

TOWNSHIP OF HOPEWELL

REPORT OF AUDIT

FOR THE YEAR ENDED

DECEMBER 31, 2021

TOWNSHIP OF HOPEWELL
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TOWNSHIP OF HOPEWELL

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS - REGULATORY BASIS

FOR THE YEAR ENDED

DECEMBER 31, 2021



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinions

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, 2021 and 2020, 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, 2021 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

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, 2021 and 2020, 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 balances sheets and account group as of December 31, 2021 and 2020, 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, 2021 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.

Basis for Opinions

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

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.

Responsibilities of Management 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.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division of Local Government Services, we:

- exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township of Hopewell's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether in our judgement there are conditions or events considered in the aggregate, that raise substantial doubt about the Township of Hopewell's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Hopewell 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents is fairly stated, in all material respects, in relation to the regulatory basis financial statements as a whole.

The letter of comments and recommendations section has not been subject 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2022, 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 the effectiveness 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.

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 29, 2022

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**EXHIBIT - A
CURRENT FUND**

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

<u>ASSETS</u>	<u>2021</u>	<u>2020</u>
Regular Fund:		
Cash:		
Cash Treasurer	\$ 2,498,041.03	2,269,000.45
Cash - Collector	-	-
Cash - Change	300.00	300.00
Total Cash	<u>2,498,341.03</u>	<u>2,269,300.45</u>
Other Receivables:		
Due from State - Chapter 20 P.L. 1971	5,023.92	4,863.64
Total Other Receivables	<u>5,023.92</u>	<u>4,863.64</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	208,388.08	352,478.15
Tax Title and Other Liens	156,701.05	142,006.59
Property Acquired for Taxes - at Assessed Valuation	275,200.00	275,200.00
Total Receivables and Other Assets	<u>640,289.13</u>	<u>769,684.74</u>
Deferred Charges:		
Special Emergency	-	6,300.00
Total Deferred Charges	<u>-</u>	<u>6,300.00</u>
Total Regular Fund	<u>3,143,654.08</u>	<u>3,050,148.83</u>
Federal and State Grant Fund:		
Cash	56,525.19	36,786.14
Federal and State Grants Receivable	498,860.25	474,336.50
Due from Sewer Operating Fund	3,474.64	3,474.64
Due from Current Fund	266,473.25	91,156.01
Total Federal and State Grant Fund	<u>825,333.33</u>	<u>605,753.29</u>
Total Current Fund	<u>\$ 3,968,987.41</u>	<u>3,655,902.12</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>2021</u>	<u>2020</u>
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 207,806.65	204,687.47
Reserve for Encumbrances	25,564.09	24,389.17
Accounts Payable	10,882.52	3,150.00
Prepaid Taxes	122,766.11	102,228.52
Overpaid Taxes	17,894.03	12,715.85
Payroll Taxes Payable	1,595.30	821.32
Local School Tax Payable	155,334.48	103,184.98
Regional School Tax Payable	823,835.41	906,737.41
County Added Tax Payable	2,914.85	4,000.17
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	36,532.22	33,918.90
Due to Grant Fund	266,473.25	91,156.01
Due to General Capital	61,415.94	213,842.44
Other		
Reserve for Revaluation	9,244.70	9,244.70
	1,782,114.83	1,749,932.22
Reserve for Receivables and Other Assets	640,289.13	769,684.74
Fund Balance	721,250.12	530,531.87
Total Regular Fund	3,143,654.08	3,050,148.83
Federal and State Grant Fund:		
Unappropriated Reserves	230,971.65	3,317.55
Appropriated Reserves	497,102.76	541,582.78
Encumbrances Payable	21,666.91	5,000.00
Reserve for Small Cities Revolving Loans	41,257.12	21,518.07
Due to General Capital Fund	34,334.89	34,334.89
	825,333.33	605,753.29
Total Federal and State Grant Fund	825,333.33	605,753.29
Total Current Fund	\$ 3,968,987.41	3,655,902.12

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,**

	2021	2020
Revenue and Other Income Realized		
Fund Balance	\$ 461,125.84	567,195.00
Miscellaneous Revenue Anticipated	916,255.24	970,437.35
Receipts from Delinquent Taxes	369,581.51	321,791.75
Receipts from Current Taxes	10,104,340.97	9,951,954.66
Non Budget Revenue	38,730.26	61,554.33
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	168,102.09	137,389.31
Total Income	12,058,135.91	12,010,322.40
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	474,050.00	486,750.00
Other Expenses	843,110.00	864,540.00
Deferred Charges & Statutory Expenditures	96,616.00	97,606.00
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	18,200.00	25,950.00
Other Expenses	258,125.90	314,209.57
Capital Improvements	107,000.00	81,300.00
Debt Service	177,239.80	192,423.66
Deferred Charges	41,925.00	77,725.00
Local District School Tax	3,507,730.00	3,357,201.00
Regional District School Tax	1,778,728.00	1,956,290.00
County Tax	4,097,890.78	4,109,449.01
County Share of Added Tax	2,914.85	4,000.00
Refund of Prior Year's Revenue	2,749.07	-
County Tax Levy Adj	12.42	
Total Expenditures	11,406,291.82	11,567,444.24
Excess/(Deficit) in Revenue	\$ 651,844.09	442,878.16

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,**

	2021	2020
Statutory Excess to Fund Balance	651,844.09	442,878.16
Fund Balance January 1	530,531.87	654,848.71
	1,182,375.96	1,097,726.87
Decreased by:		
Utilization as Anticipated Revenue	461,125.84	567,195.00
Fund Balance December 31	\$ 721,250.12	530,531.87

See accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budget	Anticipated N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 461,125.84	-	461,125.84	-
Total Fund Balance Anticipated	<u>461,125.84</u>	<u>-</u>	<u>461,125.84</u>	<u>-</u>
Miscellaneous Revenues:				
Section A: Local Revenues				
Alcohol Beverage Licenses	2,500.00	-	2,500.00	-
Fees and Permits	3,000.00	-	2,912.39	(87.61)
Fines and Costs:				
Municipal Court	4,000.00	-	3,983.20	(16.80)
Interest and Costs on Taxes	80,000.00	-	68,253.80	(11,746.20)
Interest Earned on Investments	4,700.00	-	3,149.41	(1,550.59)
Payments in Lieu of Taxes - Hopewell Place	117,125.00	-	120,000.00	2,875.00
Rent of Municipal Property - Bank Rent	30,700.00	-	17,569.20	(13,130.80)
Rent of Municipal Property - Amish Market	-	-	970.00	970.00
Rent of Municipal Property - Barretts Run	-	-	8,243.76	8,243.76
Cable Franchise Fee	23,400.00	-	23,443.96	43.96
Total Section A: Local Revenues	<u>265,425.00</u>	<u>-</u>	<u>251,025.72</u>	<u>(14,399.28)</u>
Section B: State Aid Without Offsetting Appropriations				
Energy Receipts Tax	300,944.00	-	300,944.00	-
Garden State Preservation Trust Fund	5,170.00	-	7,962.00	2,792.00
Total Section B: State Aid Without Offsetting Appropriations	<u>306,114.00</u>	<u>-</u>	<u>308,906.00</u>	<u>2,792.00</u>
Section C: Uniform Construction Code Fees				
Uniform Construction Code Fees	35,000.00	-	64,509.00	29,509.00
Total Section C: Uniform Construction Code Fees	<u>35,000.00</u>	<u>-</u>	<u>64,509.00</u>	<u>29,509.00</u>

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	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 Township - Operating Costs:			
Greenwich	14,674.53	-	(9,687.76)
Stow Creek	-	-	9,696.86
Shiloh	-	-	2,594.78
Interlocal Agreement with Greenwich Township Convenience Center	20,000.00	-	5,830.68
Interlocal Fire Department:			
Stow Creek - Operating	3,700.00	-	22,525.41
Shiloh - Operating	4,000.00	-	3,054.12
Total Section D: Special Items - Interlocal Service Agreements	42,374.53	-	34,014.09
Section F: Special Items - Public and Private Programs			
Off-Set with Appropriations			
Clean Communities Grant	-	12,098.90	-
Recycling Tonnage Grant	-	3,327.00	-
NJ Transportation Trust Fund - 2021	200,000.00	-	-
Total Section F: Special Items - Public and Private Programs	200,000.00	15,425.90	-
Total Miscellaneous Revenues:	848,913.53	15,425.90	51,915.81

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budget	Anticipated N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Receipts from Delinquent Taxes	330,000.00		369,581.51	39,581.51
Amount to be Raised by Taxes for Support of Municipal Budget Local Tax for Municipal Purposes	942,061.63	-	1,218,077.34	276,015.71
Total Amount to be Raised by Taxes for Support of Municipal Budget	942,061.63	-	1,218,077.34	276,015.71
Budget Totals	2,582,101.00	15,425.90	2,965,039.93	367,513.03
Non- Budget Revenues: Other Non- Budget Revenues:	-	-	38,730.26	38,730.26
	2,582,101.00	15,425.90	3,003,770.19	406,243.29

