

**TOWNSHIP OF HOPEWELL
County of Mercer**

Report of Audit of Financial Statements

For the Year Ended December 31, 2017

TOWNSHIP OF HOPEWELL
COUNTY OF MERCER

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TOWNSHIP OF HOPEWELL

PART I

Introductory Section

For the Year Ended December 31, 2017

TOWNSHIP OF HOPEWELL
Mercer County

General Description

Hopewell Township (“the Township”) is comprised of an area of approximately 60 square miles. It is bounded by Hunterdon County to the north, the Delaware River to the west, Lawrence and Ewing Townships to the south and Princeton Township on the east. The Township also surrounds the boroughs of Hopewell and Pennington. The Township is divided by New Jersey State Highway Route 31. The cities of Philadelphia and New York provide cultural and economic centers which are easily accessible via Interstates 95 and 295, which run through the Township, commuter railroad transportation and/or bus service. Air travel connections are available at the Trenton/Mercer County Airport, which is located just over the Township’s southern border in Ewing Township.

The area encompassing the Township of Hopewell is bucolic in nature. A mixture of pastoral, wooded and rugged terrain guarantees that future development will be limited to suitable areas allowing the Township to retain its rural and unspoiled characteristics. Approximately 23% of the Township is developed as residential; approximately 54% is vacant, wooded or agricultural; approximately 18% is public and quasi-public and approximately 5% is commercial, industrial or office/research.

A full range of commercial establishments are located in the Township. Restaurants, service stations, grocery and food specialty shops, banks and offices complement the residential nature of the township’s developed areas. Additional commercial and retail shopping is available in the boroughs of Hopewell and Pennington. Major corporate employers are Bristol-Myers Squibb and Janssen Pharmaceutica (a division of Johnson & Johnson), Bank of America – Merrill Lynch and Capital Health Systems.

Public and quasi-public land uses in the Township include the Mercer County Howell Living Farm and the Mercer County Belle Mountain recreation area in the northwest section of the Township. Washington Crossing State Park, Mercer County Park Northwest and Mercer County’s Rosedale Park, which provide both passive and active recreation areas within the Township. Baldpate Mountain, owned by Mercer County, the State and the Township, the Woolsey Park and Independence Park which are owned by the Township, also provide for passive and active recreation. In addition, the Township is a partner in inter-municipal arrangements providing for Twin Pines recreation area and the Lawrence Hopewell Trail system which also provide for both passive and active recreation.

Vacant land area is predominately zoned for residential development, which provides for several zoning classifications from five units per acre in the Township’s growth zone up to fourteen-acre sites in the mountainous areas.

Township Government

Hopewell Township is governed by a five-member Township Committee elected on an at-large basis. Each year the elected body selects one of its members to serve as Mayor for a one-year term. The Township Committee has responsibility for all legislative and executive matters, including the enactment of all ordinances and resolutions.

Administrative responsibilities are vested in a full-time professionally trained Township Administrator/Engineer, who is charged with overseeing the “day-to-day” operations of the municipal government as well as all engineering functions. Township offices and departments include: the Office of the Township Administrator, Municipal Court, the Office of the Township Clerk, the Department of Finance, the Department of Revenue Collection, the Office of Community Development, the Municipal Construction Department, the Police Department, the Department of Public Works, the Health Department, Senior Service Department and the Recreation Department.

The Office of Township Administrator/Engineer manages a municipal operating budget of approximately \$23 million and a six year capital improvements program. As of December 31, 2017, there are 92 full-time and 56 part-time municipal employees.

The Township Committee formulates policy with input from the Township’s professional staff and consultants, as well as over 90 resident volunteers who serve on various boards, commissions or committees.

The volunteer boards of the municipal government are: Zoning Board of Adjustment, Planning Board, Environmental Commission, Historic Preservation Commission, Affordable Housing Committee, Board of Health, the Board of Health Advisory Committee, the Agricultural Advisory Committee, the Open Space Advisory Committee, the Recreation Advisory Committee, the Municipal Alliance, the Youth Advisory Committee, the Senior Advisory Board, the Green Team, the Deer Management Advisory Committee and the Finance Advisory Committee.

Public Safety

The Police Department provides 24-hour service to the residents of Hopewell Township and to the residents of Hopewell Borough via an interlocal service agreement that has been in place since January 1983. The department consists of a Chief, 2 Lieutenants, 4 Sergeants, 3 Detectives, 19 Patrol Officers, 6 Dispatchers, 1 Secretary, 1 Discovery Clerk and 7 Crossing Guards. Services to the public include: Resident Identification Cards, home security checks, access to a Domestic Violence Victim Response Team, access to a Community Addiction Recovery Effort Team, a Traffic Service Unit, a Youth Police Academy, educational services in local schools and a Project Medicine Drop program which allows for the disposal of expired and unused prescription medications.

Public Works

Public Works provides curbside service Township wide including: brush pickup by zone (April, October and Christmas Trees only in January), freon disposal (monthly), leaf pickup (spring and autumn) and tire pickup (twice during the year). Additionally, this department maintains 144 miles of Township roadway (including surface repairs, tree trimming/removal and snow removal), all municipal vehicles, all municipal buildings and any parks or recreational facilities that are the responsibility of the Township. In 2017, the Township held two shredding and electronic disposal events for its residents. Public Works consists of 1 Director of Public Works, 1 General Forman, 2 Foremen, 2 Heavy Equipment Operators, 3 Light Equipment Operators, 1 Sign Maintenance Worker, 7 Truck Drivers, 2 Mechanics, 1 Mechanic's Assistant, 3 Laborers, and 1 Secretary/Certified Recycling Professional.

Health

The Health Department provides state mandated services and is staffed by state licensed public health professionals. The department provides prevention oriented personal health services as well as regulatory environmental and communicable disease services. Additionally, the department records vital statistical records of deaths, births and marriages and issues original and certified copies. The department is also responsible for the animal control program and dog and cat licenses. The department also oversees and participates in the Municipal Alliance.

During 2017, the department issued permits for septic systems: 4 new systems, 79 replacement systems and 48 repairs to systems versus 6 new and 58 replacement systems and 66 repairs to systems in 2016.

Permits for new wells for 2017 were as follows: 8 private new and replacement wells, 7 wells abandoned and 3 pumps replaced.

In 2017, 1,979 dog licenses and 449 cat licenses were issued while in 2016, 1,965 dog licenses and 485 cat licenses were issued

In 2017, the Health Department, along with Rite Aid, administered 475 doses of flu vaccine. The vaccine was made available to older adults and high-risk individuals and any municipal or school district employees.

The Health Department also inspected 9 public pools and 86 retail food establishments completing various inspections or re-inspections for a total of 155 inspections. Several youth camps and public events were also inspected as needed.

Community Development

Hopewell Township has enjoyed controlled development and growth guided by its comprehensive Master Plan. The Township retains the services of a professional planner to help develop its long-term strategy for growth, which meets the needs of the local citizens. Sitting astride I-295 and I-95, the Township enjoys the developmental advantages associated with access to major transportation arteries. Additional factors such as the close proximity to Princeton Borough and the State capital, and it's approximately equi-distance between New York and Philadelphia continues to make the Township of Hopewell a desired location for residency and office location.

The topographical nature of the Township, however, will ensure that large areas will remain unspoiled and open due to rugged terrain and other natural features. The more elevated tracts are zoned for housing on lots as large as fourteen acres.

The majority of the Township is served by private on-site wells and septic systems. The Township owns a small public community water system serving 105 users and two community sewer systems; one system with 211 users with wastewater treatment provided by contract with the Stony Brook Regional Sewerage Authority and one system with 1,651 users with wastewater treatment provided by contract with the Ewing Lawrence Sewerage Authority.

In 2017, the Planning Board approved 2 major subdivisions, 1 minor subdivision, 2 site plan and 2 amended site plan.

During 2017, the Zoning Board of Adjustment reviewed 27 cases or applications. Of those applications, 14 were for hardship or "bulk" requirement relief (i.e., setbacks, lot coverage); and 12 were for a use not permitted in the zone and 1 amended use variance application. There were 7 site plan and 2 site plan waiver applications associated with the use variance requests; the 7 site plan applications and 1 use variance application required hardship "bulk" requirement relief.

Municipal Construction Office

The Municipal Construction Office is staffed by 1 Construction Official/Fire Protection Sub-code Official, 1 Building Sub-code Official, 1 Electrical Sub-code Official, 1 Part-time Electrical Inspector, 1 Part-time Plumbing Sub Code Official, 1 Permit Control person and 1 Executive Secretary.

During 2017, the Construction Office issued 693 Building Permits, 981 Electrical Permits, 1,009 Plumbing/Mechanical Permits, 71 Fire Permits and 53 Certificates of Occupancy.

Recreation

The department sponsors a comprehensive array of recreation and leisure services and a wide variety of community trips, senior citizen activities and programs for children and teens. More than 40 programs were offered throughout the year, including senior breakfasts, community trips, baseball games, a youth wrestling program and a youth field hockey program. The department also sponsors ten half-day camps during the summer months including: Art in the Park, Bricks 4 Kidz, Baseball, Field Hockey and Soccer camps, US Sports Institute Multi-Sports Camp, and Wrestling Camp. Additionally, a full-day Teen Travel Camp runs for five weeks in the summer with over 175 participants who travel to destinations throughout the tri-state area. These camps presently serve over 750 children and teens.

The Recreation Department in conjunction with the Public Works Department also manages the Township's parks, playgrounds and athletic facilities, including the Municipal Athletic Complex, the 22-acre Independence Park and the 49-acre Twin Pines facility.

Hopewell Township is the department's fiscal agent and provides salary and certain operating expenses through its annual municipal budget. A trust fund was established for fee-based programs that are designed to be self-supporting and provide employment to more than 35 part-time staff members.

Senior Services

Hopewell Valley Senior Services, created in 2006, provides information, programs and services for Hopewell Valley senior residents and caregivers in order to promote independence, wellness, volunteerism and community interaction among older adults. The office is funded through a shared service agreement between Hopewell Township and the Boroughs of Hopewell and Pennington.

In 2017, Hopewell Valley Senior Services provided services to over 1,100 residents. Services included: the distribution of a monthly senior newsletter, GrandPals program (Seniors reading to Kindergarten students), Mahjongg, art, walking groups, driver safety courses, information and referrals to community resources, caregiver support, a senior citizen picnic and the administration of Hopewell Valley Rides (a transportation program for older adults and people with disabilities in Hopewell Valley).

Municipal Housing

Municipal Housing is managed by a Municipal Housing Liason, a COAH mandated position. Duties of the Liaison include management of day-to-day inquiries, coordination with the Affordable Housing Committee (AHC), filing annual reports for revenue and expenses related

to the Affordable Housing Trust with COAH and the COAH Unit Monitoring Report. Housing rentals, sales and the qualification of applicants for housing is provided by Princeton Community Housing, a contracted vendor.

Union Contracts

Certain Township employees are represented through the following collective bargaining units as follows. All expiring contracts are presently being negotiated:

Bargaining Unit	Expiration Date
Superior Officers Association	December 31, 2018
PBA Local 342	December 31, 2018
CWA Union No 1034	December 31, 2018
9-1-1 Operators Association	December 31, 2018
Public Works, AFSCME Local 3867	December 31, 2018

Significant Financial Data

Debt Administration

The authorized bonded indebtedness of municipalities in the State of New Jersey is limited by statute to an amount equal to 3½% of their equalized value. The equalized valuation basis of the Township is set by statute as the average for the last three years of the equalized value of all taxable real property and improvements and certain railroad property within its boundaries as annually determined by the State Board of Taxation. The Township has managed its debt well and as of December 31, 2017 has outstanding debt equal to 1.174 % of its equalized value.

As of 2017, Standard and Poor's has awarded Hopewell Township a credit rating of AAA.

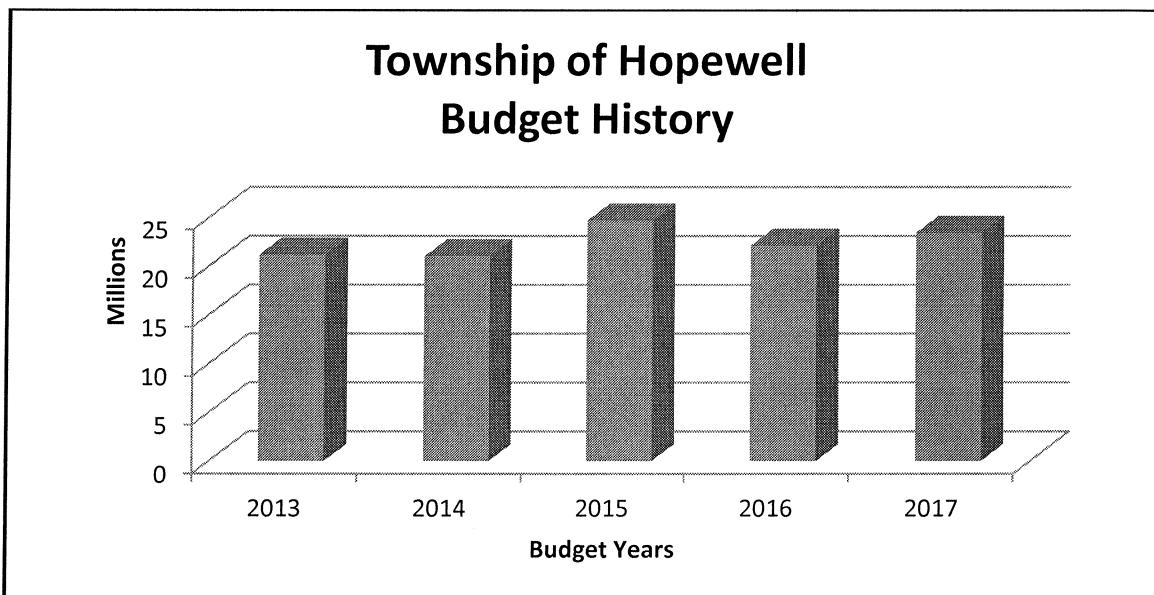
Surplus Fund Balance

Hopewell Township closed out 2017 with a surplus balance of \$10,789,477.50, which is a decrease of \$1,117,624.40 over 2016's ending balance. It is important to note that the 2017 Budget anticipated the purchase of \$1,548,336.97 of Capital items utilizing budgeted Surplus Funds.

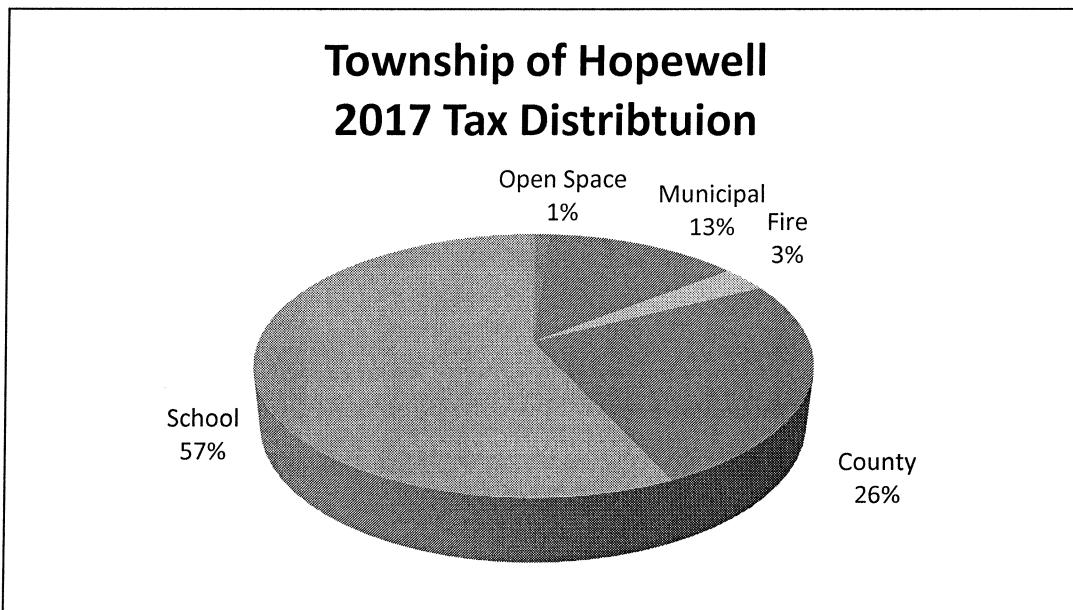
Budget

The 2017 Budget was adopted at \$ 23,370,381.85. This represented an increase of \$1,311,546.67 over the 2016 budget.

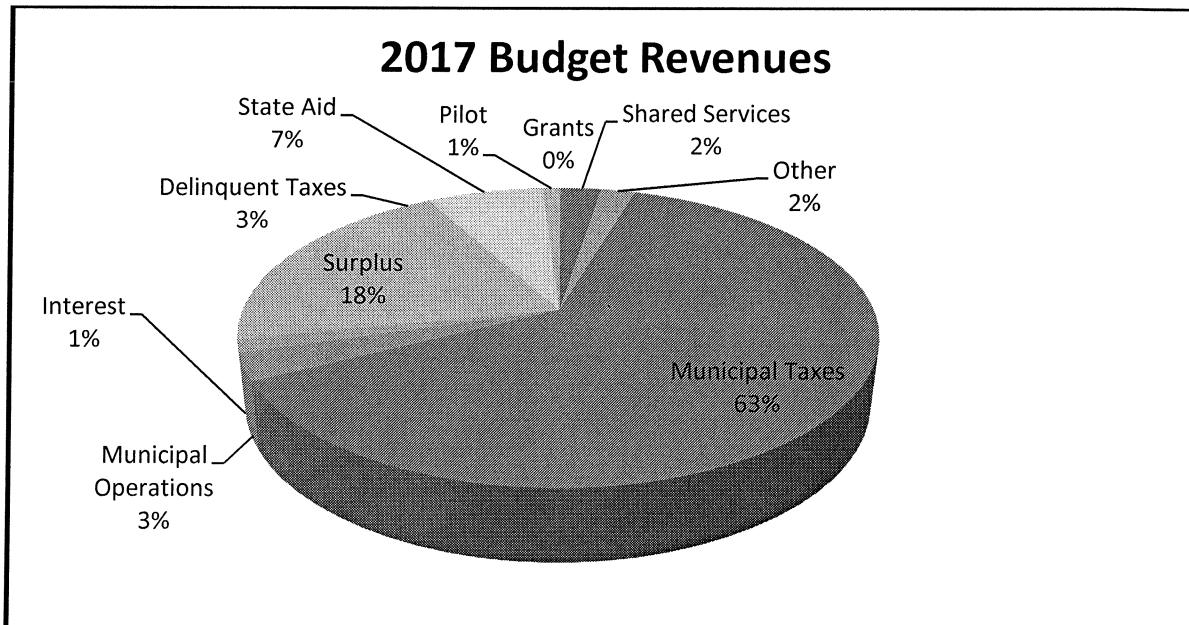
	2013	2014	2015	2016	2017
Annual Budget	\$21,116,198	\$20,963,661	\$24,615,441	\$ 22,058,835	\$23,370,382



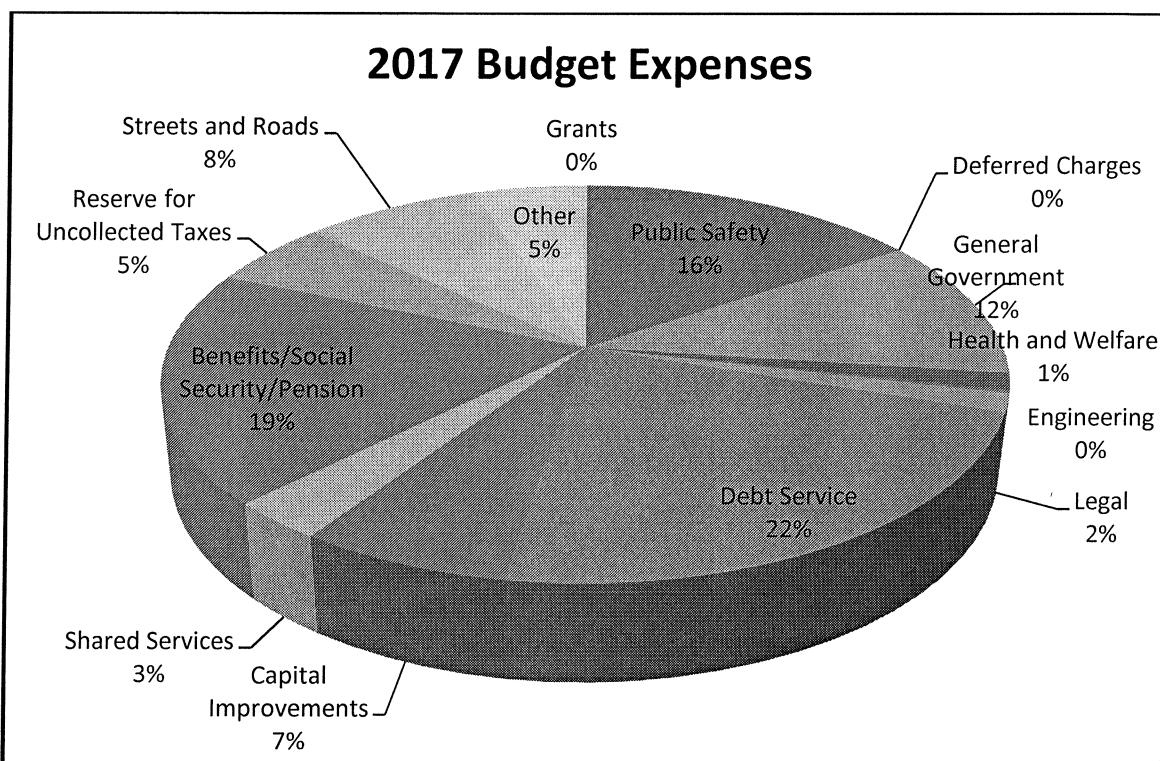
As the below chart demonstrates; municipal taxes represent 13% of all property taxes paid in 2017.



A more detailed analysis of revenues and expenditures for the 2017 budget indicates that (63%) of the budget was supported by tax dollars with Surplus (18%) and State Aid (7%) being the next largest repetitive contributors.



A review of Township Expenses would indicate that the three largest specific areas of expenditure would be Debt Service (22%), Employee Benefits/Social Security/Pensions (19%) and Public Safety (16%).



