

TOWN OF HAMMONTON
COUNTY OF ATLANTIC
REPORT OF AUDIT
FOR THE YEAR 2011

TOWN OF HAMMONTON
TABLE OF CONTENTS

<u>Exhibit No.</u>		<u>Page No.</u>
	<u>PART 1</u>	
	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
	<u>CURRENT FUND</u>	
A	Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis	6
A-1	Statements 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
	<u>TRUST FUND</u>	
B	Statements of Assets, Liabilities and Reserves--Regulatory Basis	19
	<u>GENERAL CAPITAL FUND</u>	
C	Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis	20
	<u>WATER UTILITY FUND</u>	
D	Statements of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis	21
D-1	Water Utility Operating Fund--Statements of Operations and Changes in Fund Balance--Regulatory Basis	24
D-2	Water Utility Assessment Trust Fund--Statements of Fund Balance-- Regulatory Basis	25
D-3	Water Utility Capital Fund--Statement of Changes in Fund Balance-- Regulatory Basis	26
D-4	Water Utility Operating Fund--Statement of Revenues-- Regulatory Basis	27
D-5	Water Utility Assessment Trust Fund--Statement of Revenues-- Regulatory Basis	28
D-6	Water Utility Operating Fund--Statement of Expenditures-- Regulatory Basis	29
D-7	Water Utility Assessment Trust Fund--Statement of Expenditures	30
	<u>SEWER UTILITY FUND</u>	
E	Statements of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis	31
E-1	Sewer Utility Operating Fund--Statements of Operations and Changes in Fund Balance--Regulatory Basis	33
E-2	Sewer Utility Operating Fund--Statement of Revenues--Regulatory Basis	34
E-3	Sewer Utility Operating Fund--Statement of Expenditures--Regulatory Basis	35

TOWN OF HAMMONTON
TABLE OF CONTENTS (CONT'D)

<u>Exhibit No.</u>		<u>Page No.</u>
<u>GENERAL FIXED ASSET ACCOUNT GROUP</u>		
F	Statement of General Fixed Assets Account Group	36
	Notes to Financial Statements	37
<u>SUPPLEMENTAL EXHIBITS</u>		
<u>CURRENT FUND</u>		
SA-1	Schedule of Cash--Collector/Treasurer	62
SA-2	Schedule of Change Funds	63
SA-3	Schedule of Taxes Receivable and Analysis of Property Tax Levy	64
SA-4	Schedule of Tax Title Liens	65
SA-5	Schedule of Property Acquired for Taxes - Assessed Valuation	65
SA-6	Schedule of Revenue Accounts Receivable	66
SA-7	Schedule of 2010 Appropriation Reserves	67
SA-8	Schedule of Reserve for Encumbrances	69
SA-9	Schedule of Prepaid Taxes	70
SA-10	Schedule of Tax Overpayments	70
SA-11	Schedule of Due from State of New Jersey--Senior Citizen and Veterans' Deductions	71
SA-12	Schedule of Due State of New Jersey--Vital Statistics	71
SA-13	Schedule of Local District School Tax	72
SA-14	Schedule of Due County for Added and Omitted Taxes	73
SA-15	Schedule of County Taxes Payable	73
SA-16	Federal and State Grant Fund--Schedule of Federal and State Grants Receivable	74
SA-17	Federal and State Grant Fund--Schedule of Reserve for Federal and State Grants--Unappropriated	75
SA-18	Federal and State Grant Fund--Schedule of Reserve for Federal and State Grants--Appropriated	76
SA-19	Federal and State Grant Fund--Schedule of Reserve for Encumbrances	78

TOWN OF HAMMONTON
TABLE OF CONTENTS (CONT'D)

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

SB-1	Schedule of Cash--Treasurer	80
SB-2	Trust Other Funds--Schedule of Investments--U.S. Government Securities	81
SB-3	Animal Control Fund--Schedule of Due to Current Fund	84
SB-4	Animal Control Fund--Schedule of Reserve for Animal Control Fund Expenditures	84
SB-5	Trust Other Funds--Schedule of Due from Current Fund	85
SB-6	Trust Other Funds--Schedule of Due to VCCB – Criminal Disposition	86
SB-7	Trust Other Funds--Schedule of Reserve for Prosecutor's Trust Fund	86
SB-8	Trust Other Funds--Schedule of Reserve for Recreation Fees	87
SB-9	Trust Other Funds--Schedule of Reserve for Street Opening Deposits	87
SB-10	Trust Other Funds--Schedule of Reserve for Escrow Deposits	88
SB-11	Trust Other Funds--Schedule of Reserve for Public Defender Trust Fund	88
SB-12	Trust Other Funds--Schedule of Reserve for Parking Offense Adjudication Act	89
SB-13	Trust Other Funds--Schedule of Reserve for Municipal Drug Alliance Funds	89
SB-14	Trust Other Funds--Schedule of Airport Security Deposit	90
SB-15	Trust Other Funds--Schedule of Reserve for Police Outside Detail	90
SB-16	Trust Other Funds--Schedule of Reserve for Tax Title Lien Redemption	91
SB-17	Trust Other Funds--Schedule of Reserve for Tax Sale Premium	91
SB-18	Trust Other Funds--Schedule of Payroll Deductions Payable	92
SB-19	Trust Other Funds--Schedule of Park Recreation Trust Fund	92
SB-20	Trust Other Funds--Schedule of Recaptured Grant Funds	93
SB-21	Trust Other Funds--Schedule of Uniform Fire Penalties Rider	93
SB-22	Trust Other Funds--Schedule of State Landfill Tax Escrow Fund	94
SB-23	Trust Other Funds--Schedule of State Landfill Closure--Escrow Fund	94
SB-24	Trust Other Funds--Schedule of Reserve for Celebration of Public Events	95
SB-25	Trust Other Funds--Schedule of Reserve for COAH Fees	95
SB-26	Trust Other Funds--Schedule of Reserve for Police Equipment Donations	96

GENERAL CAPITAL FUND

SC-1	Schedule of Cash--Treasurer	98
SC-2	Analysis of General Capital Cash	99
SC-3	Schedule of Due to Current Fund	101
SC-4	Schedule of Federal Grants Receivable	102
SC-5	Schedule of State Grants Receivable	103
SC-6	Schedule of County and Local Grants Receivable	104
SC-7	Schedule of Deferred Charges to Future Taxation--Funded	105
SC-8	Schedule of Deferred Charges to Future Taxation--Unfunded	106
SC-9	Schedule of Improvement Authorizations	107
SC-10	Schedule of Contracts Payable	110
SC-11	Schedule of Capital Improvement Fund	111
SC-12	Schedule of Green Acres Trust Fund Loan Payable	112
SC-13	Schedule of NJDEP Loan Payable	113
SC-14	Schedule of General Serial Bonds	114
SC-15	Schedule of Bonds And Notes Authorized But Not Issued	116

TOWN OF HAMMONTON
TABLE OF CONTENTS (CONT'D)

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

SD-1	Schedule of Cash--Collector/Treasurer	118
SD-2	Water Utility Capital Fund--Analysis of Cash	119
SD-3	Water Utility Operating Fund--Schedule of Consumer Accounts Receivable	120
SD-4	Water Utility Operating Fund--Schedule of Water Utility Liens	120
SD-5	Water Utility Assessment Trust Fund--Schedule of Assessments Receivable	121
SD-6	Water Utility Operating Fund--Schedule of Due to Water Utility Assessment Fund	122
SD-7	Water Utility Capital Fund--Schedule of Fixed Capital	123
SD-8	Water Utility Capital Fund--Schedule of Fixed Capital Authorized and Uncompleted	124
SD-9	Water Utility Capital Fund--Schedule of Federal Grants & Loans Receivable	126
SD-10	Water Utility Operating Fund—Schedule of 2010 Appropriation Reserves	127
SD-11	Water Utility Operating Fund--Schedule of Prepaid Water Rents	128
SD-12	Water Utility Operating Fund--Schedule of Accrued Interest Payable	129
SD-13	Water Utility Assessment Trust Fund—Schedule of Reserve for Assessments and Liens Receivable	130
SD-14	Water Utility Assessment Trust Fund--Schedule of General Serial Bonds	131
SD-15	Water Utility Capital Fund--Schedule of Improvement Authorizations	132
SD-16	Water Utility Capital Fund--Schedule of Contracts Payable	133
SD-17	Water Utility Capital Fund--Schedule of Due to Water Utility Operating Fund	134
SD-18	Water Utility Capital Fund--Schedule of Reserve for Amortization	135
SD-19	Water Utility Capital Fund--Schedule of Reserve for Payment of Bonds	135
SD-20	Water Utility Capital Fund--Schedule of Deferred Reserve for Amortization	136
SD-21	Water Utility Capital Fund--Schedule of USRD Loans Payable	137
SD-22	Water Utility Capital Fund--Schedule of General Serial Bonds	138
SD-23	Water Utility Capital Fund--Schedule of Bonds and Notes Authorized but not Issued	139

TOWN OF HAMMONTON
TABLE OF CONTENTS (CONT'D)

<u>Exhibit No.</u>		<u>Page No.</u>
<u>SEWER UTILITY FUND</u>		
SE-1	Schedule of Cash--Collector/Treasurer	141
SE-2	Sewer Utility Capital Fund--Analysis of Cash	142
SE-3	Sewer Utility Capital Fund--Schedule of Due To Sewer Utility Operating Fund	143
SE-4	Sewer Utility Operating Fund--Schedule of Consumer Accounts Receivable	144
SE-5	Sewer Utility Operating Fund--Schedule of Liens Receivable	144
SE-6	Sewer Utility Capital Fund--Schedule of Fixed Capital	145
SE-7	Sewer Utility Capital Fund--Schedule of Fixed Capital Authorized and Uncompleted	146
SE-8	Sewer Utility Capital Fund--Schedule of Federal Grants & Loans Receivable	148
SE-9	Sewer Utility Operating Fund--Schedule of 2010 Appropriation Reserves	149
SE-10	Sewer Utility Operating Fund--Schedule of Prepaid Rents	150
SE-11	Sewer Utility Operating Fund--Schedule of Accrued Interest on Loans and Notes	151
SE-12	Sewer Utility Capital Fund--Schedule of Improvement Authorizations	152
SE-13	Sewer Utility Capital Fund--Schedule of Contracts Payable	153
SE-14	Sewer Utility Capital Fund--Schedule of Reserve for Payment of Bonds	153
SE-15	Sewer Utility Capital Fund--Schedule of Capital Improvement Fund	154
SE-16	Sewer Utility Capital Fund--Schedule of Reserve for Amortization	154
SE-17	Sewer Utility Capital Fund--Schedule of Deferred Reserve for Amortization	155
SE-18	Sewer Utility Capital Fund--Schedule of New Jersey Wastewater Treatment Trust Fund--Trust Loan Payable	156
SE-19	Sewer Utility Capital Fund--Schedule of FMHA Loans Payable	157
SE-20	Sewer Utility Capital Fund--Schedule of USRD Loans Payable	158
SE-21	Sewer Utility Capital Fund--Schedule of General Serial Bonds	159
SE-22	Sewer Utility Capital Fund--Schedule of Bonds and Notes Authorized but Not Issued	161

TOWN OF HAMMONTON
TABLE OF CONTENTS (CONT'D)

<u>Exhibit No.</u>		<u>Page No.</u>
	<u>PART 2</u>	
	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	163
Schedule A	Schedule of Expenditures of Federal Awards	165
	Notes to Schedule of Expenditures of Federal Awards for the Year Ended December 31, 2011	167
	<u>PART 3</u>	
	Schedule of Findings and Questioned Costs	
	Section 1- Summary of Auditor's Results	169
	Section 2- Schedule of Financial Statement Findings	171
	Section 3- Schedule of Federal Award Findings and Questioned Costs	173
	Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	174
	Officials in Office and Surety Bonds	176
	APPRECIATION	177

TOWN OF HAMMONTON

PART 1

REPORT OF AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2011

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, 2011 and 2010, 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, 2011. 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, 2011 and 2010, 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, 2011 and 2010, 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, 2011 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 June 13, 2012 on our consideration of the Town of Hammonton, in the County of Atlantic, State of New Jersey's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 considered 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's basic financial statements as a whole. The supplemental 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, and are not a required part of the 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 also not a required part of the financial statements. The supplementary financial statements presented for the various funds and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information 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
June 13, 2012

**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, 2011, and have issued our report thereon dated June 13, 2012, 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

Management of the Town of Hammonton is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Town'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 or other matters 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.: 2011-1 and 2011-2.

The Town of Hammonton's response 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 response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management of the Town, others within 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
June 13, 2012

TOWN OF HAMMONTON

Current Fund

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

For the Years Ended December 31, 2011 and 2010

<u>ASSETS</u>	<u>REFERENCE</u>	<u>2011</u>	<u>2010</u>
Current Fund:			
Cash -- Tax Collector - Treasurer	SA-1	\$ 2,833,101.71	\$ 3,669,781.50
Cash -- Change Fund	SA-2	585.00	585.00
Due From State of New Jersey -- Senior Citizens' and Veterans Deductions	SA-11	13,399.56	12,914.54
Due From County Open Space Trust Fund	A	28,000.00	28,000.00
		<u>2,875,086.27</u>	<u>3,711,281.04</u>
Total			
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-3	22,228.27	25,525.72
Tax Title Liens Receivable	SA-4	470,733.53	433,013.76
Property Acquired for Taxes - Assessed Valuation	SA-5	507,900.00	422,900.00
Revenue Accounts Receivable	SA-6	66,626.33	70,931.78
Due from Animal Control Fund	SB-3	792.79	1,657.26
		<u>1,068,280.92</u>	<u>954,028.52</u>
		<u>3,943,367.19</u>	<u>4,665,309.56</u>
Federal and State Grant Fund:			
Cash	SA-1	9,615.59	10,604.35
Due from Current Fund	SA-1	24,884.89	93,768.22
Due from General Capital Fund	SA-16	30,822.00	101,879.12
Federal and State Grants Receivable	SA-16	96,928.98	101,879.12
		<u>162,251.46</u>	<u>206,251.69</u>
		<u>\$ 4,105,618.65</u>	<u>\$ 4,871,561.25</u>

(Continued)

TOWN OF HAMMONTON

Current Fund

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

For the Years Ended December 31, 2011 and 2010

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REFERENCE</u>	<u>2011</u>	<u>2010</u>
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3 & SA-7	\$ 147,658.98	\$ 155,534.25
Reserve for Encumbrances	SA-8	137,853.76	184,989.37
Reserve for County Open Space Trust Fund	A	28,000.00	28,000.00
Prepaid Taxes	SA-9	443,590.66	402,092.87
Tax Overpayments	SA-10	20,415.29	249.64
Due State of New Jersey -- Vital Statistics	SA-12	375.00	600.00
Local School Tax Payable	SA-13	0.26	0.28
Due County for Added and Omitted Taxes	SA-14	121,462.98	
Reserve for Garden State Preservation Trust Fund	A-2 & SA-1	34,637.00	34,637.00
Due to Federal and State Grant Fund	SA-1	24,884.89	93,768.22
Due to Trust - Other Funds	SB-5	107,624.50	109,883.75
		<u>1,066,503.32</u>	<u>1,009,755.38</u>
Reserve for Receivables and Other Assets	A	1,068,280.92	954,028.52
Fund Balance	A-1	<u>1,808,582.95</u>	<u>2,701,525.66</u>
		<u>3,943,367.19</u>	<u>4,665,309.56</u>
Federal and State Grant Fund:			
Reserve for Federal and State Grants:			
Unappropriated Reserves	SA-17	68,347.36	60,199.16
Appropriated Reserves	SA-18	83,335.15	123,961.58
Reserve for Encumbrances	SA-19	10,568.95	22,090.95
		<u>162,251.46</u>	<u>206,251.69</u>
Total Federal and State Grant Fund		<u>\$ 4,105,618.65</u>	<u>\$ 4,871,561.25</u>

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

TOWN OF HAMMONTON
Current Fund
Statements of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Excess in Revenue and Statutory Excess to Fund Balance	\$ 1,573,957.29	\$ 1,070,601.08
Fund Balance January 1	<u>2,701,525.66</u>	<u>3,801,924.58</u>
Total	4,275,482.95	4,872,525.66
Decreased by:		
Utilized as Revenue	<u>2,466,900.00</u>	<u>2,171,000.00</u>
Balance December 31	<u><u>\$ 1,808,582.95</u></u>	<u><u>\$ 2,701,525.66</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, 2011

	<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	\$ 2,466,900.00	-	\$ 2,466,900.00	-
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	13,536.00		12,960.00	\$ (576.00)
Other	4,333.00		5,393.00	1,060.00
Fines and Costs - Municipal Court	279,920.23		336,764.33	56,844.10
Interest and Costs on Taxes	115,151.76		161,022.79	45,871.03
Interest on Investments and Deposits	63,868.72		33,223.78	(30,644.94)
Board of Health Fees	18,133.00		24,458.00	6,325.00
Tax Search Fees	250.00		487.20	237.20
Airport Rental	31,726.75		62,774.01	31,047.26
Consolidated Municipal Property Tax Relief Act	178,979.00		178,979.00	
Energy Receipts Tax	1,059,098.00		1,059,098.00	
Garden State Trust Fund	34,637.00		34,637.00	
Uniform Construction Code Fees	136,090.00		106,417.00	(29,673.00)
Public and Private Revenues Offset with Appropriations:				
Clean Communities		\$ 28,224.58	28,224.58	
Municipal Alliance on Alcoholism and Drug Abuse	16,345.00		16,345.00	
Over The Limit Under Arrest		4,400.00	4,400.00	
Recycling Tonnage Grant	58,087.69		58,087.69	
Alcohol Education & Rehabilitation	2,111.47		2,111.47	
Business Stimulus Grant	7,000.00		7,000.00	
U.S. Housing & Urban Development Grant	250,000.00		250,000.00	
College of N.J. - Academic Grant	7,000.00		7,000.00	
College of N.J. - Downtown Form-Based Code Grant		28,000.00	28,000.00	
Other Special Items:				
Uniform Fire Safety Act	35,103.51		41,402.70	6,299.19
Cable TV Franchise Fee	45,719.89		45,719.89	
Plymouth Place -- Payment In-Lieu of Taxes	101,950.00		98,100.00	(3,850.00)
Water Utility Management Fee	84,952.93		84,952.93	
Sewer Utility Management Fee	171,574.47		120,858.52	(50,715.95)
Interlocal Agreement - School Police	150,000.00		150,000.00	
Water Utility Capital Fund Balance	558,000.00		558,000.00	
Total	3,423,568.42	60,624.58	3,516,416.89	32,223.89
Receipts from Delinquent Taxes	12,200.00	-	50,925.36	38,725.36
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes	6,544,593.31	-	7,830,027.42	1,285,434.11
Budget Totals	12,447,261.73	60,624.58	13,864,269.67	1,356,383.36
Non-Budget Revenues	-	-	199,897.49	199,897.49
Total	\$ 12,447,261.73	\$ 60,624.58	\$ 14,064,167.16	\$ 1,556,280.85

(Continued)

TOWN OF HAMMONTON
Current Fund
Statement of Revenues - Regulatory Basis (Cont'd)
For the Year Ended December 31, 2011

Analysis of Realized Revenue

Allocation of Current Tax Collections:

Revenue from Collections \$ 29,971,641.08

Allocated to:

County Taxes	\$ 4,727,367.97	
County Library Taxes	468,702.27	
County Health Taxes	287,794.33	
County Open Space Taxes	76,960.69	
Due County for Added & Omitted	121,462.98	
School Taxes	17,325,426.00	
		23,007,714.24

Sub-Total 6,963,926.84

Add Appropriation - Reserve for Uncollected Taxes 866,100.58

Amount for Support of Municipal Budget Appropriations \$ 7,830,027.42

Receipts from Delinquent Taxes:

Delinquent Tax Collections		\$ 11,360.01
Tax Title Lien Collections		39,565.35
		\$ 50,925.36

Licenses -- Other:

Raffle/Bingo		\$ 700.00
Marriage		328.00
Business License		4,365.00
		\$ 5,393.00

Interest on Investments:

Treasurer -- Tax Collector		\$ 33,162.64
Due from Animal Control Fund		61.14
		\$ 33,223.78

(Continued)

TOWN OF HAMMONTON
Current Fund
 Statement of Revenues - Regulatory Basis (Cont'd)
 For the Year Ended December 31, 2011

Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated:

Revenue Accounts Receivable:

Police Department	\$ 4,593.95
Use of Police Vehicle Fees	14,147.50
Town Clerk:	
Street Opening Permits	2,930.00
Tree Removal Permits	150.00
Municipal Court - Restitution	
Municipal Court - Old Outstanding Checks Cancelled	
Business Registration Certificates	21,500.00
Landlord Registration Fees	12,200.00
Lien Recording Fees	128.00
Freon Fees and Permits	150.00
Fire Inspection Fees	10,734.00
Rental of Polling Places	250.00
Planning Board	8,100.00
Zoning Board	10.00
Tax Assessor	240.00

75,133.45

Less: Refund of Street Opening Permits

(200.00)

\$ 74,933.45

Tax Collector - Treasurer:

State of New Jersey -- Administrative Reimbursement	3,847.30
Motor Vehicle Inspection Fines	3,440.00
JIF Safety Award	1,600.00
Photocopies	177.19
DVD Copies	120.00
Recreation Insurance	7,780.00
Prior Year Refunds	34,380.33
Telephone Rental	46,439.10
Sale of Scrap Metal	10,222.85
Escrow Forfeitures	13,033.00
Unclaimed Property	2,031.42
Sale of Equipment	740.00
Bid Specification Fees	180.00
Lot Grading Application Fee	120.00

