

**2020 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, 2020 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 9, 2021
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Emphasis of Matter Regarding the Fiduciary Funds Assets and Activity

As described in Note 4 to the financial statements, Hopewell Township has a single-employer defined contribution pension plan for all employees. The plan participates in the Pennsylvania Municipal Retirement System (PMRS), which is an agent multi-employee public employee retirement system. PMRS has notified all of the plan sponsors that the pension plan information including the activity for the year ended December 31, 2020 and 2019 and the fund assets at December 31, 2020 and 2019 are not yet available. The date when this information will be provided is unknown. Therefore, the statements of fiduciary net assets and changes in fiduciary net assets reflect information as of and for the year ended December 31, 2018.

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, 2020, 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 9, 2021



BALANCE SHEET

DCED-CLGS-30 (09-09)

HOPEWELL TWP, WASHINGTON County
BALANCE SHEET
 December 31, 2020

	Governmental Funds						Proprietary Funds			Account Groups		Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Fid. Fund	General Fixed Assets	General Long Term Debt		
Assets and Other Debits												
100-120 Cash and Investments	2,633,211	73,258					169,864					2,876,333
140-144 Tax Receivable												
121-129, 145-149 Accounts Receivable (excluding taxes)												
130.00 Due From Other Funds												
131-139, 150-159 Other Current Assets												
160-169 Fixed Assets								766,898				766,898
180-189 Other Debits												
Total Assets and Other Debits	2,633,211	73,258					169,864	766,898				3,643,231

Liabilities and Other Credits						
210-229 Payroll Taxes and Other Payroll Withholdings	3,147					3,147
200-209, 231-239 All Other Current Liabilities	10,324					10,324
230.00 Due To Other Funds						

BALANCE SHEET

December 31, 2020

	Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service		General Fixed Assets	General Long Term Debt	
Liabilities and Other Credits										
260-269 Long-Term-Liabilities										
240-259 Current Portion of Long-Term Debt and Other Credits										
Total Liabilities and Other Credits	13,471									13,471
Fund and Account Group Equity										
281-284 Contributed Capital								766,898		766,898
290.00 Investment in General Fixed Assets										
270-289 Fund Balance / Retained Earnings on 12/31	2,619,740	73,258					169,864			2,862,862
291-299 Other Equity										
Total Fund and Account Group Equity	2,619,740	73,258					169,864	766,898		3,629,760

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY	3,643,231
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HOPEWELL TWP, WASHINGTON County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

REVENUES

	Governmental Funds					Proprietary Funds		Fiduciary Fund	Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service			
Taxes									
301.00	Real Estate Taxes	40,419							40,419
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	2,147							2,147
310.10	Real Estate Transfer Taxes	23,084							23,084
310.20	Earned Income Taxes / Wage Taxes	113,316							113,316
310.30	Business Gross Receipts Taxes								
310.40	Occupation Taxes (levied under Act 511)								
310.50	Local Services Tax **	3,209							3,209
310.60	Amusement / Admission Taxes								
310.70	Mechanical Device Taxes								
	Other: _____								
	Total Taxes	182,175							182,175

Licenses and Permits									
320-322	All Other Licenses and Permits	4,340							4,340
321.80	Cable Television Franchise Fees								
	Total Licenses and Permits	4,340							4,340

Fines and Forfeits									
330-332	Fines and Forfeits	2,071							2,071
	Total Fines and Forfeits	2,071							2,071

HOPEWELL TWP, WASHINGTON County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

Governmental Funds						Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Interest, Rents and Royalties							
341.00	Interest Earnings	15,935	923				16,858
342.00	Rents and Royalties	2,669					2,669
	Total Interest, Rents and Royalties	18,604	923				19,527

Federal

351.03	Highways and Streets						
351.09	Community Development						
352.01	National Forest						
353.00	Federal Payments in Lieu of Taxes						
	Total Federal						

State

354.03	Highways and Streets	26,619					26,619
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)	197					197
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		106,530				106,530
355.04	Alcoholic Beverage Licenses						
355.05	General Municipal Pension System State Aid	6,728					6,728
355.07	Foreign Fire Insurance Tax Distribution	6,611					6,611
355.08	Local Share Assessment/Gaming Proceeds	38,004					38,004
355.09	Marcellus Shale Impact Fee Distribution	458,376					458,376

