

TOWNSHIP OF HOPEWELL
REPORT OF AUDIT
FOR THE YEAR ENDED
DECEMBER 31, 2010

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TOWNSHIP OF HOPEWELL

PART I

REPORT ON AUDIT OF

FINANCIAL STATEMENTS - STATUTORY BASIS

DECEMBER 31, 2010



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of Township Committee
Township of Hopewell
County of Cumberland, New Jersey

We have audited the accompanying balance sheets – statutory basis of the various funds and account groups of the Township of Hopewell, State of New Jersey, as of December 31, 2010 and 2009 and the related statements of operations and changes in fund balance – statutory basis for the years then ended and the related statement of revenues – statutory basis and statement of expenditures – statutory basis for the year ended December 31, 2010, as listed in the accompanying table of contents. These financial statements – statutory basis are the responsibility of the Township of Hopewell's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As described in Note 1, the Township of Hopewell, prepares its financial statements on a basis of accounting prescribed by the Division that demonstrates compliance with a modified accrual basis, with certain exceptions, and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these statutory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

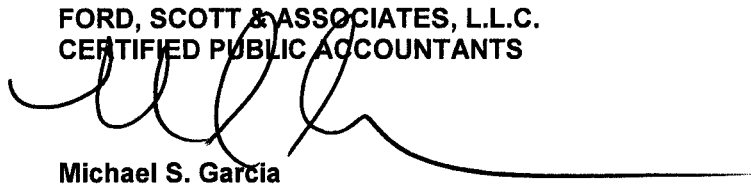
In our opinion, because of the Township of Hopewell's policy to prepare its financial statements on the prescribed basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the various funds and account groups of the Township of Hopewell, as of December 31, 2010 and 2009 and the results of operations and changes in fund balance of such funds for the years then ended, and the statement of revenues and statement of expenditures of the various funds for the year ended December 31, 2010.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Township of Hopewell, as of December 31, 2010 and 2009 and the results of operations and changes in fund balances of such funds for the years then ended and the statement of revenues and statement of expenditures of the various funds for the year ended December 31, 2010 on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 24, 2011 on our consideration of the Township of Hopewell's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental schedules as listed in the table of contents have been subjected to the auditing procedures applied to the audit of the financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS



Michael S. Garcia
Certified Public Accountant
Registered Municipal Accountant
No. 472

June 24, 2011

**EXHIBIT - A
CURRENT FUND**

TOWNSHIP OF HOPEWELL
CURRENT FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS

	Ref.	Balance Dec. 31, 2010	Balance Dec. 31, 2009
Assets			
Regular Fund:			
Cash:			
Treasurer	A-4	\$ 2,753,632.12	\$ 3,291,756.56
Collector		34,793.63	35,147.35
Change Funds		505.00	230.00
		<u>2,788,930.75</u>	<u>3,327,133.91</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	485,527.40	452,119.98
Tax Title Liens Receivable	A-8	26,423.61	15,264.27
Property Acquired for Taxes - Assessed Valuation		134,700.00	134,700.00
Revenue Accounts Receivable	A-9	702.06	998.56
Interfunds:			
Due from General Capital Fund	C	38,936.92	26,167.39
Due from Dog Trust	B	700.00	-
Due from Trust Fund - Other		-	547.78
		<u>686,989.99</u>	<u>629,797.98</u>
Deferred Charges:			
Emergency Appropriation	A-3	17,200.00	-
		<u>17,200.00</u>	<u>-</u>
		<u>3,493,120.74</u>	<u>3,956,931.89</u>
Federal and State Grant Fund:			
Cash	A-4	38,521.40	38,881.40
Grant Receivables	A-11	206,352.46	378,909.75
Due from Sewer Operating Fund	A-4	3,474.64	3,474.64
Due from General Capital Fund	C	240,000.00	-
Due from Current Fund		81,809.11	316,922.94
		<u>570,157.61</u>	<u>738,188.73</u>
		<u>\$ 4,063,278.35</u>	<u>\$ 4,695,120.62</u>

TOWNSHIP OF HOPEWELL
CURRENT FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3:A-10	\$ 183,296.38	\$ 294,530.57
Reserve for Encumbrances		9,025.81	59,004.94
Prepaid Taxes		70,374.67	82,278.96
Tax Overpayments		22,613.13	24,564.43
Local District School Tax Payable		836,134.98	702,656.04
Regional High School Tax Payable		781,621.82	884,440.18
Accounts Payable		828.30	828.30
Due to State - Seniors and Veterans		5,950.63	7,820.49
Due to County for Added and Omitted Tax		3,585.77	25,332.99
Due to Sewer Operating Fund		122,123.85	358,679.99
Due to Grant Fund		81,809.11	316,922.94
Reserve for Garden State Preservation		5,170.00	7,755.01
		<u>2,122,534.45</u>	<u>2,764,814.84</u>
Reserve for Receivables and Other Assets		686,989.99	629,797.98
Fund Balance	A-1	<u>683,596.30</u>	<u>562,319.07</u>
		<u>3,493,120.74</u>	<u>3,956,931.89</u>
Federal and State Grant Fund:			
Unappropriated Reserves	A-12	2,006.85	2,751.34
Appropriated Reserves	A-13	535,220.08	602,170.70
Contracts Payable		32,930.68	133,266.69
		<u>570,157.61</u>	<u>738,188.73</u>
		<u>\$ 4,063,278.35</u>	<u>\$ 4,695,120.62</u>

TOWNSHIP OF HOPEWELL
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
STATUTORY BASIS

	<u>Ref.</u>	<u>Year 2010</u>	<u>Year 2009</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	\$	500,000.00	\$ 500,000.00
Miscellaneous Revenue Anticipated		709,630.83	1,218,081.58
Receipts from Delinquent Taxes		443,339.20	451,450.11
Receipts from Current Taxes		8,428,974.64	8,412,604.10
Non-Budget Revenue		342,602.31	92,986.15
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		258,071.22	105,289.63
Net Grants Cancelled		12,200.23	-
Total Income		<u>10,694,818.43</u>	<u>10,780,411.57</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages		484,238.00	503,925.00
Other Expenses		675,559.23	769,860.85
Operations Excluded from CAPS		155,665.15	395,221.69
Deferred Charges & Statutory Expenditures		100,000.00	138,500.00
Capital Improvements		265,200.00	299,000.00
County Taxes		3,350,721.30	3,347,627.34
Due to County Added and Omitted Taxes		3,585.77	25,332.99
Local District School Tax		3,483,531.84	2,996,089.00
Regional High School Tax		1,560,353.33	1,767,435.47
Refund of Prior Year Revenue		-	250.00
Interfunds Created		11,886.58	26,167.39
Total Expenditures		<u>10,090,741.20</u>	<u>10,269,409.73</u>

TOWNSHIP OF HOPEWELL
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
STATUTORY BASIS

	<u>Ref.</u>	<u>Year 2010</u>	<u>Year 2009</u>
Excess In Revenue		\$ 604,077.23	\$ 511,001.84
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by			
Statute Deferred Charges to Budget of			
Succeeding Year		17,200.00	
		<u>17,200.00</u>	<u>-</u>
Statutory Excess to Fund Balance		621,277.23	511,001.84
Fund Balance January 1	A	562,319.07	551,317.23
		1,183,596.30	1,062,319.07
Decreased by:			
Utilization as Anticipated Revenue		500,000.00	500,000.00
Fund Balance December 31	A	<u>\$ 683,596.30</u>	<u>\$ 562,319.07</u>

**TOWNSHIP OF HOPEWELL
CURRENT FUND
STATEMENT OF REVENUES - STATUTORY BASIS**

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	N.J.S. 40A:4-87		
Fund Balance Anticipated		\$ 500,000.00	\$ -	\$ 500,000.00	\$ -
		500,000.00	-	500,000.00	-
Miscellaneous Revenues:					
Municipal Court Fines and Costs		11,000.00		15,838.47	4,838.47
Interest and Costs on Taxes		64,000.00		64,009.31	9.31
Interest on Investments and Deposits		24,150.00		30,495.07	6,345.07
Payments in Lieu of Taxes on Real Property		91,000.00		96,200.00	5,200.00
Rent on Municipal Property		20,000.00		13,860.00	(6,140.00)
Consolidated Municipal Property Tax Relief Aid		48,082.00		48,082.00	-
Energy Receipts Tax (P.L. 1997, Ch. 162 & 167)		252,862.00		252,862.00	-
Garden State Trust Fund-Reserved		7,755.01		7,755.01	-
Uniform Construction Code Fees		32,000.00		35,693.00	3,693.00
Senior Center Contribution - Shiloh		20,002.00		11,505.67	(8,496.33)
Special Items:					
State and Federal Programs Off-Set by Revenues:					
Uniform Fire Safety Act		4,148.23		4,148.23	-
Clean Communities		2,006.85	7,569.81	9,576.66	-
Alcohol Education & Rehabilitation Fund		46.41		46.41	-
Division of Fire Safety		698.08		698.08	-
NJ Department of Transportation		110,000.00		110,000.00	-
Payments in Lieu of Taxes on Real Property-5 Yr. Tax Abatement Program.		56,500.00		8,860.92	(47,639.08)
Total Miscellaneous Revenues	A-1	744,250.58	7,569.81	709,630.83	(42,189.56)
Receipts from Delinquent Taxes	A-1.A-2	450,000.00	-	443,339.20	(6,660.80)
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes		513,555.31		582,695.72	69,140.41
Total Amount to be Raised by Taxes for Support of Municipal Budget		513,555.31	-	582,695.72	69,140.41
Budget Totals		2,207,805.89	7,569.81	2,235,665.75	20,290.05
Non-Budget Revenues		2,207,805.89	7,569.81	342,602.31	342,602.31
		\$ 2,207,805.89	\$ 7,569.81	\$ 2,578,268.06	\$ 362,892.36

TOWNSHIP OF HOPEWELL
CURRENT FUND
STATEMENT OF REVENUES - STATUTORY BASIS

Analysis of Realized Revenues**Allocation of Current Tax Collections:**

Revenues from Collections	\$ 8,428,974.64
Allocated to:	
School, County and Other Taxes	<u>8,398,192.24</u>
Balance for Support of Municipal Budget Appropriations	30,782.40
Add: Appropriation	
"Reserve for Uncollected Taxes"	<u>551,913.32</u>
Amount for Support of Municipal	
Budget Appropriations	<u>\$ 582,695.72</u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 441,524.25
Tax Title Lien Collections	<u>1,814.95</u>
	<u>\$ 443,339.20</u>

Analysis of Non-Budget Revenues:

Miscellaneous Revenue Not Anticipated:

Clerk	\$ 2,829.29
Zoning/Planning Board Fees	1,575.00
200 Foot List	60.00
Sale of Land	224,699.12
Sale of Land	18,000.00
Cable Franchise Fee	13,987.50
Senior & Vet Admin. Fees	1,590.00
County Rent	13,500.00
Code Compliance Letters	731.51
Greenwich - Construction, Tax & Court	41,357.42
Stow Creek - Fire Department	8,678.22
Miscellaneous Revenue	<u>15,594.25</u>
	<u>\$ 342,602.31</u>