124,111.19

Statutory Excess in Reserve for Animal Control Fund Expenditures

852.85

\$ 199,897.49

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, 2011

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance</u> <u>Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserve for Encumbrances</u>	
GENERAL APPROPRIATIONS:					
<i>Operations Within "CAPS":</i>					
GENERAL GOVERNMENT					
Administrative and Executive					
Salaries and Wages	\$ 182,693.74	\$ 180,228.62	\$ 177,381.04	\$	2,847.58
Other Expenses	42,133.00	42,133.00	41,197.33	935.67	
Elections					
Other Expenses	6,000.00	6,000.00	5,471.66		528.34
Financial Administration					
Salaries and Wages	80,600.00	80,600.00	80,499.56		100.44
Other Expenses	29,061.00	29,061.00	27,516.69	1,409.00	135.31
Annual Audit	6,500.00	6,500.00	6,500.00		
Assessment of Taxes					
Salaries and Wages	92,000.00	92,313.61	92,196.73		116.88
Other Expenses	7,200.00	7,200.00	3,341.21	3,108.99	749.80
Collection of Taxes					
Salaries and Wages	131,572.00	132,281.61	132,131.81		149.80
Other Expenses	6,200.00	7,030.56	4,682.93	1,577.13	770.50
Legal Services and Costs:					
Other Expenses	110,000.00	125,800.00	122,161.40	3,076.41	562.19
Engineering Services and Costs					
Other Expenses	13,500.00	28,500.00	20,149.91	5,379.75	2,970.34
Public Buildings and Grounds					
Salaries and Wages	10,000.00	10,000.00	9,181.92		818.08
Other Expenses	36,000.00	37,000.00	30,181.99	6,787.57	30.44
Natural Gas	45,000.00	45,000.00	36,363.75	2,323.57	6,312.68
Electricity	140,000.00	140,000.00	119,042.21	259.07	20,698.72
Telephone	52,000.00	56,000.00	53,628.36		2,371.64
Gasoline	150,000.00	164,000.00	147,856.11	123.00	16,020.89
Municipal Land Use Law (N.J.S.A. 40:55D-1)					
Planning Board:					
Salaries and Wages	40,660.00	40,679.70	39,777.78		901.92
Other Expenses	7,800.00	7,800.00	7,545.61		254.39

(Continued)

TOWN OF HAMMONTON
Current Fund

Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2011

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance</u> <u>Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserve for Encumbrances</u>	
GENERAL APPROPRIATIONS:					
<i>Operations Within "CAPS" (Cont'd):</i>					
GENERAL GOVERNMENT (Cont'd)					
Board of Adjustments					
Other Expenses	\$ 4,300.00	\$ 4,300.00	\$ 4,300.00		
Historical Society:					
Salaries and Wages	1,200.00	1,200.00	1,200.00		
Environmental Commission (N.J.S. 40:56A-1 et seq.)					
Salaries and Wages	1,200.00	1,200.00	1,200.00		
Other Expenses	190.00	190.00	190.00		
Computer					
Salaries and Wages	53,180.00	53,180.00	53,180.00		
Other Expenses	53,000.00	53,000.00	35,438.79	\$ 2,791.56	\$ 14,769.65
Insurance					
Group Insurance Plan for Employees	1,310,379.64	1,310,440.94	1,310,306.69		134.25
Health Benefit Waivers	4,100.00	5,100.00	5,100.00		
Workers Compensation Insurance	393,830.00	393,830.00	393,830.00		
Liability Insurance	18,676.07	18,876.07	18,876.07		
Temporary Disability Insurance	16,000.00	10,795.43	7,657.04		3,138.39
PUBLIC SAFETY					
Fire					
Other Expenses	81,500.00	81,500.00	69,166.26	10,886.00	1,447.74
State Fire Prevention Code					
Salaries and Wages	27,750.00	27,750.00	26,867.34		882.66
Other Expenses	5,000.00	5,000.00	4,898.11	95.45	6.44
Police					
Salaries and Wages	2,580,942.04	2,535,467.38	2,526,415.68		9,051.70
Other Expenses	215,000.00	214,169.44	179,731.93	31,395.29	3,042.22
Police Radio and Communications					
Salaries and Wages	259,425.00	252,525.70	250,717.48		1,808.22
Other Expenses	6,000.00	6,000.00	5,190.30	754.09	55.61

(Continued)

TOWN OF HAMMONTON
Current Fund

Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2011

	<u>Appropriations</u>			<u>Expend</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserve for Encumbrances</u>	<u>Reserved</u>		
GENERAL APPROPRIATIONS:							
<i>Operations Within "CAPS" (Cont'd):</i>							
<u>PUBLIC SAFETY (Cont'd)</u>							
Municipal Court:							
Salaries and Wages	\$ 186,600.00	\$ 186,738.00	\$ 186,738.00				
Other Expenses	5,500.00	5,500.00	5,447.02		\$ 52.98		
Prosecutor:							
Salaries and Wages	22,000.00	24,204.57	22,840.93	\$ 681.82		681.82	
<u>STREETS AND ROADS</u>							
Streets and Roads							
Salaries and Wages	709,470.00	709,470.00	705,756.35		3,713.65		
Other Expenses	580,000.00	605,000.00	561,197.53	40,830.08		2,972.39	
Street Lighting							
Other Expenses	308,000.00	308,000.00	271,535.51		36,464.49		
<u>HEALTH AND WELFARE</u>							
Dog Regulation							
Other Expenses	7,400.00	7,400.00	7,400.00				
Registrar of Vital Statistics							
Other Expenses	500.00	500.00	312.50	62.50		125.00	
<u>RECREATION AND EDUCATION</u>							
Parks Commission:							
Salaries and Wages	1,200.00	1,200.00	1,200.00				
Recreation							
Salaries and Wages	14,000.00	14,000.00	10,717.98		3,282.02		
Other Expenses	19,179.00	19,179.00	16,302.01	2,034.71		842.28	
Celebration of Public Events, Anniversaries and Holidays	1,500.00	1,500.00	1,500.00				
<u>CODE ENFORCEMENT</u>							
Property Maintenance Officer							
Salaries and Wages	12,300.00	12,300.00	12,300.00				
Other Expenses	400.00	400.00	298.18	99.96		1.86	

(Continued)

TOWN OF HAMMONTON
Current Fund

Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2011

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserve for Encumbrances</u>	
GENERAL APPROPRIATIONS:					
<i>Operations Within "CAPS" (Cont'd):</i>					
CODE ENFORCEMENT (Cont'd)					
Construction Code Official	\$ 132,550.00	\$ 132,786.39	\$ 132,352.06	\$ 434.33	
Salaries and Wages	2,400.00	2,400.00	1,070.63	604.00	725.37
Other Expenses					
UNCLASSIFIED					
Advertising					
Other Expenses	40,300.00	40,300.00	40,300.00		
Municipal Airport					
Salaries and Wages	3,000.00	3,000.00	3,000.00		
Other Expenses	3,000.00	3,000.00	2,776.80	223.20	
Total Operations Including Contingent - Within "CAPS"	8,269,891.49	8,289,531.02	8,034,119.19	115,215.62	\$ -
Detail:					
Salaries and Wages	4,542,342.78	4,491,125.58	4,465,654.66	681.82	24,789.10
Other Expenses	3,727,548.71	3,798,405.44	3,568,464.53	114,533.80	115,407.11
GENERAL APPROPRIATIONS:					
<i>Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS":</i>					
STATUTORY EXPENDITURES:					
Contribution to:					
Defined Contribution Retirement Plan	1,100.00	1,460.47	1,451.11		9.36
Public Employees Retirement System of N.J.	262,553.25	262,553.25	262,553.25		
Police and Firemen's Retirement System of N.J.	753,174.00	753,174.00	753,174.00		
Social Security System (O.A.S.I.)	220,000.00	200,000.00	193,155.95		6,844.05
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	1,236,827.25	1,217,187.72	1,210,334.31	-	6,853.41
Total General Appropriations - For Municipal Purposes Within "CAPS"	9,506,718.74	9,506,718.74	9,244,453.50	115,215.62	147,049.62

(Continued)

TOWN OF HAMMONTON
Current Fund

Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2011

	A P P R O P R I A T I O N S		E x p e n d e d			Unexpended Balance <u>Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserve for Encumbrances</u>	<u>Reserved</u>	
	\$	\$	\$	\$	\$	
GENERAL APPROPRIATIONS:						
<i>Operations Excluded from "CAPS":</i>						
Recycling Tax		16,500.00	15,890.64		609.36	
Health Benefit CAP Exection:						
Group Insurance Plan for Employees	69,924.00	69,924.00	69,924.00			
Public and Private Programs Offset By Revenues:						
Atlantic County Municipal Alliance Grant	20,431.25	20,431.25	20,431.25			
Clean Communities Program (NJSA 40A:4-87, \$28,224.58)	28,224.58	28,224.58	28,224.58			
Business Stimulus Grant	7,000.00	7,000.00	7,000.00			
U.S. Housing & Urban Development Grant	250,000.00	250,000.00	250,000.00			
Recycling Tonnage Grant	58,087.69	58,087.69	58,087.69			
Alcohol Education & Rehabilitation	2,111.47	2,111.47	2,111.47			
Over The Limit Under Arrest (NJSA 40A:4-87, \$4,400.00)		4,400.00	4,400.00			
College of N.J. - Academic Grant	7,000.00	7,000.00	7,000.00			
College of N.J. - Downtown Form-Based						
Code Grant (NJSA 40A:4-87, \$28,000.00)		28,000.00	28,000.00			
Total Operations - Excluded From "CAPS"	431,054.41	491,678.99	491,069.63	-	609.36	-
Detail:						
Salaries and Wages		4,400.00	4,400.00			
Other Expenses	431,054.41	487,278.99	486,669.63		609.36	
<i>Capital Improvements--Excluded from "CAPS"</i>						
Capital Improvement Fund	15,000.00	15,000.00	15,000.00			

TOWN OF HAMMONTON
Current Fund

Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2011

	A P P R O P R I A T I O N S		E x p e n d e d			Unexpended Balance <u>Canceled</u>
	Budget	Budget After Modification	Paid or Charged	Reserve for Encumbrances	Reserved	
GENERAL APPROPRIATIONS:						
<i>Municipal Debt Service - Excluded from "CAPS"</i>						
Payment of Bond & Loan Principal	\$ 898,388.00	\$ 898,388.00	\$ 898,388.00			\$ 1,625.00
Interest on Bonds	720,000.00	720,000.00	718,375.00			672.52
Green Trust Loan Program --Principal and Interest	10,000.00	10,000.00	9,327.48			
Total Municipal Debt Service - Excluded from "CAPS"	<u>1,628,388.00</u>	<u>1,628,388.00</u>	<u>1,626,090.48</u>	<u>-</u>	<u>-</u>	<u>2,297.52</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>2,074,442.41</u>	<u>2,135,066.99</u>	<u>2,132,160.11</u>	<u>\$ 609.36</u>	<u>\$ 609.36</u>	<u>2,297.52</u>
Subtotal General Appropriations	11,581,161.15	11,641,785.73	11,376,613.61	\$ 115,215.62	147,658.98	2,297.52
Reserve for Uncollected Taxes	866,100.58	866,100.58	866,100.58			
TOTAL GENERAL APPROPRIATIONS	<u>\$ 12,447,261.73</u>	<u>\$ 12,507,886.31</u>	<u>\$ 12,242,714.19</u>	<u>\$ 115,215.62</u>	<u>\$ 147,658.98</u>	<u>\$ 2,297.52</u>
Appropriation by N.J.S.A. 40A:4-87	\$ 60,624.58					
Original Budget	<u>12,447,261.73</u>					
	\$ 12,507,886.31					
Reserve for Federal and State Grants -- Appropriated			\$ 405,254.99			
Reserve for Uncollected Taxes			866,100.58			
Disbursed			<u>10,971,358.62</u>			
			<u>\$ 12,242,714.19</u>			

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

TOWN OF HAMMONTON
Trust Fund
Statements of Assets, Liabilities and Reserves - Regulatory Basis
As of December 31, 2011 and 2010

<u>ASSETS</u>	<u>REFERENCE</u>	<u>2011</u>	<u>2010</u>
Animal Control Fund:			
Cash	SB-1	\$ 3,642.39	\$ 4,435.06
Other Funds:			
Cash	SB-1	1,193,286.36	791,294.73
Investments -- U.S. Government Securities	SB-2	345,056.37	336,796.65
Due from Current Fund	SB-5	107,624.50	109,883.75
Total Other Funds		<u>1,645,967.23</u>	<u>1,237,975.13</u>
Total		<u>\$ 1,649,609.62</u>	<u>\$ 1,242,410.19</u>
 <u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due to Current Fund	SB-3	\$ 792.79	\$ 1,657.26
Reserve for Encumbrances	SB-4	250.00	
Reserve for Animal Control Fund Expenditures	SB-4	2,599.60	2,777.80
Total Animal Control Fund		<u>3,642.39</u>	<u>4,435.06</u>
Other Funds:			
Due to VCCB - Criminal Disposition	SB-6	17,926.14	17,691.03
Reserve for Prosecutor's Trust Fund	SB-7	7,025.27	6,082.46
Reserve for Recreation Fees	SB-8	13,989.96	11,496.47
Reserve for Street Opening Escrow Deposits	SB-9	25,093.00	28,750.00
Reserve for Escrow Deposits	SB-10	184,327.70	238,340.98
Reserve for Public Defender Trust Fund	SB-11	15,367.89	13,474.21
Reserve for Parking Offense Adjudication Act	SB-12	1,837.33	1,763.33
Reserve for Municipal Drug Alliance Funds	SB-13	3,421.99	3,956.35
Reserve for Airport Security Deposit	SB-14	3,864.29	3,817.66
Reserve for Police Outside Detail	SB-15	103,390.00	110,515.00
Reserve for Encumbrances	SB-15	4,234.50	
Reserve for Tax Title Lien Redemption	SB-16	56,429.16	12,513.42
Reserve for Tax Sale Premium	SB-17	424,000.00	27,800.00
Payroll Deductions Payable	SB-18	825.24	1,200.10
Park Recreation Trust Fund	SB-19	46,434.51	5,898.84
Recaptured Grant Funds	SB-20	43,182.88	35,415.38
Uniform Fire Penalties Rider	SB-21	626.52	618.96
State Landfill Tax Escrow Fund	SB-22	168,414.08	166,370.05
State Landfill Closure -- Escrow Fund	SB-23	345,056.37	336,796.65
Reserve for Celebration of Public Events	SB-24	2,350.84	2,322.47
Reserve for COAH Fees	SB-25	163,007.53	199,719.03
Reserve for Police Equipment Donations	SB-26	15,162.03	13,432.74
Total Other Funds		<u>1,645,967.23</u>	<u>1,237,975.13</u>
Total		<u>\$ 1,649,609.62</u>	<u>\$ 1,242,410.19</u>

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

TOWN OF HAMMONTON

General Capital Fund

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

As of December 31, 2011 and 2010

	<u>REFERENCE</u>	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>			
Cash	SC-1 & SC-2	\$ 12,710.77	\$ 181,309.65
Federal Grants Receivable	SC-4	1,564,625.51	1,416,815.51
State Grants Receivable	SC-5	8,000.00	8,000.00
County and Local Grants Receivable	SC-6	215,086.62	246,587.12
Deferred Charges to Future Taxation:			
Funded	SC-7	16,602,710.25	17,508,263.86
Unfunded	SC-8	1,194,310.00	144,310.00
Total Assets		<u>\$ 19,597,443.15</u>	<u>\$ 19,505,286.14</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds	SC-14	\$ 16,500,000.00	\$ 17,330,000.00
NJDEP Loan Payable	SC-13		68,388.00
Green Acres Trust Fund Loan Payable	SC-12	102,710.25	109,875.86
Improvement Authorizations:			
Funded	SC-9	878,416.35	1,110,261.85
Unfunded	SC-9	1,063,481.00	6,201.00
Contracts Payable	SC-10	991,950.42	865,496.30
Capital Improvement Fund	SC-11	30,063.13	15,063.13
Due to Federal & State Grant Fund	SC-1 & SC-2	30,822.00	
Total Liabilities, Reserves and Fund Balance		<u>\$ 19,597,443.15</u>	<u>\$ 19,505,286.14</u>

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

TOWN OF HAMMONTON

Water Utility Fund

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

As of December 31, 2011 and 2010

<u>ASSETS</u>	<u>REFERENCE</u>	<u>2011</u>	<u>2010</u>
Operating Fund:			
Cash	SD-1	948,665.65	1,424,437.07
Due from Water Utility Capital Fund	SD-17	250,000.00	
		<u>1,198,665.65</u>	<u>1,424,437.07</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	SD-3	2,713.38	1,595.53
Water Utility Liens	SD-4	2,333.19	2,033.43
		<u>5,046.57</u>	<u>3,628.96</u>
Total Regular Fund			
		<u>5,046.57</u>	<u>3,628.96</u>
Deferred Charges:			
Operating Deficit	D-1&D-6	-	176,956.23
		<u>-</u>	<u>176,956.23</u>
Total Operating Fund			
		<u>1,203,712.22</u>	<u>1,605,022.26</u>
Assessment Trust Fund:			
Assessments Receivable	SD-5	2,796.29	4,206.18
Assessment Liens Receivable	SD-13		2,928.58
Due from Water Utility Operating Fund	SD-6	340,735.42	354,925.53
		<u>343,531.71</u>	<u>362,060.29</u>
Total Assessment Trust Fund			
		<u>343,531.71</u>	<u>362,060.29</u>
Capital Fund:			
Cash	SD-1&SD-2	1,066,258.86	1,531,051.68
Fixed Capital	SD-7	13,526,163.69	7,287,212.94
Fixed Capital Authorized and Uncompleted	SD-8	7,663,445.78	9,302,396.53
Federal Grants Receivable	SD-9	918,470.00	918,470.00
Federal Loan Receivable	SD-9		460,600.00
		<u>23,174,338.33</u>	<u>19,499,731.15</u>
Total Capital Fund			
		<u>23,174,338.33</u>	<u>19,499,731.15</u>
Total Assets			
		<u>\$ 24,721,582.26</u>	<u>\$ 21,466,813.70</u>

(Continued)

TOWN OF HAMMONTON

Water Utility Fund

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

As of December 31, 2011 and 2010

	<u>REFERENCE</u>	<u>2011</u>	<u>2010</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves	D-6 & SD-10	\$ 39,560.77	\$ 31,818.04
Reserve for Encumbrances	D-6 & SD-10	34,901.06	70,099.59
Due to Water Assessment Trust Fund	SD-6	340,735.42	354,925.53
Reserve for Encumbrances - Rent Refunds	SD-1		169.11
Prepaid Water Rents	SD-11	10,377.53	16,992.43
Accrued Interest Payable	SD-12	84,677.76	83,502.52
Due to Sewer Utility Operating Fund	SD-1		11.92
		<u>510,252.54</u>	<u>557,519.14</u>
Total Liabilities			
Reserve for Receivables	D	5,046.57	3,628.96
Fund Balance	D-1	<u>688,413.11</u>	<u>1,043,874.16</u>
		<u>1,203,712.22</u>	<u>1,605,022.26</u>
Total Operating Fund			
Assessment Trust Fund:			
Serial Bonds	SD-14	106,000.00	121,600.00
Reserve for Assessments and Liens	SD-13	2,796.29	7,134.76
Fund Balance	D-2	<u>234,735.42</u>	<u>233,325.53</u>
		<u>343,531.71</u>	<u>362,060.29</u>
Total Assessment Trust Fund			

(Continued)

TOWN OF HAMMONTON

Water Utility Fund

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

As of December 31, 2011 and 2010

	<u>REFERENCE</u>	<u>2011</u>	<u>2010</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE (CONT'D)</u>			
Capital Fund:			
Serial Bonds	SD-22	\$ 4,647,000.00	\$ 5,017,400.00
USRD Loan Payable	SD-21	733,762.83	279,291.43
Improvement Authorizations:			
Funded	SD-15	1,578,813.94	1,602,855.69
Unfunded	SD-15	4,660,775.00	60,775.00
Contracts Payable	SD-16	102,868.02	446,219.09
Reserves for:			
Amortization	SD-18	9,101,446.64	8,488,640.84
Deferred Amortization	SD-20	1,698,470.00	2,395,347.20
Reserve for Payment of Bonds and Notes	SD-19	378,232.17	628,232.17
Capital Improvement Fund	D	22,969.73	22,969.73
Due to Water Utility Operating Fund	SD-17	250,000.00	
Fund Balance	D-3		558,000.00
		<u>23,174,338.33</u>	<u>19,499,731.15</u>
Total Capital Fund		<u>23,174,338.33</u>	<u>19,499,731.15</u>
		<u>\$ 24,721,582.26</u>	<u>\$ 21,466,813.70</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 24,721,582.26</u>	<u>\$ 21,466,813.70</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
 Statements Of Operations And Changes In Fund Balance - Regulatory Basis
 For the Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Revenue and Other Income Realized:		
Operating Fund Balance Utilized	\$ 442,000.00	\$ 325,000.00
Water Rents	1,097,895.30	998,991.30
Reserve for Payment of Bonds	250,000.00	
Water Utility Capital Fund Balance		3,057.76
Miscellaneous	88,558.09	155,371.57
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	53,550.83	29,996.30
Total Revenue and Other Income Realized	<u>1,932,004.22</u>	<u>1,512,416.93</u>
Expenditures:		
Operating	915,760.00	1,057,027.46
Capital Outlay	100,000.00	
Debt Service	596,632.40	574,928.70
Deferred Charges and Statutory Expenditures	233,072.87	57,417.00
Total Expenditures	<u>1,845,465.27</u>	<u>1,689,373.16</u>
Excess (Deficit) in Revenue and Statutory Excess to Fund Balance	86,538.95	
Operating Deficit to be Raised in Budget of Succeeding Year		<u><u>(176,956.23)</u></u>
Fund Balance January 1	<u>1,043,874.16</u>	<u>1,368,874.16</u>
	1,130,413.11	1,368,874.16
Decreased by:		
Utilization by Water Operating Budget	<u>442,000.00</u>	<u>325,000.00</u>
Fund Balance December 31	<u><u>\$ 688,413.11</u></u>	<u><u>\$ 1,043,874.16</u></u>

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

TOWN OF HAMMONTON
Water Utility Assessment Trust Fund
 Statements of Fund Balance - Regulatory Basis
 For the Year Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Balance January 1	\$ 233,325.53	\$ 231,711.32
Increased by:		
Collection of Unpledged Assessments	1,409.89	1,614.21
Balance December 31	\$ 234,735.42	\$ 233,325.53

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, 2011

Balance December 31, 2010	\$ 558,000.00
Decreased By:	
Anticipated as Revenue in 2011 Current Fund Budget--Due Current Fund	<u>\$ 558,000.00</u>

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

TOWN OF HAMMONTON
Water Utility Operating Fund
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2011

	<u>Budget</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Fund Balance Anticipated	\$ 442,000.00	\$ 442,000.00	
Rents	998,991.30	1,097,895.30	\$ 98,904.00
Reserve for Payment of Bonds	250,000.00	250,000.00	
Miscellaneous	155,371.57	88,558.09	(66,813.48)
	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 1,846,362.87</u>	<u>\$ 1,878,453.39</u>	<u>\$ 32,090.52</u>