HOPEWELL TWP, WASHINGTON County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

	Governmental Funds					Fiduciary Fund	Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise		

REVENUES

State							
355.00	All Other State Shared Revenues and Entitlements						
356.00	State Payments in Lieu of Taxes						
	Total State	536,535	106,530				643,065

Local Government Units

357.03	Highways and Streets						
357.00	All Other Local Governmental Units Capital and Operating Grants	47,950					47,950
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services						
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes						
	Total Local Government Units	47,950					47,950

Charges for Service

361.00	General Government						
362.00	Public Safety	1,154					1,154
363.20	Parking						
363.00	All Other Charges for Highway & Street Services	4,985					4,985
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)						
364.30	Solid Waste Collection and Disposal Charge (trash)						
364.60	Host Municipality Benefit Fee for Solid Waste Facility						
364.00	All Other Charges for Sanitation Services						
365.00	Health						
365.00	Human Services						
367.00	Culture and Recreation						

HOPEWELL TWP, WASHINGTON County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

General Fund	Governmental Funds					Fiduciary Fund	Total
	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service		
6,139							6,139

REVENUES

Charges for Service	
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
	Total Charges for Service

Unclassified Operating Revenues	
383.00	Special Assessments
386.00	Escheats (sale of personal property)
387.00	Contributions and 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 of Short Term-Debt

HOPEWELL TWP, WASHINGTON County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2020

General Fund	Governmental Funds			Proprietary Funds		Fiduciary Fund	Total
	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service		

REVENUES

Other Financing Sources							
395.00	Refunds of Prior Year Expenditures						
	Total Other Financing Sources						

TOTAL REVENUES	798,216	107,453					905,669
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EXPENDITURES

General Government							
400.00	Legislative (Governing) Body	6,978					6,978
401.00	Executive (Manager or Mayor)						
402.00	Auditing Services / Financial Administration	6,900					6,900
403.00	Tax Collection	6,272					6,272
404.00	Solicitor / Legal Services	28,873					28,873
405.00	Secretary / Clerk	32,722					32,722
406.00	Other General Government Administration	28,752					28,752
407.00	IT-Networking Services-Data Processing						
408.00	Engineering Services	74,808					74,808
409.00	General Government Buildings and Plant	14,995					14,995
	Total General Government	200,300					200,300

Public Safety							
410.00	Police						
411.00	Fire	118,663					118,663
413.00	UCC and Code Enforcement	4,919					4,919

HOPEWELL TWP, WASHINGTON County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2020

	Governmental Funds					Fiduciary Fund	Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise		
	6,498						6,498
	5,557						5,557
	135,637						135,637

EXPENDITURES

Public Safety	
414.00	Planning and Zoning
415.00	Emergency Management and 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

Health and Human Services	
420.00-	Health and Human Services
425.00	
	Total Health and Human Services

Public Works - Sanitation	
426.00	Recycling Collection and Disposal
427.00	Solid Waste Collection and Disposal (garbage)
428.00	Weed Control
429.00	Wastewater / Sewage Treatment and Collection
	Total Public Works - Sanitation

Public Works - Highways and Streets	
430.00	General Services - Administration
432.00	Winter Maintenance Snow Removal
433.00	Traffic Control Devices

HOPEWELL TWP, WASHINGTON County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

	Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service		
	5,286							5,286
	181,130							181,130
	168,920	136,973						305,893
Total Public Works - Highways and Streets	491,771	141,881						633,652

EXPENDITURES

Public Works - Highways and Streets	
435.00	Sidewalks and Crosswalks
436.00	Storm Sewers and Drains
437.00	Repairs of Tools and Machinery
438.00	Maintenance and Repairs of Roads and Bridges
439.00	Highway Construction and Rebuilding Projects
	Total Public Works - Highways and Streets
Other Public Works Enterprises	
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
	Total Other Public Works Enterprises

Culture and Recreation	
451.00	Culture-Recreation Administration
452.00	Participant Recreation
454.00	Parks

	Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Culture and Recreation								
455.00	Shade Trees							
456.00	Libraries	1,000						1,000
457.00	Civil and Military Celebrations							
458.00	Senior Citizens' Centers							
	Total Culture and Recreation	1,000						1,000