**TOWNSHIP OF HOPEWELL
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS**

	Appropriations		Expended		
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved
OPERATIONS WITHIN "CAPS"					
GENERAL GOVERNMENT:					
Administrative and Executive					
Salaries and Wages	\$ 122,000.00	\$ 122,000.00	\$ 122,000.00	\$ -	\$ -
Other Expenses	28,000.00	28,000.00	23,547.64	567.72	3,884.64
Financial Administration					
Salaries and Wages	30,600.00	30,600.00	30,600.00	-	-
Other Expenses:					
Miscellaneous Other Expenses	8,000.00	8,000.00	5,437.69	879.20	1,683.11
Annual Audit	25,600.00	25,600.00	25,600.00	-	-
Assessment of Taxes					
Salaries and Wages	31,900.00	31,900.00	31,892.12	7.88	
Other Expenses:					
Miscellaneous Other Expenses	3,000.00	3,000.00	2,915.88	20.00	64.12
Tax Map	4,000.00	4,000.00	1,851.50	51.85	2,096.65
Computer Services	3,000.00	3,000.00	3,000.00	-	-
Collection of Taxes					
Salaries and Wages	27,030.00	27,030.00	26,918.89	111.11	
Other Expenses:					
Liquidation of Tax Title Liens	500.00	500.00	428.00	72.00	
Miscellaneous Other Expenses	7,000.00	2,000.00	1,472.46	527.54	
Computer Supplies	5,000.00	5,000.00	5,000.00	-	
Legal Services and Costs					
Salaries and Wages	12,100.00	12,100.00	12,100.00	-	
Other Expenses	45,500.00	45,500.00	34,087.40	1,215.00	10,197.60
Engineering Services and Costs					
Other Expenses	12,000.00	27,000.00	23,765.93		3,234.07
Western Cumberland County Economic Development Corp.					
Other Expenses	9,000.00	9,000.00	8,730.21		269.79

See Accompanying Notes to Financial Statements - Statutory Basis

**TOWNSHIP OF HOPEWELL
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS**

	Appropriations		Paid or Charged	Expended	
	Budget	Budget After Modification		Encumbered	Reserved
LAND USE ADMINISTRATION:					
Planning Board					
Salaries and Wages	\$ 7,600.00	\$ 7,600.00	\$ 7,521.01	\$	78.99
Other Expenses	1,000.00	1,000.00	766.60	20.13	213.27
Zoning Board of Adjustment					
Salaries and Wages	25,000.00	25,000.00	24,977.15		22.85
Other Expenses	650.00	650.00	506.75	130.13	13.12
CODE ENFORCEMENT AND ADMINISTRATION:					
Code Official					
Salaries and Wages	3,200.00	3,200.00	3,100.08		99.92
PUBLIC SAFETY:					
Emergency Management Services					
Salaries and Wages	2,400.00	2,400.00	2,400.00		-
Other Expenses	1,500.00	1,500.00	804.96		695.04
Ambulance Service Contribution					
Other Expenses	25,000.00	25,000.00	25,000.00		-
Fire					
Other Expenses					
Uniform Fire Safety Act	33,000.00	28,000.00	23,127.99	2,146.74	2,725.27
Salaries and Wages	3,000.00	3,000.00	3,000.00		-
Other Expenses	1,184.23	1,184.23	1,184.23		-
Municipal Court					
Salaries and Wages	28,900.00	28,900.00	28,691.80		208.20
Other Expenses	4,000.00	4,000.00	1,662.95	173.00	2,164.05
Municipal Prosecutor					
Other Expenses	4,700.00	4,700.00	4,308.34		391.66
Public Defender					
Other Expenses	800.00	800.00	800.00		-

**TOWNSHIP OF HOPEWELL
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS**

	Appropriations		Paid or Charged	Expended	
	Budget	Budget After Modification		Encumbered	Reserved
PUBLIC WORKS FUNCTIONS:					
Road Repairs and Maintenance					
Salaries and Wages	\$ 90,000.00	\$ 90,000.00	\$ 90,000.00	\$ -	\$ -
Other Expenses	30,000.00	30,000.00	27,162.02	1,478.51	1,359.47
Public Building and Grounds					
Other Expenses	12,000.00	12,000.00	11,533.54	235.00	231.46
HEALTH AND WELFARE:					
Environmental Commission					
Other Expenses	250.00	250.00		170.40	79.60
Dog Regulation					
Other Expenses	9,500.00	9,500.00	9,225.80	250.00	24.20
RECREATION AND EDUCATION:					
Recreation					
Other Expenses	3,500.00	500.00	21.00		479.00
Bostwik Lake Commission					
Bostwik Lake Commission	3,000.00	3,000.00	3,000.00		-
SENIOR CITIZEN CENTER					
Salaries and Wages	13,158.00	13,158.00	13,158.00		-
Other Expenses	7,750.00	7,750.00	7,750.00		-
UTILITY EXPENSES:					
Electricity	16,000.00	16,000.00	15,967.69		32.31
Street Lighting	13,000.00	13,000.00	12,239.54	500.00	260.46
Telephone	9,000.00	9,000.00	8,193.26	47.21	759.53
Fuel Oil	6,000.00	6,000.00	6,000.00		-
Sewer	1,000.00	1,000.00	700.00		300.00
Gasoline	6,000.00	6,000.00	5,973.95		26.05
INSURANCE:					
Liability Insurance	60,000.00	60,000.00	58,840.99		1,159.01
Group Insurance for Employees	23,100.00	21,100.00	20,558.01		541.99
Medical Reimbursements	5,000.00	5,000.00	2,894.51		2,105.49
State Disability Compensation Insurance	500.00	500.00	396.90		103.10

**TOWNSHIP OF HOPEWELL
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS**

	Appropriations		Expended		
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved
SANITATION:					
Convenience Center					
Salaries and Wages	\$ 27,750.00	\$ 27,750.00	\$ 27,750.00	\$ -	\$ -
Other Expenses	155,000.00	155,000.00	132,653.91	678.60	21,667.49
Sanitary Landfill Facility Number 0607A Post-Closure Care	10,000.00	10,000.00	6,784.09		3,215.91
UNIFORM CONSTRUCTION CODE:					
Construction Official					
Salaries and Wages	27,000.00	27,000.00	27,000.00		-
Other Expenses	2,000.00	2,000.00	1,820.35		179.65
Plumbing Inspector					
Salaries and Wages	7,500.00	7,500.00	7,500.00		-
Electrical Inspector					
Salaries and Wages	11,500.00	11,500.00	11,500.00		-
Fire Code Official					
Salaries and Wages	3,600.00	3,600.00	3,600.00		-
UNCLASSIFIED					
Salary Adjustments	10,000.00	10,000.00	10,000.00		-
TOTAL OPERATIONS WITHIN "CAPS"	1,079,272.23	1,079,272.23	1,009,423.14	8,563.49	61,285.60
Detail:					
Salaries and Wages	484,238.00	484,238.00	483,709.05	-	528.95
Other Expenses	595,034.23	595,034.23	525,714.09	8,563.49	60,756.65

**TOWNSHIP OF HOPEWELL
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS**

	Appropriations		Expended	
	Budget	Budget After Modification	Paid or Charged	Encumbered / Reserved
DEFERRED CHARGES AND STATUTORY EXPENDITURES WITHIN "CAPS":				
Statutory Expenditures				
Public Employees Retirement System	\$ 40,525.00	\$ 40,525.00	\$ 40,525.00	\$ -
Social Security System	40,000.00	40,000.00	39,765.67	234.33
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES WITHIN "CAPS"	80,525.00	80,525.00	80,290.67	234.33
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	1,159,797.23	1,159,797.23	1,089,713.81	61,519.93
OPERATIONS EXCLUDED FROM "CAPS"				
INSURANCE:				
Public Employees Retirement System	4,742.00	4,742.00	4,742.00	-
Emergency Services Volunteer Length of Service Award Program (LOSAP)	10,600.00	10,600.00	9,862.50	737.50
Senior Center Interlocal Agreement				
Salaries and Wages	7,752.00	7,752.00	7,752.00	-
Other Expenses	12,250.00	12,250.00	5,438.73	6,348.95
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES:				
NJ Transportation Trust Fund	110,000.00	110,000.00	110,000.00	-
Alcohol Education & Rehabilitation	46.41	46.41	46.41	-
Uniform Fire Safety Act	698.08	698.08	698.08	-
Clean Communities	2,006.85	9,576.66	9,576.66	-
TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES	112,751.34	120,321.15	120,321.15	-
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	148,095.34	155,665.15	148,116.38	7,086.45
Detail:				
Salaries and Wages	7,752.00	7,752.00	7,752.00	-
Other Expenses	140,343.34	147,913.15	140,364.38	7,086.45

See Accompanying Notes to Financial Statements - Statutory Basis

**TOWNSHIP OF HOPEWELL
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS**

	Appropriations		Expended	
	Budget	Budget After Modification	Paid or Charged	Encumbered / Reserved
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS":				
Capital Improvement Fund	\$ 52,500.00	\$ 52,500.00	\$ 52,500.00	\$ -
Farmland Preservation- County Easement	75,000.00	75,000.00	75,000.00	-
Server - Computer Equipment	6,000.00	6,000.00	5,810.00	190.00
Municipal Building Improvements & Equipment	74,500.00	74,500.00	17,200.00	74,500.00
Municipal Roof Replacement	17,200.00	17,200.00		
Dump Truck	40,000.00	40,000.00		40,000.00
TOTAL CAPITAL IMPROVEMENTS	248,000.00	265,200.00	150,510.00	114,690.00
DEFERRED CHARGES:				
Emergency Authorizations	\$ -	\$ -	\$ -	\$ -
Deferred Charges to Future Taxation	100,000.00	100,000.00	100,000.00	-
Unfunded - Ordinance 06-05	100,000.00	100,000.00	100,000.00	-
TOTAL DEFERRED CHARGES	200,000.00	200,000.00	200,000.00	-
SUBTOTAL GENERAL APPROPRIATIONS	1,655,892.57	1,680,662.38	1,488,340.19	183,296.38
Reserve for Uncollected Taxes	551,913.32	551,913.32	551,913.32	-
TOTAL GENERAL APPROPRIATIONS	2,207,805.89	2,232,575.70	2,040,253.51	183,296.38
Budget As Adopted	\$ 2,207,805.89	\$ 2,207,805.89		
Emergency Appropriation	17,200.00	17,200.00		
Added By N.J.S. 40A:4-87	7,569.81	7,569.81		
	\$ 2,232,575.70	\$ 2,232,575.70		

	Paid or Charged
Federal and State Grants	\$ 124,505.38
Matching Funds for Grants	75,000.00
Capital Improvement Fund	52,500.00
Deferred Charges	100,000.00
Reserve for Uncollected Taxes	551,913.32
Disbursed	1,136,334.81
	\$ 2,040,253.51

**EXHIBIT - B
TRUST FUND**

TOWNSHIP OF HOPEWELL
TRUST FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS

<u>Assets</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
<u>Animal Control Fund</u>			
Cash and Investments	B-1	\$ 703.68	\$ 187.79
Due from State of New Jersey		4.40	-
		<u>708.08</u>	<u>187.79</u>
<u>Other Funds</u>			
<u>Cash</u>			
Cash and Investments	B-2	134,164.65	158,740.21
		<u>134,164.65</u>	<u>158,740.21</u>
		<u>\$ 134,872.73</u>	<u>\$ 158,928.00</u>
<u>Liabilities, Reserves and Fund Balance</u>			
<u>Animal Control Fund</u>			
Reserve for Animal Control Expenditures	B-3	\$ 8.08	\$ 186.79
Due to Current Fund		700.00	-
Due to State of New Jersey		-	1.00
		<u>708.08</u>	<u>187.79</u>
<u>Other Funds</u>			
Deposits for Redemption of Tax Sale Certificates		2,407.90	333.02
Reserve for Tax Premiums		22,500.00	52,500.00
Developer's Escrow		24,275.26	25,898.96
Reserve for COAH		23,768.77	19,767.10
Reserve for Unemployment Compensation		20,366.00	19,555.21
Reserve for Sanitary Landfill		40,846.72	40,138.14
Due to Current Fund		-	547.78
		<u>134,164.65</u>	<u>158,740.21</u>
		<u>\$ 134,872.73</u>	<u>\$ 158,928.00</u>

