

# **Hopewell Valley**

## **Regional School District**

Hopewell Valley Regional Board of Education  
Pennington, New Jersey 08534

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



# **Hopewell Valley Regional School District**

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

**Hopewell Valley Regional School District**  
**Pennington, New Jersey**

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

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## Introductory Section



# Hopewell Valley Regional School District

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



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January 13, 2025

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

Dear Board Members and Constituents:

The Annual Comprehensive Financial Report (ACFR) of the Hopewell Valley Regional School District (hereinafter, the District) as of and for the year ended June 30, 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 (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information at June 30, 2024, and the respective changes in financial position and cash flows, where applicable, for the year then ended. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

## **1. Reporting Entity and Its Services**

The Hopewell Valley Regional School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds and the government-wide financial statements of the District are included in this report. The Hopewell Valley Regional School District Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels PK through 12. These include regular education as well as special education for handicapped students. The District sends its vocational students to county vocational schools, which are more suited to provide that type of educational program. The District completed the 2023-24 fiscal year with an average daily enrollment of 3,485 students, which is 49 students more than the previous year's average daily enrollment. The following chart details the changes in the average daily student enrollment of the District over the last five years:

**Average Daily Enrollment**

<b>Fiscal Year</b>	<b>Student Enrollment</b>	<b>Percent Change</b>
2023-24	3,485	1.43%
2022-23	3,436	0.79%
2021-22	3,409	0.32%
2020-21	3,398	(1.36)%
2019-20	3,445	(1.15)%

## **2. Economic Condition and Outlook**

Hopewell Valley serves the two boroughs of Pennington and Hopewell and the much larger Hopewell Township, a sending area of nearly 60 square miles with a population exceeding 20,000. Six schools comprise the district -- four elementary schools, a middle school and a high school ranging in age from 22 years to 98 years old. Average daily enrollment for the 2023-24 year was 3,485, a slight increase from 2022-23. The economy in the Hopewell Valley communities is reflective of the national economy and shows signs of growth and experienced a modest increase in ratables. Most of the undeveloped land in the Valley is in Hopewell Township. There is an understanding that there is little room for additional development in either commercial or residential projects within the Boroughs. It is believed that there may be some commercial and residential growth potential in Hopewell Township and Hopewell Borough. Hopewell Janssen Pharmaceuticals, a large employer, is expecting an increase of approximately 600 employees at the Hopewell Township campus in the coming year. New housing subdivisions have been approved and are under construction in Hopewell Township that are bringing additional students into the District's schools as of 2023-24. The Board commissioned demographic report identified a moderate growth of 431 students, or 12.6% through 2032-33.

## **3. Major Initiatives**

### **Facilities Improvement Plan**

The Board allocates funds for minor maintenance tasks across the District on an annual basis. However, the District's operating budget lacks the capacity to support major maintenance projects without potentially detracting from resources allocated to educational programming. Through proactive and

strategic financial planning, the Board has successfully grown its capital reserve fund over recent years, enabling it to address several essential capital maintenance initiatives during the 2023-24 fiscal year.

Specifically, the Board undertook several significant infrastructure improvements: Timberlane Middle School saw the replacement of both its main sewer line and well pump and motor, while the artificial playing surface at the Central High School stadium was renewed after 11 years of use. In addition, the boiler and chiller systems at Hopewell Elementary School were upgraded, and the original main water line was replaced at the District Administration Building. Further safety enhancements included the installation of additional interior and exterior security cameras, badge-operated door locks, and a new security fence around the District's transportation depot. The District also continued the progressive upgrading of HVAC systems as existing components reached the end of their operational lifespan.

Looking forward, the District has outlined further projects slated for 2024-25 and beyond. These planned upgrades include improvements to paving, curbing, and sidewalks, HVAC system enhancements, boiler replacements, building-envelope repairs, roofing maintenance, athletic facility updates, and additional safety improvements. In support of these initiatives, the District is considering an \$87.1 million bond referendum to secure funding for emerging infrastructure projects. Each of the completed projects has been reviewed and approved by the New Jersey Department of Education and incorporated into the District's Long-Range Facilities Plan.

### Personnel Management

The Human Resources Department has maintained a rigorous protocol to verify that all candidates meet credentialing and certification standards. In pursuit of attracting highly qualified candidates, District personnel actively participated in job fairs throughout the mid-Atlantic region and engaged in outreach with local colleges and universities. The District also leveraged the AppliTrack software program to effectively manage job applications, a system which integrates Gallup's Teacher Insight tool to provide administrators with insights into each candidate's talent profile and potential for success.

To support the supervision and evaluation processes, the Human Resources department provided administrators, new hires, and mentors with comprehensive handbooks. These handbooks serve multiple functions: they guide administrators in conducting evaluations, assist new hires in familiarizing themselves with District policies, procedures, and expectations, and support mentors in aligning with the State's protocols for inducting new teachers into the profession.

Collaborating with the Curriculum and Instruction Office, Human Resources facilitated professional development activities designed to ensure that teachers and support staff meet both District and State professional requirements, including the 20-hour minimum and the implementation of Professional Improvement Plans. Additionally, personnel policies and specific job descriptions were reviewed and updated as needed to ensure alignment with current standards.

For teacher evaluations, the District has implemented the Danielson Model, while the Stronge Model is employed for administrative staff evaluations. The District also remains vigilant in adhering to new regulations related to recent legislative changes governing the evaluation processes and tenure acquisition.

## Educational Program

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

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

Hopewell Valley demonstrates a strong commitment to STEM education, offering a range of programs tailored to each grade level. At the elementary level, students engage in a STEAM exploratory course that integrates content across disciplines and emphasizes science and engineering practices. In middle school, the district implements the Project Lead the Way (PLTW) curriculum, which is available through various elective courses at each grade. At Hopewell Valley Central High School, students can participate in a dedicated STEM pathway program, gaining exposure to four specialized fields: Biomedicine, Engineering, Computer Science, and Environmental Engineering.

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

Student success in Hopewell Valley is measured in a variety of ways. While they represent just one measure of student learning; SAT Reasoning test scores of Hopewell Valley students exceed state and national averages. Average scores in Hopewell Valley remained solidly higher than those of comparable, high achieving suburban districts in New Jersey. In 2024, CHS students achieved mean scores on the SAT of 614 in Reading/Writing and 603 in Mathematics. These scores were significantly higher than state and national mean scores. Each year, more and more students are also choosing to take the ACT. This policy of inclusion is proudly upheld throughout the district, which strives to help every student learn optimally, regardless of ability or special need.

Hopewell Valley's Advanced Placement (AP) Program remains a consistently popular and rigorous academic pathway, offering over 25 courses across diverse subjects, from Latin to Studio Art, representing one of the most extensive AP offerings in New Jersey. Student performance on AP exams has shown a strong upward trajectory; last year, 96 percent of the 746 exams taken received scores of 3 or higher, meeting the threshold for college credit. The College Board annually acknowledges Hopewell Valley's high level of achievement, recognizing numerous students as AP Scholars. The National Merit Scholarship Corporation also highlights this academic excellence, with seven students in 2024 honored

as Commended Scholars and three recognized as a National Merit Semi-Finalist. Additionally, two students received the distinction of Hispanic Program Scholar, and one was named a National Indigenous Program Scholar.

Professional development remains a top priority in Hopewell Valley, where rigorous standards, an extensive array of workshops, and a comprehensive mentoring system for new teachers underscore the district's commitment to high-quality instruction as the most significant factor in student success. The faculty's excellence is also evidenced by notable achievements, including regional and national awards, publications in professional journals, authorship of textbooks, and selection as AP readers for the College Board, among other accomplishments.

#### **4. Internal Control**

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

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

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

#### **5. Budgetary Controls**

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as assigned fund balance at year-end.

## **6. Accounting System and Reports**

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

## **7. Other Information**

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

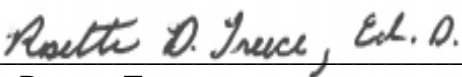
*Awards:* The District had applied to the Association of School Business Officials (ASBO) International for the "Certificate of Excellence in Financial Reporting" for its annual comprehensive financial report for the fiscal year ended June 30, 2023, and was granted the award. In order to be awarded this certificate, the District published an easily readable and efficiently organized annual comprehensive financial report and satisfied both generally accepted accounting principles and applicable legal requirements. This is the twelfth consecutive year the District has received this award.

We believe that our current annual comprehensive financial report continues to meet the Program's rigorous requirements, and we are submitting it to ASBO to determine its eligibility for the fiscal year 2023-24 award.

## **8. Acknowledgments**

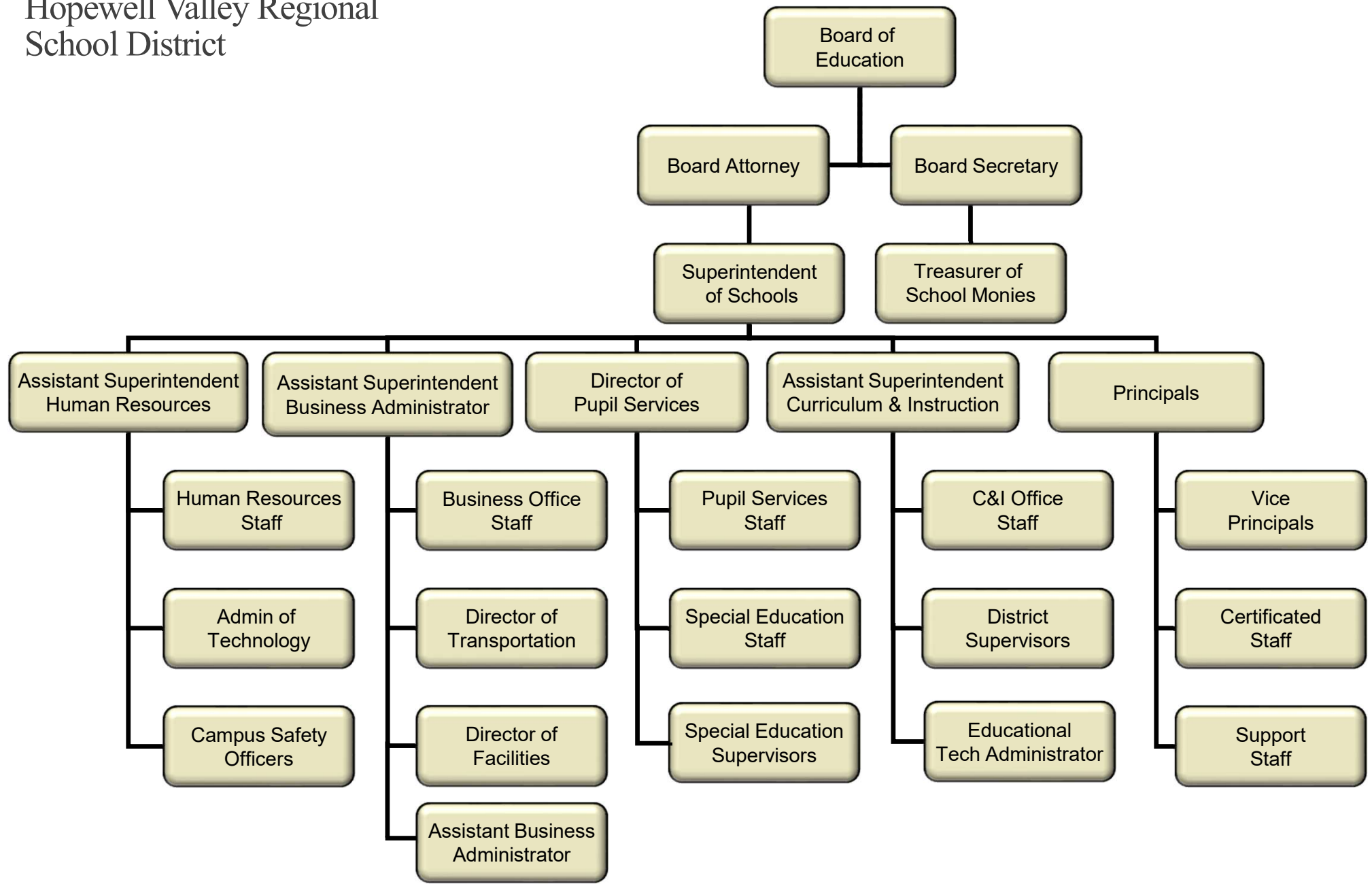
We would like to express our appreciation to the members of the Hopewell Valley Regional School District Board of Education for its concern in providing fiscal accountability to the citizens and taxpayers of the District and thereby contributing full support to the development and maintenance of our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

Respectfully submitted,

  
\_\_\_\_\_  
Dr. Rosetta Treece  
Superintendent

  
\_\_\_\_\_  
Robert Colavita  
Business Administrator/Board Secretary

# Hopewell Valley Regional School District



Hopewell Valley Regional School District  
Pennington, New Jersey

Roster of Officials

June 30, 2024

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Anita Williams Galiano, President	2026
Jacqueline Genovesi, Vice President	2024
Dhruv Kapadia	2024
Pamela Lilleston	2026
Mark Peters	2025
Alexander Reznik	2024
John Slotman	2024
Sarah Tracy	2024
Michael Wilson	2025

**Other Officials**

Dr. Rosetta Treece, Superintendent of Schools

Robert Colavita, Business Administrator/Board Secretary

Stephen Robinson, Treasurer

Mr. Paul Green, Esq., Solicitor



Hopewell Valley Regional School District  
Pennington, New Jersey

Independent Auditors and Advisors

**Independent Auditors**

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

**Attorney**

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

**Architect**

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

**Fiscal Agents**

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

**Official Depository**

Northfield Bank  
4 Route 31 South  
Pennington, New Jersey 08534

TD Bank  
1620 N Olden Ave  
Ewing Township, NJ 08638



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

**Hopewell Valley Regional School District**

**for its Annual Comprehensive Financial Report  
for the Fiscal Year Ended June 30, 2023.**

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



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

**Ryan S. Stechschulte**  
**President**

A handwritten signature in black ink, reading 'James M. Rowan'.

**James M. Rowan, CAE, SFO**  
**CEO/Executive Director**

## Financial Section



## **Independent Auditors' Report**

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

### **Report on the 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 Hopewell Valley Regional School District, County of Mercer, New Jersey (the "District"), as of and for the 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 year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United State of America (GAAS); audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

PKF O'CONNOR DAVIES, LLP  
20 Commerce Drive, Suite 301, Cranford, NJ 07016 | Tel: 908.272.6200 | Fax: 908.272.2416 | [www.pkfod.com](http://www.pkfod.com)

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**Honorable President and Members  
of the Board of Education  
Hopewell Valley Regional School District**

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***Responsibilities of Management for the Financial Statements***

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

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

**Honorable President and Members  
of the Board of Education  
Hopewell Valley Regional School District**

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- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the schedules included under Required Supplementary Information in the accompanying table of contents to be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements, long-term debt schedules, the schedules of federal awards and state financial assistance, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are presented for additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements, long-term debt schedules and the

**Honorable President and Members  
of the Board of Education  
Hopewell Valley Regional School District**

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schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the Annual Comprehensive Financial Report for the year ended June 30, 2024. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' opinion thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

Cranford, New Jersey  
January 13, 2025

*Scott A. Clelland*

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

Required Supplementary Information  
Part I

Management's Discussion and Analysis



# **Hopewell Valley Regional School District Management's Discussion and Analysis**

Year ended June 30, 2024

As management of the Hopewell Valley Regional School District (District), we offer readers of the District's financial statements this narrative discussion, overview, and analysis of the financial activities of the District for the year ended June 30, 2024. We encourage readers to consider the information presented, in conjunction with additional information that we have furnished in our letter of transmittal.

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

## **Overview of the Financial Statements**

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

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

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

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

The government-wide financial statements are Schedules A-1 and A-2.

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

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

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

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

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

The basic governmental fund financial statements are Schedules B-1, B-2 and B-3.

**Proprietary funds.** The District maintains two proprietary fund types as enterprise funds and an internal service fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for the operations of its food service and driver education programs. Also, a self-insurance internal service fund is used to record the activity of the District's health insurance program.

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

**Notes to the basic financial statements.** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** The required supplementary information and the individual and combining statements referred to earlier in connection with governmental funds are presented immediately following the notes to the financial statements.

## Financial Highlights

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$42,671,423 (net position) at the close of 2024 and our overall net position increased in the current year. The following table provides a summary of net position relating to the District's governmental and business-type activities at June 30, 2024 and 2023:

Hopewell Valley Board of Education						
Net Position						
June 30,						
	2024			2023		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 23,261,871	\$ 688,555	\$ 23,950,426	\$ 22,091,574	\$ 668,601	\$ 22,760,175
Restricted cash	702,247		702,247	793,918		793,918
Capital assets, net	77,265,231	208,096	77,473,327	79,084,435	131,302	79,215,737
Total assets	101,229,349	896,651	102,126,000	101,969,927	799,903	102,769,830
Deferred Outflow of Resources	2,117,536		2,117,536	2,910,270		2,910,270
Current liabilities	13,373,005	74,926	13,447,931	13,853,865	82,594	13,936,459
Net pension liability	16,548,772		16,548,772	17,359,532		17,359,532
Long-term liabilities outstanding	29,297,574		29,297,574	33,312,896		33,312,896
Total liabilities	59,219,351	74,926	59,294,277	64,526,293	82,594	64,608,887
Deferred Inflow of Resources	1,456,111		1,456,111	3,110,157		3,110,157
Net position:						
Net investment in capital assets	47,860,510	208,096	48,068,606	44,955,914	131,302	45,087,216
Restricted	8,027,740		8,027,740	8,659,562		8,659,562
Unrestricted (deficit)	(13,216,827)	613,629	(12,603,198)	(16,371,729)	586,007	(15,785,722)
Total net position	\$ 42,671,423	\$ 821,725	\$ 43,493,148	\$ 37,243,747	\$ 717,309	\$ 37,961,056

The increase in current and other assets is mainly the result of current year operations. The decrease in restricted cash is mainly due to the use of unspent portion of financed purchases payable proceeds in the current year.

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

Deferred outflow of resources represents deferred pension costs associated with the District's net pension liability. Deferred inflows of resources represent the District's proportionate share of earnings and assumptions associated with the District's net pension liability. Long-term liabilities decreased due to the current year payments made on existing obligations. The net pension liability decreased due to the changes in the actuarial inputs during the current year.

**Government-wide activities.** The key elements of the District's changes in net position for the years ended June 30, 2024 and 2023 are as follows:

Hopewell Valley Board of Education Changes in Net Position Year Ended June 30,						
	2024			2023		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program Revenues:						
Charges for services	\$ 1,426,647	\$ 1,454,959	\$ 2,881,606	\$ 1,735,514	\$ 1,477,325	\$ 3,212,839
Operating and capital grants and contributions	1,803,724	341,842	2,145,566	2,379,138	469,332	2,848,470
Capital grants and contributions	22,452		22,452	251,458		251,458
General revenues:						
Property taxes	86,662,125		86,662,125	83,255,812		83,255,812
Grants and contributions not restricted to specific programs	33,162,046		33,162,046	33,816,453		33,816,453
Investment Earnings	1,109,929	25,196	1,135,125	152,487	3,600	156,087
Other	588,109	1,319	589,428	351,508		351,508
Gain on disposal of assets				869,809	27,330	897,139
Total Revenues	124,775,032	1,823,316	126,598,348	122,812,179	1,977,587	124,789,766
Expenses:						
Instructional services	70,167,891		70,167,891	73,046,985		73,046,985
Support services	47,691,520	1,718,900	49,410,420	45,487,608	1,820,428	47,308,036
Special schools	440,231		440,231	491,161		491,161
Interest and other charges on long-term debt	1,047,714		1,047,714	1,128,574		1,128,574
Total Expenses	119,347,356	1,718,900	121,066,256	120,154,328	1,820,428	121,974,756
Change in net position	5,427,676	104,416	5,532,092	2,657,851	157,159	2,815,010
Net position-beginning of year	37,243,747	717,309	37,961,056	34,585,896	560,150	35,146,046
Net position-end of year	\$ 42,671,423	\$ 821,725	\$ 43,493,148	\$ 37,243,747	\$ 717,309	\$ 37,961,056

Charges for services decreased due to a decrease in tuition in the current year. Operating and capital grants and contributions decreased due to the decrease in grant revenue in the current year. Capital grants and contributions decreased due a decrease in the grant funded capital projects.

Governmental instructional expenses decreased due to the decreased enrollment. Governmental support services increased because of the needs of the district in the current year.

Business-type activities revenues decreased due to decreases in revenues in the food service, driver education and after school programs.

## Financial Analysis of the District's Funds

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

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

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$2,052,228, while total fund balance was \$14,916,419. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 1.8% of the total general fund expenditures while total fund balance represents 13.2% of that same amount.

The fund balance of the District's general fund decreased by \$602,033 during the current fiscal year. Factors in this decrease include the revenues exceeding expenditures by approximately \$267.9 thousand less other financing uses of \$870 thousand.

The Capital Projects Fund was active once again during the fiscal year. Fund balance restricted for capital projects increased by \$723,372 to \$1,419,223 which represents the unspent balance of bond proceeds and the local contribution of \$870,000 to fund the local portion of the new SDA ROD grant. The increase is attributed to the transfer in from capital reserve related to the local portion of the state funded ongoing capital projects.

The Debt Service Fund has a total fund balance of \$144,834, all of which is restricted for the payment of debt service and \$5,949 of which has been anticipated in the District's 2024-25 budget. The net increase in fund balance during the current year was \$138,885, which is mainly attributable to the transfer in during the year. The District received \$3,146,962 from the local tax levy and \$1,034,845 in state aid and paid \$3,070,000 and \$1,112,288 in principal and interest on bonds, respectively.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the General Fund, Special Revenue Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2024, and the increases and decreases in relation to the prior year.

	Amount	Percent of Total	Increase (Decrease) from 2023	Percent of Increase (Decrease)
Local sources	\$ 89,843,463	75.1%	\$ 4,265,453	5.0%
State sources	28,524,891	23.8%	1,838,560	6.9%
Federal sources	1,376,306	1.1%	(786,570)	-36.4%
Total	<u>\$ 119,744,660</u>	<u>100.0%</u>	<u>\$ 5,317,443</u>	4.6%

The increase in local sources is due to an increase in the tax levy, and interest revenue, which mainly stems from an increase in interest rates.

The increase in state sources is mainly attributable to increases in on-behalf TPAF pension, medical and long-term disability contributions paid by the State as well as additional state grants received in the current year.

The decrease in federal sources is mainly attributable to decreases due to the completion of the COVID-19 ESSER grants in the current year.

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2024, and the increases and decreases in relation to the prior year.

	Amount	Percent of Total	(Decrease) Increase from 2023	Percent of (Decrease) Increase
Current expenditures:				
Instruction	\$ 40,805,943	34.1%	\$ (741,341)	-1.8%
Support services	70,570,587	58.9%	3,284,454	4.9%
Capital outlay	2,717,828	2.3%	284,876	11.7%
Special schools	240,504	0.2%	(26,735)	-10.0%
Debt service:				
Principal	4,262,019	3.6%	(24,057)	-0.6%
Interest and costs	1,154,312	0.9%	(99,707)	-8.0%
Total	<u>\$ 119,751,193</u>	<u>100.0%</u>	<u>\$ 2,677,490</u>	2.3%

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

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

### **General Fund Budgetary Highlights**

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

State sources exceeded anticipated revenues by \$21,351,418 as a result of the District not anticipating revenues related to Extraordinary Aid, Non-public transportation aid, State on-behalf TPAF pension, medical and disability contributions, and State reimbursed TPAF social security contributions.

### **Capital Assets**

At the end of the fiscal years ended June 30, 2024 and 2023, the District had \$77,473,327 and \$79,215,737, respectively, invested in land, construction in progress, land improvements, building and building improvements and machinery and equipment, net of accumulated depreciation or amortization.

