

Received by DCED:
Approved by DCED:

Governor's Center for Local Government Services
Commonwealth Keystone Building
400 North Street, 4th Floor
Harrisburg, PA 17120-0225
Ph: 888-223-6837 | fax: 717-783-1402

**2019 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

630965 HOPEWELL TWP, WASHINGTON COUNTY



To the Board of Supervisors of
Hopewell Township
Washington County, Pennsylvania

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying Commonwealth of Pennsylvania Annual Audit and Financial Report (Form DCED-CLGS-30) of Hopewell Township which comprise the Balance Sheet as of December 31, 2019 and the related Statement of Revenues and Expenditures for the year then ended, and the related notes.

Management's Responsibility for Form DCED-CLGS-30

Management is responsible for the preparation and fair presentation of Form DCED-CLGS-30 and the related notes in accordance with the financial reporting provisions of the Commonwealth of Pennsylvania Department of Community and Economic Development. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of Form DCED-CLGS-30 and the related notes that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on Form DCED-CLGS-30 and the related notes based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether Form DCED-CLGS-30 is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in Form DCED-CLGS-30. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of Form DCED-CLGS-30, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of Form DCED-CLGS-30 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of Form DCED-CLGS-30.

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

To the Board of Supervisors of
Hopewell Township
August 10, 2020
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Opinion

In our opinion, Form DCED-CLGS-30 referred to above presents fairly, in all material respects, the cash and unencumbered cash balances of Hopewell Township as of December 31, 2019, and the revenues it received and expenditures it paid for the year then ended, in accordance with the financial reporting provisions of the Commonwealth of Pennsylvania Department of Community and Economic Development as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of Form DCED-CLGS-30, which describes the regulatory basis of accounting. Form DCED-CLGS-30 is prepared on the basis of the financial reporting provisions of the Commonwealth of Pennsylvania Department of Community and Economic Development, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Commonwealth of Pennsylvania Department of Community and Economic Development. Our opinion is not modified with respect to that matter.

Restriction on Use

This report is intended solely for the information and use of management, the audit committee, the Board of Supervisors, others within the organization, and the Commonwealth of Pennsylvania Department of Community and Economic Development and is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this report which is a matter of public record.

Palermo/Kissinger - Assoc., P.C.

Palermo/Kissinger & Associates, P.C.
Washington, PA

August 10, 2020

BALANCE SHEET

December 31, 2019

ASSETS AND OTHER DEBITS	Governmental Funds			
	Special Revenue (Including State			
	General Fund	Liquid Fuels)	Capital Projects	Debt Service
100-120 Cash and Investments	2,743,903	108,700	-	-
140-144 Tax Receivable	-	-	-	-
121-129				
145-149 Accounts Receivable(excluding taxes)	-	-	-	-
130 Due From Other Funds	-	-	-	-
148-159 Other Current Assets	-	-	-	-
131-139				
150-159 Other Current Assets				
160-169 Fixed Assets	-	-	-	-
180-189 Other Debits	-	-	-	-
TOTAL ASSETS AND OTHER DEBITS	\$ 2,743,903	\$ 108,700	\$ -	\$ -

LIABILITIES AND OTHER CREDITS				
210-229 Payroll taxes and Other Payroll Withholdings	3,278	-	-	-
200-209				
231-239 All Other Current Liabilities	6,000	-	-	-
230 Due To Other Funds				
260-269 Long Term Liabilities	-	-	-	-
240-259 Current Portion of Long-Term Debt & Other Credits	-	-	-	-
TOTAL LIABILITIES AND OTHER CREDITS	\$ 9,278	\$ -	\$ -	\$ -

FUND AND ACCOUNT GROUP EQUITY				
281-284 Contributed Capital	-	-	-	-
290 Investment in General Fixed Assets	-	-	-	-
270-289 Fund Balance/Retained Earnings 12/31	2,734,625	108,700		
291-299 Other Equity	-	-	-	-
TOTAL FUND AND ACCOUNT GROUP EQUITY	\$ 2,734,625	\$ 108,700	\$ -	\$ -

Total Assets and Other Debits minus Total Liabilities and Other Credits must equal the Total Fund and Account Group Equity.

	PROPRIETARY FUNDS		FIDUCIARY FUND	ACCOUNT GROUPS		TOTAL
	Enterprise	Internal Service	Trust & Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
ASSETS AND OTHER DEBITS						
100-120 Cash and Investments	-	-	169,864	-	-	3,022,467
140-144 Tax Receivable	-	-	-	-	-	-
121-129						
145-149 Accounts Receivable(excluding taxes)	-	-	-	-	-	-
130 Due From Other Funds						-
148-159 Other Current Assets	-	-	-	-	-	-
131-139						
150-159 Other Current Assets						-
160-169 Fixed Assets	-	-	-	603,989	-	603,989
180-189 Other Debits	-	-	-	-	-	-
TOTAL ASSETS AND OTHER DEBITS	\$ -	\$ -	\$ 169,864	\$ 603,989	\$ -	\$ 3,626,456

LIABILITIES AND OTHER CREDITS						
210-229 Payroll taxes and Other Payroll Withholdings	-	-	-	-	-	3,278
200-209						
231-239 All Other Current Liabilities	-	-	-	-	-	6,000
230 Due To Other Funds						-
240-259 Current Portion of Long-Term Debt & Other Credits	-	-	-	-	-	-
260-269 Long Term Liabilities	-	-	-	-	-	-
TOTAL LIABILITIES AND OTHER CREDITS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,278

FUND AND ACCOUNT GROUP EQUITY						
281-284 Contributed Capital	-	-	-	-	-	-
290 Investment in General Fixed Assets	-	-	-	603,989	-	603,989
270-289 Fund Balance/Retained Earnings 12/31	-	-	169,864	-	-	3,013,189
291-299 Other Equity	-	-	-	-	-	-
TOTAL FUND AND ACCOUNT GROUP EQUITY	\$ -	\$ -	\$ 169,864	\$ 603,989	\$ -	\$ 3,617,178

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY	\$	3,626,456
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Total Assets and Other Debits minus Total Liabilities and Other Credits must equal the Total Fund and Account Group Equity.