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	10,104,340.97
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Less: Reserve for Tax Appeals Pending	-
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Net Revenue from Collections	10,104,340.97
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Allocated to:

School, County and Other Taxes	9,387,263.63
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Balance for Support of Municipal Budget Appropriations	717,077.34
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Increased by:

Appropriation "Reserved for Uncollected Taxes"	501,000.00
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Amount for Support of Municipal Budget Appropriations	1,218,077.34
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Receipts from Delinquent Taxes:

Delinquent Tax Collection	363,556.36	
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Tax Title Lien Collections	6,025.15	
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Total Receipts from Delinquent Taxes	369,581.51
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Analysis of Non-Budget Revenue:

Miscellaneous Revenue Not Anticipated:

Property List	70.00
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Planning & Zoning Fees	14,635.21
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Code Compliance Letter	1,850.00
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Vacant Property Registration	3,000.00
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Rental Registrations	1,050.00
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Rent of Municipal Building	3,125.00
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2020 Wellness Program	750.00
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Street Openings	1,250.00
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Reimbursements	3,143.25
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Farmland Rent	2,000.00
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Senior & Vets Admin Fees	912.60
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FEMA - Reimbursement for COVID Supplies	5,038.67
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Miscellaneous	1,905.53
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Total Miscellaneous Revenue Not Anticipated:	38,730.26
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See accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	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	148,000.00	145,532.74	-	2,467.26	
Other Expenses	30,000.00	30,000.00	19,941.98	475.90	4,582.12	5,000.00
Municipal Clerk						
Salaries and Wages	55,000.00	55,000.00	46,331.83	-	8,668.17	
Other Expenses	29,050.00	29,050.00	19,858.14	420.39	3,771.47	5,000.00
Financial Administration						
Salaries and Wages	33,200.00	33,700.00	33,610.51	-	89.49	
Other Expenses:						
Miscellaneous Other Expenses	10,500.00	10,500.00	7,611.35	358.75	2,529.90	
Annual Audit	29,500.00	29,500.00	29,500.00	-	-	
Collection of Taxes						
Salaries and Wages	33,100.00	33,600.00	33,579.68	-	20.32	
Other Expenses:						
Miscellaneous Other Expenses	13,300.00	13,300.00	7,282.93	-	6,017.07	
Assessment of Taxes						
Salaries and Wages	44,050.00	44,050.00	39,166.72	-	4,883.28	
Other Expenses:						
Miscellaneous Other Expenses	8,500.00	8,500.00	5,545.54	70.00	2,884.46	
Maintenance of Tax Map	4,500.00	4,500.00	2,710.50	-	1,789.50	
Computer Services						
Legal Services						
Salaries and Wages	13,100.00	13,500.00	13,494.85	-	5.15	
Other Expenses	54,000.00	54,000.00	46,155.67	4,100.00	3,744.33	
Engineer Services & Costs						
Other Expenses	15,000.00	15,000.00	14,228.90	-	771.10	
Western Cumberland County Economic Develop. Corp.						
Other Expenses	10,500.00	10,500.00	9,506.00	-	994.00	
Economic Development Committee	4,000.00	4,000.00	270.00	-	3,730.00	
Municipal Land Use Law (N.J.S.A. 40:55D-1)						
Combined Planning & Zoning Board						
Salaries and Wages	15,000.00	15,000.00	14,443.16	-	556.84	
Other Expenses	3,050.00	3,050.00	923.74	-	2,126.26	
Code Enforcement						
Salaries and Wages	3,800.00	3,800.00	3,772.63	-	27.37	
Other Expenses	900.00	900.00	600.00	-	300.00	

See accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	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	80,439.00	-	1,061.00	5,000.00
Disability	500.00	500.00	366.94	-	133.06	
Employee Group Insurance	48,000.00	48,000.00	22,639.90	-	5,360.10	20,000.00
Unemployment	11,600.00	11,600.00	-	-	11,600.00	
PUBLIC SAFETY						
Office of Emergency Management						
Salaries and Wages	5,000.00	5,100.00	5,028.10	-	71.90	
Other Expenses	1,750.00	1,750.00	623.26	-	1,126.74	
Ambulance Service Contribution						
Other Expenses	43,960.00	43,960.00	43,960.00	-	-	
Fire						
Other Expenses	67,250.00	67,250.00	42,989.47	3,001.40	11,259.13	10,000.00
Other Expenses- Concrete Slab Repair						
Uniform Fire Safety Act						
Salaries and Wages						
Other Expenses						
Demolition of Public Property						
STREETS AND ROADS						
Streets and Road Maintenance						
Salaries and Wages	127,000.00	127,000.00	125,098.77	-	1,901.23	
Other Expenses	34,000.00	34,000.00	9,498.32	5,833.54	8,668.14	10,000.00
Reserve for Snow Removal	2,500.00	2,500.00	-	-	2,500.00	
Public Building and Grounds						
Other Expenses	27,900.00	27,900.00	16,626.23	230.83	11,042.94	
HEALTH AND WELFARE						
Dog Regulation						
Other Expenses	36,000.00	36,000.00	33,931.50	-	2,068.50	
Environmental Commission						
Other Expenses	1,000.00	1,000.00	813.27	-	186.73	
RECREATION AND EDUCATION						
Recreation Services and Programs						
Other Expenses	2,000.00	2,000.00	619.86	-	1,380.14	
Bostwik Lake Commission	4,500.00	4,500.00	-	-	4,500.00	
Senior Citizen Center						
Salaries and Wages	10,150.00	10,150.00	800.68	-	2,099.32	7,250.00
Other Expenses	9,500.00	9,500.00	6,423.12	-	3,076.88	

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
UNIFORM CONSTRUCTION CODE						
State Uniform Construction Code						
Construction Official						
Other Expenses	47,000.00	47,000.00	47,000.00	-	-	
Unclassified:						
Sanitation:						
Convenience Center						
Salaries and Wages	41,900.00	44,900.00	43,932.28	-	967.72	
Other Expenses	134,000.00	134,000.00	92,846.90	8,864.48	22,288.62	10,000.00
Sanitary Landfill						
Facility No. 0607A Post-Closure Care	11,250.00	11,250.00	5,000.00	-	6,250.00	
Utilities:						
Electricity	16,000.00	16,000.00	9,565.54	-	6,434.46	
Street Lighting	16,000.00	16,000.00	13,499.60	-	2,500.40	
Telephone	12,500.00	12,500.00	11,775.71	-	724.29	
Fuel Oil	14,600.00	14,600.00	6,616.46	-	7,983.54	
Sewer	3,500.00	3,500.00	2,915.00	-	585.00	
Gasoline	8,500.00	8,500.00	6,339.61	-	2,160.39	
Salary Adjustments	10,000.00	2,500.00	100.00	-	2,400.00	
TOTAL OPERATIONS WITHIN "CAPS"	1,389,410.00	1,389,410.00	1,123,516.39	23,355.29	170,288.32	72,250.00
Contingent						
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	1,389,410.00	1,389,410.00	1,123,516.39	23,355.29	170,288.32	72,250.00
Detail:						
Salaries and Wages	481,300.00	481,300.00	458,560.12	-	15,489.88	7,250.00
Other Expenses	908,110.00	908,110.00	664,956.27	23,355.29	154,798.44	65,000.00
DEFERRED CHARGES AND STATUTORY EXPENDITURES:						
Statutory Expenditures:						
Contributions to:						
Public Employees' Retirement System	49,616.00	49,616.00	49,616.00	-	-	-
Social Security System (O.A.S.I.)	45,000.00	45,000.00	41,090.19	-	3,909.81	
DCRP	2,000.00	2,000.00	660.22	-	1,339.78	

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:	<u>96,616.00</u>	<u>96,616.00</u>	<u>91,366.41</u>	<u>-</u>	<u>-</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	<u>1,486,026.00</u>	<u>1,486,026.00</u>	<u>1,214,882.80</u>	<u>23,355.29</u>	<u>175,537.91</u>
OPERATIONS - EXCLUDED FROM "CAPS"					
(A) Operations - Excluded from "CAPS"					
Emergency Service Volunteer	13,250.00	13,250.00	10,425.00	-	2,825.00
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	855.90	-	7,750.00
Other Expenses	5,250.00	5,250.00	3,549.62	-	1,700.38
Agreement with Greenwich Twp					
Sanitation - Convenience Center	15,100.00	15,100.00	15,100.00	-	-
Salaries and Wages					
Fire Department Interlocal:	3,700.00	3,700.00	3,700.00	-	-
Stow Creek Twp	4,000.00	4,000.00	4,000.00	-	-
Shiloh					
Agreement with Cumberland-Salem Regional Municipal Courts					
Contracted Services	16,500.00	16,500.00	10,954.34	-	5,545.66
	<u>68,650.00</u>	<u>68,650.00</u>	<u>48,584.86</u>	<u>-</u>	<u>7,750.00</u>
(A) Public and Private Programs Off-Set by Revenues					
Recycling Tonnage Grant	-	3,327.00	3,327.00	-	-
NJ Transportation Trust Fund - Holly & Elwell	200,000.00	200,000.00	200,000.00	-	-
Clean Communities	-	12,098.90	12,098.90	-	-
	<u>200,000.00</u>	<u>215,425.90</u>	<u>215,425.90</u>	<u>-</u>	<u>-</u>
Total Public and Private Programs Off-Set by Revenues					
Total Operations - Excluded from "CAPS"	268,650.00	284,075.90	264,010.76	-	12,315.14
Detail:					
Salaries and Wages	25,950.00	25,950.00	15,955.90	-	2,244.10
Other Expenses	242,700.00	258,125.90	248,054.86	-	10,071.04

