

**TOWNSHIP OF HOPEWELL
County of Mercer**

Report of Audit of Financial Statements

For the Year Ended December 31, 2018

TOWNSHIP OF HOPEWELL
COUNTY OF MERCER

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TOWNSHIP OF HOPEWELL

PART I

Introductory Section

For the Year Ended December 31, 2018

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) 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/ Chief Financial Officer, who is charged with overseeing the “day-to-day” operations of the municipal government as well as all CFO/Treasurer functions. Township offices and departments include: the Office of the Township Administrator, Office of the Tax Assessor, 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/Chief Finance Officer manages a municipal operating budget of approximately \$23 million and a six year capital improvements program. As of December 31, 2018, there are 93 full-time and 54 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, 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 and the Deer Management 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, 20 Patrol Officers, 6 Dispatchers, 1 Public Safety Technician, 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 2018, 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, 1 Utility/Building Foreman, 2 Heavy Equipment Operators, 3 Light Equipment Operators, 1 Sign Maintenance Worker, 7 Truck Drivers, 2 Mechanics, 5 Laborers, 1 Custodian 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 2018, the department issued permits for septic systems: 4 new systems, 79 replacement systems and 48 repairs to systems; which is the same as in 2017.

Permits for new wells for 2018 were as follows: 10 private new and replacement wells, 6 wells abandoned and 5 pumps replaced.

In 2018, 1,969 dog licenses and 429 cat licenses were issued while in 2017, 1,979 dog licenses and 449 cat licenses were issued

In 2018, the Health Department, along with Rite Aid, administered 479 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 152 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 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 2018, the Planning Board approved 0 major subdivisions, 0 minor subdivision, 1 site plan and 0 amended site plan.

During 2018, the Zoning Board of Adjustment reviewed 18 cases or applications. Of those applications, 9 were for hardship or "bulk" requirement relief (i.e., setbacks, lot coverage); and 8 were for a use not permitted in the zone and 1 amended use variance application. There were 2 site plan and 1 site plan waiver applications associated with the use variance requests; no site plan applications and 4 use variance applications 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 2018, the Construction Office issued 425 Building Permits, 909 Electrical Permits, 993 Plumbing/Mechanical Permits, 76 Fire Permits and 33 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 8 half-day camps during the summer months including: Art in the Park, Baseball, Field Hockey, Soccer, Softball and Volleyball camps, US Sports Institute Multi-Sports Camp, and Wrestling Camp. Additionally, a full-day Teen Travel Camp runs for four weeks in the summer with over 150 participants who travel to destinations throughout the tri-state area. These camps presently serve over 850 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 40 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 2018, 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 classes, 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 Liaison, 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, 2018 has outstanding debt equal to 1.148 % of its equalized value.

As of 2018, Standard and Poor's has awarded Hopewell Township a credit rating of AAA.

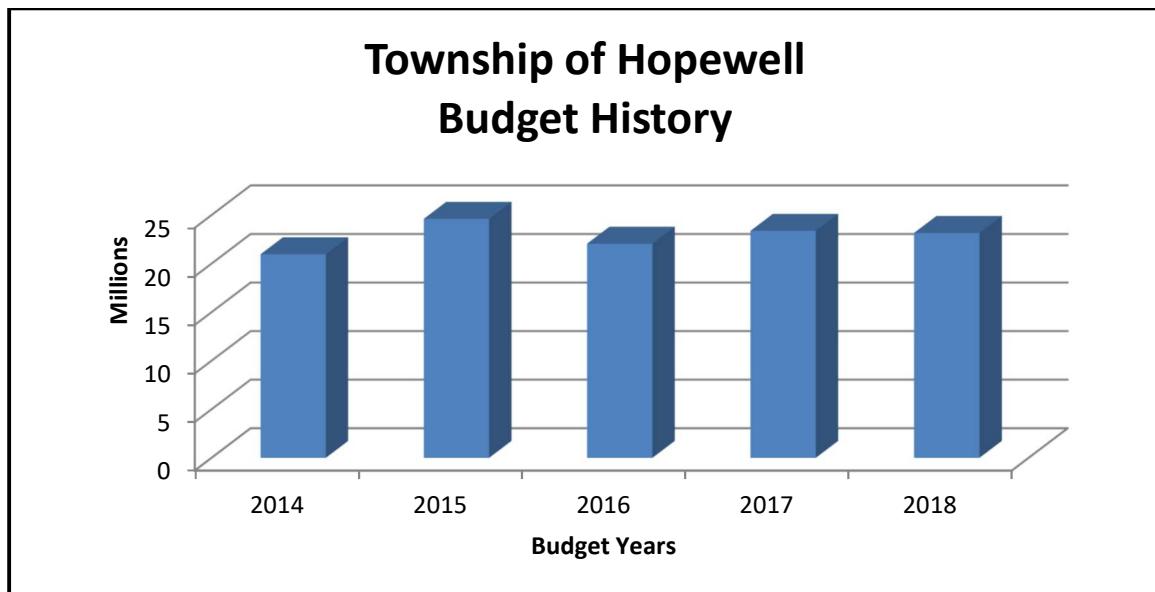
Surplus Fund Balance

Hopewell Township closed out 2018 with a surplus balance of \$10,163,522.58, which is a decrease of \$625,954.92 over 2017's ending balance.

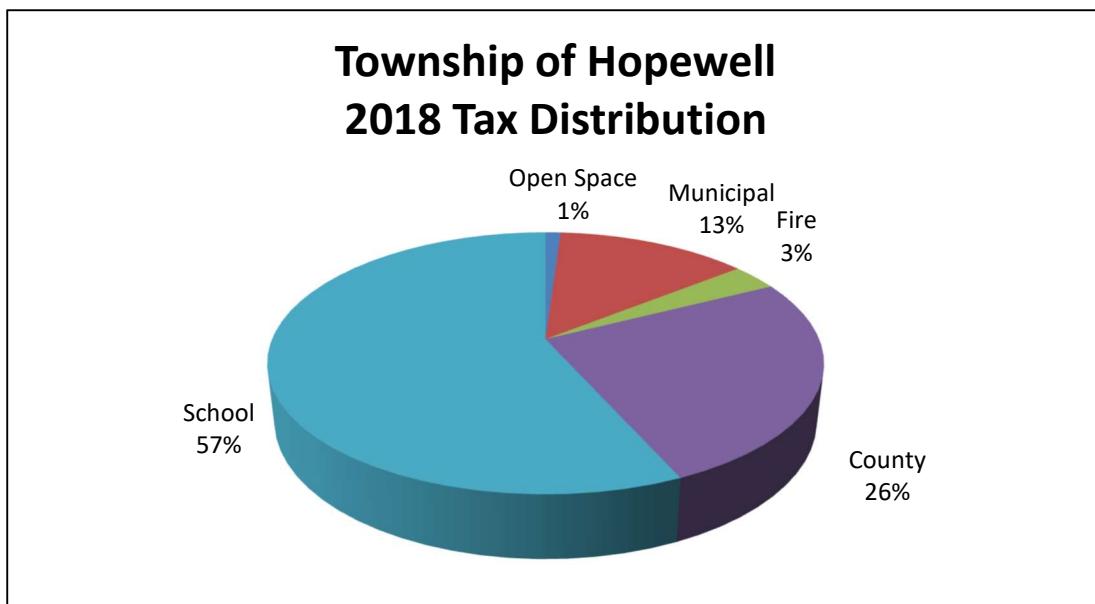
Budget

The 2018 Budget was adopted at \$ 23,158,288.90. This represented a decrease of \$212,092.95 over the 2017 budget.

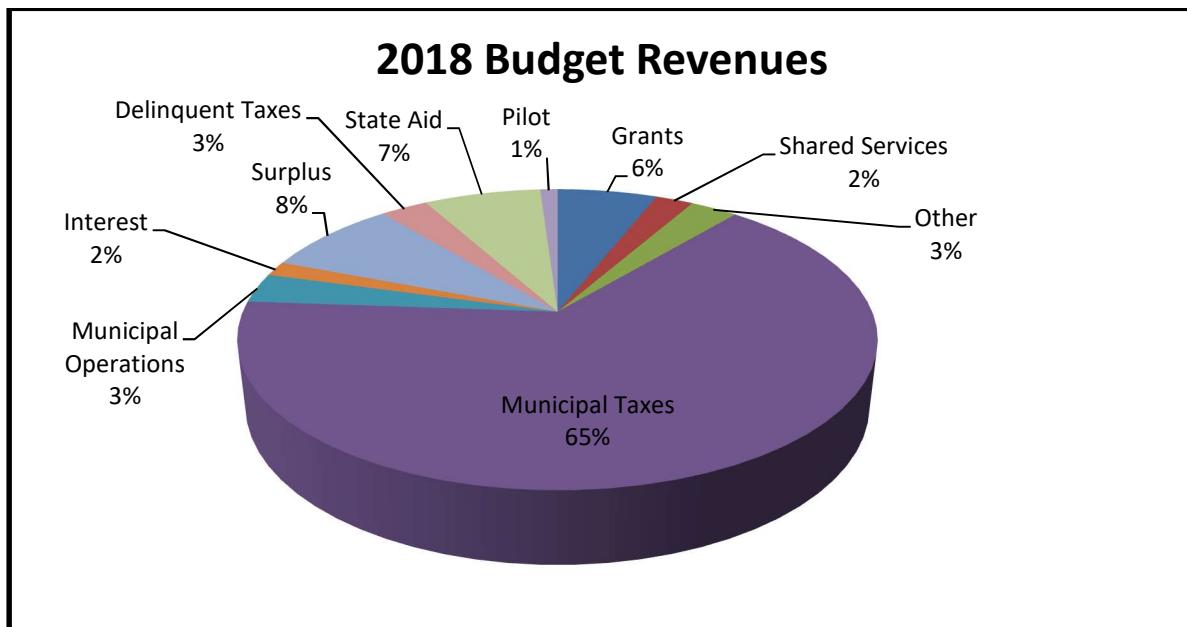
	2014	2015	2016	2017	2018
Annual Budget	\$20,963,661	\$24,615,441	\$22,058,835	\$ 23,370,382	\$23,158,289



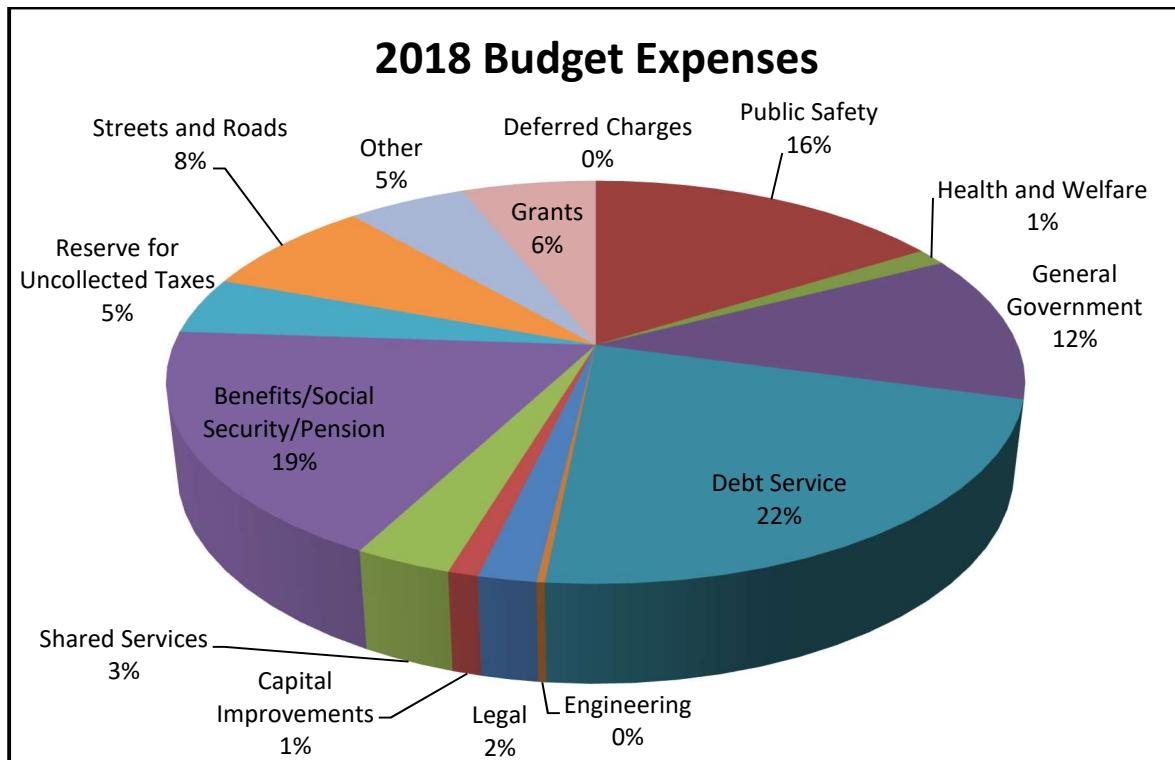
As the below chart demonstrates; municipal taxes represent 13% of all property taxes paid in 2017.



A more detailed analysis of revenues and expenditures for the 2018 budget indicates that (65%) of the budget was supported by tax dollars with Surplus (8%) 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, 2018**

Auditors

Inverso & Stewart, LLC
651 Route 73 N Suite 402
Marlton, NJ 08053
(856) 983-2244

Attorney

Parker McKay P.A.
9000 Midlantic Drive
Mount Laurel, NJ 08054
(856) 596-8900

Bond Counsel

McManimon, Scotland, and Baumann
75 Livingston Avenue
Roseland, NJ 07068
(973) 622-1800

Civil Engineering Consultants

VanCleef Engineering Associates
2345 Route 33
Robbinsville, New Jersey 08691
(609) 259-3263

Township of Hopewell

Governing Body

Kevin Kuchinski – Mayor
Julie Blake – Deputy Mayor
John Hart – Committeeperson
Kristin McLaughlin – Committeeperson
Michael Ruger – Committeeperson

Officials

Elaine Cruickshank-Borges – Administrator/Chief Financial Officer
Laurie Gompf – Municipal Clerk
Daniel Keough – Assessor
Kevin Oswald - Municipal Construction Official
Roger Haley – Municipal Court Judge
Margaret Umbro – Court Administrator
Mark Kataryniak – Engineer/ Community Development Director
Mary Kennedy-Nadzak – Tax Collector
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, 2018

INVERSO & STEWART, LLC

Certified Public Accountants

**651 Route 73 North, Suite 402
Marlton, New Jersey 08053
(856) 983-2244
Fax (856) 983-6674
E-Mail: rinverso@iscpasnj.com**

**-Member of-
American Institute of CPAs
New Jersey Society of CPAs**

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, 2018 and 2017, 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, 2018 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, 2018 and 2017, 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, 2018 and 2017, 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, 2018 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 July 19, 2019 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
July 19, 2019

INVERSO & STEWART, LLC

Certified Public Accountants

**651 Route 73 North, Suite 402
Marlton, New Jersey 08053
(856) 983-2244
Fax (856) 983-6674
E-Mail: rinverso@iscpasnj.com**

**-Member of-
American Institute of CPAs
New Jersey Society of CPAs**

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, 2018, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued my report thereon dated July 19, 2019. 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 instances 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 and which is described in the accompanying *Schedule of Findings and Recommendations* as Finding No. 2018-1.

The Township of Hopewell's Response to Findings

The Township of Hopewell's response to the finding identified in my report is described in the accompanying *Schedule of Findings and Recommendations*. The Township's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

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
July 19, 2019

TOWNSHIP OF HOPEWELL
Current Fund
 Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 For the Years Ended December 31, 2018 and 2017

	<u>REFERENCE</u>	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>			
Regular Fund:			
Cash - Treasurer	A-4	\$ 12,650,049.93	\$ 23,898,256.37
Change Fund	A-5	<u>750.00</u>	<u>750.00</u>
Total		<u>12,650,799.93</u>	<u>23,899,006.37</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	823,601.45	684,058.01
Tax Title Liens Receivable	A-7	231,296.76	193,879.13
Revenue Accounts Receivable	A-8	<u>14,962.33</u>	<u>20,385.14</u>
Total		<u>1,069,860.54</u>	<u>898,322.28</u>
Deferred Charges:			
Emergency Authorizations (40A:4-47)		<u>120,000.00</u>	<u> </u>
Total Regular Fund		<u>13,840,660.47</u>	<u>24,797,328.65</u>
Federal and State Grant Fund:			
Cash - Treasurer	A-4	551,550.74	580,092.66
Federal and State Grants Receivable	A-22	<u>2,763,849.48</u>	<u>1,643,792.60</u>
Total Federal and State Grant Fund		<u>3,315,400.22</u>	<u>2,223,885.26</u>
Total Assets		<u>\$ 17,156,060.69</u>	<u>\$ 27,021,213.91</u>

TOWNSHIP OF HOPEWELL
Current Fund
 Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 For the Years Ended December 31, 2018 and 2017

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REFERENCE</u>	<u>2018</u>	<u>2017</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 344,913.44	\$ 734,517.28
Encumbrances Payable	A-3	388,346.66	1,210,101.10
Accounts Payable		12,801.07	23,543.75
Prepaid Taxes	A-10	1,124,903.29	10,621,281.13
Tax Overpayments	A-11	178,773.40	22,302.44
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	26,842.72	26,993.22
Reserve for Historic Building Repairs	A-15	10,935.00	10,935.00
Reserve for Senior Services		10,000.00	10,000.00
Due State of New Jersey:			
Senior Citizen and Veterans Deductions	A-16	414.38	1,500.00
Burial Permit Fees		65.00	25.00
Due State of New Jersey - Marriage License Fees	A-17	425.00	225.00
Due County for Added Taxes	A-18	145,864.07	99,221.70
Due to Trust - Municipal Open Space Tax Payable	A-21 & B	3,827.52	1,844.99
Due to Trust - Other	B	<u>246,812.12</u>	<u>238,072.60</u>
Total Liabilities		2,607,276.92	13,112,916.46
Reserve for Receivables and Other Assets	A	1,069,860.54	898,322.28
Fund Balance	A-1	<u>10,163,523.01</u>	<u>10,786,089.91</u>
Total Regular Fund		<u>13,840,660.47</u>	<u>24,797,328.65</u>
Federal and State Grant Fund:			
Appropriated Reserves	A-24	3,315,400.22	2,223,885.26
Total Federal and State Grant Fund		<u>3,315,400.22</u>	<u>2,223,885.26</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 17,156,060.69</u>	<u>\$ 27,021,213.91</u>

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

TOWNSHIP OF HOPEWELL
Current Fund
 Statement of Operations and Changes in Fund Balance - Regulatory Basis
 For the Years Ended December 31, 2018 and 2017

