

TOWNSHIP OF HOPEWELL

REPORT OF AUDIT

FOR THE YEAR ENDED

DECEMBER 31, 2020

TOWNSHIP OF HOPEWELL
TABLE OF CONTENTS

Exhibit		Page No.
	<u>PART I</u>	
	Independent Auditor's Report	1 - 3
	<u>CURRENT FUND</u>	
A	Comparative Balance Sheet - Regulatory Basis	4 - 5
A - 1	Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis	6 - 7
A - 2	Statement of Revenues - Regulatory Basis	8 - 11
A - 3	Statement of Expenditures - Regulatory Basis	12 - 16
	<u>TRUST FUND</u>	
B	Comparative Balance Sheet - Regulatory Basis	17
	<u>GENERAL CAPITAL FUND</u>	
C	Comparative Balance Sheet - Regulatory Basis	18
C - 1	Statement of Fund Balance - Regulatory Basis	19
	<u>SEWER UTILITY FUND</u>	
D	Comparative Balance Sheet - Regulatory Basis	20 - 21
D - 1	Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis	22
D - 2	Statement of Capital Fund Balance - Regulatory Basis	23
D - 3	Statement of Revenues - Regulatory Basis	24
D - 4	Statement of Expenditures - Regulatory Basis	25
	<u>GENERAL FIXED ASSET ACCOUNT GROUP</u>	
E	Comparative Balance Sheet - Regulatory Basis	26
	NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS	27 - 44
	<u>SUPPLEMENTARY INFORMATION</u>	
	Independent Auditor's 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	45 - 46
	Schedule of Findings and Responses	47

TOWNSHIP OF HOPEWELL
TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page No.</u>
<u>CURRENT FUND</u>		
A - 4	Schedule of Cash - Treasurer	48
A - 5	Schedule of Cash - Collector	49
A - 6	Schedule of Taxes Receivable and Analysis of Property Tax Levy	50
A - 7	Schedule of Tax Title Liens	51
A - 8	Schedule of Revenue Accounts Receivable	52
A - 9	Schedule of Appropriation Reserves - Prior Year	53 - 55
A - 10	Schedules of School Tax	56 - 57
A - 11	Schedule of Federal and State Grants Receivable	58
A - 12	Schedule of Appropriated Reserves for Federal and State Grants	59
A - 13	Schedule of Reserves for Federal and State Grants - Unappropriated	60
<u>TRUST FUND</u>		
B - 1	Schedule of Dog Trust Cash - Treasurer	61
B - 2	Schedule of Other Trust Cash - Treasurer	62
B - 3	Schedule of Reserve for Animal Control Expenditures	63
B - 4	Schedule of Due to State of New Jersey	64
B - 5	Schedule of Other Reserves	65
<u>GENERAL CAPITAL FUND</u>		
C - 2	Schedule of Cash - Treasurer	66
C - 3	Analysis of Cash	67
C - 4	Schedule of Capital Improvement Fund	68
C - 5	Schedule of Deferred Charges to Future Taxation - Funded	n/a
C - 6	Schedule of Deferred Charges to Future Taxation - Unfunded	69
C - 7	Schedule of Improvement Authorizations	70
C - 8	Schedule of Loans Payable	n/a
C - 9	Schedule of Bond Anticipation Notes	71
C - 10	Schedule of Bonds and Notes Authorized But Not Issued	72
<u>SEWER UTILITY FUND</u>		
D - 5	Schedule of Cash - Treasurer	73
D - 6	Analysis of Cash	74
D - 7	Schedule of Cash - Collector	n/a
D - 8	Schedule of Consumer Accounts Receivable	75
D - 9	Schedule of Utility Liens	n/a
D - 10	Schedule of Appropriation Reserves - Prior Year	76
D - 11	Schedule of Accrued Interest on Bonds	77
D - 12	Schedule of Improvement Authorizations	78
D - 13	Schedule of Refunding Bond Payable	79
D - 14	Schedule of Bond Anticipation Notes	n/a
D - 15	Schedule of Bonds and Notes Authorized But Not Issued	80
<u>PART II</u>		
	General Comments	81 - 83
	Findings and Recommendations	84

TOWNSHIP OF HOPEWELL

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS - REGULATORY BASIS

FOR THE YEAR ENDED

DECEMBER 31, 2020



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Township of Hopewell, as of December 31, 2020 and 2019, the related statement 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 of the various funds for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles.

As described in Note 1 of the financial statements, the financial statements are prepared by the Township of Hopewell on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Township of Hopewell as of December 31, 2020 and 2019, or changes in financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2020 and 2019, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2020 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Hopewell’s basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole. The letter of comments and recommendations section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information listed in the table of contents is presented for the purposes of additional analysis and is not a required part of the financial statements. Because of the significance of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, it is inappropriate to and we do not express an opinion on the supplementary information referred to above.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2021 on our consideration of the Township of Hopewell's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Hopewell's internal control over financial reporting and compliance.

Very truly yours,

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

July 30, 2021

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**EXHIBIT - A
CURRENT FUND**

**CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

<u>ASSETS</u>	<u>2020</u>	<u>2019</u>
Regular Fund:		
Cash:		
Cash Treasurer	\$ 2,269,000.45	2,305,344.08
Cash - Change	300.00	505.00
Total Cash	<u>2,269,300.45</u>	<u>2,305,849.08</u>
Other Receivables:		
Due from State - Chapter 20 P.L. 1971	4,863.64	6,502.00
Total Other Receivables	<u>4,863.64</u>	<u>6,502.00</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	352,478.15	295,784.54
Tax Title and Other Liens	142,006.59	155,887.31
Property Acquired for Taxes - at Assessed Valuation	275,200.00	352,600.00
Total Receivables and Other Assets	<u>769,684.74</u>	<u>804,271.85</u>
Deferred Charges:		
Special Emergency	6,300.00	48,400.00
Total Deferred Charges	<u>6,300.00</u>	<u>48,400.00</u>
Total Regular Fund	<u>3,050,148.83</u>	<u>3,165,022.93</u>
Federal and State Grant Fund:		
Cash	36,786.14	38,317.47
Federal and State Grants Receivable	474,336.50	364,225.99
Due from Sewer Operating Fund	3,474.64	3,474.64
Due from Current Fund	91,156.01	-
Total Federal and State Grant Fund	<u>605,753.29</u>	<u>406,018.10</u>
Total Current Fund	<u>\$ 3,655,902.12</u>	<u>3,571,041.03</u>

See accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2020</u>	<u>2019</u>
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 204,687.47	158,235.79
Reserve for Encumbrances	24,389.17	12,045.25
Accounts Payable	3,150.00	7,800.00
Prepaid Taxes	102,228.52	94,183.82
Overpaid Taxes	12,715.85	3,911.73
Payroll Taxes Payable	821.32	-
Local School Tax Payable	103,184.98	183,294.52
Regional School Tax Payable	906,737.41	883,803.91
County Added Tax Payable	4,000.17	4,889.47
Interfund Payable:		
Due to Sewer Capital	10,654.40	10,654.40
Due to Sewer Operating	29,200.88	29,200.88
Due to Trust Fund - Other	33,918.90	31,276.28
Due to Grant Fund	91,156.01	
Due to General Capital	213,842.44	277,361.62
Other		
Reserve for Revaluation	9,244.70	9,244.70
	1,749,932.22	1,705,902.37
Reserve for Receivables and Other Assets	769,684.74	804,271.85
Fund Balance	530,531.87	654,848.71
Total Regular Fund	3,050,148.83	3,165,022.93
Federal and State Grant Fund:		
Unappropriated Reserves	3,317.55	3,317.55
Appropriated Reserves	541,582.78	340,420.20
Encumbrances Payable	5,000.00	15,256.06
Reserve for Small Cities Revolving Loans	21,518.07	12,689.40
Due to General Capital Fund	34,334.89	34,334.89
Total Federal and State Grant Fund	605,753.29	406,018.10
Total Current Fund	\$ 3,655,902.12	3,571,041.03

See accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

	2020	2019
Revenue and Other Income Realized		
Fund Balance	\$ 567,195.00	535,000.00
Miscellaneous Revenue Anticipated	970,437.35	864,557.88
Receipts from Delinquent Taxes	321,791.75	337,453.74
Receipts from Current Taxes	9,951,954.66	9,865,487.34
Non Budget Revenue	61,554.33	18,410.61
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	137,389.31	174,060.26
Cancelled Prior Year Payable	-	5,472.80
	12,010,322.40	11,800,442.63
 Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	486,750.00	497,161.50
Other Expenses	864,540.00	818,200.00
Deferred Charges & Statutory Expenditures	97,606.00	99,700.00
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	25,950.00	25,575.00
Other Expenses	314,209.57	190,085.16
Capital Improvements	81,300.00	80,400.00
Debt Service	192,423.66	171,173.55
Deferred Charges	77,725.00	102,725.00
Local District School Tax	3,357,201.00	3,416,669.00
Regional District School Tax	1,956,290.00	1,832,498.00
County Tax	4,109,449.01	4,055,219.51
County Share of Added Tax	4,000.00	4,889.47
	11,567,444.24	11,294,296.19
Excess/(Deficit) in Revenue	\$ 442,878.16	506,146.44

See accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND
 COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
 IN FUND BALANCE - REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31,**

	2020	2019
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute Deferred Charges to Budgets of Succeeding Year	\$ -	-
Total Adjustments	-	-
Statutory Excess to Fund Balance	442,878.16	506,146.44
Fund Balance January 1	654,848.71	683,702.27
	1,097,726.87	1,189,848.71
Decreased by:		
Utilization as Anticipated Revenue	567,195.00	535,000.00
Fund Balance December 31	\$ 530,531.87	654,848.71

See accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Anticipated		Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87		
Fund Balance Anticipated	\$ 567,195.00	-	567,195.00	-
Total Fund Balance Anticipated	<u>567,195.00</u>	<u>-</u>	<u>567,195.00</u>	<u>-</u>
Miscellaneous Revenues:				
Section A: Local Revenues				
Alcohol Beverage Licenses	2,500.00	-	2,500.00	-
Fees and Permits	2,000.00	-	4,048.41	2,048.41
Fines and Costs:				
Municipal Court	7,500.00	-	6,450.76	(1,049.24)
Interest and Costs on Taxes	65,000.00	-	88,668.02	23,668.02
Interest Earned on Investments	5,300.00	-	4,795.85	(504.15)
Payments in Lieu of Taxes - Hopewell Place	117,125.00	-	117,125.00	-
Rent of Municipal Property - Bank Rent	22,000.00	-	16,770.60	(5,229.40)
Rent of Municipal Property - Amish Market	-	-	970.00	970.00
Rent of Municipal Property - Barretts Run	-	-	13,265.00	13,265.00
Rent of Municipal Property - Farmland Lease #2				
Cable Franchise Fee	23,000.00	-	24,212.50	1,212.50
Total Section A: Local Revenues	<u>244,425.00</u>	<u>-</u>	<u>278,806.14</u>	<u>34,381.14</u>
Section B: State Aid Without Offsetting Appropriations				
Energy Receipts Tax	300,944.00	-	300,944.00	-
Garden State Preservation Trust Fund	7,975.00	-	5,170.00	(2,805.00)
Total Section B: State Aid Without Offsetting Appropriations	<u>308,919.00</u>	<u>-</u>	<u>306,114.00</u>	<u>(2,805.00)</u>
Section C: Uniform Construction Code Fees				
Uniform Construction Code Fees	32,000.00	-	35,218.00	3,218.00
Total Section C: Uniform Construction Code Fees	<u>32,000.00</u>	<u>-</u>	<u>35,218.00</u>	<u>3,218.00</u>