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
(C) Capital Improvements						
Capital Improvement Fund						
Municipal Land, Building Improvements & Equipment	25,000.00	25,000.00	25,000.00	-	-	-
Fire Equipment & Improvements	30,000.00	30,000.00	12,977.20	2,208.80	14,814.00	-
Other Expenses - Turnout Gear	8,000.00	8,000.00	6,650.80	-	1,349.20	-
Other Expenses - Tanks	6,000.00	6,000.00	5,996.00	-	4.00	-
Other Expenses - Electrical Improvements	-	-	-	-	-	-
Other Expenses - Masks	5,000.00	5,000.00	5,000.00	-	-	-
Other Expenses - Dry Hydrants	3,000.00	3,000.00	713.60	-	2,286.40	-
DOT Matching Funds	30,000.00	30,000.00	28,500.00	-	1,500.00	-
Total Capital Improvements	107,000.00	107,000.00	84,837.60	2,208.80	19,953.60	-
(D) Debt Service						
Payment of BANS	170,000.00	170,000.00	170,000.00	-	-	-
Interest on Notes	7,500.00	7,500.00	7,239.80	-	-	260.20
Total Debt Service	177,500.00	177,500.00	177,239.80	-	-	260.20
(E) Deferred Charges						
Special Emergency Authorizations - 5 years	6,300.00	6,300.00	6,300.00	-	-	-
Deferred Charges to Future Taxation Unfunded Ordinance 18-06	35,625.00	35,625.00	35,625.00	-	-	-
Total Deferred Charges	41,925.00	41,925.00	41,925.00	-	-	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	595,075.00	610,500.90	568,013.16	2,208.80	32,268.74	8,010.20
SUBTOTAL GENERAL APPROPRIATIONS	2,081,101.00	2,096,526.90	1,782,895.96	25,564.09	207,806.65	80,260.20
(M) Reserve for Uncollected Taxes	501,000.00	501,000.00	501,000.00	-	-	-

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
TOTAL GENERAL APPROPRIATIONS	\$ 2,582,101.00	2,597,526.90	2,283,895.96	25,564.09	80,260.20
Budget		2,582,101.00			80,260.20
Appropriations by 40A-4-87		15,425.90		Cancelled	Overexpended
		2,597,526.90			80,260.20
Reserve for Uncollected Taxes			501,000.00		
Federal and State Grants			215,425.90		
Deferred Charges			6,300.00		
Disbursements			1,561,170.06		
			2,283,895.96		

**EXHIBIT - B
TRUST FUND**

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

	2021	2020
<u>ASSETS</u>		
<u>DOG TRUST FUND</u>		
Cash	\$ 6,197.90	6,244.83
Due from State of NJ		-
	6,197.90	6,244.83
<u>OTHER TRUST FUND</u>		
Cash and Investments	238,903.30	202,059.06
Interfunds and Receivables:		
Due from Current Fund	36,532.22	33,918.90
	275,435.52	235,977.96
	281,633.42	242,222.79
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
<u>DOG TRUST FUND</u>		
Reserve for Dog Fund Expenditures	6,194.30	6,235.83
Due to State of New Jersey	3.60	9.00
Interfunds and Payables:		
	6,197.90	6,244.83
<u>OTHER TRUST FUND</u>		
Reserve for:		
Unemployment Compensation	1,385.47	1,624.82
Sanitary Landfill	44,139.64	43,897.55
Developers Escrow	23,871.81	17,389.96
COAH Fees	38,057.29	37,982.09
Tax Sale Premiums	81,000.00	67,300.00
Redemption of Tax Sale Certificates	17,623.91	984.53
Snow Removal - Storm Recovery	18,625.00	16,125.00
Bostwick Lake	22,344.58	22,310.91
Community Activities	10,949.97	10,925.25
Reserve for Escrow & Performance Bonds	17,437.85	17,437.85
	275,435.52	235,977.96
	\$ 281,633.42	242,222.79

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>2021</u>	<u>2020</u>
Cash	\$ -	-
Deferred Charges to Future Taxation - Unfunded	841,225.00	1,046,850.00
Interfunds and Receivables		
Due from Current Fund	61,415.94	213,842.44
Due from Grant Fund	34,334.89	34,334.89
Due from Sewer Operating Fund	150,000.00	150,000.00
	<u>1,086,975.83</u>	<u>1,445,027.33</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Encumbrances Payable	12,843.74	87,322.27
Bond Anticipation Notes Payable	734,975.00	904,975.00
Improvement Authorizations:		
Funded	59,155.29	62,122.54
Unfunded	133,954.91	165,776.63
Capital Improvement Fund	146,046.89	224,830.89
Fund Balance	-	-
	<u>\$ 1,086,975.83</u>	<u>1,445,027.33</u>

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

2020	141,875.00
2021	106,250.00

See accompanying Notes to Financial Statements - Regulatory Basis

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

	2021	2020
Beginning Balance January 1	\$ -	-
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	-	-
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,**

	2021	2020
ASSETS		
Operating Fund:		
Cash	\$ 230,890.29	\$ 263,902.24
Interfunds and Receivables		
Due from Current Fund	29,200.88	29,200.88
Due from Sewer Capital Fund	73,788.54	73,787.65
	333,879.71	366,890.77
Receivables and Other Assets with Full Reserves:		
Sewer Accounts Receivable	85,732.21	72,371.00
	85,732.21	72,371.00
Total Operating Fund	419,611.92	439,261.77
Capital Fund:		
Cash - Treasurer	172,951.45	450.56
Interfunds and Receivables		
Due from Current Fund	10,654.40	10,654.40
Fixed Capital - Complete	7,520,547.18	7,434,710.09
Fixed Capital - Authorized and Uncomplete	3,952.82	89,789.91
Total Capital Fund	7,708,105.85	7,535,604.96
	\$ 8,127,717.77	\$ 7,974,866.73

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>2021</u>	<u>2020</u>
Operating Fund:		
Appropriation Reserves	\$ 8,711.42	\$ 45,273.95
Reserve for Encumbrances	1,948.00	3,030.00
Accounts Payable	590.00	-
Overpaid Sewer Rents	6,076.98	3,951.75
Accrued Interest on Bonds and Notes	10,443.75	10,443.75
Interfunds:		
Due to Grant Fund	3,474.64	3,474.64
Due to General Capital Fund	150,000.00	150,000.00
	<u>181,244.79</u>	<u>216,174.09</u>
Reserve for Receivables	85,732.21	72,371.00
Fund Balance	152,634.92	150,716.68
	<u>419,611.92</u>	<u>439,261.77</u>
Capital Fund:		
Contracts Payable	10,654.40	10,654.40
Interfunds:		
Due to Sewer Operating Fund	73,788.54	73,787.65
Refunding Bonds Payable	3,070,000.00	3,210,000.00
Improvement Authorizations:		
Unfunded	3,952.82	3,952.82
Reserve for Sinking Fund Payments	140,000.00	-
Reserve for Amortization	4,397,210.09	4,184,920.18
Deferred Reserve for Amortization	-	42,289.91
Capital Improvement Fund	12,500.00	10,000.00
Fund Balance	-	-
	<u>7,708,105.85</u>	<u>7,535,604.96</u>
Total Capital Fund	<u>7,708,105.85</u>	<u>7,535,604.96</u>
	<u>\$ 8,127,717.77</u>	<u>\$ 7,974,866.73</u>

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

2020	87,289.91
2021	57,289.91

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, 2021**

	<u>2021</u>	<u>2020</u>
Revenue and Other Income Realized		
Fund Balance	\$ 50,000.00	\$ 75,000.00
Sewer Rents	687,500.85	725,776.45
Miscellaneous Revenue Anticipated	16,994.11	23,144.05
Miscellaneous Revenue Not Anticipated	11,005.75	10,611.98
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	45,242.53	11,437.93
Total Income	<u>810,743.24</u>	<u>845,970.41</u>
Expenditures		
Operations	441,000.00	431,500.00
Capital Improvements	22,500.00	40,000.00
Debt Service	265,325.00	272,957.50
Deferred Charges and Statutory Expenditures	30,000.00	
Total Expenditures	<u>758,825.00</u>	<u>744,457.50</u>
Excess/(Deficit) in Revenue	<u>51,918.24</u>	<u>101,512.91</u>
Excess in Operations	<u>51,918.24</u>	<u>101,512.91</u>
Fund Balance January 1	<u>150,716.68</u>	<u>124,203.77</u>
	202,634.92	225,716.68
Decreased by:		
Utilization as Anticipated Revenue	50,000.00	75,000.00
Fund Balance December 31	<u>\$ 152,634.92</u>	<u>\$ 150,716.68</u>

