

TOWN OF HAMMONTON

REPORT OF AUDIT

FOR THE YEAR ENDED

DECEMBER 31, 2025

TOWN OF HAMMONTON
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TOWN OF HAMMONTON

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

FOR THE YEAR ENDED

DECEMBER 31, 2025

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FORD - SCOTT

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of Town Council
Town of Hammonton
County of Atlantic, New Jersey

Report on the Financial Statements

Opinions

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Town of Hammonton, as of December 31, 2025 and 2024, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2025 and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Town of Hammonton as of December 31, 2025 and 2024, or changes in financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2025 and 2024, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2025 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Town of Hammonton and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 of Hammonton on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Hammonton's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division of Local Government Services will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division of Local Government Services, we:

- exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Hammonton's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

We are required to communicate with those charge with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control – related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Hammonton basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents is fairly stated, in all material respects, in relation to the regulatory basis financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2026, on our consideration of the Town of Hammonton's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Hammonton's internal control over financial reporting and compliance.

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

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

May 8, 2026

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EXHIBIT - A
CURRENT FUND

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TOWN OF HAMMONTON
Current Fund
Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Years Ended December 31, 2025 and 2024

<u>ASSETS</u>	<u>REFERENCE</u>	<u>2025</u>	<u>2024</u>
Current Fund:			
Cash -- Tax Collector - Treasurer	SA-1	\$ 5,572,579.07	\$ 5,086,955.79
Cash -- Change Fund	SA-2	585.00	585.00
Due From State of New Jersey -- Senior Citizens' and Veterans Deductions	SA-10	<u>67,464.30</u>	<u>61,778.00</u>
Total		<u>5,640,628.37</u>	<u>5,149,318.79</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-3	101.89	118.24
Tax Title Liens Receivable	SA-4	997,426.63	983,468.75
Property Acquired for Taxes - Assessed Valuation	A	510,100.00	510,100.00
Revenue Accounts Receivable	SA-5	114,519.55	112,635.69
Due from Federal and Grant Fund		187,855.68	-
Due from Animal Control Fund	SB-3	<u>1,919.40</u>	<u>1,989.00</u>
		<u>1,811,923.15</u>	<u>1,608,311.68</u>
Deferred Charges:			
Special Emergency Authorization (N.J.S. 40A:4-55)	SA-20	<u>64,000.00</u>	<u>82,000.00</u>
		<u>7,516,551.52</u>	<u>6,839,630.47</u>
Federal and State Grant Fund:			
Due from Current Fund	A	-	220,419.67
Federal and State Grants Receivable	SA-15	<u>1,016,766.25</u>	<u>1,053,545.75</u>
		<u>1,016,766.25</u>	<u>1,273,965.42</u>
		<u>\$ 8,533,317.77</u>	<u>\$ 8,113,595.89</u>

(Continued)

TOWN OF HAMMONTON
Current Fund
Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
For the Years Ended December 31, 2025 and 2024

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REFERENCE</u>	<u>2025</u>	<u>2024</u>
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3 & SA-6	\$ 256,520.04	\$ 261,217.07
Reserve for Encumbrances	SA-7	299,645.55	273,075.64
Prepaid Taxes	SA-8	779,472.36	597,016.04
Tax Overpayments	SA-9	336.91	-
Reserve for Preparation of a Master Plan	SA-4	-	450.00
Local School Tax Payable	SA-12	0.26	0.26
Due County for Added and Omitted Taxes	SA-13	58,812.34	62,916.17
Due to Trust - Other Funds	SB-5	113,865.00	87,381.25
Due to General Capital Fund	SC-3	153,865.13	598,429.00
Due to Federal and State Grant Fund	A	-	220,419.67
		<u>1,662,517.59</u>	<u>2,100,905.10</u>
Reserve for Receivables and Other Assets	A	1,811,923.15	1,608,311.68
Fund Balance	A-1	<u>4,042,110.78</u>	<u>3,130,413.69</u>
		<u>7,516,551.52</u>	<u>6,839,630.47</u>
Federal and State Grant Fund:			
Due to Current Fund		187,855.68	
Reserve for Federal and State Grants:			
Unappropriated Reserves	SA-16	8,892.74	2,647.90
Appropriated Reserves	SA-17	233,711.33	874,777.63
Reserve for Encumbrances	SA-18	<u>586,306.50</u>	<u>396,539.89</u>
Total Federal and State Grant Fund		<u>1,016,766.25</u>	<u>1,273,965.42</u>
		<u>\$ 8,533,317.77</u>	<u>\$ 8,113,595.89</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, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 2,300,000.00	\$ 2,187,000.00
Miscellaneous Revenue Anticipated	3,832,135.54	4,476,035.03
Receipts from Delinquent Taxes	5,443.72	6,507.36
Receipts from Current Taxes	40,753,976.71	39,242,201.04
Non-Budget Revenues	1,378,892.61	692,625.14
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	115,444.13	81,916.15
Prior Year Grant Receipt Adjustment	-	19,119.91
Federal and State Grant Fund Appropriated Reserves Canceled	8,015.18	-
Liquidation of Reserves for:		
Reserve for Due from Animal Control Fund	69.60	4,245.40
Reserve for Due from General Capital Fund	-	102,411.90
	<hr/>	<hr/>
Total Revenue and Other Income Realized	48,393,977.49	46,812,061.93
<u>Expenditures</u>		
Operations Within "CAPS":		
Salaries and Wages	6,304,977.85	5,665,979.30
Other Expenses	5,601,644.09	5,533,824.41
Deferred Charges and Statutory Expenditures Within "CAPS"	1,430,698.00	1,394,853.00
Operations Excluded from "CAPS":		
Salaries and Wages	-	-
Other Expenses	404,567.73	803,011.84
Capital Improvements Excluded from "CAPS"	100,000.00	75,000.00
Municipal Debt Service Excluded from "CAPS"	2,224,906.57	2,957,945.74
Deferred Charges Excluded from "CAPS"	34,000.00	8,000.00
County Taxes	8,204,617.62	7,714,196.69
Due County for Added and Omitted Taxes	58,811.34	62,916.17
Local School Taxes	20,594,851.50	20,219,175.50
Senior Citizens' Deductions' Disallowed by Tax Collector for 2023	-	5,550.00
Refund of Prior Year Revenue	34,725.52	16,286.68
Federal and State Grant Fund Receivables Canceled	624.50	-
Reserve for Due from Federal and State Grant Fund	187,855.68	-
Reserve for Due from Animal Control Fund	-	1,989.00
	<hr/>	<hr/>
Total Expenditures	45,182,280.40	44,458,728.33
Excess in Revenue	\$ 3,211,697.09	\$ 2,353,333.60

(Continued)

TOWN OF HAMMONTON
Current Fund
 Statements of Operations and Changes in Fund Balance - Regulatory Basis
 For the Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Adjustments to Income Before Surplus:		
Expenditures Included Above which are by Statute Deferred		
Charges to Budget of Succeeding Year	-	50,000.00
Statutory Excess to Fund Balance	3,211,697.09	2,403,333.60
Fund Balance January 1	3,130,413.69	2,914,080.09
Total	6,342,110.78	5,317,413.69
Decreased by:		
Utilized as Revenue	2,300,000.00	2,187,000.00
Balance December 31	<u>\$ 4,042,110.78</u>	<u>\$ 3,130,413.69</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, 2025

	Budget	N.J.S.A. 40A:4-87	Realized	Excess (Deficit)
Fund Balance	\$ 2,300,000.00	-	\$ 2,300,000.00	-
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	13,000.00		13,449.60	\$ 449.60
Other	7,500.00		6,971.20	(528.80)
Fines and Costs - Municipal Court	313,000.00		499,490.90	186,490.90
Interest and Costs on Taxes	120,000.00		160,019.55	40,019.55
Interest on Investments and Deposits	180,000.00		172,807.58	(7,192.42)
Board of Health Fees	24,000.00		26,880.00	2,880.00
Airport Rental	216,000.00		250,546.95	34,546.95
Energy Receipts Tax	1,252,840.00		1,252,840.32	0.32
Garden State Trust Fund	42,653.00		42,653.00	
Uniform Construction Code Fees	220,000.00		181,983.00	(38,017.00)
Public and Private Revenues Offset with Appropriations:				
Clean Communities		\$ 47,843.80	47,843.80	
Stormwater Assistance Grant		50,000.00	50,000.00	
Body Armor Replacement Fund	2,647.90		2,647.90	
Recycling Tonnage Grant	19,569.03		19,569.03	
2025 Neighborhood Preservation Program		125,000.00	125,000.00	
Other Special Items:				
Uniform Fire Safety Act	55,000.00		78,089.75	23,089.75
Cable TV Franchise Fee	52,078.04		52,078.04	
Plymouth Place -- Payment In-Lieu of Taxes	109,600.00		109,600.00	
Water Utility Management Fee	84,952.93		84,952.93	
Sewer-Utility Management Fee	98,158.52		98,158.52	
Interlocal Agreement - School Police	285,000.00		337,040.00	52,040.00
Atlantic Care Hospital Community Fee	118,526.33		118,526.33	
General Capital Fund Balance	3,067.14		3,067.14	
Shared Services Code Enforcement Buena	15,600.00		15,600.00	
White Horse HMT - In Lieu of Taxes	80,000.00		82,320.00	2,320.00
Total	3,313,192.89	222,843.80	3,832,135.54	296,098.85
Receipts from Delinquent Taxes	6,000.00	-	5,443.72	(556.28)
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes	11,462,546.37	-	12,789,735.14	1,327,188.77
Budget Totals	17,081,739.26	222,843.80	18,927,314.40	1,622,731.34
Non-Budget Revenues	-	-	1,378,892.61	1,378,892.61
Total	\$ 17,081,739.26	\$ 222,843.80	\$ 20,306,207.01	\$ 3,001,623.95

(Continued)

TOWN OF HAMMONTON
Current Fund
Statement of Revenues - Regulatory Basis (Cont'd)
For the Year Ended December 31, 2025

Analysis of Realized Revenue

Allocation of Current Tax Collections:

Revenue from Collections		\$ 40,753,976.71
Allocated to:		
County Taxes	\$ 7,195,472.13	
County Library Taxes	512,235.24	
County Health Taxes	300,762.08	
County Open Space Taxes	196,148.17	
Due County for Added & Omitted	58,811.34	
School Taxes	<u>20,901,249.00</u>	
		<u>29,164,677.96</u>
Sub-Total		11,589,298.75
Add Appropriation - Reserve for Uncollected Taxes		<u>1,200,436.39</u>
Amount for Support of Municipal Budget Appropriations		<u>\$ 12,789,735.14</u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections		\$ 118.24
Tax Title Lien Collections		<u>5,325.48</u>
		<u>\$ 5,443.72</u>

Licenses -- Other:

Raffle/Bingo		\$ 5,245.00
Marriage		485.00
Business License		<u>1,241.20</u>
		<u>\$ 6,971.20</u>

(Continued)

TOWN OF HAMMONTON
Current Fund
Statement of Revenues - Regulatory Basis (Cont'd)
For the Year Ended December 31, 2025

Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated:

Revenue Accounts Receivable:

Police Department	\$ 26,127.00
Use of Police Vehicle Fees	56,830.00
Town Clerk:	
Street Opening Permits	16,575.50
Business Registration Certificates	13,597.50
Landlord Registration Fees	145,795.01
Abandoned Property Registration Fees	16,493.40
Tree Removal Permit	150.00
Freon Fees and Permits	250.00
Fire Inspection Fees	22,972.00
Rental of Polling Places	350.00
Planning and Zoning Board	13,150.00
Tax Assessor	688.25

312,978.66

Less: Refund of Various Fees and Permits

(1,838.75)

\$ 311,139.91

Tax Collector - Treasurer:

State of New Jersey -- Administrative Reimbursement	1,569.18
Recreation Insurance	2,830.00
Prior Year Refunds	20,161.61
Rental of Dog Park Usage	600.00
Rental of Town Hall	6,000.00
Cell Tower Lease Agreements	166,180.17
Prior Year Cell Tower Lease Agreements	220,241.78
Sale of Scrap Metal	11,266.20
Sale of Cell Tower	475,000.00
Payment In-Lieu of Taxes	1,000.00
Property Maintenance Fees	2,268.88
Lease of 8th Street Landfill	100,000.00
Opioids Reimbursement	20,165.48
Lien Foreclosure from Tax Premium Account	37,500.00
Lot Grading Application Fee	1,050.00

1,065,833.30

Add: Statutory Excess Animal Control Fund

1,919.40

\$ 1,378,892.61

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, 2025

	Appropriations		Budget After Modification	Paid or Charged	Expended Reserve for Encumbrances	Reserved	Unexpended Balance Canceled
	Budget						
GENERAL APPROPRIATIONS:							
<i>Operations Within "CAPS":</i>							
GENERAL GOVERNMENT							
Administrative and Executive							
Salaries and Wages	\$ 109,560.00	\$ 109,560.00	\$ 109,560.00	\$ 106,552.39	\$ 1,637.95	\$ 3,007.61	
Other Expenses	29,000.00	34,000.00	34,000.00	31,288.60		1,073.45	
Elections	18,000.00	15,000.00	15,000.00	13,519.93		1,480.07	
Other Expenses							
Financial Administration							
Salaries and Wages	116,850.00	116,850.00	116,850.00	113,716.90		3,133.10	
Other Expenses	15,400.00	15,400.00	15,400.00	14,511.24	880.66	8.10	
Annual Audit	5,000.00	5,000.00	5,000.00	1,300.00		3,700.00	
Assessment of Taxes							
Salaries and Wages	145,775.00	142,775.00	142,775.00	142,349.60		425.40	
Other Expenses	13,300.00	4,700.00	4,700.00	3,264.84		1,435.16	
Collection of Taxes							
Salaries and Wages	81,647.00	74,047.00	74,047.00	73,991.64		55.36	
Other Expenses	18,000.00	18,000.00	18,000.00	12,137.72	4,561.17	1,301.11	
Legal Services and Costs:							
Other Expenses	100,000.00	103,000.00	103,000.00	82,548.01	17,400.93	3,051.06	
Public Buildings and Grounds							
Other Expenses	145,000.00	145,000.00	145,000.00	139,681.46	5,171.02	147.52	
Natural Gas	32,000.00	32,000.00	32,000.00	32,000.00		-	
Electricity	68,000.00	68,000.00	68,000.00	67,833.80		166.20	
Telephone	40,000.00	40,000.00	40,000.00	40,000.00		-	
Gasoline	100,000.00	100,000.00	100,000.00	75,078.29		24,921.71	
Municipal Land Use Law (N.J.S.A. 40:55D-1)							
Planning Board:							
Salaries and Wages	33,799.50	33,799.50	33,799.50	33,664.16		135.34	
Other Expenses	10,000.00	10,000.00	10,000.00	9,500.04		499.96	

(Continued)

TOWN OF HAMMONTON
 Current Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2025

	Appropriations		Paid or Charged	Reserve for Encumbrances	Reserved	Unexpended Balance Canceled
	Budget	Budget After Modification				
GENERAL APPROPRIATIONS:						
<i>Operations Within "CAPS" (Cont'd):</i>						
GENERAL GOVERNMENT (Cont'd)						
Historical Society:						
Other Expenses	\$ 3,700.00	\$ 3,700.00	\$ 2,676.52	\$ 851.25	\$ 172.23	
Environmental Commission (N.J.S. 40:56A-1 et seq.)						
Other Expenses	1,390.00	1,390.00	-	1,325.00	65.00	
Computer						
Salaries and Wages	55,664.25	55,664.25	55,664.25	-	-	
Other Expenses	110,000.00	110,000.00	101,608.01	4,979.29	3,412.70	
Insurance						
Group Insurance Plan for Employees	2,330,874.75	2,330,874.75	2,326,278.30	4,596.45	(0.00)	
Health Benefit Waivers	38,367.50	38,367.50	35,967.50	-	2,400.00	
Workers Compensation Insurance	362,565.00	362,565.00	362,565.00	-	-	
Liability Insurance	24,166.00	24,166.00	24,166.00	-	-	
Temporary Disability Insurance	24,000.00	24,000.00	11,103.95	-	12,896.05	
PUBLIC SAFETY						
Fire						
Other Expenses	175,000.00	175,000.00	156,576.76	3,746.72	14,676.52	
State Fire Prevention Code						
Salaries and Wages	20,800.00	20,800.00	20,800.00	-	-	
Other Expenses	3,200.00	3,200.00	1,293.00	-	1,907.00	
Police						
Salaries and Wages	4,020,783.88	4,075,783.88	4,044,977.82	84,778.79	30,806.06	
Other Expenses	320,000.00	304,000.00	196,602.57	-	22,618.64	
Police Radio and Communications						
Salaries and Wages	224,109.50	240,109.50	238,043.58	-	2,065.92	

(Continued)

TOWN OF HAMMONTON
 Current Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2025

	Appropriations		Paid or Charged	E x p e n d e d Reserve for Encumbrances	Reserved	Unexpended Balance Canceled
	Budget	Budget After Modification				
GENERAL APPROPRIATIONS:						
<i>Operations Within "CAPS" (Cont'd):</i>						
PUBLIC SAFETY (Cont'd)						
Municipal Court:						
Salaries and Wages	\$ 307,702.00	\$ 308,802.00	\$ 308,739.61	\$ -	\$ 62.39	
Other Expenses	15,000.00	15,000.00	13,440.84	1,277.97	281.19	
Prosecutor:						
Salaries and Wages	59,000.00	59,000.00	59,000.00	-	-	
Public Defender:						
Other Expenses	27,000.00	27,000.00	27,000.00	-	-	
STREETS AND ROADS						
Streets and Roads						
Salaries and Wages	698,492.00	688,492.00	676,616.35	62,611.95	11,875.65	
Other Expenses	264,000.00	280,000.00	213,972.84	38,347.16	3,415.21	
Garbage and Trash						
Other Expenses	575,318.79	575,318.79	536,971.63	28,423.75	758.92	
Recycling						
Other Expenses	333,561.48	333,561.48	304,378.81	125,000.00	0.00	
Street Lighting						
Other Expenses	125,000.00	125,000.00	125,000.00	-	-	
HEALTH AND WELFARE						
Dog Regulation						
Other Expenses	7,560.00	7,560.00	7,560.00	-	-	
Registrar of Vital Statistics						
Other Expenses	600.00	600.00	580.50	19.50	-	
RECREATION AND EDUCATION						
Park Commission:						
Salaries and Wages	1,500.00	1,500.00	1,499.94	0.06	-	
Recreation						
Salaries and Wages	160,536.00	160,536.00	160,119.44	2,958.00	416.56	
Other Expenses	129,966.00	129,966.00	127,008.00	-	-	
Celebration of Public Events, Anniversaries and Holidays	30,000.00	3,900.00	-	-	3,500.00	
CODE ENFORCEMENT						
Property Maintenance Officer						
Salaries and Wages	21,112.00	21,112.00	21,112.00	-	-	

(Continued)

TOWN OF HAMMONTON
 Current Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2025

	Appropriations		Paid or Charged	Expended Reserve for Encumbrances	Reserved	Unexpended Balance Canceled
	Budget	Budget After Modification				
GENERAL APPROPRIATIONS:						
<i>Operations Within "CAPS" (Cont'd):</i>						
CODE ENFORCEMENT (Cont'd)						
Construction Code Official	\$ 182,146.72	\$ 196,146.72	\$ 195,552.50	\$	\$ 594.22	
Salaries and Wages	19,700.00	19,700.00	18,911.10		788.90	
Other Expenses						
UNCLASSIFIED						
Advertising	50,000.00	50,000.00	50,000.00		-	
Other Expenses						
Municipal Airport	122,074.57	67,074.57	49,131.75	100.00	17,842.82	
Other Expenses						
Total Operations Including Contingent - Within "CAPS"	11,926,221.94	11,906,621.94	11,467,857.19	263,648.06	175,116.69	\$ -
Detail:						
Salaries and Wages	6,239,477.85	6,304,977.85	6,252,400.18		52,577.67	
Other Expenses	5,686,744.09	5,601,644.09	5,215,457.01	263,648.06	122,539.02	
GENERAL APPROPRIATIONS:						
<i>Deferred Charges and Statutory Expenditures -</i>						
Municipal - Within "CAPS":						
STATUTORY EXPENDITURES:						
Contribution to:						
Defined Contribution Retirement Plan	5,700.00	6,300.00	6,257.43		42.57	
Public Employees Retirement System of N.J.	189,074.00	189,074.00	189,074.00		-	
Police and Firemen's Retirement System of N.J.	991,324.00	991,324.00	991,324.00		-	
Social Security System (O.A.S.I.)	225,000.00	244,000.00	243,447.15		552.85	
Total Deferred Charges and Statutory Expenditures -	1,411,098.00	1,430,698.00	1,430,102.58	-	595.42	-
Municipal Within "CAPS"						
Total General Appropriations -	13,337,319.94	13,337,319.94	12,897,959.77	263,648.06	175,712.11	-
For Municipal Purposes Within "CAPS"						

