

**TOWNSHIP OF HOPEWELL**  
**REPORT OF AUDIT**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2016**



**TOWNSHIP OF HOPEWELL**  
**TABLE OF CONTENTS**

<u>Exhibit</u>		<u>Page No.</u>
	<b><u>PART I</u></b>	
	Independent Auditor's Report	1 - 3
	<b><u>CURRENT FUND</u></b>	
A	Comparative Balance Sheet - Regulatory Basis	4 - 5
A - 1	Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis	6 - 7
A - 2	Statement of Revenues - Regulatory Basis	8 - 10
A - 3	Statement of Expenditures - Regulatory Basis	11 - 16
	<b><u>TRUST FUND</u></b>	
B	Comparative Balance Sheet - Regulatory Basis	17
	<b><u>GENERAL CAPITAL FUND</u></b>	
C	Comparative Balance Sheet - Regulatory Basis	18
C - 1	Statement of Fund Balance - Regulatory Basis	19
	<b><u>SEWER UTILITY FUND</u></b>	
D	Comparative Balance Sheet - Regulatory Basis	20 - 21
D - 1	Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis	22
D - 2	Statement of Capital Fund Balance - Regulatory Basis	23
D - 3	Statement of Revenues - Regulatory Basis	24
D - 4	Statement of Expenditures - Regulatory Basis	25
	<b><u>GENERAL FIXED ASSET ACCOUNT GROUP</u></b>	
E	Comparative Balance Sheet - Regulatory Basis	26
	<b>NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS</b>	27 - 44
	<b><u>SUPPLEMENTARY INFORMATION</u></b>	
	Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements - Regulatory Basis Performed in Accordance with Government Auditing Standards	45 - 46
	Schedule of Findings and Responses	47

**TOWNSHIP OF HOPEWELL**  
**TABLE OF CONTENTS**

<u>Exhibit</u>		<u>Page No.</u>
<b><u>CURRENT FUND</u></b>		
A - 4	Schedule of Cash - Treasurer	48
A - 5	Schedule of Cash - Collector	49
A - 6	Schedule of Taxes Receivable and Analysis of Property Tax Levy	50
A - 7	Schedule of Tax Title Liens	51
A - 8	Schedule of Revenue Accounts Receivable	52
A - 9	Schedule of Appropriation Reserves - Prior Year	53 - 56
A - 10	Schedules of School Tax	57 - 58
A - 11	Schedule of Federal and State Grants Receivable	59
A - 12	Schedule of Appropriated Reserves for Federal and State Grants	60
A - 13	Schedule of Reserves for Federal and State Grants - Unappropriated	61
<b><u>TRUST FUND</u></b>		
B - 1	Schedule of Dog Trust Cash - Treasurer	62
B - 2	Schedule of Other Trust Cash - Treasurer	63
B - 3	Schedule of Reserve for Animal Control Expenditures	64
B - 4	Schedule of Due to State of New Jersey	65
B - 5	Schedule of Other Reserves	66
<b><u>GENERAL CAPITAL FUND</u></b>		
C - 2	Schedule of Cash - Treasurer	67
C - 3	Analysis of Cash	68
C - 4	Schedule of Capital Improvement Fund	69
C - 5	Schedule of Deferred Charges to Future Taxation - Funded	n/a
C - 6	Schedule of Deferred Charges to Future Taxation - Unfunded	70
C - 7	Schedule of Improvement Authorizations	71
C - 8	Schedule of Loans Payable	n/a
C - 9	Schedule of Bond Anticipation Notes	72
C - 10	Schedule of Bonds and Notes Authorized But Not Issued	73
<b><u>SEWER UTILITY FUND</u></b>		
D - 5	Schedule of Cash - Treasurer	74
D - 6	Analysis of Cash	75
D - 7	Schedule of Cash - Collector	n/a
D - 8	Schedule of Consumer Accounts Receivable	76
D - 9	Schedule of Utility Liens	n/a
D - 10	Schedule of Appropriation Reserves - Prior Year	77
D - 11	Schedule of Accrued Interest on Bonds	78
D - 12	Schedule of Improvement Authorizations	79
D - 13	Schedule of Refunding Bond Payable	80
D - 14	Schedule of Bond Anticipation Notes	n/a
D - 15	Schedule of Bonds and Notes Authorized But Not Issued	81
<b><u>PART II</u></b>		
	General Comments	82 - 84
	Findings and Recommendations	85

**TOWNSHIP OF HOPEWELL**

**PART I**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS - REGULATORY BASIS**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2016**





# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

www.ford-scott.com

## Independent Auditor's Report

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

### **Report on the Financial Statements**

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Township of Hopewell, as of December 31, 2016 and 2015, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

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

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

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Township of Hopewell as of December 31, 2016 and 2015 or changes in financial position for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2016 and 2015, the regulatory basis statements of operations for the year then ended and the regulatory basis statements of revenues and expenditures for the years ended December 31, 2016 and 2015 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

***Other Matters***

*Other Information*

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

The supplemental information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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



**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 7, 2017 on our consideration of the Township of Hopewell's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Hopewell's internal control over financial reporting and compliance.

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

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

April 7, 2017

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**EXHIBIT - A  
CURRENT FUND**



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

	2016	2015
<u>ASSETS</u>		
Regular Fund:		
Cash:		
Cash Treasurer	\$ 2,489,027.49	2,075,804.51
Cash - Collector	18,515.49	298,056.54
Cash - Change	505.00	505.00
Total Cash	2,508,047.98	2,374,366.05
Other Receivables:		
Due from State - Chapter 20 P.L. 1971	5,841.04	6,252.00
Total Other Receivables	5,841.04	6,252.00
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	264,934.14	315,236.28
Tax Title and Other Liens	106,051.26	119,129.71
Property Acquired for Taxes - at Assessed Valuation	134,700.00	134,700.00
Total Receivables and Other Assets	505,685.40	569,065.99
Deferred Charges:		
Special Emergency	160,000.00	200,000.00
Total Deferred Charges	160,000.00	200,000.00
Total Regular Fund	3,179,574.42	3,149,684.04
Federal and State Grant Fund:		
Cash	71,434.10	59,047.75
Federal and State Grants Receivable	127,424.09	470,910.14
Due from Sewer Operating Fund	3,474.64	3,474.64
Due from General Capital Fund	140,000.00	140,000.00
Due from Current Fund	65,756.49	18,263.86
Total Federal and State Grant Fund	408,089.32	691,696.39
Total Current Fund	\$ 3,587,663.74	3,841,380.43

See accompanying Notes to Financial Statements - Regulatory Basis

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

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2016</u>	<u>2015</u>
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 155,369.55	131,882.43
Reserve for Encumbrances	72,638.05	55,106.15
Accounts Payable	35,855.50	187,015.00
Prepaid Taxes	103,970.35	99,162.14
Overpaid Taxes	5,554.29	10,442.18
Payroll Taxes Payable	20,706.74	22,338.22
Local School Tax Payable	209,630.54	258,890.98
Regional School Tax Payable	818,593.91	761,662.41
County Added Tax Payable	8,154.00	1,979.72
Interfund Payable:		
Due to Sewer Capital	10,654.40	10,654.40
Due to Sewer Operating	29,200.88	5,404.10
Due to Trust Fund - Other	4,764.22	3,587.73
Due to Grant Fund	65,756.49	18,263.86
Due to General Capital	247,235.02	94,833.02
Other		
Reserve for Performance Bond	1,137.85	63,122.99
Reserve for Revaluation	12,985.00	12,985.00
	1,802,206.79	1,737,330.33
Reserve for Receivables and Other Assets	505,685.40	569,065.99
Fund Balance	871,682.23	843,287.72
Total Regular Fund	3,179,574.42	3,149,684.04
Federal and State Grant Fund:		
Appropriated Reserves	308,962.01	402,548.27
Encumbrances Payable	86,867.81	289,148.12
Reserve for Small Cities Revolving Loans	12,259.50	-
	408,089.32	691,696.39
Total Federal and State Grant Fund	408,089.32	691,696.39
Total Current Fund	\$ 3,587,663.74	3,841,380.43

See accompanying Notes to Financial Statements - Regulatory Basis

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

	2016	2015
Revenue and Other Income Realized		
Fund Balance	\$ 609,600.00	653,500.00
Miscellaneous Revenue Anticipated	757,473.12	970,919.07
Receipts from Delinquent Taxes	329,634.31	352,150.72
Receipts from Current Taxes	8,957,076.46	8,707,605.30
Non Budget Revenue	109,331.86	107,339.28
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	118,603.32	171,424.98
Prior Year Sewer Reserves Lapsed	5,861.64	-
Interfunds Returned	-	128,117.02
Grant Funds Cancelled	2,549.61	-
Total Income	10,890,130.32	11,091,056.37
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	524,575.00	525,459.00
Other Expenses	711,318.00	902,350.00
Deferred Charges & Statutory Expenditures	100,587.00	109,372.24
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	19,850.00	19,850.00
Other Expenses	160,364.30	413,164.35
Capital Improvements	50,000.00	98,000.00
Debt Service	7,170.03	-
Deferred Charges	210,000.00	170,000.00
Local District School Tax	3,269,341.00	3,367,862.00
Regional District School Tax	1,718,472.00	1,606,421.00
County Tax	3,465,561.04	3,381,253.54
County Share of Added Tax	8,154.00	1,979.72
Refund of Prior Year's Revenue	6,743.44	-
Total Expenditures	10,252,135.81	10,595,711.85
Excess/(Deficit) in Revenue	\$ 637,994.51	495,344.52

See accompanying Notes to Financial Statements - Regulatory Basis

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

	2016	2015
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute Deferred Charges to Budgets of Succeeding Year	\$ -	200,000.00
Total Adjustments	-	200,000.00
Statutory Excess to Fund Balance	637,994.51	695,344.52
Fund Balance January 1	843,287.72	801,443.20
	1,481,282.23	1,496,787.72
Decreased by:		
Utilization as Anticipated Revenue	609,600.00	653,500.00
Fund Balance December 31	\$ 871,682.23	843,287.72

See accompanying Notes to Financial Statements - Regulatory Basis



**CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Anticipated		Excess or (Deficit)
	Budget	N.J.S. 40A:4-87	
Fund Balance Anticipated	\$ 609,600.00		-
Total Fund Balance Anticipated	<u>609,600.00</u>	<u>-</u>	<u>-</u>
Miscellaneous Revenues:			
Section A: Local Revenues			
Alcohol Beverage Licenses	2,500.00		-
Fees and Permits	3,000.00		(235.00)
Fines and Costs:			
Municipal Court	4,000.00		3,060.04
Interest and Costs on Taxes	55,000.00		9,464.71
Interest Earned on Investments	7,000.00		(73.53)
Payments in Lieu of Taxes - Hopewell Place	112,650.00		(4,900.00)
Rent of Municipal Property	15,246.00		4,166.00
Total Section A: Local Revenues	<u>199,396.00</u>	<u>-</u>	<u>11,482.22</u>
Section B: State Aid Without Offsetting Appropriations			
Consolidated Municipal Property Tax Relief	19,312.00		-
Energy Receipts Tax	281,632.00		-
Garden State Preservation Trust Fund	5,170.00		-
Total Section B: State Aid Without Offsetting Appropriations	<u>306,114.00</u>	<u>-</u>	<u>-</u>
Section C: Uniform Construction Code Fees			
Uniform Construction Code Fees	45,000.00		28,805.00
Total Section C: Uniform Construction Code Fees	<u>45,000.00</u>	<u>-</u>	<u>28,805.00</u>
Section D: Special Items - Interlocal Service Agreements			
Interlocal Senior Center Agreement with Stow Creek Township, Greenwich Township and Shiloh Borough - Operating Costs	16,850.00		2,055.40
Interlocal Agreement with Greenwich Township Convenience Center	9,000.00		12,644.12
Total Section D: Special Items - Interlocal Service Agreements	<u>25,850.00</u>	<u>-</u>	<u>14,699.52</u>

**CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Anticipated		Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87		
Section F: Special Items - Public and Private Programs				
Off-Set with Appropriations				
Clean Communities Grant	3,807.09	13,955.21	13,955.21	-
Recycling Tonnage Grant	5,000.00		3,807.09	-
Recycling Bonus Grant	100,000.00		5,000.00	-
Housing Rehabilitation			100,000.00	-
Total Section F: Special Items - Public and Private Programs	<u>108,807.09</u>	<u>13,955.21</u>	<u>122,762.30</u>	<u>-</u>
Section G: Other Special Items				
Uniform Fire Safety	3,400.00		3,364.08	(35.92)
Total Section G: Other Special Items	<u>3,400.00</u>	<u>-</u>	<u>3,364.08</u>	<u>(35.92)</u>
Total Miscellaneous Revenues:	688,567.09	13,955.21	757,473.12	54,950.82
Receipts from Delinquent Taxes	330,000.00		329,634.31	(365.69)
Amount to be Raised by Taxes for Support of Municipal Budget				
Local Tax for Municipal Purposes	742,946.44		1,058,197.86	315,251.42
Total Amount to be Raised by Taxes for Support of Municipal Budget	<u>742,946.44</u>	<u>-</u>	<u>1,058,197.86</u>	<u>315,251.42</u>
Budget Totals	2,371,113.53	13,955.21	2,754,905.29	369,836.55
Non-Budget Revenues:				
Other Non-Budget Revenues:			109,331.86	109,331.86
	<u>2,371,113.53</u>	<u>13,955.21</u>	<u>2,864,237.15</u>	<u>479,168.41</u>

**CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	8,957,076.46
--------------------------	--------------

Net Revenue from Collections	8,957,076.46
------------------------------	--------------

Allocated to:

School, County and Other Taxes	8,461,528.04
--------------------------------	--------------

Balance for Support of Municipal Budget Appropriations	495,548.42
--	------------

Increased by:

Appropriation "Reserved for Uncollected Taxes"	562,649.44
--	------------

Amount for Support of Municipal Budget Appropriations	<u>1,058,197.86</u>
---	---------------------

Receipts from Delinquent Taxes:

Delinquent Tax Collection	298,912.55	
---------------------------	------------	--

Tax Title Lien Collections	30,721.76	
----------------------------	-----------	--

Total Receipts from Delinquent Taxes	<u>329,634.31</u>
--------------------------------------	-------------------

Analysis of Non-Budget Revenue:

Miscellaneous Revenue Not Anticipated:

Clerk Fees	3,521.29	
------------	----------	--

Interlocal - Fire	17,701.42	
-------------------	-----------	--

Interlocal - Misc	6,213.17	
-------------------	----------	--

Interlocal - Construction Code	5,000.00	
--------------------------------	----------	--

Registrar Fees	50.00	
----------------	-------	--

Planning & Zoning	200.00	
-------------------	--------	--

200 Foot List	140.00	
---------------	--------	--

LOSAP Refunds	3,106.25	
---------------	----------	--

Cable Franchise Fee	24,184.65	
---------------------	-----------	--

Vacant Property Registration	5,500.00	
------------------------------	----------	--

Rental Registrations	2,075.00	
----------------------	----------	--

Senior & Vets Admin Fees	1,200.00	
--------------------------	----------	--

CCIA Single Stream Recycling Rebate	686.00	
-------------------------------------	--------	--

Farmland Lease - Barrett's Run	14,960.00	
--------------------------------	-----------	--

Refunds	7,015.51	
---------	----------	--

Recycling	5,057.85	
-----------	----------	--

Road Opening Permits	750.00	
----------------------	--------	--

Miscellaneous	11,970.72	
---------------	-----------	--

Total Miscellaneous Revenue Not Anticipated:	<u>109,331.86</u>
--	-------------------

See accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>OPERATIONS WITHIN "CAPS"</b>						
<b>GENERAL GOVERNMENT:</b>						
Administrative and Executive						
Salaries and Wages	140,000.00	133,000.00	131,877.32		1,122.68	
Other Expenses	43,000.00	43,000.00	26,710.54	3,071.61	13,217.85	
Financial Administration						
Salaries and Wages	50,000.00	50,000.00	40,587.04		9,412.96	
Other Expenses:						
Miscellaneous Other Expenses	11,500.00	11,500.00	9,529.48		1,970.52	
Annual Audit	29,000.00	29,000.00	29,000.00		-	
Collection of Taxes						
Salaries and Wages	30,000.00	30,000.00	29,964.76		35.24	
Other Expenses:						
Miscellaneous Other Expenses	9,000.00	9,000.00	7,119.03	1,415.00	465.97	
Tax Assessment Administration						
Salaries and Wages	36,000.00	36,000.00	35,689.22		310.78	
Other Expenses:						
Miscellaneous Other Expenses	7,500.00	7,500.00	7,298.91	2.86	198.23	
Maintenance of Tax Map	3,500.00	3,500.00	1,683.00		1,817.00	
Computer Services	4,000.00	4,000.00	3,600.00		400.00	
Legal Services						
Salaries and Wages	12,100.00	12,100.00	12,100.00		-	
Other Expenses	35,000.00	31,000.00	19,264.72	2,499.00	9,236.28	
Engineer Services & Costs						
Other Expenses	30,000.00	16,600.00	1,709.31	3,290.69	11,600.00	
Western Cumberland County Economic Develop. Corp.						
Other Expenses	9,150.00	9,150.00	9,150.00		-	
Economic Development Committee	17,000.00	17,000.00	10,749.24	38.00	6,212.76	
Municipal Land Use Law (N.J.S.A. 40:55D-1)						
Combined Planning & Zoning Board						
Salaries and Wages	26,500.00	26,500.00	21,597.90		4,902.10	
Other Expenses	2,000.00	2,000.00	1,882.66	96.34	21.00	
Zoning Board of Adjustment						
Salaries and Wages						
Other Expenses						
Code Enforcement						
Salaries and Wages	3,400.00	3,400.00	2,438.79		961.21	
Insurance						
General Liability	70,000.00	79,000.00	78,924.63		75.37	
Disability	500.00	500.00	426.97		73.03	
Employee Group Insurance	44,648.00	44,648.00	36,894.13		7,753.87	

See accompanying Notes to Financial Statements - Regulatory Basis

**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>PUBLIC SAFETY</b>						
Office of Emergency Management						
Salaries and Wages	4,500.00	4,500.00	3,684.76		815.24	
Other Expenses	3,500.00	3,500.00	1,878.90	622.70	998.40	
Ambulance Service Contribution						
Other Expenses	37,920.00	37,920.00	37,920.00		-	
<b>Fire</b>						
Other Expenses	64,000.00	64,000.00	37,134.95	25,690.09	1,174.96	
Uniform Fire Safety Act						
Salaries and Wages	3,600.00	3,600.00	3,000.00		600.00	
Other Expenses	200.00	2,200.00	38.00	1,945.00	217.00	
Demolition of Public Property						
<b>STREETS AND ROADS</b>						
Streets and Road Maintenance						
Salaries and Wages	92,000.00	95,500.00	93,872.60		1,627.40	
Other Expenses	36,000.00	34,300.00	9,236.05	6,519.53	18,544.42	
Reserve for Snow Removal	2,500.00	2,500.00	2,500.00		-	
Public Building and Grounds						
Other Expenses	20,000.00	22,000.00	19,844.62	1,936.10	219.28	
<b>HEALTH AND WELFARE</b>						
Animal Control Services						
Other Expenses	9,500.00	13,000.00	11,060.59	315.00	1,624.41	
Environmental Commission						
Other Expenses	600.00	600.00			600.00	
<b>RECREATION AND EDUCATION</b>						
Recreation Services and Programs						
Other Expenses	2,000.00	2,000.00	1,000.00		1,000.00	
Bostwick Lake Commission	4,500.00	4,500.00	4,500.00		-	
Senior Citizen Center						
Salaries and Wages	17,150.00	19,650.00	19,650.00		-	
Other Expenses	12,000.00	12,000.00	12,000.00		-	

**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
UNIFORM CONSTRUCTION CODE						
State Uniform Construction Code						
Construction Official						
Salaries and Wages	36,000.00	41,000.00	40,860.17		139.83	
Other Expenses	2,000.00	2,400.00	1,873.07	400.00	126.93	
Sub Code Officials						
Plumbing Inspector						
Salaries and Wages	7,700.00	7,700.00	7,649.97		50.03	
Electrical Inspector						
Salaries and Wages	11,750.00	11,750.00	10,889.90		860.10	
Fire Code Official						
Salaries and Wages	3,675.00	3,875.00	3,872.00		3.00	
Unclassified:						
Sanitation:						
Convenience Center						
Salaries and Wages	38,000.00	44,000.00	41,711.39		2,288.61	
Other Expenses	125,000.00	125,000.00	75,685.40	17,237.97	32,076.63	
Sanitary Landfill Facility No. 0607A Post-Closure Care	8,500.00	8,500.00	6,725.00	1,325.00	450.00	
Utilities:						
Electricity	20,000.00	20,000.00	17,172.63	2,307.46	519.91	
Street Lighting	15,000.00	15,000.00	11,526.63		3,473.37	
Telephone	13,000.00	13,000.00	8,101.27	504.89	4,393.84	
Fuel Oil	11,000.00	11,000.00	7,849.25	1,681.17	1,469.58	
Sewer	2,000.00	2,000.00		699.22	1,300.78	
Gasoline	8,500.00	8,500.00	6,092.86	377.92	2,029.22	
Salary Adjustments	10,000.00	2,000.00			2,000.00	
<b>TOTAL OPERATIONS WITHIN "CAPS"</b>	<b>1,235,893.00</b>	<b>1,235,893.00</b>	<b>1,015,527.66</b>	<b>71,975.55</b>	<b>148,389.79</b>	<b>-</b>
Detail:						
Salaries and Wages	522,375.00	524,575.00	499,445.82	-	25,129.18	-
Other Expenses	713,518.00	711,318.00	516,081.84	71,975.55	123,260.61	-

