SCHOOL DISTRICT
OF

HOPATCONG BOROUGH

Hopatcong Borough School District
Hopatcong, New Jersey

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2024

Annual Comprehensive Financial Report

of the

Hopatcong Borough School District

Hopatcong, New Jersey

For the Fiscal Year Ended June 30, 2024

Prepared by

Hopatcong Borough School District
Board of Education

HOPATCONG BOROUGH SCHOOL DISTRICT
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INTRODUCTORY SECTION
(UNAUDITED)

Hopatcong Board of Education
P.O. Box 1029
2 Windsor Avenue
Hopatcong, New Jersey 07843
(973)398-8801 FAX (973)398-1961

Learning Today Leading Tomorrow

November 22, 2024

The Honorable President and Members of
the Board of Education
Hopatcong Borough School District
County of Sussex, New Jersey

Dear Board Members:

The annual comprehensive financial report of the Hopatcong Borough School District (the "District") for the fiscal year ended June 30, 2024, 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 (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart, a roster of officials and a list of consultants and advisors. The financial section includes the Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends and the fiscal capacity of the District, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES:

The Hopatcong Borough School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Hopatcong Borough Board of Education and all its schools constitute the District's reporting entity.

1) REPORTING ENTITY AND ITS SERVICES (Cont'd):

The District provides a full range of educational services appropriate to grade levels K through 12 for the students residing in Hopatcong Borough, and 9 through 12 for students residing in Hopatcong Borough. These include regular, vocational as well as special education for handicapped youngsters.

2) ECONOMIC CONDITION AND OUTLOOK:

During the 2022-2023 school year the district continued year four of S4 state aid reductions as part of the NJDOE funding formula implementation. The decline in enrollment has leveled off and we have begun to see small enrollment growth in our English as a Second Language population. The district will continue to lose state aid in both the 23-24 and 24-25 school years as the state aid formula is fully implemented. The district is conducting a feasibility study regarding its current facility utilization and exploring opportunities for shared services and consolidation options. The tax levy for 2022-2023 increased by 2% with an additional 1.65% of cap exceptions banked for future usage.

3) MAJOR INITIATIVES:

The district is preparing a major capital referendum project for the 2023-2024 school year which will be presented to the voters. The referendum and capital improvement plan will identify facilities needs including roofing, HVAC, energy services and security measures upgrades which cannot be funded within the existing school budget.

4) INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District's management.

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

5) 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 a vote of the Board of Education. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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 restrictions, commitments and/or assignments of fund balance at June 30, 2024.

6) ACCOUNTING SYSTEM AND REPORTS:

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

7) CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. 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.

8) RISK MANAGEMENT:

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

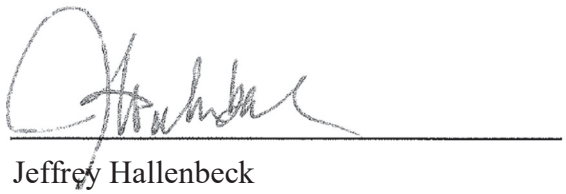
9) OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board of Education at its last organization meeting. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State*

Grants and State Aid. The auditors report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

10) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Hopatcong School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of the financial and accounting staff.

Sincereley,

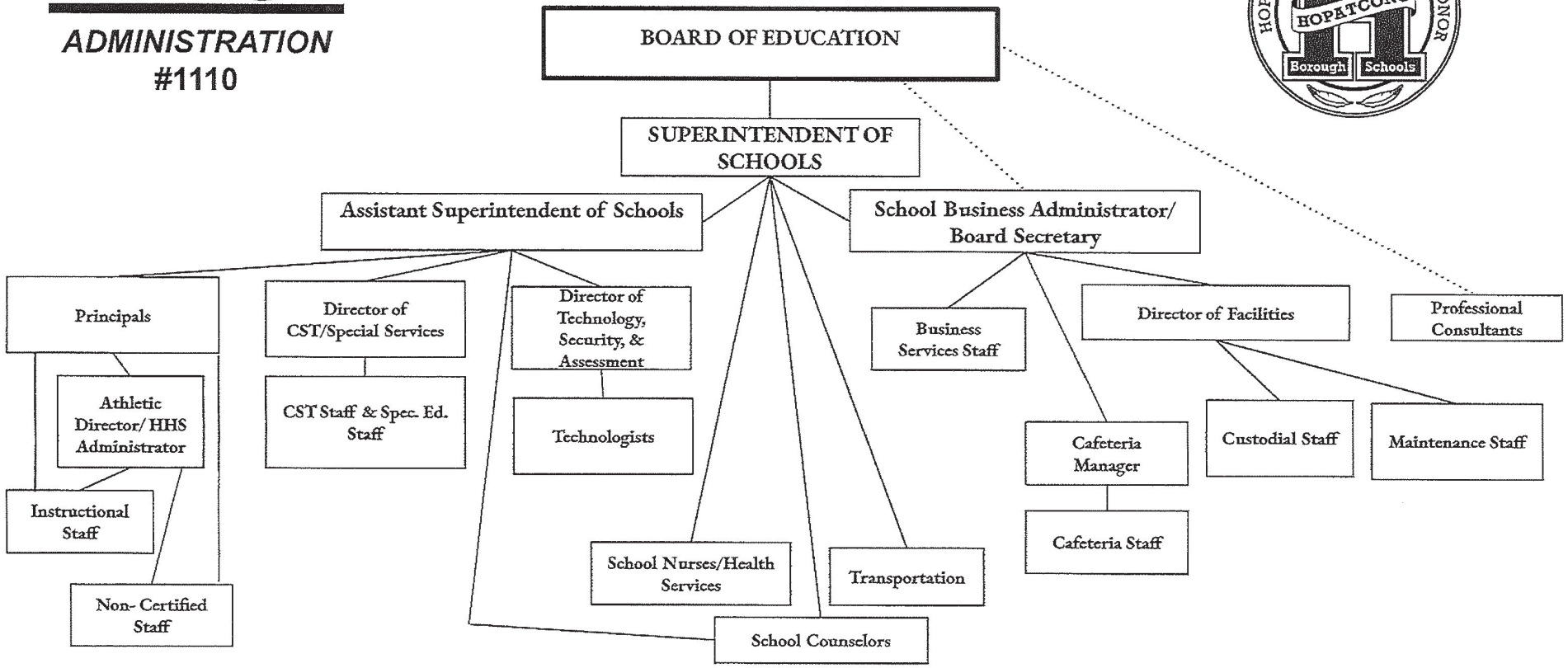


Jeffrey Hallenbeck
Business Administrator/Superintendent of Schools

POLICY

ADMINISTRATION
#1110

1110 ORGANIZATIONAL CHART
HOPATCONG BOROUGH SCHOOL DISTRICT



HOPATCONG BOROUGH SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2024

Members of the Board of Education	Term Expires
Scott Francis, President	12/31/2024
Nicole Falconi-Shubert, Vice President	12/31/2025
Phillip DiStefano	12/31/2025
Joseph Falconi	12/31/2026
Jayson Cittrich	12/31/2024
Natalie Cappello	12/31/2026
Jayna Gulan	12/31/2024
Jennifer Polowchena	12/31/2024
James Chaffee Jr.	12/31/2026

Other Officers

Jeffrey Hallenbeck, Superintendent/School Business Administrator/Board Secretary

HOPATCONG BOROUGH SCHOOL DISTRICT
Consultants and Advisors

Attorneys

Porzio, Bromberg & Newman, P.C.
100 Southgate Parkway
Morristown, NJ 07962

Audit Firm

Nisivoccia LLP
Mount Arlington Corporate Center
200 Valley Road Suite 300
Mount Arlington, NJ 07856

Official Depositories

Valley National Bank
7 Woodport Road
Sparta, NJ 07871

Santander Bank
110 River Styx Road
Hopatcong, NJ 07843

FINANCIAL SECTION

NISIVOCCIA
ASSURANCE · TAX · ADVISORY

Mount Arlington, NJ
Newton, NJ
Bridgewater, NJ

973.298.8500
nisivoccia.com

Independent Member
BKR International

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Hopatcong Borough School District
County of Sussex, New Jersey

Report on the Audit of the Financial Statements

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 Hopatcong Borough School District (the "District"), in the County of Sussex, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position, and, where applicable cash flows thereof for the fiscal 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 (GAAS), audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibility 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 GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office 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 GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office, 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 District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension and post-retirement schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 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, are 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 District's basic financial statements. The accompanying supplementary information schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 accompanying supplementary information schedules and the schedules of expenditures of federal and state awards 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. 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 November 22, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
November 22, 2024

NISIVOCCIA LLP

Raymond A. Sarinelli

Raymond A. Sarinelli
Licensed Public School Accountant #2549
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

Hopatcong Borough School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2024

This section of Hopatcong Borough School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2024. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more* detail than the District-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds statements* offer *short-* and *long-term* financial information about the activities the District operates like a business, such as food services and transportation.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the fiscal year.

Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1
Organization of the Board of Education of Hopatcong School District

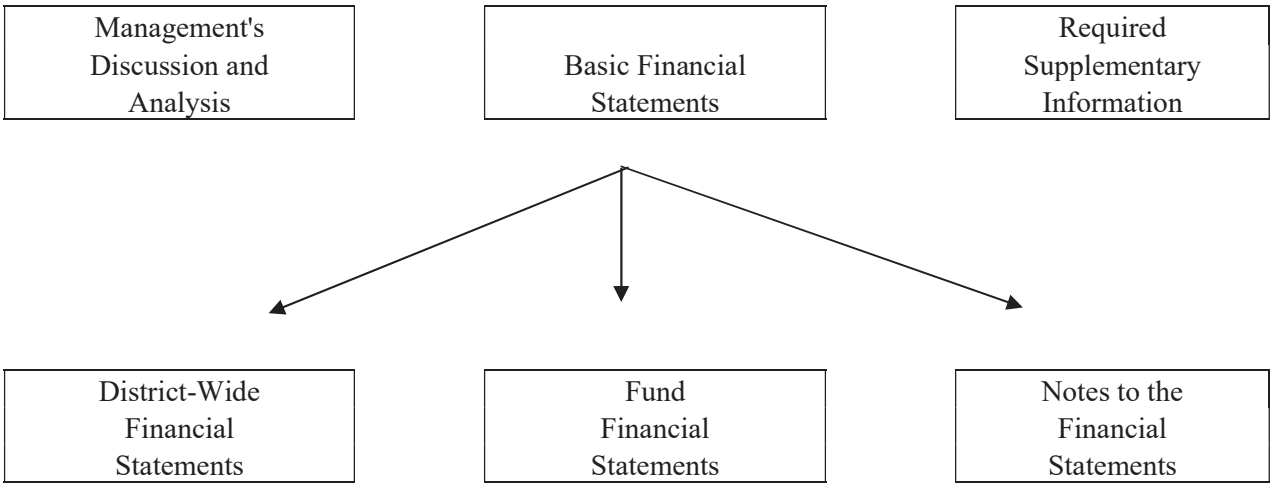


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents of each of the statements.

Figure A-2

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District	The activities of the District that are not proprietary such as special education and building maintenance	Activities the District operates similar to private businesses: transportation and food services
Required Financial Statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenue, expenditures, and changes in fund balances	• Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets, lease assets, subscription assets, or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid

District-wide Statements

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred inflows and outflows, and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two District-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets, deferred inflows and outflows, and liabilities – is one way to measure the District's financial health or *position.*

- Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's transportation and food service are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term liabilities) or to show that is it properly using certain revenue (such as federal grants).

The District has two kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at fiscal year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.

- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. *Internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for other programs and activities. The District currently does not maintain any internal service funds.

Notes to the Basic Financial Statements

Provide additional information essential to a full understanding of the district-wide and fund financial statements.

Financial Analysis of the District as a Whole

Net Position. The Statement of Net Position provides one perspective of the District as a whole. Figure A-3 provides a summary of the District's net position as of June 30, 2024 and 2023. Net position from governmental activities decreased by $476,864 and net position from business activities increased by $1,130,389. Net investment in capital assets increased by $383,664; restricted net position decreased by $712,970 primarily due to the decrease in excess surplus, Capital Reserve, Maintenance Reserve, and Unemployment Compensation; and unrestricted net position increased by $982,831 primarily due to an increase in the Transportation Service net position.

Figure A-3
Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
Assets:							
Current and Other Assets	$ 5,818,163	$ 6,603,262	$ 10,477,720	$ 8,761,128	$ 16,295,883	$ 15,364,390	
Capital Assets, Net	5,961,514	5,547,480	682,473	392,635	6,643,987	5,940,115	
Total Assets	11,779,677	12,150,742	11,160,193	9,153,763	22,939,870	21,304,505	7.68%
Deferred Outflows of Resources	1,057,238	1,484,465			1,057,238	1,484,465	-28.78%
Liabilities:							
Other Liabilities	1,957,384	1,448,365	6,713,223	5,815,403	8,670,607	7,263,768	
Long-Term Liabilities	8,525,035	8,984,224	126,178	147,957	8,651,213	9,132,181	
Total Liabilities	10,482,419	10,432,589	6,839,401	5,963,360	17,321,820	16,395,949	5.65%
Deferred Inflows of Resources	1,487,205	1,858,463			1,487,205	1,858,463	-19.98%
Net Position:							
Net Investment in Capital Assets	4,629,116	4,609,522	591,874	227,804	5,220,990	4,837,326	
Restricted	2,713,300	3,426,270			2,713,300	3,426,270	
Unrestricted/(Deficit)	(6,475,125)	(6,691,637)	3,728,918	2,962,599	(2,746,207)	(3,729,038)	
Total Net Position	$ 867,291	$ 1,344,155	$ 4,320,792	$ 3,190,403	$ 5,188,083	$ 4,534,558	14.41%

Changes in Net Position. Net position in the Governmental Activities decreased due primarily to the strategic draw down of excess surplus in the general fund. An explanation for the change in Net Position for Business-Type Activities is included later in this section of the report.

Financial Analysis of the District as a Whole (Cont'd)

Figure A-4
Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
Revenue:							
Program Revenue:							
Charges for Services	$ 533,865	$ 539,677	$ 60,818,626	$ 54,477,513	$ 61,352,491	$ 55,017,190	
Grants and Contributions:							
Operating	9,646,828	9,249,516	422,300	413,564	10,069,128	9,663,080	
General Revenue:							
Property Taxes	26,118,006	25,605,888			26,118,006	25,605,888	
Not Restricted	1,309,031	2,998,547			1,309,031	2,998,547	
Other	590,653	762,879	462,165	228,311	1,052,818	991,190	
Total Revenue	38,198,383	39,156,507	61,703,091	55,119,388	99,901,474	94,275,895	5.97%
Expenses:							
Instruction	20,675,715	19,848,951			20,675,715	19,848,951	
Pupil and Instruction Services	8,070,051	7,318,150			8,070,051	7,318,150	
Administrative and Business	2,761,849	2,867,546			2,761,849	2,867,546	
Maintenance and Operations	3,755,326	3,966,996			3,755,326	3,966,996	
Transportation	2,702,053	2,510,103			2,702,053	2,510,103	
Other	710,253	2,196,996	60,572,702	54,283,575	61,282,955	56,480,571	
Total Expenses	38,675,247	38,708,742	60,572,702	54,283,575	99,247,949	92,992,317	6.73%
Change in Net Position	$ (476,864)	$ 447,765	$ 1,130,389	$ 835,813	$ 653,525	$ 1,283,578	-49.09%

Governmental Activities

The financial position of the District decreased 35.47%. The District maintained existing programs. The provision of a multitude of special programs/services for disabled pupils places a great demand on the District's resources. As a result, careful management of expenses remains essential for the District to sustain its financial health.

State aid has been reduced over the past few years so the burden of funding education in the District has fallen on local property taxes. Therefore, it is crucial that the District examine its expenses carefully, since any proposed increase to the School District budget will be funded entirely through property taxes. Careful management of expenses remains essential for the District to sustain its financial health.

Figure A-5 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions:

Figure A-5
Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2023/24	2022/23	2023/24	2022/23
Instruction	$ 20,675,715	$ 19,848,951	$ 14,958,282	$ 14,086,987
Pupil and Instruction Services	8,070,051	7,318,150	4,960,638	4,636,048
Administrative and Business	2,761,849	2,867,546	2,425,944	2,470,145
Maintenance and Operations	3,755,326	3,966,996	3,755,326	3,966,996
Transportation	2,702,053	2,510,103	1,684,111	1,599,129
Other	710,253	2,196,996	710,253	2,160,244
	$ 38,675,247	$ 38,708,742	$ 28,494,554	$ 28,919,549

Business-Type Activities

Net position from the District's business-type activities increased by $1,130,389 (Refer to Figure A-4). Factors contributing to these results included:

- The Transportation Services Fund revenues and interest revenue exceeded expenses.

Financial Analysis of the District's Funds

The loss of state aid has continued to put a strain on the District's budget; the District has been proactive in trying to mitigate the losses with the sale of a cell tower and school building. The District will continue to find ways to cut costs, while also finding new streams of revenue.

These factors are likely to continue for the near future. To maintain a stable financial position, the District must continue to practice sound fiscal management.

General Fund Budgetary Highlights

Over the course of the fiscal year, the District revised the annual operating budget several times due to:

- Changes made within budgetary line items for changes in school-based needs for programs, supplies and equipment.

Capital Asset and Long-Term Liabilities

Figure A-6
Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
Land	$ 359,763	$ 359,763			$ 359,763	$ 359,763	
Land Improvements	1,488,493	1,564,518			1,488,493	1,564,518	
Buildings and Building Improvements	2,248,897	2,459,671			2,248,897	2,459,671	
Machinery and Equipment	1,864,361	1,163,528	$ 682,473	$ 392,635	2,546,834	1,556,163	
Total Capital Assets (Net of Depreciation)	$ 5,961,514	$ 5,547,480	$ 682,473	$ 392,635	$ 6,643,987	$ 5,940,115	11.85%

Long-term Liabilities

The District is currently free of long term bonds, and continues to make scheduled payments on its financed purchases.

Figure A-7
Outstanding Long-Term Liabilities

	Governmental Activities		Business-TypeActivities		Total School District		Total Percentage Change
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	
Net Pension Liability	$ 6,523,287	$ 7,585,336			$ 6,523,287	$ 7,585,336	
Financed Purchases Payable	1,332,398	937,958	$ 90,599	$ 107,474	1,422,997	1,045,432	
Compensated Absences	669,350	460,930	35,579	57,357	704,929	518,287	
Total Long Term Liabilities	$ 8,525,035	$ 8,984,224	$ 126,178	$ 164,831	$ 8,651,213	$ 9,149,055	-5.44%

Factors Bearing on the District's Future Revenue/Expenses

The Board and the administration have had discussions on how existing circumstances could affect the future financial health of the School District. The following examples may have an impact and affect the financial operation in the future:

- The current economic crisis in our state has generated concern in the educational community for public school funding.
- Governor Murphy has signed legislation to modify current school funding law for which the District continues to see reductions in state aid funding.
- The end of COVID-19 Federal funding in 2024 will result in additional revenue reductions.

Currently, the District is in good financial condition. Everyone associated with the Hopatcong Board of Education is grateful for the community support. Many factors were considered by the District's administration during the process of developing the fiscal year 2022-2023 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs.