(Continued)

TOWN OF HAMMONTON
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2025

	Appropriations			Paid or Charged	Reserve for Encumbrances	Reserved	Unexpended Balance Canceled
	Budget	Budget After Modification	E x p e n d e d				
GENERAL APPROPRIATIONS:							
<i>Operations Excluded from "CAPS":</i>							
Recycling Tax	\$ 18,000.00	\$ 18,000.00	\$ 15,512.88	\$ 2,487.12			
Group Insurance Plan for Employees	134,217.00	134,217.00	63,186.19	71,030.81			
Workers Compensation Insurance	7,290.00	7,290.00	-	7,290.00			
Public and Private Programs Offset By Revenues:							
Clean Communities Program (NJSA 40A:4-87, \$47,843.80)		47,843.80	47,843.80	-			
Recycling Tonnage Grant	19,569.03	19,569.03	19,569.03	-			
Stormwater Assistance Grant (NJSA 40A:4-87, \$50,000.00)	50,000.00	50,000.00	50,000.00	-			
2025 Neighborhood Preservation Program (NJSA 40A:4-87, \$125,000.00)	125,000.00	125,000.00	125,000.00	-			
Body Armor Replacement Fund	2,647.90	2,647.90	2,647.90	-			
Total Operations - Excluded From "CAPS"	181,723.93	404,567.73	323,759.80	80,807.93			
Detail:							
Salaries and Wages	-	50,000.00	50,000.00	-			
Other Expenses	181,723.93	404,567.73	273,759.80	80,807.93			
<i>Capital Improvements-Excluded from "CAPS"</i>							
Capital Improvement Fund	100,000.00	100,000.00	100,000.00	-			
Municipal Debt Service - Excluded from "CAPS"							
Payment of Bond & Loan Principal	\$ 1,485,000.00	\$ 1,485,000.00	\$ 1,485,000.00	\$ -			
Payment of Note Principal	207,259.00	207,259.00	207,259.00	-			
Interest on Bonds	455,000.00	455,000.00	453,601.83	1,398.17			
Interest on Notes	10,000.00	10,000.00	9,094.06	905.94			
Green Trust Loan Program-Principal and Interest	71,000.00	71,000.00	69,951.68	1,048.32			
Total Municipal Debt Service - Excluded from "CAPS"	2,228,259.00	2,228,259.00	2,224,906.57	3,352.43			
<i>Deferred Charges - Excluded from "CAPS"</i>							
Special Emergency Authorization	18,000.00	18,000.00	18,000.00	-			
Unfunded Ordinance #19-24	16,000.00	16,000.00	16,000.00	-			
Total Deferred Charges - Excluded from "CAPS"	34,000.00	34,000.00	34,000.00	-			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	2,543,982.93	2,766,826.73	2,682,666.37	80,807.93			
GENERAL APPROPRIATIONS:							
Subtotal General Appropriations	15,881,302.87	16,104,146.67	15,580,626.14	263,648.06			
Reserve for Uncollected Taxes	1,200,436.39	1,200,436.39	1,200,436.39	-			
TOTAL GENERAL APPROPRIATIONS	\$ 17,081,739.26	\$ 17,304,583.06	\$ 16,781,062.53	\$ 256,520.04			
Appropriation by N.J.S.A. 40A:4-87	\$ 222,843.80						
Original Budget	17,081,739.26						
	\$ 17,304,583.06						
Reserve for Federal and State Grants -- Appropriated	\$ 245,060.73						
Deferred Charges- Excluded from "CAPS"	18,000.00						
Reserve for Uncollected Taxes	1,200,436.39						
Disbursed	15,317,565.41						
	\$ 16,781,062.53						

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

EXHIBIT - B
TRUST FUND

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TOWN OF HAMMONTON
Trust Fund
Statements of Assets, Liabilities and Reserves - Regulatory Basis
As of December 31, 2025 and 2024

<u>ASSETS</u>	<u>REFERENCE</u>	<u>2025</u>	<u>2024</u>
Animal Control Fund:			
Cash	SB-1	\$ 5,608.60	\$ 5,699.20
Other Funds:			
Cash	SB-1	1,862,630.41	1,909,480.87
Investments -- U.S. Government Securities	SB-2	424,542.96	401,336.74
Due from Current Fund	SB-5	113,865.00	87,381.25
Total Other Funds		<u>2,401,038.37</u>	<u>2,398,198.86</u>
Total		<u>\$ 2,406,646.97</u>	<u>\$ 2,403,898.06</u>
 <u>LIABILITIES AND RESERVES</u> 			
Animal Control Fund:			
Due to Current Fund	SB-3	\$ 1,919.40	\$ 1,989.00
Reserve for Animal Control Fund Expenditures	SB-4	3,689.20	3,710.20
Total Animal Control Fund		<u>5,608.60</u>	<u>5,699.20</u>
Other Funds:			
Reserve for Disposal of Forfeited Property Trust Fund	SB-6	6,565.83	6,913.05
Reserve for Recreation Fees	SB-7	21,680.46	22,654.42
Reserve for Street Opening Escrow Deposits	SB-8	48,887.30	52,902.30
Reserve for Escrow Deposits	SB-9	412,550.38	326,668.45
Reserve for Public Defender Trust Fund	SB-10	1,438.06	1,406.06
Reserve for Parking Offense Adjudication Act	SB-11	254.00	156.00
Reserve for Municipal Drug Alliance Funds	SB-12	15,975.97	15,954.58
Reserve for Airport Security Deposit	SB-13	10,475.56	10,242.50
Reserve for Police Outside Detail	SB-14	113,865.00	87,381.25
Reserve for Tax Title Lien Redemption	SB-15	64,225.04	168,331.66
Reserve for Tax Sale Premium	SB-16	664,000.00	769,200.00
Payroll Deductions Payable	SB-17	-	1,757.72
Park Recreation Trust Fund	SB-18	29,813.51	29,150.21
Recaptured Grant Funds	SB-19	150,818.88	119,823.88
Uniform Fire Penalties Rider	SB-20	2,503.54	2,053.34
State Landfill Tax Escrow Fund	SB-21	187,732.72	183,556.04
State Landfill Closure -- Escrow Fund	SB-22	424,542.96	401,336.74
Reserve for Celebration of Public Events	SB-23	11,045.29	10,724.87
Reserve for COAH Fees	SB-24	200,867.17	153,310.45
Reserve for Police Equipment Donations	SB-25	33,796.70	34,334.44
Reserve for Encumbrances	SB-26	-	340.90
Total Other Funds		<u>2,401,038.37</u>	<u>2,398,198.86</u>
Total		<u>\$ 2,406,646.97</u>	<u>\$ 2,403,898.06</u>

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

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EXHIBIT - C
GENERAL CAPITAL FUND

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TOWN OF HAMMONTON
General Capital Fund

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
As of December 31, 2025 and 2024

	<u>REFERENCE</u>	<u>2025</u>	<u>2024</u>
<u>ASSETS</u>			
Cash	SC-1 & SC-2	\$ 2,011,411.13	\$ 923,208.18
Federal Grants Receivable	SC-3	3,685,864.80	4,641,630.71
Due from Current Fund	SC-2	153,865.13	598,429.00
Deferred Charges to Future Taxation:			
Funded	SC-4	13,981,446.03	15,525,481.78
Unfunded	SC-5	<u>1,971,350.00</u>	<u>365,759.00</u>
Total Assets		<u>\$ 21,803,937.09</u>	<u>\$ 22,054,508.67</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds	SC-11	\$ 13,480,000.00	\$ 14,965,000.00
Bond Anticipation Notes Payable	SC-10	1,971,350.00	207,259.00
Green Acres Trust Fund Loan Payable	SC-9	501,446.03	560,481.78
Improvement Authorizations:			
Funded	SC-6	2,713,457.38	3,725,841.24
Unfunded	SC-6	1,255,345.81	142,561.75
Contracts Payable	SC-7	1,867,885.62	2,441,955.40
Capital Improvement Fund	SC-8	11,692.36	8,342.36
Fund Balance	C-1	<u>2,759.89</u>	<u>3,067.14</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 21,803,937.09</u>	<u>\$ 22,054,508.67</u>

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

TOWN OF HAMMONTON
General Capital Fund
Statement of Changes in Fund Balance - Regulatory Basis
For the Year Ended December 31, 2025

Balance December 31, 2024	\$ 3,067.14
Increased By:	
Premium Received on Sale of Bond Anticipation Notes	<u>2,759.89</u>
	5,827.03
Decreased by:	
Anticipated as Revenue in the 2025 Current Fund Budget	<u>3,067.14</u>
Balance December 31, 2025	<u><u>\$ 2,759.89</u></u>

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

EXHIBIT - D
WATER AND SEWER UTILITY FUND

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TOWN OF HAMMONTON
Water and Sewer Utility Fund
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 As of December 31, 2025 and 2024

<u>ASSETS</u>	<u>REFERENCE</u>	<u>2025</u>	<u>2024</u>
Operating Fund:			
Cash	SD-1	\$ 1,577,314.71	\$ 978,122.81
Receivables with Full Reserves:			
Consumer Accounts Receivable	SD-3	3,761.64	5,350.74
Utility Liens	SD-4	76,211.46	76,480.46
		<u>79,973.10</u>	<u>81,831.20</u>
Total Operating Fund		<u>1,657,287.81</u>	<u>1,059,954.01</u>
Capital Fund:			
Cash	SD-1&SD-2	2,112,861.79	2,468,487.95
Grants Receivable	SD-3	395,000.00	395,000.00
Fixed Capital	SD-5	51,895,260.76	51,895,260.76
Fixed Capital Authorized and Uncompleted	SD-6	30,503,493.77	29,902,739.44
Total Capital Fund		<u>84,906,616.32</u>	<u>84,661,488.15</u>
Total Assets		<u>\$ 86,563,904.13</u>	<u>\$ 85,721,442.16</u>

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

(Continued)

TOWN OF HAMMONTON
Water and Sewer Utility Fund
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis (Cont'd)
 As of December 31, 2025 and 2024

	<u>REFERENCE</u>	<u>2025</u>	<u>2024</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves	D-4 & SD-7	\$ 26,092.28	\$ 57,891.52
Reserve for Encumbrances	SD-8	480,966.52	160,661.68
Prepaid Utility Rents	SD-9	15,711.73	4,992.27
Accrued Interest Payable	SD-10	102,310.59	92,509.07
		<u>625,081.12</u>	<u>316,054.54</u>
Total Liabilities		625,081.12	316,054.54
Reserve for Receivables	D	79,973.10	81,831.20
Fund Balance	D-1	952,233.59	662,068.27
		<u>1,657,287.81</u>	<u>1,059,954.01</u>
Total Operating Fund		1,657,287.81	1,059,954.01
Capital Fund:			
Serial Bonds	SD-19	\$ 6,435,000.00	\$ 7,010,000.00
New Jersey Environmental Infrastructure Trust Loans Payable	SD-18	6,001,761.56	6,770,354.99
Bond Anticipation Notes Payable	SD-20	731,500.00	-
Improvement Authorizations:			
Funded	SD-11	525,632.72	892,764.69
Unfunded	SD-11	251,254.02	-
Contracts Payable	SD-12	192,626.41	639,381.54
Capital Improvement Fund	SD-13	65,759.73	4,259.73
Reserves for:			
Amortization	SD-14	64,275,424.92	62,915,594.95
Payment of Bonds	SD-15	390,296.56	390,296.56
Payment of Loans	SD-16	1,081,168.25	1,081,168.25
Deferred Amortization	SD-17	4,955,168.05	4,955,168.05
Fund Balance	D-2	1,024.10	2,499.39
		<u>84,906,616.32</u>	<u>84,661,488.15</u>
Total Capital Fund		84,906,616.32	84,661,488.15
Total Liabilities, Reserves and Fund Balance		<u>\$ 86,563,904.13</u>	<u>\$ 85,721,442.16</u>

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

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

TOWN OF HAMMONTON
Water and Sewer Utility Operating Fund
 Statements Of Operations And Changes In Fund Balance - Regulatory Basis
 For the Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Revenue and Other Income Realized:		
Operating Fund Balance Utilized	\$ 270,000.00	\$ 507,493.70
Rents	6,489,741.08	6,169,078.37
Utility Capital Fund Balance	2,499.39	1,021.64
Utility Capital - Reserve for Payment of Bonds	-	216,450.00
Miscellaneous	311,443.67	121,227.73
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	3,959.45	40,376.60
Prior Year Encumbrances Canceled	27,509.00	-
	<u>7,105,152.59</u>	<u>7,055,648.04</u>
Total Revenue and Other Income Realized		
Expenditures:		
Operating	4,489,262.85	4,401,375.05
Capital Improvement Fund	100,000.00	-
Debt Service	1,645,487.88	2,349,189.37
Deferred Charges and Statutory Expenditures	310,236.54	272,140.29
	<u>6,544,987.27</u>	<u>7,022,704.71</u>
Total Expenditures		
Statutory Excess to Fund Balance	560,165.32	32,943.33
Fund Balance January 1	662,068.27	1,136,618.64
	1,222,233.59	1,169,561.97
Decreased by:		
Utilization by Water Operating Budget	270,000.00	507,493.70
Fund Balance December 31	<u>\$ 952,233.59</u>	<u>\$ 662,068.27</u>

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

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
Statement of Changes In Fund Balance - Regulatory Basis
For the Year Ended December 31, 2025 and 2024

	<u>2024</u>	<u>2024</u>
Balance January 1	\$ 2,499.39	\$ 1,021.64
Increased By:		
Premium Received on Bond Anticipation Notes	<u>1,024.10</u>	<u>2,499.39</u>
	3,523.49	3,521.03
Decreased by:		
Anticipated as Revenue in Utility Operating Budget	<u>2,499.39</u>	<u>1,021.64</u>
Balance December 31	<u>\$ 1,024.10</u>	<u>\$ 2,499.39</u>

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

TOWN OF HAMMONTON
Water and Sewer Utility Operating Fund
 Statement of Revenues - Regulatory Basis
 For the Year Ended December 31, 2025

	<u>Budget</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Fund Balance Anticipated	\$ 270,000.00	\$ 270,000.00	
Rents	6,160,000.00	6,489,741.08	\$ 329,741.08
Utility Capital Fund Balance	2,499.39	2,499.39	
Miscellaneous	<u>120,000.00</u>	<u>311,443.67</u>	<u>191,443.67</u>
Total	<u>\$ 6,552,499.39</u>	<u>\$ 7,073,684.14</u>	<u>\$ 521,184.75</u>

Analysis of Realized Revenues

Rents:

Consumer Accounts Receivable:

Rents Collected		\$ 6,476,386.48	
Prepaid Rents Applied		3,041.26	
Liens Collected		<u>10,313.34</u>	

Total		<u>\$ 6,489,741.08</u>	
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Miscellaneous:

Penalty on Delinquent Accounts	\$ 31,310.77		
Interest on Investments	78,999.42		
NSF Fee	25.00		
Meters	19,239.00		
Taps	10,875.00		
Prior Year Refunds	1,028.48		
Connection Fees (Sewer)	94,500.00		
Connection Fees (Water)	<u>75,466.00</u>		

311,443.67

Less: Refunds	<u>-</u>		<u>\$ 311,443.67</u>
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The accompanying Notes to Financial Statements are an integral part of this statement.

TOWN OF HAMMONTON
Water and Sewer Utility Operating Fund
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2025

	Budget	Budget After Modification	Paid or Charged	Expended Reserve For		Unexpended Balance Canceled
				Encumbrances	Reserved	
Operating:						
Salaries and Wages	\$ 858,540.55	\$ 913,540.55	\$ 911,603.94		\$ 1,936.61	
Other Expenses	3,633,722.30	3,575,722.30	3,103,767.66	\$ 466,637.87	5,316.77	
Total Operating	4,492,262.85	4,489,262.85	4,015,371.60	466,637.87	7,253.38	
Capital Improvement Fund	100,000.00	100,000.00	100,000.00		-	
Debt Service:						
Payment of Bond/Loan Principal	575,000.00	575,000.00	575,000.00		\$ -	
NJGIT Principal	770,000.00	770,000.00	768,593.43		1,406.57	
Interest on Bonds & Loans	305,000.00	305,000.00	301,041.03		3,958.97	
Interest on Notes		3,000.00	853.42		2,146.58	
Total Debt Service	1,650,000.00	1,653,000.00	1,645,487.88		7,512.12	
Deferred Charges and Statutory Expenditures:						
Deferred Charges:						
Authorized and Not Issued - Ordinance #3-22/11-22	16,236.54	16,236.54	16,236.54		-	
Statutory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)	84,000.00	84,000.00	68,117.09		15,882.91	
New Jersey Disability Insurance	5,000.00	5,000.00	2,044.01		2,955.99	
PERS	205,000.00	205,000.00	205,000.00		-	
Total Deferred Charges and Statutory Expenditures	310,236.54	310,236.54	291,397.64		18,838.90	
Total	\$ 6,552,499.39	\$ 6,552,499.39	\$ 6,052,257.12	\$ 466,637.87	\$ 26,092.28	\$ 7,512.12
Interest on Bonds & Loans Disbursed			\$ 301,894.45			
			<u>5,750,362.67</u>			
			\$ 6,052,257.12			

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

EXHIBIT - E
GENERAL FIXED ASSETS ACCOUNT GROUP

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TOWN OF HAMMONTON
 Statement of General Fixed Assets Account Group
 For the Year Ended December 31, 2025

	Balance	Additions/	Deletions	Balance
	<u>Dec. 31, 2024</u>	<u>Adjustments</u>	<u>Deletions</u>	<u>Dec. 31, 2025</u>
General Fixed Assets				
Land	\$ 3,080,100.00			\$ 3,080,100.00
Building	9,280,754.00			9,280,754.00
Equipment	7,995,109.21	2,260,206.79	62,560.00	10,192,756.00
Total General Fixed Assets	<u>\$ 20,355,963.21</u>	<u>\$ 2,260,206.79</u>	<u>\$ 62,560.00</u>	<u>\$ 22,553,610.00</u>
Total Investments in General Fixed Assets	<u>\$ 20,355,963.21</u>	<u>\$ 2,260,206.79</u>	<u>\$ 62,560.00</u>	<u>\$ 22,553,610.00</u>

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

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NOTES TO FINANCIAL STATEMENTS

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TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Description of Financial Reporting Entity

The Town of Hammonton was incorporated in 1866 and is located in Southern New Jersey in Atlantic County. The population according to the 2020 census is 14,711.

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

Component Units

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

B. Description of Funds

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

Current Fund

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

Trust Funds

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

General Capital Funds

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

Water and Sewer Utility Operating and Capital Funds

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

Water and Sewer Utility Assessment Trust Fund

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

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(CONTINUED)

General Fixed Assets Account Group

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

C. Basis of Accounting

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

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

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

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

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

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

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

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

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(CONTINUED)

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

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

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

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

No depreciation has been provided for in the financial statements.

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

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

The following schedules are a summarization of the changes in general fixed assets for the years ended December 31, 2025 and 2024.

	Balance 12/31/2023	Additions	Adjustments/ Deletions	Balance 12/31/2024
Land	\$ 3,080,100.00	-	-	3,080,100.00
Buildings and Improvements	9,280,754.00	-	-	9,280,754.00
Machinery and Equipment	7,178,986.04	1,006,835.17	190,712.00	7,995,109.21
Total General Fixed Assets	\$ 19,539,840.04	1,006,835.17	190,712.00	20,355,963.21

	Balance 12/31/2024	Additions	Adjustments/ Deletions	Balance 12/31/2025
Land	\$ 3,080,100.00	-	-	3,080,100.00
Buildings and Improvements	9,280,754.00	-	-	9,280,754.00
Machinery and Equipment	7,995,109.21	2,260,206.79	62,560.00	10,192,756.00
Total General Fixed Assets	\$ 20,355,963.21	2,260,206.79	62,560.00	22,553,610.00

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

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(CONTINUED)

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

Deferred Charges

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

Property Tax Revenues

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

Reserve for Uncollected Taxes

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

D. Required Financial Statements

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

E. Comparative Data

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

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(CONTINUED)

F. Recent Accounting Pronouncements Not Yet Effective

In April 2024, the Governmental Accounting Standards Board (GASB) issued Statement No. 103, “Financial Reporting Model Improvements”. This statement is effective for fiscal years beginning after June 15, 2025 and will not have any effect on the Town’s financial reporting.

In September 2024, the Governmental Accounting Standards Board (GASB) issued Statement No. 104, “Disclosure of Certain Capital Assets”. This statement is effective for fiscal years beginning after June 15, 2025 and will not have any effect on the Town’s financial reporting.

