505. Decrease is mainly due to fewer vendors being utilized due to COVID-19.
- Undistributed expenditures – student transportation serv. – transportation supplies – a remaining balance of \$328,517. Decrease is mainly attributable to extracurricular runs not being needed due to COVID-19 pandemic closures.
- Undistributed expenditures – unallocated benefits – health benefits – a remaining balance of \$1,924,861. Decrease is mainly attributable to the District overestimating health benefit claims.
- Capital Outlay – facilities acquisition and construction services – construction services – a remaining balance of \$289,204. Decrease is mainly attributable to the District not completing all planned capital projects during the year.

Capital Assets

At the end of the fiscal years ended June 30, 2021 and 2020, the District had \$84,488,113 and \$86,716,389, respectively, invested in land, construction in progress, land improvements, building and building improvements and machinery and equipment, net of accumulated depreciation or amortization.

	Capital Assets (Net of Depreciation)			
	Governmental Activities		Business-type Activities	
	2021	2020	2021	2020
Land	\$ 2,546,691	\$ 2,546,691		
Construction in progress	15,344,179	20,721,624		
Land improvements	2,189,737	2,391,453		
Building and building improvements	60,511,621	56,493,714		
Machinery and equipment	3,781,911	4,455,805	\$113,974	\$107,102
Total	<u>\$ 84,374,139</u>	<u>\$86,609,287</u>	<u>\$113,974</u>	<u>\$107,102</u>

The decrease in governmental activities capital assets is due to the current year depreciation expense exceeding additions related to construction in progress, buildings and building improvements, and machinery, equipment, and vehicles. The increase in business-type activities is due to the current year additions exceeding current year depreciation expense.

For more detailed information, please refer to Note 4 to the basic financial statements.

Debt Administration

At June 30, 2021, the District had \$63,120,968 of outstanding long-term liabilities. Of this amount, \$18,695,624 represents the District's net pension liability, \$2,703,816 is for compensated absences; \$2,703,816 for capital leases; \$38,295,000 of serial bonds; \$908,392 has been accrued to pay for legal settlements and \$930,467 is for the unamortized premium on bonds.

In addition, the District has \$2,893,935 accrued as a liability for insurance claims related to its self-insured health benefits.

For more detailed information, refer to Note 5 of the basic financial statements.

Economic Factors and Next Year's Budget

- Local aid related to the tax levy has increased approximately \$1.35 million.
- State aid has increased approximately \$630,000.
- The cost of providing employee health benefits are expected to continue to increase.
- The District budgeted \$1,946,038 of its 2021 fund balance to partially fund the 2021-22 operations, a decrease of \$1,056,474 from the prior year.
- The District considered the effects of the COVID-19 pandemic, potential for state aid reductions, CARES Act grant funding, CRSSA grant funding, and ARP grant funding.

All of the above factors were considered in preparing the District's 2021-22 fiscal year budget.

Requests for Information

This financial report is designed to provide a general overview of the Hopewell Valley Regional School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the School Business Administrator, 425 South Main Street, Pennington, New Jersey 08534.

Basic Financial Statements

Government-wide Financial Statements

The government-wide financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the year ended June 30, 2021.

Hopewell Valley Regional School District

Statement of Net Position

June 30, 2021

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 23,553,177	\$ 363,822	\$ 23,916,999
Accounts receivable	1,137,708	95,725	1,233,433
Inventories		25,019	25,019
Restricted assets:			
Cash and cash equivalents	245,797		245,797
Capital assets, non-depreciable	17,890,870		17,890,870
Capital assets, depreciable, net	66,483,269	113,974	66,597,243
Total assets	<u>109,310,821</u>	<u>598,540</u>	<u>109,909,361</u>
Deferred Outflows of Resources			
Pension deferrals	3,536,475		3,536,475
Deferred loss on refunding of debt	55,720		55,720
Total deferred outflows of resources	<u>3,592,195</u>		<u>3,592,195</u>
Liabilities			
Accounts payable	3,914,193	30	3,914,223
Accrued interest payable	636,191		636,191
Intergovernmental payables:			
State	13,910		13,910
Unearned revenue	129,223	87,797	217,020
Accrued expenses	2,893,935		2,893,935
Net pension liability	18,695,624		18,695,624
Current portion of long-term obligations	7,111,787		7,111,787
Noncurrent portion of long-term obligations	37,313,557		37,313,557
Total liabilities	<u>70,708,420</u>	<u>87,827</u>	<u>70,796,247</u>
Deferred Inflows of Resources			
Pension deferrals	8,129,098		8,129,098
Deferred gain on refunding of debt	3,294		3,294
Total deferred inflows of resources	<u>8,132,392</u>		<u>8,132,392</u>
Net position			
Net investment in capital assets	44,558,715	113,974	44,672,689
Restricted for:			
Capital reserve	10,179,839		10,179,839
Maintenance reserve	91,277		91,277
Scholarships	28,325		28,325
Student activities	414,112		414,112
Excess surplus - current year	641,200		641,200
Excess surplus - designated for subsequent years	28,212		28,212
Unrestricted (deficit)	(21,879,476)	396,739	(21,482,737)
Total net position	<u>\$ 34,062,204</u>	<u>\$ 510,713</u>	<u>\$ 34,572,917</u>

See accompanying notes to the basic financial statements.

Hopewell Valley Regional School District

Statement of Activities

Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities							
Instruction	\$ 75,868,552	\$ 781,883	\$ 820,405	\$ 13,412	\$ (74,252,852)		\$ (74,252,852)
Support services:							
Instruction	2,142,403				(2,142,403)		(2,142,403)
Attendance/social work	649				(649)		(649)
Health services	1,326,402				(1,326,402)		(1,326,402)
Other support services	11,743,351		747,085		(10,996,266)		(10,996,266)
Improvement of instruction	2,944,611				(2,944,611)		(2,944,611)
School library	2,260,185				(2,260,185)		(2,260,185)
General administration	1,528,609				(1,528,609)		(1,528,609)
School administration	4,858,537				(4,858,537)		(4,858,537)
Central services	2,014,907				(2,014,907)		(2,014,907)
Admin info technology	456,355				(456,355)		(456,355)
Instructional staff training services	61,596				(61,596)		(61,596)
Required maintenance of plant services	2,283,287				(2,283,287)		(2,283,287)
Operation of plant	5,776,870				(5,776,870)		(5,776,870)
Care and upkeep of grounds	485,320				(485,320)		(485,320)
Security	683,395				(683,395)		(683,395)
Student transportation	4,970,870	11,581			(4,959,289)		(4,959,289)
Special Schools	398,107				(398,107)		(398,107)
Interest and other charges on long-term debt	1,161,411				(1,161,411)		(1,161,411)
Total governmental activities	120,965,417	793,464	1,567,490	13,412	(118,591,051)		(118,591,051)
Business-type activities							
Food service	636,033	2,011	620,829			\$ (13,193)	(13,193)
Driver education	6,455					(6,455)	(6,455)
After school	1,467					(1,467)	(1,467)
Total business-type activities	643,955	2,011	620,829			(21,115)	(21,115)
Total primary government	\$ 121,609,372	\$ 795,475	\$ 2,188,319	\$ 13,412	(118,591,051)	(21,115)	(118,612,166)
General revenues:							
Property taxes, levied for general purposes					77,175,998		77,175,998
Property taxes, levied for debt service					4,992,165		4,992,165
State and federal sources					40,673,135		40,673,135
Investment earnings					41,648	645	42,293
Miscellaneous income					302,012		302,012
Total general revenues and transfers					123,184,958	645	123,185,603
Change in net position					4,593,907	(20,470)	4,573,437
Net position—beginning (retroactively adjusted - see Note 20)					29,468,297	531,183	29,999,480
Net position—ending					\$ 34,062,204	\$ 510,713	\$ 34,572,917

Fund Financial Statements

Governmental Funds

Hopewell Valley Regional School District
Governmental Funds

Balance Sheet

June 30, 2021

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Assets					
Cash and cash equivalents	\$ 19,239,542	\$ 529,425	\$ 1,002,012	\$ 15,871	\$ 20,786,850
Accounts receivable:					
Intergovernmental:					
State	992,959				992,959
Federal		102,555			102,555
Other	36,440	5,754			42,194
Interfund receivable				56,726	56,726
Total assets	<u>\$ 20,268,941</u>	<u>\$ 637,734</u>	<u>\$ 1,002,012</u>	<u>\$ 72,597</u>	<u>\$ 21,981,284</u>
Liabilities and fund balances					
Liabilities:					
Accounts payable	\$ 618,623	\$ 80,578			\$ 699,201
Intergovernmental payables:					
State		13,910			13,910
Interfunds payable	133,611		\$ 56,726		190,337
Payroll deductions and withholdings payable	1,592,322				1,592,322
Unearned revenue	28,414	100,809			129,223
Total liabilities	<u>2,372,970</u>	<u>195,297</u>	<u>56,726</u>		<u>2,624,993</u>
Fund balances:					
Restricted for:					
Capital reserve	10,179,839				10,179,839
Maintenance reserve	91,277				91,277
Capital projects			945,286		945,286
Debt service				\$ 72,597	72,597
Scholarships		28,325			28,325
Student activities		414,112			414,112
Excess surplus-current year	641,200				641,200
Excess surplus-prior year	28,212				28,212
Assigned to:					
Designated for subsequent year expenditures	1,917,826				1,917,826
Other purposes	1,350,638				1,350,638
Unassigned	3,686,979				3,686,979
Total fund balances	<u>17,895,971</u>	<u>442,437</u>	<u>945,286</u>	<u>72,597</u>	<u>19,356,291</u>
Total liabilities and fund balances	<u>\$ 20,268,941</u>	<u>\$ 637,734</u>	<u>\$ 1,002,012</u>	<u>\$ 72,597</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$132,858,453 and the accumulated depreciation is \$48,484,314.

84,374,139

Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.

(636,191)

Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.

(4,587,371)

Losses and gains arising from the issuance of refunding bonds that are a result of the difference in the carrying value of the refunded bonds and the new bonds are deferred and amortized over the life of the bonds.

52,426

Internal service funds are used by the District to charge the costs of the District's self-insurance fund to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities.

-

Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.

(18,700,876)

Accrued pension contributions for the June 30, 2021 plan year end are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.

(1,370,870)

Long-term liabilities, including bonds payable, capital leases, compensated absences, settlements arising from litigation and unamortized premium on bonds are not due and payable in the current period and therefore are not reported as liabilities in the funds.

(44,425,344)

Net position of governmental activities

\$ 34,062,204

Hopewell Valley Regional School District
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2021

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Revenues:					
Local sources:					
Local tax levy	\$ 77,175,998			\$ 4,992,165	\$ 82,168,163
Tuition	495,975				495,975
Interest on investments	39,981		\$ 1,667		41,648
Transportation	11,581				11,581
Miscellaneous	302,012	\$ 353,168			655,180
Total local sources	78,025,547	353,168	1,667	4,992,165	83,372,547
State sources	19,755,327	228,224		509,830	20,493,381
Federal sources	54,184	1,272,006			1,326,190
Total revenues	97,835,058	1,853,398	1,667	5,501,995	105,192,118
Expenditures:					
Current:					
Instruction	37,634,947	1,083,686			38,718,633
Support services:					
Instruction	2,032,490				2,032,490
Attendance/social work	319				319
Health services	719,194				719,194
Support services	2,377,909	733,673			3,111,582
Guidance	1,321,945				1,321,945
Child study team	2,015,606				2,015,606
Improvement of instruction	1,480,959				1,480,959
School library	1,155,486				1,155,486
General administration	1,234,963				1,234,963
School administration	2,175,269				2,175,269
Central services	1,074,560				1,074,560
Administration information technology	230,893				230,893
Instructional staff training services	58,436				58,436
Required maintenance of plant services	1,504,346				1,504,346
Operation of plant-custodial services	3,694,987				3,694,987
Care and upkeep of grounds	270,001				270,001
Security	336,193				336,193
Student transportation	3,285,001				3,285,001
Employee benefits	13,687,524				13,687,524
On-behalf pension, medical and disability contributions	12,586,894				12,586,894
On-behalf TPAF social security contributions	2,594,562				2,594,562
Special Schools	195,847				195,847
Capital outlay	2,699,287	13,412	730,355		3,443,054
Debt Service:					
Principal	651,492			4,180,000	4,831,492
Interest	23,173			1,521,963	1,545,136
Total expenditures	95,042,283	1,830,771	730,355	5,701,963	103,305,372
Excess (Deficiency) of revenues over (under) expenditures	2,792,775	22,627	(728,688)	(199,968)	1,886,746
Other financing sources (uses):					
Transfers in				1,667	1,667
Transfers out			(1,667)		(1,667)
Capital leases (non-budgeted)	1,200,000				1,200,000
Total other financing sources (uses)	1,200,000		(1,667)	1,667	1,200,000
Net change in fund balances	3,992,775	22,627	(730,355)	(198,301)	3,086,746
Fund balances, July 1 (retroactively adjusted - see note 20)	13,903,196	419,810	1,675,641	270,898	16,269,545
Fund balances, June 30	\$ 17,895,971	\$ 442,437	\$ 945,286	\$ 72,597	\$ 19,356,291

The reconciliation of the fund balances of governmental funds to the net position of governmental activities in the statement of activities is presented in an accompanying schedule (B-3).

Hopewell Valley Regional School District
Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended June 30, 2021

Total net change in fund balances - governmental funds (from B-2) **\$ 3,086,746**

Amounts reported for governmental activities in the statement
of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures.
However, in the statement of activities, the cost of those assets is
allocated over their estimated useful lives as depreciation expense.
This is the amount by which depreciation expense exceeded capital asset additions
in the period.

Capital additions	\$ 1,259,598	
Depreciation expense	(3,494,346)	
		(2,234,748)

Loss on disposal of assets. (400)

Proceeds from lease purchase agreements and capital leases are a financing source in the governmental
funds. They are not revenue in the statement of activities; lease purchase agreements and capital leases
increase long-term liabilities in the statement of net position.

Obligations Under Capital Leases		(1,200,000)
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Repayments of bond principal and capital lease obligations are expenditures in the governmental funds,
but the repayment reduces long-term liabilities in the statement of net position and is not reported in the
statement of activities.

Serial Bonds Payable	4,180,000	
Obligations Under Capital Leases	651,493	
		4,831,493

Governmental funds report the effect of premiums and similar items when debt is first issued, whereas
these amounts are deferred and amortized in the statement of activities. This amount is the net effect of
these differences.

Amortization of Premium on Bonds	339,051	
Amortization of Deferred Interest Costs	(29,534)	
		309,517

The Internal Service Fund is used by the District to charge the costs of self insurance to other funds.
The activity of this fund is included in the Statement of Activities.

Change in net position		(258,410)
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Some expenses reported in the Statement of Activities do not require
the use of current financial resources and therefore are not reported as
expenditures in governmental funds.

Pension expense		549,130
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In the statement of activities, provision for litigation settlements are measured in the
period the incident occurred. In the governmental funds however, expenditures for these items
are reported in the amount of financial resources paid.

(470,986)

In the statement of activities, interest on long-term debt/capital leases is
accrued, regardless of when due. In the governmental funds, interest is
reported when due. The amount presented is the change from prior year.

74,209

In the statement of activities, certain operating expenses,
e.g., compensated absences (vacations) are measured by the amounts
earned during the year. In the governmental funds, however,
expenditures for these items are reported in the amount of
financial resources used (paid).

(92,644)

Change in net position of governmental activities (A-2)

\$ 4,593,907

See accompanying notes to the basic financial statements.

Proprietary Funds

Hopewell Valley Regional School District
Proprietary Funds

Combining Statement of Net Position

June 30, 2021

	Major Funds				Governmental Activity - Internal Service Fund Self-Insurance
	Business-Type Activities - Enterprise Funds				
	Food Service	Driver Education	After School	Totals	
Assets					
Current assets:					
Cash and cash equivalents	\$ 307,126	\$ 35,603	\$ 21,093	\$ 363,822	\$ 2,766,327
Accounts receivable:					
State	3,502			3,502	
Federal	89,666			89,666	
Other	2,557			2,557	
Interfund receivable					133,611
Inventories	25,019			25,019	
Restricted cash					245,797
Total current assets	<u>427,870</u>	<u>35,603</u>	<u>21,093</u>	<u>484,566</u>	<u>3,145,735</u>
Non-current assets:					
Capital assets:					
Equipment	650,836	50,855		701,691	
Accumulated depreciation	<u>(577,676)</u>	<u>(10,041)</u>		<u>(587,717)</u>	
Total capital assets, net	73,160	40,814		113,974	
Total assets	<u>501,030</u>	<u>76,417</u>	<u>21,093</u>	<u>598,540</u>	<u>3,145,735</u>
Liabilities					
Current liabilities:					
Accounts payable		30		30	251,800
Accrued liability for insurance claims					2,893,935
Unearned revenue	87,797			87,797	
Total current liabilities	<u>87,797</u>	<u>30</u>		<u>87,827</u>	<u>3,145,735</u>
Net position					
Investment in capital assets	73,160	40,814		113,974	
Unrestricted	340,073	35,573	21,093	396,739	
Total net position	<u>\$ 413,233</u>	<u>\$ 76,387</u>	<u>\$ 21,093</u>	<u>\$ 510,713</u>	<u>\$ -</u>

Hopewell Valley Regional School District
Proprietary Funds

Combining Statement of Revenues, Expenses and
Changes in Fund Net Position

Year Ended June 30, 2021

	Major Funds				Governmental Activity - Internal Service Fund	
	Business Type Activities - Enterprise Funds			Totals		Self-Insurance
	Food Service	Driver Education	After School			
Operating revenues:						
Local sources:						
Daily food sales- non reimbursable programs	\$ 2,011			\$ 2,011		
Charges for services - district contributions					\$ 10,287,437	
Charges for services - employee contributions					2,793,476	
Miscellaneous revenue					580,900	
Total operating revenues	2,011			2,011	13,661,813	
Operating expenses:						
Salaries	169,474			169,474		
Employee benefits	46,848	\$ 185		47,033		
Supplies and materials	37,226	167		37,393		
Purchased services			\$ 1,467	1,467		
Depreciation	20,530	5,393		25,923		
Insurance	17,192			17,192		
Cost of sales - reimbursable programs	288,140			288,140		
Cost of sales - non reimbursable programs	3,968			3,968		
Management and administrative fees	33,986			33,986		
Insurance Claims					12,518,001	
Other	18,669	710		19,379	1,872,203	
Total operating expenses	636,033	6,455	1,467	643,955	14,390,204	
Operating (loss)	(634,022)	(6,455)	(1,467)	(641,944)	(728,391)	
Nonoperating revenues:						
Other sources:						
Re-insurance proceeds					465,438	
Interest and investment revenue	645			645	4,543	
State sources:						
State school lunch program	19,971			19,971		
Federal sources:						
Child nutrition discretionary grant	6,732			6,732		
National school lunch program	386,967			386,967		
National school breakfast program	112,028			112,028		
Emergency operational cost program	34,775			34,775		
Pandemic electronic benefit transfer	614			614		
Food donation program	59,742			59,742		
Total nonoperating revenues	621,474			621,474	469,981	
Change in net position	(12,548)	(6,455)	(1,467)	(20,470)	(258,410)	
Total net position-beginning	425,781	82,842	22,560	531,183	258,410	
Total net position-ending	\$ 413,233	\$ 76,387	\$ 21,093	\$ 510,713	\$ -	

See accompanying notes to the basic financial statements.

Hopewell Valley Regional School District
Proprietary Funds

Combining Statement of Cash Flows

Year Ended June 30, 2021

	Major Funds				Governmental Activity - Internal Service Fund	
	Business Type Activities - Enterprise Funds			Totals		Self-Insurance
	Food Service	Driver Education	After School			
Cash flows from operating activities:						
Receipts from customers	\$ 6,783			\$ 6,783		
Payments to employees	(169,474)	\$ (2,415)		(171,889)		
Payments for employee benefits	(46,848)	(185)		(47,033)		
Receipts from services provided			\$ (1,467)	(1,467)	\$ 14,185,828	
Payments for insurance claims					(12,640,300)	
Payments to suppliers	(388,675)	(847)		(389,522)	(1,877,939)	
Net cash (used in) operating activities	(598,214)	(3,447)	(1,467)	(603,128)	(332,411)	
Cash flows from noncapital financing activities:						
Cash received from state and federal reimbursements	476,128			476,128		
Cash received from food donation program	59,742			59,742		
Re-insurance proceeds					465,438	
Net cash provided by noncapital financing activities	535,870			535,870	465,438	
Cash flows from capital and related financing activity:						
Acquisition of capital assets	(6,732)	(26,063)		(32,795)		
Net cash (used in) capital and related financing activity	(6,732)	(26,063)		(32,795)		
Cash flows from investing activity:						
Interest	645			645	4,543	
Net cash provided by investing activity	645			645	4,543	
Net (decrease) increase in cash and cash equivalents	(68,431)	(29,510)	(1,467)	(99,408)	137,570	
Cash and cash equivalents, beginning of year	375,557	65,113	22,560	463,230	2,628,757	
Cash and cash equivalents, end of year	\$ 307,126	\$ 35,603	\$ 21,093	\$ 363,822	\$ 2,766,327	
Reconciliation of operating (loss) to net cash (used in) operating activities						
Operating (loss)	\$ (634,022)	\$ (6,455)	\$ (1,467)	\$ (641,944)	\$ (728,391)	
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:						
Depreciation	20,530	5,393		25,923		
Change in assets and liabilities:						
Decrease in accounts receivable	2,730			2,730		
Decrease in interfund receivable					524,015	
Decrease in inventory	10,506			10,506		
Decrease in deposit/restricted cash					12,311	
(Decrease) in accounts payable		(2,385)		(2,385)	(199,579)	
Increase in accrued liability for insurance claims					59,233	
Increase in unearned revenue	2,042			2,042		
Net cash (used in) operating activities	\$ (598,214)	\$ (3,447)	\$ (1,467)	\$ (603,128)	\$ (332,411)	

Noncash noncapital financing activities:

The District received \$59,742 of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2021.

