

SCHOOL DISTRICT
OF
TOWNSHIP OF HOPEWELL

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

of the

**Township of Hopewell Board of Education
Bridgeton, New Jersey**

For the Fiscal Year Ended June 30, 2023

ANNUAL COMPREHENSIVE FINANCIAL REPORT

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Bridgeton, New Jersey

For the Fiscal Year Ended June 30, 2023

Prepared by

Bridgeton Township Board of Education

Finance Department

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OF THE HOPEWELL TOWNSHIP SCHOOL DISTRICT
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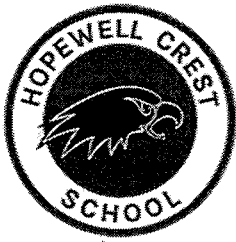
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INTRODUCTORY SECTION



HOPEWELL CREST SCHOOL

Meghan Lammersen
Superintendent/Principal

Kelli Manski
Supervisor of CTS/Special Services

Lisa DiNovi
Business Administrator

Brian Belsky
Vice Principal/
Curriculum Coordinator

December 4, 2023

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

Dear Board Members:

The Annual Comprehensive Financial Report of the Hopewell Township District (District) or the fiscal year ended June 30, 2023, 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. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections as follows:

- The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials.
- The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon.
- The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.
- The Single Audit Section - The District is required to undergo an annual single audit in conformity with the provisions of Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), "Audits of States, Local Governments, and Non-Profit Organizations" and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

The Hopewell Township School District is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board (GASB) as established by Statement No. 14. All funds of the District are included in this report. The Hopewell Township Board of Education and its two schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels PreK 3 through 8. These include regular, as well as special education for handicapped youngsters. The District completed the fiscal year with an enrollment of 499 students, which is an increase from the previous year enrollment. The following details the changes in the student enrollment of the District over the last ten years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2022-23	507.0	3.38%
2021-22	490.4	.44%
2020-21	488.3	(2.43)%
2019-20	500.5	(.26)%
2018-19	501.8	4.91%
2017-18	478.3	(1.22)%
2016-17	484.2	(2.00)%
2015-16	494.1	.84%
2014-15	490.0	(4.87)%
2013-14	515.1	1.32%

2. ECONOMIC CONDITION AND OUTLOOK:

Hopewell Township, Cumberland County, has the potential for controlled economic development and expansion. Improvements to New Jersey Route 49 and the expansion of the public sewer system should invite small business investments. The school system continues to attract families who seek excellent educational experiences for their children.

3. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining 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 are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (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 management.

As a recipient of federal awards and state financial assistance, the District also is 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 the District management.

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 programs, as well as to determine that the District has complied with applicable laws and regulations.

4. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2023.

5. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 1.

6. FINANCIAL INFORMATION AT FISCAL YEAR-END:

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

7. DEBT ADMINISTRATION:

At June 30, 2023, the District's outstanding debt issues included \$491,000 of general obligation bonds for additions and renovations to the Crest School and the of general obligation bonds for land acquisition were paid off during the year. The amount available for future debt that may be voted on is \$9,789,557.

8. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9. RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

10. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nightlinger, Colavita and Volpa, Pa. was appointed by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and State of New Jersey Treasury Circular 15-08 OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. The auditor's report on the basic financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's report related specifically to the single audit are included in the single audit section of this report.

11. ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Hopewell Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the public school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff. We received the complete cooperation from Nightlinger, Colavita & Volpa, and P.A. and appreciate the courtesies extended to us.

Respectfully submitted,

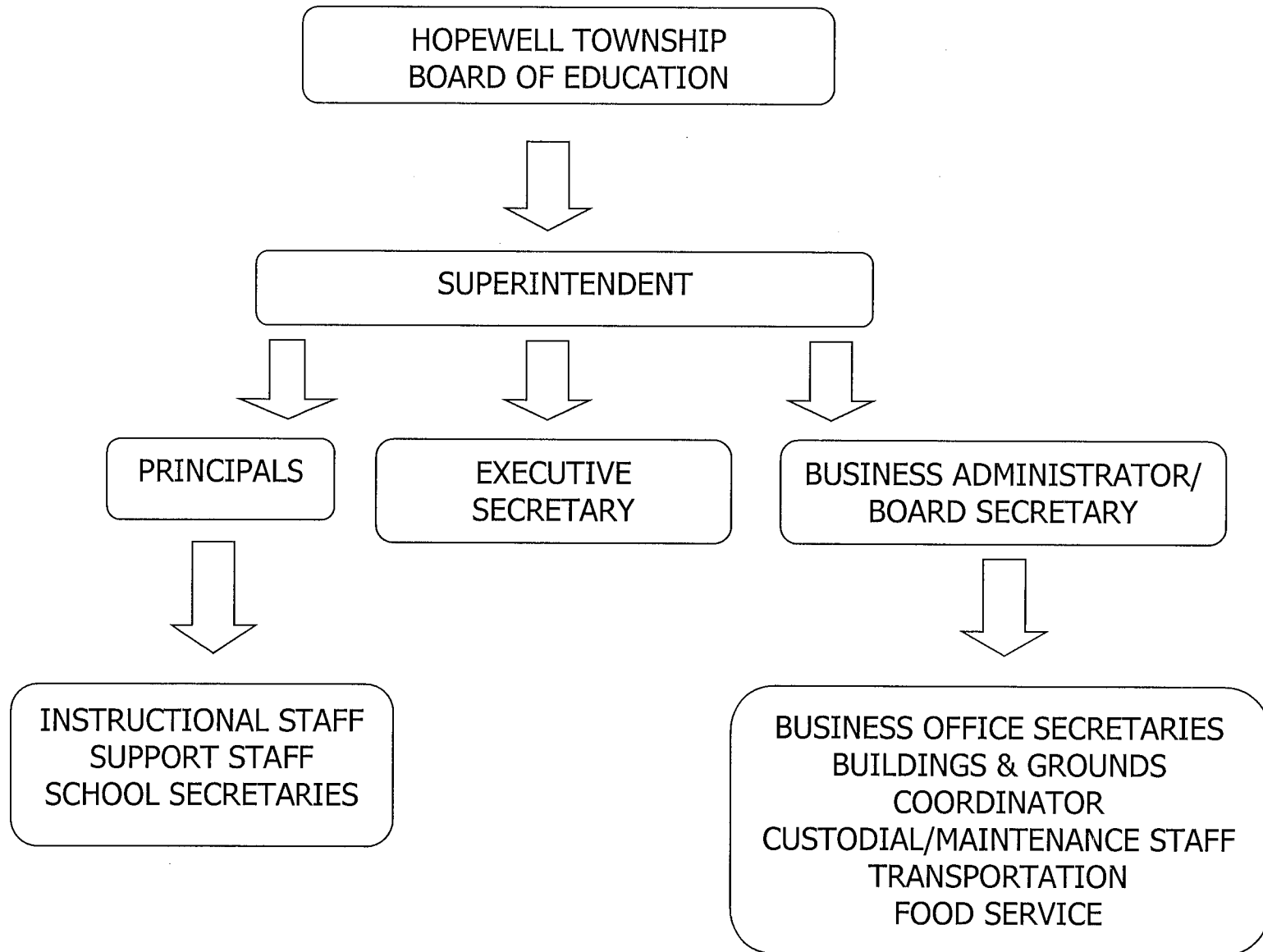


Meghan Lammerson, Superintendent/Principal

Lisa M. DiNovi

Lisa M. DiNovi, School Business Administrator/Board Secretary

HOPEWELL TOWNSHIP PUBLIC SCHOOLS ORGANIZATION CHART



HOPEWELL TOWNSHIP BOARD OF EDUCATION
BRIDGETON, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2023

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Michael DeRose, President	2024
Frank DeVita, Vice President	2023
Kenneth Freitag	2025
Sharon Campbell	2023
JR Carman	2025
John Hitchner	2024
Taylor Hitchner	2024
Heather Humphrey	2025

<u>OTHER OFFICIALS</u>	<u>Bond Amount</u>
Meghan Lammersen, Superintendant/Principal	
Stephanie Kuntz, Business Administrator/Board Secretary	\$ 100,000
Neil Young, Treasurer of Monies	
Paul Kalac, Solicitor	

TOWNSHIP OF HOPEWELL BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

ARCHITECT

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

AUDIT FIRM

Raymond Colavita, CPA, RMA, PSA
Nightlinger, Colavita and Volpa, PA
P.O. Box 799
Williamstown, NJ 08094

ATTORNEY

Paul Kalac
Weiner Law Group
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Bldg. 1, Suite 136
Red Bank, NJ 07701

OFFICIAL DEPOSITORY

Newfield National Bank
18 S. West Boulevard
Newfield, NJ 08344

FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

(856) 629-3111
Fax (856) 728-2245
www.colavita.net

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Hopewell Township School District
County of Cumberland, New Jersey 08032

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Hopewell Township School District in the County of Cumberland, State of New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Board of Education of the Hopewell Township School District in the County of Cumberland, State of New Jersey'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, each major fund, and the aggregate remaining fund information of the Board of Education of the Hopewell Township School District in the County of Cumberland, State of New Jersey, as of June 30, 2023, 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 States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards 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 Board of Education of the Hopewell Township School District in the County of Cumberland, State of New Jersey, 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Board of Education of the Hopewell Township School District in the County of Cumberland, State of New Jersey'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.

Auditor's 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 auditor's 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 auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting 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 auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks 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 Board of Education of the Hopewell Township School District in the County of Cumberland, State of New Jersey'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 Board of Education of the Hopewell Township School District in the County of Cumberland, State of New Jersey'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 the management's discussion and analysis, budgetary comparison information, schedule of the School District's proportionate share of the net pension liability, schedule of the School District's pension contributions, and schedule of changes in the School District's total OPEB liability and related ratios, as listed in the table of contents, 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 Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board of Education of the Hopewell Township School District in the County of Cumberland, State of New Jersey's basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the 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's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also 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 auditing standards generally accepted in the United States of America. In our opinion, the combining statements and related major fund supporting statements and schedules, and 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 report, as required by the Office of School Finance, Department of Education, State of New Jersey. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report 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 December 4, 2023, on our consideration of the Hopewell Township School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Hopewell Township School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governments Auditing Standards* in considering Hopewell Township School District's internal control over financial reporting and compliance.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915
December 4, 2023

REQUIRED SUPPLEMENTARY INFORMATION – PART I

HOPEWELL TOWNSHIP SCHOOL DISTRICT
HOPEWELL TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

UNAUDITED

The discussion and analysis of Hopewell Township Public School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2023 are as follows:

- ❖ General revenues accounted for \$8,217,266 in revenue or 74.2% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$2,864,448 or 25.8% of total revenues of \$11,081,714.
- ❖ Total Net Position of governmental activities was \$9,968,602.
- ❖ The School District had \$10,744,820 in program expenses. These expenses were offset by program specific charges for services, grants or contributions of \$2,864,448 mentioned above in arriving at the net governmental activity expenses of the district. General revenues comprising federal and state aid of \$4,097,733, property taxes of \$3,956,389, and other miscellaneous revenues and adjustments of \$232,276 were adequate to provide for the programs maintained by the school.
- ❖ The General Fund had \$9,690,741 in revenues, \$9,701,780 in expenditures, and a transfer of \$69,132 to Charter School. The General Fund's balance decreased \$80,171 over 2022. This decrease was anticipated by the Board of Education.

Using this Annual Comprehensive Financial Report (ACFR)

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

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, "How did we do financially during 2023?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's Net Position and how they have changed. This change in Net Position is important because it tells the reader that, for the School District as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- ❖ **Governmental Activities** – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities. There are two school buildings maintained by the District, which are the Port Norris Middle School and the Haleyville Elementary School.
- ❖ **Business – Type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major (all) funds begins on page 25. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

Governmental Funds (Continued)

The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same. The Food Service fund is the only enterprise fund maintained by the district.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole, which includes the Business-type Activities. Table 1 provides a comparative summary of the School District's Net Position for the years ended in 2022 and 2023.

Table 1
Net Position

	2023	2022
Assets		
Current and Other Assets	\$ 2,928,864	\$ 3,019,438
Capital Assets, Net	9,051,546	9,089,805
Total Assets	11,980,410	12,109,243
Deferred Outflows of Resources		
Deferred Pension Outflows	150,771	168,912
Liabilities		
Long-term Liabilities	1,391,749	1,579,005
Other Liabilities	463,138	507,253
Total Liabilities	1,854,887	2,086,258
Deferred Inflows of Resources		
Deferred Pension Inflows	307,692	560,189
Net Position		
Invested in Capital Assets, Net of Debt	9,567,377	8,313,805
Restricted	1,212,022	1,519,943
Unrestricted (Deficit)	(810,797)	(202,040)
Total Net Position	\$ 9,968,602	\$ 9,631,708

Table 2 shows the changes in Net Position from fiscal year's 2023 and 2022.

Table 2
Changes in Net Position

	2023	2022
Revenues		
Programs Revenues		
Charges for Services	\$ 260,694	\$ 262,190
Operating Grants and Contributions	2,603,754	1,392,840
General Revenues		
Property Taxes	3,956,389	3,837,474
Grants and Entitlements	4,097,733	6,762,823
Other	163,144	329,765
Total Revenues	\$ 11,081,714	\$ 12,585,092
Program Expenses		
Instruction	\$	\$
Regular	3,435,404	5,507,869
Special	743,988	1,565,263
Other	44,440	130,233
Support Services		
Tuition	54,823	263,509
Pupils and Instructional Staff	1,089,112	1,500,285
General Administration, School		
Administration, Business	670,465	938,906
Operations and Maintenance of Facilities	1,268,964	932,998
Pupil Transportation	605,467	563,224
Employee Benefits	2,341,432	
Charter School		96,107
Food Service	352,839	347,572
Child Care	97,473	84,218
Interest on long-term debt	40,413	51,008
Total Expenses	\$ 10,744,820	\$ 11,981,192
Increase/(Decrease) in Net Position	\$ 336,894	\$ 603,900

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Of the District's \$8,217,266 in total net governmental revenues for the fiscal year ended June 30, 2023, property taxes made up 48.1% of the revenues raised for governmental activities. Federal, state and local grants accounted for another 49.9% and other revenues made up 2%. The total cost of all program and services was \$10,744,820, of which the amount spent on governmental activities was \$7,940,441 and of this amount, Instruction comprised 39.1%.

Governmental Activities (Continued)

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

	<u>Total Cost of Services 2023</u>	<u>Net Cost of Services 2023</u>	<u>Total Cost of Services 2022</u>	<u>Net Cost of Services 2022</u>
Instruction	\$ 4,223,832	\$ 3,106,198	\$ 7,203,365	\$ 6,389,714
Support Services				
Tuition	54,823	54,823	263,509	102,721
Pupils and Instructional Staff	1,089,112	792,021	1,500,285	1,368,778
General Administration, School				
Administration, Business	670,465	670,465	938,906	938,906
Operation and Maintenance of Facilities	1,268,964	1,268,964	932,998	932,998
Pupil Transportation	605,467	605,467	563,224	518,804
Employee Benefits	2,341,432	1,402,090		
Charter school			96,107	96,107
Food Services	352,839	(63,993)	347,572	(85,788)
Child care	97,473	3,924	84,218	12,914
Interest on long-term debt	40,413	40,413	51,008	51,008
Total Expenses	<u>\$ 10,744,820</u>	<u>\$ 7,880,372</u>	<u>\$ 11,981,192</u>	<u>\$ 10,326,162</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

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

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

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

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

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

Extracurricular activities includes expenses related to student activities provided by the School district which are designated to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District. Other includes unallocated depreciation and amortization.

Business-Type Activities

Revenues for the District's business-type activities (food service program and extended day program) were comprised of charges for services and federal and state reimbursements.

- ❖ Food service revenues exceeded expenses by \$63,993 and Extended Day expenses exceeded revenues by \$3,924.
- ❖ The General Fund did not subsidize the food service operation in 2022-2023.
- ❖ Charges for food service were \$167,145. This represents amount paid by patrons for daily food services. Extended Day revenues were \$93,549.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities were \$249,687.

The School District's Funds

Information about the School District's major funds starts on page 24. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$11,712,037 and expenditures of \$11,763,270, as well as a transfer to Charter School of \$69,132. The net positive change in fund balance for the year was \$120,365, there were no prior period adjustment relating to GASB #84. The School District was able to meet current operating costs during the current fiscal year.

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 schedules present a summary of the revenues of the governmental funds (including capital projects fund expenditures) for the fiscal year ended June 30, 2023, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>(Decrease) from 2022</u>	<u>Increase (Decrease)</u>
Local Sources	\$ 4,188,665	35.7%	\$ (219,850)	-5.0%
State Sources	6,567,702	56.1%	502,341	8.3%
Federal Sources	955,670	8.2%	392,143	69.6%
Total	<u>\$ 11,712,037</u>	<u>100.0%</u>	<u>\$ 674,634</u>	<u>6.1%</u>

The School District's Funds (Continued)

The decrease in Local Sources is attributed to decreases in tuition of \$116,654 and in miscellaneous revenue of \$224,453, offset by increases in local tax levy of \$118,915 and interest of \$2,342.

The increase in State Sources is attributed to increases in general fund state aid of \$128,447 and increases in state and federal grants for special projects of \$375,726, offset by a decrease in debt service aid of \$1,832

The increase in Federal Sources is attributed to net increases in various grant awards totaling \$392,143.

The following schedule presents a summary of general fund, special revenue fund, capital projects fund and debt service fund expenditures for the fiscal year ended June 30, 2023.

Table 5

Expenditures	Amount	Percent of Total	Increase/ (Decrease) from 2022	Percent Increase (Decrease)
Current:				
Instruction	\$ 4,223,832	36.0%	\$ 582,143	16.0%
Undistributed Expenditures	6,833,528	58.1%	271,915	4.1%
Capital Outlay	393,969	3.3%	171,652	77.2%
Debt Service:				
Principal	285,000	2.4%	5,000	1.8%
Interest	26,941	0.2%	(27,634)	-50.6%
Total	<u>\$ 11,763,270</u>	<u>100.0%</u>	<u>\$ 1,003,076</u>	<u>9.3%</u>

The increase in Current – Instruction is attributed to increases in regular instruction of \$554,701 and Special education of \$131,363, offset by decreases in other instruction of \$15,288 and in other special education tuition of \$88,633.

The increase in Current – Undistributed Expenditures is attributed to increases in various line items totaling \$271,915.

The increase in capital outlay is attributed to increases in capital projects and construction service costs of \$171,652.

The decrease in debt service is attributed to increased outstanding debt obligations of \$5,000 offset by decrease of \$27,634 in interest.

General Fund Budgeting Highlights

The School District's Budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2023, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

Some of the normal budgetary situations requiring attention during the year are:

- ❖ Staffing changes based on student needs.
- ❖ Additional costs for student transportation both in regular education and special education.
- ❖ Accounting changes in maintenance and operations
- ❖ Changes in appropriations to prevent budget overruns.

While the District's final budget for the general fund anticipated that revenues, including surplus appropriated, would roughly equal expenditures, the actual results for the year show an actual decrease in fund balance of \$66,512.

- ❖ Actual revenues were \$160,154 more than expected, excluding On-Behalf pension and social security state aid of \$2,012,622, due primarily to miscellaneous revenue.
- ❖ The actual expenditures were \$714,922 less than expected, which excluded the effects of state On-Behalf pension and social security aid of \$2,012,622, partially offset by favorable variances in various budget appropriations.

Capital Assets

At the end of the fiscal year 2023, the School District had \$9,051,546 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2022 balances compared to 2023.

Table 6
Capital Assets (Net of Depreciation) at June 30

	2023	2022
Land	\$ 257,900	\$ 257,900
Construction in Progress		11,409
Land Improvements	1,091,381	1,160,669
Building and Improvements	7,380,605	7,382,628
Equipment	302,500	277,199
Right-to-Use Lease Assets	19,160	
Totals	\$ 9,051,546	\$ 9,089,805

Overall capital assets decreased \$38,259 from fiscal year 2022 to fiscal year 2023. Increases in capital assets of \$423,337 were offset by depreciation expense of \$461,596.

Debt Administration

At June 30, 2023, the School District had \$1,391,749 as outstanding debt. Of this amount, \$164,158 is for compensated absences and the balance of \$491,000 is for serial bonds. The District also reported a Net Pension Liability of \$711,637 in accordance with GASB #68 and Right-to-Use Liability of \$24,954.