Analysis of Realized Revenues

Rents:

Consumer Accounts Receivable:

Rents Collected	\$ 1,080,396.08
Prepaid Applied	16,992.43
Liens Collected	<u>506.79</u>

Total \$ 1,097,895.30

Miscellaneous:

Penalty on Delinquent Accounts	\$ 15,417.78
Interest on Investments	28,931.31
Meters	11,769.00
Taps	4,240.00
Hookup	27,000.00
Street Opening Fees	800.00
Road Restoration	200.00
Rental of Polling Place	150.00
Application Fees	<u>50.00</u>

\$ 88,558.09

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, 2011

	<u>Budget</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Assessment Cash	\$ 15,600.00	\$ 15,600.00	\$ -

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, 2011

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended Reserve For Encumbrances</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Operating:						
Salaries and Wages	\$ 271,032.16	\$ 271,132.16	\$ 271,100.78	\$	31.38	
Other Expenses	644,627.84	644,627.84	585,307.58	\$ 24,825.46	34,494.80	
Capital Outlay	100,000.00	100,000.00	89,924.40	10,075.60		
Debt Service:						
Payment of Bond/Loan Principal	376,530.00	376,530.00	376,528.60			\$ 1.40
Interest on Bonds & Loans	221,000.00	221,000.00	220,103.80			896.20
Deferred Charges and Statutory Expenditures:						
Deferred Charges:						
Operating Deficit	176,956.23	176,956.23	176,956.23			
Statutory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)	26,000.00	25,835.12	20,800.55		5,034.57	
New Jersey Disability Insurance	1,200.00	1,264.88	1,264.88			
PERS	29,016.64	29,016.64	29,016.62		0.02	
Total	\$ 1,846,362.87	\$ 1,846,362.87	\$ 1,771,003.44	\$ 34,901.06	\$ 39,560.77	\$ 897.60
Interest on Bonds			\$ 220,103.80			
Deferred Charges			176,956.23			
Disbursed			<u>1,373,943.41</u>			
			<u>\$ 1,771,003.44</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, 2011

	<u>Budget</u>	<u>Expended</u>	<u>Reserved</u>
Payment of Bond Principal	<u>\$ 15,600.00</u>	<u>\$ 15,600.00</u>	<u>\$ -</u>
		<u>\$ 15,600.00</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

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
As of December 31, 2011 and 2010

<u>ASSETS</u>	<u>REFERENCE</u>	<u>2011</u>	<u>2010</u>
Operating Fund:			
Cash	SE-1	\$ 2,072,360.96	\$ 2,744,915.58
Due from Water Utility Operating Fund	SE-1		11.92
Due from Sewer Utility Capital Fund	SE-3	55,000.00	
Small Cities Grant Receivable	E-1		73,620.62
		<u>2,127,360.96</u>	<u>2,818,548.12</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	SE-4	7,007.33	5,588.48
Sewer Utility Liens	SE-5	9,361.89	10,505.02
		<u>16,369.22</u>	<u>16,093.50</u>
Deferred Charges:			
Operating Deficit	E-1	-	191,563.95
		<u>2,143,730.18</u>	<u>3,026,205.57</u>
Total Operating Fund			
		<u>2,143,730.18</u>	<u>3,026,205.57</u>
Capital Fund:			
Cash	SE-1 & SE-2	151,974.57	36,240.28
Fixed Capital	SE-6	38,170,512.28	8,637,982.72
Fixed Capital Authorized and Uncompleted	SE-7	2,460,461.11	31,984,105.67
Federal Grants Receivable	SE-8	154,530.00	154,530.00
Federal Loans Receivable	SE-8		479,400.00
		<u>40,937,477.96</u>	<u>41,292,258.67</u>
Total Capital Fund		<u>40,937,477.96</u>	<u>41,292,258.67</u>
Total Assets		<u>\$ 43,081,208.14</u>	<u>\$ 44,318,464.24</u>

(Continued)

TOWN OF HAMMONTON
Sewer Utility Fund

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

As of December 31, 2011 and 2010

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REFERENCE</u>	<u>2011</u>	<u>2010</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	E-4 & SE-9	\$ 1,370.21	\$ 68,398.77
Reserve for Encumbrances	E-4 & SE-9	43,107.38	241,707.62
Reserve for Encumbrances - Rent Refunds	SE-1		62.20
Prepaid Rents	SE-10	13,883.22	20,503.21
Accrued Interest on Bonds, Loans and Notes	SE-11	240,724.62	242,884.22
Reserve for Small Cities Grant	E-1		72,608.10
		<hr/>	<hr/>
Total Liabilities		299,085.43	646,164.12
Reserve for Receivables	E	16,369.22	16,093.50
Fund Balance	E-1	1,828,275.53	2,363,947.95
		<hr/>	<hr/>
Total Operating Fund		2,143,730.18	3,026,205.57
Capital Fund:			
Serial Bonds	SE-21	11,215,000.00	11,753,000.00
USRD Loan Payable	SE-20	1,234,384.19	769,237.05
FmHA Loans Payable	SE-19	2,648,081.96	2,699,347.64
Wastewater Treatment Trust Loan Payable	SE-18	410,510.50	798,156.38
Improvement Authorizations:			
Funded	SE-12	156,643.32	225,184.67
Unfunded	SE-12	31,000.00	31,000.00
Contracts Payable	SE-13	29,484.54	315,723.90
Reserve for Payment of Bonds and Notes	SE-14	88,861.71	143,861.71
Reserve for Amortization	SE-16	25,008,111.74	21,350,317.32
Deferred Reserve for Amortization	SE-17	54,885.00	3,192,030.00
Due to Sewer Utility Operating Fund	SE-3	55,000.00	
Capital Improvement Fund	SE-15	5,515.00	14,400.00
		<hr/>	<hr/>
Total Capital Fund		40,937,477.96	41,292,258.67
		<hr/>	<hr/>
Total Liabilities, Reserves and Fund Balance		\$ 43,081,208.14	\$ 44,318,464.24
		<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
 Statements of Operations And Changes In Fund Balance - Regulatory Basis
 For the Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Revenue and Other Income Realized:		
Operating Fund Balance Utilized	\$ 620,000.00	\$ 430,000.00
Sewer Rents	2,565,508.70	2,530,608.36
Sewer Utility Capital Fund Balance		4,168.02
Reserve for Payment of Bonds	55,000.00	55,000.00
Miscellaneous	107,451.27	166,297.20
Other Credits to Income:		
Cancellation of Reserve for Small Cities Grant	72,608.10	
Unexpended Balance of Appropriation Reserves	107,372.11	49,784.81
	<u>3,527,940.18</u>	<u>3,235,858.39</u>
Total Revenue and Other Income Realized		
Expenditures:		
Operating	1,393,905.43	1,733,206.42
Debt Service	1,729,586.42	1,637,579.92
Deferred Charges and Statutory Expenditures	246,500.13	56,636.00
Cancellation of Small Cities Grant Receivable	73,620.62	
	<u>3,443,612.60</u>	<u>3,427,422.34</u>
Total Expenditures		
Excess (Deficit) in Revenue and Statutory Excess to Fund Balance	84,327.58	
Operating Deficit to be Raised in Budget of Succeeding Year		<u>(191,563.95)</u>
Fund Balance January 1	<u>2,363,947.95</u>	<u>2,793,947.95</u>
Total	2,448,275.53	2,793,947.95
Decreased by:		
Utilized by Sewer Operating Budget	<u>620,000.00</u>	<u>430,000.00</u>
Balance December 31	<u>\$ 1,828,275.53</u>	<u>\$ 2,363,947.95</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, 2011

	<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	\$ 304,470.00	\$ 304,970.00	\$ 304,970.00		
Other Expenses	1,088,935.43	1,088,935.43	1,065,109.70	\$ 23,755.38	\$ 70.35
Debt Service:					
Payment of Bond & Loan Principal	991,500.00	991,500.00	991,164.42		\$ 335.58
Interest on Bonds & Loans	740,000.00	740,000.00	738,422.00		1,578.00
Deferred Charges & Statutory Expenditures:					
Deferred Charges:					
Operating Deficit	191,563.95	191,563.95	191,563.95		
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	25,136.00	24,568.81	23,268.95		1,299.86
PERS	29,100.18	29,100.18	29,100.18		
N.J. Disability Insurance	1,200.00	1,267.19	1,267.19		
Total	\$ 3,371,905.56	\$ 3,371,905.56	\$ 3,344,866.39	\$ 23,755.38	\$ 1,370.21
Interest on Bonds			\$ 738,422.00		
Deferred Charges			191,563.95		
Disbursed			2,414,880.44		
			<u>\$ 3,344,866.39</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, 2011

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
General Fixed Assets:				
Land	\$ 3,080,100.00			\$ 3,080,100.00
Building	9,280,754.00			9,280,754.00
Equipment	<u>5,671,339.84</u>		<u>\$ 12,212.00</u>	<u>5,659,127.84</u>
Total General Fixed Assets	<u>\$18,032,193.84</u>	<u>\$ -</u>	<u>\$ 12,212.00</u>	<u>\$18,019,981.84</u>
 Total Investments in General Fixed Assets	 <u>\$18,032,193.84</u>	 <u>\$ -</u>	 <u>\$ 12,212.00</u>	 <u>\$18,019,981.84</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, 2011

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 2010 census is 14,791.

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

Component Units - The Town of Hammonton had no component units as defined by Governmental Accounting Standards Board Statement No. 14.

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, 2010 and decreased by the amount deferred at December 31, 2011.

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, 2011, the Town's bank balances of \$8,387,593.28 were exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 700,339.11
Uninsured and Collateralized with Securities Held by Pledging Financial Institutions	<u>7,437,254.17</u>
Total	<u><u>\$ 8,137,593.28</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 \$345,056.37 investments in United States treasury obligations, government obligations, FNMA's, federal farm credit banks and private corporations are held by the counterparty, not in the name of the Town.

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 United States treasury obligations, government obligations, FNMA's, federal farm credit banks and private corporations.

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

As of December 31, 2011, the Town had the following investments and maturities:

<u>Investment</u>	<u>Maturities</u>	<u>Moody's Credit Rating</u>	<u>Cost</u>	<u>Fair Value</u>
FNMA	11/27/2013	AAA	\$ 3,984.44	\$ 3,993.56
FNMA	9/20/2013	AAA	3,000.00	2,996.43
FNMA	11/3/2014	AAA	4,001.20	4,006.32
FNMA	7/26/2013	AAA	4,006.57	4,001.76
FNMA	2/25/2014	AAA	2,984.68	3,048.51
FNMA	9/21/2016	AAA	4,000.00	4,011.36
FNMA	4/15/2013	AAA	5,991.60	6,100.80
FNMA	8/25/2016	AAA	9,007.82	9,358.83
FNMA	9/27/2013	AAA	4,000.00	3,995.24
FNMA	12/18/2013	AAA	4,958.16	5,019.10
FNMA	12/19/2014	AAA	3,999.88	4,012.32
FNMA	9/2/2014	AAA	5,011.00	5,002.50
FNMA	1/27/2015	AAA	3,000.00	3,001.71
FNMA	5/7/2013	AAA	2,995.17	3,056.25
FNMA	10/15/2015	AAA	2,007.00	2,068.26
FNMA	3/15/2016	AAA	4,175.95	4,192.84
FNMA	5/1/2013	AA2	2,146.76	2,106.80
Federal Farm Credit Bks	6/25/2013	AAA	4,984.40	5,081.60
Federal Farm Credit Bks	11/16/2015	AAA	2,994.66	3,063.27
Federal Farm Credit Bks	2/21/2013	AAA	4,986.85	5,076.60
Federal Farm Credit Bks	12/7/2012	AAA	9,997.10	10,149.30
Federal Farm Credit Bks	1/17/2012	AAA	5,000.00	5,003.65
U.S. Treasury Bonds	2/15/2016	AAA	14,421.09	13,499.20
U.S. Treasury Bonds	8/15/2019	AAA	6,837.23	7,435.95
U.S. Treasury Bonds	11/15/18	AAA	2,983.91	3,024.54
U.S. Treasury Bonds	2/15/2020	AAA	5,634.69	6,152.20
U.S. Treasury Bonds	11/15/2015	AAA	2,772.58	2,711.88
U.S. Treasury Notes	12/31/2012	AAA	3,001.88	3,014.07
U.S. Treasury Notes	10/31/2016	AAA	3,011.84	3,029.07
U.S. Treasury Notes	12/15/2012	AAA	4,991.01	5,046.10
U.S. Treasury Notes	10/31/2015	AAA	4,863.75	5,128.15
U.S. Treasury Notes	1/13/2014	AAA	29,678.91	30,916.50
U.S. Treasury Notes	10/31/2017	AAA	2,996.95	3,136.65
U.S. Treasury Notes	11/15/2021	AAA	7,017.46	7,079.87
U.S. Treasury Notes	11/30/2013	AAA	1,951.95	2,066.02
U.S. Treasury Notes	2/29/2016	AAA	4,993.16	5,304.70
U.S. Treasury Notes	5/31/2014	AAA	5,029.10	5,230.85
U.S. Treasury Notes	8/31/2014	AAA	3,017.69	3,160.32
U.S. Treasury Notes	6/30/2014	AAA	4,994.92	5,284.40
U.S. Treasury Notes	8/15/2020	AAA	979.18	1,078.52
U.S. Treasury Notes	11/15/2020	AAA	4,662.78	5,382.80
U.S. Treasury Notes	5/15/2019	AAA	15,050.44	16,818.75
U.S. Treasury Notes	5/15/2021	AAA	21,425.81	23,447.76
U.S. Treasury Notes	3/31/2017	AAA	6,467.11	6,718.14
U.S. Treasury Notes	7/31/2016	AAA	2,106.88	2,223.90
U.S. Treasury Notes	11/15/2019	AAA	8,912.85	10,259.28
U.S. Treasury Notes	2/15/2018	AAA	7,848.63	7,980.56
U.S. Treasury Notes	5/15/2020	AAA	6,426.41	6,902.34
U.S. Treasury Notes	8/15/2019	AAA	6,082.81	6,949.20
Subtotal (Carried forward)			<u>\$ 285,394.26</u>	<u>\$ 297,328.73</u>

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

As of December 31, 2011, the Town had the following investments and maturities:

<u>Investment</u>	<u>Maturities</u>	<u>Moody's Credit Rating</u>	<u>Cost</u>	<u>Fair Value</u>
Subtotal (Brought forward)			\$ 285,394.26	\$ 297,328.73
U.S. Treasury Notes	2/15/2014	AAA	11,432.34	12,941.28
U.S. Treasury Notes	5/15/2015	AAA	13,419.72	14,583.40
U.S. Treasury Notes	8/15/2015	AAA	17,425.63	18,131.20
U.S. Treasury Notes	11/15/2014	AAA	2,148.05	2,220.62
U.S. Treasury Notes	5/15/2017	AAA	7,306.17	8,302.14
U.S. Treasury Notes	5/15/2020	AAA	2,894.06	3,131.72
Private Export Funding	7/15/2016	AAA	1,997.50	2,079.42
Private Export Funding	5/15/2015	AAA	2,265.52	2,246.88
U.S. Government Obligations	N/A	N/A	773.12	773.12
			<u>\$ 345,056.37</u>	<u>\$ 361,738.51</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>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Tax Rate	<u>\$3.463</u>	<u>\$3.365</u>	<u>\$3.358</u>	<u>\$3.317</u>	<u>\$3.307</u>
Apportionment of Tax Rate:					
Municipal	0.769	0.765	0.761	0.760	0.755
County	0.656	0.562	0.559	0.519	0.513
Local School District	2.038	2.038	2.038	2.038	2.039

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

2011	\$ 850,046,338.00
2010	850,313,680.00
2009	844,462,889.00
2008	835,232,116.00
2007	816,529,774.00

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

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.

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>
2011	\$ 30,065,921.15	\$ 29,971,641.08	99.69%	98.22%
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%

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>
2011	\$470,733.53	\$22,228.27	\$492,961.80	1.64%
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%

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>
2011	95
2010	75
2009	60
2008	57
2007	50

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>
2011	\$ 507,900.00
2010	422,900.00
2009	422,900.00
2008	422,900.00
2007	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>			
2011	\$1,595.53	\$2,033.43	\$1,099,242.53	\$1,102,871.49	\$1,097,895.30
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

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>			
2011	\$5,588.48	\$10,505.02	\$2,565,783.15	\$2,581,876.65	\$2,565,508.70
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

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>
<u>Current Fund</u>			
2011	\$ 1,808,582.95	\$ 1,710,000.00	94.55%
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%
<u>Water Utility Operating Fund</u>			
2011	\$ 688,413.11	(A)	(A)
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%
<u>Sewer Utility Operating Fund</u>			
2011	\$1,828,275.53	(A)	(A)
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%

(A) In 2012, the Town consolidated the Water and Sewer Utility funds into one Water/Sewer Utility fund. The 2012 Water/Sewer Utility operating budget anticipates utilization of fund balance in the amount of \$1,371,000.00.

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, 2011:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$ 792.79	\$ 132,509.39
Federal and State Grant Fund	55,706.89	
Animal Control Fund		792.79
Trust Other Funds	107,624.50	
General Capital Fund		30,822.00
Water Utility Assessment Trust Fund	340,735.42	
Water Utility Operating Fund	250,000.00	340,735.42
Water Utility Capital Fund		250,000.00
Sewer Utility Operating Fund	55,000.00	
Sewer Utility Capital Fund		55,000.00
	<u>\$ 809,859.60</u>	<u>\$ 809,859.60</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds and from amounts appropriated in one fund for transfer to another fund. During 2012, the Town expects to liquidate such interfunds, depending upon the availability of cash flow.

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, 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

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

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. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate will be increased to 6.5% plus an additional 1.0% phased-in over seven years beginning in the first year. The phase-in of the additional incremental member contribution amount will take place in July of each subsequent year. 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.

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>Paid by Town</u>
2011	\$ 137,554.54	\$ 183,115.51	\$ 320,670.05	\$ 320,670.05
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

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. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate will be increased to 10% in October, 2011. 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>Paid by Town</u>
2011	\$ 431,974.00	\$ 321,200.00	\$ 753,174.00	\$ 753,174.00
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

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 2011, 2010 and 2009 were \$1,835.08, \$868.45 and \$569.76, 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/.

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, 2011, 2010, and 2009, were \$317,722.14, \$260,572.20, and \$255,752.52, respectively, which equaled the required contributions for each year. There were approximately 28 retired participants eligible at December 31, 2011.

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, 2011 was \$17,869.17.

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, 2011, accrued benefits for compensated absences are valued at \$262,244.13. 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, 2011 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, 2011, 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.

	<u>Balance</u>	
	<u>Dec. 31, 2011</u>	<u>Dec. 31, 2010</u>
Vehicles	<u>\$ 30,462.60</u>	<u>\$ 80,961.79</u>

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	<u>\$ 30,462.60</u>	<u>\$ 433.02</u>	<u>\$ 30,895.62</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>
2012	\$ 13,801.56
2013	8,050.91

Rental payments under operating leases for the year 2011 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>2011</u>	<u>2010</u>
Balance of Tax	\$ 8,662,713.26	\$ 8,665,437.28
Deferred	<u>8,662,713.00</u>	<u>8,665,437.00</u>
Tax Payable	<u>\$ 0.26</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, 2011 and 2010 was \$19,852.31 and \$19,204.00, respectively.

Note 17: **CAPITAL DEBT**

<u>Summary of Debt</u>	<u>Year 2011</u>	<u>Year 2010</u>	<u>Year 2009</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 16,602,710.25	\$ 17,508,263.86	\$ 18,308,676.28
Water Utility:			
Bonds, Loans and Notes	5,380,762.83	5,296,691.43	5,653,335.76
Assessment Bonds	106,000.00	121,600.00	136,600.00
Sewer Utility:			
Bonds, Loans and Notes	<u>15,507,976.65</u>	<u>16,019,741.07</u>	<u>16,896,636.99</u>
Total Issued	<u>37,597,449.73</u>	<u>38,946,296.36</u>	<u>40,995,249.03</u>
<u>Authorized but not Issued</u>			
General:			
Bonds, Loans and Notes	1,194,310.00	144,310.00	143,410.00
Water Utility:			
Bonds, Loans and Notes	5,008,930.00	408,930.00	408,930.00
Sewer Utility:			
Bonds, Loans and Notes	<u>60,000.00</u>	<u>60,000.00</u>	<u>60,000.00</u>
Total Authorized but not Issued	<u>6,263,240.00</u>	<u>613,240.00</u>	<u>612,340.00</u>
Total Issued and Authorized but not Issued	<u>43,860,689.73</u>	<u>39,559,536.36</u>	<u>41,607,589.03</u>
Deductions:			
Self-liquidating Debt	<u>26,063,669.48</u>	<u>13,713,038.38</u>	<u>23,155,502.75</u>
Total Deductions	<u>26,063,669.48</u>	<u>13,713,038.38</u>	<u>23,155,502.75</u>
Net Debt	<u>\$ 17,797,020.25</u>	<u>\$ 25,846,497.98</u>	<u>\$ 18,452,086.28</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 1.21%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 33,219,341.00	\$ 33,219,341.00	
Water Utility	10,495,692.83	10,495,692.83	
Sewer Utility	15,567,976.65	15,567,976.65	
General	17,797,020.25		\$ 17,797,020.25
	<u>\$77,080,030.73</u>	<u>\$59,283,010.48</u>	<u>\$17,797,020.25</u>

Net Debt \$17,797,020.25 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$1,467,883,393.67 equals 1.21%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 51,375,918.78
Net Debt	17,797,020.25
Remaining Borrowing Power	\$ 33,578,898.53

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	\$ 1,878,453.39
Deductions:	
Operating and Maintenance Cost	\$ 971,876.64
Debt Service per Water Fund	596,632.40
Total Deductions	1,568,509.04
Deficit in Revenue	\$ 309,944.35

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	\$ 3,347,959.97
Deductions:	
Operating and Maintenance Cost	\$ 1,448,841.61
Debt Service per Sewer Fund	<u>1,729,586.42</u>
Total Deductions	<u>3,178,428.03</u>
Deficit in Revenue	<u><u>\$ 169,531.94</u></u>

<u>Year</u>	<u>Principal</u>	<u>General</u> <u>Interest</u>	<u>Total</u>
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	1,152,915.30	522,237.18	1,675,152.48
2017-21	6,817,027.83	1,702,798.31	8,519,826.14
2022-26	<u>4,557,635.15</u>	<u>292,977.31</u>	<u>4,850,612.46</u>
	<u><u>\$ 16,602,710.25</u></u>	<u><u>\$ 5,029,765.75</u></u>	<u><u>\$ 21,632,476.00</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>	
2012	\$ 405,552.80	\$ 213,656.79	\$ 619,209.59
2013	418,982.93	198,054.15	617,037.08
2014	465,379.40	181,188.93	646,568.33
2015	479,793.38	162,907.45	642,700.83
2016	505,174.89	143,738.45	648,913.34
2017-21	2,313,248.95	410,375.12	2,723,624.07
2022-26	342,295.47	146,858.69	489,154.16
2027-31	89,732.97	112,208.69	201,941.66
2032-36	111,350.18	90,591.48	201,941.66
2037-41	138,262.86	63,678.80	201,941.66
2042-46	119,165.99	33,226.35	152,392.34
2047-51	97,823.01	10,735.63	108,558.64
	<u>\$ 5,486,762.83</u>	<u>\$ 1,767,220.53</u>	<u>\$ 7,253,983.36</u>

<u>Year</u>	<u>Sewer Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2012	\$ 1,036,242.44	\$ 709,319.75	\$ 1,745,562.19
2013	998,994.28	586,455.95	1,585,450.23
2014	1,022,348.68	549,576.25	1,571,924.93
2015	1,055,855.18	511,013.50	1,566,868.68
2016	1,074,467.80	470,307.12	1,544,774.92
2017-21	5,183,609.18	1,711,752.95	6,895,362.13
2022-26	2,728,628.58	761,062.66	3,489,691.24
2027-31	753,463.71	464,154.63	1,217,618.34
2032-36	940,454.56	277,163.78	1,217,618.34
2037-41	504,022.26	86,673.26	590,695.52
2042-46	108,073.13	33,683.52	141,756.65
2047-51	101,816.85	11,173.82	112,990.67
	<u>\$ 15,507,976.65</u>	<u>\$ 6,172,337.19</u>	<u>\$ 21,680,313.84</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, 2011, which can be obtained from:

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

Note 19: **SUBSEQUENT EVENTS**

Authorized Debt - Subsequent to December 31, 2011, the Town of Hammonton introduced bond ordinances authorizing additional Bonds and Notes as follows:

<u>Purpose</u>	<u>Date</u>	<u>Amount</u>
General Capital Fund:		
Various Road and Drainage Improvements	3-12-12	\$ 28,500.00
Water/Sewer Utility Capital Fund:		
Refunding Bond Ordinance	2-27-12	430,000.00
Well 5/7 Facility Project	3-12-12	<u>2,100,000.00</u>
		<u><u>\$ 2,558,500.00</u></u>

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.

