

**TOWNSHIP OF HOPEWELL
County of Mercer**

Report of Audit of Financial Statements

For the Year Ended December 31, 2012

TOWNSHIP OF HOPEWELL
COUNTY OF MERCER

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TOWNSHIP OF HOPEWELL

PART I

Introductory Section

For the Year Ended December 31, 2012

TOWNSHIP OF HOPEWELL
Mercer County

General Description

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

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

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

Public and quasi-public land uses in the Township include the Mercer County Howell Living Farm and the Mercer County Belle Mountain recreation area in the northwest section of the Township. Washington Crossing State Park, Mercer County Park Northwest and Mercer County’s Rosedale Park, which provide both passive and active recreation areas within the Township. Baldpate Mountain, owned by Mercer County, the State and the Township, the 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, 2012, there are 98 full-time and 60 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 Board, the Senior Advisory Board, the Green Team and the Deer Management Advisory Committee.

Public Safety

The Police Department provides 24-hour service to the residents of Hopewell Township and to the residents of Hopewell Borough via an interlocal service agreement that has been in place since January 1983. The department consists of a Chief, 2 Lieutenants, 4 Sergeants, 21 Patrol Officers, 6 Dispatchers, 1 Secretary and a Discovery Clerk. Services to the public include: Resident Identification Cards, 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 (April, October and Christmas Trees only in January), freon disposal (monthly), leaf pickup (spring and autumn) and tire pickup (twice during the year). Additionally, this department maintains 144 miles of Township roadway (including surface repairs and snow removal), all Township vehicles, all municipal buildings and any parks or recreational facilities that are the responsibility of the Township. In 2012, the Township held two shredding and one 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 Chief Mechanic, 1 Mechanic, 1 Mechanic's Assistant, 3 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 2012, the department issued permits for septic systems: 7 new systems, 70 replacements systems and 53 repairs versus 5 new and 44 replacements systems and 50 repairs to systems in 2011.

Permits for new wells for 2012 were as follows: 17 private new and replacement wells, 9 wells abandoned and 28 pumps replaced.

In 2012, 2,177 dog licenses and 677 cat licenses were issued while in 2011, 2,181 dog licenses and 719 cat licenses were issued

In 2012, the Health Department purchased 800 doses of flu vaccine and initiated a drive-through flu clinic. The vaccine was made available to older adults and high-risk individuals and any municipal or school district employees.

The Health Department also inspected 7 public pools and 83 retail food establishments completing various inspections or re-inspections for a total of 176 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 its approximate equidistance between New York and Philadelphia continues 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 2012, the Planning Board approved 1 final major subdivision, 3 minor subdivisions, 2 preliminary/final site plans, 1 amended preliminary/final site plan, 2 site plan waivers and 4 capital project reviews.

On January 26, 2012, the Planning Board adopted a Comprehensive Farmland Preservation Plan of the Hopewell Township Master Plan.

During 2012, the Zoning Board of Adjustment reviewed 25 cases or applications. Of those cases or applications, 13 were for hardship or "bulk" requirement relief, 2 of the applications were for a use not permitted in the zone, 1 preliminary/final site plan application, which also required relief for a use not permitted in the zone, 4 site plan waivers, which also required relief for a use not permitted in the zone, 2 applications that required both use and bulk variance relief, 1 interpretation, 1 amendment to a previously granted site plan approval and 1 amendment to a previously granted use variance/site plan waiver Planning/Zoning

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 2012 the Construction Office issued 594 Building Permits, 934 Electrical Permits, 780 Plumbing/Mechanical Permits, 314 Fire Permits and 64 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, a volunteer program in an elementary school, Mahjonn, 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 2012, 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. The first of two units in the Minnetown Condominium Association was also sold in 2012.

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, 2012 has outstanding debt equal to 1.345 % of its equalized value.

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

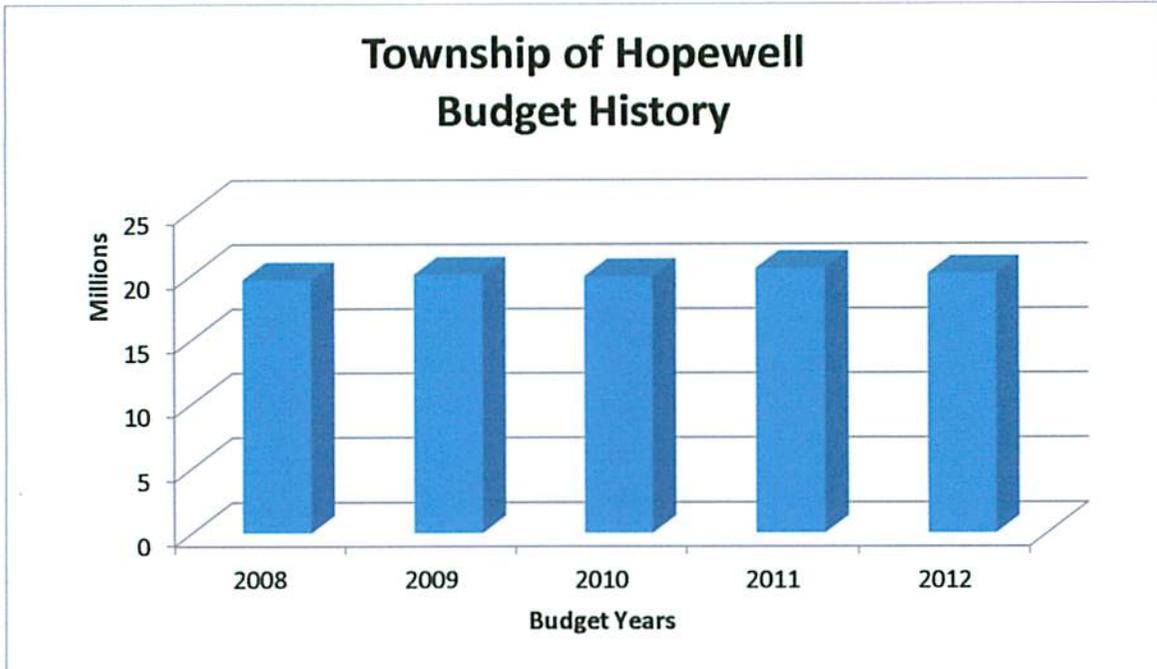
Surplus Fund Balance

Hopewell Township closed out 2012 with a surplus balance of \$12,164,886.04, which is a decrease of \$753,130.60 over 2011's ending balance.

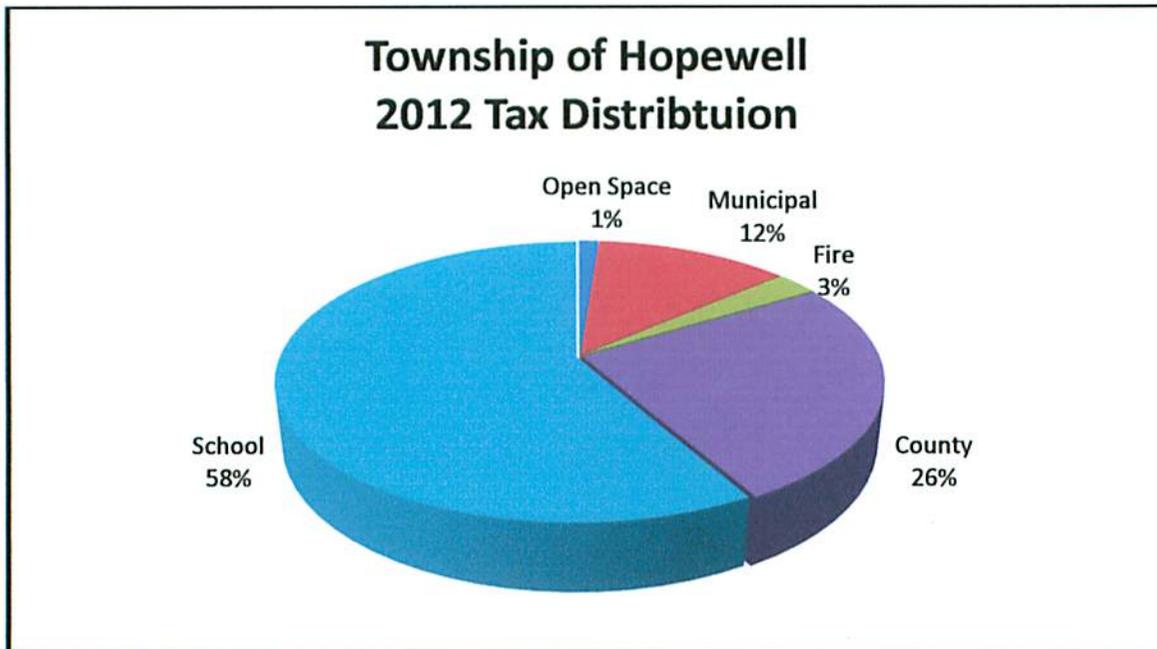
Budget

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

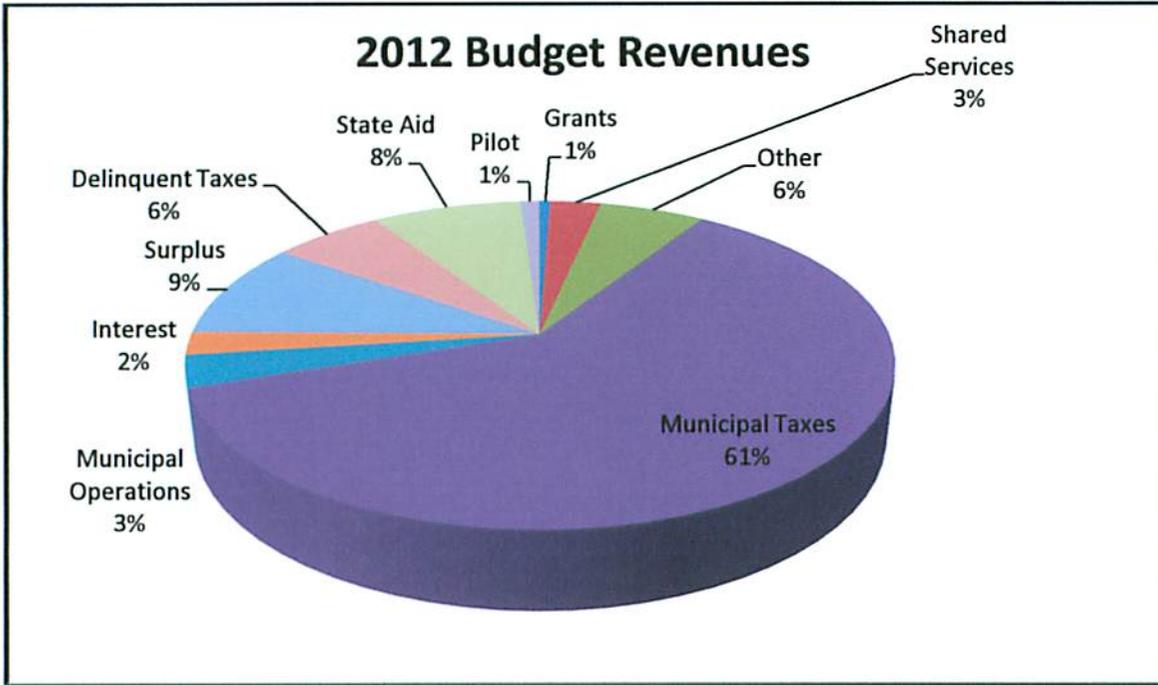
Year	2008	2009	2010	2011	2012
Annual Budget	\$19,644,977	\$20,046,987	\$19,905,875	\$20,503,469	\$20,089,338



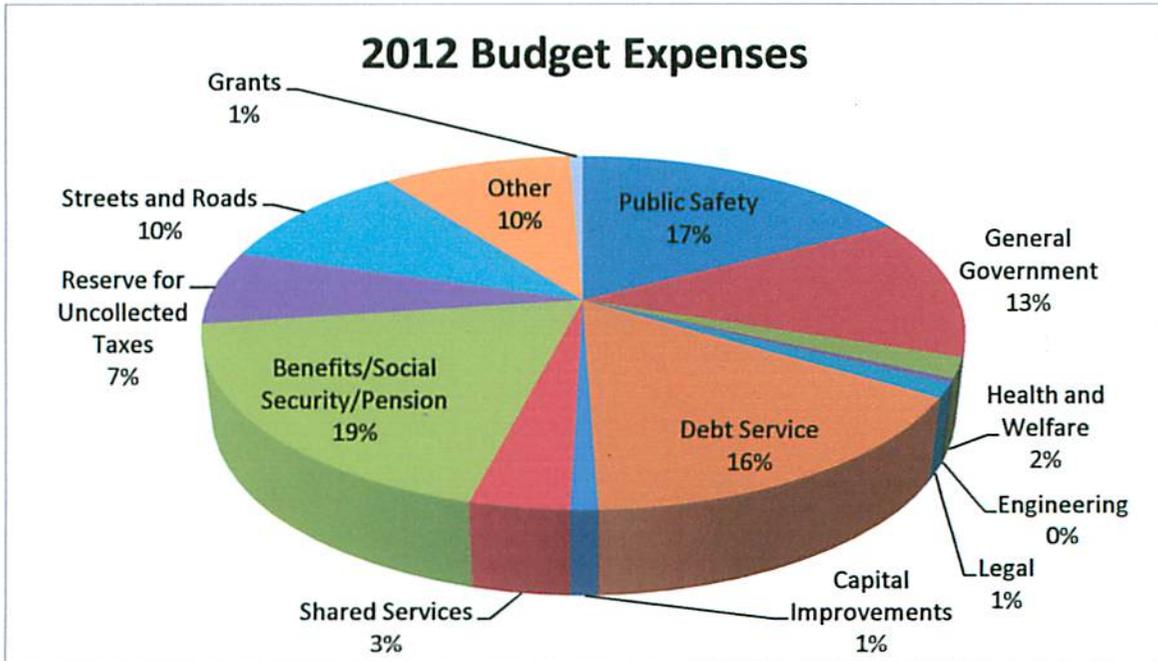
As the below charts demonstrate, municipal taxes represent 12% of all property taxes paid in 2012.



A more detailed analysis of revenues and expenditures for the 2012 budget indicates that (61%) of the budget was supported by tax dollars with Surplus (9%) and State Aid (8%) being the next largest contributors.



A review of Township Expenses would indicate that the three largest specific areas of expenditure would be Employee Benefits/Social Security/Pensions (19%), Public Safety (17%), Debt Service (16%) and General Government (13%).



**Township of Hopewell
Consultants and Advisors
as of December 31, 2012**

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Robbinsville, NJ 08691
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Township of Hopewell

Governing Body

Michael Markulec - Mayor
James Burd – Deputy Mayor
Allen Cannon – 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, 2012

INVERSO & STEWART, LLC

**Certified Public Accountants
Registered Municipal Accountants**

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New Jersey Society of CPAs

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2012 and 2011, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed assets group of accounts for the year ended December 31, 2012 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Hopewell, in the County of Mercer, State of New Jersey, as of December 31, 2012 and 2011, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Hopewell, in the County of Mercer, State of New Jersey, as of December 31, 2012 and 2011, and the results of its operations and changes in fund balance – regulatory basis of such funds for the years then ended, and the revenues - regulatory basis, expenditures - regulatory basis of the various funds, and general fixed assets, for the year ended December 31, 2012 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township’s basic financial statements. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance programs are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organization* and State of New Jersey Circular 04-04-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* and also are not a required part of the financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2013 on our consideration of the Township of Hopewell's, in the County of Mercer, State of New Jersey, 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* in considering the Township of Hopewell's internal control over financial reporting.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
March 28, 2013

INVERSO & STEWART, LLC

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Registered Municipal Accountants**

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America: the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey of the Township of Hopewell, in the County of Mercer, State of New Jersey, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated March 28, 2013.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Hopewell's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards or audit requirements as prescribed by the Division of Local Governments Services, Department of Community Affairs, State of New Jersey and which are described in the accompanying *Schedule of Findings and Questioned Costs* as Finding no.: 2012-1.