In December 2025, the Governmental Accounting Standards Board (GASB) issued Statement No. 105, “Subsequent Events.” This statement is effective for fiscal years beginning after June 15, 2026 and will not have any effect on the Town’s financial reporting.

NOTE 2: BUDGETARY INFORMATION

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2025 and 2024 statutory budgets included a reserve for uncollected taxes in the amount of \$1,200,436.39 and \$1,192,574.42, respectively. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2025 and 2024 statutory budgets was \$2,300,000.00 and \$2,187,000.00, respectively.

The Chief Financial Officer has the discretion of approving intra department budgetary transfers throughout the year. Inter department transfers are not permitted prior to November 1. After November 1, these transfers can be made in the form of a resolution and approved by Town Council. The following significant budget transfers were approved in the 2025 and 2024 calendar years:

	2025	2024
Police Radio and Communications\$	16,000	
Salaries and Wages		
Police		
Salaries and Wages	55,000	\$ (76,800)
Other Expenses	(16,000)	21,000
Public Buildings and Grounds		
Electricity		23,000
Gasoline		23,000
Municipal Court		
Salaries and Wages		(20,500)
Streets and Roads		
Salaries and Wages		35,000
Other Expenses	16,000	
Celebration of Public Events	(26,500)	
Construction Official		
Salaries and Wages		(19,000)
Municipal Airport		
Other Expenses	(55,000)	
Social Security System (O.A.S.I.)	19,000	

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(CONTINUED)

NJSA 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. The following budget insertions were approved during the 2025 and 2024 calendar years:

	2025	2024
County History Partnership Program	\$ -	\$ 4,600.00
Stormwater Assistance Grant	50,000.00	-
Neighborhood Preservation Program	125,000.00	125,000.00
Body Armor Fund	-	2,547.62
Clean Communities Grant	47,843.80	48,238.74

The municipality may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budget of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. A \$50,000 special emergency authorization was adopted in 2024 and no special emergency appropriations were approved in 2025.

NOTE 3: CASH

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The municipality's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in new Jersey Statues 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the municipality relative to the happening of a future condition. As of December 31, 2025, \$174,542.96 of the municipality's bank balance of \$13,797,744.17 was exposed to custodial credit risk. As of December 31, 2024, \$222,089.74 of the municipality's bank balance of \$11,765,394.35 was exposed to custodial credit risk.

NOTE 4: INVESTMENTS

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

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

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

Custodial Crest Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(CONTINUED)

possession of an outside party. Investment securities are exposed to custodial credit risk of the securities are uninsured, are not registered in the name of the Town, and are held by either the counterparty or the counterparty's trust department or agent but not in the Town's name. All of the Town's \$424,542.96 investments in the United States treasury obligations, government obligations, FNMA's, and federal farm credit banks are held by the counterparty, not in the name of the Town.

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(CONTINUED)

Investment Type	Maturities	Moody's Credit Rating	Cost Amount	Fair Value Amount
U.S. Government Obligations	N/A	N/A	7,115.55	7,115.55
US Treasury Note	7/31/2027	Aa1	1,003.48	1,005.82
US Treasury Note	1/31/2026	Aa1	4,051.56	3,996.40
US Treasury Note	2/15/2026	Aa1	13,033.83	12,967.50
US Treasury Note	2/28/2026	Aa1	10,497.38	9,980.50
FHLMC	3/13/2026	Aa1	10,105.10	10,017.70
US Treasury Note	3/31/2026	Aa1	1,978.83	1,986.84
US Treasury Note	3/31/2026	Aa1	10,945.43	10,963.81
US Treasury Note	5/15/2026	Aa1	5,840.90	5,957.82
US Treasury Note	5/31/2026	Aa1	1,866.25	1,988.02
US Treasury Note	8/15/2026	Aa1	4,862.11	4,936.85
US Treasury Note	1/31/2027	Aa1	1,026.56	978.63
US Treasury Note	2/15/2027	Aa1	5,944.22	5,917.02
FFCB	3/10/2027	Aa1	3,958.04	3,914.32
US Treasury Note	4/30/2027	Aa1	966.05	961.52
US Treasury Note	5/15/2027	Aa1	7,089.51	6,894.44
FFCB	5/20/2027	Aa1	4,976.70	5,065.60
FHLMC	6/4/2027	Aa1	9,986.70	10,049.30
US Treasury Note	6/15/2027	Aa1	3,043.24	3,047.94
US Treasury Note	8/15/2027	Aa1	4,938.87	4,902.75
US Treasury Note	8/31/2027	Aa1	3,003.98	3,006.69
US Treasury Note	9/30/2027	Aa1	2,019.22	2,021.40
FNMA	10/8/2027	Aa1	11,794.78	12,393.42
US Treasury Note	10/31/2027	Aa1	990.08	947.54
US Treasury Note	11/15/2027	Aa1	14,263.09	14,667.15
US Treasury Note	11/30/2027	Aa1	5,684.37	5,685.96
US Treasury Note	2/15/2028	Aa1	2,943.75	2,954.76
FHLMC	2/25/2028	Aa1	8,634.60	9,458.90
US Treasury Note	2/29/2028	Aa1	9,618.98	9,511.30
US Treasury Note	5/15/2028	Aa1	3,987.85	3,942.96
US Treasury Note	7/31/2028	Aa1	838.63	938.28
US Treasury Note	7/31/2028	Aa1	1,977.27	2,029.84
US Treasury Note	8/15/2028	Aa1	8,833.09	8,855.55
US Treasury Note	11/15/2028	Aa1	11,295.43	10,877.13
FFCB	3/9/2029	Aa1	2,067.86	2,054.60
US Treasury Note	3/31/2029	Aa1	1,878.83	1,926.88
US Treasury Note	5/15/2029	Aa1	3,636.25	3,845.92
US Treasury Note	8/15/2029	Aa1	3,919.81	3,733.92
US Treasury Note	9/30/2029	Aa1	3,973.75	4,034.52
Subtotal (Carried Forward)			<u>\$ 214,591.93</u>	<u>\$ 215,535.05</u>

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(CONTINUED)

Investment Type	Maturities	Moody's Credit Rating	Cost Amount	Fair Value Amount
Subtotal (Brought Forward)			214,591.93	215,535.05
US Treasury Note	11/15/2029	Aa1	2,051.91	1,867.74
US Treasury Note	11/30/2029	Aa1	981.84	1,008.36
FFCB	1/25/2030	Aa1	2,979.75	2,993.46
US Treasury Note	2/15/2030	Aa1	1,068.59	918.52
US Treasury Note	3/31/2030	Aa1	4,719.41	4,990.65
US Treasury Note	5/15/2030	Aa1	3,517.38	3,510.16
US Treasury Note	5/31/2030	Aa1	1,982.19	2,004.92
US Treasury Note	6/30/2030	Aa1	6,733.13	7,016.66
US Treasury Note	7/31/2030	Aa1	948.05	1,012.70
FNMA	8/5/2030	Aa1	2,763.18	2,646.87
US Treasury Note	8/15/2030	Aa1	24,474.53	23,494.32
FFCB	9/23/2030	Aa1	2,978.76	3,036.03
US Treasury Note	10/31/2030	Aa1	5,220.82	5,252.35
US Treasury Note	11/15/2030	Aa1	3,904.06	3,496.72
Federal Home Loan Bks	3/14/2031	Aa1	8,797.90	8,934.80
US Treasury Note	5/15/2031	Aa1	16,290.64	14,334.40
US Treasury Note	11/15/2031	Aa1	3,848.75	3,484.24
US Treasury Note	2/15/2032	Aa1	13,228.57	12,485.76
US Treasury Note	5/15/2032	Aa1	7,654.09	7,543.12
Federal Farm Credit Bks	7/28/2032	Aa1	5,723.09	5,746.86
US Treasury Note	2/15/2033	Aa1	6,883.16	6,802.88
US Treasury Note	8/15/2033	Aa1	6,775.54	6,941.76
US Treasury Note	11/15/2033	Aa1	17,401.55	17,553.18
US Treasury Note	5/15/2034	Aa1	16,183.01	16,350.56
US Treasury Note	11/15/2034	Aa1	15,584.73	16,168.16
US Treasury Note	2/15/2035	Aa1	9,241.92	9,342.09
US Treasury Note	5/15/2035	Aa1	12,017.73	12,099.36
US Treasury Note	8/15/2035	Aa1	4,049.06	4,028.76
US Treasury Note	11/15/2035	Aa1	3,968.44	3,942.52
Total			<u>\$ 426,563.71</u>	<u>\$ 424,542.96</u>

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
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YEARS ENDED DECEMBER 31, 2025 AND 2024
(CONTINUED)

NOTE 5: LONG-TERM DEBT

Summary of Municipal Debt

	<u>Year 2025</u>	<u>Year 2024</u>	<u>Year 2023</u>
Issued:			
General:			
Bonds, Loans and Notes	\$ 15,952,796.03	15,732,740.78	16,029,330.86
Water and Sewer Utility:			
Bonds, Loans and Notes	13,168,261.56	13,780,354.99	13,086,252.42
Assessment Bonds			
	<u>29,121,057.59</u>	<u>29,513,095.77</u>	<u>29,115,583.28</u>
Total Issued			
Authorized but not issued:			
General:			
Bonds, Loans and Notes	-	158,500.00	80,800.00
Water and Sewer Utility:			
Bonds, Loans and Notes	-	-	2,235,140.29
	<u>-</u>	<u>158,500.00</u>	<u>2,315,940.29</u>
Total Authorized but not Issued			
	<u>29,121,057.59</u>	<u>29,671,595.77</u>	<u>31,431,523.57</u>
Total Issued and Authorized but not issued			
	<u>29,121,057.59</u>	<u>29,671,595.77</u>	<u>31,431,523.57</u>
Deductions:			
Cash on Hand to Pay Notes	2,759.89	-	-
Reserve for Payment of Debt			
Self-Liquidating Debt	<u>13,168,261.56</u>	<u>13,780,354.99</u>	<u>15,321,392.71</u>
Total Deductions	<u>13,171,021.45</u>	<u>13,780,354.99</u>	<u>15,321,392.71</u>
Net Debt	<u>\$ 15,950,036.14</u>	<u>15,891,240.78</u>	<u>16,110,130.86</u>

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
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(CONTINUED)

Summary of Regulatory Debt Condition – Annual Debt Statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a regulatory net debt of 0.834%

	Gross Debt	Deductions	Net Debt
Local School District	\$ 9,825,000.00	9,825,000.00	-
Water & Sewer Utility	13,168,261.56	13,168,261.56	-
General	15,952,796.03	2,759.89	15,950,036.14
Total	38,946,057.59	22,996,021.45	15,950,036.14

Net debt \$15,950,036.14 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$1,912,899,318.33 = 0.834%.

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

3 1/2% of Equalized Valuation Basis	\$ 66,951,476.14
Net Debt	15,950,036.14
Remaining Borrowing Power	\$ 51,001,440.00

The foregoing debt information is not in agreement with the Annual Debt Statement filed by the Chief Financial Officer and a revised Annual Debt Statement will be completed.

Description of Bonds and Loans Payable

At December 31, 2025, bonds payable in the General Capital Fund consisted of the following individual issues:

\$7,180,000.00 General Improvement Bonds dated November 7, 2019, due in annual installments through November 1, 2030 bearing interest at various rates from 2.00% to 4.00% per annum. The balance remaining as of December 31, 2025, is \$3,925,000.00.

\$10,305,000.00 General Improvement Bonds dated October 22, 2024, due in annual installments through September 1, 2036 bearing interest at various rates from 2.00% to 4.00% per annum. The balance remaining as of December 31, 2025, is \$9,555,000.00.

\$1,200,000.00 State of New Jersey Green Trust Loans dated February 28, 2004, March 26, 2012 and February 11, 2016, due in semi-annual installments beginning in 2004 through 2033, bearing interest at various rates. The balance remaining as of December 31, 2025, is \$501,446.03.

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
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YEARS ENDED DECEMBER 31, 2025 AND 2024
(CONTINUED)

At December 31, 2025, bonds payable in the Water and Sewer Utility Fund consisted of the following individual issues:

\$7,605,000.00 Refunding Bonds, Series 2016 dated 5/11/16 payable in annual installments through 2/1/36. Interest is paid semiannually at varying rates from 2.00% to 5.00% per annum. These bonds were issued to advance refund the callable portion of the Water and Sewer Bonds, Series 2007 and a portion of 2009, USDA Loans and FMHA Loans. The bonds and loans that were called had maturities from 2/1/2017 to 2/1/2024 in the total amount of \$7,870,125.83. The balance remaining on the issue as of December 31, 2025 was \$2,470,000.00.

\$2,100,000.00 Water and Sewer Bonds dated November 7, 2019, due in annual installments through November 1, 2034 bearing interest at various rates from 2.00% to 4.00% per annum. The balance remaining as of December 31, 2025, is \$1,395,000.00.

\$2,795,000.00 General Improvement Bonds dated October 22, 2024, due in annual installments through September 1, 2036 bearing interest at various rates from 2.00% to 4.00% per annum. The balance remaining as of December 31, 2025, is \$2,570,000.00.

\$14,632,380.51 N.J. Environmental Infrastructure Fund/Trust Loan Bond Series ABC dated 2012, 2013 2014 & 2017, due in semi-annual installments beginning in 2012 through 2033, bearing interest at various rates. The balance remaining as of December 31, 2025, is \$6,001,761.56.

Changes in Long-Term Debt

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

	<u>Outstanding 12/31/2024</u>	<u>Issues or Additions</u>	<u>Payments or Expenditures</u>	<u>Outstanding 12/31/2025</u>	<u>Due in One Year</u>
General Capital Fund:					
Bonds Payable	\$ 14,965,000.00		1,485,000.00	13,480,000.00	1,470,000.00
Green Trust Loans	560,481.78		59,035.75	501,446.03	60,222.38
Compensated Absences	306,620.50	61,576.24		368,196.74	-
Water and Sewer Utility Fund:					
Bonds Payable	7,010,000.00		575,000.00	6,435,000.00	575,000.00
NJEIT	6,770,354.99		768,593.43	6,001,761.56	773,003.43
Total All Funds	<u>\$ 29,612,457.27</u>	<u>61,576.24</u>	<u>2,887,629.18</u>	<u>26,786,404.33</u>	<u>2,878,225.81</u>

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
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YEARS ENDED DECEMBER 31, 2025 AND 2024
(CONTINUED)

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

Year Ending December 31,	General Capital Fund		Total All Debt
	Principal	Interest	Service
2026	1,530,222.38	478,998.06	2,009,220.44
2027	1,576,432.85	433,687.60	2,010,120.45
2028	1,627,667.65	379,452.79	2,007,120.44
2029	1,683,927.27	323,443.18	2,007,370.45
2030	1,720,212.21	273,558.24	1,993,770.45
2031-2035	4,817,983.67	735,081.97	5,553,065.64
2036	1,025,000.00	32,031.26	1,057,031.26
Total	<u>13,981,446.03</u>	<u>2,656,253.10</u>	<u>16,637,699.13</u>
Year Ending December 31,	Water and Sewer Utility		Total All Debt
	Principal	Interest	Service
2026	1,348,003.43	280,256.72	1,628,260.15
2027	1,383,842.43	253,252.44	1,637,094.87
2028	1,396,737.43	222,136.56	1,618,873.99
2029	1,400,408.12	191,983.82	1,592,391.94
2030	1,387,034.62	163,755.74	1,550,790.36
2031-2035	5,400,735.53	381,546.30	5,782,281.83
2036	120,000.00	2,737.50	122,737.50
Total	<u>12,436,761.56</u>	<u>1,495,669.08</u>	<u>13,932,430.64</u>

NOTE 6: SHORT TERM FINANCING

	Balance 12/31/2023	Additions	Reductions	Balance 12/31/2024
BANs - General	\$ 8,646,359.00	207,259.00	8,646,359.00	207,259.00
BANs - Utility	216,450.00		216,450.00	-
Total BANs	<u>\$ 8,862,809.00</u>	<u>207,259.00</u>	<u>8,862,809.00</u>	<u>207,259.00</u>
	Balance 12/31/2024	Additions	Reductions	Balance 12/31/2025
BANs - General	\$ 207,259.00	1,971,350.00	207,259.00	1,971,350.00
BANs - Utility	-	731,500.00		731,500.00
Total BANs	<u>\$ 207,259.00</u>	<u>2,702,850.00</u>	<u>207,259.00</u>	<u>2,702,850.00</u>

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
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(CONTINUED)

NOTE 7: COMPENSATED ABSENCES

The Town has permitted employees to accrue unused vacation and sick time, which may be taken as time off or paid at a later date at an agreed upon rate with a maximum payout of \$12,000.00. The monetary value of these earned and unused employee benefits has not been accrued by, either charges to operations, or to budgets of prior years, although in some cases they might be material, since the realization of this liability may be affected by conditions which preclude an employee from receiving full payment of the accrual. At December 31, 2025, the Town estimates this liability to be approximately \$368,196.74 based on 2025 pay rates and compensated absence balances.

NOTE 8: TAXES COLLECTED IN ADVANCE

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

	Balance 12/31/2025	Balance 12/31/2024
Prepaid Taxes	\$ 779,472.36	597,016.04
Cash Liability for Taxes Collected in Advance	779,472.36	597,016.04

NOTE 9: PENSION FUNDS

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

Public Employees’ Retirement System

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

Police and Fireman’s Retirement System

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

TOWN OF HAMMONTON
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Defined Contribution Retirement Program (DCRP)

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

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provides for employee contributions of 7.50% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in PERS. The Town's contributions to PERS for the years ended December 31, 2025, 2024 and 2023 were \$394,074, \$407,949, and \$375,653 respectively, equal to the required contributions for each year.

The contribution policy for the PFRS is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate. The Town's contributions to PFRS for the years ended December 31, 2025, 2024 and 2023 were \$991,324, \$961,404, and \$974,562 respectively, equal to the required contributions for each year.

Significant Legislation

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

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

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

TOWN OF HAMMONTON
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(CONTINUED)

The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.

- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

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

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60th from 1/55th, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7th of the required amount, beginning in fiscal years 2012.

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

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

Note 10: PENSION LIABILITIES

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

The following represents the Town's pension liabilities as June 30, 2024:

Public Employees' Retirement System

The Town has a liability of \$3,935,152 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 that was rolled forward to June 30, 2024. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the Town's proportion is 0.02896039330%, which was a decrease of 5.12% from its proportion measured as of June 30, 2023.

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NOTES TO FINANCIAL STATEMENTS –
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(CONTINUED)

For the year ended December 31, 2025, the Town would have recognized pension expense of \$80,656. At December 31, 2025, the Town would report deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 4,889.00	(44,773.00)
Difference in expected and actual experience	78,828.00	(10,476.00)
Net difference between projected and actual earnings on pension plan investments	-	(182,462.00)
Changes in proportion and differences between Town contributions and proportionate share of contributions	335,357.00	(216,084.00)
Total	<u>\$ 419,074.00</u>	<u>(453,795.00)</u>

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

Year ended June 30,	
2025	\$ (111,352)
2026	147,590
2027	(42,480)
2028	(29,922)
2029	1,443
Total	<u>\$ (34,721)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases:	2.75% – 6.55% (based on years of service)
Investment rate of return:	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disable retirees were based on the Pub-2010 Non-Safety Disabled

TOWN OF HAMMONTON
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Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US equity	28.00%	8.63%
Non-U.S. developed markets equity	12.75%	8.85%
International small cap equity	1.25%	8.85%
Emerging markets equity	5.50%	10.66%
Private equity	13.00%	12.40%
Real estate	8.00%	10.95%
Real assets	3.00%	8.20%
High yield	4.50%	6.74%
Private credit	8.00%	8.90%
Investment grade credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk mitigation strategies	3.00%	7.10%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Town's proportionate share of the net pension liability	\$ 4,787,490	\$ 3,935,152	\$ 3,210,480

Pension plan fiduciary net position.

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

Police and Firemen's Retirement System

The Town has a liability of \$7,400,748 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as July 1, 2023 that was rolled forward to June 30, 2024. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the Town's proportion is 0.07166684%, which is a decrease of 0.77% from its proportion measured as of June 30, 2023.