Hopewell Valley Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

1. Summary of Significant Accounting Policies

The financial statements of the Board of Education (the “Board”) of the Hopewell Valley Regional School District (the “District”) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District’s accounting policies are disclosed below:

A. Reporting Entity

The financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization’s governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

The District, as the primary government for financial reporting entity purposes, has oversight responsibility and control over all activities related to the Hopewell Valley Regional School District in Pennington, New Jersey. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The District has no component units that are required to be included within the reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

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 activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers 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 and proprietary funds. Major individual governmental funds and the major individual enterprise funds are reported as separate columns in the fund financial statements. The New Jersey Department of Education requires that all funds be reported as major to promote consistency of reporting among the school districts in the State of New Jersey.

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 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 all revenues, except property taxes, to be available if they are collected within 60 days of the end of the current fiscal year. Property taxes are considered 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 and net pension liability are recorded only when payment is due.

Property taxes, interest, and state aid monies 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 year. All other revenue items are considered to be measurable and available only when the District receives cash.

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

The District has reported 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 subfund.

Special Revenue Fund: The District maintains one special revenue fund, which includes the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Capital Projects Fund: The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to an expenditure for capital outlays, including the acquisition or construction of major capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds, state aid and local funds 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 accounts for and reports financial resources that are restricted, committed, or assigned to an expenditure for the principal and interest on long-term general obligation debt of governmental funds.

The District reports the following major proprietary funds:

Enterprise Funds (Food Service, Driver Education, and After School): The enterprise funds account for all revenues and expenses pertaining to cafeteria, driver education, and after school operations and are 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 and services to the students or other entities on a continuing basis are financed or recovered primarily through user charges.

Self-Insurance Internal Service Fund: The self-insurance fund is used to record the activity of the District's self insured health insurance program expenses.

As a general rule the effect of internal activity has been eliminated from the Government-wide financial statements.

Amounts reported as program revenues include 1) fees charged to customers or applicants for goods, services, or privileges 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 taxes.

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the District's enterprise funds are charges for sales of food, tuition for the driver education program and rental fees and fees collected related to the after school program. Operating expenses for the enterprise fund include the cost of sales, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The District reports unearned revenue on its balance sheet and statement of net position. Unearned revenue arises when resources are received by the District before it has legal claim to them, as when federal assistance is received prior to the incurrence of qualifying expenditures. In subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and statement of net position and revenue is recognized.

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

The County Board of Taxation is responsible for the assessment of properties and the Municipal Tax Collectors are responsible for the collection of taxes. Assessments are certified and taxes are levied on January 1; taxes are due on February 1, May 1, August 1, and November 1. Unpaid taxes are considered delinquent the following January 1 and are then subject to lien.

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds and submitted to the county office for approval. Budgets are prepared using the modified accrual basis of accounting and the special revenue fund uses a non-GAAP budget (budgetary basis). 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 referred in N.J.A.C. 6A:23.

The over-expenditure in the general fund is due to the inclusion of the non-budgeted on-behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary over-expenditures. All budget amendments must be approved by School Board resolution and certain other matters require approval by the

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (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 accounting principles generally accepted in the United States with the exception of the legally mandated revenue recognition of the last state aid payments 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. Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, amounts on deposit, and money market accounts with original maturities of three months or less.

Investments are stated at fair value in accordance with the GASB. The District classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments and are stated at cost. All other investments including United States Treasury Bonds and Notes which are stated at fair value.

F. Interfund Receivables/Payables

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

G. Inventories

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

The food service enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method amounted to \$25,019 at June 30, 2021. At June 30, 2021, there were no unused Food Donation Program commodities in the food service enterprise fund.

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

H. Capital Assets

Capital assets, which include land, property, plant and equipment and construction in progress, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at acquisition value at the date of acquisition.

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

Property, plant and equipment of the District is depreciated using the straight line method. The following estimated useful lives are used to compute depreciation:

	<u>Years</u>
Land improvements	20
Buildings and building improvements	7-60
Machinery and equipment	3-20
Vehicles	5-10
Computer software	5

I. Compensated Absences

A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits. The District uses the “vesting method” for estimating its accrued sick and vacation leave liability.

District employees are granted vacation and sick leave in varying amounts under the District’s personnel policies and collective bargaining agreements. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after one year of service.

The liability for vested compensated absences of the District is recorded in the government-wide financial statements amounted to \$2,703,816 at June 30, 2021. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

J. Unearned Revenue

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned. Unearned revenue in the enterprise fund consists of student deposits made for the use of purchasing food to be consumed in a future period. Unearned revenue in the general fund represents cash which has been received but not yet earned.

K. 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 element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense / expenditure) until then. The District has two items that qualify for reporting in this category, including deferred loss on refunding of debt and deferred amounts related to pensions.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial 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, including deferred amounts related to pensions and the deferred gain on the refunding of debt.

L. Deferred Loss/Gain on Defeasances of Debt

Deferred losses on refunding of debt are recorded as deferred outflows of resources. Deferred gain on refunding of debt is recorded as a deferred inflow of resources. They are amortized in a systematic and rational manner over the duration of the related debt as a component of interest and other charges on long-term debt. The net amortization expense for the year ended June 30, 2021 amounted to \$29,534. As of June 30, 2021, the District has recorded an unamortized deferred loss and deferred gain of \$55,720 and \$3,294 as a deferred outflow of resources and a deferred inflow of resources, respectively.

M. Long-Term Obligations

In the government-wide financial statements, and enterprise funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise fund type 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. Bonds payable are reported net of the applicable bond premium or discount.

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

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 issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as either capital projects fund or debt service fund expenditures in the year of issuance.

N. Fund Balances

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (“GASB 54”) established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under GASB 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories, as defined below:

- 1) Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables and corpus of any permanent funds.
- 2) Restricted - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- 3) Committed - includes amounts that can be used only for the specific purposes imposed by a formal action of the government’s highest level of decision-making authority. The District’s highest level of decision-making authority is the Board of Education (the “Board”) and formal action is taken by resolution of the Board at publicly held meetings. Once committed, amounts cannot be used for other purposes unless the Board revises or changes the specified use by taking the same action (resolution) taken to originally commit these funds.
- 4) Assigned – amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Intent is expressed by either the Board or Business Administrator, to whom the Board has delegated the authority to assign amounts to be used for specific purposes, including the encumbering of funds.
- 5) Unassigned - includes all spendable amounts not contained in the other classifications in the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In the other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. For the unrestricted fund balance, the District first spends committed funds, then assigned funds, and finally, unassigned funds.

Of the \$17,895,971 of fund balance in the General Fund, \$10,179,839 has been restricted in the capital reserve account, \$91,277 has been restricted in the maintenance reserve account, \$641,200 has been restricted for excess surplus – current year, \$28,212 has been restricted for excess surplus – prior year, \$1,350,638 of encumbrances are assigned to other purposes, \$1,917,826 has been assigned as designated for subsequent years expenditures and \$3,686,979 is unassigned. All of the \$945,286 fund balance in the Capital Projects Fund is restricted for capital projects. Of the \$72,597 fund balance in the Debt Service Fund, \$70,930 has been budgeted for use in the 2021-22 budget and is included in restricted for debt service.

O. Calculation of Excess Surplus

The designation for restricted fund balance - excess surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve fund balance of the general fund at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in its subsequent years' budget. The District generated \$641,200 of excess fund balance during the 2021 fiscal year, which will be utilized in the District's 2022-23 budget.

P. Net Position

Net position represents the difference between assets, deferred outflows of resources, deferred inflows of resources and liabilities in the government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net positions are reported as restricted in the government-wide and fund financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Q. GASB Pronouncements

Recently Issued Accounting Pronouncements

GASB issued Statement No. 87, *Leases* in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for periods beginning after June 15, 2021. Management of the District has not yet determined the impact on its financial statements.

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* in June 2018. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for periods beginning after December 15, 2020. Management has not determined the impact of the Statement on the financial statements.

GASB issued Statement No. 91, *Conduit Debt Obligations* in May 2019. This Statement establishes a single method of reporting conduit debt obligations by issuers to eliminate diversity in practice. The requirements of this Statement are effective for periods beginning after December 15, 2021. Management has not determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* in May 2020. This Statement provides guidance on accounting and financial reporting for subscription-based information technology arrangements. The requirements of this Statement are effective for periods beginning after June 15, 2022. Management has not determined the impact of the Statement on the financial statements.

R. Management Estimates

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

S. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey for social security contributions and post-retirement medical and pension benefits for certified members of the New Jersey Teachers Pension and Annuity Fund. Additionally, revenues and expenses related to on-behalf pension, medical and long-term disability contributions in the government-wide financial statements have been increased by \$3,612,234 to adjust for the full accrual basis expense incurred by the State of New Jersey during the most recent measurement period. The amounts are not required to be included in the District's annual budget.

T. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2021 and February 17, 2022, the date that the financial statements were available for issuance. The effect of those events and transactions that provide additional pertinent information about conditions that existed at the balance sheet and statement of net position date, have been recognized in the accompanying financial statements.

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

2. Reconciliation of Government-wide and Fund Financial Statements

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. The detail of this \$44,425,344 difference is as follows:

Bonds payable	\$	38,295,000
Premium on bonds		930,467
Litigation payable		908,392
Capital leases payable		1,587,669
Compensated absences payable		2,703,816
Net adjustment to reduce fund balance-total governmental funds to arrive at net position - governmental activities	\$	<u>44,425,344</u>

3. Deposits and Investments

Cash and cash equivalents include petty cash, change funds, amounts on deposit and short-term investments with original maturities of three months or less.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (“GUDPA”) GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks) and savings banks, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

3. Deposits and Investments (continued)

Deposits

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

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

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

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

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

The District's cash and cash equivalents are classified below to inform financial statement users about the extent to which a government's deposits and investments are exposed to custodial credit risk.

At June 30, 2021, the District's carrying value of its deposits was \$23,916,999 and the bank balance was \$25,500,344. Of the bank balance, \$250,000 was secured by federal depository insurance. The New Jersey Governmental Unit Deposit Protection Act (GUDPA) covered the bank balance of \$23,242,074. \$1,762,472 held in the District agency accounts are not covered by GUDPA. In addition, the District has cash held with fiscal agents in the amount of \$245,797.

GASB Statement No. 40, *Deposits and Investment Risk Disclosures* ("GASB 40") requires that the District disclose whether its deposits are exposed to custodial credit risk (risk that in the event of failure of the counterparty, the District would not be able to recover the value of its deposit or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. The District does not have a policy for the management of custodial credit risk, other than depositing all of its funds in banks covered by GUDPA.

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

3. Deposits and Investments (continued)

At least five percent of the District's deposits were fully collateralized by funds held by financial institutions, but not in the name of the District. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

Investments

New Jersey statutes permit the District to purchase the following types of securities:

- a. Bonds and other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c. New Jersey Cash Management Fund and New Jersey Asset and Rebate Management Fund.

Custodial Credit Risk: For investments, custodial credit risk is the risk that in the event of the failure of the counter-party, the District will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured and are not registered in the name of the District.

Credit Risk: The District does not have an investment policy regarding the management of credit risk. GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government. The District manages custodial credit risk by limiting its investments to United States Treasury Notes.

Concentration of Credit Risk: The District places no limit on the amount the District may invest in any one issuer.

Interest Rate Risk: The District does not have a policy to limit interest rate risk.

The District had no investments at June 30, 2021.

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

4. Capital Assets

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2021:

	Beginning Balance	Increases	Transfers/ Dispositions	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 2,546,691			\$ 2,546,691
Construction in progress	20,721,624	\$ 799,268	\$ (6,176,713)	15,344,179
Total capital assets, not being depreciated	23,268,315	799,268	(6,176,713)	17,890,870
Capital assets, being depreciated				
Land improvements	4,373,610			4,373,610
Buildings and building improvements	92,297,721	12,882	6,155,756	98,466,359
Machinery, equipment, and vehicles	11,992,200	447,448	(312,034)	12,127,614
Total capital assets being depreciated	108,663,531	460,330	5,843,722	114,967,583
Less accumulated depreciation for:				
Land improvements	1,982,157	201,716		2,183,873
Buildings and building improvements	35,804,007	2,150,731		37,954,738
Machinery, equipment, and vehicles	7,536,395	1,141,899	(332,591)	8,345,703
Total accumulated depreciation	45,322,559	3,494,346	(332,591)	48,484,314
Total capital assets being depreciated, net	63,340,972	(3,034,016)	6,176,313	66,483,269
Governmental activities capital assets, net	<u>\$ 86,609,287</u>	<u>\$ (2,234,748)</u>	<u>\$ (400)</u>	<u>\$ 84,374,139</u>

Depreciation expense on assets acquired with capital lease proceeds is included above.

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

4. Capital Assets (continued)

Depreciation expense was charged to functions/programs of the District for the year ended June 30, 2021 as follows:

Regular Instruction	\$ 2,093,830
Undistributed Instruction	109,913
Attendance/social work	17
Health services	38,893
Other support services	348,757
Improvement of instruction	80,087
School library	62,486
General administration	66,784
School administration	117,634
Central services	58,110
Information technology	12,486
Instructional staff training services	3,160
Required maintenance of plant services	81,352
Operation of plant	199,818
Care & upkeep of grounds	14,601
Security	18,181
Student transportation	177,646
Special schools	10,591
	<u>\$ 3,494,346</u>

The following schedule is a summarization of business-type activities changes in capital assets for the year ended June 30, 2021:

	Beginning Balance	Increases	Ending Balance
Business-type activities			
Capital assets, being depreciated:			
Equipment	\$ 668,896	\$ 32,795	\$ 701,691
Less accumulated depreciation for:			
Equipment	561,794	25,923	587,717
Total business-type activities capital assets, net	<u>\$ 107,102</u>	<u>\$ 6,872</u>	<u>\$ 113,974</u>

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

5. Long-Term Liabilities

During the fiscal year ended June 30, 2021, the following changes occurred in long-term liabilities:

	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>One Year</u>
Governmental activities:					
Bonds payable	\$42,475,000		\$ 4,180,000	\$38,295,000	\$4,440,000
Premium on bonds	1,269,518		339,051	930,467	339,051
Litigation payable	437,406	700,114	229,128	908,392	518,632
Compensated absences	2,611,172	348,205	255,561	2,703,816	193,167
Capital leases	1,039,162	1,200,000	651,493	1,587,669	584,793
Subtotal	47,832,258	2,248,319	5,655,233	44,425,344	6,075,643
Accrued Liability for Insurance Claims	2,834,702	11,188,136	11,128,903	2,893,935	1,036,144
Net pension liability	20,831,617		2,135,993	18,695,624	
Total governmental activities long-term liabilities	<u>\$71,498,577</u>	<u>\$13,436,455</u>	<u>\$18,920,129</u>	<u>\$66,014,903</u>	<u>\$7,111,787</u>

The District expects to liquidate the balance in compensated absences, the litigation payable and net pension liability with payments made from the District's general fund. Obligations under capital leases will be liquidated with payments from the general fund. Bonds payable will be liquidated with payments from the debt service fund. The accrued liability for insurance claims will be liquidated with payments from the internal service fund.

Bonds Payable

Bonds are authorized in accordance with State law or by the voters of the municipalities through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. The principal and interest of these bonds will be paid from the debt service fund as required by New Jersey statutes.

Bonds payable at June 30, 2021 are comprised of the following issues:

\$16,290,000, 2016 refunding bonds, with the final installment of \$3,540,000 due August 15, 2021 at an interest rate of 5.00%. These bonds were issued to provide resources to refund a portion of the District's outstanding debt. As of June 30, 2021, no defeased debt remains outstanding.

\$35,855,000, 2016 school bonds, due in annual installments ranging from \$900,000 to \$3,815,000 through January 15, 2032 at interest rates ranging from 3.00% to 4.00%.

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

5. Long-Term Liabilities (continued)

Principal and interest due on all bonds outstanding at June 30, 2021 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending June 30:			
2022	\$ 4,440,000	\$ 1,586,463	\$ 6,026,463
2023	2,990,000	1,209,463	4,199,463
2024	3,070,000	1,112,288	4,182,288
2025	3,155,000	1,012,513	4,167,513
2026	3,240,000	909,975	4,149,975
2027-2031	17,585,000	2,807,625	20,392,625
2032	3,815,000	152,600	3,967,600
	<u>\$38,295,000</u>	<u>\$ 8,790,927</u>	<u>\$ 47,085,927</u>

Bonds Authorized But Not Issued

As of June 30, 2021, the District had no authorized but not issued bonds.

Capital Leases Payable

In November 2016, the District entered into a capital lease for the acquisition of various vehicles in the amount of \$295,000. The vehicles are being leased with an interest rate of 1.905%.

In November 2017, the District entered into a capital lease for the acquisition of buses, a vehicle and various equipment in the amount of \$475,000. The buses, vehicle and equipment are being leased with an interest rate of 1.931%.

In April 2019, the District entered into a capital lease for the acquisition of buses in the amount of \$191,000. The buses are being leased with an interest rate of 3.71%.

In May 2019, the District entered into a capital lease for the acquisition of buses in the amount of \$305,000. The buses are being leased with an interest rate of 2.92%.

In November 2019, the District entered into a capital lease for the acquisition of trucks in the amount of \$124,310. The trucks are being leased with an interest rate of 3.944%.

In January 2021, the District entered into a capital lease for the acquisition of laptops in the amount of \$1,200,000. The laptops are being leased with an interest rate of 0.960%.

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

5. Long-Term Liabilities (continued)

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2021:

Fiscal Year	Amounts
Year Ending June 30:	
2022	\$ 600,360
2023	412,236
2024	305,650
2025	305,650
Total minimum lease payments	1,623,896
Less amount representing interest	(36,226)
Present value of net future minimum lease payments	<u>\$ 1,587,669</u>

The assets acquired through capital leases are as follows at June 30, 2021:

Assets:	
Machinery, equipment, and vehicles	\$ 1,294,639
Less accumulated depreciation	(540,026)
Total	<u>\$ 754,613</u>

6. Pension Plans

Description of Systems

Substantially all of the District's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Teachers' Pension and Annuity Fund Retirement System is considered a cost-sharing multiple-employer plan, with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. The Public Employees' Retirement System is considered a cost-sharing multiple-employer plan.

Teachers' Pension and Annuity Fund

The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008,

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Pension Plans (continued)

Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual benefit generally determined to be $1/55^{\text{th}}$ of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively, with an annual benefit generally determined to be $1/60^{\text{th}}$ of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

Public Employee's Retirement System

The Public Employees' Retirement System was established in January 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school Board or public agency provided the employee is not a member of another State-administered retirement system. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual benefit generally determined to be $1/55^{\text{th}}$ of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively with an annual benefit generally determined to be $1/60^{\text{th}}$ of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issued publicly available financial reports that include the financial statements and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Under the provisions of Chapter 78, P.L. 2011, employee contribution rates for TPAF and PERS are 7.5%. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for noncontributory death benefits and post-retirement medical premiums. Under current statute the Board is a non-contributing employer of the TPAF.

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Pension Plans (continued)

During the year ended June 30, 2021, the State of New Jersey contributed \$12,586,894 to the TPAF for post-retirement medical benefits, disability insurance and pensions on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District \$2,594,562 during the year ended June 30, 2021 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the government-wide and fund financial statements.

The District's actuarially determined contributions to PERS for the years ended June 30, 2021, 2020 and 2019 were \$1,254,162, \$1,124,575, and \$1,142,038, respectively, equal to the required contributions for each year.

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions (continued)

Public Employee's Retirement System (PERS)

At June 30, 2021, the District reported a liability of \$18,695,624 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2019, which was rolled forward to June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2020, the District's proportion was 0.1146451393 percent, which was a decrease of 0.0009673533 percent from its proportion measured as of June 30, 2019.

