

Received by DCED:  
Approved by DCED:

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**COPY**

**2022 MUNICIPAL ANNUAL AUDIT  
AND  
FINANCIAL REPORT**

**630965 HOPEWELL TWP, WASHINGTON COUNTY**



To the Board of Supervisors  
Hopewell Township  
Washington County, PA

## INDEPENDENT AUDITOR'S REPORT

### Opinion

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, 2022 and the related statements of revenues and expenditures, debt, and capital expenditures for the year then ended.

In our opinion, Form DCED-CLGS-30 referred to above present fairly, in all material respects, the cash and unencumbered cash balances of Hopewell Township as of December 31, 2022, 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.

### Basis for Opinion

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

### Emphasis of Matter—Basis of Accounting

Form DCED-CLGS-30 is prepared on the regulatory basis of accounting in accordance with 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. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified with respect to that matter.

### Emphasis of Matter Regarding the Fiduciary Funds Assets and Activity

As described in Note 4 of Form DCED-CLGS-30, Hopewell Township maintains a single-employer defined contribution pension plan for all participating full-time employees. The plan participates in the Pennsylvania Municipal Retirement System (PMRS), which is an agent multiple-employee public employee retirement system. During the years ended December 31, 2020 and 2021, PMRS has notified all of the plan sponsors that the pension plan information was delayed two years. During the year ended December 31, 2022, PMRS was able to provide the pension plan information for the years ended December 31, 2020 and 2021. Therefore, the statement of fiduciary net assets reflects the balance as of December 31, 2021. The statement of changes in fiduciary net assets presents the activity for the two-year period ended December 31, 2021.

## Responsibilities of Management for Form DCED-CLGS-30

Management is responsible for the preparation and fair presentation of Form DCED-CLGS-30 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 that is free from material misstatement, whether due to error or fraud.

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

Our 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 our opinion. 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, we:

- 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 Hopewell Township'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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hopewell Township's ability to continue as a going concern for a reasonable period of time.

We are 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 we identified during the audit.

## Restriction on Use

This report is intended solely for the information and use of management, the Township's 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, Pennsylvania

August 14, 2023



HOPEWELL TWP, WASHINGTON County  
**BALANCE SHEET**  
 December 31, 2022

	Governmental Funds						Proprietary Funds			Fid. Fund		Account Groups		Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only				
<b>Assets and Other Debits</b>														
100-120	3,035,922	197,289					297,057							3,530,268
140-144														
121-129, 145-149														
130.00														
131-139, 150-159														
160-169									874,863					874,863
180-189														
<b>Total Assets and Other Debits</b>	<b>3,035,922</b>	<b>197,289</b>					<b>297,057</b>		<b>874,863</b>					<b>4,405,131</b>

<b>Liabilities and Other Credits</b>														
210-229	4,699													4,699
200-209, 231-239	18,574													18,574
230.00														

HOPEWELL TWP, WASHINGTON County  
**BALANCE SHEET**  
 December 31, 2022

	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	
<b>Liabilities and Other Credits</b>										
260-269 Long-Term-Liabilities										
240-259 Current Portion of Long-Term Debt and Other Credits										
<b>Total Liabilities and Other Credits</b>	23,273									23,273

<b>Fund and Account Group Equity</b>										
281-284	Contributed Capital									
290.00	Investment in General Fixed Assets									
270-289	Fund Balance / Retained Earnings on 12/31	3,012,649	197,289			297,057	874,863			4,381,858
291-299	Other Equity									
<b>Total Fund and Account Group Equity</b>		3,012,649	197,289			297,057	874,863			4,381,858

<b>TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY</b>									4,405,131
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**HOPEWELL TWP, WASHINGTON County**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
 December 31, 2022

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

**REVENUES**

Taxes								
301.00	Real Estate Taxes	44,255						44,255
305.00	Occupation Taxes (levied under municipal code)							
308.00	Residence Taxes (levied by cities of the 3rd Class)							
310.00	Per Capita Taxes	2,124						2,124
310.10	Real Estate Transfer Taxes	30,512						30,512
310.20	Earned Income Taxes / Wage Taxes	125,154						125,154
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	2,793						2,793
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
	<b>Total Taxes</b>	<b>204,838</b>						<b>204,838</b>

Licenses and Permits								
320-322	All Other Licenses and Permits	2,750						2,750
321.80	Cable Television Franchise Fees							
	<b>Total Licenses and Permits</b>	<b>2,750</b>						<b>2,750</b>

