

TOWNSHIP OF HOPEWELL
REPORT OF AUDIT
FOR THE YEAR ENDED
DECEMBER 31, 2011

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TOWNSHIP OF HOPEWELL

REPORT OF AUDIT

FOR THE YEAR ENDED

DECEMBER 31, 2011

TOWNSHIP OF HOPEWELL

PART I

REPORT ON AUDIT OF

FINANCIAL STATEMENTS - REGULATORY BASIS

DECEMBER 31, 2011

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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 – regulatory basis of the various funds and account groups of the Township of Hopewell, State of New Jersey, as of December 31, 2011 and 2010 and the related statements of operations and changes in fund balance – regulatory basis for the years then ended and the related statement of revenues – regulatory basis and statement of expenditures – regulatory basis for the year ended December 31, 2011, as listed in the accompanying table of contents. These financial statements – regulatory 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 regulatory 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, 2011 and 2010 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, 2011.

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, 2011 and 2010 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, 2011 on the regulatory basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 23, 2012 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 audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The supplementary information as listed in the table of contents is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

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

March 23, 2012

**EXHIBIT - A
CURRENT FUND**

TOWNSHIP OF HOPEWELL
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	<u>Ref.</u>	<u>Balance Dec. 31, 2011</u>	<u>Balance Dec. 31, 2010</u>
<u>Assets</u>			
Regular Fund:			
Cash:			
Treasurer	A-4	\$ 2,940,547.78	\$ 2,753,632.12
Collector		34,793.63	34,793.63
Change Funds		505.00	505.00
		<u>2,975,846.41</u>	<u>2,788,930.75</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	392,376.32	485,527.40
Tax Title Liens Receivable	A-8	46,092.48	26,423.61
Property Acquired for Taxes - Assessed Valuation		134,700.00	134,700.00
Revenue Accounts Receivable	A-9	1,567.69	702.06
Interfunds:			
Due from General Capital Fund	C	-	38,936.92
Due from Dog Trust	B	-	700.00
Due from Trust Fund - Other		179.52	-
		<u>574,916.01</u>	<u>686,989.99</u>
Deferred Charges:			
Emergency Appropriation	A-3	55,000.00	17,200.00
Over Expenditure of Appropriation Reserve	A-10	11,214.00	-
		<u>66,214.00</u>	<u>17,200.00</u>
		<u>3,616,976.42</u>	<u>3,493,120.74</u>
Federal and State Grant Fund:			
Cash	A-4	38,521.40	38,521.40
Grant Receivables	A-11	157,297.09	206,352.46
Due from Sewer Operating Fund	A-4	3,474.64	3,474.64
Due from General Capital Fund	C	240,000.00	240,000.00
Due from Current Fund		116,317.76	81,809.11
		<u>555,610.89</u>	<u>570,157.61</u>
		<u>\$ 4,172,587.31</u>	<u>\$ 4,063,278.35</u>

TOWNSHIP OF HOPEWELL
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	<u>Ref.</u>	<u>Balance Dec. 31, 2011</u>	<u>Balance Dec. 31, 2010</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3:A-10	\$ 74,805.36	\$ 183,296.38
Reserve for Encumbrances		15,764.24	9,025.81
Prepaid Taxes		83,224.31	70,374.67
Tax Overpayments		13,601.12	22,613.13
Local District School Tax Payable		523,181.10	836,134.98
Regional High School Tax Payable		897,901.10	781,621.82
Accounts Payable		828.30	828.30
Due to State - Seniors and Veterans		8,884.60	5,950.63
Due to County for Added and Omitted Tax		6,879.63	3,585.77
Due to Sewer Operating Fund		39,702.38	122,123.85
Due to Capital Fund		209,062.76	-
Due to Grant Fund		116,317.76	81,809.11
Reserve for Garden State Preservation		5,170.00	5,170.00
		<u>1,995,322.66</u>	<u>2,122,534.45</u>
Reserve for Receivables and Other Assets		574,916.01	686,989.99
Fund Balance	A-1	<u>1,046,737.75</u>	<u>683,596.30</u>
		<u>3,616,976.42</u>	<u>3,493,120.74</u>
Federal and State Grant Fund:			
Unappropriated Reserves	A-12	2,006.85	2,006.85
Appropriated Reserves	A-13	520,673.36	535,220.08
Contracts Payable		32,930.68	32,930.68
		<u>555,610.89</u>	<u>570,157.61</u>
		<u>\$ 4,172,587.31</u>	<u>\$ 4,063,278.35</u>

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

	<u>Ref.</u>	<u>Year 2011</u>	<u>Year 2010</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	\$	501,000.00	\$ 500,000.00
Miscellaneous Revenue Anticipated		641,303.72	709,630.83
Receipts from Delinquent Taxes		475,961.89	443,339.20
Receipts from Current Taxes		8,600,087.80	8,428,974.64
Non-Budget Revenue		451,433.67	342,602.31
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		162,903.06	258,071.22
Interfunds Returned		39,636.92	-
Net Grants Cancelled		-	12,200.23
Total Income		<u>10,872,327.06</u>	<u>10,694,818.43</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages		493,236.00	484,238.00
Other Expenses		739,760.00	675,559.23
Operations Excluded from CAPS		45,239.78	155,665.15
Deferred Charges & Statutory Expenditures		147,200.00	100,000.00
Capital Improvements		153,000.00	265,200.00
County Taxes		3,378,979.27	3,350,721.30
Due to County Added and Omitted Taxes		6,879.63	3,585.77
Local District School Tax		3,360,865.82	3,483,531.84
Regional High School Tax		1,738,025.11	1,560,353.33
Interfunds Created		-	11,886.58
Total Expenditures		<u>10,063,185.61</u>	<u>10,090,741.20</u>

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

	<u>Ref.</u>	<u>Year 2011</u>	<u>Year 2010</u>
Excess In Revenue		\$ 809,141.45	\$ 604,077.23
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by			
Statute Deferred Charges to Budget of			
Succeeding Year		55,000.00	17,200.00
		<u>55,000.00</u>	<u>17,200.00</u>
Statutory Excess to Fund Balance		864,141.45	621,277.23
Fund Balance January 1	A	683,596.30	562,319.07
		1,547,737.75	1,183,596.30
Decreased by:			
Utilization as Anticipated Revenue		501,000.00	500,000.00
Fund Balance December 31	A	\$ <u>1,046,737.75</u>	\$ <u>683,596.30</u>

TOWNSHIP OF HOPEWELL
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	N.J.S. 40A:4-87		
Fund Balance Anticipated		\$ 501,000.00	\$ -	\$ 501,000.00	\$ -
		501,000.00	-	501,000.00	-
Miscellaneous Revenues:					
Municipal Court Fines and Costs		11,000.00		13,850.29	2,850.29
Interest and Costs on Taxes		60,000.00		68,697.92	8,697.92
Interest on Investments and Deposits		24,150.00		29,338.79	5,188.79
Payments in Lieu of Taxes on Real Property		91,000.00		103,500.00	12,500.00
Rent on Municipal Property		13,860.00		15,730.00	1,870.00
Consolidated Municipal Property Tax Relief Aid		42,237.00		42,237.00	-
Energy Receipts Tax (P.L. 1997, Ch. 162 & 167)		258,707.00		258,707.00	-
Garden State Trust Fund-Reserved		5,170.00		5,170.00	-
Uniform Construction Code Fees		32,000.00		47,362.00	15,362.00
Senior Center Contribution - Shiloh		13,450.00		18,836.83	5,386.83
Convenience Center - Interlocal		10,000.00		10,000.00	-
Uniform Fire Safety Act		4,000.00		4,507.08	507.08
Special Items:					
State and Federal Programs Off-Set by Revenues:					
Clean Communities			9,251.29	9,251.29	-
Recycling Tonnage Grant			1,938.49	1,938.49	-
Payments in Lieu of Taxes on Real Property-5 Yr. Tax Abatement Program.		5,000.00		12,177.03	7,177.03
Total Miscellaneous Revenues		570,574.00	11,189.78	641,303.72	59,539.94
Receipts from Delinquent Taxes	A-1 A-1:A-2	470,000.00	-	475,961.89	5,961.89
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes		512,757.45		657,423.42	144,665.97
Total Amount to be Raised by Taxes for Support of Municipal Budget:		512,757.45	-	657,423.42	144,665.97
Budget Totals		2,054,331.45	11,189.78	2,275,689.03	210,167.80
Non-Budget Revenues		2,054,331.45	11,189.78	451,433.67	451,433.67
		\$ 2,054,331.45	\$ 11,189.78	\$ 2,727,122.70	\$ 661,601.47

