

TOWN OF HAMMONTON

REPORT OF AUDIT

FOR THE YEAR ENDED

DECEMBER 31, 2019

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, 2019

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Town of Hammonton, as of December 31, 2019 and 2018, 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, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Town of Hammonton as of December 31, 2019 and 2018, or changes in financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2019 and 2018, 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, 2019 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 2, 2020 on our consideration of the Town of Hammonton's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Hammonton's internal control over financial reporting and compliance.

Very truly yours,

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

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

July 2, 2020

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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, 2019 and 2018

<u>ASSETS</u>	<u>REFERENCE</u>	<u>2019</u>	<u>2018</u>
Current Fund:			
Cash -- Tax Collector - Treasurer	SA-1	\$ 4,061,667.59	\$ 3,825,029.52
Cash -- Change Fund	SA-2	585.00	585.00
Due From State of New Jersey -- Senior Citizens' and Veterans Deductions	SA-12	40,836.81	32,288.62
Total		4,103,089.40	3,857,903.14
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-3	6,344.15	3,050.83
Tax Title Liens Receivable	SA-4	926,725.59	800,149.35
Property Acquired for Taxes - Assessed Valuation	A	510,100.00	510,100.00
Revenue Accounts Receivable	SA-5	65,718.23	61,829.57
Due from Animal Control Fund	SB-3	-	81.40
		1,508,887.97	1,375,211.15
Deferred Charges:			
Special Emergency Authorization (N.J.S. 40A:4-55)	SA-6	-	72,820.60
		5,611,977.37	5,305,934.89
Federal and State Grant Fund:			
Due from Current Fund	A	153,540.06	48,620.22
Federal and State Grants Receivable	SA-17	390,717.95	108,720.22
		544,258.01	157,340.44
		\$ 6,156,235.38	\$ 5,463,275.33

(Continued)

TOWN OF HAMMONTON

Current Fund

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

For the Years Ended December 31, 2019 and 2018

	<u>REFERENCE</u>	<u>2019</u>	<u>2018</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Current Fund:			
Liabilities:			
Special Emergency Notes Payable	SA-7	\$ -	\$ 72,820.60
Appropriation Reserves	A-3 & SA-8	69,665.41	66,296.76
Reserve for Encumbrances	SA-9	341,847.82	296,356.61
Prepaid Taxes	SA-10	579,458.96	587,776.99
Tax Overpayments	SA-11	125.98	2,899.31
Due State of New Jersey -- Vital Statistics	SA-13	525.00	450.00
Local School Tax Payable	SA-14	0.26	0.26
Due County for Added and Omitted Taxes	SA-15	37,563.09	28,148.37
Due to Federal and State Grant Fund	A	153,540.06	48,620.22
Due to Trust - Other Funds	SB-5	134,460.25	121,341.50
Due to General Capital Fund	SC-1	-	6,082.91
		<u>1,317,186.83</u>	<u>1,230,793.53</u>
Reserve for Receivables and Other Assets	A	1,508,887.97	1,375,211.15
Fund Balance	A-1	<u>2,785,902.57</u>	<u>2,699,930.21</u>
		<u>5,611,977.37</u>	<u>5,305,934.89</u>
Federal and State Grant Fund:			
Reserve for Federal and State Grants:			
Unappropriated Reserves	SA-18	58,570.82	-
Appropriated Reserves	SA-19	306,367.18	120,104.10
Reserve for Encumbrances	SA-20	<u>179,320.01</u>	<u>37,236.34</u>
Total Federal and State Grant Fund		<u>544,258.01</u>	<u>157,340.44</u>
		<u>\$ 6,156,235.38</u>	<u>\$ 5,463,275.33</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, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 1,784,953.00	\$ 1,600,000.00
Miscellaneous Revenue Anticipated	3,257,758.21	2,912,922.41
Receipts from Delinquent Taxes	45,784.54	2,551.33
Receipts from Current Taxes	36,914,419.21	36,773,839.58
Non-Budget Revenues	549,657.54	674,428.06
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	22,484.09	13,204.85
Prior Year Encumbrances Canceled	7,311.37	4,571.58
Federal and State Grant Fund Appropriated Reserves Canceled	-	43,854.98
Liquidation of Reserves for:		
Reserve for Due from Animal Control Fund	81.40	
Reserve for Due from Water /Sewer Operating Fund	-	-
Total Revenue and Other Income Realized	<u>42,582,449.36</u>	<u>42,025,372.79</u>
<u>Expenditures</u>		
Operations Within "CAPS":		
Salaries and Wages	4,595,218.00	4,426,954.27
Other Expenses	4,293,335.53	4,328,851.41
Deferred Charges and Statutory Expenditures Within "CAPS"	1,072,777.00	953,829.84
Operations Excluded from "CAPS":		
Salaries and Wages	21,251.36	17,049.58
Other Expenses	411,197.74	223,831.94
Capital Improvements Excluded from "CAPS"	95,000.00	103,125.00
Municipal Debt Service Excluded from "CAPS"	2,659,433.72	2,545,671.63
Deferred Charges Excluded from "CAPS"	72,820.60	147,820.60
County Taxes	7,777,295.27	7,587,821.17
Due County for Added and Omitted Taxes	37,563.09	28,148.37
Local School Taxes	19,649,695.00	19,525,216.50
Prior Year Tax Appeal	25,936.69	
Federal and State Grant Fund Receivables Canceled	-	58,358.50
Due to General Capital Fund - Grants Canceled	-	15,838.85
Total Expenditures	<u>40,711,524.00</u>	<u>39,962,517.66</u>