For the year ended December 31, 2025, the Town would have recognized pension expense of \$404,960. At December 31, 2025, the Town would have reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 11,699.00	(217,348.00)
Difference in expected and actual experience	466,241.00	(253,360.00)
Net difference between projected and actual earnings on pension plan investments	-	(57,924.00)
Changes in proportion and differences between Town contributions and proportionate share of contributions	285,592.00	(278,170.00)
Total	\$ 763,532.00	(806,802.00)

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

Year ended June 30,			
2025	\$	670,820	
2026		(848,644)	
2027		172,698	
2028		63,363	
2029		(93,687)	
Thereafter		(7,820)	
Total	\$	<u>(43,270)</u>	

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases:	3.25% - 16.25% (based on years of service)
Investment rate of return:	7.00%

Employee mortality rates were based on the Pub-2010 Safety Employee mortality table (sex specific), projected generationally from 2010 with scale MP-2021 mortality projection. For healthy annuitants, mortality rates were based on the Pub-2010 Safety Retiree Below Median amount-weighted mortality table (sex specific), projected generationally from 2010 with scale MP-2021 mortality projection. Disability rates were 144% of the Pub-2010 Safety Retiree Below Median amount-weighted mortality table for males and 100% of the Pub-2010 Safety Retiree Below Median amount-weighted mortality table for females, projected generationally from 2010 with scale MP-2021 mortality projection.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2024 are summarized in the following table:

TOWN OF HAMMONTON
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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large-Cap Equity	24.00%	6.90%
U.S. Small/Mid -Cap Equity	4.00%	7.40%
Non - U.S. Developed Large-Cap Equity	9.50%	6.70%
Non - U.S. Developed Small-Cap Equity	2.00%	7.50%
Emerging Markets Large-Cap Equity	6.00%	9.60%
Emerging Markets Small-Cap Equity	1.50%	9.60%
U.S. Treasury Bond	7.00%	4.10%
U.S. Corporate Bond	5.00%	5.90%
U.S. Mortgage-Backed Securities	5.00%	4.40%
Global Multisector Fixed Income	6.00%	6.50%
Cash	2.00%	3.40%
Real Estate Core	3.00%	5.10%
Real Estate Non-Core	4.00%	6.50%
Infrastructure	3.00%	7.00%
Private Debt/Credit	8.00%	9.10%
Private Equity	10.00%	10.10%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be made based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2021, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Town's proportionate share of the net pension liability	\$ 10,074,915	7,400,748	5,173,489

In addition to the PFRS liabilities listed above, a special funding situation exists for the Local employers of the Police and Fire Retirement System of New Jersey. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers under Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
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201, P.L. 2001. The June 30, 2024 State special funding situation net pension liability amount of \$2,035,866,994, is the accumulated differences between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The fiscal year ending June 30, 2024 State special funding situation pension expense of \$234,210,000 is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2024. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and required contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2024, the State contributed an amount more than the actuarially determined amount.

Although the liabilities related to the special funding situation are the liabilities of the State of New Jersey, the proportionate share of the statewide liability allocated to the Town was 0.07166684% for 2024. The net pension liability amount allocated to the Town was \$1,459,042.00. For the fiscal year ending June 30, 2024 State special funding situation pension expense of \$167,851 is allocated to the Town.

Pension plan fiduciary net position.

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

NOTE 11: OTHER POST-RETIREMENT BENEFITS

General Information about the Plan:

The Town offers Other Post-Retirement Benefits (OPEB) to its employees through the State Health Benefit Local Government Retired Employees Plan (the Plan) a cost-sharing multiple employer defined benefit other postemployment benefit plan. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Annual Comprehensive Financial Report (ACFR), which can be found at:

<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of post retirement medical coverage for employees and their dependents who:

1) retired on a disability pension;

or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer;

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
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(CONTINUED)

or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer;

or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

Pursuant to Chapter 78, P.L., 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

Allocation Methodology:

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense, however under the Regulatory Basis of Accounting followed by the Municipality these amounts are not accrued or recorded in the financial statements and the information listed in this note is for disclosure purposes only. Statewide across all member employers, the special funding situation’s and nonspecial funding situation’s net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the Collective Total OPEB liabilities for the year ended June 30, 2024 were \$4,833,833,875 and \$12,914,432,673, respectively. The nonspecial funding situation’s net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan’s non special funding situation during the measurement period July 1, 2023 through June 30, 2024. Employer and non-employer allocation percentages have been rounded for presentation purposes.

Net OPEB Liability:

Components of Net OPEB Liability

The components of the collective net OPEB liability of the participating employers in the Plan as of June 30, 2024 is as follows:

	June 30, 2024	
	Collective Total	Proportionate Share
Total OPEB Liability	\$ 17,748,257,548	24,841,171
Plan Fiduciary Net Position (Deficit)	(157,187,957)	(220,007)
Net OPEB Liability	\$ 17,905,445,505	25,061,178
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	-0.89%	-0.89%

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
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YEARS ENDED DECEMBER 31, 2025 AND 2024
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At June 30, 2024, the Town’s proportionate share of the Collective Net OPEB Liability was \$25,061,178. The Town’s proportion of the Collective Net OPEB Liability was 0.139964% which was an increase from the prior year of 2.97%.

Town’s Proportionate Share of Collective Net OPEB Liability	\$	25,061,178
State’s proportionate share that is associated with the Town		-
Total	\$	<u>25,061,178</u>

For the Year ended June 30, 2024 the Town’s Total OPEB Expense/(Benefit) was \$643,092.

The total OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of June 30, 2023, which was rolled forward to June 30, 2024. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Salary increases*:

<u>PERS</u>		
Rate for all future years		2.75% to 6.55% based on years of service
<u>PFRS</u>		
Rate for all future years		3.25% to 16.25% based on years of service

* Salary increases are based on years of service within their respective plan.

Pre-Retirement Healthy Mortality:

PERS: Pub-2010 “General” classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021.

PFRS: Pub-2010 “Safety” classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

Post-Retirement Healthy Mortality

Chapter 330 Retirees: PUB-2010 “Safety” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Other Retirees: PUB-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Disable Retiree Mortality:

PERS Future Disabled Retirees: PUB-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
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PFRS Future Disabled Retirees: PUB-2010 “Safety” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Chapter 330 Current Retirees: PUB-2010 “Safety” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Other Current Retirees: PUB-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Actuarial assumptions used in the July 1, 2023 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

100% of active members are considered to participate in the Plan upon retirement.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 7.5% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 22.62% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO, the trend is increasing to 23.58% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.75% and decreases to a 4.50% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2024 was 3.93%. The discount rate will change each year based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
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Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the Net OPEB liability as of June 30, 2024, calculated using the discount rate as disclosed above as well as what the Net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	1% Decrease (2.93%)	Discount Rate (3.93%)	1% Increase (4.93%)
Collective			
Net OPEB Liability \$	20,857,914,273	17,905,445,505	15,540,780,410
Proportionate Share			
Net OPEB Liability \$	29,193,571	25,061,178	21,751,498

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the net OPEB liability as of June 30, 2024, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Healthcare cost Trend Rate	1% Increase
Collective			
Net OPEB Liability \$	15,144,352,142	17,905,445,505	21,455,435,620
Proportionate Share			
Net OPEB Liability \$	21,196,641	25,061,178	30,029,886

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to retired employees' OPEB from the following sources:

	Collective Totals		Proportionate Share	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 906,784,304	(3,033,798,337)	1,269,172	(4,246,225)
Changes of assumptions	2,993,451,517	(2,972,190,924)	4,189,754	(4,159,998)
Net difference between projected and actual earnings on OPEB plan investments	-	(8,105,194)		(11,344)
Changes in proportion and differences between contributions and proportionate share of contributions	-		6,344,782	(375,586)
Total	\$ 3,900,235,821	(6,014,094,455)	11,803,708	(8,793,153)

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
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Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired employees' OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Collective Totals	Proportionate Share
2025	\$ (1,123,975,872.00)	1,600,765.13
2026	(483,903,543.00)	689,174.86
2027	(83,156,324.00)	118,431.14
2028	(443,334,965.00)	631,397.14
2029	(282,447,899.00)	402,261.97
Thereafter	302,959,969.00	(431,475.23)
Total	<u>\$ (2,113,858,634.00)</u>	<u>3,010,555.00</u>

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

Collective OPEB Expenses reported by the State of New Jersey

The components of allocable OPEB Expense (Benefit) related to specific liabilities of individual employers for the year ending June 30, 2024 are as follows:

Service cost	\$ 545,086,159
Interest on Total OPEB Liability	554,448,470
Expected Investment Return	5,026,265
Administrative Expenses	11,119,284
Changes of Benefit Terms	107,670,542
Current Period Recognition (Amortization) of Deferred Inflows/ Outflows of Resources:	
Differences between Expected and Actual Experience	(847,755,885)
Changes in Assumptions	(583,228,782)
Differences between Projected and Actual Investment Earnings on OPEB Plan Investments	(1,033,536)
Total Collective OPEB Expense	<u>\$ (208,667,483)</u>

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
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Schedule of Town's Share of Net OPEB Liability

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Town's Proportionate Share of Net OPEB Liability	0.139964%	0.135931%	0.116700%	0.108007%
Town's Share of Net OPEB Liability	\$ 25,061,178	20,398,539	18,846,578	19,441,024
Town's Covered Payroll	5,379,987	5,379,987	5,104,959	4,892,987
Town's Proportionate Share of the Net OPEB Liability as a percentage of its Covered-Employee Payroll	465.82%	379.16%	369.18%	397.32%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	-0.89%	-0.79%	-0.36%	0.28%
		<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's Proportionate Share of Net OPEB Liability		0.106526%	0.092998%	0.098491%
Town's Share of Net OPEB Liability	\$	19,117,809	12,597,575	15,430,209
Town's Covered Payroll		5,121,744	4,336,991	4,414,529
Town's Proportionate Share of the Net OPEB Liability as a percentage of its Covered-Employee Payroll		373.27%	290.47%	349.53%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability		0.97%	1.97%	1.98%

NOTE 12: PROPERTY TAXES

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

Upon the filing of certified adopted budgets by the municipality, the local and regional school districts, and the county, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund budgets. The regulatory provision for the assessment of property, levying of taxes

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
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YEARS ENDED DECEMBER 31, 2025 AND 2024
(CONTINUED)

and the collection thereof is set forth in N.J.S.A. 54:4 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

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

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

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

NOTE 13: ECONOMIC DEPENDENCY

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

NOTE 14: FUND BALANCES APPROPRIATED

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

	Year	Balance December 31st	Utilized in Budget of Succeeding Year	Percent Utilized
Current Fund	2025	\$ 4,042,110.78	2,600,000.00	64.32%
	2024	3,130,413.69	2,300,000.00	73.47%
	2023	2,914,080.09	2,187,000.00	75.05%
	2022	3,541,237.87	2,819,000.00	79.60%
	2021	3,467,923.87	2,118,000.00	61.07%

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
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(CONTINUED)

	Year	Balance December 31st	Utilized in Budget of Succeeding Year	Percent Utilized
Utility Fund	2025	\$ 952,233.59	200,000.00	21.00%
	2024	662,068.27	270,000.00	40.78%
	2023	1,136,618.64	507,493.70	44.65%
	2022	839,000.16	200,000.00	23.84%
	2021	119,500.04	25,100.00	21.00%

NOTE 15: INTERFUND BALANCES

As of December 31, 2025, the following interfunds were included on the balance sheets of the various funds of the Town of Hammonton:

	Due from	Due to
Current Fund:		
Grant Fund	\$ 187,855.68	
Animal Control Fund	1,919.40	
Trust Other		\$ 113,865.00
General Capital		153,865.13
Grant Fund:		
Current Fund		187,855.68
General Capital:		
Current Fund	153,865.13	
Trust Fund:		
Current Fund	113,865.00	1,919.40
	<u>\$ 457,505.21</u>	<u>\$ 457,505.21</u>

The amounts due to or from the grant fund are due to the fact that there is no separate grant fund bank account. It is anticipated that all interfunds will be liquidated during the current calendar year.

NOTE 16: FEDERAL AND STATE GRANTS

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

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(CONTINUED)

NOTE 17: RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the 2025 and 2024 calendar years, the Town did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

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

New Jersey Unemployment Compensation Insurance – Effective January 1, 1997, the Town elected the “Contributory Method” to fund its New Jersey Unemployment Compensation Insurance, which requires the Town to annually appropriate funds to pay the projected costs of contributions at the rate determined by the Commissioner of Labor. The expense for these benefits for the years ended December 31, 2025 and 2024 was \$11,103.95 and \$20,394.97 respectively.

NOTE 18: SANITARY LANDFILL ESCROW CLOSURE FUND

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

As of August 1988, the landfill reached its holding capacity. However, the escrow closure fund balance at December 31, 2025 does not necessarily represent the estimated cost of closure as of that date. The required balance of the fund merely represents the amount required to be escrowed in accordance with the statute. Actual costs associated with closure are not known.

NOTE 19: CONTINGENT LIABILITIES

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

NOTE 20: SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2025 and May 8, 2026 the date the financial statements were available for issuance for possible disclosure and recognition in the financial statements and no items have come to the attention of the City that would require disclosure.

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SUPPLEMENTARY INFORMATION

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FORD - SCOTT

& ASSOCIATES, L.L.C.

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INDEPENDENT AUDITOR'S REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTER BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and
Members of the Town Council
Town of Hammonton
County of Atlantic, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements – regulatory basis, as listed in the accompanying table of contents, of the Town of Hammonton, State of New Jersey, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated May 8, 2026, which was adverse due to being presented in accordance with the New Jersey Regulatory Basis of Accounting. Our report disclosed that, as described in Note 1 to the financial statements, the Town of Hammonton prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

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

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

May 8, 2026

Schedule of Financial Statement Findings

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

Finding No. 2025-001

Criteria or Specific Requirement

Government Account Standards Board Statement No. 75 requires an actuarial calculation of Other Post Employment Benefits (OPEB) to be performed and disclosed in the Notes to the Financial Statements.

Condition

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

Effect

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

Cause

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

Recommendation

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

Status of Prior Year Recommendations

Finding No. 2024-001

Criteria or Specific Requirement

Government Account Standards Board Statement No. 75 requires an actuarial calculation of Other Post Employment Benefits (OPEB) to be performed and disclosed in the Notes to the Financial Statements.

Condition

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

Effect

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

Cause

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

Recommendation

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

Status

This has not been corrected and is a repeat finding in 2025. The Town has determined that it is not cost effective to obtain the necessary actuarial calculation.

TOWN OF HAMMONTON
Current Fund
 Schedule of Cash - Collector/Treasurer
 For the Year Ended December 31, 2025

	<u>CURRENT FUND</u>	<u>FEDERAL AND STATE GRANT FUND</u>
Balance December 31, 2024	\$ 5,086,955.79	\$ -
Increased by Receipts:		
Uniform Fire Safety Act	\$ 78,089.75	
General Capital Fund Balance	3,067.14	
Miscellaneous Revenue not Anticipated	1,065,833.30	
Taxes Receivable	40,072,933.71	
Tax Title Liens Receivable	5,325.48	
Revenue Accounts Receivable	3,818,896.58	
Prepaid Taxes	779,472.36	
Tax Overpayments	89,608.63	
Due from State of New Jersey - Tax Deductions	78,458.90	
Due to State of New Jersey - Vital Statistics	1,475.00	
Due from Animal Control Fund	1,989.00	
Due from Trust -- Other Funds	433,443.75	
Due To General Capital Fund	153,865.13	
Prior Year Grant Receipt Adjustment		
Federal and State Grants Receivable		287,460.57
Due From Current Fund		<u>400,884.67</u>
 Total Receipts	 <u>46,582,458.73</u>	 <u>688,345.24</u>
	51,669,414.52	688,345.24
Decreased by Disbursements:		
Refund of Miscellaneous Revenue Not Anticipated	1,838.75	
2025 Appropriations	15,317,565.41	
2024 Appropriation Reserves	360,201.09	
Reserve for Encumbrances	23,100.00	
Tax Overpayments	89,271.72	
Due to State of New Jersey - Vital Statistics	1,475.00	
Local District School Taxes	20,594,851.50	
Due County for Added and Omitted Taxes Payable	62,915.17	
County Taxes Payable	8,204,617.62	
Due from Trust -- Other Funds	406,960.00	
Due to General Capital Fund	598,429.00	
Refund PY Revenue	34,725.52	
Due to Federal and State Grant Fund	400,884.67	
Reserve for Federal and State Grants - Appropriated		391,857.42
Reserve for Encumbrances - Federal and State Grants		<u>296,487.82</u>
 Total Disbursements	 <u>46,096,835.45</u>	 <u>688,345.24</u>
Balance December 31, 2025	<u>\$ 5,572,579.07</u>	<u>\$ -</u>

TOWN OF HAMMONTON
Current Fund
Schedule of Change Funds
For the Year Ended December 31, 2025

Analysis by Office

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

TOWN OF HAMMONTON
Current Fund
 Schedule of Taxes Receivable and Analysis of Property Tax Levy
 For the Year Ended December 31, 2025

Year	Balance December 31, 2024	2025 Levy	Added Taxes	2024 Collections	2025 Collections	Due From State Of New Jersey	Overpayments Applied	Canceled	Transferred To Tax Title Liens	Balance December 31, 2025
2022	\$ 5.46			\$ 5.46						\$ -
2023	7.56			7.56						-
2024	105.22			105.22						-
	118.24			118.24						
2025		\$ 40,859,182.78	-	\$ 597,016.04	40,072,815.47	\$ 84,145.20	\$ -	\$ 86,218.33	\$ 18,885.85	101,89
Total	\$ 118.24	\$ 40,859,182.78	\$ -	\$ 597,016.04	\$ 40,072,933.71	\$ 84,145.20	\$ -	\$ 86,218.33	\$ 18,885.85	\$ 101.89

Analysis of 2025 Property Tax Levy

Tax Yield:	
General Purpose Tax	\$ 40,568,234.46
Added Taxes (54.4-63.1 et seq.)	290,948.32
Total	<u>\$ 40,859,182.78</u>

Tax Levy:	
Local District School Tax	\$ 20,901,249.00
County Tax	7,195,472.13
County Library Tax	512,235.24
County Health Services Tax	300,762.08
County Open Space Preservation	196,148.17
Due County for Added Taxes (54.4-63.1 et seq.)	58,811.34
Local Tax for Municipal Purposes	11,462,546.37
Additional Tax Levies	23,1958.45
Total	<u>11,694,504.82</u>

\$ 40,859,182.78

TOWN OF HAMMONTON
Current Fund
Schedule of Tax Title Liens
For the Year Ended December 31, 2025

Balance December 31, 2024		\$ 983,468.75
Increased by:		
Transfers from Taxes Receivable	\$ 18,885.85	
Tax Sale Interest and Costs	<u>397.51</u>	
		<u>19,283.36</u>
		1,002,752.11
Decreased by:		
Collections		<u>5,325.48</u>
Balance December 31, 2025		<u>\$ 997,426.63</u>

TOWN OF HAMMONTON
Current Fund
Schedule of Revenue Accounts Receivable
For the Year Ended December 31, 2025

	Balance December 31, <u>2024</u>	Accrued <u>In 2025</u>	<u>Collected</u>	Balance December 31, <u>2025</u>
Clerk:				
Alcoholic Beverage Licenses		\$ 13,449.60	\$ 13,449.60	
Other Licenses		6,971.20	6,971.20	
Street Opening Permits		16,575.50	16,575.50	
Business Registration Certificates		13,597.50	13,597.50	
Landlord Registration Fees		145,795.01	145,795.01	
Abandoned Property Registration Fees		16,493.40	16,493.40	
Tree Removal Permit		150.00	150.00	
Freon Fees and Permits		250.00	250.00	
Fire Inspection Fees		22,972.00	22,972.00	
Rental of Polling Place		350.00	350.00	
Planning Board and Zoning Board		13,150.00	13,150.00	
Tax Assessor		688.25	688.25	
Police Department		26,127.00	26,127.00	
Use of Police Vehicles		56,830.00	56,830.00	
Municipal Court:				
Fines and Costs	\$ 60,557.65	503,247.54	499,490.90	\$ 64,314.29
Interest and Costs on Taxes		160,019.55	160,019.55	
Board of Health Fees		26,880.00	26,880.00	
Airport Rental		250,546.95	250,546.95	
Uniform Construction Code Fees		181,983.00	181,983.00	
Cable TV Franchise Fee	52,078.04	50,205.26	52,078.04	50,205.26
Plymouth Place - Payment In-Lieu of Taxes		109,600.00	109,600.00	
Water Utility Management Fee		84,952.93	84,952.93	
Sewer Utility Management Fee		98,158.52	98,158.52	
Interlocal Agreement - School Police		337,040.00	337,040.00	
Atlantic Care Hospital Community Fee		118,526.33	118,526.33	
Shared Services Code Enforcement Buena		15,600.00	15,600.00	
White Horse HMT- In Lieu of Taxes		82,320.00	82,320.00	
Energy Receipts Tax		1,252,840.32	1,252,840.32	
Garden State Trust Fund		42,653.00	42,653.00	
Interest on Investments		172,807.58	172,807.58	
	<u>\$ 112,635.69</u>	<u>\$ 3,820,780.44</u>	<u>\$ 3,818,896.58</u>	<u>\$ 114,519.55</u>
Total	<u>\$ 112,635.69</u>	<u>\$ 3,820,780.44</u>	<u>\$ 3,818,896.58</u>	<u>\$ 114,519.55</u>