240-259 Current Portion of Long-Term Debt & Other Credits

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2019

REVENUES		GOVERNMENTAL FUNDS			
		Special Revenue (Including State Liquid Fuels)		Capital Projects	Debt Service
		General Fund			
TAXES					
301.00	Real Estate Taxes	50,610	-	-	-
305.00	Occupation Taxes (Levied Under Municipal Code)	-	-	-	-
308.00	Residence Taxes (Levied by Cities of the 3rd Class)	-	-	-	-
	Regional Asset District Sales Tax				
309.00	(Allegheny County municipalities only)	-	-	-	-
310.00	Per Capita Taxes	2,141	-	-	-
310.10	Real Estate Transfer Taxes	28,473	-	-	-
310.20	Earned Income/Wage Taxes	120,962	-	-	-
310.30	Business Gross Receipts Taxes	-	-	-	-
310.40	Occupation Taxes (levied under Act 511)	-	-	-	-
310.50	Local Service Tax**	3,776	-	-	-
310.60	Amusement/Admission Taxes	-	-	-	-
310.70	Mechanical Device Taxes	-	-	-	-
310.90	Business Privilege Taxes	-	-	-	-
310.90	Other Local Tax Enabling Act/Act 511 Taxes	-	-	-	-
		-	-	-	-
		-	-	-	-
		-	-	-	-
		-	-	-	-
		-	-	-	-
		-	-	-	-
		-	-	-	-
		-	-	-	-
TOTAL TAXES		\$ 205,962	\$ -	\$ -	\$ -

LICENSES & PERMITS					
320-322	All Other License and Permits	8,430	-	-	-
321.80	Cable Television Franchise Fees	-	-	-	-
	TOTAL LICENSE & PERMITS	\$ 8,430	\$ -	\$ -	\$ -

FINES & FORFEITS					
330-332	Fines and Forfeits	2,401	-	-	-
	TOTAL FINES & FORFEITS	\$ 2,401	\$ -	\$ -	\$ -

INTEREST, RENTS & ROYALTIES					
341.00	Interest Earnings	39,481	3,343	-	-
342.00	Rents and Royalties	6,645	-	-	-
	TOTAL INTEREST, RENTS & ROYALTIES	46,126	3,343	-	-

** This tax was known as Occupational Privilege Tax (OPT) prior to 2005 and the Emergency and Municipal Services Tax prior to 2008.

REVENUES	PROPRIETARY FUNDS		FIDUCIARY FUND	TOTAL
	Enterprise	Internal Service	Trust and Agency	Memorandum Only
TAXES				
301.00 Real Estate Taxes	-	-	-	50,610
305.00 Occupation Taxes (Levied Under Municipal Code)	-	-	-	-
308.00 Residence Taxes (Levied by Cities of the 3rd Class)	-	-	-	-
309.00 Regional Asset District Sales Tax (Allegheny County municipalities only)	-	-	-	-
310.00 Per Capita Taxes	-	-	-	2,141
310.10 Real Estate Transfer Taxes	-	-	-	28,473
310.20 Earned Income/Wage Taxes	-	-	-	120,962
310.30 Business Gross Receipts Taxes	-	-	-	-
310.40 Occupation Taxes (levied under Act 511)	-	-	-	-
310.50 Local Service Tax**	-	-	-	3,776
310.60 Amusement/Admission Taxes	-	-	-	-
310.70 Mechanical Device Taxes	-	-	-	-
310.90 Business Privilege Taxes	-	-	-	-
310.90 Other Local Tax Enabling Act/Act 511 Taxes	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
TOTAL TAXES	\$ -	\$ -	\$ -	\$ 205,962

LICENSES & PERMITS				
320-322 All Other License and Permits	-	-	-	8,430
321.80 Cable Television Franchise Fees	-	-	-	-
TOTAL LICENSE & PERMITS	\$ -	\$ -	\$ -	\$ 8,430

FINES & FORFEITS				
330-332 Fines and Forfeits	-	-	-	2,401
TOTAL FINES & FORFEITS	\$ -	\$ -	\$ -	\$ 2,401

INTEREST, RENTS & ROYALTIES				
341.00 Interest Earnings	-	-	24,127	66,951
342.00 Rents and Royalties	-	-	-	6,645
TOTAL INTEREST, RENTS & ROYALTIES	\$ -	\$ -	\$ 24,127	\$ 73,596

** This tax was known as Occupational Privilege Tax (OPT) prior to 2005 and the Emergency and Municipal Services Tax prior to 2008.