Contracting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Hopatcong Borough Board of Education Office located at 2 Windsor Ave, PO Box 1029 Hopatcong, NJ 07843.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

HOPATCONG BOROUGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 3,166,467	$ 3,168,393	$ 6,334,860
Internal Balances	7,164	(7,164)	
Receivables from State Government	433,806	1,655	435,461
Receivables from Federal Government	307,785	19,693	327,478
Receivables from Other Governments		7,255,300	7,255,300
Other Receivables	28,906	16,657	45,563
Inventories		23,186	23,186
Restricted Cash and Cash Equivalents	1,874,035		1,874,035
Capital Assets, Net:			
Sites (Land)	359,763		359,763
Depreciable Land Improvements, Buildings and Building Improvements and Machinery and Equipment	5,601,751	682,473	6,284,224
Total Assets	11,779,677	11,160,193	22,939,870
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	397,238		397,238
District Contribution Subsequent to the Measurement Date - Pensions	660,000		660,000
Total Deferred Outflows of Resources	1,057,238		1,057,238
LIABILITIES			
Current Liablities:			
Accounts Payable	1,208,056	6,698,946	7,907,002
Payable to State Government	5,089		5,089
Payable to Federal Government	1,176		1,176
Unearned Revenue	743,063	14,277	757,340
Noncurrent Liabilities:			
Due Within One Year	247,342	17,330	264,672
Due Beyond One Year	8,277,693	108,848	8,386,541
Total Liabilities	10,482,419	6,839,401	17,321,820
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	1,487,205		1,487,205
Total Deferred Inflows of Resources	1,487,205		1,487,205
NET POSITION/(DEFICIT)			
Net Investment in Capital Assets	4,629,116	591,874	5,220,990
Restricted for:			
Capital Projects	1,468,509		1,468,509
Maintenance	80,099		80,099
Excess Surplus	839,265		839,265
Unemployment Compensation	75,728		75,728
Student Activities	208,803		208,803
Scholarships	40,896		40,896
Unrestricted/(Deficit)	(6,475,125)	3,728,918	(2,746,207)
Total Net Position	$ 867,291	$ 4,320,792	$ 5,188,083

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

HOPATCONG BOROUGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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	$ 13,836,421	$ 5,976	$ 3,139,081	$ (10,691,364)		$ (10,691,364)
Special Education	5,649,229		2,506,894	(3,142,335)		(3,142,335)
Other Special Instruction	384,044		65,482	(318,562)		(318,562)
School Sponsored/Other Instruction	806,021			(806,021)		(806,021)
Support Services:						
Tuition	1,930,355		579,804	(1,350,551)		(1,350,551)
Student and Instruction Related Services	6,139,696	218,049	2,311,560	(3,610,087)		(3,610,087)
General Administrative Services	665,255		58,598	(606,657)		(606,657)
School Administrative Services	1,411,139		277,307	(1,133,832)		(1,133,832)
Central Services	683,928			(683,928)		(683,928)
Administrative Information Technology	1,527			(1,527)		(1,527)
Plant Operations and Maintenance	3,755,326			(3,755,326)		(3,755,326)
Pupil Transportation	2,702,053	309,840	708,102	(1,684,111)		(1,684,111)
Unallocated Depreciation	61,652			(61,652)		(61,652)
Capital Outlay	10,639			(10,639)		(10,639)
Transfer of Funds to Charter School	637,962			(637,962)		(637,962)
Total Governmental Activities	38,675,247	533,865	9,646,828	(28,494,554)		(28,494,554)
Business-Type Activities:						
Food Service	779,450	389,649	422,300		$ 32,499	32,499
Transportation	59,793,252	60,428,977			635,725	635,725
Total Business-Type Activities	60,572,702	60,818,626	422,300		668,224	668,224
Total Primary Government	$ 99,247,949	$ 61,352,491	$ 10,069,128	(28,494,554)	668,224	(27,826,330)

HOPATCONG BOROUGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	$ 26,118,006		$ 26,118,006
Federal, State and Local Aid not Restricted	1,309,031		1,309,031
Interest Earnings	700		700
Miscellaneous Income	589,953	$ 462,165	1,052,118
Total General Revenues	28,017,690	462,165	28,479,855
Change in Net Position	(476,864)	1,130,389	653,525
Net Position - Beginning	1,344,155	3,190,403	4,534,558
Net Position - Ending	$ 867,291	$ 4,320,792	$ 5,188,083

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

HOPATCONG BOROUGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS:				
Cash and Cash Equivalents	$ 2,411,753	$ 231,317	$ 523,397	$ 3,166,467
Interfund Receivable	7,164			7,164
Receivables From State Government	433,746	60		433,806
Receivables From Federal Government		307,785		307,785
Other Accounts Receivables	28,906			28,906
Restricted Cash and Cash Equivalents	1,624,336	249,699		1,874,035
Total Assets	$ 4,505,905	$ 788,861	$ 523,397	$ 5,818,163
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	$ 543,837	$ 4,219		$ 548,056
Payable to State Government		5,089		5,089
Payable to Federal Government		1,176		1,176
Unearned Revenue		743,063		743,063
Total Liabilities	543,837	753,547		1,297,384
Fund Balances:				
Restricted for:				
Capital Reserve	1,468,509			1,468,509
Maintenance Reserve	80,099			80,099
Excess Surplus - 2024-2025	711,222			711,222
Excess Surplus - 2025-2026	128,043			128,043
Unemployment Compensation	75,728			75,728
Student Activities		208,803		208,803
Scholarships		40,896		40,896
Committed				
Capital Projects			$ 523,397	523,397
Assigned:				
Encumbrances	338,609			338,609
Designated For Subsequent Year's Expenditures	732,027			732,027
Unassigned:				
General Fund	427,831			427,831
Special Revenue Fund/(Deficit)		(214,385)		(214,385)
Total Fund Balances	3,962,068	35,314	523,397	4,520,779
Total Liabilities and Fund Balances	$ 4,505,905	$ 788,861	$ 523,397	$ 5,818,163

HOPATCONG BOROUGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

Amounts Reported for *Governmental Activities* in the Statement of Net Position (A-1) are Different Because:		
Total Fund Balances (above)	$	4,520,779
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds.		5,961,514
Long-term liabilities, including Financed Purchases Payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.		(2,001,748)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.		(6,523,287)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds.		
Deferred Outflows		397,238
Deferred Inflows		(1,487,205)
Net Position of Governmental Activities (Exhibit A-1)	$	867,291

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

HOPATCONG BOROUGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES				
Local Sources:				
Local Tax Levy	$ 26,118,006			$ 26,118,006
Tuition Charges	5,976			5,976
Rents and Royalties	309,840			309,840
Interest Earned on Maintenance Reserve Funds	200			200
Interest Earned on Capital Reserve Funds	500			500
Restricted Miscellaneous Revenue		$ 221,931		221,931
Miscellaneous	589,953			589,953
Total - Local Sources	27,024,475	221,931		27,246,406
State Sources	11,207,185	1,798,359		13,005,544
Federal Sources	91,039	2,094,306		2,185,345
Total Revenues	38,322,699	4,114,596		42,437,295
EXPENDITURES:				
Current:				
Regular Instruction	8,575,909	983,508		9,559,417
Special Education Instruction	3,880,886	21,675		3,902,561
Other Special Instruction	227,481			227,481
School Sponsored/Other Instruction	621,177			621,177
Support Services and Undistributed Costs:				
Tuition	1,350,551	579,804		1,930,355
Student & Instruction Related Services	2,694,719	2,736,044		5,430,763
General Administrative Services	441,730			441,730
School Administrative Services	968,902			968,902
Central Services	503,510			503,510
Administration Information Technology	1,527			1,527
Plant Operations and Maintenance	3,321,371			3,321,371
Pupil Transportation	2,950,561			2,950,561
Unallocated Benefits	12,891,353			12,891,353
Capital Outlay	927,620			927,620
Transfer of Funds to Charter Schools	637,962			637,962
Total Expenditures	39,995,259	4,321,031		44,316,290
Excess/(Deficiency) of Revenue over/(under) Expenditures	(1,672,560)	(206,435)		(1,878,995)
OTHER FINANCING SOURCES/(USES):				
Financed Purchases (Non-budgeted)	642,948			642,948
Transfers	(668,907)	145,510	$ 523,397	
Total Other Financing Sources/(Uses)	(25,959)	145,510	523,397	642,948
Net Change in Fund Balances	(1,698,519)	(60,925)	523,397	(1,236,047)
Fund Balance—July 1	5,660,587	96,239		5,756,826
Fund Balance—June 30	$ 3,962,068	$ 35,314	$ 523,397	$ 4,520,779

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

HOPATCONG BOROUGH SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Total Net Change in Fund Balances - Governmental Funds (from B-2)		$ (1,236,047)
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:		
Capital outlays realted to capital assets 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 depreciationand capital asset disposals, net of accumulated depreciation differs from capital outlays in the period.		
Depreciation expense	$ (546,742)	
Capital Asset Additions	960,776	
		414,034
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		(208,420)
Repayment of financed purchases 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.		248,508
Financed Purchase obligations are other financing sources in the Governmental Funds, but the obligations increase Long-term Liabilities in the Statement of Net Position and are not reported in the Statement of Activiities.		(642,948)
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:		
Change in Net Pension Liability		1,062,049
Change in Deferred Outflows		(485,298)
Change in Deferred Inflows		371,258
Change in Net Position - Governmental Funds (Exhibit A-2)		$ (476,864)

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

HOPATCONG BOROUGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Business-Type Activities - Enterprise Funds		
	Major Fund	Non-Major Fund	Total Enterprise Funds
	Transportation Service		
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	$ 2,989,588	$ 178,805	$ 3,168,393
Intergovernmental Accounts Receivable:			
State		1,655	1,655
Federal		19,693	19,693
Other	7,255,300		7,255,300
Other Accounts Receivable		16,657	16,657
Inventories		23,186	23,186
Total Current Assets	10,244,888	239,996	10,484,884
Non-Current Assets:			
Capital Assets	1,400,038	533,415	1,933,453
Less: Accumulated Depreciation	(936,002)	(314,978)	(1,250,980)
Total Non-Current Assets	464,036	218,437	682,473
Total Assets	10,708,924	458,433	11,167,357
LIABILITIES:			
Current Liabilities:			
Accounts Payable	6,603,490		6,603,490
Accounts Payable - Subscription Fees	95,456		95,456
Interfund Payable		7,164	7,164
Unearned Revenue - Prepaid Sales	7,609		7,609
Unearned Revenue - Donated Commodities		6,668	6,668
Total Current Liabilities	6,706,555	13,832	6,720,387
Long-Term Liabilities:			
Due Within One Year	17,330		17,330
Due Beyond One Year	108,848		108,848
Total Long-Term Liabilities	126,178		126,178
Total Liabilities	6,832,733	13,832	6,846,565
NET POSITION:			
Net Investment in Capital Assets	373,437	218,437	591,874
Unrestricted	3,502,754	226,164	3,728,918
Total Net Position	$ 3,876,191	$ 444,601	$ 4,320,792

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

HOPATCONG BOROUGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business-Type Activities - Enterprise Funds		
	Major Funds	Non-Major Funds	Total Enterprise
	Transportation Services		
Operating Revenue:			
Daily Sales:			
Reimbursable Programs		$ 270,138	$ 270,138
Non-Reimbursable Programs		113,732	113,732
Transportation Fees	$ 60,428,977		60,428,977
Other Sales		803	803
Miscellaneous Revenue	12,323	4,976	17,299
Total Operating Revenue	60,441,300	389,649	60,830,949
Operating Expenses:			
Cost of Sales:			
Reimbursable Programs		230,918	230,918
Non-Reimbursable Programs		97,219	97,219
Salaries	2,012,149	259,229	2,271,378
Purchased Technical Services	2,583		2,583
Contracted Services	56,497,604		56,497,604
Facilities Rent	259,160		259,160
Employee Benefits and Payroll Taxes	519,345	78,609	597,954
Other Purchased Services	7,418	35,000	42,418
Supplies and Materials		47,922	47,922
Maintenance andRepairs/Fuel	260,341		260,341
Miscellaneous Expenses	181,344	8,382	189,726
Interest on Financed Purchases	3,296		3,296
Depreciation Expense	50,012	22,171	72,183
Total Operating Expenses	59,793,252	779,450	60,572,702
Operating (Loss)/Income	648,048	(389,801)	258,247
Non-Operating Revenue:			
Local Sources:			
Interest Income	449,842		449,842
State Sources:			
State School Lunch Program		15,129	15,129
State Extended Income Eligibilty - Breakfast		1,399	1,399
State School Breakfast Program		1,577	1,577
State Extended Income Eligibilty - Lunch		7,888	7,888
Federal Sources:			
National School Lunch Program		274,842	274,842
School Breakfast Program		47,149	47,149
Food Distribution Program		35,173	35,173
COVID 19 - Supply Chain Assistance		38,206	38,206
COVID 19 - Pandemic EBT Cost Reimbursement		653	653
Local Food for School Lunches		284	284
Total Non-Operating Revenue	449,842	422,300	872,142

HOPATCONG BOROUGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business-Type Activities - Enterprise Funds		
	Major Funds	Non-Major Funds	Total Enterprise
	Transportation Services		
Change in Net Position	$ 1,097,890	$ 32,499	$ 1,130,389
Net Position - Beginning of Year	2,778,301	412,102	3,190,403
Net Position - End of Year	$ 3,876,191	$ 444,601	$ 4,320,792

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

HOPATCONG BOROUGH SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business-Type Activities - Enterprise Funds		
	Major Fund	Non-Major Funds	Total Enterprise
	Transportation Service		
Cash Flows from Operating Activities:			
Receipts from Customers	$ 58,105,779	$ 409,041	$ 58,514,820
Payments to Food Service Contractor		(713,897)	(713,897)
Payments to Employees	(2,531,494)		(2,531,494)
Payments to Suppliers	(56,337,202)	(9,454)	(56,346,656)
Net Cash Provided by/(Used for) Operating Activities	(762,917)	(314,310)	(1,077,227)
Cash Flows from Capital and Related Financing Activities:			
Acquisition of Capital Assets	(345,422)	(16,599)	(362,021)
Net Cash (Used for) Capital and Related Financing Activities	(345,422)	(16,599)	(362,021)
Cash Flows from Investing Activities:			
Interest	449,842		449,842
Net Cash Provided by Capital and Related Financing Activities	449,842		449,842
Cash Flows from Noncapital Financing Activities:			
State and Federal Sources Collected in Food Service Fund		381,180	381,180
Net Cash Provided by/(Used for) Noncapital Financing Activities		381,180	381,180
Net Increase/(Decrease) in Cash and Cash Equivalents	(658,497)	50,271	(608,226)
Cash and Cash Equivalents, July 1	3,648,085	128,534	3,776,619
Cash and Cash Equivalents, June 30	$ 2,989,588	$ 178,805	$ 3,168,393
Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities:			
Operating Income/(Loss)	$ 648,048	$ (389,801)	$ 258,247
Adjustment to Reconcile Operating Income/(Loss) to Net Cash (Used for) Operating Activities:			
Depreciation	50,012	22,171	72,183
Food Distribution Program		35,173	35,173
Changes in Assets and Liabilities:			
(Increase)/Decrease in Accounts Receivable	(2,335,521)	4,435	(2,331,086)
(Increase)/Decrease in Interfunds Receivable		7,793	7,793
(Increase)/Decrease in Inventory		(2,742)	(2,742)
Increase/(Decrease) in Accounts Payable - Subscription Fees	7,418		7,418
Increase/(Decrease) in Unearned Revenue	(9,009)	1,497	(7,512)
Increase/(Decrease) in Long-Term Liabilities	(38,653)		(38,653)
Increase/(Decrease) in Accounts Payable	914,788		914,788
Increase/(Decrease) in Interfunds Payable		7,164	7,164
Net Cash/ (Used for) Operating Activities	$ (762,917)	$ (314,310)	$ (1,077,227)

Noncash Investing, Capital and Financing Activities:
The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at $36,670 and utilized U.S.D.A. Commodities valued at $35,173.

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the "Board") of Hopatcong Borough School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

A. Reporting Entity:

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

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or could otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business type activities. These statements include the financial activities of the overall District in its entirety. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

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 and proprietary- 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 models.

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states 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 revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expense by Board resolution.

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, lease assets, or subscription assets (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, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

The District reports the following governmental funds: (Cont'd)

Debt Service Fund: The Debt Service Fund is used to account for and report the financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

The District reports the following proprietary funds:

Enterprise Fund: The Enterprise Funds account for all revenue and expenses pertaining to the Board's cafeteria and transportation operations. The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the recipients on a continuing basis are financed or recovered primarily through user charges.

C. Measurement Focus and Basis of Accounting:

The district-wide financial statements and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset, lease asset, or subscription asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under financed purchases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budget for the fiscal year ended June 30, 2024 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2 (m) 1. All budget amendments/transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the fiscal year).

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal 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 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 except for student activities and scholarships. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund and Special Revenue Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current fiscal year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

The Capital Projects Fund budgetary revenue differs from GAAP revenue due to a difference in the recognition of SDA grants receivable. These grants are recognized on the budgetary basis in full at the time of the award but are recognized on the GAAP basis as they are expended and requested for reimbursement.

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	$ 38,202,642	$ 4,202,502
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognized Encumbrances as Expenditures and Revenue while the GAAP Basis does not:		
Prior Year Encumbrances		4,871
Prior Year Encumbrances Canceled		(1,176)
Current Year Encumbrances		(6,176)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	376,215	128,960
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(256,158)	(214,385)
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	$ 38,322,699	$ 4,114,596

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control: (Cont'd)

	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	$ 39,995,259	$ 4,323,512
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 Encumbrances		4,871
Prior Year Encumbrances Canceled		(1,176)
Current Year Encumbrances		(6,176)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	$ 39,995,259	$ 4,321,031

Explanation of Differences between Budgetary Fund Balance and GAAP Fund Balance:

	Capital Projects Fund	
	Revenue	Fund Balance
Revenue and Other Financing Sources (Budgetary Basis)	$ 872,328	
Committed Fund Balance (Budgetary Basis)		$ 872,328
	872,328	872,328
Reconciliation to Governmental Funds Statements (GAAP):		
SDA Grant Revenue Receivable Not Recognized on GAAP Basis	(348,931)	(348,931)
Revenue/Fund Balance per Governmental Funds (GAAP Basis)	$ 523,397	$ 523,397

E. Cash and Cash Equivalents and Investments:

Cash and cash equivalents include petty cash, cash in banks and short-term investments with original maturities of three months or less. Certificates of deposit with maturities of one year or less when purchased are stated at cost.

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

New Jersey school districts are limited as to type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Cash and Cash Equivalents and Investments: (Cont'd)

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

F. Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities, which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

H. Encumbrances:

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned revenue 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.

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. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure during the fiscal year of purchase.

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, 2024.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

K. Capital Assets:

During the fiscal year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost, including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at acquisition value. The cost of normal maintenance and repairs is not capitalized.

The District does not possess any infrastructure. Capital assets have been reviewed for impairment. The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is $2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the District-wide statements and proprietary funds are as follows:

	Estimated Useful Life
Buildings and Building Improvements	40 years
Land Improvements	20 years
Machinery and Equipment	10 to 15 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

L. Lease Assets

Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

M. Subscription Assets

Intangible right-to-use subscription assets are subscription-based information technology arrangements (SBITAs) with subscription terms of more than one year. The value of subscription assets is determined by the sum of the subscription liability and payments made to the SBITA vendor, including capitalizable initial implementation costs, before the commencement date of the subscription term.

N. Long Term Liabilities:

In the District-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise funds. Bond premiums and discounts are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

O. Accrued Salaries and Wages:

The District allows certain employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2024 the amount earned by these employees but not disbursed was $341,085.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

P. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent fiscal years.

Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

In the district-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 beyond one year.

Q. Lease Payable

In the district-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

R. Subscription Payable

In the district-wide financial statements, subscription payables are reported as liabilities in the Statement of Net Position. In the governmental Fund financial statements, the present value of subscription payments at the District's incremental borrowing rate over the subscription term is reported as other financing sources.

S. Unearned Revenue:

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

T. Fund Balance Appropriated:

General Fund: Of the $3,962,068 General Fund fund balance at June 30, 2024, $1,468,509 is restricted in the capital reserve account; $80,099 is restricted in the maintenance reserve account; $75,728 is restricted for unemployment compensation; $711,222 is prior fiscal year excess surplus and is included as anticipated revenue for the fiscal year ending June 30, 2025; and $128,043 in current year excess surplus will be appropriated and included in the budget for the fiscal year ending June 30, 2026. $338,609 is assigned for year end encumbrances; $732,027 is assigned for subsequent year's expenditures and $427,831 is unassigned which is $256,158 less on the GAAP basis than the calculated maximum unassigned fund balance due to the final two state aid payments which are not recognized until the fiscal year ended June 30, 2024.