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,**

	2021	2020
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, 2021**

	Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	\$ 50,000.00	50,000.00	-
Sewer Rents	708,825.00	687,500.85	(21,324.15)
Other Anticipated Revenue	-	16,994.11	16,994.11
Deficit (General Budget)			-
Miscellaneous Revenue Not Anticipated	-	11,005.75	11,005.75
	<u>\$ 758,825.00</u>	<u>765,500.71</u>	<u>6,675.71</u>

Analysis of Realized Revenue:

Rents

Consumer Accounts Receivable:

Current Collections	\$ 683,549.10
Cumberland Manor - Current Year	16,994.11
Prepayments & Overpayments Applied	3,951.75
	<u>704,494.96</u>

Miscellaneous Revenue Not Anticipated

Interest on Investments	1,052.02
Interfund	2,500.89
Refunds	7,452.84
	<u>\$ 11,005.75</u>

See accompanying Notes to Financial Statements - Regulatory Basis

**SEWER UTILITY FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Appropriations		Expended		(Over expended, Unexpended Balance Cancelled)
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
Operations:					
Salaries and Wages	\$ 25,000.00	22,000.00	20,304.42	-	1,695.58
Other Expenses	405,000.00	408,000.00	400,231.92	1,948.00	5,820.08
Other Expenses - Insurance	11,000.00	11,000.00	11,000.00	-	-
	<u>441,000.00</u>	<u>441,000.00</u>	<u>431,536.34</u>	<u>1,948.00</u>	<u>7,515.66</u>
Capital Improvements:					
Capital Improvement Fund	2,500.00	2,500.00	2,500.00	-	-
Capital Outlay	20,000.00	20,000.00	18,804.24	-	1,195.76
	<u>22,500.00</u>	<u>22,500.00</u>	<u>21,304.24</u>	<u>-</u>	<u>1,195.76</u>
Debt Service:					
Payment of Bond Principal	140,000.00	140,000.00	140,000.00	-	-
Interest on Bonds	125,325.00	125,325.00	125,325.00	-	-
	<u>265,325.00</u>	<u>265,325.00</u>	<u>265,325.00</u>	<u>-</u>	<u>-</u>
Deferred Charges and Statutory Expenditures:					
Emergency Authorizations					
Ordinance 96-3	15,000.00	15,000.00	15,000.00	-	-
Ordinance 18-11	15,000.00	15,000.00	15,000.00	-	-
	<u>30,000.00</u>	<u>30,000.00</u>	<u>30,000.00</u>	<u>-</u>	<u>-</u>
	<u>\$ 758,825.00</u>	<u>758,825.00</u>	<u>748,165.58</u>	<u>1,948.00</u>	<u>8,711.42</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>2021</u>	<u>2020</u>
Land Buildings and Improvements	\$ 4,285,656.81	4,191,411.81
Machinery and Equipment	<u>2,063,742.29</u>	<u>1,978,951.42</u>
	<u>6,349,399.10</u>	<u>6,170,363.23</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Investment in General Fixed Assets	\$ <u>6,349,399.10</u>	<u>6,170,363.23</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, 2021 AND 2020**

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
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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 \$5,000.00 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
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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, 2021 AND 2020**

F. Recent Accounting Pronouncements Not Yet Effective

In January 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 92, "Omnibus 2020". This statement, which is effective for periods beginning after June 15, 2021, and all reporting periods thereafter, will not have any effect on the Township'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 Township'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 Township'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 Township'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, which is effective for periods beginning after June 15, 2021, and all reporting periods thereafter, will not have any effect on the Township's financial reporting.

In April 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 99, "Omnibus 2022". This statement, which is effective for periods beginning after June 15, 2022, and all reporting periods thereafter, will not have any effect on the Township'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 2021 and 2020 statutory budgets included a reserve for uncollected taxes in the amount of \$501,000.00 and \$501,252.76. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2021 and 2020 statutory budgets was \$461,125.84 and \$567,195.00. 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 2021 and 2020 statutory budgets was \$50,000.00 and \$75,000.00.

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**TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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 2021 and 2020 calendar years:

	<u>2021</u>	<u>2020</u>
Administrative and Executive		
Salaries and Wages	\$ 3,000.00	-
Financial Administration		
Salaries and Wages	500.00	200.00
Collection of Taxes		
Salaries and Wages	500.00	200.00
Miscellaneous Other Expenses	-	500.00
Tax Assessment Administration		
Salaries and Wages	-	3,500.00
Maintenance of Tax Map	-	300.00
Legal Services		
Salaries and Wages	400.00	250.00
Insurance		
Employee Group Insurance	-	(6,150.00)
Office of Emergency Management		
Salaries and Wages	100.00	100.00
Senior Citizen Center		
Salaries and Wages	-	100.00
Convenience Center		
Sanitary Landfill Facility	3,000.00	-
Utilities		
Street Lighting	-	1,000.00
Salary Adjustments	(7,500.00)	-

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 2021 and 2020, the following significant budget insertions were approved:

<u>Budget Category</u>	<u>2021</u>	<u>2020</u>
Clean Communities Program	\$ 12,098.90	11,372.02
NJ Department of Transportation	-	-
ANJUC Open Space	-	-
Recycling Tonnage	3,327.00	-
Total	\$ <u>15,425.90</u>	<u>11,372.02</u>

**TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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 has no special emergency appropriation balances as of December 31, 2021.

Note 3: INVESTMENTS

As of December 31, 2021 and 2020, 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, 2021, and 2020, \$315,554.83 of the municipality’s bank balance of \$3,183,554.45, and \$267,820.57 of the municipality’s bank balance of \$3,551,132.78, 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, 2021 and 2020:

	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>

	Balance 12/31/2020	Additions/ Adjustments	Retirements/ Adjustments	Balance 12/31/2021
Land	\$ 3,527,873.11	-	-	3,527,873.11
Buildings & Improvements	663,538.70	94,245.00	-	757,783.70
Machinery & Equipment	1,978,951.42	90,372.00	5,581.13	2,063,742.29
	<u>\$ 6,170,363.23</u>	<u>184,617.00</u>	<u>5,581.13</u>	<u>6,349,399.10</u>

**TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

Note 6: SHORT-TERM OBLIGATIONS

	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 \$904,975.00 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.

	Balance 12/31/20	Issued	Retired	Balance 12/31/21
Bond Anticipation				
General Capital	904,975.00	734,975.00	904,975.00	734,975.00

The Bond Anticipation Notes totaling \$734,975.00 was issued on June 10, 2021 for \$734,975.00 and was due and payable on June 10, 2022 with interest at 0.50% per annum.

As of December 31, 2020 the entity has authorized but not issued bonds in the amount of \$106,250.00 and \$57,289.91 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, 2021 AND 2020**

Note 7: LONG TERM DEBT

Long-term debt as of December 31, 2021 and 2020 consisted of the following:

	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>
	Balance 12/31/20	Issued	Retired	Balance 12/31/21	Amounts Due Within One Year
Bonds and Loans payable:					
General	\$ -			-	-
Utility	3,210,000.00		140,000.00	3,070,000.00	145,000.00
Total	3,210,000.00	-	140,000.00	3,070,000.00	145,000.00
Compensated Absences Payable	25,134.59	5,889.39	5,341.34	25,682.64	-
Total long-term liabilities	<u>\$ 3,235,134.59</u>	<u>5,889.39</u>	<u>145,341.34</u>	<u>3,095,682.64</u>	<u>145,000.00</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, 2021 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
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	None	None	160,000.00	105,212.50
2027-2031	None	None	915,000.00	423,462.50
2032-2036	None	None	1,125,000.00	215,537.50
2037-2038	None	None	270,000.00	16,650.00
	<u>None</u>	<u>None</u>	<u>3,070,000.00</u>	<u>1,228,525.00</u>

**TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

As of December 31, 2021, 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 \$7,239.80 and to the utility budget was \$125,325.00.

<u>Summary of Municipal Debt</u>	<u>Year 2021</u>	<u>Year 2020</u>	<u>Year 2019</u>
<u>Issued:</u>			
General - Bonds and Notes	\$ 734,975.00	\$ 904,975.00	\$ 1,074,975.00
Sewer Utility - Bonds and Notes	3,070,000.00	3,210,000.00	3,350,000.00
Total Issued	<u>3,804,975.00</u>	<u>4,114,975.00</u>	<u>4,424,975.00</u>
<u>Authorized but not issued:</u>			
General - Bonds and Notes	106,250.00	141,875.00	177,500.00
Sewer Utility - Bonds and Notes	57,289.91	87,289.91	87,289.91
Total Authorized But Not Issued	<u>163,539.91</u>	<u>229,164.91</u>	<u>264,789.91</u>
Total Bonds & Notes Issued and Authorized But Not Issued	<u>\$ 3,968,514.91</u>	<u>\$ 4,344,139.91</u>	<u>\$ 4,689,764.91</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 0.257%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 831,000.00	831,000.00	-
Regional School District Debt	748,025.27	748,025.27	-
Sewer Utility Debt	3,127,289.91	3,127,289.91	-
General Debt	841,225.00	-	841,225.00
	<u>\$ 5,547,540.18</u>	<u>4,706,315.18</u>	<u>841,225.00</u>

Net Debt \$841,225.00 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$326,758,002.67 = 0.257%.

