

TOWNSHIP OF HOPEWELL

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## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

**TOWNSHIP OF HOPEWELL**  
BEAVER COUNTY, PENNSYLVANIA

FINANCIAL STATEMENTS

WITH REPORTS BY  
CERTIFIED PUBLIC ACCOUNTANT

**FOR THE YEAR ENDED  
DECEMBER 31, 2021**

**HOPEWELL TOWNSHIP**  
**BEAVER COUNTY, PENNSYLVANIA**

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**BEAVER COUNTY, PENNSYLVANIA**

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**To the Township Commissioners  
Township of Hopewell, Pennsylvania**

## **Independent Auditor's Report**

### **Opinions**

I have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Township of Hopewell, Allegheny County, Pennsylvania as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Township of Hopewell's basic financial statements as listed in the table of contents.

### ***Basis for Qualified Opinion on Governmental and Business-Type Activities***

The Township of Hopewell's Non-Uniform Pension Plan participates in the Pennsylvania Municipal Retirement System (PMRS), which is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating municipal pension plans. PMRS is responsible for providing participating members with actuarially calculated values for their net pension liability, deferred outflows and Inflows of resources, and pension expense. Accounting principles generally accepted in the United States requires these values to be updated at least bi-annually. PMRS has been unable to provide the Township of Hopewell with these actuarially calculated values for calendar year 2021. Consequently, I was unable to determine whether any adjustments to those amounts were necessary, and therefore, the amounts reported in the accompanying financial statements for the net pension liability and related deferred outflows and inflows of resources are the same as reported in the Township's financial statements for the year ended December 31, 2020, dated June 9, 2021.

### ***Qualified Opinion***

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Township of Hopewell as of December 31, 2021 and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Township of Hopewell and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township of Hopewell's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 of Hopewell's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township of Hopewell's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

## Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages iv-xvi and the defined benefit trust funds' historical pension information on pages 62-68 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Township of Hopewell's basic financial statements. The supplementary information (Schedules 1 through 5) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Mark C. Turnley, CPA

August 29, 2022  
New Brighton, Pennsylvania

**HOPEWELL TOWNSHIP  
BEAVER COUNTY, PENNSYLVANIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
REQUIRED SUPPLEMENTARY INFORMATION (RSI)  
DECEMBER 31, 2021**

**INTRODUCTION**

This discussion and analysis of the Township of Hopewell's financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2021. The intent of Management's Discussion and Analysis (MD&A) is to provide readers with an appreciation for the financial status of the Township, the challenges faced, and accomplishments achieved. The reader should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the Township's financial performance.

The Management Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. Certain comparative information between the current year and the prior year is required to be presented in the MD& A.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for 2021 are as follows:

- The Township's governmental activities net position increased \$1,403,871 in 2021 (13%), which increased total net position at December 31, 2021 to \$12,366,780. The net position total includes restatements to beginning net position of \$113,446. An increase to net position was made to account for an addition to fixed assets from the prior year and adjustments to the pension liability and deferred outflows and inflows related to the PMRS received late.
- Unrestricted governmental activities net position was \$5,092,763 at December 31, 2021. Unrestricted business-type activities net position was \$3,358,704 at December 31, 2021. An addition an increase to the beginning net position for \$94,276 was made to account for adjustments to the pension liability and deferred outflows and inflows related to the PMRS received late.
- General Fund unassigned fund balance at December 31, 2021 was \$3,344,582.
- The Township has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68 – 'Accounting and Financial Reporting for Pensions'. The Township is required to recognize an actuarially determined net pension liability on their Statement of Net Position, along with deferred outflows and inflows related to the Township's employee pension plans. As of December 31, 2021, the net pension asset for the pension plans (police and non-uniformed) was a combined net of \$1,070,121 (recognized in both the governmental activities and business-type activities).



**HOPEWELL TOWNSHIP  
BEAVER COUNTY, PENNSYLVANIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
REQUIRED SUPPLEMENTARY INFORMATION (RSI)  
DECEMBER 31, 2021**

**USING THE ANNUAL FINANCIAL REPORT (GASB 34)**

The Annual Financial Report consists of the Management Discussion and Analysis (this section) and a series of financial statements and notes to those statements. These statements are organized so that the reader can understand the Township of Hopewell as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The first two statements are government-wide financial statements – the Statement of Net Position and the Statement of Activities. These provide both long-term and short-term information about the Township's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the Township's operations in more detail than the government-wide statements. The governmental funds statements tell how general Township services were financed in the short term as well as what remains for future spending. The Proprietary fund statements provide information on the Sewer Fund. Fiduciary fund statements provide information about financial relationships where the Township acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong. Fiduciary fund statements provide information about financial relationships where the Township acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong. The Police Pension Fund is the only fiduciary fund of the Township.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

**HOPEWELL TOWNSHIP  
BEAVER COUNTY, PENNSYLVANIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
REQUIRED SUPPLEMENTARY INFORMATION (RSI)  
DECEMBER 31, 2021**

**USING THE ANNUAL FINANCIAL REPORT (GASB 34) (Continued)**

Figure A-1 shows how the required parts of the Financial Section are arranged and relate to one another:

**Figure A-1  
Required Components of  
Township of Hopewell's Financial Report**

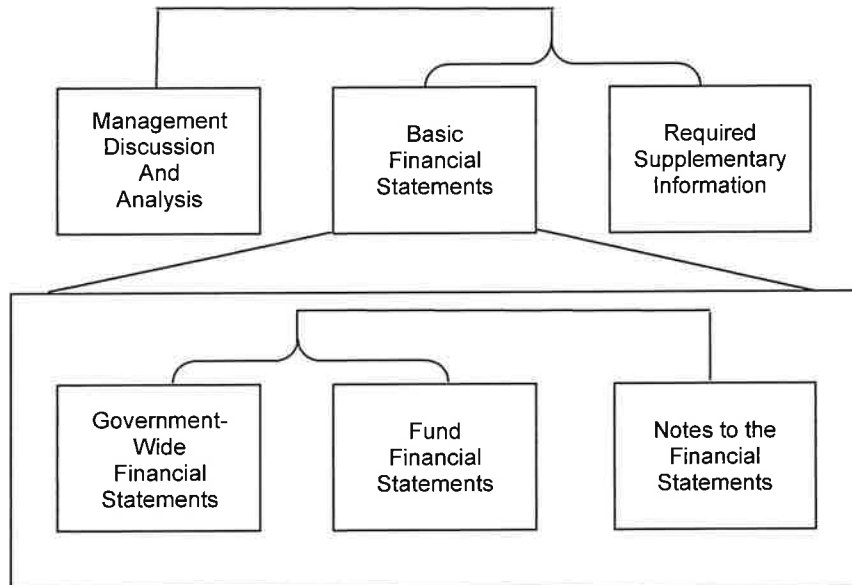


Figure A-2 summarizes the major features of the Township's financial statements, including the portion of the Township they cover and the types of information they contain. The remainder of this overview section of management discussion and analysis explains the structure and contents of each of the statements.

**HOPEWELL TOWNSHIP  
BEAVER COUNTY, PENNSYLVANIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
REQUIRED SUPPLEMENTARY INFORMATION (RSI)  
DECEMBER 31, 2021**

**Figure A-2  
Major Features of the Township of Hopewell  
Government-wide and Fund Financial Statements**

|                                        |                                                                            | Fund Statements                                                                                                                 |                                                                                                                     |                                                                                                     |
|----------------------------------------|----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
|                                        | Government-wide<br>Statements                                              | Governmental Funds                                                                                                              | Proprietary<br>Funds                                                                                                | Fiduciary Funds                                                                                     |
| Scope                                  | Entire Township (except fiduciary funds)                                   | The activities of the Township that are not proprietary or fiduciary, such as public safety and works, administration           | Activities the Township operates similar to private business                                                        | Instances in which the Township is the trustee or agent to someone else's resources – Pension Funds |
| Required financial statements          | Statement of net position<br>Statement of activities                       | Balance Sheet<br>Statement of revenues, expenditures, and changes in fund balance                                               | Statement of net position<br>Statement of revenues, expenses and changes in net position<br>Statement of cash flows | Statement of fiduciary net position<br>Statement of changes in fiduciary net position               |
| Accounting basis and measurement focus | Accrual accounting and economic resources focus                            | Modified accrual accounting and current financial resources focus                                                               | Accrual accounting and economic resources focus                                                                     | Accrual accounting and economic resources focus                                                     |
| Type of asset/liability information    | All assets and liabilities, both financial and capital, and short-term and | Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included | All assets and liabilities, both financial and capital, and short-term and long-term                                | All assets and liabilities, both short-term and long-term                                           |

**HOPEWELL TOWNSHIP  
BEAVER COUNTY, PENNSYLVANIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
REQUIRED SUPPLEMENTARY INFORMATION (RSI)  
DECEMBER 31, 2021**

| Type of inflow-outflow information | All revenues and expenses during year, regardless of when cash is received or paid | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter | All revenues and expenses during year, regardless of when cash is received or paid | All revenues and expenses during year, regardless of when cash is received or paid |
|------------------------------------|------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
|                                    |                                                                                    |                                                                                                                                                                                            |                                                                                    |                                                                                    |

## **OVERVIEW OF FINANCIAL STATEMENTS**

### **GOVERNMENT-WIDE STATEMENTS**

The government-wide statements report information about the Township as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Township's net position and how they have changed. Net position, the difference between the Township's assets and liabilities, are one way to measure the Township's financial health or position. Over time, increases or decreases in the Township's net position are an indication of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the Township, you need to consider additional non-financial factors, such as changes in the Township's property tax base and the condition of the Township's infrastructure (roads and sewers).

The government-wide financial statements of the Township consist of the following categories:

- Governmental activities – All of the Township's basic services are included here, such as general administration, public safety and public works. Property and Act 511 taxes and state grants finance most of these activities.
- Business-type activities – The Township operates two sewer treatment plants.

### **FUND FINANCIAL STATEMENTS**

The Township's fund financial statements, which begin on Page 3, provide detailed information about the most significant funds – not the Township as a whole.

**HOPEWELL TOWNSHIP  
BEAVER COUNTY, PENNSYLVANIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
REQUIRED SUPPLEMENTARY INFORMATION (RSI)  
DECEMBER 31, 2021**

**OVERVIEW OF FINANCIAL STATEMENTS (Continued)**

**FUND FINANCIAL STATEMENTS (Continued)**

**Governmental Funds** – Most of the Township's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Township's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**Enterprise Funds** – The Township operates a sewer fund.

**Fiduciary Funds** – The Township is the trustee, or fiduciary, for the police pension and non-uniformed employee pension funds. All of the Township's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on Pages 11 and 12. We exclude these activities from the Township's other financial statements because the Township cannot use these assets to finance its operations.

**FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE**

The Township has presented its financial statements using the reporting model required by Government Accounting Standards Board Statement No. 34 (GASB Statement #34), "Basic Financial Statements and Management's Discussion and Analysis (MD&A) for State and Local Governments.

**HOPEWELL TOWNSHIP  
BEAVER COUNTY, PENNSYLVANIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
REQUIRED SUPPLEMENTARY INFORMATION (RSI)  
DECEMBER 31, 2021**

**FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE (Continued)**

The Township's net position on December 31, 2021 vs. December 31, 2020 is presented below:

Table A-1  
**Summary of Statement of Net Position**

|                                             | -----DECEMBER 31, 2021----- |                             |                      | -MEMO-               |
|---------------------------------------------|-----------------------------|-----------------------------|----------------------|----------------------|
|                                             | GOVERNMENTAL<br>ACTIVITIES  | BUSINESS-TYPE<br>ACTIVITIES | 2021<br>TOTAL        | 2020<br>TOTAL        |
| Current Assets                              | \$ 7,390,011                | \$ 4,411,451                | \$ 11,801,462        | \$ 9,968,691         |
| Non-Current Assets                          | 7,889,259                   | 9,794,972                   | 17,684,231           | 16,780,437           |
| Deferred Outflows Related to Pensions       | 848,154                     | 156,144                     | 1,004,298            | 1,230,692            |
| <b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS</b> | <b>\$ 16,127,424</b>        | <b>\$ 14,362,567</b>        | <b>\$ 30,489,991</b> | <b>\$ 27,979,820</b> |
| Current Liabilities                         | \$ 1,052,712                | \$ 784,584                  | \$ 1,837,296         | \$ 1,143,185         |
| Long-term Liabilities                       | 590,334                     | 4,268,340                   | 4,858,674            | 6,099,889            |
| <b>TOTAL LIABILITIES</b>                    | <b>\$ 1,643,046</b>         | <b>\$ 5,052,924</b>         | <b>\$ 6,695,970</b>  | <b>\$ 7,243,074</b>  |
| <b>DEFERRED INFLOW OF RESOURCES</b>         | <b>\$ 2,117,598</b>         | <b>\$ 303,840</b>           | <b>\$ 2,421,438</b>  | <b>\$ 1,446,851</b>  |
| Net Investment in                           |                             |                             |                      |                      |
| Capital Assets                              | \$ 6,608,596                | \$ 5,093,398                | \$ 11,701,994        | \$ 11,318,519        |
| Restricted                                  | 665,421                     | 553,611                     | 1,219,032            | \$ 1,405,759         |
| Unrestricted (Deficit)                      | 5,092,763                   | 3,358,704                   | 8,451,467            | 6,565,717            |
| <b>TOTAL NET POSITION</b>                   | <b>\$ 12,366,780</b>        | <b>\$ 9,005,713</b>         | <b>\$ 21,372,493</b> | <b>\$ 19,289,995</b> |

The results of this year's operations as a whole are reported in the Statement of Activities on Page 2. All expenses are reported in the first column. Specific charges, grants, revenues and subsidies that directly relate to specific expense categories are represented to determine the final amount of the Township's activities that are supported by other general revenues. The largest general revenues are local taxes assessed to and derived from community taxpayers.

**HOPEWELL TOWNSHIP  
BEAVER COUNTY, PENNSYLVANIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
REQUIRED SUPPLEMENTARY INFORMATION (RSI)  
DECEMBER 31, 2021**

**FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE (Continued)**

Table A-2 takes the information from the Statement of Activities, rearranges it slightly, so you can see our total revenues, expenses, and change to the net position for 2021.

Table A-2  
Year ended December 31, 2021  
Changes in Net Position

|                                    | <b>GOVERNMENTAL<br/>ACTIVITIES</b> | <b>BUSINESS-TYPE<br/>ACTIVITIES</b> | <b>2021<br/>TOTAL</b> | <b>2020<br/>TOTAL</b> |
|------------------------------------|------------------------------------|-------------------------------------|-----------------------|-----------------------|
| <b>REVENUES</b>                    |                                    |                                     |                       |                       |
| <b>Program Revenues:</b>           |                                    |                                     |                       |                       |
| Charges for Services               | \$ 254,829                         | \$ 3,382,771                        | \$ 3,637,600          | \$ 3,716,351          |
| Operating Grants and Contributions | 761,483                            | 52,770                              | 814,253               | 1,158,495             |
| Capital Grants                     | 25,590                             | -                                   | 25,590                | 33,840                |
| <b>General Revenues:</b>           |                                    |                                     |                       |                       |
| Property Taxes                     | 2,826,294                          | -                                   | 2,826,294             | 2,747,353             |
| Other Taxes                        | 2,664,816                          | -                                   | 2,664,816             | 2,489,171             |
| Investment Earnings                | 5,092                              | 1,705                               | 6,797                 | 39,678                |
| Sale of Property and Equipment     | 1                                  | 250                                 | 251                   | 14,273                |
| Transfers                          | 111,841                            | (111,841)                           | -                     | -                     |
| Other                              | 303,745                            | 4,109                               | 307,854               | 263,797               |
| <b>TOTAL REVENUES</b>              | <b>\$ 6,953,691</b>                | <b>\$ 3,329,764</b>                 | <b>\$ 10,283,455</b>  | <b>\$ 10,462,958</b>  |
| <b>EXPENSES</b>                    |                                    |                                     |                       |                       |
| General Government                 | \$ 764,281                         | \$ -                                | \$ 764,281            | \$ 779,580            |
| Public Safety                      | 2,531,811                          | -                                   | 2,531,811             | 2,824,977             |
| Public Works - Highways            | 1,694,465                          | -                                   | 1,694,465             | 1,576,697             |
| Public Works - Other               | 89,485                             | -                                   | 89,485                | 102,397               |
| Culture and Recreation             | 245,927                            | -                                   | 245,927               | 304,101               |
| Employee Benefits                  | 191,412                            | -                                   | 191,412               | 198,134               |
| Miscellaneous                      | 32,439                             | -                                   | 32,439                | 27,365                |
| Sewer Fund                         | -                                  | 2,858,859                           | 2,858,859             | 2,550,386             |
| <b>TOTAL EXPENSES</b>              | <b>\$ 5,549,820</b>                | <b>\$ 2,858,859</b>                 | <b>\$ 8,408,679</b>   | <b>\$ 8,363,637</b>   |
| <b>CHANGE IN NET POSITION</b>      | <b>\$ 1,403,871</b>                | <b>\$ 470,905</b>                   | <b>\$ 1,874,776</b>   | <b>\$ 2,099,321</b>   |

Total governmental activities revenues of \$6,953,691 were derived primarily from property and act 511 taxes representing 79% of the total revenues. Operating and capital grants and contributions were the next largest source of revenue at 11% and then charges for services were 4%.

**HOPEWELL TOWNSHIP  
BEAVER COUNTY, PENNSYLVANIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
REQUIRED SUPPLEMENTARY INFORMATION (RSI)  
DECEMBER 31, 2021**

**FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE (Continued)**

Table A-3  
Year ended December 31, 2021  
Governmental Activities

|                                                            | 2021                             |                                | 2020                             |                                |
|------------------------------------------------------------|----------------------------------|--------------------------------|----------------------------------|--------------------------------|
|                                                            | <u>TOTAL COST<br/>OF SERVICE</u> | <u>NET COST<br/>OF SERVICE</u> | <u>TOTAL COST<br/>OF SERVICE</u> | <u>NET COST<br/>OF SERVICE</u> |
| <b>EXPENSES</b>                                            |                                  |                                |                                  |                                |
| General Government                                         | \$ 764,261                       | \$ 524,829                     | \$ 779,580                       | \$ 241,833                     |
| Public Safety                                              | 2,531,811                        | 2,214,225                      | 2,824,977                        | 2,479,651                      |
| Public Works - Highways                                    | 1,694,465                        | 1,251,225                      | 1,545,449                        | 1,082,478                      |
| Public Works - Other                                       | 89,485                           | 89,485                         | 102,397                          | 102,397                        |
| Culture and Recreation                                     | 245,927                          | 204,303                        | 304,101                          | 288,530                        |
| Debt Service                                               | -                                | -                              | 31,248                           | 31,248                         |
| Employee Benefits                                          | 191,412                          | 191,412                        | 198,134                          | 198,134                        |
| Miscellaneous                                              | 32,439                           | 32,439                         | 27,365                           | 27,365                         |
| <b>TOTAL EXPENSES</b>                                      | <b>\$ 5,549,800</b>              | <b>\$ 4,507,918</b>            | <b>\$ 5,813,251</b>              | <b>\$ 4,451,636</b>            |
| <b>Less:</b>                                               |                                  |                                |                                  |                                |
| Unrestricted Grants, Subsidies                             |                                  | -                              |                                  | -                              |
| <b>TOTAL NEEDS FROM LOCAL TAXES<br/>AND OTHER REVENUES</b> |                                  | <b>\$ 4,507,918</b>            |                                  | <b>\$ 4,451,636</b>            |

Table A-4  
Year ended December 31, 2021  
Business-Type Activities

|                                                  | 2021                             |                                | 2020                             |                                |
|--------------------------------------------------|----------------------------------|--------------------------------|----------------------------------|--------------------------------|
|                                                  | <u>TOTAL COST<br/>OF SERVICE</u> | <u>NET COST<br/>OF SERVICE</u> | <u>TOTAL COST<br/>OF SERVICE</u> | <u>NET COST<br/>OF SERVICE</u> |
| <b>EXPENSES</b>                                  |                                  |                                |                                  |                                |
| Sewer Fund                                       | \$ 2,858,859                     | \$ (576,682)                   | \$ 2,550,386                     | \$ (996,685)                   |
|                                                  | \$ 2,858,859                     | \$ (576,682)                   | \$ 2,550,386                     | \$ (996,685)                   |
| Miscellaneous                                    | -                                | -                              | -                                | (20,704)                       |
| Transfers                                        | -                                | -                              | -                                | 142,118                        |
| <b>TOTAL BUSINESS-TYPE ACTIVITIES NET INCOME</b> |                                  | <b>\$ (576,682)</b>            |                                  | <b>\$ (875,271)</b>            |



**HOPEWELL TOWNSHIP  
BEAVER COUNTY, PENNSYLVANIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
REQUIRED SUPPLEMENTARY INFORMATION (RSI)  
DECEMBER 31, 2021**

**THE TOWNSHIP FUNDS**

The following table compares the revenues, expenditures and change in fund balance of the Township's General Fund for the years 2021 and 2020:

|                                                 | <u>2021</u>         | <u>2020</u>         |
|-------------------------------------------------|---------------------|---------------------|
| <b>REVENUES</b>                                 |                     |                     |
| Taxes                                           | \$ 5,493,789        | \$ 5,193,069        |
| Licenses and Permits                            | 219,226             | 225,111             |
| Fines and Forfeitures                           | 23,664              | 27,445              |
| Parks and Recreation                            | 41,624              | 13,571              |
| Intergovernmental                               | 386,770             | 1,147,919           |
| Charges for Services                            | 128,335             | 106,746             |
| Miscellaneous                                   | 110,288             | 119,085             |
| <b>TOTAL REVENUES</b>                           | <b>\$ 6,403,696</b> | <b>\$ 6,832,946</b> |
| <b>EXPENSES</b>                                 |                     |                     |
| General Government                              | \$ 722,186          | \$ 777,983          |
| Public Safety                                   | 2,974,961           | 2,993,586           |
| Public Works                                    | 1,232,131           | 1,541,853           |
| Culture and Recreation                          | 270,160             | 310,452             |
| Debt Service                                    | -                   | 157,995             |
| Employee Benefits                               | 191,412             | 554,303             |
| Miscellaneous                                   | 9,128               | 22,091              |
| <b>TOTAL EXPENSES</b>                           | <b>\$ 5,399,978</b> | <b>\$ 6,358,263</b> |
| <b>OTHER FINANCING SOURCES (USES)</b>           |                     |                     |
| Proceeds from Sale of Fixed Asset               | \$ 1                | \$ 25,831           |
| Refund of Prior Years Receipts/Expenses         | 32,082              | 1,236               |
| Operating Transfers In                          | 112,267             | 342,118             |
| Operating Transfers Out                         | (426)               | (200,000)           |
| <b>TOTAL OTHER FINANCING SOURCES AND (USES)</b> | <b>\$ 143,924</b>   | <b>\$ 169,185</b>   |
| <b>NET CHANGE IN FUND BALANCE</b>               | <b>\$ 1,147,642</b> | <b>\$ 643,868</b>   |

**GENERAL FUND BUDGET**

In December of 2020, the Township of Hopewell adopted its annual budget for the General Fund in the amount of \$6,589,641. A schedule showing the Township's original and final budget amounts compared with amounts actually paid and received is provided on Page 7.

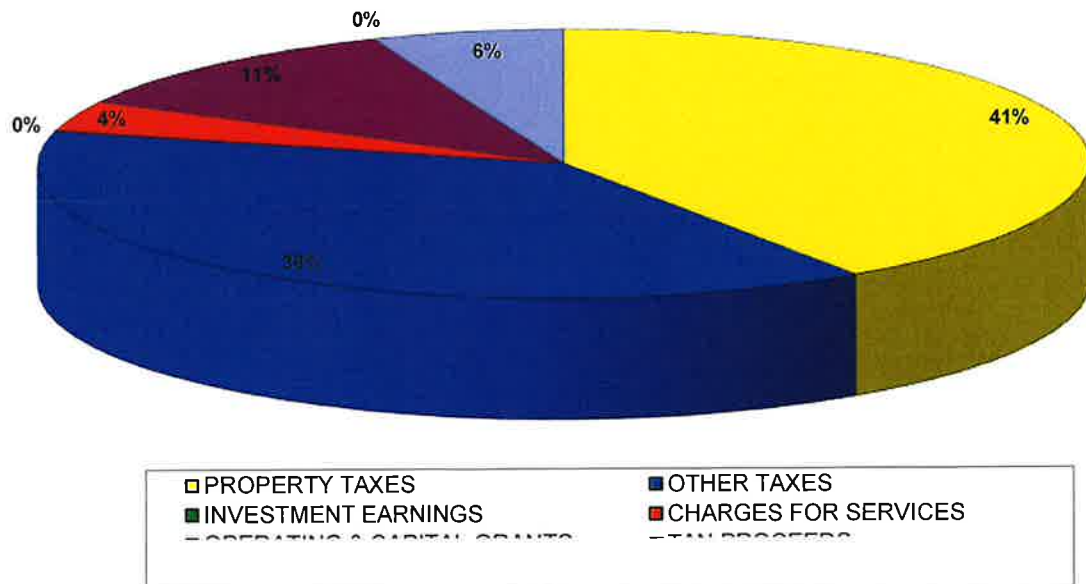
**HOPEWELL TOWNSHIP  
BEAVER COUNTY, PENNSYLVANIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
REQUIRED SUPPLEMENTARY INFORMATION (RSI)  
DECEMBER 31, 2021**

**PROGRAM REVENUES**

Total revenues for all governmental programs in 2021 were \$6,953,691. The two largest areas of revenue being real estate taxes at 41% and other taxes at 38%. Operating and Capital Grants were at 11%.

The following chart graphically depicts the government-wide program and general revenues for the fiscal year ended December 31, 2021.