**Township of Hopewell
Consultants and Advisors
as of December 31, 2017**

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Township of Hopewell

Governing Body

Kevin Kuchinski – Mayor
Vanessa Sandom – Deputy Mayor
Julie Blake – Committeeperson
John Hart – Committeeperson
Kristin McLaughlin – Committeeperson

Officials

Paul E Pogorzelski – Administrator/Engineer
Laurie Gompf – Municipal Clerk
Ryan Riccio – Assessor
Kevin Oswald - Municipal Construction Official
Roger Haley – Municipal Court Judge
Margaret Umbro – Court Administrator
Mark Kataryniak – Zoning Officer
Mary Kennedy-Nadzak – Tax Collector
Elaine Cruickshank-Borges – Chief Financial Officer
Lance Maloney – Chief of Police
Robert English – Health Officer
Judy Niederer – Recreation Director
Randi Knechel – Senior Service Coordinator
George Snyder – Director of Public Works

TOWNSHIP OF HOPEWELL

PART II

Report of Audit of Financial Statements

For the Year Ended December 31, 2017

INVERSO & STEWART, LLC

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

I have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Hopewell, in the County of Mercer, State of New Jersey, as of December 31, 2017 and 2016, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed assets group of accounts for the year ended December 31, 2017 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of 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 misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 on the basis of the financial reporting provisions of 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 the State of New Jersey.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In my 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 the Township of Hopewell, in the County of Mercer, State of New Jersey, as of December 31, 2017 and 2016, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In my opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Hopewell, in the County of Mercer, State of New Jersey, as of December 31, 2017 and 2016, and the results of its operations and changes in fund balance – regulatory basis of such funds for the years then ended, and the revenues - regulatory basis, expenditures - regulatory basis of the various funds, and general fixed assets, for the year ended December 31, 2017 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Information

My audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township’s basic financial statements. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements

The supplementary financial statements presented for the various funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information described in the previous paragraph is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated May 31, 2018 on my consideration of the Township of Hopewell's, in the County of Mercer, State of New Jersey, internal control over financial reporting and my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Hopewell's internal control over financial reporting.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
May 31, 2018

INVERSO & STEWART, LLC

Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America: the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey of the Township of Hopewell, in the County of Mercer, State of New Jersey, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued my report thereon dated May 31, 2018. That report indicated that the Township of Hopewell's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

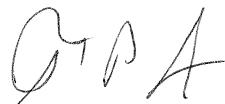
As part of obtaining reasonable assurance about whether the Township of Hopewell's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instance of noncompliance or other matters that are required to be reported under Government Auditing Standards or audit requirements as prescribed by the Division of Local Governments Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
May 31, 2018

TOWNSHIP OF HOPEWELL
Current Fund
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Years Ended December 31, 2017 and 2016

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REFERENCE</u>	<u>2017</u>	<u>2016</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 734,517.28	\$ 813,516.41
Encumbrances Payable	A-3,A-9	1,210,101.10	591,517.71
Accounts Payable		23,543.75	136,504.81
Prepaid Taxes	A-10	10,621,281.13	839,899.92
Tax Overpayments	A-11	22,302.44	37,087.37
Reserve for Tax Appeals	A-12	100,000.00	100,000.00
Reserve for Revaluation	A-13	12,353.25	12,353.25
Reserve for Preparation of Master Plan	A-14	26,993.22	35,098.72
Reserve for Historic Building Repairs	A-15	10,935.00	10,935.00
Reserve for Capital Health System	A-4		145,017.00
Reserve for Senior Services		10,000.00	10,000.00
Due State of New Jersey :- Senior Citizens and Senior Citizen and Veterans Deductions	A-16	1,500.00	319.85
Burial Permit Fees		25.00	25.00
Due State of New Jersey - Marriage License Fees	A-17	225.00	250.00
Due County for Added Taxes	A-18	99,221.70	122,043.08
Due to Trust - Municipal Open Space Tax Payable	A-21 & B	1,844.99	2,918.36
Due to Trust - Other	B	238,072.60	232,015.35
Total Liabilities		13,112,916.46	3,089,501.83
Reserve for Receivables and Other Assets	A	898,322.28	834,201.34
Fund Balance	A-1	<u>10,786,089.91</u>	<u>11,907,101.90</u>
Total Regular Fund		<u>24,797,328.65</u>	<u>15,830,805.07</u>
Federal and State Grant Fund:			
Appropriated Reserves	A-24	<u>2,223,885.26</u>	<u>1,360,975.86</u>
Total Federal and State Grant Fund		<u>2,223,885.26</u>	<u>1,360,975.86</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 27,021,213.91</u>	<u>\$ 17,191,780.93</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOPEWELL
Current Fund
 Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 For the Years Ended December 31, 2017 and 2016

	<u>REFERENCE</u>	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>			
Regular Fund:			
Cash - Treasurer	A-4	\$ 23,898,256.37	\$ 14,995,853.73
Change Fund	A-5	<u>750.00</u>	<u>750.00</u>
Total		<u>23,899,006.37</u>	<u>14,996,603.73</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	684,058.01	647,036.32
Tax Title Liens Receivable	A-7	193,879.13	172,181.02
Revenue Accounts Receivable	A-8	20,385.14	13,524.00
Other Accounts Receivable		<u>-</u>	<u>1,460.00</u>
Total		<u>898,322.28</u>	<u>834,201.34</u>
Total Regular Fund		<u>24,797,328.65</u>	<u>15,830,805.07</u>
Federal and State Grant Fund:			
Cash - Treasurer	A-4	580,092.66	424,770.28
Federal and State Grants Receivable	A-22	<u>1,643,792.60</u>	<u>936,205.58</u>
Total Federal and State Grant Fund		<u>2,223,885.26</u>	<u>1,360,975.86</u>
Total Assets		<u>\$ 27,021,213.91</u>	<u>\$ 17,191,780.93</u>

TOWNSHIP OF HOPEWELL
Current Fund
 Statement of Operations and Changes in Fund Balance - Regulatory Basis
 For the Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 4,084,148.13	\$ 2,068,557.81
Miscellaneous Revenue Anticipated	5,257,907.73	5,343,527.41
Receipts from Delinquent Taxes	617,719.27	597,345.88
Receipts from Current Taxes	109,787,477.04	106,849,223.43
Nonbudget Revenues	1,314,551.72	265,818.36
Other Credits to Income:		
Prior Year Accounts Receivable Returned	1,460.00	-
Cancelled Tax Overpayments	273.87	-
Cancelation of Reserve Balance	-	5,500.00
Unexpended Balance of Appropriation Reserves	<u>983,832.88</u>	<u>1,025,505.70</u>
Total Revenue and Other Income Realized	<u>122,047,370.64</u>	<u>116,155,478.59</u>
Expenditures:		
Operations Within "CAPS":		
Salaries and Wages	6,930,772.26	7,142,065.03
Other Expenses	5,703,385.56	5,477,951.64
Deferred Charges and Statutory Expenditures Within "CAPS"	1,856,753.12	1,807,799.12
Operations Excluded from "CAPS":		
Salaries and Wages	502,626.92	501,903.62
Other Expenses	1,600,533.83	651,809.41
Capital Improvements Excluded from "CAPS"	1,603,310.11	229,031.61
Municipal Debt Service Excluded from "CAPS"	5,221,758.71	5,328,934.36
County Taxes	28,148,950.97	27,145,527.69
Due County for Added Taxes	43,581.51	66,402.89
Regional School District Tax	62,843,562.60	61,282,938.00
Fire District Tax	3,430,258.00	3,342,774.00
Municipal Open Space Tax	1,191,309.00	1,187,790.00
Municipal Open Space Tax - Added Taxes	1,844.99	2,918.36
Prior Year Senior Citizen Deductions Cancelled	3,387.59	2,755.48
Prior Year Tax Overpayments	<u>2,199.33</u>	<u>17,615.22</u>
Total Expenditures	<u>119,084,234.50</u>	<u>114,188,216.43</u>
Less: Expenditures to be Raised by Future Taxes	<u>-</u>	<u>-</u>
Total Expenditures	<u>119,084,234.50</u>	<u>114,188,216.43</u>
Statutory Excess to Fund Balance (Carried Forward)	2,963,136.14	1,967,262.16

TOWNSHIP OF HOPEWELL
Current Fund
 Statement of Operations and Changes in Fund Balance - Regulatory Basis
 For the Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Statutory Excess to Fund Balance (Brought Forward)	\$ 2,963,136.14	\$ 1,967,262.16
Fund Balance January 1	<u>11,907,101.90</u>	<u>12,008,397.55</u>
Total	14,870,238.04	13,975,659.71
Decreased by Utilization as Anticipated Revenue	<u>4,084,148.13</u>	<u>2,068,557.81</u>
Fund Balance December 31	<u>\$ 10,786,089.91</u>	<u>\$ 11,907,101.90</u>

TOWNSHIP OF HOPEWELL
Current Fund
 Statement of Revenues - Regulatory Basis
 For the Year Ended December 31, 2017

	<u>BUDGET</u>	<u>SPECIAL NJS 40A:4-87</u>	<u>REALIZED</u>	<u>EXCESS (DEFICIT)</u>
Fund Balance Anticipated	<u>\$ 4,084,148.13</u>	<u>\$ -</u>	<u>\$ 4,084,148.13</u>	<u>\$ -</u>
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverage	30,000.00	-	30,500.00	500.00
Fees and Permits	342,400.00	-	365,826.77	23,426.77
Fines and Costs:				
Municipal Court	317,000.00	-	320,166.06	3,166.06
Interest and Costs on Taxes	176,000.00	-	136,961.78	(39,038.22)
PILOT Program	110,000.00	-	98,126.00	(11,874.00)
Capital Health System Settlement	145,017.00	-	145,017.00	-
Interest on Investments and Deposits	148,000.00	-	160,657.59	12,657.59
Franchise Fees	269,219.85	-	269,219.85	-
Cell Tower Rents	44,000.00	-	40,790.76	(3,209.24)
State Aid Without Offsetting Appropriations:				
Energy Receipts Tax	1,601,563.00	-	1,601,563.00	-
Garden State Trust Fund	32,594.00	-	32,594.00	-
Interlocal Agreements				
Interlocal Police Services - Hopewell Borough	452,729.44	-	452,729.44	-
Interlocal Alliance Services	2,670.00	-	2,670.00	-
Interlocal Police Dispatch Services - Hopewell Borough	70,417.00	-	70,417.00	-
Interlocal Senior Services	10,000.00	-	5,000.00	(5,000.00)
Special Items Offset with Appropriations:				
Municipal Alliance on Alcoholism and Drug Abuse	18,536.00	-	18,536.00	-
Recycling Tonnage Grant	26,114.67	23,333.93	49,448.60	-
Body Armor Replacement Grant	-	2,830.01	2,830.01	-
Harvest Fair Grant	-	150.00	150.00	-
DOT Grant - LHT & Bailey	-	225,000.00	225,000.00	-
Drunk Driving Enforcement Grant	-	3,630.18	3,630.18	-
Clean Communities Grant	-	52,933.20	52,933.20	-
TAP Grant (Tobacco age of sale)	-	1,000,000.00	1,000,000.00	-
Reserve for Debt Service	113,628.62	-	113,628.62	-
Reserve for Debt Service Affordable Housing	1,511.87	-	1,511.87	-
Refund of Debt Service Affordable Housing Trust Fund	58,000.00	-	58,000.00	-
Total	<u>3,969,401.45</u>	<u>1,307,877.32</u>	<u>5,257,907.73</u>	<u>(19,371.04)</u>
Receipts from Delinquent Taxes	631,000.00	-	617,719.27	(13,280.73)
Amount to be Raised by Taxes for Support of Municipal Budget -				
Local Tax for Municipal Purposes	<u>14,685,832.27</u>	<u>-</u>	<u>15,386,047.96</u>	<u>700,215.69</u>
Budget Totals	<u>23,370,381.85</u>	<u>1,307,877.32</u>	<u>25,345,823.09</u>	<u>\$ 667,563.92</u>
Nonbudget Revenues	<u>-</u>	<u>-</u>	<u>1,314,551.72</u>	
Total	<u>\$ 23,370,381.85</u>	<u>\$ 1,307,877.32</u>	<u>\$ 26,660,374.81</u>	

TOWNSHIP OF HOPEWELL
Current Fund
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2017

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:

Revenue from Collections	\$ 109,787,477.04
Allocated to School, Fire District, Open Space, and County Taxes	<u>95,659,507.07</u>
Balance for Support of Municipal Budget Appropriations	14,127,969.97
Add Appropriation - Reserve for Uncollected Taxes	<u>1,258,077.99</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 15,386,047.96</u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 617,719.27
Total	<u>\$ 617,719.27</u>

Miscellaneous Revenue Not Anticipated:

Treasurer:	
Mowing	\$ 3,915.00
MCO Refund	700,000.00
Insurance Refund	157,973.03
Other Refunds	47,572.63
Refund of Prior Years Expense	3,535.58
Auction Proceeds	12,768.75
Tax Sale Premiums	2,295.00
Senior Citizen and Veterans Administrative Fee	2,210.85
Motor Vehicle Fines	11,415.17
Sale of Cell Tower	<u>372,865.71</u>
Total	<u>\$ 1,314,551.72</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOPEWELL
Current Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2017

	<u>Appropriations</u>		<u>Expended</u>			Unexpended	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance Canceled</u>	
GENERAL APPROPRIATIONS:							
Operations Within "CAPS":							
General Government:							
Administrative and Executive:							
Salaries and Wages							
Governing Body		\$ 21,675.00	\$ 21,675.00	\$ 21,674.68	\$ -	\$ 0.32	\$ -
Administrator's Office		474,441.54	482,669.54	460,626.31		22,043.23	
Clerk's Office		142,015.60	142,015.60	125,474.91		16,540.69	
Other Expenses							
Governing Body		16,850.00	12,000.00	11,978.65		21.35	
Administrator's Office		138,650.00	148,150.00	131,929.47	14,494.41	1,726.12	
Clerk's Office		24,940.00	24,940.00	17,875.75	6,082.93	981.32	
2	Financial Administration:						
	Salaries and Wages		201,802.91	201,803.91	201,803.00		0.91
Other Expenses		30,398.00	28,398.00	22,985.36	3,131.17	2,281.47	
Assessment of Taxes:							
Salaries and Wages		120,311.26	97,811.26	96,255.96		1,555.30	
Other Expenses		37,465.00	59,965.00	28,245.97	29,906.23	1,812.80	
Collection of Taxes:							
Salaries and Wages		84,423.65	84,424.65	84,423.66		0.99	
Other Expenses		10,295.00	10,295.00	8,266.52	633.74	1,394.74	
Legal Services and Costs:							
Salaries and Wages		47,784.17	47,784.17	47,784.10		0.07	
Other Expenses		296,700.00	471,662.91	413,375.44	56,599.97	1,687.50	
Engineering Services and Costs:							
Other Expenses		59,000.00	59,000.00	48,555.55	10,444.45		
Public Buildings and Grounds:							
Salaries and Wages		27,000.00	27,000.00	6,956.52		20,043.48	
Other Expenses		183,475.23	179,475.23	133,494.67	30,120.56	15,860.00	
Fleet Maintenance:							
Salaries and Wages		194,677.40	194,677.40	189,575.51		5,101.89	
Other Expenses		100,000.00	100,000.00	78,225.77	15,326.48	6,447.75	

TOWNSHIP OF HOPEWELL
Current Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2017

	<u>Appropriations</u>			<u>Expended</u>			<u>Unexpended Balance Canceled</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>			
GENERAL APPROPRIATIONS:								
Operations Within "CAPS":								
25	Audit Services:							
	Other Expenses	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ -	\$ -	\$ -	
	Parks and Maintenance:							
	Salaries and Wages	58,199.09	58,199.09	45,194.16		13,004.93		
	Other Expenses	22,270.00	22,270.00	15,207.05	3,862.95	3,200.00		
	Environmental Commission:							
	Other Expenses	9,700.00	9,700.00	1,469.88	3,560.00	4,670.12		
	Insurance:							
	Liability Insurance	435,739.00	415,126.09	414,732.00	394.09			
	Medical Insurance	2,516,145.47	2,474,645.47	2,325,113.12	250.00	149,282.35		
	Health Benefit Waiver	45,000.00	45,000.00	42,336.93		2,663.07		
	Public Safety:							
	Police							
	Salaries and Wages	3,354,218.55	3,346,218.55	3,306,339.20		39,879.35		
	Other Expenses	269,250.30	269,250.30	212,021.89	54,597.30	2,631.11		
	Community Development							
	Salaries and Wages	253,002.53	227,502.53	222,321.88		5,180.65		
	Other Expenses	66,780.00	68,780.00	54,138.80	13,769.17	872.03		
	Contribution to Recreation Trust							
	Other Expenses	32,273.75	32,273.75	32,273.75				
	Contribution to Water Utility							
	Other Expenses	3,718.81	3,718.81	3,718.81				
	Road Repair and Maintenance:							
	Salaries and Wages	1,472,659.74	1,312,659.74	1,267,170.52		45,489.22		
	Other Expenses	407,650.00	477,650.00	224,950.72	179,339.14	73,360.14		
	Sanitation:							
	Other Expenses	57,000.00	39,000.00	13,491.63	2,755.54	22,752.83		

TOWNSHIP OF HOPEWELL
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2017

	<u>Appropriations</u>			<u>Expenditures</u>			<u>Unexpended Balance Canceled</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>			
GENERAL APPROPRIATIONS:								
Operations Within "CAPS":								
Board of Health:								
Salaries and Wages	\$ 276,391.40	\$ 276,391.40	\$ 273,973.67	\$ -	\$ 2,417.73	\$ -		
Other Expenses	40,750.00	40,750.00	17,637.42	7,689.05	15,423.53			
Dog Regulation								
Other Expenses	90,100.00	90,100.00	90,100.00					
Historic Preservation Committee (RS 400:23-6.22):								
Other Expenses	2,760.00	2,760.00	40.02	300.00	2,419.98			
Municipal Court:								
Salaries and Wages	255,436.16	256,056.16	255,976.00		80.16			
Other Expenses	15,275.00	15,275.00	7,287.68	820.23	7,167.09			
Public Defender:								
Salaries and Wages	16,600.00	16,600.00	11,875.50	1,799.00	2,925.50			
Recreation:								
Salaries and Wages	100,578.46	100,728.46	100,579.28		149.18			
Other Expenses	2,100.00	2,100.00	1,719.64	210.27	170.09			
Senior Services:								
Salaries and Wages	36,554.80	36,554.80	36,554.80					
Other Expenses	7,100.00	7,100.00	5,109.35	617.79	1,372.86			
Utilities:								
Street Lights	160,000.00	160,000.00	123,280.75		36,719.25			
Utilities	140,000.00	158,000.00	130,178.08		27,821.92			
Telephone	60,000.00	71,000.00	69,889.64	184.34	926.02			
Motor Fuels								
Other Expenses	170,000.00	170,000.00	115,659.98	27,054.85	27,285.17			
Disability Insurance								
Other Expenses	15,000.00	5,000.00	3,415.07		1,584.93			
Total Operations Including Contingent - Within "CAPS"	12,634,157.82	12,634,157.82	11,583,265.02	463,943.66	586,949.14			
Detail:								
Salaries and Wages	7,137,772.26	6,930,772.26	6,754,559.66	1,799.00	174,413.60			
Other Expenses	5,496,385.56	5,703,385.56	4,828,705.36	462,144.66	412,535.54			

TOWNSHIP OF HOPEWELL
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2017

	<u>Appropriations</u>		<u>Expended</u>			Unexpended
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance Canceled</u>
GENERAL APPROPRIATIONS:						
Operations Excluded from "CAPS":						
Emergency Medical Services Dispatch Mercer Cty,						
Other Expenses	\$ 13,020.00	\$ 13,020.00	\$ 13,020.00	\$ -	\$ -	\$ -
Total Other Operations Excluded from "CAPS":	723,831.76	723,831.76	722,998.20	93.19	740.37	
GENERAL APPROPRIATIONS:						
Operations Excluded from "CAPS":						
Public and Private Programs Offset by Revenues:						
Drunk Driving Enforcement Grant		3,630.18	3,630.18			
☒ Clean Communities		52,933.20	52,933.20			
Municipal Alliance on Alcoholism and Drug Abuse						
Township Match	7,480.00	7,480.00	7,480.00			
State Share	18,536.00	18,536.00	18,536.00			
Supplemental Fire Services Program	4,321.00	4,321.00	4,321.00			
It Pays to Plug In - NJDEP						
Township Match	15,000.00	15,000.00	15,000.00			
Recycling Tonnage Grant	26,114.67	49,448.60	49,448.60			
TAP Grant (Tobacco age of sale)		1,000,000.00	1,000,000.00			
Harvest Fair Grant		150.00	150.00			
Body Armor Grant		2,830.01	2,830.01			
DOT Grant - LHT & Bailey		225,000.00	225,000.00			
Total Public and Private Programs Offset by Revenues	71,451.67	1,379,328.99	1,379,328.99	-		
Total Operations - Excluded From "CAPS"	795,283.43	2,103,160.75	2,102,327.19	93.19	740.37	
Detail:						
Salaries and Wages	498,996.74	502,626.92	502,626.92	-	-	-
Other Expenses	296,286.69	1,600,533.83	1,599,700.27	93.19	740.37	-

TOWNSHIP OF HOPEWELL
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2017

	<u>Appropriations</u>		<u>Expended</u>			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
Deferred Charges and Statutory Expenditures -						
Municipal - Within "CAPS":						
STATUTORY EXPENDITURES:						
Contribution to:						
Public Employees' Retirement System	\$ 586,206.87	\$ 586,206.87	\$ 586,206.87	\$ -	\$ -	\$ -
Consolidated Police and Firemen's Pension Fund	759,546.25	759,546.25	759,546.25	-	-	-
Defined Contribution Retirement Program	1,000.00	1,000.00	175.00	-	825.00	
Social Security System (O.A.S.I.)	510,000.00	510,000.00	503,997.23	-	6,002.77	
Total Deferred Charges and Statutory Expenditures -	1,856,753.12	1,856,753.12	1,849,925.35	-	6,827.77	-
Total General Appropriations -						
For Municipal Purposes Within "CAPS"	14,490,910.94	14,490,910.94	13,433,190.37	463,943.66	593,776.91	-
GENERAL APPROPRIATIONS:						
Operations Excluded from "CAPS":						
Recycling Tonnage Tax	1,000.00	1,000.00	166.44	93.19	740.37	
Interlocal Municipal Alliance:						
Hopewell Borough	1,170.00	1,170.00	1,170.00			
Pennington Borough	1,500.00	1,500.00	1,500.00			
Recycling- MCIA	169,404.24	169,404.24	169,404.24			
Police /Dispatch Services:						
Police Services						
Salaries and Wages	418,579.74	418,579.74	418,579.74			
Other Expenses	34,149.70	34,149.70	34,149.70			
Dispatch Services						
Salaries and Wages	70,417.00	70,417.00	70,417.00			
Sr. Service Cokrdinator						
Salaries and Wages	10,000.00	10,000.00	10,000.00			
Other Expenses- Bldg maint	4,591.08	4,591.08	4,591.08			

TOWNSHIP OF HOPEWELL
Current Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2017

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>		
GENERAL APPROPRIATIONS:							
Capital Improvements - Excluded From "CAPS"							
Capital Improvement Fund	\$ 54,973.14	\$ 54,973.14	\$ 54,973.14	\$ -	\$ -	\$ -	
Vehicles	454,250.00	454,250.00	48,146.51	406,103.49			
Road Program	954,086.97	954,086.97	614,126.21	339,960.76			
Sr/Comm Center Design	40,000.00	40,000.00			40,000.00		
Redevelopment Plan	100,000.00	100,000.00			100,000.00		
Total Capital Improvements - Excluded From "CAPS"	1,603,310.11	1,603,310.11	717,245.86	746,064.25	140,000.00	-	
GENERAL APPROPRIATIONS:							
Municipal Debt Service - Excluded From "CAPS"							
Payment of Bond Principal	3,464,393.00	3,464,393.00	3,464,393.00			-	
Payment of Bond Anticipation Notes	66,636.00	66,636.00	66,636.00			-	
Interest on Bonds	1,645,453.56	1,645,453.56	1,645,453.56			-	
Interest on Notes	46,316.82	46,316.82	45,276.15			1,040.67	
Total Municipal Dept Service - Excluded From "CAPS"	5,222,799.38	5,222,799.38	5,221,758.71	-	-	1,040.67	
Total General Appropriations for Municipal Purposes Excluded From "CAPS"							
	7,621,392.92	8,929,270.24	8,041,331.76	746,157.44	140,740.37	1,040.67	
Subtotal General Appropriations	22,112,303.86	23,420,181.18	21,474,522.13	1,210,101.10	734,517.28	1,040.67	
Reserve for Uncollected Taxes	1,258,077.99	1,258,077.99	1,258,077.99				
TOTAL GENERAL APPROPRIATIONS	\$ 23,370,381.85	\$ 24,678,259.17	\$ 22,732,600.12	\$ 1,210,101.10	\$ 734,517.28	\$ 1,040.67	

TOWNSHIP OF HOPEWELL
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2017

Analysis of Budget After Modification:

Original Budget	\$ 23,370,381.85
Appropriation by 40A:4-87	<u>1,307,877.32</u>
 Total	 <u>\$ 24,678,259.17</u>

Analysis of Paid or Charged:

Reserve for Federal and State Grants - Appropriated	\$ 1,352,527.99
Encumbrances Payable	1,210,101.10
Reserve for Uncollected Taxes	1,258,077.99
Cash Disbursed	<u>20,121,994.14</u>
 Total	 <u>\$ 23,942,701.22</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOPEWELL
Trust Fund
 Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 For the Years Ended December 31, 2017 and 2016

	<u>REFERENCE</u>	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash - Treasurer	B-1	\$ 47,738.07	\$ 15,859.39
Other Funds:			
Cash - Treasurer	B-1	6,787,066.63	9,071,487.06
Accounts Receivable		12,049.49	19,550.63
Due from General Capital Fund	C	-	2.30
Due from Current Fund - Open Space Tax	A	1,844.99	2,918.36
Due from Current Fund	A	238,072.60	232,015.35
Total Other Funds		<u>7,039,033.71</u>	<u>9,325,973.70</u>
Total Assets		<u>\$ 7,086,771.78</u>	<u>\$ 9,341,833.09</u>
<u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due to State of New Jersey		\$ 372.60	\$ 438.00
Reserve for Dog Fund Expenditures	B-2	<u>47,365.47</u>	<u>15,421.39</u>
Total Dog License Fund		<u>47,738.07</u>	<u>15,859.39</u>
Other Funds:			
Due to State NJ - UCC Fees	B-4	10,065.00	49,651.00
Payroll Deductions Payable	B-5	-	0.01
Exchange		0.59	0.59
Reserve for :			
Unemployment Compensation	B-3	53,194.28	53,747.75
Trust Other	B-3	1,243,097.31	1,795,637.55
Plot Planning	B-3	22,965.66	22,384.91
Planning	B-3	432,803.22	369,258.24
Open Space Trust	B-3	3,190,363.86	4,765,042.57
Low Income Housing	B-3	66,130.07	238,025.69
Community Activities	B-3	208.60	208.60
Off-Site Improvements	B-3	652,609.57	666,536.57
Performance Guarantees	B-3	170,630.58	203,969.70
Recreation Trust	B-3	344,526.67	311,705.30
Tax Collectors' Premium	B-3	606,000.00	609,200.00
Tax Title Lien	B-3	988.94	-
Off-Duty Police	B-3	238,072.60	232,015.35
Stream Corridor	B-3	893.75	600.00
FSA	B-3	6,483.01	7,989.87
Total Other Funds		<u>7,039,033.71</u>	<u>9,325,973.70</u>
Total Liabilities and Reserves		<u>\$ 7,086,771.78</u>	<u>\$ 9,341,833.09</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOPEWELL
General Capital Fund
 Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 For the Years Ended December 31, 2017 and 2016