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Pension Plans (continued)

For the year ended June 30, 2021, the District recognized full accrual pension expense of \$543,878 in the government-wide financial statements. At June 30, 2021, 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
Changes of assumptions	\$ 606,507	\$ 7,828,035
Difference between expected and actual experience	340,417	66,116
Net difference between projected and actual earnings on pension plan investments	639,031	
Changes in proportion and differences between District contributions and proportionate share of contributions	579,650	234,947
District contributions subsequent to the measurement date	1,370,870	
	<u>\$ 3,536,475</u>	<u>\$ 8,129,098</u>

\$1,370,870 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2022	\$	(2,082,453)
2023		(2,094,750)
2024		(1,163,733)
2025		(537,723)
2026		(84,834)
	<u>\$</u>	<u>(5,963,493)</u>

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Pension Plans (continued)

Additional Information

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:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases:	
Through 2026	2.00 - 6.00%
	based on years of service
Thereafter	3.00 - 7.00%
	based on years of service
Investment rate of return	7.00%

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. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Pension Plans (continued)

Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expecting future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US 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%
	100.00%	

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 and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Pension Plans (continued)

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2020 calculated using the discount rate as disclosed above as well as what the District's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	At 1% decrease (6.00%)	At current discount rate (7.00%)	At 1% increase (8.00%)
State's proportionate share of the net pension liability associated with the District	\$ 23,534,672	\$ 18,695,624	\$ 14,589,560

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees Retirement System.

Additional Information

Collective balances of the Local Group at June 30, 2020 are as follows:

Deferred outflows of resources	\$ 2,347,583,337
Deferred inflows of resources	\$ 7,849,949,467
Net pension liability	\$16,435,616,426
District's Proportion	0.1146451393%

Collective pension expense for the Local Group for the measurement period ended June 30, 2020 is \$407,705,399.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2020, 2019, 2018, 2017, 2016, 2015 and 2014 is 5.16, 5.21, 5.63, 5.48, 5.57, 5.72, and 6.44 years, respectively.

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Pension Plans (continued)

Special Funding Situation - Teachers Pensions and Annuity Fund (TPAF)

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2021 was \$212,147,356. The District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020.

The State's proportionate share of the net pension liability associated with the District was based on a projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2020, the State's proportionate share of the TPAF net pension liability associated with the District was 0.3221734740 percent, which was an increase of 0.0008442664 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized on-behalf pension expense and revenue in the government-wide financial statements of \$13,192,226 for contributions incurred by the State.

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Pension Plans (continued)

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. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases:	
Through 2026	1.55 - 4.45%
	based on years of service
Thereafter	2.75 - 5.65%
	based on years of service
Investment rate of return	7.00%

Mortality Rates

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 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.

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 Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage by adding expected inflation.

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Pension Plans (continued)

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 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US 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%
	100.00%	

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 rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.21% 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 made 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, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage-point lower (4.40 percent) or 1-percentage-point higher (6.40 percent) than the current rate:

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Pension Plans (continued)

	At 1% decrease (4.40%)	At current discount rate (5.40%)	At 1% increase (6.40%)
State's proportionate share of the net pension liability associated with the District	\$ 249,191,915	\$ 212,147,356	\$ 181,388,067

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

Additional Information

Collective balances of the Local Group at June 30, 2020 are as follows:

Deferred outflows of resources	\$ 9,589,140,982
Deferred inflows of resources	\$14,409,361,877
Net pension liability	\$65,848,796,740
District's Proportion	0.3221734740%

Collective pension expense for the plan for the measurement period ended June 30, 2020 is \$4,114,319,534

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2020, 2019, 2018, 2017, 2016, 2015, and 2014 is 7.99, 8.04, 8.29, 8.30, 8.30, 8.30, and 8.50 years, respectively.

7. Post-Retirement Benefits

Plan description and benefits provided

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefits Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other than Pensions*. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers. The State Health Benefits Program Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

7. Post-Retirement Benefits (continued)

the New Jersey Administrative Code. The State of New Jersey Division of Pension and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. That report may be obtained by writing to Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625-0295.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in or retires in a disability pension from one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS) or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of health care coverage in retirement provided that they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement coverage.

Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents. In Fiscal Year 2020, the State paid PRM benefits for 143,053 State and local retirees. The total nonemployer OPEB liability does not include certain other postemployment obligations that are provided by the local education employers.

The State's contribution to the Fund for TPAF retirees' post-retirement benefits on behalf of the District for the years ended June 30, 2021, 2020, and 2019 were \$3,002,220, \$2,668,529, and \$2,926,642, respectively, which equaled the required contributions for each year.

The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 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 the new 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

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

7. Post-Retirement Benefits (continued)

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 of 13.8 percent from the \$76.0 billion liability recorded in Fiscal Year 2019.

Total Nonemployer OPEB Liability

The total OPEB liability from New Jersey's plan is \$67,809,962,608.

Changes in Total OPEB Liability

Below represents the changes in the District's total OPEB liability for the year ended June 30, 2021:

	<u>Total OPEB Liability</u>
Beginning Total OPEB Liability, June 30, 2019	\$ 121,555,911
Changes for the year:	
Service cost	5,211,370
Interest	4,379,006
Differences between expected and actual experiences	33,622,293
Changes in assumptions or other inputs	36,078,860
Member contributions	104,222
Benefit payments	<u>(3,438,541)</u>
Net changes	<u>75,957,210</u>
Ending Total OPEB Liability, June 30, 2020	<u>\$ 197,513,121</u>

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

7. Post-Retirement Benefits (continued)

Employees covered by benefit terms

The following employees were covered by the benefit terms:

Local Education Group	June 30, 2020
Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	149,304
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
Total Plan Members	366,108

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District’s proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective total OPEB liability on the Statement of Net Position. The State’s proportionate share of the total OPEB liability associated with the District as of June 30, 2021 was \$197,513,121. Additional information can be obtained from the State of New Jersey’s annual comprehensive financial report.

Actuarial assumptions and other inputs

The total nonemployer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020 and included in the June 30, 2020 audited financial statements of the State Health Benefit Local Education Retired Employees Plan. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality Rates

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

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

7. Post-Retirement Benefits (continued)

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 the actual experience studies for the period of July 1, 2015 – June 30, 2018 and July 1, 2014 – June 30, 2018 for TPAF and PERS, respectively.

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.

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. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 through 2022 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%.

The following represents sensitivity of total non-employer OPEB liability to changes in the discount rate and healthcare cost trend rate

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2020 calculated using a discount rate disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1-percentage-point lower (1.21%) or 1-percentage-point higher (3.21%) than the current discount rate:

	At 1% decrease (1.21%)	At Current discount rate (2.21%)	At 1% increase (3.21%)
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 238,112,262	\$ 197,513,121	\$ 165,768,503

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

7. Post-Retirement Benefits (continued)

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2020 calculated using the healthcare cost trend rate as disclosed above as well as what the total non-employ OPEB liability would be if it was calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	At 1% decrease	At Healthcare Cost Trend Rate	At 1% increase
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 159,439,252	\$ 197,513,121	\$ 242,850,637

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

For the year ended June 30, 2021, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$7,041,365 for OPEB expenses incurred by the State.

Collective balances of the Local Education Group at June 30, 2020 are as follows:

Deferred outflows of resources	\$ 24,023,298,802
Deferred inflows of resources	\$ 19,101,933,244
Collective OPEB Expense	\$ 3,337,755,596
District's Proportion	0.29%

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State, therefore, the District records an expense and corresponding revenue for its respective share of total OPEB expense and revenue attributable to the State of New Jersey.

8. Risk Management

The District is exposed to various risks of loss related to torts; theft, damage or destruction of assets; errors or omissions; employee health and accident claims; and natural disasters.

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

8. Risk Management (continued)

Property and Liability Insurance

The District maintains commercial insurance coverage for property, liability, student and other accident claims and surety bonds and does not retain risk of loss. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report. There have been no significant reductions in insurance coverage from the prior year and no settlements have exceeded insurance coverages over the past three years.

Self-Insurance

The District is self-insured for medical, prescription and dental benefits and has established an internal service fund to account for its self-insurance activities. At June 30, 2021, the accrued liability for unpaid medical, prescription and dental claims of \$2,893,935 has been recorded in the internal service fund financial statements for Incurred But Not Reported Claims (IBNR), which is subject to modification and/or assessment of existing or additional claims. The medical, prescription, and dental benefits IBNR liability has been calculated by an actuary employed by the District's claims administrator.

Changes in the Incurred But Not Reported claims liability for the current year and previous year were:

<u>Fiscal Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2020-2021	\$ 2,834,702	\$ 11,188,136	\$ 11,128,903	\$ 2,893,935
2019-2020	-	11,962,682	9,127,980	2,834,702

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method." Under this plan, the District has a quarterly contribution due based on the amount of wages paid for the quarter and remits these funds with the employee withholdings to the State. The District's withholdings are recorded in the Unemployment Compensation accounts in the general fund.

9. Deferred Compensation

The District offers its employees a choice of deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the District and various insurance companies, permit participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency.

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

9. Deferred Compensation (continued)

Participants' rights under the plan are equal to those of general creditors in an amount equal to the fair market value of the deferred account of each participant. The District has no liability for losses under the plan.

The plan members' contributions to the deferred compensation plans for the years ended June 30, 2021, 2020 and 2019 were \$1,225,271, \$1,258,187 and \$1,217,243 respectively. The District does not contribute to these plans on behalf of plan members.

10. Interfund Receivables and Payables

The total interfund accounts receivable and payable for the District at June 30, 2021 are as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund		\$ 133,611
Capital Projects Fund		56,726
Debt Service Fund	\$ 56,726	
Self-Insurance Internal Service Fund	133,611	
	<u>\$ 190,337</u>	<u>\$ 190,337</u>

The interfund between general fund and the self-insurance internal service fund represents monies collected in general fund that are related to the self-insurance internal service fund fund. The interfund between the capital projects fund and the debt service fund represent interest earned in the capital projects fund that is due to the debt service fund to offset the debt issued on capital projects. All interfunds are expected to be repaid within one year.

11. Economic Dependency

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the District's programs and activities.

12. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2021 may be impaired. As a result of the impact of COVID-19, the District has received funding under the Elementary and Secondary School Emergency Relief (ESSER) Fund and the Coronavirus Relief Fund (CRF). To the extent that the

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

12. Contingent Liabilities (continued)

District has not complied with the rules governing the ESSER and CRF funds, money may be required to be returned. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations or final eligible cost requirements governing the respective grants or funding; therefore, no provisions have been recorded in the accompanying basic financial statements for such contingencies.

The District is involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will have a material adverse effect on the financial position of the District. Therefore, the District has accrued a total of \$908,392 in the government-wide financial statements as a result of the actual and expected outcomes of these claims and lawsuits. The estimated settlement of these claims is not expected to be paid with current financial resources.

13. Capital Reserve Account

A capital reserve account was established by the District on October 10, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line – item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning balance July 1, 2020	\$ 7,911,206
Withdrawals:	
Capital Outlay – Withdrawal	(1,538,869)
Deposits:	
Interest earned on capital reserve funds	7,502
Deposit into Capital Reserve (June 2021 Board Resolution)	3,800,000
Ending balance, June 30, 2021	<u>\$ 10,179,839</u>

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

13. Capital Reserve Account (continued)

The June 30, 2021 LRFP balance of local support costs of uncompleted capital projects exceeded the amount in the capital reserve. The District budgeted \$1,553,813 of its capital reserve balance at June 30, 2021 in its 2021-22 approved budget.

14. Maintenance Reserve Account

A maintenance reserve account was established by the District by way of a Board approved resolution in prior years for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the maintenance reserve account are restricted to maintenance projects in the District's approved Comprehensive Management Plan (CMP).

Upon submission of the CMP to the New Jersey Department of Education, the District may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line – item appropriation amount, or both. The District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

The activity of the maintenance reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning balance July 1, 2020	\$ 91,138
Deposits:	
Interest earned on maintenance reserve funds	139
Ending balance, June 30, 2021	<u>\$ 91,277</u>

The balance in the maintenance reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2021. The District did not budget any of the June 30, 2021 maintenance reserve balance in its 2021-22 fiscal year budget.

15. Commitments

The District also has contracts with several vendors for goods and services that have not been received as of June 30, 2021. These encumbrances in the amount of \$1,350,638 are recorded as assigned to other purposes on the general fund balance sheet and in the capital projects fund \$115,373, which are recorded as part of fund balance restricted for capital projects.

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

15. Commitments (continued)

During the 2021 fiscal year, the New Jersey Department of Labor has been delayed in issuing bills to New Jersey governmental units and as such the District has not been billed for any quarters during the fiscal year. Unemployment claims for the fiscal year cannot be estimated, however, it is expected that the Federal Government, through the CARES act will reimburse the State of New Jersey between 50 and 75 percent of all claims incurred. Since the District has not received a bill related to fiscal year 2021, and the amounts due are not known, no provision has been made in the District's financial statements for any liability.

16. Transfers

The following presents a reconciliation of transfers during the 2021 fiscal year:

	Transfer In	Transfer Out
Capital Projects Fund		\$ 1,667
Debt Service Fund	\$ 1,667	
	<u>\$ 1,667</u>	<u>\$ 1,667</u>

The District transferred \$1,667 from the capital projects fund to the debt service fund. The transfer was required to move interest earned on the unspent bond proceeds in the capital projects fund to the debt service fund to offset future debt service tax levies.

17. Net Position – Net Investment in Capital Assets

Net investment in capital assets, Governmental Activities, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. The net investment in capital assets of \$44,558,715 indicated as part of the Governmental Activities net position is calculated as follows:

Capital assets, net of depreciation	\$ 84,374,139
Bonds payable (used to build or acquire capital assets)	(38,295,000)
Unspent bond proceeds	945,286
Unamortized premium	(930,467)
Deferred loss on defeasance of debt	52,426
Capital leases	(1,587,669)
Total net investment in capital assets	<u>\$ 44,558,715</u>

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

18. Tax Abatements

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

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

Hopewell Township provides for long-term tax exemptions, as authorized by New Jersey State Statutes. N.J.S.A. 40A:20-1 et seq. sets forth the criteria and mechanism by which property taxes can and are abated. The exemptions provided by Hopewell Township are for affordable housing projects and other permitted purposes. Taxes abated include municipal, local school, and county taxes.

Hopewell Township recognized revenue of \$421,917 from the annual service charge in lieu of payment of taxes in 2020 and taxes in 2020 that otherwise would have been due on these long-term tax exemptions amount to \$824,874, based upon the assessed valuations of the long-term tax exemptions properties. A portion of the \$402,957 abatement would have been allocated to the District.

Hopewell Borough and Pennington Borough do not currently have any such long-term tax exemptions in place.

19. Liquidity, Management Plans and Intentions

Due to the COVID-19 Pandemic, the District closed its schools on March 16, 2020 and continued to provide online instruction to its students through the end of the 2020 school year. The District reopened for hybrid or full in-person learning for the 2021 school year. The Pandemic did not have a significant impact on the financial statements of the District for the year ended June 30, 2021. Management believes that the unassigned fund balance available as of June 30, 2021 and the anticipated revenues from state aid, taxes and other revenues will be sufficient to meet the District's financial needs for one year from the date of the issuance of this report.

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

20. Change in Accounting Principle / Retroactive Adjustments

Effective in the fiscal year ended June 30, 2021, the District implemented Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. As part of this implementation, the activity in the Unemployment Compensation Insurance Trust fund which had previously been reported in the Fiduciary Funds is now reported in the General fund. In addition, Student Activities and Scholarships are now reported in the Special Revenue Fund. The implementation of the Statement required a retroactive adjustment of prior year net position in the government-wide financial statements, and fund balance in the general fund and special revenue fund statement of revenues, expenditures and changes in fund balance.

Government-wide financial statements:

Beginning Net Position - July 1, 2020	<u>\$29,048,487</u>
Retroactive Adjustments for:	
Reserve for Scholarships	27,540
Reserve for Student Activities	<u>392,270</u>
	<u>419,810</u>
Beginning Net Position - July 1, 2020 (as adjusted)	<u><u>\$29,468,297</u></u>

Government Fund financial statements:

Beginning Fund Balance - July 1, 2020	<u>\$15,849,735</u>
Retroactive Adjustments for:	
Reserve for Scholarships	27,540
Reserve for Student Activities	<u>392,270</u>
	<u>419,810</u>
Beginning Fund Balance - July 1, 2020 (as adjusted)	<u><u>\$16,269,545</u></u>

Required Supplementary Information
Part II

Hopewell Valley Board of Education
 Schedule of the District's Proportionate Share of the Net Pension Liability
 Public Employees Retirement System
 Required Supplementary Information
 Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District's proportion of the net pension liability (asset) - Local Group	0.1146451393%	0.1156124926%	0.1142608200%	0.1105497103%	0.1111144609%	0.1123990058%	0.1084386997%	n/a	n/a	n/a
District's proportionate share of the net pension liability (asset)	\$ 18,695,624	\$ 20,831,617	\$ 22,497,386	\$ 25,734,206	\$ 32,908,916	\$ 25,231,324	\$ 20,302,690	n/a	n/a	n/a
District's covered-employee payroll	\$ 8,481,274	\$ 8,484,842	\$ 8,255,182	\$ 8,039,792	\$ 7,728,853	\$ 7,569,463	\$ 7,614,532	\$ 7,708,670	\$ 7,399,294	\$ 7,048,273
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	220.43%	245.52%	272.52%	320.09%	425.79%	333.33%	266.63%	n/a	n/a	n/a
Plan fiduciary net position as a percentage of the total pension liability - Local Group	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	n/a	n/a	n/a

The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

Hopewell Valley Board of Education
 Schedule of District Contributions
 Public Employee's Retirement System
 Required Supplementary Information

Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 1,254,162	\$ 1,124,575	\$ 1,142,038	\$ 1,039,948	\$ 987,125	\$ 735,000	\$ 709,412	\$ 710,507	\$ 662,255	\$ 583,482
Contributions in relation to the contractually required contribution	(1,254,162)	(1,124,575)	(1,142,038)	(1,039,948)	(987,125)	(735,000)	(709,412)	(710,507)	(662,255)	(583,482)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 8,484,842	\$ 8,255,182	\$ 8,039,792	\$ 7,728,853	\$ 7,569,463	\$ 7,614,532	\$ 7,708,670	\$ 7,399,294	\$ 7,048,273	\$ 7,203,027
Contributions as a percentage of covered-employee payroll	14.78%	13.62%	14.20%	13.46%	13.04%	9.65%	9.20%	9.60%	9.40%	8.10%

Hopewell Valley Board of Education
 Schedule of the State's Proportionate Share of the Net Pension
 Liability Associated with the District
 Teachers' Pension and Annuity Fund
 Required Supplementary Information

Last Ten Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.3221734740%	0.3213292076%	0.3204881619%	0.3148182207%	0.3193640991%	0.3156974568%	0.3177476544%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 212,147,356	\$ 197,202,768	\$ 203,887,685	\$ 212,261,796	\$ 251,232,134	\$ 199,534,274	\$ 169,825,780
Total proportionate share of the net pension liability (asset) associated with the District	<u>\$ 212,147,356</u>	<u>\$ 197,202,768</u>	<u>\$ 203,887,685</u>	<u>\$ 212,261,796</u>	<u>\$ 251,232,134</u>	<u>\$ 199,534,274</u>	<u>\$ 169,825,780</u>
Plan fiduciary net position as a percentage of the total pension liability	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%

The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

* This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

Covered payroll information is not presented since the Teachers' Pension and Annuity Fund is a special funding situation in which the District does not make a contribution to this plan.

Hopewell Valley Regional School District
 Schedule of the State's Proportionate Share of the Net OPEB Liability Associated with the District
 and Changes in the Total OPEB Liability and Related Ratios
 Public Employee's Retirement System and Teachers' Pension and Annuity Fund
 Required Supplementary Information and Notes to Required Supplementary Information

Last Ten Fiscal Years*

	Year Ended June 30.				
	2021	2020	2019	2018	2017
State's proportion of the net OPEB liability (asset)	0.29%	0.29%	0.29%	0.29%	0.29%
District's proportionate share of the net OPEB liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability (asset) associated with the District	\$ 197,513,121	\$ 121,555,911	\$ 132,400,824	\$ 153,498,657	\$ 165,557,124
Total proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 197,513,121</u>	<u>\$ 121,555,911</u>	<u>\$ 132,400,824</u>	<u>\$ 153,498,657</u>	<u>\$ 165,557,124</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
	2021	2020	2019	2018	2017**
Total OPEB Liability					
Service cost	\$ 5,211,370	\$ 5,132,335	\$ 5,664,106	\$ 6,825,202	
Interest cost	4,379,006	5,253,136	5,637,383	4,864,441	
Differences between expected and actual experiences	33,622,293	(19,421,998)	(13,787,674)	-	
Changes of assumptions	36,078,860	1,812,409	(15,193,657)	(20,323,672)	
Member contributions	104,222	110,609	122,360	130,917	
Gross benefit payments	<u>(3,438,541)</u>	<u>(3,731,404)</u>	<u>(3,540,351)</u>	<u>(3,555,355)</u>	
Net change in total OPEB liability	75,957,210	(10,844,913)	(21,097,833)	(12,058,467)	
Total OPEB liability - beginning	<u>121,555,911</u>	<u>132,400,824</u>	<u>153,498,657</u>	<u>165,557,124</u>	
Total OPEB liability - ending	<u>\$ 197,513,121</u>	<u>\$ 121,555,911</u>	<u>\$ 132,400,824</u>	<u>\$ 153,498,657</u>	
Covered-employee payroll	<u>\$ 44,893,289</u>	<u>\$ 44,791,075</u>	<u>\$ 42,878,604</u>	<u>\$ 41,315,611</u>	
Total OPEB liability as a percentage of covered-employee payroll	<u>439.96%</u>	<u>271.38%</u>	<u>308.78%</u>	<u>371.53%</u>	

*

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available.