**SOURCE OF REVENUES  
TOTAL REVENUES: \$6,953,691  
GOVERNMENTAL ACTIVITIES**



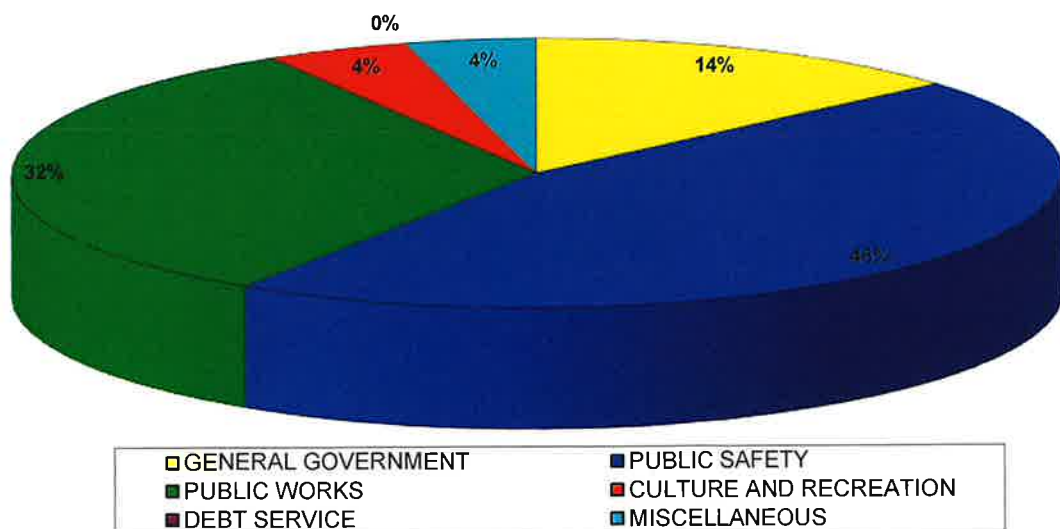
**HOPEWELL TOWNSHIP  
BEAVER COUNTY, PENNSYLVANIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
REQUIRED SUPPLEMENTARY INFORMATION (RSI)  
DECEMBER 31, 2021**

**PROGRAM EXPENSES**

Total expenses for all governmental programs in 2021 were \$5,549,820. The expenses reflect the delivery of a wide range of services, with the two largest areas being Public Safety at 46% and Public Works at 32%. General Government expenses were at 14%, Culture and Recreation expenses were at 4%, and Miscellaneous expenses were at 4%.

The following chart graphically depicts the government-wide program expenses for the fiscal year ended December 31, 2021.

**PROGRAM EXPENSES  
TOTAL EXPENSES: \$5,549,820  
Governmental Activities**



**HOPEWELL TOWNSHIP  
BEAVER COUNTY, PENNSYLVANIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
REQUIRED SUPPLEMENTARY INFORMATION (RSI)  
DECEMBER 31, 2021**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At December 31, 2021, the Township had \$16,497,734 invested in capital assets, including land, infrastructure, buildings, machinery and equipment and vehicles net of depreciation. This amount represents a net decrease (including additions, deletions and depreciation) of \$282,703 or approximately 2% from last year. The Township had approximately \$691,606 in capital additions during the 2021 year, most of which was related to infrastructure improvements and equipment purchases.

**Long Term Debt**

On December 31, 2021, the Township had \$4,771,655 of debt outstanding. The Township will make \$672,312 in debt service principal payments during 2022.

**Pension Trust Fund**

The Township of Hopewell has two pension plans – a PMRS plan for general employees that is separately administrated, and a police pension plan that is administrated by the Township. On December 31, 2021, the net position of the police plans was \$11,816,353.

**CONTACTING THE TOWNSHIP**

This financial report is designed to provide our residents, taxpayers, customers, investors and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact:

Jamie Yurcina  
Township Manager  
Township of Hopewell  
1700 Clark Boulevard  
Aliquippa, PA 15001

**TOWNSHIP OF HOPEWELL**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2021**

**EXHIBIT A**

|                                                                              | <b>Governmental<br/>Activities</b> | <b>Business-Type<br/>Activities</b> | <b>Total</b>         |
|------------------------------------------------------------------------------|------------------------------------|-------------------------------------|----------------------|
| <b>ASSETS</b>                                                                |                                    |                                     |                      |
| <b>Current Assets</b>                                                        |                                    |                                     |                      |
| Cash and Cash Equivalents                                                    | \$ 4,141,044                       | \$ 803,801                          | \$ 4,944,845         |
| Cash and Cash Equivalents - Restricted                                       | -                                  | 553,611                             | 553,611              |
| Investments                                                                  | 2,451,985                          | 2,283,321                           | 4,735,306            |
| Utilities Receivable (Net)                                                   | -                                  | 736,909                             | 736,909              |
| Taxes Receivable (Net)                                                       | 652,999                            | -                                   | 652,999              |
| Other Accounts Receivable                                                    | 67,756                             | -                                   | 67,756               |
| Prepaid Expenses                                                             | 75,225                             | 34,811                              | 110,036              |
| Internal Balances                                                            | 1,002                              | (1,002)                             | -                    |
| <b>Total Current Assets</b>                                                  | <b>\$ 7,390,011</b>                | <b>\$ 4,411,451</b>                 | <b>\$ 11,801,462</b> |
| <b>Noncurrent Assets</b>                                                     |                                    |                                     |                      |
| Land and Right of Ways                                                       | \$ 1,530,899                       | \$ 90,138                           | \$ 1,621,037         |
| Infrastructure (net)                                                         | 3,393,308                          | 8,736,870                           | 12,130,178           |
| Buildings and Improvement (net)                                              | 1,162,007                          | 809,975                             | 1,971,982            |
| Furniture and Equipment (net)                                                | 616,548                            | 136,619                             | 753,167              |
| Construction in Progress                                                     | -                                  | 21,370                              | 21,370               |
| Net Pension Asset                                                            | 1,186,497                          | -                                   | 1,186,497            |
| <b>Total Noncurrent Assets</b>                                               | <b>\$ 7,889,259</b>                | <b>\$ 9,794,972</b>                 | <b>\$ 17,684,231</b> |
| <b>Deferred Outflow of Resources</b>                                         |                                    |                                     |                      |
| Deferred Outflows Related to Pensions                                        | \$ 848,154                         | \$ 156,144                          | \$ 1,004,298         |
| <b>Total Deferred Outflow of Resources</b>                                   | <b>\$ 848,154</b>                  | <b>\$ 156,144</b>                   | <b>\$ 1,004,298</b>  |
| <b>TOTAL ASSETS AND DEFERRED<br/>OUTFLOWS OF RESOURCES</b>                   | <b>\$ 16,127,424</b>               | <b>\$ 14,362,567</b>                | <b>\$ 30,489,991</b> |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>          |                                    |                                     |                      |
| <b>LIABILITIES</b>                                                           |                                    |                                     |                      |
| <b>Current Liabilities</b>                                                   |                                    |                                     |                      |
| Accounts Payable                                                             | \$ 72,785                          | \$ 113,284                          | \$ 186,069           |
| Accrued Wages and Payroll Taxes                                              | 90,578                             | 26,927                              | 117,505              |
| Other Current Liabilities                                                    | 57,329                             | 18,550                              | 75,879               |
| Deferred Revenue - Grants                                                    | 784,631                            | -                                   | 784,631              |
| Current Portion Long-Term Debt                                               | 47,389                             | 625,823                             | 673,212              |
| <b>Total Current Liabilities</b>                                             | <b>\$ 1,052,712</b>                | <b>\$ 784,584</b>                   | <b>\$ 1,837,296</b>  |
| <b>Noncurrent Liabilities</b>                                                |                                    |                                     |                      |
| Bonds & Note Payable - Long Term Portion (Net)                               | \$ -                               | \$ 4,059,085                        | \$ 4,059,085         |
| Leases Payable - Long Term Portion                                           | 46,777                             | 16,667                              | 63,444               |
| Net Pension Liability                                                        | 65,054                             | 51,322                              | 116,376              |
| OPEB Liability                                                               | 31,242                             | 15,467                              | 46,709               |
| Compensated Absences                                                         | 447,261                            | 125,889                             | 573,150              |
| <b>Total Noncurrent Liabilities</b>                                          | <b>\$ 590,334</b>                  | <b>\$ 4,268,430</b>                 | <b>\$ 4,858,764</b>  |
| <b>TOTAL LIABILITIES</b>                                                     | <b>\$ 1,643,046</b>                | <b>\$ 5,053,014</b>                 | <b>\$ 6,696,060</b>  |
| <b>Deferred Inflows of Resources</b>                                         |                                    |                                     |                      |
| Deferred Inflows Related to Pensions                                         | \$ 2,117,598                       | \$ 303,840                          | \$ 2,421,438         |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>                                   | <b>\$ 2,117,598</b>                | <b>\$ 303,840</b>                   | <b>\$ 2,421,438</b>  |
| <b>NET POSITION</b>                                                          |                                    |                                     |                      |
| Net Investment in Capital Assets                                             | \$ 6,608,596                       | \$ 5,093,398                        | \$ 11,701,994        |
| Restricted - Debt Service                                                    | -                                  | 553,611                             | 553,611              |
| Restricted - Highway Aid                                                     | 665,421                            | -                                   | 665,421              |
| Unrestricted                                                                 | 5,092,763                          | 3,358,704                           | 8,451,467            |
| <b>TOTAL NET POSITION</b>                                                    | <b>\$ 12,366,780</b>               | <b>\$ 9,005,713</b>                 | <b>\$ 21,372,493</b> |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES AND NET POSITION</b> | <b>\$ 16,127,424</b>               | <b>\$ 14,362,567</b>                | <b>\$ 30,489,991</b> |

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF HOPEWELL**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2021**

**EXHIBIT C**

|                           | GENERAL<br>FUND     | CAPITAL<br>PROJECT<br>FUNDS | SPECIAL<br>REVENUE<br>FUNDS | TOTAL<br>GOVERNMENTAL<br>FUNDS |
|---------------------------|---------------------|-----------------------------|-----------------------------|--------------------------------|
| <b>ASSETS</b>             |                     |                             |                             |                                |
| Cash and Cash Equivalents | \$ 3,045,543        | \$ -                        | \$ 1,094,335                | \$ 4,139,878                   |
| Investments               | -                   | 1,779,349                   | 673,802                     | 2,453,151                      |
| Taxes Receivable          | 652,999             | -                           | -                           | 652,999                        |
| Accounts Receivable       | 67,756              | -                           | -                           | 67,756                         |
| Due from other funds      | 47,413              | -                           | -                           | 47,413                         |
| Prepaid Expenses          | 75,225              | -                           | -                           | 75,225                         |
| <b>TOTAL ASSETS</b>       | <b>\$ 3,888,936</b> | <b>\$ 1,779,349</b>         | <b>\$ 1,768,137</b>         | <b>\$ 7,436,422</b>            |

**LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES:**

|                                   |                   |                 |                   |                     |
|-----------------------------------|-------------------|-----------------|-------------------|---------------------|
| <b>LIABILITIES</b>                |                   |                 |                   |                     |
| Accounts Payable                  | \$ 66,985         | \$ 5,800        | \$ -              | \$ 72,785           |
| Accrued Salaries & Benefits       | 87,081            | -               | -                 | 87,081              |
| Payroll Deductions & Withholdings | 3,497             | -               | -                 | 3,497               |
| Due to other funds                | 411               | -               | 46,000            | 46,411              |
| Other Current Liabilities         | 57,329            | -               | -                 | 57,329              |
| Deferred Revenue - Grants         | -                 | -               | 784,631           | 784,631             |
| <b>TOTAL LIABILITIES</b>          | <b>\$ 215,303</b> | <b>\$ 5,800</b> | <b>\$ 830,631</b> | <b>\$ 1,051,734</b> |

**DEFERRED INFLOW OF RESOURCES**  
Delinquent Real Estate Taxes  
**TOTAL DEFERRED INFLOW OF RESOURCES**

|  |                   |             |             |                   |
|--|-------------------|-------------|-------------|-------------------|
|  | \$ 253,826        | \$ -        | \$ -        | \$ 253,826        |
|  | <b>\$ 253,826</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 253,826</b> |

**FUND BALANCES**

|                            |                     |                     |                   |                     |
|----------------------------|---------------------|---------------------|-------------------|---------------------|
| Restricted                 | \$ -                | \$ -                | \$ 937,506        | \$ 937,506          |
| Non-spendable              | 75,225              | -                   | -                 | 75,225              |
| Assigned                   | -                   | 1,773,549           | -                 | 1,773,549           |
| Unassigned                 | 3,344,582           | -                   | -                 | 3,344,582           |
| <b>TOTAL FUND BALANCES</b> | <b>\$ 3,419,807</b> | <b>\$ 1,773,549</b> | <b>\$ 937,506</b> | <b>\$ 6,130,862</b> |

**TOTAL LIABILITIES, DEFERRED INFLOW  
OF RESOURCES AND FUND BALANCES**

|  |              |              |              |              |
|--|--------------|--------------|--------------|--------------|
|  | \$ 3,888,936 | \$ 1,779,349 | \$ 1,768,137 | \$ 7,436,422 |
|--|--------------|--------------|--------------|--------------|

**TOWNSHIP OF HOPEWELL**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

| Functions/Programs                                          | Program Revenues    |                         |                                          |                                        | Net (Expense) Revenue and<br>Changes in Net Position |                             |
|-------------------------------------------------------------|---------------------|-------------------------|------------------------------------------|----------------------------------------|------------------------------------------------------|-----------------------------|
|                                                             | Expenses            | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                           | Business-Type<br>Activities |
| <b>Governmental Activities:</b>                             |                     |                         |                                          |                                        |                                                      |                             |
| General Government                                          | \$ 764,281          | \$ 9,182                | \$ 230,270                               | \$ -                                   | \$ (524,829)                                         | \$ (524,829)                |
| Public Safety - Police                                      | 2,108,978           | 96,097                  | 49,886                                   | 7,200                                  | (1,955,795)                                          | (1,955,795)                 |
| Public Safety - Fire                                        | 272,442             | -                       | 57,657                                   | -                                      | (214,785)                                            | (214,785)                   |
| Public Safety - Other                                       | 150,391             | 106,746                 | -                                        | -                                      | (43,645)                                             | (43,645)                    |
| Public Works - Highways                                     | 1,694,465           | 1,180                   | 423,670                                  | 18,390                                 | (1,251,225)                                          | (1,251,225)                 |
| Public Works - Other                                        | 89,485              | -                       | -                                        | -                                      | (89,485)                                             | (89,485)                    |
| Culture and Recreation                                      | 245,927             | 41,624                  | -                                        | -                                      | (204,303)                                            | (204,303)                   |
| Employee Benefits                                           | 191,412             | -                       | -                                        | -                                      | (191,412)                                            | (191,412)                   |
| Miscellaneous                                               | 32,439              | -                       | -                                        | -                                      | (32,439)                                             | (32,439)                    |
| <b>Total Governmental Activities</b>                        | <b>\$ 5,549,820</b> | <b>\$ 254,829</b>       | <b>\$ 761,483</b>                        | <b>\$ 25,590</b>                       | <b>\$ (4,507,918)</b>                                | <b>\$ (4,507,918)</b>       |
| <b>Business-Type activities:</b>                            |                     |                         |                                          |                                        |                                                      |                             |
| Sewer                                                       | \$ 2,858,859        | \$ 3,382,771            | \$ 52,770                                | \$ -                                   | \$ 576,682                                           | \$ 576,682                  |
| <b>Total Business-Type Activities</b>                       | <b>\$ 2,858,859</b> | <b>\$ 3,382,771</b>     | <b>\$ 52,770</b>                         | <b>\$ -</b>                            | <b>\$ 576,682</b>                                    | <b>\$ 576,682</b>           |
| <b>Total Primary Government</b>                             | <b>\$ 8,408,679</b> | <b>\$ 3,637,600</b>     | <b>\$ 814,253</b>                        | <b>\$ 25,590</b>                       | <b>\$ (4,507,918)</b>                                | <b>\$ (3,931,236)</b>       |
| <b>General Revenues:</b>                                    |                     |                         |                                          |                                        |                                                      |                             |
| Taxes:                                                      |                     |                         |                                          |                                        |                                                      |                             |
| Property Taxes, Levied for General Purposes (net)           |                     |                         |                                          |                                        | \$ 2,826,294                                         | \$ 2,826,294                |
| Act 511 Taxes                                               |                     |                         |                                          |                                        | 2,664,816                                            | 2,664,816                   |
| Cable Franchise Fees                                        |                     |                         |                                          |                                        | 149,171                                              | 149,171                     |
| PURTA/Alcohol Beverage tax                                  |                     |                         |                                          |                                        | 6,794                                                | 6,794                       |
| Investment Earnings                                         |                     |                         |                                          |                                        | 5,092                                                | 1,705                       |
| Miscellaneous                                               |                     |                         |                                          |                                        | 137,930                                              | 4,109                       |
| Sale of Property and Equipment                              |                     |                         |                                          |                                        | 1                                                    | 251                         |
| Contributions and Donations                                 |                     |                         |                                          |                                        | 9,850                                                | 9,850                       |
| Transfers between Governmental and Business-Type Activities |                     |                         |                                          |                                        | 111,841                                              | (111,841)                   |
| <b>Total General Revenues</b>                               |                     |                         |                                          |                                        | <b>\$ 5,911,789</b>                                  | <b>\$ (105,777)</b>         |
| <b>Change in Net Position</b>                               |                     |                         |                                          |                                        | <b>\$ 1,403,871</b>                                  | <b>\$ 470,905</b>           |
| Net Position — January 1, 2021 (Restated)                   |                     |                         |                                          |                                        | 10,962,909                                           | 8,534,808                   |
| <b>Net Position — December 31, 2021</b>                     |                     |                         |                                          |                                        | <b>\$ 12,366,780</b>                                 | <b>\$ 9,005,713</b>         |

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF HOPEWELL**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2021**

**Total Fund Balances - Governmental Funds** **\$ 6,130,862**

Amounts reported for governmental activities in the statement of net position (Exhibit A) are different from amounts reported for governmental funds on the balance sheet (Exhibit C) because:

Capital assets used in governmental activities are not financial resources, and therefore, are not reported as assets in governmental funds. The cost of assets is \$11,706,356 and the accumulated depreciation is \$5,003,594 6,702,762

Property taxes receivable in the statement of net position, which will not be available soon enough to pay for the current period's expenditures, are deferred and not recognized as revenue in governmental funds. 253,826

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions 848,154

Deferred inflows of resources related to pensions (2,117,598)

Long-term liabilities are not due and payable in the current period, and therefore, are not reported as liabilities in the governmental funds.

Long-term liabilities at year end consist of:

|                              |                |
|------------------------------|----------------|
| Lease Payable                | \$ 94,166      |
| Net Pension Liability        | 65,054         |
| Accrued Compensated Absences | 447,261        |
| Net Pension Asset            | (1,186,497)    |
| Net OPEB Liability           | 31,242         |
|                              | <u>548,774</u> |

**TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES** **\$ 12,366,780**

The accompanying notes are an integral part of these financial statements



**TOWNSHIP OF HOPEWELL**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

|                                                              | GENERAL FUND        | CAPITAL<br>PROJECT<br>FUNDS | SPECIAL<br>REVENUE<br>FUNDS | TOTAL<br>GOVERNMENTAL<br>FUNDS |
|--------------------------------------------------------------|---------------------|-----------------------------|-----------------------------|--------------------------------|
| <b>REVENUES</b>                                              |                     |                             |                             |                                |
| Taxes                                                        | \$ 5,493,789        | \$ -                        | \$ -                        | \$ 5,493,789                   |
| Licenses and Permits                                         | 219,226             | -                           | -                           | 219,226                        |
| Fines and Forfeitures                                        | 23,664              | -                           | -                           | 23,664                         |
| Interest and Rents                                           | 3,438               | 940                         | 714                         | 5,092                          |
| Parks & Recreation                                           | 41,624              | -                           | -                           | 41,624                         |
| Intergovernmental                                            | 386,770             | -                           | 407,096                     | 793,866                        |
| Charges for Services                                         | 128,335             | -                           | -                           | 128,335                        |
| Miscellaneous                                                | 106,850             | -                           | -                           | 106,850                        |
| <b>Total Revenue</b>                                         | <b>\$ 6,403,696</b> | <b>\$ 940</b>               | <b>\$ 407,810</b>           | <b>\$ 6,812,446</b>            |
| <b>EXPENDITURES</b>                                          |                     |                             |                             |                                |
| General Government                                           | \$ 722,186          | \$ 74,325                   | \$ -                        | \$ 796,511                     |
| Public Safety                                                | 2,974,961           | -                           | -                           | 2,974,961                      |
| Public Works                                                 | 1,232,131           | -                           | 658,389                     | 1,890,520                      |
| Culture and Recreation                                       | 246,850             | -                           | -                           | 246,850                        |
| Grants and Gifts                                             | 23,310              | -                           | -                           | 23,310                         |
| Employee Benefits                                            | 191,412             | -                           | -                           | 191,412                        |
| Miscellaneous                                                | 9,128               | -                           | -                           | 9,128                          |
| <b>Total Expenditures</b>                                    | <b>\$ 5,399,978</b> | <b>\$ 74,325</b>            | <b>\$ 658,389</b>           | <b>\$ 6,132,692</b>            |
| <b>Excess ( Deficiency) of Revenue<br/>over Expenditures</b> | <b>\$ 1,003,718</b> | <b>\$ (73,385)</b>          | <b>\$ (250,579)</b>         | <b>\$ 679,754</b>              |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                     |                             |                             |                                |
| Operating Transfers In                                       | \$ 112,267          | \$ -                        | \$ 309,415                  | \$ 421,682                     |
| Sale of Fixed Assets                                         | 1                   | -                           | -                           | 1                              |
| Refund of Prior Year Expenditures                            | 32,082              | -                           | -                           | 32,082                         |
| Operating Transfers (Out)                                    | (426)               | (309,415)                   | -                           | (309,841)                      |
| <b>Total Other Financing Sources (Uses)</b>                  | <b>\$ 143,924</b>   | <b>\$ (309,415)</b>         | <b>\$ 309,415</b>           | <b>\$ 143,924</b>              |
| <b>NET CHANGE IN FUND BALANCES</b>                           | <b>\$ 1,147,642</b> | <b>\$ (382,800)</b>         | <b>\$ 58,836</b>            | <b>\$ 823,678</b>              |
| FUND BALANCE - JANUARY 1, 2021                               | 2,272,165           | 2,156,349                   | 878,670                     | 5,307,184                      |
| <b>FUND BALANCE - DECEMBER 31, 2021</b>                      | <b>\$ 3,419,807</b> | <b>\$ 1,773,549</b>         | <b>\$ 937,506</b>           | <b>\$ 6,130,862</b>            |

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF HOPEWELL**  
**RECONCILIATION OF THE GOVERNMENT FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

|                                                               |                   |
|---------------------------------------------------------------|-------------------|
| <b>TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS</b> | <b>\$ 823,678</b> |
|---------------------------------------------------------------|-------------------|

Amounts reported for governmental activities in the statement of activities are different because:

|                                                                                                                                                                                                                                                                                                                                                                                        |          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$641,106) exceeds depreciation expense (\$497,683) in the period                                                           | 143,423  |
| Proceeds from long-term debt are an other financing source in the funds, but their payment increases long-term liabilities in the statement of net assets.                                                                                                                                                                                                                             | (45,198) |
| Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets                                                                                                                                                                                                                                | 70,229   |
| The changes in the net pension liability, OPEB and related deferred outflows and inflows of resources does not affect current financial resources and therefore, not reflected in the fund statements                                                                                                                                                                                  | 371,449  |
| Because certain property and wage taxes will not be collected for several months after the Township's year ends, they are not considered as "available" revenues in the governmental funds.                                                                                                                                                                                            | (2,678)  |
| In the statement of activities, certain operating expenses - compensated absences and retiree benefits - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid). This is the amount by which compensated absences paid exceeded the amount earned in 2020. | 42,968   |

|                                                          |                            |
|----------------------------------------------------------|----------------------------|
| <b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b> | <b><u>\$ 1,403,871</u></b> |
|----------------------------------------------------------|----------------------------|

**TOWNSHIP OF HOPEWELL**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES, BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

|                                                               | Budgeted Amounts    |                     | Actual              | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------------------------------------------|
|                                                               | Original            | Final               | (Budgetary Basis)   | (Negative)                                              |
| <b>REVENUES</b>                                               |                     |                     |                     |                                                         |
| Taxes                                                         | \$ 4,883,735        | \$ 4,883,735        | \$ 5,493,789        | \$ 610,054                                              |
| Licenses and Permits                                          | 180,730             | 180,730             | 219,226             | 38,496                                                  |
| Fines and Forfeitures                                         | 23,329              | 23,329              | 23,664              | 335                                                     |
| Interest and Rents                                            | 9,753               | 9,753               | 3,438               | (6,315)                                                 |
| Parks & Recreation                                            | 40,950              | 40,950              | 41,624              | 674                                                     |
| Intergovernmental                                             | 814,203             | 814,203             | 386,770             | (427,433)                                               |
| Charges for Services                                          | 140,459             | 140,459             | 128,335             | (12,124)                                                |
| Miscellaneous                                                 | 98,116              | 98,116              | 106,850             | 8,734                                                   |
| <b>Total Revenues</b>                                         | <b>\$ 6,191,275</b> | <b>\$ 6,191,275</b> | <b>\$ 6,403,696</b> | <b>\$ 212,421</b>                                       |
| <b>EXPENDITURES</b>                                           |                     |                     |                     |                                                         |
| General Government                                            | \$ 689,686          | \$ 689,686          | \$ 722,186          | \$ (32,500)                                             |
| Public Safety                                                 | 4,679,912           | 4,679,912           | 2,974,961           | 1,704,951                                               |
| Public Works                                                  | 680,700             | 680,700             | 1,232,131           | (551,431)                                               |
| Culture and Recreation                                        | 317,513             | 317,513             | 246,850             | 70,663                                                  |
| Grants and Gifts                                              | 18,000              | 18,000              | 23,310              | (5,310)                                                 |
| Employee Benefits                                             | 203,830             | 203,830             | 191,412             | 12,418                                                  |
| Miscellaneous                                                 | -                   | -                   | 9,128               | (9,128)                                                 |
| <b>Total Expenditures</b>                                     | <b>\$ 6,589,641</b> | <b>\$ 6,589,641</b> | <b>\$ 5,399,978</b> | <b>\$ 1,189,663</b>                                     |
| <b>Excess ( Deficiency) of Revenues<br/>over Expenditures</b> | <b>\$ (398,366)</b> | <b>\$ (398,366)</b> | <b>\$ 1,003,717</b> | <b>\$ 1,402,083</b>                                     |
| <b>OTHER FINANCING SOURCES (USES)</b>                         |                     |                     |                     |                                                         |
| Operating Transfers In - Sewer Fund                           | \$ 112,267          | \$ 112,267          | \$ 112,267          | \$ -                                                    |
| Operating Transfers In - Capital Projects                     | 400,000             | 400,000             | -                   | (400,000)                                               |
| Sale of Fixed Assets                                          | 19,800              | 19,800              | 1                   | (19,799)                                                |
| Refund of Prior Year Expenditures                             | 6,509               | 6,509               | 32,082              | -                                                       |
| Operating Transfers (Out) - Sewer Fund                        | -                   | -                   | (426)               | (426)                                                   |
| <b>Total Other Financing Sources (Uses)</b>                   | <b>\$ 538,576</b>   | <b>\$ 538,576</b>   | <b>\$ 143,924</b>   | <b>\$ (420,225)</b>                                     |
| <b>NET CHANGE IN FUND BALANCES</b>                            | <b>\$ 140,210</b>   | <b>\$ 140,210</b>   | <b>\$ 1,147,642</b> | <b>\$ 981,858</b>                                       |
| <b>FUND BALANCE - JANUARY 1, 2021</b>                         | <b>-</b>            | <b>-</b>            | <b>2,272,165</b>    | <b>2,272,165</b>                                        |
| <b>FUND BALANCE - DECEMBER 31, 2021</b>                       | <b>\$ 140,210</b>   | <b>\$ 140,210</b>   | <b>\$ 3,419,807</b> | <b>\$ 3,254,023</b>                                     |