	2018	2017
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 1,900,000.00	\$ 4,084,148.13
Miscellaneous Revenue Anticipated	5,542,776.47	5,257,907.73
Receipts from Delinquent Taxes	667,127.04	617,719.27
Receipts from Current Taxes	112,786,407.96	109,787,477.04
Nonbudget Revenues	81,125.87	1,314,551.72
Other Credits to Income:		
Prior Year Accounts Receivable Returned	1,460.00	
Cancelled Tax Overpayments	273.87	
Cancellation of Reserve Balance	14,973.75	-
Unexpended Balance of Appropriation Reserves	<u>811,848.37</u>	<u>983,832.88</u>
Total Revenue and Other Income Realized	<u>121,804,259.46</u>	<u>122,047,370.64</u>
Expenditures:		
Operations Within "CAPS":		
Salaries and Wages	7,109,757.00	6,930,772.26
Other Expenses	5,730,595.65	5,703,385.56
Deferred Charges and Statutory Expenditures Within "CAPS"	1,870,799.00	1,856,753.12
Operations Excluded from "CAPS":		
Salaries and Wages	489,923.33	502,626.92
Other Expenses	1,688,504.80	1,600,533.83
Capital Improvements Excluded from "CAPS"	223,742.49	1,603,310.11
Municipal Debt Service Excluded from "CAPS"	5,161,646.67	5,221,758.71
County Taxes	29,146,687.97	28,148,950.97
Due County for Added Taxes	91,524.69	43,581.51
Regional School District Tax	64,304,828.00	62,843,562.60
Fire District Tax	3,633,352.00	3,430,258.00
Municipal Open Space Tax	1,190,016.00	1,191,309.00
Municipal Open Space Tax - Added Taxes	3,827.52	1,844.99
Prior Year Senior Citizen Deductions Cancelled	1,621.24	3,387.59
Prior Year Tax Overpayments	<u>1,621.24</u>	<u>2,199.33</u>
Total Expenditures	<u>120,646,826.36</u>	<u>119,084,234.50</u>
Less: Expenditures to be Raised by Future Taxes	<u>120,000.00</u>	<u>-</u>
Total Expenditures	<u>120,526,826.36</u>	<u>119,084,234.50</u>
Statutory Excess to Fund Balance (Carried Forward)	1,277,433.10	2,963,136.14

TOWNSHIP OF HOPEWELL
Current Fund
 Statement of Operations and Changes in Fund Balance - Regulatory Basis
 For the Years Ended December 31, 2018 and 2017

	2018	2017
Statutory Excess to Fund Balance (Brought Forward)	\$ 1,277,433.10	\$ 2,963,136.14
Fund Balance January 1	<u>10,786,089.91</u>	<u>11,907,101.90</u>
Total	12,063,523.01	14,870,238.04
Decreased by Utilization as Anticipated Revenue	<u>1,900,000.00</u>	<u>4,084,148.13</u>
Fund Balance December 31	<u>\$ 10,163,523.01</u>	<u>\$ 10,786,089.91</u>

TOWNSHIP OF HOPEWELL
Current Fund
 Statement of Revenues - Regulatory Basis
 For the Year Ended December 31, 2018

	<u>BUDGET</u>	<u>SPECIAL NJS 40A:4-87</u>	<u>REALIZED</u>	<u>EXCESS (DEFICIT)</u>
Fund Balance Anticipated	<u>\$ 1,900,000.00</u>	<u>\$ -</u>	<u>\$ 1,900,000.00</u>	<u>\$ -</u>
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverage	30,000.00	-	30,250.00	250.00
Fees and Permits	381,770.00	-	359,602.62	(22,167.38)
Fines and Costs:				
Municipal Court	319,000.00	-	252,191.12	(66,808.88)
Interest and Costs on Taxes	136,000.00	-	189,554.78	53,554.78
PILOT Program	98,000.00	-	99,387.00	1,387.00
Capital Health System Settlement	145,017.00	-	145,017.00	-
Interest on Investments and Deposits	224,000.00	-	251,471.22	27,471.22
Franchise Fees	272,051.88	-	272,051.88	-
Cell Tower Rents	-	-	-	-
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	442,247.03	-	442,247.03	-
Interlocal Alliance Services	2,670.00	-	1,170.00	(1,500.00)
Interlocal Police Dispatch Services - Hopewell Borough	71,826.00	-	17,956.50	(53,869.50)
Interlocal Senior Services	10,000.00	-	10,000.00	-
Special Items Offset with Appropriations:				
Municipal Alliance on Alcoholism and Drug Abuse	18,536.00	-	18,536.00	-
Clean Communities Grant	-	50,971.49	50,971.49	-
Drunk Driving Enforcement Fund	-	4,960.61	4,960.61	-
DOT Grant	1,098,500.00		1,098,500.00	-
DVRPC LHT Grant	250,000.00		250,000.00	-
Solar in Schools	10,000.00		10,000.00	-
Mt Rose Distillery	14,910.00		14,910.00	-
Reserve for Debt Service	<u>389,842.22</u>	<u>-</u>	<u>389,842.22</u>	<u>-</u>
Total	<u>5,548,527.13</u>	<u>55,932.10</u>	<u>5,542,776.47</u>	<u>(61,682.76)</u>
Receipts from Delinquent Taxes	659,243.00	-	667,127.04	7,884.04
Amount to be Raised by Taxes for Support of Municipal Budget -				
Local Tax for Municipal Purposes	<u>15,050,518.77</u>	<u>-</u>	<u>15,475,422.54</u>	<u>424,903.77</u>
Budget Totals	<u>23,158,288.90</u>	<u>55,932.10</u>	<u>23,585,326.05</u>	<u>\$ 371,105.05</u>
Nonbudget Revenues	<u>-</u>	<u>-</u>	<u>81,125.87</u>	
Total	<u>\$ 23,158,288.90</u>	<u>\$ 55,932.10</u>	<u>\$ 23,666,451.92</u>	

TOWNSHIP OF HOPEWELL
Current Fund
 Statement of Revenues - Regulatory Basis
 For the Year Ended December 31, 2018

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:

Revenue from Collections	\$ 112,786,407.96
Allocated to School, Fire District, Open Space, and County Taxes	<u>98,370,236.18</u>
Balance for Support of Municipal Budget Appropriations	14,416,171.78
Add Appropriation - Reserve for Uncollected Taxes	<u>1,059,250.76</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 15,475,422.54</u></u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 667,127.04
Total	<u><u>\$ 667,127.04</u></u>

Miscellaneous Revenue Not Anticipated:

Treasurer:	
Mowing	\$ 1,945.00
Homestead Administration	605.40
Insurance Refund	2,270.00
Other Refunds	11,959.84
Refund of Prior Years Expense	20,709.31
Auction Proceeds	17,156.62
Tax Sale Premiums	21,800.00
Senior Citizen and Veterans Administrative Fee	2,082.58
Motor Vehicle Fines	2,359.50
Restitution	<u>237.62</u>
Total	<u><u>\$ 81,125.87</u></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, 2018

	Appropriations			Expended			Unexpended Balance Canceled			
	Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Encumbered	Reserved				
GENERAL APPROPRIATIONS:										
Operations Within "CAPS":										
General Government:										
Administrative and Executive:										
Salaries and Wages										
Governing Body	\$ 22,108.50	\$ -	\$ 22,109.50	\$ 22,108.80	\$ -	\$ 0.70	\$	-		
Administrator's Office	315,907.50		315,907.50	305,509.97		10,397.53				
Clerk's Office	152,108.90		152,108.90	150,444.19		1,664.71				
Other Expenses										
Governing Body	19,600.00		19,600.00	8,950.86	375.40	10,273.74				
Administrator's Office	233,386.00		233,386.00	201,522.61	15,849.58	16,013.81				
Clerk's Office	26,095.00		26,095.00	15,304.38	7,395.08	3,395.54				
Financial Administration:										
Salaries and Wages	210,278.97		210,278.97	209,779.17		499.80				
Other Expenses	28,308.00		28,308.00	23,889.44	733.19	3,685.37				
Assessment of Taxes:										
Salaries and Wages	128,694.14		90,694.14	89,986.34		707.80				
Other Expenses	39,965.00		39,965.00	29,857.61	9,396.37	711.02				
Collection of Taxes:										
Salaries and Wages	90,112.12		90,113.12	90,112.22		0.90				
Other Expenses	10,215.00		10,215.00	5,358.53	1,128.96	3,727.51				
Legal Services and Costs:										
Salaries and Wages	48,709.86		48,710.86	48,709.89		0.97				
Other Expenses	379,050.00	120,000.00	521,250.00	470,516.35	49,421.15	1,312.50				
Engineering Services and Costs:										
Other Expenses	59,000.00		67,000.00	61,277.66	5,722.34					
Public Buildings and Grounds:										
Salaries and Wages	48,000.00		48,000.00	48,000.00						
Other Expenses	151,745.63		151,745.63	110,253.84	26,355.42	15,136.37				
Fleet Maintenance:										
Salaries and Wages	167,227.02		167,227.02	155,943.55		11,283.47				
Other Expenses	105,000.00		125,000.00	86,600.09	35,620.26	2,779.65				

TOWNSHIP OF HOPEWELL
Current Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2018

	Appropriations			Expended			Unexpended		
	Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Canceled		
GENERAL APPROPRIATIONS:									
Operations Within "CAPS":									
Audit Services:									
Other Expenses	\$ 30,000.00	\$ -	\$ 30,000.00	\$ 30,000.00	\$ -	\$ -	\$ -	\$ -	\$ -
Parks and Maintenance:									
Salaries and Wages	59,363.07		59,363.07	59,363.07					
Other Expenses	20,620.00		20,620.00	13,572.91	2,716.62		4,330.47		
Environmental Commission:									
Other Expenses	9,800.00		9,800.00	4,495.84	3,534.16		1,770.00		
Insurance:									
Liability Insurance	442,158.00		419,654.00	419,654.00					
Medical Insurance	2,349,715.17		2,316,015.17	2,296,256.77			19,758.40		
Health Benefit Waiver	55,000.00		55,000.00	48,594.09			6,405.91		
Public Safety:									
Police									
Salaries and Wages	3,461,967.85		3,461,967.85	3,383,299.44			78,668.41		
Other Expenses	267,350.30		267,350.30	196,163.08	69,654.73		1,532.49		
Community Development									
Salaries and Wages	319,512.90		291,512.90	289,920.80			1,592.10		
Other Expenses	91,350.00		101,350.00	65,756.58	32,220.38		3,373.04		
Contribution to Affordable Housing									
Other Expenses	98,200.37		98,200.37	98,200.37					
Contribution to Recreation Trust									
Other Expenses	42,187.50		42,187.50	42,187.50					
Contribution to Water Utility									
Other Expenses	3,643.68		3,643.68	3,643.68					
Road Repair and Maintenance:									
Salaries and Wages	1,397,480.89		1,461,477.89	1,431,769.29			29,708.60		
Other Expenses	440,800.00		440,800.00	350,479.62	80,536.98		9,783.40		
Sanitation:									
Other Expenses	28,000.00		26,500.00	22,397.89	1,594.63		2,507.48		

TOWNSHIP OF HOPEWELL
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2018

	Appropriations			Expended			Unexpended Balance Canceled	
	Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Encumbered	Reserved		
GENERAL APPROPRIATIONS:								
Operations Within "CAPS":								
Board of Health:								
Salaries and Wages	\$ 282,600.56	\$ -	\$ 282,600.56	\$ 275,252.09	\$ -	\$ 7,348.47	\$ -	
Other Expenses	30,050.00		30,050.00	20,445.58	5,685.00	3,919.42		
Dog Regulation								
Other Expenses	55,000.00		55,000.00	55,000.00				
Historic Preservation Committee (RS 400:23-6.22):								
Other Expenses	2,600.00		2,600.00	150.00	200.00	2,250.00		
Municipal Court:								
Salaries and Wages	258,884.83		260,884.83	259,996.41		888.42		
Other Expenses	11,510.00		11,510.00	7,330.71	1,010.38	3,168.91		
Public Defender:								
Salaries and Wages	16,600.00		16,600.00	15,670.00	930.00			
Recreation:								
Salaries and Wages	109,748.09		109,748.09	105,154.83		4,593.26		
Other Expenses	2,550.00		2,550.00	1,829.49	202.33	518.18		
Senior Services:								
Salaries and Wages	45,447.80		20,451.80	19,947.73		504.07		
Other Expenses	6,700.00		6,700.00	5,706.09	503.86	490.05		
Utilities:								
Street Lights	165,000.00		165,000.00	124,634.96	16.93	40,348.11		
Utilities	150,000.00		150,000.00	137,337.07		12,662.93		
Telephone	80,000.00		80,000.00	68,417.76	2,286.73	9,295.51		
Motor Fuels								
Other Expenses	170,000.00		170,000.00	129,616.27	27,674.78	12,708.95		
Disability Insurance								
Other Expenses	6,000.00		3,500.00	3,462.83		37.17		
Total Operations Including Contingent - Within "CAPS"	12,745,352.65	120,000.00	12,840,352.65	12,119,832.25	380,765.26	339,755.14		
Detail:								
Salaries and Wages	7,134,753.00	-	7,109,757.00	6,960,967.79	930.00	147,859.21	-	
Other Expenses	5,610,599.65	120,000.00	5,730,595.65	5,158,864.46	379,835.26	191,895.93	-	

TOWNSHIP OF HOPEWELL
Current Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2018

	Appropriations			Expended			Unexpended Balance Canceled	
	Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Encumbered	Reserved		
Deferred Charges and Statutory Expenditures -								
Municipal - Within "CAPS":								
STATUTORY EXPENDITURES:								
Contribution to:								
Public Employees' Retirement System	\$ 525,077.00	\$ -	\$ 525,077.00	\$ 525,076.84	\$ -	\$ 0.16	\$ -	
Consolidated Police and Firemen's Pension Fund	809,722.00		809,722.00	809,722.00				
Defined Contribution Retirement Program	1,000.00		1,000.00	973.30		26.70		
Social Security System (O.A.S.I.)	510,000.00		535,000.00	530,730.56		4,269.44		
Total Deferred Charges and Statutory Expenditures -								
Municipal Within "CAPS"	1,845,799.00	-	1,870,799.00	1,866,502.70	-	4,296.30	-	
Total General Appropriations -								
For Municipal Purposes Within "CAPS"	14,591,151.65	120,000.00	14,711,151.65	13,986,334.95	380,765.26	344,051.44	-	
GENERAL APPROPRIATIONS:								
Operations Excluded from "CAPS":								
Recycling Tonnage Tax	1,000.00		1,000.00	164.76	25.24	810.00		
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	172,550.00		172,550.00	172,550.00				
Police /Dispatch Services:								
Police Services								
Salaries and Wages	408,097.33		408,097.33	408,097.33				
Other Expenses	34,149.70		34,149.70	26,541.54	7,556.16	52.00		
Dispatch Services								
Salaries and Wages	71,826.00		71,826.00	71,826.00				
Sr. Service Coordinator								
Salaries and Wages	10,000.00		10,000.00	10,000.00				
Other Expenses	4,776.00		4,776.00	4,776.00				

TOWNSHIP OF HOPEWELL
Current Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2018

	Budget	Appropriations	Budget After Modification	Expended			Unexpended Balance Canceled	
		Emergency Appropriation		Paid or Charged	Encumbered	Reserved		
GENERAL APPROPRIATIONS:								
Operations Excluded from "CAPS":								
Emergency Medical Services Dispatch Mercer County	\$ 13,680.00	\$ -	\$ 13,680.00	\$ 13,680.00	\$ -	\$ -	\$ -	
Other Expenses								
Total Other Operations Excluded from "CAPS":	718,749.03	-	718,749.03	710,305.63	7,581.40	862.00		
GENERAL APPROPRIATIONS:								
Operations Excluded from "CAPS":								
Public and Private Programs Offset by Revenues:								
Clean Communities			-					
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				
Drunk Driving Enforcement Grant			4,960.61	4,960.61				
Clean Communities			50,971.49	50,971.49				
DVRPC LHT	250,000.00		250,000.00	250,000.00				
Mt Rose Distillery	14,910.00		14,910.00	14,910.00				
Solar in Schools	10,000.00		10,000.00	10,000.00				
DOT Grant	1,098,500.00		1,098,500.00	1,098,500.00				
Total Public and Private Programs Offset by Revenues	1,403,747.00	-	1,459,679.10	1,459,679.10	-			
Total Operations - Excluded From "CAPS"	2,122,496.03	-	2,178,428.13	2,169,984.73	7,581.40	862.00	-	
Detail:								
Salaries and Wages	489,923.33	-	489,923.33	489,923.33	-	-	-	
Other Expenses	1,632,572.70	-	1,688,504.80	1,680,061.40	7,581.40	862.00	-	

TOWNSHIP OF HOPEWELL
Current Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2018

	Appropriations			Expended			Unexpended Balance Canceled	
	Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Encumbered	Reserved		
GENERAL APPROPRIATIONS:								
Capital Improvements - Excluded From "CAPS"								
Capital Improvement Fund	\$ 223,742.49	\$ -	\$ 223,742.49	\$ 223,742.49	\$ -	\$ -	\$ -	
Total Capital Improvements - Excluded From "CAPS"	223,742.49	-	223,742.49	223,742.49	-	-	-	
GENERAL APPROPRIATIONS:								
Municipal Debt Service - Excluded From "CAPS"								
Payment of Bond Principal	3,637,041.00	-	3,637,041.00	3,637,041.00			-	
Payment of Bond Anticipation Notes	62,648.43		62,648.43	62,648.00			0.43	
Interest on Bonds	1,398,545.32		1,398,545.32	1,398,545.32				
Interest on Notes	63,413.22		63,413.22	63,412.35			0.87	
Total Municipal Dept Service - Excluded From "CAPS"	5,161,647.97	-	5,161,647.97	5,161,646.67	-	-	1.30	
Total General Appropriations for Municipal Purposes Excluded From "CAPS"								
	7,507,886.49	-	7,563,818.59	7,555,373.89	7,581.40	862.00	1.30	
Subtotal General Appropriations	22,099,038.14	120,000.00	22,274,970.24	21,541,708.84	388,346.66	344,913.44	1.30	
Reserve for Uncollected Taxes	1,059,250.76		1,059,250.76	1,059,250.76				
TOTAL GENERAL APPROPRIATIONS	\$ 23,158,288.90	\$ 120,000.00	\$ 23,334,221.00	\$ 22,600,959.60	\$ 388,346.66	\$ 344,913.44	\$ 1.30	

TOWNSHIP OF HOPEWELL
Current Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2018

Analysis of Budget After Modification:

Original Budget	\$ 23,158,288.90
Emergency Authorization	120,000.00
Appropriation by 40A:4-87	<u>55,932.10</u>
 Total	 <u>\$ 23,334,221.00</u>

Analysis of Paid or Charged:

Reserve for Federal and State Grants - Appropriated	\$ 1,447,878.10
Encumbrances Payable	388,346.66
Reserve for Uncollected Taxes	1,059,250.76
Cash Disbursed	<u>20,093,830.74</u>
 Total	 <u>\$ 22,989,306.26</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, 2018 and 2017