The Township of Hopewell's Response to Findings

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

Purpose of this Report

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

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
March 28, 2013

TOWNSHIP OF HOPEWELL
Current Fund
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Years Ended December 31, 2012 and 2011

<u>ASSETS</u>	<u>REFERENCE</u>	<u>2012</u>	<u>2011</u>
Regular Fund:			
Cash - Treasurer	A-4	\$ 14,375,941.34	\$ 15,011,824.40
Change Fund	A-5	<u>600.00</u>	<u>600.00</u>
Total		<u>14,376,541.34</u>	<u>15,012,424.40</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	876,228.84	1,277,942.11
Tax Title Liens Receivable	A-7	117,385.32	109,351.51
Revenue Accounts Receivable	A-8	25,310.59	28,727.77
Other Accounts Receivable			8,327.26
Due from Trust - Other Funds	B	22.10	21.69
Due from General Capital Fund	C	<u>234.93</u>	<u>254.96</u>
Total		<u>1,019,181.78</u>	<u>1,424,625.30</u>
Deferred Charges:			
Special Emergency	A-9	<u>3,500,000.00</u>	
Total Regular Fund		<u>18,895,723.12</u>	<u>16,437,049.70</u>
Federal and State Grant Fund:			
Cash - Treasurer	A-4	10,012.30	73,422.14
Federal and State Grants Receivable	A-24	1,600,951.74	1,763,030.58
Due from Current Fund	A		<u>79,490.72</u>
Total Federal and State Grant Fund		<u>1,610,964.04</u>	<u>1,915,943.44</u>
Total Assets		<u>\$ 20,506,687.16</u>	<u>\$ 18,352,993.14</u>

TOWNSHIP OF HOPEWELL
Current Fund
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Years Ended December 31, 2012 and 2011

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REFERENCE</u>	<u>2012</u>	<u>2011</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 564,270.05	\$ 559,430.20
Encumbrances Payable	A-3	3,206,875.38	488,776.68
Prepaid Taxes	A-11	547,291.19	534,222.42
Tax Overpayments	A-12	8,372.70	45,492.04
Reserve for Tax Appeals	A-13	100,000.00	100,000.00
Reserve for Revaluation	A-14	12,353.25	12,353.25
Reserve for Preparation of Master Plan	A-15	50,111.04	52,435.88
Reserve for Hurricane Damage	A-16	795,122.02	
Reserve for Capital Health	A-17	145,017.00	
Due State of New Jersey - Senior Citizens and Veterans Deductions	A-18	3,041.09	11,500.00
Due State of New Jersey - Marriage License Fees	A-19	275.00	225.00
Due to Federal and State Grant Fund	A		79,490.72
Due to Trust - Municipal Open Space Tax Payable	A-23	1,087.69	4,462.33
Due to Trust - Other	B	215,093.47	179,621.78
Due County for Added Taxes	A-20	29,300.29	32,293.65
Other Liabilities		1,103.20	1,081.60
Reserve for Garden State Trust		32,594.00	32,594.00
Total Liabilities		5,711,907.37	2,133,979.55
Reserve for Receivables and Other Assets	A	1,019,181.78	1,424,625.30
Fund Balance	A-1	12,164,633.97	12,878,444.85
Total Regular Fund		18,895,723.12	16,437,049.70
Federal and State Grant Fund:			
Unappropriated Reserves	A-25	55,966.58	55,966.55
Appropriated Reserves	A-26	1,554,997.46	1,859,976.89
Total Federal and State Grant Fund		1,610,964.04	1,915,943.44
Total Liabilities, Reserves and Fund Balance		\$ 20,506,687.16	\$ 18,352,993.14

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, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$1,915,811.16	\$1,415,811.16
Miscellaneous Revenue Anticipated	5,015,171.98	6,570,035.59
Receipts from Delinquent Taxes	1,282,775.61	2,842,912.98
Receipts from Current Taxes	97,330,346.51	95,840,227.99
Nonbudget Revenues	159,844.92	274,533.27
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	707,436.30	870,934.56
Reserve Balances Canceled		7,533.67
	<hr/>	<hr/>
Total Revenue and Other Income Realized	106,411,386.48	107,821,989.22
Expenditures:		
Operations Within "CAPS":		
Salaries and Wages	7,218,640.36	6,950,741.00
Other Expenses	4,952,998.42	4,961,398.64
Deferred Charges and Statutory Expenditures Within "CAPS"	1,755,140.00	1,708,323.00
Operations Excluded from "CAPS":		
Salaries and Wages	561,013.52	634,177.05
Other Expenses	638,584.31	1,768,846.21
Capital Improvements Excluded from "CAPS"	198,864.00	146,981.00
Municipal Debt Service Excluded from "CAPS"	3,167,876.51	3,214,041.82
Regional School - Capital Project	500,000.00	
County Taxes	25,127,714.09	22,756,967.23
Due County for Added Taxes	29,300.29	32,293.65
Regional School District Tax	57,166,011.01	56,324,333.66
Fire District Tax	2,670,075.00	2,559,447.00
Municipal Open Space Tax	1,217,331.00	1,255,035.00
Municipal Open Space Tax - Added Taxes	1,087.69	1,776.60
Senior Citizens Disallowed	4,750.00	
Prior Year Tax Overpayments		8,208.64
	<hr/>	<hr/>
Total Expenditures	105,209,386.20	102,322,570.50
Less: Expenditures to be Raised by Future Taxes	<hr/>	<hr/>
Total Expenditures	105,209,386.20	102,322,570.50

TOWNSHIP OF HOPEWELL
Current Fund
Statement of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Statutory Excess to Fund Balance (Brought Forward)	\$1,202,000.28	\$5,499,418.72
Fund Balance January 1	<u>12,878,444.85</u>	<u>8,794,837.29</u>
Total	14,080,445.13	14,294,256.01
Decreased by Utilization as Anticipated Revenue	<u>1,915,811.16</u>	<u>1,415,811.16</u>
Fund Balance December 31	<u>\$ 12,164,633.97</u>	<u>\$ 12,878,444.85</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, 2012

	<u>BUDGET</u>	<u>SPECIAL NJS 40A:4-87</u>	<u>REALIZED</u>	<u>EXCESS (DEFICIT)</u>
Fund Balance Anticipated	\$ 1,915,811.16		\$ 1,915,811.16	
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverage	28,800.00		31,220.00	\$ 2,420.00
Fees and Permits	172,800.00		236,953.00	64,153.00
Fines and Costs:				
Municipal Court	430,000.00		408,382.39	(21,617.61)
Interest and Costs on Taxes	235,000.00		306,357.32	71,357.32
PILOT Program	60,000.00		52,000.00	(8,000.00)
Capital Health System Settlement	145,017.00		145,017.00	
Interest on Investments and Deposits	215,000.00		140,722.16	(74,277.84)
Comcast Franchise Fee	219,704.05		219,704.05	
Cell Tower Rents	40,000.00		41,406.75	1,406.75
Sale of Solar Panel Energy (SRECS)	15,000.00		6,629.63	(8,370.37)
State Aid Without Offsetting Appropriations:				
Energy Receipts Tax	1,601,563.00		1,601,563.00	
Garden State Trust Fund	32,594.00		32,594.00	
Intercal Agreements				
Intercal Police Services - Hopewell Borough	488,136.00		488,136.00	
Intercal Alliance Services	2,470.00		1,400.00	(1,070.00)
Intercal Police Services - Pennington Borough	65,000.00		48,750.00	(16,250.00)
Special Items Offset with Appropriations:				
Clean Communities Grant	41,423.01		41,423.01	
Municipal Alliance on Alcoholism and Drug Abuse	18,512.00		18,512.00	
Sr. Service Coordinator Grant	55,000.00		55,000.00	
Ride Provide	10,000.00		10,000.00	
Drunk Driving Enforcement Fund		\$ 6,573.52	6,573.52	
Recycling Tonnage Grant		26,830.78	26,830.78	
NJ Transportation Trust		220,000.00	220,000.00	
Refund of Capital Surplus	90,000.00		90,000.00	
Refund of Affordable Housing	116,114.37		116,114.37	
Reserve for Debt Service	332,573.33		332,573.33	
Refund of Affordable Housing Capital Surplus	337,309.67		337,309.67	
Total	4,752,016.43	253,404.30	5,015,171.98	9,751.25
Receipts from Delinquent Taxes	1,210,000.00		1,282,775.61	72,775.61
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes	<u>12,211,510.44</u>		<u>12,468,334.79</u>	<u>256,824.35</u>
Budget Totals	20,089,338.03	253,404.30	20,682,093.54	339,351.21
Nonbudget Revenues			<u>159,844.92</u>	<u>159,844.92</u>
Total	\$ 20,089,338.03	\$ 253,404.30	\$ 20,841,938.46	\$ 499,196.13

TOWNSHIP OF HOPEWELL
Current Fund
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2012

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:	
Revenue from Collections	\$ 97,330,346.51
Allocated to School, Fire District, Open Space, and County Taxes	<u>86,211,519.08</u>
Balance for Support of Municipal Budget Appropriations	11,118,827.43
Add Appropriation - Reserve for Uncollected Taxes	<u>1,349,507.36</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 12,468,334.79</u></u>
Receipts from Delinquent Taxes:	
Tax Title Liens	\$ 39.76
Delinquent Tax Collections	<u>1,282,735.85</u>
Total	<u><u>\$ 1,282,775.61</u></u>
Miscellaneous Revenue Not Anticipated:	
Treasurer:	
DMV Inspection Fees	\$ 6,864.00
FEMA Reimbursement	39,880.53
Other Refunds	4,901.00
Refund of Prior Years Expense	20,599.05
Auction Proceeds	1,285.71
Senior Citizen and Veterans Administrative Fee	2,945.00
Sale of Assets	74,117.00
Deer Hunt Fees	4,125.00
Rifle Range	3,000.00
Miscellaneous	<u>2,127.63</u>
Total	<u><u>\$ 159,844.92</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, 2012

	<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				
	\$ 16,000.00	\$ 16,000.00	\$ 15,999.84	\$ 0.16	\$ -
	388,934.00	394,934.00	394,077.79	856.21	
	131,540.00	120,540.00	111,365.24	9,174.76	
	Other Expenses				
	17,500.00	16,575.58	7,513.68	9,061.90	
	169,995.00	232,195.14	219,920.33	12,274.81	
	45,180.00	43,446.49	41,549.83	1,896.66	
	Financial Administration:				
	178,303.00	178,304.00	178,303.29	0.71	
	24,730.00	23,786.82	21,175.11	2,611.71	
	Assessment of Taxes:				
	193,886.00	198,886.00	196,016.81	2,869.19	
	29,874.00	28,124.24	27,455.84	668.40	
	Collection of Taxes:				
	71,793.00	71,793.00	71,792.85	0.15	
	14,205.00	13,522.19	8,076.70	5,445.49	
	Legal Services and Costs:				
	43,131.00	43,131.00	43,130.58	0.42	
	220,062.27	220,062.27	220,062.27		
	Engineering Services and Costs:				
	88,500.00	89,500.00	89,500.00		
	Public Buildings and Grounds:				
	78,487.00	78,487.00	75,905.87	2,581.13	
	77,226.00	72,135.07	67,477.92	4,657.15	
	Fleet Maintenance:				
	203,375.00	203,375.00	194,148.06	9,226.94	
	118,200.00	139,793.64	128,138.18	11,655.46	

TOWNSHIP OF HOPEWELL
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2012

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>		<u>Reserved</u>		
GENERAL APPROPRIATIONS:						
Operations Within "CAPS":						
Audit Services:						
Other Expenses	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ -	\$ -	
Municipal Land Use Law (N.J.S.A. 40:SSD-1):						
Planning Board:						
Salaries and Wages	62,690.00	62,690.00	59,151.51	3,538.49		
Other Expenses	56,520.00	57,902.17	56,438.37	1,463.80		
Zoning Board:						
Salaries and Wages	96,406.00	96,406.00	92,713.41	3,692.59		
Other Expenses	10,630.00	9,310.41	8,397.02	913.39		
Parks and Maintenance:						
Salaries and Wages	52,441.00	52,441.00	47,033.64	5,407.36		
Other Expenses	26,270.00	23,957.18	18,562.01	5,395.17		
Environmental Commission:						
Other Expenses	4,500.00	4,500.00	4,016.92	483.08		
Insurance:						
Liability Insurance	479,738.00	479,738.00	477,505.32	2,232.68		
Medical Insurance	2,002,922.15	1,952,922.15	1,928,668.66	24,253.49		
Public Safety:						
Police						
Salaries and Wages	3,298,299.00	3,298,299.00	3,179,042.72	119,256.28		
Other Expenses	178,004.00	166,303.60	164,476.62	1,826.98		
Contribution to Affordable Housing						
Other Expenses	40,000.00	40,000.00	40,000.00			
Contribution to Water Utility						
Other Expenses	3,391.00	3,391.00	3,391.00			
Road Repair and Maintenance:						
Salaries and Wages	1,644,567.36	1,644,567.36	1,561,228.35	83,339.01		
Other Expenses	400,610.00	343,424.73	324,726.39	18,698.34		
Sanitation:						
Other Expenses	57,000.00	42,000.00	18,349.46	23,650.54		

TOWNSHIP OF HOPEWELL
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2012

		<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended</u>
		<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>
			<u>Modification</u>	<u>Charged</u>		<u>Canceled</u>
GENERAL APPROPRIATIONS:						
Operations Within "CAPS":						
Board of Health:						
	Salaries and Wages	\$ 332,607.00	\$ 332,607.00	\$ 332,439.87	\$ 167.13	\$ -
	Other Expenses	35,600.00	34,085.71	30,668.69	3,417.02	
Historic Preservation Committee (RS 400:23-6.22):						
	Salaries and Wages					
	Other Expenses	4,460.00	4,460.00	546.00	3,914.00	
27	Municipal Court:					
	Salaries and Wages	280,664.00	280,864.00	280,745.69	118.31	
	Other Expenses	15,882.00	14,890.93	9,687.29	5,203.64	
Public Defender:						
	Salaries and Wages	21,600.00	21,600.00	12,761.50	8,838.50	
Unclassified:						
Recreation:						
	Salaries and Wages	121,774.00	121,774.00	120,773.80	1,000.20	
	Other Expenses	2,600.00	2,371.10	2,330.95	40.15	
Senior Services:						
	Salaries and Wages	1,942.00	1,942.00	1,941.57	0.43	
	Other Expenses	18,000.00	18,000.00	15,250.27	2,749.73	
Utilities:						
	Street Lights	150,000.00	150,000.00	144,728.46	5,271.54	
	Utilities	210,000.00	210,000.00	146,829.56	63,170.44	
	Telephone	80,000.00	80,000.00	73,474.89	6,525.11	
Motor Fuels						
	Other Expenses	375,000.00	375,000.00	324,265.67	50,734.33	
Disability Insurance						
	Other Expenses	31,600.00	31,600.00	10,280.54	21,319.46	
Total Operations Including Contingent - Within "CAPS"		<u>12,236,638.78</u>	<u>12,171,638.78</u>	<u>11,632,036.34</u>	<u>539,602.44</u>	<u>-</u>

TOWNSHIP OF HOPEWELL
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2012

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>		<u>Reserved</u>		
Detail:						
Salaries and Wages	\$ 7,218,439.36	\$ 7,218,640.36	\$ 6,968,572.39	\$ 250,067.97	\$ -	
Other Expenses	5,018,199.42	4,952,998.42	4,663,463.95	289,534.47		
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS":						
STATUTORY EXPENDITURES:						
Contribution to:						
Public Employees' Retirement System	531,233.00	535,828.03	535,828.03			
Police and Firemen's Retirement System	578,407.00	653,811.97	653,653.88	158.09		
Defined Contribution Retirement Program	500.00	500.00		500.00		
Social Security System (O.A.S.I.)	580,000.00	565,000.00	541,990.48	23,009.52		
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	1,690,140.00	1,755,140.00	1,731,472.39	23,667.61	-	
Total General Appropriations - For Municipal Purposes Within "CAPS"	13,926,778.78	13,926,778.78	13,363,508.73	563,270.05	-	
GENERAL APPROPRIATIONS:						
Operations Excluded from "CAPS":						
Recycling Tonnage Tax Insurance	1,000.00	1,000.00		1,000.00		
Medical Insurance	87,918.00	87,918.00	87,918.00			
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	160,620.72	160,620.72	160,620.72			
Interlocal Police Services:						
Hopewell Borough Salaries and Wages	434,440.00	434,440.00	434,440.00			

TOWNSHIP OF HOPEWELL
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2012

	<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":					
Other Expenses	\$ 53,696.00	\$ 53,696.00	\$ 53,696.00	\$ -	\$ -
Pennington Borough					
Salaries and Wages	65,000.00	65,000.00	65,000.00		
Interlocal Sr. Service Coordinator					
Other Expenses	4,412.80	4,412.80	4,412.80		
	<u>809,557.52</u>	<u>809,557.52</u>	<u>808,557.52</u>	<u>1,000.00</u>	<u>-</u>
Total Other Operations Excluded from "CAPS":					
GENERAL APPROPRIATIONS:					
Operations Excluded from "CAPS":					
Public and Private Programs Offset by Revenues:					
Clean Communities Program	41,423.01	41,423.01	41,423.01		
Drunk Driving Enforcement Grant		6,573.52	6,573.52		
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		
Supplemental Fire Services Program	4,321.00	4,321.00	4,321.00		
NJ Department of Transportation		220,000.00	220,000.00		
Ride Provide	10,000.00	10,000.00	10,000.00		
Recycling Tonnage Grant		26,830.78	26,830.78		
Sr. Coordinator Grant	55,000.00	55,000.00	55,000.00		
	<u>136,636.01</u>	<u>390,040.31</u>	<u>390,040.31</u>	<u>-</u>	<u>-</u>
Total Public and Private Programs Offset by Revenues					
Total Operations - Excluded From "CAPS"	<u>946,193.53</u>	<u>1,199,597.83</u>	<u>1,198,597.83</u>	<u>1,000.00</u>	<u>-</u>
Detail:					
Salaries and Wages	554,440.00	561,013.52	561,013.52		
Other Expenses	391,753.53	638,584.31	637,584.31	1,000.00	

TOWNSHIP OF HOPEWELL
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2012

	<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:					
Capital Improvements - Excluded From "CAPS"					
Capital Improvement Fund	\$ 198,864.00	\$ 198,864.00	\$ 198,864.00	\$ -	\$ -
Total Capital Improvements - Excluded From "CAPS"	198,864.00	198,864.00	198,864.00	-	-
GENERAL APPROPRIATIONS:					
Municipal Debt Service - Excluded From "CAPS"					
Payment of Bond Principal	1,579,940.00	1,579,940.00	1,579,940.00		
Payment of Bond Anticipation Notes	314,137.00	314,137.00	314,137.00		
Interest on Bonds	1,057,393.36	1,057,393.36	1,057,390.46		2.90
Interest on Notes	186,860.00	186,860.00	186,745.05		114.95
NJEDA Loan - Principal	28,800.00	28,800.00	28,800.00		
NJEDA Loan - Interest	864.00	864.00	864.00		
Total Municipal Dept Service - Excluded From "CAPS"	3,167,994.36	3,167,994.36	3,167,876.51	-	117.85
Deferred Charges and Statutory Expenditures					
Local School - Excluded from "CAPS"					
Capital Project for Land, Building or Equipment N.J.S.18A:22-20	500,000.00	500,000.00	500,000.00		
Total Deferred Charges - Excluded From "CAPS"	500,000.00	500,000.00	500,000.00	-	-
Total General Appropriations for Municipal Purposes Excluded From "CAPS"	4,813,051.89	5,066,456.19	5,065,338.34	1,000.00	117.85
Subtotal General Appropriations	18,739,830.67	18,993,234.97	18,428,847.07	564,270.05	117.85
Reserve for Uncollected Taxes	1,349,507.36	1,349,507.36	1,349,507.36		
TOTAL GENERAL APPROPRIATIONS	\$ 20,089,338.03	\$ 20,342,742.33	\$ 19,778,354.43	\$ 564,270.05	\$ 117.85

TOWNSHIP OF HOPEWELL
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2012

Analysis of Budget After Modification:

Original Budget	\$ 20,089,338.03
Appropriation by 40A:4-87	<u>253,404.30</u>

Total	<u><u>\$20,342,742.33</u></u>
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Analysis of Paid or Charged:

Reserve for Federal and State Grants - Appropriated	\$	378,339.31
Encumbrances Payable		496,390.42
Reserve for Uncollected Taxes		1,349,507.36
Cash Disbursed		<u>17,554,117.34</u>

Total	<u><u>\$ 19,778,354.43</u></u>
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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, 2012 and 2011