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

TOWN OF HAMMONTON
Current Fund
Schedule of Cash - Collector/Treasurer
For the Year Ended December 31, 2011

	<u>CURRENT FUND</u>	<u>FEDERAL AND STATE GRANT FUND</u>
Balance December 31, 2010	\$ 3,669,781.50	\$ 10,604.35
Increased by Receipts:		
Uniform Fire Safety Act	\$ 41,402.70	
Miscellaneous Revenue not Anticipated	124,111.19	
Taxes Receivable	29,388,058.04	
Tax Title Liens Receivable	39,565.35	
Revenue Accounts Receivable	2,556,280.76	
Prepaid Taxes	443,590.66	
Tax Overpayments	28,193.22	
Reserve for Garden State Preservation Trust Fund	34,637.00	
Due from State of New Jersey - Tax Deductions	192,365.16	
Due to State of New Jersey - Vital Statistics	1,800.00	
Due from Animal Control Fund	1,778.46	
Due from Trust -- Other Funds	108,386.75	
Due from Water Utility Capital Fund	558,000.00	
Federal and State Grants Receivable		\$ 374,897.54
Matching Funds for Grants		4,086.25
Due to Federal and State Grant Fund		61,915.86
	<hr/>	<hr/>
Total Receipts	33,518,169.29	440,899.65
	<hr/>	<hr/>
	37,187,950.79	451,504.00
Decreased by Disbursements:		
Refund of Street Opening Permits	200.00	
Refund of Prior Year Revenue	1,062.30	
2011 Appropriations	10,971,358.62	
2010 Appropriation Reserves	206,687.71	
Reserve for Encumbrances	27,980.26	
Tax Overpayments	79,911.80	
Due to State of New Jersey - Vital Statistics	2,025.00	
Local District School Taxes	17,328,150.02	
County Taxes Payable	5,560,825.26	
Due from Trust -- Other Funds	110,646.00	
Reserve for Federal and State Grants - Appropriated		419,798.06
Reserve for Encumbrances - Federal and State Grants		22,090.35
Matching Funds for Grants	4,086.25	
Due from Current Fund	61,915.86	
	<hr/>	<hr/>
Total Disbursements	34,354,849.08	441,888.41
	<hr/>	<hr/>
Balance December 31, 2011	\$ 2,833,101.71	\$ 9,615.59
	<hr/>	<hr/>

TOWN OF HAMMONTON
Current Fund
Schedule of Change Funds
For the Year Ended December 31, 2011

Analysis by Office

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

TOWN OF HAMMONTON

Current Fund

Schedule of Taxes Receivable and Analysis of Property Tax Levy
For the Year Ended December 31, 2011

Year	Balance December 31, 2010	2011 Levy	Added Taxes	2010 Collections	2011 Collections	Due From State Of New Jersey	Overpayments Applied	Canceled	Transferred To Tax Title Liens	Balance December 31, 2011
2009	\$ 7,375.03			\$	7,375.03					\$ 14,165.71
2010	18,150.69				3,984.98					
	25,525.72	-	-	-	11,360.01	-	-	-	-	14,165.71
2011		\$ 30,065,921.11	\$ 38,442.77	\$ 402,092.87	29,376,698.03	\$ 192,850.18		\$ 50,260.86	\$ 74,399.38	\$ 8,062.56
Total	\$ 25,525.72	\$ 30,065,921.11	\$ 38,442.77	\$ 402,092.87	\$ 29,388,058.04	\$ 192,850.18	\$ -	\$ 50,260.86	\$ 74,399.38	\$ 22,228.27

Analysis of 2011 Property Tax Levy

Tax Yield:

General Purpose Tax	\$ 29,424,571.42
Added Taxes (54:4-63.1 et seq.)	641,349.69
Total	\$ 30,065,921.11

Tax Levy:

Local District School Tax	\$ 17,325,426.00
County Tax	4,727,367.97
County Library Tax	468,702.27
County Health Services Tax	287,794.33
County Open Space Preservation	76,960.69
Due County for Added Taxes (54:4-63.1 et seq.)	121,462.98
	23,007,714.24
Local Tax for Municipal Purposes	6,544,593.31
Additional Tax Levies	513,613.56
Total	7,058,206.87
	\$ 30,065,921.11

TOWN OF HAMMONTON
Current Fund
 Schedule of Tax Title Liens
 For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 433,013.76
Increased by:		
Transfers from Taxes Receivable	\$ 74,399.38	
Tax Sale Interest and Costs	<u>2,885.74</u>	
		<u>77,285.12</u>
		510,298.88
Decreased by:		
Collections		<u>39,565.35</u>
Balance December 31, 2011		<u><u>\$ 470,733.53</u></u>

Current Fund
 Schedule of Property Acquired for Taxes - Assessed Valuation
 For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 422,900.00
Increased by:		
Disbursed in Prior Year	\$ 36,793.74	
Adjustment to Assessed Value	<u>48,206.26</u>	
		<u>85,000.00</u>
Balance December 31, 2011		<u><u>\$ 507,900.00</u></u>

TOWN OF HAMMONTON
Current Fund
Schedule of Revenue Accounts Receivable
For the Year Ended December 31, 2011

	Balance December 31, <u>2010</u>	Accrued <u>In 2011</u>	<u>Collected</u>	Balance December 31, <u>2011</u>
Clerk:				
Alcoholic Beverage Licenses		\$ 12,960.00	\$ 12,960.00	
Other Licenses		5,393.00	5,393.00	
Street Opening Permits		2,930.00	2,930.00	
Tree Removal Permits		150.00	150.00	
Business Registration Certificates		21,500.00	21,500.00	
Landlord Registration Fees		12,200.00	12,200.00	
Lien Recording Fees		128.00	128.00	
Freon Fees and Permits		150.00	150.00	
Fire Inspection Fees		10,734.00	10,734.00	
Rental of Polling Place		250.00	250.00	
Planning Board		8,100.00	8,100.00	
Zoning Board of Adjustment		10.00	10.00	
Tax Assessor		240.00	240.00	
Police Department		4,593.95	4,593.95	
Use of Police Vehicles		14,147.50	14,147.50	
Municipal Court:				
Fines and Costs	\$ 20,950.89	335,504.77	336,764.33	\$ 19,691.33
Interest and Costs on Taxes		161,022.79	161,022.79	
Board of Health Fees		24,458.00	24,458.00	
Tax Search Fees		487.20	487.20	
Airport Rental		62,774.01	62,774.01	
Uniform Construction Code Fees	4,261.00	102,156.00	106,417.00	
Cable TV Franchise Fee	45,719.89	46,935.00	45,719.89	46,935.00
Plymouth Place - Payment In-Lieu of Taxes		98,100.00	98,100.00	
Water Utility Management Fee		84,952.93	84,952.93	
Sewer Utility Management Fee		120,858.52	120,858.52	
Interlocal Agreement - School Police		150,000.00	150,000.00	
Consolidated Municipal Property Tax Relief Act		178,979.00	178,979.00	
Energy Receipts Tax		1,059,098.00	1,059,098.00	
Interest on Investments		33,162.64	33,162.64	
		<hr/>	<hr/>	
Total	<u>\$ 70,931.78</u>	<u>\$ 2,551,975.31</u>	<u>\$ 2,556,280.76</u>	<u>\$ 66,626.33</u>

TOWN OF HAMMONTON
Current Fund
Schedule of 2010 Appropriation Reserves
For the Year Ended December 31, 2011

	Balance		Balance	Paid or	Balance
	December 31, 2010				
	<u>Reserved</u>	<u>Encumbered</u>	<u>Transfers</u>	<u>Charged</u>	<u>Lapsed</u>
<u>WITHIN "CAPS"</u>					
Administrative and Executive					
Other Expenses	\$ 2,137.58	\$ 2,401.01	\$ 4,538.59	\$ 3,574.96	\$ 963.63
Financial Administration					
Salaries and Wages	0.44		0.44		0.44
Other Expenses	640.67	1,264.01	2,144.68	2,142.59	2.09
Assessment of Taxes					
Salaries and Wages	709.61		9.61		9.61
Other Expenses	1,879.17	4,418.86	6,298.03	2,644.01	3,654.02
Collection of Taxes					
Salaries and Wages	2,085.67		85.67		85.67
Other Expenses	338.19	44.00	382.19	44.00	338.19
Legal					
Salaries and Wages	0.04		0.04		0.04
Other Expenses	783.36	7,073.32	15,785.92	15,698.12	87.80
Engineering					
Other Expenses	461.25		461.25		461.25
Public Buildings and Grounds					
Salaries and Wages	210.00		210.00		210.00
Other Expenses	1,934.65	839.94	4,274.59	3,879.49	395.10
Natural Gas	12,509.59	5,023.88	17,533.47	8,861.95	8,671.52
Electricity	12.37	336.57	20,348.94	12,684.59	7,664.35
Telephone	491.48		5,491.48	2,759.25	2,732.23
Gasoline	10,409.84	13,000.76	23,410.60	21,747.33	1,663.27
Municipal Land Use Law					
Planning Board					
Salaries and Wages	1,092.00		852.00		852.00
Other Expenses	705.45		705.45		705.45
Board of Adjustment					
Other Expenses	261.05	77.94	338.99	77.94	261.05
Computer					
Other Expenses	10,895.17	5,088.20	15,983.37	5,189.68	10,793.69
Insurance					
Group Insurance Plan for Employees	14,186.30		5,506.32	1,071.68	4,434.64
Liability Insurance	1,638.42	208.89	1,847.31	208.89	1,638.42
Temporary Disability Insurance	2,064.99		2,064.99	1,827.79	237.20
Fire					
Other Expenses	13,613.99	15,122.96	28,736.95	27,418.51	1,318.44
State Fire Prevention Code					
Salaries and Wages	827.76		827.76		827.76
Other Expenses	897.13	1,607.42	2,504.55	1,073.66	1,430.89
Police					
Salaries and Wages	17,746.25		7,246.25	7,033.44	212.81
Other Expenses	1,178.00	32,448.09	33,626.09	30,470.33	3,155.76
Police Radio and Communications					
Salaries and Wages	1,329.24				
Other Expenses	1,340.92	1,110.97	2,451.89	1,066.08	1,385.81

(Continued)

TOWN OF HAMMONTON
Current Fund
Schedule of 2010 Appropriation Reserves
For the Year Ended December 31, 2011

	Balance		Balance	Paid or	Balance
	December 31, 2010				
	<u>Reserved</u>	<u>Encumbered</u>	<u>Transfers</u>		
<u>WITHIN "CAPS" (Cont'd)</u>					
Municipal Court					
Salaries and Wages	\$ 2,361.65		\$ 741.46	\$ 100.00	\$ 641.46
Other Expenses	1,843.14	\$ 441.00	864.12	560.00	304.12
Prosecutor					
Salaries and Wages	645.62		545.62		545.62
Streets and Roads					
Salaries and Wages	4,672.75		1,692.94	1,120.19	572.75
Other Expenses	367.56	34,553.12	34,920.68	34,171.91	748.77
Street Lighting					
Other Expenses	10,184.81	14,369.16	24,553.97	24,553.97	
Registrar of Vital Statistics					
Other Expenses	1,134.10		1,134.10		1,134.10
Parks Commission					
Other Expenses	675.00		675.00		675.00
Recreation					
Salaries and Wages	66.48		66.48		66.48
Other Expenses	287.29	1,123.79	1,411.08	713.79	697.29
Celebration of Public Events					
Other Expenses	1,000.00		1,000.00		1,000.00
Property Maintenance Officer					
Salaries and Wages	298.19		298.19	175.84	122.35
Other Expenses	47.54	127.99	175.53	127.99	47.54
Construction Code Official					
Salaries and Wages	1,519.82		19.82		19.82
Other Expenses	556.79	98.00	654.79	98.00	556.79
Advertising					
Other Expenses	3,698.00		98.00	90.00	8.00
Municipal Airport					
Other Expenses	3,029.50	85.50	3,115.00	293.83	2,821.17
Defined Contribution Retirement System	131.59		131.59	131.59	
Public Employees Retirement System of N.J.	11,473.82		11,473.82		11,473.82
Social Security System	6,524.80		6,524.80	2,162.17	4,362.63
Recycling Tax	2,635.22		2,635.22	1,190.94	1,444.28
	<u>\$ 155,534.25</u>	<u>\$ 140,865.38</u>	<u>\$ 296,399.63</u>	<u>\$ 214,964.51</u>	<u>\$ 81,435.12</u>
Grand Total					
				\$ 206,687.71	
Disbursed				8,276.80	
Reserve for Encumbrances				<u>\$ 214,964.51</u>	

TOWN OF HAMMONTON
Current Fund
Schedule of Reserve for Encumbrances
For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 184,989.37
Increased by:		
2011 Appropriations	\$ 115,215.62	
2010 Appropriation Reserves	8,276.80	
Tax Overpayments	<u>3,017.94</u>	
		<u>126,510.36</u>
		311,499.73
Decreased by:		
Payments	27,980.26	
Transferred to Appropriation Reserves	140,865.38	
Canceled	<u>4,800.33</u>	
		<u>173,645.97</u>
Balance December 31, 2011		<u><u>\$ 137,853.76</u></u>

TOWN OF HAMMONTON
Current Fund
 Schedule of Prepaid Taxes
 For the Year Ended December 31, 2011

Balance December 31, 2010 (2011 Taxes)		\$ 402,092.87
Increased by:		
Collection of 2012 Taxes		443,590.66
		845,683.53
Decreased by:		
Application to 2011 Taxes		402,092.87
Balance December 31, 2011 (2012 Taxes)		\$ 443,590.66

Current Fund
 Schedule of Tax Overpayments
 For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 249.64
Increased by:		
Prior Year Tax Appeals	\$ 74,902.17	
Overpayments in 2011	28,193.22	
		103,095.39
		103,345.03
Decreased by:		
Encumbered	3,017.94	
Refunded	79,911.80	
		82,929.74
Balance December 31, 2011		\$ 20,415.29

TOWN OF HAMMONTON

Current Fund

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

For the Year Ended December 31, 2011

Balance December 31, 2010		\$	12,914.54
Increased by:			
Deductions per Tax Billing	\$	193,000.00	
2011 Deductions Allowed by Tax Collector		2,750.00	
2011 Deductions Disallowed by Tax Collector		<u>(2,899.82)</u>	
			<u>192,850.18</u>
			205,764.72
Decreased by:			
Collections			<u>192,365.16</u>
Balance December 31, 2011		\$	<u><u>13,399.56</u></u>

Current Fund

Schedule of Due State of New Jersey -- Vital Statistics

For the Year Ended December 31, 2011

Balance December 31, 2010		\$	600.00
Increased by:			
Fees Collected			<u>1,800.00</u>
			2,400.00
Decreased by:			
Payments			<u>2,025.00</u>
Balance December 31, 2011		\$	<u><u>375.00</u></u>

TOWN OF HAMMONTON
Current Fund
 Schedule of Local District School Tax
 For the Year Ended December 31, 2011

<hr/>		
Balance December 31, 2010:		
School Tax Payable	\$ 0.28	
School Tax Deferred	<u>8,665,437.00</u>	
		\$ 8,665,437.28
Increased by:		
Levy - School Year July 1, 2011 to June 30, 2012		<u>17,325,426.00</u>
		25,990,863.28
Decreased by:		
Payments		<u>17,328,150.02</u>
Balance December 31, 2011:		
School Tax Payable	0.26	
School Tax Deferred	<u>8,662,713.00</u>	
		<u><u>\$ 8,662,713.26</u></u>
2011 Liability for Local School District Tax:		
School Tax Paid	\$ 17,328,150.02	
School Tax Payable - Dec. 31, 2011	<u>0.26</u>	
		\$ 17,328,150.28
Less:		
School Tax Payable - Dec. 31, 2010		<u>0.28</u>
Amount Charged to 2011 Operations		<u><u>\$ 17,328,150.00</u></u>

TOWN OF HAMMONTON
Current Fund
 Schedule of Due County for Added and Omitted Taxes
 For the Year Ended December 31, 2011

County Share of 2011 Added and Omitted Taxes	\$	121,462.98
Balance December 31, 2011	\$	<u>121,462.98</u>

Current Fund
 Schedule of County Taxes Payable
 For the Year Ended December 31, 2011

County Taxes	\$	4,727,367.97	
County Library Taxes		468,702.27	
County Health Service Taxes		287,794.33	
County Open Space Preservation		<u>76,960.69</u>	
	\$		5,560,825.26
Decreased by:			
Payments			<u>5,560,825.26</u>

TOWN OF HAMMONTON
Federal and State Grant Fund
Schedule of Federal and State Grants Receivable
For the Year Ended December 31, 2011

	Balance December 31, 2010	Accrued	Cancelled	Received	Balance December 31, 2011
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	\$ 4,400.00		\$ 9,200.00	\$ 200.00
US Housing & Urban Development Grant		250,000.00		250,000.00	
Wildlife Fire Management - Business Stimulus Grant		7,000.00			7,000.00
NJDOT Academic Grant		7,000.00		2,822.00	4,178.00
NJDOT Downtown Form-Based Code Grant		28,000.00		28,000.00	
2005 Buckle Up South Jersey	400.00		400.00		
Total Federal Grants	12,508.00	296,400.00	7,508.00	290,022.00	11,378.00
State Grants:					
2010 Municipal Alliance on Alcoholism and Drug Abuse		16,345.00			16,345.00
2010 Municipal Alliance on Alcoholism and Drug Abuse	16,349.58			16,125.60	223.98
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		28,224.58		28,224.58	
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		55,028.75		55,028.75	
Green Communities Grant	3,000.00			3,000.00	
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		3,056.22		3,056.22	
Alcohol, Education and Rehabilitation		1,132.63		1,132.63	
New Jersey Division of Motor Vehicles -					
Drunk Driving Enforcement Fund		9,129.76		9,129.76	
Total State Grants	89,371.12	112,916.94	1,039.54	115,697.54	85,550.98
Grand Total	\$ 101,879.12	\$ 409,316.94	\$ 8,547.54	\$ 405,719.54	\$ 96,928.98
Received in Current Fund				\$ 374,897.54	
Received in General Capital Fund				30,822.00	
				<u>\$ 405,719.54</u>	

TOWN OF HAMMONTON
Federal and State Grant Fund
Schedule of Reserve for Federal And State Grants - Unappropriated
For the Year Ended December 31, 2011

	Balance December 31, <u>2010</u>	Federal and State Grants <u>Receivable</u>	Realized As Revenue <u>In 2011</u>	Balance December 31, <u>2011</u>
Federal Grants:				
US Housing & Urban Development Grant		\$ 250,000.00	\$ 250,000.00	
Wildlife Fire Management - Business Stimulus Grant		7,000.00	7,000.00	
NJDOT Academic Grant		7,000.00	7,000.00	
NJDOT Downtown Form-Based Code Grant		28,000.00	28,000.00	
Over the Limit Under Arrest		4,400.00	4,400.00	
Total Federal Grants	-	296,400.00	296,400.00	-
State Grants:				
Municipal Alliance on Alcoholism and Drug Abuse		16,345.00	16,345.00	
Clean Communities Grant		28,224.58	28,224.58	
New Jersey Division of Motor Vehicles - Drunk Driving Enforcement Fund		9,129.76		\$ 9,129.76
Alcohol Education Rehabilitation Fund	\$ 2,111.47	1,132.63	2,111.47	1,132.63
NJ Recycling Tonnage Grant	58,087.69	55,028.75	58,087.69	55,028.75
Body Armor Replacement Program		3,056.22		3,056.22
Total State Grants	60,199.16	112,916.94	104,768.74	68,347.36
Grand Total	\$ 60,199.16	\$ 409,316.94	\$ 401,168.74	\$ 68,347.36