Special Revenue Fund: Of the $35,314 Special Revenue Fund fund balance at June 30, 2024, $208,803 is restricted for student activities; $40,896 is restricted for scholarships; and there is a deficit in unassigned fund balance of $214,385. This deficit is due to the last two June state aid payments, which are not recognized until the fiscal year ended June 30, 2025 on a GAAP basis.

Capital Projects Fund: The fund balance of $523,397 at June 30, 2024 is committed.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, c.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent fiscal year's budget. The District has excess surplus at June 30, 2024 as noted above.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

T. Fund Balance Appropriated (Cont'd)

The District's unassigned fund balance, in the General Fund and in the Special Revenue Fund are less on a GAAP basis than the budgetary basis by $256,158 and $214,385 respectively, as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event one or more state school aid payments are not made until the following school budget year, districts must record the June state aid payments as revenue, for budget purposes only, in the current school budget year.

The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school district cannot recognize the June state aid payments on the GAAP financial statements until the fiscal year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the June state aid payments.

U. Deficit Net Position and Fund Balance:

The District has a deficit in unrestricted net position of $6,475,125 in governmental activities, which is primarily due to compensated absences payable, and liabilities and deferred inflows and outflows related to pensions. The District has a deficit in unassigned fund balance of $214,385 in the Special Revenue Fund as of June 30, 2024 as a result of the last two state aid payments that are not recognized on a GAAP basis. These deficits do not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

V. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

Fund balance restrictions have been established for excess surplus, capital reserve, maintenance reserve, unemployment compensation, student activities and scholarships.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has committed resources in the Capital Projects Fund at June 30, 2024.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for fiscal year-end encumbrances and amounts designated for subsequent year's expenditures in the General Fund at June 30, 2024.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

W. Net Position:

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had a deferred outflow of resources at June 30, 2024 related to pensions.

The District had a deferred inflow related to pensions at June 30, 2024.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, lease assets, net of accumulated amortization, and subscription assets, net of accumulated amortization reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

X. Revenue - Exchange and Nonexchange 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.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property 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 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 fiscal year when the resources are required to be used or 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 nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes, interest and tuition.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Y. Operating Revenue and Expenses:

Operating revenue 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 and charges for services for transportation and administration. Operating expenses are necessary costs incurred to provide the services that are the primary activity of the Enterprise Funds.

Z. Management Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

AA. Pensions:

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

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and District-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

GASB requires disclosure of the level of custodial credit risk assumed by the Board in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its formal cash management plan, the Board ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Board limits its investments to those authorized in its formal cash management plan which are those permitted under state statute as detailed in the investments section of this note.

Custodial Credit Risk - The District does not have a policy with respect to custodial credit risk. However, the District ensures that District funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Deposits:

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

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

The market value of the collateral must equal 5% of the average daily balance of public funds on deposit, and

In addition to the above collateral requirement, if 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, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than $25,000,000.

Investments:

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

(1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

(2) Government money market mutual funds;

(3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

(4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.

(5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;

(6) Local government investment pools;

(7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

(8) Agreements for the repurchase of fully collateralized securities if:

(a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.).;

(b) the custody of collateral is transferred to a third party;

(c) the maturity of the agreement is not more than 30 days;

(d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and

(e) a master repurchase agreement providing for the custody and security of collateral is executed; or

(9) Deposit of funds in accordance with the following conditions:

(a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;

(b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;

(c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;

(d) The designated public depository acts as custodian for the school district with respect to these deposits; and

(e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2024, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents	Total
Checking Accounts	$ 6,334,860	$ 1,874,035	$ 8,208,895
	$ 6,334,860	$ 1,874,035	$ 8,208,895

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

During the period ended June 30, 2024, the District did not hold any investments other than certificates of deposit. The carrying amount of the Board's cash and cash equivalents at June 30, 2024, was $8,208,895 and the bank balance was $15,205,207.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Hopatcong Borough School 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). Upon submission of the LRFP to the State 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 or by transfer by Board resolution at fiscal year end of any unanticipated revenue or unexpended line item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized by N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Beginning Balance, July 1, 2023	$ 1,591,406
Increased by:	
Interest Earned	500
Board Resolution June 2024	400,000
Decreased by:	
Withdrawals by Board Resolution	(523,397)
Ending Balance, June 30, 2024	$ 1,468,509

The June 30, 2024 capital reserve account balance does not exceed the local support costs of uncompleted capital projects in the District's Long Range Facilities Plan ("LRFP"). The withdrawal was for use in DOE approved facilities projects, consistent with the District's LRFP.

NOTE 5. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the District. These funds may be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the District by transferring unassigned general fund balance or by transferring excess unassigned general fund balance that is anticipated to be deposited during the current fiscal year in the advertised recapitulation of balances of the subsequent fiscal year's budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the fiscal year by Board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan.

NOTE 5. MAINTENANCE RESERVE ACCOUNT (Cont'd)

Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any fiscal year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at fiscal year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current fiscal year of the District's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent fiscal year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the maintenance reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Beginning Balance, July 1, 2023	$ 154,899
Interest Earned	200
Withdrawals by Budget	(75,000)
Ending Balance, June 30, 2024	$ 80,099

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the fiscal year ended June 30, 2024 were as follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	$ 359,763			$ 359,763
Total Capital Assets Not Being Depreciated	359,763			359,763
Capital Assets Being Depreciated:				
Land Improvements	3,683,861			3,683,861
Buildings and Building Improvements	18,775,168		$ (97,461)	18,677,707
Machinery and Equipment	7,973,617	$ 960,776	(203,249)	8,731,144
Total Capital Assets Being Depreciated	30,432,646	960,776	(300,710)	31,092,712
Governmental Activities Capital Assets	30,792,409	960,776	(300,710)	31,452,475
Less Accumulated Depreciation for:				
Land Improvements	(2,119,343)	(76,025)		(2,195,368)
Buildings and Building Improvements	(16,315,497)	(210,773)	97,461	(16,428,809)
Machinery and Equipment	(6,810,089)	(259,944)	203,249	(6,866,784)
	(25,244,929)	(546,742)	300,710	(25,490,961)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	$ 5,547,480	$ 414,034	$ -0-	$ 5,961,514

NOTE 6. CAPITAL ASSETS (Cont'd)

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Business-Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	$ 1,571,432	$ 362,021		$ 1,933,453
Less Accumulated Depreciation	(1,178,797)	(72,183)		(1,250,980)
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	$ 392,635	$ 289,838	$ -0-	$ 682,473

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	$ 280
Special Education	1,011
School Sponsored	507
Plant Operations and Maintenance	20,492
School Administration	278
Unallocated	524,174
	$ 546,742

NOTE 7. TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2024, the District transferred $295,709 to the capital outlay accounts for equipment, which did not require County Superintendent approval.

NOTE 8. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2024, the following changes occurred in liabilities reported in the District-wide financial statements:

	Balance 6/30/2023	Added	Retired	Balance 6/30/2024
Governmental Activities:				
Financed Purchases Payable	$ 937,958	$ 642,948	$ 248,508	$ 1,332,398
Net Pension Liability	7,585,336		1,062,049	6,523,287
Compensated Absences Payable	460,930	227,178	18,758	669,350
Total Governmental Activities	$ 8,984,224	$ 870,126	$ 1,329,315	$ 8,525,035
Business-Type Activities:				
Financed Purchases Payable	$ 107,474		$ 16,875	$ 90,599
Compensated Absences Payable	57,357		21,778	35,579
Total Business-Type Activities	$ 164,831	$ -0-	$ 38,653	$ 126,178

NOTE 8. LONG-TERM LIABILITIES (Cont'd)

A. Bonds Payable:

As of June 30, 2024, the Board had no bonds payable.

B. Bonds Authorized But Not Issued:

As of June 30, 2024, the Board had no bonds authorized but not issued.

C. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in current and long-term portions which will be liquidated by the General Fund. The current portion of the compensated absences balance of the governmental activities is $12,200 and is separated from the long-term portion of compensated absences of $657,150.

The liability for compensated absences of the proprietary fund types is recorded in current and long-term portions which will be liquidated by the Transportation Fund. The current portion of this liability is $-0- and the long-term portion is $35,579.

D. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2024 is $-0- and the long-term portion is $6,523,287. See Note 9 for further information on the PERS.

E. Financed Purchase Payable:

The District has financed purchase agreements for three buses under financed purchases. The financed purchase agreements are for a term of five years. The District has entered into financed purchase agreements totaling $1,879,154, of which $456,156 has been liquidated. The following is a schedule of the future minimum financed purchases payments under these financed purchase agreements, and the present value of the net minimum financed purchases payments at June 30, 2024.

Year	Amount
2025	$ 297,863
2026	297,863
2027	297,863
2028	476,376
2029	192,885
Total minimum financed purchases payments	1,562,850
Less: Amount representing interest	(139,853)
Present value net minimum financed purchases payments	$ 1,422,997

The current portion of financed purchases payable at June 30, 2024 is $235,142 for General Fund and $17,330 for the Transportation Enterprise Fund. The long-term portion payable is $1,097,256 for General Fund and $73,269 for the Transportation Enterprise Fund. The financed purchases will be liquidated by the General Fund and Transportation Enterprise Fund.

NOTE 9. PENSION PLANS

Substantially all of the Board's employees are enrolled in one of two cost sharing multiple-employer public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees' Retirement System (PERS):

Plan Description

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

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service. The following represents the membership tiers for PERS:

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

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS): (Cont'd)

Contributions (Cont'd)

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to $601,929 for the current fiscal year. During the fiscal year ended June 30, 2023, the State of New Jersey contributed $20,344 to the PERS for normal pension benefits on behalf of the District.

The employee contribution rate was 7.50% effective July 1, 2018.

Special Funding Situation

Under N.J.SA. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be 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 under the legislation 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 statement of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entity's total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must disclose pension expense as well as revenue associated with the employers in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the local participating employer.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the District's liability was $6,523,287 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the District's proportion was 0.045%, which was a decrease of 0.005% from its proportion measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the District recognized an actual pension benefit of $346,082. Additionally, for the fiscal year ended June 30, 2023, the State of New Jersey recognized pension expense on behalf of the District in the amount of $20,344 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements. There was no state proportionate share of net pension liability attributable to the District as of June 30, 2023. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS): (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

	Deferral Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2019	5.21		$ (35,434)
	2020	5.16		(322,418)
	2021	5.13	$ 14,330	
	2022	5.04		(37,487)
			14,330	(395,339)
Changes in Proportion	2019	5.21		(8,722)
	2020	5.16		(253,745)
	2021	5.13		(103,178)
	2022	5.04	290,496	
	2023	5.08		(699,556)
			290,496	(1,065,201)
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2020	5.00	101,022	
	2021	5.00	(840,144)	
	2022	5.00	999,568	
	2023	5.00	(230,405)	
			30,041	
Difference Between Expected and Actual Experience	2019	5.21	2,709	
	2020	5.16	17,963	
	2021	5.13		(11,396)
	2022	5.04		(15,269)
	2023	5.08	41,699	
			62,371	(26,665)
District Contribution Subsequent to the Measurement Date	2023	1.00	660,000	
			$ 1,057,238	$ (1,487,205)

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including the district contribution subsequent to the measurement date) related to pensions will be recognized in the pension benefit as follows:

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS): (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Fiscal Year Ending June 30,	Total
2024	$ (696,214)
2025	(351,574)
2026	186,435
2027	(215,712)
2028	(12,902)
	$ (1,089,967)

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 6.55% based on years of service
Investment Rate of Return	7.00%

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 a 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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS): (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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 upon 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 in determining the total pension liability.

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS): (Cont'd)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2023 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2023		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	$ 8,491,931	$ 6,523,287	$ 4,847,710

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF): (Cont'd)

Benefits Provided (Cont'd)

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a 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.

During the fiscal year ended 2024, the State of New Jersey contributed $5,139,322 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of $1,616,744.

The employee contribution rate was 7.50% effective July 1, 2018.

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF): (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the State's proportionate share of the net pension liability associated with the District was $65,809,353. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the District's proportion was 0.129%, which was a decrease of 0.001% from its proportion measured as of June 30, 2022.

District's Proportionate Share of the Net Pension Liability	$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	65,809,353
Total	$ 65,809,353

For the fiscal year ended June 30, 2023, the State recognized pension expense on behalf of the District in the amount of $1,616,744 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements.

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2016	8.30	$ 391,340,712	
	2017	8.30		$ 2,080,865,206
	2018	8.29		1,883,063,885
	2019	8.04		1,514,535,609
	2020	7.99	805,517,879	
	2021	7.93		9,179,534,541
	2022	7.83	82,066,487	
			1,278,925,078	14,657,999,241
Difference Between Expected and Actual Experience	2016	8.30		4,866,656
	2017	8.30	37,022,988	
	2018	8.29	330,339,649	
	2019	8.04		58,842,090
	2020	7.99		4,293,040
	2021	7.93	121,815,868	
	2022	7.83		15,372,285
	2023	7.93	169,161,907	
			658,340,412	83,374,071
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2020	5.00	241,395,539	
	2021	5.00	(1,777,316,905)	
	2022	5.00	2,489,500,994	
	2023	6.00	(477,296,442)	
			476,283,186	
			$ 2,413,548,676	$ 14,741,373,312

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF): (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows:

Fiscal Year Ending June 30,	Total
2024	$ (3,918,676,894)
2025	(3,446,016,070)
2026	(1,604,289,401)
2027	(1,742,641,843)
2028	(1,672,806,952)
Thereafter	56,606,524
	$ (12,327,824,636)

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 4.25% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF): (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the pension 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 pension plan investments was applied to all projected benefit payments in determining the total pension liability.

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF): (Cont'd)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2023 calculated using the discount rate as disclosed above, as well as what the State's 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:

	June 30, 2023		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Total Net Pension Liability	$ 77,601,169	$ 65,809,353	$ 55,877,841

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP):

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of $44,368 for the fiscal year ended June 30, 2024. Employee contributions to DCRP amounted to $60,414 for the year ended June 30, 2024.

NOTE 10. 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. Health benefits are provided to employees through the State of New Jersey Health Benefits Plan.

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, interest earnings, reimbursements to the State for benefits paid and the ending balance of the District's Unemployment Compensation Restricted Fund Balance in the General Fund for the current and previous two fiscal years:

Fiscal Year	District Contributions	Interest Earned	Employee Contributions	Amount Reimbursed	Ending Balance
2023-2024	$ -0-	$ 1,792	$ 35,640	$ 96,473	$ 75,728
2022-2023	-0-	1,928	39,935	74,358	134,769
2021-2022	-0-	34	32,992	663	167,264

Property and Liability Insurance

A complete schedule of insurance coverage can be found in the statistical section of this Annual Comprehensive Financial Report. The Board is a member of the School Alliance Insurance Fund ("SAIF") and School Excess Liability Joint Insurance Fund (SEL). The SAIF provides its members with Workers' Compensation, Comprehensive General Liability and Automobile Liability, Property, Boiler and Machinery, and School Board Legal Liability Insurance. The SEL provides its members with excess liability coverage. The SAIF and SEL are risk-sharing funds that are both insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective district for the purpose of creating a governing body from which officers for the SAIF are elected.

As a member of the SAIF and SEL, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the SAIF or SEL were to be exhausted, members would become responsible for their respective shares of the SAIF's and the SEL's liabilities.

The SAIF and SEL can declare and distribute dividends to members upon approval of the State of New Jersey Department of Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with the Government Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

NOTE 10. RISK MANAGEMENT (Cont'd)

Property and Liability Insurance (Cont'd)

The June 30, 2024 audit is not available for SAIF as of the date of this report. Selected, summarized financial information for the Fund as of June 30, 2023 is as follows:

Total Assets	$ 58,120,778
Net Position	$ 19,408,763
Total Revenue	$ 60,984,350
Total Expenses	$ 61,472,363
Change in Net Position	$ (488,013)
Member Dividends	$ -0-

The June 30, 2024 audit is not available for SEL as of the date of this report. Selected, summarized financial information for the Fund as of June 30, 2023 is as follows:

Total Assets	$ 37,829,657
Net Position	$ 2,127,733
Total Revenue	$ 31,158,339
Total Expenses	$ 33,434,636
Change in Net Position	$ (2,276,297)
Member Dividends	$ -0-

Financial statements for SAIF and SEL are available at the Executive Director's Office:

51 Everett Drive
West Windsor, NJ 08550
(609)-275-1155

NOTE 11. COMMITMENTS AND CONTINGENCIES

Litigation

The Board is periodically involved in lawsuits arising in the normal course of business, including claims regarding special education, disputes over contract awards and performance, and employment matters. The Board does not believe that the ultimate outcome of these cases will have a material negative effect on the District's financial position.

Grant Programs

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

NOTE 11. COMMITMENTS AND CONTINGENCIES (Cont'd)

Encumbrances

At June 30, 2024, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds.

Governmental Funds			
General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
$ 338,609	$ 6,176	$ 872,328	$ 1,217,113

On the District's Governmental Funds Balance Sheet as of June 30, 2024, $-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is $6,176 less than the actual year-end encumbrances on a budgetary basis. Encumbrances are not recognized on a GAAP basis and are reflected as either a reduction in grants receivables or an increase in unearned revenue. The Capital Projects Fund has encumbrances of $872,328 which are included in the committed balance on the Governmental Funds Balance Sheet.

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

The following interfund balances existed at June 30, 2024:

Fund	Interfund Receivable	Interfund Payable
General Fund	$ 7,164	
Proprietary Funds - Food Service Fund		$ 7,164
	$ 7,164	$ 7,164

The general fund interfund receivable consists of monies loaned to the Proprietary Fund (Food Service Fund) for expenses paid on behalf of the Food Service Fund and reimbursed at year end.

NOTE 13. 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 fiscal 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	AXA-Equitable
MetLife	Hartford
Prudential	Security Benefit

NOTE 14. TAX CALENDAR

Property taxes are levied by the District's constituent municipalities as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes.

The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of $10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

Taxes are collected by the constituent municipality and are remitted to the District on a predetermined mutually agreed-upon schedule.

NOTE 15. ACCOUNTS PAYABLE

The following accounts payable balances existed as of June 30, 2024:

	Governmental Funds		Contribution Subsequent to the Measurment Date	Total Governmental Activities	Transportation Services	Business-Type Activities Total Proprietary Funds
	General Fund	Special Revenue Fund				
Vendors	$ 138,741	$ 4,219	$ 660,000	$ 802,960	$ 6,698,946	$ 6,698,946
Payroll Deductions and Withholdings	64,011			64,011		
Accrued Salaries and Wages	341,085			341,085		
Payable to State Government		5,089		5,089		
Payable to Federal Government		1,176		1,176		
	$ 543,837	$ 10,484	$ 660,000	$ 1,214,321	$ 6,698,946	$ 6,698,946

NOTE 16. ECONOMIC DEPENDENCY

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

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a "special funding situation", as described in GASB Codification Section P50, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

General Information about the OPEB Plan (Cont'd)

Plan Description and Benefits Provided (Cont'd)

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the 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 Benefits 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 years or more 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, is the responsibility of the individual education employers.

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division's annual financial statements which can be found at https://www.state.nj.us/ treasury/pensions/gasb-notices-opeb.shtml.

Employees Covered by Benefit Terms

At June 30, 2022, the plan membership consisted of the following:

Retirees Plan Members Spouses of Retirees Currently Receiving Benefit Payments	152,383
Active Plan Members	217,212
Total	369,595

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023.

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Actuarial Assumptions and Other Inputs

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 - 4.25% based on years of service	2.75 - 6.55% based on years of service	3.25 - 16.25% based on years of service

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 – June 30, 2021.

100% of active employees are considered to participate in the Plan upon retirement.

Mortality Rates

Pre-retirement 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. Post-retirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees were 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.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Discount Rate

The discount rate used to measure the total OPEB liability was 3.65%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. 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.

Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District

	Total OPEB Liability
Balance at June 30, 2022	$ 83,267,367
Changes for Year:	
Service Cost	2,648,876
Interest on the Total OPEB Liability	3,043,172
Changes of Assumptions	174,162
Differences between Expected and Actual Experience	(431,702)
Gross Benefit Payments by the State	(2,372,202)
Contributions from Members	77,986
Net Changes	3,140,292
Balance at June 30, 2023	$ 86,407,659

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Discount Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2023, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District 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:

	June 30, 2023		
	At 1% Decrease (2.65%)	At Discount Rate (3.65%)	At 1% Increase (4.65%)
Total OPEB Liability Attributable to the District	$ 101,298,146	$ 86,407,659	$ 74,452,327

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2023, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2023		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	$ 71,731,679	$ 86,407,659	$ 105,611,217

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

For the fiscal year ended June 30, 2024 the District recognized OPEB expense of $698,353 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is $-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2023 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	Year of Deferral	Original Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		$ 3,113,594
	2018	9.51		3,222,849
	2019	9.29	$ 474,132	
	2020	9.24	11,591,735	
	2021	9.24	65,976	
	2022	9.13		17,508,982
	2023	9.30	155,435	
			12,287,278	23,845,425
Differences Between Expected and Actual Experience	2018	9.51		3,046,595
	2019	9.29		5,580,559
	2020	9.24	10,803,952	
	2021	9.24		12,687,825
	2022	9.13	1,803,173	
	2023	9.30		1,443,937
			12,607,125	22,758,916
Changes in Proportion	N/A	N/A	1,140,511	4,797,871
			$ 26,034,914	$ 51,402,212

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd)

Amounts reported as deferred outflows of resources and deferred inflows of resources excluding changes in proportion related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Total
2024	$ (4,309,066)
2025	(4,309,066)
2026	(3,745,186)
2027	(2,208,020)
2028	(451,956)
Thereafter	(6,686,644)
	$ (21,709,938)

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

HOPATCONG BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
District's proportion of the net pension liability	0.0537229195%	0.0549795876%	0.0533726502%	0.0507067631%	0.0548387109%	0.0538835274%	0.0488700776%	0.0477307024%	0.0502627171%	0.0450367171%
District's proportionate share of the net pension liability	$ 10,058,400	$ 12,341,816	$ 15,807,448	$ 11,803,724	$ 10,797,469	$ 9,708,994	$ 7,969,432	$ 5,654,417	$ 7,585,336	$ 6,523,287
District's covered employee payroll	$ 3,721,026	$ 3,764,850	$ 3,474,446	$ 3,492,518	$ 3,764,391	$ 3,567,909	$ 3,464,448	$ 3,581,103	$ 3,552,855	$ 3,649,201
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	270.31%	327.82%	454.96%	337.97%	286.83%	272.12%	230.03%	157.90%	213.50%	178.76%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%	65.23%

HOPATCONG BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	$ 442,884	$ 472,677	$ 474,155	$ 469,744	$ 547,976	$ 526,207	$ 547,591	$ 558,982	$ 633,837	$ 601,929
Contributions in relation to the contractually required contribution	(442,884)	(472,677)	(474,155)	(469,744)	(547,976)	(526,207)	(547,591)	(558,982)	(633,837)	(601,929)
Contribution deficiency/(excess)	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-
District's covered employee payroll	$ 3,764,850	$ 3,474,446	$ 3,492,518	$ 3,764,391	$ 3,567,909	$ 3,464,448	$ 3,581,103	$ 3,552,855	$ 3,649,201	$ 4,033,254
Contributions as a percentage of covered employee payroll	11.76%	13.60%	13.58%	12.48%	15.36%	15.19%	15.29%	15.73%	17.37%	14.92%

HOPATCONG BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ATTRIBUTABLE TO THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
State's proportion of the net pension liability attributable to the District	0.1546227721%	0.1527785573%	0.1521054124%	0.1451724499%	0.1494743712%	0.1494660900%	0.1488929423%	0.1372819744%	0.1387528915%	0.1289553408%
State's proportionate share of the net pension liability attributable to the District	$ 82,640,839	$ 96,562,596	$ 119,655,811	$ 97,880,493	$ 95,092,379	$ 91,728,750	$ 98,044,204	$ 98,044,204	$ 71,588,744	$ 65,809,353
District's covered employee payroll	$ 15,003,720	$ 14,979,215	$ 14,642,439	$ 15,168,019	$ 15,787,577	$ 15,268,967	$ 14,878,907	$ 14,954,540	$ 14,657,257	$ 14,000,699
State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	550.80%	644.64%	817.18%	645.31%	602.32%	600.75%	658.95%	655.61%	488.42%	470.04%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%	34.68%

HOPATCONG BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	$ 4,446,853	$ 5,896,016	$ 8,990,469	$ 6,780,665	$ 5,543,553	$ 5,410,407	$ 6,096,807	$ 1,552,975	$ 1,926,653	$ 1,616,744
Contributions in relation to the contractually required contribution	(770,540)	(1,160,030)	(1,575,809)	(2,201,230)	(2,939,636)	(3,271,645)	(3,990,621)	(5,711,980)	(5,271,772)	(5,139,322)
Contribution deficiency/(excess)	$ 3,676,313	$ 4,735,986	$ 7,414,660	$ 4,579,435	$ 2,603,917	$ 2,138,762	$ 2,106,186	$ (4,159,005)	$ (3,345,119)	$ (3,522,578)
District's covered employee payroll	$ 14,979,215	$ 14,642,439	$ 15,168,019	$ 15,787,577	$ 15,268,967	$ 14,878,907	$ 14,954,540	$ 14,657,257	$ 14,000,699	$ 14,041,374
Contributions as a percentage of covered employee payroll	29.69%	7.92%	10.39%	13.94%	19.25%	21.99%	26.69%	38.97%	37.65%	36.60%

HOPATCONG BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE STATE'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST SEVEN FISCAL YEARS

	Fiscal Year Ending						
	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Total OPEB Liability							
Service Cost	$ 3,283,111	$ 2,768,213	$ 2,475,051	$ 2,426,376	$ 4,102,489	$ 3,455,214	$ 2,648,876
Interest Cost	2,980,189	3,417,673	3,236,565	2,575,214	2,572,874	2,206,677	3,043,172
Changes of Benefit Terms					(105,567)		
Difference Between Expected and Actual Experience		(6,156,835)	(14,761,630)	17,299,492	(18,684,359)	2,876,808	(431,702)
Changes in Assumptions	(12,385,662)	(9,435,239)	1,074,989	20,670,295	97,850	(22,337,218)	174,162
Member Contributions	59,012	75,985	65,605	59,711	65,776	70,121	77,986
Gross Benefit Payments	(1,602,619)	(2,198,553)	(2,213,197)	(1,970,008)	(2,026,704)	(2,185,779)	(2,372,202)
Net Change in Total OPEB Liability	(7,665,969)	(11,528,756)	(10,122,617)	41,061,080	(13,977,641)	(15,914,177)	3,140,292
Total OPEB Liability - Beginning	101,415,447	93,749,478	82,220,722	72,098,105	113,159,185	99,181,544	83,267,367
Total OPEB Liability - Ending	$ 93,749,478	$ 82,220,722	$ 72,098,105	$ 113,159,185	$ 99,181,544	$ 83,267,367	$ 86,407,659
State's Covered Employee Payroll *	$ 18,660,537	$ 19,551,968	$ 18,836,876	$ 18,343,355	$ 18,535,643	$ 18,210,112	$ 17,649,900
Total OPEB Liability as a Percentage of Covered Employee Payroll	0%	421%	383%	617%	535%	457%	490%

* Covered payroll for the fiscal years ending June 30, 2017, 2018, 2019, 2020, 2021, 2022, and 2023 are based on the payroll on the June 30, 2016, 2017, 2018, 2019, 2020, 2021, and 2022 census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

HOPATCONG BOROUGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

There were none.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2022 actuarial valuation the salary increases were 2.75 – 4.25% based on years of service while in the July 1, 2021 actuarial valuation the salary increases were 2.75 – 5.65% based on years of service.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2023 was 3.65%. The discount rate for June 30, 2022 was 3.54%, a change of .11%.

The health care trend rates in the valuation as of June 30, 2023 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

The health care trend rates in the valuation as of June 30, 2022 were based on the following:

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 4.5% 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 rate after eight years.

BUDGETARY COMPARISON SCHEDULES

HOPATCONG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	$ 26,118,006		$ 26,118,006	$ 26,118,006	
Tuition From Other LEAs Within the State				5,976	$ 5,976
Rents and Royalties	586,000		586,000	309,840	(276,160)
Sale of Property	150,000		150,000	226,090	76,090
Unrestricted Miscellaneous Revenues	926,500		926,500	363,863	(562,637)
Interest Earned on Maintenance Reserve	200		200	200	
Interest Earned on Capital Reserve Funds	500		500	500	
Other Restricted Miscellaneous Revenues	160,000		160,000		(160,000)
Total Revenues from Local Sources	27,941,206		27,941,206	27,024,475	(916,731)
Revenues from State Sources:					
Categorical Transportation Aid	668,951		668,951	668,951	
Extraordinary Aid	425,000		425,000	348,763	(76,237)
Categorical Special Education Aid	1,307,036		1,307,036	1,307,036	
Equalization Aid	507,894		507,894	507,894	
Categorical Security Aid	232,284		232,284	232,284	
Nonpublic School Transportation Costs				35,945	35,945
Supplemental Stabilization Aid		$ 367,228	367,228	367,228	
TPAF Post Retirement Contributions (Non-Budgeted)				1,414,687	1,414,687
TPAF Pension Contributions (Non-Budgeted)				5,139,322	5,139,322
TPAF Non-Contributory Insurance (Non-Budgeted)				58,611	58,611
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,096	1,096
Reimbursed TPAF Social Security Contributions				1,005,311	1,005,311
Total Revenues from State Sources	3,141,165	367,228	3,508,393	11,087,128	7,578,735
Revenues from Federal Sources:					
Medicaid Reimbursement	76,916		76,916	91,039	14,123
Total Revenues from Federal Sources	76,916		76,916	91,039	14,123
TOTAL REVENUE	31,159,287	367,228	31,526,515	38,202,642	6,676,127

HOPATCONG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	$ 454,768	$ (31,812)	$ 422,956	$ 422,875	$ 81
Grades 1-5 - Salaries of Teachers	3,706,362	(966,707)	2,739,655	2,737,754	1,901
Grades 6-8 - Salaries of Teachers	2,227,746	(545,482)	1,682,264	1,660,262	22,002
Grades 9-12 - Salaries of Teachers	2,645,563	29,174	2,674,737	2,665,930	8,807
Regular Programs - Home Instruction:					
Salaries of Teachers	3,000		3,000	1,540	1,460
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	138,569	(63,633)	74,936	74,265	671
Purchased Professional-Educational Services	123,208	561	123,769	113,433	10,336
Other Purchased Services (400-500 Series)	164,050	(39,713)	124,337	113,662	10,675
General Supplies	405,491	61,680	467,171	422,433	44,738
Textbooks	249,973	148,037	398,010	362,323	35,687
Other Objects	400	1,360	1,760	1,432	328
Total Regular Programs - Instruction	10,119,130	(1,406,535)	8,712,595	8,575,909	136,686
Special Education - Instruction:					
Learning and/or Language Disabilities - Mild to Moderate:					
Salaries of Teachers	865,622	69,701	935,323	918,846	16,477
Other Salaries for Instruction	208,908	8,981	217,889	214,106	3,783
Other Purchased Services (400-500 Series)	3,600		3,600	3,599	1
General Supplies	5,000	(4,162)	838	346	492
Total Learning and/or Language Disabilities - Mild to Moderate	1,083,130	74,520	1,157,650	1,136,897	20,753
Behavioral Disabilities - Emotional Regulation Impairment:					
Salaries of Teachers	92,301	1,000	93,301	93,105	196
Other Salaries for Instruction	35,873	2,146	38,019	36,662	1,357
General Supplies	2,000		2,000		2,000
Total Behavioral Disabilities - Emotional Regulation Impairment	130,174	3,146	133,320	129,767	3,553
Multiple Disabilities:					
Salaries of Teachers	322,894	6,090	328,984	326,981	2,003
Other Salaries for Instruction	295,009	120,911	415,920	401,460	14,460
General Supplies	1,750	(1,585)	165	28	137
Other Objects	1,000		1,000		1,000
Total Multiple Disabilities	620,653	125,416	746,069	728,469	17,600

HOPATCONG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource Room/Resource Center:					
Salaries of Teachers	$ 1,400,299	$ (16,168)	$ 1,384,131	$ 1,378,309	$ 5,822
Other Salaries for Instruction	149,479	119,295	268,774	267,084	1,690
Other Objects		350	350	350	
Total Resource Room/Resource Center	1,549,778	103,477	1,653,255	1,645,743	7,512
Preschool Disabilities - Part-Time:					
Other Salaries for Instruction	19,049	(19,049)			
Total Preschool Disabilities - Part-Time	19,049	(19,049)			
Preschool Disabilities - Full-Time:					
Salaries of Teachers	179,742	(37,270)	142,472	142,360	112
Other Salaries for Instruction	143,664	(42,557)	101,107	97,626	3,481
General Supplies	2,000		2,000	24	1,976
Other Objects	58,247	(27,999)	30,248		30,248
Total Preschool Disabilities - Full-Time	383,653	(107,826)	275,827	240,010	35,817
TOTAL SPECIAL EDUCATION - INSTRUCTION	3,786,437	179,684	3,966,121	3,880,886	85,235
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	29,871	9,490	39,361	38,871	490
Total Basic Skills/Remedial - Instruction	29,871	9,490	39,361	38,871	490
Bilingual Education - Instruction:					
Salaries of Teachers	178,394	10,328	188,722	188,610	112
Total Bilingual Education - Instruction	178,394	10,328	188,722	188,610	112
School-Spon. Cocurricular & Extracurricular Activities - Instruction:					
Salaries	121,388	30,795	152,183	130,795	21,388
Supplies and Materials	2,006		2,006	2,006	
Other Objects	12,576	(12,095)	481	481	
Total School-Spon. Cocurricular & Extracurricular Activities - Instruction	135,970	18,700	154,670	133,282	21,388

HOPATCONG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Sponsored Athletics - Instruction:					
Salaries	$ 133,392	$ 327,566	$ 460,958	$ 364,365	$ 96,593
Purchased Services (300-500 series)	64,689	(7,201)	57,488	51,814	5,674
Supplies and Materials	45,440	8,195	53,635	51,542	2,093
Other Objects	22,000	200	22,200	20,174	2,026
Total School-Sponsored Athletics - Instruction	265,522	328,759	594,281	487,895	106,386
TOTAL INSTRUCTION	14,515,323	(859,573)	13,655,750	13,305,453	350,297
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Special	614,771	(240,614)	374,157	333,424	40,733
Tuition to County Vocational School District - Regular	177,397	(10,751)	166,646	160,599	6,047
Tuition to CSSD & Regular Day Schools		31,640	31,640	31,640	
Tuition to Private School for the Handicapped within State	519,195	267,008	786,203	783,813	2,390
Tuition - State Facilities		41,075	41,075	41,075	
Total Undistributed Expenditures - Instruction	1,311,363	88,358	1,399,721	1,350,551	49,170
Undistributed Expenditures - Health Services:					
Salaries	290,680	5,064	295,744	295,378	366
Purchased Professional and Technical Services	28,807	35,646	64,453	57,082	7,371
Supplies and Materials	2,813	28	2,841	1,593	1,248
Other Objects	750	410	1,160	410	750
Total Undist. Expenditures - Health Services	323,050	41,148	364,198	354,463	9,735
Undistributed Expenditures - Speech, OT, PT, Related Services:					
Salaries	382,192	(9,491)	372,701	371,282	1,419
Purchased Professional - Educational Services	76,467	78,370	154,837	152,849	1,988
Supplies and Materials	4,500	3,045	7,545	7,478	67
Other Objects		19,256	19,256	19,236	20
Total Undistributed Expenditures - Speech, OT, PT, Related Services	463,159	91,180	554,339	550,845	3,494
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	510,613	(22,095)	488,518	488,518	
Salaries of Secretarial and Clerical Assistants	41,524	185	41,709	41,709	
Supplies and Materials	362		362		362
Other Objects	1,000	(253)	747		747
Total Undist Expend. - Guidance	553,499	(22,163)	531,336	530,227	1,109

HOPATCONG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Child Study Team:					
Salaries of Other Professional Staff	$ 864,230	$ 19,754	$ 883,984	$ 883,983	$ 1
Salaries of Secretarial and Clerical Assistants	53,069	19,360	72,429	72,414	15
Other Purchased Professional and Technical Services	20,000	(19,883)	117	116	1
Other Purchased Services (400-500 Series)		2,812	2,812	2,811	1
Supplies and Materials	7,000	(1,273)	5,727	5,404	323
Other Objects	1,200	664	1,864	1,864	
Total Undist Expend. - Child Study Team	945,499	21,434	966,933	966,592	341
Undistributed Expenditures - Improvement of Instruction Services:					
Purchased Professional - Educational Services	136,485	(136,485)			
Other Purchased Services (400-500 Series)	18,998	(16,423)	2,575	2,575	
Other Objects	1,000	(606)	394	394	
Total Undistributed Expenditures - Improvement of Instruction Services	156,483	(153,514)	2,969	2,969	
Undistributed Expenditures - Educational Media Services/School Library:					
Salaries	64,164	(45,809)	18,355	18,336	19
Salaries of Technology Coordinators	234,093	8,340	242,433	242,424	9
Other Purchased Services (400-500 Series)	1,954	166	2,120	2,120	
Supplies and Materials	22,666	(3,916)	18,750	13,417	5,333
Other Objects	2,160		2,160	2,040	120
Total Undist Expend-Educational Media Services/School Library	325,037	(41,219)	283,818	278,337	5,481
Undistributed Expenditures - Instructional Staff Training Services:					
Purchased Professional - Educational Service		11,286	11,286	11,286	
Total Undistributed Expenditures - Instructional Staff Training Services		11,286	11,286	11,286	
Undistributed Expenditures - Support Services - General Administrative:					
Salaries	260,869	(10,183)	250,686	203,566	47,120
Legal Services	60,000		60,000	47,464	12,536
Audit Fees	60,000		60,000	59,500	500
Other Purchased Professional Services	5,500		5,500	4,965	535
Communications/Telephone	127,520	377	127,897	103,855	24,042
BOE Other Purchased Services	7,600		7,600	1,838	5,762
Other Purchased Services (400-500 Series)	7,500		7,500	2,424	5,076
General Supplies	3,200	(377)	2,823	2,809	14
BOE In-house Training/ Meeting Supplies	700	(240)	460		460
BOE Membership Dues and Fees	17,500		17,500	15,309	2,191
Total Undistributed Expenditures - Support Services - General Administrative	550,389	(10,423)	539,966	441,730	98,236

