

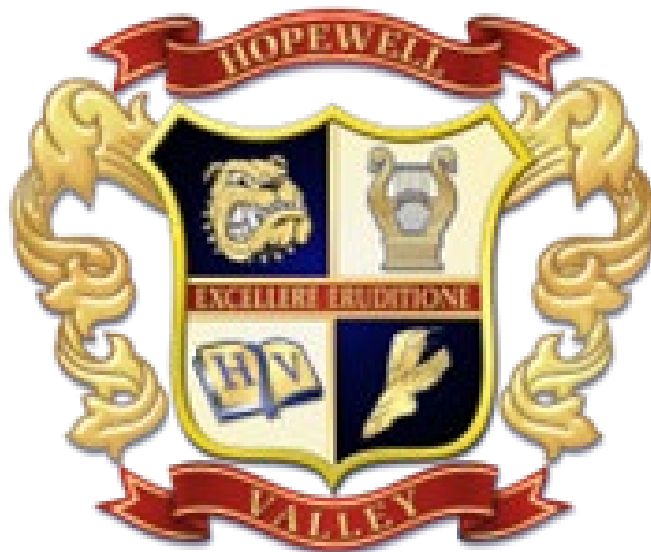
Hopewell Valley

Regional School District

Hopewell Valley Regional Board of
Education

Pennington, New Jersey 08534

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2022



Hopewell Valley Regional School District

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2022

Hopewell Valley Regional School District
Pennington, New Jersey

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

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INTRODUCTORY SECTION

Hopewell Valley Regional School District

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



March 9, 2023

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, 2022, 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, 2022, 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 2021-22 fiscal year with an average daily enrollment of 3,409 students, which is 11 students more 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 |
|--------------------|---------------------------|-----------------------|
| 2021-22 | 3,409 | 0.32% |
| 2020-21 | 3,398 | (1.36)% |
| 2019-20 | 3,445 | (1.15)% |
| 2018-19 | 3,485 | (0.88)% |
| 2017-18 | 3,516 | (2.41)% |

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 2021-22 year was 3,409, a slight increase from 2020-21. The economy in the Hopewell Valley communities is reflective of the national economy and shows signs of growth and experienced a modest increase 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. New housing subdivisions have been approved and are under construction in Hopewell Township that will likely bring additional students into the District's schools, but not in the upcoming school year. The Board awaits a demographic report that will identify expected growth from this new housing over the next several years.

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 2021-22 including paving/curbing/sidewalks at Stony Brook Elementary School and Hopewell Elementary School and the replacement of all windows in the Administration Building. Additional exterior signage at Central High School was installed to better direct egress for students, staff, and community. The District continued to add to its safety infrastructure by installing more interior and exterior cameras and badge-operated door locks. Additional projects are planned for 2022-23 and beyond to address additional paving/curbing/sidewalk issues, HVAC upgrades, boiler replacements, building-envelope, fire alarms, roofing and athletic facilities. 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 2022, CHS students achieved mean scores on the SAT of 620 in Reading/Writing and 615 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 704 tests taken last year, 80 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 2022, Collegeboard named 14 students as Commended Scholars and 1 National Merit Semi-Finalist.

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 PKF O'Connor Davies, 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 annual comprehensive financial report for the fiscal year ended June 30, 2021, and was granted the award. In order to be awarded this certificate, the District published an easily readable and efficiently organized annual comprehensive

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

We believe that our current annual comprehensive 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 2021-22 award.

8. 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,

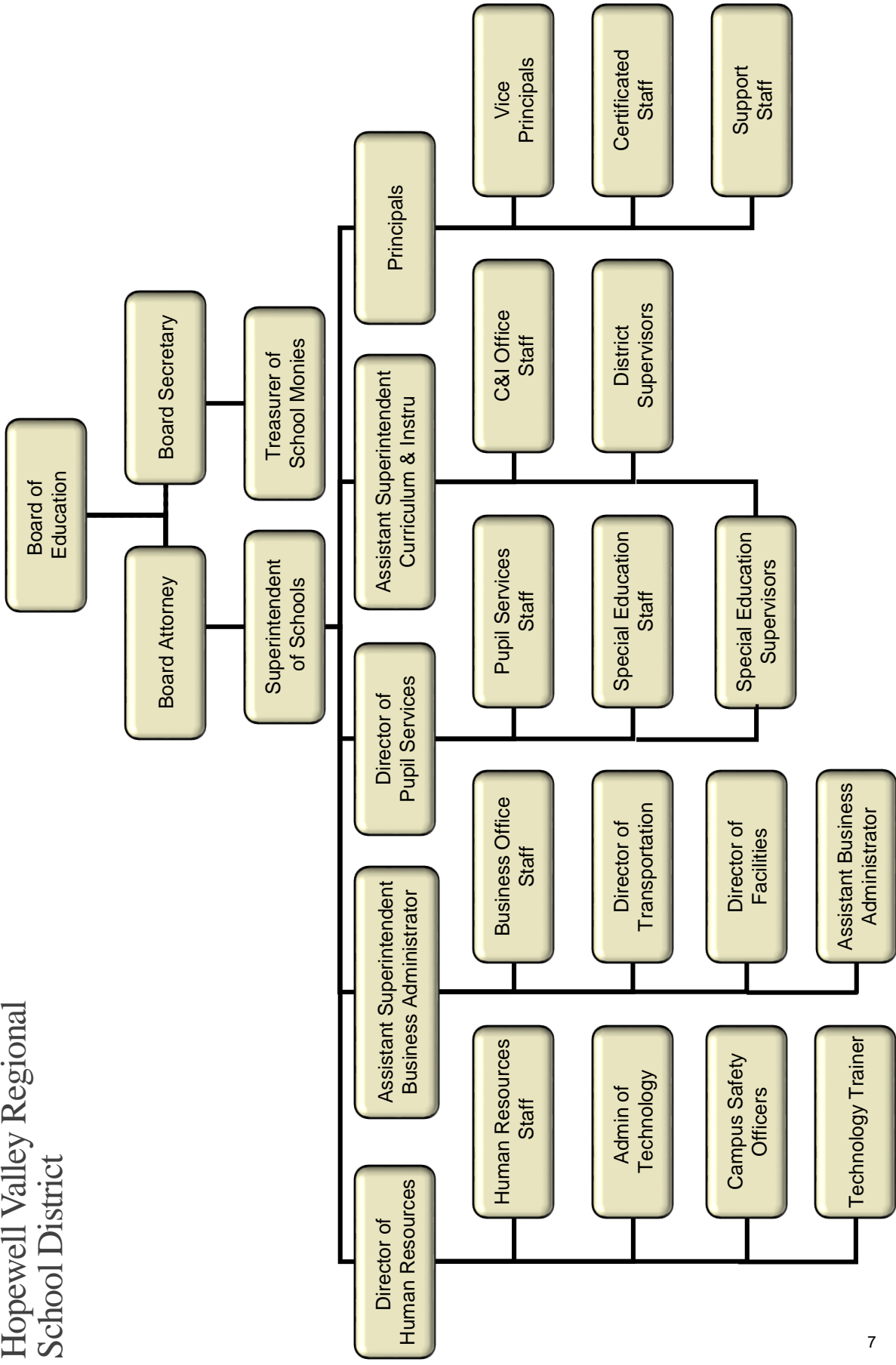
Rosetta D. Treece, Ed. D.

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, 2022

Members of the Board of Education

Term Expires

| | |
|--------------------------------|------|
| Deborah Linthorst, President | 2024 |
| Jessica Grillo, Vice President | 2022 |
| Andrea Driver | 2023 |
| Jacqueline Genovesi | 2024 |
| William Herbert | 2022 |
| John Mason | 2022 |
| Alexander Reznik | 2024 |
| Adam J. Sawicki, Jr. | 2023 |
| Anita Williams Galiano | 2023 |

Other Officials

Dr. Rosetta Treece, Superintendent of Schools

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

PKF O'Connor Davies, LLP
20 Commerce Drive, Suite 301
Cranford, NJ 07016

Attorney

Schenk, 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 Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2021.**

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



A handwritten signature in black ink, reading 'William A. Sutter'.

William A. Sutter
President

A handwritten signature in black ink, reading '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

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United State of America (GAAS); 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 (*Government Auditing Standards*). Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

PKF O'CONNOR DAVIES, LLP
20 Commerce Drive, Suite 301, Cranford, NJ 07016 I Tel: 908.272.6200 I Fax: 908.272.2416 I www.pkfod.com

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and *Government Auditing Standards* will always detect a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the schedules included under Required Supplementary Information in the accompanying table of contents to be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Government 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 GAAS, 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.

Supplementary 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, the schedule 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, are presented for additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining and individual fund financial statements, long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report for the year ended June 30, 2022. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' opinion thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2023 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.

PKF O'Connor Davies, LLP

PKF O'Connor Davies,
LLP Cranford, New Jersey
March 9, 2023

Scott A. Clelland

Scott A. Clelland, CPA
Licensed Public School Accountant, No. 1049

Required Supplementary Information
Part I

Management's Discussion and Analysis

Hopewell Valley Regional School District Management's Discussion and Analysis

Year ended June 30, 2022

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, 2022. 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 are Schedules A-1 and A-2.

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 are Schedules B-1, B-2 and B-3.

Proprietary funds. The District maintains two proprietary fund types as enterprise funds and an internal service fund. 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 internal service fund is used to record the activity of the District's health insurance program.

The proprietary fund financial statements are Schedules B-4, B-5 and B-6.

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.

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.

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 outflow of resources exceeded liabilities and deferred inflow of resources by \$35,146,046 (net position) at the close of 2022 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, 2022 and 2021:

| | 2022 | | | 2021 | | |
|-----------------------------------|----------------------------|-----------------------------|---------------|----------------------------|-----------------------------|--------------|
| | Governmental Activities | Business-type Activities | Total | Governmental Activities | Business-type Activities | Total |
| Current and other assets | \$ 24,781,914 | \$ 511,980 | \$ 25,293,894 | \$ 24,690,885 | \$ 484,566 | \$25,175,451 |
| Restricted cash | 2,817,707 | | 2,817,707 | 245,797 | | 245,797 |
| Capital assets, net | 81,237,735 | 112,242 | 81,349,977 | 84,374,139 | 113,974 | 84,488,113 |
| Total assets | 108,837,356 | 624,222 | 109,461,578 | 109,310,821 | 598,540 | 109,909,361 |
| Deferred Outflow of Resources | 2,537,140 | | 2,537,140 | 3,592,195 | | 3,592,195 |
| Current liabilities | 16,455,861 | 64,072 | 16,519,933 | 14,699,239 | 87,927 | 14,787,166 |
| Net pension liability | 13,867,121 | | 13,867,121 | 18,695,624 | | 18,695,624 |
| Long-term liabilities outstanding | 37,632,434 | | 37,632,434 | 37,313,557 | | 37,313,557 |
| Total liabilities | 67,955,416 | 64,072 | 68,019,488 | 70,708,420 | 87,927 | 70,796,347 |
| Deferred Inflow of Resources | 8,833,184 | | 8,833,184 | 8,132,392 | | 8,132,392 |
| Net position: | | | | | | |
| Net investment in capital assets | 42,870,942 | 112,242 | 42,983,184 | 44,558,715 | 113,974 | 44,672,689 |
| Restricted | 8,145,278 | | 8,145,278 | 11,382,965 | | 11,382,965 |
| Unrestricted (deficit) | (16,430,324) | 447,908 | (15,982,416) | (21,879,476) | 396,739 | (21,482,737) |
| Total net position | \$ 34,585,896 | \$ 560,150 | \$ 35,146,046 | \$ 34,062,204 | \$ 510,713 | \$34,572,917 |

The increase in restricted cash is mainly due to the unspent portion of lease proceeds in the current year.

The largest portion of the District's net position is its net investment in capital assets. The decrease 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 outflow of resources represents 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.

Long-term liabilities increased due to the current year leases payable. 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, 2022 and 2021 are as follows:

Hopewell Valley Board of Education
Changes in Net Position
Year Ended June 30,

| | 2022 | | | 2021 | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| | Governmental | Business-type | Total | Governmental | Business-type | Total |
| | Activities | Activities | | Activities | Activities | |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for services | \$ 1,113,894 | \$ 207,288 | \$ 1,321,182 | \$ 793,464 | \$ 2,011 | \$ 795,475 |
| Operating and capital grants and contributions | 1,910,589 | 1,453,446 | 3,364,035 | 1,567,490 | 620,829 | 2,188,319 |
| Capital grants and contributions | 347,500 | | 347,500 | 13,412 | | 13,412 |
| General revenues: | | | | | | |
| Property taxes | 82,168,163 | | 82,168,163 | 82,168,163 | | 82,168,163 |
| Grants and contributions not restricted to specific programs | 36,419,225 | | 36,419,225 | 40,673,135 | | 40,673,135 |
| Investment Earnings | 13,904 | 131 | 14,035 | 41,648 | 645 | 42,293 |
| Other | 621,843 | | 621,843 | 302,012 | | 302,012 |
| Total Revenues | 122,595,118 | 1,660,865 | 124,255,983 | 125,559,324 | 623,485 | 126,182,809 |
| Expenses: | | | | | | |
| Instructional services | 77,423,105 | | 77,423,105 | 75,868,552 | | 75,868,552 |
| Support services | 43,163,645 | 1,611,428 | 44,775,073 | 43,537,347 | 643,955 | 44,181,302 |
| Special schools | 480,731 | | 480,731 | 398,107 | | 398,107 |
| Interest and other charges on long-term debt | 1,003,945 | | 1,003,945 | 1,161,411 | | 1,161,411 |
| Total Expenses | 122,071,426 | 1,611,428 | 123,682,854 | 120,965,417 | 643,955 | 121,609,372 |
| Change in net position | 523,692 | 49,437 | 573,129 | 4,593,907 | (20,470) | 4,573,437 |
| Net position-beginning of year | 34,062,204 | 510,713 | 34,572,917 | 29,468,297 | 531,183 | 29,999,480 |
| Net position-end of year | \$ 34,585,896 | \$ 560,150 | \$ 35,146,046 | \$ 34,062,204 | \$ 510,713 | \$ 34,572,917 |

Charges for services increased due to an increase in tuition in the current year. Operating and capital grants and contributions increased due to the increase in grant revenue in the current year.

Governmental instructional expenses and governmental support services decreased because of the needs of the district in the current year.

Business-type activities revenues increased due to increases in revenues in the food service, driver education and after school programs which resumed after 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 \$3,799,645, while total fund balance was \$16,709,688. 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 3.5% of the total general fund expenditures while total fund balance represents 15.4% of that same amount.

The fund balance of the District’s general fund decreased by \$1,186,283 during the current fiscal year. Factors in this decrease include the expenditures exceeding revenues by approximately \$4.1 million plus other financing sources of \$2.9 million.

The Capital Projects Fund was active once again during the fiscal year. Fund balance restricted for capital projects decreased by \$115,374 to \$829,912 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 \$2,148, all of which is restricted for the payment of debt service and none of which has been anticipated in the District’s 2022-23 budget. The net decrease in fund balance during the current year was \$70,449, which is mainly attributable to the principal and interest payments incurred during the year. The District received \$3,641,585 from the local tax levy and \$528,635 in state aid and paid \$4,440,000 and \$1,324,963 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, 2022, and the increases in relation to the prior year.

| Revenue | Amount | Percent of Total | Increase from 2021 | Percent of Increase |
|-----------------|----------------------|-------------------------|---------------------------|----------------------------|
| Local sources | \$ 84,026,048 | 75.5% | \$ 655,168 | 0.8% |
| State sources | 25,045,864 | 22.5 | 4,552,483 | 22.2 |
| Federal sources | 2,160,014 | 2.0 | 833,824 | 62.9 |
| Total | \$111,231,926 | 100.0% | \$ 6,041,475 | 5.7% |

The increase in local sources is due to an increase in the miscellaneous revenue which mainly stems from the student activity and scholarship activity in the current year.

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 as well as additional state grants received in the current year.

The increase in federal sources is mainly attributable to the new COVID-19 and ARP related grants in the current year: ESSER II and ESSER III.

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2022, and the increases and decreases in relation to the prior year.

| Expenditures | Amount | Percent of Total | Increase (Decrease) from 2021 | Percent of Increase (Decrease) |
|-----------------------|----------------------|-------------------------|--------------------------------------|---------------------------------------|
| Current expenditures: | | | | |
| Instruction | \$ 39,357,705 | 33.7% | \$ 639,072 | 1.7% |
| Support services | 62,394,671 | 53.4 | 7,823,461 | 14.3 |
| Capital outlay | 7,807,626 | 6.7 | 5,094,927 | 187.8 |
| Special schools | 255,596 | 0.2 | 59,749 | 30.5 |
| Debt service: | | | | |
| Principal | 5,753,141 | 4.9 | 921,649 | 19.1 |
| Interest and costs | 1,354,575 | 1.1 | (190,561) | (12.3) |
| Total | \$116,923,314 | 100.0% | \$14,348,297 | 14.0% |

The increase in support services is mainly attributable to the increase 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 increase in special schools is due to more students attending those programs.

The increase in debt service principal and decrease interest is due to the payments being made on debt service in the general fund in the current year with an increase in lease activity offset by lower interest payments.

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.

State sources exceeded anticipated revenues by \$19,959,252 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.

Capital Assets

At the end of the fiscal years ended June 30, 2022 and 2021, the District had \$81,349,977 and \$84,488,113, 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 | |
| | 2022 | 2021 | 2022 | 2021 |
| Land | \$ 2,546,691 | \$ 2,546,691 | | |
| Construction in progress | 282,857 | 15,344,179 | | |
| Land improvements | 1,990,364 | 2,189,737 | | |
| Building and building improvements | 73,614,387 | 60,511,621 | | |
| Machinery and equipment | 2,803,436 | 3,781,911 | \$112,242 | \$113,974 |
| Total | <u>\$ 81,237,735</u> | <u>\$84,374,139</u> | <u>\$112,242</u> | <u>\$113,974</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 decrease in business-type activities is due to the current year depreciation expense exceeding current year additions.

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

Debt Administration

At June 30, 2022, the District had \$59,863,835 of outstanding long-term liabilities. Of this amount, \$13,867,121 represents the District's net pension liability, \$2,706,621 is for compensated absences; \$4,750,289 for financed purchases payable; \$33,855,000 of serial bonds; \$998,118 has been accrued to pay for legal settlements and \$591,416 is for the unamortized premium on bonds. In addition, the District has \$3,095,270 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 \$1.08 million.
- State aid has increased approximately \$630,000.
- The cost of providing employee health benefits are expected to continue to increase.
- The District budgeted \$4,090,270 of its 2022 fund balance to partially fund the 2022-23 operations, an increase of \$2,144,232 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 2022-23 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, 2022.

Hopewell Valley Regional School District

Statement of Net Position

June 30, 2022

| | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|--|------------------------------------|-------------------------------------|----------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 22,485,594 | \$ 383,268 | \$ 22,868,862 |
| Accounts receivable | 2,296,320 | 109,284 | 2,405,604 |
| Inventories | | 19,428 | 19,428 |
| Restricted assets: | | | |
| Cash and cash equivalents | 2,817,707 | | 2,817,707 |
| Capital assets, non-depreciable | 2,829,548 | | 2,829,548 |
| Capital assets, depreciable, net | 78,408,187 | 112,242 | 78,520,429 |
| Total assets | <u>108,837,356</u> | <u>624,222</u> | <u>109,461,578</u> |
| Deferred Outflows of Resources | | | |
| Pension deferrals | <u>2,537,140</u> | | <u>2,537,140</u> |
| Total deferred outflows of resources | 2,537,140 | | 2,537,140 |
| Liabilities | | | |
| Accounts payable | 4,502,477 | 466 | 4,502,943 |
| Accrued interest payable | 572,185 | | 572,185 |
| Other current liability | 2,549,263 | | 2,549,263 |
| Intergovernmental payables: | | | |
| State | 104,359 | | 104,359 |
| Unearned revenue | 363,297 | 63,606 | 426,903 |
| Accrued expenses | 3,095,270 | | 3,095,270 |
| Net pension liability | 13,867,121 | | 13,867,121 |
| Current portion of long-term obligations | 5,269,010 | | 5,269,010 |
| Noncurrent portion of long-term obligations | 37,632,434 | | 37,632,434 |
| Total liabilities | <u>67,955,416</u> | <u>64,072</u> | <u>68,019,488</u> |
| Deferred Inflows of Resources | | | |
| Pension deferrals | <u>8,833,184</u> | | <u>8,833,184</u> |
| Total deferred inflows of resources | 8,833,184 | | 8,833,184 |
| Net position | | | |
| Net investment in capital assets | 42,870,942 | 112,242 | 42,983,184 |
| Restricted for: | | | |
| Capital reserve | 6,928,732 | | 6,928,732 |
| Maintenance reserve | 91,323 | | 91,323 |
| Scholarships | 21,985 | | 21,985 |
| Student activities | 462,038 | | 462,038 |
| Excess surplus - designated for subsequent years | 641,200 | | 641,200 |
| Unrestricted (deficit) | <u>(16,430,324)</u> | <u>447,908</u> | <u>(15,982,416)</u> |
| Total net position | <u>\$ 34,585,896</u> | <u>\$ 560,150</u> | <u>\$ 35,146,046</u> |

See accompanying notes to the basic financial statements.

