

TOWNSHIP OF HOPEWELL
County of Mercer

Report of Audit of Financial Statements

For the Year Ended December 31, 2011

TOWNSHIP OF HOPEWELL
COUNTY OF MERCER

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TOWNSHIP OF HOPEWELL

PART I

Introductory Section

For the Year Ended December 31, 2011

TOWNSHIP OF HOPEWELL
Mercer County

General Description

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

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

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

Public and quasi-public land uses in the Township include the Mercer County Howell Living Farm and the Mercer County Belle Mountain recreation area in the northwest section of the Township. Washington Crossing State Park, Mercer County Park Northwest and Mercer County’s Rosedale Park, which provide both passive and active recreation areas within the Township. Baldpate Mountain, owned by Mercer County, the State and the Township, the Aliger property and Independence Park which are owned by the Township, also provide for passive and active recreation. In 2008 the township entered into a multi-party agreement with Lawrence Township, Pennington Borough and Hopewell Borough to purchase and develop the Twin Pines Airport for both passive and active recreation. The development of this park into multi-use fields is on-going.

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

Township Government

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

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

The Office of Township Administrator/Engineer manages a municipal operating budget of approximately \$20 million and a six year capital improvements program. As of December 31, 2011, there are 103 full-time and 50 part-time municipal employees.

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

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

Public Safety

The Police Department provides 24-hour service to the residents of Hopewell Township and to the residents of Hopewell Borough via an interlocal service agreement that has been in place since January 1983. The department consists of a Chief, 2 Lieutenants, 4 Sergeants, 23 Patrol Officers, 6 Dispatchers, 1 Secretary and a Discovery Clerk. Services to the public include: Resident Identification Cards, Crime Watch, Domestic Violence Task Force, a Traffic Service Unit and educational services in local schools.

Public Works

Public Works provides curbside service Township wide including: bulk waste pick-ups (January, April, September and October) and brush pickup by zone in April, October and January (Christmas Trees only), freon disposal (monthly), leaf pickup (spring and autumn) and tire pickup (twice during the year). Additionally, this department maintains 144 miles of Township roadway (including surface repairs and snow removal), all Township vehicles, all municipal buildings and any parks or recreational facilities that are the responsibility of the Township. In 2011, the Township held two shredding and electronic disposal events for its residents. Public Works consists of 1 Director, 1 General Foreman, 2 Foremen, 3 Heavy Equipment Operators, 4 Light Equipment Operators, 10 Truck Drivers, 1 Sign Maintenance employee, 1 Chief Mechanic, 1 Mechanic, 1 Mechanic's Assistant, 2 Laborers, 1 Utility Systems Foreman and 1 Executive Secretary/Certified Recycling Professional..

Health

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

During 2011, the department issued permits for septic systems: 5 new systems, 44 replacements systems and 50 repairs versus 5 new and 52 replacements systems and 58 repairs to systems in 2010.

Permits for new wells for 2011 were as follows: 11 private new and replacement wells, 5 wells abandoned and 10 pumps replaced.

In 2011, 2,181 dog licenses and 719 cat licenses were issued while in 2009, 2,220 dog licenses and 765 cat licenses were issued

In 2011, the Health Department purchased 800 doses of flu vaccine. The vaccine was made available to older adults and high-risk individuals and any municipal or school district employees.

The Health Department also inspected 8 public pools and 85 retail food establishments completing various inspections or re-inspections for a total of 194 inspections. Several youth camps and public events were also inspected as needed.

Planning/Zoning

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

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

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

In 2011, the Planning Board approved 1 minor subdivision, 1 amended final site plan, 3 preliminary/final site plans and an amendment to a general development plan. The Planning Board also reviewed and approved 1 conditional use permit/waiver of site plan.

The Planning Board reviewed and endorsed the Sourland Mountain Comprehensive Management Plan and recommended endorsement of the Plan to the Township Committee.

On November 17, 2011, the Planning Board adopted an Amended Housing Element and Fair Share Plan of the Hopewell Township Master Plan and on December 15, 2011, the Planning Board adopted the 2011 Periodic Reexamination Report of the Master Plan and Development Regulations.

During 2011, the Zoning Board of Adjustment reviewed 20 cases or applications. Of those applications, 10 were for hardship or "bulk" requirement relief for setbacks or lot coverage for additional, patios or accessory structures; 4 of the applications were for a use not permitted in the zone, 1 site plan, which included bulk requirement relief, 2 subdivisions, both requiring bulk requirement relief and relief for a use not permitted in the zone, and 3 amendments to previously granted variances.

Municipal Construction Office

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

During 2011 the Construction Office issued 588 Building Permits, 785 Electrical Permits, 671 Plumbing/Mechanical Permits, 321 Fire Permits and 56 Certificates of Occupancy.

Recreation

The department sponsors a comprehensive array of recreation and leisure services and a wide variety of community trips, senior citizens activities and programs for children and teens. More than 40 programs were offered throughout the year, including senior breakfasts, community trips, baseball games, a weekly senior bridge program, a youth wrestling program and a youth field hockey program. The department also sponsors nine half-day camps during the summer months including: Art in the Park, Skate Camp, Baseball, Field Hockey and Soccer camps, US Sports Institute Multi-Sports Camp, Golf Camp, Tennis Camp and a Wrestling Camp. Additionally, a full-day Teen Travel Camp runs for five weeks in the summer with over 100 participants who travel to destinations throughout the tri-state area. These camps presently serve over 800 children.

The Recreation Department in conjunction with the Public Works Department also manages the township's parks, playgrounds and athletic facilities, including the Municipal Athletic Complex, the 22-acre Independence Park and the 49-acre Twin Pines facility. Hopewell Township is the department's fiscal agent and provides salary and certain operating expenses through its annual municipal budget. A trust fund was established for fee-based programs that are designed to be self-supporting and provide employment to more than 40 part-time staff members.

Senior Services

Hopewell Valley Senior Services was created in 2006 after the Hopewell Valley Senior Advisory Board secured a three year grant from the Princeton Healthcare Foundation to fund a Senior Services Coordinator. The grant was renewed in September 2009 for another three years. Hopewell Valley Senior Services provides information, programs and services for Hopewell Valley senior residents and caregivers in order to promote independence, wellness, volunteerism and community interaction among older adults.

In 2011, Hopewell Valley Senior Services provided services to over 1,100 residents. Services included: the distribution of a monthly senior newsletter, creating a volunteer

program in an elementary school, Mahjongg, art, walking and internet groups, a driver safety course, information and referrals to community resources, caregiver support, a senior citizen picnic and the administration of Hopewell Valley Rides, a transportation program for older adults and people with disabilities in Hopewell Valley.

Municipal Housing

The Housing Department consists of one part-time employee, the Municipal Housing Liaison, a COAH mandated position. The Housing Liaison is the contact person for inquiries about affordable housing opportunities in the township and coordinates the activities of the township's Affordable Housing Committee (AHC). The liaison provides COAH with an annual detailed report of revenue and expense activity from the Affordable Housing Trust Fund and completes the unit monitoring report.

In 2011, the township continued to cooperate with Project Freedom and Community options to obtain approvals for construction of affordable units on land purchased by Hopewell Township in connection with anticipated third Round COAH certification. The Pennytown property was included in a redevelopment plan and the Affordable Housing Committee continued its condominium fee loan program and efforts to preserve affordable units in foreclosure.

Union Contracts

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

Bargaining Unit	Expiration Date
Superior Officers Association	December 31, 2012
PBA Local 342	December 31, 2012
CWA Union No 1034	December 31, 2012
9-1-1 Operators Association	December 31, 2012
Public Works, AFSCME Local 3867	December 31, 2012

Significant Financial Data

Debt Administration

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

managed its debt well and as of December 31, 2011 has outstanding debt equal to 1.29 % of its equalized value.

As of December 2009, Standard and Poor's has awarded Hopewell Township a credit rating of AAA.

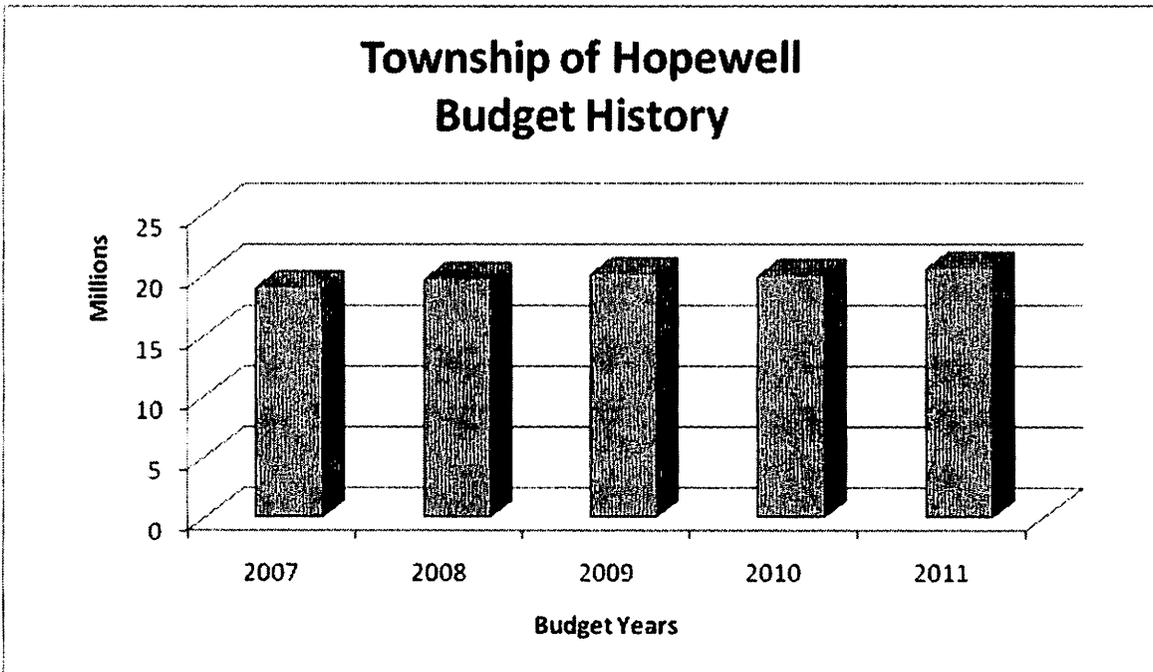
Surplus Fund Balance

Hopewell Township closed out 2011 with a surplus balance of \$12,918,016.64, which is an increase of \$4,123,179.64 over 2010's ending balance.

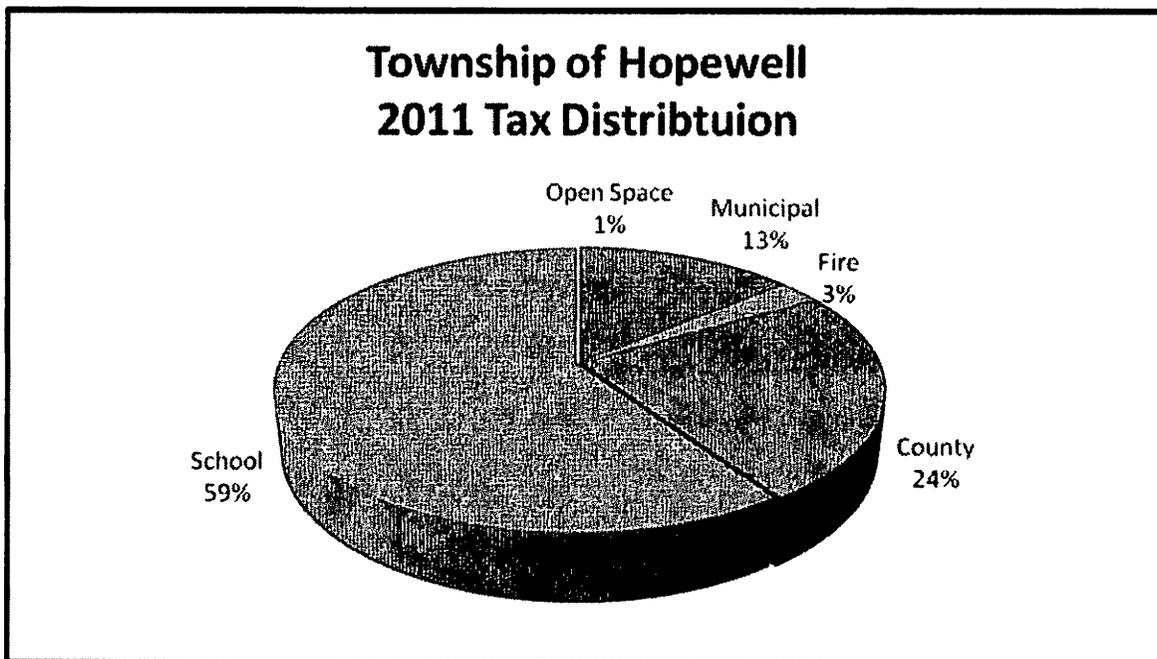
Budget

The 2011 Budget was adopted at \$20,503,469. This represented an increase of \$597,594 over the 2010 Budget.

Year	2007	2008	2009	2010	2011
Annual Budget	\$18,981,642	\$19,644,977	\$20,046,987	\$19,905,875	\$20,503,469

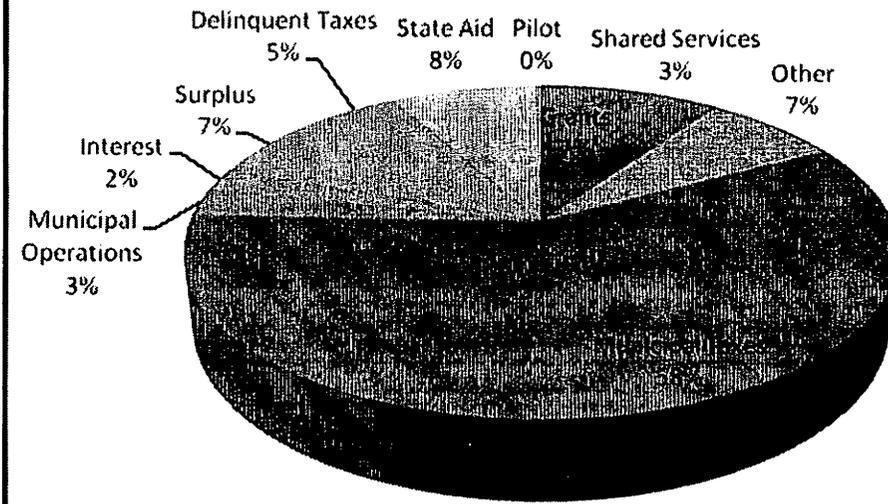


As the below charts demonstrate, municipal taxes represent 13% of all property taxes paid in 2011.



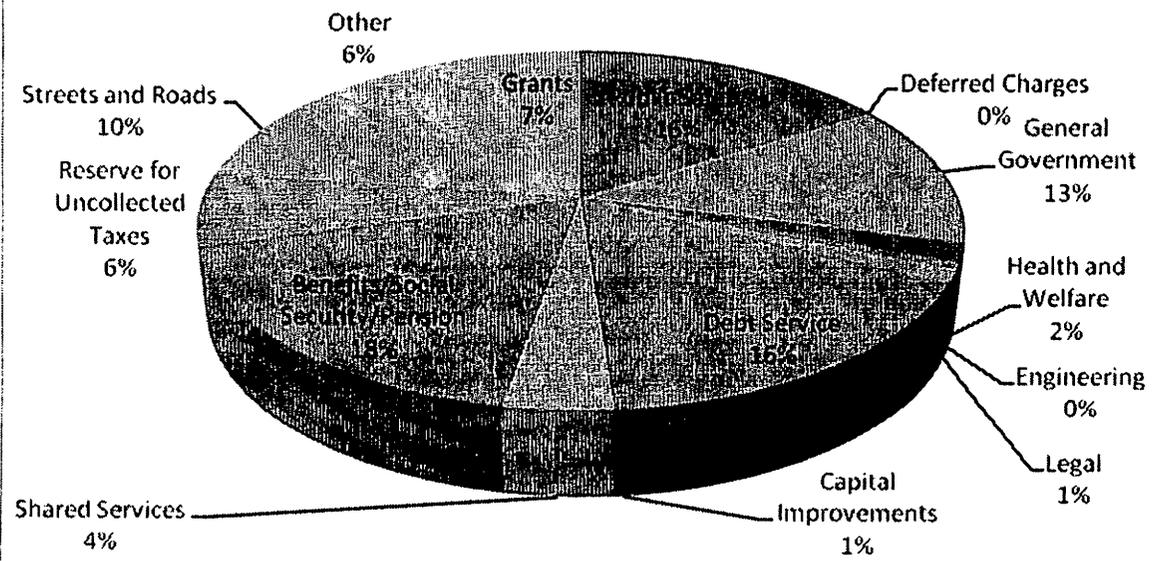
A more detailed analysis of revenues and expenditures for the 2011 budget indicates that (58%) of the budget was supported by tax dollars with State Aid (8%) and Surplus and Grants (7%) being the next largest contributors.

2011 Budget Revenues



A review of Township Expenses would indicate that the three largest specific areas of expenditure would be Employee Benefits/Social Security/Pensions (18%), Debt Service and Public Safety (16%) and General Government (13%).

2011 Budget Expenses



**Township of Hopewell
Consultants and Advisors
as of December 31, 2011**

Auditors

Inverso & Stewart, LLC
12000 Lincoln Drive W. Suite 402
Marlton, NJ 08053

(856) 983-2244

Attorney

Herbert, Van Ness, Cayci and Goodell, P.C.
3131 Princeton Pike, Bldg 4, Ste 114
Lawrenceville, NJ 08648
(609) 924-2495

Bond Counsel

McManimon and Scotland, LLC
1037 Raymond Blvd, Suite 400
Newark, NJ 07102
(973) 622-1800

Civil Engineering Consultants

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

Township of Hopewell

Governing Body

James Burd - Mayor
Michael Markulec – Deputy Mayor
John Murphy – Committeeperson
Vanessa Sandom – Committeeperson
Kimberly Johnson – Committeeperson

Officials

Paul E Pogorzelski – Administrator/Engineer
Laurie Gompf – Municipal Clerk
Antoinette Sost – Assessor
Kevin Oswald - Municipal Construction Official
Charles Ouslander – Municipal Court Judge
Margaret Umbro – Court Administrator
Robert Miller – Zoning Officer
Mary Kennedy-Nadzak – Tax Collector
Elaine Cruickshank-Borges – Chief Financial Officer
George Meyer – Chief of Police
Gary Guarino – Health Officer
Judy Niederer – Recreation Director
Abigail Waugh – Senior Service Coordinator

TOWNSHIP OF HOPEWELL

PART II

Report of Audit of Financial Statements

For the Year Ended December 31, 2011

INVERSO & STEWART, LLC

**Certified Public Accountants
Registered Municipal Accountants**

12000 Lincoln Drive West, Suite 402
Marlton, New Jersey 08053
(856) 983-2244
Fax (856) 983-6674
E-Mail: iscpas@concentric.net

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Hopewell, in the County of Mercer, State of New Jersey, as of December 31, 2011 and 2010, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis, and statement of general fixed assets group of accounts for the year ended December 31, 2011. These financial statements are the responsibility of the Township's management. 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 standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the financial statements previously referred to have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects on the financial statements of the requirement that the Township prepare its financial statements in accordance with accounting practices discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Hopewell, in the County of Mercer, State of New Jersey, as of December 31, 2011 and 2010, or the results of its operations and changes in fund balance for the years then ended.

Furthermore, in our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Hopewell, in the County of Mercer, State of New Jersey, as of December 31, 2011 and 2010, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed assets account group, for the year period ended December 31, 2011 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2012 on our consideration of the Township of Hopewell, in the County of Mercer, State of New Jersey's, internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in assessing the results our audit.

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. In addition, the supplementary financial schedules presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial schedules of each of the respective individual funds and account group taken as a whole.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
March 30, 2012

INVERSO & STEWART, LLC

**Certified Public Accountants
Registered Municipal Accountants**

12000 Lincoln Drive West, Suite 402
Marlton, New Jersey 08053
(856) 983-2244
Fax (856) 983-6674
E-Mail: ispcpas@concentric.net

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

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

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

We have audited the financial statements (regulatory basis) of the Township of Hopewell, in the County of Mercer, State of New Jersey, as of and for the year ended December 31, 2011, and have issued our report thereon dated March 30, 2012, which indicated that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township of Hopewell's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Hopewell's financial statements are free of 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 and audit requirements as prescribed by the Division of Local Governments Services, Department of Community Affairs, State of New Jersey.