TOWN OF HAMMONTON
Current Fund

Schedule of 2024 Appropriation Reserves
For the Year Ended December 31, 2025

	Balance December 31, 2024	Balance After Transfers	Paid or Charged	Balance Lapsed
	Reserved	Encumbered		
Administrative and Executive				
Salaries and Wages	\$ 86.34	\$ 86.34	\$ -	\$ 86.34
Other Expenses	7,528.98	971.20	8,500.18	-
Elections				
Other Expenses	-	-	-	-
Financial Administration				
Salaries and Wages	-	312.79	312.79	-
Other Expenses	-	-	-	-
Annual Audit	-	-	-	-
Assessment of Taxes				
Salaries and Wages	124.35	124.35	-	124.35
Other Expenses	2,411.30	1,089.04	3,500.34	-
Collection of Taxes				
Salaries and Wages	2,242.14	-	-	-
Other Expenses	5,030.16	5,000.00	8,752.14	58.02
Legal				
Other Expenses	631.02	46,000.00	59,631.02	-
Engineering				
Other Expenses	-	-	-	-
Public Buildings and Grounds				
Other Expenses	-	34,404.50	32,648.25	1,756.25
Natural Gas				
Electricity	-	-	62,000.00	-
Telephone	-	1,813.72	1,813.72	-
Gasoline	-	-	11,134.61	-
Municipal Land Use Law	18,311.46	5,927.42	-	-
Planning Board				
Salaries and Wages	1,578.08	-	-	188.42
Other Expenses	410.13	410.13	410.13	-
Historical Society:				
Other Expenses	2,055.94	2,055.94	2,055.94	-
Environmental Commission				
Other Expenses	-	-	-	-
Computer				
Salaries and Wages	-	-	-	-
Other Expenses	4,434.33	-	-	-
Insurance				
Group Insurance Plan for Employees	108,531.72	3,481.98	-	112,013.70
Health Benefit Waivers	-	-	-	-
Workers Compensation Insurance	-	-	-	-
Temporary Disability Insurance	1,380.04	2,224.99	2,224.99	180.04

(Continued)

TOWN OF HAMMONTON
Current Fund

Schedule of 2024 Appropriation Reserves
For the Year Ended December 31, 2025

	Balance December 31, 2024	Balance December 31, 2024	Balance After Transfers	Paid or Charged	Balance Lapsed
	Reserved	Encumbered			
WITHIN "CAPS" (Cont'd)					
Fire					
Other Expenses	\$ 10,720.71	\$ 7,152.40	\$ 26,123.11	\$ 25,859.08	\$ 264.03
State Fire Prevention Code					
Other Expenses	766.38	302.00	1,068.38	1,068.38	-
Police					
Salaries and Wages	41,295.30	1.00	2.00	-	2.00
Other Expenses	387.81	27,876.89	30,264.70	30,262.70	2.00
Police, Radio and Communications					
Salaries and Wages	-	-	-	-	-
Other Expenses	-	-	-	-	-
Municipal Court					
Salaries and Wages	1,093.54	-	3.54	\$ -	\$ 3.54
Other Expenses	59.48	200.00	259.48	259.48	-
Prosecutor:					
Salaries and Wages	-	-	-	-	-
Public Defender:					
Other Expenses	-	-	-	-	-
Streets and Roads					
Salaries and Wages	1,222.54	-	22.54	-	22.54
Other Expenses	3,486.44	25,516.69	29,603.13	29,469.99	133.14
Garbage and Trash:					
Other Expenses	18,736.47	14,759.09	33,495.56	33,495.56	-
Recycling:					
Other Expenses	2,072.91	29,729.72	31,802.63	31,802.63	-
Street Lighting					
Other Expenses	-	-	-	-	-
Dog Regulation					
Other Expenses	-	-	-	-	-
Registrar of Vital Statistics					
Other Expenses	67.50	-	67.50	-	67.50
Parks Commission:					
Salaries and Wages	161.48	-	161.48	-	161.48
Recreation					
Salaries and Wages	931.33	-	1.33	-	1.33
Other Expenses	530.96	5,249.71	5,780.67	5,615.67	165.00
Celebration of Public Events					
Other Expenses	12,535.00	-	-	(165.00)	165.00
Property Maintenance Officer					
Salaries and Wages	930.93	-	0.93	-	0.93
Other Expenses	-	-	-	-	-
Construction Code Official					
Salaries and Wages	3,087.81	-	7.51	-	7.51
Other Expenses	2,454.42	-	2,454.42	2,454.42	-

(Continued)

TOWN OF HAMMONTON
Current Fund

Schedule of 2024 Appropriation Reserves
For the Year Ended December 31, 2025

	Balance December 31, 2024 Reserved	Encumbered	Balance After Transfers	Paid or Charged	Balance Lapsed
<u>WITHIN "CAPS" (Cont'd)</u>					
Municipal Airport					
Other Expenses	2,989.71	3,900.00	5,689.71	5,679.06	10.65
Defined Contribution Retirement System	20.07	-	20.07	-	20.07
Social Security System	-	-	-	-	-
Recycling Tax	2,910.29	-	2,910.29	2,900.00	10.29
Group Insurance Plan for Employees	-	-	-	-	-
Grand Total	<u>\$ 261,217.07</u>	<u>\$ 215,913.14</u>	<u>\$ 477,130.21</u>	<u>\$ 361,686.08</u>	<u>\$ 115,444.13</u>
Disbursed				\$ 360,201.09	
Reserve for Encumbrances				1,484.99	
				<u>\$ 361,686.08</u>	

TOWN OF HAMMONTON

Current Fund

Schedule of Reserve for Encumbrances
For the Year Ended December 31, 2025

Balance December 31, 2024	\$ 273,075.64
Increased by:	
2025 Appropriations	\$ 263,648.06
Reserve for Preparation of a Master Plan	450.00
2024 Appropriation Reserves	<u>1,484.99</u>
	<u>265,583.05</u>
	538,658.69
Decreased by:	
Payments	23,100.00
Transferred to Appropriation Reserves	215,913.14
Canceled	<u>-</u>
	<u>239,013.14</u>
Balance December 31, 2025	<u>\$ 299,645.55</u>

TOWN OF HAMMONTON
Current Fund
 Schedule of Prepaid Taxes
 For the Year Ended December 31, 2025

Balance December 31, 2024 (2025 Taxes)		\$ 597,016.04
Increased by:		
Collection of 2026 Taxes		779,472.36
		1,376,488.40
Decreased by:		
Application to 2025 Taxes		597,016.04
Balance December 31, 2025 (2026 Taxes)		\$ 779,472.36

Current Fund
 Schedule of Tax Overpayments
 For the Year Ended December 31, 2025

Balance December 31, 2024		\$ -
Increased by:		
Overpayments in 2025		89,608.63
		89,608.63
Decreased by:		
Refunded	\$ 89,271.72	
Encumbered	-	
		89,271.72
Balance December 31, 2025		\$ 336.91

TOWN OF HAMMONTON

Current Fund

Schedule of Due from State of New Jersey - Senior Citizen and Veterans' Deductions
For the Year Ended December 31, 2025

Balance December 31, 2024		\$	61,778.00
Increased by:			
Deductions per Tax Billing	\$		84,500.00
2025 Deductions Allowed by Tax Collector			2,250.00
2025 Deductions Disallowed by Tax Collector			<u>(2,604.80)</u>
		\$	84,145.20
			<u>84,145.20</u>
			145,923.20
Decreased by:			
Collections			<u>78,458.90</u>
Balance December 31, 2025		\$	<u><u>67,464.30</u></u>

Current Fund

Schedule of Reserve for Preparation of Master Plan
For the Year Ended December 31, 2025

Balance December 31, 2024		\$	450.00
Decreased by:			
Encumbered			<u>450.00</u>
Balance December 31, 2025		\$	<u><u>-</u></u>

TOWN OF HAMMONTON
Current Fund
 Schedule of Local District School Tax
 For the Year Ended December 31, 2025

Balance December 31, 2024:		
School Tax Payable	\$ 0.26	
School Tax Deferred	<u>10,144,227.00</u>	\$ 10,144,227.26
Increased by:		
Levy - School Year July 1, 2025 to June 30, 2026		<u>20,901,249.00</u>
		31,045,476.26
Decreased by:		
Payments		<u>20,594,851.50</u>
Balance December 31, 2025:		
School Tax Payable	0.26	
School Tax Deferred	<u>10,450,624.50</u>	<u>\$ 10,450,624.76</u>
2025 Liability for Local School District Tax:		
School Tax Paid	\$ 20,594,851.50	
School Tax Payable - Dec. 31, 2025	<u>0.26</u>	\$ 20,594,851.76
Less:		
School Tax Payable - Dec. 31, 2024		<u>0.26</u>
Amount Charged to 2025 Operations		<u><u>\$ 20,594,851.50</u></u>

TOWN OF HAMMONTON
Current Fund
 Schedule of Due County for Added and Omitted Taxes
 For the Year Ended December 31, 2025

Balance December 31, 2024	\$	62,916.17
Increased by:		
County Share of 2025 Added and Omitted Taxes		58,811.34
		121,727.51
Decreased by:		
Payments		62,915.17
Balance December 31, 2025	\$	58,812.34

Current Fund
 Schedule of County Taxes Payable
 For the Year Ended December 31, 2025

County Taxes	\$	7,195,472.13
County Library Taxes		512,235.24
County Health Service Taxes		300,762.08
County Open Space Preservation		196,148.17
		\$ 8,204,617.62
Decreased by:		
Payments		\$ 8,204,617.62

TOWN OF HAMMONTON
Federal and State Grant Fund
 Schedule of Federal and State Grants Receivable
 For the Year Ended December 31, 2025

	Balance December 31, 2024	Accrued	Canceled	Received	Balance December 31, 2025
State Grants:					
2023-24 Municipal Alliance on Alcoholism and Drug Abuse	\$ 624.50		\$ 624.50		\$ -
Atlantic County Partnership Program - History Partnership Program	2,050.00			\$ 1,150.00	900.00
Atlantic County Improvement Authority - Community Development Block Grant	315,000.00			104,725.00	210,275.00
Clean Communities Grant		\$ 47,843.80		47,843.80	-
Recycling Tonnage Grant		19,569.03		19,569.03	-
2025 Stormwater Assistance Grant		50,000.00			50,000.00
2025 Alcohol, Education and Rehabilitation		1,392.74		1,392.74	-
2026 State ERG Grant		7,500.00		7,500.00	-
Sustainable Jersey Grant Fund	10,000.00				10,000.00
2021 Sustainable Jersey Small Grants Program	5,000.00				5,000.00
2021 NJDEP - Radon Awareness Grant	2,000.00				2,000.00
2021/2023 NJDOT - Sooy Elementary School Area Sidewalk & ADA Ramp Improvement	396,836.47				396,836.47
2021 NJ Dept of Law & Public Safety - Body Worn Camera Grant	42,780.00			42,780.00	-
2023 NJDEP Stormwater Program Tier A	50,000.00			50,000.00	-
2018 Pedestrian Safety, Education & Enforcement Fund	5,754.78				5,754.78
2023 DCA - Neighborhood Preservation Program	12,500.00			12,500.00	-
2024 DCA - Neighborhood Preservation Program	125,000.00				125,000.00
2025 DCA - Neighborhood Preservation Program		125,000.00			125,000.00
2024 Legislative Grant - Hammonton Lake Park Improvements	50,000.00				50,000.00
2023 USDA Rural Development	36,000.00				36,000.00
Grand Total	\$ 1,053,545.75	\$ 251,305.57	\$ 624.50	\$ 287,460.57	\$ 1,016,766.25

TOWN OF HAMMONTON
Federal and State Grant Fund
 Schedule of Reserve for Federal And State Grants - Unappropriated
 For the Year Ended December 31, 2025

	Balance December 31, <u>2024</u>	Federal and State Grants <u>Receivable</u>	Realized As Revenue <u>In 2025</u>	Balance December 31, <u>2025</u>
State Grants:				
Clean Communities Grant		\$ 47,843.80	\$ 47,843.80	\$ -
2021 Body Armor Replacement Fund	\$ 2,647.90		2,647.90	-
Recycling Tonnage Grant		19,569.03	19,569.03	-
2025 Stormwater Assistance Grant		50,000.00	50,000.00	-
2025 DCA - Neighborhood Preservation Program		125,000.00	125,000.00	-
2026 State ERG Grant		7,500.00		7,500.00
2025 Alcohol, Education and Rehabilitation		1,392.74		1,392.74
	<hr/>	<hr/>	<hr/>	<hr/>
Grand Total	<u>\$ 2,647.90</u>	<u>\$ 251,305.57</u>	<u>\$ 245,060.73</u>	<u>\$ 8,892.74</u>

TOWN OF HAMMONTON
Federal and State Grant Fund
 Schedule of Reserve for Federal and State Grants - Appropriated
 For the Year Ended December 31, 2025

	Balance December 31, 2024	Transferred From 2025 Budget Appropriation	Prior Year Encumbrance Canceled	Cancelled	Disbursed	Encumbrances	Balance December 31, 2025
Federal Grants:							
2012 Federal Forfeited Property - Police Equipment	\$ 146,665		\$ 146,665			\$ -	-
2020 United States Dept. of Transportation - FAA Grant	1,815,000		1,815,000			-	-
2021 United States Dept. of Transportation - FAA Grant	1,033,444		1,033,444			-	-
Total Federal Grants	2,995,009		2,995,009				
State Grants:							
2020 Clean Communities Grant	15,512,888			10,211,178			5,301,100
2023 Clean Communities Grant	734,664						734,664
2024 Clean Communities Grant	19,298,994			1,947,244		17,332,466	19,244
2025 Clean Communities Grant		\$ 47,843,800		33,905,517		13,938,663	-
2022 Recycling Tonnage Grant	38,882			51,076		38,882	-
2023 Recycling Tonnage Grant	510,766						-
2024 Recycling Tonnage Grant	43,992					43,992	-
2025 Recycling Tonnage Grant		19,569,003		19,569,003			-
2019 Drunk Driving Enforcement Fund	331,200						331,200
2023 Drunk Driving Enforcement Fund	12,679,288						12,679,288
2024 Body Armor Replacement Program	2,547,622			1,337,117		1,210,445	2,647,990
2025 Body Armor Replacement Program		2,647,990					-
2022 NJDEP - Hazardous Discharge Site Remediation	4,912,000			4,912,000			9,210,000
2022 NJDEP - Hazardous Discharge Site Remediation	9,210,000						6,104,000
2025 NJDEP Stormwater Program		50,000,000				43,896,000	-
2024 Atlantic County Partnership Program - History Partnership Program	1,634,000			1,634,000			-
2024 Atlantic County Improvement Authority - Community Development Block Grant	198,787,500			38,173,411		73,070,000	87,544,090
2023 DCA - Neighborhood Preservation Program	114,117						114,117
2024 Legislative Grant - Hammonton Lake Park Improvements	200,000,000			20,000,000		12,000,000	95,000,000
2023-24 Municipal Alliance on Alcoholism and Drug Abuse	5,020,009						-
2018 Pedestrian Safety, Education & Enforcement Fund	5,798,322						5,798,322
2021 Sustainable Jersey Small Grants Program	5,000,000		5,020,009				5,000,000
2021 NJDEP - Radon Awareness Grant	520,000						520,000
2023 NJDOT - Sooy Elementary School Area Sidewalk & ADA Ramp Improvement	385,049,466			59,114,866		325,934,600	-
2021 NJ Dept of Law & Public Safety - Body Worn Camera Grant	42,000			42,000			-
2007 Alcohol, Education and Rehabilitation	431,233						431,233
2009 Alcohol, Education and Rehabilitation	463,005						463,005
2011 Alcohol, Education and Rehabilitation	2,111,447						2,111,447
2012 Alcohol, Education and Rehabilitation	82,663						82,663
2024 Alcohol, Education and Rehabilitation	908,566			500,000			408,566
Total State Grants	871,782,544	245,060,733	-	391,857,442	486,254,443	233,711,333	233,711,333
Total	\$ 874,777,633	\$ 245,060,733	\$ -	\$ 391,857,442	\$ 486,254,443	\$ 233,711,333	\$ 233,711,333

TOWN OF HAMMONTON
Federal and State Grant Fund
 Schedule of Reserve for Encumbrances
 For the Year Ended December 31, 2025

Balance December 31, 2024		\$ 396,539.89
Increased by:		
Reserve for Encumbrances - Appropriated		486,254.43
		882,794.32
Decreased by:		
Disbursements	\$ 296,487.82	
Canceled	-	
		296,487.82
Balance December 31, 2025		\$ 586,306.50

Current Fund
 Schedule of Due State of New Jersey -- Vital Statistics
 For the Year Ended December 31, 2025

<hr/>		
Balance December 31, 2024		\$ -
Increased by:		
Fees Collected		1,475.00
		1,475.00
Decreased by:		
Payments	\$ 1,475.00	
Encumbered	-	
		1,475.00
 Balance December 31, 2025		 \$ -

TOWN OF HAMMONTON
Current Fund

Schedule of Deferred Charges
 N.J.S.A. 40A:4-55 Special Emergency
 For the Year Ended December 31, 2025

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 Net Amount Authorized</u>	<u>Balance Dec. 31, 2024</u>	<u>Authorized In 2025</u>	<u>Raised in 2025 Budget</u>	<u>Balance Dec. 31, 2025</u>
8/28/23	Preparation of Master Plan	\$ 40,000.00	\$ 8,000.00	\$ 32,000.00		\$ 8,000.00	\$ 24,000.00
9/23/24	Preparation of Master Plan	50,000.00	10,000.00	\$ 50,000.00		10,000.00	40,000.00
				\$ 82,000.00	\$ -	\$ 18,000.00	\$ 64,000.00

TOWN OF HAMMONTON
Trust Fund
Schedule of Cash - Treasurer
For the Year Ended December 31, 2025

	<u>ANIMAL CONTROL</u> <u>TRUST</u>	<u>TRUST</u> <u>OTHER</u>
Balance December 31, 2024	\$ 5,699.20	\$ 1,909,480.87
Increased by Receipts:		
Dog License Fees	2,776.20	
Reserve for Disposal of Forfeited Property Trust Fund		152.78
Reserve for Recreation Fees		4,618.94
Reserve for Street Opening Deposits		29,220.00
Reserve for Escrow Deposits		268,034.24
Reserve for Public Defender Trust Fund		32.00
Reserve for Parking Offense Adjudication Act		98.00
Reserve for Municipal Drug Alliance Funds		18,042.69
Reserve for Airport Security Deposit		233.06
Reserve for Tax Title Lien Redemption		1,824,949.84
Reserve for Tax Sale Premiums		562,800.00
Payroll Deposits		8,567,614.75
Reserve for Park Recreation Trust Fund		663.30
Reserve for Recaptured Grant Funds		30,995.00
Reserve for Uniform Fire Penalties Rider		450.20
Reserve for State Landfill Tax Escrow Fund		4,176.68
Reserve for Celebration of Public Events		320.42
Reserve for COAH Fees		54,806.72
Reserve for Police Equipment Donations		5,157.34
Total Receipts	<u>2,776.20</u>	<u>11,372,365.96</u>
Decreased by Disbursements:		
Due to Current Fund	1,989.00	
Dog License Expenditures	877.80	
Reserve for Disposal of Forfeited Property Trust Fund		500.00
Reserve for Recreation Fees		5,592.90
Reserve for Street Opening Deposits		33,235.00
Reserve for Escrow Deposits		182,152.31
Reserve for Municipal Drug Alliance Funds		18,021.30
Reserve for Tax Title Lien Redemption		1,929,056.46
Reserve for Tax Sale Premium		668,000.00
Payroll Payments		8,569,372.47
Reserve for COAH Fees		7,250.00
Reserve for Police Equipment Donations		5,695.08
Reserve for Encumbrances		340.90
Total Disbursements	<u>2,866.80</u>	<u>11,419,216.42</u>
Balance December 31, 2025	<u>\$ 5,608.60</u>	<u>\$ 1,862,630.41</u>

TOWN OF HAMMONTON
Trust Other Funds
 Schedule of Investments -- U.S. Government Securities
 For the Year Ended December 31, 2025

Balance December 31, 2024		\$ 401,336.74
Increased by:		
Interest Earned on Investments	\$ 11,453.13	
Realized Capital Gains	14,303.85	
		25,756.98
		427,093.72
Decreased by:		
Escrow Agent Fees		2,550.76
Balance December 31, 2025		\$ 424,542.96