	Capital Assets (Net of Depreciation)			
	Governmental Activities		Business-Type Activities	
	2024	2023	2024	2023
Land	\$ 2,508,679	\$ 2,546,691		
Construction in progress	1,687,975			
Land improvements	1,608,769	1,801,058		
Building and building improvements	67,199,862	70,345,231		
Machinery and equipment	4,259,946	4,391,455	\$ 208,096	\$ 131,302
Total	\$ 77,265,231	\$ 79,084,435	\$ 208,096	\$ 131,302

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

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

### **Debt Administration**

At June 30, 2024, the District had \$53,663,816 of outstanding long-term liabilities. Of this amount, \$16,548,772 represents the District's net pension liability, \$2,896,708 is for compensated absences; \$2,577,195 for financed purchases payable; \$27,795,000 of serial bonds payable; \$668,568 has been accrued to pay for legal settlements and \$451,749 is for the unamortized premium on bonds. In addition, the District has \$2,725,824 accrued as a liability for insurance claims related to its self-insured health benefits. For more detailed information, refer to Note 5 of the basic financial statements.

### **Economic Factors and Next Year's Budget**

- Local aid related to the tax levy has increased approximately \$2.3 million.
- State aid has increased approximately \$530,000.
- The cost of providing employee health benefits are expected to continue to increase.
- The District budgeted \$3,950,163 of its 2024 fund balance to partially fund the 2024-25 operations, a decrease of \$797,732 from the prior year.

All of the above factors were considered in preparing the District's 2024-25 fiscal year budget.

### **Requests for Information**

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

## Basic Financial Statements



## Government-wide Financial Statements

The government-wide financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the year ended June 30, 2024.

## Hopewell Valley Regional School District

## Statement of Net Position

June 30, 2024

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 21,857,368	\$ 624,305	\$ 22,481,673
Accounts receivable	1,404,503	44,393	1,448,896
Inventories		19,857	19,857
Restricted assets:			
Cash and cash equivalents	702,247		702,247
Capital assets, non-depreciable	4,196,654		4,196,654
Capital assets, depreciable, net	73,068,577	208,096	73,276,673
Total assets	101,229,349	896,651	102,126,000
<b>Deferred Outflows of Resources</b>			
Pension deferrals	2,117,536		2,117,536
Total deferred outflows of resources	2,117,536		2,117,536
<b>Liabilities</b>			
Accounts payable	4,506,263	3,351	4,509,614
Accrued interest payable	479,809		479,809
Other current liabilities	377,627		377,627
Intergovernmental payables:			
State	18,438		18,438
Unearned revenue	173,398	71,575	244,973
Accrued expenses	2,725,824		2,725,824
Net pension liability	16,548,772		16,548,772
Current portion of long-term obligations	5,091,646		5,091,646
Noncurrent portion of long-term obligations	29,297,574		29,297,574
Total liabilities	59,219,351	74,926	59,294,277
<b>Deferred Inflows of Resources</b>			
Pension deferrals	1,456,111		1,456,111
Total deferred inflows of resources	1,456,111		1,456,111
<b>Net position</b>			
Net investment in capital assets	47,860,510	208,096	48,068,606
Restricted for:			
Capital reserve	7,373,539		7,373,539
Maintenance reserve	96,369		96,369
Scholarships	34,013		34,013
Student activities	523,819		523,819
Unrestricted (deficit)	(13,216,827)	613,629	(12,603,198)
Total net position	\$ 42,671,423	\$ 821,725	\$ 43,493,148

See accompanying notes to the basic financial statements.

## Hopewell Valley Regional School District

## Statement of Activities

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	Capital Grants and Contributions	Governmental Activities	Business-type Activities
						Total
<b>Governmental activities</b>						
Instruction	\$ 70,167,891	\$ 1,306,528	\$ 593,767		\$ (68,267,596)	\$ (68,267,596)
Support services:						
Instruction	2,050,361				(2,050,361)	(2,050,361)
Attendance/social work	1,040				(1,040)	(1,040)
Health services	1,362,932				(1,362,932)	(1,362,932)
Other support services	12,206,772		1,209,957		(10,996,815)	(10,996,815)
Improvement of instruction	3,699,774				(3,699,774)	(3,699,774)
School library	2,560,663				(2,560,663)	(2,560,663)
General administration	1,640,015				(1,640,015)	(1,640,015)
School administration	4,166,680				(4,166,680)	(4,166,680)
Central services	2,080,690				(2,080,690)	(2,080,690)
Admin info technology	441,099				(441,099)	(441,099)
Instructional staff training services	80,667				(80,667)	(80,667)
Required maintenance of plant services	2,262,243			\$ 22,452	(2,239,791)	(2,239,791)
Operation of plant	6,447,149				(6,447,149)	(6,447,149)
Care and upkeep of grounds	479,229				(479,229)	(479,229)
Security	858,199				(858,199)	(858,199)
Student transportation	7,335,727	120,119			(7,215,608)	(7,215,608)
Special Schools	440,231				(440,231)	(440,231)
Contribution to charter schools	18,280				(18,280)	(18,280)
Interest and other charges on long-term debt	1,047,714				(1,047,714)	(1,047,714)
Total governmental activities	119,347,356	1,426,647	1,803,724	22,452	(116,094,533)	(116,094,533)
<b>Business-type activities</b>						
Food service	1,650,714	1,396,948	341,842			\$ 88,076
Driver education	59,489	58,011				(1,478)
After school	8,697					(8,697)
Total business-type activities	1,718,900	1,454,959	341,842			77,901
Total primary government	\$ 121,066,256	\$ 2,881,606	\$ 2,145,566	\$ 22,452	(116,094,533)	(116,016,632)
General revenues:						
Property taxes, levied for general purposes					83,515,163	83,515,163
Property taxes, levied for debt service					3,146,962	3,146,962
State and federal sources					33,162,046	33,162,046
Investment earnings					1,109,929	25,196
Miscellaneous income					588,109	1,319
Total general revenues					121,522,209	26,515
Change in net position					5,427,676	104,416
Net position—beginning					37,243,747	717,309
Net position—ending					\$ 42,671,423	\$ 821,725
						\$ 43,493,148

See accompanying notes to the basic financial statements.

## Fund Financial Statements

## Governmental Funds

Hopewell Valley Regional School District  
Governmental Funds

Balance Sheet

June 30, 2024

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>Assets</b>					
Cash and cash equivalents	\$ 17,350,802	\$ 934,288	\$ 1,719,732		\$ 20,004,822
Accounts receivable:					
Intergovernmental:					
State	1,048,942	8,106	22,452		1,079,500
Federal	1,654	290,418			292,072
Other	25,931	7,000			32,931
Interfund receivable	375,534	21,938		\$ 144,834	542,306
Restricted cash and cash equivalents	377,627				377,627
Total assets	<u>\$ 19,180,490</u>	<u>\$ 1,261,750</u>	<u>\$ 1,742,184</u>	<u>\$ 144,834</u>	<u>\$ 22,329,258</u>
<b>Liabilities and fund balances</b>					
Liabilities:					
Accounts payable	\$ 305,474	\$ 260,307	\$ 56,130		\$ 621,911
Intergovernmental payables:					
State		18,438			18,438
Interfunds payable	1,642,281	275,475	266,831		2,184,587
Payroll deductions and withholdings payable	1,914,989				1,914,989
Other current liabilities	377,627				377,627
Unearned revenue	23,700	149,698			173,398
Total liabilities	<u>4,264,071</u>	<u>703,918</u>	<u>322,961</u>		<u>5,290,950</u>
Fund balances:					
Restricted for:					
Capital reserve	7,373,539				7,373,539
Maintenance reserve	96,369				96,369
Capital projects			1,419,223		1,419,223
Debt service				\$ 144,834	144,834
Scholarships		34,013			34,013
Student activities		523,819			523,819
Assigned to:					
Designated for subsequent year expenditures	3,950,163				3,950,163
Other purposes	1,444,120				1,444,120
Unassigned	2,052,228				2,052,228
Total fund balances	<u>14,916,419</u>	<u>557,832</u>	<u>1,419,223</u>	<u>144,834</u>	<u>17,038,308</u>
Total liabilities and fund balances	<u>\$ 19,180,490</u>	<u>\$ 1,261,750</u>	<u>\$ 1,742,184</u>	<u>\$ 144,834</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$137,488,649 and the accumulated depreciation is \$60,223,418. 77,265,231

Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds. (479,809)

Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds. 661,425

Internal service funds are used by the District to charge the costs of the District's self-insurance fund to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities. 740,283

Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds. (16,548,772)

Accrued pension contributions for the June 30, 2024 plan year end are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position. (1,616,023)

Long-term liabilities, including bonds payable, financed purchases payable, compensated absences, settlements arising from litigation and unamortized premium on bonds are not due and payable in the current period and therefore are not reported as liabilities in the funds. (34,389,220)

Net position of governmental activities \$ 42,671,423

See accompanying notes to the basic financial statements.

Hopewell Valley Regional School District  
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2024

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>Revenues:</b>					
Local sources:					
Local tax levy	\$ 83,515,163			\$3,146,962	\$ 86,662,125
Tuition	619,325				619,325
Interest on investments	1,070,563		\$ 39,366		1,109,929
Transportation	120,119				120,119
Miscellaneous	588,109	\$ 783,222			1,371,331
Total local sources	85,913,279	783,222	39,366	3,146,962	89,882,829
State sources	27,124,779	365,267	22,452	1,034,845	28,547,343
Federal sources	33,868	1,342,438			1,376,306
Total revenues	113,071,926	2,490,927	61,818	4,181,807	119,806,478
<b>Expenditures:</b>					
Current:					
Instruction	39,565,954	1,239,989			40,805,943
Support services:					
Instruction	1,920,514				1,920,514
Attendance/social work	567				567
Health services	835,962				835,962
Support services	2,395,784	1,209,957			3,605,741
Guidance	1,567,165				1,567,165
Child study team	2,216,752				2,216,752
Improvement of instruction	2,038,892				2,038,892
School library	1,440,152				1,440,152
General administration	1,344,258				1,344,258
School administration	2,566,335				2,566,335
Central services	1,219,605				1,219,605
Administration information technology	245,430				245,430
Instructional staff training services	75,558				75,558
Required maintenance of plant services	1,534,484				1,534,484
Operation of plant-custodial services	4,535,162				4,535,162
Care and upkeep of grounds	303,906				303,906
Security	473,358				473,358
Student transportation	5,250,163				5,250,163
Employee benefits	18,753,197				18,753,197
On-behalf pension, medical and disability contributions	17,792,537				17,792,537
On-behalf TPAF social security contributions	2,832,569				2,832,569
Special Schools	240,504				240,504
Contribution to charter schools	18,280				18,280
Capital outlay	2,717,828		69,080		2,786,908
Debt Service:					
Principal	1,192,019			3,070,000	4,262,019
Interest	42,024			1,112,288	1,154,312
Total expenditures	113,118,959	2,449,946	69,080	4,182,288	119,820,273
Excess (Deficiency) of revenues over (under) expenditures	(47,033)	40,981	(7,262)	(481)	(13,795)
Other financing sources (uses):					
Transfers in			870,000	139,366	1,009,366
Transfers out	(870,000)		(139,366)		(1,009,366)
Financed purchases (non-budgeted)	315,000				315,000
Total other financing sources (uses)	(555,000)		730,634	139,366	315,000
Net change in fund balances	(602,033)	40,981	723,372	138,885	301,205
Fund balances, July 1	15,518,452	516,851	695,851	5,949	16,737,103
Fund balances, June 30	<u>\$ 14,916,419</u>	<u>\$ 557,832</u>	<u>\$ 1,419,223</u>	<u>\$ 144,834</u>	<u>\$ 17,038,308</u>

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

Hopewell Valley Regional School District  
Governmental Funds

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

Year Ended June 30, 2024

**Total net change in fund balances - governmental funds (from B-2)** **\$ 301,205**

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

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

Capital additions	\$ 3,105,015	
Depreciation expense	(4,882,866)	
		(1,777,851)

Loss on disposal of assets.		(41,353)
-----------------------------	--	----------

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

Obligations Under Financed Purchases Payable - Leases		(315,000)
---	--	-----------

Repayments of bond principal and financed purchases payable are expenditures in the  
governmental funds, but the repayment reduces long-term liabilities in the statement of net  
position and is not reported in the statement of activities.

Serial Bonds Payable	3,070,000	
Financed Purchases Payable	1,192,019	
		4,262,019

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

Amortization of Premium on Bonds		53,409
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The Internal Service Fund is used by the District to charge the costs of self insurance to other funds.  
The activity of this fund is included in the Statement of Activities.

Change in net position		1,615,089
------------------------	--	-----------

Some expenses reported in the Statement of Activities do not require  
the use of current financial resources and therefore are not reported as  
expenditures in governmental funds.

Pension expense		1,583,068
-----------------	--	-----------

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

		(291,323)
--	--	-----------

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

		53,189
--	--	--------

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).

		(14,776)
--	--	----------

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

		<u><u>\$ 5,427,676</u></u>
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See accompanying notes to the basic financial statements.



## Proprietary Funds

Hopewell Valley Regional School District  
Proprietary Funds

Combining Statement of Net Position

June 30, 2024

	Major Funds			Governmental Activity -
	Business-Type Activities -			Internal Service Fund
	Enterprise Funds			
	Food	Driver		
	Service	Education	Totals	Self-Insurance
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 567,727	\$ 56,578	\$ 624,305	\$ 1,852,546
Accounts receivable:				
State	2,922		2,922	
Federal	28,078		28,078	
Other	13,243	150	13,393	
Interfund receivable				1,642,281
Inventories	19,857		19,857	
Restricted cash				324,620
Total current assets	631,827	56,728	688,555	3,819,447
Non-current assets:				
Capital assets:				
Equipment	643,120	50,855	693,975	
Accumulated depreciation	(455,021)	(30,858)	(485,879)	
Total capital assets, net	188,099	19,997	208,096	
Total assets	819,926	76,725	896,651	3,819,447
<b>Liabilities</b>				
Current liabilities:				
Accounts payable		3,351	3,351	353,340
Accrued liability for insurance claims				1,231,105
Unearned revenue	71,575		71,575	
Total current liabilities	71,575	3,351	74,926	1,584,445
Long-term liabilities:				
Accrued liability for insurance claims				1,494,719
Total long-term liabilities				1,494,719
Total liabilities	71,575	3,351	74,926	3,079,164
<b>Net position</b>				
Investment in capital assets	188,099	19,997	208,096	
Unrestricted	560,252	53,377	613,629	740,283
Total net position	\$ 748,351	\$ 73,374	\$ 821,725	\$ 740,283

See accompanying notes to the basic financial statements.

Hopewell Valley Regional School District  
Proprietary Funds

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

Year Ended June 30, 2024

	Major Funds				
	Business Type Activities - Enterprise Funds				Governmental Activity - Internal Service Fund
	Food Service	Driver Education	After School	Totals	Self-Insurance
Operating revenues:					
Local sources:					
Daily food sales-reimbursable programs	\$ 669,226			\$ 669,226	
Daily food sales- non reimbursable programs	727,722			727,722	
Charges for services - district contributions					\$ 15,738,962
Charges for services - employee contributions					2,918,681
Fees		\$ 58,011		58,011	
Total operating revenues	1,396,948	58,011		1,454,959	18,657,643
Operating expenses:					
Salaries	466,783	46,101		512,884	
Employee benefits	131,663	3,405	\$ 8,697	143,765	
Supplies and materials	94,884	3,176		98,060	
Purchased services		450		450	
Depreciation	24,228	6,357		30,585	
Insurance	37,976			37,976	
Cost of sales - reimbursable programs	467,682			467,682	
Cost of sales - non reimbursable programs	294,263			294,263	
Management and administrative fees	87,312			87,312	
Insurance Claims					15,436,254
Loss on disposal of equipment	1,845			1,845	
Other	44,078			44,078	2,526,857
Total operating expenses	1,650,714	59,489	8,697	1,718,900	17,963,111
Operating (loss) income	(253,766)	(1,478)	(8,697)	(263,941)	694,532
Nonoperating revenues:					
Other sources:					
Re-insurance proceeds					835,806
Interest and investment revenue	25,196			25,196	84,751
Refunds	1,319			1,319	
State sources:					
State school lunch program	10,871			10,871	
State school lunch reduced supplement	1,594			1,594	
State school lunch NJEIE	485			485	
Summer EBT - State	322			322	
Federal sources:					
National School lunch program	140,835			140,835	
Summer EBT - Federal	322			322	
Local Food for Schools Cooperative	4,739			4,739	
Food donation program	99,983			99,983	
COVID-19 Supply Chain Assistance	82,691			82,691	
Total nonoperating revenues	368,357			368,357	920,557
Change in net position	114,591	(1,478)	(8,697)	104,416	1,615,089
Total net position (deficit)-beginning	633,760	74,852	8,697	717,309	(874,806)
Total net position-ending	\$ 748,351	\$ 73,374	\$ -	\$ 821,725	\$ 740,283

See accompanying notes to the basic financial statements.

Hopewell Valley Regional School District  
Proprietary Funds

Combining Statement of Cash Flows

Year Ended June 30, 2024

	Major Funds				Governmental Activity -
	Business Type Activities -				Internal Service Fund
	Enterprise Funds				
	Food	Driver	After	Totals	Self-Insurance
	Service	Education	School		
<b>Cash flows from operating activities:</b>					
Receipts from customers	\$ 1,391,177	\$ 57,861	\$ 10,025	\$ 1,459,063	
Payments to employees	(466,783)	(47,213)	(2,904)	(516,900)	
Payments for employee benefits	(131,663)	(3,612)	(8,697)	(143,972)	
Receipts from services provided					\$ 17,558,909
Payments for insurance claims					(17,228,463)
Payments to suppliers	(1,027,099)	(3,941)		(1,031,040)	(2,526,857)
Net cash (used in) provided by operating activities	(234,368)	3,095	(1,576)	(232,849)	(2,196,411)
<b>Cash flows from noncapital financing activities:</b>					
Cash received from state and federal reimbursements	227,796			227,796	
Cash received from food donation program	103,293			103,293	
Re-insurance proceeds					835,806
Net cash provided by noncapital financing activities	331,089			331,089	835,806
<b>Cash flows from capital and related financing activity:</b>					
Acquisition of capital assets	(109,223)			(109,223)	
Net cash (used in) capital and related financing activity	(109,223)			(109,223)	
<b>Cash flows from investing activity:</b>					
Interest	25,196			25,196	84,751
Net cash provided by investing activity	25,196			25,196	84,751
Net increase (decrease) in cash and cash equivalents	12,694	3,095	(1,576)	14,213	(1,275,854)
Cash and cash equivalents, beginning of year	555,033	53,483	1,576	610,092	3,128,400
Cash and cash equivalents, end of year	\$ 567,727	\$ 56,578	\$ -	\$ 624,305	\$ 1,852,546
<b>Reconciliation of operating (loss) income to net cash (used in) provided by operating activities</b>					
Operating (loss) income	\$ (253,766)	\$ (1,478)	\$ (8,697)	\$ (263,941)	\$ 694,532
Adjustments to reconcile operating (loss) to net cash (used in) provided by operating activities:					
Depreciation	24,228	6,357		30,585	
Loss on disposal of assets	1,845			1,845	
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(7,031)	(150)	10,025	2,844	412,662
(Increase) in interfund receivable					(1,511,396)
Decrease in inventory	8,890			8,890	
(Increase) in deposit/restricted cash					(49,005)
(Decrease) in accounts payable	(6,484)	(1,634)	(2,904)	(11,022)	(59,323)
(Decrease) in interfund payable					(1,486,411)
(Decrease) in accrued liability for insurance claims					(197,470)
(Decrease) in unearned revenue	(2,050)			(2,050)	
Net cash (used in) provided by operating activities	\$ (234,368)	\$ 3,095	\$ (1,576)	\$ (232,849)	\$ (2,196,411)

**Noncash noncapital financing activities:**

The District received \$103,293 of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2024.

See accompanying notes to the basic financial statements.

# Hopewell Valley Regional School District

## Notes to the Basic Financial Statements

Year ended June 30, 2024

### 1. Summary of Significant Accounting Policies

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

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

#### A. Reporting Entity

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

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

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

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

#### B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

# Hopewell Valley Regional School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### **1. Summary of Significant Accounting Policies (continued)**

#### **B. Government-wide and Fund Financial Statements (continued)**

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and the major individual enterprise funds are reported as separate columns in the fund financial statements. Except for the internal service fund, the New Jersey Department of Education requires that all funds be reported as major to promote consistency of reporting among the school districts in the State of New Jersey.

#### **C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

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

Property taxes, interest, and state aid monies associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when the District receives cash.

Hopewell Valley Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

**1. Summary of Significant Accounting Policies (continued)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)**

The District has reported the following major governmental funds:

*General Fund:* The general fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment, which are classified in the capital outlay subfund.

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

*Capital Projects Fund:* The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to an expenditure for capital outlays, including the acquisition or construction of major capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds, state aid and local funds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

*Debt Service Fund:* The debt service fund accounts for and reports financial resources that are restricted, committed, or assigned to an expenditure for the principal and interest on long-term general obligation debt of governmental funds.

The District reports the following major proprietary funds:

*Enterprise Funds (Food Service, Driver Education, and After School):* The enterprise funds account for all revenues and expenses pertaining to cafeteria, driver education, and after school operations and are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods and services to the students or other entities on a continuing basis are financed or recovered primarily through user charges.

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

As a general rule, the effect of internal activity has been eliminated from the Government-wide financial statements. Amounts reported as program revenues include 1) fees charged to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and

# Hopewell Valley Regional School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 1. Summary of Significant Accounting Policies (continued)

#### C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

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

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

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

#### D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds and submitted to the county office for approval. Budgets are prepared using the modified accrual basis of accounting and the special revenue fund uses a non-GAAP budget (budgetary basis). The legal level of budgetary control is established at line item accounts within



# Hopewell Valley Regional School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### **1. Summary of Significant Accounting Policies (continued)**

#### **D. Budgets/Budgetary Control (continued)**

each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referred in N.J.A.C. 6A:23.

The over-expenditure in the general fund is due to the inclusion of the non-budgeted on-behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary over-expenditures. All budget amendments must be approved by School Board resolution and certain other matters require approval by the formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States with the exception of the legally mandated revenue recognition of the last state aid payments for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

#### **E. Cash, Cash Equivalents and Investments**

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

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

#### **F. Interfund Receivables/Payables**

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

# Hopewell Valley Regional School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 1. Summary of Significant Accounting Policies (continued)

#### G. Inventories

Inventories that benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure during the year of purchase. The food service enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method amounted to \$19,857 at June 30, 2024. At June 30, 2024, the unused Food Donation Program commodities of \$3,310 are reported as unearned revenue in the food service enterprise fund.

#### H. Capital Assets

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

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

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

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

#### I. Compensated Absences

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

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

# Hopewell Valley Regional School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### **1. Summary of Significant Accounting Policies (continued)**

#### **I. Compensated Absences (continued)**

The liability for vested compensated absences of the District is recorded in the government-wide financial statements amounted to \$2,896,708 at June 30, 2024. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

#### **J. Unearned Revenue**

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

#### **K. Deferred Outflows / Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense / expenditure) until then. The District has one item that qualifies for reporting in this category, including deferred amounts related to pensions.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, including deferred amounts related to pensions.

#### **L. Long-Term Obligations**

In the government-wide financial statements, and enterprise funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

# Hopewell Valley Regional School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 1. Summary of Significant Accounting Policies (continued)

#### L. Long-Term Obligations (continued)

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

#### M. Fund Balances

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

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

# Hopewell Valley Regional School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 1. Summary of Significant Accounting Policies (continued)

#### M. Fund Balances (continued)

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

Of the \$14,916,419 of fund balance in the General Fund, \$7,373,539 has been restricted in the capital reserve account, \$96,369 has been restricted in the maintenance reserve account, \$1,444,120 of encumbrances are assigned to other purposes, \$3,950,163 has been assigned as designated for subsequent years expenditures and \$2,052,228 is unassigned. All of the \$1,419,223 fund balance in the Capital Projects Fund is restricted for capital projects. Of the \$144,834 fund balance in the Debt Service Fund, \$5,468 has been budgeted for use in the 2024-25 budget and is included in restricted for debt service. Of the \$557,832 of fund balance in Special Revenue Fund, \$34,013 has been restricted for scholarships and \$523,819 has been restricted for student activities.

#### N. Calculation of Excess Surplus

The designation for restricted fund balance - excess surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve fund balance of the general fund at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in its subsequent years' budget. The District did not generate any excess surplus in the current year.

