

TOWN OF HAMMONTON

REPORT OF AUDIT

FOR THE YEAR ENDED

DECEMBER 31, 2016

TOWN OF HAMMONTON
TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page No.</u>
	<u>PART I</u>	
	Independent Auditor's Report	1 - 3
	<u>CURRENT FUND</u>	
A	Comparative Balance Sheet - Regulatory Basis	4 - 5
A - 1	Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis	6 - 7
A - 2	Statement of Revenues - Regulatory Basis	8 - 10
A - 3	Statement of Expenditures - Regulatory Basis	11 - 16
	<u>TRUST FUND</u>	
B	Comparative Balance Sheet - Regulatory Basis	17
	<u>GENERAL CAPITAL FUND</u>	
C	Comparative Balance Sheet - Regulatory Basis	18
C - 1	Statement of Fund Balance - Regulatory Basis	19
	<u>WATER AND SEWER UTILITY FUND</u>	
D	Comparative Balance Sheet - Regulatory Basis	20-22
D-1	Statement of Operating Fund Balance - Regulatory Basis	23
D-2	Statement of Assessment Fund Balance - Regulatory Basis	24
D-3	Statement of Capital Fund Balance - Regulatory Basis	25
D-4	Statement of Operating Revenues - Regulatory Basis	26
D-5	Statement of Operating Expenditures - Regulatory Basis	27
D-6	Statement of Assessment Revenues - Regulatory Basis	28
D-7	Statement of Assessment Expenditures - Regulatory Basis	29
	<u>GENERAL FIXED ASSETS ACCOUNT GROUP</u>	
E	Comparative Balance Sheet - Regulatory Basis	30
	NOTES TO FINANCIAL STATEMENTS - Regulatory Basis	31-57
	<u>SUPPLEMENTAL SCHEDULES</u>	
	Independent Auditor's Report - Government Auditing Standards	58-29
	Audit Findings and Responses	60
	Status of Prior Year Recommendations	61

TOWN OF HAMMONTON
TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page No.</u>
<u>CURRENT FUND</u>		
SA-1	Schedule of Cash - Treasurer	62-63
SA-2	Schedule of Change Funds	64
SA-3	Schedule of Taxes Receivable and Analysis of Property Tax Levy	65
SA-4	Schedule of Tax Title Liens	66
SA-5	Schedule of Revenue Accounts Receivable	67
SA-6	Schedule of Deferred Charges	68
SA-7	Schedule of Deferred Charges - Special Emergency	69
SA-8	Schedule of Emergency Note Payable	70
SA-9	Schedule of Special Emergency Note Payable	71
SA-10	Schedule of Appropriation Reserves - Prior Year	72-74
SA-11	Schedule of Reserve for Encumbrances	75
SA-12	Schedule of Prepaid Taxes	76
SA-13	Schedule of Tax Overpayments	76
SA-14	Schedule of Due from State of New Jersey - Senior Citizen and Veterans' Deductions	77
SA-15	Schedule of Due State of New Jersey - Vital Statistics	77
SA-16	Schedule of Local School District Tax	78
SA-17	Schedule of Due County for Added and Omitted Taxes	79
SA-18	Schedule of County Taxes Payable	79
SA-19	Schedule of Federal and State Grants Receivable	80
SA-20	Schedule of Reserves for Federal and State Grants - Unappropriated	81
SA-21	Schedule of Reserves for Federal and State Grants - Appropriated	82-83
SA-22	Schedule of Federal and State Grant Reserve for Encumbrances	84
<u>TRUST FUND</u>		
SB-1	Schedule of Animal Control and Other Trust Cash - Treasurer	85
SB-2	Schedule of Investments - U.S. Government Securities	86-88
SB-3	Schedule of Due to Current Fund	89
SB-4	Schedule of Reserve for Animal Control Expenditures	89
SB-5	Schedule of Trust Other - Due from Current	90
SB-6	Schedule of Due to VCCB - Criminal Disposition	91
SB-7	Schedule of Reserve for Prosecutor's Trust Fund	91
SB-8	Schedule of Reserve for Recreation Fees	92
SB-9	Schedule of Reserve for Street Opening Deposits	92
SB-10	Schedule of Reserve for Escrow Deposits	93
SB-11	Schedule of Reserve for Public Defender Trust Fund	93
SB-12	Schedule of Reserve for Parking Offense Adjudication Act	94
SB-13	Schedule of Reserve for Municipal Drug Alliance	94
SB-14	Schedule of Airport Security Deposit	95
SB-15	Schedule of Reserve for Police Outside Detail	95
SB-16	Schedule of Reserve for Tax Title Lien Redemption	96
SB-17	Schedule of Reserve for Tax Sale Premium	96
SB-18	Schedule of Payroll Deductions Payable	97

TOWN OF HAMMONTON
TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page No.</u>
SB-19	Schedule of Park Recreation Trust	97
SB-20	Schedule of Recaptured Grant Funds	98
SB-21	Schedule of Uniform Fire Penalties Rider	98
SB-22	Schedule of State Landfill Tax Escrow Fund	99
SB-23	Schedule of State Landfill Closure - Escrow Fund	99
SB-24	Schedule of Reserve for Celebration of Public Events	100
SB-25	Schedule of Reserve for COAH Fees	100
SB-26	Schedule of Reserve for Police Equipment Donations	101
SB-27	Schedule of Reserve for Encumbrances	101
 <u>GENERAL CAPITAL FUND</u>		
SC-1	Schedule of Cash - Collector/Treasurer	102
SC-2	Analysis of Cash	103-104
SC-3	Schedule of Due to/from Current Fund	105
SC-4	Schedule of Federal Grants Receivable	106
SC-5	Schedule of County and Local Grants Receivable	107
SC-6	Schedule of Deferred Charges to Future Taxation - Funded	108
SC-7	Schedule of Deferred Charges to Future Taxation - Unfunded	109-110
SC-8	Schedule of Improvement Authorizations	111-112
SC-9	Schedule of Contracts Payable	113
SC-10	Schedule of Capital Improvement Fund	113
SC-11	Schedule of Reserve for Payment of Bond Anticipation Notes	113
SC-12	Schedule of Green Acres Trust Fund Loan Payable	114
SC-13	Schedule of Bond Anticipation Notes	115-116
SC-14	Schedule of General Serial Bonds	117
SC-15	Schedule of Bonds and Notes Authorized But Not Issued	118
 <u>WATER AND SEWER UTILITY FUND</u>		
SD-1	Schedule of Cash - Collector/Treasurer	119-120
SD-2	Analysis of Cash - Capital	121
SD-3	Schedule of Due To Water and Sewer Utility Operating Fund	122
SD-4	Schedule of Consumer Accounts Receivable	123
SD-5	Schedule of Water Utility Liens	123
SD-6	Schedule of Deferred Charges - Operating	124
SD-7	Schedule of Assessments Receivable - Assessment	125
SD-8	Schedule of Fixed Capital	126
SD-9	Schedule of Fixed Capital Authorized and Uncompleted	127
SD-10	Schedule of State Grants Receivable	128
SD-11	Schedule of State Loans Receivable	129
SD-12	Schedule of 2015 Appropriation Reserves	130
SD-13	Schedule of Reserve for Encumbrances	131
SD-14	Schedule of Prepaid Rents	132
SD-15	Schedule of Accrued Interest Payable	133
SD-16	Schedule of General Serial Bonds - Assessment	134

TOWN OF HAMMONTON
TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page No.</u>
SD-17	Schedule of Improvement Authorizations	135
SD-18	Schedule of Contracts Payable	136
SD-19	Schedule of Reserve for Amortization	137
SD-20	Schedule of Reserve for Payment of Bonds	137
SD-21	Schedule of Deferred Reserve for Amortization	138
SD-22	Schedule of New Jersey Environmental Infrastructure Trust Loans Payable	139
SD-23	Schedule of FMHA Loans Payable	140
SD-24	Schedule of USRD Loans Payable	141
SD-25	Schedule of Bond Anticipation Notes	142
SD-26	Schedule of General Serial Bonds - Capital	143-144
SD-27	Schedule of Bond and Notes Authorized But Not Issued - Capital	145

PART II

General Comments	146-148
Recommendations	149

TOWN OF HAMMONTON

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

FOR THE YEAR ENDED

DECEMBER 31, 2016

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

The Honorable Mayor and
Members of Town Committee
Town of Hammonton, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Town of Hammonton, as of December 31, 2016 and 2015, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 the financial statements.

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Town of Hammonton as of December 31, 2016 and 2015, or changes in financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2016 and 2015, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2016 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Hammonton’s basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter of comments and recommendations section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 5, 2017 on our consideration of the Town of Hammonton's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Hammonton's internal control over financial reporting and compliance.

Very truly yours,

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello
Leon P. Costello
Certified Public Accountant
Registered Municipal Accountant
No. 393

May 5, 2017

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EXHIBIT - A
CURRENT FUND

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TOWN OF HAMMONTON
Current Fund
Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Years Ended December 31, 2016 and 2015

<u>ASSETS</u>	<u>REFERENCE</u>	<u>2016</u>	<u>2015</u>
Current Fund:			
Cash -- Tax Collector - Treasurer	SA-1	\$ 2,659,612.21	\$ 3,110,881.73
Cash -- Change Fund	SA-2	585.00	585.00
Due From State of New Jersey -- Senior Citizens' and Veterans Deductions	SA-14	<u>27,001.35</u>	<u>24,459.22</u>
Total		<u>2,687,198.56</u>	<u>3,135,925.95</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-3	882.40	53,562.57
Tax Title Liens Receivable	SA-4	678,298.82	607,841.84
Property Acquired for Taxes - Assessed Valuation	A	510,100.00	510,100.00
Revenue Accounts Receivable	SA-5	72,521.63	68,328.31
Due from Federal and State Grant Fund	A	30,207.37	21,879.89
Due from Animal Control Fund	SB-3	81.40	-
Due from Water/Sewer Operating Fund	D-5	<u>183,111.45</u>	<u>-</u>
		<u>1,475,203.07</u>	<u>1,261,712.61</u>
Deferred Charges:			
Emergency Authorization (N.J.S. 40A:4-46)	SA-6	18,000.00	368,991.00
Special Emergency Authorization (N.J.S. 40A:4-55)	SA-7	<u>242,461.80</u>	<u>339,282.40</u>
		<u>260,461.80</u>	<u>708,273.40</u>
		<u>4,422,863.43</u>	<u>5,105,911.96</u>
Federal and State Grant Fund:			
Due from Current Fund	A	-	-
Federal and State Grants Receivable	SA-19	<u>107,029.36</u>	<u>120,065.13</u>
		<u>107,029.36</u>	<u>120,065.13</u>
		<u>\$ 4,529,892.79</u>	<u>\$ 5,225,977.09</u>

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

(Continued)

TOWN OF HAMMONTON

Current Fund

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Years Ended December 31, 2016 and 2015

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REFERENCE</u>	<u>2016</u>	<u>2015</u>
Current Fund:			
Liabilities:			
Emergency Notes Payable	SA-8	\$ -	\$ 343,991.00
Special Emergency Notes Payable	SA-9	218,461.80	291,282.40
Appropriation Reserves	A-3 & SA-10	271,061.33	141,061.44
Reserve for Encumbrances	SA-11	302,670.01	445,147.01
Prepaid Taxes	SA-12	548,154.79	536,008.96
Tax Overpayments	SA-13	20,483.78	59.67
Due State of New Jersey -- Vital Statistics	SA-15	500.00	475.00
Local School Tax Payable	SA-16	0.26	0.26
Due County for Added and Omitted Taxes	SA-17	15,832.47	20,459.89
Due to Federal and State Grant Fund	A	-	-
Due to Trust - Other Funds	SB-5	105,689.50	113,717.50
Due to General Capital Fund	SC-3	-	47,402.51
Due to Water/Sewer Utility Capital Fund	D	-	257,730.75
		<u>1,482,853.94</u>	<u>2,197,336.39</u>
Reserve for Receivables and Other Assets	A	1,475,203.07	1,261,712.61
Fund Balance	A-1	<u>1,464,806.42</u>	<u>1,646,862.96</u>
		<u>4,422,863.43</u>	<u>5,105,911.96</u>
Federal and State Grant Fund:			
Due to Current Fund	A	30,207.37	21,879.89
Reserve for Federal and State Grants:			
Unappropriated Reserves	SA-20	-	2,941.63
Appropriated Reserves	SA-21	64,872.28	76,530.39
Reserve for Encumbrances	SA-22	<u>11,949.71</u>	<u>18,713.22</u>
Total Federal and State Grant Fund		<u>107,029.36</u>	<u>120,065.13</u>
		<u>\$ 4,529,892.79</u>	<u>\$ 5,225,977.09</u>

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

TOWN OF HAMMONTON

Current Fund

Statements of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 1,490,000.00	\$ 1,250,000.00
Miscellaneous Revenue Anticipated	2,832,563.71	2,682,646.15
Receipts from Delinquent Taxes	85,094.62	86,794.96
Receipts from Current Taxes	34,556,336.81	33,664,733.81
Non-Budget Revenues	350,157.36	221,726.58
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	46,395.71	45,246.12
Prior Year Encumbrances Canceled	6,661.25	5,316.91
Liquidation of Reserves for:		
Reserve for Due from General Capital Fund		7.99
	<hr/>	<hr/>
Total Revenue and Other Income Realized	39,367,209.46	37,956,472.52
	<hr/>	<hr/>
<u>Expenditures</u>		
Operations Within "CAPS":		
Salaries and Wages	4,256,953.65	4,092,826.43
Other Expenses	4,377,435.48	4,606,049.32
Deferred Charges and Statutory Expenditures Within "CAPS"	972,749.32	908,997.00
Operations Excluded from "CAPS":		
Salaries and Wages	15,000.00	20,050.28
Other Expenses	140,036.00	132,513.69
Capital Improvements Excluded from "CAPS"	48,000.00	105,000.00
Municipal Debt Service Excluded from "CAPS"	2,018,807.03	1,727,812.09
Deferred Charges Excluded from "CAPS"	393,471.28	96,820.60
County Taxes	6,824,336.44	6,713,273.14
Due County for Added and Omitted Taxes	15,832.47	20,459.89
Local School Taxes	18,823,124.00	18,384,905.50
Reserve for Due from Federal and State Grant Fund	8,327.48	21,879.89
Reserve for Due from Animal Control Fund	81.40	
Reserve for Due from Water /Sewer Operating Fund	183,111.45	
Refund of Prior Year Revenue		-
	<hr/>	<hr/>
Total Expenditures	38,077,266.00	36,830,587.83
	<hr/>	<hr/>

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TOWN OF HAMMONTON

Current Fund

Statements of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Excess in Revenue	\$ 1,289,943.46	\$ 1,125,884.69
Adjustments to Income Before Surplus:		
Expenditures Included Above which are by Statute Deferred		
Charges to Budget of Succeeding Year	<u>18,000.00</u>	<u>368,991.00</u>
Statutory Excess to Fund Balance	1,307,943.46	1,494,875.69
Fund Balance January 1	<u>1,646,862.96</u>	<u>1,401,987.27</u>
Total	2,954,806.42	2,896,862.96
Decreased by:		
Utilized as Revenue	<u>1,490,000.00</u>	<u>1,250,000.00</u>
Balance December 31	<u><u>\$ 1,464,806.42</u></u>	<u><u>\$ 1,646,862.96</u></u>

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

TOWN OF HAMMONTON
Current Fund
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2016

	<u>Budget</u>	<u>N.J.S.A.</u> <u>40A:4-87</u>	<u>Realized</u>	<u>Excess</u> <u>(Deficit)</u>
Fund Balance	\$ 1,490,000.00	-	\$ 1,490,000.00	-
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	16,000.00		14,054.80	\$ (1,945.20)
Other	3,000.00		3,387.00	387.00
Fines and Costs - Municipal Court	248,000.00		258,978.38	10,978.38
Interest and Costs on Taxes	102,000.00		56,120.58	(45,879.42)
Interest on Investments and Deposits	6,000.00		7,750.17	1,750.17
Board of Health Fees	28,400.00		26,754.00	(1,646.00)
Tax Search Fees	30.00		-	(30.00)
Airport Rental	91,245.13		56,963.44	(34,281.69)
Consolidated Municipal Property Tax Relief Act	84,490.00		84,490.00	
Energy Receipts Tax	1,153,587.00		1,153,587.00	
Garden State Trust Fund	34,637.00		34,637.00	
Uniform Construction Code Fees	130,000.00		165,326.00	35,326.00
Public and Private Revenues Offset with Appropriations:				
Clean Communities		\$ 42,581.90	42,581.90	
Municipal Alliance on Alcoholism and Drug Abuse	17,113.00		17,113.00	
Body Armor Replacement Program	2,941.63	2,825.76	5,767.39	
Click It or Ticket		5,000.00	5,000.00	
Drive Sober or Get Pulled Over		10,000.00	10,000.00	
Community Forestry Management Plan		3,000.00	3,000.00	
Recycling Tonnage Grant		35,073.71	35,073.71	
Other Special Items:				
Uniform Fire Safety Act	36,000.00		36,128.96	128.96
Cable TV Franchise Fee	53,219.97		53,219.97	
Plymouth Place -- Payment In-Lieu of Taxes	104,000.00		104,800.00	800.00
Water Utility Management Fee	84,952.93		84,952.93	
Sewer Utility Management Fee	98,158.52		98,158.52	(0.00)
Interlocal Agreement - School Police	167,000.00		167,000.00	
General Capital Fund Balance	98,078.96		98,078.96	
Sale of Equipment - Rescue Truck	115,000.00		115,000.00	
New Airport Hanger Lease	101,640.00		94,640.00	(7,000.00)
			-	
Total	<u>2,775,494.14</u>	<u>98,481.37</u>	<u>2,832,563.71</u>	<u>(41,411.80)</u>
Receipts from Delinquent Taxes	<u>70,000.00</u>	<u>-</u>	<u>85,094.62</u>	<u>15,094.62</u>
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes	<u>8,872,804.35</u>	<u>-</u>	<u>9,712,860.03</u>	<u>840,055.68</u>
Budget Totals	<u>13,208,298.49</u>	<u>98,481.37</u>	<u>14,120,518.36</u>	<u>813,738.50</u>
Non-Budget Revenues	<u>-</u>	<u>-</u>	<u>350,157.36</u>	<u>350,157.36</u>
Total	<u>\$ 13,208,298.49</u>	<u>\$ 98,481.37</u>	<u>\$ 14,470,675.72</u>	<u>\$ 1,163,895.86</u>

(Continued)

TOWN OF HAMMONTON
Current Fund
Statement of Revenues - Regulatory Basis (Cont'd)
For the Year Ended December 31, 2016

Analysis of Realized Revenue

Allocation of Current Tax Collections:		
Revenue from Collections		\$ 34,556,336.81
Allocated to:		
County Taxes	\$ 6,090,081.85	
County Library Taxes	434,909.36	
County Health Taxes	278,271.49	
County Open Space Taxes	21,073.74	
Due County for Added & Omitted	15,832.47	
School Taxes	<u>19,056,242.00</u>	
		<u>25,896,410.91</u>
Sub-Total		8,659,925.90
Add Appropriation - Reserve for Uncollected Taxes		<u>1,052,934.13</u>
Amount for Support of Municipal Budget Appropriations		<u>\$ 9,712,860.03</u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collections		\$ 52,969.73
Tax Title Lien Collections		<u>32,124.89</u>
		<u>\$ 85,094.62</u>
Licenses -- Other:		
Raffle/Bingo		\$ 1,475.00
Marriage		134.00
Business License		<u>1,778.00</u>
		<u>\$ 3,387.00</u>
Interest on Investments:		
Treasurer -- Tax Collector		7,745.16
Due from Animal Control Fund		<u>5.01</u>
		<u>\$ 7,750.17</u>
New Airport Hanger Lease		\$ 103,110.00
Less: Refunds		<u>(8,470.00)</u>
		<u>\$ 94,640.00</u>
		(Continued)

TOWN OF HAMMONTON
Current Fund
Statement of Revenues - Regulatory Basis (Cont'd)
For the Year Ended December 31, 2016

Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated:

Revenue Accounts Receivable:

Police Department	\$ 4,051.91
Use of Police Vehicle Fees	14,057.50
Town Clerk:	
Street Opening Permits	12,900.00
Tree Removal Permits	500.00
Municipal Court - Restitution	729.00
Business Registration Certificates	21,590.50
Landlord Registration Fees	62,553.00
Abandoned Property Registration Fees	26,500.00
Lien Recording Fees	56.00
Freon Fees and Permits	200.00
Fire Inspection Fees	6,454.00
Property Maintenance Fees	2,666.44
Rental of Polling Places	300.00
Planning and Zoning Board	6,900.00
Tax Assessor	332.25

159,790.60

Less: Refund of Permit Fees

(3,025.00)

\$ 156,765.60

Tax Collector - Treasurer:

State of New Jersey -- Administrative Reimbursement	2,900.76
State of New Jersey -- Homestead Mailing Reimbursement	856.80
Motor Vehicle Inspection Fines	1,300.00
Photocopies	38.35
Recreation Insurance	4,160.00
Prior Year Refunds	547.40
Telephone Rental	45,404.03
Sale of Scrap Metal	7,005.55
Bounced Check Fees	60.00
Proceeds from Auction	3,893.38
Payment In-Lieu of Taxes	1,000.00
FEMA Reimbursement	120,599.09
Sale of Land	5,275.00
Lot Grading Application Fee	270.00

193,310.36

Add: Dog License Fund Statutory Excess

81.40

\$ 350,157.36

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

TOWN OF HAMMONTON
Current Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2016

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>		<u>Reserve for Encumbrances</u>	<u>Reserved</u>	
GENERAL APPROPRIATIONS:						
<i>Operations Within "CAPS":</i>						
GENERAL GOVERNMENT						
Administrative and Executive						
Salaries and Wages	\$ 74,150.00	\$ 65,750.00	\$ 64,445.72	\$ 1,880.25	\$ 1,304.28	
Other Expenses	14,500.00	16,400.00	14,242.85		276.90	
Elections						
Other Expenses	5,000.00	5,000.00	5,000.00		-	
Financial Administration						
Salaries and Wages	63,655.00	63,655.00	63,655.00		-	
Other Expenses	15,200.00	15,200.00	14,714.23	479.00	6.77	
Annual Audit	4,500.00	4,500.00	4,000.00		500.00	
Assessment of Taxes						
Salaries and Wages	84,284.00	84,284.00	84,283.95		0.05	
Other Expenses	5,800.00	5,800.00	3,651.54	2,050.00	98.46	
Collection of Taxes						
Salaries and Wages	92,777.12	92,777.12	85,379.74		7,397.38	
Other Expenses	7,252.00	7,252.00	5,300.61	1,161.30	790.09	
Legal Services and Costs:						
Other Expenses	90,000.00	91,500.00	78,467.43	13,028.25	4.32	
Engineering Services and Costs						
Other Expenses	11,000.00	11,000.00	8,501.25	2,498.75	-	
Public Buildings and Grounds						
Other Expenses	50,000.00	53,500.00	49,440.00	3,364.89	695.11	
Natural Gas	30,000.00	30,000.00	23,359.92		6,640.08	
Electricity	65,000.00	65,000.00	62,760.40		2,239.60	
Telephone	50,000.00	50,000.00	44,264.31		5,735.69	
Gasoline	146,000.00	71,000.00	62,487.13	5,000.00	3,512.87	
Municipal Land Use Law (N.J.S.A. 40:55D-1)						
Planning Board:						
Salaries and Wages	42,289.60	42,289.60	42,289.60		-	
Other Expenses	11,540.00	11,540.00	11,209.43	212.71	117.86	

(Continued)

TOWN OF HAMMONTON
Current Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2016

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserve for Encumbrances</u>	
GENERAL APPROPRIATIONS:					
<i>Operations Within "CAPS" (Cont'd):</i>					
<u>GENERAL GOVERNMENT (Cont'd)</u>					
Board of Adjustments	\$ 900.00	\$ 900.00	\$ 393.32	\$ 300.00	\$ 206.68
Other Expenses					
Historical Society:					
Other Expenses	1,200.00	1,200.00	80.00	1,120.00	-
Environmental Commission (N.J.S. 40:56A-1 et seq.)					
Other Expenses	1,390.00	1,390.00	233.60	1,156.40	-
Computer					
Salaries and Wages	50,747.55	50,747.55	50,747.55	-	-
Other Expenses	30,000.00	45,000.00	28,579.54	6,227.69	10,192.77
Insurance					
Group Insurance Plan for Employees	1,803,778.04	1,803,778.04	1,728,754.07		75,023.97
Health Benefit Waivers	8,535.00	8,535.00	7,697.00		838.00
Workers Compensation Insurance	400,809.00	400,809.00	400,809.00		-
Liability Insurance	20,481.44	20,481.44	20,481.44		-
Temporary Disability Insurance	17,000.00	17,000.00	14,692.23		2,307.77
<u>PUBLIC SAFETY</u>					
Fire					
Other Expenses	189,000.00	189,000.00	168,256.90	20,742.30	0.80
State Fire Prevention Code					
Salaries and Wages	27,750.00	27,750.00	26,920.32		829.68
Other Expenses	2,800.00	2,800.00	2,492.26	217.02	90.72
Police					
Salaries and Wages	2,636,135.12	2,668,135.12	2,590,336.77		77,798.35
Other Expenses	180,000.00	203,000.00	163,980.93	32,720.00	6,299.07
Police Radio and Communications					
Salaries and Wages	192,802.40	192,802.40	192,802.40		-
Other Expenses	4,850.00	4,850.00	2,941.00	1,059.00	850.00