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Anticipated		Excess or (Deficit)
	Budget	N.J.S. 40A:4-87	
Section D: Special Items - Interlocal Service Agreements			
Interlocal Senior Center Agreement with Stow Creek Township, Greenwich Township and Shiloh Borough - Operating Costs:			
Greenwich	4,700.00	-	1,657.45
Stow Creek	8,375.00	-	(829.10)
Shiloh	3,025.00	-	(2,253.82)
Interlocal Agreement with Greenwich Township Convenience Center	15,100.00	-	5,681.42
Interlocal Fire Department:			
Stow Creek - Operating	3,700.00	-	36,178.57
Shiloh - Operating	4,000.00	-	1,205.12
Total Section D: Special Items - Interlocal Service Agreements	38,900.00	-	41,639.64
Section F: Special Items - Public and Private Programs			
Off-Set with Appropriations	-	11,372.02	-
Clean Communities Grant			
Recycling Tonnage Grant	3,317.55	-	-
NJ Transportation Trust Fund - 2020	255,070.00	-	-
Total Section F: Special Items - Public and Private Programs	258,387.55	11,372.02	-
Section G: Other Special Items			
Capital Fund Balance	-	-	-
Total Section G: Other Special Items	-	-	-
Total Miscellaneous Revenues:	882,631.55	11,372.02	76,433.78

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Anticipated		Excess or
	Budget	N.J.S. 40A:4-87	(Deficit)
Receipts from Delinquent Taxes	324,000.00		(2,208.25)
Amount to be Raised by Taxes for Support of Municipal Budget Local Tax for Municipal Purposes	899,434.76	-	126,832.65
Total Amount to be Raised by Taxes for Support of Municipal Budget	899,434.76	-	126,832.65
Budget Totals	2,673,261.31	11,372.02	201,058.18
Non- Budget Revenues:			
Other Non- Budget Revenues:	-	-	61,554.33
	2,673,261.31	11,372.02	262,612.51

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	9,951,954.66
Less: Reserve for Tax Appeals Pending	-
Net Revenue from Collections	9,951,954.66
Allocated to:	
School, County and Other Taxes	9,426,940.01
Balance for Support of Municipal Budget Appropriations	525,014.65
Increased by:	
Appropriation "Reserved for Uncollected Taxes"	501,252.76
Amount for Support of Municipal Budget Appropriations	1,026,267.41

Receipts from Delinquent Taxes:

Delinquent Tax Collection	292,727.90	
Tax Title Lien Collections	29,063.85	

Total Receipts from Delinquent Taxes

321,791.75

Analysis of Non-Budget Revenue:

Miscellaneous Revenue Not Anticipated:

Lite Iron		
Property List	50.00	
Planning & Zoning Fees	900.00	
Registrar - Greenwich	548.00	
Code Compliance Letter	1,585.00	
Vacant Property Registration	3,000.00	
Rental Registrations	1,050.00	
Tax Premiums	37,500.00	
Workers Compensation Reimbursements	4,958.00	
Land Sale	2,000.00	
Refunds	3,750.00	
Senior & Vets Admin Fees	991.34	
Miscellaneous	5,221.99	

Total Miscellaneous Revenue Not Anticipated:

61,554.33

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT:						
Administrative and Executive						
Salaries and Wages	\$ 145,000.00	145,000.00	141,611.50	-	3,388.50	
Other Expenses	29,000.00	29,000.00	28,145.77	360.00	494.23	
Municipal Clerk						
Salaries and Wages	51,000.00	51,000.00	46,124.88		4,875.12	
Other Expenses	27,000.00	27,000.00	24,183.95	55.70	2,760.35	
Financial Administration						
Salaries and Wages	33,000.00	33,200.00	33,113.62	-	86.38	
Other Expenses:						
Miscellaneous Other Expenses	11,500.00	11,500.00	8,355.74	472.00	2,672.26	
Annual Audit	29,500.00	29,500.00	29,500.00		-	
Collection of Taxes						
Salaries and Wages	32,900.00	33,100.00	33,008.34		91.66	
Other Expenses:						
Miscellaneous Other Expenses	11,000.00	11,500.00	11,393.43	31.99	74.58	
Tax Assessment Administration						
Salaries and Wages	39,200.00	42,700.00	41,199.33		1,500.67	
Other Expenses:						
Miscellaneous Other Expenses	11,000.00	11,000.00	7,705.62	101.18	3,193.20	
Maintenance of Tax Map	4,100.00	4,400.00	4,387.00		13.00	
Computer Services	4,450.00	4,450.00			-	4,450.00
Legal Services						
Salaries and Wages	13,100.00	13,350.00	13,093.94		256.06	
Other Expenses	54,000.00	54,000.00	29,931.54	1,625.74	11,892.72	10,550.00
Engineer Services & Costs						
Other Expenses	45,000.00	45,000.00	38,450.90		6,549.10	
Western Cumberland County Economic Develop. Corp.						
Other Expenses	10,500.00	10,500.00	9,476.00		1,024.00	
Economic Development Committee	14,000.00	14,000.00	683.68		3,316.32	10,000.00
Municipal Land Use Law (N.J.S.A. 40:55D-1)						
Combined Planning & Zoning Board						
Salaries and Wages	20,000.00	20,000.00	14,897.65		5,102.35	
Other Expenses	3,050.00	3,050.00	1,633.48		1,416.52	
Code Enforcement						
Salaries and Wages	3,800.00	3,800.00	3,767.46		32.54	
Other Expenses	900.00	900.00			900.00	

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Insurance						
General Liability	86,500.00	86,500.00	75,873.00		627.00	10,000.00
Disability	500.00	500.00	387.97		112.03	
Employee Group Insurance	48,000.00	41,850.00	26,136.33		10,713.67	5,000.00
PUBLIC SAFETY						
Office of Emergency Management						
Salaries and Wages	5,000.00	5,100.00	4,953.79		146.21	
Other Expenses	1,750.00	1,750.00	980.66		769.34	
Ambulance Service Contribution						
Other Expenses	42,680.00	42,680.00	42,680.00		-	
Fire						
Other Expenses	58,250.00	58,250.00	40,344.51	6,207.75	11,697.74	
STREETS AND ROADS						
Streets and Road Maintenance						
Salaries and Wages	127,000.00	127,000.00	125,162.17		1,837.83	
Other Expenses	35,055.00	35,055.00	11,522.23	1,153.60	22,379.17	
Reserve for Snow Removal	2,500.00	2,500.00	2,500.00		-	
Public Building and Grounds						
Other Expenses	23,000.00	23,000.00	15,934.73	3,816.52	3,248.75	
HEALTH AND WELFARE						
Animal Control Services						
Other Expenses	33,055.00	33,055.00	30,199.48		2,855.52	
Environmental Commission						
Other Expenses	600.00	600.00	55.13		544.87	
RECREATION AND EDUCATION						
Recreation Services and Programs						
Other Expenses	2,000.00	2,000.00			2,000.00	
Bostwik Lake Commission	500.00	500.00			500.00	
Senior Citizen Center						
Salaries and Wages	21,500.00	21,600.00	20,612.49		987.51	
Other Expenses	9,750.00	9,750.00	4,183.81	1,057.89	4,508.30	
UNIFORM CONSTRUCTION CODE						
State Uniform Construction Code						
Construction Official						
Other Expenses	48,500.00	48,500.00	46,229.42		2,270.58	

See accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Unclassified:						
Sanitation:						
Convenience Center						
Salaries and Wages	41,900.00	41,900.00	38,041.92		3,858.08	
Other Expenses	121,000.00	121,000.00	100,429.31	9,506.80	11,063.89	
Sanitary Landfill						
Facility No. 0607A Post-Closure Care	11,250.00	11,250.00	5,825.00		5,425.00	
Utilities:						
Electricity	24,000.00	24,000.00	16,686.16		7,313.84	
Street Lighting	15,000.00	16,000.00	13,681.15		2,318.85	
Telephone	12,000.00	12,000.00	11,771.80		228.20	
Fuel Oil	15,000.00	15,000.00	8,713.54		6,286.46	
Sewer	3,500.00	3,500.00	2,800.00		700.00	
Gasoline	8,500.00	8,500.00	4,815.36		3,684.64	
TOTAL OPERATIONS WITHIN "CAPS"	1,391,290.00	1,391,290.00	1,171,183.79	24,389.17	155,717.04	40,000.00
Contingent						
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	1,391,290.00	1,391,290.00	1,171,183.79	24,389.17	155,717.04	40,000.00
Detail:						
Salaries and Wages	482,400.00	486,750.00	469,462.21	-	17,287.79	-
Other Expenses	908,890.00	904,540.00	701,721.58	24,389.17	138,429.25	40,000.00
DEFERRED CHARGES AND STATUTORY EXPENDITURES:						
Statutory Expenditures:						
Contributions to:						
Public Employees' Retirement System	53,606.00	53,606.00	53,606.00		-	
Social Security System (O.A.S.I.)	44,000.00	44,000.00	42,279.52		1,720.48	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:	97,606.00	97,606.00	95,885.52	-	1,720.48	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	1,488,896.00	1,488,896.00	1,267,069.31	24,389.17	157,437.52	40,000.00

See accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
OPERATIONS - EXCLUDED FROM "CAPS"						
(A) Operations - Excluded from "CAPS"						
Emergency Service Volunteer	13,250.00	13,250.00	12,100.00		1,150.00	
Length of Service Award Program						
Interlocal Municipal Service Agreements						
Senior Center						
Stow Creek Twp, Greenwich Twp & Shiloh Borough						
Salaries and Wages	10,850.00	10,850.00	10,351.65		498.35	
Other Expenses	5,250.00	5,250.00	2,974.88		2,275.12	
Agreement with Greenwich Twp						
Sanitation - Convenience Center						
Salaries and Wages	15,100.00	15,100.00	13,709.62		1,390.38	
Fire Department Interlocal:						
Stow Creek Twp	3,700.00	3,700.00	2,956.97		743.03	
Shiloh	4,000.00	4,000.00	3,196.72		803.28	
Agreement with Cumberland-Salem Regional Municipal Courts						
Contracted Services	18,250.00	18,250.00	14,742.51		3,507.49	
	<u>70,400.00</u>	<u>70,400.00</u>	<u>60,032.35</u>	<u>-</u>	<u>10,367.65</u>	<u>-</u>
(A) Public and Private Programs Off-Set by Revenues						
Recycling Tonnage Grant	3,317.55	3,317.55	3,317.55		-	
NJ Transportation Trust Fund - Cassidy Court	255,070.00	255,070.00	255,070.00		-	
Clean Communities	-	11,372.02	11,372.02		-	
	<u>258,387.55</u>	<u>269,759.57</u>	<u>269,759.57</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Public and Private Programs Off-Set by Revenues						
Total Operations - Excluded from "CAPS"	328,787.55	340,159.57	329,791.92	-	10,367.65	
Detail:						
Salaries and Wages	25,950.00	25,950.00	24,061.27	-	1,888.73	
Other Expenses	302,837.55	314,209.57	305,730.65	-	8,478.92	

See accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
(C) Capital Improvements						
Capital Improvement Fund	25,000.00	25,000.00	25,000.00	-	-	
Municipal Land, Building Improvements & Equipment	31,000.00	31,000.00	6,228.50	24,771.50		
Fire Equipment & Improvements						
Other Expenses - Turnout Gear	7,800.00	7,800.00	7,689.20	110.80		
Other Expenses - Tanks	5,500.00	5,500.00	5,500.00	-		
Other Expenses - Electrical Improvements	12,000.00	12,000.00		12,000.00		
Total Capital Improvements	<u>81,300.00</u>	<u>81,300.00</u>	<u>44,417.70</u>	<u>-</u>	<u>36,882.30</u>	<u>-</u>
(D) Debt Service						
Payment of BANS	170,000.00	170,000.00	170,000.00			-
Interest on Notes	25,300.00	25,300.00	22,423.66			2,876.34
Total Debt Service	<u>195,300.00</u>	<u>195,300.00</u>	<u>192,423.66</u>	<u>-</u>	<u>-</u>	<u>2,876.34</u>
(E) Deferred Charges						
Special Emergency Authorizations - 5 years	42,100.00	42,100.00	42,100.00			-
Ordinance 18-06	35,625.00	35,625.00	35,625.00			-
Total Deferred Charges	<u>77,725.00</u>	<u>77,725.00</u>	<u>77,725.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	683,112.55	694,484.57	644,358.28	-	47,249.95	2,876.34
SUBTOTAL GENERAL APPROPRIATIONS	<u>2,172,008.55</u>	<u>2,183,380.57</u>	<u>1,911,427.59</u>	<u>24,389.17</u>	<u>204,687.47</u>	<u>42,876.34</u>
(M) Reserve for Uncollected Taxes	501,252.76	501,252.76	501,252.76			-
TOTAL GENERAL APPROPRIATIONS	<u>\$ 2,673,261.31</u>	<u>2,684,633.33</u>	<u>2,412,680.35</u>	<u>24,389.17</u>	<u>204,687.47</u>	<u>42,876.34</u>
Budget Appropriations by 40A:4-87						
Reserve for Uncollected Taxes		2,673,261.31	501,252.76			
Federal and State Grants		11,372.02	269,759.57			
Deferred Charges		<u>2,684,633.33</u>	42,100.00			
Disbursements			1,597,068.02		Cancelled Overexpended	
			<u>2,412,680.35</u>			<u>42,876.34</u>