See Accompanying Notes to the Financial Statements – Regulatory Basis

TOWNSHIP OF HOPEWELL
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenues from Collections	\$	8,600,087.80
Allocated to:		
School, County and Other Taxes		8,484,749.83
Balance for Support of Municipal Budget Appropriations		115,337.97
Add: Appropriation		
"Reserve for Uncollected Taxes"		542,085.45
Amount for Support of Municipal		
Budget Appropriations	\$	657,423.42

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$	471,710.40
Tax Title Lien Collections		4,251.49
	\$	475,961.89

Analysis of Non-Budget Revenues:

Miscellaneous Revenue Not Anticipated:		
Clerk	\$	3,549.00
Zoning/Planning Board Fees		935.00
200 Foot List		165.00
Sale of Land		162,000.00
Cable Franchise Fee		16,087.16
FEMA		41,469.32
Liquor License		150,000.00
Code Compliance Letters		1,175.00
Greenwich - Construction, Tax & Court		6,750.00
Stow Creek - Fire Department		28,267.04
Miscellaneous Revenue		41,036.15
	\$	451,433.67

TOWNSHIP OF HOPEWELL
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Expended	
	Budget	Budget After Modification	Paid or Charged	Encumbered / Reserved
OPERATIONS WITHIN "CAPS"				
GENERAL GOVERNMENT:				
Administrative and Executive				
Salaries and Wages	\$ 123,000.00	\$ 123,000.00	\$ 120,947.71	\$ 2,052.29
Other Expenses	26,000.00	28,000.00	27,838.75	64.15
Financial Administration				
Salaries and Wages	30,906.00	30,906.00	30,906.00	-
Other Expenses:				
Miscellaneous Other Expenses	7,000.00	7,000.00	6,999.28	0.72
Annual Audit	26,000.00	26,000.00	26,000.00	-
Assessment of Taxes				
Salaries and Wages	32,210.00	32,210.00	32,207.62	2.38
Other Expenses:				
Miscellaneous Other Expenses	2,000.00	6,000.00	5,980.42	19.58
Tax Map	2,000.00	2,000.00	1,989.56	10.44
Computer Services	3,000.00	3,000.00	2,470.40	529.60
Collection of Taxes				
Salaries and Wages	27,100.00	27,100.00	27,085.34	14.66
Other Expenses:				
Liquidation of Tax Title Liens	500.00	500.00	385.73	114.27
Miscellaneous Other Expenses	4,000.00	4,000.00	4,000.00	-
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	44,000.00	41,000.00	33,740.80	7,259.20
Engineering Services and Costs				
Other Expenses	25,000.00	13,000.00	4,938.92	8,061.08
Western Cumberland County Economic Development Corp.				
Other Expenses	9,000.00	9,000.00	8,970.00	30.00
Economic Development Committee	7,500.00	7,500.00	280.00	6,520.00
			700.00	

See Accompanying Notes to the Financial Statements – Regulatory Basis

TOWNSHIP OF HOPEWELL
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Expended	
	Budget	Budget After Modification	Paid or Charged	Encumbered / Reserved
LAND USE ADMINISTRATION:				
Planning Board				
Salaries and Wages	\$ 7,600.00	\$ 7,600.00	\$ 7,599.45	\$ 0.55
Other Expenses	1,000.00	1,000.00	980.34	13.66
Zoning Board of Adjustment				
Salaries and Wages	19,000.00	19,000.00	18,999.42	0.58
Other Expenses	650.00	650.00	546.40	97.63
CODE ENFORCEMENT AND ADMINISTRATION:				
Code Official				
Salaries and Wages	3,300.00	3,300.00	3,100.08	199.92
PUBLIC SAFETY:				
Emergency Management Services				
Salaries and Wages	2,400.00	2,400.00	2,400.00	-
Other Expenses	1,000.00	1,000.00	1,000.00	-
Ambulance Service Contribution				
Other Expenses	25,000.00	25,000.00	25,000.00	-
Fire				
Other Expenses	28,000.00	28,000.00	21,206.49	6,650.00
Uniform Fire Safety Act				143.51
Salaries and Wages	3,400.00	3,400.00	3,400.00	-
Other Expenses	800.00	800.00	56.00	744.00
Municipal Court				
Salaries and Wages	29,200.00	29,200.00	28,896.68	303.32
Other Expenses	2,500.00	2,500.00	2,408.75	66.25
Municipal Prosecutor				
Other Expenses	4,700.00	4,700.00	4,700.00	-
Public Defender				
Other Expenses	1,000.00	1,000.00	-	1,000.00

See Accompanying Notes to the Financial Statements – Regulatory Basis

TOWNSHIP OF HOPEWELL
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Expended	
	Budget	Budget After Modification	Paid or Charged	Encumbered / Reserved
PUBLIC WORKS FUNCTIONS:				
Road Repairs and Maintenance				
Salaries and Wages	\$ 95,000.00	\$ 95,000.00	\$ 84,550.15	\$ 10,449.85
Other Expenses	30,000.00	34,000.00	28,662.13	492.70
Storm Repairs		55,000.00	50,819.58	4,180.42
Public Building and Grounds				
Other Expenses	12,000.00	12,000.00	11,829.42	130.00
130.00				40.58
HEALTH AND WELFARE:				
Environmental Commission				
Other Expenses	250.00	250.00	-	250.00
Dog Regulation				
Other Expenses	10,000.00	10,000.00	9,864.20	80.80
RECREATION AND EDUCATION:				
Recreation				
Other Expenses	500.00	500.00	500.00	-
Bostwik Lake Commission	3,000.00	3,000.00	3,000.00	-
SENIOR CITIZEN CENTER				
Salaries and Wages	12,920.00	12,920.00	12,920.00	-
Other Expenses	9,750.00	7,750.00	7,750.00	-
UTILITY EXPENSES:				
Electricity	16,500.00	16,500.00	15,022.19	1,400.00
Street Lighting	13,500.00	13,500.00	12,199.24	900.00
Telephone	9,000.00	9,000.00	8,898.41	50.00
Fuel Oil	9,000.00	10,000.00	9,945.15	54.85
Sewer	1,000.00	1,000.00	1,000.00	-
Gasoline	8,000.00	8,000.00	6,656.57	900.00
900.00				443.43
INSURANCE:				
Liability Insurance	60,600.00	60,600.00	60,394.59	205.41
Group Insurance for Employees	22,000.00	22,000.00	21,978.80	21.20
Medical Reimbursements	1,500.00	1,500.00	195.00	1,305.00
State Disability Compensation Insurance	500.00	500.00	387.49	112.51