#### O. Net Position

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

#### P. GASB Pronouncements

##### Recently Issued Accounting Pronouncements

The GASB issued Statement No. 101, *Compensated Absences* in June 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by

# Hopewell Valley Regional School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 1. Summary of Significant Accounting Policies (continued)

#### P. GASB Pronouncements (continued)

aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for periods beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has not determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 102, *Certain Risk Disclosures* in January 2024. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for periods beginning after June 15, 2024, and all reporting periods thereafter. Management has not determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 103, *Financial Reporting Model Improvements* in April 2024. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for periods beginning after June 15, 2025, and all reporting periods thereafter. Management has not determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 104, *Disclosure of Certain Capital Assets* in September 2024. The objective of this Statement is to provide users of governmental financial statements with essential information about certain types of capital assets, other intangible assets and assets held for sale. The requirements of this Statement are effective for periods beginning after June 15, 2025, and all reporting periods thereafter. Management has not determined the impact of the Statement on the financial statements.

#### Q. Management Estimates

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

#### R. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey for social security contributions and post-retirement medical and pension benefits for certified members of the New Jersey Teachers Pension and Annuity Fund. Additionally, revenues and

# Hopewell Valley Regional School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 1. Summary of Significant Accounting Policies (continued)

#### R. On-Behalf Payments (continued)

expenses related to on-behalf pension, medical and long-term disability contributions in the government-wide financial statements have been adjusted by \$3,805,410 to adjust for the full accrual basis expense incurred by the State of New Jersey during the most recent measurement period. The amounts are not required to be included in the District's annual budget.

#### S. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2024 and January 13, 2025, the date that the financial statements were available for issuance. The effect of those events and transactions that provide additional pertinent information about conditions that existed at the balance sheet and statement of net position date, have been recognized in the accompanying financial statements.

### 2. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. The detail of this \$34,389,220 difference is as follows:

Bonds payable	\$ 27,795,000
Premium on bonds	451,749
Litigation payable	668,568
Financed purchases payable	2,577,195
Compensated absences	<u>2,896,708</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position - governmental activities	<u>\$ 34,389,220</u>

# Hopewell Valley Regional School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 3. Deposits and Investments

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

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

#### Deposits

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

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

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

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

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



# Hopewell Valley Regional School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 3. Deposits and Investments (continued)

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

At June 30, 2024, the District's carrying value of its deposits was \$22,481,673 and the bank balance was \$25,382,014. Of the bank balance, \$341,854 was secured by federal depository insurance. The New Jersey Governmental Unit Deposit Protection Act (GUDPA) covered the bank balance of \$23,184,578. \$1,153,334 held in the District agency accounts are not covered by GUDPA. In addition, the District has cash held with fiscal agents in the amount of \$702,247.

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

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

#### Investments

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

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

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

# Hopewell Valley Regional School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 3. Deposits and Investments (continued)

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

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

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

The District had no investments at June 30, 2024.

### 4. Capital Assets

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2024:

	Beginning Balance	Increases	Transfers/ Dispositions	Ending Balance
<b>Governmental activities</b>				
Capital assets, not being depreciated				
Land	\$ 2,546,691		\$ (38,012)	\$ 2,508,679
Construction in progress		\$ 1,687,975		1,687,975
Total capital assets, not being depreciated	2,546,691	1,687,975	(38,012)	4,196,654
Capital assets, being depreciated				
Land improvements	4,373,610			4,373,610
Buildings and building improvements	113,962,093			113,962,093
Machinery, equipment, and vehicles	13,560,681	1,417,040	(21,429)	14,956,292
Total capital assets being depreciated	131,896,384	1,417,040	(21,429)	133,291,995
Less accumulated depreciation for:				
Land improvements	2,572,552	192,289		2,764,841
Buildings and building improvements	43,616,862	3,145,369		46,762,231
Machinery, equipment, and vehicles	9,169,226	1,545,208	(18,088)	10,696,346
Total accumulated depreciation	55,358,640	4,882,866	(18,088)	60,223,418
Total capital assets being depreciated, net	76,537,744	(3,465,826)	(3,341)	73,068,577
Governmental activities capital assets, net	\$79,084,435	\$ (1,777,851)	\$ (41,353)	\$ 77,265,231

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

# Hopewell Valley Regional School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 4. Capital Assets (continued)

Depreciation expense was charged to functions/programs of the District for the year ended June 30, 2024 as follows:

Regular Instruction	\$ 2,758,912
Undistributed Instruction	129,847
Attendance/social work	38
Health services	56,520
Other support services	499,619
Improvement of instruction	137,851
School library	97,370
General administration	90,886
School administration	173,511
Central services	82,458
Information technology	16,594
Instructional staff training services	5,109
Required maintenance of plant services	103,747
Operation of plant	306,625
Care & upkeep of grounds	20,547
Security	32,004
Student transportation	354,967
Special schools	16,261
	<u>\$ 4,882,866</u>

The following schedule is a summarization of business-type activities changes in capital assets for the year ended June 30, 2024:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Dispositions</b>	<b>Ending Balance</b>
<b>Business-type activities</b>				
Capital assets, being depreciated:				
Equipment	\$ 606,382	\$ 109,223	\$ 21,630	\$ 693,975
Less accumulated depreciation for:				
Equipment	475,079	30,585	19,785	485,879
Total business-type activities capital assets, net	<u>\$ 131,303</u>	<u>\$ 78,638</u>	<u>\$ 1,845</u>	<u>\$ 208,096</u>

# Hopewell Valley Regional School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 5. Long-Term Liabilities

During the fiscal year ended June 30, 2024, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:					
Bonds payable	\$ 30,865,000		\$ 3,070,000	\$ 27,795,000	\$ 3,155,000
Premium on bonds	505,158		53,409	451,749	53,409
Litigation payable	377,245	\$ 748,139	456,816	668,568	379,446
Compensated absences	2,881,932	243,536	228,760	2,896,708	237,289
Financed purchases payable	3,454,214	315,000	1,192,019	2,577,195	1,266,502
Subtotal	38,083,549	1,306,675	5,001,004	34,389,220	5,091,646
Accrued Liability for Insurance Claims	2,923,294	13,370,830	13,568,300	2,725,824	1,231,105
Net pension liability	17,359,532		810,760	16,548,772	
Total governmental activities long-term liabilities	<u>\$ 58,366,375</u>	<u>\$ 14,677,505</u>	<u>\$ 19,380,064</u>	<u>\$ 53,663,816</u>	<u>\$ 6,322,751</u>

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

### Bonds Payable

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

Bonds payable at June 30, 2024 is comprised of the following issue:

\$35,855,000, 2016 school bonds, due in annual installments ranging from \$3,155,000 to \$3,815,000 through January 15, 2032 at interest rates ranging from 3.25% to 4.00%.

# Hopewell Valley Regional School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 5. Long-Term Liabilities (continued)

Principal and interest due on all bonds outstanding at June 30, 2024 are as follows:

	Principal	Interest	Total
Fiscal year ending June 30:			
2025	\$ 3,155,000	\$ 1,012,513	\$ 4,167,513
2026	3,240,000	909,975	4,149,975
2027	3,330,000	804,675	4,134,675
2028	3,420,000	688,125	4,108,125
2029	3,515,000	568,425	4,083,425
2030-2032	11,135,000	899,000	12,034,000
	<u>\$ 27,795,000</u>	<u>\$ 4,882,713</u>	<u>\$ 32,677,713</u>

### Bonds Authorized But Not Issued

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

### Financed Purchases Payable - Leases

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

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

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

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

In April 2024, the District entered into a lease for acquisition of buses in the amount of \$315,000. The buses are being leased with an interest rate of 4.880%.

# Hopewell Valley Regional School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 5. Long-Term Liabilities (continued)

The following is a table of financed purchases payable at June 30, 2024:

	Principal	Interest	Total
Year Ending June 30:			
2025	\$ 1,266,502	\$ 38,942	\$ 1,305,444
2026	934,927	27,449	962,376
2027	242,777	14,626	257,403
2028	64,911	6,490	71,401
2029	68,078	3,322	71,400
	<u>\$ 2,577,195</u>	<u>\$ 90,829</u>	<u>\$ 2,668,024</u>

The assets acquired through financed purchases payables - leases are as follows at June 30, 2024:

#### Assets:

Machinery, equipment, and vehicles	\$1,617,845
Less accumulated depreciation	<u>(427,700)</u>
Total	<u>\$1,190,145</u>

### 6. Pension Plans

#### Description of Systems

Substantially all of the District's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Teachers' Pension and Annuity Fund Retirement System is considered a cost-sharing multiple-employer plan, with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. The Public Employees' Retirement System is considered a cost-sharing multiple-employer plan. District employees employed by the Enterprise Funds are not eligible for pension benefits. Employees in the Food Service Enterprise Fund are employees of the Food Service Management Company and therefore not eligible for pension benefits. Employees of the remaining Enterprise Funds are either part-time or stipend employees and are therefore not eligible for pension benefits.

#### Teachers' Pension and Annuity Fund

The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage, including post-retirement health care, to substantially all full-time public-school employees in the State. Members are fully vested for their own contributions and,

# Hopewell Valley Regional School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### **6. Pension Plans (continued)**

after three years of service credit, become vested for 2% of related interest earned on contributions. In the case of death before retirement, members beneficiaries are entitled to full interest credited to the members accounts.

Service retirement benefits of  $1/55^{\text{th}}$  of final average salary for each year of service credit is available to Tier 1 and 2 members upon reaching the age of 60 and to tier 3 members upon reaching age 62. Service retirement benefits of  $1/60^{\text{th}}$  of final average salary for each year of service credit is available to Tier 4 members upon reaching the age of 62 and Tier 5 members upon reaching the age of 65. Early retirement benefits are available to Tier 1 and 2 members with 25 years or more of service credit before reaching age 60, Tier 3 and 4 members with 25 years or more of service credit before age 62 and Tier 5 with 30 years or more of service credit before age 65. Benefits are reduced by a fraction of a percent 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. 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.

### **Public Employees' Retirement System**

The Public Employees' Retirement System (PERS) was established in January 1955 and the contribution policy is set by the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full-time employees of the State of New Jersey or any county, municipality, school Board or public agency, provided the employee is not a member of another State-administered retirement system or other state pension fund or local jurisdiction's pension fund. Pursuant to the provisions of P.L. 2022, C.78, the member contribution rate was 7.5% in State fiscal year 2023.

Members are classified into one of five tiers dependent upon the date of their enrollment. Service retirement benefits of  $1/55^{\text{th}}$  of final average salary for each year of service credit is available to Tier 1 and 2 members upon reaching the age of 60 and to tier 3 members upon reaching age 62. Service retirement benefits of  $1/60^{\text{th}}$  of final average salary for each year of service credit is available to Tier 4 members upon reaching the age of 62 and Tier 5 members upon reaching the age of 65. Early retirement benefits are available to Tier 1 and 2 members with 25 years or more of service credit before reaching age 60, Tier 3 and 4 members with 25 years or more of service credit before age 62 and Tier 5 with 30 years or more of service credit before age 65. Benefits are reduced by a fraction of a percent 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. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issued publicly available financial reports that include the financial statements and required supplementary

## Hopewell Valley Regional School District

### Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

#### **6. Pension Plans (continued)**

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

#### **Funding Policy**

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Employee contribution rates for TPAF and PERS are 7.5% of employees' pensionable compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

During the year ended June 30, 2024, the State of New Jersey contributed \$17,792,537 to the TPAF for on-behalf pension and post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$2,832,569 during the year ended June 30, 2024 for the employer's share of social security contributions for TPAF members as calculated on their base salaries.

The District's actuarially determined contributions to PERS for each of the years ended June 30, 2024, 2023 and 2022 were \$1,527,019, \$1,222,318, and \$1,370,870, respectively.

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

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

##### *Public Employees' Retirement System (PERS)*

At June 30, 2024, the District reported a liability of \$16,548,772 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 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 school districts, actuarially determined. At



# Hopewell Valley Regional School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 6. Pension Plans (continued)

June 30, 2023, the District's proportion was 0.1142525893 percent, which was a decrease of 0.0007768921 from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized full accrual pension benefit of \$1,583,068 in the government-wide financial statements. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of assumptions	\$ 36,354	\$ 1,002,927
Difference between expected and actual experience	158,228	67,646
Net difference between projected and actual earnings on pension plan investments	76,209	
Changes in proportion and differences between District contributions and proportionate share of contributions	230,722	385,538
District contributions subsequent to the measurement date	1,616,023	
	<u>\$ 2,117,536</u>	<u>\$ 1,456,111</u>

\$1,616,023 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date.

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

Year ended June 30:		
2025	\$	(665,445)
2026		(149,569)
2027		(34,915)
2028		(96,710)
2029		(7,959)
	<u>\$</u>	<u>(954,598)</u>

# Hopewell Valley Regional School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 6. Pension Plans (continued)

#### Additional Information

##### *Actuarial Assumptions*

The collective 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%

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.

##### *Mortality Rates*

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

##### *Long-Term Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are

# Hopewell Valley Regional School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 6. Pension Plans (continued)

combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	28.00%	8.98%
Non-U.S. developed markets 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%
	<u>100.00%</u>	

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

#### *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 net pension liability as of June 30, 2023, calculated using the discount rate as disclosed above as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate

# Hopewell Valley Regional School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 6. Pension Plans (continued)

that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	At 1% decrease (6.00%)	At current discount rate (7.00%)	At 1% increase (8.00%)
District's proportionate share of the net pension liability	\$ 21,542,980	\$ 16,548,772	\$ 12,298,041

#### *Pension Plan Fiduciary Net Position*

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

#### *Additional Information*

Collective balances of the Local Group at June 30, 2023 are as follows:

Deferred outflows of resources	\$ 1,080,204,730
Deferred inflows of resources	\$ 1,780,216,457
Net pension liability	\$14,606,489,066
District's Proportion	0.1142525893%

Collective pension benefit for the Local Group for the measurement period ended June 30, 2023 is \$79,181,803.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2023, 2022, 2021, 2020, 2019, 2018, 2017 and 2016 is 5.08, 5.04, 5.13, 5.16, 5.21, 5.63, 5.48, and 5.57 years, respectively.

#### *Special Funding Situation*

A special funding situation exists for certain Local employers of the PERS. The State of New Jersey, a non-employer, is required to pay the additional costs incurred by local employers under Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The June 30, 2023 State special funding situation net pension liability amount of \$122.1 million is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133.

# Hopewell Valley Regional School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 6. Pension Plans (continued)

Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). AS of June 30, 2023, there was no net pension liability associated with this special funding situation there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense of \$55.7 million, for the fiscal year ending June 30, 2023, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2023. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The District's expense related to the special funding situation is \$51,609.

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

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2023 was \$162,894,725. The District's proportionate share was \$0. For fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

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 State's proportionate share of the net pension liability associated with the District was based on a projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2023, the State's proportionate share of the TPAF net pension liability associated with the District was 0.3191969501 percent, which was a decrease of 0.0011330527 from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized on-behalf pension expense and revenue in the government-wide financial statements of \$4,001,849 for contributions incurred by the State.

# Hopewell Valley Regional School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 6. Pension Plans (continued)

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

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases	2.75 - 4.25%
	based on years of service
Investment rate of return	7.00%

#### *Mortality Rates*

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

#### *Long-Term Expected Rate of Return*

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

# Hopewell Valley Regional School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 6. Pension Plans (continued)

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	28.00%	8.98%
Non-U.S. developed markets 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%
	<u>100.00%</u>	

#### *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 will be made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make 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 determining the total pension liability.

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

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

# Hopewell Valley Regional School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 6. Pension Plans (continued)

were calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	At 1% decrease (6.00%)	At current discount rate (7.00%)	At 1% increase (8.00%)
State's proportionate share of the net pension liability associated with the District	\$ 192,082,440	\$162,894,725	\$138,311,731

#### *Pension plan fiduciary net position*

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

### Additional Information

Collective balances of the Local Group at June 30, 2023 are as follows:

Deferred outflows of resources	\$ 2,498,730,891
Deferred inflows of resources	\$14,719,080,314
Net pension liability	\$51,032,669,551
District's Proportion	0.3191969501%

Collective pension expense of the Local Group for the plan for the measurement period ended June 30, 2023 is \$1,292,291,943.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, and 2015 is 7.93, 7.83, 7.93, 8.04, 8.29, 8.30, 8.30 and 8.30, years, respectively.

### 7. Post-Retirement Benefits

#### *General Information about the OPEB Plan*

#### **State Health Benefit State Retired Employee Plan**

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined



# Hopewell Valley Regional School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 7. Post-Retirement Benefits (continued)

contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepting actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability.

The State's share of the net pension liability, based on a measurement date of June 30, 2022 which is required to be recorded on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds the post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs.

In accordance with the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financialreports.shtml>.

#### *Total OPEB Liability*

The Nonemployer OPEB liability from the State of New Jersey's plan is \$52,361,668,239.

# Hopewell Valley Regional School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 7. Post-Retirement Benefits (continued)

#### *Changes in Total Non-employer OPEB Liability*

Below represents the changes in the District's total OPEB liability for the year ended June 30, 2023:

	<u>Total OPEB Liability</u>
Beginning Total OPEB Liability, June 30, 2022	\$ 151,003,885
Changes for the year:	
Service cost	6,453,481
Interest	5,498,872
Differences between expected and actual experiences	(2,990,741)
Changes in assumptions or other inputs	314,703
Member contributions	140,917
Benefit payments	(4,286,460)
Net changes	<u>5,130,772</u>
Ending Total OPEB Liability, June 30, 2023	<u>\$ 156,134,657</u>

#### *Employees covered by benefit terms*

The following employees were covered by the benefit terms:

<u>Local Education Group</u>	<u>June 30, 2023</u>
Active Plan Members	217,212
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	152,383
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
Total Plan Members	<u>369,595</u>

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective total OPEB liability on the Statement of Net Position. The State's proportionate share of the total OPEB liability associated with the District as of June 30, 2023 was \$156,134,657. Additional information can be obtained from the State of New Jersey's annual comprehensive financial report.

#### *Actuarial assumptions and other inputs*

The total non-employer OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

# Hopewell Valley Regional School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 7. Post-Retirement Benefits (continued)

	TPAF	PERS
Salary increases:		
Through 2026	2.75 - 4.25%	2.75 - 6.55%
	based on years of service	based on years of service

#### *Mortality Rates*

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of the actual experience studies for July 1, 2018 to June 30, 2021. 100% of active members are considered to participate in the Plan upon retirement.

#### *Discount Rate*

The discount rate used to measure the total OPEB liability for June 30, 2023 was 3.65%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

#### *Health Care Trend Assumptions*

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend was (1.99%) in fiscal year 2023, increasing to 13.80% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially (3.54%) in fiscal year 2023, increasing to 17.40% 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 trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

# Hopewell Valley Regional School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 7. Post-Retirement Benefits (continued)

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

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2023 calculated using a discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current rate:

	At 1% decrease (2.65%)	At Current discount rate (3.65%)	At 1% increase (4.65%)
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 183,041,081	\$ 156,134,657	\$ 134,531,923

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2023 calculated using a healthcare cost trend rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	At 1% decrease	At Healthcare Cost Trend Rate	At 1% increase
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 129,615,837	\$ 156,134,657	\$ 190,834,601

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

For the year ended June 30, 2024, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$4,960,449 for OPEB expenses incurred by the State.

Collective balances of the Local Education Group at June 30, 2023 are as follows:

Deferred outflows of resources	\$ 17,347,811,894
Deferred inflows of resources	\$ 30,503,688,706
Collective OPEB Expense	\$ 1,389,124,126
District's Proportion	0.30%

# Hopewell Valley Regional School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 7. Post-Retirement Benefits (continued)

#### *Special Funding Situation*

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

### 8. Risk Management

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

#### **Property and Liability Insurance**

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

#### **Self-Insurance**

The District is self-insured for medical, prescription and dental benefits and uses an internal service fund to account for its self-insurance activities. At June 30, 2024, the accrued liability for unpaid medical, prescription and dental claims of \$2,725,824 has been recorded in the internal service fund financial statements for Incurred But Not Reported Claims (IBNR), which is subject to modification and/or assessment of existing or additional claims. The medical, prescription, and dental benefits IBNR liability has been calculated by an actuary employed by the District's claims administrator.

Changes in the Incurred But Not Reported claims liability for the past three years were:

Fiscal Year	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at End of Year
2023-2024	\$ 2,923,294	\$ 13,370,830	\$13,568,300	\$ 2,725,824
2022-2023	3,095,270	13,646,587	13,818,563	2,923,294
2021-2022	2,893,935	11,879,210	11,677,875	3,095,270

#### **New Jersey Unemployment Compensation Insurance**

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

# Hopewell Valley Regional School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 9. Deferred Compensation

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

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

The plan members' contributions to the deferred compensation plans for the years ended June 30, 2024, 2023 and 2022 were \$1,359,776, \$1,326,655, and \$1,282,226, respectively. The District does not contribute to these plans on behalf of plan members.

### 10. Interfund Receivables and Payables

The total interfund accounts receivable and payable for the District at June 30, 2024 are as follows:

	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
General Fund	\$ 375,534	\$ 1,642,281
Special Revenue Fund	21,938	275,475
Capital Projects Fund		266,831
Debt Service Fund	144,834	
Self-Insurance Internal Service Fund	1,642,281	
	<u>\$ 2,184,587</u>	<u>\$ 2,184,587</u>

The interfund between general fund and the self-insurance internal service fund represents monies collected in the general fund that are related to health insurance claims due to the self-insurance internal service fund. The interfund between the capital projects fund and the debt service fund represent interest earned in the capital projects fund that is due to the debt service fund to offset the debt issued on capital projects. The interfund between general fund and special revenue fund represents monies collected in general fund that are related to the special revenue fund and expenditures paid out of the general fund on behalf of the special revenue fund. The interfund between the general fund and the capital projects fund represent grant funds received in capital projects fund related to general fund. All interfunds are expected to be repaid within one year.

# Hopewell Valley Regional School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### **11. Economic Dependency**

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

### **12. Contingent Liabilities**

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2024 may be impaired. As a result of the impact of COVID-19, the District has received funding under the American Rescue Plan Act (ARP), Elementary and Secondary School Emergency Relief (ESSER) Fund and the Coronavirus Relief Fund (CRF). To the extent that the District has not complied with the rules governing the ARP, ESSER and CRF funds, money may be required to be returned. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations or final eligible cost requirements governing the respective grants or funding; therefore, no provisions have been recorded in the accompanying basic financial statements for such contingencies.

The District is involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will have a material adverse effect on the financial position of the District. Therefore, the District has accrued a total of \$668,568 in the government-wide financial statements as a result of the actual and expected outcomes of these claims and lawsuits. The estimated settlement of these claims is not expected to be paid with current financial resources.

### **13. Capital Reserve Account**

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

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line – item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the

# Hopewell Valley Regional School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 13. Capital Reserve Account (continued)

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	\$ 8,050,784
Withdrawals:	
Capital Outlay – Budgeted Withdrawal	(304,245)
Capital Outlay – Withdrawal	(431,935)
Transfer to Capital Projects Fund	(870,000)
Deposits:	
Unspent capital outlay funds not utilized in 2023-24	321,852
Interest earned on capital reserve funds	358,625
Deposit into Capital Reserve (June 2024 Board Resolution)	248,458
Ending balance, June 30, 2024	<u>\$ 7,373,539</u>

The June 30, 2024 LRFP balance of local support costs of uncompleted capital projects exceeded the amount in the capital reserve. The District did not budgeted any of the June 30, 2024 capital reserve balance in its 2024-25 fiscal year budget.

### 14. Maintenance Reserve Account

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

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



# Hopewell Valley Regional School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 14. Maintenance Reserve Account (continued)

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	\$ 91,927
Deposits:	
Interest earned on maintenance reserve funds	<u>4,442</u>
Ending balance, June 30, 2024	<u>\$ 96,369</u>

The balance in the maintenance reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2024. The District did not budget any of the June 30, 2024 maintenance reserve balance in its 2024-25 fiscal year budget.

### 15. Commitments

The District also has contracts with several vendors for goods and services that have not been received as of June 30, 2024. These encumbrances in the amount of \$1,444,120 are recorded as assigned to other purposes on the general fund balance sheet and in the capital projects fund in the amount of \$59,770, which are recorded as part of fund balance restricted for capital projects.

