

TOWN OF HAMMONTON
COUNTY OF ATLANTIC
REPORT OF AUDIT
FOR THE YEAR 2012

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TOWN OF HAMMONTON

PART 1

REPORT OF AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2012 and 2011, 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, 2012 and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Town of Hammonton, in the County of Atlantic, State of New Jersey, as of December 31, 2012 and 2011, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to previously 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, 2012 and 2011, 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, 2012 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.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. 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 schedules of expenditures of federal awards and state financial assistance programs are 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 State of New Jersey Circular 04-04-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are also not a required part of the financial statements.

The supplementary financial statements presented for the various funds and the schedules of expenditures of federal awards and state financial assistance programs 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information described in the previous paragraph is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 25, 2013 on our consideration of the Town of Hammonton's, in the County of Atlantic, State of New Jersey, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town of Hammonton's internal control over financial reporting.

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 25, 2013

**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**

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the 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 the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey of the Town of Hammonton, in the County of Atlantic, State of New Jersey, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated June 25, 2013. That report indicated that the Town of Hammonton's 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.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Hammonton's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under Government Auditing Standards or audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2012-1.

The Town of Hammonton's Response to Findings

The Town of Hammonton's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Todd R. Saler
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 25, 2013

TOWN OF HAMMONTON

Current Fund

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

For the Years Ended December 31, 2012 and 2011

<u>ASSETS</u>	<u>REFERENCE</u>	<u>2012</u>	<u>2011</u>
Current Fund:			
Cash -- Tax Collector - Treasurer	SA-1	\$ 2,157,157.51	\$ 2,833,101.71
Cash -- Change Fund	SA-2	585.00	585.00
Due From State of New Jersey -- Senior Citizens' and Veterans Deductions	SA-12	15,879.36	13,399.56
Due From County Open Space Trust Fund	A	<u>28,000.00</u>	<u>28,000.00</u>
Total		<u>2,201,621.87</u>	<u>2,875,086.27</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-3	34,890.59	22,228.27
Tax Title Liens Receivable	SA-4	541,255.06	470,733.53
Property Acquired for Taxes - Assessed Valuation		507,900.00	507,900.00
Revenue Accounts Receivable	SA-5	63,999.03	66,626.33
Due from Animal Control Fund	SB-3	<u>691.80</u>	<u>792.79</u>
		<u>1,148,736.48</u>	<u>1,068,280.92</u>
Deferred Charges:			
Special Emergency Authorization (N.J.S. 40A:4-55)	SA-6	<u>45,000.00</u>	<u>-</u>
		<u>3,395,358.35</u>	<u>3,943,367.19</u>
Federal and State Grant Fund:			
Cash	SA-1	9,429.23	9,615.59
Due from Current Fund	A & SA-1	25,851.37	24,884.89
Due from General Capital Fund	SA-1	4,178.00	30,822.00
Federal and State Grants Receivable	SA-17	<u>171,688.51</u>	<u>96,928.98</u>
		<u>211,147.11</u>	<u>162,251.46</u>
		<u>\$ 3,606,505.46</u>	<u>\$ 4,105,618.65</u>

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TOWN OF HAMMONTON

Current Fund

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

For the Years Ended December 31, 2012 and 2011

	<u>REFERENCE</u>	<u>2012</u>	<u>2011</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3 & SA-7	\$ 72,339.04	\$ 147,658.98
Reserve for Encumbrances	SA-8	146,095.17	137,853.76
Reserve for County Open Space Trust Fund	A	28,000.00	28,000.00
Prepaid Taxes	SA-10	467,376.73	443,590.66
Tax Overpayments	SA-11	1,634.41	20,415.29
Due State of New Jersey -- Vital Statistics	SA-13		375.00
Local School Tax Payable	SA-14	0.26	0.26
Due County for Added and Omitted Taxes	SA-15	22,880.28	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	A & SA-1	25,851.37	24,884.89
Due to Trust - Other Funds	SB-5	104,766.00	107,624.50
		<u>903,580.26</u>	<u>1,066,503.32</u>
Reserve for Receivables and Other Assets	A	1,148,736.48	1,068,280.92
Fund Balance	A-1	1,343,041.61	1,808,582.95
		<u>3,395,358.35</u>	<u>3,943,367.19</u>
Federal and State Grant Fund:			
Reserve for Federal and State Grants:			
Unappropriated Reserves	SA-18	2,070.34	68,347.36
Appropriated Reserves	SA-19	170,631.74	83,335.15
Reserve for Encumbrances	SA-20	38,445.03	10,568.95
		<u>211,147.11</u>	<u>162,251.46</u>
Total Federal and State Grant Fund		<u>\$ 3,606,505.46</u>	<u>\$ 4,105,618.65</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, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 1,710,000.00	\$ 2,466,900.00
Miscellaneous Revenue Anticipated	2,788,390.68	3,516,416.89
Receipts from Delinquent Taxes	22,403.59	50,925.36
Receipts from Current Taxes	30,281,539.27	29,971,641.08
Non-Budget Revenues	199,158.53	199,897.49
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	45,420.45	81,435.12
Reserves for Appropriated Federal & State Grants Canceled		15,515.01
Prior Year Encumbrances Canceled	6,386.16	4,800.33
Liquidation of Reserves for:		
Reserve for Due from Animal Control Fund	100.99	864.47
	<u>35,053,399.67</u>	<u>36,308,395.75</u>
<u>Expenditures</u>		
Operations Within "CAPS":		
Salaries and Wages	4,302,439.49	4,491,125.58
Other Expenses	3,685,082.20	3,798,405.44
Deferred Charges and Statutory Expenditures Within "CAPS"	979,684.87	1,217,187.72
Operations Excluded from "CAPS":		
Salaries and Wages	27,660.70	4,400.00
Other Expenses	255,083.40	487,278.99
Capital Improvements Excluded from "CAPS"		15,000.00
Municipal Debt Service Excluded from "CAPS"	1,634,052.48	1,626,090.48
County Taxes	5,461,254.59	5,560,825.26
Due County for Added and Omitted Taxes	22,880.28	121,462.98
Local School Taxes	17,485,803.00	17,328,150.00
Prior Year Tax Appeals		74,902.17
Federal & State Grant Receivables Canceled		8,547.54
Refund of Prior Year Revenue		1,062.30
	<u>33,853,941.01</u>	<u>34,734,438.46</u>
Total Expenditures	<u>33,853,941.01</u>	<u>34,734,438.46</u>

(Continued)

TOWN OF HAMMONTON
Current Fund
 Statements of Operations and Changes in Fund Balance - Regulatory Basis
 For the Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Excess in Revenue	\$ 1,199,458.66	\$ 1,573,957.29
Adjustments to Income Before Surplus:		
Expenditures Included Above which are by Statute Deferred		
Charges to Budget of Succeeding Year	45,000.00	-
Statutory Excess to Fund Balance	1,244,458.66	1,573,957.29
Fund Balance January 1	1,808,582.95	2,701,525.66
Total	3,053,041.61	4,275,482.95
Decreased by:		
Utilized as Revenue	1,710,000.00	2,466,900.00
Balance December 31	<u>\$ 1,343,041.61</u>	<u>\$ 1,808,582.95</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, 2012

	<u>Budget</u>	<u>N.J.S.A.</u> <u>40A:4-87</u>	<u>Realized</u>	<u>Excess</u> <u>(Deficit)</u>
Fund Balance	\$ 1,710,000.00	-	\$ 1,710,000.00	-
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	12,960.00		13,132.80	\$ 172.80
Other	5,393.00		4,875.00	(518.00)
Fines and Costs - Municipal Court	336,764.33		277,230.86	(59,533.47)
Interest and Costs on Taxes	161,022.79		153,288.15	(7,734.64)
Interest on Investments and Deposits	33,233.78		30,003.40	(3,230.38)
Board of Health Fees	24,458.00		30,558.00	6,100.00
Tax Search Fees	487.20		562.55	75.35
Airport Rental	62,774.01		72,990.42	10,216.41
Consolidated Municipal Property Tax Relief Act	135,439.00		135,439.00	
Energy Receipts Tax	1,102,638.00		1,102,638.00	
Garden State Trust Fund	34,637.00		34,637.00	
Uniform Construction Code Fees	106,417.00		125,118.00	18,701.00
Public and Private Revenues Offset with Appropriations:				
Clean Communities	27,731.54		27,731.54	
Drunk Driving Enforcement Fund	9,129.76	\$ 8,998.31	18,128.07	
Municipal Alliance on Alcoholism and Drug Abuse	16,345.00		16,345.00	
Body Armor Replacement Fund	3,056.22	3,039.41	6,095.63	
2012 Click It or Ticket		4,000.00	4,000.00	
Drive Sober or Get Pulled Over		4,400.00	4,400.00	
Recycling Tonnage Grant	55,028.75	35,956.93	90,985.68	
Alcohol Education & Rehabilitation	1,132.63		1,132.63	
2012 Sustainable Jersey Small Grant		2,000.00	2,000.00	
Pedestrian Safety Grant		15,000.00	15,000.00	
NJEDA - Skinner Building Grant		38,543.00	38,543.00	
2012 Federal Forfeited Property (Police Equipment)		37,096.30	37,096.30	
Other Special Items:				
Uniform Fire Safety Act	39,189.76		33,567.60	(5,622.16)
Cable TV Franchise Fee	46,935.00		46,935.00	
Plymouth Place -- Payment In-Lieu of Taxes	98,100.00		103,500.00	5,400.00
Water/Sewer Utility Management Fee	205,811.45		205,811.45	
Interlocal Agreement - School Police	156,645.60		156,645.60	
Total	<u>2,675,329.82</u>	<u>149,033.95</u>	<u>2,788,390.68</u>	<u>(35,973.09)</u>
Receipts from Delinquent Taxes	<u>53,000.00</u>	<u>-</u>	<u>22,403.59</u>	<u>(30,596.41)</u>
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes	<u>7,176,893.70</u>	<u>-</u>	<u>8,065,531.21</u>	<u>888,637.51</u>
Budget Totals	<u>11,615,223.52</u>	<u>149,033.95</u>	<u>12,586,325.48</u>	<u>822,068.01</u>
Non-Budget Revenues	<u>-</u>	<u>-</u>	<u>199,158.53</u>	<u>199,158.53</u>
Total	<u>\$ 11,615,223.52</u>	<u>\$ 149,033.95</u>	<u>\$ 12,785,484.01</u>	<u>\$ 1,021,226.54</u>

(Continued)

TOWN OF HAMMONTON
Current Fund
Statement of Revenues - Regulatory Basis (Cont'd)
For the Year Ended December 31, 2012

Analysis of Realized Revenue

Allocation of Current Tax Collections:

Revenue from Collections \$ 30,281,539.27

Allocated to:

County Taxes	\$ 4,628,134.26	
County Library Taxes	468,458.87	
County Health Taxes	289,498.04	
County Open Space Taxes	75,163.42	
Due County for Added & Omitted	22,880.28	
School Taxes	17,646,180.00	
		23,130,314.87

Sub-Total 7,151,224.40

Add Appropriation - Reserve for Uncollected Taxes 914,306.81

Amount for Support of Municipal Budget Appropriations \$ 8,065,531.21

Receipts from Delinquent Taxes:

Delinquent Tax Collections \$ 894.15

Tax Title Lien Collections 21,509.44

\$ 22,403.59

Licenses -- Other:

Raffle/Bingo \$ 720.00

Marriage 214.00

Business License 3,941.00

\$ 4,875.00

Interest on Investments:

Treasurer -- Tax Collector \$ 29,966.00

Due from Animal Control Fund 37.40

\$ 30,003.40

(Continued)

TOWN OF HAMMONTON
Current Fund
Statement of Revenues - Regulatory Basis (Cont'd)
For the Year Ended December 31, 2012

Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated:

Revenue Accounts Receivable:

Police Department	\$ 4,849.85
Use of Police Vehicle Fees	18,600.00
Town Clerk:	
Street Opening Permits	10,200.00
Tree Removal Permits	200.00
Municipal Court - Restitution	291.20
Municipal Court - Bail Forfeitures	1,101.00
Municipal Court - Old Outstanding Checks Cancelled	31.00
Business Registration Certificates	21,117.50
Landlord Registration Fees	38,976.00
Lien Recording Fees	12.00
Freon Fees and Permits	140.00
Fire Inspection Fees	9,717.00
Rental of Polling Places	450.00
Planning Board	5,200.00
Zoning Board	2,010.00
Tax Assessor	244.50

\$ 113,140.05

Tax Collector - Treasurer:

State of New Jersey -- Administrative Reimbursement	3,713.25
Motor Vehicle Inspection Fines	1,700.00
Photocopies	65.65
Recreation Insurance	5,600.00
Prior Year Refunds	13,181.19
Telephone Rental	39,608.78
Sale of Scrap Metal	8,012.50
In-Lieu of Taxes	500.00
Bounced Check Fees	60.00
Unclaimed Property	590.00
Sale of Equipment	12,136.32
Old Outstanding Checks Cancelled	5.44
Administrative Fee - COBRA	3.55
Lot Grading Application Fee	150.00

85,326.68

Statutory Excess in Reserve for Animal Control Fund Expenditures

691.80

\$ 199,158.53

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, 2012

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserve for Encumbrances</u>	<u>Reserved</u>	
GENERAL APPROPRIATIONS:						
<i>Operations Within "CAPS":</i>						
<u>GENERAL GOVERNMENT</u>						
Administrative and Executive						
Salaries and Wages	\$ 95,540.00	\$ 95,540.00	\$ 95,540.00			
Other Expenses	25,220.46	25,220.46	24,989.88	\$ 218.40	\$ 12.18	
Elections						
Other Expenses	5,000.00	5,000.00	5,000.00			
Financial Administration						
Salaries and Wages	70,169.00	70,169.00	70,169.00			
Other Expenses	19,276.92	19,276.92	18,354.70	714.00	208.22	
Annual Audit	4,500.00	4,500.00	4,500.00			
Assessment of Taxes						
Salaries and Wages	77,880.00	77,811.46	77,811.46			
Other Expenses	6,500.00	6,500.00	1,945.04	4,006.12	548.84	
Preparation of an Approved Tax Map (N.J.S.A. 40A:4-55, \$45,000.00)		45,000.00	45,000.00			
Collection of Taxes						
Salaries and Wages	80,527.50	80,527.50	80,527.50			
Other Expenses	4,272.75	4,272.75	4,231.98		40.77	
Legal Services and Costs:						
Other Expenses	70,000.00	68,983.00	53,438.45	9,753.25	5,791.30	
Engineering Services and Costs						
Other Expenses	28,000.00	8,449.03	5,296.47	391.54	2,761.02	
Public Buildings and Grounds						
Other Expenses	34,839.27	35,839.27	29,266.69	6,554.08	18.50	
Natural Gas	30,000.00	30,000.00	26,563.66	3,436.34		
Electricity	75,000.00	75,000.00	75,000.00			
Telephone	44,000.00	48,000.00	46,641.61	1,358.39		
Gasoline	145,000.00	145,000.00	131,254.77		13,745.23	
Municipal Land Use Law (N.J.S.A. 40:55D-1)						
Planning Board:						
Salaries and Wages	39,040.00	40,040.00	40,010.18		29.82	
Other Expenses	7,600.00	7,600.00	7,600.00			

(Continued)

TOWN OF HAMMONTON
Current Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2012

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserve for Encumbrances</u>	<u>Reserved</u>	
GENERAL APPROPRIATIONS:						
<i>Operations Within "CAPS" (Cont'd):</i>						
<u>GENERAL GOVERNMENT (Cont'd)</u>						
Board of Adjustments						
Other Expenses	\$ 4,300.00	\$ 4,300.00	\$ 4,093.73	\$ 140.00	\$ 66.27	
Historical Society:						
Salaries and Wages	400.00	400.00	400.00			
Environmental Commission (N.J.S. 40:56A-1 et seq.)						
Other Expenses	1,390.00	1,390.00	813.00	577.00		
Computer						
Salaries and Wages	49,131.00	49,131.00	49,131.00			
Other Expenses	33,267.33	33,267.33	29,218.25	3,816.00	233.08	
Insurance						
Group Insurance Plan for Employees	1,434,694.80	1,489,378.43	1,487,274.80	1,998.00	105.63	
Health Benefit Waivers	3,600.00	3,600.00	3,600.00			
Workers Compensation Insurance	318,830.00	292,380.38	292,380.38			
Liability Insurance	19,622.89	19,622.89	19,622.89			
Temporary Disability Insurance	6,000.00	10,438.62	6,028.81		4,409.81	
<u>PUBLIC SAFETY</u>						
Fire						
Other Expenses	102,312.00	105,555.00	88,887.65	16,137.99	529.36	
State Fire Prevention Code						
Salaries and Wages	27,750.00	27,750.00	27,203.34		546.66	
Other Expenses	5,000.00	5,000.00	3,096.12	1,823.39	80.49	
Police						
Salaries and Wages	2,627,393.21	2,622,193.21	2,620,000.46		2,192.75	
Other Expenses	215,000.00	215,000.00	199,129.01	15,821.58	49.41	
Police Radio and Communications						
Salaries and Wages	243,827.00	247,627.00	245,511.91		2,115.09	
Other Expenses	6,000.00	6,000.00	4,555.07	1,333.75	111.18	

(Continued)

TOWN OF HAMMONTON
Current Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2012

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserve for Encumbrances</u>	<u>Reserved</u>	
GENERAL APPROPRIATIONS:						
<i>Operations Within "CAPS" (Cont'd):</i>						
<u>PUBLIC SAFETY (Cont'd)</u>						
Municipal Court:						
Salaries and Wages	\$ 193,440.00	\$ 184,919.74	\$ 182,559.74	\$ 100.00	\$ 2,260.00	
Other Expenses	5,500.00	6,517.00	4,703.28	1,384.22	429.50	
Prosecutor:						
Salaries and Wages	24,000.00	24,000.00	20,572.74		3,427.26	
<u>STREETS AND ROADS</u>						
Streets and Roads						
Salaries and Wages	672,360.08	633,114.69	632,631.64		483.05	
Other Expenses	562,000.00	572,000.00	532,992.52	39,006.83	0.65	
Street Lighting						
Other Expenses	285,000.00	311,449.62	284,995.88		26,453.74	
<u>HEALTH AND WELFARE</u>						
Dog Regulation						
Other Expenses	7,400.00	7,400.00	7,400.00			
Registrar of Vital Statistics						
Other Expenses	400.00	562.50	437.50	98.00	27.00	
<u>RECREATION AND EDUCATION</u>						
Parks Commission:						
Salaries and Wages		1,200.00	1,200.00			
Other Expenses	1,200.00					
Recreation						
Salaries and Wages	12,180.00	10,409.29	10,387.98		21.31	
Other Expenses	19,179.00	19,179.00	18,048.26	536.00	594.74	
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	7,700.00	6,357.60	6,329.10		28.50	

(Continued)

TOWN OF HAMMONTON
Current Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2012

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserve for Encumbrances</u>	<u>Reserved</u>	
GENERAL APPROPRIATIONS:						
<i>Operations Within "CAPS" (Cont'd):</i>						
<u>CODE ENFORCEMENT (Cont'd)</u>						
Construction Code Official						
Salaries and Wages	\$ 128,249.00	\$ 128,249.00	\$ 128,249.00			
Other Expenses	2,300.00	2,300.00	1,992.00	\$ 285.00	\$ 23.00	
 <u>UNCLASSIFIED</u>						
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	6,000.00	9,300.00	8,992.62		307.38	
Total Operations Including Contingent - Within "CAPS"	<u>7,932,592.21</u>	<u>7,987,521.69</u>	<u>7,810,380.07</u>	<u>109,489.88</u>	<u>67,651.74</u>	<u>-</u>
Detail:						
Salaries and Wages	4,352,586.79	4,302,439.49	4,291,235.05	100.00	11,104.44	
Other Expenses	3,580,005.42	3,685,082.20	3,519,145.02	109,389.88	56,547.30	
 GENERAL APPROPRIATIONS:						
<i>Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS":</i>						
STATUTORY EXPENDITURES:						
Contribution to:						
Defined Contribution Retirement Plan	1,474.20	1,828.87	1,770.27		58.60	
Public Employees Retirement System of N.J.	209,477.20	209,477.20	209,477.20			
Police and Firemen's Retirement System of N.J.	595,507.00	595,507.00	595,507.00			
Social Security System (O.A.S.I.)	183,155.95	172,871.80	171,374.96		1,496.84	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>989,614.35</u>	<u>979,684.87</u>	<u>978,129.43</u>	<u>-</u>	<u>1,555.44</u>	<u>-</u>
Total General Appropriations - For Municipal Purposes Within "CAPS"	<u>8,922,206.56</u>	<u>8,967,206.56</u>	<u>8,788,509.50</u>	<u>109,489.88</u>	<u>69,207.18</u>	<u>-</u>

(Continued)

TOWN OF HAMMONTON
Current Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2012