This report is intended solely for the information and use of the management of the Township, the Division of Local Government Services, Department of Community Affairs, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
March 30, 2012

TOWNSHIP OF HOPEWELL
Current Fund
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Years Ended December 31, 2011 and 2010

<u>ASSETS</u>	<u>REFERENCE</u>	<u>2011</u>	<u>2010</u>
Regular Fund:			
Cash - Treasurer	A-4	\$15,011,824.40	\$11,143,920.23
Change Fund	A-5	<u>600.00</u>	<u>600.00</u>
Total		<u>15,012,424.40</u>	<u>11,144,520.23</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	1,277,942.11	934,077.72
Tax Title Liens Receivable	A-7	109,351.51	101,124.52
Revenue Accounts Receivable	A-8	28,727.77	32,981.98
Other Accounts Receivable		8,327.26	8,327.26
Due from Trust - Other Funds	B	21.69	416.84
Due from General Capital Fund	C	<u>254.96</u>	<u>853.15</u>
Total		<u>1,424,625.30</u>	<u>1,077,781.47</u>
Total Regular Fund		<u>16,437,049.70</u>	<u>12,222,301.70</u>
Federal and State Grant Fund:			
Cash - Treasurer	A-4	73,422.14	1,466,801.63
Federal and State Grants Receivable	A-21	1,763,030.58	1,519,166.09
Due from Current Fund	A	<u>79,490.72</u>	<u>23,525.00</u>
Total Federal and State Grant Fund		<u>1,915,943.44</u>	<u>3,009,492.72</u>
Total Assets		<u>\$18,352,993.14</u>	<u>\$15,231,794.42</u>

TOWNSHIP OF HOPEWELL
Current Fund
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Years Ended December 31, 2011 and 2010

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REFERENCE</u>	<u>2011</u>	<u>2010</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$559,430.20	\$650,226.98
Encumbrances Payable	A-3, A-8	488,776.68	600,539.05
Prepaid Taxes	A-10	534,222.42	496,791.47
Tax Overpayments	A-11	45,492.04	119,015.89
Reserve for Tax Appeals	A-12	100,000.00	100,000.00
Reserve for Revaluation	A-13	12,353.25	12,353.25
Reserve for Preparation of Master Plan	A-14	52,435.88	65,056.28
Due State of New Jersey - Senior Citizens and Veterans Deductions	A-15	11,500.00	20,890.52
Due State of New Jersey - Marriage License Fees	A-16	225.00	375.00
Due to Federal and State Grant Fund	A	79,490.72	23,525.00
Due to Trust - Municipal Open Space Tax Payable	A-20, B	4,462.33	2,685.73
Due to Trust - Other	B	179,621.78	174,494.87
Due County for Added Taxes	A-17	32,293.65	51,134.90
Other Liabilities		1,081.60	
Reserve for Garden State Trust		<u>32,594.00</u>	<u>32,594.00</u>
 Total Liabilities		 2,133,979.55	 2,349,682.94
 Reserve for Receivables and Other Assets	 A	 1,424,625.30	 1,077,781.47
Fund Balance	A-1	<u>12,878,444.85</u>	<u>8,794,837.29</u>
 Total Regular Fund		 <u>16,437,049.70</u>	 <u>12,222,301.70</u>
 Federal and State Grant Fund:			
Unappropriated Reserves	A-22	55,966.55	0.83
Appropriated Reserves	A-23	<u>1,859,976.89</u>	<u>3,009,491.89</u>
 Total Federal and State Grant Fund		 <u>1,915,943.44</u>	 <u>3,009,492.72</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$18,352,993.14</u>	 <u>\$15,231,794.42</u>

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

TOWNSHIP OF HOPEWELL
Current Fund
Statement of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$1,415,811.16	\$1,415,811.16
Miscellaneous Revenue Anticipated	6,570,035.59	6,290,562.14
Receipts from Delinquent Taxes	2,842,912.98	947,618.24
Receipts from Current Taxes	95,840,227.99	92,863,564.48
Nonbudget Revenues	274,533.27	83,855.85
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	870,934.56	890,093.28
Reserve Balances Canceled	7,533.67	224.98
	<u>107,821,989.22</u>	<u>102,491,730.13</u>
Total Revenue and Other Income Realized		
Expenditures:		
Operations Within "CAPS":		
Salaries and Wages	6,950,741.00	7,099,737.00
Other Expenses	4,961,398.64	4,900,050.64
Deferred Charges and Statutory Expenditures Within "CAPS"	1,708,323.00	1,464,486.81
Operations Excluded from "CAPS":		
Salaries and Wages	634,177.05	607,740.17
Other Expenses	1,768,846.21	1,722,581.24
Capital Improvements Excluded from "CAPS"	146,981.00	98,246.00
Municipal Debt Service Excluded from "CAPS"	3,214,041.82	3,105,605.42
County Taxes	22,756,967.23	23,083,092.44
Due County for Added Taxes	32,293.65	51,134.90
Regional School District Tax	56,324,333.66	55,150,122.45
Fire District Tax	2,559,447.00	2,440,438.00
Municipal Open Space Tax	1,255,035.00	1,302,558.00
Municipal Open Space Tax - Added Taxes	1,776.60	2,685.73
Senior Citizens Disallowed		1,250.00
Prior Year Tax Overpayments	8,208.64	28,526.44
	<u>102,322,570.50</u>	<u>101,058,255.24</u>
Total Expenditures		
Less: Expenditures to be Raised by Future Taxes		
	<u>102,322,570.50</u>	<u>101,058,255.24</u>
Total Expenditures		

TOWNSHIP OF HOPEWELL
Current Fund
Statement of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Statutory Excess to Fund Balance (Brought Forward)	\$5,499,418.72	\$1,433,474.89
Fund Balance January 1	<u>8,794,837.29</u>	<u>8,777,173.56</u>
Total	14,294,256.01	10,210,648.45
Decreased by Utilization as Anticipated Revenue	<u>1,415,811.16</u>	<u>1,415,811.16</u>
Fund Balance December 31	<u><u>\$12,878,444.85</u></u>	<u><u>\$8,794,837.29</u></u>

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

TOWNSHIP OF HOPEWELL
Current Fund
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2011

	<u>BUDGET</u>	<u>SPECIAL NJS 40A:4-87</u>	<u>REALIZED</u>	<u>EXCESS (DEFICIT)</u>
Fund Balance Anticipated	<u>\$1,415,811.16</u>		<u>\$1,415,811.16</u>	
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverage	28,800.00		30,200.00	\$1,400.00
Fees and Permits	120,990.55		157,899.11	36,908.56
Fines and Costs:				
Municipal Court	395,746.00		441,697.93	45,951.93
Interest and Costs on Taxes	238,351.00		275,802.61	37,451.61
PILOT Program	60,000.00		61,000.00	1,000.00
Interest on Investments and Deposits	170,000.00		231,737.24	61,737.24
Comcast Franchise Fee	205,810.51		205,810.51	0.00
Cell Tower Rents	38,500.00		40,821.58	2,321.58
Sale of Solar Panel Energy (SRECS)	17,000.00		19,422.41	2,422.41
State Aid Without Offsetting Appropriations:				
Consolidated Municipal Property Tax Relief Aid	10,801.00		10,801.00	
Energy Receipts Tax	1,590,762.00		1,590,762.00	
Garden State Trust Fund	32,594.00		32,594.00	
Interlocal Agreements				
Interlocal Police Services - Hopewell Borough	569,481.00		569,481.00	
Interlocal Alliance Services	2,470.00		2,470.00	
Interlocal Police Services - Pennington Borough	60,000.00		60,000.00	
Interlocal Fire Services - Water Study	15,000.00		15,000.00	
Special Items Offset with Appropriations:				
Clean Communities Grant		\$41,300.83	41,300.83	
Municipal Alliance on Alcoholism and Drug Abuse	18,512.00		18,512.00	
Recycling Tonnage Grant	28,121.56	28,292.16	56,413.72	
Clean Air Cool Planet	2,500.00		2,500.00	
H1N1 Virus	10,000.00		10,000.00	
Body Armor		3,056.22	3,056.22	
Sr. Service Coordinator Grant	55,000.00		55,000.00	
Mercer at Play (Unappropriated)	983,291.00		983,291.00	
Mercer at Play	273,025.52	78,459.49	351,485.01	
Bullet Proof Vest		2,786.56	2,786.56	
Drunk Driving Enforcement Fund		12,339.05	12,339.05	
Energy Efficiency & Conservation - I		41,291.87	41,291.87	
Energy Efficiency & Conservation - II		6,326.00	6,326.00	
Refund of Capital Surplus	140,000.00		140,000.00	
Refund of Affordable Housing	733,287.67		733,287.67	
Reserve for Debt Service	366,946.27		366,946.27	
Total	<u>6,166,990.08</u>	<u>213,852.18</u>	<u>6,570,035.59</u>	<u>189,193.33</u>
Receipts from Delinquent Taxes	942,000.00		2,842,912.98	1,900,912.98
Amount to be Raised by Taxes for Support of Municipal Budget -				
Local Tax for Municipal Purposes	<u>11,978,668.57</u>		<u>14,243,182.92</u>	<u>2,264,514.35</u>
Budget Totals	20,503,469.81	213,852.18	25,071,942.65	4,354,620.66
Nonbudget Revenues			<u>274,533.27</u>	<u>274,533.27</u>
Total	<u>\$20,503,469.81</u>	<u>\$213,852.18</u>	<u>\$25,346,475.92</u>	<u>\$4,629,153.93</u>

**TOWNSHIP OF HOPEWELL
Current Fund**

For the Year Ended December 31, 2011

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:	
Revenue from Collections	\$95,840,227.99
Allocated to School, Fire District, Open Space, and County Taxes	<u>82,929,853.14</u>
Balance for Support of Municipal Budget Appropriations	12,910,374.85
Add Appropriation - Reserve for Uncollected Taxes	<u>1,332,808.07</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$14,243,182.92</u></u>
Receipts from Delinquent Taxes:	
Tax Title Liens	-
Delinquent Tax Collections	<u>\$2,842,912.98</u>
Total	<u><u>\$2,842,912.98</u></u>
Miscellaneous Revenue Not Anticipated:	
Treasurer:	
DMV Inspection Fees	\$10,200.00
Other Refunds	52,648.35
Refund of Prior Years Expense	198,563.48
Auction Proceeds	9,344.15
Senior Citizen and Veterans Administrative Fee	3,142.86
Miscellaneous	<u>634.43</u>
Total	<u><u>\$274,533.27</u></u>

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

TOWNSHIP OF HOPEWELL
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2011

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
GENERAL APPROPRIATIONS:					
Operations Within "CAPS":					
General Government:					
Administrative and Executive:					
Salaries and Wages					
Governing Body	\$16,000.00	\$16,000.00	\$15,999.84	\$0.16	
Administrator's Office	383,277.00	383,277.00	381,939.63	1,337.37	
Clerk's Office	108,700.00	108,700.00	75,846.77	32,853.23	
Other Expenses					
Governing Body	14,500.00	14,500.00	12,501.61	1,998.39	
Administrator's Office	164,750.00	169,750.00	168,917.03	832.97	
Clerk's Office	24,480.00	24,480.00	22,290.75	2,189.25	
Financial Administration:					
Salaries and Wages	174,837.00	174,837.00	174,836.56	0.44	
Other Expenses	29,230.00	29,230.00	28,868.86	361.14	
Assessment of Taxes:					
Salaries and Wages	190,212.00	190,212.00	189,211.73	1,000.27	
Other Expenses	30,045.00	30,045.00	28,556.14	1,488.86	
Collection of Taxes:					
Salaries and Wages	70,386.00	70,386.00	70,385.08	0.92	
Other Expenses	14,000.00	14,000.00	7,222.27	6,777.73	
Legal Services and Costs:					
Salaries and Wages	42,694.00	42,694.00	42,618.31	75.69	
Other Expenses	204,800.00	213,800.00	213,300.00	500.00	
Engineering Services and Costs:					
Other Expenses	118,500.00	118,500.00	103,500.00	15,000.00	
Public Buildings and Grounds:					
Salaries and Wages	77,798.00	77,798.00	76,990.93	807.07	
Other Expenses	112,225.08	112,225.08	76,697.13	35,527.95	
Fleet Maintenance:					
Salaries and Wages	198,475.00	198,475.00	196,209.02	2,265.98	
Other Expenses	178,200.00	178,200.00	146,663.50	31,536.50	
Audit Services:					
Other Expenses	30,000.00	30,000.00	30,000.00		

TOWNSHIP OF HOPEWELL
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2011

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
GENERAL APPROPRIATIONS:					
Operations Within "CAPS":					
Municipal Land Use Law (N.J.S.A. 40:SSD-1):					
Planning Board:					
Salaries and Wages	\$93,236.00	\$93,236.00	\$85,453.28	\$7,782.72	
Other Expenses	58,320.00	58,320.00	58,288.93	31.07	
Zoning Board:					
Salaries and Wages	95,337.00	95,337.00	95,337.00		
Other Expenses	11,130.00	11,130.00	10,222.96	907.04	
Parks and Maintenance:					
Salaries and Wages	50,936.00	50,936.00	46,023.67	4,912.33	
Other Expenses	36,270.00	36,270.00	27,454.53	8,815.47	
Environmental Commission:					
Other Expenses	3,500.00	3,500.00	778.35	2,721.65	
Insurance:					
Liability Insurance	471,747.00	471,747.00	471,497.00	250.00	
Medical Insurance	1,934,886.56	1,925,886.56	1,865,354.14	60,532.42	
Community Development:					
Salaries and Wages	15,758.00	15,758.00	12,873.39	2,884.61	
Public Safety:					
Police					
Salaries and Wages	3,120,525.00	3,120,525.00	3,036,248.48	84,276.52	
Other Expenses	109,057.00	109,057.00	100,212.38	8,844.62	
Contribution to Water Utility					
Other Expenses	18,025.00	18,025.00	18,025.00		
Road Repair and Maintenance:					
Salaries and Wages	1,571,108.00	1,571,108.00	1,567,917.21	3,190.79	
Other Expenses	414,850.00	409,850.00	382,013.93	27,836.07	
Sanitation:					
Other Expenses	57,000.00	57,000.00	40,542.36	16,457.64	
Board of Health:					
Salaries and Wages	310,946.00	310,946.00	310,859.02	86.98	
Other Expenses	36,100.00	36,100.00	31,581.38	4,518.62	
Dog Regulation:					
Other Expenses	40,000.00	40,000.00	40,000.00		

TOWNSHIP OF HOPEWELL
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2011

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
GENERAL APPROPRIATIONS:					
Operations Within "CAPS":					
Historic Preservation Committee (RS 400:23-6.22):					
Salaries and Wages	\$4,823.00	\$4,823.00	\$4,121.24	\$701.76	
Other Expenses	4,460.00	4,460.00	621.00	3,839.00	
Municipal Court:					
Salaries and Wages	285,268.00	285,268.00	264,880.00	20,388.00	
Other Expenses	13,983.00	13,983.00	12,396.17	1,586.83	
Public Defender:					
Salaries and Wages	21,600.00	21,600.00	15,170.00	6,430.00	
Unclassified:					
Recreation:					
Salaries and Wages	117,825.00	117,825.00	117,599.94	225.06	
Other Expenses	2,600.00	2,600.00	2,395.40	204.60	
Senior Services:					
Salaries and Wages		1,000.00	824.10	175.90	
Other Expenses	21,140.00	20,140.00	14,887.34	5,252.66	
Utilities:					
Street Lights	137,000.00	162,000.00	141,293.28	20,706.72	
Utilities	210,000.00	210,000.00	169,949.76	40,050.24	
Telephone	80,000.00	80,000.00	70,393.46	9,606.54	
Motor Fuels					
Other Expenses	350,000.00	325,000.00	292,495.26	32,504.74	
Disability Insurance					
Other Expenses	31,600.00	31,600.00	28,328.89	3,271.11	
Total Operations Including Contingent - Within "CAPS"	<u>11,912,139.64</u>	<u>11,912,139.64</u>	<u>11,398,594.01</u>	<u>513,545.63</u>	
Detail:					
Salaries and Wages	6,949,741.00	6,950,741.00	6,781,345.20	169,395.80	
Other Expenses	4,962,398.64	4,961,398.64	4,617,248.81	344,149.83	

TOWNSHIP OF HOPEWELL
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2011

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS":					
STATUTORY EXPENDITURES:					
Contribution to:					
Public Employees' Retirement System	\$529,482.00	\$529,482.00	\$529,482.00		
Police and Firemen's Retirement System	598,341.00	598,341.00	598,341.00		
Defined Contribution Retirement Program	500.00	500.00		\$500.00	
Social Security System (O.A.S.I.)	580,000.00	580,000.00	535,477.03	44,522.97	
	<u>1,708,323.00</u>	<u>1,708,323.00</u>	<u>1,663,300.03</u>	<u>45,022.97</u>	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>1,708,323.00</u>	<u>1,708,323.00</u>	<u>1,663,300.03</u>	<u>45,022.97</u>	
Total General Appropriations - For Municipal Purposes Within "CAPS"	<u>\$13,620,462.64</u>	<u>\$13,620,462.64</u>	<u>\$13,061,894.04</u>	<u>\$558,568.60</u>	
GENERAL APPROPRIATIONS:					
Operations Excluded from "CAPS":					
Recycling Tonnage Tax	688.00	688.00		688.00	
Interlocal Fire Commissioners - Water Study					
Salaries and Wages	15,000.00	15,000.00	15,000.00		
Interlocal Municipal Alliance:					
Hopewell Borough	1,070.00	1,070.00	1,070.00		
Pennington Borough	1,400.00	1,400.00	1,400.00		
Interlocal Recycling	154,881.00	154,881.00	154,881.00		
Interlocal Police Services:					
Hopewell Borough					
Salaries and Wages	519,936.15	506,838.00	506,838.00		
Other Expenses	49,544.85	62,643.00	62,643.00		
Pennington Borough					
Salaries and Wages	60,000.00	60,000.00	60,000.00		
Interlocal Sr. Service Coordinator					
Other Expenses	4,500.00	4,500.00	4,326.40	173.60	
	<u>4,500.00</u>	<u>4,500.00</u>	<u>4,326.40</u>	<u>173.60</u>	
Total Other Operations Excluded from "CAPS":	<u>\$807,020.00</u>	<u>\$807,020.00</u>	<u>\$806,158.40</u>	<u>\$861.60</u>	

TOWNSHIP OF HOPEWELL
Current Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2011

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
GENERAL APPROPRIATIONS:					
Operations Excluded from "CAPS":					
Public and Private Programs Offset by Revenues:					
Clean Communities Program		\$41,300.83	\$41,300.83		
Drunk Driving Enforcement Grant		12,339.05	12,339.05		
Municipal Alliance on Alcoholism and Drug Abuse					
Township Match	\$7,380.00	7,380.00	7,380.00		
State Share	18,512.00	18,512.00	18,512.00		
Bullet Proof Vest Program		2,786.56	2,786.56		
Supplemental Fire Services Program	4,321.00	4,321.00	4,321.00		
Body Armor Grant		3,056.22	3,056.22		
Mercer at Play - unappropriated	983,291.00	993,077.49	993,077.49		
Recycling Tonnage Grant	28,121.56	56,413.72	56,413.72		
H1N1 Virus Grant	10,000.00	10,000.00	10,000.00		
Clean Air Cool Planet	2,500.00	2,500.00	2,500.00		
Lawrence Twp Mercer at Play	273,025.52	341,698.52	341,698.52		
Energy Efficiency & Conserv. I		41,291.87	41,291.87		
Energy Efficiency & Conserv. II		6,326.00	6,326.00		
Sr. Coordinator Grant	55,000.00	55,000.00	55,000.00		
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Public and Private Programs Offset by Revenues	1,382,151.08	1,596,003.26	1,596,003.26		
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Operations - Excluded From "CAPS"	\$2,189,171.08	\$2,403,023.26	\$2,402,161.66	\$861.60	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Detail:					
Salaries and Wages	634,936.15	634,177.05	634,177.05		
Other Expenses	1,554,234.93	1,768,846.21	1,767,984.61	861.60	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
GENERAL APPROPRIATIONS:					
Capital Improvements - Excluded From "CAPS"					
Capital Improvement Fund	146,981.00	146,981.00	146,981.00		
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Capital Improvements - Excluded From "CAPS"	\$146,981.00	\$146,981.00	\$146,981.00		
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

TOWNSHIP OF HOPEWELL
Current Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2011