Hopewell Valley Regional School District

Statement of Activities

Year Ended June 30, 2022

| 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 | \$ 77,423,105 | \$ 1,047,715 | \$ 696,746 | \$ 347,500 | \$ (75,331,144) | | \$ (75,331,144) |
| Support services: | | | | | | | |
| Instruction | 1,464,947 | | | | (1,464,947) | | (1,464,947) |
| Attendance/social work | 2,816 | | | | (2,816) | | (2,816) |
| Health services | 1,367,272 | | | | (1,367,272) | | (1,367,272) |
| Other support services | 11,252,009 | | 1,213,843 | | (10,038,166) | | (10,038,166) |
| Improvement of instruction | 2,638,904 | | | | (2,638,904) | | (2,638,904) |
| School library | 2,247,502 | | | | (2,247,502) | | (2,247,502) |
| General administration | 1,647,080 | | | | (1,647,080) | | (1,647,080) |
| School administration | 4,300,521 | | | | (4,300,521) | | (4,300,521) |
| Central services | 1,830,104 | | | | (1,830,104) | | (1,830,104) |
| Admin info technology | 429,775 | | | | (429,775) | | (429,775) |
| Instructional staff training services | 109,783 | | | | (109,783) | | (109,783) |
| Required maintenance of plant services | 2,466,248 | | | | (2,466,248) | | (2,466,248) |
| Operation of plant | 6,076,675 | | | | (6,076,675) | | (6,076,675) |
| Care and upkeep of grounds | 486,800 | | | | (486,800) | | (486,800) |
| Security | 686,652 | | | | (686,652) | | (686,652) |
| Student transportation | 6,088,982 | 66,179 | | | (6,022,803) | | (6,022,803) |
| Special Schools | 480,731 | | | | (480,731) | | (480,731) |
| Contribution to charter schools | 67,575 | | | | (67,575) | | (67,575) |
| Interest and other charges on long-term debt | 1,003,945 | | | | (1,003,945) | | (1,003,945) |
| Total governmental activities | 122,071,426 | 1,113,894 | 1,910,589 | 347,500 | (118,699,443) | | (118,699,443) |
| Business-type activities | | | | | | | |
| Food service | 1,470,205 | 51,508 | 1,453,446 | | | \$ 34,749 | 34,749 |
| Driver education | 42,088 | 62,326 | | | | 20,238 | 20,238 |
| After school | 99,135 | 93,454 | | | | (5,681) | (5,681) |
| Total business-type activities | 1,611,428 | 207,288 | 1,453,446 | | | 49,306 | 49,306 |
| Total primary government | \$ 123,682,854 | \$ 1,321,182 | \$ 3,364,035 | \$ 347,500 | (118,699,443) | 49,306 | (118,650,137) |
| General revenues: | | | | | | | |
| Property taxes, levied for general purposes | | | | | 78,526,578 | | 78,526,578 |
| Property taxes, levied for debt service | | | | | 3,641,585 | | 3,641,585 |
| State and federal sources | | | | | 36,419,225 | | 36,419,225 |
| Investment earnings | | | | | 13,904 | 131 | 14,035 |
| Miscellaneous income | | | | | 621,843 | | 621,843 |
| Total general revenues | | | | | 119,223,135 | 131 | 119,223,266 |
| Change in net position | | | | | 523,692 | 49,437 | 573,129 |
| Net position—beginning | | | | | 34,062,204 | 510,713 | 34,572,917 |
| Net position—ending | | | | | \$ 34,585,896 | \$ 560,150 | \$ 35,146,046 |

See accompanying notes to the basic financial statements.

Fund Financial Statements

Governmental Funds

Hopewell Valley Regional School District
Governmental Funds

Balance Sheet

June 30, 2022

| | Major Funds | | | | Total Governmental Funds |
|---|----------------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | |
| Assets | | | | | |
| Cash and cash equivalents | \$ 18,063,808 | \$ 484,023 | \$ 830,393 | \$ 1,667 | \$ 19,379,891 |
| Accounts receivable: | | | | | |
| Intergovernmental: | | | | | |
| State | 1,094,529 | 89,235 | | | 1,183,764 |
| Federal | | 631,859 | | | 631,859 |
| Other | 65,182 | 5,754 | | | 70,936 |
| Interfund receivable | 233,168 | | | 481 | 233,649 |
| Restricted cash and cash equivalents | 2,549,263 | | | | 2,549,263 |
| Total assets | <u>\$ 22,005,950</u> | <u>\$ 1,210,871</u> | <u>\$ 830,393</u> | <u>\$ 2,148</u> | <u>\$ 24,049,362</u> |
| Liabilities and fund balances | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 956,915 | \$ 64,176 | | | \$ 1,021,091 |
| Intergovernmental payables: | | | | | |
| State | | 104,359 | | | 104,359 |
| Interfunds payable | 130,885 | 233,168 | \$ 481 | | 364,534 |
| Payroll deductions and withholdings payable | 1,621,047 | | | | 1,621,047 |
| Other current liability | 2,549,263 | | | | 2,549,263 |
| Unearned revenue | 38,152 | 325,145 | | | 363,297 |
| Total liabilities | <u>5,296,262</u> | <u>726,848</u> | <u>481</u> | | <u>6,023,591</u> |
| Fund balances: | | | | | |
| Restricted for: | | | | | |
| Capital reserve | 6,928,732 | | | | 6,928,732 |
| Maintenance reserve | 91,323 | | | | 91,323 |
| Capital projects | | | 829,912 | | 829,912 |
| Debt service | | | | \$ 2,148 | 2,148 |
| Scholarships | | 21,985 | | | 21,985 |
| Student activities | | 462,038 | | | 462,038 |
| Excess surplus-prior year | 641,200 | | | | 641,200 |
| Assigned to: | | | | | |
| Designated for subsequent year expenditures | 3,449,070 | | | | 3,449,070 |
| Other purposes | 1,799,718 | | | | 1,799,718 |
| Unassigned | 3,799,645 | | | | 3,799,645 |
| Total fund balances | <u>16,709,688</u> | <u>484,023</u> | <u>829,912</u> | <u>2,148</u> | <u>18,025,771</u> |
| Total liabilities and fund balances | <u>\$ 22,005,950</u> | <u>\$ 1,210,871</u> | <u>\$ 830,393</u> | <u>\$ 2,148</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 \$133,053,835 and the accumulated depreciation is \$51,816,100. 81,237,735

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. (572,185)

Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds. (6,296,044)

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. 409,761

Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds. (13,867,121)

Accrued pension contributions for the June 30, 2022 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. (1,450,577)

Long-term liabilities, including bonds payable, financed purchases payable, 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. (42,901,444)

Net position of governmental activities \$ 34,585,896

See accompanying notes to the basic financial statements.

Hopewell Valley Regional School District
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2022

| | Major Funds | | | | Total Governmental Funds |
|--|----------------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | |
| Revenues: | | | | | |
| Local sources: | | | | | |
| Local tax levy | \$ 78,526,578 | | | \$ 3,641,585 | \$ 82,168,163 |
| Tuition | 547,718 | | | | 547,718 |
| Interest on investments | 13,423 | | \$ 481 | | 13,904 |
| Transportation | 66,179 | | | | 66,179 |
| Miscellaneous | 621,843 | \$ 608,722 | | | 1,230,565 |
| Total local sources | <u>79,775,741</u> | <u>608,722</u> | <u>481</u> | <u>3,641,585</u> | <u>84,026,529</u> |
| State sources | 24,469,936 | 47,293 | | 528,635 | 25,045,864 |
| Federal sources | 57,943 | 2,102,071 | | | 2,160,014 |
| Total revenues | <u>104,303,620</u> | <u>2,758,086</u> | <u>481</u> | <u>4,170,220</u> | <u>111,232,407</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| Instruction | 37,855,048 | 1,502,657 | | | 39,357,705 |
| Support services: | | | | | |
| Instruction | 1,393,185 | | | | 1,393,185 |
| Attendance/social work | 1,493 | | | | 1,493 |
| Health services | 766,026 | | | | 766,026 |
| Support services | 2,344,358 | 866,343 | | | 3,210,701 |
| Guidance | 1,360,984 | | | | 1,360,984 |
| Child study team | 2,039,078 | | | | 2,039,078 |
| Improvement of instruction | 1,429,539 | | | | 1,429,539 |
| School library | 1,242,645 | | | | 1,242,645 |
| General administration | 1,362,136 | | | | 1,362,136 |
| School administration | 2,256,556 | | | | 2,256,556 |
| Central services | 1,053,824 | | | | 1,053,824 |
| Administration information technology | 231,091 | | | | 231,091 |
| Instructional staff training services | 104,405 | | | | 104,405 |
| Required maintenance of plant services | 1,760,197 | | | | 1,760,197 |
| Operation of plant-custodial services | 4,173,830 | | | | 4,173,830 |
| Care and upkeep of grounds | 289,269 | | | | 289,269 |
| Security | 368,686 | | | | 368,686 |
| Student transportation | 4,129,089 | | | | 4,129,089 |
| Employee benefits | 15,976,010 | | | | 15,976,010 |
| On-behalf pension, medical and disability contributions | 16,501,528 | | | | 16,501,528 |
| On-behalf TPAF social security contributions | 2,676,824 | | | | 2,676,824 |
| Special Schools | 255,596 | | | | 255,596 |
| Contribution to charter schools | 67,575 | | | | 67,575 |
| Capital outlay | 7,460,126 | 347,500 | 115,374 | | 7,923,000 |
| Debt Service: | | | | | |
| Principal | 1,313,141 | | | 4,440,000 | 5,753,141 |
| Interest | 29,612 | | | 1,324,963 | 1,354,575 |
| Total expenditures | <u>108,441,851</u> | <u>2,716,500</u> | <u>115,374</u> | <u>5,764,963</u> | <u>117,038,688</u> |
| (Deficiency) Excess of revenues (under) over expenditures | (4,138,231) | 41,586 | (114,893) | (1,594,743) | (5,806,281) |
| Other financing sources (uses): | | | | | |
| Transfers in | | | | 1,524,294 | 1,524,294 |
| Transfers out | (1,523,813) | | (481) | | (1,524,294) |
| Financed purchases (non-budgeted) | 4,475,761 | | | | 4,475,761 |
| Total other financing sources (uses) | <u>2,951,948</u> | | <u>(481)</u> | <u>1,524,294</u> | <u>4,475,761</u> |
| Net change in fund balances | (1,186,283) | 41,586 | (115,374) | (70,449) | (1,330,520) |
| Fund balances, July 1 | 17,895,971 | 442,437 | 945,286 | 72,597 | 19,356,291 |
| Fund balances, June 30 | <u>\$ 16,709,688</u> | <u>\$ 484,023</u> | <u>\$ 829,912</u> | <u>\$ 2,148</u> | <u>\$ 18,025,771</u> |

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, 2022

Total net change in fund balances - governmental funds (from B-2) \$ (1,330,520)

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 | \$ 312,980 | |
| Depreciation expense | (3,440,102) | |
| | | (3,127,122) |

| | | |
|-----------------------------|--|---------|
| Loss on disposal of assets. | | (9,281) |
|-----------------------------|--|---------|

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

| | | |
|---|--|-------------|
| Obligations Under Financed Purchases Payable - Leases | | (4,475,761) |
|---|--|-------------|

Repayments of bond principal and financed purchases payable 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 | 4,440,000 | |
| Obligations Under Financed Purchases Payable | 1,313,141 | |
| | | 5,753,141 |

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 Loss on Defeasance | (52,427) | |
| | | 286,624 |

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 | | 409,761 |
|------------------------|--|---------|

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 | | 3,045,375 |
|-----------------|--|-----------|

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.

(89,726)

In the statement of activities, interest on long-term debt/ 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.

64,006

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).

(2,805)

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

\$ 523,692

See accompanying notes to the basic financial statements.

Proprietary Funds

Hopewell Valley Regional School District
Proprietary Funds

Combining Statement of Net Position

June 30, 2022

| | Major Funds | | | | Governmental Activity - Internal Service Fund Self-Insurance |
|--|--|---------------------|-----------------|------------|--|
| | Business-Type Activities - Enterprise Funds | | | Totals | |
| | Food Service | Driver Education | After School | | |
| Assets | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents | \$ 306,186 | \$ 61,670 | \$ 15,412 | \$ 383,268 | \$ 3,105,703 |
| Accounts receivable: | | | | | |
| State | 2,428 | | | 2,428 | |
| Federal | 105,490 | | | 105,490 | |
| Other | 1,366 | | | 1,366 | 409,761 |
| Interfund receivable | | | | | 130,885 |
| Inventories | 19,428 | | | 19,428 | |
| Restricted cash | | | | | 268,444 |
| Total current assets | 434,898 | 61,670 | 15,412 | 511,980 | 3,914,793 |
| Non-current assets: | | | | | |
| Capital assets: | | | | | |
| Equipment | 681,346 | 50,855 | | 732,201 | |
| Accumulated depreciation | (604,525) | (15,434) | | (619,959) | |
| Total capital assets, net | 76,821 | 35,421 | | 112,242 | |
| Total assets | 511,719 | 97,091 | 15,412 | 624,222 | 3,914,793 |
| Liabilities | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | | 466 | | 466 | 409,762 |
| Accrued liability for insurance claims | | | | | 3,095,270 |
| Unearned revenue | 63,606 | | | 63,606 | |
| Total current liabilities | 63,606 | 466 | | 64,072 | 3,505,032 |
| Net position | | | | | |
| Investment in capital assets | 76,821 | 35,421 | | 112,242 | |
| Unrestricted | 371,292 | 61,204 | 15,412 | 447,908 | 409,761 |
| Total net position | \$ 448,113 | \$ 96,625 | \$ 15,412 | \$ 560,150 | \$ 409,761 |

See accompanying notes to the basic financial statements.

Hopewell Valley Regional School District
Proprietary Funds

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

Year Ended June 30, 2022

| | 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-reimbursable programs | \$ 2,212 | | | \$ 2,212 | | |
| Daily food sales- non reimbursable programs | 49,296 | | | 49,296 | | |
| Charges for services - district contributions | | | | | \$ 13,073,088 | |
| Charges for services - employee contributions | | | | | 1,875,630 | |
| Fees | | \$ 62,326 | \$ 93,454 | 155,780 | | |
| Total operating revenues | 51,508 | 62,326 | 93,454 | 207,288 | 14,948,718 | |
| Operating expenses: | | | | | | |
| Salaries | 391,325 | 29,685 | 32,758 | 453,768 | | |
| Employee benefits | 108,956 | 2,444 | 2,333 | 113,733 | | |
| Supplies and materials | 134,362 | 3,234 | | 137,596 | | |
| Purchased services | | 1,332 | 64,044 | 65,376 | | |
| Depreciation | 26,849 | 5,393 | | 32,242 | | |
| Insurance | 32,211 | | | 32,211 | | |
| Cost of sales - reimbursable programs | 681,380 | | | 681,380 | | |
| Cost of sales - non reimbursable programs | 20,374 | | | 20,374 | | |
| Management and administrative fees | 65,585 | | | 65,585 | | |
| Insurance Claims | | | | | 12,843,554 | |
| Other | 9,163 | | | 9,163 | 2,301,846 | |
| Total operating expenses | 1,470,205 | 42,088 | 99,135 | 1,611,428 | 15,145,400 | |
| Operating (loss) income | (1,418,697) | 20,238 | (5,681) | (1,404,140) | (196,682) | |
| Nonoperating revenues: | | | | | | |
| Other sources: | | | | | | |
| Re-insurance proceeds | | | | | 605,047 | |
| Interest and investment revenue | 131 | | | 131 | 1,396 | |
| State sources: | | | | | | |
| State school lunch program | 31,833 | | | 31,833 | | |
| Federal sources: | | | | | | |
| National School lunch program | 1,353,880 | | | 1,353,880 | | |
| School breakfast program | 9,752 | | | 9,752 | | |
| Pandemic electronic benefit transfer | 628 | | | 628 | | |
| Food donation program | 57,353 | | | 57,353 | | |
| Total nonoperating revenues | 1,453,577 | | | 1,453,577 | 606,443 | |
| Change in net position | 34,880 | 20,238 | (5,681) | 49,437 | 409,761 | |
| Total net position-beginning | 413,233 | 76,387 | 21,093 | 510,713 | - | |
| Total net position-ending | \$ 448,113 | \$ 96,625 | \$ 15,412 | \$ 560,150 | \$ 409,761 | |

See accompanying notes to the basic financial statements.

Hopewell Valley Regional School District
Proprietary Funds

Combining Statement of Cash Flows

Year Ended June 30, 2022

| | Major Funds | | | | Governmental Activity - Internal Service Fund |
|--|--|---------------------|-----------------|----------------|--|
| | Business Type Activities - Enterprise Funds | | | | |
| | Food Service | Driver Education | After School | Totals | |
| Cash flows from operating activities: | | | | | |
| Receipts from customers | \$ 28,508 | \$ 62,326 | \$ 93,454 | \$ 184,288 | |
| Payments to employees | (391,325) | (29,685) | (32,758) | (453,768) | |
| Payments for employee benefits | (108,956) | (2,444) | (2,333) | (113,733) | |
| Receipts from services provided | | | (64,044) | (64,044) | \$ 14,541,683 |
| Payments for insurance claims | | | | | (12,611,578) |
| Payments to suppliers | (937,484) | (4,130) | | (941,614) | (2,197,172) |
| Net cash (used in) provided by operating activities | (1,409,257) | 26,067 | (5,681) | (1,388,871) | (267,067) |
| Cash flows from noncapital financing activities: | | | | | |
| Cash received from state and federal reimbursements | 1,381,343 | | | 1,381,343 | |
| Cash received from food donation program | 57,353 | | | 57,353 | |
| Re-insurance proceeds | | | | | 605,047 |
| Net cash provided by noncapital financing activities | 1,438,696 | | | 1,438,696 | 605,047 |
| Cash flows from capital and related financing activity: | | | | | |
| Acquisition of capital assets | (30,510) | | | (30,510) | |
| Net cash (used in) capital and related financing activity | (30,510) | | | (30,510) | |
| Cash flows from investing activity: | | | | | |
| Interest | 131 | | | 131 | 1,396 |
| Net cash provided by investing activity | 131 | | | 131 | 1,396 |
| Net (decrease) increase in cash and cash equivalents | (940) | 26,067 | (5,681) | 19,446 | 339,376 |
| Cash and cash equivalents, beginning of year | 307,126 | 35,603 | 21,093 | 363,822 | 2,766,327 |
| Cash and cash equivalents, end of year | \$ 306,186 | \$ 61,670 | \$ 15,412 | \$ 383,268 | \$ 3,105,703 |
| Reconciliation of operating (loss) income to net cash (used in) provided by operating activities | | | | | |
| Operating (loss) income | \$ (1,418,697) | \$ 20,238 | \$ (5,681) | \$ (1,404,140) | \$ (196,682) |
| Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities: | | | | | |
| Depreciation | 26,849 | 5,393 | | 32,242 | |
| Change in assets and liabilities: | | | | | |
| Decrease (Increase) in accounts receivable | 1,191 | | | 1,191 | (409,761) |
| Decrease in interfund receivable | | | | | 2,726 |
| Decrease in inventory | 5,591 | | | 5,591 | |
| Increase in deposit/restricted cash | | | | | (22,647) |
| Increase in accounts payable | | 436 | | 436 | 157,962 |
| Increase in accrued liability for insurance claims | | | | | 201,335 |
| (Decrease) in unearned revenue | (24,191) | | | (24,191) | |
| Net cash (used in) provided by operating activities | (1,409,257) | 26,067 | (5,681) | (1,388,871) | (267,067) |

Noncash noncapital financing activities:

The District received \$57,353 of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2022.

Hopewell Valley Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2022

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, 2022

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, 2022

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, 2022

1. Summary of Significant Accounting Policies (continued)

Proprietary 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. Operating expense for the internal service fund include payments for health benefits. 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, 2022

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.

With the exception of student activity and scholarship funds, 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 \$19,428 at June 30, 2022. At June 30, 2022, 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, 2022

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 \$2,706,621 at June 30, 2022. 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, 2022

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 assets that applies to future periods and so will not be recognized as an outflow of resources (expense / expenditure) until then. The District has one item that qualifies for reporting in this category, including 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 assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, including deferred amounts related to pensions.

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, 2022 amounted to \$52,546 and the balance was \$0 as of June 30, 2022.