At June 30, 2023, the School District's overall legal debt margin was \$10,280,557 and the unvoted debt margin was \$9,789,557, or 95% of the total amount permitted by statute.

For the Future

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

Contacting the School District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities display information about the District.

These statements include the financial activities of the overall District, except for fiduciary activities.

Eliminations have been made to minimize the double-counting of internal activities.

These statements distinguish between the governmental and business-type activities of the District.

HOPEWELL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2023

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 476,361	\$ 259,895	\$ 736,256
Receivables, Net	770,283	10,652	780,935
Inventory		2,161	2,161
Restricted Cash and Cash Equivalents	1,409,512		1,409,512
Capital Assets, Net (Note 5):	8,959,041	92,505	9,051,546
Total Assets	<u>11,615,197</u>	<u>365,213</u>	<u>11,980,410</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Outflows	<u>150,771</u>		<u>150,771</u>
LIABILITIES			
Accounts Payable	182,737		182,737
Accrued Interest	6,996		6,996
Unearned Revenue	260,597	12,808	273,405
Non-current Liabilities (Note 6):			
Due Within One Year	283,673		283,673
Due Beyond One Year	1,108,076		1,108,076
Total Liabilities	<u>1,842,079</u>	<u>12,808</u>	<u>1,854,887</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Inflows	<u>307,692</u>		<u>307,692</u>
NET POSITION			
Invested in Capital Assets, Net of Related Debt	9,474,832	92,505	9,567,337
Restricted for:			
Unemployment Compensation	216,382		216,382
Scholarships	420		420
Student Activities	39,788		39,788
Other Purposes	955,432		955,432
Unrestricted (Deficit)	(1,070,657)	259,900	(810,757)
Total Net Position	<u>\$ 9,616,197</u>	<u>\$ 352,405</u>	<u>\$ 9,968,602</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

HOPEWELL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 3,435,404	\$	\$ 1,117,634	\$ (2,317,770)	\$	\$ (2,317,770)
Special Education	743,988			(743,988)		(743,988)
Other Special Instruction	16,792			(16,792)		(16,792)
Other Instruction	27,648			(27,648)		(27,648)
Support Services:						
Tuition	54,823			(54,823)		(54,823)
Student & Instruction Related Services	1,089,112		297,091	(792,021)		(792,021)
General and Business Administrative Services	182,741			(182,741)		(182,741)
School Administrative Services	214,687			(214,687)		(214,687)
Central Services	226,690			(226,690)		(226,690)
Admin Info Tech	46,347			(46,347)		(46,347)
Plant Operations and Maintenance	1,268,964			(1,268,964)		(1,268,964)
Pupil Transportation	605,467			(605,467)		(605,467)
Employee Benefits	2,341,432		939,342	(1,402,090)		(1,402,090)
Interest on Long-term Debt	40,413			(40,413)		(40,413)
Unallocated Depreciation						
Total Governmental Activities	10,294,508		2,354,067	(7,940,441)		(7,940,441)
Business-type Activities:						
Food Service	352,839	167,145	249,687		63,993	63,993
Extended Day	97,473	93,549			(3,924)	(3,924)
Total Business-type Activities	450,312	260,694	249,687		60,069	60,069
Total Primary Government	\$10,744,820	\$ 260,694	\$ 2,603,754	\$ (7,940,441)	\$ 60,069	\$ (7,880,372)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				\$ 3,755,578	\$	\$ 3,755,578
Taxes Levied for Debt Service				200,811		200,811
Federal, State and Local Aid not Restricted				4,097,733		4,097,733
Tuition from Other LEA'S Within the State and Individuals				34,534		34,534
Investment Earnings				3,725		3,725
Miscellaneous Income				194,017		194,017
Transfer to Charter Schools				(69,132)		(69,132)
Total General Revenues, Special Items, Extraordinary Items and Transfers				8,217,266		8,217,266
Change in Net Position				276,825	60,069	336,894
Net Position—Beginning				9,339,372	292,336	9,631,708
Net Position—Ending				\$ 9,616,197	\$ 352,405	\$ 9,968,602

The accompanying Notes to Financial Statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

HOPEWELL TOWNSHIP BOARD OF EDUCATION

**BALANCE SHEET
GOVERNMENTAL FUNDS**

JUNE 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 430,322	\$ 40,208	\$	\$ 470,530
Restricted Cash and Cash Equivalents	1,409,512			1,409,512
District School Tax Receivable	285,146			285,146
State Aid Receivable	67,904			67,904
Federal Aid Receivable		412,536		412,536
Interfund Receivable	75,167			75,167
Other Accounts Receivable	4,697			4,697
Total Assets	<u>\$ 2,272,748</u>	<u>\$ 452,744</u>	<u>\$</u>	<u>\$ 2,725,492</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 16,227	\$ 147,880	\$	\$ 164,107
Payroll Deductions Payable	18,091			18,091
Due to Grantor		539		539
Interfund Receivable		75,167		75,167
Unearned Revenue		260,597		260,597
Total Liabilities	<u>34,318</u>	<u>484,183</u>		<u>518,501</u>
Fund Balances:				
Restricted For:				
Excess Surplus	256,105			256,105
Excess Surplus - Designated for Subsequent Year's Expenditures	221,600			221,600
Unemployment Compensation	216,382			216,382
Scholarships		420		420
Student Activity		39,788		39,788
Capital Reserve	931,785			931,785
Maintenance Reserve	477,727			477,727
Assigned:				
Year-end Encumbrances	9,400			9,400
Capital Reserve Designated for Subsequent Expenditures	100,000			100,000
Designated for Subsequent Year's Expenditure	81,235			81,235
Unassigned, Reported in:				
General Fund (Deficit)	(55,804)			(55,804)
Special Revenue Fund (Deficit)		(71,647)		(71,647)
Total Fund Balances	<u>2,238,430</u>	<u>(31,439)</u>		<u>2,206,991</u>
Total Liabilities and Fund Balances	<u>\$ 2,272,748</u>	<u>\$ 452,744</u>	<u>\$</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 \$17,572,751 and the accumulated depreciation is \$8,613,710 (See Note 5)	8,959,041
Long Term Net Pension Liability	(711,637)
Deferred Pension Outflows	150,771
Deferred Pension Inflows	(307,692)
Internal Service Fund	5,831
Long-term liabilities, representing accrued interest, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(6,996)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 6).	(680,112)
Net Position of Governmental Activities	<u>\$ 9,616,197</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

HOPEWELL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Local Sources:				
Local Tax Levy	\$ 3,755,578	\$	\$ 200,811	\$ 3,956,389
Tuition from Individuals	34,534			34,534
Interest Earned on Investments	3,725			3,725
Miscellaneous Local Sources	152,750	41,267		194,017
Total - Local Sources	3,946,587	41,267	200,811	4,188,665
State Sources	5,718,559	738,013	111,130	6,567,702
Federal Sources	25,595	930,075		955,670
Total Revenues	9,690,741	1,709,355	311,941	11,712,037
EXPENDITURES				
Current:				
Regular Instruction	2,317,770	1,117,634		3,435,404
Special Education Instruction	743,988			743,988
Other Special Instruction	16,792			16,792
Other Instruction	27,648			27,648
Support Services:				
Tuition	54,823			54,823
Student & Instruction Related Services	792,021	297,091		1,089,112
General Administrative Services	182,741			182,741
School Administrative Services	214,687			214,687
Central Services	226,690			226,690
Admin Info Tech	46,347			46,347
Plant Operations and Maintenance	839,051			839,051
Pupil Transportation	605,467			605,467
Employee Benefits	3,289,786	284,824		3,574,610
Debt Service:				
Interest and Other Charges			26,941	26,941
Principal			285,000	285,000
Capital Outlay	343,969	50,000		393,969
Total Expenditures	9,701,780	1,749,549	311,941	11,763,270
Excess (Deficiency) of Revenues over Expenditures	(11,039)	(40,194)		(51,233)
OTHER FINANCING SOURCES (USES)				
Transfer to Charter School	(69,132)			(69,132)
Total Other Financing Sources and Uses	(69,132)			(69,132)
Net Change in Fund Balances	(80,171)	(40,194)		(120,365)
Fund Balance - July 1	2,318,601	8,755		2,327,356
Fund Balance - June 30 (Deficit)	\$ 2,238,430	\$ (31,439)	\$ -	\$ 2,206,991

The accompanying Notes to Financial Statements are an integral part of this statement.

HOPEWELL TOWNSHIP BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Total Net Change in Fund Balances - Governmental Funds (from B-2)	\$	(120,365)
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Amounts reported for governmental activities in the statement of activities (A-2) are different because:

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

Depreciation expense	\$	(451,469)
Capital outlays		<u>376,787</u>
		(74,682)

Repayment of bond principal is an expenditure 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.		284,960
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In the statement of activities, interest on long-term debt is accrued regardless of when it is due.		
In the governmental funds, interest is reported when due.		3,710

Pension Contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period.		128,651
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Repayment of right-to-use lease principal is an expenditure 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.		21,596
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In the statement of activities, certain operating expenses, e.g. compensated absences 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).		<u>32,955</u>
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Change in Net Position of Governmental Activities (A-2)	\$	<u>276,825</u>
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The accompanying Notes to Financial Statements are an integral part of this statement.

PROPRIETARY FUNDS

HOPEWELL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Business-type Activities - Enterprise Funds			Curriculum Coordinator Internal Services Fund
	Food Service	Extended Day	Totals	
ASSETS				
Current Assets:				
Cash	\$ 206,171	\$ 53,928	\$ 260,099	\$ 5,831
Accounts Receivable	2,955	7,697	10,652	
Inventories	2,161		2,161	
Total Current Assets	211,287	61,625	272,912	5,831
Fixed Assets:				
Equipment	235,154		235,154	
Accumulated Depreciation	(142,649)		(142,649)	
Total Fixed Assets	92,505		92,505	
Total Assets	303,792	61,625	365,417	5,831
LIABILITIES:				
Current Liabilities:				
Accounts Payable	168	36	204	
Unearned Revenue	454	12,354	12,808	
Total Current Liabilities	622	12,390	13,012	
NET POSITION				
Invested in Capital Assets Net of Related Debt	92,505		92,505	
Unrestricted	210,665	49,235	259,900	5,831
Total Net Position	\$ 303,170	\$ 49,235	\$ 352,405	\$ 5,831

The accompanying Notes to Financial Statements are an integral part of this statement.

HOPEWELL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business-type Activities - Enterprise Fund			Curriculum Coordinator Internal Services Fund
	Food Service	Extended Day	Total Enterprise	
Operating Revenues:				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$	\$	\$	\$
Daily Sales - Non-reimbursable Programs	167,145		167,145	
Fees for Services		93,549	93,549	
Total Operating Revenue:	167,145	93,549	260,694	
Operating Expenses:				
Salaries	93,719	86,957	180,676	
Employee Benefits	17,845		17,845	
Supplies and Materials	26,641	8,450	35,091	
Depreciation	10,127		10,127	
Cost of Sales - Reimbursable Programs	129,763		129,763	
Cost of Sales - Nonreimbursable Programs	35,378		35,378	
Insurance	4,006		4,006	
Management Fee	33,450		33,450	
Miscellaneous	1,910	2,066	3,976	
Total Operating Expenses	352,839	97,473	450,312	
Operating Income (Loss)	(185,694)	(3,924)	(189,618)	
Non-operating Revenues (Expenses):				
State Sources:				
State School Breakfast Program	3,609		3,609	
State School Lunch Program	5,563		5,563	
Federal Sources:				
National School Breakfast Program	44,640		44,640	
National School Lunch Program	133,046		133,046	
Supply Chain Assistance Funding	36,496		36,496	
P-EBT Administrative Cost Reimbursement	653		653	
Food Distribution Program	25,680		25,680	
Total Non-operating Revenues (Expenses)	249,687		249,687	
Income (Loss) before Contributions & Transfers	63,993	(3,924)	60,069	
Change in Net Position	63,993	(3,924)	60,069	
Total Net Position—Beginning	239,177	53,159	292,336	5,831
Total Net Position—Ending	\$ 303,170	\$ 49,235	\$ 352,405	\$ 5,831

The accompanying Notes to Financial Statements are an integral part of this statement.

HOPEWELL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business-type Activities Enterprise Funds			Curriculum Coordinator Internal Services Fund
	Food Service	Extended Day	Total Enterprise	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$ 167,145	\$ 93,549	\$ 260,694	\$
Payments to Employees	(93,719)	(86,957)	(180,676)	
Payments for Employee Benefits	(17,845)		(17,845)	
Payments to Suppliers	(216,095)	(10,516)	(226,611)	
Net Cash Provided by (used for) Operating Activities	(160,514)	(3,924)	(164,438)	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State Sources	9,172		9,172	
Federal Sources	240,515		240,515	
Operating Subsidies and Transfers to Other Funds				
Net Cash Provided by (used for) Non-capital Financing Activities	249,687		249,687	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of Capital Assets				
Net Cash Provided by (used for) Capital and Related Financing Activities				
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and Dividends				
Net Cash Provided by (used for) Investing Activities				
Net Increase (Decrease) in Cash and Cash Equivalents	89,173	(3,924)	85,249	
Balances—Beginning of Year	116,998	57,852	174,850	5,831
Balances—End of Year	\$ 206,171	\$ 53,928	\$ 260,099	\$ 5,831
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:				
Operating Income (Loss)	\$ (185,694)	\$	\$ (189,618)	\$
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities				
Depreciation and Net Amortization	10,127		10,127	
(Increase) Decrease in Accounts Receivable, Net	15,083		15,083	
(Increase) Decrease in Inventories	1,038		1,038	
Increase (Decrease) in Accounts Payable	(36)		(36)	
Increase (Decrease) in Due to General				
Increase (Decrease) in Unearned Revenue	(1,032)		(1,032)	
Total Adjustments	25,180		25,180	
Net Cash Provided by (used for) Operating Activities	\$ (160,514)	\$	\$ (164,438)	\$

Noncash Investing, Capital, and Financing Activities:

During the year, the District received \$30,570 of food commodities from the U.S. Department of Agriculture.

The accompanying Notes to Financial Statements are an integral part of this statement.

HOPEWELL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Hopewell Township School District (District) is organized under the Constitution of the State of New Jersey. The District provides educational services as authorized by state and federal guidelines, currently operating in one instructional building.

A. Reporting Entity:

The District is a Type II District located in the County of Cumberland, State of New Jersey. As a Type II District, as provided by statute of the State of New Jersey, the school district functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms, which are staggered. The purpose of the District is to educate students in Grades K-8, serving the Township of Hopewell and Borough of Shiloh. The District had an approximate enrollment at June 30, 2023 of 499 students.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

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

The basic financial statements include: A Management's Discussion and Analysis (MD&A) providing an analysis of the Districts over-all financial position and results of operations. Basic financial statements prepared using full-accrual accounting for all of the District's activities.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

New Accounting Standards:

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

- GASB Statement No. 96 – Subscription-Based Information Technology Arrangements was effective after June 15, 2022 and was considered by Management.
- GASB Statement No. 99 - *Omnibus 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. Management is evaluating the potential impact of the adoption of GASB 99 on the School District's financial statements.
- GASB Statement No. 100 - *Accounting Changes and Error Corrections, an amendment of GASB Statement No. 62*: The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Management is evaluating the potential impact of the adoption of GASB 100 on the School District's financial statements.
- GASB Statement No. 101 - *Compensated Absences*: 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. Management is evaluating the potential impact of the adoption of GASB 101 on the School District's financial statements.

HOPEWELL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

A. Basis of Presentation:

The District's financial reporting consist of a Management's Discussion and Analysis (MD&A) providing an analysis of the District's over-all financial position and results of operations, as well as Basic financial statements prepared using full-accrual accounting for all of the District's activities.

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

District-wide Statements: The statement of net position and the statement of activities display information about the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. For the most part, the effect of interfund activity has been removed from these statements.

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

HOPEWELL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting:

The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

GOVERNMENTAL FUND TYPE

The focus of governmental fund measurement is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the Capital Outlay sub-fund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

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

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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

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

HOPEWELL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

GOVERNMENTAL FUND TYPE - Continued

Debt Service Fund

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

PROPRIETARY FUND TYPE

The focus of Proprietary Fund measurement is on determination of net income, financial position and cash flows. The applicable generally accepted accounting principles are similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District:

Enterprise (Food Service) Funds

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

The District's Enterprise Funds are comprised of the Food Service Fund and the school-aged childcare (SACC) fund.

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

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

Food Service Fund Equipment	12 – 20 Years
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Internal Service Fund - The Hopewell Township School District also maintains an Internal Service Fund for a Curriculum Coordinator, whereby services would be provided on a cost-reimbursement basis.

FIDUCIARY FUND TYPE

Fiduciary Funds include Expendable Trust, Nonexpendable Trust and Agency Funds. The measurement focus of the Expendable Trust Funds is the same as for governmental funds. The measurement focus of the Nonexpendable Trust Funds is similar to Proprietary Funds. The District does not have funds that meet the criteria of a fiduciary fund as defined by GASB Statement No. 84, Fiduciary Activities.

HOPEWELL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

C. Basis of Accounting and Measurement Focus:

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

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements.

The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989. The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

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

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

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989. The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds, which are submitted to the county office. In accordance with P.L. 2011, c. 202, the School District passed a resolution

to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012 and to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any.

HOPEWELL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

D. Budgets/Budgetary Control: Continued

Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line-item accounts within each fund.

Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2 (f) 1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

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

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

A reconciliation of the special revenue funds from the budgetary basis of accounting (as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds) to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types is shown on Exhibit C-2.

E. Encumbrance Accounting:

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

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

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

F. Tuition Receivable:

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

HOPEWELL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

G. Tuition Payable:

Tuition charges for the fiscal years 2022-2023, 2021-2022 and 2020-2021 were based on rates established by the receiving District. These rates are subject to change when the actual costs have been determined.

H. Basis of Accounting and Measurement Focus:

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

On District-wide financial statements and in the Enterprise Fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2023.

I. Short -Term Interfund Receivables/Payables:

Short-term 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.

J. Lease Acquisition Costs:

As part of any long-term lease agreement, providing for the use of school buildings, payments constituting professional lease acquisition and other related professional fees will be expensed when incurred in accordance with GASB Statement No. 65. There were no such leases for the year ended June 30, 2023.

K. Assets, Liabilities and Equity:

Transactions

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

Inventories

On District-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expensed when used. This includes \$40 in federal commodities on hand at June 30, 2023. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2023.

Inventory in the Food Service Fund at June 30, 2023 consisted of the following:

Food	\$	783
Supplies		1,378
		<hr/>
Total	\$	2,161
		<hr/> <hr/>

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1986, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

HOPEWELL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

K. Assets, Liabilities and Equity (Continued):

Capital Assets – The District is establishing a formal system of accounting for its capital assets. Capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. Capital assets acquired or constructed prior to June 30, 2003 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Capital assets are reflected as expenditures in the applicable governmental funds. The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements & portable classroom	20 – 50
Land improvements	20
Furniture	15
Maintenance equipment	15
Musical instruments	10
Athletic equipment	10
Audio visual equipment	10
Office equipment	5
Computer equipment	5

L. Compensated Absences:

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits.

Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

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

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

M. Unearned Revenue:

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

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

HOPEWELL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

N. Operating Revenues and Expenses:

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

O. Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are not reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities.

Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

P. Extraordinary and Special Items:

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

Q. Fund Equity:

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

R. Comparative Data/Reclassifications:

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

S. Management Estimates:

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

T. Accrued Liabilities and Long-term Obligations:

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

HOPEWELL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

U. Net position

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

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

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

V. Fund balances - Governmental Funds

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

- Non-spendable - includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted - includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed - includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision-making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- Assigned - includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

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

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

HOPEWELL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

W. Revenues – Exchange and Non-exchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available.

Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

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

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

X. Deferred outflows/inflows of resources

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

Y. Tax assessments and property taxes:

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

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

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

HOPEWELL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Y. Tax assessments and property taxes: Continued

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value. New Jersey School Districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey School District's.

Investments are stated at cost, or amortized cost, which approximates market. The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity for any discount or premium. The Board 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.

GASB Statement No. 3 requires the disclosure of the level of custodial credit risk assumed by the Board in its cash, cash equivalents and investments.

Deposits:

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

HOPEWELL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

Investments:

New Jersey statutes (N.J.S.A.18A:20-37) permits the Board to purchase the following types of securities:

- a. Bonds or 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 no greater than twelve months from the date of purchase.
- c. Bonds of other obligations of the School District.