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

3 1/2 % of Equalized Valuation Basis (Municipal)	\$ 11,436,530.00
Net Debt	841,225.00
Remaining Borrowing Power	<u>\$ 10,595,305.00</u>

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**TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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		\$	808,242.35
Deductions:			
Operating & Maintenance Costs	\$	441,000.00	
Debt Service per Water and Sewer Utility Fund		265,325.00	
Total Deductions			<u>706,325.00</u>
Excess in Revenue		\$	<u>101,917.35</u>

Note 8: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2021 and 2020, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2022 and 2021 were as follows:

		<u>2022</u>	<u>2021</u>
Current Fund	\$	531,000.00	461,125.84
Sewer Utility		73,325.00	50,000.00

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, 2021, there were no deferred charges shown on the balance sheets of the various funds:

	Balance December 31, 2021	2022 Budget Appropriation	Balance to Succeeding
Current & Grant Fund:			
Emergency Appropriation	\$ -	-	-
Special Emergency	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

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**TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

Note 10: SCHOOL TAXES

Local District School Tax in the amounts of \$3,507,730.00 and \$3,357,201.00 have been raised for the 2021 and 2020 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>12/31/2021</u>	<u>12/31/2020</u>
Balance of Tax	\$ 1,680,334.48	\$ 1,628,184.98
Deferred	1,525,000.00	1,525,000.00
Tax Payable	<u>\$ 155,334.48</u>	<u>\$ 103,184.98</u>

Regional District School Tax in the amounts of \$1,778,728.00 and \$1,956,290.00 have been raised for the 2021 and 2020 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>12/31/2021</u>	<u>12/31/2020</u>
Balance of Tax	\$ 823,835.41	\$ 906,737.41
Deferred	-	-
Tax Payable	<u>\$ 823,835.41</u>	<u>\$ 906,737.41</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 12/31/21</u>	<u>Balance 12/31/20</u>
Prepaid Taxes	\$ 122,766.11	\$ 102,228.52
Cash Liability for Taxes Collected in Advance	<u>\$ 122,766.11</u>	<u>\$ 102,228.52</u>

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**TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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, 2021, 2020, and 2019 were \$49,616.00, \$53,606.00 and \$58,700.00.

The total payroll for the year ended December 31, 2021, 2020 and 2019 was \$542,027.27, \$559,417.80 and \$523,753.50. Payroll covered by PERS was \$313,487.00, \$336,095.00 and \$319,293.00.

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**TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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. 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 $\frac{1}{60}$ th from $\frac{1}{55}$ th, 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 $\frac{1}{7}$ th 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.

**TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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.

For the year ended December 31, 2021, the Municipality would have recognized pension expense of \$79,069.00. At December 31, 2021, 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>

**TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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 of 2010 on a generational basis. Disability retirement rates used to value disable retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on 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%

**TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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 \$25,682.64 in 2021 and \$25,134.59 in 2020. 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.

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**TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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, 2021 and 2020 the entity did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

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
2021	\$ -	-	3.12	242.47	1,385.47
2020	-	-	3.11	-	1,624.82
2019	-	-	-	-	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, 2021 AND 2020**

Note 18: INTERFUND BALANCES

During the most current calendar year ended December 31, 2021, 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	-	266,473.25
Trust - Other Fund	-	36,532.22
General Capital	-	61,415.94
Sewer Capital Fund	-	10,654.40
Sewer Operating Fund	-	29,200.88
Grant Fund:		
Current Fund	266,473.25	-
General Capital Fund	-	34,334.89
Sewer Operating Fund	3,474.64	-
Trust Fund:		
Current Fund	36,532.22	-
General Capital Fund:		
Current Fund	61,415.94	-
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	73,788.54	-
Sewer Capital Fund:		
Current Fund	10,654.40	-
Sewer Operating Fund	-	73,788.54
	<u>665,874.76</u>	<u>665,874.76</u>

The amount due from the Current Fund to the Grant Fund is due to there only being one bank account for each Fund and the amounts due to the Grant Fund from the General Capital fund are 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 29, 2022, 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.

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INDEPENDENT AUDITOR'S REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTER BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, 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 financial statements – regulatory basis, as listed in the accompanying table of contents, of the Township of Hopewell, State of New Jersey, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated July 29, 2022, which was adverse due to being presented in accordance with the New Jersey Regulatory Basis of Accounting. Our report disclosed that, as described in Note 1 to the financial statements, the Township of Hopewell prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of 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.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

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 29, 2022

TOWNSHIP OF HOPEWELL
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDING DECEMBER 31, 2021

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**

	<u>Current Fund</u>	<u>Grant Fund</u>
Balance December 31, 2020	\$ 2,269,000.45	36,786.14
Increased by Receipts:		
Tax Collector	10,363,487.50	-
Revenue Accounts Receivable	632,551.60	-
Miscellaneous Revenue	38,730.26	-
Due from State of NJ - Seniors & Vets	44,750.00	-
Due from State of NJ - Homestead Rebates	159,511.99	-
Payroll Payable	773.98	-
Due to Current Fund	-	52,336.86
Due to Grant Fund	227,654.10	-
Due to Trust	2,613.32	-
Federal and State Unappropriated	-	230,981.10
Reserve for Small Cities Revolving Loans	-	19,739.05
Federal and State Grant Receivables	-	187,575.15
	<u>11,470,072.75</u>	<u>490,632.16</u>
	13,739,073.20	527,418.30
Decreased by Disbursements:		
Current Year Appropriation	1,561,170.06	-
Prior Year Appropriations	53,242.03	-
County Taxes	4,101,903.37	-
Local District School Taxes	3,455,580.50	-
Regional School Taxes	1,861,630.00	-
Due to General Capital Fund	152,420.28	-
Due to Federal & State Grant Fund	52,336.86	-
Refund of Prior Year Revenue	2,749.07	-
Due from Current Fund	-	227,654.10
Federal and State Grant Disbursements	-	243,239.01
	<u>11,241,032.17</u>	<u>470,893.11</u>
Balance December 31, 2021	\$ <u>2,498,041.03</u>	<u>56,525.19</u>

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

Balance December 31, 2020		\$	-
Increased by Receipts:			
Prepaid Taxes	122,766.11		
Taxes Receivable	10,148,530.69		
Revenue Accounts Receivable	68,253.80		
Tax Title and Other Liens	6,025.15		
Overpayments	17,911.75		
			10,363,487.50
			10,363,487.50
Payments to Treasurer			10,363,487.50
Balance December 31, 2021		\$	-

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

Year	Balance Dec. 31, 2020	Current Year Levy	Added Taxes	Collections by Cash		Adjustments	Transferred To Tax Title Lien	Balance Dec. 31, 2021
				2020	2021			
2020	\$ 352,478.15	-	-	-	363,556.36	(13,620.45)	-	2,542.24
					363,556.36	(13,620.45)		2,542.24
2021	-	10,335,281.90	7,342.02	102,228.52	10,002,112.45	13,733.00	18,704.11	205,845.84
	\$ 352,478.15	10,335,281.90	7,342.02	102,228.52	10,365,668.81	112.55	18,704.11	208,388.08
					10,148,530.69	Cash Receipts - Tax Collector		
					12,715.85	Overpayments Applied		
					159,511.99	Homestead Rebates		
					44,910.28	Senior Citizens and Veterans		
					<u>10,365,668.81</u>			

Analysis of Current Year Tax Levy

Tax Yield:	
General Property Tax	10,335,281.90
Added Taxes (54:4-63.1 et. Seq.)	<u>7,342.02</u>
	<u>10,342,623.92</u>
Tax Levy:	
General County Taxes	3,863,748.56
County Open Space Taxes	33,276.22
County Health Taxes	200,866.00
County Added and Omitted Taxes	<u>2,914.85</u>
Total County Taxes	4,100,805.63
Local School District Tax	3,507,730.00
Regional School District Tax	1,778,728.00
Local Tax for Municipal Purposes	942,061.63
Add: Additional Tax Levied	<u>13,298.66</u>
	<u>955,360.29</u>
	<u>10,342,623.92</u>

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

Balance December 31, 2020		\$ 142,006.59
Increased by:		
Transfers from Taxes Receivable	18,704.11	
Interest and Costs	2,015.50	
	<hr/>	<hr/>
		20,719.61
		162,726.20
Decreased by:		
Collections	6,025.15	
	<hr/>	<hr/>
		6,025.15
Balance December 31, 2021		\$ <u><u>156,701.05</u></u>