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, 2022

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, 2022

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 \$16,709,688 of fund balance in the General Fund, \$6,928,732 has been restricted in the capital reserve account, \$91,323 has been restricted in the maintenance reserve account, \$641,200 has been restricted for excess surplus – prior year, \$1,799,718 of encumbrances are assigned to other purposes, \$3,449,070 has been assigned as designated for subsequent years expenditures and \$3,799,645 is unassigned. All of the \$829,912 fund balance in the Capital Projects Fund is restricted for capital projects. Of the \$2,148 fund balance in the Debt Service Fund, \$1,667 has been budgeted for use in the 2022-23 budget and is included in restricted for debt service. Of the \$484,023 of fund balance in Special Revenue Fund, \$21,985 has been restricted for scholarships and \$462,038 has been restricted for student activities.

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 did not generate any excess surplus in the current year.

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

The 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 has reviewed the requirements of the Statement and the impact on the financial statements was deemed not material.

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

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.

The GASB issued Statement No. 99, *Omnibus 2022* in April 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement are effective for period beginning after June 15, 2022. Management has not yet determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 101, *Compensated Absences* in June 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for periods beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. 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 \$3,124,458 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.

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

T. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2022 and March 9, 2023, 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.

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 \$42,901,444 difference is as follows:

| | | |
|---|----|--------------------------|
| Bonds payable | \$ | 33,855,000 |
| Premium on bonds | | 591,416 |
| Litigation payable | | 998,118 |
| Financed purchases payable | | 4,750,289 |
| Compensated absences | | <u>2,706,621</u> |
| Net adjustment to reduce fund balance-total governmental funds to arrive at net position - governmental activities | \$ | <u><u>42,901,444</u></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

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

3. Deposits and Investments (continued)

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. Publicdepositories 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.

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, 2022, the District's carrying value of its deposits was \$22,868,860 and the bank balance was \$29,153,365. 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 \$23,914,945. \$2,170,713 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 \$2,817,707.

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

3. Deposits and Investments (continued)

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.

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, 2022.

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

4. Capital Assets

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2022:

| | Beginning Balance | Increases | Transfers/ Dispositions | Ending Balance |
|---|----------------------|----------------|----------------------------|-------------------|
| Governmental activities | | | | |
| Capital assets, not being depreciated | | | | |
| Land | \$ 2,546,691 | | | \$ 2,546,691 |
| Construction in progress | 15,344,179 | | \$ (15,061,322) | 282,857 |
| Total capital assets, not being depreciated | 17,890,870 | | (15,061,322) | 2,829,548 |
| Capital assets, being depreciated | | | | |
| Land improvements | 4,373,610 | | | 4,373,610 |
| Buildings and building improvements | 98,466,359 | \$ 110,872 | 15,061,322 | 113,638,553 |
| Machinery, equipment, and vehicles | 12,127,614 | 202,107 | (117,597) | 12,212,124 |
| Total capital assets being depreciated | 114,967,583 | 312,979 | 14,943,725 | 130,224,287 |
| Less accumulated depreciation for: | | | | |
| Land improvements | 2,183,873 | 199,373 | | 2,383,246 |
| Buildings and building improvements | 37,954,738 | 2,069,428 | | 40,024,166 |
| Machinery, equipment, and vehicles | 8,345,703 | 1,171,301 | (108,316) | 9,408,688 |
| Total accumulated depreciation | 48,484,314 | 3,440,102 | (108,316) | 51,816,100 |
| Total capital assets being depreciated, net | 66,483,269 | (3,127,123) | 15,052,041 | 78,408,187 |
| Governmental activities capital assets, net | \$ 84,374,139 | \$ (3,127,123) | \$ (9,281) | \$ 81,237,735 |

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, 2022

4. Capital Assets (continued)

Depreciation expense was charged to functions/programs of the District for the year ended June 30, 2022 as follows:

| | | |
|--|----|--------------|
| Regular Instruction | \$ | 2,027,286 |
| Undistributed Instruction | | 71,762 |
| Attendance/social work | | 77 |
| Health services | | 39,457 |
| Other support services | | 340,516 |
| Improvement of instruction | | 73,635 |
| School library | | 64,008 |
| General administration | | 70,163 |
| School administration | | 116,234 |
| Central services | | 54,282 |
| Information technology | | 11,903 |
| Instructional staff training services | | 5,378 |
| Required maintenance of plant services | | 90,667 |
| Operation of plant | | 214,991 |
| Care & upkeep of grounds | | 14,900 |
| Security | | 18,991 |
| Student transportation | | 212,686 |
| Special schools | | 13,166 |
| | | \$ 3,440,102 |

The following schedule is a summarization of business-type activities changes in capital assets for the year ended June 30, 2022:

| | Beginning Balance | Increases | | Ending Balance |
|------------------------------------|------------------------------|------------------|----|---------------------------|
| Business-type activities | | | | |
| Capital assets, being depreciated: | | | | |
| Equipment | \$ 701,691 | \$ 30,510 | \$ | 732,201 |
| Less accumulated depreciation for: | | | | |
| Equipment | 587,717 | 32,242 | | 619,959 |
| Total business-type activities | | | | |
| capital assets, net | \$ 113,974 | \$ (1,732) | \$ | 112,242 |

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

5. Long-Term Liabilities

During the fiscal year ended June 30, 2022, the following changes occurred in long-term liabilities:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due within One Year |
|--|------------------------------|----------------------|----------------------|---------------------------|--------------------------------|
| Governmental activities: | | | | | |
| Bonds payable | \$ 38,295,000 | | \$ 4,440,000 | \$ 33,855,000 | \$ 2,990,000 |
| Premium on bonds | 930,467 | | 339,051 | 591,416 | 86,258 |
| Litigation payable | 908,392 | \$ 386,486 | 296,760 | 998,118 | 658,374 |
| Compensated absences | 2,703,816 | 306,681 | 303,876 | 2,706,621 | 237,965 |
| Financed purchases payable - leases | 1,587,669 | 4,475,761 | 1,313,141 | 4,750,289 | 1,296,413 |
| Subtotal | 44,425,344 | 5,168,928 | 6,692,828 | 42,901,444 | 5,269,010 |
| Accrued Liability for Insurance Claims | 2,893,935 | 11,879,210 | 11,677,875 | 3,095,270 | |
| Net pension liability | 18,695,624 | | 4,828,503 | 13,867,121 | |
| Total governmental activities long-term liabilities | <u>\$ 66,014,903</u> | <u>\$ 17,048,138</u> | <u>\$ 23,199,206</u> | <u>\$ 59,863,835</u> | <u>\$ 5,269,010</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. Financed purchases payable 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, 2022 are comprised of the following issues:

\$35,855,000, 2016 school bonds, due in annual installments ranging from \$2,990,000 to \$3,815,000 through January 15, 2032 at interest rates ranging from 3.25% to 4.00%.

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

5. Long-Term Liabilities (continued)

Principal and interest due on all bonds outstanding at June 30, 2022 are as follows:

| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------------------|----------------------|---------------------|----------------------|
| Fiscal year ending June 30: | | | |
| 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 | 3,330,000 | 804,675 | 4,134,675 |
| 2028-2032 | 18,070,000 | 2,155,550 | 20,225,550 |
| | <u>\$ 33,855,000</u> | <u>\$ 7,204,464</u> | <u>\$ 41,059,464</u> |

Bonds Authorized But Not Issued

As of June 30, 2022, the District had no authorized but not issued bonds.

Financed Purchases Payable - Leases

In April 2019, the District entered into a 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 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 June 2020, the District entered into a lease for acquisition of buses in the amount of \$177,500. The buses are being leased with an interest rate of 2.50%,

In January 2021, the District entered into a 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%.

In June 2021, the District entered into a lease for acquisition of buses, vehicles and technology equipment in the amount of \$3,465,000. The buses, vehicles and technology equipment are being leased with an interest rate of 0.710%

In June 2022, The District entered into a lease for acquisition of equipment in the amount of \$870,000. The equipment is being leased with an interest rate of 3.25%.

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

5. Long-Term Liabilities (continued)

The following is a table of financed purchases payable at June 30, 2022:

| | Principal | Interest | Total |
|----------------------|--------------|------------|--------------|
| Year Ending June 30: | | | |
| 2023 | \$ 1,296,413 | \$ 47,010 | \$ 1,343,423 |
| 2024 | 1,190,894 | 44,944 | 1,235,838 |
| 2025 | 1,204,933 | 30,904 | 1,235,837 |
| 2026 | 876,164 | 16,606 | 892,770 |
| 2027 | 181,885 | 5,911 | 187,796 |
| | \$ 4,750,289 | \$ 145,375 | \$ 4,895,664 |

The assets acquired through financed purchases payables - leases are as follows at June 30, 2022:

| | |
|------------------------------------|------------|
| Assets: | |
| Machinery, equipment, and vehicles | \$ 436,905 |
| Less accumulated depreciation | (206,746) |
| Total | \$ 230,159 |

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, 2022

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 Employees' 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.

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

6. Pension Plans (continued)

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.

During the year ended June 30, 2022, the State of New Jersey contributed \$16,501,528 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 \$2,676,824 during the year ended June 30, 2022 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, 2022, 2021 and 2020 were \$1,370,870, \$1,254,162, and \$1,124,575, 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, 2022, the District reported a liability of \$13,867,121 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2020, which was rolled forward to June 30, 2021. 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, 2021, the District's proportion was 0.1170566995 percent, which was an increase of 0.0024115602 percent from its proportion measured as of June 30, 2020.

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

6. Pension Plans (continued)

For the year ended June 30, 2022, the District recognized full accrual pension expense of \$3,045,375 in the government-wide financial statements. At June 30, 2022, 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 | \$ 72,220 | \$ 4,936,785 |
| Difference between expected and actual experience | 218,702 | 99,272 |
| Net difference between projected and actual earnings on pension plan investments | | 3,652,964 |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 795,641 | 144,163 |
| District contributions subsequent to the measurement date | 1,450,577 | |
| | <u>\$ 2,537,140</u> | <u>\$ 8,833,184</u> |

\$1,450,577 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: | |
|---------------------|-----------------------|
| 2023 | \$ (3,060,031) |
| 2024 | (2,129,013) |
| 2025 | (1,503,004) |
| 2026 | (1,050,116) |
| 2027 | (4,457) |
| | <u>\$ (7,746,621)</u> |

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

6. Pension Plans (continued)

Additional Information

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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, 2020 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-2021.

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, 2021) 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, 2022

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, 2021 are summarized in the following table:

| Asset Class | Target Allocation | Expected Real Rate of Return |
|-----------------------------------|----------------------|---------------------------------|
| US Equity | 27.00% | 8.09% |
| Non-U.S. developed markets equity | 13.50% | 8.71% |
| Emerging markets equity | 5.50% | 10.96% |
| Private Equity | 13.00% | 11.30% |
| Real Assets | 3.00% | 7.40% |
| Real Estate | 8.00% | 9.15% |
| High Yield | 2.00% | 3.75% |
| Private Credit | 8.00% | 7.60% |
| Investment Grade Credit | 8.00% | 1.68% |
| Cash Equivalents | 4.00% | 0.50% |
| U.S. Treasuries | 5.00% | 0.95% |
| Risk Mitigation Strategies | 3.00% | 3.35% |
| | 100.00% | |

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 non-employer contributing entity will be based on 100% 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, 2022

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, 2021 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 | \$ 18,884,207 | \$ 13,867,121 | \$ 9,609,413 |

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, 2021 are as follows:

| | |
|--------------------------------|-------------------|
| Deferred outflows of resources | \$ 1,164,738,169 |
| Deferred inflows of resources | \$ 8,339,123,762 |
| Net pension liability | \$ 11,972,782,878 |
| District's Proportion | 0.1170566995% |

Collective pension benefit for the Local Group for the measurement period ended June 30, 2021 is \$1,599,674,464.

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, 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014 is 5.13, 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, 2022

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 non-employer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2022 was \$155,479,732. The District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021.

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, 2021, the State's proportionate share of the TPAF net pension liability associated with the District was 0.3234095105 percent, which was an increase of 0.0012360365 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized on-behalf pension expense and revenue in the government-wide financial statements of \$3,658,506 for contributions incurred by the State.

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

6. Pension Plans (continued)

Actuarial assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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-2021.

The actuarial assumptions used in the July 1, 2020 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, 2021) 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, 2022

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, 2021 are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|-----------------------------------|----------------------|---|
| US Equity | 27.00% | 8.09% |
| Non-U.S. developed markets equity | 13.50% | 8.71% |
| Emerging markets equity | 5.50% | 10.96% |
| Private equity | 13.00% | 11.30% |
| Real Assets | 3.00% | 7.40% |
| Real estate | 8.00% | 9.15% |
| High yield | 2.00% | 3.75% |
| Private credit | 8.00% | 7.60% |
| Investment grade credit | 8.00% | 1.68% |
| Cash equivalents | 4.00% | 0.50% |
| U.S. Treasuries | 5.00% | 0.95% |
| Risk Mitigation Strategies | 3.00% | 3.35% |
| | 100.00% | |

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 on 100% 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 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 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, 2021, 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

6. Pension Plans (continued)

| | 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 | \$ 183,958,494 | \$ 155,479,732 | \$ 131,559,362 |

Pension plan fiduciary net position

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, 2021 are as follows:

| | |
|--------------------------------|-------------------|
| Deferred outflows of resources | \$ 6,356,228,800 |
| Deferred inflows of resources | \$ 27,175,330,929 |
| Net pension liability | \$ 48,075,188,642 |
| District's Proportion | 0.3234095105% |

Collective pension expense for the plan for the measurement period ended June 30, 2021 is \$1,159,039,411.

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, 2021, 2020, 2019, 2018, 2017, 2016, 2015, and 2014 is 7.93, 7.99, 8.04, 8.29, 8.30, 8.30, 8.30, and 8.50 years, respectively.

7. Post-Retirement Benefits

General Information about the OPEB Plan

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan 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. The State Retired OPEB Plan covers the State, State colleges and universities, the Palisades Interstate Park Commission, and the New Jersey Building Authority (referred to collectively as "the employers") for which the State is legally obligated to pay for benefits. The State Retired OPEB Plan is treated as a cost-sharing multiple

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

7. Post-Retirement Benefits (continued)

employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), and the Alternate Benefit Program (ABP). In addition, N.J.S.A. 52:14-17.26 provides that for purposes of the State Retired OPEB Plan, an employee of Rutgers, the State University of New Jersey, and New Jersey Institute of Technology shall be deemed to be an employee of the State. Further, P.L.1966, c.302, addresses the other State colleges and universities, whereas while these institutions were provided autonomy from the State, their employees retained any and all rights to health benefits within the State Retired OPEB Plan and are therefore classified as State employees.

The State Health Benefit Local Education Retired Employees Plan (Local Education Retired OPEB Plan) is a multiple-employer defined benefit OPEB plan with a special funding situation. The Local Education Retired OPEB Plan 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. The Local Education Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of local education employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, 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 on a disability pension from, one or more of the following plans: TPAF, PERS, PFRS, or ABP.

Pursuant to P.L.2011, c.78, future retirees eligible for postemployment 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 their health care coverage in retirement provided 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 benefit and level of coverage.

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

7. Post-Retirement Benefits (continued)

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. The State, as a non-employer contributing entity, reported a Fiscal Year 2021 total OPEB liability of \$60,007,650,970 for this special funding situation.

The State's contributions to the SHBP Fund for TPAF retirees' post-retirement medical benefits on behalf of the District for the years ended June 30, 2022, 2021 and 2020 were \$3,124,458, \$3,002,220, and \$2,668,529, respectively, which equaled the required contributions for each year.

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. 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.

Additional information on Pensions and OPEB can be accessed at state.nj.us/treasury/pensions/financial-reports.shtml.

Changes in Total Non-employer OPEB Liability

Below represents the changes in the District's total OPEB liability for the year ended June 30, 2022:

| | <u>Total OPEB Liability</u> |
|---|-----------------------------|
| Beginning Total OPEB Liability, June 30, 2020 | \$ 197,513,121 |
| Changes for the year: | |
| Service cost | 9,420,306 |
| Interest | 4,654,444 |
| Changes of benefit terms | (190,975) |
| Differences between expected and actual experiences | (28,602,638) |
| Changes in assumptions or other inputs | 177,015 |
| Member contributions | 118,991 |
| Benefit payments | (3,666,398) |
| Net changes | <u>(18,089,255)</u> |
| Ending Total OPEB Liability, June 30, 2021 | <u>\$ 179,423,866</u> |

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

7. Post-Retirement Benefits (continued)

Employees covered by benefit terms

The following employees were covered by the benefit terms:

| Local Education Group | June 30, 2021 |
|---|---------------|
| Active Plan Members | 213,901 |
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | 150,427 |
| Inactive Plan Members Entitled to but Not Yet Receiving Benefits | - |
| Total Plan Members | 364,328 |

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of 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 OPEB liability associated with the District as of June 30, 2021 was \$179,423,866. Additional information can be obtained from the State of New Jersey's annual comprehensive financial report.

Actuarial assumptions and other inputs

The total non-employer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021 and included in the June 30, 2021 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 | 2.75 - 5.65% | 3.00 - 7.00% |
| | based on years of service | based on years of service |

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

7. Post-Retirement Benefits (continued)

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-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. 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-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2010 "General" (PERS) and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of the actual experience studies for the periods 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, 2021 was 2.16%. 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 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.50% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

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, 2021 calculated using a discount rate disclosed above as well as what the total non-employer

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

7. Post-Retirement Benefits (continued)

OPEB liability would be if it was calculated using a discount rate that is 1-percentage-point lower (1.16%) or 1-percentage-point higher (3.16%) than the current discount rate:

| At 1% decrease (1.16%) | At Current discount rate (2.16%) | At 1% increase (3.16%) |
|------------------------------|--|------------------------------|
|------------------------------|--|------------------------------|

| | | | |
|--|----------------|----------------|----------------|
| Net OPEB Liability (Allocable to the District and the responsibility of the State) | \$ 214,921,625 | \$ 179,423,866 | \$ 151,471,512 |
|--|----------------|----------------|----------------|

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2021 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) | \$ 145,244,202 | \$ 179,423,866 | \$ 225,324,628 |
|--|----------------|----------------|----------------|

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

For the year ended June 30, 2022, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$10,828,665 for OPEB expenses incurred by the State.

Collective balances of the Local Education Group at June 30, 2021 are as follows:

| | |
|--------------------------------|-------------------|
| Deferred outflows of resources | \$ 21,546,947,255 |
| Deferred inflows of resources | \$ 26,769,148,209 |
| Collective OPEB Expense | \$ 3,527,672,060 |

District's Proportion 0.30%

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

7. Post-Retirement Benefits (continued)

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.

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 uses an internal service fund to account for its self-insurance activities. At June 30, 2022, the accrued liability for unpaid medical, prescription and dental claims of \$3,095,270 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:

| Fiscal Year | Beginning of Year Liability | Current Year Claims and Changes in Estimates | Claim Payments | Balance at End of Year |
|-------------|-----------------------------------|--|-------------------|------------------------------|
| 2021-2022 | \$ 2,893,935 | \$ 11,879,210 | \$ 11,677,875 | \$ 3,095,270 |
| 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 |

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

8. Risk Management (continued)

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.

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, 2022, 2021 and 2020 were \$1,282,226, \$1,225,271, and \$1,258,187 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, 2022 are as follows:

| | Interfund Receivable | Interfund Payable |
|--------------------------------------|---------------------------------|------------------------------|
| General Fund | \$ 233,168 | \$ 130,885 |
| Special Revenue Fund | | 233,168 |
| Capital Projects Fund | | 481 |
| Debt Service Fund | 481 | |
| Self-Insurance Internal Service Fund | 130,885 | |
| | <u>\$ 364,534</u> | <u>\$ 364,534</u> |

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

10. Interfund Receivables and Payables (continued)

The interfund between general fund and the self-insurance internal service fund represents monies collected in general fund that are related to health insurance claims due to the self-insurance internal service 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. The interfund between general fund and special revenue fund represents monies collected in general fund that are related to the special revenue fund. 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, 2022 may be impaired. As a result of the impact of COVID-19, the District has received funding under the American Rescue Plan Act (ARP), Elementary and Secondary School Emergency Relief (ESSER) Fund and the Coronavirus Relief Fund (CRF). To the extent that the District has not complied with the rules governing the ARP, 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 \$998,118 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.

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

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, 2021 to June 30, 2022 fiscal year is as follows:

| | |
|---|----------------------------|
| Beginning balance July 1, 2021 | \$ 10,179,839 |
| Withdrawals: | |
| Capital Outlay – Withdrawal | (4,461,379) |
| Deposits: | |
| Unspent capital outlay funds not utilized in 2021-22 | 314,010 |
| Interest earned on capital reserve funds | 2,868 |
| Deposit into Capital Reserve (June 2022 Board Resolution) | 893,394 |
| Ending balance, June 30, 2022 | <u><u>\$ 6,928,732</u></u> |

The June 30, 2022 LRFP balance of local support costs of uncompleted capital projects exceeded the amount in the capital reserve. The District did not budget any of the June 30, 2022 capital reserve balance in its 2022-23 fiscal year 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).