EXHIBIT - C
GENERAL CAPITAL FUND

TOWNSHIP OF HOPEWELL
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
<u>Assets</u>			
Cash and Investments	C-2,C-3	\$ 30,871.20	\$ 36,486.90
Deferred Charges to Future Taxation: Unfunded	C-6	724,625.00	824,625.00
		<u>\$ 755,496.20</u>	<u>\$ 861,111.90</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Improvement Authorizations:			
Funded	C-7	\$ 131,092.70	\$ 134,067.70
Unfunded	C-7	113,610.69	153,445.92
Capital Improvement Fund	C-4	231,855.89	133,355.89
Due to Grant Fund	A	240,000.00	-
Due to Current Fund	A	38,936.92	26,167.39
Encumbrances		-	414,075.00
		<u>\$ 755,496.20</u>	<u>\$ 861,111.90</u>

EXHIBIT - D
SEWER UTILITY FUND

TOWNSHIP OF HOPEWELL
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS

	Ref.	Balance Dec. 31, 2010	Balance Dec. 31, 2009
Assets			
Operating Fund:			
Cash and Investments	D-5	\$ 72,680.96	\$ 177,262.77
Due from Current Fund		122,123.85	358,679.99
Due from Sewer Capital Fund		18,370.79	23,192.31
		<u>213,175.60</u>	<u>559,135.07</u>
Receivables With Full Reserves			
Sewer Rents Receivable	D-7	57,855.39	53,855.09
		<u>57,855.39</u>	<u>53,855.09</u>
Total Operating Fund		<u>271,030.99</u>	<u>612,990.16</u>
Capital Fund:			
Cash and Investments	D-5	59,774.62	66,250.40
Federal Grant Receivable		7,621.00	7,621.00
Fixed Capital:			
Completed		7,369,710.16	7,369,710.16
Authorized and Uncompleted		104,789.84	104,789.84
Total Capital Fund		<u>7,541,895.62</u>	<u>7,548,371.40</u>
		<u>\$ 7,812,926.61</u>	<u>\$ 8,161,361.56</u>

TOWNSHIP OF HOPEWELL
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
Operating Fund:			
Appropriation Reserves	D-4	\$ 45,256.13	\$ 306,456.14
Due to Grant Fund	D-5	3,474.64	3,474.64
Accrued Interest on Loans	D-11	8,590.00	8,700.00
Reserve for Encumbrances		315.69	1,455.92
Prepaid Sewer Rent		1,270.46	908.86
		<u>58,906.92</u>	<u>320,995.56</u>
Reserve for Receivables		57,855.39	53,855.09
Fund Balance	D-1	154,268.68	238,139.51
Total Operating Fund		<u>271,030.99</u>	<u>612,990.16</u>
Capital Fund:			
Loans Payable	D-13a	4,417,901.32	4,487,637.59
Contracts Payable		572.00	572.00
Improvement Authorizations			
Funded	D-12	48,452.83	49,507.09
Unfunded	D-12	39,789.91	39,789.91
Due to Sewer Operating Fund		18,370.79	23,192.31
Reserve for Encumbrances		-	600.00
Reserve for Amortization		2,912,018.93	2,842,282.66
Reserve for Deferred Amortization		104,789.84	104,789.84
Total Capital Fund		<u>7,541,895.62</u>	<u>7,548,371.40</u>
		<u>\$ 7,812,926.61</u>	<u>\$ 8,161,361.56</u>

TOWNSHIP OF HOPEWELL
SEWER UTILITY FUND
COMPARATIVE STATEMENT OF OPERATIONS
AND CHANGES IN OPERATING FUND BALANCE - STATUTORY BASIS

	Ref.	Year 2010	Year 2009
Revenue and Other Income Realized			
Fund Balance Utilized	\$	169,000.00	\$ 521,000.00
Sewer Rents		471,244.96	461,548.27
Miscellaneous		8,271.61	7,396.23
Other Credits to Income:			
Unexpended Balance of Appropriation			
Reserves		64,845.60	19,570.52
Total Income		<u>713,362.17</u>	<u>1,009,515.02</u>
Expenditures:			
Operations:			
Salaries and Wages		48,000.00	50,000.00
Other Expenses		300,000.00	290,000.00
Capital Improvements		-	275,000.00
Debt Service		280,233.00	280,230.00
Surplus (General Budget)		-	70,000.00
Total Expenditures		<u>628,233.00</u>	<u>965,230.00</u>
Excess in Revenue		85,129.17	44,285.02
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by			
Statute Deferred Charges to Budgets of			
Succeeding Years		-	-
		<u>85,129.17</u>	<u>44,285.02</u>
Fund Balance January 1	D	<u>238,139.51</u>	<u>714,854.49</u>
		323,268.68	759,139.51
Decreased By:			
Utilization as Anticipated Revenue		<u>169,000.00</u>	<u>521,000.00</u>
Balance December 31	D	<u>\$ 154,268.68</u>	<u>\$ 238,139.51</u>

TOWNSHIP OF HOPEWELL
SEWER UTILITY FUND
STATEMENT OF REVENUES - STATUTORY BASIS

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Fund Balance Anticipated	\$ 169,000.00	\$ 169,000.00	\$ -
Anticipated Revenue:			
Sewer Rents	460,000.00	471,244.96	11,244.96
Miscellaneous		8,271.61	8,271.61
	<u>460,000.00</u>	<u>479,516.57</u>	<u>19,516.57</u>
Total Revenue	<u>\$ 629,000.00</u>	<u>\$ 648,516.57</u>	<u>\$ 19,516.57</u>

Analysis of Realized Revenue:

Sewer Rents			
Accounts Receivable	\$ 470,336.10		
Sewer Overpayments Applied	908.86		
Total Sewer Rents		<u>\$ 471,244.96</u>	
Miscellaneous Revenue			
Not Anticipated			
Interest on Investments	\$ 2,955.91		
Penalties and Interest	5,315.70		
Total Miscellaneous		<u>\$ 8,271.61</u>	

**TOWNSHIP OF HOPEWELL
SEWER UTILITY FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS**

	Appropriations		Expended		(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations:					
Salaries and Wages	\$ 48,000.00	\$ 48,000.00	\$ 26,323.35	\$ 21,676.65	\$
Other Expenses	290,000.00	290,000.00	267,648.52	22,351.48	
Other Expenses Insurance	10,000.00	10,000.00	8,772.00	1,228.00	
	<u>348,000.00</u>	<u>348,000.00</u>	<u>302,743.87</u>	<u>45,256.13</u>	<u>-</u>
Capital Improvements:					
None	-	-	-	-	-
Debt Service:					
Payment of Loan Principal	70,000.00	70,000.00	69,739.27		260.73
Interest on Loans	211,000.00	211,000.00	210,493.73		506.27
	<u>281,000.00</u>	<u>281,000.00</u>	<u>280,233.00</u>	<u>-</u>	<u>767.00</u>
Surplus (General Budget)	-	-	-	-	-
	<u>\$ 629,000.00</u>	<u>\$ 629,000.00</u>	<u>\$ 582,976.87</u>	<u>\$ 45,256.13</u>	<u>\$ 767.00</u>
Ref.	D			D	
		Cash Disbursed	\$ 372,167.45		
		Accrued Interest	210,493.73		
		Encumbered	315.69		
			<u>582,976.87</u>		

EXHIBIT - E
GENERAL FIXED ASSET ACCOUNT GROUP

TOWNSHIP OF HOPEWELL
GENERAL FIXED ASSET ACCOUNT GROUP
COMPARATIVE BALANCE SHEET - STATUTORY BASIS

<u>General Fixed Assets</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2010</u>	<u>Balance Dec. 31, 2009</u>
Land, Buildings & Improvements	\$	1,168,228.03	\$ 1,312,396.73
Machinery and Equipment		1,596,393.46	936,818.46
		<u>\$ 2,764,621.49</u>	<u>\$ 2,249,215.19</u>
 <u>Investment in General Fixed Assets</u>			
Investment in General Fixed Assets	\$	2,764,621.49	\$ 2,249,215.19
		<u>\$ 2,764,621.49</u>	<u>\$ 2,249,215.19</u>

TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS –
STATUTORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements – statutory basis of the Township of Hopewell have been prepared in conformity with an “Other Comprehensive Basis of Accounting” (OCBOA) as established by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. This basis of accounting differs from Accounting Principles Generally Accepted in the United States of America (GAAP). The more significant of the Township’s accounting policies are described below.

Description of Financial Reporting Entity

The Township of Hopewell was incorporated in 1748. The Township is located in Cumberland County and is primarily a rural farming community, 54.5 square miles in size with a population of 4,434 according to the 2000 Federal Census.

The Township operates under a five member Township Committee. The Township Committee appoints the Mayor at the annual reorganization meeting. The Mayor is the Chief Executive Officer of the Township and is assisted by the Township Committee.

Component Units

The financial statements of the component units of the Township of Hopewell are not presented in accordance with Governmental Accounting Standards Board Statement (GASB) No. 14. If the provisions of GASB 14 had been complied with, other entity’s financial statements would have to be either blended or discretely presented with the financial statements – statutory basis of the Township of Hopewell, the primary government.

Basis of Presentation, Fund Accounting

The financial statements – statutory basis of the Township of Hopewell contain all funds and account groups in accordance with the “Requirements of Audit” as promulgated by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township of Hopewell accounts for its financial transactions through the following separate funds that differ from the funds required by GAAP.

Current Fund

The Current Fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State Grant Funds.

Trust Funds

The various Trust Funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each fund was created.

General Capital Funds

The General Capital Fund accounts for the receipt and disbursement of funds for the acquisition of general facilities, other than those acquired in the Current Fund.

TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS –
STATUTORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Sewer Utility Operating and Capital Funds

The Sewer Utility Operating and Capital Funds account for the operations and acquisition of capital facilities of the municipally owned sewer utility.

Budgets and Budgetary Accounting

The Township of Hopewell must adopt an annual budget in accordance with N.J.S.A. 40A:4 et al. State statutes require the governing body to introduce and approve the annual municipal budget no later than February 10th of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date of introduction. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9.

An extension of the statutory due dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Township's financial statements – statutory basis.

Cash and Investments

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank approved by the State Department of Banking and Insurance and organized under laws of the United States or the State of New Jersey or the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of securities which may be purchased by New Jersey municipal units.

The cash management plan adopted by the Township of Hopewell requires it to deposit 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. 17:9-42 requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

Public funds are defined as the funds of any governmental unit. Public depositories include banks (both state and federal), savings and loan institutions and savings banks, the deposits of which are federally insured. All public depositories pledge collateral, having a market value of 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 in the collateral pool, is available to pay the full amount of their deposits to the governmental units.

Generally, the Township considers all investments that mature in one year or less to be cash equivalents.

All certificates of deposit are recorded as cash regardless of date of maturity.

TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS –
STATUTORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfunds

Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to Fund Balance. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

Inventories of Supplies

The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

General Fixed Assets

Property and Equipment purchased by the Current and General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized.

