

TOWNSHIP OF HOPEWELL

REPORT OF AUDIT

FOR THE YEAR ENDED

DECEMBER 31, 2022

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, 2022



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, 2022 and 2021, 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, 2022 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, 2022 and 2021, 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, 2022 and 2021, 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, 2022 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 June 30, 2023, 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

June 30, 2023

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**EXHIBIT - A
CURRENT FUND**

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

<u>ASSETS</u>	<u>2022</u>	<u>2021</u>
Regular Fund:		
Cash:		
Cash Treasurer	\$ 2,695,704.36	2,498,041.03
Cash - Change	300.00	300.00
Total Cash	<u>2,696,004.36</u>	<u>2,498,341.03</u>
Other Receivables:		
Due from State - Chapter 20 P.L. 1971	4,752.00	5,023.92
Total Other Receivables	<u>4,752.00</u>	<u>5,023.92</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	202,992.87	208,388.08
Tax Title and Other Liens	176,477.12	156,701.05
Property Acquired for Taxes - at Assessed Valuation	275,200.00	275,200.00
Due from Grant Fund	11,656.60	-
Total Receivables and Other Assets	<u>666,326.59</u>	<u>640,289.13</u>
Total Regular Fund	<u>3,367,082.95</u>	<u>3,143,654.08</u>
Federal and State Grant Fund:		
Cash	50,955.44	56,525.19
Federal and State Grants Receivable	1,001,800.17	498,860.25
Due from Sewer Operating Fund	3,474.64	3,474.64
Due from Current Fund	-	266,473.25
Total Federal and State Grant Fund	<u>1,056,230.25</u>	<u>825,333.33</u>
Total Current Fund	<u>\$ 4,423,313.20</u>	<u>3,968,987.41</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>2022</u>	<u>2021</u>
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 162,469.65	207,806.65
Reserve for Encumbrances	488,093.20	25,564.09
Accounts Payable	10,423.05	10,882.52
Prepaid Taxes	112,594.16	122,766.11
Overpaid Taxes	514.21	17,894.03
Payroll Taxes Payable	1,873.89	1,595.30
Local School Tax Payable	185,834.50	155,334.48
Regional School Tax Payable	804,576.41	823,835.41
County Added Tax Payable	8,474.42	2,914.85
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	37,309.23	36,532.22
Due to Grant Fund	-	266,473.25
Due to General Capital	61,409.63	61,415.94
Other		
Reserve for Municipal Relief Act Fund	15,698.40	-
Reserve for Revaluation	9,244.70	9,244.70
	<u>1,938,370.73</u>	<u>1,782,114.83</u>
Reserve for Receivables and Other Assets	666,326.59	640,289.13
Fund Balance	<u>762,385.63</u>	<u>721,250.12</u>
Total Regular Fund	<u>3,367,082.95</u>	<u>3,143,654.08</u>
Federal and State Grant Fund:		
Unappropriated Reserves	3,955.08	230,971.65
Appropriated Reserves	935,830.61	497,102.76
Encumbrances Payable	20,124.14	21,666.91
Reserve for Small Cities Revolving Loans	50,328.93	41,257.12
Due to General Capital Fund	34,334.89	34,334.89
Due to Current Fund	11,656.60	-
	<u>1,056,230.25</u>	<u>825,333.33</u>
Total Federal and State Grant Fund	<u>1,056,230.25</u>	<u>825,333.33</u>
Total Current Fund	<u>\$ 4,423,313.20</u>	<u>3,968,987.41</u>

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,**

	2022	2021
Revenue and Other Income Realized		
Fund Balance	\$ 531,000.00	461,125.84
Miscellaneous Revenue Anticipated	1,804,491.94	916,255.24
Receipts from Delinquent Taxes	208,916.98	369,581.51
Receipts from Current Taxes	9,932,516.71	10,104,340.97
Non Budget Revenue	62,558.49	38,730.26
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	180,206.77	168,102.09
Total Income	12,719,690.89	12,058,135.91
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	464,150.00	474,050.00
Other Expenses	916,740.00	843,110.00
Deferred Charges & Statutory Expenditures	100,522.00	96,616.00
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	29,950.00	18,200.00
Other Expenses	703,951.79	258,125.90
Capital Improvements	576,808.21	107,000.00
Debt Service	138,049.88	177,239.80
Deferred Charges	35,625.00	41,925.00
Local District School Tax	3,609,599.00	3,507,730.00
Regional District School Tax	1,731,929.00	1,778,728.00
County Tax	3,820,099.48	4,097,890.78
County Share of Added Tax	8,474.42	2,914.85
Refund of Prior Year's Revenue	-	2,749.07
County Tax Levy Adj	-	12.42
Interfunds Advanced	11,656.60	-
Total Expenditures	12,147,555.38	11,406,291.82
Excess/(Deficit) in Revenue	\$ 572,135.51	651,844.09

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,**

	<u>2022</u>	<u>2021</u>
Statutory Excess to Fund Balance	<u>572,135.51</u>	<u>651,844.09</u>
Fund Balance January 1	<u>721,250.12</u>	<u>530,531.87</u>
	1,293,385.63	1,182,375.96
Decreased by:		
Utilization as Anticipated Revenue	<u>531,000.00</u>	<u>461,125.84</u>
Fund Balance December 31	<u>\$ 762,385.63</u>	<u>721,250.12</u>

See accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Budget	Anticipated N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 531,000.00		531,000.00	-
Total Fund Balance Anticipated	<u>531,000.00</u>	<u>-</u>	<u>531,000.00</u>	<u>-</u>
Miscellaneous Revenues:				
Section A: Local Revenues				
Alcohol Beverage Licenses	2,500.00		2,500.00	
Fees and Permits	2,900.00		1,716.98	(1,183.02)
Fines and Costs:				
Municipal Court	3,500.00		4,156.29	656.29
Interest and Costs on Taxes	65,000.00		37,610.64	(27,389.36)
Interest Earned on Investments	5,100.00		3,603.23	(1,496.77)
Payments in Lieu of Taxes - Hopewell Place	120,000.00		113,850.00	(6,150.00)
Rent of Municipal Property - Bank Rent	12,500.00		17,569.20	5,069.20
Rent of Municipal Property - Amish Market	3,600.00		5,761.13	2,161.13
Rent of Municipal Property - Barretts Run	9,900.00		14,132.10	4,232.10
Cable Franchise Fee	23,300.00		23,334.23	34.23
American Rescue Plan	455,308.21		455,308.21	-
Total Section A: Local Revenues	<u>703,608.21</u>	<u>-</u>	<u>679,542.01</u>	<u>(24,066.20)</u>
Section B: State Aid Without Offsetting Appropriations				
Energy Receipts Tax	300,944.00		300,944.00	-
Garden State Preservation Trust Fund	7,962.00		5,170.00	(2,792.00)
Total Section B: State Aid Without Offsetting Appropriations	<u>308,906.00</u>	<u>-</u>	<u>306,114.00</u>	<u>(2,792.00)</u>
Section C: Uniform Construction Code Fees				
Uniform Construction Code Fees	50,000.00		66,737.00	16,737.00
Total Section C: Uniform Construction Code Fees	<u>50,000.00</u>	<u>-</u>	<u>66,737.00</u>	<u>16,737.00</u>

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Anticipated		Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87		
Section D: Special Items - Interlocal Service Agreements				
Interlocal Senior Center Agreement with Stow Creek Township, Greenwich Township and Shiloh Borough - Operating Costs:				
Greenwich	4,400.00		2,870.58	(1,529.42)
Stow Creek	9,800.00		5,002.18	(4,797.82)
Shiloh	2,800.00		1,765.00	(1,035.00)
Interlocal Agreement with Greenwich Township Convenience Center Assessor	20,000.00		45,527.90	25,527.90
Assessor	4,000.00		4,000.00	-
Interlocal Fire Department:				
Stow Creek - Operating	3,700.00		22,517.44	18,817.44
Shiloh - Operating	4,000.00		5,664.04	1,664.04
Total Section D: Special Items - Interlocal Service Agreements	48,700.00	-	87,347.14	38,647.14
Section F: Special Items - Public and Private Programs				
Off-Set with Appropriations				
CDBG - Small Cities - Housing Rehabilitation		107,000.00	107,000.00	-
CDBG - Small Cities - ADA Compliance		367,100.00	367,100.00	-
Clean Communities Grant		12,334.24	12,334.24	-
Recycling Tonnage Grant	3,317.55		3,317.55	-
NJ Transportation Trust Fund - 2022	175,000.00		175,000.00	-
Total Section F: Special Items - Public and Private Programs Off-Set with Appropriations	178,317.55	486,434.24	664,751.79	-
Total Miscellaneous Revenues:	1,289,531.76	486,434.24	1,804,491.94	28,525.94

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Anticipated	Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87	N.J.S. 40A:4-87
Receipts from Delinquent Taxes	270,000.00	208,916.98	(61,083.02)
Amount to be Raised by Taxes for Support of Municipal Budget Local Tax for Municipal Purposes	974,156.00	1,267,414.81	293,258.81
Total Amount to be Raised by Taxes for Support of Municipal Budget	<u>974,156.00</u>	<u>1,267,414.81</u>	<u>293,258.81</u>
Budget Totals	3,064,687.76	486,434.24	260,701.73
Non- Budget Revenues:			
Other Non- Budget Revenues:	-	62,558.49	62,558.49
	<u>3,064,687.76</u>	<u>486,434.24</u>	<u>323,260.22</u>

