

**TOWN OF HAMMONTON**  
**COUNTY OF ATLANTIC**  
**REPORT OF AUDIT**  
**FOR THE YEAR 2010**

**TOWN OF HAMMONTON**  
**TABLE OF CONTENTS**

<b><u>Exhibit No.</u></b>		<b><u>Page No.</u></b>
	<b><u>PART 1</u></b>	
	Independent Auditor's Report	2
	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	4
	<b><u>CURRENT FUND</u></b>	
A	Statement of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis	6
A-1	Statement of Operations and Changes in Fund Balance--Regulatory Basis	8
A-2	Statement of Revenues--Regulatory Basis	10
A-3	Statement of Expenditures--Regulatory Basis	13
	<b><u>TRUST FUND</u></b>	
B	Statement of Assets, Liabilities and Reserves--Regulatory Basis	19
	<b><u>GENERAL CAPITAL FUND</u></b>	
C	Statement of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis	20
C-1	Statement of Changes in Fund Balance--Regulatory Basis	21
	<b><u>WATER UTILITY FUND</u></b>	
D	Statement of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis	22
D-1	Water Utility Operating Fund--Statement of Operations and Changes in Fund Balance--Regulatory Basis	25
D-2	Water Utility Assessment Trust Fund--Statement of Fund Balance-- Regulatory Basis	26
D-3	Water Utility Capital Fund--Statement of Changes in Fund Balance-- Regulatory Basis	27
D-4	Water Utility Operating Fund--Statement of Revenues-- Regulatory Basis	28
D-5	Water Utility Assessment Trust Fund--Statement of Revenues-- Regulatory Basis	29
D-6	Water Utility Operating Fund--Statement of Expenditures-- Regulatory Basis	30
D-7	Water Utility Assessment Trust Fund--Statement of Expenditures	31
	<b><u>SEWER UTILITY FUND</u></b>	
E	Statement of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis	32
E-1	Sewer Utility Operating Fund--Statement of Operations and Changes in Fund Balance--Regulatory Basis	34
E-2	Sewer Utility Capital Fund--Statement of Changes in Fund Balance-- Regulatory Basis	35
E-3	Sewer Utility Operating Fund--Statement of Revenues--Regulatory Basis	36
E-4	Sewer Utility Operating Fund--Statement of Expenditures--Regulatory Basis	37

**TOWN OF HAMMONTON**  
**TABLE OF CONTENTS (CONT'D)**

<b><u>Exhibit No.</u></b>		<b><u>Page No.</u></b>
<b><u>GENERAL FIXED ASSET ACCOUNT GROUP</u></b>		
F	Statement of General Fixed Assets Account Group	38
	Notes to Financial Statements	39
<b><u>SUPPLEMENTAL EXHIBITS</u></b>		
<b><u>CURRENT FUND</u></b>		
SA-1	Schedule of Cash--Collector/Treasurer	64
SA-2	Schedule of Change Funds	65
SA-3	Schedule of Taxes Receivable and Analysis of Property Tax Levy	66
SA-4	Schedule of Tax Title Liens	67
SA-5	Schedule of Revenue Accounts Receivable	68
SA-6	Schedule of 2009 Appropriation Reserves	69
SA-7	Schedule of Reserve for Encumbrances	71
SA-8	Schedule of Prepaid Taxes	72
SA-9	Schedule of Tax Overpayments	72
SA-10	Schedule of Due from State of New Jersey--Senior Citizen and Veterans' Deductions	73
SA-11	Schedule of Due State of New Jersey--Vital Statistics	73
SA-12	Schedule of Local District School Tax	74
SA-13	Schedule of Due County for Added and Omitted Taxes	75
SA-14	Schedule of County Taxes Payable	75
SA-15	Federal and State Grant Fund--Schedule of Federal and State Grants Receivable	76
SA-16	Federal and State Grant Fund--Schedule of Reserve for Federal and State Grants--Unappropriated	77
SA-17	Federal and State Grant Fund--Schedule of Reserve for Federal and State Grants--Appropriated	78
SA-18	Federal and State Grant Fund--Schedule of Reserve for Encumbrances	80
SA-19	Federal and State Grant Fund--Schedule of Due from Current Fund	80

**TOWN OF HAMMONTON**  
**TABLE OF CONTENTS (CONT'D)**

**Exhibit No.****Page No.****TRUST FUND**

SB-1	Schedule of Cash--Treasurer	82
SB-2	Trust Other Funds--Schedule of Investments--U.S. Government Securities	83
SB-3	Animal Control Fund--Schedule of Due to Current Fund	85
SB-4	Animal Control Fund--Schedule of Reserve for Animal Control Fund Expenditures	85
SB-5	Trust Other Funds--Schedule of Due from Current Fund	86
SB-6	Trust Other Funds--Schedule of Reserve for Prosecutor's Trust Fund	87
SB-7	Trust Other Funds--Schedule of Reserve for Recreation Fees	88
SB-8	Trust Other Funds--Schedule of Reserve for Street Opening Deposits	88
SB-9	Trust Other Funds--Schedule of Reserve for Escrow Deposits	89
SB-10	Trust Other Funds--Schedule of Reserve for Public Defender Trust Fund	89
SB-11	Trust Other Funds--Schedule of Reserve for Parking Offense Adjudication Act	90
SB-12	Trust Other Funds--Schedule of Reserve for Municipal Drug Alliance Funds	90
SB-13	Trust Other Funds--Schedule of Airport Security Deposit	91
SB-14	Trust Other Funds--Schedule of Reserve for Police Outside Detail	91
SB-15	Trust Other Funds--Schedule of Reserve for Tax Title Lien Redemption	92
SB-16	Trust Other Funds--Schedule of Reserve for Tax Sale Premium	92
SB-17	Trust Other Funds--Schedule of Payroll Deductions Payable	93
SB-18	Trust Other Funds--Schedule of Park Recreation Trust Fund	93
SB-19	Trust Other Funds--Schedule of Recaptured Grant Funds	94
SB-20	Trust Other Funds--Schedule of Uniform Fire Penalties Rider	94
SB-21	Trust Other Funds--Schedule of State Landfill Tax Escrow Fund	95
SB-22	Trust Other Funds--Schedule of State Landfill Closure--Escrow Fund	95
SB-23	Trust Other Funds--Schedule of Reserve for Celebration of Public Events	96
SB-24	Trust Other Funds--Schedule of Reserve for COAH Fees	96
SB-25	Trust Other Funds--Schedule of Reserve for Police Equipment Donations	97

**GENERAL CAPITAL FUND**

SC-1	Schedule of Cash--Treasurer	99
SC-2	Analysis of General Capital Cash	100
SC-3	Schedule of Due to Current Fund	102
SC-4	Schedule of Federal Grants Receivable	103
SC-5	Schedule of State Grants Receivable	104
SC-6	Schedule of County and Local Grants Receivable	105
SC-7	Schedule of Deferred Charges to Future Taxation--Funded	106
SC-8	Schedule of Deferred Charges to Future Taxation--Unfunded	107
SC-9	Schedule of Improvement Authorizations	108
SC-10	Schedule of Contracts Payable	111
SC-11	Schedule of Capital Improvement Fund	112
SC-12	Schedule of Green Acres Trust Fund Loan Payable	113
SC-13	Schedule of NJDEP Loan Payable	114
SC-14	Schedule of General Serial Bonds	115
SC-15	Statement of Bonds And Notes Authorized But Not Issued	117

**TOWN OF HAMMONTON**  
**TABLE OF CONTENTS (CONT'D)**

**Exhibit No.****Page No.****WATER UTILITY FUND**

SD-1	Schedule of Cash--Collector/Treasurer	119
SD-2	Water Utility Capital Fund--Analysis of Cash	120
SD-3	Water Utility Operating Fund--Schedule of Consumer Accounts Receivable	121
SD-4	Water Utility Operating Fund--Schedule of Water Utility Liens	121
SD-5	Water Utility Assessment Trust Fund--Schedule of Assessments Receivable	122
SD-6	Water Utility Operating Fund--Schedule of Due to Water Utility Assessment Fund	123
SD-7	Water Utility Capital Fund--Statement of Fixed Capital	124
SD-8	Water Utility Capital Fund--Schedule of Fixed Capital Authorized and Uncompleted	125
SD-9	Water Utility Capital Fund--Schedule of Federal Grants & Loans Receivable	127
SD-10	Water Utility Operating Fund—Schedule of 2009 Appropriation Reserves	128
SD-11	Water Utility Operating Fund--Schedule of Prepaid Water Rents	129
SD-12	Water Utility Operating Fund--Schedule of Accrued Interest Payable	130
SD-13	Water Utility Assessment Trust Fund--Schedule of Reserve for Assessments and Liens Receivable	131
SD-14	Water Utility Assessment Trust Fund--Schedule of General Serial Bonds	132
SD-15	Water Utility Capital Fund--Schedule of Improvement Authorizations	133
SD-16	Water Utility Capital Fund--Schedule of Contracts Payable	135
SD-17	Water Utility Capital Fund--Schedule of Due to Water Utility Operating Fund	136
SD-18	Water Utility Capital Fund--Schedule of Reserve for Amortization	137
SD-19	Water Utility Capital Fund--Schedule of Deferred Reserve for Amortization	138
SD-20	Water Utility Capital Fund--Schedule of USRD Loans Payable	139
SD-21	Water Utility Capital Fund--Schedule of General Serial Bonds	140
SD-22	Water Utility Capital Fund--Schedule of Bonds and Notes Authorized but not Issued	142

**TOWN OF HAMMONTON**  
**TABLE OF CONTENTS (CONT'D)**

<b><u>Exhibit No.</u></b>		<b><u>Page No.</u></b>
<b><u>SEWER UTILITY FUND</u></b>		
SE-1	Schedule of Cash--Collector/Treasurer	144
SE-2	Sewer Utility Capital Fund--Analysis of Cash	145
SE-3	Sewer Utility Capital Fund--Schedule of Due To Sewer Utility Operating Fund	146
SE-4	Sewer Utility Operating Fund--Schedule of Consumer Accounts Receivable	147
SE-5	Sewer Utility Operating Fund--Schedule of Liens Receivable	147
SE-6	Sewer Utility Capital Fund--Schedule of Fixed Capital	148
SE-7	Sewer Utility Capital Fund--Schedule of Fixed Capital Authorized and Uncompleted	149
SE-8	Sewer Utility Capital Fund--Schedule of Federal Grants & Loans Receivable	151
SE-9	Sewer Utility Operating Fund--Schedule of 2009 Appropriation Reserves	152
SE-10	Sewer Utility Operating Fund--Schedule of Prepaid Rents	153
SE-11	Sewer Utility Operating Fund--Schedule of Accrued Interest on Loans and Notes	154
SE-12	Sewer Utility Capital Fund--Schedule of Improvement Authorizations	155
SE-13	Sewer Utility Capital Fund--Schedule of Contracts Payable	156
SE-14	Sewer Utility Capital Fund--Schedule of Reserve for Payment of Bonds	156
SE-15	Sewer Utility Capital Fund--Schedule of Reserve for Amortization	157
SE-16	Sewer Utility Capital Fund--Schedule of Deferred Reserve for Amortization	158
SE-17	Sewer Utility Capital Fund--Schedule of New Jersey Wastewater Treatment Trust Fund--Trust Loan Payable	159
SE-18	Sewer Utility Capital Fund--Schedule of FMHA Loans Payable	160
SE-19	Sewer Utility Capital Fund--Schedule of USRD Loans Payable	161
SE-20	Sewer Utility Capital Fund--Schedule of General Serial Bonds	162
SE-21	Sewer Utility Capital Fund--Schedule of Bonds and Notes Authorized but Not Issued	164

**TOWN OF HAMMONTON**  
**TABLE OF CONTENTS (CONT'D)**

<b><u>Exhibit No.</u></b>		<b><u>Page No.</u></b>
	<b><u>PART 2</u></b>	
	Report on Compliance with Requirements That Could Have A Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133	166
Schedule A	Schedule of Expenditures of Federal Awards	168
	Notes to Schedule of Expenditures of Federal Awards for the Year Ended December 31, 2009	170
	<b><u>PART 3</u></b>	
	Schedule of Findings and Questioned Costs	
	Section 1- Summary of Auditor's Results	172
	Section 2- Schedule of Financial Statement Findings	174
	Section 3- Schedule of Federal Award Findings and Questioned Costs	176
	Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	178
	Officials in Office and Surety Bonds	179
	APPRECIATION	180

**TOWN OF HAMMONTON**

**PART 1**

**REPORT OF AUDIT OF FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2010**

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Town Council  
Town of Hammonton  
Hammonton, New Jersey 08037

We have audited the accompanying statements of assets, liabilities, reserves and fund balance-- regulatory basis of the various funds of the Town of Hammonton, in the County of Atlantic, State of New Jersey as of December 31, 2010 and 2009, and the related statements of operations and changes in fund balance-- regulatory basis for the years then ended, and the related statement of revenues-- regulatory basis, statement of expenditures-- regulatory basis, and statement of general fixed assets group of accounts for the year ended December 31, 2010. These financial statements are the responsibility of the Town's management. 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 standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the financial statements previously referred to have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects on the financial statements of the requirement that the Town prepare its financial statements in accordance with the accounting practices discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Town of Hammonton, in the County of Atlantic, State of New Jersey, as of December 31, 2010 and 2009, or the results of its operations and changes in fund balance for the years then ended.

Furthermore, in our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance-- regulatory basis of the various funds of the Town of Hammonton, in the County of Atlantic, State of New Jersey, as of December 31, 2010 and 2009, and the results of its operations and changes in fund balance-- regulatory basis of such funds for the years then ended, and the revenues-- regulatory basis, expenditures-- regulatory basis of the various funds, and general fixed assets, for the year ended December 31, 2010 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated May 27, 2011 on our consideration of the Town of Hammonton, in the County of Atlantic, State of New Jersey's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in assessing the results of our audit.

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 accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is not a required part of the financial statements. In addition, the supplementary financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Respectfully submitted,

*Bowman : Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Todd R. Saler*

Todd R. Saler  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
May 27, 2011

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor and  
Members of the Town Council  
Town of Hammonton  
Hammonton, New Jersey 08037

We have audited the financial statements (regulatory basis) of the Town of Hammonton, in the County of Atlantic, State of New Jersey, as of and for the year ended December 31, 2010, and have issued our report thereon dated May 27, 2011, which indicated that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Town of Hammonton's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

*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 Town's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town of Hammonton's financial statements are free of 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 instances of noncompliance that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs which are described in the accompanying Schedule of Findings and Questioned Costs as findings no.: 2010-1 and 2010-2.

The Town of Hammonton's responses to the findings identified in our report are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Town of Hammonton's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management of the Town, the Division of Local Government Services, Department of Community Affairs, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

*Bowman : Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Todd R. Saler*

Todd R. Saler  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
May 27, 2011

## TOWN OF HAMMONTON

## Current Fund

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

For the Years Ended December 31, 2010 and 2009

<u>ASSETS</u>	<u>REFERENCE</u>	<u>2010</u>	<u>2009</u>
Current Fund:			
Cash -- Tax Collector - Treasurer	SA-1	\$ 3,669,781.50	\$ 4,758,372.96
Cash -- Change Fund	SA-2	585.00	585.00
Due From State of New Jersey -- Senior Citizens' and Veterans Deductions	SA-10	12,914.54	13,194.36
Due From County Open Space Trust Fund	A	28,000.00	28,000.00
Total		<u>3,711,281.04</u>	<u>4,800,152.32</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-3	25,525.72	14,823.51
Tax Title Liens Receivable	SA-4	433,013.76	369,022.55
Property Acquired for Taxes - Assessed Valuation	A	422,900.00	422,900.00
Revenue Accounts Receivable	SA-5	70,931.78	128,750.01
Due from Animal Control Fund	SB-3	1,657.26	1,025.17
Due from General Capital Fund	SC-3		940.46
		<u>954,028.52</u>	<u>937,461.70</u>
		<u>4,665,309.56</u>	<u>5,737,614.02</u>
Federal and State Grant Fund:			
Cash	SA-1	10,604.35	15,418.58
Due from Current Fund	SA-19	93,768.22	80,185.29
Federal and State Grants Receivable	SA-15	101,879.12	239,182.30
		<u>206,251.69</u>	<u>334,786.17</u>
		<u>\$ 4,871,561.25</u>	<u>\$ 6,072,400.19</u>

(Continued)

## TOWN OF HAMMONTON

## Current Fund

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

For the Years Ended December 31, 2010 and 2009

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REFERENCE</u>	<u>2010</u>	<u>2009</u>
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3 & SA-6	\$ 155,534.25	\$ 153,057.54
Reserve for Encumbrances	SA-7	184,989.37	212,379.28
Reserve for County Open Space Trust Fund	A	28,000.00	28,000.00
Prepaid Taxes	SA-8	402,092.87	401,462.60
Tax Overpayments	SA-9	249.64	2,039.78
Due State of New Jersey -- Vital Statistics	SA-11	600.00	575.00
Local School Tax Payable	SA-12	0.28	0.28
Reserve for Garden State Preservation Trust Fund	A-2 & SA-1	34,637.00	51,955.59
Due to Federal and State Grant Fund	SA-19	93,768.22	80,185.29
Due to Trust - Other Funds	SB-5	109,883.75	68,572.38
		<u>1,009,755.38</u>	<u>998,227.74</u>
Reserve for Receivables and Other Assets	A	954,028.52	937,461.70
Fund Balance	A-1	<u>2,701,525.66</u>	<u>3,801,924.58</u>
		<u>4,665,309.56</u>	<u>5,737,614.02</u>
Federal and State Grant Fund:			
Reserve for Federal and State Grants:			
Unappropriated Reserves	SA-16	60,199.16	75,904.33
Appropriated Reserves	SA-17	123,961.58	202,136.38
Reserve for Encumbrances	SA-18	22,090.95	56,745.46
		<u>206,251.69</u>	<u>334,786.17</u>
Total Federal and State Grant Fund		<u>\$ 4,871,561.25</u>	<u>\$ 6,072,400.19</u>

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

## TOWN OF HAMMONTON

## Current Fund

Statement of Operations and Changes in Fund Balance - Regulatory Basis  
For the Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<b><u>Revenue and Other Income Realized</u></b>		
Fund Balance Utilized	\$ 2,171,000.00	\$ 2,475,000.00
Miscellaneous Revenue Anticipated	3,368,978.25	3,456,966.15
Receipts from Delinquent Taxes	10,296.77	16,328.11
Receipts from Current Taxes	28,577,733.14	28,313,925.51
Non-Budget Revenues	188,865.71	696,950.47
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	70,254.74	354,410.61
Liquidation of Reserves for:		
Reserve for Revenue Accounts Receivable--PILOT	51,850.00	
Reserve for Due from General Capital Fund	940.46	
Prior Year Encumbrances Canceled		9,735.24
	<hr/>	<hr/>
Total Revenue and Other Income Realized	34,439,919.07	35,323,316.09
	<hr/>	<hr/>
<b><u>Expenditures</u></b>		
Operations Within "CAPS":		
Salaries and Wages	4,847,616.91	5,269,800.81
Other Expenses	3,435,161.92	3,449,251.15
Deferred Charges and Statutory Expenditures Within "CAPS"	962,653.26	948,477.00
Operations Excluded from "CAPS":		
Salaries and Wages	14,775.99	9,492.04
Other Expenses	364,710.96	206,269.30
Capital Improvements Excluded from "CAPS"	15,000.00	27,500.00
Municipal Debt Service Excluded from "CAPS"	1,603,685.97	1,513,455.70
Deferred Charges - Municipal - Excluded from "CAPS"		2,400.00
County Taxes	4,773,230.73	4,721,340.84
Due County for Added and Omitted Taxes	22,350.25	17,317.02
Local School Taxes	17,271,201.00	17,117,468.50
Prior Year Tax Appeals	42,880.33	
Return of Grant Canceled in Prior Year	15,418.58	
Reserve for Due from Animal Control Fund	632.09	257.67
Reserve for Due from General Capital Fund		940.46
Reserve for Revenue Accounts Receivable		51,850.00
	<hr/>	<hr/>
Total Expenditures	33,369,317.99	33,335,820.49
	<hr/>	<hr/>

(Continued)

**TOWN OF HAMMONTON**  
**Current Fund**  
Statement of Operations and Changes in Fund Balance - Regulatory Basis  
For the Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Excess in Revenue and Statutory Excess to Fund Balance	\$ 1,070,601.08	\$ 1,987,495.60
Fund Balance January 1	<u>3,801,924.58</u>	<u>4,289,428.98</u>
Total	4,872,525.66	6,276,924.58
Decreased by:		
Utilized as Revenue	<u>2,171,000.00</u>	<u>2,475,000.00</u>
Balance December 31	<u><u>\$ 2,701,525.66</u></u>	<u><u>\$ 3,801,924.58</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, 2010

	<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	\$ 2,171,000.00		\$ 2,171,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	10,392.00		13,536.00	\$ 3,144.00
Other	7,085.78		4,333.00	(2,752.78)
Fines and Costs - Municipal Court	244,554.24		279,920.23	35,365.99
Interest and Costs on Taxes	119,895.59		115,151.76	(4,743.83)
Interest on Investments and Deposits	68,258.70		63,868.72	(4,389.98)
Board of Health Fees	15,688.00		18,133.30	2,445.30
Tax Search Fees	500.00		250.00	(250.00)
Airport Rental	39,718.46		31,726.75	(7,991.71)
Consolidated Municipal Property Tax Relief Act	203,017.00		203,017.00	
Energy Receipts Tax	1,035,060.00		1,035,060.00	
Garden State Trust Fund	51,956.00		51,955.59	(0.41)
Uniform Construction Code Fees	209,077.25		136,090.00	(72,987.25)
Public and Private Revenues Offset with Appropriations:				
Drunk Driving Enforcement Fund		\$ 9,775.99	9,775.99	
Clean Communities	26,701.33		26,701.33	
Municipal Alliance on Alcoholism and Drug Abuse	16,345.00		16,345.00	
Over The Limit Under Arrest		5,000.00	5,000.00	
Sustainable Jersey Small Grants for "Green Communities"		1,000.00	1,000.00	
Recycling Tonnage Grant	57,660.33		57,660.33	
Body Armor Replacement Fund	1,305.79	2,944.26	4,250.05	
JAG Grant	18,244.00		18,244.00	
Other Special Items:				
Uniform Fire Safety Act	34,720.06		41,915.23	7,195.17
Cable TV Franchise Fee	46,773.69		46,773.69	
Plymouth Place -- Payment In-Lieu of Taxes	103,700.00		101,950.00	(1,750.00)
General Capital Fund Balance	84,792.88		84,792.88	
Water Utility Management Fee	84,952.93		84,952.93	
Sewer Utility Management Fee	171,574.47		171,574.47	
Interlocal Agreement - School Police	145,000.00		145,000.00	
Water Utility Capital Fund Balance	600,000.00		600,000.00	
Total	3,396,973.50	18,720.25	3,368,978.25	(46,715.50)
Receipts from Delinquent Taxes	14,823.00	-	10,296.77	(4,526.23)
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes	6,504,047.75	-	7,371,208.62	867,160.87
Budget Totals	12,086,844.25	18,720.25	12,921,483.64	815,919.14
Non-Budget Revenues	-	-	188,865.71	188,865.71
Total	\$ 12,086,844.25	\$ 18,720.25	\$ 13,110,349.35	\$ 1,004,784.85

(Continued)

**TOWN OF HAMMONTON**  
**Current Fund**  
Statement of Revenues - Regulatory Basis (Cont'd)  
For the Year Ended December 31, 2010

**Analysis of Realized Revenue**

Allocation of Current Tax Collections:

Revenue from Collections		\$ 28,577,733.14
Allocated to:		
County Taxes	\$ 4,004,487.71	
County Library Taxes	431,989.90	
County Health Taxes	261,941.39	
County Open Space Taxes	74,811.73	
Due County for Added & Omitted	22,350.25	
School Taxes	<u>17,271,201.00</u>	
		<u>22,066,781.98</u>
Sub-Total		6,510,951.16
Add Appropriation - Reserve for Uncollected Taxes		<u>860,257.46</u>
Amount for Support of Municipal Budget Appropriations		<u><u>\$ 7,371,208.62</u></u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections		\$ 7,448.48
Tax Title Lien Collections		<u>2,848.29</u>
		<u><u>\$ 10,296.77</u></u>

Licenses -- Other:

Raffle/Bingo		\$ 620.00
Marriage		106.00
Business License		<u>3,607.00</u>
		<u><u>\$ 4,333.00</u></u>

Interest on Investments:

Treasurer -- Tax Collector		\$ 52,506.89
Due from Animal Control Fund		66.41
Due from Trust - Other Funds		2,565.96
Due from General Capital Fund		<u>8,729.46</u>
		<u><u>\$ 63,868.72</u></u>

Board of Health Fees:

Burial Permits		\$ 15.00
Birth and Death Certificates		<u>18,118.30</u>
		<u><u>\$ 18,133.30</u></u>

**(Continued)**

**TOWN OF HAMMONTON**  
**Current Fund**  
Statement of Revenues - Regulatory Basis (Cont'd)  
For the Year Ended December 31, 2010

**Analysis of Non-Budget Revenue**

Miscellaneous Revenue Not Anticipated:

Revenue Accounts Receivable:

Police Department	\$ 5,360.00	
Use of Police Vehicle Fees	5,605.00	
Town Clerk:		
Street Opening Permits	2,100.00	
Tree Removal Permits	300.00	
Municipal Court - Restitution	25.00	
Municipal Court - Old Outstanding Checks Cancelled	238.00	
Business Registration Certificates	20,062.50	
Landlord Registration Fees	35,395.00	
Freon Fees and Permits	250.00	
Fire Inspection Fees	12,736.00	
Rental of Polling Places	350.00	
Planning Board	10,560.00	
Zoning Board	30.00	
Tax Assessor	630.00	
	<u>630.00</u>	
		\$ 93,641.50

Tax Collector - Treasurer:

State of New Jersey -- Administrative Reimbursement	4,029.57	
Payment In-Lieu of Taxes	500.00	
Photocopies	332.40	
Recreation Insurance	5,440.00	
Prior Year Refunds	42,243.90	
Telephone Rental	28,396.52	
Sale of Scrap Metal	7,866.60	
NSF Fees	40.00	
Sale of Equipment	5,594.54	
Property Maintenance	65.00	
Lot Grading Application Fee	150.00	
	<u>150.00</u>	
		94,658.53