	<u>REFERENCE</u>	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash - Treasurer	B-1	\$ 42,183.62	\$ 47,738.07
Other Funds:			
Cash - Treasurer	B-1	6,381,900.37	6,787,066.63
Accounts Receivable		5,619.34	12,049.49
Due from Current Fund - Open Space Tax	A	3,827.52	1,844.99
Due from Current Fund	A	<u>246,812.12</u>	<u>238,072.60</u>
Total Other Funds		<u>6,638,159.35</u>	<u>7,039,033.71</u>
Total Assets		<u>\$ 6,680,342.97</u>	<u>\$ 7,086,771.78</u>
<u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due to State of New Jersey		\$ 351.00	\$ 372.60
Reserve for Dog Fund Expenditures	B-2	<u>41,832.62</u>	<u>47,365.47</u>
Total Dog License Fund		<u>42,183.62</u>	<u>47,738.07</u>
Other Funds:			
Due to State NJ - UCC Fees	B-4	18,546.00	10,065.00
Payroll Deductions Payable	B-5	0.01	-
Exchange		0.59	0.59
Reserve for:			
Unemployment Compensation	B-3	55,079.62	53,194.28
Trust Other	B-3	1,078,100.24	1,243,097.31
Plot Planning	B-3	26,249.16	22,965.66
Planning	B-3	383,742.15	432,803.22
Open Space Trust	B-3	3,024,742.48	3,190,363.86
Low Income Housing	B-3	176,512.31	66,130.07
Community Activities	B-3	208.60	208.60
Municipal Forfeiture	B-3	8,630.48	
Off-Site Improvements	B-3	641,471.57	652,609.57
Performance Guarantees	B-3	206,529.58	170,630.58
Recreation Trust	B-3	391,005.93	344,526.67
Tax Collectors' Premium	B-3	369,700.00	606,000.00
Tax Title Lien	B-3	2,619.09	988.94
Off-Duty Police	B-3	246,812.12	238,072.60
Stream Corridor	B-3	1,343.75	893.75
FSA	B-3	<u>6,865.67</u>	<u>6,483.01</u>
Total Other Funds		<u>6,638,159.35</u>	<u>7,039,033.71</u>
Total Liabilities and Reserves		<u>\$ 6,680,342.97</u>	<u>\$ 7,086,771.78</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, 2018 and 2017

	<u>REFERENCE</u>	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>			
Cash - Treasurer	C-2	\$ 8,607,126.16	\$ 6,009,683.24
Deferred Charges to Future Taxation:			
Funded	C-4	50,431,892.74	54,949,748.37
Unfunded	C-5	<u>8,964,543.42</u>	<u>5,669,047.42</u>
Total		<u>\$ 68,003,562.32</u>	<u>\$ 66,628,479.03</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds	C-6	\$ 50,275,000.00	\$ 54,750,000.00
Bond Anticipation Notes	C-7	8,964,543.00	5,113,899.00
Green Trust Loan Payable	C-8	156,892.74	199,748.37
Improvement Authorizations:			
Funded	C-9	791,933.55	958,396.44
Unfunded	C-9	3,755,005.78	1,427,231.38
Capital Improvement Fund	C-10	1,899.44	1,899.95
Reserve for:			
Payment of Serial Bonds and Notes		1,450,470.41	1,536,861.43
Reserve for Debt Service - Hunter		160,351.55	160,351.55
Reserve for Green Trust Loan		2,171.74	1,508.83
Fund Balance	C-1	<u>2,445,294.11</u>	<u>2,478,582.08</u>
Total		<u>\$ 68,003,562.32</u>	<u>\$ 66,628,479.03</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, 2018

Balance December 31, 2017	\$ 2,478,579.92
Increased By:	
Prior Year Adjustment	3.20
	<hr/> 2,478,583.12
Decreased By:	
Due to Current Fund - Budget Revenue	33,289.01
Balance December 31, 2018	<hr/> \$ 2,445,294.11

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, 2018 and 2017

	<u>REFERENCE</u>	<u>2018</u>	<u>2017</u>
Operating Fund:			
Cash	D-5	\$ 181,792.81	\$ 161,766.15
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-7	2,385.38	1,371.23
		<u>2,385.38</u>	<u>1,371.23</u>
Deferred Charges:			
Emergency			12,385.00
		<u>184,178.19</u>	<u>175,522.38</u>
Total Operating Fund			
Capital Fund:			
Cash	D-5	59,702.87	59,318.92
Fixed Capital	D-8	311,540.33	292,486.03
Fixed Capital Authorized and Uncompleted	D-9	50,000.00	70,750.00
		<u>421,243.20</u>	<u>422,554.95</u>
Total Capital Fund			
Total Assets		<u>\$ 605,421.39</u>	<u>\$ 598,077.33</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4	\$ 10,582.03	\$ 6,417.02
Encumbrances Payable	D-4	9,616.20	9,655.58
Water Rent Overpayments	D-5	82.68	26.74
Prepaid Water Rents	D-5	49.61	
Accrued Interest on Bonds and Notes	D-11	466.88	603.27
Total Liabilities		<u>20,797.40</u>	<u>16,702.61</u>
Reserve for Receivables	D	2,385.38	1,371.23
Fund Balance	D-1	<u>160,995.41</u>	<u>157,448.54</u>
Total Operating Fund		<u>184,178.19</u>	<u>175,522.38</u>
Capital Fund:			
Liabilities:			
Serial Bonds	D-12	39,050.00	43,550.00
Bond Anticipation Notes	D-13		10,000.00
Improvement Authorizations:			
Funded	D-14	91.50	3,208.00
Unfunded	D-14		91.50
Capital Improvement Fund	D-15	45,020.04	41,428.09
Reserve for Amortization	D-16	322,490.33	269,686.03
Reserve for Debt		822.60	822.60
Deferred Reserve for Amortization	D-17		40,000.00
Fund Balance	D-2	<u>13,768.73</u>	<u>13,768.73</u>
Total Capital Fund		<u>421,243.20</u>	<u>422,554.95</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 605,421.39</u>	<u>\$ 598,077.33</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, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 7,085.07	\$ -
Water Rents	67,535.85	71,008.32
Interest on Investments and Deposits	2,258.47	1,668.42
Contribution from Current Fund	3,643.68	3,718.81
Other Credits to Income:		
Miscellaneous Revenue Not Anticipated	238.95	271.04
Unexpended Balance of Appropriation Reserves	<u>11,561.28</u>	<u>18,133.65</u>
Total Revenue and Other Income Realized	<u>92,323.30</u>	<u>94,800.24</u>
Expenditures:		
Operating	50,150.00	61,710.00
Deferred Charges and Statutory Expenditures	13,110.00	725.00
Capital Improvement Fund	1,896.25	11,386.31
Debt Service	<u>16,535.11</u>	<u>16,861.54</u>
Total Expenditures	<u>81,691.36</u>	<u>90,682.85</u>
Less: Expenditures to be Raised by Future Taxation		
Total Expenditures	<u>81,691.36</u>	<u>78,297.85</u>
Excess in Revenue	10,631.94	16,502.39
Fund Balance January 1	<u>157,448.54</u>	<u>140,946.15</u>
Total	168,080.48	157,448.54
Decreased by Utilization by Water Utility Operating Budget	<u>7,085.07</u>	<u>-</u>
Balance December 31	<u>\$ 160,995.41</u>	<u>\$ 157,448.54</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, 2018

Balance December 31, 2018 and 2017	<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, 2018

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Fund Balance Anticipated	\$ 7,085.07	\$ 7,085.07	\$ -
Water Rents	71,000.00	67,535.85	(3,464.15)
Interest on Investments and Deposits	1,500.00	2,258.47	758.47
Contribution from Current Fund	3,643.68	3,643.68	-
Miscellaneous Revenue Not Anticipated	-	238.95	238.95
 Total	 \$ 83,228.75	 \$ 80,762.02	 \$ (2,466.73)

Analysis of Realized Revenues

Miscellaneous Revenue Not Anticipated:

Water Penalties	\$ 238.95
MRNA Refunds	-
	 <u>\$ 238.95</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, 2018

	<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	\$ 11,500.00	\$ -	\$ 11,500.00	\$ 8,957.05	\$ 2,542.95	\$ -
Other Expenses	38,650.00		38,650.00	30,963.32	7,686.68	
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Social Security	725.00	-	725.00	372.60	352.40	-
Deferred Charges:						
Emergency Authorizations	12,385.00		12,385.00	12,385.00		
Capital Improvements:						
Down Payment on Improvements	1,896.25	-	1,896.25	1,896.25	-	-
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	2,047.50	-	2,047.50	2,002.50	-	45.00
Interest on Notes	1,525.00	-	1,525.00	32.61	-	1,492.39
Total	<u>\$ 83,228.75</u>	<u>\$ -</u>	<u>\$ 83,228.75</u>	<u>\$ 71,109.33</u>	<u>\$ 10,582.03</u>	<u>\$ 1,537.39</u>
Analysis of Paid or Charged:						
Cash Disbursed				\$ 47,073.02		
Deferred Charges				12,385.00		
Encumbrances Payable				9,616.20		
Interest on Bonds and Notes				2,035.11		
Total				<u>\$ 71,109.33</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, 2018 and 2017

	<u>REFERENCE</u>	<u>2018</u>	<u>2017</u>
Operating Fund:			
Cash	E-5a	\$ 784,895.66	\$ 818,182.59
Receivables with Full Reserves:			
Consumer Accounts Receivable	E-7a	<u>44,171.28</u>	<u>69,908.10</u>
Total Assets		<u>\$ 829,066.94</u>	<u>\$ 888,090.69</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Liabilities:			
Appropriation Reserves	E-4a	\$ 60,277.71	\$ 61,290.09
Encumbrances Payable	E-4a	8,855.48	36,827.93
Prepaid Sewer Rent		1,155.00	410.42
Sewer Rent Overpayments		3,770.14	2,094.24
Accrued Interest on Bonds and Notes	E-11a	4,468.83	4,292.11
Due to SBRSA Sewer Utility Fund	Eb	1,408.40	
Other Liability		<u>7,250.00</u>	<u>7,250.00</u>
Total Liabilities		<u>87,185.56</u>	<u>112,164.79</u>
Reserve for Receivables	E	44,171.28	69,908.10
Fund Balance	E-1a	<u>697,710.10</u>	<u>706,017.80</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 829,066.94</u>	<u>\$ 888,090.69</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, 2018 and 2017

<u>ASSETS</u>	<u>REFERENCE</u>	<u>2018</u>	<u>2017</u>
Operating Fund:			
Cash	E-5b	\$ 391,404.35	\$ 368,483.54
Receivables with Full Reserves:			
Consumer Accounts Receivable	E-7b	8,828.63	8,486.73
Due from ELSA Sewer Utility Operating Fund	Ea	1,408.40	
Deferred Charges:			
Overexpenditure of appropriation		<u>1,065.32</u>	
Total Assets		<u>\$ 402,706.70</u>	<u>\$ 376,970.27</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Liabilities:			
Appropriation Reserves	E-4b	\$ 8,284.24	\$ 40,927.41
Encumbrances Payable	E-4b	4,400.72	7,296.62
Prepaid Sewer Rent		12,866.97	4,896.25
Sewer Rent Overpayments		18.83	0.09
Accrued Interest on Bonds and Notes	E-11b	<u>7,852.77</u>	<u>5,792.57</u>
Total Liabilities		<u>33,423.53</u>	<u>58,912.94</u>
Reserve for Receivables	E	8,828.63	8,486.73
Fund Balance	E-1b	<u>360,454.54</u>	<u>309,570.60</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 402,706.70</u>	<u>\$ 376,970.27</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, 2018 and 2017

<u>ASSETS</u>	<u>REFERENCE</u>	<u>2018</u>	<u>2017</u>
Cash	E-5c	\$ 246,852.45	\$ 427,054.29
Fixed Capital	E-8	3,300,426.89	3,145,426.89
Fixed Capital Authorized and Uncompleted	E-9	<u>976,688.09</u>	<u>1,131,688.09</u>
Total Assets		<u>\$ 4,523,967.43</u>	<u>\$ 4,704,169.27</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds	E-12	1,121,950.00	1,202,450.00
Bond Anticipation Notes	E-13	140,620.00	39,185.00
Improvement Authorizations:			
Funded	E-14	142,767.90	310,975.90
Unfunded	E-14	3,314.04	100,183.85
Capital Improvement Fund	E-15	400.00	400.00
Reserve for Debt Service		5,207.44	25,331.47
Reserve for Amortization	E-16	3,007,414.98	2,926,914.98
Deferred Reserve for Amortization	E-17	7,130.00	3,565.00
Fund Balance	E-2	<u>95,163.07</u>	<u>95,163.07</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 4,523,967.43</u>	<u>\$ 4,704,169.27</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, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 130,828.05	\$ 120,003.66
Sewer Rents	866,841.80	1,131,312.29
Interest on Investments	7,726.25	4,375.97
Sewer Capital Surplus	12,736.11	1,782.50
Miscellaneous Revenue Not Anticipated	2,520.46	6,475.49
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	<u>71,481.72</u>	<u>20,951.16</u>
Total Revenue and Other Income Realized	<u>1,092,134.39</u>	<u>1,284,901.07</u>
Expenditures:		
Operating	919,027.60	978,277.45
Deferred Charges and Statutory Expenditures	1,650.00	1,650.00
Debt Service	48,936.44	49,372.09
Refund of Overpayments	<u>17.08</u>	
Total Expenditures	969,614.04	1,029,316.62
Excess (Deficit) in Revenue	122,520.35	255,584.45
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	122,520.35	255,584.45
Fund Balance January 1	<u>706,017.80</u>	<u>570,437.01</u>
Total	828,538.15	826,021.46
Decreased by Utilization by Sewer Utility Operating Budget	<u>130,828.05</u>	<u>120,003.66</u>
Balance December 31	<u>\$ 697,710.10</u>	<u>\$ 706,017.80</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, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 36,954.20	\$ 36,594.32
Sewer Rents	335,091.48	324,571.22
Interest on Investments	7,695.46	3,046.14
Sewer Capital Surplus	9,030.36	1,782.50
Miscellaneous Revenue Not Anticipated	1,367.74	3,949.46
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	<u>44,789.30</u>	<u>43,003.97</u>
Total Revenue and Other Income Realized	<u>434,928.54</u>	<u>412,947.61</u>
Expenditures:		
Operating	270,947.00	268,553.14
Deferred Charges and Statutory Expenditures	700.00	700.00
Debt Service	<u>76,508.72</u>	<u>77,186.86</u>
Total Expenditures	348,155.72	346,440.00
Excess (Deficit) in Revenue	86,772.82	66,507.61
Adjustments to Income before Surplus:		
Expenditures Included Above Which Are by Statute Deferred		
Charges to Budget of Succeeding Year	<u>1,065.32</u>	-
Statutory Excess to Surplus	87,838.14	66,507.61
Fund Balance January 1	<u>309,570.60</u>	<u>279,657.31</u>
Total	397,408.74	346,164.92
Decreased by Utilization by Sewer Utility Operating Budget	<u>36,954.20</u>	<u>36,594.32</u>
Balance December 31	<u>\$ 360,454.54</u>	<u>\$ 309,570.60</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, 2018

Balance December 31, 2017 and 2018	<u>\$ 95,163.07</u>
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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, 2018

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Fund Balance	\$ 130,828.05	\$ 130,828.05	\$ -
Sewer Rents	970,000.00	866,841.80	(103,158.20)
Interest on Investments	4,500.00	7,726.25	3,226.25
Sewer Capital Surplus	12,736.11	12,736.11	-
Miscellaneous Revenue Not Anticipated	-	2,520.46	2,520.46
 Total	 <u>\$ 1,118,064.16</u>	 <u>\$ 1,020,652.67</u>	 <u>\$ (97,411.49)</u>

Analysis of Realized Revenues

Miscellaneous Revenue Not Anticipated:

Sewer Penalties	\$ 2,461.63
Miscellaneous	58.83
Total	<u>\$ 2,520.46</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, 2018

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Fund Balance	\$ 36,954.20	\$ 36,954.20	\$ -
Sewer Rents	324,000.00	335,091.48	11,091.48
Interest on Investments	4,500.00	7,695.46	3,195.46
Sewer Capital Surplus	9,030.36	9,030.36	-
Miscellaneous Revenue Not Anticipated	-	1,367.74	1,367.74
 Total	 <u>\$ 374,484.56</u>	 <u>\$ 390,139.24</u>	 <u>\$ 15,654.68</u>

Analysis of Realized Revenues

Miscellaneous Revenue Not Anticipated:

Sewer penalties	<u>\$ 1,367.74</u>
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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, 2018

	<u>Appropriations</u>		<u>Expenditures</u>		Balance <u>Canceled</u>
	Budget	After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 24,000.00	\$ 24,000.00	\$ 12,986.78	\$ 11,013.22	\$ -
Other Expenses	1,043,027.60	1,043,027.60	847,044.84	47,982.76	148,000.00
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Social Security	1,650.00	1,650.00	368.27	1,281.73	-
Debt Service:					
Payment of Bond Principal	31,360.00	31,360.00	31,360.00	-	-
Payment of Bond Anticipation Note Principal	1,782.56	1,782.56	1,782.50	-	0.06
Interest on Bonds	15,244.00	15,244.00	15,006.60	-	237.40
Interest on Notes	1,000.00	1,000.00	787.34	-	212.66
Total	<u>\$ 1,118,064.16</u>	<u>\$ 1,118,064.16</u>	<u>\$ 909,336.33</u>	<u>\$ 60,277.71</u>	<u>\$ 148,450.12</u>
Original Budget		<u>\$ 1,118,064.16</u>			
		<u><u>\$ 1,118,064.16</u></u>			
Analysis of Paid or Charged:					
Cash Disbursed			\$ 884,686.91		
Encumbrances Payable			8,855.48		
Interest on Bonds and Notes			15,793.94		
Total			<u>\$ 909,336.33</u>		

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, 2018

	<u>Appropriations</u>		<u>Expenditures</u>			<u>Balance Canceled</u>
	<u>Budget</u>	<u>After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Overexpended</u>	
Operating:						
Salaries and Wages	\$ 9,400.00	\$ 9,400.00	\$ 7,022.63	\$ 2,377.37	\$ -	\$ -
Other Expenses	288,547.00	288,547.00	256,115.51	5,431.49		27,000.00
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Social Security	700.00	700.00	224.62	475.38		-
Debt Service:						
Payment of Bond Principal	49,140.00	49,140.00	49,140.00	-		-
Payment of Bond Anticipation Note Principal	1,782.56	1,782.56	1,782.50	-		0.06
Interest on Bonds	23,415.00	23,415.00	23,020.90	-		394.10
Interest on Notes	1,500.00	1,500.00	2,565.32	-	1,065.32	-
Total	<u>\$ 374,484.56</u>	<u>\$ 374,484.56</u>	<u>\$ 339,871.48</u>	<u>\$ 8,284.24</u>	<u>\$ 1,065.32</u>	<u>\$ 27,394.16</u>
Original Budget		<u>\$ 374,484.56</u>				
Analysis of Paid or Charged:						
Cash Disbursed			\$ 309,884.54			
Encumbrances Payable			4,400.72			
Interest on Bonds and Notes			<u>25,586.22</u>			
Total			<u>\$ 339,871.48</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, 2018 and 2017

	<u>REFERENCE</u>	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>			
Cash	F-1	\$ 9,431.61	\$ 9,342.08
Total		<u>\$ 9,431.61</u>	<u>\$ 9,342.08</u>

LIABILITIES AND RESERVES

Reserve for Public Assistance	<u>\$ 9,431.61</u>	<u>\$ 9,342.08</u>
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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, 2018

	Balance December 31, 2017	Additions	Deletions	Balance December 31, 2018
General Fixed Assets:				
Land	\$ 44,497,797.00	\$ -	\$ -	\$ 44,497,797.00
Buildings and Building Improvements	10,962,237.00	750.00		10,962,987.00
Machinery and Equipment	8,175,327.00	830,318.00	66,573.00	8,939,072.00
 Total General Fixed Assets	 <u>\$ 63,635,361.00</u>	 <u>\$ 831,068.00</u>	 <u>\$ 66,573.00</u>	 <u>\$ 64,399,856.00</u>
 Total Investment in General Fixed Assets	 <u>\$ 63,635,361.00</u>	 <u>\$ 831,068.00</u>	 <u>\$ 66,573.00</u>	 <u>\$ 64,399,856.00</u>

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

Township of Hopewell
Notes to Financial Statements
December 31, 2018

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, 2018**

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. 17:9-41et 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, 2018**

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, 2018 to December 31, 2018.