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserve for Encumbrances</u>	<u>Reserved</u>	
GENERAL APPROPRIATIONS:						
<i>Operations Excluded from "CAPS":</i>						
Recycling Tax	\$ 17,200.00	\$ 17,200.00	\$ 14,068.14		\$ 3,131.86	
Public and Private Programs Offset By Revenues:						
Atlantic County Municipal Alliance Grant	20,431.25	20,431.25	20,431.25			
Clean Communities Program	27,731.54	27,731.54	27,731.54			
Drunk Driving Enforcement Grant (NJSA 40A:4-87, \$8,998.31)	9,129.76	18,128.07	18,128.07			
Body Armor Replacement Fund (NJSA 40A:4-87, \$3,039.41)	3,056.22	6,095.63	6,095.63			
Recycling Tonnage Grant (NJSA 40A:4-87, \$35,956.93.00)	55,028.75	90,985.68	90,985.68			
Alcohol Education & Rehabilitation	1,132.63	1,132.63	1,132.63			
Click It or Ticket (NJSA 40A:4-87, \$4,000.00)		4,000.00	4,000.00			
Drive Sober or Get Pulled Over (NJSA 40A:4-87, \$4,400.00)		4,400.00	4,400.00			
Sustainable Jersey Small Grant (NJSA 40A:4-87, \$2,000.00)		2,000.00	2,000.00			
Pedestrian Safety Grant (NJSA 40A:4-87, \$15,000.00)		15,000.00	15,000.00			
NJEDA - Skinner Building Grant (NJSA 40A:4-87, \$38,543.00)		38,543.00	38,543.00			
Federal Forfeited Property - Police Equipment (NJSA 40A:4-87, \$37,096.30)		37,096.30	37,096.30			
Total Operations - Excluded From "CAPS"	<u>133,710.15</u>	<u>282,744.10</u>	<u>279,612.24</u>	<u>-</u>	<u>3,131.86</u>	<u>-</u>
Detail:						
Salaries and Wages	10,262.39	27,660.70	27,660.70			
Other Expenses	123,447.76	255,083.40	251,951.54		3,131.86	

(Continued)

TOWN OF HAMMONTON
Current Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2012

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserve for Encumbrances</u>	<u>Reserved</u>	
GENERAL APPROPRIATIONS:						
<i>Municipal Debt Service - Excluded from "CAPS"</i>						
Payment of Bond & Loan Principal	\$ 940,000.00	\$ 940,000.00	\$ 940,000.00			
Interest on Bonds	695,000.00	695,000.00	684,725.00			\$ 10,275.00
Green Trust Loan Program --Principal and Interest	10,000.00	10,000.00	9,327.48			672.52
Total Municipal Debt Service - Excluded from "CAPS"	<u>1,645,000.00</u>	<u>1,645,000.00</u>	<u>1,634,052.48</u>	<u>-</u>	<u>-</u>	<u>10,947.52</u>
<i>Total General Appropriations for Municipal Purposes Excluded from "CAPS"</i>						
	<u>1,778,710.15</u>	<u>1,927,744.10</u>	<u>1,913,664.72</u>	<u>-</u>	<u>\$ 3,131.86</u>	<u>10,947.52</u>
Subtotal General Appropriations	10,700,916.71	10,894,950.66	10,702,174.22	\$ 109,489.88	72,339.04	10,947.52
Reserve for Uncollected Taxes	<u>914,306.81</u>	<u>914,306.81</u>	<u>914,306.81</u>			
TOTAL GENERAL APPROPRIATIONS	<u>\$ 11,615,223.52</u>	<u>\$ 11,809,257.47</u>	<u>\$ 11,616,481.03</u>	<u>\$ 109,489.88</u>	<u>\$ 72,339.04</u>	<u>\$ 10,947.52</u>
Appropriation by N.J.S.A. 40A:4-87		\$ 149,033.95				
Special Emergency Appropriation by N.J.S.A. 40A:4-55		45,000.00				
Original Budget		<u>11,615,223.52</u>				
		<u>\$ 11,809,257.47</u>				
Reserve for Federal and State Grants -- Appropriated			\$ 265,544.10			
Reserve for Preparation of Approved Tax Map			45,000.00			
Reserve for Uncollected Taxes			914,306.81			
Disbursed			<u>10,391,630.12</u>			
			<u>\$ 11,616,481.03</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, 2012 and 2011

<u>ASSETS</u>	<u>REFERENCE</u>	<u>2012</u>	<u>2011</u>
Animal Control Fund:			
Cash	SB-1	\$ 3,159.20	\$ 3,642.39
Other Funds:			
Cash	SB-1	1,331,360.05	1,193,286.36
Investments -- U.S. Government Securities	SB-2	356,562.01	345,056.37
Due from Current Fund	SB-5	104,766.00	107,624.50
Total Other Funds		<u>1,792,688.06</u>	<u>1,645,967.23</u>
Total		<u>\$ 1,795,847.26</u>	<u>\$ 1,649,609.62</u>
 <u>LIABILITIES AND RESERVES</u> 			
Animal Control Fund:			
Due to Current Fund	SB-3	\$ 691.80	\$ 792.79
Reserve for Encumbrances	SB-1		250.00
Reserve for Animal Control Fund Expenditures	SB-4	2,467.40	2,599.60
Total Animal Control Fund		<u>3,159.20</u>	<u>3,642.39</u>
Other Funds:			
Due to VCCB - Criminal Disposition		17,926.14	17,926.14
Reserve for Prosecutor's Trust Fund	SB-6	8,053.68	7,025.27
Reserve for Recreation Fees	SB-7	9,717.67	13,989.96
Reserve for Street Opening Escrow Deposits	SB-8	28,553.00	25,093.00
Reserve for Escrow Deposits	SB-9	171,603.77	184,327.70
Reserve for Public Defender Trust Fund	SB-10	14,676.29	15,367.89
Reserve for Parking Offense Adjudication Act	SB-11	1,935.33	1,837.33
Reserve for Municipal Drug Alliance Funds	SB-12	2,951.50	3,421.99
Reserve for Airport Security Deposit	SB-13	3,900.27	3,864.29
Reserve for Police Outside Detail	SB-14	100,770.00	103,390.00
Reserve for Tax Title Lien Redemption	SB-15	84,761.78	56,429.16
Reserve for Tax Sale Premium	SB-16	699,400.00	424,000.00
Payroll Deductions Payable	SB-17	710.30	825.24
Park Recreation Trust Fund	SB-18	46,866.85	46,434.51
Recaptured Grant Funds	SB-19	45,436.88	43,182.88
Uniform Fire Penalties Rider	SB-20	884.14	626.52
State Landfill Tax Escrow Fund	SB-21	169,996.54	168,414.08
State Landfill Closure -- Escrow Fund	SB-22	356,562.01	345,056.37
Reserve for Celebration of Public Events	SB-23	2,372.73	2,350.84
Reserve for COAH Fees	SB-24	817.57	163,007.53
Reserve for Police Equipment Donations	SB-25	20,795.61	15,162.03
Reserve for Encumbrances	SB-26	3,996.00	4,234.50
Total Other Funds		<u>1,792,688.06</u>	<u>1,645,967.23</u>
Total		<u>\$ 1,795,847.26</u>	<u>\$ 1,649,609.62</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, 2012 and 2011

	<u>REFERENCE</u>	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>			
Cash	SC-1 & SC-2	\$ 282,525.71	\$ 12,710.77
Federal Grants Receivable	SC-4	567,240.43	1,564,625.51
State Grants Receivable	SC-5	8,000.00	8,000.00
County and Local Grants Receivable	SC-6	2,272,271.02	215,086.62
Deferred Charges to Future Taxation:			
Funded	SC-7	15,905,400.61	16,602,710.25
Unfunded	SC-8	972,810.00	1,194,310.00
Total Assets		<u>\$ 20,008,247.77</u>	<u>\$ 19,597,443.15</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds	SC-13	\$ 15,560,000.00	\$ 16,500,000.00
Green Acres Trust Fund Loan Payable	SC-12	345,400.61	102,710.25
Improvement Authorizations:			
Funded	SC-9	1,064,266.87	878,416.35
Unfunded	SC-9	266,468.22	1,063,481.00
Contracts Payable	SC-10	1,954,777.94	991,950.42
Capital Improvement Fund	SC-11	13,156.13	30,063.13
Due to Water/Sewer Utility Operating Fund	SC-1	800,000.00	
Due to Federal & State Grant Fund	SC-1	4,178.00	30,822.00
Total Liabilities, Reserves and Fund Balance		<u>\$ 20,008,247.77</u>	<u>\$ 19,597,443.15</u>

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

TOWN OF HAMMONTON
Water and Sewer Utility Fund

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
As of December 31, 2012 and 2011

<u>ASSETS</u>	<u>REFERENCE</u>	<u>2012</u>	<u>2011</u>
Operating Fund:			
Cash	SD-1	\$ 705,199.25	\$ 3,021,026.61
Due from General Capital Fund	SD-1 & C	800,000.00	
Due from Utility Capital Fund	SD-20	800,000.00	305,000.00
		<u>2,305,199.25</u>	<u>3,326,026.61</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	SD-3	14,926.96	9,720.71
Utility Liens	SD-4	48,296.97	11,695.08
		<u>63,223.93</u>	<u>21,415.79</u>
Deferred Charges:			
Emergency Authorization (N.J.S. 40A:4-47)	D-6 & SD-5	180,000.00	-
		<u>180,000.00</u>	<u>-</u>
Total Operating Fund		<u>2,548,423.18</u>	<u>3,347,442.40</u>
Assessment Trust Fund:			
Assessments Receivable	SD-6	1,669.88	2,796.29
Due from Water and Sewer Utility Operating Fund	SD-7	326,861.83	340,735.42
		<u>328,531.71</u>	<u>343,531.71</u>
Capital Fund:			
Cash	SD-1&SD-2	10,200.86	1,218,233.43
Fixed Capital	SD-9	51,696,675.97	51,696,675.97
Fixed Capital Authorized and Uncompleted	SD-10	12,223,906.89	10,123,906.89
Federal Grants Receivable	SD-11	770,000.00	1,073,000.00
NJEIT Loans Receivable	SD-12	1,774,134.00	-
		<u>66,474,917.72</u>	<u>64,111,816.29</u>
Total Capital Fund		<u>66,474,917.72</u>	<u>64,111,816.29</u>
Total Assets		<u>\$ 69,351,872.61</u>	<u>\$ 67,802,790.40</u>

(Continued)

TOWN OF HAMMONTON
Water and Sewer Utility Fund

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
As of December 31, 2012 and 2011

	<u>REFERENCE</u>	<u>2012</u>	<u>2011</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves	D-6 & SD-13	\$ 42,504.99	\$ 40,930.98
Reserve for Encumbrances	SD-8	176,328.62	78,008.44
Due to Water and Sewer Utility Assessment Trust Fund	SD-7	326,861.83	340,735.42
Prepaid Utility Rents	SD-14	15,298.79	24,260.75
Accrued Interest Payable	SD-15	<u>280,932.38</u>	<u>325,402.38</u>
Total Liabilities		841,926.61	809,337.97
Reserve for Receivables	D	63,223.93	21,415.79
Fund Balance	D-1	<u>1,643,272.64</u>	<u>2,516,688.64</u>
Total Operating Fund		<u>2,548,423.18</u>	<u>3,347,442.40</u>
Assessment Trust Fund:			
Serial Bonds	SD-17	91,000.00	106,000.00
Reserve for Assessments and Liens	SD-16	1,669.88	2,796.29
Fund Balance	D-2	<u>235,861.83</u>	<u>234,735.42</u>
Total Assessment Trust Fund		<u>328,531.71</u>	<u>343,531.71</u>

(Continued)

TOWN OF HAMMONTON
Water and Sewer Utility Fund

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
As of December 31, 2012 and 2011

	<u>REFERENCE</u>	<u>2012</u>	<u>2011</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE (CONT'D)</u>			
Capital Fund:			
Serial Bonds	SD-28	\$ 14,950,000.00	\$ 15,862,000.00
USRD Loan Payable	SD-27	1,942,460.87	1,968,147.02
FmHA Loans Payable	SD-26	2,594,483.37	2,648,081.96
Wastewater Treatment Loans Payable	SD-25		410,510.50
New Jersey Environmental Infrastructure Trust Loans Payable	SD-24	2,376,753.46	
Improvement Authorizations:			
Funded	SD-18	1,356,451.58	1,735,457.26
Unfunded	SD-18	1,558,206.37	4,691,775.00
Contracts Payable	SD-19	2,399,562.56	132,352.56
Reserves for:			
Amortization	SD-22	35,554,222.16	34,109,558.38
Deferred Amortization	SD-23	2,385,666.00	1,753,355.00
Reserve for Payment of Bonds and Notes	SD-21	419,004.62	467,093.88
Capital Improvement Fund		28,484.73	28,484.73
Due to Utility Operating Fund	SD-20	800,000.00	305,000.00
Fund Balance	D-3	109,622.00	
		<u>66,474,917.72</u>	<u>64,111,816.29</u>
Total Capital Fund		<u>66,474,917.72</u>	<u>64,111,816.29</u>
		<u>\$ 69,351,872.61</u>	<u>\$ 67,802,790.40</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 69,351,872.61</u>	<u>\$ 67,802,790.40</u>

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

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

TOWN OF HAMMONTON
Water and Sewer Utility Fund
 Statements Of Operations And Changes In Fund Balance - Regulatory Basis
 For the Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Revenue and Other Income Realized:		
Operating Fund Balance Utilized	\$ 1,371,000.00	\$ 1,062,000.00
Rents	4,036,485.02	3,663,404.00
Reserve for Payment of Bonds	60,000.00	305,000.00
Miscellaneous	182,079.87	196,009.36
Other Credits to Income:		
Cancellation of Reserve for Small Cities Grant		72,608.10
Unexpended Balance of Appropriation Reserves	42,089.19	160,922.94
	<u> </u>	<u> </u>
Total Revenue and Other Income Realized	<u>5,691,654.08</u>	<u>5,459,944.40</u>
Expenditures:		
Operating	2,845,941.87	2,309,665.43
Capital Outlay	48,516.04	100,000.00
Debt Service	2,316,963.30	2,326,218.82
Deferred Charges and Statutory Expenditures	162,648.87	479,573.00
Cancellation of Small Cities Grant Receivable		73,620.62
	<u> </u>	<u> </u>
Total Expenditures	<u>5,374,070.08</u>	<u>5,289,077.87</u>
Excess in Revenue	317,584.00	170,866.53
Adjustments to Income Before Fund Balance:		
Expenditures included above which are by Statute Deferred		
Charges to Budget of Succeeding Year	180,000.00	-
	<u> </u>	<u> </u>
Statutory Excess to Fund Balance	497,584.00	170,866.53
Fund Balance January 1	<u>2,516,688.64</u>	<u>3,407,822.11</u>
	3,014,272.64	3,578,688.64
Decreased by:		
Utilization by Water Operating Budget	<u>1,371,000.00</u>	<u>1,062,000.00</u>
Fund Balance December 31	<u><u>\$ 1,643,272.64</u></u>	<u><u>\$ 2,516,688.64</u></u>

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

TOWN OF HAMMONTON
Water and Sewer Utility Assessment Trust Fund
 Statements of Fund Balance - Regulatory Basis
 For the Year Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Balance January 1	\$ 234,735.42	\$ 233,325.53
Increased by:		
Collection of Unpledged Assessments	1,126.41	1,409.89
Balance December 31	\$ 235,861.83	\$ 234,735.42

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

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
Statements of Fund Balance - Regulatory Basis
For the Year Ended December 31, 2012

Premium on NJEIT Bonds Issued	\$ 109,622.00
Balance December 31, 2012	<u>\$ 109,622.00</u>

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

TOWN OF HAMMONTON
Water and Sewer Utility Fund
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2012

	<u>Budget</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Fund Balance Anticipated	\$ 1,371,000.00	\$ 1,371,000.00	
Rents	3,652,027.04	4,036,485.02	\$ 384,457.98
Reserve for Payment of Bonds	60,000.00	60,000.00	
Miscellaneous	196,079.74	182,079.87	(13,999.87)
	<u>5,279,106.78</u>	<u>5,649,564.89</u>	<u>370,458.11</u>
Total	<u>\$ 5,279,106.78</u>	<u>\$ 5,649,564.89</u>	<u>\$ 370,458.11</u>

Analysis of Realized Revenues

Rents:

Consumer Accounts Receivable:

Rents Collected	\$ 4,031,561.52
Prepaid Applied	4,084.30
Liens Collected	<u>839.20</u>
Total	<u>\$ 4,036,485.02</u>

Miscellaneous:

Penalty on Delinquent Accounts	\$ 29,052.98
Interest on Investments	33,889.86
Refund of Prior Year Expenditures	20,580.03
Meters	10,812.00
Taps	2,900.00
Connection Fees (Sewer)	32,000.00
Connection Fees (Water)	47,000.00
Street Opening Fees	500.00
Road Restoration	600.00
Rental of Polling Place	300.00
Sludge Removal	4,215.00
Bounced Check Fees	80.00
Application Fees	<u>150.00</u>

\$ 182,079.87

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

TOWN OF HAMMONTON
Water and Sewer Utility Assessment Trust Fund
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2012

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

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

TOWN OF HAMMONTON
Water and Sewer Utility Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2012

			Expended			Unexpended
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserve For</u>	<u>Reserved</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>	<u>Encumbrances</u>		<u>Canceled</u>
Operating:						
Salaries and Wages	\$ 623,522.00	\$ 623,522.00	\$ 612,157.49		\$ 11,364.51	
Other Expenses (NJSA 40A:4-47 \$180,000)	2,030,935.91	2,222,419.87	2,021,418.78	\$ 169,860.61	31,140.48	
Capital Outlay	60,000.00	48,516.04	46,962.04	1,554.00		
Debt Service:						
Payment of Bond/Loan Principal	1,483,000.00	1,483,000.00	1,469,663.78			\$ 13,336.22
Interest on Bonds & Loans	919,000.00	919,000.00	847,299.52			71,700.48
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)	50,000.00	50,000.00	50,000.00			
New Jersey Disability Insurance	4,532.07	4,532.07	4,532.07			
PERS	108,116.80	108,116.80	108,116.80			
Total	\$ 5,279,106.78	\$ 5,459,106.78	\$ 5,160,150.48	\$ 171,414.61	\$ 42,504.99	\$ 85,036.70
Emergency Authorization (N.J.S. 40A:4-47)		\$ 180,000.00				
Original Budget		5,279,106.78				
		\$5,459,106.78				
Interest on Bonds			\$ 847,299.52			
Disbursed			4,312,850.96			
			\$ 5,160,150.48			

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

TOWN OF HAMMONTON
Water and Sewer Utility Assessment Trust Fund
Statement of Expenditures
For the Year Ended December 31, 2012

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

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, 2012

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Additions/</u> <u>Adjustments</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
General Fixed Assets:				
Land	\$ 3,080,100.00			\$ 3,080,100.00
Building	9,280,754.00			9,280,754.00
Equipment	<u>5,659,127.84</u>	<u>\$ 272,351.57</u>	<u>\$ 131,794.00</u>	<u>5,799,685.41</u>
Total General Fixed Assets	<u>\$18,019,981.84</u>	<u>\$ 272,351.57</u>	<u>\$ 131,794.00</u>	<u>\$18,160,539.41</u>
 Total Investments in General Fixed Assets	 <u>\$18,019,981.84</u>	 <u>\$ 272,351.57</u>	 <u>\$ 131,794.00</u>	 <u>\$18,160,539.41</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, 2012

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.

**Effective January 1, 2012, the Town consolidated the water and sewer utility funds that were previously accounted for and presented as separate, individual funds. Consequently, balances reported as of December 31, 2011 on the statements of assets, liabilities, reserves and fund balance - regulatory basis and the statements of operations and changes in fund balance - regulatory basis represent an accumulation of the balances previously reported under separately presented water utility funds and sewer utility funds.*

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

Basis of Accounting, Measurement Focus and Basis of Presentation (Cont'd)

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

Budgets and Budgetary Accounting - The Town of Hammonton must adopt an annual budget for its current fund and water and sewer utility fund 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.

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

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.

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.

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

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.

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, 2011 and decreased by the amount deferred at December 31, 2012.

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.

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

Expenditures (Cont'd) - 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.

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, 2012, the Town's bank balances of \$4,627,041.98 were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 1,028,100.18
Uninsured and Collateralized with Securities Held by Pledging Financial Institutions	3,348,941.80
Total	\$ 4,377,041.98

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 \$356,562.01 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.