Accounting for Governmental Fixed Assets, as promulgated by Technical Accounting Directive No. 2 as issued by the Division of Local Government Services, differs in certain respects from GAAP. The following is a brief description of the provisions of the Directive. Fixed Assets used in governmental operations ("general fixed assets") are accounted for in the General Fixed Assets Account Group. Public Domain ("Infrastructure") fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks, and drainage systems, are not capitalized.

All fixed assets are valued at historical cost, or estimated historical cost if actual historical cost is not available.

No depreciation on general fixed assets is recorded in the financial statements – statutory basis.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants – in – aid or contributed capital has not been accounted for separately.

Utility Fixed Assets

Property and equipment purchased by a utility fund are recorded in the utility capital fund at cost and are adjusted for disposition or abandonment. The amounts shown do not represent replacement cost or current value. Contributions in aid of construction are not capitalized. The Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property, equipment and improvements. GAAP does not require the establishment of a Reserve for Amortization of Fixed Capital, but GAAP does require the recognition of depreciation of property by the utility fund.

TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS –
STATUTORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreclosed Property

Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily, it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments by returning the property to a taxpaying basis. For this reason, the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to municipal use, it will be capitalized in the General Fixed Assets Account Group. GAAP requires property to be recorded at the market value at the time of acquisition.

Deferred Charges

The recognition of certain expenditures is deferred to future periods. These expenditures, or Deferred Charges, are generally overexpenditures of legally adopted budget appropriations made in accordance with N.J.S.A. 40A:4-46 et al. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

Appropriation Reserves

Appropriation Reserves covering unexpended appropriation balance are automatically created at year end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation Reserves are available, until lapsed at the close of the succeeding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriation Reserves are not established under GAAP.

Liens Sold for Other Governmental Units

Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the other governmental unit net of costs of the sale. The related costs of sale are recognized as revenue when received.

Fund Balance

Fund Balances included in the Current Fund and Utility Operating Funds represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

Revenues

Revenues are recorded as received in cash except for certain amounts that are due from other governmental units. Revenue from Federal and State Grants is realized as revenue when anticipated as such in the Township's budget. Other amounts that are due the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP generally requires that grant revenue be recognized when actual expenditures financed by the grant are made.

TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS –
STATUTORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Tax Revenues

Property tax revenues are collected in quarterly installments due February 1st, May 1st, August 1st, and November 1st. Property taxes unpaid on April 1, of the year following their final due date are subject to tax sale in accordance with statutes. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the entities that follow. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. GAAP requires such revenues to be recognized when they are available and measurable reduced by an allowance for doubtful accounts.

School Taxes

The Township is responsible for levying, collecting and remitting school taxes for the Township of Hopewell School District as well as for the Township's share of the Cumberland Regional High School District. Fund Balance is charged for the full amount required to be raised from taxation to operate the school districts from January 1st through December 31st.

<u>Category</u>	<u>Local</u>	<u>Regional</u>
School Tax Payable	\$ 836,134.98	\$ 781,621.82
School Tax Deferred	1,075,000.00	-
	<u>\$ 1,911,134.98</u>	<u>\$ 781,621.82</u>

County Taxes

The Township is responsible for levying, collecting and remitting county taxes for the County of Cumberland. Fund Balance is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10th of the current year. In addition Fund Balance is charged for the County Share of Added and Omitted Taxes certified to the County Board of Taxation by October 10th of the current year and due to be paid to the County by February 15th of the following year.

Reserve for Uncollected Taxes

The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Township's annual budget protects the Township from taxes not paid currently. The minimum amount of the reserve, determined by the percentage of collections experienced in the preceding year, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations. A Reserve for Uncollected Taxes is not established under GAAP.

TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS –
STATUTORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expenditures

Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance system. Outstanding encumbrances at December 31st are recorded as a cash liability. Appropriations for principal payments on outstanding General Capital and Utility Capital Fund bonds and notes are provided on the cash basis; interest on General Capital Fund indebtedness is on the cash basis, whereas interest on Utility Fund indebtedness is on the accrual basis. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on long – term debt, which is recognized when due.

Compensated Absences and Post – Employment Benefits

Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a "pay as you go" basis. Likewise, no accrual is made for post employment benefits, if any, which are also funded on a "pay as you go" basis. GAAP requires that the amount that would normally be liquidated with expendable financial resources be recorded as expenditure in the operating funds and the remaining obligations be recorded as long – term obligations.

NOTE 2: LONG-TERM DEBT

Summary of Municipal Debt

	<u>Year</u> <u>2010</u>	<u>Year</u> <u>2009</u>	<u>Year</u> <u>2008</u>
Issued:			
General:			
Bonds, Notes and Loans			
None	\$ -	\$ -	\$ -
Sewer Utility:			
Bonds and Notes	4,417,901.32	4,487,637.59	4,554,173.20
Total Issued	<u>4,417,901.32</u>	<u>4,487,637.59</u>	<u>4,554,173.20</u>
Authorized But Not Issued:			
General:			
Bonds and Notes	724,625.00	824,625.00	737,000.00
Sewer Utility:			
Bonds and Notes	39,789.91	39,789.91	39,789.91
Total Authorized But Not Issued	<u>764,414.91</u>	<u>864,414.91</u>	<u>776,789.91</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 5,182,316.23</u>	<u>\$ 5,352,052.50</u>	<u>\$ 5,330,963.11</u>

TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS –
STATUTORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
(CONTINUED)

NOTE 2: LONG-TERM DEBT (Continued)

Summary of Statutory Debt Condition – Annual Debt Statement

The summarized statement of debt condition that follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.20%.

	<u>Gross Debt</u>		<u>Deductions</u>		<u>Net Debt</u>
Local School Debt	\$ 4,887,000.00	\$	4,887,000.00	\$	-
Regional School Debt	2,389,714.56		2,389,714.56		-
Sewer Utility Debt	4,457,691.23		4,457,691.23		-
General Debt	724,625.00				724,625.00
	<u>\$ 12,459,030.79</u>	\$	<u>11,734,405.79</u>	\$	<u>724,625.00</u>

Net debt \$724,625 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$357,802,718 = 0.20%.

Borrowing Power Under N.J.S.A. 40A:2-6 as Amended

3-1/2% of Equalized Valuation Basis	\$ 12,523,095.13
Net Debt	<u>724,625.00</u>
Remaining Borrowing Power	<u>\$ 11,798,470.13</u>

Calculation of "Self-Liquidating Purpose", Sewer Utility Per N.J.S.A. 40A: 2-45

Cash Receipts from Fees, Rents or Other Charges for the Year		\$ 713,362.17
Deductions:		
Operating & Maintenance Costs	\$ 348,000.00	
Debt Service per Sewer Funds	<u>280,233.00</u>	
Total Deductions		<u>628,233.00</u>
Excess in Revenue		<u>\$ 85,129.17</u>

TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS –
STATUTORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
(CONTINUED)

NOTE 2: LONG-TERM DEBT (Continued)

Description of Bonds and Loans Payable

At December 31, 2010, there were no bonds and loans payable in the General Capital Fund.

At December 31, 2010, bonds payable in the Sewer Utility Fund consisted of the following individual issues:

\$2,799,600.00 Rural Development Loan dated June 30, 1997, due in semi-annual installments through June 30, 2037, bearing an interest rate of 5.00%. The balance remaining as of December 31, 2010, is \$2,371,838.91.

\$2,215,000.00 Rural Development Loan dated November 26, 2004, due in semi-annual installments through November 26, 2043, bearing an interest rate of 4.375%. The balance remaining as of December 31, 2008, is \$2,046,062.41.

Changes in Long-Term Debt

The following schedule represents the changes in the Long-Term Debt:

	<u>Outstanding 12/31/09</u>	<u>Payments or Expenditures</u>	<u>Outstanding 12/31/10</u>
General Capital Fund:			
None	\$ -	\$ -	\$ -
Total General Capital Fund	<u>-</u>	<u>-</u>	<u>-</u>
Utility Capital Fund:			
Loans Payable	<u>4,487,637.59</u>	<u>69,736.27</u>	<u>4,417,901.32</u>
Total Utility Capital Fund	<u>4,487,637.59</u>	<u>69,736.27</u>	<u>4,417,901.32</u>
Total All Funds	<u>\$ 4,487,637.59</u>	<u>\$ 69,736.27</u>	<u>\$ 4,417,901.32</u>

TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS –
STATUTORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
(CONTINUED)

NOTE 2: LONG-TERM DEBT (Continued)

Schedule of Annual Debt Service for Principal and Interest for Serial Bonds and Loans Issued and Outstanding

Year Ending December 31	General Capital Fund		Utility Capital Fund	
	Principal	Interest	Principal	Interest
2011	\$ None	\$ None	\$ 73,091.55	\$ 207,248.45
2012	None	None	76,608.94	203,731.06
2013	None	None	80,296.33	200,043.67
2014	None	None	84,161.93	196,178.07
2015	None	None	88,214.41	192,125.59
2016 - 2020	None	None	509,060.29	892,639.71
2021 - 2025	None	None	644,176.67	757,523.43
2026 - 2030	None	None	815,333.69	586,366.31
2031 - 2035	None	None	1,032,190.55	369,509.45
2036 - 2040	None	None	690,153.85	139,732.90
2041 - 2043	None	None	324,613.11	25,105.89
	\$ -	\$ -	\$ 4,417,901.32	\$ 3,770,204.53

NOTE 3: COMPENSATED ABSENCES

The Township has permitted employees to accrue unused vacation, personal and sick time, which may be taken as time off or paid at a later date at an agreed upon rate. The monetary value of these earned and unused employee benefits has not been accrued by either charges to operations or to budgets of prior years, although in some cases they might be material, since the realization of this liability may be affected by conditions which preclude an employee from receiving full payment of the accrual. At December 31, 2010, the Township estimates this liability to approximate \$14,936 based on 2010 pay rates and compensated absence balances.

NOTE 4: DEFERRED COMPENSATION ACCOUNT

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan complies with a private letter ruling of the Internal Revenue Service that requires assets of deferred compensation plans be held in Trust under the beneficial ownership of the Trustee, (Township of Hopewell) serving as Trustee, for the exclusive benefit of the plan participants and their beneficiaries, and that the assets shall not be diverted to any other purpose. The plan administrator is as follows:

Nationwide Financial Company

TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS –
STATUTORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
(CONTINUED)

NOTE 5: TAXES COLLECTED IN ADVANCE

Taxes collected in advance include amounts set forth as cash liabilities in the financial statements as follows:

		Balance December 31, 2010		Balance December 31, 2009
Prepaid Taxes - Cash Liability	\$	70,374.67	\$	82,278.96

NOTE 6: RETIREMENT PLANS

Plan Descriptions

All eligible employees participate in either the Public Employees' Retirement System (PERS) contributory defined benefit public employee retirement system or the Defined Contribution Retirement Program (DCRP), that have been established by State Statute. The system is sponsored and administered by the State of New Jersey.

The Public Employees' Retirement System was established in January 1955 under the provisions of N.J.S.A. 43:14A to provide coverage including post-retirement health care to substantially all full-time employees of the State or any County, Municipality, School district or public agency provided the employee is not a member of another state-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above – mentioned formula but at a reduced rate (one-quarter of one percent for each month the member lacks of attaining the age 55).

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

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

Significant Legislation

During the year ended June 30, 1997, legislation was enacted authorizing the New Jersey Economic Development Township (the "Township") to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the un-funded accrued liability under the State of New Jersey retirement systems. On June 30, 1997, the state issued bonds pursuant to this legislation and \$241,106,642 from the proceeds of the Bonds were deposited into the investment accounts of PERS.

TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS –
STATUTORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
(CONTINUED)

NOTE 6: RETIREMENT PLANS (Continued)

Significant Legislation (Continued)

As a result of additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) the asset valuation method was changed from market related value to full market value for the valuation reports dated March 31, 1996. This legislation also contains a provision to reduce the employee contribution rates under PERS by ½ of 1 percent to 4.5 percent for calendar years 1998 and 1999, and to allow for a similar reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The rate for the year 2010 was 5.5%.

The legislation also provides for a reduction in the normal contributions of the State to the System from excess assets for fiscal years 1997 and 1998, and local employers for fiscal year 1998, and, thereafter, authorizes the State Treasurer to reduce the normal contributions of the State and local employers to the systems, to the extent possible, from up to 100% of excess assets through fiscal year 2004, and on a declining maximum percentage of excess thereafter.

Due to enactment of the legislation described above, the State of New Jersey's portion of the un-funded accrued liability under the retirement system was eliminated.

Funding Policy

The Contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. PERS provides for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

For the Public Employees' Retirement System, the contribution for the year ended December 31, 2010 was \$45,267 and \$40,024 for the year ended December 31, 2009.

Three Year Trend Information for PERS

Funding Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2010	\$ 45,267.00	100%	\$ -
12/31/2009	40,024.00	100%	-
12/31/2008	28,566.00	100%	-

TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS –
STATUTORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
(CONTINUED)

NOTE 7: CASH AND INVESTMENTS

Cash

Operating cash, in the form of checking, savings and money market savings accounts, is held in the Township's name by several commercial banking institutions. At December 31, 2010, the carrying amount of the Township's deposits was \$3,125,647.26 and the bank balance was \$3,731,363.45. Of the bank balance, \$338,485.29 was insured with Federal Deposit Insurance Corporation.

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the Township's bank accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the Township would not be able to recover the value of its deposits 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. At December 31, 2008, all of the Township's deposits were insured by FDIC or the Governmental Unit Deposit

Protection Act (GUDPA), and accordingly, not exposed to custodial credit risk. The Township does not have a policy for custodial credit risk other than its requirement to only utilize GUDPA institutions.

Investments

Pursuant to the Enabling Act, the funds of the Township may be invested in any direct obligations of, or obligations as to which the principal and interest thereof is guaranteed by, the United States of America or other obligations as the Township may approve. It invests pooled monies from various State and non-State agencies in primarily short-term investments.

As of December 31, 2010, the Township did not have any investments.

NOTE 8: PROPERTY TAXES

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

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

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

Tax installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first \$1,500 of the delinquency and 18% per annum on any amount in excess of \$1,500. Pursuant to P.L. 1991, c. 75, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed 6% of the amount of the delinquency. The interest and penalties are the highest permitted under New Jersey Statutes. Delinquent taxes open for one year or more are annually included in the tax sale in accordance with New Jersey statutes.

TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS –
STATUTORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
(CONTINUED)

NOTE 8: PROPERTY TAXES (Continued)

The New Jersey statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. Prior to February 1 of each year, the municipality must mail to each property owner a notice of the current assessment and taxes on the property. The taxpayer has a right to petition the County Tax Board on or before April 1 for review. Due to errors or delinquencies in notices sent to property owners, the April 1 deadline to file an appeal petition may be extended. The County Board of Taxation has the Township after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels the County Board of Taxation unsatisfactorily reviewed the petition, appeal may be made to the Tax Court of New Jersey for further hearing. Some Tax Court appeals may take several years prior to settlement and any losses in tax collection from prior years are charged to a reserve set aside for this purpose or directly charged to Fund Balance.

The following is a three-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years.

Comparative Schedule of Tax Rates

	2010	2009	2008
Tax Rate	\$ 3.761	\$ 3.797	\$ 3.863
Apportionment of Tax Rate:			
Municipal	0.217	0.207	0.194
County	1.415	1.443	1.513
Local School	1.470	1.386	1.396
Regional School	0.659	0.761	0.760

Assessed Valuation

2010	\$ 237,083,911.00
2009	232,402,044.00
2008	231,087,147.00

Comparison of Tax Levies and Collections

Year	Tax Levy	Collections	Percentage of Collections
2010	\$ 8,926,195.73	\$ 8,428,974.64	94.43%
2009	8,890,936.98	8,412,604.10	94.62%
2008	9,014,381.94	8,532,595.40	94.66%

Delinquent Taxes and Tax Title Liens

Year	Tax Title Lien	Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2010	\$ 26,423.61	\$ 485,527.40	\$ 511,951.01	5.74%
2009	15,264.27	452,119.98	467,384.25	5.26%
2008	12,757.48	451,314.79	464,072.27	5.15%

TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS –
STATUTORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
(CONTINUED)

NOTE 8: PROPERTY TAXES (Continued)

Property Acquired by Tax Title Lien Liquidation

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>	<u>Amount</u>
2010	\$ 134,700.00
2009	134,700.00
2008	134,700.00

NOTE 9: ECONOMIC DEPENDENCY

The Township of Hopewell is not economically dependent on any one funding agency within the Township or the State of New Jersey.

NOTE 10: FUND BALANCES APPROPRIATED

The following schedule details the amount of Fund Balances available at the end of each year and the amounts utilized in the subsequent year's budgets.

	<u>Year</u>	<u>Balance December 31st</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percent Utilized</u>
Current Fund	2010	\$ 683,596.30	\$ 501,000.00	73.29%
	2009	562,319.07	500,000.00	88.92%
	2008	551,317.23	500,000.00	90.69%
	2007	520,467.65	485,500.00	93.28%
	2006	457,107.15	445,000.00	97.35%
Sewer Utility Fund	2010	\$ 154,268.68	\$ 150,000.00	97.23%
	2009	238,139.51	169,000.00	70.97%
	2008	714,854.49	521,000.00	72.88%
	2007	809,917.19	174,500.00	21.55%
	2006	873,417.70	153,000.00	17.52%

TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS –
STATUTORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
(CONTINUED)

NOTE 11: RECEIVABLES AND PAYABLES WITHIN THE REPORTING ENTITY

Receivables and payables at December 31, 2010 are as follows:

<u>Amount</u>	<u>Due To</u>	<u>Due From</u>
\$ 38,936.92	Current Fund	General Capital Fund
700.00	Current Fund	Dog Trust
3,474.64	Federal and State Grant Fund	Sewer Operating Fund
240,000.00	Federal and State Grant Fund	General Capital Fund
81,809.11	Federal and State Grant Fund	Current Fund
122,123.85	Sewer Operating Fund	Current Fund
18,370.79	Sewer Operating Fund	Sewer Capital Fund
<u>\$ 505,415.31</u>		

NOTE 12: BUDGETARY DATA

Annually, Township Committee adopts the annual appropriation budgets for the Current Fund and the Capital Improvement Plan. Once approved, the Township Committee may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.

Supplemental appropriations per N.J.S.A. 40A:4-46 and 54, Emergencies and Special Emergencies, become charges against the budget of the following year per N.J.S.A. 40A:4-47 except when financing is provided for by bonding ordinances.

Budget transfers between appropriation accounts are prohibited until the last two months of the year. The Township Committee approves the transfers by Resolution. Budgetary transfers during the year were not significant.

NOTE 13: FEDERAL AND STATE GRANTS

In the normal course of operations, the Township receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting Township, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS –
STATUTORY BASIS
YEARS ENDED DECEMBER 31, 2010 AND 2009
(CONTINUED)

NOTE 14: GENERAL FIXED ASSETS

The following schedule is a summarization of the changes in General Fixed Assets for the year ended December 31, 2010:

	<u>Balance as of December 31, 2009</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance as of December 31, 2010</u>
Land Buildings & Improvements	\$ 1,312,396.73	\$ 245,500.00	\$ 144,168.70	\$ 1,413,728.03
Machinery & Equipment	936,818.46	414,075.00		1,350,893.46
Total	\$ <u>2,249,215.19</u>	\$ <u>659,575.00</u>	\$ <u>144,168.70</u>	\$ <u>2,764,621.49</u>

NOTE 15: RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance

The Township maintains commercial insurance coverage for property, liability and surety bonds.

NOTE 16: SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2010 through June 24, 2011 the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no items have come to attention of the Township that would require disclosure.

SUPPLEMENTARY INFORMATION

TOWNSHIP OF HOPEWELL
CURRENT FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance December 31, 2009		\$ 3,291,756.56	\$ 38,881.40
Increased By Receipts:			
Tax Collector	\$	8,863,469.68	\$
Due from State - Vets and Senior Citizens		79,500.00	
Revenue Accounts Receivable		840,455.72	
Garden State Preservation Trust		5,170.00	
Federal and State Grants Receivable			232,653.85
Unappropriated Grants Receivable			2,006.85
Matching Funds for Grants			75,000.00
Due from Trust		547.78	
Due from General Capital			240,000.00
Due to Current Fund			390.28
Due to Grant Fund		257,476.68	
		<u>10,046,619.86</u>	<u>550,050.98</u>
		13,338,376.42	588,932.38
Decreased By Disbursements:			
2010 Appropriations		1,136,334.81	
2009 Appropriation Reserves		36,459.35	
Encumbrances Payable		59,004.94	
County Taxes		3,350,721.30	100,336.01
County Added and Omitted Taxes		25,332.99	
Local District School Tax		3,350,052.90	
Regional District School Tax		1,663,171.69	
Tax Overpayment Refunds		6,434.61	
Matching Funds for Grants		75,000.00	
Change Fund		275.00	
Due from Current Fund			257,476.68
Due from General Capital Fund		480,400.57	
Due from Grant Fund		165,000.00	
Due from Sewer Operating		236,556.14	
Grant Fund Expenditures			192,598.29
		<u>10,584,744.30</u>	<u>550,410.98</u>
Balance December 31, 2010		<u>\$ 2,753,632.12</u>	<u>\$ 38,521.40</u>

TOWNSHIP OF HOPEWELL
CURRENT FUND
SCHEDULE OF CURRENT CASH - COLLECTOR

Balance December 31, 2009	<u>Ref.</u> A	\$	35,147.35
Increased By Receipts:			
Taxes Receivable	\$	8,686,383.71	
Tax Title Liens		1,814.95	
5 Year Abatement Program Revenue		8,860.92	
Tax Overpayments		24,989.60	
Interest on Investments and Deposits		6,682.70	
Interest and Cost on Taxes		64,009.41	
Prepaid Taxes		<u>70,374.67</u>	
			<u>8,863,115.96</u>
			8,898,263.31
Decreased By Disbursements:			
Payment to Treasurer		<u>8,863,469.68</u>	
			<u>8,863,469.68</u>
Balance December 31, 2010	A	\$	<u><u>34,793.63</u></u>

**TOWNSHIP OF HOPEWELL
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

Year	Balance Dec. 31, 2009	2010 Levy	Added Taxes	2009 Collections	2010 Collections	Adjustments	Transferred To Tax Title Liens	Balance Dec. 31, 2010
Arrears \$	\$	\$	\$	\$	\$	\$	\$	\$
2009	452,119.98	-	-	441,524.25	441,524.25	4,117.34	5,293.31	4,117.34
2010	452,119.98	8,916,726.76	9,468.97	82,278.96	8,346,695.68	(5,302.42)	5,293.31	(0.00)
						(1,185.08)	6,910.93	4,117.34
Ref.						(8,900.10)	12,204.24	481,410.06
						(10,085.18)		485,527.40
								A

\$ 8,686,383.71 Taxes Receivable
 81,369.86 Senior Citizens and Veterans
 20,466.36 Overpayments Applied
\$ 8,788,219.93