**Township of Hopewell
Notes to Financial Statements
December 31, 2018**

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, 2018 to December 31, 2018.

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, 2018

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 \$24,929,673 as of December 31, 2018, \$529,464 was insured under FDIC and the remaining balance of \$24,400,209 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, 2018 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	\$ 4,853,288
Cash Management	Less than 1 Year		\$ 3,708

Township of Hopewell
Notes to Financial Statements
December 31, 2018

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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Tax Rate	\$ 2.858	\$ 2.780	\$ 2.713	\$ 2.660	\$ 2.600
Apportionment of Tax Rate:					
Municipal	.380	.370	.364	.362	.342
County	.735	.710	.686	.661	.670
Regional School	1.621	1.583	1.548	1.523	1.481
Fire District	.092	.087	.085	.079	.077
Municipal Open Space	.030	.030	.030	.030	.030

<u>Assessed Valuation</u>	<u>Amount</u>
2018	\$ 3,966,384,383
2017	3,969,467,988
2016	3,958,731,853
2015	3,968,475,958
2014	3,988,204,768

<u>Year Ended</u>	<u>Comparison of Tax Levies and Collections</u>			Percentage Of Collections
	<u>Tax Levy</u>	<u>Collections</u>		
2018	\$ 113,717,096	\$ 112,786,408		99.18 %
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

<u>Year Ended</u>	<u>Delinquent Taxes and Tax Title Liens</u>				Percentage of Tax Levy
	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>of Tax Levy</u>	
2018	\$ 231,297	\$ 823,601	\$ 1,054,898		.93 %
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

Township of Hopewell
Notes to Financial Statements
December 31, 2018

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>
2018	13
2017	10
2016	10
2015	9
2014	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>
2018	None
2017	None
2016	None
2015	None
2014	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>
2018	\$ 1,371	\$ 68,550	\$ 69,921	\$ 67,536	96.59 %
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

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>
2018	\$ 69,908	\$ 841,105	\$ 911,013	\$ 866,842	95.15 %
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, 2018

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>
2018	\$ 8,487	\$ 335,433	\$ 343,920	\$ 335,091	97.43 %
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</u>		<u>Percentage of Fund Balance Used</u>
		<u>In Budget of Succeeding Year</u>		
2018	\$ 10,163,523	\$ 1,360,000		13.38 %
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
<u>Water Utility Operating Fund</u>	<u>Balance December 31</u>	<u>Utilized</u>		<u>Percentage of Fund Balance Used</u>
		<u>In Budget of Succeeding Year</u>		
2018	\$ 160,995	\$ -0-		-0- %
2017	157,449	7,085		4.50
2016	140,946	-0-		-0-
2015	123,829	-0-		-0-
2014	102,277	-0-		-0-
<u>ELSA Sewer Utility Operating Fund</u>	<u>Balance December 31</u>	<u>Utilized</u>		<u>Percentage of Fund Balance Used</u>
		<u>In Budget of Succeeding Year</u>		
2018	\$ 697,710	\$ 132,309		18.96 %
2017	706,018	130,828		18.53
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, 2018

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
2018	\$ 360,455	\$ 26,096	7.24 %
2017	309,571	36,594	11.82
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, 2018

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, 2018 was 28.27% 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, 2018, the Township's contractually required contribution to the pension plan for the year ended December 31, 2018 is \$874,401 and is payable by April 1, 2019. 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, 2017, the Township's contractually required contribution to the pension plan for the year ended December 31, 2017 was \$809,722, which was paid by April 1, 2018. Employee contributions to the pension plan during the year ended December 31, 2018 were \$310,196.

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, 2018 was 3.15% of the Township's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2018, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2018 is \$97,361 and is payable by April 1, 2019. Based on the 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 was \$79,110, which was paid on April 1, 2018.

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
2018	\$ 271,201	\$ 504,565	\$ 33,956	\$ 809,722
2017	285,069	438,783	34,806	758,658
2016	264,459	415,553	33,722	713,734

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.

Township of Hopewell
Notes to Financial Statements
December 31, 2018

NOTE 8. PENSION PLANS (CONTINUED)

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

For the year ended December 31, 2018, the Township's proportionate share of pension expense is \$194,722. This expense is not recognized by the Township because of the regulatory basis of accounting as described in Note 1. At December 31, 2018, the Township proportionate share of the net pension liability is \$12,102,613 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	\$ 123,128	\$ 50,083
Changes of assumptions	1,038,846	3,101,691
Net Difference between projected and actual earnings on pension plan investments		66,212
Changes in proportion	499,556	447,722
Township contributions subsequent to the measurement date	874,401	
Total	\$ 2,535,931	\$3,665,708

\$874,401 included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2019. 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	
2019	\$ (177,888)	
2020	(177,888)	
2021	(177,888)	
2022	(859,432)	
2023	(611,082)	
Total	\$ (2,004,178)	

Township of Hopewell
Notes to Financial Statements
December 31, 2018

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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
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
June 30, 2018	5.73	5.73
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
June 30, 2018	-	5.73
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
June 30, 2018	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, 2018 and 2017 are as follows:

	<u>6/30/2018</u>	<u>6/30/2017</u>
Collective deferred outflows of resources	\$ 1,988,215,695	\$ 2,941,952,753
Collective deferred inflows of resources	\$ 4,286,994,294	\$ 3,262,432,093
Collective net pension liability	\$ 15,369,699,278	\$ 17,167,260,198
Township's Proportion	.0894393070%	.0914921031%

**Township of Hopewell
Notes to Financial Statements
December 31, 2018**

NOTE 8. PENSION PLANS (CONTINUED)

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

Actuarial assumptions – The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. 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 on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scale thereafter. For preretirement accidental mortality, a custom table with representative rates was used and there is no mortality improvement assumed. Post-retirement mortality rates for male service retirements and beneficiaries are based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis using Projection Scale AA from the base year of 2012 to 2013 and the Conduent modified 2014 projection scale thereafter. Post-retirement mortality rates for female service retirement and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scale thereafter. Disability mortality rates were based on a custom mortality table with representative rates and no mortality improvement assumed.

The actuarial assumptions used in the July 1, 2017 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, 2018) 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, 2018

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, 2018 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 6.51% as of June 30, 2018. 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 3.87% as of June 30, 2018, 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 50% 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 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062, 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, 2018, calculated using the discount rate of 6.51%, 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 (5.51%) or 1 percentage point higher (7.51%) than the current rate:

Township of Hopewell
Notes to Financial Statements
December 31, 2018

NOTE 8. PENSION PLANS (CONTINUED)

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

	1% Decrease (5.51%)	Current Discount Rate (6.51%)	1% Increase (7.51%)
Township's proportionate share of the net pension liability	\$ 16,197,846	\$ 12,102,613	\$ 8,724,792
State's proportionate share of the net pension liability associated with the Township	<u>1,932,909</u>	<u>1,643,940</u>	<u>1,405,968</u>
	<u><u>\$ 18,130,755</u></u>	<u><u>\$ 13,746,553</u></u>	<u><u>\$ 10,130,760</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.

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%.

Township of Hopewell
Notes to Financial Statements
December 31, 2018

NOTE 8. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

An additional 1.0% increase is being phased-in over seven years beginning on July 1, 2012. The member contribution rate was 7.34% in State fiscal year 2018. 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, 2018 was 13.42% 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, 2018, the Township's contractually required contribution to the pension plan for the fiscal year ended December 31 2018 was \$545,510 and is payable by April 1, 2019. Based on the PERS measurement date of June 30, 2017, the Township's contractually required contribution to the pension plan for the year ended December 31, 2017 was \$522,964, which was paid by April 1, 2018. Employee contributions to the pension plan during the year ended December 31, 2018 were \$315,822.

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	Long-Term Disability	Total Liability Paid by Township
2018	\$ 68,833	\$ 428,640	\$ 25,491	\$ 2,113	\$ 525,077
2017	89,206	453,980	27,110	752	571,048
2016	94,250	435,420	28,373		558,043

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, 2018, the Township's proportionate share of the PERS net pension liability was \$10,798,300. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. 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.

For the year ended December 31, 2018, the Township's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2018 measurement date is \$143,617. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

**Township of Hopewell
Notes to Financial Statements
December 31, 2018**

NOTE 8. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

At December 31, 2018, the Township proportionate share of the PERS net pension liability was \$10,798,300 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	\$ 205,925	\$ 55,680
Changes of assumptions	1,779,381	3,452,722
Net Difference between projected and actual earnings on pension plan investments		101,289
Changes in proportion		1,546,871
Township contributions subsequent to the measurement date	545,510	
Total	\$ 2,530,816	\$5,156,562

\$545,510 included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2019. 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
2019	\$ (571,602)
2020	(571,602)
2021	(481,569)
2022	(946,111)
2023	(600,372)
Total	\$ (3,171,256)

Township of Hopewell
Notes to Financial Statements
December 31, 2018

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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
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	-
June 30, 2018	-	5.63
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
June 30, 2018	-	5.63
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	-
June 30, 2018	5.00	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, 2018 and 2017 are as follows:

	<u>6/30/2018</u>	<u>6/30/2017</u>
Collective deferred outflows of resources	\$ 4,684,852,302	\$ 6,424,455,842
Collective deferred inflows of resources	\$ 7,646,736,226	\$ 5,700,625,981
Collective net pension liability	\$ 19,689,501,539	\$ 23,278,401,588
Township's Proportion	.0005484293%	.0564516233%

Actuarial assumptions – The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

**Township of Hopewell
Notes to Financial Statements
December 31, 2018**

NOTE 8. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Inflation rate: 2.25%

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 Conduent modified 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. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. 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, 2017 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, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk mitigation strategies	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%	

Township of Hopewell
Notes to Financial Statements
December 31, 2018

NOTE 8. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Discount rate. The discount rate used to measure the State's total pension liability was 5.66% as of June 30, 2018. 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 3.87% as of June 30, 2018, 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 50% 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 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046, 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, 2018, calculated using the discount rate of 5.66%, 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 (4.66%) or 1 percentage point higher (6.66%) than the current rate:

	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
Township's proportionate share of the net pension liability	\$ 13,577,618	\$ 10,798,300	\$ 8,466,630

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.

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.

**Township of Hopewell
Notes to Financial Statements
December 31, 2018**

NOTE 8. PENSION PLANS (CONTINUED)

Defined Contribution Retirement Program (DCRP) (Continued)

The Township's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Employer</u>		
2018	\$	973
2017		-
2016		-

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)

General Information about the OPEB Plan

The financial statements of the Township are not prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The following information is provided in accordance with the requirements of the Statement and has been implemented prospectively.

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.

**Township of Hopewell
Notes to Financial Statements
December 31, 2018**

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

Employees Covered by Benefit Terms – At December 31, 2018, the following employees were covered by the benefit terms:

<u>Participation Data</u>	<u>Amount</u>
Active Employees	63
Retirees	<u>66</u>
Total	<u><u>129</u></u>

Total OPEB Liability

The Total OPEB Liability as of December 31, 2018 is \$31,507,688 based upon a discount rate of 4.10% per annum and the plan provisions in effect on December 31, 2018.

Net OPEB Liability

The Net OPEB Liability as of December 31, 2018 is \$31,507,688 based upon a discount rate of 4.10% per annum and the plan provisions in effect on December 31, 2018. There are no plan assets to offset the liability. The liability is broken out as follows:

Total OPEB Liability	\$ 31,507,688
Fiduciary Net Position (Assets)	<u>-</u>
Net OPEB Liability	<u><u>\$ 31,507,688</u></u>

Basis of Valuation

This valuation has been conducted as of December 31, 2018 based upon census, plan design and medical, drug, dental and vision rate information provided by the Township. Census includes 66 participants currently receiving retiree benefits, and 63 active participants of whom 11 are eligible to retire as of the valuation date. The average age of the active population is 46 and the average age of the retiree population is 70.

Actuarial assumptions were selected with the intention of mirroring the requirements of New Jersey Local Finance Notice 2007-15 in addition to Statement of Government Accounting Standard No. 75.

Demographic assumptions were selected based on those used in the State Division of Pensions and Benefits in calculating pension benefits taken from the July 1, 2017 report from Conduent. While some assumptions were simplified to reflect the smaller population, and to simplify the valuation process, the valuation results reasonably 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 calculated SHBP member OPEB requirements taken from the June 30, 2017 GASB 74 Accounting Results – Local Government report from Aon Consultants.

Township of Hopewell
Notes to Financial Statements
December 31, 2018

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

Key Actuarial Assumptions

Mortality	RP 2000 Combined Healthy Male Mortality Rates Set Forward Three Years
Turnover	NJ State Pensions Ultimate Withdrawal Rates - prior to benefits eligibility
Assumed Retirement Age	At first eligibility after completing 25 years of service
Full Attribution Period	Service to Assumed Retirement Age
Annual Discount Rate	4.10% Based on the Bond Buyer 20 Index December 31, 2018
Rate of Salary Increase	2.50%
Trend	Medical: 5.8% in 2018, reducing by 0.1% per annum, leveling at 5% per annum in 2026 Drug: 10.0% in 2018, reducing by 0.5% per annum to 2022 and 1% annum thereafter, leveling at 5% per annum in 2026 Dental and Vision: 3.5% per annum
Medical Cost Aging Factor	NJ SHBP Medical Morbidity Rates

Attribution period – The attribution period begins with the date of hire and ends with full benefits eligibility date.

Per capita cost methods – The valuation reflects per capita net premium costs based on actual 2018 medical, prescription drug and dental premiums and the plan option selected. Plan selections are assumed to remain unchanged in retirement. The age specific cost was derived based on per person costs at the average age of the active population (46) and scaled to each age based on the medical cost aging factors. At age 65, Medicare becomes the primary payer of medical benefits and consequentially, per capita plan costs are offset by Medicare payments. Thus, post 65 costs were decreased using the assumption that Medicare picks up 66.7% of medical costs.

Retiree Contributions – NJ Chapter 78 requires that certain future retirees contribute toward the cost of their benefits. Specifically, those who had retired prior to passage of Chapter 78 and those employees that had more than 25 years of service on the date of passage are grandfathered. All others are subject to the contribution rates in effect when they retire, but not less than 1.5% of their annual retirement allowance from the Public Employees' Retirement System. For purposes of this valuation and for conservatism, we have assumed that future retiree contributions percentage rates will not increase. Thus, we assumed that a future retiree will contribute his/her current employee contribution as reported by the Township increased annually by the rate of medical trend. 2018 employer contributions for retiree benefits as reported by the Township are \$800,000.

Actuarial valuation method – Entry Age Normal Funding Method based on a level percentage of salary. 2018 salaries were reported by the Township as \$7,596,000.

Discount Rate – For the total OPEB Liability calculation as of December 31, 2018, the discount rate utilized was 4.10%

Township of Hopewell
Notes to Financial Statements
December 31, 2018

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

Changes in the Total OPEB Liability – The changes to the OPEB Liability during the year ending December 31, 2018 are as follows:

	<u>Total OPEB Liability</u>
Balance beginning of year	<u>\$30,469,599</u>
Changes for the year:	
Service cost	581,565
Interest Cost	1,256,694
Net Benefit Payments	<u>(800,170)</u>
Net Changes	<u>1,038,089</u>
Balance December 31, 2018	<u><u>\$31,507,688</u></u>

Total OPEB Expense – The Total OPEB Expense is the measure of annual cost based on the actuarial funding method utilized. It is comprised of the “Service Cost” which is the portion of future liabilities attributable to the measurement year, plus interest on the Net OPEB Liability during the year. As of the measurement date, the plan had no assets to offset any portion of the Net OPEB Liability.

The Total OPEB Expense as of December 31, 2018 is \$1,838,259 based upon a discount rate of 4.10% per annum and the plan provisions in effect on December 31, 2018.

Sensitivity of the total OPEB liability to changes in the discount rate - Actuarial measurements are sensitive to changes in actuarial assumptions and where actual experience differs from assumptions. The following represents the Total OPEB Liability if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	Current		
	1% Decrease 3.10%	Discount Rate 4.10%	1% Increase 5.10%
Total OPEB Liability	\$ 33,157,206	\$ 31,507,688	\$ 28,899,660

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates - Actuarial measurements are sensitive to changes in actuarial assumptions and where actual experience differs from assumptions. The following represents the Total OPEB Liability if it were calculated using a medical trend is that 1 percentage point lower or 1 percentage point higher than the current discount rate:

	Healthcare Cost Trend Rates		
	1% Decrease	Discount Rate	1% Increase
Total OPEB Liability	\$ 28,813,207	\$ 31,507,688	\$ 33,266,213

Township of Hopewell
Notes to Financial Statements
December 31, 2018

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, 2018, accrued benefits for compensated absences are valued at \$1,426,955.

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.