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

	Balance Dec. 31, 2020	Balance After Transfers	Paid or Charged	Balance Lapsed
OPERATIONS WITHIN "CAPS" GENERAL GOVERNMENT:				
Administrative and Executive				
Salaries and Wages	3,388.50	3,388.50	-	3,388.50
Other Expenses	854.23	854.23	565.00	289.23
Codification of Ordinances	-	-		-
Municipal Clerk				
Salaries and Wages	4,875.12	4,875.12	-	4,875.12
Other Expenses	2,816.05	2,816.05	247.97	2,568.08
Financial Administration				
Salaries and Wages	86.38	86.38	-	86.38
Other Expenses:				
Miscellaneous Other Expenses	3,144.26	3,144.26	472.00	2,672.26
Annual Audit	-	-		-
Collection of Taxes				
Salaries and Wages	91.66	91.66	-	91.66
Other Expenses:				
Liquidation of Tax Title Liens	-	-	-	-
Miscellaneous Other Expenses	106.57	106.57	31.99	74.58
Tax Assessment Administration				
Salaries and Wages	1,500.67	1,500.67	875.00	625.67
Other Expenses:				
Miscellaneous Other Expenses	3,294.38	3,294.38	629.18	2,665.20
Maintenance of Tax Map	13.00	13.00	-	13.00
Legal Services and Costs				
Salaries and Wages	256.06	256.06	-	256.06
Other Expenses	13,518.46	13,518.46	5,175.74	8,342.72
Engineering Services and Costs				
Other Expenses	6,549.10	6,549.10	224.40	6,324.70
Western Cumberland County Economic Develop. Corp.				
Salaries and Wages	-	-	-	-
Other Expenses	1,024.00	1,024.00	-	1,024.00
Economic Development Committee	3,316.32	3,316.32	-	3,316.32

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

	Balance Dec. 31, 2020	Balance After Transfers	Paid or Charged	Balance Lapsed
LAND USE ADMINISTRATION:				
Combined Planning & Zoning Board				
Salaries and Wages	5,102.35	5,102.35	-	5,102.35
Other Expenses	1,416.52	1,416.52	-	1,416.52
CODE ENFORCEMENT AND ADMINISTRATION:				
Code Official				
Salaries and Wages	32.54	32.54	-	32.54
Other Expenses	900.00	900.00	-	900.00
INSURANCE:				
General Liability	627.00	627.00	-	627.00
Disability	112.03	112.03	-	112.03
Medical Reimbursements	-	-	-	-
Employee Group Insurance	10,713.67	9,513.67	-	9,513.67
PUBLIC SAFETY				
Emergency Management Services				
Salaries and Wages	146.21	146.21	-	146.21
Other Expenses	769.34	769.34	-	769.34
Fire				
Other Expenses	17,905.49	17,905.49	5,184.01	12,721.48
STREETS AND ROADS:				
Streets and Road Maintenance				
Salaries and Wages	1,837.83	1,837.83	-	1,837.83
Other Expenses	23,532.77	23,532.77	1,153.60	22,379.17
Public Building and Grounds				
Other Expenses	7,065.27	7,065.27	3,786.00	3,279.27
HEALTH AND WELFARE:				
Animal Control Services				
Other Expenses	2,855.52	2,855.52	600.00	2,255.52
Environmental Commission				
Other Expenses	544.87	544.87	-	544.87

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

	Balance Dec. 31, 2020	Balance After Transfers	Paid or Charged	Balance Lapsed
RECREATION AND EDUCATION:				
Recreation Services and Programs				
Other Expenses	2,000.00	2,000.00	-	2,000.00
Bostwick Lake Commission	500.00	500.00	-	500.00
Senior Citizen Center				
Salaries and Wages	987.51	987.51	-	987.51
Other Expenses	5,566.19	5,566.19	1,484.80	4,081.39
UNIFORM CONSTRUCTION CODE:				
Construction Official				
Other Expenses	2,270.58	2,270.58	-	2,270.58
UNCLASSIFIED:				
SANITATION:				
Convenience Center				
Salaries and Wages	3,858.08	3,858.08	-	3,858.08
Other Expenses	20,570.69	21,770.69	21,653.93	116.76
Sanitary Landfill Facility Number 0607A Post-Closure Care	5,425.00	5,425.00	1,325.00	4,100.00
UTILITY EXPENSES:				
Electricity	7,313.84	7,313.84	644.42	6,669.42
Street Lighting	2,318.85	2,318.85	1,351.60	967.25
Telephone	228.20	228.20	-	228.20
Fuel Oil	6,286.46	6,286.46	1,279.35	5,007.11
Sewer	700.00	700.00	-	700.00
Gasoline	3,684.64	3,684.64	384.36	3,300.28
STATUTORY EXPENDITURES:				
Social Security System	1,720.48	1,720.48	-	1,720.48

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

	Balance Dec. 31, 2020	Balance After Transfers	Paid or Charged	Balance Lapsed
OPERATIONS EXCLUDED FROM "CAPS"				
Emergency Service Volunteer Length of Service Award Program	1,150.00	1,150.00	-	1,150.00
Interlocal Municipal Service Agreements				
Stow Creek Twp, Greenwich Twp & Shiloh Borough Salaries and Wages	498.35	498.35	-	498.35
Other Expenses	2,275.12	2,275.12	606.89	1,668.23
Agreement with Greenwich Twp				
Sanitation- Convenience Center				
Salaries and Wages	1,390.38	1,390.38	-	1,390.38
Fire Department Interlocal:				
Stow Creek Twp	743.03	743.03	743.03	-
Shiloh	803.28	803.28	803.28	-
Senior Center Agreement with Cumberland-Salem Regional Municipal Court's				
Contracted Services	3,507.49	3,507.49	-	3,507.49
Capital Improvements				
Municipal Land, Building Improvements & Equipment	24,771.50	24,771.50	-	24,771.50
Fire Turnout Gear	110.80	110.80	-	110.80
Fire Tanks				
Fire Electrical Improvements	12,000.00	12,000.00	11,753.00	247.00
	<u>\$ 229,076.64</u>	<u>229,076.64</u>	<u>60,974.55</u>	<u>168,102.09</u>

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

Balance December 31, 2020		
School Tax Payable	\$	103,184.98
School Tax Deferred		<u>1,525,000.00</u>
	\$	1,628,184.98
Increased by:		
Levy - School Year July 1, 2021 to June 30, 2022		<u>3,507,730.00</u>
		5,135,914.98
Decreased by:		
Payments		<u>3,455,580.50</u>
Balance December 31, 2021		
School Tax Payable		155,334.48
School Tax Deferred		<u>1,525,000.00</u>
		<u><u>1,680,334.48</u></u>
Current Year Liability for Local School District School Tax:		
Tax Paid		3,455,580.50
Tax Payable Ending		<u>155,334.48</u>
		3,610,914.98
Less: Tax Payable Beginning		<u>103,184.98</u>
Amount charged to Current Year Operations	\$	<u><u>3,507,730.00</u></u>

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

Balance December 31, 2020		
School Tax Payable	\$	906,737.41
School Tax Deferred		
		\$ 906,737.41
Increased by:		
Levy - School Year July 1, 2021 to June 30, 2022		1,778,728.00
		2,685,465.41
Decreased by:		
Payments		1,861,630.00
Balance December 31, 2021		
School Tax Payable	823,835.41	
School Tax Deferred		
		823,835.41
Current Year Liability for Local School District School Tax:		
Tax Paid		1,861,630.00
Tax Payable Ending		823,835.41
		2,685,465.41
Less: Tax Payable Beginning		906,737.41
Amount charged to Current Year Operations	\$	1,778,728.00

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

<u>Purpose</u>	Balance Dec. 31, 2020	Transferred From Revenues	Received	Balance Dec. 31, 2021
FEDERAL GRANTS:				
Small Cities - 2017 Housing Rehabilitation	\$ 25,860.25	-	-	25,860.25
Small Cities - 2018 Housing Rehabilitation	29,281.33	-	20,029.00	9,252.33
Total Federal	<u>55,141.58</u>	<u>-</u>	<u>20,029.00</u>	<u>35,112.58</u>
STATE GRANTS:				
NJ Transportation Trust Fund Auth Act of 1984:				
DOT - River Road - 2015	19,287.94	-	-	19,287.94
DOT - Kinkle Road - 2017	31,210.82	-	-	31,210.82
DOT - Homestead Place - 2018	57,090.76	-	-	57,090.76
DOT - Cassidy Court - 2019	48,388.25	-	-	48,388.25
DOT - 2020	255,070.00	-	155,447.25	99,622.75
DOT - 2021	-	200,000.00	-	200,000.00
Clean Communities	-	12,098.90	12,098.90	-
ANJEC Open Space - 2018	11.00	-	-	11.00
DCA Smart Future Planning TDR - 2010 and prior	5,180.00	-	-	5,180.00
Division of Fire Safety - 2010 and prior	2,956.15	-	-	2,956.15
Total State	<u>419,194.92</u>	<u>212,098.90</u>	<u>167,546.15</u>	<u>463,747.67</u>
Total	<u>\$ 474,336.50</u>	<u>212,098.90</u>	<u>187,575.15</u>	<u>498,860.25</u>