Analysis of 2010 Property Tax Levy
 Tax Yield:
 General Property Tax \$ 8,916,726.76
 Added Taxes (54:4-63.1 et. seq.) 9,468.97
\$ 8,926,195.73

Tax Levy:
 Local District School Tax:
 Levy \$ 3,483,531.84
 Regional High School Tax 3,483,531.84
 County Taxes 1,560,353.33
 County Taxes Added and Omitted 3,350,721.30
 Local Tax for Municipal Purposes 3,585.77
 Add: Additional Tax Levied 513,555.31
\$ 14,448.18
\$ 8,926,195.73

TOWNSHIP OF HOPEWELL
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

Balance December 31, 2009	<u>Ref.</u> A		\$ 15,264.27
Increased By:			
Interest and Cost from Tax Sale		\$ 770.05	
Transfer from Taxes Receivable		12,204.24	
		12,974.29	
			28,238.56
Decreased By:			
Collections		1,814.95	
		1,814.95	
Balance December 31, 2010	A		\$ 26,423.61

**TOWNSHIP OF HOPEWELL
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance Dec. 31, 2009	Accrued In 2010	Collected	Balance Dec. 31, 2010
<u>Miscellaneous Revenue Anticipated:</u>				
Municipal Court Fines and Costs	\$ 998.56	\$ 15,541.97	\$ 15,838.47	\$ 702.06
Interest and Costs on Taxes	-	64,009.31	64,009.31	-
Interest on Investments and Deposits	-	30,495.07	30,495.07	-
Payments in Lieu of Taxes on Real Property	-	96,200.00	96,200.00	-
Rent on Municipal Property	-	13,860.00	13,860.00	-
Consolidated Municipal Property Tax Relief Aid	-	48,082.00	48,082.00	-
Senior Center - Operating Interlocal	-	11,505.67	11,505.67	-
Energy Receipts Tax (P.L. 1997, Ch. 162 & 167)	-	252,862.00	252,862.00	-
Uniform Construction Code Fees	-	35,693.00	35,693.00	-
5 Year Abatement Program Revenue	-	8,860.92	8,860.92	-
Miscellaneous Revenue Not Anticipated	-	342,602.31	342,602.31	-
TOTALS	\$ 998.56	\$ 919,712.25	\$ 920,008.75	\$ 702.06
Ref.	A			A
		\$	\$	\$
Treasurer			840,455.72	A-4
Tax Collector			79,553.03	A-5
		\$	<u>920,008.75</u>	

TOWNSHIP OF HOPEWELL
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	<u>Balance</u> Dec. 31, 2009	<u>Balance</u> After Transfers	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Administrative and Executive				
Other Expenses	\$ 7,250.75	\$ 7,250.75	\$ 1,275.74	\$ 5,975.01
Financial Administration				
Other Expenses	3,933.03	3,933.03	3,156.75	776.28
Collection of Taxes				
Salaries and Wages	137.54	137.54		137.54
Liquidation of TTL's	1,217.39	1,717.39	1,270.00	447.39
Assessment of Taxes				
Salaries and Wages	12.50	12.50		12.50
Maintenance of Tax Maps	823.25	823.25		823.25
Computer Services	74.82	74.82	16.10	58.72
Legal				
Other Expenses	25,549.65	25,049.65	23,628.18	1,421.47
Engineering				
Other Expenses	12,185.32	12,185.32	11,693.34	491.98
Western Cumberland County				
Economic Development Corp.				
Other Expenses	3.18	3.18		3.18
Economic Development Committee	10,000.00	10,000.00	65.21	9,934.79
Planning Board				
Salaries and Wages				
Other Expenses	842.47	842.47	5.70	836.77
Zoning Board of Adjustment				
Salaries and Wages	1,280.04	1,280.04		1,280.04
Other Expenses	469.25	469.25	5.70	463.55
Emergency Management Services				
Salaries and Wages				
Other Expenses	823.53	823.53	85.47	738.06
Fire				
Other Expenses	6,935.91	6,935.91	3,429.27	3,506.64
Uniform Fire Safety Act				
Other Expenses	2,036.85	2,036.85		2,036.85
Municipal Prosecutor				
Other Expenses	100.00	100.00		100.00
Municipal Court				
Salaries and Wages	1,976.67	1,976.67		1,976.67
Other Expenses	2,461.45	2,461.45	253.25	2,208.20
Public Defender				
Other Expenses	1,000.00	1,000.00	200.00	800.00
Road Repairs and Maintenance				
Salaries and Wages	12,731.66	12,731.66	1,290.52	11,441.14
Other Expenses	5,742.87	5,742.87	3,934.39	1,808.48
Public Building and Grounds				
Other Expenses	94.45	94.45	63.00	31.45
Gypsy Moth Program				
Other Expenses	100.00	100.00		100.00

TOWNSHIP OF HOPEWELL
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Dog Regulation				
Other Expenses	\$ 26.01	\$ 26.01	\$	\$ 26.01
Recreation				
Other Expenses	2,300.00	2,300.00		2,300.00
Bostwik Lake Commission	700.00	700.00	700.00	-
Bostwik Lake Commission	3,000.00	3,000.00		3,000.00
Senior Citizen Center				
Other Expenses	13,698.87	13,698.87	739.36	12,959.51
Environmental Commission				
Other Expenses	220.00	220.00		220.00
Utilities				
Electricity	8,161.78	8,161.78	5,179.60	2,982.18
Street Lighting	8.71	8.71		8.71
Telephone	5,386.76	5,386.76	779.56	4,607.20
Fuel Oil	7,270.79	7,270.79		7,270.79
Sewer	2,500.00	2,500.00		2,500.00
Gasoline	3,365.14	3,365.14	985.27	2,379.87
Convenience Center				
Other Expenses	19,099.80	19,099.80	10,698.25	8,401.55
Sanitary Landfill Facility Number 0607A				
Post-Closure Care	144.58	144.58		144.58
Code Enforcement Official				
Salaries and Wages	487.47	487.47		487.47
Traffic Patrol				
Other Expenses	100.00	100.00		100.00
Construction Official				
Other Expenses	1,388.49	1,388.49		1,388.49
Plumbing Inspector				
Salaries and Wages	312.50	312.50		312.50
Demolition Official				
Other Expenses	100.00	100.00		100.00
Insurance				
Liability Insurance	3,104.85	3,104.85	117.63	2,987.22
Group Insurance for Employees	3,534.78	3,534.78		3,534.78
State Disability Compensation	605.04	605.04		605.04
Matching Funds for Grants	1,000.00	1,000.00		1,000.00
Senior Citizen Center				
Other Expenses	563.61	563.61		563.61
Capital Improvements:				
Mary Elmer Fire Hall Improvements	40,000.00	40,000.00		40,000.00
Municipal Building Improvements and Equipment	60,000.00	60,000.00		60,000.00

TOWNSHIP OF HOPEWELL
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	<u>Balance Dec. 31, 2009</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Senior Center Equipment & Furnishings	\$ 2,000.00	\$ 2,000.00	\$	\$ 2,000.00
Convenience Center Improvements	20,000.00	20,000.00		20,000.00
Sand / Salt Building	2,000.00	2,000.00		2,000.00
Public Works Equipment	29,805.00	29,805.00	25,892.00	3,913.00
Improvements to Business Park & Other Township Owned Property	20,000.00	20,000.00		20,000.00
Fire Turnout Gear	2,132.00	2,132.00		2,132.00
Social Security System (O.A.S.I.)	2,736.75	2,736.75		2,736.75
TOTALS	\$ <u>353,535.51</u>	\$ <u>353,535.51</u>	\$ <u>95,464.29</u>	\$ <u>258,071.22</u>
	Ref. A			
Appropriation Reserves	\$ 294,530.57	Cash Disburse	\$ 95,464.29	
Encumbrances Payable	<u>59,004.94</u>			
	<u>\$ 353,535.51</u>		<u>\$ 95,464.29</u>	

**TOWNSHIP OF HOPEWELL
FEDERAL AND STATE GRANT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

<u>Purpose</u>	Balance Dec. 31, 2009	Anticipated Revenues	Received	Cancelled	Balance Dec. 31, 2010
State:					
New Jersey Transportation Trust Fund Authority Act of 1984:					
Hope Grange Road	\$ 12,034.35	\$ -		12,034.35	-
2005 Grant - Sewall Road Phase II	1,409.10			1,409.10	-
DOT - Downing & Hillcrest	48,021.43			48,021.43	-
DOT - Peachtree Lane	76,053.87				76,053.87
DOT - Crest & Appletree		110,000.00	65,528.56		44,471.44
Clean Communities		7,569.81	7,569.81		-
Statewide Local Domestic Preparedness Grant	156.60			156.60	-
DCA Smart Future Planning TDR	20,000.00				20,000.00
Planning Assistance Grant	18,000.00		18,000.00		-
Division of Fire Safety	3,234.40	4,148.23	4,426.48		2,956.15
Federal:					
Small Cities - 2010 Housing Rehabilitation	200,000.00		137,129.00		62,871.00
TOTALS	\$ 378,909.75	\$ 121,718.04	\$ 232,653.85	\$ 61,621.48	\$ 206,352.46
	A			A	

Ref.

**TOWNSHIP OF HOPEWELL
FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVES FOR FEDERAL AND STATE GRANTS - UNAPPROPRIATED**

<u>Purpose</u>	<u>Balance Dec. 31, 2009</u>	<u>Received</u>	<u>Anticipated Revenues</u>	<u>Balance Dec. 31, 2010</u>
State:				
Clean Communities	\$ 2,006.85	\$ 2,006.85	\$ 2,006.85	\$ 2,006.85
Division of Fire Safety	698.08		698.08	-
Alcohol Education Rehabilitation	46.41		46.41	-
Federal:				
NONE				
TOTALS	<u>\$ 2,751.34</u>	<u>\$ 2,006.85</u>	<u>\$ 2,751.34</u>	<u>\$ 2,006.85</u>
	A		A	

**TOWNSHIP OF HOPEWELL
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS**

Purpose	Balance Dec. 31, 2009	Budget Appropriations	Paid or Charged	Cancelled	Balance Dec. 31, 2010
State:					
New Jersey Transportation Trust Fund Authority Act of 1984:					
2005 Grant - Sewall Road Phase II - Match	\$ 25,643.68	\$	\$	25,643.68	\$ -
DOT - Downing & Hillcrest	48,021.43			48,021.43	-
DOT - Peachtree Lane	28,608.26	110,000.00	(6,327.76)		34,936.02
DOT - Crest & Appletree		70,715.22	70,715.22		39,284.78
Clean Communities	2,031.00	9,576.66	7,776.66		3,831.00
Alcohol Education & Rehabilitation		46.41			46.41
Statewide Local Domestic Preparedness Grant	156.60			156.60	-
Division of Fire Safety	948.76	4,846.31	3,889.88		1,905.19
Stormwater Management	637.70		184.00		453.70
State & Local All Hazards	2,405.72				2,405.72
DCA TDR Match	153,948.13	75,000.00	7,198.70		221,749.43
Livable Communities - Firehouse - Grant	12,447.50				12,447.50
Recycling Tonnage	4,824.87				4,824.87
Planning Assistance Grant	40,000.00				40,000.00
Planning Assistance Grant - Match	89,722.38				89,722.38
Federal:					
Homeland Security - Firefighters - Grant	54.65				54.65
Small Cities	20,572.78				20,572.78
Small Cities - 2010 - Housing Rehabilitation	172,058.00		109,161.59		62,896.41
Small Cities - Senior Citizen Center - Grant	89.24				89.24
TOTALS	\$ 602,170.70	\$ 199,469.38	\$ 192,598.29	\$ 73,821.71	\$ 535,220.08
	A		A-4		A

Ref.