INTERGOVERNMENTAL REVENUES

GOVERNMENTAL FUNDS

FEDERAL

Special Revenue
(Including State

	General Fund	Liquid Fuels)	Capital Projects	Debt Service
351.03 Highways and Streets	-	-	-	-
351.09 Community Development	-	-	-	-
351.00 All Other Federal Capital and Operating Grants	-	-	-	-
352.01 National Forest	-	-	-	-
352.00 All Other Federal Shared Revenue & Entitlements	-	-	-	-
353.00 Federal Payments in Lieu of Taxes	-	-	-	-
TOTAL FEDERAL	\$ -	\$ -	\$ -	\$ -

STATE

354.03 Highways and Streets	292	-	-	-
354.09 Community Development	-	-	-	-
354.15 Recycling/Act 101	-	-	-	-
354.00 All Other State Capital and Operating Grants	-	-	-	-
355.01 Public Utility Realty Tax (PURTA)	171	-	-	-
355.02-355.03 Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnbac	-	109,487	-	-
355.04 Alcoholic Beverage Licenses	-	-	-	-
355.05 General Municipal Pension System State Aid	4,142	-	-	-
355.07 Foreign Fire Insurance Tax Distribution	6,634	-	-	-
355.08 Local Share Assessment/Gaming Proceeds	34,570	-	-	-
355.09 Marcellus Shale Impact Fee Distribution	554,222	-	-	-
355.00 All Other State Shared Revenue & Entitlements	-	-	-	-
356.00 State Payments in Lieu of Taxes	-	-	-	-
TOTAL STATE	\$ 600,031	\$ 109,487	\$ -	\$ -

LOCAL GOVERNMENT UNITS

357.03 Highways and Streets	-	-	-	-
357.00 All Other Local Governmental Units Capital and Operating Grants	47,950	-	-	-
358.00 Local Government Unit Shared Payments for Contracted Intergovernmental Services	-	-	-	-
359.00 Local Government Units, Authorities Payments and Payments in Lieu of Taxes	5	-	-	-
TOTAL LOCAL GOVERNMENT UNITS	\$ 47,955	\$ -	\$ -	\$ -

INTERGOVERNMENTAL REVENUES	PROPRIETARY FUNDS		FIDUCIARY FUND	TOTAL
	Enterprise	Internal Service	Trust and Agency	Memorandum Only
FEDERAL				
351.03 Highways and Streets	-	-	-	-
351.09 Community Development	-	-	-	-
351.00 All Other Federal Capital and Operating Grants	-	-	-	-
352.01 National Forest	-	-	-	-
352.00 All Other Federal Shared Revenue & Entitlements	-	-	-	-
353.00 Federal Payments in Lieu of Taxes	-	-	-	-
TOTAL FEDERAL	\$ -	\$ -	\$ -	\$ -

STATE				
354.03 Highways and Streets	-	-	-	292
354.09 Community Development	-	-	-	-
354.15 Recycling/Act 101	-	-	-	-
354.00 All Other State Capital and Operating Grants	-	-	-	-
355.01 Public Utility Realty Tax (PURTA)	-	-	-	171
355.02-355.03 Motor Vehicle Fuel Tax	-	-	-	109,487
(Liquid Fuels Tax) and State Road Turnback	-	-	-	-
355.04 Alcoholic Beverage Licenses	-	-	-	-
355.05 General Municipal Pension System State Aid	-	-	-	4,142
355.07 Foreign Fire Insurance Tax Distribution	-	-	-	6,634
355.08 Local Share Assessment/Gaming Proceeds	-	-	-	34,570
355.09 Marcellus Shale Impact Fee Distribution	-	-	-	554,222
355.00 All Other State Shared Revenue & Entitlements	-	-	-	-
356.00 State Payments in Lieu of Taxes	-	-	-	-
TOTAL STATE	\$ -	\$ -	\$ -	\$ 709,518

LOCAL GOVERNMENT UNITS				
357.03 Highways and Streets	-	-	-	-
357.00 All Other Local Governmental Units Capital and Operating Grants	-	-	-	47,950
358.00 Local Government Unit Shared Payments for Contracted Intergovernmental Services	-	-	-	-
359.00 Local Government Units, Authorities Payments and Payments in Lieu of Taxes	-	-	-	5
TOTAL LOCAL GOVERNMENT UNITS	\$ -	\$ -	\$ -	\$ 47,955

TOTAL INTERGOVERNMENTAL REVENUES				\$ 757,473
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REVENUES		GOVERNMENTAL FUNDS			
CHARGES FOR SERVICE		Special Revenue (Including State Liquid Fuels)			
		General Fund	Capital Projects	Debt Service	
361.00	General Government	-	-	-	-
362.00	Public Safety	1,417	-	-	-
363.20	Parking	-	-	-	-
363.00	All Other Charges for Highway & Streets Services	4,300	-	-	-
364.10	Wastewater/Sewage Charges	-	-	-	-
364.30	Solid Waste Collection & Disposal Charge (trash)	-	-	-	-
364.60	Host Municipality Benefit Fee for Solid Waste Facility	-	-	-	-
364.00	All Other Charges for Sanitation Services	-	-	-	-
365.00	Health	-	-	-	-
366.00	Human Services	-	-	-	-
367.00	Culture and Recreation	-	-	-	-
368.00	Airports	-	-	-	-
369.00	Bars	-	-	-	-
370.00	Cemeteries	-	-	-	-
372.00	Electric System	-	-	-	-
373.00	Gas System	-	-	-	-
374.00	Housing System	-	-	-	-
375.00	Markets	-	-	-	-
377.00	Transit Systems	-	-	-	-
378.00	Water System	-	-	-	-
378.00	All Other Charges for Service	-	-	-	-
TOTAL CHARGES FOR SERVICE		\$ 5,717	\$ -	\$ -	\$ -