**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES:</b>						
Deferred Charges:						
Anticipated Deficit - Sewer Utility	37,725.00	37,725.00				37,725.00
Statutory Expenditures:						
Contributions to:						
Public Employees' Retirement System	57,587.00	57,587.00	57,587.00			-
Social Security System (O.A.S.I.)	43,000.00	43,000.00	41,439.12		1,560.88	
<b>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:</b>	<u>138,312.00</u>	<u>138,312.00</u>	<u>99,026.12</u>	<u>-</u>	<u>1,560.88</u>	<u>37,725.00</u>
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</b>	<u>1,374,205.00</u>	<u>1,374,205.00</u>	<u>1,114,553.78</u>	<u>71,975.55</u>	<u>149,950.67</u>	<u>37,725.00</u>
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>						
(A) Operations - Excluded from "CAPS"						
Employee Group Health	352.00	352.00	-			352.00
Emergency Service Volunteer Length of Service Award Prgm	13,250.00	13,250.00	12,425.00			825.00
Interlocal Municipal Service Agreements						
Stow Creek Twp, Greenwich Twp & Shiloh Borough	10,850.00	10,850.00	10,484.72			365.28
Salaries and Wages	6,000.00	6,000.00	4,746.49		662.50	591.01
Other Expenses						
Agreement with Greenwich Twp	9,000.00	9,000.00	9,000.00			-
Sanitation - Convenience Center						
Salaries and Wages						
Agreement with Cumberland-Salem Regional Municipal Court's	18,000.00	18,000.00	16,011.88			1,988.12
Contracted Services						
<b>TOTAL OPERATIONS - EXCLUDED FROM "CAPS"</b>	<u>57,452.00</u>	<u>57,452.00</u>	<u>52,668.09</u>	<u>662.50</u>	<u>4,121.41</u>	<u>-</u>

**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
(A) Public and Private Programs Off-Set by Revenues						
Recycling Tonnage Grant	3,807.09	3,807.09	3,807.09	-	-	
Recycling Bonus Grant	5,000.00	5,000.00	5,000.00	-	-	
Housing Rehabilitation	100,000.00	100,000.00	100,000.00	-	-	
Clean Communities	-	13,955.21	13,955.21	-	-	
<b>Total Public and Private Programs Off-Set by Revenues</b>	<b>108,807.09</b>	<b>122,762.30</b>	<b>122,762.30</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total Operations - Excluded from "CAPS" Detail:						
Salaries and Wages	166,259.09	180,214.30	175,430.39	662.50	4,121.41	
Other Expenses	19,850.00	19,850.00	19,484.72	-	365.28	
	146,409.09	160,364.30	155,945.67	662.50	3,756.13	
(C) Capital Improvements						
Capital Improvement Fund	25,000.00	25,000.00	25,000.00	-	-	
Municipal Land, Building Improvements & Equipment	25,000.00	25,000.00	23,702.53	-	1,297.47	
<b>Total Capital Improvements</b>	<b>50,000.00</b>	<b>50,000.00</b>	<b>48,702.53</b>	<b>-</b>	<b>1,297.47</b>	<b>-</b>
(D) Debt Service						
Interest on Notes	8,000.00	8,000.00	7,170.03	-	-	829.97
<b>Total Debt Service</b>	<b>8,000.00</b>	<b>8,000.00</b>	<b>7,170.03</b>	<b>-</b>	<b>-</b>	<b>829.97</b>
(E) Deferred Charges						
Special Emergency Authorizations - 5 years	40,000.00	40,000.00	40,000.00	-	-	-
Deferred Charges to Future Taxation Unfunded Ordinance 13-01	170,000.00	170,000.00	170,000.00	-	-	-
<b>Total Deferred Charges</b>	<b>210,000.00</b>	<b>210,000.00</b>	<b>210,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>



**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	434,259.09	448,214.30	441,302.95	662.50	5,418.88	829.97
SUBTOTAL GENERAL APPROPRIATIONS	1,808,464.09	1,822,419.30	1,555,856.73	72,638.05	155,369.55	38,554.97
(M) Reserve for Uncollected Taxes	562,649.44	562,649.44	562,649.44			-
TOTAL GENERAL APPROPRIATIONS	\$ 2,371,113.53	2,385,068.74	2,118,506.17	72,638.05	155,369.55	38,554.97
Budget		2,371,113.53			Cancelled	38,554.97
Appropriations by 40A:4-87		13,955.21			Overexpended	-
Special Emergency Appropriations		<u>2,385,068.74</u>				<u>38,554.97</u>
Reserve for Uncollected Taxes		562,649.44				
Federal and State Grants		122,762.30				
Deferred Charges		40,000.00				
Disbursements		1,393,094.43				
		<u>2,118,506.17</u>				

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**EXHIBIT - B  
TRUST FUND**



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

	2016	2015
<u>ASSETS</u>		
<u>DOG TRUST FUND</u>		
Cash	\$ 747.00	230.46
Due from State of NJ	-	9.40
	747.00	239.86
<u>OTHER TRUST FUND</u>		
Cash and Investments	448,441.38	352,108.66
Interfunds and Receivables:		
Due from Current Fund	6,222.00	3,587.73
	454,663.38	355,696.39
	455,410.38	355,936.25
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
<u>DOG TRUST FUND</u>		
Reserve for Dog Fund Expenditures	747.00	239.86
	747.00	239.86
<u>OTHER TRUST FUND</u>		
Reserve for:		
Unemployment Compensation	8,071.71	9,771.11
Sanitary Landfill	42,749.00	42,514.22
Developers Escrow	27,886.20	36,046.87
COAH Fees	37,653.12	41,773.87
Tax Sale Premiums	251,600.00	194,600.00
Redemption of Tax Sale Certificates	63,406.77	15,239.83
Snow Removal - Storm Recovery	6,125.00	4,500.00
Bostwick Lake	11,316.66	11,250.49
Community Activities	4,397.14	
Interfunds and Payables:		
Due to Current Fund	1,457.78	-
	454,663.38	355,696.39
	\$ 455,410.38	355,936.25

See accompanying Notes to Financial Statements - Regulatory Basis

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**EXHIBIT - C**  
**GENERAL CAPITAL FUND**





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

<u>ASSETS</u>	<u>2016</u>	<u>2015</u>
Cash	\$ 267,393.23	462,621.40
Deferred Charges to Future Taxation - Unfunded	1,358,725.00	1,528,725.00
Interfunds and Receivables		
Due from Current Fund	247,235.02	94,833.02
Due from Sewer Operating Fund	<u>150,000.00</u>	<u>150,000.00</u>
	<u>2,023,353.25</u>	<u>2,236,179.42</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Encumbrances Payable	517,399.06	101,754.81
Interfunds:		
Due to Grant Fund	140,000.00	140,000.00
Bond Anticipation Notes Payable	455,000.00	455,000.00
Improvement Authorizations:		
Funded	105,223.53	133,525.71
Unfunded	424,774.77	1,049,943.01
Capital Improvement Fund	380,955.89	355,955.89
Fund Balance	-	-
	<u>\$ 2,023,353.25</u>	<u>2,236,179.42</u>

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

2015	1,073,725.00
2016	903,725.00

See accompanying Notes to Financial Statements - Regulatory Basis

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

	2016	2015
Beginning Balance January 1	\$ -	-
Increased by:		
None		
Decreased by:		
None		
Ending Balance December 31	\$ -	-

See accompanying Notes to Financial Statements - Regulatory Basis

**EXHIBIT - D**  
**SEWER UTILITY FUND**



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

	2016	2015
<b>ASSETS</b>		
Operating Fund:		
Cash	\$ 145,671.18	\$ 139,852.30
Interfunds and Receivables		
Due from Current Fund	29,200.88	5,404.10
Due from Sewer Capital Fund	36,113.63	36,041.32
	210,985.69	181,297.72
Receivables and Other Assets with Full Reserves:		
Sewer Accounts Receivable	64,637.63	59,737.42
	64,637.63	59,737.42
Deferred Charges:		
Emergency Appropriation	-	-
	-	-
Total Operating Fund	275,623.32	241,035.14
Capital Fund:		
Cash - Treasurer	16,906.27	36,041.32
Interfunds and Receivables		
Due from Current Fund	10,654.40	10,654.40
Fixed Capital - Complete	7,434,710.09	7,434,710.09
Fixed Capital - Authorized and Uncomplete	39,789.91	39,789.91
Total Capital Fund	7,502,060.67	7,521,195.72
	\$ 7,777,683.99	\$ 7,762,230.86

See accompanying Notes to Financial Statements - Regulatory Basis

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

	2016	2015
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Operating Fund:		
Appropriation Reserves	\$ 5,054.56	\$ 7,507.49
Reserve for Encumbrances	1,657.74	4,385.68
Overpaid Sewer Rents	3,934.62	3,147.41
Accrued Interest on Bonds and Notes	11,421.67	11,807.08
Interfunds:		
Due to Grant Fund	3,474.64	3,474.64
Due to General Capital Fund	150,000.00	150,000.00
	175,543.23	180,322.30
Reserve for Receivables	64,637.63	59,737.42
Fund Balance	35,442.46	975.42
	275,623.32	241,035.14
Capital Fund:		
Encumbrances Payable	9,659.69	-
Contracts Payable	10,654.40	10,654.40
Interfunds:		
Due to Sewer Operating Fund	36,113.63	36,041.32
Refunding Bonds Payable	3,740,000.00	3,865,000.00
Improvement Authorizations:		
Funded	-	-
Unfunded	8,422.86	39,789.91
Reserve for Amortization	3,654,920.18	3,529,920.18
Deferred Reserve for Amortization	39,789.91	39,789.91
Capital Improvement Fund	2,500.00	-
Fund Balance	-	-
	7,502,060.67	7,521,195.72
	\$ 7,777,683.99	\$ 7,762,230.86

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

2015	39,789.91
2016	39,789.91

See accompanying Notes to Financial Statements - Regulatory Basis

**SEWER UTILITY FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES  
IN FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	2016	2015
Revenue and Other Income Realized		
Fund Balance	\$ -	\$ -
Sewer Rents	659,925.93	605,887.60
Miscellaneous Revenue Anticipated	-	12,286.24
Miscellaneous Revenue Not Anticipated	16,880.70	15,709.52
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves		31,471.64
Total Income	676,806.63	665,355.00
Expenditures		
Operations	369,000.00	364,600.00
Capital Improvements	5,000.00	-
Debt Service	268,339.59	265,755.00
Deferred Charges and Statutory Expenditures	-	35,000.00
Total Expenditures	642,339.59	665,355.00
Excess/(Deficit) in Revenue	34,467.04	-
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute Deferred Charges to Budgets of Succeeding Year	-	-
Total Adjustments	-	-
Excess in Operations	34,467.04	-
Fund Balance January 1	975.42	975.42
Decreased by:	35,442.46	975.42
Utilization as Anticipated Revenue	-	-
Fund Balance December 31	\$ 35,442.46	\$ 975.42

See accompanying Notes to Financial Statements - Regulatory Basis

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

	2016	2015
Beginning Balance January 1	\$ -	-
Increased by:		
None		
Decreased by:		
None		
Ending Balance December 31	\$ -	-