As of December 31, 2012, 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>
FHLMC	2/21/2014	AAA	\$ 4,000.00	\$ 4,001.92
FHLMC	1/12/2018	N/A	3,977.12	3,972.92
FHLMC	10/5/2016	AAA	5,002.20	5,006.65
FHLMC	2/24/2016	AAA	4,000.00	4,021.96
FHLMC	1/23/2015	AAA	5,019.50	5,001.70
FHLMC	10/2/2019	AAA	3,991.72	3,988.28
FHLMC	6/1/2017	AAA	4,019.60	4,016.44
FHLMC	11/20/2017	AAA	7,040.74	7,024.71
FHLMC	4/15/2013	AAA	5,991.60	6,025.80
FHLMC	5/30/2019	AAA	1,999.62	2,068.92
FHLMC	8/25/2016	AAA	4,981.40	5,262.20
FHLMC	1/13/2022	AAA	3,994.94	4,178.68
FHLMC	8/1/2019	AAA	4,978.65	5,006.90
FNMA	2/22/2016	AAA	5,004.75	5,003.40
FNMA	12/16/2013	AAA	4,958.16	5,028.80
FNMA	5/7/2013	AAA	2,995.17	3,016.44
Subtotal (Carried forward)			<u>71,955.17</u>	<u>72,625.72</u>

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

As of December 31, 2012, the Town had the following investments and maturities (cont'd):

<u>Investment</u>	<u>Maturities</u>	<u>Moody's Credit Rating</u>	<u>Cost</u>	<u>Fair Value</u>
Subtotal (Brought forward)			\$ 71,955.17	\$ 72,625.72
FNMA	10/15/2015	AAA	2,007.00	2,076.62
FNMA	5/22/2015	AAA	5,009.19	5,007.00
FNMA	9/21/2016	AAA	3,999.60	4,004.00
FNMA	7/18/2016	AAA	4,001.52	4,001.32
FNMA	4/4/2016	AAA	5,014.75	5,011.60
FNMA	8/28/2017	AAA	4,010.00	4,016.60
FNMA	9/27/2018	AAA	7,000.00	7,016.73
FNMA	3/10/2016	AAA	3,834.11	3,727.50
FNMA	5/1/2013	AA2	2,146.76	2,029.60
Federal Farm Credit Bks	6/25/2013	AAA	4,984.40	5,031.50
Federal Farm Credit Bks	11/16/2015	AAA	2,994.66	3,096.33
Federal Farm Credit Bks	2/21/2013	AAA	4,986.85	5,010.40
U.S. Treasury Bonds	2/15/2016	AAA	14,421.09	12,744.50
U.S. Treasury Bonds	8/15/2019	AAA	6,837.23	7,277.75
U.S. Treasury Bonds	11/15/2018	AAA	5,979.69	5,865.00
U.S. Treasury Bonds	2/15/2020	AAA	5,634.69	6,021.24
U.S. Treasury Bonds	11/15/2015	AAA	2,772.58	2,541.72
U.S. Treasury Notes	9/30/2017	AAA	2,975.16	2,994.60
U.S. Treasury Notes	1/31/2017	AAA	21,026.01	21,278.88
U.S. Treasury Notes	10/31/2016	AAA	3,011.84	3,057.18
U.S. Treasury Notes	10/31/2015	AAA	967.89	1,025.39
U.S. Treasury Notes	11/15/2022	AAA	3,985.31	3,956.24
U.S. Treasury Notes	1/31/2014	AAA	989.30	1,016.68
U.S. Treasury Notes	5/15/2022	AAA	1,990.86	2,017.34
U.S. Treasury Notes	10/31/2017	AAA	2,996.95	3,168.99
U.S. Treasury Notes	2/15/2022	AAA	3,099.38	3,102.42
U.S. Treasury Notes	11/15/2021	AAA	4,907.81	5,189.45
U.S. Treasury Notes	2/29/2016	AAA	4,993.16	5,272.25
U.S. Treasury Notes	5/31/2014	AAA	5,029.10	5,142.20
U.S. Treasury Notes	8/31/2014	AAA	3,017.69	3,106.17
U.S. Treasury Notes	6/30/2014	AAA	4,994.92	5,178.50
Subtotal (Carried forward)			<u>221,574.67</u>	<u>222,611.42</u>

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

As of December 31, 2012, the Town had the following investments and maturities (cont'd):

<u>Investment</u>	<u>Maturities</u>	Moody's <u>Credit</u> <u>Rating</u>	<u>Cost</u>	<u>Fair Value</u>
Subtotal (Brought forward)			\$ 221,574.67	\$ 222,611.42
U.S. Treasury Notes	8/15/2020	AAA	979.18	1,098.13
U.S. Treasury Notes	11/15/2020	AAA	4,662.78	5,487.50
U.S. Treasury Notes	5/15/2019	AAA	15,050.44	16,987.50
U.S. Treasury Notes	5/15/2021	AAA	7,995.86	9,071.84
U.S. Treasury Notes	3/31/2017	AAA	6,467.11	6,672.18
U.S. Treasury Notes	7/31/2016	AAA	2,106.88	2,197.82
U.S. Treasury Notes	11/15/2019	AAA	4,845.74	5,748.85
U.S. Treasury Notes	2/15/2018	AAA	7,848.63	7,970.69
U.S. Treasury Notes	5/15/2020	AAA	6,426.41	6,966.12
U.S. Treasury Notes	8/15/2019	AAA	10,758.44	11,644.50
U.S. Treasury Notes	2/15/2014	AAA	9,526.95	10,423.80
U.S. Treasury Notes	5/15/2015	AAA	13,419.72	14,168.96
U.S. Treasury Notes	8/15/2015	AAA	17,425.63	17,628.80
U.S. Treasury Notes	11/15/2014	AAA	2,148.05	2,148.52
U.S. Treasury Notes	5/15/2017	AAA	7,306.17	8,175.23
U.S. Treasury Notes	5/15/2020	AAA	2,894.06	3,071.40
Private Export Funding	7/15/2016	AAA	1,997.50	2,111.58
Private Export Funding	5/15/2015	AAA	2,265.52	2,198.32
U.S. Government Obligations	N/A	N/A	10,862.27	10,862.27
			<u>\$ 356,562.01</u>	<u>\$ 367,245.43</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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Tax Rate	<u>\$ 3.481</u>	<u>\$ 3.463</u>	<u>\$ 3.365</u>	<u>\$ 3.358</u>	<u>\$ 3.317</u>
Apportionment of Tax Rate:					
Municipal	0.825	0.769	0.765	0.761	0.760
County	0.628	0.656	0.562	0.559	0.519
Local School District	2.028	2.038	2.038	2.038	2.038

Assessed Valuation

Year

2012	\$ 870,020,062.00
2011	850,046,338.00
2010	850,313,680.00
2009	844,462,889.00
2008	835,232,116.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>	
			<u>True Rate</u>	<u>Underlying Rate</u>
2012	\$ 30,412,185.81	\$ 30,281,539.27	99.57%	97.24%
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%

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>
2012	\$ 541,255.06	\$ 34,890.59	\$ 576,145.65	1.89%
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%

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

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

<u>Year</u>	<u>Number</u>
2012	113
2011	95
2010	75
2009	60
2008	57

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>
2012	\$ 507,900.00
2011	507,900.00
2010	422,900.00
2009	422,900.00
2008	422,900.00

Note 6: **WATER AND SEWER UTILITY SERVICE CHARGES**

The following is a five-year comparison of water and 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>			
2012	\$ 9,720.71	\$ 11,695.08	\$ 4,076,303.39	\$ 4,097,719.18	\$ 4,036,485.02
2011	7,184.01	12,538.45	3,665,025.68	3,684,748.14	3,663,404.00
2010	5,328.61	10,081.06	3,532,959.03	3,548,368.70	3,529,599.66
2009	88,325.08	6,328.67	3,638,680.01	3,733,333.76	3,719,676.48
2008	76,075.86	6,550.33	3,652,848.21	3,735,474.40	3,640,598.99

Note 7: **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>			
2012	\$ 1,343,041.61	\$ 1,254,000.00	93.37%
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%
<u>Water and Sewer Utility Operating Fund</u>			
2012	\$ 1,643,272.64	\$ 1,524,807.09	92.79%
2011	2,516,688.64	1,371,000.00	54.48%
2010	3,407,822.11	1,062,000.00	31.16%
2009	4,162,822.11	755,000.00	18.14%
2008	5,589,027.33	1,875,000.00	33.55%

Note 8: **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, 2012:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$ 691.80	\$ 130,617.37
Federal and State Grant Fund	30,029.37	
Animal Control Fund		691.80
Trust Other Funds	104,766.00	
General Capital Fund		804,178.00
Water and Sewer Utility Assessment Trust Fund	326,861.83	
Water and Sewer Utility Operating Fund	1,600,000.00	326,861.83
Water and Sewer Utility Capital Fund		800,000.00
	<u>\$ 2,062,349.00</u>	<u>\$ 2,062,349.00</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds and from interfund loans made during 2012. During 2013, the Town expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 9: **DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2012, the following deferred charge is shown on the statement of assets, liabilities, reserves and fund balance of the following funds:

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>2013 Budget</u> <u>Appropriations</u>	<u>Balance to</u> <u>Succeeding</u> <u>Years</u>
Current Fund:			
Special Emergency Authorizations	\$ 45,000.00	\$ 9,000.00	\$ 36,000.00
Water and Sewer Utility Operating Fund:			
Emergency Authorizations	180,000.00	180,000.00	-

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, certain Town employees participate in the Defined Contribution Retirement Program (DCRP), which is a defined contribution pension plan and is also administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

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

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased to 6.5% plus an additional 1.0% phased-in over seven years. The phase-in of the additional incremental member contribution amount began July 1, 2012 and increases each subsequent July 1. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

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

Public Employees' Retirement System (Cont'd) - The Town is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions, were as follows:

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Paid by Town</u>
2012	\$ 118,584.00	\$ 199,110.00	\$ 317,694.00	\$ 317,694.00
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

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 was 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>
2012	\$ 291,325.00	\$ 304,182.00	\$ 595,507.00	\$ 595,507.00
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

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 Township'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 2012, 2011 and 2010 were \$1,412.05, \$1,835.08 and \$868.45, 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/.

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, 2012, 2011, and 2010, were \$470,887.32, \$317,722.14 and \$260,572.20, respectively, which equaled the required contributions for each year. There were approximately 35 retired participants eligible at December 31, 2012.

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, 2012 was \$25,539.04.

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, 2012, accrued benefits for compensated absences are valued at \$222,678.13. 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, 2012 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, 2012, the Town had lease agreements in effect for the following:

- Capital:
 - Police Vehicles

- Operating:
 - Copiers
 - Postage Meter

The following page includes an analysis of capital and operating leases.

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

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

	<u>Balance</u>	
	<u>Dec. 31, 2012</u>	<u>Dec. 31, 2011</u>
Vehicles	\$ 121,955.91	\$ 30,462.60

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 41,931.83	\$ 5,349.37	\$ 47,281.20
2014	3,749.61	43,531.59	47,281.20
2015	45,192.37	2,088.83	47,281.20
2016	31,082.10	438.70	31,520.80
	<u>\$ 121,955.91</u>	<u>\$ 51,408.49</u>	<u>\$ 173,364.40</u>

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

<u>Year</u>	<u>Amount</u>
2013	<u>\$ 8,050.91</u>

Rental payments under operating leases for the year 2012 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</u>	
	<u>Dec. 31, 2012</u>	<u>Dec. 31, 2011</u>
Balance of Tax	\$ 8,823,090.26	\$ 8,662,713.26
Deferred	8,823,090.00	8,662,713.00
	<u>\$ 0.26</u>	<u>\$ 0.26</u>

Note 16: **CAPITAL DEBT****Summary of Debt**

	<u>Year 2012</u>	<u>Year 2011</u>	<u>Year 2010</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 15,905,400.61	\$ 16,602,710.25	\$ 17,508,263.86
Water and Sewer Utility:			
Bonds, Loans and Notes	21,863,697.70	20,888,739.48	21,316,432.50
Assessment Bonds	<u>91,000.00</u>	<u>106,000.00</u>	<u>121,600.00</u>
Total Issued	<u>37,860,098.31</u>	<u>37,597,449.73</u>	<u>38,946,296.36</u>
<u>Authorized but not Issued</u>			
General:			
Bonds, Loans and Notes	972,810.00	1,194,310.00	144,310.00
Water and Sewer Utility:			
Bonds, Loans and Notes	<u>4,116,997.00</u>	<u>5,068,930.00</u>	<u>468,930.00</u>
Total Authorized but not Issued	<u>5,089,807.00</u>	<u>6,263,240.00</u>	<u>613,240.00</u>
Total Issued and Authorized but not Issued	<u>42,949,905.31</u>	<u>43,860,689.73</u>	<u>39,559,536.36</u>
<u>Deductions</u>			
Self-Liquidating Debt	<u>26,071,694.70</u>	<u>26,063,669.48</u>	<u>13,713,038.38</u>
Total Deductions	<u>26,071,694.70</u>	<u>26,063,669.48</u>	<u>13,713,038.38</u>
Net Debt	<u>\$ 16,878,210.61</u>	<u>\$ 17,797,020.25</u>	<u>\$ 25,846,497.98</u>

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 1.18%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 30,104,000.00	\$ 30,104,000.00	
Water and Sewer Utility	26,071,694.70	26,071,694.70	
General	<u>16,878,210.61</u>		<u>\$ 16,878,210.61</u>
	<u>\$ 73,053,905.31</u>	<u>\$ 56,175,694.70</u>	<u>\$ 16,878,210.61</u>

Net Debt \$16,878,210.61 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$1,433,803,662.33 equals 1.18%.

Note 16: **CAPITAL DEBT (CONT'D)**

Borrowing Power Under NJSA 40A:2-6 As Amended

3 1/2% of Equalized Valuation Basis (Municipal)	\$50,183,128.18
Net Debt	<u>16,878,210.61</u>
Remaining Borrowing Power	<u><u>\$33,304,917.57</u></u>

**Calculation of "Self-Liquidating Purpose,"
Water and Sewer Utility Per NJSA 40A:2-45**

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for Year	\$ 5,649,564.89
Deductions:	
Operating and Maintenance Cost	\$ 3,008,590.74
Debt Service per Water and Sewer Fund	<u>2,316,963.30</u>
	<u>5,325,554.04</u>
Excess in Revenue	<u><u>\$ 324,010.85</u></u>

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

<u>Year</u>	<u>General</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2013	\$ 997,729.46	\$ 652,583.42	\$ 1,650,312.88
2014	1,043,310.95	613,787.32	1,657,098.27
2015	1,113,679.00	571,856.78	1,685,535.78
2016	1,164,054.46	526,643.82	1,690,698.28
2017	1,334,437.44	467,048.33	1,801,485.77
2018-2022	7,038,207.03	1,419,129.34	8,457,336.37
2023-2027	3,140,362.76	142,257.46	3,282,620.22
2028-2032	<u>73,619.51</u>	<u>4,109.49</u>	<u>77,729.00</u>
	<u><u>\$ 15,905,400.61</u></u>	<u><u>\$ 4,397,415.96</u></u>	<u><u>\$ 20,302,816.57</u></u>

Note 16: **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 and Sewer Utility</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 1,532,280.02	\$ 806,916.34	\$ 2,339,196.36
2014	1,602,030.89	752,071.42	2,354,102.31
2015	1,654,951.37	694,733.44	2,349,684.81
2016	1,698,945.50	634,964.31	2,333,909.81
2017	1,728,327.62	571,894.59	2,300,222.21
2018-2022	7,352,859.55	1,928,656.75	9,281,516.30
2023-2027	2,993,006.82	876,117.23	3,869,124.05
2028-2032	1,463,458.50	564,272.81	2,027,731.31
2033-2037	1,099,438.83	320,121.17	1,419,560.00
2038-2042	458,710.93	123,862.25	582,573.18
2043-2047	212,078.25	57,310.74	269,388.99
2048-2052	158,609.42	13,851.89	172,461.31
	<u>\$ 21,954,697.70</u>	<u>\$ 7,344,772.94</u>	<u>\$ 29,299,470.64</u>

Note 17: **RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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, 2012 and 2011 was \$19,451.11 and \$19,852.31, respectively.

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, 2012, which can be obtained at www.acmjif.org.

Note 19: CHANGE ORDERS

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

Ordinance No.	<u>Project Description</u>
2012-19; 2012-26	Renovation of Property

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

N.J.A.C. 5:30-11.9 delineates the required procedures for change orders, which exceed the twenty percent limitation. The Township has complied with all provisions of N.J.A.C. 5:30-11.9.

Note 20: **LITIGATION**

The Town is a defendant in certain 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, 2012

	<u>CURRENT FUND</u>	<u>FEDERAL AND STATE GRANT FUND</u>
Balance December 31, 2011	\$ 2,833,101.71	\$ 9,615.59
Increased by Receipts:		
Uniform Fire Safety Act	\$ 33,567.60	
Miscellaneous Revenue not Anticipated	85,326.68	
Taxes Receivable	29,650,700.29	
Tax Title Liens Receivable	21,509.44	
Revenue Accounts Receivable	2,571,868.28	
2011 Appropriation Reserves Refunds Received	5,022.67	
Prepaid Taxes	467,376.73	
Tax Overpayments	13,777.34	
Reserve for Garden State Preservation Trust Fund	34,637.00	
Due from State of New Jersey - Tax Deductions	185,662.67	
Due to State of New Jersey - Vital Statistics	2,550.00	
Due from Animal Control Fund	792.79	
Due from Trust -- Other Funds	129,679.50	
Due from General Capital Fund		\$ 30,822.00
Federal and State Grants Receivable		120,421.30
Matching Funds for Grants		4,086.25
Due to Federal and State Grant Fund	<u>966.48</u>	
Total Receipts	<u>33,203,437.47</u>	<u>155,329.55</u>
	36,036,539.18	164,945.14
Decreased by Disbursements:		
2012 Appropriations	10,391,630.12	
2011 Appropriation Reserves	200,582.69	
Reserve for Encumbrances	9,312.35	
Reserve for Preparation of Approved Tax Map	40,500.00	
Tax Overpayments	30,061.69	
Due to State of New Jersey - Vital Statistics	2,150.00	
Local District School Taxes	17,485,803.00	
Due County for Added and Omitted Taxes Payable	121,462.98	
County Taxes Payable	5,461,254.59	
Due from Trust -- Other Funds	132,538.00	
Reserve for Federal and State Grants - Appropriated		139,812.63
Reserve for Encumbrances - Federal and State Grants		10,558.80
Matching Funds for Grants	4,086.25	
Due from General Capital Fund		4,178.00
Due from Current Fund	<u>966.48</u>	
Total Disbursements	<u>33,879,381.67</u>	<u>155,515.91</u>
Balance December 31, 2012	<u>\$ 2,157,157.51</u>	<u>\$ 9,429.23</u>

TOWN OF HAMMONTON
Current Fund
Schedule of Change Funds
For the Year Ended December 31, 2012

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, 2012

<u>Year</u>	<u>Balance</u> <u>December 31,</u> <u>2011</u>	<u>2012 Levy</u>	<u>Added</u> <u>Taxes</u>	<u>2011</u>	<u>Collections</u> <u>2012</u>	<u>Due From</u> <u>State Of</u> <u>New Jersey</u>	<u>Overpayments</u> <u>Applied</u>	<u>Canceled</u>	<u>Transferred</u> <u>To Tax</u> <u>Title Liens</u>	<u>Balance</u> <u>December 31,</u> <u>2012</u>
2010	\$ 14,165.71				\$ 894.15					\$ 13,271.56
2011	8,062.56									8,062.56
	22,228.27	-	-	-	894.15	-	-	-	-	21,334.12
2012		\$ 30,412,185.81		\$ 443,590.66	29,649,806.14	\$ 188,142.47	-	\$ 25,937.77	\$ 91,152.30	\$ 13,556.47
Total	<u>\$ 22,228.27</u>	<u>\$ 30,412,185.81</u>	<u>\$ -</u>	<u>\$ 443,590.66</u>	<u>\$ 29,650,700.29</u>	<u>\$ 188,142.47</u>	<u>\$ -</u>	<u>\$ 25,937.77</u>	<u>\$ 91,152.30</u>	<u>\$ 34,890.59</u>

Analysis of 2012 Property Tax Levy

Tax Yield:

General Purpose Tax	\$ 30,285,402.06
Added Taxes (54:4-63.1 et seq.)	<u>126,783.75</u>

Total \$ 30,412,185.81

Tax Levy:

Local District School Tax	\$ 17,646,180.00	
County Tax	4,628,134.26	
County Library Tax	468,458.87	
County Health Services Tax	289,498.04	
County Open Space Preservation	75,163.42	
Due County for Added Taxes (54:4-63.1 et seq.)	<u>22,880.28</u>	\$ 23,130,314.87
Local Tax for Municipal Purposes	7,176,893.70	
Additional Tax Levies	<u>104,977.24</u>	
		<u>7,281,870.94</u>

Total \$ 30,412,185.81

TOWN OF HAMMONTON
Current Fund
Schedule of Tax Title Liens
For the Year Ended December 31, 2012

Balance December 31, 2011		\$ 470,733.53
Increased by:		
Transfers from Taxes Receivable	\$ 91,152.30	
Tax Sale Interest and Costs	<u>878.67</u>	
		<u>92,030.97</u>
		562,764.50
Decreased by:		
Collections		<u>21,509.44</u>
Balance December 31, 2012		<u><u>\$ 541,255.06</u></u>

TOWN OF HAMMONTON
Current Fund
Schedule of Revenue Accounts Receivable
For the Year Ended December 31, 2012