(Continued)

TOWN OF HAMMONTON
Current Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2016

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>		<u>Reserve for Encumbrances</u>	<u>Reserved</u>	
GENERAL APPROPRIATIONS:						
<i>Operations Within "CAPS" (Cont'd):</i>						
<u>PUBLIC SAFETY (Cont'd)</u>						
Municipal Court:						
Salaries and Wages	\$ 152,087.00	\$ 160,087.00	\$ 147,017.61	\$ 100.00	\$ 12,969.39	
Other Expenses	10,000.00	13,000.00	11,241.55		1,758.45	
Prosecutor:						
Salaries and Wages	22,000.00	22,000.00	17,727.28		4,272.72	
Public Defender:						
Salaries and Wages	8,000.00	8,000.00	-		8,000.00	
<u>STREETS AND ROADS</u>						
Streets and Roads						
Salaries and Wages	596,288.66	624,288.66	618,293.46		5,995.20	
Other Expenses	735,000.00	787,400.00	624,610.65	162,755.45	33.90	
Street Lighting						
Other Expenses	300,000.00	253,000.00	228,035.93		24,964.07	
<u>HEALTH AND WELFARE</u>						
Dog Regulation						
Other Expenses	7,560.00	7,560.00	7,560.00		-	
Registrar of Vital Statistics						
Other Expenses	600.00	600.00	220.50		379.50	
<u>RECREATION AND EDUCATION</u>						
Parks Commission:						
Salaries and Wages	1,200.00	1,200.00	1,199.88		0.12	
Recreation						
Salaries and Wages	4,000.00	4,000.00	2,374.80	1,625.20	-	
Other Expenses	145,000.00	120,600.00	119,303.57	1,127.70	168.73	
Celebration of Public Events, Anniversaries and Holidays	1,500.00	1,500.00	1,500.00		-	
<u>CODE ENFORCEMENT</u>						
Property Maintenance Officer						
Salaries and Wages	12,667.20	12,667.20	12,667.20		-	
Other Expenses	300.00	300.00	40.51	250.00	9.49	

(Continued)

TOWN OF HAMMONTON
Current Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2016

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserve for Encumbrances</u> <u>Reserved</u>	
GENERAL APPROPRIATIONS:					
<i>Operations Within "CAPS" (Cont'd):</i>					
CODE ENFORCEMENT (Cont'd)					
Construction Code Official	\$ 136,520.00	\$ 136,520.00	\$ 134,998.81	\$ 1,521.19	
Salaries and Wages	2,540.00	2,540.00	2,540.00	-	
Other Expenses					
UNCLASSIFIED					
Advertising	40,000.00	40,000.00	40,000.00	-	
Other Expenses					
Municipal Airport	10,000.00	14,500.00	9,171.89	5,328.11	
Other Expenses					
Total Operations Including Contingent - Within "CAPS"	8,616,389.13	8,634,389.13	8,106,155.08	264,404.02	\$ -
Detail:					
Salaries and Wages	4,197,353.65	4,256,953.65	4,135,140.09	1,725.20	120,088.36
Other Expenses	4,419,035.48	4,377,435.48	3,971,014.99	262,678.82	143,741.67
GENERAL APPROPRIATIONS:					
<i>Deferred Charges and Statutory Expenditures -</i>					
<i>Municipal - Within "CAPS":</i>					
DEFERRED CHARGES:					
Emergency Authorizations	72,340.32	72,340.32	72,340.32	-	
STATUTORY EXPENDITURES:					
Contribution to:					
Defined Contribution Retirement Plan	3,600.00	3,600.00	3,552.86	47.14	
Public Employees Retirement System of N.J.	141,618.00	141,618.00	141,618.00	-	
Police and Firemen's Retirement System of N.J.	588,191.00	588,191.00	588,191.00	-	
Social Security System (O.A.S.I.)	185,000.00	167,000.00	161,474.24	5,525.76	
Total Deferred Charges and Statutory Expenditures -	990,749.32	972,749.32	967,176.42	-	5,572.90
Municipal Within "CAPS"					
Total General Appropriations -	9,607,138.45	9,607,138.45	9,073,331.50	264,404.02	269,402.93
For Municipal Purposes Within "CAPS"					

(Continued)

TOWN OF HAMMONTON
Current Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2016

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>		<u>Reserve for Encumbrances</u>	<u>Reserved</u>	
GENERAL APPROPRIATIONS:						
<i>Operations Excluded from "CAPS":</i>						
Recycling Tax	\$ 16,000.00	\$ 16,000.00	\$ 14,341.60	\$	1,658.40	
Insurance (N.J.S.A. 40A:4-45.3(00)):						
Group Insurance Plan for Employees	16,222.00	16,222.00				
Public and Private Programs Offset By Revenues:						
Atlantic County Municipal Alliance Grant	21,391.00	21,391.00	21,391.00			
Clean Communities Program (NJSA 40A:4-87, \$42,581.90)	42,581.90	42,581.90	42,581.90			
Click It or Ticket (NJSA 40A:4-87, \$5,000.00)	5,000.00	5,000.00	5,000.00			
Recycling Tonnage Grant (NJSA 40A:4-87, \$35,073.71)	35,073.71	35,073.71	35,073.71			
Body Armor Replacement Program (NJSA 40A:4-87, \$2825.76)	2,941.63	5,767.39	5,767.39			
Drive Sober or Get Pulled Over (NJSA 40A:4-87, \$10,000.00)		10,000.00	10,000.00			
Community Forestry Management Plan (NJSA 40A:4-87, \$3,000.00)		3,000.00	3,000.00			
Total Operations - Excluded From "CAPS"	56,554.63	155,036.00	153,377.60	-	1,658.40	-
Detail:						
Salaries and Wages		15,000.00	15,000.00			
Other Expenses	56,554.63	140,036.00	138,377.60		1,658.40	
<i>Capital Improvements- Excluded from "CAPS"</i>						
Capital Improvement Fund (NJSA 40A:4-46, \$18,000)	30,000.00	48,000.00	48,000.00			
Municipal Debt Service - Excluded from "CAPS"						
Payment of Bond & Loan Principal	\$ 1,205,000.00	\$ 1,205,000.00	\$ 1,205,000.00			
Payment of Note Principal	253,000.00	253,000.00	252,646.00		\$ 354.00	
Interest on Bonds	461,000.00	461,000.00	415,349.72		45,650.28	
Interest on Notes	52,000.00	52,000.00	48,799.83		3,200.17	
Green Trust Loan Program --Principal and Interest	97,200.00	97,200.00	97,011.48		188.52	
Total Municipal Debt Service - Excluded from "CAPS"	2,068,200.00	2,068,200.00	2,018,807.03	-	-	49,392.97

(Continued)

TOWN OF HAMMONTON
Current Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2016

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserve for Encumbrances</u>	
<i>Deferred Charges - Excluded from "CAPS"</i>					
Emergency Authorizations	296,650.68	296,650.68	296,650.68		-
Special Emergency Authorization	96,820.60	96,820.60	96,820.60		-
Total Deferred Charges - Excluded from "CAPS"	393,471.28	393,471.28	393,471.28		
<i>Total General Appropriations for Municipal Purposes Excluded from "CAPS"</i>	<i>2,548,225.91</i>	<i>2,664,707.28</i>	<i>2,613,655.91</i>		<i>1,658.40</i>
GENERAL APPROPRIATIONS:					
Subtotal General Appropriations	12,155,364.36	12,271,845.73	11,686,987.41	\$ 264,404.02	49,392.97
Reserve for Uncollected Taxes	1,052,934.13	1,052,934.13	1,052,934.13		
TOTAL GENERAL APPROPRIATIONS	\$ 13,208,298.49	\$ 13,324,779.86	\$ 12,739,921.54	\$ 264,404.02	\$ 49,392.97
Appropriation by N.J.S.A. 40A:4-87	\$ 98,481.37				
Emergency Appropriation	18,000.00				
Original Budget	13,208,298.49				
		\$ 13,324,779.86			
Reserve for Federal and State Grants -- Appropriated			\$ 122,814.00		
Deferred Charges			465,811.60		
Reserve for Uncollected Taxes			1,052,934.13		
Disbursed			11,098,361.81		
			\$ 12,739,921.54		

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

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EXHIBIT - B
TRUST FUND

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TOWN OF HAMMONTON
Trust Fund
Statements of Assets, Liabilities and Reserves - Regulatory Basis
As of December 31, 2016 and 2015

<u>ASSETS</u>	<u>REFERENCE</u>	<u>2016</u>	<u>2015</u>
Animal Control Fund:			
Cash	SB-1	\$ 4,012.20	\$ 1,759.00
Other Funds:			
Cash	SB-1	1,842,334.11	2,214,820.11
Investments -- U.S. Government Securities	SB-2	371,337.19	377,746.69
Due from Current Fund	SB-5	105,689.50	113,717.50
Total Other Funds		<u>2,319,360.80</u>	<u>2,706,284.30</u>
Total		<u>\$ 2,323,373.00</u>	<u>\$ 2,708,043.30</u>
 <u>LIABILITIES AND RESERVES</u> 			
Animal Control Fund:			
Due to Current Fund	SB-3	\$ 81.40	\$ -
Reserve for Encumbrances	SB-1	1,140.00	-
Reserve for Animal Control Fund Expenditures	SB-4	2,790.80	1,759.00
Total Animal Control Fund		<u>4,012.20</u>	<u>1,759.00</u>
Other Funds:			
Due to VCCB - Criminal Disposition	SB-6	7,691.44	15,101.01
Reserve for Prosecutor's Trust Fund	SB-7	17,496.05	11,010.32
Reserve for Recreation Fees	SB-8	12,805.83	13,326.41
Reserve for Street Opening Escrow Deposits	SB-9	30,186.25	16,894.75
Reserve for Escrow Deposits	SB-10	267,379.36	263,280.33
Reserve for Public Defender Trust Fund	SB-11	-	-
Reserve for Parking Offense Adjudication Act	SB-12	2,135.33	2,085.33
Reserve for Municipal Drug Alliance Funds	SB-13	12,348.07	8,261.13
Reserve for Airport Security Deposit	SB-14	3,942.61	3,915.36
Reserve for Police Outside Detail	SB-15	105,689.50	113,717.50
Reserve for Tax Title Lien Redemption	SB-16	42,413.79	67,400.16
Reserve for Tax Sale Premium	SB-17	1,029,600.00	1,469,800.00
Payroll Deductions Payable	SB-18	50,467.92	1,004.48
Park Recreation Trust Fund	SB-19	69,659.59	67,056.10
Recaptured Grant Funds	SB-20	82,204.88	68,804.88
Uniform Fire Penalties Rider	SB-21	888.84	887.52
State Landfill Tax Escrow Fund	SB-22	171,001.49	170,745.20
State Landfill Closure -- Escrow Fund	SB-23	371,337.19	377,746.69
Reserve for Celebration of Public Events	SB-24	33,126.68	30,440.03
Reserve for COAH Fees	SB-25	821.85	820.65
Reserve for Police Equipment Donations	SB-26	5,362.60	2,038.19
Reserve for Encumbrances	SB-27	2,801.53	1,948.26
Total Other Funds		<u>2,319,360.80</u>	<u>2,706,284.30</u>
Total		<u>\$ 2,323,373.00</u>	<u>\$ 2,708,043.30</u>

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

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EXHIBIT - C
GENERAL CAPITAL FUND

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TOWN OF HAMMONTON

General Capital Fund

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis

As of December 31, 2016 and 2015

	<u>REFERENCE</u>	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>			
Cash	SC-1 & SC-2	\$ 45,008.15	\$ 308,373.89
Due from Current Fund	SC-3	-	47,402.51
Federal Grants Receivable	SC-4	719,536.95	769,262.34
County and Local Grants Receivable	SC-5	476,811.03	476,811.03
Deferred Charges to Future Taxation:			
Funded	SC-6	11,832,423.79	12,750,681.20
Unfunded	SC-7	<u>3,097,675.86</u>	<u>2,481,422.60</u>
Total Assets		<u>\$ 16,171,455.78</u>	<u>\$ 16,833,953.57</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds	SC-14	\$ 10,775,000.00	\$ 12,455,000.00
Bond Anticipation Notes Payable	SC-13	3,091,475.00	2,475,221.00
Green Acres Trust Fund Loan Payable	SC-12	1,057,423.79	295,681.20
Improvement Authorizations:			
Funded	SC-8	501,767.01	559,578.19
Unfunded	SC-8	190,612.03	247,025.29
Contracts Payable	SC-9	511,503.99	702,719.97
Capital Improvement Fund	SC-10	2,899.96	648.96
Reserve for Payment of Bond Anticipation Notes	SC-11	24,889.00	
Fund Balance	C-1	<u>15,885.00</u>	<u>98,078.96</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 16,171,455.78</u>	<u>\$ 16,833,953.57</u>

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

TOWN OF HAMMONTON
General Capital Fund
 Statement of Changes in Fund Balance - Regulatory Basis
 For the Year Ended December 31, 2016

Balance December 31, 2015	\$	98,078.96
Increased By:		
Premium Received on Sale of Bond Anticipation Notes		15,885.00
		113,963.96
Decreased By:		
Anticipated as Revenue in the 2016 Current Fund Budget		98,078.96
Balance December 31, 2016	\$	15,885.00

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

EXHIBIT - D
WATER AND SEWER UTILITY FUND

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TOWN OF HAMMONTON
Water and Sewer Utility Fund
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 As of December 31, 2016 and 2015

<u>ASSETS</u>	<u>REFERENCE</u>	<u>2016</u>	<u>2015</u>
Operating Fund:			
Cash	SD-1	\$ 1,323,944.68	\$ 646,087.12
Due from Utility Capital Fund	SD-3	-	198,008.00
		<u>1,323,944.68</u>	<u>844,095.12</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	SD-4	9,084.85	16,871.34
Utility Liens	SD-5	13,813.65	10,984.26
		<u>22,898.50</u>	<u>27,855.60</u>
Deferred Charges:			
Operating Deficit	SD-6	-	567,035.36
		<u>1,346,843.18</u>	<u>1,438,986.08</u>
Water Utility Assessment Trust Fund:			
Due from Water Utility Operating Fund	SD-7	21,669.88	41,669.88
		<u>21,669.88</u>	<u>41,669.88</u>
Capital Fund:			
Cash	SD-1&SD-2	536,954.72	1,209,816.44
Due from Current Fund	SD-1&SD-2	-	257,730.75
Fixed Capital	SD-8	51,895,260.76	51,895,260.76
Fixed Capital Authorized and Uncompleted	SD-9	28,233,959.79	24,781,159.79
State Grants Receivable	SD-10	530,992.03	560,532.71
State Loans Receivable	SD-11	741,945.00	1,074,805.00
Local Grants Receivable	SD-1&SD-2	-	1,625,586.90
		<u>81,939,112.30</u>	<u>81,404,892.35</u>
Total Assets		<u>\$ 83,307,625.36</u>	<u>\$ 82,885,548.31</u>

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

(Continued)

TOWN OF HAMMONTON
Water and Sewer Utility Fund
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis (Cont'd)
 As of December 31, 2016 and 2015

	<u>REFERENCE</u>	<u>2016</u>	<u>2015</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves	D-5 & SD-12	\$ 26,237.66	\$ 16,852.19
Reserve for Encumbrances	SD-13	5,079.49	152,528.28
Prepaid Utility Rents	SD-14	5,710.93	7,115.30
Accrued Interest Payable	SD-15	263,279.53	255,122.37
Due to Current Fund	D-5	183,111.45	
Due to Water Assessment Trust Fund	SD-7	21,669.88	41,669.88
		<u>505,088.94</u>	<u>473,288.02</u>
Total Liabilities			
Reserve for Receivables	D	22,898.50	27,855.60
Fund Balance	D-1	818,855.74	937,842.46
		<u>1,346,843.18</u>	<u>1,438,986.08</u>
Total Operating Fund			
Water Utility Assessment Trust Fund:			
Serial Bonds	SD-16	20,000.00	40,000.00
Fund Balance	D-2	1,669.88	1,669.88
		<u>21,669.88</u>	<u>41,669.88</u>
Total Assessment Trust Fund			

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

(Continued)

TOWN OF HAMMONTON
Water and Sewer Utility Fund
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis (Cont'd)
 As of December 31, 2016 and 2015

	<u>REFERENCE</u>	<u>2016</u>	<u>2015</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE (CONT'D)</u>			
Capital Fund:			
Serial Bonds	SD-26	\$ 13,085,000.00	\$ 10,790,000.00
Bond Anticipation Notes Payable	SD-25	1,287,896.00	1,406,630.00
USRD Loan Payable	SD-24	-	1,857,986.23
FmHA Loans Payable	SD-23	-	2,418,604.16
New Jersey Environmental Infrastructure Trust Loans Payable	SD-22	9,627,777.30	10,154,241.34
Improvement Authorizations:			
Funded	SD-17	1,351,801.77	2,354,802.07
Unfunded	SD-17	3,921,885.60	3,220,283.94
Contracts Payable	SD-18	2,282,870.05	1,198,587.45
Reserves for:			
Amortization	SD-19	43,963,932.35	41,305,477.92
Payment of Loans	SD-20	335,032.60	257,730.75
Deferred Amortization	SD-21	5,636,525.11	5,636,525.11
State Grants Receivable	D	408,001.79	408,001.79
Capital Improvement Fund	D	28,484.73	28,484.73
Due to Utility Operating Fund	SD-3	-	198,008.00
Fund Balance	D-3	9,905.00	169,528.86
		<u>81,939,112.30</u>	<u>81,404,892.35</u>
Total Capital Fund		<u>81,939,112.30</u>	<u>81,404,892.35</u>
		<u>\$ 83,307,625.36</u>	<u>\$ 82,885,548.31</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 83,307,625.36</u>	<u>\$ 82,885,548.31</u>

The fixed capital reported is as taken from the municipal records and does not necessarily reflect the true condition of such fixed capital.

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

TOWN OF HAMMONTON
Water and Sewer Utility Operating Fund
 Statements Of Operations And Changes In Fund Balance - Regulatory Basis
 For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Revenue and Other Income Realized:		
Operating Fund Balance Utilized	\$ 370,807.10	\$ 528,423.40
Rents	6,262,867.39	5,520,691.07
Reserve for Payment of Bonds	-	94,004.62
Utility Capital Fund Balance	169,528.86	33,508.18
Miscellaneous	121,767.00	108,493.59
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	6,372.51	140,556.12
Prior Year Encumbrances Canceled	1,200.00	580.00
	<u>6,932,542.86</u>	<u>6,426,256.98</u>
Total Revenue and Other Income Realized		
Expenditures:		
Operating	2,961,479.17	2,926,928.25
Capital Outlay	-	94,004.62
Debt Service	2,987,207.95	2,870,399.77
Deferred Charges and Statutory Expenditures	732,035.36	164,117.24
	<u>6,680,722.48</u>	<u>6,055,449.88</u>
Total Expenditures		
Statutory Excess to Fund Balance	251,820.38	370,807.10
Fund Balance January 1	937,842.46	1,095,458.76
	1,189,662.84	1,466,265.86
Decreased by:		
Utilization by Water Operating Budget	370,807.10	528,423.40
Fund Balance December 31	<u>\$ 818,855.74</u>	<u>\$ 937,842.46</u>

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

TOWN OF HAMMONTON
Water Utility Assessment Trust Fund
 Statements of Fund Balance - Regulatory Basis
 For the Year Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Balance January 1	\$ 1,669.88	\$ 1,523.68
Increased by:		
Collection of Unpledged Assessments	-	146.20
	1,669.88	1,669.88
Decreased by:		
Anticipated as Revenue in Utility Operating Budget	-	-
Balance December 31	\$ 1,669.88	\$ 1,669.88

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

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
Statement of Changes In Fund Balance - Regulatory Basis
For the Year Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Balance January 1	\$ 169,528.86	\$ 193,410.18
Increased By:		
Premium Received on Bond Anticipation Notes Issued	9,905.00	9,626.86
Premium on NJEIT Bonds Issued	<u> </u>	<u> </u>
	179,433.86	203,037.04
Decreased by:		
Anticipated as Revenue in Utility Operating Budget	<u>169,528.86</u>	<u>33,508.18</u>
Balance December 31	<u>\$ 9,905.00</u>	<u>\$ 169,528.86</u>

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

TOWN OF HAMMONTON
Water and Sewer Utility Operating Fund
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2016

	<u>Budget</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Fund Balance Anticipated	\$ 370,807.10	\$ 370,807.10	
Rents	5,520,691.07	5,520,691.07	-
Additional Rents	518,887.50	742,176.32	\$ 223,288.82
Utility Capital Fund Balance	169,528.86	169,528.86	-
Miscellaneous	105,000.00	121,767.00	16,767.00
	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 6,684,914.53</u>	<u>\$ 6,924,970.35</u>	<u>\$ 240,055.82</u>

Analysis of Realized Revenues

Rents:

Consumer Accounts Receivable:

Rents Collected	\$ 6,256,398.30
Liens Collected	<u>6,469.09</u>

Total \$ 6,262,867.39

Miscellaneous:

Penalty on Delinquent Accounts	\$ 45,478.68	
Interest on Investments	3,256.92	
Meters	5,995.00	
Taps	4,425.00	
Connection Fees (Sewer)	16,500.00	
Connection Fees (Water)	14,000.00	
Refund of Prior Year's Expenditures	6,103.00	
Street Opening Fees	200.00	
Road Restoration	600.00	
Sludge Removal	2,665.00	
NSF Fees	40.00	
Energy Agreement Fees	<u>23,428.40</u>	
		122,692.00

Less:

Refund of Road Restoration Fee (925.00)

\$ 121,767.00

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

TOWN OF HAMMONTON
Water and Sewer Utility Operating Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2016

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended Reserve For Encumbrances</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Operating:						
Salaries and Wages	\$ 763,165.85	\$ 763,165.85	\$ 739,736.25		\$ 23,429.60	
Other Expenses	2,198,313.32	2,198,313.32	2,193,209.69	5,079.49	24.14	
Debt Service:						
Payment of Bond/Loan Principal	1,717,000.00	1,717,000.00	1,716,464.56			\$ 535.44
NJEIT Principal	527,000.00	527,000.00	526,464.04			535.96
Payment of Note Principal	150,400.00	150,400.00	150,400.00			-
Interest on Bonds & Loans	570,000.00	570,000.00	568,797.42			1,202.58
Interest on Notes	27,000.00	27,000.00	25,081.93			1,918.07
Deferred Charges and Statutory Expenditures:						
Deferred Charges:						
Deficit in Operations in Prior Years	567,035.36	567,035.36	567,035.36			-
Statutory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)	60,000.00	60,000.00	59,544.18		455.82	
New Jersey Disability Insurance	5,000.00	5,000.00	2,671.90		2,328.10	
PERS	100,000.00	100,000.00	100,000.00		-	
Total	<u>\$ 6,684,914.53</u>	<u>\$ 6,684,914.53</u>	<u>\$ 6,649,405.33</u>	<u>\$ 5,079.49</u>	<u>\$ 26,237.66</u>	<u>\$ 4,192.05</u>
Interest on Bonds			\$ 568,797.42			
Interest on Notes			25,081.93			
Deferred Charges			567,035.36			
Due to Current Fund			183,111.45			
Disbursed			<u>5,305,379.17</u>			
			<u>\$ 6,649,405.33</u>			

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

TOWN OF HAMMONTON
Water Utility Assessment Trust Fund
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2016

	<u>Budget</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Assessment Cash	\$ 20,000.00	\$ 20,000.00	\$ -

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

TOWN OF HAMMONTON
Water Utility Assessment Trust Fund
 Statement of Expenditures
 For the Year Ended December 31, 2016

	<u>Budget</u>	<u>Expended</u>	<u>Reserved</u>
Payment of Bond Principal	<u>\$ 20,000.00</u>	<u>\$ 20,000.00</u>	<u>\$ -</u>
Paid by Water and Sewer Utility Operating Fund		<u>\$ 20,000.00</u>	

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

EXHIBIT - E
GENERAL FIXED ASSETS ACCOUNT GROUP

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TOWN OF HAMMONTON
Statement of General Fixed Assets Account Group
For the Year Ended December 31, 2016

	Balance	Additions/	Deletions	Balance
	<u>Dec. 31, 2015</u>	<u>Adjustments</u>		<u>Dec. 31, 2016</u>
General Fixed Assets				
Land	\$ 3,080,100.00			\$ 3,080,100.00
Building	9,280,754.00			9,280,754.00
Equipment	6,080,751.41	602,919.00	286,914.27	6,396,756.14
			t	
Total General Fixed Assets	<u>\$ 18,441,605.41</u>	<u>\$ 602,919.00</u>	<u>\$ 286,914.27</u>	<u>\$ 18,757,610.14</u>
Total Investments in General Fixed Assets	<u>\$ 18,441,605.41</u>	<u>\$ 602,919.00</u>	<u>\$ 286,914.27</u>	<u>\$ 18,757,610.14</u>

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

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NOTES TO FINANCIAL STATEMENTS

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TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Description of Financial Reporting Entity

The Town of Hammonton was incorporated in 1866 and is located in Southern New Jersey in Atlantic County. The population according to the 2010 census is 14,791.