(Continued)

TOWN OF HAMMONTON**Current Fund**

Statements of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Statutory Excess to Fund Balance	\$ 1,870,925.36	\$ 2,062,855.13
Fund Balance January 1	<u>2,699,930.21</u>	<u>2,237,075.08</u>
Total	4,570,855.57	4,299,930.21
Decreased by:		
Utilized as Revenue	<u>1,784,953.00</u>	<u>1,600,000.00</u>
Balance December 31	<u><u>\$ 2,785,902.57</u></u>	<u><u>\$ 2,699,930.21</u></u>

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

TOWN OF HAMMONTON

Current Fund

Statement of Revenues - Regulatory Basis

For the Year Ended December 31, 2019

	<u>Budget</u>	<u>N.J.S.A. 40A:4-87</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Fund Balance	\$ 1,784,953.00	-	\$ 1,784,953.00	-
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	12,000.00		12,988.80	\$ 988.80
Other	3,000.00		6,175.00	3,175.00
Fines and Costs - Municipal Court	230,000.00		250,634.84	20,634.84
Interest and Costs on Taxes	80,000.00		79,270.44	(729.56)
Interest on Investments and Deposits	30,000.00		62,412.42	32,412.42
Board of Health Fees	25,000.00		28,379.17	3,379.17
Airport Rental	75,000.00		73,954.22	(1,045.78)
Energy Receipts Tax	1,238,077.00		1,238,077.00	
Garden State Trust Fund	34,637.00		34,637.00	
Uniform Construction Code Fees	135,000.00		249,580.00	114,580.00
Public and Private Revenues Offset with Appropriations:				
Clean Communities		\$ 38,865.78	38,865.78	
Municipal Alliance on Alcoholism and Drug Abuse	17,113.00	17,113.00	34,226.00	
Distracted Driving Crackdown	5,500.00		5,500.00	
Drunk Driving Enforcement Funds		10,251.36	10,251.36	
Reforestation Grant	17,220.00		17,220.00	
FAA Grant Airport Fence Design	84,042.00		84,042.00	
NJEDA Grant - Hazardous Discharge Grant Program	66,200.00		66,200.00	
Body Armor Replacement Fund		3,138.96	3,138.96	
Drive Sober or Get Pulled Over		5,500.00	5,500.00	
DCA Neighborhood Preservation Program		125,000.00	125,000.00	
Other Special Items:				
Uniform Fire Safety Act	47,172.16		53,003.45	5,831.29
Cable TV Franchise Fee	48,583.92		48,583.92	
Plymouth Place -- Payment In-Lieu of Taxes	104,500.00		132,850.00	28,350.00
Water Utility Management Fee	84,952.93		84,952.93	
Sewer Utility Management Fee	98,158.52		98,158.52	
Interlocal Agreement - School Police	170,000.00		170,000.00	
Reserve for Payment of BAN's	141,500.00		141,500.00	
New Airport Hanger Lease	31,668.34		32,656.40	988.06
New Airport Hanger Lease	70,000.00		70,000.00	
Total	2,849,324.87	199,869.10	3,257,758.21	208,564.24
Receipts from Delinquent Taxes	2,700.00	-	45,784.54	43,084.54
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes	9,519,230.16	-	10,575,442.75	1,056,212.59
Budget Totals	14,156,208.03	199,869.10	15,663,938.50	1,307,861.37
Non-Budget Revenues	-	-	549,657.54	549,657.54
Total	\$ 14,156,208.03	\$ 199,869.10	\$ 16,213,596.04	\$ 1,857,518.91

(Continued)

TOWN OF HAMMONTON
Current Fund
Statement of Revenues - Regulatory Basis (Cont'd)
For the Year Ended December 31, 2018

Analysis of Realized Revenue

Allocation of Current Tax Collections:

Revenue from Collections		\$ 36,914,419.21
Allocated to:		
County Taxes	\$ 6,925,555.83	
County Library Taxes	510,961.75	
County Health Taxes	322,628.31	
County Open Space Taxes	18,149.38	
Due County for Added & Omitted	37,563.09	
School Taxes	19,649,695.00	
		<u>27,464,553.36</u>
Sub-Total		9,449,865.85
Add Appropriation - Reserve for Uncollected Taxes		<u>1,125,576.90</u>
Amount for Support of Municipal Budget Appropriations		<u><u>\$ 10,575,442.75</u></u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 3,050.83
Tax Title Lien Collections	<u>42,733.71</u>
	<u><u>\$ 45,784.54</u></u>

Licenses -- Other:

Raffle/Bingo	\$ 2,170.00
Marriage	200.00
Business License	<u>3,805.00</u>
	<u><u>\$ 6,175.00</u></u>

Interest on Investments:

Treasurer -- Tax Collector	62,355.65
Due from Animal Control Fund	<u>56.77</u>
	<u><u>\$ 62,412.42</u></u>

(Continued)

TOWN OF HAMMONTON
Current Fund
Statement of Revenues - Regulatory Basis (Cont'd)
For the Year Ended December 31, 2018

Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated:

Revenue Accounts Receivable:

Police Department	\$ 3,442.63
Use of Police Vehicle Fees	26,565.00
Town Clerk:	
Street Opening Permits	62,588.50
Tree Removal Permits	150.00
Municipal Court - Resitution	750.00
Municipal Court - Cancellation of Outstanding Check	602.10
Business Registration Certificates	18,397.50
Landlord Registration Fees	51,750.00
Abandoned Property Registration Fees	239,250.00
Lien Recording Fees	252.00
Freon Fees and Permits	180.00
Fire Inspection Fees	8,470.00
Property Maintenance Fees	5,746.33
Rental of Polling Places	350.00
Planning and Zoning Board	9,700.00
Tax Assessor	594.00

428,788.06

Less: Refund of Landlord, Business Registration Fees, Street Opening Permits and Restitution (2,049.00)

\$ 426,739.06

Tax Collector - Treasurer:

State of New Jersey -- Administrative Reimbursement	2,414.04
State of New Jersey -- Homestead Mailing Reimbursement	1,378.80
Motor Vehicle Inspection Fines	5,075.00
Recreation Insurance	4,230.00
Prior Year Refunds	9,015.77
Rental of Dog Park Usage	425.00
Rental of Town Hall	12,932.28
Telephone Rental	62,638.99
Inspection Fines	6,000.00
Sale of Scrap Metal	11,363.60
NSF Fees	20.00
Sale of Land	6,000.00
Payment In-Lieu of Taxes	1,000.00
Lot Grading Application Fee	425.00

122,918.48

\$ 549,657.54

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, 2019

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserve for Encumbrances</u>	<u>Reserved</u>
GENERAL APPROPRIATIONS:					
<i>Operations Within "CAPS":</i>					
GENERAL GOVERNMENT					
Administrative and Executive					
Salaries and Wages	\$ 111,340.00	\$ 108,915.52	\$ 108,915.52	\$ -	\$ -
Other Expenses	19,000.00	20,000.00	19,155.60	780.05	64.35
Elections					
Other Expenses	8,000.00	8,000.00	8,000.00	-	-
Financial Administration					
Salaries and Wages	70,930.00	70,930.00	70,460.59		469.41
Other Expenses	14,000.00	15,000.00	14,241.21	576.60	182.19
Annual Audit	10,000.00	10,000.00	10,000.00	-	-
Assessment of Taxes					
Salaries and Wages	94,587.00	92,881.77	92,881.77	-	-
Other Expenses	5,900.00	4,400.00	1,916.57	1,758.68	724.75
Collection of Taxes					
Salaries and Wages					
Other Expenses	63,020.27	65,947.55	65,947.55	-	-
Legal Services and Costs:	19,500.00	19,500.00	7,494.36	10,774.50	1,231.14
Other Expenses	100,000.00	108,000.00	106,522.78	1,422.92	54.30
Engineering Services and Costs					
Other Expenses	30,000.00	34,000.00	22,833.50	10,866.50	300.00
Public Buildings and Grounds					
Other Expenses	114,175.00	122,775.00	107,044.42	15,727.49	3.09
Natural Gas	30,000.00	28,000.00	24,919.26	2,051.14	1,029.60
Electricity	65,000.00	65,000.00	64,997.18		2.82
Telephone	57,000.00	56,000.00	52,651.27	1,327.40	2,021.33
Gasoline	86,000.00	86,000.00	84,974.00		1,026.00
Municipal Land Use Law (N.J.S.A. 40:55D-1)					
Planning Board:					
Salaries and Wages	15,142.40	18,442.40	17,669.40		773.00
Other Expenses	12,440.00	1,440.00	249.36	8.37	1,182.27

(Continued)