Statutory Excess in Reserve for Animal Control Fund Expenditures

565.68

\$ 188,865.71

**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, 2010

	<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>	
<b>GENERAL APPROPRIATIONS:</b>					
<i>Operations Within "CAPS":</i>					
<b>GENERAL GOVERNMENT</b>					
Administrative and Executive					
Salaries and Wages	\$ 279,080.00	\$ 280,080.00	\$ 280,080.00		
Other Expenses	24,000.00	22,000.00	17,461.41	\$ 2,401.01	\$ 2,137.58
Elections					
Other Expenses	6,600.00	5,823.97	5,823.97		
Financial Administration					
Salaries and Wages	80,500.00	80,500.00	80,499.56		0.44
Other Expenses	28,764.00	31,764.00	29,859.32	1,264.01	640.67
Annual Audit	6,500.00	6,500.00	6,500.00		
Assessment of Taxes					
Salaries and Wages	113,500.00	113,500.00	112,790.39		709.61
Other Expenses	9,000.00	9,000.00	2,701.97	4,418.86	1,879.17
Collection of Taxes					
Salaries and Wages	154,525.00	154,525.00	152,439.33		2,085.67
Other Expenses	6,500.00	6,500.00	6,117.81	44.00	338.19
Legal Services and Costs:					
Salaries and Wages	40,000.00	40,000.00	39,999.96		0.04
Other Expenses	64,000.00	72,000.00	64,143.32	7,073.32	783.36
Engineering Services and Costs					
Other Expenses	13,500.00	14,000.00	13,538.75		461.25
Public Buildings and Grounds					
Salaries and Wages	15,000.00	15,129.00	14,919.00		210.00
Other Expenses	32,529.00	40,029.00	37,254.41	839.94	1,934.65
Natural Gas	55,000.00	55,000.00	37,466.53	5,023.88	12,509.59
Electricity	120,000.00	120,000.00	119,651.06	336.57	12.37
Telephone	52,000.00	52,000.00	51,508.52		491.48
Gasoline	130,000.00	147,000.00	123,589.40	13,000.76	10,409.84
Municipal Land Use Law (N.J.S.A. 40:55D-1)					
Planning Board:					
Salaries and Wages	47,780.00	47,950.28	46,858.28		1,092.00
Other Expenses	1,200.00	1,200.00	494.55		705.45

TOWN OF HAMMONTON  
Current Fund

Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2010

	<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>	
<b>GENERAL APPROPRIATIONS:</b>					
<i>Operations Within "CAPS" (Cont'd):</i>					
<b>GENERAL GOVERNMENT (Cont'd)</b>					
Board of Adjustments					
Salaries and Wages	\$ 3,700.00	\$ 3,700.06	\$ 3,700.06		
Other Expenses	800.00	800.00	461.01	\$ 77.94	\$ 261.05
Historical Society:					
Salaries and Wages	1,200.00	1,200.16	1,200.16		
Other Expenses	300.00				
Environmental Commission (N.J.S. 40:56A-1 et seq.)					
Salaries and Wages	1,200.00	1,200.16	1,200.16		
Other Expenses	190.00	190.00	190.00		
Economic Development					
Other Expenses	5,000.00				
Computer					
Salaries and Wages	50,000.00	50,136.09	50,136.09		
Other Expenses	50,600.00	50,600.00	34,616.63	5,088.20	10,895.17
Insurance					
Group Insurance Plan for Employees	1,151,064.00	1,141,043.98	1,126,857.68		14,186.30
Workers Compensation Insurance	367,459.00	367,459.00	367,459.00		
Liability Insurance	23,500.00	21,696.43	19,849.12	208.89	1,638.42
Temporary Disability Insurance	15,800.00	18,300.00	16,235.01		2,064.99
<b>PUBLIC SAFETY</b>					
Fire					
Other Expenses	81,500.00	81,500.00	52,763.05	15,122.96	13,613.99
State Fire Prevention Code					
Salaries and Wages	27,650.00	27,650.00	26,822.24		827.76
Other Expenses	5,750.00	5,750.00	3,245.45	1,607.42	897.13
Police					
Salaries and Wages	2,636,595.00	2,611,595.00	2,593,848.75		17,746.25
Other Expenses	160,000.00	165,000.00	131,373.91	32,448.09	1,178.00
Police Radio and Communications					
Salaries and Wages	268,225.00	268,225.00	266,895.76		1,329.24
Other Expenses	7,200.00	7,200.00	4,748.11	1,110.97	1,340.92

(Continued)

**TOWN OF HAMMONTON  
Current Fund**

Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2010

	<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>	
<b>GENERAL APPROPRIATIONS:</b>					
<i>Operations Within "CAPS" (Cont'd):</i>					
<b><u>PUBLIC SAFETY (Cont'd)</u></b>					
Municipal Court:					
Salaries and Wages	\$ 186,400.00	\$ 186,400.00	\$ 184,038.35	\$	2,361.65
Other Expenses	7,000.00	7,000.00	4,715.86	441.00	1,843.14
Prosecutor:					
Salaries and Wages	22,500.00	22,500.00	21,854.38		645.62
<b><u>STREETS AND ROADS</u></b>					
Streets and Roads					
Salaries and Wages	760,020.00	735,020.00	730,347.25		4,672.75
Other Expenses	562,339.97	582,339.97	547,419.29	34,553.12	367.56
Street Lighting					
Other Expenses	316,000.00	316,000.00	291,446.03	14,369.16	10,184.81
<b><u>HEALTH AND WELFARE</u></b>					
Dog Regulation					
Other Expenses	7,200.00	7,200.00	7,200.00		
Registrar of Vital Statistics					
Other Expenses	1,572.00	1,572.00	437.90		1,134.10
<b><u>RECREATION AND EDUCATION</u></b>					
Parks Commission:					
Salaries and Wages	1,200.00	1,200.16	1,200.16		
Other Expenses	675.00	675.00			675.00
Recreation					
Salaries and Wages	34,335.86	34,695.86	34,629.38		66.48
Other Expenses	21,450.00	21,450.00	20,038.92	1,123.79	287.29
Celebration of Public Events, Anniversaries and Holidays	2,500.00	2,500.00	1,500.00		1,000.00
<b><u>CODE ENFORCEMENT</u></b>					
Property Maintenance Officer					
Salaries and Wages	34,980.00	34,980.00	34,681.81		298.19
Other Expenses	900.00	900.00	724.47	127.99	47.54

(Continued)

TOWN OF HAMMONTON  
Current Fund

Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2010

	<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>	
<b>GENERAL APPROPRIATIONS:</b>					
<i>Operations Within "CAPS" (Cont'd):</i>					
<b>CODE ENFORCEMENT (Cont'd)</b>					
Construction Code Official					
Salaries and Wages	\$ 131,630.00	\$ 134,430.00	\$ 132,910.18	\$	1,519.82
Other Expenses	2,900.00	2,900.00	2,245.21	98.00	556.79
<b>UNCLASSIFIED</b>					
Advertising					
Other Expenses	45,000.00	45,000.00	41,302.00		3,698.00
Municipal Airport					
Salaries and Wages	3,000.00	3,000.14	3,000.14		
Other Expenses	3,465.00	5,268.57	2,153.57	85.50	3,029.50
<b>Total Operations Including Contingent - Within "CAPS"</b>	<b>8,282,778.83</b>	<b>8,282,778.83</b>	<b>8,007,144.63</b>	<b>140,865.38</b>	<b>\$ 134,768.82</b>
Detail:					
Salaries and Wages	4,893,020.86	4,847,616.91	4,814,051.39		33,565.52
Other Expenses	3,389,757.97	3,435,161.92	3,193,093.24	140,865.38	101,203.30
<b>GENERAL APPROPRIATIONS:</b>					
<i>Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS":</i>					
STATUTORY EXPENDITURES:					
Contribution to:					
Defined Contribution Retirement Plan	1,100.00	1,100.00	968.41		131.59
Public Employees Retirement System of N.J.	193,522.00	193,516.91	182,043.09		11,473.82
Police and Firemen's Retirement System of N.J.	539,445.18	539,450.27	539,450.27		
Social Security System (O.A.S.I.)	228,586.08	228,586.08	222,061.28		6,524.80
<b>Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"</b>	<b>962,653.26</b>	<b>962,653.26</b>	<b>944,523.05</b>	<b>-</b>	<b>18,130.21</b>
<b>Total General Appropriations - For Municipal Purposes Within "CAPS"</b>	<b>9,245,432.09</b>	<b>9,245,432.09</b>	<b>8,951,667.68</b>	<b>140,865.38</b>	<b>152,899.03</b>

(Continued)

**TOWN OF HAMMONTON  
Current Fund**

Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2010

	<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>	
<b>GENERAL APPROPRIATIONS:</b>					
<i>Operations Excluded from "CAPS":</i>					
Recycling Tax	\$ 16,500.00	\$ 16,500.00	\$ 13,864.78	\$ 2,635.22	
Pension Contribution Exclusion:					
Police and Firemen's Retirement System of N.J.	75,687.00	75,687.00	75,687.00		
Public Employees Retirement System of N.J.	25,301.00	25,301.00	25,301.00		
Health Benefit CAP Excretion:					
Group Insurance Plan for Employees	118,936.00	118,936.00	118,936.00		
Public and Private Programs Offset By Revenues:					
Atlantic County Municipal Alliance Grant	20,431.25	20,431.25	20,431.25		
Clean Communities Program	26,701.33	26,701.33	26,701.33		
Body Armor Fund (NJSA 40A:4-87, \$2,944.26)	1,305.79	4,250.05	4,250.05		
Drunk Driving Enforcement Fund (NJSA 40A:4-87, \$9,775.99)		9,775.99	9,775.99		
Recycling Tonnage Grant	57,660.33	57,660.33	57,660.33		
JAG Grant	18,244.00	18,244.00	18,244.00		
Over The Limit Under Arrest (NJSA 40A:4-87, \$5,000.00)		5,000.00	5,000.00		
Sustainable Jersey Small Grants for "Green Communities" (NJSA 40A:4-87, \$1,000.00)		1,000.00	1,000.00		
<b>Total Operations - Excluded From "CAPS"</b>	<b>360,766.70</b>	<b>379,486.95</b>	<b>376,851.73</b>	<b>2,635.22</b>	<b>-</b>
Detail:					
Salaries and Wages		14,775.99	14,775.99		
Other Expenses	360,766.70	364,710.96	362,075.74	2,635.22	
<b>Capital Improvements--Excluded from "CAPS"</b>	<b>15,000.00</b>	<b>15,000.00</b>	<b>15,000.00</b>	<b>-</b>	<b>-</b>

(Continued)

TOWN OF HAMMONTON

Current Fund

Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2010

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended Reserve for Encumbrances</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>				
<b>GENERAL APPROPRIATIONS:</b>						
<i>Municipal Debt Service - Excluded from "CAPS"</i>						
Payment of Bond & Loan Principal	\$ 793,388.00	\$ 793,388.00	\$ 793,388.00			
Interest on Bonds	802,000.00	802,000.00	800,970.49			\$ 1,029.51
Green Trust Loan Program --Principal and Interest	10,000.00	10,000.00	9,327.48			672.52
<b>Total Municipal Debt Service - Excluded from "CAPS"</b>	<b>1,605,388.00</b>	<b>1,605,388.00</b>	<b>1,603,685.97</b>	<b>-</b>	<b>-</b>	<b>1,702.03</b>
<i>Total General Appropriations for Municipal Purposes Excluded from "CAPS"</i>	<b>1,981,154.70</b>	<b>1,999,874.95</b>	<b>1,995,537.70</b>		<b>\$ 2,635.22</b>	<b>1,702.03</b>
Subtotal General Appropriations	11,226,586.79	11,245,307.04	10,947,205.38	\$ 140,865.38	155,534.25	1,702.03
Reserve for Uncollected Taxes	860,257.46	860,257.46	860,257.46			
<b>TOTAL GENERAL APPROPRIATIONS</b>	<b>\$ 12,086,844.25</b>	<b>\$ 12,105,564.50</b>	<b>\$ 11,807,462.84</b>	<b>\$ 140,865.38</b>	<b>\$ 155,534.25</b>	<b>\$ 1,702.03</b>
Appropriation by N.J.S.A. 40A:4-87 Original Budget		\$ 18,720.25				
		12,086,844.25				
		\$ 12,105,564.50				
Reserve for Federal and State Grants -- Appropriated		\$ 143,062.95				
Reserve for Uncollected Taxes Disbursed		860,257.46				
		10,804,142.43				
		\$ 11,807,462.84				

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

**TOWN OF HAMMONTON**  
**Trust Fund**  
Statement of Assets, Liabilities and Reserves - Regulatory Basis  
As of December 31, 2010 and 2009

<u>ASSETS</u>	<u>REFERENCE</u>	<u>2010</u>	<u>2009</u>
Animal Control Fund:			
Cash	SB-1	\$ 4,435.06	\$ 3,974.77
Other Funds:			
Cash	SB-1	791,294.73	758,196.93
Investments -- U.S. Government Securities	SB-2	336,796.65	324,262.43
Due from Current Fund	SB-5	109,883.75	68,572.38
Total Other Funds		<u>1,237,975.13</u>	<u>1,151,031.74</u>
Total		<u>\$ 1,242,410.19</u>	<u>\$ 1,155,006.51</u>
 <b><u>LIABILITIES AND RESERVES</u></b> 			
Animal Control Fund:			
Due to Current Fund	SB-3	\$ 1,657.26	\$ 1,025.17
Reserve for Animal Control Fund Expenditures	SB-4	2,777.80	2,949.60
Total Animal Control Fund		<u>4,435.06</u>	<u>3,974.77</u>
Other Funds:			
Due to VCCB - Criminal Disposition	B	17,691.03	17,691.03
Reserve for Prosecutor's Trust Fund	SB-6	6,082.46	9,287.00
Reserve for Recreation Fees	SB-7	11,496.47	14,705.04
Street Opening Escrow Deposits	SB-8	28,750.00	30,650.00
Reserve for Escrow Deposits	SB-9	238,340.98	126,843.64
Reserve for Public Defender Trust Fund	SB-10	13,474.21	14,468.76
Reserve for Parking Offense Adjudication Act	SB-11	1,763.33	1,717.33
Reserve for Municipal Drug Alliance Funds	SB-12	3,956.35	4,394.86
Reserve for Airport Security Deposit	SB-13	3,817.66	3,761.39
Reserve for Police Outside Detail	SB-14	110,515.00	69,072.50
Reserve for Tax Title Lien Redemption	SB-15	12,513.42	19,281.78
Reserve for Tax Sale Premium	SB-16	27,800.00	96,600.00
Payroll Deductions Payable	SB-17	1,200.10	3,213.24
Park Recreation Trust Fund	SB-18	5,898.84	6,050.00
Recaptured Grant Funds	SB-19	35,415.38	33,573.00
Uniform Fire Penalties Rider	SB-20	618.96	114.61
State Landfill Tax Escrow Fund	SB-21	166,370.05	163,919.57
State Landfill Closure -- Escrow Fund	SB-22	336,796.65	324,262.43
Reserve for Celebration of Public Events	SB-23	2,322.47	2,288.24
Reserve for COAH Fees	SB-24	199,719.03	196,777.35
Reserve for Police Equipment Donations	SB-25	13,432.74	12,359.97
Total Other Funds		<u>1,237,975.13</u>	<u>1,151,031.74</u>
Total		<u>\$ 1,242,410.19</u>	<u>\$ 1,155,006.51</u>

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

## TOWN OF HAMMONTON

## General Capital Fund

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

As of December 31, 2010 and 2009

	<u>REFERENCE</u>	<u>2010</u>	<u>2009</u>
<b><u>ASSETS</u></b>			
Cash	SC-1 & SC-2	\$ 181,309.65	\$ 483,141.21
Federal Grants Receivable	SC-4	1,416,815.51	1,937,281.68
State Grants Receivable	SC-5	8,000.00	58,000.00
County and Local Grants Receivable	SC-6	246,587.12	752,727.61
Deferred Charges to Future Taxation:			
Funded	SC-7	17,508,263.86	18,308,676.28
Unfunded	SC-8	144,310.00	143,410.00
		<u>                    </u>	<u>                    </u>
Total Assets		<u>\$ 19,505,286.14</u>	<u>\$ 21,683,236.78</u>
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>			
Serial Bonds	SC-14	\$ 17,330,000.00	\$ 18,055,000.00
NJDEP Loan Payable	SC-13	68,388.00	136,776.00
Green Acres Trust Fund Loan Payable	SC-12	109,875.86	116,900.28
Improvement Authorizations:			
Funded	SC-9	1,110,261.85	2,279,858.58
Unfunded	SC-9	6,201.00	12,901.00
Contracts Payable	SC-10	865,496.30	995,941.58
Capital Improvement Fund	SC-11	15,063.13	126.00
Due to Current Fund	SC-3		940.46
Fund Balance	C-1		84,792.88
		<u>                    </u>	<u>                    </u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 19,505,286.14</u>	<u>\$ 21,683,236.78</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, 2010

---

Balance December 31, 2009	\$ 84,792.88
Decreased By:	
Anticipated as Revenue in 2010 Current Fund Budget	<u>\$ 84,792.88</u>

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

## TOWN OF HAMMONTON

## Water Utility Fund

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

As of December 31, 2010 and 2009

<u>ASSETS</u>	<u>REFERENCE</u>	<u>2010</u>	<u>2009</u>
Operating Fund:			
Cash	SD-1	\$ 1,424,437.07	\$ 1,896,546.93
Due from Water Utility Capital Fund	SD-16		4,860.97
		<u>1,424,437.07</u>	<u>1,901,407.90</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	SD-3	1,595.53	968.68
Water Utility Liens	SD-4	2,033.43	1,420.44
		<u>3,628.96</u>	<u>2,389.12</u>
Total Regular Fund			
		<u>3,628.96</u>	<u>2,389.12</u>
Deferred Charges:			
Operating Deficit	D-1	176,956.23	-
		<u>176,956.23</u>	<u>-</u>
Total Operating Fund			
		<u>1,605,022.26</u>	<u>1,903,797.02</u>
Assessment Trust Fund:			
Assessments Receivable	SD-5	4,206.18	5,820.39
Assessment Liens Receivable	D	2,928.58	2,928.58
Due from Water Utility Operating Fund	SD-6	354,925.53	368,311.32
		<u>362,060.29</u>	<u>377,060.29</u>
Total Assessment Trust Fund			
		<u>362,060.29</u>	<u>377,060.29</u>
Capital Fund:			
Cash	SD-1&SD-2	1,531,051.68	3,053,956.11
Fixed Capital	SD-7	7,287,212.94	7,287,212.94
Fixed Capital Authorized and Uncompleted	SD-8	9,302,396.53	9,302,396.53
Federal Grants Receivable	SD-9	918,470.00	918,470.00
Federal Loan Receivable	SD-9	460,600.00	460,600.00
		<u>19,499,731.15</u>	<u>21,022,635.58</u>
Total Capital Fund			
		<u>19,499,731.15</u>	<u>21,022,635.58</u>
Total Assets			
		<u>\$ 21,466,813.70</u>	<u>\$ 23,303,492.89</u>

(Continued)

## TOWN OF HAMMONTON

## Water Utility Fund

Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis (Cont'd)

As of December 31, 2010 and 2009

	<u>REFERENCE</u>	<u>2010</u>	<u>2009</u>
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>			
Operating Fund:			
Appropriation Reserves	D-6 & SD-10	\$ 31,818.04	\$ 17,205.74
Due to Water Assessment Trust Fund	SD-6	354,925.53	368,311.32
Reserve for Encumbrances	D-6 & SD-11	70,268.70	48,246.76
Prepaid Water Rents	SD-11	16,992.43	4,394.74
Accrued Interest Payable	SD-12	83,502.52	94,375.18
Due to Sewer Utility Operating Fund	SD-1	11.92	
		<u>557,519.14</u>	<u>532,533.74</u>
Total Liabilities			
Reserve for Receivables	D	3,628.96	2,389.12
Fund Balance	D-1	1,043,874.16	1,368,874.16
		<u>1,605,022.26</u>	<u>1,903,797.02</u>
Total Operating Fund			
Assessment Trust Fund:			
Serial Bonds	SD-14	121,600.00	136,600.00
Reserve for Assessments and Liens	SD-13	7,134.76	8,748.97
Fund Balance	D-2	233,325.53	231,711.32
		<u>362,060.29</u>	<u>377,060.29</u>
Total Assessment Trust Fund			

(Continued)

## TOWN OF HAMMONTON

## Water Utility Fund

Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis (Cont'd)

As of December 31, 2010 and 2009

	<u>REFERENCE</u>	<u>2010</u>	<u>2009</u>
<b><u>LIABILITIES, RESERVES AND FUND BALANCE (CONT'D)</u></b>			
Capital Fund:			
Serial Bonds	SD-21	\$ 5,017,400.00	\$ 5,370,400.00
USRD Loan Payable	SD-20	279,291.43	282,935.76
Improvement Authorizations:			
Funded	SD-15	1,602,855.69	2,002,570.98
Unfunded	SD-15	60,775.00	171,893.75
Contracts Payable	SD-16	446,219.09	850,370.75
Reserves for:			
Amortization	SD-18	8,488,640.84	8,131,996.51
Deferred Amortization	SD-19	2,395,347.20	2,395,347.20
Reserve for Payment of Bonds and Notes	D	628,232.17	628,232.17
Capital Improvement Fund	D	22,969.73	22,969.73
Due to Water Utility Operating Fund	SD-17		4,860.97
Fund Balance	D-3	<u>558,000.00</u>	<u>1,161,057.76</u>
Total Capital Fund		<u>19,499,731.15</u>	<u>21,022,635.58</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 21,466,813.70</u>	<u>\$ 23,303,492.89</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 Utility Operating Fund**  
Statement Of Operations And Changes In Fund Balance - Regulatory Basis  
For the Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Revenue and Other Income Realized:		
Operating Fund Balance Utilized	\$ 325,000.00	\$ 1,325,000.00
Water Rents	998,991.30	1,150,238.34
Water Utility Capital Fund Balance	3,057.76	10,672.00
Miscellaneous	155,371.57	213,148.36
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	29,996.30	6,628.10
	<u>1,512,416.93</u>	<u>2,705,686.80</u>
Total Revenue and Other Income Realized		
Expenditures:		
Operating	1,057,027.46	1,071,940.73
Debt Service	574,928.70	1,513,682.11
Deferred Charges and Statutory Expenditures	57,417.00	47,500.00
	<u>1,689,373.16</u>	<u>2,633,122.84</u>
Total Expenditures		
Excess (Deficit) in Revenue and Statutory Excess to Fund Balance		72,563.96
Operating Deficit to be Raised in Budget of Succeeding Year	<u>(176,956.23)</u>	
Fund Balance January 1	<u>1,368,874.16</u>	<u>2,621,310.20</u>
	1,368,874.16	2,693,874.16
Decreased by:		
Utilization by Water Operating Budget	325,000.00	1,325,000.00
Fund Balance December 31	<u>\$ 1,043,874.16</u>	<u>\$ 1,368,874.16</u>

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

**TOWN OF HAMMONTON**  
**Water Utility Assessment Trust Fund**  
Statement of Fund Balance - Regulatory Basis  
For the Year Ended December 31, 2010 and 2009

---

	<u>2010</u>	<u>2009</u>
Balance January 1	\$ 231,711.32	\$ 229,582.39
Increased by:		
Collection of Unpledged Assessments	1,614.21	2,128.93
Balance December 31	\$ 233,325.53	\$ 231,711.32

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

**TOWN OF HAMMONTON**  
**Water Utility Capital Fund**  
Statement Of Changes In Fund Balance - Regulatory Basis  
For the Year Ended December 31, 2010

---

Balance December 31, 2009		\$ 1,161,057.76
Decreased By:		
Anticipated as Revenue in 2010 Current Fund Budget	\$ 600,000.00	
Anticipated as Revenue in 2010 Water Utility Operating Fund Budget	<u>3,057.76</u>	
		<u>603,057.76</u>
Balance December 31, 2010		<u><u>\$ 558,000.00</u></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, 2010

---

	<u>Budget</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Assessment Cash	\$ 15,000.00	\$ 15,000.00	\$ -

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

**TOWN OF HAMMONTON**  
**Water Utility Operating Fund**

Statement of Expenditures - Regulatory Basis  
 For the Year Ended December 31, 2010

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
				<u>Reserve For Encumbrances</u>	<u>Reserved</u>	
Operating:						
Salaries and Wages	\$ 345,314.00	\$ 347,314.00	\$ 327,446.00	\$	\$ 19,868.00	
Other Expenses	711,713.46	709,713.46	628,557.12	\$ 70,099.59	11,056.75	
Debt Service:						
Payment of Bond/Loan Principal	357,000.00	357,000.00	356,644.33			\$ 355.67
Interest on Bonds & Loans	220,000.00	220,000.00	218,284.37			1,715.63
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)	26,417.00	26,417.00	25,833.11		583.89	
New Jersey Disability Insurance	1,000.00	1,111.60	1,111.60			
PERS	30,000.00	29,888.40	29,579.00		309.40	
Total	<u>\$ 1,691,444.46</u>	<u>\$ 1,691,444.46</u>	<u>\$ 1,587,455.53</u>	<u>\$ 70,099.59</u>	<u>\$ 31,818.04</u>	<u>\$ 2,071.30</u>
Interest on Bonds Disbursed			\$ 218,284.37			
			<u>1,369,171.16</u>			
			<u>\$ 1,587,455.53</u>			

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, 2010

---

	<u>Budget</u>	<u>Expended</u>	<u>Reserved</u>
Payment of Bond Principal	<u>\$ 15,000.00</u>	<u>\$ 15,000.00</u>	<u>\$ -</u>
		<u>\$ 15,000.00</u>	
Paid by Water Utility Operating Fund			