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
GENERAL APPROPRIATIONS:					
Municipal Debt Service - Excluded From "CAPS"					
Payment of Bond Principal	\$1,586,430.00	\$1,586,430.00	\$1,586,430.00		
Payment of Bond Anticipation Notes					
Interest on Bonds	1,397,777.02	1,397,777.02	1,397,774.12		\$2.90
Interest on Notes	199,744.00	199,744.00	199,741.70		2.30
NJEDA Loan - Principal	28,800.00	28,800.00	28,800.00		
NJEDA Loan - Interest	1,296.00	1,296.00	1,296.00		
	<u>3,214,047.02</u>	<u>3,214,047.02</u>	<u>3,214,041.82</u>		<u>5.20</u>
Total Municipal Dept Service - Excluded From "CAPS"					
Total General Appropriations for Municipal Purposes Excluded From "CAPS"	<u>5,550,199.10</u>	<u>5,764,051.28</u>	<u>5,763,184.48</u>	<u>\$861.60</u>	<u>5.20</u>
Subtotal General Appropriations	19,170,661.74	19,384,513.92	18,825,078.52	559,430.20	5.20
Reserve for Uncollected Taxes	<u>1,332,808.07</u>	<u>1,332,808.07</u>	<u>1,332,808.07</u>		
TOTAL GENERAL APPROPRIATIONS	<u><u>\$20,503,469.81</u></u>	<u><u>\$20,717,321.99</u></u>	<u><u>\$20,157,886.59</u></u>	<u><u>\$559,430.20</u></u>	<u><u>\$5.20</u></u>

TOWNSHIP OF HOPEWELL
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2011

Analysis of Budget After Modification:

Original Budget		\$20,503,469.81
Appropriation by 40A:4-87		<u>213,852.18</u>
 Total		 <u><u>\$20,717,321.99</u></u>

Analysis of Paid or Charged:

Reserve for Federal and State Grants - Appropriated	\$1,584,302.26	
Encumbrances Payable	447,477.58	
Reserve for Uncollected Taxes	1,332,808.07	
Cash Disbursed	<u>16,793,298.68</u>	
 Total		 <u><u>\$20,157,886.59</u></u>

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

TOWNSHIP OF HOPEWELL
Trust Fund
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Years Ended December 31, 2011 and 2010

	<u>REFERENCE</u>	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash - Treasurer	B-1	<u>\$65,658.74</u>	<u>\$42,911.51</u>
Other Funds:			
Cash - Treasurer	B-1	8,471,594.91	9,189,006.32
Accounts Receivable		50,921.66	60,127.74
Due from General Capital Fund	C	3,015.70	2,742.41
Due from Current Fund	A	<u>184,084.11</u>	<u>177,180.60</u>
Total Other Funds		<u>8,709,616.38</u>	<u>9,429,057.07</u>
Total Assets		<u><u>\$8,775,275.12</u></u>	<u><u>\$9,471,968.58</u></u>
<u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due to State of New Jersey		\$451.20	\$454.00
Reserve for Dog Fund Expenditures	B-2	<u>65,207.54</u>	<u>42,457.51</u>
Total Dog License Fund		<u>65,658.74</u>	<u>42,911.51</u>
Other Funds:			
Due to Current Fund	A	21.69	416.84
Due to State NJ - UCC Fees	B-4	8,976.00	7,659.00
Payroll Deductions Payable	B-5		
Accounts Payable			
Reserve for :			
Unemployment Compensation	B-3	5,345.36	5,506.20
Trust Other	B-3	783,806.24	794,389.17
Plot Planning	B-3	12,294.06	11,432.66
Planning	B-3	352,279.32	417,839.28
Open Space Trust	B-3	5,860,259.46	5,691,752.91
Low Income Housing	B-3	452,864.47	1,083,236.73
Community Activities	B-3	208.71	208.54
Off-Site Improvements	B-3	671,581.57	673,051.57
Performance Guarantees	B-3	116,877.70	116,877.70
Recreation Trust	B-3	117,008.87	72,447.31
Tax Collectors' Premium	B-3	144,000.00	297,500.00
Tax Title Lien	B-3		78,050.97
Off-Duty Police	B-3	179,621.78	174,494.87
Stream Corridor	B-3	1,742.50	1,692.50
FSA	B-3	<u>2,728.65</u>	<u>2,500.82</u>
Total Other Funds		<u>8,709,616.38</u>	<u>9,429,057.07</u>
Total Liabilities and Reserves		<u><u>\$8,775,275.12</u></u>	<u><u>\$9,471,968.58</u></u>

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

TOWNSHIP OF HOPEWELL
General Capital Fund
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Years Ended December 31, 2011 and 2010

	<u>REFERENCE</u>	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>			
Cash - Treasurer	C-2	\$16,821,315.66	\$15,474,904.88
Deferred Charges to Future Taxation:			
Funded	C-4	41,870,320.27	43,851,403.09
Unfunded	C-5	<u>27,067,403.33</u>	<u>14,687,718.33</u>
Total		<u>\$85,759,039.26</u>	<u>\$74,014,026.30</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds	C-6	\$41,373,000.00	\$43,288,000.00
Bond Anticipation Notes	C-7	17,492,403.33	14,356,496.33
NJ Economic Development Authority Loan Payable	C-8	57,600.00	86,400.00
Green Trust Loan Payable	C-9	439,720.27	477,003.09
Improvement Authorizations:			
Funded	C-10	4,532,693.68	4,545,053.56
Unfunded	C-10	16,766,421.67	6,248,367.96
Capital Improvement Fund	C-11	0.15	0.15
Reserve for Preliminary Planning		2,000.00	2,000.00
Reserve for Encumbrances		899,500.00	878,477.58
Reserve for:			
Payment of Serial Bonds and Notes		3,221,873.39	3,106,671.41
Reserve for Green Trust Loan		1,100.28	1,090.78
Interfund Payable:			
Due to Current Fund	A	254.96	853.15
Due to Trust Fund	B	3,015.70	2,742.41
Fund Balance	C-1	<u>969,455.83</u>	<u>1,020,869.88</u>
Total		<u>\$85,759,039.26</u>	<u>\$74,014,026.30</u>

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

TOWNSHIP OF HOPEWELL
General Capital Fund
Statement of Fund Balance - Regulatory Basis
For the Year Ended December 31, 2011

Balance December 31, 2010		\$1,020,869.88
Increased By:		
Cancellation of Ordinances	\$1,055,110.47	
Premium on Sale of Bond Anticipation Notes	<u>123,475.48</u>	<u>1,178,585.95</u>
Total		2,199,455.83
Decreased By:		
Appropriated to Finance Improvement Authorizations	1,090,000.00	
Current Fund - Budget Appropriation	<u>140,000.00</u>	<u>1,230,000.00</u>
Balance December 31, 2011		<u><u>\$969,455.83</u></u>

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

TOWNSHIP OF HOPEWELL
Water Utility Operating Fund
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Year Ended December 31, 2011 and 2010

<u>ASSETS</u>	<u>REFERENCE</u>	<u>2011</u>	<u>2010</u>
Operating Fund:			
Cash	D-5	\$45,173.07	\$40,519.82
Due from Water Capital Fund	D	18.52	21.91
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-7	10,695.79	1,757.53
		<u>10,695.79</u>	<u>1,757.53</u>
 Total Operating Fund		 <u>55,887.38</u>	 <u>42,299.26</u>
Capital Fund:			
Cash	D-5	21,677.12	22,055.51
Fixed Capital	D-8	292,486.03	282,866.03
Fixed Capital Authorized and Uncompleted	D-9		
 Total Capital Fund		 <u>314,163.15</u>	 <u>304,921.54</u>
 Total Assets		 <u>\$370,050.53</u>	 <u>\$347,220.80</u>

TOWNSHIP OF HOPEWELL
Water Utility Operating Fund
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Year Ended December 31, 2011 and 2010

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REFERENCE</u>	<u>2011</u>	<u>2010</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4 & D-10	\$7,935.50	\$1,903.25
Encumbrances Payable	D-4	3,155.32	4,038.02
Water Rent Overpayments	D-5	5.64	79.13
Accrued Interest on Bonds and Notes	D-11	760.52	887.37
Total Liabilities		<u>11,856.98</u>	<u>6,907.77</u>
Reserve for Receivables	D	10,695.79	1,757.53
Fund Balance	D-1	33,334.61	33,633.96
Total Operating Fund		<u>55,887.38</u>	<u>42,299.26</u>
Capital Fund:			
Serial Bonds	D-12	69,250.00	72,400.00
Bond Anticipation Notes	D-13		10,500.00
Improvement Authorizations:			
Funded			
Unfunded			
Capital Improvement Fund	D-15	8,225.00	8,600.00
Due to Water Utility Fund	D	18.52	21.91
Reserve for:			
Amortization	D-16	223,236.03	199,966.03
Fund Balance	D-2	13,433.60	13,433.60
Total Capital Fund		<u>314,163.15</u>	<u>304,921.54</u>
Total Liabilities, Reserves and Fund Balance		<u><u>\$370,050.53</u></u>	<u><u>\$347,220.80</u></u>

TOWNSHIP OF HOPEWELL
Water Utility Operating Fund
 Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis
 For the Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$7,160.00	\$16,936.00
Water Rents	61,189.84	64,661.97
Interest on Investments and Deposits	1,050.20	683.07
Miscellaneous	177.70	293.83
Contribution from Current Fund	18,025.00	
Other Credits to Income:		
Cancellation of Reserve for Encumbrances		1,592.99
Unexpended Balance of Appropriation Reserves	<u>4,916.04</u>	<u>3,642.53</u>
Total Revenue and Other Income Realized	<u>92,518.78</u>	<u>87,810.39</u>
Expenditures:		
Operating	58,350.00	50,950.00
Deferred Charges and Statutory Expenditures	1,250.00	1,400.00
Capital	9,245.00	
Debt Service	<u>16,813.13</u>	<u>6,507.92</u>
Total Expenditures	<u>85,658.13</u>	<u>58,857.92</u>
Excess in Revenue	6,860.65	28,952.47
Fund Balance January 1	<u>33,633.96</u>	<u>21,617.49</u>
Total	40,494.61	50,569.96
Decreased by Utilization by Water Utility Operating Budget	<u>7,160.00</u>	<u>16,936.00</u>
Balance December 31	<u><u>\$33,334.61</u></u>	<u><u>\$33,633.96</u></u>

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

TOWNSHIP OF HOPEWELL
Water Utility Capital Fund
Statement of Fund Balance
For the Year Ended December 31, 2011

Balance December 31, 2010 and 2011

\$13,433.60

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

TOWNSHIP OF HOPEWELL
Water Utility Operating Fund
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2011

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Fund Balance Anticipated	\$7,160.00	\$7,160.00	
Water Rents	60,000.00	61,189.84	\$1,189.84
Interest on Investments and Deposits	600.00	1,050.20	450.20
Contribution from Current Fund	18,025.00	18,025.00	0.00
Miscellaneous	<u> </u>	<u>177.70</u>	<u>177.70</u>
Total	<u><u>\$85,785.00</u></u>	<u><u>\$87,602.74</u></u>	<u><u>\$1,817.74</u></u>

Analysis of Realized Revenues

Miscellaneous:	
Water Penalties	<u>\$177.70</u>
	<u><u>\$177.70</u></u>

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

TOWNSHIP OF HOPEWELL
Water Utility Operating Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2011

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Special Emergency Appropriation</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	
Operating:					
Salaries and Wages	\$15,750.00		\$15,750.00	\$7,986.76	\$7,763.24
Other Expenses	42,600.00		42,600.00	42,518.40	81.60
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Social Security	1,250.00		1,250.00	1,159.34	90.66
Capital Improvements					
Capital Improvement Fund	9,245.00		9,245.00	9,245.00	
Debt Service:					
Payment of Bond Principal	3,150.00		3,150.00	3,150.00	
Payment of Note Principal	10,500.00		10,500.00	10,500.00	
Interest on Bonds	3,080.00		3,080.00	3,070.50	\$9.50
Interest on Notes	210.00		210.00	92.63	117.37
	<u>\$85,785.00</u>	<u>---</u>	<u>\$85,785.00</u>	<u>\$77,722.63</u>	<u>\$7,935.50</u>
Total					<u>\$126.87</u>
Analysis of Paid or Charged:					
Cash Disbursed				\$71,404.18	
Encumbrances Payable				3,155.32	
Interest on Bonds				3,070.50	
Interest on Notes				<u>92.63</u>	
Total				<u>\$77,722.63</u>	

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

TOWNSHIP OF HOPEWELL
Sewer Utility Operating Fund
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Year Ended December 31, 2011 and 2010

<u>ASSETS</u>	<u>REFERENCE</u>	<u>2011</u>	<u>2010</u>
Operating Fund:			
Cash	E-5	\$915,428.68	\$1,030,525.95
Receivables with Full Reserves:			
Consumer Accounts Receivable	E-7	55,927.65	51,843.03
Due from Sewer Utility Capital Fund	E	3.09	106.44
Deferred Charges - Emergency Authorization		<u>165,786.42</u>	<u> </u>
Total Operating Fund		<u>1,137,145.84</u>	<u>1,082,475.42</u>
Capital Fund:			
Cash	E-5	220,570.73	272,689.28
Fixed Capital	E-8	843,086.56	843,086.56
Fixed Capital Authorized and Uncompleted	E-9	<u>2,807,043.30</u>	<u>2,807,043.30</u>
Total Capital Fund		<u>3,870,700.59</u>	<u>3,922,819.14</u>
Total Assets		<u><u>\$5,007,846.43</u></u>	<u><u>\$5,005,294.56</u></u>

TOWNSHIP OF HOPEWELL
Sewer Utility Operating Fund
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Year Ended December 31, 2011 and 2010

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REFERENCE</u>	<u>2011</u>	<u>2010</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	E-4	\$7,193.26	\$93,348.17
Encumbrances Payable	E-4	17,669.45	8,968.32
Sewer Rent Overpayments		1,163.41	1,783.14
Accrued Interest on Bonds and Notes	E-11	9,352.26	11,534.95
		<u>35,378.38</u>	<u>115,634.58</u>
Total Liabilities			
Reserve for Receivables	E	55,927.65	51,843.03
Fund Balance	E-1	1,045,839.81	914,997.81
Total Operating Fund		<u>1,137,145.84</u>	<u>1,082,475.42</u>
Capital Fund:			
Serial Bonds	E-12	734,750.00	766,600.00
Bond Anticipation Notes	E-13	329,703.00	329,703.00
Improvement Authorizations:			
Funded	E-14	3,000.00	3,000.00
Unfunded	E-14	119,411.20	117,762.15
Due to Sewer Utility Operating Fund	E	3.09	106.44
Encumbrances Payable		6,048.00	61,763.00
Capital Improvement Fund	E-15	400.00	400.00
Reserve for Amortization	E-16	2,580,676.86	2,548,826.86
Reserve for Deferred Amortization	E-17	5,000.00	5,000.00
Fund Balance	E-2	91,708.44	89,657.69
Total Capital Fund		<u>3,870,700.59</u>	<u>3,922,819.14</u>
Total Liabilities, Reserves and Fund Balance		<u>\$5,007,846.43</u>	<u>\$5,005,294.56</u>

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

TOWNSHIP OF HOPEWELL
Sewer Utility Operating Fund
Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$61,619.76	\$138,968.62
Sewer Rents	1,042,277.40	1,089,754.31
Interest on Investments	16,793.23	12,776.77
Miscellaneous	4,025.36	4,887.71
Other Credits to Income:		
Unexpended Balance of Encumbrances Payable	4,329.68	12,907.48
Unexpended Balance of Appropriation Reserves	<u>93,348.17</u>	<u>101,420.76</u>
Total Revenue and Other Income Realized	<u>1,222,393.60</u>	<u>1,360,715.65</u>
Expenditures:		
Operating	1,126,058.18	1,028,199.62
Capital Improvements		
Deferred Charges and Statutory Expenditures	2,000.00	2,200.00
Debt Service	<u>67,660.08</u>	<u>74,795.39</u>
Total Expenditures	1,195,718.26	1,105,195.01
Excess (Deficit) in Revenue	26,675.34	255,520.64
Adjustments to Income before Surplus:		
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	<u>165,786.42</u>	<u></u>
Statutory Excess to Surplus	192,461.76	255,520.64
Fund Balance January 1	<u>914,997.81</u>	<u>798,445.79</u>
Total	1,107,459.57	1,053,966.43
Decreased by Utilization by Sewer Utility Operating Budget	<u>61,619.76</u>	<u>138,968.62</u>
Balance December 31	<u><u>\$1,045,839.81</u></u>	<u><u>\$914,997.81</u></u>

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

TOWNSHIP OF HOPEWELL
Sewer Utility Capital Fund
Statement of Fund Balance
For the Year Ended December 31, 2011

Balance December 31, 2010	\$89,657.69
Increased By:	
Premium on Sale of Bond Anticipation Notes	<u>2,050.75</u>
Balance December 31, 2011	<u><u>\$91,708.44</u></u>

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

TOWNSHIP OF HOPEWELL
SEWER UTILITY OPERATING FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2011

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Fund Balance	\$61,619.76	\$61,619.76	
Sewer Rents	980,000.00	1,042,277.40	\$62,277.40
Interest on Investments	11,700.00	16,793.23	5,093.23
Miscellaneous		4,025.36	4,025.36
	<hr/>	<hr/>	<hr/>
Total	<u>\$1,053,319.76</u>	<u>\$1,124,715.75</u>	<u>\$71,395.99</u>

Analysis of Realized Revenues

Miscellaneous:	
Sewer penalties	\$3,992.58
Miscellaneous	32.78
Total	<u>\$4,025.36</u>

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

TOWNSHIP OF HOPEWELL
Sewer Utility Operating Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2011

	<u>Appropriations</u>		<u>Expended</u>		<u>Balance Canceled</u>	<u>Over-Expended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>		
Operating:						
Salaries and Wages	\$23,000.00	\$30,000.00	\$28,885.02	\$1,114.98		
Other Expenses	937,271.76	1,096,058.18	1,090,394.16	5,664.02		
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Social Security	2,000.00	2,000.00	1,585.74	414.26		
Debt Service:						
Payment of Bond Principal	31,850.00	31,850.00	31,850.00		\$5,000.00	
Payment of Bond Anticipation Note Principal	5,000.00	5,000.00			349.23	
Interest on Bonds	31,398.00	31,398.00	31,048.77			
Interest on Notes	22,800.00	22,800.00	4,761.31		18,038.69	
Total	<u>\$1,053,319.76</u>	<u>\$1,219,106.18</u>	<u>\$1,188,525.00</u>	<u>\$7,193.26</u>	<u>\$23,387.92</u>	<u>-</u>
Analysis of Paid or Charged:						
Cash Disbursed			\$1,135,045.47			
Encumbrances Payable			17,669.45			
Interest on Bonds and Notes			35,810.08			
Total			<u>\$1,188,525.00</u>			

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

TOWNSHIP OF HOPEWELL
Public Assistance Fund
Statement of Assets, Liabilities and Reserves
For the Years Ended December 31, 2011 and 2010

	<u>REFERENCE</u>	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>			
Cash	F-1	<u>\$8,950.94</u>	<u>\$8,814.27</u>
Total		<u><u>\$8,950.94</u></u>	<u><u>\$8,814.27</u></u>
<u>LIABILITIES AND RESERVES</u>			
Reserve for Public Assistance		<u><u>\$8,950.94</u></u>	<u><u>\$8,814.27</u></u>

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

TOWNSHIP OF HOPEWELL
ACCOUNT GROUP
 Statement of General Fixed Assets Group of Accounts
 For the Year Ended December 31, 2011

	Balance December 31, <u>2010</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2011</u>
General Fixed Assets:				
Land	\$37,852,812.00		\$214,000.00	\$37,638,812.00
Buildings and Building Improvements	7,790,218.00	\$3,013,327.00		10,803,545.00
Machinery and Equipment	8,165,032.00		826,518.00	7,338,514.00
	<hr/>	<hr/>	<hr/>	<hr/>
Total General Fixed Assets	<u>\$53,808,062.00</u>	<u>\$3,013,327.00</u>	<u>\$1,040,518.00</u>	<u>\$55,780,871.00</u>
Total Investment in General Fixed Assets	<u>\$53,808,062.00</u>	<u>\$3,013,327.00</u>	<u>\$1,040,518.00</u>	<u>\$55,780,871.00</u>

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

Township of Hopewell
Notes to Financial Statements
December 31, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Hopewell is located in the western portion of Mercer County, New Jersey, midway between Philadelphia and New York City. The present population according to the 2000 census is 16,105.

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

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

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

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

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

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

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

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

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

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

Township of Hopewell
Notes to Financial Statements
December 31, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

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

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

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

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

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

Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements and transfers of fixed assets. In addition, a Statement of General Fixed Assets, reflecting the activity for the year, must be included in the Township's basic financial statements.