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

14. Maintenance Reserve Account (continued)

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, 2021 to June 30, 2022 fiscal year is as follows:

| | |
|--|------------------|
| Beginning balance July 1, 2021 | \$ 91,277 |
| Deposits: | |
| Interest earned on maintenance reserve funds | 46 |
| Ending balance, June 30, 2022 | <u>\$ 91,323</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, 2022. The District did not budget any of the June 30, 2022 maintenance reserve balance in its 2022-23 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, 2022. These encumbrances in the amount of \$1,799,718 are recorded as assigned to other purposes on the general fund balance sheet and in the capital projects fund in the amount of \$27,895, which are recorded as part of fund balance restricted for capital projects.

During the 2022 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 2022, and the amounts due are not known, no provision has been made in the District's financial statements for any liability.

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

16. Transfers

The following presents a reconciliation of transfers during the 2022 fiscal year:

| | Transfer In | Transfer Out |
|-----------------------|------------------------|-------------------------|
| General Fund | | \$ 1,523,813 |
| Capital Projects Fund | | 481 |
| Debt Service Fund | \$ 1,524,294 | |
| | \$ 1,524,294 | \$ 1,524,294 |

The District transferred \$481 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. The District transferred \$1,523,813 from the general fund to the debt service fund. The transfer was made to offset current year debt service.

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 \$42,870,942 indicated as part of the Governmental Activities net position is calculated as follows:

| | |
|---|---------------|
| Capital assets, net of depreciation | \$ 81,237,735 |
| Bonds payable (used to build or acquire capital assets) | (33,855,000) |
| Unspent bond proceeds | 829,912 |
| Unamortized premium | (591,416) |
| Financed purchases payable | (4,750,289) |
| Total net investment in capital assets | \$ 42,870,942 |

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

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

18. Tax Abatements (continued)

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 \$434,267 from the annual service charge in lieu of payment of taxes in 2021 and taxes in 2021 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 \$390,607 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.

Required Supplementary Information Part II

Schedules and Note Related to Accounting
and Reporting for Pensions (GASB 68)

Hopewell Valley Regional School District
 Schedule of the District's Proportionate Share of the Net Pension Liability
 Public Employees' Retirement System
 Required Supplementary Information

Last Ten Fiscal Years

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|--------------|
| District's proportion of the net pension liability (asset) - Local Group | 0.1170566995% | 0.1146451393% | 0.1156124926% | 0.1142608200% | 0.1105497103% | 0.1111144609% | 0.1123990058% | 0.1084386997% | n/a | n/a |
| District's proportionate share of the net pension liability (asset) | \$ 13,867,121 | \$ 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 |
| District's covered-employee payroll | \$ 8,567,034 | \$ 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 |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 161.87% | 220.43% | 245.52% | 272.52% | 320.09% | 425.79% | 333.33% | 266.63% | n/a | n/a |
| Plan fiduciary net position as a percentage of the total pension liability - Local Group | 70.33% | 58.32% | 56.27% | 53.60% | 48.10% | 40.14% | 47.93% | 52.08% | n/a | n/a |

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

Hopewell Valley Regional School District
 Schedule of District Contributions
 Public Employees' Retirement System
 Required Supplementary Information

Last Ten Fiscal Years

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Contractually required contribution | \$ 1,370,870 | \$ 1,254,162 | \$ 1,124,575 | \$ 1,142,038 | \$ 1,039,948 | \$ 987,125 | \$ 735,000 | \$ 709,412 | \$ 710,507 | \$ 662,255 |
| Contributions in relation to the contractually required contribution | (1,370,870) | (1,254,162) | (1,124,575) | (1,142,038) | (1,039,948) | (987,125) | (735,000) | (709,412) | (710,507) | (662,255) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 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 |
| Contributions as a percentage of covered-employee payroll | 16.16% | 14.78% | 13.62% | 14.20% | 13.46% | 13.04% | 9.65% | 9.20% | 9.60% | 9.40% |

See accompanying notes to required supplementary information.

Hopewell Valley Regional School District
 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*

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| State's proportion of the net pension liability (asset) associated with the District - Local Group | 0.3234095105% | 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 | \$ 155,479,732 | \$ 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>\$ 155,479,732</u> | <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 | 35.52% | 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, | | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
| State's proportion of the net OPEB liability (asset) | 0.30% | 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 | \$ 179,423,866 | \$ 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>\$ 179,423,866</u> | <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> | <u>0.00%</u> |
| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017**</u> |
| Total OPEB Liability | | | | | | |
| Service cost | \$ 9,420,306 | \$ 5,211,370 | \$ 5,132,335 | \$ 5,664,106 | \$ 6,825,202 | |
| Interest cost | 4,654,444 | 4,379,006 | 5,253,136 | 5,637,383 | 4,864,441 | |
| Changes of benefit terms | (190,975) | - | - | - | - | |
| Differences between expected and actual experiences | (28,602,638) | 33,622,293 | (19,421,998) | (13,787,674) | - | |
| Changes of assumptions | 177,015 | 36,078,860 | 1,812,409 | (15,193,657) | (20,323,672) | |
| Member contributions | 118,991 | 104,222 | 110,609 | 122,360 | 130,917 | |
| Gross benefit payments | <u>(3,666,398)</u> | <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 | (18,089,255) | 75,957,210 | (10,844,913) | (21,097,833) | (12,058,467) | |
| Total OPEB liability - beginning | <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> | |
| Total OPEB liability - ending | <u>\$ 179,423,866</u> | <u>\$ 197,513,121</u> | <u>\$ 121,555,911</u> | <u>\$ 132,400,824</u> | <u>\$ 153,498,657</u> | |
| Covered-employee payroll | <u>\$ 45,962,722</u> | <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>390.37%</u> | <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, 2022

1. PENSION - PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

There were none.

2. PENSION – TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none

Changes of Assumptions

The discount rate changed from 5.40% as of June 30, 2020 to 7.00% as of June 30, 2021.

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 2.21% as of June 30, 2020 to 2.16% as of June 30, 2021.

Required Supplementary Information
Part III

Budgetary Comparison Schedules

Hopewell Valley Regional School District
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2022

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|---------------------|-------------------|--------------------|--------------------------------|
| REVENUES: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 78,526,578 | | \$ 78,526,578 | \$ 78,526,578 | |
| Tuition | 382,953 | | 382,953 | 547,718 | \$ 164,765 |
| Transportation - Hazardous Routes | 33,891 | | 33,891 | 66,179 | 32,288 |
| Interest Earned on Investments | 50,000 | | 50,000 | 13,423 | (36,577) |
| Miscellaneous | 410,000 | | 410,000 | 621,843 | 211,843 |
| Total - Local Sources | 79,403,422 | | 79,403,422 | 79,775,741 | 372,319 |
| State Sources: | | | | | |
| Categorical Special Education Aid | 3,238,213 | | 3,238,213 | 3,238,213 | |
| Transportation Aid | 760,010 | | 760,010 | 760,010 | |
| Security Aid | 62,529 | | 62,529 | 62,529 | |
| School Choice Aid | 302,933 | | 302,933 | 302,933 | |
| Securing Our Childrens Future Bond Act | | \$ 197,057 | 197,057 | 197,057 | |
| Non-Public Transportation Aid | | | | 89,900 | 89,900 |
| Extraordinary Aid | | | | 691,000 | 691,000 |
| TPAF Pension (On-Behalf - Non-Budgeted) | | | | 13,372,934 | 13,372,934 |
| TPAF Post Retirement Medical (On-behalf - Non-Budgeted) | | | | 3,124,458 | 3,124,458 |
| TPAF Non-contributory Insurance (On-behalf - Non-Budgeted) | | | | 4,136 | 4,136 |
| TPAF Social Security (Reimbursed - Non-Budgeted) | | | | 2,676,824 | 2,676,824 |
| Total State Sources | 4,363,685 | 197,057 | 4,560,742 | 24,519,994 | 19,959,252 |
| Federal Sources: | | | | | |
| Disaster Grants - Public Assistance | | | | 37,631 | (37,631) |
| Medical Assistance Program | 20,942 | | 20,942 | 20,312 | (630) |
| Total - Federal Sources | 20,942 | | 20,942 | 57,943 | (38,261) |
| Total Revenues | 83,788,049 | 197,057 | 83,985,106 | 104,353,678 | 20,368,572 |
| EXPENDITURES: | | | | | |
| Current: | | | | | |
| Regular Programs - Instruction | | | | | |
| Kindergarten - Salaries of Teachers | 864,535 | (16,099) | 848,436 | 848,436 | |
| Grades 1-5 - Salaries of Teachers | 8,093,350 | 243,742 | 8,337,092 | 8,336,777 | 315 |
| Grades 6-8 - Salaries of Teachers | 6,101,619 | (292,947) | 5,808,672 | 5,677,734 | 130,938 |
| Grades 9-12 - Salaries of Teachers | 7,771,198 | (33,819) | 7,737,379 | 7,720,906 | 16,473 |
| Regular Programs - Home Instruction | | | | | |
| Salaries of Teachers | 50,000 | 19,660 | 69,660 | 66,430 | 3,230 |
| Purchased Professional-Educational Services | 22,000 | (13,510) | 8,490 | 7,612 | 878 |
| Regular Programs - Undistributed Instruction | | | | | |
| Other Salaries for Instruction | 960,332 | (127,154) | 833,178 | 625,297 | 207,881 |
| Purchased Professional-Educational Services | 1,113,171 | (47,450) | 1,065,721 | 888,149 | 177,572 |
| Purchased Technical Services | 6,500 | | 6,500 | 2,180 | 4,320 |
| Other Purchased Services | 1,421,953 | 25,718 | 1,447,671 | 1,366,930 | 80,741 |
| General Supplies | 1,330,746 | 215,907 | 1,546,653 | 944,302 | 602,351 |
| Textbooks | 186,934 | (2,662) | 184,272 | 98,329 | 85,943 |
| Other Objects | 20,531 | (1,500) | 19,031 | 6,587 | 12,444 |
| TOTAL REGULAR PROGRAMS - INSTRUCTION | 27,942,869 | (30,114) | 27,912,755 | 26,589,669 | 1,323,086 |
| SPECIAL EDUCATION - INSTRUCTION | | | | | |
| Learning and/or Language Disabilities | | | | | |
| Salaries of Teachers | 201,759 | 113,911 | 315,670 | 315,670 | |
| Other Salaries for Instruction | 33,990 | (24,132) | 9,858 | 3,207 | 6,651 |
| General Supplies | 1,500 | (1,500) | | | |
| Total Learning and/or Language Disabilities | 237,249 | 88,279 | 325,528 | 318,877 | 6,651 |
| Emotional Regulation Impairment | | | | | |
| Salaries of Teachers | 334,862 | 43,848 | 378,710 | 335,280 | 43,430 |
| Other Salaries for Instruction | 119,989 | (26,223) | 93,766 | 93,766 | |
| Total Emotional Regulation Impairment | 454,851 | 17,625 | 472,476 | 429,046 | 43,430 |
| Multiple Disabilities | | | | | |
| Salaries of Teachers | 534,730 | (51,578) | 483,152 | 483,152 | |
| Other Salaries for Instruction | 144,318 | 129,100 | 273,418 | 272,258 | 1,160 |
| General Supplies | | 1,500 | 1,500 | 1,371 | 129 |
| Total Multiple Disabilities | 679,048 | 79,022 | 758,070 | 756,781 | 1,289 |

Hopewell Valley Regional School District
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2022

| | <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 | \$ 4,723,926 | \$ 182,236 | \$ 4,906,162 | \$ 4,869,339 | \$ 36,823 |
| Other Salaries for Instruction | 506,498 | 91,195 | 597,693 | 596,589 | 1,104 |
| Other Purchased Services | 300 | 744 | 1,044 | 995 | 49 |
| General Supplies | 24,900 | 5,057 | 29,957 | 25,765 | 4,192 |
| Textbooks | 3,000 | (2,488) | 512 | 475 | 37 |
| Total Resource Room/Resource Center | <u>5,258,624</u> | <u>276,744</u> | <u>5,535,368</u> | <u>5,493,163</u> | <u>42,205</u> |
| Autism: | | | | | |
| Salaries of Teachers | 223,191 | 80,258 | 303,449 | 302,432 | 1,017 |
| Other Salaries for Instruction | 294,032 | 3,263 | 297,295 | 288,420 | 8,875 |
| Total Autism | <u>517,223</u> | <u>83,521</u> | <u>600,744</u> | <u>590,852</u> | <u>9,892</u> |
| Preschool Disabilities - Full-Time | | | | | |
| Salaries of Teachers | 428,362 | (43,937) | 384,425 | 384,425 | |
| Other Salaries for Instruction | 175,085 | 12,656 | 187,741 | 185,989 | 1,752 |
| General Supplies | 7,175 | (68) | 7,107 | 2,419 | 4,688 |
| Total Preschool Disabilities - Full-Time | <u>610,622</u> | <u>(31,349)</u> | <u>579,273</u> | <u>572,833</u> | <u>6,440</u> |
| Home Instruction | | | | | |
| Purchased Prof. - Ed. Services | 22,000 | | 22,000 | 5,238 | 16,762 |
| Total Home Instruction | <u>22,000</u> | | <u>22,000</u> | <u>5,238</u> | <u>16,762</u> |
| TOTAL SPECIAL EDUCATION - INSTRUCTION | <u>7,779,617</u> | <u>513,842</u> | <u>8,293,459</u> | <u>8,166,790</u> | <u>126,669</u> |
| Basic Skills/Remedial - Instruction | | | | | |
| Salaries of Teachers | 1,501,764 | (99,149) | 1,402,615 | 1,402,615 | |
| General Supplies | 8,200 | 46 | 8,246 | 4,057 | 4,189 |
| Textbooks | 500 | | 500 | | 500 |
| Total Basic Skills/Remedial - Instruction | <u>1,510,464</u> | <u>(99,103)</u> | <u>1,411,361</u> | <u>1,406,672</u> | <u>4,689</u> |
| Bilingual Education - Instruction | | | | | |
| Salaries of Teachers | 192,385 | (333) | 192,052 | 192,052 | |
| Other Salaries for Instruction | 23,639 | (23,639) | | | |
| General Supplies | 1,000 | | 1,000 | 253 | 747 |
| Total Bilingual Education - Instruction | <u>217,024</u> | <u>(23,972)</u> | <u>193,052</u> | <u>192,305</u> | <u>747</u> |
| School-Spon. Cocurricular Actvts. - Inst. | | | | | |
| Salaries | 239,762 | (739) | 239,023 | 235,829 | 3,194 |
| Purchased Services | 50,100 | 14,207 | 64,307 | 56,534 | 7,773 |
| Supplies and Materials | 64,483 | (7,502) | 56,981 | 31,549 | 25,432 |
| Other Objects | 103,955 | (3,995) | 99,960 | 35,610 | 64,350 |
| Total School-Spon. Cocurricular Actvts. - Inst. | <u>458,300</u> | <u>1,971</u> | <u>460,271</u> | <u>359,522</u> | <u>100,749</u> |
| School-Spon. Athletics | | | | | |
| Salaries | 835,216 | 26,619 | 861,835 | 855,453 | 6,382 |
| Purchased Services | 158,650 | (6,762) | 151,888 | 151,136 | 752 |
| Supplies and Materials | 128,900 | (23,738) | 105,162 | 103,762 | 1,400 |
| Other Objects | 32,320 | (2,581) | 29,739 | 29,739 | |
| Total School-Spon. Athletics | <u>1,155,086</u> | <u>(6,462)</u> | <u>1,148,624</u> | <u>1,140,090</u> | <u>8,534</u> |
| TOTAL INSTRUCTION | <u>39,063,360</u> | <u>356,162</u> | <u>39,419,522</u> | <u>37,855,048</u> | <u>1,564,474</u> |

Hopewell Valley Regional School District
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2022

| | <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 | \$ (14,002) | \$ 21,747 | \$ 21,747 | |
| Tuition to County Voc. School Dist. - Special | 155,070 | (8,593) | 146,477 | 123,084 | \$ 23,393 |
| Tuition to CSSD & Regional Day Schools | 262,050 | 61,980 | 324,030 | 324,030 | |
| Tuition to Private Schools for the Disabled - Within State | 1,408,094 | (97,183) | 1,310,911 | 1,162,869 | 148,042 |
| Tuition to Priv. Sch. Disabled & Other LEAs-Spl, O/S | 438,959 | (224,098) | 214,861 | 207,181 | 7,680 |
| Tuition - Other | 646,780 | 12,754 | 659,534 | 484,560 | 174,974 |
| Total Undistributed Expenditures - Instruction | 2,946,702 | (269,142) | 2,677,560 | 2,323,471 | 354,089 |
| Undistributed Expend. - Attend. & Social Work | | | | | |
| Salaries | 4,000 | (162) | 3,838 | 1,493 | 2,345 |
| Other Purchased Services | 255 | | 255 | | 255 |
| Total Undistributed Expend. - Attend. & Social Work | 4,255 | (162) | 4,093 | 1,493 | 2,600 |
| Undist. Expend. - Health Services | | | | | |
| Salaries | 600,356 | 73,300 | 673,656 | 673,656 | |
| Purchased Professional and Technical Services | 40,000 | (2,060) | 37,940 | 36,270 | 1,670 |
| Other Purchased Services | 60,375 | 2,985 | 63,360 | 45,937 | 17,423 |
| Rentals | 11,893 | (11,893) | | | |
| Supplies and Materials | 20,315 | (7,512) | 12,803 | 10,163 | 2,640 |
| Other Objects | 1,300 | | 1,300 | | 1,300 |
| Total Undistributed Expenditures - Health Services | 734,239 | 54,820 | 789,059 | 766,026 | 23,033 |
| Undist. Expend. - Other Supp. Serv. Students - OT, PT, ReL Serv. | | | | | |
| Salaries | 1,275,829 | (19,051) | 1,256,778 | 1,228,949 | 27,829 |
| Purchased Professional - Educational Services | 159,000 | 31,078 | 190,078 | 169,127 | 20,951 |
| Supplies and Materials | 60,735 | (15,625) | 45,110 | 37,027 | 8,083 |
| Total Undist. Expend. - Other Supp. Serv. Students - OT, PT, ReL Serv. | 1,495,564 | (3,598) | 1,491,966 | 1,435,103 | 56,863 |
| Undist. Expend. - Other Supp. Serv. Students - Extra Serv. | | | | | |
| Salaries | 754,325 | 6,251 | 760,576 | 712,750 | 47,826 |
| Purchased Professional - Educational Services | 710,000 | (285,868) | 424,132 | 185,347 | 238,785 |
| Supplies and Materials | 12,000 | | 12,000 | 11,158 | 842 |
| Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv. | 1,476,325 | (279,617) | 1,196,708 | 909,255 | 287,453 |
| Undist. Expend. - Guidance | | | | | |
| Salaries of Other Professional Staff | 1,246,809 | 25,014 | 1,271,823 | 1,211,694 | 60,129 |
| Salaries of Secretarial and Clerical Assistants | 140,632 | 1,451 | 142,083 | 142,083 | |
| Other Purchased Services | 5,530 | 3,837 | 9,367 | 5,150 | 4,217 |
| Supplies and Materials | 2,550 | (200) | 2,350 | 1,144 | 1,206 |
| Other Objects | | 913 | 913 | 913 | |
| Total Undist. Expend. - Guidance | 1,395,521 | 31,015 | 1,426,536 | 1,360,984 | 65,552 |
| Undist. Expend. - Child Study Team | | | | | |
| Salaries of Other Professional Staff | 1,739,184 | (34,245) | 1,704,939 | 1,671,883 | 33,056 |
| Salaries of Secretarial and Clerical Assistants | 216,955 | (25,137) | 191,818 | 178,626 | 13,192 |
| Unused Vacation Payment to Terminated/Retired Staff | | 7,969 | 7,969 | 7,969 | |
| Purchased Prof. - Educational Services | 92,500 | (24,285) | 68,215 | 380 | 67,835 |
| Other Purchased Prof. and Tech. Services | 125,000 | 4,368 | 129,368 | 112,203 | 17,165 |
| Other Purchased Services | 28,386 | 797 | 29,183 | 13,635 | 15,548 |
| Supplies and Materials | 71,875 | | 71,875 | 45,581 | 26,294 |
| Other Objects | 9,894 | | 9,894 | 8,801 | 1,093 |
| Total Undist. Expend. - Child Study Team | 2,283,794 | (70,533) | 2,213,261 | 2,039,078 | 174,183 |
| Undist. Expend. - Improvement of Inst. Serv. | | | | | |
| Salaries of Supervisors of Instruction | 971,325 | (118,371) | 852,954 | 792,450 | 60,504 |
| Salaries of Other Professional Staff | 329,519 | 87,094 | 416,613 | 414,813 | 1,800 |
| Salaries of Secretarial and Clerk Assistants | 81,185 | | 81,185 | 77,014 | 4,171 |
| Other Salaries | 67,372 | 11,445 | 78,817 | 75,521 | 3,296 |
| Unused Vacation Payment to Term/Ret Staff | | 46,232 | 46,232 | 26,126 | 20,106 |
| Purchased Prof. - Educational Services | | 7,000 | 7,000 | 5,788 | 1,212 |
| Other Purchased Services | 37,600 | (26,559) | 11,041 | 10,048 | 993 |
| Supplies and Materials | 9,500 | (1,628) | 7,872 | 7,281 | 591 |
| Other Objects | 27,151 | | 27,151 | 20,498 | 6,653 |
| Total Undist. Expend. - Improvement of Inst. Serv. | 1,523,652 | 5,213 | 1,528,865 | 1,429,539 | 99,326 |