See accompanying Notes to Financial Statements - Regulatory Basis

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**EXHIBIT - B
TRUST FUND**

**TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

	2020	2019
<u>ASSETS</u>		
<u>DOG TRUST FUND</u>		
Cash	\$ 6,244.83	5,962.46
	6,244.83	5,962.46
<u>OTHER TRUST FUND</u>		
Cash and Investments	202,059.06	220,532.90
Interfunds and Receivables:		
Due from Current Fund	33,918.90	31,276.28
	235,977.96	251,809.18
	242,222.79	257,771.64
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
<u>DOG TRUST FUND</u>		
Reserve for Dog Fund Expenditures	6,235.83	5,958.86
Due to State of New Jersey	9.00	3.60
	6,244.83	5,962.46
<u>OTHER TRUST FUND</u>		
Reserve for:		
Unemployment Compensation	1,624.82	1,621.71
Sanitary Landfill	43,897.55	43,460.19
Developers Escrow	17,389.96	20,962.42
COAH Fees	37,982.09	37,906.21
Tax Sale Premiums	67,300.00	67,900.00
Redemption of Tax Sale Certificates	984.53	15,799.81
Snow Removal - Storm Recovery	16,125.00	13,625.00
Bostwick Lake	22,310.91	22,210.74
Community Activities	10,925.25	10,885.25
Reserve for Escrow & Performance Bonds	17,437.85	17,437.85
	235,977.96	251,809.18
	\$ 242,222.79	257,771.64

See accompanying Notes to Financial Statements - Regulatory Basis

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EXHIBIT - C
GENERAL CAPITAL FUND

**GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

<u>ASSETS</u>	<u>2020</u>	<u>2019</u>
Cash	\$ -	-
Deferred Charges to Future Taxation - Unfunded	1,046,850.00	1,252,475.00
Interfunds and Receivables		
Due from Current Fund	213,842.44	277,361.62
Due from Grant Fund	34,334.89	34,334.89
Due from Sewer Operating Fund	150,000.00	150,000.00
	<u>1,445,027.33</u>	<u>1,714,171.51</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Encumbrances Payable	87,322.27	-
Bond Anticipation Notes Payable	904,975.00	1,074,975.00
Improvement Authorizations:		
Funded	62,122.54	112,043.59
Unfunded	165,776.63	314,747.03
Capital Improvement Fund	224,830.89	212,405.89
Fund Balance	-	-
	<u>\$ 1,445,027.33</u>	<u>1,714,171.51</u>

There were bonds and notes authorized but not issued at December 31 (C - 10)

2019	177,500.00
2020	141,875.00

See accompanying Notes to Financial Statements - Regulatory Basis

**GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

	2020	2019
Beginning Balance January 1	\$ -	4,530.00
Increased by:		
Cancellation of Funded Improvement Authorizations	56,325.00	
Decreased by:		
Appropriated to Fund Improvement Authorizations	(56,325.00)	
Anticipated as Current Fund Revenue		4,530.00
Ending Balance December 31	\$ -	-

See accompanying Notes to Financial Statements - Regulatory Basis

EXHIBIT - D
SEWER UTILITY FUND

**SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

	2020	2019
ASSETS		
Operating Fund:		
Cash	\$ 263,902.24	\$ 351,855.86
Interfunds and Receivables		
Due from Current Fund	29,200.88	29,200.88
Due from Sewer Capital Fund	73,787.65	-
	366,890.77	381,056.74
Receivables and Other Assets with Full Reserves:		
Sewer Accounts Receivable	72,371.00	85,251.20
	72,371.00	85,251.20
Total Operating Fund	439,261.77	466,307.94
Capital Fund:		
Cash - Treasurer	450.56	1,916.75
Interfunds and Receivables		
Due from Current Fund	10,654.40	10,654.40
Due from Sewer Operating Fund	-	63,716.16
Fixed Capital - Complete	7,434,710.09	7,434,710.09
Fixed Capital - Authorized and Uncomplete	89,789.91	89,789.91
Total Capital Fund	7,535,604.96	7,600,787.31
	\$ 7,974,866.73	\$ 8,067,095.25

See accompanying Notes to Financial Statements - Regulatory Basis

**SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2020</u>	<u>2019</u>
Operating Fund:		
Appropriation Reserves	\$ 45,273.95	\$ 12,865.99
Reserve for Encumbrances	3,030.00	10,496.74
Overpaid Sewer Rents	3,951.75	5,238.19
Accrued Interest on Bonds and Notes	10,443.75	11,061.25
Interfunds:		
Due to Sewer Capital	-	63,716.16
Due to Grant Fund	3,474.64	3,474.64
Due to General Capital Fund	150,000.00	150,000.00
	<u>216,174.09</u>	<u>256,852.97</u>
Reserve for Receivables	72,371.00	85,251.20
Fund Balance	150,716.68	124,203.77
Total Operating Fund	<u>439,261.77</u>	<u>466,307.94</u>
Capital Fund:		
Contracts Payable	10,654.40	10,654.40
Interfunds:		
Due to Sewer Operating Fund	73,787.65	
Refunding Bonds Payable	3,210,000.00	3,350,000.00
Improvement Authorizations:		
Unfunded	3,952.82	10,422.82
Reserve for Sinking Fund Payments	-	135,000.00
Reserve for Amortization	4,184,920.18	4,044,920.18
Deferred Reserve for Amortization	42,289.91	42,289.91
Capital Improvement Fund	10,000.00	7,500.00
Fund Balance	-	-
Total Capital Fund	<u>7,535,604.96</u>	<u>7,600,787.31</u>
	<u>\$ 7,974,866.73</u>	<u>\$ 8,067,095.25</u>

There were bonds and notes authorized but not issued at December 31 (D - 15)

2019	87,289.91
2020	87,289.91

See accompanying Notes to Financial Statements - Regulatory Basis

**SEWER UTILITY FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020	2019
Revenue and Other Income Realized		
Fund Balance	\$ 75,000.00	\$ 49,575.00
Sewer Rents	725,776.45	668,335.40
Miscellaneous Revenue Anticipated	23,144.05	67,416.11
Miscellaneous Revenue Not Anticipated	10,611.98	
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	11,437.93	6,336.87
Total Income	845,970.41	791,663.38
Expenditures		
Operations	431,500.00	421,000.00
Capital Improvements	40,000.00	10,000.00
Debt Service	272,957.50	268,575.00
Total Expenditures	744,457.50	699,575.00
Excess/(Deficit) in Revenue	101,512.91	92,088.38
Fund Balance January 1	124,203.77	81,690.39
	225,716.68	173,778.77
Decreased by:		
Utilization as Anticipated Revenue	75,000.00	49,575.00
Fund Balance December 31	\$ 150,716.68	\$ 124,203.77

See accompanying Notes to Financial Statements - Regulatory Basis

**SEWER UTILITY CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

	2020	2019
Beginning Balance January 1	\$ -	-
	-	-
Ending Balance December 31	\$ -	-
	-	-

See accompanying Notes to Financial Statements - Regulatory Basis

**SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	\$ 75,000.00	75,000.00	-
Sewer Rents	671,025.00	725,776.45	54,751.45
Other Anticipated Revenue		23,144.05	23,144.05
Deficit (General Budget)			-
Miscellaneous Revenue Not Anticipated	-	10,611.98	10,611.98
	<u>\$ 746,025.00</u>	<u>834,532.48</u>	<u>88,507.48</u>

Analysis of Realized Revenue:

Rents

Consumer Accounts Receivable:

Current Collections	\$ 720,868.26
Cumberland Manor - Current Year	20,783.09
Cumberland Manor - Prior Year	2,360.96
Prepayments & Overpayments Applied	4,908.19
Liens Collected	
	<u>748,920.50</u>

Miscellaneous Revenue Not Anticipated

Interest on Investments	1,309.91
Refunds	9,302.07
	<u>\$ 10,611.98</u>

See accompanying Notes to Financial Statements - Regulatory Basis

**SEWER UTILITY FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Appropriations		Paid or Charged	Expended		(Over expended, Unexpended Balance Cancelled)
	Budget	Budget After Modifications		Encumbered	Reserved	
Operations:						
Salaries and Wages	\$ 25,000.00	25,000.00	20,065.51		4,934.49	
Other Expenses	400,500.00	395,500.00	373,738.88	3,030.00	18,731.12	
Other Expenses - Insurance	11,000.00	11,000.00	11,000.00		-	
	<u>436,500.00</u>	<u>431,500.00</u>	<u>404,804.39</u>	<u>3,030.00</u>	<u>23,665.61</u>	<u>-</u>
Capital Improvements:						
Capital Improvement Fund	2,500.00	2,500.00	2,500.00		-	
Capital Outlay	7,500.00	7,500.00	7,204.66		295.34	
Sewer Capital Outlay	30,000.00	30,000.00	8,687.00		21,313.00	
	<u>40,000.00</u>	<u>40,000.00</u>	<u>18,391.66</u>	<u>-</u>	<u>21,608.34</u>	<u>-</u>
Debt Service:						
Payment of Bond Principal	140,000.00	140,000.00	140,000.00		-	1,567.50
Interest on Bonds	129,525.00	134,525.00	132,957.50			
	<u>269,525.00</u>	<u>274,525.00</u>	<u>272,957.50</u>	<u>-</u>	<u>-</u>	<u>1,567.50</u>
	<u>\$ 746,025.00</u>	<u>746,025.00</u>	<u>696,153.55</u>	<u>3,030.00</u>	<u>45,273.95</u>	<u>1,567.50</u>

See accompanying Notes to Financial Statements - Regulatory Basis

EXHIBIT - E
GENERAL FIXED ASSETS ACCOUNT GROUP

**GENERAL FIXED ASSET ACCOUNT GROUP
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

<u>ASSETS</u>	<u>2020</u>	<u>2019</u>
Land Buildings and Improvements	\$ 4,191,411.81	2,806,500.15
Machinery and Equipment	<u>1,978,951.42</u>	<u>2,432,852.94</u>
	<u>6,170,363.23</u>	<u>5,239,353.09</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Investment in General Fixed Assets	\$ <u>6,170,363.23</u>	<u>5,239,353.09</u>

See accompanying Notes to Financial Statements - Regulatory Basis

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NOTES TO THE FINANCIAL STATEMENTS

**TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Except as noted below, the financial statements of the Township of Hopewell include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Township of Hopewell, as required by N.J.S. 40A:5-5.

Component units are legally separate organizations for which the entity is financially accountable. The entity is financially accountable for an organization if the entity appoints a voting majority of the organization's governing board and (1) the entity is able to significantly influence the programs or services performed or provided by the organization; or (2) the entity is legally entitled to or can otherwise access the organization's resources; the entity is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the entity is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the entity in that the entity approves the budget, the issuance of debt or the levying of taxes. The entity has no component units.

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 4,571 according to the 2010 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.

B. Description of Funds

The accounting policies of the Township of Hopewell conform to the accounting principles applicable to municipalities which have been prescribed 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 the respect to public funds. Under this method of accounting, the Township of Hopewell accounts for its financial transactions through the following separate funds:

Current Fund -- resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

Trust Funds -- receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

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

Sewer Operating and Capital Funds -- account for the operations of the sewer utility and acquisition of sewer capital facilities other than those acquired in the Current and General Capital Funds.