	<u>REFERENCE</u>	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash - Treasurer	B-1	\$ 16,534.26	\$ 65,658.74
Other Funds:			
Cash - Treasurer	B-1	8,733,955.40	8,471,594.91
Accounts Receivable		43,660.69	50,921.66
Due from General Capital Fund	C	1,500.78	3,015.70
Due from Current Fund	A	216,181.16	184,084.11
Total Other Funds		<u>8,995,298.03</u>	<u>8,709,616.38</u>
Total Assets		<u>\$ 9,011,832.29</u>	<u>\$ 8,775,275.12</u>
<u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due to State of New Jersey		\$ 882.00	\$ 451.20
Reserve for Dog Fund Expenditures	B-2	15,652.26	65,207.54
Total Dog License Fund		<u>16,534.26</u>	<u>65,658.74</u>
Other Funds:			
Due to Current Fund	A	22.10	21.69
Due to State NJ - UCC Fees	B-4	10,641.00	8,976.00
Payroll Deductions Payable	B-5		
Accounts Payable			
Reserve for :			
Unemployment Compensation	B-3	21,889.22	5,345.36
Trust Other	B-3	692,944.41	783,806.24
Plot Planning	B-3	19,548.91	12,294.06
Planning	B-3	340,456.04	352,279.32
Open Space Trust	B-3	5,949,268.54	5,860,259.46
Low Income Housing	B-3	415,607.71	452,864.47
Community Activities	B-3	208.54	208.71
Off-Site Improvements	B-3	668,811.57	671,581.57
Performance Guarantees	B-3	132,919.70	116,877.70
Recreation Trust	B-3	166,732.02	117,008.87
Tax Collectors' Premium	B-3	354,600.00	144,000.00
Tax Title Lien	B-3		
Off-Duty Police	B-3	215,093.47	179,621.78
Stream Corridor	B-3	150.00	1,742.50
FSA	B-3	6,404.80	2,728.65
Total Other Funds		<u>8,995,298.03</u>	<u>8,709,616.38</u>
Total Liabilities and Reserves		<u>\$ 9,011,832.29</u>	<u>\$ 8,775,275.12</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, 2012 and 2011

	<u>REFERENCE</u>	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>			
Cash - Treasurer	C-2	\$ 15,807,686.55	\$ 16,821,315.66
Deferred Charges to Future Taxation:			
Funded	C-4	39,743,488.07	41,870,320.27
Unfunded	C-5	<u>30,667,522.00</u>	<u>27,067,403.33</u>
Total		<u>\$ 86,218,696.62</u>	<u>\$ 85,759,039.26</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds	C-6	\$ 39,313,000.00	\$ 41,373,000.00
Bond Anticipation Notes	C-7	30,267,522.00	17,492,403.33
NJ Economic Development Authority Loan Payable	C-8	28,800.00	57,600.00
Green Trust Loan Payable	C-9	401,688.07	439,720.27
Improvement Authorizations:			
Funded	C-10	2,658,152.75	4,532,693.68
Unfunded	C-10	9,079,154.83	16,766,421.67
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
Reserve for:			
Payment of Serial Bonds and Notes		2,124,824.42	3,221,873.39
Reserve for Green Trust Loan		1,108.97	1,100.28
Interfund Payable:			
Due to Current Fund	A	234.93	254.96
Due to Trust Fund	B	1,500.78	3,015.70
Fund Balance	C-1	<u>2,340,709.72</u>	<u>969,455.83</u>
Total		<u>\$ 86,218,696.62</u>	<u>\$ 85,759,039.26</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, 2012

Balance December 31, 2011		\$ 969,455.83
Increased By:		
Cancellation of Funded Ordinances	\$ 469,820.53	
Transfer from Debt Service Reserve	1,240,941.40	
Premium on Sale of Bond Anticipation Notes	<u>278,395.48</u>	<u>1,989,157.41</u>
Total		2,958,613.24
Decreased By:		
Appropriated to Finance Improvement Authorizations	190,240.00	
Prior Year Adjustment	353.85	
Current Fund - Budget Appropriation	<u>427,309.67</u>	<u>617,903.52</u>
Balance December 31, 2012		<u><u>\$ 2,340,709.72</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, 2012 and 2011

	<u>REFERENCE</u>	<u>2012</u>	<u>2011</u>
Operating Fund:			
Cash	D-5	\$ 70,804.56	\$ 45,173.07
Due from Water Capital Fund	D		18.52
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-7	<u>6,531.64</u>	<u>10,695.79</u>
		<u>6,531.64</u>	<u>10,695.79</u>
Total Operating Fund		<u>77,336.20</u>	<u>55,887.38</u>
Capital Fund:			
Cash	D-5	21,658.60	21,677.12
Fixed Capital	D-8	292,486.03	292,486.03
Fixed Capital Authorized and Uncompleted			
Total Capital Fund		<u>314,144.63</u>	<u>314,163.15</u>
Total Assets		<u>\$ 391,480.83</u>	<u>\$ 370,050.53</u>

TOWNSHIP OF HOPEWELL
Water Utility Operating Fund
 Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 For the Year Ended December 31, 2012 and 2011

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REFERENCE</u>	<u>2012</u>	<u>2011</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4 & D-9	\$ 13,783.44	\$ 7,935.50
Encumbrances Payable	D-4	9,257.51	3,155.32
Water Rent Overpayments	D-5	8.91	5.64
Accrued Interest on Bonds and Notes	D-10	699.00	760.52
Total Liabilities		<u>23,748.86</u>	<u>11,856.98</u>
Reserve for Receivables	D	6,531.64	10,695.79
Fund Balance	D-1	47,055.70	33,334.61
Total Operating Fund		<u>77,336.20</u>	<u>55,887.38</u>
Capital Fund:			
Serial Bonds	D-11	66,100.00	69,250.00
Bond Anticipation Notes			
Improvement Authorizations:			
Funded			
Unfunded			
Capital Improvement Fund	D-12	8,225.00	8,225.00
Due to Water Utility Fund	D		18.52
Reserve for:			
Amortization	D-13	226,386.03	223,236.03
Fund Balance	D-2	13,433.60	13,433.60
Total Capital Fund		<u>314,144.63</u>	<u>314,163.15</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 391,480.83</u>	<u>\$ 370,050.53</u>

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

TOWNSHIP OF HOPEWELL
Water Utility Operating Fund
Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 1,921.00	\$ 7,160.00
Water Rents	66,274.05	61,189.84
Interest on Investments and Deposits	617.63	1,050.20
Miscellaneous	323.24	177.70
Contribution from Current Fund	3,391.00	18,025.00
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	<u>9,565.63</u>	<u>4,916.04</u>
Total Revenue and Other Income Realized	<u>82,092.55</u>	<u>92,518.78</u>
Expenditures:		
Operating	59,170.00	58,350.00
Deferred Charges and Statutory Expenditures	1,250.00	1,250.00
Capital		9,245.00
Debt Service	<u>6,030.46</u>	<u>16,813.13</u>
Total Expenditures	<u>66,450.46</u>	<u>85,658.13</u>
Excess in Revenue	15,642.09	6,860.65
Fund Balance January 1	<u>33,334.61</u>	<u>33,633.96</u>
Total	48,976.70	40,494.61
Decreased by Utilization by Water Utility Operating Budget	<u>1,921.00</u>	<u>7,160.00</u>
Balance December 31	<u><u>\$ 47,055.70</u></u>	<u><u>\$ 33,334.61</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, 2012**

Balance December 31, 2011 and 2012

\$ 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, 2012

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Fund Balance Anticipated	\$ 1,921.00	\$ 1,921.00	
Water Rents	60,000.00	66,274.05	\$ 6,274.05
Interest on Investments and Deposits	1,200.00	617.63	(582.37)
Contribution from Current Fund	3,391.00	3,391.00	0.00
Miscellaneous	<u> </u>	<u>323.24</u>	<u>323.24</u>
Total	<u>\$ 66,512.00</u>	<u>\$ 72,526.92</u>	<u>\$ 6,014.92</u>

Analysis of Realized Revenues

Miscellaneous:
Water Penalties
Miscellaneous

\$	236.74
	<u>86.50</u>
<u>\$</u>	<u>323.24</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, 2012

	<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	\$ 9,000.00		\$ 9,000.00	\$ 7,967.20	\$ 1,032.80
Other Expenses	50,170.00		50,170.00	38,059.83	12,110.17
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Social Security	1,250.00		1,250.00	609.53	640.47
Capital Improvements					
Capital Improvement Fund					
Debt Service:					
Payment of Bond Principal	3,150.00		3,150.00	3,150.00	
Interest on Bonds	2,942.00		2,942.00	2,880.46	\$ 61.54
Total	<u>\$ 66,512.00</u>	<u>—</u>	<u>\$ 66,512.00</u>	<u>\$ 52,687.02</u>	<u>\$ 13,783.44</u>
Analysis of Paid or Charged:					
Cash Disbursed				\$ 40,529.05	
Encumbrances Payable				9,257.51	
Interest on Bonds				2,880.46	
Total				<u>\$ 52,687.02</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, 2012 and 2011

	<u>REFERENCE</u>	<u>2012</u>	<u>2011</u>
Operating Fund:			
Cash	E-5	\$ 897,921.76	\$ 915,428.68
Receivables with Full Reserves:			
Consumer Accounts Receivable	E-7	46,630.91	55,927.65
Due from Sewer Utility Capital Fund	E	5.96	3.09
Deferred Charges - Emergency Authorization			<u>165,786.42</u>
Total Operating Fund		<u>944,558.63</u>	<u>1,137,145.84</u>
Capital Fund:			
Cash	E-5	379,360.24	220,570.73
Fixed Capital	E-8	3,145,426.89	843,086.56
Fixed Capital Authorized and Uncompleted	E-9	<u>659,702.97</u>	<u>2,807,043.30</u>
Total Capital Fund		<u>4,184,490.10</u>	<u>3,870,700.59</u>
Total Assets		<u>\$ 5,129,048.73</u>	<u>\$ 5,007,846.43</u>

TOWNSHIP OF HOPEWELL
Sewer Utility Operating Fund
Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Year Ended December 31, 2012 and 2011

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REFERENCE</u>	<u>2012</u>	<u>2011</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	E-4	\$ 100,728.59	\$ 7,193.26
Encumbrances Payable	E-4	35,673.95	17,669.45
Sewer Rent Overpayments		1,656.58	1,163.41
Accrued Interest on Bonds and Notes	E-11	8,952.78	9,352.26
Other Liability		7,250.00	
Total Liabilities		<u>154,261.90</u>	<u>35,378.38</u>
Reserve for Receivables	E	46,630.91	55,927.65
Fund Balance	E-1	743,665.82	1,045,839.81
Total Operating Fund		<u>944,558.63</u>	<u>1,137,145.84</u>
Capital Fund:			
Serial Bonds	E-12	702,900.00	734,750.00
Bond Anticipation Notes	E-13	472,555.00	329,703.00
Improvement Authorizations:			
Funded	E-14	10,750.00	3,000.00
Unfunded	E-14	266,661.20	119,411.20
Due to Sewer Utility Operating Fund	E	5.96	3.09
Encumbrances Payable		6,048.00	6,048.00
Capital Improvement Fund	E-15	400.00	400.00
Reserve for Amortization	E-16	2,612,526.86	2,580,676.86
Reserve for Deferred Amortization	E-17	17,148.00	5,000.00
Fund Balance	E-2	95,495.08	91,708.44
Total Capital Fund		<u>4,184,490.10</u>	<u>3,870,700.59</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 5,129,048.73</u>	<u>\$ 5,007,846.43</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, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 406,778.14	\$ 61,619.76
Sewer Rents	1,064,954.40	1,042,277.40
Interest on Investments	7,238.01	16,793.23
Miscellaneous	4,252.38	4,025.36
Other Credits to Income:		
Unexpended Balance of Encumbrances Payable		4,329.68
Unexpended Balance of Appropriation Reserves	<u>19,758.69</u>	<u>93,348.17</u>
Total Revenue and Other Income Realized	<u>1,502,981.62</u>	<u>1,222,393.60</u>
Expenditures:		
Operating	1,153,193.72	1,126,058.18
Capital Improvements	7,750.00	
Deferred Charges and Statutory Expenditures	168,286.42	2,000.00
Debt Service	<u>69,147.33</u>	<u>67,660.08</u>
Total Expenditures	1,398,377.47	1,195,718.26
Excess (Deficit) in Revenue	104,604.15	26,675.34
Adjustments to Income before Surplus:		
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year		<u>165,786.42</u>
Statutory Excess to Surplus	104,604.15	192,461.76
Fund Balance January 1	<u>1,045,839.81</u>	<u>914,997.81</u>
Total	1,150,443.96	1,107,459.57
Decreased by Utilization by Sewer Utility Operating Budget	<u>406,778.14</u>	<u>61,619.76</u>
Balance December 31	<u>\$ 743,665.82</u>	<u>\$ 1,045,839.81</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, 2012

Balance December 31, 2011	\$ 91,708.44
Increased By:	
Premium on Sale of Bond Anticipation Notes	<u>3,786.64</u>
Balance December 31, 2012	<u><u>\$ 95,495.08</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, 2012

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Fund Balance	\$ 406,778.14	\$ 406,778.14	
Sewer Rents	988,500.00	1,064,954.40	\$ 76,454.40
Interest on Investments	15,000.00	7,238.01	(7,761.99)
Miscellaneous		4,252.38	4,252.38
	<hr/>	<hr/>	<hr/>
Total	<u>\$1,410,278.14</u>	<u>\$1,483,222.93</u>	<u>\$72,944.79</u>

Analysis of Realized Revenues

Miscellaneous:	
Sewer penalties	\$ 4,128.08
Miscellaneous	124.30
Total	<u>\$ 4,252.38</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, 2012

	<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	\$ 30,500.00	\$ 30,500.00	\$ 26,090.52	\$ 4,409.48		
Other Expenses	1,122,693.72	1,122,693.72	1,026,878.70	95,815.02		
Capital Improvements						
Capital Improvement Fund	7,750.00	7,750.00	7,750.00			
Deferred Charges and Statutory Expenditures:						
Deferred Charges						
Emergency Authorizations	165,786.42	165,786.42	165,786.42			
Statutory Expenditures:						
Social Security	2,500.00	2,500.00	1,995.91	504.09		
Debt Service:						
Payment of Bond Principal	31,850.00	31,850.00	31,850.00			
Payment of Bond Anticipation Note Principal	4,398.00	4,398.00	4,398.00			
Interest on Bonds	30,002.00	30,002.00	29,627.00		\$ 375.00	
Interest on Notes	14,798.00	14,798.00	3,272.33		11,525.67	
Total	\$ 1,410,278.14	\$ 1,410,278.14	\$ 1,297,648.88	\$ 100,728.59	\$ 11,900.67	-
Analysis of Paid or Charged:						
Cash Disbursed			\$ 1,063,289.18			
Deferred Charge - Emergency Authorization			165,786.42			
Encumbrances Payable			35,673.95			
Interest on Bonds and Notes			32,899.33			
Total			\$ 1,297,648.88			

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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, 2012 and 2011

	<u>REFERENCE</u>	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>			
Cash	F-1	<u>\$ 9,020.54</u>	<u>\$ 8,950.94</u>
Total		<u>\$ 9,020.54</u>	<u>\$ 8,950.94</u>
<u>LIABILITIES AND RESERVES</u>			
Reserve for Public Assistance		<u>\$ 9,020.54</u>	<u>\$ 8,950.94</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, 2012

	Balance December 31, <u>2011</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2012</u>
General Fixed Assets:				
Land	\$ 37,638,812.00	\$ 8,793,500.00	\$ 215,400.00	\$ 46,216,912.00
Buildings and Building Improvements	10,803,545.00		4,180.00	10,799,365.00
Machinery and Equipment	7,338,514.00	468,279.00	365,620.00	7,441,173.00
	<hr/>	<hr/>	<hr/>	<hr/>
Total General Fixed Assets	<u>\$ 55,780,871.00</u>	<u>\$ 9,261,779.00</u>	<u>\$ 585,200.00</u>	<u>\$ 64,457,450.00</u>
Total Investment in General Fixed Assets	<u>\$ 55,780,871.00</u>	<u>\$ 9,261,779.00</u>	<u>\$ 585,200.00</u>	<u>\$ 64,457,450.00</u>

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

Township of Hopewell
Notes to Financial Statements
December 31, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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

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

Township of Hopewell
Notes to Financial Statements
December 31, 2012

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, 2012

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, 2012 to December 31, 2012.

Township of Hopewell
Notes to Financial Statements
December 31, 2012

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, 2012 to December 31, 2012.

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, 2012**

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 – Custodial credit risk refers to the risk that, in the event of a bank failure, the Township’s deposits may not be recovered. 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. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

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 \$3,588 were uninsured and uncollateralized.

As of December 31, 2012, the Township’s bank balances of \$28,151,020 were exposed to custodial credit risk as follows:

F.D.I.C. Insured	\$	750,000
Collateralized Under GUDPA		27,389,844
Uninsured and Uncollateralized		11,176
 Balance June 30, 2012	 \$	 28,151,020

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.

**Township of Hopewell
Notes to Financial Statements
December 31, 2012**

NOTE 3. INVESTMENTS (CONT'D)

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, 2012 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	\$12,168,096

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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Total Tax Rate	<u>\$ 2.42</u>	<u>\$ 2.27</u>	<u>\$ 2.15</u>	<u>\$ 2.01</u>	<u>\$ 1.91</u>
Apportionment of Tax Rate:					
Municipal	.30	.29	.27	.27	.27
County	.62	.54	.53	.50	.49
Regional School	1.41	1.35	1.27	1.21	1.16
Fire District	.06	.06	.05	.05	.05
Municipal Open Space	.03	.03	.03	.03	.02

<u>Assessed Valuation</u>	<u>Amount</u>
2012	\$ 4,057,775,200
2011	4,183,452,489
2010	4,341,859,988
2009	4,489,000,000
2008	4,550,576,567

<u>Comparison of Tax Levies and Collections</u>			
<u>Year Ended</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage Of Collections</u>
2012	\$ 98,518,159	\$ 97,330,347	98.79 %
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

**Township of Hopewell
Notes to Financial Statements
December 31, 2012**

NOTE 4. PROPERTY TAXES (CONT'D)

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>
2012	\$ 117,385	\$ 876,229	\$ 993,614	1.01 %
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

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>
2012	8
2011	8
2010	8
2009	8
2008	8

NOTE 5. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year Ended</u>	<u>Amount</u>
2012	None
2011	None
2010	None
2009	None
2008	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>
2012	\$ 10,696	\$ 62,110	\$ 72,806	\$ 66,274	91.03 %
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

**Township of Hopewell
Notes to Financial Statements
December 31, 2012**

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>
2012	\$ 55,928	\$ 1,055,658	\$ 1,111,586	\$ 1,064,954	95.80%
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

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>
2012	\$ 12,164,634	\$ 1,415,811	11.64%
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

<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>
2012	\$ 47,056	\$ -0-	-0.0%
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

<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>
2012	\$ 743,666	\$ 213,226	28.67%
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

**Township of Hopewell
Notes to Financial Statements
December 31, 2012**

NOTE 8. PENSION PLANS

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

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 are required to contribute 5.5% of their annual covered salary. Pursuant to the provisions of Chapter 78 P.L. 2011, the active member contribution rate was increased to 6.5% plus an additional 1.0% phased-in over seven years beginning in the first year. The phase-in of the additional incremental member contribution amount will take place in July of each subsequent year. The State Treasurer has the right under the current law to make temporary reductions in member 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.