Fines and Forfeits								
330-332	Fines and Forfeits	2,352						2,352
	<b>Total Fines and Forfeits</b>	<b>2,352</b>						<b>2,352</b>

HOPEWELL TWP, WASHINGTON COUNTY  
**STATEMENT OF REVENUES AND EXPENDITURES**  
 December 31, 2022

General Fund	Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service			
45,450	2,801					63,753	112,004	
12,585							12,585	
58,035	2,801					63,753	124,589	

**REVENUES**

Interest, Rents and Royalties	
341.00	Interest Earnings
342.00	Rents and Royalties
	<b>Total Interest, Rents and Royalties</b>
Federal	
351.03	Highways and Streets
351.09	Community Development
351.00	All Other Federal Capital and Operating Grants
352.01	National Forest
353.00	Federal Payments in Lieu of Taxes
	<b>Total Federal</b>

State	
354.03	Highways and Streets
354.09	Community Development
355.01	Public Utility Realty Tax (PURTA)
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback
355.04	Alcoholic Beverage Licenses
355.05	General Municipal Pension System State Aid
355.07	Foreign Fire Insurance Tax Distribution
355.08	Local Share Assessment/Gaming Proceeds
355.09	Marcellus Shale Impact Fee Distribution

HOPEWELL TWP, WASHINGTON COUNTY  
**STATEMENT OF REVENUES AND EXPENDITURES**  
 December 31, 2022

**REVENUES**

		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
<b>State</b>									
356.00	State Payments in Lieu of Taxes								
355.00	All Other State Shared Revenues and Entitlements	12,921							12,921
	<b>Total State</b>	583,051	97,273						680,324

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

<b>Charges for Service</b>									
361.00	General Government								
362.00	Public Safety	8,570							8,570
363.20	Parking								
363.00	All Other Charges for Highway & Street Services	6,577							6,577
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)								
364.30	Solid Waste Collection and Disposal Charge (trash)								
365.00	Health								
366.00	Human Services								
367.00	Culture and Recreation								



HOPEWELL TWP, WASHINGTON County  
**STATEMENT OF REVENUES AND EXPENDITURES**  
 December 31, 2022

	Governmental Funds					Proprietary Funds		Fiduciary Fund	Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service			
<b>REVENUES</b>									
<b>Charges for Service</b>									
369.00									
370.00									
372.00									
373.00									
374.00									
375.00									
377.00									
378.00									
	15,147								15,147
<b>Total Charges for Service</b>									

<b>Unclassified Operating Revenues</b>									
383.00									
386.00									
387.00	46,525								46,525
388.00							13,492		13,492
	46,525						13,492		60,017
<b>Total Unclassified Operating Revenues</b>									

<b>Other Financing Sources</b>									
391.00	143,290								143,290
392.00		25,912							25,912
393.00									
394.00									

HOPEWELL TWP, WASHINGTON County  
**STATEMENT OF REVENUES AND EXPENDITURES**  
 December 31, 2022

**REVENUES**

Other Financing Sources		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
395.00	Refunds of Prior Year Expenditures	267							267
	<b>Total Other Financing Sources</b>	143,557	25,912						169,469

**TOTAL REVENUES** 1,105,445 125,986 77,245 1,308,676

**EXPENDITURES**

General Government		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
400.00	Legislative (Governing) Body	5,550							5,550
401.00	Executive (Manager or Mayor)								
402.00	Auditing Services / Financial Administration	7,400							7,400
403.00	Tax Collection	6,506							6,506
404.00	Solicitor / Legal Services	25,557							25,557
405.00	Secretary / Clerk	36,208							36,208
406.00	Other General Government Administration	28,058							28,058
408.00	Engineering Services	69,353							69,353
409.00	General Government Buildings and Plant	71,395							71,395
	<b>Total General Government</b>	250,027							250,027

**Public Safety**

410.00	Police								
411.00	Fire	190,160							190,160
412.00	Ambulance / Rescue								
413.00	UCC and Code Enforcement	8,117							8,117

HOPEWELL TWP, WASHINGTON COUNTY  
**STATEMENT OF REVENUES AND EXPENDITURES**  
 December 31, 2022

	Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service		
	5,537							
	2,014							5,537
								2,014
	3,325							3,325
<b>Total Public Safety</b>	209,153							209,153

**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
419.00	Other Public Safety
	<b>Total Public Safety</b>

Health and Human Services	
420.00-425.00	Health and Human Services
	<b>Total Health and Human Services</b>