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF HOPEWELL**  
**STATEMENT OF NET POSITION - SEWER FUND**  
**DECEMBER 31, 2021**

**ASSETS****Current Assets**

|                                        |                     |
|----------------------------------------|---------------------|
| Cash and Cash Equivalents              | \$ 803,801          |
| Cash and Cash Equivalents - Restricted | 553,611             |
| Investments                            | 2,283,321           |
| Due from Other Funds                   | 411                 |
| Utilities Receivable (Net)             | 736,909             |
| Prepaid Expenses                       | 34,811              |
| <b>Total Current Assets</b>            | <b>\$ 4,412,864</b> |

**Noncurrent Assets**

|                                |                     |
|--------------------------------|---------------------|
| Land and Right of Ways         | \$ 90,138           |
| Infrastructure                 | 17,591,614          |
| Buildings and Improvements     | 3,186,218           |
| Furniture and Equipment        | 645,795             |
| Construction in Progress       | 21,370              |
| Accumulated Depreciation       | (11,740,163)        |
| <b>Total Noncurrent Assets</b> | <b>\$ 9,794,972</b> |

**Deferred Outflow of Resources**

|                                            |                   |
|--------------------------------------------|-------------------|
| Deferred Outflow Related to Pensions       | \$ 156,144        |
| <b>Total Deferred Outflow of Resources</b> | <b>\$ 156,144</b> |

**TOTAL ASSETS** **\$ 14,363,980**

**LIABILITIES****Current Liabilities**

|                                   |                   |
|-----------------------------------|-------------------|
| Accounts Payable                  | \$ 113,284        |
| Payroll Accruals and Withholdings | 26,927            |
| Due to General Fund               | 1,413             |
| Current Portion - Bonds           | 610,000           |
| Current Portion - Leases          | 15,823            |
| Other Current Liabilities         | 18,550            |
| <b>Total Current Liabilities</b>  | <b>\$ 785,998</b> |

**Noncurrent Liabilities**

|                                         |              |
|-----------------------------------------|--------------|
| Bonds Payable - Long Term Portion (Net) | \$ 4,059,085 |
| Leases Payable- Long Term Portion       | 16,667       |
| Net Pension Liability                   | 51,322       |
| Compensated Absences                    | 125,889      |
| OPEB Liability                          | 15,467       |

**Total Noncurrent Liabilities** **\$ 4,268,430**

**TOTAL LIABILITIES** **\$ 5,054,427**

**Deferred Inflow of Resources**

|                                           |                   |
|-------------------------------------------|-------------------|
| Deferred Inflow Related to Pensions       | \$ 303,840        |
| <b>Total Deferred Inflow of Resources</b> | <b>\$ 303,840</b> |

**NET POSITION**

|                              |                     |
|------------------------------|---------------------|
| Investment in Capital Assets | \$ 5,093,398        |
| Restricted                   | 553,611             |
| Unrestricted                 | 3,358,704           |
| <b>TOTAL NET POSITION</b>    | <b>\$ 9,005,713</b> |

**TOTAL LIABILITIES AND NET POSITION** **\$ 14,363,980**

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF HOPEWELL**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**SEWER FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

|                                                     |                     |
|-----------------------------------------------------|---------------------|
| <b><u>OPERATING REVENUES</u></b>                    |                     |
| Sewer Services                                      | \$ 3,384,867        |
| Pension State Aid                                   | 52,770              |
| Miscellaneous                                       | (2,096)             |
| <b>Total Operating Revenues</b>                     | <b>\$ 3,435,540</b> |
| <b><u>OPERATING EXPENSES</u></b>                    |                     |
| Administration                                      | \$ 208,747          |
| Engineering                                         | 24,699              |
| Legal                                               | 1,172               |
| Sewer Plant                                         | 1,447,912           |
| Sanitary Sewer                                      | 12,119              |
| Service Charges                                     | 398,452             |
| Employee Benefits                                   | 50,655              |
| Depreciation                                        | 476,626             |
| Miscellaneous                                       | 114,689             |
| <b>Total Operating Expenses</b>                     | <b>\$ 2,735,070</b> |
| <b>TOTAL OPERATING INCOME &lt;LOSS&gt;</b>          | <b>\$ 700,470</b>   |
| <b><u>NON-OPERATING REVENUE &lt;EXPENSE&gt;</u></b> |                     |
| Interest Income                                     | \$ 1,705            |
| Sale of Fixed Assets                                | 250                 |
| Interest Expense                                    | (123,789)           |
| <b>TOTAL NON-OPERATING REVENUE &lt;EXPENSE&gt;</b>  | <b>\$ (121,834)</b> |
| <b><u>OTHER FINANCING SOURCES &lt;USES&gt;</u></b>  |                     |
| Operating Transfers In                              | \$ 426              |
| Operating Transfers (Out)                           | (112,267)           |
| Refund of Prior Year Expenses                       | 4,109               |
| <b>TOTAL OTHER FINANCING SOURCES &lt;USES&gt;</b>   | <b>\$ (107,732)</b> |
| <b>CHANGES IN NET POSITION</b>                      | <b>\$ 470,905</b>   |
| NET POSITION - JANUARY 1, 2021                      | 8,440,532           |
| Prior Period Adjustment                             | 94,276              |
| <b>NET POSITION - DECEMBER 31, 2021</b>             | <b>\$ 9,005,713</b> |

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF HOPEWELL**  
**STATEMENT OF CASH FLOWS**  
**SEWER FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

|                                                                                                                | <b>SEWER FUND</b>                 |
|----------------------------------------------------------------------------------------------------------------|-----------------------------------|
| <b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>                                                            |                                   |
| Cash received from user charges                                                                                | \$ 3,357,027                      |
| Cash received from miscellaneous sources                                                                       | 50,674                            |
| Cash paid to employees for wages and benefits                                                                  | 117,461                           |
| Cash paid to vendors for goods and services                                                                    | (2,149,794)                       |
| <b>Net cash provided (used) by operating activities</b>                                                        | <b><u>\$ 1,375,368</u></b>        |
| <b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCIAL ACTIVITIES:</u></b>                                        |                                   |
| Sales of Fixed Assets                                                                                          | \$ 250                            |
| Bond principal payments                                                                                        | (530,000)                         |
| Note principal payments                                                                                        | (105,000)                         |
| Lease principal payments                                                                                       | (27,515)                          |
| Interest payments on debt                                                                                      | (123,789)                         |
| Miscellaneous                                                                                                  | (10,868)                          |
| <b>Net cash provided (used) by capital and related financing activities</b>                                    | <b><u>\$ (796,922)</u></b>        |
| <b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>                                                            |                                   |
| Interest income                                                                                                | \$ 1,705                          |
| Purchases - PLGIT                                                                                              | (99,102)                          |
| <b>Net cash provided (used) by investing activities</b>                                                        | <b><u>\$ (97,397)</u></b>         |
| <b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</u></b>                                                |                                   |
| Interfund transfers                                                                                            | \$ (111,841)                      |
| <b>Net cash provided (used) by non-capital financing activities</b>                                            | <b><u>\$ (111,841)</u></b>        |
| <br><b>Net increase (decrease) in cash and cash equivalents</b>                                                | <br><b>369,208</b>                |
| <b>Cash and cash equivalents - January 1, 2021</b>                                                             | <b><u>988,204</u></b>             |
| <b>Cash and cash equivalents - December 31, 2021</b>                                                           | <b><u><u>\$ 1,357,412</u></u></b> |
| <br><b><u>RECONCILIATION OF OPERATING INCOME(LOSS) TO NET CASH PROVIDED(USED) BY OPERATING ACTIVITIES:</u></b> |                                   |
| Operating Income (Loss)                                                                                        | \$ 700,470                        |
| Adjustments to reconcile excess revenues over expenditures provided by (used in) operating activities:         |                                   |
| Depreciation                                                                                                   | 476,626                           |
| Changes in assets and liabilities:                                                                             |                                   |
| (Increase) decrease in utilities receivables                                                                   | 197,020                           |
| (Increase) decrease in prepaid expense                                                                         | (842)                             |
| Increase (decrease) in accounts payable                                                                        | 8,217                             |
| Increase (decrease) in wages payable                                                                           | 4,633                             |
| Increase (decrease) in OPEB liability                                                                          | (10,756)                          |
| <b>Net cash provided (used) by operating activities</b>                                                        | <b><u><u>\$ 1,375,368</u></u></b> |

The accompanying notes are an integral part of these financial statements

TOWNSHIP OF HOPEWELL  
STATEMENT OF FIDUCIARY NET POSITION  
POLICE PENSION FUND  
DECEMBER 31, 2021

**ASSETS**

|                                   |                      |
|-----------------------------------|----------------------|
| Cash and Cash Equivalents         | \$ 303,298           |
| Investments:                      |                      |
| Mutual Funds                      | 2,771,450            |
| Equities                          | 4,259,025            |
| Corporate Bonds                   | 2,351,237            |
| US Government & Agency Securities | 2,105,435            |
| Accrued Interest                  | 25,908               |
| <b>TOTAL ASSETS</b>               | <b>\$ 11,816,353</b> |

**LIABILITIES**

|                          |    |
|--------------------------|----|
| Accounts Payable         | \$ |
| <b>TOTAL LIABILITIES</b> | \$ |

**NET POSITION**

|                                    |                      |
|------------------------------------|----------------------|
| Held in Trust for Pension Benefits | \$ 11,816,353        |
| <b>TOTAL NET POSITION</b>          | <b>\$ 11,816,353</b> |

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF HOPEWELL**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**POLICE PENSION FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**ADDITIONS**

|                               |                            |
|-------------------------------|----------------------------|
| Interest/Dividends            | \$ 209,434                 |
| State Aid                     | 153,513                    |
| Employer Contributions        | 240,398                    |
| Realized and Unrealized Gains | 1,140,711                  |
| Employee Contributions        | 64,717                     |
| Other Receipts                | 80,989                     |
| <b>TOTAL ADDITIONS</b>        | <b><u>\$ 1,889,763</u></b> |

**DEDUCTIONS**

|                         |                            |
|-------------------------|----------------------------|
| Benefit Payments        | \$ (466,308)               |
| Fees and charges        | (110,543)                  |
| <b>TOTAL DEDUCTIONS</b> | <b><u>\$ (576,851)</u></b> |

|                                         |                             |
|-----------------------------------------|-----------------------------|
| <b>CHANGES IN NET POSITION</b>          | <b>\$ 1,312,912</b>         |
| <b>NET POSITION - JANUARY 1, 2021</b>   | <b><u>10,503,441</u></b>    |
| <b>NET POSITION - DECEMBER 31, 2021</b> | <b><u>\$ 11,816,353</u></b> |

The accompanying notes are an integral part of these financial statements



**TOWNSHIP OF HOPEWELL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**REPORTING ENTITY**

The Township of Hopewell is a First-Class Township that was incorporated under the provisions governing the creation of municipal corporations in the Commonwealth of Pennsylvania. The administration of the Township consists of a five-member board of Commissioners and a Township Manager. Members of the Board of Commissioners are elected by the voting public. The Commissioners appoint a Township Manager to administer the day-to-day operations of the Township. The major functions of the Township include public safety, sanitation, maintenance of Township infrastructure (roads), maintenance of parks and other recreational programs, activities and facilities for use by Township residents, and general administrative functions necessary to facilitate Township responsibilities and resident needs.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure the financial statements are not misleading. The primary government of The Township of Hopewell consists of all funds, departments, boards and agencies that are not legally separate from the Township. Generally accepted accounting principles defines component units as legally separate entities that are included in the Township's reporting entity because of the significance of their operating or financial relationships with the Township. Based on the application of the above criteria, the Township of Hopewell has no component units.

**FINANCIAL STATEMENT PRESENTATION**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS** – The statement of net position (Exhibit A) and the statement of activities (Exhibit B) display information about the Township as a whole. These statements combine all the financial activities of the primary government (Township of Hopewell), except for fiduciary funds. As a general rule, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services. The statements distinguish between those activities of the Township that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. This approach differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations (Exhibits D and F) with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function of the Township's governmental activities and component unit. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants, subsidies and contributions that are restricted to meeting the operational or capital requirements of a particular program.

**TOWNSHIP OF HOPEWELL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**FUND FINANCIAL STATEMENTS** – Fund financial statements report detailed information about the Township. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Major funds represent the Township's most important funds and are determined based on percentages of assets, liabilities, revenues and expenditures. The General Fund always considered a major fund. Major funds are presented in a separate column and non-major governmental funds are segregated and combined in a single column. Fiduciary funds are reported separately.

**BASIS OF ACCOUNTING AND MEASUREMENT FOCUS**

The financial statements of Hopewell Township are prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its procurements (Statement and Interpretations).

The basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements. Government-wide financial statements (Exhibits A and B) are prepared using the accrual basis of accounting in conformity with generally accepted accounting principles in the United States of America (GAAP) established by the Governmental Accounting Standards Board (GASB). Governmental funds (Exhibits C, E, and G) use the modified accrual basis of accounting. Proprietary funds (Exhibit H, I and J) and Fiduciary funds (Exhibits K and L) use the accrual basis of accounting.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. Fiduciary funds are reported using the economic resources measurement focus.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Township, available means expected to be received within sixty days of fiscal year-end.

Revenue resulting from non-exchange transactions, in which the Township receives value without directly giving equal value in return, includes property taxes, grants and contributions. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants and contributions are recognized in the fiscal year in which all eligibility requirements have been satisfied. On a modified accrual basis, revenue from non-exchange transactions must also be 'available' before it can be recognized.

**TOWNSHIP OF HOPEWELL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**BASIS OF ACCOUNTING AND MEASUREMENT FOCUS (Continued)**

The management of the Township of Hopewell has determined that the revenues most susceptible to accrual at December 31, 2021 are 1) real estate taxes collected within 60 days of Township's calendar year-end, 2) delinquent real estate taxes for the month of December, 3) certain Act 511 taxes, 4) cable franchise fees for the fourth quarter of 2021 and 5) other miscellaneous items of income pertaining to the 2021 calendar year received subsequent to December 31, 2021. On the governmental fund financial statements, receivables that will not be collected within the 'available' period have been reported as 'deferred inflows of resources'.

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. The primary expenditures deemed susceptible to accrual at December 31, 2021 are those for which the Board of Commissioner's intention was to expense these items as budgeted for in the 2021 official budget, and for which the Township has incurred an obligation during 2021 but has not paid as of December 31, 2021.

Allocations of cost, such as depreciation, are not recognized in governmental funds but are included as part of expenses in the government-wide statement of activities.

Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants, subsidies and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Township. The comparison of direct expenses with program revenues identifies the extent to which the government function is self-financing or draws from the general revenues of the Township.

**FUND ACCOUNTING**

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Township functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are classified into three categories: Governmental, proprietary, and fiduciary. Fund categories are defined as follows:

**Governmental Funds** – Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Township's major and non-major governmental funds:

**MAJOR GOVERNMENTAL FUNDS:**

**GENERAL FUND** - Established under 'The First-Class Township Code' of the Commonwealth of Pennsylvania and is used for the general operations of the Township. Income in this fund is derived mainly from assessed revenue such as real estate taxes, local taxes established under Act 511 and other miscellaneous revenues not designated for other restricted fund purposes. These revenues are used for general ongoing government services such as public safety, public works, general administration of the Township and other miscellaneous operating expenses.

**TOWNSHIP OF HOPEWELL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**FUND ACCOUNTING**

**MAJOR GOVERNMENTAL FUNDS:**

**CAPITAL PROJECT FUND** - Established to account for transfers from the General Fund and Sewer Fund to be used for the construction and improvement of the Township's parks, sewer system and other Township areas.

**HIGHWAY AID FUND** (SPECIAL REVENUE) - Established and restricted under Act 655 of the Commonwealth of Pennsylvania. Funding is received from the Commonwealth and is restricted in use for the maintenance, repair and construction of roads, streets and bridges for which the Township is responsible.

**Proprietary Funds** - used to account for activities similar to those found in the private sector, where the determination of net income is necessary and useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies within the Township (internal service funds). The Township operates a Sewer Fund.

**Fiduciary Funds** – Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the Township under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Township's own programs. Agency funds are custodial in nature and do not involve measuring income or any other results from operations. The Township has one pension trust fund (police pension).

**BUDGETS**

In December of 2020, the Township of Hopewell adopted its 2021 annual budget for its General Fund totaling \$6,589,641 in accordance with the provisions of the Commonwealth of Pennsylvania Township Code. The Township also adopted a budget for the capital project funds in the amount of \$485,250. The budgets are prepared utilizing the modified accrual method of accounting in accordance with generally accepted accounting principles. The original and final budgetary amounts are reflected in these financial statements (Exhibit G and Schedule 5). All annual appropriations of the general fund lapse at year-end.

The Township uses the following procedures in establishing this budgetary data:

- a. In accordance with the Township Code, beginning at least 30 days prior to the adoption of the budget, which shall not be later than December 31, a proposed budget for the ensuing year shall be prepared. The proposed budget shall be kept on file with the Township and made available for public inspection for a period of twenty days. Notice that the proposed budget is available for inspection is published in a newspaper of general circulation. After expiration of the twenty days, the Commissioners makes such revisions in the budget as deemed advisable and shall adopt the budget by motion.
- b. Transfers of budget amounts are authorized between departments within any fund after the third month of the year. However, any revisions that alter the total appropriations of any fund must be approved by the Commissioners.

**TOWNSHIP OF HOPEWELL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**CASH AND CASH EQUIVALENTS**

For purposes of these basic financial statements, cash and cash equivalents include amounts in demand deposit accounts and all highly liquid short-term investments with original maturity terms of less than three months.

**INVESTMENTS**

Provisions of Section 1705.1 of the First-Class Township Code authorize the following investments:

- I. Obligations of (a) the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (b) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth of Pennsylvania, or (c) of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.
- II. Deposits in savings accounts, time deposits and share accounts of institutions insured by the Federal Deposit Insurance Corporation (FDIC) to the extent that such accounts are so insured and, for any amounts above the insured maximum, provided that approved collateral, as provided by law, is pledged by the depository.
- III. U.S. government obligations, short-term commercial paper issued by a public corporation, and banker's acceptances.

Governmental fund type investments include funds pooled for investment purposes with the Pennsylvania Local Government Investment Trust (PLGIT). PLGIT funds are stated at amortized cost, which approximates market value. The Township's portfolio is in compliance with these statutes at December 31, 2021. Fiduciary fund type investments include funds invested with Wells Fargo and PMRS, the Township's designated asset managers for the police and non-uniform pension plans.

**RECEIVABLES**

Receivables are reflected at net realizable value as of December 31, 2021.

**INVENTORIES**

The inventories of the Township were not material to the financial statements taken as a whole as of December 31, 2021. Therefore, they are not reported.

**SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if any, are classified as 'due from/to other funds' on the balance sheet. For the purposes of the government-wide statement of net position, governmental inter-fund receivables and payables have been eliminated.

**TOWNSHIP OF HOPEWELL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**CAPITAL ASSETS AND DEPRECIATION**

General capital assets are those assets not specifically related to activities reported in proprietary funds. These assets are reported as part of governmental activities on the government-wide statement of net position. All capital assets are recorded at cost (or estimated historical cost). Donated fixed assets are recorded at fair value at the time of receipt. The Township maintains a capitalization dollar threshold of 1) \$10,000 or more for machinery and equipment, 2) \$15,000 or more for buildings and improvements, 3) \$15,000 or more for infrastructure and land improvements, and 4) land at any amount are reported at historical cost or estimated historical cost. In addition, capital assets purchased with long-term debt may be capitalized regardless of the thresholds established. Routine repair and maintenance costs that do not add to the value of the asset or extend its useful life are charged as an expense in the government-wide statement of activities. Management has elected to include certain homogeneous asset categories with individual assets less than \$10,000 as composite groups from financial reporting purposes.

Donated capital assets are recorded at estimated fair market value at the date of donation. In accordance with GASB Statement No. 34, infrastructure has been prospectively capitalized, beginning January 1, 2004. The Township did not elect retroactive reporting of infrastructure in the year of adoption of GASB Statement No. 34.

All reported capital assets, except land, are depreciated using the straight-line method over the following useful lives:

| <b><u>CATEGORY</u></b>            | <b><u>YEARS</u></b> |
|-----------------------------------|---------------------|
| Buildings and Improvements        | 10-40               |
| Furniture, Vehicles and Equipment | 3-15                |
| Infrastructure                    | 20-50               |

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets purchased by governmental funds are recorded as expenditures in the fund financial statements (Exhibit E). The results of capitalizing fixed assets net of depreciation on the government-wide statement of net position and statement of activities, as opposed to recording these same assets as an expenditure in the fund financial statements (Exhibit E), is reflected in the required reconciliations of fund balance to net position (Exhibit D) and the changes in fund balances to the changes in net position (Exhibit F).

**ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS**

All payables accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, the non-current portion of long-term liabilities that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, liabilities that mature or come due for payment within 60 days of the end of the fiscal year-end, are considered to be paid with current available financial resources.

Capital leases and other long-term obligations, if any, that will be paid from governmental funds are not recognized as a liability in the fund financial statements when due. The Township's General Fund is typically used to liquidate long-term liability obligations.

**TOWNSHIP OF HOPEWELL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS (Continued)**

The results of recognizing these long-term obligations as liabilities on the government-wide statement of net position and statement of activities, as opposed to recording these same obligations as an expenditure in the fund financial statements (Exhibit E) only when paid, is reflected in the required reconciliations of fund balance to net position (Exhibit D) and the changes in fund balances to the changes in net position (Exhibit F).

**LONG-TERM DEBT FINANCING COSTS**

Bond and note issuance costs are recorded as expenditures in the governmental fund financial statements in the year paid. The Township did not incur bond or note issuance costs during the 2021 fiscal year.

**OPERATING REVENUES AND EXPENSES**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the Township of Hopewell, these revenues are water, sewer, trash and recycling usage charges, parking revenue, industrial park leases, and other miscellaneous revenues directly related to the operations of the Township. Operating expenses are the necessary costs incurred to operate the water, sewer, trash, recycling, parking, and industrial park activities. Non-operating revenues of the Township Sewer Fund consist of investment earnings and sale of fixed assets. Non-operating expenses consist of interest expense on debt obligations.

**UNEARNED REVENUE**

Unearned revenue arises when the Township receives resources before it has legal claim to them. This occurs when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Township has a legal claim to the resources, the unearned revenue liability is removed, and revenue is recognized.

**DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES**

In addition to assets and liabilities, the statement of net position will sometimes report a separate section for deferred outflows and/or inflows of resources. These separate financial statement elements represent a decrease and/or increase in net position that applies to a future period and will not be recognized as an outflow and/or inflow of resources (expense/expenditure or income/revenue) in the current period.

**PENSIONS**

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position, and additions to/deductions from the pension plan's (the plan) fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investment assets are reported at fair value. More information on pension activity is included in Note 9.

**TOWNSHIP OF HOPEWELL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**NET POSITION**

Net position is classified into four categories according to external donor or legal restrictions or availability of assets to satisfy Township obligations. Net position is classified as follows:

- Net Investment in Capital Assets – This component of net position consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of debt that is attributable to the acquisition, construction and improvement of the capital assets, plus deferred outflows of resources less deferred inflows of resources related to those assets.
- Restricted Net Position – This component of net position consists of restricted assets reduced by liabilities and deferred inflows related to those assets. Restricted net position includes Act 655 funding from the Commonwealth of Pennsylvania restricted in use for the maintenance, repair and construction of roads, streets and bridges in the Township, grant revenues restricted for use and monies restricted for debt service.
- Unrestricted – Consists of net position that does not meet the definition of 'restricted' or 'net investment in capital assets'.

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Township's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

**FUND BALANCE**

In the Balance Sheet – Governmental Funds (Exhibit C), fund balances are reported in specific categories to make the nature and extent of the constraints placed on any entity's fund balance more transparent in accordance with GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance – this is the balance that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items and inventories.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and high levels of government), through constitutional provisions, or by enabling legislation. Restricted fund balance includes Act 655 funding from the Commonwealth of Pennsylvania restricted in use for the maintenance, repair and construction of roads, streets and bridges in the Township and monies restricted for debt service purposes.
- Committed fund balance – amount constrained to specific purposes by the Township itself, using its highest level of decision-making Township; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
- Assigned fund balance – amounts the Township intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the Township.
- Unassigned fund balance – amount that are available for any purpose.



**TOWNSHIP OF HOPEWELL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**FUND BALANCE (Continued)**

The Township establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. The Township Manager has Township to assign fund balance.

When expenditures/expenses are incurred for purposes for which unrestricted (committed, assigned, and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the Township's general policy to spend the committed resources first, followed by assigned amounts and then unassigned amounts.

**ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires the Township's management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**ADOPTION OF GASB PRONOUNCEMENTS**

The requirements of the following GASB Statements were adopted for the Township's 2021 financial statements. Except where noted, the adoption of these pronouncements did not have a significant impact on the Township's financial statements.

**GASB Statement No. 89**, *'Accounting for Interest Cost Incurred before the end of a Construction Period'*. The primary objectives of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and, (b) to simplify accounting for certain interest costs.

**GASB Statement No. 92**, *'Omnibus 2020'*. The primary objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of GASB Statement Nos. 73, 74, 84, and 87. In addition the Statement addresses various topics and includes specific provisions concerning the following:

- Measurement of liabilities (and assets, if any) related to asset retirement obligations (ARO) in a government acquisition – effective December 31, 2022.
- Reporting by entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature – effective December 31, 2022
- Terminology used to refer to derivative instruments

**GASB Statement No. 93**, *'Replacement of Interbank Offered Rates'*. The primary objectives of this Statement are to address the accounting and financial reporting implications that result from the replacement of an interbank offering rate (IBOR). Paragraphs 13 and 14 from this Statement are effective for the Township's December 31, 2022 financial statements.