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

	Balance December 31, 2020		2021		Encumbrances	Disbursed	Adjustment	Balance Dec. 31, 2021
	Appropriated	Reserve for Encumbrances	Appropriations	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	15,853.00	-	-	10,779.00	-	-	-	5,074.00
Small Cities - ADA 2014	2,127.50	-	-	-	-	-	-	2,127.50
Total Federal	70,460.85	-	-	10,779.00	-	-	-	59,681.85
STATE GRANTS:								
NJ Transportation Trust Fund Auth Act of 1984:								
DOT - Kinkle Road - 2017	30,964.82	-	-	-	-	-	-	30,964.82
DOT - Cassidy Court - 2019	46,318.75	-	-	-	-	-	-	46,318.75
DOT - 2020	255,070.00	-	-	204,943.28	16,316.91	-	-	33,809.81
DOT - 2021	-	-	200,000.00	-	-	-	-	200,000.00
Clean Communities - Prior	4,672.16	-	-	-	-	-	-	4,672.16
Clean Communities - 2016/2017	477.55	-	-	-	-	-	-	477.55
Clean Communities - 2017/2018	1,092.51	-	-	1,092.51	-	-	-	-
Clean Communities - 2018/2019	2,704.23	-	-	2,704.23	-	-	-	-
Clean Communities - 2019/2020	12,613.16	-	-	11,060.67	-	-	-	1,552.49
Clean Communities - 2020/2021	11,372.02	-	-	-	-	-	-	11,372.02
Clean Communities - 2021/2022	-	-	12,098.90	-	-	-	-	12,098.90
Alcohol Education & Rehabilitation - 2014	154.34	-	-	-	-	-	-	154.34
Division of Fire Safety - 2010 & Prior	1,905.19	-	-	-	-	-	-	1,905.19
Stormwater Management - 2010 & Prior	113.83	-	-	-	-	-	-	113.83
ANJEC Open Space - 2018	11.00	-	-	-	-	-	-	11.00
DCA TDR Match	72,453.43	-	-	12,659.32	-	-	-	59,794.11
Living Communities - Firehouse - Grant - 2010 & Pr	39.82	-	-	-	-	-	-	39.82
Planning Incentive Grant - Match - 2018	21,523.50	-	-	-	-	-	-	21,523.50
Recycling Bonus Grant - 2015-2016	4,030.25	-	-	-	-	-	-	4,030.25
Recycling Tonnage 2016-2017	227.04	2,000.00	-	-	2,000.00	-	-	227.04
Recycling Tonnage 2017-2018	1,420.89	1,500.00	-	-	1,850.00	-	-	1,070.89
Recycling Tonnage 2018-2019	639.89	1,500.00	-	-	1,500.00	-	-	639.89
Recycling Tonnage 2019-2020	3,317.55	-	-	-	-	-	-	3,317.55
Recycling Tonnage 2020-2021	-	-	3,327.00	-	-	-	-	3,327.00
Total State	471,121.93	5,000.00	215,425.90	232,460.01	21,666.91	-	-	437,420.91
	541,582.78	5,000.00	215,425.90	243,239.01	21,666.91	-	-	497,102.76

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

<u>Purpose</u>	Balance Dec. 31, 2020	Transferred To	Received	Balance Dec. 31, 2021
		Appropriations		
STATE GRANTS:				
Recycling Tonnage	\$ 3,317.55	3,327.00	3,327.00	3,317.55
American Rescue Plan	-		227,654.10	227,654.10
Total State	<u>\$ 3,317.55</u>	<u>3,327.00</u>	<u>230,981.10</u>	<u>230,971.65</u>

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

Balance December 31, 2020		\$	6,244.83
Increased by:			
Cash Receipts for:			
Dog Licenses Collected	3,240.00		
Interest on Investments	21.87		
Due to State of NJ	509.40		
			3,771.27
			10,016.10
Decreased by:			
Cash Disbursed for:			
Dog Fund Expenditures	3,303.40		
Due from State of New Jersey	514.80		
			3,818.20
Balance December 31, 2021		\$	6,197.90

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

Balance December 31, 2020	\$	202,059.06
Increased by:		
Cash Receipts for:		
Current Fund Interfund		
Other Reserves:		
Interest on Investments	522.88	
Budget Appropriations	2,500.00	
Other Receipts	469,690.15	
	472,713.03	472,713.03
		674,772.09
Decreased by:		
Cash Disbursed for:		
Due to / from Current Fund	2,613.32	
Other Reserves	433,255.47	
	435,868.79	435,868.79
Balance December 31, 2021	\$	238,903.30

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

Balance December 31, 2020	\$	6,235.83
Increased by:		
Dog License - Cash Receipts	3,065.00	
Interest on Investments	21.87	
Late Fees & Re-Issue Fees Collected	175.00	
		3,261.87
		9,497.70
Decreased by:		
Cash Disbursed	3,303.40	
		3,303.40
Balance December 31, 2021	\$	6,194.30

Fees Collected		2020	3,684.97
		2019	3,785.79
			7,470.76

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

Balance December 31, 2020		\$	9.00
Increased by:			
Cash Receipts	509.40		
			509.40
			518.40
Decreased by:			
Cash Disbursed	514.80		
			514.80
Balance December 31, 2021		\$	3.60

**TRUST FUND
SCHEDULE OF OTHER RESERVES**

Title	Balance Dec. 31, 2020	Interest on Investments	Due from Current Fund	Budget Appropriation	Other Cash Receipts	Cash Disbursed	Balance Dec. 31, 2021
Unemployment Compensation	\$ 1,624.82	3.12				242.47	1,385.47
Sanitary Landfill	43,897.55	242.09					44,139.64
Developers Escrow	17,389.96	19.25			14,700.00	8,237.40	23,871.81
COAH Fees	37,982.09	75.20					38,057.29
Tax Sale Premiums	67,300.00	124.83			260,645.93	247,070.76	81,000.00
Redemption of Tax Sale Certificates	984.53				194,344.22	177,704.84	17,623.91
Snow Removal - Storm Recovery	16,125.00			2,500.00			18,625.00
Bostwick Lake	22,310.91	33.67					22,344.58
Community Activities	10,925.25	24.72					10,949.97
Performance Bonds	17,437.85						17,437.85
	<u>\$ 235,977.96</u>	<u>522.88</u>	<u>-</u>	<u>2,500.00</u>	<u>469,690.15</u>	<u>433,255.47</u>	<u>275,435.52</u>

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

Balance December 31, 2020		\$	-
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	152,426.50		
Bond Anticipation Notes	734,975.00		
			1,118,026.50
			1,118,026.50
Decreased by:			
Improvement Authorizations	125,729.23		
Prior Year Encumbrances	87,322.27		
Bond Anticipation Notes	904,975.00		
			1,118,026.50
Balance December 31, 2021		\$	-
			-
			0.00

**GENERAL CAPITAL FUND
ANALYSIS OF CASH**

	Balance Dec. 31, 2020	Receipts		Disbursements		Balance Dec. 31, 2021
		Miscellaneous	Improvement Authorizations	Miscellaneous	Transfers	
		From	To	From	To	
Capital Improvement Fund	\$ 224,830.89					146,046.89
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	(213,842.44)					(61,415.94)
Encumbrances	87,322.27					12,843.74
Fund Balance	-					-
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
06-05 Senior Center	3,122.26					2,184.31
08-07 Purchase of Fire Truck	9,106.21				3,300.89	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	56,168.19					26,100.22
15-15 / 17-09 Purchase of Fire Truck	9,608.44				12,448.74	7,854.69
17-11 Tractor/Boom Mower	5,389.70					5,389.70
18-06 Purchase of Land	(41,875.00)					(6,250.00)
18-08 4x4 Public Works Vehicles	1,430.36					1,430.36
20-08 Public Works Garage Extension	85.00					85.00
20-08 Convenience Center	9,619.84					7,390.00
21-10 Informational Sign	-					-
21-14 Renovations of Town Hall	-					200.54
	\$ 0.00	203,950.01	203,950.01	213,051.50	203,950.01	0.00

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

Balance December 31, 2020		\$ 224,830.89
Increased by:		
Budget Appropriation	25,000.00	
	25,000.00	249,830.89
Decreased by:		
Appropriated to Fund Improvement Authorization	103,784.00	
	103,784.00	146,046.89
Balance December 31, 2021		\$ <u><u>146,046.89</u></u>

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

Ord #	Improvement Description	Balance Dec. 31, 2020	Raised in 2021 Budget	Balance Dec. 31, 2021	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	234,975.00	56,875.00	178,100.00	178,100.00		-
17-09	Fire Truck	581,250.00	155,000.00	426,250.00	426,250.00		-
18-06	Purchase of Land	130,625.00	(6,250.00)	136,875.00	130,625.00	6,250.00	-
		<u>\$ 1,046,850.00</u>	<u>205,625.00</u>	<u>841,225.00</u>	<u>734,975.00</u>	<u>6,250.00</u>	<u>100,000.00</u>
					Improvement Authorizations Unfunded		133,954.91
					Less:		
					Unexpended Proceeds of Bond		
					Anticipation Notes Issued:		
					Ord. Number		
					15-08	26,100.22	
					15-15	7,854.69	
						<u>33,954.91</u>	
						<u>\$ 100,000.00</u>	