### 16. Transfers

The following presents a reconciliation of transfers during the 2024 fiscal year:

	Transfer In	Transfer Out
General Fund		\$ 870,000
Capital Projects Fund	\$ 870,000	139,366
Debt Service Fund	139,366	
	<u>\$ 1,009,366</u>	<u>\$ 1,009,366</u>

The District transferred \$139,366 from the capital projects fund to the debt service fund. The transfer was required to move interest earned on the unspent bond proceeds in the capital projects fund to the debt service fund to offset future debt service tax levies. The District transferred \$870,000 from the capital reserve in the general fund to fund the local share of the SDA project in the capital projects fund.

### 17. Net Position – Net Investment in Capital Assets

Net investment in capital assets, Governmental Activities, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. The net investment in capital assets of \$47,860,510 indicated as part

# Hopewell Valley Regional School District

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2024

### 17. Net Position – Net Investment in Capital Assets (continued)

of the Governmental Activities net position is calculated as follows:

Capital assets, net of depreciation	\$ 77,265,231
Bonds payable (used to build or acquire capital assets)	(27,795,000)
Unspent bond proceeds	1,419,223
Unamortized premium	(451,749)
Financed purchases payable	<u>(2,577,195)</u>
Total net investment in capital assets	<u>\$ 47,860,510</u>

### 18. Tax Abatements

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

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

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

Hopewell Township recognized revenue of \$445,017 from the annual service charge in lieu of payment of taxes in 2023 and taxes in 2023 that otherwise would have been due on these long-term tax exemptions amount to \$5,759,288, based upon the assessed valuations of the long-term tax exemptions properties. A portion of the \$5,314,271 abatement would have been allocated to the District.

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

## Required Supplementary Information Part II

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

Last Ten Fiscal Years

	Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset) - Local Group	0.1142525893%	0.1150294814%	0.1170566995%	0.1146451393%	0.1156124926%	0.1142608200%	0.1105497103%	0.1111144609%	0.1123990058%	0.1084386997%
District's proportionate share of the net pension liability (asset)	\$ 16,548,772	\$ 17,359,532	\$ 13,867,121	\$ 18,695,624	\$ 20,831,617	\$ 22,497,386	\$ 25,734,206	\$ 32,908,916	\$ 25,231,324	\$ 20,302,690
District's covered-employee payroll	\$ 9,254,164	\$ 8,989,894	\$ 8,567,034	\$ 8,481,274	\$ 8,484,842	\$ 8,255,182	\$ 8,039,792	\$ 7,728,853	\$ 7,569,463	\$ 7,614,532
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	178.83%	193.10%	161.87%	220.43%	245.52%	272.52%	320.09%	425.79%	333.33%	266.63%
Plan fiduciary net position as a percentage of the total pension liability - Local Group	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%

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

See accompanying notes to required supplementary information.

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

Last Ten Fiscal Years

	Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,527,019	\$ 1,450,577	\$ 1,370,870	\$ 1,254,162	\$ 1,124,575	\$ 1,142,038	\$ 1,039,948	\$ 987,125	\$ 735,000	\$ 709,412
Contributions in relation to the contractually required contribution	(1,527,019)	(1,450,577)	(1,370,870)	(1,254,162)	(1,124,575)	(1,142,038)	(1,039,948)	(987,125)	(735,000)	(709,412)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 8,989,894	\$ 8,567,034	\$ 8,481,274	\$ 8,484,842	\$ 8,255,182	\$ 8,039,792	\$ 7,728,853	\$ 7,569,463	\$ 7,614,532	\$ 7,708,670
Contributions as a percentage of covered-employee payroll	16.99%	16.93%	16.16%	14.78%	13.62%	14.20%	13.46%	13.04%	9.65%	9.20%

See accompanying notes to required supplementary information.

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

Last Ten Fiscal Years

	Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.3191969501%	0.3203300028%	0.3234095105%	0.3221734740%	0.3213292076%	0.3204881619%	0.3148182207%	0.3193640991%	0.3156974568%	0.3177476544%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 162,894,725	\$ 165,272,394	\$ 155,479,732	\$ 212,147,356	\$ 197,202,768	\$ 203,887,685	\$ 212,261,796	\$ 251,232,134	\$ 199,534,274	\$ 169,825,780
Total proportionate share of the net pension liability (asset) associated with the District	<u>\$ 162,894,725</u>	<u>\$ 165,272,394</u>	<u>\$ 155,479,732</u>	<u>\$ 212,147,356</u>	<u>\$ 197,202,768</u>	<u>\$ 203,887,685</u>	<u>\$ 212,261,796</u>	<u>\$ 251,232,134</u>	<u>\$ 199,534,274</u>	<u>\$ 169,825,780</u>
Plan fiduciary net position as a percentage of the total pension liability	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%

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

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

See accompanying notes to required supplementary information.

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

Last Ten Fiscal Years\*

	Year Ended June 30,							
	2024	2023	2022	2021	2020	2019	2018	2017
State's proportion of the net OPEB liability (asset)	0.30%	0.29%	0.30%	0.29%	0.29%	0.29%	0.29%	0.29%
District's proportionate share of the net OPEB liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability (asset) associated with the District	\$ 156,134,657	\$ 151,003,885	\$ 179,423,866	\$ 197,513,121	\$ 121,555,911	\$ 132,400,824	\$ 153,498,657	\$ 165,557,124
Total proportionate shareof the net OPEB liability (asset) associated with the District	<u>\$ 156,134,657</u>	<u>\$ 151,003,885</u>	<u>\$ 179,423,866</u>	<u>\$ 197,513,121</u>	<u>\$ 121,555,911</u>	<u>\$ 132,400,824</u>	<u>\$ 153,498,657</u>	<u>\$ 165,557,124</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
	2024	2023	2022	2021	2020	2019	2018	2017**
<b>Total OPEB Liability</b>								
Service cost	\$ 6,453,481	\$ 8,171,661	\$ 9,420,306	\$ 5,211,370	\$ 5,132,335	\$ 5,664,106	\$ 6,825,202	
Interest cost	5,498,872	4,001,770	4,654,444	4,379,006	5,253,136	5,637,383	4,864,441	
Changes of benefit terms	-	-	(190,975)	-	-	-	-	
Differences between expected and actual experiences	(2,990,741)	3,751,443	(28,602,638)	33,622,293	(19,421,998)	(13,787,674)	-	
Changes of assumptions	314,703	(40,508,147)	177,015	36,078,860	1,812,409	(15,193,657)	(20,323,672)	
Member contributions	140,917	127,163	118,991	104,222	110,609	122,360	130,917	
Gross benefit payments	<u>(4,286,460)</u>	<u>(3,963,871)</u>	<u>(3,666,398)</u>	<u>(3,438,541)</u>	<u>(3,731,404)</u>	<u>(3,540,351)</u>	<u>(3,555,355)</u>	
Net change in total OPEB liability	5,130,772	(28,419,981)	(18,089,255)	75,957,210	(10,844,913)	(21,097,833)	(12,058,467)	
Total OPEB liability - beginning	<u>151,003,885</u>	<u>179,423,866</u>	<u>197,513,121</u>	<u>121,555,911</u>	<u>132,400,824</u>	<u>153,498,657</u>	<u>165,557,124</u>	
Total OPEB liability - ending	<u>\$ 156,134,657</u>	<u>\$ 151,003,885</u>	<u>\$ 179,423,866</u>	<u>\$ 197,513,121</u>	<u>\$ 121,555,911</u>	<u>\$ 132,400,824</u>	<u>\$ 153,498,657</u>	
Covered-employee payroll	<u>\$ 48,848,759</u>	<u>\$ 48,114,539</u>	<u>\$ 45,962,722</u>	<u>\$ 44,893,289</u>	<u>\$ 44,791,075</u>	<u>\$ 42,878,604</u>	<u>\$ 41,315,611</u>	
Total OPEB liability as a percentage of covered-employee payroll	319.63%	313.84%	390.37%	439.96%	271.38%	308.78%	371.53%	

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

\*\* Information not available

See accompanying notes to required supplementary information.

Hopewell Valley Board of Education  
Notes to Required Supplementary Information  
Year Ended June 30, 2024

**1. PENSION - PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

Benefit Changes

There were none.

Changes of Assumptions

There were none.

**2. PENSION – TEACHERS' PENSION AND ANNUITY FUND**

Benefit Changes

There were none.

Changes of Assumptions

There were none.

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

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 3.54% as of June 30, 2022 to 3.65% as of June 30, 2023.



Required Supplementary Information  
Part III

Budgetary Comparison Schedules

Hopewell Valley Regional School District  
General Fund  
Budgetary Comparison Schedule  
(Budgetary Basis)  
Year Ended June 30, 2024

	Original <u>Budget</u>	Budget <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Final to <u>Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 83,515,163		\$ 83,515,163	\$ 83,515,163	
Tuition	600,524		600,524	619,325	\$ 18,801
Transportation - Hazardous Routes	100,000		100,000	120,119	20,119
Interest Earned on Investments	12,000		12,000	1,070,563	1,058,563
Rentals	75,000		75,000	121,752	46,752
Miscellaneous	208,000		208,000	466,357	258,357
Total - Local Sources	84,510,687		84,510,687	85,913,279	1,402,592
State Sources:					
Categorical Special Education Aid	3,717,860		3,717,860	3,717,860	
Transportation Aid	1,571,094		1,571,094	1,571,094	
Security Aid	315,541		315,541	315,541	
School Choice Aid	283,480		283,480	283,480	
Non-Public Transportation Aid				127,855	127,855
Extraordinary Aid				598,457	598,457
TPAF Pension (On-Behalf - Non-Budgeted)				13,982,079	13,982,079
TPAF Post Retirement Medical (On-behalf - Non-Budgeted)				3,805,410	3,805,410
TPAF Non-contributory Insurance (On-behalf - Non-Budgeted)				5,048	5,048
TPAF Social Security (Reimbursed - Non-Budgeted)				2,832,569	2,832,569
Total State Sources	5,887,975		5,887,975	27,239,393	21,351,418
Federal Sources:					
Medical Assistance Program	19,489		19,489	33,868	14,379
Total - Federal Sources	19,489		19,489	33,868	14,379
<b>Total Revenues</b>	<b>90,418,151</b>		<b>90,418,151</b>	<b>113,186,540</b>	<b>22,768,389</b>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
<b>Regular Programs - Instruction</b>					
Kindergarten - Salaries of Teachers	1,145,198	\$ (206,379)	938,819	927,666	11,153
Grades 1-5 - Salaries of Teachers	8,225,321	(317,295)	7,908,026	7,592,933	315,093
Grades 6-8 - Salaries of Teachers	5,986,447	(30,838)	5,955,609	5,847,835	107,774
Grades 9-12 - Salaries of Teachers	8,027,942	23,979	8,051,921	8,050,727	1,194
<b>Regular Programs - Home Instruction</b>					
Salaries of Teachers	50,000	5,927	55,927	55,343	584
Purchased Professional-Educational Services	17,000	(2,933)	14,067	10,297	3,770
<b>Regular Programs - Undistributed Instruction</b>					
Other Salaries for Instruction	935,194	(6,879)	928,315	859,550	68,765
Purchased Professional-Educational Services	996,876	(91,675)	905,201	771,409	133,792
Purchased Technical Services	6,500	59,350	65,850	41,980	23,870
Other Purchased Services	1,536,979	14,460	1,551,439	1,344,110	207,329
General Supplies	1,349,878	40,278	1,390,156	1,164,093	226,063
Textbooks	367,666	(1,618)	366,048	280,817	85,231
Other Objects	19,531	(4,251)	15,280	6,875	8,405
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>28,664,532</b>	<b>(517,874)</b>	<b>28,146,658</b>	<b>26,953,635</b>	<b>1,193,023</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Learning and/or Language Disabilities</b>					
Salaries of Teachers	343,277	(68,014)	275,263	274,347	916
Other Salaries for Instruction	111,924	65,632	177,556	175,133	2,423
<b>Total Learning and/or Language Disabilities</b>	<b>455,201</b>	<b>(2,382)</b>	<b>452,819</b>	<b>449,480</b>	<b>3,339</b>
<b>Emotional Regulation Impairments</b>					
Salaries of Teachers	244,466	42,169	286,635	286,635	
Other Salaries for Instruction	127,130	54,878	182,008	179,665	2,343
<b>Total Emotional Regulation Impairments</b>	<b>371,596</b>	<b>97,047</b>	<b>468,643</b>	<b>466,300</b>	<b>2,343</b>
<b>Multiple Disabilities</b>					
Salaries of Teachers	561,732	(73,181)	488,551	488,551	
Other Salaries for Instruction	342,891	(86,804)	256,087	256,087	
General Supplies	1,500		1,500	388	1,112
<b>Total Multiple Disabilities</b>	<b>906,123</b>	<b>(159,985)</b>	<b>746,138</b>	<b>745,026</b>	<b>1,112</b>

Hopewell Valley Regional School District  
General Fund  
Budgetary Comparison Schedule  
(Budgetary Basis)  
Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Resource Room/Resource Center</b>					
Salaries of Teachers	\$ 5,386,440	\$ (20,540)	\$ 5,365,900	\$ 5,329,032	\$ 36,868
Other Salaries for Instruction	630,204	(114,278)	515,926	515,922	4
Other Purchased Services	300		300		300
General Supplies	25,900	2,704	28,604	16,470	12,134
Textbooks	3,650		3,650	1,266	2,384
<b>Total Resource Room/Resource Center</b>	<b>6,046,494</b>	<b>(132,114)</b>	<b>5,914,380</b>	<b>5,862,690</b>	<b>51,690</b>
<b>Autism:</b>					
Salaries of Teachers	322,826	(186,608)	136,218	136,218	
Other Salaries for Instruction	442,830	(341,661)	101,169	101,169	
<b>Total Autism</b>	<b>765,656</b>	<b>(528,269)</b>	<b>237,387</b>	<b>237,387</b>	
<b>Preschool Disabilities - Full-Time</b>					
Salaries of Teachers	515,898	126,926	642,824	641,517	1,307
Other Salaries for Instruction	253,687	296,822	550,509	545,457	5,052
General Supplies	6,975		6,975	2,876	4,099
<b>Total Preschool Disabilities - Full-Time</b>	<b>776,560</b>	<b>423,748</b>	<b>1,200,308</b>	<b>1,189,850</b>	<b>10,458</b>
<b>Home Instruction</b>					
Purchased Prof. - Ed. Services	17,000	(360)	16,640	5,595	11,045
<b>Total Home Instruction</b>	<b>17,000</b>	<b>(360)</b>	<b>16,640</b>	<b>5,595</b>	<b>11,045</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>9,338,630</b>	<b>(302,315)</b>	<b>9,036,315</b>	<b>8,956,328</b>	<b>79,987</b>
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of Teachers	1,366,190	364,058	1,730,248	1,703,500	26,748
General Supplies	7,400		7,400	4,646	2,754
<b>Total Basic Skills/Remedial - Instruction</b>	<b>1,373,590</b>	<b>364,058</b>	<b>1,737,648</b>	<b>1,708,146</b>	<b>29,502</b>
<b>Bilingual Education - Instruction</b>					
Salaries of Teachers	204,137	20,133	224,270	224,270	
General Supplies	1,000		1,000	237	763
<b>Total Bilingual Education - Instruction</b>	<b>205,137</b>	<b>20,133</b>	<b>225,270</b>	<b>224,507</b>	<b>763</b>
<b>School-Spon. Cocurricular Actvts. - Inst.</b>					
Salaries	239,762	52,655	292,417	292,417	
Purchased Services	50,100	(4,017)	46,083	45,108	975
Supplies and Materials	66,283	(22,089)	44,194	38,631	5,563
Other Objects	103,855	(47,922)	55,933	55,933	
<b>Total School-Spon. Cocurricular Actvts. - Inst.</b>	<b>460,000</b>	<b>(21,373)</b>	<b>438,627</b>	<b>432,089</b>	<b>6,538</b>
<b>School-Spon. Athletics</b>					
Salaries	946,384	60,933	1,007,317	1,005,936	1,381
Purchased Services	165,450	(5,224)	160,226	159,726	500
Supplies and Materials	120,900	(28,474)	92,426	91,858	568
Other Objects	33,520	209	33,729	33,729	
<b>Total School-Spon. Athletics</b>	<b>1,266,254</b>	<b>27,444</b>	<b>1,293,698</b>	<b>1,291,249</b>	<b>2,449</b>
<b>TOTAL INSTRUCTION</b>	<b>41,308,143</b>	<b>(429,927)</b>	<b>40,878,216</b>	<b>39,565,954</b>	<b>1,312,262</b>

**Hopewell Valley Regional School District  
General Fund  
Budgetary Comparison Schedule  
(Budgetary Basis)  
Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Undistributed Expenditures - Instruction</b>					
Tuition to County Voc. School Dist. - Regular	\$ 46,800	\$ 45,660	\$ 92,460	\$ 65,299	\$ 27,161
Tuition to County Voc. School Dist. - Special	132,300	(58,248)	74,052	68,544	5,508
Tuition to CSSD & Regional Day Schools	283,140	67,527	350,667	350,667	
Tuition to Private Schools for the Disabled - Within State	2,035,610	225,456	2,261,066	2,080,346	180,720
Tuition to Priv. Sch. Disabled & Other LEAs-Spl, O/S	239,400	(113,477)	125,923	125,873	50
Tuition - Other	365,655	(177,837)	187,818	176,319	11,499
<b>Total Undistributed Expenditures - Instruction</b>	<b>3,102,905</b>	<b>(10,919)</b>	<b>3,091,986</b>	<b>2,867,048</b>	<b>224,938</b>
<b>Undistributed Expend. - Attend. &amp; Social Work</b>					
Salaries	4,000		4,000	567	3,433
Other Purchased Services	255		255		255
<b>Total Undistributed Expend. - Attend. &amp; Social Work</b>	<b>4,255</b>		<b>4,255</b>	<b>567</b>	<b>3,688</b>
<b>Undist. Expend. - Health Services</b>					
Salaries	628,344	(5,000)	623,344	613,950	9,394
Purchased Professional and Technical Services	41,500	7,127	48,627	45,107	3,520
Other Purchased Services	195,375	21,704	217,079	165,270	51,809
Rentals	11,893	(11,893)			
Supplies and Materials	17,815	(2,010)	15,805	11,635	4,170
<b>Total Undistributed Expenditures - Health Services</b>	<b>894,927</b>	<b>9,928</b>	<b>904,855</b>	<b>835,962</b>	<b>68,893</b>
<b>Undist. Expend. - Other Supp. Serv. Students - OT, PT, ReL Serv.</b>					
Salaries	1,356,163	(80,592)	1,275,571	1,232,393	43,178
Purchased Professional - Educational Services	155,000		155,000	113,470	41,530
Supplies and Materials	59,685	199	59,884	31,855	28,029
<b>Total Undist. Expend. - Other Supp. Serv. Students - OT, PT, ReL Serv.</b>	<b>1,570,848</b>	<b>(80,393)</b>	<b>1,490,455</b>	<b>1,377,718</b>	<b>112,737</b>
<b>Undist. Expend. - Other Supp. Serv. Students - Extra Serv.</b>					
Salaries	712,893	82,068	794,961	794,176	785
Purchased Professional - Educational Services	475,000	(259,636)	215,364	214,387	977
Supplies and Materials	12,000	111	12,111	9,503	2,608
<b>Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.</b>	<b>1,199,893</b>	<b>(177,457)</b>	<b>1,022,436</b>	<b>1,018,066</b>	<b>4,370</b>
<b>Undist. Expend. - Guidance</b>					
Salaries of Other Professional Staff	1,448,241	8,596	1,456,837	1,408,806	48,031
Salaries of Secretarial and Clerical Assistants	152,905	9,149	162,054	146,491	15,563
Unused Vacation Payment to Term/Ret Staff		9,305	9,305	9,305	
Other Purchased Services	5,680		5,680	1,300	4,380
Supplies and Materials	2,050		2,050	1,263	787
Other Objects	400		400		400
<b>Total Undist. Expend. - Guidance</b>	<b>1,609,276</b>	<b>27,050</b>	<b>1,636,326</b>	<b>1,567,165</b>	<b>69,161</b>
<b>Undist. Expend. - Child Study Team</b>					
Salaries of Other Professional Staff	1,774,196	88,200	1,862,396	1,837,093	25,303
Salaries of Secretarial and Clerical Assistants	206,800	8,685	215,485	215,485	
Purchased Prof. - Educational Services	50,000	(21,221)	28,779	16,802	11,977
Other Purchased Prof. and Tech. Services	100,000	2,251	102,251	91,171	11,080
Other Purchased Services	28,750	2,091	30,841	11,848	18,993
Supplies and Materials	50,300		50,300	33,691	16,609
Other Objects	11,329		11,329	10,662	667
<b>Total Undist. Expend. - Child Study Team</b>	<b>2,221,375</b>	<b>80,006</b>	<b>2,301,381</b>	<b>2,216,752</b>	<b>84,629</b>
<b>Undist. Expend. - Improvement of Inst. Serv.</b>					
Salaries of Supervisors of Instruction	925,478	1,249	926,727	926,727	
Salaries of Other Professional Staff	472,989	39,258	512,247	512,247	
Salaries of Secretarial and Clerical Assistants	96,550	(1,000)	95,550	95,550	
Salaries of Facilitators, Math Coaches, Literacy Coaches and Master Teachers		373,836	373,836	373,836	
Other Salaries	90,160	(9,063)	81,097	79,235	1,862
Unused Vacation Payment to Term/Ret Staff		31,678	31,678		31,678
Other Purchased Services	40,100	(16,222)	23,878	21,536	2,342
Supplies and Materials	9,500		9,500	6,826	2,674
Other Objects	25,950		25,950	22,935	3,015
<b>Total Undist. Expend. - Improvement of Inst. Serv.</b>	<b>1,660,727</b>	<b>419,736</b>	<b>2,080,463</b>	<b>2,038,892</b>	<b>41,571</b>

Hopewell Valley Regional School District  
General Fund  
Budgetary Comparison Schedule  
(Budgetary Basis)  
Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Edu. Media Serv./Sch. Library</b>					
Salaries	\$ 549,691	\$ (33,689)	\$ 516,002	\$ 513,488	\$ 2,514
Salaries of Technology Coordinators	932,827	(4,648)	928,179	821,738	106,441
Unused Vacation Payment to Term/Ret Staff		4,648	4,648	4,648	
Purchased Professional and Technical Services	34,768		34,768	32,756	2,012
Supplies and Materials	75,720		75,720	67,385	8,335
Other Objects	950		950	137	813
<b>Total Undist. Expend. - Edu. Media Serv./Sch. Library</b>	<b>1,593,956</b>	<b>(33,689)</b>	<b>1,560,267</b>	<b>1,440,152</b>	<b>120,115</b>
<b>Undist. Expend. - Instructional Staff Training Serv.</b>					
Other Purchased Professional & Technical Services	53,994	(8,337)	45,657	45,627	30
Other Purchased Services	73,770	(27,373)	46,397	27,642	18,755
Supplies and Materials	3,700		3,700	2,289	1,411
<b>Total Undist. Expend. - Instructional Staff Training Serv.</b>	<b>131,464</b>	<b>(35,710)</b>	<b>95,754</b>	<b>75,558</b>	<b>20,196</b>
<b>Undist. Expend. - Supp. Serv. - General Admin.</b>					
Salaries	275,602		275,602	267,362	8,240
Legal Services	150,000	(89,111)	60,889	51,837	9,052
Audit Fees	75,000	1,400	76,400	76,400	
Architectural/Engineering Services	200,000	6,418	206,418	154,493	51,925
Other Purchased Professional Services	13,500		13,500	8,615	4,885
Communications/Telephone	200,706	(73,466)	127,240	115,485	11,755
Miscellaneous Purchased Services	183,566	(42)	183,524	169,439	14,085
General Supplies	3,000		3,000	705	2,295
Judgements Against the School District	417,397	226,965	644,362	456,816	187,546
Miscellaneous Expenditures	58,300	(4,888)	53,412	43,106	10,306
<b>Total Undist. Expend. - Supp. Serv. - General Admin.</b>	<b>1,577,071</b>	<b>67,276</b>	<b>1,644,347</b>	<b>1,344,258</b>	<b>300,089</b>
<b>Undist. Expend. - Support Serv. - School Admin.</b>					
Salaries of Principals/Assistant Principals	1,703,463	(37,012)	1,666,451	1,660,450	6,001
Salaries of Secretarial and Clerical Assistants	809,977	(9,695)	800,282	797,764	2,518
Unused Vacation Payment to Term/Ret Staff		60,706	60,706	60,706	
Other Purchased Services	34,929		34,929	11,153	23,776
Supplies and Materials	34,000	350	34,350	25,499	8,851
Other Objects	19,590	(350)	19,240	10,763	8,477
<b>Total Undist. Expend. - Support Serv. - School Admin.</b>	<b>2,601,959</b>	<b>13,999</b>	<b>2,615,958</b>	<b>2,566,335</b>	<b>49,623</b>
<b>Undist. Expend. - Central Services</b>					
Salaries	985,350	39,391	1,024,741	1,016,130	8,611
Unused Vacation Payment to Term/Ret Staff		21,201	21,201	20,979	222
Purchased Professional Services	50,340	(20,673)	29,667	28,355	1,312
Purchased Technical Services	66,444	10,006	76,450	73,788	2,662
Miscellaneous Purchased Services	80,333	5,613	85,946	57,694	28,252
Supplies and Materials	30,320		30,320	12,141	18,179
Miscellaneous Expenditures	11,500		11,500	10,518	982
<b>Total Undist. Expend. - Central Services</b>	<b>1,224,287</b>	<b>55,538</b>	<b>1,279,825</b>	<b>1,219,605</b>	<b>60,220</b>
<b>Undist. Expend. - Technology Admin.</b>					
Salaries	238,302		238,302	233,698	4,604
Other Purchased Services	15,085		15,085	11,732	3,353
<b>Total Undist. Expend. - Technology Admin.</b>	<b>253,387</b>		<b>253,387</b>	<b>245,430</b>	<b>7,957</b>
<b>Undist. Expend. - Required Maint. for Sch. Facil.</b>					
Salaries	822,701	1,338	824,039	814,353	9,686
Unused Vacation Payment to Term/Ret Staff		11,363	11,363	11,363	
Cleaning, Repair and Maintenance Services	616,600	164,094	780,694	532,332	248,362
General Supplies	343,600	(9,377)	334,223	289,725	44,498
<b>Total Undist. Expend. - Required Maint. for Sch. Facil.</b>	<b>1,782,901</b>	<b>167,418</b>	<b>1,950,319</b>	<b>1,647,773</b>	<b>302,546</b>