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections 9,932,516.71

Less: Reserve for Tax Appeals Pending -

Net Revenue from Collections 9,932,516.71

Allocated to:

School, County and Other Taxes 9,170,101.90

Balance for Support of Municipal Budget Appropriations 762,414.81

Increased by:

Appropriation "Reserved for Uncollected Taxes" 505,000.00

Amount for Support of Municipal Budget Appropriations 1,267,414.81

Receipts from Delinquent Taxes:

Delinquent Tax Collection 206,224.42

Tax Title Lien Collections 2,692.56

Total Receipts from Delinquent Taxes 208,916.98

Analysis of Non-Budget Revenue:

Miscellaneous Revenue Not Anticipated:

Property List 140.00

Planning & Zoning Fees 660.00

Rent of Municipal Building - Chamber 7,500.00

Rent - Hendricks House Parcel 238.00

Code Compliance Letter 1,560.00

Vacant Property Registration 3,000.00

Rental Registrations 975.00

Bostwick Lake Legal Fee Reimbursement 1,155.00

Refunds & Reimbursements 2,884.28

Greenwich Registrar Interlocal 548.00

Street Openings 1,750.00

Refunds & Reimbursements 934.61

Green Olive Consent Order 18,000.00

Senior & Vets Admin Fees 800.44

Stow Creek Fire Truck Contribution 21,146.56

Homestead Rebate Admin Fee 216.60

Mining Permits 1,050.00

Total Miscellaneous Revenue Not Anticipated: 62,558.49

See accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	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	150,000.00	150,000.00	147,086.76		2,913.24	
Other Expenses	28,500.00	28,500.00	22,259.47	811.51	5,429.02	
Municipal Clerk						
Salaries and Wages	66,000.00	66,000.00	50,884.52		5,115.48	10,000.00
Other Expenses	30,700.00	30,700.00	29,535.76	310.27	853.97	
Financial Administration						
Salaries and Wages	33,700.00	34,700.00	34,618.53		81.47	
Other Expenses:						
Miscellaneous Other Expenses	10,500.00	10,500.00	7,918.47	870.18	1,711.35	
Annual Audit	30,000.00	30,000.00	30,000.00		-	
Collection of Taxes						
Salaries and Wages	33,700.00	33,700.00	33,426.20		273.80	
Other Expenses:						
Miscellaneous Other Expenses	12,250.00	12,250.00	7,982.31	69.00	4,198.69	
Assessment of Taxes						
Salaries and Wages	28,000.00	28,000.00	27,929.90		70.10	
Other Expenses:						
Miscellaneous Other Expenses	8,400.00	8,400.00	6,734.33	201.68	1,463.99	
Maintenance of Tax Map	4,500.00	4,500.00	94.00		406.00	4,000.00
Legal Services						
Other Expenses	84,750.00	84,750.00	60,628.63		14,121.37	10,000.00
Engineer Services & Costs						
Other Expenses	15,500.00	15,500.00	6,542.79	2,500.00	6,457.21	
Western Cumberland County Economic Develop. Corp.						
Other Expenses	10,000.00	10,000.00	9,476.00		524.00	
Economic Development Committee	1,100.00	1,100.00	495.41		604.59	
Municipal Land Use Law (N.J.S.A. 40:55D-1)						
Combined Planning & Zoning Board						
Salaries and Wages	10,500.00	10,500.00	9,856.82		643.18	
Other Expenses	10,200.00	10,200.00	5,837.30		3,862.70	500.00
Other Expenses - Contractual	5,500.00	5,500.00			-	5,500.00
Code Enforcement						
Salaries and Wages	4,000.00	4,000.00	3,842.40		157.60	
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, 2022**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Insurance						
General Liability	90,000.00	90,000.00	83,899.00		1,101.00	5,000.00
Disability	500.00	500.00	385.08		114.92	
Employee Group Insurance	60,000.00	60,000.00	34,934.01		10,065.99	15,000.00
PUBLIC SAFETY						
Office of Emergency Management						
Salaries and Wages	5,100.00	5,200.00	5,178.96		21.04	
Other Expenses	1,750.00	1,750.00	920.33	64.29	765.38	
Ambulance Service Contribution						
Other Expenses	44,840.00	44,840.00	44,840.00		-	
Fire						
Other Expenses	70,950.00	70,950.00	43,471.11	10,028.89	7,450.00	10,000.00
STREETS AND ROADS						
Streets and Road Maintenance						
Salaries and Wages	130,000.00	130,000.00	127,936.18		2,063.82	
Other Expenses	39,800.00	39,800.00	20,369.49	1,137.94	8,292.57	10,000.00
Reserve for Snow Removal	2,000.00	2,000.00	2,000.00		-	
Public Building and Grounds						
Other Expenses	25,900.00	25,900.00	12,242.63	696.50	12,960.87	
HEALTH AND WELFARE						
Dog Regulation						
Other Expenses	38,500.00	38,500.00	36,803.99		1,696.01	
Environmental Commission						
Other Expenses	1,200.00	1,200.00	428.17	277.76	494.07	
RECREATION AND EDUCATION						
Recreation Services and Programs						
Other Expenses	1,000.00	1,000.00	1,000.00		-	
Senior Citizen Center						
Salaries and Wages	23,150.00	23,150.00	12,300.00		850.00	10,000.00
Other Expenses	9,750.00	11,250.00	9,688.00	61.14	1,500.86	
UNIFORM CONSTRUCTION CODE						
State Uniform Construction Code						
Construction Official						
Other Expenses	48,000.00	48,000.00	48,000.00		-	

See accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Unclassified:						
Sanitation:						
Convenience Center						
Salaries and Wages	52,900.00	52,900.00	52,000.00		900.00	
Other Expenses	141,000.00	146,900.00	128,945.33	9,896.80	8,057.87	
Sanitary Landfill						
Facility No. 0607A Post-Closure Care	11,250.00	11,250.00	8,257.96		2,992.04	
Utilities:						
Electricity	16,000.00	16,000.00	11,039.63		4,960.37	
Street Lighting	17,000.00	17,000.00	13,747.84	1,121.22	2,130.94	
Telephone	13,000.00	13,000.00	10,367.22	765.31	1,867.47	
Fuel Oil	12,500.00	12,500.00	6,523.30		5,976.70	
Sewer	4,000.00	4,000.00	3,000.00		1,000.00	
Gasoline	10,100.00	11,600.00	10,319.12		1,280.88	
Salary Adjustments	12,000.00	2,000.00			2,000.00	
TOTAL OPERATIONS WITHIN "CAPS"	1,460,890.00	1,460,890.00	1,224,346.95	28,812.49	127,730.56	80,000.00
Contingent						
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	1,460,890.00	1,460,890.00	1,224,346.95	28,812.49	127,730.56	80,000.00
Detail:						
Salaries and Wages	483,050.00	474,150.00	454,175.75	-	9,974.25	10,000.00
Other Expenses	977,840.00	986,740.00	770,171.20	28,812.49	117,756.31	70,000.00
DEFERRED CHARGES AND STATUTORY EXPENDITURES:						
Statutory Expenditures:						
Contributions to:						
Public Employees' Retirement System	54,022.00	54,022.00	54,022.00		-	
Social Security System (O.A.S.I.)	45,000.00	45,000.00	41,399.00		3,601.00	
DCRP	1,500.00	1,500.00	675.06		824.94	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:	100,522.00	100,522.00	96,096.06	-	4,425.94	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	1,561,412.00	1,561,412.00	1,320,443.01	28,812.49	132,156.50	80,000.00

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
OPERATIONS - EXCLUDED FROM "CAPS"						
(A) Operations - Excluded from "CAPS"						
Emergency Service Volunteer	13,250.00	13,250.00	11,550.00		1,700.00	
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	5,775.25		5,074.75	
Other Expenses	5,250.00	5,250.00	5,084.40		165.60	
Agreement with Greenwich Twp						
Sanitation - Convenience Center	15,100.00	15,100.00	13,815.51		1,284.49	
Salaries and Wages						
Fire Department Interlocal:						
Stow Creek Twp	3,700.00	3,700.00	2,845.00		855.00	
Shiloh	4,000.00	4,000.00	3,079.70		920.30	
Agreement with Greenwich Twp						
Tax Assessor	4,000.00	4,000.00	4,000.00		-	
Salaries & Wages						
Agreement with Cumberland-Salem Regional						
Municipal Court's	13,000.00	13,000.00	11,559.99		1,440.01	
Contracted Services						
	<u>69,150.00</u>	<u>69,150.00</u>	<u>57,709.85</u>	<u>-</u>	<u>11,440.15</u>	<u>-</u>
(A) Public and Private Programs Off-Set by						
Revenues						
Recycling Tonnage Grant	3,317.55	3,317.55	3,317.55		-	
NJ Transportation Trust Fund - Oak Drive	175,000.00	175,000.00	175,000.00		-	
CDBG - Small Cities - Housing Rehabilitation	107,000.00	107,000.00	107,000.00		-	
CDBG - Small Cities - ADA Compliance	367,100.00	367,100.00	367,100.00		-	
Clean Communities	12,334.24	12,334.24	12,334.24		-	
	<u>664,751.79</u>	<u>664,751.79</u>	<u>664,751.79</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Public and Private Programs Off-Set by						
Revenues						