See Accompanying Notes to the Financial Statements – Regulatory Basis

TOWNSHIP OF HOPEWELL
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Expended		
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved
SANITATION:					
Convenience Center					
Salaries and Wages	\$ 29,500.00	\$ 29,500.00	\$ 29,500.00	\$ -	\$ -
Other Expenses	145,000.00	151,000.00	150,400.02		599.98
Sanitary Landfill Facility Number 0607A Post-Closure Care	8,000.00	8,000.00	8,000.00		-
UNIFORM CONSTRUCTION CODE:					
Construction Official					
Salaries and Wages	33,000.00	33,000.00	31,455.57		1,544.43
Other Expenses	2,000.00	2,000.00	1,497.98		502.02
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	11,496.00		4.00
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"	1,080,986.00	1,135,986.00	1,072,156.63	15,764.24	48,065.13
Detail:					
Salaries and Wages	493,236.00	493,236.00	478,664.02	-	14,571.98
Other Expenses	587,750.00	642,750.00	593,492.61	15,764.24	33,493.15

See Accompanying Notes to the Financial Statements – Regulatory Basis

TOWNSHIP OF HOPEWELL
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY 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	\$ 56,810.00	\$ 56,810.00	\$ 56,810.00	\$ -
Social Security System	40,200.00	40,200.00	39,244.80	955.20
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES WITHIN "CAPS"	97,010.00	97,010.00	96,054.80	955.20
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	1,177,996.00	1,232,996.00	1,168,211.43	49,020.33
OPERATIONS EXCLUDED FROM "CAPS" INSURANCE:				
Emergency Services Volunteer Length of Service Award Program (LOSAP)	10,600.00	10,600.00	10,031.25	568.75
Convenience Center	10,000.00	10,000.00	9,826.36	173.64
Salaries and Wages				
Senior Center Interlocal Agreement	8,200.00	8,200.00	8,199.10	0.90
Salaries and Wages	5,250.00	5,250.00	5,208.26	41.74
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES:				
Recycling Tonnage Grant		1,938.49	1,938.49	-
Clean Communities		9,251.29	9,251.29	-
TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES	-	11,189.78	11,189.78	-
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	34,050.00	45,239.78	44,454.75	785.03
Detail:				
Salaries and Wages	8,200.00	8,200.00	18,025.46	0.90
Other Expenses	25,850.00	37,039.78	26,429.29	784.13

TOWNSHIP OF HOPEWELL
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Expended	
	Budget	Budget After Modification	Paid or Charged	Encumbered Reserved
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS":				
Capital Improvement Fund	\$ 118,000.00	\$ 118,000.00	\$ 118,000.00	\$ -
Farmland Preservation- County Easement	10,000.00	10,000.00	10,000.00	-
Dump Truck	25,000.00	25,000.00	-	25,000.00
TOTAL CAPITAL IMPROVEMENTS	153,000.00	153,000.00	128,000.00	25,000.00
DEFERRED CHARGES:				
Emergency Authorizations	\$ 17,200.00	\$ 17,200.00	\$ 17,200.00	\$ -
Deferred Charges to Future Taxation	40,000.00	40,000.00	40,000.00	-
Unfunded - Ordinance 09-01	90,000.00	90,000.00	90,000.00	-
Unfunded - Ordinance 08-07				
TOTAL DEFERRED CHARGES	147,200.00	147,200.00	147,200.00	-
SUBTOTAL GENERAL APPROPRIATIONS	1,512,246.00	1,578,435.78	1,487,866.18	74,805.36
Reserve for Uncollected Taxes	542,085.45	542,085.45	542,085.45	-
TOTAL GENERAL APPROPRIATIONS	2,054,331.45	2,120,521.23	2,029,951.63	74,805.36
Budget As Adopted	\$	2,054,331.45		
Emergency Appropriation		55,000.00		
Added By N.J.S. 40A:4-87		11,189.78		
		<u>2,120,521.23</u>		
Federal and State Grants			Paid or Charged	
Matching Funds for Grants			11,189.78	
Capital Improvement Fund			10,000.00	
Deferred Charges			118,000.00	
Reserve for Uncollected Taxes			147,200.00	
Disbursed			542,085.45	
			1,201,476.40	
			<u>2,029,951.63</u>	

**EXHIBIT - B
TRUST FUND**

TOWNSHIP OF HOPEWELL
TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

<u>Assets</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
<u>Animal Control Fund</u>			
Cash and Investments	B-1	\$ 272.03	\$ 703.68
Due from State of New Jersey		5.60	4.40
		<u>277.63</u>	<u>708.08</u>
<u>Other Funds</u>			
<u>Cash</u>			
Cash and Investments	B-2	136,385.66	134,164.65
		<u>136,385.66</u>	<u>134,164.65</u>
		<u>\$ 136,663.29</u>	<u>\$ 134,872.73</u>
<u>Liabilities, Reserves and Fund Balance</u>			
<u>Animal Control Fund</u>			
Reserve for Animal Control Expenditures	B-3	\$ 277.63	\$ 8.08
Due to Current Fund		-	700.00
Due to State of New Jersey		-	-
		<u>277.63</u>	<u>708.08</u>
<u>Other Funds</u>			
Deposits for Redemption of Tax Sale Certificates		16,138.45	2,407.90
Reserve for Tax Premiums		7,900.00	22,500.00
Developer's Escrow		20,160.85	24,275.26
Reserve for COAH		29,689.71	23,768.77
Reserve for Unemployment Compensation		20,956.64	20,366.00
Reserve for Sanitary Landfill		41,360.49	40,846.72
Due to Current Fund		179.52	-
		<u>136,385.66</u>	<u>134,164.65</u>
		<u>\$ 136,663.29</u>	<u>\$ 134,872.73</u>

EXHIBIT - C
GENERAL CAPITAL FUND

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

<u>Assets</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
Cash and Investments	C-2,C-3	\$ 30,871.52	\$ 30,871.20
Due from Current Fund	A	209,062.76	-
Deferred Charges to Future Taxation: Unfunded	C-6	594,625.00	724,625.00
		<u>\$ 834,559.28</u>	<u>\$ 755,496.20</u>
 <u>Liabilities, Reserves and Fund Balance</u>			
Improvement Authorizations:			
Funded	C-7	\$ 131,092.70	\$ 131,092.70
Unfunded	C-7	113,610.69	113,610.69
Capital Improvement Fund	C-4	349,855.89	231,855.89
Due to Grant Fund	A	240,000.00	240,000.00
Due to Current Fund	A	-	38,936.92
		<u>\$ 834,559.28</u>	<u>\$ 755,496.20</u>

EXHIBIT - D
SEWER UTILITY FUND

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

	<u>Ref.</u>	<u>Balance Dec. 31, 2011</u>	<u>Balance Dec. 31, 2010</u>
<u>Assets</u>			
Operating Fund:			
Cash and Investments	D-5	\$ 29,680.60	\$ 72,680.96
Due from Current Fund		39,702.38	122,123.85
Due from Sewer Capital Fund		23,226.46	18,370.79
		<u>92,609.44</u>	<u>213,175.60</u>
Receivables With Full Reserves			
Sewer Rents Receivable	D-7	58,784.06	57,855.39
		58,784.06	57,855.39
Total Operating Fund		<u>151,393.50</u>	<u>271,030.99</u>
Capital Fund:			
Cash and Investments	D-5	35,964.91	59,774.62
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>7,518,085.91</u>	<u>7,541,895.62</u>
		<u>\$ 7,669,479.41</u>	<u>\$ 7,812,926.61</u>