The Town is governed by a Mayor and a six-member Town Council. The mayor is the chief executive officer and Council is the legislative Body of the Town. The Mayor is elected to a four-year term and three Town Council members are elected to alternating two-year terms. The Town Clerk monitors the daily administrative responsibilities.

Component Units

The Town of Hammonton had no component units as defined by Governmental Accounting Standards Board Statement No. 14, as amended by GASB Statements No. 39 and No. 61.

B. Description of Funds

The accounting policies of the Town of Hammonton conform to the accounting principles applicable to municipalities that have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with the respect to public funds. Under this method of accounting, the Town of Hammonton accounts for its financial transactions through the following separate funds:

Current Fund

The Current Fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State Grant Funds.

Trust Funds

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

General Capital Funds

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

Water and Sewer Utility Operating and Capital Funds

The Water and Sewer Utility Operating and Capital Funds account for the operations and acquisitions of capital facilities of municipally owned Water and Sewer Utilities.

Water and Sewer Utility Assessment Trust Fund

The Water and Sewer Utility Assessment Trust Fund accounts for special assessments levied against property owners for water and sewer improvements which benefit property owners, rather than the Town as a whole.

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)

General Fixed Assets Account Group

All fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant policies in New Jersey follow.

A modified accrual basis of accounting is followed with minor exceptions.

Revenues – are recorded as received in cash except for certain amounts that are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the Town budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Town's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the Town which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Expenditures – are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements. Appropriation reserves covering unencumbered appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts that may be canceled by the Governing Body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis. Compensated absences are treated on a pay as you go basis with no amount charged to operations in the year incurred.

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired, and is fully reserved. Ordinarily, it is the intention of the municipality to resell foreclosed property, in order to recover all or a portion of the delinquent taxes or assessments by returning the property to a taxpaying basis. For this reason, the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to municipal use, it will be recorded in the General Fixed Assets Account Group.

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to Fund Balance. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

General Fixed Assets – The Town has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)

Utility Fixed Assets – Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. The Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment and improvements and contributed capital.

As required by New Jersey Statutes, foreclosed property is reported in the current operating fund of the municipality.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public Domain (“Infrastructure”) general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks, and drainage systems, are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value at the time the land is foreclosed or donated. Land purchased by the valued at cost. Expenditures for long lived assets with an original cost in excess of \$2,500 are capitalized.

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital, have not been accounted for separately.

The following schedules are a summarization of the changes in general fixed assets for the years ended December 31, 2016 and 2015.

	Balance 12/31/2015	Additions	Adjustments/ Deletions	Balance 12/31/2016
Land	\$ 3,080,100.00			3,080,100.00
Buildings and Improvements	9,280,754.00			9,280,754.00
Machinery and Equipment	6,080,751.41	602,919.00	286,914.27	6,396,756.14
Total General Fixed Assets	\$ 18,441,605.41	602,919.00	286,914.27	18,757,610.14

	Balance 12/31/2014	Additions	Adjustments/ Deletions	Balance 12/31/2015
Land	\$ 3,080,100.00			3,080,100.00
Buildings and Improvements	9,280,754.00			9,280,754.00
Machinery and Equipment	5,830,215.41	269,410.00	18,874.00	6,080,751.41
Total General Fixed Assets	\$ 18,191,069.41	269,410.00	18,874.00	18,441,605.41

Capitalization of Interest – It is the policy of the Town of Hammonton to treat interest on projects as a current expense and the interest is included in the current operating budget.

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)

Use of Estimates – the preparation of financial statements in conformity with generally accepted accounting principles or the regulatory basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deferred Charges

The recognition of certain expenditures is deferred to future periods. These expenditures, or Deferred Charges, are generally overexpenditures of legally adopted budget appropriations made in accordance with N.J.S.A. 40A:4-46 et al. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

Property Tax Revenues

Property tax revenues are collected in quarterly installments due February 1st, May 1st, August 1st, and November 1st. Property taxes unpaid are subject to tax sale in accordance with statutes. The amount of tax levied, includes not only the amount required in support of the Town's annual budget, but also the amounts required in support of the entities that follow. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Town's Current Fund; accordingly, such amounts are not recorded as revenue until collected. GAAP requires such revenues to be recognized when they are available and measurable reduced by an allowance for doubtful accounts.

Reserve for Uncollected Taxes

The inclusion of the "Reserve for Uncollected Taxes", appropriation in the Town's annual budget protects the Town from taxes not paid currently. The minimum amount of the reserve, determined by the percentage of collections experienced in the preceding year, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

D. Required Financial Statements

The State of New Jersey requires the following financial statements to be presented for each fund on the regulatory basis of accounting: Balance Sheet, Statement of Operations and Changes in Fund Balance, Statement of Revenue and Statement of Expenditures. These statements differ from those presented under Generally Accepted Accounting Principles, which requires a Statement of Net Position and Statement of Activities in addition to the fund financial statements.

E. Comparative Data

Comparative total data for the prior year has been presented in the accompanying Balance Sheets and Statement of Operations in order to provide an understanding of changes in the Town's financial position. However, comparative (i.e. presentation of prior year totals by fund type) data has not been presented in the Statement of Revenue – Regulatory Basis and Statement of Expenditures – Regulatory Basis since their inclusion would make the statements unduly complex and difficult to read.

F. Recent Accounting Pronouncements Not Yet Effective

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 74 "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans". This statement, which is effective for fiscal periods beginning after June 15, 2016, will not have any effect on the Town's financial reporting.

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75 “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions”. This statement, which is effective for fiscal periods beginning after June 15, 2017, will not have any effect on the Town’s financial reporting.

In January 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 80 “Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14”. This statement, which is effective for fiscal periods beginning after June 15, 2016, will not have any effect on the Town’s financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 81, “Irrevocable Split-Interest Agreements”. This statement is effective for fiscal periods beginning after December 15, 2016, will not have any effect on the Town’s financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 82, “Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No.73”. This statement is effective for fiscal periods beginning after June 15, 2016, will not have any effect on the Town’s financial reporting, however will affect the disclosure of pension related items.

In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83, “Certain Asset Retirement Obligations”. This statement is effective for fiscal periods beginning after June 15, 2018, will not have any effect on the Town’s financial reporting.

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, “Fiduciary Activities”. This statement is effective for fiscal periods beginning after December 15, 2018, will not have any effect on the Town’s financial reporting.

NOTE 2: BUDGETARY INFORMATION

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2016 and 2015 statutory budgets included a reserve for uncollected taxes in the amount of \$1,052,934.13 and \$1,004,224.14, respectively. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2016 and 2015 statutory budgets was \$1,490,000.00 and \$1,250,000.00, respectively.

The Chief Financial Officer has the discretion of approving intra department budgetary transfers throughout the year. Inter department transfers are not permitted prior to November 1. After November 1, these transfers can be made in the form of a resolution and approved by Town Council. The following significant budget transfers were approved in the 2016 and 2015 calendar years.

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)

	<u>2016</u>	<u>2015</u>
Assesment of Taxes		
Reserve for Tax Appeals	\$ -	343,991
Public Buildings and Grounds		
Gasoline	(75,000)	-
Municipal Land Use Law	-	(50,000)
Police and Traffic Control		
Salaries and Wages	-	(80,000)
Other Expenses	-	20,000
Streets and Roads Maintenance		
Other Expenses	52,400	66,000
Street Lighting		
Other Expenses	(47,000)	-
Municipal Airport		
Other Expenses	-	13,500

NJSA 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. The following budget insertions were approved during the 2016 and 2015 calendar years:

	<u>2016</u>	<u>2015</u>
Recycling Tonnage Grant	\$ 35,073.71	48,185.81
Statewide Insurance Fund - Police Body Camera	-	5,442.00
Drunk Driving Enorcement Fund	-	6,050.28
Body Armor	2,825.76	-
Click it or Ticket	5,000.00	4,000.00
Community Forestry Mgmt Program	3,000.00	-
Drive Sober or Get Pulled Over	10,000.00	10,000.00
Clean Communities Grant	42,581.90	37,215.88

The municipality may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budget of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. In 2016, the Town approved \$18,000 in emergencies that will be raised in the subsequent budget. There was \$368,991 in emergency appropriations authorized by Town Council during the 2015 calendar year.

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)

NOTE 3: CASH

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The municipality's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in new Jersey Statues 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the municipality relative to the happening of a future condition. As of December 31, 2016, \$125,702.15 of the municipality's bank balance of \$6,965,563.66 was exposed to custodial credit risk. As of December 31, 2015, \$127,746.69 of the municipality's bank balance of \$7,907,340.61 was exposed to custodial credit risk.

NOTE 4: INVESTMENTS

Interest Rate Risk. The municipality does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

Credit Risk. New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or the local unit or school districts of which the local unit is a part of; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk. The municipality places no limit on the amount the Town may invest in any one issuer.

Custodial Crest Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Investment securities are exposed to custodial credit risk of the securities are uninsured, are not registered in the name of the Town, and are held by either the counterparty or the counterparty's trust department or agent but not in the Town's name. All of the Town's \$371,337.19 investments in the United States treasury obligations, government obligations, FNMA's, federal farm credit banks and private corporations are held by the counterparty, not in the name of the Town.

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)

Investment Type	Maturities	Moody's Credit Rating	Cost Amount	Fair Value Amount
U.S. Government Obligations	N/A	N/A	2,207.13	2,207.13
FHLMC	3/7/2018	AAA	3,991.20	3,994.80
FHLMC	12/15/2017	AAA	2,996.91	3,002.28
FHLMC MTN	1/27/2017	AAA	3,993.00	3,999.96
FHLMC MTN	4/9/2018	AAA	2,995.29	2,988.93
FHLMC MTN	7/27/2018	AAA	6,996.00	6,965.70
FHLMC MTN	4/15/2019	AAA	2,999.01	2,987.85
FHLMC MTN	8/12/2021	AAA	2,984.76	2,888.28
FICO Strips Ser E	5/2/2017	N/A	2,898.80	2,991.36
FNMA	8/2/2019	AAA	2,994.96	2,958.33
FNMA	8/28/2019	AAA	4,992.20	4,944.45
FNMA	10/7/2021	AAA	2,994.96	2,918.61
FNMA	9/12/2019	AAA	8,971.06	9,085.50
FNMA	4/24/2026	AAA	10,939.09	10,402.59
FNMA Deb	5/21/2018	AAA	7,868.71	7,977.60
FNMA Deb	8/28/2017	AAA	3,981.64	4,002.76
FNMA Deb	2/26/2019	AAA	2,992.92	2,981.34
FNMA Deb	10/19/2018	AAA	3,993.52	3,995.08
FNMA MTN	9/27/2018	AAA	7,000.00	7,003.15
Federal Farm Credit Bks	4/24/2017	AAA	5,005.19	5,002.75
Federal Farm Credit Bks	5/11/2018	AAA	3,989.16	3,995.28
Federal Farm Credit Bks	4/1/2021	AAA	2,017.00	1,976.90
Federal Farm Credit Bks	1/17/2017	AAA	5,520.25	5,008.85
Federal Home Loan Bks	9/13/2019	AAA	10,174.60	10,093.50
Tennessee Valley Authority	12/15/2017	N/R	2,488.18	2,098.86
US Treas Bds	8/15/2021	AAA	5,796.56	5,094.24
US Treas Bds	8/15/2017	AAA	7,659.84	6,298.14
US Treas Bds	2/15/2019	AAA	5,446.88	4,646.88
US Treas Bds	8/15/2019	AAA	6,837.23	5,864.65
US Treas Bds	8/15/2022	AAA	2,720.94	2,551.02
US Treas Bds	11/15/2018	AAA	5,979.69	4,578.92
US Treasury Bond	8/18/2023	AAA	1,313.59	1,250.08
US Treasury Bond	2/15/2020	AAA	5,634.69	4,850.64
US Treasury Bond	2/15/2022	N/A	3,330.24	3,595.76
US Treasury Note	7/31/2017	AAA	1,959.53	1,997.96
US Treasury Note	4/30/2018	AAA	3,897.97	3,980.48
US Treasury Note	3/15/2017	AAA	2,990.98	3,001.71
US Treasury Note	12/31/2017	AAA	1,986.56	1,996.72
US Treasury Note	7/15/2018	AAA	1,983.05	1,993.60
US Treasury Note	11/30/2019	AAA	3,933.13	3,951.88
US Treasury Note	7/31/2021	AAA	1,989.69	1,933.28
US Treasury Note	8/15/2026	AAA	4,862.11	4,598.65
Subtotal (Carried Forward)			\$ 186,308.22	\$ 178,656.45

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)

Investment Type	Maturities	Moody's Credit Rating	Cost Amount	Fair Value Amount
Subtotal (Brought Forward)			186,308.22	178,656.45
US Treasury Note	2/15/2026	AAA	15,047.97	14,015.70
US Treasury Note	8/15/2022	AAA	3,994.22	3,900.92
US Treasury Note	11/15/2022	AAA	1,950.78	1,946.40
US Treasury Note	3/31/2022	AAA	3,964.06	3,946.72
US Treasury Note	5/15/2022	AAA	1,859.14	1,970.62
US Treasury Note	5/15/2023	AAA	8,306.99	8,765.82
US Treasury Note	11/30/2021	AAA	11,907.66	11,967.72
US Treasury Note	2/15/2023	AAA	2,920.12	2,975.28
US Treasury Note	2/15/2025	AAA	8,816.60	8,759.52
US Treasury Note	8/15/2025	AAA	12,724.97	12,592.71
US Treasury Note	11/15/2021	AAA	6,968.90	7,019.39
US Treasury Note	5/15/2025	AAA	8,970.27	8,822.79
US Treasury Note	11/15/2024	AAA	1,004.84	993.87
US Treasury Note	11/15/2025	AAA	6,265.24	5,923.14
US Treasury Note	11/30/2017	AAA	7,306.80	7,085.89
US Treasury Note	8/15/2024	AAA	4,124.30	4,018.60
US Treasury Note	5/15/2024	AAA	13,129.69	13,194.48
US Treasury Note	8/15/2023	AAA	10,789.92	11,195.03
US Treasury Note	8/15/2020	AAA	979.18	1,033.98
US Treasury Note	11/15/2020	AAA	4,662.78	5,167.95
US Treasury Note	2/15/2024	AAA	1,013.05	1,032.81
US Treasury Note	11/15/2023	AAA	5,075.23	5,164.85
US Treasury Note	3/31/2018	AAA	1,039.69	1,023.48
US Treasury Note	1/31/2017	AAA	4,309.38	4,008.44
US Treasury Note	5/15/2019	AAA	6,749.96	7,298.34
US Treasury Note	5/15/2021	AAA	4,989.26	5,268.95
US Treasury Note	11/15/2019	AAA	1,932.77	2,110.08
US Treasury Note	2/15/2018	AAA	3,275.27	3,084.15
US Treasury Note	8/15/2019	AAA	10,758.44	10,585.90
US Treasury Note	5/15/2018	AAA	1,120.82	1,039.02
US Treasury Note	11/15/2017	AAA	7,388.01	7,202.37
US Treasury Note	5/15/2017	AAA	7,306.17	7,097.86
US Treasury Note	5/15/2020	AAA	2,894.06	2,467.96
			<u>\$ 379,854.76</u>	<u>\$ 371,337.19</u>

The unrealized loss on investments has not been recorded in accordance with Governmental Account Standards Board Statement No. 3.

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)

NOTE 5: LONG-TERM DEBT

Summary of Municipal Debt

	<u>Year 2016</u>	<u>Year 2015</u>	<u>Year 2014</u>
Issued:			
General:			
Bonds, Loans and Notes	\$ 14,923,898.79	15,225,902.20	14,191,798.20
Water and Sewer Utility:			
Bonds, Loans and Notes	24,000,673.30	26,627,461.73	27,719,974.33
Assessment Bonds	<u>20,000.00</u>	<u>40,000.00</u>	<u>60,000.00</u>
 Total Issued	 <u>38,944,572.09</u>	 <u>41,893,363.93</u>	 <u>41,971,772.53</u>
 Authorized but not issued:			
General:			
Bonds, Loans and Notes	6,200.86	6,201.60	145,905.60
Water and Sewer Utility:			
Bonds, Loans and Notes	<u>6,541,425.29</u>	<u>3,120,291.29</u>	<u>4,106,955.79</u>
 Total Authorized but not Issued	 <u>6,547,626.15</u>	 <u>3,126,492.89</u>	 <u>4,252,861.39</u>
 Total Issued and Authorized but not issued	 <u>45,492,198.24</u>	 <u>45,019,856.82</u>	 <u>46,224,633.92</u>
 Deductions:			
Reserve for Payment of Debt	335,032.60	257,730.75	432,835.23
Self-Liquidating Debt	<u>30,227,065.99</u>	<u>29,530,022.27</u>	<u>26,532,756.12</u>
 Total Deductions	 <u>30,562,098.59</u>	 <u>29,787,753.02</u>	 <u>26,965,591.35</u>
 Net Debt	 <u>\$ 14,930,099.65</u>	 <u>15,232,103.80</u>	 <u>19,259,042.57</u>

Summary of Regulatory Debt Condition – Annual Debt Statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a regulatory net debt of 1.117%

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 24,409,000.00	24,409,000.00	-
Water & Sewer Utility	30,542,098.59	30,542,098.59	-
General	<u>14,930,099.65</u>		<u>14,930,099.65</u>
Total	<u>69,881,198.24</u>	<u>54,951,098.59</u>	<u>14,930,099.65</u>

Net debt \$14,930,099.65 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$1,334,185,739.33 = 1.119%.

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)

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

3 1/2% of Equalized Valuation Basis	\$	46,696,500.88
Net Debt		14,930,099.65
Remaining Borrowing Power	\$	<u>31,766,401.23</u>

The foregoing debt information is in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

Description of Bonds and Loans Payable

At December 31, 2016, bonds payable in the General Capital Fund consisted of the following individual issues:

\$3,969,000.00 General Improvement Bonds dated December 1, 1997, due in annual installments through December 1, 2017, bearing interest at a rate of 4.875% per annum. The balance remaining as of December 31, 2016, is \$240,000.00.

\$3,067,000.00 Pension Refunding Bonds dated March 1, 2004, due in annual installments through March 1, 2018, bearing interest at various rates from 5.85% to 5.90% per annum. The balance remaining as of December 31, 2016, is \$820,000.00.

\$6,400,000.00 General Improvement Bonds dated February 1, 2007, due in annual installments through February 1, 2020 bearing interest at a rate of 4.30% per annum. These bonds were refunded in May of 2016.

\$7,450,000.00 General Improvement Bonds dated May 14, 2009, due in annual installments through January 15, 2024 bearing interest at various rates from 3.50% to 4.25% per annum. \$6,500,000.00 of these bonds were refunded in May of 2016. The balance remaining as of December 31, 2016, is \$750,000.00.

\$1,785,000.00 General Obligation Refunding Bonds dated March 14, 2009, due in annual installments through July 1, 2016 bearing interest at a rate of 3.50% per annum. The balance remaining as of December 31, 2016, is \$0.

\$9,025,000.00 Refunding Bonds, Series 2016 dated 5/11/16 payable in annual installments through 2/1/24. Interest is paid semiannually at varying rates from 2.00% to 5.00% per annum. These bonds were issued to advance refund the callable portion of the General Improvement Bonds, Series 2007 and a portion of 2009. The bonds that were called had maturities from 2/1/2017 to 2/1/2024 in the total amount of \$9,525,000. The balance remaining on the issue as of December 31, 2016 was \$8,965,000.

\$400,000.00 State of New Jersey Green Trust Loans dated February 28, 2004 & March 26, 2012 and February 11, 2016, due in semi-annual installments beginning in 2004 through 2033, bearing interest at various rates. The balance remaining as of December 31, 2016, is \$1,057,423.79.

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)

At December 31, 2015, bonds payable in the Water and Sewer Utility Fund consisted of the following individual issues:

\$1,947,400.00 Water and Sewer Bonds dated December 1, 1997, due in annual installments through December 1, 2017, bearing interest at a rate of 4.875% per annum. The balance remaining as of December 31, 2016, is \$130,000.00.

\$6,006,000.00 Water and Sewer Bonds dated February 1, 2007, due in annual installments through February 1, 2020 bearing interest at a rate of 4.30% per annum. These bonds were refunded in May of 2016.

\$1,985,000.00 Water and Sewer Bonds dated May 14, 2009, due in annual installments through January 15, 2024 bearing interest at various rates from 3.50% to 4.25% per annum. A portion of these bonds were refunded in May of 2016. The balance remaining as of December 31, 2016, is \$350,000.00.

\$4,705,000.00 Water and Sewer Refunding Bonds dated March 14, 2009, due in annual installments through July 1, 2016 bearing interest at various rates from 3.50% to 4.00% per annum. The balance remaining as of December 31, 2016, is \$2,345,000.

\$3,395,000.00 Water and Sewer Refunding Bonds dated June 28, 2012, due in annual installments through March 1, 2024 bearing interest at various rates from 3.50% to 4.00% per annum. The balance remaining as of December 31, 2016, is \$2,885,000.00.

\$7,605.00 Refunding Bonds, Series 2016 dated 5/11/16 payable in annual installments through 2/1/36. Interest is paid semiannually at varying rates from 2.00% to 5.00% per annum. These bonds were issued to advance refund the callable portion of the Water and Sewer Bonds, Series 2007 and a portion of 2009, USDA Loans and FMHA Loans. The bonds and loans that were called had maturities from 2/1/2017 to 2/1/2024 in the total amount of \$7,870,125.83. The balance remaining on the issue as of December 31, 2016 was \$7,375,000.

\$11,232,126.51 N.J. Environmental Infrastructure Fund/Trust Loan Bond Series ABC dated 2012, 2013 & 2014, due in semi-annual installments beginning in 2012 through 2033, bearing interest at various rates. The balance remaining as of December 31, 2016, is \$9,627,777.30.

\$2,097,300.00 USDA Loan dated July 26, 2001, due in semi-annual installments beginning in 2001 through 2043, bearing interest at various rates. This issue was refunded in May of 2016.

\$3,579,273.64 FMHA Loan dated December 30, 1998, due in semi-annual installments beginning in 1998 through 2043, bearing interest at various rates. This issue was refunded in May of 2016.