TOWN OF HAMMONTON

Current Fund

Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2019

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>		<u>Reserve for Encumbrances</u>	<u>Reserved</u>	
GENERAL APPROPRIATIONS:						
<i>Operations Within "CAPS" (Cont'd):</i>						
GENERAL GOVERNMENT (Cont'd)						
Historical Society:						
Other Expenses	\$ 3,700.00	\$ 3,700.00	\$ 1,081.08	\$ 2,306.78	\$	312.14
Environmental Commission (N.J.S. 40:56A-1 et seq.)						
Other Expenses	1,390.00	1,390.00	250.00			1,140.00
Computer						
Salaries and Wages	54,627.80	54,627.80	53,760.01			867.79
Other Expenses	48,820.00	55,820.00	54,220.00	250.00		1,350.00
Insurance						
Group Insurance Plan for Employees	1,328,705.56	1,249,905.56	1,248,191.22	351.20		1,363.14
Health Benefit Waivers	10,905.00	10,905.00	10,905.00			-
Workers Compensation Insurance	390,622.00	390,622.00	380,346.44			10,275.56
Liability Insurance	21,527.66	21,527.66	21,527.66			-
Temporary Disability Insurance	17,000.00	17,000.00	16,287.65			712.35
PUBLIC SAFETY						
Fire						
Other Expenses	227,071.00	227,071.00	153,809.49	72,097.74		1,163.77
State Fire Prevention Code						
Salaries and Wages	27,750.00	35,350.00	33,095.96			2,254.04
Other Expenses	4,900.00	4,900.00	2,356.10	175.00		2,368.90
Police						
Salaries and Wages	2,901,717.12	2,919,843.56	2,919,513.56			330.00
Other Expenses	230,100.00	254,100.00	214,777.97	30,520.48		8,801.55
Police Radio and Communications						
Salaries and Wages	202,702.00	196,702.00	196,702.00			-
Other Expenses	4,850.00	850.00	-	100.00		750.00

(Continued)

TOWN OF HAMMONTON

Current Fund

Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2019

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserve for Encumbrances</u>	<u>Balance Canceled</u>
GENERAL APPROPRIATIONS:					
<i>Operations Within "CAPS" (Cont'd):</i>					
<u>PUBLIC SAFETY (Cont'd)</u>					
Municipal Court:					
Salaries and Wages	\$ 187,909.45	\$ 174,285.44	\$ 173,168.10	\$ 1,117.34	
Other Expenses	10,370.00	11,370.00	11,261.73	108.27	
Prosecutor:					
Salaries and Wages	35,000.00	35,000.00	35,000.00	-	
Public Defender:					
Salaries and Wages	15,000.00	15,000.00	8,000.00	7,000.00	
<u>STREETS AND ROADS</u>					
Streets and Roads					
Salaries and Wages	633,996.76	633,996.76	628,964.35	5,032.41	
Other Expenses	1,045,800.00	1,059,700.00	908,786.98	145,049.86	5,863.16
Street Lighting					
Other Expenses	146,000.00	146,000.00	137,462.97	6,825.83	1,711.20
<u>HEALTH AND WELFARE</u>					
Dog Regulation					
Other Expenses	7,776.00	7,776.00	7,776.00	-	
Registrar of Vital Statistics					
Other Expenses	600.00	600.00	441.00	159.00	
<u>RECREATION AND EDUCATION</u>					
Parks Commission:					
Salaries and Wages	1,200.00	1,200.00	1,200.00	-	
Recreation					
Salaries and Wages	6,000.00	3,000.00	2,309.28	690.72	
Other Expenses	115,000.00	115,000.00	108,069.29	120.97	
Celebration of Public Events, Anniversaries and Holidays	29,000.00	29,000.00	24,000.00	5,000.00	-
<u>CODE ENFORCEMENT</u>					
Property Maintenance Officer					
Salaries and Wages	14,778.40	14,778.40	14,778.40	-	
Other Expenses	550.00	550.00	37.98	300.00	212.02

(Continued)