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

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2011</u>	<u>Balance Dec. 31, 2010</u>
<u>Operating Fund:</u>			
Appropriation Reserves	D-4	\$ 17,238.69	\$ 45,256.13
Due to Grant Fund	D-5	3,474.64	3,474.64
Accrued Interest on Loans	D-11	8,465.00	8,590.00
Reserve for Encumbrances	D-4	5,400.00	315.69
Prepaid Sewer Rent		2,055.69	1,270.46
		<u>36,634.02</u>	<u>58,906.92</u>
Reserve for Receivables		58,784.06	57,855.39
Fund Balance	D-1	55,975.42	154,268.68
Total Operating Fund		<u>151,393.50</u>	<u>271,030.99</u>
<u>Capital Fund:</u>			
Loans Payable	D-13a	4,344,809.77	4,417,901.32
Contracts Payable		-	572.00
Improvement Authorizations			
Funded	D-12	20,359.45	48,452.83
Unfunded	D-12	39,789.91	39,789.91
Due to Sewer Operating Fund		23,226.46	18,370.79
Reserve for Amortization		2,985,110.48	2,912,018.93
Reserve for Deferred Amortization		104,789.84	104,789.84
Total Capital Fund		<u>7,518,085.91</u>	<u>7,541,895.62</u>
		<u>\$ 7,669,479.41</u>	<u>\$ 7,812,926.61</u>

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

	<u>Ref.</u>	<u>Year 2011</u>	<u>Year 2010</u>
Revenue and Other Income Realized			
Fund Balance Utilized	\$	150,000.00	\$ 169,000.00
Sewer Rents		471,674.16	471,244.96
Miscellaneous		4,390.72	8,271.61
Other Credits to Income:			
Unexpended Balance of Appropriation			
Reserves		43,856.86	64,845.60
Total Income		<u>669,921.74</u>	<u>713,362.17</u>
 Expenditures:			
Operations:			
Salaries and Wages		42,000.00	48,000.00
Other Expenses		296,000.00	300,000.00
Debt Service		280,215.00	280,233.00
Total Expenditures		<u>618,215.00</u>	<u>628,233.00</u>
Excess in Revenue		51,706.74	85,129.17
 Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by			
Statute Deferred Charges to Budgets of			
Succeeding Years		-	-
 Fund Balance January 1	D	<u>51,706.74</u> <u>154,268.68</u>	<u>85,129.17</u> <u>238,139.51</u>
		205,975.42	323,268.68
 Decreased By:			
Utilization as Anticipated Revenue		<u>150,000.00</u>	<u>169,000.00</u>
Balance December 31	D	<u>\$ 55,975.42</u>	\$ <u>154,268.68</u>

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

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Fund Balance Anticipated	\$ 150,000.00	\$ 150,000.00	\$ -
Anticipated Revenue:			
Sewer Rents	470,000.00	471,674.16	1,674.16
Miscellaneous	<u>470,000.00</u>	<u>4,390.72</u>	<u>4,390.72</u>
Total Revenue	<u>\$ 620,000.00</u>	<u>\$ 626,064.88</u>	<u>\$ 6,064.88</u>

Analysis of Realized Revenue:

Sewer Rents			
Accounts Receivable	\$ 470,403.70		
Sewer Overpayments Applied	<u>1,270.46</u>		
Total Sewer Rents		<u>\$ 471,674.16</u>	
Miscellaneous Revenue			
Not Anticipated			
Interest on Investments	\$ 32.27		
Penalties and Interest	<u>4,358.45</u>		
Total Miscellaneous		<u>\$ 4,390.72</u>	

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

	Appropriations		Expended		(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations:					
Salaries and Wages	\$ 42,000.00	\$ 42,000.00	\$ 29,807.82	\$ 12,192.18	\$
Other Expenses	286,000.00	286,000.00	285,953.49	46.51	
Other Expenses Insurance	10,000.00	10,000.00	5,000.00	5,000.00	
	<u>338,000.00</u>	<u>338,000.00</u>	<u>320,761.31</u>	<u>17,238.69</u>	<u>-</u>
Capital Improvements:					
None		-	-	-	
Debt Service:					
Payment of Loan Principal	74,000.00	74,000.00	73,091.55		908.45
Interest on Loans	208,000.00	208,000.00	207,123.45		876.55
	<u>282,000.00</u>	<u>282,000.00</u>	<u>280,215.00</u>	<u>-</u>	<u>1,785.00</u>
	<u>\$ 620,000.00</u>	<u>\$ 620,000.00</u>	<u>\$ 600,976.31</u>	<u>\$ 17,238.69</u>	<u>\$ 1,785.00</u>
Ref.				D	
		Cash Disbursed	\$ 388,452.86		
		Accrued Interest	207,123.45		
		Encumbered	<u>5,400.00</u>		
			<u>\$ 600,976.31</u>		

EXHIBIT - E
GENERAL FIXED ASSET ACCOUNT GROUP

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

<u>General Fixed Assets</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2011</u>	<u>Balance Dec. 31, 2010</u>
Land, Buildings & Improvements	\$	1,168,228.03	\$ 1,168,228.03
Machinery and Equipment		1,608,948.59	1,596,393.46
		<u>\$ 2,777,176.62</u>	<u>\$ 2,764,621.49</u>
 <u>Investment in General Fixed Assets</u>			
Investment in General Fixed Assets	\$	2,777,176.62	\$ 2,764,621.49
		<u>\$ 2,777,176.62</u>	<u>\$ 2,764,621.49</u>

TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements – regulatory 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 – regulatory basis of the Township of Hopewell, the primary government.

Basis of Presentation, Fund Accounting

The financial statements – regulatory 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 –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(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 – regulatory 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 –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(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 – regulatory 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 –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(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 –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(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 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.

Category	<u>Local</u>	<u>Regional</u>
School Tax Payable	\$ 523,181.10	\$ 897,901.10
School Tax Deferred	1,075,000.00	-
	<u>\$ 1,598,181.10</u>	<u>\$ 897,901.10</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 –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(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 2011</u>	<u>Year 2010</u>	<u>Year 2009</u>
Issued:			
General:			
Bonds, Notes and Loans			
None	\$ -	\$ -	\$ -
Sewer Utility:			
Bonds and Notes	<u>4,344,809.77</u>	<u>4,417,901.32</u>	<u>4,487,637.59</u>
Total Issued	<u>4,344,809.77</u>	<u>4,417,901.32</u>	<u>4,487,637.59</u>
Authorized But Not Issued:			
General:			
Bonds and Notes	594,625.00	724,625.00	824,625.00
Sewer Utility:			
Bonds and Notes	<u>39,789.91</u>	<u>39,789.91</u>	<u>39,789.91</u>
Total Authorized But Not Issued	<u>634,414.91</u>	<u>764,414.91</u>	<u>864,414.91</u>
 Net Bonds and Notes Issued and Authorized But Not Issued	 <u>\$ 4,979,224.68</u>	 <u>\$ 5,182,316.23</u>	 <u>\$ 5,352,052.50</u>

TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(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 0.17%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Debt	\$ 3,917,000.00	\$ 3,917,000.00	\$ -
Regional School Debt	2,293,680.82	2,293,680.82	-
Sewer Utility Debt	4,384,599.68	4,384,599.68	-
General Debt	594,625.00		594,625.00
	<u>\$ 11,189,905.50</u>	<u>\$ 10,595,280.50</u>	<u>\$ 594,625.00</u>

Net debt \$594,625 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$349,051,379 = 0.17%.

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

3-1/2% of Equalized Valuation Basis	\$ 12,216,798.27
Net Debt	<u>594,625.00</u>
Remaining Borrowing Power	<u>\$ 11,622,173.27</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	\$ 669,921.74
Deductions:	
Operating & Maintenance Costs	\$ 338,000.00
Debt Service per Sewer Funds	<u>280,215.00</u>
Total Deductions	<u>618,215.00</u>
Excess in Revenue	<u>\$ 51,706.74</u>

TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)

NOTE 2: LONG-TERM DEBT (Continued)

Description of Bonds and Loans Payable

At December 31, 2011, there were no bonds and loans payable in the General Capital Fund.

At December 31, 2011, loans 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, 2011, is \$2,327,335.41.

\$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, 2011, is \$2,017,474.36.