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

## TOWN OF HAMMONTON

## Sewer Utility Fund

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

As of December 31, 2010 and 2009

	<u>REFERENCE</u>	<u>2010</u>	<u>2009</u>
<b><u>ASSETS</u></b>			
Operating Fund:			
Cash	SE-1	\$ 2,744,915.58	\$ 3,206,801.10
Due from Water Utility Operating Fund	SE-1	11.92	
Due from Sewer Utility Capital Fund	SE-3		1,692.47
Small Cities Grant Receivable	E	73,620.62	73,620.62
		<u>2,818,548.12</u>	<u>3,282,114.19</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	SE-4	5,588.48	4,359.93
Sewer Utility Liens	SE-5	10,505.02	8,660.62
		<u>16,093.50</u>	<u>13,020.55</u>
Deferred Charges:			
Operating Deficit	E-1	191,563.95	
		<u>3,026,205.57</u>	<u>3,295,134.74</u>
Total Operating Fund			
		<u>3,026,205.57</u>	<u>3,295,134.74</u>
Capital Fund:			
Cash	SE-1&SE-2	36,240.28	1,093,684.93
Fixed Capital	SE-6	8,637,982.72	8,637,982.72
Fixed Capital Authorized and Uncompleted	SE-7	31,984,105.67	31,984,105.67
Federal Grants Receivable	SE-8	154,530.00	154,530.00
Federal Loans Receivable	SE-8	479,400.00	479,400.00
		<u>41,292,258.67</u>	<u>42,349,703.32</u>
Total Capital Fund		<u>41,292,258.67</u>	<u>42,349,703.32</u>
Total Assets		<u>\$ 44,318,464.24</u>	<u>\$ 45,644,838.06</u>

(Continued)

## TOWN OF HAMMONTON

## Sewer Utility Fund

Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis (Cont'd)

As of December 31, 2010 and 2009

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REFERENCE</u>	<u>2010</u>	<u>2009</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	E-4 & SE-9	\$ 68,398.77	\$ 48,797.95
Reserve for Encumbrances	E-4/SE-9/SE-10	241,769.82	95,219.68
Prepaid Rents	SE-10	20,503.21	12,318.77
Accrued Interest on Bonds, Loans and Notes	SE-11	242,884.22	259,221.74
Reserve for Small Cities Grant	E	72,608.10	72,608.10
		<hr/>	<hr/>
Total Liabilities		646,164.12	488,166.24
Reserve for Receivables	E	16,093.50	13,020.55
Fund Balance	E-1	2,363,947.95	2,793,947.95
		<hr/>	<hr/>
Total Operating Fund		3,026,205.57	3,295,134.74
Capital Fund:			
Serial Bonds	SE-20	11,753,000.00	12,198,000.00
USRD Loan Payable	SE-19	769,237.05	780,560.19
FmHA Loans Payable	SE-18	2,699,347.64	2,748,381.96
Wastewater Treatment Trust Loan Payable	SE-17	798,156.38	1,169,694.84
Improvement Authorizations:			
Funded	SE-12	225,184.67	351,851.01
Unfunded	SE-12	31,000.00	31,000.00
Contracts Payable	SE-13	315,723.90	1,224,991.72
Reserve for Payment of Bonds and Notes	SE-14	143,861.71	159,511.71
Reserve for Amortization	SE-15	21,350,317.32	20,473,421.40
Deferred Reserve for Amortization	SE-16	3,192,030.00	3,192,030.00
Due to Sewer Utility Operating Fund	SE-3		1,692.47
Capital Improvement Fund	E	14,400.00	14,400.00
Fund Balance	E-2		4,168.02
		<hr/>	<hr/>
Total Capital Fund		41,292,258.67	42,349,703.32
		<hr/>	<hr/>
Total Liabilities, Reserves and Fund Balance		\$ 44,318,464.24	\$ 45,644,838.06
		<hr/>	<hr/>

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**  
**Sewer Utility Operating Fund**  
Statement Of Operations And Changes In Fund Balance - Regulatory Basis  
For the Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Revenue and Other Income Realized:		
Operating Fund Balance Utilized	\$ 430,000.00	\$ 550,000.00
Sewer Rents	2,530,608.36	2,569,438.14
Sewer Utility Capital Fund Balance	4,168.02	6,815.00
Reserve for Payment of Bonds	55,000.00	55,000.00
Miscellaneous	166,297.20	370,236.26
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	49,784.81	84,585.08
	<u>3,235,858.39</u>	<u>3,636,074.48</u>
Total Revenue and Other Income Realized		
Expenditures:		
Operating	1,733,206.42	1,567,233.64
Debt Service	1,637,579.92	1,643,110.02
Deferred Charges and Statutory Expenditures	56,636.00	49,500.00
	<u>3,427,422.34</u>	<u>3,259,843.66</u>
Total Expenditures		
Excess (Deficit) in Revenue and Statutory Excess to Fund Balance		376,230.82
Operating Deficit to be Raised in Budget of Succeeding Year	<u>(191,563.95)</u>	
Fund Balance January 1	<u>2,793,947.95</u>	<u>2,967,717.13</u>
Total	2,793,947.95	3,343,947.95
Decreased by:		
Utilized by Sewer Operating Budget	430,000.00	550,000.00
Balance December 31	<u>\$ 2,363,947.95</u>	<u>\$ 2,793,947.95</u>

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

**TOWN OF HAMMONTON**  
**Sewer Utility Capital Fund**  
Statement Of Changes In Fund Balance - Regulatory Basis  
For the Year Ended December 31, 2010

---

Balance December 31, 2009	\$ 4,168.02
Decreased By:	
Anticipated as Revenue in 2010 Sewer Utility Operating Fund Budget	<u>\$ 4,168.02</u>

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



**TOWN OF HAMMONTON**  
**Sewer Utility Operating Fund**  
 Statement of Expenditures - Regulatory Basis  
 For the Year Ended December 31, 2010

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Transfers</u>	<u>Paid or Charged</u>	<u>Reserve for Encumbrances</u>	
Operating:					
Salaries and Wages	\$ 328,570.00	\$ 328,570.00	\$ 328,464.80	\$	105.20
Other Expenses	1,404,636.42	1,404,636.42	1,104,071.78	\$ 233,551.22	67,013.42
Debt Service:					
Payment of Bond & Loan Principal	877,000.00	877,000.00	876,895.92		\$ 104.08
Interest on Bonds & Loans	762,000.00	762,000.00	760,684.00		1,316.00
Deferred Charges & Statutory Expenditures:					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	25,136.00	25,136.00	25,125.26		10.74
PERS	30,000.00	30,000.00	29,119.00		881.00
N.J. Disability Insurance	1,500.00	1,500.00	1,111.59		388.41
<b>Total</b>	<b>\$ 3,428,842.42</b>	<b>\$ 3,428,842.42</b>	<b>\$ 3,125,472.35</b>	<b>\$ 233,551.22</b>	<b>\$ 1,420.08</b>
Interest on Bonds			\$ 760,684.00		
Disbursed			<u>2,364,788.35</u>		
			<u>\$ 3,125,472.35</u>		

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

**TOWN OF HAMMONTON**  
Statement of General Fixed Assets Account Group  
For the Year Ended December 31, 2010

---

	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Additions/</u> <u>Adjustments</u>	<u>Deletions/</u> <u>Adjustments</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
General Fixed Assets:				
Land	\$ 6,039,400.00		\$ (2,959,300.00)	\$ 3,080,100.00
Building	6,406,754.00		2,874,000.00	9,280,754.00
Equipment	<u>5,932,784.31</u>	<u>\$ 132,897.00</u>	<u>(394,341.47)</u>	<u>5,671,339.84</u>
Total General Fixed Assets	<u>\$18,378,938.31</u>	<u>\$ 132,897.00</u>	<u>\$ (479,641.47)</u>	<u>\$18,032,193.84</u>
 Total Investments in General Fixed Assets	 <u>\$18,378,938.31</u>	 <u>\$ 132,897.00</u>	 <u>\$ (479,641.47)</u>	 <u>\$18,032,193.84</u>

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

**TOWN OF HAMMONTON**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2010**

---

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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 2000 census is 12,604.

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 two-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.

**Basis of Accounting, Measurement Focus and Basis of Presentation** - The financial statements of the Town of Hammonton contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit 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 respect to public funds. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this Note.

In accordance with the "Requirements", the Town of Hammonton accounts for its financial transactions through the use of separate funds which are described as follows:

**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 reserve was created.

**General Capital Fund** - The General Capital Fund accounts for receipt and disbursement of funds for the acquisition of general capital 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 acquisition of capital facilities of the municipally owned Water and Sewer Utilities.

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

---

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Budgets and Budgetary Accounting** - The Town of Hammonton must adopt an annual budget for its current, water and sewer utility funds in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Town's financial statements.

**Cash, Cash Equivalents and Investments** - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the Governmental Units.

The cash management plan adopted by the Town of Hammonton requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

**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 operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

---

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**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 statements of assets, liabilities, reserves and fund balance.

**General Fixed Assets** - Accounting for Governmental Fixed Assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Town has adopted a capitalization threshold of \$5,000, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. The Town is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements and transfers of fixed assets. In addition, a Statement of General Fixed Assets, reflecting the activity for the year, must be included in the Town's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage or theft.

**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.

**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 and to return 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 a municipal use, it will be recorded in the General Fixed Assets Account Group.

**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 or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

**Liens Sold for Other Governmental Units** - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

---

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Fund Balance** - Fund Balances included in the current fund and utility operating funds represent amounts available for anticipation as revenue in future years budgets, with certain restrictions.

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

**Property Tax Revenues** - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. 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 budgets of the County of Atlantic and the Town of Hammonton School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

**School Taxes** - The municipality is responsible for levying, collecting and remitting school taxes for the Town of Hammonton School District. Operations is charged for the Town's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2009 and decreased by the amount deferred at December 31, 2010.

**County Taxes** - The municipality is responsible for levying, collecting and remitting county taxes for the County of Atlantic. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

**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 Reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

**Expenditures** - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; whereas interest on utility indebtedness is on the accrual basis.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Appropriation Reserves** - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which 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.

**Long-Term Debt** - Long-Term Debt, relative to the acquisition of capital assets, is recorded as a liability in the General Capital and Utility Capital Funds. Where an improvement is a "local Improvement", i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

**Compensated Absences and Postemployment Benefits** - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Note 2: **CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits might not be recovered. Although the Town does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected 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. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2010, the Town's bank balances of \$10,544,874.95 were exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 187,233.21
Uninsured and Collateralized with Securities Held by Pledging Financial Institutions	<u>9,964,268.15</u>
Total	<u><u>\$ 10,151,501.36</u></u>

Note 3: **INVESTMENTS**

**Custodial Credit 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 the possession of an outside party. Investment securities are exposed to custodial credit risk if 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 \$336,796.65 investments in United States Treasury Notes and Government Obligations are held by the counterparty, not in the name of the Town.

**Interest Rate Risk** – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk** – Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. N.J.S.A. 40A:5-15.1 limits the investments that the Town may purchase such as Treasury securities in order to limit the exposure of governmental units to credit risk. The Town has no investment policy that would further limit its investment choices.

**Concentration of Credit Risk** – The Town does not place a limit on the amount that may be invested in any one issuer. All of the Town's investments are either in treasury obligations, money market funds, GNMA's or direct Treasury Securities.

Note 3: **INVESTMENTS (CONT'D)**

As of December 31, 2010, the Town had the following investments and maturities:

<u>Investment</u>	<u>Maturities</u>	<u>Credit Rating</u>	<u>Cost</u>	<u>Fair Value</u>
U.S. Treasury Notes	7/26/2013	AAA	\$ 4,000.00	\$ 4,001.80
U.S. Treasury Notes	4/15/2013	AAA	9,986.00	10,175.30
U.S. Treasury Notes	9/10/2015	AAA	5,013.01	4,914.65
U.S. Treasury Notes	4/7/2014	AAA	3,024.00	3,013.20
U.S. Treasury Notes	12/28/2012	AAA	2,995.11	2,980.95
U.S. Treasury Notes	12/18/2013	AAA	2,998.71	2,966.49
U.S. Treasury Notes	9/23/2013	AAA	2,994.75	2,995.47
U.S. Treasury Notes	11/23/2015	AAA	3,000.00	2,909.28
U.S. Treasury Notes	5/7/2013	AAA	2,995.17	3,064.02
U.S. Treasury Notes	10/15/2015	AAA	2,007.00	1,979.90
U.S. Treasury Bonds	7/28/2015	AAA	3,105.31	3,042.42
U.S. Treasury Bonds	6/25/2013	AAA	4,984.40	5,065.15
U.S. Treasury Notes	11/16/2015	AAA	2,994.66	2,912.61
U.S. Treasury Notes	2/21/2013	AAA	4,986.85	5,093.85
U.S. Treasury Notes	12/7/2012	AAA	9,997.10	10,230.20
U.S. Treasury Notes	1/17/2012	AAA	5,000.00	5,082.00
U.S. Treasury Notes	2/15/2016	AAA	14,421.09	13,539.80
U.S. Treasury Notes	8/15/2019	AAA	6,837.23	6,966.00
U.S. Treasury Notes	11/15/2018	AAA	2,983.91	2,884.84
U.S. Treasury Notes	7/15/2020	AAA	3,195.35	3,080.42
U.S. Treasury Notes	7/15/2015	AAA	3,657.89	3,654.06
U.S. Treasury Notes	1/15/2011	AAA	3,836.52	3,773.59
U.S. Treasury Notes	2/15/2020	AAA	5,634.69	5,723.12
U.S. Treasury Notes	11/15/2015	AAA	2,772.58	2,743.12
U.S. Treasury Notes	12/15/2012	AAA	9,984.37	10,102.70
U.S. Treasury Notes	10/31/2015	AAA	1,960.08	1,935.62
U.S. Treasury Notes	4/15/2012	AAA	7,015.31	7,089.39
U.S. Treasury Notes	1/13/2014	AAA	31,657.50	32,670.08
U.S. Treasury Notes	10/31/2017	AAA	2,996.95	2,851.89
U.S. Treasury Notes	11/30/2013	AAA	4,879.88	5,147.65
U.S. Treasury Notes	5/31/2014	AAA	5,029.10	5,172.25
U.S. Treasury Notes	8/31/2014	AAA	6,035.39	6,215.64
U.S. Treasury Notes	6/30/2014	AAA	4,994.92	5,232.40
U.S. Treasury Notes	8/15/2020	AAA	4,912.85	4,740.25
U.S. Treasury Notes	11/15/2020	AAA	8,591.02	8,489.52
U.S. Treasury Notes	5/15/2019	AAA	12,552.54	13,137.15
U.S. Treasury Notes	3/31/2017	AAA	6,467.11	6,266.28
U.S. Treasury Notes	11/15/2019	AAA	8,912.85	9,187.74
U.S. Treasury Notes	2/15/2018	AAA	4,438.36	4,207.80
U.S. Treasury Notes	5/15/2020	AAA	8,350.90	8,195.04
U.S. Treasury Notes	8/15/2019	AAA	6,082.81	6,268.14
U.S. Treasury Notes	2/15/2014	AAA	14,290.43	16,340.70
U.S. Treasury Notes	11/15/2012	AAA	2,168.91	2,129.22
U.S. Treasury Notes	5/15/2015	AAA	13,419.72	14,315.21
U.S. Treasury Notes	8/18/2015	AAA	17,425.63	17,716.32
U.S. Treasury Notes	11/15/2014	AAA	2,148.05	2,211.10
U.S. Treasury Notes	4/30/2012	AAA	16,520.51	15,825.60
U.S. Treasury Notes	5/15/2017	AAA	15,245.16	15,664.74
U.S. Treasury Notes	5/15/2020	AAA	2,894.06	2,910.78
U.S. Government Obligations	N/A	AAA	4,400.91	4,400.91
			<u>\$ 336,796.65</u>	<u>\$ 341,216.36</u>

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

Note 4: **PROPERTY TAXES**

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four years.

**Comparative Schedule of Tax Rates**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Tax Rate	<u>\$3.365</u>	<u>\$3.358</u>	<u>\$3.317</u>	<u>\$3.307</u>	<u>\$3.328</u>
Apportionment of Tax Rate:					
Municipal	0.765	0.761	0.760	0.755	0.751
County	0.562	0.559	0.519	0.513	0.539
Local School District	2.038	2.038	2.038	2.039	2.038

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four years.

**Assessed Valuation****Year**

2010	\$ 850,313,680.00
2009	844,462,889.00
2008	835,232,116.00
2007	816,529,774.00
2006	787,649,050.00

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>	
			<u>True Rate</u>	<u>Underlying Rate</u>
2010	\$28,748,616.37	\$28,577,733.14	99.41%	98.19%
2009	28,463,371.16	28,313,925.51	99.47%	98.35%
2008	27,956,628.69	27,899,126.13	99.79%	98.96%
2007	27,443,138.90	27,356,836.25	99.69%	98.59%
2006	27,039,967.48	26,986,923.82	99.80%	99.03%

**Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2010	\$433,013.76	\$25,525.72	\$458,539.48	1.59%
2009	369,022.55	14,823.51	383,846.06	1.35%
2008	297,325.73	36,169.17	333,494.90	1.19%
2007	265,970.49	52,971.15	318,941.64	1.16%
2006	339,574.27	22,816.29	362,390.56	1.34%

Note 4: **PROPERTY TAXES (CONT'D)**

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</u>
2010	75
2009	60
2008	57
2007	50
2006	52

Note 5: **PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, for the current and previous four years was as follows:

<u>Year</u>	<u>Amount</u>
2010	\$ 422,900.00
2009	422,900.00
2008	422,900.00
2007	422,900.00
2006	422,900.00

Note 6: **WATER UTILITY SERVICE CHARGES**

The following is a five-year comparison of water utility service charges (rents) for the current and previous four years.

<u>Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2010	\$968.68	\$1,420.44	\$999,898.48	\$1,002,287.60	\$998,991.30
2009	32,758.31	1,420.44	1,118,448.71	1,152,627.46	1,150,238.34
2008	28,487.10	1,420.44	1,139,091.07	1,168,998.61	1,134,819.86
2007	15,047.10	1,705.44	1,101,040.22	1,117,792.76	1,087,885.22
2006	2,030.53	1,567.44	1,136,868.99	1,140,466.96	1,123,714.42

Note 7: **SEWER UTILITY SERVICE CHARGES**

The following is a five-year comparison of sewer utility service charges (rents) for the current and previous four years.

<u>Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2010	\$4,359.93	\$8,660.62	\$2,533,060.55	\$2,546,081.10	\$2,530,608.36
2009	55,566.77	4,908.23	2,520,231.30	2,580,706.30	2,569,438.14
2008	47,588.76	5,129.89	2,513,757.14	2,566,475.79	2,505,779.13
2007	23,549.91	9,249.65	2,565,314.33	2,598,113.89	2,545,395.24
2006	12,070.50	8,749.65	2,549,232.86	2,570,053.01	2,537,253.45

Note 8: **FUND BALANCES APPROPRIATED**

The following schedule details the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets.

<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budgets of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<b><u>Current Fund</u></b>			
2010	\$2,701,525.66	\$2,466,900.00	91.32%
2009	3,801,924.58	2,171,000.00	57.10%
2008	4,289,428.98	2,475,000.00	57.70%
2007	4,912,949.43	2,390,000.00	48.65%
2006	5,262,280.09	2,820,000.00	53.59%
<b><u>Water Utility Operating Fund</u></b>			
2010	\$1,043,874.16	\$442,000.00	42.34%
2009	1,368,874.16	325,000.00	23.74%
2008	2,621,310.20	1,325,000.00	50.55%
2007	1,829,607.70	350,000.00	19.13%
2006	1,866,107.23	350,000.00	18.76%
<b><u>Sewer Utility Operating Fund</u></b>			
2010	\$2,363,947.95	\$620,000.00	26.23%
2009	2,793,947.95	430,000.00	15.39%
2008	2,967,717.13	550,000.00	18.53%
2007	3,141,497.51	500,000.00	15.92%
2006	3,742,639.82	1,100,000.00	29.39%

Note 9: **INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2010:

<b><u>Fund</u></b>	<b><u>Interfunds Receivable</u></b>	<b><u>Interfunds Payable</u></b>
Current Fund	\$ 1,657.26	\$ 203,651.97
Federal and State Grant Fund	93,768.22	
Animal Control Fund		1,657.26
Trust Other Funds	109,883.75	
Water Utility Assessment Trust Fund	354,925.53	
Water Utility Operating Fund		354,937.45
Sewer Utility Operating Fund	11.92	
	<u>\$ 560,246.68</u>	<u>\$ 560,246.68</u>

Note 10: **PENSION PLANS**

The Town of Hammonton contributes to two cost-sharing multiple-employer defined benefit pension plans, the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS), which are administered by the New Jersey Division of Pensions and Benefits. In addition, several Town employees participate in the Defined Contribution Retirement Program (DCRP), which is a defined contribution pension plan and is also administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295

**Public Employees' Retirement System** - The PERS was established in 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Note 10: **PENSION PLANS (CONT'D)**

The Town is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions, were as follows:

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Funded by State</u>	<u>Paid by Town</u>
2010	\$ 140,466.00	\$ 137,055.00	\$ 277,521.00	-	\$ 277,521.00
2009	118,235.00	107,844.00	226,079.00	-	226,079.00
2008	125,562.00	96,763.00	222,325.00	\$ 44,465.00	177,860.00 (1)

(1) Under the provisions of Chapter 108, P.L. 2003 the Town's share of the total normal contribution and accrued liability will increase approximately 20% per year until the Borough is paying 100% of the total normal contribution and accrued liability.

**Police and Firemen's Retirement System** - The PFRS was established in 1944. The PFRS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:16A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 204, P.L. 1989, plan members enrolled in the Police and Firemen's Retirement System are required to contribute 8.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Town is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions, were as follows:

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Funded by State</u>	<u>Paid by Town</u>
2010	\$ 371,598.00	\$ 243,534.00	\$ 615,132.00	-	\$ 615,132.00
2009	314,952.00	203,746.00	518,698.00	-	518,698.00
2008	304,529.00	179,955.00	484,484.00	-	484,484.00

Note 10: **PENSION PLANS (CONT'D)**

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.) and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The DCRP 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.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Town's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

The Town's contributions for 2010, 2009 and 2008 were \$868.45, \$569.76 and \$641.76, respectively.

**Related Party Investments** - The Division of Pensions and Benefits does not invest in securities issued by the Town.

Note 11: **POSTEMPLOYMENT HEALTHCARE BENEFITS PLAN**

**Plan Description** - The Town 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. 52:14-17.25 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. In 2001, the Town authorized participation in the SHBP's post-retirement benefit program through resolution number 201-2001. The majority of the employees are entitled to postemployment benefits provided by approved union contracts which indicate that employees retiring from the Town with 25 years of pensionable service or on a disability retirement shall receive medical and prescription coverage, at no cost to the retiree, for the life of the retiree.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at [www.state.nj.us/treasury/pensions/](http://www.state.nj.us/treasury/pensions/).

---

Note 11: **POSTEMPLOYMENT HEALTHCARE BENEFITS PLAN (CONT'D)**

**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 contributions to SHBP for the years ended December 31, 2010, 2009, and 2008, were \$260,572.20, \$255,752.52, and \$243,904.50, respectively, which equaled the required contributions for each year. There were approximately 25 retired participants eligible at December 31, 2010.

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, 2010 was \$17,869.80.

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: **COMPENSATED ABSENCES**

Full-time Town employees are entitled to fifteen paid sick leave days and three personal days per year. All unused sick leave may be accumulated and carried forward to the subsequent year. Personal days cannot be carried forward to the subsequent year. Vacation days are earned based on years of service. Unused vacation days may only be carried forward to the next year. Permanent part-time employees are entitled to sick and vacation leave on a prorated basis. Upon retirement, accumulated and unused sick leave cannot exceed a maximum of \$12,000.00.

The Town compensates employees (with twenty-five years or more) for unused sick leave upon retirement. The current policy entitles an employee to receive seventy-five percent of their accumulated sick leave. There is a maximum payout of \$12,000.00 and is paid at the rate of pay upon retirement. The Town does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2010, accrued benefits for compensated absences are valued at \$269,633.99. The Town accounts for and finances such expense on a pay-as-you-go basis.

Note 13: **SANITARY LANDFILL ESCROW CLOSURE FUND**

The Town of Hammonton operates a municipal landfill located in the southern part of the 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, 2010 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 14: **LEASE OBLIGATIONS**

At December 31, 2010, the Town had lease agreements in effect for the following:

- Capital:
  - Police Vehicles
- Operating:
  - Copiers
  - Postage Meter

The following is an analysis of capital and operating leases.

Capital Leases - The following capital fixed assets were acquired by capital lease.

	<b><u>Balance</u></b>	
	<b><u>Dec. 31, 2010</u></b>	<b><u>Dec. 31, 2009</u></b>
Vehicles	<u>\$ 80,961.79</u>	<u>\$ 129,363.37</u>

Future minimum lease payments under capital lease agreements are as follows:

<b><u>Year</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2011	\$ 50,499.19	\$ 2,464.73	\$ 52,963.92
2012	<u>30,462.60</u>	<u>433.02</u>	<u>30,895.62</u>
	<u>\$ 80,961.79</u>	<u>\$ 2,897.75</u>	<u>\$ 83,859.54</u>

Note 14: **LEASE OBLIGATIONS (CONT'D)**

Operating Leases - Future minimum rental payments under operating lease agreements are as follows:

<u>Year</u>	<u>Amount</u>
2011	\$ 13,801.56
2012	13,801.56
2013	8,050.91

Rental payments under operating leases for the year 2010 were \$18,217.56.

Note 15: **SCHOOL TAXES**

Local School District Taxes has been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the Current Fund liabilities as follows:

	<u>Balance Dec 31,</u>	
	<u>2010</u>	<u>2009</u>
Balance of Tax	\$ 8,665,437.28	\$ 8,605,764.28
Deferred	<u>8,665,437.00</u>	<u>8,605,764.00</u>
Tax Payable	<u>\$ 0.28</u>	<u>\$ 0.28</u>

Note 16: **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.

**Property and Liability Insurance** - The Town maintains commercial insurance coverage for the 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, 2010 and 2009 was \$19,204.00 and \$17,047.39, respectively.