	<u>REFERENCE</u>	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>			
Cash - Treasurer	C-2	\$ 6,009,683.24	\$ 9,347,209.78
Deferred Charges to Future Taxation:			
Funded	C-4	54,949,748.37	59,443,759.58
Unfunded	C-5	<u>5,669,047.42</u>	<u>7,555,825.00</u>
Total		<u>\$ 66,628,479.03</u>	<u>\$ 76,346,794.36</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds	C-6	\$ 54,750,000.00	\$ 59,202,000.00
Bond Anticipation Notes	C-7	5,113,899.00	7,555,825.00
Green Trust Loan Payable	C-8	199,748.37	241,759.58
Improvement Authorizations:			
Funded	C-9	958,396.44	2,570,197.34
Unfunded	C-9	1,427,231.38	2,579,912.56
Capital Improvement Fund	C-10	1,899.95	1,899.95
Reserve for Preliminary Planning		-	2,000.00
Reserve for:			
Payment of Serial Bonds and Notes		1,536,861.43	1,746,409.55
Reserve for Debt Service - Hunter		160,351.55	-
Reserve for Green Trust Loan		1,508.83	1,497.31
Interfund Payable:			
Due to Trust Fund	B	-	2.30
Fund Balance	C-1	<u>2,478,582.08</u>	<u>2,445,290.77</u>
Total		<u>\$ 66,628,479.03</u>	<u>\$ 76,346,794.36</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOPEWELL
General Capital Fund
Statement of Fund Balance - Regulatory Basis
For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 2,445,290.77
Increased By:		
Cancellation of Ordinance 09-1477	\$ 132.50	
Cancellation of Ordinance 11-1522	8,711.25	
Cancellation of Ordinance 12-1552	24,445.26	
Due to Trust Fund Cancelled - Open Space Capital	<u>2.30</u>	<u>33,291.31</u>
Balance December 31, 2017		<u>\$ 2,478,582.08</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOPEWELL
Water Utility Operating Fund
 Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 For the Year Ended December 31, 2017 and 2016

	<u>REFERENCE</u>	<u>2017</u>	<u>2016</u>
Operating Fund:			
Cash	D-5	\$ 161,766.15	\$ 161,882.95
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-7	1,371.23	981.20
		<u>1,371.23</u>	<u>981.20</u>
Deferred Charges:			
Emergency		12,385.00	0.00
		<u>12,385.00</u>	<u>0.00</u>
		<u>Total Operating Fund</u>	<u>175,522.38</u>
			<u>162,864.15</u>
Capital Fund:			
Cash	D-5	59,318.92	65,474.61
Fixed Capital	D-8	292,486.03	292,486.03
Fixed Capital Authorized and Uncompleted	D-9	<u>70,750.00</u>	<u>70,750.00</u>
		<u>422,554.95</u>	<u>428,710.64</u>
		<u>Total Assets</u>	<u>\$ 598,077.33</u>
			<u>\$ 591,574.79</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4	\$ 6,417.02	\$ 11,217.06
Encumbrances Payable	D-4	9,655.58	8,834.75
Water Rent Overpayments	D-5	26.74	10.76
Accrued Interest on Bonds and Notes	D-11	<u>603.27</u>	<u>874.23</u>
Total Liabilities		<u>16,702.61</u>	<u>20,936.80</u>
		<u>1,371.23</u>	<u>981.20</u>
		<u>157,448.54</u>	<u>140,946.15</u>
		<u>Total Operating Fund</u>	<u>175,522.38</u>
			<u>162,864.15</u>
Capital Fund:			
Liabilities:			
Serial Bonds	D-12	43,550.00	48,050.00
Bond Anticipation Notes	D-13	10,000.00	20,000.00
Improvement Authorizations:			
Funded	D-14	3,208.00	20,750.00
Unfunded	D-14	91.50	91.50
Capital Improvement Fund	D-15	41,428.09	30,041.78
Reserve for Amortization	D-16	269,686.03	265,186.03
Reserve for Debt		822.60	822.60
Deferred Reserve for Amortization	D-17	40,000.00	30,000.00
Fund Balance	D-2	<u>13,768.73</u>	<u>13,768.73</u>
		<u>422,554.95</u>	<u>428,710.64</u>
		<u>Total Liabilities, Reserves and Fund Balance</u>	<u>\$ 598,077.33</u>
			<u>\$ 591,574.79</u>

The accompanying notes to financial statements are an integral part of this statement.

TOWNSHIP OF HOPEWELL
Water Utility Operating Fund

Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ -	\$ -
Water Rents	71,008.32	75,734.92
Interest on Investments and Deposits	1,668.42	1,466.74
Miscellaneous	-	330.62
Cancelled P/Y Overpayment	3,718.81	3,818.99
Contribution from Current Fund		
Other Credits to Income:		
Miscellaneous Revenue Not Anticipated	271.04	-
Unexpended Balance of Appropriation Reserves	<u>18,133.65</u>	<u>9,709.40</u>
Total Revenue and Other Income Realized	<u>94,800.24</u>	<u>91,060.67</u>
Expenditures:		
Operating	61,710.00	55,731.49
Deferred Charges and Statutory Expenditures	725.00	725.00
Capital Improvement Fund	11,386.31	220.00
Debt Service	<u>16,861.54</u>	<u>17,266.89</u>
Total Expenditures	90,682.85	73,943.38
Less: Expenditures to be Raised by Future Taxation	<u>12,385.00</u>	<u>-</u>
Total Expenditures	<u>78,297.85</u>	<u>73,943.38</u>
Excess in Revenue	16,502.39	17,117.29
Fund Balance January 1	<u>140,946.15</u>	<u>123,828.86</u>
Total	157,448.54	140,946.15
Decreased by Utilization by Water Utility Operating Budget	<u>-</u>	<u>-</u>
Balance December 31	<u>\$ 157,448.54</u>	<u>\$ 140,946.15</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOPEWELL
Water Utility Capital Fund
Statement of Fund Balance
For the Year Ended December 31, 2017

Balance December 31, 2017 and 2016	\$ <u>13,768.73</u>
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The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOPEWELL
Water Utility Operating Fund
 Statement of Revenues - Regulatory Basis
 For the Year Ended December 31, 2017

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Water Rents	\$ 75,000.00	\$ 71,008.32	\$ (3,991.68)
Interest on Investments and Deposits	1,300.00	1,668.42	368.42
Contribution from Current Fund	3,718.81	3,718.81	-
Miscellaneous Revenue Not Anticipated	<u>-</u>	<u>271.04</u>	<u>271.04</u>
 Total	 <u>\$ 80,018.81</u>	 <u>\$ 76,666.59</u>	 <u>\$ (3,352.22)</u>

Analysis of Realized Revenues

Miscellaneous Revenue Not Anticipated:

Water Penalties	\$ 271.04
MRNA Refunds	<u>-</u>
	<u>\$ 271.04</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOPEWELL
Water Utility Operating Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2017

	<u>Appropriations</u>		Budget After Modification	<u>Expended</u>		Unexpended Balance Cancelled
	<u>Budget</u>	<u>Emergency Appropriation</u>		<u>Paid or Charged</u>	<u>Reserved</u>	
Operating:						
Salaries and Wages	\$ 10,600.00	\$ -	\$ 10,600.00	\$ 9,044.59	\$ 1,555.41	\$ -
Other Expenses	38,725.00	12,385.00	51,110.00	46,850.27	4,259.73	-
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Social Security	725.00	-	725.00	123.12	601.88	-
Capital Improvements:						
Capital Improvement Fund	11,386.31	-	11,386.31	11,386.31	-	-
Debt Service:						
Payment of Bond Principal	4,500.00	-	4,500.00	4,500.00	-	-
Payment of Note Principal	10,000.00	-	10,000.00	10,000.00	-	-
Interest on Bonds	2,182.50	-	2,182.50	2,148.75	-	33.75
Interest on Notes	1,900.00	-	1,900.00	212.79	-	1,687.21
Total	<u>\$ 80,018.81</u>	<u>\$ 12,385.00</u>	<u>\$ 92,403.81</u>	<u>\$ 84,265.83</u>	<u>\$ 6,417.02</u>	<u>\$ 1,720.96</u>
Analysis of Paid or Charged:						
Cash Disbursed				\$ 72,248.71		
Encumbrances Payable				9,655.58		
Interest on Bonds and Notes				2,361.54		
Total				<u>\$ 84,265.83</u>		

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOPEWELL
ELSA Sewer Utility Operating Fund
 Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 For the Year Ended December 31, 2017 and 2016

	<u>REFERENCE</u>	<u>2017</u>	<u>2016</u>
Operating Fund:			
Cash	E-5a	\$ 818,182.59	\$ 615,366.58
Receivables with Full Reserves:			
Consumer Accounts Receivable	E-7a	<u>69,908.10</u>	<u>63,304.05</u>
Total Assets		<u>\$ 888,090.69</u>	<u>\$ 678,670.63</u>

LIABILITIES, RESERVES AND FUND BALANCE

Liabilities:			
Appropriation Reserves	E-4a	\$ 61,290.09	\$ 14,063.82
Encumbrances Payable	E-4a	36,827.93	14,101.00
Prepaid Sewer Rent		410.42	1,901.09
Sewer Rent Overpayments		2,094.24	3,358.15
Accrued Interest on Bonds and Notes	E-11a	4,292.11	4,255.51
Other Liability		<u>7,250.00</u>	<u>7,250.00</u>
Total Liabilities		<u>112,164.79</u>	<u>44,929.57</u>
Reserve for Receivables	E	69,908.10	63,304.05
Fund Balance	E-1a	<u>706,017.80</u>	<u>570,437.01</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 888,090.69</u>	<u>\$ 678,670.63</u>

The accompanying notes to financial statements are an integral part of this statement.

TOWNSHIP OF HOPEWELL
SBRSA Sewer Utility Operating Fund
 Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 For the Year Ended December 31, 2017 and 2016

<u>ASSETS</u>	<u>REFERENCE</u>	<u>2017</u>	<u>2016</u>
Operating Fund:			
Cash	E-5b	\$ 368,483.54	\$ 331,030.43
Receivables with Full Reserves:			
Consumer Accounts Receivable	E-7b	<u>8,486.73</u>	<u>6,182.76</u>
Total Assets		<u>\$ 376,970.27</u>	<u>\$ 337,213.19</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Liabilities:			
Appropriation Reserves	E-4b	\$ 40,927.41	\$ 39,648.72
Encumbrances Payable	E-4b	7,296.62	4,783.96
Prepaid Sewer Rent		4,896.25	770.08
Sewer Rent Overpayments		0.09	100.30
Accrued Interest on Bonds and Notes	E-11b	<u>5,792.57</u>	<u>6,070.06</u>
Total Liabilities		<u>58,912.94</u>	<u>51,373.12</u>
Reserve for Receivables	E	8,486.73	6,182.76
Fund Balance	E-1b	<u>309,570.60</u>	<u>279,657.31</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 376,970.27</u>	<u>\$ 337,213.19</u>

The accompanying notes to financial statements are an integral part of this statement.

TOWNSHIP OF HOPEWELL
Sewer Utility Capital Fund
 Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 For the Year Ended December 31, 2017 and 2016

<u>ASSETS</u>	<u>REFERENCE</u>	<u>2017</u>	<u>2016</u>
Cash	E-5c	\$ 427,054.29	\$ 463,164.49
Fixed Capital	E-8	3,145,426.89	3,145,426.89
Fixed Capital Authorized and Uncompleted	E-9	1,131,688.09	1,026,688.09
Total Assets		<u>\$ 4,704,169.27</u>	<u>\$ 4,635,279.47</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds	E-12	1,202,450.00	1,282,950.00
Bond Anticipation Notes	E-13	39,185.00	42,750.00
Improvement Authorizations:			
Funded	E-14	310,975.90	315,955.07
Unfunded	E-14	100,183.85	22,750.00
Capital Improvement Fund	E-15	400.00	400.00
Reserve for Debt Service		25,331.47	25,331.35
Reserve for Amortization	E-16	2,926,914.98	2,846,414.98
Deferred Reserve for Amortization	E-17	3,565.00	-
Fund Balance	E-2	<u>95,163.07</u>	<u>98,728.07</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 4,704,169.27</u>	<u>\$ 4,635,279.47</u>

The accompanying notes to financial statements are an integral part of this statement.

TOWNSHIP OF HOPEWELL
ELSA Sewer Utility Operating Fund
 Statement of Operations and Changes in Fund Balance - Regulatory Basis
 For the Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 120,003.66	\$ 211,213.26
Sewer Rents	1,131,312.29	971,023.24
Interest on Investments	4,375.97	4,055.12
Sewer Capital Surplus	1,782.50	-
Miscellaneous Revenue Not Anticipated	6,475.49	2,782.00
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	<u>20,951.16</u>	<u>2,387.47</u>
Total Revenue and Other Income Realized	<u>1,284,901.07</u>	<u>1,191,461.09</u>
Expenditures:		
Operating	978,277.45	979,392.86
Deferred Charges and Statutory Expenditures	1,650.00	6,650.00
Debt Service	49,372.09	45,715.22
Refund of Overpayments	<u>17.08</u>	<u>-</u>
Total Expenditures	<u>1,029,316.62</u>	<u>1,031,758.08</u>
Excess (Deficit) in Revenue	<u>255,584.45</u>	<u>159,703.01</u>
Adjustments to Income before Surplus:		
Expenditures included above which are by Statute Deferred	<u>-</u>	<u>-</u>
Charges to Budget of Succeeding Year	<u>-</u>	<u>-</u>
Statutory Excess to Surplus	<u>255,584.45</u>	<u>159,703.01</u>
Fund Balance January 1	<u>570,437.01</u>	<u>621,947.26</u>
Total	<u>826,021.46</u>	<u>781,650.27</u>
Decreased by Utilization by Sewer Utility Operating Budget	<u>120,003.66</u>	<u>211,213.26</u>
Balance December 31	<u><u>\$ 706,017.80</u></u>	<u><u>\$ 570,437.01</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOPEWELL
SBRSA Sewer Utility Operating Fund
Statement of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 36,594.32	\$ 56,659.10
Sewer Rents	324,571.22	334,775.03
Interest on Investments	3,046.14	3,256.09
Sewer Capital Surplus	1,782.50	-
Miscellaneous Revenue Not Anticipated	3,949.46	2,208.40
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	<u>43,003.97</u>	<u>33,804.41</u>
Total Revenue and Other Income Realized	<u>412,947.61</u>	<u>430,703.03</u>
Expenditures:		
Operating	268,553.14	289,887.00
Deferred Charges and Statutory Expenditures	700.00	700.00
Debt Service	<u>77,186.86</u>	<u>72,429.87</u>
Total Expenditures	346,440.00	363,016.87
Excess (Deficit) in Revenue	66,507.61	67,686.16
Adjustments to Income before Surplus:		
Expenditures included above which are by Statute Deferred		
Charges to Budget of Succeeding Year	<u>-</u>	<u>-</u>
Statutory Excess to Surplus	66,507.61	67,686.16
Fund Balance January 1	<u>279,657.31</u>	<u>268,630.25</u>
Total	346,164.92	336,316.41
Decreased by Utilization by Sewer Utility Operating Budget	<u>36,594.32</u>	<u>56,659.10</u>
Balance December 31	<u>\$ 309,570.60</u>	<u>\$ 279,657.31</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOPEWELL
Sewer Utility Capital Fund
Statement of Fund Balance
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 98,728.07
Decreased by:	
Realized as Sewer Operating Fund Revenue	<u>3,565.00</u>
Balance December 31, 2017	<u>\$ 95,163.07</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOPEWELL
ELSA SEWER UTILITY OPERATING FUND
 Statement of Revenues - Regulatory Basis
 For the Year Ended December 31, 2017

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Fund Balance	\$ 120,003.66	\$ 120,003.66	\$ -
Sewer Rents	970,000.00	1,131,312.29	161,312.29
Interest on Investments	4,000.00	4,375.97	375.97
Sewer Capital Surplus	1,782.44	1,782.50	0.06
Miscellaneous Revenue Not Anticipated	-	6,475.49	6,475.49
 Total	<u>\$ 1,095,786.10</u>	<u>\$ 1,263,949.91</u>	<u>\$ 168,163.81</u>

Analysis of Realized Revenues

Miscellaneous Revenue Not Anticipated:

Sewer Penalties	\$ 3,415.44
Refund of Prior Year Expense	2,565.16
Miscellaneous	494.89
 Total	<u>\$ 6,475.49</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOPEWELL
SBRSA SEWER UTILITY OPERATING FUND
 Statement of Revenues - Regulatory Basis
 For the Year Ended December 31, 2017

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Fund Balance	\$ 36,594.32	\$ 36,594.32	\$ -
Sewer Rents	334,000.00	324,571.22	(9,428.78)
Interest on Investments	3,200.00	3,046.14	(153.86)
Sewer Capital Surplus	1,782.44	1,782.50	0.06
Miscellaneous Revenue Not Anticipated	<hr/>	<hr/>	<hr/>
Total	<hr/> <u>\$ 375,576.76</u>	<hr/> <u>\$ 369,943.64</u>	<hr/> <u>\$ (5,633.12)</u>

Analysis of Realized Revenues

Miscellaneous Revenue Not Anticipated:

Sewer penalties	\$ 1,297.16
Miscellaneous	<hr/> 2,652.30
Total	<hr/> <u>\$ 3,949.46</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOPEWELL
ELSA Sewer Utility Operating Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2017

	<u>Appropriations</u>		<u>Expended</u>			<u>Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>		
Operating:						
Salaries and Wages	\$ 24,000.00	\$ 24,000.00	\$ 8,970.93	\$ 15,029.07	\$ -	
Other Expenses	1,020,527.60	1,020,527.60	908,980.15	45,297.30		66,250.15
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Social Security	1,650.00	1,650.00	686.28	963.72		-
Debt Service:						
Payment of Bond Principal	31,360.00	31,360.00	31,360.00			
Payment of Bond Anticipation Note Principal	1,782.50	1,782.50	1,782.50			
Interest on Bonds	16,016.00	16,016.00	15,907.94			108.06
Interest on Notes	450.00	450.00	321.65			128.35
Total	\$ 1,095,786.10	\$ 1,095,786.10	\$ 968,009.45	\$ 61,290.09	\$ 66,486.56	
Original Budget			\$ 348,576.76			
			\$ 348,576.76			
Analysis of Paid or Charged:						
Cash Disbursed			\$ 913,169.43			
Encumbrances Payable			36,827.93			
Sewer Capital Fund			1,782.50			
Interest on Bonds and Notes			16,229.59			
Total			\$ 968,009.45			

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOPEWELL
SBRSA Sewer Utility Operating Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2017

	<u>Appropriations</u>		<u>Expended</u>			<u>Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>		
Operating:						
Salaries and Wages	\$ 9,400.00	\$ 9,400.00	\$ 5,080.26	\$ 4,319.74	\$ -	
Other Expenses	287,847.76	287,847.76	222,856.81	36,296.33	28,694.62	
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Social Security	700.00	700.00	388.66	311.34	-	
Debt Service:						
Payment of Bond Principal	49,140.00	49,140.00	49,140.00	-	-	
Payment of Bond Anticipation Note Principal	1,782.50	1,782.50	1,782.50	-	-	
Interest on Bonds	24,706.50	24,706.50	24,385.81	-	320.69	
Interest on Notes	2,000.00	2,000.00	1,878.55	-	121.45	
Total	<u>\$ 375,576.76</u>	<u>\$ 375,576.76</u>	<u>\$ 305,512.59</u>	<u>\$ 40,927.41</u>	<u>\$ 29,136.76</u>	
Original Budget		<u>\$ 375,576.76</u>				
Analysis of Paid or Charged:						
Cash Disbursed			\$ 270,169.11			
Encumbrances Payable			7,296.62			
Sewer Capital Fund			1,782.50			
Interest on Bonds and Notes			26,264.36			
Total			<u>\$ 305,512.59</u>			

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOPEWELL
Public Assistance Fund
Statement of Assets, Liabilities and Reserves
For the Years Ended December 31, 2017 and 2016

	<u>REFERENCE</u>	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>			
Cash	F-1	\$ 9,342.08	\$ 9,276.15
Total		<u>\$ 9,342.08</u>	<u>\$ 9,276.15</u>
<u>LIABILITIES AND RESERVES</u>			
Reserve for Public Assistance		<u>\$ 9,342.08</u>	<u>\$ 9,276.15</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HOPEWELL
ACCOUNT GROUP
 Statement of General Fixed Assets Group of Accounts
 For the Year Ended December 31, 2017

	Balance December 31, 2016	Additions	Deletions	Balance December 31, 2017
General Fixed Assets:				
Land	\$ 44,497,797.00	\$ -	\$ -	\$ 44,497,797.00
Buildings and Building Improvements	10,940,134.00	22,103.00		10,962,237.00
Machinery and Equipment	7,755,855.00	769,142.00	349,670.00	8,175,327.00
Total General Fixed Assets	<u>\$ 63,193,786.00</u>	<u>\$ 791,245.00</u>	<u>\$ 349,670.00</u>	<u>\$ 63,635,361.00</u>
Total Investment in General Fixed Assets	<u>\$ 63,193,786.00</u>	<u>\$ 791,245.00</u>	<u>\$ 349,670.00</u>	<u>\$ 63,635,361.00</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**Township of Hopewell
Notes to Financial Statements
December 31, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Hopewell is located in the western portion of Mercer County, New Jersey, midway between Philadelphia and New York City. The present population according to the 2010 census is 17,325.

The Township of Hopewell was incorporated in 1798 and operates under the Township Committee form of government. The Committee is the legislative body of the Township and consists of five members elected by popular vote to a three-year term. Each year the elected body selects one of its members to serve as Mayor for a one-year term.

Component Units – GASB Statement No. 14, *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statement No.14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. There are no organizations that are considered to be component units.

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the Township of Hopewell contain all funds in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this Note.

In accordance with the "Requirements", the Township of Hopewell accounts for its financial transactions through the use of separate funds which are described as follows.

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

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

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

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

Public Assistance Fund - The Public Assistance Funds account for receipt and disbursement of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey Statutes.

Budgets and Budgetary Accounting - The Township of Hopewell must adopt an annual budget for its current fund and utility operating funds in accordance with the N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. Amendments to the adopted budgets, if any, are detailed in the statements of revenues and expenditures.

**Township of Hopewell
Notes to Financial Statements
December 31, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting (Cont'd) - An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

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

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash in banks. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

New Jersey municipal units are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 40A:5-15.1 provides a list of permissible investments that may be purchased by New Jersey municipal units.

N.J.S.A. 17:9-41 et seq. establishes the requirement for the security of deposits of governmental units. The statute requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. The Act was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in the State of New Jersey or state or federally chartered banks, savings banks or associations located in another state with a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units. The cash management plan adopted by the Township of Hopewell requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to 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 costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

General Fixed Assets - Accounting for Governmental Fixed Assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Township has not adopted a capitalization threshold as required by the Circular.

Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. 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. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements and transfers of fixed assets. In addition, a Statement of General Fixed Assets, reflecting the activity for the year, must be included in the Township's basic financial statements.

**Township of Hopewell
Notes to Financial Statements
December 31, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

General Fixed Assets (Cont'd) – The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage or theft.

No depreciation of general fixed assets is recorded.

Utility Fixed Assets - Property and equipment purchased by the Water/Sewer Utility Fund are recorded in the capital account at cost and are adjusted for dispositions and abandonments. Contributions in aid of construction are capitalized, whereas those made in the form of tangible assets, such as land are not. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represents the costs of acquisition of property, equipment and improvements. Depreciation is not recorded on these fixed assets.

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

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

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

Fund Balance - Fund Balance included in the current fund and sewer utility operating fund represents an amount available for anticipation as revenue in future year's budgets, with certain restrictions.

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from Federal and State grants are realized when anticipated as such in the Township's budget. Receivables for property taxes, water rents, and sewer rents are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Township's Current Fund, Water Utility Operating Fund, and Sewer Utility Operating Fund, respectively; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the Hopewell Valley Regional School District, County of Mercer and the Hopewell Township Fire District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The Township is responsible for levying, collecting and remitting school taxes for the Hopewell Valley Regional School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1, 2017 to December 31, 2017.