As of June 30, 2023, cash and cash equivalents in the fund financial statements of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>
Checking Accounts	\$ 2,145,972
Certificates of Deposit	
Total	<u>\$ 2,145,972</u>
Unrestricted cash	
Governmental funds, Balance Sheet	B-1 \$ 470,530
Enterprise funds, Statement of Net Position	B-4 260,099
Internal service funds, Statement of Net Position	B-4 5,831
Restricted cash	
Governmental funds, Balance Sheet	B-1 <u>1,409,512</u>
Total cash	<u>\$ 2,145,972</u>

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

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 t seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies. The program is administered by the Commissioner of the NJ Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC.

Funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. As of June 30, 2023, the District's bank balance of \$2,517,201 was insured or collateralized as follows:

Insured	\$ 250,000
Uninsured and collateralized with	
securities held by pledging financial institutions	<u>2,267,201</u>
	<u>\$ 2,517,201</u>

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to losses in fair value arising in interest rate fluctuations.

HOPEWELL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

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

Concentration of Credit Risk - The District does not place a limit on the amount that may be invested in any one issuer.

The investments recorded in the basic financial statements have been recorded at the carrying amount of which the difference between the carrying amount and market value is not material.

New Jersey Cash Management Fund – All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. As of June 30, 2023, the District had no funds on deposit with the New Jersey Cash Management Fund.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long-Range Facilities Plan (LRFP) and updated annually in the Quality Single Accountability Continuum (QSAC). Upon submission of the LRFP to the Department of Education, a District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time 561 or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to NJAC 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Districts are also permitted, as per N.J.S.A. 18A:7F-41(a) and 41(b) to deposit into the legal reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District did not deposit any additional funds into their Capital Reserve Account by Board Resolution in June 2023.

The activity in the capital reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$792,535
Interest Earnings	250
Deposits	369,060
Returned	130,940
Withdrawals	<u>(361,000)</u>
Ending Balance, June 30, 2023	<u>\$931,785</u>

Of this amount, none has been appropriated as revenue to fund the 2023-2024 operating budget.

The LRFP balance of local support costs of uncompleted capital projects at June 30, 2023. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the District's Long Range Facilities Plan, in the amount of \$2,585,000.

HOPEWELL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 5. CAPITAL ASSETS

Capital Asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance 7/1/2022	Additions	Adjustments/ Retirements	Ending Balance 6/30/2023
Governmental activities:				
Capital Assets that are not being Depreciated:				
Land	\$ 257,900	\$	\$	\$ 257,900
Construction in Progress	11,409		(11,409)	
Total capital assets not being depreciated	269,309		(11,409)	257,900
Capital Assets being Depreciated and Amortized				
Land Improvements	1,724,387			1,724,387
Building and building improvements	14,501,912	294,287	11,409	14,807,608
Machinery and equipment	653,806	82,500		736,306
Right-to-Use Lease Assets		46,550		46,550
Totals at historical cost	16,880,105	423,337	11,409	17,314,851
Less Accumulated Depreciation and Amortization				
Land Improvements	(563,718)	(69,288)		(633,006)
Building and improvements	(7,119,284)	(307,719)		(7,427,003)
Equipment	(479,239)	(47,072)		(526,311)
Right-to-Use Lease Assets		(27,390)		(27,390)
Total Accumulated Depreciation and Amortization	(8,162,241)	(451,469)		(8,613,710)
Total Capital Assets being Depreciated and Amortized, Net of Accumulated Depreciation and Amortization	8,717,864	(28,132)	11,409	8,701,141
Government Activities Capital Assets, Net	\$ 8,987,173	\$ (28,132)	\$	\$ 8,959,041
				To A-1
Business-type activities - Equipment	\$ 235,154			\$ 235,154
Less accumulated depreciation	(132,522)	(10,127)		(142,649)
Business-type Activities Capital Assets, Net	\$ 102,632	\$ (10,127)	\$	\$ 92,505

Depreciation expense was charged to governmental functions
as follows:

Unallocated	\$ 451,469
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HOPEWELL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 6. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2023, the following changes occurred in long-term obligations:

	<u>Beginning Balance 7/1/2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance 6/30/2023</u>	<u>Amounts Due within One Year</u>	<u>Long-term Portion</u>
Governmental Activities:						
Bonds payable:						
Serial Bonds	\$ 721,000	\$	\$ (230,000)	\$ 491,000	\$ 250,000	\$ 241,000
Land Acquisition	55,000		(55,000)			
Totals	<u>776,000</u>		<u>(285,000)</u>	<u>491,000</u>	<u>250,000</u>	<u>241,000</u>
Other Liabilities:						
Right-to-Use Lease Liability		45,650	(20,696)	24,954	9,261	15,693
Compensated absences payable	197,073		32,915	164,158	24,412	139,746
Net Pension Liability	605,932	105,705		711,637		711,637
Total Long-term Obligations	<u>\$ 1,579,005</u>	<u>\$ 151,355</u>	<u>\$ (272,781)</u>	<u>\$ 1,391,749</u>	<u>\$ 283,673</u>	<u>\$ 1,108,076</u>
					To A-1	

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

A. Bonds Payable

Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

General Obligation Bonds - General obligation school building bonds payable at June 30, 2023, with their outstanding balances are comprised of the following individual issues: \$2,821,000 - 2009 refunding school bonds, interest at 3.00% to 4.30%, due in annual installments beginning September 1, 2010 to September 1, 2024. \$ 491,000. The purpose of financing various alterations and improvements to the Hopewell Crest School.

In Addition, the 2015 Refunding Bonds of \$285,000 were paid off during the 2022-2023 school year.

Principal and interest due on bonds outstanding at June 30, 2023 are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 250,000	\$ 15,676	\$ 265,676
2025	241,000	5,182	246,182
	<u>\$ 491,000</u>	<u>\$ 20,858</u>	<u>\$ 511,858</u>

B. Bonds Authorized But Not Issued - As of June 30, 2023

None

C. Capital Leases

The District had no capital leases as of June 30, 2023.

HOPEWELL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 7. OPERATING LEASES

The School is a lessee for various copiers. The District recognizes a lease liability – finance purchase and a capital asset or recognizes a lease liability – right to use and an intangible right-to use lease asset in the district-wide financial statements based on the criteria dictated in GASB Statement No. 87 – Leases.

At the commencement of a lease, the School determines based on the criteria dictated in GASB Statement No. 87 – Leases, if the lease is a finance purchase or a right to use lease liability. Then the School initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease liabilities are reported with the long-term obligations on the statement of net position.

A finance purchased asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The asset is depreciated on a straight-line basis over the life of the lease which is considered the asset's useful life. The asset is reported with the School capital assets as land, land improvements, buildings and improvements or furniture and equipment.

An intangible right-to use lease asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date. The intangible right-to use lease asset is amortized on a straight-line basis over the life of the lease. The intangible right-to use lease asset is reported with the School's capital assets in its own category called Right-to-Use Lease Assets.

Key estimates and judgements related to leases include how the School determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District is utilizing the treasury bill rate (corresponding to length of lease) in place at the date of implementation along with other risk factors to determine the discount interest rate for leases.

The School has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

The District has determined all of their copier lease agreements qualify as right-to-use assets. As of June 30, 2022, total future minimum lease payments under right-to-use lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 10,292
2025	10,292
2026	5,146
	<u>\$ 25,730</u>

NOTE 8. PENSION PLANS

Description of Plans - Eligible employees of the School District can be covered by Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF), or Defined Contribution Retirement Program (DCRP). PERS and TPAF are administered by the New Jersey Division of Pension and Benefits (NJDPB) and the DCRP is jointly administered by Prudential and NJDPB. The NJDPB issues publicly available financial reports that include financial statements and required supplementary information for the systems. These reports may be obtained online at <https://www.nj.gov/treasury/pensions/financial-reports.shtml>.

HOPEWELL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8. PENSION PLANS – (CONT'D)

Public Employees' Retirement System

The PERS is a cost sharing multiple-employer defined benefit pension plan that was established in 1955. The PERS provides retirement, death and disability, and medical benefits to qualified members. The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service or under the disability provisions of PERS.

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

The following represents the membership tiers for PERS:

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

Contributions - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS member total contribution rate as of July 1, 2021 was 7.5% of base salary. The District employees' contributions for the year ended June 30, 2023 were \$33,656. Employers in PERS are required to contribute at an actuarially determined rate which includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The PERS employer rate due in 2023 is 15.98% of covered payroll. The District is billed annually for its normal contribution plus any accrued liability. These contributions were paid by the District and equal to the required contributions for each year. The District's contributions to PERS for the years ended June 30, 2023, and 2022, were \$59,465 and \$59,901 respectively.

The total payroll for the year ended June 30, 2023 was \$5,130,779. Payroll covered by PERS was \$448,745 for fiscal year 2023.

Components of Net Pension Liability - At June 30, 2023, the District's proportionate share of the PERS net pension liability was \$711,637. The net pension liability was measured as of June 30, 2022. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The District's proportion measured as of June 30, 2022 was 0.004716% which was a decrease of 0.00040% from its proportion measured as of June 30, 2021.

HOPEWELL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8. PENSION PLANS (CONT'D)

Public Employees' Retirement System (Continued)

Pension Expense and Deferred Outflows/Inflows of Resources - The District's 2023 PERS pension expense, with respect to GASB 68, was \$(69,622). The District's 2023 deferred outflows of resources and deferred inflows of resources were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,136	\$ 4,529
Changes of assumptions	2,205	106,560
Net difference between projected and actual earnings on pension plan investments	29,454	
Changes in proportion	54,511	196,603
Contributions subsequent to the measurement date	59,465	
Total	\$ 150,771	\$ 307,692

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year</u>	<u>PERS</u>
2023	\$ (159,078)
2024	63,811
2025	(12,415)
2026	(111,655)
2027	2,951
Thereafter	
Total	\$ (216,386)

Additional Information - Collective Balances at June 30, 2023 and 2022 are as follows:

<u>Year</u>	<u>2023</u>	<u>2022</u>
Collective deferred outflows of resources	\$ 150,771	\$ 109,011
Collective deferred inflows of resources	\$ 307,692	\$ 560,189
Collective Net Pension Liability	\$ 711,637	\$ 605,932
District's Proportion	0.004716%	0.005115%

HOPEWELL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8. PENSION PLANS (CONT'D)

Public Employees' Retirement System (Continued)

Actuarial Assumptions - The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Investment Rate of Return	7.00%
Salary Increases:	
(Based on Years of Service):	2.75 – 6.55%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

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.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Additional Information - Collective Balances at June 30, 2023 and 2022 are as follows:

Year		2023		2022
Collective deferred outflows of resources	\$	150,771	\$	109,011
Collective deferred inflows of resources	\$	307,692	\$	560,189
Collective Net Pension Liability	\$	711,637	\$	605,932
District's Proportion		0.004716%		0.005115%

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, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

HOPEWELL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8. PENSION PLANS (CONT'D)

Public Employees' Retirement System (Continued)

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

PERS		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 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.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2022, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ <u>921,988</u>	\$ <u>711,637</u>	\$ <u>543,776</u>

HOPEWELL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8. PENSION PLANS (CONT'D)

Teachers' Pension and Annuity Fund

The State of New Jersey Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special funding situation that was established in 1955. 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. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

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

The following represents the membership tiers for TPAF:

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

Special Funding Situation - The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Contributions - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. The member contribution rate was 7.5% in as of July 1, 2021. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2022, the State's pension contribution was less than the actuarial determined amount. Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the District and all other related non-contributing employers. No normal or accrued liability contribution by the District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, Accounting and Financial Reporting for Pensions. The District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2023 because of the 100% special funding situation with the State of New Jersey.

HOPEWELL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8. PENSION PLANS (CONT'D)

Teachers' Pension and Annuity Fund (Continued)

During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$1,357,685 to the TPAF for pension contributions, \$356,660 for post-retirement benefits on behalf of the School, and \$419 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$297,858 during the year ended June 30, 2023 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Components of Net Pension Liability - At June 30, 2023, the District was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the District.

Pension Expense - For the year ended June 30, 2023, the District recognized pension expense of \$461,124 and revenue of \$461,124 for support provided by the State.

Actuarial Assumptions - The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>TPAF</u>
Investment Rate of Return	7.00%
Salary Increases	
(Based on Years of Service):	2.75 – 5.65%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

Long-Term Expected Rate of Return - Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

	TPAF	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
Total	<u>100.00%</u>	

HOPEWELL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8. PENSION PLANS (CONT'D)

Teachers' Pension and Annuity Fund (Continued)

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of 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 Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2022, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
State's Share of the Net Pension Liability associated with the District	\$ 20,121,980	\$ 17,134,004	\$ 14,667,285
State's Share of the Net Pension Liability	\$ <u>60,591,896,759</u>	\$ <u>51,676,587,303</u>	\$ <u>44,166,559,329</u>

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) is a multiple-employer defined contribution pension fund that was established in 2007 under the provisions of N.J.S.A 43:15C-1. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and long-term disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq.

The following represents the individuals eligible for membership in the DCRP:

Eligibility
1. State or Local Officials who are elected or appointed on or after July 1, 2007
2. Employees enrolled in the PERS or TPAF on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits
3. Employees enrolled in the PFRS or SPRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits
4. Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually
5. Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually

HOPEWELL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8. PENSION PLANS (CONT'D)

Defined Contribution Retirement Program (DCRP) - Continued

Contributions – The contribution policy is set by N.J.S.A 43:15C-3 and requires contributions by active members and contributing employers. Plan members are required to contribute 5.5% of their base salary and the District's employer match is an additional 3% contribution. For the year ended June 30, 2023, employee contributions totaled \$9,624 and the District's employer contribution, recognized in pension expense, was \$7,002. There were no forfeitures during the fiscal year.

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit State Retired Employees Plan:

State Health Benefit State Retired Employees Plan Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not prefund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

HOPEWELL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

General Information about the OPEB Plan

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits are the responsibility of the individual local education employers.

Special Funding Situation

The participating local education employer allocations included in the supplemental Schedule of special funding amounts by employer are provided as each local education employer is required to record in their financial statements, as an expense and corresponding revenue, their respective amount of total OPEB expense attributable to the State of New Jersey under the special funding situation and to include their respective amount of total OPEB liability in their notes to their financial statements. The total OPEB liability and service cost for each employer was determined separately based on actual data for each employer's participants.

HOPEWELL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	TPAF/ABP	PERS	PFRS
Salary Increases:	2.75% to 4.25% based on years of service	2.75% to 6.55% based on years of service	3.25% to 16.25% based on years of service

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) 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 disables retirees. Future disabled retirees was based on the Pub-2010 "Safety" (PFRS), "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.

Actuarial assumptions used in the July 1, 2021 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount rate

The discount rate used to measure the total OPEB liability was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

HOPEWELL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

Changes in the Total OPEB Liability

State of New Jersey	<u>Total OPEB Liability</u>
Balance as of June 30, 2021 Measurement Date	\$ 60,007,650,971
Changes for the year:	
Service Cost	2,770,618,025
Interest	1,342,187,139
Changes of Benefit Terms	0
Differences between Expected and Actual	1,399,200,736
Changes of Assumptions	(13,586,368,097)
Benefit Payments	(1,329,476,059)
Contributions from Members	42,650,252
Net Changes	(9,361,188,004)
Balance as of June 30, 2022 Measurement Date	\$ 50,646,462,967

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

The following presents the total nonemployer OPEB liability as of June 30, 2022, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

<u>June 30, 2022</u>		
At 1.00% Decrease 2.54%	At Discount Rate 3.54%	At 1.00% Increase 4.54%
\$ 59,529,589,697	50,646,462,966	43,527,080,995

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

The following presents the total nonemployer OPEB liability as of June 30, 2022, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

<u>June 30, 2022</u>		
1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
\$ 41,862,397,291	50,646,462,966	62,184,866,635

HOPEWELL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

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

For the year ended June 30, 2023, the School District recognized OPEB expense of \$181,649. The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 3,523,096	\$ (6,024,667)
Changes of Assumptions	3,415,257	(6,715,984)
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion	331,974	(1,235,571)
Contributions Subsequent to the Measurement Date		
Total	\$ 7,270,327	\$ (13,976,222)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows.

Measurement Period Ending June 30,	OPEB
2023	\$ 3,332,744
2024	3,332,744
2025	3,332,744
2026	3,466,181
2027	3,099,085
Thereafter	4,683,053
Total	\$ 21,246,551

NOTE 10. COMPENSATED ABSENCES

The School District accounts for compensated absences as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for 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 School District and its employees, is accrued as employees earn the rights to the benefits.

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

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

HOPEWELL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 10. COMPENSATED ABSENCES – (CONT'D)

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2023, a liability existed for compensated absences in the governmental activities in the amount of \$164,158.

NOTE 11. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows: Lincoln Investment Planning, AIG/Sunamerica, Valic, Prudential, New York Life, ING, GWN Marketing, Inc.

NOTE 12. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has chosen to purchase insurance to transfer risk to outside parties.

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

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's trust fund for the current and prior two years:

<u>Fiscal Year</u>	<u>Interest/District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022-2023	\$ 684	\$ 20,857	\$ 7,957	\$ 216,382
2021-2022	103	8,185	15,486	202,798
2020-2021	4,673	7,445		209,996

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

<u>Fiscal Year</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 75,167	\$
Special Revenue fund		75,167
Total	\$ <u>75,167</u>	\$ <u>75,167</u>

HOPEWELL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 14. FUND BALANCE APPROPRIATED

General Fund - Of the 2,238,430 General Fund balance at June 30, 2023, \$931,785 has been restricted in the Capital Reserve Account, of which \$100,000 has been withdrawn and appropriated and included as anticipated revenue for the year ended June 30, 2024; \$577,727 has been restricted in a Maintenance Account, of which \$100,000 has been appropriated and included as anticipated revenue for the year ending June 30, 2024; \$216,382 has been restricted for Unemployment Compensation; \$477,705 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7; \$221,600 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2024; \$9,400 has been assigned for encumbrances; \$81,235 of unassigned fund balance has been assigned and appropriated and included as anticipated revenue for the year ending June 30, 2024; and there is a deficit in unassigned fund balance of \$(55,804).

Debt Service Fund -The fund balance in the Debt Service Fund at June 30, 2023 is \$0.

NOTE 15. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2005, c.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey School Funding Reform Act of 2008 (SFRA). New Jersey School Districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 is \$477,705 of which \$221,600 was budgeted in the 2023-2024 budget and \$256,105 must be budgeted in the 2024-2025 budget.

NOTE 16. LITIGATION

The District is sometimes involved in claims and lawsuits incidental to operations. Per the District's legal counsel, there are no pending litigations, claims, assessments of contingent liability against the District.

NOTE 17. MAINTENANCE RESERVE

The District has a maintenance reserve with a balance of \$577,727 at June 30, 2023, of which \$100,000 was anticipated as revenue in the 2023-2024 budget. There were interest earnings of \$250.

New Jersey Statute 18A:7G-9 permits school districts to accumulate funds for the required maintenance of a facility in accordance with EFCFA. The balance may only be increased through an appropriation in the annual general fund budget certified for taxes. Upon completion of a school facilities projects, districts are required to submit a plan for maintenance of that facility. The activity of the maintenance reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance July 1, 2022	\$	477,477
Added by Resolution		200,000
Withdrawn		(100,000)
Added by Interest Earnings		250
Ending Balance June 30, 2023	\$	<u>577,727</u>

Districts are also permitted, as per N.J.S.A. 18A:7F-41(a) and 41(b) to deposit into the legal reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District did not deposit any additional funds into their Maintenance Reserve Account by Board Resolution in June 2023. The reserve is within the maximum balance of \$477,477 after the withdrawal in the 2023-2024 budget.

HOPEWELL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 18. DEFICIT FUND BALANCES

The District has a deficit in Unassigned Fund Balance of (\$55,804) in the General Fund and (\$71,647) in the Special Revenue Fund. P.L. 2004, c.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budgeted purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize

this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry i.e., if one government recognizes as asset, the other government recognizes a liability. Since the state is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the last state aid payment, the General and Special Revenue Fund balances do not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2, any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District's general fund deficit is less than the last state aid payments of \$359,160. The special revenue fund deficit of (\$71,647) is equal to the last state aid payments.