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Total Operations - Excluded from "CAPS"	733,901.79	733,901.79	722,461.64	-	11,440.15	
Detail:						
Salaries and Wages	29,950.00	29,950.00	23,590.76	-	6,359.24	-
Other Expenses	703,951.79	703,951.79	698,870.88	-	5,080.91	-
(C) Capital Improvements						
Capital Improvement Fund	29,800.00	29,800.00	29,800.00			
Municipal Land, Building Improvements & Equipment	35,000.00	35,000.00	20,000.00	3,460.00	11,540.00	
Fire Equipment & Improvements						
Other Expenses - Turnout Gear	8,000.00	8,000.00	5,392.00		2,608.00	
Other Expenses - RAM	10,700.00	10,700.00	10,330.00		370.00	
Other Expenses - Fire Hose	4,000.00	4,000.00	3,645.00		355.00	
Salt Building Renovations	4,000.00	4,000.00			4,000.00	
Broadband Expansion	455,308.21	455,308.21	5,487.50	449,820.71	-	
DOT Matching Funds	30,000.00	30,000.00	24,000.00	6,000.00	-	
Total Capital Improvements	576,808.21	576,808.21	98,654.50	459,280.71	18,873.00	-
(D) Debt Service						
Payment of BANS	134,375.00	134,375.00	134,375.00			-
Interest on Notes	4,000.00	4,000.00	3,674.88			325.12
Total Debt Service	138,375.00	138,375.00	138,049.88	-	-	325.12
(E) Deferred Charges						
Deferred Charges to Future Taxation Unfunded Ordinance 18-06	35,625.00	35,625.00	35,625.00			-
Total Deferred Charges	35,625.00	35,625.00	35,625.00	-	-	-

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	1,484,710.00	1,484,710.00	994,791.02	459,280.71	30,313.15	325.12
SUBTOTAL GENERAL APPROPRIATIONS	3,046,122.00	3,046,122.00	2,315,234.03	488,093.20	162,469.65	80,325.12
(M) Reserve for Uncollected Taxes	505,000.00	505,000.00	505,000.00	-	-	-
TOTAL GENERAL APPROPRIATIONS	\$ 3,551,122.00	3,551,122.00	2,820,234.03	488,093.20	162,469.65	80,325.12
Budget		3,064,687.76			Cancelled	80,325.12
Appropriations by 40A:4-87		486,434.24			Overexpended	
		3,551,122.00				80,325.12
Reserve for Uncollected Taxes			505,000.00			
Federal and State Grants			664,751.79			
Disbursements			1,650,482.24			
			2,820,234.03			

**EXHIBIT - B
TRUST FUND**

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

	2022	2021
<u>ASSETS</u>		
<u>DOG TRUST FUND</u>		
Cash	\$ 8,714.51	6,197.90
	8,714.51	6,197.90
<u>OTHER TRUST FUND</u>		
Cash and Investments	343,507.19	238,903.30
Interfunds and Receivables:		
Due from Current Fund	37,309.23	36,532.22
	380,816.42	275,435.52
	389,530.93	281,633.42
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
<u>DOG TRUST FUND</u>		
Reserve for Dog Fund Expenditures	8,647.31	6,194.30
Due to State of New Jersey	67.20	3.60
Interfunds and Payables:		
	8,714.51	6,197.90
<u>OTHER TRUST FUND</u>		
Reserve for:		
Unemployment Compensation	1,161.07	1,385.47
Sanitary Landfill	44,383.07	44,139.64
Developers Escrow	60,514.69	23,871.81
COAH Fees	38,133.49	38,057.29
Tax Sale Premiums	151,500.00	81,000.00
Redemption of Tax Sale Certificates	11,985.22	17,623.91
Snow Removal - Storm Recovery	19,415.15	18,625.00
Bostwick Lake	18,178.41	22,344.58
Community Activities	18,107.47	10,949.97
Reserve for Escrow & Performance Bonds	17,437.85	17,437.85
	380,816.42	275,435.52
	\$ 389,530.93	281,633.42

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>2022</u>	<u>2021</u>
Cash	\$ 12,520.92	-
Deferred Charges to Future Taxation - Unfunded	1,388,916.20	841,225.00
Contribution Receivable	332,385.25	-
Interfunds and Receivables		
Due from Current Fund	61,409.63	61,415.94
Due from Grant Fund	34,334.89	34,334.89
Due from Sewer Operating Fund	150,000.00	150,000.00
	<u>1,979,566.89</u>	<u>1,086,975.83</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Encumbrances Payable	657,091.04	12,843.74
Bond Anticipation Notes Payable	564,975.00	734,975.00
Improvement Authorizations:		
Funded	113,005.29	59,155.29
Unfunded	564,533.67	133,954.91
Capital Improvement Fund	79,961.89	146,046.89
Fund Balance	-	-
	<u>\$ 1,979,566.89</u>	<u>1,086,975.83</u>

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

2021	106,250.00
2022	823,941.20

See accompanying Notes to Financial Statements - Regulatory Basis

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

	2022	2021
Beginning Balance January 1	\$ -	-
Increased by:		
None		
Decreased by:		
None		
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,**

	2022	2021
ASSETS		
Operating Fund:		
Cash	\$ 179,829.45	\$ 230,890.29
Interfunds and Receivables		
Due from Current Fund	29,200.88	29,200.88
Due from Sewer Capital Fund	73,789.43	73,788.54
	282,819.76	333,879.71
Receivables and Other Assets with Full Reserves:		
Sewer Accounts Receivable	133,682.28	85,732.21
	133,682.28	85,732.21
Total Operating Fund	416,502.04	419,611.92
Capital Fund:		
Cash - Treasurer	65,452.34	172,951.45
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	7,600,606.74	7,708,105.85
	\$ 8,017,108.78	\$ 8,127,717.77

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>	2022	2021
Operating Fund:		
Appropriation Reserves	\$ 18,301.98	\$ 8,711.42
Reserve for Encumbrances	8,936.62	1,948.00
Accounts Payable	590.00	590.00
Overpaid Sewer Rents	375.00	14.86
Prepaid Sewer Rents	7,728.11	6,062.12
Accrued Interest on Bonds and Notes	9,750.00	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
	199,156.35	181,244.79
Reserve for Receivables	133,682.28	85,732.21
Fund Balance	83,663.41	152,634.92
Total Operating Fund	416,502.04	419,611.92
Capital Fund:		
Contracts Payable	10,654.40	10,654.40
Interfunds:		
Due to Sewer Operating Fund	73,789.43	73,788.54
Refunding Bonds Payable	2,925,000.00	3,070,000.00
Improvement Authorizations:		
Unfunded	3,952.82	3,952.82
Reserve for Sinking Fund Payments	-	140,000.00
Reserve for Amortization	4,572,210.09	4,397,210.09
Capital Improvement Fund	15,000.00	12,500.00
Fund Balance	-	-
Total Capital Fund	7,600,606.74	7,708,105.85
	\$ 8,017,108.78	\$ 8,127,717.77

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

2021	57,289.91
2022	27,289.91

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, 2022**

	<u>2022</u>	<u>2021</u>
Revenue and Other Income Realized		
Fund Balance	\$ 73,325.00	\$ 50,000.00
Sewer Rents	714,406.19	704,494.96
Miscellaneous Revenue Not Anticipated	10,426.49	11,005.75
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	7,827.06	45,242.53
Total Income	<u>805,984.74</u>	<u>810,743.24</u>
Expenditures		
Operations	447,500.00	441,000.00
Capital Improvements	54,500.00	22,500.00
Debt Service	269,631.25	265,325.00
Deferred Charges and Statutory Expenditures	30,000.00	30,000.00
Total Expenditures	<u>801,631.25</u>	<u>758,825.00</u>
Excess/(Deficit) in Revenue	<u>4,353.49</u>	<u>51,918.24</u>
Excess in Operations	<u>4,353.49</u>	<u>51,918.24</u>
Fund Balance January 1	<u>152,634.92</u>	<u>150,716.68</u>
	156,988.41	202,634.92
Decreased by:		
Utilization as Anticipated Revenue	<u>73,325.00</u>	<u>50,000.00</u>
Fund Balance December 31	<u>\$ 83,663.41</u>	<u>\$ 152,634.92</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,**

	2022	2021
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, 2022**

	Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	\$ 73,325.00	73,325.00	-
Sewer Rents	729,000.00	714,406.19	(14,593.81)
Miscellaneous Revenue Not Anticipated		10,426.49	10,426.49
	<u>\$ 802,325.00</u>	<u>798,157.68</u>	<u>(4,167.32)</u>

Analysis of Realized Revenue:

Rents

Consumer Accounts Receivable:

Current Collections	\$ 697,150.64
Cumberland Manor	11,178.57
Prepayments & Overpayments Applied	6,076.98
Liens Collected	
	<u>714,406.19</u>