**Township of Hopewell
Notes to Financial Statements
December 31, 2017**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fire District Taxes - The Township is responsible for levying, collecting and remitting fire district taxes for the Hopewell Township Fire District No. 1. Operations are charged for the full amount required to be raised from taxation to operate the fire district for the period from January 1, 2017 to December 31, 2017.

Reserve for Uncollected Taxes - The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Township's annual budget protects the Township from taxes not paid currently. The Reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Outstanding encumbrances are offset by an account entitled "Reserve for Encumbrances". The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal and interest on outstanding general capital bonds and notes and for principal on outstanding sewer utility capital bonds are provided on the cash basis. Appropriations for interest on outstanding water/sewer utility capital bonds and notes are provided on the accrual basis.

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

Compensated Absences and Postemployment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Long Term Debt - Long Term Debt, relative to the acquisition of capital assets, is recorded as a liability in either the General Capital Fund or the Water/Sewer Utility Capital Fund. Where an improvement is a "local improvement", i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon confirmation of the assessments or when the improvement is fully and permanently funded.

Interest on Delinquent Taxes - It is the policy of the Township to collect interest for the nonpayment of taxes, sewer 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 of taxes becoming delinquent after due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500 becoming delinquent after the due date and if a delinquency is in excess of \$10,000 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten (10) day grace period.

Township of Hopewell
Notes to Financial Statements
December 31, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Township's financial position. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in the statement of revenues – regulatory basis and the statement of expenditures – regulatory basis since their inclusion would make the statements unduly complex and difficult to read.

NOTE 2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits – Custodial credit risk refers to the risk that, in the event of a bank failure, the Municipality's deposits may not be recovered. Although the Municipality does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected 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 or funds that may pass to the Municipality relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized. Of the Municipality's amount on deposit of \$33,767,318 as of December 31, 2017, \$539,834 was insured under FDIC and the remaining balance of \$33,227,484 was collateralized under GUDPA.

NOTE 3. INVESTMENTS

New Jersey municipalities are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 40A:5-15.1 provides a list of permissible investments that may be purchased by New Jersey municipalities. These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America, government money market funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, bonds or other obligations of the local unit or other obligations approved by the Division of Investment in the Department of Treasury for investment by local units, local government investment pools, deposits with the State of New Jersey Cash Management Fund, and agreements for the repurchase of fully collateralized securities with certain provisions. The Township has no investment policy that would further limit its investment choices.

Custodial Credit Risk Related to Investments – For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Township, and are held by either the counterparty or the counterparty's trust department or agent but not in the Township's name.

As of December 31, 2017 the Township had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Credit Rating</u>	<u>Fair Value</u>
Money Market Fund	Less than 1 Year	AAAm	\$ 2,111,366
Cash Management	Less than 1 Year		\$ 3,641

Township of Hopewell
Notes to Financial Statements
December 31, 2017

NOTE 4. PROPERTY TAXES

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

<u>Comparative Schedule of Tax Rates</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Tax Rate	\$ 2.780	\$ 2.713	\$ 2.660	\$ 2.600	\$ 2.510

Apportionment of Tax Rate:					
Municipal	.370	.364	.362	.342	.320
County	.710	.686	.661	.670	.640
Regional School	1.583	1.548	1.523	1.481	1.45
Fire District	.087	.085	.079	.077	.070
Municipal Open Space	.030	.030	.030	.030	.030

<u>Assessed Valuation</u>	<u>Amount</u>
2017	\$ 3,969,467,988
2016	3,958,731,853
2015	3,968,475,958
2014	3,988,204,768
2013	4,006,497,207

<u>Year Ended</u>	<u>Comparison of Tax Levies and Collections</u>			<u>Percentage Of Collections</u>
	<u>Tax Levy</u>	<u>Collections</u>	<u> </u>	
2017	\$ 110,521,953	\$ 109,787,477		99.34 %
2016	107,662,964	106,849,223		99.24
2015	105,586,389	104,667,478		99.12
2014	103,892,266	102,962,912		99.11
2013	100,965,562	100,035,296		98.07

<u>Year Ended</u>	<u>Delinquent Taxes and Tax Title Liens</u>			<u>Percentage of Tax Levy</u>
	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	
2017	\$ 193,879	\$ 684,058	\$ 877,937	.79 %
2016	172,181	647,036	819,217	.76
2015	144,666	646,229	790,895	.75
2014	134,362	810,430	944,792	.91
2013	125,730	701,641	827,371	.82

Township of Hopewell
Notes to Financial Statements
December 31, 2017

NOTE 4. PROPERTY TAXES (Continued)

The following comparison is made of the number of tax title liens receivable on December 31, of the current year and previous four years.

<u>Year Ended</u>	<u>Number</u>
2017	10
2016	10
2015	9
2014	8
2013	8

NOTE 5. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last valuation of such properties, for the current and previous four years was as follows:

<u>Year Ended</u>	<u>Amount</u>
2017	None
2016	None
2015	None
2014	None
2013	None

NOTE 6. WATER/SEWER UTILITY LEVY

The following is a five-year comparison of water and sewer utility charges (rent) and collections for the current and previous four years.

Water Utility Levy:

<u>Year</u>	<u>Balance Jan. 1,</u>	<u>Water Levy</u>	<u>Total</u>	<u>Cash Collections</u>	<u>Percentage</u>
2017	\$ 981	\$ 71,398	\$ 72,379	\$ 71,008	98.10%
2016	2,421	74,295	76,716	75,735	98.72
2015	833	72,877	73,710	71,288	96.71
2014	3,749	73,274	77,023	76,191	98.92
2013	6,531	81,112	87,643	83,894	95.72

ELSA Sewer Utility Levy:

<u>Year</u>	<u>Balance Jan. 1,</u>	<u>Sewer Levy</u>	<u>Total</u>	<u>Cash Collections</u>	<u>Percentage</u>
2017	\$ 63,304	\$ 1,137,916	\$ 1,201,220	\$ 1,131,312	94.18%
2016	59,021	975,306	1,034,327	971,023	93.88%
2015	56,093	880,001	936,094	877,072	93.69%

Township of Hopewell
Notes to Financial Statements
December 31, 2017

NOTE 6. WATER/SEWER UTILITY LEVY (Continued)

SBRSA Sewer Utility Levy:

<u>Year</u>	<u>Balance Jan. 1,</u>	<u>Sewer Levy</u>	<u>Total</u>	<u>Cash Collections</u>	<u>Percentage</u>
2017	\$ 6,183	\$ 326,875	\$ 333,058	\$ 324,571	97.45%
2016	10,984	329,973	340,958	334,775	98.18%
2015	9,906	320,843	330,749	319,765	96.68%

NOTE 7. FUND BALANCES APPROPRIATED

The following schedule details the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets.

<u>Current Fund</u>	<u>Balance December 31</u>	<u>Utilized In Budget of Succeeding Year</u>		<u>Percentage of Fund Balance Used</u>
		<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>	
2017	\$ 10,786,090	\$ 1,900,000	17.62%	
2016	11,907,102	4,084,148	17.22	
2015	12,008,398	2,068,558	17.22	
2014	12,202,394	2,265,811	18.57	
2013	12,039,768	1,615,811	13.42	
<u>Water Utility Operating Fund</u>	<u>Balance December 31</u>	<u>Utilized In Budget of Succeeding Year</u>		<u>Percentage of Fund Balance Used</u>
		<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>	
2017	\$ 157,449	\$ 7,085	4.50%	
2016	140,946	-0-	-0-	
2015	123,829	-0-	-0-	
2014	102,277	-0-	-0-	
2013	90,578	-0-	-0-	
<u>ELSA Sewer Utility Operating Fund</u>	<u>Balance December 31</u>	<u>Utilized In Budget of Succeeding Year</u>		<u>Percentage of Fund Balance Used</u>
		<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>	
2017	\$ 706,018	\$ 139,306	19.73%	
2016	570,437	120,004	21.04	
2015	621,947	211,213	33.96	
2014	646,501	86,838	13.93	

Township of Hopewell
Notes to Financial Statements
December 31, 2017

NOTE 7. FUND BALANCES APPROPRIATED (Continued)

SBRSA Sewer Utility Operating Fund	Balance December 31	Utilized In Budget of Succeeding Year	Percentage of Fund Balance Used
2017	\$ 309,571	\$ 50,044	16.17%
2016	279,657	36,594	13.08
2015	268,630	56,659	21.09
2014	248,490	4,237	3.05

NOTE 8. PENSION PLANS

Substantially all of the Township's employees participate in one of the following pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits (Division): the Police and Firemen's Retirement System (PFRS), the Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

Police and Firemen's Retirement System (PFRS)

Plan Description - The Police and Firemen's Retirement System is a cost sharing multiple-employer defined benefit pension plan established in 1944. The PFRS provides retirement, death and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:16A and 43:3B.

Vesting and Benefit Provisions - The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years, but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Contributions - The contribution requirements of plan members are determined by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate is 10.0%. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

**Township of Hopewell
Notes to Financial Statements
December 31, 2017**

NOTE 8. PENSION PLANS (CONTINUED)

Police and Firemen's Retirement System (PFRS) (Continued)

Special Funding Situation Component - Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68, and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to record in the government-wide financial statements or to disclose in the notes to the financial statements of the local participating employer related to this legislation.

The Township's contractually required contribution rate for the year ended December 31, 2017 was 26.26% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2017, the Township's contractually required contribution to the pension plan for the year ended December 31, 2017 is \$809,722 and is payable by April 1, 2018. Due to the basis of accounting described in Note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2016, the Township's contractually required contribution to the pension plan for the year ended December 31, 2016 was \$758,658, which was paid by April 1, 2017. Employee contributions to the pension plan during the year ended December 31, 2017 were \$309,182.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Township, for the year ended December 31, 2017 was 2.57% of the Township's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2017, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2017 is \$79,110 and is payable by April 1, 2018. Based on the PFRS measurement date of June 30, 2016, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2016 was \$57,193, which was paid on April 1, 2017.

The Township is billed annually for its normal contributions plus any accrued liability. These contributions, equal to the required contributions are detailed below.

Fiscal Year	Normal Contributions	Accrued Liability	Non Contributory Life	Total Liability
				Paid by Township
2017	\$ 285,069	\$ 438,783	\$ 34,806	\$ 758,658
2016	264,459	415,553	33,722	713,734
2015	259,118	350,336	31,810	641,264

Township of Hopewell
Notes to Financial Statements
December 31, 2017

NOTE 8. PENSION PLANS (CONTINUED)

Police and Firemen's Retirement System (PFRS) (Continued)

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	-	5.53
June 30, 2016	-	5.58
June 30, 2017	5.59	5.59
Changes of assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	-
June 30, 2015	5.53	-
June 30, 2016	5.58	-
June 30, 2017		5.59
Net Difference between projected and actual earnings on pension plan investments		
Year of Pension Plan Deferral:		
June 30, 2014	5.00	5.00
June 30, 2015	5.00	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	5.00
Changes in proportion		
Year of Pension Plan Deferral:		
June 30, 2014	-	6.17
June 30, 2015	-	5.53
June 30, 2016	-	5.58

Additional Information

Collective balances at June 30, 2017 and 2016 are as follows:

	<u>6/30/2017</u>	<u>6/30/2016</u>
Collective deferred outflows of resources	\$ 2,941,952,753	\$ 4,547,316,543
Collective deferred inflows of resources	\$ 3,262,432,093	\$ 688,197,590
Collective net pension liability	\$ 17,167,260,198	\$ 20,706,699,056
Township's Proportion	.0914921031%	.0930479859%

Township of Hopewell
Notes to Financial Statements
December 31, 2017

NOTE 8. PENSION PLANS (CONTINUED)

Police and Firemen's Retirement System (PFRS) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PFRS and additions to/deductions from PFRS fiduciary net position have been determined on the same basis as they are reported by PFRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the year ended December 31, 2017, the Township's proportionate share of pension expense is \$193,524. This expense is not recognized by the Township because of the regulatory basis of accounting as described in Note 1. At December 31, 2017, the Township proportionate share of the net pension liability is \$14,124,612 and deferred outflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 91,632	\$ 82,900
Changes of assumptions	1,741,722	2,313,198
Net Difference between projected and actual earnings on pension plan investments	269,531	
Changes in proportion	735,714	247,367
Township contributions subsequent to the measurement date	809,722	
Total	\$ 3,648,321	\$2,643,465

\$809,722 included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ended:	Net Deferred Outflows (Inflows) of Resources
2018	\$ 175,336
2019	175,336
2020	175,336
2021	175,336
2022	(506,210)
Total	\$ 195,134

Township of Hopewell
Notes to Financial Statements
December 31, 2017

NOTE 8. PENSION PLANS (CONTINUED)

Police and Firemen's Retirement System (PFRS) (Continued)

Actuarial assumptions – The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions:

Inflation rate: 2.25%

Salary Increases:

Through 2026: 2.10-8.98% based on age

Thereafter: 3.10-9.98% based on age

Investment Rate of Return: 7.00%

Additional Information

Pre-retirement mortality rates were based on the RP-2000 Pre-Retirement Mortality Tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the plan actuary's modified 2014 projections scales. Post-retirement mortality rates for male service retirements and beneficiaries are based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and three years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plans actuary's modified 2014 projection scales. Post-retirement mortality rates for female service retirement and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then three years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plans actuary's modified 2014 projection scales. Disability mortality rates were based on special mortality tables used for the period after disability retirement.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) 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.

**Township of Hopewell
Notes to Financial Statements
December 31, 2017**

NOTE 8. PENSION PLANS (CONTINUED)

Police and Firemen's Retirement System (PFRS) (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Absolute return/risk mitigation	05.00%	05.51%
Cash equivalents	05.50%	01.00%
U.S. Treasuries	03.00%	01.87%
Investment grade credit	10.00%	03.78%
Public high yield	02.50%	06.82%
Global diversified credit	05.00%	07.10%
Credit oriented hedge funds	01.00%	06.60%
Debt related private equity	02.00%	10.63%
Debt related real estate	01.00%	06.61%
Private real assets	02.50%	11.83%
Equity related real estate	06.25%	09.23%
U.S. Equity	30.00%	08.19%
Non-U.S. developed markets equity	11.50%	09.00%
Emerging markets equity	06.50%	11.64%
Buyouts/venture capital	08.25%	13.08%
	100.00%	

Discount rate. The discount rate used to measure the State's total pension liability was 6.14% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. 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 and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. That state employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township's proportionate share of the net pension liability to changes in the discount rate. The following presents the Township's and State's proportionate share of the net pension liability measured as of June 30, 2017, calculated using the discount rate of 6.14%, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.14%) or 1 percentage point higher (7.14%) than the current rate:

Township of Hopewell
Notes to Financial Statements
December 31, 2017

NOTE 8. PENSION PLANS (CONTINUED)

Police and Firemen's Retirement System (PFRS) (Continued)

	1% Decrease (5.14%)	Current Discount Rate (6.14%)	1% Increase (7.14%)
Township's proportionate share of the net pension liability	\$ 18,610,340	\$ 14,124,612	\$ 10,439,077
State's proportionate share of the net pension liability associated with the Township	<u>1,872,382</u>	<u>1,582,076</u>	<u>1,344,109</u>
	<u><u>\$ 20,482,722</u></u>	<u><u>\$ 15,706,688</u></u>	<u><u>\$ 11,783,186</u></u>

Pension Plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

Public Employees' Retirement System (PERS)

Plan Description - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955. The PERS provides retirement, death and disability, and medical benefits to certain qualified members. Vesting Membership in the PERS is mandatory for substantially all full-time employees of the Township, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

Vesting and Benefit Provisions – The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except medical benefits, which vest after 25 years of service or under the disability provisions of PERS

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for their respective tier.

**Township of Hopewell
Notes to Financial Statements
December 31, 2017**

NOTE 8. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Contributions - The contribution requirements of plan members are determined by N.J.S.A 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase is being phased-in over seven years beginning on July 1, 2012. The member contribution rate was 7.20% in State fiscal year 2017. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 336, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The Township's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The Township's contractually required contribution rate for the year ended December 31, 2017 was 13.48% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2017, the Township's contractually required contribution to the pension plan for the fiscal year ended December 31 2017 was \$522,964 and is payable by April 1, 2018. Based on the PERS measurement date of June 30, 2016, the Township's contractually required contribution to the pension plan for the year ended December 31, 2016 was \$570,296, which was paid by April 1, 2017. Employee contributions to the pension plan during the year ended December 31, 2017 were \$290,507.

The Township is billed annually for its normal contributions plus any accrued liability. These contributions, equal to the required contributions are detailed below.

Fiscal Year	Normal Contributions	Accrued Liability	Non Contributory Life	Total Liability
				Paid by Township
2017	\$ 89,206	\$ 453,980	\$ 27,110	\$ 570,296
2016	94,250	435,420	28,373	558,043
2015	91,190	421,824	34,746	547,760

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

At December 31, 2017, the Township's proportionate share of the PERS net pension liability was \$13,141,036. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

Township of Hopewell
Notes to Financial Statements
December 31, 2017

NOTE 8. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

For the year ended December 31, 2017, the Township's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2017 measurement date is \$563,113. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1. At December 31, 2017, the Township proportionate share of the PERS net pension liability was \$13,141,036 and deferred outflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 309,426	\$ -
Changes of assumptions	2,647,466	2,637,760
Net Difference between projected and actual earnings on pension plan investments	89,482	
Changes in proportion		1,648,370
Township contributions subsequent to the measurement date	522,964	
Total	\$ 3,569,338	\$4,286,130

\$522,964 included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ended:	Net Deferred Outflows (Inflows) of Resources
2018	\$ (191,056)
2019	(191,056)
2020	(191,056)
2021	(101,023)
2022	(565,565)
Total	\$ (1,239,756)

**Township of Hopewell
Notes to Financial Statements
December 31, 2017**

NOTE 8. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
Changes of assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
Net Difference between projected and actual earnings on pension plan investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
Changes in proportion		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57

Additional Information

Collective balances at June 30, 2017 and 2016 are as follows:

	<u>6/30/2017</u>	<u>6/30/2016</u>
Collective deferred outflows of resources	\$ 6,424,455,842	\$ 8,685,338,380
Collective deferred inflows of resources	\$ 5,700,625,981	\$ 870,133,595
Collective net pension liability	\$ 23,278,401,588	\$ 29,617,131,759
Township's Proportion	.0564516233%	.0641946386%

**Township of Hopewell
Notes to Financial Statements
December 31, 2017**

NOTE 8. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Actuarial assumptions – The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate: 2.24%

Salary Increases:

Through 2026: 1.65-4.15% based on age

Thereafter: 2.65-5.15% based on age

Investment Rate of Return: 7.00%

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active employees. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disables Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) 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.

Township of Hopewell
Notes to Financial Statements
December 31, 2017

NOTE 8. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Absolute return/risk mitigation	05.00%	05.51%
Cash equivalents	05.50%	01.00%
U.S. Treasuries	03.00%	01.87%
Investment grade credit	10.00%	03.78%
Public high yield	02.50%	06.82%
Global diversified credit	05.00%	07.10%
Credit oriented hedge funds	01.00%	06.60%
Debt related private equity	02.00%	10.63%
Debt related real estate	01.00%	06.61%
Private real assets	02.50%	11.83%
Equity related real estate	06.25%	09.23%
U.S. Equity	30.00%	08.19%
Non-U.S. developed markets equity	11.50%	09.00%
Emerging markets equity	06.50%	11.64%
Buyouts/venture capital	08.25%	13.08%
	<hr/> 100.00%	

Discount rate. The discount rate used to measure the State's total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. 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 the contribution rate in the most recent fiscal year. The state employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township's proportionate share of the net pension liability to changes in the discount rate. The following presents the Township's proportionate share of the net pension liability measured as of June 30, 2017, calculated using the discount rate of 5.00%, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.00%) or 1 percentage point higher (6.00%) than the current rate:

	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
Township's proportionate share of the net pension liability	\$ 16,302,347	\$ 13,141,036	\$ 10,507,272

Pension Plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

**Township of Hopewell
Notes to Financial Statements
December 31, 2017**

NOTE 8. PENSION PLANS (Continued)

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A.43:15C-1 et. seq), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered by Prudential Financial on behalf of the Divisions of Pensions and Benefits. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. Pursuant to the provisions of Chapter 78 P.L. 2011, the active member contribution rate was increased to 6.5% plus an additional 1.0% phased-in over seven years beginning in the first year. The phase-in of the additional incremental member contribution amount will take place in July of each subsequent year. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. The employee contributions along with the Township's contribution for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

There were no Township employees enrolled in the DCRP for the years ended December 31, 2017, 2016 and 2015.

Related Party Investments – The Division of Pensions and Benefits does not invest in securities issued by the Township.

NOTE 9. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

The Township provides postretirement benefits other than pension benefits to active employees who retire from the Township and meet certain eligibility criteria. These are known as other postemployment benefits (OPEB). OPEB include postemployment healthcare benefits provided separately from a pension plan, excluding benefits defined as termination offers and benefits.

Benefit Eligibility

An employee is eligible to receive postretirement health benefits through the Hopewell Township health plan by meeting the following criteria:

For PBA and SOA, retire from active employment with Hopewell Township with at least 25 years of service with Hopewell Township, 25 years in PERS/PFRS and meet PFRS retirement criteria.

For all others, (1) retire from active employment with Hopewell Township at age 60 or later and have at least 25 years of service in PERS, with at least 10 years of service with Hopewell Township, (2) retire from active employment with Hopewell Township at age 55 or later and have at least 25 years of service with Hopewell Township and 25 years in PERS, or (3) retire from active employment with Hopewell Township with at least 25 years of service with Hopewell Township and 25 years in PERS.

Funding Policy

The obligations of the plan members, employers and other entities are established by action of the Township pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and members varies depending on the applicable agreement. The Township contributes enough money to the plan to satisfy current obligations on a pay-as you-go basis. The costs of administering the plan are paid by the Township.

Township of Hopewell
Notes to Financial Statements
December 31, 2017

NOTE 9. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Actuarial Accrued Liability

The Actuarial Accrued Liability (AAL) as of December 31, 2016 is \$38,432,002 based upon a discount rate of 4.50% per annum and the plan provisions in effect on December 31, 2016.

Annual Required Contribution

The Annual Required Contribution (ARC) is the measure of annual cost on an accrual basis. It is comprised of the Normal Cost which is the portion of future liabilities attributable to the measurement year, plus 30-year amortization of the Unfunded Actuarial Accrued Liability (UAAL). As of the measurement date, the plan had no assets to offset any portion of the AAL, so the UAAL and AAL are equal.

The ARC as of December 31, 2016 is \$3,041,577 based upon a discount rate of 4.50% per annum and the plan provisions in effect on December 31, 2016. The breakdown of the ARC is as follows:

(1) Normal Cost	\$ 682,177
(2) Actuarial Accrued Liability	\$ 38,432,002
(3) Assets	\$ -0-
(4) Unfunded Actuarial Accrued Liability (UAAL) = (2)-(3)	\$ 38,432,002
(5) 30 Year Amortization of UAAL at Discount Rate	\$ 2,359,400
(6) Annual Required Contribution (ARC) = (1)+(5)	\$ 3,041,577

Basis of Valuation

The valuation has been conducted as of December 31, 2016 based upon census, plan design and claims information provided by the Township. Census includes 42 participants currently receiving Township paid retiree benefits, and 81 active participants of whom 14 are eligible to retire as of the valuation date. For the year ended December 31, 2017 the Township paid \$791,134 in retiree benefits. The average age of the active population is 48 and the average age of the retiree population is 65.

Actuarial assumptions were selected with the intention of satisfying the requirements of New Jersey Local Finance Notice 2007-15 and the Statement of Government Accounting Standard Number 45.

Demographic assumptions were selected based on those used by the State Division of pensions and benefits in calculating pension benefits taken from the July 1, 2016 report from Conduent. While some assumptions were simplified to reflect the smaller population, and to simplify the valuation process, the valuation results reasonable conform to the requirements of LFN 2007-15.

Health care (economic) assumptions were selected based on those used by the State Health Benefits Program in calculating SHBP member OPEB requirements taken from the July 1, 2015 report from Aon Consultants.

Funded Status and Funding Progress

As of December 31, 2016, the actuarial accrued liability for benefits was \$38,432,002, all of which was unfunded.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

**Township of Hopewell
Notes to Financial Statements
December 31, 2017**

NOTE 9. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Methods and Assumptions

The trend assumption is used to project the growth of the expected claims over the lifetime of the healthcare recipients. The actuary developed the trend assumption utilizing the short term rates expected on the SHBP plan along with information in published papers from other industry experts (actuaries, health economists, etc.).

Measurement Date

December 31

Discount Rate as of December 31, 2016

The discount rate assumption is 4.5%.

Health Care Trend Factors

Health care economic assumptions were selected based on those used by the State Health Benefits Program in calculating SHBP member OPEB requirements taken from the July 1, 2015 report from AON Consultants.