**Hopewell Valley Regional School District  
General Fund  
Budgetary Comparison Schedule  
(Budgetary Basis)  
Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Undist. Expend. - Custodial Services</b>					
Salaries	\$ 2,147,781	\$ 13,594	\$ 2,161,375	\$ 2,095,040	\$ 66,335
Unused Vacation Payment to Term/Ret Staff		5,979	5,979	5,979	
Cleaning, Repair and Maintenance Services	132,500	(3,851)	128,649	105,179	23,470
Other Purchased Property Services	288,659	(6,722)	281,937	224,467	57,470
Insurance	554,142	(17,461)	536,681	521,465	15,216
General Supplies	208,000	707	208,707	173,394	35,313
Other Purchased Services	10,650		10,650	3,634	7,016
Natural Gas	316,000	25,484	341,484	341,325	159
Electricity	1,010,000	15,175	1,025,175	1,025,175	
Energy - Gasoline	31,600	(2,017)	29,583	29,583	
Other Objects	17,000	(7,079)	9,921	9,921	
<b>Total Undist. Expend. - Custodial Services</b>	<b>4,716,332</b>	<b>23,809</b>	<b>4,740,141</b>	<b>4,535,162</b>	<b>204,979</b>
<b>Undist. Expend. - Care and Upkeep of Grounds</b>					
Salaries	224,896	(10,090)	214,806	201,987	12,819
Unused Vacation Payment to Term/Ret Staff		600	600	599	1
Cleaning, Repair and Maintenance Services	86,500	(12,505)	73,995	59,147	14,848
General Supplies	146,600	(76,630)	69,970	42,173	27,797
<b>Total Undist. Expend. - Care and Upkeep of Grounds</b>	<b>457,996</b>	<b>(98,625)</b>	<b>359,371</b>	<b>303,906</b>	<b>55,465</b>
<b>Undist. Expend. - Security</b>					
Salaries	479,199		479,199	460,463	18,736
Purchased Professional and Technical Services		3,129	3,129	3,129	
Cleaning, Repair and Maintenance Services		121,882	121,882		121,882
General Supplies	5,000	62,065	67,065	9,766	57,299
<b>Total Undist. Expend. - Security</b>	<b>484,199</b>	<b>187,076</b>	<b>671,275</b>	<b>473,358</b>	<b>197,917</b>
<b>Undist. Expend. - Student Transportation Serv.</b>					
Salaries for Non-Instructional Aids	354,263	78,709	432,972	431,279	1,693
Salaries for Pupil Trans. (Between Home & School) - Regular	891,119	(62,698)	828,421	822,475	5,946
Salaries for Pupil Trans. (Between Home & School) - Sp. Ed.	1,003,222	4,959	1,008,181	974,432	33,749
Salaries for Pupil Trans. Other than Between Home & School	78,000	(33,355)	44,645	30,288	14,357
Management Fees - ESC & CTSA Transportation Programs	7,500	(7,350)	150	150	
Other Purchased Professional and Technical Services	22,935	11,964	34,899	32,011	2,888
Cleaning, Repair & Maintenance Services	84,500	23,965	108,465	100,003	8,462
Rental Payments - School Buses	3,000	(3,000)			
Lease Purchase Payments-School Buses	280,000		280,000	174,220	105,780
Contracted Services Aid In Lieu of Payment for Non-public School Students	255,000	115,000	370,000	287,694	82,306
Contracted Services (Between Home and School) - Vendors	1,981,901	(50,000)	1,931,901	1,929,341	2,560
Contracted Services (Other than Between Home and School) - Vendors	302,100	3,800	305,900	225,099	80,801
Contracted Services (Between Home and School) - Joint Agreements	1,500		1,500		1,500
Contracted Services (Sp. Ed.) - Vendors	175,341	(70,000)	105,341	83,096	22,245
Contracted Services (Sp. Ed.) - Joint Agreements	5,000	76,700	81,700	80,752	948
Contracted Services (Special Education Students) - ESCs	90,000	(90,000)			
Other Purchased Services	2,750		2,750	1,169	1,581
Transportation Supplies	318,403	(7,454)	310,949	252,058	58,891
Other Objects	1,250		1,250	316	934
<b>Total Undist. Expend. - Student Transportation Serv.</b>	<b>5,857,784</b>	<b>(8,760)</b>	<b>5,849,024</b>	<b>5,424,383</b>	<b>424,641</b>
<b>Unallocated Benefits</b>					
Social Security Contributions	1,200,000	9,422	1,209,422	1,199,312	10,110
Other Retirement Contributions - PERS	1,489,151	37,868	1,527,019	1,527,019	
Other Retirement Contributions - Regular	47,310	7,442	54,752	53,221	1,531
Unemployment Compensation	181,156	5,500	186,656	186,656	
Workmen's Compensation	734,224	(125,553)	608,671	608,671	
Health Benefits	14,250,000	318,644	14,568,644	14,568,644	
Tuition Reimbursement	200,000	8,544	208,544	162,807	45,737
Other Employee Benefits	345,000	(13,262)	331,738	331,738	
Unused Vac. Payment to Term/Ret. Staff	127,000	11,217	138,217	115,129	23,088
<b>Total Unallocated Benefits</b>	<b>18,573,841</b>	<b>259,822</b>	<b>18,833,663</b>	<b>18,753,197</b>	<b>80,466</b>
On-behalf TPAF Pension Contributions (Non-budgeted)				13,982,079	(13,982,079)
TPAF Post Retirement Medical (On-behalf - Non-Budgeted)				3,805,410	(3,805,410)
TPAF Non-contributory Insurance (On-behalf - Non-Budgeted)				5,048	(5,048)
Reimbursed TPAF Social Security Contributions (Non-budgeted)				2,832,569	(2,832,569)
<b>Total On-behalf Contributions</b>				<b>20,625,106</b>	<b>(20,625,106)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>51,519,383</b>	<b>866,105</b>	<b>52,385,488</b>	<b>70,576,393</b>	<b>(18,190,905)</b>
<b>TOTAL GENERAL</b>	<b>92,827,526</b>	<b>436,178</b>	<b>93,263,704</b>	<b>110,142,347</b>	<b>(16,878,643)</b>

**Hopewell Valley Regional School District**  
**General Fund**  
**Budgetary Comparison Schedule**  
**(Budgetary Basis)**  
**Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
<b>Undistributed Expenditures:</b>					
Instruction	\$ 194,410	\$ 154,818	\$ 349,228	\$ 348,991	\$ 237
Undistributed Exp.-Req. Maint. of School Facilities		21,172	21,172	13,744	7,428
Undistributed Exp.-Care and Upkeep of Grounds		2,707	2,707	2,707	
<b>Total Equipment</b>	194,410	178,697	373,107	365,442	7,665
<b>Facilities Acquisition and Construction Services</b>					
Architectural/Engineering Services		36,500	36,500	32,850	3,650
Construction Services	2,000,000	459,630	2,459,630	1,903,468	556,162
Other Objects - Debt Service Assessment	101,068		101,068	101,068	
Non-budgeted - Financed Purchases				315,000	
<b>Total Facilities Acquisition and Construction Services</b>	2,101,068	496,130	2,597,198	2,037,386	559,812
<b>TOTAL CAPITAL OUTLAY</b>	2,295,478	674,827	2,970,305	2,717,828	567,477
<b>Contribution to Charter Schools</b>	71,287		71,287	18,280	53,007
<b>SPECIAL SCHOOLS</b>					
<b>Summer School - Instruction</b>					
Salaries of Teachers	274,500	(27,173)	247,327	239,431	7,896
General Supplies	1,500	(427)	1,073	1,073	
<b>Total Summer School - Instruction</b>	276,000	(27,600)	248,400	240,504	7,896
<b>TOTAL SPECIAL SCHOOLS</b>	276,000	(27,600)	248,400	240,504	7,896
<b>TOTAL EXPENDITURES</b>	95,470,291	1,083,405	96,553,696	113,118,959	(16,250,263)
<b>(Deficiency) Excess of Revenues (Under) Over Expenditures</b>	(5,052,140)	(1,083,405)	(6,135,545)	67,581	6,203,126
<b>Other Financing Sources (Uses):</b>					
Assets acquired under financed purchase - leases - (non-budgeted)				315,000	315,000
Transfer Out				(870,000)	(870,000)
<b>Total Other Financing Sources (Uses)</b>				(555,000)	(555,000)
<b>(Deficiency) Excess of Revenues     (Under) Over Expenditures and Other Financing Sources (Uses)</b>	(5,052,140)	(1,083,405)	(6,135,545)	(487,419)	5,648,126
<b>Fund Balance, July 1</b>	15,938,899		15,938,899	15,938,899	
<b>Fund Balance, June 30</b>	\$ 10,886,759	\$ (1,083,405)	\$ 9,803,354	\$ 15,451,480	\$ 5,648,126
<b>Recapitulation of (Deficiency) Excess of Revenues and     Other Financing Sources (uses) (Under) Over Expenditures:</b>					
Budgeted Fund Balance	\$ (4,747,895)		\$ (4,747,895)		\$ 4,747,895
Adjustment for Prior Year Encumbrances		\$ 621,125	621,125	\$ 621,125	
(Decrease) Increase in Capital Reserve	(304,245)	(1,704,530)	(2,008,775)	(1,108,544)	900,231
<b>Total</b>	\$ (5,052,140)	\$ (1,083,405)	\$ (6,135,545)	\$ (487,419)	\$ 5,648,126
<b>Recapitulation of Fund Balance:</b>					
Restricted Fund Balance:					
Capital Reserve				\$ 7,373,539	
Maintenance Reserve				96,369	
Assigned to:					
Designated for Subsequent Year's Expenditures				3,950,163	
Year End Encumbrances				1,444,120	
Unassigned Fund Balance				2,587,289	
				15,451,480	
<b>Reconciliation of Budgetary Fund Balance to GAAP Fund Balance:</b>					
Final State Aid Payments Not Realized on GAAP Basis				(535,061)	
Fund balance per Governmental Funds (GAAP)				\$ 14,916,419	

**Hopewell Valley Regional School District**  
**Special Revenue Fund**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**(Budgetary Basis)**  
**Year ended June 30, 2024**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Revenues</b>					
State sources		\$ 380,703	\$ 380,703	\$ 361,929	\$ (18,774)
Federal sources	\$ 922,232	489,986	1,412,218	1,338,750	(73,468)
Local sources		215,488	215,488	764,857	549,369
Total revenues	<u>922,232</u>	<u>1,086,177</u>	<u>2,008,409</u>	<u>2,465,536</u>	<u>457,127</u>
<b>Expenditures</b>					
Current expenditures:					
Instruction:					
Salaries of teachers	72,873	17,248	90,121	62,369	27,752
Purchased professional services	8,500	(5,944)	2,556	1,840	716
Other purchased services	789,028	314,388	1,103,416	1,097,062	6,354
General supplies		147,500	147,500	71,692	75,808
Total instruction	<u>870,401</u>	<u>473,192</u>	<u>1,343,593</u>	<u>1,232,963</u>	<u>110,630</u>
Support services:					
Salaries		23,825	23,825	22,673	1,152
Personal services—employee benefits		1,808	1,808	1,784	24
Purchased professional services	51,831	123,328	175,159	149,912	25,247
Purchased property services		82,472	82,472	82,472	
Other purchased professional services		316,578	316,578	268,746	47,832
Supplies and materials		64,974	64,974	19,783	45,191
Student activities				626,273	(626,273)
Scholarships awarded				19,949	(19,949)
Total support services	<u>51,831</u>	<u>612,985</u>	<u>664,816</u>	<u>1,191,592</u>	<u>(526,776)</u>
Total expenditures	<u>922,232</u>	<u>1,086,177</u>	<u>2,008,409</u>	<u>2,424,555</u>	<u>(416,146)</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	40,981	<u>\$ 40,981</u>
Fund Balance, July 1				<u>516,851</u>	
Fund Balance, June 30				<u>\$ 557,832</u>	
Recapitulation:					
Restricted:					
Scholarships				\$ 34,013	
Student Activities				523,819	
Total Fund Balance				<u>\$ 557,832</u>	



Hopewell Valley Regional School District  
Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2024

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

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-1, C-2)	\$ 113,186,540	\$ 2,465,536
<b>Differences - Budgetary to GAAP:</b>		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior year		32,266
Current year		(6,875)
State aid payments recognized for budgetary purposes, not recognized for GAAP statements.		
Prior year	420,447	
Current year	(535,061)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (B-2)	<u>\$ 113,071,926</u>	<u>\$ 2,490,927</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2)	\$ 113,118,959	\$ 2,424,555
<b>Differences - Budgetary to GAAP:</b>		
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		32,266
Current year		(6,875)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 113,118,959</u>	<u>\$ 2,449,946</u>

## Supplementary Information

Hopewell Valley Regional School District  
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures  
Budgetary Basis

Year Ended June 30, 2024

	Nonpublic Aid						I.D.E.A.					
	Textbooks	Nursing	Technology	Handicapped Services	Security	SDA Emergent Needs and Capital Maintenance	Nonpublic STEM	Part B	Preschool	Other Local	Student Activities	Scholarships
Revenues:												
State sources	\$ 17,364	\$ 79,008	\$ 19,952	\$ 11,183	\$ 136,633	\$ 82,472	\$ 15,317					
Federal sources								\$ 929,398	\$ 29,465			
Local sources										\$ 77,654	\$ 672,393	\$ 14,810
Total revenues	17,364	79,008	19,952	11,183	136,633	82,472	15,317	929,398	29,465	77,654	672,393	14,810
Expenditures:												
Instruction:												
Salaries of teachers							\$ 14,229					
Purchased professional services										\$ 1,840		
Other purchased services								\$ 929,398	\$ 29,465		4,585	
General supplies	\$ 17,364										33,204	
Total instruction	17,364						14,229	929,398	29,465		39,629	
Support services:												
Salaries												
Personal services—employee benefits							1,088					
Purchased professional services												
Rentals						\$ 82,472						
Other purchased professional services		\$ 79,008	\$ 19,952	\$ 11,183	\$ 136,633					21,970		
Supplies and materials										16,055		
Student activity											\$ 626,273	
Scholarships												\$ 19,949
Total support services		79,008	19,952	11,183	136,633	82,472	1,088			38,025	626,273	19,949
Total expenditures	\$ 17,364	\$ 79,008	\$ 19,952	\$ 11,183	\$ 136,633	\$ 82,472	\$ 15,317	\$ 929,398	\$ 29,465	\$ 77,654	\$ 626,273	\$ 19,949
Excess of Revenues Over Expenditures	-	-	-	-	-	-	-	-	-	-	46,120	(5,139)
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	-	477,699	39,152
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 523,819	\$ 34,013

Hopewell Valley Regional School District  
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures  
Budgetary Basis

Year Ended June 30, 2024

	COVID-19							Totals
					Education Stabilization Fund		Coronavirus State and Local Fiscal Recovery Funds	
					ARP			
	Title I A	Title II A	Title III, Immigrant	Title IV	ARP ESSER III	Accelerated Learning Coach and Educator Support	ACSERS	
Revenues:								
State sources								\$ 361,929
Federal sources	\$ 49,485	\$ 42,255	\$ 2,244	\$ 13,495	\$ 15,420	\$ 28,343	\$ 228,645	1,338,750
Local sources								764,857
Total revenues	49,485	42,255	2,244	13,495	15,420	28,343	228,645	2,465,536
Expenditures:								
Instruction:								
Salaries of teachers	\$ 39,036				\$ 9,104			\$ 62,369
Purchased professional services								1,840
Other purchased services							\$ 133,614	1,097,062
General supplies	1,933			\$ 7,345		\$ 11,846		71,692
Total instruction	40,969			7,345	9,104	11,846	133,614	1,232,963
Support services:								
Salaries	848						21,825	22,673
Personal services—employee benefits					696			1,784
Purchased professional services	3,940	\$ 42,255	\$ 2,244	6,150	5,620	16,497	73,206	149,912
Rentals								82,472
Other purchased professional services								268,746
Supplies and materials	3,728							19,783
Student activity								626,273
Scholarships								19,949
Total support services	8,516	42,255	2,244	6,150	6,316	16,497	95,031	1,191,592
Total expenditures	\$ 49,485	\$ 42,255	\$ 2,244	\$ 13,495	\$ 15,420	\$ 28,343	\$ 228,645	2,424,555
Excess of Revenues Over Expenditures	-	-	-	-	-	-	-	40,981
Fund Balance, July 1	-	-	-	-	-	-	-	516,851
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 557,832

## Capital Projects Fund

Hopewell Valley Regional School District  
Capital Projects Fund  
Summary Schedule of Project Revenues, Expenditures,  
Project Balance and Project Status  
(Budgetary Basis)  
Year ended June 30, 2024

**Revenues and Other Sources**

Interest income	\$ 39,366
State Sources - ROD Grant	580,000
Transfer in capital reserve	870,000
Total revenues and other sources	<u>1,489,366</u>

**Expenditures and Other Uses**

Architectural services	56,130
Construction services	12,950
Transfer out	139,366
Total expenditures and other uses	<u>208,446</u>

Excess of revenues and other sources over expenditures and other uses 1,280,920

Fund Balance, July 1	695,851
Fund Balance, June 30	<u>\$ 1,976,771</u>

## Reconciliation to Fund Financial Statements:

Fund balance, June 30, 2024 - budgetary - basis	\$ 1,976,771
GAAP Basis Revenues not recognized	(557,548)
Fund balance, June 30, 2024 - GAAP basis	<u>\$ 1,419,223</u>

Hopewell Valley Regional School District  
Capital Projects Fund

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

2017 Bond Referendum Capital Projects

From Inception and for the year ended June 30, 2024

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues</b>				
Bond Proceeds	\$ 35,855,000		\$35,855,000	\$35,855,000
Interest income	647,327	\$ 39,366	686,693	
Total revenues	<u>36,496,378</u>	<u>39,366</u>	<u>36,541,693</u>	<u>35,855,000</u>
<b>Expenditures</b>				
Legal services	42,072		42,072	
Architectural services	2,518,517		2,518,517	
Other purchased professional and technical services	263,745		263,745	
Construction services	30,446,191	12,950	30,459,141	
Equipment	692,519		692,519	
Supplies	1,196,105		1,196,105	
Total expenditures	<u>34,909,714</u>	<u>12,950</u>	<u>35,172,099</u>	<u>35,855,000</u>
(Deficiency) of revenues (under) expenditures	1,471,771	26,416	1,369,594	-
<b>Other financing (uses):</b>				
Transfer out	(647,327)	(139,366)	(786,693)	
Total other financing (uses):	<u>(647,327)</u>	<u>(139,366)</u>	<u>(786,693)</u>	<u>-</u>
(Deficiency) of revenues (under) expenditures and other financing sources (uses)	<u>\$ 824,444</u>	<u>\$ (112,950)</u>	<u>\$ 582,901</u>	<u>\$ -</u>
<b>Additional project information</b>				
Project number		2017-1		
Grant dates		N/A		
Bond authorization date		9/27/2016		
Bonds authorized		\$ 35,855,000		
Bonds issued		35,855,000		
Original authorized cost		35,855,000		
Additional authorized cost		-		
Revised authorized cost		35,855,000		
Percentage increase over original authorized cost		0.00%		
Percentage completion		96.25%		
Original target completion date		September 2019		
Revised target completion date		Completed		

Hopewell Valley Regional School District  
Capital Projects Fund

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

Boilers and Domestic HW Heaters

From Inception and for the year ended June 30, 2024

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues</b>				
Transfer from capital reserve		\$ 870,000	\$ 870,000	\$ 870,000
State Sources - ROD Grant		580,000	580,000	580,000
Total revenues		<u>1,450,000</u>	<u>1,450,000</u>	<u>1,450,000</u>
<b>Expenditures</b>				
Legal services				
Architectural services		56,130	56,130	
Other purchased professional and technical services				
Construction services				
Equipment				
Supplies				
Total expenditures		<u>56,130</u>	<u>56,130</u>	<u>1,450,000</u>
Excess of revenues over expenditures		1,393,870	1,393,870	-
<b>Other financing (uses):</b>				
Transfer out				
Total other financing (uses):		<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures and other financing sources (uses)		<u><u>\$ 1,393,870</u></u>	<u><u>\$ 1,393,870</u></u>	<u><u>\$ -</u></u>
<b>Additional project information</b>				
Project number		2280-030-23-R502		
Grant dates		4/25/2024		
Bond authorization date		N/A		
Bonds authorized		N/A		
Bonds issued		N/A		
Original authorized cost		\$ 1,450,000		
Additional authorized cost		-		
Revised authorized cost		1,450,000		
Percentage increase over original authorized cost		0.00%		
Percentage completion		3.87%		
Original target completion date		September 2025		
Revised target completion date		September 2025		



Long-Term Debt

Hopewell Valley Regional School District  
Long-Term Debt

Schedule of Serial Bonds Payable

Year ended June 30, 2023

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2022	Retired	Balance June 30, 2023
			Date	Amount				
Renovations, alterations and improvements at Hopewell, Stony Brook, Toll Gate and Bear Tavern Elementary Schools, Timberlane Middle School and Central High School.	12/15/16	\$ 35,855,000	1/15/2025	\$ 3,155,000	3.250%	\$ 30,865,000	\$ 3,070,000	\$ 27,795,000
			1/15/2026	3,240,000	3.250%			
			1/15/2027	3,330,000	3.500%			
			1/15/2028	3,420,000	3.500%			
			1/15/2029	3,515,000	3.500%			
			1/15/2030	3,610,000	4.000%			
			1/15/2031	3,710,000	4.000%			
			1/15/2032	3,815,000	4.000%			
						\$ 30,865,000	\$ 3,070,000	\$ 27,795,000