Miscellaneous Revenue Not Anticipated

Interest on Investments	433.82
Interest & Costs	9,992.67
	<u>\$ 10,426.49</u>

See accompanying Notes to Financial Statements - Regulatory Basis

**SEWER UTILITY FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriations		Expended		(Over expended, Unexpended Balance Cancelled)
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
Operations:					
Salaries and Wages	\$ 25,000.00	23,000.00	21,718.26	1,281.74	
Other Expenses	418,500.00	413,500.00	396,841.75	16,658.25	
Other Expenses - Insurance	11,000.00	11,000.00	11,000.00	-	
	<u>454,500.00</u>	<u>447,500.00</u>	<u>429,560.01</u>	<u>17,939.99</u>	
Capital Improvements:					
Capital Improvement Fund	2,500.00	2,500.00	2,500.00	-	
Capital Outlay	45,000.00	52,000.00	42,701.39	8,936.62	
	<u>47,500.00</u>	<u>54,500.00</u>	<u>45,201.39</u>	<u>8,936.62</u>	
Debt Service:					
Payment of Bond Principal	145,000.00	145,000.00	145,000.00	-	693.75
Interest on Bonds	125,325.00	125,325.00	124,631.25	-	
	<u>270,325.00</u>	<u>270,325.00</u>	<u>269,631.25</u>	<u>-</u>	<u>693.75</u>
Deferred Charges and Statutory Expenditures:					
Emergency Authorizations	15,000.00	15,000.00	15,000.00	-	
Ordinance 96-3	15,000.00	15,000.00	15,000.00	-	
Ordinance 18-11					
	<u>30,000.00</u>	<u>30,000.00</u>	<u>30,000.00</u>	<u>-</u>	
	<u>\$ 802,325.00</u>	<u>802,325.00</u>	<u>774,392.65</u>	<u>8,936.62</u>	<u>18,301.98</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>2022</u>	<u>2021</u>
Land Buildings and Improvements	\$ 4,285,656.81	4,285,656.81
Machinery and Equipment	<u>2,063,742.29</u>	<u>2,063,742.29</u>
	<u>6,349,399.10</u>	<u>6,349,399.10</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Investment in General Fixed Assets	\$ <u>6,349,399.10</u>	<u>6,349,399.10</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, 2022 AND 2021**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

The Township of Hopewell was incorporated in 1748. The Township is located in Cumberland County and is primarily a rural farming community, 54.5 square miles in size with a population of 4,571 according to the 2010 Federal Census.

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

B. Description of Funds

The accounting policies of the Township of Hopewell conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with the respect to public funds. Under this method of accounting, the Township of Hopewell accounts for its financial transactions through the following separate funds:

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

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

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

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

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

C. Basis of Accounting

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

**TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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.

**TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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.

F. Recent Accounting Pronouncements Not Yet Effective

In March 2021, 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 2021, 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 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.

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 100, "Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62". This statement, which is effective for periods beginning after June 15, 2023, and all reporting periods thereafter, will not have any effect on the Township's financial reporting.

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 101, "Compensated Absences". This statement, which is effective for periods beginning after June 15, 2023, and all reporting periods thereafter, may have an effect on the Township's financial reporting for footnote disclosure.

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 2022 and 2021 statutory budgets included a reserve for uncollected taxes in the amount of \$505,00.00. and \$501,000.00. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2022 and 2021 statutory budgets was \$531,000.00 and \$461,125.84. 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 2022 and 2021 statutory budgets was 73,325.00 and \$50,000.00

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**TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 2: BUDGETARY INFORMATION – Continued

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 2022 and 2021 calendar years:

	<u>2022</u>	<u>2021</u>
Administrative and Executive		
Salaries and Wages	\$	3,000.00
Convenience Center		
Sanitary Landfill Facility	5,900.00	3,000.00
Salary Adjustments	(10,000.00)	(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 2022 and 2021, the following significant budget insertions were approved:

<u>Budget Category</u>	<u>2022</u>	<u>2021</u>
Clean Communities Program	\$ 12,334.24	12,098.90
CDBG-ADA Compliance	107,000.00	-
CDBG-House Rehabilitation	367,100.00	-
Recycling Tonnage		3,327.00
Total	\$ <u>486,434.24</u>	<u>15,425.90</u>

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, 2022.

Note 3: INVESTMENTS

As of December 31, 2022 and 2021, 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, 2022, and 2021, \$0.00 of 3,939,987.49 and \$315,554.83 of the municipality's bank balance of \$3,183,554.45, was exposed to custodial credit risk, respectively.

**TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 5: FIXED ASSETS

The following schedules are a summarization of the changes in general fixed assets for the calendar years ended December 31, 2022 and 2021:

	Balance 12/31/2021	Additions/ Adjustments	Retirements/ Adjustments	Balance 12/31/2022
Land & Buildings & Improvements	\$ 4,285,656.81			4,285,656.81
Machinery & Equipment	2,063,742.29			2,063,742.29
	<u>\$ 6,349,399.10</u>	<u>-</u>	<u>-</u>	<u>6,349,399.10</u>

	Balance 12/31/2020	Additions/ Adjustments	Retirements/ Adjustments	Balance 12/31/2021
Land Buildings & Improvements	4,285,656.81			4,285,656.81
Machinery & Equipment	1,593,684.90	475,638.52	5,581.13	2,063,742.29
	<u>\$ 5,879,341.71</u>	<u>475,638.52</u>	<u>5,581.13</u>	<u>6,349,399.10</u>

Note 6: SHORT-TERM OBLIGATIONS

	Balance 12/31/21	Issued	Retired	Balance 12/31/22
Bond Anticipation General Capital	734,975.00	564,975.00	734,975.00	564,975.00

The Bond Anticipation Notes totaling \$564,975.00 were issued on June 10, 2022 for \$564,975.00 and were due and payable on June 9, 2023 with interest at 2.2% per annum.

	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 were issued on June 11, 2021 for \$904,975.00 and was due and payable on June 11, 2022 with interest at 0.50% per annum.

As of December 31, 2022 the entity has authorized but not issued bonds in the amount of \$823,941.20 and \$27,289.91 in the General Capital Fund and Sewer Utility Capital Fund respectively.

As of December 31, 2021 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.

**TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 7: LONG TERM DEBT

Long-term debt as of December 31, 2022 and 2021 consisted of the following:

	Balance 12/31/21	Issued	Retired	Balance 12/31/22	Amounts Due Within One Year
Bonds and Loans payable:					
General	\$ -			-	-
Utility	3,070,000.00		145,000.00	2,925,000.00	150,000.00
Total	3,070,000.00	-	145,000.00	2,925,000.00	150,000.00
Compensated Absences Payable	25,682.64		3,531.80	22,150.84	-
Total long-term liabilities	<u>\$ 3,095,682.64</u>	<u>-</u>	<u>148,531.80</u>	<u>2,947,150.84</u>	<u>150,000.00</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>

Outstan

ding 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, 2022 was \$2,925,000.00.

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
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	None	None	170,000.00	98,812.50
2028-2032	None	None	950,000.00	386,375.00
2033-2037	None	None	1,090,000.00	165,962.50
2038	None	None	100,000.00	4,500.00
	<u>None</u>	<u>None</u>	<u>2,925,000.00</u>	<u>1,106,350.00</u>

As of December 31, 2022, 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 \$3,674.88 and to the utility budget was \$124,631.25.

**TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 7: LONG TERM DEBT - Continued

<u>Summary of Municipal Debt</u>	<u>Year 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>
<u>Issued:</u>			
General - Bonds and Notes	\$ 564,975.00	\$ 734,975.00	\$ 904,975.00
Sewer Utility - Bonds and Notes	2,925,000.00	3,070,000.00	3,210,000.00
Total Issued	<u>3,489,975.00</u>	<u>3,804,975.00</u>	<u>4,114,975.00</u>
<u>Authorized but not issued:</u>			
General - Bonds and Notes	823,941.20	106,250.00	141,875.00
Sewer Utility - Bonds and Notes	27,289.91	57,289.91	87,289.91
Total Authorized But Not Issued	<u>851,231.11</u>	<u>163,539.91</u>	<u>229,164.91</u>
Total Bonds & Notes Issued and Authorized But Not Issued	<u>\$ 4,341,206.11</u>	<u>\$ 3,968,514.91</u>	<u>\$ 4,344,139.91</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 0.405%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 546,000.00	546,000.00	-
Regional School District Debt	570,773.88	570,773.88	-
Sewer Utility Debt	2,952,289.91	2,952,289.91	-
General Debt	1,388,916.20	-	1,388,916.20
	<u>\$ 5,457,979.99</u>	<u>4,069,063.79</u>	<u>1,388,916.20</u>

Net Debt \$1,388,916.20 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$342,685,241.33 = 0.405%.

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

3 1/2 % of Equalized Valuation Basis (Municipal)	\$ 11,993,983.45
Net Debt	1,388,916.20
Remaining Borrowing Power	<u>\$ 10,605,067.25</u>

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	\$ 805,984.74
Deductions:	
Operating & Maintenance Costs	\$ 447,500.00
Debt Service per Water and Sewer Utility Fund	<u>270,325.00</u>
Total Deductions	<u>717,825.00</u>
Excess in Revenue	<u>\$ 88,159.74</u>

**TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 8: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2022 and 2021, 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>2023</u>	<u>2022</u>
Current Fund	\$	570,000.00	531,000.00
Sewer Utility		75,000.00	73,325.00

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, 2022, there were no deferred charges shown on the balance sheets of the various funds:

	Balance December 31, 2022	2023 Budget Appropriation	Balance to Succeeding
Current & Grant Fund:			
Emergency Appropriation	\$ -	-	-
Special Emergency	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

Note 10: SCHOOL TAXES

Local District School Tax in the amounts of \$3,609,599.00 and \$3,507,730.00 have been raised for the 2022 and 2021 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>12/31/2022</u>	<u>12/31/2021</u>
Balance of Tax	\$ 1,710,834.50	\$ 1,680,334.48
Deferred	1,525,000.00	1,525,000.00
Tax Payable	<u>\$ 185,834.50</u>	<u>\$ 155,334.48</u>

Regional District School Tax in the amounts of \$1,731,829.00 and \$1,778,728.00 have been raised for the 2022 and 2021 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>12/31/2022</u>	<u>12/31/2021</u>
Balance of Tax	\$ 804,576.41	\$ 823,835.41
Deferred	-	-
Tax Payable	<u>\$ 804,576.41</u>	<u>\$ 823,835.41</u>

**TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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:

	Balance 12/31/22	Balance 12/31/21
Prepaid Taxes	112,594.16	\$ 122,766.11
Cash Liability for Taxes Collected in Advance	112,594.16	\$ 122,766.11

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/annrprts.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, 2022, 2021, and 2020 were \$54,022.00, \$49,616.00 and \$53,606.00.