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

Schedule of Reserve for Federal and State Grants - Appropriated
For the Year Ended December 31, 2011

	Balance December 31, 2010	Transferred From 2011 Budget Appropriation	Cancelled	Prior Year Encumbrances Cancelled	Disbursed	Encumbrances	Balance December 31, 2011
Federal Grants:							
2005 Occupant Protection Program	\$ 5.93	\$ 5.93					
2007 Click It or Ticket	400.00	400.00					
2009 Click It or Ticket							
NJDOT Academic Grant		\$ 7,000.00			\$ 7,000.00		
NJDOT Downtown Form-Based Code Grant	1,250.00	28,000.00			26,517.71	\$ 1,482.29	\$ 1,250.00
2009 Stormwater Management Grant	5,988.00			5,988.00			
2008 Alcohol Driving Prevention Program	2,283.00			2,283.00			
2007 Alcohol Driving Prevention Program	400.00			400.00			
2005 Buckle Up South Jersey	10,604.35				867.50		9,736.85
1993 Housing and Urban Development		4,400.00			4,200.00		200.00
2011 Over The Limit Under Arrest	2,750.00				2,750.00		
2010 Over The Limit Under Arrest		250,000.00			250,000.00		
US Housing & Urban Development Grant		7,000.00			7,000.00		
Wildlife Fire Management - Business Stimulus Grant							
2003 COPS in School Award	781.29			781.29			
Total Federal Grants	24,462.57	296,400.00	9,858.22	-	298,335.21	1,482.29	11,186.85
State Grants:							
2011 Clean Communities Grant		28,224.58			21,378.16	2,716.25	4,130.17
2010 Clean Communities Grant	9,694.72				9,694.72		
2011 Recycling Tonnage Grant		58,087.69			58,087.69		
2010 Recycling Tonnage Grant	231.07				231.07		
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	9,775.99				1,707.27	1,050.00	7,018.72
2009 Drunk Driving Enforcement Fund	7,460.80				6,905.61	555.19	
2008 Drunk Driving Enforcement Fund	409.46				409.46		
2010 JAG Grant	15,250.00				599.00	3,464.13	11,186.87
2009/2010 Body Armor Replacement Program	4,250.05						4,250.05
2008 Body Armor Replacement Program	651.82						651.82

(Continued)

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

Schedule of Reserve for Federal and State Grants - Appropriated
For the Year Ended December 31, 2011

	Balance December 31, 2010	Transferred From 2011 Budget Appropriation	Cancelled	Prior Year Encumbrances Cancelled	Disbursed	Encumbrances	Balance December 31, 2011
State Grants (Cont'd):							
2004 Homeland Security Grant	\$ 3,871.76	\$ 3,871.76					\$ 310.25
2008 WHIP Wildlife Habitat Sites	310.25		1,318.70				6,798.00
2001 Hazardous Discharge Remediation Fund	1,318.70						3,504.60
2009 Hazardous Discharge Remediation Fund	6,798.00			\$ 0.60			8.83
2009 Hazardous Discharge Remediation Fund	3,504.00						183.21
2009 Neighborhood Preservation Program	8.83						
2011 Municipal Alliance on Alcoholism and Drug Abuse		\$ 20,431.25			\$ 19,901.95	\$ 346.09	
2010 Municipal Alliance on Alcoholism and Drug Abuse	47.92				47.92		
2008 Municipal Stormwater Regulation	896.55					896.55	
2009 Stormwater Management Grant	1,250.00					58.45	1,191.55
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
2011 Alcohol, Education and Rehabilitation		2,111.47					2,111.47
Total State Grants	96,227.93	108,854.99	5,656.79	0.60	121,462.85	9,086.66	68,877.22
Local Grants:							
Comcast Technology Grant	3,271.08	-	-	-	-	-	3,271.08
Total	\$ 123,961.58	\$ 405,254.99	\$ 15,515.01	\$ 0.60	\$ 419,798.06	\$ 10,568.95	\$ 83,335.15

TOWN OF HAMMONTON
Federal and State Grant Fund
 Schedule of Reserve for Encumbrances
 For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 22,090.95
Increased by:		
Reserve for Encumbrances - Appropriated		10,568.95
		32,659.90
Decreased by:		
Disbursements	\$ 22,090.35	
Canceled	0.60	
		22,090.95
Balance December 31, 2011		\$ 10,568.95

SUPPLEMENTAL EXHIBITS

TRUST FUND

TOWN OF HAMMONTON
Trust Fund
Schedule of Cash - Treasurer
For the Year Ended December 31, 2011

	ANIMAL CONTROL TRUST	TRUST OTHER
Balance December 31, 2010	\$ 4,435.06	\$ 791,294.73
Increased by Receipts:		
Dog License Fees	1,142.40	
Due to State of New Jersey	282.60	
Due to Current Fund	61.14	1,781.43
Reserve for Prosecutor's Trust Fund		2,442.81
Reserve for Recreation Fees		33,237.69
Reserve for Street Opening Deposits		35,315.00
Reserve for Escrow Deposits		207,281.61
Reserve for Public Defender Trust Fund		14,578.79
Reserve for Parking Offense Adjudication Act		74.00
Reserve for Municipal Drug Alliance Funds		43.40
Reserve for Airport Security Deposit		46.63
Reserve for Tax Title Lien Redemption		1,335,649.31
Reserve for Tax Sale Premiums		399,800.00
Payroll Deposits		6,631,406.13
Reserve for Park Recreation Trust Fund		40,535.67
Reserve for Recaptured Grant Funds		7,767.50
Reserve for Uniform Fire Penalties Rider		7.56
Reserve for State Landfill Tax Escrow Fund		2,044.03
Reserve for Celebration of Public Events		28.37
Reserve for COAH Fees		2,282.25
Reserve for Police Equipment Donations		1,729.29
Total Receipts	1,486.14	8,716,051.47
Decreased by Disbursements:		
Reserve for Animal Control Fund Expenditures	217.75	
Due to Current Fund	1,778.46	2,412.68
Due to State of New Jersey	282.60	
Reserve for Prosecutor's Trust Fund		1,500.00
Reserve for Recreation Fees		30,744.20
Reserve for Street Opening Deposits		38,972.00
Reserve for Escrow Deposits		261,294.89
Reserve for Public Defender Trust Fund		12,450.00
Reserve for Municipal Drug Alliance Funds		577.76
Reserve for Tax Title Lien Redemption		1,291,733.57
Reserve for Tax Sale Premium		3,600.00
Payroll Payments		6,631,780.99
Reserve for COAH Fees		38,993.75
Total Disbursements	2,278.81	8,314,059.84
Balance December 31, 2011	\$ 3,642.39	\$ 1,193,286.36

TOWN OF HAMMONTON
Trust Other Funds
Schedule of Investments -- U.S. Government Securities
For the Year Ended December 31, 2011

Balance December 31, 2010	\$ 336,796.65
Increased by:	
Interest on Investments	8,259.72
Balance December 31, 2011	\$ 345,056.37

Schedule of Investments December 31, 2011

U.S. Government Obligations \$ 773.12

	<u>Shares</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	
<i>FHLMC:</i>					
	4,000	11-18-11	11-27-13	0.375%	3,984.44
	3,000	8-31-11	9-20-13	0.60%	3,000.00
	4,000	10-27-11	11-3-14	1.00%	4,001.20
	4,000	11-14-11	7-26-13	1.10%	4,006.57
	3,000	Various	2-25-14	1.375%	2,984.68
	4,000	8-31-11	9-21-16	1.50%	4,000.00
	6,000	3-4-10	4-15-13	1.625%	5,991.60
	9,000	Various	8-25-16	2.00%	9,007.82
<i>FNMA:</i>					
	4,000	9-14-11	9-27-13	0.55%	4,000.00
	5,000	Various	12-18-13	0.75%	4,958.16
	4,000	Various	12-19-14	0.75%	3,999.88
	5,000	8-10-11	9-2-14	1.00%	5,011.00
	3,000	7-6-11	1-27-15	1.50%	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
	4,000	11-16-11	3-15-16	2.25%	4,175.95
	2,000	3-7-11	5-1-13	4.625%	2,146.76
<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, 2011

Schedule of Investments December 31, 2011 (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
	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>						
	3,000	1-26-11	12-31-12	0.625%		3,001.88
	3,000	11-18-11	10-31-16	1.00%		3,011.84
	5,000	Various	12-15-12	1.125%		4,991.01
	5,000	Various	10-31-15	1.25%		4,863.75
	30,000	2-22-10	1-13-14	1.75%		29,678.91
	3,000	Various	10-31-17	1.875%		2,996.95
	7,000	Various	11-15-21	2.00%		7,017.46
	2,000	5-26-09	11-30-13	2.00%		1,951.95
	5,000	3-2-11	2-29-16	2.125%		4,993.16
	5,000	1-22-10	5-31-14	2.25%		5,029.10
	3,000	11-9-09	8-31-14	2.375%		3,017.69
	5,000	8-4-09	6-30-14	2.625%		4,994.92
	1,000	9-30-10	8-15-20	2.625%		979.18
	5,000	Various	11-15-20	2.625%		4,662.78
	15,000	Various	5-15-19	3.125%		15,050.44
	21,000	Various	5-15-21	3.125%		21,425.81
	6,000	Various	3-31-17	3.25%		6,467.11
	2,000	1-13-11	7-31-16	3.25%		2,106.88
	9,000	Various	11-15-19	3.375%		8,912.85
	7,000	Various	2-15-18	3.50%		7,848.63
	6,000	Various	5-15-20	3.50%		6,426.41
	6,000	Various	8-15-19	3.625%		6,082.81
	12,000	2-15-04	2-15-14	4.00%		11,432.34
	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
	7,000	10-22-07	5-15-17	4.50%		7,306.17
	2,000	6-4-10	5-15-20	8.75%		2,894.06

(Continued)

TOWN OF HAMMONTON
Trust Other Funds
 Schedule of Investments -- U.S. Government Securities
 For the Year Ended December 31, 2011

Schedule of Investments December 31, 2011 (cont'd)

	<u>Shares</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	
<i>Private Export Funding</i>	2,000	6-14-11	7-15-16	2.125%	\$ 1,997.50
	2,000	8-30-11	5-15-15	4.550%	<u>2,265.52</u>
					<u>\$ 345,056.37</u>

TOWN OF HAMMONTON
Animal Control Fund
 Schedule of Due to Current Fund
 For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 1,657.26
Increased by:		
Interest Earned	\$ 61.14	
Statutory Excess Due to Current Fund	852.85	
		913.99
		2,571.25
Decreased by:		
Interfund Loans Returned		1,778.46
Balance December 31, 2011		\$ 792.79

Animal Control Fund
 Schedule of Reserve For Animal Control Fund Expenditures
 For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 2,777.80
Increased by:		
2011 Dog License Fees Collected		1,142.40
		3,920.20
Decreased by:		
Disbursements	\$ 217.75	
Encumbrances	250.00	
Statutory Excess Due to Current Fund	852.85	
		1,320.60
Balance December 31, 2011		\$ 2,599.60

License Fees Collected

<u>Year</u>	<u>Amount</u>
2009	\$ 1,274.60
2010	1,325.00
Total	\$ 2,599.60

TOWN OF HAMMONTON
Trust Other Funds
Schedule of Due from Current Fund
For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 109,883.75
Increased by:		
Police Outside Detail Received in Current Fund	\$ 107,755.50	
Interest Remitted to Current Fund	1,781.43	
Interfund Loans Advanced	<u>631.25</u>	
		<u>110,168.18</u>
		220,051.93
Decreased by:		
Interest Received - Due Current Fund	1,781.43	
Police Outside Detail Disbursed in Current Fund	<u>110,646.00</u>	
		<u>112,427.43</u>
Balance December 31, 2011		<u><u>\$ 107,624.50</u></u>

TOWN OF HAMMONTON
Trust Other Funds
 Schedule of Due to VCCB - Criminal Disposition
 For the Year Ended December 31, 2011

Balance December 31, 2010	\$	17,691.03
Increased by:		
Excess Public Defender Fees		235.11
		235.11
Balance December 31, 2011	\$	17,926.14

Trust Other Funds
 Schedule of Reserve for Prosecutor's Trust Fund
 For the Year Ended December 31, 2011

Balance December 31, 2010	\$	6,082.46
Increased by:		
Receipts	\$	2,365.00
Interest Earned		77.81
		2,442.81
		8,525.27
Decreased by:		
Reserve Expenditures		1,500.00
		1,500.00
Balance December 31, 2011	\$	7,025.27

TOWN OF HAMMONTON
Trust Other Funds
 Schedule of Reserve for Recreation Fees
 For the Year Ended December 31, 2011

Balance December 31, 2010		\$	11,496.47
Increased by:			
Deposits	\$	33,022.17	
Interest Earned		215.52	
			33,237.69
			44,734.16
Decreased by:			
Disbursements			30,744.20
Balance December 31, 2011		\$	13,989.96

Trust Other Funds
 Schedule of Reserve for Street Opening Deposits
 For the Year Ended December 31, 2011

Balance December 31, 2010		\$	28,750.00
Increased by:			
Deposits			35,315.00
			64,065.00
Decreased by:			
Refunded			38,972.00
Balance December 31, 2011		\$	25,093.00

TOWN OF HAMMONTON
Trust Other Funds
 Schedule of Reserve for Escrow Deposits
 For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 238,340.98
Increased by:		
Deposits		207,281.61
		445,622.59
Decreased by:		
Payments		261,294.89
		184,327.70
Balance December 31, 2011		\$ 184,327.70

Trust Other Funds
 Schedule of Reserve for Public Defender Trust Fund
 For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 13,474.21
Increased by:		
Received	\$ 14,175.00	
Interest Earned	403.79	
		14,578.79
		28,053.00
Decreased by:		
Payments	12,450.00	
Excess Due to VCCB	235.11	
		12,685.11
Balance December 31, 2011		\$ 15,367.89

TOWN OF HAMMONTON
Trust Other Funds
 Schedule of Reserve for Parking Offense Adjudication Act
 For the Year Ended December 31, 2011

Balance December 31, 2010	\$	1,763.33
Increased by:		
Received from Municipal Court		74.00
		74.00
Balance December 31, 2011	\$	1,837.33

Trust Other Funds
 Schedule of Reserve for Municipal Drug Alliance Funds
 For the Year Ended December 31, 2011

Balance December 31, 2010	\$	3,956.35
Increased by:		
Interest Received		43.40
		43.40
		3,999.75
Decreased by:		
Disbursements		577.76
		577.76
Balance December 31, 2011	\$	3,421.99

TOWN OF HAMMONTON
Trust Other Funds
 Schedule of Airport Security Deposit
 For the Year Ended December 31, 2011

Balance December 31, 2010	\$	3,817.66
Increased by:		
Interest Received		46.63
Balance December 31, 2011	\$	3,864.29

Trust Other Funds
 Schedule of Reserve for Police Outside Detail
 For the Year Ended December 31, 2011

Balance December 31, 2010	\$	110,515.00
Increased by:		
Received in Current Fund		107,755.50
		218,270.50
Decreased by:		
Disbursed in Current Fund	\$	110,646.00
Encumbrances		4,234.50
		114,880.50
Balance December 31, 2011	\$	103,390.00

TOWN OF HAMMONTON
Trust Other Funds
 Schedule of Reserve for Tax Title Lien Redemption
 For the Year Ended December 31, 2011

Balance December 31, 2010	\$	12,513.42
Increased by:		
Lien Redemption Deposits		<u>1,335,649.31</u>
		1,348,162.73
Decreased by:		
Lien Redemption Disbursements		<u>1,291,733.57</u>
Balance December 31, 2011	\$	<u><u>56,429.16</u></u>

Trust Other Funds
 Schedule of Reserve for Tax Sale Premium
 For the Year Ended December 31, 2011

Balance December 31, 2010	\$	27,800.00
Increased by:		
Premiums Received at Tax Sale		<u>399,800.00</u>
		427,600.00
Decreased by:		
Premiums Refunded		<u>3,600.00</u>
Balance December 31, 2011	\$	<u><u>424,000.00</u></u>

TOWN OF HAMMONTON
Trust Other Funds
 Schedule of Payroll Deductions Payable
 For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 1,200.10
Increased by:		
Deposits		6,631,406.13
		6,632,606.23
Decreased by:		
Payments		6,631,780.99
Balance December 31, 2011		\$ 825.24

Trust Other Funds
 Schedule of Park Recreation Trust Fund
 For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 5,898.84
Increased by:		
Donation Received	\$ 40,105.00	
Interest Earned	430.67	
		40,535.67
Balance December 31, 2011		\$ 46,434.51

TOWN OF HAMMONTON
Trust Other Funds
 Schedule of Recaptured Grant Funds
 For the Year Ended December 31, 2011

Balance December 31, 2010	\$	35,415.38
Increased by:		
Recaptured Grant Funds Received		7,767.50
Balance December 31, 2011	\$	43,182.88

Trust Other Funds
 Schedule of Uniform Fire Penalties Rider
 For the Year Ended December 31, 2011

Balance December 31, 2010	\$	618.96
Increased by:		
Interest Received		7.56
Balance December 31, 2011	\$	626.52

TOWN OF HAMMONTON
Trust Other Funds
Schedule of State Landfill Tax Escrow Fund
For the Year Ended December 31, 2011

Balance December 31, 2010	\$ 166,370.05
Increased by:	
Interest Earned	2,044.03
Balance December 31, 2011	\$ 168,414.08

Trust Other Funds
Schedule of State Landfill Closure -- Escrow Fund
For the Year Ended December 31, 2011

Balance December 31, 2010	\$ 336,796.65
Increased by:	
Interest Earned on Investments	8,259.72
Balance December 31, 2011	\$ 345,056.37

TOWN OF HAMMONTON
Trust Other Funds
 Schedule of Reserve for Celebration of Public Events
 For the Year Ended December 31, 2011

Balance December 31, 2010	\$	2,322.47
Increased by:		
Interest Earned		28.37
		28.37
Balance December 31, 2011	\$	2,350.84

Trust Other Funds
 Schedule of Reserve for COAH Fees
 For the Year Ended December 31, 2011

Balance December 31, 2010	\$	199,719.03
Increased by:		
Interest Earned		2,282.25
		2,282.25
		202,001.28
Decreased by:		
Payments		38,993.75
		38,993.75
Balance December 31, 2011	\$	163,007.53

TOWN OF HAMMONTON
Trust Other Funds
Schedule of Reserve for Police Equipment Donations
For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 13,432.74
Increased by:		
Donations Received	\$ 1,550.00	
Interest Earned	<u>179.29</u>	
		<u>1,729.29</u>
Balance December 31, 2011		<u>\$ 15,162.03</u>

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

TOWN OF HAMMONTON
General Capital Fund
Schedule of Cash - Treasurer
For the Year Ended December 31, 2011

Balance December 31, 2010		\$	181,309.65
Increased by Receipts:			
2011 Budget Appropriation:			
Capital Improvement Fund	\$		15,000.00
Federal Grants Receivable			113,957.50
Due to Federal & State Grant Fund			30,822.00
Due to Current Fund			925.03
			160,704.53
			342,014.18
Decreased by Disbursements:			
Disbursed to Current Fund			925.03
Improvement Authorizations			173,710.22
Contracts Payable			154,668.16
			329,303.41
Balance December 31, 2011		\$	12,710.77

TOWN OF HAMMONTON
General Capital Fund
 Analysis of General Capital Cash
 For the Year Ended December 31, 2011

Improvement Authorizations: Ordinance Number	Balance December 31, 2010	Received		Disbursed		Balance December 31, 2011
		Miscellaneous	Improvement Authorizations	Miscellaneous	From	
17-98	\$ 5,067.55					\$ 5,067.55
1-00/19-04	1.25					1.25
18-01/16-02	13,585.07					13,585.07
26-02/20-04	26,572.96					26,572.96
3-03/21-03						
19-03	91,173.54					91,173.54
7-04/10-05/						
11-05	81,043.30		\$ 36,515.61		\$ 2,800.00	41,727.69
15-05	43,416.77		18,272.00			25,144.77
39-05	4,459.61					4,459.61
40-05	5.87					5.87
43-05	2,145.00					2,145.00
1-06	917.15					917.15
6-06	101,005.02				7,552.86	88,558.16
1-07	3,720.99					
16-07	32,594.82					
24-07	325,496.27				31,500.50	1,719.32
27-07	1,372.40				73,000.00	247,776.27
3-08/4-10	18,027.96					
20-08	191,000.00					
28-08	30,302.54					
11-09/31-09/						
15-10	118,794.07					
22-09	(10,009.00)					
24-09	14,908.01					
25-09						
26-09	752.49					
32-09	(123,500.00)					
	(3,700.00)					
					565.79	106,453.86
					22,709.40	12,700.40
					11,262.33	14,908.01
					190.00	942.49
						(123,500.00)
						(3,700.00)

(Continued)

TOWN OF HAMMONTON
General Capital Fund
 Analysis of General Capital Cash
 For the Year Ended December 31, 2011

	Balance December 31, 2010	Received		Disbursed		Balance December 31, 2011
		Miscellaneous	Improvement Authorizations	From	To	
Improvement Authorizations:						
Ordinance						
Number						
17-10						
11-11	\$ 2,999.21		\$ 18,173.22		\$ 73,000.00	\$ 2,999.21
14-11			600.00			54,826.78
27-11				\$ 268,899.80	269,070.36	(600.00)
						170.56
Capital Improvement Fund	15,063.13	\$ 15,000.00				30,063.13
Contracts Payable	865,496.30			\$ 154,668.16	317,054.80	991,950.42
Due to/from Current Fund		925.03		925.03		
Due to Federal & State Grant Fund		30,822.00				30,822.00
Federal Grants Receivable	(1,416,815.51)	113,957.50		261,767.50		(1,564,625.51)
State Grants Receivable	(8,000.00)					(8,000.00)
County and Local Grants Receivable	(246,587.12)				31,500.50	(215,086.62)
	\$ 181,309.65	\$ 160,704.53	\$ 173,710.22	\$ 726,558.18	\$ 726,558.18	\$ 12,710.77

TOWN OF HAMMONTON
General Capital Fund
Schedule of Due to Current Fund
For the Year Ended December 31, 2011

Interest Earned and Due to Current Fund	\$ 925.03
Decreased by:	
Disbursed to Current Fund	<u>\$ 925.03</u>