Schedule of Investments December 31, 2025

U.S. Government Obligations \$ 7,115.55

	<u>Shares</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	
<i>FNMA:</i>	3,000	Various	8-5-30	0.875%	2,646.87
<i>Federal Farm Credit Bks:</i>	3,000	Various	9-23-30	4.125%	3,036.03
	6,000	Various	7-28-32	3.25%	5,746.86
	3,000	Various	1-25-30	3.75%	2,993.46
<i>Federal Home Loan Bks:</i>	10,000	Various	3-14-31	1.50%	8,934.80
<i>U.S. Treasury Notes:</i>	1,000	Various	7-31-27	3.875%	1,005.82
	7,000	Various	2-15-33	3.50%	6,802.68
	7,000	Various	8-15-33	3.875%	6,941.76
	4,000	Various	11-15-31	1.375%	3,484.24
	2,000	Various	5-31-30	3.75%	2,004.92
	7,000	Various	6-30-30	3.75%	7,016.66
	9,000	Various	2-15-35	4.625%	9,342.09
	12,000	Various	5-15-35	4.25%	12,099.36
	4,000	Various	8-15-35	4.25%	4,028.96

(Continued)

TOWN OF HAMMONTON
Trust Other Funds
Schedule of Investments -- U.S. Government Securities
For the Year Ended December 31, 2025

Schedule of Investments December 31, 2025 (cont'd)

<i>U.S. Treasury Notes (Cont'd):</i>	<u>Shares</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Interest</u>
	4,000	Various	11-15-35	4.00%	\$ 3,942.52
	1,000	Various	7-31-30	4.00%	1,012.70
	27,000	Various	8-15-30	0.625%	23,494.32
	1,000	Various	11-30-29	3.875%	1,008.36
	5,000	Various	3-31-30	3.625%	4,990.65
	4,000	Various	5-15-30	0.625%	3,510.16
	2,000	Various	11-15-29	1.75%	1,867.74
	1,000	Various	7-31-28	1.00%	938.28
	2,000	Various	7-31-28	4.125%	2,029.84
	3,000	Various	2-15-28	2.75%	2,954.76
	1,000	Various	4-30-27	0.50%	961.52
	10,000	Various	2-25-28	1.10%	9,458.90
	1,000	Various	10-31-27	0.50%	947.54
	2,000	Various	5-31-26	2.125%	1,988.02
	1,000	Various	1-31-27	1.50%	978.63
	6,000	Various	5-15-26	1.625%	5,957.82
	3,000	Various	8-31-27	3.625%	3,006.69
	2,000	Various	9-30-27	4.125%	2,021.40
	4,000	Various	9-30-29	3.875%	4,034.52
	4,000	Various	11-15-30	0.875%	3,496.72
	16,000	Various	5-15-31	1.625%	14,334.40
	4,000	Various	3-10-27	1.68%	3,914.32
	5,000	Various	10-31-30	4.875%	5,252.35
	10,000	Various	2-29-28	1.125%	9,511.30
	3,000	Various	6-15-27	4.625%	3,047.94
	6,000	Various	11-30-27	0.625%	5,685.96
	2,000	Various	3-31-26	0.750%	1,986.84
	16,000	Various	5-15-34	4.375%	16,350.56
	10,000	Various	6-4-27	3.875%	10,049.30
	1,000	Various	2-15-30	1.50%	918.52
	5,000	Various	8-15-26	1.50%	4,936.85
	13,000	Various	2-15-26	1.625%	12,967.50
	16,000	Various	11-15-34	4.25%	16,168.16
	4,000	Various	8-15-29	1.625%	3,733.92

(Continued)

TOWN OF HAMMONTON
Trust Other Funds
Schedule of Investments -- U.S. Government Securities
For the Year Ended December 31, 2025

Schedule of Investments December 31, 2025 (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>					
17,000	Various	11-15-33	4.50%	\$	17,553.18
14,000	Various	2-15-32	1.875%		12,485.76
13,000	Various	10-8-27	0.750%		12,393.42
5,000	Various	5-20-27	4.500%		5,065.60
2,000	Various	3-9-29	4.500%		2,054.60
6,000	Various	2-15-27	2.25%		5,917.02
11,000	Various	3-31-26	2.25%		10,963.81
5,000	Various	8-15-27	2.25%		4,902.75
10,000	Various	3-13-26	4.50%		10,017.70
15,000	Various	11-15-27	2.25%		14,667.15
2,000	Various	3-31-29	2.375%		1,926.88
7,000	Various	5-15-27	2.375%		6,894.44
4,000	Various	5-15-29	2.375%		3,845.92
10,000	Various	2-28-26	2.50%		9,980.50
4,000	Various	1-31-26	2.625%		3,996.40
4,000	Various	5-15-28	2.875%		3,942.96
8,000	Various	5-15-32	2.875%		7,543.12
9,000	Various	8-15-28	2.875%		8,855.55
11,000	Various	11-15-28	3.125%		10,877.13
				\$	424,542.96

TOWN OF HAMMONTON
Animal Control Fund
 Schedule of Due to Current Fund
 For the Year Ended December 31, 2025

Balance December 31, 2024	\$	1,989.00
Increased by:		
Statutory Excess in Animal Control Fund Reserve		1,919.40
		3,908.40
Decreased by:		
Disbursed to Current Fund		1,989.00
Balance December 31, 2025	\$	1,919.40

Animal Control Fund
 Schedule of Reserve For Animal Control Fund Expenditures
 For the Year Ended December 31, 2024

Balance December 31, 2024	\$	3,710.20
Increased by:		
2025 Dog License Fees Collected		2,776.20
		6,486.40
Decreased by:		
Expenditures	\$	877.80
Statutory Excess in Animal Control Fund Reserve		1,919.40
		2,797.20
Balance December 31, 2025	\$	3,689.20

License Fees Collected

<u>Year</u>	<u>Amount</u>
2024	\$ 1,763.00
2025	1,926.20
Total	\$ 3,689.20

TOWN OF HAMMONTON
Trust Other Funds
Schedule of Due from Current Fund
For the Year Ended December 31, 2025

Balance December 31, 2024	\$ 87,381.25
Increased by:	
Police Outside Detail Received in Current Fund	<u>433,443.75</u>
	520,825.00
Decreased by:	
Police Outside Detail Disbursed in Current Fund	<u>406,960.00</u>
Balance December 31, 2025	<u><u>\$ 113,865.00</u></u>

TOWN OF HAMMONTON

Trust Other Funds

Schedule of Reserve for Disposal of Forfeited Property Trust Fund
For the Year Ended December 31, 2025

Balance December 31, 2024		\$ 6,913.05
Increased by:		
Receipts	\$ -	
Interest Earned	<u>152.78</u>	
		<u>152.78</u>
		7,065.83
Decreased by:		
Reserve Expenditures	500.00	
Encumbered	<u>-</u>	
		<u>500.00</u>
Balance December 31, 2025		<u><u>\$ 6,565.83</u></u>

TOWN OF HAMMONTON
Trust Other Funds
 Schedule of Reserve for Recreation Fees
 For the Year Ended December 31, 2025

Balance December 31, 2024		\$ 22,654.42
Increased by:		
Deposits	\$ 4,102.50	
Interest Earned	516.44	
		4,618.94
		27,273.36
Decreased by:		
Disbursements	5,592.90	
Encumbered	-	
		5,592.90
Balance December 31, 2025		\$ 21,680.46

Trust Other Funds
 Schedule of Reserve for Street Opening Deposits
 For the Year Ended December 31, 2025

Balance December 31, 2024		\$ 52,902.30
Increased by:		
Deposits		29,220.00
		82,122.30
Decreased by:		
Refunded		33,235.00
Balance December 31, 2025		\$ 48,887.30

TOWN OF HAMMONTON
Trust Other Funds
 Schedule of Reserve for Escrow Deposits
 For the Year Ended December 31, 2025

<hr/>	
Balance December 31, 2024	\$ 326,668.45
Increased by:	
Deposits	268,034.24
	594,702.69
Decreased by:	
Payments	182,152.31
	594,702.69
Balance December 31, 2025	\$ 412,550.38

Trust Other Funds
 Schedule of Reserve for Public Defender Trust Fund
 For the Year Ended December 31, 2025

<hr/>	
Balance December 31, 2024	\$ 1,406.06
Increased by:	
Received	\$ -
Interest Earned	32.00
	32.00
	1,438.06
Decreased by:	
Payments	-
	1,438.06
Balance December 31, 2025	\$ 1,438.06

TOWN OF HAMMONTON
Trust Other Funds
 Schedule of Reserve for Parking Offense Adjudication Act
 For the Year Ended December 31, 2025

Balance December 31, 2024		\$ 156.00
Increased by:		
Received from Municipal Court		98.00
		254.00
Decreased by:		
Disbursements		-
Balance December 31, 2025		\$ 254.00

EXHIBIT SB-12

Trust Other Funds
 Schedule of Reserve for Municipal Drug Alliance Funds
 For the Year Ended December 31, 2025

Balance December 31, 2024		\$ 15,954.58
Increased by:		
Receipts	\$ 17,680.00	
Interest Received	362.69	
		18,042.69
		33,997.27
Decreased by:		
Disbursements	18,021.30	
Encumbered	-	
		18,021.30
Balance December 31, 2025		\$ 15,975.97

TOWN OF HAMMONTON
Trust Other Funds
 Schedule of Airport Security Deposit
 For the Year Ended December 31, 2025

Balance December 31, 2024		\$ 10,242.50
Increased by:		
Receipts	\$ -	
Interest Received	<u>233.06</u>	
		<u>233.06</u>
		10,475.56
Decreased by:		
Disbursements		<u>-</u>
Balance December 31, 2025		<u><u>\$ 10,475.56</u></u>

Trust Other Funds
 Schedule of Reserve for Police Outside Detail
 For the Year Ended December 31, 2025

Balance December 31, 2024		\$ 87,381.25
Increased by:		
Received in Current Fund		<u>433,443.75</u>
		520,825.00
Decreased by:		
Disbursed in Current Fund		<u>406,960.00</u>
Balance December 31, 2025		<u><u>\$ 113,865.00</u></u>

TOWN OF HAMMONTON
Trust Other Funds
 Schedule of Reserve for Tax Title Lien Redemption
 For the Year Ended December 31, 2025

Balance December 31, 2024	\$	168,331.66
Increased by:		
Lien Redemption Deposits		1,824,949.84
		1,993,281.50
Decreased by:		
Lien Redemption Disbursements		1,929,056.46
Balance December 31, 2025	\$	64,225.04

Trust Other Funds
 Schedule of Reserve for Tax Sale Premium
 For the Year Ended December 31, 2025

Balance December 31, 2024	\$	769,200.00
Increased by:		
Premiums Received at Tax Sale		562,800.00
		1,332,000.00
Decreased by:		
Premiums Refunded		668,000.00
Balance December 31, 2025	\$	664,000.00

TOWN OF HAMMONTON
Trust Other Funds
 Schedule of Payroll Deductions Payable
 For the Year Ended December 31, 2025

Balance December 31, 2024	\$	1,757.72
Increased by:		
Deposits		8,567,614.75
		8,569,372.47
Decreased by:		
Payments		8,569,372.47
Balance December 31, 2025	\$	-

Trust Other Funds
 Schedule of Park Recreation Trust Fund
 For the Year Ended December 31, 2025

Balance December 31, 2024	\$	29,150.21
Increased by:		
Interest Earned		663.30
		29,813.51
Decreased by:		
Payments		
Balance December 31, 2025	\$	29,813.51

TOWN OF HAMMONTON
Trust Other Funds
 Schedule of Recaptured Grant Funds
 For the Year Ended December 31, 2025

Balance December 31, 2024		\$ 119,823.88
Increased by:		
Recaptured Grant Funds Received		30,995.00
		150,818.88
Decreased by:		
Disbursements		-
Balance December 31, 2025		\$ 150,818.88

EXHIBIT SB-20

Trust Other Funds
 Schedule of Uniform Fire Penalties Rider
 For the Year Ended December 31, 2025

Balance December 31, 2024		\$ 2,053.34
Increased by:		
Deposits	\$ 400.00	
Interest Received	50.20	
		450.20
		2,503.54
Decreased by:		
Disbursements		-
Balance December 31, 2025		\$ 2,503.54

TOWN OF HAMMONTON
Trust Other Funds
Schedule of State Landfill Tax Escrow Fund
For the Year Ended December 31, 2025

Balance December 31, 2024		\$ 183,556.04
Increased by:		
Interest Earned		4,176.68
Balance December 31, 2025		\$ 187,732.72

Trust Other Funds
Schedule of State Landfill Closure -- Escrow Fund
For the Year Ended December 31, 2025

Balance December 31, 2024		\$ 401,336.74
Increased by:		
Interest Earned on Investments	\$ 11,453.13	
Realized Capital Gains	14,303.85	
		25,756.98
		427,093.72
Decreased by:		
Escrow Agent Fees		2,550.76
Balance December 31, 2025		\$ 424,542.96

TOWN OF HAMMONTON
Trust Other Funds
 Schedule of Reserve for Celebration of Public Events
 For the Year Ended December 31, 2025

Balance December 31, 2024		\$ 10,724.87
Increased by:		
Receipts	\$ 75.00	
Interest Earned	245.42	
		320.42
		11,045.29
Decreased by:		
Disbursements	-	
Encumbered	-	
		-
Balance December 31, 2025		\$ 11,045.29

Trust Other Funds
 Schedule of Reserve for COAH Fees
 For the Year Ended December 31, 2025

Balance December 31, 2024		\$ 153,310.45
Increased by:		
Receipts	\$ 50,741.50	
Interest Earned	4,065.22	
		54,806.72
		208,117.17
Decreased by:		
Disbursements		7,250.00
Balance December 31, 2025		\$ 200,867.17

TOWN OF HAMMONTON
Trust Other Funds
Schedule of Reserve for Police Equipment Donations
For the Year Ended December 31, 2025

<hr/>		
Balance December 31, 2024		\$ 34,334.44
Increased by:		
Donations Received	\$ 4,350.00	
Interest Earned	<u>807.34</u>	
		<u>5,157.34</u>
		39,491.78
Decreased by:		
Disbursements		<u>5,695.08</u>
Balance December 31, 2025		<u><u>\$ 33,796.70</u></u>

Trust Other Funds
Schedule of Reserve for Encumbrances
For the Year Ended December 31, 2025

<hr/>		
Balance December 31, 2024		\$ 340.90
Increased by:		
Reserve for Recreation Fees Trust Fund	\$ -	
Reserve for Municipal Alliance Drug Trust	<u>-</u>	
		<u>-</u>
		340.90
Decreased by:		
Disbursed	\$ 340.90	
Prior Year Encumbrances Canceled	<u>-</u>	
		<u>340.90</u>
Balance December 31, 2025		<u><u>\$ -</u></u>

TOWN OF HAMMONTON
General Capital Fund
 Schedule of Cash - Treasurer
 For the Year Ended December 31, 2025

Balance December 31, 2024		\$ 923,208.18
Increased by Receipts:		
Federal Grants Receivable	\$ 1,558,159.78	
Due From Current Fund	598,429.00	
Budget Appropriation:		
Unfunded Ordinance #19-24	16,000.00	
Capital Improvement Fund	100,000.00	
Premium Received on Sale of Bond Anticipation Notes	2,759.89	
Bond Anticipation Notes Issued	<u>1,971,350.00</u>	
		<u>4,246,698.67</u>
		5,169,906.85
Decreased by Disbursements:		
Fund Balance - Anticipated as Revenue in 2025 Current Fund Budget	3,067.14	
Improvement Authorizations	1,715,589.69	
Contracts Payable	<u>1,439,838.89</u>	
		<u>3,158,495.72</u>
Balance December 31, 2025		<u><u>\$ 2,011,411.13</u></u>

TOWN OF HAMMONTON
 General Capital Fund
 Analysis of General Capital Cash
 For the Year Ended December 31, 2025

	Balance December 31, 2024	Bond Anticipation Notes	Disbursed			Transfers		Balance December 31, 2025
			Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Capital Improvement Fund	\$ 8,342.36		\$ 100,000.00			\$ 96,650.00	\$ 11,692.36	
<u>Improvement Authorizations:</u>								
Ordinance Number								
21-18 Purchase of 224 Vine Street						\$	405.00	405.00
8-20 Various Improvements	158,882.25			\$ 14,633.89			1,500.00	145,748.36
11-21 ADA Playground Improvements at Hammonnton Lake Park	756.92						762.00	1,518.92
8-22 Various Roadway Improvements	1.61						1.61	1.61
13-22 Various Capital Improvements	80,126.55						490.00	80,616.55
20-22 Various Capital Improvements	83,184.06			82,416.45		767.61		-
21-22 Various Capital Improvements	1,120,893.69			17,613.95		194,317.60		908,962.14
3-23 Purchase of a New Platform Ladder Fire Truck & Accessories							7,595.09	7,595.09
6-23 ADA Improvements to Recreation Facilities at Hammonnton Lake Park	429,000.00			428,420.00				580.00
12-23/7-24 Old Forks Road Roadway Improvements	247,888.72			175,114.12		9,009.88	105,750.00	169,514.72
16-23 Highway Building Improvements	4,542.35							4,542.35
18-23 Various Capital Improvements	71,238.68			65,670.56		4,551.00	713.75	1,730.87
6-24 Purchase of Trash Trucks/Auxiliary Equipment and Trash Toters	9,237.10			8,192.06				1,045.04
6-24 Purchase of a new computer program for Construction Office and various computer upgrades to the Town's system	44,476.56			35,026.28		9,450.28		-
11-24 Purchase of a New Tanker Fire Truck & Auxiliary Equipment	63,426.79			37,779.16				25,647.63
15-24 Various Road Improvements	3,341.18			764.59				2,576.59
16-24 Purchase of Police SUV Vehicles	87,433.82			50,303.68		17,000.34		20,129.80
16-24 Various Capital Improvements to Town Hall	28,018.00			28,018.00				-
16-24 Obstruction Removal at Airport	433,142.96							433,142.96
17-24 Safe Streets to Transit Program	308,750.00							308,750.00
19-24 Airport Rehabilitation Taxway A - Phase V (15,938.25)	(15,938.25)		16,000.00					61.75
22-24/15-25 Municipal Building Improvements	551,500.00	\$	142,500.00	1,192.01		587,900.00	14,150.00	104,907.99
2-25 Environmental Remediation for Various Properties			268,850.00	111,162.31		140,212.69	31,625.00	31,625.00
6-25 Local Recreation Improvement			40,000.00				69,500.00	109,500.00
8-25 Recreation Improvements			285,000.00	27,278.82		170,807.00	15,000.00	101,914.18
8-25 Purchase of Various Capital Equipment			237,500.00	164,738.26		83,107.00	12,500.00	2,154.74
13-25 Local Recreation Improvement			760,000.00	600.00		74,656.10	40,000.00	724,743.90
13-25 Jake's Playground at Hammonnton Lake Park			237,500.00	27,553.20		79,544.80	757,500.00	887,900.00
13-25 Hammonnton Lake Park ADA Compliant Pathways				439,110.35		49,148.65	488,259.00	-
Contracts Payable	2,441,955.40			\$ 1,439,838.89		10,703.84	876,472.95	1,867,885.62
Federal/State Grants Receivable	(4,641,630.71)		1,558,159.78			1,300,259.00	591,353.13	(3,792,376.80)
Due from/to Current Fund	(598,429.00)		598,429.00			153,865.13		(153,865.13)
Fund Balance	3,067.14		2,759.89	3,067.14				2,759.89
	\$ 923,208.18	\$ 1,971,350.00	\$ 2,275,348.67	\$ 1,715,589.69	\$ 1,442,906.03	\$ 2,981,950.92	\$ 2,981,950.92	\$ 2,011,411.13

TOWN OF HAMMONTON
General Capital Fund
 Schedule of Federal/State Grants Receivable
 For the Year Ended December 31, 2025

Balance December 31, 2024		\$ 4,641,630.71
Increased by:		
2025 Improvement Authorization		1,300,259.00
		5,941,889.71
Decreased by:		
Receipts	\$ 1,558,159.78	
Received in Current Fund	153,865.13	
Canceled	544,000.00	
		2,256,024.91
Balance December 31, 2025		\$ 3,685,864.80

<u>Agency</u>	<u>Ordinance No.</u>	<u>Amount</u>
Community Development Block Grant (2021)	11-21	\$ 131,677.80
Federal Aviation Administration (2022)	20-22	67,628.53
New Jersey Department of Transportation (2022)	21-22	265,000.00
New Jersey Department of Transportation (2022)	21-22	745,000.00
New Jersey Department of Transportation (2022)	21-22	75,000.00
New Jersey Department of Transportation (2023)	12-23	71,950.00
New Jersey Department of Community Affairs (2023)	18-23	62,000.00
Federal Aviation Administration (2023)	22-23	32,746.67
New Jersey Department of Transportation (2024)	12-23/7-24	164,245.00
New Jersey Department of Transportation (2024)	16-24	389,142.96
New Jersey Department of Transportation (2024)	17-24	325,000.00
Federal Aviation Administration (2024)	19-24	41,562.43
New Jersey Department of Transportation (2024)	19-24	14,652.41
New Jersey Department of Community Affairs (2025)	6-25	67,000.00
New Jersey Department of Environmental Protection (2025)	13-25	745,000.00
New Jersey Department of Community Affairs (2025)	13-25	488,259.00
		\$ 3,685,864.80