HOPATCONG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Support Services - School Administrative:					
Salaries of Principals/Assistant Principals/Prog Director	$ 754,892	$ 6,698	$ 761,590	$ 761,590	
Salaries of Secretarial and Clerical Assistants	203,444	(1)	203,443	201,759	$ 1,684
Other Purchased Services (400-500 Series)	995	544	1,539	1,164	375
Supplies and Materials	2,314	(385)	1,929	249	1,680
Other Objects	3,890	360	4,250	4,140	110
Total Undistributed Expenditures - Support Services - School Administration	965,535	7,216	972,751	968,902	3,849
Undistributed Expenditures - Central Services:					
Salaries	441,537	10,183	451,720	451,720	
Purchased Professional Services	45,565	(486)	45,079	44,079	1,000
Miscellaneous Purchased Services (400-500 Series)	1,000	180	1,180	1,180	
Supplies and Materials	5,000	(304.00)	4,696	4,681	15
Other Objects	1,000	850	1,850	1,850	
Total Undistributed Expenditures - Central Services	494,102	10,423	504,525	503,510	1,015
Undistributed Expenditures - Administrative Information Technology:					
Supplies and Materials	2,000		2,000	1,527	473
Total Undistributed Expenditures - Administrative Information Technology	2,000		2,000	1,527	473
Undistributed Expenditures - Required Maintenance for School Facilities:					
Salaries	378,664	(3,517)	375,147	372,310	2,837
Cleaning, Repair, and Maintenance Services	242,143	100,933	343,076	323,971	19,105
General Supplies	15,493	39,520	55,013	53,415	1,598
Other Objects	44,879	(32,185)	12,694	11,975	719
Total Undistributed Expenditures - Required Maintenance for School Facilities	681,179	104,751	785,930	761,671	24,259
Undistributed Expenditures - Custodial Services:					
Salaries	757,596	127,124	884,720	876,505	8,215
Cleaning, Repair, and Maintenance Services	129,616	(51,333)	78,283	54,673	23,610
Other Purchased Property Services	79,000	1,847	80,847	50,012	30,835
Insurance	490,000	35,589	525,589	525,589	
Miscellaneous Purchased Services	75,000	13,439	88,439	88,439	
General Supplies	34,593	(2,099)	32,494	31,051	1,443
Energy (Electricity)	184,500	33,644	218,144	203,114	15,030
Energy (Oil)	303,500	86,143	389,643	380,559	9,084
Other Objects	400	55	455	439	16
Total Undistributed Expenditures - Custodial Services	2,054,205	244,409	2,298,614	2,210,381	88,233

HOPATCONG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Care and Upkeep of Grounds:					
Salaries	$ 96,473	$ (56,673)	$ 39,800	$ 39,799	$ 1
Purchased Professional and Technical Services	66,237	94,146	160,383	65,433	94,950
General Supplies	56,625	(14,677)	41,948	40,329	1,619
Other Objects	300	(55)	245	245	
Total Care And Upkeep Of Grounds	219,635	22,741	242,376	145,806	96,570
Security:					
Purchased Professional and Technical Services	116,500	(9,706)	106,794	105,895	899
Cleaning, Repair, and Maintenance Services	3,500		3,500	1,317	2,183
General Supplies	5,850	(3,200)	2,650	1,500	1,150
Other Objects	1,500	94,173	95,673	94,801	872
Total Security	127,350	81,267	208,617	203,513	5,104
Total Undistributed Expenditures - Operating And Maintenance of Plant Services	3,082,369	453,168	3,535,537	3,321,371	214,166
Undistributed Expenditures - Student Transportation Services:					
Lease Purchase Payments - School Buses	267,576	13,965	281,541	281,541	
Contract. Services - Aid in Lieu of Payments-Nonpublic Studts	60,000	25,498	85,498	85,498	
Contr Services - Aid in Lieu of Payments-Charter Sch Stud.		37,137	37,137	34,225	2,912
Contr Services - Aid in Lieu of Payments-Choice Stud.	15,000	(11,505)	3,495	3,495	
Contract. Services (Other than Between Home & School) - Vendor	121,755	(25,636)	96,119	88,954	7,165
Contract. Services(Special Ed. Students)-ESCs & CTSAs	1,740,792	715,971	2,456,763	2,456,763	
Other Objects		85	85	85	
Total Undistributed Expenditures - Student Transportation Services	2,205,123	755,515	2,960,638	2,950,561	10,077
UNALLOCATED BENEFITS					
Social Security Contributions	350,000	32,113	382,113	382,113	
Other Retirement Contributions - PERS	625,000	(23,071)	601,929	601,929	
Other Retirement Contributions - Regular	30,000	15,000	45,000	44,368	632
Unemployment Compensation	40,000	(28,999)	11,001	11,001	
Workers Compensation	280,000	(17,082)	262,918	262,918	
Health Benefits	5,058,063	(385,082)	4,672,981	3,716,345	956,636
Tuition Reimbursement	73,072	5,000	78,072	39,557	38,515
Other Employee Benefits	185,585	32,046	217,631	214,095	3,536
TOTAL UNALLOCATED BENEFITS	6,641,720	(370,075)	6,271,645	5,272,326	999,319

HOPATCONG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				$ 1,414,687	$ (1,414,687)
TPAF Pension Contributions (Non-Budgeted)				5,139,322	(5,139,322)
TPAF Non-Contributory Insurance (Non-Budgeted)				58,611	(58,611)
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,096	(1,096)
Reimbursed TPAF Social Security Contributions				1,005,311	(1,005,311)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				7,619,027	(7,619,027)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	$ 6,641,720	$ (370,075)	$ 6,271,645	12,891,353	(6,619,708)
TOTAL UNDISTRIBUTED EXPENDITURES	18,019,327	882,335	18,901,662	25,124,224	(6,222,562)
TOTAL GENERAL CURRENT EXPENSE	32,534,651	22,761	32,557,412	38,429,677	(5,872,265)
CAPITAL OUTLAY					
Equipment:					
School-Sponsored and Other Instructional Programs		75,430	75,430	3,350	72,080
Undistributed:					
Undistributed Expenditures - Required Maint for School Fac.	63,304	147,608	210,912	210,912	
Undistributed Expenditures - Care and Upkeep of Grounds		19,771	19,771	19,771	
School Buses - Regular		40,000	40,000	40,000	
Undistributed Expenditures - Non-Instruction Services	39,200	12,900	52,100	9,525	42,575
Total Equipment	102,504	295,709	398,213	283,558	114,655
Facilities Acquisition and Construction Services:					
Assessment for Debt Service on SDA Funding	1,114		1,114	1,114	
Total Facilities Acquisition and Const. Services	1,114		1,114	1,114	
Assets Acquired Under Financed Purchases (Non-Budgeted):					
Transportation - School Buses				642,948	(642,948)
Total Assets Acquired Under Financed Purchases (Non-Budgeted)				642,948	(642,948)
TOTAL CAPITAL OUTLAY	103,618	295,709	399,327	927,620	(528,293)

HOPATCONG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Transfer of Funds to Charter Schools	$ 584,690	$ 53,272	$ 637,962	$ 637,962	
TOTAL EXPENDITURES	33,222,959	371,742	33,594,701	39,995,259	$ (6,400,558)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(2,063,672)	(4,514)	(2,068,186)	(1,792,617)	275,569
Other Financing Sources/(Uses):					
Financed Purchases (Non-budgeted)				642,948	642,948
Transfer out - Preschool Education Aid	(65,045)	(80,465)	(145,510)	(145,510)	
Capital Reserve - Transfer to Capital Projects Fund		(523,397)	(523,397)	(523,397)	
Total Other Financing Sources/(Uses)	(65,045)	(603,862)	(668,907)	(25,959)	642,948
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(2,128,717)	(608,376)	(2,737,093)	(1,818,576)	918,517
Fund Balance, July 1	6,036,802		6,036,802	6,036,802	
Fund Balance, June 30	$ 3,908,085	$ (608,376)	$ 3,299,709	$ 4,218,226	$ 918,517

Recapitulation:

Restricted Fund Balance:	
Excess Surplus - Restricted For 2025-2026	$ 128,043
Excess Surplus - Restricted For 2024-2025	711,222
Capital Reserve	1,468,509
Maintenance Reserve	80,099
Unemployment Compensation	75,728
Assigned Fund Balance:	
Year End Encumbrances	338,609
Designated for Subsequent Year's Expenditures	732,027
Unassigned Fund Balance	683,989
	4,218,226
Reconciliation to Governmental Funds Statement (GAAP):	
Last State Aid Payments not Recognized on GAAP basis	(256,158)
Fund Balance per Governmental Funds (GAAP)	$ 3,962,068

HOPATCONG BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources	$ 2,138,132	$ 87,038	$ 2,225,170	$ 2,097,181	$ (127,989)
State Sources	2,143,850	520,227	2,664,077	1,882,272	(781,805)
Local Sources		223,049	223,049	223,049	
Total Revenues	4,281,982	830,314	5,112,296	4,202,502	(909,794)
Other Finanncing Sources:					
Transfer In - Board Contribution - General Fund	65,045	80,465	145,510	145,510	
Total Revenues and Other Financing Sources	4,347,027	910,779	5,257,806	4,348,012	(909,794)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	615,116	361,023	976,139	942,903	33,236
Purchased Professional/Technical Services	108,075	(90,995)	17,080	14,005	3,075
Other Purchased Services	121,773	(100,000)	21,773	21,675	98
Other Purchased Professional Services	1,800		1,800		1,800
Tuition	579,804		579,804	579,804	
General Supplies	73,490	(50,236)	23,254	20,150	3,104
Textbooks	116		116		116
Other Objects	32,500	(27,384)	5,116	5,116	
Total Instruction	1,532,674	92,408	1,625,082	1,583,653	41,429
Support Services:					
Salaries of Other Professional Staff	317,616	455,485	773,101	511,380	261,721
Personal Services - Employee Benefits	141,206	65,818	207,024	172,207	34,817
Purchased Professional/Technical Services	74,083	47,390	121,473	113,437	8,036
Purchased Professional Educational Services	2,132,334	(237,831)	1,894,503	1,453,557	440,946
Other Purchased Services	36,156	44,718	80,874	41,656	39,218
Other Purchased Professional Services		40,000	40,000	35,952	4,048
Supplies and Materials	112,958	184,742	297,700	218,121	79,579
Student Activities		199,040	199,040	179,399	19,641
Scholarships Awarded		19,009	19,009	14,150	4,859
Total Support Services	2,814,353	818,371	3,632,724	2,739,859	892,865
Total Expenditures	4,347,027	910,779	5,257,806	4,323,512	934,294
Excess of Revenues and Other Financing Sources Over Expenditures	$ -0-	$ -0-	$ -0-	$ 24,500	$ 24,500

HOPATCONG BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISION SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	$ 38,202,642	$ 4,202,502
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognized Encumbrances as Expenditures and Revenue while the GAAP Basis does not:		
Prior Year Encumbrances		4,871
Prior Year Encumbrances Canceled		(1,176)
Current Year Encumbrances		(6,176)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	376,215	128,960
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(256,158)	(214,385)
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	$ 38,322,699	$ 4,114,596
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	$ 39,995,259	$ 4,323,512
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 Encumbrances		4,871
Prior Year Encumbrances Canceled		(1,176)
Current Year Encumbrances		(6,176)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	$ 39,995,259	$ 4,321,031

HOPATCONG BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISION SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue The budget was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any during the fiscal year. All budgetary amounts presented in the accompanying supplementary reflect the original budget and the amended budget (which have been adjusted for legally authorized of the annual budgets during the 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 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 for student activities and scholarships. The grant accounting budgetary basis differs from GAAP in that accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the GAAP basis financial reports.

The General Fund and Special Revenue Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on GAAP financial statements.

SPECIAL REVENUE FUND

HOPATCONG BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Preschool Education Aid	Schools Development Authority Emergent and Capital Needs	Elementary and Secondary Education Act				
			Title I	Title IIA	Title III	Title III- Immigrant	Title IV
REVENUE:							
Federal Sources			$ 171,934	$ 32,896	$ 13,123	$ 4,618	$ 12,616
State Sources	$ 1,846,116	$ 36,156					
Local Sources							
Total Revenue	1,846,116	36,156	171,934	32,896	13,123	4,618	12,616
Other Financing Sources:							
Transfer In - Board Contribution - General Fund	145,510						
Total Revenues and Other Financing Sources	1,991,626	36,156	171,934	32,896	13,123	4,618	12,616
EXPENDITURES:							
Instruction:							
Salaries of Teachers	240,454		160,000		7,298		
Purchased Professional/Technical Services							
Other Purchased Services							
Tuition							
General Supplies	10,000				5,532	4,618	
Other Objects	116						
Total Instruction	250,570		160,000		12,830	4,618	
Support Services:							
Salaries of Other Professional Staff	159,007						12,616
Personal Services - Employee Benefits	78,966		11,934		204		
Purchased Professional/Technical Services				32,896			
Purchased Professional Educational Services	1,453,557						
Other Purchased Services		36,156					
Other Purchased Professional Services	35,952						
Supplies and Materials	13,574				89		
Student Activities							
Scholarships Awarded							
Total Support Services	1,741,056	36,156	11,934	32,896	293		12,616
Total Expenditures	$ 1,991,626	$ 36,156	$ 171,934	$ 32,896	$ 13,123	$ 4,618	$ 12,616

HOPATCONG BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Education Stabilization Fund					
		American Rescue Plan				
	CRRSA Learning Acceleration	ESSER III	Accelerated Learning Coaching and Educator Support	Evidence Based Summer Learning and Enrichment	Evidence Based Comprehensive Beyond the School Day	NJTSS Mental Health Support Staffing
REVENUE:						
Federal Sources	$ 27,731	$ 1,065,973	$ 85,615	$ 21,935	$ 20,760	$ 38,501
State Sources						
Local Sources						
Total Revenue	27,731	1,065,973	85,615	21,935	20,760	38,501
Other Financing Sources:						
Transfer In - Board Contribution - General Fund						
Total Revenues and Other Financing Sources	27,731	1,065,973	85,615	21,935	20,760	38,501
EXPENDITURES:						
Instruction:						
Salaries of Teachers	23,769	511,382				
Purchased Professional/Technical Services			10,000	4,005		
Other Purchased Services						
Tuition						
General Supplies						
Other Objects						
Total Instruction	23,769	511,382	10,000	4,005		
Support Services:						
Salaries of Other Professional Staff	3,578	188,873	75,615	17,930	15,260	38,501
Personal Services - Employee Benefits		81,103				
Purchased Professional/Technical Services	384	80,157				
Purchased Professional Educational Services						
Other Purchased Services					5,500	
Other Purchased Professional Services						
Supplies and Materials		204,458				
Student Activities						
Scholarships Awarded						
Total Support Services	3,962	554,591	75,615	17,930	20,760	38,501
Total Expenditures	$ 27,731	$ 1,065,973	$ 85,615	$ 21,935	$ 20,760	$ 38,501

HOPATCONG BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	I.D.E.A.					
	Basic	Preschool	Student Activities	Scholarships	Local Donations	Total
REVENUE:						
Federal Sources	$ 579,804	$ 21,675				$ 2,097,181
State Sources						1,882,272
Local Sources			$ 199,040	$ 19,009	$ 5,000	223,049
Total Revenue	579,804	21,675	199,040	19,009	5,000	4,202,502
Other Financing Sources:						
Transfer In - Board Contribution - General Fund						145,510
Total Revenues and Other Financing Sources	579,804	21,675	199,040	19,009	5,000	4,348,012
EXPENDITURES:						
Instruction:						
Salaries of Teachers						942,903
Purchased Professional/Technical Services						14,005
Other Purchased Services		21,675				21,675
Tuition	579,804					579,804
General Supplies						20,150
Other Objects					5,000	5,116
Total Instruction	579,804	21,675			5,000	1,583,653
Support Services:						
Salaries of Other Professional Staff						511,380
Personal Services - Employee Benefits						172,207
Purchased Professional/Technical Services						113,437
Purchased Professional Educational Services						1,453,557
Other Purchased Services						41,656
Other Purchased Professional Services						35,952
Supplies and Materials						218,121
Student Activities			179,399			179,399
Scholarships Awarded				14,150		14,150
Total Support Services			179,399	14,150		2,739,859
Total Expenditures	$ 579,804	$ 21,675	$ 179,399	$ 14,150	$ 5,000	$ 4,323,512

HOPATCONG BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

District-Wide Total

	Budgeted	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of Teachers	$ 355,560	$ 240,454	$ 115,106
General Supplies	65,000	10,000	55,000
Other Objects	25,116	116	25,000
Total Instruction	445,676	250,570	195,106
Support Services:			
Salaries of Other Professional Staff	354,884	159,007	195,877
Personal Services–Employee Benefits	148,966	78,966	70,000
Purchased Professional Educational Services	1,513,673	1,453,557	60,116
Other Purchased Professional Services	120,377	35,952	84,425
Supplies and Materials	110,484	13,574	96,910
Total Support Services	2,248,384	1,741,056	507,328
Total Expenditures	$ 2,694,060	$ 1,991,626	$ 702,434

CALCULATION OF BUDGET & CARRYOVER

Total 2023-2024 Preschool Education Aid Allocation	$ 2,143,850
Actual Preschool Expansion Aid Carryover (June 30, 2022 and June 30, 2023)	437,074
Add: Budgeted Transfer from General Fund 2023-2024	145,510
Total Preschool Education Aid Funds Available for 2023-2024	2,726,434
Less: 2023-2024 Budgeted Preschool Education Expansion Aid Funds	(2,694,060)
Available & Unbudgeted Preschool Education Expansion Aid Funds as of June 30, 2024	32,374
Add: June 30, 2024 Unexpended Preschool Education Expansion Aid	702,434
2023-2024 Carryover - Preschool Education Expansion Aid	$ 734,808
2023-2024 Carryover - Preschool Education Expansion Aid Budgeted for Preschool Programs in 2024-2025	$ 437,074

CAPITAL PROJECTS FUND

HOPATCONG BOROUGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Revenue and Other Financing Sources:		
State Sources - SDA Grant	$	348,931
Transfer from Capital Reserve		523,397
Total Revenue and Other Financing Sources		872,328
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses		872,328
Fund Balance - Ending	$	872,328
Recapitulation:		
Committed - Year End Encumbrances	$	872,328
Total Fund Balance - Budgetary Basis	$	872,328
Reconciliation to Governmental Funds Statement (GAAP):		
SDA Grant Receivable not Recognized on the GAAP Basis		(348,931)
Fund Balance per Governmental Funds (GAAP)	$	523,397

HOPATCONG BOROUGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
ROOFING REPAIR/REPLACEMENT FOR HOPATCONG HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Current Year	Totals	Project Authorization
Revenue and Other Financing Sources:			
State Sources - ROD Grant	$ 348,931	$ 348,931	$ 348,931
Transfer from Capital Reserve	523,397	523,397	523,397
Total Revenue and Other Financing Sources	872,328	872,328	872,328
Expenditures:			
Construction Services			872,328
Total Expenditures			872,328
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	$ 872,328	$ 872,328	$ -0-

Additional Project Information:

Project Number(s)	#2240-030-23-R501
Grant Date	01/26/24
Original Authorized Cost	$ 872,328
Percentage Completion	0.00%
Target Completion Date	6/30/25

PROPRIETARY FUNDS

HOPATCONG BOROUGH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2024

	Business-Type Activities: Enterprise Funds		
	Major Fund	Non-Major Fund	
	Transportation Services	Food Service Program	Totals
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	$ 2,989,588	$ 178,805	$ 3,168,393
Intergovernmental Accounts Receivable:			
State		1,655	1,655
Federal		19,693	19,693
Other	7,255,300		7,255,300
Other Accounts Receivable		16,657	16,657
Inventories		23,186	23,186
Total Current Assets	10,244,888	239,996	10,484,884
Non-Current Assets:			
Capital Assets	1,400,038	533,415	1,933,453
Less: Accumulated Depreciation	(936,002)	(314,978)	(1,250,980)
Total Non-Current Assets	464,036	218,437	682,473
Total Assets	10,708,924	458,433	11,167,357
LIABILITIES:			
Current Liabilities:			
Accounts Payable	6,603,490		6,603,490
Accounts Payable - Subscription Fees	95,456		95,456
Interfund Payable		7,164	7,164
Unearned Revenue - Prepaid Sales	7,609		7,609
Unearned Revenue - Donated Commodities		6,668	6,668
Total Current Liabilities	6,706,555	13,832	6,720,387
Long-Term Liabilities:			
Due Within One Year	17,330		17,330
Due Beyond One Year	108,848		108,848
Total Long-Term Liabilities	126,178		126,178
Total Liabilities	6,832,733	13,832	6,846,565
NET POSITION:			
Net Investment in Capital Assets	373,437	218,437	591,874
Unrestricted	3,502,754	226,164	3,728,918
Total Net Position	$ 3,876,191	$ 444,601	$ 4,320,792