See accompanying Notes to Financial Statements - Regulatory Basis



**SEWER UTILITY OPERATING FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	\$	-	-
Sewer Rents	605,000.00	659,925.93	54,925.93
Other Anticipated Revenue			
Deficit (General Budget)	37,725.00		(37,725.00)
Miscellaneous Revenue Not Anticipated		16,880.70	16,880.70
	<u>\$ 642,725.00</u>	<u>676,806.63</u>	<u>34,081.63</u>

## Analysis of Realized Revenue:

## Rents

## Consumer Accounts Receivable:

Current Collections	\$ 656,778.52
Prepayments & Overpayments Applied	3,147.41
	<u>659,925.93</u>

## Miscellaneous Revenue Not Anticipated

Cumberland Manor	16,282.96
Interest on Investments	597.74
	<u>\$ 16,880.70</u>

See accompanying Notes to Financial Statements - Regulatory Basis

**SEWER UTILITY FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Operations:						
Salaries and Wages	\$ 38,000.00	25,500.00	23,852.50		1,647.50	
Other Expenses	331,000.00	343,500.00	338,435.20	1,657.74	3,407.06	
	<u>369,000.00</u>	<u>369,000.00</u>	<u>362,287.70</u>	<u>1,657.74</u>	<u>5,054.56</u>	<u>-</u>
Capital Improvements:						
Capital Improvement Fund	2,500.00	2,500.00	2,500.00		-	
Capital Outlay	2,500.00	2,500.00	2,500.00		-	
	<u>5,000.00</u>	<u>5,000.00</u>	<u>5,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Service:						
Payment of Bond Principal & Interest	125,000.00	125,000.00	125,000.00			-
Interest on Bonds	143,725.00	143,725.00	143,339.59			385.41
	<u>268,725.00</u>	<u>268,725.00</u>	<u>268,339.59</u>	<u>-</u>	<u>-</u>	<u>385.41</u>
Deferred Charges and Statutory Expenditures:						
Special Emergency	-	-	-	-	-	-
	<u>642,725.00</u>	<u>642,725.00</u>	<u>635,627.29</u>	<u>1,657.74</u>	<u>5,054.56</u>	<u>385.41</u>

**EXHIBIT - E**  
**PUBLIC ASSISTANCE FUND**



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

<u>ASSETS</u>	<u>2016</u>	<u>2015</u>
Land Buildings and Improvements	\$ 2,806,500.15	2,359,305.09
Machinery and Equipment	<u>1,139,881.13</u>	<u>1,099,087.03</u>
	<u>3,946,381.28</u>	<u>3,458,392.12</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Investment in General Fixed Assets	\$ <u>3,946,381.28</u>	<u>3,458,392.12</u>

See accompanying Notes to Financial Statements - Regulatory Basis

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**TOWNSHIP OF HOPEWELL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

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

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

**B. Description of Funds**

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

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

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

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

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

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

**TOWNSHIP OF HOPEWELL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**C. Basis of Accounting**

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant policies in New Jersey follow.

A modified accrual basis of accounting is followed with minor exceptions.

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

Expenditures -- are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements. Appropriation reserves covering unencumbered appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the Governing Body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; interest on utility capital indebtedness is on the accrual basis. Compensated absences are treated on a pay as you go basis with no amount charged to operations in the year incurred.

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

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

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

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

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

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.



**TOWNSHIP OF HOPEWELL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value on the date of acquisition. Expenditures for long lived assets with an original cost in excess of \$2,000.00 are capitalized. No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

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

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

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

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

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

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

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

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

**TOWNSHIP OF HOPEWELL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**D. Required Financial Statements**

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

**E. Comparative Data**

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

**F. Recent Accounting Pronouncements Not Yet Effective**

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans". This statement, which is effective for fiscal periods beginning after June 30, 2016, establishes new accounting and financial reporting requirements for OPEB plans. It is anticipated that this statement will not have any effect on the Township's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement is effective for fiscal periods beginning after June 30, 2017. Although not determinable, the impact of this statement on the net position of the entity is anticipated to be significant.

In August 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 77, "Tax Abatement Disclosure". This statement is effective for fiscal periods beginning after December 15, 2015, will not have any effect on the City's financial reporting.

In December 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 78, "Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans". This statement is effective for fiscal periods beginning after December 15, 2015, will not have any effect on the City's financial reporting.

In January 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 80, "Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14". This statement is effective for fiscal periods beginning after December 15, 2016, will not have any effect on the City's financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 81, "Irrevocable Split-Interest Agreements". This statement is effective for fiscal periods beginning after December 15, 2016, will not have any effect on the City's financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 82, "Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No.73". This statement is effective for fiscal periods beginning after June 15, 2016, will not have any effect on the City's financial reporting, however will affect the disclosure of pension related items.

**TOWNSHIP OF HOPEWELL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**Note 2: BUDGETARY INFORMATION**

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2016 and 2015 statutory budgets included a reserve for uncollected taxes in the amount of \$562,649.44 and \$558,824.46. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2016 and 2015 statutory budgets was \$609,600 and \$653,500. In addition, the entity operates a self liquidating sewer utility. Under New Jersey Statutes a separate budget for the utility must be adopted concurrently with the operating budget of the entity. The utility budget must be a balanced cash basis budget with fund balance being used to balance the budget. The amount of fund balance budgeted to balance the 2016 and 2015 statutory budgets was \$0 and \$0.

The Chief Financial Officer has the discretion of approving intra department budgetary transfers throughout the year. Inter department transfers are not permitted prior to November 1. After November 1 these transfers can be made in the form of a resolution and approved by The Township Committee. The following significant budget transfers were approved in the 2016 and 2015 calendar years:

Legal Services		
Operating Expenses	(4,000.00)	(8,000.00)
Engineer Services and Costs		
Operating Expenses	(13,400.00)	(3,700.00)
Insurance		
General Liability	9,000.00	
Municipal Land Use		
Operating Expenses		3,700.00
Fire		
Operating Expenses		6,000.00
Public Building and Grounds		
Operating Expenses	2,000.00	
Uniform Fire Safety Act		
Operating Expenses	2,000.00	
Animal Control Services		
Operating Expenses	3,500.00	
Streets and Roads Maintenance		
Salaries and Wages	3,500.00	
Operating Expenses	(1,700.00)	2,000.00
Senior Citizen Center		
Salaries and Wages	2,500.00	
Construction Official		
Salaries and Wages	5,000.00	
Operating Expenses	400.00	
Fire Code Official		
Salaries and Wages	200.00	
Convenience Center		
Salaries and Wages	6,000.00	
Salary Adjustments	(8,000.00)	

**TOWNSHIP OF HOPEWELL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

NJSA 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During 2016 and 2015, the following significant budget insertions were approved:

<u>Budget Category</u>	<u>2016</u>	<u>2015</u>
Clean Communities Program	\$ 13,955.21	12,203.13
NJ Department of Transportation		170,000.00
Total	\$ <u>13,955.21</u>	<u>182,203.13</u>

The entity may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. The entity approved a special emergency appropriation in 2015 for \$200,000 for Revaluation. The unfunded balance as of December 31, 2016 was \$160,000 and \$40,000 has been provided for in both the 2016 and 2017 Budgets.

**Note 3: INVESTMENTS**

As of December 31, 2016 and 2015, the municipality held no investments.

**Note 4: CASH**

**Custodial Credit Risk – Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The municipality's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or fund that may pass to the municipality relative to the happening of a future condition. As of December 31, 2016, and 2015, \$0 of the municipality's bank balance of \$3,431,693.57 and \$3,367,879.99 was exposed to custodial credit risk.

**TOWNSHIP OF HOPEWELL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**Note 5: FIXED ASSETS**

The following schedules are a summarization of the changes in general fixed assets for the calendar years ended December 31, 2016 and 2015:

	Balance 12/31/2014	Adjustments	Retirements/ Adjustments	Balance 12/31/2015
Land Buildings & Improvements	1,306,433.12	1,052,871.97	-	2,359,305.09
Machinery & Equipment	1,653,201.94	8,230.60	(562,345.51)	1,099,087.03
	<u>\$ 2,959,635.06</u>	<u>1,061,102.57</u>	<u>(562,345.51)</u>	<u>3,458,392.12</u>

	Balance 12/31/2015	Additions/ Adjustments	Retirements/ Adjustments	Balance 12/31/2016
Land Buildings & Improvements	2,359,305.09	447,195.06	-	2,806,500.15
Machinery & Equipment	1,099,087.03	42,444.10	(1,650.00)	1,139,881.13
	<u>\$ 3,458,392.12</u>	<u>489,639.16</u>	<u>(1,650.00)</u>	<u>3,946,381.28</u>

**Note 6: SHORT-TERM OBLIGATIONS**

	Balance 12/31/14	Issued	Retired	Balance 12/31/15
Bond Anticipation General Capital	-	455,000.00		455,000.00

The Bond Anticipation Notes totaling \$455,000 was one note that was issued on November 4, 2015 for \$455,000 and was due and payable on November 3, 2016 with interest at 1.55% per annum.

	Balance 12/31/15	Issued	Retired	Balance 12/31/16
Bond Anticipation General Capital	455,000.00	455,000.00	455,000.00	455,000.00

The Bond Anticipation Notes totaling \$455,000 was one note that was issued on November 4, 2016 for \$455,000 and was due and payable on November 3, 2017 with interest at 1.25% per annum.

As of December 31, 2015 the entity has authorized but not issued bonds in the amount of \$1,073,725 and \$39,789.91 in the General Capital Fund and Sewer Utility Capital Fund respectively.

As of December 31, 2016 the entity has authorized but not issued bonds in the amount of \$903,725 and \$39,789.91 in the General Capital Fund and Sewer Utility Capital Fund respectively.

**TOWNSHIP OF HOPEWELL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**Note 7: LONG TERM DEBT**

Long-term debt as of December 31, 2016 and 2015 consisted of the following:

	Balance 12/31/14	Issued	Retired	Balance 12/31/15	Amounts Due Within One Year
Bonds and Loans payable:					
General	\$ -			-	-
Utility	3,985,000.00	-	120,000.00	3,865,000.00	125,000.00
<b>Total</b>	<b>3,985,000.00</b>	<b>-</b>	<b>120,000.00</b>	<b>3,865,000.00</b>	<b>125,000.00</b>
Compensated Absences Payable	10,810.63	10,420.72	5,538.51	15,692.84	-
<b>Total long-term liabilities</b>	<b>\$ 3,995,810.63</b>	<b>10,420.72</b>	<b>125,538.51</b>	<b>3,880,692.84</b>	<b>125,000.00</b>

  

	Balance 12/31/15	Issued	Retired	Balance 12/31/16	Amounts Due Within One Year
Bonds and Loans payable:					
General	\$ -			-	-
Utility	3,865,000.00	-	125,000.00	3,740,000.00	125,000.00
<b>Total</b>	<b>3,865,000.00</b>	<b>-</b>	<b>125,000.00</b>	<b>3,740,000.00</b>	<b>125,000.00</b>
Compensated Absences Payable	15,692.84	6,481.98	2,423.82	19,751.00	-
<b>Total long-term liabilities</b>	<b>\$ 3,880,692.84</b>	<b>6,481.98</b>	<b>127,423.82</b>	<b>3,759,751.00</b>	<b>125,000.00</b>

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

None

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

\$4,105,000.00 Sewer Refunding Bonds Series 2014, dated November 19, 2014 payable in annual installments through 2038. Interest is paid semiannually ranging from 2.000% to 4.500% per annum. The balance remaining as of December 31, 2016 was \$3,740,000.