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>
2018	\$ 548	\$ 9,935	\$ 8,597	\$ 55,080
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

Township of Hopewell
Notes to Financial Statements
December 31, 2018

NOTE 12. CAPITAL DEBT

Summary of Municipal Debt

	Year 2018	Year 2017	Year 2016
<u>Issued:</u>			
General Bonds and Notes	\$ 59,239,543	\$ 59,863,899	\$ 66,757,825
Water Utility Bonds and Notes	39,050	53,550	68,050
Sewer Utility Bonds and Notes	1,262,570	1,241,635	1,325,700
Loans	156,893	199,748	241,760
Total Issued	60,698,056	61,358,832	68,393,335
Less:			
Self-Liquidating Debt	39,050	1,251,665	1,393,750
Funds on hand to pay Bonds & Notes	-	-	-
Open Space Bonds and Notes	10,901,742	11,739,701	14,919,598
Net Debt Issued	49,757,264	48,367,466	52,079,987
<u>Authorized But Not Issued:</u>			
General Bonds and Notes	-	555,149	-
Water Utility Bonds and Notes	-	-	-
Sewer Utility Bonds and Notes	-	-	-
Net Debt	\$ 49,757,264	\$ 48,922,615	\$ 52,079,987

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, 2018 consisted of the following issues:

Purpose	Date of Maturity	Interest Rate	Amount
Refunding Bonds of 2009	10/01/2020	3.00% - 4.00%	\$ 965,000
General Obligation Bonds of 2010	02/15/2030	3.00% - 4.00%	2,750,000
Refunding Bonds of 2017	02/15/2030	2.00% - 4.00%	12,370,000
Refunding Bonds of 2014	10/01/2026	3.00% - 5.00%	7,615,000
General Obligation Bonds of 2014	02/01/2034	3.00% - 5.00%	20,123,000
General Obligation Bonds of 2015	04/01/2032	3.00% - 5.00%	6,452,000
Water Utility Refunding Bonds of 2014	10/01/2026	4.00% - 5.00%	39,050
Sewer Utility Bonds of 2014	10/01/2026	4.00% - 4.25%	430,950
Sewer Utility Bonds of 2015	04/01/1932	2.00% - 3.00%	691,000
Total			\$ 51,436,000

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.

**Township of Hopewell
Notes to Financial Statements
December 31, 2018**

NOTE 12. CAPITAL DEBT (Continued)

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, 2018, the Township had the following outstanding Bond Anticipation Notes:

	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
General Capital Fund	04/05/2019	3.00%	\$ 8,964,543
Sewer Utility Capital Fund	04/05/2019	3.00%	140,620
			<u></u>
Total			<u>\$ 9,105,163</u>

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 1.178%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District Debt	\$ 40,122,296	\$ 40,122,296	\$ -
Water and Sewer Utility Debt	1,301,620	39,050	1,262,570
General Debt	<u>59,396,436</u>	<u>10,901,742</u>	<u>48,494,694</u>
Total	<u>\$ 100,820,352</u>	<u>\$ 51,063,088</u>	<u>\$ 49,757,264</u>

Net Debt, \$49,757,264 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2, as amended, \$4,224,036,777 equals 1.178%.

Equalized Valuation Basis:

2016	\$ 4,163,192,713
2017	4,290,739,149
2018	<u>4,218,178,469</u>
Average	<u>\$ 4,224,036,777</u>

**Township of Hopewell
Notes to Financial Statements
December 31, 2018**

NOTE 12. CAPITAL DEBT (Continued)

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 147,841,287
Net Debt	<u>1,273,819</u>
Remaining Borrowing Power	<u><u>\$ 146,567,468</u></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	\$ 80,762
Deductions:	
Operating and Maintenance Costs	\$ 50,875
Debt Service Costs	<u>16,535</u>
	<u><u>67,410</u></u>
Total Excess in Revenues	<u><u>\$ 13,352</u></u>

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

Cash Receipts from Fees, Rents or Other Charges for the Year	\$ 1,410,792
Deductions:	
Operating and Maintenance Costs	\$ 1,367,325
Debt Service Costs	<u>125,445</u>
	<u><u>1,492,770</u></u>
Total Excess (Deficit) in Revenues	<u><u>\$ (81,978)</u></u>

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

Township of Hopewell
Notes to Financial Statements
December 31, 2018

NOTE 12. CAPITAL DEBT (Continued)

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
	2019	\$ 4,495,000	\$ 1,742,208	\$ 6,237,208
	2020	4,610,000	1,561,807	6,171,807
	2021	4,615,000	1,386,108	6,001,108
	2022	4,635,000	1,211,407	5,846,407
	2023	4,775,000	1,046,158	5,821,158
	2024-2028	17,456,000	3,099,677	20,555,677
	2029-2033	8,592,000	886,204	9,478,204
	2034	<u>1,097,000</u>	<u>21,940</u>	<u>1,118,940</u>
		<u><u>\$ 50,275,000</u></u>	<u><u>\$ 10,955,509</u></u>	<u><u>\$ 61,230,509</u></u>

Water Utility				
Calendar	Year	Principal	Interest	Total
	2019	\$ 4,500	\$ 1,867	\$ 6,367
	2020	5,400	1,688	7,088
	2021	4,950	1,472	6,422
	2022	4,950	1,273	6,223
	2023	4,950	1,076	6,026
	2024-2026	<u>14,300</u>	<u>1,592</u>	<u>15,892</u>
		<u><u>\$ 39,050</u></u>	<u><u>\$ 8,968</u></u>	<u><u>\$ 48,018</u></u>

Serial Bonds Payable

Sewer Utility				
Calendar	Year	Principal	Interest	Total
	2019	\$ 75,500	\$ 36,188	\$ 111,688
	2020	89,600	33,717	123,317
	2021	95,050	30,734	125,784
	2022	95,050	27,831	122,881
	2023	95,050	24,930	119,980
	2024-2028	435,700	72,320	508,020
	2029-2032	<u>236,000</u>	<u>13,980</u>	<u>249,980</u>
		<u><u>\$ 1,121,950</u></u>	<u><u>\$ 239,700</u></u>	<u><u>\$ 1,361,650</u></u>

**Township of Hopewell
Notes to Financial Statements
December 31, 2018**

NOTE 12. CAPITAL DEBT (Continued)

New Jersey Green Trust Loan Payable

Calendar Year	Principal	Interest	Total
2019	\$ 43,717	\$ 2,920	\$ 46,637
2020	44,596	2,042	46,638
2021	45,492	1,145	46,637
2022	<u>23,088</u>	<u>231</u>	<u>23,319</u>
	<u><u>\$ 156,893</u></u>	<u><u>\$ 6,338</u></u>	<u><u>\$ 163,231</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.

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, 2018:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Current Fund	\$ -	\$ 250,640
Trust Fund:		
Other Trust Funds	250,640	
ELSA Sewer Utility Fund		1,408
SBRSA Sewer Utility Fund	1,408	
	<u><u>\$ 252,048</u></u>	<u><u>\$ 252,048</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.

**Township of Hopewell
Notes to Financial Statements
December 31, 2018**

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, 2018

	CURRENT FUND	FEDERAL AND STATE GRANT FUND
Balance December 31, 2017	\$ 23,898,256.37	\$ 580,092.66
Receipts:		
Taxes Receivable	102,704,115.81	
2019 Prepaid taxes	1,124,903.29	
Tax Overpayments	248,420.33	
Accounts Receivable		
Revenue Accounts Receivable	4,094,898.37	
Due State of New Jersey:		
Marriage License Fees	1,475.00	
Burial Permits	200.00	
Due from State of New Jersey for Senior Citizens and Veterans Deductions	103,128.76	
Miscellaneous Revenues Not Anticipated	81,125.87	
Due to Other Trust Fund	226,717.00	
Federal and State Grants Receivable		333,565.27
Due to Current Fund		5,306.12
Contra - Budget Refunds	836,374.76	
Petty Cash	1,550.00	
Contra	2,750.00	
Total Receipts	<u>109,425,659.19</u>	<u>338,871.39</u>
Subtotal	<u>133,323,915.56</u>	<u>918,964.05</u>
Disbursements:		
2018 Appropriations	20,093,830.74	
Appropriation Reserves	1,128,538.94	
Accounts Payable		
Refund of Tax Overpayments	69,646.93	
Reserve for Master Plan	150.50	
County Taxes	29,191,570.29	
Regional School Taxes	64,304,828.00	
Fire District Tax Payable	3,633,352.00	
Municipal Open Space Tax Payable	1,191,860.99	
Due State of New Jersey:		
Marriage License Fees	1,275.00	
Burial Permits	160.00	
Due to Other Trust Fund	217,977.48	
Appropriated Reserves		362,107.19
Due to Current Fund		5,306.12
Contra - Budget Refunds	836,374.76	
Petty Cash	1,550.00	
Contra	2,750.00	
Total Disbursements	<u>120,673,865.63</u>	<u>367,413.31</u>
Balance December 31, 2018	<u>\$ 12,650,049.93</u>	<u>\$ 551,550.74</u>

TOWNSHIP OF HOPEWELL
Current Fund
Schedule of Change Funds
For the Year Ended December 31, 2018

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, 2018

Year	Balance	2018 Levy	Added Taxes	COLLECTIONS BY CASH		State Share of 2018 Senior Citizens and Veterans Deductions Allowed	Transferred To Tax Title Lien	Overpayments Applied	Canceled	Balance
	Dec. 31, 2017			2017	2018					Dec. 31, 2018
2013	\$ 7,511.52	\$ -	\$ -	\$ -	\$ 7,511.52	\$ -	\$ -	\$ -	\$ -	\$ -
2015	8,806.14									8,806.14
2016	16,357.91				15,388.06					969.85
2017	651,382.44		1,621.24		644,227.46		6,580.22		250.00	1,946.00
Subtotal	684,058.01	-	1,621.24	-	667,127.04	-	6,580.22	-	250.00	11,721.99
2018	-	113,717,095.68		10,621,281.13	102,036,988.77	105,835.62	29,824.74	22,302.44	88,983.52	811,879.46
Total	\$ 684,058.01	\$ 113,717,095.68	\$ 1,621.24	\$ 10,621,281.13	\$ 102,704,115.81	\$ 105,835.62	\$ 36,404.96	\$ 22,302.44	\$ 89,233.52	\$ 823,601.45

Analysis of Property Tax Levy

Tax Yield:	
General Purpose Tax	\$ 113,408,175.23
Added Taxes	132,093.22
Omitted Taxes	71,577.23
Senior Citizens and Veterans Deductions Allowed	
Per Original Levy	105,250.00
Total	\$ 113,717,095.68
Tax Levy:	
Regional High School Tax (Abstract)	\$ 64,304,828.00
Fire District Tax (Abstract)	3,633,352.00
County Tax (Abstract)	29,146,687.97
County Added Taxes	91,524.69
Local Open Space Tax (Abstract)	1,190,016.00
Local Open Space Added Tax	3,827.52
Local Tax for Municipal Purposes	\$ 15,050,518.77
Additional Tax Levees	296,340.73
Total	\$ 15,346,859.50
	\$ 113,717,095.68

TOWNSHIP OF HOPEWELL
Current Fund
Schedule of Tax Title Liens
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 193,879.13
Increased by:	
Transfer from Taxes Receivable	\$ 36,404.96
Interest and Costs from Tax Sale	<u>1,012.67</u>
	<u>37,417.63</u>
Balance December 31, 2018	<u><u>\$ 231,296.76</u></u>

TOWNSHIP OF HOPEWELL
Current Fund
 Schedule of Revenue Accounts Receivable
 For the Year Ended December 31, 2018

	Balance Dec. 31, 2017	Accrued in 2018	Collected By Treasurer	Balance Dec. 31, 2018
Alcoholic Beverage Licenses	\$ -	\$ 30,250.00	\$ 30,250.00	\$ -
Fees and Permits	- -	359,602.62	359,602.62	- -
Municipal Court - Fines and Costs	20,385.14	246,768.31	252,191.12	14,962.33
Interest and Costs on Taxes	- -	189,554.78	189,554.78	- -
Payment in Lieu of Taxes	- -	99,387.00	99,387.00	- -
Interest Earned on Investments and Deposits	- -	251,471.22	251,471.22	- -
Comcast Franchise Fee	- -	272,051.88	272,051.88	- -
CHS Settlement Agreement	- -	145,017.00	145,017.00	- -
Energy Receipts Tax	- -	1,601,563.00	1,601,563.00	- -
Garden State Trust Fund	- -	32,594.00	32,594.00	- -
Interlocal Police Services	- -	442,247.03	442,247.03	- -
Interlocal Police Dispatch Services	- -	17,956.50	17,956.50	- -
Interlocal Senior Services	- -	11,170.00	11,170.00	- -
Reserve for Debt Service	- -	389,842.22	389,842.22	- -
 Total	 <u>\$ 20,385.14</u>	 <u>\$ 4,089,475.56</u>	 <u>\$ 4,094,898.37</u>	 <u>\$ 14,962.33</u>

Township of Hopewell
Appropriation Reserves - Current Fund
For the Year Then Ended December 31, 2018

	Balance December 31, 2018				
	Appropriation Reserve	Balance after Transfers	Reserve for Encumbrances	Paid or Charged	Balance Lapsed
Salaries and Wages - Within Caps					
Governing Body	\$ 0.32	\$ 0.32	\$ -	\$ -	\$ 0.32
Administrator's Office	22,043.23	43.23			43.23
Clerk's Office	16,540.69	16,540.69	0.91		16,540.69
Financial Administration	0.91	0.91			0.91
Assessment of Taxes	1,555.30	1,555.30			1,555.30
Collection of Taxes	0.99	0.99			0.99
Legal Services and Costs	0.07	0.07			0.07
Public Buildings and Grounds	20,043.48	20,043.48			20,043.48
Fleet Maintenance	5,101.89	5,101.89			5,101.89
Parks & Maintenance	13,004.93	13,004.93			13,004.93
Police	39,879.35	1,862.57			1,862.57
Community Development	5,180.65	5,180.65		496.14	4,684.51
Road Repair & Maintenance	45,489.22	45,489.22		30.40	45,458.82
Board of Health	2,417.73	2,417.73			2,417.73
Municipal Court	80.16	80.16			80.16
Public Defender	2,925.50	2,925.50	1,799.00	2,115.00	2,609.50
Recreation	149.18	149.18			149.18
Senior Services					-
Subtotal	174,413.60	114,396.82	1,799.00	2,641.54	113,554.28
Other Expenses - Within Caps					
Administrative & Executive:					
Governing Body	21.35	21.35			21.35
Administrator's Office	1,726.12	1,726.12	14,494.41	9,077.92	7,142.61
Clerk's Office	981.32	981.32	6,082.93	4,455.73	2,608.52
Financial Administration	2,281.47	2,281.47	3,131.17	212.28	5,200.36
Assessment of Taxes	1,812.80	1,812.80	29,906.23	20,374.98	11,344.05
Collection of Taxes	1,394.74	1,394.74	633.74	943.74	1,084.74
Engineering			10,444.45	9,810.00	634.45
Legal Services and Costs	1,687.50	61,704.28	56,599.97	113,701.03	4,603.22
Public Buildings and Grounds	15,860.00	15,860.00	30,120.56	25,120.09	20,860.47
Fleet Maintenance	6,447.75	6,447.75	15,326.48	7,188.77	14,585.46
Parks & Maintenance	3,200.00	3,200.00	3,862.95	862.42	6,200.53
Environmental Commission	4,670.12	4,670.12	3,560.00	3,560.00	4,670.12
Insurance					
Liability Insurance			394.09		394.09
Medical Insurance	149,282.35	149,282.35	250.00	562.45	148,969.90
Health Benefit Waiver	2,663.07	2,663.07			2,663.07
Police	2,631.11	2,631.11	54,597.30	53,730.82	3,497.59
Community Development	872.03	872.03	13,769.17	7,940.86	6,700.34
Road Repair & Maintenance	73,360.14	73,360.14	179,339.14	115,448.57	137,250.71
Sanitation	22,752.83	22,752.83	2,755.54	246.07	25,262.30
Board of Health	15,423.53	15,423.53	7,689.05	2,154.05	20,958.53
Historic Preservation Committee	2,419.98	2,419.98	300.00		2,719.98
Municipal Court	7,167.09	7,167.09	820.23	335.94	7,651.38
Recreation	170.09	170.09	210.27	110.27	270.09
Senior Services	1,372.86	1,372.86	617.79	519.23	1,471.42
Utilities:					
Street Lighting	36,719.25	36,719.25		34,860.94	1,858.31
Utilities	27,821.92	27,821.92		22,542.12	5,279.80
Telephone	926.02	926.02	184.34	184.34	926.02
Motor Fuels	27,285.17	27,285.17	27,054.85	21,603.98	32,736.04
Disability Insurance	1,584.93	1,584.93			1,584.93
Subtotal	412,535.54	472,552.32	462,144.66	455,546.60	479,150.38
Statutory Expenditures - Within Caps					
Public Employees' Retirement System					-
Defined Contribution Retirement Program	825.00	825.00			825.00
Social Security System	6,002.77	6,002.77		428.74	5,574.03
Subtotal	6,827.77	6,827.77	-	428.74	6,399.03
Other Expenses - Excluded from Caps					
Recycling Tonnage Tax	740.37	740.37	93.19		833.56
Interlocal Recycling					-
Interlocal Police					-
Subtotal	740.37	740.37	93.19	-	833.56
Capital Improvements - Excluded from Caps					
Vehicles			406,103.49	380,067.37	26,036.12
Road Program			339,960.76	294,085.76	45,875.00
Sr. Comm Center Design	40,000.00	40,000.00			40,000.00
Redevelopment Plan	100,000.00	100,000.00			100,000.00
Subtotal	140,000.00	140,000.00	746,064.25	674,153.13	211,911.12
Grand Total	\$ 734,517.28	\$ 734,517.28	\$ 1,210,101.10	\$ 1,132,770.01	\$ 811,848.37
		Cash Disbursed	\$ 1,128,538.94		
		Accounts Payable	4,231.07		
		Total	\$ 1,132,770.01		

TOWNSHIP OF HOPEWELL
Current Fund
Schedule of Prepaid Taxes
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 10,621,281.13
Increased by:	
Collected	<u>1,124,903.29</u>
Subtotal	11,746,184.42
Decreased by:	
Applied to 2018 Taxes	<u>10,621,281.13</u>
Balance December 31, 2018	<u>\$ 1,124,903.29</u>

Schedule of Tax Overpayments
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 22,302.44
Increased by:	
Collected	\$ 248,420.33
Created from State Appeals	<u>248,420.33</u>
Subtotal	270,722.77
Decreased by:	
Refunded	69,646.93
Applied to 2018 Taxes	22,302.44
Canceled	<u>91,949.37</u>
Balance December 31, 2018	<u>\$ 178,773.40</u>

TOWNSHIP OF HOPEWELL
Current Fund
 Schedule of Reserve for Tax Appeals Pending
 For the Year Ended December 31, 2018

Balance December 31, 2018 and 2017	\$ <u>100,000.00</u>
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Schedule of Reserve for Revaluation
 For the Year Ended December 31, 2018

Balance December 31, 2018 and 2017	\$ <u>12,353.25</u>
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Schedule of Reserve for Preparation of Master Plan
 For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 26,993.22
Less	
Cash Disbursed	<u>150.50</u>
Balance December 31, 2018	<u>\$ 26,842.72</u>

Schedule of Reserve for Historic Building Repairs
 For the Year Ended December 31, 2018

Balance December 31, 2018 and 2017	\$ <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, 2018