General Fixed Assets Account Group -- All fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant policies in New Jersey follow a modified accrual basis of accounting is followed with minor exceptions.

**TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

Revenues -- are recorded as received in cash except for certain amounts, which are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the entity budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the entity's Current Fund, in addition the receivables for utility billings are recorded with offsetting reserves in the Utility Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the entity which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

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 Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements. Appropriation reserves covering unencumbered appropriation balances are automatically created at December 31st of each year 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 year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; interest on utility capital indebtedness is on the accrual basis. Compensated absences are treated on a pay as you go basis with no amount charged to operations in the year incurred.

Foreclosed Property -- Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

Interfunds -- Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

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

General Fixed Assets -- The entity has developed a fixed-assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

As required by New Jersey Statutes, foreclosed property is reported in the current operating fund of the municipality.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general 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 except for land which is valued at estimated market value on the date of acquisition. Expenditures for long lived assets with an original cost in excess of \$500.00 are capitalized. No depreciation has been provided for in the financial statements.

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 have not been accounted for separately.

**TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

Property and equipment purchased by the Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represents charges to operations for the costs of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

Levy of Taxes -- The County Board of Taxation certifies the tax levy of the municipality each year. The tax levy is based on the assessed valuation of taxable property within the municipality. Taxes are payable on the first day of February, May, August, and November. Any taxes that have not been paid by 11th day of the 11th month in the fiscal year levied are subject to being included in the tax sale and the lien enforced by selling the property in accordance with NJSA 54:5 et. seq.

The municipality is responsible for remitting 100% of the school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the municipality and not the school district or county.

Interest on Delinquent Taxes – It is the policy of the Township of Hopewell to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of taxes becoming delinquent after due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten-day grace period.

Levy of Utility Charges – The entity operates a sewer utility fund. Rates are determined by ordinance and changed as necessary. Sewer charges are based on flat fees and usage based on the type of entity. Charges are billed annually and due in quarterly installments on February 1, May 1, August 1 and November 1.

Interest on Delinquent Utility Charges - It is the policy of the entity to collect interest for the nonpayment of utility charges on or before the date when they would become delinquent. The Utility Collector is authorized to charge one and one-half percent (1.5%) per month on charges becoming delinquent after due date. There is a ten-day grace period.

Capitalization of Interest -- It is the policy of the Township of Hopewell to treat interest on projects as a current expense and the interest is included in both the current and utility operating budgets.

Use of Estimates -- The preparation of financial statements in conformity with generally accepted accounting principles or the statutory basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

D. Required Financial Statements

The State of New Jersey requires the following financial statements to be presented for each fund on the regulatory basis of accounting: Balance Sheet, Statement of Operations and Changes in Fund Balance, Statement of Revenue and Statement of Expenditures. These statements differ from those presented under Generally Accepted Accounting Principles, which requires a Statement of Net Position and Statement of Activities in addition to the fund financial statements.

E. Comparative Data

Comparative total data for the prior year has been presented in the accompanying Balance Sheets and Statement of Operations in order to provide an understanding of changes in the entity's financial position. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in the Statement of Revenue-Regulatory Basis and Statement of Expenditures-Regulatory Basis since their inclusion would make the statements unduly complex and difficult to read.

**TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

F. Recent Accounting Pronouncements Not Yet Effective

In May 2020, the Government Accounting Standards Board (GASB) issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance, which provides temporary relief from certain newer accounting and financial reporting requirements to governments due to the COVID-19 pandemic. The effective date of certain Statements and Implementation Guides – through GASB Statement No. 93 and Implementation Guide No. 2019-03 – that first became effective or were scheduled to become effective for periods beginning after June 15, 2018, are not deferred by either one year or eighteen months.

In May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, “Conduit Debt Obligations”. This statement, which is effective for periods beginning after December 15, 2020, will not have any effect on the City’s financial reporting.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 93, “Replacement of Interbank Offered Rates”. This statement, which is effective for periods ending December 31, 2021, will not have any effect on the City’s financial reporting.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 94, “Public-Private and Public-Public Partnerships and Availability Payment Arrangements”. This statement, which is effective for periods beginning after June 15, 2022, and all reporting periods thereafter, will not have any effect on the City’s financial reporting.

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, “Subscription-Based Information Technology Arrangements”. This statement, which is effective for periods beginning after June 15, 2022, and all reporting periods thereafter, will not have any effect on the City’s financial reporting.

In June 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 97, “Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32”. This statement will not have any effect on the City’s financial reporting.

Note 2: BUDGETARY INFORMATION

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2020 and 2019 statutory budgets included a reserve for uncollected taxes in the amount of \$501,252.76 and \$512,250.92. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2020 and 2019 statutory budgets was \$567,195.00 and \$535,000.00. In addition, the entity operates a self-liquidating sewer utility. Under New Jersey Statutes a separate budget for the utility must be adopted concurrently with the operating budget of the entity. The utility budget must be a balanced cash basis budget with fund balance being used to balance the budget. The amount of fund balance budgeted to balance the 2020 and 2019 statutory budgets was \$75,000.00 and \$49,575.00.

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**TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

The Chief Financial Officer has the discretion of approving intra department budgetary transfers throughout the year. Inter department transfers are not permitted prior to November 1. After November 1 these transfers can be made in the form of a resolution and approved by The Township Committee. The following significant budget transfers were approved in the 2020 and 2019 calendar years:

Salaries and Wages	\$	-	17,500.00
Financial Administration			
Salaries and Wages		200.00	-
Collection of Taxes			
Salaries and Wages		200.00	-
Miscellaneous Other Expenses		500.00	-
Tax Assessment Administration			
Salaries and Wages		3,500.00	-
Miscellaneous Other Expenses		-	300.00
Maintenance of Tax Map		300.00	-
Legal Services			
Salaries and Wages		250.00	300.00
Insurance			
General Liability		-	(10,000.00)
Employee Group Insurance		(6,150.00)	(5,150.00)
Office of Emergency Management			
Salaries and Wages		100.00	-
Animal Control Services			
Operating Expenses		-	2,000.00
Senior Citizen Center			
Salaries and Wages		100.00	1,000.00
Convenience Center			
Sanitary Landfill Facility		-	2,050.00
Utilities			
Telephone		-	2,000.00
Street Lighting		1,000.00	-
Salary Adjustments		-	(10,000.00)

NJSA 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During 2020 and 2019, the following significant budget insertions were approved:

<u>Budget Category</u>		<u>2020</u>	<u>2019</u>
Clean Communities Program	\$	11,372.02	12,613.16
NJ Department of Transportation		-	137,972.00
Total	\$	<u>11,372.02</u>	<u>150,585.16</u>

**TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

The entity may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. The entity approved a special emergency appropriation in 2015 for \$200,000 for Revaluation. The unfunded balance as of December 31, 2020 was \$6,300.00 and \$42,100 has been provided for the 2020 Budget and \$6,300.00 for the 2021 Budget.

Note 3: INVESTMENTS

As of December 31, 2020 and 2019, the municipality held no investments.

Note 4: CASH

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The municipality’s policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or fund that may pass to the municipality relative to the happening of a future condition. As of December 31, 2020, and 2019, \$267,820.57 of the municipality’s bank balance of \$3,551,132.78, and \$295,023.29 of the municipality’s bank balance of \$3,025,748.33, was exposed to custodial credit risk, respectively.

Note 5: FIXED ASSETS

The following schedules are a summarization of the changes in general fixed assets for the calendar years ended December 31, 2020 and 2019:

	Balance 12/31/2018	Additions/ Adjustments	Retirements/ Adjustments	Balance 12/31/2019
Land Buildings & Improvements	2,806,500.15	-	-	2,806,500.15
Machinery & Equipment	2,413,091.80	98,545.67	78,784.53	2,432,852.94
	<u>\$ 5,219,591.95</u>	<u>98,545.67</u>	<u>78,784.53</u>	<u>5,239,353.09</u>

	Balance 12/31/2019	Additions/ Adjustments	Retirements/ Adjustments	Balance 12/31/2020
Land Buildings & Improvements	2,806,500.15	721,372.96	-	3,527,873.11
Machinery & Equipment	2,432,852.94	685,275.70	475,638.52	2,642,490.12
	<u>\$ 5,239,353.09</u>	<u>1,406,648.66</u>	<u>475,638.52</u>	<u>6,170,363.23</u>

**TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

Note 6: SHORT-TERM OBLIGATIONS

	Balance 12/31/18	Issued	Retired	Balance 12/31/19
Bond Anticipation				
General Capital	1,244,975.00	1,074,975.00	1,244,975.00	1,074,975.00

The Bond Anticipation Notes totaling \$291,850.00 was issued on November 4, 2019 for \$291,850.00 and was due and payable on November 2, 2020 with interest at 1.95% per annum.

The Bond Anticipation Notes totaling \$783,125.00 was issued on June 12, 2019 for \$783,125.00 and was due and payable on June 12, 2020 with interest at 3.00% per annum.

As of December 31, 2019 the entity has authorized but not issued bonds in the amount of \$177,500.00 and \$87,289.91 in the General Capital Fund and Sewer Utility Capital Fund respectively.

	Balance 12/31/19	Issued	Retired	Balance 12/31/20
Bond Anticipation				
General Capital	1,074,975.00	904,975.00	1,074,975.00	904,975.00

The Bond Anticipation Notes totaling \$904,975.00 was issued on June 11, 2020 for \$904,975 and was due and payable on June 11, 2021 with interest at 0.80% per annum.

As of December 31, 2020 the entity has authorized but not issued bonds in the amount of \$141,875.00 and \$87,289.91 in the General Capital Fund and Sewer Utility Capital Fund respectively.

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**TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

Note 7: LONG TERM DEBT

Long-term debt as of December 31, 2020 and 2019 consisted of the following:

	Balance 12/31/18	Issued	Retired	Balance 12/31/19	Amounts Due Within One Year
Bonds and Loans payable:					
General	\$ -			-	-
Utility	3,485,000.00		135,000.00	3,350,000.00	140,000.00
Total	3,485,000.00	-	135,000.00	3,350,000.00	140,000.00
Compensated Absences Payable	19,268.27	3,597.41	2,562.51	20,303.17	-
Total long-term liabilities	<u>\$ 3,504,268.27</u>	<u>3,597.41</u>	<u>137,562.51</u>	<u>3,370,303.17</u>	<u>140,000.00</u>
	Balance 12/31/19	Issued	Retired	Balance 12/31/20	Amounts Due Within One Year
Bonds and Loans payable:					
General	\$ -			-	-
Utility	3,350,000.00		140,000.00	3,210,000.00	140,000.00
Total	3,350,000.00	-	140,000.00	3,210,000.00	140,000.00
Compensated Absences Payable	20,303.17	7,072.03	2,240.61	25,134.59	-
Total long-term liabilities	<u>\$ 3,370,303.17</u>	<u>7,072.03</u>	<u>142,240.61</u>	<u>3,235,134.59</u>	<u>140,000.00</u>

Outstanding bonds whose principal and interest are paid from the Current Fund Budget of the Township:

None.

Outstanding bonds whose principal and interest are paid from the Sewer Utility Operating Fund of the Township:

\$4,105,000.00 Sewer Refunding Bonds Series 2014, dated November 19, 2014 payable in annual installments through 2038. Interest is paid semiannually ranging from 2.25% to 4.500% per annum. The balance remaining as of December 31, 2020 was \$3,210,000.00.

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt and Issued and Outstanding

Year	General Capital Fund		Sewer Utility Fund	
	Principal	Interest	Principal	Interest
2021	None	None	140,000.00	125,325.00
2022	None	None	145,000.00	122,175.00
2023	None	None	150,000.00	118,912.50
2024	None	None	150,000.00	115,162.50
2025	None	None	155,000.00	111,412.50
2026-2030	None	None	880,000.00	458,662.50
2031-2035	None	None	1,075,000.00	262,375.00
2036-2038	None	None	515,000.00	39,825.00
	<u>None</u>	<u>None</u>	<u>3,210,000.00</u>	<u>1,353,850.00</u>

**TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

As of December 31, 2020, the carrying value of the above bonds and notes approximates the fair value of the bonds. No interest was charged to capital projects during the year and the total interest charged to the current budget was \$0.00 and to the utility budget was \$132,957.50.