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. Pursuant to the provisions of Chapter 78 P.L. 2011, the active member contribution rate was increased to 10% in October, 2011. 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>2012</u>		<u>2011</u>		<u>2010</u>	
	<u>PERS</u>	<u>PFRS</u>	<u>PERS</u>	<u>PFRS</u>	<u>PERS</u>	<u>PFRS</u>
Normal Contribution	\$ 166,471	\$ 307,454	\$ 189,751	\$ 348,839	\$ 162,175	\$ 313,787
Accrued Liability	332,943	246,720	302,356	217,047	208,375	174,349
Total Regular Contributions	499,414	554,174	\$ 492,107	\$ 565,886	\$ 370,550	\$ 488,136
Non-Contributory Group						
Life Insurance	31,819	24,233	37,375	32,455	51,387	32,466
Total Due	<u>\$ 531,233</u>	<u>\$ 578,407</u>	<u>\$ 529,482</u>	<u>\$ 598,341</u>	<u>\$ 421,937</u>	<u>\$ 520,602</u>

Township of Hopewell
Notes to Financial Statements
December 31, 2012

NOTE 8. PENSION PLANS (CONTINUED)

Defined Contribution Retirement Program (DCRP)

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

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

There were no Township employees enrolled in the DCRP for the years ended December 31, 2012, 2011 and 2010.

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

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

Plan Description

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

Benefit Eligibility

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

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

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

**Township of Hopewell
Notes to Financial Statements
December 31, 2012**

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

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.

Actuarial Accrued Liability

The Actuarial Accrued Liability (AAL) as of December 31, 2012 is \$32,827,510 based upon a discount rate of 4.50% per annum and the plan provisions in effect on December 31, 2012.

Annual Required Contribution

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

The ARC as of December 31, 2012 is \$2,820,081 based upon a discount rate of 4.50% per annum and the plan provisions in effect on December 31, 2012. The breakdown of the ARC is as follows:

(1) Normal Cost	\$ 804,750
(2) Actuarial Accrued Liability	\$ 32,827,510
(2) Assets	\$ -0-
(3) Unfunded Actuarial Accrued Liability (UAAL) = (2)-(3)	\$ 32,827,510
(4) 30 Year Amortization of UAAL at Discount Rate	\$ 2,015,331
(5) Annual Required Contribution (ARC) = (1)+(5)	\$ 2,820,081

Basis of Valuation

The valuation has been conducted as of December 31, 2012 based upon census, plan design and claims information provided by the Township. Census includes 26 participants currently receiving Township paid retiree benefits, and 96 active participants of whom 19 are eligible to retire as of the valuation date. The average age of the active population is 47 and the average age of the retiree population is 65.

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

Demographic assumptions were selected based on those used by the State Division of pensions and benefits in calculating pension benefits taken.

Health care (economic) assumptions were selected based on those used by the State Health Benefits Program in calculating SHBP member OPEB requirements.

**Township of Hopewell
Notes to Financial Statements
December 31, 2012**

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

Funded Status and Funding Progress

As of December 31, 2012 the actuarial accrued liability for benefits was \$32,827,510, 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, 2012

The discount rate assumption selected by the Township is 4.5%.

Health Care Trend Factors

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

Annual Rate of Increase	
From Fiscal Year	
<u>Beginning</u>	<u>%</u>
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, 2012**

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, 2012, accrued benefits for compensated absences are valued at \$1,673,271.

NOTE 11. RISK MANAGEMENT

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

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

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

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

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

<u>Year</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2012	\$ 81	\$ 17,827	\$ 1,364	\$ 21,889
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

**Township of Hopewell
Notes to Financial Statements
December 31, 2012**

NOTE 12. CAPITAL DEBT

Summary of Municipal Debt

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Issued:			
General Bonds and Notes	\$ 69,580,522	\$ 58,865,403	\$57,644,496
Water Utility Bonds and Notes	66,100	69,250	82,900
Sewer Utility Bonds and Notes	1,175,455	1,064,453	1,096,303
Loans	430,488	497,320	563,403
Total Debt Issued	<u>71,252,565</u>	<u>60,496,426</u>	<u>59,387,102</u>
Less:			
Funds on hand to pay Bonds & Notes	316,251	333,664	331,443
Open Space Bonds and Notes	15,055,529	15,399,749	8,082,434
Net Debt Issued	<u>55,880,785</u>	<u>44,763,013</u>	<u>50,973,225</u>
Authorized But Not Issued:			
General - Bonds and Notes	400,000	9,575,000	331,222
Water Utility - Bonds and Notes			
Sewer Utility - Bonds and Notes			
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 56,280,785</u>	<u>\$54,338,013</u>	<u>\$51,304,447</u>

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, 2012 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%	\$12,856,000
Refunding Bonds of 2009	10/1/2020	3.00% - 4.00%	3,785,000
General Obligation Bonds of 2010	2/15/2030	3.00% - 3.75%	22,672,000
Water Utility Bonds of 2006	10/01/2026	4.00% - 4.25%	66,100
Sewer Utility Bonds of 2006	10/01/2026	4.00% - 4.25%	<u>702,900</u>
Total			<u>\$40,082,000</u>

Long-Term Debt Defeasance

On November 1, 2012, 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 2012 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.

**Township of Hopewell
Notes to Financial Statements
December 31, 2012**

NOTE 12. CAPITAL DEBT (CONT'D)

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, 2012, the Township had the following outstanding Bond Anticipation Notes:

	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
General Capital Fund	1/18/2013	1.50%	\$ 9,350,000
General Capital Fund	4/12/2013	1.00%	4,073,584
General Capital Fund	6/07/2013	1.00%	13,065,522
General Capital Fund	6/07/2013	1.25%	3,778,416
Sewer Utility Capital Fund	6/07/2013	1.00%	325,305
Sewer Utility Capital Fund	6/17/2013	1.25%	<u>147,250</u>
 Total			 <u>\$ 30,740,077</u>

General Capital Fund

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.345%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District Debt	\$ 29,756,225	\$ 29,756,225	
Water and Sewer Utility Debt	1,241,555	1,241,555	
General Debt	<u>70,411,010</u>	<u>15,371,780</u>	<u>\$ 55,039,230</u>
 Total	 <u>\$ 101,408,790</u>	 <u>\$ 46,369,560</u>	 <u>\$ 55,039,230</u>

Net Debt, \$55,039,230 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2, as amended, \$4,091,414,083 equals 1.345%.

Equalized Valuation Basis:

2010	\$ 4,204,752,790
2011	4,108,070,332
2012	<u>3,961,419,128</u>
 Average	 <u>\$ 4,091,414,083</u>

**Township of Hopewell
Notes to Financial Statements
December 31, 2012**

NOTE 12. CAPITAL DEBT (CONT'D)

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

3-1/2% of Equalized Valuation Basis (Municipal)		\$ 143,199,493
Net Debt		<u>55,039,230</u>
 Remaining Borrowing Power		 <u>\$ 88,160,263</u>

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

Cash Receipts from Fees, Rents or Other Charges for the Year		\$ 72,527
Deductions:		
Operating and Maintenance Costs	\$ 60,420	
Debt Service Costs	<u>6,030</u>	
		<u>66,450</u>
 Excess in Revenue		 <u>\$ 6,077</u>

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

Cash Receipts from Fees, Rents or Other Charges for the Year		\$ 1,483,233
Deductions:		
Operating and Maintenance Costs	\$ 1,155,694	
Debt Service Costs	<u>69,147</u>	
		<u>1,224,841</u>
 Deficit in Revenue		 <u>\$ 258,392</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</u> <u>Year</u>	<u>Current</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
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	2,565,000	1,082,475	3,647,475
2018-2022	13,100,000	3,897,827	16,997,827
2023-2027	12,048,000	1,533,110	13,581,110
2028-2030	<u>2,080,000</u>	<u>115,813</u>	<u>2,195,813</u>
 Total	 <u>\$39,313,000</u>	 <u>\$11,797,520</u>	 <u>\$51,110,520</u>

**Township of Hopewell
Notes to Financial Statements
December 31, 2012**

NOTE 12. CAPITAL DEBT (CONT'D)

Serial Bonds Payable

Calendar Year	Water Utility		Total
	Principal	Interest	
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	4,500	2,152	6,652
2018-2022	30,600	8,866	39,466
2023-2026	<u>15,700</u>	<u>2,386</u>	<u>17,134</u>
Total	\$ 66,100	\$ 22,728	\$ 88,828

Serial Bonds Payable

Calendar Year	Sewer Utility		Total
	Principal	Interest	
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	45,500	21,932	67,432
2018-2022	254,800	80,632	335,432
2023-2026	<u>247,900</u>	<u>24,304</u>	<u>272,204</u>
Total	\$ 702,900	\$ 231,612	\$ 934,512

New Jersey EDA Loan Payable

Calendar Year	Principal	Interest	Total
2013	<u>\$ 28,800</u>	<u>\$ 432</u>	<u>\$ 29,232</u>
Total	\$ 28,800	\$ 432	\$ 29,232

**Township of Hopewell
Notes to Financial Statements
December 31, 2012**

NOTE 12. CAPITAL DEBT (CONT'D)

New Jersey Green Trust Loan Payable

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	42,011	4,626	46,637
2018-2022	<u>199,749</u>	<u>10,120</u>	<u>209,869</u>
Total	<u>\$401,688</u>	<u>\$ 41,367</u>	<u>\$ 443,055</u>

NOTE 13. LEASE OBLIGATIONS

At December 31, 2012, the Township had lease agreements in effect for the following:

Operating:

Two (2) Copiers

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

<u>Fiscal Year Ended</u>	<u>Amount</u>
2013	\$ 8,040
2014	8,040
2015	8,040
2016	8,040
2017	<u>4,355</u>
	<u>\$ 36,515</u>

Rental payments under the operating lease for the years 2012 and 2011 were \$3,685 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.

**Township of Hopewell
Notes to Financial Statements
December 31, 2012**

NOTE 15. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balances as of December 31, 2012:

Fund	Interfund Receivables	Interfund Payables
Current Fund	\$ 257	\$ 216,181
Trust Fund:		
Other Trust Funds	217,682	22
General Capital Fund		1,736
Sewer Utility Fund		
Operating Fund	6	
Capital Fund		6
	<u>\$ 217,945</u>	<u>\$ 217,945</u>

NOTE 16. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2012, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following funds:

	Balance December 31, 2012	2013 Budget Appropriation
Current Fund:		
Special Emergency	\$ 3,500,000	\$ 700,000
Total	<u>\$ 3,500,000</u>	<u>\$ 700,000</u>

The appropriations in the 2013 Budget as introduced are not less than that required by the statutes.

NOTE 17. CONTINGENCIES

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

Township of Hopewell
Notes to Financial Statements
December 31, 2012

NOTE 18. 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 19. COMMITMENTS – TAX APPEALS

The Township has several tax appeals pending in New Jersey State Tax Court as of December 31, 2012. 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, 2012

	<u>CURRENT FUND</u>	<u>FEDERAL AND STATE GRANT FUND</u>
Balance December 31, 2011	\$ 15,011,824.40	\$ 73,422.14
Receipts:		
Taxes Receivable	\$ 97,884,602.80	
Tax Title Liens	39.76	
2013 Prepaid taxes	547,291.19	
Tax Overpayments	85,879.64	
Revenue Accounts Receivable	4,636,832.67	
Reserve for Capital Health System Settlement	145,017.00	
Due State of New Jersey:		
Marriage License Fees	1,125.00	
Due from State of New Jersey for Senior Citizens and Veterans Deductions	138,750.00	
Miscellaneous Revenues Not Anticipated	159,844.92	
Due to Other Trust Fund	142,072.10	
Due to Current Fund		\$ 79,490.75
Due to Hopewell Borough	1,103.20	
Township Match		7,380.00
Federal and State Grants Receivable		540,418.15
Budget Refunds	364,920.82	
Contra	<u>1,100.00</u>	
Total Receipts	<u>104,108,579.10</u>	<u>627,288.90</u>
Subtotal	119,120,403.50	700,711.04
Disbursements:		
2012 Appropriations	17,554,117.34	
Appropriation Reserves	293,864.50	
Encumbrances Payable	41,299.10	
Refund of Tax Overpayments	80,700.75	
County Taxes	25,160,007.74	
Regional School Taxes	57,166,011.01	
Fire District Tax Payable	2,670,075.00	
Municipal Open Space Tax Payable	1,221,793.33	
Due State of New Jersey:		
Marriage License Fees	1,075.00	
Reserve for Master Plan	2,324.84	
Due to Other Trust Fund	106,600.41	
Due to Federal and State Grant Fund	79,490.72	
Due to Hopewell Borough	1,081.60	
Appropriated Reserves		690,698.74
Budget Refunds	364,920.82	
Contra	<u>1,100.00</u>	
Total Disbursements	<u>104,744,462.16</u>	<u>690,698.74</u>
Balance December 31, 2012	<u>\$ 14,375,941.34</u>	<u>\$ 10,012.30</u>

TOWNSHIP OF HOPEWELL
Current Fund
Schedule of Change Funds
For the Year Ended December 31, 2012

<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		<u>\$ 600.00</u>

TOWNSHIP OF HOPEWELL
Current Fund
Schedule of Taxes Receivable and Analysis of Property Tax Levy
For the Year Ended December 31, 2012

Year	Balance	2012 Levy	Added Taxes	COLLECTIONS BY CASH		State Share of 2012 Senior Citizens and Veterans Deductions Allowed	Transferred To Tax Title Lien	Overpayments Applied	Canceled	Balance
	Dec. 31, 2011			2011	2012					Dec. 31, 2012
2010	\$ 13,834.25				\$ 13,834.25					
2010	<u>1,264,107.88</u>		\$ 4,809.62		<u>1,268,901.60</u>		\$ 15.88			
Subtotal	1,264,107.88		4,809.62		1,282,735.85		15.88			
2011		<u>\$ 98,518,158.93</u>		<u>\$ 534,222.42</u>	<u>96,601,868.95</u>	<u>\$ 151,958.91</u>	<u>\$8,041.75</u>	<u>\$ 42,298.23</u>	<u>\$ 303,541.83</u>	<u>\$ 876,228.84</u>
Total	<u>\$ 1,264,107.88</u>	<u>\$ 98,518,158.93</u>	<u>\$ 4,809.62</u>	<u>\$ 534,222.42</u>	<u>\$ 97,884,802.80</u>	<u>\$ 151,958.91</u>	<u>\$ 8,057.63</u>	<u>\$ 42,298.23</u>	<u>\$ 303,541.83</u>	<u>\$ 876,228.84</u>

Analysis of Property Tax Levy

Tax Yield:	
General Purpose Tax	\$ 98,250,052.48
Added Taxes	69,330.30
Omitted Taxes	8,168.16
Rollback Taxes	39,609.99
Senior Citizens and Veterans Deductions Allowed Per Original Levy	<u>151,000.00</u>
Total	<u>\$ 98,518,158.93</u>

Tax Levy:	
Regional High School Tax (Abstract)	\$ 57,166,011.01
Fire District Tax (Abstract)	2,670,075.00
County Tax (Abstract)	25,127,714.09
County Added Taxes	29,300.29
Local Open Space Tax (Abstract)	1,217,331.00
Local Open Space Added Tax	1,087.69
Local Tax for Municipal Purposes	\$ 12,211,510.44
Additional Tax Levies	<u>95,129.41</u>
	<u>12,306,639.85</u>
Total	<u>\$ 98,518,158.93</u>

TOWNSHIP OF HOPEWELL
Current Fund
Schedule of Tax Title Liens
For the Year Ended December 31, 2012

Balance December 31, 2011		\$ 109,351.51
Increased by:		
Interest and Costs from Tax Sale of June 13, 2012	\$ 15.94	
Transfer from Taxes Receivable	<u>8,057.63</u>	<u>8,073.57</u>
Total		117,425.08
Decreased by:		
2012 Collections		<u>39.76</u>
Balance December 31, 2012		<u>\$ 117,385.32</u>

TOWNSHIP OF HOPEWELL
Current Fund
Schedule of Revenue Accounts Receivable
For the Year Ended December 31, 2012

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Accrued in</u> <u>2012</u>	<u>Collected</u> <u>By</u> <u>Treasurer</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Alcoholic Beverage Licenses		\$ 31,220.00	\$ 31,220.00	
Fees and Permits		236,953.00	236,953.00	
Municipal Court - Fines and Costs	\$ 28,727.77	404,965.21	408,382.39	\$ 25,310.59
Interest and Costs on Taxes		306,357.32	306,357.32	
Payment in Lieu of Taxes		52,000.00	52,000.00	
Capital Health System Settlement		145,017.00	145,017.00	
Interest Earned on Investments and Deposits		140,721.89	140,721.89	
Comcast Franchise Fee		41,406.75	41,406.75	
Cell Tower Rents		219,704.32	219,704.32	
Sale of Solar Power Energy		6,629.63	6,629.63	
Consolidated Municipal Property Tax Relief				
Energy Receipts Tax		1,601,563.00	1,601,563.00	
Garden State Trust Fund		32,594.00	32,594.00	
Interlocal Police Services		536,886.00	536,886.00	
Interlocal Alliance Services		1,400.00	1,400.00	
Interlocal Animal Services				
Refund of Capital Surplus		90,000.00	90,000.00	
Refund of Affordable Housing Reserve		116,114.37	116,114.37	
Reserve for Debt Service		332,573.33	332,573.33	
Refund of Affordable Housing Capital Surplus		337,309.67	337,309.67	
Total	<u>\$ 28,727.77</u>	<u>\$ 4,633,415.49</u>	<u>\$ 4,636,832.67</u>	<u>\$ 25,310.59</u>

TOWNSHIP OF HOPEWELL
Current Fund
Statement of Deferred Charges
N.J.S. 40A:4-55 Special Emergency Authorizations
For the Year Ended December 31, 2012