** Information not available

Hopewell Valley Board of Education
Notes to Required Supplementary Information
Year Ended June 30, 2021

1. PENSION - PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 6.28% as of June 30, 2019 to 7.00% as of June 30, 2020.

2. PENSION – TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.60% as of June 30, 2019 to 5.40% as of June 30, 2020.

3. OTHER POST-RETIREMENT BENEFIT PLAN - PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 3.50% as of June 30, 2019 to 2.21% as of June 30, 2020.

Required Supplementary Information
Part III

Budgetary Comparison Schedules

Hopewell Valley Regional School District
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 77,175,998		\$ 77,175,998	\$ 77,175,998	
Tuition	320,295		320,295	495,975	\$ 175,680
Transportation - Hazardous Routes	75,000		75,000	11,581	(63,419)
Interest Earned on Investments	128,000		128,000	39,981	(88,019)
Miscellaneous	523,830		523,830	302,012	(221,818)
Total - Local Sources	78,223,123		78,223,123	78,025,547	(197,576)
State Sources:					
Categorical Special Education Aid	2,875,889	\$ (291,328)	2,584,561	2,584,561	
Transportation Aid	760,010		760,010	760,010	
Security Aid	62,529		62,529	62,529	
School Choice Aid	325,128		325,128	325,128	
Non-Public Transportation Aid				83,520	83,520
Extraordinary Aid				779,733	779,733
TPAF Pension (On-Behalf - Non-Budgeted)				9,579,992	9,579,992
TPAF Post Retirement Medical (On-behalf - Non-Budgeted)				3,002,220	3,002,220
TPAF Non-contributory Insurance (On-behalf - Non-Budgeted)				4,682	4,682
TPAF Social Security (Reimbursed - Non-Budgeted)				2,594,562	2,594,562
Total State Sources	4,023,556	(291,328)	3,732,228	19,776,937	16,044,709
Federal Sources:					
Disaster Grants - Public Assistance				31,911	31,911
Medical Assistance Program	14,037		14,037	22,273	8,236
Total - Federal Sources	14,037		14,037	54,184	40,147
Total Revenues	82,260,716	(291,328)	81,969,388	97,856,668	15,887,280
EXPENDITURES:					
Current:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	924,632	(108,227)	816,405	816,405	
Grades 1-5 - Salaries of Teachers	8,056,495	636,593	8,693,088	8,692,988	100
Grades 6-8 - Salaries of Teachers	6,021,266	(185,098)	5,836,168	5,835,621	547
Grades 9-12 - Salaries of Teachers	7,742,738	(219,205)	7,523,533	7,516,445	7,088
Regular Programs - Home Instruction					
Salaries of Teachers	50,000	(9,810)	40,190	39,550	640
Purchased Professional-Educational Services	22,000	(15,737)	6,263	4,080	2,183
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	872,889	(139,397)	733,492	732,051	1,441
Purchased Professional-Educational Services	983,640	(14,929)	968,711	937,375	31,336
Purchased Technical Services	6,500		6,500	2,950	3,550
Other Purchased Services	854,335	49,596	903,931	764,236	139,695
General Supplies	2,002,024	44,930	2,046,954	1,797,687	249,267
Textbooks	181,088	(17,499)	163,589	157,623	5,966
Other Objects	20,531	(4,592)	15,939	8,129	7,810
TOTAL REGULAR PROGRAMS - INSTRUCTION	27,738,138	16,625	27,754,763	27,305,140	449,623
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	226,367	(24,387)	201,980	201,980	
Other Salaries for Instruction	55,310	(17,698)	37,612	31,334	6,278
General Supplies	1,500	(1,500)			
Total Learning and/or Language Disabilities	283,177	(43,585)	239,592	233,314	6,278
Behavioral Disabilities					
Salaries of Teachers	296,722	12,729	309,451	309,451	
Other Salaries for Instruction	168,076	(68,690)	99,386	91,790	7,596
Total Behavioral Disabilities	464,798	(55,961)	408,837	401,241	7,596
Multiple Disabilities					
Salaries of Teachers	562,383	14,529	576,912	530,273	46,639
Other Salaries for Instruction	377,995	(225,960)	152,035	144,948	7,087
General Supplies		1,500	1,500	1,379	121
Total Multiple Disabilities	940,378	(209,931)	730,447	676,600	53,847

Hopewell Valley Regional School District
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Resource Room/Resource Center					
Salaries of Teachers	\$ 4,420,300	\$ 142,934	\$ 4,563,234	\$ 4,548,241	\$ 14,993
Other Salaries for Instruction	534,022	(27,901)	506,121	498,776	7,345
Other Purchased Services	300	864	1,164	682	482
Travel		150	150		150
General Supplies	24,800	1,603	26,403	22,089	4,314
Textbooks	3,000	186	3,186	2,792	394
Total Resource Room/Resource Center	4,982,422	117,836	5,100,258	5,072,580	27,678
Autism:					
Salaries of Teachers	142,026	63,650	205,676	205,676	
Other Salaries for Instruction	206,558	66,157	272,715	272,715	
Total Autism	348,584	129,807	478,391	478,391	
Preschool Disabilities - Full-Time					
Salaries of Teachers	285,153	111,128	396,281	393,113	3,168
Other Salaries for Instruction	233,977	(78,515)	155,462	135,827	19,635
General Supplies	6,275	10,814	17,089	12,501	4,588
Total Preschool Disabilities - Full-Time	525,405	43,427	568,832	541,441	27,391
Home Instruction					
Purchased Prof. - Ed. Services	22,000		22,000	3,886	18,114
Total Home Instruction	22,000		22,000	3,886	18,114
TOTAL SPECIAL EDUCATION - INSTRUCTION	7,566,764	(18,407)	7,548,357	7,407,453	140,904
Basic Skills/Remedial - Instruction					
Salaries of Teachers	1,545,112	(140,044)	1,405,068	1,357,999	47,069
General Supplies	8,300		8,300	3,532	4,768
Textbooks	500		500	281	219
Total Basic Skills/Remedial - Instruction	1,553,912	(140,044)	1,413,868	1,361,812	52,056
Bilingual Education - Instruction					
Salaries of Teachers	186,781		186,781	186,781	
Other Salaries for Instruction	22,950	(1,719)	21,231	20,655	576
General Supplies	1,000		1,000	262	738
Total Bilingual Education - Instruction	210,731	(1,719)	209,012	207,698	1,314
School-Spon. Cocurricular Actvts. - Inst.					
Salaries	239,762		239,762	217,684	22,078
Purchased Services	50,100		50,100	33,796	16,304
Supplies and Materials	64,483	5,965	70,448	52,599	17,849
Other Objects	103,955		103,955	14,948	89,007
Total School-Spon. Cocurricular Actvts. - Inst.	458,300	5,965	464,265	319,027	145,238
School-Spon. Athletics					
Salaries	812,869		812,869	808,952	3,917
Purchased Services	158,650	(16,901)	141,749	108,830	32,919
Supplies and Materials	128,900	(3,269)	125,631	103,606	22,025
Other Objects	32,320		32,320	12,429	19,891
Total School-Spon. Athletics	1,132,739	(20,170)	1,112,569	1,033,817	78,752
TOTAL INSTRUCTION	38,660,584	(157,750)	38,502,834	37,634,947	867,887

Hopewell Valley Regional School District
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures - Instruction					
Tuition to Other LEAs Within the State - Special		\$ 35,749	\$ 35,749	\$ 35,749	
Tuition to County Voc. School Dist. - Special	\$ 114,030		136,030	130,516	\$ 5,514
Tuition to CSSD & Regional Day Schools	509,102	(22,000)	487,102	302,374	184,728
Tuition to Private Schools for the Disabled - Within State	1,321,392	(35,749)	1,285,643	960,493	325,150
Tuition to Priv. Sch. Disabled & Other LEAs-Spl, O/S	445,903		445,903	263,327	182,576
Tuition - Other	908,263		908,263	648,918	259,345
Total Undistributed Expenditures - Instruction	3,298,690	(22,000)	3,298,690	2,341,377	957,313
Undistributed Expend. - Attend. & Social Work					
Salaries	4,000		4,000	319	3,681
Other Purchased Services	255		255		255
Total Undistributed Expend. - Attend. & Social Work	4,255		4,255	319	3,936
Undist. Expend. - Health Services					
Salaries	582,182	4,749	586,931	580,704	6,227
Purchased Professional and Technical Services	40,000	15,000	55,000	49,066	5,934
Other Purchased Services	60,375	(2,000)	58,375	44,957	13,418
Rentals	11,893	(4,749)	7,144		7,144
Supplies and Materials	15,915	31,061	46,976	44,467	2,509
Other Objects	1,300		1,300		1,300
Total Undistributed Expenditures - Health Services	711,665	44,061	755,726	719,194	36,532
Undist. Expend. - Other Supp. Serv. Students - OT, PT, ReL Serv.					
Salaries	1,286,032	51,523	1,337,555	1,273,113	64,442
Purchased Professional - Educational Services	144,000	25,468	169,468	132,087	37,381
Supplies and Materials	45,185	193	45,378	36,564	8,814
Total Undist. Expend. - Other Supp. Serv. Students - OT, PT, ReL Serv.	1,475,217	77,184	1,552,401	1,441,764	110,637
Undist. Expend. - Other Supp. Serv. Students - Extra Serv.					
Salaries	653,792	66,963	720,755	706,926	13,829
Purchased Professional - Educational Services	660,000	3,547	663,547	221,092	442,455
Supplies and Materials	8,000	526	8,526	8,127	399
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.	1,321,792	71,036	1,392,828	936,145	456,683
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	1,299,601		1,299,601	1,178,761	120,840
Salaries of Secretarial and Clerical Assistants	150,483		150,483	139,673	10,810
Other Purchased Services	4,983	415	5,398	1,660	3,738
Supplies and Materials	3,100	(387)	2,713	1,194	1,519
Other Objects		657	657	657	
Total Undist. Expend. - Guidance	1,458,167	685	1,458,852	1,321,945	136,907
Undist. Expend. - Child Study Team					
Salaries of Other Professional Staff	1,665,122	31,395	1,696,517	1,687,388	9,129
Salaries of Secretarial and Clerical Assistants	211,292	(2,461)	208,831	206,674	2,157
Unused Vacation Payment to Terminated/Retired Staff		19,305	19,305	11,335	7,970
Purchased Prof. - Educational Services	92,500	(56,699)	35,801	1,200	34,601
Other Purchased Prof. and Tech. Services	140,000	(10,912)	129,088	53,989	75,099
Other Purchased Services	23,945	465	24,410	6,780	17,630
Supplies and Materials	81,300	(8,095)	73,205	39,338	33,867
Other Objects	7,894	2,000	9,894	8,902	992
Total Undist. Expend. - Child Study Team	2,222,053	(25,002)	2,197,051	2,015,606	181,445
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Supervisors of Instruction	942,398	8,881	951,279	951,279	
Salaries of Other Professional Staff	316,450	10	316,460	314,660	1,800
Salaries of Secretarial and Clerk Assistants	107,560	(13,834)	93,726	92,524	1,202
Other Salaries	76,311	(11,091)	65,220	55,257	9,963
Unused Vacation Payment to Term/Ret Staff		38,789	38,789	30,118	8,671
Other Purchased Services	41,100	(26,498)	14,602	4,563	10,039
Supplies and Materials	10,800	3,299	14,099	9,846	4,253
Other Objects	25,576	675	26,251	22,712	3,539
Total Undist. Expend. - Improvement of Inst. Serv.	1,520,195	231	1,520,426	1,480,959	39,467

Hopewell Valley Regional School District
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	\$ 485,777	\$ (43,230)	\$ 442,547	\$ 442,547	
Salaries of Technology Coordinators	593,271	60,735	654,006	622,387	\$ 31,619
Unused Vacation Payment to Term/Ret Staff		7,562	7,562	7,562	
Purchased Professional and Technical Services	33,135		33,135	26,124	7,011
Supplies and Materials	75,820	1,288	77,108	56,866	20,242
Other Objects	950		950		950
Total Undist. Expend. - Edu. Media Serv./Sch. Library	1,188,953	26,355	1,215,308	1,155,486	59,822
Undist. Expend. - Instructional Staff Training Serv.					
Other Purchased Professional & Technical Services	73,250	(13,000)	60,250	34,621	25,629
Other Purchased Services	79,641	(5,111)	74,530	21,009	53,521
Supplies and Materials	3,800	133	3,933	2,806	1,127
Total Undist. Expend. - Instructional Staff Training Serv.	156,691	(17,978)	138,713	58,436	80,277
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	254,204	(22,397)	231,807	231,807	
Unused Vacation Payment to Term/Ret Staff		43,372	43,372		43,372
Legal Services	150,000	(48,230)	101,770	58,161	43,609
Audit Fees	67,575	1,325	68,900	68,900	
Architectural/Engineering Services	200,000	190,511	390,511	224,134	166,377
Other Purchased Professional Services	13,500	(9,500)	4,000	2,968	1,032
Communications/Telephone	182,926	(43,088)	139,838	116,193	23,645
Miscellaneous Purchased Services	182,144	(24,119)	158,025	158,025	
General Supplies	3,000	(2,371)	629	629	
Judgements Against the School District	222,574	115,185	337,759	337,759	
Miscellaneous Expenditures	58,300	(21,867)	36,433	36,387	46
Total Undist. Expend. - Supp. Serv. - General Admin.	1,334,223	178,821	1,513,044	1,234,963	278,081
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	1,466,296	(11,003)	1,455,293	1,428,038	27,255
Salaries of Secretarial and Clerical Assistants	714,194	4,231	718,425	712,274	6,151
Unused Vacation Payment to Term/Ret Staff		6,772	6,772	273	6,499
Other Purchased Services	35,929	124	36,053	4,138	31,915
Supplies and Materials	34,800	4,641	39,441	23,693	15,748
Other Objects	18,190	235	18,425	6,853	11,572
Total Undist. Expend. - Support Serv. - School Admin.	2,269,409	5,000	2,274,409	2,175,269	99,140
Undist. Expend. - Central Services					
Salaries	915,506	(5,251)	910,255	901,470	8,785
Unused Vacation Payment to Term/Ret Staff		5,251	5,251		5,251
Purchased Professional Services	50,144	(12,951)	37,193	34,921	2,272
Purchased Technical Services	42,772	37,173	79,945	77,339	2,606
Miscellaneous Purchased Services	81,199	(15,599)	65,600	31,626	33,974
Supplies and Materials	30,320	2,886	33,206	23,094	10,112
Miscellaneous Expenditures	11,500		11,500	6,110	5,390
Total Undist. Expend. - Central Services	1,131,441	11,509	1,142,950	1,074,560	68,390
Undist. Expend. - Technology Admin.					
Salaries	217,640		217,640	217,620	20
Other Purchased Services	17,986	(4,713)	13,273	13,273	
Total Undist. Expend. - Technology Admin.	235,626	(4,713)	230,913	230,893	20
Undist. Expend. - Required Maint. for Sch. Facil.					
Salaries	713,802	22,801	736,603	712,796	23,807
Unused Vacation Payment to Term/Ret Staff		7,152	7,152	7,152	
Cleaning, Repair and Maintenance Services	730,600	220,779	951,379	610,037	341,342
General Supplies	211,500	95,003	306,503	275,935	30,568
Total Undist. Expend. - Required Maint. for Sch. Facil.	1,655,902	345,735	2,001,637	1,605,920	395,717

Hopewell Valley Regional School District
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Custodial Services					
Salaries	\$ 2,036,245	\$ (29,406)	\$ 2,006,839	\$ 1,923,093	\$ 83,746
Cleaning, Repair and Maintenance Services	113,500		113,500	78,748	34,752
Other Purchased Property Services	280,503	31,535	312,038	176,547	135,491
Insurance	316,813		316,813	310,105	6,708
General Supplies	172,000	50,880	222,880	176,771	46,109
Other Purchased Services	11,150	(1,352)	9,798		9,798
Natural Gas	348,000	44,356	392,356	276,749	115,607
Electricity	1,067,000	(146,240)	920,760	727,707	193,053
Energy	31,600	7,666	39,266	15,489	23,777
Other Objects	13,800	1,191	14,991	9,778	5,213
Total Undist. Expend. - Custodial Services	4,390,611	(41,370)	4,349,241	3,694,987	654,254
Undist. Expend. - Care and Upkeep of Grounds					
Salaries	202,348	4,903	207,251	205,094	2,157
Cleaning, Repair and Maintenance Services	126,000	(4,903)	121,097	36,844	84,253
General Supplies	131,600	(67,388)	64,212	28,063	36,149
Total Undist. Expend. - Care and Upkeep of Grounds	459,948	(67,388)	392,560	270,001	122,559
Undist. Expend. - Security					
Salaries	302,700	36,920	339,620	336,193	3,427
Cleaning, Repair and Maintenance Services		76,429	76,429		76,429
General Supplies	5,000	(4,510)	490		490
Total Undist. Expend. - Security	307,700	108,839	416,539	336,193	80,346
Undist. Expend. - Student Transportation Serv.					
Salaries for Non-Instructional Aids	265,245	3,499	268,744	268,744	
Salaries for Pupil Trans. (Between Home & School) - Regular	699,182	(3,499)	695,683	597,024	98,659
Salaries for Pupil Trans. (Between Home & School) - Sp. Ed.	782,523		782,523	671,588	110,935
Salaries for Pupil Trans. Other than Between Home & School	78,000		78,000	3,746	74,254
Management Fees - ESC & CTSA Transportation Programs	7,500		7,500		7,500
Other Purchased Professional and Technical Services	24,126	945	25,071	23,447	1,624
Cleaning, Repair & Maintenance Services	84,500	3,557	88,057	37,767	50,290
Rental Payments - School Buses	3,000		3,000		3,000
Lease Purchase Payments-School Buses	314,206		314,206	301,621	12,585
Contracted Services Aid In Lieu of Payment for Non-public School Students	255,000		255,000	167,650	87,350
Contracted Services (Between Home and School) - Vendors	1,295,546		1,295,546	1,189,731	105,815
Contracted Services (Other than Between Home and School) - Vendors	311,995		311,995	25,490	286,505
Contracted Services (Between Home and School) - Joint Agreements	1,500		1,500		1,500
Contracted Services (Sp. Ed.) - Vendors	339,536	1,021	340,557	162,186	178,371
Contracted Services (Sp. Ed.) - Joint Agreements	5,000	(1,021)	3,979		3,979
Contracted Services (Special Education Students) - ESCs	93,865		93,865		93,865
Other Purchased Services	2,750		2,750	264	2,486
General Supplies		403	403	403	
Transportation Supplies	324,937	102,723	427,660	99,143	328,517
Other Objects	1,250		1,250	401	849
Total Undist. Expend. - Student Transportation Serv.	4,889,661	107,628	4,997,289	3,549,205	1,448,084
Unallocated Benefits					
Group Insurance					
Social Security Contributions	1,042,000	36,590	1,078,590	1,074,463	4,127
Other Retirement Contributions - PERS	1,284,194	(30,032)	1,254,162	1,254,162	
Other Retirement Contributions - Regular	30,000	1,757	31,757	31,757	
Unemployment Compensation	181,156		181,156	156,665	24,491
Workmen's Compensation	432,719	(984)	431,735	431,735	
Health Benefits	12,298,195	(137,633)	12,160,562	10,057,821	2,102,741
Tuition Reimbursement	243,000	15,000	258,000	188,493	69,507
Other Employee Benefits	306,285	36,365	342,650	340,240	2,410
Unused Vac. Payment to Term/Ret. Staff	127,000	66,477	193,477	152,188	41,289
Total Unallocated Benefits	15,944,549	(12,460)	15,932,089	13,687,524	2,244,565
On-behalf TPAF Pension Contributions (non-budgeted)				9,579,992	(9,579,992)
TPAF Post Retirement Medical (On-behalf - Non-Budgeted)				3,002,220	(3,002,220)
TPAF Non-contributory Insurance (On-behalf - Non-Budgeted)				4,682	(4,682)
Reimbursed TPAF Social Security Contributions (non-budgeted)				2,594,562	(2,594,562)
Total On-behalf Contributions				15,181,456	(15,181,456)
TOTAL UNDISTRIBUTED EXPENDITURES	45,976,748	808,173	46,784,921	54,512,202	(7,727,281)
TOTAL GENERAL	84,637,332	650,423	85,287,755	92,147,149	(6,859,394)