TOWN OF HAMMONTON

Current Fund

Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2019

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserve for Encumbrances</u>	<u>Balance Canceled</u>
GENERAL APPROPRIATIONS:					
<i>Operations Within "CAPS" (Cont'd):</i>					
CODE ENFORCEMENT (Cont'd)					
Construction Code Official					
Salaries and Wages	\$ 138,716.80	\$ 154,316.80	\$ 154,173.12	\$ 143.68	
Other Expenses	32,433.31	28,433.31	26,168.58	\$ 2,264.73	-
UNCLASSIFIED					
Advertising					
Other Expenses	50,000.00	50,000.00	50,000.00	-	
Municipal Airport					
Other Expenses	29,000.00	29,000.00	5,103.94	21,171.25	2,724.81
Total Operations Including Contingent - Within "CAPS"	8,901,553.53	8,888,553.53	8,484,400.20	338,516.26	\$ -
Detail:					
Salaries and Wages	4,574,418.00	4,595,218.00	4,576,539.61	18,678.39	
Other Expenses	4,327,135.53	4,293,335.53	3,907,860.59	338,516.26	46,958.68
GENERAL APPROPRIATIONS:					
<i>Deferred Charges and Statutory Expenditures -</i>					
<i>Municipal - Within "CAPS":</i>					
STATUTORY EXPENDITURES:					
Contribution to:					
Defined Contribution Retirement Plan	6,000.00	6,000.00	5,465.81	534.19	
Public Employees Retirement System of N.J.	194,227.00	194,227.00	194,227.00	-	
Police and Firemen's Retirement System of N.J.	689,550.00	689,550.00	689,550.00	-	
Social Security System (O.A.S.I.)	170,000.00	183,000.00	180,343.72	2,656.28	
Total Deferred Charges and Statutory Expenditures -	1,059,777.00	1,072,777.00	1,069,586.53	3,190.47	-
Municipal Within "CAPS"					
Total General Appropriations -	9,961,330.53	9,961,330.53	9,553,986.73	338,516.26	-
For Municipal Purposes Within "CAPS"					

(Continued)

TOWN OF HAMMONTON

Current Fund

Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2019

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserve for Encumbrances</u>	
GENERAL APPROPRIATIONS:					
<i>Operations Excluded from "CAPS":</i>					
Recycling Tax	\$ 16,000.00	\$ 16,000.00	\$ 15,162.13	\$ 837.87	
Public and Private Programs Offset By Revenues:					
Atlantic County Municipal Alliance Grant (NJSA 40A:4-87, \$17,113.00)	25,669.00	42,782.00	42,782.00	-	
Drunk Driving Enforcement Funds (NJSA 40A:4-87, \$10,251.36)		10,251.36	10,251.36	-	
Body Armor Replacement Fund (NJSA 40A:4-87, \$3,138.96)		3,138.96	3,138.96	-	
Clean Communities Program (NJSA 40A:4-87, \$38,865.78)		38,865.78	38,865.78	-	
Drive Sober or Get Pulled Over (NJSA 40A:4-87, \$5,500.00)		5,500.00	5,500.00	-	
Distracted Driving Crackdown	5,500.00	5,500.00	5,500.00	-	
DCA Neighborhood Preservation Program (NJSA 40A:4-87, \$125,000.00)		125,000.00	125,000.00	-	
Reforestation Grant (NJSA 40A:4-87, \$9,950.00)	25,830.00	25,830.00	25,830.00	-	
FAA Grant - Airport Fence	93,381.00	93,381.00	93,381.00	-	
NJEDA Grant - Hazardous Discharge Grant Program	66,200.00	66,200.00	66,200.00	-	
Total Operations - Excluded From "CAPS"	232,580.00	432,449.10	431,611.23	837.87	-
Detail:					
Salaries and Wages	5,500.00	21,251.36	21,251.36		
Other Expenses	227,080.00	411,197.74	410,359.87	837.87	
<i>Capital Improvements--Excluded from "CAPS"</i>					
Capital Improvement Fund	95,000.00	95,000.00	95,000.00	-	-
Municipal Debt Service - Excluded from "CAPS"					
Payment of Bond & Loan Principal	\$ 1,220,000.00	\$ 1,220,000.00	\$ 1,220,000.00		-
Payment of Note Principal	817,500.00	817,500.00	817,500.00		-
Interest on Bonds	376,400.00	376,400.00	376,400.00		-
Interest on Notes	175,000.00	175,000.00	166,254.56		8,745.44
Green Trust Loan Program --Principal and Interest	80,000.00	80,000.00	79,279.16		720.84
Total Municipal Debt Service - Excluded from "CAPS"	2,668,900.00	2,668,900.00	2,659,433.72	-	9,466.28
					(Continued)

TOWN OF HAMMONTON

Current Fund

Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2019

	<u>A p p r o p r i a t i o n s</u>		<u>E x p e n d e d</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserve for Encumbrances</u>	<u>Reserved</u>
<i>Deferred Charges - Excluded from "CAPS"</i>					
Special Emergency Authorization	72,820.60	72,820.60	72,820.60		-
<i>Total Deferred Charges - Excluded from "CAPS"</i>	72,820.60	72,820.60	72,820.60		
<i>Total General Appropriations for Municipal Purposes Excluded from "CAPS"</i>	3,069,300.60	3,269,169.70	3,258,865.55		837.87
GENERAL APPROPRIATIONS:					
Subtotal General Appropriations	13,030,631.13	13,230,500.23	12,812,852.28	\$ 338,516.26	69,665.41
Reserve for Uncollected Taxes	1,125,576.90	1,125,576.90	1,125,576.90		
TOTAL GENERAL APPROPRIATIONS	\$ 14,156,208.03	\$ 14,356,077.13	\$ 13,938,429.18	\$ 338,516.26	\$ 69,665.41
Appropriation by N.J.S.A. 40A:4-87		\$ 199,869.10			
Original Budget		14,156,208.03			
		<u>\$ 14,356,077.13</u>			
Reserve for Federal and State Grants -- Appropriated			\$ 416,449.10		
Deferred Charges			72,820.60		
Reserve for Uncollected Taxes			1,125,576.90		
Disbursed			12,323,582.58		
			<u>\$ 13,938,429.18</u>		