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

Year	General Capital Fund		Sewer Utility Fund	
	Principal	Interest	Principal	Interest
2017	None	None	125,000.00	141,225.00
2018	None	None	130,000.00	137,475.00
2019	None	None	135,000.00	133,575.00
2020	None	None	140,000.00	129,525.00
2021	None	None	140,000.00	125,325.00
2022-2026	None	None	760,000.00	572,875.00
2027-2031	None	None	915,000.00	423,462.50
2032-2036	None	None	1,125,000.00	215,537.50
2037-2039	None	None	270,000.00	16,650.00
	<b>None</b>	<b>None</b>	<b>3,740,000.00</b>	<b>1,895,650.00</b>

**TOWNSHIP OF HOPEWELL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

As of December 31, 2016 the carrying value of the above bonds and notes approximates the fair value of the bonds. No interest was charged to capital projects during the year and the total interest charged to the current budget was \$0.00 and to the utility budget was \$143,339.59.

<u>Summary of Municipal Debt</u>	<u>Year 2016</u>	<u>Year 2015</u>	<u>Year 2014</u>
<u>Issued:</u>			
General - Bonds and Notes	\$ 455,000.00	\$ 455,000.00	-
Sewer Utility - Bonds and Notes	3,740,000.00	3,865,000.00	4,105,000.00
Total Issued	<u>4,195,000.00</u>	<u>4,320,000.00</u>	<u>4,105,000.00</u>
<u>Authorized but not issued:</u>			
General - Bonds and Notes	903,725.00	1,073,725.00	673,725.00
Sewer Utility - Bonds and Notes	39,789.91	39,789.91	39,789.91
Total Authorized But Not Issued	<u>943,514.91</u>	<u>1,113,514.91</u>	<u>713,514.91</u>
Total Bonds & Notes Issued and Authorized But Not Issued	<u>\$ 5,138,514.91</u>	<u>\$ 5,433,514.91</u>	<u>\$ 4,818,514.91</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.436%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local & Regional School District Debt	\$ 3,751,585.75	3,751,585.75	-
Sewer Utility Debt	3,779,789.91	3,779,789.91	-
General Debt	1,358,725.00		1,358,725.00
	<u>\$ 8,890,100.66</u>	<u>7,531,375.66</u>	<u>1,358,725.00</u>

Net Debt \$1,358,725.00 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$311,725,510.00 = 0.436%.

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

3 1/2 % of Equalized Valuation Basis ( Municipal)	\$ 10,910,392.85
Net Debt	1,358,725.00
Remaining Borrowing Power	<u>\$ 9,551,667.85</u>

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

Cash Receipts from Fees, Rents or Other Charges for the Year	\$ 676,806.63
<u>Deductions:</u>	
Operating & Maintenance Costs	\$ 369,000.00
Debt Service per Water and Sewer Utility Fund	<u>268,339.59</u>
Total Deductions	<u>637,339.59</u>
Excess in Revenue	<u>\$ 39,467.04</u>

**TOWNSHIP OF HOPEWELL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**Note 8: FUND BALANCES APPROPRIATED**

Fund balances at December 31, 2016 and 2015, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2017 and 2016 were as follows:

		<u>2017</u>	<u>2016</u>
Current Fund	\$	630,000.00	609,600.00
Sewer Utility		15,000.00	0.00

**Note 9: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2016, the following deferred charges are shown on the balance sheets of the various funds:

	Balance December 31, 2016	2017 Budget Appropriation	Balance to Succeeding
Current & Grant Fund:			
Special Emergency	\$ 160,000.00	40,000.00	120,000.00
	<u>160,000.00</u>	<u>40,000.00</u>	<u>120,000.00</u>

**Note 10: SCHOOL TAXES**

Local District School Tax in the amounts of \$3,269,341.00 and \$3,367,862.00 have been raised for the 2016 and 2015 calendar years and remitted or due to the school district. The school tax levy is determined by taking 50% of the prior year and 50% of the current year requirements, plus the actual amount needed for debt service.

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

	<u>12/31/2016</u>	<u>12/31/2015</u>
Balance of Tax	\$ 1,634,630.54	\$ 1,683,890.98
Deferred	1,425,000.00	1,425,000.00
Tax Payable	<u>\$ 209,630.54</u>	<u>\$ 258,890.98</u>

Regional District School Tax in the amounts of \$1,718,472.00 and \$1,606,421.00 have been raised for the 2016 and 2015 calendar years and remitted or due to the school district. The school tax levy is determined by taking 50% of the prior year and 50% of the current year requirements, plus the actual amount needed for debt service.

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

	<u>12/31/2016</u>	<u>12/31/2015</u>
Balance of Tax	\$ 818,593.91	\$ 761,662.41
Deferred	-	-
Tax Payable	<u>\$ 818,593.91</u>	<u>\$ 761,662.41</u>



**TOWNSHIP OF HOPEWELL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**Note 11: TAXES COLLECTED IN ADVANCE**

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

	Balance 12/31/16	Balance 12/31/15
Prepaid Taxes	\$ 103,970.35	\$ 99,162.14
Cash Liability for Taxes Collected in Advance	\$ 103,970.35	\$ 99,162.14

**Note 12: PENSION FUNDS**

Description of Plans

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

Public Employees' Retirement System

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

Funding Policy

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

PERS provided for employee contributions of 7.06% through June 30, 2016 and 7.20% thereafter of employee's annual compensation, as defined. Employers are required to contribute to an actuarially determined rate in PERS. The entity's contributions to PERS for the years ended December 31, 2016, 2015, and 2014 were \$57,587.00, \$55,086.00 and \$53,829.00.

The total payroll for the year ended December 31, 2016, 2015 and 2014 was \$529,260.85, \$565,873.27 and \$552,105.07. Payroll covered by PERS was \$409,471.00, \$436,490.00 and \$429,362.00.

**TOWNSHIP OF HOPEWELL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

Significant Legislation

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

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

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years. For fiscal year 2013, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

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

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

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

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

**TOWNSHIP OF HOPEWELL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**Note 13: PENSION LIABILITIES**

In 2012, the Governmental Accounting Standards Board issued GASB statement 68. This statement is effective for fiscal years beginning after June 15, 2014. This statement changes the method of reporting the municipality's pension liabilities. However, due to the fact that the municipality reports on the regulatory basis of accounting, no financial statement impact will be recognized. GASB statement 68 requires that the June 30, 2016 actuarial valuation be used for this disclosure, but as of the date of this report the 2016 actuarial valuations are not yet available from the Division of Pensions. The Division of Local Government Services has confirmed that disclosing the 2015 valuation is in compliance with the Regulatory Basis of Accounting described in Note 1.

The following represents the municipality's pension liabilities as June 30, 2015:

**Public Employees' Retirement System**

The Municipality has a liability of \$1,503,623.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Municipality's proportion of the net pension liability was based on a projection of the Municipality's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the Municipality's proportion would be 0.00669825170%, which would be an increase of 0.24% from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the Municipality would have recognized pension expense of \$195,273. At December 31, 2015, the Municipality would report deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 35,871	
Changes of assumptions	161,477	
Changes in proportion	2,570	(60,872)
Net difference between projected and actual earnings on pension plan investments		(24,175)
Total	<u>\$ 199,918</u>	<u>(85,047)</u>

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

Year ended June 30,		
2016	\$	21,473
2017		21,473
2018		21,473
2019		32,234
2020		18,218
Total	<u>\$</u>	<u>114,871</u>

**TOWNSHIP OF HOPEWELL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**Actuarial Assumptions**

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation rate	3.04%
Salary increases:	
2012-2021	2.15% - 4.40% (based on age)
Thereafter	3.15% - 5.40% (based on age)
Investment rate of return:	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projections Scale AA. The RP-2000 Disability Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

In accordance with State statute, the long-term expected rate of return on plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt (Except US)	3.50%	-0.40%
REIT	4.25%	5.12%

**TOWNSHIP OF HOPEWELL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

*Discount Rate*

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% as of June 30, 2015, 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 average of the last five years of contributions made in relation to the last five years of 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 2033.

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

The following presents the Municipality's proportionate share of the net pension liability calculated using the discount rate of 4.90%, as well as what the Municipality's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.90%) or 1-percentage point higher (5.90%) than the current rate:

	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
Municipality's proportionate share of the net pension liability	\$ 1,814,055	1,503,623	\$ 1,243,791

*Pension plan fiduciary net position.*

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

**Note 14: ACCRUED SICK AND VACATION BENEFITS**

The Township has permitted employees to accrue unused sick and vacation time, which may be taken as time off or paid at a later date at an agreed upon rate. It is estimated that the cost for the most current calendar year of such unpaid compensation would approximate \$19,751.00 in 2016 and \$15,692.84 in 2015. This amount is not reported either as an expenditure or liability due to the likelihood of all employees terminating in one fiscal year being improbable. The policy of not reflecting the accrued benefit is not in agreement with GASB Statement No. 12 but is required by the State of New Jersey.

**Note 15: ECONOMIC DEPENDENCY**

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

**TOWNSHIP OF HOPEWELL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**Note 16: RISK MANAGEMENT**

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

**Property and Liability Insurance** - The entity maintains commercial insurance coverage for property, liability and surety bonds. During the year ended December 31, 2016 and 2015 the entity did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

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

Calendar Year	Employer Contributions	Employee Contributions	Interest Earned	Amount Reimbursed	Ending Balance
2016	\$ -	335.09	16.56	2,051.05	8,071.71
2015	-	-	29.41	149.32	9,771.11
2014	-	-	59.42	13,636.97	9,891.02

**Note 17: CONTINGENT LIABILITIES**

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

There is one large pending Tax Appeal in the New Jersey Tax Court that could result in a refund, of taxes paid to the Township in prior years, that could be material. As of the date of this report the amount is expected to be resolved by a negotiated settlement but the amount of any possible refund is not yet known.