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)

Changes in Long-Term Debt

The following schedule represents the changes in the Long-term Debt:

	<u>Outstanding</u> <u>12/31/2015</u>	<u>Issues or</u> <u>Additions</u>	<u>Payments or</u> <u>Expenditures</u>	<u>Outstanding</u> <u>12/31/2016</u>	<u>Due in</u> <u>One Year</u>
General Capital Fund:					
Bonds Payable	\$ 12,455,000.00	9,025,000.00	10,705,000.00	10,775,000.00	1,245,000.00
Green Trust Loans	295,681.20	800,000.00	38,257.41	1,057,423.79	58,421.33
Compensated Absences	335,408.61	503,683.74	508,839.79	330,252.56	-
Water and Sewer Utility Fund:					
Bonds Payable	10,790,000.00	7,605,000.00	5,310,000.00	13,085,000.00	1,615,000.00
NJEIT	10,154,241.34	-	526,464.04	9,627,777.30	526,464.04
FMHA	2,418,604.16	-	2,418,604.16	-	-
USRDA	1,857,986.23	-	1,857,986.23	-	-
Total All Funds	<u>\$ 38,306,921.54</u>	<u>17,933,683.74</u>	<u>21,365,151.63</u>	<u>34,875,453.65</u>	<u>3,444,885.37</u>

Schedule of Annual Debt Service for Principal and Interest for Permanent Debt Issued and Outstanding

<u>Year Ending</u> <u>December 31,</u>	<u>General Capital Fund</u>		<u>Total All Debt</u> <u>Service</u>
	<u>Principal</u>	<u>Interest</u>	
2017	\$ 1,303,421.33	510,075.32	1,813,496.65
2018	1,329,595.60	449,873.56	1,779,469.16
2019	1,280,793.48	394,885.68	1,675,679.16
2020	1,352,015.43	337,013.74	1,689,029.17
2021	1,438,261.94	269,142.24	1,707,404.18
2022-2026	4,687,112.36	393,589.75	5,080,702.11
2027-2031	319,762.96	29,995.49	349,758.45
2032-2033	121,460.69	2,896.95	124,357.64
Total	<u>11,832,423.79</u>	<u>2,387,472.73</u>	<u>14,219,896.52</u>

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)

Year Ending December 31,	Water and Sewer Utility		Total All Debt
	Principal	Interest	Service
2017	\$ 2,141,464.04	621,595.02	2,763,059.06
2018	2,111,464.04	558,807.52	2,670,271.56
2019	2,136,464.04	492,832.52	2,629,296.56
2020	2,216,464.04	418,095.02	2,634,559.06
2021	1,666,464.04	349,470.02	2,015,934.06
2022-2026	6,177,320.20	986,275.10	7,163,595.30
2027-2031	4,262,320.27	424,830.10	4,687,150.37
2032-2033	2,000,816.63	88,825.02	2,089,641.65
Total	<u>22,712,777.30</u>	<u>3,940,730.32</u>	<u>26,653,507.62</u>

NOTE 6: SHORT TERM FINANCING

	Balance	Additions	Reductions	Balance
	12/31/2015			12/31/2016
BANs - General	\$ 2,475,221.00	4,758,375.00	4,142,121.00	3,091,475.00
BANs - Utility	1,406,630.00	1,287,896.00	1,406,630.00	1,287,896.00
Total BANs	<u>\$ 3,881,851.00</u>	<u>6,046,271.00</u>	<u>5,548,751.00</u>	<u>4,379,371.00</u>

	Balance	Additions	Reductions	Balance
	12/31/2014			12/31/2015
BANs - General	\$ 327,438.00	2,614,925.00	467,142.00	2,475,221.00
BANs - Utility	457,030.00	2,406,630.00	1,457,030.00	1,406,630.00
Total BANs	<u>\$ 784,468.00</u>	<u>5,021,555.00</u>	<u>1,924,172.00</u>	<u>3,881,851.00</u>

NOTE 7: COMPENSATED ABSENCES

The Town has permitted employees to accrue unused vacation and sick time, which may be taken as time off or paid at a later date at an agreed upon rate with a maximum payout of \$12,000.00. The monetary value of these earned and unused employee benefits has not been accrued by, either charges to operations, or to budgets of prior years, although in some cases they might be material, since the realization of this liability may be affected by conditions which preclude an employee from receiving full payment of the accrual. At December 31, 2016, the Town estimates this liability to be approximately \$330,252.56 based on 2016 pay rates and compensated absence balances.

NOTE 8: TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	Balance	Balance
	12/31/2016	12/31/2015
Prepaid Taxes	\$ 548,154.79	536,008.96
Cash Liability for Taxes Collected in Advance	<u>548,154.79</u>	<u>536,008.96</u>

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)

NOTE 9: PENSION FUNDS

Substantially all of the Town's employees participate in the Public Employees' Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS) cost-sharing multiple-employer defined benefit plans which has been established by State Statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the System terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System. This report may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton New Jersey, 08625 or the report can be accessed on the internet at <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

Public Employees' Retirement System

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

Police and Fireman's Retirement System

The contribution policy for the Police and Fireman's Retirement System (PFRS) is set by N.J.S. A 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10% of employees' annual compensation, as defined. Employers are required to contribute based on an actuarially determined rate.

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DVRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (N.J.S.A. 43:15C-1 et seq). The DCRP is a cost sharing multiple-employer defined contribution pension fund. The CDRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provides for employee contributions of 6.92% through June 30, 2015 and 7.06% thereafter of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in PERS. PERS provided for employee contributions of 7.06% through June 30, 2016 and 7.20% thereafter of employee's annual compensation, as defined. The Town's contributions to PERS for the years ended December 31, 2016, 2015 and 2014 were \$241,618, \$260,178, and \$231,785 respectively, equal to the required contributions for each year.

The contribution policy for the PFRS is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined.

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)

Employers are required to contribute at an actuarially determined rate. The Town's contributions to PFRS for the years ended December 31, 2016, 2015 and 2014 were \$588,191, \$570,219, and \$540,128 respectively, equal to the required contributions for each year.

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to $\frac{1}{60}$ th from $\frac{1}{55}$ th, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)

attained. The law also requires the State to make its full pension contribution, defined a 1/7th of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State’s Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Council on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

Note 10: PENSION LIABILITIES

In 2012, the Governmental Accounting Standards Board issued GASB statement 68. This statement is effective for fiscal years beginning after June 15, 2014. This statement changes the method of reporting the Town’s pension liabilities. However, due to the fact that the Town reports on the regulatory basis of accounting, no financial statement impact will be recognized.

The following represents the municipality’s pension liabilities as June 30, 2016:

Public Employees’ Retirement System

The Town has a liability of \$8,900,685 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town’s proportion of the net pension liability was based on a projection of the Town’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the Town’s proportion is .03005248680%, which was an increase of 6.93% from its proportion measured as of June 30, 2015.

For the year ended December 31, 2016, the Town would have recognized pension expense of \$826,627. At December 31, 2016, the Town would report deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 1,843,746.00	
Difference in expected and actual experience	165,526.00	
Net difference between projected and actual earnings on pension plan investments	339,391.00	
Changes in proportion and differences between Town contributions and proportionate share of contributions	399,054.00	432,704.00
Total	<u>\$ 2,747,717.00</u>	<u>432,704.00</u>

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)

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

Year ended June 30,		
2017	\$	523,901.87
2018		523,901.87
2019		598,927.47
2020		501,202.51
2021		167,079.28
Total	\$	<u>2,315,013.00</u>

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation rate	3.08%
Salary increases:	
Through 2026	1.65% - 4.15% (based on age)
Thereafter	2.65% - 5.15% (based on age)
Investment rate of return:	7.65%

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2014 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)

of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflations. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt (Except US)	5.00%	-0.25%
REIT	5.25%	5.63%

Discount Rate

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate.

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 3.98%, as well as what the Municipality's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.98%) or 1-percentage point higher (4.98%) than the current rate:

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)

	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
Town's proportionate share of the net pension liability	\$ 10,666,614	8,900,685	\$ 7,444,323

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

Police and Firemen's Retirement System

The Town has a liability of \$14,204,445 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Municipality's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the Town's proportion is .07435886370%, which is an increase of 2.76% from its proportion measured as of June 30, 2015.

For the year ended December 31, 2016, the Town would have recognized pension expense of \$1,528,970. At December 31, 2016, the Town would have reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 1,967,432.00	
Difference in expected and actual experience		93,112.00
Net difference between projected and actual earnings on pension plan investments	995,277.00	
Changes in proportion and differences between Town contributions and proportionate share of contributions	243,946.00	160,618.00
Total	<u>\$ 3,206,655.00</u>	<u>253,730.00</u>

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

		Year ended June 30,
2017	\$	714,054.85
2018		714,054.85
2019		947,761.67
2020		555,219.96
2021		21,833.67
Total	<u>\$</u>	<u>2,952,925.00</u>

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation rate	3.08%
Salary increases:	
Through 2026	2.10% - 8.98% (based on age)
Thereafter	3.10% - 9.98% (based on age)
Investment rate of return:	7.65%

Pre-retirement mortality rates were based on the RP-2000 Pre-Retirement mortality tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for male service retirements and beneficiaries are based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability mortality rates were based on special mortality tables used for the period after disability retirement.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2016 are summarized in the following table:

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt (Except US)	5.00%	-0.25%
REIT	5.25%	5.63%

Discount Rate

The discount rate used to measure the total pension liability was 5.55% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2050. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2050, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate.

The following presents the collective net pension liability of the participating employers as of June 30, 2016, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)

	1% Decrease (4.55%)	Current Discount Rate (5.55%)	1% Increase (6.55%)
Town's proportionate share of the net pension liability	\$ 18,057,496	14,204,445	11,063,776

In addition to the PFRS liabilities listed above, a special funding situation exists for the Local employers of the Police and Fire Retirement System of New Jersey. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers under Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The June 30, 2016 State special funding situation net pension liability amount of \$1,604,141,087.00, is the accumulated differences between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The fiscal year ending June 30, 2016 State special funding situation pension expense of \$204,886,666.00 is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2016. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and required contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2016, the State contributed an amount less than the actuarially determined amount.

Although the liabilities related to the special funding situation are the liabilities of the State of New Jersey, the proportionate share of the statewide liability allocated to the Town was 0.07435886370% for 2016. The net pension liability amount allocated to the Township was \$1,192,821.00. For the fiscal year ending June 30, 2016 State special funding situation pension expense of \$45,705.00 is allocated to the Town.

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued PFRS financial report.

NOTE 11: POST-RETIREMENT BENEFITS

Plan Description

The Town of Hammonton contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey, Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 53:14-17.25 et. seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. The Town has adopted a resolution authorizing their participation in the State Health Benefit Program and Local Prescription Drug Program.

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)

The New Jersey State Health Benefits Plan issues a stand-alone financial report under GASB 43. To view the report, go to <http://www.state.nj.us/treasury/pensions/health-benefits.shtml>.

Funding Policy

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Town on a monthly basis. The Town funds the costs of retirees post-retirement health benefits through current year budget appropriations.

The Town contributes to SHBP for the years ended December 31, 2016, 2015, and 2014, were \$636,755.04, \$608,601.72, and \$590,344.13 respectively, which equaled the required contributions for each year. There were approximately 33 retired participants eligible at December 31, 2016.

In addition to the benefits described above, the Town provides post-employment dental and vision care benefits, at its cost, to retired employees who have retired after twenty-five years or more of service with the Town. The Town currently accounts for and finances such expenses on a pay-as-you-go basis. The expense for these benefits for the year ended December 31, 2016 was \$29,323.76.

A calculation of the actuarially calculated Other Post Employment Benefits (OPEB) obligation for the future cost of dental and vision insurance coverage to be paid by the Town for retired employees was not obtained.

NOTE 12: PROPERTY TAXES

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners, but it often results in a divergence of the assessment ratio to true value.

Upon the filing of certified adopted budgets by the municipality, the local and regional school districts, and the county, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund budgets. The regulatory provision for the assessment of property, levying of taxes and the collection thereof is set forth in N.J.S.A. 54:4 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes, due February 1 and May 1 of the succeeding fiscal year, are based upon one-half of the current year's total tax.

Tax installments not paid on or before the due date, are subject to interest penalties of 8% per annum on the first \$1,500.00 of the delinquency, and 18% per annum on any amount in excess of \$1,500.00. Pursuant to P.L. 1991, c. 75, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed 6% of the amount of the delinquency. The interest and penalties are the highest permitted under New Jersey Statutes. Delinquent taxes open for one year or more are annually included in the tax sale in accordance with New Jersey statutes.

The New Jersey statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. Prior to February 1 of each year, the municipality must mail to each property owner a notice of the

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)

current assessment and taxes on the property. The taxpayer has a right to petition the County Tax Board, on or before April 1, for review. Due to errors or delinquencies in notices sent to property owners, the April 1 deadline to file an appeal petition may be extended. The County Board of Taxation has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year, and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels the County Board of Taxation unsatisfactorily reviewed the petition, appeal may be made to the Tax Court of New Jersey for further hearing. Some Tax Court appeals may take several years prior to settlement, and any losses in tax collection from prior years, are charged to a reserve set aside for this purpose or directly charged to Fund Balance.

NOTE 13: ECONOMIC DEPENDENCY

The Town of Hammonton is not economically dependent on any one funding agency within the Town or the State of New Jersey.

NOTE 14: FUND BALANCES APPROPRIATED

The following schedule details the amount of Fund Balances available at the end of each year and the amounts utilized in the subsequent year's budgets:

	Year	Balance December 31st	Utilized in Budget of Succeeding Year	Percent Utilized
Current Fund	2016	\$ 1,464,806.42	1,294,700.00	88.39%
	2015	1,646,862.96	1,490,000.00	90.48%
	2014	1,401,987.27	1,250,000.00	89.16%
	2013	1,358,780.31	1,213,987.00	89.34%
	2012	1,343,041.61	1,254,000.00	93.37%
Utility Fund	2016	\$ 818,855.74	315,000.00	38.47%
	2015	937,842.46	370,807.10	39.54%
	2014	1,095,458.76	528,423.40	48.24%
	2013	1,509,137.87	413,679.11	27.41%
	2012	1,643,272.64	1,524,807.09	92.79%

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)

NOTE 15: INTERFUND BALANCES

As of December 31, 2016, the following interfunds were included on the balance sheets of the various funds of the Town of Hammonton:

	Due from	Due to
Current Fund:		
Grant Fund	\$ 30,207.37	
Animal Control Fund	81.40	
Utility Operating	183,111.45	
Trust Other		105,689.50
Grant Fund:		
Current Fund		30,207.37
Animal Control Fund:		
Current Fund		81.40
Trust Fund:		
Current Fund	105,689.50	
Utility Operating Fund:		
Current Fund		183,111.45
Water Assessment Fund		21,669.88
Utility Trust Assessment Fund:		
Utility Operating Fund	21,669.88	
	\$ 340,759.60	340,759.60

The amounts due to or from the grant fund are due to the fact that there is no separate grant fund bank account. The amounts due to or from the utility funds fund are due to cash received in the current fund and not transferred prior to year end. It is anticipated that all interfunds will be liquidated during the current calendar year.

NOTE 16: FEDERAL AND STATE GRANTS

In the normal course of operations, the Town receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement that may arise as a result of these audits is not believed to be material.

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)

NOTE 17: RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the 2016 and 2015 calendar years, the Town did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

Property and Liability Insurance – The Town maintains commercial insurance coverage for property, liability and surety bonds.

New Jersey Unemployment Compensation Insurance – Effective January 1, 1997, the Town elected the “Contributory Method” to fund its New Jersey Unemployment Compensation Insurance, which requires the Town to annually appropriate funds to pay the projected costs of contributions at the rate determined by the Commissioner of Labor. The expense for these benefits for the years ended December 31, 2016 and 2015 was \$19,020.43 and \$28,358.79 respectively.

NOTE 18: SANITARY LANDFILL ESCROW CLOSURE FUND

The Town of Hammonton operates a municipal landfills located in the southern part of town. The Sanitary Landfill Facility Closure and Contingency Fund Act of 1981 was enacted to provide funding, during the life of the landfill, of costs associated with the closure of sanitary landfills. The Act requires the owner or operator of every sanitary landfill to establish an escrow account for closure, and deposit on a monthly basis, an amount equal to \$1.00 per ton of solid waste accepted for disposal. No withdrawals may be made from the fund without written approval from the State Department of Environmental Protection and Energy.

As of August 1988, the landfill reached its holding capacity. However, the escrow closure fund balance at December 31, 2016 does not necessarily represent the estimated cost of closure as of that date. The required balance of the fund merely represents the amount required to be escrowed in accordance with the statute. Actual costs associated with closure are not known.

NOTE 19: CONTINGENT LIABILITIES

The Town is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Town, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

NOTE 20: SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2016 and May 5, 2017 the date the financial statements were available for issuance for possible disclosure and recognition in the financial statements and no items have come to the attention of the City that would require disclosure.

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SUPPLEMENTARY INFORMATION

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

The Honorable Mayor and
Members of Town Committee
Town of Hammonton, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the various funds and account group as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise Town's basic financial statements, and have issued our report thereon dated May 5, 2017, which was adverse due to being presented in accordance with the New Jersey regulatory basis of accounting.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello
Leon P. Costello
Certified Public Accountant
Registered Municipal Accountant
No. 393

May 5, 2017

Schedule of Financial Statement Findings

This section identifies significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Finding No. 2016-001

Criteria or Specific Requirement

As described in the New Jersey Department of Community Affairs' Local Finance Notice 2007-15, Government Account Standards Board Statement No. 45 requires an actuarial calculation of Other Post Employment Benefits (OPEB) to be performed and disclosed in the Notes to the Financial Statements.

Condition

A calculation of the actuarially calculated Other Post Employment Benefits (OPEB) obligation for the future cost of dental and vision insurance coverage to be paid by the town for retired employees was not obtained.

Effect

The OPEB disclosure included in the Notes to the Financial Statements is incomplete as it does not include a calculation of the future cost of providing dental and vision coverage for retired employees.

Cause

Town officials have determined that it is not cost effective to obtain the actuarially calculated Other Post Employment Benefits (OPEB) obligation for the future cost of dental and vision insurance coverage paid by the Town for retired employees.

Recommendation

That the Town obtain the actuarially calculated Other Post Employment Benefits (OPEB) obligation for the future cost of dental and vision insurance coverage paid by the Town for retired employees.

Status of Prior Year Recommendations

Finding No. 2015-001

Criteria or Specific Requirement

As described in the New Jersey Department of Community Affairs' Local Finance Notice 2007-15, Government Account Standards Board Statement No. 45 requires an actuarial calculation of Other Post Employment Benefits (OPEB) to be performed and disclosed in the Notes to the Financial Statements.

Condition

A calculation of the actuarially calculated Other Post Employment Benefits (OPEB) obligation for the future cost of dental and vision insurance coverage to be paid by the town for retired employees was not obtained.

Effect

The OPEB disclosure included in the Notes to the Financial Statements is incomplete as it does not include a calculation of the future cost of providing dental and vision coverage for retired employees.

Cause

Town officials have determined that it is not cost effective to obtain the actuarially calculated Other Post Employment Benefits (OPEB) obligation for the future cost of dental and vision insurance coverage paid by the Town for retired employees.

Recommendation

That the Town obtain the actuarially calculated Other Post Employment Benefits (OPEB) obligation for the future cost of dental and vision insurance coverage paid by the Town for retired employees.

Status

This has not been corrected and is a repeat finding in 2016.

TOWN OF HAMMONTON
Current Fund
Schedule of Cash - Collector/Treasurer
For the Year Ended December 31, 2016

	<u>CURRENT FUND</u>	<u>FEDERAL AND STATE GRANT FUND</u>
Balance December 31, 2015	\$ 3,110,881.73	\$ -
Increased by Receipts:		
Uniform Fire Safety Act	\$ 36,128.96	
Miscellaneous Revenue not Anticipated	193,310.36	
Taxes Receivable	33,925,717.54	
Tax Title Liens Receivable	32,124.89	
Revenue Accounts Receivable	2,663,042.89	
Proceeds from Special Emergency Notes Reissued	218,461.80	
Prepaid Taxes	548,154.79	
Tax Overpayments	155,747.81	
Due from State of New Jersey - Tax Deductions	145,037.91	
Due to State of New Jersey - Vital Statistics	2,050.00	
Due from Animal Control Fund	5.01	
Due from Trust -- Other Funds	97,761.75	
Federal and State Grants Receivable		128,630.14
Matching Funds for Grants		4,278.00
Due from Current Fund		8,327.48
	<hr/>	<hr/>
Total Receipts	38,017,543.71	141,235.62
	41,128,425.44	141,235.62
Decreased by Disbursements:		
Refund of Permit Fees	3,025.00	
Refund of Airport Rent	8,470.00	
Emergency Note	343,991.00	
Special Emergency Notes	291,282.40	
2016 Appropriations	11,098,361.81	
2015 Appropriation Reserves	432,737.14	
Reserve for Encumbrances	63,066.34	
Tax Overpayments	134,405.72	
Due to State of New Jersey - Vital Statistics	2,025.00	
Local District School Taxes	18,823,124.00	
Due County for Added and Omitted Taxes Payable	20,459.89	
County Taxes Payable	6,824,336.44	
Due from Trust -- Other Funds	105,789.75	
Due to General Capital Fund	47,402.51	
Due to Water/Sewer Utility Capital Fund	257,730.75	
Reserve for Federal and State Grants - Appropriated		122,552.40
Reserve for Encumbrances - Federal and State Grants		18,683.22
Matching Funds for Grants	4,278.00	
Due to Federal and State Grant Fund	8,327.48	
	<hr/>	<hr/>
Total Disbursements	38,468,813.23	141,235.62
Balance December 31, 2016	<u>\$ 2,659,612.21</u>	<u>\$ -</u>

TOWN OF HAMMONTON
Current Fund
 Schedule of Cash - Collector/Treasurer (Cont'd)
 For the Year Ended December 31, 2016

Reconciliation Dec. 31, 2016

Ocean City Home Bank		
Account No. 981248818	\$ 2,695,157.02	
Add: Deposit in Transit	675.70	
Less: Outstanding Checks per Permanent Record	<u>(36,220.51)</u>	2,659,612.21
Account No. 981248958	\$ 124,846.88	
Less: Outstanding Checks per Permanent Record	<u>(124,846.88)</u>	-
Balance		<u><u>\$ 2,659,612.21</u></u>

Analysis of Balance Dec. 31, 2016

Current Fund		\$ 2,659,612.21
Federal and State Grant Fund		<u>-</u>
		<u><u>\$ 2,659,612.21</u></u>

TOWN OF HAMMONTON
Current Fund
Schedule of Change Funds
For the Year Ended December 31, 2016

Analysis by Office

Tax Collector - Treasurer	\$ 185.00
Town Clerk	200.00
Municipal Court	<u>200.00</u>
 Total	 <u><u>\$ 585.00</u></u>

TOWN OF HAMMONTON
Current Fund

Schedule of Taxes Receivable and Analysis of Property Tax Levy
For the Year Ended December 31, 2016

Year	Balance December 31, 2015	2016 Levy	Added Taxes	2015 Collections	2016 Collections	Due From State Of New Jersey	Overpayments Applied	Canceled	Transferred To Tax Title Liens	Balance December 31, 2016
2014	\$ 20,577.55				\$ 20,577.55					\$ -
2015	32,985.02				32,392.18					592.84
	53,562.57	-	-	-	52,969.73	-	-	-	-	592.84
2016		\$ 34,836,592.55		\$ 536,008.96	33,872,747.81	\$ 147,580.04	-	\$ 179,897.00	\$ 100,069.18	289.56
Total	\$ 53,562.57	\$ 34,836,592.55	\$ -	\$ 536,008.96	\$ 33,925,717.54	\$ 147,580.04	\$ -	\$ 179,897.00	\$ 100,069.18	\$ 882.40

Analysis of 2016 Property Tax Levy

Tax Yield:

General Purpose Tax
Added Taxes (54:4-63.1 et seq.)