**Township of Hopewell
Notes to Financial Statements
December 31, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

No depreciation of general fixed assets is recorded.

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

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

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

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

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

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

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

School Taxes - The Township is responsible for levying, collecting and remitting school taxes for the Hopewell Valley Regional School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1, 2011 to December 31, 2011.

Township of Hopewell
Notes to Financial Statements
December 31, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Fire District Taxes - The Township is responsible for levying, collecting and remitting fire district taxes for the Hopewell Township Fire District No. 1. Operations is charged for the full amount required to be raised from taxation to operate the fire district for the period from January 1, 2011 to December 31, 2011.

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

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

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

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

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

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

Interest on Delinquent Taxes - It is the policy of the Township to collect interest for the nonpayment of taxes, sewer or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500 of taxes becoming delinquent after due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500 becoming delinquent after the due date and if a delinquency is in excess of \$10,000 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten (10) day grace period.

**Township of Hopewell
Notes to Financial Statements
December 31, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Comparative Data – Comparative total data for the prior year has been presented in the accompanying Balance Sheets and Statement of Operations in order to provide an understanding of changes in the Township’s financial position. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in the statement of revenues – regulatory basis and the statement of expenditures – regulatory basis since their inclusion would make the statements unduly complex and difficult to read.

NOTE 2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits – With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the Township’s deposits may not be returned to it. Although the Township does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit. Banks that qualify as public depositories under New Jersey statutes hold cash deposits, with bank balances totaling \$29,275,477 at December 31, 2011. All deposits are insured by federal depository insurance and/or collateralized with securities held in New Jersey’s multiple financial institution collateral pool as required by N.J.S.A. 17.9-41 et seq.

During the fiscal year, the Township participated in the New Jersey Cash Management Fund. This Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial risk. Accordingly, the Township’s deposits with the New Jersey Cash Management Fund of \$3,586 were uninsured and uncollateralized.

NOTE 3. INVESTMENTS

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

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

As of December 31, 2011 the Township had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Credit Rating</u>	<u>Fair Value</u>
Money Market Fund	Less than 1 Year	AAAm	\$12,212,560

**Township of Hopewell
Notes to Financial Statements
December 31, 2011**

NOTE 4. PROPERTY TAXES

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

<u>Comparative Schedule of Tax Rates</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Total Tax Rate	<u>\$2.27</u>	<u>\$2.15</u>	<u>\$2.01</u>	<u>\$1.91</u>	<u>\$1.91</u>
Apportionment of Tax Rate:					
Municipal	.29	.27	.27	.27	.27
County	.54	.53	.50	.49	.49
Regional School	1.35	1.27	1.21	1.16	1.16
Fire District	.06	.05	.05	.05	.05
Municipal Open Space	.03	.03	.03	.02	.02

<u>Assessed Valuation</u>	<u>Amount</u>
2011	\$4,183,452,489
2010	4,341,859,988
2009	4,489,000,000
2008	4,550,576,567
2007	4,558,163,334

<u>Comparison of Tax Levies and Collections</u>			
<u>Year Ended</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage Of Collections</u>
2011	\$97,379,395	\$95,840,228	98.41 %
2010	94,046,971	92,863,564	98.74
2009	92,607,494	91,396,602	98.69
2008	91,756,095	90,536,923	98.67
2007	85,972,254	87,284,835	98.50

Delinquent Taxes and Tax Title Liens

<u>Year Ended</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2011	\$109,352	\$1,277,942	\$1,387,294	1.42 %
2010	101,125	934,078	1,035,203	1.10
2009	92,697	939,890	1,032,587	1.11
2008	82,158	1,126,965	1,209,123	1.32
2007	73,430	1,248,993	1,322,423	1.53

**Township of Hopewell
Notes to Financial Statements
December 31, 2011**

NOTE 4. PROPERTY TAXES (CONT'D)

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

<u>Year Ended</u>	<u>Number</u>
2011	8
2010	8
2009	8
2008	8
2007	9

NOTE 5. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year Ended</u>	<u>Amount</u>
2011	None
2010	None
2009	None
2008	None
2007	None

NOTE 6. WATER/SEWER UTILITY LEVY

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

Water Utility Levy:

<u>Year</u>	<u>Balance Jan. 1,</u>	<u>Water Levy</u>	<u>Total</u>	<u>Cash Collections</u>	<u>Percentage</u>
2011	\$1,758	\$70,128	\$71,886	\$61,190	85.12%
2010	2,466	63,954	66,420	64,662	97.35
2009	537	60,071	60,608	58,142	95.93
2008	623	58,243	58,866	58,329	99.09
2007	475	59,958	60,433	59,811	98.97

**Township of Hopewell
Notes to Financial Statements
December 31, 2011**

NOTE 6. WATER/SEWER UTILITY LEVY (CONT'D)

Sewer Utility Levy:

<u>Year</u>	<u>Balance Jan. 1,</u>	<u>Sewer Levy</u>	<u>Total</u>	<u>Cash Collections</u>	<u>Percentage</u>
2011	\$51,843	\$1,046,362	\$1,098,205	\$1,042,277	94.91 %
2010	60,600	1,080,997	1,141,597	1,089,754	95.45
2009	58,307	1,030,409	1,088,716	1,028,115	94.43
2008	55,116	1,057,148	1,112,264	1,053,957	94.76
2007	52,470	1,083,737	1,136,207	1,081,091	95.14

NOTE 7. FUND BALANCES APPROPRIATED

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

<u>Current Fund</u>	<u>Balance December 31</u>	<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2011	\$12,878,445	\$1,915,811	14.88 %
2010	8,794,837	1,415,811	16.10
2009	8,777,174	1,415,811	16.13
2008	8,298,836	1,415,811	17.06
2007	7,347,209	1,415,811	19.27

<u>Water Utility Operating Fund</u>	<u>Balance December 31</u>	<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2011	\$33,335	\$1,921	5.76 %
2010	33,634	7,160	21.29
2009	21,617	16,936	78.34
2008	29,664	14,984	50.51
2007	29,874	2,620	8.77

<u>Sewer Utility Operating Fund</u>	<u>Balance December 31</u>	<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2011	\$1,045,840	\$406,278	38.85 %
2010	914,998	61,620	6.73
2009	798,446	138,969	17.40
2008	600,759	105,124	17.50
2007	537,344	82,598	15.37

**Township of Hopewell
Notes to Financial Statements
December 31, 2011**

NOTE 9. PENSION PLANS

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

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System was established in 1955. The PERS provides retirement, death and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. Chapter 78 P.L. 2011 changed the employee contribution rate as follows: Effective with the first payroll check to be paid on or after October 1, 2011 plan members rate will increase to 6.5% with an additional increase of .14% beginning in July 2012 each year until the rate reaches 7.5% in July 2018. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exists.

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

Police and Firemen's Retirement System (PFRS)

The Police and Firemen's Retirement System was established in 1944. The PFRS provides retirement, death and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:16A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 204, P.L. 1989, plan members enrolled in the PFRS are required to contribute 8.5% of their annual covered salary. Chapter 78 P.L. 2011 changed the employee contribution rate as follows: Effective with the first payroll check to be paid on or after October 1, 2011 plan members rate will increase to 10%. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

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

	<u>2011</u>		<u>2010</u>		<u>2009</u>	
	<u>PERS</u>	<u>PFRS</u>	<u>PERS</u>	<u>PFRS</u>	<u>PERS</u>	<u>PFRS</u>
Normal Contribution	\$189,751	\$348,839	\$162,175	\$313,787	\$150,379	\$322,459
Accrued Liability	302,356	217,047	208,375	174,349	173,932	171,595
Total Regular Contributions	<u>\$492,107</u>	<u>\$565,886</u>	<u>\$370,550</u>	<u>\$488,136</u>	<u>\$324,311</u>	<u>\$494,054</u>
Non-Contributory Group						
Life Insurance	37,375	32,455	51,387	32,466	40,312	26,187
Total Due	<u>\$529,482</u>	<u>\$598,341</u>	<u>\$421,937</u>	<u>\$520,602</u>	<u>\$364,623</u>	<u>\$520,240</u>

**Township of Hopewell
Notes to Financial Statements
December 31, 2011**

NOTE 9. PENSION PLANS (CONTINUED)

Defined Contribution Retirement Program (DCRP)

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. Chapter 78 P.L. 2011 changed the employee contribution rate as follows: Effective with the first payroll check to be paid on or after October 1, 2011 plan members rate will increase to 6.5% with an additional increase of .14% beginning in July 2012 each year until the rate reaches 7.5% in July 2018. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. The employee contributions along with the Township's contribution for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

There were no Township employees enrolled in the DCRP for the years ended December 31, 2011, 2010 and 2009.

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

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

Plan Description

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

Summary of Principal Plan Provisions

Eligibility for Retired Group Coverage

Service Retirement

Eligibility

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

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

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

**Township of Hopewell
Notes to Financial Statements
December 31, 2011**

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

Disability Retirement

Eligibility

An employee is eligible if the employee retires with a disability pension from a state administered retirement system.

Surviving Spouse

Eligible for subsidized coverage.

Spouse Coverage

Spouses may enroll as dependents of retirees.

Funding Policy

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

Annual OPEB Cost and Net OPEB Obligation

The Township's annual post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The Township has engaged an actuary to calculate the ARC and related information per the provisions of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Township's annual OPEB cost for the year, the amount actually contributed to the plan, and the Township's net OPEB obligation to the Retiree Health Plan at December 31, 2010:

<u>Annual OPEB Cost</u>	<u>Year Ending December 31, 2010</u>
Normal Cost	\$ 1,494,300
Amortization of Unfunded Actuarial Accrued Liability	1,657,400
Annual Required Contribution (ARC)	3,151,700
Interest on OPEB Obligation	195,500
Less Amortization	(282,700)
OPEB Expense	3,064,500
Less contributions made during the fiscal year	(207,700)
Net OPEB Expense	2,856,800
Net OPEB obligation at beginning of year	4,888,200
Net OPEB obligation at end of year	\$ 7,745,000
Percentage of expense contributed	6.78%

**Township of Hopewell
Notes to Financial Statements
December 31, 2011**

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

Funded Status and Funding Progress

As of December 31, 2010 the actuarial accrued liability for benefits was \$28,659,100, all of which was unfunded.

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

Methods and Assumptions

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

Measurement Date

December 31

Discount Rate as of December 31, 2010

The discount rate assumption selected by the Township is 4%.

Methods and Assumptions (Continued)

Marriage Rates

90% of employees were assumed married. Females are assumed to three years younger than males. Married actives are assumed to choose two-person coverage at retirement. Spouses are assumed to continue coverage upon the death of the former employee.

Health Care Trend Factors

Health care costs are assumed to increase in accordance with the following schedule:

From Fiscal Year	Annual Rate of Increase
<u>Beginning</u>	%
2011	9.5
2011	9.0
2012	8.5
2013	8.0
2014	7.5
2015	7.0
2016	6.5
2017	6.0
2018	5.5
2019 and Later	5

**Township of Hopewell
Notes to Financial Statements
December 31, 2011**

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

Prescription drug costs are assumed to increase in accordance with the following schedule:

Annual Rate of Increase From Fiscal Year	%
<u>Beginning</u>	
2011	10.5
2011	10.0
2012	9.5
2013	9.0
2014	8.5
2015	8.0
2016	7.5
2017	7.0
2018	6.5
2019	6.0
2020	5.5
2021 and Later	5

NOTE 10. COMPENSATED ABSENCES

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

The Township does not accrue expenses related to compensated absences. However, it is estimated that, at December 31, 2011, accrued benefits for compensated absences are valued at \$1,623,773.93.

NOTE 11. RISK MANAGEMENT

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

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

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

**Township of Hopewell
Notes to Financial Statements
December 31, 2011**

NOTE 11. RISK MANAGEMENT (CONT'D)

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

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

<u>Year</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011	\$154	\$9,748	\$10,063	\$5,345
2010	111	10,006	7,865	5,506
2009	286	10,034	42,313	3,254
2008	30	9,734		35,247
2007	20	9,472		25,483

NOTE 12. CAPITAL DEBT

Summary of Municipal Debt

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Issued:			
General Bonds and Notes	\$58,865,403	\$57,644,496	\$54,474,974
Water Utility Bonds and Notes	69,250	82,900	86,050
Sewer Utility Bonds and Notes	1,064,453	1,096,303	1,133,153
Loans	497,320	563,403	628,751
Total Debt Issued	<u>60,496,426</u>	<u>59,387,102</u>	<u>56,322,928</u>
Less:			
Funds on hand to pay Bonds & Notes	333,664	331,443	93,773
Open Space Bonds and Notes	15,399,749	8,082,434	
Net Debt Issued	<u>44,763,013</u>	<u>50,973,225</u>	<u>56,229,155</u>
Authorized But Not Issued:			
General - Bonds and Notes	9,575,000	331,222	2,341,780
Water Utility - Bonds and Notes			
Sewer Utility - Bonds and Notes			
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$54,338,013</u>	<u>\$51,304,447</u>	<u>\$58,570,935</u>

**Township of Hopewell
Notes to Financial Statements
December 31, 2011**

NOTE 12. CAPITAL DEBT (CONT'D)

Serial Bonds are authorized in accordance with State law. All bonds are retired in serial installments within the statutory period of usefulness. Serial Bonds payable at December 31, 2011 consisted of the following issues:

<u>Purpose</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
General Obligation Bonds of 2006	10/01/2026	4.00% - 4.25%	\$13,556,000
Refunding Bonds of 2009	10/1/2020	3.00% - 4.00%	4,245,000
General Obligation Bonds of 2010	2/15/2030	3.00% - 3.75%	23,572,000
Water Utility Bonds of 2006	10/01/2026	4.00% - 4.25%	69,250
Sewer Utility Bonds of 2006	10/01/2026	4.00% - 4.25%	734,750
			<hr/>
Total			<u>\$42,177,000</u>

Long-Term Debt Defeasance

On November 1, 2011, the Township issued refunding bonds in the amount of \$4,700,000. The bonds, which were approved by the New Jersey Local Finance Board, were issued to refund \$4,700,000 of its November 1, 2002 Bond Issue and pay issuance costs. The refunding bonds bear an interest rate of 2.00% to 4.00% with principal maturities due from October 2011 through October 2020.

As a result of the above transaction, the \$4,700,000 of the 2002 Bond Issue is considered to be defeased and the liability for this debt has been removed from the records. The refunding program decreased total debt service by \$255,380 and resulted in a net present value economic savings of \$258,729. The economic savings is the difference between the present values of the debt service payments on the old and new debt.

Bond Anticipation Notes Payable

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

As of December 31, 2011, the Township had the following outstanding Bond Anticipation Notes:

	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
General Capital Fund	6/08/2012	1.00%	\$6,650,000
General Capital Fund	4/12/2012	1.50%	4,322,791
General Capital Fund	6/08/2012	1.00%	6,519,612
Sewer Utility Capital Fund	6/09/2012	1.00%	329,703
			<hr/>
Total			<u>\$17,822,106</u>

**Township of Hopewell
Notes to Financial Statements
December 31, 2011**

NOTE 12. CAPITAL DEBT (CONT'D)

General Capital Fund

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.17%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District Debt	\$32,717,706	\$32,717,706	
Water and Sewer Utility Debt	1,133,703	69,250	\$1,064,453
General Debt	68,937,723	15,733,413	53,204,310
Total	\$102,789,132	\$48,520,369	\$54,268,763

Net Debt, \$54,268,763 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2, as amended, \$4,197,259,448 equals 1.29%.

Equalized Valuation Basis:

2009	\$4,278,955,222
2010	4,204,752,790
2011	4,108,070,332
Average	\$4,197,259,448

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

3-1/2% of Equalized Valuation Basis (Municipal)	\$146,904,081
Net Debt	54,268,763
Remaining Borrowing Power	\$92,635,318

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

Cash Receipts from Fees, Rents or Other Charges for the Year	\$86,375
Deductions:	
Operating and Maintenance Costs	\$59,600
Debt Service Costs	16,813
	76,413
Excess in Revenue	\$9,962

**Township of Hopewell
Notes to Financial Statements
December 31, 2011**

NOTE 12. CAPITAL DEBT (CONT'D)

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

Cash Receipts from Fees, Rents or Other Charges for the Year		\$1,103,897
Deductions:		
Operating and Maintenance Costs	\$1,128,058	
Debt Service Costs	<u>67,660</u>	
		<u>1,195,718</u>
 Deficit in Revenue		 <u>\$91,821</u>

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

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

Serial Bonds Payable

<u>Calendar Year</u>	<u>Current</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2012	\$2,060,000	\$1,472,591	\$3,532,591
2013	2,205,000	1,406,388	3,611,388
2014	2,270,000	1,336,720	3,606,720
2015	2,470,000	1,255,728	3,725,728
2016	2,575,000	1,169,459	3,744,459
2017-2021	13,265,000	4,387,644	17,652,644
2022-2026	12,781,000	2,019,472	14,800,472
2027-2030	<u>3,747,000</u>	<u>222,110</u>	<u>3,969,110</u>
 Total	 <u>\$41,373,000</u>	 <u>\$13,270,112</u>	 <u>\$54,643,112</u>

Serial Bonds Payable

<u>Calendar Year</u>	<u>Water Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2012	\$3,150	\$2,942	\$6,092
2013	3,600	2,796	6,396
2014	3,600	2,648	6,248
2015	3,600	2,500	6,100
2016	4,500	2,332	6,832
2017-2021	29,700	10,066	39,766
2022-2026	<u>21,100</u>	<u>2,386</u>	<u>23,486</u>
 Total	 <u>\$69,250</u>	 <u>\$25,670</u>	 <u>\$94,920</u>

**Township of Hopewell
Notes to Financial Statements
December 31, 2011**

NOTE 12. CAPITAL DEBT (CONT'D)

Serial Bonds Payable

<u>Calendar Year</u>	<u>Sewer Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2012	\$31,850	\$30,002	\$61,852
2013	36,400	28,502	64,902
2014	36,400	26,992	63,392
2015	36,400	25,482	61,882
2016	45,500	23,768	69,268
2017-2021	245,700	90,566	336,266
2022-2026	<u>302,500</u>	<u>36,302</u>	<u>338,802</u>
Total	<u>\$734,750</u>	<u>\$261,614</u>	<u>\$996,364</u>

New Jersey EDA Loan Payable

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$28,800	\$864	\$29,664
2013	<u>28,800</u>	<u>432</u>	<u>29,232</u>
Total	<u>\$57,600</u>	<u>\$1,296</u>	<u>\$58,896</u>

New Jersey Green Trust Loan Payable

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$38,032	\$8,605	\$46,637
2013	38,797	7,841	46,638
2014	39,576	7,061	46,637
2015	40,372	6,265	46,637
2016	41,183	5,454	46,637
2017-21	218,672	14,515	233,187
2022	<u>23,088</u>	<u>231</u>	<u>23,319</u>
Total	<u>\$439,720</u>	<u>\$49,972</u>	<u>\$489,692</u>

**Township of Hopewell
Notes to Financial Statements
December 31, 2011**

NOTE 13. LEASE OBLIGATIONS

At December 31, 2011, the Township had lease agreements in effect for the following:

Operating:

One (1) Copier

Operating Leases – Future minimum lease payments under the operating lease agreement is as follows:

<u>Fiscal Year Ended</u>	<u>Amount</u>
2012	<u>\$2,556</u>
	<u>\$2,556</u>

Rental payments under the operating lease for the years 2011 and 2010 were \$5,112 and \$5,112 respectively.

NOTE 14. DEFERRED COMPENSATION SALARY PLAN

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

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

NOTE 15. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2011

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$276.65	\$263,574.83
Federal and State Grant Fund	79,490.72	
Trust Fund:		
Other Funds	187,099.81	21.69
General Capital Fund		3,270.66
Water Utility Fund		
Operating	18.52	
Capital		18.52
Sewer Utility Fund:		
Operating	3.09	
Capital		<u>3.09</u>
	<u>\$266,888.79</u>	<u>\$266,888.79</u>

Township of Hopewell
Notes to Financial Statements
December 31, 2011

NOTE 16. LITIGATION

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

NOTE 17. COMMITMENTS – TAX APPEALS

The Township has several tax appeals pending in New Jersey State Tax Court as of December 31, 2011. However, it appears that the net potential losses of the tax appeals will not be material to the financial statements.