HOPATCONG BOROUGH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business-Type Activities: Enterprise Funds		
	Major Fund	Non-Major Funds	
	Transportation Services	Food Service Program	Total
Operating Revenue:			
Daily Sales:			
Reimbursable Programs		$ 270,138	$ 270,138
Non-Reimbursable Programs		113,732	113,732
Transportation Fees	$ 60,428,977		60,428,977
Other Sales		803	803
Miscellaneous Revenue	12,323	4,976	17,299
Total Operating Revenue	60,441,300	389,649	60,830,949
Operating Expenses:			
Cost of Sales:			
Reimbursable Programs		230,918	230,918
Non-Reimbursable Programs		97,219	97,219
Salaries	2,012,149	259,229	2,271,378
Contracted Services	56,497,604		56,497,604
Purchased Technical Services	2,583		2,583
Facilities Rent	259,160		259,160
Employee Benefits and Payroll Taxes	519,345	78,609	597,954
Other Purchased Services	7,418	35,000	42,418
Supplies and Materials		47,922	47,922
Maintenance Repairs/Fuel	260,341		260,341
Miscellaneous Expenses	181,344	8,382	189,726
Interest on Financed Purchases	3,296		3,296
Depreciation Expense	50,012	22,171	72,183
Total Operating Expenses	59,793,252	779,450	60,572,702
Operating (Loss)/Income	648,048	(389,801)	258,247
Non-Operating Revenue:			
Local Sources:			
Interest Earnings	449,842		449,842
State Sources:			
State School Lunch Program		15,129	15,129
State Extended Income Eligibilty - Breakfast		1,399	1,399
State School Breakfast Program		1,577	1,577
State Extended Income Eligibilty - Lunch		7,888	7,888
Federal Sources:			
National School Lunch Program		274,842	274,842
School Breakfast Program		47,149	47,149
Food Distribution Program		35,173	35,173
COVID 19 - Supply Chain Assistance		38,206	38,206
COVID 19 - Pandemic EBT Cost Reimbursement		653	653
Local Food for School Lunches		284	284
Total Non-Operating Revenue	449,842	422,300	872,142
Change in Net Position	1,097,890	32,499	1,130,389
Net Position - Beginning of Year	2,778,301	412,102	3,190,403
Net Position - End of Year	$ 3,876,191	$ 444,601	$ 4,320,792

HOPATCONG BOROUGH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Bussiness-Type Activities: Enterprise Funds		
	Major Fund	Non-Major Fund	
	Transportation Services	Food Service Fund	Totals
Cash Flows from Operating Activities:			
Receipts from Customers	$ 58,105,779	$ 409,041	$ 58,514,820
Payments to Employees	(2,531,494)		(2,531,494)
Payments to Food Service Contractor		(713,897)	(713,897)
Payments to Suppliers	(56,337,202)	(9,454)	(56,346,656)
Net Cash Provided by/(Used for) Operating Activities	(762,917)	(314,310)	(1,077,227)
Cash Flows from Capital and Related Financing Activities:			
Acquisition of Capital Assets	(345,422)	(16,599)	(362,021)
Net Cash Used for Capital and Related Financing Activities	(345,422)	(16,599)	(362,021)
Cash Flows from Investing Activities:			
Interest	449,842		449,842
Net Cash Provided by Capital and Related Financing Activities	449,842		449,842
Cash Flows from Noncapital Financing Activities:			
State and Federal Sources Collected in Food Service Fund		381,180	381,180
Net Cash Provided by/(Used for) Noncapital Financing Activities		381,180	381,180
Net Increase/(Decrease) in Cash and Cash Equivalents	(658,497)	50,271	(608,226)
Cash and Cash Equivalents, July 1	3,648,085	128,534	3,776,619
Cash and Cash Equivalents, June 30	$ 2,989,588	$ 178,805	3,168,393
Reconciliation of Operating Income/(Loss) to Net Cash Used for Operating Activities:			
Operating Income/(Loss)	$ 648,048	$ (389,801)	$ 258,247
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/ (Used for) Operating Activities:			
Depreciation	50,012	22,171	72,183
Food Distribution Program		35,173	35,173
Changes in Assets and Liabilities:			
(Increase)/Decrease in Accounts Receivable	(2,335,521)	4,435	(2,331,086)
(Increase)/Decrease in Interfunds Receivable		7,793	7,793
(Increase)/Decrease in Inventory		(2,742)	(2,742)
Increase/(Decrease) in Accounts Payable - Subscription Fees	7,418		7,418
Increase/(Decrease) in Unearned Revenue	(9,009)	1,497	(7,512)
Increase/(Decrease) in Long-Term Liabilities	(38,653)		(38,653)
Increase/(Decrease) in Accounts Payable	914,788		914,788
Increase/(Decrease) in Interfunds Payable		7,164	7,164
Net Cash/(Used for) Operating Activities	$ (762,917)	$ (314,310)	(1,077,227)

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at $36,670 and utilized U.S.D.A. Commodities valued at $35,173.

LONG-TERM LIABILITIES

HOPATCONG BOROUGH SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES

Item	Interest Rate	Original Issue	Balance July 1, 2023	Issued	Retired/ Matured	Balance June 30, 2024
Governmental Activities:						
TD Bank Bus Lease	3.990%	$ 642,948		$ 642,948	$ 101,239	$ 541,709
2023 Bluebird Bus	2.698%	1,109,120	$ 937,958		147,269	790,689
Total Governmental Activities			937,958	642,948	248,508	1,332,398
Business-Type Activities:						
2023 Van Con Bus Lease	2.698%	127,086	107,474		16,875	90,599
Total Business-Type Activities			107,474		16,875	90,599
Total			$ 1,045,432	$ 642,948	$ 265,383	$ 1,422,997

STATISTICAL SECTION
(UNAUDITED)

This part of the District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

Contents

	Exhibit
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	J-1 thru J-5
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.	J-6 thru J-9
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 thru J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.	J-14 thru J-15
Operating Information These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	J-16 thru J-20

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

HOPATCONG BOROUGH SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities:										
Net Investment in Capital Assets	$ 4,727,555	$ 4,675,357	$ 5,059,104	$ 4,610,433	$ 4,207,079	$ 5,295,804	$ 5,928,772	$ 5,640,085	$ 4,609,522	$ 4,629,116
Restricted	1,606,741	1,925,591	1,419,546	1,626,583	3,848,693	3,978,337	4,331,784	3,700,742	3,426,270	2,713,300
Unrestricted/(Deficit)	(8,375,312)	(9,438,339)	(10,573,090)	(11,292,112)	(12,866,237)	(11,079,339)	(9,617,205)	(8,444,437)	(6,691,637)	(6,475,125)
Total Governmental Activities Net Position/(Deficit)	$ (2,041,016)	$ (2,837,391)	$ (4,094,440)	$ (5,055,096)	$ (4,810,465)	$ (1,805,198)	$ 643,351	$ 896,390	$ 1,344,155	$ 867,291
Business-Type Activities:										
Net Investment in Capital Assets	$ 130,130	$ 160,791	$ 122,762	$ 157,867	$ 113,115	$ 475,736	$ 417,186	$ 360,774	$ 227,804	$ 591,874
Unrestricted	1,696,485	1,623,550	1,217,141	1,102,854	1,222,007	1,195,174	1,207,150	1,993,816	2,962,599	3,728,918
Total Business-Type Activities Net Position	$ 1,826,615	$ 1,784,341	$ 1,339,903	$ 1,260,721	$ 1,335,122	$ 1,670,910	$ 1,624,336	$ 2,354,590	$ 3,190,403	$ 4,320,792
District-Wide:										
Net Investment in Capital Assets	$ 4,857,685	$ 4,836,148	$ 5,181,866	$ 4,768,300	$ 4,320,194	$ 5,771,540	$ 6,345,958	$ 6,000,859	$ 4,837,326	$ 5,220,990
Restricted	1,606,741	1,925,591	1,419,546	1,626,583	3,848,693	3,978,337	4,331,784	3,700,742	3,426,270	2,713,300
Unrestricted/(Deficit)	(6,678,827)	(7,814,789)	(9,355,949)	(10,189,258)	(11,644,230)	(9,884,165)	(8,410,055)	(6,450,621)	(3,729,038)	(2,746,207)
Total District Net Position/(Deficit)	$ (214,401)	$ (1,053,050)	$ (2,754,537)	$ (3,794,375)	$ (3,475,343)	$ (134,288)	$ 2,267,687	$ 3,250,980	$ 4,534,558	$ 5,188,083

Source: Hopatcong Borough School District Financial Reports

HOPATCONG BOROUGH SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses:										
Governmental Activities:										
Instruction:										
Regular	$ 16,206,563	$ 18,788,436	$ 20,247,169	$ 20,458,975	$ 18,442,071	$ 17,467,553	$ 17,561,284	$ 16,961,513	$ 12,896,591	$ 13,836,421
Special Education	7,678,460	8,218,599	8,519,456	8,588,419	6,988,663	6,826,477	6,483,406	5,983,108	5,271,177	5,649,229
Other Special Instruction	659,314	696,128	648,626	683,573	250,852	320,184	690,354	820,821	886,784	384,044
School Sponsored/Other Instruction	828,497	1,192,189	1,189,812	1,229,445	771,075	761,368	576,924	758,210	794,399	806,021
Support Services:										
Tuition					1,652,923	1,303,437	1,364,231	1,535,227	1,515,088	1,930,355
Student and Instruction Related Services	5,857,003	6,268,661	7,174,032	7,823,172	6,791,682	5,837,287	4,914,761	4,189,427	5,803,062	6,139,696
General Administrative Services	1,013,778	911,246	938,879	997,236	858,578	793,001	963,503	948,431	746,304	665,255
School Administrative Services	2,439,729	2,728,876	3,662,376	3,176,037	2,599,848	2,302,399	1,937,722	1,470,599	1,499,578	1,411,139
Central Services	1,024,495	986,165	615,669	686,874	762,567	736,143	795,976	744,769	621,194	683,928
Administrative Information Technology					209	113	1,168	871	470	1,527
Plant Operations and Maintenance	4,333,282	4,494,623	4,435,140	4,845,938	4,668,821	3,970,241	3,896,892	3,974,934	3,966,996	3,755,326
Pupil Transportation	1,930,920	2,074,842	2,127,073	2,097,472	2,411,332	2,023,260	2,059,156	2,545,334	2,510,103	2,702,053
Capital Outlay					1,114	1,113	1,114	1,114	1,180,186	10,639
Transfer of Funds to Charter Schools					261,359	278,635	279,787	455,132	565,097	637,962
Interest on Long-Term Debt	13,793	12,976	9,946	6,823						
Unallocated Depreciation					566,588	566,588	244,087	891,965	451,713	61,652
Total Governmental Activities Expenses	41,985,834	46,372,741	49,568,178	50,593,964	47,027,682	43,187,799	41,770,365	41,281,455	38,708,742	38,675,247
Business-Type Activities:										
Food Service	645,457	606,766	620,852	620,991	592,505	481,039	361,844	842,066	786,265	779,450
Transportation Services	24,575,426	27,666,306	33,533,400	38,774,080	38,464,385	36,280,035	24,589,852	51,999,266	53,497,310	59,793,252
Day Plus Services	211,586	243,476	322,875	339,110	108,013	1,000				
Total Business-Type Activities Expense	25,432,469	28,516,548	34,477,127	39,734,181	39,164,903	36,762,074	24,951,696	52,841,332	54,283,575	60,572,702
Total District Expenses	$ 67,418,303	$ 74,889,289	$ 84,045,305	$ 90,328,145	$ 86,192,585	$ 79,949,873	$ 66,722,061	$ 94,122,787	$ 92,992,317	$ 99,247,949
Program Revenues:										
Governmental Activities:										
Charges for Services	$ 1,300	$ 4,895		$ 137,000			$ 60,236	$ 204,327	$ 539,677	$ 533,865
Operating Grants and Contributions	10,004,225	11,672,241	$ 14,670,986	15,718,936	$ 13,005,683	$ 11,083,132	12,300,445	11,700,409	9,249,516	9,646,828
Capital Grants and Contributions			22,575							
Total Governmental Activities Program Revenues	10,005,525	11,677,136	14,693,561	15,855,936	13,005,683	11,083,132	12,360,681	11,904,736	9,789,193	10,180,693

HOPATCONG BOROUGH SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED
(Continued)

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Program Revenues:										
Business-Type Activities:										
Charges for Services:										
Food Service	$ 405,177	$ 367,458	$ 371,412	$ 368,764	$ 364,379	$ 249,670	$ 934	$ 65,874	$ 387,111	$ 389,649
Transportation Services	24,351,710	27,571,151	33,199,026	38,450,073	38,243,196	36,259,754	24,548,943	52,540,816	54,090,402	60,428,977
Preschool Program	8,600									
Day Plus Services	212,217	249,252	254,498	347,995						
Operating grants and contributions	214,563	251,942	247,228	257,257	257,834	247,359	410,568	800,165	413,564	422,300
Total Business-Type Activities Program Revenues	25,192,267	28,439,803	34,072,164	39,424,089	38,865,409	36,756,783	24,960,445	53,406,855	54,891,077	61,240,926
Total District Program Revenues	$ 35,197,792	$ 40,116,939	$ 48,765,725	$ 55,280,025	$ 51,871,092	$ 47,839,915	$ 37,321,126	$ 65,311,591	$ 64,680,270	$ 71,421,619
Net (Expense)/Revenue:										
Governmental Activities	$ (31,980,309)	$ (34,695,605)	$ (34,874,617)	$ (34,738,028)	$ (34,021,999)	$ (32,104,667)	$ (29,409,684)	$ (29,376,719)	$ (28,919,549)	$ (28,494,554)
Business-Type Activities	(240,202)	(76,745)	(404,963)	(310,092)	(299,494)	(5,291)	8,749	565,523	607,502	668,224
Total District-Wide Net Expense	$ (32,220,511)	$ (34,772,350)	$ (35,279,580)	$ (35,048,120)	$ (34,321,493)	$ (32,109,958)	$ (29,400,935)	$ (28,811,196)	$ (28,312,047)	$ (27,826,330)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	$ 24,149,801	$ 24,391,299	$ 24,391,299	$ 24,147,386	$ 24,147,386	$ 24,147,386	$ 24,147,386	$ 24,630,333	$ 25,605,888	$ 26,118,006
Federal and State Aid Not Restricted	9,378,596	9,380,401	9,395,716	9,405,588	9,463,311	7,799,987	6,195,953	3,984,607	2,998,547	1,309,031
Investment Earnings	9,751	8,442	15,966						700	700
Miscellaneous Income	395,183	161,096	249,684	224,398	655,933	1,475,772	1,440,623	1,014,818	762,179	589,953
Other Items	(257,852)	8,605					74,271			
Total Governmental Activities	33,675,479	33,949,843	34,052,665	33,777,372	34,266,630	33,423,145	31,858,233	29,629,758	29,367,314	28,017,690
Business-Type Activities:										
Investment Earnings	521	659	540							
Miscellaneous Income				230,910	398,793	33,534	18,948	164,731	265,499	462,165
Adjustments to Capital Assets, Net					(24,898)					
Other Items	257,852	(8,605)					(74,271)		(37,188)	
Total Business-Type Activities	258,373	(7,946)	540	230,910	373,895	33,534	(55,323)	164,731	228,311	462,165
Total District-Wide	$ 33,933,852	$ 33,941,897	$ 34,053,205	$ 34,008,282	$ 34,640,525	$ 33,456,679	$ 31,802,910	$ 29,794,489	$ 29,595,625	$ 28,479,855
Change in Net Position:										
Governmental Activities	$ 1,695,170	$ (745,762)	$ (821,952)	$ (960,656)	$ 244,631	$ 1,318,478	$ 2,448,549	$ 253,039	$ 447,765	$ (476,864)
Business-Type Activities	18,171	(84,691)	(404,423)	(79,182)	74,401	28,243	(46,574)	730,254	835,813	1,130,389
Total District	$ 1,713,341	$ (830,453)	$ (1,226,375)	$ (1,039,838)	$ 319,032	$ 1,346,721	$ 2,401,975	$ 983,293	$ 1,283,578	$ 653,525

Source: Hopatcong Borough School District Financial Reports

HOPATCONG BOROUGH SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund:										
Nonspendable	$ 25,855	$ 105,627	$ 18,196							
Restricted	2,907,183	3,814,240	3,435,454	$ 3,419,622	$ 3,848,693	$ 3,828,019	$ 4,191,000	$ 3,512,913	$ 3,201,071	$ 2,463,601
Assigned	1,696,061	599,021	630,871	184,544		1,641,415	1,379,792	651,318	1,445,642	1,070,636
Unassigned/(Deficit)	(560,156)	(488,557)	(500,759)	(449,993)	(94,248)		1,070,818	1,272,832	1,013,874	427,831
Total General Fund	$ 4,068,943	$ 4,030,331	$ 3,583,762	$ 3,154,173	$ 3,754,445	$ 5,469,434	$ 6,641,610	$ 5,437,063	$ 5,660,587	$ 3,962,068
All Other Governmental Funds:										
Restricted						$ 150,318	$ 140,784	$ 187,829	$ 225,199	$ 249,699
Committed										523,397
Unassigned/(Deficit)								(86,486)	(128,960)	(214,385)
Total All Other Governmental Funds/(Deficit)	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ 150,318	$ 140,784	$ 101,343	$ 96,239	$ 558,711
Governmental Funds:										
Restricted	$ 2,933,038	$ 3,919,867	$ 3,453,650	$ 3,419,622	$ 3,848,693	$ 3,828,019	$ 4,331,784	$ 3,700,742	$ 3,426,270	$ 2,713,300
Assigned	1,696,061	599,021	630,871	184,544		1,641,415	1,379,792	651,318	1,445,642	1,070,636
Committed										523,397
Unassigned/(Deficit)	(560,156)	(488,557)	(500,759)	(449,993)	(94,248)		1,070,818	1,186,346	884,914	213,446
Total Governmental Funds	$ 4,068,943	$ 4,030,331	$ 3,583,762	$ 3,154,173	$ 3,754,445	$ 5,469,434	$ 6,782,394	$ 5,538,406	$ 5,756,826	$ 4,520,779