	Balance December 31, <u>2011</u>	Accrued <u>In 2012</u>	<u>Collected</u>	Balance December 31, <u>2012</u>
Clerk:				
Alcoholic Beverage Licenses		\$ 13,132.80	\$ 13,132.80	
Other Licenses		4,875.00	4,875.00	
Street Opening Permits		10,200.00	10,200.00	
Tree Removal Permits		200.00	200.00	
Business Registration Certificates		21,117.50	21,117.50	
Landlord Registration Fees		38,976.00	38,976.00	
Lien Recording Fees		12.00	12.00	
Freon Fees and Permits		140.00	140.00	
Fire Inspection Fees		9,717.00	9,717.00	
Rental of Polling Place		450.00	450.00	
Planning Board		5,200.00	5,200.00	
Zoning Board of Adjustment		2,010.00	2,010.00	
Tax Assessor		244.50	244.50	
Police Department		4,849.85	4,849.85	
Use of Police Vehicles		18,600.00	18,600.00	
Municipal Court:				
Fines and Costs	\$ 19,691.33	275,031.14	277,230.86	\$ 17,491.61
Restitution		291.20	291.20	
Bail Forfeitures		1,101.00	1,101.00	
Old Outstanding Checks Cancelled		31.00	31.00	
Interest and Costs on Taxes		153,288.15	153,288.15	
Board of Health Fees		30,558.00	30,558.00	
Tax Search Fees		562.55	562.55	
Airport Rental		72,990.42	72,990.42	
Uniform Construction Code Fees		125,118.00	125,118.00	
Cable TV Franchise Fee	46,935.00	46,507.42	46,935.00	46,507.42
Plymouth Place - Payment In-Lieu of Taxes		103,500.00	103,500.00	
Water Utility Management Fee		84,952.93	84,952.93	
Sewer Utility Management Fee		120,858.52	120,858.52	
Interlocal Agreement - School Police		156,645.60	156,645.60	
Consolidated Municipal Property Tax Relief Act		135,439.00	135,439.00	
Energy Receipts Tax		1,102,638.00	1,102,638.00	
Interest on Investments		30,003.40	30,003.40	
Total	\$ 66,626.33	\$ 2,569,240.98	\$ 2,571,868.28	\$ 63,999.03

TOWN OF HAMMONTON
Current Fund
 Schedule of Deferred Charges
 N.J.S.A. 40A:4-55 Special Emergency
 For the Year Ended December 31, 2012

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Net Amount</u> <u>Authorized</u>	<u>1/5 Net Amount</u> <u>Authorized</u>	<u>Authorized</u> <u>in 2012</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
6/25/12	Preparation of an Approved Tax Map	\$ 45,000.00	\$ 9,000.00	<u>\$ 45,000.00</u>	<u>\$ 45,000.00</u>

TOWN OF HAMMONTON
Current Fund
Schedule of 2011 Appropriation Reserves
For the Year Ended December 31, 2012

	Balance		Refunds	Balance	Paid or	Balance
	Reserved	Encumbered				
	December 31, 2011		Received	Transfers		
<u>WITHIN "CAPS"</u>						
Administrative and Executive						
Salaries and Wages	\$ 2,847.58					
Other Expenses		\$ 935.67		\$ 2,135.67	\$ 1,712.00	\$ 423.67
Elections						
Other Expenses	528.34					
Financial Administration						
Salaries and Wages	100.44			100.44	100.00	0.44
Other Expenses	135.31	1,409.00		1,544.31	1,544.31	
Assessment of Taxes						
Salaries and Wages	116.88			116.88		116.88
Other Expenses	749.80	3,108.99		3,558.79	1,958.99	1,599.80
Collection of Taxes						
Salaries and Wages	149.80			149.80		149.80
Other Expenses	770.50	1,577.13		2,347.63	1,661.08	686.55
Legal						
Other Expenses	562.19	3,076.41		44,238.60	41,693.20	2,545.40
Engineering						
Other Expenses	2,970.34	5,379.75		6,429.75	6,429.75	
Public Buildings and Grounds						
Salaries and Wages	818.08					
Other Expenses	30.44	6,787.57		6,818.01	6,790.79	27.22
Natural Gas	6,312.68	2,323.57		8,636.25	2,323.57	6,312.68
Electricity	20,698.72	259.07		357.79	259.07	98.72
Telephone	2,371.64		\$ 84.38	2,456.02	633.60	1,822.42
Gasoline	16,020.89	123.00		16,143.89	14,852.32	1,291.57
Municipal Land Use Law						
Planning Board						
Salaries and Wages	901.92					
Other Expenses	254.39			254.39	147.30	107.09
Computer						
Other Expenses	14,769.65	2,791.56		15,646.24	7,771.52	7,874.72
Insurance						
Group Insurance Plan for Employees	134.25			134.25	106.86	27.39
Liability Insurance						
Temporary Disability Insurance	3,138.39			561.18	561.18	
Fire						
Other Expenses	1,447.74	10,886.00		12,333.74	10,542.21	1,791.53
State Fire Prevention Code						
Salaries and Wages	882.66			882.66		882.66
Other Expenses	6.44	95.45		101.89	95.45	6.44
Police						
Salaries and Wages	9,051.70		4,938.29	1,891.44	283.13	1,608.31
Other Expenses	3,042.22	31,395.29		34,437.51	23,354.26	11,083.25
Police Radio and Communications						
Salaries and Wages	1,808.22					
Other Expenses	55.61	754.09		809.70	754.09	55.61

(Continued)

TOWN OF HAMMONTON
Current Fund
Schedule of 2011 Appropriation Reserves
For the Year Ended December 31, 2012

	Balance		Refunds	Balance	Paid or	Balance
	Reserved	Encumbered				
	December 31, 2011		Received	Transfers		
<u>WITHIN "CAPS" (Cont'd)</u>						
Municipal Court						
Other Expenses	\$ 52.98			\$ 52.98		\$ 52.98
Prosecutor						
Salaries and Wages	681.82	\$ 681.82		1,363.64	\$ 681.82	681.82
Streets and Roads						
Salaries and Wages	3,713.65					
Other Expenses	2,972.39	40,830.08		51,102.47	50,878.97	223.50
Street Lighting						
Other Expenses	36,464.49			24,964.49	24,653.80	310.69
Registrar of Vital Statistics						
Other Expenses	125.00	62.50		187.50	62.50	125.00
Recreation						
Salaries and Wages	3,282.02					
Other Expenses	842.28	2,034.71		3,157.82	3,157.52	0.30
Property Maintenance Officer						
Other Expenses	1.86	99.96		101.82	99.96	1.86
Construction Code Official						
Salaries and Wages	434.33			434.33		434.33
Other Expenses	725.37	604.00		1,329.37	604.00	725.37
Municipal Airport						
Other Expenses	223.20			21,823.20	17,480.11	4,343.09
Defined Contribution Retirement System						
Other Expenses	9.36			9.36		9.36
Social Security System	6,844.05					
Recycling Tax	609.36			1,283.46	1,283.46	
Grand Total	<u>\$ 147,658.98</u>	<u>\$ 115,215.62</u>	<u>\$ 5,022.67</u>	<u>\$ 267,897.27</u>	<u>\$ 222,476.82</u>	<u>\$ 45,420.45</u>
Disbursed					\$ 200,582.69	
Reserve for Encumbrances					<u>21,894.13</u>	
					<u>\$ 222,476.82</u>	

TOWN OF HAMMONTON
Current Fund
Schedule of Reserve for Encumbrances
For the Year Ended December 31, 2012

Balance December 31, 2011		\$ 137,853.76
Increased by:		
2012 Appropriations	\$ 109,489.88	
2011 Appropriation Reserves	21,894.13	
Reserve for Preparation of Approved Tax Map	4,500.00	
Due to State - Marriage Licenses	775.00	
Tax Overpayments	2,496.53	
		139,155.54
		277,009.30
Decreased by:		
Payments	9,312.35	
Transferred to Appropriation Reserves	115,215.62	
Canceled	6,386.16	
		130,914.13
Balance December 31, 2012		\$ 146,095.17

Current Fund
Reserve for Preparation of Approved Tax Map
For the Year Ended December 31, 2012

2012 Special Emergency Budget Appropriation		\$ 45,000.00
Decreased by:		
Disbursements	\$ 40,500.00	
Encumbrances	4,500.00	
		\$ 45,000.00
		\$ 45,000.00

TOWN OF HAMMONTON
Current Fund
 Schedule of Prepaid Taxes
 For the Year Ended December 31, 2012

Balance December 31, 2011 (2012 Taxes)		\$ 443,590.66
Increased by:		
Collection of 2013 Taxes		467,376.73
		910,967.39
Decreased by:		
Application to 2012 Taxes		443,590.66
Balance December 31, 2012 (2013 Taxes)		\$ 467,376.73

Current Fund
 Schedule of Tax Overpayments
 For the Year Ended December 31, 2012

Balance December 31, 2011		\$ 20,415.29
Increased by:		
Overpayments in 2012		13,777.34
		34,192.63
Decreased by:		
Encumbered	2,496.53	
Refunded	30,061.69	
		32,558.22
Balance December 31, 2012		\$ 1,634.41

TOWN OF HAMMONTON

Current Fund

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

For the Year Ended December 31, 2012

Balance December 31, 2011		\$	13,399.56
Increased by:			
Deductions per Tax Billing	\$	186,500.00	
2012 Deductions Allowed by Tax Collector		2,250.00	
2012 Deductions Disallowed by Tax Collector		<u>(607.53)</u>	
			<u>188,142.47</u>
			201,542.03
Decreased by:			
Collections			<u>185,662.67</u>
Balance December 31, 2012		\$	<u><u>15,879.36</u></u>

Current Fund

Schedule of Due State of New Jersey -- Vital Statistics

For the Year Ended December 31, 2012

Balance December 31, 2011		\$	375.00
Increased by:			
Fees Collected			<u>2,550.00</u>
			2,925.00
Decreased by:			
Payments	\$	2,150.00	
Encumbered		<u>775.00</u>	
			<u><u>\$ 2,925.00</u></u>

TOWN OF HAMMONTON
Current Fund
Schedule of Local District School Tax
For the Year Ended December 31, 2012

<hr/>		
Balance December 31, 2011:		
School Tax Payable	\$ 0.26	
School Tax Deferred	<u>8,662,713.00</u>	
		\$ 8,662,713.26
Increased by:		
Levy - School Year July 1, 2012 to June 30, 2013		<u>17,646,180.00</u>
		26,308,893.26
Decreased by:		
Payments		<u>17,485,803.00</u>
Balance December 31, 2012:		
School Tax Payable	0.26	
School Tax Deferred	<u>8,823,090.00</u>	
		<u><u>\$ 8,823,090.26</u></u>
2012 Liability for Local School District Tax:		
School Tax Paid	\$ 17,485,803.00	
School Tax Payable - Dec. 31, 2012	<u>0.26</u>	
		\$ 17,485,803.26
Less:		
School Tax Payable - Dec. 31, 2011		<u>0.26</u>
Amount Charged to 2012 Operations		<u><u>\$ 17,485,803.00</u></u>

TOWN OF HAMMONTON
Current Fund
 Schedule of Due County for Added and Omitted Taxes
 For the Year Ended December 31, 2012

Balance December 31, 2011	\$	121,462.98
Increased by:		
County Share of 2012 Added and Omitted Taxes		22,880.28
		144,343.26
Decreased by:		
Payments		121,462.98
		121,462.98
Balance December 31, 2012	\$	22,880.28

Current Fund
 Schedule of County Taxes Payable
 For the Year Ended December 31, 2012

County Taxes	\$	4,628,134.26
County Library Taxes		468,458.87
County Health Service Taxes		289,498.04
County Open Space Preservation		75,163.42
		5,461,254.59
Decreased by:		
Payments		5,461,254.59
		5,461,254.59

TOWN OF HAMMONTON
Federal and State Grant Fund
Schedule of Federal and State Grants Receivable
For the Year Ended December 31, 2012

	Balance December 31, <u>2011</u>	<u>Accrued</u>	<u>Received</u>	Balance December 31, <u>2012</u>
Federal Grants:				
Division of Highway Traffic Safety:				
2011 Over The Limit Under Arrest	\$ 200.00			\$ 200.00
2012 Click It or Ticket		\$ 4,000.00	\$ 4,000.00	
Wildlife Fire Management - Business Stimulus Grant	7,000.00		7,000.00	
NJDOT Academic Grant	4,178.00		4,178.00	
2012 Drive Sober or Get Pulled Over		4,400.00	4,200.00	200.00
2012 Federal Forfeited Property - Police Equipment		37,096.30		37,096.30
	<u>11,378.00</u>	<u>45,496.30</u>	<u>19,378.00</u>	<u>37,496.30</u>
Total Federal Grants	<u>11,378.00</u>	<u>45,496.30</u>	<u>19,378.00</u>	<u>37,496.30</u>
State Grants:				
2012 Municipal Alliance on Alcoholism and Drug Abuse		16,345.00		16,345.00
2011 Municipal Alliance on Alcoholism and Drug Abuse	16,345.00		16,236.77	108.23
2010 Municipal Alliance on Alcoholism and Drug Abuse	223.98			223.98
Clean Communities Grant		27,731.54	27,731.54	
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
2012 Pedestrian Safety Grant		15,000.00		15,000.00
2012 NJEDA - Skinner Building Grant		38,543.00	5,010.00	33,533.00
NJ Recycling Tonnage Grant		35,956.93	35,956.93	
2012 Sustainable Jersey Small Grant		2,000.00	2,000.00	
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		3,039.41	3,039.41	
New Jersey Division of Motor Vehicles - Drunk Driving Enforcement Fund		11,068.65	11,068.65	
	<u>85,550.98</u>	<u>149,684.53</u>	<u>101,043.30</u>	<u>134,192.21</u>
Total State Grants	<u>85,550.98</u>	<u>149,684.53</u>	<u>101,043.30</u>	<u>134,192.21</u>
Grand Total	<u>\$ 96,928.98</u>	<u>\$ 195,180.83</u>	<u>\$ 120,421.30</u>	<u>\$ 171,688.51</u>

TOWN OF HAMMONTON
Federal and State Grant Fund
Schedule of Reserve for Federal And State Grants - Unappropriated
For the Year Ended December 31, 2012

	Balance December 31, <u>2011</u>	Federal and State Grants Receivable	Realized As Revenue In 2012	Balance December 31, <u>2012</u>
Federal Grants:				
2012 Click It or Ticket		\$ 4,000.00	\$ 4,000.00	
2012 Federal Forfeited Property - Police Equipment		37,096.30	37,096.30	
2012 Drive Sober or Get Pulled Over		4,400.00	4,400.00	
	<u>-</u>	<u>45,496.30</u>	<u>45,496.30</u>	<u>-</u>
Total Federal Grants				
	-	45,496.30	45,496.30	-
State Grants:				
Municipal Alliance on Alcoholism and Drug Abuse		16,345.00	16,345.00	
Clean Communities Grant		27,731.54	27,731.54	
New Jersey Division of Motor Vehicles -				
Drunk Driving Enforcement Fund	\$ 9,129.76	11,068.65	18,128.07	\$ 2,070.34
Alcohol Education Rehabilitation Fund	1,132.63		1,132.63	
2012 Sustainable Jersey Small Grant		2,000.00	2,000.00	
2012 Pedestrian Safety Grant		15,000.00	15,000.00	
2012 NJEDA - Skinner Building Grant		38,543.00	38,543.00	
NJ Recycling Tonnage Grant	55,028.75	35,956.93	90,985.68	
Body Armor Replacement Program	3,056.22	3,039.41	6,095.63	
	<u>68,347.36</u>	<u>149,684.53</u>	<u>215,961.55</u>	<u>2,070.34</u>
Total State Grants				
	68,347.36	149,684.53	215,961.55	2,070.34
Grand Total				
	<u>\$ 68,347.36</u>	<u>\$ 195,180.83</u>	<u>\$ 261,457.85</u>	<u>\$ 2,070.34</u>

TOWN OF HAMMONTON
Federal and State Grant Fund
Schedule of Reserve for Federal and State Grants - Appropriated
For the Year Ended December 31, 2012

	Balance December 31, <u>2011</u>	Transferred From 2012 Budget <u>Appropriation</u>	Prior Year Encumbrances <u>Cancelled</u>	<u>Disbursed</u>	<u>Encumbrances</u>	Balance December 31, <u>2012</u>
Federal Grants:						
2005 Occupant Protection Program						
2012 Click It or Ticket		\$ 4,000.00		\$ 4,000.00		
2012 Drive Sober or Get Pulled Over		4,400.00		4,200.00		\$ 200.00
NJDOT Downtown Form-Based Code Grant			\$ 10.15			10.15
2009 Stormwater Management Grant	\$ 1,250.00			382.00		868.00
2012 Federal Forfeited Property - Police Equipment		37,096.30				37,096.30
1993 Housing and Urban Development	9,736.85			307.62		9,429.23
2011 Over The Limit Under Arrest	200.00					200.00
Total Federal Grants	<u>11,186.85</u>	<u>45,496.30</u>	<u>10.15</u>	<u>8,889.62</u>	<u>-</u>	<u>47,803.68</u>
State Grants:						
2012 Clean Communities Grant		27,731.54		27,731.54		
2011 Clean Communities Grant	4,130.17			4,130.17		
2012 Recycling Tonnage Grant		90,985.68		55,028.75		35,956.93
2001 NJDEP - Tree Planting Grant Program	15,165.00					15,165.00
2002 NJDEP - Forest Service	3,000.00					3,000.00
2012 Drunk Driving Enforcement Fund		18,128.07		416.16	\$ 1,175.19	16,536.72
2010 Drunk Driving Enforcement Fund	7,018.72			7,018.72		
2009 Drunk Driving Enforcement Fund						
2010 JAG Grant	11,186.87			8,734.66	2,438.82	13.39
2012 Body Armor Replacement Program		6,095.63		1,581.13		4,514.50
2009/2010 Body Armor Replacement Program	4,250.05			887.05	3,363.00	
2008 Body Armor Replacement Program	651.82			651.82		
2009 Hazardous Discharge Remediation Fund	6,798.00					6,798.00
2009 Hazardous Discharge Remediation Fund	3,504.60					3,504.60
2009 Neighborhood Preservation Program	8.83					8.83

(Continued)

TOWN OF HAMMONTON
Federal and State Grant Fund
Schedule of Reserve for Federal and State Grants - Appropriated
For the Year Ended December 31, 2012

	Balance December 31, <u>2011</u>	Transferred From 2012 Budget <u>Appropriation</u>	Prior Year Encumbrances <u>Cancelled</u>	<u>Disbursed</u>	<u>Encumbrances</u>	Balance December 31, <u>2012</u>
State Grants (Cont'd):						
2012 NJEDA - Skinner Building Grant		\$ 38,543.00		\$ 10,836.25	\$ 27,698.75	\$ 8.00
2008 WHIP Wildlife Habitat Sites	\$ 310.25					310.25
2012 Municipal Alliance on Alcoholism and Drug Abuse		20,431.25		11,773.55	3,769.27	4,888.43
2011 Municipal Alliance on Alcoholism and Drug Abuse	183.21			183.21		
2012 Pedestrian Safety Grant		15,000.00		1,950.00		13,050.00
2009 Stormwater Management Grant	1,191.55					1,191.55
2007 Smart Growth Planning Project	5,858.75					5,858.75
2012 Sustainable Jersey Small Grant		2,000.00				2,000.00
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
2012 Alcohol, Education and Rehabilitation		1,132.63				1,132.63
Total State Grants	<u>68,877.22</u>	<u>220,047.80</u>	<u>-</u>	<u>130,923.01</u>	<u>38,445.03</u>	<u>119,556.98</u>
Local Grants:						
Comcast Technology Grant	<u>3,271.08</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,271.08</u>
Total	<u>\$ 83,335.15</u>	<u>\$ 265,544.10</u>	<u>\$ 10.15</u>	<u>\$ 139,812.63</u>	<u>\$ 38,445.03</u>	<u>\$ 170,631.74</u>

TOWN OF HAMMONTON
Federal and State Grant Fund
 Schedule of Reserve for Encumbrances
 For the Year Ended December 31, 2012

Balance December 31, 2011		\$ 10,568.95
Increased by:		
Reserve for Encumbrances - Appropriated		38,445.03
		49,013.98
Decreased by:		
Disbursements	\$ 10,558.80	
Canceled	10.15	
		10,568.95
Balance December 31, 2012		\$ 38,445.03

SUPPLEMENTAL EXHIBITS

TRUST FUND

TOWN OF HAMMONTON
Trust Fund
Schedule of Cash - Treasurer
For the Year Ended December 31, 2012

	<u>ANIMAL CONTROL TRUST</u>	<u>TRUST OTHER</u>
Balance December 31, 2011	\$ 3,642.39	\$ 1,193,286.36
Increased by Receipts:		
Dog License Fees	999.60	
Due to State of New Jersey	257.40	
Due to Current Fund	37.40	
Reserve for Prosecutor's Trust Fund		1,028.41
Reserve for Recreation Fees		31,308.70
Reserve for Street Opening Deposits		59,900.00
Reserve for Escrow Deposits		138,028.68
Reserve for Public Defender Trust Fund		13,206.13
Reserve for Parking Offense Adjudication Act		98.00
Reserve for Municipal Drug Alliance Funds		29.51
Reserve for Airport Security Deposit		35.98
Reserve for Tax Title Lien Redemption		1,544,535.65
Reserve for Tax Sale Premiums		608,000.00
Payroll Deposits		6,215,435.91
Reserve for Park Recreation Trust Fund		432.34
Reserve for Recaptured Grant Funds		8,320.00
Reserve for Uniform Fire Penalties Rider		257.62
Reserve for State Landfill Tax Escrow Fund		1,582.46
Reserve for Celebration of Public Events		21.89
Reserve for COAH Fees		1,077.57
Reserve for Police Equipment Donations		8,168.59
Total Receipts	<u>1,294.40</u>	<u>8,631,467.44</u>
Decreased by Disbursements:		
Reserve for Animal Control Fund Expenditures	440.00	
Due to State of New Jersey	257.40	
Due to Current Fund	830.19	
Reserve for Encumbrances	250.00	
Reserve for Recreation Fees		35,580.99
Reserve for Street Opening Deposits		56,440.00
Reserve for Escrow Deposits		150,752.61
Reserve for Public Defender Trust Fund		13,897.73
Reserve for Municipal Drug Alliance Funds		500.00
Reserve for Tax Title Lien Redemption		1,516,203.03
Reserve for Tax Sale Premium		332,600.00
Payroll Payments		6,215,550.85
Reserve for Recaptured Grant Funds		6,066.00
Reserve for COAH Fees		163,267.53
Reserve for Police Equipment Donations		2,535.01
Total Disbursements	<u>1,777.59</u>	<u>8,493,393.75</u>
Balance December 31, 2012	<u>\$ 3,159.20</u>	<u>\$ 1,331,360.05</u>