SUPPLEMENTAL EXHIBITS

CURRENT FUND

TOWNSHIP OF HOPEWELL
Current Fund
Statement of Cash - Treasurer
For the Year Ended December 31, 2011

	<u>CURRENT FUND</u>	<u>FEDERAL AND STATE GRANT FUND</u>
Balance December 31, 2010	\$11,143,920.23	\$1,466,801.63
Receipts:		
Taxes Receivable	\$97,908,333.61	
2012 Prepaid taxes	534,222.42	
Tax Overpayments	124,116.91	
Revenue Accounts Receivable	4,985,733.33	
Due State of New Jersey:		
Marriage License Fees	1,400.00	
Due from State of New Jersey for Senior Citizens and Veterans Deductions	157,143.15	
Miscellaneous Revenues Not Anticipated	274,533.27	
Due to Federal and State Grant Fund	55,965.72	
Due to Other Trust Fund	127,892.50	
Due to Current Fund		\$71.28
Due to Hopewell Borough	1,081.60	
Township Match		7,380.00
Federal and State Grants Receivable		1,281,556.29
Budget Refunds	337,420.89	
Contra	<u>1,100.00</u>	<u>2,704.12</u>
Total Receipts	<u>104,508,943.40</u>	<u>1,291,711.69</u>
Subtotal	115,652,863.63	2,758,513.32
Disbursements:		
2011 Appropriations	16,793,298.68	
Appropriation Reserves	302,705.07	
Encumbrances Payable	35,827.30	
Refund of Tax Overpayments	86,833.51	
County Taxes	22,808,102.13	
Regional School Taxes	56,324,333.66	
Fire District Tax Payable	2,559,447.00	
Municipal Open Space Tax Payable	1,255,035.00	
Due State of New Jersey:		
Marriage License Fees	1,550.00	
Reserve for Master Plan	12,620.40	
Due to Other Trust Fund	122,765.59	
Due to Current Fund		71.28
Appropriated Reserves		2,682,315.78
Budget Refunds	337,420.89	
Contra	<u>1,100.00</u>	<u>2,704.12</u>
Total Disbursements	<u>100,641,039.23</u>	<u>2,685,091.18</u>
Balance December 31, 2011	<u>\$15,011,824.40</u>	<u>\$73,422.14</u>

TOWNSHIP OF HOPEWELL
Current Fund
 Schedule of Change Funds
 For the Year Ended December 31, 2011

<u>Analysis by Office</u>		
Tax Collector		\$200.00
Tax Assessor		50.00
Construction Code		50.00
Health		50.00
Municipal Clerk		50.00
Municipal Court		200.00
Total		\$600.00

TOWNSHIP OF HOPEWELL
Current Fund
 Schedule of Taxes Receivable and Analysis of Property Tax Levy
 For the Year Ended December 31, 2011

Year	Balance	2011 Levy	Added Taxes	COLLECTIONS BY CASH		State Share of 2011 Senior Citizens and Veterans Deductions Allowed	Transferred To Tax Title Lien	Overpayments Applied	Canceled	Balance Dec. 31, 2011
	Dec. 31, 2010			2010	2011					
2006			\$84,458.95		\$84,458.95					
2007			169,547.55		169,547.55					
2008			208,556.56		101,596.65			\$106,959.91		
2009			92,028.91		92,028.91					
2010	<u>\$934,077.72</u>		<u>1,368,097.54</u>		<u>2,288,321.01</u>				<u>\$20.00</u>	<u>\$13,834.25</u>
Subtotal	934,077.72		1,922,689.51		2,735,953.07			106,959.91	20.00	13,834.25
2011		<u>\$97,379,394.76</u>		<u>\$496,791.47</u>	<u>95,172,380.54</u>	<u>\$159,000.00</u>	<u>\$8,226.99</u>	<u>12,055.98</u>	<u>266,831.92</u>	<u>1,264,107.86</u>
Total	<u>\$934,077.72</u>	<u>\$97,379,394.76</u>	<u>\$1,922,689.51</u>	<u>\$496,791.47</u>	<u>\$97,908,333.61</u>	<u>\$159,000.00</u>	<u>\$8,226.99</u>	<u>\$119,015.89</u>	<u>\$266,851.92</u>	<u>\$1,277,942.11</u>

Analysis of Property Tax Levy

Tax Yield:

General Purpose Tax	\$94,766,290.53
Added Taxes	123,032.87
Omitted Taxes	2,776.10
Rollback Taxes	2,331,045.26
Senior Citizens and Veterans Deductions Allowed Per Original Levy	<u>156,250.00</u>
Total	<u>\$97,379,394.76</u>

Tax Levy:

Regional High School Tax (Abstract)	\$56,324,333.66
Fire District Tax (Abstract)	2,559,447.00
County Tax (Abstract)	22,756,967.23
County Added Taxes	32,293.65
Local Open Space Tax (Abstract)	1,255,035.00
Local Open Space Added Tax	1,776.00
Local Tax for Municipal Purposes	\$11,978,668.57
Additional Tax Levies	<u>2,470,873.65</u>
	<u>14,449,542.22</u>
Total	<u>\$97,379,394.76</u>

TOWNSHIP OF HOPEWELL
Current Fund
Schedule of Tax Title Liens
For the Year Ended December 31, 2011

Balance December 31, 2010	\$101,124.52
Increased by:	
Transfer from Taxes Receivable	<u>8,226.99</u>
Total	109,351.51
Decreased by:	
2011 Collections	<u>-</u>
Balance December 31, 2011	<u><u>\$109,351.51</u></u>

TOWNSHIP OF HOPEWELL
Current Fund
Schedule of Revenue Accounts Receivable
For the Year Ended December 31, 2011

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Accrued in</u> <u>2011</u>	<u>Collected</u> <u>By</u> <u>Treasurer</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Alcoholic Beverage Licenses		\$30,200.00	\$30,200.00	
Fees and Permits		157,899.11	157,899.11	
Municipal Court - Fines and Costs	\$32,981.98	437,443.72	441,697.93	\$28,727.77
Interest and Costs on Taxes		275,802.61	275,802.61	
Payment in Lieu of Taxes		61,000.00	61,000.00	
Interest Earned on Investments and Deposits		231,737.24	231,737.24	
Comcast Franchise Fee		205,810.51	205,810.51	
Cell Tower Rents		40,821.58	40,821.58	
Sale of Solar Power Energy		19,422.41	19,422.41	
Consolidated Municipal Property Tax Relief		10,801.00	10,801.00	
Energy Receipts Tax		1,590,762.00	1,590,762.00	
Garden State Trust Fund		32,594.00	32,594.00	
Interlocal Police Services		629,481.00	629,481.00	
Interlocal Alliance Services		2,470.00	2,470.00	
Interlocal Animal Services		15,000.00	15,000.00	
Refund of Capital Surplus		140,000.00	140,000.00	
Refund of Affordable Housing Reserve		733,287.67	733,287.67	
Reserve for Debt Service		366,946.27	366,946.27	
Total	<u><u>\$32,981.98</u></u>	<u><u>\$4,981,479.12</u></u>	<u><u>\$4,985,733.33</u></u>	<u><u>\$28,727.77</u></u>

**Township of Hopewell
Appropriation Reserves - Current Fund
For the Year Then Ended December 31, 2011**

	<u>Balance December 31, 2010</u>				
	<u>Appropriation Reserve</u>	<u>Balance after Transfers</u>	<u>Reserve for Encumbrances</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Salaries and Wages - Within Caps					
Legal Services and Costs	\$ 1,128.50	\$ 1,128.50		\$ 1,000.00	\$ 128.50
Subtotal	<u>1,128.50</u>	<u>1,128.50</u>	<u>-</u>	<u>1,000.00</u>	<u>128.50</u>
Other Expenses - Within Caps					
Administrative & Executive:					
Governing Body	2,621.50	2,621.50	\$ 3,051.00	2,937.60	2,734.90
Administrator's Office	1,307.92	1,307.92	23,880.61	10,285.53	14,903.00
Clerk's Office	5,889.26	5,889.26	4,854.73	2,528.03	8,215.96
Financial Administration	2,155.60	3,155.60	350.68	1,672.00	1,834.28
Assessment of Taxes	187.93	187.93	18,610.12	3,385.08	15,412.97
Collection of Taxes	7,891.34	6,891.34	1,777.95	55.00	8,614.29
Legal Services and Costs	5,000.00	5,000.00	36,131.41	12,801.36	28,330.05
Engineering	-	4,500.00	46,323.81	46,035.89	4,787.92
Public Buildings and Grounds	37,048.65	37,048.65	42,047.58	27,700.38	51,395.85
Fleet Maintenance	20,870.69	20,870.69	36,263.60	13,637.25	43,497.04
Planning Board	115.05	115.05	44,413.40	4,840.68	39,687.77
Zoning Board	2,626.85	2,626.85	5,169.62	1,830.22	5,966.25
Parks & Maintenance	13,560.43	13,560.43	7,840.00	3,810.00	17,590.43
Environmental Commission	8,515.00	8,515.00		6,243.00	2,272.00
Insurance					
Medical Insurance	8,826.85	8,826.85	2,187.00	8,375.31	2,638.54
Liability Insurance	-	15,000.00		14,978.23	21.77
Police	5,704.68	5,704.68	36,062.42	14,864.04	26,903.06
Road Repair & Maintenance	39,060.31	39,060.31	159,916.71	96,608.53	102,368.49
Sanitation	23,300.00	23,300.00	11,282.61	819.74	33,762.87
Board of Health	11,214.58	11,214.58	11,157.64	6,964.33	15,407.89
Municipal Court	3,000.43	3,000.43	3,589.73	617.65	5,972.51
Senior Services	4,689.25	4,689.25	2,280.95	484.46	6,485.74
Utilities:					
Street Lighting	14,393.48	14,393.48	50.00	12,969.12	1,474.36
Utilities	19,367.24	19,367.24		8,795.56	10,571.68
Telephone	3,847.45	3,847.45		3,038.68	808.77
Motor Fuels	117,415.44	117,415.44	50,466.64	23,791.74	144,090.34
Subtotal	<u>358,609.93</u>	<u>378,109.93</u>	<u>547,708.21</u>	<u>330,069.41</u>	<u>595,748.73</u>
Other Expenses - Excluded from Caps					
Interlocal Police:					
Hopewell Borough	29.00	29.00	13,065.67	12,934.76	159.91
Subtotal	<u>29.00</u>	<u>29.00</u>	<u>13,065.67</u>	<u>12,934.76</u>	<u>159.91</u>
Other Accounts - No Change	<u>290,459.55</u>	<u>270,959.55</u>	<u>3,937.87</u>		<u>274,897.42</u>
Grand Total	<u>\$650,226.98</u>	<u>\$650,226.98</u>	<u>\$564,711.75</u>	<u>\$344,004.17</u>	<u>\$870,934.56</u>
			Cash Disbursed	\$302,705.07	
			Reserve for Encumbrances	41,299.10	
			Total	<u>\$344,004.17</u>	

TOWNSHIP OF HOPEWELL
Current Fund
 Schedule of Prepaid Taxes
 For the Year Ended December 31, 2011

Balance December 31, 2010		\$496,791.47
Increased by:		
Collected		<u>534,222.42</u>
Subtotal		1,031,013.89
Decreased by:		
Applied to 2011 Taxes		<u>496,791.47</u>
Balance December 31, 2011		<u><u>\$534,222.42</u></u>

Schedule of Tax Overpayments
 For the Year Ended December 31, 2011

Balance December 31, 2010		\$119,015.89
Increased by:		
Prior Year Refunds	\$8,208.64	
Collected	<u>124,116.91</u>	<u>132,325.55</u>
Subtotal		251,341.44
Decreased by:		
Refunded	86,833.51	
Applied to Prior Year Taxes	106,959.91	
Applied to 2011 Taxes	<u>12,055.98</u>	<u>205,849.40</u>
Balance December 31, 2011		<u><u>\$45,492.04</u></u>

TOWNSHIP OF HOPEWELL
Current Fund
 Schedule of Reserve for Tax Appeals Pending
 For the Year Ended December 31, 2011

Balance December 31, 2010 and 2011	<u><u>\$100,000.00</u></u>
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Schedule of Reserve for Revaluation
 For the Year Ended December 31, 2011

Balance December 31, 2011 and 2010	<u><u>\$12,353.25</u></u>
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Schedule of Reserve for Preparation of Master Plan
 For the Year Ended December 31, 2011

Balance December 31, 2010	\$65,056.28
Decreased by:	
Cash Disbursed	<u>12,620.40</u>
Balance December 31, 2011	<u><u>\$52,435.88</u></u>

TOWNSHIP OF HOPEWELL
Current Fund
Schedule of Due to State of New Jersey
for Senior Citizens and Veterans Deductions
For the Year Ended December 31, 2011

Balance December 31, 2010		\$20,890.52
Increased by:		
Collected		<u>157,143.15</u>
Subtotal		178,033.67
Senior Citizen Deductions per Duplicate	\$17,500.00	
Disabled per Duplicate	500.00	
Veterans Deductions per Duplicate	138,250.00	
Senior Citizen Deductions and Veterans Deductions Allowed by Collector	4,500.00	
Prior Year Adjustment	<u>8,572.03</u>	
Subtotal	169,322.03	
Less:		
Senior Citizens Deductions Disallowed by Collector - 2011 Taxes	1,750.00	
Senior Citizens Deductions Disallowed by Collector - 2010 Taxes	<u>1,038.36</u>	
Subtotal		<u>166,533.67</u>
Balance December 31, 2011		<u><u>\$11,500.00</u></u>

EXHIBIT A-16

Schedule of Due to State of New Jersey
for Marriage License Fees/Domestic Partnership Fees
For the Year Ended December 31, 2011

Balance December 31, 2010		\$375.00
Increased by:		
State Portion of 2011 Marriage Licenses Fees		<u>1,400.00</u>
Subtotal		1,775.00
Decreased by:		
Disbursed to State of New Jersey	\$1,550.00	
Canceled	<u>1,550.00</u>	<u>1,550.00</u>
Balance December 31, 2011		<u><u>\$225.00</u></u>

TOWNSHIP OF HOPEWELL
Current Fund
 Schedule of County Taxes Payable
 For the Year Ended December 31, 2011

Balance December 31, 2010		\$51,134.90
Increased by:		
2011 Levy:		
General County	\$19,760,772.12	
Library Tax	2,181,834.73	
County Open Space Preservation	814,360.38	
Added and Omitted Taxes	<u>32,293.65</u>	
Subtotal		<u>22,789,260.88</u>
		22,840,395.78
Decreased by:		
Disbursed to County of Mercer		<u>22,808,102.13</u>
Balance December 31, 2011		<u><u>\$32,293.65</u></u>

Schedule of Fire District Taxes Payable
 For the Year Ended December 31, 2011

Balance December 31, 2011		---
Increased by:		
2011 Levy		<u>\$2,559,447.00</u>
Subtotal		2,559,447.00
Decreased by:		
Disbursed to Hopewell Township Fire Districts		<u>2,559,447.00</u>
Balance December 31, 2011		<u><u>---</u></u>

TOWNSHIP OF HOPEWELL
Current Fund
Schedule of Regional School Tax Payable
For the Year Ended December 31, 2011

Balance December 31, 2010	---
Increased by:	
Levy - Calendar Year	<u>\$56,324,333.66</u>
Subtotal	56,324,333.66
Decreased by:	
Disbursed to Hopewell Valley Regional School District	<u>56,324,333.66</u>
Balance December 31, 2011	<u>---</u>

Exhibit A-20

Schedule of Municipal Open Space Tax Payable
For the Year Ended December 31, 2011

Balance December 31, 2010	\$2,685.73
Increased by:	
Levy - Calendar Year	\$1,255,035.00
Added and Omitted Taxes	<u>1,776.60</u>
Subtotal	<u>1,256,811.60</u>
Subtotal	1,259,497.33
Decreased by:	
Disbursed to Open Space Trust Fund	<u>1,255,035.00</u>
Balance December 31, 2011	<u>\$4,462.33</u>

TOWNSHIP OF HOPEWELL
Federal and State Grant Fund
Schedule of Federal, State and Local Grants Receivable
For the Year Ended December 31, 2011

	Balance Dec. 31, 2010	Accrued	Received	Transfer from Unapprop. Reserves	Canceled	Balance Dec. 31, 2011
Federal Grants:						
HUD Grant - Hunt House	\$50,000.00					\$50,000.00
	<u>50,000.00</u>	-	-	-	-	<u>50,000.00</u>
State Grants:						
Drunk Driving Enforcement Grant (Unappropriated)		\$12,339.05	\$7,339.05			5,000.00
NJ Dept. of Environmental Protection	4,460.00					4,460.00
Pothole Grant	(0.93)					(0.93)
Clean Communities Grant	1,059.62	41,300.83	41,300.83			1,059.62
Project Buckle Up	4,000.00					4,000.00
Dep. Historic Preservation Plan	1,795.00					1,795.00
Smart Future/Growth Planning Program	750.00					750.00
Smart Growth Planning Program	707.40					707.40
Body Armor Grant	542.42	5,842.78	3,056.22			3,328.98
Delaware River Green Partnership Grant	2,000.00					2,000.00
Bulletproof Vest Partnership Grant	8,837.14					8,837.14
Environmental Resource Inventory Grant	6,000.00					6,000.00
Emergency Mgmt (Homeland Security)	(0.44)					(0.44)
Senior Citizens Coordinator Grant	34,957.93	55,000.00	30,540.08			59,417.85
2007 Compact Authorized Investment	9,966.48					9,966.48
H1N1 Virus Grant	5,871.00	10,000.00	3,368.52		\$6,631.48	5,871.00
2010 Business Stimulus Road	7,000.00					7,000.00
LHT Signage	4,675.00					4,675.00
Compact Grant - Titusville Sidewalk	331,222.00					331,222.00
DOT - Titus Mill Road	280,323.33		280,323.33			
DOT Grant - Lawrence Hopewell Trail @ Bailey	303,116.23					303,116.23
DOT Grant - CrossingBailey/Pennington-Rocky Hill Rd.	27,000.00					27,000.00
DOT - Timberlane Road	48,467.00					48,467.00
DOT Grant - Blackwell Rd.	52,250.00				52,250.00	
DOT Grant - Penn/Titusville Road	325,000.00					325,000.00
Energy Efficiency and Conservation Block Grant - Phase I		41,291.87				41,291.87
Energy Efficiency and Conservation Block Grant - Phase II		6,326.00				6,326.00
Recycling Tonnage		56,413.72	56,413.72			
Clean Air Cool Planet		2,500.00	2,500.00			
	<u>1,459,989.18</u>	<u>231,014.25</u>	<u>424,841.75</u>		<u>58,881.48</u>	<u>1,207,290.20</u>
County Grants:						
Mercer at Play Grant		1,334,776.01	843,130.51			491,645.50
	-	<u>1,334,776.01</u>	<u>843,130.51</u>	-	-	<u>491,645.50</u>
Local Grants:						
Mercer County - Drug Alliance Program	8,666.91	18,512.00	13,584.03			13,594.88
Caring For You/Me	500.00					500.00
BMS Water Main Survey						
	<u>9,166.91</u>	<u>18,512.00</u>	<u>13,584.03</u>	-	-	<u>14,094.88</u>
Total	<u>\$1,519,168.09</u>	<u>\$1,584,302.26</u>	<u>\$1,281,556.29</u>	-	<u>\$58,881.48</u>	<u>\$1,763,030.58</u>

TOWNSHIP OF HOPEWELL
Federal and State Grant Fund
Schedule of Reserve For Federal and State Grants - Unappropriated
For the Year Ended December 31, 2011

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Federal and</u> <u>State Grant</u> <u>Receivable</u>	<u>Realized</u> <u>as Revenue</u> <u>In 2011</u>	<u>Canceled</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
State Grants:					
Drunk Driving Enforcement Fund	\$0.83				\$0.83
Lawrence Hopewell Trail	<u> </u>	<u>\$55,965.72</u>	<u> </u>	<u> </u>	<u>55,965.72</u>
Total State Grants	<u>\$0.83</u>	<u>\$55,965.72</u>	<u>-</u>	<u>-</u>	<u>\$55,966.55</u>

TOWNSHIP OF HOPEWELL
Federal and State Grant Fund
 Schedule of Reserve For Federal, State and Local Grants - Appropriated
 For the Year Ended December 31, 2011