<u>Summary of Municipal Debt</u>	<u>Year 2020</u>	<u>Year 2019</u>	<u>Year 2018</u>
<u>Issued:</u>			
General - Bonds and Notes	\$ 904,975.00	\$ 1,074,975.00	\$ 1,244,975.00
Sewer Utility - Bonds and Notes	3,210,000.00	3,350,000.00	3,485,000.00
Total Issued	<u>4,114,975.00</u>	<u>4,424,975.00</u>	<u>4,729,975.00</u>
<u>Authorized but not issued:</u>			
General - Bonds and Notes	141,875.00	177,500.00	177,500.00
Sewer Utility - Bonds and Notes	87,289.91	87,289.91	87,289.91
Total Authorized But Not Issued	<u>229,164.91</u>	<u>264,789.91</u>	<u>264,789.91</u>
Total Bonds & Notes Issued and Authorized But Not Issued	<u>\$ 4,344,139.91</u>	<u>\$ 4,689,764.91</u>	<u>\$ 4,994,764.91</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.315%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 1,106,000.00	1,106,000.00	-
Regional School District Debt	945,353.20	945,353.20	-
Sewer Utility Debt	3,297,289.91	3,297,289.91	-
General Debt	1,046,850.00	-	1,046,850.00
	<u>\$ 6,395,493.11</u>	<u>5,348,643.11</u>	<u>1,046,850.00</u>

Net Debt \$1,046,850.00 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$332,162,640.33 = 0.315%.

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

3 1/2 % of Equalized Valuation Basis (Municipal)	\$ 11,625,692.00
Net Debt	1,046,850.00
Remaining Borrowing Power	<u>\$ 10,578,842.00</u>

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**TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

Calculation of “Self-Liquidating Purpose”, Water and Sewer Utility Per N.J.S.A. 40A:2-45:

Cash Receipts from Fees, Rents or Other Charges for the Year		\$	845,970.41
Deductions:			
Operating & Maintenance Costs	\$	431,500.00	
Debt Service per Water and Sewer Utility Fund		272,957.50	
Total Deductions			<u>704,457.50</u>
Excess in Revenue		\$	<u>141,512.91</u>

Note 8: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2020 and 2019, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2021 and 2020 were as follows:

		<u>2021</u>	<u>2020</u>
Current Fund	\$	461,125.84	567,195.00
Sewer Utility		50,000.00	75,000.00

Note 9: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2020, the following deferred charges are shown on the balance sheets of the various funds:

	<u>Balance December 31, 2020</u>	<u>2021 Budget Appropriation</u>	<u>Balance to Succeeding</u>
Current & Grant Fund:			
Emergency Appropriation	\$ -	-	-
Special Emergency	6,300.00	6,300.00	-
	<u>6,300.00</u>	<u>6,300.00</u>	<u>-</u>

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**TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

Note 10: SCHOOL TAXES

Local District School Tax in the amounts of \$3,357,201.00 and \$3,416,669.00 have been raised for the 2020 and 2019 calendar years and remitted or due to the school district. The school tax levy is determined by taking 50% of the prior year and 50% of the current year requirements, plus the actual amount needed for debt service.

Local District School Taxes have been raised and a liability deferred by statute, resulting in the school tax payable set forth in the Current Fund liabilities as follows:

	<u>12/31/2020</u>	<u>12/31/2019</u>
Balance of Tax	\$ 1,628,184.98	\$ 1,708,294.52
Deferred	1,525,000.00	1,525,000.00
Tax Payable	<u>\$ 103,184.98</u>	<u>\$ 183,294.52</u>

Regional District School Tax in the amounts of \$1,956,290.00 and \$1,832,498.00 have been raised for the 2020 and 2019 calendar years and remitted or due to the school district. The school tax levy is determined by taking 50% of the prior year and 50% of the current year requirements, plus the actual amount needed for debt service.

Regional District School Taxes have been raised resulting in the school tax payable set forth in the Current Fund liabilities as follows:

	<u>12/31/2020</u>	<u>12/31/2019</u>
Balance of Tax	\$ 906,737.41	\$ 883,803.91
Deferred	-	-
Tax Payable	<u>\$ 906,737.41</u>	<u>\$ 883,803.91</u>

Note 11: TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	<u>Balance 12/31/20</u>	<u>Balance 12/31/19</u>
Prepaid Taxes	\$ 102,228.52	\$ 94,183.82
Cash Liability for Taxes Collected in Advance	<u>\$ 102,228.52</u>	<u>\$ 94,183.82</u>

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**TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

Note 12: PENSION FUNDS

Description of Plans

Substantially all of the entity's employees participate in the Public Employees' Retirement System (PERS) a cost sharing multiple-employer defined benefit pension plan which has been established by State Statute and are administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the system. This report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey 08625 or the report can be accessed on the internet at <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

Public Employees' Retirement System

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

PERS provided for employee contributions of 7.5% through June 30, 2020 and 7.5% thereafter of employee's annual compensation, as defined. Employers are required to contribute to an actuarially determined rate in PERS. The entity's contributions to PERS for the years ended December 31, 2020, 2019, and 2018 were \$53,606.00, \$58,700.00 and \$58,682.25.

The total payroll for the year ended December 31, 2020, 2019 and 2018 was \$559,417.80, \$523,753.50 and \$518,927.32. Payroll covered by PERS was \$336,095.00, \$319,293.00 and \$367,792.00.

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) operates and to the benefit provisions of the system.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years. For fiscal year 2013, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage.

**TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.

- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PERS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60th from 1/55th, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7th of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

Note 13: PENSION LIABILITIES

In 2012, the Governmental Accounting Standards Board issued GASB statement 68. This statement is effective for fiscal years beginning after June 15, 2014. This statement changes the method of reporting the municipality's pension liabilities. However, due to the fact that the municipality reports on the regulatory basis of accounting, no financial statement impact will be recognized.

The following represents the municipality's pension liabilities as June 30, 2020:

Public Employees' Retirement System

The Municipality has a liability of \$739,620.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 that was rolled forward to June 30, 2020. The Municipality's proportion of the net pension liability was based on a projection of the Municipality's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the Municipality's proportion would be 0.00453549250%, which would be a decrease of 17.44% from its proportion measured as of June 30, 2019.

**TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

For the year ended December 31, 2020, the Municipality would have recognized pension expense of \$79,069.00. At December 31, 2020, the Municipality would report deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 13,467.00	\$ (2,616.00)
Changes of assumptions	23,994.00	(309,686.00)
Changes in proportion	-	(294,191.00)
Net difference between projected and actual earnings on pension plan investments	25,281.00	-
Total	<u>\$ 62,742.00</u>	<u>\$ (606,493.00)</u>

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

Year ended June 30,	
2021	\$ (202,215.92)
2022	(184,359.44)
2023	(105,356.71)
2024	(42,604.48)
2025	(9,214.44)
Total	<u>\$ (543,751.00)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases:	
Through 2026	2.00% – 6.00% (based on years of service)
Thereafter	3.00% - 7.00% (based on years of service)
Investment rate of return:	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year

**TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

of 2010 on a generational basis. Disability retirement rates used to value disable retirees were base on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US equity	27.00%	7.71%
Non-U.S. developed markets equity	13.50%	8.57%
Emerging markets equity	5.50%	10.23%
Private equity	13.00%	11.42%
Real assets	3.00%	9.73%
Real estate	8.00%	9.56%
High yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment grade credit	8.00%	2.67%
Cash equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk mitigation strategies	3.00%	3.40%

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**TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Municipality's proportionate share of the net pension liability to changes in the discount rate.

The following presents the Municipality's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Municipality's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Municipality's proportionate share of the net pension liability	880,885.38	739,620.00	619,906.60

Pension plan fiduciary net position.

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

Note 14: ACCRUED SICK AND VACATION BENEFITS

The Township has permitted employees to accrue unused sick and vacation time, which may be taken as time off or paid at a later date at an agreed upon rate. It is estimated that the cost for the most current calendar year of such unpaid compensation would approximate \$25,134.59 in 2020 and \$20,303.17 in 2019. This amount is not reported either as an expenditure or liability due to the likelihood of all employees terminating in one fiscal year being improbable. The policy of not reflecting the accrued benefit is not in agreement with GASB Statement No. 12 but is required by the State of New Jersey.

Note 15: ECONOMIC DEPENDENCY

The Township of Hopewell is not economically dependent on any one business or industry as a major source of tax revenue for the entity.

Note 16: RISK MANAGEMENT

The entity 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 entity maintains commercial insurance coverage for property, liability and surety bonds. During the year ended December 31, 2020 and 2019 the entity did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

**TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

New Jersey Unemployment Compensation Insurance – The entity has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the entity is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The entity is billed quarterly for amounts due to the State. The following is a summary of entity contributions, employee contributions, reimbursements to the State for benefits and the ending balance of the entity’s trust fund for the previous three years:

Calendar Year	Employer Contributions	Employee Contributions	Interest Earned	Amount Reimbursed	Ending Balance
2020	\$ -	-	3.11	-	1,624.82
2019	-	-	-	-	1,621.71
2018	-	-	-	325.00	1,621.71

Note 17: CONTINGENT LIABILITIES

From time to time, the entity is a defendant in legal proceedings relating to its operations as a municipality. In the best judgment of the entity’s management, other than the Tax Appeal listed below, the outcome of any present legal proceedings will not have any adverse material effect on the accompanying financial statements.

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**TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

Note 18: INTERFUND BALANCES

During the most current calendar year ended December 31, 2020, the following inter-funds were included on the balance sheets of the various funds of the Township of Hopewell:

	Due From	Due To
	<u> </u>	<u> </u>
Current Fund:		
Grant Fund	-	91,156.01
Trust - Other Fund	-	33,918.90
General Capital	-	213,842.44
Sewer Capital Fund	-	10,654.40
Sewer Operating Fund	-	29,200.88
Grant Fund:		
Current Fund	91,156.01	-
General Capital Fund	-	34,334.89
Sewer Operating Fund	3,474.64	-
Trust Fund:		
Current Fund	33,918.90	-
General Capital Fund:		
Current Fund	213,842.44	-
Sewer Operating Fund	150,000.00	-
Grant Fund	34,334.89	-
Sewer Operating:		
Current Fund	29,200.88	
Grant Fund		3,474.64
General Capital		150,000.00
Sewer Capital Fund	73,787.65	-
Sewer Capital Fund:		
Current Fund	10,654.40	
Sewer Operating Fund	-	73,787.65
	<u>640,369.81</u>	<u>640,369.81</u>

The amounts due to the Grant Fund from the General Capital fund is due to the fact that the General Capital Fund advanced cash to the Grant Fund in anticipation of Grant Receivable balances being collected from the granting agency. The remaining interfunds are due to amounts from prior years that should have been transferred to the proper bank accounts.

Note 19: SUBSEQUENT EVENTS

The entity has evaluated subsequent events through July 30, 2021, the date which the financial statements were available to be issued and identified no events requiring disclosure.

SUPPLEMENTARY INFORMATION



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the various funds and account group as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Township's basic financial statements, and have issued our report thereon dated July 30, 2021, which was adverse due to being presented in accordance with the New Jersey regulatory basis of accounting.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Very truly yours,

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

July 30, 2021

TOWNSHIP OF HOPEWELL
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDING DECEMBER 31, 2020

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: **Unmodified 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? | NO |

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

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

In accordance with Government Auditing Standards, our audit disclosed no findings relating to the financial statements – regulatory basis that are required to be reported. However, we have issued an accompanying Management Letter.

MANAGEMENT RESPONSES

Not Applicable

STATUS OF PRIOR YEAR FINDINGS

None.