Balance December 31, 2017 - Due to/(from)	\$ 1,500.00
Increased by:	
Collected	103,128.76
Subtotal	<u>104,628.76</u>
Senior Citizen Deductions per Duplicate	\$ 9,250.00
Disabled Deductions per Duplicate	1,750.00
Veterans Deductions per Duplicate	64,250.00
Widow Deductions per Duplicate	30,000.00
Senior Citizen Deductions and Veterans Deductions Allowed by Collector	<u>1,000.00</u>
Subtotal	<u>106,250.00</u>
Less:	
Senior Citizens Deductions Disallowed by Collector	414.38
Prior Year Senior Citizens Deductions Disallowed by Collector	<u>1,621.24</u>
Subtotal	<u>104,214.38</u>
Balance December 31, 2018 - Due to/(from)	<u><u>\$ 414.38</u></u>

Schedule of Due to State of New Jersey
 for Marriage License Fees/Domestic Partnership Fees
 For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 225.00
Increased by:	
State Portion of 2018 Marriage Licenses Fees	<u>1,475.00</u>
Subtotal	<u>1,700.00</u>
Decreased by:	
Disbursed to State of New Jersey	<u>1,275.00</u>
Balance December 31, 2018	<u><u>\$ 425.00</u></u>

TOWNSHIP OF HOPEWELL
Current Fund
Schedule of County Taxes Payable
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 99,221.70
Increased by:	
2018 Levy:	
General County	\$ 25,492,660.23
Library Tax	2,578,720.50
County Open Space Preservation	1,075,307.24
Added and Omitted Taxes	<u>91,524.69</u>
	<u>29,238,212.66</u>
Subtotal	29,337,434.36
Decreased by:	
Disbursed to County of Mercer	<u>29,191,570.29</u>
Balance December 31, 2018	<u>\$ 145,864.07</u>

Schedule of Fire District Taxes Payable
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ -
Increased by:	
2018 Levy	<u>3,633,352.00</u>
Subtotal	3,633,352.00
Decreased by:	
Disbursed to Hopewell Township Fire Districts	<u>3,633,352.00</u>
Balance December 31, 2018	<u>\$ -</u>

TOWNSHIP OF HOPEWELL
Current Fund
 Schedule of Regional School Tax Payable
 For the Year Ended December 31, 2018

Balance December 31, 2017	\$ -
Increased by:	
Levy - Calendar Year	<u>64,304,828.00</u>
Subtotal	64,304,828.00
Decreased by:	
Disbursed to Hopewell Valley Regional School District	<u>64,304,828.00</u>
Balance December 31, 2018	<u>\$ -</u>

Schedule of Municipal Open Space Tax Payable
 For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 1,844.99
Increased by:	
Levy - Calendar Year	\$ 1,190,016.00
Added and Omitted Taxes	<u>3,827.52</u>
Subtotal	1,193,843.52
Decreased by:	
Disbursed to Open Space Trust Fund	<u>1,191,860.99</u>
Balance December 31, 2018	<u>\$ 3,827.52</u>

TOWNSHIP OF HOPEWELL
Federal and State Grant Fund
Schedule of Federal, State and Local Grants Receivable
For the Year Ended December 31, 2018

	Balance			Transfer from		Transfer to		Balance
	Dec. 31, 2017	Accrued	Received	Unapprop. Res.		Unapprop. Res.		Dec. 31, 2018
Federal Grants:								
FEMA Generator	\$ 150,611.70	\$ -	\$ -	\$ -		\$ -		\$ 150,611.70
	<u>150,611.70</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>		<u>150,611.70</u>
State Grants:								
Clean Communities Grant	1,735.95	50,971.49	50,971.49					1,735.95
DOT - Bull Run		427,100.00						427,100.00
DOT - Denow Rd		225,000.00						225,000.00
DOT - Federal City Road	68,750.00							68,750.00
DOT - Hopewell/Wertsville Phase II	70,875.00							70,875.00
DOT - Lawrence Hopewell Trail @ Bailey	225,000.00							225,000.00
DOT - Van Brunt		446,400.00						446,400.00
Drunk Driving Enforcement Fund	-	4,960.61	4,960.61					
Emergency Mgmt (Homeland Security)	(0.44)							(0.44)
Historic Sites Committee		14,910.00						14,910.00
It pays to plug in - NJDEP	5,000.00							5,000.00
LHT Bikeway	87,500.00	250,000.00	250,000.00					87,500.00
LHT Signage	-							
NJ Dept. of Environmental Protection	4,460.00							4,460.00
Pothole Grant	(0.93)							(0.93)
Sustainable NJ	-	10,000.00	10,000.00					
TAP - Tobacco Age of Sale	1,000,000.00							1,000,000.00
	<u>1,463,319.58</u>	<u>1,429,342.10</u>	<u>315,932.10</u>	<u>-</u>		<u>-</u>		<u>1,735.95</u>
Local Grants:								
Mercer County - Drug Alliance Program	29,861.32	26,016.00	17,633.17					38,244.15
	<u>29,861.32</u>	<u>26,016.00</u>	<u>17,633.17</u>	<u>-</u>		<u>-</u>		<u>38,244.15</u>
Total	\$ 1,643,792.60	\$ 1,455,358.10	\$ 333,565.27	\$ -		\$ -		\$ 2,763,849.48

TOWNSHIP OF HOPEWELL
Federal and State Grant Fund

Schedule of Reserve For Federal and State Grants - Unappropriated
For the Year Ended December 31, 2018

	Balance	Federal and	Appropriated	Balance
	Dec. 31, 2017	State Grants	in Budget	
		Receivable	2018	Canceled
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, 2018

	Transferred From 2018						
	Balance Dec. 31, 2017	Budget Appropriation	Appropriation by N.J.S.A. 40A:4-87	Expended	Cancelled	Balance Dec. 31, 2018	
Federal Grants:							
FEMA Grant Generator	\$ 180,103.70	\$ -	\$ -	\$ -	\$ -	\$ 180,103.70	
Energy Efficiency and Conservation Block Grant - II	<u>4,552.75</u>					<u>4,552.75</u>	
	<u>184,656.45</u>	-	-	-	-	<u>184,656.45</u>	
State Grants:							
ANJEC	860.00					860.00	
Body Armor Grant	2,830.01				2,830.01		-
Clean Air Cool Planet	1,744.07					1,744.07	
Clean Communities Grant	442,649.15		50,971.49	20,755.84	1,735.95	471,128.85	
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 - Bull Run		427,100.00		9,345.00		417,755.00	
DOT - Denow Rd		225,000.00				225,000.00	
DOT - Federal City Road	112,981.67				9,712.26	103,269.41	
DOT - Harb/Rocktown Road	3,632.87					3,632.87	
DOT - Hopewell/Wertsville Phase II	120,186.68				19,774.89	100,411.79	
DOT - LHT @ Bailey	225,000.00					225,000.00	
DOT - Titus Mill Road	106.57					106.57	
DOT - Van Brunt		446,400.00				446,400.00	
Drunk Driving Enforcement Fund	17,289.80		4,960.61	785.50		21,464.91	
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		14,910.00			22,410.00	
It pays to plug in - NJDEP	14,400.00					14,400.00	
LHT Grant - DVRPC		250,000.00			250,000.00		-
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	28,224.10			19,655.04		8,569.06	
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	
Sustainable NJ		10,000.00		10,000.00			-
Sustainable NJ - Green Team	917.80			175.00			742.80
Sustainable NJ - Solar Challenge	268.38						268.38
TAP - LHT	1,000,000.00					1,000,000.00	
Tobacco Age-of-Sale Grant	292.99					292.99	
	<u>1,992,931.47</u>	<u>1,373,410.00</u>	<u>55,932.10</u>	<u>343,033.54</u>	<u>1,735.95</u>	<u>3,077,504.08</u>	
Local Grants:							
BMS Water Main Surveying	9,123.10					9,123.10	
Drainage Open Space Inventory	5,000.00					5,000.00	
Harvest Fair I	4.06					4.06	
Municipal Alliance on Alcoholism and Drug Abuse	32,020.18		26,016.00		19,073.65		38,962.53
Ride Provide	150.00						150.00
	<u>46,297.34</u>	<u>26,016.00</u>	<u>-</u>	<u>19,073.65</u>	<u>-</u>	<u>53,239.69</u>	
Total	<u>\$ 2,223,885.26</u>	<u>\$ 1,399,426.00</u>	<u>\$ 55,932.10</u>	<u>\$ 362,107.19</u>	<u>\$ 1,735.95</u>	<u>\$ 3,315,400.22</u>	

TRUST FUND

TOWNSHIP OF HOPEWELL
Trust Fund
Schedule of Cash - Treasurer
For the Year Ended December 31, 2018

	<u>ANIMAL CONTROL</u>	<u>OTHER TRUST</u>
Balance December 31, 2017	<u>\$ 47,738.07</u>	<u>\$ 6,787,066.63</u>
Receipts:		
Dog License Clerk:		
2018 Budget Appropriation	55,000.00	-
Municipal Licenses	49,266.00	-
State Registration Fees	2,808.00	-
Miscellaneous	13,271.06	-
Due to Current Fund	520.86	43,104.68
Due from Current Fund		1,844.99
Accounts Receivable	-	6,430.15
Exchange	-	108,304,375.66
FSA	-	7,959.98
Low Income Housing	-	217,410.42
Municipal Forfeiture	-	566.74
Open Space Trust	-	1,540,047.71
Payroll	-	9,069,717.33
Payroll Deductions Payable	-	4,027,838.90
Performance Guarantee	-	36,400.13
Planning Escrow Deposits	-	82,794.30
Plot Planning	-	4,188.50
Recreation	-	311,720.10
Stream Corridor		600.00
Tax Collector Premium	-	263,500.00
Tax Title Lien	-	380,653.71
Unemployment Compensation	-	10,482.51
Other Trust:		
Allocated Escrow	-	205,966.43
Construction Code	-	457,380.35
Deer Management Task Force	-	3,570.00
Historic Book Sales	-	315.00
Municipal Alliance	-	5,538.18
Parking Adjudication	-	56.00
Police Found Money	-	205.00
Public Defender	-	4,812.50
Ride Provide	-	9,168.00
Security Deposit	-	6,487.74
Senior Services	-	31,000.00
State Training Fees	-	41,487.00
Total Trust Other Funds	<u>120,865.92</u>	<u>125,075,622.01</u>
Total Forward	<u>168,603.99</u>	<u>131,862,688.64</u>

TOWNSHIP OF HOPEWELL
Trust Fund
Schedule of Cash - Treasurer
For the Year Ended December 31, 2018

	<u>ANIMAL CONTROL</u>	<u>OTHER TRUST</u>
Total Brought Forward	<u>\$ 168,603.99</u>	<u>\$131,862,688.64</u>
Disbursements:		
Expenditures Under RS4:19-15.11	123,069.91	-
Exchange	-	108,304,375.66
FSA	-	7,577.32
Low Income Housing	-	107,028.18
Off Site Improvements	-	11,138.00
Open Space Trust	-	1,709,496.61
Payroll	-	9,069,717.33
Payroll Deductions Payable	-	4,027,838.89
Performance Guarantee	-	501.13
Planning Escrow Fees	-	131,855.37
Plot Plan Escrow Fees	-	905.00
Recreation	-	265,240.84
Redemption of Tax Title Lien	-	379,023.56
Stream Corridor	-	150.00
Tax Collector Premium	-	499,800.00
Unemployment Compensation	-	8,597.17
Other Trust:		
Allocated Escrow Fees	-	107,844.48
Construction Code	-	616,254.72
Deer Management Task Force	-	2,921.26
Mercer County JIF	-	6,648.23
Municipal Alliance	-	4,204.00
Police Donations	-	22,005.89
Public Defender	-	4,672.50
Retirement Reserve	-	47,193.85
Ride Provide	-	7,238.50
Senior Services	-	41,369.80
Snow Removal	-	21,079.30
Due to Current Fund	520.86	43,104.68
Due State UCC Fees	-	33,006.00
Due State Department of Health	<u>2,829.60</u>	-
Total Disbursements	<u>126,420.37</u>	<u>125,480,788.27</u>
Balance December 31, 2018	<u>\$ 42,183.62</u>	<u>\$ 6,381,900.37</u>

**TOWNSHIP OF HOPEWELL
Trust Fund**

Schedule of Reserve for Animal Control Fund Expenditures
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 47,365.47
Increased by:	
2018 License Collected	\$ 49,266.00
2018 Budget Appropriation	55,000.00
Miscellaneous	<u>13,271.06</u>
	<u>117,537.06</u>
Total	164,902.53
Decreased by:	
Expenditures Under R.S. 4:19-15.11:	
Cash Disbursed	<u>123,069.91</u>
Balance December 31, 2018	<u>\$ 41,832.62</u>

LICENSE FEES COLLECTED

<u>Year</u>	<u>Amount</u>
2017	\$ 51,282.00
2016	<u>47,880.00</u>
	<u><u>\$ 99,162.00</u></u>

TOWNSHIP OF HOPEWELL
Trust - Other Funds
Schedule of Reserve Balances
For the Year Ended December 31, 2018

Account Title	Reserve Balance December 31,			Reserve Balance December 31, 2018
	2017	Revenues	Expenditures	
Reserve for Trust Other:				
Allocated Escrow Deposits	\$ 129,920.59	\$ 205,966.43	\$ 107,844.48	\$ 228,042.54
Background ID Check	6,645.50			6,645.50
Deer Management Task Force	2,489.08	3,570.00	2,921.26	3,137.82
DOT Reserve	7,444.72			7,444.72
Employee Safety Program	57.91			57.91
Federal Forfeiture	300.00			300.00
Green Team Lions	100.00			100.00
Historic Book Sales	14,580.75	315.00		14,895.75
Hovnanian Pump	-			-
Lovero	5,538.00			5,538.00
Mercer County JIF	43,171.38		6,648.23	36,523.15
Municipal Alliance	23,023.23	5,538.18	4,204.00	24,357.41
Municipal Law Enforcement	8,063.74		8,063.74	-
Parking Adjudication	699.03	56.00		755.03
Police Donations	27,645.00		22,005.89	5,639.11
Police Found Money	3,267.69	205.00		3,472.69
Public Defender	55.00	4,812.50	4,672.50	195.00
Reed Road Escrow	1,632.00			1,632.00
Retirement Reserve	60,901.86		47,193.85	13,708.01
Ride Provide	4,876.20	9,168.00	7,238.50	6,805.70
Security Deposits		6,487.74		6,487.74
Senior Services	10,369.80	31,000.00	41,369.80	-
Skateboard Park	-			-
Snow Removal	80,000.00		21,079.30	58,920.70
Special Escrow	103,538.38			103,538.38
Uniformed Construction Code	708,777.45	429,296.75	588,171.12	549,903.08
Reserve for Plot Plan Escrow	22,965.66	4,188.50	905.00	26,249.16
Reserve for FSA	6,483.01	7,959.98	7,577.32	6,865.67
Reserve for Planning	432,803.22	82,794.30	131,855.37	383,742.15
Reserve for Open Space Trust	3,190,363.86	1,543,875.23	1,709,496.61	3,024,742.48
Reserve for Low Income Housing	66,130.07	217,410.42	107,028.18	176,512.31
Reserve for Community Service	208.60			208.60
Reserve for Municipal Forfeiture		8,630.48		8,630.48
Reserve for Off-Site Improvements	652,609.57		11,138.00	641,471.57
Reserve for Performance Guarantees	170,630.58	36,400.13	501.13	206,529.58
Reserve for Recreation	344,526.67	311,720.10	265,240.84	391,005.93
Reserve for Tax Sale Premium	606,000.00	263,500.00	499,800.00	369,700.00
Reserve for Tax Title Lien	988.94	380,653.71	379,023.56	2,619.09
Reserve for Unemployment Compensation	53,194.28	10,482.51	8,597.17	55,079.62
Reserve for Stream Corridor	893.75	600.00	150.00	1,343.75
Off-Duty Police	238,072.60	8,739.52		246,812.12
Total	\$ 7,028,968.12	\$ 3,573,370.48	\$ 3,982,725.85	\$ 6,619,612.75

TOWNSHIP OF HOPEWELL
Trust - Other Funds

Schedule of Due to State of NJ - UCC Fees
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 10,065.00
Increased by:	
Cash Received	41,487.00
	<hr/>
	51,552.00
Decreased by:	
Disbursements	33,006.00
	<hr/>
Balance December 31, 2018	\$ <u>18,546.00</u>

Trust - Other Funds
Schedule of Payroll Deductions Payable
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ -
Increased by:	
Payroll deductions withheld	4,027,838.90
	<hr/>
	4,027,838.90
Decreased by:	
Payroll deductions disbursed	4,027,838.89
	<hr/>
Balance December 31, 2018	\$ <u>0.01</u>

GENERAL CAPITAL FUND

TOWNSHIP OF HOPEWELL
General Capital Fund
Schedule of Cash - Treasurer
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 6,009,683.24
Receipts:	
Budget Appropriation - Capital Improvement Fund	\$ 223,742.49
Due to Current Fund	62,612.92
Bond Anticipation Notes	8,964,543.00
Premium on Sale of Bonds Anticipation Notes	95,035.74
Reserve for Debt Service	<u>664.09</u>
 Total Receipts	 <u>9,346,598.24</u>
 Subtotal	 <u>15,356,281.48</u>
Disbursements:	
Improvement Authorizations	1,245,449.18
Due to Current Fund - Budget Revenue	389,842.22
Bond Anticipation Notes	5,051,251.00
Due to Current Fund	<u>62,612.92</u>
 Total Disbursements	 <u>6,749,155.32</u>
 Balance December 31, 2018	 <u>\$ 8,607,126.16</u>

TOWNSHIP OF HOPEWELL
General Capital Fund
 Analysis of General Capital Cash and Investments
 For the Year Ended December 31, 2018

Fund Balance	\$ 2,445,294.11
Capital Improvement Fund	1,899.44
Reserve for Payment of Debt	1,612,993.70

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		116,377.36
16-1630	Various Capital Improvements		386,987.63
17-1662	Various Capital Improvements		457,109.31
18-1692	Various Capital Improvements		<u>2,910,908.42</u>
Total			<u>\$ 8,607,126.16</u>

TOWNSHIP OF HOPEWELL
General Capital Fund

Statement of Deferred Charges To Future Taxation - Funded
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 54,949,748.37
Decreased by:	
2018 Budget Appropriations:	
Serial Bond Payments	\$ 4,475,000.00
Green Trust Loan Payment	<u>42,855.63</u>
	<u>4,517,855.63</u>
Balance December 31, 2018	<u><u>\$ 50,431,892.74</u></u>

TOWNSHIP OF HOPEWELL
General Capital Fund
 Schedule of Deferred Charges to Future Taxation - Unfunded
 For the Year Ended December 31, 2018