TOWN OF HAMMONTON
General Capital Fund
Schedule of Federal Grants Receivable
For the Year Ended December 31, 2011

Balance December 31, 2010	\$ 1,416,815.51
Increased by:	
2011 Improvement Authorization	261,767.50
	1,678,583.01
Decreased by:	
Receipts	113,957.50
Balance December 31, 2011	\$ 1,564,625.51

<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	155,316.00
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)	9,030.07
Federal Aviation Administration Block Grant	22-09 (a)	19,624.00
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 Community Affairs	15-10	6,478.03
Federal Aviation Administration Block Grant	17-10	606,967.00
New Jersey Department of Transportation	17-10	17,097.00
Community Development Block Grant	27-11	261,767.50
		\$ 1,564,625.51

TOWN OF HAMMONTON
General Capital Fund
Schedule of State Grants Receivable
For the Year Ended December 31, 2011

Balance December 31, 2010 and 2011		<u>\$ 8,000.00</u>
<u>Agency</u>	<u>Ordinance</u>	<u>Amount</u>
	<u>No.</u>	
New Jersey Transit	18-01 (m)	<u>\$ 8,000.00</u>

TOWN OF HAMMONTON
General Capital Fund
 Schedule of County and Local Grants Receivable
 For the Year Ended December 31, 2011

<hr/>		
Balance December 31, 2010		\$ 246,587.12
Decreased by:		
Canceled		31,500.50
Balance December 31, 2011		\$ 215,086.62
<u>Agency</u>	<u>Ordinance</u>	<u>Amount</u>
	<u>No.</u>	
Hammonton Revitalization Committee	18-01 (m)	\$ 3,000.00
Atlantic County Interlocal Agreement	24-07	212,086.62
		\$ 215,086.62

TOWN OF HAMMONTON
General Capital Fund
Schedule of Deferred Charges to Future Taxation - Funded
For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 17,508,263.86
Decreased by:		
2011 Budget Appropriations:		
Serial Bonds	\$ 830,000.00	
Green Acres Loan	7,165.61	
NJDEP Loan	68,388.00	
	<u>905,553.61</u>	<u>905,553.61</u>
Balance December 31, 2011		<u><u>\$ 16,602,710.25</u></u>

TOWN OF HAMMONTON
 General Capital Fund

Schedule of Deferred Charges To Future Taxation - Unfunded
 For the Year Ended December 31, 2011

Ordinance Number	Improvement Description	Analysis of Balance				
		Balance December 31, 2010	2011 Authorizations	Balance December 31, 2011	Expenditures	Unexpended Improvement Authorizations
11-09	Various Improvements (c) Runway End Identifier Lights at Hammonton Airport	\$ 6,200.00		\$ 6,200.00		\$ 6,200.00
22-09	Various Improvements (a) Improve Airport Academy Drive Access Road & Fencing (b) Airport Runway Rehabilitation & Design	6,980.00 3,030.00		6,980.00 3,030.00		6,980.00 1.00
26-09	Sidewalk Improvements to Bellevue Ave.	123,500.00		123,500.00		
32-09/4-10	Renovation to Runway Apron	4,600.00		4,600.00	3,700.00	900.00
14-11	Continued Development of Hammonton Sports Complex		\$ 1,050,000.00	1,050,000.00	600.00	1,049,400.00
		<u>\$ 144,310.00</u>	<u>\$ 1,050,000.00</u>	<u>\$ 1,194,310.00</u>	<u>\$ 130,829.00</u>	<u>\$ 1,063,481.00</u>

TOWN OF HAMMONTON
 General Capital Fund
 Schedule of Improvement Authorizations
 For the Year Ended December 31, 2011

Ordinance Number	Improvement Description	Date	Ordinance Amount	2011 Authorizations		Reappropriation/ Canceled	Paid or Charged	Balance December 31, 2011	
				2011 Authorizations				Funded	Unfunded
				Funded	Unfunded			Funded	Unfunded
16-07	Various Improvements (c) Various Curbing Improvements (h) Drainage Repairs to Various Roads	6-25-07	\$ 145,000.00 20,000.00	\$ 32,490.25 104.57		\$ (625.00)	\$ 989.75 729.57		
24-07	Reconstruction of Central Avenue	7-9-07	2,337,222.00	325,496.27	(73,000.00)	4,720.00	247,776.27		
27-07	Boyer Avenue Recreation Improvements	9-24-07	80,000.00	1,372.40		1,372.40			
3-08/ 4-10	Renovation to Runway Apron	2-25-08 3-22-10	450,000.00 19,257.38	18,927.96		(11,262.33)	29,290.29	\$ 900.00	
20-08	Housing Rehabilitation and Senior Citizens Center	7-28-08	600,000.00	191,000.00		99,529.00	91,471.00		
28-08	Housing Rehabilitation and Senior Citizens Center	8-25-08	120,000.00	30,302.54		17,552.00	12,770.54		
11-09/ 15-10 31-09	Various Improvements (a) Improvements to Downtown Form-Based Code (b) Fourth Street Reconstruction (c) Runway End Identifier Lights at Hammonton Airport (e) Security Camera System at Hammonton Airport	5-26-09 7-26-10	100,000.00 485,000.00 132,000.00 150,000.00	96,858.00 21,936.07		(565.79)	565.79 96,858.00 9,030.07	6,200.00	
22-09	Various Improvements (a) Improve Airport Academy Drive Access Road & Fencing (b) Airport Runway Rehabilitation & Design	10-26-09	293,842.00 127,572.00			(22,709.40)	15,729.40	6,980.00 1.00	
24-09	Phase 1 Paving of Pulte Development	10-14-09	84,850.28	14,908.01			14,908.01		
25-09	Municipal Parking & Improvements to Historical Building/Community Center	10-14-09	133,019.35	752.49		(190.00)	942.49		
13-10	Various Airport Improvements	6-28-10	150,000.00						
17-10	Rehabilitation of Hammonton Airport Runway	7-13-10	666,782.00	2,999.21			2,999.21		
11-11	Rehabilitation of Hammonton Airport Runway (a) Professional Fees associated with the Traditions at Bluberry Ridge Development (b) Design Fees associated with New Municipal Building	4-18-11	30,000.00 43,000.00					30,000.00 43,000.00	11,826.78 43,000.00

(Continued)

TOWN OF HAMMONTON
 General Capital Fund
 Schedule of Improvement Authorizations
 For the Year Ended December 31, 2011

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance December 31, 2010		Grants Receivable	2011 Authorizations		Reappropriation/ Canceled	Paid or Charged	Balance December 31, 2011	
				Funded	Unfunded		Defered Charges to Future Taxation - Unfunded	Funded			Unfunded	
14-11	Continued Development of Hammonton Sports Complex	6-27-11	\$ 1,050,000.00				\$ 1,050,000.00		\$ 600.00		\$ 1,049,400.00	
27-11	Repairs to Various Roads	12-9-11	269,070.36			\$ 261,767.50		\$ 7,302.86	268,899.80	\$ 170.56		
	Total			\$ 1,110,261.85	\$ 6,201.00	\$ 261,767.50	\$ 1,050,000.00	\$ (31,500.50)	\$ 454,832.50	\$ 878,416.35	\$ 1,063,481.00	
	Federal Grants Receivable					\$ 261,767.50						
	Prior Year Contracts Payable Canceled								\$ (35,932.52)			
	Contracts Payable								317,054.80			
	Cash Disbursed								173,710.22			
									\$ 454,832.50			

TOWN OF HAMMONTON
General Capital Fund
Schedule of Contracts Payable
For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 865,496.30
Increased by:		
Charged to Improvement Authorizations		<u>317,054.80</u>
		1,182,551.10
Decreased by:		
Disbursed	\$ 154,668.16	
Canceled	<u>35,932.52</u>	
		<u>190,600.68</u>
Balance December 31, 2011		<u><u>\$ 991,950.42</u></u>

TOWN OF HAMMONTON
General Capital Fund
Schedule of Capital Improvement Fund
For the Year Ended December 31, 2011

Balance December 31, 2010	\$ 15,063.13
Increased by:	
2011 Budget Appropriation	<u>15,000.00</u>
Balance December 31, 2011	<u><u>\$ 30,063.13</u></u>

TOWN OF HAMMONTON
General Capital Fund
 Schedule of Green Acres Trust Fund Loan Payable
 For the Year Ended December 31, 2011

Balance December 31, 2010	\$	109,875.86
Decreased by:		
Paid by 2011 Budget Appropriation		7,165.61
Balance December 31, 2011	\$	102,710.25

Analysis of Balance December 31, 2011

<u>Payment Date</u>	<u>Amount</u>
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
	\$ 102,710.25

TOWN OF HAMMONTON
General Capital Fund
Schedule of NJDEP Loan Payable
For the Year Ended December 31, 2011

Balance December 31, 2010	\$ 68,388.00
Decreased by:	
Paid by 2011 Budget Appropriation	<u>\$ 68,388.00</u>

TOWN OF HAMMONTON
General Capital Fund

Schedule of General Serial Bonds
For the Year Ended December 31, 2011

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2011</u>			<u>Interest Rate</u>	<u>Balance December 31, 2010</u>	<u>Decreased</u>	<u>Balance December 31, 2011</u>
			<u>Date</u>	<u>Amount</u>	<u>Rate</u>				
General Bonds of 1997	12-1-97	\$ 3,969,000.00	12-1-12/16	\$ 250,000.00	4.875%	\$ 1,720,000.00	\$ 230,000.00	\$ 1,490,000.00	
			12-1-17	240,000.00					
Pension Refunding Bonds 2004	3-1-04	3,067,000.00	3-1-17	400,000.00	5.85%	820,000.00		820,000.00	
			3-1-18	420,000.00	5.90%				
General Bonds of 2007	2/1/07	6,400,000.00	2-1-12	400,000.00					
			2-1-13	450,000.00					
			2-1-14	500,000.00					
			2-1-15	550,000.00					
			2-1-16	600,000.00					
			2-1-17	650,000.00					
			2-1-18	700,000.00					
			2-1-19	800,000.00					
General Bonds of 2009	5/14/09	7,450,000.00	2-1-20	850,000.00	4.30%	5,800,000.00	300,000.00	5,500,000.00	
			1-15-12/13	25,000.00	2.50%				
			1-15-14/17	25,000.00	3.50%				
			1-15-18	225,000.00	4.00%				
			1-15-19	500,000.00	4.00%				
			1-15-20	520,000.00	4.25%				
			1-15-21	1,445,000.00	4.25%				
			1-15-22	1,475,000.00	4.25%				
1-15-23	1,510,000.00	4.25%							
1-15-24	1,550,000.00	4.25%							
						7,425,000.00	50,000.00	7,375,000.00	

(Continued)

TOWN OF HAMMONTON
General Capital Fund

Schedule of General Serial Bonds
For the Year Ended December 31, 2011

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Date</u>	<u>Maturities of Bonds Outstanding December 31, 2011</u>	<u>Interest Rate</u>	<u>Balance December 31, 2010</u>	<u>Decreased</u>	<u>Balance December 31, 2011</u>
General Obligation Refunding Bonds	5/14/09	\$ 1,785,000.00	7-1-12	\$ 265,000.00	3.00%			
			7-1-13	260,000.00	3.00%			
			7-1-14	250,000.00	3.00%			
			7-1-15	270,000.00	3.25%			
			7-1-16	270,000.00	3.50%	\$ 1,565,000.00	\$ 250,000.00	\$ 1,315,000.00
Total						\$ 17,330,000.00	\$ 830,000.00	\$ 16,500,000.00

TOWN OF HAMMONTON

General Capital Fund

Schedule of Bonds And Notes Authorized But Not Issued
For the Year Ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2010</u>	2011 <u>Authorizations</u>	Balance December 31, <u>2011</u>
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
14-11	Development of Hammonton Sports Complex		\$ 1,050,000.00	1,050,000.00
	Total	\$ 144,310.00	\$ 1,050,000.00	\$ 1,194,310.00

SUPPLEMENTAL EXHIBITS

WATER UTILITY FUND

TOWN OF HAMMONTON
Water Utility Fund
Schedule of Cash - Collector/Treasurer
For the Year Ended December 31, 2011

	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2010	\$ 1,424,437.07	\$ 1,531,051.68
Increased by Receipts:		
Consumer Accounts Receivable	\$ 1,080,396.08	
Miscellaneous Revenue	88,558.09	
Due to Water Utility Assessment Trust Fund:		
Assessments Receivable	1,409.89	
Prepaid Rents	10,377.53	
Liens Receivable	506.79	
Federal Loans Receivable		\$ 460,600.00
Total Receipts	1,181,248.38	460,600.00
Sub-total	2,605,685.45	1,991,651.68
Decreased by Disbursements:		
2011 Appropriations	1,373,943.41	
2010 Appropriation Reserves	48,366.80	
Reserve for Encumbrances - Rent Refunds	169.11	
Accrued Interest on Bonds and Loans	218,928.56	
Due to Water Utility Assessment Trust Fund:		
Serial Bonds	15,600.00	
Due to Current Fund		558,000.00
Due to Sewer Utility Operating Fund	11.92	
Improvement Authorizations		45,562.00
Contracts Payable		321,830.82
Total Disbursements	1,657,019.80	925,392.82
Balance December 31, 2011	\$ 948,665.65	\$ 1,066,258.86

TOWN OF HAMMONTON
Water Utility Capital Fund

Analysis of Cash

For the Year Ended December 31, 2011

	Balance December 31, 2010	Receipts		Disbursements		Transfers		Balance December 31, 2011
		Miscellaneous	Improvement Authorizations	Miscellaneous	From	To		
Fund Balance	\$ 558,000.00			\$ 558,000.00				\$ 22,969.73
Capital Improvement Fund	22,969.73							
Improvement Authorizations:								
Ord.								
<u>No.</u>								
General Improvements:								
16-05/18-06 Various Improvements	2,200.10							2,200.10
17-07 Various Improvements	1,424,302.50		\$ 33,062.00		\$ 25,507.00			1,365,733.50
21-08 Various Improvements	1,974.00							1,974.00
27-09 Bellevue Ave. Water Utility Improvements	(348,155.00)							(348,155.00)
7-10 4th Street Reconstruction	150,328.21					\$ 58,527.25		208,855.46
23-10 Various Water Improvements	24,050.88		12,500.00		11,500.00			50.88
Federal Grants Receivable	(918,470.00)							(918,470.00)
Federal Loans Receivable	(460,600.00)	\$ 460,600.00						
Contracts Payable	446,219.09			321,830.82	58,527.25	37,007.00		102,868.02
Reserve for Payment of Bonds	628,232.17				250,000.00			378,232.17
Due to Water Utility Operating Fund						250,000.00		250,000.00
	\$ 1,531,051.68	\$ 460,600.00	\$ 45,562.00	\$ 879,830.82	\$ 345,534.25	\$ 345,534.25		\$ 1,066,258.86

TOWN OF HAMMONTON
Water Utility Operating Fund
 Schedule of Consumer Accounts Receivable
 For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 1,595.53
Increased by:		
Water Rents Levied in 2011		1,099,242.53
		1,100,838.06
Decreased by:		
Collections	\$ 1,080,396.08	
Prepaid Applied	16,992.43	
Transferred to Liens	736.17	
		1,098,124.68
Balance December 31, 2011		\$ 2,713.38

Water Utility Operating Fund
 Schedule of Water Utility Liens
 For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 2,033.43
Increased by:		
Transferred from Consumer Accounts Receivable	\$ 736.17	
Lien Interest and Costs	70.38	
		806.55
		2,839.98
Decreased by:		
Collections		506.79
Balance December 31, 2011		\$ 2,333.19

TOWN OF HAMMONTON
Water Utility Assessment Trust Fund
 Schedule of Assessments Receivable
 For the Year Ended December 31, 2011

<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, 2010</u>	<u>Received in Operating Fund</u>	<u>Balance December 31, 2011</u>	<u>Balance Pledged to Assessment Bonds</u>
11-94	Giordano Lane Water Extension	4/28/97	20	7/1/97-2016	\$ 4,206.18	\$ 1,409.89	\$ 2,796.29	\$ 2,796.29

TOWN OF HAMMONTON
Water Utility Operating Fund
 Schedule of Due To Water Utility Assessment Fund
 For the Year Ended December 31, 2011

Balance December 31, 2010	\$	354,925.53
Increased By:		
Received in Water Operating Fund:		
Assessments Receivable		1,409.89
		356,335.42
Decreased By:		
Paid by Water Operating Fund:		
Serial Bonds		15,600.00
		340,735.42
Balance December 31, 2011	\$	340,735.42

TOWN OF HAMMONTON
Water Utility Capital Fund
 Schedule of Fixed Capital
 For the Year Ended December 31, 2011

	Balance December 31, <u>2010</u>	Additions by <u>Ordinance</u>	Balance December 31, <u>2011</u>
Plant and Equipment	\$ 908,717.38	\$ 30,252.09	\$ 938,969.47
Distribution Mains	3,389,177.03	2,971,394.76	6,360,571.79
Survey and Plant Equipment	7,360.00	75,000.00	82,360.00
Mains, Pipes and Fittings	642,036.27	1,872,294.41	2,514,330.68
House Connections	10,967.46		10,967.46
Water Storage Tank	1,853,047.46	236,483.00	2,089,530.46
Motors and Accessories	58,877.14		58,877.14
Wells and Improvements to Wells	207,954.58	508,276.49	716,231.07
Water Treatment Plant	26,499.00	520,250.00	546,749.00
General Equipment	139,658.59	25,000.00	164,658.59
Refunding Bond Ordinance	35,000.00		35,000.00
Meters	7,918.03		7,918.03
	<u>\$ 7,287,212.94</u>	<u>\$ 6,238,950.75</u>	<u>\$ 13,526,163.69</u>

TOWN OF HAMMONTON
Water Utility Capital Fund
 Schedule of Fixed Capital Authorized and Uncompleted
 For the Year Ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Ordinance Amount</u>	<u>Balance December 31, 2010</u>	<u>Reappropriated in Prior Year</u>	<u>2011 Authorizations Deferred Charges to Future Revenue</u>	<u>Costs to Fixed Capital</u>	<u>Balance December 31, 2011</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			\$ 2,391.90	
28-95	Water Main Extension and Additional	10/23/95	350,000.00				425,000.00	
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			203,310.63	
10-99	Various Improvements: (a) Bachelor Lane Water Main Extension (b) North Street Water Main Extension	5/24/99	90,000.00 40,000.00	79,603.47 39,195.00			79,603.47 39,195.00	
29-99	Installation of a New Well and Treatment Plant	12/13/99	250,000.00				520,250.00	
24-00	on Lincoln Street	7/24/00	270,250.00	520,250.00				
20-00	Various Improvements: (a) Improvements to Plant (b) Construction of Shaped Roof - Well #4	6/26/00		30,252.09 22,342.29			30,252.09 22,342.29	
6-01	Master Plan for the Hammonton High School	2/26/01	75,000.00	75,000.00			75,000.00	
19-01	Improvements to the Water Utility System	4/23/01	194,000.00	187,600.81			187,600.81	
22-02	Improvements to the Water Utility System	6/17/02	772,700.00	302,332.00			302,332.00	
5-03	Various Improvements: (a) Replacement Well for Lincoln Street	5/27/03	270,000.00	270,000.00			270,000.00	
13-05	(b) Caldwell Ave. In-Fill Project	5/23/05	100,000.00	100,000.00			100,000.00	
6-03	New Municipal Wells	5/27/03	46,518.34	46,518.34			46,518.34	
8-04	Various Improvements	5/24/04	800,000.00	798,435.50	\$ (183,232.87)		615,202.63	

(Continued)

TOWN OF HAMMONTON
Water Utility Capital Fund
 Schedule of Fixed Capital Authorized and Uncompleted
 For the Year Ended December 31, 2011

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance December 31, 2010	Reappropriated in Prior Year	2011 Authorizations		Costs to Fixed Capital	Balance December 31, 2011
						Deferred Charges to Future Revenue	Revenue		
<u>General Improvements:</u>									
15-04	Various Improvements: (a) Replacement of Central Ave. Water Main (c) Repair/Replacement to Well #4 Booster Pump and Roof	7/26/04	\$ 1,401,250.00 42,750.00	\$ 1,379,735.23 42,750.00	\$ (99,566.57) (28,339.39)	\$	\$ 1,280,168.66 14,410.61		
16-05	Various Improvements: (a) Caldwell, Wood, Railway Water Loop (b) Egg Harbor Road Water Main Extension (c) Well #5 Driveway Paving (d) North Chew Road Water Main Extension (e) Bellevue Ave. Water Main Replacement	5/23/05 8/7/06	277,600.00 500,000.00 33,000.00 90,000.00 200,000.00	13,679.27 700,000.00 33,000.00 90,000.00 200,000.00	(8,092.70) (90,000.00)		13,679.27 32,299.90	\$ 691,907.30 700.10	200,000.00
7-06	Various Improvements: (a) Downtown Water Lateral Sidewalk Improvement (b) Replacement of Windows and Doors at Well #4	5/22/06	100,000.00 48,000.00	100,000.00 48,000.00	(41,999.75)		100,000.00 6,000.25		
17-07	Various Improvements: (a) Painting of the 4th Street Water Tank (b) Improvements to Vine Street (c) Pine, Oak, Basin Water Main Extensions	6/25/07	270,000.00 100,000.00 780,000.00	270,000.00 100,000.00 1,550,000.00	(33,517.00)		236,483.00 100,000.00		1,550,000.00
17-08	Improvements to Vine Street	5/8/08	493,000.00	493,000.00	(29,320.10)		463,679.90		
21-08	Various Improvements: (a) Purchase of an Excavator (b) Roof Repairs to Well #5 (c) Purchase of Wireless Transceiver Antenna	7/28/08	25,000.00 30,000.00 32,000.00	25,000.00 30,000.00 32,000.00	(13,995.00) (165.00)		25,000.00 16,005.00		31,835.00
27-09	Bellevue Ave. Water Utility Improvements	11/23/09	1,018,000.00	1,018,000.00			957,225.00		60,775.00
7-10	4th Street Reconstruction	6/7/10			438,228.38				438,228.38
23-10	Various Water Improvements	10/25/10			90,000.00				90,000.00
26-11	Northwest Water Main Project/NJEIT	12/19/11				\$ 4,600,000.00			4,600,000.00
				\$ 9,302,396.53	\$ -	\$ 4,600,000.00	\$ 6,238,950.75		\$ 7,663,445.78