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

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EXHIBIT - B
TRUST FUND

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TOWN OF HAMMONTON
Trust Fund
Statements of Assets, Liabilities and Reserves - Regulatory Basis
As of December 31, 2019 and 2018

<u>ASSETS</u>	<u>REFERENCE</u>	<u>2019</u>	<u>2018</u>
Animal Control Fund:			
Cash	SB-1	\$ 5,950.14	\$ 4,874.54
Other Funds:			
Cash	SB-1	1,896,496.66	2,007,954.57
Investments -- U.S. Government Securities	SB-2	396,123.96	378,082.29
Due from Current Fund	SB-5	134,460.25	121,341.50
Total Other Funds		2,427,080.87	2,507,378.36
Total		\$ 2,433,031.01	\$ 2,512,252.90
 <u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due to Current Fund	SB-3	\$ -	\$ 81.40
Reserve for Encumbrances	SB-1	-	412.00
Reserve for Animal Control Fund Expenditures	SB-4	5,950.14	4,381.14
Total Animal Control Fund		5,950.14	4,874.54
Other Funds:			
Due to VCCB - Criminal Disposition	SB-6	-	839.93
Reserve for Prosecutor's Trust Fund	SB-7	21,022.51	16,469.25
Reserve for Recreation Fees	SB-8	25,332.17	23,465.55
Reserve for Street Opening Escrow Deposits	SB-9	89,164.10	26,087.10
Reserve for Escrow Deposits	SB-10	301,116.32	227,548.80
Reserve for Public Defender Trust Fund	SB-11	226.31	2,239.15
Reserve for Parking Offense Adjudication Act	SB-12	2,305.33	2,277.33
Reserve for Municipal Drug Alliance Funds	SB-13	6,463.87	4,099.06
Reserve for Airport Security Deposit	SB-14	9,706.50	9,609.92
Reserve for Police Outside Detail	SB-15	141,460.25	121,341.50
Reserve for Tax Title Lien Redemption	SB-16	109,163.52	130,568.67
Reserve for Tax Sale Premium	SB-17	845,900.00	1,120,300.00
Payroll Deductions Payable	SB-18	53,078.20	50,666.88
Park Recreation Trust Fund	SB-19	73,403.08	72,672.72
Recaptured Grant Funds	SB-20	87,238.88	108,788.88
Uniform Fire Penalties Rider	SB-21	1,516.52	2,527.14
State Landfill Tax Escrow Fund	SB-22	173,950.04	172,219.23
State Landfill Closure -- Escrow Fund	SB-23	396,123.96	378,082.29
Reserve for Celebration of Public Events	SB-24	66,712.37	35,130.41
Reserve for COAH Fees	SB-25	835.97	827.64
Reserve for Police Equipment Donations	SB-26	810.97	303.91
Reserve for Encumbrances	SB-27	21,550.00	1,313.00
Total Other Funds		2,427,080.87	2,507,378.36
Total		\$ 2,433,031.01	\$ 2,512,252.90

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, 2019 and 2018

	<u>REFERENCE</u>	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>			
Cash	SC-1 & SC-2	\$ 1,271,836.48	\$ 668,300.46
Due from Current Fund	SC-1	-	6,082.91
Federal Grants Receivable	SC-3	920,464.33	630,447.53
Deferred Charges to Future Taxation:			
Funded	SC-4	15,098,613.38	9,199,406.86
Unfunded	SC-5	683,636.00	7,248,666.00
Total Assets		<u>\$ 17,974,550.19</u>	<u>\$ 17,752,903.76</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds	SC-12	\$ 14,220,000.00	\$ 8,260,000.00
Bond Anticipation Notes Payable	SC-11	658,159.00	7,237,085.00
Green Acres Trust Fund Loan Payable	SC-10	878,613.38	939,406.86
Improvement Authorizations:			
Funded	SC-6	698,511.73	360,725.00
Unfunded	SC-6	25,000.00	438,642.92
Contracts Payable	SC-7	780,819.55	375,444.02
Capital Improvement Fund	SC-8	969.96	99.96
Due to Utility Operating Fund	SC-1	700,000.00	-
Reserve for Payment of Bond Anticipation Notes	SC-9	-	141,500.00
Reserve for Payment of Bonds	SC-14	12,476.57	-
Fund Balance	C-1	-	-
Total Liabilities, Reserves and Fund Balance		<u>\$ 17,974,550.19</u>	<u>\$ 17,752,903.76</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, 2019