**TOWNSHIP OF HOPEWELL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**Note 18: INTERFUND BALANCES**

During the most current calendar year ended December 31, 2016, the following interfunds were included on the balance sheets of the various funds of the Township of Hopewell:

	Due From	Due To
Current Fund:		
Grant Fund		65,756.49
Trust - Other Fund		4,764.22
General Capital		247,235.02
Sewer Capital Fund		10,654.40
Sewer Operating Fund		29,200.88
Grant Fund:		
Current Fund	65,756.49	
General Capital Fund	140,000.00	
Sewer Operating Fund	3,474.64	
Trust Fund:		
Current Fund	4,764.22	
General Capital Fund:		
Current Fund	247,235.02	
Sewer Operating Fund	150,000.00	
Grant Fund		140,000.00
Sewer Operating:		
Current Fund	29,200.88	
Grant Fund		3,474.64
General Capital		150,000.00
Sewer Capital Fund	36,113.63	
Sewer Capital Fund:		
Current Fund	10,654.40	
Sewer Operating Fund		36,113.63
	<u>687,199.28</u>	<u>687,199.28</u>

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

**TOWNSHIP OF HOPEWELL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**Note 19: SUBSEQUENT EVENTS**

The entity has evaluated subsequent events through April 7, 2017 the date which the financial statements were available to be issued and has not identified any events requiring disclosure, other than the Item listed below:

On January 19, 2017, the Township introduced Bond Ordinance 17-02, which amends Bond Ordinance 15-15 by adding an additional debt authorization in the amount of \$166,250.00 for the purchase of a new fire truck. The additional amount represents the share of the Township of Stow Creeks' contribution to the joint purchase. At a future date the Township of Stow Creek will reimburse the Township of Hopewell for their share. Upon receipt of the reimbursement from Stow Creek, Hopewell Township will utilize the reimbursement funds to reduce the outstanding debt for the fire truck purchase.



## **SUPPLEMENTARY INFORMATION**





# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

[www.ford-scott.com](http://www.ford-scott.com)

## Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the various funds and account group as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated April 7, 2017 which was adverse due to being presented in accordance with the New Jersey regulatory basis of accounting.

### **Internal Control over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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

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

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

April 7, 2017

**TOWNSHIP OF HOPEWELL**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDING DECEMBER 31, 2016**

**I. SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

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

Internal control over financial reporting:

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

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

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

None

**MANAGEMENT RESPONSES**

Not Applicable

**STATUS OF PRIOR YEAR FINDINGS**

**Finding #2015-1:**  
The General Ledger was not complete.

**Status of #2015-1:**  
This finding has been corrected.

**CURRENT FUND  
SCHEDULE OF CASH - TREASURER**

		Current Fund		Grant Fund
Balance December 31, 2015	\$	2,075,804.51		59,047.75
Increased by Receipts:				
Tax Collector		9,359,869.97		
Revenue Accounts Receivable		570,246.11		
Miscellaneous Revenue		109,331.86		
Due from State of NJ - Seniors & Vets		60,000.00		
Due from State of NJ - Homestead Rebates		211,177.84		
Due to Grant Fund		50,042.24		
Due from General Capital		152,402.00		
Due from Sewer Operating		23,796.78		
Prior Year Sewer Reserves Lapsed		5,861.64		
Due to Trust		1,176.49		
Reserve for Small Cities Revolving Loans			12,259.50	
Federal and State Grant Receivables			365,801.06	
		10,543,904.93		378,060.56
		12,619,709.44		437,108.31
Decreased by Disbursements:				
Current Year Appropriation		1,393,094.43		
Prior Year Appropriations		65,936.45		
Accounts Payable		153,608.31	-	
County Taxes		3,467,540.76		
Local District School Taxes		3,318,601.44		
Regional School Taxes		1,661,540.50		
Return of Performance Bond		61,985.14		
Payroll Taxes Payable		1,631.48		
Refund of Prior Year Revenue		6,743.44		
Due from Current Fund			50,042.24	
Federal and State Grant Disbursements			315,631.97	
		10,130,681.95		365,674.21
Balance December 31, 2016	\$	2,489,027.49		71,434.10

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

Balance December 31, 2015		\$	298,056.54
Increased by Receipts:			
Prepaid Taxes	103,970.35		
Taxes Receivable	8,875,617.81		
Revenue Accounts Receivable	64,464.71		
Tax Title and Other Liens	30,721.76		
Overpayments	5,554.29		
			9,080,328.92
			9,378,385.46
Payments to Treasurer			9,359,869.97
Balance December 31, 2016		\$	18,515.49

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

Year	Balance Dec. 31, 2015	Current Year Levy	Added Taxes	Collections by Cash		Adjustments	Transferred To Tax Title Lien	Arrears	Balance Dec. 31, 2016
				2015	2016				
Arrears	\$ 12,384.79				4,392.50			(7,987.53)	15,979.82
2015	302,851.49				294,520.05	(585.10)	929.01	7,987.53	-
	315,236.28	-	-	-	298,912.55	(585.10)	929.01	-	15,979.82
2016		9,203,904.02	21,632.13	99,162.14	8,857,914.32	2,791.07	16,714.30	-	248,954.32
	\$ 315,236.28	9,203,904.02	21,632.13	99,162.14	9,156,826.87	2,205.97	17,643.31	-	264,934.14
					8,875,617.81				
					10,442.18				
					211,177.84				
					59,589.04				
					<u>9,156,826.87</u>				
<u>Analysis of Current Year Tax Levy</u>									
Tax Yield:									
					9,203,904.02				
					21,632.13				
					<u>9,225,536.15</u>				
Tax Levy:									
					3,275,268.61				
					31,237.65				
					159,054.78				
					8,154.00				
					<u>3,473,715.04</u>				
					3,269,341.00				
					1,718,472.00				
					742,946.44				
					21,061.67				
					<u>764,008.11</u>				
					<u>9,225,536.15</u>				



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

Balance December 31, 2015		\$ 119,129.71
Increased by:		
Transfers from Taxes Receivable	17,643.31	
	17,643.31	17,643.31
Decreased by:		
Collections	30,721.76	
	30,721.76	136,773.02
Balance December 31, 2016		\$ <u><u>106,051.26</u></u>

**CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance	Accrued	Collected by		Balance
	Dec. 31, 2015	in 2016	Collector	Treasurer	Dec. 31, 2016
Interest and Costs on Taxes	\$ 64,464.71	64,464.71	64,464.71		-
Interest Earned on Investments	6,926.47	6,926.47		6,926.47	-
Alcoholic Beverage License	2,500.00	2,500.00		2,500.00	-
Fees and Permits	2,765.00	2,765.00		2,765.00	-
Payments in Lieu of Taxes - Hopewell Place	107,750.00	107,750.00		107,750.00	-
Rent of Municipal Property	19,412.00	19,412.00		19,412.00	-
Consolidated Municipal Property Tax Relief	19,312.00	19,312.00		19,312.00	-
Energy Receipts Tax	281,632.00	281,632.00		281,632.00	-
Municipal Court	7,060.04	7,060.04		7,060.04	-
Garden State Preservation Trust	5,170.00	5,170.00		5,170.00	-
Uniform Construction Code Fees	73,805.00	73,805.00		73,805.00	-
Interlocal Agreement - Senior Center	18,905.40	18,905.40		18,905.40	-
Interlocal Agreement - Convenience Center	21,644.12	21,644.12		21,644.12	-
Uniform Fire Safety	3,364.08	3,364.08		3,364.08	-
Miscellaneous Revenue Not Anticipated	109,331.86	109,331.86		109,331.86	-
	\$ -	744,042.68	64,464.71	679,577.97	-

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

	Balance Dec. 31, 2015	Balance After Transfers	Paid or Charges	Balance Lapsed
OPERATIONS WITHIN "CAPS" GENERAL GOVERNMENT:				
Administrative and Executive				
Salaries and Wages	12,951.30	12,951.30	100.82	12,850.48
Other Expenses	4,009.02	4,009.02	2,041.35	1,967.67
Financial Administration				
Salaries and Wages	4,085.22	4,085.22	-	4,085.22
Other Expenses:				
Miscellaneous Other Expenses	1,018.32	1,018.32	583.04	435.28
Assessment of Taxes				
Salaries and Wages	37.99	37.99	-	37.99
Other Expenses:				
Miscellaneous Other Expenses	854.87	854.87	17.30	837.57
Tax Map	1,267.55	1,267.55	-	1,267.55
Computer Services	800.00	800.00	-	800.00
Collection of Taxes				
Salaries and Wages	22.32	22.32	-	22.32
Other Expenses:				
Miscellaneous Other Expenses	1,702.00	1,702.00	-	1,702.00
Legal Services and Costs				
Other Expenses	8,928.60	8,928.60	865.62	8,062.98
Engineering Services and Costs				
Other Expenses	1,170.39	1,170.39	1,170.39	(0.00)
Western Cumberland County Economic Develop. Corp.				
Other Expenses	150.00	150.00		150.00
Economic Development Committee	5,314.87	5,314.87	4,099.22	1,215.65
LAND USE ADMINISTRATION:				
Combined Planning & Zoning Board				
Salaries and Wages	618.16	618.16	-	618.16
Other Expenses	4,067.62	4,067.62	1,875.00	2,192.62

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

	Balance Dec. 31, 2015	Balance After Transfers	Paid or Charges	Balance Lapsed
<b>CODE ENFORCEMENT AND ADMINISTRATION:</b>				
Code Official				
Salaries and Wages	455.96	455.96	-	455.96
<b>PUBLIC SAFETY:</b>				
Emergency Management Services				
Salaries and Wages	50.00	50.00	-	50.00
Other Expenses	112.62	112.62	-	112.62
Fire				
Other Expenses	370.53	370.53	274.72	95.81
Uniform Fire Safety Act				
Other Expenses	200.00	200.00	-	200.00
<b>STREETS AND ROADS:</b>				
Streets and Road Maintenance				
Other Expenses	13,657.91	13,657.91	2,978.98	10,678.93
Public Building and Grounds				
Other Expenses	2,178.16	2,178.16	437.50	1,740.66
<b>HEALTH AND WELFARE:</b>				
Environmental Commission				
Other Expenses	400.00	400.00	-	400.00
Dog Regulation				
Other Expenses	3,275.26	3,275.26	1,013.00	2,262.26
<b>RECREATION AND EDUCATION:</b>				
Recreation Services and Programs				
Other Expenses	500.01	500.01	-	500.01
Senior Citizen Center				
Salaries and Wages	422.26	422.26	-	422.26
Other Expenses	408.44	408.44	75.81	332.63

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

	Balance Dec. 31, 2015	Balance After Transfers	Paid or Charges	Balance Lapsed
<b>UTILITY EXPENSES:</b>				
Electricity	5,644.78	5,644.78	1,560.14	4,084.64
Street Lighting	4,467.89	4,467.89	1,163.85	3,304.04
Telephone	2,076.49	2,076.49	946.67	1,129.82
Fuel Oil	8,229.24	8,229.24	815.01	7,414.23
Sewer	1,452.01	1,452.01	-	1,452.01
Gasoline	2,861.24	2,861.24	960.02	1,901.22
<b>INSURANCE:</b>				
General Liability	70.57	70.57	-	70.57
Disability	107.13	107.13	-	107.13
Employee Group Insurance	3,522.94	3,522.94	3,522.94	-
<b>UNCLASSIFIED:</b>				
<b>SANITATION:</b>				
Convenience Center				
Salaries and Wages	246.26	246.26	-	246.26
Other Expenses	58,238.25	58,238.25	16,916.37	41,321.88
Sanitary Landfill Facility Number 0607A Post-Closure Care	5.00	5.00	-	5.00
<b>UNIFORM CONSTRUCTION CODE:</b>				
Construction Official				
Salaries and Wages	181.26	181.26	-	181.26
Other Expenses	46.20	46.20	-	46.20
<b>Sub Code Officials:</b>				
Electrical Inspector				
Salaries and Wages	2,124.55	2,124.55	-	2,124.55
Fire Code Official				
Salaries and Wages	10.00	10.00	-	10.00
Salary Adjustments				