TOWN OF HAMMONTON
General Capital Fund
 Schedule of Deferred Charges to Future Taxation - Funded
 For the Year Ended December 31, 2025

Balance December 31, 2024		\$ 15,525,481.78
Decreased by:		
2025 Budget Appropriations:		
Serial Bonds	\$ 1,485,000.00	
Green Acres Loan	<u>59,035.75</u>	
		<u>1,544,035.75</u>
Balance December 31, 2025		<u><u>\$ 13,981,446.03</u></u>

TOWN OF HAMMONTON
General Capital Fund
 Schedule of Deferred Charges To Future Taxation - Unfunded
 For the Year Ended December 31, 2025

Ordinance Number	Improvement Description	Balance December 31, 2024	2025 Authorizations	Notes Paid by Budget Appropriation	Paid by Budget Appropriation	Balance December 31, 2025	Analysis of Balance		
							Funded by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
10-15	Acquisition of an Airplane/Helicopter Hanger Located at the Hammonton Airport	\$ 109,659.00	\$ 109,659.00			\$ -			
22-23	Airport Rehabilitation Taxiway A - Phase III	47,700.00	47,700.00			-			
22-23	Airport Rehabilitation Taxiway A - Phase IV	8,100.00	8,100.00			-			
16-24	Obstruction Removal at Airport	41,800.00	41,800.00			-			
19-24	Airport Rehabilitation Taxiway A - Phase V	16,000.00		\$ 16,000.00		-			
22-24/15-25	Municipal Building Improvements	142,500.00				142,500.00	\$ 142,500.00		
2-25	Environmental Remediation for Various Properties		\$ 268,850.00			268,850.00	268,850.00		
6-25	Local Recreation Improvement		40,000.00			40,000.00	40,000.00		
8-25	Recreation Improvements		285,000.00			285,000.00	285,000.00		
8-25	Purchase of Various Capital Equipment		237,500.00			237,500.00	237,500.00		
13-25	Local Recreation Improvement		760,000.00			760,000.00	760,000.00		
13-25	Jake's Playground at Hammonton Lake Park		237,500.00			237,500.00	237,500.00		
		<u>\$ 365,759.00</u>	<u>\$ 1,828,850.00</u>	<u>\$ 207,259.00</u>	<u>\$ 16,000.00</u>	<u>\$ 1,971,350.00</u>	<u>\$ 1,971,350.00</u>	<u>\$ -</u>	<u>\$ -</u>
									<u>\$ 1,255,345.81</u>

Improvement Authorizations - Unfunded
 Less: Unexpended Proceeds of Bond Anticipation Notes Issued:

Ordinance No. 2-25	\$ 31,625.00
Ordinance No. 6-25	40,000.00
Ordinance No. 8-25	101,914.18
Ordinance No. 8-25	2,154.74
Ordinance No. 13-25	724,743.90
Ordinance No. 13-25	250,000.00
Ordinance No. 15-25	104,907.99
	<u>1,255,345.81</u>

TOWN OF HAMMONTON
 General Capital Fund
 Schedule of Improvement Authorizations
 For the Year Ended December 31, 2025

Ordinance Number	Improvement Description	2025 Authorizations		Capital Improvement Fund	Grants Receivable	Deferred Charges to Future Taxation - Unfunded	Reappropriation	Canceled	Paid or Charged	Balance December 31, 2025	
		Funded	Unfunded							Funded	Unfunded
21-18	Various Improvements: Purchase of 224 Vine Street	-	-	-	-	-	-	-	\$(405.00)	405.00	-
8-20	Various Improvements: Hammonton Bike Path 2020 Road Program	114,024.09	-	-	-	-	-	-	13,133.89	100,890.20	-
11-21	14 th Street Improvements ADA Playground Improvements at Hammonton Lake Park	44,858.16	-	-	-	-	-	-	-	44,858.16	-
8-22	Various Roadway Improvements: Union Road Roadway and Various Roadway Improvements	756.92	-	-	-	-	-	-	-	756.92	-
13-22	Various Capital Improvements: Demolition of Town-Owned Buildings/New Parking Lot - 224 Vine Street	1.61	-	-	-	-	-	-	-	1.61	-
20-22	Various Capital Improvements: New Servers, Computer Equipment Accessories for Upgrade of Town Hall Computer System Municipal Airport Improvements, Rehabilitation and Construction of Taxiway	80,126.55	-	767.61	-	-	-	-	(490.00)	80,616.55	-
21-22	Various Capital Improvements: Recreation Improvements Including Tennis Courts/Pickle Ball Court/Lake Park Improvements and Various Recreation Upgrades 11th Street Sidewalk Improvement Project Veterans Place Bicycle Path Connector Phase II Old Forks Road Roadway Improvements Project Purchase of a New Platform Ladder Fire Truck & Accessories	31,897.07 303,991.62 785,000.00 5.00	-	82,416.45	-	-	-	-	767.61 82,416.45	-	-
3-23	ADA Improvements to Recreation Facilities at Hammonton Lake Park	429,000.00	-	-	-	-	-	-	(7,595.09)	7,595.09	-
6-23	Lighting for Athletic Fields and Improvements to Various Recreation Facilities	247,888.72	-	-	-	-	-	-	-	-	-
12-23/7-24	Old Forks Road Roadway Improvements	4,542.35	-	-	-	-	-	-	184,124.00	63,764.72	-
16-23	Highway Building Improvements	-	-	-	-	-	-	-	-	4,542.35	-

TOWN OF HAMMONTON
 General Capital Fund
 Schedule of Improvement Authorizations
 For the Year Ended December 31, 2025

Ordinance Number	Improvement Description	2025 Authorizations									
		Balance December 31, 2024 Funded	Balance December 31, 2024 Unfunded	Capital Improvement Fund	Grants Receivable	Deferred Charges to Future Taxation - Unfunded	Reappropriation	Canceled	Paid or Charged	December 31, 2025 Funded	December 31, 2025 Unfunded
18-23	Various Capital Improvements New Telephone System/Equipment Upgrade Recreation Improvements Design & Planning for Various Parks/Recreation Improvements Including Needed Equipment & Fields	-	68,821.00						\$ (713.75)	\$ 713.75	\$ -
22-23	Airport Rehabilitation Taxiway A - Phase III	2,417.68	-						67,803.88	1,017.12	-
22-23	Airport Rehabilitation Taxiway A - Phase IV	-	-						2,417.68	-	-
6-24	Purchase of Trash Trucks/Auxiliary Equipment and Trash Toters	9,237.10	-						-	-	-
6-24	Purchase of a new computer program for Construction Office and various computer upgrades to the Town's system	44,476.56	-						8,192.06	1,045.04	-
11-24	Purchase of a New Tanker Fire Truck & Auxiliary Equipment	63,426.79	-						44,476.56	-	-
15-24	Various Road Improvements	3,341.18	-						37,779.16	25,647.63	-
16-24	Purchase of Police SUV Vehicles	87,433.82	-						764.59	2,576.59	-
16-24	Various Capital Improvements to Town Hall	28,018.00	-						67,304.02	20,129.80	-
17-24	Obstruction Removal at Airport	433,142.96	-						28,018.00	-	-
17-24	Safe Streets to Transit Program	308,750.00	-						-	433,142.96	-
19-24	Airport Rehabilitation Taxiway A - Phase V	-	61.75						-	308,750.00	-
22-24	Purchase of Property	551,500.00	142,500.00						1,192.01	-	-
2-25	Environmental Remediation for Various Properties	-	-	\$ 14,150.00					251,375.00	-	31,625.00
6-25	Local Recreation Improvement	-	-	2,500.00	\$ 40,000.00				-	69,500.00	40,000.00
8-25	Recreation Improvements	-	-	15,000.00	285,000.00				198,085.82	-	101,914.18
8-25	Purchase of Various Capital Equipment	-	-	12,500.00	237,500.00				247,845.26	-	2,154.74
13-25	Local Recreation Improvement	-	-	40,000.00	760,000.00				75,256.10	-	724,743.90
13-25	Jake's Playground at Hammonton Lake Park	-	-	12,500.00	237,500.00				107,100.00	637,900.00	250,000.00
13-25	Hammonton Lake Park ADA Compliant Pathways	-	-						488,259.00	-	-
15-25	Municipal Building Improvements	-	-						148,807.99	-	104,907.99
Total											
		\$ 3,725,841.24	\$ 142,561.75	\$ 96,650.00	\$ 1,300,259.00	\$ 1,828,850.00	\$ (544,000.00)	\$ 2,581,358.80	\$ 2,713,457.38	\$ 1,255,345.81	
		State Grants Receivable		\$ 1,300,259.00	\$ 1,300,259.00						
		Contracts Payable		\$ 876,472.95							
		Prior Year Encumbrances Canceled		(10,703.84)							
		Cash Disbursed		1,715,589.69							
				\$ 2,581,358.80							

TOWN OF HAMMONTON
General Capital Fund
 Schedule of Contracts Payable
 For the Year Ended December 31, 2025

Balance December 31, 2024		\$ 2,441,955.40
Increased by:		
Charged to Improvement Authorizations		876,472.95
		3,318,428.35
Decreased by:		
Disbursed	\$ 1,439,838.89	
Canceled	10,703.84	
		1,450,542.73
Balance December 31, 2025		\$ 1,867,885.62

EXHIBIT SC-8

Schedule of Capital Improvement Fund
 For the Year Ended December 31, 2025

Balance December 31, 2024		\$ 8,342.36
Increased by:		
2025 Budget Appropriation		100,000.00
		108,342.36
Decreased by:		
Appropriations to Finance Improvement Authorizations		96,650.00
Balance December 31, 2025		\$ 11,692.36

TOWN OF HAMMONTON
General Capital Fund
 Schedule of Green Acres Trust Fund Loan Payable
 For the Year Ended December 31, 2025

Balance December 31, 2024	\$	560,481.78
Increased by:		
Loan Issued		-
		560,481.78
Decreased by:		
Paid by 2025 Budget Appropriation		59,035.75
Balance December 31, 2025	\$	501,446.03

Analysis of Balance December 31, 2025

<u>Payment Date</u>	<u>Amount</u>
3-26-26	6,762.13
5-16-26	23,199.25
9-26-26	6,829.76
11-16-26	23,431.24
3-26-27	6,898.05
5-16-27	23,665.56
9-26-27	6,967.03
11-16-27	23,902.21
3-26-28	7,036.70
5-16-28	24,141.23
9-26-28	7,107.07
11-16-28	24,382.65
3-26-29	7,178.14
5-16-29	24,626.47
9-26-29	7,249.92
11-16-29	24,872.74
2030 through	
2033	253,195.88
	\$ 501,446.03

TOWN OF HAMMONTON
General Capital Fund
 Schedule of Bond Anticipation Notes
 For the Year Ended December 31, 2025

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2024</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2025</u>
10-15	Acquisition of an Airplane/Helicopter Hanger Located at the Hammonton Airport	8-27-15	10-22-24	10-21-25	4.40%	\$ 109,659.00		\$ 109,659.00	-
22-23	Airport Rehabilitation Taxiway A - Phase III	10-22-24	10-22-24	10-21-25	4.40%	47,700.00		47,700.00	-
22-23	Airport Rehabilitation Taxiway A - Phase IV	10-22-24	10-22-24	10-21-25	4.40%	8,100.00		8,100.00	-
16-24	Obstruction Removal at Airport	10-22-24	10-22-24	10-21-25	4.40%	41,800.00		41,800.00	-
22-24/15-25	Municipal Building Improvements	12-18-25	12-18-25	12-17-26	3.50%		\$ 142,500.00		142,500.00
2-25	Environmental Remediation for Various Properties	12-18-25	12-18-25	12-17-26	3.50%		268,850.00		268,850.00
6-25	Local Recreation Improvement	12-18-25	12-18-25	12-17-26	3.50%		40,000.00		40,000.00
8-25	Recreation Improvements	12-18-25	12-18-25	12-17-26	3.50%		285,000.00		285,000.00
8-25	Purchase of Various Capital Equipment	12-18-25	12-18-25	12-17-26	3.50%		237,500.00		237,500.00
13-25	Local Recreation Improvement	12-18-25	12-18-25	12-17-26	3.50%		760,000.00		760,000.00
13-25	Jake's Playground at Hammonton Lake Park	12-18-25	12-18-25	12-17-26	3.50%		237,500.00		237,500.00
Total						<u>\$ 207,259.00</u>	<u>\$ 1,971,350.00</u>	<u>\$ 207,259.00</u>	<u>\$ 1,971,350.00</u>
						Issued for Cash			
						Paid by Budget Appropriation			
							<u>\$ 1,971,350.00</u>	<u>207,259.00</u>	
						<u>\$ 1,971,350.00</u>	<u>\$ 207,259.00</u>	<u>\$ 207,259.00</u>	

**TOWN OF HAMMONTON
General Capital Fund**

Schedule of Bonds And Notes Authorized But Not Issued
For the Year Ended December 31, 2025

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2024</u>	<u>2025 Authorizations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Paid By 2025 Budget Appropriation</u>	<u>Balance December 31, 2025</u>
19-24	Airport Rehabilitation Taxiway A - Phase V	\$ 16,000.00			\$ 16,000.00	-
22-24/15-25	Municipal Building Improvements	142,500.00	\$	142,500.00		-
2-25	Environmental Remediation for Various Properties		\$ 268,850.00	268,850.00		-
6-25	Local Recreation Improvement		40,000.00	40,000.00		-
8-25	Recreation Improvements		285,000.00	285,000.00		-
8-25	Purchase of Various Capital Equipment		237,500.00	237,500.00		-
13-25	Local Recreation Improvement		760,000.00	760,000.00		-
13-25	Jake's Playground at Hammonton Lake Park		237,500.00	237,500.00		-
Total		\$ 158,500.00	\$ 1,828,850.00	\$ 1,971,350.00	\$ 16,000.00	\$ -

TOWN OF HAMMONTON
Water and Sewer Utility Fund
Schedule of Cash - Collector/Treasurer
For the Year Ended December 31, 2025

	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2024	\$ 978,122.81	\$ 2,468,487.95
Increased by Receipts:		
Consumer Accounts Receivable	\$ 6,476,386.48	
Utility Liens Receivable	10,313.34	
Miscellaneous Revenue	311,443.67	
Prepaid Rents	15,711.73	
Utility Capital Fund Balance	2,499.39	
Deferred Charge Raised in 2025 Utility Operating Fund:		
Authorized and Not Issued - Ordinance #3-22/11-22		\$ 16,236.54
Capital Improvement Fund		100,000.00
Bond Anticipation Notes Issued		731,500.00
Premium Received on Sale of Bond Anticipation Notes		1,024.10
	6,816,354.61	848,760.64
Total Receipts		
Sub-total	7,794,477.42	3,317,248.59
Decreased by Disbursements:		
2025 Appropriations	5,750,362.67	
2024 Appropriation Reserves	172,383.85	
Prior Year Encumbrances	372.25	
Refund of Prepaid Rents	1,951.01	
Accrued Interest on Bonds and Loans	292,092.93	
Due to Utility Operating Fund - Fund Balance		
Anticipated as Revenue		2,499.39
Improvement Authorizations		643,732.78
Contracts Payable		558,154.63
	6,217,162.71	1,204,386.80
Total Disbursements		
Balance December 31, 2025	\$ 1,577,314.71	\$ 2,112,861.79

EXHIBIT SD-3

TOWN OF HAMMONTON
Water and Sewer Utility Fund
 Schedule of Consumer Accounts Receivable
 For the Year Ended December 31, 2025

Balance December 31, 2024	\$ 5,350.74
Increased by:	
Rents Levied in 2025	6,487,878.05
	6,493,228.79
Decreased by:	
Collections	\$ 6,476,386.48
Prepaid Applied	3,041.26
Transferred to Liens	10,039.41
Balance December 31, 2025	\$ 3,761.64

EXHIBIT SD-4

Water and Sewer Utility Fund
 Schedule of Utility Liens Receivable
 For the Year Ended December 31, 2024

Balance December 31, 2024	\$ 76,480.46
Increased by:	
Transferred from Consumer Accounts Receivable	\$ 10,039.41
Lien Interest and Costs	4.93
	10,044.34
	86,524.80
Decreased by:	
Collections	10,313.34
Balance December 31, 2025	\$ 76,211.46

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
 Schedule of Fixed Capital
 For the Year Ended December 31, 2025

	Balance December 31, <u>2024</u>	Additions by <u>Ordinance</u>	Balance December 31, <u>2025</u>
<u>Water Utility Improvements</u>			
Plant and Equipment	\$ 938,969.47		\$ 938,969.47
Distribution Mains	6,360,571.79		6,360,571.79
Survey and Plant Equipment	82,360.00		82,360.00
Mains, Pipes and Fittings	2,514,330.68		2,514,330.68
House Connections	10,967.46		10,967.46
Water Storage Tank	2,089,530.46		2,089,530.46
Motors and Accessories	58,877.14		58,877.14
Wells and Improvements to Wells	716,231.07		716,231.07
Water Treatment Plant	546,749.00		546,749.00
General Equipment	164,658.59		164,658.59
Refunding Bond Ordinance	35,000.00		35,000.00
Meters	7,918.03		7,918.03
<u>Sewer Utility Improvements</u>			
Sewer Plant	533,513.88		533,513.88
Sewer System	16,679,141.83		16,679,141.83
Sewer Mains Assessed	147,954.70		147,954.70
Sewer Treatment Plant	19,599,967.02		19,599,967.02
Equipment and Meters	356,487.55		356,487.55
Refunding Bond Ordinance	325,000.00		325,000.00
Pumping Stations	528,447.30		528,447.30
Meters	198,584.79		198,584.79
	<u>\$ 51,895,260.76</u>	<u>\$ -</u>	<u>\$ 51,895,260.76</u>

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
Schedule of Fixed Capital Authorized and Uncompleted
For the Year Ended December 31, 2025

Ordinance Number	Improvement Description	Ordinance		Balance December 31, 2024	Reappropriated	Canceled	2025 Authorizations	Balance December 31, 2025
		Date	Amount					
General Improvements:								
9-04/17-05/ 17-06	Various Sewer Utility Improvements	5/24/04	\$ 1,675,000.00	\$ 1,543,960.90				\$ 1,543,960.90
16-05	Various Improvements:	5/23/05						
18-06	(b) Egg Harbor Road Water Main Extension	8/7/06	500,000.00	691,907.30				691,907.30
	(c) Bellevue Ave. Water Main Replacement		200,000.00	198,500.00				198,500.00
4-06	Central Avenue Sewer Improvements	3/27/06	110,432.08	107,332.07				107,332.07
17-07	Various Improvements:	6/25/07						
	(c) Pine, Oak, Basin Water Main Extensions		780,000.00	173,265.50				173,265.50
21-08	Various Improvements:	7/28/08						
	(c) Purchase of Wireless Transceiver Antenna		32,000.00	29,861.00				29,861.00
6-09	White Horse Pike/Moss Mill Road Sewer Improvements	3/23/09	709,875.52	583,639.82				583,639.82
28-09	Various Sewer Utility Improvements	11/23/09	693,930.00	60,000.00				60,000.00
7-10	4th Street Reconstruction	6/7/10	438,228.38	229,372.92				229,372.92
23-10	Various Water Improvements	10/25/10	90,000.00	89,949.12				89,949.12
17-11	Acquisition of a Disk Harrow	8/22/11	8,885.00	8,885.00				8,885.00
26-11	Northwest Water Main Project/NJEIT	12/19/11	4,600,000.00	3,382,275.71				3,382,275.71
4-12	Various Water and Sewer Improvements	3/26/12	369,713.76	369,711.70				369,711.70
4A-12	Well 5/7 Facility Project - NJEIT	3/26/12	2,100,000.00	2,052,800.00				2,052,800.00
19-13	Well #4 Facility Project - NJEIT	10/28/13	2,200,000.00	2,166,666.00				2,166,666.00
28-13/ 19-14	Design and Construction of a Granular Activated Carbon System for Well #1 and Well #3	11/18/13 8/11/14	1,043,280.00 556,720.00	1,600,000.00				1,600,000.00
5-14	Sewer Main Replacement Project - NJEIT	2/24/14	5,200,000.00	3,628,825.00				3,628,825.00
6-14	Water Main Replacement Project - NJEIT	2/24/14	1,700,000.00	1,429,214.00				1,429,214.00
7-14/12-14/ 22-14/ 33-14	Boyer Avenue Drip Irrigation Project	3/10/14 9/22/14 12/1/14	500,000.00 35,000.00 500,000.00	1,030,018.62				1,030,018.62
21-15/ 4-18	Replacement of Water Utility Buildings and Various Improvements	11/2/15 2/26/18	1,625,586.90	1,625,586.90				1,625,586.90
11-16	Various Road and Utility Improvements	5/16/16	3,500,000.00	3,400,154.00				3,400,154.00
6-19	Installation of Sewer Lines and Relocation of Interceptor Line on Boyer Avenue and the Purchase of Equipment for the Utility Department	4/29/19	350,000.00	305,391.84				305,391.84
8-19	Various Utility Improvements	5/20/19	1,060,000.00	944,051.58				944,051.58
3-21	Purchase of a Jet Vac Truck and all related accessories	4/26/21	82,450.00	39,322.04				39,322.04
3-22/11-22	Utility Drip Irrigation	2/28/22	275,000.00	300,298.42		\$ (130,745.67)		169,552.75
9-22	School House Lane Utility Improvements	3/28/22	375,000.00	375,000.00				375,000.00
9-22	Valley Avenue Utility Improvements	3/28/22	460,000.00	460,000.00				460,000.00
14-22	Asset Management Plan for Utility Equipment Purchases	6/20/22	38,000.00	38,000.00				38,000.00
24-23	Various Utility Capital Improvements	12/18/23						
	Water Tank Painting and Construction Management		1,950,000.00	1,950,000.00	\$ (87,048.71)			1,950,000.00
	Design of Water Lines at Lakeview Gardens/Cypress Court		85,000.00	85,000.00				85,000.00
	Structural Usage of Temporary Water Storage Tanks		200,000.00	200,000.00	(26,351.29)			200,000.00
5-24	Sewer Infrastructure Study & Minor Repairs	4/22/24	98,750.00	98,750.00				98,750.00
8-24/3-25	Purchase & Installation of a Centrifuge	4/22/24	250,000.00	250,000.00	113,400.00			250,000.00
9-24	Purchase & Installation of fencing to enclose\ Boyer Avenue Drip and the installation of new garage doors at the Utility Garage	4/22/24	55,000.00	55,000.00				55,000.00
9-24	Extension of Water and Sewer along Old Forks Road	4/22/24	400,000.00	400,000.00				400,000.00