Source: Hopatcong Borough School District Financial Reports

HOPATCONG BOROUGH SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues:										
Tax Levy	$ 24,149,801	$ 24,391,299	$ 24,391,299	$ 24,147,386	$ 24,147,386	$ 24,147,386	$ 24,147,386	$ 24,630,333	$ 25,605,888	$ 26,118,006
Tuition Charges	1,300	4,895							12,922	5,976
Interest Earned on Investments	9,751	8,442	15,966	900					700	700
Rents and Royalties					290,000	200,000	200,000	200,000	211,117	309,840
Restricted Miscellaneous							82,692	209,931	315,638	221,931
Miscellaneous	396,183	161,096	250,359	362,798	366,933	1,275,772	1,240,498	814,818	762,179	589,953
State Sources	14,779,327	15,432,968	15,631,664	16,399,686	17,196,052	15,672,505	15,220,408	15,213,702	14,289,313	13,005,544
Federal Sources	981,618	941,473	1,099,373	957,737	872,516	839,629	1,359,999	1,527,318	1,912,241	2,185,345
Total Revenue	40,317,980	40,940,173	41,388,661	41,868,507	42,872,887	42,135,292	42,250,983	42,596,102	43,109,998	42,437,295
Expenditures:										
Instruction:										
Regular Instruction	14,021,137	15,775,805	15,651,821	16,276,784	10,524,419	10,451,020	10,643,197	10,936,633	9,133,514	9,559,417
Special Education Instruction	6,897,746	7,139,528	6,999,890	7,185,498	3,953,200	4,157,738	4,031,703	4,062,642	3,690,493	3,902,561
Other Special Instruction	588,927	599,110	528,958	567,971	134,364	217,775	387,601	480,042	601,081	227,481
Other Instruction	826,207	1,136,255	1,075,967	1,097,868	770,527	760,820	576,695	757,373	645,003	621,177
Support Services:										
Tuition					1,652,923	1,303,437	1,364,231	1,535,227	1,515,088	1,930,355
Student and Instruction Related Services	5,232,667	5,393,596	5,818,367	6,433,090	3,699,699	3,083,636	3,181,298	3,151,070	5,052,049	5,430,763
School Administrative Services	1,003,845	879,633	875,717	935,798	608,660	562,009	683,936	694,376	996,746	968,902
General Administrative Services	2,109,125	2,244,565	2,785,193	2,494,819	1,445,392	1,281,110	1,195,562	965,995	645,775	441,730
Central Services	1,004,074	920,438	536,994	594,715	426,132	440,369	466,956	456,804	500,652	503,510
Administrative Information Technology					209	113	1,168	871	470	1,527
Plant Operations and Maintenance	4,283,935	4,328,837	4,099,085	4,477,982	3,614,780	3,241,441	3,560,567	4,013,825	3,595,997	3,321,371
Pupil Transportation	1,925,556	2,060,157	2,110,917	2,086,154	2,391,698	2,006,658	2,008,922	2,559,064	2,681,265	2,950,561
Unallocated Benefits					12,449,131	12,555,674	11,739,423	13,117,309	12,847,173	12,891,353
Charter Schools					261,359	278,635	279,787	455,132	565,097	637,962
Capital Outlay	145,845	396,338	1,239,188	61,525	340,122	208,320	1,111,701	653,727	1,530,295	927,620
Debt Service:										
Principal	99,956	100,152	103,187	79,069						
Interest and Other Charges	13,793	12,976	9,946	6,823						
Total Expenditures	38,152,813	40,987,390	41,835,230	42,298,096	42,272,615	40,548,755	41,232,747	43,840,090	44,000,698	44,316,290
Excess (Deficiency) of revenues over (under) expenditures	2,165,167	(47,217)	(446,569)	(429,589)	600,272	1,586,537	1,018,236	(1,243,988)	(890,700)	(1,878,995)
Other Financing sources (uses)										
Capital Leases/Financed Purchases	93,156						70,135		1,109,120	642,948
Transfers	(257,852)	8,605					74,271			
Total other financing sources (uses)	(164,696)	8,605					144,406		1,109,120	642,948
Net Change in Fund Balances	$ 2,000,471	$ (38,612)	$ (446,569)	$ (429,589)	$ 600,272	$ 1,586,537	$ 1,162,642	$ (1,243,988)	$ 218,420	$ (1,236,047)
Debt Service as a Percentage of Noncapital Expenditures	0.30 %	0.28 %	0.28 %	0.20 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %

Source: Hopatcong Borough School District Financial Reports

HOPATCONG BOROUGH SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

Fiscal Year Ending June 30,	Interest on Investments	Tuition	Sale of Asset	Rentals - Use of Facilities	Prior Year Accounts Payable Cancelled	Miscellaneous	Total
2015	$ 9,751	$ 1,300		$ 92,400		$ 302,783	$ 406,234
2016	8,442	4,895				161,096	174,433
2017	15,966					249,684	265,650
2018	900			137,000	$ 7,606	215,892	361,398
2019	900			290,000		365,033	655,933
2020	900		$ 900,000	200,000		374,872	1,475,772
2021	1,213		1,046,650	200,000		192,635	1,440,498
2022	700		618,414	200,000		195,704	1,014,818
2023	98,497	12,922	501,586	211,117		149,874	973,996
2024	358,028	5,976	226,090	309,840		6,535	906,469

Source: Hopatcong Borough School District Financial Reports

HOPATCONG BOROUGH SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Total Assessed Value	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate [b]	Estimated Actual (County Equalized Value)
2014	$18,550,400	$1,302,275,200	$3,012,800	$281,700	$72,203,200	$ 345,500	$1,396,668,800	$1,396,668,800	$ 76,555,200	$ 1.706	$ 1,601,317,129
2015	18,332,200	1,302,892,800	3,012,800	250,300	76,078,400	345,500	1,400,912,000	1,400,912,000	76,713,800	1.733	1,606,957,427
2016	15,936,800	1,302,854,200	3,012,800	250,300	76,113,100	345,500	1,398,512,700	1,398,512,700	77,352,800	1.744	1,636,821,275
2017	17,897,600	1,303,433,800	2,561,100	239,200	75,447,300	345,500	1,399,924,500	1,399,924,500	77,927,400	1.734	1,577,240,720
2018	17,541,100	1,305,511,600	2,561,100	600,900	75,719,200	345,500	1,402,279,400	1,402,279,400	77,523,100	1.722	1,572,256,246
2019	14,967,900	1,319,446,500	2,372,600	239,600	74,680,400	345,500	1,412,052,500	1,412,052,500	79,157,300	1.710	1,634,281,858
2020	14,420,600	1,326,373,680	1,900,400	209,600	75,278,400	345,500	1,418,528,180	1,418,528,180	79,578,820	1.702	1,682,208,377
2021	14,400,100	1,328,353,060	1,900,400	204,200	73,950,100	345,500	1,419,153,360	1,419,153,360	79,515,240	1.740	1,722,156,784
2022	14,435,300	1,330,070,200	1,900,400	204,200	74,463,100	345,500	1,421,418,700	1,421,418,700	78,948,300	1.801	1,821,333,239
2023	13,382,000	1,333,617,500	1,900,400	205,100	74,721,000	345,500	1,424,171,500	1,424,171,500	80,271,200	1.834	2,041,863,126

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 of assessed value.

Source: Municipal Tax Assessor

HOPATCONG BOROUGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(rate per $100 of assessed value)

Year Ended December 31,	Hopatcong Borough School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate [a]	General Obligation Debt Service [b]	Total Direct	Borough of Hopatcong	Sussex County	
2014	$ 1.696	$ 0.010	$ 1.706	$ 0.908	$ 0.618	$ 3.232
2015	1.733		1.733	0.917	0.593	3.243
2016	1.744		1.744	0.926	0.648	3.318
2017	1.734		1.734	0.933	0.644	3.311
2018	1.722		1.722	0.941	0.652	3.315
2019	1.710		1.710	0.942	0.671	3.323
2020	1.702		1.702	0.941	0.693	3.336
2021	1.740		1.740	0.942	0.711	3.393
2022	1.801		1.801	0.942	0.720	3.463
2023	1.834		1.834	0.943	0.740	3.517

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 prebudget 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.

Source: Municipal Tax Collector and School Business Administrator

HOPATCONG BOROUGH SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

2023			2014		
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
INFORMATION NOT AVAILABLE			**INFORMATION NOT AVAILABLE**		

Source: Municipal Tax Assessor

HOPATCONG BOROUGH SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy [a]		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	$ 24,149,801	$ 24,149,801	100.00%	- 0 -
2016	24,391,299	24,391,299	100.00%	- 0 -
2017	24,391,299	24,391,299	100.00%	- 0 -
2018	24,147,386	24,147,386	100.00%	- 0 -
2019	24,147,386	24,147,386	100.00%	- 0 -
2020	24,147,386	24,147,386	100.00%	- 0 -
2021	24,147,386	24,147,386	100.00%	- 0 -
2022	24,630,333	24,630,333	100.00%	- 0 -
2023	25,605,888	25,605,888	100.00%	- 0 -
2024	26,118,006	26,118,006	100.00%	- 0 -

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

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

HOPATCONG BOROUGH SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities: General Obligation Bonds	Governmental Activities: Financed Purchases	Business-Type Activities: Financed Purchases	Total District	Percentage of Personal Income [a]	Per Capita [a]
2015	$ -0-	$ 428,315	$ 112,083	$ 540,398	0.07%	$ 37
2016	- 0 -	328,163	88,044	416,207	0.05%	29
2017	- 0 -	224,976	74,611	299,587	0.04%	21
2018	- 0 -	145,907	45,179	191,086	0.02%	13
2019	- 0 -	64,481	23,162	87,643	0.01%	6
2020	- 0 -		62,531	62,531	0.01%	4
2021	- 0 -	42,147		42,147	0.00%	3
2022	- 0 -	28,447		28,447	0.00%	2
2023	- 0 -	937,958	107,474	1,045,432	0.10%	71
2024	- 0 -	1,332,398	90,599	1,422,997	0.14%	97

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

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

Source: School District Financial Reports

HOPATCONG BOROUGH SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding: General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Net Valuation [a] Taxable	Per Capita [b]
2015	$ -0-	$ -0-	$ -0-	0.000%	$ -0-
2016	- 0 -	- 0 -	- 0 -	0.000%	- 0 -
2017	- 0 -	- 0 -	- 0 -	0.000%	- 0 -
2018	- 0 -	- 0 -	- 0 -	0.000%	- 0 -
2019	- 0 -	- 0 -	- 0 -	0.000%	- 0 -
2020	- 0 -	- 0 -	- 0 -	0.000%	- 0 -
2021	- 0 -	- 0 -	- 0 -	0.000%	- 0 -
2022	- 0 -	- 0 -	- 0 -	0.000%	- 0 -
2023	- 0 -	- 0 -	- 0 -	0.000%	- 0 -
2024	- 0 -	- 0 -	- 0 -	0.000%	- 0 -

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

a See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

b See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

Source: School District Financial Reports

HOPATCONG BOROUGH SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2023
UNAUDITED

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [a]	Estimated Share of Overlapping Debt
Net Overlapping Debt of School District			
Borough of Hopatcong	$ 4,188,926	100.00%	$ 4,188,926
County of Sussex General Obligation Debt	88,319,376	9.64%	8,512,131
Subtotal, Overlapping Debt			12,701,057
Hopatcong Borough School District Direct Debt			- 0 -
Total Direct And Overlapping Debt			$ 12,701,057

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 that is borne by the residents and businesses of Hopatcong. This process recognizes that, when considering the District's ability to issue and repay long-term, 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 unit.

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable equalized property values. Applicable percentages were estimated by determining the portion of Hopatcong Borough's equalized property value that is within the Sussex County's boundaries and dividing it by Sussex County's total equalized property value.

Sources: Assessed value data used to estimate applicable percentages provided by the Sussex County Board of Taxation; debt outstanding data provided by each governmental unit.

HOPATCONG BOROUGH SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION,
LAST TEN FISCAL YEARS
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2024

	Equalized valuation basis	
	2023	$ 2,277,945,457
	2022	2,035,541,601
	2021	1,816,632,565
		$ 6,130,119,623
Average Equalized Valuation of Taxable Property		$ 2,043,373,208
Debt Limit (4% of average equalization value)		$ 81,734,928
Net Bonded School Debt		- 0 -
Legal Debt Margin		$ 81,734,928

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt Limit	$ 65,214,745	$ 64,201,277	$ 63,768,974	$ 63,547,382	$ 64,855,999	$ 64,855,999	$ 66,871,454	$ 69,463,122	$ 74,296,370	$ 81,734,928
Total Net Debt Applicable to Limit	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
Legal Debt Margin	$ 65,214,745	$ 64,201,277	$ 63,768,974	$ 63,547,382	$ 64,855,999	$ 64,855,999	$ 66,871,454	$ 69,463,122	$ 74,296,370	$ 81,734,928
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

HOPATCONG BOROUGH SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Year	Population [a]	Borough Personal Income [b]	Sussex County Per Capita Personal Income [c]	Unemployment Rate [d]
2015	14,430	$ 804,068,460	$ 55,722	6.6%
2016	14,323	821,094,621	57,327	5.6%
2017	14,252	842,920,288	59,144	4.9%
2018	14,216	874,724,696	61,531	4.2%
2019	14,208	913,347,072	64,284	3.6%
2020	14,145	959,229,030	67,814	10.8%
2021	14,435	1,025,736,665	71,059	6.4%
2022	14,531	1,032,558,329	71,671	4.0%
2023	14,622	1,047,973,362 ***	71,671 *	4.6%
2024	14,622 **	1,047,973,362 ***	71,671 *	N/A

* - Latest Sussex County per capita personal income available (2022) was used for calculation purposes.

** - Latest population data available (2023) was used for calculation purposes.

*** - Latest available population data (2023) and latest available Sussex County per capita personal income (2022) was used for calculation purposes.

N/A - Information Unavailable

Sources:

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

b Personal income has been estimated based upon the municipal population and per capita personal income presented

[c] Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

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

HOPATCONG BOROUGH SCHOOL DISTRICT
PRINCIPAL EMPLOYERS - COUNTY OF SUSSEX,
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2024	
Employer	Employees	Percentage of Total Employment
Selective Insurance Group Inc.	1,000-4,999	1.43%-7.17%
Crystal Springs Resort	1,000-4,999	0.72%-1.43%
Newton Medical Center	500-999	0.72%-1.43%
Sussex County Offices	500-999	0.36%-0.72%
Thorlabs	500-999	0.14%-0.36%
Mountain Creek Resort	500-999	0.14%-0.36%
Shop Rite	250-499	0.14%-0.36%
Sussex County Community College	250-499	0.14%-0.36%
United Methodist Community Bristol Glen	250-499	0.14%-0.36%
Total	75,673	

	2015	
Employer	Employees	Percentage of Total Employment
Newton Medical Center	1,000-4,999	1.36%-6.78%
Selective Insurance Group Inc.	1,000-4,999	1.36%-6.78%
Mountain Creek Resort	500-999	0.68%-1.35%
Thorlabs	500-999	0.68%-1.35%
Sussex County Offices	500-999	0.68%-1.35%
Ames Rubber Corp	250-499	0.34%-0.68%
Raider Express	250-499	0.34%-0.68%
Sussex County Community College	250-499	0.34%-0.68%
Mountain Creek Waterpark	100-249	0.14%-0.34%
A&P Food Store	100-249	0.14%-0.34%
Total	73,737	

Source: County of Sussex

HOPATCONG BOROUGH SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Instruction										
Regular	173	174	183	179	167	163	165	155	150	148
Support Services:										
Instructional Support Staff	41	41	74	71	93	91	85	61	65	70
School Administrative Services	14	15	15	11	11	11	8	9	8	8
General and Business Administrative Services	10	10	26	26	28	27	26	12	15	18
Plant Operations and Maintenance	26	27	26	25	32	32	26	23	26	26
Total	264	267	324	312	331	324	310	260	264	270

Source: District Personnel Records

HOPATCONG BOROUGH SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures [a]	Cost Per Pupil [d]	Percentage Change	Teaching Staff [b]	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) [c]	Average Daily Attendance (ADA) [c]	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2015	1,742	$ 37,893,219	$ 21,753	3.36%	186	1:20	1:17	1:18	1,672	1,581	-8.03%	94.56%
2016	1,588	40,477,924	25,490	17.18%	186	1:20	1:17	1:18	1,600	1,517	-4.31%	94.81%
2017	1,608	40,482,909	25,176	-1.23%	184	1:20	1:17	1:18	1,568	1,482	-2.00%	94.52%
2018	1,592	42,150,679	26,477	5.17%	179	1:20	1:17	1:18	1,548	1,474	-1.28%	95.22%
2019	1,590	41,932,493	26,373	-0.39%	167	1:20	1:17	1:18	1,587	1,496	2.52%	94.27%
2020	1,543	40,340,435	26,144	-0.87%	163	1:20	1:17	1:18	1,495	1,408	-5.80%	94.18%
2021	1,468	40,121,046	27,330	4.54%	165	1:20	1:17	1:18	1,430	1,371	-4.35%	95.87%
2022	1,448	43,186,363	29,825	9.13%	155	1:22	1:19	1:20	1,396	1,297	-2.38%	92.91%
2023	1,456	42,470,403	29,169	-2.20%	150	1:22	1:19	1:20	1,407	1,311	0.79%	93.18%
2024	1,464	43,388,670	29,637	1.60%	148	1:22	1:19	1:20	1,466	1,370	4.19%	93.45%

Note: District Records

a Operating expenditures equal total expenditures less debt service and capital outlay.
b Teaching staff includes only full-time equivalents of certificated staff.
c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
d The Cost Per Pupil calculated above is the sum of the operating expenditures divided by enrollment. This Cost Per Pupil may be different from other Cost Per Pupil calculations.

Source: Hopatcong Borough School District records

HOPATCONG BOROUGH SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

District Building	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Durban Avenue School										
Square Feet	55,065	55,065	55,065	55,065	55,065	55,065	55,065	55,065	55,065	55,065
Capacity (students)	487	487	487	487	487	487	487	487	487	487
Enrollment	257	214	253	254	254	255	191	239	238	273
Hudson Maxim School **										
Square Feet	33,660	33,660	33,660	33,660	33,660	33,660	-0-	-0-	-0-	-0-
Capacity (students)	490	490	490	490	490	490	-0-	-0-	-0-	-0-
Enrollment	274	257	274	270	268	-0-	-0-	-0-	-0-	-0-
Tulsa Trail School										
Square Feet	32,184	32,184	32,184	32,184	32,184	32,184	32,184	32,184	32,184	32,184
Capacity (students)	500	500	500	500	500	500	500	500	500	500
Enrollment	252	231	259	263	263	260	191	209	210	230
Middle School										
Square Feet	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000
Capacity (students)	791	791	791	791	791	791	791	791	791	791
Enrollment	398	294	345	349	349	349	385	428	428	441
High School										
Square Feet	196,855	196,855	196,855	196,855	196,855	196,855	196,855	196,855	196,855	196,855
Capacity (students)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Enrollment	574	592	477	456	456	460	387	521	520	520

HOPATCONG BOROUGH SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

District Building	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Other										
Administartion Building										
Square Feet	12,735	12,735	12,735	12,735	12,735	12,735	12,735	12,735	12,735	12,735
Field House										
Square Feet	3,840	3,840	3,840	3,840	3,840	3,840	3,840	3,840	3,840	3,840
Maintenance Sheds										
Square Feet	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Garage										
Square Feet	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Storage Building										
Square Feet	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000

Number of Schools at June 30, 2024
Elementary = 3 **
Middle School = 1
High School = 1
Other = 5

** - In January 2019, Hudson Maxim School was closed by the District.

Source: Hopatcong Borough School District Facilities Office

HOPATCONG BOROUGH SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
UNAUDITED

School/Building	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
High School	$353,020	$ 617,966	$450,724	$ 441,971	$ 527,653	$441,920	$ 540,270	$ 721,535	$ 422,027	$ 382,618
Durban Avenue School	98,747	172,858	126,077	123,628	147,595	123,613	151,123	201,826	118,048	107,025
Middle School	152,430	266,830	194,617	190,837	227,833	190,815	233,281	311,549	182,225	165,209
Hudson Maxim School**	60,362	105,664	77,068	75,571	90,221	-0-	-0-	-0-	-0-	-0-
Tulsa Trail School	57,715	101,031	73,688	72,257	86,265	72,249	88,328	117,963	68,997	62,554
Administation Building	22,837	39,976	29,157	28,591	34,134	28,588	34,950	46,676	27,301	24,752
Field House	6,886	12,054	8,792	8,621	10,292	8,620	10,539	14,074	8,232	7,463
Maintenance Sheds	7,173	12,556	9,158	8,980	10,721	8,979	10,977	14,660	8,575	7,774
Garage	2,152	3,767	2,748	2,694	3,216	2,694	3,294	4,399	2,573	2,333
Storage Building	1,793	3,139	2,289	2,245	2,681	2,245	2,745	3,665	2,144	1,944
Grand Total	$763,115	$1,335,841	$974,318	$ 955,395	$1,140,611	$879,723	$1,075,507	$1,436,347	$ 840,122	$ 761,671

** - In January 2019, Hudson Maxim School was closed by the District.

* School facilities as defined under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: Hopatcong Borough School District records

HOPATCONG BOROUGH SCHOOL DISTRICT
INSURANCE SCHEDULE
AS OF JUNE 30, 2024
UNAUDITED

	Coverage		Deductible
School Package Policy - School Alliance	$ 500,000,000	Occurrence	
Insurance Fund:			
Building & Personal Property			$ 2,500
Inland Marine - Auto Physical Damage			1,000
General Liability including Auto, Employee Benefits	5,000,000		
Each Occurance			
General Aggregate	Agreed upon based on membership		
Product Completed Ops			
Personal Injury			
Fire Damage	2,500,000		
Medical Expenses	10,000		
(Excluding Students Taking Part in Athletics)			
Automobile Coverage			
Combined Single Limit			
Hired/Non Owned			
Security Guard Liability	Excluded		
Environmental Impairment Liability	1,000,000/25,000,000	Fund Aggregate	10,000
	Excludes mold/fungi/fungus/legionella		100,000
Cyber Coverage (deductible by line of coverage)	750,000	Per Claim & Aggregate	
Crime Coverage	50,000	Inside/Outside	1,000
Blanket Dishonesty Bond	500,000		1,000
Boiler & Machinery	100,000,000		2,500
Excess Liability (AL/GL)	5,000,000		
School Board Legal Liability (SLPL)	5,000,000		10,000
Cyber Liability	2,000,000	per Occurrence/ Aggregate	10,000
Workers' Compensation:	Statutory		
Employer's Liability	5,000,000		
Supplemental Indemnity	Statutory		
Bond for Business Administrator	300,000	Selective Insurance	
Bond for Treasurer of School Monies	300,000	Selective Insurance	
Student Accident	None Provided by District		

Source: Hopatcong Borough School District records.