TOWN OF HAMMONTON
Trust Other Funds
Schedule of Investments -- U.S. Government Securities
For the Year Ended December 31, 2012

Balance December 31, 2011	\$ 345,056.37
Increased by:	
Interest on Investments	11,505.64
Balance December 31, 2012	\$ 356,562.01

Schedule of Investments December 31, 2012

U.S. Government Obligations \$ 10,862.27

	<u>Shares</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	
<i>FHLMC:</i>					
	4,000	1-25-12	2-21-14	0.45%	4,000.00
	4,000	Various	1-12-18	0.75%	3,977.12
	5,000	Various	10-5-16	0.75%	5,002.20
	4,000	2-24-12	2-24-16	0.85%	4,000.00
	5,000	Various	1-23-15	0.90%	5,019.50
	4,000	Various	10-2-19	1.25%	3,991.72
	4,000	7-13-12	6-1-17	1.30%	4,019.60
	7,000	Various	4-11-17	1.45%	7,040.74
	6,000	Various	4-15-13	1.625%	5,991.60
	2,000	4-12-12	5-30-19	1.75%	1,999.62
	5,000	Various	8-25-16	2.00%	4,981.40
	4,000	1-25-12	1-13-22	2.375%	3,994.94
	5,000	8-1-12	8-1-19	1.25%	4,978.65
<i>FNMA:</i>					
	5,000	Various	2-22-16	0.70%	5,004.75
	5,000	Various	12-18-13	0.75%	4,958.16
	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
	5,000	Various	5-22-15	0.65%	5,009.19
	4,000	Various	9-21-16	0.75%	3,999.60
	4,000	Various	7-18-16	0.85%	4,001.52
	5,000	Various	4-4-16	1.09%	5,014.75
	4,000	Various	8-28-17	1.10%	4,010.00
	7,000	Various	9-27-18	1.25%	7,000.00
	3,000	4-31-12	3-10-16	8.20%	3,834.11
	2,000	3-7-11	5-1-13	4.625%	2,146.76

(Continued)

TOWN OF HAMMONTON
Trust Other Funds
Schedule of Investments -- U.S. Government Securities
For the Year Ended December 31, 2012

Schedule of Investments December 31, 2012 (cont'd)

	<u>Shares</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>		
<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
<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
	4,000	12-2-08	11-15-18	9.00%		5,979.69
	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	Various	9-30-17	0.625%		2,975.16
	21,000	Various	1-31-17	0.875%		21,026.01
	3,000	11-18-11	10-31-16	1.00%		3,011.84
	1,000	Various	10-31-15	1.25%		967.89
	4,000	Various	11-15-22	1.625%		3,985.31
	1,000	2-22-10	1-31-14	1.75%		989.30
	2,000	8-3-12	5-15-22	1.75%		1,990.86
	3,000	Various	10-31-17	1.875%		2,996.95
	3,000	6-20-12	2-15-22	2.00%		3,099.38
	5,000	Various	11-15-21	2.00%		4,907.81
	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
	8,000	Various	5-15-21	3.125%		7,995.86
	6,000	Various	3-31-17	3.25%		6,467.11
	2,000	1-13-11	7-31-16	3.25%		2,106.88
	5,000	Various	11-15-19	3.375%		4,845.74
	7,000	Various	2-15-18	3.50%		7,848.63
	6,000	Various	5-15-20	3.50%		6,426.41
	10,000	Various	8-15-19	3.625%		10,758.44
	10,000	2-15-04	2-15-14	4.00%		9,526.95
	13,000	5-15-05	5-15-15	4.125%		13,419.72

(Continued)

TOWN OF HAMMONTON
Trust Other Funds
Schedule of Investments -- U.S. Government Securities
For the Year Ended December 31, 2012

Schedule of Investments December 31, 2012 (cont'd)

	<u>Shares</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>		
<i>U.S. Treasury Notes (Cont'd):</i>						
	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
 <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%		2,265.52
						<u>2,265.52</u>
					\$	<u><u>356,562.01</u></u>

TOWN OF HAMMONTON
Animal Control Fund
 Schedule of Due to Current Fund
 For the Year Ended December 31, 2012

Balance December 31, 2011		\$ 792.79
Increased by:		
Interest Earned	\$ 37.40	
Statutory Excess Due to Current Fund	<u>691.80</u>	
		<u>729.20</u>
		1,521.99
Decreased by:		
Interfund Loans Returned		<u>830.19</u>
Balance December 31, 2012		<u><u>\$ 691.80</u></u>

Animal Control Fund
 Schedule of Reserve For Animal Control Fund Expenditures
 For the Year Ended December 31, 2012

Balance December 31, 2011		\$ 2,599.60
Increased by:		
2012 Dog License Fees Collected		<u>999.60</u>
		3,599.20
Decreased by:		
Disbursements	\$ 440.00	
Statutory Excess Due to Current Fund	<u>691.80</u>	
		<u>1,131.80</u>
Balance December 31, 2012		<u><u>\$ 2,467.40</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2010	\$ 1,325.00
2011	<u>1,142.40</u>
Total	<u><u>\$ 2,467.40</u></u>

TOWN OF HAMMONTON
Trust Other Funds
Schedule of Due from Current Fund
For the Year Ended December 31, 2012

Balance December 31, 2011	\$ 107,624.50
Increased by:	
Police Outside Detail Received in Current Fund	<u>129,679.50</u>
	237,304.00
Decreased by:	
Police Outside Detail Disbursed in Current Fund	<u>132,538.00</u>
Balance December 31, 2012	<u><u>\$ 104,766.00</u></u>

TOWN OF HAMMONTON
Trust Other Funds
Schedule of Reserve for Prosecutor's Trust Fund
For the Year Ended December 31, 2012

Balance December 31, 2011		\$ 7,025.27
Increased by:		
Receipts	\$ 955.65	
Interest Earned	<u>72.76</u>	
		<u>1,028.41</u>
Balance December 31, 2012		<u>\$ 8,053.68</u>

TOWN OF HAMMONTON
Trust Other Funds
Schedule of Reserve for Recreation Fees
For the Year Ended December 31, 2012

Balance December 31, 2011		\$ 13,989.96
Increased by:		
Deposits	\$ 31,162.22	
Interest Earned	146.48	
		31,308.70
		45,298.66
Decreased by:		
Disbursements		35,580.99
Balance December 31, 2012		\$ 9,717.67

Trust Other Funds
Schedule of Reserve for Street Opening Deposits
For the Year Ended December 31, 2012

Balance December 31, 2011		\$ 25,093.00
Increased by:		
Deposits		59,900.00
		84,993.00
Decreased by:		
Payments		56,440.00
Balance December 31, 2012		\$ 28,553.00

TOWN OF HAMMONTON
Trust Other Funds
 Schedule of Reserve for Escrow Deposits
 For the Year Ended December 31, 2012

Balance December 31, 2011		\$ 184,327.70
Increased by:		
Deposits		138,028.68
		322,356.38
Decreased by:		
Payments		150,752.61
		150,752.61
Balance December 31, 2012		\$ 171,603.77

Trust Other Funds
 Schedule of Reserve for Public Defender Trust Fund
 For the Year Ended December 31, 2012

Balance December 31, 2011		\$ 15,367.89
Increased by:		
Received	\$ 12,900.00	
Interest Earned	306.13	
		13,206.13
		28,574.02
Decreased by:		
Payments		13,897.73
		13,897.73
Balance December 31, 2012		\$ 14,676.29

TOWN OF HAMMONTON**Trust Other Funds**

Schedule of Reserve for Parking Offense Adjudication Act

For the Year Ended December 31, 2012

Balance December 31, 2011	\$ 1,837.33
Increased by:	
Received from Municipal Court	<u>98.00</u>
Balance December 31, 2012	<u><u>\$ 1,935.33</u></u>

Trust Other Funds

Schedule of Reserve for Municipal Drug Alliance Funds

For the Year Ended December 31, 2012

Balance December 31, 2011	\$ 3,421.99
Increased by:	
Interest Received	<u>29.51</u>
	3,451.50
Decreased by:	
Disbursements	<u>500.00</u>
Balance December 31, 2012	<u><u>\$ 2,951.50</u></u>

TOWN OF HAMMONTON
Trust Other Funds
 Schedule of Airport Security Deposit
 For the Year Ended December 31, 2012

Balance December 31, 2011	\$	3,864.29
Increased by:		
Interest Received		35.98
		35.98
Balance December 31, 2012	\$	3,900.27

Trust Other Funds
 Schedule of Reserve for Police Outside Detail
 For the Year Ended December 31, 2012

Balance December 31, 2011	\$	103,390.00
Increased by:		
Received in Current Fund		129,679.50
		129,679.50
		233,069.50
Decreased by:		
Disbursed in Current Fund	\$	128,303.50
Encumbrances		3,996.00
		3,996.00
		132,299.50
Balance December 31, 2012	\$	100,770.00

TOWN OF HAMMONTON
Trust Other Funds
 Schedule of Reserve for Tax Title Lien Redemption
 For the Year Ended December 31, 2012

Balance December 31, 2011	\$	56,429.16
Increased by:		
Lien Redemption Deposits		1,544,535.65
		1,600,964.81
Decreased by:		
Lien Redemption Disbursements		1,516,203.03
Balance December 31, 2012	\$	84,761.78

Trust Other Funds
 Schedule of Reserve for Tax Sale Premium
 For the Year Ended December 31, 2012

Balance December 31, 2011	\$	424,000.00
Increased by:		
Premiums Received at Tax Sale		608,000.00
		1,032,000.00
Decreased by:		
Premiums Refunded		332,600.00
Balance December 31, 2012	\$	699,400.00

TOWN OF HAMMONTON
Trust Other Funds
 Schedule of Payroll Deductions Payable
 For the Year Ended December 31, 2012

Balance December 31, 2011	\$	825.24
Increased by:		
Deposits		6,215,435.91
		6,216,261.15
Decreased by:		
Payments		6,215,550.85
Balance December 31, 2012	\$	710.30

Trust Other Funds
 Schedule of Park Recreation Trust Fund
 For the Year Ended December 31, 2012

Balance December 31, 2011	\$	46,434.51
Increased by:		
Interest Earned		432.34
Balance December 31, 2012	\$	46,866.85

TOWN OF HAMMONTON
Trust Other Funds
 Schedule of Recaptured Grant Funds
 For the Year Ended December 31, 2012

Balance December 31, 2011		\$ 43,182.88
Increased by:		
Recaptured Grant Funds Received		8,320.00
		51,502.88
Decreased by:		
Disbursements		6,066.00
Balance December 31, 2012		\$ 45,436.88

Trust Other Funds
 Schedule of Uniform Fire Penalties Rider
 For the Year Ended December 31, 2012

Balance December 31, 2011		\$ 626.52
Increased by:		
Deposits	\$ 250.00	
Interest Received	7.62	
		257.62
Balance December 31, 2012		\$ 884.14

TOWN OF HAMMONTON
Trust Other Funds
 Schedule of State Landfill Tax Escrow Fund
 For the Year Ended December 31, 2012

Balance December 31, 2011	\$ 168,414.08
Increased by:	
Interest Earned	1,582.46
Balance December 31, 2012	\$ 169,996.54

Trust Other Funds
 Schedule of State Landfill Closure -- Escrow Fund
 For the Year Ended December 31, 2012

Balance December 31, 2011	\$ 345,056.37
Increased by:	
Interest Earned on Investments	11,505.64
Balance December 31, 2012	\$ 356,562.01

TOWN OF HAMMONTON
Trust Other Funds
 Schedule of Reserve for Celebration of Public Events
 For the Year Ended December 31, 2012

Balance December 31, 2011	\$	2,350.84
Increased by:		
Interest Earned		21.89
		21.89
Balance December 31, 2012	\$	2,372.73

Trust Other Funds
 Schedule of Reserve for COAH Fees
 For the Year Ended December 31, 2012

Balance December 31, 2011	\$	163,007.53
Increased by:		
Interest Earned		1,077.57
		1,077.57
		164,085.10
Decreased by:		
Payments		163,267.53
		163,267.53
Balance December 31, 2012	\$	817.57

TOWN OF HAMMONTON
Trust Other Funds
 Schedule of Reserve for Police Equipment Donations
 For the Year Ended December 31, 2012

Balance December 31, 2011		\$ 15,162.03
Increased by:		
Donations Received	\$ 8,000.00	
Interest Earned	<u>168.59</u>	
		<u>8,168.59</u>
		23,330.62
Decreased by:		
Disbursements		<u>2,535.01</u>
Balance December 31, 2012		<u><u>\$ 20,795.61</u></u>

Trust Other Funds
 Schedule of Reserve for Encumbrances
 For the Year Ended December 31, 2012

Balance December 31, 2011		\$ 4,234.50
Increased by:		
Charged to Reserve for Police Outside Services		<u>3,996.00</u>
		8,230.50
Decreased by:		
Payments		<u>4,234.50</u>
Balance December 31, 2012		<u><u>\$ 3,996.00</u></u>

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

TOWN OF HAMMONTON
General Capital Fund
Schedule of Cash - Treasurer
For the Year Ended December 31, 2012

Balance December 31, 2011		\$	12,710.77
Increased by Receipts:			
Federal Grants Receivable	\$ 1,136,048.08		
County and Local Grants Receivable	3,622,786.42		
Green Acres Loan Issued	250,000.00		
Due to Current Fund	1,708.74		
Due to Federal & State Grant Fund	4,178.00		
Due to Water/Sewer Utility Operating Fund	800,000.00		
			5,814,721.24
			5,827,432.01
Decreased by Disbursements:			
Disbursed to Current Fund	1,708.74		
Due to Federal & State Grant Fund	30,822.00		
Improvement Authorizations	4,604,331.26		
Contracts Payable	908,044.30		
			5,544,906.30
Balance December 31, 2012		\$	282,525.71

TOWN OF HAMMONTON
General Capital Fund
 Analysis of General Capital Cash
 For the Year Ended December 31, 2012

	Balance December 31, 2011	Received		Disbursed		Transfers		Balance December 31, 2012
		Loan Issued	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Improvement Authorizations:								
Ordinance								
<u>Number</u>								
17-98	Various Improvements	\$ 5,067.55						\$ 5,067.55
1-00/19-04	Imp. to Airport and Lake Park House	1.25						1.25
18-01/16-02	Various Improvements	13,585.07						13,585.07
26-02/20-04	Various Improvements	26,572.96		\$ 18,000.00				8,572.96
3-03/21-03								
19-03	Various Improvements	91,173.54						91,173.54
7-04/10-05/								
11-05	Various Improvements	41,727.69				\$ 23,500.00	\$ 2,800.00	21,027.69
15-05	Various Improvements	25,144.77		7,851.68		2,110.00		15,183.09
39-05	Airport Environmental Assessment	4,459.61						4,459.61
40-05	Phase II of 2005 Road Improvements	5.87		5.87				
43-05	Purchase of Firefighting Equipment	2,145.00						2,145.00
1-06	Construction of New Town hall	917.15					18,357.70	19,274.85
6-06	Various Improvements	88,558.16					6,090.00	94,648.16
1-07	Acquisition of a Trash Truck & Ancillary Equip.							
16-07	Various Improvements	1,719.32		729.57				989.75
24-07	Reconstruction of Central Avenue	247,776.27						247,776.27
27-07	Boyer Avenue Recreation Improvements						1,375.00	1,375.00
3-08/4-10	Renovation to Runway Apron	29,290.29						29,290.29
20-08	Housing Rehabilitation and Senior Citizens Center	91,471.00		75,576.00				15,895.00
28-08	Housing Rehabilitation and Senior Citizens Center	12,770.54		8,225.00		989.00		3,556.54
11-09/31-09/								
15-10	Various Improvements	106,453.86		77,423.81		4,193.69		24,836.36
22-09	Various Improvements	12,700.40						12,700.40
24-09	Phase 1 Paving of Pulte Development	14,908.01						14,908.01
25-09	Municipal Parking & Improvements to Historical Building/Community Center	942.49						942.49
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)

(Continued)

TOWN OF HAMMONTON
General Capital Fund
 Analysis of General Capital Cash
 For the Year Ended December 31, 2012

	Balance December 31, 2011	Received		Disbursed		Transfers		Balance December 31, 2012
		Loan Issued	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Improvement Authorizations:								
Ordinance								
<u>Number</u>								
17-10	Rehabilitation of Hammonton Airport Runway	\$ 2,999.21					\$ 27,802.36	\$ 30,801.57
11-11	Rehabilitation of Hammonton Airport Runway	54,826.78		\$ 54,826.78				
14-11/9-12/								
16-12	Hammonton Sports Complex	(600.00)	\$ 250,000.00	840,477.58		\$ 889,787.92	915,750.00	(565,115.50)
27-11/								
4E-12	Repairs to Various Roads	170.56		12,667.84			1,500.00	(10,997.28)
17-12	Demolition Of Building			8,600.00		30,580.00	158,130.00	118,950.00
19-12/								
26-12	Renovation of Property			3,365,557.67		1,421,477.41	4,900,000.00	112,964.92
21-12	Preliminary Costs of Power Purchase Agreement			130,639.46		48,568.04	200,000.00	20,792.50
24-12	Airport Design Improvements			3,750.00			154,070.00	150,320.00
Capital Improvement Fund		30,063.13				16,907.00		13,156.13
Contracts Payable		991,950.42			\$ 908,044.30	56,425.06	1,927,296.88	1,954,777.94
Due to/from Current Fund			\$ 1,708.74		1,708.74			
Due to Federal & State Grant Fund		30,822.00		4,178.00	30,822.00			4,178.00
Due to Water/Sewer Utility Capital Fund				800,000.00				800,000.00
Federal Grants Receivable		(1,564,625.51)		1,136,048.08		138,663.00		(567,240.43)
State Grants Receivable		(8,000.00)						(8,000.00)
County and Local Grants Receivable		(215,086.62)		3,622,786.42		6,173,880.00	493,909.18	(2,272,271.02)
		<u>\$ 12,710.77</u>	<u>\$ 250,000.00</u>	<u>\$ 5,564,721.24</u>	<u>\$ 4,604,331.26</u>	<u>\$ 940,575.04</u>	<u>\$ 8,807,081.12</u>	<u>\$ 8,807,081.12</u>
								<u>\$ 282,525.71</u>

TOWN OF HAMMONTON
General Capital Fund
Schedule of Due to Current Fund
For the Year Ended December 31, 2012

Interest Earned and Due to Current Fund	\$ 1,708.74
Decreased by:	
Disbursed to Current Fund	<u>\$ 1,708.74</u>

TOWN OF HAMMONTON
General Capital Fund
 Schedule of Federal Grants Receivable
 For the Year Ended December 31, 2012

Balance December 31, 2011	\$ 1,564,625.51
Increased by:	
2012 Improvement Authorization	138,663.00
	1,703,288.51
Decreased by:	
Receipts	1,136,048.08
Balance December 31, 2012	\$ 567,240.43

<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
Community Development Block Grant	6-06 (d)	69,804.00
New Jersey Department of Transportation	16-07	1.78
Federal Homeland Security	3-07	164.00
New Jersey Department Community Affairs	28-08	40,485.00
New Jersey Department of Transportation	31-08	3,974.00
New Jersey Department of Transportation	11-09 (c)	20,093.90
New Jersey Department of Transportation	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
Federal Aviation Administration Block Grant	17-10	55,159.00
New Jersey Department of Transportation	17-10	17,097.00
Community Development Block Grant	27-11	10,199.86
Federal Aviation Administration Block Grant	24-12	138,663.00
		\$ 567,240.43

TOWN OF HAMMONTON
General Capital Fund
Schedule of State Grants Receivable
For the Year Ended December 31, 2012

Balance December 31, 2011 and 2012		<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, 2012

Balance December 31, 2011		\$ 215,086.62
Increased by:		
2012 Improvement Authorization		6,173,880.00
		6,388,966.62
Decreased by:		
Receipts	\$ 3,622,786.42	
Canceled	493,909.18	
		4,116,695.60
Balance December 31, 2012		\$ 2,272,271.02

<u>Agency</u>	<u>Ordinance No.</u>	<u>Amount</u>
Hammonton Revitalization Committee	18-01 (m)	\$ 3,000.00
Atlantic County Interlocal Agreement	24-07	173,587.12
Atlantic County Interlocal Agreement	16-07 (c)	38,499.50
Atlantic County Municipal Open Space Financial Assistance Program	9-12	915,750.00
The Richard Stockton College of New Jersey	19-12/26-12	1,041,434.40
Hudson Energy Solar Corp.	21-12	100,000.00
		\$ 2,272,271.02