NOTE 10. COMPENSATED ABSENCES

All twelve-month Township employees are entitled to paid sick leave and vacation days in various amounts. Unused sick leave may be accumulated, and upon retirement the employee may be compensated up to fifty percent of accumulated unused sick leave with a maximum Township payout of \$15,000. Vacation days not used during the year may be accumulated for two years and upon leaving, will be compensated by the Township in full.

The Township does not accrue expenses related to compensated absences. However, it is estimated that, at December 31, 2017, accrued benefits for compensated absences are valued at \$1,515,573.

NOTE 11. RISK MANAGEMENT

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

The Township is a member of the Mid Jersey Municipal Joint Insurance Fund (JIF). The Fund provides the following coverage:

Comprehensive General Liability
Auto Liability
Property Coverage
Worker's Compensation
Boiler and Machinery
Public Officials Liability
Employment Related Practices
Public Employee Bonds

Contributions to the JIF are calculated based on actuarial and budgetary needs. Each participant is proportionately obligated for any deficiency in the amount available to pay all JIF claims. The Township has paid its current JIF obligations. No deficiency payments have been assessed by the JIF.

Township of Hopewell
Notes to Financial Statements
December 31, 2017

NOTE 11. RISK MANAGEMENT (Continued)

New Jersey Unemployment Compensation Insurance - The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township 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 Township is billed quarterly for amounts due to the State. The following is a summary of Township contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Township's trust fund for the current and previous four years:

<u>Year</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017	\$ 413	\$ 9,978	\$ 10,945	\$ 53,194
2016	370	6,616	1,184	53,748
2015	321	9,274	1,385	47,946
2014	257	10,003	1,328	39,736
2013	183	10,125	1,393	30,804

NOTE 12. CAPITAL DEBT

Summary of Municipal Debt

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Issued:			
General Bonds and Notes	\$ 59,863,899	\$ 66,757,825	\$ 66,932,613
Water Utility Bonds and Notes	53,550	68,050	82,550
Sewer Utility Bonds and Notes	1,241,635	1,325,700	1,358,450
Loans	199,748	241,760	282,943
Total Debt Issued	<u>61,358,832</u>	<u>68,393,335</u>	<u>68,656,556</u>
Less:			
Self-Liquidating Debt	1,251,665	1,393,750	1,441,000
Funds on hand to pay Bonds & Notes	0	0	2,288,552
Open Space Bonds and Notes	11,739,701	14,919,598	15,697,899
Net Debt Issued	<u>48,367,466</u>	<u>52,079,987</u>	<u>49,229,105</u>
Authorized But Not Issued:			
General - Bonds and Notes	555,149	0	0
Water Utility - Bonds and Notes	0	0	0
Sewer Utility - Bonds and Notes	0	0	0
Net Bonds and Notes			
Issued and Authorized			
But Not Issued	<u>\$ 48,922,615</u>	<u>\$ 52,079,987</u>	<u>\$ 49,229,105</u>

Township of Hopewell
Notes to Financial Statements
December 31, 2017

NOTE 12. CAPITAL DEBT (Continued)

Serial Bonds are authorized in accordance with State law. All bonds are retired in serial installments within the statutory period of usefulness. Serial Bonds payable at December 31, 2017 consisted of the following issues:

<u>Purpose</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
Refunding Bonds of 2009	10/01/2020	3.00% - 4.00%	\$ 1,450,000
General Obligation Bonds of 2010	02/15/2030	3.00% - 4.00%	4,100,000
Refunding Bonds of 2017	02/15/2030	2.00% - 4.00%	12,500,000
Refunding Bonds of 2014	10/01/2026	3.00% - 5.00%	8,470,000
General Obligation Bonds of 2014	02/01/2034	3.00% - 5.00%	21,383,000
General Obligation Bonds of 2015	04/01/2032	3.00% - 5.00%	6,847,000
Water Utility Refunding Bonds of 2014	10/01/2026	4.00% - 5.00%	43,550
Sewer Utility Bonds of 2014	10/01/2026	4.00% - 4.25%	476,450
Sewer Utility Bonds of 2015	04/01/2032	2.00% - 3.00%	<u>726,000</u>
Total			<u>\$ 55,996,000</u>

Bond Anticipation Notes Payable

The Township issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes can not exceed one year from the date of issuance, however the Notes may be renewed from time to time for a period not to exceed one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the forth and fifth anniversary date of the original issuance.

As of December 31, 2017, the Township had the following outstanding Bond Anticipation Notes:

	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
General Capital Fund	4/06/2018	1.24%	\$ 5,113,899
Water Utility Capital Fund	4/06/2018	1.24%	10,000
Sewer Utility Capital Fund	4/06/2018	1.24%	<u>39,185</u>
Total			<u>\$ 5,163,084</u>

Township of Hopewell
Notes to Financial Statements
December 31, 2017

NOTE 12. CAPITAL DEBT (Continued)

General Capital Fund

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.174%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District Debt	\$ 43,476,386	\$ 43,476,386	\$ -
Water and Sewer Utility Debt	1,295,185	1,251,665	43,520
General Debt	<u>60,618,796</u>	<u>11,739,701</u>	<u>48,879,095</u>
 Total	 <u>\$ 105,390,366</u>	 <u>\$ 56,511,272</u>	 <u>\$ 48,922,615</u>

Net Debt, \$48,922,615 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2, as amended, \$4,167,416,079 equals 1.174%.

Equalized Valuation Basis:

2015	\$ 4,048,316,376
2016	4,163,192,713
2017	<u>4,290,739,149</u>
Average	<u>\$ 4,167,416,079</u>

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

3-1/2% of Equalized Valuation Basis (Municipal)	\$ 145,859,563
Net Debt	<u>48,879,095</u>
Remaining Borrowing Power	<u>\$ 96,980,468</u>

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

Cash Receipts from Fees, Rents or Other Charges for the Year	\$ 76,396
Deductions:	
Operating and Maintenance Costs	\$ 61,710
Debt Service Costs	<u>16,862</u>
	<u>78,572</u>
Deficit in Revenue	<u>(\$ 2,176)</u>

Township of Hopewell
Notes to Financial Statements
December 31, 2017

NOTE 12. CAPITAL DEBT (Continued)

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

Cash Receipts from Fees, Rents or Other Charges for the Year	\$ 1,518,939
Deductions:	
Operating and Maintenance Costs	\$ 1,249,181
Debt Service Costs	<u>126,559</u>
	<u>1,375,740</u>
Excess in Revenue	<u><u>\$ 143,199</u></u>

The foregoing debt information is in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

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

Serial Bonds Payable

Current Fund			
Calendar Year	Principal	Interest	Total
2018	\$ 4,475,000	\$ 1,773,763	\$ 6,248,763
2019	4,495,000	1,752,207	6,247,207
2020	4,610,000	1,561,808	6,171,808
2021	4,615,000	1,386,107	6,001,107
2022	4,635,000	1,211,408	5,846,408
2023-2027	20,166,000	3,769,532	23,935,532
2028-2032	9,557,000	1,196,626	10,753,626
2033-2034	<u>2,197,000</u>	<u>87,820</u>	<u>2,284,820</u>
	<u><u>\$ 54,750,000</u></u>	<u><u>\$ 12,739,271</u></u>	<u><u>\$ 67,489,271</u></u>

Water Utility

Calendar Year	Principal	Interest	Total
2018	\$ 4,500	\$ 2,048	\$ 6,548
2019	4,500	1,867	6,367
2020	5,400	1,688	7,088
2021	4,950	1,471	6,421
2022	4,950	1,274	6,224
2023-2026	<u>19,250</u>	<u>2,668</u>	<u>21,918</u>
	<u><u>\$ 43,550</u></u>	<u><u>\$ 11,016</u></u>	<u><u>\$ 54,566</u></u>

Township of Hopewell
Notes to Financial Statements
December 31, 2017

NOTE 12. CAPITAL DEBT (Continued)

Serial Bonds Payable

Sewer Utility			
Calendar	Principal	Interest	Total
Year	Principal	Interest	Total
2018	\$ 80,500	\$ 38,657	\$ 119,157
2019	75,500	36,188	111,688
2020	89,600	33,717	123,317
2021	95,050	30,734	125,784
2022	95,050	27,832	122,882
2023-2027	470,750	89,269	560,019
2028-2032	<u>296,000</u>	<u>21,960</u>	<u>317,960</u>
	<u><u>\$ 1,202,450</u></u>	<u><u>\$ 278,357</u></u>	<u><u>\$ 1,480,807</u></u>

New Jersey Green Trust Loan Payable

Calendar	Principal	Interest	Total
Year	Principal	Interest	Total
2018	\$ 42,856	\$ 3,782	\$ 46,638
2019	43,717	2,920	46,637
2020	44,596	2,042	46,638
2021	45,492	1,145	46,637
2022	<u>23,087</u>	<u>231</u>	<u>23,318</u>
	<u><u>\$ 199,748</u></u>	<u><u>\$ 10,120</u></u>	<u><u>\$ 209,868</u></u>

NOTE 13. DEFERRED COMPENSATION SALARY PLAN

The Township offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457, which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full-time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death, unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and are not accessible by the Township or its creditors.

**Township of Hopewell
Notes to Financial Statements
December 31, 2017**

NOTE 14. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balances as of December 31, 2017

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Current Fund	\$ -	\$ 239,918
Trust Fund:		
Other Trust Funds	<u>239,918</u>	<u> </u>
	<u><u>\$ 239,918</u></u>	<u><u>\$ 239,918</u></u>

NOTE 15. CONTINGENCIES

The Township participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Management believes that the amount from future audits, if any, would not be material.

NOTE 16. LITIGATION

The Township is a defendant in several legal proceedings that are in various stages of litigation. Although the outcome of this litigation is not presently determinable, it is believed that resolution of these matters will not have a material effect on the financial statements.

NOTE 17. COMMITMENTS – TAX APPEALS

The Township has several tax appeals pending in New Jersey State Tax Court as of December 31, 2017. However, it appears that the net potential losses of the tax appeals will not be material to the financial statements.

SUPPLEMENTAL EXHIBITS

CURRENT FUND

TOWNSHIP OF HOPEWELL
Current Fund
Statement of Cash - Treasurer
For the Year Ended December 31, 2017

	<u>CURRENT FUND</u>	<u>FEDERAL AND STATE GRANT FUND</u>
Balance December 31, 2016	\$ 14,995,853.73	\$ 424,770.28
Receipts:		
Taxes Receivable	109,443,395.81	
2018 Prepaid taxes	10,621,281.13	
Tax Overpayments	75,214.83	
Accounts Receivable	1,460.00	
Revenue Accounts Receivable	3,760,362.74	
Due State of New Jersey:		
Marriage License Fees	1,200.00	
Burial Permits	180.00	
Due from State of New Jersey for Senior Citizens and Veterans Deductions	110,042.56	
Miscellaneous Revenues Not Anticipated	1,314,551.75	
Due to Other Trust Fund	103,591.00	
Federal and State Grants Receivable	-	667,420.97
Due to Current Fund	-	3,501.67
Contra - MRNA Refunds	5,835.20	
Contra - Budget Refunds	815,429.43	2,670.00
Petty Cash	1,150.00	-
Contra	930.80	-
 Total Receipts	 126,254,625.25	 673,592.64
 Subtotal	 141,250,478.98	 1,098,362.92
 Disbursements:		
2017 Appropriations	20,121,994.14	
Appropriation Reserves	421,201.24	
Accounts Payable	112,961.06	
Refund of Tax Overpayments	82,274.64	
Reserve for Master Plan	8,105.50	
County Taxes	28,215,353.89	
Regional School Taxes	62,843,562.60	
Fire District Tax Payable	3,430,258.00	
Municipal Open Space Tax Payable	1,194,227.36	
Due State of New Jersey:		
Marriage License Fees	1,225.00	
Burial Permits	180.00	
Due to Other Trust Fund	97,533.75	
Appropriated Reserves	-	514,768.59
Due to Current Fund	-	3,501.67
Contra - MRNA Refunds	5,835.20	-
Contra - Budget Refunds	815,429.43	-
Petty Cash	1,150.00	-
Contra	930.80	-
 Total Disbursements	 117,352,222.61	 518,270.26
 Balance December 31, 2017	 \$ 23,898,256.37	 \$ 580,092.66

TOWNSHIP OF HOPEWELL
Current Fund
Schedule of Change Funds
For the Year Ended December 31, 2017

Analysis by Office

Tax Collector	\$ 200.00
Tax Assessor	50.00
Construction Code	50.00
Health	200.00
Municipal Clerk	50.00
Municipal Court	200.00
Total	\$ 750.00

TOWNSHIP OF HOPEWELL
Current Fund
 Schedule of Taxes Receivable and Analysis of Property Tax Levy
 For the Year Ended December 31, 2017

Year	Balance		Added Taxes	COLLECTIONS BY CASH		State Share of 2017 Senior Citizens and Veterans Deductions Allowed	Transferred To Tax Title Lien	Overpayments Applied	Canceled	Balance Dec. 31, 2017
	Dec. 31, 2016	2017 Levy		2016	2017					
2013	\$ 7,511.52	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,511.52
2015	18,612.45	-	250.00	-	10,056.31	-	-	-	-	8,806.14
2016	620,912.35	-	5,519.67	-	607,662.96	-	-	-	2,411.15	16,357.91
Subtotal	647,036.32	-	5,769.67	-	617,719.27	-	-	-	2,411.15	32,675.57
2017	-	110,521,953.01	-	839,899.92	108,825,676.54	112,250.00	21,698.11	9,650.58	61,395.42	651,382.44
Total	<u>\$ 647,036.32</u>	<u>\$ 110,521,953.01</u>	<u>\$ 5,769.67</u>	<u>\$ 839,899.92</u>	<u>\$ 109,443,395.81</u>	<u>\$ 112,250.00</u>	<u>\$ 21,698.11</u>	<u>\$ 9,650.58</u>	<u>\$ 63,806.57</u>	<u>\$ 684,058.01</u>

Analysis of Property Tax Levy

8

Tax Yield:

General Purpose Tax	\$ 110,237,717.33
Added Taxes	166,852.69
Omitted Taxes	3,882.99
Senior Citizens and Veterans Deductions Allowed	
Per Original Levy	<u>113,500.00</u>
Total	<u>\$ 110,521,953.01</u>

Tax Levy:

Regional High School Tax (Abstract)	\$ 62,843,562.60
Fire District Tax (Abstract)	3,430,258.00
County Tax (Abstract)	28,148,950.97
County Added Taxes	43,581.51
Local Open Space Tax (Abstract)	1,191,309.00
Local Open Space Added Tax	1,844.99
Local Tax for Municipal Purposes	<u>\$ 14,685,832.27</u>
Additional Tax Levies	<u>176,613.67</u>
	<u>14,862,445.94</u>
Total	<u>\$ 110,521,953.01</u>

TOWNSHIP OF HOPEWELL
Current Fund
Schedule of Tax Title Liens
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 172,181.02
Increased by:	
Transfer from Taxes Receivable	\$ 21,698.11
Interest and Costs from Tax Sale	<u>-</u>
Balance December 31, 2017	<u>21,698.11</u> <u>\$ 193,879.13</u>

TOWNSHIP OF HOPEWELL
Current Fund
 Schedule of Revenue Accounts Receivable
 For the Year Ended December 31, 2017

	Balance <u>Dec. 31, 2016</u>	Accrued in <u>2017</u>	Collected By <u>Treasurer</u>	Balance <u>Dec. 31, 2017</u>
Alcoholic Beverage Licenses	\$ -	\$ 30,500.00	\$ 30,500.00	\$ -
Fees and Permits	- -	365,826.77	365,826.77	- -
Municipal Court - Fines and Costs	13,524.00	327,027.20	320,166.06	20,385.14
Interest and Costs on Taxes	- -	136,961.78	136,961.78	- -
Payment in Lieu of Taxes	- -	98,126.00	98,126.00	- -
Interest Earned on Investments and Deposits	- -	160,657.59	160,657.59	- -
Comcast Franchise Fee	- -	269,219.85	269,219.85	- -
Cell Tower Rents	- -	40,790.76	40,790.76	- -
Energy Receipts Tax	- -	1,601,563.00	1,601,563.00	- -
Garden State Trust Fund	- -	32,594.00	32,594.00	- -
Interlocal Police Services	- -	452,729.44	452,729.44	- -
Interlocal Alliance Services	- -	2,670.00	2,670.00	- -
Interlocal Police Dispatch Services	- -	70,417.00	70,417.00	- -
Interlocal Senior Services	- -	5,000.00	5,000.00	- -
Reserve for Debt Service -Affordable Housing Trust Fund	- -	58,000.00	58,000.00	- -
Reserve for Debt Service -Affordable Housing	- -	1,511.87	1,511.87	- -
Reserve for Debt Service	- -	113,628.62	113,628.62	- -
 Total	 <u>\$ 13,524.00</u>	 <u>\$ 3,767,223.88</u>	 <u>\$ 3,760,362.74</u>	 <u>\$ 20,385.14</u>

Township of Hopewell
Appropriation Reserves - Current Fund
For the Year Then Ended December 31, 2017

EXHIBIT A-9

<u>Balance December 31, 2016</u>					
	<u>Appropriation Reserve</u>	<u>Balance after Transfers</u>	<u>Reserve for Encumbrances</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Salaries and Wages - Within Caps					
Administrator's Office	\$ 2,137.86	\$ 2,137.86	\$ -	\$ -	\$ 2,137.86
Clerk's Office	1,327.74	1,327.74			1,327.74
Assessment of Taxes	11,486.04	11,486.04			11,486.04
Legal Services and Costs	0.14	0.14			0.14
Public Buildings and Grounds	3,507.24	3,507.24			3,507.24
Fleet Maintenance	22,412.76	22,412.76			22,412.76
Parks & Maintenance	12,515.81	12,515.81			12,515.81
Police	33,360.28	33,360.28			33,360.28
Community Development	0.44	0.44			0.44
Road Repair & Maintenance	45,704.66	45,704.66			45,704.66
Board of Health	9,216.02	9,216.02			9,216.02
Municipal Court	1,268.94	1,268.94			1,268.94
Public Defender	8,696.50	8,696.50			8,696.50
Recreation	513.91	513.91			513.91
Senior Services	13,324.05	13,324.05			13,324.05
Subtotal	165,472.39	165,472.39	-	44,057.32	121,415.07
Other Expenses - Within Caps					
Administrative & Executive:					
Governing Body	10,419.00	10,419.00			10,419.00
Administrator's Office	29,265.07	29,265.07	53,857.94	32,730.85	50,392.16
Clerk's Office	1,000.60	1,000.60	3,810.64	2,438.37	2,372.87
Financial Administration	1,089.23	1,089.23	1,470.48	290.59	2,269.12
Assessment of Taxes	6,219.90	6,219.90	9,155.00	55.00	15,319.90
Collection of Taxes	5,054.30	5,054.30	208.41	208.41	5,054.30
Engineering			21,059.00	13,621.25	7,437.75
Legal Services and Costs			94,444.07	48,452.34	45,991.73
Public Buildings and Grounds	28,180.48	28,180.48	20,512.90	11,701.57	36,991.81
Fleet Maintenance	36,798.22	36,798.22	40,703.10	23,048.17	54,453.15
Parks & Maintenance	6,632.60	6,632.60	2,675.20	266.91	9,040.89
Environmental Commission	98.00	98.00	6,157.00	6,157.00	98.00
Insurance					
Liability Insurance	21,021.00	21,021.00			21,021.00
Medical Insurance	185,889.43	185,889.43	200.00	300.00	185,789.43
Health Benefit Waiver	37.43	37.43			37.43
Police	12,668.98	12,668.98	55,949.31	60,768.26	7,850.03
Community Development			40,674.33	14,319.73	26,354.60
Road Repair & Maintenance	37,301.20	37,301.20	144,158.38	51,621.49	129,838.09
Sanitation	12,248.58	12,248.58	4,115.71	11,704.04	4,660.25
Board of Health	6,766.90	6,766.90	44,559.67	37,349.95	13,976.62
Historic Preservation Committee	10,541.10	10,541.10	3,921.06	6,857.81	7,604.35
Municipal Court	3,439.58	3,439.58	2,610.12	2,472.02	3,577.68
Recreation	945.52	945.52			945.52
Senior Services	1,313.07	1,313.07	209.06	469.09	1,053.04
Utilities:					
Street Lighting	23,362.95	23,362.95			23,362.95
Utilities	27,049.11	27,049.11			27,049.11
Telephone	32,298.87	32,298.87	4,495.93	2,985.06	33,809.74
Motor Fuels	94,353.78	94,353.78	29,827.24	12,427.81	111,753.21
Disability Insurance	15,357.94	15,357.94			15,357.94
Subtotal	609,352.84	609,352.84	584,774.55	367,627.00	826,500.39
Statutory Expenditures - Within Caps					
Public Employees' Retirement System	0.16	0.16			0.16
Defined Contribution Retirement Program	500.00	500.00			500.00
Social Security System	37,191.02	37,191.02			34,182.30
Subtotal	37,691.18	37,691.18	-	3,008.72	34,682.46
Other Expenses - Excluded from Caps					
Recycling Tonnage Tax	1,000.00	1,000.00			1,000.00
Interlocal Police			6,743.16	6,508.20	234.96
Subtotal	1,000.00	1,000.00	6,743.16	6,508.20	1,234.96
Grand Total	\$ 813,516.41	\$ 813,516.41	\$ 591,517.71	\$ 421,201.24	\$ 983,832.88
		Cash Disbursed Accounts Payable Total		\$ 421,201.24	
		87		\$ 421,201.24	

TOWNSHIP OF HOPEWELL
Current Fund
Schedule of Prepaid Taxes
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 839,899.92
Increased by:	
Collected	<u>10,621,281.13</u>
Subtotal	11,461,181.05
Decreased by:	
Applied to 2017 Taxes	<u>839,899.92</u>
Balance December 31, 2017	<u>\$ 10,621,281.13</u>

Schedule of Tax Overpayments
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 37,087.37
Increased by:	
Collected	\$ 75,214.83
Created from State Appeals	<u>2,199.33</u>
	<u>77,414.16</u>
Subtotal	114,501.53
Decreased by:	
Refunded	82,274.64
Applied to 2017 Taxes	9,650.58
Canceled	<u>273.87</u>
	<u>92,199.09</u>
Balance December 31, 2017	<u>\$ 22,302.44</u>

TOWNSHIP OF HOPEWELL
Current Fund
 Schedule of Reserve for Tax Appeals Pending
 For the Year Ended December 31, 2017

Balance December 31, 2017 and 2016	<u>\$ 100,000.00</u>
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Schedule of Reserve for Revaluation
 For the Year Ended December 31, 2017

Balance December 31, 2017 and 2016	<u>\$ 12,353.25</u>
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Schedule of Reserve for Preparation of Master Plan
 For the Year Ended December 31, 2017

Balance December 31, 2016	<u>\$ 35,098.72</u>
Less	
Cash Disbursed	<u>8,105.50</u>
Balance December 31, 2017	<u>\$ 26,993.22</u>

Schedule of Reserve for Historic Building Repairs
 For the Year Ended December 31, 2017

Balance December 31, 2017 and 2016	<u>\$ 10,935.00</u>
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TOWNSHIP OF HOPEWELL
Current Fund
 Schedule of Due to/(from) State of New Jersey
 for Senior Citizens and Veterans Deductions
 For the Year Ended December 31, 2017

Balance December 31, 2016 - Due to/(from)	\$ 319.85
Increased by:	
Collected	110,042.56
Subtotal	<u>110,362.41</u>
Senior Citizen Deductions per Duplicate	\$ 10,750.00
Disabled Deductions per Duplicate	1,750.00
Veterans Deductions per Duplicate	69,500.00
Widow Deductions per Duplicate	31,500.00
Senior Citizen Deductions and Veterans Deductions Allowed by Collector	<u>250.00</u>
Subtotal	<u>113,750.00</u>
Less:	
Senior Citizens Deductions Disallowed by Collector	1,500.00
Prior Year Senior Citizens Deductions Disallowed by Collector	<u>3,387.59</u>
Subtotal	<u>108,862.41</u>
Balance December 31, 2017 - Due to/(from)	<u>\$ 1,500.00</u>

Schedule of Due to State of New Jersey
 for Marriage License Fees/Domestic Partnership Fees
 For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 250.00
Increased by:	
State Portion of 2017 Marriage Licenses Fees	<u>1,200.00</u>
Subtotal	<u>1,450.00</u>
Decreased by:	
Disbursed to State of New Jersey	<u>1,225.00</u>
Balance December 31, 2017	<u>\$ 225.00</u>

TOWNSHIP OF HOPEWELL
Current Fund
 Schedule of County Taxes Payable
 For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 122,043.08
Increased by:	
2017 Levy:	
General County	\$ 24,693,222.83
Library Tax	2,409,638.16
County Open Space Preservation	1,046,089.98
Added and Omitted Taxes	<u>43,581.51</u>
	<u>28,192,532.48</u>
Subtotal	28,314,575.56
Decreased by:	
Disbursed to County of Mercer	<u>28,215,353.86</u>
Balance December 31, 2017	<u>\$ 99,221.70</u>