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

	Current Fund	Grant Fund
Balance December 31, 2019	\$ 2,305,344.08	38,317.47
Increased by Receipts:		
Tax Collector	10,330,763.25	-
Revenue Accounts Receivable	612,009.76	-
Miscellaneous Revenue	61,554.33	-
Due from State of NJ - Seniors & Vets	50,138.36	-
Payroll Payable	821.32	-
Change Funds	205.00	-
Due to Grant Fund	91,156.01	-
Due to Trust	2,642.62	-
Federal and State Unappropriated	-	3,317.55
Reserve for Small Cities Revolving Loans	-	10,503.67
Federal and State Grant Receivables	-	156,331.51
	11,149,290.65	170,152.73
	13,454,634.73	208,470.20
Decreased by Disbursements:		
Current Year Appropriation	1,597,068.02	-
Prior Year Appropriations	32,891.73	-
Accounts Payable	4,650.00	-
County Taxes	4,114,338.31	-
Local District School Taxes	3,437,310.54	-
Regional School Taxes	1,933,356.50	-
Liquor License	2,500.00	-
Due to General Capital Fund	63,519.18	-
Due from Current Fund	-	91,156.01
Reserve for Small Cities Revolving Loans	-	1,675.00
Federal and State Grant Disbursements	-	78,853.05
	11,185,634.28	171,684.06
Balance December 31, 2020	\$ <u>2,269,000.45</u>	<u>36,786.14</u>

**CURRENT FUND
SCHEDULE OF CURRENT CASH - COLLECTOR**

Balance December 31, 2019		\$	-
Increased by Receipts:			
Prepaid Taxes	102,228.52		
Taxes Receivable	10,098,087.01		
Revenue Accounts Receivable	88,668.02		
Tax Title and Other Liens	29,063.85		
Overpayments	12,715.85		
			10,330,763.25
			10,330,763.25
Payments to Treasurer			10,330,763.25
Balance December 31, 2020		\$	-

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

Year	Balance Dec. 31, 2019	Current Year Levy	Added Taxes	Collections by Cash		Adjustments	Transferred To Tax Title Lien	Balance Dec. 31, 2020
				2019	2020			
2019	\$ 295,784.54	-	-	-	292,727.90	3,056.64	-	-
					292,727.90	3,056.64		
2020	-	10,334,255.03	10,081.87	94,183.82	9,857,770.84	20,470.13	19,433.96	352,478.15
	\$ 295,784.54	10,334,255.03	10,081.87	94,183.82	10,150,498.74	23,526.77	19,433.96	352,478.15
					10,098,087.01	Cash Receipts - Tax Collector		
					3,911.73	Overpayments Applied		
					-	Homestead Rebates		
					48,500.00	Senior Citizens and Veterans		
					<u>10,150,498.74</u>			

Analysis of Current Year Tax Levy

Tax Yield:	
General Property Tax	10,334,255.03
Added Taxes (54:4-63.1 et. Seq.)	10,081.87
	<u>10,344,336.90</u>
Tax Levy:	
General County Taxes	3,884,137.14
County Open Space Taxes	33,237.80
County Health Taxes	192,074.07
County Added and Omitted Taxes	4,000.00
Total County Taxes	<u>4,113,449.01</u>
Local School District Tax	3,357,201.00
Regional School District Tax	1,956,290.00
Local Tax for Municipal Purposes	899,434.76
Add: Additional Tax Levied	17,962.13
	<u>917,396.89</u>
	<u>10,344,336.90</u>

**CURRENT FUND
SCHEDULE OF TAX TITLE AND OTHER LIENS**

Balance December 31, 2019		\$ 155,887.31
Increased by:		
Transfers from Taxes Receivable	19,433.96	
	<hr/>	<hr/>
		19,433.96
		175,321.27
Decreased by:		
Collections	29,063.85	
Cancelled	4,250.83	
	<hr/>	<hr/>
		33,314.68
Balance December 31, 2020		\$ <u><u>142,006.59</u></u>

**CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance	Accrued	Collected by		Balance
	Dec. 31, 2019	in 2020	Collector	Treasurer	Dec. 31, 2020
\$	-	88,668.02	88,668.02	-	-
Interest and Costs on Taxes	-	4,795.85	-	4,795.85	-
Interest Earned on Investments	-	2,500.00	-	2,500.00	-
Alcoholic Beverage License	-	4,048.41	-	4,048.41	-
Fees and Permits	-	117,125.00	-	117,125.00	-
Payments in Lieu of Taxes - Hopewell Place	-	16,770.60	-	16,770.60	-
Rent of Municipal Property - Bank Rent	-	970.00	-	970.00	-
Rent of Municipal Property - Farmland Lease - Amish Market	-	13,265.00	-	13,265.00	-
Rent of Municipal Property - Barretts Run	-	300,944.00	-	300,944.00	-
Energy Receipts Tax	-	6,450.76	-	6,450.76	-
Municipal Court	-	5,170.00	-	5,170.00	-
Garden State Preservation Trust	-	24,212.50	-	24,212.50	-
Cable TV Franchise Fee	-	35,218.00	-	35,218.00	-
Uniform Construction Code Fees	-	6,357.45	-	6,357.45	-
Interlocal Agreement - Senior Center - Greenwich	-	7,545.90	-	7,545.90	-
Interlocal Agreement - Senior Center - Stow Creek	-	771.18	-	771.18	-
Interlocal Agreement - Senior Center - Shiloh	-	20,781.42	-	20,781.42	-
Interlocal Agreement - Convenience Center - Greenwich	-	39,878.57	-	39,878.57	-
Interlocal Agreement - Fire Company - Stow Creek	-	5,205.12	-	5,205.12	-
Interlocal Agreement - Fire Company - Shiloh	-	61,554.33	-	61,554.33	-
Miscellaneous Revenue Not Anticipated	-	-	-	-	-
	<u>\$</u>	<u>762,232.11</u>	<u>88,668.02</u>	<u>673,564.09</u>	<u>-</u>
		Cash Received by Treasurer		673,564.09	
		Cash Received by Collector		88,668.02	
		Non-Cash Miscellaneous Non-Budgeted Revenue		<u>762,232.11</u>	

**CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2019	Balance After Transfers	Paid or Charged	Balance Lapsed
OPERATIONS WITHIN "CAPS" GENERAL GOVERNMENT:				
Administrative and Executive				
Salaries and Wages	3,228.11	3,228.11	-	3,228.11
Other Expenses	6,622.23	6,622.23	2,405.94	4,216.29
Financial Administration				
Salaries and Wages	79.02	79.02	-	79.02
Other Expenses:				
Miscellaneous Other Expenses	3,147.71	3,147.71	574.00	2,573.71
Assessment of Taxes				
Salaries and Wages	207.96	207.96	-	207.96
Other Expenses:				
Miscellaneous Other Expenses	545.60	545.60	363.68	181.92
Tax Map	30.50	30.50	-	30.50
Computer Services	500.00	500.00	-	500.00
Collection of Taxes				
Salaries and Wages	436.67	436.67	-	436.67
Other Expenses:				
Miscellaneous Other Expenses	82.01	82.01	37.50	44.51
Legal Services and Costs				
Salaries and Wages	25.41	25.41	-	25.41
Other Expenses	5,271.05	5,271.05	5,116.49	154.56
Engineering Services and Costs				
Other Expenses	6,174.48	6,174.48	422.00	5,752.48
Western Cumberland County Economic Develop. Corp.				
Economic Development Committee	5,734.75	5,734.75	-	5,734.75
LAND USE ADMINISTRATION:				
Combined Planning & Zoning Board				
Salaries and Wages	317.51	317.51	-	317.51
Other Expenses	1,709.32	1,709.32	-	1,709.32

**CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2019	Balance After Transfers	Paid or Charged	Balance Lapsed
CODE ENFORCEMENT AND ADMINISTRATION:				
Code Official	198.45	198.45	-	198.45
Salaries and Wages				
PUBLIC SAFETY:				
Emergency Management Services				
Salaries and Wages	1,085.28	1,085.28	-	1,085.28
Other Expenses	1,871.76	1,871.76	400.00	1,471.76
Ambulance Service Contribution				
Other Expenses	63.00	63.00	-	63.00
Fire				
Other Expenses	1,737.50	1,737.50	685.85	1,051.65
STREETS AND ROADS:				
Streets and Road Maintenance				
Salaries and Wages	4,887.64	4,887.64	-	4,887.64
Other Expenses	14,463.56	14,463.56	157.52	14,306.04
Public Building and Grounds				
Other Expenses	14,135.08	14,135.08	4.08	14,131.00
HEALTH AND WELFARE:				
Environmental Commission				
Other Expenses	22.45	22.45	-	22.45
Dog Regulation				
Other Expenses	893.56	893.56	800.00	93.56
RECREATION AND EDUCATION:				
Recreation Services and Programs				
Other Expenses	2,000.00	2,000.00	-	2,000.00
Senior Citizen Center				
Salaries and Wages	52.43	52.43	-	52.43
Other Expenses	3,419.48	3,419.48	1,544.90	1,874.58

**CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2019	Balance After Transfers	Paid or Charged	Balance Lapsed
UTILITY EXPENSES:				
Electricity	7,328.05	7,328.05	1,601.92	5,726.13
Street Lighting	2,379.34	2,379.34	1,233.18	1,146.16
Telephone	891.63	891.63	-	891.63
Fuel Oil	5,041.86	5,041.86	1,544.43	3,497.43
Sewer	860.00	860.00	-	860.00
Gasoline	3,291.85	3,291.85	1,148.17	2,143.68
INSURANCE:				
General Liability	4,277.80	4,277.80	-	4,277.80
Disability	107.33	107.33	-	107.33
Employee Group Insurance	6,750.71	6,750.71	-	6,750.71
UNCLASSIFIED:				
SANITATION:				
Convenience Center				
Salaries and Wages	9,211.63	9,211.63	-	9,211.63
Other Expenses	24,881.21	24,881.21	8,869.82	16,011.39
UNIFORM CONSTRUCTION CODE:				
Construction Official				
Other Expenses	3,318.87	3,318.87	-	3,318.87
STATUTORY EXPENDITURES:				
Social Security System	1,518.19	1,518.19	-	1,518.19
OPERATIONS EXCLUDED FROM "CAPS"				
Emergency Service Volunteer Length of Service Award Program	625.00	625.00	-	625.00
Senior Center Agreement with Cumberland-Salem Regional Municipal Court's Contracted Services	1,495.05	1,495.05	-	1,495.05
Capital Improvements				
Fire Turnout Gear	6,900.00	6,900.00	5,982.25	917.75
Fire Electrical Improvements	1,500.00	1,500.00	-	1,500.00
Municipal Land, Building Improvements & Equipment	10,960.00	10,960.00	-	10,960.00
	<u>\$ 170,281.04</u>	<u>170,281.04</u>	<u>32,891.73</u>	<u>137,389.31</u>

**CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX**

Balance December 31, 2019			
School Tax Payable	\$	183,294.52	
School Tax Deferred		1,525,000.00	
			\$ 1,708,294.52
Increased by:			
Levy - School Year July 1, 2020 to June 30, 2021			3,357,201.00
			5,065,495.52
Decreased by:			
Payments			3,437,310.54
Balance December 31, 2020			
School Tax Payable		103,184.98	
School Tax Deferred		1,525,000.00	
			1,628,184.98
Current Year Liability for Local School District School Tax:			
Tax Paid			3,437,310.54
Tax Payable Ending			103,184.98
			3,540,495.52
Less: Tax Payable Beginning			183,294.52
Amount charged to Current Year Operations			\$ 3,357,201.00

**CURRENT FUND
SCHEDULE OF REGIONAL DISTRICT SCHOOL TAX**

Balance December 31, 2019		
School Tax Payable	\$ 883,803.91	
School Tax Deferred		
		\$ 883,803.91
Increased by:		
Levy - School Year July 1, 2020 to June 30, 2021		<u>1,956,290.00</u>
		2,840,093.91
Decreased by:		
Payments		<u>1,933,356.50</u>
Balance December 31, 2020		
School Tax Payable	906,737.41	
School Tax Deferred		
		<u>906,737.41</u>
Current Year Liability for Local School District School Tax:		
Tax Paid		1,933,356.50
Tax Payable Ending		<u>906,737.41</u>
		2,840,093.91
Less: Tax Payable Beginning		<u>883,803.91</u>
Amount charged to Current Year Operations		<u><u>\$ 1,956,290.00</u></u>

**CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

<u>Purpose</u>	Balance Dec. 31, 2019	Transferred From Revenues	Received	Balance Dec. 31, 2020
FEDERAL GRANTS:				
Small Cities - 2017	\$ 25,860.25	-	-	25,860.25
Small Cities - 2018 Housing Rehabilitation	97,318.33	-	68,037.00	29,281.33
Total Federal	123,178.58	-	68,037.00	55,141.58
STATE GRANTS:				
NJ Transportation Trust Fund Auth Act of 1984:				
DOT - River Road	19,287.94	-	-	19,287.94
DOT - Kinkle Road	89,956.69	-	58,745.87	31,210.82
DOT - Homestead Place	57,090.76	-	-	57,090.76
DOT - Cassidy Court	66,564.87	-	18,176.62	48,388.25
DOT - 2020	-	255,070.00	-	255,070.00
Clean Communities	-	11,372.02	11,372.02	-
ANJEC Open Space	11.00	-	-	11.00
DCA Smart Future Planning TDR	5,180.00	-	-	5,180.00
Division of Fire Safety	2,956.15	-	-	2,956.15
Total State	241,047.41	266,442.02	88,294.51	419,194.92
\$	364,225.99	266,442.02	156,331.51	474,336.50

**CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS**

	Balance December 31, 2019		2020 Appropriations	Disbursed	Encumbrances	Adjustment	Balance Dec. 31, 2020
	Appropriated	Reserve for Encumbrances					
FEDERAL GRANTS:	\$						
Small Cities - 2013 - Sidewalks	13,598.77	-	-	-	-	-	13,598.77
Small Cities - 2017 - Senior Center Parking Lot	38,881.58	-	-	-	-	-	38,881.58
Small Cities - 2018 Housing Rehabilitation	46,365.00	-	-	30,512.00	-	-	15,853.00
Small Cities-ADA	2,127.50	-	-	-	-	-	2,127.50
Total Federal	100,972.85	-	-	30,512.00	-	-	70,460.85
STATE GRANTS:							
NJ Transportation Trust Fund Auth Act of 1984:							
DOT - Kinkle Road	44,938.67	9,557.06	-	23,530.91	-	-	30,964.82
NJ DOT - Cassidy Court	46,318.75	-	-	-	-	-	46,318.75
DOT - Homestead Place	14,295.47	-	-	14,295.47	-	-	0.00
DOT - 2020	-	-	255,070.00	-	-	-	255,070.00
Clean Communities - Prior	-	-	-	-	-	(4,672.16)	4,672.16
Clean Communities - 2016/2017	24,106.13	5,699.00	-	-	-	29,327.58	477.55
Clean Communities - 2017/2018	-	-	-	-	-	(1,092.51)	1,092.51
Clean Communities - 2018/2019	-	-	-	300.00	-	(3,004.23)	2,704.23
Clean Communities - 2019/2020	-	-	-	7,945.52	-	(20,558.68)	12,613.16
Clean Communities - 2020/2021	-	-	-	-	-	-	11,372.02
Alcohol Education & Rehabilitation	154.34	-	-	-	-	-	154.34
Division of Fire Safety	1,905.19	-	-	-	-	-	1,905.19
Stormwater Management	113.83	-	-	-	-	-	113.83
ANJEC Open Space	11.00	-	-	-	-	-	11.00
DCA TDR Match	72,453.43	-	-	-	-	-	72,453.43
Livable Communities - Firehouse - Grant	39.82	-	-	-	-	-	39.82
Planning Incentive Grant - Match	21,523.50	-	-	-	-	-	21,523.50
Recycling Bonus Grant	4,030.25	-	-	-	-	-	4,030.25
Recycling Tonnage 2016-2017	9,556.97	-	-	1,042.00	2,000.00	6,287.93	227.04
Recycling Tonnage 2017-2018	-	-	-	-	1,500.00	(2,920.89)	1,420.89
Recycling Tonnage 2018-2019	-	-	-	1,227.15	1,500.00	(3,367.04)	639.89
Recycling Tonnage 2019-2020	-	-	3,317.55	-	-	-	3,317.55
Total State	\$ 239,447.35	15,256.06	269,759.57	48,341.05	5,000.00	0.00	471,121.93
	340,420.20	15,256.06	269,759.57	78,853.05	5,000.00	0.00	541,582.78

**CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS - UNAPPROPRIATED RESERVES**

Purpose	Balance	Transferred		Balance
	Dec. 31, 2019	To	Appropriations	Dec. 31, 2020
		Appropriations	Received	
STATE GRANTS:				
Recycling Tonnage	\$ 3,317.55	3,317.55	3,317.55	3,317.55
Total State	<u>\$ 3,317.55</u>	<u>3,317.55</u>	<u>3,317.55</u>	<u>3,317.55</u>

**TRUST FUND
SCHEDULE OF DOG TRUST CASH - TREASURER**

Balance December 31, 2019	\$	5,962.46
Increased by:		
Cash Receipts for:		
Dog Licenses Collected	3,684.97	
Due to State of NJ	573.60	
	_____	4,258.57
		10,221.03
Decreased by:		
Cash Disbursed for:		
Dog Fund Expenditures	3,408.00	
Due from State of New Jersey	568.20	
	_____	3,976.20
Balance December 31, 2020	\$	6,244.83

**TRUST FUND
SCHEDULE OF OTHER TRUST CASH - TREASURER**

Balance December 31, 2019	\$	220,532.90
Increased by:		
Cash Receipts for:		
Current Fund Interfund		
Other Reserves:		
Interest on Investments	-	
Due to / from Current Fund	286.02	
Employee Withholdings	2,500.00	
Budget Appropriations	-	
Other Receipts	332,915.91	
	_____	335,701.93
		556,234.83
Decreased by:		
Cash Disbursed for:		
Due to / from Current Fund	2,928.64	
Other Reserves	351,247.13	
	_____	354,175.77
Balance December 31, 2020	\$	202,059.06

**TRUST FUND
ANIMAL CONTROL FUND - RESERVE FOR DOG FUND EXPENDITURES**

Balance December 31, 2019		\$	5,958.86
Increased by:			
Dog License - Cash Receipts	3,684.97		
	3,684.97		9,643.83
Decreased by:			
Cash Disbursed	3,408.00		
	3,408.00		6,235.83
Balance December 31, 2020		\$	6,235.83

Fees Collected		2019	3,785.79	
		2018	3,914.20	
			7,699.99	

**TRUST FUND
ANIMAL CONTROL FUND - DUE TO STATE OF NEW JERSEY**

Balance December 31, 2019		\$	3.60
Increased by:			
Cash Receipts	573.60		
			573.60
			577.20
Decreased by:			
Cash Disbursed	568.20		
			568.20
Balance December 31, 2020		\$	9.00

**TRUST FUND
SCHEDULE OF OTHER RESERVES**

Title	Balance Dec. 31, 2019	Interest on Investments	Due from Current Fund	Other Cash Receipts	Cash Disbursed	Balance Dec. 31, 2020
Unemployment Compensation	\$ 1,621.71			3.11		1,624.82
Sanitary Landfill	43,460.19			437.36		43,897.55
Developers Escrow	20,962.42			5,552.24	9,124.70	17,389.96
COAH Fees	37,906.21			75.88		37,982.09
Tax Sale Premiums	67,900.00			205,117.34	205,717.34	67,300.00
Redemption of Tax Sale Certificates	15,799.81			121,589.81	136,405.09	984.53
Snow Removal - Storm Recovery	13,625.00		2,500.00			16,125.00
Bostwick Lake	22,210.74			100.17		22,310.91
Community Activities	10,885.25			40.00		10,925.25
Performance Bonds	17,437.85					17,437.85
	<u>\$ 251,809.18</u>	<u>-</u>	<u>2,500.00</u>	<u>332,915.91</u>	<u>351,247.13</u>	<u>235,977.96</u>

**GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER**

Balance December 31, 2019		\$	-
Increased by:			
Due from Current Fund - Capital Improvement Fund	25,000.00		
Due from Current Fund - Deferred Charge to Future Taxation Unfunded - Ord. #18-06	35,625.00		
Due from Current Fund - Payment of BAN's	170,000.00		
Due to Current Fund	63,519.18		
Bond Anticipation Notes	904,975.00		
			1,199,119.18
			1,199,119.18
Decreased by:			
Improvement Authorizations	124,144.18		
Bond Anticipation Notes	1,074,975.00		
			1,199,119.18
Balance December 31, 2020		\$	-

**GENERAL CAPITAL FUND
ANALYSIS OF CASH**

	Balance Dec. 31, 2019	Receipts		Disbursements Improvement Authorizations	Transfers		Balance Dec. 31, 2020
		Miscellaneous			From	To	
Capital Improvement Fund	\$ 212,405.89	25,000.00			12,575.00		224,830.89
Due to Grant Fund	(34,334.89)						(34,334.89)
Due to Sewer Operating Fund	(150,000.00)						(150,000.00)
Due to Current Fund	(277,361.62)	63,519.18					(213,842.44)
Encumbrances						87,322.27	87,322.27
Fund Balance					56,325.00	56,325.00	-
Improvement Authorizations:							
225 Closure of Landfill	1,604.99						1,604.99
02-05 Purchase and Construction of Salt/Sand Building	1,691.50						1,691.50
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	6,423.15				3,300.89		3,122.26
08-07 Purchase of Fire Truck	9,106.21						9,106.21
09-01 Purchase of Land & Improvements	4,504.48						4,504.48
13-01 Purchase of Land	745.51						745.51
15-08 Renovations & ADA Compliance	203,255.83			107,061.42	40,026.22		56,168.19
15-15 Purchase of Fire Truck	11,491.20			1,882.76			9,608.44
17-11 Tractor/Boom Mower	5,389.70						5,389.70
18-06 Purchase of Land	(77,500.00)	35,625.00					(41,875.00)
18-08 4x4 Public Works Vehicles	1,430.36						1,430.36
20-08 Public Works Garage Extension				15,200.00		43,815.00	85.00
20-08 Convenience Center					180.16	25,000.00	9,619.84
	<u>(0.00)</u>	<u>124,144.18</u>		<u>124,144.18</u>	<u>212,547.27</u>	<u>212,547.27</u>	<u>(0.00)</u>

**GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND**

Balance December 31, 2019		\$	212,405.89
Increased by:			
Budget Appropriation	25,000.00		
			25,000.00
			237,405.89
Decreased by:			
Appropriated to Fund Improvement Authorization	12,575.00		
			12,575.00
Balance December 31, 2020		\$	224,830.89

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

Ord #	Improvement Description	Balance Dec. 31, 2019	Raised in 2020 Budget	Balance Dec. 31, 2020	Analysis of Balance		
					Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
225	Closure of Landfill	\$ 100,000.00		100,000.00			100,000.00
15-08	Renovations & ADA Compliance	291,850.00	56,875.00	234,975.00	234,975.00		-
17-02	Fire Truck	658,750.00	77,500.00	581,250.00	581,250.00		-
18-06	Purchase of Land	201,875.00	71,250.00	130,625.00	88,750.00	41,875.00	-
		<u>\$ 1,252,475.00</u>	<u>205,625.00</u>	<u>1,046,850.00</u>	<u>904,975.00</u>	<u>41,875.00</u>	<u>100,000.00</u>
Improvement Authorizations Unfunded							165,776.63
Less:							
Unexpended Proceeds of Bond							
Anticipation Notes Issued:							
	Ord. Number						
	15-08					56,168.19	
	15-15					9,608.44	
						<u>65,776.63</u>	
							<u>\$ 100,000.00</u>