Note 17: **CAPITAL DEBT****Summary of Debt**

	<b><u>Year 2010</u></b>	<b><u>Year 2009</u></b>	<b><u>Year 2008</u></b>
<b><u>Issued</u></b>			
General:			
Bonds, Loans and Notes	\$ 17,508,263.86	\$ 18,308,676.28	\$ 18,436,894.30
Water Utility:			
Bonds, Loans and Notes	5,296,691.43	5,653,335.76	6,909,177.66
Assessment Bonds	121,600.00	136,600.00	151,600.00
Sewer Utility:			
Bonds, Loans and Notes	<u>16,019,741.07</u>	<u>16,896,636.99</u>	<u>17,637,867.84</u>
Total Issued	<u>38,946,296.36</u>	<u>40,995,249.03</u>	<u>43,135,539.80</u>
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds, Loans and Notes	144,310.00	143,410.00	139,075.00
Water Utility:			
Bonds, Loans and Notes	408,930.00	408,930.00	
Sewer Utility:			
Bonds, Loans and Notes	<u>60,000.00</u>	<u>60,000.00</u>	
Total Authorized but not Issued	<u>613,240.00</u>	<u>612,340.00</u>	<u>139,075.00</u>
Total Issued and Authorized but not Issued	<u>39,559,536.36</u>	<u>41,607,589.03</u>	<u>43,274,614.80</u>
Deductions:			
Self-liquidating Debt	<u>13,713,038.38</u>	<u>23,155,502.75</u>	<u>24,698,645.50</u>
Total Deductions	<u>13,713,038.38</u>	<u>23,155,502.75</u>	<u>24,698,645.50</u>
Net Debt	<u>\$ 25,846,497.98</u>	<u>\$ 18,452,086.28</u>	<u>\$ 18,575,969.30</u>

Note 17: **CAPITAL DEBT (CONT'D)****Summary of Statutory 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 indicated a statutory net debt of 1.71%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 34,424,341.00	\$ 34,424,341.00	
Water Utility	5,827,221.43	2,316,410.80	\$ 3,510,810.63
Sewer Utility	16,019,741.07	11,396,627.58	4,623,113.49
General	<u>17,652,573.86</u>		<u>17,652,573.86</u>
	<u>\$73,923,877.36</u>	<u>\$48,137,379.38</u>	<u>\$25,786,497.98</u>

Net Debt \$25,846,497.98 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$1,511,556,528.33 equals 1.71%.

A revised Annual Debt Statement should be filed by the Chief Financial Officer.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 52,904,478.49
Net Debt	<u>25,786,497.98</u>
Remaining Borrowing Power	<u>\$ 27,117,980.51</u>

**Calculation of "Self Liquidating Purpose,"****Water Utility Per N.J.S.A. 40A:2-45**

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for Year	\$ 1,482,420.63
Deductions:	
Operating and Maintenance Cost	\$ 1,114,444.46
Debt Service per Water Fund	<u>574,928.31</u>
Total Deductions	<u>1,689,372.77</u>
Deficit in Revenue	<u>\$ (206,952.14)</u>

Note 17: **CAPITAL DEBT (CONT'D)****Calculation of "Self Liquidating Purpose,"  
Sewer Utility Per N.J.S.A. 40A:2-45**

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for Year		\$ 3,186,073.58
Deductions:		
Operating and Maintenance Cost	\$ 1,789,842.42	
Debt Service per Sewer Fund	<u>1,637,579.92</u>	
Total Deductions		<u>3,427,422.34</u>
Deficit in Revenue		<u><u>\$ (241,348.76)</u></u>

**Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and  
Outstanding**

<u>Year</u>	<u>Principal</u>	<u>General</u> <u>Interest</u>	<u>Total</u>
2011	\$ 905,553.61	\$ 720,536.87	\$ 1,626,090.48
2012	947,309.64	686,742.84	1,634,052.48
2013	992,456.56	648,833.42	1,641,289.98
2014	1,032,606.44	608,946.04	1,641,552.48
2015	1,102,759.33	567,230.65	1,669,989.98
2016-20	6,516,199.73	2,001,007.66	8,517,207.39
2021-24	<u>6,011,378.55</u>	<u>517,005.14</u>	<u>6,528,383.69</u>
	<u><u>\$ 17,508,263.86</u></u>	<u><u>\$ 5,750,302.62</u></u>	<u><u>\$ 23,258,566.48</u></u>

Note 17: **CAPITAL DEBT (CONT'D)****Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding (Cont'd)**

<u>Year</u>	<u>Water Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2011	\$ 389,809.35	\$ 209,220.86	\$ 599,030.21
2012	400,982.71	194,173.76	595,156.47
2013	414,163.94	178,820.02	592,983.96
2014	460,353.42	162,161.79	622,515.21
2015	474,551.53	144,096.18	618,647.71
2016-20	2,601,059.48	419,036.49	3,020,095.97
2021-25	477,553.71	83,122.35	560,676.06
2026-30	40,666.21	41,009.85	81,676.06
2031-35	50,800.38	30,875.70	81,676.08
2036-40	63,460.00	18,216.05	81,676.05
2041-43	44,890.70	3,571.25	48,461.95
	<u>\$ 5,418,291.43</u>	<u>\$ 1,484,304.30</u>	<u>\$ 6,902,595.73</u>

<u>Year</u>	<u>Sewer Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2011	\$ 988,750.50	\$ 730,478.45	\$ 1,719,228.95
2012	1,031,486.77	689,040.54	1,720,527.31
2013	993,978.60	566,436.75	1,560,415.35
2014	1,017,117.55	529,772.50	1,546,890.05
2015	1,050,399.37	491,434.43	1,541,833.80
2016-20	5,326,695.25	1,829,092.48	7,155,787.73
2021-25	3,459,266.21	820,901.89	4,280,168.10
2026-30	673,664.43	418,779.51	1,092,443.94
2031-35	841,543.90	250,900.02	1,092,443.92
2036-40	596,077.56	61,515.77	657,593.33
2041-43	40,760.93	2,237.91	42,998.84
	<u>\$ 16,019,741.07</u>	<u>\$ 6,390,590.25</u>	<u>\$ 22,410,331.32</u>

---

Note 18: **JOINT INSURANCE POOL**

The Town of Hammonton is a member of the Atlantic County Municipal Joint Insurance Fund. The Fund provides its members with the following coverages:

- Property
- Boiler and Machinery
- General and Automobile Liability
- Public Officials/Employment Liability
- Workers' Compensation
- Crime

Contributions to the Fund, including a reserve for contingencies, are payable in four installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

The Fund provides the Town with the following coverage:

- Crime Insurance
- Casualty Insurance
- Business Auto Liability
- Workers' Compensation
- Excess Crime Insurance
- Excess Liability Insurance
- Excess Workers Compensation and Employer's Liability Insurance
- Excess Public Officials and Employment Liability Insurance
- Volunteer Emergency Services Directors and Officers Liability

The Fund publishes its own financial report for the year ended December 31, 2010, which can be obtained from:

- Atlantic County Municipal Joint Insurance Fund
- P.O. Box 488
- Marlton, New Jersey 08053

Note 19: **CHANGE ORDERS**

During the year 2010, the Town amended contracts by approving the following change orders that resulted in the total amount of change orders executed for these projects to exceed the originally awarded contract price by more than 20 percent:

<b>Ordinance No.</b>	<b><u>Project Description</u></b>
2007-16; 2008-03; 2009-32; 2010-04	Airport Apron Rehabilitation

N.J.A.C. 5:30-11.3 (a) 9 and 10 states that the total number of change orders executed for a particular contract shall not cause the originally awarded contract price to be exceeded by more than twenty percent unless otherwise authorized, and that if proposed change orders do exceed that twenty percent limitation, no work shall be performed or purchases made until the procedures of N.J.A.C. 5:30-11.9 have been completed.

N.J.A.C. 5:30-11.9 delineates the required procedures for change orders, which exceed the twenty percent limitation. The Town did not comply with the provisions of N.J.A.C. 5:30-11.9.

Note 20: **LITIGATION**

The Town is a defendant in several legal proceedings, including tax appeals, 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 21: **DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2010, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following funds:

	<b><u>Balance Dec. 31, 2010</u></b>	<b><u>2011 Budget Appropriation</u></b>
Water Utility Operating Fund:		
Operating Deficit	\$ 176,956.23	\$ 176,956.23
Sewer Utility Operating Fund:		
Operating Deficit	191,563.95	191,563.95

The appropriations in the 2011 Budget are not less than that required by the statutes.

Note 22: **SUBSEQUENT EVENTS**

As authorized on January 24, 2011, the Town issued a loan in the amount of \$940,000.00, dated February 24, 2011, to permanently finance the costs of various capital improvements in the Water and Sewer Capital Funds. The following schedule details annual debt service requirements for principal and interest for the loan issued. These amounts are not included in the Schedule of Annual Debt Service for Principal and Interest for Loan Debt Issued and Outstanding reported in Note 17.

<b><u>Year</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2011	\$ 4,733.17	\$ 19,810.83	\$ 24,544.00
2012	9,325.76	39,762.24	49,088.00
2013	9,834.67	39,253.33	49,088.00
2014	10,257.11	38,830.89	49,088.00
2015	10,697.66	38,390.34	49,088.00
2016-2020	60,567.61	184,872.39	245,440.00
2021-2025	74,866.70	170,573.30	245,440.00
2026-2030	92,391.19	153,048.81	245,440.00
2031-2035	114,018.88	131,421.12	245,440.00
2036-2040	140,660.69	104,779.31	245,440.00
2041-2045	173,666.01	71,773.99	245,440.00
2046-2050	214,324.97	31,115.03	245,440.00
2051	<u>24,655.58</u>	<u>541.73</u>	<u>25,197.31</u>
	<u>\$ 940,000.00</u>	<u>\$ 1,024,173.31</u>	<u>\$ 1,964,173.31</u>

Additionally, on May 23, 2011, the Town introduced a bond ordinance authorizing additional Bonds and Notes in the amount of \$1,050,000.00, providing for the continued development of the Hammonton sports complex.

**SUPPLEMENTAL EXHIBITS**

**SUPPLEMENTAL EXHIBITS**

**CURRENT FUND**

**TOWN OF HAMMONTON**  
**Current Fund**  
Schedule of Cash - Collector/Treasurer  
For the Year Ended December 31, 2010

	<u>CURRENT FUND</u>	<u>FEDERAL AND STATE GRANT FUND</u>
Balance December 31, 2009	\$ 4,758,372.96	\$ 15,418.58
Increased by Receipts:		
Uniform Fire Safety Act	\$ 41,915.23	
Miscellaneous Revenue not Anticipated	94,658.53	
Taxes Receivable	27,982,520.50	
Tax Title Liens Receivable	2,848.29	
Revenue Accounts Receivable	2,585,467.52	
Prepaid Taxes	402,092.87	
Tax Overpayments	29,153.85	
Reserve for Garden State Preservation Trust Fund	34,637.00	
Due from State of New Jersey - Tax Deductions	201,478.34	
Due to State of New Jersey - Vital Statistics	2,050.00	
Due from Trust -- Other Funds	202,966.08	
Due from General Capital Fund	94,462.80	
Due from Water Utility Capital Fund	600,000.00	
Federal and State Grants Receivable		\$ 260,574.71
Matching Funds for Grants		4,086.25
Due to Federal and State Grant Fund		1,835.65
	32,274,251.01	266,496.61
Total Receipts	32,274,251.01	266,496.61
	37,032,623.97	281,915.19
Decreased by Disbursements:		
Refund of Business Registration Certificate		
2010 Appropriations	10,804,142.43	
2009 Appropriation Reserves	254,740.48	
Reserve for Encumbrances	22,115.50	
Tax Overpayments	70,376.68	
Due to State of New Jersey - Vital Statistics	2,025.00	
Local District School Taxes	17,271,201.00	
County Taxes Payable	4,773,230.73	
Due from Trust -- Other Funds	159,088.75	
Reserve for Federal and State Grants - Appropriated		221,064.18
Reserve for Encumbrances - Federal and State Grants		50,246.66
Matching Funds for Grants	4,086.25	
Due from Current Fund	1,835.65	
	33,362,842.47	271,310.84
Total Disbursements	33,362,842.47	271,310.84
Balance December 31, 2010	\$ 3,669,781.50	\$ 10,604.35

TOWN OF HAMMONTON  
Current Fund  
Schedule of Change Funds  
For the Year Ended December 31, 2010

---

*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, 2010

Year	Balance December 31, 2009	2010 Levy	Added Taxes	2009 Collections	2010 Collections	Due From State Of New Jersey	Overpayments Applied	Canceled	Transferred To Tax Title Liens	Balance December 31, 2010
2009	\$ 14,823.51				\$ 7,448.48					\$ 7,375.03
	14,823.51	-	-	-	7,448.48	-	-	-	-	7,375.03
2010		\$ 28,748,616.37		\$ 401,462.60	27,975,072.02	\$ 201,198.52	-	\$ 87,007.79	65,724.75	18,150.69
Total	\$ 14,823.51	\$ 28,748,616.37	\$ -	\$ 401,462.60	\$ 27,982,520.50	\$ 201,198.52	\$ -	\$ 87,007.79	\$ 65,724.75	\$ 25,525.72

Analysis of 2010 Property Tax Levy

Tax Yield:

General Purpose Tax	\$ 28,613,070.56
Added Taxes (54:4-63.1 et seq.)	135,545.81

Total

	\$ 28,748,616.37
--	------------------

Tax Levy:

Local District School Tax	\$ 17,330,874.00
County Tax	4,004,487.71
County Library Tax	431,989.90
County Health Services Tax	261,941.39
County Open Space Preservation	74,811.73
Due County for Added Taxes (54:4-63.1 et seq.)	22,350.25

Local Tax for Municipal Purposes	6,504,047.75
Additional Tax Levies	118,113.64

Total

	\$ 28,748,616.37
--	------------------

**TOWN OF HAMMONTON**  
**Current Fund**  
Schedule of Tax Title Liens  
For the Year Ended December 31, 2010

---

Balance December 31, 2009		\$ 369,022.55
Increased by:		
Transfers from Taxes Receivable	\$ 65,724.75	
Tax Sale Interest and Costs	<u>1,114.75</u>	
		<u>66,839.50</u>
		435,862.05
Decreased by:		
Collections		<u>2,848.29</u>
Balance December 31, 2010		<u><u>\$ 433,013.76</u></u>

**TOWN OF HAMMONTON**  
**Current Fund**  
Schedule of Revenue Accounts Receivable  
For the Year Ended December 31, 2010

	<b>Balance December 31, <u>2009</u></b>	<b>Accrued <u>In 2010</u></b>	<b><u>Collected</u></b>	<b>Balance December 31, <u>2010</u></b>
Clerk:				
Alcoholic Beverage Licenses		\$ 13,536.00	\$ 13,536.00	
Other Licenses		4,333.00	4,333.00	
Fees and Permits		2,400.00	2,400.00	
Business Registration Certificates		20,062.50	20,062.50	
Landlord Registration Fees		35,395.00	35,395.00	
Freon Fees and Permits		250.00	250.00	
Fire Inspection Fees		12,736.00	12,736.00	
Rental of Polling Place		350.00	350.00	
Planning Board		10,560.00	10,560.00	
Zoning Board of Adjustment		30.00	30.00	
Tax Assessor		630.00	630.00	
Police Department		5,360.00	5,360.00	
Use of Police Vehicles		5,605.00	5,605.00	
Municipal Court:				
Fines and Costs	\$ 16,612.32	284,258.80	279,920.23	\$ 20,950.89
Cancellation of Old Outstanding Checks		238.00	238.00	
Restitution		25.00	25.00	
Interest and Costs on Taxes		115,151.76	115,151.76	
Board of Health Fees		18,133.30	18,133.30	
Tax Search Fees		250.00	250.00	
Airport Rental		31,726.75	31,726.75	
Uniform Construction Code Fees	13,514.00	126,837.00	136,090.00	4,261.00
Cable TV Franchise Fee	46,773.69	45,719.89	46,773.69	45,719.89
Plymouth Place - Payment In-Lieu of Taxes	51,850.00	101,950.00	153,800.00	
Water Utility Management Fee		84,952.93	84,952.93	
Sewer Utility Management Fee		171,574.47	171,574.47	
Interlocal Agreement - School Police		145,000.00	145,000.00	
Consolidated Municipal Property Tax				
Relief Act		203,017.00	203,017.00	
Energy Receipts Tax		1,035,060.00	1,035,060.00	
Interest on Investments		52,506.89	52,506.89	
		<hr/>	<hr/>	
Total	\$ 128,750.01	\$ 2,527,649.29	\$ 2,585,467.52	\$ 70,931.78
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**TOWN OF HAMMONTON**  
**Current Fund**  
Schedule of 2009 Appropriation Reserves  
For the Year Ended December 31, 2010

	<b>Balance</b>		<b>Balance</b>	<b>(Refunds)/</b>	<b>Balance</b>
	<b>December 31, 2009</b>				
	<b>Reserved</b>	<b>Encumbered</b>	<b>Transfers</b>		
<b><u>WITHIN "CAPS"</u></b>					
Administrative and Executive					
Salaries and Wages	\$ 2,421.28		\$ 2,421.28	\$ 357.50	\$ 2,063.78
Other Expenses	1,194.88	\$ 2,133.33	3,328.21	2,718.83	609.38
Elections					
Other Expenses	24.92		24.92		24.92
Financial Administration					
Salaries and Wages	4.70		4.70		4.70
Other Expenses	30.19	2,778.84	2,809.03	2,778.84	30.19
Assessment of Taxes					
Salaries and Wages	120.07		120.07		120.07
Other Expenses	1,076.77	1,608.44	2,685.21	1,667.34	1,017.87
Collection of Taxes					
Salaries and Wages	105.37		105.37		105.37
Other Expenses	3,220.42	1,677.97	4,898.39	1,720.73	3,177.66
Legal					
Salaries and Wages	0.04		0.04		0.04
Other Expenses	10,242.81	13,690.78	23,933.59	18,684.21	5,249.38
Engineering					
Other Expenses	2,355.00		2,355.00		2,355.00
Public Buildings and Grounds					
Salaries and Wages	388.00		388.00		388.00
Other Expenses	1,259.88	5,967.71	7,227.59	7,048.92	178.67
Natural Gas	2,399.41	997.68	3,397.09	3,397.09	
Electricity	10,382.05	936.12	11,318.17	11,318.17	
Telephone	3,705.84	3,421.60	7,127.44	4,010.91	3,116.53
Gasoline	54,234.07		23,864.07	14,246.36	9,617.71
Municipal Land Use Law					
Planning Board					
Salaries and Wages	329.18		329.18		329.18
Other Expenses	1,015.85	19.22	1,035.07	19.22	1,015.85
Board of Adjustment					
Other Expenses	83.15		83.15		83.15
Historical Society					
Other Expenses	140.00		140.00		140.00
Economic Development					
Other Expenses	5,000.00		5,000.00		5,000.00
Computer					
Salaries and Wages	74.08		74.08		74.08
Other Expenses	28.93	1,390.18	1,419.11	1,403.17	15.94
Insurance					
Group Insurance Plan for Employees	4,656.86		4,656.86		4,656.86
Workers Compensation Insurance	1,322.00		1,322.00		1,322.00
Liability Insurance	2,018.09	869.70	2,887.79	1,049.70	1,838.09
Temporary Disability Insurance	1,524.13		1,524.13	673.19	850.94

(Continued)

**TOWN OF HAMMONTON**  
**Current Fund**  
Schedule of 2009 Appropriation Reserves  
For the Year Ended December 31, 2010

	<b>Balance</b>		<b>Balance</b>	<b>(Refunds)/</b>	<b>Balance</b>
	<b><u>Reserved</u></b>	<b><u>Encumbered</u></b>			
<b><u>WITHIN "CAPS" (Cont'd)</u></b>					
Fire					
Other Expenses	\$ 336.08	\$ 8,266.88	\$ 8,602.96	8,170.88	\$ 432.08
State Fire Prevention Code					
Salaries and Wages	1,357.85		1,357.85		1,357.85
Other Expenses	474.17	4,884.80	5,358.97	4,884.80	474.17
Police					
Salaries and Wages	16,185.72	18,732.00	27,917.72	21,232.00	6,685.72
Other Expenses	832.24	46,102.84	53,935.08	50,733.91	3,201.17
Police Radio and Communications					
Salaries and Wages	2,117.81		2,117.81		2,117.81
Other Expenses	920.18	243.02	1,163.20	243.02	920.18
Municipal Court					
Other Expenses	126.69	769.76	896.45	896.45	
Prosecutor					
Salaries and Wages	340.71		340.71		340.71
Streets and Roads					
Salaries and Wages	6,564.00		17,934.00	17,479.89	454.11
Other Expenses	512.29	37,608.75	57,121.04	56,921.04	200.00
Street Lighting					
Other Expenses	6,746.75	25,625.60	32,372.35	28,267.67	4,104.68
Registrar of Vital Statistics					
Other Expenses	118.93		118.93		118.93
Recreation					
Salaries and Wages	74.06		74.06		74.06
Other Expenses	1,754.57	3,544.44	5,299.01	3,554.44	1,744.57
Property Maintenance Officer					
Salaries and Wages	10.00		10.00		10.00
Other Expenses	200.65	747.18	947.83	747.18	200.65
Construction Code Official					
Salaries and Wages	47.62		47.62		47.62
Other Expenses	185.23	4,182.38	4,367.61	4,274.62	92.99
Advertising					
Other Expenses	4,215.42	180.00	4,395.42	210.00	4,185.42
Municipal Airport					
Other Expenses	471.94	35.00	506.94	506.94	
Social Security System	106.66		106.66		106.66
Grand Total	<u>\$ 153,057.54</u>	<u>\$ 186,414.22</u>	<u>\$ 339,471.76</u>	<u>\$ 269,217.02</u>	<u>\$ 70,254.74</u>
Disbursed				\$ 254,740.48	
Reserve for Encumbrances				<u>14,476.54</u>	
				<u>\$ 269,217.02</u>	

**TOWN OF HAMMONTON**  
**Current Fund**  
 Schedule of Reserve for Encumbrances  
 For the Year Ended December 31, 2010

---

Balance December 31, 2009		\$ 212,379.28
Increased by:		
2010 Appropriations	\$ 140,865.38	
2009 Appropriations	14,476.54	
County - Added Taxes	22,350.25	
Tax Overpayments	<u>3,447.64</u>	
		<u>181,139.81</u>
		393,519.09
Decreased by:		
Payments	22,115.50	
Transferred to Appropriation Reserves	<u>186,414.22</u>	
		<u>208,529.72</u>
Balance December 31, 2010		<u><u>\$ 184,989.37</u></u>

**TOWN OF HAMMONTON**  
**Current Fund**  
 Schedule of Prepaid Taxes  
 For the Year Ended December 31, 2010

---

Balance December 31, 2009 (2010 Taxes)		\$ 401,462.60
Increased by:		
Collection of 2011 Taxes		402,092.87
		803,555.47
Decreased by:		
Application to 2010 Taxes		401,462.60
		803,555.47
Balance December 31, 2010 (2011 Taxes)		\$ 402,092.87

**Current Fund**  
 Schedule of Tax Overpayments  
 For the Year Ended December 31, 2010

---

Balance December 31, 2009		\$ 2,039.78
Increased by:		
Prior Year Tax Appeals	\$ 42,880.33	
Overpayments in 2010	29,153.85	
		72,034.18
		74,073.96
Decreased by:		
Encumbered	3,447.64	
Refunded	70,376.68	
		73,824.32
Balance December 31, 2010		\$ 249.64

**TOWN OF HAMMONTON**

**Current Fund**

Schedule of Due from State of New Jersey - Senior Citizen and Veterans' Deductions

For the Year Ended December 31, 2010

---

Balance December 31, 2009		\$	13,194.36
Increased by:			
Deductions per Tax Billing	\$	201,250.00	
2010 Deductions Allowed by Tax Collector		1,500.00	
2010 Deductions Disallowed by Tax Collector		<u>(1,551.48)</u>	
			<u>201,198.52</u>
			214,392.88
Decreased by:			
Collections			<u>201,478.34</u>
Balance December 31, 2010		\$	<u><u>12,914.54</u></u>

**Current Fund**

Schedule of Due State of New Jersey -- Vital Statistics

For the Year Ended December 31, 2010

---

Balance December 31, 2009			575.00
Increased by:			
Fees Collected			<u>2,050.00</u>
			2,625.00
Decreased by:			
Payments			<u>2,025.00</u>
Balance December 31, 2010		\$	<u><u>600.00</u></u>

**TOWN OF HAMMONTON**  
**Current Fund**  
Schedule of Local District School Tax  
For the Year Ended December 31, 2010

<hr/>		
Balance December 31, 2009:		
School Tax Payable	\$ 0.28	
School Tax Deferred	8,605,764.00	
		\$ 8,605,764.28
Increased by:		
Levy - School Year July 1, 2010 to June 30, 2011		17,330,874.00
		25,936,638.28
Decreased by:		
Payments		17,271,201.00
Balance December 31, 2010:		
School Tax Payable	0.28	
School Tax Deferred	8,665,437.00	
		\$ 8,665,437.28
2010 Liability for Local School District Tax:		
School Tax Paid	\$ 17,271,201.00	
School Tax Payable - Dec. 31, 2010	0.28	
		\$ 17,271,201.28
Less:		
School Tax Payable - Dec. 31, 2009		0.28
Amount Charged to 2010 Operations		\$ 17,271,201.00

**TOWN OF HAMMONTON**

**Current Fund**

Schedule of Due County for Added and Omitted Taxes

For the Year Ended December 31, 2010

---

County Share of 2010 Added and Omitted Taxes	\$ 22,350.25
Decreased by:	
Encumbered	<u>\$ 22,350.25</u>

**Current Fund**

Schedule of County Taxes Payable

For the Year Ended December 31, 2010

---

County Taxes	\$ 4,004,487.71	
County Library Taxes	431,989.90	
County Health Service Taxes	261,941.39	
County Open Space Preservation	<u>74,811.73</u>	
		\$ 4,773,230.73
Decreased by:		
Payments		<u>\$ 4,773,230.73</u>

**TOWN OF HAMMONTON**  
**Federal and State Grant Fund**  
Schedule of Federal and State Grants Receivable  
For the Year Ended December 31, 2010