Schedule of Fire District Taxes Payable
 For the Year Ended December 31, 2017

Balance December 31, 2016	\$ -
Increased by:	
2017 Levy	<u>3,430,258.00</u>
Subtotal	3,430,258.00
Decreased by:	
Disbursed to Hopewell Township Fire Districts	<u>3,430,258.00</u>
Balance December 31, 2017	<u>\$ -</u>

TOWNSHIP OF HOPEWELL
Current Fund
 Schedule of Regional School Tax Payable
 For the Year Ended December 31, 2017

Balance December 31, 2016	\$ -
Increased by:	
Levy - Calendar Year	<u>62,843,562.60</u>
Subtotal	62,843,562.60
Decreased by:	
Disbursed to Hopewell Valley Regional School District	<u>62,843,562.60</u>
Balance December 31, 2017	<u><u>\$ -</u></u>

Schedule of Municipal Open Space Tax Payable
 For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 2,918.36
Increased by:	
Levy - Calendar Year	\$ 1,191,309.00
Added and Omitted Taxes	<u>1,844.99</u>
Subtotal	1,193,153.99
Decreased by:	
Disbursed to Open Space Trust Fund	<u>1,194,227.36</u>
Balance December 31, 2017	<u><u>\$ 1,844.99</u></u>

TOWNSHIP OF HOPEWELL
Federal and State Grant Fund
Schedule of Federal, State and Local Grants Receivable
For the Year Ended December 31, 2017

	Balance Dec. 31, 2016	Accrued	Received	Transfer from Unapprop. Res.	Transfer to Unapprop. Res.	Canceled	Balance Dec. 31, 2017
Federal Grants:							
FEMA Generator	\$ 255,000.00	\$ -	\$ 104,388.30	\$ -	\$ -	\$ -	\$ 150,611.70
	<u>255,000.00</u>	<u>-</u>	<u>104,388.30</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,611.70</u>
State Grants:							
NJ DOT - Federal City Road	275,000.00			206,250.00			68,750.00
Drunk Driving Enforcement Fund	-		3,630.18	3,630.18			
NJ Dept. of Environmental Protection	4,460.00						4,460.00
Pothole Grant	(0.93)						(0.93)
Clean Communities Grant	1,735.95		52,933.20	52,933.20			1,735.95
Body Armor Grant	-		2,830.01	2,830.01			
Emergency Mgmt (Homeland Security)	(0.44)						(0.44)
DOT Grant - Lawrence Hopewell Trail @ Bailey	-		225,000.00				225,000.00
Recycling Tonnage Grant	-		49,448.60	49,448.60			
DOT Grant - Hopewell/Wertsville Phase II	283,500.00			212,625.00			70,875.00
LHT Bikeway	87,500.00						87,500.00
It pays to plug in - NJDEP	5,000.00		15,000.00	15,000.00			5,000.00
Sustainable NJ - Solar Challenge	-						
TAP - Tobacco Age of Sale	-		1,000,000.00				1,000,000.00
	<u>657,194.58</u>	<u>1,348,841.99</u>	<u>542,716.99</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,463,319.58</u>
Local Grants:							
Mercer County - Drug Alliance Program	24,011.00		26,016.00	20,165.68			29,861.32
Harvest Fair	-		150.00	150.00			
	<u>24,011.00</u>	<u>26,166.00</u>	<u>20,315.68</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,861.32</u>
Total	<u>\$ 936,205.58</u>	<u>\$ 1,375,007.99</u>	<u>\$ 667,420.97</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,643,792.60</u>

TOWNSHIP OF HOPEWELL
Federal and State Grant Fund
Schedule of Reserve For Federal and State Grants - Unappropriated
For the Year Ended December 31, 2017

	Balance <u>Dec. 31, 2016</u>	Federal and State Grants <u>Receivable</u>	Appropriated in Budget <u>2017</u>	Canceled	Balance <u>Dec. 31, 2017</u>
NONE	_____	_____	_____	_____	_____
Total Unappropriated Reserves	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -

TOWNSHIP OF HOPEWELL
Federal and State Grant Fund
 Schedule of Reserve For Federal, State and Local Grants - Appropriated
 For the Year Ended December 31, 2017

	Balance Dec. 31, 2016	Transferred From 2017	Due from Current Fund	Balance Dec. 31, 2017
	Budget Appropriation	Expended		
Federal Grants:				
FEMA Grant Generator	\$ 284,492.00	\$ -	\$ 104,388.30	\$ 180,103.70
Energy Efficiency and Conservation Block Grant - II	<u>4,552.75</u>			<u>4,552.75</u>
	<u>289,044.75</u>	-	104,388.30	-
				184,656.45
State Grants:				
Clean Air Cool Planet	1,744.07			1,744.07
Body Armor Grant	-	2,830.01		2,830.01
Body Camera Grant	14,000.00		14,000.00	-
Clean Communities Grant	400,764.17	52,933.20	13,718.22	2,670.00
Compact Grant - Titusville Sidewalk	270.00			270.00
Delaware River Green Partnership Grant	1,730.00			1,730.00
Design Guidelines	171.03			171.03
DOT - Federal City Road	275,000.00		162,018.33	112,981.67
DOT - Harb/Rocktown Road	3,632.87			3,632.87
DOT - LHT @ Bailey	-	225,000.00		225,000.00
DOT - Titus Mill Road	106.57			106.57
TAP - LHT	-	1,000,000.00		1,000,000.00
Drunk Driving Enforcement Fund	14,131.50	3,630.18	471.88	17,289.80
Emergency Management Grant (Homeland Security)	2,226.00			2,226.00
Highway Traffic Safety Grant	631.07			631.07
Historic Sites Committee	7,500.00			7,500.00
Livable Communities Pilot Program - Smith's Crossing	2,500.00			2,500.00
Municipal Storm Water Management Phase I Gramt	1,051.44			1,051.44
Municipal Stormwater Regulation Program	214.14			214.14
Pandemic Influenza Program	0.20			0.20
Pothole Repair Grant	2,576.84			2,576.84
Public Health Practice Standards Grant	48.14			48.14
Recycling Tonnage Grant	1,842.02	49,448.60	23,066.52	28,224.10
Route 31 Aggressive Driving	799.99			799.99
Soil Conservation-Community Forestry Mgmt.	1,500.00			1,500.00
State Forfeiture Funds	328.53			328.53
Tobacco Age-of-Sale Grant	292.99			292.99
It pays to plug in - NJDEP	5,000.00	15,000.00	5,600.00	14,400.00
DOT Hopewell/Wertsiville Phase II	283,500.00		163,313.32	120,186.68
Sustainable NJ	847.35		847.35	-
Sustainable NJ - Solar Challenge	2,445.00		2,176.62	268.38
Sustainable NJ - Green Team	1,500.00		582.20	917.80
ANJEC	860.00			860.00
	<u>1,027,213.92</u>	<u>1,348,841.99</u>	<u>385,794.44</u>	<u>2,670.00</u>
				1,992,931.47
Local Grants:				
BMS - LHT	-			
BMS Water Main Surveying	9,123.10			9,123.10
Drainage Open Space Inventory	5,000.00			5,000.00
Ride Provide	-	150.00		150.00
Harvest Fair I	4.06			4.06
Municipal Alliance on Alcoholism and Drug Abuse	30,590.03	26,016.00	24,585.85	32,020.18
	<u>44,717.19</u>	<u>26,166.00</u>	<u>24,585.85</u>	<u>-</u>
				46,297.34
Total	<u>\$ 1,360,975.86</u>	<u>\$ 1,375,007.99</u>	<u>\$ 514,768.59</u>	<u>\$ 2,670.00</u>
				<u>\$ 2,223,885.26</u>

TRUST FUND

TOWNSHIP OF HOPEWELL
Trust Fund
Schedule of Cash - Treasurer
For the Year Ended December 31, 2017

	<u>ANIMAL CONTROL</u>	<u>OTHER TRUST</u>
Balance December 31, 2016	<u>\$ 15,859.39</u>	<u>\$ 9,071,487.06</u>
Receipts:		
Dog License Clerk:		
2017 Budget Appropriation	90,100.00	-
Municipal Licenses	51,282.00	-
State Registration Fees	2,914.80	-
Miscellaneous	15,441.20	-
Due to Current Fund	326.38	29,398.55
Accounts Receivable	-	7,501.14
Exchange	-	103,242,449.99
FSA	-	12,726.68
Low Income Housing	-	131,404.68
Open Space Trust	-	2,177,158.56
Payroll	-	4,789,705.64
Payroll Deductions Payable	-	4,310,432.27
Performance Guarantee	-	5,883.38
Planning Escrow Deposits	-	206,145.93
Plot Planning	-	1,956.50
Recreation	-	276,479.39
Tax Collector Premium	-	530,600.00
Tax Title Lien	-	587,229.51
Unemployment Compensation	-	10,391.28
Other Trust:		
Allocated Escrow	-	60,174.80
Construction Code	-	803,794.98
Deer Management Task Force	-	3,850.00
Historic Book Sales	-	915.00
Municipal Alliance	-	4,950.16
Municipal Law Enforcement	-	1,615.50
Parking Adjudication	-	70.00
Police Donations	-	40,000.00
Police Found Money	-	600.00
Public Defender	-	7,979.50
Ride Provide	-	8,332.00
Stream Corridor	-	293.75
State Training Fees	-	76,640.00
Total Trust Other Funds	<u>160,064.38</u>	<u>117,328,679.19</u>
Total Forward	<u>175,923.77</u>	<u>126,400,166.25</u>
Total Brought Forward	<u>\$ 175,923.77</u>	<u>\$126,400,166.25</u>
Disbursements:		
Expenditures Under RS4:19-15.11	124,879.12	-
Exchange	-	103,242,449.99
Federal Forfeiture	-	600.00
FSA	-	14,233.54
Low Income Housing	-	303,300.30

TOWNSHIP OF HOPEWELL
Trust Fund
Schedule of Cash - Treasurer
For the Year Ended December 31, 2017

	<u>ANIMAL CONTROL</u>	<u>OTHER TRUST</u>
Mercer County JIF	-	2,144.43
Municipal Alliance	-	6,516.00
Municipal Law Enforcement	-	2,823.86
Off Site Improvements	-	13,927.00
Open Space Trust	-	3,753,682.26
Payroll	-	4,789,705.65
Payroll Deductions Payable	-	4,310,432.27
Performance Guarantee	-	39,222.50
Planning Escrow Fees	-	142,600.95
Plot Plan Escrow Fees	-	1,375.75
Police Donations	-	12,355.00
Public Defender	-	7,924.50
Recreation	-	243,658.02
Redemption of Tax Title Lien	-	586,240.57
Ride Provide	-	8,493.50
Senior Services	-	20,630.20
Tax Collector Premium	-	533,800.00
Unemployment Compensation	-	10,944.75
Other Trust:		
Allocated Escrow Fees	-	9,233.50
Construction Code	-	1,306,690.87
Deer Management Task Force	-	18,312.18
Retirement Reserve	-	89,098.14
Due to Current Fund	326.38	26,477.89
Due State UCC Fees	-	116,226.00
Due State Department of Health	<u>2,980.20</u>	-
Total Disbursements	<u>128,185.70</u>	<u>119,613,099.62</u>
Balance December 31, 2017	<u>\$ 47,738.07</u>	<u>\$ 6,787,066.63</u>

**TOWNSHIP OF HOPEWELL
Trust Fund**
Schedule of Reserve for Animal Control Fund Expenditures
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 15,421.39
Increased by:	
2017 License Collected	\$ 51,282.00
2017 Budget Appropriation	90,100.00
Miscellaneous	<u>15,441.20</u>
Total	172,244.59
Decreased by:	
Expenditures Under R.S. 4:19-15.11:	
Cash Disbursed	<u>124,879.12</u>
Balance December 31, 2017	<u>\$ 47,365.47</u>

LICENSE FEES COLLECTED

<u>Year</u>	<u>Amount</u>
2016	\$ 47,880.00
2015	<u>63,551.20</u>
	<u>\$ 111,431.20</u>

TOWNSHIP OF HOPEWELL
Trust - Other Funds
Schedule of Reserve Balances
For the Year Ended December 31, 2017

Account Title	Reserve Balance December 31, 2016	Revenues	Expenditures	Reserve Balance December 31, 2017
Reserve for Trust Other:				
Allocated Escrow Deposits	\$ 78,979.29	\$ 60,174.80	\$ 9,233.50	\$ 129,920.59
Background ID Check	6,645.50	-	-	6,645.50
Deer Management Task Force	16,951.26	3,850.00	18,312.18	2,489.08
DOT Reserve	7,444.72	-	-	7,444.72
Employee Safety Program	57.91	-	-	57.91
Federal Forfeiture	900.00	-	600.00	300.00
Green Team Lions	100.00	-	-	100.00
Historic Book Sales	13,665.75	915.00	-	14,580.75
Lovero	5,538.00	-	-	5,538.00
Mercer County JIF	45,315.81	-	2,144.43	43,171.38
Municipal Alliance	24,589.07	4,950.16	6,516.00	23,023.23
Municipal Law Enforcement	9,272.10	1,615.50	2,823.86	8,063.74
Parking Adjudication	629.03	70.00	-	699.03
Police Donations	-	40,000.00	12,355.00	27,645.00
Police Found Money	2,667.69	600.00	-	3,267.69
Public Defender	-	7,979.50	7,924.50	55.00
Reed Road Escrow	1,632.00	-	-	1,632.00
Retirement Reserve	150,000.00	-	89,098.14	60,901.86
Ride Provide	5,037.70	8,332.00	8,493.50	4,876.20
Senior Services	31,000.00	-	20,630.20	10,369.80
Snow Removal	80,000.00	-	-	80,000.00
Special Escrow	103,538.38	-	-	103,538.38
Uniformed Construction Code	1,211,673.34	803,794.98	1,306,690.87	708,777.45
Reserve for Plot Plan Escrow	22,384.91	1,956.50	1,375.75	22,965.66
Reserve for FSA	7,989.87	12,726.68	14,233.54	6,483.01
Reserve for Planning	369,258.24	206,145.93	142,600.95	432,803.22
Reserve for Open Space Trust	4,765,042.57	2,179,003.55	3,753,682.26	3,190,363.86
Reserve for Low Income Housing	238,025.69	131,404.68	303,300.30	66,130.07
Reserve for Community Service	208.60	-	-	208.60
Reserve for Off-Site Improvements	666,536.57	-	13,927.00	652,609.57
Reserve for Performance Guarantees	203,969.70	5,883.38	39,222.50	170,630.58
Reserve for Recreation	311,705.30	276,479.39	243,658.02	344,526.67
Reserve for Tax Sale Premium	609,200.00	530,600.00	533,800.00	606,000.00
Reserve for Tax Title Lien	-	587,229.51	586,240.57	988.94
Reserve for Unemployment Compensation	53,747.75	10,391.28	10,944.75	53,194.28
Reserve for Stream Corridor	600.00	293.75	-	893.75
Off-Duty Police	232,015.35	6,057.25	-	238,072.60
Total	\$ 9,276,322.10	\$ 4,880,453.84	\$ 7,127,807.82	\$ 7,028,968.12

TOWNSHIP OF HOPEWELL
Trust - Other Funds
 Schedule of Due to State of NJ - UCC Fees
 For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 49,651.00
Increased by:	
Cash Received	<u>76,640.00</u>
	<u>126,291.00</u>
Decreased by:	
Disbursements	<u>116,226.00</u>
Balance December 31, 2017	<u><u>\$ 10,065.00</u></u>

EXHIBIT B-5

Trust - Other Funds
 Schedule of Payroll Deductions Payable
 For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 0.01
Increased by:	
Payroll deductions withheld	<u>9,100,137.91</u>
	<u>9,100,137.92</u>
Decreased by:	
Payroll deductions disbursed	<u><u>9,100,137.92</u></u>
Balance December 31, 2017	<u><u>\$ -</u></u>

GENERAL CAPITAL FUND

TOWNSHIP OF HOPEWELL
General Capital Fund
Schedule of Cash - Treasurer
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 9,347,210.65
Receipts:	
Budget Appropriation - Capital Improvement Fund	\$ 54,973.14
Due to Current Fund	32,583.36
Budget Refund - Improvement Authorizations	69,624.97
Reserve for Debt Service	<u>9.80</u>
 Total Receipts	<u>157,191.27</u>
 Subtotal	 <u>9,504,401.92</u>
Disbursements:	
Improvement Authorizations	3,268,636.02
Due to Current Fund - Budget Revenue	113,628.62
Due to Open Space Trust Fund	8,748.15
Due to Current Fund	23,834.36
Reserve for Notes	29,786.14
Reserve for Debt Service	<u>50,085.39</u>
 Total Disbursements	<u>3,494,718.68</u>
 Balance December 31, 2017	<u>\$ 6,009,683.24</u>

TOWNSHIP OF HOPEWELL
General Capital Fund
 Analysis of General Capital Cash and Investments
 For the Year Ended December 31, 2017

Fund Balance	\$ 2,478,582.08	
Capital Improvement Fund	1,899.95	
Reserve for Payment of Debt	1,698,721.81	
 Improvement Authorizations:		
Ordinance		
<u>Number</u>		
08-1425/1431	Various Capital Improvements	183,624.94
10-1493	Village of Titusville Sidewalks	1,509.50
11-1522	Various Capital Improvements	33.75
13-1576	Various Capital Improvements	100,000.00
13-1586	Construction of Trails for the Lawrence Hopewell Trail System	390,388.00
14-1596	Various Capital Improvements	282,840.25
15-1610	Various Capital Improvements	62,820.70
16-1630	Various Capital Improvements	256,380.78
17-1662	Various Capital Improvements	<u>552,881.48</u>
 Total		
	<u>\$ 6,009,683.24</u>	

**TOWNSHIP OF HOPEWELL
General Capital Fund**

**Statement of Deferred Charges To Future Taxation - Funded
For the Year Ended December 31, 2017**

Balance December 31, 2016	\$ 59,443,759.58
Increased by:	
Serial Bonds Issued	<u>12,500,000.00</u>
	<u>71,943,759.58</u>
Decreased by:	
2017 Budget Appropriations:	
Serial Bond Payments	\$ 4,230,000.00
Refunded Bonds	12,722,000.00
Green Trust Loan Payment	<u>42,011.21</u>
	<u>16,994,011.21</u>
Balance December 31, 2017	<u><u>\$ 54,949,748.37</u></u>

TOWNSHIP OF HOPEWELL
General Capital Fund
Schedule of Deferred Charges to Future Taxation - Unfunded
For the Year Ended December 31, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2016</u>	<u>2017 Authorizations</u>	<u>Transferred to Deferred Taxation Funded</u>	<u>Notes Paid By Current Budget Appropriation</u>	<u>Notes Paid By Open Space Budget Appropriation</u>	<u>Balance Dec. 31, 2017</u>	<u>ANALYSIS OF BALANCE</u>		
								<u>Funded by Bond Anticipation Notes</u>	<u>Expenditures</u>	<u>Unexpended Improvement Authorizations</u>
11-1523	Preliminary Planning Pennytown	\$ 211,613.00	\$ -	\$ -	\$ 8,621.00	\$ -	\$ 202,992.00	\$ 202,992.00	\$ -	\$ -
13-1582	Roadway Improvements - Hopewell Wertsville Road	167.00	-	-	167.00	-	-			
13-1585	Acquisition of Property	1,888,429.00	-	-	-	1,888,429.00	-			
14-1593	Acquisition of Property	486,861.00	-	-	-	486,861.00	-			
15-1610	Various Capital Improvements	806,075.00	-	-	11,224.00	-	794,851.00	794,851.00		
16-1630	Various Capital Improvements	4,162,680.00	-	-	46,624.00	-	4,116,056.00	4,116,056.00		
17-1662	Various Capital Improvements	-	555,148.42	-	-	-	555,148.42		2,266.94	552,881.48
Total		\$ 7,555,825.00	\$ 555,148.42	\$ -	\$ 66,636.00	\$ 2,375,290.00	\$ 5,669,047.42	\$ 5,113,899.00	\$ 2,266.94	\$ 552,881.48
Improvement Authorizations Unfunded								15-1610	\$ 62,820.70	\$ 1,427,231.38
16-1630									811,529.20	874,349.90
										\$ 552,881.48

Township of Hopewell
General Capital Fund
 Schedule of General Serial Bonds
 For the Year Ended December 31, 2017

Purpose	Date of Issue	Original Issue	Maturity of Bonds Outstanding			Balance December 31, 2016	Increased	Decreased	Balance December 31, 2017
			Date	Amount	Interest Rate				
Refunding Bonds of 2009	10/1/2009	4,700,000.00	10/01/18	\$ 485,000.00	4.00%	\$ 1,940,000.00	\$ -	\$ 490,000.00	\$ 1,450,000.00
			10/01/19	485,000.00	4.00%				
			10/01/20	480,000.00	3.00%				
General Obligation Bonds of 2010	2/15/2010	\$24,422,000.00	2/15/2018	1,350,000.00	4.00%	18,047,000.00		13,947,000.00	4,100,000.00
			2/15/2019	1,350,000.00	4.00%				
			2/15/2020	1,400,000.00	3.00%				
Refunding Bonds	43,097.00	12,500,000.00	2/15/2018	130,000.00	2.00%		12,500,000.00		12,500,000.00
			2/15/2021	1,375,000.00	2.00%				
			2/15/2022	1,365,000.00	3.00%				
			2/15/2023	1,465,000.00	3.00%				
			2/15/2024	1,485,000.00	3.00%				
			2/15/2025	1,520,000.00	3.00%				
			2/15/2026	1,520,000.00	4.00%				
			2/15/2027	1,620,000.00	4.00%				
			2/15/2028	680,000.00	4.00%				
			2/15/2029	680,000.00	4.00%				
			2/15/2030	660,000.00	4.00%				
Balance Foward						\$ 19,987,000.00	\$ -	\$ 14,437,000.00	\$ 18,050,000.00

Township of Hopewell
General Capital Fund
Schedule of General Serial Bonds
For the Year Ended December 31, 2017

Purpose	Date of Issue	Original Issue	Maturity of Bonds Outstanding			Balance December 31, 2016	Increased	Decreased	Balance December 31, 2017
			Date	Amount	Interest Rate				
Balance Brought Foward						\$ 19,987,000.00	\$ -	\$ 14,437,000.00	\$ 18,050,000.00
Refunding Bonds of 2014	10/1/2017	\$9,380,000.00	10/01/18	\$ 855,000.00	4.000%	9,285,000.00		815,000.00	8,470,000.00
			10/01/19	850,000.00	4.000%				
			10/01/20	900,000.00	4.000%				
			10/01/20	950,000.00	4.000%				
			10/01/20	945,000.00	4.000%				
			10/01/20	945,000.00	4.000%				
			10/01/20	1,035,000.00	5.000%				
			10/01/20	1,040,000.00	5.000%				
			10/01/20	950,000.00	5.000%				
General Obligation Bonds of 2014	02/01/15	25,013,000.00	2/1/2018	1,260,000.00	5.000%	22,688,000.00		1,305,000.00	21,383,000.00
			2/1/2019	1,410,000.00	5.000%				
			2/1/2020	1,430,000.00	5.000%				
			2/1/2021	1,860,000.00	5.000%				
			2/1/2022	1,895,000.00	5.000%				
			2/1/2023	1,935,000.00	3.000%				
			2/1/2024	1,951,000.00	3.000%				
			2/1/2025	755,000.00	3.000%				
			2/1/2026	800,000.00	3.000%				
			2/1/2027	850,000.00	3.000%				
			2/1/2028	885,000.00	3.000%				
			2/1/2029	935,000.00	3.250%				
			2/1/2030	1,020,000.00	3.250%				
			2/1/2031	1,100,000.00	3.500%				
			2/1/2032	1,100,000.00	3.500%				
			2/1/2033	1,100,000.00	4.000%				
			2/1/2034	1,097,000.00	4.000%				
Balance Foward						\$ 51,960,000.00	\$ -	\$ 16,557,000.00	\$ 47,903,000.00

Township of Hopewell
General Capital Fund
Schedule of General Serial Bonds
For the Year Ended December 31, 2017