TOWN OF HAMMONTON
General Capital Fund
Schedule of Deferred Charges to Future Taxation - Funded
For the Year Ended December 31, 2012

Balance December 31, 2011		\$ 16,602,710.25
Increased by:		
Green Acres Loan Issued		250,000.00
		16,852,710.25
Decreased by:		
2012 Budget Appropriations:		
Serial Bonds	\$ 940,000.00	
Green Acres Loan	7,309.64	
		947,309.64
Balance December 31, 2012		\$ 15,905,400.61

TOWN OF HAMMONTON
General Capital Fund
 Schedule of Deferred Charges To Future Taxation - Unfunded
 For the Year Ended December 31, 2012

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2011</u>	<u>2012 Authorizations</u>	<u>Loan Issued</u>	<u>Balance December 31, 2012</u>	<u>Analysis of Balance</u>	
						<u>Expenditures</u>	<u>Unexpended Improvement Authorizations</u>
11-09	Various Improvements (c) Runway End Identifier Lights at Hammonton Airport	\$ 6,200.00			\$ 6,200.00		\$ 6,200.00
22-09	Various Improvements (a) Improve Airport Academy Drive Access Road & Fencing (b) Airport Runway Rehabilitation & Design	6,980.00 3,030.00			6,980.00 3,030.00	\$ 3,029.00	6,980.00 1.00
26-09	Sidewalk Improvements to Bellevue Ave.	123,500.00			123,500.00	123,500.00	
3-08/4-10	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		\$ 250,000.00	800,000.00	565,115.50	234,884.50
4E-12	Road Improvements		\$ 28,500.00		28,500.00	10,997.28	17,502.72
		<u>\$ 1,194,310.00</u>	<u>\$ 28,500.00</u>	<u>\$ 250,000.00</u>	<u>\$ 972,810.00</u>	<u>\$ 706,341.78</u>	<u>\$ 266,468.22</u>
				Improvement Authorizations - Unfunded			<u>\$ 266,468.22</u>

TOWN OF HAMMONTON
General Capital Fund
 Schedule of Improvement Authorizations
 For the Year Ended December 31, 2012

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance December 31, 2011		Capital Improvement Fund	2012 Authorizations		Reappropriation/ Canceled	Paid or Charged	Balance December 31, 2012		
				Funded	Unfunded		Grants Receivable	Deferred Charges to Future Taxation - Unfunded			Funded	Unfunded	
17-98/30-99	Various Improvements:	5-11-98											
17-00/9-01	(a) Removal of Underground Storage Tanks	6-26-00	\$ 719,381.00	\$ 5,067.55						\$	5,067.55		
1-00/19-04	Improvements to Municipal Airport & Renovations to Lake Park House	1-24-00	145,000.00	1.25								1.25	
18-01/16-02	Various Improvements:	4-23-01											
	(d) Reconstruction of Curbs & Sidewalks in Compliance with ADA	4-22-02	100,000.00	13,585.07								13,585.07	
26-02/20-04	Various Improvements:	6-17-02											
	(a) Reconstruction of Various Roads and Walkways	8-23-04	1,100,000.00	1,653.75								1,653.75	
	(d) Acquisition of Emergency Response Team Equipment		25,000.00	24,903.31					\$ 18,000.00			6,903.31	
	(g) Mapping of the Public Works Assets		75,000.00	15.90								15.90	
3-03	Various Improvements:	5-27-03											
21-03	(c) Various Pedestrian Walkway Improvements	9-22-03	451,653.00	91,173.54								91,173.54	
7-04	Various Improvements:	5-24-04											
	(a) Acquisition of Various Equipment		565,000.00	23,787.61						23,500.00		287.61	
10-05/11-05	(c) Recreation Improvements to Boyer Avenue	5-23-05	730,549.92										
	(d) 2004 Various Airport Improvements		2,495,390.00	17,940.08						(2,800.00)		20,740.08	
15-05	Various Improvements	5-23-05											
	(d) Purchase & Upgrade of Various Computer Equipment		405,000.00	25,144.77						9,961.68		15,183.09	
39-05	Airport Environmental Assessment	10-24-05	103,786.00	4,459.61								4,459.61	
40-05	Phase II of 2005 Road Improvements	11-21-05	343,059.23	5.87						5.87			
43-05	Purchase of Firefighting Equipment	12-19-05	175,750.00	2,145.00								2,145.00	
1-06	Construction of a New Town Hall	1-23-06	5,900,000.00	917.15						(18,357.70)		19,274.85	
6-06	Various Improvements	5-22-06											
	(a) Town-owned and Municipal Parking Improvements		750,000.00							(250.00)		250.00	
	(b) Sidewalk Improvements		550,000.00	88,558.16								88,558.16	
	(c) Improvements to Historical Building/Community Center		248,000.00							(5,840.00)		5,840.00	
16-07	Various Improvements	6-25-07											
	(c) Various Curbing Improvements		145,000.00	989.75								989.75	
	(h) Drainage Repairs to Various Roads		20,000.00	729.57						729.57			
24-07	Reconstruction of Central Avenue	7-9-07	2,337,222.00	247,776.27								247,776.27	
27-07	Boyer Avenue Recreation Improvements	9-24-07	80,000.00							(1,375.00)		1,375.00	
3-08/4-10	Renovation to Runway Apron	2-25-08	450,000.00										
		3-22-10	19,257.38	29,290.29	\$ 900.00							29,290.29	\$ 900.00

(Continued)

TOWN OF HAMMONTON
General Capital Fund
 Schedule of Improvement Authorizations
 For the Year Ended December 31, 2012

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance December 31, 2011		Capital Improvement Fund	2012 Authorizations		Reappropriation/ Canceled	Paid or Charged	Balance December 31, 2012	
				Funded	Unfunded		Grants Receivable	Deferred Charges to Future Taxation - Unfunded			Funded	Unfunded
20-08	Housing Rehabilitation and Senior Citizens Center	7-28-08	\$ 600,000.00	\$ 91,471.00						\$ 75,576.00	\$ 15,895.00	
28-08	Housing Rehabilitation and Senior Citizens Center	8-25-08	120,000.00	12,770.54						9,214.00	3,556.54	
11-09/15-10	Various Improvements	5-26-09										
31-09	(a) Improvements to Downtown Form-Based Code	7-26-10	100,000.00								565.79	
	(b) Fourth Street Reconstruction		485,000.00	565.79								
	(c) Runway End Identifier Lights at Hammonton Airport		132,000.00	96,858.00	\$ 6,200.00					81,617.50	15,240.50	\$ 6,200.00
	(e) Security Camera System at Hammonton Airport		150,000.00	9,030.07							9,030.07	
22-09	Various Improvements	10-26-09										
	(a) Improve Airport Academy Drive Access Road & Fencing		293,842.00	15,729.40	6,980.00						15,729.40	6,980.00
	(b) Airport Runway Rehabilitation & Design		127,572.00		1.00							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	942.49							942.49	
17-10	Rehabilitation of Hammonton Airport Runway	7-13-10	666,782.00	2,999.21						(27,802.36)	30,801.57	
11-11	Rehabilitation of Hammonton Airport Runway	4-18-11										
	(a) Professional Fees associated with the Traditions at Bluberry Ridge Deveopment		30,000.00	11,826.78						11,826.78		
	(b) Design Fees associated with New Municipal Building		43,000.00	43,000.00						43,000.00		
14-11/9-12/16-12	Continued Development of Hammonton Sports Complex	6-27-11 4-16-12 6-25-12	1,050,000.00 915,750.00		\$ 1,049,400.00		\$ 915,750.00			1,730,265.50		234,884.50
27-11/4E-12	Repairs to Various Roads	12-9-11 3-26-12	269,070.36 30,000.00	170.56		\$ 1,500.00		\$ 28,500.00		12,667.84		17,502.72
17-12	Demolition Of Building	6-25-12	158,130.00				158,130.00			39,180.00	118,950.00	
19-12/26-12	Renovation of Property	7-23-12 12-17-12	4,100,000.00 800,000.00				4,900,000.00		\$ (493,909.18)	4,293,125.90	112,964.92	

TOWN OF HAMMONTON
General Capital Fund
 Schedule of Improvement Authorizations
 For the Year Ended December 31, 2012

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance December 31, 2011		Capital Improvement Fund	2012 Authorizations		Reappropriation/ Canceled	Paid or Charged	Balance December 31, 2012	
				Funded	Unfunded		Grants Receivable	Deferred Charges to Future Taxation - Unfunded			Funded	Unfunded
21-12	Preliminary Costs of Power Purchase Agreement	8-27-12	\$ 200,000.00				\$ 200,000.00			\$ 179,207.50	\$ 20,792.50	
24-12	Airport Design Improvements	10-22-12	154,070.00			\$ 15,407.00	138,663.00			3,750.00	150,320.00	
Total				\$ 878,416.35	\$ 1,063,481.00	\$ 16,907.00	\$ 6,312,543.00	\$ 28,500.00	\$ (493,909.18)	\$ 6,475,203.08	\$ 1,064,266.87	\$ 266,468.22
							Federal Grants Receivable	\$ 138,663.00				
							County and Local Grants Receivable	6,173,880.00				
								<u>\$ 6,312,543.00</u>				
										Prior Year Contracts Payable Canceled	\$ (56,425.06)	
										Contracts Payable	1,927,296.88	
										Cash Disbursed	<u>4,604,331.26</u>	
											<u>\$ 6,475,203.08</u>	

TOWN OF HAMMONTON
General Capital Fund
Schedule of Contracts Payable
For the Year Ended December 31, 2012

Balance December 31, 2011		\$ 991,950.42
Increased by:		
Charged to Improvement Authorizations		<u>1,927,296.88</u>
		2,919,247.30
Decreased by:		
Disbursed	\$ 908,044.30	
Canceled	<u>56,425.06</u>	
		<u>964,469.36</u>
Balance December 31, 2012		<u><u>\$ 1,954,777.94</u></u>

TOWN OF HAMMONTON
General Capital Fund
Schedule of Capital Improvement Fund
For the Year Ended December 31, 2012

Balance December 31, 2011	\$ 30,063.13
Decreased by:	
Appropriations to Finance Improvement Authorizations	<u>16,907.00</u>
Balance December 31, 2012	<u><u>\$ 13,156.13</u></u>

TOWN OF HAMMONTON
General Capital Fund
 Schedule of Green Acres Trust Fund Loan Payable
 For the Year Ended December 31, 2012

Balance December 31, 2011	\$	102,710.25
Increased by:		
Loan Issued		250,000.00
		352,710.25
Decreased by:		
Paid by 2012 Budget Appropriation		7,309.64
Balance December 31, 2012	\$	345,400.61

Analysis of Balance December 31, 2012

<u>Payment Date</u>	<u>Amount</u>
2-28-13	\$ 3,709.73
8-28-13	3,746.83
9-26-13	5,272.90
2-28-14	3,784.30
3-26-14	5,325.63
8-28-14	3,822.14
9-26-14	5,378.88
2-28-15	3,860.36
3-26-15	5,432.67
8-28-15	3,898.97
9-26-15	5,487.00
2-28-16	3,937.96
3-26-16	5,541.87
8-28-16	3,977.34
9-26-16	5,597.29
2017 through 2024	276,626.74
	\$ 345,400.61

TOWN OF HAMMONTON
General Capital Fund
 Schedule of General Serial Bonds
 For the Year Ended December 31, 2012

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2012</u>		<u>Interest Rate</u>	<u>Balance December 31, 2011</u>	<u>Decreased</u>	<u>Balance December 31, 2012</u>
			<u>Date</u>	<u>Amount</u>				
General Bonds of 1997	12-1-97	\$ 3,969,000.00	12-1-13/16	\$ 250,000.00	4.875%	\$ 1,490,000.00	\$ 250,000.00	\$ 1,240,000.00
			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	2-1-13	450,000.00	4.30%	5,500,000.00	400,000.00	5,100,000.00
			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				
			2-1-20	850,000.00				
General Bonds of 2009	5/14/09	7,450,000.00	1-15-13	25,000.00	2.50%	7,375,000.00	25,000.00	7,350,000.00
			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%						

(Continued)

TOWN OF HAMMONTON
General Capital Fund
 Schedule of General Serial Bonds
 For the Year Ended December 31, 2012

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2012</u>		<u>Interest Rate</u>	<u>Balance December 31, 2011</u>	<u>Decreased</u>	<u>Balance December 31, 2012</u>
			<u>Date</u>	<u>Amount</u>				
General Obligation Refunding Bonds	5/14/09	\$ 1,785,000.00	7-1-13	\$ 260,000.00	3.00%	\$ 1,315,000.00	\$ 265,000.00	\$ 1,050,000.00
			7-1-14	250,000.00	3.00%			
			7-1-15	270,000.00	3.25%			
			7-1-16	270,000.00	3.50%			
Total						<u>\$ 16,500,000.00</u>	<u>\$ 940,000.00</u>	<u>\$ 15,560,000.00</u>

TOWN OF HAMMONTON
General Capital Fund
 Schedule of Bonds And Notes Authorized But Not Issued
 For the Year Ended December 31, 2012

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2011</u>	<u>2012 Authorizations</u>	<u>Loan Issued</u>	<u>Balance December 31, 2012</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		\$ 250,000.00	800,000.00
4E-12	Road Improvements	<u> </u>	<u>\$ 28,500.00</u>	<u> </u>	<u>28,500.00</u>
	Total	<u>\$ 1,194,310.00</u>	<u>\$ 28,500.00</u>	<u>\$ 250,000.00</u>	<u>\$ 972,810.00</u>

SUPPLEMENTAL EXHIBITS
WATER AND SEWER UTILITY FUND

TOWN OF HAMMONTON
Water and Sewer Utility Fund
Schedule of Cash - Collector/Treasurer
For the Year Ended December 31, 2012

	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2011:		
Water Utility Fund	\$ 948,665.65	\$ 1,066,258.86
Sewer Utility Fund	2,072,360.96	151,974.57
	\$ 3,021,026.61	\$ 1,218,233.43
Increased by Receipts:		
Consumer Accounts Receivable	4,031,561.52	
Liens Receivable	839.20	
Due from Utility Capital Fund:		
Reserve for Payment of Bonds	60,000.00	
Miscellaneous Revenue	182,079.87	
Due to Utility Operating Fund		800,000.00
Due to Utility Capital Fund	305,000.00	
Due to Water Utility Assessment Trust Fund:		
Assessments Receivable	1,126.41	
Reserve for Payment of Bonds		11,910.74
Federal Grants Receivable		303,000.00
NJEIT Loans Receivable		1,387,421.00
	4,580,607.00	2,502,331.74
Total Receipts	4,580,607.00	2,502,331.74
Sub-total	7,601,633.61	3,720,565.17
Decreased by Disbursements:		
2012 Appropriations	4,312,850.96	
2011 Appropriation Reserves	73,548.23	
Refund of Prepaid Rents	3,265.65	
Accrued Interest on Bonds and Loans	891,769.52	
Due to Water Utility Assessment Trust Fund:		
Serial Bonds	15,000.00	
Due from General Capital Fund	800,000.00	
Due to Utility Operating Fund		365,000.00
Due from Utility Capital Fund	800,000.00	
Improvement Authorizations		3,333,357.31
Contracts Payable		12,007.00
	6,896,434.36	3,710,364.31
Total Disbursements	6,896,434.36	3,710,364.31
Balance December 31, 2012	\$ 705,199.25	\$ 10,200.86

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
 Analysis of Cash
 For the Year Ended December 31, 2012

	Balance December 31, 2011	Receipts		Disbursements		Transfers		Balance December 31, 2012
		Miscellaneous	Improvement Authorizations	Miscellaneous	From	To		
Fund Balance							\$ 109,622.00	\$ 109,622.00
Capital Improvement Fund	\$ 28,484.73							28,484.73
<u>Improvement Authorizations:</u>								
Ord.								
No.								
<u>General Improvements:</u>								
5-01 Egg Harbor Road Sewer Extension	10.00							10.00
20-03 Construction of a Sewer Maint. Facility	6,763.75				\$ 6,763.75			
28-03 Maintenance of Boyer Avenue Trenches	1,799.36				1,799.36			
9-04/17-05 Various Sewer Utility Improvements	18,734.50				18,734.50			
16-05/18-06 Various Improvements	2,200.10				2,200.10			
4-06 Central Ave. Sewer Improvements	3,100.01				3,100.01			
17-07 Various Improvements	1,365,733.50		\$ 13,467.00					1,352,266.50
21-08 Various Improvements	1,974.00				1,974.00			
6-09 White Horse Pike/Moss Mill Road Sewer Improvements	126,235.70				126,235.70			
27-09 Bellevue Ave. Water Utility Improvements	(348,155.00)							(348,155.00)
28-09 Various Sewer Utility Improvements	(29,000.00)		31,000.00					(60,000.00)
7-10 4th Street Reconstruction	208,855.46				208,855.46			
23-10 Various Water Improvements	50.88				50.88			
26-11 Northwest Water Main Project/NJEIT			2,540,594.83		910,584.17	\$ 3,051,933.00		(399,246.00)
4-12 Various Water and Sewer Improvements			214,523.18		151,015.50	369,713.76		4,175.08
4A-12 Well 5/7 Facility Project - NJEIT			533,772.30		1,217,617.33			(1,751,389.63)
Federal Grants Receivable	(1,073,000.00)	\$ 303,000.00						(770,000.00)
State Grants Receivable		1,387,421.00				3,161,555.00		(1,774,134.00)
Contracts Payable	132,352.56			\$ 12,007.00			2,279,217.00	2,399,562.56
Reserve for Payment of Bonds and Notes	467,093.88	11,910.74			60,000.00			419,004.62
Due to Utility Operating Fund	305,000.00	800,000.00		365,000.00		60,000.00		800,000.00
	<u>\$ 1,218,233.43</u>	<u>\$ 2,502,331.74</u>	<u>\$ 3,333,357.31</u>	<u>\$ 377,007.00</u>	<u>\$ 5,870,485.76</u>	<u>\$ 5,870,485.76</u>		<u>\$ 10,200.86</u>
Water Utility Capital Fund	\$ 1,066,258.86							
Sewer Utility Capital Fund	151,974.57							
	<u>\$ 1,218,233.43</u>							

TOWN OF HAMMONTON
Water and Sewer Utility Operating Fund
 Schedule of Consumer Accounts Receivable
 For the Year Ended December 31, 2012

Balance December 31, 2011:		
Water Utility Operating Fund	\$ 2,713.38	
Sewer Utility Operating Fund	<u>7,007.33</u>	
		\$ 9,720.71
Increased by:		
Rents Levied in 2012		<u>4,076,303.39</u>
		4,086,024.10
Decreased by:		
Collections	4,031,561.52	
Prepaid Applied	4,084.30	
Transferred to Liens	<u>35,451.32</u>	
		<u>4,071,097.14</u>
Balance December 31, 2012		<u><u>\$ 14,926.96</u></u>

Water and Sewer Utility Operating Fund
 Schedule of Water Utility Liens
 For the Year Ended December 31, 2012

Balance December 31, 2011:		
Water Utility Operating Fund	\$ 2,333.19	
Sewer Utility Operating Fund	<u>9,361.89</u>	
		\$ 11,695.08
Increased by:		
Transferred from Consumer Accounts Receivable	35,451.32	
Lien Interest and Costs	<u>1,989.77</u>	
		<u>37,441.09</u>
		49,136.17
Decreased by:		
Collections		<u>839.20</u>
Balance December 31, 2012		<u><u>\$ 48,296.97</u></u>

TOWN OF HAMMONTON
Water and Sewer Utility Operating Fund
 Schedule of Deferred Charges
 N.J.S.A. 40A:4-46 Emergency
 For the Year Ended December 31, 2012

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Net Amount</u> <u>Authorized</u>	<u>Authorized</u> <u>In 2012</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
10/22/12	Emergency - Well #1 Treatment System	\$ 180,000.00	\$ 180,000.00	180,000.00

TOWN OF HAMMONTON
Water and Sewer Utility Assessment Trust Fund
 Schedule of Assessments Receivable
 For the Year Ended December 31, 2012

<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, 2011</u>	<u>Received in Operating Fund</u>	<u>Balance December 31, 2012</u>	<u>Balance Pledged to Assessment Bonds</u>
11-94	Giordano Lane Water Extension	4/28/97	20	7/1/97-2016	\$ 2,796.29	\$ 1,126.41	\$ 1,669.88	\$ 1,669.88

TOWN OF HAMMONTON
Water and Sewer Utility Operating Fund
Schedule of Due To Water and Sewer Utility Assessment Fund
For the Year Ended December 31, 2012

Balance December 31, 2011	\$ 340,735.42
Increased By:	
Received in Water and Sewer Operating Fund:	
Assessments Receivable	1,126.41
	341,861.83
Decreased By:	
Paid by Water and Sewer Operating Fund:	
Serial Bonds	15,000.00
Balance December 31, 2012	\$ 326,861.83

Water and Sewer Utility Operating Fund
Schedule of Reserve for Encumbrances
For the Year Ended December 31, 2012

Balance December 31, 2011	\$ 78,008.44
Increased By:	
2012 Budget Appropriations	\$ 171,414.61
2011 Appropriation Reserves	3,302.00
Prepaid Rents	1,612.01
	176,328.62
	254,337.06
Decreased By:	
Transferred to Appropriation Reserves	78,008.44
Balance December 31, 2012	\$ 176,328.62