Hopewell Valley Regional School District
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures:					
Instruction		\$ 68,702	\$ 68,702	\$ 40,098	\$ 28,604
Support Services - Related & Extraord.		14,943	14,943	14,363	580
Undistributed Exp.-Req. Maint. of School Facilities		106,841	106,841	106,841	
Undistributed Exp.-Care and Upkeep of Grounds		67,388	67,388	3,121	64,267
Undist. Exp. - Non-instructional Services				1,200,000	(1,200,000)
Non-budgeted capital leases					
Total Equipment		257,874	257,874	1,364,423	(1,106,549)
Facilities Acquisition and Construction Services					
Construction Services	\$ 775,625	747,375	1,523,000	1,233,796	289,204
Other Objects - Debt Service Assessment	101,068		101,068	101,068	
Total Facilities Acquisition and Construction Services	876,693	747,375	1,624,068	1,334,864	289,204
TOTAL CAPITAL OUTLAY	876,693	1,005,249	1,881,942	2,699,287	(817,345)
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers	209,500		209,500	195,847	13,653
Purchased Prof. - Educational Services	22,500		22,500		22,500
General Supplies	1,500		1,500		1,500
Total Summer School - Instruction	233,500		233,500	195,847	37,653
TOTAL SPECIAL SCHOOLS	233,500		233,500	195,847	37,653
TOTAL EXPENDITURES	85,747,525	1,655,672	87,403,197	95,042,283	(7,639,086)
(Deficiency) Excess of Revenues (Under) Over Expenditures	(3,486,809)	(1,947,000)	(5,433,809)	2,814,385	8,248,194
Other Financing Sources (Uses):					
Assets acquired under capital leases - (non-budgeted)				1,200,000	1,200,000
Total Other Financing Sources (Uses)				1,200,000	1,200,000
(Deficiency) Excess of Revenues (Under) Over Expenditures and Other Financing Sources (Uses)	(3,486,809)	(1,947,000)	(5,433,809)	4,014,385	9,448,194
Fund Balance, July 1 (retroactively adjusted - see Note 20)	14,204,293		14,204,293	14,204,293	
Fund Balance, June 30	\$ 10,717,484	\$ (1,947,000)	\$ 8,770,484	\$ 18,218,678	\$ 9,448,194
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Excess Surplus Designated for Subsequent Year's Expenditures				\$ 28,212	
Excess Surplus-current year				641,200	
Capital Reserve				10,179,839	
Maintenance Reserve				91,277	
Assigned to:					
Designated for Subsequent Year's Expenditures				1,917,826	
Year End Encumbrances				1,350,638	
Unassigned Fund Balance				4,009,686	
				18,218,678	
Reconciliation of Budgetary Fund Balance to GAAP Fund Balance:					
Final State Aid Payments Not Realized on GAAP Basis				(322,707)	
Fund balance per Government Funds (GAAP)				\$ 17,895,971	

**Hopewell Valley Regional School District
Special Revenue Fund**

**Budgetary Comparison Schedule
(Budgetary Basis)
Year ended June 30, 2021**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues					
State sources		\$ 243,434	\$ 243,434	\$ 229,524	\$ (13,910)
Federal sources	\$ 853,298	487,926	1,341,224	1,276,920	(64,304)
Local sources		409,480	409,480	380,624	(28,856)
Total revenues	<u>853,298</u>	<u>1,140,840</u>	<u>1,994,138</u>	<u>1,887,068</u>	<u>(107,070)</u>
Expenditures					
Current expenditures:					
Instruction:					
Salaries:					
Salaries of teachers	69,278	7,057	76,335	56,918	19,417
Other purchased services	730,435	215,947	946,382	942,964	3,418
General supplies		103,943	103,943	60,205	43,738
Textbooks		31,095	31,095	28,513	2,582
Total instruction	<u>799,713</u>	<u>358,042</u>	<u>1,157,755</u>	<u>1,088,600</u>	<u>69,155</u>
Support services:					
Salaries		6,775	6,775	4,395	2,380
Personal services—employee benefits		6,357	6,357	4,689	1,668
Purchased professional services	53,585	43,241	96,826	67,643	29,183
Purchased property services		29,580	29,580	29,580	
Other purchased professional services		221,114	221,114	205,011	16,103
Supplies and materials		175,504	175,504	166,497	9,007
Equipment		20,898	20,898	20,898	
Other objects		2,636	2,636	435	2,201
Student activities		240,131	240,131	240,131	
Scholarships awarded		23,150	23,150	23,150	
Total support services	<u>53,585</u>	<u>769,386</u>	<u>822,971</u>	<u>762,429</u>	<u>60,542</u>
Capital outlay:					
Noninstructional equipment		13,412	13,412	13,412	
Total capital outlay		<u>13,412</u>	<u>13,412</u>	<u>13,412</u>	
Total expenditures	<u>853,298</u>	<u>1,140,840</u>	<u>1,994,138</u>	<u>1,864,441</u>	<u>129,697</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	22,627	<u>\$ 22,627</u>
Fund Balance, July 1 (retroactively adjusted - see Note 20)				<u>419,810</u>	
Fund Balance, June 30, 2021				<u>\$ 442,437</u>	
Recapitulation:					
Restricted:					
Scholarships				\$ 28,325	
Student Activities				<u>414,112</u>	
Total Fund Balance				<u>\$ 442,437</u>	

Hopewell Valley Regional School District
Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2021

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures.

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-1, C-2)	\$ 97,856,668	\$ 1,887,068
Differences - Budgetary to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current year		(33,670)
State aid payments recognized for budgetary purposes, not recognized for GAAP statements.		
Prior year	301,097	
Current year	(322,707)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (B-2)	\$ 97,835,058	\$ 1,853,398
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2)	\$ 95,042,283	\$ 1,864,441
Differences - Budgetary to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current year		(33,670)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	\$ 95,042,283	\$ 1,830,771

Supplementary Information

Special Revenue Fund

Hopewell Valley Regional School District
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis

Year Ended June 30, 2021

<u>Nonpublic Aid</u>							
	<u>Textbooks</u>	<u>Nursing</u>	<u>Handicapped Services</u>	<u>Security</u>	<u>Other Local</u>	<u>Student Activities</u>	<u>Scholarships</u>
Revenues:							
State sources	\$ 28,513	\$ 67,749	\$ 9,660	\$ 123,602			
Federal sources							
Local sources					\$ 94,716	\$ 261,973	\$ 23,935
Total revenues	<u>28,513</u>	<u>67,749</u>	<u>9,660</u>	<u>123,602</u>	<u>94,716</u>	<u>261,973</u>	<u>23,935</u>
Expenditures:							
Instruction:							
Salaries of teachers							
Other purchased services					\$ 6,625		
General supplies					24,345		
Textbooks	\$ 28,513						
Total instruction	<u>28,513</u>				<u>30,970</u>		
Support services:							
Salaries							
Personal services-employee benefits							
Purchased professional services							
Rentals					29,580		
Other purchased professional services		\$ 67,749	\$ 9,660	\$ 123,602	4,000		
Supplies and materials					29,731		
Other objects					435		
Equipment							
Student activity						\$ 240,131	
Scholarships							\$ 23,150
Total support services		<u>67,749</u>	<u>9,660</u>	<u>123,602</u>	<u>63,746</u>	<u>240,131</u>	<u>23,150</u>
Capital outlay:							
Facilities acquisition and construction services:							
Non instructional equipment							
Total capital outlay							
Total expenditures	<u>\$ 28,513</u>	<u>\$ 67,749</u>	<u>\$ 9,660</u>	<u>\$ 123,602</u>	<u>\$ 94,716</u>	<u>\$ 240,131</u>	<u>\$ 23,150</u>
Excess of Revenues							
Over Expenditures	-	-	-	-	-	21,842	785
Fund Balance, July 1 (retroactively adjusted - see Note 20)	-	-	-	-	-	392,270	27,540
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 414,112</u>	<u>\$ 28,325</u>

Hopewell Valley Regional School District
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis

Year Ended June 30, 2021

	Coronavirus Relief Fund					I.D.E.A.				Totals
	Title I A	Title II A	Title IV	COVID-19 CRF	COVID-19 Nonpublic Technology	COVID-19 CARES Emergency ESSER I	Perkins	Part B	Preschool	
Revenues:										
State sources										\$ 229,524
Federal sources	\$ 59,524	\$ 64,294	\$ 5,522	\$ 101,222	\$ 21,639	\$ 75,689	\$ 18,526	\$ 904,748	\$ 25,756	1,276,920
Local sources										380,624
Total revenues	59,524	64,294	5,522	101,222	21,639	75,689	18,526	904,748	25,756	1,887,068
Expenditures:										
Instruction:										
Salaries of teachers	\$ 53,390						\$ 3,528			\$ 56,918
Other purchased services						\$ 5,835		\$ 904,748	\$ 25,756	942,964
General supplies	306				\$ 21,639		13,915			60,205
Textbooks										28,513
Total instruction	53,696				21,639	5,835	17,443	904,748	25,756	1,088,600
Support services:										
Salaries	1,620	\$ 2,019					756			4,395
Personal services—employee benefits	4,208	154					327			4,689
Purchased professional services		62,121	\$ 5,522							67,643
Rentals										29,580
Other purchased professional services										205,011
Supplies and materials				\$ 80,324		56,442				166,497
Other objects										435
Equipment				20,898						20,898
Student activity										240,131
Scholarships										23,150
Total support services	5,828	64,294	5,522	101,222		56,442	1,083			762,429
Capital outlay:										
Facilities acquisition and construction services:										
Non instructional equipment						13,412				13,412
Total capital outlay						13,412				13,412
Total expenditures	\$ 59,524	\$ 64,294	\$ 5,522	\$ 101,222	\$ 21,639	\$ 75,689	\$ 18,526	\$ 904,748	\$ 25,756	\$ 1,864,441
Excess of Revenues										
Over Expenditures	-	-	-	-	-	-	-	-	-	22,627
Fund Balance, July 1 (retroactively adjusted - see Note 20)	-	-	-	-	-	-	-	-	-	419,810
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 442,437

Capital Projects Fund

Hopewell Valley Regional School District
 Capital Projects Fund
 Summary Schedule of Project Revenues, Expenditures,
 Project Balance and Project Status
 (Budgetary Basis)
 Year ended June 30, 2021

	Current Year
Revenues	
Interest income	\$ 1,667
Total revenues	1,667
Expenditures	
Architectural services	33,740
Other purchased professional and technical services	
Construction services	689,100
Equipment	1,029
Supplies	6,486
Total expenditures	730,355
(Deficiency) of revenues (under) expenditures	(728,688)
Other financing (uses)	
Transfer out	(1,667)
Total other financing (uses)	(1,667)
Change in fund balance	(730,355)
Fund Balance, July 1	1,675,641
Fund Balance, June 30	\$ 945,286

Hopewell Valley Regional School District
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

2017 Bond Referendum Capital Projects

From Inception and for the year ended June 30, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues				
Bond Proceeds	\$ 35,855,000		\$ 35,855,000	\$ 35,855,000
Interest income	639,711	\$ 1,667	641,378	
Total revenues	<u>36,494,711</u>	<u>1,667</u>	<u>36,496,378</u>	<u>35,855,000</u>
Expenditures				
Legal Services	42,072		42,072	
Architectural services	2,484,277	33,740	2,518,017	
Other purchased professional and technical services	263,745		263,745	
Construction services	29,508,156	689,100	30,197,256	
Equipment	691,490	1,029	692,519	
Supplies	1,189,619	6,486	1,196,105	
Total expenditures	<u>34,179,359</u>	<u>730,355</u>	<u>34,909,714</u>	<u>35,855,000</u>
Excess (Deficiency) of revenues over (under) expenditures	2,315,352	(728,688)	1,586,664	-
Other financing (uses):				
Transfer out to debt service fund	(639,711)	(1,667)	(641,378)	
Total other financing (uses):	<u>(639,711)</u>	<u>(1,667)</u>	<u>(641,378)</u>	
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>\$ 1,675,641</u>	<u>\$ (730,355)</u>	<u>\$ 945,286</u>	<u>\$ -</u>
Additional project information				
Project number		2017-1		
Grant dates		N/A		
Bond authorization date		9/27/2016		
Bonds authorized		\$ 35,855,000		
Bonds issued		35,855,000		
Original authorized cost		35,855,000		
Additional authorized cost		-		
Revised authorized cost		\$ 35,855,000		
Percentage increase over original authorized cost		0.00%		
Percentage completion		95.65%		
Original target completion date		9/1/2019		
Revised target completion date		6/30/2022		

Long-Term Debt

Hopewell Valley Regional School District
Long-Term Debt

Schedule of Serial Bonds Payable

Year ended June 30, 2021

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2020	Retired	Balance June 30, 2021
			Date	Amount				
2016 Refunding of 2005 Refunding Bonds	5/20/16	\$ 16,290,000	8/15/2021	\$ 3,540,000	5.000%	\$ 6,920,000	\$ 3,380,000	\$ 3,540,000
2016 School Bonds								
Renovations, alterations and improvements at Hopewell, Stony Brook, Toll Gate and Bear Tavern Elementary Schools, Timberlane Middle School and Central High School.	12/15/16	35,855,000	1/15/2022	900,000	3.000%	35,555,000	800,000	34,755,000
			1/15/2023	2,990,000	3.250%			
			1/15/2024	3,070,000	3.250%			
			1/15/2025	3,155,000	3.250%			
			1/15/2026	3,240,000	3.250%			
			1/15/2027	3,330,000	3.500%			
			1/15/2028	3,420,000	3.500%			
			1/15/2029	3,515,000	3.500%			
			1/15/2030	3,610,000	4.000%			
			1/15/2031	3,710,000	4.000%			
			1/15/2032	3,815,000	4.000%			
						<u>\$42,475,000</u>	<u>\$4,180,000</u>	<u>\$ 38,295,000</u>

Hopewell Valley Regional School District
Long-Term Debt

Schedule of Obligations Under Capital Leases

Year ended June 30, 2021

	Interest Rate	Amount of Original Issue	Balance July 1, 2020	Additions	Retired	Balance June 30, 2021
Buses	2.93%	\$ 180,000	\$ 39,273		\$ 39,273	
Computer Equipment	1.69%	1,190,000	305,017		305,017	
Vehicles	1.905%	295,000	92,766		61,422	\$ 31,344
Buses, Vehicle and Equipment	1.931%	475,000	207,190		102,436	104,754
Buses	3.710%	191,000	115,737		37,183	78,554
Buses	2.920%	305,000	184,457		59,725	124,732
Trucks	3.944%	124,310	94,722		46,437	48,285
Laptops	0.960%	1,200,000		\$ 1,200,000		1,200,000
			<u>\$ 1,039,162</u>	<u>\$ 1,200,000</u>	<u>\$ 651,493</u>	<u>\$ 1,587,669</u>

Hopewell Valley Regional School District
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local sources:					
Local tax levy	\$ 4,992,165		\$ 4,992,165	\$ 4,992,165	
State sources:					
Debt service aid	509,830		509,830	509,830	
Total revenues	<u>5,501,995</u>		<u>5,501,995</u>	<u>5,501,995</u>	
Expenditures:					
Principal on bonds	4,180,000		4,180,000	4,180,000	
Interest on bonds	1,521,963		1,521,963	1,521,963	
Total expenditures	<u>5,701,963</u>		<u>5,701,963</u>	<u>5,701,963</u>	
(Deficiency) of revenues (under expenditures	(199,968)		(199,968)	(199,968)	
Other financing sources:					
Transfer in				1,667	\$ 1,667
Total other financing sources				<u>1,667</u>	<u>1,667</u>
Net change in fund balance	(199,968)		(199,968)	(198,301)	1,667
Fund balance, July 1	270,898	-	270,898	270,898	-
Fund balance, June 30	<u>\$ 70,930</u>	<u>\$ -</u>	<u>\$ 70,930</u>	<u>\$ 72,597</u>	<u>\$ 1,667</u>

Statistical Section

(Unaudited)

Statistical Section
Unaudited

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports (ACFR) for the relevant year.

Hopewell Valley Regional School District
 Net Position by Component
 Last Ten Fiscal Years
(accrual basis of accounting)
 Unaudited

	June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 21,552,025	\$ 26,145,876	\$ 30,755,627	\$ 33,969,867	\$ 36,138,255	\$ 35,803,648	\$ 38,466,350	\$ 40,981,049	\$ 43,585,209	\$ 44,558,715
Restricted	4,486,124	2,571,167	2,618,421	4,312,975	4,959,888	7,137,070	8,624,034	6,908,406	8,030,556	11,382,965
Unrestricted (deficit)	1,372,735	1,587,725	1,217,644	(19,538,608)	(19,222,985)	(21,878,541)	(22,927,994)	(23,798,876)	(22,565,278)	(21,879,476)
Total governmental activities net position	\$ 27,410,884	\$ 30,304,768	\$ 34,591,692	\$ 18,744,234	\$ 21,875,158	\$ 21,062,177	\$ 24,162,390	\$ 24,090,579	\$ 29,048,487	\$ 34,062,204
Business-type activities										
Investment in capital assets	\$ 249,788	\$ 217,906	\$ 186,399	\$ 162,155	\$ 138,336	\$ 116,213	\$ 95,525	\$ 114,180	\$ 107,102	\$ 113,974
Restricted	6,000									
Unrestricted	378,323	212,550	368,537	465,305	158,898	251,637	400,908	405,338	424,081	396,739
Total business-type activities net position	\$ 634,111	\$ 430,456	\$ 554,936	\$ 627,460	\$ 297,234	\$ 367,850	\$ 496,433	\$ 519,518	\$ 531,183	\$ 510,713
Government-wide										
Net investment in capital assets	\$ 21,801,813	\$ 26,363,782	\$ 30,942,026	\$ 34,132,022	\$ 36,276,591	\$ 35,919,861	\$ 38,561,875	\$ 41,095,229	\$ 43,690,311	\$ 44,672,689
Restricted	4,492,124	2,571,167	2,618,421	4,312,975	4,959,888	7,137,070	8,624,034	6,908,406	8,030,556	11,382,965
Unrestricted (deficit)	1,751,058	1,800,275	1,586,181	(19,073,303)	(19,064,087)	(21,626,904)	(22,527,086)	(23,393,538)	(22,141,197)	(21,482,737)
Total government-wide net position	\$ 28,044,995	\$ 30,735,224	\$ 35,146,628	\$ 19,371,694	\$ 22,172,392	\$ 21,430,027	\$ 24,658,823	\$ 24,610,097	\$ 29,579,670	\$ 34,572,917

Source: ACFR Schedule A-1 and District records.

GASB 63 was implemented in the 2013 fiscal year, which required the reclassification of balances previously reported as net assets to net position.

GASB 68 was implemented during the 2015 fiscal year, which required the restatement of beginning net position in the amount of \$(19,767,631). This amount is not reflected in the June 30, 2014 Net Position, above.

GASB 84 was implemented in the 2021 fiscal year, which increased the related services expense line and charges for services from the previous year.