Purpose	Date of Issue	Original Issue	Maturity of Bonds Outstanding			Interest Rate	Balance December 31, 2016	Increased	Decreased	Balance December 31, 2017
			Date	Amount						
Balance Brought Foward							\$ 51,960,000.00	\$ -	\$ 16,557,000.00	\$ 47,903,000.00
General Obligation Bonds of 2015	04/09/15	\$ 7,492,000.00	4/1/2018	\$ 395,000.00	5.000%		7,242,000.00		395,000.00	6,847,000.00
			4/1/2019	400,000.00	5.000%					
			4/1/2020	400,000.00	5.000%					
			4/1/2021	430,000.00	5.000%					
			4/1/2022	430,000.00	5.000%					
			4/1/2023	430,000.00	3.000%					
			4/1/2024	430,000.00	3.000%					
			4/1/2025	455,000.00	3.000%					
			4/1/2026	480,000.00	3.000%					
			4/1/2027	500,000.00	3.000%					
			4/1/2028	500,000.00	3.000%					
			4/1/2029	500,000.00	3.250%					
			4/1/2030	500,000.00	3.250%					
			4/1/2031	500,000.00	3.500%					
			4/1/2032	497,000.00	3.500%					
Total							\$ 59,202,000.00	\$ -	\$ 16,952,000.00	\$ 54,750,000.00
									\$ 4,230,000.00	
									12,722,000.00	
									\$ 16,952,000.00	

TOWNSHIP OF HOPEWELL
General Capital Fund
Schedule of Bond Anticipation Notes
For the Year Ended December 31, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2017</u>
11-1523	Pennytown/Kooltronics/Marshalls Corner	01/19/12	04/07/16	04/07/17	2.25%	\$ 211,613.00	\$ -	\$ 211,613.00	\$ -
11-1523	Pennytown/Kooltronics/Marshalls Corner	01/19/12	04/06/17	04/06/18	1.24%	-	202,992.00	-	202,992.00
13-1582	Roadway Improvements	04/10/14	04/07/16	04/07/17	2.25%	167.00	-	167.00	-
13-1585	Acquisition of Property	04/10/14	04/07/16	04/07/17	2.25%	1,888,429.00	-	1,888,429.00	-
14-1593	Acquisition of Property for Open Space	05/20/14	04/07/16	04/07/17	2.25%	486,861.00	-	486,861.00	-
15-1610	Various Capital improvements	7/23/2015	04/07/16	04/07/17	2.25%	806,075.00	-	806,075.00	-
15-1610	Various Capital improvements	7/23/2015	04/06/17	04/06/18	1.24%	-	794,851.00	-	794,851.00
16-1670	Various Capital improvements	07/16/16	07/16/16	04/07/17	0.75%	4,162,680.00	-	4,162,680.00	-
16-1670	Various Capital improvements	07/16/16	04/06/17	04/06/18	1.24%	-	4,116,056.00	-	4,116,056.00
						<u>\$ 7,555,825.00</u>	<u>\$ 5,113,899.00</u>	<u>\$ 7,555,825.00</u>	<u>\$ 5,113,899.00</u>
						Issued for Cash	\$ -	\$ -	
						Paid by Current Fund Budget Appropriation	-	66,636.00	
						Paid by Open Space Trust Fund	-	2,375,290.00	
						Renewals	5,113,899.00	5,113,899.00	
						Total	<u>\$ 5,113,899.00</u>	<u>\$ 7,555,825.00</u>	

TOWNSHIP OF HOPEWELL
General Capital Fund
Schedule of Green Trust Loan Payable
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 241,759.58
Decreased by:	
Payment of Principal	<u>42,011.21</u>
Balance December 31, 2017	<u>\$ 199,748.37</u>

TOWNSHIP OF HOPEWELL
General Capital Fund
 Schedule of Improvement Authorizations
 For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance December 31, 2016			2017 Authorizations				Balance December 31, 2017		
				Funded	Unfunded	To Future Taxation - Unfunded	Capital Improvement Fund	Paid or Charged	Canceled	Funded	Unfunded		
05-1334	Various Capital Improvements	5/23/05	2,637,201.00	\$ 74,125.85	\$ -	\$ -	\$ 28,976.24	\$ 45,149.61	\$ -	\$ -	\$ -		
07-1393	Various Capital Improvements	05/14/07	4,614,464.00	61,587.59	-	-	51,393.01	10,194.58	-	-	-		
08-1425-1431	Various Capital Improvements	04/14/08	5,359,172.66	196,818.22	-	-	-	-	13,193.28	183,624.94	-	-	
09-1463	Various Capital Improvements	03/09/09	4,215,713.00	41,060.02	-	-	-	8,000.00	33,060.02	-	-		
09-1477	Police Equipment	08/10/09	27,500.00	132.50	-	-	-	-	132.50	-	-		
10-1492	Various Capital Improvements	08/23/10	3,311,312.00	172,613.17	-	-	-	-	172,613.17	-	-		
10-1493	Village of Titusville Sidewalks	08/23/10	331,222.00	1,551.42	-	-	-	-	41.92	1,509.50	-	-	
11-1516	Various Capital Improvements	05/09/11	2,939,625.00	100,544.55	-	-	-	95,700.00	4,844.55	-	-		
11-1522	Various Improvements	07/05/11	1,090,000.00	8,745.00	-	-	-	-	8,711.25	33.75	-	-	
12-1548	Improvements to Harbourtown-												
	Rocktown Road	06/11/12	130,240.00	101,746.40	-	-	-	101,746.40	-	-	-		
12-1552/1563	Renovations to Municipal Building	11/26/12	60,000.00	24,445.26	-	-	-	-	24,445.26	-	-		
13-1576	Various Capital Improvements	04/22/13	2,629,578.00	100,000.00	-	-	-	-	-	100,000.00	-	-	
13-1586	Construction of Trails for the Lawrence Hopewell Trail System	11/12/13	400,000.00	390,388.00	-	-	-	-	-	390,388.00	-	-	
14-1596	Various Capital Improvements	03/24/14	2,951,016.00	1,296,439.36	-	-	-	936,143.03	77,456.08	282,840.25	-	-	
15-1610	Various Capital Improvements	06/08/15	848,500.00	-	75,755.00	-	-	12,934.30	-	-	62,820.70	-	
16-1630	Various Capital Improvements	05/24/16	4,498,680.00	-	2,504,157.56	-	-	1,692,628.36	-	-	811,529.20	-	
17-1662	Various Capital Improvements	06/26/17	610,121.56	-	-	555,148.42	54,973.14	57,240.08	-	-	552,881.48	-	
Total				<u>\$ 2,570,197.34</u>	<u>\$ 2,579,912.56</u>	<u>\$ 555,148.42</u>	<u>\$ 54,973.14</u>	<u>\$ 2,984,761.42</u>	<u>\$ 389,842.22</u>	<u>\$ 958,396.44</u>	<u>\$ 1,427,231.38</u>		
Paid or Charged:													
Cash Disbursed													
Canceled:													
Reserve for Debt Service													
Fund Balance													

TOWNSHIP OF HOPEWELL
General Capital Fund
Schedule of Capital Improvement Fund
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 1,899.95
Increased by:	
2017 Current Budget Appropriation	<u>54,973.14</u>
Subtotal	56,873.09
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>54,973.14</u>
Balance December 31, 2017	<u><u>\$ 1,899.95</u></u>

TOWNSHIP OF HOPEWELL
General Capital Fund
 Statement of Bonds and Notes Authorized But Not Issued
 For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Balance		Bond Anticipation			Balance Dec. 31, 2017
		Dec. 31, 2016	2017 Authorizations	Notes Issued	Canceled		
16-1630	Various Capital Improvements	\$ -	\$ 555,148.42	\$ -	\$ -	\$ 555,148.42	
	Total	\$ -	\$ 555,148.42	\$ -	\$ -	\$ 555,148.42	

WATER UTILITY FUND

TOWNSHIP OF HOPEWELL
Water Utility Operating Fund
Schedule of Cash - Treasurer
For the Year Ended December 31, 2017

	<u>OPERATING</u>	<u>CAPITAL</u>
Balance December 31, 2016	\$ 161,882.95	\$ 65,474.61
Receipts:		
Consumer Accounts Receivable	\$ 70,997.56	
Water Rent Overpayments	26.74	
Interest on Investments	1,668.42	
Miscellaneous Revenue	271.04	
Budget Refunds	102.48	
Budget Appropriation	-	\$ 11,386.31
Contribution from Current Fund	<u>3,718.81</u>	<u>-</u>
 Total Receipts	 <u>76,785.05</u>	 <u>11,386.31</u>
 Subtotal	 238,668.00	 76,860.92
 Disbursements:		
2017 Appropriations	72,351.19	
2016 Appropriation Reserves	1,918.16	
Interest on Bonds and Notes	2,632.50	
Improvement Authorizations	<u>-</u>	<u>17,542.00</u>
 Total Disbursements	 <u>76,901.85</u>	 <u>17,542.00</u>
 Balance December 31, 2017	 <u>\$ 161,766.15</u>	 <u>\$ 59,318.92</u>

TOWNSHIP OF HOPEWELL
Water Utility Capital Fund
Analysis of Cash - Capital Fund
At December 31, 2017

Fund Balance	\$ 13,768.73
Capital Improvement Fund	41,428.09
Reserve for Debt	822.60

Improvement Authorizations:

Ordinance Number		
13-1575	Painting of the WCE Tank	91.50
16-1632	Imps to McKonkey Way Buidling Roof	<u>3,208.00</u>
Total		<u>\$ 59,318.92</u>

TOWNSHIP OF HOPEWELL
Water Utility Operating Fund
Statement of Consumer Accounts Receivable
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 981.20
Increased by:	
2017 Billing	<u>71,398.35</u>
Total	72,379.55
Decreased by:	
Collections	\$ 70,997.56
Overpayments Applied	<u>10.76</u>
	<u>71,008.32</u>
Balance December 31, 2017	<u><u>\$ 1,371.23</u></u>

TOWNSHIP OF HOPEWELL
Water Utility Capital Fund
 Schedule of Fixed Capital
 At December 31, 2017

Ordinance Number	Improvement Description	Balance Dec. 31, 2016	Additions Ordinance	Balance Dec. 31, 2017
93-950	Construction of Pumping Station McConkey Way	\$ 157,650.00	\$ -	\$ 157,650.00
97-1065	Various Capital Improvements	15,137.00		15,137.00
01-1253	Various Capital Improvements	11,400.00		11,400.00
02-1253	Various Capital Improvements	27,263.04		27,263.04
03-1281	Various Capital Improvements	3,251.33		3,251.33
04-1322	Various Capital Improvements	49,805.26		49,805.26
05-1336	Various Capital Improvements	7,859.40		7,859.40
07-1396	Improvements to Water Utility	10,500.00		10,500.00
11-1532	Repairs to Washington Crossing Estates Water Utility	<u>9,620.00</u>		<u>9,620.00</u>
	Total	<u>\$ 292,486.03</u>	<u>\$ -</u>	<u>\$ 292,486.03</u>

TOWNSHIP OF HOPEWELL
Water Utility Capital Fund
 Schedule of Fixed Capital Authorized and Uncompleted
 For the Year Ended December 31, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Amount</u>	<u>Balance Dec. 31, 2016</u>	2017 Authorizations				<u>Authorizations Canceled</u>	<u>Balance Dec. 31, 2017</u>
					<u>Deferred Reserve for Amortization</u>	<u>Deferred Charges To Future Revenue</u>	<u>Costs to Fixed Capital</u>	<u> </u>		
13-1575	Painting of the WCE Tank	4/22/2013	\$ 50,000.00	\$ 50,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000.00
16-1632	Imps to McKonkey Way Buidling Roof	6/27/2016	\$ 20,750.00	<u>20,750.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>20,750.00</u>
	Total			<u>\$ 70,750.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,750.00</u>

TOWNSHIP OF HOPEWELL
Water Utility Operating Fund
 Statement of 2016 Appropriation Reserves
 For the Year Ended December 31, 2017

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Reserve</u> <u>for</u> <u>Encumbrances</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:					
Salaries and Wages	\$ 2,213.53	\$ 2,213.53	\$ -	\$ -	\$ 2,213.53
Other Expenses	8,943.92	8,943.92	8,834.75	1,918.16	15,860.51
Statutory Expenditures:					
Social Security	<u>59.61</u>	<u>59.61</u>	<u>-</u>	<u>-</u>	<u>59.61</u>
Total	<u>\$ 11,217.06</u>	<u>\$ 11,217.06</u>	<u>\$ 8,834.75</u>	<u>\$ 1,918.16</u>	<u>\$ 18,133.65</u>
Paid or Charged:					
Cash Disbursed				<u>\$ 1,918.16</u>	

TOWNSHIP OF HOPEWELL
Water Utility Operating Fund
 Schedule of Accrued Interest on Bonds and Notes
 and Analysis of Balance
 For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 874.23
Increased By:	
Budget Appropriation for:	
Interest on Bonds	\$ 2,148.75
Interest on Notes	<u>212.79</u>
	<u>2,361.54</u>
Subtotal	3,235.77
Decreased By:	
Interest Paid on Bonds	2,182.50
Interest Paid on Notes	<u>450.00</u>
	<u>2,632.50</u>
Balance December 31, 2017	<u><u>\$ 603.27</u></u>

Analysis of Accrued Interest, December 31, 2017

Principal Outstanding <u>December 31, 2017</u>	Interest <u>Rate</u>	From	To	Amount
Serial Bonds:				
\$ 43,550.00	Various	10/1/2017	12/31/2017	511.88
Bond Anticipation Note:				
\$ 10,000.00	1.24%	4/6/2017	12/31/2017	<u>91.39</u>
Total				<u>\$ 603.27</u>

TOWNSHIP OF HOPEWELL
Water Utility Capital Fund
Schedule of Serial Bonds
For the Year Ended December 31, 2017

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2017</u>
2014 Refunding Bonds	06/05/14	\$ 48,500.00	10/01/18	\$ 4,500.00	4.00%	\$ 48,050.00	\$ -	\$ 4,500.00	\$ 43,550.00
			10/01/19	4,500.00	4.00%				
			10/01/20	5,400.00	4.00%				
			10/01/21	4,950.00	4.00%				
			10/01/22	4,950.00	4.00%				
			10/01/23	4,950.00	4.00%				
			10/01/24	5,850.00	5.00%				
			10/01/25	5,850.00	5.00%				
			10/01/26	2,600.00	5.00%				
Total						\$ 48,050.00	\$ -	\$ 4,500.00	\$ 43,550.00

TOWNSHIP OF HOPEWELL
Water Utility Capital Fund
 Schedule of Bond Anticipation Notes
 For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance		Balance Dec. 31, 2017
						Dec. 31, 2016	Increased	
13-1575	Painting of the WCE Tank	06/06/13	04/07/16	04/07/17	2.25%	\$ 20,000.00	\$ -	\$ 20,000.00
13-1575	Painting of the WCE Tank	06/06/13	04/06/17	04/06/18	1.24%		10,000.00	
	Total					\$ 20,000.00	\$ 10,000.00	\$ 20,000.00
						Budget Appropriation	\$ -	\$ 10,000.00
						Renewals	10,000.00	10,000.00
						Total	\$ 10,000.00	\$ 20,000.00

TOWNSHIP OF HOPEWELL
Water Utility Capital Fund
 Schedule of Improvement Authorizations
 For the Year Ended December 31, 2017

Ordinance <u>Number</u>	Improvement Description	Ordinance <u>Date</u>	Amount	Balance <u>December 31, 2016</u>		Capital Fund <u>Balance</u>	Deferred Charges to Future Taxation <u>Unfunded</u>	Paid or <u>Charged</u>	2017 Authorizations		Balance <u>December 31, 2017</u>
				<u>Funded</u>	<u>Unfunded</u>				<u>Funded</u>	<u>Unfunded</u>	
13-1575	Painting of the WCE Tank	04/22/13	\$ 50,000.00	\$ -	\$ 91.50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91.50
16-1632	Imps to McKonkey Way Buidling Roof	06/27/16	\$ 20,750.00	<u>20,750.00</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>17,542.00</u>	<u>3,208.00</u>	<u> </u>
	Total			<u>\$ 20,750.00</u>	<u>\$ 91.50</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,542.00</u>	<u>\$ 3,208.00</u>	<u>\$ 91.50</u>	

TOWNSHIP OF HOPEWELL
Water Utility Capital Fund
Schedule of Capital Improvement Fund
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 30,041.78
Increased by:	
Budget Appropriation	<u>11,386.31</u>
Balance December 31, 2017	<u><u>\$ 41,428.09</u></u>

TOWNSHIP OF HOPEWELL
Water Utility Capital Fund
Schedule of Reserve for Amortization
For the Year Ended December 31, 2017

Balance December 31, 2016		\$ 265,186.03
Increased by:		
Payment of Serial Bonds	\$ 4,500.00	
Transfer from Deferred Reserve for Amortization		<u>4,500.00</u>
Balance December 31, 2017		<u>\$ 269,686.03</u>

TOWNSHIP OF HOPEWELL
Water Utility Capital Fund
 Schedule of Deferred Reserve for Amortization
 For the Year Ended December 31, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2016</u>	<u>Fixed Capital Authorized</u>	<u>Paid From</u>		<u>Transfer to Reserve for Amortization</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2017</u>
					<u>Operating Budget</u>	<u>Notes</u>	<u>Bonds</u>		
13-1575	Painting of the WCE Tank	04/22/13	\$ 30,000.00	\$ -	\$ 10,000.00	\$ -	\$ -	\$ -	\$ 40,000.00
	Total		<u>\$ 30,000.00</u>	<u>\$ -</u>	<u>\$ 10,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,000.00</u>

TOWNSHIP OF HOPEWELL
Water Capital Fund
Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance Dec. 31, 2016	2017 Authorizations	Bond Anticipation Notes Issued	Balance Dec. 31, 2017
	Total	\$ -	\$ -	\$ -	\$ -

SEWER UTILITY FUND

TOWNSHIP OF HOPEWELL
ELSA Sewer Utility Operating Fund
Schedule of Cash - Treasurer
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 617,914.66
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Receipts:

Consumer Accounts Receivable	\$ 1,126,070.13
Sewer Rent Overpayments	2,094.24
Prepaid Sewer Rents	410.42
Interest on Investments	4,375.97
Budget Refunds	221.37
Miscellaneous Revenue Not Anticipated	<u>3,910.33</u>
 Total Receipts	<u>1,137,082.46</u>

Subtotal	1,754,997.12
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Disbursements:

2017 Appropriations	913,169.43
Reserve for Encumbrances	7,213.66
Interest on Bonds and Notes	16,192.99
Refund of Overpayments	17.08
Budget Refunds	<u>221.37</u>
 Total Disbursements	<u>936,814.53</u>

Balance December 31, 2017	\$ 818,182.59
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TOWNSHIP OF HOPEWELL
SBRSA Sewer Utility Operating Fund
Schedule of Cash - Treasurer
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 331,030.43
Receipts:	
Consumer Accounts Receivable	\$ 323,700.84
Sewer Rent Overpayments	0.09
Prepaid Sewer Rents	4,896.25
Sewer Capital Surplus	1,782.50
Interest on Investments	3,046.14
Miscellaneous Revenue Not Anticipated	2,166.96
Budget Refunds	<u>86.10</u>
 Total Receipts	<u>335,678.88</u>
 Subtotal	 <u>666,709.31</u>
 Disbursements:	
2017 Appropriations	270,169.11
Reserve for Encumbrances	1,428.71
Interest on Bonds and Notes	26,541.85
Budget Refunds	<u>86.10</u>
 Total Disbursements	<u>298,225.77</u>
 Balance December 31, 2017	<u>\$ 368,483.54</u>

TOWNSHIP OF HOPEWELL
Sewer Utility Capital Funds
Schedule of Cash - Treasurer
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 463,164.49
Receipts:	
Interest on Investments - Due Sewer Operating	\$ 3,133.04
Contra	<u>201.55</u>
Total Receipts	<u>3,334.59</u>
Subtotal	466,499.08
Disbursements:	
Improvement Authorizations	32,545.32
Due Sewer Operating	3,133.04
Due to ELSA Sewer Operating Fund	1,782.44
Due to SBRSA Sewer Operating Fund	1,782.44
Contra	<u>201.55</u>
Total Disbursements	<u>39,444.79</u>
Balance December 31, 2017	<u>\$ 427,054.29</u>

TOWNSHIP OF HOPEWELL
Sewer Utility Capital Fund
Analysis of Cash - Capital Fund
At December 31, 2017

Fund Balance	\$ 95,163.07
Capital Improvement Fund	400.00
Reserve for Debt Service	25,331.47

Improvement Authorizations:

Ordinance

Number

03-1280	Various Capital Improvements	3,000.00
07-1394	Various Capital Improvements	109,696.53
12-1544	Acquisition of Equipment	150,000.00
14-1595	Various Improvements to the Sewer Utilities	48,279.37
16-1629	Various Improvements to the Sewer Utilities	4,727.80
17-1661	Replacement of Pump	<u>(9,543.95)</u>

Total

\$ 427,054.29

TOWNSHIP OF HOPEWELL
ELSA Sewer Utility Operating Fund
Statement of Consumer Accounts Receivable
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 63,304.05
Increased by:	
2017 Billing	<u>1,137,916.34</u>
Total	1,201,220.39
Decreased by:	
Collections	\$ 1,126,070.13
Prepaid Applied	1,901.09
Overpayments Applied	<u>3,341.07</u> <u>1,131,312.29</u>
Balance December 31, 2017	<u>\$ 69,908.10</u>

TOWNSHIP OF HOPEWELL
SBRSA Sewer Utility Operating Fund
Statement of Consumer Accounts Receivable
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 6,182.76
Increased by:	
2017 Billing	<u>326,875.19</u>
Total	333,057.95
Decreased by:	
Collections	\$ 323,700.84
Prepaid Applied	770.08
Overpayments Applied	<u>100.30</u> <u>324,571.22</u>
Balance December 31, 2017	<u>\$ 8,486.73</u>

TOWNSHIP OF HOPEWELL
Sewer Utility Capital Fund
Schedule of Fixed Capital
For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Balance Dec. 31, 2016	Additions by Ordinance	Balance Dec. 31, 2017
88-774/ 90-860	Improvements and Extension of Sewer System in Princeton Farms area	\$ 1,708,910.33	\$ -	\$ 1,708,910.33
90-873	Princeton Farms Sewer Lines	403,320.00		403,320.00
97-1064	Various Capital Improvements	92,830.00		92,830.00
99-1120	Capital Equipment	13,800.00		13,800.00
01-1189	Various Capital Improvements	191,800.00		191,800.00
02-1240	Various Capital Improvements	148,161.09		148,161.09
02-1247	Various Capital Improvements	83,221.00		83,221.00
02-1252	Various Capital Improvements	81,500.00		81,500.00
04-1315	Various Capital Improvements	126,884.47		126,884.47
05-1335	Various Equipment	<u>295,000.00</u>		<u>295,000.00</u>
	Total	<u>\$ 3,145,426.89</u>	<u>\$ -</u>	<u>\$ 3,145,426.89</u>

TOWNSHIP OF HOPEWELL
Sewer Utility Capital Fund
 Schedule of Fixed Capital Authorized and Uncompleted
 For the Year Ended December 31, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Amount</u>	<u>Balance Dec. 31, 2016</u>	2017 Authorizations				<u>Raised in 2016 Budget</u>	<u>Authorizations Canceled</u>	<u>Balance Dec. 31, 2017</u>
					<u>Deferred Reserve for Amortization</u>	<u>Deferred Charges To Future Revenue</u>	<u>Costs To Fixed Capital</u>	<u> </u>			
03-1280	Various Capital Improvements	06/05/03	\$ 191,000.00	\$ 169,999.97	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 169,999.97
07-1394	Acquisition of Various Equipment	05/14/07	334,703.00	334,703.00							334,703.00
12-1544	Acquisition of Equipment	05/14/12	155,000.00	155,000.00							155,000.00
14-1595	Various Improvements	03/24/14	327,800.00	327,800.00							327,800.00
16-1629	Various Improvements	07/19/16	42,750.00	39,185.12							39,185.12
17-1661	Replacement of Pump	07/26/17	150,000.00								105,000.00
Total				<u>\$ 1,026,688.09</u>	<u>\$ -</u>	<u>\$ 105,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,131,688.09</u>

TOWNSHIP OF HOPEWELL
ELSA Sewer Utility Operating Fund
 Statement of 2016 Appropriation Reserves
 For the Year Ended December 31, 2017

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Reserve</u> <u>for</u> <u>Encumbrances</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:					
Salaries and Wages	\$ 3,889.42	\$ 3,889.42	\$ -	\$ -	\$ 3,889.42
Other Expenses	10,071.95	10,071.95	14,101.00	7,213.66	16,959.29
Statutory Expenditures:					
Social Security System	<u>102.45</u>	<u>102.45</u>	<u>-</u>	<u>-</u>	<u>102.45</u>
Total	<u>\$ 14,063.82</u>	<u>\$ 14,063.82</u>	<u>\$ 14,101.00</u>	<u>\$ 7,213.66</u>	<u>\$ 20,951.16</u>
Paid or Charged:					
Cash Disbursed				<u>\$ 7,213.66</u>	

TOWNSHIP OF HOPEWELL
SBRSA Sewer Utility Operating Fund
 Statement of 2016 Appropriation Reserves
 For the Year Ended December 31, 2017