Changes in Long-Term Debt

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

	<u>Outstanding 12/31/10</u>	<u>Payments or Expenditures</u>	<u>Outstanding 12/31/11</u>
General Capital Fund:			
None	\$ -	\$ -	\$ -
Total General Capital Fund	<u>-</u>	<u>-</u>	<u>-</u>
Utility Capital Fund:			
Loans Payable	<u>4,417,901.32</u>	<u>73,091.55</u>	<u>4,344,809.77</u>
Total Utility Capital Fund	<u>4,417,901.32</u>	<u>73,091.55</u>	<u>4,344,809.77</u>
Total All Funds	<u>\$ 4,417,901.32</u>	<u>\$ 73,091.55</u>	<u>\$ 4,344,809.77</u>

TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(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
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	None	None	92,462.84	187,877.16
2017 - 2021	None	None	533,591.31	868,108.69
2022 - 2026	None	None	675,248.34	726,451.66
2027 - 2031	None	None	854,698.19	547,001.81
2032 - 2036	None	None	1,082,071.57	319,628.43
2037 - 2041	None	None	557,568.02	109,772.73
2042 - 2043	None	None	219,887.89	12,037.21
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,344,809.77</u>	<u>\$ 3,562,956.08</u>

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, 2011, the Township estimates this liability to approximate \$15,351 based on 2011 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 –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(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, 2011		Balance December 31, 2010
Prepaid Taxes - Cash Liability	\$	83,224.31	\$	70,374.67

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 –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(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 2011 was 6.5%.

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 6.5% 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, 2011 was \$56,810 and \$45,267 for the year ended December 31, 2010.

Three Year Trend Information for PERS			
Funding Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2011	\$ 56,810.00	100%	\$ -
12/31/2010	45,267.00	100%	-
12/31/2009	40,024.00	100%	-

TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(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, 2011, the carrying amount of the Township's deposits was \$3,247,542.53 and the bank balance was \$3,264,007.05. Of the bank balance, \$319,667.86 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, 2011, 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, 2011, 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 –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(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

	2011	2010	2009
Tax Rate	\$ 3.802	\$ 3.761	\$ 3.797
Apportionment of Tax Rate:			
Municipal	0.217	0.217	0.207
County	1.429	1.415	1.443
Local School	1.421	1.470	1.386
Regional School	0.735	0.659	0.761

Assessed Valuation

2011	\$ 236,624,009.00
2010	237,083,911.00
2009	232,402,044.00

Comparison of Tax Levies and Collections

Year	Tax Levy	Collections	Percentage of Collections
2011	\$ 9,014,707.63	\$ 8,600,087.80	95.40%
2010	8,926,195.73	8,428,974.64	94.43%
2009	8,890,936.98	8,412,604.10	94.62%

Delinquent Taxes and Tax Title Liens

Year	Tax Title Lien	Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2011	\$ 46,092.48	\$ 392,376.32	\$ 438,468.80	4.86%
2010	26,423.61	485,527.40	511,951.01	5.74%
2009	15,264.27	452,119.98	467,384.25	5.26%

TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(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>
2011	\$ 134,700.00
2010	134,700.00
2009	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	2011	\$ 1,046,737.75	\$ 677,000.00	64.68%
	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%
Sewer Utility Fund	2011	\$ 55,975.42	\$ 55,000.00	98.26%
	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%

TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)

NOTE 11: RECEIVABLES AND PAYABLES WITHIN THE REPORTING ENTITY

Receivables and payables at December 31, 2011 are as follows:

<u>Amount</u>	<u>Due To</u>	<u>Due From</u>
\$ 179.52	Current Fund	Trust Other Fund
209,062.76	General Capital Fund	Current Fund
3,474.64	Federal and State Grant Fund	Sewer Operating Fund
240,000.00	Federal and State Grant Fund	General Capital Fund
116,317.76	Federal and State Grant Fund	Current Fund
39,702.38	Sewer Operating Fund	Current Fund
23,226.46	Sewer Operating Fund	Sewer Capital Fund
\$ 631,963.52		

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 –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2011 AND 2010
(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, 2011:

	Balance as of December 31, 2010	Additions	Balance as of December 31, 2011
	<u> </u>	<u> </u>	<u> </u>
Land Buildings & Improvements	\$ 1,168,228.03	\$	\$ 1,168,228.03
Machinery & Equipment	1,596,393.46	12,555.13	1,608,948.59
Total	\$ <u>2,764,621.49</u>	\$ <u>12,555.13</u>	\$ <u>2,777,176.62</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, 2011 through March 23, 2012 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, 2010		\$ 2,753,632.12	\$	38,521.40
Increased By Receipts:				
Tax Collector	\$	8,945,224.75	\$	
Due from State - Vets and Senior Citizens		80,957.26		
Homestead Rebate		143,894.62		
Revenue Accounts Receivable		989,121.95		
Garden State Preservation Trust		5,170.00		
Federal and State Grants Receivable				60,245.15
Matching Funds for Grants				10,000.00
Due from Trust		700.00		
Due to Current Fund				26,123.50
Due from Sewer Operating		117,301.77		
Due to Grant Fund		60,632.15		
		<u>10,343,002.50</u>		<u>96,368.65</u>
		13,096,634.62		134,890.05
Decreased By Disbursements:				
2011 Appropriations		1,201,476.40		
2010 Appropriation Reserves		31,607.32		
Encumbrances Payable		9,025.81		
County Taxes		3,378,979.27		
County Added and Omitted Taxes		3,585.77		
Local District School Tax		3,673,819.70		
Regional District School Tax		1,621,745.83		
Matching Funds for Grants		10,000.00		
Due from Current Fund				60,632.15
Due from Grant Fund		26,123.50		
Due from Sewer Operating		199,723.24		
Grant Fund Expenditures				35,736.50
		<u>10,156,086.84</u>		<u>96,368.65</u>
Balance December 31, 2011		\$ <u>2,940,547.78</u>	\$	<u>38,521.40</u>

TOWNSHIP OF HOPEWELL
CURRENT FUND
SCHEDULE OF CURRENT CASH - COLLECTOR

Balance December 31, 2010	<u>Ref.</u> A		\$	34,793.63
Increased By Receipts:				
Taxes Receivable		\$ 8,758,018.45		
Tax Title Liens		4,251.49		
5 Year Abatement Program Revenue		12,177.03		
Tax Overpayments		12,475.16		
Interest on Investments and Deposits		6,380.39		
Interest and Cost on Taxes		68,697.92		
Prepaid Taxes		<u>83,224.31</u>		
				<u>8,945,224.75</u>
				8,980,018.38
Decreased By Disbursements:				
Payment to Treasurer		<u>8,945,224.75</u>		
				<u>8,945,224.75</u>
Balance December 31, 2011	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, 2010	2011 Levy	Added Taxes	2010 Collections	2011 Collections	Adjustments	Transferred To Tax Title Liens	Balance Dec. 31, 2011
Arrears	\$ 4,117.34	\$	\$	\$ 2,647.00	\$ 3,182.61	\$	\$	4,652.95
2010	481,410.06			469,063.40	(2,526.78)		9,819.88	(0.00)
	485,527.40			471,710.40	655.83		9,819.88	4,652.95
2011	8,996,445.03		18,262.60	70,374.67	8,529,713.13	(13,268.97)	13,627.49	387,723.37
Ref.	\$ 485,527.40	\$ 8,996,445.03	\$ 18,262.60	\$ 70,374.67	\$ 9,001,423.53	\$ (12,613.14)	\$ 23,447.37	\$ 392,376.32

\$ 8,901,913.07 Taxes Receivable
 78,023.29 Senior Citizens and Veterans
 21,487.17 Overpayments Applied
\$ 9,001,423.53

Analysis of 2011 Property Tax Levy
 Tax Yield:
 General Property Tax
 Added Taxes (54.4-63.1 et. seq.)