Hopewell Valley Regional School District
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2022

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---|----------------------------|-----------------------------|-------------------------|------------------|---|
| Undist. Expend. - Edu. Media Serv./Sch. Library | | | | | |
| Salaries | \$ 508,835 | | \$ 508,835 | \$ 441,113 | \$ 67,722 |
| Salaries of Technology Coordinators | 762,371 | \$ (71,890) | 690,481 | 687,083 | 3,398 |
| Unused Vacation Payment to Term/Ret Staff | | 3,595 | 3,595 | 3,595 | |
| Purchased Professional and Technical Services | 33,135 | 1,102 | 34,237 | 34,040 | 197 |
| Supplies and Materials | 75,720 | 6,755 | 82,475 | 76,743 | 5,732 |
| Other Objects | 950 | (150) | 800 | 71 | 729 |
| Total Undist. Expend. - Edu. Media Serv./Sch. Library | 1,381,011 | (60,588) | 1,320,423 | 1,242,645 | 77,778 |
| Undist. Expend. - Instructional Staff Training Serv. | | | | | |
| Salaries - Other Professional Staff | | 2,086 | 2,086 | 2,086 | |
| Other Purchased Professional & Technical Services | 50,980 | 41,004 | 91,984 | 75,372 | 16,612 |
| Other Purchased Services | 75,230 | (7,151) | 68,079 | 25,500 | 42,579 |
| Supplies and Materials | 3,700 | (1,800) | 1,900 | 1,447 | 453 |
| Total Undist. Expend. - Instructional Staff Training Serv. | 129,910 | 34,139 | 164,049 | 104,405 | 59,644 |
| Undist. Expend. - Supp. Serv. - General Admin. | | | | | |
| Salaries | 284,884 | (15,756) | 269,128 | 257,550 | 11,578 |
| Unused Vacation Payment to Term/Ret Staff | | 43,372 | 43,372 | 43,372 | |
| Legal Services | 150,000 | (15,542) | 134,458 | 36,576 | 97,882 |
| Audit Fees | 70,000 | 275 | 70,275 | 70,275 | |
| Architectural/Engineering Services | 200,000 | 144,982 | 344,982 | 160,744 | 184,238 |
| Other Purchased Professional Services | 13,500 | (4,200) | 9,300 | 8,729 | 571 |
| Communications/Telephone | 194,939 | (11,258) | 183,681 | 118,526 | 65,155 |
| Miscellaneous Purchased Services | 171,340 | (13,505) | 157,835 | 153,483 | 4,352 |
| General Supplies | 3,000 | (2,000) | 1,000 | | 1,000 |
| Judgements Against the School District | 297,693 | 201,687 | 499,380 | 473,616 | 25,764 |
| Miscellaneous Expenditures | 58,300 | | 58,300 | 39,265 | 19,035 |
| Total Undist. Expend. - Supp. Serv. - General Admin. | 1,443,656 | 328,055 | 1,771,711 | 1,362,136 | 409,575 |
| Undist. Expend. - Support Serv. - School Admin. | | | | | |
| Salaries of Principals/Assistant Principals | 1,475,125 | (18,818) | 1,456,307 | 1,451,789 | 4,518 |
| Salaries of Secretarial and Clerical Assistants | 737,936 | 32,793 | 770,729 | 752,210 | 18,519 |
| Unused Vacation Payment to Term/Ret Staff | | 24,770 | 24,770 | 22,607 | 2,163 |
| Other Purchased Services | 35,929 | (1,688) | 34,241 | 4,631 | 29,610 |
| Supplies and Materials | 30,300 | 1,286 | 31,586 | 17,960 | 13,626 |
| Other Objects | 18,090 | 1,900 | 19,990 | 7,359 | 12,631 |
| Total Undist. Expend. - Support Serv. - School Admin. | 2,297,380 | 40,243 | 2,337,623 | 2,256,556 | 81,067 |
| Undist. Expend. - Central Services | | | | | |
| Salaries | 850,269 | 15,978 | 866,247 | 865,767 | 480 |
| Unused Vacation Payment to Term/Ret Staff | | 5,251 | 5,251 | 5,251 | |
| Purchased Professional Services | 50,144 | (16,827) | 33,317 | 33,317 | |
| Purchased Technical Services | 44,730 | 38,869 | 83,599 | 77,063 | 6,536 |
| Miscellaneous Purchased Services | 80,833 | 483 | 81,316 | 47,168 | 34,148 |
| Supplies and Materials | 30,320 | (5,806) | 24,514 | 16,704 | 7,810 |
| Miscellaneous Expenditures | 11,500 | (220) | 11,280 | 8,554 | 2,726 |
| Total Undist. Expend. - Central Services | 1,067,796 | 37,728 | 1,105,524 | 1,053,824 | 51,700 |
| Undist. Expend. - Technology Admin. | | | | | |
| Salaries | 223,972 | | 223,972 | 223,972 | |
| Other Purchased Services | 16,936 | (8,969) | 7,967 | 7,119 | 848 |
| Total Undist. Expend. - Technology Admin. | 240,908 | (8,969) | 231,939 | 231,091 | 848 |
| Undist. Expend. - Required Maint. for Sch. Facil. | | | | | |
| Salaries | 779,282 | (37,986) | 741,296 | 737,923 | 3,373 |
| Cleaning, Repair and Maintenance Services | 638,400 | 427,154 | 1,065,554 | 889,175 | 176,379 |
| General Supplies | 276,500 | 5,262 | 281,762 | 246,062 | 35,700 |
| Total Undist. Expend. - Required Maint. for Sch. Facil. | 1,694,182 | 394,430 | 2,088,612 | 1,873,160 | 215,452 |

**Hopewell Valley Regional School District
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2022**

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---|----------------------------|-----------------------------|-------------------------|--------------------|---|
| Undist. Expend. - Custodial Services | | | | | |
| Salaries | \$ 2,058,740 | \$ (7,469) | \$ 2,051,271 | \$ 2,023,950 | \$ 27,321 |
| Unused Vacation Payment to Term/Ret Staff | | 7,630 | 7,630 | 7,630 | |
| Cleaning, Repair and Maintenance Services | 119,500 | | 119,500 | 76,156 | 43,344 |
| Other Purchased Property Services | 281,355 | (19,968) | 261,387 | 198,093 | 63,294 |
| Insurance | 337,698 | 28,238 | 365,936 | 365,936 | |
| General Supplies | 206,000 | 3,838 | 209,838 | 191,724 | 18,114 |
| Other Purchased Services | 11,000 | (8,586) | 2,414 | 530 | 1,884 |
| Miscellaneous Purchased Services | | 16,500 | 16,500 | 1,500 | 15,000 |
| Natural Gas | 348,000 | (15,774) | 332,226 | 306,199 | 26,027 |
| Electricity | 1,067,000 | (103,793) | 963,207 | 962,607 | 600 |
| Energy | 31,600 | | 31,600 | 29,278 | 2,322 |
| Other Objects | 13,800 | (3,573) | 10,227 | 10,227 | |
| Total Undist. Expend. - Custodial Services | 4,474,693 | (102,957) | 4,371,736 | 4,173,830 | 197,906 |
| Undist. Expend. - Care and Upkeep of Grounds | | | | | |
| Salaries | 212,511 | 6,911 | 219,422 | 218,998 | 424 |
| Cleaning, Repair and Maintenance Services | 107,000 | (78,380) | 28,620 | 28,620 | |
| General Supplies | 141,600 | (86,611) | 54,989 | 41,651 | 13,338 |
| Total Undist. Expend. - Care and Upkeep of Grounds | 461,111 | (158,080) | 303,031 | 289,269 | 13,762 |
| Undist. Expend. - Security | | | | | |
| Salaries | 316,184 | 42,843 | 359,027 | 358,509 | 518 |
| Cleaning, Repair and Maintenance Services | | 102,984 | 102,984 | 9,505 | 93,479 |
| General Supplies | 5,000 | 90,007 | 95,007 | 672 | 94,335 |
| Total Undist. Expend. - Security | 321,184 | 235,834 | 557,018 | 368,686 | 188,332 |
| Undist. Expend. - Student Transportation Serv. | | | | | |
| Salaries for Non-Instructional Aids | 270,850 | 118,120 | 388,970 | 374,275 | 14,695 |
| Salaries for Pupil Trans. (Between Home & School) - Regular | 657,723 | 169,199 | 826,922 | 819,804 | 7,118 |
| Salaries for Pupil Trans. (Between Home & School) - Sp. Ed. | 807,848 | 132,066 | 939,914 | 897,358 | 42,556 |
| Salaries for Pupil Trans. Other than Between Home & School | 78,000 | (51,007) | 26,993 | 3,683 | 23,310 |
| Management Fees - ESC & CTSA Transportation Programs | 7,500 | (7,500) | | | |
| Other Purchased Professional and Technical Services | 22,935 | | 33,222 | 31,880 | 1,342 |
| Cleaning, Repair & Maintenance Services | 84,500 | 8,561 | 93,061 | 91,154 | 1,907 |
| Rental Payments - School Buses | 3,000 | (3,000) | | | |
| Lease Purchase Payments-School Buses | 301,621 | (1,026) | 300,595 | 299,504 | 1,091 |
| Contracted Services Aid In Lieu of Payment for Non-public School Students | 255,000 | 25,800 | 280,800 | 273,306 | 7,494 |
| Contracted Services (Between Home and School) - Vendors | 1,316,632 | (32,991) | 1,283,641 | 1,152,955 | 130,686 |
| Contracted Services (Other than Between Home and School) - Vendors | 311,995 | | 311,995 | 226,325 | 85,670 |
| Contracted Services (Between Home and School) - Joint Agreements | 1,500 | (1,000) | 500 | | 500 |
| Contracted Services (Sp. Ed.) - Vendors | 345,311 | (297,179) | 48,132 | 10,742 | 37,390 |
| Contracted Services (Sp. Ed.) - Joint Agreements | 5,000 | | 5,000 | | 5,000 |
| Contracted Services (Special Education Students) - ESCs | 93,865 | (85,504) | 8,361 | | 8,361 |
| Other Purchased Services | 2,750 | | 2,750 | 1,046 | 1,704 |
| Transportation Supplies | 324,937 | | 324,937 | 246,561 | 78,376 |
| Other Objects | 1,250 | | 1,250 | | 1,250 |
| Total Undist. Expend. - Student Transportation Serv. | 4,892,217 | (15,174) | 4,877,043 | 4,428,593 | 448,450 |
| Unallocated Benefits | | | | | |
| Social Security Contributions | 1,073,000 | 50,496 | 1,123,496 | 1,113,853 | 9,643 |
| Other Retirement Contributions - PERS | 1,325,000 | 45,870 | 1,370,870 | 1,370,870 | |
| Other Retirement Contributions - Regular | 32,000 | 14,889 | 46,889 | 46,889 | |
| Unemployment Compensation | 181,156 | (10,377) | 170,779 | 170,779 | |
| Workmen's Compensation | 453,322 | (55,756) | 397,566 | 397,566 | |
| Health Benefits | 12,314,295 | (135,185) | 12,179,110 | 12,148,643 | 30,467 |
| Tuition Reimbursement | 200,000 | 22,299 | 222,299 | 183,897 | 38,402 |
| Other Employee Benefits | 306,286 | 42,136 | 348,422 | 348,422 | |
| Unused Vac. Payment to Term/Ret. Staff | 127,000 | 94,639 | 221,639 | 195,091 | 26,548 |
| Total Unallocated Benefits | 16,012,059 | 69,011 | 16,081,070 | 15,976,010 | 105,060 |
| On-behalf TPAF Pension Contributions (non-budgeted) | | | | 13,372,934 | (13,372,934) |
| TPAF Post Retirement Medical (On-behalf - Non-Budgeted) | | | | 3,124,458 | (3,124,458) |
| TPAF Non-contributory Insurance (On-behalf - Non-Budgeted) | | | | 4,136 | (4,136) |
| Reimbursed TPAF Social Security Contributions (non-budgeted) | | | | 2,676,824 | (2,676,824) |
| Total On-behalf Contributions | | | | 19,178,352 | (19,178,352) |
| TOTAL UNDISTRIBUTED EXPENDITURES | 46,276,159 | 261,668 | 46,537,827 | 62,803,506 | (16,265,679) |
| TOTAL GENERAL | 85,339,519 | 617,830 | 85,957,349 | 100,658,554 | (14,701,205) |

Hopewell Valley Regional School District
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2022

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|----------------------|-----------------------|----------------------|----------------------|--------------------------------|
| CAPITAL OUTLAY | | | | | |
| Undistributed Expenditures: | | | | | |
| Instruction | \$ 60,000 | \$ 186,347 | \$ 246,347 | \$ 78,591 | \$ 167,756 |
| Support services - instructional staff | | 3,428 | 3,428 | 3,428 | |
| Central Services | | 45,794 | 45,794 | 45,794 | |
| Security Equipment | | 17,920 | 17,920 | | 17,920 |
| Undistributed Exp.-Req. Maint. of School Facilities | | 11,077 | 11,077 | 9,111 | 1,966 |
| Undistributed Exp.-Care and Upkeep of Grounds | | 91,860 | 91,860 | 54,547 | 37,313 |
| Undist. Exp. - Non-instructional Services | | | | | |
| Non-budgeted financed purchases payable - leases | | | | 4,475,761 | (4,475,761) |
| Total Equipment | <u>60,000</u> | <u>356,426</u> | <u>416,426</u> | <u>4,667,232</u> | <u>(4,250,806)</u> |
| Facilities Acquisition and Construction Services | | | | | |
| Construction Services | 1,030,000 | 2,393,828 | 3,423,828 | 2,691,826 | 732,002 |
| Capital reserve transfer to debt service | 1,523,813 | | 1,523,813 | | 1,523,813 |
| Other Objects - Debt Service Assessment | 101,068 | | 101,068 | 101,068 | |
| Total Facilities Acquisition and Construction Services | <u>2,654,881</u> | <u>2,393,828</u> | <u>5,048,709</u> | <u>2,792,894</u> | <u>2,255,815</u> |
| TOTAL CAPITAL OUTLAY | <u>2,714,881</u> | <u>2,750,254</u> | <u>5,465,135</u> | <u>7,460,126</u> | <u>(1,994,991)</u> |
| Contribution to Charter Schools | | <u>67,575</u> | <u>67,575</u> | <u>67,575</u> | |
| SPECIAL SCHOOLS | | | | | |
| Summer School - Instruction | | | | | |
| Salaries of Teachers | 209,500 | 44,678 | 254,178 | 254,178 | |
| Purchased Prof. - Educational Services | 22,500 | (22,500) | | | |
| General Supplies | 1,500 | 114 | 1,614 | 1,418 | 196 |
| Total Summer School - Instruction | <u>233,500</u> | <u>22,292</u> | <u>255,792</u> | <u>255,596</u> | <u>196</u> |
| TOTAL SPECIAL SCHOOLS | <u>233,500</u> | <u>22,292</u> | <u>255,792</u> | <u>255,596</u> | <u>196</u> |
| TOTAL EXPENDITURES | <u>88,287,900</u> | <u>3,457,951</u> | <u>91,745,851</u> | <u>108,441,851</u> | <u>(16,696,000)</u> |
| (Deficiency) Excess of Revenues (Under) Over Expenditures | <u>(4,499,851)</u> | <u>(3,260,894)</u> | <u>(7,760,745)</u> | <u>(4,088,173)</u> | <u>3,672,572</u> |
| Other Financing Sources (Uses): | | | | | |
| Assets acquired under financed purchase - leases - (non-budgeted) | | | | 4,475,761 | 4,475,761 |
| Transfer Out | | | | (1,523,813) | (1,523,813) |
| Total Other Financing Sources (Uses) | | | | <u>2,951,948</u> | <u>2,951,948</u> |
| (Deficiency) Excess of Revenues (Under) Over Expenditures and Other Financing Sources (Uses) | <u>(4,499,851)</u> | <u>(3,260,894)</u> | <u>(7,760,745)</u> | <u>(1,136,225)</u> | <u>6,624,520</u> |
| Fund Balance, July 1 | <u>18,218,678</u> | | <u>18,218,678</u> | <u>18,218,678</u> | |
| Fund Balance, June 30 | <u>\$ 13,718,827</u> | <u>\$ (3,260,894)</u> | <u>\$ 10,457,933</u> | <u>\$ 17,082,453</u> | <u>\$ 6,624,520</u> |
| Recapitulation of Fund Balance: | | | | | |
| Restricted Fund Balance: | | | | | |
| Excess Surplus Designated for Subsequent Year's Expenditures | | | | \$ 641,200 | |
| Capital Reserve | | | | 6,928,732 | |
| Maintenance Reserve | | | | 91,323 | |
| Assigned to: | | | | | |
| Designated for Subsequent Year's Expenditures | | | | 3,449,070 | |
| Year End Encumbrances | | | | 1,799,718 | |
| Unassigned Fund Balance | | | | <u>4,172,410</u> | |
| | | | | 17,082,453 | |
| Reconciliation of Budgetary Fund Balance to GAAP Fund Balance: | | | | | |
| Final State Aid Payments Not Realized on GAAP Basis | | | | (372,765) | |
| Fund balance per Governmental Funds (GAAP) | | | | <u>\$ 16,709,688</u> | |

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

**Budgetary Comparison Schedule
(Budgetary Basis)
Year ended June 30, 2022**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---------------------------------------|--------------------|---------------------|------------------|-------------------|--------------------------------|
| Revenues | | | | | |
| State sources | | \$ 364,375 | \$ 364,375 | \$ 260,016 | \$ (104,359) |
| Federal sources | \$ 918,136 | 1,974,181 | 2,892,317 | 2,153,874 | (738,443) |
| Local sources | | 201,208 | 201,208 | 607,279 | 406,071 |
| Total revenues | <u>918,136</u> | <u>2,539,764</u> | <u>3,457,900</u> | <u>3,021,169</u> | <u>(436,731)</u> |
| Expenditures | | | | | |
| Current expenditures: | | | | | |
| Instruction: | | | | | |
| Salaries of teachers | 73,189 | 189,033 | 262,222 | 198,962 | 63,260 |
| Purchased professional services | 8,500 | 28,390 | 36,890 | 35,267 | 1,623 |
| Other purchased services | 790,928 | 436,669 | 1,227,597 | 1,220,995 | 6,602 |
| General supplies | | 375,052 | 375,052 | 86,388 | 288,664 |
| Total instruction | <u>872,617</u> | <u>1,029,144</u> | <u>1,901,761</u> | <u>1,541,612</u> | <u>360,149</u> |
| Support services: | | | | | |
| Salaries | | 55,194 | 55,194 | 53,679 | 1,515 |
| Personal services—employee benefits | | 52,009 | 52,009 | 46,225 | 5,784 |
| Purchased professional services | 45,519 | 384,114 | 429,633 | 198,393 | 231,240 |
| Purchased property services | | 84,370 | 84,370 | 84,370 | |
| Other purchased professional services | | 254,275 | 254,275 | 149,972 | 104,303 |
| Supplies and materials | | 81,700 | 81,700 | 45,121 | 36,579 |
| Student activities | | | | 437,911 | (437,911) |
| Scholarships awarded | | | | 20,500 | (20,500) |
| Total support services | <u>45,519</u> | <u>911,662</u> | <u>957,181</u> | <u>1,036,171</u> | <u>(78,990)</u> |
| Capital outlay: | | | | | |
| Noninstructional equipment | | 598,958 | 598,958 | 401,800 | 197,158 |
| Total capital outlay | | <u>598,958</u> | <u>598,958</u> | <u>401,800</u> | <u>197,158</u> |
| Total expenditures | <u>918,136</u> | <u>2,539,764</u> | <u>3,457,900</u> | <u>2,979,583</u> | <u>478,317</u> |
| Excess of revenues over expenditures | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | 41,586 | <u>\$ 41,586</u> |
| Fund Balance, July 1 | | | | <u>442,437</u> | |
| Fund Balance, June 30 | | | | <u>\$ 484,023</u> | |
| Recapitulation: | | | | | |
| Restricted: | | | | | |
| Scholarships | | | | \$ 21,985 | |
| Student Activities | | | | 462,038 | |
| Total Fund Balance | | | | <u>\$ 484,023</u> | |