Ordinance Number	Improvement Description	Balance Dec. 31, 2017	2018 Authorizations	Transferred to Deferred Taxation Funded		Notes Paid By Current Budget Appropriation	Notes Paid By Open Space Budget Appropriation	Balance Dec. 31, 2018	ANALYSIS OF BALANCE		
11-1523	Preliminary Planning Pennytown	\$ 202,992.00	\$ -	\$ -	\$ -	\$ 8,621.00	\$ -	\$ 194,371.00	\$ 194,371.00	\$ -	\$ -
15-1610	Various Capital Improvements	794,851.00				54,027.00		740,824.00	740,824.00		
16-1630	Various Capital Improvements	4,116,056.00						4,116,056.00	4,116,056.00		
17-1662	Various Capital Improvements	555,148.42						555,148.42	555,148.00		0.42
18-1692	Various Capital Improvements		3,358,144.00					3,358,144.00	3,358,144.00		
	Total	<u>\$ 5,669,047.42</u>	<u>\$ 3,358,144.00</u>	<u>\$ -</u>	<u>\$ 62,648.00</u>	<u>\$ -</u>	<u>\$ 8,964,543.42</u>	<u>\$ 8,964,543.00</u>	<u>\$ -</u>	<u>\$ 0.42</u>	
									Improvement Authorizations Unfunded		\$ 3,755,005.78
									16-1630	\$ 386,987.63	
									17-1662	457,109.31	
									18-1692	<u>2,910,908.42</u>	<u>3,755,005.36</u>
										<u>\$ 0.42</u>	

Township of Hopewell
General Capital Fund
 Schedule of General Serial Bonds
 For the Year Ended December 31, 2018

Purpose	Date of Issue	Original Issue	Maturity of Bonds Outstanding			Interest Rate	Balance December 31, 2017	Increased	Decreased	Balance December 31, 2018
			Date	Amount						
Refunding Bonds of 2009	10/1/2009	4,700,000.00	10/01/19 10/01/20	\$ 485,000.00 480,000.00	4.00% 3.00%	\$ 1,450,000.00	\$ -	\$ 485,000.00	\$ 965,000.00	
General Obligation Bonds of 2010	2/15/2010	\$24,422,000.00	2/15/2019 2/15/2020	1,350,000.00 1,400,000.00	4.00% 3.00%	4,100,000.00		1,350,000.00	2,750,000.00	
Refunding Bonds	12/21/2017	12,500,000.00	2/15/2021 2/15/2022 2/15/2023 2/15/2024 2/15/2025 2/15/2026 2/15/2027 2/15/2028 2/15/2029 2/15/2030	1,375,000.00 1,365,000.00 1,465,000.00 1,485,000.00 1,520,000.00 1,520,000.00 1,620,000.00 680,000.00 680,000.00 660,000.00	2.00% 3.00% 3.00% 3.00% 3.00% 4.00% 4.00% 4.00% 4.00% 4.00%	12,500,000.00		130,000.00	12,370,000.00	
Balance Foward						\$ 18,050,000.00	\$ -	\$ 1,965,000.00	\$ 16,085,000.00	

Township of Hopewell
General Capital Fund
 Schedule of General Serial Bonds
 For the Year Ended December 31, 2018

Purpose	Date of Issue	Original Issue	Maturity of Bonds Outstanding			Interest Rate	Balance December 31, 2017	Increased	Decreased	Balance December 31, 2018
			Date	Amount						
Balance Brought Foward							\$ 18,050,000.00	\$ -	\$ 1,965,000.00	\$ 16,085,000.00
Refunding Bonds of 2014	10/1/2017	\$9,380,000.00	10/01/19	\$ 850,000.00	4.000%		8,470,000.00		855,000.00	7,615,000.00
			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	2/1/2019	1,410,000.00	5.000%		21,383,000.00		1,260,000.00	20,123,000.00
			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							\$ 47,903,000.00	\$ -	\$ 4,080,000.00	\$ 43,823,000.00

Township of Hopewell
General Capital Fund
 Schedule of General Serial Bonds
 For the Year Ended December 31, 2018

Purpose	Date of Issue	Original Issue	Maturity of Bonds Outstanding			Interest Rate	Balance December 31, 2017	Increased	Decreased	Balance December 31, 2018
			Date	Amount						
Balance Brought Foward							\$ 47,903,000.00	\$ -	\$ 4,080,000.00	\$ 43,823,000.00
General Obligation Bonds of 2015	04/09/15	\$ 7,492,000.00	4/1/2019	\$ 400,000.00	5.000%		6,847,000.00		395,000.00	6,452,000.00
			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							\$ 54,750,000.00	\$ -	\$ 4,475,000.00	\$ 50,275,000.00

TOWNSHIP OF HOPEWELL
General Capital Fund
 Schedule of Bond Anticipation Notes
 For the Year Ended December 31, 2018

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance		Decreased	Balance Dec. 31, 2018
						Dec. 31, 2017	Increased		
11-1523	Pennytown/Kooltronics/Marshalls Corner	01/19/12	04/06/17	04/06/18	1.24%	\$ 202,992.00	\$ -	\$ 202,992.00	\$ -
11-1523	Pennytown/Kooltronics/Marshalls Corner	01/19/12	04/05/18	04/05/19	3.00%	-	\$ 194,371.00	-	\$ 194,371.00
15-1610	Various Capital improvements	7/23/2015	04/06/17	04/06/18	1.24%	794,851.00	-	794,851.00	-
15-1610	Various Capital improvements	7/23/2015	04/05/18	04/05/19	3.00%	-	\$ 740,824.00	-	\$ 740,824.00
16-1630	Various Capital improvements	07/16/16	04/06/17	04/06/18	1.24%	4,116,056.00	-	4,116,056.00	-
16-1630	Various Capital improvements	07/16/16	04/05/18	04/05/19	3.00%	-	\$ 4,116,056.00	-	\$ 4,116,056.00
17-1662	Various Capital improvements	04/05/18	04/05/18	04/05/19	3.00%	-	\$ 555,148.00	-	\$ 555,148.00
18-1692	Various Capital improvements	06/07/18	06/07/18	04/05/19	3.00%	-	\$ 3,358,144.00	-	\$ 3,358,144.00
						\$ 5,113,899.00	\$ 8,964,543.00	\$ 5,113,899.00	\$ 8,964,543.00
						Issued for Cash	\$ 3,913,292.00	\$ -	
						Paid by Current Fund Budget Appropriation	-	62,648.00	
						Renewals	\$ 5,051,251.00	\$ 5,051,251.00	
						Total	\$ 8,964,543.00	\$ 5,113,899.00	

TOWNSHIP OF HOPEWELL**General Capital Fund**

Schedule of Green Trust Loan Payable
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 199,748.37
Decreased by:	
Payment of Principal	<u>42,855.63</u>
Balance December 31, 2018	<u>\$ 156,892.74</u>

TOWNSHIP OF HOPEWELL
General Capital Fund
 Schedule of Improvement Authorizations
 For the Year Ended December 31, 2018

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance December 31, 2017			2018 Authorizations				Balance December 31, 2018		
				Funded	Unfunded	Reappropriated	Deferred Charges	To Future Taxation - Unfunded	Capital Improvement Fund	Paid or Charged	Canceled	Funded	Unfunded
08-1425-1431	Various Capital Improvements	04/14/08	5,359,172.66	\$ 183,624.94	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 183,624.94	\$ -
10-1493	Village of Titusville Sidewalks	08/23/10	331,222.00		1,509.50							1,509.50	
11-1522	Various Improvements	07/05/11	1,090,000.00		33.75							33.75	
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		282,840.25							163,831.67	2,631.22
15-1610	Various Capital Improvements	06/08/15	848,500.00		62,820.70		(57,602.00)					5,218.70	
16-1630	Various Capital Improvements	05/24/16	4,498,680.00		811,529.20		(139,365.11)					171,442.64	113,733.82
17-1662	Various Capital Improvements	06/26/17	610,121.56		552,881.48							95,771.75	
18-1691	2018 Road Program	04/23/18	196,967.11				196,967.11					196,967.11	
18-1692	Various Capital Improvements	04/23/18	3,581,887.00									612,217.31	58,761.27
Total				<u>\$ 958,396.44</u>	<u>\$ 1,427,231.38</u>	<u>\$ -</u>	<u>\$ 3,358,144.00</u>	<u>\$ 223,743.00</u>	<u>\$ 1,245,449.18</u>	<u>\$ 175,126.31</u>	<u>\$ 791,933.55</u>	<u>\$ 3,755,005.78</u>	
Paid or Charged:													<u>\$ 1,245,449.18</u>
Canceled:													
Reserve for Debt Service													<u>\$ 356,553.21</u>
Fund Balance													<u>33,289.01</u>
													<u>\$ 389,842.22</u>

TOWNSHIP OF HOPEWELL
General Capital Fund
Schedule of Capital Improvement Fund
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 1,899.95
Increased by:	
2018 Current Budget Appropriation	<u>223,742.49</u>
Subtotal	225,642.44
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>223,743.00</u>
Balance December 31, 2018	<u><u>\$ 1,899.44</u></u>

TOWNSHIP OF HOPEWELL
General Capital Fund
 Statement of Bonds and Notes Authorized But Not Issued
 For the Year Ended December 31, 2018

Ordinance <u>Number</u>	<u>Improvement Description</u>	Balance	2018		Bond Anticipation Notes Issued	Canceled	Balance Dec. 31, 2018
		<u>Dec. 31, 2017</u>	<u>Authorizations</u>	<u> </u>			
17-1662	Various Capital Improvements	\$ 555,148.42	\$ -		\$ 555,148.42	\$ -	\$ -
18-1692	Various Capital Improvements	_____	3,358,144.00		3,358,144.00	_____	_____
	Total	<u>\$ 555,148.42</u>	<u>\$ 3,358,144.00</u>		<u>\$ 3,913,292.42</u>	<u>\$ -</u>	<u>\$ -</u>

WATER UTILITY FUND

TOWNSHIP OF HOPEWELL
Water Utility Operating Fund
 Schedule of Cash - Treasurer
 For the Year Ended December 31, 2018

	<u>OPERATING</u>	<u>CAPITAL</u>
Balance December 31, 2017	\$ 161,766.15	\$ 59,318.92
Receipts:		
Consumer Accounts Receivable	\$ 67,509.11	
Water Rent Overpayments	82.68	
Prepaid Water Rents	49.61	
Interest on Investments	2,258.47	
Miscellaneous Revenue	238.95	
Budget Appropriation		\$ 1,896.25
Contra - Budget Refunds	40.20	
Contra		10,001.00
Contribution from Current Fund	<u>3,643.68</u>	
 Total Receipts	 <u>73,822.70</u>	 <u>11,897.25</u>
 Subtotal	 235,588.85	 71,216.17
 Disbursements:		
2018 Appropriations	47,073.02	
2017 Appropriation Reserves	4,511.32	
Interest on Bonds and Notes	2,171.50	
Contra - Budget Refunds	40.20	
Contra		10,001.00
Improvement Authorizations		<u>1,512.30</u>
 Total Disbursements	 <u>53,796.04</u>	 <u>11,513.30</u>
 Balance December 31, 2018	 <u>\$ 181,792.81</u>	 <u>\$ 59,702.87</u>

TOWNSHIP OF HOPEWELL
Water Utility Capital Fund
Analysis of Cash - Capital Fund
At December 31, 2018

Fund Balance	\$ 13,768.73
Capital Improvement Fund	45,020.04
Reserve for Debt	822.60

Improvement Authorizations:

Ordinance		
<u>Number</u>		
13-1575	Painting of the WCE Tank	<u>91.50</u>
Total		<u>\$ 59,702.87</u>

TOWNSHIP OF HOPEWELL
Water Utility Operating Fund
Statement of Consumer Accounts Receivable
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 1,371.23
Increased by:	
2018 Billing	<u>68,550.00</u>
Total	69,921.23
Decreased by:	
Collections	\$ 67,509.11
Overpayments Applied	<u>26.74</u>
	<u>67,535.85</u>
Balance December 31, 2018	<u>\$ 2,385.38</u>

TOWNSHIP OF HOPEWELL
Water Utility Capital Fund
 Schedule of Fixed Capital
 At December 31, 2018

Ordinance Number	Improvement Description	Balance Dec. 31, 2017	Additions Ordinance	Balance Dec. 31, 2018
93-950	Construction of Pumping Station McConkey Way	\$ 157,650.00	\$ 19,054.30	\$ 176,704.30
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	9,620.00		9,620.00
	Total	<u>\$ 292,486.03</u>	<u>\$ 19,054.30</u>	<u>\$ 311,540.33</u>

TOWNSHIP OF HOPEWELL
Water Utility Capital Fund
 Schedule of Fixed Capital Authorized and Uncompleted
 For the Year Ended December 31, 2018

Ordinance <u>Number</u>	Improvement Description	Date of <u>Ordinance</u>	Amount	Balance Dec. 31, 2017	2018 Authorizations			Costs to Fixed <u>Capital</u>	Authorizations <u>Canceled</u>	Balance Dec. 31, 2018
					Deferred Reserve for <u>Amortization</u>	Deferred Charges To Future <u>Revenue</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>19,054.30</u>	<u>1,695.70</u>	<u>\$ -</u>
	Total			<u>\$ 70,750.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,054.30</u>	<u>\$ 1,695.70</u>	<u>\$ 50,000.00</u>

TOWNSHIP OF HOPEWELL
Water Utility Operating Fund
Statement of 2017 Appropriation Reserves
For the Year Ended December 31, 2018

	<u>Balance</u> <u>Dec. 31, 2017</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	\$ 1,555.41	\$ 1,555.41	\$ -	\$ -	\$ 1,555.41
Other Expenses	4,259.73	4,259.73	9,655.58	4,511.32	9,403.99
Statutory Expenditures:					
Social Security	601.88	601.88	-	-	601.88
Total	<u>\$ 6,417.02</u>	<u>\$ 6,417.02</u>	<u>\$ 9,655.58</u>	<u>\$ 4,511.32</u>	<u>\$ 11,561.28</u>
Paid or Charged:					
Cash Disbursed				<u>\$ 4,511.32</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, 2018

Balance December 31, 2017	\$ 603.27
Increased By:	
Budget Appropriation for:	
Interest on Bonds	\$ 2,002.50
Interest on Notes	<u>32.61</u>
Subtotal	2,035.11
	2,638.38
Decreased By:	
Interest Paid on Bonds	2,047.50
Interest Paid on Notes	<u>124.00</u>
Balance December 31, 2018	<u><u>\$ 466.88</u></u>

Analysis of Accrued Interest, December 31, 2018

<u>Principal Outstanding</u> <u>December 31, 2018</u>	<u>Interest</u> <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Amount</u>
<u>Serial Bonds:</u>				
\$ 39,050.00	Various	10/1/2018	12/31/2018	466.88
<u>Bond Anticipation Note:</u>				
\$ -				
Total				<u>\$ 466.88</u>

TOWNSHIP OF HOPEWELL
Water Utility Capital Fund
 Schedule of Serial Bonds
 For the Year Ended December 31, 2018

<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, 2017</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2018</u>
2014 Refunding Bonds	06/05/14	\$ 48,500.00	10/01/19	\$ 4,500.00	4.00%	\$ 43,550.00	\$ -	\$ 4,500.00	\$ 39,050.00
			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						\$ 43,550.00	\$ -	\$ 4,500.00	\$ 39,050.00

TOWNSHIP OF HOPEWELL
Water Utility Capital Fund
 Schedule of Bond Anticipation Notes
 For the Year Ended December 31, 2018

<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, 2017</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2018</u>
13-1575	Painting of the WCE Tank	06/06/13	04/06/17	04/06/18	1.24%	\$ 10,000.00	\$ -	\$ 10,000.00	\$ -
						<u>\$ 10,000.00</u>	<u>\$ -</u>	<u>\$ 10,000.00</u>	<u>\$ -</u>
	Total					Budget Appropriation Renewals	\$ -	\$ 10,000.00	
						Total	<u>\$ -</u>	<u>\$ 10,000.00</u>	

TOWNSHIP OF HOPEWELL
Water Utility Capital Fund
 Schedule of Improvement Authorizations
 For the Year Ended December 31, 2018

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance December 31, 2017		Capital Fund Balance	2018 Authorizations		Balance December 31, 2018		
				Funded	Unfunded		Deferred Charges to Future Taxation Unfunded	Paid or Charged	Canceled	Funded	Unfunded
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>3,208.00</u>	<u> </u>	<u> </u>	<u> </u>	<u>1,512.30</u>	<u>1,695.70</u>	<u> </u>	<u> </u>
	Total			<u><u>\$ 3,208.00</u></u>	<u><u>\$ 91.50</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,512.30</u></u>	<u><u>\$ 1,695.70</u></u>	<u><u>\$ 91.50</u></u>	<u><u>\$ -</u></u>

TOWNSHIP OF HOPEWELL
Water Utility Capital Fund
Schedule of Capital Improvement Fund
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 41,428.09
Increased by:		
Budget Appropriation	\$ 1,896.25	
Cancelled Improvement Authorization	1,695.70	<u>3,591.95</u>
Balance December 31, 2018		<u>\$ 45,020.04</u>

TOWNSHIP OF HOPEWELL
Water Utility Capital Fund
Schedule of Reserve for Amortization
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 269,686.03
Increased by:		
Payment of Serial Bonds	\$ 4,500.00	
Transfer from Deferred Reserve for Amortization	<u>50,000.00</u>	<u>54,500.00</u>
		324,186.03
Decreased by:		
Authorizations Canceled		<u>1,695.70</u>
Balance December 31, 2018		<u>\$ 322,490.33</u>

TOWNSHIP OF HOPEWELL
Water Utility Capital Fund
 Schedule of Deferred Reserve for Amortization
 For the Year Ended December 31, 2018

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2017</u>	<u>Fixed Capital Authorized</u>	<u>Paid From</u>		<u>Transfer to Reserve for Amortization</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2018</u>
					<u>Operating Budget</u>	<u>Notes Bonds</u>			
13-1575	Painting of the WCE Tank	04/22/13	\$ 40,000.00	\$ -	\$ 10,000.00	\$ -	\$ 50,000.00	\$ -	\$ -
	Total		<u>\$ 40,000.00</u>	<u>\$ -</u>	<u>\$ 10,000.00</u>	<u>\$ -</u>	<u>\$ 50,000.00</u>	<u>\$ -</u>	<u>\$ -</u>

SEWER UTILITY FUND

TOWNSHIP OF HOPEWELL
ELSA Sewer Utility Operating Fund
 Schedule of Cash - Treasurer
 For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 818,182.59
Receipts:	
Consumer Accounts Receivable	\$ 864,337.14
Sewer Rent Overpayments	3,967.51
Prepaid Sewer Rents	1,155.00
Interest on Investments	7,726.25
Sewer Capital Surplus	12,736.11
Budget Refunds	80.40
Miscellaneous Revenue Not Anticipated	<u>2,520.46</u>
 Total Receipts	<u>892,522.87</u>
 Subtotal	 1,710,705.46
Disbursements:	
2018 Appropriations	884,686.91
Reserve for Encumbrances	26,636.30
Interest on Bonds and Notes	14,208.82
Refund of Overpayments	197.37
Budget Refunds	<u>80.40</u>
 Total Disbursements	<u>925,809.80</u>
 Balance December 31, 2018	 <u>\$ 784,895.66</u>