Hopewell Valley Regional School District  
Long-Term Debt

Schedule of Financed Purchases Payable

Year ended June 30, 2024

	<b>Interest Rate</b>	<b>Amount of Original Issue</b>	<b>Balance July 1, 2023</b>	<b>Additions</b>	<b>Retired</b>	<b>Balance June 30, 2024</b>
Laptops	0.960%	\$1,200,000	\$ 602,608		\$ 299,865	\$ 302,743
Buses	2.500%	177,500	72,119		35,614	36,505
Buses, Vehicle and Technology Equipment	0.710%	3,465,000	2,085,244		690,170	1,395,074
Equipment	3.250%	870,000	694,243		166,370	527,873
Buses	4.880%	315,000		\$ 315,000		315,000
			<u>\$ 3,454,214</u>	<u>\$ 315,000</u>	<u>\$ 1,192,019</u>	<u>\$ 2,577,195</u>

Hopewell Valley Regional School District  
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2024

	<b>Original Budget</b>	<b>Budget Transfer</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
Revenues:					
Local sources:					
Local tax levy	\$3,146,962		\$3,146,962	\$ 3,146,962	
State sources:					
Debt service aid	1,034,845		1,034,845	1,034,845	
Total revenues	<u>4,181,807</u>		<u>4,181,807</u>	<u>4,181,807</u>	
Expenditures:					
Principal on bonds	3,070,000		3,070,000	3,070,000	
Interest on bonds	1,112,288		1,112,288	1,112,288	
Total expenditures	<u>4,182,288</u>		<u>4,182,288</u>	<u>4,182,288</u>	
(Deficiency) of revenues (under) expenditures	(481)		(481)	(481)	
Other financing sources:					
Transfer in	481		481	139,366	\$ 138,885
Total other financing sources	<u>481</u>		<u>481</u>	<u>139,366</u>	<u>138,885</u>
Net change in fund balance	-		-	138,885	138,885
Fund balance, July 1	5,949		5,949	5,949	
Fund balance, June 30	<u>\$ 5,949</u>	<u>\$ -</u>	<u>\$ 5,949</u>	<u>\$ 144,834</u>	<u>\$ 138,885</u>

Statistical Section  
(Unaudited)

**Statistical Section**  
**Unaudited**

**Contents**

**Financial Trends**

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

**Revenue Capacity**

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

**Debt Capacity**

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

**Demographic and Economic Information**

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

**Operating Information**

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

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

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

	<b>June 30,</b>									
	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Governmental activities										
Net investment in capital assets	\$ 33,969,867	\$ 36,138,255	\$ 35,803,648	\$ 38,466,350	\$ 40,981,049	\$ 43,583,209	\$ 44,558,715	\$ 42,870,942	\$ 44,955,914	\$ 47,860,510
Restricted	4,312,975	4,959,888	7,137,070	8,624,034	6,908,406	8,030,556	11,382,965	8,145,278	8,659,562	8,027,740
Unrestricted (deficit)	(19,538,608)	(19,222,985)	(21,878,541)	(22,927,994)	(23,798,876)	(22,565,278)	(21,879,476)	(16,430,324)	(16,371,729)	(13,216,827)
Total governmental activities net position	<u>\$ 18,744,234</u>	<u>\$ 21,875,158</u>	<u>\$ 21,062,177</u>	<u>\$ 24,162,390</u>	<u>\$ 24,090,579</u>	<u>\$ 29,048,487</u>	<u>\$ 34,062,204</u>	<u>\$ 34,585,896</u>	<u>\$ 37,243,747</u>	<u>\$ 42,671,423</u>
Business-type activities										
Investment in capital assets	\$ 162,155	\$ 138,336	\$ 116,213	\$ 95,525	\$ 114,180	\$ 107,102	\$ 113,974	\$ 112,242	\$ 131,302	\$ 208,096
Unrestricted	465,305	158,898	251,637	400,908	405,338	424,081	396,739	447,908	586,007	613,629
Total business-type activities net position	<u>\$ 627,460</u>	<u>\$ 297,234</u>	<u>\$ 367,850</u>	<u>\$ 496,433</u>	<u>\$ 519,518</u>	<u>\$ 531,183</u>	<u>\$ 510,713</u>	<u>\$ 560,150</u>	<u>\$ 717,309</u>	<u>\$ 821,725</u>
Government-wide										
Net investment in capital assets	\$ 34,132,022	\$ 36,276,591	\$ 35,919,861	\$ 38,561,875	\$ 41,095,229	\$ 43,690,311	\$ 44,672,689	\$ 42,983,184	\$ 45,087,216	\$ 48,068,606
Restricted	4,312,975	4,959,888	7,137,070	8,624,034	6,908,406	8,030,556	11,382,965	8,145,278	8,659,562	8,027,740
Unrestricted (deficit)	(19,073,303)	(19,064,087)	(21,626,904)	(22,527,086)	(23,393,538)	(22,141,197)	(21,482,737)	(15,982,416)	(15,785,722)	(12,603,198)
Total government-wide net position	<u>\$ 19,371,694</u>	<u>\$ 22,172,392</u>	<u>\$ 21,430,027</u>	<u>\$ 24,658,823</u>	<u>\$ 24,610,097</u>	<u>\$ 29,579,670</u>	<u>\$ 34,572,917</u>	<u>\$ 35,146,046</u>	<u>\$ 37,961,056</u>	<u>\$ 43,493,148</u>

**Source:** ACFR Schedule A-1 and District records.

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

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

Unaudited

	Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 46,088,795	\$ 50,156,927	\$ 57,262,636	\$ 57,562,220	\$ 57,612,424	\$ 55,086,835	\$ 65,538,745	\$ 66,157,726	\$ 60,479,200	\$ 57,555,572
Special Education	4,805,029	5,113,362	6,126,291	6,836,193	7,107,156	7,189,262	7,407,453	8,166,790	9,066,170	8,956,328
Other Special Education	1,175,825	1,465,060	1,231,670	1,916,665	1,973,591	2,077,753	1,888,537	1,958,499	2,267,006	2,364,742
Other Instruction	1,174,151	962,696	1,082,813	1,057,627	1,079,003	1,084,246	1,033,817	1,140,090	1,234,609	1,291,249
Support Services:										
Tuition	2,193,302	2,469,773	2,102,274	2,573,100	2,786,758	2,850,205	2,142,403	1,464,947	1,689,725	2,050,361
Student Instruction Related Services	11,834,793	12,178,641	15,737,350	15,499,896	16,105,603	16,385,123	18,336,794	17,618,286	19,113,173	19,911,848
School Administrative Services	3,501,032	3,529,509	4,649,801	4,279,998	3,914,389	4,074,458	4,858,537	4,300,521	3,891,752	4,166,680
General & Business Administrative Services	2,872,114	3,724,309	3,329,580	3,535,112	3,841,317	3,640,350	3,999,871	3,906,959	3,898,452	4,161,804
Plant Operations & Maintenance	7,900,372	8,631,722	8,870,237	8,883,269	9,182,005	8,731,910	9,228,872	9,716,375	10,021,098	10,046,820
Pupil Transportation	4,885,981	4,854,622	5,105,753	5,468,943	5,999,221	5,158,855	4,970,870	6,088,982	6,840,814	7,335,727
Special Schools	299,101	281,701	337,955	386,981	379,032	409,031	398,107	480,731	491,161	440,231
Transfer to Charter schools								67,575	32,594	18,280
Interest on long-term debt	1,141,961	929,421	2,037,136	1,639,397	1,480,995	1,376,918	1,161,411	1,003,945	1,128,574	1,047,714
Total governmental activities expenses	<u>\$ 87,872,456</u>	<u>\$ 94,297,743</u>	<u>\$ 107,873,496</u>	<u>\$ 109,639,401</u>	<u>\$ 111,461,494</u>	<u>\$ 108,064,946</u>	<u>\$ 120,965,417</u>	<u>\$ 122,071,426</u>	<u>\$ 120,154,328</u>	<u>\$ 119,347,356</u>
Business-type activities:										
Enterprise Funds	1,787,924	1,515,587	1,608,642	1,461,889	1,503,409	1,060,692	643,955	1,611,428	1,820,428	1,718,900
Total business-type activities expense	<u>1,787,924</u>	<u>1,515,587</u>	<u>1,608,642</u>	<u>1,461,889</u>	<u>1,503,409</u>	<u>1,060,692</u>	<u>643,955</u>	<u>1,611,428</u>	<u>1,820,428</u>	<u>1,718,900</u>
Total district expenses	<u>\$ 89,660,380</u>	<u>\$ 95,813,330</u>	<u>\$ 109,482,138</u>	<u>\$ 111,101,290</u>	<u>\$ 112,964,903</u>	<u>\$ 109,125,638</u>	<u>\$ 121,609,372</u>	<u>\$ 123,682,854</u>	<u>\$ 121,974,756</u>	<u>\$ 121,066,256</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services	\$ 393,004	\$ 348,231	\$ 425,238	\$ 416,144	\$ 509,018	\$ 487,969	\$ 793,464	\$ 1,113,894	\$ 1,735,514	\$ 1,426,647
Operating grants and contributions	1,174,991	1,167,590	1,175,450	1,176,744	1,268,029	1,295,974	1,567,490	1,910,589	2,379,138	1,803,724
Capital grants and contributions	222,058				10,859		13,412	347,500	251,458	22,452
Total governmental activities program revenues	<u>\$ 1,790,053</u>	<u>\$ 1,515,821</u>	<u>\$ 1,600,688</u>	<u>\$ 1,592,888</u>	<u>\$ 1,787,906</u>	<u>\$ 1,783,943</u>	<u>\$ 2,374,366</u>	<u>\$ 3,371,983</u>	<u>\$ 4,366,110</u>	<u>\$ 3,252,823</u>
Business-type activities:										
Charges for services	\$ 1,720,143	\$ 1,394,609	\$ 1,526,791	\$ 1,433,926	\$ 1,375,753	\$ 890,796	\$ 2,011	\$ 207,288	\$ 1,477,325	\$ 1,454,959
Operating grants and contributions	140,305	153,185	152,467	156,546	150,741	128,668	620,829	1,453,446	469,332	341,842
Total business-type activities program revenues	<u>1,860,448</u>	<u>1,547,794</u>	<u>1,679,258</u>	<u>1,590,472</u>	<u>1,526,494</u>	<u>1,019,464</u>	<u>622,840</u>	<u>1,660,734</u>	<u>1,946,657</u>	<u>1,796,801</u>
Total district program revenues	<u>\$ 3,650,501</u>	<u>\$ 3,063,615</u>	<u>\$ 3,279,946</u>	<u>\$ 3,183,360</u>	<u>\$ 3,314,400</u>	<u>\$ 2,803,407</u>	<u>\$ 2,997,206</u>	<u>\$ 5,032,717</u>	<u>\$ 6,312,767</u>	<u>\$ 5,049,624</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (86,082,403)	\$ (92,781,922)	\$ (106,272,808)	\$ (108,046,513)	\$ (109,673,588)	\$ (106,281,003)	\$ (118,591,051)	\$ (118,699,443)	\$ (115,788,218)	\$ (116,094,533)
Business-type activities	72,524	32,207	70,616	128,583	23,085	(41,228)	(21,115)	49,306	126,229	77,901
Total government-wide net expense	<u>\$ (86,009,879)</u>	<u>\$ (92,749,715)</u>	<u>\$ (106,202,192)</u>	<u>\$ (107,917,930)</u>	<u>\$ (109,650,503)</u>	<u>\$ (106,322,231)</u>	<u>\$ (118,612,166)</u>	<u>\$ (118,650,137)</u>	<u>\$ (115,661,989)</u>	<u>\$ (116,016,632)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 68,227,094	\$ 68,841,138	\$ 69,391,868	\$ 70,710,312	\$ 71,947,742	\$ 75,736,995	\$ 77,175,998	\$ 78,526,578	\$ 80,097,110	\$ 83,515,163
Property taxes levied for debt service	3,847,443	4,760,126	4,758,384	5,742,494	5,438,888	5,478,302	4,992,165	3,641,585	3,158,702	3,146,962
Unrestricted grants and contributions	17,294,614	21,308,429	30,570,815	33,768,539	31,299,815	29,377,600	40,673,135	36,419,225	33,816,453	33,162,046
Investment earnings	28,112	32,998	109,524	445,844	349,232	209,162	41,648	13,904	152,487	1,109,929
Miscellaneous income	605,313	607,722	629,236	479,537	566,100	486,852	302,012	621,843	351,508	588,109
Transfers						(50,000)				
Gain/(Loss) on revalue of capital assets		362,433							869,809	
Total governmental activities	<u>90,002,576</u>	<u>95,912,846</u>	<u>105,459,827</u>	<u>111,146,726</u>	<u>109,601,777</u>	<u>111,238,911</u>	<u>123,184,958</u>	<u>119,223,135</u>	<u>118,446,069</u>	<u>121,522,209</u>
Business-type activities:										
Interest earnings						2,893	645	131	3,600	25,196
Miscellaneous income										1,319
Gain on disposal of assets										
Transfers		(362,433)				50,000			27,330	
Total business-type activities	<u>-</u>	<u>(362,433)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,893</u>	<u>645</u>	<u>131</u>	<u>30,930</u>	<u>26,515</u>
Total government-wide	<u>\$ 90,002,576</u>	<u>\$ 95,550,413</u>	<u>\$ 105,459,827</u>	<u>\$ 111,146,726</u>	<u>\$ 109,601,777</u>	<u>\$ 111,291,804</u>	<u>\$ 123,185,603</u>	<u>\$ 119,223,266</u>	<u>\$ 118,476,999</u>	<u>\$ 121,548,724</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 3,920,173	\$ 3,130,924	\$ (812,981)	\$ 3,100,213	\$ (71,811)	\$ 4,957,908	\$ 4,593,907	\$ 523,692	\$ 2,657,851	\$ 5,427,676
Business-type activities	72,524	(330,226)	70,616	128,583	23,085	11,665	(20,470)	49,437	157,159	104,416
Total district	<u>\$ 3,992,697</u>	<u>\$ 2,800,698</u>	<u>\$ (742,365)</u>	<u>\$ 3,228,796</u>	<u>\$ (48,726)</u>	<u>\$ 4,969,573</u>	<u>\$ 4,573,437</u>	<u>\$ 573,129</u>	<u>\$ 2,815,010</u>	<u>\$ 5,532,092</u>

Source: ACFR Schedule A-2 and District records.

GASB 75 was implemented in the 2018 fiscal year, which increased the unrestricted grants and contributions and various expense lines from the previous year.  
GASB 84 was implemented in the 2021 fiscal year, which increased the related services expense line and charges for services from the previous year.



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

Unaudited

	June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Restricted	\$ 4,058,841	\$ 4,959,888	\$ 7,137,070	\$ 8,624,034	\$ 7,422,648	\$ 8,030,556	\$ 10,940,528	\$ 7,661,255	\$ 8,142,711	\$ 7,469,908
Assigned	1,465,284	2,490,634	3,283,823	2,715,773	2,188,011	3,910,805	3,268,464	5,248,788	5,369,020	5,394,283
Unassigned	1,625,670	1,764,050	1,636,855	1,846,840	1,533,347	1,961,835	3,686,979	3,799,645	2,006,721	2,052,228
Total general fund	<u>\$ 7,149,795</u>	<u>\$ 9,214,572</u>	<u>\$ 12,057,748</u>	<u>\$ 13,186,647</u>	<u>\$ 11,144,006</u>	<u>\$ 13,903,196</u>	<u>\$ 17,895,971</u>	<u>\$ 16,709,688</u>	<u>\$ 15,518,452</u>	<u>\$ 14,916,419</u>
All Other Governmental Funds										
Restricted for										
Capital Projects	\$ 254,134		\$ 32,402,999	\$ 15,510,451	\$ 4,475,068	\$ 1,675,641	\$ 945,286	\$ 829,912	\$ 695,851	\$ 1,419,223
Debt service	3,066	\$ 10,563	339,884	643,404	512,297	270,898	72,597	2,148	5,949	144,834
Special revenue fund							442,437	484,023	516,851	557,832
Total all other governmental funds	<u>\$ 257,200</u>	<u>\$ 10,563</u>	<u>\$ 32,742,883</u>	<u>\$ 16,153,855</u>	<u>\$ 4,987,365</u>	<u>\$ 1,946,539</u>	<u>\$ 1,460,320</u>	<u>\$ 1,316,083</u>	<u>\$ 1,218,651</u>	<u>\$ 2,121,889</u>

**Source:** ACFR Schedule B-1 and District records.

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

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

Unaudited

	Year ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues</b>										
Tax levy	\$ 72,074,537	\$ 73,601,264	\$ 74,150,252	\$ 76,452,806	\$ 77,386,630	\$ 81,215,297	\$ 82,168,163	\$ 82,168,163	\$ 83,255,812	\$ 86,662,125
Tuition charges	312,585	267,681	266,509	279,256	418,228	432,285	495,975	547,718	679,327	619,325
Miscellaneous	723,114	747,770	951,365	1,099,267	1,063,375	814,464	708,409	1,310,648	1,648,339	2,601,379
State sources	10,199,732	11,779,408	12,308,866	14,495,253	16,397,271	17,226,015	20,493,381	25,045,864	26,686,331	28,547,343
Federal sources	1,051,216	1,043,700	1,097,479	985,901	1,030,273	1,060,001	1,326,190	2,160,014	2,162,876	1,376,306
<b>Total revenue</b>	<b>84,361,184</b>	<b>87,439,823</b>	<b>88,774,471</b>	<b>93,312,483</b>	<b>96,295,777</b>	<b>100,748,062</b>	<b>105,192,118</b>	<b>111,232,407</b>	<b>114,432,685</b>	<b>119,806,478</b>
<b>Expenditures</b>										
Instruction										
Regular Instruction	26,678,668	27,648,526	26,050,644	26,100,446	27,011,548	26,062,360	28,388,826	28,092,326	28,979,499	28,193,624
Special Education Instruction	4,805,029	5,113,362	6,126,291	6,836,193	7,107,156	7,189,262	7,407,453	8,166,790	9,066,170	8,956,328
Other Special Instruction	1,175,825	1,145,450	1,231,670	1,916,665	1,973,591	2,077,753	1,888,537	1,958,499	2,267,006	2,364,742
Other Instruction	1,174,151	1,282,306	1,082,813	1,057,627	1,079,003	1,084,246	1,033,817	1,140,090	1,234,609	1,291,249
Support Services:										
Tuition	2,115,895	2,469,773	2,023,355	2,479,750	2,671,665	2,727,793	2,032,490	1,393,185	1,591,765	1,920,514
Student Instruction Related Services	7,517,274	7,507,050	8,668,149	8,437,855	7,729,871	7,581,854	8,324,132	8,620,927	9,892,450	10,265,079
School Administration	2,180,114	2,091,891	2,106,134	2,232,368	3,490,068	3,294,392	3,410,232	3,618,692	3,660,128	3,910,593
General & Business Admin. Services	2,044,312	2,765,261	2,045,970	2,178,357	2,406,601	3,014,762	2,844,848	2,818,859	2,988,136	2,980,745
Plant Operations & Maintenance	6,036,988	6,075,136	5,835,442	5,764,497	6,160,245	5,944,469	5,805,527	6,591,982	6,896,922	6,846,910
Pupil Transportation	3,774,863	3,776,463	3,628,559	4,014,032	4,297,393	3,571,757	3,285,001	4,129,089	4,853,264	5,250,163
Other Support Services	18,463,576	20,116,900	21,808,073	24,308,362	26,973,968	27,705,864	28,868,980	35,154,362	37,370,874	39,378,303
Special Schools	187,323	165,711	167,311	196,405	201,555	229,990	195,847	255,596	267,239	240,504
Charter Schools								67,575	32,594	18,280
Capital outlay	2,227,447	1,677,574	5,077,540	17,633,466	12,781,914	3,820,026	3,443,054	7,923,000	2,567,013	2,786,908
Debt service:										
Principal	3,737,209	3,645,000	3,975,605	3,960,000	4,230,000	5,050,897	4,831,492	5,753,141	4,286,076	4,262,019
Interest and other charges	1,250,629	1,116,438	1,565,961	2,131,589	1,885,000	1,748,583	1,545,136	1,354,575	1,254,019	1,154,312
<b>Total expenditures</b>	<b>83,369,303</b>	<b>86,596,841</b>	<b>91,393,517</b>	<b>109,247,612</b>	<b>109,999,578</b>	<b>101,104,008</b>	<b>103,305,372</b>	<b>117,038,688</b>	<b>117,207,764</b>	<b>119,820,273</b>
Excess (Deficiency) of revenues over (under) expenditures	991,881	842,982	(2,619,046)	(15,935,129)	(13,703,801)	(355,946)	1,886,746	(5,806,281)	(2,775,079)	(13,795)
<b>Other financing sources (uses)</b>										
Transfer to cover deficits:										
Food Services						(50,000)				
Payment to Escrow Agent		(17,911,317)								
Proceeds from Borrowing		16,290,000	35,855,000							
Premium on Bonds		1,782,407	854,542							
Financed Purchases - Leases (non-budgeted)	48,610	451,635	1,485,000	475,000	494,670	124,310	1,200,000	4,475,761		315,000
Transfers in	8,587	616,567		312,329	199,968	70,929	1,667	1,524,294	1,491,879	1,009,366
Transfers out	(8,587)	(254,134)		(312,329)	(199,968)	(70,929)	(1,667)	(1,524,294)	(5,468)	(1,009,366)
<b>Total other financing sources (uses)</b>	<b>48,610</b>	<b>975,158</b>	<b>38,194,542</b>	<b>475,000</b>	<b>494,670</b>	<b>74,310</b>	<b>1,200,000</b>	<b>4,475,761</b>	<b>1,486,411</b>	<b>315,000</b>
<b>Net change in fund balances</b>	<b>\$ 1,040,491</b>	<b>\$ 1,818,140</b>	<b>\$ 35,575,496</b>	<b>\$ (15,460,129)</b>	<b>\$ (13,209,131)</b>	<b>\$ (281,636)</b>	<b>\$ 3,086,746</b>	<b>\$ (1,330,520)</b>	<b>\$ (1,288,668)</b>	<b>\$ 301,205</b>
Debt service as a percentage of noncapital expenditures	6.1%	5.6%	6.4%	6.6%	6.3%	7.0%	6.4%	6.5%	4.8%	4.6%

Source: ACFR Schedule B-2

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

Fiscal Year Ended June 30	Tuition	Transportation Fees	Interest Earned	Refunded Prior Year Expenditures	Rental Of Facilities	Health Insurance Cobra	E-Rate	Misc.	Total
2015	\$ 312,585	\$ 80,419	\$ 28,112	\$ 84,422	\$230,808	\$ 70,135		\$218,195	\$ 1,024,676
2016	267,681	80,550	32,998	77,738	252,396	35,047		233,732	980,142
2017	266,509	158,729	37,168	88,890	249,251	22,784	\$123,185	145,126	1,091,642
2018	279,256	136,888	133,515	50,447	220,367	117,297		91,426	1,029,196
2019	418,228	90,790	149,264	62,537	224,718	107,953	21,375	153,351	1,228,216
2020	432,285	55,684	152,536	63,203	129,979	130,862		148,505	1,113,054
2021	495,975	11,581	39,981	37,651	15,106	113,985		135,270	849,549
2022	547,718	66,179	13,423	1,400	108,144	122,205		390,094	1,249,163
2023	679,327	133,973	147,019	89	126,530	102,414		122,475	1,311,827
2024	619,325	120,119	1,070,563	8,084	121,752	95,004		363,269	2,398,116