Community Development								
461.00	Conservation of Natural Resources							
462.00	Community Development and Housing							
463.00	Economic Development							
	Total Community Development							

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 and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	13,526						13,526
482.00	Judgments and Losses							
483.00	Pension / Retirement Fund Contributions	6,290						6,290

HOPEWELL TWP, WASHINGTON County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

Governmental Funds					Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only	

EXPENDITURES

Employer Paid Benefits and Withholding Items	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only	Total
484.00 Worker Compensation Insurance	8,477							8,477	
487.00 Other Group Insurance Benefits	34,196							34,196	
Total Employer Paid Benefits and Withholding Items	62,489							62,489	

Insurance	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only	Total
486.00 Insurance, Casualty, and Surety	17,853							17,853	
Total Insurance	17,853							17,853	

Unclassified Operating Expenditures	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only	Total
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	Enterprise	Internal Service	Trust and Agency	Memorandum Only	Total
491.00 Refund of Prior Year Revenues									
492.00 Interfund Operating Transfers									
Total Other Financing Uses									

TOTAL EXPENDITURES	913,100	141,881						1,054,981	
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	-114,884	-34,428						-149,312	
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DEBT STATEMENT

OUTSTANDING BONDS AND NOTES

Listed below are all currently outstanding bond and note issues according to our files, excluding bond issues redeemed or refunded and defeased. Please show the principal payments and make any other necessary corrections and additions.

Purpose	Bond (B) Capital Lease (C) Lease Rental (L) Note (N)	Issue Year (yyyy)	Maturity Year (yyyy)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End (1)	Plus (less) Unamortized Premium (Discount)	Total Balance
General Obligation Bonds and Notes											
Revenue Bonds and Notes											
Lease Rental Debt											
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding

Capitalized lease obligations

Net debt

0

0

0

HOPEWELL TWP, WASHINGTON County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2020

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government			
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police			
Recreation			
Sewer			
Solid Waste			
Streets / Highways	162,909		162,909
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	162,909		162,909

EMPLOYEE COMPENSATION

Total salaries, wages, commissions, etc. paid this year (including all employees and elected officials)

164,107

**HOPEWELL TOWNSHIP
NOTES TO THE COMMONWEALTH OF PENNSYLVANIA
ANNUAL AUDIT AND FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2020**

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, 2020

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, 2020

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 were less than actual revenues and other financing sources by \$72,121 for 2020. General Fund actual expenditures and other financing uses exceeded actual expenditures and other financing uses by \$292,112 for 2020.

State Liquid Fuels Fund actual revenues exceeded budgeted revenues by \$23 for 2020. State Liquid Fuels Fund actual expenditures exceeded budgeted expenditures by \$36,881 for 2020.

D. Subsequent Events

In accordance with Accounting Standards Codification (ASC) 855-10, *Subsequent Events*, the Township has evaluated subsequent events through August 9, 2021, 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 \$2,706,469. The bank balance was \$2,709,378. 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, 2020. 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, 2020**

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 2020 was \$82,132,800. The Township's tax rate for 2020 was .579972 mills for a total levy of \$47,635 and was payable as follows:

- At discount of 2% until May 15, 2020
- At face until July 15, 2020
- At penalty of 10% after July 15, 2020
- Unpaid property taxes for 2020 were liened on January 15, 2021

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 and 2020 balances are not available.

NOTE 5 – Fair Value of Financial Statements

At December 31, 2020, the Township's financial instruments included cash and cash equivalents. At December 31, 2020, 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 \$38,004 in gaming revenue during the year ended December 31, 2020. 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, 2020**

NOTE 7 – Municipality Act 13 Impact Fee Distribution

The Township received \$458,376 in Municipality Act 13 Impact fee revenue during the year ended December 31, 2020. 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, 2020.
- 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, 2020.

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, 2020 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.

NOTE 11 – Subsequent Events

During 2020 and 2021, the Township was impacted by the worldwide coronavirus pandemic (COVID-19). The Township is monitoring its operations, liquidity, and capital resources as it assesses the magnitude of COVID-19 and minimize the effects on its operations. During 2021, the Township received notice in June 2021 that it is eligible for up to \$97,761 of COVID-19 relief funding through the American Rescue Plan Act of 2021.