Total

\$ 34,836,592.55

Tax Levy:

Local District School Tax \$ 19,056,242.00
County Tax 6,090,081.85
County Library Tax 434,909.36
County Health Services Tax 278,271.49
County Open Space Preservation 21,073.74
Due County for Added Taxes (54:4-63.1 et seq.) 15,832.47

Local Tax for Municipal Purposes
Additional Tax Levies

25,896,410.91

8,872,804.35
67,377.29

Total

\$ 34,836,592.55

TOWN OF HAMMONTON
Current Fund
 Schedule of Tax Title Liens
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 607,841.84
Increased by:		
Transfers from Taxes Receivable	\$ 100,069.18	
Tax Sale Interest and Costs	<u>2,512.69</u>	
		<u>102,581.87</u>
		710,423.71
Decreased by:		
Collections		<u>32,124.89</u>
Balance December 31, 2016		<u><u>\$ 678,298.82</u></u>

TOWN OF HAMMONTON
Current Fund
Schedule of Revenue Accounts Receivable
For the Year Ended December 31, 2016

	Balance December 31, <u>2015</u>	Accrued <u>In 2016</u>	<u>Collected</u>	Balance December 31, <u>2016</u>
Clerk:				
Alcoholic Beverage Licenses		\$ 14,054.80	\$ 14,054.80	
Other Licenses		3,387.00	3,387.00	
Street Opening Permits		12,900.00	12,900.00	
Tree Removal Permits		500.00	500.00	
Business Registration Certificates		21,590.50	21,590.50	
Landlord Registration Fees		62,553.00	62,553.00	
Lien Recording Fees		56.00	56.00	
Abandoned Property Registration Fees		26,500.00	26,500.00	
Freon Fees and Permits		200.00	200.00	
Fire Inspection Fees		6,454.00	6,454.00	
Property Maintenance Fees		2,666.44	2,666.44	
Rental of Polling Place		300.00	300.00	
Planning Board and Zoning Board		6,900.00	6,900.00	
Tax Assessor		332.25	332.25	
Police Department		4,051.91	4,051.91	
Use of Police Vehicles		14,057.50	14,057.50	
Municipal Court:				
Fines and Costs	\$ 15,108.34	260,159.71	258,978.38	\$ 16,289.67
Restitution		729.00	729.00	
Interest and Costs on Taxes		56,120.58	56,120.58	
Board of Health Fees		26,754.00	26,754.00	
Tax Search Fees			-	
Airport Rental		56,963.44	56,963.44	
Uniform Construction Code Fees		165,326.00	165,326.00	
Cable TV Franchise Fee	53,219.97	56,231.96	53,219.97	56,231.96
Plymouth Place - Payment In-Lieu of Taxes		104,800.00	104,800.00	
Interlocal Agreement - School Police		167,000.00	167,000.00	
General Capital Fund Balance		98,078.96	98,078.96	
Sale of Equipment - Rescue Truck		115,000.00	115,000.00	
Airport Hanger Lease		103,110.00	103,110.00	
Consolidated Municipal Property Tax				
Relief Act		84,490.00	84,490.00	
Energy Receipts Tax		1,153,587.00	1,153,587.00	
Garden State Trust Fund		34,637.00	34,637.00	
Interest on Investments		7,745.16	7,745.16	
		<u>7,745.16</u>	<u>7,745.16</u>	
Total	<u>\$ 68,328.31</u>	<u>\$ 2,667,236.21</u>	<u>\$ 2,663,042.89</u>	<u>\$ 72,521.63</u>

TOWN OF HAMMONTON
Current Fund

Schedule of Deferred Charges
 For the Year Ended December 31, 2016

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Authorized</u> <u>in 2016</u>	<u>Raised in</u> <u>2016 Budget</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
Emergency Authorization - Reserve for Tax Appeals (NJSA 40A:4-46)	\$ 343,991.00	\$ -	\$ 343,991.00	\$ -
Emergency Authorization - Capital Improvement Fund (NJSA 40A:4-46)	25,000.00	18,000.00	25,000.00	18,000.00
	<u>\$ 368,991.00</u>	<u>\$ 18,000.00</u>	<u>\$ 368,991.00</u>	<u>\$ 18,000.00</u>

TOWN OF HAMMONTON
Current Fund

Schedule of Deferred Charges
N.J.S.A. 40A:4-55 Special Emergency
For the Year Ended December 31, 2016

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 Net Amount Authorized</u>	<u>Balance Dec. 31, 2015</u>	<u>Authorized in 2016</u>	<u>Raised in 2016 Budget</u>	<u>Balance Dec. 31, 2016</u>
6/25/12	Preparation of an Approved Tax Map	\$ 45,000.00	\$ 9,000.00	\$ 18,000.00		\$ 9,000.00	\$ 9,000.00
5/28/13	Preparation of an Approved Tax Map	75,000.00	15,000.00	30,000.00		15,000.00	15,000.00
6/2/14	Revaluation Program	364,103.00	72,820.60	291,282.40		72,820.60	218,461.80
				\$ 339,282.40	\$ -	\$ 96,820.60	\$ 242,461.80

TOWN OF HAMMONTON
Current Fund
 Schedule of Emergency Note Payable
 For the Year Ended December 31, 2016

<u>Date Authorized</u>	<u>Purpose</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>	<u>Paid</u>	<u>Balance Dec. 31, 2016</u>
6/22/15	Reserve for Tax Appeals	9-15-15	9-15-16	1.00%	\$ 343,991.00	\$ 343,991.00	\$ -

TOWN OF HAMMONTON
Current Fund
 Schedule of Special Emergency Notes Payable
 For the Year Ended December 31, 2016

<u>Date Authorized</u>	<u>Purpose</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance Dec. 31, 2016</u>
6/2/14	Revaluation Program	11-3-16	11-3-17	1.26499%	\$ 291,282.40	\$ 218,461.80	\$ 291,282.40	\$ 218,461.80
						\$ 218,461.80	\$ 218,461.80	
							72,820.60	
						\$ 218,461.80	\$ 291,282.40	

Reissued
 Paid by Budget Appropriation

TOWN OF HAMMONTON
Current Fund

Schedule of 2015 Appropriation Reserves
For the Year Ended December 31, 2016

	<u>Balance</u>	<u>Balance</u>	<u>Balance</u>	<u>Balance</u>	<u>Balance</u>
	<u>Reserved</u>	<u>December 31, 2015</u>	<u>Encumbered</u>	<u>After</u>	<u>Lapsed</u>
				<u>Transfers</u>	<u>Charged</u>
					<u>Paid or</u>
					<u>Balance</u>
Administrative and Executive					
Salaries and Wages	\$ 1,897.10			-	-
Other Expenses	2,946.45	\$ 1,479.36		\$ 3,068.01	\$ -
Financial Administration					
Salaries and Wages	2,228.06			-	-
Other Expenses	1,273.50	2,597.82		3,591.99	0.44
Assessment of Taxes					
Salaries and Wages	76.16			-	-
Other Expenses	2,899.91			1,500.00	-
Collection of Taxes					
Salaries and Wages	528.74			-	-
Other Expenses	516.44	1,283.77		1,283.77	-
Legal					
Other Expenses	24.20	21,990.79		35,614.99	8.75
Engineering					
Other Expenses	349.76	1,650.00		1,650.00	990.00
Public Buildings and Grounds					
Other Expenses		11,851.27		11,851.27	3,116.47
Telephone	9,318.66			8,318.66	2,701.27
Gasoline	5,565.12			-	-
Municipal Land Use Law					
Planning Board					
Salaries and Wages	0.38			0.38	0.38
Other Expenses	376.45			-	-
Board of Adjustment					
Other Expenses	754.84			-	-
Environmental Commission					
Other Expenses	430.00	250.00		250.00	-
Computer					
Salaries and Wages	26.92			26.92	26.92
Other Expenses	0.08	170.00		22,294.27	59.45
Insurance					
Group Insurance Plan for Employees	21,473.29	\$ 2,098.00		12,098.00	3,694.51
Temporary Disability Insurance	1,595.76	1,049.34		1,049.34	-

(Continued)

TOWN OF HAMMONTON
Current Fund

Schedule of 2015 Appropriation Reserves
For the Year Ended December 31, 2016

	<u>Balance</u> <u>December 31, 2015</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Reserved</u>	<u>Encumbered</u>		
<u>WITHIN "CAPS" (Cont'd)</u>				
Fire				
Other Expenses	7,961.00	20,342.15	25,698.11	2,605.04
State Fire Prevention Code				
Salaries and Wages	1,017.66	1,017.66	-	1,017.66
Other Expenses	5.35	5.35	-	5.35
Police				
Salaries and Wages	26,200.62	100.00	4,574.63	5,524.99
Other Expenses	7,312.24	20,261.92	40,955.74	6,618.42
Police Radio and Communications				
Salaries and Wages	3,097.03	-	-	-
Other Expenses	743.12	469.07	469.07	-
Municipal Court				
Salaries and Wages	4,377.14	-	-	-
Other Expenses	1,681.88	1,175.26	7,808.21	6.05
Prosecutor				
Salaries and Wages	2,568.17	340.91	340.91	-
Streets and Roads				
Salaries and Wages	16,548.31	122.56	122.56	0.00
Other Expenses	108.19	217,784.71	201,506.95	18,385.95
Street Lighting				
Other Expenses	293.48	588.21	26,517.21	-
Registrar of Vital Statistics				
Other Expenses	466.36	466.36	-	466.36
Recreation				
Salaries and Wages	365.93	43,670.49	42,408.56	1,161.50
Other Expenses				
Celebration of Public Events				
Property Maintenance Officer				
Other Expenses	300.00	-	-	-
Construction Code Official				
Salaries and Wages	667.97	-	-	-
Other Expenses		21.31	21.31	-

(Continued)

TOWN OF HAMMONTON
Current Fund

Schedule of 2015 Appropriation Reserves
For the Year Ended December 31, 2016

	<u>Balance December 31, 2015</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
	<u>Reserved</u>	<u>Encumbered</u>		
<u>WITHIN "CAPS" (Cont'd)</u>				
Advertising	6.20	6.20	-	6.20
Other Expenses				
Municipal Airport		14,424.55	14,424.55	-
Other Expenses	982.45	-	-	-
Defined Contribution Retirement System	9,532.19	-	-	-
Social Security System	4,544.33	1,191.33	2,608.77	-
Recycling Tax				
Grand Total	<u>\$ 141,061.44</u>	<u>\$ 364,790.26</u>	<u>\$ 459,455.99</u>	<u>\$ 46,395.71</u>
Disbursed			\$ 432,737.14	
Reserve for Encumbrances			26,718.85	
			<u>\$ 459,455.99</u>	

TOWN OF HAMMONTON
Current Fund
Schedule of Reserve for Encumbrances
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 445,147.01
Increased by:		
2016 Appropriations	\$ 264,404.02	
2015 Appropriation Reserves	26,718.85	
Tax Overpayments	917.98	
		292,040.85
		737,187.86
Decreased by:		
Payments	63,066.34	
Transferred to Appropriation Reserves	364,790.26	
Canceled	6,661.25	
		434,517.85
Balance December 31, 2016		\$ 302,670.01

TOWN OF HAMMONTON
Current Fund
 Schedule of Prepaid Taxes
 For the Year Ended December 31, 2016

Balance December 31, 2015 (2016 Taxes)		\$ 536,008.96
Increased by:		
Collection of 2017 Taxes		548,154.79
		1,084,163.75
Decreased by:		
Application to 2016 Taxes		536,008.96
Balance December 31, 2016 (2017 Taxes)		\$ 548,154.79

Current Fund
 Schedule of Tax Overpayments
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 59.67
Increased by:		
Overpayments in 2016		155,747.81
		155,807.48
Decreased by:		
Refunded	134,405.72	
Encumbered	917.98	
		135,323.70
Balance December 31, 2016		\$ 20,483.78

TOWN OF HAMMONTON

Current Fund

Schedule of Due from State of New Jersey - Senior Citizen and Veterans' Deductions
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 24,459.22
Increased by:		
Deductions per Tax Billing	\$ 149,000.00	
2016 Deductions Allowed by Tax Collector	1,750.00	
2016 Deductions Disallowed by Tax Collector	<u>(3,169.96)</u>	
		<u>147,580.04</u>
		172,039.26
Decreased by:		
Collections		<u>145,037.91</u>
Balance December 31, 2016		<u><u>\$ 27,001.35</u></u>

EXHIBIT SA-15

Current Fund

Schedule of Due State of New Jersey -- Vital Statistics
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 475.00
Increased by:		
Fees Collected		<u>2,050.00</u>
		\$ 2,525.00
Decreased by:		
Payments		<u>2,025.00</u>
Balance December 31, 2016		<u><u>\$ 500.00</u></u>

TOWN OF HAMMONTON
Current Fund
Schedule of Local District School Tax
For the Year Ended December 31, 2016

<hr/>		
Balance December 31, 2015:		
School Tax Payable	\$ 0.26	
School Tax Deferred	<u>9,295,003.00</u>	\$ 9,295,003.26
Increased by:		
Levy - School Year July 1, 2016 to June 30, 2017		<u>19,056,242.00</u>
		28,351,245.26
Decreased by:		
Payments		<u>18,823,124.00</u>
Balance December 31, 2015:		
School Tax Payable	0.26	
School Tax Deferred	<u>9,528,121.00</u>	<u>\$ 9,528,121.26</u>
2016 Liability for Local School District Tax:		
School Tax Paid	\$ 18,823,124.00	
School Tax Payable - Dec. 31, 2016	<u>0.26</u>	\$ 18,823,124.26
Less:		
School Tax Payable - Dec. 31, 2015		<u>0.26</u>
Amount Charged to 2016 Operations		<u><u>\$ 18,823,124.00</u></u>

TOWN OF HAMMONTON
Current Fund
 Schedule of Due County for Added and Omitted Taxes
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 20,459.89
Increased by:		
County Share of 2016 Added and Omitted Taxes		15,832.47
		36,292.36
Decreased by:		
Payments		20,459.89
Balance December 31, 2016		\$ 15,832.47

Current Fund
 Schedule of County Taxes Payable
 For the Year Ended December 31, 2016

County Taxes	\$ 6,090,081.85	
County Library Taxes	434,909.36	
County Health Service Taxes	278,271.49	
County Open Space Preservation	21,073.74	
		\$ 6,824,336.44
Decreased by:		
Payments		\$ 6,824,336.44

TOWN OF HAMMONTON
Federal and State Grant Fund
Schedule of Federal and State Grants Receivable
For the Year Ended December 31, 2016

	Balance December 31, <u>2015</u>	<u>Accrued</u>	<u>Cancelled</u>	<u>Received</u>	Balance December 31, <u>2016</u>
Federal Grants:					
Division of Highway Traffic Safety:					
2014 Drive Sober or Get Pulled Over	\$ 6,625.00	\$ 10,000.00		\$ 7,625.00	\$ 9,000.00
2014 Click It or Ticket	-	5,000.00		4,975.00	25.00
	<u>6,625.00</u>	<u>15,000.00</u>	<u>-</u>	<u>12,600.00</u>	<u>9,025.00</u>
Total Federal Grants					
State Grants:					
2015 Municipal Alliance on Alcoholism and Drug Abuse	4,323.82			4,323.82	-
2016 Municipal Alliance on Alcoholism and Drug Abuse		17,113.00		12,670.85	4,442.15
Clean Communities Grant		42,581.90		42,581.90	-
2012 Pedestrian Safety Grant	2,351.00				2,351.00
2014 Pedestrian Safety Grant	100.00				100.00
2012 NJEDA - Skinner Building Grant	1,145.50				1,145.50
NJ Recycling Tonnage Grant	48,185.81	35,073.71		48,185.81	35,073.71
Community Forestry Management Plan		3,000.00			3,000.00
Hazardous Discharge Grant Program	13,848.00				13,848.00
Hazardous Discharge Grant Program	33,044.00				33,044.00
Sustainable Jersey Small Grants Program	5,000.00				5,000.00
Statewide Insurance Fund - Police Body Cameras	5,442.00			5,442.00	-
Drunk Driving Enforcement Fund					-
Body Armor Replacement Program		2,825.76		2,825.76	-
	<u>113,440.13</u>	<u>100,594.37</u>	<u>-</u>	<u>116,030.14</u>	<u>98,004.36</u>
Total State Grants					
Grand Total	<u>\$ 120,065.13</u>	<u>\$ 115,594.37</u>	<u>\$ -</u>	<u>\$ 128,630.14</u>	<u>\$ 107,029.36</u>

TOWN OF HAMMONTON
Federal and State Grant Fund
Schedule of Reserve for Federal And State Grants - Unappropriated
For the Year Ended December 31, 2016

	Balance December 31, <u>2015</u>	Federal and State Grants <u>Receivable</u>	Realized As Revenue <u>In 2016</u>	Balance December 31, <u>2016</u>
Federal Grants:				
2014 Drive Sober or Get Pulled Over		\$ 10,000.00	\$ 10,000.00	
2014 Click It or Ticket		5,000.00	5,000.00	-
	<u>-</u>	<u>15,000.00</u>	<u>15,000.00</u>	<u>-</u>
Total Federal Grants				
	-	15,000.00	15,000.00	-
State Grants:				
Municipal Alliance on Alcoholism and Drug Abuse		17,113.00	17,113.00	
Clean Communities Grant		42,581.90	42,581.90	-
Community Forestry Management Plan		3,000.00	3,000.00	-
NJ Recycling Tonnage Grant		35,073.71	35,073.71	\$ -
Body Armor Replacement Program	\$ 2,941.63	2,825.76	5,767.39	-
	<u>2,941.63</u>	<u>100,594.37</u>	<u>103,536.00</u>	<u>-</u>
Total State Grants				
	2,941.63	100,594.37	103,536.00	-
Grand Total				
	<u>\$ 2,941.63</u>	<u>\$ 115,594.37</u>	<u>\$ 118,536.00</u>	<u>\$ -</u>

**TOWN OF HAMMONTON
Federal and State Grant Fund**

Schedule of Reserve for Federal and State Grants - Appropriated
For the Year Ended December 31, 2016

	Balance December 31, 2015	Transferred From 2016 Budget Appropriation	Cancelled	Prior Year Encumbrances Cancelled	Disbursed	Encumbrances	Balance December 31, 2016
Federal Grants:							
2013-14 Drive Sober or Get Pulled Over	\$ 4,200.00				\$ 250.00		\$ 4,200.00
2014 Drive Sober or Get Pulled Over	250.00				1,250.00		-
2015 Drive Sober or Get Pulled Over	2,850.00				5,375.00		1,600.00
2016 Drive Sober or Get Pulled Over		\$ 10,000.00			4,975.00		4,625.00
2015 Click It or Ticket	275.00						275.00
2016 Click It or Ticket		5,000.00					25.00
2009 Stormwater Management Grant	868.00						868.00
2012 Federal Forfeited Property - Police Equipment	2,856.67						2,856.67
Total Federal Grants	11,299.67	15,000.00	-	-	11,850.00	-	14,449.67
State Grants:							
2015 Clean Communities Grant	14,501.21				14,501.21		-
2016 Clean Communities Grant		42,581.90			40,387.43	2,194.47	-
2015 Recycling Tonnage Grant	6.57						6.57
2016 Recycling Tonnage Grant		35,073.71			27,782.16	7,291.55	-
2012 Drunk Driving Enforcement Fund	425.20						425.20
2013 Drunk Driving Enforcement Fund	-			30.00		30.00	-
2014 Drunk Driving Enforcement Fund	251.64				215.00	36.64	-
2015 Drunk Driving Enforcement Fund	6,050.28				2,960.81	110.80	2,978.67
2013 Body Armor Replacement Program	3,621.29				3,621.29		-
2014 Body Armor Replacement Program	2,946.19				2,722.51	161.25	62.43
2016 Body Armor Replacement Program		5,767.39					5,767.39
2009 Hazardous Discharge Remediation Fund	6,798.00						6,798.00
2009 Hazardous Discharge Remediation Fund	3,504.60						3,504.60
2015 Statewide Insurance Fund - Police Body Cameras	5,442.00						5,442.00
2016 Community Forestry Management Plan		3,000.00			1,000.00	2,000.00	-

(Continued)

TOWN OF HAMMONTON
Federal and State Grant Fund
 Schedule of Reserve for Federal and State Grants - Appropriated
 For the Year Ended December 31, 2016

	Balance December 31, 2015	Transferred From 2016 Budget Appropriation	Cancelled	Prior Year Encumbrances Cancelled	Disbursed	Encumbrances	Balance December 31, 2016
State Grants (Cont'd):							
2012 NJEDA - Skinner Building Grant	\$ 8.00						\$ 8.00
2014 Municipal Alliance on Alcoholism and Drug Abuse	530.35						530.35
2015 Municipal Alliance on Alcoholism and Drug Abuse	4,625.09				\$ 346.09		4,279.00
2016 Municipal Alliance on Alcoholism and Drug Abuse		\$ 21,391.00			15,057.81		6,333.19
2014 Pedestrian Safety Grant	3,221.00						3,221.00
2009 Stormwater Management Grant	1,191.55						1,191.55
2014 Sustainable Jersey Small Grants Program	2,760.50				2,108.09	125.00	527.41
2013 No Net Loss Grant	1,915.00						1,915.00
ANJEC - 2013 Open Space Stewardship Project	27.33						27.33
2006 Alcohol, Education and Rehabilitation	630.98						630.98
2007 Alcohol, Education and Rehabilitation	845.71						845.71
2009 Alcohol, Education and Rehabilitation	463.05						463.05
2011 Alcohol, Education and Rehabilitation	2,111.47						2,111.47
2012 Alcohol, Education and Rehabilitation	82.63						82.63
Total State Grants	61,959.64	107,814.00	-	30.00	110,702.40	11,949.71	47,151.53
Local Grants:							
Comcast Technology Grant	3,271.08	-	-	-	-	-	3,271.08
Total	\$ 76,530.39	\$ 122,814.00	\$ -	\$ 30.00	\$ 122,552.40	\$ 11,949.71	\$ 64,872.28

TOWN OF HAMMONTON
Federal and State Grant Fund
Schedule of Reserve for Encumbrances
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 18,713.22
Increased by:		
Reserve for Encumbrances - Appropriated		11,949.71
		30,662.93
Decreased by:		
Disbursements	\$ 18,683.22	
Canceled	30.00	
		18,713.22
Balance December 31, 2016		\$ 11,949.71

TOWN OF HAMMONTON
Trust Fund
Schedule of Cash - Treasurer
For the Year Ended December 31, 2016

	ANIMAL CONTROL TRUST	TRUST OTHER
Balance December 31, 2015	\$ 1,759.00	\$ 2,214,820.11
Increased by Receipts:		
Dog License Fees	2,253.20	
Due to Current Fund	5.01	
Reserve for Prosecutor's Trust Fund		6,485.73
Reserve for Recreation Fees		2,541.65
Reserve for Street Opening Deposits		78,630.00
Reserve for Escrow Deposits		303,116.83
Reserve for Public Defender Trust Fund		6,263.16
Reserve for Parking Offense Adjudication Act		50.00
Reserve for Municipal Drug Alliance Funds		9,609.73
Reserve for Airport Security Deposit		25,437.25
Reserve for Tax Title Lien Redemption		1,124,328.25
Reserve for Tax Sale Premiums		554,536.14
Payroll Deposits		6,229,524.50
Reserve for Park Recreation Trust Fund		2,603.49
Reserve for Recaptured Grant Funds		13,400.00
Reserve for Uniform Fire Penalties Rider		1.32
Reserve for State Landfill Tax Escrow Fund		256.29
Reserve for Celebration of Public Events		54,266.95
Reserve for COAH Fees		1.20
Reserve for Police Equipment Donations		13,265.88
Total Receipts	2,258.21	8,424,318.37
Decreased by Disbursements:		
Due to Current Fund	5.01	
Reserve for Recreation Fees		2,740.23
Reserve for Street Opening Deposits		65,338.50
Reserve for Escrow Deposits		299,017.80
Reserve for Public Defender Trust Fund		13,147.73
Reserve for Municipal Drug Alliance Funds		5,296.40
Reserve for Airport Security Deposit		25,410.00
Reserve for Tax Title Lien Redemption		1,149,314.62
Reserve for Tax Sale Premium		994,736.14
Payroll Payments		6,180,061.06
Reserve for Celebration of Public Events		51,580.30
Reserve for Police Equipment Donations		8,213.33
Reserve for Encumbrances		1,948.26
Total Disbursements	5.01	8,796,804.37
Balance December 31, 2016	\$ 4,012.20	\$ 1,842,334.11

TOWN OF HAMMONTON
Trust Other Funds
Schedule of Investments -- U.S. Government Securities
For the Year Ended December 31, 2016

Balance December 31, 2015	\$ 377,746.69
Decreased by:	
Loss on Investments	6,409.50
Balance December 31, 2016	\$ 371,337.19

Schedule of Investments December 31, 2016

U.S. Government Obligations \$ 2,207.13

	<u>Shares</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	
<i>FHLMC:</i>					
	4,000	Various	3-7-18	0.875%	3,994.80
	3,000	Various	12-15-17	1.00%	3,002.28
	4,000	Various	1-27-17	0.50%	3,999.96
	3,000	Various	4-9-18	0.75%	2,988.93
	7,000	Various	7-27-18	0.85%	6,965.70
	3,000	Various	4-15-19	1.125%	2,987.85
	3,000	Various	8-12-21	1.125%	2,888.28
<i>FICO Strips:</i>					
	3,000	Various	5-2-17	N/A	2,991.36
<i>FNMA:</i>					
	3,000	Various	8-2-19	0.875%	2,958.33
	5,000	Various	8-28-19	1.00%	4,944.45
	3,000	Various	10-27-21	1.375%	2,918.61
	9,000	Various	9-12-19	1.75%	9,085.50
	11,000	Various	4-24-26	2.125%	10,402.59
	8,000	Various	5-21-18	0.875%	7,977.60
	4,000	Various	8-28-17	0.875%	4,002.76
	3,000	Various	2-26-19	1.00%	2,981.34
	4,000	Various	10-19-18	1.125%	3,995.08
	7,000	Various	9-27-18	1.25%	7,003.15
<i>Federal Farm Credit Bks:</i>					
	5,000	Various	4-24-17	0.75%	5,002.75
	4,000	Various	5-11-18	1.03%	3,995.28
	2,000	Various	4-1-21	1.75%	1,976.90
	5,000	Various	1-17-17	4.875%	5,008.85

(Continued)

TOWN OF HAMMONTON
Trust Other Funds
Schedule of Investments -- U.S. Government Securities
For the Year Ended December 31, 2016

Schedule of Investments December 31, 2016 (cont'd)

	<u>Shares</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>		
<i>Federal Home Loan Bks:</i>						
	10,000	Various	9-13-19	2.00%	\$	10,093.50
<i>Tennessee Valley Authority Power Series:</i>						
	2,000	Various	12-15-17	6.25%		2,098.86
<i>U.S. Treasury Bonds:</i>						
	4,000	Various	8-15-21	8.125%		5,094.24
	6,000	Various	8-15-17	8.875%		6,298.14
	4,000	Various	2-15-19	8.875%		4,646.88
	5,000	Various	8-15-19	8.125%		5,864.65
	2,000	Various	8-15-22	7.25%		2,551.02
	4,000	12-2-08	11-15-18	9.00%		4,578.92
	1,000	Various	8-15-23	6.25%		1,250.08
	4,000	Various	2-15-20	8.50%		4,850.64
	4,000	Various	2-15-22	N/A		3,595.76
<i>U.S. Treasury Notes:</i>						
	2,000	Various	7-31-17	0.50%		1,997.96
	4,000	Various	4-30-18	0.625%		3,980.48
	3,000	Various	3-15-17	0.75%		3,001.71
	2,000	Various	12-31-17	0.75%		1,996.72
	2,000	Various	7-15-18	0.875%		1,993.60
	4,000	Various	11-30-19	1.00%		3,951.88
	2,000	Various	7-31-21	1.125%		1,933.28
	5,000	Various	8-15-26	1.50%		4,598.65
	15,000	Various	2-15-26	1.625%		14,015.70
	4,000	Various	8-15-22	1.625%		3,900.92
	2,000	Various	11-15-22	1.625%		1,946.40
	4,000	Various	3-31-22	1.75%		3,946.72
	2,000	Various	5-15-22	1.75%		1,970.62
	9,000	Various	5-15-23	1.75%		8,765.82
	12,000	Various	11-30-21	1.875%		11,967.72
	3,000	Various	2-15-23	2.00%		2,975.28
	9,000	Various	2-15-25	2.00%		8,759.52
	13,000	Various	8-15-25	2.00%		12,592.71
	7,000	Various	11-15-21	2.00%		7,019.39
	9,000	Various	5-15-25	2.125%		8,822.79
	1,000	Various	11-15-24	2.25%		993.87