Hopewell Valley Regional School District
Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2022

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) | \$ 104,353,678 | \$ 3,021,169 |
| Differences - Budgetary to GAAP: | | |
| Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized. | | |
| Prior year | | 33,670 |
| Current year | | (296,753) |
| State aid payments recognized for budgetary purposes, not recognized for GAAP statements. | | |
| Prior year | 322,707 | |
| Current year | (372,765) | |
| | | |
| Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (B-2) | \$ 104,303,620 | \$ 2,758,086 |
| Uses/outflows of resources | | |
| Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2) | \$ 108,441,851 | \$ 2,979,583 |
| 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. | | |
| Prior year | | 33,670 |
| Current year | | (296,753) |
| | | |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2) | \$ 108,441,851 | \$ 2,716,500 |

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, 2022

| <u>Nonpublic Aid</u> | | | | | | | | | | | |
|---|------------------|------------------|-------------------|------------------------------|-----------------------------|---------------------------------|------------------|---|--------------------|-------------------------------|---------------------|
| | <u>Textbooks</u> | <u>Nursing</u> | <u>Technology</u> | <u>Corrective Speech</u> | <u>Home Instruction</u> | <u>Handicapped Services</u> | <u>Security</u> | <u>SDA Emergent Needs and Capital Maintenance</u> | <u>Other Local</u> | <u>Student Activities</u> | <u>Scholarships</u> |
| Revenues: | | | | | | | | | | | |
| State sources | \$ 28,929 | \$ 78,630 | \$ 20,368 | \$ 372 | \$ 4,865 | \$ 10,043 | \$ 32,439 | \$ 84,370 | | | |
| Federal sources | | | | | | | | | | | |
| Local sources | | | | | | | | | \$ 107,282 | \$ 485,837 | \$ 14,160 |
| Total revenues | <u>28,929</u> | <u>78,630</u> | <u>20,368</u> | <u>372</u> | <u>4,865</u> | <u>10,043</u> | <u>32,439</u> | <u>84,370</u> | <u>107,282</u> | <u>485,837</u> | <u>14,160</u> |
| Expenditures: | | | | | | | | | | | |
| Instruction: | | | | | | | | | | | |
| Salaries of teachers | | | | | \$ 4,865 | | | | | | |
| Purchased professional services | | | | | | | | | \$ 5,501 | | |
| Other purchased services | | | | | | | | | | | |
| General supplies | \$ 28,929 | | | | | | | | | 40,468 | |
| Total instruction | <u>28,929</u> | | | | <u>4,865</u> | | | | | <u>45,969</u> | |
| Support services: | | | | | | | | | | | |
| Salaries | | | | | | | | | | | |
| Personal services-employee benefits | | | | | | | | | | | |
| Purchased professional services | | | | | | | | | | | |
| Rentals | | | | | | | | \$ 84,370 | | | |
| Other purchased professional services | | \$ 78,630 | \$ 20,368 | \$ 372 | | \$ 10,043 | \$ 32,439 | | 8,120 | | |
| Supplies and materials | | | | | | | | | 38,193 | | |
| Student activity | | | | | | | | | | \$ 437,911 | |
| Scholarships | | | | | | | | | | | \$ 20,500 |
| Total support services | | <u>78,630</u> | <u>20,368</u> | <u>372</u> | | <u>10,043</u> | <u>32,439</u> | <u>84,370</u> | <u>46,313</u> | <u>437,911</u> | <u>20,500</u> |
| Capital outlay: | | | | | | | | | | | |
| Facilities acquisition and construction services: | | | | | | | | | | | |
| Non instructional equipment | | | | | | | | | | 15,000 | |
| Total capital outlay | | | | | | | | | | <u>15,000</u> | |
| Total expenditures | <u>\$ 28,929</u> | <u>\$ 78,630</u> | <u>\$ 20,368</u> | <u>\$ 372</u> | <u>\$ 4,865</u> | <u>\$ 10,043</u> | <u>\$ 32,439</u> | <u>\$ 84,370</u> | <u>\$ 107,282</u> | <u>\$ 437,911</u> | <u>\$ 20,500</u> |
| Excess of Revenues | | | | | | | | | | | |
| Over Expenditures | - | - | - | - | - | - | - | - | - | 47,926 | (6,340) |
| Fund Balance, July 1 | - | - | - | - | - | - | - | - | - | 414,112 | 28,325 |
| Fund Balance, June 30 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 462,038</u> | <u>\$ 21,985</u> |

Hopewell Valley Regional School District
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis

Year Ended June 30, 2022

| | COVID-19 | | | | | | | | | | | | | Coronavirus State and Local Fiscal Recovery Funds | Totals | |
|---|------------------|------------------|------------------|------------------|-------------------|------------------|------------------------------|------------------|-------------------|-----------------------------|---------------------|-------------------|--|--|---------------------|--------------------|
| | I.D.E.A. | | | | | | Education Stabilization Fund | | | | | | | | | |
| | Title I A | Title II A | Title IV | Perkins | Part B | Preschool | ARP Basic | ARP Preschool | CRSSA ESSER II | CR Learning Acceleration | CR Mental Health | ARP ESSER III | Accelerated Learning Coach and Educator Support | | | COVID-19 ACSERS |
| Revenues: | | | | | | | | | | | | | | | | |
| State sources | | | | | | | | | | | | | | | | |
| Federal sources | \$ 91,503 | \$ 57,055 | \$ 12,178 | \$ 15,278 | \$ 839,812 | \$ 24,243 | \$ 167,819 | \$ 14,454 | \$ 276,559 | \$ 25,000 | \$ 45,000 | \$ 329,831 | \$ 4,847 | \$ 250,295 | \$ 260,016 | |
| Local sources | | | | | | | | | | | | | | | 2,153,874 | |
| Total revenues | <u>91,503</u> | <u>57,055</u> | <u>12,178</u> | <u>15,278</u> | <u>839,812</u> | <u>24,243</u> | <u>167,819</u> | <u>14,454</u> | <u>276,559</u> | <u>25,000</u> | <u>45,000</u> | <u>329,831</u> | <u>4,847</u> | <u>250,295</u> | <u>3,021,169</u> | |
| Expenditures: | | | | | | | | | | | | | | | | |
| Instruction: | | | | | | | | | | | | | | | | |
| Salaries of teachers | \$ 75,161 | | | \$ 2,408 | | | | | \$ 98,170 | \$ 23,223 | | | | | \$ 198,962 | |
| Purchased professional services | 652 | | | | \$ 839,812 | \$ 24,243 | \$ 167,819 | \$ 14,454 | | | \$ 29,750 | | | \$ 169,166 | 35,267 | |
| Other purchased services | | | | 12,144 | | | | | | | | | | 1,220,995 | | |
| General supplies | | | | 14,552 | 839,812 | 24,243 | 167,819 | 14,454 | 98,170 | 23,223 | | \$ 4,847 | | 86,388 | | |
| Total instruction | <u>75,813</u> | | | <u>14,552</u> | <u>839,812</u> | <u>24,243</u> | <u>167,819</u> | <u>14,454</u> | <u>98,170</u> | <u>23,223</u> | | <u>29,750</u> | <u>4,847</u> | <u>169,166</u> | <u>1,541,612</u> | |
| Support services: | | | | | | | | | | | | | | | | |
| Salaries | 1,695 | | | 504 | | | | | | | | | | | 51,480 | 53,679 |
| Personal services-employee benefits | 13,380 | | | 222 | | | | | 7,510 | 1,777 | | | | 23,336 | 46,225 | |
| Purchased professional services | | \$ 57,055 | \$ 12,178 | | | | | | 84,160 | | \$ 45,000 | | | | 198,393 | |
| Rentals | | | | | | | | | | | | | | | 84,370 | |
| Other purchased professional services | | | | | | | | | | | | | | | 149,972 | |
| Supplies and materials | 615 | | | | | | | | | | | | | 6,313 | 45,121 | |
| Student activity | | | | | | | | | | | | | | | 437,911 | |
| Scholarships | | | | | | | | | | | | | | | 20,500 | |
| Total support services | <u>15,690</u> | <u>57,055</u> | <u>12,178</u> | <u>726</u> | | | | | <u>91,670</u> | <u>1,777</u> | <u>45,000</u> | | | <u>81,129</u> | <u>1,036,171</u> | |
| Capital outlay: | | | | | | | | | | | | | | | | |
| Facilities acquisition and construction services: | | | | | | | | | | | | | | | | |
| Non instructional equipment | | | | | | | | | 86,719 | | | 300,081 | | | 401,800 | |
| Total capital outlay | | | | | | | | | <u>86,719</u> | | | <u>300,081</u> | | | <u>401,800</u> | |
| Total expenditures | <u>\$ 91,503</u> | <u>\$ 57,055</u> | <u>\$ 12,178</u> | <u>\$ 15,278</u> | <u>\$ 839,812</u> | <u>\$ 24,243</u> | <u>\$ 167,819</u> | <u>\$ 14,454</u> | <u>\$ 276,559</u> | <u>\$ 25,000</u> | <u>\$ 45,000</u> | <u>\$ 329,831</u> | <u>\$ 4,847</u> | <u>\$ 250,295</u> | <u>\$ 2,979,583</u> | |
| Excess of Revenues Over Expenditures | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 41,586 |
| Fund Balance, July 1 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 442,437 |
| Fund Balance, June 30 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 484,023</u> |

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, 2022

| | |
|--|-------------------|
| Revenues | |
| Interest income | \$ 481 |
| Total revenues | <u>481</u> |
| Expenditures | |
| Legal services | |
| Architectural services | 500 |
| Other purchased professional and technical services | |
| Construction services | 114,874 |
| Equipment | |
| Supplies | |
| Total expenditures | <u>115,374</u> |
| (Deficiency) of revenues (under) expenditures | (114,893) |
| Other financing (uses) | |
| Transfer out to debt service fund | (481) |
| Total other financing (uses) | <u>(481)</u> |
| (Deficiency) of revenues (under) expenditures and Other financing (uses): | (115,374) |
| Fund Balance, July 1 | 945,286 |
| Fund Balance, June 30 | <u>\$ 829,912</u> |

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, 2022

| | <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 | 641,378 | \$ 481 | 641,859 | |
| Total revenues | <u>36,496,378</u> | <u>481</u> | <u>36,496,859</u> | <u>35,855,000</u> |
| Expenditures | | | | |
| Legal services | 42,072 | | 42,072 | |
| Architectural services | 2,518,017 | 500 | 2,518,517 | |
| Other purchased professional and technical services | 263,745 | | 263,745 | |
| Construction services | 30,197,256 | 114,874 | 30,312,130 | |
| Equipment | 692,519 | | 692,519 | |
| Supplies | 1,196,105 | | 1,196,105 | |
| Total expenditures | <u>34,909,714</u> | <u>115,374</u> | <u>35,025,088</u> | <u>35,855,000</u> |
| (Deficiency) of revenues (under) expenditures | 1,586,664 | (114,893) | 1,471,771 | - |
| Other financing (uses): | | | | |
| Transfer out to debt service fund | (641,378) | (481) | (641,859) | |
| Total other financing (uses): | (641,378) | (481) | (641,859) | - |
| | 945,286 | (115,374) | 829,912 | 35,855,000 |
| (Deficiency) of revenues (under) expenditures and other financing sources | <u>\$ 945,286</u> | <u>\$ (115,374)</u> | <u>\$ 829,912</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 | | 95.97% | | |
| Original target completion date | | 9/1/2019 | | |
| Revised target completion date | | 6/30/2023 | | |

Long-Term Debt

Hopewell Valley Regional School District
Long-Term Debt

Schedule of Serial Bonds Payable

Year ended June 30, 2022

| Issue | Date of Issue | Amount of Issue | Annual Maturities | | Interest Rate | Balance July 1, 2021 | Retired | Balance June 30, 2022 |
|---|---------------|-----------------|-------------------|--------------|---------------|----------------------|--------------|-----------------------|
| | | | Date | Amount | | | | |
| 2016 Refunding of 2005 Refunding Bonds | 5/20/16 | \$ 16,290,000 | | | | \$ 3,540,000 | \$ 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 | 1/15/2023 | \$ 2,990,000 | 3.250% | 34,755,000 | 900,000 | \$ 33,855,000 |
| | | | 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% | | | |
| | | | | | | \$38,295,000 | \$4,440,000 | \$ 33,855,000 |

Hopewell Valley Regional School District
Long-Term Debt

Schedule of Financed Purchases Payable

Year ended June 30, 2022

| | Interest Rate | Amount of Original Issue | Balance July 1, 2021 | Additions | Retired | Balance June 30, 2022 |
|---|--------------------------|---|---------------------------------|---------------------|---------------------|----------------------------------|
| Vehicles | 1.905% | \$ 295,000 | \$ 31,344 | | \$ 31,344 | |
| Buses, Vehicle and Equipment | 1.931% | 475,000 | 104,754 | | 104,754 | |
| Buses | 3.710% | 191,000 | 78,554 | | 38,562 | \$ 39,992 |
| Buses | 2.920% | 305,000 | 124,732 | | 61,469 | 63,263 |
| Trucks | 3.944% | 124,310 | 48,285 | | 48,285 | |
| Laptops | 0.960% | 1,200,000 | 1,200,000 | | 300,379 | 899,621 |
| Bus | 2.500% | 177,500 | | \$ 140,761 | 33,897 | 106,864 |
| Buses, Vehicle and Technology Equipment | 0.710% | 3,465,000 | | 3,465,000 | 694,451 | 2,770,549 |
| Equipment | 3.250% | 870,000 | | 870,000 | | 870,000 |
| | | | <u>\$ 1,587,669</u> | <u>\$ 4,475,761</u> | <u>\$ 1,313,141</u> | <u>\$ 4,750,289</u> |

Hopewell Valley Regional School District
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2022

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|----------------------------|-----------------------------|-------------------------|------------------|---|
| Revenues: | | | | | |
| Local sources: | | | | | |
| Local tax levy | \$ 3,641,585 | | \$ 3,641,585 | \$ 3,641,585 | |
| State sources: | | | | | |
| Debt service aid | 528,635 | | 528,635 | 528,635 | |
| Total revenues | <u>4,170,220</u> | | <u>4,170,220</u> | <u>4,170,220</u> | |
| Expenditures: | | | | | |
| Principal on bonds | 4,440,000 | | 4,440,000 | 4,440,000 | |
| Interest on bonds | 1,324,963 | | 1,324,963 | 1,324,963 | |
| Total expenditures | <u>5,764,963</u> | | <u>5,764,963</u> | <u>5,764,963</u> | |
| (Deficiency) of revenues (under expenditures | (1,594,743) | | (1,594,743) | (1,594,743) | |
| Other financing sources: | | | | | |
| Transfer in | 1,523,813 | | 1,523,813 | 1,524,294 | \$ 481 |
| Total other financing sources | <u>1,523,813</u> | | <u>1,523,813</u> | <u>1,524,294</u> | <u>481</u> |
| Net change in fund balance | (70,930) | | (70,930) | (70,449) | 481 |
| Fund balance, July 1 | 72,597 | | 72,597 | 72,597 | |
| Fund balance, June 30 | <u>\$ 1,667</u> | <u>\$ -</u> | <u>\$ 1,667</u> | <u>\$ 2,148</u> | <u>\$ 481</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, | | | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 26,145,876 | \$ 30,755,627 | \$ 33,969,867 | \$ 36,138,255 | \$ 35,803,648 | \$ 38,466,350 | \$ 40,981,049 | \$ 43,583,209 | \$ 44,558,715 | \$ 42,870,942 |
| Restricted | 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 | 8,145,278 |
| Unrestricted (deficit) | 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) | (16,430,324) |
| Total governmental activities net position | <u>\$ 30,304,768</u> | <u>\$ 34,591,692</u> | <u>\$ 18,744,234</u> | <u>\$ 21,875,158</u> | <u>\$ 21,062,177</u> | <u>\$ 24,162,390</u> | <u>\$ 24,090,579</u> | <u>\$ 29,048,487</u> | <u>\$ 34,062,204</u> | <u>\$ 34,585,896</u> |
| Business-type activities | | | | | | | | | | |
| Investment in capital assets | \$ 217,906 | \$ 186,399 | \$ 162,155 | \$ 138,336 | \$ 116,213 | \$ 95,525 | \$ 114,180 | \$ 107,102 | \$ 113,974 | \$ 112,242 |
| Unrestricted | 212,550 | 368,537 | 465,305 | 158,898 | 251,637 | 400,908 | 405,338 | 424,081 | 396,739 | 447,908 |
| Total business-type activities net position | <u>\$ 430,456</u> | <u>\$ 554,936</u> | <u>\$ 627,460</u> | <u>\$ 297,234</u> | <u>\$ 367,850</u> | <u>\$ 496,433</u> | <u>\$ 519,518</u> | <u>\$ 531,183</u> | <u>\$ 510,713</u> | <u>\$ 560,150</u> |
| Government-wide | | | | | | | | | | |
| Net investment in capital assets | \$ 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 | \$ 42,983,184 |
| Restricted | 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 | 8,145,278 |
| Unrestricted (deficit) | 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) | (15,982,416) |
| Total government-wide net position | <u>\$ 30,735,224</u> | <u>\$ 35,146,628</u> | <u>\$ 19,371,694</u> | <u>\$ 22,172,392</u> | <u>\$ 21,430,027</u> | <u>\$ 24,658,823</u> | <u>\$ 24,610,097</u> | <u>\$ 29,579,670</u> | <u>\$ 34,572,917</u> | <u>\$ 35,146,046</u> |

Source: ACFR Schedule A-1 and District records.

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, | | | | | | | | | |
|---|---------------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Expenses | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular | \$ 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 | \$ 66,157,726 |
| Special Education | 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 | 8,166,790 |
| Other Special Education | 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 | 1,958,499 |
| Other Instruction | 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 | 1,140,090 |
| Support Services: | | | | | | | | | | |
| Tuition | 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 | 1,464,947 |
| Student Instruction Related Services | 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 | 17,618,286 |
| School Administrative Services | 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 | 4,300,521 |
| General & Business Administrative Services | 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 | 3,906,959 |
| Plant Operations & Maintenance | 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 | 9,716,375 |
| Pupil Transportation | 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 | 6,088,982 |
| Special Schools | 267,396 | 306,639 | 299,101 | 281,701 | 337,955 | 386,981 | 379,032 | 409,031 | 398,107 | 480,731 |
| Transfer to Charter schools | | | | | | | | | | 67,575 |
| Interest on long-term debt | 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 | 1,003,945 |
| Total governmental activities expenses | 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 | 122,071,426 |
| Business-type activities: | | | | | | | | | | |
| Enterprise Funds | 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 | 1,611,428 |
| Total business-type activities expense | 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 | 1,611,428 |
| Total district expenses | \$ 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 | \$ 123,682,854 |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services | \$ 406,890 | \$ 477,057 | \$ 393,004 | \$ 348,231 | \$ 425,238 | \$ 416,144 | \$ 509,018 | \$ 487,969 | \$ 793,464 | \$ 1,113,894 |
| Operating grants and contributions | 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 | 1,910,589 |
| Capital grants and contributions | 31,935 | 137,586 | 223,058 | | | | 10,859 | | 13,412 | 347,500 |
| Total governmental activities program revenues | \$ 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 | \$ 3,371,983 |
| Business-type activities: | | | | | | | | | | |
| Charges for services | \$ 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 | \$ 207,288 |
| Operating grants and contributions | 150,312 | 148,331 | 140,305 | 153,185 | 152,467 | 156,546 | 150,741 | 128,668 | 620,829 | 1,453,446 |
| Total business-type activities program revenues | 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 | 1,660,734 |
| Total district program revenues | \$ 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 | \$ 5,032,717 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental activities | \$ (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) | \$ (118,699,443) |
| Business-type activities | (183,558) | (75,520) | 72,524 | 32,207 | 70,616 | 128,583 | 23,085 | (41,228) | (21,115) | 49,306 |
| Total government-wide net expense | \$ (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) | \$ (118,650,137) |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property taxes levied for general purposes, net | \$ 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 | \$ 78,526,578 |
| Property taxes levied for debt service | 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 | 3,641,585 |
| Unrestricted grants and contributions | 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 | 36,419,225 |
| Investment earnings | 28,284 | 27,369 | 28,112 | 32,998 | 109,524 | 445,844 | 349,232 | 209,162 | 41,648 | 13,904 |
| Miscellaneous income | 872,927 | 871,820 | 605,313 | 607,722 | 629,236 | 479,537 | 566,100 | 486,852 | 302,012 | 621,843 |
| Transfers | (97,664) | (200,000) | | | | | | (50,000) | | |
| Gain/(Loss) on revalue of capital assets | | | | 362,433 | | | | | | |
| Total governmental activities | 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 | 119,223,135 |
| Business-type activities: | | | | | | | | | | |
| Interest earnings | | | | | | | | 2,893 | 645 | 131 |
| Transfers | 97,664 | 200,000 | | (362,433) | | | | 50,000 | | |
| Total business-type activities | 97,664 | 200,000 | | (362,433) | | | | 52,893 | 645 | 131 |
| Total government-wide | \$ 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 | \$ 119,223,266 |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | \$ 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 | \$ 523,692 |
| Business-type activities | (85,894) | 124,480 | 72,524 | (330,226) | 70,616 | 128,583 | 23,085 | 11,665 | (20,470) | 49,437 |
| Total district | \$ 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 | \$ 573,129 |

Source: ACFR Schedule A-2 and District records.