Public Works - Sanitation	
426.00	Recycling Collection and Disposal
427.00	Solid Waste Collection and Disposal (garbage)
	<b>Total Public Works - Sanitation</b>

Public Works - Highways and Streets	
430.00	General Services - Administration
431.00	Cleaning of Streets and Gutters
432.00	Winter Maintenance - Snow Removal
433.00	Traffic Control Devices
434.00	Street Lighting
	<b>Total Public Works - Highways and Streets</b>

HOPEWELL TWP, WASHINGTON County  
**STATEMENT OF REVENUES AND EXPENDITURES**  
 December 31, 2022

	Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service		
	670							670
	61,185							61,185
	41,335	14,601						55,936
<b>Total Public Works - Highways and Streets</b>	<b>217,202</b>	<b>22,818</b>						<b>240,020</b>

**EXPENDITURES**

<b>Public Works - Highways and Streets</b>	
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
	<b>Total Public Works - Highways and Streets</b>

<b>Other Public Works Enterprises</b>	
440.00	Airports
441.00	Cemeteries
442.00	Electric System
443.00	Gas System
444.00	Markets
445.00	Parking
	<b>Total Other Public Works Enterprises</b>

<b>Culture and Recreation</b>	
451.00	Culture-Recreation Administration
452.00	Participant Recreation
453.00	Spectator Recreation
454.00	Parks

HOPEWELL TWP, WASHINGTON County  
**STATEMENT OF REVENUES AND EXPENDITURES**  
 December 31, 2022

	Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service		
<b>EXPENDITURES</b>								
<b>Culture and Recreation</b>								
455.00								
456.00								
457.00								
458.00								
459.00	1,120							1,120
<b>Total Culture and Recreation</b>	<b>1,120</b>							<b>1,120</b>

<b>Community Development</b>								
461.00								
462.00								
463.00								
<b>Total Community Development</b>								

<b>Debt Service</b>								
471.00								
472.00								
475.00						1,639		1,639
<b>Total Debt Service</b>						<b>1,639</b>		<b>1,639</b>

<b>Employer Paid Benefits and Withholding Items</b>								
481.00	12,017							12,017
483.00	8,005							8,005

HOPEWELL IWP, WASHINGTON COUNTY  
**STATEMENT OF REVENUES AND EXPENDITURES**  
 December 31, 2022

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

**EXPENDITURES**

Employer Paid Benefits and Withholding Items								
484.00	Worker Compensation Insurance	5,451						5,451
487.00	Other Group Insurance Benefits	26,657						26,657
	<b>Total Employer Paid Benefits and Withholding Items</b>	52,130						52,130

Insurance								
486.00	Insurance, Casualty, and Surety	20,492						20,492
	<b>Total Insurance</b>	20,492						20,492

Unclassified Operating Expenditures								
488.00	Fiduciary Fund Benefits and Refunds Paid					5,202		5,202
489.00	All Other Unclassified Expenditures							
	<b>Total Unclassified Operating Expenditures</b>					5,202		5,202

Other Financing Uses								
491.00	Refund of Prior Year Revenues							
492.00	Interfund Operating Transfers	25,912						25,912
	<b>Total Other Financing Uses</b>	25,912						25,912

<b>TOTAL EXPENDITURES</b>	776,036	22,818				6,841		805,695
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<b>EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES</b>	329,409	103,168				70,404		502,981
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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 0

Capitalized lease obligations 0

Net debt 0

HOPEWELL TWP, WASHINGTON County  
 STATEMENT OF CAPITAL EXPENDITURES

December 31, 2022

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	54,525		54,525
Water			
Other: _____			
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>54,525</b>		<b>54,525</b>

EMPLOYEE COMPENSATION

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

153,024



HOPEWELL TOWNSHIP  
NOTES TO THE COMMONWEALTH OF PENNSYLVANIA  
ANNUAL AUDIT AND FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2022

**NOTE 1 – Summary of Significant Accounting Policies**

The financial statements of Hopewell Township are prepared using the cash basis of accounting which 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.

Included within the reporting entity:

The following funds are under direct control of the Township's Governing Body: General Fund, State Highway Fund, Act 13 Impact Fee Fund, Local Shares Assessment Fund, Public Works Fund and Pension Trust.

There are no component units as defined in the Governmental Accounting Standards Board (GASB) pronouncements which are included in the Township's reporting entity.