NOTE 19. RECEIVABLES

Receivables at June 30, 2023 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds. Receivables as of year-end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

<u>Receivables:</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Proprietary Funds</u>	<u>Total</u>
Intergovernmental	\$ 353,050	\$ 412,536	\$ 10,652	\$ 776,238
Other	4,697			4,697
Totals	\$ 357,747	\$ 412,536	\$ 10,652	\$ 780,935

NOTE 20. TAX ABATEMENT

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

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at NJSA 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 BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 21. CONTINGENT LIABILITIES

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

NOTE 22. SUBSEQUENT EVENTS

The District has evaluated subsequent events through December 4, 2023, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

End of Notes to Financial Statements

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

HOPEWELL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 3,755,578	\$	\$ 3,755,578	\$ 3,755,578	\$
Tuition from Individuals	33,943		33,943	34,534	591
Interest on Investments				3,225	3,225
Interest on Investments - Maintenance Reserve	250		250	250	
Interest on Investments - Capital Reserve	250		250	250	
Miscellaneous	78,113		78,113	152,750	74,637
Total - Local Sources	3,868,134		3,868,134	3,946,587	78,453
State Sources:					
Equalization Aid	2,931,941		2,931,941	2,931,941	
Categorical Special Education	279,437		279,437	279,437	
Transportation Aid	197,184		197,184	197,184	
Security Aid	89,617		89,617	89,617	
Adjustment Aid	165,311		165,311	165,311	
Extraordinary Aid				48,676	48,676
Non-Public Transportation Aid				4,680	4,680
Lead Testing Aid				2,750	2,750
On-behalf TPAF Pension Contribution				1,357,685	1,357,685
On-behalf TPAF Post Retirement Medical Contribution				356,660	356,660
On-behalf TPAF Long-term Disability Contribution				419	419
Reimbursement TPAF Social Security				297,858	297,858
Total - State Sources	3,663,490		3,663,490	5,732,218	2,068,728
Federal Sources:					
Medicaid Assistance (SEMI)				25,595	25,595
Total - Federal Sources				25,595	25,595
TOTAL REVENUES	\$ 7,531,624	\$	\$ 7,531,624	\$ 9,704,400	\$ 2,172,776
EXPENDITURES:					
Current Expense:					
Instruction - Regular Programs:					
Salaries of Teachers:					
Preschool	\$	\$ 43,260	\$ 43,260	\$ 42,487	\$ 773
Kindergarten	183,351		183,351	124,977	58,374
Grades 1-5	1,416,072	(100,000)	1,316,072	1,140,565	175,507
Grades 6-8	842,420	5,225	847,645	847,626	19
Home Instruction:					
Salaries of Teachers	4,000		4,000	1,080	2,920
Purchased Professional Educational Services	3,000	(390)	2,610	2,610	
Regular Programs - Undistributed					
Instruction:					
Other Salaries for Instruction	43,208		43,208		43,208
Other Purchased Services	20,000	6,022	26,022	24,778	1,244
General Supplies	181,036	(67,630)	113,406	112,991	415
Textbooks	5,000	(5,000)			
Other Objects	14,500	6,578	21,078	20,656	422
Total Regular Programs	\$ 2,712,587	\$ (111,935)	\$ 2,600,652	\$ 2,317,770	\$ 282,882

HOPEWELL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Amendments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
Special Education					
Learning/Language Disabled:					
Instruction					
Salaries of Teachers	\$ 167,511	\$ (71,444)	\$ 96,067	\$ 95,564	\$ 503
Other Salaries for Instructions	237,546	(127,000)	110,546	90,694	19,852
General Supplies	5,000	(2,999)	2,001	1,329	672
Textbooks	1,000	(100)	900		900
Total Learning/Language Disabled	411,057	(201,543)	209,514	187,587	21,927
Multiple Disabilities:					
Salaries of Teachers		97,388	97,388	97,058	330
Other Salaries for Instruction		127,000	127,000	104,236	22,764
General Supplies		5,241	5,241	4,987	254
Total Multiple Disabilities		229,629	229,629	206,281	23,348
Resource Room:					
Salaries of Teachers	305,310	43,456	348,766	348,766	
General Supplies	2,000		2,000	1,354	646
Textbooks	500		500		500
Total Resource Room	307,810	43,456	351,266	350,120	1,146
Autism:					
Salaries of Teachers					
General Supplies					
Total Autism					
TOTAL SPECIAL EDUCATION	718,867	71,542	790,409	743,988	46,421
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	68,559		68,559	16,264	52,295
General Supplies	2,000		2,000	528	1,472
Total Basic Skills/Remedial Instruction	70,559		70,559	16,792	53,767
Bilingual Education - Instruction:					
Salaries of Teachers					
General Supplies					
Total Bilingual Instruction					
School Sponsored Co-curricular Activities:					
Salaries	42,000	(200)	41,800	27,648	14,152
Total School Sponsored Co-curricular Activities	42,000	(200)	41,800	27,648	14,152
School Sponsored Athletics:					
Salaries	72,159		72,159		72,159
Total School Sponsored Athletics	72,159		72,159		72,159
Total Instruction	3,616,172	(40,593)	3,575,579	3,106,198	469,381
Undistributed Expenditures:					
Instruction:					
Tuition - Other LEAs Within the State - Special	80,055	(38,242)	41,813	32,571	9,242
Tuition to Private Schools for the Disabled Within State	57,000	(34,748)	22,252	22,252	
Total Undistributed Expenditures - Instruction	\$ 137,055	\$ (72,990)	\$ 64,065	\$ 54,823	\$ 9,242

HOPEWELL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES: (Continued)					
CURRENT EXPENDITURES: (Continued)					
Attendance and Social Work Services:					
Salaries	\$ 2,548	\$	\$ 2,548	\$ 2,522	\$ 26
Total Attendance and Social Work Services	2,548		2,548	2,522	26
Health Services:					
Salaries	86,281	1,200	87,481	87,424	57
Purch Prof/ Tech Services	5,500	3,497	8,997	7,972	1,025
Other Purchased Services	100	9,513	9,613	9,587	26
Supplies and Materials	5,300	(3,033)	2,267	1,224	1,043
Other Objects	300		300		300
Total Health Services	97,481	11,177	108,658	106,207	2,451
Speech, OT, PT & Related Services:					
Salaries	89,901		89,901	58,724	31,177
Purchased Prof - Education Services	85,000	1,100	86,100	86,081	19
Supplies and Materials	1,100		1,100	320	780
Total Speech, OT, PT & Related Services	176,001	1,100	177,101	145,125	31,976
Other Support Services - Extraordinary Services:					
Salaries					
Purchased Prof - Education Services					
Total Other Support Services - Extraordinary Services					
Other Support Services - Students-Regular Guidance:					
Salaries Other Professionals	74,420		74,420	69,535	4,885
Salaries of Secretarial and Clerical Assistants	100		100		100
Supplies and Materials	1,500		1,500	1,247	253
Total Other Support Services - Students-Regular Guidance	76,020		76,020	70,782	5,238
Other Support Services - Students- Child Study Teams:					
Salaries of Other Professional Staff	276,248	(49,700)	226,548	222,498	4,050
Salaries of Secretarial and Clerical Assistants	57,259	(5,600)	51,659	40,257	11,402
Other Purchased Prof, and Tech. Services	14,000	(1,100)	12,900	9,660	3,240
Other Purchased Services (400 - 500 series)	9,000	(120)	8,880	5,856	3,024
Supplies and Materials	4,000		4,000	1,976	2,024
Other Objects	800	120	920	920	
Total Other Support Services - Students- Child Study Teams	361,307	(56,400)	304,907	281,167	23,740
Improvement of Instructional Services:					
Salaries of Supervisor of Instruction	87,102		87,102	87,102	
Salaries of Sec and Clerical Assist		20,196	20,196	20,196	
Salaries of Other Professional Staff	2,000		2,000	475	1,525
Other Purchased Services	3,000		3,000		3,000
Supplies and Materials	1,800		1,800	308	1,492
Total Improvement of Instructional Services	93,902	20,196	114,098	108,081	6,017
Educational Media Services/School Library:					
Salaries	76,058		76,058	43,721	32,337
Other Purchased Services	30,000	3,272	33,272	33,260	12
Supplies and Materials	3,000		3,000	1,156	1,844
Total Educational Media Services/School Library	\$ 109,058	\$ 3,272	\$ 112,330	\$ 78,137	\$ 34,193

HOPEWELL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
Undistributed Expenditures:					
Instructional Staff Training Services:					
Purchased Professional and Educational Services					
Other Purchased Services					
Supplies and Materials					
Other Objects					
Total Inst. Staff Training Services					
Support Services General Administration:					
Salaries	\$ 73,387	\$ 5,973	\$ 79,360	\$ 79,318	\$ 42
Legal Services	47,000	(29,950)	17,050	16,182	868
Audit Fees	23,000	1,600	24,600	24,600	
Architectural/Engineering Services	5,000	(5,000)			
Communication/Telephone	35,000	3,127	38,127	34,853	3,274
BOE Other Purchased Services	600		600		600
Other Purchased Services	11,000	10,309	21,309	17,818	3,491
General Supplies	9,000	(7,206)	1,794	1,259	535
BOE In-House Training/ Meeting Supplies	500		500	400	100
Miscellaneous Expenditures	4,000		4,000	2,110	1,890
BOE Membership Dues and Fees	6,000	500	6,500	6,201	299
Total Support Services General Administration	214,487	(20,647)	193,840	182,741	11,099
Support Services School Administration:					
Salaries of Principals/Assistant Principals	88,758	27,469	116,227	116,225	2
Salaries of Secretarial and Clerical Assistants	93,201	(3,884)	89,317	89,274	43
Other Purchased Services	3,000	3,110	6,110	6,069	41
Supplies and Materials	3,500	(381)	3,119	3,119	
Other Objects	3,200	(3,200)			
Total Support Services School Administration	191,659	23,114	214,773	214,687	86
Central Services:					
Salaries	169,599	1,400	170,999	170,996	3
Other Purchased Services	31,000	24,100	55,100	53,355	1,745
Supplies and Materials	5,000	(190)	4,810	1,274	3,536
Miscellaneous Expenditures	1,065		1,065	1,065	
Total Central Services	206,664	25,310	231,974	226,690	5,284
Admin. Info. Technology:					
Purchased Technical Services	50,246		50,246	46,347	3,899
Total Admin. Info. Technology	50,246		50,246	46,347	3,899
Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	152,800	20,191	172,991	162,851	10,140
General Supplies	45,050	(30,720)	14,330	14,045	285
Other Objects	38,000	2,570	40,570	40,570	
Required Maintenance for School Facilities:	\$ 235,850	\$ (7,959)	\$ 227,891	\$ 217,466	\$ 10,425

HOPEWELL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
Custodial Services:					
Salaries	\$ 227,727	\$	\$ 227,727	\$ 210,005	\$ 17,722
Purchased Professional and Technical Services	4,400		4,400		4,400
Cleaning, Repair, and Maintenance Services	129,025	(35,546)	93,479	83,330	10,149
Insurance	60,582	(16,129)	44,453	43,643	810
Miscellaneous Purchased Services	700	129	829	829	
General Supplies	51,000	(6,322)	44,678	35,361	9,317
Energy (Natural Gas)	25,000	(13,000)	12,000	11,794	206
Energy (Electricity)	168,500		168,500	165,722	2,778
Other Objects	617		617	316	301
Total Custodial Services	667,551	(70,868)	596,683	551,000	45,683
Security:					
Purchased Professional and Technical Services		64,800	64,800	52,650	12,150
Total Security		64,800	64,800	52,650	12,150
Care and Upkeep of Grounds:					
Salaries	9,000		9,000	4,130	4,870
Cleaning, Repair and Maintenance Services	25,000	(10,200)	14,800	12,885	1,915
General Supplies	2,000		2,000	920	1,080
Total Care and Upkeep of Grounds	36,000	(10,200)	25,800	17,935	7,865
Total Operation and Maintenance of Plant Services	939,401	(24,227)	915,174	839,051	76,123
Salaries - Between Home & School - Regular					
Management Fee - ESC & CTSA Trans. Program					
Cleaning, Repair and Maintenance Services					
Lease Purchase Payments					
Contracted Services - Aid in Lieu of Payments - Nonpublic	9,000	11,319	20,319	18,297	2,022
Contracted Services - Aid in Lieu of Payments - Charter Sch]	5,000	(2,956)	2,044	1,533	511
Contracted Services - Aid in Lieu of Payments - Choice Sch	6,000	(4,978)	1,022	1,022	
Contracted Services (Other Than Bet Home & Sch) Vendor	18,000	1,067	19,067	18,562	505
Contracted Services (Bet Home & Sch) Joint Agmnts	332,409	8,894	341,303	341,303	
Contracted Services (Special Ed. Students) - Joint Agreemen	175,100	49,700	224,800	224,750	50
Total Student Transportation Services	545,509	63,046	608,555	605,467	3,088
Allocated Benefits:					
Student Transportation Services					
Social Security Contributions					
Unallocated Benefits:					
Social Security Contributions	75,000	3,900	78,900	78,880	20
Other Retirement Contributions - PERS	70,000	(10,535)	59,465	59,465	
Other Retirement Contributions - Regular	5,000		5,000	3,883	1,117
Workers Compensation	77,000	(16,489)	60,511	60,511	
Health Benefits	927,619	167,443	1,095,062	1,065,777	29,285
Tuition Reimbursement	15,000	(11,201)	3,799	3,799	
Other Employee Benefits	10,811	(3,900)	6,911	4,849	2,062
Total Unallocated Benefits	1,180,430	129,218	1,309,648	1,277,164	32,484
On-behalf TPAF Pension Contributions				1,357,685	(1,357,685)
On-behalf TPAF Post Retirement Medical Contribution				356,660	(356,660)
On-behalf TPAF Long-term Disability Contribution				419	(419)
Reimbursement TPAF Social Security				297,858	(297,858)
Total Personal Services - Employee Benefits	1,180,430	129,218	1,309,648	3,289,786	(1,980,138)
Total Undistributed Expenditures	4,381,768	102,169	4,483,937	6,251,613	(1,767,676)
Interest Earned on Maintenance Reserve	250		250		250
TOTAL EXPENDITURES - CURRENT EXPENSE	\$ 7,998,190	\$ 61,576	\$ 8,059,766	\$ 9,357,811	\$ (1,298,045)

**HOPEWELL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES: (Continued)					
CAPITAL OUTLAY:					
Interest Deposit to Capital Reserve	\$ 250	\$	\$ 250	\$	\$ 250
Equipment:					
Equipment - Grades 1-5	21,000	40,910	61,910	61,910	
Equipment - Grades 6-8		20,590	20,590	20,590	
Undistributed Expenditures - Custodial Svcs		6,322	6,322	6,322	
Total Equipment	21,000	67,822	88,822	88,822	
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services		6,520	6,520	6,425	95
Construction Services		231,540	231,540	231,540	
Assessment for Debt Service on SDA Funding	17,182		17,182	17,182	
Total Facilities Acquisition and Construction Services	17,182	238,060	255,242	255,147	95
TOTAL CAPITAL OUTLAY	38,432	305,882	344,314	343,969	345
TOTAL EXPENDITURES	\$ 8,036,622	\$ 367,458	\$ 8,404,080	\$ 9,701,780	\$ (1,297,700)
Excess (Deficiency) of Revenues and Other Over (Under) Expenditures	\$ (504,998)	\$ (367,458)	\$ (872,456)	\$ 2,620	\$ 875,076
Other financing sources (uses):					
Operating Transfer out - Charter Schools	(96,061)		(96,061)	(69,132)	26,929
Capital Reserve - Transfer to Capital Projects	(361,000)	230,060	(130,940)		130,940
Transfer to Preschool Program	(65,095)	65,095			
Total Other Financing Sources	(522,156)	295,155	(227,001)	(69,132)	157,869
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,027,154)	(72,303)	(1,099,457)	(66,512)	1,032,945
Fund Balances, July 1	2,664,102		2,664,102	2,664,102	
Fund Balances, June 30	\$ 1,636,948	\$ (72,303)	\$ 1,564,645	\$ 2,597,590	\$ 1,032,945
RECAPITULATION :					
Reserved:					
Restricted Fund Balance:					
Excess Surplus				\$ 256,105	
Excess Surplus - Designated for Subsequent Year's Expenditures				221,600	
Unemployment Compensation				216,382	
Capital Reserve				931,785	
Maintenance Reserve				477,727	
Assigned:					
Maintenance Reserve - Designated for Subsequent Year's Expenditures				100,000	
Encumbrances				9,400	
Designated for Subsequent Year's Expenditures				81,235	
Unassigned Fund Balance				303,356	
				2,597,590	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				(359,160)	
Fund Balance per Governmental Funds (GAAP)				\$ 2,238,430	

HOPEWELL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Federal Sources	\$ 311,493	\$ 1,254,888	\$ 1,566,381	\$ 931,616	\$ 634,765
State Sources	731,567		731,567	727,113	4,454
Local Sources		58,913	58,913	41,267	17,646
Total Revenues	<u>1,043,060</u>	<u>1,313,801</u>	<u>2,356,861</u>	<u>1,699,996</u>	<u>656,865</u>
EXPENDITURES:					
Instruction					
Salaries of Teachers	361,717	510,330	872,047	582,639	289,408
Salaries - Other Instruction	79,842	12,311	92,153	92,153	
Other Purchased Services	30,000	9,449	39,449	25,727	13,722
Tuition	142,223	(19,662)	122,561	117,426	5,135
General Supplies	103,500	231,959	335,459	301,230	34,229
Total Instruction	<u>717,282</u>	<u>744,387</u>	<u>1,461,669</u>	<u>1,119,175</u>	<u>342,494</u>
Support Services					
Salaries - Supervisor of Instruction	66,164		66,164	64,566	1,598
Salaries			32,000	2,565	29,435
Other Salaries for Instruction	24,075	13,002	37,077	37,077	
Personal Services-Employee Benefits	136,944	252,803	389,747	284,824	104,923
Purchased Professional Technical Services			155,116	6,899	148,217
Purchased Professional Ed. Services			33,010	33,010	
Transportation	71,400		71,400	71,400	
Transportation - Field Trips	4,000		4,000	1,420	2,580
Travel	5,000		700	600	100
Other Purchased Services	13,195		34,493	16,309	18,184
Scholarships Awarded		500	500	500	-
Student Activity		40,949	40,949	40,949	-
Supplies and Materials	5,000	25,036	30,036	21,796	8,240
Total Support Services	<u>325,778</u>	<u>332,290</u>	<u>895,192</u>	<u>581,915</u>	<u>313,277</u>
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment					
Total Facilities Acquisition and Construction Services					
Total Expenditures	<u>1,043,060</u>	<u>1,313,801</u>	<u>2,356,861</u>	<u>1,701,090</u>	<u>655,771</u>
Other Financing Sources (Uses)					
Total Outflows	<u>1,043,060</u>	<u>1,313,801</u>	<u>2,356,861</u>	<u>1,701,090</u>	<u>655,771</u>
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	\$	\$	\$	\$ (1,094)	\$ (1,094)
Transfer from General Fund					
Fund Balance, July 1				41,302	41,302
Fund Balance, June 30				\$ 40,208	\$ 40,208

**NOTES TO THE REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

HOPEWELL TOWNSHIP BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET-TO-GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule	[C-1] \$ 9,704,400	E-1 \$ 1,699,996
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that		
encumbrances are recognized as expenditures, and the related		
revenue is recognized.		
Prior Year		50,000
Current Year		(1,541)
State aid payment recognized for GAAP statements in current year,		
previously recognized for budgetary purposes.	345,501	32,547
State aid payment recognized for budgetary purposes,		
not recognized for GAAP statements until the subsequent year.	(359,160)	(71,647)
Total revenues as reported on the statement of revenues, expenditures		
and changes in fund balances - governmental funds.	[B-2] \$ 9,690,741	[B-2] \$ 1,709,355
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the		
budgetary comparison schedule	[C-1] \$ 9,701,780	E-1 \$ 1,701,090
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but		
not received are reported in the year the order is placed for		
budgetary purposes, but in the year the supplies are received		
for financial reporting purposes.		
Prior Year		50,000
Current Year		(1,541)
Transfers to and from other funds are presented as outflows of		
budgetary resources but are not expenditures		
for financial reporting purposes.		
Net transfers (outflows) to general fund		
Total expenditures as reported on the statement of revenues,		
expenditures, and changes in fund balances - governmental funds	[B-2] \$ 9,701,780	[B-2] \$ 1,749,549

REQUIRED SUPPLEMENTARY INFORMATION - PART III

HOPEWELL TOWNSHIP BOARD OF EDUCATION
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees' Retirement System (PERS)
Last Ten Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's Proportion of the Net Pension Liability	0.004716%	0.005115%	0.006135%	0.005746%	0.005671%	0.005134%	0.005209%	0.005092%	0.004457%	0.004378%
District's Proportionate Share of the Net Pension Liability	\$ 711,637	\$ 605,932	\$ 1,000,416	\$ 1,035,367	\$ 1,113,857	\$ 1,195,087	\$ 1,542,889	\$ 1,143,090	\$ 834,475	\$ 836,587
District's Covered-Employee Payroll	\$ 448,745	\$ 372,624	\$ 374,274	\$ 439,765	\$ 393,070	\$ 390,582	\$ 342,827	\$ 357,938	\$ N/A	\$ N/A
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	158.58%	162.61%	267.30%	235.44%	283.37%	305.98%	450.05%	319.35%	N/A	N/A
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

N/A = Information not available

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is compiled, this presentation will include information for those years for which information is available.