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, | | | | | | | | | |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| General Fund | | | | | | | | | | |
| Restricted | \$ 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 | \$ 7,661,255 |
| Assigned | 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 | 5,248,788 |
| Unassigned | 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 | 3,799,645 |
| Total general fund | <u>\$ 5,528,679</u> | <u>\$ 5,226,588</u> | <u>\$ 7,149,795</u> | <u>\$ 9,214,572</u> | <u>\$ 12,057,748</u> | <u>\$ 13,186,647</u> | <u>\$ 11,144,006</u> | <u>\$ 13,903,196</u> | <u>\$ 17,895,971</u> | <u>\$ 16,709,688</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Restricted for | | | | | | | | | | |
| Capital Projects | \$ 948,863 | \$ 221,434 | \$ 254,134 | | \$ 32,402,999 | \$ 15,510,451 | \$ 4,475,068 | \$ 1,675,641 | \$ 945,286 | \$ 829,912 |
| Debt service | 12,333 | 918,482 | 3,066 | \$ 10,563 | 339,884 | 643,404 | 512,297 | 270,898 | 72,597 | 2,148 |
| Special revenue fund | | | | | | | | | 442,437 | 484,023 |
| Total all other governmental funds | <u>\$ 961,196</u> | <u>\$ 1,139,916</u> | <u>\$ 257,200</u> | <u>\$ 10,563</u> | <u>\$ 32,742,883</u> | <u>\$ 16,153,855</u> | <u>\$ 4,987,365</u> | <u>\$ 1,946,539</u> | <u>\$ 1,460,320</u> | <u>\$ 1,316,083</u> |

Source: ACFR Schedule B-1 and District records.

The change in capital projects restricted 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, | | | | | | | | | |
|---|-----------------------|---------------------|---------------------|---------------------|----------------------|------------------------|------------------------|---------------------|---------------------|-----------------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Revenues | | | | | | | | | | |
| Tax levy | \$ 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 | \$ 82,168,163 |
| Governmental units other than LEAs | 500,000 | | | | | | | | | |
| Tuition charges | 289,469 | 355,645 | 312,585 | 267,681 | 266,509 | 279,256 | 418,228 | 432,285 | 495,975 | 547,718 |
| Miscellaneous | 1,024,762 | 1,042,211 | 723,114 | 747,770 | 951,365 | 1,099,267 | 1,063,375 | 814,464 | 708,409 | 1,310,648 |
| State sources | 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 | 25,045,864 |
| Federal sources | 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 | 2,160,014 |
| Total revenue | 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 | 111,232,407 |
| Expenditures | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular Instruction | 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 | 28,092,326 |
| Special Education Instruction | 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 | 8,166,790 |
| Other Special Instruction | 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 | 1,958,499 |
| Other Instruction | 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 | 1,140,090 |
| Support Services: | | | | | | | | | | |
| Tuition | 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 | 1,393,185 |
| Student Instruction Related Services | 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 | 8,620,927 |
| School Administration | 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 | 3,618,692 |
| General & Business Admin. Services | 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 | 2,818,859 |
| Plant Operations & Maintenance | 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 | 6,591,982 |
| Pupil Transportation | 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 | 4,129,089 |
| Other Support Services | 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 | 35,154,362 |
| Special Schools | 188,702 | 230,581 | 187,323 | 165,711 | 167,311 | 196,405 | 201,555 | 229,990 | 195,847 | 255,596 |
| Charter Schools | | | | | | | | | | 67,575 |
| Capital outlay | 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 | 7,923,000 |
| Debt service: | | | | | | | | | | |
| Principal | 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 | 5,753,141 |
| Interest and other charges | 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 | 1,354,575 |
| Total expenditures | 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 | 117,038,688 |
| Excess (Deficiency) of revenues over (under) expenditures | (1,394,720) | (587,134) | 991,881 | 842,982 | (2,619,046) | (15,935,129) | (13,703,801) | (355,946) | 1,886,746 | (5,806,281) |
| Other financing sources (uses) | | | | | | | | | | |
| Transfer to cover deficits: | | | | | | | | | | |
| Food Services | (97,664) | (200,000) | | | | | | (50,000) | | |
| Payment to Escrow Agent | | | | (17,911,317) | | | | | | |
| Proceeds from Borrowing | | | | 16,290,000 | 35,855,000 | | | | | |
| Premium on Bonds | | | | 1,782,407 | 854,542 | | | | | |
| Financed Purchases - Leases (non-budgeted) | | 663,763 | 48,610 | 451,635 | 1,485,000 | 475,000 | 494,670 | 124,310 | 1,200,000 | 4,475,761 |
| Transfers in | | | 8,587 | 616,567 | | 312,329 | 199,968 | 70,929 | 1,667 | 1,524,294 |
| Transfers out | | | (8,587) | (254,134) | | (312,329) | (199,968) | (70,929) | (1,667) | (1,524,294) |
| Total other financing sources (uses) | (97,664) | 463,763 | 48,610 | 975,158 | 38,194,542 | 475,000 | 494,670 | 74,310 | 1,200,000 | 4,475,761 |
| Net change in fund balances | \$ (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 | \$ (1,330,520) |
| Debt service as a percentage of noncapital expenditures | 6.0% | 5.9% | 6.1% | 5.6% | 6.4% | 6.6% | 6.3% | 7.0% | 6.4% | 6.5% |

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 | Refunded Prior Year Expenditures | Rental Of Facilities | Health Insurance Cobra | Scholastic Fees and Parking | E-Rate | Misc. | Total |
|-------------------------------|------------|------------------------|--------------------|--|----------------------------|------------------------------|-----------------------------------|------------|------------|--------------|
| 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 | 145,126 | 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 | 153,351 | 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 |
| 2022 | 547,718 | 66,179 | 13,423 | 1,400 | 108,144 | 122,205 | | | 390,094 | 1,249,163 |

Source: District records.

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

Table with columns: FISCAL YEAR ENDED JUNE 30, VACANT LAND, RESIDENTIAL, FARM REG., QFARM, COMMERCIAL, INDUSTRIAL, APARTMENT, TOTAL ASSESSED VALUE, TAX EXEMPT PROPERTY, PUBLIC UTILITIES, NET VALUATION TAXABLE, TOTAL DIRECT SCHOOL TAX RATE, ACTUAL (COUNTY EQUALIZED) VALUE. Rows are grouped by Borough of Hopewell, Borough of Pennington, and Township of Hopewell.

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

Reassessment occurs when ordered by the 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, | REGIONAL SCHOOL | | OVERLAPPING RATES | | | | | | | TOTAL DIRECT AND OVERLAPPING TAX RATE |
|-------------------------------------|--------------------|------|-------------------|---------------------------|------------------|---------|------------------|-------------------------|----------------------------|--|
| | | | TOTAL DIRECT | BOROUGH OR TOWNSHIP | MERCER COUNTY | LIBRARY | FIRE DISTRICT | COUNTY OPEN SPACE | MUNICIPAL OPEN SPACE | |
| Borough of Hopewell | | | | | | | | | | |
| 2022 | \$ | 1.75 | \$ 1.75 | \$ 0.68 | \$ 0.62 | \$ 0.04 | \$ 0.07 | \$ 0.03 | \$ 0.01 | \$ 3.20 |
| 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 |
| Borough of Pennington | | | | | | | | | | |
| 2022 | \$ | 1.61 | \$ 1.61 | \$ 0.50 | \$ 0.59 | \$ 0.03 | \$ 0.06 | \$ 0.03 | \$ 0.01 | \$ 2.83 |
| 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 |
| Township of Hopewell | | | | | | | | | | |
| 2022 | \$ | 1.71 | \$ 1.71 | \$ 0.44 | \$ 0.61 | \$ 0.06 | \$ 0.11 | \$ 0.03 | \$ 0.03 | \$ 2.99 |
| 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 |

Source: County Tax Administrator

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

| | 2022 | | 2013 | | |
|-------------------------------------|------------------------------|---|-----------------------------------|---|-------|
| | 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 | 1.08% | |
| Hopewell Village Square | 2,048,900 | 0.65% | 2,431,800 | 0.71% | |
| Rockwell Automation, Inc | 1,444,100 | 0.46% | 1,897,655 | 0.55% | |
| 71 E. Broad LLC | 1,340,600 | 0.42% | 1,500,000 | 0.44% | |
| Brick Farm Market, LLC | 1,276,400 | 0.40% | 1,377,100 | 0.40% | |
| PNC Bank | 1,029,600 | 0.32% | 1,234,100 | 0.36% | |
| 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 | 0.34% | |
| Jeffers James & Raquel | 1,019,500 | 0.32% | 1,067,500 | 0.31% | |
| Marotta, James D UX | 1,016,800 | 0.32% | 1,060,700 | 0.31% | |
| Total | \$ 13,425,600 | 4.23% | \$ 16,625,255 | 4.85% | |
| Borough of Pennington | | | | | |
| 143 West Franklin Ave., LLC | \$ 7,600,000 | 1.45% | \$ 5,319,500 | 1.06% | |
| Pennington Square Shop. Cntr. | 3,900,000 | 0.74% | 4,698,900 | 0.94% | |
| 21 Pennington, LLC | 3,700,000 | 0.70% | 4,538,000 | 0.90% | |
| Straube Regional Center | 3,531,800 | 0.67% | 3,649,500 | 0.73% | |
| Straube Center | 3,300,000 | 0.63% | 3,000,000 | 0.60% | |
| Scope Flip Pennington SM, LLC | 3,241,600 | 0.62% | 2,983,800 | 0.59% | |
| ECS Holding LLC | 3,000,000 | 0.57% | 2,876,500 | 0.57% | |
| Pennington Court, Inc. | 2,078,200 | 0.40% | 2,271,818 | 0.45% | |
| Chill Properties, LLC | 2,000,000 | 0.38% | 2,231,800 | 0.44% | |
| Montpen SC LLC | 1,956,900 | 0.37% | 2,000,000 | 0.40% | |
| Total | \$ 34,308,500 | 6.53% | \$ 33,569,818 | 6.68% | |
| Township of Hopewell | | | | | |
| CCI-Hopewell VI LLC | \$ 108,763,504 | 2.80% | \$ 233,794,500 | 5.84% | |
| Cole Hopewell Twp | 92,400,000 | 2.38% | 108,762,504 | 2.71% | |
| Janssen Pharmaceutical | 91,230,100 | 2.35% | 92,400,000 | 2.31% | |
| Beigene Hopewell Urban Renewal | 75,000,000 | 1.93% | 90,979,900 | 2.27% | |
| AREP Hopewell LLC | 72,035,000 | 1.85% | 74,025,000 | 1.85% | |
| Hopewell Campus Owner LLC | 60,000,000 | 1.54% | 52,925,000 | 1.32% | |
| One Talent | 49,583,400 | 1.28% | 24,646,100 | 0.62% | |
| Hopewell TC Associates | 24,646,100 | 0.63% | 350 Carter Rd LLC C/O D&T K Farey | 16,954,100 | 0.42% |
| Trap Rock Industries Inc | 22,168,000 | 0.57% | Trap Rock Industries | 14,687,600 | 0.37% |
| Transco Gas Pipeline | 13,842,100 | 0.36% | Montpen SC LLC | 13,036,500 | 0.33% |
| Total | \$ 609,668,204 | 15.69% | \$ 722,211,204 | 18.04% | |

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 | | |
| 2022 | \$ 82,168,163 | \$ 82,168,163 | 100.00% | | \$82,168,163 |
| 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 |

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 | | | FINANCED PURCHASES PAYABLE - LEASES | TOTAL DISTRICT | PERCENTAGE OF PERSONAL INCOME | PER CAPITA |
|-------------------------------------|--------------------------------|------------|--------------|--|-------------------|--|------------|
| | GENERAL OBLIGATION BONDS | PREMIUM | | | | | |
| 2022 | \$ 33,855,000 | \$ 591,416 | \$ 4,750,289 | \$ 39,196,705 | 2.67% | \$ 1,768 | |
| 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 | |

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 | | |
| 2022 | \$ 33,855,000 | \$ 2,148 | \$ 33,852,852 | 0.712% | \$ 1,655 |
| 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 |

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2022**

| GOVERNMENTAL UNIT | DEBT OUTSTANDING | ESTIMATED PERCENTAGE APPLICABLE | SHARE OF OVERLAPPING DEBT |
|--|---------------------|---------------------------------------|---------------------------------|
| Debt Repaid With Property Taxes: | \$ 640,218,719 | | |
| Borough of Hopewell | | 0.7344% | \$ 4,701,981 |
| Borough of Pennington | | 1.1177% | 7,155,448 |
| Township of Hopewell | | 8.6532% | 55,399,298 |
| Other Debt: M.C.I.A. | 53,576,127 | | |
| Borough of Hopewell | | 0.7344% | 393,481 |
| Borough of Pennington | | 1.1177% | 598,797 |
| Township of Hopewell | | 8.6532% | 4,636,040 |
| Subtotal, Overlapping Debt | | | 72,885,045 |
| Hopewell Valley Regional School District Direct Debt | | | 33,855,000 |
| Total Direct & Overlapping Debt | | | <u>\$ 106,740,045</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

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Debt Limit | \$ 202,692,955 | \$ 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 |
| Total Net Debt Applicable to Limit | 33,852,852 | 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 |
| Legal Debt Margin | \$ 168,840,103 | \$ 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 |
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | 16.70% | 19.01% | 20.74% | 22.83% | 25.18% | 28.10% | 11.97% | 14.67% | 16.50% | 18.80% |

Legal Debt Margin Calculation for Fiscal Year 2022

| | Equalized Valuation Basis |
|---|---------------------------|
| 2022 | \$ 5,232,485,810 |
| 2021 | 4,930,764,094 |
| 2020 | 5,038,721,716 |
| | <u>\$ 15,201,971,620</u> |
| Average Equalized Valuation of Taxable Property | <u>\$ 5,067,323,873</u> |
| Debt Limit (4% of Average Equalization Value) | \$ 202,692,955 |
| Net Bonded School Debt | <u>33,852,852</u> |
| Legal Debt Margin | <u>\$ 168,840,103</u> |

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

a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other 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 | | | |
| 2022 | 1,897 | \$ 59,097 | 6.2% |
| 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% |
| Borough of Pennington | | | |
| 2022 | 2,607 | \$ 67,077 | 6.2% |
| 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% |
| Township of Hopewell | | | |
| 2022 | 17,671 | \$ 66,937 | 6.2% |
| 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% |

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 | 2022 | | 2013 | |
|------------------------------|---------------|--------------------------------|---------------|--------------------------------|
| | Employees | Percentage of Total Employment | Employees | Percentage of Total Employment |
| Borough of Hopewell | | | | |
| Hopewell Elementary | 74 | N/A | Not available | N/A |
| Dana Communications | 35 | N/A | Not available | N/A |
| Tomato Factory Antique | 34 | N/A | Not available | N/A |
| Borough of Hopewell | 23 | N/A | Not available | N/A |
| Brick Farm Market | 20 | N/A | Not available | N/A |
| Valley Oil Inc. | 15 | N/A | Not available | N/A |
| Baxter Construction Inc | 14 | N/A | Not available | N/A |
| Semandex Networks Inc | 14 | N/A | Not available | N/A |
| Mobile Physician Group | 12 | N/A | Not available | N/A |
| Total | 241 | N/A | - | N/A |
| 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 | 560 | N/A | - | N/A |
| Township of Hopewell | | | | |
| Merrill Lynch | 6,000 | N/A | Not available | N/A |
| Capital Health at Hopewell | 3,300 | N/A | Not available | N/A |
| Bristol Myers Squibb | 1,765 | N/A | Not available | 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 |
| Wakenem 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 | 13,534 | N/A | - | N/A |

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, | | | | | | | | | |
|--|----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
| Instruction: | | | | | | | | | | |
| Regular | 336.69 | 330.60 | 330.60 | 338.44 | 338.94 | 338.83 | 337.30 | 340.87 | 336.34 | 338.33 |
| Special Education | 85.67 | 77.87 | 77.87 | 72.38 | 72.14 | 69.85 | 68.38 | 66.39 | 63.64 | 59.14 |
| Support Services: | | | | | | | | | | |
| Student & Instruction Related Services | 133.76 | 122.14 | 120.93 | 122.07 | 121.57 | 113.52 | 113.83 | 110.38 | 109.06 | 107.92 |
| School Administrative Services | 24.00 | 24.00 | 24.00 | 25.00 | 25.00 | 24.60 | 24.60 | 24.60 | 24.55 | 23.55 |
| General & Business Administrative Services | 28.70 | 26.16 | 24.70 | 23.49 | 23.49 | 22.49 | 23.09 | 22.49 | 22.49 | 18.48 |
| Plant Operations & Maintenance | 46.63 | 47.63 | 47.63 | 48.00 | 48.00 | 47.00 | 47.00 | 48.00 | 47.00 | 53.00 |
| Pupil Transportation | 59.00 | 56.00 | 56.00 | 56.00 | 56.00 | 54.00 | 55.00 | 54.00 | 54.00 | 54.00 |
| Total | 714.45 | 684.40 | 681.73 | 685.38 | 685.14 | 670.29 | 669.20 | 666.73 | 657.08 | 654.42 |

Source: District Personnel Records

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

| FISCAL YEAR | ENROLLMENT | OPERATING | | 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 |
|----------------|------------|---------------------|-------------------|----------------------|-----------------------|---------------------|------------------|--------------------------|---|---|---|-------------------------------------|
| | | EXPENDITURES (a) | COST PER PUPIL | | | ELEMENTARY | MIDDLE SCHOOL | SENIOR HIGH SCHOOL | | | | |
| 2022 | 3,794 | \$ 102,007,972 | \$ 26,887 | -0.26% | 422 | 7.6:1 | 7.9:1 | 8.1:1 | 3,409 | 3,220 | 0.32% | 94.46% |
| 2021 | 3,468 | 93,485,690 | 26,957 | 3.32% | 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% |

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 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 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 | 411 | 439 | 452 | 407 | 407 | 420 | 407 | 407 | 407 |
| 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 | 309 | 296 | 294 | 297 | 297 | 286 | 287 | 287 | 287 |
| 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 | 414 | 423 | 442 | 441 | 441 | 447 | 468 | 468 | 468 |
| 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 | 381 | 393 | 391 | 427 | 427 | 442 | 428 | 428 | 428 |
| 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 | 824 | 818 | 808 | 851 | 851 | 847 | 928 | 928 | 928 |
| High School: | | | | | | | | | | |
| Central High School (1958): | | | | | | | | | | |
| Square Feet | 236,011 | 236,011 | 236,011 | 236,011 | 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 | 1,094 | 1,099 | 1,119 | 1,202 | 1,202 | 1,243 | 1,217 | 1,217 | 1,217 |
| 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, 2022: | | | | | | | | | | |
| 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

| School Facilities | PROJECT NUMBERS | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--------------------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Bear Tavern | N/A | \$ 191,907 | \$ 177,690 | \$ 230,290 | \$ 142,041 | \$ 186,531 | \$ 234,130 | \$ 159,698 | \$ 229,992 | \$ 172,689 | \$ 245,415 |
| Toll Gate | N/A | 207,914 | 171,691 | 147,388 | 160,198 | 118,141 | 160,608 | 142,304 | 158,284 | 197,767 | 256,768 |
| Central High School | N/A | 612,257 | 538,115 | 435,633 | 464,937 | 390,250 | 403,335 | 673,453 | 415,330 | 373,789 | 449,019 |
| Stony Brook | N/A | 174,427 | 200,167 | 202,701 | 145,618 | 173,896 | 148,008 | 239,628 | 140,485 | 161,157 | 134,442 |
| Hopewell | N/A | 292,379 | 189,580 | 194,152 | 178,678 | 220,452 | 204,924 | 145,013 | 164,353 | 268,391 | 141,445 |
| Timberlane | N/A | 394,276 | 328,677 | 417,746 | 364,010 | 342,190 | 344,815 | 322,463 | 443,771 | 410,626 | 325,010 |
| Total School Facilities | | \$ 1,873,160 | \$ 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 |

Source: District records

HOPEWELL VALLEY REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2022
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 | 100,000,000 | 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 | |
| Cyberliability | | |
| Liability / Aggregate | 2,000,000 | Various |
| Security Breach Response | 2,000,000 | |
| Cyber Extortion | 2,000,000 | |

SINGLE AUDIT SECTION



K-1

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

Independent 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 ("*Government Auditing Standards*"), 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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 9, 2023.