	<b>Balance December 31, <u>2009</u></b>	<b><u>Accrued</u></b>	<b><u>Received</u></b>	<b>Balance December 31, <u>2010</u></b>
Federal Grants:				
Division of Highway Traffic Safety:				
2007 Click It or Ticket	\$ 400.00			\$ 400.00
2007 Alcohol Driving Prevention Program	6,708.00			6,708.00
Over The Limit Under Arrest		\$ 5,000.00		5,000.00
2005 Buckle Up South Jersey	400.00			400.00
<b>Total Federal Grants</b>	<b>7,508.00</b>	<b>5,000.00</b>	<b>-</b>	<b>12,508.00</b>
State Grants:				
Municipal Alliance on Alcoholism and Drug Abuse	16,345.00	16,345.00	\$ 16,340.42	16,349.58
Municipal Alliance on Alcoholism and Drug Abuse	311.51			311.51
Municipal Alliance on Alcoholism and Drug Abuse	70.29			70.29
Municipal Alliance on Alcoholism and Drug Abuse	439.52			439.52
Municipal Alliance on Alcoholism and Drug Abuse	7.93			7.93
Clean Communities Grant		26,701.33	26,701.33	
New Jersey Department of Environmental Protection -- Forest Service	2,000.00			2,000.00
NJDEP - Comm. Environ. Res. Inventory Grant	2,500.00			2,500.00
2001 Tree Planting Grant Program	15,165.00			15,165.00
2004 Homeland Security Grant	210.29			210.29
NJ Recycling Tonnage Grant		58,087.69	58,087.69	
Green Communities Grant	3,000.00			3,000.00
Sustainable Green Communities Grant		1,000.00	1,000.00	
Smart Growth Planning Project	2,425.00			2,425.00
Hazardous Discharge Grant Program	13,848.00			13,848.00
Hazardous Discharge Grant Program	33,044.00			33,044.00
Body Armor Replacement Program		4,250.05	4,250.05	
New Jersey Division of Motor Vehicles - Drunk Driving Enforcement Fund		9,775.99	9,775.99	
Alcohol Education Rehabilitation Fund		2,111.47	2,111.47	
2009 Neighborhood Preservation Program	25,000.00		25,000.00	
Neighborhood Preservation Program	117,307.76		117,307.76	
<b>Total State Grants</b>	<b>231,674.30</b>	<b>118,271.53</b>	<b>260,574.71</b>	<b>89,371.12</b>
<b>Grand Total</b>	<b>\$ 239,182.30</b>	<b>\$ 123,271.53</b>	<b>\$ 260,574.71</b>	<b>\$ 101,879.12</b>

**TOWN OF HAMMONTON**  
**Federal and State Grant Fund**  
Schedule of Reserve for Federal And State Grants - Unappropriated  
For the Year Ended December 31, 2010

	Balance December 31, <u>2009</u>	Federal and State Grants <u>Receivable</u>	Realized As Revenue <u>In 2010</u>	Balance December 31, <u>2010</u>
Federal Grants:				
Over the Limit Under Arrest	_____	\$ 5,000.00	\$ 5,000.00	_____
Total Federal Grants	-	5,000.00	5,000.00	-
State Grants:				
Municipal Alliance on Alcoholism and Drug Abuse		16,345.00	16,345.00	
Clean Communities Grant		26,701.33	26,701.33	
New Jersey Division of Motor Vehicles - Drunk Driving Enforcement Fund		9,775.99	9,775.99	
Alcohol Education Rehabilitation Fund		2,111.47		\$ 2,111.47
NJ Recycling Tonnage Grant	\$ 57,660.33	58,087.69	57,660.33	58,087.69
Sustainable Green Communities Grant		1,000.00	1,000.00	
Body Armor Replacement Program		4,250.05	4,250.05	
JAG Grant	18,244.00		18,244.00	
Total State Grants	75,904.33	118,271.53	133,976.70	60,199.16
Grand Total	<u>\$ 75,904.33</u>	<u>\$ 123,271.53</u>	<u>\$ 138,976.70</u>	<u>\$ 60,199.16</u>

**TOWN OF HAMMONTON**  
**Federal and State Grant Fund**  
 Schedule of Reserve for Federal and State Grants - Appropriated  
 For the Year Ended December 31, 2010

	Balance December 31, 2009	Transferred From 2010 Budget Appropriation	Return of Grant Cancelled In Prior Year	Disbursed	Encumbrances	Balance December 31, 2010
<b>Federal Grants:</b>						
2005 Occupant Protection Program	\$ 5.93					\$ 5.93
2007 Click It or Ticket	400.00					400.00
2009 Stormwater Management Grant	1,250.00					1,250.00
2008 Alcohol Driving Prevention Program	5,988.00					5,988.00
2007 Alcohol Driving Prevention Program	2,283.00					2,283.00
2005 Buckle Up South Jersey	400.00					400.00
1993 Housing and Urban Development			\$ 15,418.58	\$ 4,814.23		10,604.35
2010 Over The Limit Under Arrest		\$ 5,000.00		250.00	\$ 2,000.00	2,750.00
2003 COPS in School Award	781.29					781.29
<b>Total Federal Grants</b>	<b>11,108.22</b>	<b>5,000.00</b>	<b>15,418.58</b>	<b>5,064.23</b>	<b>2,000.00</b>	<b>24,462.57</b>
<b>State Grants:</b>						
2010 Clean Communities Grant		26,701.33		9,983.11	7,023.50	9,694.72
2009 Clean Communities Grant	5,634.89			5,634.89		
2010 Recycling Tonnage Grant		57,660.33		57,429.26		231.07
2008 Recycling Tonnage Grant	4,512.00			4,512.00		
2001 NJDEP - Tree Planting Grant Program	15,165.00					15,165.00
2002 NJDEP - Forest Service	3,000.00					3,000.00
2010 Drunk Driving Enforcement Fund	7,460.80					9,775.99
2009 Drunk Driving Enforcement Fund	6,442.62					7,460.80
2008 Drunk Driving Enforcement Fund				6,033.16		409.46
2010 JAG Grant		18,244.00		2,994.00		15,250.00
2010 Body Armor Replacement Program		4,250.05				4,250.05
2008 Body Armor Replacement Program	5,331.82			4,680.00		651.82

(Continued)

**TOWN OF HAMMONTON**  
**Federal and State Grant Fund**  
 Schedule of Reserve for Federal and State Grants - Appropriated (Cont'd)  
 For the Year Ended December 31, 2010

	Balance December 31, 2009	Transferred From 2010 Budget Appropriation	Return of Grant Cancelled In Prior Year	Disbursed	Encumbrances	Balance December 31, 2010
State Grants (Cont'd):						
2004 Homeland Security Grant	\$ 3,871.76					\$ 3,871.76
2008 WHIP Wildlife Habitat Sites	310.25					310.25
2001 Hazardous Discharge Remediation Fund	1,318.70					1,318.70
2009 Hazardous Discharge Remediation Fund	6,798.00					6,798.00
2009 Hazardous Discharge Remediation Fund	3,504.00					3,504.00
2008 Neighborhood Preservation Program	78,859.14		\$ 78,859.14			
2009 Neighborhood Preservation Program	32,063.03		32,054.20			8.83
2010 Municipal Alliance on Alcoholism and Drug Abuse		\$ 20,431.25	13,814.68		\$ 6,568.65	47.92
2009 Municipal Alliance on Alcoholism and Drug Abuse	5.51		5.51			
2008 Municipal Stormwater Regulation	896.55					896.55
2009 Stormwater Management Grant	1,250.00					1,250.00
2001 Smart Growth Program	466.33					466.33
2007 Smart Growth Planning Project	5,858.75					5,858.75
2008 Green Communities Grant	1,500.00					1,500.00
2010 Sustainable Green Communities Grant		1,000.00				1,000.00
2006 Alcohol, Education and Rehabilitation	630.98					630.98
2007 Alcohol, Education and Rehabilitation	845.71					845.71
2009 Alcohol, Education and Rehabilitation	2,031.24					2,031.24
<b>Total State Grants</b>	<b>187,757.08</b>	<b>138,062.95</b>	<b>-</b>	<b>215,999.95</b>	<b>13,592.15</b>	<b>96,227.93</b>
Local Grants:						
Comcast Technology Grant	3,271.08	-	-	-	-	3,271.08
<b>Total</b>	<b>\$ 202,136.38</b>	<b>\$ 143,062.95</b>	<b>\$ 15,418.58</b>	<b>\$ 221,064.18</b>	<b>\$ 15,592.15</b>	<b>\$ 123,961.58</b>

**TOWN OF HAMMONTON**  
**Federal and State Grant Fund**  
 Schedule of Reserve for Encumbrances  
 For the Year Ended December 31, 2010

---

Balance December 31, 2009	\$	56,745.46
Increased by:		
Reserve for Encumbrances - Appropriated		15,592.15
		72,337.61
Decreased by:		
Disbursements		50,246.66
Balance December 31, 2010	\$	22,090.95

**Federal and State Grant Fund**  
 Schedule of Due from Current Fund  
 For the Year Ended December 31, 2010

---

Balance December 31, 2009	\$	80,185.29
Increased by:		
Return of Grant Funds Canceled in Prior Year		15,418.58
		95,603.87
Decreased by:		
Interfund Loans Received		1,835.65
Balance December 31, 2010	\$	93,768.22

**SUPPLEMENTAL EXHIBITS**

**TRUST FUND**

**TOWN OF HAMMONTON**  
**Trust Fund**  
Schedule of Cash - Treasurer  
For the Year Ended December 31, 2010

	<b>ANIMAL CONTROL TRUST</b>	<b>TRUST OTHER</b>
Balance December 31, 2009	\$ 3,974.77	\$ 758,196.93
Increased by Receipts:		
Dog License Fees	1,325.00	
Interest Received	66.41	
Due to State of New Jersey	324.00	
Due to Current Fund		2,565.96
Reserve for Prosecutor's Trust Fund		1,019.19
Reserve for Recreation Fees		18,564.03
Reserve for Street Opening Deposits		37,650.00
Reserve for Escrow Deposits		701,875.09
Reserve for Public Defender Trust Fund		11,299.76
Reserve for Parking Offense Adjudication Act		46.00
Reserve for Municipal Drug Alliance Funds		61.49
Reserve for Airport Security Deposit		56.27
Reserve for Tax Title Lien Redemption		1,293,256.01
Reserve for Tax Sale Premiums		9,625.00
Payroll Deposits		7,004,598.39
Reserve for Park Recreation Trust Fund		486.34
Reserve for Recaptured Grant Funds		1,842.38
Reserve for Uniform Fire Penalties Rider		504.35
Reserve for State Landfill Tax Escrow Fund		2,450.48
Reserve for Celebration of Public Events		34.23
Reserve for COAH Fees		2,941.68
Reserve for Police Equipment Donations		7,728.83
Total Receipts	<u>1,715.41</u>	<u>9,096,605.48</u>
Decreased by Disbursements:		
Reserve for Animal Control Fund Expenditures	931.12	
Disbursed to State of New Jersey	324.00	
Disbursed to Current Fund		3,066.08
Reserve for Prosecutor's Trust Fund		4,223.73
Reserve for Recreation Fees		21,772.60
Reserve for Street Opening Deposits		39,550.00
Reserve for Escrow Deposits		589,746.50
Reserve for Public Defender Trust Fund		12,294.31
Reserve for Municipal Drug Alliance Funds		500.00
Reserve for Tax Title Lien Redemption		1,300,024.37
Reserve for Tax Sale Premium		78,425.00
Payroll Payments		7,006,611.53
Reserve for Park Recreation Trust Fund		637.50
Reserve for Police Equipment Donations		6,656.06
Total Disbursements	<u>1,255.12</u>	<u>9,063,507.68</u>
Balance December 31, 2010	<u>\$ 4,435.06</u>	<u>\$ 791,294.73</u>

**TOWN OF HAMMONTON**  
**Trust Other Funds**  
 Schedule of Investments -- U.S. Government Securities  
 For the Year Ended December 31, 2010

Balance December 31, 2009	\$ 324,262.43
Increased by:	
Interest on Investments	12,534.22
Balance December 31, 2010	\$ 336,796.65

**Schedule of Investments December 31, 2010**

*U.S. Government Obligations* \$ 4,400.91

	<u>Shares</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	
<i>FHLMC:</i>					
	4,000	7-28-10	7-26-13	1.40%	4,000.00
	10,000	3-4-10	4-15-13	1.625%	9,986.00
	5,000	Various	9-10-15	1.75%	5,013.01
	3,000	7-23-10	4-7-14	2.00%	3,024.00
<i>FNMA:</i>					
	3,000	11-9-10	12-28-12	0.375%	2,995.11
	3,000	11-1-10	12-18-13	0.75%	2,998.71
	3,000	8-6-10	9-23-13	1.00%	2,994.75
	3,000	11-23-10	11-23-15	1.60%	3,000.00
	3,000	3-15-10	5-7-13	1.75%	2,995.17
	2,000	10-15-10	10-15-15	1.875%	2,007.00
	3,000	8-26-10	7-28-15	2.375%	3,105.31
<i>Federal Farm Credit Bks:</i>					
	5,000	5-25-10	6-25-13	1.375%	4,984.40
	3,000	11-15-10	11-16-15	1.50%	2,994.66
	5,000	1-15-10	2-21-13	1.75%	4,986.85
	10,000	10-29-09	12-7-12	1.875%	9,997.10
	5,000	1-13-09	1-17-12	2.00%	5,000.00

*(Continued)*

**TOWN OF HAMMONTON**  
**Trust Other Funds**  
Schedule of Investments -- U.S. Government Securities  
For the Year Ended December 31, 2010

Schedule of Investments December 31, 2010 (cont'd)

	<u>Shares</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>		
<i>U.S. Treasury Bonds:</i>						
	10,000	12-10-08	2-15-16	9.25%	\$	14,421.09
	5,000	Various	8-15-19	8.125%		6,837.23
	2,000	12-2-08	11-15-18	9.00%		2,983.91
	3,008	Various	7-15-20	1.25%		3,195.35
	3,373	Various	7-15-15	1.875%		3,657.89
	3,769	Various	1-15-11	3.50%		3,836.52
	4,000	Various	2-15-20	8.50%		5,634.69
	2,000	1-28-10	11-15-15	9.875%		2,772.58
<i>U.S. Treasury Notes:</i>						
	10,000	Various	12-15-12	1.125%		9,984.37
	2,000	Various	10-31-15	1.25%		1,960.08
	7,000	Various	4-15-12	1.375%		7,015.31
	32,000	2-22-10	1-13-14	1.75%		31,657.50
	3,000	Various	10-31-17	1.875%		2,996.95
	5,000	5-26-09	11-30-13	2.00%		4,879.88
	5,000	1-22-10	5-31-14	2.25%		5,029.10
	6,000	11-9-09	8-31-14	2.375%		6,035.39
	5,000	8-4-09	6-30-14	2.625%		4,994.92
	5,000	Various	8-15-20	2.625%		4,912.85
	9,000	Various	11-15-20	2.625%		8,591.02
	13,000	Various	5-15-19	3.125%		12,552.54
	6,000	Various	3-31-17	3.25%		6,467.11
	9,000	Various	11-15-19	3.375%		8,912.85
	4,000	Various	2-15-18	3.50%		4,438.36
	8,000	Various	5-15-20	3.50%		8,350.90
	6,000	Various	8-15-19	3.625%		6,082.81
	15,000	2-15-04	2-15-14	4.00%		14,290.43
	2,000	2-26-09	11-15-12	4.00%		2,168.91
	13,000	5-15-05	5-15-15	4.125%		13,419.72
	16,000	12-17-09	8-15-15	4.25%		17,425.63
	2,000	7-15-09	11-15-14	4.25%		2,148.05
	15,000	1-20-09	4-30-12	4.50%		16,520.51
	14,000	10-22-07	5-15-17	4.50%		15,245.16
	2,000	6-4-10	5-15-20	8.75%		2,894.06
					\$	<u>336,796.65</u>

**TOWN OF HAMMONTON**  
**Animal Control Fund**  
 Schedule of Due to Current Fund  
 For the Year Ended December 31, 2010

---

Balance December 31, 2009		\$ 1,025.17
Increased by:		
Interest Earned	\$ 66.41	
Statutory Excess Due to Current Fund	<u>565.68</u>	
		<u>632.09</u>
Balance December 31, 2010		<u><u>\$ 1,657.26</u></u>

**Animal Control Fund**  
 Schedule of Reserve For Animal Control Fund Expenditures  
 For the Year Ended December 31, 2010

---

Balance December 31, 2009		\$ 2,949.60
Increased by:		
2010 Dog License Fees Collected		<u>1,325.00</u>
		4,274.60
Decreased by:		
Disbursements	\$ 931.12	
Statutory Excess Due to Current Fund	<u>565.68</u>	
		<u>1,496.80</u>
Balance December 31, 2010		<u><u>\$ 2,777.80</u></u>

**License Fees Collected**

<u>Year</u>	<u>Amount</u>
2008	\$ 1,503.20
2009	<u>1,274.60</u>
Total	<u><u>\$ 2,777.80</u></u>

**TOWN OF HAMMONTON**  
**Trust Other Funds**  
Schedule of Due from Current Fund  
For the Year Ended December 31, 2010

---

Balance December 31, 2009		\$ 68,572.38
Increased by:		
Police Outside Detail Received in Current Fund	\$ 199,900.00	
Disbursed to Current Fund	<u>3,066.08</u>	
		<u>202,966.08</u>
		271,538.46
Decreased by:		
Police Outside Detail Disbursed in Current Fund	\$ 158,457.50	
Water/Sewer Escrow refunded by Current Fund	631.25	
Interest Received - Due Current Fund	<u>2,565.96</u>	
		<u>161,654.71</u>
Balance December 31, 2010		<u><u>\$ 109,883.75</u></u>

**TOWN OF HAMMONTON**  
**Trust Other Funds**  
 Schedule of Reserve for Prosecutor's Trust Fund  
 For the Year Ended December 31, 2010

---

Balance December 31, 2009		\$ 9,287.00
Increased by:		
Receipts	\$ 884.00	
Interest Earned	135.19	
		1,019.19
		10,306.19
Decreased by:		
Reserve Expenditures		4,223.73
Balance December 31, 2010		\$ 6,082.46

**TOWN OF HAMMONTON**  
**Trust Other Funds**  
 Schedule of Reserve for Recreation Fees  
 For the Year Ended December 31, 2010

---

Balance December 31, 2009		\$	14,705.04
Increased by:			
Deposits	\$	18,348.76	
Interest Earned		<u>215.27</u>	
			<u>18,564.03</u>
			33,269.07
Decreased by:			
Disbursements			<u>21,772.60</u>
Balance December 31, 2010		\$	<u><u>11,496.47</u></u>

**Trust Other Funds**  
 Schedule of Reserve for Street Opening Deposits  
 For the Year Ended December 31, 2010

---

Balance December 31, 2009		\$	30,650.00
Increased by:			
Deposits			<u>37,650.00</u>
			68,300.00
Decreased by:			
Refunded			<u>39,550.00</u>
Balance December 31, 2010		\$	<u><u>28,750.00</u></u>

**TOWN OF HAMMONTON**  
**Trust Other Funds**  
 Schedule of Reserve for Escrow Deposits  
 For the Year Ended December 31, 2010

---

Balance December 31, 2009		\$ 126,843.64
Increased by:		
Deposits		701,875.09
		828,718.73
Decreased by:		
Water/Sewer Escrow Refunded by Current Fund	\$ 631.25	
Payments	589,746.50	
		590,377.75
Balance December 31, 2010		\$ 238,340.98

**Trust Other Funds**  
 Schedule of Reserve for Public Defender Trust Fund  
 For the Year Ended December 31, 2010

---

Balance December 31, 2009		\$ 14,468.76
Increased by:		
Received	\$ 10,830.00	
Interest Earned	469.76	
		11,299.76
		25,768.52
Decreased by:		
Payments		12,294.31
Balance December 31, 2010		\$ 13,474.21

**TOWN OF HAMMONTON**  
**Trust Other Funds**  
 Schedule of Reserve for Parking Offense Adjudication Act  
 For the Year Ended December 31, 2010

---

Balance December 31, 2009	\$	1,717.33
Increased by:		
Received from Municipal Court		46.00
Balance December 31, 2010	\$	1,763.33

**Trust Other Funds**  
 Schedule of Reserve for Municipal Drug Alliance Funds  
 For the Year Ended December 31, 2010

---

Balance December 31, 2009	\$	4,394.86
Increased by:		
Donations Received		61.49
		4,456.35
Decreased by:		
Disbursements		500.00
Balance December 31, 2010	\$	3,956.35

**TOWN OF HAMMONTON**  
**Trust Other Funds**  
 Schedule of Airport Security Deposit  
 For the Year Ended December 31, 2010

---

Balance December 31, 2009	\$	3,761.39
Increased by:		
Interest Received		56.27
Balance December 31, 2010	\$	3,817.66

**Trust Other Funds**  
 Schedule of Reserve for Police Outside Detail  
 For the Year Ended December 31, 2010

---

Balance December 31, 2009	\$	69,072.50
Increased by:		
Received in Current Fund in 2010		199,900.00
		268,972.50
Decreased by:		
Disbursed in Current Fund in 2010		158,457.50
Balance December 31, 2010	\$	110,515.00

**TOWN OF HAMMONTON**  
**Trust Other Funds**  
 Schedule of Reserve for Tax Title Lien Redemption  
 For the Year Ended December 31, 2010

---

Balance December 31, 2009	\$	19,281.78
Increased by:		
Lien Redemption Deposits		1,293,256.01
		1,312,537.79
Decreased by:		
Lien Redemption Disbursements		1,300,024.37
Balance December 31, 2010	\$	12,513.42

**Trust Other Funds**  
 Schedule of Reserve for Tax Sale Premium  
 For the Year Ended December 31, 2010

---

Balance December 31, 2009	\$	96,600.00
Increased by:		
Premiums Received at Tax Sale		9,625.00
		106,225.00
Decreased by:		
Premiums Refunded		78,425.00
Balance December 31, 2010	\$	27,800.00

**TOWN OF HAMMONTON**  
**Trust Other Funds**  
 Schedule of Payroll Deductions Payable  
 For the Year Ended December 31, 2010

---

Balance December 31, 2009		\$ 3,213.24
Increased by:		
Deposits		<u>7,004,598.39</u>
		7,007,811.63
Decreased by:		
Payments		<u>7,006,611.53</u>
Balance December 31, 2010		<u><u>\$ 1,200.10</u></u>

**Trust Other Funds**  
 Schedule of Park Recreation Trust Fund  
 For the Year Ended December 31, 2010

---

Balance December 31, 2009		\$ 6,050.00
Increased by:		
Donation Received	\$ 400.00	
Interest Earned	<u>86.34</u>	
		<u>486.34</u>
		6,536.34
Decreased by:		
Payments		<u>637.50</u>
Balance December 31, 2010		<u><u>\$ 5,898.84</u></u>

**TOWN OF HAMMONTON**  
**Trust Other Funds**  
 Schedule of Recaptured Grant Funds  
 For the Year Ended December 31, 2010

---

Balance December 31, 2009		\$ 33,573.00
Increased by:		
Recaptured Grant Funds Received		1,842.38
Balance December 31, 2010		\$ 35,415.38

**Trust Other Funds**  
 Schedule of Uniform Fire Penalties Rider  
 For the Year Ended December 31, 2010

---

Balance December 31, 2009		\$ 114.61
Increased by:		
Penalties Received	\$ 500.00	
Interest Received	4.35	
		504.35
Balance December 31, 2010		\$ 618.96

**TOWN OF HAMMONTON**  
**Trust Other Funds**  
Schedule of State Landfill Tax Escrow Fund  
For the Year Ended December 31, 2010

---

Balance December 31, 2009	\$ 163,919.57
Increased by:	
Interest Earned	2,450.48
Balance December 31, 2010	\$ 166,370.05

**Trust Other Funds**  
Schedule of State Landfill Closure -- Escrow Fund  
For the Year Ended December 31, 2010

---

Balance December 31, 2009	\$ 324,262.43
Increased by:	
Interest Earned on Investments	12,534.22
Balance December 31, 2010	\$ 336,796.65

**TOWN OF HAMMONTON**  
**Trust Other Funds**  
 Schedule of Reserve for Celebration of Public Events  
 For the Year Ended December 31, 2010

---

Balance December 31, 2009	\$	2,288.24
Increased by:		
Interest Earned		34.23
Balance December 31, 2010	\$	2,322.47

**Trust Other Funds**  
 Schedule of Reserve for COAH Fees  
 For the Year Ended December 31, 2010

---

Balance December 31, 2009	\$	196,777.35
Increased by:		
Interest Earned		2,941.68
Balance December 31, 2010	\$	199,719.03

**TOWN OF HAMMONTON**  
**Trust Other Funds**  
 Schedule of Reserve for Police Equipment Donations  
 For the Year Ended December 31, 2010

---

Balance December 31, 2009		\$ 12,359.97
Increased by:		
Donations Received	\$ 7,500.00	
Interest Earned	<u>228.83</u>	
		<u>7,728.83</u>
		20,088.80
Decreased by:		
Disbursements		<u>6,656.06</u>
Balance December 31, 2010		<u><u>\$ 13,432.74</u></u>

**SUPPLEMENTAL EXHIBITS**

**GENERAL CAPITAL FUND**

**TOWN OF HAMMONTON**  
**General Capital Fund**  
Schedule of Cash - Treasurer  
For the Year Ended December 31, 2010

---

Balance December 31, 2009		\$ 483,141.21
Increased by Receipts:		
2010 Budget Appropriation:		
Capital Improvement Fund	\$ 15,000.00	
Federal Grants Receivable	1,225,542.68	
State Grants Receivable	50,000.00	
County and Local Grants Receivable	506,140.49	
Due to Current Fund	8,729.46	
	1,805,412.63	1,805,412.63
		2,288,553.84
Decreased by Disbursements:		
Disbursed to Current Fund	94,462.80	
Improvement Authorizations	1,194,753.00	
Contracts Payable	818,028.39	
	2,107,244.19	2,107,244.19
Balance December 31, 2010		\$ 181,309.65

**TOWN OF HAMMONTON**  
**General Capital Fund**  
 Analysis of General Capital Cash  
 For the Year Ended December 31, 2010

	Fund Balance	Received		Disbursed		Balance December 31, 2010
		Miscellaneous	Improvement Authorizations	Miscellaneous	Improvement Authorizations	
Capital Improvement Fund	\$ 84,792.88	\$ 15,000.00				\$ 15,063.13
Improvement Authorizations:						
Ordinance						
<u>Number</u>						
17-98	5,067.55					5,067.55
1-00/19-04	1.25					1.25
18-01/16-02	15.00					15.00
26-02/20-04	26,572.96					26,572.96
3-03/21-03						
19-03	92,073.54					92,073.54
22-03/18-05/						
35-05						
7-04/10-05/						
11-05	156,586.31					156,586.31
15-05	40,767.56					40,767.56
39-05	4,459.61					4,459.61
40-05	1,363.63					1,363.63
43-05	2,145.00					2,145.00
1-06						
6-06	303,031.12					303,031.12
1-07	13,378.99					13,378.99
3-07						
16-07	114,500.87					114,500.87
24-07	477,868.77					477,868.77
27-07	1,372.40					1,372.40
28-07	444.13					444.13
3-08/4-10	18,927.96					18,927.96
20-08	191,000.00					191,000.00
28-08	29,302.54					29,302.54
11-09/31-09/						
15-10	710,709.07					710,709.07
Various Improvements						
Acq. Of Land for New Municipal Complex						
Various Improvements						
Various Improvements						
Airport Environmental Assessment						
Phase II of 2005 Road Improvements						
Purchase of Firefighting Equipment						
Construction of New Town hall						
Various Improvements						
Acquisition of a Trash Truck & Ancillary Equip.						
Acquisition of Firefighting Turnout Gear						
Various Improvements						
Reconstruction of Central Avenue						
Boyer Avenue Recreation Improvements						
Removal of Non-Hazardous Soil at 11th Street						
Renovation to Runway Apron						
Housing Rehabilitation and Senior Citizens Center						
Housing Rehabilitation and Senior Citizens Center						
Various Improvements						
Miscellaneous						
Improvement Authorizations						
Miscellaneous						
Transfers						
From						
To						
Balance December 31, 2010						