\$ 8,996,445.03
 18,262.60
\$ 9,014,707.63

Tax Levy:
 Local District School Tax:
 Levy

\$ 3,360,865.82
 1,738,025.11
 3,378,979.27
 6,879.63
 512,757.45
17,200.35
\$ 9,014,707.63

Regional High School Tax
 County Taxes
 County Taxes Added and Omitted
 Local Tax for Municipal Purposes
 Add: Additional Tax Levied

TOWNSHIP OF HOPEWELL
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

Balance December 31, 2010	<u>Ref.</u> A		\$	26,423.61
Increased By:				
Interest and Cost from Tax Sale		\$ 472.99		
Transfer from Taxes Receivable		23,447.37		
				23,920.36
				50,343.97
Decreased By:				
Collections		4,251.49		
				4,251.49
Balance December 31, 2011	A		\$	46,092.48

TOWNSHIP OF HOPEWELL
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Balance</u> Dec. 31, 2010	<u>Accrued</u> In 2011	<u>Collected</u>	<u>Balance</u> Dec. 31, 2011
<u>Miscellaneous Revenue Anticipated:</u>				
Municipal Court Fines and Costs	\$ 702.06	\$ 14,715.92	\$ 13,850.29	\$ 1,567.69
Interest and Costs on Taxes	-	68,697.92	68,697.92	-
Interest on Investments and Deposits	-	29,338.47	29,338.47	-
Payments in Lieu of Taxes on Real Property	-	103,500.00	103,500.00	-
Rent on Municipal Property	-	15,730.00	15,730.00	-
Consolidated Municipal Property Tax Relief Aid	-	42,237.00	42,237.00	-
Senior Center - Operating Interlocal	-	18,836.83	18,836.83	-
Convenience Center - Interlocal	-	10,000.00	10,000.00	-
Energy Receipts Tax (P.L. 1997, Ch. 162 & 167)	-	258,707.00	258,707.00	-
Uniform Construction Code Fees	-	47,362.00	47,362.00	-
Uniform Fire Safety Act	-	4,507.08	4,507.08	-
5 Year Abatement Program Revenue	-	12,177.03	12,177.03	-
Miscellaneous Revenue Not Anticipated	-	451,433.67	451,433.67	-
TOTALS	<u>\$ 702.06</u>	<u>\$ 1,077,242.92</u>	<u>\$ 1,076,377.29</u>	<u>\$ 1,567.69</u>
Ref.	A			A
Treasurer		\$	989,121.95	A-4
Tax Collector		\$	87,255.34	A-5
		<u>\$</u>	<u>1,076,377.29</u>	

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

	<u>Balance Dec. 31, 2010</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Over - Expended</u>	<u>Balance Lapsed</u>
Administrative and Executive					
Other Expenses	\$ 4,452.36	\$ 4,452.36	\$ 893.43		\$ 3,558.93
Financial Administration					
Other Expenses	2,562.31	2,562.31	1,711.45		850.86
Collection of Taxes					
Salaries and Wages	111.11	111.11			111.11
Liquidation of TTL's	72.00	72.00			72.00
Miscellaneous Other Expenses	527.54	527.54			527.54
Assessment of Taxes					
Salaries and Wages	7.88	7.88	-		7.88
Miscellaneous Other Expenses	84.12	84.12	16.10		68.02
Maintenance of Tax Maps	2,148.50	2,148.50	51.85		2,096.65
Legal					
Other Expenses	11,412.60	11,412.60	2,618.60		8,794.00
Engineering					
Other Expenses	3,234.07	3,234.07	141.42		3,092.65
Western Cumberland County					
Economic Development Corp.					
Other Expenses	269.79	269.79			269.79
Planning Board					
Salaries and Wages	78.99	78.99	-		78.99
Other Expenses	233.40	233.40	168.25		65.15
Zoning Board of Adjustment					
Salaries and Wages	22.85	22.85	-		22.85
Other Expenses	143.25	143.25	128.26		14.99
Code Official					
Salaries and Wages	99.92	99.92			99.92
Emergency Management Services					
Salaries and Wages	695.04	695.04			695.04
Other Expenses					

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

	Balance Dec. 31, 2010	Balance After Transfers	Paid or Charged	Over - Expended	Balance Lapsed
Fire	\$ 4,872.01	\$ 4,872.01	\$ 6,268.01	\$ (1,396.00)	-
Other Expenses					
Municipal Prosecutor					
Other Expenses	391.66	391.66	60.00		331.66
Municipal Court					
Salaries and Wages	208.20	208.20			208.20
Other Expenses	2,337.05	2,337.05	173.00		2,164.05
Road Repairs and Maintenance					
Salaries and Wages		-			-
Other Expenses	2,837.98	2,837.98	12,655.98	(9,818.00)	-
Public Building and Grounds					
Other Expenses	466.46	466.46	235.00		231.46
Dog Regulation					
Other Expenses	274.20	274.20	250.00		24.20
Recreation					
Other Expenses	479.00	479.00	400.00		79.00
Environmental Commission					
Other Expenses	250.00	250.00	170.40		79.60
Utilities					
Electricity	32.31	32.31			32.31
Street Lighting	760.46	760.46	238.96		521.50
Telephone	806.74	806.74	47.21		759.53
Sewer	300.00	300.00			300.00
Gasoline	26.05	26.05			26.05
Convenience Center					
Other Expenses	22,346.09	22,346.09	160.39		22,185.70
Sanitary Landfill Facility Number 0607A					
Post-Closure Care	3,215.91	3,215.91	2,462.50		753.41
Construction Official					
Other Expenses	179.65	179.65			179.65

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

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Over -</u> <u>Expended</u>	<u>Balance</u> <u>Lapsed</u>
Insurance					
Liability Insurance	\$ 1,159.01	\$ 1,159.01	\$	\$	1,159.01
Group Insurance for Employees	541.99	541.99			541.99
Medical Reimbursements	2,105.49	2,105.49			2,105.49
State Disability Compensation	103.10	103.10			103.10
Senior Citizen Center					
Other Expenses	6,811.27	6,811.27	532.32		6,278.95
Social Security System	234.33	234.33			234.33
Emergency Services Volunteer Length of Service Award Program (LOSAP)	737.50	737.50			737.50
Capital Improvements:					
Server - Computer Equipment	190.00	190.00			190.00
Municipal Building Improvements and Equipment	74,500.00	74,500.00	11,250.00		63,250.00
Dump Truck	\$ 40,000.00	\$ 40,000.00	\$	\$	40,000.00
TOTALS	<u>\$ 192,322.19</u>	<u>\$ 192,322.19</u>	<u>\$ 40,633.13</u>	<u>\$ (11,214.00)</u>	<u>\$ 162,903.06</u>
Ref. A					
Appropriation Reserves	\$ 183,296.38	Cash Disbursed	\$ 40,633.13		
Encumbrances Payable	<u>9,025.81</u>		<u>40,633.13</u>		
	<u>\$ 192,322.19</u>		<u>\$ 40,633.13</u>		

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

<u>Purpose</u>	<u>Balance</u> Dec. 31, 2010	<u>Anticipated</u> <u>Revenues</u>	<u>Received</u>	<u>Balance</u> Dec. 31, 2011
State:				
New Jersey Transportation Trust				
Fund Authority Act of 1984:				
DOT - Peachtree Lane	\$ 76,053.87	\$	\$ 25,841.34	\$ 50,212.53
DOT - Crest & Appletree	44,471.44		23,214.03	21,257.41
Clean Communities		9,251.29	9,251.29	-
Recycling Tonnage		1,938.49	1,938.49	-
DCA Smart Future Planning TDR	20,000.00			20,000.00
Division of Fire Safety	2,956.15			2,956.15
Federal:				
Small Cities - 2010 Housing Rehabilitation	62,871.00			62,871.00
TOTALS	\$ 206,352.46	\$ 11,189.78	\$ 60,245.15	\$ 157,297.09
Ref.	A			A