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.

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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 or significant deficiencies may exist that were not been identified.

Report on 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.

PKF O'Connor Davies, LLP
PKF O'Connor Davies,
LLP Cranford, New Jersey
March 9, 2023

Scott A. Clelland
Scott A. Clelland, CPA
Licensed Public School Accountant, No. 1049

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

Opinion on 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, 2022. 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.

In our opinion, the District complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the audit 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 Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey OMB Circular 15-08 are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal and state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey OMB Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 or significant deficiencies in internal control over compliance may exist that were not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

PKF O'Connor Davies, LLP

PKF O'Connor Davies,
LLP Cranford, New Jersey
March 9, 2023

Scott A. Clelland

Scott A. Clelland, CPA
Licensed Public School Accountant, No. 1049

Hopewell Valley Regional School District
Schedule of Expenditures of Federal Awards

January 00, 1900

| Federal Grantor/Pass-Through Grantor/Program Title | Federal AL Number | Federal FAIN Number | Grant Period | Award Amount | Balance at June 30, 2021 | Carryover/ Walkover Amount | Cash Received | Budgetary Expenditures | Adjustments | Balance June 30, 2022 | | | Amounts Provided to Subrecipients |
|---|-------------------------|---------------------------|-----------------|-----------------|--------------------------------|----------------------------------|------------------|---------------------------|-------------|-----------------------|--------------------------|-------------------|---|
| | | | | | | | | | | Unearned Revenue | (Accounts Receivable) | Due to Grantor | |
| U.S. Department of Health and Human Services - Passed-Through State | | | | | | | | | | | | | |
| Department of Education | | | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | | | |
| Medical Assistance Program - SEMI | 93.778 | 2105NJ5MAP | 7/1/21-9/30/22 | \$ 20,312 | | | \$ 20,312 | \$ (20,312) | | | | | |
| Total U.S. Department of Health and Human Services - Passed - Through State Department of Education | | | | | | | <u>20,312</u> | <u>(20,312)</u> | | | | | |
| U.S. Department of Homeland Security-Passed-Through State | | | | | | | | | | | | | |
| Department of Education | | | | | | | | | | | | | |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 97.036 | FEMA-4488-DR-NJ | 7/1/21-6/30/22 | 37,631 | | | 37,631 | (37,631) | | | | | |
| Total U.S. Department of Homeland Security - Passed - Through State Department of Education | | | | | | | <u>37,631</u> | <u>(37,631)</u> | | | | | |
| Total General Fund | | | | | | | <u>57,943</u> | <u>(57,943)</u> | | | | | |
| U.S. Department of Education-Passed-Through State | | | | | | | | | | | | | |
| Department of Education | | | | | | | | | | | | | |
| Special Revenue Fund: | | | | | | | | | | | | | |
| Title I, Part A | 84.010A | S010A210030 | 7/1/21-9/30/22 | 115,364 | | | 63,625 | (91,503) | | | \$ (27,878) | | |
| Title I, Part A, Carryover | 84.010A | S010A200030 | 7/1/20-9/30/21 | 90,895 | \$ (10,584) | | 10,584 | | | | | | |
| Title II A | 84.367A | S367A210029 | 7/1/21-9/30/22 | 64,461 | | | 44,456 | (57,055) | | | (12,599) | | |
| Title II A, Carryover | 84.367A | S367A200029 | 7/1/20-9/30/21 | 78,056 | (15,044) | | 15,044 | | | | | | |
| Title IV, Student Support and Academic Enrichment Program | 84.424 | S424A210031 | 7/1/21-9/30/22 | 16,539 | | | 12,178 | (12,178) | | | | | |
| Title IV, Student Support and Academic Enrichment Program, Carryover | 84.424 | S424A200031 | 7/1/20-9/30/21 | 12,061 | (1,000) | | 1,000 | | | | | | |
| Carl D. Perkins | 84.048A | V048A210030 | 7/1/21-6/30/22 | 15,278 | | | 9,479 | (15,278) | | | (5,799) | | |
| Carl D. Perkins | 84.048A | V048A200030 | 7/1/20-6/30/21 | 18,526 | (20) | | 20 | | | | | | |
| Special Education Cluster: | | | | | | | | | | | | | |
| I.D.E.A., Part B | 84.027A | H027A210100 | 7/1/21-9/30/22 | 852,106 | | | 784,213 | (839,812) | | | (55,599) | | |
| I.D.E.A., Part B | 84.027A | H027A200100 | 7/1/20-9/30/21 | 904,748 | (67,408) | | 67,408 | | | | | | |
| I.D.E.A. Preschool | 84.173A | H173A210114 | 7/1/21-9/30/22 | 25,928 | | | 20,107 | (24,243) | | | (4,136) | | |
| ARP I.D.E.A., Part B | 84.027X | H027X210100 | 7/1/21-9/30/22 | 169,266 | | | 120,518 | (167,819) | | | (47,301) | | |
| ARP I.D.E.A., Preschool | 84.173X | H173X210114 | 7/1/21-9/30/22 | 14,454 | | | 14,454 | (14,454) | | | | | |
| Total Special Education Cluster | | | | | (67,408) | | <u>1,006,700</u> | <u>(1,046,328)</u> | | | <u>(107,036)</u> | | |
| Education Stabilization Fund Elementary and Secondary School Emergency Relief (ESSER): | | | | | | | | | | | | | |
| COVID-19 CARES Emergency Relief (ESSER I) | 84.425D | S425D200027 | 3/13/20-9/30/22 | 80,000 | (13,413) | | 13,413 | | | | | | |
| COVID-19 CRRSA ESSER II | 84.425D | S425D210027 | 3/13/20-9/30/23 | 276,559 | | | 276,559 | (276,559) | | | | | |
| COVID-19 CR Learning Acceleration | 84.425D | S425D210027 | 3/13/20-9/30/23 | 25,000 | | | 25,000 | (25,000) | | | | | |
| COVID-19 CR Mental Health | 84.425D | S425D210027 | 3/13/20-9/30/23 | 45,000 | | | 45,000 | (45,000) | | | | | |
| COVID-19 ARP ESSER | 84.425U | S425U210027 | 3/13/20-9/30/24 | 621,549 | | | 43,068 | (329,831) | | | (286,763) | | |
| COVID-19 Accelerated Learning Coach and Educator Support | 84.425U | S425U210027 | 3/13/20-9/30/24 | 272,273 | | | 4,846 | (4,847) | | | (1) | | |
| Subtotal Elementary and Secondary School Emergency Relief (ESSER) Cluster | | | | | (13,413) | | <u>407,886</u> | <u>(681,237)</u> | | | <u>(286,764)</u> | | |
| Total U.S. Department of Education-Passed-Through State Department of Education | | | | | (107,469) | | <u>1,041,527</u> | <u>(1,040,069)</u> | | | <u>(440,076)</u> | | |
| U.S. Department of the Treasury-Passed-Through State | | | | | | | | | | | | | |
| Department of Education | | | | | | | | | | | | | |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds (ACSERS) | 21.027 | SLFRFDOE1SES | 3/3/21-12/31/24 | 250,295 | | | | (250,295) | | | (250,295) | | |
| Total U.S. Department of the Treasury Passed-Through State Department of Education | | | | | | | | <u>(250,295)</u> | | | <u>(250,295)</u> | | |
| Total Special Revenue Fund | | | | | (107,469) | | <u>1,570,972</u> | <u>(2,153,874)</u> | | | <u>(690,371)</u> | | |
| U.S. Department of Agriculture-Passed-Through State | | | | | | | | | | | | | |
| Department of Agriculture | | | | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | | | | |
| Child Nutrition Program Cluster: | | | | | | | | | | | | | |
| Noncash Assistance (Commodities): | | | | | | | | | | | | | |
| Food Donation Program (NC) | 10.555 | 221NJ304N109 | 7/1/21-6/30/22 | 57,353 | | | 57,353 | (57,353) | | | | | |
| Cash Assistance: | | | | | | | | | | | | | |
| National School Lunch Program | 10.555 | 221NJ304N109 | 7/1/21-6/30/22 | 1,353,880 | | | 1,248,390 | (1,353,880) | | | (105,490) | | |
| School Breakfast Program | 10.553 | 221NJ304N109 | 7/1/21-6/30/22 | 9,752 | | | 9,752 | (9,752) | | | | | |
| National School Lunch Program | 10.555 | 211NJ304N109 | 7/1/20-6/30/21 | 379,463 | (50,938) | | 50,938 | | | | | | |
| School Breakfast Program | 10.553 | 211NJ304N109 | 7/1/20-6/30/21 | 112,028 | (3,340) | | 3,340 | | | | | | |
| COVID-19 Emergency Operational Costs Reimbursement Program | 10.555 | 202121H170341 | 7/1/20-6/30/21 | 34,775 | (34,775) | | 34,775 | | | | | | |
| Total Child Nutrition Program Cluster | | | | | (89,053) | | <u>1,404,548</u> | <u>(1,420,985)</u> | | | <u>(105,490)</u> | | |
| COVID-19 Pandemic EBT Administrative Costs | 10.649 | 202225900941 | 7/1/20-6/30/21 | 614 | (614) | | 614 | | | | | | |
| COVID-19 Pandemic EBT Administrative Costs | 10.649 | 202225900941 | 7/1/21-6/30/22 | 628 | | | 628 | (628) | | | | | |
| Total Enterprise Fund and Total U.S. Department of Agriculture-Passed-Through State Department of Agriculture | | | | | (89,667) | | <u>1,405,790</u> | <u>(1,421,613)</u> | | | <u>(105,490)</u> | | |
| Total Expenditures of Federal Awards | | | | | \$ (197,136) | \$ - | \$ 3,034,705 | \$ (3,633,430) | \$ - | \$ - | \$ (795,861) | \$ - | \$ - |
| 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

January 0, 1900

| State Grantor/Program Title | Grant or State Project Number | Grant Period | Award Amount | Balance at June 30, 2021 | | Cash Received | Budgetary Expenditures | Repayment of Prior Years' Balances | Adjustments | Balance at June 30, 2022 | | | Memo | | |
|---|-------------------------------|----------------|--------------|----------------------------|----------------|---------------|------------------------|------------------------------------|-------------|--------------------------|-----------------------|----------------|----------------------|-------------------------|----------------|
| | | | | Uncearned Rev. (Accts Rec) | Due to Grantor | | | | | Uncearned Revenue | (Accounts Receivable) | Due to Grantor | Budgetary Receivable | Cumulative Expenditures | |
| | | | | | | | | | | | | | | | |
| State Department of Education | | | | | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | | | | | |
| Special Education Categorical Aid | 495-034-5120-089 | 7/1/21-6/30/22 | \$ 3,238,213 | | | \$ 2,961,590 | \$ (3,238,213) | | | | | | | \$ (276,623) | \$ (3,238,213) |
| Special Education Categorical Aid | 495-034-5120-089 | 7/1/20-6/30/21 | 2,584,561 | \$ (223,474) | | 223,474 | | | | | | | | | |
| Transportation Aid | 495-034-5120-014 | 7/1/21-6/30/22 | 760,010 | | | 695,087 | (760,010) | | | | | | | (64,923) | (760,010) |
| Transportation Aid | 495-034-5120-014 | 7/1/20-6/30/21 | 760,010 | (65,714) | | 65,714 | | | | | | | | | |
| Security Aid | 495-034-5120-084 | 7/1/21-6/30/22 | 62,529 | | | 57,188 | (62,529) | | | | | | | (5,341) | (62,529) |
| Security Aid | 495-034-5120-084 | 7/1/20-6/30/21 | 62,529 | (5,407) | | 5,407 | | | | | | | | | |
| School Choice Aid | 495-034-5120-068 | 7/1/21-6/30/22 | 302,933 | | | 277,055 | (302,933) | | | | | | | (25,878) | (302,933) |
| School Choice Aid | 495-034-5120-068 | 7/1/20-6/30/21 | 325,128 | (28,112) | | 28,112 | | | | | | | | | |
| Extraordinary Aid | 100-034-5120-473 | 7/1/21-6/30/22 | 691,000 | | | | (691,000) | | | \$ (691,000) | | | | | (691,000) |
| Extraordinary Aid | 100-034-5120-473 | 7/1/20-6/30/21 | 779,733 | (779,733) | | 779,733 | | | | | | | | | |
| Non-Public Transportation Aid | 495-034-5120-014 | 7/1/21-6/30/22 | 89,900 | | | | (89,900) | | | | | | | | (89,900) |
| Non-Public Transportation Aid | 495-034-5120-014 | 7/1/20-6/30/21 | 83,520 | (83,520) | | 83,520 | | | | | | | | | |
| On-Behalf TPAF - Pension Contributions | 495-034-5094-002 | 7/1/21-6/30/22 | 13,372,934 | | | 13,372,934 | (13,372,934) | | | | | | | | (13,372,934) |
| On-Behalf TPAF - Post-Retirement Medical | 495-034-5094-001 | 7/1/21-6/30/22 | 3,124,458 | | | 3,124,458 | (3,124,458) | | | | | | | | (3,124,458) |
| On-Behalf TPAF - Long-Term Disability Insurance | 495-034-5094-004 | 7/1/21-6/30/22 | 4,136 | | | 4,136 | (4,136) | | | | | | | | (4,136) |
| Reimbursed TPAF - Social Security | 495-034-5094-003 | 7/1/21-6/30/22 | 2,676,824 | | | 2,546,101 | (2,676,824) | | | | | | | (130,723) | (2,676,824) |
| Reimbursed TPAF - Social Security | 495-034-5094-003 | 7/1/20-6/30/21 | 2,594,562 | (129,706) | | 129,706 | | | | | | | | | |
| Total State Department of Education | | | | (1,315,666) | | 24,354,215 | (24,322,937) | | | (911,623) | | | | (372,765) | (24,322,937) |
| N.J. Schools Development Authority | | | | | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | | | | | |
| School Security Grant (Alyssa's Law) | 20E00395 | 4/1/21-3/31/23 | 197,057 | | | 14,151 | (197,057) | | | | | | | (182,906) | (197,057) |
| Total N.J. Schools Development Authority | | | | | | 14,151 | (197,057) | | | | | | | (182,906) | (197,057) |
| Total General Fund | | | | (1,315,666) | | 24,368,366 | (24,519,994) | | | (1,094,529) | | | | (372,765) | (24,519,994) |
| Special Revenue Fund: | | | | | | | | | | | | | | | |
| New Jersey Non-Public Aid: | | | | | | | | | | | | | | | |
| Textbook Aid | 100-034-5120-064 | 7/1/21-6/30/22 | 30,491 | | | 30,491 | (28,929) | | | \$ 1,562 | | | | | (28,929) |
| Textbook Aid | 100-034-5120-064 | 7/1/20-6/30/21 | 31,095 | \$ 2,582 | | | | \$ (2,582) | | | | | | | |
| Nursing Services | 100-034-5120-070 | 7/1/21-6/30/22 | 80,864 | | | 80,864 | (78,630) | | | | | | | 2,234 | (78,630) |
| Nursing Services | 100-034-5120-070 | 7/1/20-6/30/21 | 73,848 | | 6,099 | | | (6,099) | | | | | | | |
| Security | 100-034-5120-509 | 7/1/21-6/30/22 | 126,350 | | | 126,350 | (32,439) | | | | | | | 93,911 | (32,439) |
| Security | 100-034-5120-509 | 7/1/20-6/30/21 | 125,475 | | 1,873 | | | (1,873) | | | | | | | |
| Technology | 100-035-5120-373 | 7/1/19-6/30/20 | 21,336 | | | 21,336 | (20,368) | | | | | | | 968 | (20,368) |
| Non Public Auxillary Services (Ch. 192): | | | | | | | | | | | | | | | |
| Home Instruction | | 7/1/19-6/30/20 | 4,865 | | | | (4,865) | | | | | | | (4,865) | (4,865) |
| Transportation | | 7/1/21-6/30/22 | 500 | | | 500 | | | | | | | | 500 | - |
| Transportation | | 7/1/20-6/30/21 | 437 | | 437 | | | (437) | | | | | | | |
| Non Public Handicapped Services (Ch. 193): | | | | | | | | | | | | | | | |
| Examination and Classification | 100-034-5120-066 | 7/1/21-6/30/22 | 14,401 | | | 14,401 | (10,043) | | | | | | | 4,358 | (10,043) |
| Examination and Classification | | 7/1/20-6/30/21 | 12,579 | | 2,919 | | | (2,919) | | | | | | | |
| Supplemental Instruction | | 7/1/21-6/30/22 | 826 | | | 826 | | | | | | | | 826 | |
| Corrective Speech | | 7/1/21-6/30/22 | 372 | | | 372 | (372) | | | | | | | | (372) |
| SDA Emergent Needs and Capital Maintenance | Not available | 7/1/21-6/30/22 | 84,370 | | | | (84,370) | | | | | | | (84,370) | (84,370) |
| Total Special Revenue Fund | | | | - | 13,910 | 275,140 | (260,016) | (13,910) | | - | - | (89,235) | 104,359 | - | (260,016) |
| Debt Service Fund: | | | | | | | | | | | | | | | |
| Type II Aid | 100-034-5120-075 | 7/1/21-6/30/22 | 528,635 | | | 528,635 | (528,635) | | | | | | | | (528,635) |
| Total Debt Service Fund | | | | | | 528,635 | (528,635) | | | | | | | | (528,635) |
| State Department of Agriculture | | | | | | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | | | | | | |
| State School Lunch Program (State share) | 100-010-3360-023 | 7/1/21-6/30/22 | 31,833 | | | 29,405 | (31,833) | | | | | | | (2,428) | (31,833) |
| State School Lunch Program (State share) | 100-010-3360-023 | 7/1/20-6/30/21 | 18,216 | (3,502) | | 3,502 | | | | | | | | | |
| Total Enterprise Fund | | | | (3,502) | | 32,907 | (31,833) | | | (2,428) | | | | | (31,833) |
| Total State Financial Assistance | | | | \$ (1,319,168) | \$ 13,910 | \$ 25,205,048 | \$ (25,340,478) | \$ (13,910) | \$ - | \$ - | \$ (1,186,192) | \$ 104,359 | \$ (372,765) | \$ (25,340,478) | |
| State Financial Assistance Not Subject to Single Audit Determination: | | | | | | | | | | | | | | | |
| On-Behalf TPAF - Pension Contributions | 495-034-5094-002 | 7/1/21-6/30/22 | 9,579,992 | | | 13,372,934 | (13,372,934) | | | | | | | | (13,372,934) |
| On-Behalf TPAF - Post-Retirement Medical | 495-034-5094-001 | 7/1/21-6/30/22 | 3,002,220 | | | 3,124,458 | (3,124,458) | | | | | | | | (3,124,458) |
| On-Behalf TPAF - Long-Term Disability Insurance | 495-034-5094-004 | 7/1/21-6/30/22 | 4,682 | | | 4,136 | (4,136) | | | | | | | | (4,136) |
| Total State Financial Assistance Subject to Single Audit Determination | | | | \$ (1,319,168) | \$ 13,910 | \$ 8,703,520 | \$ (8,838,950) | \$ (13,910) | \$ - | \$ - | \$ (1,186,192) | \$ 104,359 | \$ (372,765) | \$ (8,838,950) | |

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, 2022

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, 2022. 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, 2022

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 \$50,058 for the general fund and \$263,083 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 \$58,512. Federal and State award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

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

Year ended June 30, 2022

3. Relationship to Basic Financial Statements (continued)

| | Federal | State | Total |
|--------------------------------|-------------|--------------|---------------|
| General Fund | \$ 57,943 | \$24,469,936 | \$ 24,527,879 |
| Special Revenue Fund | 2,102,071 | 47,293 | 2,149,364 |
| Debt Service Fund | | 528,635 | 528,635 |
| Food Service Enterprise Fund | 1,421,613 | 31,833 | 1,453,466 |
| Total financial award revenues | \$3,581,627 | \$25,077,697 | \$ 28,659,324 |

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, 2022.

The post retirement pension, medical, and long-term disability benefits received on-behalf of the District for the year ended June 30, 2022 amounted to \$16,501,528. 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.

Hopewell Valley Regional School District
Schedule of Findings and Questioned Costs
Year ended June 30, 2022

Part I - Summary of Auditors' 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 |
|----------------|--------------|------------------------------------|
| 10.553, 10.555 | 221NJ304N109 | Child Nutrition Program Cluster |
| 84.425D | S425D210027 | Education Stabilization Fund |
| 84.425U | S425U210027 | Education Stabilization Fund |

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, 2022

Part I - Summary of Auditors' 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:

| <u>GMIS/Program Number</u> | <u>Name of State Program or Cluster</u> |
|----------------------------|---|
| 495-034-5120-014 | Transportation Aid |
| 20E00395 | School Security Grant (Alyssa's Law) |
| 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, 2022

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, 2022

**Part III - Schedule of Federal Award and State Financial Assistance
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, 2022

No prior year findings were noted.