UNCLASSIFIED OPERATING REVENUES					
383.00	Assessments	-	-	-	-
386.00	Escheats (sale of personal property)	-	-	-	-
387.00	Contributions & Donations from Private Sectors	-	-	-	-
388.00	Fiduciary Fund Pension Contributions	-	-	-	-
389.00	All Other Unclassified Operating Revenues***	-	-	-	-
TOTAL UNCLASSIFIED OPERATING REVENUES		\$ -	\$ -	\$ -	\$ -

OTHER FINANCING SOURCES					
391.00	Proceeds of General Fixed Asset Disposition	-	-	-	-
392.00	Interfund Operating Transfers**	-	-	-	-
393.00	Proceeds of General Long-Term Debt	-	-	-	-
394.00	Proceeds if Short-Term Debt	-	-	-	-
395.00	Refunds of Prior Year Expenditures	1,532	-	-	-
TOTAL OTHER FINANCING SOURCES		\$ 1,532	\$ -	\$ -	\$ -

TOTAL REVENUES		\$ 918,154	\$ 112,830	\$ -	\$ -
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** The total of line 392.00 must match the total of line 492.00

*** This amount cannot be greater than 1% of the total revenue within the same fund

REVENUES	PROPRIETARY FUNDS		FIDUCIARY FUND	TOTAL
	Enterprise	Internal Service	Trust and Agency	Memorandum Only
CHARGES FOR SERVICE				
361.00 General Government	-	-	-	-
362.00 Public Safety	-	-	-	1,417
363.20 Parking	-	-	-	-
363.00 All Other Charges for Highway & Streets Services	-	-	-	4,300
364.10 Wastewater/Sewage Charges	-	-	-	-
364.30 Solid Waste Collection & Disposal Charge (trash)	-	-	-	-
364.60 Host Municipality Benefit Fee for Solid Waste Facility	-	-	-	-
364.00 All Other Charges for Sanitation Services	-	-	-	-
365.00 Health	-	-	-	-
366.00 Human Services	-	-	-	-
367.00 Culture and Recreation	-	-	-	-
368.00 Airports	-	-	-	-
369.00 Bars	-	-	-	-
370.00 Cemeteries	-	-	-	-
372.00 Electric System	-	-	-	-
373.00 Gas System	-	-	-	-
374.00 Housing System	-	-	-	-
375.00 Markets	-	-	-	-
377.00 Transit Systems	-	-	-	-
378.00 Water System	-	-	-	-
378.00 All Other Charges for Service	-	-	-	-
TOTAL CHARGES FOR SERVICE	\$ -	\$ -	\$ -	\$ 5,717

UNCLASSIFIED OPERATING REVENUES				
383.00 Assessments	-	-	-	-
386.00 Escheats (sale of personal property)	-	-	-	-
387.00 Contributions & Donations from Private Sectors	-	-	-	-
388.00 Fiduciary Fund Pension Contributions	-	-	3,805	3,805
389.00 All Other Unclassified Operating Revenues***	-	-	-	-
TOTAL UNCLASSIFIED OPERATING REVENUES	\$ -	\$ -	\$ 3,805	\$ 3,805

OTHER FINANCING SOURCES				
391.00 Proceeds of General Fixed Asset Disposition	-	-	-	-
392.00 Interfund Operating Transfers**	-	-	-	-
393.00 Proceeds of General Long-Term Debt	-	-	-	-
394.00 Proceeds of Short-Term Debt	-	-	-	-
395.00 Refunds of Prior Year Expenditures	-	-	-	1,532
TOTAL LOCAL GOVERNMENT UNITS	\$ -	\$ -	\$ -	\$ 1,532

TOTAL REVENUES	\$ -	\$ -	\$ 27,932	\$ 1,058,916
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** The total of line 392.00 must match the total of line 492.00

*** This amount cannot be greater than 1% of the total revenue within the same fund

EXPENDITURES		GOVERNMENTAL FUNDS			
		Special Revenue (Including State Liquid Fuels)			
		General Fund	Capital Projects	Debt Service	
GENERAL GOVERNMENT					
400.00	Legislative (Governing) Body	5,400	-	-	-
401.00	Executive (Manager or Mayor)	-	-	-	-
402.00	Auditing Services/Financial Administration	11,300	-	-	-
403.00	Tax Collection	6,241	-	-	-
404.00	Solicitor/Legal Services	19,775	-	-	-
405.00	Secretary/Clerk	23,986	-	-	-
406.00	Other General Government Administration	29,668	-	-	-
407.00	IT-Networking Services-Data Processing	-	-	-	-
408.00	Engineering Services	24,325	-	-	-
409.00	General Government Buildings and Plant	15,284	-	-	-
TOTAL GENERAL GOVERNMENT		\$ 135,979	\$ -	\$ -	\$ -