<u>Purpose</u>	<u>Date Authorized</u>	<u>Amount Authorized</u>	<u>Balance December 31, 2011</u>	<u>Added in 2012</u>	<u>Raised in 2012 Budget</u>	<u>Balance December 31, 2012</u>
Hurricane Damage	11/19/2012	\$ 3,500,000.00	_____	\$ 3,500,000.00	_____	\$ 3,500,000.00
Total			<u>\$ -</u>	<u>\$ 3,500,000.00</u>	<u>\$ -</u>	<u>\$ 3,500,000.00</u>

**Township of Hopewell
Appropriation Reserves - Current Fund
For the Year Then Ended December 31, 2012**

	<u>Balance December 31, 2011</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					
Administrative & Executive:					
Clerk's Office	\$ 32,853.23	\$ 53.23			\$ 53.23
Planning Board	7,782.72	7,782.72		\$ 2,769.17	5,013.55
Community Development	2,884.61	2,884.61		2,769.25	115.36
Police	84,276.52	84,276.52		3,205.35	81,071.17
Road Repair and Maintenance	3,190.79	3,190.79		3,190.79	-
Public Buildings and Grounds	807.07	807.07		807.07	-
Public Defender	6,430.00	6,430.00	\$ 1,799.00	866.50	7,362.50
Fleet Maintenance	2,265.98	2,265.98		1,718.51	547.47
Subtotal	<u>140,490.92</u>	<u>107,690.92</u>	<u>1,799.00</u>	<u>15,326.64</u>	<u>94,163.28</u>
Other Expenses - Within Caps					
Administrative & Executive:					
Governing Body	1,998.39	1,998.39	3,273.00	1,323.00	3,948.39
Administrator's Office	832.97	832.97	23,509.48	15,264.92	9,077.53
Clerk's Office	2,189.25	2,189.25	5,648.40	2,233.66	5,603.99
Financial Administration	361.14	361.14	9,407.43	4,105.01	5,663.56
Assessment of Taxes	1,488.86	1,488.86	11,167.50	9,837.43	2,818.93
Collection of Taxes	6,777.73	6,777.73	780.00	-	7,557.73
Legal Services and Costs	500.00	33,300.00	39,943.91	32,716.05	40,527.86
Engineering	15,000.00	15,000.00	13,508.78	2,199.75	26,309.03
Public Buildings and Grounds	35,527.95	35,527.95	31,952.33	11,866.74	55,613.54
Fleet Maintenance	31,536.50	31,536.50	68,252.78	34,973.69	64,815.59
Planning Board	31.07	31.07	11,087.67	2,809.13	8,309.61
Zoning Board	907.04	907.04	4,044.07	1,909.20	3,041.91
Parks & Maintenance	8,815.47	8,815.47	11,020.98	3,641.82	16,194.63
Environmental Commission	2,721.65	2,721.65	110.00		2,831.65
Insurance					-
Medical Insurance	60,532.42	60,532.42	278.12	1,993.55	58,816.99
Police	8,844.62	8,844.62	2,558.52	7,471.74	3,931.40
Road Repair & Maintenance	27,836.07	27,836.07	136,797.93	75,881.20	88,752.80
Sanitation	16,457.64	16,457.64	1,664.98	120.00	18,002.62
Board of Health	4,518.62	4,518.62	13,639.15	5,864.58	12,293.19
Historic Preservation Committee	3,839.00	3,839.00	334.69		4,173.69
Municipal Court	1,586.83	1,586.83	3,015.28	1,056.11	3,546.00
Recreation	204.60	204.60	432.12	83.32	553.40
Senior Services	5,252.66	5,252.66	95.38	68.79	5,279.25
Utilities:					
Street Lighting	20,706.72	20,706.72		12,664.30	8,042.42
Utilities	40,050.24	40,050.24		6,397.84	33,652.40
Telephone	9,606.54	9,606.54	772.77	1,909.47	8,469.84
Motor Fuels	32,504.74	32,504.74	40,478.32	34,715.77	38,267.29
Disability Insurance	3,271.11	3,271.11		1,348.84	1,922.27
Subtotal	<u>343,899.83</u>	<u>376,699.83</u>	<u>433,773.59</u>	<u>272,455.91</u>	<u>538,017.51</u>
Statutory Expenditures - Within Caps					
Social Security System	44,522.97	44,522.97		114.18	44,408.79
Subtotal	<u>44,522.97</u>	<u>44,522.97</u>	<u>-</u>	<u>114.18</u>	<u>44,408.79</u>
Other Expenses - Excluded from Caps					
Share Service Fire Commission			7,665.00	7,665.00	-
Interlocal Police			4,239.99	3,909.75	330.24
Subtotal	<u>-</u>	<u>-</u>	<u>11,904.99</u>	<u>11,574.75</u>	<u>330.24</u>
Other Accounts - No Change	<u>30,516.48</u>	<u>30,516.48</u>			<u>30,516.48</u>
Grand Total	<u>\$ 559,430.20</u>	<u>\$ 559,430.20</u>	<u>\$ 447,477.58</u>	<u>\$ 299,471.48</u>	<u>\$ 707,436.30</u>

Cash Disbursed	\$ 293,864.50
Reserve for Encumbrances	5,606.98
Total	<u>\$ 299,471.48</u>

TOWNSHIP OF HOPEWELL
Current Fund
Schedule of Prepaid Taxes
For the Year Ended December 31, 2012

Balance December 31, 2011		\$ 534,222.42
Increased by:		
Collected		<u>547,291.19</u>
Subtotal		1,081,513.61
Decreased by:		
Applied to 2012 Taxes		<u>534,222.42</u>
Balance December 31, 2012		<u><u>\$ 547,291.19</u></u>

EXHIBIT A-12

Schedule of Tax Overpayments
For the Year Ended December 31, 2012

Balance December 31, 2011		\$ 45,492.04
Increased by:		
Collected		<u>85,879.64</u>
Subtotal		131,371.68
Decreased by:		
Refunded	\$ 80,700.75	
Applied to 2012 Taxes	<u>42,298.23</u>	<u>122,998.98</u>
Balance December 31, 2012		<u><u>\$ 8,372.70</u></u>

**TOWNSHIP OF HOPEWELL
Current Fund
Schedule of Reserve for Tax Appeals Pending
For the Year Ended December 31, 2012**

Balance December 31, 2012 and 2011	<u>\$ 100,000.00</u>
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**Schedule of Reserve for Revaluation
For the Year Ended December 31, 2012**

Balance December 31, 2012 and 2011	<u>\$ 12,353.25</u>
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**Schedule of Reserve for Preparation of Master Plan
For the Year Ended December 31, 2012**

Balance December 31, 2011	\$ 52,435.88
Decreased by:	
Cash Disbursed	<u>2,324.84</u>
Balance December 31, 2012	<u>\$ 50,111.04</u>

TOWNSHIP OF HOPEWELL
Current Fund
Schedule of Reserve for Hurricane Damage
For the Year Ended December 31, 2012

Balance December 31, 2012 and 2011	\$ -
Increased by:	
Special Emergency Authorization	<u>3,500,000.00</u>
Subtotal	3,500,000.00
Decreased by:	
Expenditures	<u>2,704,877.98</u>
Balance December 31, 2012	<u><u>\$ 795,122.02</u></u>

Schedule of Reserve for Capital Health System Settlement
For the Year Ended December 31, 2012

Balance December 31, 2011	\$ -
Increased by:	
Cash Received	<u>145,017.00</u>
Balance December 31, 2012	<u><u>\$ 145,017.00</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, 2012

Balance December 31, 2011		\$ 11,500.00
Increased by:		
Collected		138,750.00
Subtotal		150,250.00
Senior Citizen Deductions per Duplicate	\$ 15,750.00	
Disabled per Duplicate	1,500.00	
Veterans Deductions per Duplicate	133,750.00	
Senior Citizen Deductions and Veterans Deductions Allowed by Collector	2,500.00	
Prior Year Adjustment		
Subtotal	153,500.00	
Less:		
Senior Citizens Deductions Disallowed by Collector - 2012 Taxes	1,541.09	
Senior Citizens Deductions Disallowed by Collector - 2011 Taxes	4,750.00	
Subtotal	6,291.09	147,208.91
Balance December 31, 2012		\$ 3,041.09

EXHIBIT A-19

Schedule of Due to State of New Jersey
for Marriage License Fees/Domestic Partnership Fees
For the Year Ended December 31, 2012

Balance December 31, 2011		\$ 225.00
Increased by:		
State Portion of 2012 Marriage Licenses Fees		1,125.00
Subtotal		1,350.00
Decreased by:		
Disbursed to State of New Jersey		1,075.00
Balance December 31, 2012		\$ 275.00

TOWNSHIP OF HOPEWELL
Current Fund
Schedule of County Taxes Payable
For the Year Ended December 31, 2012

Balance December 31, 2011		\$ 32,293.65
Increased by:		
2012 Levy:		
General County	\$ 22,048,780.42	
Library Tax	2,240,517.97	
County Open Space Preservation	838,415.70	
Added and Omitted Taxes	<u>29,300.29</u>	
Subtotal		<u>25,157,014.38</u>
		25,189,308.03
Decreased by:		
Disbursed to County of Mercer		<u>25,160,007.74</u>
Balance December 31, 2012		<u><u>\$ 29,300.29</u></u>

Schedule of Fire District Taxes Payable
For the Year Ended December 31, 2012

Balance December 31, 2012		—
Increased by:		
2012 Levy		<u>\$ 2,670,075.00</u>
Subtotal		2,670,075.00
Decreased by:		
Disbursed to Hopewell Township Fire Districts		<u>2,670,075.00</u>
Balance December 31, 2012		<u><u>—</u></u>

TOWNSHIP OF HOPEWELL
Current Fund
Schedule of Regional School Tax Payable
For the Year Ended December 31, 2012

Balance December 31, 2011	---
Increased by:	
Levy - Calendar Year	<u>\$ 57,166,011.01</u>
Subtotal	57,166,011.01
Decreased by:	
Disbursed to Hopewell Valley Regional School District	<u>57,166,011.01</u>
Balance December 31, 2012	<u>---</u>

Schedule of Municipal Open Space Tax Payable
For the Year Ended December 31, 2012

Balance December 31, 2011		\$ 4,462.33
Increased by:		
Levy - Calendar Year	\$ 1,217,331.00	
Added and Omitted Taxes	<u>1,087.69</u>	<u>1,218,418.69</u>
Subtotal		1,222,881.02
Decreased by:		
Disbursed to Open Space Trust Fund		<u>1,221,793.33</u>
Balance December 31, 2012		<u>\$ 1,087.69</u>

TOWNSHIP OF HOPEWELL
Federal and State Grant Fund
Schedule of Federal, State and Local Grants Receivable
For the Year Ended December 31, 2012

	Balance Dec. 31, 2011	Accrued	Received	Transfer from Unapprop. Reserves	Cancelled	Balance Dec. 31, 2012
Federal Grants:						
HUD Grant - Hunt House	\$ 50,000.00					\$ 50,000.00
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		\$ 4,552.75			1,773.25
	<u>97,617.87</u>	<u>-</u>	<u>4,552.75</u>	<u>-</u>	<u>-</u>	<u>93,065.12</u>
State Grants:						
Drunk Driving Enforcement Grant (Unappropriated)	5,000.00	\$ 6,573.52	11,573.52			4,460.00
NJ Dept. of Environmental Protection	4,460.00					(0.93)
Pothole Grant	(0.93)					1,735.95
Clean Communities Grant	1,059.62	41,423.01	40,746.68			4,000.00
Project Buckle Up	4,000.00					1,795.00
Dep. Historic Preservation Plan	1,795.00					750.00
Smart Future/Growth Planning Program	750.00					707.40
Smart Growth Planning Program	707.40					202.01
Body Armor Grant	3,328.98		3,126.97			2,000.00
Delaware River Green Partnership Grant	2,000.00					8,837.14
Bulletproof Vest Partnership Grant	8,837.14					6,000.00
Environmental Resource Inventory Grant	6,000.00		6,000.00			(0.44)
Emergency Mgmt (Homeland Security)	(0.44)					59,417.85
Senior Citizens Coordinator Grant	59,417.85	55,000.00				9,966.48
2007 Compact Authorized Investment	9,966.48					5,871.00
H1N1 Virus Grant	5,871.00					50.00
2010 Business Stimulus Road	7,000.00		6,950.00			4,675.00
LHT Signage	4,675.00					45,883.33
Compact Grant - Titusville Sidewalk	331,222.00		285,338.67			247,150.51
DOT Grant - Lawrence Hopewell Trail @ Bailey	303,116.23		55,965.72			27,000.00
DOT Grant - CrossingBaily/Pennington-Rocky Hill Rd.	27,000.00					48,467.00
DOT - Timberlane Road	48,467.00					325,000.00
DOT Grant - Penn/Titusville Road	325,000.00					26,830.78
Recycling Tonnage		26,830.78	26,830.78			220,000.00
DOT - Harb/Rocktown Road		<u>220,000.00</u>				<u>1,072,967.30</u>
	<u>1,159,672.33</u>	<u>349,827.31</u>	<u>436,532.34</u>	<u>-</u>	<u>-</u>	<u>413,601.24</u>
County Grants:						
Mercer at Play Grant	491,645.50		78,044.26			413,601.24
	<u>491,645.50</u>	<u>0.00</u>	<u>78,044.26</u>	<u>-</u>	<u>-</u>	<u>413,601.24</u>
Local Grants:						
Mercer County - Drug Alliance Program	13,594.88	18,512.00	21,288.80			10,818.08
Caring For You/Me	500.00					500.00
Ride Provide		<u>10,000.00</u>				<u>10,000.00</u>
	<u>14,094.88</u>	<u>28,512.00</u>	<u>21,288.80</u>	<u>-</u>	<u>-</u>	<u>21,318.08</u>
Total	<u>\$ 1,763,030.58</u>	<u>\$ 378,339.31</u>	<u>\$ 540,418.15</u>	<u>-</u>	<u>-</u>	<u>\$ 1,600,951.74</u>

TOWNSHIP OF HOPEWELL
Federal and State Grant Fund
Schedule of Reserve For Federal and State Grants - Unappropriated
For the Year Ended December 31, 2012

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Federal and</u> <u>State Grant</u> <u>Receivable</u>	<u>Realized</u> <u>as Revenue</u> <u>In 2012</u>	<u>Adjustment</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
State Grants:					
Drunk Driving Enforcement Fund	\$ 0.83			\$ 0.03	\$ 0.86
Mercer at Play	<u>55,965.72</u>				<u>55,965.72</u>
Total State Grants	<u>\$ 55,966.55</u>	<u>-</u>	<u>-</u>	<u>\$ 0.03</u>	<u>\$ 55,966.58</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, 2012

	Balance <u>Dec. 31, 2011</u>	Transferred From 2012 Budget <u>Appropriation</u>	<u>Expended</u>	<u>Canceled</u>	Balance <u>Dec. 31, 2012</u>
Federal Grants:					
HUD Grant - Hunt House	\$ 50,000.00				\$ 50,000.00
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>97,617.87</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,617.87</u>
State Grants:					
2007 Compact Authorized Investment	9,150.48				9,150.48
2010 Business Stimulus Road	50.00				50.00
911 General Assistance Grant	48,392.00				48,392.00
Body Armor Grant	3,056.22		\$ 2,860.00		196.22
Bulletproof Vest Partnership Grant	11,260.00				11,260.00
Clean Air Cool Planet	1,744.07				1,744.07
Clean Communities Grant	227,088.67	\$ 41,423.01	12,285.28		256,226.40
Compact Grant - Titusville Sidewalk	292,161.38		(39,060.62)		331,222.00
Customer On Site Renewable Program	147,155.00		147,155.00		0.00
Delaware River Green Partnership Grant	4,000.00				4,000.00
DEP Historic Preservation Plan	1,116.88				1,116.88
Design Guidelines	171.03				171.03
DOT - Harb/Rocktown Road		220,000.00			220,000.00
DOT - LHT @ Bailey	117,644.89				117,644.89
DOT - Penn Rocky Hill Phase I	325,000.00		180,623.30		144,376.70
DOT - Timberlane Drive	88,211.85				88,211.85
DOT - Titus Mill Road	106.57				106.57
Drunk Driving Enforcement Fund (Over the Limit)	56.83		56.83		0.00
Drunk Driving Enforcement Fund 2009 Crackdown)	4,902.35		4,902.35		0.00
Drunk Driving Enforcement Fund 2010 Crackdown)	5,768.41	6,573.52	(181.81)		12,523.74
Emergency Management Grant (Homeland Security)	2,226.00				2,226.00
Environmental Resource Inventory Grant	10,000.00				10,000.00
H1N1 Virus	29,396.00				29,396.00
Highway Traffic Safety Grant	631.07				631.07
Historic Sites Committee	7,500.00				7,500.00
Livable Communities Pilot Program - Smith's Crossing	2,500.00				2,500.00
Municipal Storm Water Management Phase I Grant	1,051.44				1,051.44
Municipal Stormwater Regulation Program	214.14				214.14
Pandemic Influenza Program	0.20				0.20
Pothole Repair Grant	2,576.84				2,576.84
Project Buckle Up - Click It or Ticket	4,000.00				4,000.00
Public Health Practice Standards Grant	48.14				48.14
Recycling Tonnage Grant	72,949.23	26,830.78	34,500.15		65,279.86
Route 31 Aggressive Driving	799.99				799.99
Senior Coordinator		55,000.00	55,000.00		0.00
Smart Growth Planning Program	244.81				244.81
Soil Conservation-Community Forestry Mgmt.	1,500.00				1,500.00
State Forfeiture Funds	328.53				328.53
Tobacco Age-of-Sale Grant	2,849.69		1,342.00		1,507.69
	<u>1,425,852.71</u>	<u>349,827.31</u>	<u>399,482.48</u>		<u>1,376,197.54</u>
County Grants:					
Mercer at Play Grant	267,452.39		264,355.00		3,097.39
	<u>267,452.39</u>	<u>0.00</u>	<u>264,355.00</u>	<u>-</u>	<u>3,097.39</u>
Local Grants:					
BMS - LHT	45,354.91				45,354.91
BMS Water Main Surveying	9,123.10				9,123.10
Caring For You/Me	411.17				411.17
Drainage Open Space Inventory	5,000.00				5,000.00
Lawrence Hopewell Trail Signage Grant	3,452.00				3,452.00
Ride Provide		10,000.00			10,000.00
Municipal Alliance on Alcoholism and Drug Abuse	5,712.74	25,892.00	26,861.26		4,743.48
	<u>69,053.92</u>	<u>35,892.00</u>	<u>26,861.26</u>	<u>-</u>	<u>78,084.66</u>
Total	<u>\$ 1,859,976.89</u>	<u>\$ 385,719.31</u>	<u>\$ 690,698.74</u>	<u>\$ -</u>	<u>\$ 1,554,997.46</u>