TOWN OF HAMMONTON
Water Utility Capital Fund
 Schedule of Federal Grants & Loans Receivable
 For the Year Ended December 31, 2011

	<u>USRD</u> <u>Grant</u>	<u>USRD</u> <u>Loan</u>
Balance December 31, 2010	\$ 918,470.00	\$ 460,600.00
Decreased by:		
Received in 2011	_____	460,600.00
Balance December 31, 2011	\$ 918,470.00	\$ -

TOWN OF HAMMONTON

Water Utility Operating Fund

Schedule of 2010 Appropriation Reserves

For the Year Ended December 31, 2011

	<u>Balance</u> <u>December 31, 2010</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Disbursed</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Reserved</u>	<u>Encumbered</u>		
Operating:				
Salaries and Wages	\$ 19,868.00	\$	\$ 785.64	\$ 19,082.36
Other Expenses	11,056.75	\$ 70,099.59	47,581.16	33,575.18
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	583.89			583.89
PERS	309.40			309.40
Total	<u>\$ 31,818.04</u>	<u>\$ 70,099.59</u>	<u>\$ 48,366.80</u>	<u>\$ 53,550.83</u>

TOWN OF HAMMONTON
Water Utility Operating Fund
Schedule of Prepaid Water Rents
For the Year Ended December 31, 2011

Balance December 31, 2010	\$ 16,992.43
Increased by:	
Received in 2011	<u>10,377.53</u>
	27,369.96
Decreased by:	
Applied to Consumer Accounts Receivable	<u>16,992.43</u>
Balance December 31, 2011	<u><u>\$ 10,377.53</u></u>

TOWN OF HAMMONTON
Water Utility Operating Fund
 Schedule of Accrued Interest Payable
 For the Year Ended December 31, 2011

Balance December 31, 2010	\$ 83,502.52
Increased by:	
Budget Appropriations for:	
Interest on Bonds	220,103.80
	303,606.32
Decreased by:	
Interest Paid	218,928.56
Balance December 31, 2011	\$ 84,677.76

Analysis of Accrued Interest December 31, 2011

	Principal Outstanding <u>Dec. 31, 2011</u>	Interest Rate	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
<i>Water Bonds of 1997 (Capital)</i>	\$ 177,000.00	4.875%	12/1/11	12/31/11	1 Month	\$ 719.06
<i>Water Bonds of 2006 (Capital)</i>	2,840,000.00	4.30%	8/1/11	12/31/11	5 Months	47,333.33
<i>Water Bonds of 2009 (Capital)</i>	800,000.00	Various	5/14/11	12/31/11	165 Days	14,311.46
<i>Refunding Bonds of 2009 (Capital)</i>	830,000.00	Various	7/1/11	12/31/11	6 Months	14,287.50
<i>USRD Loan (Capital)</i>						
White Horse Pike	275,482.08	4.50%	12/10/11	12/31/11	21 Days	723.15
Bellevue Ave.	458,280.75	4.25%	8/24/11	12/31/11	126 Days	6,872.63
<i>Water Assessment Bonds of 1997</i>	106,000.00	4.875%	12/1/11	12/31/11	1 Month	430.63
						\$ 84,677.76

TOWN OF HAMMONTON
Water Utility Assessment Trust Fund
Schedule of Reserve for Assessments and Liens Receivable
For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 7,134.76
Decreased by:		
Liens Receivable Canceled	\$ 2,928.58	
Assessments Receivable Collected in Water Utility Operating Fund	<u>1,409.89</u>	
		<u>4,338.47</u>
Balance December 31, 2011		<u>\$ 2,796.29</u>

TOWN OF HAMMONTON
Water Utility Assessment Trust Fund
 Schedule of General Serial Bonds
 For the Year Ended December 31, 2011

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding</u>			<u>Balance December 31, 2010</u>	<u>Paid by Budget Appropriation</u>	<u>Balance December 31, 2011</u>
			<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>			
Water Assessment Bonds of 1997	12/1/97	\$ 286,600.00	12/1/12-13	\$ 15,000.00				
			12/1/14	16,000.00				
			12/1/15-17	20,000.00	4.875%	\$ 121,600.00	\$ 15,600.00	\$ 106,000.00

TOWN OF HAMMONTON
Water Utility Capital Fund
 Schedule of Improvement Authorizations
 For the Year Ended December 31, 2011

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance December 31, 2010		Paid or Charged	2011 Authorizations		Balance December 31, 2011	
				Funded	Unfunded		Deferred Charges To Future Revenue	Funded	Unfunded	
<u>General Improvements:</u>										
16-05	Various Improvements:	5/23/05								
18-06	(c) Well #5 Driveway Paving	8/7/06	\$ 33,000.00		700.10			\$	700.10	
	(c) Bellevue Ave. Water Main Replacement		200,000.00		1,500.00				1,500.00	
17-07	Various Improvements:	6/25/07	1,550,000.00		1,424,302.50	\$ 58,569.00			1,365,733.50	
21-08	Various Improvements:	7/28/08	32,000.00		1,974.00				1,974.00	
27-09	(c) Purchase of Wireless Transceiver Antenna									
	Bellevue Ave. Water Utility Improvements	11/23/09	1,018,000.00							\$ 60,775.00
7-10	4th Street Reconstruction	6/7/10	438,228.38		150,328.21	(58,527.25)			208,855.46	
23-10	Various Water Improvements	10/25/10	90,000.00		24,050.88	24,000.00			50.88	
26-11	Northwest Water Main Project/NJEIT	12/19/11	4,600,000.00					\$ 4,600,000.00		4,600,000.00
Total								\$ 4,600,000.00	\$ 1,578,813.94	\$ 4,660,775.00

Contracts Payable	\$ 37,007.00
Contracts Payable Canceled	(58,527.25)
Disbursed	45,562.00
	<u>\$ 24,041.75</u>

TOWN OF HAMMONTON
Water Utility Capital Fund
 Schedule of Contracts Payable
 For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 446,219.09
Increased By:		
Charged to Improvement Authorizations		37,007.00
		483,226.09
Decreased by:		
Disbursed	\$ 321,830.82	
Canceled	58,527.25	
		380,358.07
Balance December 31, 2011		\$ 102,868.02

TOWN OF HAMMONTON
Water Utility Capital Fund
Schedule of Due To Water Utility Operating Fund
For the Year Ended December 31, 2011

Reserve for Payment of Bonds Anticipated as Revenue in 2011 Budget	<u>\$ 250,000.00</u>
Balance December 31, 2011	<u><u>\$ 250,000.00</u></u>

TOWN OF HAMMONTON
Water Utility Capital Fund
 Schedule of Reserve for Amortization
 For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 8,488,640.84
Increased By:		
Transferred from Deferred Reserve for Amortization	\$ 236,277.20	
2011 Budget Appropriations:		
USRD Loan	6,128.60	
Serial Bonds	<u>370,400.00</u>	
		<u>612,805.80</u>
Balance December 31, 2011		<u><u>\$ 9,101,446.64</u></u>

Water Utility Capital Fund
 Schedule of Reserve for Payment of Bonds
 For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 628,232.17
Decreased by:		
Anticipated as Revenue in the 2011 Water Utility Operating Fund Budget		<u>250,000.00</u>
Balance December 31, 2011		<u><u>\$ 378,232.17</u></u>

TOWN OF HAMMONTON
Water Utility Capital Fund

Schedule of Deferred Reserve for Amortization
 For the Year Ended December 31, 2011

Ordinance Number	<u>Improvement Description</u>	Balance Dec. 31, 2010	To Reserve for Amortization Fixed Capital	Federal Loan Received	Balance Dec. 31, 2011
<i>General Improvements:</i>					
3-93	Various Improvements to the Water System	\$ 3,045.20	\$ 3,045.20		
22-02	Improvements to the Water Utility System	632.00	632.00		
5-03	Improvements to the Water Utility System	12,600.00	12,600.00		
17-07	Pine, Oak, Basin Water Main Extensions	1,770,000.00	220,000.00		\$ 1,550,000.00
27-09	Bellevue Ave. Water Utility Improvements	609,070.00		\$ 460,600.00	148,470.00
		\$ 2,395,347.20	\$ 236,277.20	\$ 460,600.00	\$ 1,698,470.00

TOWN OF HAMMONTON
Water Utility Capital Fund
 Schedule of USRD Loans Payable
 For the Year Ended December 31, 2011

Balance December 31, 2010	\$ 279,291.43
Increased By:	
Bellevue Avenue Water Loan Funds Received	460,600.00
	739,891.43
Decreased by:	
Paid by 2011 Budget Appropriation	6,128.60
Balance December 31, 2011	\$ 733,762.83

Analysis of Balance Dec. 31, 2011

<u>Payment Date</u>	<u>White Horse Pike Water</u>	<u>Bellevue Ave. Water</u>	<u>Total</u>
2/24/12		\$ 2,208.52	\$ 2,208.52
6/10/12	\$ 1,969.20		1,969.20
8/24/12		2,361.57	2,361.57
12/10/12	2,013.51		2,013.51
2/24/13		2,305.95	2,305.95
6/10/13	2,058.81		2,058.81
8/24/13		2,513.04	2,513.04
12/10/13	2,105.13		2,105.13
2/24/14		2,409.20	2,409.20
6/10/14	2,152.49		2,152.49
8/24/14		2,616.78	2,616.78
12/10/14	2,200.93		2,200.93
2/24/15		2,516.88	2,516.88
6/10/15	2,250.45		2,250.45
8/24/15		2,724.97	2,724.97
12/10/15	2,301.08		2,301.08
2/24/16		2,629.18	2,629.18
6/10/16	2,352.86		2,352.86
8/24/16		2,787.05	2,787.05
12/10/16	2,405.80		2,405.80
2017 through 2043	253,671.82	435,416.13	689,087.95
	\$ 275,482.08	\$ 458,280.75	\$ 733,762.83

TOWN OF HAMMONTON
Water Utility Capital Fund
 Schedule of General Serial Bonds
 For the Year Ended December 31, 2011

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2011</u>			<u>Interest Rate</u>	<u>Balance December 31, 2010</u>	<u>Decreased</u>	<u>Balance December 31, 2011</u>
			<u>Date</u>	<u>Amount</u>					
Water Bonds of 1997	12/1/97	\$ 447,400.00	12-1-12	\$ 27,000.00		4.875%	\$ 202,400.00	\$ 25,400.00	\$ 177,000.00
			12-1-13/17	30,000.00					
Water Bonds of 2006	2/1/07	3,728,000.00	2-1-12/13	250,000.00		4.30%	3,090,000.00	250,000.00	2,840,000.00
			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	1-15-12	30,000.00		2.50%			
			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					
			Water Utility Refunding Bonds	5/14/09	975,000.00				
7-1-14	80,000.00								
7-1-15	80,000.00								
7-1-16	85,000.00								
7-1-17	80,000.00								
7-1-18	90,000.00								
7-1-19/20	90,000.00								
7-1-21	85,000.00								
							820,000.00	20,000.00	800,000.00
							905,000.00	75,000.00	830,000.00
Total							\$ 5,017,400.00	\$ 370,400.00	\$ 4,647,000.00

TOWN OF HAMMONTON
Water Utility Capital Fund

Schedule of Bonds and Notes Authorized but not Issued
 For the Year Ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2010</u>	2011 <u>Authorizations</u>	Balance December 31, <u>2011</u>
27-09	Bellevue Ave. Water Utility Improvements	\$ 408,930.00	\$	\$ 408,930.00
26-11	Northwest Water Main Project/NJEIT		\$ 4,600,000.00	4,600,000.00
		\$ 408,930.00	\$ 4,600,000.00	\$ 5,008,930.00

SUPPLEMENTAL EXHIBITS

SEWER UTILITY FUND

TOWN OF HAMMONTON
Sewer Utility Fund
Schedule of Cash - Collector/Treasurer
For the Year Ended December 31, 2011

	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2010	\$ 2,744,915.58	\$ 36,240.28
Increased by Receipts:		
Consumer Accounts Receivable	\$ 2,544,038.95	
Utility Liens Receivable	1,244.40	
Prepaid Rents	13,883.22	
Miscellaneous Revenue	107,451.27	
Due from Water Utility Operating Fund	11.92	
Federal Loans Receivable		\$ 479,400.00
Total Receipts	2,666,629.76	479,400.00
Sub-total	5,411,545.34	515,640.28
Decreased by Disbursements:		
2011 Appropriations	2,414,880.44	
2010 Appropriation Reserves	183,382.28	
Reserve for Encumbrances - Rent Refunds	62.20	
Refund of Rents	277.86	
Accrued Interest on Bonds, Loans and Notes	740,581.60	
Improvement Authorizations		77,260.25
Contracts Payable		286,405.46
Total Disbursements	3,339,184.38	363,665.71
Balance December 31, 2011	\$ 2,072,360.96	\$ 151,974.57

TOWN OF HAMMONTON
Sewer Utility Capital Fund
 Analysis of Cash

For the Year Ended December 31, 2011

	Balance December 31, 2010	RECEIPTS		DISBURSEMENTS		TRANSFERS From To	Balance December 31, 2011
		Miscellaneous	Improvement Authorizations	Miscellaneous			
Capital Improvement Fund	\$ 14,400.00					\$ 8,885.00	\$ 5,515.00
<u>Improvement/Authorizations:</u>							
Ord.							
No.							
General Improvements:							
5-01 Egg Harbor Road Sewer Extension	10.00					\$ 6,763.75	10.00
20-03 Construction of a Sewer Maint. Facility						1,799.36	6,763.75
28-03						8,729.21	1,799.36
9-04/17-05 Various Sewer Utility Improvements	95,838.96		\$ 68,375.25				18,734.50
4-06 Central Ave. Sewer Improvements	3,100.01						3,100.01
6-09 White Horse Pike/Moss Mill Road Sewer Improvements	126,235.70						126,235.70
28-09 Various Sewer Utility Improvements	(29,000.00)						(29,000.00)
17-11 Acquisition of a Disk Harrow			8,885.00			8,885.00	
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						55,000.00	55,000.00
Reserve for Payment of Bonds and Notes	143,861.71					55,000.00	88,861.71
Contracts Payable	315,723.90			\$ 286,405.46		8,729.21	29,484.54
	\$ 36,240.28	\$ 479,400.00	\$ 77,260.25	\$ 286,405.46		\$ 81,177.32	\$ 151,974.57

TOWN OF HAMMONTON
Sewer Utility Capital Fund
Schedule of Due To Sewer Utility Operating Fund
For the Year Ended December 31, 2011

Reserve for Payment of Bonds Anticipated as Revenue in 2011 Budget	<u>\$ 55,000.00</u>
Balance December 31, 2011	<u><u>\$ 55,000.00</u></u>

TOWN OF HAMMONTON
Sewer Utility Operating Fund
 Schedule of Consumer Accounts Receivable
 For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 5,588.48
Increased by:		
Sewer Rents Levied in 2011		2,565,783.15
		2,571,371.63
Decreased by:		
Collections	\$ 2,544,038.95	
Prepaid Applied	20,225.35	
Transferred to Liens	100.00	
		2,564,364.30
Balance December 31, 2011		\$ 7,007.33

Sewer Utility Operating Fund
 Schedule of Liens Receivable
 For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 10,505.02
Increased by:		
Transferred from Consumer Accounts Receivable	\$ 100.00	
Lien Interest and Costs	1.27	
		101.27
		10,606.29
Decreased by:		
Collected		1,244.40
Balance December 31, 2011		\$ 9,361.89

TOWN OF HAMMONTON
Sewer Utility Capital Fund
 Schedule of Fixed Capital Authorized and Uncompleted
 For the Year Ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Ordinance Amount</u>	<u>Balance December 31, 2010</u>	<u>2011</u>		<u>Costs to Fixed Capital</u>	<u>Balance December 31, 2011</u>
					<u>Authorizations Deferred Reserve for Amortization</u>	<u>Authorizations Deferred Reserve for Amortization</u>		
<i>General Improvements:</i>								
21-92	Waste Water Treatment Plant	5/26/92	\$ 18,900,000.00	\$ 18,497,220.30		\$ 18,497,220.30		
5-96	Southwest Sewer Extension	4/22/96	1,500,000.00	1,361,856.02		1,361,856.02		
6-97	Southeast Sewer Extension	5/12/97 6/26/00 11/17/03		1,817,921.09		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		1,805,000.00		
19-98	Second Road Sewer Improvements	5/11/98	1,900,000.00	1,900,000.00		1,900,000.00		
24-98	Various Capital Purchases	6/22/98	35,000.00	28,500.00		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		533,000.00		
19-00	Various Sewer Utility Improvements	6/26/00	585,000.00	187,167.41		187,167.41		
4-01	Sewer Portion of Hammonton High School Master Plan	2/26/01	77,500.00	77,500.00		77,500.00		
5-01	Egg Harbor Road Sewer Extension	2/26/01	40,000.00	38,582.44		38,572.44		10.00
20-01	Various Sewer Utility Improvements	4/23/01	350,000.00	158,695.31		158,695.31		
23-02	Various Sewer Utility Improvements	6/17/02	155,600.00	555,600.00		555,600.00		

(Continued)

**TOWN OF HAMMONTON
Sewer Utility Capital Fund**

Schedule of Fixed Capital Authorized and Uncompleted
For the Year Ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Ordinance Amount</u>	<u>Balance December 31, 2010</u>	2011		<u>Balance December 31, 2011</u>
					<u>Authorizations Deferred Reserve for Amortization</u>	<u>Costs to Fixed Capital</u>	
31-02	Various Sewer Utility Improvements	7/22/02	\$ 38,000.00	\$ 38,000.00	\$	38,000.00	
4-03	Caldwell Avenue In-Fill Project	5/27/03	75,000.00	75,000.00		75,000.00	
20-03	Construction of a Sewer Maintenance Facility	8/25/03	450,000.00	333,239.18		326,475.43	\$ 6,763.75
28-03	Maintenance of Boyer Avenue Trenches	11/17/03	219,078.01	219,078.91		217,279.55	1,799.36
3-04	Refunding FrnHA Loans	3/22/04	175,000.00	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			1,562,695.40
26-04	Various Sewer Utility Improvements	10/25/04	195,911.81	193,251.81		193,251.81	
14-05	Various Sewer Utility Improvements	5/23/05	454,000.00	267,400.00		267,400.00	
4-06	Central Avenue Sewer Improvements	3/27/06	110,432.08	110,432.08			110,432.08
8-06	Elm & Cottage Sewer Repairs	5/22/06	100,000.00	81,080.08		81,080.08	
18-07	Various Sewer Utility Improvements	6/25/07	465,000.00	103,142.75		103,142.75	
16-08	Sewer Improvements to Vine Street	5/8/08	370,937.37	370,937.37		370,937.37	
22-08	Various Sewer Utility Improvements	7/28/08	90,000.00	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			709,875.52
28-09	Various Sewer Utility Improvements	11/23/09	693,930.00	693,930.00		633,930.00	60,000.00
17-11	Acquisition of a Disk Harrow	8/22/11	8,885.00		\$ 8,885.00		8,885.00
				<u>\$ 31,984,105.67</u>	<u>\$ 8,885.00</u>	<u>\$ 29,532,529.56</u>	<u>\$ 2,460,461.11</u>

TOWN OF HAMMONTON
Sewer Utility Capital Fund
 Schedule of Federal Grants & Loans Receivable
 For the Year Ended December 31, 2011

	<u>USRD</u> <u>Grant</u>	<u>USRD</u> <u>Loan</u>
Balance December 31, 2010	\$ 154,530.00	\$ 479,400.00
Decreased by:		
Received in 2011	_____	479,400.00
Balance December 31, 2011	\$ 154,530.00	\$ -

TOWN OF HAMMONTON

Sewer Utility Operating Fund

Schedule of 2010 Appropriation Reserves
For the Year Ended December 31, 2011

	<u>Balance</u> <u>December 31, 2010</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Disbursed</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Reserved</u>	<u>Encumbered</u>		
Operating:				
Salaries and Wages	\$ 105.20	\$ 305.20	\$	\$ 305.20
Other Expenses	67,013.42	308,521.04	\$ 202,734.28	105,786.76
	<u>\$ 68,398.77</u>	<u>\$ 241,707.62</u>	<u>\$ 202,734.28</u>	<u>\$ 107,372.11</u>
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	10.74	10.74		10.74
PERS	881.00	881.00		881.00
N.J. Disability Insurance	388.41	388.41		388.41
	<u>\$ 68,398.77</u>	<u>\$ 241,707.62</u>	<u>\$ 202,734.28</u>	<u>\$ 107,372.11</u>
		Encumbrances	\$ 19,352.00	
		Disbursed	183,382.28	
			<u>\$ 202,734.28</u>	

TOWN OF HAMMONTON
Sewer Utility Operating Fund
 Schedule of Prepaid Rents
 For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 20,503.21
Increased by:		
Received in 2011		13,883.22
		34,386.43
Decreased by:		
Refunds	\$ 277.86	
Applied to Consumer Accounts Receivable	20,225.35	
		20,503.21
Balance December 31, 2011		\$ 13,883.22

TOWN OF HAMMONTON
Sewer Utility Operating Fund
Schedule of Accrued Interest on Loans and Notes
For the Year Ended December 31, 2011

Balance December 31, 2010	\$ 242,884.22
Increased by:	
Budget Appropriations for:	
Interest on Bonds (Loans)	738,422.00
	981,306.22
Decreased by:	
Interest Paid	740,581.60
Balance December 31, 2011	\$ 240,724.62

Analysis of Accrued Interest December 31, 2011

	Principal Outstanding Dec. 31, 2011	Interest Rate	From	To	Period	Amount
<i>Sewer Bonds of 1997</i>	\$ 590,000.00	4.875%	12/1/11	12/31/11	1 Month	\$ 2,396.87
<i>Wastewater Treatment Trust Loan (Capital)</i>	410,510.50	Various	10/1/11	12/31/11	3 Months	47,889.95
<i>2004 Refunding Bonds</i>	4,005,000.00	Various	9/1/11	12/31/11	4 Months	56,877.50
<i>USRD Loan (Capital) Park/Bellevue & Batchelor</i>	615,316.36	4.50%	8/1/11	12/31/11	5 Months	11,537.18
White Horse Pike	142,081.75	4.50%	12/10/11	12/31/11	21 Days	372.96
Bellevue Ave.	476,986.08	4.25%	8/24/11	12/31/11	126 Days	7,153.81
<i>Sewer Bonds of 2006</i>	2,055,000.00	4.30%	8/1/11	12/31/11	5 Months	34,250.00
<i>Sewer Bonds of 2009</i>	1,125,000.00	Various	7/15/11	12/31/11	165 Days	20,596.35
<i>Refunding Bonds of 2009</i>	3,440,000.00	Various	7/1/11	12/31/11	6 Months	59,650.00
Total						\$ 240,724.62