Hopewell Valley Regional School District
 Changes in Net Position, Last Ten Fiscal Years
 (accrual basis of accounting)

Unaudited

	Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities										
Instruction										
Regular	\$ 38,348,315	\$ 40,154,834	\$ 38,474,839	\$ 46,088,795	\$ 50,156,927	\$ 57,262,636	\$ 57,562,220	\$ 57,612,424	\$ 55,086,835	\$ 65,538,745
Special Education	3,896,521	4,327,908	4,505,729	4,805,029	5,113,362	6,126,291	6,836,193	7,107,156	7,189,262	7,407,453
Other Special Education	1,255,196	1,314,999	1,251,839	1,175,825	1,465,060	1,231,670	1,916,665	1,973,591	2,077,753	1,888,537
Other Instruction	1,025,751	1,094,548	1,093,794	1,174,151	962,696	1,082,813	1,057,627	1,079,003	1,084,246	1,033,817
Support Services:										
Tuition	3,156,898	2,860,047	3,039,226	2,193,302	2,469,773	2,102,274	2,573,100	2,786,758	2,850,205	2,142,403
Student Instruction Related Services	9,640,544	9,895,406	9,642,213	11,834,793	12,178,641	15,737,350	15,499,896	16,105,603	16,385,123	18,336,794
School Administrative Services	3,077,089	3,044,680	3,056,317	3,501,032	3,529,509	4,649,801	4,279,998	3,914,389	4,074,458	4,858,537
General & Business Administrative Services	2,691,751	2,578,362	2,539,152	2,872,114	3,724,309	3,329,580	3,535,112	3,841,317	3,640,350	3,999,871
Plant Operations & Maintenance	7,092,165	7,229,580	7,512,004	7,900,372	8,631,722	8,870,237	8,883,269	9,182,005	8,731,910	9,228,872
Pupil Transportation	4,315,962	4,443,311	4,575,819	4,885,981	4,854,622	5,105,753	5,468,943	5,999,221	5,158,855	4,970,870
Special Schools	275,885	267,396	306,639	299,101	281,701	337,955	386,981	379,032	409,031	398,107
Interest on long-term debt	1,552,917	1,428,558	1,540,050	1,141,961	929,421	2,037,136	1,639,397	1,480,995	1,376,918	1,161,411
Total governmental activities expenses	76,328,994	78,639,629	77,537,621	87,872,456	94,297,743	107,873,496	109,639,401	111,461,494	108,064,946	120,965,417
Business-type activities:										
Enterprise Funds	1,673,819	1,870,915	1,899,054	1,787,924	1,515,587	1,608,642	1,461,889	1,503,409	1,060,692	643,955
Total business-type activities expense	1,673,819	1,870,915	1,899,054	1,787,924	1,515,587	1,608,642	1,461,889	1,503,409	1,060,692	643,955
Total district expenses	\$ 78,002,813	\$ 80,510,544	\$ 79,436,675	\$ 89,660,380	\$ 95,813,330	\$ 109,482,138	\$ 111,101,290	\$ 112,964,903	\$ 109,125,638	\$ 121,609,372
Program Revenues										
Governmental activities:										
Charges for services	\$ 375,680	\$ 406,890	\$ 477,057	\$ 393,004	\$ 348,231	\$ 425,238	\$ 416,144	\$ 509,018	\$ 487,969	\$ 793,464
Operating grants and contributions	1,046,906	1,119,982	1,107,751	1,174,991	1,167,590	1,175,450	1,176,744	1,268,029	1,295,974	1,567,490
Capital grants and contributions	251,944	31,935	137,586	222,058	789,957	-	-	10,859	-	13,412
Total governmental activities program revenues	\$ 1,674,530	\$ 1,558,807	\$ 1,722,394	\$ 1,790,053	\$ 1,515,821	\$ 1,600,688	\$ 1,592,888	\$ 1,787,906	\$ 1,783,943	\$ 2,374,366
Business-type activities:										
Charges for services	\$ 1,501,886	\$ 1,537,045	\$ 1,675,203	\$ 1,720,143	\$ 1,394,609	\$ 1,526,791	\$ 1,433,926	\$ 1,375,753	\$ 890,796	\$ 2,011
Operating grants and contributions	176,099	150,312	148,331	140,305	153,185	152,467	156,546	150,741	128,668	620,829
Total business-type activities program revenues	1,677,985	1,687,357	1,823,534	1,860,448	1,547,794	1,679,258	1,590,472	1,526,494	1,019,464	622,840
Total district program revenues	\$ 3,352,515	\$ 3,246,164	\$ 3,545,928	\$ 3,650,501	\$ 3,063,615	\$ 3,279,946	\$ 3,183,360	\$ 3,314,400	\$ 2,803,407	\$ 2,997,206
Net (Expense)/Revenue										
Governmental activities	\$ (74,654,464)	\$ (77,080,822)	\$ (75,815,227)	\$ (86,082,403)	\$ (92,781,922)	\$ (106,272,808)	\$ (108,046,513)	\$ (109,673,588)	\$ (106,281,003)	\$ (118,591,051)
Business-type activities	4,166	(183,558)	(75,520)	72,524	32,207	70,616	128,583	23,085	(41,228)	(21,115)
Total government-wide net expense	\$ (74,650,298)	\$ (77,264,380)	\$ (75,890,747)	\$ (86,009,879)	\$ (92,749,715)	\$ (106,202,192)	\$ (107,917,930)	\$ (109,650,503)	\$ (106,322,231)	\$ (118,612,166)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 63,295,965	\$ 64,435,292	\$ 65,955,801	\$ 68,227,094	\$ 68,841,138	\$ 69,391,868	\$ 70,710,312	\$ 71,947,742	\$ 75,736,995	\$ 77,175,998
Property taxes levied for debt service	4,788,911	4,558,625	4,746,743	3,847,443	4,760,126	4,758,384	5,742,494	5,438,888	5,478,302	4,992,165
Unrestricted grants and contributions	7,568,775	9,677,242	8,700,418	17,294,614	21,308,429	30,570,815	33,768,539	31,299,815	29,377,600	40,673,135
Investment earnings	13,583	28,284	27,369	28,112	32,998	109,524	445,844	349,232	209,162	41,648
Miscellaneous income	2,303,346	872,927	871,820	605,313	607,722	629,236	479,537	566,100	486,852	302,012
Transfers	(5,149)	(97,664)	(200,000)	-	-	-	-	-	(50,000)	-
Gain/(Loss) on revalue of fixed assets	-	-	-	-	362,433	-	-	-	-	-
Total governmental activities	77,965,431	79,474,706	80,102,151	90,002,576	95,912,846	105,459,827	111,146,726	109,601,777	111,238,911	123,184,958
Business-type activities:										
Interest earnings	-	-	-	-	-	-	-	-	2,893	645
Transfers	5,149	97,664	200,000	-	(362,433)	-	-	-	50,000	-
Total business-type activities	5,149	97,664	200,000	-	(362,433)	-	-	-	52,893	645
Total government-wide	\$ 77,970,580	\$ 79,572,370	\$ 80,302,151	\$ 90,002,576	\$ 95,550,413	\$ 105,459,827	\$ 111,146,726	\$ 109,601,777	\$ 111,291,804	\$ 123,185,603
Change in Net Position										
Governmental activities	\$ 3,310,967	\$ 2,393,884	\$ 4,286,924	\$ 3,920,173	\$ 3,130,924	\$ (812,981)	\$ 3,100,213	\$ (71,811)	\$ 4,957,908	\$ 4,593,907
Business-type activities	9,315	(85,894)	124,480	72,524	(330,226)	70,616	128,583	23,085	11,665	(20,470)
Total district	\$ 3,320,282	\$ 2,307,990	\$ 4,411,404	\$ 3,992,697	\$ 2,800,698	\$ (742,365)	\$ 3,228,796	\$ (48,726)	\$ 4,969,573	\$ 4,573,437

Source: ACFR Schedule A-2 and District records.

GASB 63 was implemented in the 2013 fiscal year, which required the reclassification of balances previously reported as net assets to net position.
 GASB 75 was implemented in the 2018 fiscal year, which increased the unrestricted grants and contributions and various expense lines from the previous year.
 GASB 84 was implemented in the 2021 fiscal year, which increased the related services expense line and charges for services from the previous year.

Hopewell Valley Regional School District
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Unaudited

	June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted	\$ 3,270,750	\$ 1,609,971	\$ 1,975,635	\$ 4,058,841	\$ 4,959,888	\$ 7,137,070	\$ 8,624,034	\$ 7,422,648	\$ 8,030,556	\$ 10,940,528
Assigned	2,017,979	2,235,500	1,649,292	1,465,284	2,490,634	3,283,823	2,715,773	2,188,011	3,910,805	3,268,464
Unassigned	1,478,156	1,683,208	1,601,661	1,625,670	1,764,050	1,636,855	1,846,840	1,533,347	1,961,835	3,686,979
Total general fund	\$ 6,766,885	\$ 5,528,679	\$ 5,226,588	\$ 7,149,795	\$ 9,214,572	\$ 12,057,748	\$ 13,186,647	\$ 11,144,006	\$ 13,903,196	\$ 17,895,971
All Other Governmental Funds										
Restricted for										
Capital Projects	\$ 1,003,774	\$ 948,863	\$ 221,434	\$ 254,134	\$ 10,563	\$ 32,402,999	\$ 15,510,451	\$ 4,475,068	\$ 1,675,641	\$ 945,286
Debt service	211,600	12,333	918,482	3,066		339,884	643,404	512,297	270,898	72,597
Special revenue fund										442,437
Total all other governmental funds	\$ 1,215,374	\$ 961,196	\$ 1,139,916	\$ 257,200	\$ 10,563	\$ 32,742,883	\$ 16,153,855	\$ 4,987,365	\$ 1,946,539	\$ 1,460,320

Source: ACFR Schedule B-1 and District records.

The change in the reserved fund balance is the result of capital project fund expenditures incurred for projects in which the funding was received in prior years through the issuance of bonds or SDA grants.

GASB 84 was implemented in the 2021 fiscal year, which increased the related services expense line and charges for services from the previous year.

Hopewell Valley Regional School District
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years

Unaudited

	Year ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Tax levy	\$ 68,084,876	\$ 68,993,917	\$ 70,702,544	\$ 72,074,537	\$ 73,601,264	\$ 74,150,252	\$ 76,452,806	\$ 77,386,630	\$ 81,215,297	\$ 82,168,163
Governmental units other than LEAs		500,000								
Tuition charges	301,560	289,469	355,645	312,585	267,681	266,509	279,256	418,228	432,285	495,975
Miscellaneous	2,397,424	1,024,762	1,042,211	723,114	747,770	951,365	1,099,267	1,063,375	814,464	708,409
State sources	7,743,517	9,776,450	8,929,487	10,199,732	11,779,408	12,308,866	14,495,253	16,397,271	17,226,015	20,493,381
Federal sources	1,117,733	1,046,579	994,658	1,051,216	1,043,700	1,097,479	985,901	1,030,273	1,060,001	1,326,190
Total revenue	79,645,110	81,631,177	82,024,545	84,361,184	87,439,823	88,774,471	93,312,483	96,295,777	100,748,062	105,192,118
Expenditures										
Instruction										
Regular Instruction	24,360,440	26,293,465	26,685,545	26,678,668	27,648,526	26,050,644	26,100,446	27,011,548	26,062,360	28,388,826
Special Education Instruction	3,896,521	4,327,908	4,505,729	4,805,029	5,113,362	6,126,291	6,836,193	7,107,156	7,189,262	7,407,453
Other Special Instruction	1,255,196	1,314,999	1,251,839	1,175,825	1,145,450	1,231,670	1,916,665	1,973,591	2,077,753	1,888,537
Other Instruction	1,025,751	1,094,548	1,093,794	1,174,151	1,282,306	1,082,813	1,057,627	1,079,003	1,084,246	1,033,817
Support Services:										
Tuition	3,996,670	2,751,131	2,921,329	2,115,895	2,469,773	2,023,355	2,479,750	2,671,665	2,727,793	2,032,490
Student Instruction Related Services	6,860,038	7,018,387	6,961,331	7,517,274	7,507,050	8,668,149	8,437,855	7,729,871	7,581,854	8,324,132
School Administration	2,156,209	2,104,952	2,139,668	2,180,114	2,091,891	2,106,134	2,232,368	3,490,068	3,294,392	3,410,232
General & Business Admin. Services	2,121,536	1,985,448	1,962,691	2,044,312	2,765,261	2,045,970	2,178,357	2,406,601	3,014,762	2,844,848
Plant Operations & Maintenance	5,767,119	5,824,184	6,210,284	6,036,988	6,075,136	5,835,442	5,764,497	6,160,245	5,944,469	5,805,527
Pupil Transportation	3,683,525	3,778,793	3,968,789	3,774,863	3,776,463	3,628,559	4,014,032	4,297,393	3,571,757	3,285,001
Other Support Services	16,803,758	18,008,482	17,536,370	18,463,576	20,116,900	21,808,073	24,308,362	26,973,968	27,705,864	28,868,980
Special Schools	197,188	188,702	230,581	187,323	165,711	167,311	196,405	201,555	229,990	195,847
Capital outlay	1,491,616	3,576,631	2,385,029	2,227,447	1,677,574	5,077,540	17,633,466	12,781,914	3,820,026	3,443,054
Debt service:										
Principal	3,160,000	3,315,000	3,405,000	3,737,209	3,645,000	3,975,605	3,960,000	4,230,000	5,050,897	4,831,492
Interest and other charges	1,714,197	1,443,267	1,353,700	1,250,629	1,116,438	1,565,961	2,131,589	1,885,000	1,748,583	1,545,136
Total expenditures	78,489,764	83,025,897	82,611,679	83,369,303	86,596,841	91,393,517	109,247,612	109,999,578	101,104,008	103,305,372
Excess (Deficiency) of revenues over (under) expenditures	1,155,346	(1,394,720)	(587,134)	991,881	842,982	(2,619,046)	(15,935,129)	(13,703,801)	(355,946)	1,886,746
Other financing sources (uses)										
Transfer to cover deficits:										
Food Services		(97,664)	(200,000)						(50,000)	
Performing Arts Center	(5,149)									
Payment to Escrow Agent	(6,171,175)				(17,911,317)					
Proceeds from Borrowing	5,665,000				16,290,000	35,855,000				
Premium on Bonds	602,437				1,782,407	854,542				
Capital Leases (non-budgeted)			663,763	48,610	451,635	1,485,000	475,000	494,670	124,310	1,200,000
Transfers in	191,279			8,587	616,567		312,329	199,968	70,929	1,667
Transfers out	(191,279)			(8,587)	(254,134)		(312,329)	(199,968)	(70,929)	(1,667)
Total other financing sources (uses)	91,113	(97,664)	463,763	48,610	975,158	38,194,542	475,000	494,670	74,310	1,200,000
Net change in fund balances	\$ 1,246,459	\$ (1,492,384)	\$ (123,371)	\$ 1,040,491	\$ 1,818,140	\$ 35,575,496	\$ (15,460,129)	\$ (13,209,131)	\$ (281,636)	\$ 3,086,746
Debt service as a percentage of noncapital expenditures	6.3%	6.0%	5.9%	6.1%	5.6%	6.4%	6.6%	6.3%	7.0%	6.4%

Source: ACFR Schedule B-2

Hopewell Valley Regional School District
 General Fund Other Local Revenues by Source
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30,	Tuition	Transportation Fees	Interest Earned	Other Refunds	Refunded Prior Year Expenditures	Refund of					Scholastic Fees and Parking	E-Rate	Misc.	Total
						Health Insurance Premium	Rental Of Facilities	Health Insurance Cobra	Health Insurance Cobra	Health Insurance Cobra				
2012	\$ 301,560	\$ 74,120	\$ 13,583	\$ 82,732	96,967	\$ 1,428,967	\$ 175,616	\$ 129,356	\$ 167,130	\$ 222,352	\$	\$	\$ 2,692,383	
2013	289,469	117,421	28,284		87,180		150,124	79,177	168,700	387,371			1,307,726	
2014	355,645	121,412	27,369		50,612		200,335	65,596	169,475	301,164			1,291,608	
2015	312,585	80,419	28,112		84,422		230,808	70,135		218,195			1,024,676	
2016	267,681	80,550	32,998		77,738		252,396	35,047		233,732			980,142	
2017	266,509	158,729	37,168		88,890		249,251	22,784		\$ 123,185			1,091,642	
2018	279,256	136,888	133,515		50,447		220,367	117,297		91,426			1,029,196	
2019	418,228	90,790	149,264		62,537		224,718	107,953		21,375			1,228,216	
2020	432,285	55,684	152,536		63,203		129,979	130,862		148,505			1,113,054	
2021	495,975	11,581	39,981		37,651		15,106	113,985		135,270			849,549	

Source: District records.

**HOPEWELL VALLEY REGIONAL SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
UNAUDITED**

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	TAX EXEMPT PROPERTY	PUBLIC UTILITIES	NET TAXABLE VALUATION	TOTAL DIRECT SCHOOL TAX RATE	ACTUAL (COUNTY EQUALIZED) VALUE
Borough of Hopewell													
2021	\$ 5,264,000	\$ 270,089,200	\$ 1,748,100	\$ 27,700	\$ 37,449,600	\$ 1,270,100	\$ 1,503,200	\$ 317,351,900	\$ 22,758,600	\$	\$ 317,351,900	\$ 1.74	\$ 344,714,367
2020	5,264,000	270,073,900	1,748,100	28,000	37,376,200	1,270,100	1,503,200	317,263,500	22,758,600		317,263,500	1.71	336,227,707
2019	4,846,200	269,508,200	1,748,100	27,600	37,998,900	1,270,100	1,503,200	316,902,300	22,758,600		316,902,300	1.65	337,813,895
2018	4,766,400	268,623,000	1,748,100	27,700	37,998,900	1,270,100	1,503,200	315,937,400	22,758,600	\$ 1,897,655	317,835,055	1.56	336,958,721
2017	5,372,200	267,444,700	1,748,100	28,600	39,007,100	1,270,100	1,503,200	316,374,000	22,291,500	1,897,655	318,271,655	1.54	320,024,928
2016	5,370,400	266,880,300	1,748,100	28,600	39,022,000	1,270,100	1,503,200	315,822,700	22,391,500	1,897,655	317,720,355	1.54	322,070,594
2015	4,586,800	268,494,600	1,748,100	28,700	39,022,000	1,270,100	1,503,200	316,653,300	22,391,500	1,897,655	318,551,155	1.53	320,593,148
2014	5,528,900	278,896,700	1,890,200	28,900	48,322,600	857,700	1,697,900	337,222,900	24,499,300	1,897,655	339,120,555	1.40	314,986,120
2013	5,549,000	281,632,600	1,890,200	28,000	49,329,900	857,700	1,697,900	342,882,955	24,499,300	1,897,655	344,780,610	1.36	314,372,549
2012	5,251,100	285,641,000	1,890,200	28,000	49,958,300	857,700	1,697,900	345,324,200	24,499,300	1,897,655	347,221,855	1.29	329,715,622
Borough of Pennington													
2021	\$ 5,347,400	\$ 450,787,100	\$	\$	\$ 50,984,500	\$ 6,283,800	\$ 818,400	\$ 514,221,200	\$ 58,783,200	\$ 2,118,491	\$ 516,339,691	\$ 1.62	\$ 524,584,340
2020	4,271,700	446,599,700			50,984,500	6,283,800	818,400	508,958,100	59,689,600	2,026,596	510,984,696	1.62	520,493,227
2019	7,363,400	435,499,400			52,069,300	6,283,800	818,400	502,034,300	59,685,400	1,838,457	503,872,757	1.56	519,786,832
2018	1,645,800	430,324,400			51,537,300	6,283,800	818,400	490,609,700	59,685,400	1,817,400	492,427,100	1.53	500,977,234
2017	1,645,800	430,513,600			55,646,700	6,283,800	818,400	494,908,300	59,685,400	1,785,801	496,694,101	1.55	501,461,542
2016	1,645,800	429,968,800			55,552,700	6,633,300	818,400	494,619,000	59,685,400	1,750,730	496,369,730	1.55	511,228,881
2015	1,654,600	429,608,400			55,752,700	6,633,300	818,400	494,467,400	59,313,000	1,600,418	496,067,818	1.55	501,194,021
2014	1,713,600	430,813,400			56,604,900	6,633,300	818,400	496,583,600	59,309,100	1,710,251	498,293,851	1.49	501,198,918
2013	1,712,500	433,816,000			56,674,200	6,633,300	818,400	499,654,400	59,355,200	1,884,914	501,539,314	1.41	493,891,906
2012	2,020,300	434,578,600			49,894,800	6,633,300	818,400	493,945,400	86,852,200	2,481,413	496,426,813	1.38	492,619,487
Township of Hopewell													
2021	\$ 30,077,200	\$ 2,758,499,500	\$ 249,234,300	\$ 5,437,670	\$ 503,361,900	\$ 259,006,400	\$ 4,551,600	\$ 3,810,168,570	\$ 550,929,800	\$ 6,031,203	\$ 3,816,199,773	\$ 1.78	\$ 4,061,465,387
2020	35,978,200	2,751,990,400	255,473,400	5,500,970	501,553,300	364,462,100	4,551,600	3,919,509,970	585,356,600	5,228,162	3,924,738,132	1.74	4,182,000,782
2019	36,478,900	2,737,886,300	267,866,600	5,347,870	502,452,700	404,962,100	4,551,600	3,959,546,070	555,383,900	5,228,162	3,964,774,232	1.67	4,232,414,307
2018	34,598,700	2,737,363,400	266,229,500	5,390,800	505,623,000	407,534,400	4,551,600	3,961,291,400	535,946,000	5,092,983	3,966,384,383	1.62	4,303,529,599
2017	36,872,800	2,736,705,500	265,952,800	5,377,800	504,119,000	410,634,400	4,551,600	3,964,213,900	535,438,000	5,254,088	3,969,467,988	1.58	4,190,664,752
2016	40,845,500	2,744,443,000	261,476,000	5,377,600	493,931,400	402,089,000	5,204,700	3,953,367,200	534,355,700	5,364,053	3,958,731,253	1.55	4,054,739,536
2015	47,397,200	2,742,115,000	260,810,600	5,329,400	502,637,700	399,286,800	5,320,200	3,962,896,900	531,478,900	5,579,058	3,968,475,958	1.52	3,983,615,416
2014	45,419,400	2,739,937,800	261,480,900	5,330,800	525,123,300	400,165,600	5,320,200	3,982,778,000	513,532,400	5,426,768	3,988,204,768	1.48	3,915,117,682
2013	48,281,400	2,750,531,200	263,373,600	5,339,400	523,657,700	402,985,600	5,621,400	3,999,790,300	511,021,000	6,706,907	4,006,497,207	1.45	3,929,681,004
2012	54,584,900	2,784,798,700	267,518,400	5,397,400	529,848,000	403,178,400	5,621,400	4,050,947,200	507,402,000	6,828,000	4,057,775,200	1.41	4,003,841,822

Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

a. Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b. Tax rates are per \$100

Source: Municipal Tax Assessor and County Abstract of Ratables.