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
Authorizations

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2019		Other Funding	Paid or Charged	Cancelled	Balance December 31, 2020	
				Funded	Unfunded				Funded	Unfunded
225	Closure of Landfill	7/26/1989	450,000	\$ 1,604.99	100,000.00				1,604.99	100,000.00
02-05	Purchase and Construction of Salt/Sand Building	7/24/2002	25,000	1,691.50					1,691.50	
02-05	Purchase and Installation of Replacement Air Conditioning System	7/24/2002	10,000	1,240.00					1,240.00	
02-08	Reconstruction of Bostwick Lake Dam	12/30/2002	70,000	20,000.00					20,000.00	
03-03	Utility Installation at Business Park	6/11/2003	27,000	3,582.69					3,582.69	
04-04	Purchase of Land	6/9/2005	500,000	56,325.00				(56,325.00)	-	
06-05	Senior Center	9/13/2006	325,000	6,423.15			3,300.89		3,122.26	
08-07	Purchase of Fire Truck	10/8/2009	460,000	9,106.21					9,106.21	
09-01	Purchase of Land and Improvements	2/25/2011	197,500	4,504.48					4,504.48	
13-01	Purchase of Land	2/14/2013	578,000	745.51					745.51	
15-08	Renovations & ADA Compliance	8/13/2015	480,000		203,255.83		147,087.64			56,168.19
15-15 / 17-02	Purchase of Fire Truck	12/17/2015	775,000		11,491.20		1,882.76			9,608.44
17-11	Tractor/Boom Mower	7/13/2017	90,000	5,389.70					5,389.70	
18-08	4x4 Public Works Vehicles	4/19/2018	72,000	1,430.36					1,430.36	
20-08	Public Works Garage Extension	8/20/2020	43,900			43,900.00	43,815.00		85.00	
20-08	Convience Center	8/20/2020	25,000			25,000.00	15,380.16		9,619.84	
				\$ 112,043.59	314,747.03	68,900.00	211,466.45	(56,325.00)	62,122.54	165,776.63
							\$ 124,144.18			
							87,322.27			
							\$ 211,466.45			

**GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES**

Improvement Description	Ordinance Number	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance	
						Dec. 31, 2019	Dec. 31, 2020
Renovations and ADA Compliance	15-08	11/4/2015	11/2/2019	6/12/2020	1.950%	\$ 291,850.00	-
		11/4/2015	6/11/2020	6/11/2021	0.800%		234,975.00
Purchase of Fire Truck	17-02	6/14/2017	6/12/2019	6/12/2020	2.500%	658,750.00	-
		6/14/2017	6/11/2020	6/11/2021	0.800%		581,250.00
Purchase of Land	18-06	6/13/2018	6/12/2019	6/12/2020	2.500%	124,375.00	-
		6/13/2018	6/11/2020	6/11/2021	0.800%		88,750.00
						<u>\$ 1,074,975.00</u>	<u>904,975.00</u>
						<u>1,074,975.00</u>	<u>904,975.00</u>

**GENERAL CAPITAL FUND
SCHEDULE OF BOND AND NOTES AUTHORIZED BUT NOT ISSUED**

Ordinance Number	Improvement Description	Balance Dec. 31, 2019	Other	Balance Dec. 31, 2020
225	Closure of Landfill	\$ 100,000.00		100,000.00
18-06	Purchase of Land	77,500.00	35,625.00	41,875.00
		<u>\$ 177,500.00</u>	<u>35,625.00</u>	<u>141,875.00</u>

**SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER**

	Operating Fund	Capital Fund
	\$	\$
Balance December 31, 2019	351,855.86	1,916.75
Increased by Receipts:		
Water & Sewer Accounts Receivable	720,868.26	
Miscellaneous Revenue Anticipated	23,144.05	
Miscellaneous Revenue Not Anticipated	10,611.98	
Overpaid Sewer Rents	3,621.75	
Reserve for Sinking Fund Payments		2,500.00
Due from Sewer Operating Fund - Capital Improvement Fund		137,503.81
Due from Sewer Operating Fund	<u>758,246.04</u>	<u>140,003.81</u>
	1,110,101.90	141,920.56
Decreased by Disbursements:		
Current Year Appropriation	563,196.05	
Prior Year Appropriations	11,924.80	
Improvement Authorizations		6,470.00
Encumbrances Payable		
Reserve for Sinking Fund	133,575.00	
Accrued Interest on Bonds		135,000.00
Due to Grant Fund		
Due to Current Fund	137,503.81	
Due from Sewer Capital Fund		
	<u>846,199.66</u>	<u>141,470.00</u>
Balance December 31, 2020	\$ <u><u>263,902.24</u></u>	\$ <u><u>450.56</u></u>

**SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH**

	Balance Dec. 31, 2019	Receipts		Disbursements		Balance Dec. 31, 2020
		Miscellaneous	Miscellaneous	Improvement Authorizations	Miscellaneous	
Due to Sewer Operating	\$ (63,716.16)	137,503.81				73,787.65
Due from Current Fund	(10,654.40)					(10,654.40)
Accounts Payable	10,654.40					10,654.40
Reserve for Sinking Fund Payments	135,000.00				135,000.00	-
Capital Improvement Fund	7,500.00	2,500.00				10,000.00
<u>Improvement Authorizations:</u>						
96-3 Sewer Construction	(38,816.47)			973.44		(39,789.91)
18-11 Sewer Improvements	(38,050.62)			5,496.56		(43,547.18)
	<u>1,916.75</u>	<u>140,003.81</u>		<u>6,470.00</u>	<u>135,000.00</u>	<u>450.56</u>

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

Balance December 31, 2019		\$	85,251.20
Increased by Receipts:			
Consumer Accounts Charges and Levies	737,128.00		
			737,128.00
			822,379.20
Decreased by Disbursements:			
Collections	720,868.26		
Prepayments & Overpayments Applied	4,908.19		
Other	24,231.75		
			750,008.20
Balance December 31, 2020		\$	72,371.00

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

	<u>Balance Dec. 31, 2019</u>	<u>Balance After Transfers</u>	<u>Paid or Charges</u>	<u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 1,822.95	1,822.95		1,822.95
Other Expenses	20,632.78	20,632.78	11,924.80	8,707.98
Other Expenses - Insurance	374.00	374.00		374.00
Capital Improvements:				
Capital Outlay	533.00	533.00		533.00
	<u>\$ 23,362.73</u>	<u>23,362.73</u>	<u>11,924.80</u>	<u>11,437.93</u>

**SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES**

Balance December 31, 2019		\$	11,061.25
Increased by:			
Budget Appropriations	132,957.50		
	132,957.50		132,957.50
			144,018.75
Decreased By:			
Payments of Debt Service Interest			133,575.00
Balance December 31, 2020		\$	10,443.75

Analysis of Accrued Interest December 31, 2020

Principal Outstanding December 31, 2020	Interest Rate	From	To	Days	Amount
3,210,000.00	Var.	12/1/2020	12/31/2020	30	\$ 10,443.75
					\$ 10,443.75

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

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2019		Paid or Charged	Balance December 31, 2020	
				Funded	Unfunded		Funded	Unfunded
96-3	Sewer Construction	2/28/1996	4,750,000	\$	973.44	973.44	-	-
18-11	Sewer Improvements	6/21/2018	50,000		9,449.38	5,496.56	3,952.82	3,952.82
				\$	-	6,470.00	-	3,952.82

**SEWER UTILITY CAPITAL FUND
SCHEDULE OF REFUNDING BONDS PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2019	Decreased by Sinking Fund Payment	Balance Dec. 31, 2020
			Date	Amount				
Sewer Refunding Bonds	11/19/2014	\$ 4,105,000			\$	3,350,000.00	140,000.00	3,210,000.00
	Sinking Fund Requirement		12/1/2021	140,000.00	2.250%			
	Term Bond Final Maturity		12/1/2022	145,000.00	2.250%			
	Sinking Fund Requirement		12/1/2023	150,000.00	2.500%			
	Term Bond Final Maturity		12/1/2024	150,000.00	2.500%			
	Sinking Fund Requirement		12/1/2025	155,000.00	4.000%			
	Sinking Fund Requirement		12/1/2026	160,000.00	4.000%			
	Term Bond Final Maturity		12/1/2027	170,000.00	4.000%			
	Sinking Fund Requirement		12/1/2028	175,000.00	4.000%			
	Sinking Fund Requirement		12/1/2029	185,000.00	4.000%			
	Term Bond Final Maturity		12/1/2030	190,000.00	4.000%			
	Sinking Fund Requirement		12/1/2031	195,000.00	4.250%			
	Sinking Fund Requirement		12/1/2032	205,000.00	4.250%			
	Term Bond Final Maturity		12/1/2033	215,000.00	4.250%			
	Sinking Fund Requirement		12/1/2034	225,000.00	4.500%			
	Sinking Fund Requirement		12/1/2035	235,000.00	4.500%			
	Sinking Fund Requirement		12/1/2036	245,000.00	4.500%			
	Sinking Fund Requirement		12/1/2037	170,000.00	4.500%			
	Sinking Fund Requirement		12/1/2038	100,000.00	4.500%			
						\$ 3,350,000.00	140,000.00	3,210,000.00

**SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND AND NOTES AUTHORIZED BUT NOT ISSUED**

Ordinance Number	Improvement Description	Balance Dec. 31, 2019	2020 Authorizations	Debt Issued	Balance Dec. 31, 2020
96-3	Sewer Construction	\$ 39,789.91			39,789.91
18-11	Sewer Improvements	47,500.00			47,500.00
		<u>\$ 87,289.91</u>	<u>-</u>	<u>-</u>	<u>87,289.91</u>

TOWNSHIP OF HOPEWELL

PART II

GENERAL COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED

DECEMBER 31, 2020

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 therefore, except as is provided otherwise in this act or specifically by any other law." Effective July 1, 2015, the bid threshold was \$40,000. However, effective July 1, 2020, pursuant to subsection b. of section 9 of P.L. 1971, c. 198 (C.40A:11-9), the governing body can establish the bid threshold at \$44,000 with the appointment of a qualified purchasing agent. The City adopted the bid threshold of \$44,000.

The governing body of the Township of Hopewell has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in a violation of the statute, the Township Attorney'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:

Roof Replacement – Township Hall

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 per cent 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. This Resolution shall take effect January 1.

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

Delinquent Taxes and Tax Title Liens

The tax sale was held and was 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>
2020	26
2019	25
2018	25

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 2019 and 2020 Taxes	25
Delinquent Taxes	5
Payment of Sewer Rents	25
Delinquent Sewer Rents	5
Total	<u>60</u>

As of the date of this audit report, all verifications have not been returned. However, no problems were noted with those that have been returned.

Comparison of Tax Levies and Collections Currently

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2020	\$ 10,344,336.90	9,951,954.66	96.21%
2019	10,195,496.41	9,865,487.34	96.76%
2018	10,065,418.21	9,699,062.66	96.36%
2017	9,694,380.11	9,323,428.75	96.17%
2016	9,225,536.15	8,957,076.46	97.09%

Comparative Schedule of Tax Rate Information

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Tax Rate	3.402	3.352	3.240	3.140	3.735
Apportionment of Tax Rate:					
Municipal	0.297	0.281	0.258	0.248	0.302
County	1.354	1.339	1.282	1.201	1.408
Regional School	0.645	0.605	0.604	0.597	0.698
Local School	1.106	1.127	1.096	1.094	1.327

Delinquent Taxes and Tax Title Liens

This tabulation includes a comparison, expressed in percentage, of the total delinquent taxes and tax title liens, in relation to the tax levies of the last three years.

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2020	\$ 142,006.59	352,478.15	494,484.74	4.78%
2019	155,887.31	295,784.54	451,671.85	4.43%
2018	136,988.84	334,854.10	471,842.94	4.69%
2017	124,056.59	329,179.45	453,236.04	4.68%
2016	106,051.26	264,934.14	370,985.40	4.02%

Uniform Construction Code

The Township of Hopewell's construction code official is in compliance with uniform construction code rules NJAC 5:23.17(b) 2 and NJAC 5:23.4.17(b) 3.

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 were deposited within the mandated time.

FINDINGS AND RECOMMENDATIONS

NONE

In accordance with the Division of Local Government Services Regulations, a corrective action plan must be prepared and filed with the Township Committee in response to comments, if any.

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

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

**FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS**

Michael S. Garcia

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

July 30, 2021