(Continued)

**TOWN OF HAMMONTON**  
**General Capital Fund**  
 Analysis of General Capital Cash  
 For the Year Ended December 31, 2010

	Balance December 31, 2009	Received		Disbursed		Balance December 31, 2010
		Miscellaneous	Improvement Authorizations	Miscellaneous	From	
Improvement Authorizations (Cont'd):						
Ordinance Number						
22-09	\$ (7,009.00)		\$ 3,000.00			\$ (10,009.00)
24-09	14,908.01					14,908.01
25-09						
						752.49
26-09	(123,500.00)					(123,500.00)
32-09	74,609.82		78,309.82			(3,700.00)
8-10			289,669.85	\$	12,499.91	\$ 302,169.76
13-10			150,000.00			150,000.00
17-10			1,875.32		661,907.47	666,782.00
Rehabilitation of Hammonton Airport Runway						2,999.21
Contracts Payable	995,941.58			\$	818,028.39	865,496.30
Due to/from Current Fund	940.46	\$	8,729.46		57,645.49	745,228.60
Federal Grants Receivable	(1,937,281.68)		1,225,542.68		94,462.80	84,792.88
State Grants Receivable	(58,000.00)		50,000.00		705,076.51	(1,416,815.51)
County and Local Grants Receivable	(752,727.61)		506,140.49			(8,000.00)
		\$	1,805,412.63	\$	912,491.19	(246,587.12)
	\$ 483,141.21	\$	1,194,753.00	\$	2,044,976.11	\$ 181,309.65

**TOWN OF HAMMONTON**  
**General Capital Fund**  
 Schedule of Due to Current Fund  
 For the Year Ended December 31, 2010

---

Balance December 31, 2009		\$ 940.46
Increased by:		
Interest Earned and Due to Current Fund	\$ 8,729.46	
Anticipated as Revenue in the 2010 Current Fund Budget:		
General Capital Fund Balance	84,792.88	
		93,522.34
		94,462.80
Decreased by:		
Disbursed to Current Fund		\$ 94,462.80

**TOWN OF HAMMONTON**  
**General Capital Fund**  
 Schedule of Federal Grants Receivable  
 For the Year Ended December 31, 2010

Balance December 31, 2009	\$ 1,937,281.68
Increased by:	
2010 Improvement Authorization	705,076.51
	2,642,358.19
Decreased by:	
Receipts	1,225,542.68
Balance December 31, 2010	\$ 1,416,815.51

<u>Agency</u>	<u>Ordinance No.</u>	<u>Amount</u>
Community Development Block Grant	18-01 (d)	\$ 196.00
Community Development Block Grant	3-03 (c)	88,653.00
New Jersey Department of Transportation	7-04 (d)	13,474.02
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
New Jersey Department of Transportation	6-06 (b)	23,430.00
Federal Housing & Urban Development	6-06 (c)	11,732.20
Community Development Block Grant	6-06 (d)	69,804.00
Federal Homeland Security Grant	3-07	164.00
New Jersey Department of Transportation	16-07	1.78
New Jersey Department Community Affairs	28-08	200,000.00
New Jersey Department of Transportation	31-08	3,974.00
New Jersey Department of Transportation	11-09 (b)	121,250.00
New Jersey Department of Transportation	11-09 (c)	98,475.11
New Jersey Department of Transportation	11-09 (d)	40,727.57
Federal Aviation Administration Block Grant	22-09 (a)	41,120.00
New Jersey Department of Transportation	22-09 (a)	7,347.00
Federal Aviation Administration Block Grant	22-09 (b)	2,850.00
New Jersey Department of Transportation	22-09 (b)	3,190.00
New Jersey Department of Transportation	32-09	3,919.29
New Jersey Department of Transportation	4-10	18,294.51
New Jersey Department of Transportation	15-10	6,478.03
Federal Aviation Administration Block Grant	17-10	623,047.00
New Jersey Department of Transportation	17-10	17,097.00
		\$ 1,416,815.51

**TOWN OF HAMMONTON**  
**General Capital Fund**  
Schedule of State Grants Receivable  
For the Year Ended December 31, 2010

---

Balance December 31, 2009	\$ 58,000.00
Decreased by:	
Receipts	<u>50,000.00</u>
Balance December 31, 2010	<u><u>\$ 8,000.00</u></u>

	<u>Agency</u>	<u>Ordinance</u> <u>No.</u>	<u>Amount</u>
New Jersey Transit		18-01 (m)	<u><u>\$ 8,000.00</u></u>

**TOWN OF HAMMONTON**  
**General Capital Fund**  
 Schedule of County and Local Grants Receivable  
 For the Year Ended December 31, 2010

---

Balance December 31, 2009	\$ 752,727.61
Decreased by:	
Receipts	506,140.49
Balance December 31, 2010	\$ 246,587.12

<u>Agency</u>	<u>Ordinance No.</u>	<u>Amount</u>
Hammonton Revitalization Committee	18-01 (m)	\$ 3,000.00
Atlantic County	16-07 c	31,500.50
Atlantic County Interlocal Agreement	24-07	212,086.62
		\$ 246,587.12

**TOWN OF HAMMONTON**  
**General Capital Fund**  
 Schedule of Deferred Charges to Future Taxation - Funded  
 For the Year Ended December 31, 2010

---

Balance December 31, 2009		\$ 18,308,676.28
Decreased by:		
2010 Budget Appropriations:		
Serial Bonds	\$ 725,000.00	
Green Acres Loan	7,024.42	
NJDEP Loan	68,388.00	
		800,412.42
Balance December 31, 2010		\$ 17,508,263.86

TOWN OF HAMMONTON  
 General Capital Fund

Schedule of Deferred Charges To Future Taxation - Unfunded  
 For the Year Ended December 31, 2010

<u>Ordinance Number</u>	<u>Improvement Description</u>	<i>Analysis of Balance</i>				
		<u>Balance December 31, 2009</u>	<u>2010 Authorizations</u>	<u>Balance December 31, 2010</u>	<u>Expenditures</u>	
					<u>Unexpended Improvement Authorizations</u>	
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 3,030.00		6,980.00 3,030.00	\$ 6,980.00 3,029.00	1.00
26-09	Sidewalk Improvements to Bellevue Ave.	123,500.00		123,500.00	123,500.00	
32-09	Renovation to Runway Apron	3,700.00		3,700.00	3,700.00	
4-10	Renovation to Runway Apron		\$ 900.00	900.00		900.00
		<u>\$ 143,410.00</u>	<u>\$ 900.00</u>	<u>\$ 144,310.00</u>	<u>\$ 137,209.00</u>	<u>\$ 7,101.00</u>

**TOWN OF HAMMONTON**  
**General Capital Fund**  
 Schedule of Improvement Authorizations  
 For the Year Ended December 31, 2010

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance December 31, 2009		Capital Improvement Fund	Federal Grants Receivable	Deferred Charges to Future Taxation - Unfunded	Reappropriation/ Canceled	Paid or Charged	Balance December 31, 2010	
				Funded	Unfunded						Funded	Unfunded
17-98/30-99	Various Improvements:	5-11-98										
17-00/9-01	(a) Removal of Underground Storage Tanks	6-26-00	\$ 719,381.00	\$ 5,067.55						\$ 5,067.55		
1-00/19-04	Improvements to Municipal Airport & Renovations to Lake Park House	1-24-00	145,000.00	1.25							1.25	
18-01/16-02	Various Improvements:	4-23-01										
	(d) Reconstruction of Curbs & Sidewalks in Compliance with ADA	4-22-02	100,000.00	15.00					\$ (13,570.07)		15,585.07	
26-02/20-04	Various Improvements:	6-17-02										
	(a) Reconstruction of Various Roads and Walkways	8-23-04	1,100,000.00	1,653.75							1,653.75	
	(d) Acquisition of Emergency Response Team Equipment		25,000.00	24,903.31							24,903.31	
	(g) Mapping of the Public Works Assets		75,000.00	15.90							15.90	
3-03	Various Improvements:	5-27-03										
21-03	(c) Various Pedestrian Walkway Improvements	9-22-03	451,653.00	91,173.54							91,173.54	
19-03	(g) Municipal Building Improvements and Preliminary New Building Costs	8-25-03	107,630.81	900.00					\$ (900.00)			
7-04	Various Improvements:	5-24-04										
	(a) Acquisition of Various Equipment		565,000.00	23,787.61							23,787.61	
	(b) Improvements to Linda Ave. and ADA curb & sidewalks		350,000.00									
10-05/11-05	(c) Recreation Improvements to Boyer Avenue	5-23-05	730,549.92	3,548.75							3,548.75	
	(d) 2004 Various Airport Improvements		2,495,390.00	129,249.95					75,543.01		53,706.94	
15-05	Various Improvements:	5-23-05										
	(d) Purchase & Upgrade of Various Computer Equipment		405,000.00	11,010.77					(32,406.00)		43,416.77	
	(f) Various Road Improvements		500,000.00	242.24					242.24			
	(g) Pleasant St. Reconstruction		355,000.00	29,514.55								
39-05	Airport Environmental Assessment	10-24-05	103,786.00	4,459.61							4,459.61	
40-05	Phase II of 2005 Road Improvements	11-21-05	343,059.23	1,363.63					1,357.76		5.87	
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									917.15
6-06	Various Improvements:	5-22-06										
	(a) Town-owned and Municipal Parking Improvements		750,000.00									12,446.86
	(b) Sidewalk Improvements		550,000.00	104,658.16							16,100.00	88,558.16
	(c) Improvements to Historical Building/Community Center		248,000.00									
	(d) Pleasant Street Reconstruction and ADA Curbing Improvements		295,000.00	198,372.96					(198,372.96)			
1-07	Acquisition of a Trash Truck & Ancillary Equipment	2-26-07	260,000.00	13,378.99						9,658.00		3,720.99

(Continued)



**TOWN OF HAMMONTON**  
**General Capital Fund**  
 Schedule of Improvement Authorizations  
 For the Year Ended December 31, 2010

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance December 31, 2009		Capital Improvement Fund	Federal Grants Receivable	Deferred Charges to Future Taxation - Unfunded	Reappropriation/ Canceled	Paid or Charged	Balance December 31, 2010	
				Funded	Unfunded						Funded	Unfunded
13-10	Various Airport Improvements	6-28-10	\$ 150,000.00						\$ 150,000.00	\$ 150,000.00		
17-10	Rehabilitation of Hammonton Airport Runway	7-13-10	666,782.00				\$ 666,782.00			663,782.79	\$ 2,999.21	
Total												
				\$ 2,279,858.58	\$ 12,901.00	\$ 62.87	\$ 705,076.51	\$ 900.00	\$ -	\$ 1,882,336.11	\$ 1,110,261.85	\$ 6,201.00
	Prior Year Contracts Payable Canceled									\$ (57,645.49)		
	Contracts Payable									745,228.60		
	Cash Disbursed									1,194,753.00		
										\$ 1,882,336.11		

**TOWN OF HAMMONTON**  
**General Capital Fund**  
 Schedule of Contracts Payable  
 For the Year Ended December 31, 2010

---

Balance December 31, 2009		\$ 995,941.58
Increased by:		
Charged to Improvement Authorizations		745,228.60
		1,741,170.18
Decreased by:		
Disbursed	\$ 818,028.39	
Canceled	57,645.49	
		875,673.88
Balance December 31, 2010		\$ 865,496.30

**TOWN OF HAMMONTON**  
**General Capital Fund**  
 Schedule of Capital Improvement Fund  
 For the Year Ended December 31, 2010

---

Balance December 31, 2009	\$	126.00
Increased by:		
2010 Budget Appropriation		15,000.00
		15,126.00
Decreased by:		
Appropriations to Finance Improvement Authorizations		62.87
Balance December 31, 2010	\$	15,063.13

**TOWN OF HAMMONTON**  
**General Capital Fund**  
 Schedule of Green Acres Trust Fund Loan Payable  
 For the Year Ended December 31, 2010

---

Balance December 31, 2009	\$ 116,900.28
Decreased by:	
Paid by 2010 Budget Appropriation	7,024.42
Balance December 31, 2010	\$ 109,875.86

***Analysis of Balance December 31, 2010***

<u>Payment Date</u>	<u>Amount</u>
2-28-11	\$ 3,564.98
8-28-11	3,600.63
2-28-12	3,636.64
8-28-12	3,673.00
2-28-13	3,709.73
8-28-13	3,746.83
2-28-14	3,784.30
8-28-14	3,822.14
2-28-15	3,860.36
8-28-15	3,898.97
2016 through 2024	72,578.28
	\$ 109,875.86

**TOWN OF HAMMONTON**  
**General Capital Fund**  
 Schedule of NJDEP Loan Payable  
 For the Year Ended December 31, 2010

---

Balance December 31, 2009	\$ 136,776.00
Decreased by:	
Paid by 2010 Budget Appropriation	68,388.00
Balance December 31, 2010	\$ 68,388.00

*Analysis of Balance December 31, 2010*

<u>Payment Date</u>	<u>Amount</u>
3-1-11	\$ 68,388.00





**TOWN OF HAMMONTON**  
**General Capital Fund**  
Schedule of Bonds And Notes Authorized But Not Issued  
For the Year Ended December 31, 2010

---

<b>Ordinance Number</b>	<b><u>Improvement Description</u></b>	<b>Balance December 31, <u>2009</u></b>	<b>2010 <u>Authorizations</u></b>	<b>Balance December 31, <u>2010</u></b>
11-09	Various Improvements	\$ 6,200.00		\$ 6,200.00
22-09	Various Improvements	10,010.00		10,010.00
26-09	Sidewalk Improvements to Bellevue Ave.	123,500.00		123,500.00
32-09	Renovation to Runway Apron	3,700.00		3,700.00
4-10	Renovation to Runway Apron		\$ 900.00	900.00
	Total	<u>\$ 143,410.00</u>	<u>\$ 900.00</u>	<u>\$ 144,310.00</u>

**SUPPLEMENTAL EXHIBITS**

**WATER UTILITY FUND**

**TOWN OF HAMMONTON**  
**Water Utility Fund**  
Schedule of Cash - Collector/Treasurer  
For the Year Ended December 31, 2010

	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2009	\$ 1,896,546.93	\$ 3,053,956.11
Increased by Receipts:		
Consumer Accounts Receivable	\$ 995,034.88	
Miscellaneous Revenue	111,167.05	
Due to Water Utility Assessment Trust Fund:		
Assessments Receivable	1,614.21	
Prepaid Rents	16,992.43	
Due to Water Utility Operating Fund		\$ 44,204.52
Due from Water Utility Capital Fund	52,123.25	
Due to Sewer Utility Operating Fund	11.92	
	<hr/>	<hr/>
Total Receipts	1,176,943.74	44,204.52
	<hr/>	<hr/>
Sub-total	3,073,490.67	3,098,160.63
Decreased by Disbursements:		
2010 Appropriations	1,369,171.16	
2009 Appropriation Reserves	35,456.20	
Refund of Rents	269.21	
Accrued Interest on Bonds and Loans	229,157.03	
Due to Water Utility Assessment Trust Fund:		
Serial Bonds	15,000.00	
Due to Current Fund		600,000.00
Due to Water Utility Operating Fund		52,123.25
Improvement Authorizations		416,155.05
Contracts Payable		498,830.65
	<hr/>	<hr/>
Total Disbursements	1,649,053.60	1,567,108.95
	<hr/>	<hr/>
Balance December 31, 2010	<u>\$ 1,424,437.07</u>	<u>\$ 1,531,051.68</u>

TOWN OF HAMMONTON  
Water Utility Capital Fund

Analysis of Cash  
For the Year Ended December 31, 2010

	Balance December 31, 2009	Receipts		Disbursements		Transfers		Balance December 31, 2010
		Miscellaneous	Improvement Authorizations	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 1,161,057.76							\$ 558,000.00
Capital Improvement Fund	22,969.73					\$ 603,057.76		22,969.73
<u>Improvement Authorizations:</u>								
Ord.								
No.								
<i>General Improvements:</i>								
8-04 Various Improvements	183,232.87					183,232.87		
15-04/12-05 Various Improvements	127,905.96					127,905.96		
16-05/18-06 Various Improvements	100,292.80					98,092.70		2,200.10
7-06 Various Improvements	41,999.75					41,999.75		
17-07 Various Improvements	1,457,819.50					33,517.00		1,424,302.50
17-08 Improvements to Vine Street	29,320.10					29,320.10		
21-08 Various Improvements	62,000.00		\$ 42,442.00			17,584.00		1,974.00
27-09 Bellevue Ave. Water Utility Improvements	(237,036.25)		111,118.75					(348,155.00)
7-10 4th Street Reconstruction			197,300.18			90,599.99	\$ 438,228.38	150,328.21
23-10 Various Water Improvements			65,294.12			655.00	90,000.00	24,050.88
Federal Grants Receivable	(918,470.00)							(918,470.00)
Federal Loans Receivable	(460,600.00)							(460,600.00)
Contracts Payable	850,370.75				\$ 498,830.65		94,678.99	446,219.09
Reserve for Payment of Bonds	628,232.17				600,000.00		600,000.00	628,232.17
Due to Current Fund		\$ 44,204.52			52,123.25		3,057.76	
Due from/to Water Utility Operating Fund		\$ 44,204.52	\$ 416,155.05	\$ 1,150,953.90	\$ 1,225,965.13	\$ 1,225,965.13	\$ 1,225,965.13	\$ 1,531,051.68

**TOWN OF HAMMONTON**  
**Water Utility Operating Fund**  
 Schedule of Consumer Accounts Receivable  
 For the Year Ended December 31, 2010

---

Balance December 31, 2009		\$ 968.68
Increased by:		
Water Rents Levied in 2010		999,898.48
		1,000,867.16
Decreased by:		
Collections	\$ 995,034.88	
Prepaid Applied	3,956.42	
Transferred to Liens	280.33	
		999,271.63
Balance December 31, 2010		\$ 1,595.53

**Water Utility Operating Fund**  
 Schedule of Water Utility Liens  
 For the Year Ended December 31, 2010

---

Balance December 31, 2009		\$ 1,420.44
Increased by:		
Transferred from Consumer Accounts Receivable	\$ 280.33	
Lien Interest and Costs	332.66	
		612.99
Balance December 31, 2010		\$ 2,033.43

TOWN OF HAMMONTON  
**Water Utility Assessment Trust Fund**  
 Schedule of Assessments Receivable  
 For the Year Ended December 31, 2010

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Confirmation</u>	<u>Annual Installments</u>	<u>Due Dates</u>	<u>Balance December 31, 2009</u>	<u>Received in Operating Fund</u>	<u>Balance December 31, 2010</u>	<u>Balance Pledged to Assessment Bonds</u>
11-94	Giordano Lane Water Extension	4/28/97	20	7/1/97-2016	\$ 5,820.39	\$ 1,614.21	\$ 4,206.18	\$ 4,206.18

**TOWN OF HAMMONTON**  
**Water Utility Operating Fund**  
Schedule of Due To Water Utility Assessment Fund  
For the Year Ended December 31, 2010

---

Balance December 31, 2009	\$ 368,311.32
Increased By:	
Received in Water Operating Fund:	
Assessments Receivable	<u>1,614.21</u>
	369,925.53
Decreased By:	
Paid by Water Operating Fund:	
Serial Bonds	<u>15,000.00</u>
Balance December 31, 2010	<u><u>\$ 354,925.53</u></u>

**TOWN OF HAMMONTON**  
**Water Utility Capital Fund**  
Schedule of Fixed Capital  
For the Year Ended December 31, 2010

---

	<b>Balance December 31, <u>2010</u></b>
Plant and Equipment	\$ 908,717.38
Distribution Mains	3,389,177.03
Survey and Plant Equipment	7,360.00
Mains, Pipes and Fittings	642,036.27
House Connections	10,967.46
Water Storage Tank	1,853,047.46
Motors and Accessories	58,877.14
Wells and Improvements to Wells	207,954.58
Water Treatment Plant	26,499.00
General Equipment	139,658.59
Refunding Bond Ordinance	35,000.00
Meters	<u>7,918.03</u>
	<u><u>\$ 7,287,212.94</u></u>

**TOWN OF HAMMONTON**  
**Water Utility Capital Fund**  
Schedule of Fixed Capital Authorized and Uncompleted  
For the Year Ended December 31, 2010

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Balance December 31, 2010</u>
<u>General Improvements:</u>				
3-93	Various Improvements to Water System: (a) ImproCastic Soda Conversion	2/22/93	\$ 15,000.00	\$ 2,391.90
28-95	Water Main Extension and Additional	10/23/95	350,000.00	
9-99	Improvements	5/24/99	75,000.00	425,000.00
6-99	Rehabilitation of Water System Along Route 54	5/24/99	207,214.53	203,310.63
10-99	Various Improvements:	5/24/99		
	(a) Bachelor Lane Water Main Extension		90,000.00	79,603.47
	(b) North Street Water Main Extension		40,000.00	39,195.00
29-99	Installation of a New Well and Treatment Plant	12/13/99	250,000.00	
24-00	on Lincoln Street	7/24/00	270,250.00	520,250.00
20-00	Various Improvements:	6/26/00		
	(a) Improvements to Plant			30,252.09
	(b) Construction of Shaped Roof - Well #4			22,342.29
6-01	Master Plan for the Hammonton High School	2/26/01	75,000.00	75,000.00
19-01	Improvements to the Water Utility System	4/23/01	194,000.00	187,600.81
22-02	Improvements to the Water Utility System	6/17/02	772,700.00	302,332.00
5-03	Various Improvements:	5/27/03		
	(a) Replacement Well for		270,000.00	270,000.00
13-05	Lincoln Street	5/23/05	100,000.00	100,000.00
	(b) Caldwell Ave. In-Fill Project		75,000.00	75,000.00
6-03	New Municipal Wells	5/27/03	46,518.34	46,518.34
8-04	Various Improvements	5/24/04	800,000.00	798,435.50

(Continued)

**TOWN OF HAMMONTON**  
**Water Utility Capital Fund**  
Schedule of Fixed Capital Authorized and Uncompleted  
For the Year Ended December 31, 2010

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Balance December 31, 2010</u>
<u>General Improvements:</u>				<b>(Continued)</b>
15-04	Various Improvements:	7/26/04		
	(a) Replacement of Central Ave. Water Main		\$ 1,401,250.00	\$ 1,379,735.23
	(c) Repair/Replacement to Well #4 Booster Pump and Roof		42,750.00	42,750.00
16-05	Various Improvements:	5/23/05		
	(a) Caldwell, Wood, Railway Water Loop		277,600.00	13,679.27
18-06	(b) Egg Harbor Road Water Main Extension	8/7/06	500,000.00	700,000.00
	(c) Well #5 Driveway Paving		33,000.00	33,000.00
	(d) North Chew Road Water Main Extension		90,000.00	90,000.00
	(e) Bellevue Ave. Water Main Replacement		200,000.00	200,000.00
7-06	Various Improvements:	5/22/06		
	(a) Downtown Water Lateral Sidewalk Improvement		100,000.00	100,000.00
	(b) Replacement of Windows and Doors at Well #4		48,000.00	48,000.00
17-07	Various Improvements:	6/25/07		
	(a) Painting of the 4th Street Water Tank		270,000.00	270,000.00
	(b) Improvements to Vine Street		100,000.00	100,000.00
	(c) Pine, Oak, Basin Water Main Extensions		780,000.00	1,550,000.00
17-08	Improvements to Vine Street	5/8/08	493,000.00	493,000.00
21-08	Various Improvements:	7/28/08		
	(a) Purchase of a Excavator		25,000.00	25,000.00
	(b) Roof Repairs to Well #5		30,000.00	30,000.00
	(c) Purchase of Wireless Transceiver Antenna		32,000.00	32,000.00
27-09	Bellevue Ave. Water Utility Improvements	11/23/09	1,018,000.00	1,018,000.00
				\$ 9,302,396.53

**TOWN OF HAMMONTON**  
**Water Utility Capital Fund**  
 Schedule of Federal Grants & Loans Receivable  
 For the Year Ended December 31, 2010

---

	<b>USRD <u>Grant</u></b>	<b>USRD <u>Loan</u></b>
Balance December 31, 2009 and 2010	<u>\$ 918,470.00</u>	<u>\$ 460,600.00</u>

**TOWN OF HAMMONTON**  
 Water Utility Operating Fund  
 Schedule of 2009 Appropriation Reserves  
 For the Year Ended December 31, 2010

	<u>Balance</u>	<u>Balance</u>	<u>Balance</u>	<u>Balance</u>
	<u>December 31, 2009</u>	<u>After</u>	<u>Disbursed</u>	<u>Lapsed</u>
	<u>Reserved</u>	<u>Transfers</u>	<u>Disbursed</u>	<u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 6,193.79	\$ 6,193.79		\$ 6,193.79
Other Expenses	10,614.56	58,861.32	\$ 35,456.20	23,405.12
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	2.89	2.89		2.89
N.J. Disability Insurance	394.50	394.50		394.50
	<u>\$ 17,205.74</u>	<u>\$ 65,452.50</u>	<u>\$ 35,456.20</u>	<u>\$ 29,996.30</u>
Total				

**TOWN OF HAMMONTON**  
**Water Utility Operating Fund**  
 Schedule of Prepaid Water Rents  
 For the Year Ended December 31, 2010

---

Balance December 31, 2009		\$ 4,394.74
Increased by:		
Received in 2010		16,992.43
		21,387.17
Decreased by:		
Refunded	\$ 269.21	
Refunds - Encumbered	169.11	
Applied to Consumer Accounts Receivable	3,956.42	
		4,394.74
Balance December 31, 2010		\$ 16,992.43