**Source:** District records.

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

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	TAX EXEMPT PROPERTY	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ACTUAL (COUNTY EQUALIZED) VALUE
<b>Borough of Hopewell</b>													
2024	\$ 4,566,400	\$ 272,433,100	\$ 1,748,100	\$ 22,600	\$ 36,428,900	\$ 1,270,100	\$ 1,503,200	\$ 317,972,400	\$ 23,650,300		\$ 317,972,400	\$ 1.85	\$ 397,266,179
2023	5,005,800	272,544,200	1,748,100	27,600	36,428,900	1,270,100	1,503,200	318,527,900	22,595,200		318,527,900	1.82	373,336,976
2022	4,442,500	272,376,300	1,748,100	27,700	37,206,900	1,270,100	1,503,200	318,574,800	22,579,200		318,574,800	1.75	360,725,595
2021	5,264,000	270,089,200	1,748,100	27,700	37,449,600	1,270,100	1,503,200	317,351,900	22,758,600		317,351,900	1.74	344,714,367
2020	5,264,000	270,073,900	1,748,100	28,000	37,376,200	1,270,100	1,503,200	317,263,500	22,758,600		317,263,500	1.71	336,227,707
2019	4,846,200	269,508,200	1,748,100	27,600	37,998,900	1,270,100	1,503,200	316,902,300	22,758,600		316,902,300	1.65	337,813,895
2018	4,766,400	268,623,000	1,748,100	27,700	37,998,900	1,270,100	1,503,200	315,937,400	22,758,600	\$ 1,897,655	317,835,055	1.56	336,958,721
2017	5,372,200	267,444,700	1,748,100	28,600	39,007,100	1,270,100	1,503,200	316,374,000	22,291,500	1,897,655	318,271,655	1.54	320,024,928
2016	5,370,400	266,880,300	1,748,100	28,600	39,022,000	1,270,100	1,503,200	315,822,700	22,391,500	1,897,655	317,720,355	1.54	322,070,594
2015	4,586,800	268,494,600	1,748,100	28,700	39,022,000	1,270,100	1,503,200	316,653,500	22,391,500	1,897,655	318,551,155	1.53	320,593,148
<b>Borough of Pennington</b>													
2024	\$ 1,653,800	\$ 466,656,900			\$ 51,322,400	\$ 6,283,800	\$ 786,600	\$ 526,703,500	\$ 58,950,000	\$ 1,556,000	\$ 528,259,500	\$ 1.86	\$ 675,023,527
2023	1,678,800	465,526,700			51,322,400	6,283,800	818,400	525,630,100	58,950,000	1,704,600	527,334,700	1.76	615,345,499
2022	1,315,300	465,791,300			51,322,400	6,283,800	818,400	525,531,200	58,950,000	2,118,491	527,649,691	1.61	566,764,145
2021	5,347,400	450,787,100			50,984,500	6,283,800	818,400	514,221,200	58,783,200	2,118,491	516,339,691	1.62	524,584,340
2020	4,271,700	446,599,700			50,984,500	6,283,800	818,400	508,958,100	59,689,600	2,026,596	510,984,696	1.62	520,493,227
2019	7,363,400	435,499,400			52,069,300	6,283,800	818,400	502,034,300	59,685,400	1,838,457	503,872,757	1.56	519,786,832
2018	1,645,800	430,324,400			51,537,300	6,283,800	818,400	490,609,700	59,685,400	1,817,400	492,427,100	1.53	500,977,234
2017	1,645,800	430,513,600			55,646,700	6,283,800	818,400	494,908,300	59,685,400	1,785,801	496,694,101	1.55	501,461,542
2016	1,645,800	429,968,800			55,552,700	6,633,300	818,400	494,619,000	59,685,400	1,750,730	496,369,730	1.55	511,228,881
2015	1,654,600	429,608,400			55,752,700	6,633,300	818,400	494,467,400	59,313,000	1,600,418	496,067,818	1.55	501,194,021
<b>Township of Hopewell</b>													
2024	\$ 92,714,400	\$ 2,820,927,300	\$ 252,305,900	\$ 4,857,000	\$ 510,011,900	\$ 304,017,000	\$ 4,690,000	\$ 3,989,523,500	\$ 625,026,200	\$ 5,086,981	\$ 3,994,610,481	\$ 1.80	\$ 4,864,346,624
2023	77,068,300	2,802,849,900	247,389,940	5,038,520	508,013,700	338,028,500	4,618,980	3,983,007,840	569,375,300	5,206,725	3,988,214,565	1.75	4,716,126,208
2022	30,657,000	2,777,645,400	254,017,240	5,058,590	500,894,600	305,153,500	4,618,980	3,878,045,310	558,258,500	6,076,246	3,884,121,556	1.72	4,304,996,070
2021	30,077,200	2,758,499,500	249,234,300	5,437,670	503,361,900	259,006,400	4,551,600	3,810,168,570	550,929,800	6,031,203	3,816,199,773	1.78	4,061,465,387
2020	35,978,200	2,751,990,400	255,473,400	5,500,970	501,553,300	364,462,100	4,551,600	3,919,509,970	585,356,600	5,228,162	3,924,738,132	1.74	4,182,000,782
2019	36,478,900	2,737,886,300	267,866,600	5,347,870	502,452,700	404,962,100	4,551,600	3,959,546,070	535,383,900	5,228,162	3,964,774,232	1.67	4,232,414,307
2018	34,598,700	2,737,363,400	266,229,500	5,390,800	505,623,000	407,534,400	4,551,600	3,961,291,400	535,946,000	5,092,983	3,966,384,383	1.62	4,303,529,599
2017	36,872,800	2,736,705,500	265,952,800	5,377,800	504,119,000	410,634,400	4,551,600	3,964,213,900	535,438,000	5,254,088	3,969,467,988	1.58	4,190,664,752
2016	40,845,500	2,744,443,000	261,476,000	5,377,600	493,931,400	402,089,000	5,204,700	3,953,367,200	534,355,700	5,364,053	3,958,731,253	1.55	4,054,739,536
2015	47,397,200	2,742,115,000	260,810,600	5,329,400	502,637,700	399,286,800	5,320,200	3,962,896,900	531,478,900	5,579,058	3,968,475,958	1.52	3,983,615,416

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. T able Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b. T rates are per \$100

Source: Municipal Tax Assessor and County Abstract of Ratables.

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

FISCAL YEAR ENDED JUNE 30,	REGIONAL SCHOOL		TOTAL DIRECT	OVERLAPPING RATES						TOTAL DIRECT AND OVERLAPPING TAX RATE							
				BOROUGH OR TOWNSHIP	MERCER COUNTY	LIBRARY	FIRE DISTRICT	COUNTY OPEN SPACE	MUNICIPAL OPEN SPACE								
Borough of Hopewell																	
2024	\$	1.85	\$ 1.85	\$	0.75	\$	0.68	\$	0.04	\$	0.07	\$	0.04	\$	0.01	\$	3.44
2023		1.82	1.82		0.71		0.63		0.04		0.07		0.03		0.01		3.31
2022		1.75	1.75		0.68		0.62		0.04		0.07		0.03		0.01		3.20
2021		1.74	1.74		0.64		0.62		0.04		0.07		0.03		0.01		3.15
2020		1.71	1.71		0.63		0.61		0.04		0.07		0.03		0.01		3.10
2019		1.65	1.65		0.63		0.63		0.04		0.07		0.03		0.01		3.06
2018		1.56	1.56		0.59		0.62		0.04		0.07		0.03		0.01		2.92
2017		1.54	1.54		0.56		0.59		0.03		0.07		0.03		0.01		2.83
2016		1.54	1.54		0.54		0.60		0.03		0.06		0.03		0.01		2.80
2015		1.53	1.53		0.52		0.58		0.03		0.06		0.03		0.01		2.76
Borough of Pennington																	
2024	\$	1.86	\$ 1.86	\$	0.55	\$	0.70	\$	0.04	\$	0.06	\$	0.04	\$	0.01	\$	3.26
2023		1.76	1.76		0.54		0.62		0.04		0.05		0.03		0.01		3.05
2022		1.61	1.61		0.50		0.59		0.03		0.06		0.03		0.01		2.83
2021		1.62	1.62		0.49		0.58		0.03		0.05		0.03		0.01		2.81
2020		1.62	1.62		0.47		0.59		0.03		0.04		0.03		0.01		2.79
2019		1.56	1.56		0.46		0.61		0.03		0.04		0.03		0.01		2.74
2018		1.53	1.53		0.43		0.60		0.03		0.05		0.03		0.01		2.68
2017		1.55	1.55		0.43		0.60		0.03		0.04		0.03		0.01		2.69
2016		1.55	1.55		0.43		0.61		0.03		0.04		0.03		0.01		2.70
2015		1.55	1.55		0.42		0.58		0.03		0.04		0.01		0.01		2.64
Township of Hopewell																	
2024	\$	1.80	\$ 1.80	\$	0.44	\$	0.67	\$	0.06	\$	0.12	\$	0.04	\$	0.03	\$	3.16
2023		1.75	1.75		0.44		0.63		0.06		0.11		0.03		0.03		3.05
2022		1.71	1.71		0.44		0.61		0.06		0.11		0.03		0.03		2.99
2021		1.78	1.78		0.44		0.61		0.06		0.11		0.03		0.03		3.06
2020		1.74	1.74		0.41		0.61		0.06		0.10		0.03		0.03		2.98
2019		1.67	1.67		0.40		0.63		0.06		0.10		0.03		0.03		2.92
2018		1.62	1.62		0.38		0.64		0.07		0.09		0.03		0.03		2.86
2017		1.58	1.58		0.37		0.62		0.06		0.09		0.03		0.03		2.78
2016		1.55	1.55		0.36		0.60		0.06		0.09		0.03		0.03		2.71
2015		1.52	1.52		0.36		0.58		0.06		0.08		0.03		0.03		2.65

Source: County Tax Administrator

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

2024			2015		
	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUE		TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUE
<b>Borough of Hopewell</b>			<b>Borough of Hopewell</b>		
Freedman, Gerald	\$ 2,200,000	0.69%	Freedman, Gerald	\$ 2,909,300	0.97%
Hopewell Village Square	2,048,900	0.64%	Hopewell Village Square	2,048,900	0.72%
Rockwell Automation, Inc	1,444,100	0.45%	Jeffers James	1,019,500	0.56%
71 E. Broad LLC	1,340,600	0.42%	Prewitt Incorporated	994,600	0.44%
Brick Farm Market, LLC	1,276,400	0.40%	Klesney, Frank Jr.	901,300	0.41%
PNC Bank	1,029,600	0.32%	MLN LLC	873,000	0.36%
Pashley, Peter & Katharine H/W	1,027,400	0.32%	West Broad Hopewell, LLC	865,100	0.36%
Hopewell Special LLC C/O Moseley,	1,022,300	0.32%	Llort, Frank & Maureen	794,000	0.34%
Jeffers James & Raquel	1,019,500	0.32%	Susan C. Molnar Real Estate, LLC	778,000	0.31%
Prewitt Incorporated	994,600	0.31%	Brick Farm Market, LLC	735,400	0.31%
Total	<u>\$ 13,403,400</u>	<u>4.21%</u>	Total	<u>\$ 11,919,100</u>	<u>4.78%</u>
<b>Borough of Pennington</b>			<b>Borough of Pennington</b>		
143 West Franklin Ave., LLC	\$ 7,600,000	1.45%	143 West Franklin Ave., LLC	\$ 7,600,000	1.06%
Pennington Square Shop. Cntr.	3,900,000	0.74%	Mercer Mutual	5,319,500	0.94%
21 Pennington, LLC	3,700,000	0.70%	Pennington Investments	3,900,000	0.91%
Straube Regional Center	3,531,800	0.67%	Pennington Square Shop. Cntr.	3,900,000	0.73%
Straube Center	3,300,000	0.63%	Straube Center	3,649,500	0.60%
Scope Flip Pennington SM, LLC	3,241,600	0.62%	ECS Holding LLC	3,000,000	0.60%
ECS Holding LLC	3,000,000	0.57%	Straube Regional Center	2,983,800	0.57%
Pennington Court, Inc.	2,078,200	0.40%	Helene Fuld Medical Center	2,231,800	0.45%
Chill Properties, LLC	2,000,000	0.38%	Chill Properties LLC	2,000,000	0.45%
Montpen SC LLC	1,956,900	0.37%	Montpen SC LLC	1,956,900	0.40%
Total	<u>\$ 34,308,500</u>	<u>6.53%</u>	Total	<u>\$ 36,541,500</u>	<u>6.71%</u>
<b>Township of Hopewell</b>			<b>Township of Hopewell</b>		
American Blvd SPV#	\$ 108,763,504	2.73%	Bristol Myers Squibb	\$ 233,794,500	8.30%
Cole Hopewell Twp	92,400,000	2.32%	ARC DB5PROP001 LLC	108,762,504	5.59%
Janssen Pharmaceutical	91,230,100	2.29%	AREP Hopewell LLC	108,458,200	2.18%
Beigene Hopewell Urban Renewal	75,000,000	1.88%	Cole Hopewell Twp	92,400,000	0.66%
AREP Hopewell LLC	72,035,000	1.81%	Janssen Pharmaceutical	91,230,100	0.53%
Hopewell Campus Owner LLC	60,000,000	1.50%	Hopewell TC Associates	24,646,100	0.44%
US Home Corp DBA Lennar	52,800,000	1.32%	Trap Rock Industries Inc	22,228,000	0.33%
One Talent	49,583,400	1.24%	Transco Gas Pipeline	13,842,100	0.31%
Trustees of Princeton	35,770,100	0.90%	Montpen SC LLC	13,036,500	0.26%
Hopewell TC Associates	24,646,100	0.62%	CF Hopewell CC & LLC	12,161,200	0.24%
Total	<u>\$ 662,228,204</u>	<u>16.61%</u>	Total	<u>\$ 720,559,204</u>	<u>18.84%</u>

**Source:** County Tax Administrator

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

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL TAX LEVY COLLECTED
		AMOUNT	PERCENTAGE OF LEVY		
2024	\$ 86,662,125	\$ 86,662,125	100.00%		\$ 86,662,125
2023	83,255,812	83,255,812	100.00%		83,255,812
2022	82,168,163	82,168,163	100.00%		82,168,163
2021	82,168,163	82,168,163	100.00%		82,168,163
2020	81,215,297	81,215,297	100.00%		81,215,297
2019	77,386,630	77,386,630	100.00%		77,386,630
2018	76,452,806	76,452,806	100.00%		76,452,806
2017	74,150,252	73,769,504	99.49%	\$ 380,748	74,150,252
2016	73,601,264	74,366,411	101.04%		74,366,411
2015	72,074,537	72,074,537	100.00%		72,074,537

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

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

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES				TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	PREMIUM	FINANCED PURCHASES PAYABLE - LEASES				
2024	\$ 27,795,000	\$ 451,749	\$ 2,577,195	\$ 30,823,944	1.87%	\$ 1,395	
2023	30,865,000	505,158	3,454,214	34,824,372	2.29%	1,567	
2022	33,855,000	591,416	4,750,289	39,196,705	2.67%	1,768	
2021	38,295,000	930,467	1,587,669	40,813,136	2.75%	1,847	
2020	42,475,000	1,269,518	1,039,162	44,783,680	3.00%	2,017	
2019	46,905,000	1,650,226	1,535,750	50,090,976	3.62%	2,234	
2018	51,135,000	2,066,184	1,698,200	54,899,384	3.87%	2,389	
2017	55,095,000	2,482,142	1,801,075	59,378,217	4.17%	2,580	
2016	23,030,000	2,060,212	501,680	25,591,892	1.79%	1,106	
2015	27,920,000	846,530	444,650	29,211,180	2.18%	1,342	

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



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

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	LESS DEBT SERVICE FUND	NET GENERAL BONDED DEBT OUTSTANDING		
2024	\$ 27,795,000	\$ 144,834	\$ 27,650,166	0.571%	\$ 1,258
2023	30,865,000	5,949	30,859,051	0.638%	1,389
2022	33,855,000	2,148	33,852,852	0.712%	1,655
2021	38,295,000	72,597	38,222,403	0.804%	1,730
2020	42,475,000	255,027	42,219,973	0.888%	1,901
2019	46,905,000	512,297	46,392,703	1.071%	2,069
2018	51,135,000	643,404	50,491,596	1.056%	2,197
2017	55,095,000	339,884	54,755,116	1.144%	2,379
2016	23,030,000	10,563	23,019,437	0.482%	995
2015	27,920,000	3,066	27,916,934	0.584%	1,282

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2024**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:	\$ 663,882,393		
Borough of Hopewell		0.7029%	\$ 4,666,508
Borough of Pennington		1.1586%	7,691,482
Township of Hopewell		8.8794%	58,948,994
Other Debt: M.C.I.A.	26,975,000		
Borough of Hopewell		0.7029%	189,610
Borough of Pennington		1.1586%	312,522
Township of Hopewell		8.8794%	2,395,227
Subtotal, Overlapping Debt			74,204,343
Hopewell Valley Regional School District Direct Debt			27,795,000
Total Direct & Overlapping Debt			\$ 101,999,343

Sources: Assessed value data used to estimate applicable percentages provided by County Tax Administrator.  
Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the district. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

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

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

**UNAUDITED**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Debt Limit	\$ 224,985,744	\$ 211,574,114	\$ 202,692,955	\$ 200,793,345	\$ 203,602,697	\$ 203,248,424	\$ 200,555,410	\$ 196,074,571	\$ 192,329,924	\$ 190,328,677
Total Net Debt Applicable to Limit	27,650,166	30,859,051	33,852,852	38,165,000	42,219,973	46,392,703	50,491,596	55,095,000	23,030,000	27,920,000
Legal Debt Margin	<u>\$ 197,335,578</u>	<u>\$ 180,715,063</u>	<u>\$ 168,840,103</u>	<u>\$ 162,628,345</u>	<u>\$ 161,382,724</u>	<u>\$ 156,855,721</u>	<u>\$ 150,063,814</u>	<u>\$ 140,979,571</u>	<u>\$ 169,299,924</u>	<u>\$ 162,408,677</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	12.29%	14.59%	16.70%	19.01%	20.74%	22.83%	25.18%	28.10%	11.97%	14.67%

**Legal Debt Margin Calculation for Fiscal Year 2024**

	Equalized Valuation Basis
	2024 \$ 5,936,636,330
	2023 5,704,808,683
	2022 <u>5,232,485,810</u>
	<u>\$ 16,873,930,823</u>
Average Equalized Valuation of Taxable Property	<u>\$ 5,624,643,608</u>
Debt Limit (4% of Average Equalization Value)	\$ 224,985,744
Net Bonded School Debt	<u>27,650,166</u>
Legal Debt Margin	<u>\$ 197,335,578</u>

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

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

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

YEAR	POPULATION (a)	PER CAPITA PERSONAL INCOME (b)	UNEMPLOYMENT RATE (c)
<b>Borough of Hopewell</b>			
2024	1,894	\$ 73,207	4.7%
2023	1,888	65,109	5.0%
2022	1,897	59,097	6.2%
2021	1,918	58,735	6.2%
2020	1,906	53,391	3.3%
2019	1,916	52,180	2.3%
2018	1,948	52,180	2.7%
2017	1,926	52,180	2.9%
2016	1,929	52,180	4.9%
2015	1,917	53,455	5.0%
<b>Borough of Pennington</b>			
2024	2,840	\$ 72,217	2.7%
2023	2,783	72,510	2.8%
2022	2,607	67,077	6.2%
2021	2,688	67,499	6.2%
2020	2,576	64,913	3.3%
2019	2,531	60,545	2.6%
2018	2,589	60,545	2.9%
2017	2,568	60,545	3.0%
2016	2,598	60,545	4.9%
2015	2,587	56,962	5.3%
<b>Township of Hopewell</b>			
2024	17,366	\$ 75,192	2.0%
2023	17,554	68,002	2.6%
2022	17,671	66,937	6.2%
2021	17,491	67,904	6.2%
2020	17,725	68,933	3.3%
2019	17,978	62,979	2.3%
2018	18,440	62,979	3.3%
2017	18,523	62,979	2.7%
2016	18,606	62,979	4.9%
2015	17,265	62,979	5.0%

**Source:**

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

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

2024			2015		
EMPLOYERS	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment	
<b>Borough of Hopewell</b>			<b>Borough of Hopewell</b>		
Hopewell Elementary	74	N/A	Not available		N/A
Dana Communications	35	N/A	Not available		N/A
Tomato Factory Antique	34	N/A	Not available		N/A
Borough of Hopewell	23	N/A	Not available		N/A
Brick Farm Market	20	N/A	Not available		N/A
Valley Oil Inc.	15	N/A	Not available		N/A
Baxter Construction Inc	14	N/A	Not available		N/A
Semandex Networks Inc	14	N/A	Not available		N/A
Mobile Physician Group	12	N/A	Not available		N/A
<b>Total</b>	<b>241</b>	<b>N/A</b>	<b>-</b>	<b>N/A</b>	
<b>Borough of Pennington</b>			<b>Borough of Pennington</b>		
Pennington School	121	N/A	Not available		N/A
Hopewell Valley Regional	99	N/A	Not available		N/A
Pennington Mortgage	99	N/A	Not available		N/A
Brandywine Assisted Living	53	N/A	Not available		N/A
Toll Gate Grammar	55	N/A	Not available		N/A
Cambridge School	55	N/A	Not available		N/A
USPS	34	N/A	Not available		N/A
Pennington Boro	32	N/A	Not available		N/A
Pennington Dental Assoc	12	N/A	Not available		N/A
<b>Total</b>	<b>560</b>	<b>N/A</b>	<b>-</b>	<b>N/A</b>	
<b>Township of Hopewell</b>			<b>Township of Hopewell</b>		
Merrill Lynch	6,000	N/A	Not available		N/A
Capital Health at Hopewell	3,300	N/A	Not available		N/A
Bristol Myers Squibb	1,765	N/A	Not available		N/A
Janssen Pharmaceutical	1,100	N/A	Not available		N/A
Johnson & Johnson Pharm	443	N/A	Not available		N/A
Mary-Lawrence Corp PQM	240	N/A	Not available		N/A
Hopewell Valley Central High	172	N/A	Not available		N/A
Wakenern Food Corp./Shoperite	150	N/A	Not available		N/A
Stop and Shop Inc	132	N/A	Not available		N/A
Kooltronics	120	N/A	Not available		N/A
Township of Hopewell	112	N/A	Not available		N/A
<b>Total</b>	<b>13,534</b>	<b>N/A</b>	<b>-</b>	<b>N/A</b>	

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

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

Function/Program	June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Instruction:										
Regular	329.46	338.33	336.69	330.60	330.60	338.44	338.94	338.83	337.30	340.87
Special Education	88.50	89.05	85.67	77.87	77.87	72.38	72.14	69.85	68.38	66.39
Support Services:										
Student & Instruction Related Services	126.27	130.27	133.76	122.14	120.93	122.07	121.57	113.52	113.83	110.38
School Administrative Services	25.00	24.00	24.00	24.00	24.00	25.00	25.00	24.60	24.60	24.60
General & Business Administrative Services	29.50	29.70	28.70	26.16	24.70	23.49	23.49	22.49	23.09	22.49
Plant Operations & Maintenance	46.59	46.59	46.63	47.63	47.63	48.00	48.00	47.00	47.00	48.00
Pupil Transportation	61.00	61.00	59.00	56.00	56.00	56.00	56.00	54.00	55.00	54.00
Total	706.32	718.94	714.45	684.40	681.73	685.38	685.14	670.29	669.20	666.73

**Source:** District Personnel Records

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

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO			AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ELEMENTARY	MIDDLE SCHOOL	SENIOR HIGH SCHOOL				
2024	3,429	\$ 111,617,034	\$ 32,551	25.67%	418	8.0:1	7.9:1	8.7:1	3,485	3,271	1.43%	93.86%
2023	4,212	109,100,656	25,902	-3.66%	427	7.9:1	7.8:1	8.4:1	3,436	3,237	0.79%	94.21%
2022	3,794	102,007,972	26,887	-0.26%	422	7.6:1	7.9:1	8.1:1	3,409	3,220	0.32%	94.46%
2021	3,468	93,485,690	26,957	3.32%	417	8.2:1	8.6:1	8.4:1	3,398	3,187	-1.36%	93.78%
2020	3,468	90,484,502	26,091	-0.96%	416	8.3:1	8.5:1	8.7:1	3,445	3,330	-1.15%	96.66%
2019	3,458	91,102,664	26,345	8.93%	411	8.4:1	8.2:1	9.1:1	3,485	3,315	-0.88%	95.12%
2018	3,536	85,522,557	24,186	8.54%	416	12.5:1	9.4:1	10.4:1	3,516	3,338	-2.41%	94.94%
2017	3,625	80,774,411	22,283	1.96%	409	10.3:1	10.0:1	11.2:1	3,603	3,425	-1.40%	95.05%
2016	3,668	80,157,829	21,853	4.45%	406	10.1:1	10.1:1	12.1:1	3,654	3,478	-0.51%	95.18%
2015	3,640	76,154,018	20,921	5.04%	407	10.1:1	10.1:1	12.1:1	3,673	3,497	-0.41%	95.21%