Balance December 31, 2018	\$ -
No activity	<u>-</u>
Balance December 31, 2019	<u><u>\$ -</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, 2019 and 2018

<u>ASSETS</u>	<u>REFERENCE</u>	<u>2019</u>	<u>2018</u>
Operating Fund:			
Cash	SD-1	\$ 415,978.42	\$ 1,154,420.42
Due from General Capital Fund	C	700,000.00	
Due from Utility Capital Fund	D	60,775.00	
		<u>1,176,753.42</u>	<u>1,154,420.42</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	SD-3	4,461.42	8,598.47
Utility Liens	SD-4	47,252.45	27,528.46
		<u>51,713.87</u>	<u>36,126.93</u>
Deferred Charges:			
Operating Deficit	D-4	-	173,752.64
Total Operating Fund		<u>1,228,467.29</u>	<u>1,364,299.99</u>
Capital Fund:			
Cash	SD-1&SD-2	2,467,140.30	1,551,015.96
Fixed Capital	SD-5	51,895,260.76	51,895,260.76
Fixed Capital Authorized and Uncompleted	SD-6	25,864,512.94	24,525,012.94
State Loans Receivable	SD-7	225,446.00	451,208.00
Total Capital Fund		<u>80,452,360.00</u>	<u>78,422,497.66</u>
Total Assets		<u>\$ 81,680,827.29</u>	<u>\$ 79,786,797.65</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, 2019 and 2018

	<u>REFERENCE</u>	<u>2019</u>	<u>2018</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves	D-5 & SD-8	\$ 107,115.60	\$ 16,027.94
Reserve for Encumbrances	SD-9	322,652.78	183,341.41
Prepaid Utility Rents	SD-10	18,551.79	10,784.54
Accrued Interest Payable	SD-11	201,933.21	227,077.41
Total Liabilities		650,253.38	437,231.30
Reserve for Receivables	D	51,713.87	36,126.93
Fund Balance	D-1	526,500.04	890,941.76
Total Operating Fund		1,228,467.29	1,364,299.99
Capital Fund:			
Serial Bonds	SD-22	\$ 10,395,000.00	\$ 9,895,000.00
Bond Anticipation Notes Payable	SD-23	-	980,696.00
New Jersey Environmental Infrastructure Trust Loans Payable	SD-20	11,021,486.14	11,718,132.57
Improvement Authorizations:			
Funded	SD-12	1,284,427.50	744,252.35
Unfunded	SD-12	100,243.00	99,910.38
Contracts Payable	SD-13	258,663.41	101,164.34
Capital Improvement Fund	SD-14	18,759.73	28,484.73
Reserves for:			
Amortization	SD-15	51,286,380.51	48,771,031.08
Payment of Bonds	SD-16	610,320.06	606,746.56
Payment of Bond Anticipation Notes	SD-17	-	60,775.00
Payment of Loans	SD-18	457,919.92	457,919.92
Deferred Amortization	SD-19	4,955,168.05	4,955,168.05
Due to Utility Operating Fund	D	60,775.00	
Fund Balance	D-2	3,216.68	3,216.68
Total Capital Fund		80,452,360.00	78,422,497.66
Total Liabilities, Reserves and Fund Balance		\$ 81,680,827.29	\$ 79,786,797.65

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, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenue and Other Income Realized:		
Operating Fund Balance Utilized	\$ 623,900.00	\$ 100,000.00
Rents	6,150,692.98	6,158,988.06
Utility Capital Reserve for Payment of Notes	60,775.00	-
Miscellaneous	253,547.31	89,333.84
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	11,968.42	2,775.90
Prior Year Encumbrances Canceled	<u>2,377.00</u>	<u>630.00</u>
Total Revenue and Other Income Realized	<u>7,103,260.71</u>	<u>6,351,727.80</u>
Expenditures:		
Operating	3,476,647.36	3,356,200.00
Capital Outlay	60,775.00	-
Debt Service	2,967,627.43	3,004,280.44
Deferred Charges and Statutory Expenditures	<u>338,752.64</u>	<u>165,000.00</u>
Total Expenditures	<u>6,843,802.43</u>	<u>6,525,480.44</u>
Excess (Deficit) in Revenue	259,458.28	<u>(173,752.64)</u>
Fund Balance January 1	<u>890,941.76</u>	<u>990,941.76</u>
	1,150,400.04	990,941.76
Decreased by:		
Utilization by Water Operating Budget	<u>623,900.00</u>	<u>100,000.00</u>
Fund Balance December 31	<u><u>\$ 526,500.04</u></u>	<u><u>\$ 890,941.76</u></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, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Balance January 1	\$ 3,216.68	\$ -
Increased By:		
Premium Received on Bond Anticipation Notes Issued	<u> </u>	<u>3,216.68</u>
	3,216.68	3,216.68
Decreased by:		
Anticipated as Revenue in Utility Operating Budget	<u>-</u>	<u>-</u>
Balance December 31	<u><u>\$ 3,216.68</u></u>	<u><u>\$ 3,216.68</u></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, 2019