**TOWN OF HAMMONTON**  
**Water Utility Operating Fund**  
Schedule of Accrued Interest Payable  
For the Year Ended December 31, 2010

Balance December 31, 2009	\$ 94,375.18
Increased by:	
Budget Appropriations for:	
Interest on Bonds	218,284.37
	312,659.55
Decreased by:	
Interest Paid	229,157.03
Balance December 31, 2010	\$ 83,502.52

**Analysis of Accrued Interest December 31, 2010**

	<b>Principal Outstanding <u>Dec. 31, 2010</u></b>	<b>Interest Rate</b>	<b><u>From</u></b>	<b><u>To</u></b>	<b><u>Period</u></b>	<b><u>Amount</u></b>
<i>Water Bonds of 1997 (Capital)</i>	\$ 202,400.00	4.875%	12/1/10	12/31/10	1 Month	\$ 822.25
<i>Water Bonds of 2006 (Capital)</i>	3,090,000.00	4.30%	8/1/10	12/31/10	5 Months	51,500.00
<i>Water Bonds of 2009 (Capital)</i>	820,000.00	Various	5/14/10	12/31/10	225 Days	14,540.62
<i>Refunding Bonds of 2009 (Capital)</i>	905,000.00	Various	7/1/10	12/31/10	6 Months	15,412.50
<i>USRD Loan (Capital)</i>						
<i>White Horse Pike</i>	279,291.43	4.50%	12/10/10	12/31/10	21 Days	733.15
<i>Water Assessment Bonds of 1997</i>	121,600.00	4.875%	12/1/10	12/31/10	1 Month	494.00
						\$ 83,502.52

**TOWN OF HAMMONTON**  
**Water Utility Assessment Trust Fund**  
Schedule of Reserve for Assessments and Liens Receivable  
For the Year Ended December 31, 2010

---

Balance December 31, 2009	\$ 8,748.97
Decreased by:	
Assessments Receivable Collected in Water Utility Operating Fund	<u>1,614.21</u>
Balance December 31, 2010	<u><u>\$ 7,134.76</u></u>

**TOWN OF HAMMONTON**  
**Water Utility Assessment Trust Fund**  
 Schedule of General Serial Bonds  
 For the Year Ended December 31, 2010

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2010</u>		<u>Interest Rate</u>	<u>Balance December 31, 2009</u>	<u>Paid by Budget Appropriation</u>	<u>Balance December 31, 2010</u>
			<u>Date</u>	<u>Amount</u>				
Water Assessment Bonds of 1997	12/1/97	\$ 286,600.00	12/1/11	\$ 15,600.00				
			12/1/12-13	15,000.00				
			12/1/14	16,000.00				
			12/1/15-17	20,000.00	4.875%	\$ 136,600.00	\$ 15,000.00	\$ 121,600.00

**TOWN OF HAMMONTON**  
**Water Utility Capital Fund**  
 Schedule of Improvement Authorizations  
 For the Year Ended December 31, 2010

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance December 31, 2009		Reappropriated	Paid or Charged	Balance December 31, 2010	
				Funded	Unfunded			Funded	Unfunded
General Improvements:									
8-04	Various Improvements	5/24/04	\$ 800,000.00	\$ 183,232.87		\$ (183,232.87)			
15-04	Various Improvements:	7/26/04							
	(a) Replacement of Central Ave. Water Main		1,475,000.00	99,566.57		(99,566.57)			
	(b) Extension of Lakeview Gardens Water Loop		240,000.00						
12-05	(c) Repair/Replacement to Well #4 Booster Pump and Roof	5/23/05	50,000.00	28,339.39		(28,339.39)			
16-05	Various Improvements:	5/23/05							
	(b) Egg Harbor Road Water Main Extension		500,000.00	8,092.70		(8,092.70)			
18-06	(c) Well #5 Driveway Paving	8/7/06	33,000.00	700.10			\$ 700.10		
	(d) North Chew Road Water Main Extension		90,000.00	90,000.00		(90,000.00)			
	(e) Bellevue Ave. Water Main Replacement		200,000.00	1,500.00				1,500.00	
7-06	Various Improvements:	5/22/06							
	(b) Replacement of Windows and Doors at Well #4		48,000.00	41,999.75		(41,999.75)			
17-07	Various Improvements:	6/25/07							
	(a) Painting of the 4th Street Water Tank		270,000.00	33,517.00		(33,517.00)			
	(b) Improvements to Vine Street		100,000.00						
	(c) Pine, Oak, Basin Water Main Extensions		1,550,000.00	1,424,302.50				1,424,302.50	
17-08	Improvements to Vine Street	5/8/08	504,123.33	29,320.10		(29,320.10)			
21-08	Various Improvements:	7/28/08							
	(b) Roof Repairs to Well #5		30,000.00	30,000.00		(13,995.00)	\$ 16,005.00		
	(c) Purchase of Wireless Transceiver Antenna		32,000.00	32,000.00		(165.00)	29,861.00		1,974.00



**TOWN OF HAMMONTON**  
**Water Utility Capital Fund**  
Schedule of Contracts Payable  
For the Year Ended December 31, 2010

---

Balance December 31, 2009	\$ 850,370.75
Increased By:	
Charged to Improvement Authorizations	<u>94,678.99</u>
	945,049.74
Decreased by:	
Disbursed	<u>498,830.65</u>
Balance December 31, 2010	<u><u>\$ 446,219.09</u></u>

**TOWN OF HAMMONTON**  
**Water Utility Capital Fund**  
Schedule of Due To Water Utility Operating Fund  
For the Year Ended December 31, 2010

---

Balance December 31, 2009		\$ 4,860.97
Increased By:		
Interest Earned - Due to Water Operating	\$ 44,204.52	
Capital Fund Balance Anticipated as Revenue in 2010 Budget	3,057.76	
		47,262.28
		52,123.25
Decreased By:		
Paid to Water Utility Operating Fund		\$ 52,123.25

**TOWN OF HAMMONTON**  
**Water Utility Capital Fund**  
Schedule of Reserve for Amortization  
For the Year Ended December 31, 2010

---

Balance December 31, 2009		\$ 8,131,996.51
Increased By:		
2010 Budget Appropriations:		
USRD Loan	\$ 3,644.33	
Serial Bonds	<u>353,000.00</u>	
		<u>356,644.33</u>
Balance December 31, 2010		<u><u>\$ 8,488,640.84</u></u>

**TOWN OF HAMMONTON**  
**Water Utility Capital Fund**  
Schedule of Deferred Reserve for Amortization  
For the Year Ended December 31, 2010

---

<b>Ordinance</b>			
<u>Number</u>	<u>Improvement Description</u>		<u>Amount</u>
<i>General Improvements:</i>			
3-93	Various Improvements to the Water System	\$	3,045.20
22-02	Improvements to the Water Utility System		632.00
5-03	Improvements to the Water Utility System		12,600.00
17-07	Pine, Oak, Basin Water Main Extensions		1,770,000.00
27-09	Bellevue Ave. Water Utility Improvements		<u>609,070.00</u>
			<u>\$ 2,395,347.20</u>

**TOWN OF HAMMONTON**  
**Water Utility Capital Fund**  
 Schedule of USRD Loans Payable  
 For the Year Ended December 31, 2010

---

Balance December 31, 2009	\$	282,935.76
Decreased by:		
Paid by 2010 Budget Appropriation		3,644.33
Balance December 31, 2010	\$	279,291.43

**Analysis of Balance Dec. 31, 2010**

<b><u>Payment Date</u></b>	<b><u>White Horse Pike Water</u></b>
6/10/11	\$ 1,883.48
12/10/11	1,925.87
6/10/12	1,969.20
12/10/12	2,013.51
6/10/13	2,058.81
12/10/13	2,105.13
6/10/14	2,152.49
12/10/14	2,200.93
6/10/15	2,250.45
12/10/15	2,301.08
2015 through 2043	258,430.48
	\$ 279,291.43

**TOWN OF HAMMONTON**  
**Water Utility Capital Fund**

Schedule of General Serial Bonds  
 For the Year Ended December 31, 2010

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2010</u>				<u>Interest Rate</u>	<u>Balance December 31, 2009</u>	<u>Paid by Budget Appropriation</u>	<u>Balance December 31, 2010</u>
			<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Balance December 31, 2009</u>				
Water Bonds of 1997	12/1/97	\$ 447,400.00	12-1-11	\$ 25,400.00	4.875%	\$ 227,400.00	\$ 25,000.00	\$ 202,400.00		
			12-1-12	27,000.00						
			12-1-13/17	30,000.00						
Water Bonds of 2006	2/1/07	3,728,000.00	2-1-11/13	250,000.00	4.30%	3,328,000.00	238,000.00	3,090,000.00		
			2-1-14/16	300,000.00						
			2-1-17/19	350,000.00						
			2-1-20	390,000.00						
Water Bonds of 2009	5/14/09	840,000.00	1-15-11	20,000.00	2.50%	840,000.00	20,000.00	820,000.00		
			1-15-12	30,000.00						
			1-15-13	40,000.00						
			1-15-14	30,000.00						
			1-15-15	40,000.00						
			1-15-16	60,000.00						
			1-15-17	30,000.00						
			1-15-18	70,000.00						
			1-15-19	70,000.00						
			1-15-20	70,000.00						
1-15-21/24	90,000.00									

(Continued)

**TOWN OF HAMMONTON**  
**Water Utility Capital Fund**

Schedule of General Serial Bonds  
 For the Year Ended December 31, 2010

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2010</u>			<u>Interest Rate</u>	<u>Balance December 31, 2009</u>	<u>Paid by Budget Appropriation</u>	<u>Balance December 31, 2010</u>
			<u>Date</u>	<u>Amount</u>	<u>Rate</u>				
Water Utility Refunding Bonds	5/14/09	\$ 975,000.00	7-1-11/13	\$ 75,000.00	3.00%				
			7-1-14	80,000.00	3.00%				
			7-1-15	80,000.00	3.25%				
			7-1-16	85,000.00	3.50%				
			7-1-17	80,000.00	3.50%				
			7-1-18	90,000.00	3.50%				
			7-1-19/20	90,000.00	3.75%				
			7-1-21	85,000.00	4.00%				
						\$ 975,000.00	\$ 70,000.00	\$ 905,000.00	
<b>Total</b>						\$ 5,370,400.00	\$ 353,000.00	\$ 5,017,400.00	

**TOWN OF HAMMONTON**  
**Water Utility Capital Fund**  
Schedule of Bonds and Notes Authorized but not Issued  
For the Year Ended December 31, 2010

---

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Amount</u>
27-09	Bellevue Ave. Water Utility Improvements	\$ 408,930.00

**SUPPLEMENTAL EXHIBITS**

**SEWER UTILITY FUND**

**TOWN OF HAMMONTON**  
**Sewer Utility Fund**  
Schedule of Cash - Collector/Treasurer  
For the Year Ended December 31, 2010

	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2009	\$ 3,206,801.10	\$ 1,093,684.93
Increased by Receipts:		
Consumer Accounts Receivable	\$ 2,518,510.22	
Reserve for Payment of Bonds		\$ 39,350.00
Prepaid Rents	20,503.21	
Miscellaneous Revenue	154,918.80	
Due from Sewer Utility Capital Fund	72,238.89	
Due to Sewer Operating Fund		11,378.40
Total Receipts	2,766,171.12	50,728.40
Sub-total	5,972,972.22	1,144,413.33
Decreased by Disbursements:		
2010 Appropriations	2,364,788.35	
2009 Appropriation Reserves	86,076.42	
Refund of Rents	158.43	
Accrued Interest on Bonds, Loans and Notes	777,021.52	
Due from Water Utility Operating Fund	11.92	
Due to Sewer Utility Operating Fund		72,238.89
Improvement Authorizations		84,993.07
Contracts Payable		950,941.09
Total Disbursements	3,228,056.64	1,108,173.05
Balance December 31, 2010	\$ 2,744,915.58	\$ 36,240.28

TOWN OF HAMMONTON  
Sewer Utility Capital Fund

Analysis of Cash  
For the Year Ended December 31, 2010

	Balance December 31, 2009	RECEIPTS		DISBURSEMENTS		TRANSFERS		Balance December 31, 2010
		Miscellaneous	Improvement Authorizations	Miscellaneous	Improvement Authorizations	From	To	
Fund Balance	\$ 4,168.02							\$ 4,168.02
Capital Improvement Fund	14,400.00							\$ 14,400.00
<u>Improvement Authorizations:</u>								
Ord.								
No.								
General Improvements:								
5-01 Egg Harbor Road Sewer Extension	10.00							10.00
9-04/17-05 Various Sewer Utility Improvements	348,741.00		\$ 84,993.07			167,908.97		95,838.96
4-06 Central Ave. Sewer Improvements	3,100.01							3,100.01
6-09 White Horse Pike/Moss Mill Road Sewer Improvements	(29,000.00)						\$ 126,235.70	126,235.70 (29,000.00)
28-09 Various Sewer Utility Improvements								
Federal Grants Receivable	(154,530.00)							(154,530.00)
Federal Loans Receivable	(479,400.00)							(479,400.00)
Due to/from Sewer Utility Operating Fund	1,692.47	\$ 11,378.40					59,168.02	
Reserve for Payment of Bonds and Notes	159,511.71	39,350.00				55,000.00		143,861.71
Contracts Payable	1,224,991.72					950,941.09		315,723.90
	\$ 1,093,684.93	\$ 50,728.40	\$ 84,993.07	\$ 1,023,179.98	\$ 353,312.69	\$ 353,312.69	\$ 353,312.69	\$ 36,240.28

**TOWN OF HAMMONTON**  
**Sewer Utility Capital Fund**  
 Schedule of Due To Sewer Utility Operating Fund  
 For the Year Ended December 31, 2010

---

Balance December 31, 2009		\$ 1,692.47
Increased By:		
Interest Earned	\$ 11,378.40	
Reserve for Payment of Bonds Anticipated as Revenue in 2010 Budget	55,000.00	
Capital Fund Balance Anticipated as Revenue in 2010 Budget	4,168.02	
		70,546.42
		72,238.89
Decreased By:		
Paid to Operating Fund		\$ 72,238.89

**TOWN OF HAMMONTON**  
**Sewer Utility Operating Fund**  
Schedule of Consumer Accounts Receivable  
For the Year Ended December 31, 2010

---

Balance December 31, 2009		\$ 4,359.93
Increased by:		
Sewer Rents Levied in 2010		2,533,060.55
		2,537,420.48
Decreased by:		
Collections	\$ 2,518,510.22	
Prepaid Applied	12,098.14	
Transferred to Liens	1,223.64	
		2,531,832.00
Balance December 31, 2010		\$ 5,588.48

**Sewer Utility Operating Fund**  
Schedule of Liens Receivable  
For the Year Ended December 31, 2010

---

Balance December 31, 2009		\$ 8,660.62
Increased by:		
Transferred from Consumer Accounts Receivable	\$ 1,223.64	
Lien Interest and Costs	620.76	
		1,844.40
Balance December 31, 2010		\$ 10,505.02

**TOWN OF HAMMONTON**  
**Sewer Utility Capital Fund**  
 Schedule of Fixed Capital  
 For the Year Ended December 31, 2010

---

	<u>Amount</u>
Sewer Plant	\$ 207,038.45
Sewer System	6,173,808.00
Sewer Mains Assessed	147,954.70
Sewer Treatment Plant	1,102,746.72
Equipment and Meters	327,987.55
Refunding Bond Ordinance	150,000.00
Pumping Stations	<u>528,447.30</u>
	<u><u>\$ 8,637,982.72</u></u>

**TOWN OF HAMMONTON**  
**Sewer Utility Capital Fund**  
Schedule of Fixed Capital Authorized and Uncompleted  
For the Year Ended December 31, 2010

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Ordinance Amount</u>	<u>Balance December 31, 2010</u>
<i>General Improvements:</i>				
21-92	Waste Water Treatment Plant	5/26/92	\$ 18,900,000.00	\$ 18,497,220.30
5-96	Southwest Sewer Extension	4/22/96	1,500,000.00	1,361,856.02
6-97	Southeast Sewer Extension	5/12/97 6/26/00 11/17/03	2,145,921.99	1,817,921.09
18-98; 11-99; 26-00; 7-01; 33-01	Various Sewer Utility Improvements	5/11/98 5/24/99 6/26/00 2/26/01 10/22/01	1,805,000.00	1,805,000.00
19-98	Second Road Sewer Improvements	5/11/98	1,900,000.00	1,900,000.00
24-98	Various Capital Purchases	6/22/98	35,000.00	28,500.00
12-99; 12-01 21-01	Various Sewer Utility Improvements	5/24/99 2/26/01 10/22/01	533,000.00	533,000.00
19-00	Various Sewer Utility Improvements	6/26/00	585,000.00	187,167.41
4-01	Sewer Portion of Hammonton High School Master Plan	2/26/01	77,500.00	77,500.00
5-01	Egg Harbor Road Sewer Extension	2/26/01	40,000.00	38,582.44
20-01	Various Sewer Utility Improvements	4/23/01	350,000.00	158,695.31
23-02	Various Sewer Utility Improvements	6/17/02	155,600.00	555,600.00
31-02	Various Sewer Utility Improvements	7/22/02	38,000.00	38,000.00

(Continued)

**TOWN OF HAMMONTON**  
**Sewer Utility Capital Fund**  
Schedule of Fixed Capital Authorized and Uncompleted  
For the Year Ended December 31, 2010

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Ordinance Amount</u>	<u>Balance December 31, 2010</u>
4-03	Caldwell Avenue In-Fill Project	5/27/03	\$ 75,000.00	\$ 75,000.00
20-03	Construction of a Sewer Maintenance Facility	8/25/03	450,000.00	333,239.18
28-03	Maintenance of Boyer Avenue Trenches	11/17/03	219,078.01	219,078.91
3-04	Refunding FmHA Loans	3/22/04	175,000.00	175,000.00
9-04/17-05/ 17-06	Various Sewer Utility Improvements	5/24/04	1,675,000.00	1,562,695.40
26-04	Various Sewer Utility Improvements	10/25/04	195,911.81	193,251.81
14-05	Various Sewer Utility Improvements	5/23/05	454,000.00	267,400.00
4-06	Central Avenue Sewer Improvements	3/27/06	110,432.08	110,432.08
8-06	Elm & Cottage Sewer Repairs	5/22/06	100,000.00	81,080.08
18-07	Various Sewer Utility Improvements	6/25/07	465,000.00	103,142.75
16-08	Sewer Improvements to Vine Street	5/8/08	370,937.37	370,937.37
22-08	Various Sewer Utility Improvements	7/28/08	90,000.00	90,000.00
6-09	White Horse Pike/Moss Mill Road Sewer Improvements	3/23/09	709,875.52	709,875.52
28-09	Various Sewer Utility Improvements	11/23/09	693,930.00	693,930.00
				\$ 31,984,105.67

**TOWN OF HAMMONTON**  
**Sewer Utility Capital Fund**  
Schedule of Federal Grants & Loans Receivable  
For the Year Ended December 31, 2010

---

	<b>USRD <u>Grant</u></b>	<b>USRD <u>Loan</u></b>
Balance December 31, 2009 and 2010	<u>\$ 154,530.00</u>	<u>\$ 479,400.00</u>

**TOWN OF HAMMONTON**  
**Sewer Utility Operating Fund**

Schedule of 2009 Appropriation Reserves  
 For the Year Ended December 31, 2010

	<u>Balance</u> <u>December 31, 2009</u>	<u>Encumbered</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Disbursed</u>	<u>Balance</u> <u>Lapsed</u>
Operating:					
Salaries and Wages	\$ 12,803.99	\$ 12,803.99	\$ 12,803.99	\$ 12,803.99	\$ 12,803.99
Other Expenses	34,092.29	95,219.68	129,311.97	94,232.82	35,079.15
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	1,094.73		1,094.73		1,094.73
N.J. Disability Insurance	806.94		806.94		806.94
	<u>\$ 48,797.95</u>	<u>\$ 95,219.68</u>	<u>\$ 144,017.63</u>	<u>\$ 94,232.82</u>	<u>\$ 49,784.81</u>
			Encumbrances	\$ 8,156.40	
			Disbursed	<u>86,076.42</u>	
				<u>\$ 94,232.82</u>	

**TOWN OF HAMMONTON**  
**Sewer Utility Operating Fund**  
 Schedule of Prepaid Rents  
 For the Year Ended December 31, 2010

---

Balance December 31, 2009		\$ 12,318.77
Increased by:		
Received in 2010		20,503.21
		32,821.98
Decreased by:		
Refunds	\$ 158.43	
Refunds - Encumbered	62.20	
Applied to Consumer Accounts Receivable	12,098.14	
		12,318.77
Balance December 31, 2010		\$ 20,503.21

**TOWN OF HAMMONTON**  
**Sewer Utility Operating Fund**  
Schedule of Accrued Interest on Loans and Notes  
For the Year Ended December 31, 2010

Balance December 31, 2009	\$ 259,221.74
Increased by:	
Budget Appropriations for:	
Interest on Bonds & Loans	760,684.00
	1,019,905.74
Decreased by:	
Interest Paid	777,021.52
Balance December 31, 2010	\$ 242,884.22

**Analysis of Accrued Interest December 31, 2010**

	Principal Outstanding <u>Dec. 31, 2010</u>	Interest Rate	From	To	Period	Amount
<i>Sewer Bonds of 1997</i>	\$ 675,000.00	4.875%	12/1/10	12/31/10	1 Month	\$ 2,742.19
<i>Wastewater Treatment Trust Loan (Capital)</i>	798,156.38	Various	10/1/10	12/31/10	3 Months	50,680.24
<i>2004 Refunding Bonds</i>	4,200,000.00	Various	9/1/10	12/31/10	4 Months	58,908.75
<i>USRD Loan (Capital) Park/Bellevue &amp; Batchelor</i>	625,190.26	4.50%	8/1/10	12/31/10	5 Months	11,722.32
<i>White Horse Pike</i>	144,046.40	4.50%	12/10/10	12/31/10	21 Days	378.12
<i>Sewer Bonds of 2006</i>	2,128,000.00	4.30%	8/1/10	12/31/10	5 Months	35,466.66
<i>Sewer Bonds of 2009</i>	1,135,000.00	Various	5/14/10	12/31/10	225 Days	20,710.94
<i>Refunding Bonds of 2009</i>	3,615,000.00	Various	7/1/10	12/31/10	6 Months	62,275.00
<b>Total</b>						\$ 242,884.22

TOWN OF HAMMONTON  
Sewer Utility Capital Fund

Schedule of Improvement Authorizations  
For the Year Ended December 31, 2010

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance December 31, 2009		Paid or Charged/ Encumbrances Canceled	Balance December 31, 2010	
				Funded	Unfunded		Funded	Unfunded
5-01	Egg Harbor Road Sewer Extension	2/26/01	\$ 40,000.00	\$ 10.00		\$ 10.00		
9-04	Various Sewer Utility Improvements:	5/24/04						
17-05		5/23/05	185,000.00	790.00		790.00		
17-06		8/7/06	219,600.00					
17-05		5/23/05	340,000.00	347,951.00		\$ 252,902.04	95,048.96	
4-06	Central Avenue Sewer Improvements	3/27/06	110,432.08	3,100.01			3,100.01	
6-09	White Horse Pike/Moss Mill Road Sewer Improvements	3/23/09	709,875.52			(126,235.70)	126,235.70	
28-09	Various Sewer Utility Improvements: (b) Boyer Ave. Sewer Facility Optimization	11/23/09	60,000.00					\$ 31,000.00
Total				\$ 351,851.01	\$ 31,000.00	\$ 126,666.34	\$ 225,184.67	\$ 31,000.00
				Contracts Payable	\$ 167,908.97			
				Contracts Payable Canceled	(126,235.70)			
				Disbursed	84,993.07			
				\$ 126,666.34				

General Improvements:

**TOWN OF HAMMONTON**  
**Sewer Utility Capital Fund**  
 Schedule of Contracts Payable  
 For the Year Ended December 31, 2010

---

Balance December 31, 2009		\$ 1,224,991.72
Increased by:		
Charged to Improvement Authorizations		167,908.97
		1,392,900.69
Decreased by:		
Disbursed	\$ 950,941.09	
Canceled	126,235.70	
		1,077,176.79
Balance December 31, 2010		\$ 315,723.90

**Sewer Utility Capital Fund**  
 Schedule of Reserve for Payment of Bonds  
 For the Year Ended December 31, 2010

---

Balance December 31, 2009		\$ 159,511.71
Increased by:		
Received from Atlantic County for Moss Mill Road Improvements		39,350.00
		198,861.71
Decreased by:		
Anticipated as Revenue in the 2010 Sewer Utility Operating Fund Budget		55,000.00
Balance December 31, 2010		\$ 143,861.71

**TOWN OF HAMMONTON**  
**Sewer Utility Capital Fund**  
Schedule of Reserve for Amortization  
For the Year Ended December 31, 2010

---

Balance December 31, 2009		\$ 20,473,421.40
Increased By:		
2010 Budget Appropriations:		
Wastewater Treatment Trust Fund Loan	\$ 371,538.46	
FMHA Loan	49,034.32	
USRD Loan	11,323.14	
Serial Bonds	445,000.00	
	<u>876,895.92</u>	
Balance December 31, 2010		<u><u>\$ 21,350,317.32</u></u>

**TOWN OF HAMMONTON**  
**Sewer Utility Capital Fund**  
Schedule of Deferred Reserve for Amortization  
For the Year Ended December 31, 2010

---

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Amount</u>
<i>General Improvements:</i>			
21-92	Waste Water Treatment Plant	5/26/92	\$2,000,000.00
5-96	Southwest Sewer Extension	4/22/96	70,100.00
24-98	Various Capital Purchases	6/22/96	35,000.00
23-02	Various Sewer Utility Improvements	6/17/02	400,000.00
31-02	Various Sewer Utility Improvements	7/22/02	4,000.00
4-03	Caldwell Ave. In-Fill Project	5/27/03	3,000.00
20-03	Sewer Utility Improvements	8/25/03	16,000.00
09-04/17-06	Various Sewer Utility Improvements	5/24/04	30,000.00
28-09	Repairs to Bellevue Ave. Sewer	11/23/09	<u>633,930.00</u>
	Total		<u><u>\$3,192,030.00</u></u>

**TOWN OF HAMMONTON**  
**Sewer Utility Capital Fund**  
 Schedule of New Jersey Wastewater Treatment Trust Fund  
 Trust Loan Payable  
 For the Year Ended December 31, 2010