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

FISCAL YEAR ENDED JUNE 30,	OVERLAPPING RATES									TOTAL DIRECT AND OVERLAPPING TAX RATE
	REGIONAL SCHOOL	TOTAL DIRECT	BOROUGH OR TOWNSHIP	MERCER COUNTY	LIBRARY	FIRE DISTRICT	COUNTY OPEN SPACE	MUNICIPAL OPEN SPACE		
Borough of Hopewell										
2021	\$ 1.74	\$ 1.74	\$ 0.64	\$ 0.62	\$ 0.04	\$ 0.07	\$ 0.03	\$ 0.01	\$	3.15
2020	1.71	1.71	0.63	0.61	0.04	0.07	0.03	0.01		3.10
2019	1.65	1.65	0.63	0.63	0.04	0.07	0.03	0.01		3.06
2018	1.56	1.56	0.59	0.62	0.04	0.07	0.03	0.01		2.92
2017	1.54	1.54	0.56	0.59	0.03	0.07	0.03	0.01		2.83
2016	1.54	1.54	0.54	0.60	0.03	0.06	0.03	0.01		2.80
2015	1.53	1.53	0.52	0.58	0.03	0.06	0.03	0.01		2.76
2014	1.40	1.40	0.48	0.55	0.03	0.06	0.02	0.01		2.55
2013	1.36	1.36	0.46	0.53	0.03	0.06	0.02	0.01		2.46
2012	1.29	1.29	0.44	0.50	.032	0.05	0.02	0.01		2.31
Borough of Pennington										
2021	\$ 1.62	\$ 1.62	\$ 0.49	\$ 0.58	\$ 0.03	\$ 0.05	\$ 0.03	\$ 0.01	\$	2.81
2020	1.62	1.62	0.47	0.59	0.03	0.04	0.03	0.01		2.79
2019	1.56	1.56	0.46	0.61	0.03	0.04	0.03	0.01		2.74
2018	1.53	1.53	0.43	0.60	0.03	0.05	0.03	0.01		2.68
2017	1.55	1.55	0.43	0.60	0.03	0.04	0.03	0.01		2.69
2016	1.55	1.55	0.43	0.61	0.03	0.04	0.03	0.01		2.70
2015	1.55	1.55	0.42	0.58	0.03	0.04	0.01	0.01		2.64
2014	1.49	1.49	0.40	0.60	0.03	0.04	0.03	0.01		2.60
2013	1.41	1.41	0.40	0.56	.033	0.03	0.02	0.01		2.44
2012	1.38	1.38	0.30	0.54	.033	0.03	0.02	0.01		2.28
Township of Hopewell										
2021	\$ 1.78	\$ 1.78	\$ 0.44	\$ 0.61	\$ 0.06	\$ 0.11	\$ 0.03	\$ 0.03	\$	3.06
2020	1.74	1.74	0.41	0.61	0.06	0.10	0.03	0.03		2.98
2019	1.67	1.67	0.40	0.63	0.06	0.10	0.03	0.03		2.92
2018	1.62	1.62	0.38	0.64	0.07	0.09	0.03	0.03		2.86
2017	1.58	1.58	0.37	0.62	0.06	0.09	0.03	0.03		2.78
2016	1.55	1.55	0.36	0.60	0.06	0.09	0.03	0.03		2.71
2015	1.52	1.52	0.36	0.58	0.06	0.08	0.03	0.03		2.65
2014	1.48	1.48	0.34	0.58	0.06	0.08	0.02	0.02		2.58
2013	1.45	1.45	0.32	0.57	0.06	0.07	0.02	0.03		2.52
2012	1.41	1.41	0.30	0.54	0.06	0.05	0.02	0.03		2.27

Source: County Tax Administrator

**HOPEWELL VALLEY REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED**

	2021		2012	
	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUE
Borough of Hopewell				
Freedman, Gerald	\$ 2,200,000	0.69%	\$ 3,692,500	1.05%
Hopewell Village Square	2,048,900	0.65%	2,431,800	0.69%
Rockwell Automation, Inc	1,444,100	0.46%	1,897,655	0.54%
71 E. Broad LLC	1,340,600	0.42%	1,748,400	0.50%
Brick Farm Market, LLC	1,276,400	0.40%	1,377,100	0.39%
PNC Bank	1,029,600	0.32%	1,234,100	0.35%
Pashley, Peter & Katharine H/W	1,027,400	0.32%	1,208,700	0.35%
Hopewell Special LLC C/O Moseley, R	1,022,300	0.32%	1,155,200	0.33%
Jeffers James & Raquel	1,019,500	0.32%	1,120,000	0.32%
Marotta, James D UX	1,016,800	0.32%	1,067,500	0.30%
Total	\$ 13,425,600	4.23%	\$ 16,932,955	4.82%
Borough of Pennington				
143 West Franklin Ave., LLC	\$ 7,600,000	1.47%	\$ 5,319,500	1.06%
Pennington Square Shop. Cntr.	3,900,000	0.76%	4,698,900	0.94%
21 Pennington, LLC	3,700,000	0.72%	4,538,000	0.91%
Straube Regional Center	3,531,800	0.68%	3,649,500	0.73%
Straube Center	3,300,000	0.64%	3,000,000	0.60%
Scope Flip Pennington SM, LLC	3,241,600	0.63%	2,983,800	0.60%
ECS Holding LLC	3,000,000	0.58%	2,876,500	0.57%
Pennington Court, Inc.	2,078,200	0.40%	2,271,818	0.45%
Chill Properties, LLC	2,000,000	0.39%	2,231,800	0.45%
Montpen SC LLC	1,956,900	0.38%	2,000,000	0.40%
Total	\$ 34,308,500	6.64%	\$ 33,569,818	6.71%
Township of Hopewell				
CCI-Hopewell VI LLC	\$ 108,762,504	2.85%	\$ 347,300,600	8.30%
Cole Hopewell Twp	92,400,000	2.42%	233,798,100	5.59%
Janssen Pharmaceutical	91,230,100	2.39%	91,230,200	2.18%
Hopewel Campus Owner LLC	90,128,200	2.36%	27,646,100	0.66%
AREP Hopewell LLC	72,025,000	1.89%	22,092,800	0.53%
One Talent	49,583,400	1.30%	18,294,900	0.44%
Hopewell TC Associates	24,646,100	0.65%	13,862,100	0.33%
Trap Rock Industries Inc	22,168,000	0.58%	13,036,500	0.31%
Transco Gas Pipeline	13,842,100	0.36%	10,806,100	0.26%
Montpen SC LLC	13,036,500	0.34%	10,123,400	0.23%
Total	\$ 577,821,904	15.14%	\$ 788,190,800	18.83%

Source: County Tax Administrator

**HOPEWELL VALLEY REGIONAL SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL TAX LEVY COLLECTED
		AMOUNT	PERCENTAGE OF LEVY		
2021	\$ 82,168,163	\$ 82,168,163	100.00%		\$82,168,163
2020	81,215,297	81,215,297	100.00%		81,215,297
2019	77,386,630	77,386,630	100.00%		77,386,630
2018	76,452,806	76,452,806	100.00%		76,452,806
2017	74,150,252	73,769,504	99.49%	\$ 380,748	74,150,252
2016	73,601,264	74,366,411	101.04%		74,366,411
2015	72,074,537	72,074,537	100.00%		72,074,537
2014	70,702,544	70,702,544	100.00%		70,702,544
2013	68,993,917	68,993,917	100.00%		68,993,917
2012	68,084,876	68,084,876	100.00%		68,084,876

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

**HOPEWELL VALLEY REGIONAL SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED**

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES				TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	PREMIUM	CAPITAL LEASES				
2021	\$ 38,295,000	\$ 930,467	\$ 1,587,669	\$ 40,813,136	2.75%	\$ 1,847	
2020	42,475,000	1,269,518	1,039,162	44,783,680	3.00%	2,017	
2019	46,905,000	1,650,226	1,535,750	50,090,976	3.62%	2,234	
2018	51,135,000	2,066,184	1,698,200	54,899,384	3.87%	2,389	
2017	55,095,000	2,482,142	1,801,075	59,378,217	4.17%	2,580	
2016	23,030,000	2,060,212	501,680	25,591,892	1.79%	1,106	
2015	27,920,000	846,530	444,650	29,211,180	2.18%	1,342	
2014	31,445,000	1,142,110	608,249	33,195,359	2.65%	1,455	
2013	34,850,000	1,437,690	154,691	36,442,381	3.62%	1,671	
2012	38,165,000	1,733,270	208,731	40,107,001	3.88%	1,820	

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

**HOPEWELL VALLEY REGIONAL SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	LESS DEBT SERVICE FUND	NET GENERAL BONDED DEBT OUTSTANDING		
2021	\$ 38,295,000	\$ 72,597	\$ 38,222,403	0.804%	\$ 1,730
2020	42,475,000	255,027	42,219,973	0.888%	1,901
2019	46,905,000	512,297	46,392,703	1.071%	2,069
2018	51,135,000	643,404	50,491,596	1.056%	2,197
2017	55,095,000	339,884	54,755,116	1.144%	2,379
2016	23,030,000	10,563	23,019,437	0.482%	995
2015	27,920,000	3,066	27,916,934	0.584%	1,282
2014	31,445,000	918,482	30,526,518	0.630%	1,338
2013	34,850,000	12,333	34,837,667	0.718%	1,581
2012	38,165,000	211,600	37,953,400	0.703%	1,736

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2021**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:	\$ 667,964,480		
Borough of Hopewell		0.7201%	\$ 4,810,204
Borough of Pennington		1.1148%	7,446,378
Township of Hopewell		8.9570%	59,829,328
Other Debt: M.C.I.A.	61,194,065		
Borough of Hopewell		0.7201%	440,676
Borough of Pennington		1.1148%	682,183
Township of Hopewell		8.9570%	5,481,129
Subtotal, Overlapping Debt			78,689,898
Hopewell Valley Regional School District Direct Debt			38,295,000
Total Direct & Overlapping Debt			<u>\$ 116,984,898</u>

Sources: Assessed value data used to estimate applicable percentages provided by County Tax Administrator, 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 district. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

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

**HOPEWELL VALLEY REGIONAL SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

UNAUDITED

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt Limit	\$ 200,793,345	\$ 203,602,697	\$ 203,248,424	\$ 200,555,410	\$ 196,074,571	\$ 192,329,924	\$ 190,328,677	\$ 190,605,668	\$ 185,358,213	\$ 196,499,481
Total Net Debt Applicable to Limit	38,165,000	42,219,973	46,392,703	50,491,596	55,095,000	23,030,000	27,920,000	31,445,000	34,850,000	38,165,000
Legal Debt Margin	\$ 162,628,345	\$ 161,382,724	\$ 156,855,721	\$ 150,063,814	\$ 140,979,571	\$ 169,299,924	\$ 162,408,677	\$ 159,160,668	\$ 150,508,213	\$ 158,334,481
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	19.01%	20.74%	22.83%	25.18%	28.10%	11.97%	14.67%	16.50%	18.80%	19.42%

Legal Debt Margin Calculation for Fiscal Year 2021

Equalized Valuation Basis	
2021	\$ 4,930,764,094
2020	5,038,721,716
2019	5,090,015,034
	<u>\$ 15,059,500,844</u>
Average Equalized Valuation of Taxable Property	<u>\$ 5,019,833,615</u>
Debt Limit (4% of Average Equalization Value)	\$ 200,793,345
Net Bonded School Debt	<u>38,165,000</u>
Legal Debt Margin	<u>\$ 162,628,345</u>

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

a Limit set by NISA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

**HOPEWELL VALLEY REGIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED**

YEAR	POPULATION (a)	PER CAPITA PERSONAL INCOME (b)	UNEMPLOYMENT RATE (c)
Borough of Hopewell			
2021	1,918	\$ 58,735	6.2%
2020	1,906	53,391	3.3%
2019	1,916	52,180	2.3%
2018	1,948	52,180	2.7%
2017	1,926	52,180	2.9%
2016	1,929	52,180	4.9%
2015	1,917	53,455	5.0%
2014	1,922	50,910	5.9%
2013	1,921	52,294	8.3%
2012	2,035	49,986	1.0%
Borough of Pennington			
2021	2,688	\$ 67,499	6.2%
2020	2,576	64,913	3.3%
2019	2,531	60,545	2.6%
2018	2,589	60,545	2.9%
2017	2,568	60,545	3.0%
2016	2,598	60,545	4.9%
2015	2,587	56,962	5.3%
2014	2,585	56,004	5.9%
2013	2,583	56,962	8.3%
2012	2,696	63,990	2.6%
Township of Hopewell			
2021	17,491	\$ 67,904	6.2%
2020	17,725	68,933	3.3%
2019	17,978	62,979	2.3%
2018	18,440	62,979	3.3%
2017	18,523	62,979	2.7%
2016	18,606	62,979	4.9%
2015	17,265	62,979	5.0%
2014	18,302	55,219	5.0%
2013	17,304	43,947	7.4%
2012	17,304	43,947	8.3%

Source:

- (a) Population information provided by the NJ Dept of Labor and Workforce Development
(b) Per Capita information provided by the US Dept of Commerce, Bureau of Economic Analysis
(c) Unemployment data provided by the NJ Dept of Labor and Workforce Development

**HOPEWELL VALLEY REGIONAL SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED**

EMPLOYERS	2021		2012	
	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
Borough of Hopewell				
Hopewell Elementary	74	N/A	62	N/A
Dana Communications	35	N/A	50	N/A
Tomato Factory Antique	34	N/A	20	N/A
Borough of Hopewell	23	N/A	20	N/A
Brick Farm Market	20	N/A	20	N/A
Valley Oil Inc.	15	N/A	19	N/A
Baxter Construction Inc	14	N/A	13	N/A
Semandex Networks Inc	14	N/A	8	N/A
Mobile Physician Group	12	N/A	8	N/A
Borough of Hopewell				
Hopewell Elementary				
The Prisco Group				
Brothers Moon				
Dana Communications				
Valley Oil Inc.				
Hopewell Pharmacy				
USPC				
JB Hill & Sons				
Saums Interiors				
Total	<u>241</u>	<u>N/A</u>	<u>220</u>	<u>N/A</u>
Borough of Pennington				
Pennington School	121	N/A	Not available	N/A
Hopewell Valley Regional	99	N/A	Not available	N/A
Pennington Mortgage	99	N/A	Not available	N/A
Brandywine Assisted Living	53	N/A	Not available	N/A
Toll Gate Grammar	55	N/A	Not available	N/A
Cambridge School	55	N/A	Not available	N/A
USPS	34	N/A	Not available	N/A
Pennington Boro	32	N/A	Not available	N/A
Pennington Dental Assoc	12	N/A	Not available	N/A
Total	<u>560</u>	<u>N/A</u>	<u>-</u>	<u>N/A</u>
Township of Hopewell				
Merrill Lynch	6,000	N/A	6,000	N/A
Capital Health at Hopewell	3,300	N/A	1,765	N/A
Bristol Myers Squibb	1,765	N/A	1,200	N/A
Janssen Pharmaceutical	1,100	N/A	Not available	N/A
Johnson & Johnson Pharm	443	N/A	Not available	N/A
Mary-Lawrence Corp PQM	240	N/A	Not available	N/A
Hopewell Valley Central High	172	N/A	Not available	N/A
Wakenern Food Corp./Shoperite	150	N/A	Not available	N/A
Stop and Shop Inc	132	N/A	Not available	N/A
Kooltronics	120	N/A	Not available	N/A
Township of Hopewell	112	N/A	Not available	N/A
Total	<u>13,534</u>	<u>N/A</u>	<u>8,965</u>	<u>N/A</u>

Source: Hopewell Twp website, Mercer County Guide to Our Region, Buzzfile Website

**HOPEWELL VALLEY REGIONAL SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED**

Function/Program	June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Instruction:										
Regular	330.60	330.60	338.44	338.94	338.83	337.30	340.87	336.34	338.33	339.50
Special Education	77.87	77.87	72.38	72.14	69.85	68.38	66.39	63.64	59.14	57.90
Support Services:										
Student & Instruction Related Services	122.14	120.93	122.07	121.57	113.52	113.83	110.38	109.06	107.92	94.60
School Administrative Services	24.00	24.00	25.00	25.00	24.60	24.60	24.60	24.55	23.55	27.70
General & Business Administrative Services	26.16	24.70	23.49	23.49	22.49	23.09	22.49	22.49	18.48	12.40
Plant Operations & Maintenance	47.63	47.63	48.00	48.00	47.00	47.00	48.00	47.00	53.00	52.20
Pupil Transportation	56.00	56.00	56.00	56.00	54.00	55.00	54.00	54.00	54.00	51.70
Total	684.40	681.73	685.38	685.14	670.29	669.20	666.73	657.08	654.42	636.00

Source: District Personnel Records

**HOPEWELL VALLEY REGIONAL SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO			AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ELEMENTARY	MIDDLE SCHOOL	SENIOR HIGH SCHOOL				
2021	3,794	\$ 93,485,690	\$ 24,640	-5.56%	417	8.2:1	8.6:1	8.4:1	3,398	3,187	-1.36%	93.78%
2020	3,468	90,484,502	26,091	-0.96%	416	8.3:1	8.5:1	8.7:1	3,445	3,330	-1.15%	96.66%
2019	3,458	91,102,664	26,345	8.93%	411	8.4:1	8.2:1	9.1:1	3,485	3,315	-0.88%	95.12%
2018	3,536	85,522,557	24,186	8.54%	416	12.5:1	9.4:1	10.4:1	3,516	3,338	-2.41%	94.94%
2017	3,625	80,774,411	22,283	1.96%	409	10.3:1	10.0:1	11.2:1	3,603	3,425	-1.40%	95.05%
2016	3,668	80,157,829	21,853	4.45%	406	10.1:1	10.1:1	12.1:1	3,654	3,478	-0.51%	95.18%
2015	3,640	76,154,018	20,921	5.04%	407	10.1:1	10.1:1	12.1:1	3,673	3,497	-0.41%	95.21%
2014	3,686	73,418,555	19,918	1.78%	395	10.1:1	10.1:1	12.1:1	3,688	3,542	-1.05%	96.04%
2013	3,735	73,093,370	19,570	3.05%	389	9.1:1	10.1:1	11.1:1	3,727	3,575	-1.77%	95.92%
2012	3,798	72,123,951	18,990	4.14%	383	9.1:1	10.1:1	11.1:1	3,794	3,658	-1.76%	96.42%

Sources: District records

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay.

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**HOPEWELL VALLEY REGIONAL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED**

DISTRICT BUILDINGS	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Elementary Schools:										
Bear Tavern Elementary (1961):										
Square Feet	69,940	69,940	69,940	69,940	69,940	69,940	69,940	69,940	69,940	69,940
Capacity (Students)	550	550	550	550	550	550	550	550	550	550
Enrollment	411	439	452	407	407	420	407	407	407	439
Toll Gate Grammar (1928):										
Square Feet	61,736	61,736	61,736	61,736	61,736	61,736	61,736	61,736	61,736	61,736
Capacity (Students)	354	354	354	354	354	354	354	354	354	354
Enrollment (a)	309	296	294	297	297	286	287	287	287	297
Hopewell Elementary (1926):										
Square Feet	97,048	97,048	97,048	97,048	97,048	97,048	97,048	97,048	97,048	97,048
Capacity (Students)	546	546	546	546	546	546	546	546	546	546
Enrollment	414	423	442	441	441	447	468	468	468	479
Stony Brook Elementary (2002):										
Square Feet	76,400	76,400	76,400	76,400	76,400	76,400	76,400	76,400	76,400	76,400
Capacity (Students)	550	550	550	550	550	550	550	550	550	550
Enrollment	381	393	391	427	427	442	428	428	428	412
Middle School:										
Timberlane Middle School (1961):										
Square Feet	169,066	169,066	169,066	169,066	169,066	169,066	169,066	169,066	169,066	169,066
Capacity (Students)	997	997	997	997	997	997	997	997	997	997
Enrollment	824	818	808	851	851	847	928	928	928	952
High School:										
Central High School (1958):										
Square Feet	236,011	236,011	236,011	215,507	215,507	215,507	215,507	215,507	215,507	215,507
Capacity (Students)	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215
Enrollment	1,094	1,099	1,119	1,202	1,202	1,243	1,217	1,217	1,217	1,215
Other Buildings:										
After School Program Building (1946):										
Square Feet	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Central Administration (1926):										
Square Feet	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Facilities Building (1946) (b):										
Square Feet	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000

Number of Schools at June 30, 2021:

- Elementary = 4
- Middle School = 1
- Senior High School = 1
- Other = 3

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of and additions. Enrollment is based on the annual October district count.