SINGLE AUDIT SECTION

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Mount Arlington, NJ
Newton, NJ
Bridgewater, NJ

973.298.8500
nisivoccia.com

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

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Hopatcong Borough School District
County of Sussex, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), 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 Hopatcong Borough School District, in the County of Sussex (the "District") as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 22, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Mount Arlington, New Jersey
November 22, 2024

NISIVOCCIA LLP

Raymond A. Sarinelli

Raymond A. Sarinelli
Licensed Public School Accountant #2549
Certified Public Accountant

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Mount Arlington, NJ
Newton, NJ
Bridgewater, NJ

973.298.8500
nisivoccia.com

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Report on Compliance For Each Major Federal and State Program;
Report on Internal Control Over Compliance Required by the Uniform Guidance and NJOMB 15-08
Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Hopatcong Borough School District
County of Sussex, New Jersey

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 Hopatcong Borough School District's (the "District'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 District's major federal and state programs for the fiscal year ended June 30, 2024. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2024.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 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 District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey's OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the 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 or New Jersey's OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Mount Arlington, New Jersey
November 22, 2024

NISIVOCCIA LLP

Raymond A. Sarinelli

Raymond A. Sarinelli
Licensed Public School Accountant #2549
Certified Public Accountant

HOPATCONG BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period From	Grant Period To	Program or Award Amount	Balance at June 30, 2023 (Accounts Receivable)	Balance at June 30, 2023 Unearned Revenue	Balance at June 30, 2023 Due to Grantor	Cash Received	Budgetary Expenditures	Cancel Prior Year Accounts Payable/Encumbrance	Adjustments	Balance at June 30, 2024 (Accounts Receivable)	Balance at June 30, 2024 Unearned Revenue	Balance at June 30, 2024 Due to Grantor	Amounts Provided to Subrecipients
General Fund:																
U.S. Department of Health and Human Services																
Passed-Through State Department of Human Services:																
Medicaid Cluster:																
Medicaid Assistance Program (SEMI)	93.778	N/A	7/1/23	6/30/24	$ 91,039				$ 91,039	$ (91,039)						
Total General Fund									91,039	(91,039)						
Special Revenue Fund:																
U.S. Department of Treasury -																
Passed-through State Department of Education:																
COVID 19 - ASCERS	21.027	N/A	7/1/22	7/31/23	155,755	$ (155,755)			155,755							
Total U.S. Department of Treasury						(155,755)			155,755							
U.S. Department of Education -																
Passed-through State Department of Education:																
Education Stabilization Fund:																
COVID 19 - CRRSA - ESSER II	84.425D	S425D210027	3/13/20	9/30/23	666,077	(153,708)			152,839			$ (1)	$ (870)			
COVID 19 - CRRSA Learning Acceleration	84.425D	S425D210027	3/13/20	9/30/23	42,746	(11,210)			38,941	(27,731)						
COVID 19 - ARP ESSER III	84.425U	S425U210027	3/13/20	9/30/24	1,496,965	(356,687)			1,233,969	(1,065,973)			(188,691)			
COVID 19 - ARP Accelerated Learning Coach and Educator Support	84.425U	S425U210027	3/13/20	9/30/24	131,615	(46,000)			114,490	(85,615)			(17,125)			
COVID 19 - ARP Summer Learning & Enrichment	84.425U	S425U210027	3/13/20	9/30/24	40,000	(2,041)			22,216	(21,935)			(1,760)			
COVID 19 - ARP Evidence Based Comprehensive Beyond the School Day	84.425U	S425U210027	3/13/20	9/30/24	40,000	(2,500)			14,172	(20,760)			(9,088)			
COVID 19 - ARP NJTSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20	9/30/24	88,501	(50,000)			84,651	(38,501)			(3,850)			
COVID-19 - ARP - Homeless II	84.425W	N/A	4/23/21	9/30/24	7,291	(7,291)			7,291							
Education Stabilization Fund Total						(629,437)			1,668,569	(1,260,515)		(1)	(221,384)			
U.S. Department of Education -																
Passed-through State Department of Education:																
Elementary and Secondary Education Act:																
Title I	84.010	ESEA-3960-24	7/1/23	9/30/24	173,950				144,001	(160,000)			(15,999)			
Title I	84.010	ESEA-3960-23	7/1/22	9/30/23	168,407	(156,473)			168,407	(11,934)						
Title II Part A	84.367A	ESEA-3960-24	7/1/23	9/30/24	32,796				4,052	(32,796)			(28,744)			
Title II Part A	84.367A	ESEA-3960-23	7/1/22	9/30/23	34,795	(34,795)			34,795	(100)	$ 1,276				$ 1,176	
Title III	84.365A	ESEA-3960-24	7/1/23	9/30/24	13,008					(7,215)			(7,215)			
Title III	84.365A	ESEA-3960-23	7/1/22	9/30/23	21,183	(12,927)			18,835	(5,908)						
Title III	84.365A	ESEA-3960-22	7/1/21	9/30/22	28,879	(1,110)			1,110							
Title III - Immigrant	84.365A	ESEA-3960-24	7/1/23	9/30/24	4,618					(4,618)			(4,618)			
Title IV	84.424A	ESEA-3960-24	7/1/23	9/30/24	12,616				12,616	(12,616)						
Title IV	84.424A	ESEA-3960-23	7/1/22	9/30/23	15,030	(15,030)			15,030							
Title IV	84.424A	ESEA-3960-22	7/1/21	9/30/22	27,424	(12,592)			12,592							
Total Elementary and Secondary Education Act						(232,927)			411,438	(235,187)	1,276		(56,576)		1,176	
Special Education Cluster (IDEA):																
I.D.E.A. Part B, Basic Regular	84.027	IDEA-3960-24	7/1/23	9/30/24	579,804				547,058	(579,804)			(32,746)			
I.D.E.A. Part B, Basic Regular	84.027	IDEA-3960-23	7/1/22	9/30/23	552,400	(216,053)			216,053							
I.D.E.A. Part B, Preschool	84.173	IDEA-3960-24	7/1/23	9/30/24	21,675				21,675	(21,675)						
I.D.E.A. Part B, Preschool	84.173	IDEA-3960-23	7/1/22	9/30/23	21,730	(21,631)			21,631							
Total Special Education Cluster (IDEA)						(237,684)			806,417	(601,479)			(32,746)			
Total Special Revenue Fund						(1,255,803)			3,042,179	(2,097,181)	1,276	(1)	(310,706)		1,176	
Food Service Enterprise Fund																
U.S. Department of Agriculture:																
Child Nutrition Cluster:																
Food Distribution Program	10.555	N/A	7/1/23	9/30/24	36,670				36,670	(30,002)				$ 6,668		
Food Distribution Program	10.555	N/A	7/1/22	9/30/23	48,533		$ 5,171			(5,171)						
National School Lunch Program	10.555	N/A	7/1/23	6/30/24	274,842				259,743	(274,842)			(15,099)			
National School Lunch Program	10.555	N/A	7/1/22	6/30/23	244,490	(12,484)			12,484							
School Breakfast Program	10.553	N/A	7/1/23	6/30/24	47,149				42,555	(47,149)			(4,594)			
School Breakfast Program	10.553	N/A	7/1/22	6/30/23	33,457	(2,218)			2,218							
COVID19 - Supply Chain Assistance Award	10.555	N/A	7/1/23	6/30/24	38,206				38,206	(38,206)						
Child Nutrition Cluster Subtotal						(14,702)	5,171		391,876	(395,370)			(19,693)	6,668		
Local Food for Schools Cooperative Agreement Program	10.185	N/A	7/1/23	6/30/24	284				284	(284)						
Pandemic Electronic Benefit Transfer Program	10.649	N/A	7/1/23	6/30/24	653				653	(653)						
									937	(937)						
Total Food Service Enterprise Fund						(14,702)	5,171		392,813	(396,307)			(19,693)	6,668		
TOTAL FEDERAL AWARDS						$ (1,270,505)	$ 5,171	$ -0-	$ 3,526,031	$ (2,584,527)	$ 1,276	$ (1)	$ (330,399)	$ -0-	$ 1,176	$ -0-

N/A - Not Applicable

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

HOPATCONG BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2023 Budgetary Accounts Receivable	Balance at June 30, 2023 Budgetary Unearned Revenue	Cash Received	Budgetary Expenditures	Balance at June 30, 2024 GAAP Accounts Receivable	Balance at June 30, 2024 Budgetary Unearned Revenue	Balance at June 30, 2024 Due to Grantor	MEMO Budgetary Accounts Receivable	MEMO Cumulative Total Expenditures
New Jersey Department of Education												
General Fund:												
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	$ 1,587,976	$ (157,371)		$ 157,371						$ 1,587,976
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	1,307,036	(129,530)		129,530						1,307,036
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	232,284	(23,020)		23,020						232,284
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	668,951	(66,294)		66,294						668,951
Extraordinary Special Education Costs	23-100-034-5120-473	7/1/22-6/30/23	366,520	(366,520)		366,520						366,520
Nonpublic Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	25,584	(25,584)		25,584						25,584
Reimbursed TPAF Social Security Contributions	23-495-034-5095-003	7/1/22-6/30/23	1,010,082	(98,543)		98,543						1,010,082
Equalization Aid	24-495-034-5120-078	7/1/23-6/30/24	507,894			459,995	$ (507,894)				$ (47,899)	507,894
Special Education Aid	24-495-034-5120-089	7/1/23-6/30/24	1,307,036			1,183,771	(1,307,036)				(123,265)	1,307,036
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	232,284			210,378	(232,284)				(21,906)	232,284
Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	668,951			605,863	(668,951)				(63,088)	668,951
Extraordinary Special Education Costs	24-100-034-5120-473	7/1/23-6/30/24	348,763				(348,763)	$ (348,763)			(348,763)	348,763
Supplemental Stabilization Aid	24-495-034-5120-148	7/1/23-6/30/24	367,228			367,228	(367,228)					367,228
Nonpublic Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	35,945				(35,945)	(35,945)			(35,945)	35,945
Reimbursed TPAF Social Security Contributions	24-495-034-5095-003	7/1/23-6/30/24	1,005,311			956,273	(1,005,311)	(49,038)			(49,038)	1,005,311
On-Behalf TPAF Post Retirement Contribution	24-495-034-5094-001	7/1/23-6/30/24	1,414,687			1,414,687	(1,414,687)					1,414,687
On-Behalf TPAF Pension Contribution	24-495-034-5094-002	7/1/23-6/30/24	5,139,322			5,139,322	(5,139,322)					5,139,322
On-Behalf TPAF Non-Contributory Insurance	24-495-034-5094-004	7/1/23-6/30/24	58,611			58,611	(58,611)					58,611
On-Behalf TPAF Long-Term Disability Insurance	24-495-034-5094-004	7/1/23-6/30/24	1,096			1,096	(1,096)					1,096
Total General Fund State Aid				(866,862)		11,264,086	(11,087,128)	(433,746)			(689,904)	16,903,758
Special Revenue Fund												
NJ Nonpublic Aid:												
Textbook Aid (Chapter 194)	24-100-034-5120-064	7/1/23-6/30/24	116			116				$ 116		
Nursing Services (Chapter 226)	24-100-034-5120-070	7/1/23-6/30/24	1,800			1,800				1,800		
Security Aid	24-100-034-5120-509	7/1/22-6/30/23	3,075			3,075				3,075		
Technology Initiative Program	24-100-034-5120-373	7/1/22-6/30/23	98			98				98		
Preschool Expansion Aid	24-495-034-5120-086	7/1/23-6/30/24	2,143,850			1,929,465	(1,441,416)		$ 702,434		(214,385)	1,441,416
Preschool Expansion Aid	23-495-034-5120-086	7/1/22-6/30/23	1,286,715	(128,960)	$ 32,374	128,960			32,374			1,254,341
Preschool Expansion Aid	22-495-034-5120-086	7/1/21-6/30/22	807,840		404,700		(404,700)					807,840
NJ Pathways	N/A	7/1/22-6/30/23	5,000		5,000				5,000			
Climate Awareness Education Grant	N/A	7/1/22-6/30/23	6,660	(60)				(60)			(60)	6,660
Emergent and Capital Maintenance Needs Grant SDA Grant	N/A	7/1/22-6/30/24	36,156			36,156	(36,156)					36,156
Total Special Revenue Fund				(129,020)	442,074	2,099,670	(1,882,272)	(60)	739,808	5,089	(214,445)	3,546,413
Enterprise Fund												
State School Lunch Extended Income Eligibilty	24-100-010-3350-023	7/1/23-6/30/24	7,888			7,334	(7,888)	(554)			(554)	7,888
State School Lunch Program	24-100-010-3350-023	7/1/23-6/30/24	15,129			14,342	(15,129)	(787)			(787)	15,129
State School Lunch Program	23-100-010-3350-023	7/1/22-6/30/23	12,639	(628)		628						12,639
State School Breakfast Extended Income Eligibilty	24-100-010-3350-023	7/1/23-6/30/24	1,399			1,215	(1,399)	(184)			(184)	1,399
State School Breakfast Program	24-100-010-3350-023	7/1/23-6/30/24	1,577			1,447	(1,577)	(130)			(130)	1,577
State School Breakfast Program	23-100-010-3350-023	7/1/22-6/30/23	976	(71)		71						976
Total Enterprise Fund				(699)		25,037	(25,993)	(1,655)			(1,655)	39,608
Total State Awards Subject to Single Audit Determination				$ (996,581)	$ 442,074	$ 13,388,793	$ (12,995,393)	$ (435,461)	$ 739,808	$ 5,089	$ (906,004)	$ 20,489,779
Less: State Awards Not Subject to Single Audit Major Program Determination												
On-Behalf TPAF Contributions:												
On-Behalf TPAF Post Retirement Contributions	24-495-034-5094-001	7/1/23-6/30/24	1,414,687				$ (1,414,687)					
On-Behalf TPAF Pension Contributions	24-495-034-5094-002	7/1/23-6/30/24	5,139,322				(5,139,322)					
On-Behalf TPAF Non-Contributory Insurance	24-495-034-5094-004	7/1/23-6/30/24	58,611				(58,611)					
On-Behalf TPAF Long-Term Disability Insurance	24-495-034-5094-004	7/1/23-6/30/24	1,096				(1,096)					
Subtotal - On-Behalf TPAF Contributions							(6,613,716)					
Total State Awards Subject to Single Audit Major Program Determination							$ (6,381,677)					

N/A - Not Applicable

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

HOPATCONG BOROUGH SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards include federal and state awards activity of the Board of Education, Hopatcong Borough School District under programs of the federal and state governments for the fiscal year ended June 30, 2024. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented on the accrual basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

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

NOTE 4. 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 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 these payments are not recognized until the subsequent budget year due to the state deferral and recording of the 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 revenue, whereas the GAAP basis does not. The special revenue fund also does not recognize the June state aid payments in the current year. Grant revenue in the capital projects fund is recognized on the budgetary basis in the fiscal year of award but is not recognized on the GAAP basis until expended and submitted for reimbursement.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is $120,057 for the general fund, ($87,906) (of which $1,118 relates to the local grants) for the special revenue fund, and ($348,931) for the Capital Projects Fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general, special revenue, and capital projects funds.

HOPATCONG BOROUGH SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as presented below:

	Federal	State	Total
General Fund	$ 91,039	$ 11,207,185	$ 11,298,224
Special Revenue Fund	2,094,306	1,798,359	3,892,665
Proprietary Fund	396,307	25,993	422,300
Total Awards	$2,581,652	$ 13,031,537	$ 15,613,189

NOTE 5. 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 6. OTHER

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2024.

NOTE 7. NJ SCHOOLS DEVELOPMENT AUTHORITY (SDA) GRANT

In the current year, the District was awarded a grant in the amount of $348,931 from the Schools Development Authority (SDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2024, no grant has been expended and drawn down on a GAAP basis. In the Capital Projects Fund, the District realized the full amount of the grant revenue on a budgetary basis in the year awarded and realizes the grant revenue on a GAAP basis as it is expended and submitted for reimbursement. Expenditures reported in the NJSDA grants on the Schedules of Expenditures of State Awards represent reimbursement requests submitted to the NJSDA.

HOPATCONG BOROUGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

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

Internal control over financial reporting:

1.) Material weakness identified? ____ Yes X No

2.) Significant deficiencies identified? ____ Yes X None reported

Noncompliance material to basic financial statements noted? ____ Yes X No

Federal Awards

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

Internal control over major programs:

1.) Material weakness identified? ____ Yes X No

2.) Significant deficiencies identified? ____ Yes X None reported

Noncompliance material to basic financial statements noted? ____ Yes X No

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

____ Yes X No

Identification of major programs:

Program Name or Cluster	Assistance Listing No.	Grant Period Start	Grant Period End	Award Amount	Budgetary Expenditures
Education Stabilization Fund:					
COVID-19 - C.R.R.S.A. - Learning Acceleration	84.425D	3/13/20	9/30/23	$ 42,746	$ 27,731
COVID-19 - ARP - ESSER III	84.425U	3/13/20	9/30/24	1,496,965	1,065,973
COVID-19 - ARP - Accelerated Learning Coach and Educator Support	84.425U	3/13/20	9/30/24	131,615	85,615
COVID-19 - ARP - Evidence Based Summer Learning and Enrichment Support	84.425U	3/13/20	9/30/24	40,000	21,935
COVID-19 - ARP - Evidence Based Comprehensive Beyond the School Day	84.425U	3/13/20	9/30/24	40,000	20,760
COVID-19 - ARP - NJTSS Mental Health Support Staffing	84.425U	3/13/20	9/30/24	88,501	38,501

HOPATCONG BOROUGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

Dollar threshold used to distinguish between Type A and B programs			$ 750,000	
Auditee qualified as low-risk auditee?		Yes	X	No

State Awards

Type of auditor's report issued on compliance for major programs:			Unmodified	
Internal control over major programs:				
1.) Material weakness identified?		Yes	X	No
2.) Significant deficiencies identified?		Yes	X	None reported
Noncompliance material to basic financial statements noted?		Yes	X	No
Any audit findings disclosed that are required to be reported in accordance with New Jersey's OMB Circular 15-08?				
		Yes	X	No

Identification of major programs:

Program Name or Cluster	State Grant No.	Grant Period Start	Grant Period End	Award Amount	Budgetary Expenditures
State Aid Public:					
Equalization Aid	24-495-034-5120-078	7/1/23	6/30/24	$ 507,984	$ 507,984
Special Education Aid	24-495-034-5120-089	7/1/23	6/30/24	1,307,036	1,307,036
Security Aid	24-495-034-5120-084	7/1/23	6/30/24	232,284	232,284
Supplemental Stabilization Aid	24-495-034-5120-148	7/1/23	6/30/24	367,228	367,228
Reimbursed TPAF Social Security Contributions	24-495-034-5095-003	7/1/23	6/30/24	1,005,311	1,005,311

Dollar threshold used to distinguish between Type A and B programs			$ 750,000	
Auditee qualified as low-risk auditee?		Yes	X	No

Section II - Financial Statement Findings - N/A

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

HOPATCONG BOROUGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024

Status of Prior Fiscal Year Findings:

The District had no prior year audit findings.