PUBLIC SAFETY					
410.00	Police	-	-	-	-
411.00	Fire	82,794	-	-	-
412.00	Ambulance/Rescue	-	-	-	-
413.00	UCC and Code Enforcement	2,764	-	-	-
414.00	Planning and Zoning	3,939	-	-	-
415.00	Emergency Management & Communications	-	-	-	-
416.00	Militia and Armories	-	-	-	-
417.00	Examination of Licensed Occupations	-	-	-	-
418.00	Public Scales (weights and measures)	-	-	-	-
419.00	Other Public Safety	-	-	-	-
TOTAL PUBLIC SAFETY		\$ 89,497	\$ -	\$ -	\$ -

HEALTH AND HUMAN SERVICES					
420.00-425.00	Health and Human Services	\$ -	\$ -	\$ -	\$ -

PUBLIC WORKS - SANITATION					
426.00	Recycling Collection and Disposal	-	-	-	-
427.00	Solid Waste Collection and Disposal (trash)	2,165	-	-	-
428.00	Weed Control	-	-	-	-
429.00	Wastewater/Sewage Collection & Treatment	2,022	-	-	-
TOTAL PUBLIC WORKS - SANITATION		\$ 4,187	\$ -	\$ -	\$ -

EXPENDITURES	PROPRIETARY FUNDS		FIDUCIARY FUND	TOTAL
	Enterprise	Internal Service	Trust and Agency	Memorandum Only
GENERAL GOVERNMENT				
400.00 Legislative (Governing) Body	-	-	-	5,400
401.00 Executive (Manager or Mayor)	-	-	-	-
402.00 Auditing Services/Financial Administration	-	-	-	11,300
403.00 Tax Collection	-	-	-	6,241
404.00 Solicitor/Legal Services	-	-	-	19,775
405.00 Secretary/Clerk	-	-	-	23,986
406.00 Other General Government Administration	-	-	-	29,668
407.00 IT-Networking Services-Data Processing	-	-	-	-
408.00 Engineering Services	-	-	-	24,325
409.00 General Government Buildings and Plant	-	-	-	15,284
TOTAL GENERAL GOVERNMENT	\$ -	\$ -	\$ -	\$ 135,979

PUBLIC SAFETY				
410.00 Police	-	-	-	-
411.00 Fire	-	-	-	82,794
412.00 Ambulance/Rescue	-	-	-	-
413.00 UCC and Code Enforcement	-	-	-	2,764
414.00 Planning and Zoning	-	-	-	3,939
415.00 Emergency Management & Communications	-	-	-	-
416.00 Militia and Armories	-	-	-	-
417.00 Examination of Licensed Occupations	-	-	-	-
418.00 Public Scales (weights and measures)	-	-	-	-
419.00 Other Public Safety	-	-	-	-
TOTAL PUBLIC SAFETY	\$ -	\$ -	\$ -	\$ 89,497

HEALTH AND HUMAN SERVICES				
420.00-425.00 Health and Human Services	\$ -	\$ -	\$ -	\$ -

PUBLIC WORKS - SANITATION				
426.00 Recycling Collection and Disposal	-	-	-	-
427.00 Solid Waste Collection and Disposal (garbage)	-	-	-	2,165
428.00 Weed Control	-	-	-	-
429.00 Wastewater/Sewage Collection & Treatment	-	-	-	2,022
TOTAL PUBLIC WORKS - SANITATION	\$ -	\$ -	\$ -	\$ 4,187

EXPENDITURES		GOVERNMENTAL FUNDS			
		Special Revenue (Including State Liquid Fuels)			
		General Fund	Capital Projects	Debt Service	
PUBLIC WORKS - HIGHWAYS & STREETS					
430.00	General Services - Administration	141,452	-	-	-
431.00	Cleaning of Streets and Gutters	-	-	-	-
432.00	Winter Maintenance - Snow Removal	4,496	8,421	-	-
433.00	Traffic Control Devices	1,237	-	-	-
434.00	Street Lighting	-	-	-	-
435.00	Sidewalks and Crosswalks	-	-	-	-
436.00	Storm Sewers and Drains	-	-	-	-
437.00	Repairs of Tools and Machinery	58,651	-	-	-
438.00	Maintenance & Repairs of Roads & Bridges	68,278	103,358	-	-
439.00	Highway Construction and Rebuilding Projects	-	-	-	-
TOTAL PUBLIC WORKS - HIGHWAYS & STREETS		\$ 274,114	\$ 111,779	\$ -	\$ -

PUBLIC WORKS - OTHER SERVICES					
440.00	Airports	-	-	-	-
441.00	Cemeteries	-	-	-	-
442.00	Electric System	-	-	-	-
443.00	Gas System	-	-	-	-
444.00	Markets	-	-	-	-
445.00	Parking	-	-	-	-
446.00	Storm Water and Flood Control	-	-	-	-
447.00	Transit System	-	-	-	-
448.00	Water System	-	-	-	-
449.00	Water Transport and Terminals	-	-	-	-
TOTAL PUBLIC WORKS - OTHER SERVICES		\$ -	\$ -	\$ -	\$ -

CULTURE AND RECREATION					
451.00	Culture-Recreation Administration	-	-	-	-
452.00	Participant Recreation	-	-	-	-
453.00	Spectator Recreation	-	-	-	-
454.00	Parks	-	-	-	-
455.00	Shade Trees	-	-	-	-
456.00	Libraries	-	-	-	-
457.00	Civil and Military Celebrations	-	-	-	-
458.00	Senior Citizens' Centers	-	-	-	-
459.00	All Other Culture and Recreation	8,130	-	-	-
TOTAL CULTURE AND RECREATION		\$ 8,130	\$ -	\$ -	\$ -