HOPEWELL TOWNSHIP BOARD OF EDUCATION
Schedule of District Contributions
Public Employees' Retirement System (PERS)
Last Ten Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 59,465	\$ 59,901	\$ 67,111	\$ 55,893	\$ 56,504	\$ 47,560	\$ 46,280	\$ 43,779	\$ 36,743	\$ 32,982
Contributions in relation to the Contractually Required Contribution	(59,465)	(59,901)	(67,111)	(55,893)	(56,504)	(47,560)	(46,280)	(43,779)	(36,743)	(32,982)
Contribution Deficiency (Excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's Covered-Employee Payroll	\$ 448,745	\$ 420,454	\$ 372,624	\$ 374,274	\$ 439,765	\$ 393,070	\$ 390,582	\$ 342,827	\$ 357,938	N/A
Contributions as a Percentage of Covered-Employee Payroll	13.25%	14.25%	18.01%	14.93%	12.85%	12.10%	11.85%	12.77%	10.27%	N/A

N/A = Information not available

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is compiled, this presentation will include information for those years for which information is available.

HOPEWELL TOWNSHIP BOARD OF EDUCATION
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund (TPAF)
Last Ten Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's Proportion of the Net Pension Liability	0.033209%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
District's Proportionate Share of the Net Pension Liability	\$ 17,134,004	\$ 15,204,551	\$ 21,192,709	\$ 21,366,124	\$ 21,894,173	\$ 23,299,063	\$ 27,729,244	\$ 22,240,528	\$ 16,254,778	\$ 17,137,375
District's Covered-Employee Payroll	\$ 4,105,624	\$ 3,744,189	\$ 3,659,917	\$ 3,491,841	\$ 3,460,481	\$ 3,649,797	\$ 3,490,672	\$ 3,495,758	\$ N/A	\$ N/A
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	417.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N/A	N/A
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

N/A = Information not available

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is compiled, this presentation will include information for those years for which information is available.

HOPEWELL TOWNSHIP BOARD OF EDUCATION
Required Supplementary Information - Part III
Schedule of Changes in the Total OPEB Liability and Related Ratios
State Health Benefit Local Education Retired Employees Plan
Last Ten Fiscal Years*

	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service Cost	\$ 828,072	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Interest Cost	522,942	N/A	N/A	N/A	N/A	N/A
Changes of Benefit Terms						
Differences Between Expected and Actual Experiences	1,139,532	N/A	N/A	N/A	N/A	N/A
Changes of Assumptions	(5,293,514)	N/A	N/A	N/A	N/A	N/A
Member Contributions	16,617	N/A	N/A	N/A	N/A	N/A
Gross Benefit Payments	(517,990)	N/A	N/A	N/A	N/A	N/A
Net Change in Total OPEB Liability	(3,304,341)	N/A	N/A	N/A	N/A	N/A
Total OPEB Liability - Beginning	23,723,658	27,404,723	17,444,824	19,440,326	23,646,195	N/A
Total OPEB Liability - Ending	\$ 20,419,317	\$ 23,723,658	\$ 27,404,723	\$ 17,444,824	\$ 19,440,326	\$ 23,646,195
Covered-Employee Payroll	\$ 4,554,369	\$ 4,116,813	\$ 4,034,191	\$ 3,931,606	\$ 3,853,551	\$ 4,040,379
Total OPEB Liability as a Percentage of Covered-Employee Payroll	448.35%	490.06%	549.03%	341.92%	369.90%	390.64%

N/A = Information not available

Notes to Schedule:

Changes of Benefit Terms: The decrease in liability from June 30, 2020 to June 30, 2021 is due to employers adopting Chapter 44 provisions.

Differences Between Expected and Actual Experiences: The decrease in liability from June 30, 2020 to June 30, 2021 is due to changes in the census.

Changes in Assumptions: The increase in the liability from June 30, 2020 to June 30, 2021 is due to the combined effect of Trend Updates, Mortality Projection Scale Updates, Discount Rate Changes, and Salary Scale changes.

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

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

HOPEWELL TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	ESEA			IDEA				Equalization Stabilization Fund					Sub-Total Per E-1 (2)	Totals	
	Title I Part A	Title II Part A	Title IV Part A	I.D.E.A. Part B Basic	I.D.E.A. Pre- School	ARP IDEA Preschool	ARP IDEA Basic	ARP Consolidated							
	2022-2023	2022-2023	2022-2023					ARP ESSER	CRRSA ESSER II	CR Learning Accel.	CR Beyond School	CR Mental Health			
														2023	2022
REVENUES:															
Federal Sources	\$ 110,907	\$ 8,208	\$ 20,000	\$ 113,845	\$ 3,581	\$ 2,018	\$ 23,709	\$ 374,820	\$ 176,779	\$ 25,000	\$ 1,872	\$ 33,800	\$ 37,077	\$ 931,616	\$ 535,199
State Sources													727,113	727,113	90,268
Local Sources													41,267	41,267	411,546
Total Revenues	110,907	8,208	20,000	113,845	3,581	2,018	23,709	374,820	176,779	25,000	1,872	33,800	805,457	1,699,996	1,037,013
EXPENDITURES:															
Instruction:															
Salaries of Teachers	70,000							208,616	6,544	23,000			274,479	582,639	425,608
Salaries - Other Instruction													92,153	92,153	
Other Purchased Services						2,018	23,709							25,727	
Tuition				113,845	3,581									117,426	160,788
General Supplies	4,260		20,000					28,752	169,646	240	1,872		76,460	301,230	23,241
Total Instruction	74,260		20,000	113,845	3,581	2,018	23,709	237,368	176,190	23,240	1,872		443,092	1,119,175	609,637
Support Services:															
Salaries								2,565						2,565	24,772
Clerical Salaries															
Other Salaries															
Personal Services-Employee Benefits	35,700							110,420		1,760			101,643	101,643	
Purchased Profess. Tech. Services		6,899											136,944	284,824	212,849
Purchased Profess. Ed Services								14,210						6,899	55,058
Transportation												18,800		33,010	
Transportation - Field Trips													71,400	71,400	44,420
Travel													1,420	1,420	
Other Purchased Services													600	600	
Scholarships Awarded		1,309										15,000		16,309	3,445
Student Activity													500	500	
Supplies and Materials	947							10,257	589				40,949	40,949	13,135
													10,003	21,796	11,659
Total Support Services	36,647	8,208						137,452	589	1,760		33,800	363,459	581,915	365,338
Facilities Acquisition/Construction:															
Non-Instructional Equipment															50,000
Total Facilities Acquisition/Construction															50,000
Total Expenditures	\$ 110,907	\$ 8,208	\$ 20,000	\$ 113,845	\$ 3,581	\$ 2,018	\$ 23,709	\$ 374,820	\$ 176,779	\$ 25,000	\$ 1,872	\$ 33,800	\$ 806,551	\$ 1,701,090	\$ 1,024,975
Excess (Deficiency) of Revenues Over (Under) Expenditures													(1,094)	(1,094)	12,038
Transfer from General Fund															
Fund Balance, July 1													41,302	41,302	29,264
Fund Balance, June 30													\$ 40,208	\$ 40,208	\$ 41,302

EXHIBIT E-1
(2)

HOPEWELL TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	Safety Grant 22-23	Scholarship Fund	Student Activity Fund	REAP Grant	Preschool Education 2022-23	Totals 2023
REVENUES:						
Federal Sources				\$ 37,077		\$ 37,077
State Sources					\$ 727,113	727,113
Local Sources	\$ 912	\$ 920	\$ 39,435			41,267
Total Revenues	912	\$ 920	39,435	37,077	727,113	805,457
EXPENDITURES:						
Instruction:						
Salaries of Teachers					274,479	274,479
Salaries - Other Instructional					92,153	92,153
Other Purchased Services						
General Supplies					76,460	76,460
Total Instruction					443,092	443,092
Support Services:						
Salaries						
Other Salaries				37,077	64,566	101,643
Personal Services-Employee Benefits					136,944	136,944
Other Purchased Services						
Transportation					71,400	71,400
Transportation - Field Trips					1,420	1,420
Travel					600	600
Scholarships Awarded		500				500
Student Activity			40,949			40,949
Materials and Supplies	912				9,091	10,003
Total Support Services	912	500	40,949	37,077	284,021	363,459
Facilities Acquisition/Construction:						
Instructional Equipment						
Total Facilities Acquisition/Construction						
Total Expenditures	\$ 912	\$ 500	\$ 40,949	\$ 37,077	\$ 727,113	\$ 806,551
Excess (Deficiency) of Revenues Over (Under) Expenditures		420	(1,514)			
Transfer from General Fund						
Fund Balance, July 1			41,302			41,302
Fund Balance, June 30		\$ 420	\$ 39,788			\$ 40,208

HOPEWELL TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 274,492	\$ 274,479	\$ 13
Other Salaries for Instruction	92,164	92,153	11
Purchased Prof/ Educ Services	13,725		13,725
Supplies & Materials	76,501	76,460	41
Total Instruction	<u>456,882</u>	<u>443,092</u>	<u>13,790</u>
Support Services:			
Salaries- Superviso	66,164	64,566	1,598
Personal Services - Employee Benefits	136,944	136,944	
Transportation	71,400	71,400	
Transportation - Field Trips	4,000	1,420	2,580
Travel	700	600	100
Supplies & Materials	9,091	9,091	
Total Support Services	<u>288,299</u>	<u>284,021</u>	<u>4,278</u>
Facilities Acquisition and Const. Services:			
Instructional Equipment			
Non Instructional Equipment	36,386		36,386
Total Facilities Acquisition and Const. Services	<u>36,386</u>		<u>36,386</u>
Contribution to Charter Schools			
Total Expenditures	<u>\$ 781,567</u>	<u>\$ 727,113</u>	<u>\$ 54,454</u>

CALCULATION OF BUDGET AND CARRYOVER

Total Revised 2022-2023 Preschool Education Aid Allocation \$	716,472	(1)
Add: Actual ECPA/PEA Carryover (June 30, 2022)	235,281	(2)
Add: Budgeted Transfer from the General Fund 2022-2023		(3)
Total Preschool Education Aid Funds Available for 2022-2023 Budget	951,753	(4)
Less: 2021-2022 Budgeted Preschool Education Aid (including prior year budget carryover)	(781,567)	(5)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2023	170,186	(6)
Add: June 30, 2023 Unexpended Preschool Education Aid	54,454	(7)
Less: 2022-2023 Commissioner-approved Transfer to the General Fund		(8)
2022-2023 Carryover - Preschool Education Aid Programs \$	224,640	(9)
2022-2023 Preschool Education Aid Carryover Budgeted for Preschool Programs 2023-2024 \$		(10)

The Board should consider appropriating this additional carry-over into the 2023-2024 budget \$ 224,640

PROPRIETARY FUND DETAIL STATEMENTS

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

Food Services Fund – This fund provides for the operation of food services in all schools within the school district.

HOPEWELL TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2023 AND 2022

	<u>Food Service Enterprise Fund</u>	<u>Extended Day Enterprise Fund</u>	<u>Totals</u>	<u>Totals</u>
			<u>2023</u>	<u>2022</u>
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	\$ 206,171	\$ 53,928	\$ 260,099	\$ 174,850
Accounts Receivable:				
State	170		170	266
Federal	2,785		2,785	17,772
Other		7,697	7,697	7,697
Inventories	2,161		2,161	3,199
Total Current Assets	<u>211,287</u>	<u>61,625</u>	<u>272,912</u>	<u>203,784</u>
Fixed Assets:				
Equipment	235,154		235,154	235,154
Accumulated Depreciation	(142,649)		(142,649)	(132,522)
Total Fixed Assets	<u>92,505</u>	<u></u>	<u>92,505</u>	<u>102,632</u>
Total Assets	<u>303,792</u>	<u>61,625</u>	<u>365,417</u>	<u>306,416</u>
LIABILITIES:				
Current Liabilities:				
Accounts Payable	168	36	204	240
Unearned Revenue	454	12,354	12,808	13,840
Total Current Liabilities	<u>622</u>	<u>12,390</u>	<u>13,012</u>	<u>14,080</u>
NET POSITION:				
Invested in Capital Assets Net of Related Debt	92,505		92,505	102,632
Unrestricted	210,665	49,235	259,900	189,704
Total Net Position	<u>\$ 303,170</u>	<u>\$ 49,235</u>	<u>\$ 352,405</u>	<u>\$ 292,336</u>

HOPEWELL TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

	Food Service Enterprise Fund	Extended Day Enterprise Fund	Totals 2023	2022
OPERATING REVENUES:				
Local Sources:				
Daily Sales - Reimbursable Programs:				
School Lunch Program	\$ 89,711	\$	\$ 89,711	\$
Total Daily Sales - Reimbursable Programs				
Daily Sales Non-Reimbursable Programs	77,434		77,434	14,525
Fees for services		93,549	93,549	71,304
Total Operating Revenue	167,145	93,549	260,694	85,829
OPERATING EXPENSES:				
Salaries	93,719	86,957	180,676	175,086
Employee Benefits	17,845		17,845	14,025
Supplies and Materials	26,641	8,450	35,091	24,882
Purchased Professional/Technical Services				1,723
Purchased Property Services				11,123
Depreciation	10,127		10,127	12,225
Cost of Sales - Reimbursable Programs	129,763		129,763	100,694
Cost of Sales - Non-Reimbursable Programs	35,378		35,378	27,453
Commodity food costs				24,442
Insurance	4,006		4,006	3,009
Management Fee	33,450		33,450	31,200
Miscellaneous Expenditures	1,910	2,066	3,976	5,928
Total Operating Expenses	352,839	97,473	450,312	431,790
Operating Income (Loss)	(185,694)	(3,924)	(189,618)	(345,961)
Non-Operating Revenues:				
State Sources:				
State School Breakfast Program	3,609		3,609	
State School Lunch Program	5,563		5,563	6,742
Federal Sources:				
School Breakfast Program	44,640		44,640	97,912
National School Lunch Program	133,046		133,046	288,497
Supply Chain Assistance Funding	36,496		36,496	
P-EBT Administrative Cost Reimbursement	653		653	1,242
Food Distribution Program	25,680		25,680	24,442
Miscellaneous				180
Total Non-Operating Revenues	249,687		249,687	419,015
Net Income before Operating Transfers	63,993	(3,924)	60,069	73,054
Net Income	63,993	(3,924)	60,069	73,054
Net Position - July 1	239,177	53,159	292,336	219,282
Net Position - June 30	\$ 303,170	\$ 49,235	\$ 352,405	\$ 292,336

HOPEWELL TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

	Food Service Enterprise Fund	Extended Day Enterprise Fund	Totals 2023	2022
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 167,145	\$ 93,549	\$ 260,694	\$ 90,492
Payments to Employees and Employee Benefits	(111,564)	(86,957)	(198,521)	(74,448)
Payments to Suppliers	(216,095)	(10,516)	(226,611)	(331,915)
Net Cash Provided by Noncapital Financing Activities	(160,514)		(164,438)	(315,871)
Cash Flows from Noncapital Financing Activities:				
Cash Received from State and Federal Reimbursements	249,687		249,687	390,259
Miscellaneous				180
Net Cash Provided by Noncapital Financing Activities	249,687		249,687	390,439
Cash Flows from Capital & Related Financing Activities				
Purchase of Capital Assets				(10,350)
Net Cash Provided by Capital and Related Financing Activities				(10,350)
Cash Flows From Investing Activities				
Interest and Dividends				
Net Cash Provided by Investing Activities				
Net Decrease in Cash and Cash Equivalents	89,173	(3,924)	85,249	64,218
Cash and Cash Equivalents, July 1	116,998	57,852	174,850	110,632
Cash and Cash Equivalents, June 30	\$ 206,171	\$ 53,928	\$ 260,099	\$ 174,850
Operating Income (Loss)	\$ (185,694)	\$ (3,924)	\$ (189,618)	\$ (345,961)
Adjustments to Reconcile Operating Income (Loss) to Cash Used by Operating Activities:				
Depreciation	10,127		10,127	12,225
Food Distribution Program				24,442
Change in Assets and Liabilities:				
(Increase)/Decrease in Accounts Receivable	15,083		15,083	4,876
(Increase)/Decrease in Inventory	1,038		1,038	4,413
Increase/(Decrease) in Accounts Payable	(36)		(36)	(14,640)
Increase/(Decrease) in Due to General				
Increase/(Decrease) in Unearned Revenue	(1,032)		(1,032)	(1,226)
Net Cash Used by Operating Activities	\$ (160,514)	\$ (3,924)	\$ (164,438)	\$ (315,871)

HOPEWELL TOWNSHIP BOARD OF EDUCATION
SHARED SERVICE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2023

	<u>June 30, 2023</u>
ASSETS:	
Cash	\$ 5,831
Total Assets	<u>\$ 5,831</u>
 LIABILITIES AND NET POSITION:	
Liabilities:	
Accounts Payable	\$
Unearned Revenue	
Total Liabilities	<u></u>
Net Position:	
Unreserved	5,831
Total Net Position	<u>5,831</u>
Total Liabilities and Net Position	<u>\$ 5,831</u>

EXHIBIT G-5

HOPEWELL TOWNSHIP BOARD OF EDUCATION
SHARED SERVICE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED 2023

June 30, 2023

OPERATING REVENUES:

Child Study Team Fees \$ _____

Total Operating Revenue _____

OPERATING EXPENSES:

Salaries _____

Employee Benefits _____

Purchased Professional Services _____

Total Expenses _____

Increase in Net Position Before Transfers

Transfer to Unearned Revenue _____

Change in Net Position

Net Position - July 1 5,581

Net Position - June 30 \$ 5,581

EXHIBIT G-6

HOPEWELL TOWNSHIP BOARD OF EDUCATION
SHARED SERVICE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

June 30, 2023

Cash Flows from Operating Activities:

Receipts from Customers

\$

Payments to Employees

Payments for Employee Benefits

Payments to Suppliers

Net Cash Provided by (used for) Operating Activities

Cash Flows from Non-capital Financing Activities:

Operating subsidies and transfers to other funds

Net Cash Provided by Non-capital Financing Activities

Cash Flows from Capital and Related Financing Activities

Net Cash Provided by Capital and Related Financing Activities

Cash Flows from Investing Activities

Net Cash Provided by Investing Activities

Net Increase in Cash

Cash and Cash Equivalents, July 1

5,581

Cash and Cash Equivalents, June 30

\$ 5,581

Operating Income (Loss)

\$

Adjustments to Reconcile Operating Income (Loss) to

Cash Used by Operating Activities:

Change in Assets and Liabilities:

(Increase) Decrease in Accounts Receivable

(Increase) Decrease in Interfund Receivable

Increase (Decrease) in Unearned Revenue

Increase (Decrease) in Accounts Payable

Total Adjustments

Net Cash Used by Operating Activities

\$

LONG-TERM DEBT SCHEDULES

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

HOPEWELL TOWNSHIP BOARD OF EDUCATION
GENERAL LONG-TERM DEBT ACCOUNT GROUP
STATEMENT OF SERIAL BONDS
LOANS PAYABLE
 JUNE 30, 2023

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2023</u>
			<u>Date</u>	<u>Amount</u>					
Serial Bonds for Hopewell Crest School alterations & Improvements,	7/2/09	\$ 2,821,000	9/1/23	\$ 250,000	4.25%	\$ 721,000	\$	\$ 230,000	\$ 491,000
			9/1/24	241,000	4.30%				
Land Acquisition	12/15/14	375,000				55,000		55,000	
Totals						\$ 776,000	\$	\$ 285,000	\$ 491,000