TOWNSHIP OF HOPEWELL
SBRSA Sewer Utility Operating Fund
 Schedule of Cash - Treasurer
 For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 368,483.54
Receipts:	
Consumer Accounts Receivable	\$ 330,195.14
Sewer Rent Overpayments	18.83
Prepaid Sewer Rents	12,866.97
Sewer Capital Surplus	9,030.36
Interest on Investments	7,695.46
Miscellaneous Revenue Not Anticipated	1,367.74
Budget Refunds	<u>40.20</u>
	<u>361,214.70</u>
Total Receipts	<u>361,214.70</u>
Subtotal	729,698.24
Disbursements:	
2018 Appropriations	309,884.54
Reserve for Encumbrances	3,434.73
Interest on Bonds and Notes	24,934.42
Budget Refunds	<u>40.20</u>
	<u>338,293.89</u>
Total Disbursements	<u>338,293.89</u>
Balance December 31, 2018	<u>\$ 391,404.35</u>

TOWNSHIP OF HOPEWELL
Sewer Utility Capital Funds
 Schedule of Cash - Treasurer
 For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 427,054.29
Receipts:	
Interest on Investments - Due Sewer Operating	\$ 4,027.94
Bond Anticipation Note	140,620.00
Reserve for Debt - Note Premium	1,642.44
Contra	<u>3,565.00</u>
Total Receipts	<u>149,855.38</u>
Subtotal	576,909.67
Disbursements:	
Improvement Authorizations	265,077.81
Bond Anticipation Note	35,620.00
Due Sewer Operating	4,027.94
Due to ELSA Sewer Operating Fund	12,736.11
Due to SBRSA Sewer Operating Fund	9,030.36
Contra	<u>3,565.00</u>
Total Disbursements	<u>330,057.22</u>
Balance December 31, 2018	<u><u>\$ 246,852.45</u></u>

TOWNSHIP OF HOPEWELL
Sewer Utility Capital Fund
Analysis of Cash - Capital Fund
At December 31, 2018

Fund Balance	\$ 95,163.07
Capital Improvement Fund	400.00
Reserve for Debt Service	5,207.44

Improvement Authorizations:

Ordinance

Number

03-1280	Various Capital Improvements	3,000.00
07-1394	Various Capital Improvements	91,488.53
12-1544	Acquisition of Equipment	0.00
14-1595	Various Improvements to the Sewer Utilities	48,279.37
16-1629	Various Improvements to the Sewer Utilities	3,215.49
17-1661	Replacement of Pump	98.55

Total	<u>\$ 246,852.45</u>
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TOWNSHIP OF HOPEWELL
ELSA Sewer Utility Operating Fund
Statement of Consumer Accounts Receivable
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 69,908.10
Increased by:	
2018 Billing	<u>841,104.98</u>
Total	911,013.08
Decreased by:	
Collections	\$ 864,337.14
Prepaid Applied	410.42
Overpayments Applied	<u>2,094.24</u>
	<u>866,841.80</u>
Balance December 31, 2018	<u>\$ 44,171.28</u>

TOWNSHIP OF HOPEWELL
SBRSA Sewer Utility Operating Fund
Statement of Consumer Accounts Receivable
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 8,486.73
Increased by:	
2018 Billing	<u>335,433.38</u>
Total	343,920.11
Decreased by:	
Collections	\$ 330,195.14
Prepaid Applied	4,896.25
Overpayments Applied	<u>0.09</u>
	<u>335,091.48</u>
Balance December 31, 2018	<u>\$ 8,828.63</u>

TOWNSHIP OF HOPEWELL
Sewer Utility Capital Fund
 Schedule of Fixed Capital
 For the Year Ended December 31, 2018

Ordinance Number	Improvement Description	Balance Dec. 31, 2017	Additions by Ordinance	Balance Dec. 31, 2018
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/ 12-1544	Various Equipment	<u>295,000.00</u>	<u>155,000.00</u>	<u>450,000.00</u>
	Total	<u>\$ 3,145,426.89</u>	<u>\$ 155,000.00</u>	<u>\$ 3,300,426.89</u>

TOWNSHIP OF HOPEWELL
Sewer Utility Capital Fund
 Schedule of Fixed Capital Authorized and Uncompleted
 For the Year Ended December 31, 2018

Ordinance <u>Number</u>	Improvement Description	Date of <u>Ordinance</u>	Amount	Balance <u>Dec. 31, 2017</u>	2018 Authorizations			Costs To Fixed <u>Capital</u>	Raised in 2018 <u>Budget</u>	Authorizations <u>Canceled</u>	Balance <u>Dec. 31, 2018</u>
					Deferred Reserve for <u>Amortization</u>	Deferred Charges To Future <u>Revenue</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							105,000.00
Total				<u>\$ 1,131,688.09</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 155,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 976,688.09</u>

TOWNSHIP OF HOPEWELL
ELSA Sewer Utility Operating Fund
 Statement of 2017 Appropriation Reserves
 For the Year Ended December 31, 2018

	<u>Balance</u> <u>Dec. 31, 2017</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	\$ 15,029.07	\$ 15,029.07	\$ -	\$ -	\$ 15,029.07
Other Expenses	45,297.30	45,297.30	36,827.93	26,636.30	55,488.93
Statutory Expenditures:					
Social Security System	<u>963.72</u>	<u>963.72</u>	<u>-</u>	<u>-</u>	<u>963.72</u>
Total	<u>\$ 61,290.09</u>	<u>\$ 61,290.09</u>	<u>\$ 36,827.93</u>	<u>\$ 26,636.30</u>	<u>\$ 71,481.72</u>
Paid or Charged:					
Cash Disbursed				<u>\$ 26,636.30</u>	

TOWNSHIP OF HOPEWELL
SBRSA Sewer Utility Operating Fund
 Statement of 2017 Appropriation Reserves
 For the Year Ended December 31, 2018

	<u>Balance</u> <u>Dec. 31, 2017</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	\$ 4,319.74	\$ 4,319.74	\$ -	\$ -	\$ 4,319.74
Other Expenses	36,296.33	36,296.33	7,296.62	3,434.73	40,158.22
Statutory Expenditures:					
Social Security System	311.34	311.34	-	-	311.34
Total	\$ 40,927.41	\$ 40,927.41	\$ 7,296.62	\$ 3,434.73	\$ 44,789.30
Paid or Charged:					
Cash Disbursed				\$ 3,434.73	

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, 2018

Balance December 31, 2017	\$ 4,292.11
Increased By:	
Budget Appropriation for:	
Interest on Bonds	\$ 13,598.20
Interest on Notes	<u>787.34</u>
Subtotal	<u>14,385.54</u>
	18,677.65
Decreased By:	
Interest Paid on Bonds	13,834.80
Interest Paid on Notes	<u>374.02</u>
	<u>14,208.82</u>
Balance December 31, 2018	<u><u>\$ 4,468.83</u></u>

Analysis of Accrued Interest, December 31, 2018

<u>Principal Outstanding</u> <u>December 31, 2018</u>	<u>Interest</u> <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Amount</u>
<u><u>Serial Bonds:</u></u>				
\$ 430,950.00	various	10/01/18	12/31/18	\$ 1,510.60
691,000.00	various	10/01/18	12/31/18	2,288.65
<u><u>Bond Anticipation Note:</u></u>				
\$ 140,620.00	3.00%	04/05/18	12/31/18	<u>669.58</u>
<u>Total</u>				<u><u>\$ 4,468.83</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, 2018

Balance December 31, 2017	\$ 5,792.57
Increased By:	
Budget Appropriation for:	
Interest on Bonds	\$ 24,429.30
Interest on Notes	<u>2,565.32</u>
Subtotal	32,787.19
Decreased By:	
Interest Paid on Bonds	24,822.70
Interest Paid on Notes	<u>111.72</u>
Balance December 31, 2018	<u><u>\$ 7,852.77</u></u>

Analysis of Accrued Interest, December 31, 2018

<u>Principal Outstanding</u> <u>December 31, 2018</u>	<u>Interest</u> <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Amount</u>
<u><u>Serial Bonds:</u></u>				
\$ 430,950.00	various	10/01/18	12/31/18	3,210.03
691,000.00	various	10/01/18	12/31/18	2,112.60
<u><u>Bond Anticipation Note:</u></u>				
\$ 140,620.00	3.00%	04/05/18	12/31/18	<u>2,530.14</u>
<u>Total</u>				<u><u>\$ 7,852.77</u></u>

TOWNSHIP OF HOPEWELL
Sewer Utility Capital Fund
 Schedule of Serial Bonds
 For the Year Ended December 31, 2018

<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, 2017</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2018</u>
2014 Refunding Bonds	06/05/14	\$ 521,950.00	10/1/19	\$ 45,500.00	4.00%	\$ 476,450.00	\$ -	\$ 45,500.00	\$ 430,950.00
			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	4/1/2019	30,000.00	2.00%	726,000.00		35,000.00	691,000.00
			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						\$ 1,202,450.00	\$ -	\$ 80,500.00	\$ 1,121,950.00

TOWNSHIP OF HOPEWELL
Sewer Utility Capital Fund
 Schedule of Bond Anticipation Notes
 For the Year Ended December 31, 2018

<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, 2017</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2018</u>
16-1629	Various Capital Improvements	07/19/16	04/06/17	04/06/18	1.24%	\$ 39,185.00	\$ -	\$ 39,185.00	\$ -
16-1629	Various Capital Improvements	07/19/16	04/05/18	04/05/19	3.00%	-	35,620.00	-	35,620.00
17-1661	Replacement of a Pump	04/05/18	04/05/18	04/05/19	3.00%	105,000.00			105,000.00
Total						\$ 39,185.00	\$ 140,620.00	\$ 39,185.00	\$ 140,620.00
						Issued for Cash	\$ 105,000.00	\$ -	
						Paid by Budget Appropriation		3,565.00	
						Renewals	35,620.00	35,620.00	
						Total	\$ 140,620.00	\$ 39,185.00	

TOWNSHIP OF HOPEWELL
Sewer Utility Capital Fund
 Schedule of Improvement Authorizations
 For the Year Ended December 31, 2018

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance		2018 Authorizations				Balance	
				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				18,208.00	91,488.53		
12-1544	Various Capital Improvements	5/14/2012	155,000.00	150,000.00				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		4,727.80			1,512.31		3,215.49	
17-1661	Replacement of Pump	6/26/2017	105,000.00		95,456.05			95,357.50		98.55	
Total				\$ 310,975.90	\$ 100,183.85	\$ -	\$ -	\$ 265,077.81	\$ 142,767.90	\$ 3,314.04	

TOWNSHIP OF HOPEWELL
Sewer Utility Capital Fund
Schedule of Capital Improvement Fund
For the Year Ended December 31, 2018

Balance December 31, 2017 and 2018	\$ <u>400.00</u>
------------------------------------	------------------

TOWNSHIP OF HOPEWELL
Sewer Utility Capital Fund
Schedule of Reserve for Amortization
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 2,926,914.98
Increased by:	
Serial Bond Payment	<u>80,500.00</u>
Balance December 31, 2018	<u><u>\$ 3,007,414.98</u></u>

**TOWNSHIP OF HOPEWELL
Sewer Utility Capital Fund**

Schedule of Deferred Reserve for Amortization
For the Year Ended December 31, 2018

<u>Ordinance Number</u>		<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2017</u>	<u>Fixed Capital Authorized</u>	<u>Paid From Operating Budget Notes</u>	<u>Transfer to Reserve for Amortization</u>	<u>Balance Dec. 31, 2018</u>
16-1629	Various Capital Improvements	05/24/16	\$ 3,565.00	\$ -	\$ 3,565.00	\$ -	\$ 7,130.00
			<u>\$ 3,565.00</u>	<u>\$ -</u>	<u>\$ 3,565.00</u>	<u>\$ -</u>	<u>\$ 7,130.00</u>

TOWNSHIP OF HOPEWELL
Sewer Utility Capital Fund
 Statement of Bonds and Notes Authorized But Not Issued
 For the Year Ended December 31, 2018

Ordinance Number	<u>Improvement Description</u>	Balance	2018	Bond Anticipation		Balance Dec. 31, 2018
		<u>Dec. 31, 2017</u>	<u>Authorizations</u>	<u>Notes Issued</u>	<u>Canceled</u>	
17-1661	Replacement of Pump	\$ 105,000.00	\$ -	\$ 105,000.00	\$ -	\$ -
	Total	<u>\$ 105,000.00</u>	<u>\$ -</u>	<u>\$ 105,000.00</u>	<u>\$ -</u>	<u>\$ -</u>

PUBLIC ASSISTANCE FUND

TOWNSHIP OF HOPEWELL
Public Assistance Fund
Schedule of Cash - Treasurer
For the Year Ended December 31, 2018

	PATF I	PATF II	Fund Total
Balance December 31, 2017	\$ 7,838.37	\$ 1,503.71	\$ 9,342.08
Increased by:			
Interest Earned	89.53	-	89.53
Balance December 31, 2018	<u>\$ 7,927.90</u>	<u>\$ 1,503.71</u>	<u>\$ 9,431.61</u>

TOWNSHIP OF HOPEWELL
Public Assistance Fund
Schedule of Public Assistance Cash and Reconciliation
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 9,342.08
Increased by:	
Interest Earned	<u>89.53</u>
Balance December 31, 2018	<u>\$ 9,431.61</u>

Reconciliation December 31, 2018

Balance on deposit per statement of:	
The Bank of Princeton	
Checking Account	<u>\$ 9,431.61</u>
Balance December 31, 2018	<u>\$ 9,431.61</u>

TOWNSHIP OF HOPEWELL

PART III

Statistical Section

For the Year Ended December 31, 2018

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
2018	\$ 6,532,282	\$ 4,243,391	\$ 1,902,278	\$ 312,651	\$ 568,500	\$ 1,870,799	\$ 1,459,679	\$ 223,742	\$ 5,161,647	\$ 1,059,251	\$ 23,334,220										
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										

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
2018	\$ 50,150	\$ 16,535	\$ 1,896	\$ 13,110	\$ 81,691
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

Table 2b

Sewer Utility Operating Fund Expenditures By Function
Last Ten Years
Unaudited

Year	Operating	Debt Service	Capital	Deferred Charges and Statutory Expenditures	Total
2018	\$ 1,189,975	\$ 125,445	\$ -	\$ 2,350	\$ 1,317,770
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

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
2018	\$ 15,475,423	\$ 667,127	\$ 1,599,526	\$ 1,634,157	\$ 1,447,878	\$ 1,900,000	\$ 942,341	\$ 23,666,452
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

(1) Excludes taxes allocated to county and school.

Table 4

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

Year	Net Assessed Valuation Taxable	Estimated Full Cash Valuation	Percentage of Net Assessed Value to Estimated Full Cash Valuation
2018	\$ 3,966,384,383	\$ 4,303,529,599	92.17%
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%

Table 5

Township of Hopewell
Schedule of Ten Largest Taxpayers
Unaudited

Taxpayer	Assessed Valuation 2018	As a Percent of Total Net Assessed Valuation Taxable
1) Bristol Myers Squibb	\$ 233,797,800	5.90%
2) CCI-Hopewell VI, LLC	108,763,504	2.75%
3) Cole Hopewell Twp	92,400,000	2.33%
4) Janssen Pharmaceutica	91,230,100	2.30%
5) AREP Hopewell LLC	74,025,000	1.87%
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>18.15%</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
2018	18,265	\$ 4,224,036,777	\$ 100,820,352	\$ 5,520	2.39%		\$ 48,494,694	1.15%		\$ 2,655
2017	18,265	4,167,416,079	105,390,366	5,770	2.53%		48,879,095	1.17%		2,676
2016	18,652	4,066,224,323	115,008,273	6,166	2.83%		52,079,987	1.28%		2,792
2015	18,641	4,030,350,464	89,566,539	4,805	2.22%		49,229,105	1.22%		2,641
2014	18,562	3,954,601,508	97,742,775	5,266	2.47%		55,219,006	1.40%		2,975
2013	18,392	3,994,903,658	100,504,046	5,465	2.52%		55,003,379	1.38%		2,991
2012	18,332	4,091,414,083	101,408,790	5,532	2.48%		55,039,230	1.35%		3,002
2011	18,218	4,197,259,448	102,789,132	5,642	2.45%		54,268,763	1.29%		2,979
2010	18,314	4,281,662,204	94,976,878	5,186	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

(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
2018	\$ 3,699,689	\$ 1,461,958	\$ 5,161,647	\$ 23,334,220	22.12%
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%

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)
2018	\$ 80,762	\$ 63,260	\$ 16,535	\$ 967
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

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)
2018	\$ 1,410,792	\$ 1,192,325	\$ 125,445	\$ 93,022
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

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
2018	(2)	(2)
2017	2.6%	(2)
2016	2.7%	\$63,237
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

(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

TOWNSHIP OF HOPEWELL

PART IV

Schedule of Findings and Recommendations

For the Year Ended December 31, 2018

**TOWNSHIP OF HOPEWELL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Section 1 -- Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: _____ **Unmodified**

Internal control over financial reporting:

1) Material weaknesses identified?	_____	yes	X	no
2) Were reportable conditions identified that were not considered to be material weaknesses?	X	yes	_____	none reported
Noncompliance material to financial statements noted?	_____	yes	X	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, 2018

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.

Finding #2018-1

Condition:

The Township overexpended the debt service interest on notes appropriation in the sewer utility operating fund.

Criteria or specific requirement:

In accordance with N.J.S.A. 40A:4-58, should it become necessary, during the last 2 months of the year, to expend for any purpose an amount in excess the available budget appropriation, the governing body may, by resolution transfer the amount of such excess to those appropriations deemed to be insufficient.

Context:

An overexpenditure of appropriations in the amount of \$1,065.32 existed in the sewer utility operating fund as of December 31, 2018.

Effect:

Noncompliance with N.J.S.A. 40A:4-58 resulting in a deferred charge in the amount of \$1,065.32 which is required to be raised in the 2019 Budget.

Cause:

Client oversight.

Recommendation:

That the Township ensure that applicable appropriation transfers are adopted by the governing body during the last two months of the year to fund insufficient appropriations.

View of Responsible Official and Planned Corrective Action:

The responsible officials agree with the finding and will address the matter as part of the corrective action plan.

TOWNSHIP OF HOPEWELL
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2018

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, 2018

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name Of Surety</u>
Kevin Kuchinski	Mayor		
Julie Blake	Deputy Mayor		
John Hart	Committeeperson		
Kristin McLaughlin	Committeeperson		
Michael Ruger	Committeeperson		
Elaine Cruickshank-Borges	Administrator/Chief Financial Officer	\$1,000,000	(A)
Laurie Gompf	Municipal Clerk	1,000,000	(A)
Daniel Keough	Tax Assessor	1,000,000	(A)
Kevin Oswold	Municipal Construction Official	1,000,000	(A)
Mark Kataryniak	Engineer/Community Development Director	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)
Susan Newman	Human Resources Director	1,000,000	(A)
Mary Kennedy-Nadzak	Tax Collector	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

July 19, 2019