	Balance Dec. 31, 2010	Transferred From 2011 Budget Appropriation	Expended	Canceled	Balance Dec. 31, 2011
Federal Grants:					
HUD Grant - Hunt House	\$50,000.00				\$50,000.00
	<u>50,000.00</u>	-	-	-	<u>50,000.00</u>
State Grants:					
Municipal Storm Water Management					
Phase I Grant	1,051.44				1,051.44
Historic Sites Committee	7,500.00				7,500.00
Clean Communities Grant	200,651.83	\$41,300.83	\$14,863.99		227,088.67
Soil Conservation-Community Forestry Mgmt.	1,500.00				1,500.00
Highway Traffic Safety Grant	631.07				631.07
Tobacco Age-of-Sale Grant	2,849.69				2,849.69
Livable Communities Pilot Program - Smith's Crossing	2,500.00				2,500.00
Customer On Site Renewable Program	147,155.00				147,155.00
DOT - Penn Titusville Road	280,323.33		280,323.33		
DOT Grant - Blackwell Rd.	52,250.00			\$52,250.00	
DOT - Titus Mill Road	106.57				106.57
DOT - Timberlane Drive	115,541.75		27,329.90		88,211.85
DOT - Crossing Bally/Pennington-Rocky Hill	126,496.96		8,852.07		117,644.89
DOT - Penn Rocky Hill Phase I	325,000.00				325,000.00
Compact Grant - Titusville Sidewalk	326,588.00		34,426.62		292,161.38
Body Armor Grant	870.32	5,842.78	3,656.88		3,056.22
Drunk Driving Enforcement Fund (Over the Limit)	56.83				56.83
Drunk Driving Enforcement Fund 2009 Crackdown)	5,000.00	12,339.05	12,436.70		4,902.35
Drunk Driving Enforcement Fund 2010 Crackdown)	5,768.41				5,768.41
Pothole Repair Grant	2,576.84				2,576.84
Municipal Stormwater Regulation Program	214.14				214.14
911 General Assistance Grant	48,392.00				48,392.00
Senior Citizen Coordinator Grant	0.88	55,000.00	55,000.88		
Route 31 Aggressive Driving	799.99				799.99
2007 Compact Authorized Investment	9,150.48				9,150.48
Pandemic Influenza Program	0.20				0.20
H1N1 Virus	29,396.00	10,000.00	3,368.52	6,631.48	29,396.00
Public Health Practice Standards Grant	48.14				48.14
Smart Growth Planning Program	244.81				244.81
Emergency Management Grant (Homeland Security)	2,226.00				2,226.00
Bulletproof Vest Partnership Grant	11,260.00				11,260.00
Recycling Tonnage Grant	30,518.73	56,413.72	13,983.22		72,949.23
Design Guidelines	171.03				171.03
DEP Historic Preservation Plan	1,116.88				1,116.88
State Forfeiture Funds	10,244.83		9,916.30		328.53
2010 Business Stimulus Road	7,000.00		6,950.00		50.00
Environmental Resource Inventory Grant	10,000.00				10,000.00
Delaware River Green Partnership Grant	4,000.00				4,000.00
Project Buckle Up - Click It or Ticket	4,000.00				4,000.00
Clean Air Cool Planet		2,500.00	755.93		1,744.07
Energy Efficiency and Conservation Block Grant - I		41,291.87			41,291.87
Energy Efficiency and Conservation Block Grant - II		6,326.00			6,326.00
	<u>1,773,202.15</u>	<u>231,014.25</u>	<u>471,864.34</u>	<u>58,881.48</u>	<u>1,473,470.58</u>
County Grants:					
Mercer at Play Grant	983,291.00	1,334,776.01	2,050,614.62		267,452.39
	<u>983,291.00</u>	<u>1,334,776.01</u>	<u>2,050,614.62</u>	-	<u>267,452.39</u>
Local Grants:					
Drainage Open Space Inventory	5,000.00				5,000.00
Municipal Alliance on Alcoholism and Drug Abuse	5,348.26	25,892.00	25,527.52		5,712.74
Caring For You/Me	411.17				411.17
Lawrence Hopewell Trail Signage Grant	3,452.00				3,452.00
BMS Water Main Surveying	52,000.00		42,876.90		9,123.10
BMS - LHT	136,787.31		91,432.40		45,354.91
	<u>202,998.74</u>	<u>25,892.00</u>	<u>159,836.82</u>	-	<u>69,053.92</u>
Total	<u>\$3,009,491.89</u>	<u>\$1,591,682.26</u>	<u>\$2,682,315.78</u>	<u>\$58,881.48</u>	<u>\$1,859,976.89</u>

TRUST FUND

TOWNSHIP OF HOPEWELL
Trust Fund
Schedule of Cash - Treasurer
For the Year Ended December 31, 2011

	<u>ANIMAL CONTROL</u>	<u>OTHER TRUST</u>
Balance December 31, 2010	<u>\$42,911.51</u>	<u>\$9,189,006.32</u>
Receipts:		
Dog License Clerk:		
2011 Budget Appropriation	40,000.00	
Interlocal Agreement		
Municipal Licenses	74,156.00	
State Registration Fees	4,113.20	
Miscellaneous	11,523.82	
Due to Current Fund		
Planning Escrow Deposits		94,342.30
Open Space Trust		1,423,039.86
Low Income Housing		358,818.39
Community Service		3.37
Off-Site Improvements		10,344.78
Performance Guarantee		277.36
Tax Collector Premium		79,559.86
Tax Title Lien		689,785.69
Recreation		246,747.45
FSA		16,177.30
Plot Planning		3,623.89
Exchange		111,760,925.03
Stream Corridor		754.49
Payroll		8,459,674.53
Unemployment Compensation		9,902.02
Other Trust:		
Allocated Escrow		23,357.50
Federal Forfeiture		900.00
Interest		14,054.12
Municipal Alliance		9,278.66
Municipal Law Enforcement		8,976.60
Parking Adjudication		20.00
Public Defender		7,535.00
Ride Provide		2,568.00
Mercer County JIF		11,184.00
Construction Code		542,160.37
Historic Book Sales		525.00
State Training Fees		46,069.00
Total Trust Other Funds	<u>129,793.02</u>	<u>123,820,604.57</u>
Total Forward	<u>172,704.53</u>	<u>133,009,610.89</u>

TOWNSHIP OF HOPEWELL
Trust Fund
Schedule of Cash - Treasurer
For the Year Ended December 31, 2011

	<u>ANIMAL CONTROL</u>	<u>OTHER TRUST</u>
Total Brought Forward	<u>\$172,704.53</u>	<u>\$133,009,610.89</u>
Disbursements:		
Expenditures Under RS4:19-15.11	101,767.97	
Planning Escrow Fees		160,276.44
Open Space Trust		1,256,317.28
Low Income Housing		980,250.49
Community Service		3.20
Off-Site Improvements		11,814.78
Performance Guarantee		296.59
Tax Collector Premium		233,059.86
Redemption of Tax Title Lien		767,836.66
Recreation		202,185.89
FSA		15,949.47
Plot Plan Escrow Fees		2,763.99
Exchange		111,760,925.03
Stream Corridor		704.73
Payroll		8,459,674.53
Unemployment Compensation		10,062.86
Other Trust:		
Allocated Escrow Fees		17,012.00
Interest		14,014.77
Hovnanian Pump		1,867.61
Municipal Alliance		6,520.00
Public Defender		6,601.50
Municipal Law Enforcement		3,030.62
Construction Code		554,637.13
Mercer County JIF		12,608.55
Ride Provide		14,850.00
Due to Current Fund	1,161.82	
Due State UCC Fees		44,752.00
Due State Department of Health	<u>4,116.00</u>	
Total Disbursements	<u>107,045.79</u>	<u>124,538,015.98</u>
Balance December 31, 2011	<u>\$65,658.74</u>	<u>\$8,471,594.91</u>

TOWNSHIP OF HOPEWELL
Trust Fund
 Schedule of Reserve for Dog Fund Expenditures
 For the Year Ended December 31, 2011

Balance December 31, 2010		\$42,457.51
Increased by:		
2011 Budget Appropriation	\$40,000.00	
2011 License Collected	74,156.00	
Miscellaneous	<u>10,362.00</u>	<u>124,518.00</u>
Total		166,975.51
Decreased by:		
Expenditures Under R.S. 4:19-15.11:		
Cash Disbursed		<u>101,767.97</u>
 Balance December 31, 2011		 <u><u>\$65,207.54</u></u>

LICENSE FEES COLLECTED

<u>Year</u>	<u>Amount</u>
2010	\$46,673.00
2009	<u>46,180.00</u>
	 <u><u>\$92,853.00</u></u>

TOWNSHIP OF HOPEWELL
Trust - Other Funds
 Schedule of Reserve Balances
 For the Year Ended December 31, 2011

Account Title	Reserve Balance December 31, 2010	Revenues	Expenditures	Reserve Balance December 31, 2011
Reserve for Trust Other:				
Parking Adjudication	\$399.03	\$20.00		\$419.03
Public Defender		7,535.00	\$6,601.50	933.50
Mercer County JIF	16,148.01	11,184.00	12,608.55	14,723.46
Hovnanian Pump	19,040.77		1,867.61	17,173.16
Municipal Alliance	2,925.63	9,278.66	6,520.00	5,684.29
Reed Road Escrow	1,632.00			1,632.00
DOT Reserve	7,444.72			7,444.72
Allocated Escrow Deposits	91,466.69	23,397.50	17,012.00	97,852.19
Employee Safety Program	57.91			57.91
Special Escrow	103,538.38			103,538.38
Lovero	5,538.00			5,538.00
Uniformed Construction Code	502,317.97	542,160.37	554,637.13	489,841.21
Ride Provide	22,200.50	2,568.00	14,850.00	9,918.50
Skateboard Park	832.66			832.66
Historic Book Sales	11,500.75	525.00		12,025.75
Municipal Law Enforcement	2,700.00	8,976.60	3,030.62	8,645.98
Background ID Check	6,645.50			6,645.50
Federal Forfeiture		900.00		900.00
Miscellaneous	0.65		0.65	
Reserve for Plot Plan Escrow	11,432.66	3,597.19	2,735.79	12,294.06
Reserve for FSA	2,500.82	16,177.30	15,949.47	2,728.65
Reserve for Planning	417,839.28	93,781.28	159,341.24	352,279.32
Reserve for Open Space Trust	5,691,752.91	1,424,823.83	1,256,317.28	5,860,259.46
Reserve for Low Income Housing	1,083,236.73	349,179.64	979,551.90	452,864.47
Reserve for Community Service	208.54	0.17		208.71
Reserve for Off-Site Improvements	673,051.57		1,470.00	671,581.57
Reserve for Performance Guarantees	116,877.70			116,877.70
Reserve for Recreation	72,447.31	245,015.29	200,453.73	117,008.87
Reserve for Tax Sale Premium	297,500.00	77,100.00	230,600.00	144,000.00
Reserve for Tax Title Lien	78,050.97	689,202.81	767,253.78	
Reserve for Unemployment Compensation	5,506.20	9,902.02	10,062.86	5,345.36
Reserve for Stream Corridor	1,692.50	750.00	700.00	1,742.50
Off-Duty Police	174,494.87	127,892.50	122,765.59	179,621.78
Total	\$9,420,981.23	\$3,643,967.16	\$4,364,329.70	\$8,700,618.69

TOWNSHIP OF HOPEWELL
Trust - Other Funds
 Schedule of Due to State of NJ - UCC Fees
 For the Year Ended December 31, 2011

Balance December 31, 2010	\$7,659.00
Increased by:	
Cash Received	46,069.00
	53,728.00
Decreased by:	
Disbursements	44,752.00
	44,752.00
Balance December 31, 2011	\$8,976.00

Trust - Other Funds
 Schedule of Payroll Deductions Payable
 For the Year Ended December 31, 2011

Balance December 31, 2010	-
Increased by:	
Payroll deductions withheld	3,461,336.81
	3,461,336.81
Decreased by:	
Payroll deductions disbursed	3,461,336.81
	3,461,336.81
Balance December 31, 2011	-

GENERAL CAPITAL FUND

TOWNSHIP OF HOPEWELL
General Capital Fund
 Schedule of Cash - Treasurer
 For the Year Ended December 31, 2011

Balance December 31, 2010		\$15,474,904.88
Receipts:		
Budget Appropriation - Capital Improvement Fund	\$146,981.00	
Due to Current Fund	3,852.09	
Due from Trust Fund	75,000.00	
Due to Trust Fund	69,762.61	
Reserve for Debt Service	577,069.33	
Bond Anticipation Issued	7,846,657.74	
Premium on Sale of Bonds Anticipation Notes	123,465.66	
Total Receipts		<u>8,842,788.43</u>
Subtotal		24,317,693.31
Disbursements:		
Improvement Authorizations	2,259,839.69	
Bond Anticipation Notes Paid	4,560,750.00	
Due to Current Fund - Budget Revenue	506,946.27	
Due to Current Fund - Interest Earned	4,431.29	
Due to Trust Fund	164,410.40	
Total Disbursements		<u>7,496,377.65</u>
Balance December 31, 2011		<u><u>\$16,821,315.66</u></u>

TOWNSHIP OF HOPEWELL
General Capital Fund
Analysis of General Capital Cash and Investments
For the Year Ended December 31, 2011

Fund Balance		\$969,455.83
Capital Improvement Fund		0.15
Reserve for Preliminary Planning		2,000.00
Reserve for Payment of Debt		3,222,973.67
Interfund Payable:		
Due to Current Fund		254.96
Due to Other Trust Fund		3,015.70
Reserve for Encumbrances		899,500.00
Improvement Authorizations:		
Ordinance		
<u>Number</u>		
00-1143	Various Capital Improvements	26,749.84
03-1278	Acquisition of Estate of Edward Martin	55,800.00
04-1314	Various Capital Improvements	70,730.00
05-1334	Various Capital Improvements	327,840.73
06-1370	Various Capital Improvements	252,161.86
07-1393	Various Capital Improvements	1,568,929.08
08-1425	Various Capital Improvements	838,939.94
08-1432	Improvements to Roadways	6,226.33
08-1435	Acquisition of Land	104,378.83
08-1455	Purchase of Pennytown Property	468,005.58
09-1463	Various Capital Improvements	1,427,502.86
09-1477	Police Equipment	132.50
10-1492	Various Capital Improvements	2,782,955.79
10-1493	Village of Titusville Sidewalks	331,222.00
11-1510	Acquisition of Thompson Tract	31,943.65
11-1516	Various Capital Improvements	2,154,807.22
11-1522	Various Capital Improvements	1,090,000.00
11-1523	Preliminary Planning Pennytown	(11,241.76)
11-1527	Acquisition of Zaitz/Hutchenson Tracts	197,030.90
Total		\$16,821,315.66

TOWNSHIP OF HOPEWELL
General Capital Fund
Statement of Deffered Charges To Future Taxation - Funded
For the Year Ended December 31, 2011

Balance December 31, 2010		\$43,851,403.09
Decreased by:		
2011 Budget Appropriations:		
Serial Bond Payments	\$1,915,000.00	
EDA Loan Payment	28,800.00	
Green Trust Loan Payment	<u>37,282.82</u>	<u>1,981,082.82</u>
Balance December 31, 2011		<u><u>\$41,870,320.27</u></u>

TOWNSHIP OF HOPEWELL
General Capital Fund
 Schedule of Deferred Charges to Future Taxation - Unfunded
 For the Year Ended December 31, 2011

Ordinance Number	Improvement Description	Balance Dec. 31, 2010	2011 Authorizations	Transferred to Deferred Taxation Funded	Notes Paid By Budget Appropriation	Canceled	Balance Dec. 31, 2011	ANALYSIS OF BALANCE		
								Funded by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
08-1432	Improvements to Roadways	\$337,250.00				\$146,709.00	\$190,541.00	\$190,541.00		
08-1442	Acquisition of a portion of Regan Property	570,000.00				91,250.00	478,750.00	478,750.00		
08-1455	Purchase of Pennytown Property	6,650,000.00					6,650,000.00	6,650,000.00		
09-1463	Various Capital Improvements	3,653,500.33					3,653,500.33	3,653,500.33		
10-1492	Various Capital Improvements	3,145,746.00					3,145,746.00	3,145,746.00		
10-1493	Replacement of Sidewalk	331,222.00					331,222.00	331,222.00		
11-1510	Acquisition of Thompson Tract		\$475,000.00				475,000.00	250,000.00	\$218,056.35	\$6,943.65
11-1516	Various Capital Improvements		2,792,644.00				2,792,644.00	2,792,644.00		
11-1523	Preliminary Planning Pennytown		250,000.00				250,000.00		11,241.76	238,758.24
11-1527	Acquisition of Zaitz/Hutchenson Tracts		9,100,000.00				9,100,000.00			9,100,000.00
	Total	\$14,687,718.33	\$12,617,644.00	-	-	\$237,959.00	\$27,087,403.33	\$17,492,403.33	\$229,298.11	\$9,345,701.89
										\$16,786,421.67
										Less Unexpended Proceeds of Bond Anticipation Notes Issued:
										Ord. 08-1432 \$6,226.33
										Ord. 08-1455 468,005.58
										Ord. 09-1463 1,427,502.86
										Ord. 10-1492 2,782,955.79
										Ord. 10-1493 331,222.00
										Ord. 11-1510 250,000.00
										Ord. 11-1516 2,154,807.22
										7,420,719.78
										\$9,345,701.89

**Township of Hopewell
General Capital Fund
Schedule of General Serial Bonds
For the Year Ended December 31, 2011**

Purpose	Date of Issue	Original Issue	Maturity of Bonds Outstanding		Interest Rate	Balance December 31, 2010	Increased	Decreased	Balance December 31, 2011
			Date	Amount					
General Obligation Bonds of 2006	10/1/2006	\$16,506,000.00	10/01/12	\$700,000.00	4.00%	\$14,206,000.00		\$650,000.00	\$13,556,000.00
			10/01/13	700,000.00	4.00%				
			10/01/14	700,000.00	4.00%				
			10/01/15	800,000.00	4.00%				
			10/01/16	850,000.00	4.00%				
			10/01/17	850,000.00	4.00%				
			10/01/18	900,000.00	4.00%				
			10/01/19	900,000.00	4.00%				
			10/01/20	950,000.00	4.00%				
			10/01/21	1,000,000.00	4.00%				
			10/01/22	1,000,000.00	4.00%				
			10/01/23	1,000,000.00	4.25%				
			10/01/24	1,100,000.00	4.25%				
			10/01/25	1,100,000.00	4.25%				
			10/01/26	1,006,000.00	4.25%				
Refunding Bonds of 2009	10/1/2009	4,700,000.00	10/01/12	460,000.00	2.00%	4,660,000.00		415,000.00	4,245,000.00
			10/01/13	455,000.00	2.00%				
			10/01/14	445,000.00	4.00%				
			10/01/15	445,000.00	4.00%				
			10/01/16	500,000.00	3.25%				
			10/01/17	490,000.00	4.00%				
			10/01/18	485,000.00	4.00%				
			10/01/19	485,000.00	4.00%				
			10/01/20	480,000.00	3.00%				
			Balance Forward						

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**Township of Hopewell
General Capital Fund
Schedule of General Serial Bonds
For the Year Ended December 31, 2011**

Purpose	Date of Issue	Original Issue	Maturity of Bonds Outstanding		Interest Rate	Balance December 31, 2010	Increased	Decreased	Balance December 31, 2011
			Date	Amount					
Balance Brought Forward						\$18,866,000.00	-	\$1,065,000.00	\$17,801,000.00
General Obligation Bonds of 2010	2/15/2010	\$24,422,000.00	2/15/2012	\$900,000.00	3.000%	24,422,000.00		850,000.00	23,572,000.00
			2/15/2013	1,050,000.00	3.000%				
			2/15/2014	1,125,000.00	3.000%				
			2/15/2015	1,225,000.00	3.000%				
			2/15/2016	1,225,000.00	3.000%				
			2/15/2017	1,225,000.00	3.000%				
			2/15/2018	1,350,000.00	4.000%				
			2/15/2019	1,350,000.00	4.000%				
			2/15/2020	1,400,000.00	3.000%				
			2/15/2021	1,400,000.00	3.000%				
			2/15/2022	1,400,000.00	3.250%				
			2/15/2023	1,500,000.00	3.250%				
			2/15/2024	1,525,000.00	3.500%				
			2/15/2025	1,575,000.00	3.500%				
			2/15/2026	1,575,000.00	3.500%				
			2/15/2027	1,667,000.00	3.500%				
			2/15/2028	700,000.00	3.625%				
			2/15/2029	700,000.00	3.750%				
			2/15/2030	680,000.00	3.750%				
Total						<u>\$43,288,000.00</u>	<u>-</u>	<u>\$1,915,000.00</u>	<u>\$41,373,000.00</u>

TOWNSHIP OF HOPEWELL
General Capital Fund
Schedule of Bond Anticipation Notes
For the Year Ended December 31, 2011