**HOPEWELL VALLEY REGIONAL SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
UNAUDITED**

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

PROJECT NUMBERS	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
School Facilities										
Bear Tavern	N/A	\$ 230,290	\$ 142,041	\$ 186,531	\$ 234,130	\$ 159,698	\$ 229,992	\$ 172,689	\$ 245,415	\$ 179,623
Toll Gate	N/A	147,388	160,198	118,141	160,608	142,304	158,284	197,767	256,768	142,431
Central High School	N/A	435,633	464,937	390,250	403,335	673,453	415,330	373,789	449,019	311,861
Stony Brook	N/A	202,701	145,618	173,896	148,008	239,628	140,485	161,157	134,442	127,291
Hopewell	N/A	189,580	194,152	220,452	204,924	145,013	164,353	268,391	141,445	160,686
Timberlane	N/A	328,677	417,746	342,190	344,815	322,463	443,771	410,626	325,010	637,001
Total School Facilities	\$ 1,605,920	\$ 1,627,910	\$ 1,455,482	\$ 1,431,460	\$ 1,495,820	\$ 1,682,559	\$ 1,552,215	\$ 1,584,419	\$ 1,552,099	\$ 1,558,893

Source: District records

HOPEWELL VALLEY REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2021
UNAUDITED

	COVERAGE	DEDUCTIBLE
Property- NJSIG:		
Blanket Building & Contents	\$ 208,683,861	\$ 5,000
Extra Expenses	50,000,000	
Liability-NJSIG		
Bodily Injury & Property Damage		
Each Occurrence	31,000,000	
Aggregate	31,000,000	
Fire Damage	31,000,000	
Employee Benefit Programs		
Each Occurrence	31,000,000	
Boiler & Machinery - NJSIG	208,683,861	
Crime-NJSIG		
Employee Dishonesty	500,000	
Musical Instruments	134,066	
Athletic Equipment	192,311	
Mobile Equipment	9,000	1,000
EDP	2,301,711	1,000
Automobile-NJSIG		
Bodily Injury & Property	31,000,000	1,000
Personal Injury Protection	Statutory	
Medical Payments	10,000	1,000
Uninsured/Underinsured	1,000,000	1,000
Workers Compensation-NJSIG		
Section "A"	Statutory	
Section "B"		
Each Accident	3,000,000	
Each Employee	3,000,000	
Aggregate	3,000,000	
Supplemental Indemnity		
Maximum Weekly Benefit	\$1,750	
Bonds-Selective		
Board Sec/Bus Adm	120,000	
Treasurer of School Monies	400,000	
Student Accident-Bollinger		
Maximum Limit	6,000,000	
Environmental Policy-AIG		
Limit of Liability	1,000,000	10,000
Aggregate	1,000,000	
Mold Deductible		100,000
School Leaders- NJSIG		
Limit of Liability	31,000,000	
Retention	15,000	
CAP - Fireman's Fund		
Limit of liability	25,000,000	
International Policy - Ace		
Each Occurrence	1,000,000	
Aggregate	2,000,000	
Employee Benefits	1,000,000	
Contingent Auto Liability	1,000,000	

Single Audit Section



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

Independent Auditors' Report

Honorable President and Members
of the Board of Education
Hopewell Valley Regional School District
Pennington, New Jersey
County of Mercer

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of the Hopewell Valley Regional School District, in the County of Mercer, New Jersey (the "District") 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, and have issued our report thereon dated February 17, 2022.

Internal Control Over Financial Reporting

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

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

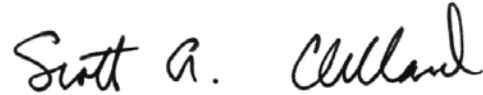
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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



Scott A. Clelland
Licensed Public School Accountant
No. 1049



WISS & COMPANY, LLP

February 17, 2022
Florham Park, New Jersey



Report on Compliance For Each Major Federal and State Program and
Report on Internal Control Over Compliance Required by the
Uniform Guidance and New Jersey OMB 15-08

Independent Auditors' Report

Honorable President and Members
of the Board of Education
Hopewell Valley Regional School District
Pennington, New Jersey
County of Mercer

Report on Compliance for Each Major Federal and State Program

We have audited Hopewell Valley Regional School District's, in the County of Mercer, New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2021. The District's major federal and state programs are identified in the summary of auditors' 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 federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of*

Federal Grants, State Grants and State Aid. Those standards, the Uniform Guidance and New Jersey OMB 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 federal and 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 year ended June 30, 2021.

Report on Internal Control Over Compliance

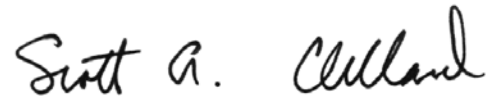
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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.

Purpose of this Report

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.



Scott A. Clelland
Licensed Public School Accountant
No. 1049



WISS & COMPANY, LLP

February 17, 2022
Florham Park, New Jersey

Hopewell Valley Regional School District
Schedule of Expenditures of Federal Awards

June 30, 2021

Federal ALN Number	Federal FAIN Number	Grant Period	Award Amount	Balance at June 30, 2020	Carryover/Walkover Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance June 30, 2021	
									Uncearned Revenue	Due to Grantor
Federal Grantor/Pass-Through Grantor/Program Title - Passed-Through State										
U.S. Department of Health and Human Services - Passed-Through State										
Department of Education										
General Fund:										
93.778	2005NJ5MAP	7/1/20-9/30/21	\$ 22,273			\$ 22,273	\$ (22,273)			
						22,273	(22,273)			
Total U.S. Department of Health and Human Services - Passed - Through State Department of Education										
U.S. Department of Homeland Security - Passed-Through State										
Department of Education										
97.036	FEMA-4488-DR-NJ	7/1/12-6/30/13	31,911			31,911	(31,911)			
						31,911	(31,911)			
Total U.S. Department of Homeland Security - Passed - Through State Department of Education										
Total General Fund										
U.S. Department of Education - Passed-Through State										
Department of Education										
Special Revenue Fund:										
84.010A	S010A200030	7/1/20-9/30/21	90,895			48,940	(59,524)			\$ (10,584)
84.010A	S010A190030	7/1/19-9/30/20	87,262	(21,432)		21,432				
84.367A	S367A200029	7/1/20-9/30/21	78,056			48,426	(64,294)			(15,044)
84.367A	S367A190029	7/1/19-9/30/20	59,572	824				824		
84.424	S424A200031	7/1/20-9/30/21	12,061			4,522	(5,522)			(1,000)
84.424	S424A190031	7/1/19-9/30/20	11,502	(469)		469				
84.048A	V048A200030	7/1/20-6/30/21	18,526	(1,359)		18,506	(18,526)			(20)
84.048A	V048A210030	7/1/19-6/30/20	17,755			1,359				
Special Education Cluster:										
84.027A	H027A200100	7/1/20-9/30/21	904,748			837,340	(904,748)			(67,408)
84.027A	H027A190100	7/1/19-9/30/20	892,953	(28,208)		28,208				
84.173A	H173A200114	7/1/20-9/30/21	25,756			25,756	(25,756)			
				(28,208)		891,304	(950,504)			(67,408)
Total Special Education Cluster										
84.423D	S425D200027	3/13/20-9/30/22	80,000			62,276	(75,689)			(13,413)
				(50,644)		62,276	(75,689)			(13,413)
Elementary and Secondary School Emergency Relief (ESSER) Cluster:										
COVID-19 CARES Emergency Relief (ESSER I)										
Subtotal Elementary and Secondary School Emergency Relief (ESSER) Cluster										
Total U.S. Department of Education - Passed-Through State										
U.S. Department of Treasury - Passed-Through State										
Department of Education										
21.019	SLT0228	3/13/20-12/31/20	101,222			101,222	(101,222)			
21.019	SLT0228	3/13/20-12/31/20	22,143			21,639	(21,639)			
						1,097,234	(1,154,059)			(107,469)
Total U.S. Department of Treasury Passed-Through State Department of Education										
Total Special Revenue Fund										
U.S. Department of Agriculture - Passed-Through State										
Department of Agriculture										
Enterprise Fund:										
Child Nutrition Program Cluster:										
Noncash Assistance (Commodities):										
10.555	211NJ304N109	7/1/20-6/30/21	59,742			59,742	(59,742)			
Food Donation Program (NC)										
Cash Assistance:										
10.579	211NJ304N109	7/1/20-6/30/21	6,732			6,732	(6,732)			
10.555	211NJ304N109	7/1/20-6/30/21	379,463			328,525	(379,465)			(50,938)
10.555	211NJ304N109	7/1/20-6/30/21	112,028			108,688	(112,028)			(3,340)
10.555	201NJ304N109	7/1/19-6/30/20	16,106			8,081		(8,081)		
10.555	201NJ304N110	7/1/20-6/30/21	7,504			7,504	(7,504)			
10.555	201NJ304N109	7/1/19-6/30/20	70,387	(8,081)		7,504		8,081		
10.555	202121H170341	7/1/20-6/30/21	34,775			519,272	(34,775)			(89,053)
				(8,081)						
Total Child Nutrition Program Cluster										
10.649	N/A	7/1/20-6/30/21	614				(614)			
COVID-19 Pandemic EBT										
Total Enterprise Fund and Total U.S. Department of Agriculture - Passed-Through State Department of Agriculture										
Total Expenditures of Federal Awards										
NC-non cash expenditures										

The accompanying notes to schedules of expenditures of federal awards and state financial assistance are an integral part of this statement.

Hopewell Valley Regional School District
Schedule of Expenditures of State Financial Assistance

June 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2020		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2021		Memo Cumulative Expenditures												
				Unearned Rev. (Accts Rec)	Due to Grantor				Unearned Revenue	(Accounts Receivable)		Due to Grantor	Budgetary Receivable										
State Department of Education																							
General Fund:																							
Special Education Categorical Aid	495-034-5120-089	7/1/20-6/30/21	\$ 2,584,561			\$ 2,361,087	(2,584,561)																
Special Education Categorical Aid	495-034-5120-089	7/1/19-6/30/20	2,448,855	(205,318)		205,318						(2,584,561)											
Transportation Aid	495-034-5120-014	7/1/20-6/30/21	760,010	(63,721)		694,296	(760,010)					(760,010)											
Transportation Aid	495-034-5120-014	7/1/19-6/30/20	760,010			63,721						(62,529)											
Security Aid	495-034-5120-084	7/1/20-6/30/21	62,529	(5,243)		57,122	(62,529)					(62,529)											
Security Aid	495-034-5120-084	7/1/19-6/30/20	62,529			5,243						(325,128)											
School Choice Aid	495-034-5120-068	7/1/20-6/30/21	325,128	(26,815)		297,016	(325,128)					(325,128)											
School Choice Aid	495-034-5120-068	7/1/19-6/30/20	319,831			26,815						(779,733)											
Extraordinary Aid	100-034-5120-473	7/1/20-6/30/21	779,733	(673,073)		673,073	(779,733)					(779,733)											
Extraordinary Aid	100-034-5120-473	7/1/19-6/30/20	83,520			23,780	(83,520)					(83,520)											
Non-Public Transportation Aid	495-034-5120-014	7/1/20-6/30/21	83,520	(23,780)		673,073						(9,579,992)											
Non-Public Transportation Aid	495-034-5120-014	7/1/19-6/30/20	23,780			11,666						(3,002,220)											
Homeless Tuition Reimbursement	N/A	7/1/19-6/30/20	11,666			9,579,992						(4,682)											
On-Behalf TPAF - Pension Contributions	495-034-5094-002	7/1/20-6/30/21	3,002,220	(126,259)		1,178	(126,259)					(2,594,562)											
On-Behalf TPAF - Post-Retirement Medical	495-034-5094-001	7/1/20-6/30/21	4,682			431						(126,259)											
On-Behalf TPAF - Long-Term Disability Insurance	495-034-5094-003	7/1/20-6/30/21	2,594,562			19,597,146	(19,776,937)					(992,959)											
Reimbursed TPAF - Social Security	495-034-5094-003	7/1/19-6/30/20	2,566,560	(1,124,209)								(322,707)											
Total General Fund																							
Special Revenue Fund:																							
New Jersey Non-Public Aid:																							
Textbook Aid	100-034-5120-064	7/1/20-6/30/21	31,095			31,095	(28,513)					(28,513)											
Textbook Aid	100-034-5120-064	7/1/19-6/30/20	24,404		\$ 2,180				\$ 2,180			(67,749)											
Nursing Services	100-034-5120-070	7/1/20-6/30/21	73,848			73,848	(67,749)					(17,199)											
Nursing Services	100-034-5120-070	7/1/19-6/30/20	64,893			17,199						(125,475)											
Security	100-034-5120-509	7/1/20-6/30/21	125,475			125,475	(123,602)					(1,178)											
Security	100-034-5120-509	7/1/19-6/30/20	100,350			1,178						(431)											
Technology	100-035-5120-373	7/1/19-6/30/20	16,668			431						(1,178)											
Non Public Auxiliary Services (Ch. 192):																							
Home Instruction	100-034-5120-067	7/1/19-6/30/20	1,487	(1,487)																			
Transportation		7/1/20-6/30/21	437			437						437											
Transportation		7/1/19-6/30/20	1,291	(129)		1,291																	
Non Public Handicapped Services (Ch. 193):																							
Examination and Classification		7/1/20-6/30/21	12,579	(1,951)		12,579	(9,660)					(9,660)											
Examination and Classification		7/1/19-6/30/20	19,510			1,951																	
Total Special Revenue Fund																							
Debt Service Fund:																							
Type II Aid	100-034-5120-075	7/1/20-6/30/21	509,830			509,830	(509,830)					(509,830)											
Total Debt Service Fund						509,830	(509,830)					(509,830)											
State Department of Agriculture																							
Enterprise Fund:																							
State School Lunch Program (State share)	100-010-3360-023	7/1/20-6/30/21	18,216	(128)		14,714	(18,216)					(18,216)											
State School Lunch Program (State share)	100-010-3360-023	7/1/19-6/30/20	6,978			1,883	(1,755)					(3,502)											
Total Enterprise Fund																							
Total State Financial Assistance																							
<table border="0" style="width:100%"> <tr> <td style="width:50%">\$ (1,127,904)</td> <td style="width:50%">\$ 34,174</td> <td style="width:50%">\$ 20,370,575</td> <td style="width:50%">\$ (20,536,262)</td> <td style="width:50%">\$ (34,174)</td> <td style="width:50%">\$ (11,666)</td> <td style="width:50%">\$ -</td> <td style="width:50%">\$ (996,461)</td> <td style="width:50%">\$ 13,910</td> <td style="width:50%">\$ (322,707)</td> <td style="width:50%">\$ (20,534,507)</td> </tr> </table>													\$ (1,127,904)	\$ 34,174	\$ 20,370,575	\$ (20,536,262)	\$ (34,174)	\$ (11,666)	\$ -	\$ (996,461)	\$ 13,910	\$ (322,707)	\$ (20,534,507)
\$ (1,127,904)	\$ 34,174	\$ 20,370,575	\$ (20,536,262)	\$ (34,174)	\$ (11,666)	\$ -	\$ (996,461)	\$ 13,910	\$ (322,707)	\$ (20,534,507)													
State Financial Assistance Not Subject to Single Audit Determination:																							
On-Behalf TPAF - Pension Contributions	495-034-5094-002	7/1/20-6/30/21	9,579,992			9,579,992	(9,579,992)					(9,579,992)											
On-Behalf TPAF - Post-Retirement Medical	495-034-5094-001	7/1/20-6/30/21	3,002,220			3,002,220	(3,002,220)					(3,002,220)											
On-Behalf TPAF - Long-Term Disability Insurance	495-034-5094-004	7/1/20-6/30/21	4,682			4,682	(4,682)					(4,682)											
Total State Financial Assistance Subject to Single Audit Determination																							
<table border="0" style="width:100%"> <tr> <td style="width:50%">\$ (1,127,904)</td> <td style="width:50%">\$ 34,174</td> <td style="width:50%">\$ 7,783,681</td> <td style="width:50%">\$ (7,949,368)</td> <td style="width:50%">\$ (34,174)</td> <td style="width:50%">\$ (11,666)</td> <td style="width:50%">\$ -</td> <td style="width:50%">\$ (996,461)</td> <td style="width:50%">\$ 13,910</td> <td style="width:50%">\$ (322,707)</td> <td style="width:50%">\$ (7,947,613)</td> </tr> </table>													\$ (1,127,904)	\$ 34,174	\$ 7,783,681	\$ (7,949,368)	\$ (34,174)	\$ (11,666)	\$ -	\$ (996,461)	\$ 13,910	\$ (322,707)	\$ (7,947,613)
\$ (1,127,904)	\$ 34,174	\$ 7,783,681	\$ (7,949,368)	\$ (34,174)	\$ (11,666)	\$ -	\$ (996,461)	\$ 13,910	\$ (322,707)	\$ (7,947,613)													

The accompanying notes to schedules of expenditures of federal awards and state financial assistance are an integral part of this statement.

Hopewell Valley Regional School District
Notes to Schedules of Expenditures of
Federal Awards and State Financial Assistance

Year ended June 30, 2021

1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance include the federal award and state financial assistance activity under programs of the federal and state government for the year ended June 30, 2021. The District is defined in Note 1 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.

The information in these schedules are presented in accordance with the requirements of Title 2 U.S., *Code of Federal Regulations Part 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Requirements of Federal Grants, State Grants, and State Aid*. Therefore, some amounts presented in these schedules may differ from the amounts presented, or used in the preparation of, the basic financial statements. Because the schedules present only selected portions of the operations of the District, they are not intended to and do not present the financial position, changes in net position, or cash flows of the District.

2. Summary of Significant Accounting Policies

The expenditures reported on the accompanying schedules of expenditures of federal awards and state financial assistance (Schedules) are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise fund, which are presented using the accrual basis of accounting and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and New Jersey OMB Circular 15-08, wherein certain types of expenditures are allowable or are limited as to reimbursement. These bases of accounting are described in Note 1 to the District's basic financial statements.

Hopewell Valley Regional School District
Notes to Schedules of Expenditures of
Federal Awards and State Financial Assistance

Year ended June 30, 2021

3. Relationship to Basic Financial Statements

Amounts reported in the accompanying schedules agree with amounts reported in the District's basic financial statements. The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the fiscal 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 of accounting with the exception of the revenue recognition of the last two state aid payments in the current year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of the last two state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$21,610 for the general fund and \$33,670 for the special revenue fund. See note to required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds (C-3). The net adjustment to reconcile from the budgetary basis to the GAAP basis for the special revenue fund accounts receivable is \$4,914. Federal and State award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	Federal	State	Total
General Fund	\$ 54,184	\$ 19,755,327	\$ 19,809,511
Special Revenue Fund	1,272,006	228,224	1,500,230
Debt Service Fund		509,830	509,830
Food Service Enterprise Fund	600,858	19,971	620,829
Total financial award revenues	\$1,927,048	\$ 20,513,352	\$ 22,440,400

Hopewell Valley Regional School District
Notes to Schedules of Expenditures of
Federal Awards and State Financial Assistance

Year ended June 30, 2021

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.

5. Other

Revenues and expenditures reported under the Food Donation Program represent current year value received and current year distributions, respectively. TPAF Social Security Contributions represent the amount reimbursed by the State for the employer's share of Social Security for TPAF members for the year ended June 30, 2021.

The post retirement pension, medical, and long-term disability benefits received on-behalf of the District for the year ended June 30, 2021 amounted to \$12,586,894. Since on-behalf post retirement pension, medical and long-term disability benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08. They are however reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

6. Indirect Costs

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

7. Adjustments

The adjustments on the Schedule of Expenditures of Federal Awards represent the reallocation of grant funds misapplied.

The adjustments on the Schedule of State Financial Assistance represent expenditures incurred in the prior year.

Hopewell Valley Regional School District

Schedule of Findings and Questioned Costs

Year ended June 30, 2021

Part I - Summary of Auditor's Results

Financial Statements

Type of report the auditors issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Are any material weakness (es) identified? _____ Yes X No

Are any significant deficiency (ies) identified? _____ Yes X None Reported

Noncompliance material to the basic financial statements noted? _____ Yes X No

Federal Awards

Internal control over major federal programs:

Are any material weakness (es) identified? _____ Yes X No

Are any significant deficiency (ies) identified? _____ Yes X None Reported

Type of auditors' report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes X No

Identification of major federal programs:

AL Number(s)	FAIN Number	Name of Federal Program or Cluster
84.027A	H027A200100	IDEA, Part B, Basic (Special Education Cluster)
84.173A	H173A200114	IDEA, Part B, Preschool (Special Education Cluster)

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

\$750,000

Auditee qualified as low-risk auditee? X Yes _____ No

Hopewell Valley Regional School District
Schedule of Findings and Questioned Costs (continued)
Year ended June 30, 2021

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

State Financial Assistance

Internal control over major state programs:

Are any material weakness (es) identified? _____ Yes X No

Are any significant deficiency (ies) identified? _____ Yes X None reported

Type of auditors' report issued on compliance for major state programs: _____ Unmodified _____

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

Identification of major state programs:

GMIS/Program Number	Name of State Program or Cluster
100-034-5120-473	Extraordinary Aid
495-034-5094-003	Reimbursed TPAF – Social Security

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

Auditee qualified as low-risk auditee? X Yes _____ No

Hopewell Valley Regional School District
Schedule of Findings and Questioned Costs (continued)
Year ended June 30, 2021

Part II – Schedule of Financial Statement Findings

No compliance or internal control over financial reporting findings noted that are required to be reported under *Government Auditing Standards*.

Hopewell Valley Regional School District

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2021

**Part III - Schedule of Federal and State Award Findings
and Questioned Costs**

No federal award or state financial assistance program internal control over compliance or internal control findings or questioned costs were noted that are required to be reported in accordance with 2 CFR 200 Section 516(a) and New Jersey State OMB Circular 15-08.

Hopewell Valley Regional School District
Summary Schedule of Prior Year Audit Findings
Year ended June 30, 2021

No prior year findings were noted.