**TOWNSHIP OF HOPEWELL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**PENDING GASB PRONOUNCEMENTS**

**GASB Statement No. 87, 'Leases'.** The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases; enhancing the comparability of financial statements between governments; and also enhancing the relevance, reliability (representational faithfulness), and consistency of information about the leasing activities of governments. The provisions of this Statement are effective for the Township's December 31, 2022 financial statements.

**GASB Statement No. 91, 'Conduit Debt Obligations'.** The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The provisions of this Statement are effective for the Township's December 31, 2022 financial statements.

**GASB Statement No. 94, 'Public-Private and Public-Public Partnerships and Availability Payment Arrangements'.** The primary objectives of this Statement are to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs), and provide guidance for accounting and financial reporting for availability payment arrangements (APAs). The provisions of this Statement are effective for the Township's December 31, 2023 financial statements.

**GASB Statement No. 96, 'Subscription-Based Information Technology Arrangements (SBITA)'.** The primary objectives of this Statement are as follows:

- Defines a SBITA
- Establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability
- Provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA
- Requires note disclosures regarding a SBITA

The provisions of this Statement are effective for the Township's December 31, 2023 financial statements.

**GASB Statement No. 97, 'Certain Component Unit Criteria and Accounting and Financial Report for Internal Revenue Code Section 457 Deferred Compensation Plans'.** The primary objectives of this Statement are to 1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; 2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and 3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The provisions of this Statement are effective for the Township's December 31, 2022 financial statements.

**TOWNSHIP OF HOPEWELL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**PENDING GASB PRONOUNCEMENTS**

**GASB Statement No. 98**, *'The Annual Comprehensive Financial Report'*. The statement establishes the term *annual comprehensive financial report* and its acronym *ACFS*. The new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. The provisions of this Statement are effective for the Township's December 31, 2022 financial statements.

The effects of implementing these Statements on the Township's financial statements have not yet been determined.

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS**

**CASH DEPOSITS:**

At December 31, 2021, the Township of Hopewell had the following carrying values on its cash and cash equivalent accounts:

|                       | <b><u>Bank Balance</u></b> | <b><u>(Memo Only)<br/>Book Balance</u></b> |
|-----------------------|----------------------------|--------------------------------------------|
| General Fund          | \$ 3,066,624               | \$ 3,046,709                               |
| Special Revenue Funds | 1,094,335                  | 1,094,335                                  |
| Proprietary Fund      | 1,360,899                  | 1,357,411                                  |
|                       | <b><u>\$ 5,521,858</u></b> | <b><u>\$ 5,498,455</u></b>                 |

The difference between the bank balance and the carrying value represents year-end reconciling items such as deposits in transit and outstanding checks. The Federal Deposit Insurance Corporation (FDIC) coverage threshold for government accounts is \$250,000 per official custodian. This coverage includes checking and savings accounts, money market deposits accounts, and certificates of deposit.

**Custodial Credit Risk:**

Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits over the FDIC insurance limit may not be returned to it. The Township does not have a policy for custodial credit risk. As of December 31, 2021, \$5,271,858 of the Township's deposits were exposed to custodial credit risk as this amount represents uninsured deposits collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the Township's name. In accordance with Act Number 72-1971 Session of the Commonwealth of Pennsylvania, deposits of the Township, in excess of \$250,000, are collateralized by securities pledged to a pooled public funds account with the Federal Reserve System.

**TOWNSHIP OF HOPEWELL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS (Continued)**

The fair value and maturity term of the Township's investments as of December 31, 2021, are as follows:

|                                   | No Stated<br>Maturity | Less than 1<br>Year | 1-5 Years           | 6-10 Years        | Over 10 Years       | Credit<br>Rating |
|-----------------------------------|-----------------------|---------------------|---------------------|-------------------|---------------------|------------------|
| <b>Governmental Funds:</b>        |                       |                     |                     |                   |                     |                  |
| PLGIT                             | \$ 2,453,151          | \$ -                | \$ -                | \$ -              | \$ -                | AAAm             |
| <b>Proprietary Fund:</b>          |                       |                     |                     |                   |                     |                  |
| PLGIT                             | \$ 2,283,321          | \$ -                | \$ -                | \$ -              | \$ -                | AAAm             |
| <b>Fiduciary Funds:</b>           |                       |                     |                     |                   |                     |                  |
| Mutual Funds                      | \$ 2,771,450          | \$ -                | \$ -                | \$ -              | \$ -                | N/A              |
| Corporate Debt                    | -                     | 81,006              | 709,691             | 360,745           | 765,160             | A-Baa            |
| Municipal Bonds                   | -                     | -                   | 52,432              | -                 | -                   | Aa               |
| Commercial Mortgages              | -                     | -                   | -                   | -                 | 1,998               | N/A              |
| Private Placement Securities      | -                     | -                   | -                   | 47,767            | -                   | A                |
| US Government & Agency Securities | -                     | -                   | 1,201,065           | 447,174           | 457,196             | N/A              |
|                                   | <u>\$ 2,771,450</u>   | <u>\$ 81,006</u>    | <u>\$ 1,963,188</u> | <u>\$ 855,686</u> | <u>\$ 1,224,354</u> |                  |

The purpose of the Pennsylvania Local Government Investment Trust (PLGIT) is to enable governmental units to pool their available funds for investments authorized under the Intergovernmental Cooperation Act of 1972. The funds operate in a manner consistent with the SEC's Rule 2(a)7 of the Investment Company Act of 1940. The Township's position in the external investment pool is the same as the value of the pool shares and is reported at amortized cost which approximates fair value. PLGIT activities are invested directly in a portfolio of securities, which are held by a third-party custodian. The Township can withdraw funds from the external investment pool without limitation or fees upon adequate notice. Copies of the PLGIT annual report can be obtained by contacting their website of [www.plgit.com](http://www.plgit.com).

**Custodial Credit Risk:**

For an investment, custodial credit risk is the risk that the counterparty to an investment transaction will fail and the Township will not recover the value of the investment or collateral securities that are in possession of an outside party. The Township does not have a formal investment policy for custodial credit risk.

**Credit Risk:**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Township has no formal investment policy, in addition to the requirements of the Township Code and the Intergovernmental Cooperation Act, that limits its investment choices based on credit ratings by nationally recognized rating organizations. The Township does not have a policy that would limit its investment choices to those with certain credit ratings.

**Interest Rate Risk:**

The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**TOWNSHIP OF HOPEWELL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS (Continued)**

**INVESTMENTS: (Continued)**

**Concentration of Credit Risk:**

The Township places no limit on the amount it may invest in any one issuer.

At December 31, 2021, the following are fiduciary fund investments (other than U.S. Governmental and U.S. Government guaranteed obligations), that represent five percent or more of the net position available for benefits:

|                                  | <b>Police Pension<br/>Plan</b> |
|----------------------------------|--------------------------------|
| iShares Core S & P Small-Cap ETF | \$ 737,330                     |
| iShares Core S & P Mid-Cap ETF   | 752,993                        |
|                                  | <b><u>\$ 1,490,323</u></b>     |

**Fair Value Measurements:**

The Township of Hopewell's investments are reported at fair value within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application*, provides a framework for measuring fair value which establishes a three-level fair value hierarchy that prioritizes the inputs to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable (level 3 measurements). The three levels of the fair value hierarchy are described below:

**Level 1** – Observable inputs that reflect quoted prices for identical assets or liabilities in active markets such as stock quotes

**Level 2** – Includes inputs other than level 1 inputs that are directly or indirectly observable in the marketplace such as yield curves or other market data

**Level 3** – Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk such as bid/ask spreads and liquidity discounts.

**TOWNSHIP OF HOPEWELL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS (Continued)**

**INVESTMENTS: (Continued)**

**Fair Market Values: (Continued)**

The following schedule presents the Investments of the Township by level within the fair value hierarchy:

|                                   | Value<br>at 12/31/21 | Fair Value Measurements |                      |             |
|-----------------------------------|----------------------|-------------------------|----------------------|-------------|
|                                   |                      | Level 1                 | Level 2              | Level 3     |
| Money Market/Mutual Funds         | \$ 3,074,748         | \$ 303,298              | \$ 2,771,450         | \$ -        |
| Equities                          | 4,259,025            | -                       | 4,259,025            | -           |
| Corporate Bonds                   | 2,351,237            | -                       | 2,351,237            | -           |
| US Government & Agency Securities | 2,105,435            | -                       | 2,105,435            | -           |
|                                   | <u>\$ 11,790,445</u> | <u>\$ 303,298</u>       | <u>\$ 11,487,147</u> | <u>\$ -</u> |

Investments held in external investment pools such as PLGIT are not subject to the provisions of fair value measurements as they are recorded at amortized cost.

**NOTE 3 - PROPERTY TAXES**

The Township of Hopewell levies property taxes March 1 of each calendar year. The calendar dates for payment of these taxes is as follows:

**PAYMENT PERIOD**

|                          |                   |
|--------------------------|-------------------|
| March 1 – April 30, 2021 | (Discount period) |
| May 1 – June 30, 2021    | (Face period)     |
| July 1 and after         | (Penalty period)  |

Taxpayers are entitled to a 2% discount if taxes are paid prior to April 30th. Collections after July 1st are assessed a 10% penalty. Unpaid taxes are sent to the Township's Delinquent Real Estate Tax Collector for collection or subsequent lien with Beaver County. Unpaid taxes as of December 31, 2021 totaling \$136,492 represent 4.9% of the original assessment for 2021 of \$2,802,961. The tax millage assessment for the 2021 calendar year is 14 mills on the assessed value of land and buildings, which represents \$14.00 of revenue for every \$1,000 of assessed value. Taxes receivable as shown in the government-wide statement of net position includes prior year property taxes of \$289,974.

For purposes of the governmental fund financial statements, the above property taxes receivable, although measurable, does not meet the available criteria to finance current fiscal year operations. Accordingly, this amount (\$253,826) is equally off-set as a credit to deferred inflows of resources in the fund financial statements.

**TOWNSHIP OF HOPEWELL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 3 - PROPERTY TAXES (Continued)**

The effect of recognizing property tax revenue when taxes are levied, as opposed to when they are received using the 'measurable and available' criteria under the modified accrual basis of accounting, is reflected in the required reconciliations of fund balance to net position (Exhibit D) and the changes in fund balances to the changes in net position (Exhibit F).

Taxes receivable are comprised of the following at December 31, 2021:

|                     |           |                |
|---------------------|-----------|----------------|
| Property Taxes, Net | \$        | 289,974        |
| Act 511 Taxes       |           | 363,025        |
|                     | <b>\$</b> | <b>652,999</b> |

**NOTE 4 – ACCOUNTS RECEIVABLE**

Accounts receivable as reflected on Exhibits A, C and H consists of the following at December 31, 2021:

|                                       |           |                |
|---------------------------------------|-----------|----------------|
| <b>GENERAL FUND:</b>                  |           |                |
| Cable franchise fees                  | \$        | 37,708         |
| Crossing Guard                        |           | 27,556         |
| Miscellaneous                         |           | 2,492          |
| <b>Total Accounts Receivable</b>      | <b>\$</b> | <b>67,756</b>  |
| <b>SEWER FUND:</b>                    |           |                |
| Unbilled Sewer Collections            | \$        | 511,902        |
| Billed Sewer Collections              |           | 257,603        |
|                                       | \$        | 769,505        |
| Less: Allowance for Doubtful Accounts |           | (31,596)       |
| <b>Accounts Receivable, Net</b>       | <b>\$</b> | <b>737,909</b> |

**TOWNSHIP OF HOPEWELL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 5 - CAPITAL ASSETS**

A summary of the governmental activity for the 2021 calendar year was as follows:

|                                                    | Balance<br>1/1/2021        | Additions                | Deductions         | Balance<br>12/31/2021      |
|----------------------------------------------------|----------------------------|--------------------------|--------------------|----------------------------|
| Land                                               | \$ 1,530,899               | \$ -                     | \$ -               | \$ 1,530,899               |
| Building and Building Improvements                 | 3,378,266                  | 68,525                   | -                  | 3,446,791                  |
| Vehicles and Equipment                             | 2,170,954                  | 163,909                  | -                  | 2,334,863                  |
| Infrastructure                                     | 3,934,631                  | 459,172                  | -                  | 4,393,803                  |
|                                                    | <u>\$ 11,014,750</u>       | <u>\$ 691,606</u>        | <u>\$ -</u>        | <u>\$ 11,706,356</u>       |
| <b>Less: Accumulated depreciation</b>              |                            |                          |                    |                            |
| Building and Building Improvements                 | \$ (1,983,717)             | \$ (301,066)             | \$ -               | \$ (2,284,783)             |
| Vehicles and Equipment                             | (1,611,233)                | (107,082)                | -                  | (1,718,315)                |
| Infrastructure                                     | (910,961)                  | (89,535)                 | -                  | (1,000,496)                |
|                                                    | <u>\$ (4,505,911)</u>      | <u>\$ (497,683)</u>      | <u>\$ -</u>        | <u>\$ (5,003,594)</u>      |
| <b>Governmental Activities Capital Assets, Net</b> | <u><b>\$ 6,508,839</b></u> | <u><b>\$ 193,923</b></u> | <u><b>\$ -</b></u> | <u><b>\$ 6,702,762</b></u> |

Depreciation expense was allocated to governmental activities as follows:

|                |                          |
|----------------|--------------------------|
| Administration | \$ 42,095                |
| Public Safety  | 52,137                   |
| Public Works   | 392,456                  |
| Parks          | 10,995                   |
|                | <u><b>\$ 497,683</b></u> |

A summary of the business-type activity for the 2021 calendar year was as follows:

|                                                     | Balance<br>1/1/2021         | Additions                  | Deductions              | Balance<br>12/31/2021      |
|-----------------------------------------------------|-----------------------------|----------------------------|-------------------------|----------------------------|
| Land                                                | \$ 90,138                   | \$ -                       | \$ -                    | \$ 90,138                  |
| Construction in Progress                            | 21,370                      | -                          | -                       | 21,370                     |
| Sewer Line Infrastructure                           | 17,592,084                  | -                          | 470                     | 17,591,614                 |
| Sewer Plant and Buildings                           | 3,128,358                   | 57,860                     | -                       | 3,186,218                  |
| Vehicles & Equipment                                | 679,951                     | -                          | 34,156                  | 645,795                    |
|                                                     | <u>\$ 21,511,901</u>        | <u>\$ 57,860</u>           | <u>\$ 34,626</u>        | <u>\$ 21,535,135</u>       |
| <b>Less: Accumulated depreciation</b>               |                             |                            |                         |                            |
| Sewer Line Infrastructure                           | \$ (8,502,911)              | \$ (411,361)               | \$ (59,529)             | \$ (8,854,743)             |
| Sewer Plant and Buildings                           | (2,238,424)                 | (19,333)                   | 118,485                 | (2,376,242)                |
| Vehicles and Equipment                              | (498,968)                   | (32,507)                   | (22,297)                | (509,178)                  |
|                                                     | <u>\$ (11,240,303)</u>      | <u>\$ (463,201)</u>        | <u>\$ 36,659</u>        | <u>\$ (11,740,163)</u>     |
| <b>Business-Type Activities Capital Assets, Net</b> | <u><b>\$ 10,271,598</b></u> | <u><b>\$ (405,341)</b></u> | <u><b>\$ 71,285</b></u> | <u><b>\$ 9,794,972</b></u> |



**TOWNSHIP OF HOPEWELL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 6 – INTER-FUND OBLIGATIONS AND TRANSFERS**

Inter-fund transfers as reflected on the governmental funds and proprietary funds balance sheets (Exhibits E & I) are as follows:

|              | <b>TO</b>                | <b>FROM</b>              |
|--------------|--------------------------|--------------------------|
| General Fund | \$ 112,267               | \$ 426                   |
| Sewer Fund   | 426                      | 112,267                  |
|              | <b><u>\$ 112,693</u></b> | <b><u>\$ 112,693</u></b> |

During the year ended December 31, 2021, the Sewer Fund transferred \$112,267 to the General Fund. This was reimbursement for water, sewer, and refuse services that were paid from the General Fund.

At December 31, 2021, the Sewer Fund owed the General Fund a net amount of \$1,002.

**NOTE 7 - LONG-TERM DEBT OBLIGATIONS**

**GOVERNMENTAL ACTIVITIES**

**DIRECT BORROWINGS - CAPITAL LEASE OBLIGATIONS**

In May of 2019 the Township entered into a lease agreement with KS State Bank in the amount of \$151,188 for the purchase of dump trucks for the Road Department. The lease calls for five (5) annual principal and interest payments of \$33,408 beginning May of 2019. The interest rate is 4% and the lease obligation is scheduled to mature in May of 2023.

In June of 2020 the Township entered into a lease agreement with KS State Bank in the amount of \$9,199 for the purchase of add-ons to the 2020 Ford Police Interceptor Utility truck for the Police Department. The lease calls for three (3) annual principal and interest payments of \$3,420 beginning June of 2020. The interest rate is 3.31% and the lease obligation is scheduled to mature in June of 2022.

In April of 2021 the Township entered into a lease agreement with KS State Bank in the amount of \$45,198 for the purchase of a 2021 Ford F-250 for the Public Works Department. The lease calls for three (3) annual principal and interest payments of \$15,972 beginning April of 2021. The interest rate is 5.86% and the lease obligation is scheduled to mature in April of 2023.

**DEFAULT PROVISIONS**

If any Event of Default occurs on the above leases, all commitments and obligations of Lessors, under the lease agreements, immediately will terminate (including any obligation to make further loan advances or disbursements), and at the option of the Lessor, all indebtedness immediately will become due and payable, all without notice of any kind to the Township. The leases also contain provisions that allow the Lessor the right to take possession of the leased equipment.

**TOWNSHIP OF HOPEWELL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 7 - LONG-TERM DEBT OBLIGATIONS** (Continued)

**GOVERNMENTAL ACTIVITIES** (Continued)

**DIRECT BORROWINGS - CAPITAL LEASE OBLIGATIONS** (Continued)

The following summarizes the governmental activities debt service obligation for these direct borrowing capital lease obligations as of December 31, 2021.

| <b>Year End<br/>31-Dec</b> | <b>2020<br/>Principal</b> | <b>2019<br/>Principal</b> | <b>2021<br/>Principal</b> |
|----------------------------|---------------------------|---------------------------|---------------------------|
| 2022                       | \$ 3,053                  | \$ 30,259                 | \$ 14,178                 |
| 2023                       | -                         | 31,628                    | 15,048                    |
|                            | <b>\$ 3,053</b>           | <b>\$ 61,887</b>          | <b>\$ 29,226</b>          |

| <b>Year End<br/>31-Dec</b> | <b>Interest</b>  | <b>Total</b>     |
|----------------------------|------------------|------------------|
| 2022                       | \$ 7,116         | \$ 35,214        |
| 2023                       | 3,465            | 34,169           |
|                            | <b>\$ 10,581</b> | <b>\$ 69,383</b> |

**BUSINESS-TYPE ACTIVITIES**

**BONDS PAYABLE – SERIES B OF 2014**

During 2014, the Township issued \$4,225,000 of its General Obligation Refunding Bonds, Series B 2014. The bond proceeds were used to refund the Township's General Obligation Bonds, Series of 2009 and to pay the costs of issuing the 2014 Bonds. The bonds were issued in denominations of \$5,000 with interest payable semi-annually on May 1 and November 1 at rates ranging between .14% and 4.0%. The Bonds mature in May of 2024.

**BONDS PAYABLE – SERIES OF 2017**

During 2014, the Township issued \$4,540,000 of its General Obligation Refunding Bonds, Series 2017. The bond proceeds were used to redeem the Township's General Obligation Bonds, Series B of 2011 and to pay the costs of issuing the 2017 Bonds. The bonds were issued in denominations of \$5,000 with interest payable semi-annually on April 1 and October 1 at rates ranging between 1.15% and 3.0%. The Bonds mature in October of 2029.

**BOND PREMIUMS**

In connection with the Township's general obligation bond issues, the Township paid approximately \$140,050 in bond premiums. This cost is being amortized on a straight-line basis. The unamortized amount of bond premiums totaling \$24,084 is reflected in the governmental activities column on the government-wide statement of net position as part of the long-term portion of bonds payable. Amortization expense for the year ended December 31, 2021 was \$0. This amount is reflected in the interest expense function in the statement of activities.

**TOWNSHIP OF HOPEWELL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 7 - LONG-TERM DEBT OBLIGATIONS** (Continued)

**BUSINESS-TYPE ACTIVITIES**

**DEFAULT PROVISIONS**

See detailed default provisions on bonds in governmental activity section of the long-term debt obligation note.

A following summarizes the business-type activities (proprietary fund) debt service obligation for these general obligation bonds as of December 31, 2021:

| <b>Year End<br/>31-Dec</b> | <b>Series of 2014<br/>Principal</b> | <b>Series of 2017<br/>Principal</b> | <b>Interest</b>          | <b>Total</b>               |
|----------------------------|-------------------------------------|-------------------------------------|--------------------------|----------------------------|
| 2022                       | \$ 435,000                          | \$ 175,000                          | \$ 107,066               | \$ 717,066                 |
| 2023                       | 50,000                              | 480,000                             | 92,300                   | 622,300                    |
| 2024                       | 50,000                              | 590,000                             | 75,862                   | 715,862                    |
| 2025                       | -                                   | 625,000                             | 64,634                   | 689,634                    |
| 2026                       | -                                   | 665,000                             | 50,513                   | 715,513                    |
| 2027-2029                  | -                                   | 1,575,000                           | 54,666                   | 1,629,666                  |
|                            | <b><u>\$ 535,000</u></b>            | <b><u>\$ 4,110,000</u></b>          | <b><u>\$ 445,041</u></b> | <b><u>\$ 5,090,041</u></b> |

**DIRECT BORROWINGS - CAPITAL LEASE OBLIGATIONS**

In May of 2019 the Township entered into a lease agreement with KS State Bank in the amount of \$79,323 for the purchase of dump trucks for the Sewer Department. The lease calls for five (5) annual principal and interest payments of \$50,936 beginning May of 2019. The interest rate is 4% and the lease obligation is scheduled to mature in May of 2023.

**DEFAULT PROVISIONS**

If any Event of Default occurs on the above leases, all commitments and obligations of Lessors, under the lease agreements, immediately will terminate (including any obligation to make further loan advances or disbursements), and at the option of the Lessor, all indebtedness immediately will become due and payable, all without notice of any kind to the Township. The leases also contain provisions that allow the Lessor the right to take possession of the leased equipment.

**TOWNSHIP OF HOPEWELL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 7 - LONG-TERM DEBT OBLIGATIONS (Continued)**

**BUSINESS-TYPE ACTIVITIES (Continued)**

The following summarizes the business type activity (proprietary fund) debt service obligation for these direct borrowing capital lease obligations as of December 31, 2021:

| <b>YEAR</b> | <b>2019<br/>PRINCIPAL</b> | <b>TOTAL<br/>INTEREST</b> | <b>TOTAL</b>     |
|-------------|---------------------------|---------------------------|------------------|
| 2022        | \$ 15,823                 | \$ 1,705                  | \$ 17,528        |
| 2023        | 16,667                    | 874                       | 17,541           |
|             | <b>\$ 32,490</b>          | <b>\$ 2,579</b>           | <b>\$ 35,069</b> |

**NOTE 8 – CHANGES IN LONG-TERM DEBT OBLIGATIONS**

The following represents the changes in the Township's long-term debt obligations during the 2021 year:

|                                                            | <b>Balance<br/>1/1/2020</b> | <b>Additions</b> | <b>Reductions</b> | <b>Balance<br/>12/31/2020</b> | <b>Due Within<br/>One Year</b> |
|------------------------------------------------------------|-----------------------------|------------------|-------------------|-------------------------------|--------------------------------|
| <b>GOVERNMENTAL ACTIVITIES</b>                             |                             |                  |                   |                               |                                |
| General Obligation Bonds                                   | \$ 90,000                   | \$ -             | \$ 90,000         | \$ -                          | \$ -                           |
| <b>Direct Borrowings:</b>                                  |                             |                  |                   |                               |                                |
| General Obligation Note                                    | 67,506                      | -                | 67,506            | -                             | -                              |
| Lease Purchase Obligations                                 | 119,199                     | 45,198           | 70,230            | 94,167                        | 47,389                         |
| <b>Total long-term debt -<br/>Governmental activities</b>  | <b>\$ 276,705</b>           | <b>\$ 45,198</b> | <b>\$ 227,736</b> | <b>\$ 94,167</b>              | <b>\$ 47,389</b>               |
| <b>BUSINESS-TYPE ACTIVITIES</b>                            |                             |                  |                   |                               |                                |
| General Obligation Bonds                                   | \$ 5,280,000                | \$ -             | \$ 635,000        | \$ 4,645,000                  | \$ 610,000                     |
| <b>Direct Borrowings:</b>                                  |                             |                  |                   |                               |                                |
| Lease Purchase Obligations                                 | 60,006                      | -                | 27,516            | 32,490                        | 15,823                         |
| <b>Total long-term debt -<br/>Business-Type Activities</b> | <b>\$ 5,340,006</b>         | <b>\$ -</b>      | <b>\$ 662,516</b> | <b>\$ 4,677,490</b>           | <b>\$ 625,823</b>              |

**NOTE 9 - TOWNSHIP PENSION PLANS**

**NON-UNIFORM PENSION PLAN**

**DESCRIPTION OF PLAN**

The Township of Hopewell pension plan is a single-employer defined benefit pension plan controlled by the provisions of Resolution No. 2002-03 adopted pursuant to Act 15 of 1974. The plan participates in the Pennsylvania Municipal Retirement System (PMRS), which is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating municipal pension plans. PMRS issues a separate Comprehensive Annual Financial Report (CAFR). A copy of the CAFR can be obtained by contacting the PMRS accounting office or visiting their website at [pmrs.state.pa.us](http://pmrs.state.pa.us).