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
Schedule of Fixed Capital
For the Year Ended December 31, 2012

	<u>Amount</u>
<u>Water Utility Improvements</u>	
Plant and Equipment	\$ 938,969.47
Distribution Mains	6,360,571.79
Survey and Plant Equipment	82,360.00
Mains, Pipes and Fittings	2,514,330.68
House Connections	10,967.46
Water Storage Tank	2,089,530.46
Motors and Accessories	58,877.14
Wells and Improvements to Wells	716,231.07
Water Treatment Plant	546,749.00
General Equipment	164,658.59
Refunding Bond Ordinance	35,000.00
Meters	7,918.03
<u>Sewer Utility Improvements</u>	
Sewer Plant	533,513.88
Sewer System	16,679,141.83
Sewer Mains Assessed	147,954.70
Sewer Treatment Plant	19,599,967.02
Equipment and Meters	356,487.55
Refunding Bond Ordinance	325,000.00
Pumping Stations	528,447.30
	\$ 51,696,675.97
	\$ 51,696,675.97

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
 Schedule of Fixed Capital Authorized and Uncompleted
 For the Year Ended December 31, 2012

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance</u>		<u>Balance December 31, 2011</u>	<u>Reappropriated</u>	<u>2012 Authorizations Deferred Charges to Future Revenue</u>	<u>Balance December 31, 2012</u>
		<u>Date</u>	<u>Amount</u>				
<u>General Improvements:</u>							
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)		
9-04/17-05/ 17-06	Various Sewer Utility Improvements	5/24/04	1,675,000.00	1,562,695.40	(18,734.50)		1,543,960.90
16-05	Various Improvements:	5/23/05					
18-06	(b) Egg Harbor Road Water Main Extension	8/7/06	500,000.00	691,907.30			691,907.30
	(c) Well #5 Driveway Paving		33,000.00	700.10	(700.10)		
	(e) Bellevue Ave. Water Main Replacement		200,000.00	200,000.00	(1,500.00)		198,500.00
4-06	Central Avenue Sewer Improvements	3/27/06	110,432.08	110,432.08	(3,100.01)		107,332.07
17-07	Various Improvements:	6/25/07					
	(c) Pine, Oak, Basin Water Main Extensions		780,000.00	1,550,000.00			1,550,000.00
21-08	Various Improvements:	7/28/08					
	(c) Purchase of Wireless Transceiver Antenna		32,000.00	31,835.00	(1,974.00)		29,861.00
6-09	White Horse Pike/Moss Mill Road Sewer Improvements	3/23/09	709,875.52	709,875.52	(126,235.70)		583,639.82
27-09	Bellevue Ave. Water Utility Improvements	11/23/09	1,018,000.00	60,775.00			60,775.00
28-09	Various Sewer Utility Improvements	11/23/09	693,930.00	60,000.00			60,000.00
7-10	4th Street Reconstruction	6/7/10	438,228.38	438,228.38	(208,855.46)		229,372.92
23-10	Various Water Improvements	10/25/10	90,000.00	90,000.00	(50.88)		89,949.12
17-11	Acquisition of a Disk Harrow	8/22/11	8,885.00	8,885.00			8,885.00
26-11	Northwest Water Main Project/NJEIT	12/19/11	4,600,000.00	4,600,000.00			4,600,000.00
4-12	Various Water and Sewer Improvements	3/26/12	369,713.76		369,713.76		369,713.76
4A-12	Well 5/7 Facility Project - NJEIT	3/26/12	2,100,000.00			\$ 2,100,000.00	2,100,000.00
				<u>\$ 10,123,906.89</u>	<u>\$ -</u>	<u>\$ 2,100,000.00</u>	<u>\$ 12,223,906.89</u>

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
 Schedule of Federal Grants Receivable
 For the Year Ended December 31, 2012

Balance December 31, 2011:		
Water Utility Operating Fund	\$ 918,470.00	
Sewer Utility Operating Fund	<u>154,530.00</u>	
		\$ 1,073,000.00
Decreased by:		
Received in 2012		<u>303,000.00</u>
Balance December 31, 2012		<u><u>\$ 770,000.00</u></u>

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
Schedule of NJEIT Loans Receivable
For the Year Ended December 31, 2012

	<u>Total</u>
New Jersey Environmental Infrastructure Trust and Fund Loan Issued	\$ 3,161,555.00
Decreased By:	
Received from NJEIT	<u>1,387,421.00</u>
Balance December 31, 2012	<u><u>\$ 1,774,134.00</u></u>

TOWN OF HAMMONTON
Water and Sewer Utility Operating Fund
 Schedule of 2011 Appropriation Reserves
 For the Year Ended December 31, 2012

	Balance		Balance	Paid or	Balance
	December 31, 2011				
	<u>Reserved</u>	<u>Encumbered</u>	<u>Transfers</u>		
Operating:					
Salaries and Wages	\$ 31.38		\$ 31.38		\$ 31.38
Other Expenses	34,565.15	\$ 67,932.84	102,497.99	\$ 76,850.23	25,647.76
Capital Outlay		10,075.60	10,075.60		10,075.60
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	6,334.43		6,334.43		6,334.43
PERS	0.02		0.02		0.02
	<u>40,930.98</u>	<u>78,008.44</u>	<u>118,939.42</u>	<u>76,850.23</u>	<u>42,089.19</u>
Total	<u>\$ 40,930.98</u>	<u>\$ 78,008.44</u>	<u>\$ 118,939.42</u>	<u>\$ 76,850.23</u>	<u>\$ 42,089.19</u>
Water Utility Operating Fund	\$ 39,560.77	\$ 34,901.06	Cash Disbursed	\$ 73,548.23	
Sewer Utility Operating Fund	1,370.21	43,107.38	Encumbered	3,302.00	
	<u>40,930.98</u>	<u>78,008.44</u>		<u>76,850.23</u>	

TOWN OF HAMMONTON
Water and Sewer Utility Operating Fund
Schedule of Prepaid Water Rents
For the Year Ended December 31, 2012

Balance December 31, 2011:			
Water Utility Operating Fund	\$	10,377.53	
Sewer Utility Operating Fund		<u>13,883.22</u>	
			\$ 24,260.75
Decreased by:			
Applied to Consumer Accounts Receivable		4,084.30	
Refunded		3,265.65	
Refunds Encumbered		<u>1,612.01</u>	
			<u>8,961.96</u>
Balance December 31, 2012			<u><u>\$ 15,298.79</u></u>

TOWN OF HAMMONTON
Water and Sewer Utility Operating Fund
Schedule of Accrued Interest Payable
For the Year Ended December 31, 2012

Balance December 31, 2011:			
Water Utility Operating Fund		\$ 84,677.76	
Sewer Utility Operating Fund		<u>240,724.62</u>	
			\$ 325,402.38
Increased by:			
Budget Appropriations for:			
Interest on Bonds, Loans and Notes			<u>847,299.52</u>
			1,172,701.90
Decreased by:			
Interest Paid			<u>891,769.52</u>
			<u>\$ 280,932.38</u>

Analysis of Accrued Interest December 31, 2012

	Principal Outstanding Dec. 31, 2012	Interest Rate	From	To	Period	Amount
Water & Sewer Bonds of 1997 (Capital)	\$ 650,000.00	4.875%	12/1/12	12/31/12	1 Month	\$ 2,640.63
Water Assessment Bonds of 1997	91,000.00	4.875%	12/1/12	12/31/12	1 Month	369.69
Sewer 2004 Refunding Bonds	430,000.00	Various	9/1/12	12/31/12	4 Months	5,200.00
Water & Sewer Bonds of 2006	4,570,000.00	4.30%	8/1/12	12/31/12	5 Months	76,166.67
Water & Sewer Bonds of 2009	1,885,000.00	Various	5/14/12	12/31/12	165 Days	34,449.48
Water & Sewer Refunding Bonds of 2009	4,020,000.00	Various	7/1/12	12/31/12	6 Months	70,187.50
USRD Loan - Water & Sewer						
White Horse Pike	411,527.07	4.50%	12/10/12	12/31/12	21 Days	1,080.29
Bellevue Ave.	925,441.07	4.25%	8/24/12	12/31/12	126 Days	13,886.59
USRD Loan - Sewer						
Park/Bellevue & Batchelor	604,992.73	4.50%	8/1/12	12/31/12	5 Months	11,343.61
NJEIT Trust/Fund Loan of 2012	2,376,753.46	Various	8/1/12	12/31/12	5 Months	24,641.25
Sewer 2012 Refunding Bonds	3,395,000.00	Various	9/1/12	12/31/12	4 Months	<u>40,966.67</u>
						<u>\$ 280,932.38</u>

TOWN OF HAMMONTON
Water and Sewer Utility Assessment Trust Fund
Schedule of Reserve for Assessments and Liens Receivable
For the Year Ended December 31, 2012

Balance December 31, 2011	\$ 2,796.29
Decreased by:	
Assessments Receivable Collected in Water Utility Operating Fund	<u>1,126.41</u>
Balance December 31, 2012	<u><u>\$ 1,669.88</u></u>

TOWN OF HAMMONTON
Water and Sewer Utility Assessment Trust Fund
 Schedule of General Serial Bonds
 For the Year Ended December 31, 2012

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2012</u>		<u>Interest Rate</u>	<u>Balance December 31, 2011</u>	<u>Paid by Budget Appropriation</u>	<u>Balance December 31, 2012</u>
			<u>Date</u>	<u>Amount</u>				
Water Assessment Bonds of 1997	12/1/97	\$ 286,600.00	12/1/13	\$ 15,000.00				
			12/1/14	16,000.00				
			12/1/15-17	20,000.00	4.875%	\$ 106,000.00	\$ 15,000.00	\$ 91,000.00

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
 Schedule of Improvement Authorizations
 For the Year Ended December 31, 2012

Ordinance Number	Improvement Description	Date	Ordinance		Balance December 31, 2011		2012 Authorizations	Reappropriated	Paid or Charged	Balance December 31, 2012	
			Amount		Funded	Unfunded	Deferred Charges To Future Revenue			Funded	Unfunded
<u>General Improvements:</u>											
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									
	(c) Sewer Extension to Various Streets		625,000.00								
17-05		5/23/05	185,000.00								
17-06		8/7/06	219,600.00		790.00			(790.00)			
	(d) Repairs to Bellevue Ave. Sewer		370,000.00								
17-05		5/23/05	340,000.00		17,944.50			(17,944.50)			
16-05	Various Improvements:	5/23/05									
18-06	(c) Well #5 Driveway Paving	8/7/06	33,000.00		700.10			(700.10)			
	(e) Bellevue Ave. Water Main Replacement		200,000.00		1,500.00			(1,500.00)			
4-06	Central Avenue Sewer Improvements	3/27/06	110,432.08		3,100.01			(3,100.01)			
17-07	Various Improvements:	6/25/07									
	(c) Pine, Oak, Basin Water Main Extensions		1,550,000.00		1,365,733.50				\$ 13,467.00	1,352,266.50	
21-08	Various Improvements:	7/28/08									
	(c) Purchase of Wireless Transceiver Antenna		32,000.00		1,974.00			(1,974.00)			
6-09	White Horse Pike/Moss Mill Road Sewer Improvements	3/23/09	709,875.52		126,235.70			(126,235.70)			
27-09	Bellevue Ave. Water Utility Improvements	11/23/09	1,018,000.00			\$ 60,775.00					\$ 60,775.00
28-09	Various Sewer Utility Improvements:	11/23/09									
	(a) Repairs to Bellevue Ave. Sewer		633,930.00								
	(b) Boyer Ave. Sewer Facility Optimization		60,000.00		31,000.00			31,000.00			

(Continued)

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
 Schedule of Improvement Authorizations
 For the Year Ended December 31, 2012

Ordinance Number	Improvement Description	Date	Ordinance		Balance December 31, 2011		2012 Authorizations	Reappropriated	Paid or Charged	Balance December 31, 2012		
			Amount		Funded	Unfunded	Deferred Charges To Future Revenue			Funded	Unfunded	
<u>General Improvements:</u>												
7-10	4th Street Reconstruction	6/7/10	438,228.38		\$ 208,855.46			\$ (208,855.46)				
23-10	Various Water Improvements	10/25/10	90,000.00		50.88			(50.88)				
26-11	Northwest Water Main Project/NJEIT	12/19/11	4,600,000.00		\$ 4,600,000.00			\$ 3,451,179.00		\$ 1,148,821.00		
4-12	Various Water and Sewer Improvements	3/26/12	369,713.76				369,713.76	365,538.68	\$ 4,175.08			
4A-12	Well 5/7 Facility Project - NJEIT	3/26/12	2,100,000.00				\$ 2,100,000.00	1,751,389.63		348,610.37		
Total						<u>\$ 1,735,457.26</u>	<u>\$ 4,691,775.00</u>	<u>\$ 2,100,000.00</u>	<u>\$ -</u>	<u>\$ 5,612,574.31</u>	<u>\$ 1,356,451.58</u>	<u>\$ 1,558,206.37</u>
					Water Utility Capital Fund	\$ 1,578,813.94	\$ 4,660,775.00	Contracts Payable	\$ 2,279,217.00			
					Sewer Utility Capital Fund	156,643.32	31,000.00	Disbursed	3,333,357.31			
						<u>\$ 1,735,457.26</u>	<u>\$ 4,691,775.00</u>		<u>\$ 5,612,574.31</u>			

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
 Schedule of Contracts Payable
 For the Year Ended December 31, 2012

Balance December 31, 2011:		
Water Utility Capital Fund	\$ 102,868.02	
Sewer Utility Capital Fund	<u>29,484.54</u>	
		\$ 132,352.56
Increased By:		
Charged to Improvement Authorizations		<u>2,279,217.00</u>
		2,411,569.56
Decreased by:		
Disbursed		<u>12,007.00</u>
Balance December 31, 2012		<u><u>\$ 2,399,562.56</u></u>

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
 Schedule of Due To Water and Sewer Utility Operating Fund
 For the Year Ended December 31, 2012

Balance December 31, 2011:		
Water Utility Capital Fund	\$ 250,000.00	
Sewer Utility Capital Fund	<u>55,000.00</u>	
		\$ 305,000.00
Increased By:		
Received from Utility Operating Fund	800,000.00	
Reserve for Payment of Bonds Anticipated as Revenue in the 2012 Utility Operating Fund Budget	<u>60,000.00</u>	
		<u>860,000.00</u>
		1,165,000.00
Decreased by:		
Disbursed		<u>365,000.00</u>
		<u>\$ 800,000.00</u>

Water and Sewer Utility Capital Fund
 Schedule of Reserve for Payment of Bonds
 For the Year Ended December 31, 2012

Balance December 31, 2011:		
Water Utility Capital Fund	\$ 378,232.17	
Sewer Utility Capital Fund	<u>88,861.71</u>	
		\$ 467,093.88
Increased By:		
Excess Professional Fees Received from 2012 Sewer Refunding Bonds Issued		<u>11,910.74</u>
		\$ 479,004.62
Decreased by:		
Anticipated as Revenue in the 2012 Water and Sewer Utility Operating Fund Budget		<u>60,000.00</u>
		<u>\$ 419,004.62</u>

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
 Schedule of Reserve for Amortization
 For the Year Ended December 31, 2012

Balance December 31, 2011:		
Water Utility Capital Fund	\$ 9,101,446.64	
Sewer Utility Capital Fund	<u>25,008,111.74</u>	
		\$ 34,109,558.38
Increased By:		
2012 Budget Appropriations:		
USRD Loan	\$ 25,686.15	
FmHA Loans	53,598.59	
NJEIT - Fund Loan	42,868.54	
New Jersey Wastewater Treatment Trust Fund	410,510.50	
Serial Bonds	<u>937,000.00</u>	
	1,469,663.78	
Sewer Serial Bonds Refunded	<u>3,370,000.00</u>	
		<u>4,839,663.78</u>
		38,949,222.16
Decreased by:		
2012 Sewer Refunding Bonds Issued		<u>3,395,000.00</u>
Balance December 31, 2012		<u><u>\$ 35,554,222.16</u></u>

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
Schedule of Deferred Reserve for Amortization
For the Year Ended December 31, 2012

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2011</u>	<u>Principal Forgiveness NJEIT Loan</u>	<u>Balance Dec. 31, 2012</u>
<i>General Improvements:</i>					
20-03	Sewer Utility Improvements	8/25/03	\$ 16,000.00		\$ 16,000.00
09-04/17-06	Various Sewer Utility Improvements	5/24/04	30,000.00		30,000.00
17-07	Pine, Oak, Basin Water Main Extensions	6/25/07	1,550,000.00		1,550,000.00
27-09	Bellevue Ave. Water Utility Improvements	11/23/09	148,470.00		148,470.00
17-11	Acquisition of a Disk Harrow	8/22/11	8,885.00		8,885.00
26-11	Northwest Water Main Project/NJEIT	12/19/11		\$ 632,311.00	632,311.00
			<u>\$ 1,753,355.00</u>	<u>\$ 632,311.00</u>	<u>\$ 2,385,666.00</u>

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
 Schedule of New Jersey Environmental Infrastructure Trust Loans Payable
 For the Year Ended December 31, 2012

Loan Executed		\$ 3,051,933.00
Decreased by:		
Paid by 2012 Budget Appropriation	\$ 42,868.54	
Principal Forgiveness by NJEIT Fund Loan	632,311.00	
		675,179.54
Balance December 31, 2012		\$ 2,376,753.46

Analysis of Balance Dec. 31, 2012

<u>Payment Date</u>	<u>Trust Loan</u>	<u>Fund Loan</u>	<u>Total</u>
2/1/13		\$ 21,434.27	\$ 21,434.27
8/1/13	\$ 40,000.00	43,868.54	83,868.54
2/1/14		21,434.27	21,434.27
8/1/14	40,000.00	43,868.54	83,868.54
2/1/15		21,434.27	21,434.27
8/1/15	45,000.00	43,868.54	88,868.54
2/1/16		21,434.27	21,434.27
8/1/16	45,000.00	43,868.54	88,868.54
2/1/16		21,434.27	21,434.27
8/1/16	45,000.00	43,868.54	88,868.54
2017 through 2043	940,000.00	895,239.41	1,835,239.41
	\$ 1,155,000.00	\$ 1,221,753.46	\$ 2,376,753.46

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
Schedule of New Jersey Wastewater Treatment Trust Fund
Trust Loan Payable
For the Year Ended December 31, 2012

Balance December 31, 2011 (Sewer Utility Capital Fund)	\$ 410,510.50
Decreased By:	
Paid by Budget Appropriation	<u>\$ 410,510.50</u>

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
 Schedule of FMHA Loans Payable
 For the Year Ended December 31, 2012

Balance December 31, 2011 (Sewer Utility Capital Fund)	\$ 2,648,081.96
Decreased By:	
Paid by Budget Appropriation	53,598.59
Balance December 31, 2012	\$ 2,594,483.37

Analysis of Balance December 31, 2012

<u>Payment Date</u>	<u>Southeast/ Southwest Construction</u>
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
6/30/2017	33,105.34
12/31/2017	33,850.21
2017 through 2038	2,287,607.34
	\$ 2,594,483.37

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
 Schedule of USRD Loans Payable
 For the Year Ended December 31, 2012

Balance December 31, 2011:		
Water Utility Capital Fund	\$ 733,762.83	
Sewer Utility Capital Fund	<u>1,234,384.19</u>	
		\$ 1,968,147.02
Decreased by:		
Paid by 2012 Budget Appropriation		<u>25,686.15</u>
Balance December 31, 2012		<u><u>\$ 1,942,460.87</u></u>

Analysis of Balance Dec. 31, 2012

<u>Payment Date</u>	<u>Park/Bellevue & Batchelor Construction</u>	<u>White Horse Pike</u>	<u>Bellevue Ave.</u>	<u>Total</u>
1/26/13	\$ 5,336.67			\$ 5,336.67
2/24/13			\$ 4,706.02	4,706.02
6/10/13		\$ 3,120.63		3,120.63
7/26/13	5,456.75			5,456.75
8/24/13			5,128.65	5,128.65
12/10/13		3,190.84		3,190.84
1/26/14	5,579.52			5,579.52
2/24/14			4,916.74	4,916.74
6/10/14		3,262.63		3,262.63
7/26/14	5,705.06			5,705.06
8/24/14			5,340.37	5,340.37
12/10/14		3,336.04		3,336.04
1/26/15	5,833.43			5,833.43
2/24/15			5,136.49	5,136.49
6/10/15		3,411.10		3,411.10
7/26/15	5,964.68			5,964.68
8/24/15			5,561.17	5,561.17
12/10/15		3,487.85		3,487.85
1/26/16	6,098.88			6,098.88
2/24/16			5,365.68	5,365.68
6/10/16		3,566.33		3,566.33
7/26/16	6,236.11			6,236.11
8/24/16			5,687.15	5,687.15
12/10/16		3,646.57		3,646.57
1/26/17	6,376.42			6,376.42
2/24/17			5,602.51	5,602.51
6/10/17		3,728.52		3,728.52
7/26/17	6,519.89			6,519.89
8/24/17			6,029.40	6,029.40
12/10/17		3,812.52		3,812.52
2017 through 2043	<u>545,885.32</u>	<u>376,964.04</u>	<u>872,466.89</u>	<u>1,795,316.25</u>
	<u><u>\$ 604,992.73</u></u>	<u><u>\$ 411,527.07</u></u>	<u><u>\$ 925,941.07</u></u>	<u><u>\$ 1,942,460.87</u></u>