COMMUNITY DEVELOPMENT					
461.00	Conservative of Natural Resources	-	-	-	-
462.00	Community Development and Housing	-	-	-	-
463.00	Economic Development	-	-	-	-
464.00	Economic Opportunity	-	-	-	-
465.00-469.00	All Other Community Development	-	-	-	-
TOTAL COMMUNITY AND DEVELOPMENT		\$ -	\$ -	\$ -	\$ -

EXPENDITURES	PROPRIETARY FUNDS		FIDUCIARY FUND	TOTAL
	Enterprise	Internal Service	Trust and Agency	Memorandum Only
PUBLIC WORKS - HIGHWAYS AND STREETS				
430.00 General Services - Administration	-	-	-	141,452
431.00 Cleaning of Streets and Gutters	-	-	-	-
432.00 Winter Maintenance - Snow Removal	-	-	-	12,917
433.00 Traffic Control Devices	-	-	-	1,237
434.00 Street Lighting	-	-	-	-
435.00 Sidewalks and Crosswalks	-	-	-	-
436.00 Storm Sewers and Drains	-	-	-	-
437.00 Repairs of Tools and Machinery	-	-	-	58,651
438.00 Maintenance & Repairs of Roads & Bridges	-	-	-	171,636
439.00 Highway Construction and Rebuilding Projects	-	-	-	-
TOTAL PUBLIC WORKS - HIGHWAYS & STREETS	\$ -	\$ -	\$ -	\$ 385,893

PUBLIC WORKS - OTHER SERVICES				
440.00 Airports	-	-	-	-
441.00 Cemeteries	-	-	-	-
442.00 Electric System	-	-	-	-
443.00 Gas System	-	-	-	-
444.00 Markets	-	-	-	-
445.00 Parking	-	-	-	-
446.00 Storm Water and Flood Control	-	-	-	-
447.00 Transit System	-	-	-	-
448.00 Water System	-	-	-	-
449.00 Water Transport and Terminals	-	-	-	-
TOTAL PUBLIC WORKS - OTHER SERVICES	\$ -	\$ -	\$ -	\$ -

CULTURE AND RECREATION				
451.00 Culture-Recreation Administration	-	-	-	-
452.00 Participant Recreation	-	-	-	-
453.00 Spectator Recreation	-	-	-	-
454.00 Parks	-	-	-	-
455.00 Shade Trees	-	-	-	-
456.00 Libraries	-	-	-	-
457.00 Civil and Military Celebrations	-	-	-	-
458.00 Senior Citizens' Centers	-	-	-	-
459.00 All Other Culture and Recreation	-	-	-	8,130
TOTAL CULTURE AND RECREATION	\$ -	\$ -	\$ -	\$ 8,130

COMMUNITY DEVELOPMENT				
461.00 Conservative of Natural Resources	-	-	-	-
462.00 Community Development and Housing	-	-	-	-
463.00 Economic Development	-	-	-	-
464.00 Economic Opportunity	-	-	-	-
465.00-469.00 All Other Community Development	-	-	-	-
TOTAL COMMUNITY AND DEVELOPMENT	\$ -	\$ -	\$ -	\$ -

EXPENDITURES		GOVERNMENTAL FUNDS			
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
DEBT SERVICE					
471.00	Debt Principal (short-term and long-term)	-	-	-	-
472.00	Debt Interest (short-term and long-term)	-	-	-	-
475.00	Fiscal Agent Fees	-	-	-	-
TOTAL DEBT SERVICE		-	-	-	-

EMPLOYER PAID BENEFITS & WITHHOLDING ITEMS		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	15,898	-	-	-
482.00	Judgments and Losses	-	-	-	-
483.00	Pension/Retirement Fund Contributions	6,911	-	-	-
484.00	Workers Compensation Insurance	20,814	-	-	-
487.00	Group Insurance and Other Benefits	31,172	-	-	-
EMPLOYER PAID BENEFITS & WITHHOLDING ITEMS		\$ 74,795	\$ -	\$ -	\$ -

INSURANCE		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
486.00	Insurance, Casualty, and Surety	\$ 9,754	\$ -	\$ -	\$ -

UNCLASSIFIED OPERATING EXPENDITURES		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
488.00	Fiduciary Fund Benefits and Refunds Paid	-	-	-	-
489.00	All Other Unclassified Expenditures***	-	-	-	-
TOTAL UNCLASSIFIED OPERATING EXPENDITURES		\$ -	\$ -	\$ -	\$ -

OTHER FINANCING USES		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
491.00	Refund of Prior Year Revenues	-	-	-	-
492.00	Interfund Operating Transfers**	-	-	-	-
493.00	All Other Financing Uses	-	-	-	-
TOTAL OTHER FINANCING USES		\$ -	\$ -	\$ -	\$ -

TOTAL EXPENDITURES		\$ 596,456	\$ 111,779	\$ -	\$ -
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES		\$ 321,698	\$ 1,051	\$ -	\$ -
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** The total of line 492.00 must match the total of line 392.00

*** This amount cannot be greater than 1% of the total expenditures within the same fund

EXPENDITURES	PROPRIETARY FUNDS		FIDUCIARY FUND	TOTAL
	Enterprise	Internal Service	Trust and Agency	Memorandum Only
DEBT SERVICE				
471.00 Debt Principal (short-term and long-term)	-	-	-	-
472.00 Debt Interest (short-term and long-term)	-	-	-	-
475.00 Fiscal Agent Fees	-	-	556	556
TOTAL DEBT SERVICE	\$ -	\$ -	\$ 556	\$ 556