**TOWNSHIP OF HOPEWELL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 9 - TOWNSHIP PENSION PLANS (Continued)**

**NON-UNIFORM PENSION PLAN (Continued)**

**PLAN MEMBERSHIP**

Plan membership consisted of the following as of January 1, 2021:

|                                     |                  |
|-------------------------------------|------------------|
| Active plan members                 | 30               |
| Retirees and beneficiaries          |                  |
| currently receiving benefits        | 21               |
| Terminated employees entitled to    |                  |
| benefits but not yet receiving them | <u>1</u>         |
| Total                               | <u><u>52</u></u> |

**PLAN BENEFITS**

The plan provides retirement and death benefits to eligible plan members and their beneficiaries. Effective January 1, 2009, the plan allows for a normal retirement benefit at age 60 or older with at least 20 years of credited service. No early retirement benefits are available. Monthly pension benefits are detailed in plan documents. Participants are fully vested upon completion of three (3) years of service.

**PLAN CONTRIBUTION REQUIREMENTS**

Employer contributions are actuarially determined reflecting a payment equal to annual Normal Cost, the expected Administrative Expenses, and an amount necessary to amortize the remaining Unfunded Actuarial Liability as a level dollar amount over a closed period. This contribution is based upon the Minimum Municipal Obligation (MMO) as defined in Act 205. For the calendar year 2021, the Township contributed \$214,757 to the plan. This contribution to the pension plan, subsequent to the measurement date of the Township's net pension liability (NPL), is recognized as a component of 'deferred outflows of resources – pension' on the statement of net position. Employee contributions are currently not required.

**PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES  
AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS**

The Township's total pension liability (TPL) was measured as of December 31, 2019 (latest available) based upon the actuarial valuation as of the same date. The actuarial valuation does not reflect changes in benefits or assumptions after January 1, 2019. Because the beginning and end of year TPL are based upon different actuarial valuation dates, there is a difference between expected and actual experience. The beginning of year TPL is based on the January 1, 2017 actuarial valuation, with liabilities rolled forward to December 31, 2017 and reflecting the impact of plan changes if applicable. The end of year TPL is based on the January 1, 2019 actuarial valuation with liabilities measured at December 31, 2018.

The following shows the changes in the Total Pension Liability (TPL), the Plan Fiduciary Net Position (fair value of plan assets), and the Net Pension Liability (NPL) as of the Measurement date.

**TOWNSHIP OF HOPEWELL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 9 - TOWNSHIP PENSION PLANS (Continued)**

**NON-UNIFORM PENSION PLAN (Continued)**

**PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES  
AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (Continued)**

|                                                       | Total Pension<br>Liability<br>( a ) | Plan Fiduciary<br>Net Position<br>( b ) | Net Pension<br>Liability<br>( c ) |
|-------------------------------------------------------|-------------------------------------|-----------------------------------------|-----------------------------------|
| <b>Balances at 12/31/18</b>                           | \$ 7,431,082                        | \$ 6,408,704                            | \$ 1,022,378                      |
| Changes for the year:                                 |                                     |                                         |                                   |
| Service cost                                          | 168,033                             |                                         | 168,033                           |
| Interest                                              | 388,633                             |                                         | 388,633                           |
| Changes of benefits                                   | -                                   |                                         | -                                 |
| Changes of assumptions                                | -                                   |                                         | -                                 |
| Differences between expected<br>and actual experience | -                                   |                                         | -                                 |
| Contributions - employer                              |                                     | 157,447                                 | (157,447)                         |
| Contributions - PMRS assessment                       |                                     | 1,080                                   | (1,080)                           |
| Contributions - member                                |                                     | 55,992                                  | (55,992)                          |
| PMRS investment income                                |                                     | 353,793                                 | (353,793)                         |
| Market value investment income *                      |                                     | 907,665                                 | (907,665)                         |
| Benefit payments                                      | (398,263)                           | (398,263)                               | -                                 |
| PMRS administrative expense                           |                                     | (1,080)                                 | 1,080                             |
| Additional administrative expense                     |                                     | (12,229)                                | 12,229                            |
| Net changes                                           | 158,403                             | 1,064,405                               | (906,002)                         |
| <b>Balances at 12/31/19</b>                           | <b>\$ 7,589,485</b>                 | <b>\$ 7,473,109</b>                     | <b>\$ 116,376</b>                 |

\* Reflects the net investment income/(loss) of \$948,366 and income/(loss) due to the difference between expected and actual asset values of (\$40,701) which includes the impact from allocation of assets in support of the underlying retiree liabilities.

The TPL as of December 31, 2019 was based upon the following actuarial assumptions:

- **Actuarial Cost Method** – Entry Age Normal
- **Rates of Pre-Retirement Mortality** – Males: RP 2000 male non-annuitant table projected 15 years with Scale AA; Females: RP 2000 female non-annuitant table projected 15 years with Scale AA and then setback 5 years
- **Rates of Post-Retirement Mortality** – Males: RP 2000 male annuitant table projected 5 years with Scale AA; Females: female annuitant table projected 10 years with Scale AA
- **Disabled Life Mortality Rates**: Males and females: RP 2000 with 10 year set forward
- **Termination Rates Before Retirement**: Less than 25 active members – sliding scale 1 year 15% down to 10 plus years at 2.5%. More than 25 active members – sliding scale 1 year 18% down to 10 plus years at 4%.
- **Disability Incidence Rates**: 40% of 1964 OASDI (Social Security)
- **Workers Compensation**: Service-related disability benefits payable from municipal plans are offset by 25% of final average salary
- **Salary Scale**: Sliding scale - age 25 (7.05%) down to age 65 (2.80%)

**TOWNSHIP OF HOPEWELL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 9 - TOWNSHIP PENSION PLANS (Continued)**

**NON-UNIFORM PENSION PLAN (Continued)**

**PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES  
AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (Continued)**

- **Rates of Retirement:** Under age 45 (2%), age 45 (8%), age 46 (10%), age 47-50 (15%), age 51-54 (17%), age 55 (22%), age 56-59 (14%), age 60-64 (18%), age 65 (25%), age 66-74 (20%), age 75 (100%)
- **Marital Status and Spouse's Age (if applicable):** 85% of active members, and are assumed to be married for retirees with the 50% J&S form of payment. Male spouses are assumed to be 3 years older than female spouses
- **Social Security Projections (if applicable):** Social security wage base will increase 3.3% compounded annually. CPI will increase 2.8% compounded annually, average total wages will increase 3.3% compounded annually
- **Post-Retirement Cost of Living Increases:** 2.8% per year, subject to plan limitations
- **Investment Return:** 5.25% compounded annually, net of expenses
- **Administrative expenses:** The expense assumption is based upon the expected expenses for the current year

According to Governmental Accounting Standards Board (GASB) Statements No. 67 and 68, PMRS is required to allocate/distribute all funds to the respective participating employers for financial reporting purposes, to determine the respective employer 'plan fiduciary net position.' PMRS has determined that net investment income or loss and administrative expenses will be allocated to the employer/municipality accounts pro-rata based on their beginning Fiduciary Net Position balance adjusted for cash flows throughout the year. The 'Additional administrative expenses' are the expenses in excess of the 'PMRS administrative expense' (i.e. \$20 per participant expense paid by each plan).

The 'PMRS investment income' is based upon the regular and excess interest used to credit accounts annually. The 'Market value investment income' reflects the investment income/loss during the year net of PMRS investment income and the income/loss due to the difference between expected and actual asset values, including the impact from allocation of assets in support of the underlying retiree liabilities.

The impact of investment gains or losses for expensing is recognized over a period of five years. The impact of experience gains or losses and assumption changes on the TPL are recognized in the pension expense over the average expected remaining service live of all active and inactive members of the Plan. There were no experience gains or losses between the beginning of the year and end of year liabilities because the liabilities are based on the same actuarial valuation dates. However, there were no assumption changes as of the Measurement Date.

**TOWNSHIP OF HOPEWELL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 9 - TOWNSHIP PENSION PLANS (Continued)**

**NON-UNIFORM PENSION PLAN (Continued)**

**PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES  
AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (Continued)**

The following is a schedule of collective deferred inflows and outflows:

|                                                                                        | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|----------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|
| Differences between expected<br>and actual experience                                  | \$ 156,399                                    | \$ 44,851                                    |
| Changes of assumptions                                                                 | 41,843                                        | -                                            |
| Net difference between<br>projected and actual earnings<br>on pension plan investments | -                                             | -                                            |
| Contributions after measurement date                                                   | -                                             | 644,132                                      |
| TOTAL                                                                                  | <u>\$ 198,242</u>                             | <u>\$ 688,983</u>                            |

Amounts reported as deferred outflows of resources and deferred inflow of resources related to pensions will be recognized in pension expense as follows:

| <b>December 31,</b> |              |
|---------------------|--------------|
| 2020                | \$ (135,269) |
| 2021                | (118,055)    |
| 2022                | (55,884)     |
| 2023                | (181,533)    |
| 2024                | -            |
| Thereafter          | -            |

The annual pension expense recognized can be calculated two different ways. First, it is the change in the amounts reported on for the Employer's Statement of Net Position that relate to the plan and are not attributable to employer contributions. That is, the change in Net Pension Liability (NPL) plus the changes in deferred outflows and deferred inflows plus employer contributions. Alternatively, annual pension expense can be calculated by its individual components. Although not required by GASB, PMRS provides an example of this calculation at [pmrs.state.pa.us/yearendrptg](http://pmrs.state.pa.us/yearendrptg).

**INVESTMENT ASSET ALLOCATION**

The PMRS System's long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the Long-Term Expected Rate of Return, by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2019 are summarized in the table below labeled "System Nominal and Real Rates of Return by Asset Class." These are three steps to the method as follows:



**TOWNSHIP OF HOPEWELL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 9 - TOWNSHIP PENSION PLANS (Continued)**

**NON-UNIFORM PENSION PLAN (Continued)**

**INVESTMENT ASSET ALLOCATION (Continued)**

There are three steps to the method as follows:

1. Expected future real rates of return are based primarily on the 20 year historic nominal rates of return as reflected by applicable return indexes and may be adjusted for specific asset classes if, in the Board's opinion, any such asset classes are expected in the future to significantly vary from its 20 year historical returns.
2. The nominal rates of return by asset class are adjusted by a constant rate of expected future annual inflation rate of 2.2% to produce real rates of return.
3. The long term expected real rates of return are further adjusted by weighing each asset class using the PMRS portfolio target asset allocations.

The results from steps 1 through 3 are shown below in the table below:

**System Nominal and Real Rates of Return by Asset Class**

| <b>Asset Class</b>                          | <b>Target<br/>Asset<br/>Allocation</b> | <b>Nominal<br/>Rate of<br/>Return</b> | <b>Long-Term<br/>Expected<br/>Real Rate<br/>of Return</b> |
|---------------------------------------------|----------------------------------------|---------------------------------------|-----------------------------------------------------------|
| Domestic Equities (large cap)               | 25%                                    | 7.4%                                  | 4.7%                                                      |
| Domestic Equities (small cap)               | 15%                                    | 9.8%                                  | 7.1%                                                      |
| International Equities (developing markets) | 15%                                    | 5.5%                                  | 2.9%                                                      |
| International Equities (emerging markets)   | 10%                                    | 9.9%                                  | 7.6%                                                      |
| Real Estate                                 | 20%                                    | 9.9%                                  | 7.6%                                                      |
| Fixed Income                                | 15%                                    | 2.2%                                  | 0.0%                                                      |
| Total Portfolio                             | 100%                                   | 7.1%                                  | 4.5%                                                      |

Based on the three-part analysis, the Board established the System's Long-Term Expected Rate of Return at 6.7%.

In addition to determining the System's Long-Term Expected Rate of Return, the PMRS Board, under the laws of the Commonwealth of Pennsylvania (Act 15 of 1974), is obligated to develop and apply the Regular Interest Rate to each of the individual participating municipalities' actuarial asset accounts held by PMRS. The rationale for the difference between the System's Long-Term Expected Rate of Return and the individual participating municipalities' Regular Interest Rate is described in the following section "Discount Rate." As of December 31, 2019, this rate is equal to 5.25%.

The Board has determined the minimum acceptable confidence level for achieving the Regular Interest Rate to be 60%. The table below labeled "Confidence Levels for System Nominal and Real Rates of Return" identifies simulated portfolio returns at various confidence levels based on the most recent asset allocation study conducted by the Boards' investment consultant, Dahab Associates.

**TOWNSHIP OF HOPEWELL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 9 - TOWNSHIP PENSION PLANS (Continued)**

**NON-UNIFORM PENSION PLAN (Continued)**

**INVESTMENT ASSET ALLOCATION (Continued)**

**Confidence Levels for System Nominal and Real Rates of Return**

| <b>Confidence<br/>Interval</b> | <b>Nominal<br/>Rate of<br/>Return</b> | <b>Long-Term<br/>Expected<br/>Real Rate<br/>of Return</b> |
|--------------------------------|---------------------------------------|-----------------------------------------------------------|
| 95%                            | 2.2%                                  | -0.5%                                                     |
| 90%                            | 3.1%                                  | 0.5%                                                      |
| 85%                            | 3.8%                                  | 1.1%                                                      |
| 80%                            | 4.3%                                  | 1.6%                                                      |
| 75%                            | 4.7%                                  | 2.1%                                                      |
| 70%                            | 5.1%                                  | 2.4%                                                      |
| 50%                            | 5.8%                                  | 3.2%                                                      |

**DISCOUNT RATE**

While it is often common practice to establish an actuarial Discount Rate that is equal to the Long-Term Expected Rate of Return, PMRS is required by law (Act 15 of 1974) to establish a Discount Rate equal to the Regular Interest Rate. (Regular Interest Rate/Discount Rate). The PMRS Board establishes the Regular Interest Rate on the basis of expected stable and consistent earnings on investments to be applied to the accounts of the individual participating municipalities and includes the accounts of plan participants, municipalities, and plan retirees each year. As a starting point, the Board considers the following five quantitative factors in establishing the Regular Interest Rate/Discount Rate:

1. Retiree Plan liability as a percentage of total Plan liability,
2. Active Plan participant liability as a percentage of total Plan liability,
3. Smoothed Pension Benefit Guarantee Corporation (PBGC) annuity rates as a proxy for annuity purchase rates,
4. PMRS System Long-Term Expected Rate of Return, and
5. PMRS investment expenses

The formula using these factors is as follows:

Regular Interest Rate = (Retiree Liability Percentage x Smoothed PBGC Annuity Rates) + (Active Employee Liability Percentage x System Long-Term Expected Rate of Return) – (Investment Expenses as a percentage of assets)

The Board may then adjust the Regular Interest Rate/Discount Rate derived from the formula due to a variety of qualitative factors such as the desire to minimize Regular Interest Rate/Discount Rate volatility, varying levels of asset allocation and liquidity, trending of PBGC annuity rates, total PMRS actuarial and market value funding ratios, feedback from existing PMRS municipalities, and recommendations from the System's investment and actuarial consultants. The Regular Interest Rate/Discount Rate adopted by the Board and used to measure the individual participating municipalities' total pension liability was 5.25% as of December 31, 2019.

**TOWNSHIP OF HOPEWELL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 9 - TOWNSHIP PENSION PLANS (Continued)**

**NON-UNIFORM PENSION PLAN (Continued)**

The Regular Interest Rate/Discount Rate will likely result in a System Long-Term Expected Rate of Return. Should the System experience a prolonged period of investment returns in excess of the Regular Interest Rate, the Board is authorized to allocate any applicable portion of any such excess in accordance with Board policies in the form of Excess Interest as provided for in the law.

The projection of cash flows for each underlying municipal plan, used to determine if any adjustment to the Regular Interest Rate/Discount Rate was required ("depletion testing"), used the following assumptions: 1) member contributions will be made at the current contribution rate, 2) participating plan sponsors contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate, and 3) the System's Long-Term Expected Rate of Return will be used in the depletion testing of projected cash flows. Based on those assumptions, the PMRS pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

**SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE**

Changes in the discount rate affect the measurement of the TPL. Lower discount rates produce a higher TPL and higher discount rates produce a lower TPL. Because the discount rate does not affect the measurement of assets, the percentage change in the NPL can be very significant for a relatively small change in the discount rate. The table below shows the sensitivity of the NPL to the discount rate with two additional measures, plus and minus one percent from the rate used for the disclosure.

|                                                                          | 1% Decrease<br>✓<br>(4.25%) | Current<br>Discount Rate<br>✓<br>(5.25%) | 1% Increase<br>✓<br>(6.25%) |
|--------------------------------------------------------------------------|-----------------------------|------------------------------------------|-----------------------------|
| Total Pension Liability                                                  | \$ 8,411,874                | \$ 7,589,485                             | \$ 6,888,481                |
| Plan Fiduciary Net Position                                              | 7,473,109                   | 7,473,109                                | 7,473,109                   |
| Net Pension Liability                                                    | <u>\$ 938,765</u>           | <u>\$ 116,376</u>                        | <u>\$ (584,628)</u>         |
| <br>Plan Fiduciary Net Position as a<br>% of the Total Pension Liability | <br>88.8%                   | <br>98.5%                                | <br>108.5%                  |

**POLICE PENSION PLAN**

**DESCRIPTION OF PLAN**

The Hopewell Township Police Pension Plan is a single-employer defined benefit pension plan. The Plan was established September 12, 1955. The Plan was amended and restated effective January 1, 2007. The Plan is governed by the Board of Supervisors of Hopewell Township which may amend plan provisions, and which is responsible for the management of Plan assets. The Board of Supervisors has delegated the Township to manage certain Plan assets to Wells Fargo Bank. The plan is required to file Form PC-201C biennially with the Pennsylvania Department of the Auditor General's Municipal Pension Reporting Program (MPRP). The most recent filing was as of January 1, 2021.

**TOWNSHIP OF HOPEWELL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 9 – TOWNSHIP PENSION PLANS (Continued)**

**POLICE PENSION PLAN (Continued)**

Plan membership as of December 31, 2021 was comprised of:

|                                                                         |                  |
|-------------------------------------------------------------------------|------------------|
| Active employees                                                        | 14               |
| Retirees and beneficiaries currently receiving benefits                 | 13               |
| Terminated employees entitled to benefits<br>but not yet receiving them | -                |
| Total                                                                   | <u><u>27</u></u> |

A summary of the plan's benefit provisions is as follows:

|                               |                                                                                                                                                                                                                                 |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b><u>PARTICIPANTS</u></b> -  | All full-time employees of the Township.                                                                                                                                                                                        |
| <b><u>ELIGIBILITY</u></b> -   | All participants are eligible for retirement benefits provided that they have attained the age of 50 and have completed 25 years of credited service. Participants are eligible for early retirement after 20 years of service. |
| <b><u>VESTING</u></b> -       | Vesting occurs 100% after twelve years of credited service.                                                                                                                                                                     |
| <b><u>BENEFITS</u></b> -      | A monthly benefit equal to 50% of gross pay averaged over the last 36 months of employment, plus a service increment of \$100 for completion of 26 years of service.                                                            |
| <b><u>DEATH BENEFIT</u></b> - | The plan provides for beneficiary benefits named by the participant under options as detailed in the retirement plan.                                                                                                           |
| <b><u>FUNDING</u></b> -       | Members are required to contribute 5% of salary                                                                                                                                                                                 |

**CONTRIBUTIONS**

The employer follows the funding policy prescribed by Act 205 of 1984 (as amended), which requires that annual contributions be based upon the Minimum Municipal Obligation (MMO) using the plan's most recent biennial actuarial valuation. The MMO includes the normal cost, estimated administrative expenses and an amortization contribution of the unfunded actuarial accrued liability, less estimated member contributions, and a credit equal to 10% of the excess (if any) of the actuarial value of assets over the actuarial accrued liability. Employees are required to contribute 5.0 percent of the covered payroll to the Plan.

Administrative costs, which may include but are not limited to investment management fees and actuarial services, are charged to the Plan and funded through the MMO and/or plan earnings.

**TOWNSHIP OF HOPEWELL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 9 – TOWNSHIP PENSION PLANS (Continued)**

**POLICE PENSION PLAN (Continued)**

**DEPOSITS**

At December 31, 2021, the Plan held no deposits.

**INVESTMENTS**

The Plan is authorized to invest in legal investments permitted under the Pennsylvania Fiduciaries Investment Act. According to an investment policy statement, the Plan's target asset allocation is as follows:

| <u>Asset Class</u> | <u>Target Percentage</u> | <u>Range</u> |
|--------------------|--------------------------|--------------|
| Equity             | 50%                      | 40% to 60%   |
| Fixed Income       | 45%                      | 40% to 60%   |
| Cash Equivalents   | 5%                       | 0% to 20%    |

*Credit Risk* for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit ratings of the plan's investments (excluding obligations explicitly guaranteed by the U.S. government) are indicated as follows:

| <u>Investment Type</u>       | <u>Fair Value</u>          | <u>Credit Rating</u> |
|------------------------------|----------------------------|----------------------|
| Commercial Mortgage          | \$ 1,998                   | Not Rated            |
| Corporate Debt               | 664,178                    | A                    |
| Corporate Debt               | 1,173,231                  | Baa                  |
| Corporate Debt               | 79,194                     | Not Rated            |
| Municipal Bonds              | 52,432                     | Aa                   |
| Private Placement Securities | 47,767                     | A                    |
| Money Market Fund            | 303,298                    | Not Rated            |
| Total                        | <u><u>\$ 2,322,098</u></u> |                      |

*Concentration of Credit Risk* is the risk of loss attributed to the magnitude of an investment in a single issuer. At December 31, 2021, the Plan had the following investments (other than U.S. Government and U.S. Government guaranteed, mutual funds, or other pooled investments) in any one issue that represents 5% of more of Fiduciary Net Position. (\$11,816,353 X 5% = \$590,818):

|                                |            |
|--------------------------------|------------|
| iShares Core S&P 500 ETF       | \$ 737,330 |
| iShares Core S&P Small-Cap ETF | 753,993    |

**TOWNSHIP OF HOPEWELL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 9 – TOWNSHIP PENSION PLANS (Continued)**

**POLICE PENSION PLAN (Continued)**

The plan has no investment policy for interest rate risk. The maturities of the plan's debt investments are as follows:

| Investment Type              | Fair Value          | Investment Maturities (In Years) |                     |                   |                     |
|------------------------------|---------------------|----------------------------------|---------------------|-------------------|---------------------|
|                              |                     | Less Than 1                      | 1 - 5.99            | 6-10              | More Than 10        |
| U.S. Treasuries              | \$ 2,105,435        | \$ -                             | \$ 1,201,065        | \$ 447,174        | \$ 457,196          |
| U.S. Agencies                | 332,438             | -                                | -                   | -                 | 332,438             |
| Municipal Bonds              | 52,432              | -                                | 52,432              | -                 | -                   |
| Commercial Mortgages         | 1,998               | -                                | -                   | -                 | 1,998               |
| Private Placement Securities | 47,767              | -                                | -                   | 47,767            | -                   |
| Corporate Debt               | 1,916,602           | 81,006                           | 691                 | 360,745           | 765,160             |
| Total                        | <u>\$ 4,456,672</u> | <u>\$ 81,006</u>                 | <u>\$ 1,254,188</u> | <u>\$ 855,686</u> | <u>\$ 1,556,792</u> |

**NET PENSION LIABILITY (ASSET)**

The components of the net pension liability (asset) at December 31, 2021 are as follows:

|                               |                             |
|-------------------------------|-----------------------------|
| Total pension liability       | \$10,629,856                |
| Plan fiduciary net position   | (11,816,353)                |
| Net pension liability (asset) | <u><b>\$(1,186,497)</b></u> |

|                                                |        |
|------------------------------------------------|--------|
| Plan fiduciary net position as a percentage of |        |
| The total pension liability                    | 111.2% |

The total pension liability was determined by an actuarial valuation as of January 1, 2021 and rolled forward to the reporting date using the following significant actuarial assumptions applied to all periods included in the measurement:

**Actuarial Assumptions:**

|                   |                                                                                                                                                     |
|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| Inflation:        | 2.50%                                                                                                                                               |
| Salary increases: | 5.5% including inflation, plus an additional 20% in the final year of employment                                                                    |
| Mortality:        | 2010 Public Plan – Public Safety mortality tables. Improvement rates based on the Long-Range Demographic Assumptions for 2020 SSA's Trustee Report. |

**TOWNSHIP OF HOPEWELL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 9 – TOWNSHIP PENSION PLANS (Continued)**

**POLICE PENSION PLAN (Continued)**

**NET PENSION LIABILITY (ASSET) (Continued)**

Expected Long-Term  
Rate of Return: 7.00%, applied to all periods

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the best-estimate ranges of expected future real rates of return (expected returns, net of inflation and investment expenses not funded through the MMO) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of December 31, 2021, are summarized as follows:

| <u>Asset Class</u>        | <u>Expected Real ROR</u> |
|---------------------------|--------------------------|
| Equities                  | 4.09% to 9.06%           |
| Fixed Income              | .44% to 8.26%            |
| Cash and Cash Equivalents | 0.07% to .53%            |

**DISCOUNT RATE**

The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that the plan will continue to be funded based on the Minimum Municipal Obligation as determined in accordance with Act 205. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

**TOWNSHIP OF HOPEWELL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 9 – TOWNSHIP PENSION PLANS (Continued)**

**POLICE PENSION PLAN (Continued)**

**NET PENSION LIABILITY (ASSET) (Continued)**

The following shows the changes in the Total Pension Liability (TPL), the Plan Fiduciary Net Position (fair value of plan assets), and the Net Pension Liability (NPL) as of the Measurement date (12/31/2021):

|                                                       | <b>Total Pension<br/>Liability<br/>( a )</b> | <b>Plan Fiduciary<br/>Net Position<br/>( b )</b> | <b>Net Pension<br/>Liability (Asset)<br/>( c )</b> |
|-------------------------------------------------------|----------------------------------------------|--------------------------------------------------|----------------------------------------------------|
| <b>Balances at 12/31/20</b>                           | \$ 10,143,098                                | \$ 10,503,441                                    | \$ (360,343)                                       |
| Changes for the year:                                 |                                              |                                                  |                                                    |
| Service cost                                          | 325,814                                      | -                                                | 325,814                                            |
| Interest                                              | 710,922                                      | -                                                | 710,922                                            |
| Changes of benefits                                   | -                                            | -                                                | -                                                  |
| Changes of assumptions                                | 334,230                                      | -                                                | 334,230                                            |
| Differences between expected<br>and actual experience | (417,900)                                    | -                                                | (417,900)                                          |
| Contributions - employer                              | -                                            | 393,911                                          | (393,911)                                          |
| Contributions - employee                              | -                                            | 64,717                                           | (64,717)                                           |
| Net investment income                                 | -                                            | 1,390,937                                        | (1,390,937)                                        |
| Market value investment income                        | -                                            | -                                                | -                                                  |
| Transfers                                             | -                                            | -                                                | -                                                  |
| Benefit payments                                      | (466,308)                                    | (466,308)                                        | -                                                  |
| Administrative expense                                | -                                            | (70,345)                                         | 70,345                                             |
| Other changes                                         | -                                            | -                                                | -                                                  |
| Net changes                                           | 486,758                                      | 1,312,912                                        | (826,154)                                          |
| <b>Balances at 12/31/19</b>                           | <b>\$ 10,629,856</b>                         | <b>\$ 11,816,353</b>                             | <b>\$ (1,186,497)</b>                              |

**SENSIVITY OF THE NET PENSION LIABILITY (ASSET) TO CHANGES IN THE DISCOUNT RATE**

Changes in the discount rate affect the measurement of the TPL. Lower discount rates produce a higher TPL and higher discount rates produce a lower TPL. Because the discount rate does not affect the measurement of assets, the percentage change in the NPL can be very significant for a relatively small change in the discount rate. The following shows the sensitivity of the NPL to the discount rate with two additional measures, plus and minus one percent from the rate used for the disclosure.

|                       | <b>1% Decrease<br/>6.00%</b> | <b>Current<br/>Discount Rate<br/>7.00%</b> | <b>1% Increase<br/>8.00%</b> |
|-----------------------|------------------------------|--------------------------------------------|------------------------------|
| Net pension liability | \$ 118,884                   | \$ (1,186,497)                             | \$ (2,276,539)               |



**TOWNSHIP OF HOPEWELL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 9 – TOWNSHIP PENSION PLANS (Continued)**

**POLICE PENSION PLAN (Continued)**

**PAYABLE TO THE PENSION PLAN**

At December 31, 2021, the Township did not owe anything to the Plan.