(Continued)

TOWN OF HAMMONTON
Trust Other Funds
Schedule of Investments -- U.S. Government Securities
For the Year Ended December 31, 2016

Schedule of Investments December 31, 2016 (cont'd)

<i>U.S. Treasury Notes (Cont'd):</i>	<u>Shares</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	
	6,000	Various	11-15-25	2.25%	\$ 5,923.14
	7,000	Various	11-30-17	2.25%	7,085.89
	4,000	Various	8-15-24	2.375%	4,018.60
	13,000	Various	5-15-24	2.50%	13,194.48
	11,000	Various	8-15-23	2.50%	11,195.03
	1,000	Various	8-15-20	2.625%	1,033.98
	5,000	Various	11-15-20	2.625%	5,167.95
	1,000	Various	2-15-24	2.75%	1,032.81
	5,000	Various	11-15-23	2.75%	5,164.85
	1,000	Various	3-31-18	2.875%	1,023.48
	4,000	Various	1-31-17	3.125%	4,008.44
	7,000	Various	5-15-19	3.125%	7,298.34
	5,000	Various	5-15-21	3.125%	5,268.95
	2,000	Various	11-15-19	3.375%	2,110.08
	3,000	Various	2-15-18	3.50%	3,084.15
	10,000	Various	8-15-19	3.625%	10,585.90
	1,000	Various	5-15-18	3.875%	1,039.02
	7,000	Various	11-15-17	4.25%	7,202.37
	7,000	Various	5-15-17	4.50%	7,097.86
	2,000	6-4-10	5-15-20	8.75%	2,467.96
					\$ 371,337.19

TOWN OF HAMMONTON
Animal Control Fund
 Schedule of Due to Current Fund
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ -
Increased by:		
Interest Earned	\$ 5.01	
Statutory Excess Due to Current Fund	81.40	
		86.41
Decreased by:		
Disbursed to Current Fund		5.01
Balance December 31, 2016		\$ 81.40

Animal Control Fund
 Schedule of Reserve For Animal Control Fund Expenditures
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 1,759.00
Increased by:		
2016 Dog License Fees Collected		2,253.20
		4,012.20
Decreased by:		
Encumbered	\$ 1,140.00	
Statutory Excess Due to Current Fund	81.40	
		1,221.40
Balance December 31, 2016		\$ 2,790.80

<u><i>License Fees Collected</i></u>	
<u>Year</u>	<u>Amount</u>
2014	\$ 1,118.80
2015	1,672.00
Total	\$ 2,790.80

TOWN OF HAMMONTON
Trust Other Funds
 Schedule of Due from Current Fund
 For the Year Ended December 31, 2016

Balance December 31, 2015	\$ 113,717.50
Increased by:	
Police Outside Detail Received in Current Fund	97,761.75
	211,479.25
Decreased by:	
Police Outside Detail Disbursed in Current Fund	105,789.75
Balance December 31, 2016	\$ 105,689.50

TOWN OF HAMMONTON
Trust Other Funds
 Schedule of Due to VCCB - Criminal Disposition
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 15,101.01
Decreased by:		
Transfer to Public Defender Fees		7,409.57
Balance December 31, 2016		\$ 7,691.44

Trust Other Funds
 Schedule of Reserve for Prosecutor's Trust Fund
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 11,010.32
Increased by:		
Receipts	\$ 6,461.00	
Interest Earned	24.73	
		6,485.73
		17,496.05
Decreased by:		
Reserve Expenditures		-
Balance December 31, 2016		\$ 17,496.05

TOWN OF HAMMONTON
Trust Other Funds
 Schedule of Reserve for Recreation Fees
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 13,326.41
Increased by:		
Deposits	\$ 2,522.00	
Interest Earned	19.65	
		2,541.65
		15,868.06
Decreased by:		
Disbursements	2,740.23	
Encumbrances	322.00	
		3,062.23
Balance December 31, 2016		\$ 12,805.83

Trust Other Funds
 Schedule of Reserve for Street Opening Deposits
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 16,894.75
Increased by:		
Deposits		78,630.00
		95,524.75
Decreased by:		
Refunded		65,338.50
Balance December 31, 2016		\$ 30,186.25

TOWN OF HAMMONTON
Trust Other Funds
 Schedule of Reserve for Escrow Deposits
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 263,280.33
Increased by:		
Deposits		303,116.83
		566,397.16
Decreased by:		
Payments		299,017.80
Balance December 31, 2016		\$ 267,379.36

Trust Other Funds
 Schedule of Reserve for Public Defender Trust Fund
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ -
Increased by:		
Received	\$ 6,245.00	
Interest Earned	18.16	
	6,263.16	
Transfer from Excess in Public Defender Fees	7,409.57	
		13,672.73
		13,672.73
Decreased by:		
Payments	13,147.73	
Encumbered	525.00	
		13,672.73
Balance December 31, 2016		\$ -

TOWN OF HAMMONTON
Trust Other Funds
 Schedule of Reserve for Parking Offense Adjudication Act
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 2,085.33
Increased by:		
Received from Municipal Court		50.00
Balance December 31, 2016		\$ 2,135.33

Trust Other Funds
 Schedule of Reserve for Municipal Drug Alliance Funds
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 8,261.13
Increased by:		
Receipts	\$ 9,590.00	
Interest Received	19.73	
		9,609.73
		17,870.86
Decreased by:		
Disbursements	5,296.40	
Encumbered	226.39	
		5,522.79
Balance December 31, 2016		\$ 12,348.07

TOWN OF HAMMONTON
Trust Other Funds
 Schedule of Airport Security Deposit
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 3,915.36
Increased by:		
Receipts	\$ 25,410.00	
Interest Received	<u>27.25</u>	
		<u>25,437.25</u>
		29,352.61
Decreased by:		
Disbursements		<u>25,410.00</u>
Balance December 31, 2016		<u><u>\$ 3,942.61</u></u>

Trust Other Funds
 Schedule of Reserve for Police Outside Detail
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 113,717.50
Increased by:		
Received in Current Fund		<u>97,761.75</u>
		211,479.25
Decreased by:		
Disbursed in Current Fund		<u>105,789.75</u>
Balance December 31, 2016		<u><u>\$ 105,689.50</u></u>

TOWN OF HAMMONTON
Trust Other Funds
 Schedule of Reserve for Tax Title Lien Redemption
 For the Year Ended December 31, 2016

Balance December 31, 2015	\$	67,400.16
Increased by:		
Lien Redemption Deposits		1,124,328.25
		1,191,728.41
Decreased by:		
Lien Redemption Disbursements		1,149,314.62
Balance December 31, 2016	\$	42,413.79

Trust Other Funds
 Schedule of Reserve for Tax Sale Premium
 For the Year Ended December 31, 2016

Balance December 31, 2015	\$	1,469,800.00
Increased by:		
Premiums Received at Tax Sale		554,536.14
		2,024,336.14
Decreased by:		
Premiums Refunded		994,736.14
Balance December 31, 2016	\$	1,029,600.00

TOWN OF HAMMONTON
Trust Other Funds
 Schedule of Payroll Deductions Payable
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 1,004.48
Increased by:		
Deposits		6,229,524.50
		6,230,528.98
Decreased by:		
Payments		6,180,061.06
Balance December 31, 2016		\$ 50,467.92

Trust Other Funds
 Schedule of Park Recreation Trust Fund
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 67,056.10
Increased by:		
Donation Received	\$ 2,500.00	
Interest Earned	103.49	
		2,603.49
		69,659.59
Decreased by:		
Payments		-
Balance December 31, 2016		\$ 69,659.59

TOWN OF HAMMONTON
Trust Other Funds
 Schedule of Recaptured Grant Funds
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 68,804.88
Increased by:		
Recaptured Grant Funds Received		13,400.00
		82,204.88
Decreased by:		
Disbursements		-
Balance December 31, 2016		\$ 82,204.88

EXHIBIT SB-21

Trust Other Funds
 Schedule of Uniform Fire Penalties Rider
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 887.52
Increased by:		
Deposits	\$ -	
Interest Received	1.32	
		1.32
Balance December 31, 2016		\$ 888.84

TOWN OF HAMMONTON
Trust Other Funds
Schedule of State Landfill Tax Escrow Fund
For the Year Ended December 31, 2016

Balance December 31, 2015	\$ 170,745.20
Increased by:	
Interest Earned	256.29
Balance December 31, 2016	\$ 171,001.49

Trust Other Funds
Schedule of State Landfill Closure -- Escrow Fund
For the Year Ended December 31, 2016

Balance December 31, 2015	\$ 377,746.69
Decreased by:	
Loss on Investments	6,409.50
Balance December 31, 2016	\$ 371,337.19

TOWN OF HAMMONTON

Trust Other Funds

Schedule of Reserve for Celebration of Public Events

For the Year Ended December 31, 2016

Balance December 31, 2015		\$	30,440.03
Increased by:			
Receipts	\$	54,214.00	
Interest Earned		<u>52.95</u>	
			<u>54,266.95</u>
			84,706.98
Decreased by:			
Disbursements			<u>51,580.30</u>
Balance December 31, 2016		\$	<u><u>33,126.68</u></u>

Trust Other Funds

Schedule of Reserve for COAH Fees

For the Year Ended December 31, 2016

Balance December 31, 2015		\$	820.65
Increased by:			
Interest Earned			<u>1.20</u>
			821.85
Decreased by:			
Disbursements			<u>-</u>
Balance December 31, 2016		\$	<u><u>821.85</u></u>

TOWN OF HAMMONTON
Trust Other Funds
 Schedule of Reserve for Police Equipment Donations
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 2,038.19
Increased by:		
Donations Received	\$ 13,260.00	
Interest Earned	5.88	
		13,265.88
		15,304.07
Decreased by:		
Disbursements	8,213.33	
Encumbered	1,728.14	
		9,941.47
Balance December 31, 2016		\$ 5,362.60

Trust Other Funds
 Schedule of Reserve for Encumbrances
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 1,948.26
Increased by:		
Reserve for Public Defender	\$ 525.00	
Reserve for Municipal Drug Alliance Funds	226.39	
Reserve for Recreation Fees	322.00	
Reserve for Police Equipment Donations	1,728.14	
		2,801.53
		4,749.79
Decreased by:		
Disbursed	1,948.26	
Canceled	-	
		1,948.26
Balance December 31, 2016		\$ 2,801.53

TOWN OF HAMMONTON
General Capital Fund
Schedule of Cash - Treasurer
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 308,373.89
Increased by Receipts:		
Federal Grants Receivable	\$ 199,557.39	
Due from Current Fund	47,402.51	
Green Acres Loan Proceeds	0.74	
Reserve for Payment of Bond Anticipation Notes - Green Acres Loan Proceeds	24,889.00	
Budget Appropriation:		
Capital Improvement Fund	48,000.00	
Bond Anticipation Notes Issued	868,900.00	
Premium Received on Sale of Bond Anticipation Notes	15,885.00	
		1,204,634.64
		1,513,008.53
Decreased by Disbursements:		
Anticipated as Revenue in the 2016 Current Fund Budget:		
General Capital Fund Balance	98,078.96	
Improvement Authorizations	751,075.10	
Contracts Payable	618,846.32	
		1,468,000.38
Balance December 31, 2016		\$ 45,008.15
 <u>Reconciliation Dec. 31, 2016</u>		
Ocean City Home Bank		
Account No. 981248925		\$ 45,008.15
Less: Outstanding Checks		-
		\$ 45,008.15

TOWN OF HAMMONTON
General Capital Fund
 Analysis of General Capital Cash
 For the Year Ended December 31, 2016

	Received		Disbursed		Balance December 31, 2016		
	Balance December 31, 2015	Road Anticipation Notes	Miscellaneous	Improvement Authorizations		Miscellaneous	Transfers From
Fund Balance	\$ 98,078.96		\$ 15,885.00		\$ 15,885.00		
Capital Improvement Fund	648.96		48,000.00		2,899.96	45,749.00	
Improvement Authorizations:							
<u>Ordinance Number</u>							
11-05	Various Improvements	17,581.04		\$ 10,500.00	7,081.04		
15-05	Various Improvements	860.00			-	860.00	
39-05	Airport Environmental Assessment	4,459.61			4,459.61		
43-05	Purchase of Firefighting Equipment	2,145.00			2,145.00		
1-06	Construction of New Town hall	2,700.35			2,700.35		
6-06	Various Improvements	88,808.16			88,808.16		
27-07	Boyer Avenue Recreation Improvements	113.34			113.34		
11-09/31-09/							
15-10	Various Improvements	15,359.25			15,259.25		
22-09	Various Improvements	22,938.88			22,938.88		
17-10	Rehabilitation of Hammonton Airport Runway	38,963.29			38,963.29		
14-11/9-12/				0.74			
16-12	Hammonton Sports Complex	28,483.61			28,984.35		
27-11/						\$ 500.00	
17-12	Demolition Of Building	900.00			900.00		
19-12/							
26-12	Renovation of Property	35,095.88			35,095.88		
21-12	Preliminary Costs of Power Purchase Agreement	31,586.82				31,586.82	
24-12	Airport Design Improvements	5,172.36		338.57	4,833.79		
17-13	Various Improvements	10,988.55		3,400.00	7,588.55		
25-13	Airport Study & Improvements	8,124.15		5,523.43	2,600.72	2,436.08	164.64
14-14	Lakeview Drive Storm Sewer and Roadway Improvements	51,869.50		1,161.00	50,708.50	27,004.00	23,704.50
23-14	Municipal Airport Improvement Program	45,757.00		15,395.82	30,361.18		30,361.18
24-14	Preliminary Planning, Study and Analysis Related to Obstruction Removal at Municipal Airport	286.32		224.42	61.90	24,820.95	3,290.35
25-14	Municipal Airport Construction and Obstruction Rem	286,828.86			286,828.86		261,783.49
35-14	Professional Fees Associated with Airport Compliance	248.00			248.00		248.00
9-15	Roadway Improvements	35,965.00		35,240.00	725.00		725.00
10-15	Acquisition of an Airplane/Helicopter Hanger Located at the Hammonton Airport	38,740.91			-	38,740.91	-

(Continued)

TOWN OF HAMMONTON
General Capital Fund
 Analysis of General Capital Cash
 For the Year Ended December 31, 2016

	Balance December 31, 2015	Received		Disbursed		Balance December 31, 2016
		Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Miscellaneous	
<u>Improvement Authorizations (Cont'd):</u>						
Ordinance Number						
12-15/23-15						
	\$ 7,526.00					\$ -
22-15	\$ 18,900.00			\$ 12,225.44		\$ 2,869.00
1-16		\$ 511,100.00		538,000.00		26,900.00
2-16		15,800.00		127,866.42		150,681.00
17-16		342,000.00		600.00		18,000.00
22-16				600.00		66,819.27
						34,949.73
Contracts Payable	702,719.97				\$ 618,846.32	511,503.99
Reserve for Payment of Bond Anticipation Notes	(47,402.51)		\$ 24,889.00			24,889.00
Due to/from Current Fund	(769,262.34)		47,402.51			-
Federal Grants Receivable	(476,811.03)		199,557.39			(719,536.95)
County and Local Grants Receivable						(476,811.03)
	\$ 308,373.89	\$ 868,900.00	\$ 335,734.64	\$ 751,075.10	\$ 716,925.28	\$ 45,008.15
					\$ 744,256.77	\$ 744,256.77

TOWN OF HAMMONTON
General Capital Fund
 Schedule of Duefrom Current Fund
 For the Year Ended December 31, 2016

Balance December 31, 2015	\$	47,402.51
Decreased by:		
Received from Current Fund		47,402.51
Balance December 31, 2016	\$	-

TOWN OF HAMMONTON
General Capital Fund
Schedule of Federal Grants Receivable
For the Year Ended December 31, 2016

Balance December 31, 2015	\$ 769,262.34
Increased by:	
2016 Improvement Authorization	149,832.00
	919,094.34
Decreased by:	
Receipts	199,557.39
Balance December 31, 2016	\$ 719,536.95

<u>Agency</u>	<u>Ordinance No.</u>	<u>Amount</u>
New Jersey Department of Transportation	7-04 (d)	\$ 11,113.02
New Jersey Department of Transportation	39-05	2,594.00
Federal Aviation Administration Block Grant	39-05	286.00
Federal Firefighters Grant	43-05	18,711.00
Community Development Block Grant	6-06 (d)	69,804.00
New Jersey Department of Transportation	31-08	3,974.00
New Jersey Department of Transportation	11-09 (c)	20,093.90
New Jersey Department of Transportation	22-09 (a)	7,347.00
Federal Aviation Administration Block Grant	22-09 (a)	19,624.00
New Jersey Department of Transportation	22-09 (b)	3,190.00
Federal Aviation Administration Block Grant	22-09 (b)	2,850.00
New Jersey Department of Transportation	32-09	3,919.29
Federal Aviation Administration Block Grant	17-10	37,023.00
New Jersey Department of Transportation	17-10	4,841.71
Federal Aviation Administration Block Grant	24-12	3,313.41
Federal Aviation Administration Block Grant	25-13	12,945.81
New Jersey Department of Transportation	14-14	14,339.50
Federal Aviation Administration Block Grant	23-14	29,731.56
Federal Aviation Administration Block Grant	24-14	13,333.96
Federal Aviation Administration Block Grant	25-14	325,302.00
New Jersey Department of Transportation	22-15	77,208.25
Federal Aviation Administration Block Grant	2-16	37,991.54
		\$ 719,536.95

TOWN OF HAMMONTON
General Capital Fund
 Schedule of County and Local Grants Receivable
 For the Year Ended December 31, 2016

Balance December 31, 2015	\$	476,811.03
Decreased by:		
Receipts		-
Balance December 31, 2016	\$	476,811.03

<u>Agency</u>	<u>Ordinance No.</u>	<u>Amount</u>
Atlantic County Interlocal Agreement	16-07 (c)	\$ 38,499.50
Atlantic County Municipal Open Space Financial Assistance Program	9-12	401,714.40
The Richard Stockton College of New Jersey	19-12/26-12	36,597.13
		\$ 476,811.03

TOWN OF HAMMONTON
General Capital Fund
Schedule of Deferred Charges to Future Taxation - Funded
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 12,750,681.20
Increased by:		
Refunding Bonds Issued	\$ 9,025,000.00	
Green Acres Loan Issued	<u>800,000.00</u>	
		<u>9,825,000.00</u>
		22,575,681.20
Decreased by:		
2007 and 2009 Bonds Refunded	9,500,000.00	
2016 Budget Appropriations:		
Serial Bonds	1,205,000.00	
Green Acres Loan	<u>38,257.41</u>	
		<u>10,743,257.41</u>
Balance December 31, 2016		<u><u>\$ 11,832,423.79</u></u>

TOWN OF HAMMONTON
General Capital Fund

Schedule of Deferred Charges To Future Taxation - Unfunded
For the Year Ended December 31, 2016

Ordinance Number	Improvement Description	Balance December 31, 2015	2015 Authorizations	Notes Paid by Budget Appropriation	Loan Proceeds	Reappropriation	Balance December 31, 2016	Analysis of Balance		
								Funded by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
11-09	Various Improvements (c) Runway End Identifier Lights at Hammonton Airport	\$ 6,200.00					\$ 6,200.00			\$ 6,200.00
22-09	Various Improvements (a) Improve Airport Academy Drive Access Road & Fencing (b) Airport Runway Rehabilitation & Design	6,980.00 1,010.00	\$ 1,010.00				6,980.00	\$ 6,980.00		
26-09	Sidewalk Improvements to Bellevue Ave.	98,800.00		12,350.00			86,450.00		86,450.00	
3-08/22-09/ 4-10	Renovation to Runway Apron	3,680.00		460.00			3,220.00		3,220.00	
14-11	Continued Development of Hammonton Sports Complex	24,889.74		2,490.00	\$ 0.74		22,399.00		22,399.00	
4E-12	Road Improvements	22,800.00		2,850.00			19,950.00		19,950.00	
17-13	Various Improvements	71,250.00		7,125.00			64,125.00		64,125.00	
25-13	Municipal Airport Study and Improvements	22,665.85		2,270.00			20,395.85		20,395.00	0.85
14-14	Lakeview Drive Storm Sewer and Roadway Improvements	45,000.00		5,000.00		\$ (27,004.00)	12,996.00		12,996.00	
23-14	Municipal Airport Improvement Program	77,862.01		8,652.00			69,210.01		69,210.00	0.01
24-14	Preliminary Planning, Study and Analysis Related to Obstruction Removal at Municipal Airport	5,981.00		665.00			5,316.00		5,316.00	
25-14	Municipal Airport Construction and Obstruction Removal	30,904.00		3,434.00			27,470.00		27,470.00	
35-14	Municipal Airport Compliance Plan	20,900.00		2,090.00			18,810.00		18,810.00	
9-15	Roadway Improvements	332,500.00		33,250.00			299,250.00		299,250.00	
10-15	Acquisition of an Airplane/Helicopter Hanger Located at the Hammonton Airport	1,140,000.00		114,000.00		(38,740.91)	987,259.09		987,259.09	

(Continued)

TOWN OF HAMMONTON
 General Capital Fund
 Schedule of Deferred Charges To Future Taxation - Unfunded
 For the Year Ended December 31, 2016

Ordinance Number	Improvement Description	Analysis of Balance				Unexpended Improvement Authorizations
		Balance December 31, 2015	2015 Authorizations	Notes Paid by Budget Appropriation	Loan Proceeds	
		Reappropriation	Balance December 31, 2016	Funded by Bond Anticipation Notes	Expenditures	
12-15/23-15	Acquisition of Trash Trucks, Trash Receptacles and Auxiliary Trash Truck Equipment	\$ (10,395.00)	\$ 502,605.00	\$ 502,605.00		
1-16	Purchase of Fire Rescue/Pumper Truck		511,100.00	511,100.00		
2-16	Remove Obstructions at Airport		15,800.00	15,800.00		
17-16	Purchase of Police Radios		342,000.00	342,000.00		
22-16	Purchase of Equipment and Trucks and Improvements to Town-Owned Buildings	76,139.91	76,139.91	76,139.91		
			\$ 3,097,675.86	\$ 3,091,475.00	\$ -	\$ 6,200.86
			\$ 2,481,422.60	\$ 868,900.00	\$ 252,646.00	\$ 190,612.03
			\$ 0.74	\$ -	\$ -	\$ -
Improvement Authorizations - Unfunded Less: Unexpended Proceeds of Bond Anticipation Notes Issued:						
					\$ 6,981.00	
					7,588.55	
					164.64	
					23,704.50	
					30,361.18	
					3,576.67	
					9,292.63	
					248.00	
					725.00	
					66,819.27	
					34,949.73	
						184,411.17
						\$ 6,200.86

TOWN OF HAMMONTON
General Capital Fund
 Schedule of Improvement Authorizations
 For the Year Ended December 31, 2015