TOWN OF HAMMONTON
Sewer Utility Capital Fund
 Schedule of Improvement Authorizations
 For the Year Ended December 31, 2011

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance December 31, 2010		2011 Authorizations Capital Improvement Fund	Paid or Charged/ Encumbrances Canceled	Balance December 31, 2011	
				Funded	Unfunded			Funded	Unfunded
5-01	Egg Harbor Road Sewer Extension	2/26/01	\$ 40,000.00	\$ 10.00	\$ 10.00				
20-03	Construction of a Sewer Maintenance Facility	8/25/03	450,000.00			\$ (6,763.75)	6,763.75		
28-03	Maintenance of Boyer Avenue Trenches	11/17/03	219,078.01			(1,799.36)	1,799.36		
9-04	Various Sewer Utility Improvements:	5/24/04	625,000.00						
17-05	(c) Sewer Extension to Various Streets	5/23/05	185,000.00						
17-06		8/7/06	219,600.00	790.00				790.00	
17-05	(d) Repairs to Bellevue Ave. Sewer	5/23/05	370,000.00	95,048.96				17,944.50	
26-04	Various Sewer Utility Improvements	10/25/04	195,911.81						
4-06	Central Avenue Sewer Improvements	3/27/06	110,432.08	3,100.01				3,100.01	
22-08	Various Sewer Utility Improvements:	7/28/08	60,000.00						
	(a) Replace Sewer Utility Water System		30,000.00						
	(b) Improvements to Boyer Ave. Trickle Irrigation								
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:	11/23/09	633,930.00						
	(a) Repairs to Bellevue Ave. Sewer		60,000.00	\$ 31,000.00					\$ 31,000.00
	(b) Boyer Ave. Sewer Facility Optimization								
17-11	Acquisition of a Disk Harrow	8/22/11	8,885.00		\$ 8,885.00		8,885.00		
Total				\$ 225,184.67	\$ 31,000.00	\$ 8,885.00	\$ 77,426.35	\$ 156,643.32	\$ 31,000.00
						Contracts Payable \$ 8,729.21			
						Contracts Payable Canceled (8,563.11)			
						Disbursed 77,260.25			
								\$ 77,426.35	

TOWN OF HAMMONTON
Sewer Utility Capital Fund
 Schedule of Contracts Payable
 For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 315,723.90
Increased by:		
Charged to Improvement Authorizations		8,729.21
		324,453.11
Decreased by:		
Disbursed	\$ 286,405.46	
Canceled	8,563.11	
		294,968.57
Balance December 31, 2011		\$ 29,484.54

Sewer Utility Capital Fund
 Schedule of Reserve for Payment of Bonds
 For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 143,861.71
Decreased by:		
Anticipated as Revenue in the 2011 Sewer Utility Operating Fund Budget		55,000.00
Balance December 31, 2011		\$ 88,861.71

TOWN OF HAMMONTON
Sewer Utility Capital Fund
 Schedule of Capital Improvement Fund
 For the Year Ended December 31, 2011

Balance December 31, 2010	\$	14,400.00
Decreased by:		
Appropriation to Finance Improvement Authorization		8,885.00
Balance December 31, 2011	\$	5,515.00

EXHIBIT SE-16

Sewer Utility Capital Fund
 Schedule of Reserve for Amortization
 For the Year Ended December 31, 2011

Balance December 31, 2010	\$	21,350,317.32
Increased By:		
Transferred from Deferred Reserve for Amortization	\$	2,666,630.00
2011 Budget Appropriations:		
Wastewater Treatment Trust Fund Loan		387,645.88
FMHA Loan		51,265.68
USRD Loan		14,252.86
Serial Bonds		538,000.00
		3,657,794.42
Balance December 31, 2011	\$	25,008,111.74

TOWN OF HAMMONTON
Sewer Utility Capital Fund

Schedule of Deferred Reserve for Amortization
For the Year Ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2010</u>	<u>Fixed Capital Authorized</u>	<u>To Reserve for Amortization Fixed Capital</u>	<u>Federal Loan Received</u>	<u>Balance Dec. 31, 2011</u>
<i>General Improvements:</i>							
21-92	Waste Water Treatment Plant	5/26/92	\$ 2,000,000.00		\$ 2,000,000.00		
5-96	Southwest Sewer Extension	4/22/96	70,100.00		70,100.00		
24-98	Various Capital Purchases	6/22/96	35,000.00		35,000.00		
23-02	Various Sewer Utility Improvements	6/17/02	400,000.00		400,000.00		
31-02	Various Sewer Utility Improvements	7/22/02	4,000.00		4,000.00		
4-03	Caldwell Ave. In-Fill Project	5/27/03	3,000.00		3,000.00		
20-03	Sewer Utility Improvements	8/25/03	16,000.00				\$ 16,000.00
09-04/17-06	Various Sewer Utility Improvements	5/24/04	30,000.00				30,000.00
28-09	Repairs to Bellevue Ave. Sewer	11/23/09	633,930.00		154,530.00	\$ 479,400.00	
17-11	Acquisition of a Disk Harrow	8/22/11		\$ 8,885.00			8,885.00
Total			\$ 3,192,030.00	\$ 8,885.00	\$ 2,666,630.00	\$ 479,400.00	\$ 54,885.00

TOWN OF HAMMONTON
Sewer Utility Capital Fund
 Schedule of New Jersey Wastewater Treatment Trust Fund
 Trust Loan Payable
 For the Year Ended December 31, 2011

Balance December 31, 2010	\$	798,156.38
Decreased By:		
Paid by Budget Appropriation		387,645.88
Balance December 31, 2011	\$	410,510.50

Analysis of Balance December 31, 2011

<u>Payment Date</u>	<u>Amount</u>
4/1/12	\$ <u><u>410,510.50</u></u>

TOWN OF HAMMONTON
Sewer Utility Capital Fund
 Schedule of FMHA Loans Payable
 For the Year Ended December 31, 2011

Balance December 31, 2010	\$ 2,699,347.64
Decreased By:	
Paid by Budget Appropriation	51,265.68
Balance December 31, 2011	\$ 2,648,081.96

Analysis of Balance December 31, 2011

<u>Payment Date</u>	<u>Southeast/ Southwest Construction</u>
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
6/30/2016	31,664.41
12/31/2016	32,376.86
2017 through 2038	2,354,562.89
	\$ 2,648,081.96

TOWN OF HAMMONTON
Sewer Utility Capital Fund
 Schedule of USRD Loans Payable
 For the Year Ended December 31, 2011

Balance December 31, 2010	\$ 769,237.05
Increased By:	
Bellevue Avenue Sewer Loan Funds Received	479,400.00
	1,248,637.05
Decreased By:	
Paid by Budget Appropriation	14,252.86
Balance December 31, 2011	\$ 1,234,384.19

Analysis of Balance Dec. 31, 2011

<u>Payment Date</u>	<u>Park/Bellevue & Batchelor Construction</u>	<u>White Horse Pike Sewer</u>	<u>Bellevue Ave. Sewer</u>	<u>Total</u>
1/26/12	\$ 5,104.39			\$ 5,104.39
2/24/12			\$ 2,797.71	2,797.71
6/10/12		\$ 1,015.60		1,015.60
7/26/12	5,219.24			5,219.24
8/24/12			2,457.96	2,457.96
12/10/12		1,038.45		1,038.45
1/26/13	5,336.67			5,336.67
2/24/13			2,400.07	2,400.07
6/10/13		1,061.82		1,061.82
7/26/13	5,456.75			5,456.75
8/24/13			2,615.61	2,615.61
12/10/13		1,085.71		1,085.71
1/26/14	5,579.52			5,579.52
2/24/14			2,507.54	2,507.54
6/10/14		1,110.14		1,110.14
7/26/14	5,705.06			5,705.06
8/24/14			2,723.59	2,723.59
12/10/14		1,135.11		1,135.11
1/26/15	5,833.43			5,833.43
2/24/15			2,619.61	2,619.61
6/10/15		1,160.65		1,160.65
7/26/15	5,964.68			5,964.68
8/24/15			2,836.20	2,836.20
12/10/15		1,186.77		1,186.77
1/26/16	6,098.88			6,098.88
2/24/16			2,736.50	2,736.50
6/10/16		1,213.47		1,213.47
7/26/16	6,236.11			6,236.11
8/24/16			2,900.10	2,900.10
12/10/16		1,240.77		1,240.77
2017 through 2043	558,781.63	130,833.26	450,391.19	1,140,006.08
	\$ 615,316.36	\$ 142,081.75	\$ 476,986.08	\$ 1,234,384.19

TOWN OF HAMMONTON
Sewer Utility Capital Fund
 Schedule of General Serial Bonds
 For the Year Ended December 31, 2011

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Date</u>	<u>Maturities of Bonds Outstanding December 31, 2011</u>		<u>Interest Rate</u>	<u>Balance December 31, 2010</u>	<u>Decreased</u>	<u>Balance December 31, 2011</u>
				<u>Amount</u>	<u>Amount</u>				
Sewer Bonds of 1997	12/1/97	\$ 1,500,000.00	12/1/12 12/1/13-17	\$ 90,000.00 100,000.00	4.875%	\$ 675,000.00	\$ 85,000.00	\$ 590,000.00	
Refunding Bonds of 2004	3/1/04	5,260,000.00	3/1/12	205,000.00	3.375%	4,200,000.00	195,000.00	4,005,000.00	
			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%							
Sewer Bonds of 2006	2/1/07	2,278,000.00	2/1/12 2/1/13-14 2/1/15-20	75,000.00 240,000.00 250,000.00	4.30%	2,128,000.00	73,000.00	2,055,000.00	
Sewer Bonds of 2009	5/14/09	1,145,000.00	1-15-12	10,000.00	2.50%	1,135,000.00	10,000.00	1,125,000.00	
			1-15-13	50,000.00	2.50%				
			1-15-14/17	50,000.00	3.50%				
			1-15-18/19	65,000.00	4.00%				
			1-15-20	65,000.00	4.25%				
			1-15-21	100,000.00	4.25%				
			1-15-22	170,000.00	4.25%				
1-15-23/24	200,000.00	4.25%							

(Continued)

TOWN OF HAMMONTON
Sewer Utility Capital Fund
 Schedule of General Serial Bonds
 For the Year Ended December 31, 2011

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2011</u>		<u>Interest Rate</u>	<u>Balance December 31, 2010</u>	<u>Decreased</u>	<u>Balance December 31, 2011</u>
			<u>Date</u>	<u>Amount</u>				
Sewer Utility Refunding Bonds	5/14/09	\$ 3,730,000.00	7-1-12	\$ 175,000.00	3.00%			
			7-1-11/13	325,000.00	3.00%			
			7-1-14	335,000.00	3.00%			
			7-1-15	345,000.00	3.25%			
			7-1-16	350,000.00	3.50%			
			7-1-17	355,000.00	3.50%			
			7-1-18	380,000.00	3.50%			
			7-1-19	385,000.00	3.75%			
			7-1-20	390,000.00	3.75%			
			7-1-21	400,000.00	4.00%			
						\$ 3,615,000.00	\$ 175,000.00	\$ 3,440,000.00
						\$ 11,753,000.00	\$ 538,000.00	\$ 11,215,000.00

TOWN OF HAMMONTON
Sewer Utility Capital Fund
Schedule of Bonds and Notes Authorized but Not Issued
As of December 31, 2011

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

TOWN OF HAMMONTON
PART 2
SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2011

**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**

INDEPENDENT AUDITOR'S REPORT

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 the Town's major federal program for the year ended December 31, 2011. The Town's major federal program is 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 its major federal program 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'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 of 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 its major federal program for the year ended December 31, 2011.

Internal Control Over Compliance

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 or state 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.

This report is intended solely for the information and use of management of the Town, others within 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
Certified Public Accountants
& Consultants



Todd R. Saler
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 13, 2012

TOWN OF HAMMONTON
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2011

Federal CFDA Number	State Account Number	Program or Award Amount	Grant Period From To	Balance December 31, 2010	Revenue Realized	Adjustments	Expenditures	Balance December 31, 2011	Program Funds Received	(Memo Only) Accumulated Expenditures
U.S. Department of Transportation										
20.106	N/A	\$ 2,207,439.00	Unavailable	\$ 4,382.65				\$ 4,382.65		\$ 2,203,056.35
20.106	N/A	98,597.00	Unavailable	286.00				286.00		98,311.00
20.106	N/A	279,148.00	Unavailable			\$ 21,573.93		21,573.93	\$ 21,496.00	257,574.07
20.106	N/A	121,192.00	Unavailable	2,850.00				2,850.00		118,342.00
20.106	N/A	649,685.00	Unavailable						16,080.00	649,685.00
Total CFDA # 20.106				7,518.65		21,573.93		29,092.58	37,576.00	3,478,003.42
Passed through State Department of Transportation:										
20.205	078-6300-480-DCJ	190,000.00	Unavailable	1.78				1.78		189,998.22
20.205	078-6300-480-DLO	125,400.00	Unavailable	98,475.11				98,475.11		26,924.89
20.205	078-6300-480	150,000.00	Unavailable	21,936.07			\$ 12,906.00	9,030.07	31,697.50	140,969.93
20.205	078-6300-480	145,000.00	12/21/07 Unavailable			565.79		565.79		144,434.21
20.205	078-6300-480	3,190.00	Unavailable	75.72				75.72		3,114.28
20.205	078-6300-480-DCJ	20,397.00	Unavailable	555.55				555.55		19,841.45
20.205	078-6300-480	17,097.00	Unavailable	17,097.00				17,097.00		17,097.00
Total CFDA # 20.205				138,141.23	\$ 35,000.00	565.79	35,000.00	108,704.02	30,822.00	105,000.00
U.S. Department of Transportation (Cont'd)										
Passed through State Department of Law and Public Safety:										
20.602	066-1160-100-113	4,000.00	1/1/07 12/31/07	400.00		(400.00)				3,600.00
20.602	066-1160-100-113	2,000.00	1/1/05 12/31/05	400.00		(400.00)				1,600.00
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
20.601	066-1160-100-057	6,708.00	1/1/07 12/31/07	2,283.00		(2,283.00)				4,425.00
20.601	066-1160-100-057	5,988.00	Unavailable	5,988.00		(5,988.00)				5,000.00
20.601	066-1160-100-057	5,000.00	1/1/10 12/31/10	2,750.00			2,750.00			5,000.00
20.601	066-1160-100-057	4,400.00	1/1/11 12/31/11		4,400.00		4,200.00	200.00		4,200.00
Total CFDA # 20.601				11,021.00	4,400.00	(8,271.00)		200.00		19,625.00
Total U.S. Department of Transportation				157,486.81	39,400.00	13,062.79	71,953.00	137,996.60	100,095.50	5,035,650.31

TOWN OF HAMMONTON
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2011

Federal CFDA Number	Federal Grantor/Program Title	State Account Number	Program or Award Amount	Grant Period From To	Balance December 31, 2010	Revenue Realized	Adjustments	Expenditures	Balance December 31, 2011	Program Funds Received	(Memo Only) Accumulated Expenditures				
97.036	Public Assistance Grants	066-1200-100-A63	\$ 11,633.94	Unavailable	-	\$ 11,633.94	-	\$ 11,633.94	-	-	\$ 11,633.94				
U.S. Department of Law and Public Safety and CTDA #97.036															
97.044	Federal Firefighters Grant	N/A	166,963.00	Unavailable	\$ 2,145.00	11,633.94	-	11,633.94	\$ 2,145.00	-	50,150.81				
U.S. Department of Homeland Security															
14.XXX	Housing and Urban Development	Unavailable	Unavailable	Unavailable	10,604.35	-	-	867.50	9,736.85	-	Unavailable				
14.251	Economic Development Initiative Special Projects	B-10-SF-NJ-0358	250,000.00	Unavailable	-	250,000.00	-	250,000.00	-	\$ 250,000.00	250,000.00				
14.228	Passed through County of Atlantic:	N/A	119,281.00	9/1/01 8/31/04	15.00	-	(15.00)	-	-	-	119,266.00				
14.228	Community Development Block Grant	N/A	69,804.00	Unavailable	69,804.00	-	(69,804.00)	-	-	-	38,499.50				
14.228	Community Development Block Grant	N/A	70,000.00	Unavailable	31,500.50	160,448.00	(31,500.50)	261,767.50	-	-	261,767.50				
14.228	Community Development Block Grant	N/A	261,767.50	Unavailable	-	-	101,319.50	-	-	-	-				
14.228	Passed through State Department of Community Affairs:		380,500.00	1/1/97 Program End	72,608.10	-	(72,608.10)	-	-	-	307,891.90				
14.228	Small Cities Community Development Block Grant (Sewer Utility Fund)	022-8020-100-078	200,000.00	4/1/08 7/31/12	191,000.00	160,448.00	(72,608.10)	99,529.00	91,471.00	44,684.00	108,529.00				
14.228	Small Cities Community Development Block Grant (General Capital Fund)	022-8020-100-078	200,000.00	4/1/08 7/31/12	364,927.60	410,448.00	(72,608.10)	361,296.50	91,471.00	44,684.00	835,953.90				
Total CFDA # 14.228															
16.710	U.S. Department of Housing and Urban Development	N/A	75,000.00	9/1/00 8/31/03	781.29	-	(781.29)	-	-	-	74,218.71				
U.S. Department of Criminal Justice															
10.668	COFS in School Award	Unavailable	7,000.00	Unavailable	-	7,000.00	-	7,000.00	-	-	7,000.00				
66.605	ARRA-Wildlife Fire Management	042-4801-100-442	1,250.00	1/1/08 12/31/08	1,250.00	-	-	-	1,250.00	-	-				
Performance Partnership Grant (Stormwater Management)															
U.S. Department of Environmental Protection															
Total Federal Grants															
										\$ 468,481.94	\$ 60,326.60	\$ 702,750.94	\$ 242,509.45	\$ 394,779.50	\$ 6,417,291.73

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, 2011

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:

<u>Fund</u>	<u>Amount</u>
Current Fund	\$ 11,633.94
Federal and State Grant Fund	299,817.50
General Capital Fund	<u>391,299.50</u>
	<u>\$ 702,750.94</u>

Note 4: **ADJUSTMENTS**

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

<u>Adjustment</u>	<u>Amount</u>
Grants Canceled	\$ (82,466.32)
Contracts Payable Canceled	<u>22,139.72</u>
	<u>\$ (60,326.60)</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, 2011

TOWN OF HAMMONTON
 Schedule of Findings and Questioned Costs
 For the Year Ended December 31, 2011

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))? yes X no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
14.228	Community Development Block Grants

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

Auditee qualified as low-risk auditee? yes X no

TOWN OF HAMMONTON
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2011

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:

NJCFS/NJFIS Numbers

Name of State Program

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, 2011

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. 2011-1

Criteria or Specific Requirement

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.

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.

Context

Not applicable.

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, 2011

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

Finding No. 2011-2

Criteria or Specific Requirement

N.J.S.A. 40A:4-57 states that no officer, board, body or commission shall, during any fiscal year, expend any money (except to pay notes, bonds or interest thereon), incur any liability, or enter into any contract which by terms involves the expenditure of money for any purpose for which no appropriation is provided, or in excess of the amount appropriated for such purpose.

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. 5:30-5.4(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.

Condition

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

The Town awarded three contracts related to one project without providing an appropriation for payments on such contracts. Additionally, one of the contracts was in excess of the bid threshold, but was not awarded with a formal resolution of the governing body, nor was a certificate of availability of funds prepared for the contract.

Context

Several contracts awarded during 2011 were randomly selected for examination for compliance with the Local Public Contracts Law.

Effect

There was no financial effect on the Town as all payments made on the contracts were fully funded by a third party entity under a Memorandum of Understanding. However, the Town did not fully comply with the Local Public Contracts Law upon award of one of the contracts.

Cause

The Town utilized a "contra" accounting method to record payments on the contracts and reimbursements received from a third party entity under the Memorandum of Understanding. The Town's lack of compliance with the Local Public Contracts Law upon award of one of the contracts 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 compliance with the Local Public Contracts Law as part of their corrective action plan. The Town will provide an appropriation for payments on the contracts through adoption of a capital ordinance.

TOWN OF HAMMONTON
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2011

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.

None.

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. 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.

Current Status

This condition remains unresolved as reported in Finding No. 2011-1.

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.

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.

Current Status

This condition remains partially unresolved as reported in Finding No. 2011-2.

Planned Corrective Action

The Town will exercise more care in order to fully comply with the Local Public Contracts Law.

TOWN OF HAMMONTON
Summary Schedule of Prior Year Audit Findings
And Questioned Costs as Prepared by Management (Cont'd)

FEDERAL AWARDS

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 applicable requirements as promulgated by the State of New Jersey for such change orders.

Current Status

This condition remains partially unresolved as reported in Finding No. 2011-2; however, no instances of noncompliance related to the above referenced Program were noted during 2011.

Planned Corrective Action

The Town will exercise more care in order to fully comply with the Local Public Contracts Law.

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		
Michael Pullia	Deputy Mayor		
Jerome Barberio	Councilperson		
Thomas Gribbin	Councilperson		
Paul Esposito	Councilperson		
Sam Rodio	Councilperson		
James Bertino	Councilperson to 1/25/11		
Michael Torrissi	Councilperson from 2/28/11		
April Boyer Maimone	Town Clerk, Registrar of Vital Statistics	1,000,000.00	(A)
Rob Scharle'	Chief Financial Officer	1,000,000.00	(A)
Frank Zuber	Accountant	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) Covered by the Public Employee Dishonesty Coverage in the amount of \$50,000 written by the Atlantic County Municipal Joint Insurance Fund and the Excess Public Employee Dishonesty Coverage in the amount of \$950,000 written by the Municipal Excess Liability Joint Insurance Fund.
- (B) Covered by the Excess Public Officials Bond Coverage in the amount of \$1,000,000 written by the Municipal Excess Liability Joint Insurance Fund.
- (C) Covered by the Primary Statutory Positions Bond Coverage in the amount of \$1,000,000 written by the Municipal Excess Liability Joint Insurance Fund.

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