**PENSION EXPENSES AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED  
INFLOWS OF RESOURCES RELATED TO PENSIONS**

**Components of Pension Expenses for the Year Ended December 31, 2021:**

|                                                                                         |                         |
|-----------------------------------------------------------------------------------------|-------------------------|
| Service Cost                                                                            | \$ 325,814              |
| Interest on the total pension liability                                                 | 710,922                 |
| Recognition of differences between expected and actual experience                       | (54,056)                |
| Changes in benefit terms                                                                | -                       |
| Recognition of changes of assumptions                                                   | 139,958                 |
| Employee contributions                                                                  | (64,717)                |
| Projected earnings on pension plan investments                                          | (725,722)               |
| Recognition of differences between projected and actual earnings on<br>plan investments | (373,588)               |
| Pension plan administrative expense                                                     | 70,345                  |
| Other changes in fiduciary net position                                                 | -                       |
| <b>Total Pension Expense</b>                                                            | <b><u>\$ 28,956</u></b> |

At December 31, 2021, the Plan reported the following deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

|                                                                                        | <b><u>Deferred<br/>Outflows of<br/>Resources</u></b> | <b><u>Deferred<br/>Inflows of<br/>Resources</u></b> |
|----------------------------------------------------------------------------------------|------------------------------------------------------|-----------------------------------------------------|
| Differences between expected<br>and actual experience                                  | \$ 5,301                                             | \$ 389,590                                          |
| Changes of assumptions                                                                 | 428,915                                              | -                                                   |
| Net difference between<br>projected and actual earnings<br>on pension plan investments | 185,698                                              | 1,342,865                                           |
| <b>TOTAL</b>                                                                           | <b><u>\$ 619,914</u></b>                             | <b><u>\$ 1,732,455</u></b>                          |

**TOWNSHIP OF HOPEWELL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 9 – TOWNSHIP PENSION PLANS (Continued)**

**POLICE PENSION PLAN (Continued)**

**PENSION EXPENSES AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED  
INFLOWS OF RESOURCES RELATED TO PENSIONS**

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

| <b>Year ended<br/>December 31,</b> |           |
|------------------------------------|-----------|
| 14-Jul                             | (232,042) |
| 2023                               | (437,104) |
| 2024                               | (279,977) |
| 2025                               | (146,153) |
| 2026                               | (13,281)  |
| Thereafter                         | (3,984)   |

**NOTE 10 - COMPENSATED ABSENCES**

The Township reports compensated absences in accordance with the provisions of applicable GASB Statements. Sick leave benefits are accrued as a liability at various rates per day for all employees in accordance with the terms of the Township's collective bargaining agreements or administrative guidelines. The number of days that can be accrued varies based on their contract and their years of service.

As of December 31, 2021, the liability for accrued sick leave is \$447,261 for governmental fund employees and \$125,889 for proprietary fund employees. The entire compensated absences liability of \$575,140 is shown as a non-current liability in the government-wide statement of net position. For governmental fund financial statements, compensated absences are recorded as expenditures when paid rather than accrued when earned as the likelihood of payment in the immediate fiscal year with available expendable resources is not assured.

**NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS**

The Township provides termination benefits to all employees who qualify to retire. All such employees receive life insurance coverage of \$5,000 or \$15,000, depending on employee category when they begin retirement. In addition, qualified police officers receive a one-time \$2,500 payout while non-uniform employees receive a payout based on their years of service and hourly rate at the time of retirement. The governmental activities liability for these future benefits (excluding the life insurance coverage) to be paid to the retirees is estimated to be \$31,242, while the business-type activities (Sewer Fund) liability is estimated to be \$15,467 at December 31, 2021. The entire compensated absences liability of \$46,709 is shown as a non-current liability in the government-wide statement of net position.

**TOWNSHIP OF HOPEWELL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 12 - RISK MANAGEMENT**

The Township is exposed to various risks of loss related to torts, errors and omissions, natural disasters, and loss or damage of assets. These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks have not exceeded commercial insurance coverage for the recent years. There were no significant reductions in the level of insurance coverage compared to the coverage in the prior year.

**General Liability Risk Management**

The township participates as a member of the Pennsylvania Intergovernmental Risk Management Association (PIRMA) to address risks associated with comprehensive liability and property coverage. PIRMA differs from traditional insurance programs in the fact that PIRMA is owned by its members and serves only its members' interests. This governmental entity pool consists of approximately 600 members and provides claims handling for property and casualty claims, helps obtain stable costs for coverage specific to Pennsylvania governmental entities, and develops comprehensive, customized loss control services. The Township signed an intergovernmental contract where the funding requirement for each member of the pool is equal to the estimated cash outflow of the pool related to the Township on an annual basis.

There were no significant reductions in the level of insurance coverage compared to the coverage in the prior year.

Additional information regarding the pool can be found on PIRMA's website, [www.pirma.org](http://www.pirma.org). PIRMA has an annual audit done in accordance with GASB pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements as applicable.

**Dental and Vision Risk Management**

For its dental and vision insurance, the Township participates as a member of the Municipal Employers Insurance Trust (MEIT). MEIT was formed in 1968 for the purpose of providing certain benefits for eligible employers (any municipality, municipality Township, association of municipal employees of any Township, town, or township of the Commonwealth of Pennsylvania) and those employers who may later become eligible. MEIT acts as an agent for the eligible employers by collecting the insurance premiums and remitting the premiums to the various insurance providers. The Township pays a monthly premium to MEIT for its medical, dental, and vision insurance.

The trust agreement provides that MEIT will be self-sustaining through employer contributions sufficient to pay all insurance premiums from commercial insurance carriers and all administrative costs of MEIT.

The Township may withdraw from MEIT by giving 30 days' notice. The trust was established solely for the purpose of administering, holding, and maintaining insurance policies and other agreements related to the provision of benefits. Therefore, the Township has no right, title, or interest in the Trust Fund, and it has no right to the return of any monies paid into the Trust Fund.

**TOWNSHIP OF HOPEWELL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 12 – RISK MANAGEMENT (Continued)**

**Health Risk Management**

For its health insurance, the Township participates as a member of the Teamsters No. 261 Employers Welfare Fund (Welfare Fund). The Welfare Fund was formed in 1950 for the purposes of providing certain benefits for eligible employers (who are parties to collective bargaining agreements with any union) and is an exempt organization under Internal Revenue Code Section 501(c)(9). The Welfare Fund acts as an agent for the eligible employers by collecting the insurance premiums and remitting the premiums to the various insurance providers. The Township pays premiums to the Welfare Fund for its medical insurance in accordance with collective bargaining agreements between the employers and Teamsters Local Union No. 261. The Insurance companies are paid to administer the plan.

The trust agreement provides that the Welfare Fund will be self-sustaining through employer and retiree contributions sufficient to pay all insurance premiums from commercial insurance carriers and all administrative costs of the Welfare Fund.

The Township may withdraw from the Welfare Fund by giving 30 days' notice. The trust was established solely for the purpose of administering, holding, and maintaining insurance policies and other agreements related to the provision of benefits. Therefore, the Township has no right, title, or interest in the Trust Fund, and it has no right to the return of any monies paid into the Trust Fund.

**Workers Compensation Risk Management**

For its workers' compensation insurance coverage, the Township participates in the Municipal Risk Management Workers' Compensation Pooled Trust, a public entity risk pool operated for the benefit of 202 cities, municipalities, townships, and municipal authorities. Trust underwriting and rate-setting policies are established after consultation with an independent actuary and certain approvals of the Pennsylvania Department of Labor and Industry as mandated by Act 44 of 1933 (Act 44). All Trust participants may be subject to a supplemental assessment/dividend based on the overall experience of the participants, pursuant to Act 44. Each participant of the Trust agrees to jointly and severally assume and discharge the liabilities arising under the Workers' Compensation Act and Occupational Disease Act of each and every participant in the Trust. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. The Trust purchases excess insurance coverage with statutory limits. The retention for this coverage is \$500,000 per occurrence. There were no significant changes in the levels of insurance coverage compared to the prior year. Political subdivisions joining the Trust must remain members for a minimum of four years. A member may withdraw from the Trust after that time by giving ninety days' notice, subject to approval by the Trust actuary under specified circumstances related to the continued fiscal stability of the pool. At the time of withdrawal, the participant is responsible for their share of assessments but has no claim on any assets of the Trust. Estimates of any additional assessments are unknown.

**TOWNSHIP OF HOPEWELL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 13 - COMMITMENTS AND CONTINGENT LIABILITIES**

**LEGAL MATTERS**

The Township of Hopewell, in the normal course of operations, is party to various legal matters normally associated with municipalities such as real estate tax assessment appeals, personnel wage and benefits, and other miscellaneous legal matters. As of December 31, 2021, the Township is unaware of any pending litigation that would be material to the financial position of the Township of Hopewell.

**FEDERAL AND STATE FUNDING**

The Township of Hopewell's state and federally funded programs, including its pension funds, are subject to program compliance audits by various governmental agencies. The audit scopes of these program compliance audits are different than the scope of financial audits performed by an outside, independent certified public accounting firm. The Township is potentially liable for any expenditure disallowed by the results of these program compliance audits. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Early in 2020, a new strain of the coronavirus (COVID-19) spread in many countries including the United States. The impact of the virus continues to vary from region to region, and any significant additional spreading of the virus could adversely affect the Township of Hopewell's business. The outbreak of the COVID-19 virus will potentially have a further negative impact in 2022 on the global and local economy and, in the future, might impact the Township of Hopewell's financial results in 2022 and beyond. Given the dynamic nature of this outbreak, however, the extent to which the COVID-19 virus impacts the Township of Hopewell's results will depend on future developments, which continue to remain somewhat uncertain and cannot be predicted at this time.

**NOTE 14 – RESTATEMENT OF NET POSITION/PRIOR PERIOD ADJUSTMENT**

As reflected on Exhibit B, a restatement of the December 31, 2020 business-type activity net position totaling \$75,175 represents PMRS pension information received after the issuance of the December 31, 2020 financial statements.

Also reflected on Exhibit B, is a restatement of the December 31, 2020 governmental activity net position totaling \$51,500 for additional fixed assets added to the governmental activities from a prior year and \$97,501 represents PMRS pension information received after the issuance of the December 31, 2020 financial statements.

**NOTE 15 – SUBSEQUENT EVENTS**

Management has determined that there are no other events, other than the item mentioned above, subsequent to December 31, 2021 through the August 29, 2022 date of the 'Independent Auditor's Report', which is the date the financial statements were available to be issued, that require additional disclosure in the financial statements.

# **SUPPLEMENTARY INFORMATION**

**TOWNSHIP OF HOPEWELL**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL REVENUES**  
**GENERAL FUND**  
**12/31/2021**

|                                          | BUDGET              | ACTUAL              | (MEMORANDUM<br>ONLY)<br>2020 |
|------------------------------------------|---------------------|---------------------|------------------------------|
| <b><u>TAXES:</u></b>                     |                     |                     |                              |
| Real estate tax - current                | \$ 2,655,526        | \$ 2,677,385        | \$ 2,597,934                 |
| Real Estate - Del County                 | 100,000             | 125,276             | 94,628                       |
| Real Estate Del Tax Collected            | 17,000              | 22,923              | 11,335                       |
| Real Estate - Interim                    | 1,500               | -                   | -                            |
| Real estate transfer tax                 | 200,000             | 330,807             | 264,251                      |
| Earned income tax - current              | 1,464,414           | 1,571,106           | 1,909,594                    |
| Earned income tax - prior                | 212,718             | 500,710             | 75,495                       |
| Earned income tax - delinquent           | 40,000              | 29,918              | 15,869                       |
| Mercantile Tax                           | 55,547              | 71,862              | 76,592                       |
| Local Services Tax                       | 117,130             | 142,114             | 126,704                      |
| Mechanical device tax                    | 19,900              | 18,300              | 19,900                       |
| Upset Sale/Judicial Tax County           | -                   | 3,388               | 767                          |
| <b>TOTAL TAXES</b>                       | <b>\$ 4,883,735</b> | <b>\$ 5,493,789</b> | <b>\$ 5,193,069</b>          |
|                                          |                     |                     |                              |
| Timber Review Bonds                      | \$ -                | \$ -                | \$ 1,500                     |
| Solicitor Permits                        | 2,400               | 1,600               | 2,400                        |
| Cable TV Franchise (Comcast)             | 153,097             | 149,171             | 151,268                      |
| Zoning, Signs, Demolition, Other         | 4,483               | 1,983               | 4,504                        |
| Building Permits                         | 20,000              | 65,722              | 63,564                       |
| Street Opening Permits                   | 750                 | 750                 | 1,875                        |
| <b>TOTAL LICENSES AND PERMITS</b>        | <b>\$ 180,730</b>   | <b>\$ 219,226</b>   | <b>\$ 225,111</b>            |
|                                          |                     |                     |                              |
| <b><u>FINES AND FORFEITURES:</u></b>     |                     |                     |                              |
| State Violations                         | \$ 4,783            | \$ 5,577            | \$ 6,383                     |
| Local Violations (Mag & Court)           | 14,846              | 18,087              | 21,063                       |
| State Police Fines                       | 3,700               | -                   | -                            |
| <b>TOTAL FINES AND FORFEITURES</b>       | <b>\$ 23,329</b>    | <b>\$ 23,664</b>    | <b>\$ 27,445</b>             |
|                                          |                     |                     |                              |
| <b><u>INTEREST AND RENTS:</u></b>        |                     |                     |                              |
| Interest                                 | \$ 9,723            | \$ 3,437            | \$ 6,552                     |
| Interest from General Bonds              | 30                  | 1                   | 15                           |
| <b>TOTAL INTEREST AND RENTS</b>          | <b>\$ 9,753</b>     | <b>\$ 3,438</b>     | <b>\$ 6,567</b>              |
|                                          |                     |                     |                              |
| <b><u>PARKS AND RECREATION:</u></b>      |                     |                     |                              |
| Park Pavilion Fees/Revenues              | \$ 8,800            | \$ 14,840           | \$ 11,485                    |
| Parkfest                                 | 10,000              | 7,111               | 1,950                        |
| Fallfest                                 | 1,500               | 240                 | 56                           |
| Fishing Derby                            | 1,500               | 100                 | -                            |
| Camp Lakewood                            | 10,000              | 14,830              | -                            |
| Barbecue & Blues                         | 5,000               | 4,098               | -                            |
| Christmas                                | 900                 | 20                  | -                            |
| Easter                                   | 1,500               | 280                 | 80                           |
| Carcruise                                | 1,500               | -                   | -                            |
| Couch Potato Jam                         | 250                 | 55                  | -                            |
| Donations & Sponsorship Fund             | -                   | 50                  | -                            |
| <b>TOTAL PARKS AND RECREATION</b>        | <b>\$ 40,950</b>    | <b>\$ 41,624</b>    | <b>\$ 13,571</b>             |
|                                          |                     |                     |                              |
| <b><u>INTERGOVERNMENTAL REVENUE:</u></b> |                     |                     |                              |
| Beaver County Grants - Police Car        | \$ -                | \$ -                | \$ 33,840                    |
| Multimodal Tran                          | 266,479             | -                   | -                            |
| Streambank Stabilization                 | 142,800             | -                   | -                            |
| Plate Reader In                          | 10,000              | -                   | -                            |
|                                          | 5,000               | -                   | -                            |
| State Grants - Police                    | 8,000               | -                   | -                            |
| VFD Fire Relief Fund                     | 64,223              | 57,657              | 64,223                       |
| DUI Check Point Grant                    | 38,369              | 49,886              | 39,436                       |
| Police Smooth Oper & Buckle Up           | -                   | -                   | 1,793                        |
| Reimbursement for Crimestar Upgrades     | 5,400               | -                   | -                            |
| Police Vest Reimbursement                | 2,788               | 7,200               | -                            |
| Recycling Grant                          | 9,000               | 18,390              | -                            |
| Public Utilities Tax                     | 5,000               | 5,894               | 4,909                        |
| State Beverage License                   | 3,900               | 900                 | 3,000                        |
| Pension - State Aid-G/F                  | 228,332             | 230,270             | 228,332                      |
| Act 13 Gas Well Impact Fees              | 24,912              | 16,574              | 24,912                       |
| <b>TOTAL INTERGOVERNMENTAL REVENUE</b>   | <b>\$ 814,203</b>   | <b>\$ 386,770</b>   | <b>\$ 400,445</b>            |

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF HOPEWELL**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL REVENUES**  
**GENERAL FUND**  
**12/31/2021**

|                                                       | <u>BUDGET</u>       | <u>ACTUAL</u>       | <u>(MEMORANDUM<br/>ONLY)<br/>2020</u> |
|-------------------------------------------------------|---------------------|---------------------|---------------------------------------|
| <b><u>CHARGES FOR SERVICES:</u></b>                   |                     |                     |                                       |
| Subdivision/Zoning APP Fees                           | \$ 4,500            | \$ 2,400            | \$ 3,290                              |
| Sale of Maps & Publications                           | -                   | 12                  | -                                     |
| Police Contracted Services                            | 5,200               | 2,048               | 563                                   |
| Sale of Police Reports                                | 3,600               | 2,040               | 3,045                                 |
| Police Reimbursement Hiring Inc.                      | 100                 | -                   | 50                                    |
| School Reimbursement Police                           | 8,000               | 9,373               | 7,534                                 |
| Drug Inv. Asset                                       | -                   | 39                  | -                                     |
| Police Restitution Reimbursement                      | 481                 | -                   | 320                                   |
| Building Permits                                      | -                   | -                   | (110)                                 |
| School Reimbursement - Crossing Guards                | 45,402              | 46,007              | 46,569                                |
| School Reimbursement - Senior Officer                 | 53,000              | 52,165              | 30,097                                |
| Contracted Winter Maintenance                         | -                   | -                   | 3,933                                 |
| School Reimbursement Winter/Other                     | 7,866               | 1,739               | -                                     |
| Depository Fees                                       | 9,080               | 9,182               | 8,395                                 |
| Recycling Bins and Bags                               | 1,580               | 1,180               | 1,060                                 |
| Holiday Trail/Expense Promotion                       | -                   | 375                 | 325                                   |
| Beautification Sponsorships                           | 850                 | 600                 | 425                                   |
| Memorial Sponsorships                                 | 800                 | 1,175               | 1,250                                 |
| <b>TOTAL CHARGES FOR SERVICES</b>                     | <b>\$ 140,459</b>   | <b>\$ 128,335</b>   | <b>\$ 106,746</b>                     |
| <b><u>MISCELLANEOUS REVENUES:</u></b>                 |                     |                     |                                       |
| Refunds and ADP Refunds                               | \$ 86,875           | \$ 94,399           | \$ 88,146                             |
| Miscellaneous                                         | 20                  | 1,401               | 180                                   |
| K-9 Donations                                         | 2,000               | 375                 | 1,735                                 |
| Donations Shop                                        | -                   | 7,050               | -                                     |
| Donations - Dog Park                                  | 3,691               | -                   | 3,691                                 |
| Eagle Scout Donations                                 | -                   | 274                 | -                                     |
| Proceeds from Insurance                               | -                   | 1,883               | -                                     |
| FFCR Credit                                           | 5,530               | 1,468               | 165                                   |
| <b>TOTAL MISCELLANEOUS REVENUES</b>                   | <b>\$ 98,116</b>    | <b>\$ 106,850</b>   | <b>\$ 93,918</b>                      |
| <b><u>OTHER FINANCING SOURCES:</u></b>                |                     |                     |                                       |
| Operating Transfers In - Sewer Fund                   | \$ 112,267          | \$ 112,267          | \$ 142,118                            |
| Operating Transfers In - Capital Projects             | 400,000             | -                   | -                                     |
| Sale of Fixed Assets                                  | 19,800              | 1                   | 25,831                                |
| Refund of Prior Year Expenditures                     | 6,509               | 32,082              | 6,509                                 |
| <b>TOTAL OTHER FINANCING SOURCES</b>                  | <b>\$ 538,576</b>   | <b>\$ 144,350</b>   | <b>\$ 174,458</b>                     |
| <b>TOTAL REVENUES AND<br/>OTHER FINANCIAL SOURCES</b> | <b>\$ 6,729,851</b> | <b>\$ 6,548,046</b> | <b>\$ 6,241,329</b>                   |

The accompanying notes are an integral part of these financial statements



**TOWNSHIP OF HOPEWELL**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**12/31/2021**

|                                          | BUDGET            | ACTUAL            | (MEMORANDUM<br>ONLY)<br>2020 |
|------------------------------------------|-------------------|-------------------|------------------------------|
| <b>GENERAL GOVERNMENT:</b>               |                   |                   |                              |
| <b>LEGISLATIVE:</b>                      |                   |                   |                              |
| Commissioner's Salary                    | \$ 16,300         | \$ 16,250         | \$ 16,250                    |
| General Expenses                         | 7,000             | 874               | 1,286                        |
| Training/Seminars/Conventions            | 1,169             | -                 | 230                          |
| Printing(Newspaper)                      | 5,070             | 4,725             | 7,751                        |
| Public Officials Insurance-Town          | 19,000            | 16,060            | 15,489                       |
| Legislative Association Dues             | 5,677             | 4,270             | 3,785                        |
| COG Dues                                 | 1,812             | 1,208             | 1,208                        |
| Social security                          | 1,431             | 976               | 954                          |
| Dues, travel & training                  | 683               | 486               | 617                          |
| <b>TOTAL LEGISLATIVE</b>                 | <b>\$ 58,142</b>  | <b>\$ 44,849</b>  | <b>\$ 47,569</b>             |
| <b>EXECUTIVE:</b>                        |                   |                   |                              |
| Professional Salaries                    | \$ 184,579        | \$ 185,290        | \$ 178,243                   |
| Training/Seminars/Conventions            | 2,100             | 619               | 619                          |
| Hospitalization                          | 44,180            | 44,183            | 39,511                       |
| Eye & Dental Care                        | 4,117             | 4,162             | 4,164                        |
| Group Life & Disability Insurance        | 4,822             | 4,810             | 4,417                        |
| Executive Cell Phone Expense             | 375               | 700               | 618                          |
| MRM Worker's Comp                        | 454               | 384               | 342                          |
| Executive G/F-MMO/Retirement             | 26,624            | 26,624            | 18,036                       |
| CTR Payroll Expense                      | 993               | 893               | 936                          |
| <b>TOTAL EXECUTIVE</b>                   | <b>\$ 268,244</b> | <b>\$ 267,666</b> | <b>\$ 246,886</b>            |
| <b>TAX COLLECTION:</b>                   |                   |                   |                              |
| Real Estate Treasurer's Commission       | \$ 10,000         | \$ 10,000         | \$ 10,000                    |
| Real Estate Supplies and Expenses        | 4,577             | 3,023             | 3,051                        |
| Real Estate Postage                      | 2,632             | 1,790             | 1,755                        |
| Real Estate Audit                        | 4,100             | -                 | -                            |
| Real Estate Telephone & Internet         | 1,979             | 1,961             | 1,922                        |
| Insurance/Bonding/Notary Exp             | 2,673             | 1,604             | 3,564                        |
| Wage Tax Subcontracted Services          | 26,425            | 36,048            | 32,551                       |
| Treasurer Center Expense                 | 331               | 298               | 312                          |
| <b>TOTAL TAX COLLECTION</b>              | <b>\$ 52,717</b>  | <b>\$ 54,724</b>  | <b>\$ 53,154</b>             |
| <b>LEGAL SERVICES:</b>                   |                   |                   |                              |
| Solicitor's Services                     | \$ 50,000         | \$ 45,319         | \$ 77,829                    |
| Solicitor's Non-Legal Service-Mag Fees   | 124               | 774               | 83                           |
| Solicitor Subdivision & Development Fees | 1,650             | 1,575             | 1,100                        |
| Solicitor's Zoning Board Fees            | 3,500             | 7,613             | 5,471                        |
| Legal Reimbursement                      | -                 | -                 | 13                           |
| <b>TOTAL LEGAL SERVICES</b>              | <b>\$ 55,274</b>  | <b>\$ 55,281</b>  | <b>\$ 84,496</b>             |