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
 Schedule of Fixed Capital Authorized and Uncompleted
 For the Year Ended December 31, 2025

Ordinance Number	Improvement Description	Ordinance		Balance December 31, 2024	Reappropriated	Canceled	2025 Authorizations	Balance December 31, 2025
		Date	Amount					
General Improvements:								
9-25	4th Street Tank Painting & Improvements	5/19/25	300,000.00				\$ 285,000.00	285,000.00
9-25	Boyer Avenue Sanitary Sewer Replacement	5/19/25	100,000.00				95,000.00	95,000.00
14-25	Slip Lining for Various Stormwater Lines	9/22/25	28,500.00				28,500.00	28,500.00
14-25	Replace Water Main & Water Services at Various Locations	9/22/25	95,000.00				95,000.00	95,000.00
14-25	Purchase of Water Meters	9/22/25	190,000.00				190,000.00	190,000.00
14-25	Boyer Avenue Sanitary Sewer Replacement	9/22/25	38,000.00				38,000.00	38,000.00
				\$ 29,902,739.44	\$ -	\$ (130,745.67)	\$ 731,500.00	\$ 30,503,493.77

TOWN OF HAMMONTON
Water and Sewer Utility Fund
 Schedule of 2024 Appropriation Reserves
 For the Year Ended December 31, 2025

	<u>Balance</u>		<u>Balance</u>	<u>Paid or</u>	<u>Balance</u>
	<u>Reserved</u>	<u>Encumbered</u>			
	<u>December 31, 2024</u>		<u>Transfers</u>	<u>Charged</u>	<u>Balance</u>
Operating:					
Salaries and Wages	\$ 47,497.87		\$ 497.87	\$ -	\$ 497.87
Other Expenses	7,216.05	\$ 128,574.85	182,790.90	182,506.92	283.98
Social Security System	1,052.75		1,052.75	-	1,052.75
New Jersey Disability Insurance	2,124.85	46.58	2,171.43	46.58	2,124.85
Total	<u>\$ 57,891.52</u>	<u>\$ 128,621.43</u>	<u>\$ 186,512.95</u>	<u>\$ 182,553.50</u>	<u>\$ 3,959.45</u>
			Encumbered	\$ 10,169.65	
			Cash Disbursed	172,383.85	
				<u>\$ 182,553.50</u>	

TOWN OF HAMMONTON
Water and Sewer Utility Fund
 Schedule of Reserve for Encumbrances
 For the Year Ended December 31, 2025

Balance December 31, 2024		\$ 160,661.68
Increased by:		
2025 Appropriations	\$ 466,637.87	
2024 Appropriation Reserves	<u>10,169.65</u>	
		<u>476,807.52</u>
		637,469.20
Decreased by:		
Transferred to Appropriation Reserves	\$ 128,621.43	
Paid	372.25	
Canceled	<u>27,509.00</u>	
		<u>156,502.68</u>
Balance December 31, 2025		<u>\$ 480,966.52</u>

TOWN OF HAMMONTON
Water and Sewer Utility Fund
 Schedule of Prepaid Rents
 For the Year Ended December 31, 2025

<hr/>	
Balance December 31, 2024	\$ 4,992.27
Increased by:	
Received in 2025	15,711.73
	20,704.00
Decreased by:	
Refunded	\$ 1,951.01
Applied to Consumer Accounts Receivable	3,041.26
	4,992.27
Balance December 31, 2025	\$ 15,711.73

TOWN OF HAMMONTON
Water and Sewer Utility Fund
 Schedule of Accrued Interest Payable
 For the Year Ended December 31, 2025

Balance December 31, 2024		\$ 92,509.07
Increased by:		
Budget Appropriations for:		
Interest on Bonds and Loans	\$ 301,041.03	
Interest on Notes	<u>853.42</u>	
		<u>301,894.45</u>
		394,403.52
Decreased by:		
Interest Paid:		
Interest on Bonds & Loans	292,092.93	
Interest on Notes	<u>-</u>	
		<u>292,092.93</u>
Balance December 31, 2025		<u><u>\$ 102,310.59</u></u>

Analysis of Accrued Interest December 31, 2025

	Principal						
	Outstanding	Interest	From	To	Period	Amount	
	Dec. 31, 2025	Rate					
NJEIT Trust/Fund Loan of 2012	\$ 679,181.93	Various	8/1/25	12/31/25	5 Months	\$ 5,817.89	
NJEIT Trust/Fund Loan of 2013	713,328.68	Various	8/1/25	12/31/25	5 Months	2,812.50	
NJEIT Trust/Fund Loan of 2014	2,928,249.80	Various	8/1/25	12/31/25	5 Months	13,478.34	
2016 Refunding Bonds	3,470,000.00	Various	8/1/25	12/31/25	5 Months	33,541.67	
NJEIT Trust/Fund Loan of 2017	1,680,501.62	Various	8/1/25	12/31/25	5 Months	7,096.36	
2019 Water and Sewer Bonds	1,395,000.00	Various	11/7/25	12/31/25	53 Days	5,877.08	
2024 Utility Bonds	2,570,000.00	Various	10/22/25	12/31/25	78 Days	32,833.33	
2025 Bond Anticipation Notes	731,500.00	3.50%	12/18/25	12/31/25	12 Days	853.42	
							<u><u>\$ 102,310.59</u></u>

TOWN OF HAMMONTON
 Water and Sewer Utility Capital Fund
 Schedule of Improvement Authorizations
 For the Year Ended December 31, 2025

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance December 31, 2024		2025 Authorizations		Paid or Charged	Balance December 31, 2025	
				Funded	Unfunded	Deferred Charges To Future Revenue	Capital Improvement Fund		Funded	Unfunded
General Improvements:										
6-19	Installation of Sewer Lines and Relocation of Interceptor Line on Boyer Avenue and the Purchase of Equipment for the Utility Department	4/29/19	350,000.00	\$ 137,544.61	-	\$ 130,179.06	\$ 7,365.55	-	-	-
8-19	Various Utility Improvements	5/20/19	1,060,000.00	8,000.00	-	-	8,000.00	-	-	-
3-21	Utility Capital Acquisitions and Improvements: Purchase & Installation of a Centrifuge	4/26/21	700,000.00	5,048.66	-	3,000.99	2,047.67	-	-	-
	Purchase of a Jet Vac Truck and all related accessories	11/15/21	455,000.00	-	-	-	-	-	-	-
	Purchase of a UV Disinfection System	4/20/00	420,000.00	-	-	-	-	-	-	-
3-22/11-22	Utility Drip Irrigation	2/28/22	275,000.00	130,745.67	-	-	-	-	-	-
9-22	School House Lane Utility Improvements	3/28/22	375,000.00	2,780.00	-	-	2,780.00	-	-	-
14-22	Asset Management Plan for Utility Equipment Purchases	6/20/22	40,000.00	29,400.00	-	-	29,400.00	-	-	-
24-23	Various Utility Capital Improvements	12/18/23	1,950,000.00	87,048.71	-	-	28,493.75	-	-	-
	Water Tank Painting and Construction Management		85,000.00	6,845.00	-	-	6,845.00	-	-	-
	Design of Water Lines at Lakeview Gardens/Cypress Court		200,000.00	60,616.07	-	-	35,264.78	-	-	-
5-24	Structural Usage of Temporary Water Storage Tanks	4/22/24	395,000.00	406,550.00	-	-	391,350.00	-	-	-
8-24/3-25	Sewer Infrastructure Study & Minor Repairs	4/22/24	250,000.00	8,600.00	-	113,400.00	-	-	-	-
9-24	Purchase & Installation of a Centrifuge									
	Purchase & Installation of fencing to enclose Boyer Avenue Drip and the installation of new garage doors at the Utility Garage	4-22-24	55,000.00	9,785.97	-	(4,300.00)	14,085.97	-	-	-
9-24	Extension of Water and Sewer along Old Forks Road	4-22-24	400,000.00	-	-	-	-	-	-	63,034.46
9-25	4th Street Tank Painting & Improvements	5/19/25	300,000.00	300,000.00	-	236,965.54	-	-	-	10,709.56
9-25	Boyer Avenue Sanitary Sewer Replacement	5/19/25	100,000.00	100,000.00	-	89,290.44	-	-	-	1,640.00
14-25	Slip Lining for Various Stormwater Lines	9/22/25	30,000.00	30,000.00	-	28,500.00	-	-	-	1,640.00
14-25	Replace Water Main & Water Services at Various Locations	9/22/25	100,000.00	100,000.00	-	95,000.00	-	-	-	9,770.00
14-25	Purchase of Water Meters	9/22/25	200,000.00	200,000.00	-	190,000.00	-	-	-	165,700.00
14-25	Boyer Avenue Sanitary Sewer Replacement	9/22/25	40,000.00	40,000.00	-	38,000.00	-	-	-	400.00
Total				\$ 892,764.69	\$ -	\$ 731,500.00	\$ 38,500.00	\$ 755,132.28	\$ 525,632.72	\$ 251,254.02

Contracts Payable Canceled \$ (33,793.75)
 Contracts Payable 145,193.25
 Disbursed 643,732.78
 \$ 755,132.28

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
 Schedule of Contracts Payable
 For the Year Ended December 31, 2025

Balance December 31, 2024		\$ 639,381.54
Increased By:		
Charged to Improvement Authorizations		145,193.25
		784,574.79
Decreased by:		
Disbursed	\$ 558,154.63	
Canceled	33,793.75	
		591,948.38
Balance December 31, 2025		\$ 192,626.41

Schedule of Capital Improvement Fund
 For the Year Ended December 31, 2025

Balance December 31, 2024		\$ 4,259.73
Increased by:		
2025 Budget Appropriation		100,000.00
		104,259.73
Decreased by:		
Appropriations to Finance Improvement Authorizations		38,500.00
Balance December 31, 2025		\$ 65,759.73

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
 Schedule of Reserve for Amortization
 For the Year Ended December 31, 2025

Balance December 31, 2024		\$ 62,915,594.95
Increased By:		
2025 Budget Appropriations:		
NJEIT Loans	\$ 768,593.43	
Serial Bonds	575,000.00	
Authorized and Not Issued Raised in 2025 Utility Operating Budget	16,236.54	
		1,359,829.97
Balance December 31, 2025		64,275,424.92

EXHIBIT SD-15

Water and Sewer Utility Capital Fund
 Schedule of Reserve for Payment of Bonds
 For the Year Ended December 31, 2025

Balance December 31, 2024		\$ 390,296.56
Decreased By:		
Anticipated as Revenue in the Operating 2025 Budget		-
Balance December 31, 2025		\$ 390,296.56

EXHIBIT SD-16

Water and Sewer Utility Capital Fund
 Schedule of Reserve for Payment of Loans
 For the Year Ended December 31, 2025

Balance December 31, 2024		\$ 1,081,168.25
Increased by:		
NJEIT Savings Credit	\$ -	
Funded Improvement Authorizations - Canceled	-	
		-
Balance December 31, 2025		\$ 1,081,168.25

TOWN OF HAMMONTON

Water and Sewer Utility Capital Fund

Schedule of Deferred Reserve for Amortization

For the Year Ended December 31, 2025

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2024</u>	<u>Grants Receivable Canceled</u>	<u>Balance Dec. 31, 2025</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	780,000.00		780,000.00
27-09	Bellevue Ave. Water Utility Improvements	11/23/09	209,245.00		209,245.00
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	289,197.14		289,197.14
28-13/ 19-14	Design and Construction of a Granular Activated Carbon System for Well #1 and Well #3	11/18/13 8/11/14	1,600,000.00		1,600,000.00
19-13/32-14	Well 4 Facility Project - NJEIT	10/28/13	396,254.01		396,254.01
21-15/ 4-18	Replacement of Water Utility Buildings Various Improvements	11/2/15 2/26/18	1,625,586.90		1,625,586.90
				<u>\$ -</u>	<u>\$ 4,955,168.05</u>
				<u>\$ -</u>	<u>\$ 4,955,168.05</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, 2025

Balance December 31, 2024	\$	6,770,354.99
Increased by:		
Loans Executed		-
		6,770,354.99
Decreased by:		
Paid by 2025 Budget Appropriation		768,593.43
Balance December 31, 2025	\$	6,001,761.56

Analysis of Balance Dec. 31, 2025

<u>Payment Date</u>	<u>Trust</u> <u>Loan</u>	<u>Fund</u> <u>Loan</u>	<u>Total</u>
2/1/26		\$ 170,548.81	\$ 170,548.81
8/1/26	\$ 261,357.00	341,097.62	602,454.62
2/1/27		170,548.81	170,548.81
8/1/27	272,196.00	341,097.62	613,293.62
2/1/28		170,548.81	170,548.81
8/1/28	275,091.00	341,097.62	616,188.62
2/1/29		170,548.81	170,548.81
8/1/29	285,103.00	319,756.31	604,859.31
2/1/30		149,114.54	149,114.54
8/1/30	294,691.00	298,229.08	592,920.08
2031 through 2036	889,874.00	1,250,861.53	2,140,735.53
	\$ 2,278,312.00	\$ 3,723,449.56	\$ 6,001,761.56

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
 Schedule of Bond Anticipation Notes
 For the Year Ended December 31, 2025

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2024</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2025</u>
9-25	4th Street Tank Painting & Improvements	12-18-25	12-18-25	12-17-26	3.50%	\$ -	\$ 285,000.00		\$ 285,000.00
9-25	Boyer Avenue Sanitary Sewer Replacement	12-18-25	12-18-25	12-17-26	3.50%		95,000.00		95,000.00
14-25	Slip Lining for Various Stormwater Lines	12-18-25	12-18-25	12-17-26	3.50%		28,500.00		28,500.00
14-25	Replace Water Main & Water Services at Various Locations	12-18-25	12-18-25	12-17-26	3.50%		95,000.00		95,000.00
14-25	Purchase of Water Meters	12-18-25	12-18-25	12-17-26	3.50%		190,000.00		190,000.00
14-25	Boyer Avenue Sanitary Sewer Replacement	12-18-25	12-18-25	12-17-26	3.50%		38,000.00		38,000.00
						<u>\$ -</u>	<u>\$ 731,500.00</u>	<u>\$ -</u>	<u>\$ 731,500.00</u>
						Issued for Cash			<u>\$ 731,500.00</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, 2025

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2024</u>	<u>2025 Authorizations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance December 31, 2025</u>
9-25	4th Street Tank Painting & Improvements	\$	285,000.00	\$	285,000.00
9-25	Boyer Avenue Sanitary Sewer Replacement		95,000.00	95,000.00	
14-25	Slip Lining for Various Stormwater Lines		28,500.00	28,500.00	
14-25	Replace Water Main & Water Services at Various Locations		95,000.00	95,000.00	
14-25	Purchase of Water Meters		190,000.00	190,000.00	
14-25	Boyer Avenue Sanitary Sewer Replacement		38,000.00	38,000.00	
		\$	<u>731,500.00</u>	\$	<u>731,500.00</u>
		-	<u>0.00</u>	\$	<u>0.00</u>

TOWN OF HAMMONTON
Water and Sewer Utility Fund
Schedule of State Grant Receivable
For the Year Ended December 31, 2025

Balance December 31, 2024		\$ 395,000.00
Decreased by:		
Receipts		
Canceled	<hr/>	<hr/>
		-
Balance December 31, 2025		<u>\$ 395,000.00</u>
	Ordinance	
<u>Agency</u>	<u>No.</u>	<u>Amount</u>
New Jersey Department of Environmental Protection (2025)	5-24	<u>\$ 395,000.00</u>

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TOWN OF HAMMONTON

PART II

LETTER OF COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED

DECEMBER 31, 2025

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GENERAL COMMENTS

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

N.J.S. 40A:11-4 states, "Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$53,000 except by contract or agreement.

The governing body of the Town has the responsibility of determining whether the expenditures in any category will exceed \$53,000 within the fiscal year. Where a question arises as to whether any contract or agreement might result in violation of the statute, the Town Counsel's opinion should be sought before a commitment is made.

Our examination of expenditures did not reveal payments in excess of \$53,000 "for the performance of any work or the furnishing or hiring of any materials or supplies" other than those where bids had been previously sought by public advertisement, awarded under state or county cooperative purchasing agreements, or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

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

- Sanitary Sewer Renovations
- Recreation Improvements
- Fencing
- Road Construction

Contracts and Agreements Requiring Solicitation of Quotations

N.J.S. 40A:11-6.1 states, "Prior to the award of any other purchase, contract or agreement, the contracting agent shall, except in the case of the performance of professional services, solicit quotations, whenever practical, on any such purchase, contract or agreement the estimated cost or price of which is \$7,950 or more."

Our examination of expenditures did reveal not purchases made in excess of \$6,600 without obtaining quotes as required by statute.

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body, on January 7, 2025, adopted the following resolution authorizing interest to be charged on delinquent taxes:

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

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

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

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

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

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 18, 2025 and was complete.

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

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

<u>Year</u>	<u>Number of Liens</u>
2025	92
2024	94
2023	96
2022	100
2021	96

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

Verification of Delinquent Taxes and Other Charges

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

<u>Type</u>	<u>Number Mailed</u>
Payment of 2026 and 2025 Taxes & Utilities	10
Delinquent Tax Balances	0
Municipal Court	5

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

Deposit of Municipal Funds

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

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

Comparison of Tax Levies and Collections Currently

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

Year	Tax Levy	Currently	
		Cash Collections	Percentage of Collections
2025	\$ 40,859,182.78	40,753,976.71	99.74%
2024	39,327,394.10	39,242,201.04	99.78%
2023	39,016,658.88	38,764,690.88	99.35%
2022	38,264,210.09	38,150,088.82	99.70%
2021	38,031,289.28	37,869,345.36	99.57%

Comparative Schedule of Tax Rate Information

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Tax Rate	2.817	2.752	2.747	2.723	2.733
Apportionment Of Tax Rate:					
Municipal	0.796	0.776	0.741	0.716	0.706
County	0.570	0.544	0.575	0.575	0.591
Local School	1.451	1.432	1.431	1.432	1.436
Assessed Valuation	1,440,171,700	1,417,513,000	1,407,797,300	1,395,771,100	1,381,239,000

Delinquent Taxes and Tax Title Liens

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

Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage Of Tax Levy
2025	\$ 997,426.63	101.89	997,528.52	2.44%
2024	983,468.75	118.24	983,586.99	2.50%
2023	953,806.83	117,446.38	1,071,260.72	2.75%
2022	983,924.13	46.23	983,970.36	2.57%
2021	912,197.14	246.28	912,443.42	2.40%

RECOMMENDATIONS

See Page 59.

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

Very truly yours,

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

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

May 8, 2026