HOPEWELL TOWNSHIP  
NOTES TO THE COMMONWEALTH OF PENNSYLVANIA  
ANNUAL AUDIT AND FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2022

**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, 2022**

**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 greater than actual revenues and other financing sources by \$51,147 for 2022. General Fund actual expenditures and other financing uses were less than actual expenditures and other financing uses by \$792,027 for 2022.

State Liquid Fuels Fund actual revenues exceeded budgeted revenues by \$81,546 for 2022. State Liquid Fuels Fund actual expenditures were less than budgeted expenditures by \$65,182 for 2022.

**D. Subsequent Events**

In accordance with Accounting Standards Codification (ASC) 855-10, *Subsequent Events*, the Township has evaluated subsequent events through August 14, 2023, 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, 2022, the carrying amount of the Township's deposits was \$3,233,211. The bank balance was \$3,234,352. 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, 2022. 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, 2022**

**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 2022 was \$80,192,950. The Township's tax rate for 2022 was .579972 mills for a total levy of \$46,510 and was payable as follows:

- At discount of 2% until May 15, 2022
- At face until July 15, 2022
- At penalty of 10% after July 15, 2022
- Unpaid property taxes for 2022 were liened on January 15, 2023

**NOTE 4 – Township's Pension Plan**

The Hopewell Township Pension Plan is a single-employer defined benefit pension plan. The Plan is governed by the provisions of Act 205 of 1984. The Township's Pension Plan is funded by State Pension Aid and covers substantially all full-time employees. 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). The CAFR is available on the PMRS website. A copy can be obtained by contacting the PMRS accounting office.

Annually Hopewell Township reports PMRS pension information one year delayed based on the availability of the PMRS GASB 68 report. The pension plan information from PMRS including the activity for the years ended December 31, 2020 and 2021 and the fund assets at December 31, 2020 and 2021 were not available at December 31, 2021. Therefore, the statements of fiduciary net assets and the changes in fiduciary net assets in the 2021 audited financial statements reflect information as of and for the year ended December 31, 2019. During the year ended December 31, 2022, PMRS issued both GASB 68 reports for the years ended December 31, 2020 and 2021. Therefore, the statement of changes in fiduciary net assets presents the activity for the two-year period January 1, 2020 through December 31, 2021. The statement of fiduciary net assets reflects the balance as of December 31, 2021. The pension plan information including the activity for the year ended December 31, 2022 and the fund assets at December 31, 2022 were not available at from PMRS to be included in the 2022 audit.

In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. The Township contributes 5% annually for each eligible member to the plan. In addition to the Township's contributions made to the members' accounts, members may contribute up to, but no more than, ten percent (10%) of their compensation. For the years ended December 31, 2020 and 2021, the employees of the Township contributed \$1,110 to the plan. In addition, the Township contributed \$12,382 to the Pension Plan for 2020 and 2021.

Members become fully vested in the Township's contributions upon completion of five (5) year of service. The normal retirement is attained at age 63. Early retirement is available upon attainment of 20 years of service.

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**NOTE 5 – Fair Value of Financial Statements**

At December 31, 2022, the Township's financial instruments included cash and cash equivalents. At December 31, 2022, 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, 2021. The proceeds from this revenue are designated by the Board of Supervisors for capital construction and capital purchases.

**NOTE 7 – Municipality Act 13 Impact Fee Distribution**

The Township received \$481,771 in Municipality Act 13 Impact fee revenue during the year ended December 31, 2021. 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. There was no outstanding long-term debt to be disclosed.
- B. Deficit fund balances of individual funds. There are no deficit fund balances of any individual funds as of December 31, 2022.
- 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, 2022.

**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, 2022 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.

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**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 – American Rescue Plan Act Funding**

During 2020 and 2021, the Township was impacted by the worldwide coronavirus pandemic (COVID-19). The Township continues to monitor its operations, liquidity, and capital resources as it assesses the magnitude of COVID-19 and minimize the effects on its operations. In June 2021, the Township received notice that it is eligible for COVID-19 relief funding through the American Rescue Plan Act of 2021. During 2021 \$48,881 was received representing 50% of the American Rescue Plan funding awarded. The remaining \$49,190 was received in 2022. The funding was deposited into a separate bank account within the General Fund in 2021 and 2022 and the Township is considering ways to utilize the funds in accordance with its requirements. As of December 31, 2022 \$61,214 of the funds were used for various projects, including to bring high speed internet to the Township.