**TOWNSHIP OF HOPEWELL**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**12/31/2021**

|                                                         | BUDGET            | ACTUAL            | (MEMORANDUM<br>ONLY)<br>2020 |
|---------------------------------------------------------|-------------------|-------------------|------------------------------|
| <b>GENERAL GOVERNMENT: (Continued)</b>                  |                   |                   |                              |
| <b>ADMINISTRATION:</b>                                  |                   |                   |                              |
| General Bank Fees                                       | \$ 257            | \$ 45             | \$ 171                       |
| A/P & Marketing/AA Salary (F/T)                         | 39,582            | 39,754            | 39,111                       |
| Administrative Intern                                   | 10,964            | 1,008             | 7,525                        |
| Temporary Employee                                      | 13,435            | -                 | 5,605                        |
| Clerk AP Overtime                                       | -                 | 50                | -                            |
| Clerk Salary (P/T)                                      | 43,805            | 43,973            | 42,662                       |
| Administrative Overtime                                 | 84                | -                 | 56                           |
| Benefits Consultant-Benefits Network                    | 2,925             | -                 | 2,925                        |
| Administrative Training/Seminars                        | 216               | -                 | 144                          |
| Hospitalization                                         | 46,311            | 21,937            | 23,485                       |
| Eye and Dental Care                                     | 2,607             | 1,488             | 1,476                        |
| Group Life and Disability Insurance                     | 2,801             | 2,793             | 2,565                        |
| Office Supplies                                         | 7,987             | 5,379             | 5,545                        |
| Postage/Lease                                           | 1,760             | 175               | 2,489                        |
| Administrative Fuel/Vehicle Expense                     | 797               | 914               | 612                          |
| Auditor and Appraisal Expense                           | 9,678             | 6,270             | 6,452                        |
| Computer Expense                                        | 255               | 63                | 187                          |
| Telephone/Internet                                      | 6,000             | 3,268             | 4,762                        |
| Computer Svc & Rpr-Ind Micro                            | 4,818             | 4,864             | 3,988                        |
| Advertising and Printing                                | 1,828             | 4,265             | 2,572                        |
| Copier Expense/Lease                                    | 1,604             | 2,635             | 1,624                        |
| Auto Insurance                                          | 581               | 637               | 599                          |
| Comprehensive Insurance                                 | 14,142            | 13,889            | 14,117                       |
| Public Officials Insurance                              | 5,133             | 3,422             | 3,422                        |
| MRM Worker's Compensation                               | 209               | 384               | 450                          |
| Property Insurance                                      | 2,323             | 2,400             | 2,350                        |
| Office Utilities                                        | 123               | -                 | 82                           |
| Municipal Vehicle Maintenance                           | -                 | 119               | -                            |
| Administration Contracted Services                      | 500               | -                 | -                            |
| Marketing Plan & Development                            | 10,700            | 11,298            | 10,500                       |
| Community Outreach                                      | 6,000             | 9,704             | 5,558                        |
| Admin G/F-MMO/Retirement                                | 12,366            | 12,366            | 9,091                        |
| Property Sales                                          | -                 | 16                | -                            |
| Equipment Purchase                                      | 2,500             | -                 | 2,733                        |
| COVID Expense                                           | 2,500             | 617               | 5,986                        |
| CTR Payroll Expense                                     | 518               | 646               | 1,536                        |
| <b>TOTAL ADMINISTRATION</b>                             | <b>\$ 255,309</b> | <b>\$ 194,377</b> | <b>\$ 210,380</b>            |
| <b>ENGINEERING:</b>                                     |                   |                   |                              |
| Engineer Consultant                                     | 75,000            | 75,732            | 64,461                       |
| Engineer Phone & Internet Expense                       | 120               | -                 | -                            |
| Engineer Copier Expense                                 | 345               | -                 | -                            |
| <b>TOTAL ENGINEERING</b>                                | <b>\$ 75,465</b>  | <b>\$ 75,732</b>  | <b>\$ 64,461</b>             |
| <b>BUILDING &amp; MAINTENANCE:</b>                      |                   |                   |                              |
| Municipal Building Electricity                          | \$ 6,647          | \$ 6,813          | \$ 7,230                     |
| Municipal Building Natural Gas                          | 10,599            | 4,748             | 10,878                       |
| Municipal Building Water                                | 64                | 182               | 128                          |
| Municipal Building Custodial Service & Support          | 8,496             | 8,054             | 8,465                        |
| Municipal Building Maint, Repairs & Contracted Services | 36,824            | 9,761             | 2,671                        |
| <b>TOTAL BUILDING &amp; MAINTENANCE</b>                 | <b>\$ 62,630</b>  | <b>\$ 29,557</b>  | <b>\$ 29,372</b>             |
| <b>TOTAL GENERAL GOVERNMENT</b>                         | <b>\$ 827,781</b> | <b>\$ 722,186</b> | <b>\$ 736,319</b>            |

**TOWNSHIP OF HOPEWELL**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**12/31/2021**

|                                              | BUDGET              | ACTUAL              | (MEMORANDUM<br>ONLY)<br>2020 |
|----------------------------------------------|---------------------|---------------------|------------------------------|
| <b>PUBLIC SAFETY:</b>                        |                     |                     |                              |
| <b>POLICE DEPARTMENT:</b>                    |                     |                     |                              |
| Police Car Purchase (County)                 | \$ -                | \$ -                | \$ 33,844                    |
| Police Chief Salary (Including Retirement)   | 93,371              | 97,191              | 92,706                       |
| Sargent Salary                               | 258,827             | 216,270             | 254,647                      |
| Police Overtime Wages - Sargeants            | 60,500              | 22,221              | 46,948                       |
| Patrolman Salary (Including Health Benefits) | 838,696             | 900,615             | 843,857                      |
| Overtime-Patrolmen                           | 220,000             | 135,415             | 256,963                      |
| Police Officer Wages (P/T)                   | 55,000              | 21,984              | 2,641                        |
| Crossing Guard Wages                         | 92,000              | 73,646              | 83,462                       |
| Police Administrative Salary                 | 36,858              | 37,318              | 36,287                       |
| Police Training, Physicals/Test              | 5,000               | 6,237               | 818                          |
| Benefits Consultant-Benefits Network         | 2,925               | -                   | 2,925                        |
| Hospitalization                              | 336,299             | 268,625             | 256,312                      |
| Eye & Dental Care                            | 21,725              | 20,184              | 18,181                       |
| Group Life & Disability Insurance            | 27,185              | 26,922              | 25,033                       |
| Police Office Supplies                       | 4,200               | 8,401               | 4,931                        |
| Police Postage                               | 500                 | 795                 | 475                          |
| Police Ammunition/Weapon Repair              | 3,500               | 7,325               | 3,168                        |
| Police Vehicle Fuel                          | 25,000              | 20,208              | 21,271                       |
| Police Operating Supplies                    | 100                 | 613                 | 131                          |
| DUI Grant Expenses                           | 38,369              | 44,331              | 3,554                        |
| Police Vehicle Tires                         | 4,000               | 4,338               | 3,769                        |
| Police Community Program                     | 400                 | 342                 | 351                          |
| Police Phones, Internet/Communication        | 7,500               | 6,592               | 7,995                        |
| Computer Maintenance & Repair                | 3,000               | 7,222               | 2,517                        |
| Advertisements                               | 1,500               | -                   | 599                          |
| Copier Expense                               | 5,200               | 3,838               | 5,212                        |
| Police Liability Insurance                   | 20,000              | 18,959              | 19,760                       |
| Auto Insurance                               | 4,961               | 5,436               | 5,114                        |
| General Liability Insurance Police           | 225                 | 221                 | 225                          |
| Public Office Insurance - Police             | 630                 | 289                 | 579                          |
| MRM Worker's Compensation                    | 64,788              | 62,512              | 66,675                       |
| Property Insurance-Police                    | 86                  | 89                  | 87                           |
| ESU & DTF Mutual Aid/Insurance               | 800                 | 800                 | 400                          |
| Police Building Electric                     | 6,510               | 7,008               | 6,361                        |
| Police Building Heating                      | 3,655               | 3,245               | 3,036                        |
| Police Building Water (CHJA)                 | 316                 | 266                 | 363                          |
| Police Vehicle Repair & Maintenance          | 20,000              | 9,857               | 15,554                       |
| Custodial Service & Support                  | 10,000              | 10,757              | 10,001                       |
| Police Building Maintenance                  | 5,000               | 1,440               | 2,410                        |
| Police Accreditation and Dues                | 850                 | 1,275               | 565                          |
| Police Uniform Expense                       | 15,600              | 12,479              | 10,400                       |
| Crossing Guard Uniforms & Supply             | 1,150               | 1,140               | 1,381                        |
| K-9 Expense                                  | 1,000               | 4,019               | 991                          |
| SRO Officer Expense                          | 500                 | -                   | 106                          |
| Police Contracted Services                   | 1,000               | 13,447              | 6,039                        |
| Police Legal/ARB Expense                     | 20,000              | 9,025               | 1,125                        |
| Police G/F--MMO/Retirement                   | 399,288             | 399,288             | 352,171                      |
| Reimbursement Other Police Departments DUI   | -                   | -                   | 28,617                       |
| Police Equipment Purchase                    | 47,014              | 39,909              | 9,339                        |
| Police Equipment Lease Interest              | 1,741               | 1,742               | 3,492                        |
| Police Equipment Lease Principal             | 11,344              | 11,344              | 29,304                       |
| CTR Payroll Expense                          | 6,082               | 6,945               | 6,724                        |
| <b>TOTAL POLICE DEPARTMENT</b>               | <b>\$ 2,784,195</b> | <b>\$ 2,552,127</b> | <b>\$ 2,589,413</b>          |
| <b>FIRE DEPARTMENT:</b>                      |                     |                     |                              |
| Fire Marshall Wages                          | \$ 2,400            | \$ 2,400            | \$ 2,400                     |
| Operating Supplies                           | 200                 | -                   | -                            |
| Fire Truck Fuel Expense                      | 7,500               | 6,142               | 3,384                        |
| Fire Marshall Fuel Expense                   | 500                 | 495                 | 438                          |
| VFD-Worker's Compensation                    | 25,000              | 32,121              | 23,760                       |
| Building & Operating Contribution            | 174,705             | 173,627             | 173,175                      |
| Fire Relief Fund                             | 64,223              | 57,657              | 64,223                       |
| <b>TOTAL FIRE DEPARTMENT</b>                 | <b>\$ 274,528</b>   | <b>\$ 272,442</b>   | <b>\$ 267,380</b>            |

The accompany notes are an integral part of these financial statements

**TOWNSHIP OF HOPEWELL**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**12/31/2021**

|                                          | BUDGET              | ACTUAL              | (MEMORANDUM<br>ONLY)<br>2020 |
|------------------------------------------|---------------------|---------------------|------------------------------|
| <b><u>PUBLIC SAFETY: (Continued)</u></b> |                     |                     |                              |
| <b><u>PLANNING AND ZONING:</u></b>       |                     |                     |                              |
| Planning Commission Salaries             | \$ 1,500            | \$ 325              | \$ 1,350                     |
| Zoning Board Salaries                    | 638                 | 350                 | 575                          |
| Zoning Officer Salary (F/T)              | 63,723              | 63,976              | 56,152                       |
| Training/Dues/Conferences                | -                   | 79                  | (44)                         |
| Hospitalization                          | 7,619               | 7,619               | 6,814                        |
| Eye & Dental Care                        | 1,372               | 481                 | 507                          |
| Group Life & Disability Insurance        | 1,544               | 1,540               | 1,414                        |
| Office Supplies                          | 500                 | 599                 | 551                          |
| Postage                                  | 1,200               | 1,301               | 1,267                        |
| Fuel Expenses                            | 1,000               | 471                 | 473                          |
| Rec Fees-APP/General Expenses/Violations | 3,000               | 1,416               | 1,857                        |
| Court Reporter Fees                      | -                   | 168                 | -                            |
| Telephone/Internet Expense               | 1,800               | 1,554               | 1,595                        |
| Computer Expense                         | 300                 | 143                 | 23                           |
| Advertising & Printing                   | 3,500               | 2,617               | 4,931                        |
| Copier Expense                           | 2,200               | 2,981               | 2,687                        |
| MRM Worker's Compensation                | 31                  | 32                  | 70                           |
| Contracted Services (Code Sys)           | 35,000              | 56,040              | 50,108                       |
| Zoning G/F--MMO/Retirement               | 8,402               | 8,402               | 6,151                        |
| CTR Payroll Expense                      | 331                 | 298                 | 312                          |
| <b>TOTAL PLANNING AND ZONING</b>         | <b>\$ 133,660</b>   | <b>\$ 150,391</b>   | <b>\$ 136,791</b>            |
| <b>TOTAL PUBLIC SAFETY</b>               | <b>\$ 3,192,383</b> | <b>\$ 2,974,961</b> | <b>\$ 2,993,585</b>          |
| <b><u>PUBLIC WORKS:</u></b>              |                     |                     |                              |
| <b><u>SOLID WASTE/DEPOSITORY:</u></b>    |                     |                     |                              |
| Depository Guard Wages                   | \$ 9,520            | \$ 9,300            | \$ 7,980                     |
| Office Supplies/Postage                  | 200                 | 139                 | 324                          |
| Telephone Expense                        | 960                 | 1,135               | 1,013                        |
| MRM Worker's Compensation                | 506                 | 470                 | 534                          |
| PORTA-John's Rentals                     | 900                 | 837                 | 630                          |
| Contracted Services/Subcontract          | 3,500               | 5,920               | 7,716                        |
| Dumpsters                                | 5,500               | 3,694               | 3,961                        |
| Equipment Purchase                       | 2,888               | 2,238               | 1,925                        |
| CTR Expense Depository Guards            | 565                 | 425                 | 579                          |
| <b>TOTAL WASTE/DEPOSITORY</b>            | <b>\$ 24,539</b>    | <b>\$ 24,157</b>    | <b>\$ 24,663</b>             |
| <b><u>ROAD DEPARTMENT:</u></b>           |                     |                     |                              |
| Road Paving & Improvements               | \$ 500,000          | \$ 359,645          | \$ 622,515                   |
| Road Supervisor                          | 67,413              | 67,672              | 66,670                       |
| Road Department Wages (F/T)              | 309,294             | 291,615             | 329,286                      |
| Road Department Overtime Wages           | 20,000              | 7,253               | 12,463                       |
| Training/Drug Screen/Licenses            | 3,000               | 1,563               | 1,458                        |
| Hospitalization                          | 188,908             | 108,458             | 118,245                      |
| Eye & Dental Care                        | 11,714              | 6,404               | 8,013                        |
| Group Life & Disability Insurance        | 11,475              | 10,629              | 10,511                       |
| Office Supplies                          | 6,500               | 6,006               | 5,776                        |
| Operating Materials/Supplies             | 37,000              | 33,835              | 25,061                       |
| Postage                                  | 500                 | 471                 | 485                          |
| Vehicle Fuel                             | 30,000              | 15,377              | 18,404                       |

The accompany notes are an integral part of these financial statements

**TOWNSHIP OF HOPEWELL**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**12/31/2021**

|                                         | BUDGET              | ACTUAL              | (MEMORANDUM<br>ONLY)<br>2020 |
|-----------------------------------------|---------------------|---------------------|------------------------------|
| <b>PUBLIC WORKS: (Continued)</b>        |                     |                     |                              |
| <b>ROAD DEPARTMENT: (Continued)</b>     |                     |                     |                              |
| Tires                                   | 20,000              | 6,095               | 6,696                        |
| Signs                                   | 9,100               | 1,145               | 4,288                        |
| Telephone/Internet/Cable/Alarm          | 3,500               | 3,358               | 3,764                        |
| Computer Repair/Maintenance             | -                   | 808                 | -                            |
| Capital Lease Principal                 | 57,979              | 58,887              | 54,379                       |
| Capital Lease Interest                  | 5,779               | 5,779               | 8,164                        |
| Printing & Copier Expense               | 1,500               | 748                 | 1,027                        |
| Advertising Road                        | 1,000               | -                   | 214                          |
| Auto Insurance                          | 10,000              | 8,669               | 8,156                        |
| General Liability Insurance Road        | 3,750               | 3,659               | 3,719                        |
| Public Office Insurance Road            | 435                 | 289                 | 579                          |
| MRM Worker's Compensation               | 24,193              | 22,457              | 25,519                       |
| Property Insurance - Road               | 5,000               | 4,499               | 4,404                        |
| Road Department Building Electric       | 4,738               | 5,052               | 4,582                        |
| Road Department Building Natural Gas    | 5,745               | 4,442               | 4,316                        |
| Road Department Building Water          | 275                 | 267                 | 274                          |
| Vehicle Repairs & Inspections           | 15,000              | 6,562               | 14,052                       |
| Road Department Building Maintenance    | 4,500               | 5,033               | 487                          |
| Equipment Repairs                       | 20,000              | 14,028              | 14,943                       |
| Traffic Signal Maintenance              | -                   | 570                 | 435                          |
| Uniform & Glasses                       | 2,700               | 3,278               | 2,275                        |
| Road G/F--MMO/Retirement                | 59,660              | 59,660              | 41,517                       |
| Equipment Purchases                     | 18,000              | 7,431               | 13,966                       |
| Duquesne Light LED Replacement          | 21,800              | 8,175               | -                            |
| CTR Payroll Expense                     | 2,636               | 2,825               | 2,815                        |
| <b>TOTAL ROAD DEPARTMENT</b>            | <b>\$ 1,483,094</b> | <b>\$ 1,142,846</b> | <b>\$ 1,439,457</b>          |
| <b>STORM SEWERS AND DRAINS:</b>         |                     |                     |                              |
| Permit Fee                              | \$ 500              | \$ 500              | \$ 500                       |
| Computer                                | 15,600              | 11,123              | 10,087                       |
| Materials & Supplies                    | 66                  | -                   | 44                           |
| Contracted Services and Tech Support    | 500                 | -                   | -                            |
| Public Education                        | 1,500               | -                   | -                            |
| Contracted Service/Plotter/Service Fees | 1,500               | 1,908               | 1,749                        |
| MCM #1 Public Education                 | -                   | -                   | 86                           |
| Pollution Reduction Plan                | 447,835             | 1,035               | 21,841                       |
| <b>TOTAL STORM SEWERS AND DRAINS</b>    | <b>\$ 467,501</b>   | <b>\$ 14,566</b>    | <b>\$ 34,308</b>             |
| <b>FIRE HYDRANT CHARGES:</b>            |                     |                     |                              |
| Fire Hydrant Charges                    | \$ 55,000           | \$ 50,762           | \$ 43,426                    |
| <b>TOTAL FIRE HYDRANT CHARGES</b>       | <b>\$ 55,000</b>    | <b>\$ 50,762</b>    | <b>\$ 43,426</b>             |
| <b>TOTAL PUBLIC WORKS</b>               | <b>\$ 2,030,134</b> | <b>\$ 1,232,131</b> | <b>\$ 1,541,853</b>          |

**TOWNSHIP OF HOPEWELL**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**12/31/2021**

|                                           | BUDGET            | ACTUAL            | (MEMORANDUM ONLY)<br>2020 |
|-------------------------------------------|-------------------|-------------------|---------------------------|
| <b><u>CULTURE &amp; RECREATION:</u></b>   |                   |                   |                           |
| Assistant Maintenance Director            | \$ 36,109         | \$ 36,248         | \$ 34,063                 |
| Park Maintenance Wages (P/T)              | 10,000            | 2,535             | 6,354                     |
| Maintenance Supervisor                    | 33,592            | 33,721            | 33,305                    |
| Maintenance P/T Seasonal                  | 30,000            | 23,494            | 29,506                    |
| Park Maintenance Overtime Wages           | 1,000             | -                 | -                         |
| Physicals/Licenses/Training/Conferences   | 300               | 150               | 50                        |
| Group Life & Disability Insurance         | 2,882             | 3,080             | 2,828                     |
| Park Office Supplies                      | 1,000             | 730               | 1,345                     |
| Park Operating Materials/Supply           | 6,000             | 4,710             | 5,737                     |
| Parks Vehicle Fuel                        | 5,000             | 2,239             | 3,023                     |
| Parks Lawn Equipment Repairs/Supply       | 1,500             | 566               | 684                       |
| Parks Cell Phone/Alarm Systems            | 3,000             | 2,361             | 2,230                     |
| Parks Computer Maintenance/Internet       | 2,500             | 3,181             | 3,138                     |
| Parks Copier Expense                      | 1,700             | 748               | 1,030                     |
| Auto Insurance                            | 1,200             | 938               | 883                       |
| General Liability Insurance-Park          | 1,300             | 689               | 700                       |
| Public Office Insurance-Park              | 435               | 289               | 579                       |
| MRM Worker's Compensation                 | 6,260             | 6,557             | 7,005                     |
| Property Insurance-Park                   | 600               | 370               | 362                       |
| Parks Electricity                         | 4,500             | 5,148             | 4,344                     |
| Parks Gas Heat Nature Cen/Cedar           | 6,000             | 3,869             | 3,779                     |
| Parks Vehicle Maintenance/Licenses        | 8,000             | 7,736             | 5,370                     |
| Parks Building & Pavilion Maintenance     | 20,000            | 15,346            | 8,699                     |
| Rentals PORTA Johns                       | 5,000             | 5,197             | 1,938                     |
| Parks Uniform Expenses                    | 500               | 482               | 395                       |
| Park Contracted Services                  | 6,000             | 5,907             | 6,143                     |
| Park Maintenance G/F--MMO/Retirement      | 10,363            | 10,363            | 11,220                    |
| Pavilion Deposit Refunds                  | 1,000             | 425               | 3,975                     |
| Grant Expense Amphitheater                | -                 | -                 | 11,495                    |
| Equipment Purchase                        | 20,000            | 17,265            | 13,096                    |
| CTR Payroll Expense                       | 1,500             | 1,557             | 1,748                     |
| Maintenance - Other                       | -                 | -                 | 75                        |
| Recreation Director Salary                | 9,560             | 4,360             | 122                       |
| Eye & Dental Care                         | -                 | 28                | 25                        |
| Recreation Operating Materials & Supplies | -                 | -                 | 154                       |
| Parks Postage                             | -                 | 85                | 183                       |
| Copier Expense                            | -                 | -                 | 65                        |
| Parks Advertising                         | 3,000             | 985               | 546                       |
| MRM Worker's Compensation Event           | 1,608             | 746               | 1,294                     |
| Miscellaneous Training                    | 1,500             | -                 | -                         |
| Parkfest                                  | 17,500            | 11,543            | 3,065                     |
| Fishing Derby                             | 4,000             | 1,524             | 2,000                     |
| Easter                                    | 3,000             | 1,526             | 577                       |
| Community Activities                      | -                 | (950)             | -                         |
| Barbecue/Blues Fest                       | 10,000            | 8,032             | 314                       |
| Fallfest                                  | 3,000             | 2,496             | 697                       |
| Wine & Jazz at the Lake                   | 5,000             | -                 | -                         |
| Camp Lakewood                             | 14,000            | 14,000            | 767                       |
| Rec on the Run                            | 9,000             | 1,944             | -                         |
| Car Cruise                                | 1,250             | 320               | -                         |
| Christmas                                 | 2,000             | 531               | 202                       |
| Couch Potato Jam                          | 500               | 45                | -                         |
| Concerts in the Park                      | 3,250             | 2,525             | 314                       |
| Earth Day                                 | 2,000             | 783               | 70                        |
| CTR Payroll Expense                       | 104               | 424               | 69                        |
| Dog Park                                  | -                 | -                 | 975                       |
| <b>TOTAL CULTURE &amp; RECREATION</b>     | <b>\$ 317,513</b> | <b>\$ 246,850</b> | <b>\$ 216,539</b>         |
| <b><u>GRANTS &amp; GIFTS:</u></b>         |                   |                   |                           |
| Library Services                          | \$ 10,000         | \$ 10,000         | \$ 10,000                 |
| Shop with a Cop                           | -                 | 4,500             | -                         |
| Basketball Grant                          | -                 | 3,660             | -                         |
| Veteran's Services                        | 5,000             | 5,000             | 5,000                     |
| K-9 Grant Expense                         | 3,000             | 150               | 1,860                     |
| <b>TOTAL GRANTS &amp; GIFTS</b>           | <b>\$ 18,000</b>  | <b>\$ 23,310</b>  | <b>\$ 16,860</b>          |
| <b>TOTAL CULTURE AND RECREATION</b>       | <b>\$ 335,513</b> | <b>\$ 270,160</b> | <b>\$ 233,399</b>         |

The accompany notes are an integral part of these financial statements

TOWNSHIP OF HOPEWELL  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**12/31/2021**

|                                                           | BUDGET              | ACTUAL              | (MEMORANDUM<br>ONLY)<br>2020 |
|-----------------------------------------------------------|---------------------|---------------------|------------------------------|
| <b><u>DEBT SERVICE:</u></b>                               |                     |                     |                              |
| 2014 Bond Debt Service-Principal                          | \$ -                | \$ -                | \$ 90,000                    |
| 2011 Wesbanco Bond Principal G/F                          | -                   | -                   | 65,758                       |
| 2014 Bond Debt Service-Interest                           | -                   | -                   | 900                          |
| 2011 Wesbanco Bond Interest G/F                           | -                   | -                   | 1,337                        |
| <b>TOTAL DEBT SERVICE</b>                                 | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ 157,995</b>            |
| <b><u>EMPLOYEE BENEFITS:</u></b>                          |                     |                     |                              |
| Retirement Pension Fund                                   | \$ -                | \$ 60               | \$ -                         |
| Social Security Taxes                                     | 185,092             | 177,276             | 184,968                      |
| Unemployment Compensation                                 | 18,738              | 14,076              | 13,166                       |
| <b>TOTAL EMPLOYEE BENEFITS</b>                            | <b>\$ 203,830</b>   | <b>\$ 191,412</b>   | <b>\$ 198,134</b>            |
| <b><u>MISCELLANEOUS:</u></b>                              |                     |                     |                              |
| General Fund Refund                                       | \$ -                | \$ -                | \$ 2,500                     |
| Larry Dorsch - Shadow Lakes                               | -                   | -                   | 5,231                        |
| Miscellaneous                                             | -                   | 9,128               | -                            |
| <b>TOTAL MISCELLANEOUS</b>                                | <b>\$ -</b>         | <b>\$ 9,128</b>     | <b>\$ 7,731</b>              |
| <b><u>OTHER FINANCING USES:</u></b>                       |                     |                     |                              |
| Operating Transfers - Capital Reserve Fund                | \$ -                | \$ -                | \$ 200,000                   |
| Operating Transfers - Sewer                               | -                   | 426                 | -                            |
| Refund of Prior Year Revenues                             | -                   | -                   | 2,773                        |
| <b>TOTAL OTHER FINANCING USES</b>                         | <b>\$ -</b>         | <b>\$ 426</b>       | <b>\$ 202,773</b>            |
| <b>TOTAL EXPENDITURES AND OTHER<br/>FINANCING SOURCES</b> | <b>\$ 6,589,641</b> | <b>\$ 5,400,404</b> | <b>\$ 6,071,789</b>          |