TOWNSHIP OF HOPEWELL
TRUST FUND
SCHEDULE OF ANIMAL CONTROL CASH - TREASURER

Balance December 31, 2009	<u>Ref.</u> B		\$	187.79
Increased By Receipts:				
Dog Licenses Fees		\$ 5,288.20		
State License Fees		907.80		
Due to Current Fund		700.00		
Interest Earned		<u>6.89</u>		
				<u>6,902.89</u>
				7,090.68
Decreased By Disbursements:				
State of New Jersey		913.20		
Dog Fund Expenditures		<u>5,473.80</u>		
				<u>6,387.00</u>
Balance December 31, 2010	B		\$	<u><u>703.68</u></u>

TOWNSHIP OF HOPEWELL
TRUST FUND
SCHEDULE OF OTHER TRUST CASH - TREASURER

Balance December 31, 2009	<u>Ref.</u> B	\$	158,740.21
Increased By Receipts:			
Reserve for Unemployment Compensation	\$	1,452.62	
Developers Escrow		23,918.57	
COAH		4,001.67	
Landfill CD Interest		708.58	
Deposits for Redemption of			
Tax Sale Certificates		179,181.42	
Premiums		7,200.00	
Due to Current Fund		253.61	
		<hr/>	216,716.47
			<hr/>
			375,456.68
Decreased By Disbursements:			
Unemployment Expenditures		641.83	
Developers Escrow		25,542.27	
COAH		-	
Refunds:		-	
Tax Premiums		37,200.00	
Tax Sale Certificates		177,106.54	
Due to Current Fund		801.39	
		<hr/>	241,292.03
			<hr/>
Balance December 31, 2010	B	\$	<u><u>134,164.65</u></u>

TOWNSHIP OF HOPEWELL
TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES

Balance December 31, 2009	<u>Ref.</u> B		\$	186.79
Increased By:				
Dog Licenses Fees Collected		\$ 5,288.20		
Interest		<u>6.89</u>		
				<u>5,295.09</u>
				5,481.88
Decreased By:				
Dog Fund Expenditures		5,473.80		
				<u>5,473.80</u>
Balance December 31, 2010	B		\$	<u><u>8.08</u></u>

License Fees Collected	<u>Year</u>			
	2008	7,965.20		
	2009	<u>6,129.20</u>		
		\$ <u><u>14,094.40</u></u>		

TOWNSHIP OF HOPEWELL
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER

Balance December 31, 2009	<u>Ref.</u> C		\$	36,486.90
Increased By Receipts:				
Interest on Investments		\$ 310.48		
Stow Creek Fire Truck Contribution		46,000.00		
Due to Grant Fund		240,000.00		
Due from Current Fund		<u>164,959.05</u>		
				<u>451,269.53</u>
				487,756.43
Decreased By Disbursements:				
Improvement Authorizations	C-7	42,810.23		
Encumbrances		<u>414,075.00</u>		
				<u>456,885.23</u>
Balance December 31, 2010	C		\$	<u><u>30,871.20</u></u>

**TOWNSHIP OF HOPEWELL
GENERAL CAPITAL FUND
ANALYSIS OF CASH**

	Receipts		Disbursements			Transfers		Balance Dec. 31, 2010
	Balance Dec. 31, 2009	Misc.	Improvement Authorizations	Misc.	From	To		
Capital Improvement Fund Encumbered	\$ 133,355.89	\$ 46,000.00	\$	\$ 414,075.00	\$	\$ 52,500.00	\$ 231,855.89	
Due to Grant Fund	414,075.00	240,000.00					240,000.00	
Due from Current Fund	26,167.39	165,269.53			152,500.00		38,936.92	
<u>Improvement Authorizations</u>								
Ord. Number								
225 Closure of Landfill	1,604.99						1,604.99	
02-03 Purchase of Fire Apparatus	8,858.50						8,858.50	
02-05 Purchase and Construction of Salt/Sand Building	3,121.00						3,121.00	
02-05 Purchase and Installation of Replacement Air Conditioning System	1,240.00						1,240.00	
02-08 Reconstruction of Bostwick Lake Dam	20,000.00						20,000.00	
03-03 Utility Installation at Business Park	3,582.69						3,582.69	
04-04 Purchase of Land	59,300.00		2,975.00				56,325.00	
06-05 Senior Center	(63,639.48)					100,000.00	36,360.52	
08-07 Purchase of Fire Truck	(391,075.00)		36,818.79				(427,893.79)	
09-01 Purchase of Land & Improvements	(180,104.08)		3,016.44				(183,120.52)	
	<u>\$ 36,486.90</u>	<u>\$ 451,269.53</u>	<u>\$ 42,810.23</u>	<u>\$ 414,075.00</u>	<u>\$ 152,500.00</u>	<u>\$ 152,500.00</u>	<u>\$ 30,871.20</u>	
Ref.	C						C	

TOWNSHIP OF HOPEWELL
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance December 31, 2009	<u>Ref.</u> C		\$ 133,355.89
Increased By:			
Stow Creek Fire Truck Contribution		\$ 46,000.00	
2010 Budget Appropriation		<u>52,500.00</u>	
			<u>98,500.00</u>
			231,855.89
Decreased By:			
None		<u>-</u>	
			<u>-</u>
Balance December 31, 2010	C		<u><u>\$ 231,855.89</u></u>

**TOWNSHIP OF HOPEWELL
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Ord. Number	Improvement Description	Balance Dec. 31, 2009	Funded by Budget Appropriation	Balance Dec. 31, 2010	Analysis of Balance	
					Expenditures	Unexpended Improvement Authorization
225	Closure of Landfill	\$ 100,000.00	\$	\$ 100,000.00	\$	\$ 100,000.00
06-05	Senior Center	100,000.00	100,000.00	-		
08-07	Purchase of Fire Truck	437,000.00		437,000.00	427,893.79	9,106.21
09-01	Purchase of Land & Improvements	187,625.00		187,625.00	183,120.52	4,504.48
		\$ 824,625.00	\$ 100,000.00	\$ 724,625.00	\$ 611,014.31	\$ 113,610.69
	Ref.	C		C		C-7

**TOWNSHIP OF HOPEWELL
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord. Number	Improvement Description	Ord. Date	Amount	2010 Authorizations			Paid or Charged	Balance December 31, 2010	
				Balance December 31, 2009 Funded	Capital Improvement Fund	Future Taxation		Funded	Unfunded
225	Closure of Landfill	7/26/1989	\$ 450,000.00	\$ 1,604.99	\$ 100,000.00	\$ -	\$ 1,604.99	\$ 100,000.00	
02-03	Purchase of Fire Apparatus	7/10/2003	190,000.00	8,858.50			8,858.50		
02-05	Purchase and Construction of Salt/Sand Building	7/24/2002	25,000.00	3,121.00			3,121.00		
02-05	Purchase and Installation of Replacement Air Conditioning System	7/24/2002	10,000.00	1,240.00			1,240.00		
02-08	Reconstruction of Bostwick Lake Dam	12/30/2002	70,000.00	20,000.00			20,000.00		
03-03	Utility Installation at Business Park	6/11/2003	27,000.00	3,582.69			3,582.69		
04-04	Purchase of Land	6/9/2005	500,000.00	59,300.00		2,975.00	56,325.00		
06-05	Senior Center		325,000.00	36,360.52			36,360.52		
08-07	Purchase of Fire Truck	10/8/2009	460,000.00		45,925.00	36,818.79		9,106.21	
09-01	Purchase of Land and Improv.	2/25/2010	197,500.00		7,520.92	3,016.44		4,504.48	
				\$ 134,067.70	\$ 153,445.92	\$ -	\$ 131,092.70	\$ 113,610.69	
			Ref.						

TOWNSHIP OF HOPEWELL
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ord. Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2009</u>	<u>Funded by Budget Appropriation</u>	<u>Balance Dec. 31, 2010</u>
225	Closure of Landfill	\$ 100,000.00	\$	\$ 100,000.00
06-05	Senior Center	100,000.00	100,000.00	-
08-07	Purchase of Fire Truck	437,000.00		437,000.00
09-01	Purchase of Land and Improvements	187,625.00		187,625.00
		<u>\$ 824,625.00</u>	<u>\$ 100,000.00</u>	<u>\$ 724,625.00</u>
Ref.		C		C

TOWNSHIP OF HOPEWELL
SEWER UTILITY FUND
SCHEDULE OF CASH

	Ref.	Operating	Capital
Balance December 31, 2009	D	\$ 177,262.77	\$ 66,250.40
Increased by Receipts:			
Sewer Rent Collected	\$	470,336.10	
Due to Current Fund		236,556.14	
Due to Sewer Capital Fund		4,821.52	
Prepaid Sewer Rents		1,270.46	
Miscellaneous Revenue		8,271.61	
		721,255.83	-
		898,518.60	66,250.40
Decreased by Disbursements:			
Current Appropriations		372,167.45	
Encumbrances Payable		1,455.92	600.00
Due to Sewer Utility Operating			4,821.52
Interest Payments on Loans		210,603.73	
Appropriation Reserves		241,610.54	
Improvement Authorizations			1,054.26
		825,837.64	6,475.78
Balance December 31, 2010	D	\$ 72,680.96	\$ 59,774.62

**TOWNSHIP OF HOPEWELL
SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH**

	Balance Dec. 31, 2009	Disbursements		Balance Dec. 31, 2010
		Improvement Authorizations	Misc.	
Due from Sewer Operating Fund	\$ 23,192.31	\$	4,821.52	\$ 18,370.79
Federal Grant Receivable	(7,621.00)			(7,621.00)
Contracts Payable	1,172.00		600.00	572.00
<u>Improvement Authorizations</u>				
Ord.				
<u>Number</u>				
00-1 Sewer Construction	49,507.09	1,054.26		48,452.83
	\$ 66,250.40	\$ 1,054.26	\$ 5,421.52	\$ 59,774.62
Ref.	D			D

**TOWNSHIP OF HOPEWELL
SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE**

	<u>Ref.</u>		
Balance December 31, 2009	<u>D</u>		\$ 53,855.09
Increased By:			
Sewer Rents Levied - Net		\$ 475,245.26	
		<hr/>	<hr/>
			475,245.26
			529,100.35
Decreased By:			
Collections		470,336.10	
Overpayments and Prepayments Applied		908.86	
		<hr/>	<hr/>
			471,244.96
Balance December 31, 2010	D		\$ <u><u>57,855.39</u></u>

**TOWNSHIP OF HOPEWELL
SEWER UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2009	Balance After Transfers	Paid or Charged	Balance Lapsed	Overexpended
Operating:					
Salaries and Wages	\$ 5,266.05	\$ 5,266.05	\$	\$ 5,266.05	\$
Other Expenses	26,190.09	26,190.09	95.55	26,094.54	
Capital Improvements:					
Sewer System Modernization	275,000.00	275,000.00	241,514.99	33,485.01	
TOTALS	\$ 306,456.14	\$ 306,456.14	\$ 241,610.54	\$ 64,845.60	\$ -

D

D-1

**TOWNSHIP OF HOPEWELL
SEWER OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS
AND NOTES AND ANALYSIS OF BALANCE**

Balance December 31, 2009	<u>Ref.</u> D		\$	8,700.00
Increased By:				
Budget Appropriation:				
Interest on Loans		\$ 210,493.73		
				210,493.73
				219,193.73
Decreased By:				
Payments		210,603.73		
				210,603.73
Balance December 31, 2010	D		\$	8,590.00

Analysis of Accrued Interest December 31, 2010

Principal Outstanding Dec. 31, 2010	Interest Rate	From	To	Days	Amount
\$ 2,371,838.91	5.000%	12/31/10	12/31/10	-	\$ -
2,046,062.41	4.375%	11/26/10	12/31/10	35	8,590.00
\$ 4,417,901.32					\$ 8,590.00

**TOWNSHIP OF HOPEWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord. Number	Improvement Description	Ord. Date	Amount	Balance December 31, 2009		Paid or Charged	Balance December 31, 2010	
				Funded	Unfunded		Funded	Unfunded
96-3	Sewer Construction	2/28/1996	\$ 4,750,000	\$ -	\$ 39,789.91	\$ -	\$ -	\$ 39,789.91
00-1	Sewer Construction	3/8/2000	2,715,000	49,507.09	-	1,054.26	48,452.83	-
				\$ 49,507.09	\$ 39,789.91	\$ 1,054.26	\$ 48,452.83	\$ 39,789.91
				D	D		D	D
			Ref.					