EXHIBIT I-3

HOPEWELL TOWNSHIP BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 200,811	\$	\$ 200,811	\$ 200,811	\$
State Sources:					
Debt Service Aid Type II	111,130		111,130	111,130	
TOTAL REVENUES	<u>311,941</u>		<u>311,941</u>	<u>311,941</u>	
EXPENDITURES:					
Regular Debt Service					
Interest	26,941		26,941	26,941	
Redemption of Principal	285,000		285,000	285,000	
Total Regular Debt Service	<u>311,941</u>		<u>311,941</u>	<u>311,941</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Other Financing Sources (Uses)					
Operating Transfers In					
Excess (Deficiency) of Revenues and Other Financing Sources Over/ (Under) Expenditures and Other Financing Sources					
Fund Balance, July 1					
Fund Balance, June 30	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

STATISTICAL SECTION

HOPEWELL TOWNSHIP BOARD OF EDUCATION
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net Investment in Capital Assets	\$ 6,438,497	\$ 6,296,403	\$ 6,177,012	\$ 6,536,521	\$ 6,736,119	\$ 7,121,960	\$ 8,067,857	\$ 8,113,919	\$ 8,211,173	\$ 9,474,872
Restricted	1,568,752	2,439,897	2,803,080	2,642,017	2,504,289	2,523,715	1,401,436	1,425,968	1,519,943	1,212,022
Unrestricted (Deficit)	(84,478)	(255,798)	(1,139,309)	(1,338,549)	(1,354,008)	(1,374,530)	(888,255)	(731,361)	(391,744)	(1,070,697)
Total Governmental Activities Net Position	\$ 7,922,771	\$ 8,480,502	\$ 7,840,783	\$ 7,839,989	\$ 7,886,400	\$ 8,271,145	\$ 8,581,038	\$ 8,808,526	\$ 9,339,372	\$ 9,616,197
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt	\$ 53,109	\$ 77,764	\$ 66,755	\$ 63,724	\$ 71,642	\$ 77,609	\$ 92,352	\$ 104,507	\$ 102,632	\$ 92,505
Restricted										
Unrestricted	96,327	66,436	126,655	157,631	160,781	185,179	155,610	114,775	189,704	259,900
Total Business-Type Activities Net Position	\$ 149,436	\$ 144,200	\$ 193,410	\$ 221,355	\$ 232,423	\$ 262,788	\$ 247,962	\$ 219,282	\$ 292,336	\$ 352,405
District-Wide										
Invested in Capital Assets, Net of Related Debt	\$ 6,491,606	\$ 6,374,167	\$ 6,243,767	\$ 6,600,245	\$ 6,807,761	\$ 7,199,569	\$ 8,160,209	\$ 8,218,426	\$ 8,313,805	\$ 9,567,377
Restricted	1,568,752	2,439,897	2,803,080	2,642,017	2,504,289	2,523,715	1,401,436	1,425,968	1,519,943	1,212,022
Unrestricted (Deficit)	11,849	(189,362)	(1,012,654)	(1,180,918)	(1,193,227)	(1,189,351)	(732,645)	(616,586)	(202,040)	(810,797)
Total District-Wide Net Position	\$ 8,072,207	\$ 8,624,702	\$ 8,034,193	\$ 8,061,344	\$ 8,118,823	\$ 8,533,933	\$ 8,829,000	\$ 9,027,808	\$ 9,631,708	\$ 9,968,602

Source: ACFR Schedule A-1

HOPEWELL TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses:										
Governmental Activities										
Instruction										
Regular	\$ 2,678,503	2,554,514	2,577,743	2,576,906	2,640,790	2,465,114	5,005,449	5,739,894	5,507,869	3,435,404
Special Education	895,195	838,490	874,128	910,526	945,751	1,099,114	1,257,305	1,655,983	1,283,608	743,988
Other Special Education	13,706	38,082	18,204	14,878	26,325	23,596	243,072	271,682	281,655	16,792
Other Instruction	88,869	83,026	94,302	91,260	92,701	102,555	138,159	42,920	130,233	27,648
Support Services										
Tuition	63,750	60,647	183,681	92,058	55,085	98,227	150,586	84,033	263,509	54,823
Student and Instruction Related Services	676,662	691,540	733,725	778,456	838,513	893,499	1,560,329	1,850,931	1,500,285	1,089,112
General and Business Administrative Services	339,146	356,042	335,315	372,243	403,930	446,322	549,304	655,239	575,469	182,741
School Administrative Services	152,571	159,916	154,631	138,793	132,546	135,934	254,188	286,585	363,437	214,687
Central Services										226,690
Administrative Information Technology										46,347
Plant Operations and Maintenance	693,012	689,352	731,179	703,984	778,729	763,775	828,186	831,695	932,998	1,268,964
Pupil Transportation	431,103	425,661	520,748	440,541	538,917	444,958	536,518	440,505	563,224	605,467
Business and Other Support Services	1,684,436	1,770,005	2,956,700	3,968,116	4,426,182	3,381,492				2,341,432
Transfer to Charter Schools				887			17,438	53,022	96,107	
Summer School										
Amortization of Debt Issue Costs										
Interest on Long-Term Debt	127,336	119,834	111,735	103,193	89,239	80,295	71,579	60,720	51,008	40,413
Internal Service	164,028	63,530	45,108			52,623				
Total Governmental Activities Expenses	8,008,317	7,850,639	9,337,199	10,190,954	10,969,595	9,987,504	10,612,113	11,973,209	11,549,402	10,294,508
Business-Type Activities										
Food Service	205,788	229,139	203,240	223,253	235,609	241,456	231,236	230,609	347,572	352,839
Extended Day		24,166	43,802	53,417	66,184	73,325	74,766	58,770	84,218	97,473
Safe Schools										
Total Business-Type Activities Expense	205,788	253,305	247,042	276,670	301,793	314,781	306,002	289,379	431,790	450,312
Total District Expenses	\$ 8,214,105	8,103,944	9,584,241	10,467,624	11,271,388	10,302,285	10,918,115	12,262,588	11,981,192	10,744,820
Program Revenues										
Governmental Activities										
Charges for Services	282,807	222,068	208,973	696,899	586,300	145,349	73,491	114,633	176,361	
Operating Grants and Contributions	\$ 656,433	742,269	1,951,636	2,672,938	3,318,397	2,346,041	518,173	752,243	974,005	2,354,067
Total Governmental Activities Program Revenues	939,240	964,337	2,160,609	2,742,627	3,377,027	2,491,390	591,664	866,876	1,150,366	2,354,067
Business-Type Activities										
Charges for Services										
Food Service	114,329	100,078	113,270	89,194	100,423	123,423	127,779	41,624	14,525	167,145
Child Care		36,315	74,004	85,942	83,256	94,934		25,625	71,304	
Extended Day										93,549
Shared Services										
Operating Grants and Contributions	111,526	111,676	113,659	132,952	129,182	131,399	163,397	193,204	418,835	249,687
Total Business-Type Activities Program Revenues	225,855	248,069	300,933	308,088	312,861	349,756	291,176	260,453	504,664	510,381
Total District Program Revenues	\$ 1,165,095	1,212,406	2,461,542	3,050,715	3,689,888	2,841,146	882,840	1,127,329	1,655,030	2,864,448
Net (Expense)/Revenue										
Governmental Activities	\$ (7,069,077)	(6,886,302)	(7,176,590)	(7,448,327)	(7,592,568)	(7,496,114)	(10,020,449)	(11,135,259)	(10,399,036)	(7,940,441)
Business-Type Activities	20,067	(5,236)	53,891	31,418	11,026	34,975	(14,826)	(28,926)	72,874	60,069
Total District-Wide Net Expense	\$ (7,049,010)	(6,891,538)	(7,122,699)	(7,416,909)	(7,581,500)	(7,461,139)	(10,035,275)	(11,135,259)	(10,326,126)	(7,880,372)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes Levied for General Purposes, net	\$ 3,156,810	3,274,440	3,322,725	3,389,179	3,456,963	3,522,875	3,571,169	3,609,744	3,681,939	3,755,578
Taxes Levied for Debt Service	275,873	279,699	321,586	202,163	198,842	170,020	195,212	105,645	155,535	200,811
Unrestricted Grants and Contributions	3,837,076	3,818,517	3,882,550	3,771,975	3,889,976	4,094,136	6,205,915	7,394,744	6,762,823	4,097,733
Investment Earnings	7,816	10,086	5,688	3,225	2,990	2,882	2,540	2,031	1,383	3,725
Miscellaneous Income	59,280	61,291	119,356	86,615	90,208	92,284	128,481	221,657	328,202	228,551
Other Adjustments										
Transfers										(69,132)
Right-to-Use Lease Adjustment										
Total Governmental Activities	7,336,855	7,444,033	7,338,365	7,453,157	7,638,979	7,882,197	10,103,317	11,333,821	10,929,882	8,217,266
Business-Type Activities										
Investment Earnings										
Other Adjustments			(4,681)							
Miscellaneous									180	
Sale of Equipment								246		
Transfers										
Total Business-Type Activities			(4,681)					246	180	
Total District-Wide	\$ 7,336,855	7,444,033	7,338,365	7,453,157	7,638,979	7,882,197	10,103,317	11,334,067	10,930,062	8,217,266
Change in Net Position										
Governmental Activities	\$ 267,778	557,731	166,456	4,830	46,411	386,083	82,868	227,488	530,846	276,825
Business-Type Activities	20,067	(5,236)	49,210	31,418	11,068	34,975	(14,826)	(28,680)	73,054	60,069
Total District-Wide	\$ 287,845	552,495	215,666	36,248	57,479	421,058	68,042	198,808	603,900	336,894

Source: ACFR Schedule A-2

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted	\$ 1,296,375	\$ 2,057,251	\$ 2,152,346	\$ 2,266,140	\$ 1,667,781	\$ 1,212,331	\$ 1,735,378	\$ 1,931,973	\$ 2,256,375	\$ 2,103,599
Committed	3,806	15,184	24,549	45,019	16,444	36,303	18,825	27,680	72,303	
Assigned	161,628	34,739	308,661	119,114	1,215	52,320	3,190	66,966	4,192	190,635
Unassigned (Deficit)	(50,881)	(82,591)	(64,078)	(89,369)	(836,336)	(98,236)	(96,642)	(21,344)	(14,269)	(55,804)
Total General Fund	<u>\$ 1,410,928</u>	<u>\$ 2,024,583</u>	<u>\$ 2,421,478</u>	<u>\$ 2,340,904</u>	<u>\$ 1,601,804</u>	<u>\$ 2,278,877</u>	<u>\$ 1,660,751</u>	<u>\$ 2,005,275</u>	<u>\$ 2,318,601</u>	<u>\$ 2,238,430</u>
All Other Governmental Funds										
Restricted	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 40,208
Committed to Capital Projects Fund	272,377	384,822	318,621	212,841	818,849	146,602	148,896	48,896		
Unassigned, Reported in:							(15,855)	(4,024)	8,755	
Special Revenue Fund (Deficit)										(71,647)
Debt Service Fund			1,097	1,097						
Total All Other Governmental Funds	<u>\$ 272,377</u>	<u>\$ 384,822</u>	<u>\$ 317,524</u>	<u>\$ 211,744</u>	<u>\$ 818,849</u>	<u>\$ 146,602</u>	<u>\$ 133,041</u>	<u>\$ 44,872</u>	<u>\$ 8,755</u>	<u>\$ (31,439)</u>
(Deficit)										

Source: ACFR Schedule B-1

HOPEWELL TOWNSHIP BOARD OF EDUCATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(UNAUDITED)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax Levy	\$ 3,432,683	\$ 3,554,139	\$ 3,644,311	\$ 3,591,342	\$ 3,655,805	\$ 3,692,895	\$ 3,766,381	\$ 3,715,389	\$ 3,837,474	\$ 3,956,389
Tuition	113,307	155,818	159,165	69,689	58,630	53,895	73,491	88,896	151,188	34,534
Child Study Team										
Interest Earnings	7,816	10,086	5,688	3,225	2,990	2,882	2,540	2,031	1,383	3,725
Miscellaneous	59,280	436,291	119,356	86,615	90,208	92,284	130,582	298,606	418,470	194,017
State Sources	4,188,112	4,261,945	4,421,253	4,501,894	4,658,791	5,070,136	5,075,998	5,470,202	6,065,361	6,567,702
Federal Sources	305,397	298,841	337,167	245,242	345,619	291,387	322,661	410,315	563,527	955,670
Other Sources										
Total Revenues	8,106,595	8,717,120	8,686,940	8,498,007	8,812,043	9,202,933	9,371,653	9,985,439	11,037,403	11,712,037
Expenditures										
Instruction										
Regular Instruction	2,518,041	2,392,986	2,436,269	2,432,329	2,494,417	2,303,931	2,526,854	2,444,717	2,493,009	3,435,404
Special Education Instruction	588,335	599,105	569,245	685,920	632,348	665,009	642,289	693,793	612,625	743,988
Other Special Instruction	13,706	38,082	18,204	14,878	26,325	23,596	49,647	50,771	44,246	16,792
Other instruction	88,869	83,026	94,302	91,260	92,701	102,555	78,975	39,069	42,936	27,648
Support Services										
Tuition	63,750	60,647	183,681	92,058	55,085	98,227	22,582		102,721	54,823
Student and Instruction Related Services	614,619	631,265	675,603	732,990	774,359	752,579	836,167	892,611	751,958	1,089,112
School Administrative Services	143,647	149,983	126,336	109,877	103,271	103,697	137,992	150,647	225,114	214,687
General Administrative Services	120,478	127,610	134,870	145,237	158,730	182,205	178,713	250,860	157,413	182,741
Central Services & Info. Techn.	163,406	173,753	172,150	198,090	215,925	231,880	215,207	233,863	194,347	273,037
Plant Operations and Maintenance	676,966	673,199	717,031	689,526	764,091	747,658	747,455	738,138	870,949	839,051
Pupil Transportation	431,103	425,661	520,748	440,541	538,917	444,958	505,993	396,790	518,804	605,467
Business and Other Support Services										
Employee Benefits	1,038,833	986,011	930,499	1,009,260	1,061,032	976,137	1,067,795	1,065,892	1,113,776	3,574,610
Summer School										
On-behalf TPAF Pension & Social Security	656,433	656,433	875,870	975,161	1,114,434	1,267,387	1,257,949	1,506,954	1,992,898	
Transfer to Charter Schools					887		17,438	53,022	96,107	
Capital Outlay	38,504	25,591	22,451	40,691	97,112	146,409	110,115	165,345	222,317	393,969
Special Revenue Funds	301,090	233,703	311,376	217,420	326,933	542,431	525,211	766,149	986,399	
Capital Projects		262,555	136,149	275,780	177,416	335,318	947,706			
Debt Service										
Principal	270,000	285,000	331,000	355,000	235,000	245,000	250,000	275,000	280,000	285,000
Interest and Other Charges	111,599	102,750	101,559	88,343	75,055	66,243	74,313	64,700	54,575	26,941
Total Expenditures	7,839,379	7,993,196	8,357,343	8,684,361	8,944,038	9,235,220	10,192,401	9,788,321	10,760,194	11,763,270
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	267,216	723,924	329,597	(186,354)	(131,995)	(32,287)	(820,748)	197,118	277,209	(51,233)
Other Financing Sources (Uses)										
Transfers, Net								59,237		(69,132)
Total Other Financing Sources (Uses)								59,237		(69,132)
Net Change in Fund Balances	\$ 267,216	\$ 723,924	\$ 329,597	\$ (186,354)	\$ (131,995)	\$ (32,287)	\$ (820,748)	\$ 256,355	\$ 277,209	\$ (120,365)
Debt Service as a Percentage of										
Noncapital Expenditures	5.0%	5.3%	5.6%	5.6%	3.7%	4.0%	3.7%	3.7%	3.3%	2.7%

Source: ACFR Schedule B-2

**HOPEWELL TOWNSHIP BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year Ended June 30,

Description	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Tuition	\$ 113,307	\$ 155,818	\$ 159,165	\$ 69,689	\$ 58,630	\$ 53,349	\$ 73,491	\$ 88,896	\$ 151,188	\$ 34,534
Interest income	7,816	10,086	5,688	3,225	2,990	2,882	2,540	2,031	1,383	3,725
E-Rate					13,424	11,113	12,124		19,980	22,714
SREC	46,969	53,118	101,694	75,135	54,054	52,937	76,817	81,805	83,145	68,147
Prior Year Refunds					1,149	1,174		63,304	19,324	
Donation							5,400			
Health Insurance Dividend								63,708	191,108	14,422
Miscellaneous	12,311	4,876	16,764	11,480	19,803	25,874	34,991	12,840	14,645	77,126
Totals	\$ 180,403	\$ 223,898	\$ 283,311	\$ 159,529	\$ 150,050	\$ 147,329	\$ 205,363	\$ 312,584	\$ 480,773	\$ 220,668

Source: District Records

HOPEWELL TOWNSHIP BOARD OF EDUCATION
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
BY CONSTITUENT DISTRICT - TOWNSHIP OF HOPEWELL
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year Ending June 30, 2023									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Vacant Land	\$ 4,008,400	\$ 4,034,200	\$ 4,027,100	\$ 4,541,400	\$ 4,507,200	\$ 4,619,700	\$ 4,561,500	\$ 4,644,000	\$ 4,680,700	\$ 4,666,600
Residential	178,219,100	178,361,300	178,700,600	225,241,500	225,213,100	224,506,300	225,320,700	226,064,200	225,997,800	227,281,000
Farm	30,445,800	30,218,600	29,805,700	35,064,100	34,998,800	34,776,400	34,276,900	33,937,600	33,902,300	33,413,500
Q Farm	6,708,100	6,706,200	6,704,200	8,115,000	8,008,100	7,977,200	7,974,700	8,163,900	8,138,600	8,036,500
Commercial	26,497,800	26,359,100	26,172,400	32,781,800	34,169,900	30,247,120	30,474,600	33,069,300	33,069,300	33,411,500
Apartment	415,400	415,400	415,400	450,900	450,900	450,900	450,900	450,900	450,900	450,900
Total Assessed Value	\$ 246,294,600	\$246,092,800	\$245,825,400	\$306,194,700	\$307,348,000	\$302,577,620	\$303,059,300	\$306,329,900	\$306,239,600	\$307,260,000
Public Utilities	593,061	603,420	597,575	730,385	678,641	674,399	710,689	719,461	735,009	642,527
Net Valuation taxable	\$ 246,887,661	\$246,696,220	\$246,422,975	\$306,925,085	\$308,026,641	\$303,252,019	\$303,769,989	\$307,049,361	\$306,974,609	\$307,902,527
Estimated Actual County Equalized Value	\$ 335,217,462	\$304,525,639	\$307,720,998	\$316,232,394	\$336,714,736	\$336,684,822	\$330,472,137	\$330,373,747	\$325,702,503	\$378,212,703
Percentage of Net Valuation to Estimated Actual Equalized Value	73.65%	81.01%	80.08%	97.06%	91.48%	90.07%	91.92%	92.94%	94.25%	81.41%
Total Direct School Tax Rate	\$ 1.338	\$ 1.366	\$ 1.327	\$ 1.094	\$ 1.096	\$ 1.127	\$ 1.106	\$ 1.143	\$ 1.176	\$ 1.184

Source: District records Tax list summary & Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation.