The total payroll for the year ended December 31, 2022, 2021 and 2020 was \$541,163.47, \$542,027.27 and \$559,417.80. Payroll covered by PERS was \$273,156.00, \$313,487.00 and \$336,095.00.

Significant Legislation

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

**TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 12: PENSION FUNDS - Continued

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, 2022 AND 2021**

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, 2021:

Public Employees' Retirement System

The Municipality has a liability of \$546,463 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 that was rolled forward to June 30, 2021. 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, 2021, the Municipality's proportion would be 0.00461286410%, which would be an increase of 1.71% from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Municipality would have recognized pension expense of \$-161,867. 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	\$ 8,618	\$ (3,912)
Changes of assumptions	2,846	-194,544
Changes in proportion	13,586	(203,660)
Net difference between projected and actual earnings on pension plan investments		(143,953)
Total	<u>\$ 25,050</u>	<u>\$ (546,069)</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,	
2022	\$ (202,998)
2023	(144,940)
2024	(98,824)
2025	(74,286)
2026	29
Total	<u>\$ (521,019)</u>

**TOWNSHIP OF HOPEWELL
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 13: PENSION LIABILITIES - Continued

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-2021.

The actuarial assumptions used in the July 1, 2020 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, 2021) 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, 2021 are summarized in the following table:

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**TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US equity	27.00%	8.09%
Non-U.S. developed markets equity	13.50%	8.71%
Emerging markets equity	5.50%	10.96%
Private equity	13.00%	11.30%
Real estate	8.00%	9.15%
Real assets	3.00%	7.40%
High yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment grade credit	8.00%	1.68%
Cash equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk mitigation strategies	3.00%	3.35%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining 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 as disclosed above, 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 or 1-percentage point higher 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	\$ 668,870	\$ 546,463	\$ 442,716

Pension plan fiduciary net position.

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

**TOWNSHIP OF HOPEWELL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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 \$22,150.84 in 2022 and \$25,682.64 in 2021. This amount is not reported either as an expenditure or liability due to the likelihood of all employees terminating in one fiscal year being improbable. The policy of not reflecting the accrued benefit is not in agreement with GASB Statement No. 12 but is required by the State of New Jersey.

Note 15: ECONOMIC DEPENDENCY

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

Note 16: RISK MANAGEMENT

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

Property and Liability Insurance - The entity maintains commercial insurance coverage for property, liability and surety bonds. During the year ended December 31, 2022 and 2021 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
2022	\$ -	-	2.69	227.09	1,161.07
2021	-	-	3.12	242.47	1,385.47
2020	-	-	3.11	-	1,624.82

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 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, 2022 AND 2021**

Note 18: INTERFUND BALANCES

During the most current calendar year ended December 31, 2022, 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	11,656.60	
Trust - Other Fund		37,309.23
General Capital		61,409.63
Sewer Capital Fund		10,654.40
Sewer Operating Fund		29,200.88
Grant Fund:		
Current Fund		11,656.60
General Capital Fund		34,334.89
Sewer Operating Fund	3,474.64	
Trust Fund:		
Current Fund	37,309.23	
General Capital Fund:		
Current Fund	61,409.63	
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	73,789.43	
Sewer Capital Fund:		
Current Fund	10,654.40	
Sewer Operating Fund		73,789.43
	<u>411,829.70</u>	<u>411,829.70</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 June 30, 2023, 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, 2022, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 30, 2023, 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

June 30, 2023

TOWNSHIP OF HOPEWELL
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDING DECEMBER 31, 2022

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Internal control over financial reporting:

- 1) Material Weakness identified? **NO**
- 2) Significant Deficiency identified? **NO**

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

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

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

MANAGEMENT RESPONSES

Not Applicable

STATUS OF PRIOR YEAR FINDINGS

None.

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

	Current Fund	Grant Fund
Balance December 31, 2021	\$ 2,498,041.03	56,525.19
Increased by Receipts:		
Tax Collector	9,949,455.68	
Revenue Accounts Receivable	645,957.64	
Miscellaneous Revenue	62,558.49	
Due from State of NJ - Seniors & Vets	40,021.92	
Due from State of NJ - Homestead Rebates	163,150.54	
Payroll Payable	278.59	
Due to Current Fund	177,178.36	
Due to Trust	4,500.00	
Reserve for Municipal Relief Act Fund	15,698.40	
Federal and State Unappropriated		231,609.19
Reserve for Small Cities Revolving Loans		14,751.81
Federal and State Grant Receivables		158,494.32
	11,058,799.62	404,855.32
	13,556,840.65	461,380.51
Decreased by Disbursements:		
Current Year Appropriation	1,650,482.24	
Prior Year Appropriations	50,305.17	
Accounts Payable	3,318.27	
County Taxes	3,823,014.33	
Local District School Taxes	3,579,098.98	
Regional School Taxes	1,751,188.00	
Due to Trust	3,729.30	
Due to Current Fund		177,178.36
Reserve for Small Cities Revolving Loans		5,680.00
Federal and State Grant Disbursements		227,566.71
	10,861,136.29	410,425.07
Balance December 31, 2022	\$ <u>2,695,704.36</u>	<u>50,955.44</u>

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

Balance December 31, 2021		\$	-
Increased by Receipts:			
Prepaid Taxes	112,594.16		
Taxes Receivable	9,795,180.45		
Revenue Accounts Receivable	38,474.30		
Tax Title and Other Liens	2,692.56		
Overpayments	514.21		
			9,949,455.68
			9,949,455.68
Payments to Treasurer			9,949,455.68
Balance December 31, 2022		\$	-

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

Year	Balance Dec. 31, 2021	Current Year Levy	Added Taxes	Collections by Cash		Adjustments	Transferred To Tax Title Lien	Balance Dec. 31, 2022
				2021	2022			
Prior	\$ 208,388.08	-	-	206,224.42	206,224.42	-	2,163.66	0.00
2022		10,142,441.32	22,356.71	122,766.11	9,809,750.60	11,004.93	18,283.52	202,992.87
	\$ 208,388.08	10,142,441.32	22,356.71	122,766.11	10,015,975.02	11,004.93	20,447.18	202,992.87
				9,795,180.45	Cash Receipts - Tax Collector			
				17,894.03	Overpayments Applied			
				163,150.54	Homestead Rebates			
				39,750.00	Senior Citizens and Veterans			
				<u>10,015,975.02</u>				
Analysis of Current Year Tax Levy								
Tax Yield:								
				10,142,441.32	General Property Tax			
				22,356.71	Added Taxes (54:4-63.1 et. Seq.)			
				<u>10,164,798.03</u>				
Tax Levy:								
				3,594,490.73	General County Taxes			
				32,721.65	County Open Space Taxes			
				192,887.10	County Health Taxes			
				8,474.42	County Added and Omitted Taxes			
				<u>3,828,573.90</u>	Total County Taxes			
				3,609,599.00	Local School District Tax			
				1,731,929.00	Regional School District Tax			
				974,156.00	Local Tax for Municipal Purposes			
				20,540.13	Add: Additional Tax Levied			
				<u>994,696.13</u>				
				<u>10,164,798.03</u>				

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

Balance December 31, 2021		\$ 156,701.05
Increased by:		
Transfers from Taxes Receivable	20,447.18	
Interest and Costs	2,021.45	
	<hr/>	<hr/>
		22,468.63
		179,169.68
Decreased by:		
Collections	2,692.56	
	<hr/>	<hr/>
		2,692.56
Balance December 31, 2022		\$ <u><u>176,477.12</u></u>

CURRENT FUND SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance	Accrued	Collected by		Balance
	Dec. 31, 2021	in 2021	Collector	Treasurer	Dec. 31, 2022
\$					
Interest and Costs on Taxes	37,610.64	37,610.64	37,610.64		-
Interest Earned on Investments	3,603.23	3,603.23	863.66	2,739.57	0.00
Alcoholic Beverage License	2,500.00	2,500.00		2,500.00	-
Fees and Permits	1,716.98	1,716.98		1,716.98	-
Payments in Lieu of Taxes - Hopewell Place	113,850.00	113,850.00		113,850.00	-
Rent of Municipal Property - Bank Rent	17,569.20	17,569.20		17,569.20	-
Rent of Municipal Property - Farmland Lease - Amish Market	5,761.13	5,761.13		5,761.13	-
Rent of Municipal Property - Barretts Run	14,132.10	14,132.10		14,132.10	-
Energy Receipts Tax	300,944.00	300,944.00		300,944.00	-
Municipal Court	4,156.29	4,156.29		4,156.29	-
Garden State Preservation Trust	5,170.00	5,170.00		5,170.00	-
Cable TV Franchise Fee	23,334.23	23,334.23		23,334.23	-
Uniform Construction Code Fees	66,737.00	66,737.00		66,737.00	-
Interlocal Agreement - Senior Center - Greenwich	2,870.58	2,870.58		2,870.58	-
Interlocal Agreement - Senior Center - Stow Creek	5,002.18	5,002.18		5,002.18	-
Interlocal Agreement - Senior Center - Shiloh	1,765.00	1,765.00		1,765.00	-
Interlocal Agreement - Convenience Center - Greenwich	45,527.90	45,527.90		45,527.90	-
Interlocal Agreement - Assessor - Greenwich	4,000.00	4,000.00		4,000.00	-
Interlocal Agreement - Fire Company - Stow Creek	22,517.44	22,517.44		22,517.44	-
Interlocal Agreement - Fire Company - Shiloh	5,664.04	5,664.04		5,664.04	-
Miscellaneous Revenue Not Anticipated	62,558.49	62,558.49		62,558.49	-
	<u>746,990.43</u>	<u>746,990.43</u>	<u>38,474.30</u>	<u>708,516.13</u>	<u>0.00</u>
\$	-	746,990.43	38,474.30	708,516.13	0.00
				708,516.13	
				38,474.30	
				<u>746,990.43</u>	