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance December 31, 2015		Capital Improvement Fund	Grants Receivable	Deferred Charges to Future Taxation - Unfunded	Paid or Charged	Reappropriation	Balance December 31, 2016	
				Funded	Unfunded						Funded	Unfunded
7-04	Various Improvements: (d) 2004 Various Airport Improvements	5-24-04	\$ 2,495,390.00	\$ 17,581.04					\$ 10,500.00		\$ 7,081.04	
15-05	Various Improvements (d) Purchase & Upgrade of Various Computer Equipment	5-23-05	405,000.00	860.00					860.00		-	
39-05	Airport Environmental Assessment	10-24-05	103,786.00	4,459.61							4,459.61	
43-05	Purchase of Firefighting Equipment	12-19-05	175,750.00	2,145.00							2,145.00	
1-06	Construction of a New Town Hall	1-23-06	5,900,000.00	2,700.35					2,700.35			
6-06	Various Improvements (a) Town-owned and Municipal Parking Improvements (b) Sidewalk Improvements	5-22-06	750,000.00 550,000.00	250.00 88,538.16					-		250.00 88,538.16	
27-07	Boyer Avenue Recreation Improvements	9-24-07	80,000.00	113.34					-		113.34	
11-09/ 15-10	Various Improvements (a) Improvements to Downtown Form-Based Code (c) Runway End Identifier Lights at Hammonton Airport	5-26-09 7-26-10	100,000.00 132,000.00		6,200.00				100.00		15,259.25	6,200.00
22-09	Various Improvements (a) Improve Airport Academy Drive Access Road & Fencing (b) Airport Runway Rehabilitation & Design	10-26-09	293,842.00 127,572.00	15,957.88	6,980.00 1.00				-		15,957.88	6,980.00 1.00
17-10	Rehabilitation of Hammonton Airport Runway	7-13-10	666,782.00	38,963.29					-		38,963.29	
14-11/ 9-12/ 16-12	Continued Development of Hammonton Sports Complex	6-27-11 4-16-12 6-25-12	1,050,000.00 915,750.00	28,484.35					(500.00)		28,984.35	
17-12	Demolition Of Building	6-25-12	158,130.00	900.00					-		900.00	
19-12/ 26-12	Renovation of Property	7-23-12 12-17-12	4,100,000.00 800,000.00	35,095.88					-		35,095.88	
21-12	Preliminary Costs of Power Purchase Agreement	8-27-12	200,000.00	31,586.82						\$ (31,586.82)		
24-12	Airport Design Improvements	10-22-12	154,070.00	5,172.36					338.57		4,833.79	
17-13	Various Improvements	8-26-13	\$ 75,000.00	10,988.55					3,400.00		7,588.55	
25-13	Municipal Airport Study and Improvements	10-28-13	226,642.85	8,125.00					7,959.51		165.49	
14-14	Lakeview Drive Storm Sewer and Roadway Improvements	6-2-14	300,000.00	51,869.50					1,161.00	(27,004.00)	23,704.50	
23-14	Municipal Airport Improvement Program	9-23-14	865,140.11	45,757.01					15,395.82		30,361.19	

(Continued)

TOWN OF HAMMONTON
 General Capital Fund
 Schedule of Improvement Authorizations
 For the Year Ended December 31, 2015

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance December 31, 2015		Capital Improvement Fund	Grants Receivable	Deferred Charges to Future Taxation - Unfunded	Paid or Charged	Reappropriation	Balance December 31, 2016								
				Funded	Unfunded						Funded	Unfunded							
24-14	Preliminary Planning, Study and Analysis Related to Obstruction Removal at Municipal Airport	10-27-14	69,958.91	\$ 286.32					\$ (3,290.35)		\$ -	\$ 3,576.67							
25-14	Municipal Airport Construction and Obstruction Removal	10-27-14	361,447.26	\$ 252,490.86	\$ 34,338.00				25,045.37		\$ 252,490.86	9,292.63							
35-14	Professional Fees Associated with Airport Compliance Plan	12-1-14	22,000.00	248.00					-			248.00							
9-15	Roadway Improvements	6-22-15	350,000.00	35,965.00					35,240.00			725.00							
10-15	Acquisition of an Airplane/Helicopter Hanger Located at the Hammonton Airport	7-23-15	1,200,000.00	38,740.91					-	\$ (38,740.91)		-							
12-15/ 23-15	Acquisition of Trash Trucks, Trash Receptacles and Auxiliary Trash Truck Equipment	8-10-15 11-2-15	600,000.00	7,526.00					(2,869.00)	(10,395.00)		-							
22-15	Paving/Reconstruction of a Portion of 14th Street	11-2-15	190,000.00	18,900.00					12,225.44		6,674.56	-							
1-16	Purchase of Fire Rescue/Pumper Truck	2-22-16	538,000.00		\$ 26,900.00			\$ 511,100.00	538,000.00			-							
2-16	Remove Obstructions at Airport	2-22-16	166,481.00		849.00	\$ 149,832.00		15,800.00	166,481.00			-							
17-16	Purchase of Police Radios	9-26-16	360,000.00		18,000.00			342,000.00	293,180.73			66,819.27							
22-16	Purchase of Equipment and Trucks and Improvements to Town-Owned Buildings	11-21-16	107,726.73						72,777.00	107,726.73		34,949.73							
Total												\$ 559,578.19	\$ 247,025.29	\$ 45,749.00	\$ 149,832.00	\$ 868,900.00	\$ 1,178,705.44	\$ 501,767.01	\$ 190,612.03
Federal Grants Receivable														\$ 149,832.00					
Prior Year Contracts Payable Canceled														\$ (6,659.35)					
Contracts Payable														434,289.69					
Cash Disbursed														751,075.10					
														\$ 1,178,705.44					

TOWN OF HAMMONTON
General Capital Fund
 Schedule of Contracts Payable
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 702,719.97
Increased by:		
Charged to Improvement Authorizations		<u>434,289.69</u>
		1,137,009.66
Decreased by:		
Disbursed	\$ 618,846.32	
Canceled	<u>6,659.35</u>	
		<u>625,505.67</u>
Balance December 31, 2016		<u><u>\$ 511,503.99</u></u>

EXHIBIT SC-10

Schedule of Capital Improvement Fund
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 648.96
Increased by:		
2016 Budget Appropriation		<u>48,000.00</u>
		48,648.96
Decreased by:		
Appropriations to Finance Improvement Authorizations		<u>45,749.00</u>
Balance December 31, 2016		<u><u>\$ 2,899.96</u></u>

EXHIBIT SC-11

Schedule of Reserve for Payment of Bond Anticipation Notes
 For the Year Ended December 31, 2015

Green Acres Loan Proceeds		<u>\$ 24,889.00</u>
Balance December 31, 2016		<u><u>\$ 24,889.00</u></u>

TOWN OF HAMMONTON
General Capital Fund
 Schedule of Green Acres Trust Fund Loan Payable
 For the Year Ended December 31, 2016

Balance December 31, 2015	\$	295,681.20
Increased by:		
Loan Issued		800,000.00
		1,095,681.20
Decreased by:		
Paid by 2016 Budget Appropriation		38,257.41
Balance December 31, 2016	\$	1,057,423.79

Analysis of Balance December 31, 2016

<u>Payment Date</u>	<u>Amount</u>
2-28-17	4,017.11
3-26-17	5,653.26
5-16-17	19,394.97
8-28-17	4,057.28
9-26-17	5,709.79
11-16-17	19,588.92
2-28-18	4,097.85
3-26-18	5,766.89
5-16-18	19,784.81
8-28-18	4,138.83
9-26-18	5,824.56
11-16-18	19,982.66
2-28-19	4,180.22
3-26-19	5,882.81
5-16-19	20,182.49
8-28-19	4,222.02
9-26-19	5,941.63
11-16-19	20,384.31
2-28-20	4,264.24
3-26-20	6,001.05
5-16-20	20,588.16
8-28-20	4,306.88
9-26-20	6,061.06
11-16-20	20,794.04
2020 through 2024	816,597.95
	\$ 1,057,423.79

TOWN OF HAMMONTON
General Capital Fund
 Schedule of Bond Anticipation Notes
 For the Year Ended December 31, 2016

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2015	Change		Balance December 31, 2016
							Increased	Decreased	
22-09	Various Improvements	7-2-13	11-30-15 11-22-16	11-29-16 11-22-17	1.75% 2.00%	\$ 7,990.00	\$ 6,980.00	\$ 7,990.00	\$ 6,980.00
26-09	Sidewalk Improvements to Bellevue Ave.	7-2-13	11-30-15 11-22-16	11-29-16 11-22-17	1.75% 2.00%	98,800.00	86,450.00	98,800.00	86,450.00
3-08/4-10	Renovation to Runway Apron	7-2-13	11-30-15 11-22-16	11-29-16 11-22-17	1.75% 2.00%	3,680.00	3,220.00	3,680.00	3,220.00
4E-12	Road Improvements	7-2-13	11-30-15 11-22-16	11-29-16 11-22-17	1.75% 2.00%	22,800.00	19,950.00	22,800.00	19,950.00
14-14	Lakeview Drive Storm Sewer and Roadway Improvements	12-1-14	11-30-15 11-22-16	11-29-16 11-22-17	1.75% 2.00%	45,000.00	12,996.00	45,000.00	12,996.00
23-14	Municipal Airport Improvement Program	12-1-14	11-30-15 11-22-16	11-29-16 11-22-17	1.75% 2.00%	77,862.00	69,210.00	77,862.00	69,210.00
24-14	Preliminary Planning, Study and Analysis Related to Obstruction Removal at Municipal Airport	12-1-14	11-30-15 11-22-16	11-29-16 11-22-17	1.75% 2.00%	5,981.00	5,316.00	5,981.00	5,316.00
25-14	Municipal Airport Construction and Obstruction Removal	12-1-14	11-30-15 11-22-16	11-29-16 11-22-17	1.75% 2.00%	30,904.00	27,470.00	30,904.00	27,470.00
14-11	Continued Development of Hammonton Sports Complex	6-23-15	11-30-15 11-22-16	11-29-16 11-22-17	1.75% 2.00%	24,889.00	22,399.00	24,889.00	22,399.00
17-13	Various Improvements	6-23-15	11-30-15 11-22-16	11-29-16 11-22-17	1.75% 2.00%	71,250.00	64,125.00	71,250.00	64,125.00
25-13	Municipal Airport Study and Improvements	6-23-15	11-30-15 11-22-16	11-29-16 11-22-17	1.75% 2.00%	22,665.00	20,395.00	22,665.00	20,395.00

(Continued)

TOWN OF HAMMONTON
General Capital Fund
 Schedule of Bond Anticipation Notes
 For the Year Ended December 31, 2016

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2015	Increased	Decreased	Balance December 31, 2016
35-14	Professional Fees Associated with Airport Compliance Plan	6-23-15	11-30-15 11-22-16	11-29-16 11-22-17	1.75% 2.00%	\$ 20,900.00	\$ 18,810.00	\$ 20,900.00	\$ 18,810.00
9-15	Roadway Improvements	11-30-15	11-30-15 11-22-16	11-29-16 11-22-17	1.75% 2.00%	332,500.00	299,250.00	332,500.00	299,250.00
10-15	Acquisition of an Airplane/Helicopter Hanger Located at the Hammonton Airport	8-27-15	8-27-15 8-25-16 11-22-16	8-26-16 11-29-16 11-22-17	1.0399% 1.1399% 1.1498%	1,140,000.00	1,140,000.00 987,259.09	1,140,000.00 1,140,000.00	- 987,259.09
12-15/ 23-15	Acquisition of Trash Trucks, Trash Receptacles and Auxiliary Trash Truck Equipment	11-30-15	11-30-15 11-22-16	11-29-16 11-22-17	1.75% 2.00%	570,000.00	502,605.00	570,000.00	502,605.00
1-16	Purchase of Fire Rescue/Pumper Truck		3-24-16 11-22-16	11-29-16 11-22-17	1.089% 2.00%		511,100.00 511,100.00	511,100.00	511,100.00
2-16	Remove Obstructions at Airport		3-24-16 11-22-16	11-29-16 11-22-17	1.089% 2.00%		15,800.00 15,800.00	15,800.00	15,800.00
17-16	Purchase of Police Radios	11-22-16	11-22-16	11-22-17	2.00%		342,000.00	342,000.00	342,000.00
22-16	Purchase of Equipment and Trucks and Improvements to Town-Owned Buildings	11-22-16	11-22-16	11-22-17	2.00%		76,139.91		76,139.91
Total						<u>\$ 2,475,221.00</u>	<u>\$ 4,758,375.00</u>	<u>\$ 4,142,121.00</u>	<u>\$ 3,091,475.00</u>
						Issued for Cash			
						Renewals			
						\$ 868,900.00	3,889,475.00	\$ 3,889,475.00	
						Paid by Budget Appropriation			
						<u>\$ 4,758,375.00</u>	<u>\$ 4,142,121.00</u>	<u>\$ 4,142,121.00</u>	

TOWN OF HAMMONTON
General Capital Fund

Schedule of General Serial Bonds
For the Year Ended December 31, 2016

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2016		Interest Rate	Balance December 31, 2015	Increased	Decreased	Balance December 31, 2016
			Date	Amount					
General Bonds of 1997	12-1-97	\$ 3,969,000.00	12-1-17	\$ 240,000.00	4.875%	\$ 490,000.00	\$ 250,000.00	\$ 240,000.00	
Pension Refunding Bonds 2004	3-1-04	3,067,000.00	3-1-17	400,000.00	5.85%	820,000.00			820,000.00
			3-1-18	420,000.00	5.90%				
General Bonds of 2007	2/1/07	6,400,000.00	2-1-16	600,000.00	4.30%	3,600,000.00	3,600,000.00	-	
General Bonds of 2009	5/14/09	7,450,000.00	1-15-16/17	25,000.00	3.50%	7,275,000.00		6,525,000.00	750,000.00
			1-15-18	225,000.00	4.00%				
			1-15-19	500,000.00	4.00%				
General Obligation Refunding Bonds	5/14/09	1,785,000.00	7-1-16	270,000.00	3.50%	270,000.00	270,000.00	-	
General Obligation Refunding Bonds	5/11/16	9,025,000.00	2-1-17	580,000.00	2.00%				
			2-1-18	625,000.00	4.00%				
			2-1-19	720,000.00	4.00%				
			2-1-20	1,290,000.00	5.00%				
			2-1-21	1,375,000.00	5.00%				
			2-1-22	1,415,000.00	5.00%				
2-1-23	1,455,000.00	5.00%							
2-1-24	1,505,000.00	5.00%							
Total						\$ 12,455,000.00	\$ 9,025,000.00	\$ 10,705,000.00	\$ 10,775,000.00
						Refunding Bonds Issued	\$ 9,025,000.00		
						Bonds Refunded		\$ 9,500,000.00	
						Paid by Budget Appropriation			
						\$ 9,025,000.00	\$ 10,705,000.00	\$ 10,705,000.00	

TOWN OF HAMMONTON
 General Capital Fund

Schedule of Bonds And Notes Authorized But Not Issued
 For the Year Ended December 31, 2016

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2015</u>	2016 <u>Authorizations</u>	Bond Anticipation Notes Issued	Loan Proceeds	Balance December 31, <u>2016</u>
11-09	Various Improvements	\$ 6,200.00				\$ 6,200.00
14-11	Development of Hammonton Sports Complex	0.74			0.74	-
25-13	Municipal Airport Study and Improvements	0.85				0.85
23-14	Municipal Airport Improvement Program	0.01				0.01
1-16	Purchase of Fire Rescue/Pumper Truck		\$ 511,100.00	\$ 511,100.00		-
2-16	Remove Obstructions at Airport		15,800.00	15,800.00		-
17-16	Purchase of Police Radios		342,000.00	342,000.00		-
	Total	\$ 6,201.60	\$ 868,900.00	\$ 868,900.00	\$ 0.74	\$ 6,200.86

TOWN OF HAMMONTON
Water and Sewer Utility Fund
Schedule of Cash - Collector/Treasurer
For the Year Ended December 31, 2016

	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2015	\$ 646,087.12	\$ 1,209,816.44
Increased by Receipts:		
Consumer Accounts Receivable	\$ 6,256,398.30	
Liens Receivable	6,469.09	
Miscellaneous Revenue	122,692.00	
Prepaid Rents	1,384.48	
Due from Utility Capital Fund	367,536.86	
Premium Received on Bond Anticipation Notes Issued		\$ 9,905.00
Bond Anticipation Notes		31,666.00
Due from Current Fund		257,730.75
NJDEP Grants Received		29,540.68
State Loans Receivable		247,110.00
Local Grants Receivable		1,625,586.90
	6,754,480.73	2,201,539.33
Total Receipts		
Sub-total	7,400,567.85	3,411,355.77
Decreased by Disbursements:		
Refund of Road Restoration Fee	925.00	
2016 Appropriations	5,305,379.17	
2015 Appropriation Reserves	161,247.96	
Reserve for Encumbrances	560.00	
Refund of Prepaid Rents	2,788.85	
Accrued Interest on Bonds and Loans	585,722.19	
Due to Water Utility Assessment Trust Fund:		
Serial Bonds	20,000.00	
Due to Utility Operating Fund		367,536.86
Improvement Authorizations		1,743,106.11
Contracts Payable		763,758.08
	6,076,623.17	2,874,401.05
Total Disbursements		
Balance December 31, 2016	\$ 1,323,944.68	\$ 536,954.72

TOWN OF HAMMONTON
Water and Sewer Utility Fund
Schedule of Cash - Collector/Treasurer
For the Year Ended December 31, 2016

	<u>Operating</u>	<u>Capital</u>
<u>Reconciliation December 31, 2016</u>		
Ocean City Home Bank		
Account No. 981248693	\$ 1,874,153.06	
Add: Deposit in Transit	148.75	
Less: Outstanding Check	<u>(13,402.41)</u>	
	<u>\$ 1,860,899.40</u>	
 <u>Analysis of Balance</u>		
Operating Fund	\$ 1,323,944.68	
Capital Fund	<u>536,954.72</u>	
	<u>\$ 1,860,899.40</u>	

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
 Analysis of Cash
 For the Year Ended December 31, 2016

	Balance December 31, 2015	Receipts			Disbursements			Transfers		Balance December 31, 2016
		Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To			
Fund Balance	\$ 169,528.86		\$ 9,905.00			\$ 169,528.86			\$ 9,905.00	
Capital Improvement Fund	28,484.73								28,484.73	
<u>Improvement Authorizations:</u>										
Ord.										
NG.										
<i>General Improvements:</i>										
5-01 Egg Harbor Road Sewer Extension	10.00									10.00
17-07 Various Improvements	606,734.50									606,734.50
27-09 Bellevue Ave. Water Utility Improvements	60,775.00									60,775.00
26-11 Northwest Water Main Project/NJEIT	614,539.95									614,539.95
4-12 Various Water and Sewer Improvements	2.06									2.06
4A-12 Well 5/7 Facility Project - NJEIT	163,051.85					163,051.85				-
19-13/32-14 Well #4 Facility Project - NJEIT	(24,933.15)	\$ 31,666.00		\$ 6,732.85						-
28-13/ Design and Construction of a Granulated										
19-14 Carbon System for Well#1 and #3	103,403.49									103,403.49
5-14 Sewer Main Replacement Project - NJEIT	110,844.95							\$ 117,880.77		228,725.72
6-14 Water Main Replacement Project - NJEIT	16,930.16									16,930.16
7-14/12-14/22-14/										
33-14 Boyer Avenue Drip Irrigation Project	77,486.30			2,410.00		19,875.00		1,528.17		56,729.47
21-15 Replacement of Water Utility Buildings	1,147,286.90			47,721.45		792,227.00				307,338.45
11-16 Various Road and Utility Improvements				1,686,241.81		1,155,347.62				(2,841,589.43)
Due from Current Fund	(257,730.75)		257,730.75							-
State Grants Receivable	(560,532.71)		29,540.68							(530,992.03)
State Loans Receivable	(1,074,805.00)		247,110.00					85,750.00		(741,945.00)
Local Grants Receivable	(1,625,586.90)		1,625,586.90							-
Contracts Payable	1,198,587.45					119,408.94		1,967,449.62		2,282,870.05
Reserve for Payment of Loans	257,730.75							77,301.85		335,032.60
Due to Utility Operating Fund	198,008.00							367,536.86		-
	\$ 1,209,816.44	\$ 31,666.00	\$ 2,169,873.33	\$ 1,743,106.11	\$ 1,131,294.94	\$ 2,419,439.27	\$ 2,419,439.27	\$ 2,419,439.27	\$ 536,954.72	

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
Schedule of Due To Water and Sewer Utility Operating Fund
For the Year Ended December 31, 2016

Balance December 31, 2015	\$ 198,008.00
Increased By:	
Anticipated as Revenue in the 2016 Operating Fund Budget:	
Utility Capital Fund Balance	<u>169,528.86</u>
	367,536.86
Decreased by:	
Paid to Utility Operating Fund	<u>367,536.86</u>
Balance December 31, 2016	<u><u>\$ -</u></u>

TOWN OF HAMMONTON
Water and Sewer Utility Fund
Schedule of Consumer Accounts Receivable
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 16,871.34
Increased by:		
Rents Levied in 2016		6,257,195.65
		6,274,066.99
Decreased by:		
Collections	\$ 6,256,398.30	
Prepaid Applied	-	
Transferred to Liens	8,583.84	
		6,264,982.14
Balance December 31, 2016		\$ 9,084.85

Water and Sewer Utility Fund
Schedule of Water Utility Liens
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 10,984.26
Increased by:		
Transferred from Consumer Accounts Receivable	\$ 8,583.84	
Lien Interest and Costs	714.64	
		9,298.48
		20,282.74
Decreased by:		
Collections		6,469.09
Balance December 31, 2016		\$ 13,813.65

TOWN OF HAMMONTON
Water and Sewer Utility Fund
 Water and Sewer Operating Fund
 Schedule of Deferred Charges
 For the Year Ended December 31, 2016

	Balance	Authorized	Raised in	Balance
	<u>Dec. 31, 2015</u>	<u>In 2016</u>	<u>2016</u>	<u>Dec. 31, 2016</u>
			<u>Budget</u>	
Operating Deficit	\$ 567,035.36	-	\$ 567,035.36	-

TOWN OF HAMMONTON
Water and Sewer Utility Fund
Schedule of Due To Water Utility Assessment Fund
For the Year Ended December 31, 2016

Balance December 31, 2015	\$ 41,669.88
Increased By:	
Received in Water and Sewer Operating Fund:	
Assessments Receivable	<u>-</u>
	41,669.88
Decreased By:	
Paid by Water and Sewer Operating Fund:	
Serial Bonds	<u>20,000.00</u>
Balance December 31, 2016	<u><u>\$ 21,669.88</u></u>

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
Schedule of Fixed Capital
For the Year Ended December 31, 2016

	Balance December 31, <u>2015</u>	Additions by <u>Ordinance</u>	Balance December 31, <u>2016</u>
<u>Water Utility Improvements</u>			
Plant and Equipment	\$ 938,969.47		\$ 938,969.47
Distribution Mains	6,360,571.79		6,360,571.79
Survey and Plant Equipment	82,360.00		82,360.00
Mains, Pipes and Fittings	2,514,330.68		2,514,330.68
House Connections	10,967.46		10,967.46
Water Storage Tank	2,089,530.46		2,089,530.46
Motors and Accessories	58,877.14		58,877.14
Wells and Improvements to Wells	716,231.07		716,231.07
Water Treatment Plant	546,749.00		546,749.00
General Equipment	164,658.59		164,658.59
Refunding Bond Ordinance	35,000.00		35,000.00
Meters	7,918.03		7,918.03
<u>Sewer Utility Improvements</u>			
Sewer Plant	533,513.88		533,513.88
Sewer System	16,679,141.83		16,679,141.83
Sewer Mains Assessed	147,954.70		147,954.70
Sewer Treatment Plant	19,599,967.02		19,599,967.02
Equipment and Meters	356,487.55		356,487.55
Refunding Bond Ordinance	325,000.00		325,000.00
Pumping Stations	528,447.30		528,447.30
Meters	198,584.79		198,584.79
	<u>\$ 51,895,260.76</u>	<u>\$ -</u>	<u>\$ 51,895,260.76</u>

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
 Schedule of Fixed Capital Authorized and Uncompleted
 For the Year Ended December 31, 2016

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance December 31, 2015	2016 Authorizations Deferred Charges to Future Revenue	Canceled	Balance December 31, 2016
<u>General Improvements:</u>							
5-01	Egg Harbor Road Sewer Extension	2/26/01	40,000.00	\$ 10.00			\$ 10.00
9-04/17-05/ 17-06	Various Sewer Utility Improvements	5/24/04	1,675,000.00	1,543,960.90			1,543,960.90
16-05	Various Improvements:	5/23/05					
18-06	(b) Egg Harbor Road Water Main Extension	8/7/06	500,000.00	691,907.30			691,907.30
	(c) Bellevue Ave. Water Main Replacement		200,000.00	198,500.00			198,500.00
4-06	Central Avenue Sewer Improvements	3/27/06	110,432.08	107,332.07			107,332.07
17-07	Various Improvements:	6/25/07	780,000.00	780,000.00			780,000.00
	(c) Pine, Oak, Basin Water Main Extensions						
21-08	Various Improvements:	7/28/08	32,000.00	29,861.00			29,861.00
	(c) Purchase of Wireless Transceiver Antenna						
6-09	White Horse Pike/Moss Mill Road Sewer Improvements	3/23/09	709,875.52	583,639.82			583,639.82
27-09	Bellevue Ave. Water Utility Improvements	11/23/09	1,018,000.00	60,775.00			60,775.00
28-09	Various Sewer Utility Improvements	11/23/09	693,930.00	60,000.00			60,000.00
7-10	4th Street Reconstruction	6/7/10	438,228.38	229,372.92			229,372.92
23-10	Various Water Improvements	10/25/10	90,000.00	89,949.12			89,949.12
17-11	Acquisition of a Disk Harrow	8/22/11	8,885.00	8,885.00			8,885.00
26-11	Northwest Water Main Project/NJEIT	12/19/11	4,600,000.00	4,600,000.00			4,600,000.00
4-12	Various Water and Sewer Improvements	3/26/12	369,713.76	369,713.76			369,713.76
4A-12	Well 5/7 Facility Project - NJEIT	3/26/12	2,100,000.00	2,100,000.00		\$ (47,200.00)	2,052,800.00
19-13	Well #4 Facility Project - NJEIT	10/28/13	2,200,000.00	2,166,666.00			2,166,666.00
28-13/ 19-14	Design and Construction of a Granular Activated Carbon System for Well #1 and Well #3	11/18/13 8/11/14	1,043,280.00 556,720.00	1,600,000.00			1,600,000.00
5-14	Sewer Main Replacement Project - NJEIT	2/24/14	5,200,000.00	5,200,000.00			5,200,000.00
6-14	Water Main Replacement Project - NJEIT	2/24/14	1,700,000.00	1,700,000.00			1,700,000.00
7-14/12-14/ 22-14/ 33-14	Boyer Avenue Drip Irrigation Project	3/10/14 9/22/14 1/21/14	500,000.00 # 35,000.00 # 500,000.00 #				1,035,000.00
21-15	Replacement of Water Utility Buildings	11/2/15	1,625,586.90	1,625,586.90			1,625,586.90
11-16	Various Road and Utility Improvements	5/16/16	3,500,000.00		\$ 3,500,000.00		3,500,000.00
				\$ 24,781,159.79		\$ (47,200.00)	\$ 28,233,959.79