The accompany notes are an integral part of these financial statements

**TOWNSHIP OF HOPEWELL**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES, BUDGET AND ACTUAL**  
**CAPITAL PROJECT FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

|                                                           | <b>Budgeted Amounts</b> |                     | <b>Actual</b>            | <b>Variance with</b>         |
|-----------------------------------------------------------|-------------------------|---------------------|--------------------------|------------------------------|
|                                                           | <b>Original</b>         | <b>Final</b>        | <b>(Budgetary Basis)</b> | <b>Final Budget Positive</b> |
| <b><u>REVENUES</u></b>                                    |                         |                     |                          |                              |
| Interest Income                                           | \$ 15,851               | \$ 15,851           | \$ 940                   | \$ (14,911)                  |
| <b>Total Revenues</b>                                     | <b>\$ 15,851</b>        | <b>\$ 15,851</b>    | <b>\$ 940</b>            | <b>\$ (14,911)</b>           |
| <b><u>EXPENDITURES</u></b>                                |                         |                     |                          |                              |
| HVACS/Roof                                                | \$ 65,000               | \$ 65,000           | \$ 74,325                | \$ 9,325                     |
| Broadhead Road Project                                    | 20,000                  | 20,000              | -                        | (20,000)                     |
| Administrative - Office Supplies                          | 250                     | 250                 | -                        | (250)                        |
| <b>Total Expenditures</b>                                 | <b>\$ 85,250</b>        | <b>\$ 85,250</b>    | <b>\$ 74,325</b>         | <b>\$ (10,925)</b>           |
| <b>Excess ( Deficiency) of Revenues over Expenditures</b> | <b>\$ (69,399)</b>      | <b>\$ (69,399)</b>  | <b>\$ (73,385)</b>       | <b>\$ (3,986)</b>            |
| <b><u>OTHER FINANCING SOURCES (USES)</u></b>              |                         |                     |                          |                              |
| Operating Transfers In                                    | \$ -                    | \$ -                | \$ -                     | \$ -                         |
| Operating Transfers Out                                   | (400,000)               | (400,000)           | (309,415)                | 90,585                       |
| <b>Total Other Financing Sources (Uses)</b>               | <b>\$ (400,000)</b>     | <b>\$ (400,000)</b> | <b>\$ (309,415)</b>      | <b>\$ 90,585</b>             |
| <b>NET CHANGE IN FUND BALANCES</b>                        | <b>\$ (469,399)</b>     | <b>\$ (469,399)</b> | <b>\$ (382,800)</b>      | <b>\$ 86,599</b>             |
| <b>FUND BALANCE - JANUARY 1, 2021</b>                     | <b>-</b>                | <b>-</b>            | <b>2,156,349</b>         | <b>1,256,053</b>             |
| <b>FUND BALANCE - DECEMBER 31, 2021</b>                   | <b>\$ (469,399)</b>     | <b>\$ (469,399)</b> | <b>\$ 1,773,549</b>      | <b>\$ 1,342,652</b>          |

The accompanying notes are an integral part of these financial statements



TOWNSHIP OF HOPEWELL  
COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS  
12/31/2021

|                                            | HIGHWAY<br>AID    | AMERICAN<br>RESCUE | BARTOLOTTO<br>GRANT | PARK<br>RESERVE    | EQUIPMENT<br>PROJECT | TOTAL               |
|--------------------------------------------|-------------------|--------------------|---------------------|--------------------|----------------------|---------------------|
| <b>ASSETS</b>                              |                   |                    |                     |                    |                      |                     |
| Cash and Cash Equivalents                  | \$ -              | \$ 658,916         | \$ 126,004          | \$ -               | \$ 309,415           | \$ 1,094,335        |
| Investments                                | 665,421           | -                  | -                   | 8,381              | -                    | 673,802             |
| <b>TOTAL ASSETS</b>                        | <b>\$ 665,421</b> | <b>\$ 658,916</b>  | <b>\$ 126,004</b>   | <b>\$ 8,381</b>    | <b>\$ 309,415</b>    | <b>\$ 1,768,137</b> |
| <b>LIABILITIES AND FUND BALANCE</b>        |                   |                    |                     |                    |                      |                     |
| <b>LIABILITIES</b>                         |                   |                    |                     |                    |                      |                     |
| Deferred Revenue - Grants                  | \$ -              | \$ 658,631         | \$ 126,000          | \$ -               | \$ -                 | \$ 784,631          |
| Due to Other Funds                         | -                 | -                  | -                   | 46,000             | -                    | 46,000              |
| <b>TOTAL LIABILITIES</b>                   | <b>\$ -</b>       | <b>\$ 658,631</b>  | <b>\$ 126,000</b>   | <b>\$ 46,000</b>   | <b>\$ -</b>          | <b>\$ 830,631</b>   |
| <b>FUND BALANCES</b>                       |                   |                    |                     |                    |                      |                     |
| Assigned                                   | \$ 665,421        | \$ 285             | \$ 4                | \$ (37,619)        | \$ 309,415           | \$ 937,506          |
| <b>TOTAL FUND BALANCES</b>                 | <b>\$ 665,421</b> | <b>\$ 285</b>      | <b>\$ 4</b>         | <b>\$ (37,619)</b> | <b>\$ 309,415</b>    | <b>\$ 937,506</b>   |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b> | <b>\$ 665,421</b> | <b>\$ 658,916</b>  | <b>\$ 126,004</b>   | <b>\$ 8,381</b>    | <b>\$ 309,415</b>    | <b>\$ 1,768,137</b> |

**TOWNSHIP OF HOPEWELL**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

|                                                    | HIGHWAY<br>AID      | AMERICAN<br>RESCUE | BARTOLOTTO<br>GRANT | PARK<br>RESERVE    | EQUIPMENT<br>PROJECT | TOTAL             |
|----------------------------------------------------|---------------------|--------------------|---------------------|--------------------|----------------------|-------------------|
| <b>REVENUES</b>                                    |                     |                    |                     |                    |                      |                   |
| State Shared Revenue                               | \$ 407,096          | \$ -               | \$ -                |                    |                      | \$ 407,096        |
| Interest Income                                    | 419                 | 285                | 4                   | 6                  | -                    | 714               |
| <b>TOTAL REVENUES</b>                              | <b>\$ 407,515</b>   | <b>\$ 285</b>      | <b>\$ 4</b>         | <b>\$ 6</b>        | <b>\$ -</b>          | <b>\$ 407,810</b> |
| <b>OTHER FINANCING SOURCES</b>                     |                     |                    |                     |                    |                      |                   |
| Operating transfers in                             | \$ -                | \$ -               | \$ -                | \$ -               | \$ 309,415           | \$ 309,415        |
| <b>TOTAL OTHER FINANCING SOURCES</b>               | <b>\$ -</b>         | <b>\$ -</b>        | <b>\$ -</b>         | <b>\$ -</b>        | <b>\$ 309,415</b>    | <b>\$ 309,415</b> |
| <b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>  | <b>\$ 407,515</b>   | <b>\$ 285</b>      | <b>\$ 4</b>         | <b>\$ 6</b>        | <b>\$ 309,415</b>    | <b>\$ 717,225</b> |
| <b>EXPENDITURES</b>                                |                     |                    |                     |                    |                      |                   |
| Road Paving                                        | \$ 228,552          | \$ -               | \$ -                | \$ -               | \$ -                 | \$ 228,552        |
| Winter Maintenance                                 | 94,769              | -                  | -                   | 55,293             | -                    | 150,062           |
| Traffic Control                                    | 6,913               | -                  | -                   | -                  | -                    | 6,913             |
| Street Lighting                                    | 185,978             | -                  | -                   | -                  | -                    | 185,978           |
| Maintenance                                        | 86,884              | -                  | -                   | -                  | -                    | 86,884            |
| <b>TOTAL EXPENDITURES</b>                          | <b>\$ 603,096</b>   | <b>\$ -</b>        | <b>\$ -</b>         | <b>\$ 55,293</b>   | <b>\$ -</b>          | <b>\$ 658,389</b> |
| <b>OTHER FINANCING USES</b>                        |                     |                    |                     |                    |                      |                   |
| Operating transfers out - General Fund             | \$ -                | \$ -               | \$ -                | \$ -               | \$ -                 | \$ -              |
| <b>TOTAL OTHER FINANCING USES</b>                  | <b>\$ -</b>         | <b>\$ -</b>        | <b>\$ -</b>         | <b>\$ -</b>        | <b>\$ -</b>          | <b>\$ -</b>       |
| <b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b> | <b>\$ 603,096</b>   | <b>\$ -</b>        | <b>\$ -</b>         | <b>\$ 55,293</b>   | <b>\$ -</b>          | <b>\$ 658,389</b> |
| <b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>   | <b>\$ (195,581)</b> | <b>\$ 285</b>      | <b>\$ 4</b>         | <b>\$ (55,287)</b> | <b>\$ 309,415</b>    | <b>\$ 58,836</b>  |
| <b>FUND BALANCE - January 1, 2021</b>              | <b>861,002</b>      | <b>-</b>           | <b>-</b>            | <b>17,668</b>      | <b>-</b>             | <b>878,670</b>    |
| <b>FUND BALANCE - December 31, 2021</b>            | <b>\$ 665,421</b>   | <b>\$ 285</b>      | <b>\$ 4</b>         | <b>\$ (37,619)</b> | <b>\$ 309,415</b>    | <b>\$ 937,506</b> |

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

**TOWNSHIP OF HOPEWILL**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - POLICE PENSION PLAN**  
**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**  
**DECEMBER 31, 2020**

|                                                                                | <u>12/31/2021</u> | <u>12/31/2020</u> | <u>12/31/2019</u> | <u>12/31/2018</u> | <u>12/31/2017</u> | <u>12/31/2016</u> | <u>12/31/2015</u> | <u>12/31/2014</u> |
|--------------------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Total pension liability-beginning</b>                                       | \$ 10,143,098     | \$ 9,584,095      | \$ 9,035,852      | \$ 8,550,057      | \$ 7,676,919      | \$ 7,321,018      | \$ 6,669,690      | \$ 6,709,946      |
| Service Cost                                                                   | 325,814           | 304,239           | 288,378           | 272,390           | 258,190           | 200,155           | 189,720           | 168,865           |
| Interest                                                                       | 710,922           | 701,011           | 662,067           | 624,970           | 592,060           | 549,586           | 524,187           | 490,162           |
| Changes of Benefits                                                            | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 |
| Differences between expected & actual experience                               | (417,900)         | -                 | 10,431            | -                 | (149,858)         | -                 | 315,246           | -                 |
| Changes of Assumptions                                                         | 334,230           | -                 | -                 | -                 | 582,267           | -                 | -                 | -                 |
| Benefit payments                                                               | (466,308)         | (446,247)         | (412,633)         | (411,565)         | (409,521)         | (393,840)         | (377,825)         | (699,283)         |
| Net change in total pension liability                                          | \$ 486,758        | \$ 559,003        | \$ 548,243        | \$ 485,795        | \$ 873,138        | \$ 355,901        | \$ 651,328        | \$ (40,256)       |
| <b>Total pension liability-ending</b>                                          | \$ 10,629,856     | \$ 10,143,098     | \$ 9,584,095      | \$ 9,035,852      | \$ 8,550,057      | \$ 7,676,919      | \$ 7,321,018      | \$ 6,669,690      |
| <br><b>Plan fiduciary net position-beginning</b>                               | <br>\$ 10,503,441 | <br>\$ 9,214,574  | <br>\$ 7,713,838  | <br>\$ 8,153,449  | <br>\$ 7,349,480  | <br>\$ 6,981,987  | <br>\$ 7,147,955  | <br>\$ 7,164,797  |
| Contributions-employer                                                         | 393,911           | 391,012           | 330,181           | 300,945           | 241,009           | 224,192           | 206,830           | 137,063           |
| Contributions-employee                                                         | 64,717            | 73,298            | 70,783            | 65,574            | 57,860            | 62,025            | 60,147            | 51,384            |
| Net investment income                                                          | 1,390,937         | 1,336,163         | 1,564,526         | (342,624)         | 965,630           | 527,019           | (9,593)           | 548,270           |
| Benefit payments                                                               | (466,308)         | (446,247)         | (412,633)         | (411,565)         | (409,521)         | (393,840)         | (377,825)         | (699,283)         |
| Administrative expense                                                         | (70,345)          | (65,359)          | (52,121)          | (51,941)          | (51,009)          | (51,903)          | (45,527)          | (54,276)          |
| Change in plan fiduciary net position                                          | \$ 1,312,912      | \$ 1,288,867      | \$ 1,500,736      | \$ (439,611)      | \$ 803,969        | \$ 367,493        | \$ (165,968)      | \$ (16,842)       |
| <b>Plan fiduciary net position-ending</b>                                      | \$ 11,816,353     | \$ 10,503,441     | \$ 9,214,574      | \$ 7,713,838      | \$ 8,153,449      | \$ 7,349,480      | \$ 6,981,987      | \$ 7,147,955      |
| <br><b>Net pension liability-beginning</b>                                     | <br>\$ (360,343)  | <br>\$ 369,521    | <br>\$ 1,322,014  | <br>\$ 396,608    | <br>\$ 327,439    | <br>\$ 339,031    | <br>\$ (478,265)  | <br>\$ 454,851    |
| <b>Net pension liability (asset) -ending</b>                                   | \$ (1,186,497)    | \$ (360,343)      | \$ 369,521        | \$ 1,322,014      | \$ 396,608        | \$ 327,439        | \$ 339,031        | \$ (478,265)      |
| <br><b>RATIOS:</b>                                                             |                   |                   |                   |                   |                   |                   |                   |                   |
| Plan fiduciary net position as a percentage of total pension liability (asset) | 111.16%           | 103.55%           | 96.14%            | 85.37%            | 95.36%            | 95.73%            | 95.37%            | 107.17%           |
| <br><b>Covered payroll</b>                                                     |                   |                   |                   |                   |                   |                   |                   |                   |
| Net pension liability as a percentage of covered payroll                       | \$ 1,181,330      | \$ 1,464,936      | \$ 1,291,213      | \$ 1,316,680      | \$ 1,157,464      | \$ 1,203,871      | \$ 1,172,648      | \$ 1,027,671      |
| Annual money-weighted rate of return net of investment expense                 | -100.44%          | -24.60%           | 28.62%            | 100.41%           | 34.27%            | 27.20%            | 28.91%            | -46.54%           |
|                                                                                | 13.44%            | 14.69%            | 20.57%            | 8.09%             | -0.14%            | 7.69%             | 13.41%            | -4.25%            |

NOTE: Schedule requires information for past 10 calendar years. Information will be added as it becomes available.

**TOWNSHIP OF HOPEWELL**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - NON-UNIFORM PENSION PLAN**  
**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**  
**DECEMBER 31, 2021**

|                                                                        | <u>12/31/2019</u>       | <u>12/31/2018</u>       | <u>12/31/2017</u>       |
|------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|
| <b>Total pension liability-beginning</b>                               | \$ 7,431,082            | \$ 7,006,950            | \$ 6,982,329            |
| Service Cost                                                           | 168,033                 | 170,390                 | 172,468                 |
| Interest                                                               | 388,633                 | 364,563                 | 362,404                 |
| Changes of Benefits                                                    | -                       | 48,987                  | -                       |
| Actual (gain)/loss                                                     | -                       | -                       | -                       |
| Differences between expected & actual experience                       | -                       | 312,797                 | -                       |
| Changes of Assumptions                                                 | -                       | -                       | -                       |
| Benefit payments                                                       | (398,263)               | (472,605)               | (510,251)               |
| Net change in total pension liability                                  | <u>\$ 158,403</u>       | <u>\$ 424,132</u>       | <u>\$ 24,621</u>        |
| <b>Total pension liability-ending</b>                                  | <u>\$ 7,589,485</u>     | <u>\$ 7,431,082</u>     | <u>\$ 7,006,950</u>     |
| <br>Plan fiduciary net position-beginning                              | <br>\$ 6,408,704        | <br>\$ 6,972,869        | <br>\$ 6,247,543        |
| Contributions-employer                                                 | 157,447                 | 165,531                 | 165,531                 |
| Contributions-PMRS assessment                                          | 1,080                   | 1,120                   | 1,080                   |
| Contributions-member                                                   | 55,992                  | 56,873                  | 57,640                  |
| PMRS Investment income                                                 | 353,793                 | 328,923                 | 325,462                 |
| Market value investment income                                         | 907,665                 | (628,249)               | 701,852                 |
| Benefit payments                                                       | (398,263)               | (472,605)               | (510,251)               |
| PMRS Administrative expense                                            | (1,080)                 | (1,080)                 | (1,020)                 |
| Additional Administrative expense                                      | (12,229)                | (14,678)                | (14,968)                |
| Change in plan fiduciary net position                                  | <u>\$ 1,064,405</u>     | <u>\$ (564,165)</u>     | <u>\$ 725,326</u>       |
| <br>Plan fiduciary net position-ending                                 | <br><u>\$ 7,473,109</u> | <br><u>\$ 6,408,704</u> | <br><u>\$ 6,972,869</u> |
| <br>Net pension liability-beginning                                    | <br><u>\$ 1,022,378</u> | <br><u>\$ 34,081</u>    | <br><u>\$ 734,786</u>   |
| <br>Net pension liability-ending                                       | <br><u>\$ 116,376</u>   | <br><u>\$ 1,022,378</u> | <br><u>\$ 34,081</u>    |
| <br><b>RATIOS:</b>                                                     |                         |                         |                         |
| Plan fiduciary net position as a percentage of total pension liability | 98.47%                  | 86.24%                  | 99.51%                  |
| <br>Covered payroll                                                    | <br>\$ 1,399,791        | <br>\$ 1,423,651        | <br>\$ 1,441,012        |
| <br>Net pension liability as a percentage of covered payroll           | <br>8.31%               | <br>71.81%              | <br>2.37%               |

NOTE: Schedule requires information for past 10 calendar years. Information will be added as it becomes available.

**TOWNSHIP OF HOPEWELL**  
**SCHEDULE OF ACTUARIALLY DETERMINED PENSION CONTRIBUTION AND RELATED RATIOS - POLICE PENSION PLAN**  
**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**  
**DECEMBER 31, 2021**

|                                     | 12/31/2021 | 12/31/2020 | 12/31/2019 | 12/31/2018 | 12/31/2017 | 12/31/2016 | 12/31/2015 | 12/31/2014 | 12/31/2013 | 12/31/2012  |
|-------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|
| Actuarially determined contribution | \$ 393,911 | \$ 391,012 | \$ 330,181 | \$ 300,945 | 241,009    | 224,192    | 206,830    | 137,063    | 145,219    | \$ 87,012   |
| Contributions                       | 393,911    | 391,012    | 330,181    | 300,945    | 241,009    | 224,192    | 206,830    | 137,063    | 145,219    | 100,131     |
| Contribution deficiency (excess)    | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ (13,119) |

**RATIOS:**

|                                                  |              |              |              |              |              |              |              |              |      |            |
|--------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------|------------|
| Covered payroll                                  | \$ 1,181,330 | \$ 1,464,936 | \$ 1,291,213 | \$ 1,316,680 | \$ 1,157,464 | \$ 1,203,871 | \$ 1,172,648 | \$ 1,027,671 | \$ - | \$ 876,453 |
| Contributions as a percentage of covered payroll | 33.34%       | 26.69%       | 25.57%       | 22.86%       | 20.82%       | 18.62%       | 17.64%       | 13.34%       | N/A  | 11.42%     |

**TOWNSHIP OF HOPEWELL**  
**SCHEDULE OF ACTUARIALLY DETERMINED PENSION CONTRIBUTION AND RELATED RATIOS - NON-UNIFORM PENSION PLAN**  
**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**  
**DECEMBER 31, 2020**

|                                     | 12/31/2021 | 12/31/2020 | 12/31/2019 | 12/31/2018 | 12/31/2017 | 12/31/2016 | 12/31/2015 | 12/31/2014 |
|-------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Actuarially determined contribution | \$ 214,757 | \$ 158,306 | \$ 158,527 | \$ 166,611 | \$ 166,551 | \$ 157,861 | \$ 165,588 | \$ 93,496  |
| Contributions                       | 214,757    | 158,306    | 155,097    | 166,651    | 166,611    | 157,960    | 165,649    | 93,576     |
| Contribution deficiency (excess)    | \$ -       | \$ -       | \$ 3,430   | \$ (40)    | \$ (60)    | \$ (99)    | \$ (61)    | \$ (80)    |

**RATIOS:**

|                                                  |     |     |              |              |              |              |              |              |
|--------------------------------------------------|-----|-----|--------------|--------------|--------------|--------------|--------------|--------------|
| Covered payroll                                  | N/A | N/A | \$ 1,390,797 | \$ 1,423,651 | \$ 1,441,012 | \$ 1,381,943 | \$ 1,449,420 | \$ 1,428,562 |
| Contributions as a percentage of covered payroll | N/A | N/A | 11.15%       | 11.71%       | 11.56%       | 11.43%       | 11.43%       | 6.55%        |

**NOTES TO SCHEDULE:**

NOTE: Schedule requires information for past 10 calendar years. Most recent actuarial valuation presents information for the five most recent years.

**TOWNSHIP OF HOPEWELL**  
**NOTES TO SCHEDULES OF REQUIRED**  
**SUPPLEMENTARY INFORMATION – POLICE PENSION PLAN**  
**DECEMBER 31, 2021**

**NOTE 1 - FACTORS AND TRENDS USED IN THE ACTUARIAL VALUATION FOR PENSION BENEFITS**

**Changes in Benefit Terms**

- Effective 1/1/2007: Service increment change to \$500 for more than 30 years of service. Those retiring with 26-30 years get \$100.
- Effective 1/1/2007: An In-Service Retirement Option Program (IROP) was added.
- Effective 1/1/2013: The Service Increment for the chief of police was increased to \$100 for every year completed in excess of 25, up to \$500 for 30 years of service.
- Effective on or after 12/22/20: new participants hired on or after 12/20/20 are only entitled to minimum benefits under Act 600.

**Changes to Assumptions**

- Effective 1/1/2007: Normal retirement assumption was changed from age 52 and 27 years of service, to age 50 and 25 years of service.
- Effective 1/1/2009: The basis for computing the actuarial value of assets was changed from 100% of market value to the four-year smoothing method.
- Effective 1/1/2011: Mortality table was updated from the 1994 Uninsured Pensioner Mortality Table to the RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustment and rates projected to improve with 75% of scale AA.
- Effective 1/1/2017: Interest Rate was lowered from 7.5% to 7.25%, inflation was lowered from 3.0% to 2.75%, salary increase assumption in final year was changed from an additional 9% increase to an addition 20% increase, the mortality assumption was updated from the RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustment and rates project to improve at 75% of Scale AA to the RP-2014 Mortality Table with 50% of the Blue Collar Adjustment and rates projected to improve based on the Long-Range Demographic Assumptions for the 2015 Social Security Administration's Trustee Report, disability assumption was updated from 60% of the rates of disablement from Advanced Pension Tables to rates based on the Social Security Administration's 2010 projection of disability incidence, and the retirement/IROP utilization assumption has been changed to assuming that all participants will retire at the earlier of Normal Retirement eligibility and attainment of age 65 with 20 years of service, and participants retiring before age 60 are now assumed to utilize IROP for two years.
- Effective 12/22/20: Interest rate lowered from 7.25% to 7.00%; CPI assumption lowered from 2.75% to 2.5%; Mortality updated from RP-2014 with 50% Blue Collar Adjustment and improvement based on 2015 SSA's assumptions to PubS-2010 with improvement projected from 2020 based on 2020 SSA's assumptions; disability assumption updated from 2010 SSA's Trustee Report to the 2020 SSA's Trustee Report.



**TOWNSHIP OF HOPEWELL**  
**NOTES TO SCHEDULES OF REQUIRED**  
**SUPPLEMENTARY INFORMATION – POLICE PENSION PLAN**  
**DECEMBER 31, 2021**

**Actuarial Methods and Assumptions**

The following actuarial methods and assumptions were used in the calculation of the most recent actuarially determined contributions reported in the required supplementary information:

|                                       |                                                                                                                                            |
|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Actuarial valuation date:</b>      | January 1, 2021                                                                                                                            |
| <b>Actuarial cost method:</b>         | Entry Age                                                                                                                                  |
| <b>Amortization method:</b>           | Level Dollar Closed                                                                                                                        |
| <b>Remaining amortization period:</b> | 12 years aggregate                                                                                                                         |
| <b>Asset valuation method:</b>        | 4-year smoothing                                                                                                                           |
| <b>Inflation:</b>                     | 2.50%                                                                                                                                      |
| <b>Salary increases:</b>              | 5.5% including inflation                                                                                                                   |
| <b>Investment rate of return:</b>     | 7% net of investment expenses not<br>funded through the MMO, and including inflation                                                       |
| <b>Mortality:</b>                     | 2010 Public Safety Mortality Tables. Improvement<br>rates based on the Long-Range Demographic Assumptions<br>for 2020 SSA's Trustee Report |
| <b>Retirement Age:</b>                | The later of Normal Retirement Age or attained age                                                                                         |

**TOWNSHIP OF HOPEWELL**  
**NOTES TO SCHEDULES OF REQUIRED**  
**SUPPLEMENTARY INFORMATION – NON-UNIFORM PENSION PLAN**  
**DECEMBER 31, 2021**

**NOTE 1 - FACTORS AND TRENDS USED IN THE ACTUARIAL VALUATION FOR PENSION BENEFITS**

**Changes in Benefit Terms**

None

**Changes in Actuarial Assumptions**

- Effective 12/31/15 the assumptions based on the PMRS Experience Study for the period covering January 1, 2009 through December 31, 2013 issued by the actuary in July 2015 first effective
- Effective 12/31/16, the investment return assumption for municipal assets decreased from 5.50% to 5.25%

**Actuarial Methods and Assumptions**

The following actuarial methods and assumptions were used in the calculation of the most recent actuarially determined contributions reported in the required supplementary information:

|                            |                                                                                                                                                                               |
|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Actuarial valuation date   | 1/1/2015                                                                                                                                                                      |
| Actuarial cost method      | Entry Age Normal                                                                                                                                                              |
| Amortization method        | Level dollar based upon the amortization periods in Act 205                                                                                                                   |
| Asset valuation method     | Based upon the municipal reserves                                                                                                                                             |
| Actuarial Assumptions:     |                                                                                                                                                                               |
| Inflation                  | 3.00%                                                                                                                                                                         |
| Projected salary increases | 2.8-7.05%                                                                                                                                                                     |
| Investment rate of return  | 5.25%                                                                                                                                                                         |
| Retirement age             | Age 60 or upon attainment of 20 years of service                                                                                                                              |
| Mortality                  | Males: RP-2000 Non-annuitant table<br>projected 15 years with Scale AA<br>Females: RP-2000 Female Non-annuitant<br>projected 15 years with Scale AA &<br>then setback 5 years |