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

	Balance Dec. 31, 2015	Balance After Transfers	Paid or Charges	Balance Lapsed
STATUTORY EXPENDITURES:				
Social Security System	857.07	857.07	-	857.07
OPERATIONS EXCLUDED FROM "CAPS"				
Emergency Service Volunteer Length of Service Award Program	800.00	800.00	-	800.00
Senior Center Agreement with Cumberland-Salem Regional Municipal Court's Contracted Services	0.81	0.81	-	0.81
Capital Improvements Municipal Land, Building Improvements & Equipment	26,301.20	26,301.20	26,251.20	50.00
	<u>\$ 186,272.27</u>	<u>186,272.27</u>	<u>67,668.95</u>	<u>118,603.32</u>
			65,936.45	
			1,732.50	
			<u>67,668.95</u>	

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

Balance December 31, 2015		
School Tax Payable	\$ 258,890.98	
School Tax Deferred	<u>1,425,000.00</u>	
		\$ 1,683,890.98
Increased by:		
Levy - School Year July 1, 2016 to June 30, 2017		<u>3,269,341.00</u>
		4,953,231.98
Decreased by:		
Payments		<u>3,318,601.44</u>
Balance December 31, 2016		
School Tax Payable	209,630.54	
School Tax Deferred	<u>1,425,000.00</u>	
		<u><u>1,634,630.54</u></u>
Current Year Liability for Local School District School Tax:		
Tax Paid		3,318,601.44
Tax Payable Ending		<u>209,630.54</u>
		3,528,231.98
Less: Tax Payable Beginning		<u>258,890.98</u>
Amount charged to Current Year Operations		<u><u>\$ 3,269,341.00</u></u>





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

<u>Purpose</u>	Balance Dec. 31, 2015	Transferred From 2016 Revenues	Received	Adjustments	Balance Dec. 31, 2016
<b>FEDERAL GRANTS:</b>					
Small Cities - 2011 Housing Rehabilitation	\$ 62,871.00			62,871.00	-
Small Cities - 2013 Sidewalks	37,576.29			37,576.29	-
Small Cities - 2016 Housing Rehabilitation		100,000.00			100,000.00
Small Cities - ADA	274,199.00		274,199.00		-
Total Federal	<u>374,646.29</u>	<u>100,000.00</u>	<u>274,199.00</u>	<u>100,447.29</u>	<u>100,000.00</u>
<b>STATE GRANTS:</b>					
NJ Transportation Trust Fund Auth Act of 1984:					
DOT - River Road	73,307.70		54,019.76		19,287.94
Recycling Tonnage Grant		3,807.09	3,807.09		-
Recycling Bonus Grant		5,000.00	5,000.00		-
Clean Communities		13,955.21	13,955.21		-
DCA Smart Future Planning TDR	20,000.00		14,820.00		5,180.00
Division of Fire Safety	2,956.15				2,956.15
Total State	<u>96,263.85</u>	<u>22,762.30</u>	<u>91,602.06</u>	<u>-</u>	<u>27,424.09</u>
	<u>\$ 470,910.14</u>	<u>122,762.30</u>	<u>365,801.06</u>	<u>100,447.29</u>	<u>127,424.09</u>

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

	Balance December 31, 2015		2016		Disbursed	Encumbrances	Canceled	Balance Dec. 31, 2016
	Appropriated	Reserve for Encumbrances	Appropriations					
<b>FEDERAL GRANTS:</b>								
Homeland Security - Firefighters - Grant	\$ 54.65						54.65	-
Small Cities	43,617.76						43,617.76	-
Small Cities - 2011 - Housing Rehabilitation	47,886.41						47,886.41	-
Small Cities - Senior Citizen Center - Grant	89.24						89.24	-
Small Cities - 2013 - Sidewalks	22,541.89							13,598.77
Small Cities - 2016 Housing Rehabilitation	1,419.00	238,694.00	100,000.00		13,115.00	1,375.00	8,943.12	85,510.00
Small Cities-ADA					237,985.50	2,127.50		-
<b>Total Federal</b>	<b>115,608.95</b>	<b>238,694.00</b>	<b>100,000.00</b>		<b>251,100.50</b>	<b>3,502.50</b>	<b>100,591.18</b>	<b>99,108.77</b>
<b>STATE GRANTS:</b>								
NJ Transportation Trust Fund Auth Act of 1984:								
DOT - River Road		18,393.81			18,393.81			-
Clean Communities	13,046.98	3,865.31	13,955.21		11,442.13	3,865.31		15,560.06
Alcohol Education & Rehabilitation	154.34							154.34
Division of Fire Safety	1,905.19							1,905.19
Stormwater Management	113.83							113.83
State & Local All Hazards	2,405.72						2,405.72	-
DCA TDR Match	171,313.77	3,100.00			6,400.00	3,600.00		164,413.77
Liveable Communities - Firehouse - Grant	39.82							39.82
Planning Incentive Grant	8,750.09							8,750.09
Planning Incentive Grant - Match	89,207.38	25,095.00			27,325.78	75,900.00		11,076.60
Recycling Bonus Grant			5,000.00		969.75			4,030.25
Recycling Tonnage	2.20		3,807.09					3,809.29
<b>Total State</b>	<b>286,939.32</b>	<b>50,454.12</b>	<b>22,762.30</b>		<b>64,531.47</b>	<b>83,365.31</b>	<b>2,405.72</b>	<b>209,853.24</b>
	<b>402,548.27</b>	<b>289,148.12</b>	<b>122,762.30</b>		<b>315,631.97</b>	<b>86,867.81</b>	<b>102,996.90</b>	<b>308,962.01</b>

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

<u>Purpose</u>	Balance Dec. 31, 2015	Transferred To 2016 Appropriations	Received	Balance Dec. 31, 2016
<b>STATE GRANTS:</b>				
None	-			-
<b>Total State</b>	\$ -	-	-	-

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

Balance December 31, 2015		\$	230.46
Increased by:			
Cash Receipts for:			
Dog Licenses Collected	6,864.14		
Due to State of NJ	806.20		
			7,670.34
			7,900.80
Decreased by:			
Cash Disbursed for:			
Dog Fund Expenditures	6,357.00		
Due from State of New Jersey	796.80		
			7,153.80
Balance December 31, 2016		\$	747.00

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

Balance December 31, 2015	\$	352,108.66
Increased by:		
Cash Receipts for:		
Current Fund Interfund		
Other Reserves:		
Interest on Investments	2,020.49	
Other Receipts	584,344.18	
	586,364.67	586,364.67
		938,473.33
Decreased by:		
Cash Disbursed for:		
Current Fund Interfund		
Other Reserves	490,031.95	
	490,031.95	490,031.95
Balance December 31, 2016	\$	448,441.38

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

Balance December 31, 2015		\$	239.86
Increased by:			
Dog License - Cash Receipts	6,864.14		
			6,864.14
			7,104.00
Decreased by:			
Cash Disbursed	6,357.00		
			6,357.00
Balance December 31, 2016		\$	747.00

Fess Collected				
	2015	5,547.33		
	2014	5,529.07		
		11,076.40		

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

Balance December 31, 2015	\$	(9.40)
Increased by:		
Cash Receipts	806.20	
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
		806.20
Decreased by:		
Cash Disbursed	796.80	
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
		796.80
Balance December 31, 2016	\$	<u><u>-</u></u>

**TRUST FUND  
SCHEDULE OF OTHER RESERVES**

Title	Balance Dec. 31, 2015	Interest on Investments	Employee Withholdings	Other Cash Receipts	Cash Disbursed	Balance Dec. 31, 2016
Unemployment Compensation	\$ 9,771.11	16.56		335.09	2,051.05	8,071.71
Sanitary Landfill	42,514.22	234.78				42,749.00
Developers Escrow	36,046.87	180.11		42,583.72	50,924.50	27,886.20
COAH Fees	41,773.87	87.25		2,396.00	6,604.00	37,653.12
Tax Sale Premiums	194,600.00	1,449.95		204,900.00	149,349.95	251,600.00
Redemption of Tax Sale Certificates	15,239.83	7.83		236,826.22	188,667.11	63,406.77
Snow Removal - Storm Recovery	4,500.00			2,500.00	875.00	6,125.00
Bostwick Lake	11,250.49	40.87		9,000.00	8,974.70	11,316.66
Community Activities	-	3.14		7,960.00	3,566.00	4,397.14
	<u>\$ 355,696.39</u>	<u>2,020.49</u>	<u>-</u>	<u>506,501.03</u>	<u>411,012.31</u>	<u>453,205.60</u>



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

Balance December 31, 2015		\$ 462,621.40
Increased by:		
Due from Current Fund - Capital Improvement Fund	25,000.00	
Due from Current Fund - Deferred Charge to Future Taxation Unfunded - Ord. #13-01	170,000.00	
Bond Anticipation Notes	<u>455,000.00</u>	
		<u>650,000.00</u>
		1,112,621.40
Decreased by:		
Improvement Authorizations	136,071.36	
Prior Year Encumbrances	101,754.81	
Bond Anticipation Notes	455,000.00	
Due to Current Fund	<u>152,402.00</u>	
		<u>845,228.17</u>
Balance December 31, 2016		<u><u>\$ 267,393.23</u></u>

**GENERAL CAPITAL FUND  
ANALYSIS OF CASH**

	Balance		Receipts		Disbursements		Transfers		Balance Dec. 31, 2016
	Dec. 31, 2015		Miscellaneous	Debt Issued	Improvement Authorizations	Miscellaneous	From	To	
Capital Improvement Fund	\$ 355,955.89		25,000.00						380,955.89
Due to Grant Fund	140,000.00								140,000.00
Due to Sewer Operating Fund	(150,000.00)					152,402.00			(150,000.00)
Due to Current Fund	(94,833.02)					101,754.81			(247,235.02)
Encumbrances	101,754.81							517,399.06	517,399.06
<b>Improvement Authorizations:</b>									
225 Closure of Landfill	1,604.99								1,604.99
02-05 Purchase and Construction of Salt/Sand Building	1,691.50								1,691.50
02-05 Purchase and Installation of Replacement Air Conditioning System	1,240.00								1,240.00
02-08 Reconstruction of Bostwick Lake Dam	20,000.00								20,000.00
03-03 Utility Installation at Business Park	3,582.69								3,582.69
04-04 Purchase of Land	56,325.00								56,325.00
06-05 Senior Center	5,470.84				(952.31)				6,423.15
08-07 Purchase of Fire Truck	9,106.21								9,106.21
09-01 Purchase of Land & Improvements	4,504.48								4,504.48
13-01 Purchase of Land	(402,979.49)		170,000.00		137,023.67		3,734.56		(232,979.49)
15-08 Renovations & ADA Compliance	379,197.50						513,664.50		238,439.27
15-15 Purchase of Fire Truck	30,000.00								(483,664.50)
	<u>\$ 462,621.40</u>		<u>195,000.00</u>	<u>-</u>	<u>136,071.36</u>	<u>254,156.81</u>	<u>517,399.06</u>	<u>517,399.06</u>	<u>267,393.23</u>