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
Authorizations

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2020		Other Funding	Paid or Charged	Cancelled	Balance December 31, 2021	
				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	41,875		1,691.50				1,691.50	
02-05	Purchase and Installation of Replacement Air Conditioning System	7/24/2002	141,875		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	
06-05	Senior Center	9/13/2006	325,000		3,122.26		937.95		2,184.31	
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		56,168.19		30,067.97			26,100.22
15-15/ 17-09	Purchase of Fire Truck	12/17/2015	775,000		9,608.44		1,753.75			7,854.69
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		85.00		-		85.00	
20-08	Convience Center	8/20/2020	25,000		9,619.84		2,229.84		7,390.00	
21-10	Informational Sign	5/6/2021	43,784			43,784.00	43,784.00			
21-14	Renovations of Town Hall	6/2/2021	60,000			60,000.00	59,799.46		200.54	
				\$	<u>62,122.54</u>	<u>165,776.63</u>	<u>138,572.97</u>	<u>-</u>	<u>59,155.29</u>	<u>133,954.91</u>
							\$ 213,051.50			
							(87,322.27)			
							12,843.74			
							<u>\$ 138,572.97</u>			

**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		Increased	Decreased	Balance Dec. 31, 2021
						Dec. 31, 2020	Dec. 31, 2021			
Renovations and ADA Compliance	15-08	11/4/2015	6/11/2020	6/11/2021	0.800%	\$ 234,975.00	-	234,975.00	-	178,100.00
		11/4/2015	6/10/2021	6/10/2022	0.500%	-	-	178,100.00	234,975.00	178,100.00
Purchase of Fire Truck	17-09	6/14/2017	6/11/2020	6/11/2021	0.800%	581,250.00	-	581,250.00	-	426,250.00
		6/14/2017	6/10/2021	6/10/2022	0.500%	-	-	426,250.00	581,250.00	426,250.00
Purchase of Land	18-06	6/13/2018	6/11/2020	6/11/2021	0.800%	88,750.00	-	88,750.00	-	130,625.00
		6/13/2018	6/10/2021	6/10/2022	0.500%	-	-	130,625.00	88,750.00	130,625.00
						<u>\$ 904,975.00</u>		<u>734,975.00</u>		<u>734,975.00</u>

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2020	Other	Balance Dec. 31, 2021
225	Closure of Landfill	\$ 100,000.00		100,000.00
18-06	Purchase of Land	41,875.00	35,625.00	6,250.00
		<u>\$ 141,875.00</u>	<u>35,625.00</u>	<u>106,250.00</u>

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

	Operating Fund	Capital Fund
Balance December 31, 2020	\$ 263,902.24	\$ 450.56
Increased by Receipts:		
Water & Sewer Accounts Receivable	683,549.10	
Miscellaneous Revenue Anticipated	16,994.11	
Miscellaneous Revenue Not Anticipated	11,005.75	
Overpaid Sewer Rents	6,076.98	
Reserve for Sinking Fund		140,000.00
Budget Appropriation - Ordinance 96-3		15,000.00
Budget Appropriation - Ordinance 18-11		15,000.00
Due from Sewer Operating Fund - Capital Improvement Fund		2,500.00
Due from Sewer Operating Fund		0.89
	717,625.94	172,500.89
	981,528.18	172,951.45
Decreased by Disbursements:		
Current Year Appropriation	622,840.58	
Prior Year Appropriations	2,471.42	
Improvement Authorizations		-
Encumbrances Payable	-	-
Reserve for Sinking Fund		
Accrued Interest on Bonds	125,325.00	
Due to Grant Fund		
Due to Current Fund	0.89	
Due from Sewer Capital Fund		
	750,637.89	-
Balance December 31, 2021	\$ 230,890.29	\$ 172,951.45

**SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH**

	Balance Dec. 31, 2020	Receipts		Disbursements		Transfers		Balance Dec. 31, 2021
		Miscellaneous		Improvement Authorizations	Miscellaneous	From	To	
\$	73,787.65	0.89						73,788.54
Due to Sewer Operating	(10,654.40)							(10,654.40)
Due from Current Fund	10,654.40							10,654.40
Accounts Payable	-	140,000.00						140,000.00
Reserve for Sinking Fund								-
Encumbrances								
Capital Improvement Fund	10,000.00	2,500.00						12,500.00
<u>Improvement Authorizations:</u>								
96-3 Sewer Construction	(39,789.91)	15,000.00		-				(24,789.91)
18-11 Sewer Improvements	(43,547.18)	15,000.00		-				(28,547.18)
\$	<u>450.56</u>	<u>172,500.89</u>		<u>-</u>		<u>-</u>		<u>172,951.45</u>

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

Balance December 31, 2020		\$	72,371.00
Increased by Receipts:			
Consumer Accounts Charges and Levies	700,862.06		
			700,862.06
			773,233.06
Decreased by Disbursements:			
Collections	683,549.10		
Prepayments & Overpayments Applied	3,951.75		
Other			
			687,500.85
Balance December 31, 2021		\$	85,732.21

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

	<u>Balance Dec. 31, 2020</u>	<u>Balance After Transfers</u>	<u>Paid or Charges</u>	<u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 4,934.49	4,934.49	-	4,934.49
Other Expenses	21,761.12	21,761.12	3,061.42	18,699.70
Capital Improvements:				
Capital Outlay	295.34	295.34	-	295.34
Sewer Capital Outlay	21,313.00	21,313.00	-	21,313.00
	<u>\$ 48,303.95</u>	<u>48,303.95</u>	<u>3,061.42</u>	<u>45,242.53</u>

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

Balance December 31, 2020		\$	10,443.75
Increased by:			
Budget Appropriations	125,325.00		
	125,325.00		125,325.00
			135,768.75
Decreased By:			
Payments of Debt Service Interest			125,325.00
Balance December 31, 2021		\$	10,443.75

Analysis of Accrued Interest December 31, 2021

Principal Outstanding December 31, 2021	Interest Rate	From	To	Days	Amount
3,070,000.00	Var.	12/1/2021	12/31/2021	30	\$ 10,443.75
					\$ 10,443.75
					\$ 10,443.75

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

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2020		Paid or Charged	Balance December 31, 2021	
				Funded	Unfunded		Funded	Unfunded
18-11	Sewer Improvements	6/21/2018	50,000 \$		3,952.82			3,952.82
			\$	-	3,952.82	-	-	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, 2020	Decreased by Sinking Fund Payment	Balance Dec. 31, 2021
Sewer Refunding Bonds	11/19/2014	\$ 4,105,000		\$	3,210,000.00	140,000.00	3,070,000.00
	Term Bond Final Maturity		145,000.00	2.250%			
	Sinking Fund Requirement		150,000.00	2.500%			
	Term Bond Final Maturity		150,000.00	2.500%			
	Sinking Fund Requirement		155,000.00	4.000%			
	Sinking Fund Requirement		160,000.00	4.000%			
	Term Bond Final Maturity		170,000.00	4.000%			
	Sinking Fund Requirement		175,000.00	4.000%			
	Sinking Fund Requirement		185,000.00	4.000%			
	Term Bond Final Maturity		190,000.00	4.000%			
	Sinking Fund Requirement		195,000.00	4.250%			
	Sinking Fund Requirement		205,000.00	4.250%			
	Term Bond Final Maturity		215,000.00	4.250%			
	Sinking Fund Requirement		225,000.00	4.500%			
	Sinking Fund Requirement		235,000.00	4.500%			
	Sinking Fund Requirement		245,000.00	4.500%			
	Sinking Fund Requirement		170,000.00	4.500%			
	Sinking Fund Requirement		100,000.00	4.500%			
					\$ 3,210,000.00	140,000.00	3,070,000.00

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2020	Other	Balance Dec. 31, 2021
96-3	Sewer Construction	\$ 39,789.91	15,000.00	24,789.91
18-11	Sewer Improvements	47,500.00	15,000.00	32,500.00
		<u>\$ 87,289.91</u>	<u>30,000.00</u>	<u>57,289.91</u>

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TOWNSHIP OF HOPEWELL

PART II

GENERAL COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED

DECEMBER 31, 2021

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 Township 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:

Reconstruction of Roads

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>
2021	19
2020	26
2019	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 2021 and 2022 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>
2021	\$ 10,342,623.92	10,104,340.97	97.70%
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%

Comparative Schedule of Tax Rate Information

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Tax Rate	3.366	3.402	3.352	3.240	3.140
Apportionment of Tax Rate:					
Municipal	0.307	0.297	0.281	0.258	0.248
County	1.336	1.354	1.339	1.282	1.201
Regional School	0.580	0.645	0.605	0.604	0.597
Local School	1.143	1.106	1.127	1.096	1.094

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>
2021	\$ 156,701.05	208,388.08	365,089.13	3.53%
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%

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 29, 2022