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
 Schedule of State Grants Receivable
 For the Year Ended December 31, 2016

Balance December 31, 2015	\$ 560,532.71
Decreased by:	
Received	29,540.68
Balance December 31, 2016	\$ 530,992.03
New Jersey Department of Environmental Protection -- Ordinance 26-11	\$ 408,001.79
New Jersey Department of Environmental Protection -- Ordinance 19-14	122,990.24
	\$ 530,992.03

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
 Schedule of State Loans Receivable
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 1,074,805.00
Decreased By:		
Received from NJEIT	247,110.00	
Canceled by Resolution	85,750.00	
		332,860.00
Balance December 31, 2016		\$ 741,945.00

TOWN OF HAMMONTON
Water and Sewer Utility Fund
 Schedule of 2015 Appropriation Reserves
 For the Year Ended December 31, 2016

	<u>Balance</u>		<u>Transfers</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
	<u>Reserved</u>	<u>December 31, 2015 Encumbered</u>				
Operating:						
Salaries and Wages	\$ 10,357.55		\$ (10,357.55)	\$ -	\$ -	\$ -
Other Expenses	4,904.02	96,694.27	10,357.55	111,955.84	107,441.99	4,513.85
Capital Outlay	430.57	54,074.01		54,504.58	53,805.97	698.61
New Jersey Disability Insurance	1,160.05			1,160.05	-	1,160.05
Total	\$ 16,852.19	\$ 150,768.28	\$ -	\$ 167,620.47	\$ 161,247.96	\$ 6,372.51
				Cash Disbursed	\$ 161,247.96	

TOWN OF HAMMONTON
Water and Sewer Utility Fund
 Schedule of Reserve for Encumbrances
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 152,528.28
Increased by:		
2016 Appropriations		5,079.49
		157,607.77
Decreased by:		
Transferred to Appropriation Reserves	150,768.28	
Disbursed	560.00	
Canceled	1,200.00	
		152,528.28
Balance December 31, 2015		\$ 5,079.49

TOWN OF HAMMONTON
Water and Sewer Utility Fund
 Schedule of Prepaid Rents
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 7,115.30
Increased by:		
Received in 2016		1,384.48
		8,499.78
Decreased by:		
Refunded	\$ 2,788.85	
Applied to Consumer Accounts Receivable	-	2,788.85
Balance December 31, 2016		\$ 5,710.93

TOWN OF HAMMONTON
Water and Sewer Utility Fund
Schedule of Accrued Interest Payable
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 255,122.37
Increased by:		
Budget Appropriations for:		
Interest on Bonds and Loans	\$ 568,797.42	
Interest on Notes	25,081.93	
	593,879.35	849,001.72
Decreased by:		
Interest Paid:		
Interest on Bonds & Loans	561,239.44	
Interest on Notes	24,482.75	
	585,722.19	849,001.72
Balance December 31, 2016		\$ 263,279.53

Analysis of Accrued Interest December 31, 2016

	Principal Outstanding Dec. 31, 2016	Interest Rate	From	To	Period	Amount
<i>Water & Sewer Bonds of 1997 (Capital)</i>	\$ 130,000.00	4.875%	12/1/16	12/31/16	1 Month	\$ 528.13
<i>Water Assessment Bonds of 1997</i>	20,000.00	4.875%	12/1/16	12/31/16	1 Month	81.25
<i>Water & Sewer Bonds of 2009</i>	350,000.00	Various	7/15/16	12/31/16	165 Days	6,233.33
<i>Water & Sewer Refunding Bonds of 2009</i>	2,345,000.00	Various	7/1/16	12/31/16	6 Months	43,443.75
<i>NJEIT Trust/Fund Loan of 2012</i>	1,949,542.22	Various	8/1/16	12/31/16	5 Months	17,383.33
<i>Sewer 2012 Refunding Bonds</i>	2,885,000.00	Various	9/1/16	12/31/16	4 Months	35,866.67
<i>NJEIT Trust/Fund Loan of 2013</i>	1,703,744.24	Various	8/1/16	12/31/16	5 Months	6,479.17
<i>NJEIT Trust/Fund Loan of 2014</i>	5,974,490.84	Various	8/1/16	12/31/16	5 Months	30,545.01
<i>2016 Refunding Bonds</i>	7,375,000.00	Various	8/1/16	12/31/16	5 Months	120,000.00
 <i>Bond Anticipation Notes</i>	 1,287,896.00	 2.00%	 11/22/16	 12/31/16	 38 Days	 2,718.89
						\$ 263,279.53

TOWN OF HAMMONTON
Water Utility Assessment Trust Fund
 Schedule of General Serial Bonds
 For the Year Ended December 31, 2016

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Date</u>	<u>Maturities of Bonds Outstanding December 31, 2016</u>		<u>Interest Rate</u>	<u>Balance December 31, 2015</u>	<u>Paid by Budget Appropriation</u>	<u>Balance December 31, 2016</u>
				<u>Amount</u>	<u>Rate</u>				
Water Assessment Bonds of 1997	12/1/97	\$ 286,600.00	12/1/16-17	\$ 20,000.00	4.875%	\$ 40,000.00	\$ 20,000.00	\$ 20,000.00	

TOWN OF HAMMONTON
 Water and Sewer Utility Capital Fund
 Schedule of Improvement Authorizations
 For the Year Ended December 31, 2016

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance December 31, 2015		Deferred Charges To Future Revenue	Canceled	Paid or Charged	Balance December 31, 2016	
				Funded	Unfunded				Funded	Unfunded
<u>General Improvements:</u>										
5-01	Egg Harbor Road Sewer Extension	2/26/01	\$ 40,000.00	\$ 10.00		\$ 10.00			\$ 10.00	
9-04	Various Sewer Utility Improvements:	5/24/04	370,000.00							
17-05	(d) Repairs to Bellevue Ave. Sewer	5/23/05	340,000.00							
17-07	Various Improvements:	6/25/07	1,550,000.00	606,734.50					606,734.50	
	(c) Pine Oak Basin Water Main Extensions									
27-09	Bellevue Ave. Water Utility Improvements	11/23/09	1,018,000.00	\$ 60,775.00					\$ 60,775.00	
26-11	Northwest Water Main Project/NJEIT	12/19/11	4,600,000.00	206,538.16	1,186,128.79				206,538.16	1,186,128.79
4-12	Various Water and Sewer Improvements	3/26/12	369,713.76	2.06					2.06	
4A-12	Well 5/7 Facility Project - NJEIT	3/26/12	2,100,000.00	163,051.85	47,200.00					
19-13/32-14	Well 4 Facility Project - NJEIT	10/28/13	2,200,000.00		6,732.85		6,732.85			
28-13/19-14	Design and Construction of a Granular Activated Carbon System for Well #1 and Well #3	11/18/13 8/11/14	1,043,280.00 556,720.00	103,403.49					103,403.49	
5-14	Sewer Main Replacement Project - NJEIT	2/24/14	5,200,000.00	110,844.95	1,571,175.00			(117,880.77)	110,844.95	1,689,055.77
6-14	Water Main Replacement Project - NJEIT	2/24/14	1,700,000.00	16,930.16	270,786.00				16,930.16	270,786.00
7-14/12-14/22-14/33-14	Boyer Avenue Drip Irrigation Project	3/10/14 9/22/14 12/1/14	500,000.00 35,000.00 500,000.00		77,486.30					56,729.47
21-15	Replacement of Water Utility Buildings	11/2/15	1,625,586.90	1,147,586.90					307,538.45	
11-16	Various Road and Utility Improvements	5/16/16	3,500,000.00					2,841,589.43		658,410.57
Total				\$ 2,354,802.07	\$ 3,220,283.94	\$ 3,500,000.00	\$ (210,251.85)	\$ 3,591,146.79	\$ 1,351,801.77	\$ 3,921,885.60
				Fixed Capital Authorized and Uncompleted Reserve for Payment of Loans						
				NJETT Loans Receivable						
				Contracts Payable						
				Contracts Payable Canceled						
				Contracts Payable Disbursed						
				\$ (210,251.85)						
				\$ (119,408.94)						
				1,967,449.62						
				1,743,106.11						
				\$ 3,591,146.79						

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
Schedule of Contracts Payable
For the Year Ended December 31, 2016

Balance December 31, 2015	\$ 1,198,587.45
Increased By:	
Charged to Improvement Authorizations	<u>1,967,449.62</u>
	3,166,037.07
Decreased by:	
Disbursed	\$ 763,758.08
Canceled	<u>119,408.94</u>
	<u>883,167.02</u>
Balance December 31, 2016	<u><u>\$ 2,282,870.05</u></u>

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
 Schedule of Reserve for Amortization
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 41,305,477.92
Increased By:		
2016 Budget Appropriations:		
NJEIT Loans	\$ 526,464.04	
USRD Loan	11,464.56	
Bond Anticipation Notes	150,400.00	
Serial Bonds	<u>1,705,000.00</u>	
		\$ 2,393,328.60
FMHA Loans Refunded	2,418,604.16	
USRD Loans Refunded	1,846,521.67	
Water and Sewer Utility Serial Bonds Refunded	<u>3,605,000.00</u>	
		<u>7,870,125.83</u>
		<u>10,263,454.43</u>
		51,568,932.35
Decreased By:		
2016 Water and Sewer Refunding Bonds Issued		<u>7,605,000.00</u>
Balance December 31, 2016		<u><u>\$ 43,963,932.35</u></u>

Water and Sewer Utility Capital Fund
 Schedule of Reserve for Payment of Loans
 For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 257,730.75
Increased by:		
Improvement Authorizations Canceled		<u>77,301.85</u>
Balance December 31, 2015		<u><u>\$ 335,032.60</u></u>

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
 Schedule of Deferred Reserve for Amortization
 For the Year Ended December 31, 2016

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2015</u>	<u>Grants Receivable</u>	<u>Balance Dec. 31, 2016</u>
20-03	Sewer Utility Improvements	8/25/03	\$ 16,000.00		\$ 16,000.00
09-04/17-06	Various Sewer Utility Improvements	5/24/04	30,000.00		30,000.00
17-07	Pine, Oak, Basin Water Main Extensions	6/25/07	780,000.00		780,000.00
27-09	Bellevue Ave. Water Utility Improvements	11/23/09	148,470.00		148,470.00
17-11	Acquisition of a Disk Harrow	8/22/11	8,885.00		8,885.00
26-11	Northwest Water Main Project/NJEIT	12/19/11	994,249.21		994,249.21
28-13/ 19-14	Design and Construction of a Granular Activated Carbon System for Well #1 and Well #3	11/18/13 8/11/14	1,600,000.00		1,600,000.00
19-13/32-14	Well 4 Facility Project - NJEIT	10/28/13	433,334.00		433,334.00
21-15	Replacement of Water Utility Buildings	11/2/15	1,625,586.90		1,625,586.90
			<u>\$ 5,636,525.11</u>	<u>\$ -</u>	<u>\$ 5,636,525.11</u>

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
 Schedule of New Jersey Environmental Infrastructure Trust Loans Payable
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 10,154,241.34
Increased by:		
Loans Executed		-
		10,154,241.34
Decreased by:		
Paid by 2016 Budget Appropriation		526,464.04
Balance December 31, 2016		\$ 9,627,777.30

Analysis of Balance Dec. 31, 2016

<u>Payment Date</u>	<u>Trust Loan</u>	<u>Fund Loan</u>	<u>Total</u>
2/1/17		127,154.68	127,154.68
8/1/17	145,000.00	254,309.36	399,309.36
2/1/18		127,154.68	127,154.68
8/1/18	155,000.00	254,309.36	409,309.36
2/1/19		127,154.68	127,154.68
8/1/19	155,000.00	254,309.36	409,309.36
2/1/20		127,154.68	127,154.68
8/1/20	170,000.00	254,309.36	424,309.36
2/1/21		127,154.68	127,154.68
8/1/21	175,000.00	254,309.36	429,309.36
2021 through 2033	2,550,000.00	4,370,457.10	6,920,457.10
	\$ 3,350,000.00	\$ 6,277,777.30	\$ 9,627,777.30

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
Schedule of FMHA Loans Payable
For the Year Ended December 31, 2016

Balance December 31, 2015	\$ 2,418,604.16
Decreased By:	
Refunded in 2016	<u>2,418,604.16</u>
Balance December 31, 2016	<u><u>\$ -</u></u>

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
 Schedule of USRD Loans Payable
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 1,857,986.23
Decreased by:		
Paid by 2016 Budget Appropriation	\$ 11,464.56	
Refunded in 2016	1,846,521.67	
		1,857,986.23
 Balance December 31, 2016		 \$ -

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
 Schedule of Bond Anticipation Notes
 For the Year Ended December 31, 2016

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2015</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2016</u>
27-09	Bellevue Ave. Water Utility Improvements	7-2-13	11-30-15 11-22-16	11-29-16 11-22-17	1.75% 2.00%	\$ 327,130.00	\$ 286,230.00	\$ 327,130.00	\$ - 286,230.00
28-09	Various Sewer Utility Improvements	7-2-13	11-30-15 11-22-16	11-29-16 11-22-17	1.75% 2.00%	48,000.00	42,000.00	48,000.00	- 42,000.00
22-14	Boyer Avenue Drip Irrigation Project	12-1-14	11-30-15 11-22-16	11-29-16 11-22-17	1.75% 2.00%	31,500.00	28,000.00	31,500.00	- 28,000.00
33-14	Boyer Avenue Drip Irrigation Project	6-23-15	11-30-15 11-22-16	11-29-16 11-22-17	1.75% 2.00%	1,000,000.00	900,000.00	1,000,000.00	- 900,000.00
19-13	Well 4 Facility Project	11-22-16	11-22-16	11-22-17	2.00%		31,666.00		31,666.00
						<u>\$ 1,406,630.00</u>	<u>\$ 1,287,896.00</u>	<u>\$ 1,406,630.00</u>	<u>\$ 1,287,896.00</u>
						Issued for Cash	\$ 31,666.00		
						Renewals	1,256,230.00	\$ 1,256,230.00	
						Paid by Budget Appropriation		150,400.00	
						<u>\$ 1,287,896.00</u>	<u>\$ 1,406,630.00</u>	<u>\$ 1,406,630.00</u>	<u>\$ 1,287,896.00</u>

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
 Schedule of General Serial Bonds
 For the Year Ended December 31, 2016

Purpose	Date of Issue	Original Issue	Date	Maturities of Bonds Outstanding		Interest Rate	Balance December 31, 2015	Issued	Decreased	Balance December 31, 2016
				December 31, 2016	Amount					
Water & Sewer Bonds of 1997	12/1/97	\$ 1,947,400.00	12-1-16/17	\$ 130,000.00		4.875%	\$ 260,000.00	\$ 130,000.00	\$ 130,000.00	
Water & Sewer Bonds of 2006	2/1/07	6,006,000.00	2-1-16	550,000.00		4.30%	2,990,000.00	2,990,000.00	-	
Water & Sewer Bonds of 2009	5/14/09	1,985,000.00	1-15-17 1-15-18/19 1-15-20	80,000.00 135,000.00 135,000.00		3.50% 4.00% 4.25%	1,625,000.00	1,275,000.00	350,000.00	
Water & Sewer Utility Refunding Bonds	5/14/09	4,705,000.00	7-1-17 7-1-18 7-1-19 7-1-20 7-1-21	435,000.00 470,000.00 475,000.00 480,000.00 485,000.00		3.50% 3.50% 3.75% 3.75% 4.00%	2,780,000.00	435,000.00	2,345,000.00	
Sewer Refunding Bonds of 2012	6/28/12	3,395,000.00	3-1-17 3-1-18 3-1-19 3-1-20 3-1-21 3-1-22 3-1-23 3-1-24	255,000.00 255,000.00 270,000.00 280,000.00 295,000.00 490,000.00 515,000.00 525,000.00		3.00% 3.00% 3.00% 4.00% 4.00% 4.00% 4.00%	3,135,000.00	250,000.00	2,885,000.00	

(Continued)

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
 Schedule of General Serial Bonds
 For the Year Ended December 31, 2016

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance December 31, 2015	Issued	Decreased	Balance December 31, 2016
			Date	Amount	December 31, 2016					
Water & Sewer Utility Refunding Bonds	5/11/16	7,605,000.00	2-1-17	\$ 715,000.00		2.00%				
			2-1-18	715,000.00		4.00%				
			2-1-19	720,000.00		4.00%				
			2-1-20	905,000.00		5.00%				
			2-1-21	330,000.00		5.00%				
			2-1-22	410,000.00		5.00%				
			2-1-23	450,000.00		5.00%				
			2-1-24	465,000.00		5.00%				
			2-1-25	195,000.00		4.00%				
			2-1-26	205,000.00		4.00%				
			2-1-27	215,000.00		4.00%				
			2-1-28	220,000.00		4.00%				
			2-1-29	230,000.00		3.00%				
			2-1-30	235,000.00		3.00%				
			2-1-31	245,000.00		3.00%				
			2-1-32	250,000.00		3.00%				
		2-1-33	260,000.00		3.00%					
		2-1-34	265,000.00		3.00%					
		2-1-35	275,000.00		3.00%					
		2-1-36	70,000.00		3.00%					
							\$ 7,605,000.00	\$ 230,000.00	\$ 7,375,000.00	
Total							<u>\$ 7,605,000.00</u>	<u>\$ 5,310,000.00</u>	<u>\$ 13,085,000.00</u>	
							\$ 7,605,000.00		\$ 3,605,000.00	
									1,705,000.00	
							\$ 7,605,000.00		\$ 5,310,000.00	

Refunding Bonds Issued
 Bonds Refunded
 Paid by Budget Appropriation

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
 Schedule of Bonds and Notes Authorized but not Issued
 For the Year Ended December 31, 2016

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2015</u>	<u>2016 Authorizations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Canceled</u>	<u>Balance December 31, 2016</u>
26-11	Northwest Water Main Project/NJEIT	\$ 1,199,464.29				\$ 1,199,464.29
4A-12	Well 5/7 Facility Project - NJEIT	47,200.00			\$ (47,200.00)	-
19-13	Well 4 Facility Project - NJEIT	31,666.00		\$ 31,666.00		-
5-14	Sewer Main Replacement Project - NJEIT	1,571,175.00				1,571,175.00
6-14	Water Main Replacement Project - NJEIT	270,786.00				270,786.00
11-16	Various Road and Utility Improvements		\$ 3,500,000.00			3,500,000.00
		<u>\$ 3,120,291.29</u>	<u>\$ 3,500,000.00</u>	<u>\$ 31,666.00</u>	<u>\$ (47,200.00)</u>	<u>\$ 6,541,425.29</u>

TOWN OF HAMMONTON

PART II

LETTER OF COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED

DECEMBER 31, 2016

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GENERAL COMMENTS

Contracts and Agreements Required to be Advertised for N.J.S. 40A:11-4

N.J.S. 40A:11-4 states, "Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$40,000 except by contract or agreement.

The governing body of the Town has the responsibility of determining whether the expenditures in any category will exceed \$40,000 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Town Counsel's opinion should be sought before a commitment is made.

Our examination of expenditures did not reveal payments in excess of \$40,000 "for the performance of any work or the furnishing or hiring of any materials or supplies" other than those where bids had been previously sought by public advertisement, awarded under state or county cooperative purchasing agreements, or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

The minutes indicate that bids were requested by public advertising for the following:

- Utility Improvements
- Various Construction

Contracts and Agreements Requiring Solicitation of Quotations

N.J.S. 40A:11-6.1 states, "Prior to the award of any other purchase, contract or agreement, the contracting agent shall, except in the case of the performance of professional services, solicit quotations, whenever practical, on any such purchase, contract or agreement the estimated cost or price of which is \$6,000 or more."

Our examination of expenditures did reveal not purchases made in excess of \$6,000 without obtaining quotes as required by statute.

Collection of Interest on Delinquent Taxes and Assessments

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body, on February 22, 2016, adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, NJSA 54:4-67 governs the interest rates to be charged on delinquent taxes and allows the governing body to set a grace period not to exceed ten (10) calendar days, and

WHEREAS, interest on delinquent taxes may be fixed at a rate of 8% of the first \$1,500.00 of delinquency, and at a rate of 18% on that portion of the delinquent tax balance which is in excess of \$1,500.00; and

WHEREAS, P.L. 1991, c. 75, s. 39 provides that a penalty of 6% may be charged to a taxpayer with a delinquency in excess of \$10,000.00 who fails to pay the delinquency prior to the end of the fiscal year.

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and Town Council of the Town of Hammonton, Atlantic County, State of New Jersey, as follows;

1. That the tax collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date.
2. That the Tax Collector is hereby authorized and directed to charge a 6% penalty to those properties who fail to pay delinquencies in excess of \$10,000.00 prior to the end of the fiscal year.
3. That the Tax Collector is instructed that no interest shall be charged if a payment of a tax installment is received by the Tax Collector within the tenth (10th) calendar day following the date upon which that tax installment became payable.

It appears from an examination of the collector's records that interest on delinquent taxes was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 27, 2016 and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

The following comparison is made of the number of tax title liens receivable on December 31 of the last five years:

<u>Year</u>	<u>Number of Liens</u>
2016	123
2015	113
2014	104
2013	136
2012	113

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a taxpaying basis.

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charts and current payments was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices as follows:

<u>Type</u>	<u>Number Mailed</u>
Payment of 2017 and 2016 Taxes	10
Delinquent Tax Balances	1
Municipal Court	10

As of the date of this audit report, all verifications have not been returned. No problems were noted with the verifications that have been returned related to property taxes or municipal court.

Deposit of Municipal Funds

N.J.S. 40A:5-15 states, "All municipal funds shall be deposited within 48 hours upon receipt."

Our examination has revealed that municipal funds were all deposited within the mandated time.

Comparison of Tax Levies and Collections Currently

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

Year	Tax Levy	Currently	
		Cash Collections	Percentage of Collections
2016	\$ 34,836,592.55	34,556,336.81	99.20%
2015	33,893,349.78	33,664,733.81	99.33%
2014	32,496,735.77	32,308,416.65	99.42%
2013	31,963,787.64	31,727,156.73	99.26%
2012	30,412,185.81	30,281,539.27	99.57%

Comparative Schedule of Tax Rate Information

	2016	2015	2014	2013	2012
Tax Rate	2.561	2.456	3.709	3.649	3.481
Apportionment Of Tax Rate:					
Municipal	0.653	.624	.905	.875	.825
County	0.504	.451	.722	.746	.628
Local School Assessed	1.404	1.367	2.082	2.028	.2.028
Valuation	1,357,131,700	1,359,227,331	873,354,808	873,232,349	870,020,062

A revaluation of properties was performed in 2014 in order to bring the property values in line with their true value. The revaluation was effective for the 2015 tax year.

Delinquent Taxes and Tax Title Liens

This tabulation includes a comparison, expressed in percentage, of the total delinquent taxes and tax title liens, in relation to the tax levies of the last five years.

Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage Of Tax Levy
2016	\$ 678,298.82	882.40	679,181.22	1.95%
2015	607,841.84	53,562.57	661,404.41	1.95%
2014	532,766.50	66,581.75	599,348.25	1.84%
2013	546,220.09	41,982.89	588,202.98	1.84%
2012	541,255.06	34,890.59	576,145.65	1.89%

RECOMMENDATIONS

See Page 60.

Should any questions arise, please do not hesitate to call me.

Very truly yours,

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello
Leon P. Costello
Certified Public Accountant
Registered Municipal Accountant
No. 393

May 5, 2017