EMPLOYER PAID BENEFITS & WITHHOLDING ITEMS				
481.00 Employer Paid Withholding Taxes and Unemployment Compensation	-	-	-	15,898
482.00 Judgments and Losses	-	-	-	-
483.00 Pension/Retirement Fund Contributions	-	-	-	6,911
484.00 Workers Compensation Insurance	-	-	-	20,814
487.00 Group Insurance and Other Benefits	-	-	-	31,172
EMPLOYER PAID BENEFITS & WITHHOLDING ITEMS	\$ -	\$ -	\$ -	\$ 74,795

INSURANCE				
486.00 Insurance, Casualty, and Surety	\$ -	\$ -	\$ -	\$ 9,754

UNCLASSIFIED OPERATING EXPENDITURES				
488.00 Fiduciary Fund Benefits and Refunds Paid	-	-	2,371	2,371
489.00 All Other Unclassified Expenditures***	-	-	-	-
TOTAL UNCLASSIFIED OPERATING EXPENDITURES	\$ -	\$ -	\$ 2,371	\$ 2,371

OTHER FINANCING USES				
491.00 Refund of Prior Year Revenues	-	-	-	-
492.00 Interfund Operating Transfers**	-	-	-	-
493.00 All Other Financing Uses	-	-	-	-
TOTAL OTHER FINANCING USES	\$ -	\$ -	\$ -	\$ -

TOTAL EXPENDITURES	\$ -	\$ -	\$ 2,927	\$ 711,162
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	-	-	25,005	347,754
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** The total of line 492.00 must match the total of line 392.00

*** This amount cannot be greater than 1% if the total expenditures within the same fund

STATEMENT OF CAPITAL EXPENDITURES

Category:	Capital Purchases	Capital Construction	Total
Electric			-
Fire			-
Gas System			-
General Government			-
Health			-
Housing			-
Libraries			-
Mass Transit			-
Parks			-
Police			-
Sewer			-
Solid Waste			-
Streets/Highways	30,316		30,316
Water			-
Other (Please Specify)			-
			-
			-
			-
			-
			-
			-
			-
			-
			-
			-
TOTAL CAPITAL EXPENDITURES*			\$ 30,316

** Capital expenditures are generally considered to be those which result in additions to the value of fixed assets (land, buildings and other structures, machinery and equipment).*

EMPLOYEE COMPENSATION

Total salaries, wages, commissions, etc. paid this year (including all employees and elected officials)** \$ 171,240

Use income from box 16 of the W-3 statement

**HOPEWELL TOWNSHIP
NOTES TO THE COMMONWEALTH OF PENNSYLVANIA
ANNUAL AUDIT AND FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2019**

NOTE 1 – Summary of Significant Accounting Policies

The financial statements of Hopewell Township are prepared using the regulatory basis of accounting. This basis of accounting recognizes revenue and related assets when received rather than when earned, and expenses are recognized when the obligation is paid. The regulatory basis of accounting does not recognize the recording of amounts owed to and by the Township, property, plant and equipment, deferred expense and revenues, and depreciation.

The regulatory basis of accounting used is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as applied to government units.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has issued Statement #34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. However, the Township has elected not to adopt GASB Statement #34. Adopting GASB #34 would require the Township to; a) present the financial statements on an accrual basis of accounting rather than the cash basis of accounting, b) capitalize the Township's fixed assets, including infrastructure acquired subsequent to 2003, and c) prepare and present a Management's Discussion and Analysis.

The more significant of the government's accounting policies are described below.

A. Financial Reporting Entity

Hopewell Township is a Second Class Township incorporated under the laws of the Commonwealth of Pennsylvania and Washington County. The Township is governed by a three-member Board of Supervisors elected by the residents of Hopewell Township. The board is organized with a chairman and vice-chairman selected at the annual meeting in January of each year.

The Township provides such services as are authorized by its charter to advance the welfare, comfort, safety, and convenience of the Township and its inhabitants.

The financial reporting entity includes organizations, functions and activities over which elected officials exercise oversight responsibility. Oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

There are no component units as defined in the Governmental Accounting Standards Board (GASB) Statement No. 14 which are included in the Township's reporting entity. Furthermore, the Township is not includable as a component unit in any other primary government.

**HOPEWELL TOWNSHIP
NOTES TO THE COMMONWEALTH OF PENNSYLVANIA
ANNUAL AUDIT AND FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2019**

NOTE 1 – Summary of Significant Accounting Policies (continued)

B. Fund Accounting

The accounts of the Township are organized on a basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into two generic fund types and categories as follows:

GOVERNMENTAL FUNDS

General Fund – The General Fund is the operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – The Special Revenue Funds are used to account for revenues derived from special sources. Such revenues are restricted for specified purposes. The Special Revenue Funds presented in the Commonwealth of Pennsylvania Annual Audit and Financial Report are made up of the following self-balancing funds maintained by the Township:

- A) State Highway Aid Fund

FIDUCIARY FUNDS

Pension Fund – The Pension Fund is used to account for assets held by the Township in a trustee capacity for the employees of the Township.