**Sources:** District records

**Note:** Enrollment based on annual October district count.

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

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

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

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

DISTRICT BUILDINGS	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Elementary Schools:</b>										
Bear Tavern Elementary (1961):										
Square Feet	69,940	69,940	69,940	69,940	69,940	69,940	69,940	69,940	69,940	69,940
Capacity (Students)	550	550	550	550	550	550	550	550	550	550
Enrollment	457	470	411	411	439	452	407	407	420	407
Toll Gate Grammar (1928):										
Square Feet	61,736	61,736	61,736	61,736	61,736	61,736	61,736	61,736	61,736	61,736
Capacity (Students)	354	354	354	354	354	354	354	354	354	354
Enrollment (a)	296	313	309	309	296	294	297	297	286	287
Hopewell Elementary (1926):										
Square Feet	97,048	97,048	97,048	97,048	97,048	97,048	97,048	97,048	97,048	97,048
Capacity (Students)	546	546	546	546	546	546	546	546	546	546
Enrollment	415	416	414	414	423	442	441	441	447	468
Stony Brook Elementary (2002):										
Square Feet	76,400	76,400	76,400	76,400	76,400	76,400	76,400	76,400	76,400	76,400
Capacity (Students)	550	550	550	550	550	550	550	550	550	550
Enrollment	412	406	381	381	393	391	427	427	442	428
<b>Middle School:</b>										
Timberlane Middle School (1961):										
Square Feet	169,066	169,066	169,066	169,066	169,066	169,066	169,066	169,066	169,066	169,066
Capacity (Students)	997	997	997	997	997	997	997	997	997	997
Enrollment	777	772	824	824	818	808	851	851	847	928
<b>High School:</b>										
Central High School (1958):										
Square Feet	236,011	236,011	236,011	236,011	236,011	236,011	215,507	215,507	215,507	215,507
Capacity (Students)	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215
Enrollment	1,072	1,077	1,094	1,094	1,099	1,119	1,202	1,202	1,243	1,217
<b>Other Buidlings:</b>										
After School Program Building (1946):										
Square Feet	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Central Administration (1926):										
Square Feet	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Facilities Building (1946) (b):										
Square Feet	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
<b>Number of Schools at June 30, 2024:</b>										
Elementary = 4										
Middle School = 1										
Senior High School = 1										
Other = 3										

**Source:** District Facilities Office

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

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

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

School Facilities	PROJECT NUMBERS	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Bear Tavern	N/A	\$ 145,667	\$ 156,108	\$ 191,907	\$ 177,690	\$ 230,290	\$ 142,041	\$ 186,531	\$ 234,130	\$ 159,698	\$ 229,992
Toll Gate	N/A	167,504	160,919	207,914	171,691	147,388	160,198	118,141	160,608	142,304	158,284
Central High School	N/A	525,602	573,196	612,257	538,115	435,633	464,937	390,250	403,335	673,453	415,330
Stony Brook	N/A	159,703	185,715	174,427	200,167	202,701	145,618	173,896	148,008	239,628	140,485
Hopewell	N/A	208,405	255,218	292,379	189,580	194,152	178,678	220,452	204,924	145,013	164,353
Timberlane	N/A	440,892	362,133	394,276	328,677	417,746	364,010	342,190	344,815	322,463	443,771
Total School Facilities		<u>\$ 1,647,773</u>	<u>\$ 1,693,289</u>	<u>\$ 1,873,160</u>	<u>\$ 1,605,920</u>	<u>\$ 1,627,910</u>	<u>\$ 1,455,482</u>	<u>\$ 1,431,460</u>	<u>\$ 1,495,820</u>	<u>\$ 1,682,559</u>	<u>\$1,552,215</u>

Source: District records



**HOPEWELL VALLEY REGIONAL SCHOOL DISTRICT**  
**INSURANCE SCHEDULE**  
**JUNE 30, 2024**  
**UNAUDITED**

	COVERAGE	DEDUCTIBLE
<b>Property- NJSIG:</b>		
Blanket Building & Contents	\$ 249,893,975	\$ 5,000
Extra Expenses	50,000,000	
<b>Liability-NJSIG</b>		
Bodily Injury & Property Damage		
Each Occurrence	31,000,000	
Aggregate	31,000,000	
Fire Damage	31,000,000	
Employee Benefit Programs		
Each Occurrence	31,000,000	1,000
<b>Boiler &amp; Machinery - NJSIG</b>	249,893,975	25,000
<b>Crime-NJSIG</b>		
Employee Dishonesty	500,000	
Musical Instruments	134,066	
Athletic Equipment	192,311	
Mobile Equipment	9,000	1,000
EDP	249,893,975	1,000
<b>Automobile-NJSIG</b>		
Bodily Injury & Property	31,000,000	1,000
Personal Injury Protection	Statutory	
Medical Payments	10,000	1,000
Uninsured/Underinsured	1,000,000	1,000
<b>Workers Compensation-NJSIG</b>		
Section "A"	Statutory	
Section "B"		
Each Accident	3,000,000	
Each Employee	3,000,000	
Aggregate	3,000,000	
<b>Supplemental Indemnity</b>		
Maximum Weekly Benefit	\$1,750	
<b>Bonds-Selective</b>		
Board Sec/Bus Adm	120,000	
Treasurer of School Monies	407,000	
<b>Student Accident-Bollinger</b>		
Maximum Limit	6,000,000	
<b>Environmental Policy-AIG</b>		
Limit of Liability	1,000,000	10,000
Aggregate	1,000,000	
Mold Deductible		100,000
<b>School Leaders- NJSIG</b>		
Limit of Liability	30,000,000	
Retention	15,000	
<b>CAP - Fireman's Fund</b>		
Limit of liability	25,000,000	
<b>Cyberliability</b>		
Liability / Aggregate	10,000,000	Various
Security Breach Response	2,000,000	
Cyber Extortion	2,000,000	
Poll Aggregate	10,000,000	

## Single Audit Section

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

**Independent Auditors' Report**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Hopewell Valley Regional School District, in the County of Mercer, New Jersey (the "District") as of and for the year ended June 30, 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 January 13, 2025.

**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

**Honorable President and Members  
of the Board of Education  
Hopewell Valley Regional School District**

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

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

**Report on Compliance and Other Matters**

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

**Purpose of This Report**

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

*PKF O'Connor Davies, LLP*

Cranford, New Jersey  
January 13, 2025

*Scott A. Clelland*

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

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

**Independent Auditors' Report**

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

**Report on Compliance for Each Major Federal and State Program**

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

We have audited Hopewell Valley Regional School District's, in the County of Mercer, New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 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 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 OMB Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey OMB Circular 15-08 are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

**Honorable President and Members  
of the Board of Education  
Hopewell Valley Regional School District**

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

**Responsibilities of Management for Compliance**

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

**Auditors' Responsibilities for the Audit of Compliance**

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

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

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

**Honorable President and Members  
of the Board of Education  
Hopewell Valley Regional School District**

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

**Report on Internal Control Over Compliance**

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

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

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

**Purpose of This Report**

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

*PKF O'Connor Davies, LLP*

Cranford, New Jersey  
January 13, 2025

*Scott A. Clelland*

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

Hopewell Valley Regional School District

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

										Balance June 30, 2024			
Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal AL Number	Federal FAIN Number	Grant Period	Award Amount	Balance at June 30, 2023	Cash Received	Budgetary Expenditures	Adjustments	Unearned Revenue	(Accounts Receivable)	Due to Grantor	Amounts Provided to Subrecipients	
U.S. Department of Health and Human Services - Passed-Through State													
Department of Health and Human Services													
General Fund:													
Medical Assistance Program - SEMI (Medicaid Cluster)	93.778	2205NJ5MAP	7/1/23-6/30/24	\$ 33,868		\$ 32,214	\$ (33,868)			\$ (1,654)			
Total U.S. Department of Health and Human Services - Passed - Through State Department of Health and Human Services						32,214	(33,868)			(1,654)			
Total General Fund						32,214	(33,868)			(1,654)			
U.S. Department of Education–Passed-Through State													
Department of Education													
Special Revenue Fund:													
Title I, Part A	84.010A	S010A230030	7/1/23-9/30/24	96,154		36,124	(49,485)			(13,361)			
Title I, Part A, Carryover	84.010A	S010A220030	7/1/22-9/30/23	88,834	\$ (11,341)	11,341							
Subtotal					(11,341)	47,465	(49,485)			(13,361)			
Title II A	84.367A	S367A230029	7/1/23-9/30/24	45,387		35,950	(42,255)			(6,305)			
Title II A, Carryover	84.367A	S367A210029	7/1/22-9/30/23	60,788	(1,501)	1,501							
Subtotal					(1,501)	37,451	(42,255)			(6,305)			
Language Instruction for English Learners and Immigrant Students:													
Title III Immigrant	84.365A	S365A230030	7/1/23-9/30/24	2,695		275	(2,244)			(1,969)			
Title III Immigrant	84.365A	S365A220030	7/1/22-9/30/23	7,595	(3,400)	3,400							
Subtotal Language Instruction for English Learners and Immigrant Students					(3,400)	3,675	(2,244)			(1,969)			
Title IV, Student Support and Academic Enrichment Program	84.424	S424A230031	7/1/23-9/30/24	14,137		14,054	(13,495)		\$ 559				
Special Education Cluster:													
I.D.E.A., Part B	84.027A	H027A230100	7/1/23-9/30/24	937,278		769,937	(929,398)			(159,461)			
I.D.E.A., Part B	84.027A	H027A220100	7/1/22-9/30/23	881,327	(140,159)	140,159							
Subtotal					(140,159)	910,096	(929,398)			(159,461)			
I.D.E.A. Preschool	84.173A	H173A230114	7/1/23-9/30/24	29,465		29,465	(29,465)						
COVID-19 ARP I.D.E.A., Part B	84.027X	H027X210100	7/1/21-9/30/22	169,266	(47,301)	47,301							
Total Special Education Cluster					(187,460)	986,862	(958,863)			(159,461)			
Education Stabilization Fund Elementary and Secondary School Emergency Relief (ESSER):													
COVID-19 ARP ESSER	84.425U	S425U210027	3/13/20-9/30/24	621,549	(257,527)	272,947	(15,420)						
COVID-19 ARP Accelerated Learning Coach and Educator Support	84.425U	S425U210027	3/13/20-9/30/24	272,273	(11,720)	40,063	(28,343)						
Subtotal Elementary and Secondary School Emergency Relief (ESSER) Cluster					(269,247)	313,010	(43,763)						
Total U.S. Department of Education–Passed-Through State Department of Education					(472,949)	1,402,517	(1,110,105)		559	(181,096)			
U.S. Department of the Treasury-Passed-Through State													
Department of Education													
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (ACSERS)	21.027	SLFRFDOE1SES	7/1/23-6/30/24	228,645		119,323	(228,645)			(109,322)			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (ACSERS)	21.027	SLFRFDOE1SES	7/1/22-6/30/24	225,058	(112,529)	112,529							
Total U.S. Department of the Treasury Passed-Through State Department of Education					(112,529)	231,852	(228,645)			(109,322)			
Total Special Revenue Fund					(585,478)	1,634,369	(1,338,750)		559	(290,418)			
U.S. Department of Agriculture–Passed-Through State													
Department of Agriculture													
Enterprise Fund:													
Child Nutrition Program Cluster:													
Noncash Assistance (Commodities):													
Food Donation Program (NC)	10.555	241NJ304N109	7/1/23-6/30/24	103,293		103,293	(99,983)		3,310				
Cash Assistance:													
National School Lunch Program	10.555	241NJ304N109	7/1/23-6/30/24	140,835		113,079	(140,835)			(27,756)			
National School Lunch Program	10.555	231NJ304N109	7/1/22-6/30/23	212,375	(12,136)	12,136							
Subtotal					(12,136)	125,215	(140,835)			(27,756)			
COVID-19 Supply Chain Assistance	10.555	231NJ34N8903	7/1/23-6/30/24	82,691		82,691	(82,691)						
Total Child Nutrition Program Cluster					(12,136)	311,199	(323,509)		3,310	(27,756)			
COVID-19 Pandemic EBT Administrative Costs	10.649	2022225900941	7/1/20-6/30/21	653	(653)	653							
Local Food For Schools	10.185	AM22CPLFS000C015	7/1/23-6/30/24	9,196		6,833	(4,739)		2,094				
COVID-19 NSLP Equipment Grant	10.579	N/A	7/1/22-8/30/23	6,420		6,420		\$ (6,420)					
Summer-EBT	10.646	202424N180341	7/1/23-6/30/24	323			(322)			(322)			
					(653)	13,906	(5,061)	(6,420)	2,094	(322)			
Total Enterprise Fund and Total U.S. Department of Agriculture– Passed-Through State Department of Agriculture					(12,789)	325,105	(328,570)	(6,420)	5,404	(28,078)			
Total Expenditures of Federal Awards					\$ (598,267)	\$ 1,991,688	\$ (1,701,188)	\$ (6,420)	\$ 5,963	\$ (320,150)	\$ -	\$ -	

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



Hopewell Valley Regional School District  
Schedule of Expenditures of State Financial Assistance  
Year Ended June 30, 2024

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2023			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Adjustments	Balance at June 30, 2024			Memo	
				Unearned Rev. (Accts Rec)	Due to Grantor						Unearned Revenue	(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Expenditures
State Department of Education															
General Fund:															
Special Education Categorical Aid	495-034-5120-089	7/1/23-6/30/24	\$ 3,717,860				\$ 3,380,005	\$ (3,717,860)					\$ (337,855)	\$ (3,717,860)	
Special Education Categorical Aid	495-034-5120-089	7/1/22-6/30/23	3,479,248	\$ (293,148)			293,148								
Transportation Aid	495-034-5120-014	7/1/23-6/30/24	1,571,094				1,428,323	(1,571,094)					(142,771)	(1,571,094)	
Transportation Aid	495-034-5120-014	7/1/22-6/30/23	977,913	(82,395)			82,395								
Security Aid	495-034-5120-084	7/1/23-6/30/24	315,541				286,867	(315,541)					(28,674)	(315,541)	
Security Aid	495-034-5120-084	7/1/22-6/30/23	293,288	(24,711)			24,711								
School Choice Aid	495-034-5120-068	7/1/23-6/30/24	283,480				257,719	(283,480)					(25,761)	(283,480)	
School Choice Aid	495-034-5120-068	7/1/22-6/30/23	239,658	(20,193)			20,193								
Extraordinary Aid	100-034-5120-473	7/1/23-6/30/24	598,457					(598,457)			\$ (598,457)			(598,457)	
Extraordinary Aid	100-034-5120-473	7/1/22-6/30/23	538,768	(538,768)			538,768								
Non-Public Transportation Aid	495-034-5120-014	7/1/23-6/30/24	127,855					(127,855)			(127,855)			(127,855)	
Non-Public Transportation Aid	495-034-5120-014	7/1/22-6/30/23	91,728	(91,728)			91,728								
On-Behalf TPAF - Pension Contributions	495-034-5094-002	7/1/23-6/30/24	13,982,079				13,982,079	(13,982,079)						(13,982,079)	
On-Behalf TPAF - Post-Retirement Medical	495-034-5094-001	7/1/23-6/30/24	3,805,410				3,805,410	(3,805,410)						(3,805,410)	
On-Behalf TPAF - Long-Term Disability Insurance	495-034-5094-004	7/1/23-6/30/24	5,048				5,048	(5,048)						(5,048)	
Reimbursed TPAF - Social Security	495-034-5094-003	7/1/23-6/30/24	2,832,569				2,692,845	(2,832,569)			(139,724)			(2,832,569)	
Reimbursed TPAF - Social Security	495-034-5094-003	7/1/22-6/30/23	2,810,705	(137,665)			137,665								
Total State Department of Education				(1,188,608)			27,026,904	(27,239,393)			(866,036)		(535,061)	(27,239,393)	
N.J. Schools Development Authority															
General Fund:															
School Security Grant (Alyssa's Law)	20E00395	4/1/21-3/31/23	197,057	(182,906)							(182,906)				
Total N.J. Schools Development Authority				(182,906)							(182,906)				
Total General Fund				(1,371,514)			27,026,904	(27,239,393)			(1,048,942)		(535,061)	(27,239,393)	
State Department of Education															
Special Revenue Fund:															
Nonpublic Teach STEM Grant	Not available	7/1/23-6/30/24	15,317				7,211	(15,317)				(8,106)		(15,317)	
New Jersey Non-Public Aid:															
Textbook Aid	100-034-5120-064	7/1/23-6/30/24	26,014				26,014	(17,364)				\$ 8,650		(17,364)	
Textbook Aid	100-034-5120-064	7/1/22-6/30/23	33,198	\$ 18,063					\$ (18,063)						
Nursing Services	100-034-5120-070	7/1/23-6/30/24	80,400				80,400	(79,008)				1,392		(79,008)	
Nursing Services	100-034-5120-070	7/1/22-6/30/23	81,312		6,999				(6,999)						
Security	100-034-5120-509	7/1/23-6/30/24	137,350				137,350	(136,633)				717		(136,633)	
Security	100-034-5120-509	7/1/22-6/30/23	148,830		449				(449)						
Technology	100-035-5120-373	7/1/23-6/30/24	22,050				22,050	(19,952)				2,098		(19,952)	
Technology	100-035-5120-373	7/1/22-6/30/23	21,126		15,324				(15,324)						
Non Public Auxiliary Services (Ch. 192):															
Home Instruction	100-034-5120-067	7/1/22-6/30/23	3,338	(3,338)			3,338								
Transportation		7/1/23-6/30/24	673				673					673			
Transportation		7/1/22-6/30/23	1,017		1,017				(1,017)						
Non Public Handicapped Services (Ch. 193):															
Examination and Classification	100-034-5120-066	7/1/23-6/30/24	15,161				15,161	(11,183)				3,978		(11,183)	
Examination and Classification		7/1/22-6/30/24	16,487		1,899				(1,899)						
Corrective Speech		7/1/23-6/30/24	930				930					930			
SDA Emergent Needs and Capital Maintenance	100-034-5120-519	7/1/23-6/30/24	82,472				82,472	(82,472)						(82,472)	
Total Special Revenue Fund				(3,338)	43,751	375,599	(361,929)	(43,751)			(8,106)	18,438		(346,612)	
Capital Projects Fund:															
Schools Development Authority:															
ROD Grant - Boilers and Domestic HW Heaters	2280-030-23-R502	4/25/24-Completion	580,000					(22,452)				(22,452)		(22,452)	
Total Capital Projects Fund								(22,452)			(22,452)			(22,452)	
Debt Service Fund:															
Type II Aid	100-034-5120-075	7/1/23-6/30/24	1,034,845				1,034,845	(1,034,845)						(1,034,845)	
Total Debt Service Fund							1,034,845	(1,034,845)						(1,034,845)	
State Department of Agriculture															
Enterprise Fund:															
State School Lunch Program (State share)	100-010-3360-023	7/1/23-6/30/24	10,871				8,761	(10,871)				(2,110)		(10,871)	
State School Lunch Program (State share)	100-010-3360-023	7/1/22-6/30/23	11,581	(678)			678								
State Lunch Reduced Supplement	Not available	7/1/23-6/30/24	1,594				1,300	(1,594)				(294)		(1,594)	
State Lunch Reduced Supplement	Not available	7/1/22-6/30/23	1,210	(58)			58								
NJIEIE Lunch	Not available	7/1/23-6/30/23	485				289	(485)				(196)		(485)	
Summer EBT State Share	Not available	7/1/23-6/30/24	322					(322)				(322)		(322)	
Total Enterprise Fund				(736)			11,086	(13,272)			(2,922)			(13,272)	
Total State Financial Assistance				\$ (1,375,588)	\$ 43,751	\$ 28,448,434	\$ (28,671,891)	\$ (43,751)	\$ -	\$ -	\$ (1,082,422)	\$ 18,438	\$ (535,061)	\$ (28,656,574)	
State Financial Assistance Not Subject to Single Audit Determination:															
On-Behalf TPAF - Pension Contributions	495-034-5094-002	7/1/23-6/30/24	13,982,079				13,982,079	(13,982,079)						(13,982,079)	
On-Behalf TPAF - Post-Retirement Medical	495-034-5094-001	7/1/23-6/30/24	3,805,410				3,805,410	(3,805,410)						(3,805,410)	
On-Behalf TPAF - Long-Term Disability Insurance	495-034-5094-004	7/1/23-6/30/24	5,048				5,048	(5,048)						(5,048)	
Total State Financial Assistance Subject to Single Audit Determination															
				\$ (1,375,588)	\$ 43,751	\$ 10,655,897	\$ (10,879,354)	\$ (43,751)	\$ -	\$ -	\$ (1,082,422)	\$ 18,438	\$ (535,061)	\$ (10,864,037)	

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

## Hopewell Valley Regional School District

### Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance

Year ended June 30, 2024

#### **1. Basis of Presentation**

The accompanying schedules of expenditures of federal awards and state financial assistance include the federal award and state financial assistance activity under programs of the federal and state government for the year ended June 30, 2024. The District is defined in Note 1 to the District's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

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

#### **2. Summary of Significant Accounting Policies**

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

## Hopewell Valley Regional School District

Notes to Schedules of Expenditures of  
Federal Awards and State Financial Assistance

Year ended June 30, 2024

**3. Relationship to Basic Financial Statements**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$114,614 for the general fund and \$25,391 for the special revenue fund. See note to required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds (C-3). Federal and State award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	<b>Federal</b>	<b>State</b>	<b>Total</b>
General Fund	\$ 33,868	\$27,124,779	\$ 27,158,647
Special Revenue Fund	1,342,438	365,267	1,707,705
Capital Projects Fund		22,452	22,452
Debt Service Fund		1,034,845	1,034,845
Food Service Enterprise Fund	328,570	13,272	341,842
Total financial award revenues	<u>\$1,704,876</u>	<u>\$28,560,615</u>	<u>\$ 30,265,491</u>

## Hopewell Valley Regional School District

### Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance

Year ended June 30, 2024

#### **4. Relationship to Federal and State Financial Reports**

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

#### **5. Other**

Revenues and expenditures reported under the Food Donation Program represent current year value received and current year distributions, respectively. TPAF Social Security Contributions represent the amount reimbursed by the State for the employer's share of Social Security for TPAF members for the year ended June 30, 2024.

The post-retirement pension, medical, and long-term disability benefits received on-behalf of the District for the year ended June 30, 2024 amounted to \$17,792,537. Since on-behalf post-retirement pension, medical and long-term disability benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08. They are however reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

#### **6. Indirect Costs**

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

#### **7. Adjustments**

The adjustments presented on schedule K-3 are the result of expenditures incurred in the prior year.

Hopewell Valley Regional School District  
Schedule of Findings and Questioned Costs

Year ended June 30, 2024

**Part I - Summary of Auditors' Results**

**Financial Statements**

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

Unmodified

Internal control over financial reporting:

Are any material weakness (es) identified?

\_\_\_\_\_ Yes   X   No

Are any significant deficiency (ies) identified?

\_\_\_\_\_ Yes   X   None Reported

Noncompliance material to the basic financial statements noted?

\_\_\_\_\_ Yes   X   No

**Federal Awards**

Internal control over major federal programs:

Are any material weakness (es) identified?

\_\_\_\_\_ Yes   X   No

Are any significant deficiency (ies) identified?

\_\_\_\_\_ Yes   X   None Reported

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

Unmodified

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

\_\_\_\_\_ Yes   X   No

Identification of major federal programs:

AL Number(s)	FAIN Number	Name of Federal Program or Cluster
84.027A	H027A230100	Special Education Cluster
84.173A	H173A230114	IDEA Part B
		IDEA Preschool

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

\$750,000

Auditee qualified as low-risk auditee?

  X   Yes \_\_\_\_\_ No

Hopewell Valley Regional School District  
Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2024

**Part I - Summary of Auditors' Results (continued)**

**State Financial Assistance**

Internal control over major state programs:

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

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

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

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

Identification of major state programs:

<u>GMIS/Program Number</u>	<u>Name of State Program or Cluster</u>
495-034-5094-003	Reimbursed TPAF Social Security

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

Auditee qualified as low-risk auditee?   X   Yes \_\_\_\_\_ No

Hopewell Valley Regional School District  
Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2024

**Part II – Schedule of Financial Statement Findings**

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

Hopewell Valley Regional School District

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2024

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

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