**TOWNSHIP OF HOPEWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF USDA RURAL DEVELOPMENT LOANS PAYABLE**

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2009	Decreased	Balance Dec. 31, 2010
			Date	Amount				
Sewer Construction	6/30/1997	\$ 2,799,600	1	1	5.000%	\$ 2,414,197.96	\$ 42,359.05	\$ 2,371,838.91
Sewer Construction	11/26/2003	2,215,000	2	2	4.375%	2,073,439.63	27,377.22	2,046,062.41
					Ref.	\$ 4,487,637.59	\$ 69,736.27	\$ 4,417,901.32
						D		D

- 1 \$81,273 Semi-annual payments to June 30, 2037 for Principal and Interest
- 2 \$58,897 Semi-annual payments to November 26, 2043 for Principal and Interest

TOWNSHIP OF HOPEWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ord. Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2009</u>	<u>2010 Authorizations</u>	<u>Balance Dec. 31, 2010</u>
96-3	Sewer Construction	\$ 39,789.91	\$	\$ 39,789.91
		<u>\$ 39,789.91</u>	<u>\$ -</u>	<u>\$ 39,789.91</u>
Ref.		D		D

TOWNSHIP OF HOPEWELL

PART II

GENERAL COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED

DECEMBER 31, 2010



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • PO BOX 538 • OCEAN CITY, NJ • 08226-0538

PHONE 609.399.6333 • FAX 609.399.3710

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS – STATUTORY BASIS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor and
Members of the Township Committee
Township of Hopewell
County of Cumberland, New Jersey

We have audited the financial statements – statutory basis of the Township of Hopewell, State of New Jersey (the “Township”), as of and for the year ended December 31, 2010, and have issued our report thereon dated June 24, 2011. Our report disclosed that, as described in Note 1 to the financial statements, the Township prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”), that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements prescribed by the Division.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township’s internal control over financial reporting.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Responses that we consider to be significant deficiencies in internal control over financial reporting. These findings are reported as #2010-1 and #2010-2. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

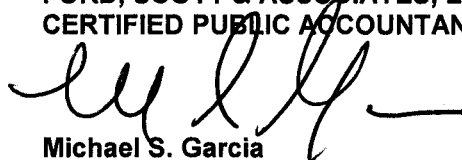
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Hopewell's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division and are described in the accompanying Schedule of Findings and Responses as findings #2010-3 and #2010-4.

We noted certain matters that we reported to management of the Township of Hopewell in a separate letter dated June 24, 2011.

This report is intended solely for the information and use of management, the Township Committee, others within the entity, and the Division as well as other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS



Michael S. Garcia
Certified Public Accountant
Registered Municipal Accountant
No. 472

June 24, 2011

TOWNSHIP OF HOPEWELL
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDING DECEMBER 31, 2010

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: **Unqualified Opinion issued on the Financial Statements – Statutory Basis, presented in accordance with an “Other Comprehensive Basis of Accounting”.**

Internal control over financial reporting:

- | | |
|--|------------|
| 1) Material Weakness identified? | NO |
| 2) Significant Deficiency identified That is not considered to be a Material Weakness? | YES |

Non-Compliance material to Financial Statements – Statutory Basis noted? **NO**

II. FINDINGS RELATING TO THE FINANCIAL STATEMENTS – STATUTORY BASIS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

In accordance with Government Auditing Standards, our audit disclosed four findings relating to the financial statements – statutory basis that are required to be reported. These findings are listed in the Findings and Recommendations on Page 72 through 74. We have also issued a Management Letter.

MANAGEMENT RESPONSES

- | | |
|-----------------|---|
| Finding #2010-1 | Full utilization of the General Ledger will be attempted in 2011. |
| Finding #2010-2 | The Township will correct its Fixed Asset Listing. |
| Finding #2010-3 | All Change Orders will be approved by the Governing Body. |
| Finding #2010-4 | The Municipal Court will turn over funds by the 15 th of the subsequent month. |

STATUS OF PRIOR YEAR FINDINGS

Finding #2010-1 and 2010-2 are repeated findings from the 2009 Audit.

TOWNSHIP OF HOPEWELL

GENERAL COMMENTS

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4

N.J.S.A. 40A:11-4 states, "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law." Effective July 1, 2005, the bid threshold was increased from \$17,500 to \$21,000.

The governing body of the Township of Hopewell has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in a violation of the statute, the Township Committee's opinion should be sought before a commitment is made.

Our examination of expenditures did not reveal any payments in excess of the bid threshold for the provision or performance of any goods or services, other than those where bids had been previously sought by public advertisement, awarded under state or county cooperative purchasing agreements, or awarded in compliance with other provisions of the "Local Public Contracts Law," N.J.S.A. 40A:11.

The minutes indicate that bids were sought by public advertising for the following items:

Orchard Crest / Apple Tree Court Resurfacing Project
Upgrades to Various Sanitary Sewer Pump Stations

Collection of Interest on Delinquent Taxes and Assessments

The statutes provide the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body adopted the following resolution authorizing interest to be charged on delinquent taxes:

BE IT RESOLVED by the Township Committee of the Township of Hopewell, in accordance with Chapter 75, New Jersey Laws of 1991, and N.J.S.A. 54:4-67, 54:5-32, 54:5-34 and 54:5-35, which authorizes the Governing Body inter alia to fix the rate of interest to be charged, in the Township of Hopewell, for the nonpayment of taxes, assessments and municipal charges, said rate of interest shall be and is hereby fixed at 8 per cent per annum on the first \$1,500 of delinquency and 18 per cent per annum on any amount in excess of \$1,500 to be calculated from the date when the taxes, assessments and charges become delinquent.

BE IT FURTHER RESOLVED by the Township Committee of the Township of Hopewell, in accordance with N.J.S.A. 54:4-67, Chapter 75, New Jersey Laws of 1991, and Chapter 32, New Jersey Laws of 1994, which permits a 6 percent penalty on taxes and municipal charges greater than \$10,000 as of the close of the fiscal year, that said end-of-year penalty shall be fixed for the Year 2010.

This Resolution shall take effect January 1, 2010.

It appears from an examination of the Collector's records that interest was charged in accordance with the foregoing resolution.

TOWNSHIP OF HOPEWELL

GENERAL COMMENTS (Continued)

Delinquent Taxes and Tax Title Liens

The tax sale was held and determined to be complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

The following comparison is made of the number of tax title liens receivable on December 31st of the last three years:

<u>Year</u>	<u>Number</u>
2010	9
2009	6
2008	6

It is essential to good management that all means provided by the statutes be utilized to liquidate tax title liens in order to get such properties back on a tax-paying basis.

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent taxes and charges, as well as current payments, was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices as follows:

<u>Type</u>	<u>Number Mailed</u>
Payments of 2010 and 2011 Taxes	25
Delinquent Taxes	25
Payment of Sewer Rents	25
Delinquent Sewer Rents	25
Total	<u>100</u>

Deposit of Municipal Funds

N.J.S.A. 40A:5-15 states:

"All moneys, including moneys collected by taxation, received from any source by or on behalf of any local unit or any board or department thereof shall, within 48 hours after the receipt thereof, either

- a. be paid to the officer charged with the custody of the general funds of the local unit, who shall deposit all such funds within 48 hours after the receipt thereof to the credit of the local unit in its designated legal depository, or
- b. be deposited to the credit of the local unit in its designated legal depository."

Our examination revealed that municipal funds, except for isolated occasions, were being deposited within the mandated time.

TOWNSHIP OF HOPEWELL

FINDINGS AND RECOMMENDATIONS

Finding #2010-1: ***

The Treasurer is not fully utilizing the general ledger.

Criteria:

The Treasurer is responsible for correctly posting all required transactions and journal entries to the general ledger.

Condition:

The Treasurer did not fully utilize the general ledger.

Cause:

Full utilization of the general ledger has not been a priority, although improvement has been noted from the prior years.

Effect:

Not utilizing the general ledger fully could cause a material misstatement to occur.

Recommendation:

That the Township fully utilize the general ledger to record all transactions and that the general ledger be properly closed at year-end.

Finding #2010-2: ***

Several items have not been added to the Fixed Asset Listing maintained by the CFO.

Criteria:

N.J.A.C 5:30-5.6 requires that all municipalities maintain a Fixed Asset Listing on a current basis.

Condition:

Several items have not yet been added to the Fixed Asset Listing.

Cause:

Unknown.

Effect:

The Township's Fixed Asset Listing value was understated.

Recommendation:

That all Fixed Asset additions be added to the Township's Fixed Asset listing in accordance with N.J.A.C 5:30-5.6.

TOWNSHIP OF HOPEWELL

FINDINGS AND RECOMMENDATIONS (Continued)

Finding #2010-3:

One (1) Change Order related to the Sanitary Sewer Pump Station Project, was not approved by Resolution of the Governing Body.

Criteria:

N.J.A.C 5:30-11.5 requires that all Change Orders be approved by Resolution of the Governing Body.

Condition:

One (1) Change order in the amount of \$8,158.99 was not approved.

Cause:

Unknown.

Effect:

The Township was not in compliance with N.J.A.C 5:30-11.5.

Recommendation:

That all Change Orders be approved by Resolution of the Governing Body in accordance with N.J.A.C 5:30-11.5.

Finding #2010-4:

Municipal Court collections were not always turned over to the proper agencies on a timely basis.

Criteria:

Municipal Courts are required to turn over collections to the proper agencies on or before the 15th of the following month.

Condition:

On three (3) occasions the turn over of Municipal Court collections occurred after the 15th of the following month.

Cause:

Unknown.

Effect:

The Municipal Court was not in compliance with the requirement.

Recommendation:

That all Municipal Court collections be turned over to the proper agencies on or before the 15th of the following month.

TOWNSHIP OF HOPEWELL

FINDINGS AND RECOMMENDATIONS (Continued)

*** indicates prior year finding

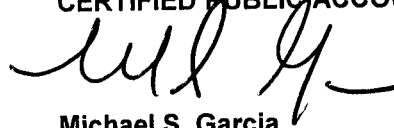
In accordance with OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and Division of Local Government Services Regulations, a Corrective Action Plan must be prepared and filed by the Township in response to my recommendations.

Should any questions arise as to my comments or recommendations, or should you desire assistance in implementing my recommendations, please do not hesitate to call me.

Ford, Scott & Associates, L.L.C.

FORD, SCOTT & ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS



Michael S. Garcia

Certified Public Accountant

Registered Municipal Accountant

No. 472

June 24, 2011