---

Balance December 31, 2009	\$	1,169,694.84
Decreased By:		
Paid by Budget Appropriation		371,538.46
Balance December 31, 2010	\$	798,156.38

*Analysis of Balance December 31, 2010*

<u>Payment Date</u>	<u>Amount</u>
4/1/11	\$ 387,645.88
4/1/12	410,510.50
	\$ 798,156.38

**TOWN OF HAMMONTON**  
**Sewer Utility Capital Fund**  
Schedule of FMHA Loans Payable  
For the Year Ended December 31, 2010

---

Balance December 31, 2009	\$ 2,748,381.96
Decreased By:	
Paid by Budget Appropriation	49,034.32
Balance December 31, 2010	\$ 2,699,347.64

**Analysis of Balance December 31, 2010**

<b><u>Payment Date</u></b>	<b><u>Southeast/ Southwest Construction</u></b>
6/30/2011	\$ 25,347.68
12/31/2011	25,918.00
6/30/2012	26,501.16
12/31/2012	27,097.43
6/30/2013	27,707.12
12/31/2013	28,330.53
6/30/2014	28,967.97
12/31/2014	29,619.75
6/30/2015	30,286.20
12/31/2015	30,967.64
2016 through 2038	2,418,604.16
	\$ 2,699,347.64

**TOWN OF HAMMONTON**  
**Sewer Utility Capital Fund**  
 Schedule of USRD Loans Payable  
 For the Year Ended December 31, 2010

Balance December 31, 2009	\$	780,560.19
Decreased By:		
Paid by Budget Appropriation		11,323.14
Balance December 31, 2010	\$	769,237.05

*Analysis of Balance Dec. 31, 2010*

<u>Payment Date</u>	<u>Park/Bellevue &amp; Batchelor Construction</u>	<u>White Horse Pike Sewer</u>	<u>Total</u>
1/26/11	\$ 4,882.22		\$ 4,882.22
6/10/11		\$ 971.40	971.40
7/26/11	4,992.07		4,992.07
12/10/11		993.25	993.25
1/26/12	5,104.39		5,104.39
6/10/12		1,015.60	1,015.60
7/26/12	5,219.24		5,219.24
12/10/12		1,038.45	1,038.45
1/26/13	5,336.67		5,336.67
6/10/13		1,061.82	1,061.82
7/26/13	5,456.75		5,456.75
12/10/13		1,085.71	1,085.71
1/26/14	5,579.52		5,579.52
6/10/14		1,110.14	1,110.14
7/26/14	5,705.06		5,705.06
12/10/14		1,135.11	1,135.11
1/26/15	5,833.43		5,833.43
6/10/15		1,160.65	1,160.65
7/26/15	5,964.68		5,964.68
12/10/15		1,186.77	1,186.77
2016 through 2043	571,116.62	133,287.50	704,404.12
	\$ 625,190.65	\$ 144,046.40	\$ 769,237.05

**TOWN OF HAMMONTON**  
**Sewer Utility Capital Fund**

Schedule of General Serial Bonds

For the Year Ended December 31, 2010

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Date</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance December 31, 2009</u>	<u>Decreased</u>	<u>Balance December 31, 2010</u>
				<u>December 31, 2010</u>	<u>Amount</u>				
Sewer Bonds of 1997	12/1/97	\$ 1,500,000.00	12/1/11	\$ 85,000.00					
			12/1/12	90,000.00					
			12/1/13-17	100,000.00		4.875%	\$ 755,000.00	\$ 80,000.00	\$ 675,000.00
Refunding Bonds of 2004	3/1/04	5,260,000.00	3/1/11	195,000.00		3.125%			
			3/1/12	205,000.00		3.375%			
			3/1/13	210,000.00		3.50%			
			3/1/14	220,000.00		3.75%			
			3/1/15	230,000.00		3.875%			
			3/1/16	240,000.00		4.00%			
			3/1/17	250,000.00		4.125%			
			3/1/18	250,000.00		4.25%			
			3/1/19	270,000.00		4.25%			
			3/1/20	280,000.00		4.375%			
			3/1/21	295,000.00		4.50%			
			3/1/22	495,000.00		4.60%			
3/1/23	525,000.00		4.60%						
3/1/24	535,000.00		4.625%		4,390,000.00	190,000.00	4,200,000.00		
Sewer Bonds of 2006	2/1/07	2,278,000.00	2/1/11	73,000.00					
			2/1/12	75,000.00					
			2/1/13-14	240,000.00					
			2/1/15-20	250,000.00		4.30%	2,178,000.00	50,000.00	2,128,000.00

(Continued)



**TOWN OF HAMMONTON**  
**Sewer Utility Capital Fund**  
Schedule of Bonds and Notes Authorized but Not Issued  
For the Year Ended December 31, 2010

---

<b><u>Ordinance Number</u></b>	<b><u>Improvement Description</u></b>	<b><u>Amount</u></b>
28-09	Various Sewer Utility Improvements	<u>\$ 60,000.00</u>

**TOWN OF HAMMONTON**  
**PART 2**  
**SINGLE AUDIT**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT  
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Honorable Mayor and  
Members of the Town Council  
Town of Hammonton  
Hammonton, New Jersey 08037

**Compliance**

We have audited the compliance of the Town of Hammonton, in the County of Atlantic, State of New Jersey, with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the Town's major federal programs for the year ended December 31, 2010. The Town's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Town's management. Our responsibility is to express an opinion on the Town's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Hammonton's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Town's compliance with those requirements.

In our opinion, Town of Hammonton complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010. However, the results of our auditing procedures disclosed one instance of noncompliance with those requirements which is required to be reported in accordance with OMB Circular A-133 which is described in the accompanying Schedule of Findings and Questioned Costs as finding no.: 2010-2.

**Internal Control Over Compliance**

The management of the Town of Hammonton is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Town's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

The Town of Hammonton's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Town's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of management of the Town, the Division of Local Government Services, Department of Community Affairs and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

*Bowman & Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Todd R. Saler*

Todd R. Saler  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
May 27, 2011

**TOWN OF HAMMONTON**  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2010

Federal Grantor/Program Title	Federal CFDA Number	State Account Number	Program or Award Amount	Grant Period From To	Balance December 31, 2009	Revenue Realized	Adjustments	Expenditures	Balance December 31, 2010	Program Funds (Memo Only)	
										Received	Accumulated Expenditures
<b>U.S. Department of Transportation</b>											
Federal Aviation Agency Airport and Airway Improvement Program (General Capital)	20.106	N/A	\$ 2,207,439.00	Unavailable	\$ 17,535.65			\$ 13,153.00	\$ 4,382.65	\$ 13,153.00	\$ 2,203,056.35
Federal Aviation Agency Airport and Airway Improvement Program (General Capital)	20.106	N/A	98,597.00	Unavailable	286.00				286.00		98,311.00
Federal Aviation Agency Airport and Airway Improvement Program (General Capital)	20.106	N/A	151,035.00	Unavailable						314.00	151,035.00
Federal Aviation Agency Airport and Airway Improvement Program (General Capital)	20.106	N/A	279,148.00	Unavailable						238,028.00	279,148.00
Federal Aviation Agency Airport and Airway Improvement Program (General Capital)	20.106	N/A	121,192.00	Unavailable	2,850.00				2,850.00	118,342.00	118,342.00
Federal Aviation Agency Airport and Airway Improvement Program (General Capital)	20.106	N/A	649,685.00	Unavailable		\$ 649,685.00		649,685.00		26,638.00	649,685.00
Total CFDA # 20.106					20,671.65	649,685.00	-	662,838.00	7,518.65	396,475.00	3,499,577.35
Passed through State Department of Transportation:											
State Aid - NJ Transportation Trust Fund Authority Act (General Capital Fund)	20.205	078-6300-480-DCJ	190,000.00	Unavailable	1,254.34			1,252.56	1.78	1,252.56	189,998.22
State Aid - NJ Transportation Trust Fund Authority Act (General Capital Fund)	20.205	078-6300-480-DF9	520,188.84	10/9/07 Unavailable	74,394.33	18,294.51		92,688.84		291,012.18	520,188.84
State Aid - NJ Transportation Trust Fund Authority Act (General Capital Fund)	20.205	078-6300-480-DLO	125,400.00	Unavailable	98,475.11				98,475.11	258.54	26,924.89
State Aid - NJ Transportation Trust Fund Authority Act (General Capital Fund)	20.205	078-6300-480	150,000.00	Unavailable	128,851.07			106,915.00	21,936.07	109,272.43	128,063.93
State Aid - NJ Transportation Trust Fund Authority Act (General Capital Fund)	20.205	078-6300-480	145,000.00	1/22/10 Unavailable	145,000.00			145,000.00		23,750.00	145,000.00
State Aid - NJ Transportation Trust Fund Authority Act (General Capital Fund)	20.205	078-6300-480	160,000.00	11/14/08 Unavailable	160,000.00			160,000.00		160,000.00	160,000.00
State Aid - NJ Transportation Trust Fund Authority Act (General Capital Fund)	20.205	078-6300-480	7,347.00	Unavailable							7,347.00
State Aid - NJ Transportation Trust Fund Authority Act (General Capital Fund)	20.205	078-6300-480	3,190.00	Unavailable	75.72				75.72		3,114.28
State Aid - NJ Transportation Trust Fund Authority Act (General Capital Fund)	20.205	078-6300-480	180,000.00	10/14/09 Unavailable	180,000.00			180,000.00		180,000.00	180,000.00
State Aid - NJ Transportation Trust Fund Authority Act (General Capital Fund)	20.205	078-6300-480-DCJ	20,397.00	Unavailable	555.55				555.55		19,841.45
State Aid - NJ Transportation Trust Fund Authority Act (General Capital Fund)	20.205	078-6070-100-015	15,912.00	Unavailable							15,912.00
State Aid - NJ Transportation Trust Fund Authority Act (General Capital Fund)	20.205	078-6300-480	17,097.00	Unavailable		17,097.00			17,097.00		
Passed through The College of New Jersey:											
State Aid - NJ Transportation Trust Fund Authority Act (General Capital Fund)	20.205	078-6300-480	70,000.00	3/1/09 3/31/10		20,000.00		20,000.00		63,521.97	70,000.00
Total CFDA # 20.205					788,606.12	55,391.51	-	705,856.40	138,141.23	829,067.68	1,466,390.61

**TOWN OF HAMMONTON**  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2010

Federal Grantor/Program Title	Federal CFDA Number	State Account Number	Program or Award Amount	Grant Period		Balance December 31, 2009	Revenue Realized	Adjustments	Expenditures	Balance December 31, 2010	Program Funds Received	(Memo Only) Accumulated Expenditures
				From	To							
<b>U.S. Department of Transportation (Cont'd)</b>												
Passed through State Department of Law and Public Safety:												
D.W.I. Highway Safety Grant (Click It or Ticker)	20.602	066-1160-100-113	\$ 4,000.00	1/1/09	12/31/09							\$ 4,000.00
D.W.I. Highway Safety Grant (Click It or Ticker)	20.602	066-1160-100-113	4,000.00	1/1/07	12/31/07	\$ 400.00			\$ 400.00			3,600.00
D.W.I. Highway Safety Grant (Buckle Up S.I.)	20.602	066-1160-100-113	2,000.00	1/1/05	12/31/05	400.00			400.00			1,600.00
Occupant Protection Project	20.602	066-1160-100-113	2,000.00	1/1/05	12/31/05	5.93			5.93			1,994.07
Total CFDA # 20.602						805.93	\$ -	\$ -	\$ -	805.93	\$ -	7,194.07
Occupant Protection Project (Alcohol Driving Protection)	20.601	066-1160-100-057	6,708.00	1/1/07	12/31/07	2,283.00			2,283.00			4,425.00
Occupant Protection Project (Alcohol Driving Protection)	20.601	066-1160-100-057	5,988.00	Unavailable		5,988.00			5,988.00			
Over the Limit Under Arrest	20.601	066-1160-100-057	5,000.00	1/1/10	12/31/10		5,000.00		2,250.00			2,250.00
Total CFDA # 20.601						8,271.00	5,000.00	-	2,250.00	11,021.00	-	12,675.00
Total U.S. Department of Transportation						818,354.70	710,076.51	-	1,370,944.40	157,486.81	1,225,542.68	4,985,837.03
<b>U.S. Department of Law and Public Safety</b>												
Public Assistance Grants	97.036	066-1200-100-A45	23,699.90	Unavailable			23,699.90		23,699.90		23,699.90	23,699.90
Public Assistance Grants	97.036	066-1200-100-A57	14,816.97	Unavailable			14,816.97		14,816.97		14,816.97	14,816.97
Public Assistance Grants	97.036	066-1200-100-A58	20,990.21	Unavailable			20,990.21		20,990.21		20,990.21	20,990.21
Total U.S. Department of Law and Public Safety and CFDA # 97.036						-	59,507.08	-	59,507.08	-	59,507.08	59,507.08
<b>U.S. Department of Homeland Security</b>												
Federal Firefighters Grant	97.044	N/A	166,963.00	Unavailable		2,145.00			2,145.00			164,818.00
Total U.S. Department of Homeland Security						-	-	15,418.58	4,814.23	10,604.35	-	Unavailable
<b>U.S. Department of Housing and Urban Development</b>												
Housing and Urban Development	14.XXX	Unavailable	Unavailable	Unavailable								Unavailable
Passed through County of Atlantic:												
Community Development Block Grant	14.227	N/A	119,281.00	9/1/01	8/31/04	15.00			15.00			119,266.00
Community Development Block Grant	14.227	N/A	69,804.00	Unavailable		69,804.00			69,804.00			38,499.50
Community Development Block Grant	14.227	N/A	70,000.00	Unavailable			70,000.00		38,499.50		38,499.50	38,499.50
Total CFDA # 14.227						69,819.00	70,000.00	-	38,499.50	101,319.50	38,499.50	157,765.50
Passed through State Department of Community Affairs:												
Small Cities Community Development Block Grant (Sewer Utility Fund)	14.228	022-8020-100-078	380,500.00	1/1/97	Program End	72,608.10			72,608.10			307,891.90
Small Cities Community Development Block Grant (General Capital Fund)	14.228	022-8020-100-078	200,000.00	4/1/08	9/30/09	191,000.00			191,000.00			9,000.00
Total CFDA # 14.228						263,608.10			263,608.10			316,891.90
Total U.S. Department of Housing and Urban Development						333,427.10	70,000.00	15,418.58	43,313.73	375,531.95	38,499.50	474,657.40
<b>U.S. Department of Criminal Justice</b>												
COPS in School Award	16.710	N/A	75,000.00	9/1/00	8/31/03	781.29			781.29			74,218.71
Total U.S. Department of Criminal Justice						781.29			781.29			74,218.71
<b>U.S. Department of Environmental Protection</b>												
Passed through State Department of Environmental Protection:												
Performance Partnership Grant (Stormwater Management)	66.605	042-4801-100-442	1,250.00	1/1/08	12/31/08	1,250.00			1,250.00			-
Total Federal Grants						\$ 1,155,958.09	\$ 839,883.59	\$ 15,418.58	\$ 1,473,765.21	\$ 537,195.05	\$ 1,323,549.26	\$ 5,759,038.22

The accompanying Notes to Financial Statements and Notes to Schedules of Federal Awards are an integral part of this schedule.

**TOWN OF HAMMONTON**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2010**

---

Note 1: **GENERAL**

The accompanying schedule of expenditures of federal awards presents the activity of all federal awards of the Town of Hammonton, County of Atlantic, State of New Jersey. The Town is defined in the Notes to the Financial Statements, Note 1.

Note 2: **BASIS OF ACCOUNTING**

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, which is described in the Notes to the Financial Statements, Note 1.

Note 3: **RELATIONSHIP TO FINANCIAL STATEMENTS**

Amounts reported in the accompanying schedules agree with amounts reported in the Town's financial statements. Expenditures from awards are reported in the Town's financial statements as follows:

<b><u>Fund</u></b>	<b><u>Amount</u></b>
Current Fund	\$ 59,507.08
Federal and State Grant Fund	7,064.23
General Capital Fund	<u>1,407,193.90</u>
	<u><u>\$ 1,473,765.21</u></u>

Note 4: **ADJUSTMENTS**

Amounts reported in the column entitled "Adjustments" represent the following:

Grant Canceled in Prior Year	<u><u>\$ 14,518.58</u></u>
------------------------------	----------------------------

Note 5: **MAJOR PROGRAMS**

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

**TOWN OF HAMMONTON**

**PART 3**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED DECEMBER 31, 2010**

**TOWN OF HAMMONTON**  
 Schedule of Findings and Questioned Costs  
 For the Year Ended December 31, 2010

**Section 1- Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued Unqualified

Internal control over financial reporting:

Material weaknesses identified?      yes   X   no

Were significant deficiencies identified that were not considered to be a material weakness?      yes   X   none reported

Noncompliance material to financial statements noted?   X   yes      no

**Federal Awards**

Internal control over compliance:

Material weaknesses identified?      yes   X   no

Were significant deficiencies identified that were not considered to be a material weakness?      yes   X   none reported

Type of auditor's report on compliance for major programs Unqualified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a))?   X   yes      no

Identification of major programs:

<b><u>CFDA Numbers</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
20.205	Highway Planning and Construction
20.106	Airport Improvement Program

Dollar threshold used to determine Type A programs \$300,000

Auditee qualified as low-risk auditee?   X   yes      no

**TOWN OF HAMMONTON**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2010

---

**Section 1- Summary of Auditor's Results (Cont'd)**

**State Financial Assistance**

**NOT APPLICABLE**

Internal control over compliance:

Material weaknesses identified? \_\_\_ yes \_\_\_ no

Were significant deficiencies identified that were not considered to be a material weakness? \_\_\_ yes \_\_\_ none reported

Type of auditor's report on compliance for major programs \_\_\_\_\_

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a)) or New Jersey Circular 04-04-OMB? \_\_\_ yes \_\_\_ no

Identification of major programs:

<b><u>NJCFS/NJFIS Numbers</u></b>	<b><u>Name of State Program</u></b>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Dollar threshold used to determine Type A programs \_\_\_\_\_

Auditee qualified as low-risk auditee? \_\_\_ yes \_\_\_ no

**TOWN OF HAMMONTON**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2010**

---

***Section 2- Schedule of Financial Statement Findings***

This section identifies the 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. 2010-1**

**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.

**Criteria**

As described in the New Jersey Department of Community Affairs' Local Finance Notice 2007-15, Government Accounting 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.

**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.

**View of Responsible Officials and Planned Corrective Action**

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**TOWN OF HAMMONTON**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2010**

---

**Section 2- Schedule of Financial Statement Findings (Cont'd)**

**Finding No. 2010-2**

**Condition**

Our audit of compliance with the Local Public Contracts Law revealed the following:

The Town did not award one contract in excess of the bid threshold and two change orders with a formal resolution of the governing body, nor was a certificate of availability of funds prepared for such contract and change orders.

Two change orders, which in the aggregate exceeded 20% of the original contract, were not executed in accordance with the all applicable requirements as promulgated by the State of New Jersey for such change orders.

**Criteria**

N.J.S.A. 40A:11-4 states that every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit.

N.J.A.C. 5:30-11.5(a) states that the governing body shall pass a resolution authorizing a written amendment to a contract covering the changes to be made and that the resolution shall be passed before execution of the change order.

N.J.A.C. 5:30-5.4(a) states that the chief financial officer shall certify in writing to the governing body the availability, or lack thereof, of adequate funds for each contract which is pending approval by the governing body.

N.J.A.C. 5:30-11.3(a) states that before authorizing any change orders resulting in additional expenditures, the availability of funds shall be certified in writing by the chief financial officer or certifying finance officer, as appropriate.

N.J.A.C. 5:30-11.9(c)(6) states the governing body shall cause to be printed once, in an official newspaper, a brief notice indicating the additional amount to be expended, the original contract price, the nature of the original and additional work and why it is necessary to expend the additional funds. A copy of the advertisement shall also be filed with the clerk or secretary of the governing body and be available for inspection by the public.

**Effect**

The Town did not fully comply with the Local Public Contracts Law.

**Cause**

The Town's lack of compliance with the Local Public Contracts Law was simply due to oversight.

**Recommendation**

That the Local Public Contracts Law be complied with in all instances.

**View of Responsible Officials and Planned Corrective Action**

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**TOWN OF HAMMONTON**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2010**

---

***Section 3- Schedule of Federal Award Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by OMB Circular A-133.

**Finding No. 2010-2**

**Program:**

U.S. Department of Transportation (Passed through New Jersey Department of Transportation):  
Highway Planning and Construction (Federal CFDA No. 20.205)

**Condition**

Our audit of compliance with the Local Public Contracts Law revealed the following:

The Town did not award one contract in excess of the bid threshold and two change orders with a formal resolution of the governing body, nor was a certificate of availability of funds prepared for such contract and change orders.

Two change orders, which in the aggregate exceeded 20% of the original contract, were not executed in accordance with the all the applicable requirements as dictated by the State of New Jersey.

**Criteria**

N.J.S.A. 40A:11-4 states that every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit.

N.J.A.C. 5:30-11.5(a) states that the governing body shall pass a resolution authorizing a written amendment to a contract covering the changes to be made and that the resolution shall be passed before execution of the change order.

N.J.A.C. 5:30-5.4(a) states that the chief financial officer shall certify in writing to the governing body the availability, or lack thereof, of adequate funds for each contract which is pending approval by the governing body.

N.J.A.C. 5:30-11.3(a) states that before authorizing any change orders resulting in additional expenditures, the availability of funds shall be certified in writing by the chief financial officer or certifying finance officer, as appropriate.

N.J.A.C. 5:30-11.9(c)(6)states the governing body shall cause to be printed once, in an official newspaper, a brief notice indicating the additional amount to be expended, the original contract price, the nature of the original and additional work and why it is necessary to expend the additional funds. A copy of the advertisement shall also be filed with the clerk or secretary of the governing body and be available for inspection by the public.

**Questioned Costs**

None.

**Context**

We examined the contracts and change orders charged to the Highway Planning and Construction Program during 2010 for compliance with the Local Public Contracts Law which revealed the condition stated above.

**Effect**

The Town did not fully comply with the Local Public Contracts Law.

**TOWN OF HAMMONTON**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2010**

---

***Section 3- Schedule of Federal Award Findings and Questioned Costs (Cont'd)***

**Finding No. 2010-2 (Cont'd)**

**Cause**

The Town's lack of compliance with the Local Public Contracts Law was simply due to oversight.

**Recommendation**

That the Local Public Contracts Law be complied with in all instances.

**View of Responsible Officials and Planned Corrective Action**

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**TOWN OF HAMMONTON**  
**Summary Schedule of Prior Year Audit Findings**  
**And Questioned Costs as Prepared by Management**

---

This section identifies the status of prior year findings related to the financial statements and Federal Awards that are required to be reported in accordance with Government Auditing Standards and OMB Circular A-133.

**FINANCIAL STATEMENT FINDINGS**

**Finding No. 2009-1**

**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.

**Current Status**

This condition remains unresolved as reported in Finding No. 2010-1.

**Planned Corrective Action**

This required disclosure is mandated by an accounting disclosure standard adopted by the Governmental Accounting Standards Board (GASB) Statement No. 45. In New Jersey, municipalities and counties report and budget under regulatory accounting practices and therefore are not required to "book" OPEB future obligations. The Town carries its medical health insurance with the State Health Benefits Program (SHBP). The required disclosure, with which the Town complies, only references where information can be found on the SHBP and is not required to include any future obligation. The dental and vision insurance coverage is contracted through a private carrier and only represents less than 10% of the Town's total annual SHBP obligation. The Chief Financial Officer exhausted numerous possibilities to have these calculations prepared at no cost to the taxpayers without success. Therefore, since there is no financial impact on the Town for not obtaining the actuarially calculated obligation for its future cost of dental and vision insurance coverage for retired employees, the Town will evaluate the cost/benefit of budgeting taxpayer funds in future budget years in order to solely comply with a financial disclosure requirement that has no financial impact on the Town's current operations.

**FEDERAL AWARDS**

None.

**TOWN OF HAMMONTON**  
**Officials in Office and Surety Bonds**

---

The following officials were in office during the period under audit:

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Stephen DiDonato	Mayor	
Sam Rodio	Deputy Mayor	
Jerome Barberio	Councilperson	
Thomas Gribbin	Councilperson	
Jeanne Lewis	Councilperson	
Michael Pullia	Councilperson	
James Bertino	Councilperson	
Susanne Oddo	Town Clerk/ Business Administrator, Officer of Searches for Municipal Improvements, Registrar of Vital Statistics	\$ 1,000,000.00 (A)
April Boyer Maimone	Deputy Town Clerk	1,000,000.00 (A)
Rob Scharle'	Chief Financial Officer	1,000,000.00 (A)
Rosemarie Jacobs	Treasurer, Tax Collector, Collector of Water and Sewer Rents, and Tax Search Officer	1,000,000.00 (C)
Brian Howell	Solicitor	
Shirley Grasso	Prosecutor	1,000,000.00 (A)
Frank Raso	Municipal Judge	1,000,000.00 (B)
Debra Camorata	Municipal Court Administrator and Court Clerk	1,000,000.00 (B)
Kim Torres	Deputy Court Clerk	1,000,000.00 (A)
Chris Rehmann	Town Engineer	
Sam Curcio, Jr.	Public Defender	1,000,000.00 (A)
Frank Domenico	Construction Code Official	1,000,000.00 (A)
Mary Joan Wyatt	Tax Assessor	1,000,000.00 (A)

- (A) All employees were covered by a Public Employee Dishonesty Blanket Bond in the amount of \$50,000 written by the Atlantic County Municipal Joint Insurance Fund, and excess blanket coverage to \$1,000,000 written by the Municipal Excess Liability Joint Insurance Fund.
- (B) The court magistrate, clerk and administrator were covered by a Public Employee Dishonesty Blanket Bond in the amount of \$1,000,000 written by the Municipal Excess Liability Joint Insurance Fund.
- (C) All "Statutory" employees were covered by a Public Officials Dishonesty Blanket Bond in the amount of \$1,000,000 written by the Municipal Excess Liability Joint Insurance Fund. "Statutory" employees include any treasurer, tax collector, utilities clerk and any CFO that also serves in multiple positions which are required by statute to be individually bonded.

All of the Bonds were examined and properly executed.

**APPRECIATION**

I express my appreciation for the assistance and courtesies rendered by the Town officials during the course of the audit.

Respectfully submitted,

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Todd R. Saler  
Certified Public Accountant  
Registered Municipal Accountant