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

Balance December 31, 2015		\$	355,955.89
Increased by:			
Budget Appropriation	25,000.00		
	<hr/>		<hr/>
			25,000.00
			380,955.89
Decreased by:			
Appropriated to Fund Improvement Authorization	-		
	<hr/>		<hr/>
			-
Balance December 31, 2016		\$	<u><u>380,955.89</u></u>

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

Ord #	Improvement Description	Balance Dec. 31, 2015	2016 Authorizations	Raised in 2016 Budget	Balance Dec. 31, 2016	Analysis of Balance		Unexpended Improvement Authorizations
						Bond Anticipation Notes	Expenditures	
225	Closure of Landfill	\$ 100,000.00			100,000.00			100,000.00
13-01	Purchase of Land	403,725.00	-	170,000.00	233,725.00		233,725.00	-
15-08	Renovations & ADA Compliance	455,000.00			455,000.00	455,000.00		
15-15	Fire Truck	570,000.00			570,000.00		483,664.50	86,335.50
		<u>\$ 1,528,725.00</u>		<u>170,000.00</u>	<u>1,358,725.00</u>	<u>455,000.00</u>	<u>717,389.50</u>	<u>186,335.50</u>
Improvement Authorizations Unfunded Less: Unexpended Proceeds of Bond Anticipation Notes Issued: <b>Ord. Number</b> 15-08 238,439.27 424,774.77 <u>238,439.27</u> <b>\$ 186,335.50</b>								



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

Improvement Description	Ordinance Number	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2015	Increased	Decreased	Balance Dec. 31, 2016
Renovations and ADA Compliance	15-08	11/4/2015	11/4/2015	11/4/2016	1.550%	\$ 455,000.00	455,000.00	455,000.00	-
	15-08	11/4/2015	11/4/2016	11/3/2017	1.250%	455,000.00			455,000.00
						<u>\$ 455,000.00</u>	<u>455,000.00</u>	<u>455,000.00</u>	<u>455,000.00</u>

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2015	2016 Authorizations	Other	Balance Dec. 31, 2016
225	Closure of Landfill	\$ 100,000.00			100,000.00
13-01	Purchase of Land	403,725.00		170,000.00	233,725.00
15-15	Purchase of Fire Truck	570,000.00			570,000.00
		<u>\$ 1,073,725.00</u>	<u>-</u>	<u>170,000.00</u>	<u>903,725.00</u>

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

	Operating Fund	Capital Fund
Balance December 31, 2015	\$ 139,852.30	\$ 36,041.32
Increased by Receipts:		
Water & Sewer Accounts Receivable	656,778.52	
Miscellaneous Revenue Not Anticipated	16,880.70	
Overpaid Sewer Rents	3,934.62	
Due from Sewer Operating Fund - Capital Improvement Fund		2,500.00
Due from Sewer Operating Fund		72.31
	677,593.84	2,572.31
	817,446.14	38,613.63
Decreased by Disbursements:		
Current Year Appropriation	492,287.70	
Prior Year Appropriations	6,031.53	
Improvement Authorizations		21,707.36
Accrued Interest on Bonds	143,725.00	
Due to Current Fund	29,658.42	
Due from Sewer Capital Fund	72.31	
	671,774.96	21,707.36
Balance December 31, 2016	\$ 145,671.18	\$ 16,906.27



**SEWER UTILITY CAPITAL FUND  
ANALYSIS OF CASH**

	Balance Dec. 31, 2015	Receipts		Disbursements		Transfers		Balance Dec. 31, 2016
		Miscellaneous		Improvement Authorizations		From	To	
Due to Sewer Operating	\$ 36,041.32	72.31	\$	\$				36,113.63
Due from Current Fund	(10,654.40)							(10,654.40)
Accounts Payable	10,654.40							10,654.40
Encumbrances							9,659.69	9,659.69
Capital Improvement Fund		2,500.00						2,500.00
<u>Improvement Authorizations:</u>								
96-3 Sewer Construction	-		21,707.36		9,659.69			(31,367.05)
	\$ 36,041.32	\$ 2,572.31	\$ 21,707.36	\$	\$ 9,659.69	\$	\$ 9,659.69	\$ 16,906.27

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

Balance December 31, 2015		\$	59,737.42
Increased by Receipts:			
Consumer Accounts Charges and Levies	664,826.14		
			664,826.14
			724,563.56
Decreased by Disbursements:			
Collections	656,778.52		
Prepayments & Overpayments Applied	3,147.41		
			659,925.93
Balance December 31, 2016		\$	64,637.63

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

	<u>Balance Dec. 31, 2015</u>	<u>Balance After Transfers</u>	<u>Paid or Charges</u>	<u>Due to Current</u>
Operating:				
Salaries and Wages	\$ 3,430.39	3,430.39	-	3,430.39
Other Expenses	8,462.78	8,462.78	6,031.53	2,431.25
	<u>11,893.17</u>	<u>11,893.17</u>	<u>6,031.53</u>	<u>5,861.64</u>

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

Balance December 31, 2015		\$	11,807.08
Increased by:			
Budget Appropriations			143,339.59
			143,339.59
			155,146.67
Decreased By:			
Payments of Debt Service Interest			143,725.00
			143,725.00
Balance December 31, 2016		\$	11,421.67

Analysis of Accrued Interest December 31, 2016

Principal Outstanding December 31, 2016	Interest Rate	From	To	Days	Amount
3,740,000.00	Var.	12/1/2016	12/31/2016	30	\$ 11,421.67
					\$ 11,421.67

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

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2015		Paid or Charged	Balance December 31, 2016	
				Funded	Unfunded		Funded	Unfunded
96-3	Sewer Construction	2/28/1996	4,750,000	\$	39,789.91	31,367.05	8,422.86	8,422.86
				\$	-	31,367.05	-	8,422.86

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2016				Balance Dec. 31, 2015	Interest Rate	Increased	Decreased	Balance Dec. 31, 2016
			Date	Amount	Interest Rate	Balance Dec. 31, 2015					
Sewer Refunding Bonds	11/19/2014	\$ 4,105,000	12/1/2017	125,000.00	3.000%	\$ 3,865,000.00	3.000%		125,000.00	3,740,000.00	
			12/1/2018	130,000.00	3.000%		3.000%				
			12/1/2020	275,000.00	3.000%		2.250%				
			12/1/2022	285,000.00	2.250%		2.500%				
			12/1/2024	300,000.00	2.500%		4.000%				
			12/1/2027	485,000.00	4.000%		4.000%				
			12/1/2030	550,000.00	4.000%		4.250%				
			12/1/2033	615,000.00	4.250%		4.500%				
			12/1/2038	975,000.00	4.500%						
						\$ 3,865,000.00		-	125,000.00	3,740,000.00	

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2015	2016 Authorizations	Debt Issued	Balance Dec. 31, 2016
96-3	Sewer Construction	\$ 39,789.91			39,789.91
		<u>\$ 39,789.91</u>	<u>-</u>	<u>-</u>	<u>39,789.91</u>

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



**TOWNSHIP OF HOPEWELL**

**PART II**

**GENERAL COMMENTS AND RECOMMENDATIONS**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2016**



## **GENERAL COMMENTS**

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

N.J.S.A. 40A:11-4 states, "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law." The bid threshold is \$17,500.

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

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

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

None

### **Collection of Interest on Delinquent Taxes and Assessments**

The statutes provide the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body adopted the following resolution authorizing interest to be charged on delinquent taxes:

**BE IT RESOLVED** by the Township Committee of the Township of Hopewell, in accordance with Chapter 75, New Jersey Laws of 1991, and N.J.S.A. 54:4-67, 54:5-32, 54:5-34 and 54:5-35, which authorizes the Governing Body inter alia to fix the rate of interest to be charged, in the Township of Hopewell, for the nonpayment of taxes, assessments and municipal charges, said rate of interest shall be and is hereby fixed at 8 per cent per annum on the first \$1,500 of delinquency and 18 per cent per annum on any amount in excess of \$1,500 to be calculated from the date when the taxes, assessments and charges become delinquent.

**BE IT FURTHER RESOLVED** by the Township Committee of the Township of Hopewell, in accordance with N.J.S.A. 54:4-67, Chapter 75, New Jersey Laws of 1991, and Chapter 32, New Jersey Laws of 1994, which permits a 6 per cent penalty on taxes and municipal charges greater than \$10,000 as of the close of the fiscal year, that said end-of-year penalty shall be fixed for the Year 2016. This Resolution shall take effect January 1, 2016.

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

### Delinquent Taxes and Tax Title Liens

The tax sale was held and was complete. Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

The following comparison is made of the number of tax title liens receivable on December 31<sup>st</sup> of the last three years:

<u>Year</u>	<u>Number</u>
2016	19
2015	23
2014	19

### Verification of Delinquent Taxes and Other Charges

A test verification of delinquent taxes and charges, as well as current payments, was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices as follows:

<u>Type</u>	<u>Number Mailed</u>
Payments of 2016 and 2017 Taxes	5
Delinquent Taxes	5
Payment of Sewer Rents	5
Delinquent Sewer Rents	5
Total	<u>20</u>

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

### Comparison of Tax Levies and Collections Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2016	\$ 9,225,536.15	8,957,076.46	97.09%
2015	9,044,174.45	8,707,605.30	96.28%
2014	9,091,434.66	8,701,988.24	95.72%

**Comparative Schedule of Tax Rate Information**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Tax Rate	\$ 3.735	3.664	3.678
Apportionment of Tax Rate:			
Municipal	0.302	0.274	0.248
County	1.408	1.372	1.421
Regional School	0.698	0.652	0.671
Local School	1.327	1.366	1.338

**Delinquent Taxes and Tax Title Liens**

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

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2016	\$ 106,051.26	264,934.14	370,985.40	4.02%
2015	119,129.71	315,236.28	434,365.99	4.80%
2014	94,098.06	366,346.79	460,444.85	5.06%

**Uniform Construction Code**

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

**Deposit of Municipal Funds**

N.J.S.A. 40A:5-15 states:

“All moneys, including moneys collected by taxation, received from any source by or on behalf of any local unit or any board or department thereof shall, within 48 hours after the receipt thereof, either

- a. be paid to the officer charged with the custody of the general funds of the local unit, who shall deposit all such funds within 48 hours after the receipt thereof to the credit of the local unit in its designated legal depository, or
- b. be deposited to the credit of the local unit in its designated legal depository.”

Our examination revealed that municipal funds were deposited within the mandated time.

**FINDINGS AND RECOMMENDATIONS**

**NONE**

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

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

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

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

*Michael S. Garcia*

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

**April 7, 2017**