TRUST FUND

TOWNSHIP OF HOPEWELL
Trust Fund
Schedule of Cash - Treasurer
For the Year Ended December 31, 2012

	<u>ANIMAL CONTROL</u>	<u>OTHER TRUST</u>
Balance December 31, 2011	<u>\$ 65,658.74</u>	<u>\$ 8,471,594.91</u>
Receipts:		
Dog License Clerk:		
2012 Budget Appropriation		
Interlocal Agreement		
Municipal Licenses	62,172.00	
State Registration Fees	2,897.40	
Miscellaneous	73.39	
Due to Current Fund	406.02	5,892.64
Planning Escrow Deposits		144,407.34
Open Space Trust		1,327,614.56
Low Income Housing		338,575.61
Community Service		2.05
Off-Site Improvements		5,202.80
Performance Guarantee		16,302.26
Tax Collector Premium		466,952.75
Tax Title Lien		424,729.70
Recreation		266,541.63
FSA		14,381.64
Plot Planning		8,327.31
Exchange		100,338,138.48
Stream Corridor		153.19
Payroll		8,910,192.80
Unemployment Compensation		17,907.64
Other Trust:		
Federal Forfeiture		910.25
Deer Management Task Force		8,416.92
Municipal Alliance		7,372.00
Municipal Law Enforcement		2,939.40
Parking Adjudication		24.00
Public Defender		9,217.50
Ride Provide		13,457.00
Mercer County JIF		10,879.99
Construction Code		422,166.51
Historic Book Sales		350.00
State Training Fees		35,725.00
Total Trust Other Funds	<u>65,548.81</u>	<u>112,796,780.97</u>
Total Forward	<u>131,207.55</u>	<u>121,268,375.88</u>

TOWNSHIP OF HOPEWELL
Trust Fund
Schedule of Cash - Treasurer
For the Year Ended December 31, 2012

	<u>ANIMAL CONTROL</u>	<u>OTHER TRUST</u>
Total Brought Forward	<u>\$131,207.55</u>	<u>\$ 121,268,375.88</u>
Disbursements:		
Expenditures Under RS4:19-15.11	111,800.67	
Planning Escrow Fees		156,230.62
Open Space Trust		1,234,331.17
Low Income Housing		367,956.15
Community Service		1.94
Off-Site Improvements		7,972.80
Performance Guarantee		257.67
Tax Collector Premium		256,352.75
Redemption of Tax Title Lien		424,729.70
Recreation		216,818.48
FSA		10,705.49
Plot Plan Escrow Fees		1,074.60
Exchange		100,338,138.48
Stream Corridor		1,746.01
Payroll		8,910,192.80
Unemployment Compensation		1,363.78
Other Trust:		
Allocated Escrow Fees		
Deer Management Task Force		4,416.92
Hovnanian Pump		3,707.48
Municipal Alliance		8,627.55
Public Defender		9,866.00
Municipal Law Enforcement		
Construction Code		522,095.86
Mercer County JIF		2,470.59
Ride Provide		15,411.00
Due to Current Fund	406.02	5,892.64
Due State UCC Fees		34,060.00
Due State Department of Health	<u>2,466.60</u>	
Total Disbursements	<u>114,673.29</u>	<u>112,534,420.48</u>
Balance December 31, 2012	<u>\$ 16,534.26</u>	<u>\$ 8,733,955.40</u>

TOWNSHIP OF HOPEWELL
Trust Fund
Schedule of Reserve for Dog Fund Expenditures
For the Year Ended December 31, 2012

Balance December 31, 2011		\$ 65,207.54
Increased by:		
2012 License Collected	\$ 62,172.00	
Miscellaneous	73.39	62,245.39
Total		127,452.93
Decreased by:		
Expenditures Under R.S. 4:19-15.11:		
Cash Disbursed		111,800.67
Balance December 31, 2012		\$ 15,652.26

LICENSE FEES COLLECTED

<u>Year</u>	<u>Amount</u>
2011	\$ 74,156.00
2010	46,673.00
	\$ 120,829.00

TOWNSHIP OF HOPEWELL
Trust - Other Funds
Schedule of Reserve Balances
For the Year Ended December 31, 2012

Account Title	Reserve Balance December 31, 2011	Revenues	Expenditures	Reserve Balance December 31, 2012
Reserve for Trust Other:				
Parking Adjudication	\$ 419.03	\$ 24.00	\$ -	\$ 443.03
Public Defender	933.50	9,217.50	9,866.00	285.00
Mercer County JIF	14,723.46	10,879.99	2,470.59	23,132.86
Hovnanian Pump	17,173.16		3,707.48	13,465.68
Municipal Alliance	5,684.29	7,372.00	8,627.55	4,428.74
Reed Road Escrow	1,632.00			1,632.00
DOT Reserve	7,444.72			7,444.72
Allocated Escrow Deposits	97,852.19			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	489,841.21	422,166.51	522,095.86	389,911.86
Ride Provide	9,918.50	13,457.00	15,411.00	7,964.50
Skateboard Park	832.66			832.66
Historic Book Sales	12,025.75	350.00		12,375.75
Municipal Law Enforcement	8,645.98	2,939.40		11,585.38
Background ID Check	6,645.50			6,645.50
Federal Forfeiture	900.00	910.25		1,810.25
Deer Management Task Force	-	8,416.92	4,416.92	4,000.00
Reserve for Plot Plan Escrow	12,294.06	8,300.00	1,045.15	19,548.91
Reserve for FSA	2,728.65	14,381.64	10,705.49	6,404.80
Reserve for Planning	352,279.32	143,902.68	155,725.96	340,456.04
Reserve for Open Space Trust	5,860,259.46	1,327,802.58	1,238,793.50	5,949,268.54
Reserve for Low Income Housing	452,864.47	330,699.39	367,956.15	415,607.71
Reserve for Community Service	208.71		0.17	208.54
Reserve for Off-Site Improvements	671,581.57		2,770.00	668,811.57
Reserve for Performance Guarantees	116,877.70	16,042.00		132,919.70
Reserve for Recreation	117,008.87	265,282.38	215,559.23	166,732.02
Reserve for Tax Sale Premium	144,000.00	464,700.00	254,100.00	354,600.00
Reserve for Tax Title Lien	-	424,593.44	424,593.44	-
Reserve for Unemployment Compensation	5,345.36	17,907.64	1,363.78	21,889.22
Reserve for Stream Corridor	1,742.50	150.00	1,742.50	150.00
Off-Duty Police	179,621.78	142,072.10	106,600.41	215,093.47
Total	\$ 8,700,618.69	\$ 3,631,567.42	\$ 3,347,551.18	\$ 8,984,634.93

TOWNSHIP OF HOPEWELL
Trust - Other Funds
Schedule of Due to State of NJ - UCC Fees
For the Year Ended December 31, 2012

Balance December 31, 2011	\$	8,976.00
Increased by:		
Cash Received		35,725.00
		44,701.00
Decreased by:		
Disbursements		34,060.00
		34,060.00
Balance December 31, 2012	\$	10,641.00

Trust - Other Funds
Schedule of Payroll Deductions Payable
For the Year Ended December 31, 2012

Balance December 31, 2011	\$	-
Increased by:		
Payroll deductions withheld		3,872,157.67
		3,872,157.67
Decreased by:		
Payroll deductions disbursed		3,872,157.67
		3,872,157.67
Balance December 31, 2012	\$	-

GENERAL CAPITAL FUND

TOWNSHIP OF HOPEWELL
General Capital Fund
Schedule of Cash - Treasurer
For the Year Ended December 31, 2012

Balance December 31, 2011		\$ 16,821,315.66
Receipts:		
Budget Appropriation - Capital Improvement Fund	\$ 198,864.00	
Due to Current Fund	3,006.53	
Due from Trust Fund	20,000.00	
Due to Trust Fund	35,668.11	
Bond Anticipation Notes Issued	13,128,416.00	
Premium on Sale of Bonds Anticipation Notes	278,395.48	
Total Receipts		<u>13,664,350.12</u>
Subtotal		30,485,665.78
Disbursements:		
Improvement Authorizations	12,956,260.68	
Reserve for Debt Service	31,944.00	
Due to Current Fund - Budget Revenue	759,883.00	
Due to Current Fund - Interest Earned	3,008.44	
Due to Trust Fund	926,883.11	
Total Disbursements		<u>14,677,979.23</u>
Balance December 31, 2012		<u><u>\$ 15,807,686.55</u></u>

TOWNSHIP OF HOPEWELL
General Capital Fund
Analysis of General Capital Cash and Investments
For the Year Ended December 31, 2012

Fund Balance		\$ 2,340,709.72
Capital Improvement Fund		0.15
Reserve for Preliminary Planning		2,000.00
Reserve for Payment of Debt		2,125,933.39
Interfund Payable:		
Due to Current Fund		234.93
Due to Other Trust Fund		1,500.78
Improvement Authorizations:		
Ordinance		
<u>Number</u>		
04-1314	Various Capital Improvements	40,000.00
05-1334	Various Capital Improvements	327,840.73
07-1393	Various Capital Improvements	1,716,084.08
08-1425	Various Capital Improvements	373,573.31
08-1432	Improvements to Roadways	6,226.33
08-1455	Purchase of Pennytown Property	463,909.73
09-1463	Various Capital Improvements	1,329,561.77
09-1477	Police Equipment	132.50
10-1492	Various Capital Improvements	1,269,859.78
10-1493	Village of Titusville Sidewalks	1,551.42
11-1516	Various Capital Improvements	1,873,985.11
11-1522	Various Capital Improvements	9,563.75
11-1523	Preliminary Planning Pennytown	82,271.65
12-1548	Improvements to Harbortown-Rocktown Road	130,240.00
12-1559	Acquisition of a Portion of Hunter Tract	18,800.00
12-1552/1563	Renovations to the Municipal Building	41,918.38
12-1545	Various Capital Improvements	3,651,789.04
	Total	\$15,807,686.55

TOWNSHIP OF HOPEWELL
General Capital Fund
Statement of Deferred Charges To Future Taxation - Funded
For the Year Ended December 31, 2012

Balance December 31, 2011		\$ 41,870,320.27
Decreased by:		
2012 Budget Appropriations:		
Serial Bond Payments	\$ 2,060,000.00	
EDA Loan Payment	28,800.00	
Green Trust Loan Payment	<u>38,032.20</u>	<u>2,126,832.20</u>
Balance December 31, 2012		<u>\$ 39,743,488.07</u>

**Township of Hopewell
General Capital Fund
Schedule of General Serial Bonds
For the Year Ended December 31, 2012**

Purpose	Date of Issue	Original Issue	Maturity of Bonds Outstanding		Interest Rate	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012							
			Date	Amount												
General Obligation Bonds of 2006	10/1/2006	\$16,506,000.00	10/01/13	\$700,000.00	4.00%	\$13,556,000.00		\$700,000.00	\$12,856,000.00							
			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					10/01/13	455,000.00	2.00%	4,245,000.00		460,000.00	3,785,000.00
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									\$17,801,000.00	-	\$1,160,000.00	\$16,641,000.00				

TOWNSHIP OF HOPEWELL
General Capital Fund
Schedule of Bond Anticipation Notes
For the Year Ended December 31, 2012

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2011	Increased	Decreased	Balance Dec. 31, 2012
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	
08-1455	Acquisition of Pennytown Property	6/10/2009	6/7/2012	6/7/2013	1.00%		\$ 6,577,854.00		\$ 6,577,854.00
08-1432	Improvements to Various Private Roadways	4/16/2009	4/14/2011	4/12/2012	1.50%	190,541.00		190,541.00	
08-1432	Improvements to Various Private Roadways	4/16/2009	4/12/2012	4/12/2013	1.00%		172,791.00		172,791.00
08-1442	Acquisition of Regan Property	4/16/2009	4/14/2011	4/12/2012	1.50%	478,750.00		478,750.00	
08-1442	Acquisition of Regan Property	4/16/2009	4/12/2012	4/12/2013	1.00%		471,534.00		471,534.00
09-1463	Various Capital Improvements	4/16/2009	4/14/2011	4/12/2012	1.50%	3,653,500.33		3,653,500.33	
09-1463	Various Capital Improvements	4/16/2009	4/12/2012	4/12/2013	1.00%		3,429,259.00		3,429,259.00
10-1492	Various Capital Improvements	10/25/2010	6/8/2011	6/8/2012	1.00%	3,145,746.00		3,145,746.00	
10-1492	Various Capital Improvements	10/25/2010	6/7/2012	6/7/2013	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	
10-1493	Replacement of Titusville Sidewalk	6/8/2011	6/7/2012	6/7/2013	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	
11-1510	Acquisition of Thompson Tract	6/8/2011	6/7/2012	6/7/2013	1.00%		218,056.00		218,056.00
11-1516	Various Capital Improvements	6/8/2011	6/8/2011	6/8/2012	1.00%	2,792,644.00		2,792,644.00	
11-1516	Various Capital Improvements	6/8/2011	6/7/2012	6/7/2013	1.00%		2,792,644.00		2,792,644.00
11-1523	Pennytown/Kooltronics/Marshalls Comer	1/19/2012	1/19/2012	1/18/2013	1.50%		250,000.00		250,000.00
11-1527	Acquisition of the Zaitz/Hutcheson Tracts	1/19/2012	1/19/2012	1/18/2013	1.50%		9,100,000.00		9,100,000.00
12-1545	Various Capital improvements	6/17/2012	6/17/2012	6/17/2013	1.25%		3,778,416.00		3,778,416.00
						<u>\$ 17,492,403.33</u>	<u>\$ 30,267,522.00</u>	<u>\$ 17,492,403.33</u>	<u>\$ 30,267,522.00</u>
							Issued for Cash		\$ 13,128,416.00
							Paid by Budget Appropriation		\$ 321,353.33
							Paid from Reserve for Debt Service		31,944.00
							Renewals	17,139,106.00	17,139,106.00
							Total	<u>\$ 30,267,522.00</u>	<u>\$ 17,492,403.33</u>

TOWNSHIP OF HOPEWELL
General Capital Fund
 Schedule of NJ Economic Development Authority Loan Payable
 For the Year Ended December 31, 2012

Balance December 31, 2011	\$ 57,600.00
Decreased by:	
Payment of Principal	28,800.00
Balance December 31, 2012	\$ 28,800.00

Schedule of Green Trust Loan Payable
 For the Year Ended December 31, 2012

Balance December 31, 2011	\$ 439,720.27
Decreased by:	
Payment of Principal	38,032.20
Balance December 31, 2012	\$ 401,688.07

TOWNSHIP OF HOPEWELL
General Capital Fund
Schedule of Improvement Authorizations
For the Year Ended December 31, 2012

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance December 31, 2011		Down Payment	2012 Authorizations		Open Space Total	Paid or Charged	Canceled	Balance December 31, 2012	
				Funded	Unfunded		Deferred Charges To Future Taxation - Unfunded	Fund Balance				Funded	Unfunded
00-1143	Various Capital Improvements	3/16/02	7,000,000.00	\$ 26,749.84							\$ 26,749.84		
03-1278	Acquisition of Edward Martin Estate	6/05/03	5,500,000.00	55,600.00							55,600.00		
04-1314	Various Capital Improvements	04/26/04	2,825,260.00	70,730.00							30,730.00	\$ 40,000.00	
05-1334	Various Capital Improvements	5/23/05	2,637,201.00	327,640.73								327,640.73	
06-1370	Various Capital Improvements	3/27/06	2,843,502.00	252,161.86							252,161.86		
07-1393	Various Capital Improvements	05/14/07	4,614,484.00	1,568,929.08						\$ (147,155.00)		1,716,084.08	
08-1425-1431	Various Capital Improvements	04/14/08	5,359,172.66	638,939.94						465,386.63		373,573.31	
08-1432	Improvements to Roadways	06/23/08	355,000.00		\$ 6,226.33								\$ 6,226.33
08-1435	Acquisition of Land	03/11/08	3,900,000.00	104,378.83							104,378.83		
08-1455	Purchase of Pennytown Property	11/24/08	7,000,000.00		468,005.58					4,095.65			483,909.73
09-1463	Various Capital Improvements	03/09/09	4,215,713.00		1,427,502.66					97,941.09			1,329,561.77
09-1477	Police Equipment	08/10/09	27,500.00	132.50								132.50	
10-1482	Various Capital Improvements	08/23/10	3,311,312.00		2,782,955.79					1,513,096.01			1,269,859.78
10-1493	Village of Titusville Sidewalks	08/23/10	331,222.00		331,222.00					329,670.58			1,551.42
11-1510	Acquisition of Thompson Tract	04/11/11	500,000.00		256,943.65						256,943.65		
11-1516	Various Capital Improvements	05/09/11	2,939,825.00		2,154,807.22					260,822.11			1,873,985.11
11-1522	Various Improvements	07/05/11	1,000,000.00	1,090,000.00						1,080,436.25		9,563.75	
11-1523	Preliminary Planning Pennytown	07/25/11	250,000.00		238,756.24					156,486.59			82,271.65
11-1527	Acquisition of Zatz/Hutcherson Tracts	10/12/11	9,300,000.00	197,030.90	9,100,000.00					8,830,727.99	466,302.91		
12-1548	Improvements to Harbortown-Rocktown Road	06/11/12	130,240.00				\$ 130,240.00					130,240.00	
12-1559	Acquisition of a Portion of Hunter Tract	09/10/12	420,000.00			\$ 400,000.00		\$ 20,000.00		1,200.00		18,800.00	400,000.00
12-1552/1563	Renovations to Municipal Building	11/26/12	60,000.00				60,000.00			18,081.62		41,918.38	
12-1545	Various Capital Improvements	05/14/12	3,977,280.00			\$ 198,884.00	3,778,416.00			325,480.86			3,651,769.04
Total				\$ 4,532,693.68	\$ 16,766,421.67	\$ 198,884.00	\$ 4,178,416.00	\$ 190,240.00	\$ 20,000.00	\$ 12,956,260.68	\$ 1,193,067.09	\$ 2,658,152.75	\$ 9,079,154.83
Paid or Charged Cash Disbursed										\$ 12,956,260.68			

TOWNSHIP OF HOPEWELL
General Capital Fund
Schedule of Capital Improvement Fund
For the Year Ended December 31, 2012

Balance December 31, 2011	\$ 0.15
Increased by:	
2012 Current Budget Appropriation	<u>198,864.00</u>
Subtotal	198,864.15
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>198,864.00</u>
Balance December 31, 2012	<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, 2012