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Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2010	Increased	Decreased	Balance Dec. 31, 2011
08-1455	Acquisition of Pennytown Property	6/10/2009	6/9/2010	6/9/2011	2.00%	\$6,650,000.00		\$6,650,000.00	
08-1455	Acquisition of Pennytown Property	6/10/2009	6/8/2011	6/8/2012	1.00%		\$6,650,000.00		\$6,650,000.00
08-1432	Improvements to Various Private Roadways	4/16/2009	4/15/2010	4/15/2011	1.50%	337,250.00		337,250.00	
08-1432	Improvements to Various Private Roadways	4/16/2009	4/14/2011	4/12/2012	1.50%		190,541.00		190,541.00
08-1442	Acquisition of Regan Property	4/16/2009	4/15/2010	4/15/2011	1.50%	570,000.00		570,000.00	
08-1442	Acquisition of Regan Property	4/16/2009	4/14/2011	4/12/2012	1.50%		478,750.00		478,750.00
09-1463	Various Capital Improvements	4/16/2009	4/15/2010	4/15/2011	1.50%	3,653,500.33		3,653,500.33	
09-1463	Various Capital Improvements	4/16/2009	4/14/2011	4/12/2012	1.50%		3,653,500.33		3,653,500.33
10-1492	Various Capital Improvements	10/25/2010	10/25/2010	6/9/2011	0.35%	3,145,746.00		3,145,746.00	
10-1492	Various Capital Improvements	10/25/2010	6/8/2011	6/8/2012	1.00%		3,145,746.00		3,145,746.00
10-1493	Replacement of Titusville Sidewalk	6/8/2011	6/8/2011	6/8/2012	1.00%		331,222.00		331,222.00
11-1510	Acquisition of Thompson Tract	6/8/2011	6/8/2011	6/8/2012	1.00%		250,000.00		250,000.00
11-1516	Various Capital Improvements	6/8/2011	6/8/2011	6/8/2012	1.00%		2,792,644.00		2,792,644.00
						<u>\$14,356,496.33</u>	<u>\$17,492,403.33</u>	<u>\$14,356,496.33</u>	<u>\$17,492,403.33</u>
							\$3,373,866.00		
								\$237,959.00	
							<u>14,118,537.33</u>	<u>14,118,537.33</u>	
						Total	<u>\$17,492,403.33</u>	<u>\$14,356,496.33</u>	

TOWNSHIP OF HOPEWELL
General Capital Fund
 Schedule of NJ Economic Development Authority Loan Payable
 For the Year Ended December 31, 2011

Balance December 31, 2010	\$86,400.00
Decreased by:	
Payment of Principal	28,800.00
Balance December 31, 2011	\$57,600.00

Schedule of Green Trust Loan Payable
 For the Year Ended December 31, 2011

Balance December 31, 2010	\$477,003.09
Decreased by:	
Payment of Principal	37,282.82
Balance December 31, 2011	\$439,720.27

TOWNSHIP OF HOPEWELL
General Capital Fund
Schedule of Improvement Authorizations
For the Year Ended December 31, 2011

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance		Down Payment	2011 Authorizations		Fund Balance	Prior Year Encumbrances Canceled	Paid or Charged	Canceled	Balance	
				December 31, 2010			Deferred Charges To Future Taxation - Unfunded	Fund Balance					December 31, 2011	
				Funded	Unfunded								Funded	Unfunded
99-1119	Various Capital Improvements	5/06/99	\$2,309,000.00	\$3,003.10								\$3,003.10		
00-1143	Various Capital Improvements	3/16/02	7,000,000.00	26,749.84										\$26,749.84
00-1149	Various Capital Improvements	4/06/00	5,007,785.00	151,632.83								151,632.83		
03-1278	Acquisition of Edward Martin Estate	6/05/03	5,500,000.00	55,800.00										55,800.00
03-1305	Storm Water Drainage	12/18/03	400,000.00	31,996.68								31,996.68		
04-1314	Various Capital Improvements	04/26/04	2,825,260.00	94,321.33					\$59,404.15			83,595.48		70,730.00
05-1334	Various Capital Improvements	5/23/05	2,637,201.00	396,987.20					300,929.85			370,076.32		327,840.73
05-1355	Various Capital Improvements	10/11/05	275,880.00	24,249.54								24,249.54		
06-1370	Various Capital Improvements	3/27/06	2,843,502.00	273,039.79					11,736.87	\$7,497.96		25,116.84		252,161.86
07-1393	Various Capital Improvements	05/14/07	4,614,464.00	1,584,609.56					11,520.38	7,150.86		20,050.00		1,568,929.08
07-1419	Soft Costs of ADA Ramps	12/10/07	137,630.00	135,196.50								135,196.50		
08-1425/1431	Various Capital Improvements	4/14/08	5,359,172.66	1,567,047.68					95,161.68	613,076.24		210,193.16		838,939.94
08-1432	Improvements to Roadways	06/23/08	355,000.00		\$196,708.59							43,773.67		146,708.59
08-1435	Acquisition of Land	08/11/08	3,900,000.00	104,378.83										104,378.83
08-1442	Acquisition of Regan Property	10/27/08	600,000.00		91,250.00							91,250.00		
08-1455	Purchase of Pennytown Property	11/24/08	7,000,000.00		1,371,243.90				21,161.68	924,400.00				468,005.58
09-1463	Various Capital Improvements	03/09/09	4,215,713.00		1,112,197.47				361,606.03	46,300.64				1,427,502.86
09-1477	Police Equipment	08/10/09	27,500.00	132.50										132.50
10-1492	Various Capital Improvements	08/23/10	3,311,312.00	95,308.18	3,145,746.00				16,956.94	475,055.33				2,782,955.79
10-1493	Village of Titusville Sidewalks	08/23/10	331,222.00		331,222.00									331,222.00
11-1510	Acquisition of Thompson Tract	04/11/11	500,000.00			\$25,000.00	\$475,000.00					243,056.35		256,943.65
11-1516	Various Capital Improvements	05/09/11	2,939,625.00			146,981.00	2,792,644.00					784,817.78		2,154,807.22
11-1522	Various Improvements	07/05/11	1,090,000.00					\$1,090,000.00						1,090,000.00
11-1523	Preliminary Planning Pennytown	07/25/11	250,000.00				250,000.00					11,241.76		238,758.24
11-1527	Acquisition of Zaltz/Hutchenson Tract	10/12/11	9,300,000.00			200,000.00	9,100,000.00					2,969.10		9,100,000.00
Total				\$4,545,053.56	\$6,246,367.96	\$371,981.00	\$12,617,644.00	\$1,090,000.00	\$878,477.58	\$3,159,339.69	\$1,293,069.06	\$4,532,693.68	\$16,766,421.67	
Paid or Charged:														
Cash Disbursed											\$2,259,839.69			
Reserve for Encumbrances											899,500.00			
Total											\$3,159,339.69			

TOWNSHIP OF HOPEWELL
General Capital Fund
Schedule of Capital Improvement Fund
For the Year Ended December 31, 2011

Balance December 31, 2010	\$0.15
Increased by:	
2011 Current Budget Appropriation	<u>146,981.00</u>
Subtotal	146,981.15
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>146,981.00</u>
Balance December 31, 2011	<u><u>\$0.15</u></u>

TOWNSHIP OF HOPEWELL
General Capital Fund
Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2010</u>	<u>2011 Authorizations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Serial Bonds Issued</u>	<u>Balance Dec. 31, 2011</u>
10-1463	Various Capital Improvements	\$331,222.00		\$331,222.00		
11-1510	Acquisition of Thompson Tract		\$475,000.00	250,000.00		\$225,000.00
11-1516	Various Capital Improvements		2,792,644.00	2,792,644.00		
11-1523	Pennytown/Kooltronics Redevelopment		250,000.00			250,000.00
11-1527	Zaitz/Hutchenson Tracts		9,100,000.00			9,100,000.00
	Total	<u>\$331,222.00</u>	<u>\$12,617,644.00</u>	<u>\$3,373,866.00</u>	<u>-</u>	<u>\$9,575,000.00</u>

WATER UTILITY FUND

TOWNSHIP OF HOPEWELL
Water Utility Operating Fund
 Schedule of Cash - Treasurer
 For the Year Ended December 31, 2011

	<u>OPERATING</u>	<u>CAPITAL</u>
Balance December 31, 2010	\$40,519.82	\$22,055.51
Receipts:		
Consumer Accounts Receivable	\$61,110.71	
Water Rent Overpayments	5.64	
Miscellaneous Revenue	1,209.38	
Due from Water Capital Fund	21.91	
Budget Appropriation		\$9,245.00
Bond Anticipation Notes		
Due to Water Operating Fund		18.52
Contribution from Current Fund	<u>18,025.00</u>	
Total Receipts	<u>80,372.64</u>	<u>9,263.52</u>
Subtotal	120,892.46	31,319.03
Disbursements:		
2011 Appropriations	71,404.18	
Reserve for Encumbrances	1,025.23	
Interest on Bonds and Notes	3,289.98	
Due to Water Operating Fund		21.91
Improvement Authorizations		<u>9,620.00</u>
Total Disbursements	<u>75,719.39</u>	<u>9,641.91</u>
Balance December 31, 2011	<u><u>\$45,173.07</u></u>	<u><u>\$21,677.12</u></u>

TOWNSHIP OF HOPEWELL
Water Utility Capital Fund
Analysis of Cash - Capital Fund
At December 31, 2011

Fund Balance	\$13,433.60
Capital Improvement Fund	8,225.00
Due to Water Utility Fund	18.52

Improvement Authorizations:

Ordinance
Number

Total

\$21,677.12

TOWNSHIP OF HOPEWELL
Water Utility Operating Fund
Statement of Consumer Accounts Receivable
For the Year Ended December 31, 2011

Balance December 31, 2010		\$1,757.53
Increased by:		
2011 Billing		<u>70,128.10</u>
Total		71,885.63
Decreased by:		
Collections	\$61,110.71	
Prepayments Applied	<u>79.13</u>	<u>61,189.84</u>
Balance December 31, 2011		<u><u>\$10,695.79</u></u>

TOWNSHIP OF HOPEWELL
Water Utility Capital Fund
 Schedule of Fixed Capital
 At December 31, 2011

Ordinance Number	Improvement Description	Balance Dec. 31, 2010	Additions Ordinance	Balance Dec. 31, 2011
93-950	Construction of Pumping Station McConkey Way	\$157,650.00		\$157,650.00
97-1065	Various Capital Improvements	15,137.00		15,137.00
01-1253	Various Capital Improvements	11,400.00		11,400.00
02-1253	Various Capital Improvements	27,263.04		27,263.04
03-1281	Various Capital Improvements	3,251.33		3,251.33
04-1322	Various Capital Improvements	49,805.26		49,805.26
05-1336	Various Capital Improvements	7,859.40		7,859.40
07-1396	Improvements to Water Utility	10,500.00		10,500.00
11-1532	Repairs to Washington Crossing Estates Water Utility		<u>\$9,620.00</u>	<u>9,620.00</u>
	Total	<u>\$282,866.03</u>	<u>\$9,620.00</u>	<u>\$292,486.03</u>

TOWNSHIP OF HOPEWELL
Water Utility Capital Fund
 Schedule of Fixed Capital Authorized and Uncompleted
 For the Year Ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Amount</u>	<u>Balance Dec. 31, 2010</u>	<u>2011 Authorizations</u>		<u>Costs to Fixed Capital</u>	<u>Authorizations Canceled</u>	<u>Balance Dec. 31, 2011</u>
					<u>Deferred Reserve for Amortization</u>	<u>Deferred Charges To Future Revenue</u>			
11-1532	Repairs to Washington Crossing Estates Water Utility				\$15,000.00		\$9,620.00	\$5,380.00	
	Total			-	\$15,000.00	-	\$9,620.00	\$5,380.00	-

TOWNSHIP OF HOPEWELL
Water Utility Operating Fund
Statement of 2010 Appropriation Reserves
For the Year Ended December 31, 2011

	<u>Balance Dec. 31, 2010</u>	<u>Balance After Transfers</u>	<u>Reserve for Encumbrances</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Operating:					
Salaries and Wages	\$1,371.52	\$1,371.52			\$1,371.52
Other Expenses	212.60	212.60	\$4,038.02	\$1,025.23	3,225.39
Deferred Charges & Statutory Expenditures					
Statutory Expenditures					
Social Security	<u>319.13</u>	<u>319.13</u>			<u>319.13</u>
Total	<u>\$1,903.25</u>	<u>\$1,903.25</u>	<u>\$4,038.02</u>	<u>\$1,025.23</u>	<u>\$4,916.04</u>
Paid or Charged:					
Cash Disbursed				<u>\$1,025.23</u>	

TOWNSHIP OF HOPEWELL
Water Utility Operating Fund
 Schedule of Accrued Interest on Bonds and Notes
 and Analysis of Balance
 For the Year Ended December 31, 2011

Balance December 31, 2010		\$887.37
Increased By:		
Budget Appropriation for:		
Interest on Bonds	\$3,070.50	
Interest on Notes	92.63	3,163.13
Subtotal		4,050.50
Decreased By:		
Interest Paid on Bonds	3,054.98	
Interest Paid on Notes	235.00	3,289.98
Balance December 31, 2011		\$760.52

Analysis of Accrued Interest, December 31, 2011

	<u>Principal Outstanding</u> <u>December 31, 2011</u>	<u>Interest</u> <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Amount</u>
<u>Serial Bonds:</u>					
	\$69,250.00	4.00% - 4.25%	10/1/2011	12/31/2011	\$760.52
Total					\$760.52

TOWNSHIP OF HOPEWELL
Water Utility Capital Fund
Schedule of Serial Bonds
For the Year Ended December 31, 2011

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2010</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2011</u>
Water Utility Bonds of 2006	10/1/06	\$85,000.00	10/01/12	\$3,150.00	\$72,400.00		\$3,150.00	\$69,250.00
			10/01/13	3,600.00				
			10/01/14	3,600.00				
			10/01/15	3,600.00				
			10/01/16	4,500.00				
			10/01/17	4,500.00				
			10/01/18	4,500.00				
			10/01/19	4,500.00				
			10/01/20	5,400.00				
			10/01/21	5,400.00				
			10/01/22	5,400.00				
			10/01/23	5,400.00				
			10/01/24	6,300.00				
			10/01/25	6,300.00				
			10/01/26	3,100.00				
Total					<u>\$72,400.00</u>	<u>---</u>	<u>\$3,150.00</u>	<u>\$69,250.00</u>

TOWNSHIP OF HOPEWELL
Water Utility Capital Fund
 Schedule of Bond Anticipation Notes
 For the Year Ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2010</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2011</u>
07-1396	Acquisition of Equipment	11/17/2007	06/09/10	06/09/11	2.00%	\$10,500.00		\$10,500.00	
07-1396	Acquisition of Equipment								
	Total					<u>\$10,500.00</u>	<u>-</u>	<u>\$10,500.00</u>	<u>-</u>
					Cancelled Renewals			\$10,500.00	
					Total		<u>-</u>	<u>\$10,500.00</u>	

TOWNSHIP OF HOPEWELL
Water Utility Capital Fund
 Schedule of Improvement Authorizations
 For the Year Ended December 31, 2011

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance December 31, 2010		2011 Authorizations		Paid or Charged	Cancelled	Balance December 31, 2011	
				Funded	Unfunded	Capital Fund Balance	Deferred Charges to Future Taxation Unfunded			Funded	Unfunded
11-1532	Repairs to Washington Crossing Estates Water Utility	10/24/11	\$15,000.00			\$15,000.00		\$9,620.00	\$5,380.00		
	Total			---	---	\$15,000.00	---	\$9,620.00	\$5,380.00	---	---

TOWNSHIP OF HOPEWELL
Water Utility Capital Fund
Schedule of Capital Improvement Fund
For the Year Ended December 31, 2011

Balance December 31, 2010		\$8,600.00
Increased by:		
Budget Appropriation	\$9,245.00	
Cancelled Improvement Authorization	<u>5,380.00</u>	
		<u>14,625.00</u>
Subtotal		23,225.00
Decreased by		
Improvement Authorizations		<u>15,000.00</u>
Balance December 31, 2011		<u><u>\$8,225.00</u></u>

TOWNSHIP OF HOPEWELL
Water Utility Capital Fund
Schedule of Reserve for Amortization
For the Year Ended December 31, 2011

Balance December 31, 2010		\$199,966.03
Increased by:		
Payment of Serial Bonds	\$3,150.00	
Transfer from Deferred Reserve for Amortization	<u>20,120.00</u>	
		<u>23,270.00</u>
Balance December 31, 2011		<u><u>\$223,236.03</u></u>

TOWNSHIP OF HOPEWELL
Water Utility Capital Fund
 Schedule of Deferred Reserve for Amortization
 For the Year Ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2010</u>	<u>Fixed Capital Authorized</u>	<u>Paid From</u>		<u>Transfer to Reserve for Amortization</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2011</u>
					<u>Notes</u>	<u>Bonds</u>			
07-1396	Improvements to Water Utility	11/17/07			\$10,500.00		\$10,500.00		
11-1532	Repairs to Washington Crossing Estates Water Utility	10/24/11		\$15,000.00			9,620.00	\$5,380.00	
	Total		<u>-</u>	<u>\$15,000.00</u>	<u>\$10,500.00</u>	<u>-</u>	<u>\$20,120.00</u>	<u>\$5,380.00</u>	<u>-</u>

SEWER UTILITY FUND

TOWNSHIP OF HOPEWELL
Sewer Utility Funds
Schedule of Cash - Treasurer
For the Year Ended December 31, 2011

	<u>OPERATING</u>	<u>CAPITAL</u>
Balance December 31, 2010	\$1,030,525.95	\$272,689.28
Receipts:		
Consumer Accounts Receivable	\$1,040,494.26	
Sewer Rent Overpayments	1,163.41	
Miscellaneous Revenue	4,025.36	
Interest on Investments	16,790.14	
Due from Sewer Utility Capital Fund	106.44	\$3.09
Bond Anticipation Note		
Premium on Sale of Notes	<u> </u>	<u>2,050.75</u>
Total Receipts	<u>1,062,579.61</u>	<u>2,053.84</u>
Subtotal	2,093,105.56	274,743.12
Disbursements:		
2011 Appropriations	1,135,045.47	
Reserve for Encumbrances	4,638.64	
Interest on Bonds and Notes	37,992.77	
Improvement Authorizations		54,065.95
Bond Anticipation Note		
Due to Sewer Operating Fund	<u> </u>	<u>106.44</u>
Total Disbursements	<u>1,177,676.88</u>	<u>54,172.39</u>
Balance December 31, 2011	<u><u>\$915,428.68</u></u>	<u><u>\$220,570.73</u></u>

TOWNSHIP OF HOPEWELL
Sewer Utility Capital Fund
Analysis of Cash - Capital Fund
At December 31, 2011

Fund Balance	\$91,708.44
Capital Improvement Fund	400.00
Due to Sewer Utility Fund	3.09
Improvement Authorizations:	
Ordinance	
<u>Number</u>	
03-1280	Various Capital Improvements
07-1394	Various Capital Improvements
	3,000.00
	125,459.20
Total	\$220,570.73

TOWNSHIP OF HOPEWELL
Sewer Utility Operating Fund
Statement of Consumer Accounts Receivable
For the Year Ended December 31, 2011

Balance December 31, 2010		\$51,843.03
Increased by:		
2011 Billing		<u>1,046,362.02</u>
Total		1,098,205.05
Decreased by:		
Collections	\$1,040,494.26	
Overpayments Applied	<u>1,783.14</u>	<u>1,042,277.40</u>
Balance December 31, 2011		<u><u>\$55,927.65</u></u>

TOWNSHIP OF HOPEWELL
Sewer Utility Capital Fund
 Schedule of Fixed Capital
 For the Year Ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2010</u>	<u>Additions by Ordinance</u>	<u>Balance Dec. 31, 2011</u>
90-873	Princeton Farms Sewer Lines	\$403,320.00		\$403,320.00
02-1240	Various Capital Improvements	148,161.09		148,161.09
02-1247	Various Capital Improvements	83,221.00		83,221.00
02-1252	Various Capital Improvements	81,500.00		81,500.00
04-1315	Various Capital Improvements	126,884.47		126,884.47
	Total	<u>\$843,086.56</u>	<u>—</u>	<u>\$843,086.56</u>

TOWNSHIP OF HOPEWELL
Sewer Utility Capital Fund
 Schedule of Fixed Capital Authorized and Uncompleted
 For the Year Ended December 31, 2011