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Reserve</u> <u>for</u> <u>Encumbrances</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:					
Salaries and Wages	\$ 1,713.88	\$ 1,713.88	\$ -	\$ -	\$ 1,713.88
Other Expenses	37,849.32	37,849.32	4,783.96	1,428.71	41,204.57
Statutory Expenditures:					
Social Security System	<u>85.52</u>	<u>85.52</u>	<u>-</u>	<u>-</u>	<u>85.52</u>
Total	<u>\$ 39,648.72</u>	<u>\$ 39,648.72</u>	<u>\$ 4,783.96</u>	<u>\$ 1,428.71</u>	<u>\$ 43,003.97</u>
Paid or Charged:					
Cash Disbursed				<u>\$ 1,428.71</u>	

TOWNSHIP OF HOPEWELL
ELSA Sewer Utility Operating Fund
 Schedule of Accrued Interest on Bonds and Notes
 and Analysis of Balance
 For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 4,255.51
Increased By:	
Budget Appropriation for:	
Interest on Bonds	\$ 15,907.94
Interest on Notes	<u>321.65</u>
Subtotal	20,485.10
Decreased By:	
Interest Paid on Bonds	16,016.00
Interest Paid on Notes	<u>176.99</u>
Balance December 31, 2017	<u><u>\$ 4,292.11</u></u>

Analysis of Accrued Interest, December 31, 2017

<u>Principal Outstanding December 31, 2017</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Amount</u>
Serial Bonds:				
\$ 476,450.00	various	10/01/17	12/31/17	\$ 1,656.20
726,000.00	various	10/01/17	12/31/17	2,379.65
Bond Anticipation Note:				
\$ 39,185.00	1.24%	07/19/17	12/31/17	<u>256.26</u>
Total				<u><u>\$ 4,292.11</u></u>

TOWNSHIP OF HOPEWELL
SBRSA Sewer Utility Operating Fund
 Schedule of Accrued Interest on Bonds and Notes
 and Analysis of Balance
 For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 6,070.06
Increased By:	
Budget Appropriation for:	
Interest on Bonds	\$ 24,385.81
Interest on Notes	<u>1,878.55</u>
Subtotal	<u>26,264.36</u>
	32,334.42
Decreased By:	
Interest Paid on Bonds	24,706.50
Interest Paid on Notes	<u>1,835.35</u>
Balance December 31, 2017	<u>\$ 5,792.57</u>

Analysis of Accrued Interest, December 31, 2017

<u>Principal Outstanding</u> <u>December 31, 2017</u>	<u>Interest</u> <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Amount</u>
<u>Serial Bonds:</u>				
\$ 476,450.00	various	10/01/17	12/31/17	3,519.43
\$ 726,000.00	various	10/01/17	12/31/17	2,196.60
<u>Bond Anticipation Note:</u>				
\$ 39,185.00	1.24%	07/19/17	12/31/17	<u>76.54</u>
Total				<u>\$ 5,792.57</u>

TOWNSHIP OF HOPEWELL
Sewer Utility Capital Fund
Schedule of Serial Bonds
For the Year Ended December 31, 2017

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2017</u>
2014 Refunding Bonds	06/05/14	\$ 521,950.00	10/1/18	\$ 45,500.00	4.00%	\$ 521,950.00	\$ -	\$ 45,500.00	\$ 476,450.00
			10/1/19	45,500.00	4.00%				
			10/1/20	54,600.00	4.00%				
			10/1/21	50,050.00	4.00%				
			10/1/22	50,050.00	4.25%				
			10/1/23	50,050.00	4.25%				
			10/1/24	59,150.00	4.25%				
			10/1/25	59,150.00	4.25%				
			10/1/26	62,400.00	4.25%				
Sewer Utility Bonds	04/29/15	791,000.00	4/1/2018	35,000.00	2.00%	761,000.00			
			4/1/2019	30,000.00	2.00%				
			4/1/2020	35,000.00	2.00%				
			4/1/2021	45,000.00	2.00%				
			4/1/2022	45,000.00	2.00%				
			4/1/2023	45,000.00	2.00%				
			4/1/2024	45,000.00	2.00%				
			4/1/2025	45,000.00	2.00%				
			4/1/2026	45,000.00	2.50%				
			4/1/2027	60,000.00	3.00%				
			4/1/2028	60,000.00	3.00%				
			4/1/2029	60,000.00	3.00%				
			4/1/2030	60,000.00	3.00%				
			4/1/2031	60,000.00	3.00%				
			4/1/2032	56,000.00	3.00%				
Total						\$ 1,282,950.00	\$ -	\$ 80,500.00	\$ 1,202,450.00

TOWNSHIP OF HOPEWELL
Sewer Utility Capital Fund
 Schedule of Bond Anticipation Notes
 For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2016	Increased	Decreased	Balance Dec. 31, 2017
16-1629	Various Capital Improvements	07/19/16	07/19/16	04/07/19	0.75%	\$ 42,750.00	\$ -	\$ 42,750.00	\$ -
16-1629	Various Capital Improvements	07/19/16	04/06/17	04/06/18	1.24%	-\$	<u>39,185.00</u>	-\$	<u>39,185.00</u>
	Total					<u>\$ 42,750.00</u>	<u>\$ 39,185.00</u>	<u>\$ 42,750.00</u>	<u>\$ 39,185.00</u>
					Issued for Cash	\$ -	\$ -		
					Paid by Budget Appropriation			3,565.00	
					Renewals	<u>39,185.00</u>	<u>39,185.00</u>		
					Total	<u>\$ 39,185.00</u>	<u>\$ 42,750.00</u>		

TOWNSHIP OF HOPEWELL
Sewer Utility Capital Fund
 Schedule of Improvement Authorizations
 For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance December 31, 2016		2017 Authorizations			Balance December 31, 2017		
				Funded	Unfunded	Down Payment of Capital Improvement Fund	Deferred Charges to Future Revenue	Paid or Charged	Funded	Unfunded	
03-1280	Various Capital Improvements	06/05/03	\$191,000.00	\$ 3,000.00	\$ -	\$ -	\$ -	\$ -	\$ 3,000.00	\$ -	
07-1394	Various Capital Improvements	5/14/2007	334,703.00	109,696.53						109,696.53	
12-1544	Various Capital Improvements	5/14/2012	155,000.00	154,979.17				4,979.17		150,000.00	
14-1595	Various Capital Improvements	3/24/2014	327,800.00	48,279.37						48,279.37	
16-1629	Various Capital Improvements	7/19/2016	42,750.00		22,750.00			18,022.20			4,727.80
17-1661	Replacement of Pump	6/26/2017	105,000.00				105,000.00	9,543.95			95,456.05
Total				\$ 315,955.07	\$ 22,750.00	\$ -	\$ 105,000.00	\$ 32,545.32	\$ 310,975.90		\$ 100,183.85

**TOWNSHIP OF HOPEWELL
Sewer Utility Capital Fund**
Schedule of Capital Improvement Fund
For the Year Ended December 31, 2017

Balance December 31, 2016 and 2017	\$ <u>400.00</u>
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TOWNSHIP OF HOPEWELL
Sewer Utility Capital Fund
Schedule of Reserve for Amortization
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 2,846,414.98
 Increased by:	
Serial Bond Payment	<u>80,500.00</u>
Balance December 31, 2017	<u><u>\$ 2,926,914.98</u></u>

TOWNSHIP OF HOPEWELL
Sewer Utility Capital Fund

Schedule of Deferred Reserve for Amortization
For the Year Ended December 31, 2017

<u>Ordinance Number</u>		<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2016</u>	<u>Fixed Capital Authorized</u>	<u>Paid From Operating Budget Notes</u>	<u>Transfer to Reserve for Amortization</u>	<u>Balance Dec. 31, 2017</u>
16-1629	Various Capital Improvements	05/24/16	\$ -	\$ -	\$ 3,565.00	\$ -	\$ 3,565.00
			<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,565.00</u>	<u>\$ -</u>	<u>\$ 3,565.00</u>

TOWNSHIP OF HOPEWELL
Sewer Utility Capital Fund
 Statement of Bonds and Notes Authorized But Not Issued
 For the Year Ended December 31, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance	2017	Bond Anticipation	<u>Notes Issued</u>	<u>Canceled</u>	Balance
		<u>Dec. 31, 2016</u>	<u>Authorizations</u>	<u>Dec. 31, 2017</u>			<u>Dec. 31, 2017</u>
17-1661	Replacement of Pump	\$ -	\$ 105,000.00	\$ -	\$ -	\$ -	\$ 105,000.00
	Total	<u>\$ -</u>	<u>\$ 105,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,000.00</u>

PUBLIC ASSISTANCE FUND

TOWNSHIP OF HOPEWELL
Public Assistance Fund
Schedule of Cash - Treasurer
For the Year Ended December 31, 2017

	PATF I	PATF II	Fund Total
Balance December 31, 2016	\$ 7,772.44	\$ 1,503.71	\$ 9,276.15
Increased by:			
Interest Earned	65.93	-	65.93
Balance December 31, 2017	<u>\$ 7,838.37</u>	<u>\$ 1,503.71</u>	<u>\$ 9,342.08</u>

TOWNSHIP OF HOPEWELL
Public Assistance Fund
Schedule of Public Assistance Cash and Reconciliation
For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 9,276.15
Increased by:	
Interest Earned	<u>65.93</u>
Balance December 31, 2017	<u>\$ 9,342.08</u>

Reconciliation December 31, 2017

Balance on deposit per statement of:	
The Bank of Princeton	\$ 9,342.08
Checking Account	
Balance December 31, 2017	<u>\$ 9,342.08</u>

TOWNSHIP OF HOPEWELL

PART III

Statistical Section

For the Year Ended December 31, 2017

Table 1

Township of Hopewell
Current Fund Expenditures by Function
Last Ten Years
Unaudited

Year	General Government		Public Safety		Public Works		Health and Welfare		Unclassified		Deferred Charges and Statutory Expenditures		State and Federal Grants		Capital Improvements		Debt Service		Reserve for Uncollected Taxes		Total	
2017	\$ 6,547,924		\$ 4,138,615		\$ 1,790,310		\$ 317,141		\$ 564,000		\$ 1,856,753		\$ 1,379,329		\$ 1,603,310		\$ 5,221,759		\$ 1,258,078		\$ 24,677,219	
2016	5,964,454		4,247,757		2,177,456		348,468		641,190		1,770,108		432,426		229,032		5,328,934		1,224,050		22,363,875	
2015	6,291,059		4,134,634		2,281,328		312,195		803,250		1,763,108		696,123		729,093		6,460,493		1,489,367		24,960,650	
2014	6,056,158		3,999,557		2,286,924		372,152		906,250		1,710,309		358,217		155,319		3,945,151		1,459,458		21,249,495	
2013	6,793,445		4,083,476		2,029,427		400,533		876,750		1,720,570		803,591		160,479		3,577,049		1,401,338		21,846,658	
2012	6,262,172		4,017,739		1,987,992		366,693		846,600		1,755,140		390,040		198,864		3,167,877		1,349,507		20,342,624	
2011	5,723,493		3,859,063		1,980,958		347,046		808,600		1,708,323		1,596,003		146,981		3,214,042		1,332,808		20,717,317	
2010	5,675,722		3,943,482		2,072,090		353,556		810,704		1,464,487		1,474,555		98,246		3,105,605		1,314,554		20,313,001	
2009	5,793,044		4,041,226		1,961,511		403,697		758,000		1,532,429		900,890		210,786		3,127,518		1,845,194		20,574,295	
2008	5,836,293		3,844,521		1,845,684		394,289		693,000		1,478,585		1,405,538		351,124		2,740,540		1,840,742		20,430,316	

Table 2a

Township of Hopewell
Water Utility Operating Fund Expenditures By Function
Last Ten Years
Unaudited

Year	Operating	Debt Service	Capital	Deferred Charges and Statutory Expenditures	Total
2017	\$ 61,710	\$ 16,862	\$ 11,386	\$ 725	\$ 90,683
2016	55,731	17,267	220	725	73,943
2015	45,602	16,391	13,945	695	76,633
2014	50,970	16,596	15,259	600	83,425
2013	45,820	6,706	13,143	800	66,469
2012	59,170	6,030	-	1,250	66,450
2011	58,350	16,813	9,245	1,250	85,658
2010	64,450	6,708	-	1,400	72,558
2009	64,685	6,743	-	1,365	72,793
2008	56,500	7,155	-	1,250	64,905

Table 2b

Sewer Utility Operating Fund Expenditures By Function
Last Ten Years
Unaudited

Year	Operating	Debt Service	Capital	Deferred Charges and Statutory Expenditures	Total
2017	\$ 1,246,831	\$ 126,559	\$ -	\$ 2,350	\$ 1,375,740
2016	1,269,280	118,145	-	7,350	1,394,775
2015	1,151,806	79,961	-	8,009	1,239,776
2014	1,145,634	73,801	-	6,400	1,225,835
2013	1,136,531	74,653	-	2,500	1,213,684
2012	1,153,194	69,147	7,750	168,286	1,398,377
2011	1,126,058	67,660	-	2,000	1,195,718
2010	1,028,200	74,795	-	2,200	1,105,195
2009	1,024,770	72,360	-	2,146	1,099,276
2008	961,046	106,643	-	2,000	1,069,689

Table 3

Township of Hopewell
Current Revenues By Source
Last Ten Years
Unaudited

Year	Taxes (1)	Delinquent Taxes	Fees, Permits, Interest, Fines and Licenses	State Aid	State and Federal Grants	Surplus Anticipated	Non Budget Revenues and Other Items	Total
2017	\$ 15,386,048	\$ 617,719	\$ 1,567,267	\$ 1,634,157	\$ 1,352,528	\$ 4,084,148	\$ 2,018,509	\$ 26,660,376
2016	15,044,922	597,346	1,560,115	1,634,157	420,022	2,068,558	1,995,052	23,320,172
2015	15,123,139	805,259	1,580,036	1,634,157	655,432	2,265,811	3,904,495	25,968,329
2014	14,376,709	696,095	1,499,373	1,634,157	338,671	1,615,811	2,018,972	22,179,788
2013	13,348,762	879,843	1,464,829	1,634,157	789,119	1,415,811	2,944,039	22,476,560
2012	12,468,335	1,282,776	1,588,392	1,634,157	378,339	1,915,811	1,574,128	20,841,938
2011	14,243,183	2,842,913	1,464,391	1,634,157	1,584,302	1,415,811	2,161,718	25,346,475
2010	12,148,087	947,618	1,236,956	1,650,454	1,463,166	1,415,811	2,023,841	20,885,933
2009	12,911,754	1,119,889	1,206,664	2,141,115	888,231	1,415,811	1,792,682	21,476,146
2008	13,635,481	1,236,638	1,396,503	2,232,370	1,394,815	1,415,811	851,332	22,162,950

1

(1) Excludes taxes allocated to county and school.

Township of Hopewell
Assessed Value and Estimate of Total Value
Last Ten Years
Unaudited

Table 4

Year	Net Assessed Valuation Taxable	Estimated Full Cash Valuation	Percentage of Net Assessed Value to Estimated Full Cash Valuation
2017	\$ 3,969,467,988	\$ 4,190,664,752	94.72%
2016	3,958,731,853	4,054,739,536	97.63%
2015	3,968,475,958	3,983,615,416	99.62%
2014	3,988,204,768	3,915,117,682	101.87%
2013	4,006,497,207	3,929,681,004	101.95%
2012	4,057,775,200	4,003,841,822	101.35%
2011	4,183,452,489	4,073,248,162	102.71%
2010	4,341,859,988	4,159,076,020	104.39%
2009	4,489,000,000	4,322,023,148	103.86%
2008	4,550,576,567	4,379,444,863	103.91%

Table 5

Township of Hopewell
Schedule of Ten Largest Taxpayers
Unaudited

Taxpayer	Assessed Valuation 2017	As a Percent of Total Net Assessed Valuation Taxable
1) Bristol Myers Squibb	\$ 233,797,800	5.89%
2) CCI-Hopewell VI, LLC	108,763,504	2.74%
3) Cole Hopewell Twp	92,400,000	2.33%
4) Janssen Pharmaceutica	91,230,100	2.30%
5) AREP Hopewell LLC	74,025,000	1.86%
6) One Talent, LLC	42,433,200	1.07%
7) Hopewell TC Associates	24,646,100	0.62%
8) Trap Rock Industries LLC	22,280,300	0.56%
9) Carter Rd III, LLC	16,000,000	0.40%
10) Transco Gas Pipeline	13,842,100	0.35%
 Total	 <u>\$ 719,418,104</u>	 <u>18.12%</u>

Table 6

Township of Hopewell
 Ratio of Bonded Debt, Bond Anticipation Notes, and Loans To Equalized Value
 and Per Capita
 Last Ten Years
 Unaudited

Year	Population (1)	Average Equalized Valuation	Gross Debt	Gross Debt Per Capita	Ratio of Gross Debt To Equalized Valuation		Net Bonded Debt	Ratio of Net Bonded Debt To Equalized Valuation		Net Bonded Debt Per Capita
2017	18,523	\$ 4,167,416,079	\$ 105,390,366	\$ 5,690	2.53%		\$ 48,879,095	1.17%		\$ 2,639
2016	18,523	4,066,224,323	115,008,273	6,209	2.83%		52,079,987	1.28%		2,812
2015	18,548	4,030,350,464	89,566,539	4,829	2.22%		49,229,105	1.22%		2,654
2014	18,499	3,954,601,508	97,742,775	5,284	2.47%		55,219,006	1.40%		2,985
2013	18,350	3,994,903,658	100,504,046	5,477	2.52%		55,003,379	1.38%		2,997
2012	18,313	4,091,414,083	101,408,790	5,538	2.48%		55,039,230	1.35%		3,005
2011	18,209	4,197,259,448	102,789,132	5,645	2.45%		54,268,763	1.29%		2,980
2010	18,317	4,281,662,204	94,976,878	5,185	2.22%		50,125,259	1.17%		2,737
2009	17,776	4,335,837,661	96,871,291	5,450	2.23%		48,383,545	1.12%		2,722
2008	17,733	4,314,539,339	97,732,936	5,511	2.27%		46,596,217	1.08%		2,628

65

(1) Per the State of New Jersey Department of Labor.

Table 7

Township of Hopewell
Ratio of Annual Debt Service Expenditures - Current Fund
Last Ten Years
Unaudited

Year	Principal	Interest	Total Debt Service	Total Current Fund Governmental Expenditures	Ratio of Debt Service to Current Fund Expenditures
2017	\$ 3,531,029	\$ 1,690,730	\$ 5,221,759	\$ 24,677,219	21.16%
2016	3,559,167	1,769,767	5,328,934	22,363,575	23.83%
2015	4,623,312	1,837,181	6,460,493	24,960,650	25.88%
2014	2,455,315	1,489,835	3,945,150	21,249,495	18.57%
2013	2,254,437	1,322,612	3,577,049	21,846,658	16.37%
2012	1,922,877	1,245,000	3,167,877	20,342,624	15.57%
2011	1,615,230	1,598,812	3,214,042	20,717,317	15.51%
2010	2,034,547	1,071,058	3,105,605	20,313,001	15.29%
2009	1,880,372	1,247,146	3,127,518	20,574,295	15.20%
2008	1,449,010	1,291,530	2,740,540	20,430,316	13.41%

Table 8a

Township of Hopewell
Water Utility - Self Liquidating Calculation
Per N.J.S.A. 40A:2-45
Last Ten Years
Unaudited

Year	Fees, Rents and Other Charges	Operating and Maintenance	Debt Service	Liquidating (Nonliquidating)
2017	\$ 76,667	\$ 62,435	\$ 16,862	\$ (2,630)
2016	81,320	56,456	17,267	7,597
2015	76,058	46,297	16,391	13,370
2014	81,079	51,570	16,780	12,729
2013	88,271	46,620	6,706	34,945
2012	72,527	60,420	6,030	6,077
2011	86,375	59,600	16,813	9,962
2010	82,575	66,850	6,508	9,217
2009	73,290	66,050	6,743	497
2008	67,197	57,750	7,155	2,292

Table 8b

Sewer Utility - Self Liquidating Calculation
Per N.J.S.A. 40A:2-45
Last Ten Years
Unaudited

Year	Fees, Rents and Other Charges	Operating and Maintenance	Debt Service	Liquidating (Nonliquidating)
2017	\$ 1,633,894	\$ 1,249,181	\$ 126,559	\$ 258,154
2016	1,580,982	1,271,630	118,000	191,352
2015	1,295,881	1,154,105	79,961	61,815
2014	1,407,435	1,147,834	75,701	183,900
2013	1,355,433	1,139,031	74,652	141,750
2012	1,483,164	1,155,694	69,147	258,323
2011	1,103,897	1,128,058	67,660	(91,821)
2010	1,246,384	1,030,400	74,795	141,189
2009	1,313,042	1,026,916	72,360	213,766
2008	1,137,598	963,046	106,643	67,909

Table 9

Township of Hopewell
Unemployment Rate and Per Capita Income - Last Ten Years
Last Ten Years
Unaudited

Year	Unemployment Rate (1)	Mercer County Per Capita Income
2017	(2)	(2)
2016	2.7%	(2)
2015	2.9%	\$63,247
2014	3.6%	61,238
2013	3.5%	57,703
2012	6.4%	59,043
2011	5.9%	56,399
2010	6.0%	53,125
2009	6.0%	52,774
2008	3.4%	55,903

(1) Per State of New Jersey.

(2) Not Available.

Table 10

Township of Hopewell
Miscellaneous Statistics
Unaudited

Date of Incorporation	1798
Form of Government	Township Committee
Area in Square Miles	58
Miles of Streets	154

BOROUGH OF HOPEWELL

PART IV

Schedule of Findings and Recommendations

For the Year Ended December 31, 2017

**TOWNSHIP OF HOPEWELL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Section 1 -- Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:	<hr/> Unmodified		
Internal control over financial reporting:			
1) Material weaknesses identified?	<hr/>	yes	<input checked="" type="checkbox"/> X <input type="checkbox"/> no
2) Were reportable conditions identified that were not considered to be material weaknesses?	<hr/>	yes	<input checked="" type="checkbox"/> X <input type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<hr/>	yes	<input checked="" type="checkbox"/> X <input type="checkbox"/> no

Federal Awards

A Federal Single Audit was not required

State Awards

A State Single Audit was not required

TOWNSHIP OF HOPEWELL
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2017

Schedule of Financial Statement Findings

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

No Findings Identified

TOWNSHIP OF HOPEWELL
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2017

Schedule of Federal Awards and State Financial Assistance
Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey Circular 15-08-OMB.

FEDERAL AWARDS

A federal single audit was not required.

STATE AWARDS

A state single audit was not required.

TOWNSHIP OF HOPEWELL
Summary Schedule of Prior Year Audit Findings
And Recommendations as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and federal and state grant awards that are required to be reported in accordance with *Government Auditing Standards* and New Jersey OMB's Circular 15-08.

FINANCIAL STATEMENT FINDINGS

There were no prior year findings.

FEDERAL AWARDS

A Federal Single Audit was not required.

STATE AWARDS

A State Single Audit was not required.

TOWNSHIP OF HOPEWELL

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the year ended December 31, 2017

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name Of Surety</u>
Kevin Kuchinski	Mayor		
Vanessa Sandom	Deputy Mayor		
Vanessa Sandom	Committeeperson		
Julie Blake	Committeeperson		
Kristin McLaughlin	Committeeperson		
Paul E. Pogerzelski	Administrator/Engineer	\$1,000,000	(A)
Laurie Gompf	Municipal Clerk	1,000,000	(A)
Ryan Riccio	Tax Assessor	1,000,000	(A)
Kevin Oswold	Municipal Construction Official	1,000,000	(A)
Mark Kataryniak	Zoning Officer	1,000,000	(A)
Robert English	Health Officer	1,000,000	(A)
Judy Niederer	Recreation Director	1,000,000	(A)
Randi Knechel	Senior Service Coordinator	1,000,000	(A)
Roger Haley	Municipal Court Judge	1,000,000	(A)
Margaret Umbro	Court Administrator	1,000,000	(A)
Christine Irizarry	Deputy Court Administrator	1,000,000	(A)
Elaine Cruickshank-Borges	Chief Financial Officer	1,000,000	(A)
Susan Newman	Human Resources Director	1,000,000	(A)
Mary Kennedy-Nadzak	Tax Collector and Tax Search Officer	1,000,000	(A)
George Synder	Director of Public Works	1,000,000	(A)
Lance Maloney	Chief of Police	1,000,000	(A)

(A) - Blanket Surety Coverage of \$50,000 provided by the Mid Jersey Municipal Joint Insurance Fund and \$950,000 provided by the Municipal Excess Liability Joint Insurance Fund.

ACKNOWLEDGMENT

We express our appreciation for the assistance and courtesies extended to us by the Township Officials during the course of the audit.

Respectfully submitted,

INVERSO & STEWART, LLC



Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

May 31, 2018