Cash Received by Treasurer
Cash Received by Collector

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

	Balance Dec. 31, 2021	Balance After Transfers	Paid or Charged	Balance Lapsed
OPERATIONS WITHIN "CAPS" GENERAL GOVERNMENT:				
Administrative and Executive				
Salaries and Wages	2,467.26	2,467.26		2,467.26
Other Expenses	5,058.02	5,058.02	598.36	4,459.66
Municipal Clerk				
Salaries and Wages	8,668.17	8,668.17		8,668.17
Other Expenses	4,191.86	4,191.86	438.74	3,753.12
Financial Administration				
Salaries and Wages	89.49	89.49		89.49
Other Expenses:				
Miscellaneous Other Expenses	2,888.65	2,888.65	358.75	2,529.90
Collection of Taxes				
Salaries and Wages	20.32	20.32		20.32
Other Expenses:				
Miscellaneous Other Expenses	6,017.07	6,017.07		6,017.07
Tax Assessment Administration				
Salaries and Wages	4,883.28	4,883.28		4,883.28
Other Expenses:				
Miscellaneous Other Expenses	2,954.46	2,954.46	377.30	2,577.16
Maintenance of Tax Map	1,789.50	1,789.50		1,789.50
Legal Services and Costs				
Salaries and Wages	5.15	5.15		5.15
Other Expenses	7,844.33	11,844.33	11,760.00	84.33
Engineering Services and Costs				
Other Expenses	771.10	771.10	102.75	668.35
Western Cumberland County Economic Develop. Corp.				
Other Expenses	994.00	994.00		994.00
Economic Development Committee	3,730.00	3,730.00		3,730.00
LAND USE ADMINISTRATION:				
Combined Planning & Zoning Board				
Salaries and Wages	556.84	556.84		556.84
Other Expenses	2,126.26	2,126.26	1,953.36	172.90

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

	Balance Dec. 31, 2021	Balance After Transfers	Paid or Charged	Balance Lapsed
CODE ENFORCEMENT AND ADMINISTRATION:				
Code Official				
Salaries and Wages	27.37	27.37		27.37
Other Expenses	300.00	300.00		300.00
INSURANCE:				
General Liability	1,061.00	1,061.00		1,061.00
Disability	133.06	133.06		133.06
Employee Group Insurance	5,360.10	1,360.10		1,360.10
PUBLIC SAFETY				
Emergency Management Services				
Salaries and Wages	71.90	71.90		71.90
Other Expenses	1,126.74	1,126.74		1,126.74
Fire				
Other Expenses	14,260.53	14,260.53	5,430.07	8,830.46
STREETS AND ROADS:				
Streets and Road Maintenance				
Salaries and Wages	1,901.23	1,901.23		1,901.23
Other Expenses	14,501.68	14,501.68	3,616.04	10,885.64
Snow Removal	2,500.00	2,500.00	2,500.00	-
Public Building and Grounds				
Other Expenses	11,273.77	11,273.77	158.89	11,114.88
HEALTH AND WELFARE:				
Animal Control Services				
Other Expenses	2,068.50	2,068.50	700.00	1,368.50
Environmental Commission				
Other Expenses	186.73	186.73		186.73

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

	Balance Dec. 31, 2021	Balance After Transfers	Paid or Charged	Balance Lapsed
RECREATION AND EDUCATION:				
Recreation Services and Programs				
Other Expenses	1,380.14	1,380.14		1,380.14
Bostwick Lake Commission	4,500.00	4,500.00		4,500.00
Senior Citizen Center				
Salaries and Wages	2,099.32	2,099.32		2,099.32
Other Expenses	3,076.88	3,076.88	694.98	2,381.90
UNCLASSIFIED:				
SANITATION:				
Convenience Center				
Salaries and Wages	967.72	967.72		967.72
Other Expenses	31,153.10	31,153.10	17,727.94	13,425.16
Sanitary Landfill Facility Number 0607A Post-Closure Care	6,250.00	6,250.00		6,250.00
Salary Adjustments	2,400.00	2,400.00		2,400.00
UTILITY EXPENSES:				
Electricity	6,434.46	6,434.46	945.59	5,488.87
Street Lighting	2,500.40	2,500.40	1,347.94	1,152.46
Telephone	724.29	724.29		724.29
Fuel Oil	7,983.54	7,983.54	1,749.02	6,234.52
Sewer	585.00	585.00		585.00
Gasoline	2,160.39	2,160.39	495.44	1,664.95
STATUTORY EXPENDITURES:				
Social Security System	3,909.81	3,909.81		3,909.81
DCRP	1,339.78	1,339.78		1,339.78
Unemployment	11,600.00	11,600.00		11,600.00

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

	Balance Dec. 31, 2021	Balance After Transfers	Paid or Charged	Balance Lapsed
OPERATIONS EXCLUDED FROM "CAPS"				
Emergency Service Volunteer Length of Service Award Program	2,825.00	2,825.00		2,825.00
Interlocal Municipal Service Agreements				
Stow Creek Twp, Greenwich Twp & Shiloh Borough	2,244.10	2,244.10		2,244.10
Salaries and Wages	1,700.38	1,700.38		1,700.38
Other Expenses				
Municipal Court's				
Contracted Services	5,545.66	5,545.66		5,545.66
Capital Improvements				
Municipal Land, Building Improvements & Equipment	17,022.80	17,022.80	2,208.80	14,814.00
Fire Turnout Gear	1,349.20	1,349.20		1,349.20
Fire Tanks	4.00	4.00		4.00
Fire Dry Hydrants	2,286.40	2,286.40		2,286.40
DOT Matching Funds	1,500.00	1,500.00		1,500.00
	<u>\$ 233,370.74</u>	<u>233,370.74</u>	<u>53,163.97</u>	<u>180,206.77</u>

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

Balance December 31, 2021			
School Tax Payable	\$	155,334.48	
School Tax Deferred		<u>1,525,000.00</u>	
			\$ 1,680,334.48
Increased by:			
Levy - School Year July 1 to June 30			<u>3,609,599.00</u>
			5,289,933.48
Decreased by:			
Payments			<u>3,579,098.98</u>
Balance December 31, 2022			
School Tax Payable		185,834.50	
School Tax Deferred		<u>1,525,000.00</u>	
			<u>1,710,834.50</u>
Current Year Liability for Local School District School Tax:			
Tax Paid			3,579,098.98
Tax Payable Ending			<u>185,834.50</u>
			3,764,933.48
Less: Tax Payable Beginning			<u>155,334.48</u>
Amount charged to Current Year Operations			<u>\$ 3,609,599.00</u>

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

Balance December 31, 2021		
School Tax Payable	\$ 823,835.41	
School Tax Deferred		
		\$ 823,835.41
Increased by:		
Levy - School Year July 1 to June 30		1,731,929.00
		2,555,764.41
Decreased by:		
Payments		1,751,188.00
Balance December 31, 2022		
School Tax Payable	804,576.41	
School Tax Deferred		
		804,576.41
Current Year Liability for Local School District School Tax:		
Tax Paid		1,751,188.00
Tax Payable Ending		804,576.41
		2,555,764.41
Less: Tax Payable Beginning		823,835.41
Amount charged to Current Year Operations		\$ 1,731,929.00

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

<u>Purpose</u>	Balance Dec. 31, 2021	Transferred From Revenues	Received	Balance Dec. 31, 2022
FEDERAL GRANTS:				
Small Cities - 2017 Housing Rehabilitation	\$ 25,860.25			25,860.25
Small Cities - 2018 Housing Rehabilitation	9,252.33			9,252.33
CDBG - Small Cities - Housing Rehabilitation		107,000.00	11,934.00	95,066.00
CDBG - Small Cities - ADA Compliance		367,100.00		367,100.00
Total Federal	<u>35,112.58</u>	<u>474,100.00</u>	<u>11,934.00</u>	<u>497,278.58</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	99,622.75			99,622.75
DOT - 2021	200,000.00		134,226.08	65,773.92
NJ Transportation Trust Fund - 2022- Oak Drive		175,000.00		175,000.00
Clean Communities		12,334.24	12,334.24	-
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>463,747.67</u>	<u>187,334.24</u>	<u>146,560.32</u>	<u>504,521.59</u>
	<u>\$ 498,860.25</u>	<u>661,434.24</u>	<u>158,494.32</u>	<u>1,001,800.17</u>