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2011</u>	<u>2012 Authorizations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2012</u>
11-1510	Acquisition of Thompson Tract	\$ 225,000.00	\$ -	\$ -	\$ 225,000.00	\$ -
11-1523	Pennytown/Kooltronics Redevelopment	250,000.00		250,000.00		
11-1527	Zaitz/Hutchenson Tracts	9,100,000.00		9,100,000.00		
12-1545	Various Capital Improvements		3,778,416.00	3,778,416.00		
12-1559	Acquisition of a Portion of Hunter Tract		400,000.00			400,000.00
	Total	<u>\$ 9,575,000.00</u>	<u>\$ 4,178,416.00</u>	<u>\$ 13,128,416.00</u>	<u>-</u>	<u>\$ 400,000.00</u>

WATER UTILITY FUND

TOWNSHIP OF HOPEWELL
Water Utility Operating Fund
Schedule of Cash - Treasurer
For the Year Ended December 31, 2012

	<u>OPERATING</u>	<u>CAPITAL</u>
Balance December 31, 2011	\$ 45,173.07	\$ 21,677.12
Receipts:		
Consumer Accounts Receivable	\$ 66,268.41	
Water Rent Overpayments	8.91	
Miscellaneous Revenue	772.03	
Due from Water Capital Fund	187.36	
Due to Water Operating Fund		\$ 168.84
Contribution from Current Fund	<u>3,391.00</u>	
Total Receipts	<u>70,627.71</u>	<u>168.84</u>
Subtotal	115,800.78	21,845.96
Disbursements:		
2012 Appropriations	40,529.05	
Reserve for Encumbrances	1,525.19	
Interest on Bonds and Notes	2,941.98	
Due to Water Operating Fund		187.36
Improvement Authorizations	<u> </u>	
Total Disbursements	<u>44,996.22</u>	<u>187.36</u>
Balance December 31, 2012	<u>\$ 70,804.56</u>	<u>\$ 21,658.60</u>

TOWNSHIP OF HOPEWELL
Water Utility Capital Fund
Analysis of Cash - Capital Fund
At December 31, 2012

Fund Balance	\$	13,433.60
Capital Improvement Fund		8,225.00
Due to Water Utility Fund		
 Improvement Authorizations:		
Ordinance		
<u>Number</u>		
Total		\$ 21,658.60

TOWNSHIP OF HOPEWELL
Water Utility Operating Fund
Statement of Consumer Accounts Receivable
For the Year Ended December 31, 2012

Balance December 31, 2011		\$ 10,695.79
Increased by:		
2012 Billing		<u>62,109.90</u>
Total		72,805.69
Decreased by:		
Collections	\$ 66,268.41	
Prepayments Applied	<u>5.64</u>	<u>66,274.05</u>
Balance December 31, 2012		<u><u>\$ 6,531.64</u></u>

TOWNSHIP OF HOPEWELL
Water Utility Capital Fund
Schedule of Fixed Capital
At December 31, 2012

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2011</u>	<u>Additions Ordinance</u>	<u>Balance Dec. 31, 2012</u>
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	9,620.00		9,620.00
	Total	<u>\$ 292,486.03</u>	<u>\$ -</u>	<u>\$ 292,486.03</u>

TOWNSHIP OF HOPEWELL
Water Utility Operating Fund
Statement of 2011 Appropriation Reserves
For the Year Ended December 31, 2012

	<u>Balance Dec. 31, 2011</u>	<u>Balance After Transfers</u>	<u>Reserve for Encumbrances</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Operating:					
Salaries and Wages	\$ 7,763.24	\$ 7,763.24			\$ 7,763.24
Other Expenses	81.60	81.60	\$ 3,155.32	\$ 1,525.19	1,711.73
Deferred Charges & Statutory Expenditures					
Statutory Expenditures					
Social Security	<u>90.66</u>	<u>90.66</u>			<u>90.66</u>
Total	<u>\$ 7,935.50</u>	<u>\$ 7,935.50</u>	<u>\$ 3,155.32</u>	<u>\$ 1,525.19</u>	<u>\$ 9,565.63</u>
Paid or Charged:					
Cash Disbursed				<u>\$ 1,525.19</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, 2012

Balance December 31, 2011	\$ 760.52
Increased By:	
Budget Appropriation for: Interest on Bonds	2,880.46
Subtotal	3,640.98
Decreased By:	
Interest Paid on Bonds	2,941.98
Balance December 31, 2012	\$ 699.00

Analysis of Accrued Interest, December 31, 2012

	<u>Principal Outstanding</u> <u>December 31, 2012</u>	<u>Interest</u> <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Amount</u>
<u>Serial Bonds:</u>					
	\$66,100.00	4.00% - 4.25%	10/1/2012	12/31/2012	\$ 699.00
Total					\$ 699.00

TOWNSHIP OF HOPEWELL
Water Utility Capital Fund
Schedule of Serial Bonds
For the Year Ended December 31, 2012

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2012</u>
Water Utility Bonds of 2006	10/1/06	\$85,000.00	10/01/13	\$3,600.00	\$ 69,250.00		\$ 3,150.00	\$ 66,100.00
			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					

TOWNSHIP OF HOPEWELL
Water Utility Capital Fund
Schedule of Capital Improvement Fund
For the Year Ended December 31, 2012

Balance December 31, 2011 and 2012

\$ 8,225.00

TOWNSHIP OF HOPEWELL
Water Utility Capital Fund
 Schedule of Reserve for Amortization
 For the Year Ended December 31, 2012

Balance December 31, 2011		\$ 223,236.03
Increased by:		
Payment of Serial Bonds	\$ 3,150.00	
Transfer from Deferred Reserve for Amortization	3,150.00	3,150.00
 Balance December 31, 2012		 \$ 226,386.03

SEWER UTILITY FUND

TOWNSHIP OF HOPEWELL
Sewer Utility Funds
Schedule of Cash - Treasurer
For the Year Ended December 31, 2012

	<u>OPERATING</u>	<u>CAPITAL</u>
Balance December 31, 2011	\$ 915,428.68	\$ 220,570.73
Receipts:		
Consumer Accounts Receivable	\$ 1,063,934.84	
Sewer Rent Overpayments	1,656.58	
Miscellaneous Revenue	4,252.38	
Interest on Investments	7,232.05	
Due from Sewer Utility Capital Fund	3.09	\$ 107.31
Reserve for Hampton's Sewer	7,250.00	
Budget Appropriation - Capital Improvement Fund		\$7,750.00
Bond Anticipation Note		147,250.00
Premium on Sale of Notes		3,786.64
	<hr/>	<hr/>
Total Receipts	<u>1,084,328.94</u>	<u>158,893.95</u>
Subtotal	1,999,757.62	379,464.68
Disbursements:		
2012 Appropriations	1,063,289.18	
Reserve for Encumbrances	5,104.02	
Interest on Bonds and Notes	33,298.81	
Refund of Overpayments	143.85	
Improvement Authorizations		
Bond Anticipation Note		
Due to Sewer Operating Fund		104.44
	<hr/>	<hr/>
Total Disbursements	<u>1,101,835.86</u>	<u>104.44</u>
Balance December 31, 2012	<u>\$ 897,921.76</u>	<u>\$ 379,360.24</u>

**TOWNSHIP OF HOPEWELL
Sewer Utility Capital Fund
Analysis of Cash - Capital Fund
At December 31, 2012**

Fund Balance		\$ 95,495.08
Capital Improvement Fund		400.00
Due to Sewer Utility Fund		5.96
 Improvement Authorizations:		
Ordinance		
<u>Number</u>		
03-1280	Various Capital Improvements	3,000.00
07-1394	Various Capital Improvements	125,459.20
12-1544	Acquisition of Equipment	<u>155,000.00</u>
Total		<u><u>\$ 379,360.24</u></u>

TOWNSHIP OF HOPEWELL
Sewer Utility Operating Fund
Statement of Consumer Accounts Receivable
For the Year Ended December 31, 2012

Balance December 31, 2011		\$ 55,927.65
Increased by:		
2012 Billing		<u>1,055,657.66</u>
Total		1,111,585.31
Decreased by:		
Collections	\$ 1,063,934.84	
Overpayments Applied	<u>1,019.56</u>	<u>1,064,954.40</u>
Balance December 31, 2012		<u><u>\$ 46,630.91</u></u>

TOWNSHIP OF HOPEWELL
Sewer Utility Capital Fund
Schedule of Fixed Capital
For the Year Ended December 31, 2012

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2011</u>	<u>Additions by Ordinance</u>	<u>Balance Dec. 31, 2012</u>
88-774 90-860	Improvements and Extension of Sewer System in Princeton Farms area		\$ 1,708,910.33	\$ 1,708,910.33
90-873	Princeton Farms Sewer Lines	\$ 403,320.00		403,320.00
97-1064	Various Capital Improvements		92,830.00	92,830.00
99-1120	Capital Equipment		13,800.00	13,800.00
01-1189	Various Capital Improvements		191,800.00	191,800.00
02-1240	Various Capital Improvements	148,161.09		148,161.09
02-1247	Various Capital Improvements	83,221.00		83,221.00
02-1252	Various Capital Improvements	81,500.00		81,500.00
04-1315	Various Capital Improvements	126,884.47		126,884.47
05-1335	Various Equipment		295,000.00	295,000.00
	Total	<u>\$ 843,086.56</u>	<u>\$ 2,302,340.33</u>	<u>\$ 3,145,426.89</u>

TOWNSHIP OF HOPEWELL
Sewer Utility Capital Fund
Schedule of Fixed Capital Authorized and Uncompleted
For the Year Ended December 31, 2012

Ordinance Number	Improvement Description	Date of Ordinance	Amount	Balance Dec. 31, 2011	2012 Authorizations		Costs To Fixed Capital	Raised in 2012 Budget	Authorizations Canceled	Balance Dec. 31, 2012
					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
12-1544	Acquisition of Equipment	5/14/2012	155,000.00		\$ 7,750.00	\$ 147,250.00				155,000.00
	Total			<u>\$ 2,807,043.30</u>	<u>\$ 7,750.00</u>	<u>\$ 147,250.00</u>	<u>\$ 2,302,340.33</u>	<u>---</u>	<u>---</u>	<u>\$ 659,702.97</u>

TOWNSHIP OF HOPEWELL
Sewer Utility Operating Fund
Statement of 2011 Appropriation Reserves
For the Year Ended December 31, 2012

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Reserve</u> <u>for</u> <u>Encumbrances</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:					
Salaries and Wages	\$ 1,114.98	\$ 1,114.98			\$ 1,114.98
Other Expenses	5,664.02	5,664.02	\$ 17,669.45	\$ 5,104.02	18,229.45
Statutory Expenditures:					
Social Security System	<u>414.26</u>	<u>414.26</u>			<u>414.26</u>
Total	<u>\$ 7,193.26</u>	<u>\$ 7,193.26</u>	<u>\$ 17,669.45</u>	<u>\$ 5,104.02</u>	<u>\$ 19,758.69</u>
 Paid or Charged:					
Cash Disbursed				<u>\$ 5,104.02</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, 2012

Balance December 31, 2011		\$ 9,352.26
Increased By:		
Budget Appropriation for:		
Interest on Bonds	\$ 29,627.00	
Interest on Notes	<u>3,272.33</u>	<u>32,899.33</u>
Subtotal		42,251.59
Decreased By:		
Interest Paid on Bonds	30,001.78	
Interest Paid on Notes	<u>3,297.03</u>	<u>33,298.81</u>
Balance December 31, 2012		<u><u>\$ 8,952.78</u></u>

Analysis of Accrued Interest, December 31, 2012

<u>Principal Outstanding</u> <u>December 31, 2012</u>	<u>Interest</u> <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Amount</u>
<u>Serial Bonds:</u>				
\$702,900.00	4.00% - 4.25%	10/1/2012	12/31/2012	\$ 7,125.50
<u>Bond Anticipation Note:</u>				
\$325,305.00	1.00%	6/10/2012	12/31/2012	<u>1,827.06</u>
Total				<u><u>\$ 8,952.56</u></u>

TOWNSHIP OF HOPEWELL
Sewer Utility Capital Fund
Schedule of Serial Bonds
For the Year Ended December 31, 2012

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2012</u>
Sewer Utility Bonds of 2006	10/1/06	\$ 894,000.00	10/1/13	\$ 36,400.00	\$ 734,750.00		\$ 31,850.00	\$ 702,900.00
			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>734,750.00</u>	<u>---</u>	<u>31,850.00</u>	<u>702,900.00</u>

TOWNSHIP OF HOPEWELL
Sewer Utility Capital Fund
 Schedule of Bond Anticipation Notes
 For the Year Ended December 31, 2012

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2011	Increased	Decreased	Balance Dec. 31, 2012
07-1394	Various Capital Improvements	8/16/2007	6/8/2011	6/8/2012	1.00%	\$ 329,703.00		\$ 329,703.00	
07-1394	Various Capital Improvements	8/16/2007	6/7/2012	6/17/2013	1.00%		\$ 325,305.00		\$ 325,305.00
12-1544	Acquisition of Equipment	7/17/2012	7/17/2012	6/17/2013	1.25%		147,250.00		147,250.00
	Total					<u>\$ 329,703.00</u>	<u>\$ 472,555.00</u>	<u>\$ 329,703.00</u>	<u>\$ 472,555.00</u>
					Issued for Cash		\$ 147,250.00		
					Paid by Budget Appropriation			\$ 4,398.00	
					Renewals		<u>325,305.00</u>	<u>325,305.00</u>	
					Total		<u>\$ 472,555.00</u>	<u>\$ 329,703.00</u>	

**TOWNSHIP OF HOPEWELL
Sewer Utility Capital Fund
Schedule of Improvement Authorizations
For the Year Ended December 31, 2012**

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance December 31, 2011		2012 Authorizations		Encumbrances Canceled	Paid or Charged	Balance December 31, 2012	
				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		\$ 119,411.20						\$ 119,411.20
12-1544	Various Capital Improvements	5/14/2012	155,000.00			\$ 7,750.00	\$ 147,250.00			7,750.00	147,250.00
Total				\$ 3,000.00	\$ 119,411.20	\$ 7,750.00	\$ 147,250.00	\$ -	\$ -	\$ 10,750.00	\$ 266,661.20

**TOWNSHIP OF HOPEWELL
Sewer Utility Capital Fund
Schedule of Capital Improvement Fund
For the Year Ended December 31, 2012**

Balance December 31, 2011 and 2012

\$400.00

TOWNSHIP OF HOPEWELL
Sewer Utility Capital Fund
Schedule of Reserve for Amortization
For the Year Ended December 31, 2012

Balance December 31, 2011	\$ 2,580,676.86
Increased by:	
Serial Bond Payment	<u>31,850.00</u>
Balance December 31, 2012	<u><u>\$ 2,612,526.86</u></u>

TOWNSHIP OF HOPEWELL
Sewer Utility Capital Fund
 Schedule of Deferred Reserve for Amortization
 For the Year Ended December 31, 2012

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2011</u>	<u>Fixed Capital Authorized</u>	<u>Paid From Operating Budget Notes</u>	<u>Transfer to Reserve for Amortization</u>	<u>Balance Dec. 31, 2012</u>
07-1394	Various Capital Improvements	05/14/07	\$ 5,000.00		\$ 4,398.00		\$ 9,398.00
12-1544	Aquisition of Equipment	05/14/12		\$ 7,750.00			7,750.00
	Total		<u>\$ 5,000.00</u>	<u>\$ 7,750.00</u>	<u>\$ 4,398.00</u>	<u>\$ -</u>	<u>\$ 17,148.00</u>

PUBLIC ASSISTANCE FUND

TOWNSHIP OF HOPEWELL
Public Assistance Fund
 Schedule of Cash - Treasurer
 For the Year Ended December 31, 2012

	<u>PATF I</u>	<u>PATF II</u>	<u>Fund Total</u>
Balance December 31, 2011	\$ 7,447.23	\$ 1,503.71	\$ 8,950.94
Increased by:			
Interest Earned	<u>69.60</u>	<u> </u>	<u>69.60</u>
Balance December 31, 2012	<u>\$ 7,516.83</u>	<u>\$ 1,503.71</u>	<u>\$ 9,020.54</u>

TOWNSHIP OF HOPEWELL
Public Assistance Fund
Schedule of Public Assistance Cash and Reconciliation
For the Year Ended December 31, 2012

Balance December 31, 2011	\$ 8,950.94
Increased by:	
Interest Earned	69.60
Balance December 31, 2012	\$ 9,020.54

Reconciliation December 31, 2012

Balance on deposit per statement of:	
Wachovia	
Checking Account	\$ 9,020.54
Balance December 31, 2012	\$ 9,020.54

TOWNSHIP OF HOPEWELL

PART III

Statistical Section

For the Year Ended December 31, 2012

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>
2012	\$ 6,262,172	\$ 4,017,739	\$ 1,987,992	\$ 366,693	\$ 846,600	\$ 1,755,140	\$ 390,040	\$ 198,864	\$ 3,167,877	\$ 1,349,507	20,342,624
2011	5,723,493	3,859,063	1,980,958	347,046	808,600	1,708,323	1,596,003	146,981	3,214,042	1,332,808	20,717,317
2010	5,675,722	3,943,482	2,072,090	353,556	810,704	1,464,487	1,474,555	98,246	3,105,605	1,314,554	20,313,001
2009	5,793,044	4,041,226	1,961,511	403,697	758,000	1,532,429	900,890	210,786	3,127,518	1,845,194	20,574,295
2008	5,836,293	3,844,521	1,845,684	394,289	693,000	1,478,585	1,405,538	351,124	2,740,540	1,840,742	20,430,316
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

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
2012	\$ 59,170	\$ 6,030		\$ 1,250	\$ 66,450
2011	58,350	16,813	\$ 9,245	1,250	85,658
2010	64,450	6,708		1,400	72,558
2009	64,685	6,743		1,365	72,793
2008	56,500	7,155		1,250	64,905
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

Table 2b

Sewer Utility Operating Fund Expenditures By Function
Last Ten Years
Unaudited

Year	Operating	Debt Service	Capital	Deferred Charges and Statutory Expenditures	Total
2012	\$1,153,194	\$69,147	\$7,750	\$168,286	\$1,398,377
2011	1,126,058	67,660		2,000	1,195,718
2010	1,028,200	74,795		2,200	1,105,195
2009	1,024,770	72,360		2,146	1,099,276
2008	961,046	106,643		2,000	1,069,689
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

Table 3

**Township of Hopewell
Current Revenues By Source
Last Ten Years
Unaudited**

<u>Year</u>	<u>Taxes (1)</u>	<u>Delinquent Taxes</u>	<u>Fees, Permits, Interest, Fines and Licenses</u>	<u>State Aid</u>	<u>State and Federal Grants</u>	<u>Surplus Anticipated</u>	<u>Non Budget Revenues and Other Items</u>	<u>Total</u>
2012	\$ 12,468,335	\$ 1,282,776	\$ 1,588,392	\$ 1,634,157	\$ 378,339	\$ 1,915,811	\$ 1,574,128	\$ 20,841,938
2011	14,243,183	2,842,913	1,464,391	1,634,157	1,584,302	1,415,811	2,161,718	25,346,475
2010	12,148,087	947,618	1,236,956	1,650,454	1,463,166	1,415,811	2,023,841	20,885,933
2009	12,911,754	1,119,889	1,206,664	2,141,115	888,231	1,415,811	1,792,682	21,476,146
2008	13,635,481	1,236,638	1,396,503	2,232,370	1,394,815	1,415,811	851,332	22,162,950
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

(1) Excludes taxes allocated to county and school.