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
 Schedule of General Serial Bonds
 For the Year Ended December 31, 2012

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2012</u>		<u>Interest Rate</u>	<u>Balance December 31, 2011</u>	<u>Issued</u>	<u>Decreased</u>	<u>Balance December 31, 2012</u>
			<u>Date</u>	<u>Amount</u>					
Water & Sewer Bonds of 1997	12/1/97	\$ 1,947,400.00	12-1-13/17	\$ 130,000.00	4.875%	\$ 767,000.00		\$ 117,000.00	\$ 650,000.00
Sewer Refunding Bonds of 2004	3/1/04	5,260,000.00	3-1-13	210,000.00	3.50%	4,005,000.00		3,575,000.00	430,000.00
			3-1-14	220,000.00	3.75%				
Water & Sewer Bonds of 2006	2/1/07	6,006,000.00	2-1-13	490,000.00	4.30%	4,895,000.00		325,000.00	4,570,000.00
			2-1-14	540,000.00					
			2-1-15/16	550,000.00					
			2-1-17/19	600,000.00					
			2-1-20	640,000.00					
Water & Sewer Bonds of 2009	5/14/09	1,985,000.00	1-15-13	90,000.00	2.50%	1,925,000.00		40,000.00	1,885,000.00
			1-15-14	80,000.00	3.50%				
			1-15-15	90,000.00	3.50%				
			1-15-16	110,000.00	3.50%				
			1-15-17	80,000.00	3.50%				
			1-15-18/19	135,000.00	4.00%				
			1-15-20	135,000.00	4.25%				
			1-15-21	190,000.00	4.25%				
			1-15-22	260,000.00	4.25%				
			1-15-23/24	290,000.00	4.25%				
Water & Sewer Utility Refunding Bonds	5/14/09	\$ 4,705,000.00	7-1-13	400,000.00	3.00%	4,270,000.00		250,000.00	4,020,000.00
			7-1-14	415,000.00	3.00%				
			7-1-15	425,000.00	3.25%				
			7-1-16	435,000.00	3.50%				
			7-1-17	435,000.00	3.50%				
			7-1-18	470,000.00	3.50%				
			7-1-19	475,000.00	3.75%				
			7-1-20	480,000.00	3.75%				
			7-1-21	485,000.00	4.00%				

(Continued)

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
 Schedule of General Serial Bonds
 For the Year Ended December 31, 2012

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2012</u>		<u>Interest Rate</u>	<u>Balance December 31, 2011</u>	<u>Issued</u>	<u>Decreased</u>	<u>Balance December 31, 2012</u>		
			<u>Date</u>	<u>Amount</u>							
Sewer Refunding Bonds of 2012	6/28/12	\$ 3,395,000.00	3-1-13/14	\$ 10,000.00	3.00%						
			3-1-15	240,000.00	3.00%						
			3-1-16	250,000.00	3.00%						
			3-1-17	255,000.00	3.00%						
			3-1-18	255,000.00	3.00%						
			3-1-19	270,000.00	3.00%						
			3-1-20	280,000.00	4.00%						
			3-1-21	295,000.00	4.00%						
			3-1-22	490,000.00	4.00%						
			3-1-23	515,000.00	4.00%						
			3-1-24	525,000.00	4.00%						
									<u>\$ 3,395,000.00</u>		<u>\$ 3,395,000.00</u>
			Total						<u>\$ 15,862,000.00</u>	<u>\$ 3,395,000.00</u>	<u>\$ 4,307,000.00</u>
							\$ 937,000.00				
						\$ 3,395,000.00					
							3,370,000.00				
						<u>\$ 3,395,000.00</u>	<u>\$ 4,307,000.00</u>				

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
Schedule of Bonds and Notes Authorized but not Issued
For the Year Ended December 31, 2012

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2011</u>	<u>2012 Authorizations</u>	<u>Issued</u>	<u>Balance December 31, 2012</u>
27-09	Bellevue Ave. Water Utility Improvements	\$ 408,930.00			\$ 408,930.00
28-09	Various Sewer Utility Improvements	60,000.00			60,000.00
26-11	Northwest Water Main Project/NJEIT	4,600,000.00		\$ 3,051,933.00	1,548,067.00
4A-12	Well 5/7 Facility Project - NJEIT		2,100,000.00		2,100,000.00
		<u>\$ 5,068,930.00</u>	<u>\$ 2,100,000.00</u>	<u>\$ 3,051,933.00</u>	<u>\$ 4,116,997.00</u>
	Water Utility Capital Fund	\$ 5,008,930.00			
	Sewer Utility Capital Fund	60,000.00			
		<u>\$ 5,068,930.00</u>			

TOWN OF HAMMONTON
PART 2
SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2012

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND STATE OF NEW JERSEY CIRCULAR 04-04-OMB

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the Town of Hammonton's, in the County of Atlantic, State of New Jersey, compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey State Grant Compliance Supplement that could have a direct and material effect on each of the Town's major federal and state programs for the year ended December 31, 2012. The Town's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major federal and state programs based on our audit of the types of compliance requirements referred to above. 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; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133 and State of New Jersey Circular 04-04-OMB 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 or state 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 on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on Each Major Federal and State Program

In our opinion, Town of Hammonton complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for year ended December 31, 2012.

Report on Internal Control Over Compliance

Management of Town of Hammonton is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State of New Jersey Circular 04-04-OMB, 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 of Hammonton'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 or state 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and State of New Jersey Circular 04-04-OMB. Accordingly, this report is not suitable for any other purpose.

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 25, 2013

TOWN OF HAMMONTON
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2012

Federal Grantor/Program Title	Federal CFDA Number	State Account Number	Program or Award Amount	Grant Period		Balance December 31, 2011	Revenue Realized	Adjustments	Expenditures	Balance December 31, 2012	(Memo Only)	
				From	To						Program Funds Received	Accumulated Expenditures
U.S. Department of Transportation												
Federal Aviation Agency Airport and Airway Improvement Program (General Capital)	20.106	N/A	\$2,207,439.00	Unavailable		\$ 4,382.65				\$ 4,382.65		\$2,203,056.35
Federal Aviation Agency Airport and Airway Improvement Program (General Capital)	20.106	N/A	98,597.00	Unavailable		286.00				286.00		98,311.00
Federal Aviation Agency Airport and Airway Improvement Program (General Capital)	20.106	N/A	279,148.00	Unavailable		21,573.93				21,573.93		257,574.07
Federal Aviation Agency Airport and Airway Improvement Program (General Capital)	20.106	N/A	121,192.00	Unavailable		2,850.00				2,850.00		118,342.00
Federal Aviation Agency Airport and Airway Improvement Program (General Capital)	20.106	N/A	649,685.00	Unavailable			\$ 27,802.36			27,802.36	\$ 551,808.00	621,882.64
Federal Aviation Agency Airport and Airway Improvement Program (General Capital)	20.106	N/A	138,663.00	Unavailable			\$ 138,663.00		\$ 3,750.00	134,913.00		6,750.00
Total CFDA # 20.106						29,092.58	138,663.00	27,802.36	3,750.00	191,807.94	551,808.00	3,305,916.06
Passed through State Department of Transportation:												
State Aid - NJ Transportation Trust Fund Authority Act (General Capital Fund)	20.205	078-6300-480-DCJ	190,000.00	Unavailable		1.78				1.78		189,998.22
State Aid - NJ Transportation Trust Fund Authority Act (General Capital Fund)	20.205	078-6300-480-DLO	125,400.00	Unavailable		98,475.11			81,617.50	16,857.61	78,381.21	108,542.39
State Aid - NJ Transportation Trust Fund Authority Act (General Capital Fund)	20.205	078-6300-480	150,000.00	Unavailable		9,030.07				9,030.07		140,969.93
State Aid - NJ Transportation Trust Fund Authority Act (General Capital Fund)	20.205	078-6300-480	145,000.00	12/21/07	Unavailable	565.79				565.79	121,250.00	144,434.21
State Aid - NJ Transportation Trust Fund Authority Act (General Capital Fund)	20.205	078-6300-480	3,190.00	Unavailable		75.72				75.72		3,114.28
State Aid - NJ Transportation Trust Fund Authority Act (General Capital Fund)	20.205	078-6300-480-DCJ	20,397.00	Unavailable		555.55				555.55		19,841.45
Passed through The College of New Jersey: State Aid - NJ Transportation Trust Fund Authority Act	20.205	078-6300-480	105,000.00	3/1/09	10/31/11			10.15		10.15	10,656.03	104,989.85
Total CFDA # 20.205						108,704.02	-	10.15	81,617.50	27,096.67	210,287.24	711,890.33
U.S. Department of Transportation (Cont'd)												
Passed through State Department of Law and Public Safety: D.W.I. Highway Safety Grant (Click It or Ticket)	20.602	066-1160-100-113	4,000.00	1/1/12	12/31/12	-	4,000.00	-	4,000.00	-	4,000.00	4,000.00
Drunk Driver Prevention (Drive Sober or Get Pulled Over)	20.601	066-1160-100-057	4,400.00	1/1/12	12/31/12		4,400.00		4,200.00	200.00	4,200.00	4,200.00
Over the Limit Under Arrest	20.601	066-1160-100-057	4,400.00	1/1/11	12/31/11	200.00				200.00		4,200.00
Total CFDA # 20.601						200.00	4,400.00	-	4,200.00	400.00	4,200.00	14,400.00
Total U.S. Department of Transportation						137,996.60	147,063.00	27,812.51	93,567.50	219,304.61	770,295.24	4,036,206.39

(Continued)

TOWN OF HAMMONTON
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2012

Federal Grantor/Program Title	Federal CFDA Number	State Account Number	Program or Award Amount	Grant Period		Balance December 31, 2011	Revenue Realized	Adjustments	Expenditures	Balance December 31, 2012	(Memo Only)	
				From	To						Program Funds Received	Accumulated Expenditures
U.S. Department of Law and Public Safety												
Public Assistance Grants	97.036	066-1200-100-A85	\$ 4,406.25	Unavailable			\$ 4,406.25		\$ 4,406.25		\$ 4,406.25	\$ 4,406.25
Public Assistance Grants	97.036	066-1200-100-A70	10,530.39	Unavailable		-	10,530.39		10,530.39	-	10,530.39	10,530.39
U.S. Department of Law and Public Safety and CFDA # 97.036						-	14,936.64	-	14,936.64	-	14,936.64	14,936.64
U.S. Department of Homeland Security												
Federal Firefighters Grant	97.044	N/A	166,963.00	Unavailable		\$ 2,145.00	-	-	-	\$ 2,145.00	-	164,818.00
U.S. Department of Housing and Urban Development												
Housing and Urban Development	14.XXX	Unavailable	Unavailable	Unavailable		9,736.85	-	-	307.62	9,429.23	-	Unavailable
Passed through County of Atlantic:												
Special Project Grant	14.228	N/A	248,000.00	Unavailable							11,732.20	248,000.00
Community Development Block Grant	14.228	N/A	261,767.50	Unavailable				\$ 10,199.86		10,199.86	251,567.64	251,567.64
Passed through State Department of Community Affairs:												
Small Cities Community Development Block Grant (General Capital Fund)	14.228	022-8020-100-078	200,000.00	4/1/08	7/31/12	91,471.00	-	2,800.00	78,376.00	15,895.00	114,831.00	184,105.00
Total CFDA # 14.228						91,471.00	-	12,999.86	78,376.00	26,094.86	378,130.84	683,672.64
U.S. Department of Housing and Urban Development						101,207.85	-	12,999.86	78,683.62	35,524.09	378,130.84	683,672.64
U.S. Department of Environmental Protection												
Passed through State Department of Environmental Protection:												
ARRA--Wildlife Fire Management	10.668	Unavailable	7,000.00	Unavailable		-	-	-	-	-	7,000.00	7,000.00
Capitalization Grants for Drinking Water State Revolving Fund:												
New Jersey Environmental Infrastructure Trust/Fund Loans/Grants:	66.468	042-4840-707-035	1,896,933.00	5/3/12	project end	-	1,896,933.00	-	1,827,560.40	69,372.60	832,453.00	1,827,560.40
Performance Partnership Grant (Stormwater Management)	66.605	042-4801-100-442	1,250.00	1/1/08	12/31/08	1,250.00	-	-	382.00	868.00	-	382.00
U.S. Department of Environmental Protection						1,250.00	1,896,933.00	-	1,827,942.40	70,240.60	839,453.00	1,834,942.40
Total Federal Grants						\$ 242,599.45	\$ 2,058,932.64	\$ 40,812.37	\$ 2,015,130.16	\$ 327,214.30	\$ 2,002,815.72	\$ 6,734,576.07

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

TOWN OF HAMMONTON
 Schedule of Expenditures of State Financial Assistance
 For the Year Ended December 31, 2012

State Grantor/Program Title	State GMIS Number	Program or Award Amount	Program Funds Received	Grant Period		Balance December 31, 2011	Revenue Realized	Adjustments	Expenditures	Balance December 31, 2012
				From	To					
State Department of Community Affairs										
Smart Growth Planning Program	100-022-8070-039-FFF-6120	\$ 11,000.00		6/1/06	5/31/07	\$ 5,858.75				\$ 5,858.75
Sustainable Jersey Small Grant	Unavailable	2,000.00	\$ 2,000.00	1/1/12	12/31/12		\$ 2,000.00			2,000.00
Neighborhood Preservation Program	Unavailable	125,000.00		1/1/08	12/31/09	8.83				8.83
						<u>5,867.58</u>	<u>2,000.00</u>	<u>-</u>	<u>-</u>	<u>7,867.58</u>
State Department of Law and Public Safety										
Drunk Driving Enforcement Grant	1110-448-31020-50	7,018.72		1/1/10	12/31/10	7,018.72		\$ 7,018.72		
Drunk Driving Enforcement Grant	1110-448-31020-50	9,129.76		1/1/11	12/31/11	9,129.76			1,591.35	7,538.41
Drunk Driving Enforcement Grant	1110-448-31020-50	11,068.65	11,068.65	1/1/12	12/31/12		11,068.65			11,068.65
JAG Grant	Unavailable	18,244.00		1/1/10	12/31/10	11,186.87			11,173.48	13.39
Pedestrian Safety Grant	Unavailable	15,000.00		1/1/12	12/31/12		15,000.00		1,950.00	13,050.00
Body Armor Replacement Program	1020-718-066-1020-001-6120	6,846.84		1/1/08	12/31/08	651.82			651.82	
Body Armor Replacement Program	1020-718-066-1020-001-6120	4,250.05		1/1/10	12/31/10	4,250.05			4,250.05	
Body Armor Replacement Program	1020-718-066-1020-001-6120	3,056.22		1/1/11	12/31/11	3,056.22			1,581.13	1,475.09
Body Armor Replacement Program	1020-718-066-1020-001-6120	3,039.41	3,039.41	1/1/12	12/31/12		3,039.41			3,039.41
						<u>35,293.44</u>	<u>29,108.06</u>	<u>-</u>	<u>28,216.55</u>	<u>36,184.95</u>
State Department of Health										
Alcoholic Education Rehabilitation Fund	9735-760-060000-60	1,296.94		1/1/06	12/31/06	630.98				630.98
Alcoholic Education Rehabilitation Fund	9735-760-060000-60	1,296.94		1/1/07	12/31/07	845.71				845.71
Alcoholic Education Rehabilitation Fund	9735-760-060000-60	963.82		1/1/08	12/31/08	963.82				963.82
Alcoholic Education Rehabilitation Fund	9735-760-060000-60	1,067.42		1/1/09	12/31/09	1,067.42				1,067.42
Alcoholic Education Rehabilitation Fund	9735-760-060000-60	2,111.47		1/1/10	12/31/10	2,111.47				2,111.47
Alcoholic Education Rehabilitation Fund	9735-760-060000-60	1,132.63		1/1/11	12/31/11	1,132.63				1,132.63
						<u>6,752.03</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,752.03</u>
State Department of Treasury										
Division of Administration										
Passed through County of Atlantic										
Municipal Alliance Grant	2000-475-995120-60	16,345.00	16,236.77	1/1/11	12/31/11	183.21			183.21	
Municipal Alliance Grant	2000-475-995120-60	16,345.00		1/1/12	12/31/12		16,345.00	\$ 4,086.25	15,542.82	4,888.43
						<u>183.21</u>	<u>16,345.00</u>	<u>4,086.25</u>	<u>15,726.03</u>	<u>4,888.43</u>

(Continued)

TOWN OF HAMMONTON
 Schedule of Expenditures of State Financial Assistance (Cont'd)
 For the Year Ended December 31, 2012

State Grantor/Program Title	State GMIS Number	Program or Award Amount	Program Funds Received	Grant Period		Balance December 31, 2011	Revenue Realized	Adjustments	Disbursements	Balance December 31, 2012
				From	To					
State Department of Environmental Protection										
Clean Communities	4900-765-178910-60	\$ 28,224.58		1/1/11	12/31/11	\$ 4,130.17			\$ 4,130.17	
Clean Communities	4900-765-178910-60	27,731.54	\$ 27,731.54	1/1/12	12/31/12		\$ 27,731.54		27,731.54	
Recycling Tonnage Grant	2000-150-990120-50	55,028.75		1/1/11	12/31/11	55,028.75			55,028.75	
Recycling Tonnage Grant	2000-150-990120-50	35,956.93	35,956.93	1/1/12	12/31/12		35,956.93			\$ 35,956.93
Hazardous Discharge Remediation Grant	3200-850-0002	13,848.00		1/1/09	12/31/09	6,798.00				6,798.00
Hazardous Discharge Remediation Grant	3200-850-0002	33,044.00		1/1/09	12/31/09	3,504.60				3,504.60
2001 Tree Planting Grant Program	100-042-4870-079-6120	15,165.00		2/1/01	1/31/02	15,165.00				15,165.00
NJDEP - Municipal Stormwater Regulation Program	Unavailable	3,750.00		1/1/09	12/31/09	1,191.55				1,191.55
Skinner Building Grant	Unavailable	38,543.00	5,010.00	1/1/12	12/31/12		38,543.00		38,535.00	8.00
Wildlife Habitat Sites	Unavailable	2,000.00		1/1/08	12/31/08	310.25				310.25
2002 Forest Service Grant Program	100-042-4870-079-6120	3,000.00		2/1/02	1/31/03	3,000.00				3,000.00
Green Acres Local Development Loan	727-042-4800-004	250,000.00	250,000.00	12/26/12	project end		250,000.00		250,000.00	-
Environmental Infrastructure Trust (Water/Sewer Utility Capital Fund)	707-042-4840-019	1,264,622.00	554,968.00	5/3/12	project end		1,264,622.00		1,218,373.60	46,248.40
						89,128.32	1,616,853.47	-	1,593,799.06	112,182.73
Total State Financial Assistance						\$ 137,224.58	\$ 1,664,306.53	\$ 4,086.25	\$ 1,637,741.64	\$ 167,875.72

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

TOWN OF HAMMONTON
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended December 31, 2012

Note 1: **GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs 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 schedules of expenditures of federal awards and state financial assistance are 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>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ 14,936.64		\$ 14,936.64
Federal and State Grant Fund	8,889.62	\$ 169,368.04	178,257.66
General Capital Fund	163,743.50	250,000.00	413,743.50
Water and Sewer Utility Capital Fund	<u>1,827,560.40</u>	<u>1,218,373.60</u>	<u>3,045,934.00</u>
Total Awards and Financial Assistance	<u>\$ 2,015,130.16</u>	<u>\$ 1,637,741.64</u>	<u>\$ 3,652,871.80</u>

Note 4: **ADJUSTMENTS**

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

<u>Adjustment</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
Prior Year Orders Canceled	\$ 40,812.37		\$ 40,812.37
Local Matching Funds		\$ 4,086.25	4,086.25
Total Adjustments	<u>\$ 40,812.37</u>	<u>\$ 4,086.25</u>	<u>\$ 44,898.62</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, 2012

TOWN OF HAMMONTON
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2012

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unqualified

Internal control over financial reporting:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? X yes no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

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

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

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

66.468

Capitalization Grants for Drinking Water State Revolving Fund

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, 2012

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

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 or New Jersey Circular 04-04-OMB? _____ yes X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
707-042-4840-019	New Jersey Environmental Infrastructure Trust/Fund Loans

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, 2012

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. 2012-1

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, 2012

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
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2012

Section 4- Schedule of State Financial Assistance 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 State programs, as required by OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

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. 2011-1

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. 2012-1.

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. 2011-2

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.

Current Status

This condition has been resolved.

TOWN OF HAMMONTON
Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Stephen DiDonato	Mayor	
Sam Rodio	Deputy Mayor	
Steven Furgione	Councilperson	
AnnaMarie Carpo	Councilperson	
Paul Esposito	Councilperson	
Michael Pullia	Councilperson	
Michael Torrisi	Councilperson	
Jerome Barberio	Business Administrator/Public Works Manager	\$ 1,000,000.00 (A)
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	1,000,000.00 (B)
Kim Torres	Deputy Court Administrator	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

A handwritten signature in black ink, appearing to read "Todd R. Saler". The signature is written in a cursive style with a prominent initial "T".

Todd R. Saler
Certified Public Accountant
Registered Municipal Accountant