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

	Balance December 31, 2021		2022		Balance Dec. 31, 2022
	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	5,074.00				5,074.00
Small Cities - ADA 2014	2,127.50				2,127.50
CDBG - Small Cities - Housing Rehabilitation			107,000.00	40,138.00	66,862.00
CDBG - Small Cities - ADA Compliance			367,100.00		367,100.00
Total Federal	59,681.85	-	474,100.00	40,138.00	493,643.85
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	33,809.81	16,316.91		14,523.22	35,603.50
DOT - 2021	200,000.00		181,852.68	5,600.92	12,546.40
NJ Transportation Trust Fund - 2022- Oak Drive			175,000.00		175,000.00
Clean Communities - Prior	4,672.16			1,374.94	3,297.22
Clean Communities - 2016	477.55			241.09	236.46
Clean Communities - 2019	1,552.49				1,552.49
Clean Communities - 2020	11,372.02				8,062.02
Clean Communities - 2021	12,098.90			3,310.00	12,098.90
Clean Communities - 2022					12,334.24
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	59,794.11				59,794.11
Livable Communities - Firehouse - Grant - 2010 & Prior	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			2,227.04
Recycling Tonnage 2017-2018	1,070.89	1,850.00			2,270.89
Recycling Tonnage 2018-2019	639.89	1,500.00			2,139.89
Recycling Tonnage 2019-2020	3,317.55			650.00	3,317.55
Recycling Tonnage 2020-2021	3,327.00				3,327.00
Recycling Tonnage 2021-2022			3,317.55		3,317.55
Total State	437,420.91	21,666.91	190,651.79	187,428.71	442,186.76
	497,102.76	21,666.91	664,751.79	227,566.71	935,830.61

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

<u>Purpose</u>	Balance Dec. 31, 2021	Transferred To Appropriations	Received	Transferred to Current Fund Revenue	Balance Dec. 31, 2022
STATE GRANTS:					
Recycling Tonnage	\$ 3,317.55	3,317.55	3,955.08		3,955.08
American Rescue Plan	227,654.10		227,654.11	455,308.21	-
Total State	\$ 230,971.65	3,317.55	231,609.19	455,308.21	3,955.08

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

Balance December 31, 2021		\$	6,197.90
Increased by:			
Cash Receipts for:			
Dog Licenses Collected	3,467.41		
Due to State of NJ	513.00		
			3,980.41
			10,178.31
Decreased by:			
Cash Disbursed for:			
Dog Fund Expenditures	1,018.00		
Due from State of New Jersey	445.80		
			1,463.80
Balance December 31, 2022		\$	8,714.51

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

Balance December 31, 2021	\$	238,903.30
Increased by:		
Cash Receipts for:		
Current Fund Interfund		
Other Reserves:		
Interest on Investments	351.15	
Due to / from Current Fund	3,751.02	
Budget Appropriations	4,500.00	
Other Receipts	217,697.29	
	226,299.46	226,299.46
		465,202.76
Decreased by:		
Cash Disbursed for:		
Due to / from Current Fund	4,528.03	
Other Reserves	117,167.54	
	121,695.57	121,695.57
Balance December 31, 2022	\$	343,507.19

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

Balance December 31, 2021		\$	6,194.30
Increased by:			
Dog License - Cash Receipts	3,467.41		
Prior Year Balance Corrected	3.60		
Late Fees & Re-Issue Fees Collected			
			3,471.01
			9,665.31
Decreased by:			
Cash Disbursed	1,018.00		
			1,018.00
Balance December 31, 2022		\$	8,647.31

Fees Collected	2021	3,065.00
	2020	3,684.97
		6,749.97

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

Balance December 31, 2021		\$	3.60
Increased by:			
Cash Receipts	513.00		
			513.00
			516.60
Decreased by:			
Cash Disbursed	445.80		
Prior Year Balance Corrected	3.60		
			449.40
Balance December 31, 2022		\$	67.20

**TRUST FUND
SCHEDULE OF OTHER RESERVES**

Title	Balance Dec. 31, 2021	Interest on Investments	Budget Appropriation	Other Cash Receipts	Cash Disbursed	Balance Dec. 31, 2022
Unemployment Compensation	\$ 1,385.47	2.69			227.09	1,161.07
Sanitary Landfill	44,139.64	243.43				44,383.07
Developers Escrow	23,871.81			43,262.98	6,620.10	60,514.69
COAH Fees	38,057.29	76.20				38,133.49
Tax Sale Premiums	81,000.00			110,000.00	39,500.00	151,500.00
Redemption of Tax Sale Certificates	17,623.91			45,639.31	51,278.00	11,985.22
Snow Removal - Storm Recovery	18,625.00		4,500.00		3,709.85	19,415.15
Bostwick Lake	22,344.58	28.83			4,195.00	18,178.41
Community Activities	10,949.97			18,795.00	11,637.50	18,107.47
Performance Bonds	17,437.85					17,437.85
	<u>\$ 275,435.52</u>	<u>351.15</u>	<u>4,500.00</u>	<u>217,697.29</u>	<u>117,167.54</u>	<u>380,816.42</u>

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

Balance December 31, 2021	\$	-
Increased by:		
Due from Current Fund - Capital Improvement Fund	29,800.00	
Due from Current Fund - Payment of BAN's	170,000.00	
Due to Current Fund	6.31	
Bond Anticipation Notes	564,975.00	
		764,781.31
		764,781.31
Decreased by:		
Improvement Authorizations	4,441.65	
Prior Year Encumbrances	12,843.74	
Bond Anticipation Notes	734,975.00	
		752,260.39
Balance December 31, 2022	\$	12,520.92

**GENERAL CAPITAL FUND
ANALYSIS OF CASH**

	Balance Dec. 31, 2021	Receipts		Disbursements		Transfers		Balance Dec. 31, 2022
		Miscellaneous		Improvement Authorizations	Miscellaneous	From	To	
Capital Improvement Fund	\$ 146,046.89	29,800.00				95,885.00		79,961.89
Contributions Receivable	(34,334.89)					332,385.25		(32,385.25)
Due to Sewer Operating Fund	(150,000.00)							(34,334.89)
Due to Current Fund	(61,415.94)	6.31						(150,000.00)
Encumbrances	12,843.74				12,843.74			(61,409.63)
Fund Balance							657,091.04	657,091.04
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	2,184.31							2,184.31
08-07 Purchase of Fire Truck	9,106.21							9,106.21
09-01 Purchase of Land & Improvements	4,504.48							4,504.48
13-01 Purchase of Land	745.51							745.51
15-08 Renovations & ADA Compliance	26,100.22			(3,000.00)				29,100.22
15-15 / 17-09 Purchase of Fire Truck								
17-11 Tractor/Boom Mower	7,854.69			1,591.65				6,263.04
18-06 Purchase of Land	5,389.70							5,389.70
18-08 4x4 Public Works Vehicles	(6,250.00)							(6,250.00)
20-08 Public Works Garage Extension	1,430.36							1,430.36
20-08 Convenience Center	85.00							85.00
21-14 Renovations of Town Hall	7,390.00							7,390.00
22-04 Broadband Improvements	200.54							200.54
22-05 Convenience Center ADA				5,850.00		656,791.04	368,270.25	(288,520.79)
						300.00	60,000.00	53,850.00
\$	0.00	29,806.31		4,441.65	12,843.74	1,085,361.29	1,085,361.29	12,520.92

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

Balance December 31, 2021		\$ 146,046.89
Increased by:		
Budget Appropriation	29,800.00	
	29,800.00	175,846.89
Decreased by:		
Appropriated to Fund Improvement Authorization	95,885.00	
	95,885.00	79,961.89
Balance December 31, 2022		\$ 79,961.89

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

Ord #	Improvement Description	Balance Dec. 31, 2021	2022 Authorizations	Raised in 2022 Budget	Balance Dec. 31, 2022	Bond Anticipation Notes	Analysis of Balance		Unexpended Improvement Authorizations
							Expenditures		
225	Closure of Landfill	\$ 100,000.00			100,000.00				100,000.00
15-08	Renovations & ADA Compliance	178,100.00		56,875.00	121,225.00	121,225.00			-
17-09	Fire Truck	426,250.00		77,500.00	348,750.00	348,750.00			-
18-06	Purchase of Land	136,875.00		35,625.00	101,250.00	95,000.00	6,250.00		-
22-04	Broadband Improvements		717,691.20		717,691.20		288,520.79		429,170.41
		<u>\$ 841,225.00</u>	<u>717,691.20</u>	<u>170,000.00</u>	<u>1,388,916.20</u>	<u>564,975.00</u>	<u>294,770.79</u>		<u>529,170.41</u>
<p>Improvement Authorizations Unfunded Less: Unexpended Proceeds of Bond Anticipation Notes Issued:</p>									
	Ord. Number								
	15-08						29,100.22		
	15-15						6,263.04		
									<u>35,363.26</u>
									<u>\$ 529,170.41</u>

**GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2021		Authorizations		Paid or Charged	Balance December 31, 2022	
				Funded	Unfunded	Other Funding	Deferred Charges to Future Taxation		Funded	Unfunded
225	Closure of Landfill	7/26/1989	450,000.00	\$ 1,604.99	100,000.00				1,604.99	100,000.00
02-05	Purchase and Construction of Salt/Sand Building	7/24/2002	41,875.00 25,000.00	1,691.50					1,691.50	
02-05	Purchase and Installation of Replacement Air Conditioning System	7/24/2002	141,875.00 10,000.00	1,240.00					1,240.00	
02-08	Reconstruction of Bostwick Lake Dam	12/30/2002	70,000.00	20,000.00					20,000.00	
03-03	Utility Installation at Business Park	6/11/2003	27,000.00	3,582.69					3,582.69	
06-05	Senior Center	9/13/2006	325,000.00	2,184.31					2,184.31	
08-07	Purchase of Fire Truck	10/8/2009	460,000.00	9,106.21					9,106.21	
09-01	Purchase of Land and Improvements	2/25/2011	197,500.00	4,504.48					4,504.48	
13-01	Purchase of Land	2/14/2013	578,000.00	745.51					745.51	
15-08	Renovations & ADA Compliance	8/13/2015	480,000.00		26,100.22			(3,000.00)		29,100.22
15-15 / 17-09	Purchase of Fire Truck	12/17/2015	775,000.00		7,854.69			1,591.65		6,263.04
17-11	Tractor/Boom Mower	7/13/2017	90,000.00	5,389.70				5,389.70		
18-08	4x4 Public Works Vehicles	4/19/2018	72,000.00	1,430.36				1,430.36		
20-08	Public Works Garage Extension	8/20/2020	43,900.00	85.00				85.00		
20-08	Convenience Center	8/20/2020	25,000.00	7,390.00				7,390.00		
21-14	Renovations of Town Hall	6/2/2021	60,000.00	200.54				200.54		
22-04	Broadband Improvements	9/8/2022	1,085,961.45			368,270.25	717,691.20	656,791.04		429,170.41
22-05	Convenience Center ADA	10/11/2022	60,000.00			60,000.00		6,150.00	53,850.00	
				\$ 59,155.29	133,954.91	428,270.25	717,691.20	661,532.69	113,005.29	564,533.67
								\$ 17,285.39		
								(12,843.74)		
								657,091.04		
								\$ 661,532.69		

**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, 2022
						Dec. 31, 2021	Dec. 31, 2022			
Renovations and ADA Compliance	15-08	11/4/2015	6/10/2021	6/10/2022	0.5%	\$ 178,100.00			178,100.00	-
		11/4/2015	6/9/2022	6/9/2023	2.2%		121,225.00			121,225.00
Purchase of Fire Truck	17-09	6/14/2017	6/10/2021	6/10/2022	0.5%	426,250.00			426,250.00	-
		6/14/2017	6/9/2022	6/9/2023	2.2%		348,750.00			348,750.00
Purchase of Land	18-06	6/13/2018	6/10/2021	6/10/2022	0.5%	130,625.00			130,625.00	-
		6/13/2018	6/9/2022	6/9/2023	2.2%		95,000.00			95,000.00
						\$	<u>734,975.00</u>	<u>564,975.00</u>	<u>734,975.00</u>	<u>564,975.00</u>

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2021	2022 Authorizations	Balance Dec. 31, 2022
225	Closure of Landfill	\$ 100,000.00		100,000.00
18-06	Purchase of Land	6,250.00		6,250.00
22-04	Broadband Improvements		717,691.20	717,691.20
		<u>\$ 106,250.00</u>	<u>717,691.20</u>	<u>823,941.20</u>

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

	Operating Fund	Capital Fund
Balance December 31, 2021	\$ 230,890.29	\$ 172,951.45
Increased by Receipts:		
Water & Sewer Accounts Receivable	708,329.21	
Miscellaneous Revenue Not Anticipated	10,426.49	
Overpaid Sewer Rents	375.00	
Prepaid Sewer Rents	7,728.11	
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
	726,858.81	32,500.89
	957,749.10	205,452.34
Decreased by Disbursements:		
Current Year Appropriation	649,761.40	
Prior Year Appropriations	2,832.36	
Reserve for Sinking Fund		140,000.00
Accrued Interest on Bonds	125,325.00	
Due from Sewer Capital Fund	0.89	
	777,919.65	140,000.00
Balance December 31, 2022	\$ 179,829.45	\$ 65,452.34

**SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH**

	Balance Dec. 31, 2021	Receipts		Disbursements		Transfers		Balance Dec. 31, 2022
		Miscellaneous	0.89	Improvement Authorizations	Miscellaneous	From	To	
Due to Sewer Operating	\$ 73,788.54							73,789.43
Due from Current Fund	(10,654.40)							(10,654.40)
Accounts Payable	10,654.40							10,654.40
Reserve for Sinking Fund	140,000.00				140,000.00			-
Capital Improvement Fund	12,500.00	2,500.00						15,000.00
<u>Improvement Authorizations:</u>								
96-3 Sewer Construction	(24,789.91)	15,000.00						(9,789.91)
18-11 Sewer Improvements	(28,547.18)	15,000.00						(13,547.18)
	\$ 172,951.45	32,500.89		-	140,000.00	-		65,452.34

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

Balance December 31, 2021		\$	85,732.21
Increased by Receipts:			
Consumer Accounts Charges and Levies	762,356.26		
			762,356.26
			848,088.47
Decreased by Disbursements:			
Collections	708,329.21		
Prepayments & Overpayments Applied	6,076.98		
Other			
			714,406.19
Balance December 31, 2022		\$	133,682.28

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

	<u>Balance Dec. 31, 2021</u>	<u>Balance After Transfers</u>	<u>Paid or Charges</u>	<u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 1,695.58	1,695.58		1,695.58
Other Expenses	7,768.08	7,768.08	2,832.36	4,935.72
Capital Improvements:				
Capital Outlay	1,195.76	1,195.76		1,195.76
	<u>\$ 10,659.42</u>	<u>10,659.42</u>	<u>2,832.36</u>	<u>7,827.06</u>

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

Balance December 31, 2021		\$	10,443.75
Increased by:			
Budget Appropriations	124,631.25		
	124,631.25		124,631.25
			135,075.00
Decreased By:			
Payments of Debt Service Interest			125,325.00
Balance December 31, 2022		\$	9,750.00

Analysis of Accrued Interest December 31, 2022

Principal Outstanding December 31, 2022	Interest Rate	From	To	Days	\$	Amount
2,925,000.00	Var.	12/1/2022	12/31/2022	30	\$	9,750.00
					\$	9,750.00
					\$	9,750.00

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

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2021		Paid or Charged	Balance December 31, 2022	
				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, 2021	Decreased by Sinking Fund Payment	Balance Dec. 31, 2022
			Date	Amount				
Sewer Refunding Bonds	11/19/2014	\$ 4,105,000			\$	3,070,000.00	145,000.00	2,925,000.00
	Sinking Fund Requirement		12/1/2023	150,000.00	2.500%			
	Term Bond Final Maturity		12/1/2024	150,000.00	2.500%			
	Sinking Fund Requirement		12/1/2025	155,000.00	4.000%			
	Sinking Fund Requirement		12/1/2026	160,000.00	4.000%			
	Term Bond Final Maturity		12/1/2027	170,000.00	4.000%			
	Sinking Fund Requirement		12/1/2028	175,000.00	4.000%			
	Sinking Fund Requirement		12/1/2029	185,000.00	4.000%			
	Term Bond Final Maturity		12/1/2030	190,000.00	4.000%			
	Sinking Fund Requirement		12/1/2031	195,000.00	4.250%			
	Sinking Fund Requirement		12/1/2032	205,000.00	4.250%			
	Term Bond Final Maturity		12/1/2033	215,000.00	4.250%			
	Sinking Fund Requirement		12/1/2034	225,000.00	4.500%			
	Sinking Fund Requirement		12/1/2035	235,000.00	4.500%			
	Sinking Fund Requirement		12/1/2036	245,000.00	4.500%			
	Sinking Fund Requirement		12/1/2037	170,000.00	4.500%			
	Sinking Fund Requirement		12/1/2038	100,000.00	4.500%			
						\$ 3,070,000.00	145,000.00	2,925,000.00

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2021	Other	Balance Dec. 31, 2022
96-3	Sewer Construction	\$ 24,789.91	15,000.00	9,789.91
18-11	Sewer Improvements	32,500.00	15,000.00	17,500.00
		<u>\$ 57,289.91</u>	<u>30,000.00</u>	<u>27,289.91</u>

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TOWNSHIP OF HOPEWELL

PART II

GENERAL COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED

DECEMBER 31, 2022

GENERAL COMMENTS

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

N.J.S.A. 40A:11-4 states, "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law." Effective July 1, 2015, the bid threshold was \$40,000. However, effective July 1, 2020, pursuant to subsection b. of section 9 of P.L. 1971, c. 198 (C.40A:11-9), the governing body can establish the bid threshold at \$44,000 with the appointment of a qualified purchasing agent. The City adopted the bid threshold of \$44,000.

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

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

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

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>
2022	19
2021	19
2020	26

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	5
Delinquent Taxes	5
Payment of Sewer Rents	5
Delinquent Sewer Rents	5
Total	<u>20</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>
2022	10,164,798.03	9,932,516.71	97.71%
2021	\$ 10,342,623.92	10,104,340.97	97.70%
2020	10,344,336.90	9,951,954.66	96.21%

Comparative Schedule of Tax Rate Information

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Tax Rate	3.304	3.366	3.402	3.352	3.240
Apportionment of Tax Rate:					
Municipal	0.318	0.307	0.297	0.281	0.258
County	1.245	1.336	1.354	1.339	1.282
Regional School	0.565	0.580	0.645	0.605	0.604
Local School	1.176	1.143	1.106	1.127	1.096

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>
2022	\$ 176,447.12	202,992.87	379,439.99	3.73%
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%

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**

June 30, 2023