Table 4

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

<u>Year</u>	<u>Net Assessed Valuation Taxable</u>	<u>Estimated Full Cash Valuation</u>	<u>Percentage of Net Assessed Value to Estimated Full Cash Valuation</u>
2012	\$4,057,775,200	\$4,003,841,822	101.35%
2011	4,183,452,489	4,073,248,162	102.71%
2010	4,341,859,988	4,159,076,020	104.39%
2009	4,489,000,000	4,322,023,148	103.86%
2008	4,550,576,567	4,379,444,863	103.91%
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%

(1) Revaluation.

Table 5

Township of Hopewell
Schedule of Ten Largest Taxpayers
Unaudited

<u>Taxpayer</u>	<u>Assessed Valuation 2012</u>	<u>As a Percent of Total Net Assessed Valuation Taxable</u>
1) Merrill Lynch	\$ 337,716,800	8.32%
2) Bristol Myers Squibb	234,918,600	5.79%
3) Janssen Pharmaceutica	91,228,300	2.25%
4) Hopewell TC Assoc.& Inv	24,646,100	0.61%
5) Trap Rock Industries	21,963,700	0.54%
6) Carter Road LLC	16,954,100	0.42%
7) Capital Health Systems	15,366,700	0.38%
8) Transco Gas Pipeline	13,842,100	0.34%
9) Montpen SC LLC	13,036,500	0.32%
10) Private Individual	10,764,700	0.27%
 Total	 <u>\$ 780,437,600</u>	 <u>19.23%</u>

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

<u>Year</u>	<u>Population (1)</u>	<u>Average Equalized Valuation</u>	<u>Gross Debt</u>	<u>Gross Debt Per Capita</u>	<u>Ratio of Gross Debt To Equalized Valuation</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt To Equalized Valuation</u>	<u>Net Bonded Debt Per Capita</u>
2012	17,345	\$4,091,414,083	\$101,408,790	\$5,847	2.48%	\$55,039,230	1.35%	\$3,173
2011	17,345	4,197,259,448	102,789,132	5,926	2.45%	54,268,763	1.29%	3,129
2010	17,325	4,281,662,204	94,976,878	5,482	2.22%	50,125,259	1.17%	2,893
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

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(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
2012	\$ 1,922,877	\$ 1,245,000	\$ 3,167,877	\$ 20,342,624	15.57%
2011	1,615,230	1,598,812	3,214,042	20,717,317	15.51%
2010	2,034,547	1,071,058	3,105,605	20,313,001	15.29%
2009	1,880,372	1,247,146	3,127,518	20,574,295	15.20%
2008	1,449,010	1,291,530	2,740,540	20,430,316	13.41%
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%

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)
2012	\$ 72,527	\$ 60,420	\$ 6,030	\$ 6,077
2011	86,375	59,600	16,813	9,962
2010	82,575	66,850	6,508	9,217
2009	73,290	66,050	6,743	497
2008	67,197	57,750	7,155	2,292
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

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)
2012	\$ 1,483,164	\$ 1,155,694	\$ 69,147	\$ 258,323
2011	1,103,897	1,128,058	67,660	(91,821)
2010	1,246,384	1,030,400	74,795	141,189
2009	1,313,042	1,026,916	72,360	213,766
2008	1,137,598	963,046	106,643	67,909
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)

**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>
2012	(2)	(2)
2011	5.9%	(2)
2010	6.0%	\$52,946
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

(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, 2012

INVERSO & STEWART, LLC

**Certified Public Accountants
Registered Municipal Accountants**

12000 Lincoln Drive West, Suite 402
Marlton, New Jersey 08053
(856) 983-2244
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-Member of-
American Institute of CPAs
New Jersey Society of CPAs

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133 AND STATE FINANCIAL ASSISTANCE REQUIRED BY STATE OF NEW JERSEY CIRCULAR 04-04-OMB

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the Township of Hopewell's in the County of Mercer, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement*, and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the Township's major federal and state programs for the year ended December 31, 2012. The Township's major federal and state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Township's major federal and programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; OMB Circular A-133 *Audits of State, Local Governments, and Non-Profit Organizations*; and State of New Jersey Circular 04-04-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and State of New Jersey Circular 04-04-OMB require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Township's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination on the Township's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Township of Hopewell complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2012.

Report on Internal Control Over Compliance

Management of the Township of Hopewell is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State of New Jersey Circular 04-04-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township of Hopewell's internal control over compliance.

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

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
March 28, 2013

TOWNSHIP OF HOPEWELL

Schedule of Expenditures of Federal Financial Assistance
For the Year Ended December 31, 2012

Federal Grantor/Program Title	Federal C.F.D.A. Number	Program or Award Amount	Program Funds Received	Grant Period From	Grant Period To	Balance December 31, 2011	Revenue Realized	Adjustment/Cancel	Disbursements/Expenditures	Balance December 31, 2012
U.S. Department of Housing and Urban Development										
Housing and Urban Development - Hunt House	N/A	\$ 50,000.00		01/01/02	12/31/12	\$ 50,000.00	\$ -		\$ -	\$ 50,000.00
						<u>50,000.00</u>	<u>-</u>		<u>-</u>	<u>50,000.00</u>
U.S. Department of Energy through the American Recovery & Reinvestment Act										
Energy Efficiency and Conservation Block Grant I	81.128	\$ 41,291.87		07/01/10	08/31/12	41,291.87				41,291.87
Energy Efficiency and Conservation Block Grant II	81.128	\$ 6,326.00		07/01/10	08/31/12	6,326.00				6,326.00
						<u>47,617.87</u>	<u>-</u>		<u>-</u>	<u>47,617.87</u>
Department of Homeland Security										
FEMA Disaster Grants - Public Assistance	97.036	\$ 2,154,770.24		10/29/12	04/30/13		2,154,770.24		2,154,770.24	-
						<u>-</u>	<u>2,154,770.24</u>		<u>2,154,770.24</u>	<u>-</u>
Total State Financial Assistance						<u>\$ 97,617.87</u>	<u>\$ 2,154,770.24</u>		<u>\$ 2,154,770.24</u>	<u>\$ 97,617.87</u>

Analysis of Balance December 31, 2012

Current Fund:	
Reserve for Federal and State Grants - Appropriated	\$ 97,617.87
Reserve for Federal and State Grants - Unappropriated	
<hr/>	
Total	<u>\$ 97,617.87</u>

The accompanying Notes to Schedule of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

TOWNSHIP OF HOPEWELL

Schedule of Expenditures of State Financial Assistance
For the Year Ended December 31, 2012

State Grants/Program Title	State GMS Number	Program or Award Amount	Program Funds Received	Grant Period		Balance December 31, 2011	Revenue Realized	Adjustment/Cancel	Disbursements/Expenditures	Balance December 31, 2012
State Department of Transportation										
State Aid - NJ Transportation Trust Fund										
Authority Act:										
DOT - Titus Mill Road	62009382732	200,000.00	200,000.00			\$ 106.57				\$ 106.57
DOT - Timberlane Drive	6320-460-078-6320-AJ4-TCAP-6010	150,000.00	101,533.00			88,211.85				88,211.85
DOT - Crossing Bedy/Pennington-Rocky Hill Rd.	6320-460-078-6320-AJQ-TCAP-6010	410,000.00	162,849.49	01/01/09	12/31/10	117,644.89				117,644.89
DOT - Pennington-Rocky Hill Rd.	Not Available	325,000.00		01/01/10	12/31/10	325,000.00		\$ 10,900.00	\$ 191,523.30	144,376.70
DOT - Herb/Rockdown Road	Not Available	220,000.00					\$ 220,000.00			220,000.00
Pothole Repair Grant	Not Available					2,576.84				2,576.84
Design Guidelines	Not Available	40,834.00	40,834.00	01/01/04	12/31/08	171.03				171.03
						533,711.18	220,000.00	10,900.00	191,523.30	573,087.88
State Department of Law and Public Safety										
Drunk Driving Enforcement Grant(Over the Limit)	6400-100-078-6400	23,428.60	23,428.60	1/1/09	12/31/10	56.83			56.83	
Drunk Driving Enforcement Grant(2009 Crackdown)	AL10-10-04-76	5,000.00	5,000.00	12/07/09	12/31/10	4,902.35			4,902.35	
Drunk Driving Enforcement Grant(2010 Crackdown)	AL11-10-04-76	10,000.00	10,000.00	01/01/11	12/31/11	5,769.24		5,110.47	4,928.63	5,951.08
Drunk Driving Enforcement Grant(2010 Crackdown)	AL12-10-04-76	6,573.52	6,573.52	01/01/12	12/31/12		6,573.52			6,573.52
911 General Assistance Grant	07-C-11-087 and 08-C-11-087	110,000.00	110,000.00	1/1/09	12/31/10	48,392.00				48,392.00
Highway Traffic Safety Grant	TR01-41-01-01					631.07				631.07
Emergency Management Assistance	Not Available	4,811.00	4,811.00	01/01/08	12/31/10	2,226.00				2,226.00
Body Armor Grant	1020-718-066-1020-001-YCJS-6120	10,383.50	10,181.49	1/1/09	12/31/10	3,056.22			2,860.00	196.22
Route 31 Aggressive Driving	Not Available	20,800.00	20,800.00	10/01/07	09/30/08	799.99				799.99
Bulletproof Vest Partnership Grant	Not Available	11,815.00	2,977.86	1/1/09	12/31/10	11,260.00				11,260.00
Project Buckle Up - Click It or Ticket	1160-100-066-1160-113-YHTS-6020	8,000.00	4,000.00	05/19/09	12/31/10	4,000.00				4,000.00
						81,093.70	6,573.52	5,110.47	12,747.81	80,029.88

(Continued)

TOWNSHIP OF HOPEWELL

Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended December 31, 2012

State Grantor/Program Title	State GMIS Number	Program or Award Amount	Program Funds Received	Grant Period		Balance December 31, 2011	Revenue Received	Adjustment/Cancel	Disbursements/Expenditures	Balance December 31, 2012
				From	To					
State Department of Treasury										
Smart Growth Planning Program	Not Available	\$ 6,750.00	\$ 5,292.60	06/01/08	12/31/10	\$ 244.81				\$ 244.81
2007 Compact Authorized Investment	NJ-HPWLT-2007-1R	794,397.00	784,430.52	01/01/07	12/31/10	9,150.48				9,150.48
2010 Compact Authorized Investment	NJ-HPWLT-2009-01	331,222.00	285,338.67	01/01/10	12/31/10	292,161.38		\$ 329,670.58	\$ 290,609.96	331,222.00
2010 Business Stimulus	DEP-069G-Forostry	7,000.00	6,950.00	12/01/10	09/30/11	50.00				50.00
						<u>301,606.67</u>		<u>329,670.58</u>	<u>290,609.96</u>	<u>340,667.29</u>
State Department of Community Affairs										
Dep Historic Preservation Plan	HE06-006	45,400.00	43,605.00	01/01/08	12/31/09	1,116.88				1,116.88
Historic Sites Committee	Not Available	7,500.00	7,500.00	01/01/02	12/31/08	7,500.00				7,500.00
						<u>8,616.88</u>				<u>8,616.88</u>
State Department of Health										
Tobacco Age-of Sale Enforcement Grant	97-1647-TOB			04/01/08	12/31/10	2,849.69			1,342.00	1,507.69
Pandemic Influenza Program	08-909-BT-L-O	14,487.00	14,487.00	01/01/06	12/31/08	0.20				0.20
Sr. Coordinator Grant	Not Available	114,417.85		01/01/06	12/31/10	0.00	\$ 55,000.00		55,000.00	
Public Health Practico Standards Grant	Not Available	3,000.00	3,000.00	01/01/06	12/31/08	48.14				48.14
Delaware Green River Partnership Grant	CA4000-S-9020	4,000.00	2,000.00	01/01/02	12/31/08	4,000.00				4,000.00
H1N1 Virus	10-909-BT-L-1	84,207.00	78,336.00	10/01/09	12/31/10	29,396.00				29,396.00
						<u>36,294.03</u>	<u>55,000.00</u>		<u>56,342.00</u>	<u>34,952.03</u>
State Department of Environmental Protection										
Clean Communities Program	4900-765-042-4900-004-V42Y-6020	261,836.47	260,100.52	1/1/07	12/31/12	227,088.67	41,423.01	240.00	12,525.28	256,226.40
Municipal Stormwater Regulation Program	WQ05-301	12,029.00	12,029.00	3/1/04	02/28/07	1,051.44				1,051.44
Liveable Community Pilot Program - Smith's Cross	LC05-092	69,000.00	69,000.00	01/01/05	12/31/08	2,500.00				2,500.00
Customer on Site Renewable Energy (CORE)	MM05292	147,155.00	147,155.00	06/04/07	06/04/09	147,155.00			147,155.00	
Municipal Stormwater Regulation Program	Not Available					214.14				214.14
Environmental Resource Inventory Grant	Not Available	10,000.00	10,000.00	1/1/08	12/31/10	10,000.00				10,000.00
Clean Air Cool Planet	Not Available	2,500.00	2,500.00	01/01/11	12/31/12	1,744.07				1,744.07
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	26,830.78	26,830.78	01/01/10	12/31/11	72,949.23	26,830.78		34,500.15	65,279.86
Soil Conservation-Community Forestry Mgmt.	4870-100-042-4870-038-V4A3-6120	4,500.00	4,500.00	1/1/09	12/31/10	1,500.00				1,500.00
						<u>464,202.55</u>	<u>68,253.79</u>	<u>240.00</u>	<u>194,180.43</u>	<u>338,515.91</u>

(Continued)

TOWNSHIP OF HOPEWELL

SCHEDULE B

Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended December 31, 2012

<u>State Grantor/Program Title</u>	<u>State GMIS Number</u>	<u>Program or Award Amount</u>	<u>Program Funds Received</u>	<u>Grant Period</u>		<u>Balance December 31, 2011</u>	<u>Revenue Realized</u>	<u>Canceled</u>	<u>Disbursements/ Expenditures</u>	<u>Balance December 31, 2012</u>
				<u>From</u>	<u>To</u>					
<u>State Department of Treasury</u>										
State Forfeiture Funds	Not Available	\$ 20,019.53	\$ 20,019.53	1/1/09	12/31/10	\$ 328.53				\$ 328.53
						<u>\$ 328.53</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 328.53</u>
Total State Financial Assistance						<u>\$ 1,425,853.54</u>	<u>\$ 349,827.31</u>	<u>\$ 345,921.05</u>	<u>\$ 745,403.50</u>	<u>\$ 1,376,198.40</u>

Analysis of Balance December 31, 2012

Current Fund:	
Reserve for Federal and State Grants - Appropriated	\$ 1,376,497.54
Reserve for Federal and State Grants - Unappropriated	0.86
Total	<u>\$ 1,376,498.40</u>

The accompanying Notes to Schedule of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

Township of Hopewell
Notes to Schedules of Expenditures of Federal and State Financial Assistance
For the Year Ended December 31, 2012

1. GENERAL

The accompanying schedule of expenditures of federal and state financial assistance present the activity of all federal and state financial assistance programs of the Township of Hopewell, County of Mercer, State of New Jersey. The Township is defined in the Notes to the Financial Statements, Note 1.

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal and state financial assistance is presented using the modified accrual basis of accounting as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, which is described in the Notes to the Financial Statements, Note 1.

3. RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Township's financial statements. Expenditures from awards are reported in the Township's financial statements as follows:

	Federal	State	Total
Current Fund	\$ 2,154,770.24		\$ 2,154,770.24
Federal and State Grant Fund		\$ 754,403.50	754,403.50
	Total Financial Assistance	\$ 754,403.50	\$ 2,909,173.74

4. MAJOR PROGRAMS

Major programs are identified in the "Summary of Auditor's Results" section of the Schedule of Findings and Questioned Costs.

**TOWNSHIP OF HOPEWELL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Section 1 -- Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: UNQUALIFIED

Internal control over financial reporting:

1) Material weaknesses identified? yes X no

2) Were reportable conditions identified that were not considered to be material weaknesses? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal Control over compliance:

1) Material weaknesses identified? yes X no

2) Were reportable conditions identified that were not considered to be material weaknesses? yes X none reported

Type of auditor's report on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a))? yes X no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
97.036	FEMA Disaster Grant - Public Assistance

Dollar threshold used to determine Type A programs \$300,000

Auditee qualified as low-risk auditee? yes X no

**TOWNSHIP OF HOPEWELL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

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.

Finding 2012-1

Condition:

Many aging federal and state grant receivable and appropriated reserves balances exist as of December 31, 2012.

Criteria:

The Division of Local Government Services requires that grants be periodically reviewed for proper disposition.

Effect:

The Township is not in compliance with requirements promulgated by the Division of Local Government Services.

Cause:

Oversight.

Recommendation:

That grant receivable and appropriation reserve balances be reviewed for proper follow up and or disposition.

View of Responsible Official and Planned Corrective Action:

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

**TOWNSHIP OF HOPEWELL
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2012**

**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:

No findings and/or questioned costs identified.

STATE AWARDS:

No findings and/or questioned costs identified.

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

A State Single Audit was not required.

TOWNSHIP OF HOPEWELL
OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the year ended December 31, 2012

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name Of Surety</u>
Michael Markulec	Mayor		
James Burd	Deputy Mayor		
Kimberly Johnson	Committeeperson		
Allen Cannon	Committeeperson		
Vanessa Sandom	Committeeperson		
Paul E. Pogorzelski	Administrator	\$1,000,000	(A)
Laurie Gompf	Municipal Clerk	1,000,000	(A)
Antoinette Sost	Tax Assessor	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 Richman	Account 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 28, 2013