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

<u>Purpose</u>	<u>Balance</u> Dec. 31, 2010	<u>Received</u>	<u>Anticipated</u> <u>Revenues</u>	<u>Balance</u> Dec. 31, 2011
State: Clean Communities	\$ 2,006.85	\$	\$	2,006.85
TOTALS	<u>\$ 2,006.85</u>	<u>\$ -</u>	<u>\$ -</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

<u>Purpose</u>	<u>Balance</u> Dec. 31, 2010	<u>Budget</u> Appropriations	<u>Paid or</u> Charged	<u>Balance</u> Dec. 31, 2011
State:				
New Jersey Transportation Trust				
Fund Authority Act of 1984:				
DOT - Peachtree Lane	\$ 34,936.02	\$		\$ 34,936.02
DOT - Crest & Appletree	39,284.78			39,284.78
Clean Communities	3,831.00	9,251.29	10,641.29	2,441.00
Alcohol Education & Rehabilitation	46.41			46.41
Division of Fire Safety	1,905.19			1,905.19
Stormwater Management	453.70		217.37	236.33
State & Local All Hazards	2,405.72			2,405.72
DCA TDR Match	221,749.43		6,464.48	215,284.95
Livable Communities - Firehouse - Grant	12,447.50			12,447.50
Recycling Tonnage	4,824.87	1,938.49	6,763.36	-
Planning Assistance Grant	40,000.00			40,000.00
Planning Assistance Grant - Match	89,722.38	10,000.00	240.00	99,482.38
Federal:				
Homeland Security - Firefighters - Grant	54.65			54.65
Small Cities	20,572.78			20,572.78
Small Cities - 2010 - Housing Rehabilitation	62,896.41		11,410.00	51,486.41
Small Cities - Senior Citizen Center - Grant	89.24			89.24
TOTALS	\$ 535,220.08	\$ 21,189.78	\$ 35,736.50	\$ 520,673.36
	A		A-4	A

Ref.

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

Balance December 31, 2010	<u>Ref.</u> B		\$ 703.68
Increased By Receipts:			
Dog License & Other Fees		\$ 6,776.80	
State License Fees		1,066.20	
Interest Earned		<u>15.75</u>	
			<u>7,858.75</u>
			8,562.43
Decreased By Disbursements:			
State of New Jersey		1,067.40	
Dog Fund Expenditures		6,523.00	
Due to Current Fund		<u>700.00</u>	
			<u>8,290.40</u>
Balance December 31, 2011	B		<u><u>\$ 272.03</u></u>

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

Balance December 31, 2010	<u>Ref.</u> B		\$ 134,164.65
Increased By Receipts:			
Reserve for Unemployment Compensation		\$ 1,246.13	
Developers Escrow		22,095.85	
COAH		5,920.94	
Landfill CD Interest		513.77	
Deposits for Redemption of			
Tax Sale Certificates		271,270.04	
Premiums		3,280.29	
Due to Current Fund		384.96	
		<hr/>	
			<u>304,711.98</u>
			438,876.63
Decreased By Disbursements:			
Unemployment Expenditures		655.49	
Developers Escrow		26,210.26	
COAH			
Refunds:			
Tax Premiums		17,880.29	
Tax Sale Certificates		257,539.49	
Due to Current Fund		205.44	
		<hr/>	
			<u>302,490.97</u>
Balance December 31, 2011	B		\$ <u><u>136,385.66</u></u>

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

Balance December 31, 2010	<u>Ref.</u> B		\$	8.08
Increased By:				
Dog Licenses Fees Collected		\$ 5,518.80		
Late Fees and Other		1,258.00		
Interest		<u>15.75</u>		
				<u>6,792.55</u>
				6,800.63
Decreased By:				
Dog Fund Expenditures		6,523.00		
				<u>6,523.00</u>
Balance December 31, 2011	B		\$	<u><u>277.63</u></u>

License Fees Collected

Year

2009	6,129.20
2010	<u>5,295.09</u>
	<u>\$ 11,424.29</u>

TOWNSHIP OF HOPEWELL
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER

Balance December 31, 2010	<u>Ref.</u> C		\$	30,871.20
Increased By Receipts:				
Interest on Investments		\$		<u>308.02</u>
				<u>308.02</u>
				31,179.22
Decreased By:				
Cash Disbursed				<u>307.70</u>
				<u>307.70</u>
Balance December 31, 2011	C		\$	<u><u>30,871.52</u></u>

TOWNSHIP OF HOPEWELL
GENERAL CAPITAL FUND
ANALYSIS OF CASH

	Balance Dec. 31, 2010	Receipts		Disbursements		Transfers		Balance Dec. 31, 2011
		Misc.		Misc.		From	To	
Capital Improvement Fund	\$ 231,855.89	\$	\$	\$	\$	\$	\$	\$ 349,855.89
Due to Grant Fund	240,000.00							240,000.00
Due from Current Fund	38,936.92	308.02		307.70	248,000.00			(209,062.76)
<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		56,325.00					56,325.00
06-05	Senior Center		36,360.52					36,360.52
08-07	Purchase of Fire Truck		(427,893.79)				90,000.00	(337,893.79)
09-01	Purchase of Land & Improvements		(183,120.52)				40,000.00	(143,120.52)
		\$	30,871.20	\$	308.02	\$	248,000.00	\$ 30,871.52
			C					C

Ref.

TOWNSHIP OF HOPEWELL
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance December 31, 2010	<u>Ref.</u> C	\$ 231,855.89
Increased By:		
2011 Budget Appropriation	\$ <u>118,000.00</u>	<u>118,000.00</u>
		349,855.89
Decreased By:		
None	<u>-</u>	<u>-</u>
Balance December 31, 2011	C	<u><u>\$ 349,855.89</u></u>

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

Ord. Number	Improvement Description	Balance Dec. 31, 2010	Funded by Budget Appropriation	Balance Dec. 31, 2011	Analysis of Balance	
					Expenditures	Unexpended Improvement Authorization
225	Closure of Landfill	\$ 100,000.00	\$	\$ 100,000.00	\$	\$ 100,000.00
08-07	Purchase of Fire Truck	437,000.00	90,000.00	347,000.00	337,893.79	9,106.21
09-01	Purchase of Land & Improvements	187,625.00	40,000.00	147,625.00	143,120.52	4,504.48
	Ref.	\$ 724,625.00	\$ 130,000.00	\$ 594,625.00	\$ 481,014.31	\$ 113,610.69
		C		C		C-7

TOWNSHIP OF HOPEWELL
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. Number	Improvement Description	Ord. Date	Amount	Balance December 31, 2010		Balance December 31, 2011	
				Funded	Unfunded	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	56,325.00		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		9,106.21		9,106.21
09-01	Purchase of Land and Improv.	2/25/2010	197,500.00		4,504.48		4,504.48
				\$ 131,092.70	\$ 113,610.69	\$ 131,092.70	\$ 113,610.69
				C	C	C	C
			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, 2010</u>	<u>Funded by Budget Appropriation</u>	<u>Balance Dec. 31, 2011</u>
225	Closure of Landfill	\$ 100,000.00	\$	\$ 100,000.00
08-07	Purchase of Fire Truck	437,000.00	90,000.00	347,000.00
09-01	Purchase of Land and Improvements	187,625.00	40,000.00	147,625.00
		<u>\$ 724,625.00</u>	<u>\$ 130,000.00</u>	<u>\$ 594,625.00</u>
Ref.	C	C	C	C