Reassessment occurs when 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

* Estimate

HOPEWELL TOWNSHIP BOARD OF EDUCATION
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
BY CONSTITUENT DISTRICT - BOROUGH OF SHILOH
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year Ending June 30, 2023									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Vacant Land	\$ 123,300	\$ 123,300	\$ 123,300	\$ 123,300	\$ 123,300	\$ 123,300	\$ 83,300	\$ 62,200	\$ 152,200	\$ 62,200
Residential	27,873,000	27,825,300	27,677,700	27,595,000	27,576,200	27,576,200	27,410,600	27,022,500	27,253,800	27,963,900
Farm	2,701,200	2,701,200	2,701,200	2,701,200	2,681,200	2,681,200	2,681,200	2,681,200	2,684,400	2,684,400
Q Farm	422,900	422,900	422,900	422,900	421,900	421,900	423,100	453,800	448,400	448,800
Commercial	1,928,000	1,928,000	1,928,000	1,928,000	1,902,300	2,002,300	1,994,700	1,879,000	1,879,000	1,909,000
Appartment	-	-	-	-	-	-	-	-	-	-
Total Assessed Value	\$ 33,048,400	\$ 33,000,700	\$ 32,853,100	\$ 32,770,400	\$ 32,704,900	\$ 32,804,900	\$ 32,592,900	\$ 32,098,700	\$ 32,417,800	\$ 33,068,300
Public Utilities	124,859	124,652	136,368	136,019	136,263	136,263	136,280	138,678	122,555	127,392
Net Valuation taxable	\$ 33,173,259	\$ 33,125,352	\$ 32,989,468	\$ 32,906,419	\$ 32,841,163	\$ 32,941,163	\$ 32,729,180	\$ 32,237,378	\$ 32,540,355	\$ 33,195,692
Estimated Actual County Equalized Value	\$ 34,386,107	\$ 30,731,868	\$ 28,120,269	\$ 30,515,550	\$ 31,402,898	\$ 32,147,290	\$ 32,992,026	\$ 33,788,260	\$ 38,143,658	\$ 38,640,220
Percentage of Net Valuation to Estimated Actual Equalized Value	96.47%	107.79%	117.32%	107.83%	104.58%	102.47%	99.20%	95.41%	85.31%	85.91%
Total Direct School Tax Rate	\$ 0.761	\$ 0.835	\$ 0.977	\$ 0.915	\$ 0.970	\$ 1.062	\$ 1.095	\$ 1.023	\$ 1.066	\$ 1.019

Source: District records Tax list summary & Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation.

Reassessment occurs when 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

* Estimate

HOPEWELL TOWNSHIP BOARD OF EDUCATION
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
ALL CONSTITUENT DISTRICTS COMBINED
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ending June 30, 2023

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Vacant Land	\$ 4,131,700	\$ 4,157,500	\$ 4,150,400	\$ 4,664,700	\$ 4,630,500	\$ 4,743,000	\$ 4,644,800	\$ 4,706,200	\$ 4,832,900	\$ 4,728,800
Residential	206,092,100	206,186,600	206,378,300	252,836,500	252,789,300	252,082,500	252,731,300	253,086,700	253,251,600	255,244,900
Farm	33,147,000	32,917,800	32,506,900	37,765,300	37,680,000	37,457,600	36,958,100	36,618,800	36,586,700	36,097,900
Q Farm	7,131,000	7,129,100	7,127,100	8,537,900	8,430,000	8,399,100	8,397,800	8,617,700	8,587,000	8,485,300
Commercial	28,425,800	28,287,100	28,100,400	34,709,800	36,072,200	32,249,420	32,469,300	34,948,300	34,948,300	35,320,500
Appartment	415,400	415,400	415,400	450,900	450,900	450,900	450,900	450,900	450,900	450,900
Total Assessed Value	\$ 279,343,000	\$279,093,500	\$278,678,500	\$338,965,100	\$340,052,900	\$335,382,520	\$335,652,200	\$338,428,600	\$338,657,400	\$340,328,300
Public Utilities	717,920	728,072	733,943	866,404	814,904	810,662	846,969	858,139	857,564	769,919
Net Valuation taxable	<u>\$ 280,060,920</u>	<u>\$279,821,572</u>	<u>\$279,412,443</u>	<u>\$339,831,504</u>	<u>\$340,867,804</u>	<u>\$336,193,182</u>	<u>\$336,499,169</u>	<u>\$339,286,739</u>	<u>\$339,514,964</u>	<u>\$341,098,219</u>
Estimated Actual County Equalized Value	<u>\$ 369,603,569</u>	<u>\$335,257,507</u>	<u>\$335,841,267</u>	<u>\$346,747,944</u>	<u>\$368,117,634</u>	<u>\$368,832,112</u>	<u>\$363,464,163</u>	<u>\$364,162,007</u>	<u>\$363,846,161</u>	<u>\$416,852,923</u>
Percentage of Net Valuation to Estimated Actual Equalized Value	<u>75.77%</u>	<u>83.46%</u>	<u>83.20%</u>	<u>98.01%</u>	<u>92.60%</u>	<u>91.15%</u>	<u>92.58%</u>	<u>93.17%</u>	<u>93.31%</u>	<u>81.83%</u>

Source: District records Tax list summary & Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation.

Reassessment occurs when 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

* Estimate

EXHIBIT J-7
(1)

HOPEWELL TOWNSHIP BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
BY CONSTITUENT DISTRICT - TOWNSHIP OF HOPEWELL
LAST TEN FISCAL YEARS
(Rate Per \$100 of Assessed Value)
(UNAUDITED)

Year Ended June 30,	Hopewell Township Board of Education			Regional School Rate	Overlapping Rates		Total Direct & Overlapping Tax rate
	Basic Rate (a)	General Obligation Debt Service ^b	Total Direct		Municipality Township	Cumberland County	
2023	\$ 1.124	\$ 0.060	\$ 1.184	\$ 0.679	0.328	\$ 1.279	\$ 3.470
2022	1.127	0.049	1.176	0.565	0.318	1.245	3.304
2021	1.109	0.034	1.143	0.580	0.307	1.336	3.366
2020	1.044	0.062	1.106	0.645	0.297	1.354	3.402
2019	1.071	0.056	1.127	0.605	0.281	1.339	3.352
2018	1.033	0.063	1.096	0.604	0.258	1.282	3.240
2017	1.028	0.066	1.094	0.597	0.248	1.201	3.140
2016	1.202	0.125	1.327	0.698	0.302	1.408	3.735
2015	1.250	0.116	1.366	0.652	0.274	1.372	3.664
2014	N/A	N/A	1.338	0.671	0.248	1.421	3.678

* First Year of Revaluation.

Source: District Records and Municipal Tax Collector

Note:

NJSA 18A:7F-5d limits the amount that the District can submit for a general fund tax levy . The levy when added to other components of the District's net budget may not exceed the pre-budget year net budget by more than the spending growth limitation calculation.

a The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

b Rates for debt service are based on each year's requirements.

HOPEWELL TOWNSHIP BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
BY CONSTITUENT DISTRICT - BOROUGH OF SHILOH
LAST TEN FISCAL YEARS
(Rate Per \$100 of Assessed Value)
(UNAUDITED)

Year Ended June 30,	Hopewell Township Board of Education			Regional School Rate	Overlapping Rates		Total Direct & Overlapping Tax rate
	Basic Rate (a)	General Obligation Debt Service ^b	Total Direct		Municipality Township	Cumberland County	
2023	\$ 0.967	\$ 0.052	\$ 1.019	\$ 0.576	\$ 0.325	\$ 1.216	\$ 3.136
2022	1.038	0.028	1.066	0.614	0.325	1.378	3.383
2021	1.009	0.014	1.023	0.538	0.325	1.301	3.187
2020	1.081	0.014	1.095	0.424	0.320	1.253	3.092
2019	1.055	0.007	1.062	0.283	0.320	1.177	2.842
2018	0.955	0.015	0.970	0.289	0.319	1.132	2.710
2017	0.901	0.014	0.915	0.363	0.318	1.080	2.676
2016	0.965	0.012	0.977	0.347	0.318	0.958	2.600
2015	0.835	N/A	0.835	0.506	0.318	1.032	2.691
2014	0.761	N/A	0.761	0.586	0.318	1.086	2.751

* First Year of Revaluation.

Source: District Records and Municipal Tax Collector

Note:

NJSA 18A:7F-5d limits the amount that the District can submit for a general fund tax levy . The levy when added to other components of the District's net budget may not exceed the pre-budget year net budget by more than the spending growth limitation calculation.

a The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

b Rates for debt service are based on each year's requirements.

HOPEWELL TOWNSHIP BOARD OF EDUCATION
PRINCIPAL PROPERTY TAX PAYERS
BY CONSTITUENT DISTRICT - TOWNSHIP OF HOPEWELL
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

Taxpayer	2023		2014	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Cumberland Mutual Fire Ins. Co.	\$ 6,377,400	2.07%	\$ 5,528,900	2.24%
Sunny Slope Farms of NJ	1,857,900	0.60%	1,758,300	0.71%
ACM Realty LLC	1,496,400	0.49%	1,218,000	0.49%
Blue Sterling Nursery LLC			835,200	0.34%
Solovista LLC			1,256,200	0.51%
Taxpayer #1	1,213,600	0.39%	1,014,200	0.41%
Taxpayer #2			924,200	0.37%
Cottages at Dutch Neck			793,600	0.32%
Taxpayer #3			770,800	0.31%
Taxpayer #4			604,600	0.24%
Brid Shiloh Pike DG LLC	1,745,700	0.57%		
FD Retail Prop, LLC C/O Dollar Tree				
Green Olive Properties	1,311,800	0.43%		
Hopewell Amish Market, LLC	1,157,700	0.38%		
Shiloh Pike Properties, LLC	989,700	0.32%		
Total	\$ 16,150,200	5.25%	\$ 14,704,000	5.94%

Source: District ACFR & Municipal Tax Assessor

HOPEWELL TOWNSHIP BOARD OF EDUCATION
PRINCIPAL PROPERTY TAX PAYERS
BY CONSTITUENT DISTRICT - BOROUGH OF SHILOH
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

Taxpayer	2023		2014	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Sarju Realty LLC	\$ 495,200	1.49%	\$ 495,200	1.49%
Clamar, LLC	483,900	1.46%		
Purple Dragon Holdings, LLC	403,200	1.21%		
Dewilde Farm Associates	382,600	1.15%	375,700	1.13%
Taxpayer #1	340,600	1.03%	756,400	2.27%
Taxpayer #2	339,600	1.02%	617,600	1.86%
Taxpayer #3	329,900	0.99%	398,400	1.20%
Taxpayer #4	289,800	0.87%	356,200	1.07%
Taxpayer #5	283,300	0.85%	341,100	1.03%
Taxpayer #6	281,200	0.85%	289,800	0.87%
Solavista LLC			639,500	1.92%
Taxpayer #7			283,300	0.85%
Total	\$ 3,629,300	10.93%	\$ 4,553,200	13.69%

Source: District ACFR & Municipal Tax Assessor

HOPEWELL TOWNSHIP BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
BY CONSTITUENT DISTRICT
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Taxes Levied for the Year		Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
	Trownship of Hopewell	Borough of Shiloh			
			Amount	% of Levy	
2023	\$ 3,618,138	\$ 338,251	\$ 3,671,243	92.79%	\$
2022	3,507,730	329,744	3,828,783	99.77%	
2021	3,357,201	358,188	3,444,018	92.70%	
2020	3,416,669	349,712	3,766,381	100.00%	
2019	3,374,610	318,285	3,692,895	100.00%	
2018	3,354,764	301,041	3,655,805	100.00%	
2017	3,269,341	322,001	3,591,342	100.00%	
2016	3,367,862	276,449	3,644,311	100.00%	
2015	3,301,761	252,378	3,554,139	100.00%	
2014	3,176,756	255,927	3,432,683	100.00%	

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

Note: School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, the amount voted upon or certified prior to the end of the school year.

HOPEWELL TOWNSHIP BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2023	\$ 491,000	\$	\$	\$	\$ 491,000	0.25%	\$	119
2022	776,000				776,000	0.37%		161
2021	1,056,000				1,056,000	0.49%		222
2020	1,331,000				1,331,000	0.67%		276
2019	1,581,000				1,581,000	0.86%		326
2018	1,826,000				1,826,000	0.98%		374
2017	2,061,000				2,061,000	1.13%		418
2016	2,416,000				2,416,000	1.34%		485
2015	2,747,000				2,747,000	1.56%		546
2014	2,657,000				2,657,000	1.55%		527

Source: District ACFR Schedules I-1, I-2

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

- a** See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b** Includes Early Retirement Incentive Plan (ERIP) refunding

HOPEWELL TOWNSHIP BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Percentage of Actual Taxable Value ^a of Property	Per Capita ^b	
	General Obligation Bonds	Deductions			Net General Bonded Debt Outstanding
2023	\$ 491,000		\$ 491,000	0.14%	108
2022	776,000		776,000	0.23%	161
2021	1,056,000		1,056,000	0.31%	222
2020	1,331,000		1,331,000	0.40%	276
2019	1,581,000		1,581,000	0.47%	326
2018	1,826,000		1,826,000	0.54%	374
2017	2,061,000		2,061,000	0.61%	418
2016	2,416,000		2,416,000	0.86%	485
2015	2,747,000		2,747,000	0.98%	546
2014	2,657,000		2,657,000	0.95%	527

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

a See Exhibit NJ J-6 for property tax data.

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

If a district has resources that are restricted to repaying the principal of debt outstanding, these amounts should be shown in a separate column "Deductions" and be subtracted from the total, and the schedule should be named ratios of net general bonded debt outstanding.

HOPEWELL TOWNSHIP BOARD OF EDUCATION
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2023
(UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Hopewell Township	\$ 1,388,916	100%	\$ 1,388,916
Borough of Shiloh			
Regional High School			
Hopewell Township	342,685,241	18.92%	570,774
Borough of Shiloh	36,555,650	2.02%	60,887
County General Obligation Debt			
County of Cumberland - Township share	93,661,798	3.55%	3,326,457
Subtotal, Overlapping Debt			5,347,034
Hopewell Township School District Direct Debt			491,000
Total Direct and Overlapping Debt			\$ 5,838,034

Source: Hopewell Township and Shiloh Chief Financial Officers, along with the Cumberland County Finance Office

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 Municipalities. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

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

HOPEWELL TOWNSHIP BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

Legal Debt Margin Calculation for Fiscal Year 2022

	Equalized Valuation Basis	
	2022	\$ 376,956,672
	2021	325,018,462
	2020	326,080,590
	[A]	\$ 1,028,055,724
Average Equalized Valuation of Taxable Property	[A/3]	\$ 342,685,241
Debt Limit (3% of Average Equalization Value)	[B]	\$ 10,280,557 a
Net Bonded School Debt	[C]	491,000
Legal Debt Margin	[B-C]	\$ 9,789,557

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 10,997,066	\$ 10,660,659	\$ 10,392,231	\$ 10,243,938	\$ 10,557,539	\$ 10,934,814	\$ 11,014,317	\$ 10,956,317	\$ 10,851,303	\$ 10,280,557
Total Net Debt Applicable to Limit	2,657,000	2,747,000	2,416,000	2,061,000	1,826,000	1,581,000	1,331,000	1,056,000	776,000	491,000
Legal Debt Margin	\$ 5,515,550	\$ 5,736,999	\$ 5,684,170	\$ 5,730,642	\$ 6,047,432	\$ 6,285,622	\$ 6,766,324	\$ 6,939,251	\$ 4,399,354	\$ 9,789,557
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	24.16%	25.77%	23.25%	20.12%	17.30%	14.46%	12.08%	9.64%	7.15%	4.78%

Source: Abstract of Ratables and District Records

a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

HOPEWELL TOWNSHIP BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
BY CONSTITUENT DISTRICT - TOWNSHIP OF HOPEWELL
LAST TEN FISCAL YEARS
(UNAUDITED)

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^{c (1)}	Unemployment Rate ^d	
2023	*	4,127	\$ 200,211,437	\$ 48,515	3.40%
2022		4,344	208,662,259	48,035	3.50%
2021		4,385	194,731,440	47,559	5.70%
2020		4,280	179,400,507	45,498	7.40%
2019		4,341	171,993,280	41,327	3.70%
2018		4,360	168,139,552	39,448	4.90%
2017		4,384	164,315,900	38,353	4.30%
2016		4,429	162,577,272	37,100	5.40%
2015		4,476	155,108,412	36,322	6.30%
2014		4,521	154,065,320	34,972	6.80%

* Estimate

(1) Information for Cumberland County

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income

^c Per Capita

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

N/A - Not Available at time of Audit

HOPEWELL TOWNSHIP BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
BY CONSTITUENT DISTRICT - BOROUGH OF SHILOH
LAST TEN FISCAL YEARS
(UNAUDITED)

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^{c (1)}	Unemployment Rate ^d	
2023	*	417	\$ 20,233,154	\$ 48,515	3.49%
2022		439	21,087,185	48,035	3.60%
2021		445	21,163,755	47,559	5.90%
2020		485	22,066,530	45,498	6.40%
2019		489	20,208,903	41,327	4.20%
2018		493	19,447,864	39,448	3.70%
2017		495	18,984,735	38,353	4.50%
2016		500	18,550,000	37,100	4.50%
2015		506	18,378,932	36,322	5.90%
2014		509	17,800,748	34,972	6.90%

* Estimate

(1) Information for Cumberland County

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income

^c Per Capita

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

N/A - Not Available at time of Audit

HOPEWELL TOWNSHIP BOARD OF EDUCATION
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO
(UNAUDITED)

<u>Employer</u>	<u>2023</u>		<u>2014</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Inspira Health Network	3,723	5.37%	2,837	4.18%
F & S Produce/Pipcp Transportation	1,272	1.84%	525	0.77%
Wal-Mart	850	1.23%	806	1.19%
Wawa	780	1.13%	562	0.83%
Durand Glass Manufacturing Co./ARC Interr	895	1.29%	970	1.43%
ShopRite	755	1.09%	737	1.09%
Sheppard Bus Service	550	0.79%	520	0.77%
Elwyn New Jersey			518	0.76%
AJM Packaging	489	0.71%		
Americold formerly AGRO Merchants	375	0.54%		
Northeast Precast	439	0.63%		
Seabrook Brothers & Sons, Inc	261	0.38%	550	0.81%
Ardagh Group	372	0.54%		
Complete Care	312	0.45%		
South State, Inc	345	0.50%		
Corning Glass	281	0.41%		
Nipro PharmaPackaging Americas Corp	307	0.44%		
Gerresheimer Glass			876	1.29%
	<u>12,006</u>	<u>17.33%</u>	<u>8,901</u>	<u>13.11%</u>

Source:

This information is for the County of Cumberland.

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

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction										
Regular	28.5	29	30.0	30.0	29.0	29.0	30.0	30.0	30.0	31.0
Special Education	10.0	10	7.0	7.5	6.5	6.5	7.0	7.5	7.5	8.0
Other Special Education	8.0	8	12.0	12.0	13.5	14.0	13.5	14.0	14.0	14.0
Other Instruction	12.0	12	6.5	4.0	4.0	4.0	4.0	4.0	6.0	6.0
Support Services:										
Tuition										
Student & Instruction Related Services	7.0	7	6.0	7.0	5.0	5.0	5.0	5.0	5.0	5.0
General Administrative Services	3.0	3	2.5	2.0	2.5	2.5	2.5	2.5	2.5	3.0
School Administrative Services	3.5	4	3.0	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Plant Operations and Maintenance	2.0	2	2.5	2.0	2.0	2.0	3.5	3.5	4.0	4.0
Food Service										
Transportation										
Nursing										
Total	74.0	73.5	69.5	68.0	66.0	66.5	69.0	70.0	72.5	74.5

Source: District Personnel Records

HOPEWELL TOWNSHIP BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Enrollment	Operating 7382082	Cost Per Pupil	Percentage Change	Teaching Staff^b	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE)^c	Average Daily Attendance (ADA)^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2023	499	\$ 11,057,360	\$ 22,159	24.2%	44.0	11.07 : 1	507.0	471.0	3.27%	92.90%
2022	498	10,203,302	20,489	9.25%	45.0	11.07 : 1	490.4	458.1	0.43%	93.41%
2021	495	9,283,276	18,754	5.15%	42.0	11.79 : 1	488.3	432.2	-2.44%	88.51%
2020	494	8,810,267	17,835	2.67%	41.0	12.05 : 1	500.5	480.3	-0.26%	95.96%
2019	486	8,442,250	17,371	-0.46%	41.0	11.85 : 1	501.8	476.3	4.91%	94.92%
2018	479	8,359,455	17,452	7.47%	40.5	11.83 : 1	478.3	448.5	-1.22%	93.77%
2017	488	7,924,547	16,239	3.92%	41.5	11.76 : 1	484.2	458.0	-2.00%	94.59%
2016	497	7,766,184	15,626	5.28%	44.5	11.43 : 1	494.1	468.3	0.84%	94.78%
2015	493	7,317,300	14,842	3.62%	44.4	11.10 : 1	490.0	466.5	-4.87%	95.20%
2014	518	7,419,276	14,323	0.12%	44.4	11.67 : 1	515.1	491.0	1.32%	95.32%

Sources: District records, ASSA

Note: Enrollment based on annual October district count.