ACCOUNT GROUPS

General Long-Term Debt Account Group – The Township's Long-Term Debt is presented in the Annual Audit and Financial Report under the General Long-Term Debt Account Group.

**HOPEWELL TOWNSHIP
NOTES TO THE COMMONWEALTH OF PENNSYLVANIA
ANNUAL AUDIT AND FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2019**

NOTE 1 – Summary of Significant Accounting Policies (continued)

C. Budget and Budgetary Accounting

Formal budgetary integration is employed as a management control device for all governmental fund types as a group.

During the year no amendments were made to the budgetary information contained in the accompanying financial statements.

A formal budget was adopted for the General Fund (including the Municipal Impact Fee Account) and the individual Special Revenue Fund (State Liquid Fuels Fund).

General Fund budgeted revenues and other financing sources exceeded actual revenues and other financing sources by \$99,672 for 2019. General Fund budgeted expenditures and other financing uses exceeded actual expenditures and other financing uses by \$161,602 for 2019.

State Liquid Fuels Fund actual revenues exceeded budgeted revenues by \$4,703 for 2019. State Liquid Fuels Fund actual expenditures exceeded budgeted expenditures by \$27,793 for 2019.

D. Subsequent Events

In accordance with Accounting Standards Codification (ASC) 855-10, *Subsequent Events*, the Township has evaluated subsequent events through August 10, 2020, the date financial statements were available to be issued.

NOTE 2 – Cash Deposits

Hopewell Township considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

At December 31, 2019, the carrying amount of the Township's deposits was \$2,852,603. The bank balance was \$2,875,610. The Township maintains checking and money market accounts with Washington Financial.

Deposits with financial institutions are insured by FDIC insurance for the first \$250,000 of deposits. Therefore, total FDIC insurance was \$250,000 at December 31, 2019. Amounts above FDIC insurance limits are collateralized with securities held in the Township's name at each financial institution.

**HOPEWELL TOWNSHIP
NOTES TO THE COMMONWEALTH OF PENNSYLVANIA
ANNUAL AUDIT AND FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2019**

NOTE 3 – Property Taxes

The Township's property tax is levied each March 15 on the assessed value of all real property located in the Township. The assessed value of the roll for 2019 was \$81,534,640. The Township's tax rate for 2019 was .579972 mills for a total levy of \$47,288 and was payable as follows:

- At discount of 2% until May 15, 2019
- At face until July 15, 2019
- At penalty of 10% after July 15, 2019
- Unpaid property taxes for 2019 were liened on January 15, 2020

NOTE 4 – Township's Pension Plan

The Hopewell Township Pension Plan is a single-employer defined contribution pension plan. The Plan is governed by the provisions of Act 205 of 1984. The Board of Supervisors has delegated the authority to manage certain plan assets to the Pennsylvania Municipal Retirement System (PMRS).

The Township's Pension Plan is funded by State Pension Aid and covers substantially all full-time employees. At the time of the audit report the PMRS issued pension report for 2019 was not available. All information related to the Township's Pension Plan with PMRS presents 2018 activity and December 31, 2018 year end balances due to 2019 activity not being available.

As of December 31, 2018, the following individual investments constituted more than 5% of the plan's net assets:

Investments at fair value with PMRS	<u>\$169,864</u>
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The fair value of investments from PMRS are shown as December 31, 2018 because 2019 balances are not available.

NOTE 5 – Fair Value of Financial Statements

At December 31, 2019, the Township's financial instruments included cash and cash equivalents. At December 31, 2019, fair value of cash and cash equivalents approximated carrying values because of short-term nature of these instruments. The estimated fair values of long-term borrowings subject to fair value disclosures approximates carrying value, because of the nature of the borrowings there is no market for them.

NOTE 6 – Gaming Fund Revenue

The Township received \$34,570 in gaming revenue during the year ended December 31, 2019. The proceeds from this revenue are designated by the Board of Supervisors for capital construction and capital purchases.

**HOPEWELL TOWNSHIP
NOTES TO THE COMMONWEALTH OF PENNSYLVANIA
ANNUAL AUDIT AND FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2019**

NOTE 7 – Municipality Act 13 Impact Fee Distribution

The Township received \$554,222 in Municipality Act 13 Impact fee revenue during the year ended December 31, 2019. Proceeds from this revenue were set aside for future capital improvements.

NOTE 8 – Other Required Individual Fund Disclosures

Generally accepted accounting principles require disclosures to include an overview of certain information concerning individual funds including:

- A. Summary disclosures of changes in general long-term debt. This requirement is met by Note 4.
- B. Deficit fund balances of individual funds. There are no deficit fund balances of any individual funds as of December 31, 2019.
- C. Individual Fund interfund receivable (Due From) and payable (Due To) balances. There are no individual fund interfund receivables or payables as of December 31, 2019.

NOTE 9 – Contingent Liabilities

Hopewell Township participates in grant programs sponsored by other governments. The programs are subject to program audits by the grantor agencies or their representatives. The audits of some of these programs for and including the year ended December 31, 2019 have not yet been conducted. Accordingly, the Township's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. However, the Township expects such amounts to be immaterial.

NOTE 10 – Risk Management and Litigation

The Township is exposed to various risks of losses related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township manages risk through the General Fund with the purchase of commercial insurance coverage.

The Township is not involved in any pending litigation. The potential liability to the Township related to legal matters cannot be determined due to the uncertainty of each and any case and the potential for insurance coverage.