TOWNSHIP OF HOPEWELL
SEWER UTILITY FUND
SCHEDULE OF CASH

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2010	D	\$ 72,680.96	\$ 59,774.62
Increased by Receipts:			
Sewer Rent Collected	\$	470,403.70	
Due to Current Fund		82,421.47	
Due to Sewer Capital Fund		2,720.48	
Prepaid Sewer Rents		2,055.69	
Miscellaneous Revenue		4,390.72	
Due to Sewer Utility Operating			7,576.15
		<u>561,992.06</u>	<u>7,576.15</u>
		634,673.02	67,350.77
Decreased by Disbursements:			
Current Appropriations		388,452.86	
Encumbrances Payable		315.69	
Due to Sewer Utility Operating			2,720.48
Due from Sewer Utility Operating		7,576.15	
Interest Payments on Loans		207,248.45	
Appropriation Reserves		1,399.27	
Improvement Authorizations			28,665.38
		<u>604,992.42</u>	<u>31,385.86</u>
Balance December 31, 2011	D	\$ <u>29,680.60</u>	\$ <u>35,964.91</u>

TOWNSHIP OF HOPEWELL
SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH

	<u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Transfers</u>	<u>Balance</u>
	<u>Dec. 31, 2010</u>	<u>Misc.</u>	<u>Improvement Authorizations</u> <u>Misc.</u>	<u>From</u> <u>To</u>	<u>Dec. 31, 2011</u>
Due from Sewer Operating Fund	\$ 18,370.79	\$ 7,576.15	\$ 2,720.48	\$	\$ 23,226.46
Federal Grant Receivable	(7,621.00)				(7,621.00)
Contracts Payable	572.00			572.00	-
<u>Improvement Authorizations</u>					
<u>Ord.</u>					
<u>Number</u>					
00-1 Sewer Construction	48,452.83		28,665.38	572.00	20,359.45
	<u>\$ 59,774.62</u>	<u>\$ 7,576.15</u>	<u>\$ 28,665.38</u>	<u>\$ 572.00</u>	<u>\$ 35,964.91</u>
	<u>D</u>				<u>D</u>
Ref.					

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

Balance December 31, 2010	<u>Ref.</u> D		\$	57,855.39
Increased By:				
Sewer Rents Levied - Net		\$ 472,602.83		
				472,602.83
				530,458.22
Decreased By:				
Collections		470,403.70		
Overpayments and Prepayments Applied		1,270.46		
				471,674.16
Balance December 31, 2011	D		\$	58,784.06

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

	Balance Dec. 31, 2010	Balance After Transfers	Paid or Charged	Balance Lapsed	Overexpended
Operating:					
Salaries and Wages	\$ 21,676.65	\$ 21,676.65	\$	\$ 21,676.65	
Other Expenses	22,351.48	22,351.48	1,399.27	20,952.21	
Other Expenses Insurance	1,228.00	1,228.00		1,228.00	
	<u>\$ 45,256.13</u>	<u>\$ 45,256.13</u>	<u>\$ 1,399.27</u>	<u>\$ 43,856.86</u>	
TOTALS	D			D-1	-

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

Balance December 31, 2010	<u>Ref.</u> D		\$	8,590.00
Increased By:				
Budget Appropriation:				
Interest on Loans		\$ 207,123.45		
				207,123.45
				215,713.45
Decreased By:				
Payments		207,248.45		
				207,248.45
Balance December 31, 2011	D		\$	8,465.00

Analysis of Accrued Interest December 31, 2011

	Principal Outstanding Dec. 31, 2011	Interest Rate	From	To	Days		Amount
\$	2,327,335.41	5.000%	12/31/11	12/31/11	-	\$	-
	2,017,474.36	4.375%	11/26/11	12/31/11	35		8,465.00
	4,344,809.77					\$	8,465.00

TOWNSHIP OF HOPEWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. Number	Improvement Description	Ord. Date	Amount	Balance December 31, 2010		Paid or Charged	Balance December 31, 2011	
				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	48,452.83	-	28,093.38	20,359.45	-
				<u>\$ 48,452.83</u>	<u>\$ 39,789.91</u>	<u>\$ 28,093.38</u>	<u>\$ 20,359.45</u>	<u>\$ 39,789.91</u>
			Ref.	D	D		D	D
				Cash Disbursed		\$ 28,665.38		
				Encumbrances - Current		-		
				Cancelled Prior Encumbrances		<u>(572.00)</u>		
						<u>\$ 28,093.38</u>		

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 Dec. 31, 2011	Interest Rate	Balance	
					Dec. 31, 2010	Dec. 31, 2011
Sewer Construction	6/30/1997	\$ 2,799,600	1	5.000%	\$ 2,371,838.91	\$ 2,327,335.41
Sewer Construction	11/26/2003	2,215,000	2	4.375%	2,046,062.41	2,017,474.36
					<u>\$ 4,417,901.32</u>	<u>\$ 4,344,809.77</u>
				Ref.	<u>D</u>	<u>D</u>
					<u>73,091.55</u>	<u>4,344,809.77</u>

- 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

Ord. Number	Improvement Description	Balance Dec. 31, 2010	2011 Authorizations	Balance Dec. 31, 2011
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, 2011

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS – REGULATORY 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 – Regulatory basis of the Township of Hopewell, State of New Jersey (the “Township”), as of and for the year ended December 31, 2011, and have issued our report thereon dated March 23, 2012. 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

Management of the Township is responsible for establishing and maintaining effective 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.

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 #2011-1 and #2011-2.

We noted certain matters that we reported to management of the Township of Hopewell in a separate letter dated March 23, 2012.

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

March 23, 2012

TOWNSHIP OF HOPEWELL
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDING DECEMBER 31, 2011

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: **Unqualified Opinion issued on the Financial Statements – Regulatory 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? **NO**

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 three findings relating to the financial statements 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 #2011-1 Budget Line Items will not be overspent.
- Finding #2011-2 The Dog Licenses Fund will be administered properly in the future.

STATUS OF PRIOR YEAR FINDINGS

All prior year findings have been corrected.

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." The bid threshold is \$17,500.

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:

None

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 2011.

This Resolution shall take effect January 1, 2011.

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>
2011	16
2010	9
2009	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 2011 and 2012 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 the Dog Fund, were being deposited within the mandated time.

TOWNSHIP OF HOPEWELL

FINDINGS AND RECOMMENDATIONS

Finding #2011-1:

Two Appropriation Reserve Line Items were overexpended.

Criteria:

NJSA 40A:4, the "Local Budget Law" requires that no expenditures be made without sufficient appropriation.

Condition:

Two Appropriation Reserve Line Items were overexpended.

Cause:

Unknown.

Effect:

The Overexpenditures will be raised in the Township's 2012 Budget.

Recommendation:

That no expenditures be authorized unless sufficient appropriation exists.

TOWNSHIP OF HOPEWELL

FINDINGS AND RECOMMENDATIONS (Continued)

Finding #2011-2:

The transactions and record keeping in the Dog Trust Fund Account were not properly handled.

Criteria:

The Dog Trust Fund Account should be maintained in accordance with the requirements established by NJ Statute, NJ Administrative Code and Township Policy.

Condition:

Deposits amounts did not always agree with the computer records.
Deposits were not always made within 48 hours.
Late fees were overridden without documentation.
Reports were not filed timely.

Cause:

Unknown.

Effect:

The Dog Trust Fund Account was not maintained in accordance with the requirements established by NJ Statute, NJ Administrative Code and Township Policy.

Recommendation:

That the Dog Trust Fund Account be maintained in accordance with the requirements established by NJ Statute, NJ Administrative Code and Township Policy.

TOWNSHIP OF HOPEWELL

FINDINGS AND RECOMMENDATIONS (Continued)

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.

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March 23, 2012