Ordinance Number	Improvement Description	Date of Ordinance	Amount	Balance Dec. 31, 2010	2011 Authorizations		Costs To Fixed Capital	Raised in 2011 Budget	Authorizations Canceled	Balance Dec. 31, 2011
					Deferred Reserve for Amortization	Deferred Charges To Future Revenue				
88-774	Construction of Pumping Station at McConkey Way	10/17/88	\$1,614,000.00							
90-860		08/20/90	50,000.00							
		12/07/92	45,410.33	\$1,708,910.33						\$1,708,910.33
97-1064	Various Capital Improvements	04/07/97	93,166.00	92,830.00						92,830.00
99-1120	Capital Equipment	05/06/99	14,000.00	13,800.00						13,800.00
01-1189	Various Capital Equipment	04/19/01	192,000.00	191,800.00						191,800.00
03-1280	Various Capital Improvements	06/05/03	191,000.00	169,999.97						169,999.97
05-1335	Acquisition of Various Equipment	05/23/05	295,000.00	295,000.00						295,000.00
07-1394	Acquisition of Various Equipment	05/14/07	334,703.00	334,703.00						334,703.00
	Total			\$2,807,043.30	---	---	---	---	---	\$2,807,043.30

TOWNSHIP OF HOPEWELL
Sewer Utility Operating Fund
Statement of 2010 Appropriation Reserves
For the Year Ended December 31, 2011

	<u>Balance Dec. 31, 2010</u>	<u>Balance After Transfers</u>	<u>Reserve for Encumbrances</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Operating:					
Salaries and Wages	\$8,403.60	\$8,403.60			\$8,403.60
Other Expenses	84,167.22	84,167.22	\$8,968.32	\$4,638.64	88,496.90
Statutory Expenditures:					
Social Security System	<u>777.35</u>	<u>777.35</u>			<u>777.35</u>
Total	<u>\$93,348.17</u>	<u>\$93,348.17</u>	<u>\$8,968.32</u>	<u>\$4,638.64</u>	<u>\$97,677.85</u>
Paid or Charged:					
Cash Disbursed				<u>\$4,638.64</u>	

TOWNSHIP OF HOPEWELL
Sewer Utility Operating Fund
Schedule of Accrued Interest on Bonds and Notes
and Analysis of Balance
For the Year Ended December 31, 2011

Balance December 31, 2010		\$11,534.95
Increased By:		
Budget Appropriation for:		
Interest on Bonds	\$31,048.77	
Interest on Notes	4,761.31	35,810.08
Subtotal		47,345.03
Decreased By:		
Interest Paid on Bonds	31,397.77	
Interest Paid on Notes	6,595.00	37,992.77
Balance December 31, 2011		\$9,352.26

Analysis of Accrued Interest, December 31, 2011

	<u>Principal Outstanding</u> <u>December 31, 2011</u>	<u>Interest</u> <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Amount</u>
<u>Serial Bonds:</u>					
	\$734,750.00	4.00% - 4.25%	10/1/2011	12/31/2011	7,500.50
<u>Bond Anticipation Note:</u>					
	\$329,703.00	1.00%	6/10/2011	12/31/2011	1,851.76
Total					\$9,352.26

TOWNSHIP OF HOPEWELL
Sewer Utility Capital Fund
 Schedule of Serial Bonds
 For the Year Ended December 31, 2011

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2010</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2011</u>
Sewer Utility Bonds of 2006	10/1/06	\$894,000.00	10/1/12	\$31,850.00	\$766,600.00			\$734,750.00
			10/1/13	36,400.00				
			10/1/14	36,400.00				
			10/1/15	36,400.00				
			10/1/16	45,500.00				
			10/1/17	45,500.00				
			10/1/18	45,500.00				
			10/1/19	45,500.00				
			10/1/20	54,600.00				
			10/1/21	54,600.00				
			10/1/22	54,600.00				
			10/1/23	54,600.00				
			10/1/24	63,700.00				
			10/1/25	63,700.00				
			10/1/26	65,900.00				
Total					<u>\$766,600.00</u>	<u>---</u>	<u>\$31,850.00</u>	<u>\$734,750.00</u>

TOWNSHIP OF HOPEWELL
Sewer Utility Capital Fund
 Schedule of Bond Anticipation Notes
 For the Year Ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2010</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2011</u>
07-1394	Various Capital Improvements	8/16/2007	6/9/2010	6/9/2011	2.00%	\$329,703.00		\$329,703.00	
07-1394	Various Capital Improvements	8/16/2007	6/8/2011	6/8/2012	1.00%		\$329,703.00		\$329,703.00
	Total					<u>\$329,703.00</u>	<u>\$329,703.00</u>	<u>\$329,703.00</u>	<u>\$329,703.00</u>
					Paid by Budget Appropriation				
					Renewals		<u>\$329,703.00</u>	<u>\$329,703.00</u>	
					Total		<u>\$329,703.00</u>	<u>\$329,703.00</u>	

TOWNSHIP OF HOPEWELL
Sewer Utility Capital Fund
 Schedule of Improvement Authorizations
 For the Year Ended December 31, 2011

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance December 31, 2010		2011 Authorizations		Encumbrances Canceled	Paid or Charged	Balance December 31, 2011	
				Funded	Unfunded	Down Payment of Capital Improvement Fund	Deferred Charges to Future Taxation Unfunded			Funded	Unfunded
03-1280	Various Capital Improvements	06/05/03	\$191,000.00	\$3,000.00						\$3,000.00	
07-1394	Various Capital Improvements	5/14/2007	334,703.00		\$117,762.15			\$1,649.05			\$119,411.20
Total				\$3,000.00	\$117,762.15	---	---	\$1,649.05	---	\$3,000.00	\$119,411.20

TOWNSHIP OF HOPEWELL
Sewer Utility Capital Fund
Schedule of Capital Improvement Fund
For the Year Ended December 31, 2011

Balance December 31, 2010 and 2011

\$400.00

TOWNSHIP OF HOPEWELL
Sewer Utility Capital Fund
 Schedule of Reserve for Amortization
 For the Year Ended December 31, 2011

Balance December 31, 2010	\$2,548,826.86
Increased by:	
Serial Bond Payment	<u>31,850.00</u>
Balance December 31, 2011	<u><u>\$2,580,676.86</u></u>

Schedule of Reserve for Deferred Amortization
 For the Year Ended December 31, 2011

Balance December 31, 2010 and 2011	<u><u>\$5,000.00</u></u>
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PUBLIC ASSISTANCE FUND

TOWNSHIP OF HOPEWELL
Public Assistance Fund
 Schedule of Cash - Treasurer
 For the Year Ended December 31, 2011

	<u>PATF I</u>	<u>PATF II</u>	<u>Fund Total</u>
Balance December 31, 2010	\$7,310.56	\$1,503.71	\$8,814.27
Increased by:			
Interest Earned	<u>136.67</u>	<u> </u>	<u>136.67</u>
Balance December 31, 2011	<u><u>\$7,447.23</u></u>	<u><u>\$1,503.71</u></u>	<u><u>\$8,950.94</u></u>

TOWNSHIP OF HOPEWELL
Public Assistance Fund
Schedule of Public Assistance Cash and Reconciliation
For the Year Ended December 31, 2011

Balance December 31, 2010	\$8,814.27
Increased by:	
Interest Earned	136.67
Balance December 31, 2011	\$8,950.94

Reconciliation December 31, 2011

Balance on deposit per statement of:	
Wachovia	
Checking Account	\$8,950.94
	\$8,950.94
Balance December 31, 2011	\$8,950.94

TOWNSHIP OF HOPEWELL

PART III

Statistical Section

For the Year Ended December 31, 2011

Table 1

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

<u>Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Health and Welfare</u>	<u>Unclassified</u>	<u>Deferred Charges and Statutory Expenditures</u>	<u>State and Federal Grants</u>	<u>Capital Improvements</u>	<u>Debt Service</u>	<u>Reserve for Uncollected Taxes</u>	<u>Total</u>
2011	\$5,723,493	\$3,859,063	\$1,980,958	\$347,046	\$808,600	\$1,708,323	\$1,596,003	\$146,981	\$3,214,042	\$1,332,808	20,717,317
2010	5,675,722	3,943,482	2,072,090	353,556	810,704	1,464,487	1,474,555	98,246	3,105,605	1,314,554	20,313,001
2009	5,793,044	4,041,226	1,961,511	403,697	758,000	1,532,429	900,890	210,786	3,127,518	1,845,194	20,574,295
2008	5,836,293	3,844,521	1,845,684	394,289	693,000	1,478,585	1,405,538	351,124	2,740,540	1,840,742	20,430,316
2007	6,331,287	3,575,974	1,792,347	386,836	615,000	1,095,401	1,343,734	230,723	2,845,068	1,762,102	19,978,472
2006	5,984,880	3,538,246	1,617,151	299,717	561,000	744,325	765,956	468,675	2,605,536	1,791,155	18,376,641
2005	5,475,325	3,382,192	1,583,608	287,026	494,600	862,572	464,597	194,999	2,337,798	1,620,518	16,703,235
2004	5,549,175	3,330,967	1,439,542	325,059	319,168	821,719	242,071	106,000	2,422,431	1,484,061	16,040,193
2003	5,644,557	2,600,148	1,481,038	276,866	264,750	730,823	993,696	100,000	2,398,705	1,337,169	15,827,752
2002	5,286,591	2,618,036	1,470,623	258,150	268,000	439,233	438,438	307,000	2,029,791	1,139,974	14,255,836

Table 2a

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

Year	Operating	Debt Service	Capital	Deferred Charges and Statutory Expenditures	Total
2011	\$58,350	\$16,813	\$9,245	\$1,250	\$85,658
2010	64,450	6,708		1,400	72,558
2009	64,685	6,743		1,365	72,793
2008	56,500	7,155		1,250	64,905
2007	45,716	38,977		1,711	86,404
2006	57,400	29,956		1,250	88,606
2005	58,400	31,449		2,344	92,193
2004	65,450	30,167		1,250	96,867
2003	47,670	30,426		1,815	79,911
2002	35,374	17,238	46,427	1,050	100,089

Table 2b

Sewer Utility Operating Fund Expenditures By Function
Last Ten Years
Unaudited

Year	Operating	Debt Service	Capital	Deferred Charges and Statutory Expenditures	Total
2011	\$1,126,058	\$67,660		\$2,000	\$1,195,718
2010	1,028,200	74,795		2,200	1,105,195
2009	1,024,770	72,360		2,146	1,099,276
2008	961,046	106,643		2,000	1,069,689
2007	912,896	157,926		20,267	1,091,089
2006	871,130	132,655		1,620	1,005,405
2005	838,825	107,425	\$39,947	7,352	993,549
2004	855,750	96,867	10,500	116,500	1,079,617
2003	868,163	89,975	10,000	3,936	972,074
2002	752,905	46,026	10,000	2,200	811,131

Table 3

Township of Hopewell
Current Revenues By Source
Last Ten Years
Unaudited

Year	Taxes (1)	Delinquent Taxes	Fees, Permits, Interest, Fines and Licenses	State Aid	State and Federal Grants	Surplus Anticipated	Non Budget Revenues and Other Items	Total
2011	\$14,243,183	\$2,842,913	\$1,464,391	\$1,634,157	\$1,584,302	\$1,415,811	\$2,161,718	\$25,346,475
2010	12,148,087	947,618	1,236,956	1,650,454	1,463,166	1,415,811	2,023,841	20,885,933
2009	12,911,754	1,119,889	1,206,664	2,141,115	888,231	1,415,811	1,792,682	21,476,146
2008	13,635,481	1,236,638	1,396,503	2,232,370	1,394,815	1,415,811	851,332	22,162,950
2007	12,277,352	1,385,837	1,957,039	2,407,776	1,329,919	1,802,471	685,846	21,846,240
2006	11,750,560	891,055	1,802,697	2,363,945	752,249	1,889,195	684,857	20,134,558
2005	11,362,173	758,009	1,230,627	2,417,886	451,385	1,859,195	974,458	19,053,733
2004	9,672,938	875,352	1,079,508	2,278,538	214,371	2,524,720	690,417	17,335,844
2003	8,333,359	765,353	1,205,520	2,250,642	980,628	3,234,324	536,592	17,306,418
2002	7,992,357	825,969	1,136,230	2,214,060	334,695	3,383,132	819,477	16,705,920

135

(1) Excludes taxes allocated to county and school.

Table 4

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

Year	Net Assessed Valuation Taxable	Estimated Full Cash Valuation	Percentage of Net Assessed Value to Estimated Full Cash Valuation
2011	\$4,183,452,489	\$4,073,248,162	102.71%
2010	4,341,859,988	4,159,076,020	104.39%
2009	4,489,000,000	4,322,023,148	103.86%
2008	4,550,576,567	4,379,444,863	103.91%
2007	4,558,163,334	4,200,442,082	108.52%
2006	(1) 4,593,604,034	4,089,970,287	112.31%
2005	2,369,199,280	3,523,360,891	67.24%
2004	2,315,218,983	3,261,974,202	70.98%
2003	2,251,214,397	3,045,648,942	73.92%
2002	2,126,614,562	2,415,021,616	88.06%

(1) Revaluation.

Table 5

Township of Hopewell
Schedule of Ten Largest Taxpayers
Unaudited

<u>Taxpayer</u>	<u>Assessed Valuation 2011</u>	<u>As a Percent of Total Net Assessed Valuation Taxable</u>
1. Merrill Lynch	\$347,300,600	8.30%
2. Bristol Myers Squibb	233,669,600	5.59%
3. Janssen Pharmaceutica	91,230,200	2.18%
4. Hopewell TC Assoc.& Inv	27,646,100	0.66%
5. Trap Rock Industries	22,092,800	0.53%
6. Carter Road LLC	18,294,900	0.44%
7. Transco Gas Pipeline	13,862,100	0.33%
8. Montpen SC LLC	13,036,500	0.31%
9. Private Individual	10,806,100	0.26%
10. Pennwell Holding LLC	10,123,400	0.24%
Total	<u><u>\$788,062,300</u></u>	<u><u>18.15%</u></u>

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

Year	Population (1)	Average Equalized Valuation	Gross Debt	Gross Debt Per Capita	Ratio of Gross Debt To Equalized Valuation	Net Bonded Debt	Ratio of Net Bonded Debt To Equalized Valuation	Net Bonded Debt Per Capita
2011	17,776	\$4,197,259,448	\$102,789,132	\$5,782	2.45%	\$54,268,763	1.29%	\$3,053
2010	17,776	4,281,662,204	94,976,878	5,343	2.22%	50,125,259	1.17%	2,820
2009	17,776	4,335,837,661	96,871,291	5,450	2.23%	48,383,545	1.12%	2,722
2008	17,733	4,314,539,339	97,732,936	5,511	2.27%	46,596,217	1.08%	2,628
2007	17,717	4,197,634,640	82,908,060	4,680	1.98%	24,708,000	0.59%	1,395
2006	17,729	3,884,236,125	83,540,069	4,712	2.15%	26,609,000	0.69%	1,501
2005	17,529	3,531,025,456	81,586,498	4,654	2.31%	24,907,801	0.71%	1,421
2004	17,379	3,147,913,331	76,837,923	4,421	2.44%	25,395,998	0.81%	1,461
2003	16,622	2,720,315,796	85,372,315	5,136	3.14%	25,280,155	0.93%	1,521
2002	16,438	2,281,413,409	81,769,702	4,974	3.58%	25,779,014	1.13%	1,568

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

Table 7

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

Year	Principal	Interest	Total Debt Service	Total Current Fund Governmental Expenditures	Ratio of Debt Service to Current Fund Expenditures
2011	\$1,615,230	\$1,598,812	\$3,214,042	\$20,717,317	15.51%
2010	2,034,547	1,071,058	3,105,605	20,313,001	15.29%
2009	1,880,372	1,247,146	3,127,518	20,574,295	15.20%
2008	1,449,010	1,291,530	2,740,540	20,430,316	13.41%
2007	1,608,010	1,234,358	2,845,068	19,978,472	14.24%
2006	1,555,800	1,049,736	2,605,536	17,870,566	14.58%
2005	1,551,800	785,998	2,337,798	16,703,235	14.00%
2004	1,627,917	794,514	2,422,431	16,040,193	15.10%
2003	1,481,800	916,905	2,398,705	15,827,752	15.16%
2002	1,269,602	760,189	2,029,791	14,255,836	14.71%

Table 8a

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

Year	Fees, Rents and Other Charges	Operating and Maintenance	Debt Service	Liquidating (Nonliquidating)
2011	\$86,375	\$59,600	\$16,813	\$9,962
2010	82,575	66,850	6,508	9,217
2009	73,290	66,050	6,743	497
2008	67,197	57,750	7,155	2,292
2007	101,799	46,748	38,977	16,074
2006	91,334	58,650	29,955	2,729
2005	102,131	60,744	31,449	9,938
2004	99,070	66,700	30,166	2,204
2003	82,655	48,920	30,426	3,309
2002	64,496	36,424	17,238	10,834

Table 8b

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

Year	Fees, Rents and Other Charges	Operating and Maintenance	Debt Service	Liquidating (Nonliquidating)
2011	\$1,103,897	\$1,128,058	\$67,660	(\$91,821)
2010	1,246,384	1,030,400	74,795	141,189
2009	1,313,042	1,026,916	72,360	213,766
2008	1,137,598	963,046	106,643	67,909
2007	1,161,978	914,897	157,926	89,155
2006	1,158,330	872,750	132,656	152,924
2005	1,107,365	840,825	107,425	159,115
2004	1,135,377	858,250	96,867	180,260
2003	921,588	870,663	89,975	(39,050)
2002	878,338	755,105	46,026	77,207

Table 9

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

<u>Year</u>	<u>Unemployment Rate (1)</u>	<u>Mercer County Per Capita Income</u>
2011	(2)	(2)
2010	6.0%	(2)
2009	6.0%	\$51,947
2008	3.4%	53,961
2007	1.2%	53,156
2006	2.6%	50,471
2005	2.0%	45,931
2004	1.7%	44,489
2003	2.0%	43,100
2002	2.1%	42,230

(1) Per State of New Jersey.

(2) Not Available.

**Township of Hopewell
Miscellaneous Statistics
Unaudited**

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

BOROUGH OF HOPEWELL

PART IV

Schedule of Findings and Recommendations

For the Year Ended December 31, 2011

**TOWNSHIP OF HOPEWELL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Section 2 – Schedule of Financial Statement Findings

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

No findings and/or questioned costs identified

TOWNSHIP OF HOPEWELL
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2011

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

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and New Jersey OMB's Circular 04-04.

FEDERAL AWARDS

A federal single audit was not required.

STATE AWARDS

A state single audit was not required.

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

This section identifies the status of prior year findings related to the financial statements and federal and state grant awards that are required to be reported in accordance with Government Auditing Standards and New Jersey OMB's Circular 04-04.

FINANCIAL STATEMENT FINDINGS

There were no audit findings in the prior year.

FEDERAL AWARDS

A Federal Single Audit was not required.

STATE AWARDS

There were no audit findings in the prior year.

TOWNSHIP OF HOPEWELL

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the year ended December 31, 2011

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name Of Surety</u>
James Burd	Mayor		
Michael Markulec	Deputy Mayor		
Kimberly Johnson	Committeeperson		
John Murphy	Committeeperson		
Vanessa Sandom	Committeeperson		
Paul E. Pogerzelski	Administrator	\$1,000,000	(A)
Laurie Gompf	Municipal Clerk	1,000,000	(A)
Antoinette Sost	Tax Assessor	1,000,000	(A)
Joan Kiernan-O'Toole	Administrative Officer Land Use	1,000,000	(A)
Kevin Oswald	Municipal Construction Official	1,000,000	(A)
Robert Miller	Zoning Officer	1,000,000	(A)
Gary Guarino	Health Officer	1,000,000	(A)
Judy Niederer	Recreation Director	1,000,000	(A)
Abigal Waugh	Senior Service Coordinator	1,000,000	(A)
Charles Ouslander	Municipal Court Judge	1,000,000	(A)
Margaret Umbro	Court Administrator	1,000,000	(A)
Christine Irizarry	Deputy Court Administrator	1,000,000	(A)
Elaine Cruickshank-Borges	Chief Financial Officer	1,000,000	(A)
Susan Newman	Human Resources Director	1,000,000	(A)
Mary Kennedy-Nadzak	Tax Collector and Tax Search Officer	1,000,000	(A)
Paula Zeis	Tax Office Clerk	1,000,000	(A)
George Meyer	Chief of Ploice	1,000,000	(A)

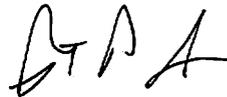
(A) - Blanket Surety Coverage of \$50,000 provided by the Mid Jersey Municipal Joint Insurance Fund and \$950,000 provided by the Municipal Excess Liability Joint Insurance Fund.

ACKNOWLEDGMENT

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

Respectfully submitted,

INVERSO & STEWART, LLC

A handwritten signature in black ink, appearing to read 'R P Inverso', written in a cursive style.

Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

March 30, 2012