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

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>District Building</u>										
<u>Elementary</u>										
Hopewell Township Elementary School: 1958										
Square Feet	83,475	83,475	83,475	83,475	83,475	83,475	83,475	83,475	83,475	83,475
Capacity (students)	709	709	709	709	709	709	709	709	709	709
Enrollment	518	515	497	488	479	486	494	495	484	499
Number of Schools at June 30, 2023										
Elementary	1									
Middle	-									
High School	-									
Other	-									

Source: District records, ASSA

Note: Enrollment is based on the October 15 District Count

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

HOPEWELL TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITIES
LAST TEN FISCAL YEARS
(UNAUDITED)

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

<u>School Facilities</u>	<u>Gross Square Footage</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Hopewell Township Elementary School	83,745	\$ 217,466	\$ 188,177	\$ 151,959	\$ 154,013	\$ 155,207	\$ 155,886	\$ 112,592	\$ 123,393	\$ 137,526	\$ 125,702
Total School Facilities		<u>217,466</u>	<u>188,177</u>	<u>151,959</u>	<u>154,013</u>	<u>155,207</u>	<u>155,886</u>	<u>112,592</u>	<u>123,393</u>	<u>137,526</u>	<u>125,702</u>
Other Facilities											
Grand Total		<u>\$ 217,466</u>	<u>\$ 188,177</u>	<u>\$ 151,959</u>	<u>\$ 154,013</u>	<u>\$ 155,207</u>	<u>\$ 155,886</u>	<u>\$ 112,592</u>	<u>\$ 123,393</u>	<u>\$ 137,526</u>	<u>\$ 125,702</u>

HOPEWELL TOWNSHIP BOARD OF EDUCATION
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)

Company	Type of Coverage	Coverage	Deductible
New Jersey Schools Insurance Group	Real and Personal Property	450,000,000	5,000
	Extra Expense	50,000,000	5,000
	Valuable Papers and Records	10,000,000	5,000
	Demolition and Increased Cost of Construction	25,000,000	
	Limited Builders Risk	5,000,000	
	Fire Department Service Charge	10,000	
	Arson Reward	10,000	
	Pollutant Cleanup and Removal	250,000	
	Sublimits: Spec Flood Haz. Area Flood Zones	25,000,000	500,000
	Accounts Receivable	250,000	
	All Flood Zones	75,000,000	10,000
	Earthquake	50,000,000	
	Terrorism	1,000,000	
	Hardware/Software	1,000,000	
	Combined Single Limit per Accident for Property Damage and Business Income	100,000,000	5,000 per accident
	Public Employee Dishonesty with Faithful Performance	500,000	1,000
	Theft, Disappearance and Destruction - Loss of Money & Securities On or Off Premises	50,000	500
	Theft, Disappearance and Destruction - Money Orders & Counterfeit Paper Currency	50,000	500
	Forgery or Alteration	50,000	500
	Computer Fraud	50,000	500
	Bodily Injury and Property Damage	16,000,000	
	Products and Completed Operations	16,000,000	
	Sexual Abuse	16,000,000	
	Personal Injury and Advertising Injury	16,000,000	
	Employee Benefits Liability	16,000,000	1,000
	Premises Medical Payments	10,000	5,000
The Hartford	Public Official Bond - Business Administrator/Board Secretary	100,000	
N.J. School Boards Insurance Group	Workers' Compensation	2,000,000	
American International	Student Accident	1,000,000	

* Blanket Bond Positions are excluded

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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INDEPENDENT AUDITOR'S 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

The Honorable President and
Members of the Board of Education
Hopewell Township School District
County of Cumberland, New Jersey 08032

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Hopewell Township School District, in the County of Cumberland, State of New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Board of Education of the Hopewell Township School District's basic financial statements, and have issued our report thereon dated December 4, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Hopewell Township Board of Education's internal control over financial reporting (internal control) 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 Hopewell Township Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Hopewell Township Board of Education's internal control.

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

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Hopewell Township Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

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

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA

A handwritten signature in black ink, appearing to read 'Raymond Colavita', is written over a horizontal line.

Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
December 4, 2023

NIGHTLINGER, COLAVITA & VOLPA

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08

The Honorable President and
Members of the Board of Education
Hopewell Township School District
County of Cumberland, New Jersey 08032

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited The Board of Education of the Hopewell Township School District, in the County of Cumberland, State of New Jersey's compliance with the types of compliance requirements identified as subject to audit 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 Board of Education of the Hopewell Township School District, in the County of Cumberland, State of New Jersey's major federal and state programs for the year ended June 30, 2023. The Board of Education of the Hopewell Township School District, in the County of Cumberland, State of New Jersey's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, The Board of Education of the Hopewell Township School District, in the County of Cumberland, State of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2023.

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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and as prescribed by the Office of School Finance, *Department of Education, State of New Jersey*, and New Jersey OMB 15-08. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of The Board of Education of the Hopewell Township School District, in the County of Cumberland, State of New Jersey 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 Board of Education of the Hopewell Township School District, in the County of Cumberland, State of New Jersey'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 Board of Education of the Hopewell Township School District, in the County of Cumberland, State of New Jersey's federal and state programs.

Auditor's 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 Board of Education of the Hopewell Township School District, in the County of Cumberland, State of New Jersey'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 generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance and New Jersey OMB 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. Noncompliance 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 Board of Education of the Hopewell Township School District, in the County of Cumberland, State of New Jersey's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance and New Jersey OMB 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 Board of Education of the Hopewell Township School District, in the County of Cumberland, State of New Jersey'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 Board of Education of the Hopewell Township School District, in the County of Cumberland, State of New Jersey'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 15-08, but not for the purpose of expressing an opinion on the effectiveness of The Board of Education of the Hopewell Township School District, in the County of Cumberland, State of New Jersey'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 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 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not 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.

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 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA

A handwritten signature in black ink, appearing to read "Raymond Colavita", is written over a faint circular stamp.

Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
December 4, 2023

TOWNSHIP OF HOPEWELL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Schedule A
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2022	Cash Received	Budgetary Expenditures Pass Through Funds	Budgetary Expenditures Direct	Total Budgetary Expenditures (A)	Balance at June 30, 2023		
					From	To						Accounts Receivable	Unearned Revenue	Due to Grantor
U.S. Department of Health and Human Services														
General Fund														
Medical Assistance Program (SEMI)	93.778	23005NJMAP	N/A	\$ 25,595	7/1/22	6/30/23	\$	\$ 25,595	\$ (25,595)	\$	(25,595)	\$	\$	\$
Medical Assistance Program (SEMI)	93.778	2205NJ6MAP	N/A	12,709	7/1/21	6/30/22								
								25,595	(25,595)		(25,595)			
U.S. Department of Agriculture														
Passed-through State Department of Education:														
Enterprise Fund:														
Non-Cash Assistance:														
U.S.D.A. Food Distribution Program	10.565	Unknown	N/A	\$24,648	7/1/22	6/30/23		24,648	(24,608)		(24,608)		40	
U.S.D.A. Food Distribution Program	10.565	Unknown	N/A	30,570	7/1/21	6/30/22	1,072		(1,072)		(1,072)			
Cash Assistance:														
Fresh Fruits and Vegetable Program	10.582	231NJ304L1603	N/A		7/1/22	6/30/23								
Child Nutrition Cluster:														
School Breakfast Program	10.553	231NJ304N1099	N/A	44,640	7/1/22	6/30/23		42,659	(44,640)		(44,640)	(1,981)		
School Breakfast Program	10.553	221NJ304N1099	N/A	119,991	7/1/21	6/30/22	(6,197)	6,197						
National School Lunch Program	10.555	231NJ304N1099	N/A	133,046	7/1/22	6/30/23		132,895	(133,046)		(133,046)	(151)		
National School Lunch Program	10.555	221NJ304N1099	N/A	243,134	7/1/21	6/30/22	(11,575)	11,675						
Supply Chain Assistance Funding	10.555	231NJ344N8903	N/A	8,795	7/1/22	6/30/23		8,795	(8,795)		(8,795)			
Supply Chain Assistance Funding	10.555	231NJ344N8903	N/A	13,415	7/1/22	6/30/23		13,415	(13,415)		(13,415)			
Supply Chain Assistance Funding	10.555	221NJ344N8903	N/A	14,286	7/1/21	6/30/22		14,286	(14,286)		(14,286)			
P-EBT Administrative Cost Reimbursement	10.649	202322S900941	N/A	653	7/1/22	6/30/23			(653)		(653)	(653)		
Total U.S. Department of Agriculture							(16,700)	254,470	(240,515)		(240,515)	(2,785)	40	
U.S. Department of Education														
Passed-through State Department of Education:														
Special Revenue Fund:														
IDEA Cluster:														
I.D.E.A. Part B Basic	84.027A	H027A220100	IDEA2270-23	118,852	7/1/22	9/30/23		89,309	(113,845)		(113,845)	(24,536)		
I.D.E.A. Part B Basic	84.027A	H027A210100	IDEA2270-22	119,316	7/1/21	9/30/22	(55,138)	55,138						
ARP I.D.E.A. Part B Basic	84.027X	H027X210100	IDEA2270-22	23,709	7/1/21	9/30/22		23,709	(23,709)		(23,709)			
I.D.E.A. Part B, Pre-school	84.173	H173A220114	IDEA2270-23	2,070	7/1/22	9/30/23		2,387	(3,581)		(3,581)	(1,194)		
ARP I.D.E.A. Part B, Pre-school	84.173X	H173X210114	IDEA2270-22	2,018	7/1/21	9/30/22		2,018	(2,018)		(2,018)			
E.S.E.A.:														
Title I	84.010	S010A200030	ESEA0950-23	116,523	7/1/19	9/30/20	539							539
Title I	84.010	S010A210030	ESEA2270-22	107,270	7/1/21	9/30/22	(86,769)	86,769						
Title I	83.010	S010A210029	ESEA0950-21	115,982	7/1/20	9/30/21	(4,410)	4,410						
Title I	82.010	S010A220030	ESEA2270-23	105,225	7/1/22	9/30/23		70,233	(110,907)		(110,907)	(40,674)		
Title II A	84.367A	S367A220029	ESEA2270-23	14,686	7/1/22	9/30/23		8,208	(8,208)		(8,208)			
Title II A	84.367A	S367A210029	ESEA2270-22	15,523	7/1/21	9/30/22	(4,020)	15,419					11,399	
Title IV	84.424A	S424A220031	ESEA2270-23	10,000	7/1/22	9/30/23		18,681	(20,000)		(20,000)	(1,319)		
Education Stabilization Fund:														
CARES ACT 2020/ESSER	84.425D	S425D200027	CARES 2270-20	5,789	3/13/20	9/30/22		696					696	
CRRSA Consolidated:														
CRRSA-ESSER II (Emergency Relief)	84.425D	S425D210027	CRRSA 2270-23	381,487	3/13/20	9/30/23	(200,275)	374,428	(176,779)		(176,779)	(2,626)		
CR Learning Acceleration	84.425D	S425D210027	CRRSA 2270-23	25,000	3/13/20	9/30/23		7,950	(25,000)		(25,000)	(17,050)		
CR Mental Health	84.425D	S425D210027	CRRSA 2270-23	45,000	3/13/20	9/30/23	(6,830)	24,630	(33,800)		(33,800)	(16,000)		
ARP Consolidated:														
ARP ESSER	84.425U	S425U210027	ARP 2270-24	857,367	3/13/20	9/30/24	(46,764)	125,901	(374,820)		(374,820)	(295,683)		
Accelerated Learning	84.425U	S425U210027	ARP 2270-24	50,000	3/13/20	9/30/24								
Summer Learning	84.425U	S425U210027	ARP 2270-24	40,000	3/13/20	9/30/24								
Beyond the School Day	84.425U	S425U210027	ARP 2270-24	40,000	3/13/20	9/30/24			(1,872)		(1,872)	(1,872)		
NJTSS Mental Health Staffing	84.425U	S425U210027	ARP 2270-24	45,000	3/13/20	9/30/24								
REAP	84.358A	S358B210030	REAP095022	32,556	7/1/21	6/30/22	(2,076)	27,571	(37,077)		(37,077)	(11,562)		
Total U.S. Department of Education							(405,743)	937,457	(931,616)		(931,616)	(412,536)	12,095	539
Total Federal Financial Awards							\$ (422,443)	\$ 1,217,522	\$ (1,197,726)	\$	(1,197,726)	\$ (415,321)	\$ 12,135	\$ 539

(A) There were no awards passed through to subrecipients.

See accompanying notes to schedules of financial assistance
These funds were audited in accordance with the Uniform Guidance since the total of all grant expenditures exceeded \$750,000.

TOWNSHIP OF HOPEWELL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE - Schedule B
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To		Balance at June 30, 2022		Carry-over	Cash Received	Budgetary Expenditures	Balance at June 30, 2023		MEMO	
					(Accounts Receivable)	Unearned Revenue				(Accounts Receivable)	Unearned Revenue/ Interfund Payable	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:													
General Fund:													
Equalization Aid	23-495-034-5120-078	2,931,941	7/1/22	6/30/23				2,644,500	(2,931,941)	(287,441)	*	(287,441)	(2,931,941)
Special Education Categorical Aid	23-495-034-5120-089	279,437	7/1/22	6/30/23				252,042	(279,437)	(27,395)	*	(27,395)	(279,437)
Transportation Aid	23-495-034-5120-014	197,184	7/1/22	6/30/23				177,853	(197,184)	(19,331)	*	(19,331)	(197,184)
Security Aid	23-495-034-5120-084	89,617	7/1/22	6/30/23				80,831	(89,617)	(8,786)	*	(8,786)	(89,617)
Adjustment Aid	23-495-034-5120-085	165,311	7/1/22	6/30/23				149,104	(165,311)	(16,207)	*	(16,207)	(165,311)
Extraordinary Aid	23-495-034-5120-044	48,676	7/1/22	6/30/23					(48,676)	(48,676)	*		(48,676)
Extraordinary Aid	22-495-034-5120-044	28,635	7/1/21	6/30/22	(28,635)			28,635					
Non Public Transportation	22-495-034-5120-044	4,060	7/1/21	6/30/22	(4,060)			4,060					
Non Public Transportation	23-495-034-5120-044	4,680	7/1/21	6/30/22					(4,680)	(4,680)	*		(4,680)
Lead Testing Aid	23-495-034-5120-104	2,750	7/1/22	6/30/23				2,750	(2,750)		*		(2,750)
Reimbursed TPAF Social Security Contrib	23-495-034-5094-003	297,858	7/1/22	6/30/23				283,310	(297,858)	(14,548)	*		(297,858)
On-Behalf TPAF Pension Contribution	23-495-034-5094-002	1,357,685	7/1/22	6/30/23				1,357,685	(1,357,685)		*		(1,357,685)
On-Behalf TPAF Post Retirement Medical	23-495-034-5094-001	356,660	7/1/22	6/30/23				356,660	(356,660)		*		(356,660)
On-behalf TPAF Long-term Disability Contrib.	23-495-034-5094-004	419	7/1/22	6/30/23				419	(419)		*		(419)
Total General Fund					(32,695)			5,337,849	(5,732,218)	(427,064)		(359,160)	(5,732,218)
Special Revenue Fund:													
Preschool Education Aid	21-495-034-5120-086	332,878	7/1/20	6/30/21		107,340	(107,340)						
Preschool Education Aid	22-495-034-5120-086	325,475	7/1/21	6/30/22	(32,547)	127,941	(127,941)	32,547					
Preschool Education Aid	23-495-034-5120-086	716,472	7/1/22	6/30/23			235,281	644,825	(727,113)	(71,647)	224,640	*	(71,647)
Total Special Revenue Fund					(32,547)	235,281		677,372	(727,113)	(71,647)	224,640		(71,647)
Debt Service Fund:													
Debt Service Aid-Type II	23-495-034-5120-017	111,130	7/1/22	6/30/23				111,130	(111,130)		*		(111,130)
State Department of Agriculture:													
Enterprise Fund:													
State School Breakfast Prog.	23-100-010-3350-023	3,609	7/1/22	6/30/23				3,450	(3,609)	(159)	*		(3,609)
State School Lunch Prog.	23-100-010-3350-023	5,563	7/1/22	6/30/23				5,552	(5,563)	(11)	*		(5,563)
State School Lunch Prog.	22-100-010-3350-023	6,742	7/1/21	6/30/22	(266)			266					
Total Enterprise Fund					(266)			9,268	(9,172)	(170)			(9,172)
Total State Financial Assistance					\$ (65,508)	\$ 235,281	\$	\$ 6,135,619	\$ (6,579,633)	\$ (498,881)	\$ 224,640	\$ (430,807)	\$ (6,579,633)
Less: On-Behalf TPAF Pension System Contributions													
On-Behalf TPAF Pension Contribution	23-495-034-5094-002	1,357,685	7/1/22	6/30/23				\$ 1,357,685	\$ (1,357,685)				
On-Behalf TPAF Post Retirement Medical	23-495-034-5094-001	356,660	7/1/22	6/30/23				356,660	(356,660)				
On-behalf TPAF Long-term Disability Contrib.	23-495-034-5094-004	419	7/1/22	6/30/23				419	(419)				
Total State Financial Assistance - Major Program Determination								\$ 4,420,855	\$ (4,864,869)				

See accompanying notes to schedules of financial assistance

HOPEWELL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2023

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Township of Hopewell School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 2 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements 2 CFR 200- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and New Jersey OMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(13,659) for the general fund and \$9,359 for the special revenue fund. See Note 2 (Notes to Required Supplemental Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

HOPEWELL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2023
(Continued)

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 25,595	\$ 5,718,559	\$ 5,744,154
Special Revenue Fund	930,075	738,013	1,668,088
Debt Service		111,130	111,130
Food Service Fund	<u>240,515</u>	<u>9,172</u>	<u>249,687</u>
Total Awards & Financial Assistance	<u>\$ 1,196,185</u>	<u>\$ 6,576,874</u>	<u>\$ 7,773,059</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

The Township of Hopewell had no outstanding loans as of June 30, 2023.

NOTE 6: OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2023. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2023.

NOTE 7: SCHOOLWIDE PROGRAM FUNDS

As the District's Federal Programs are on a targeted student group basis, there are no schoolwide programs in the District.

NOTE 8: ADJUSTMENTS

There were no adjustments noted on Schedule A, Exhibit K-3, Schedule of Federal Awards and no adjustments noted on Schedule K-4, Schedule of State Financial Assistance.

**HOPEWELL TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

1) Material weakness (es) identified? _____ yes _____ X no
2) Significant deficiencies identified? _____ yes _____ X none reported

Noncompliance material to basic
financial statements noted?

_____ yes _____ X no

Federal Awards

Internal control over major programs:

1) Material weakness (es) identified? _____ yes _____ X no
2) Significant deficiencies identified? _____ yes _____ X none reported

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

Unmodified

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

_____ yes _____ X no

Identification of major programs:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
84.425D	S425D210027	Education Stabilization Fund:
84.425U	S425U210027	CRRSA Consolidated
		ARP Consolidated

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

Auditee qualified as low-risk auditee? _____ yes _____ X no

GMIS Number(s)	Name of State Program
23-495-034-5120-078	Equalization Aid
23-495-034-5120-089	Special Education Categorical Aid
23-495-034-5120-084	Security Aid
23-495-034-5120-085	Adjustment Aid
23-495-034-5120-086	Preschool Education Aid

**HOPEWELL TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(continued)**

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weakness, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the financial statements for which Government Auditing Standards requires reporting and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey that requires reporting in the Uniform Guidance, New Jersey OMB Treasury Circular 15-08 audit.

Criteria or specific requirement: NONE

Condition:

Context:

Effect:

Cause:

Recommendation:

Management's response:

**HOPEWELL TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(continued)**

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

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* and NJOMB Circular Letter 15-08, as applicable.

FEDERAL AWARDS

Finding: None
Information on the federal program:
Criteria or specific requirement:
Condition:
Questioned Costs: None
Context:
Effect:
Cause:
Recommendation:
Management's response:

STATE AWARDS

Finding: None
Information on the state program:
Criteria or specific requirement:
Condition:
Questioned Costs: None
Context:
Effect:
Cause:
Recommendation:
Management's response:

**HOPEWELL TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

This section identifies the status of prior - year findings related to the basic financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, US OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* section .511(a) (b) and New Jersey OMB's Treasury Circular 15-08, as applicable.

STATUS OF PRIOR - YEAR FINDINGS

There were no prior year findings.