	<u>Budget</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Fund Balance Anticipated	\$ 623,900.00	\$ 623,900.00	
Rents	6,084,500.00	6,150,692.98	\$ 66,192.98
Utility Capital Reserve for Payment of Notes	60,775.00	60,775.00	
Miscellaneous	<u>85,000.00</u>	<u>253,547.31</u>	<u>168,547.31</u>
Total	<u>\$ 6,854,175.00</u>	<u>\$ 7,088,915.29</u>	<u>\$ 234,740.29</u>

Analysis of Realized Revenues

Rents:

Consumer Accounts Receivable:

Rents Collected	\$ 6,150,692.98
Liens Collected	<u>-</u>
Total	<u>\$ 6,150,692.98</u>

Miscellaneous:

Penalty on Delinquent Accounts	\$ 30,306.36
Interest on Investments	29,942.30
Meters	10,550.00
Taps	7,250.00
Connection Fees (Sewer)	118,000.00
Connection Fees (Water)	57,000.00
Road Restoration	200.00
Sludge Removal	132.75
Restitution	<u>165.90</u>
	<u>\$ 253,547.31</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 Expenditures - Regulatory Basis
For the Year Ended December 31, 2019

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
			<u>Paid or Charged</u>	<u>Reserve For Encumbrances</u> <u>Reserved</u>	
Operating:					
Salaries and Wages	\$ 793,317.82	\$ 793,317.82	\$ 695,866.40	\$ 97,451.42	
Other Expenses	2,683,329.54	2,683,329.54	2,359,753.84	322,652.78	922.92
Capital Improvement Fund	60,775.00	60,775.00	60,775.00	-	
Debt Service:					
Payment of Bond/Loan Principal	1,600,000.00	1,600,000.00	1,600,000.00		\$ -
NJEIT Principal	697,000.00	697,000.00	696,646.43		353.57
Payment of Note Principal	153,000.00	153,000.00	152,703.00		297.00
Interest on Bonds & Loans	505,000.00	505,000.00	500,988.56		4,011.44
Interest on Notes	23,000.00	23,000.00	17,289.44		5,710.56
Deferred Charges and Statutory Expenditures:					
Deferred Charge:					
Operating Deficit	173,752.64	173,752.64	173,752.64		-
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	60,000.00	60,000.00	53,201.29	6,798.71	
New Jersey Disability Insurance	5,000.00	5,000.00	3,057.45	1,942.55	
PERS	100,000.00	100,000.00	100,000.00	-	
Total	\$ 6,854,175.00	\$ 6,854,175.00	\$ 6,414,034.05	\$ 322,652.78	\$ 10,372.57
Interest on Bonds			\$ 500,988.56		
Interest on Notes			17,289.44		
Deferred Charges			173,752.64		
Disbursed			5,722,003.41		
			\$ 6,414,034.05		

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, 2019

	Balance Dec. 31, 2018	Additions/ Adjustments	Deletions	Balance Dec. 31, 2019
General Fixed Assets				
Land	\$ 3,080,100.00			\$ 3,080,100.00
Building	9,280,754.00			9,280,754.00
Equipment	6,763,139.14	110,883.00	78,226.78	6,795,795.36
			t	
Total General Fixed Assets	<u>\$ 19,123,993.14</u>	<u>\$ 110,883.00</u>	<u>\$ 78,226.78</u>	<u>\$ 19,156,649.36</u>
 Total Investments in General Fixed Assets	 <u>\$ 19,123,993.14</u>	 <u>\$ 110,883.00</u>	 <u>\$ 78,226.78</u>	 <u>\$ 19,156,649.36</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, 2019 AND 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Description of Financial Reporting Entity

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

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

Component Units

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

B. Description of Funds

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

Current Fund

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

Trust Funds

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

General Capital Funds

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

Water and Sewer Utility Operating and Capital Funds

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

Water and Sewer Utility Assessment Trust Fund

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

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(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, 2019 AND 2018
(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, 2019 and 2018.

	Balance 12/31/2018	Additions	Adjustments/ Deletions	Balance 12/31/2019
Land	\$ 3,080,100.00			3,080,100.00
Buildings and Improvements	9,280,754.00			9,280,754.00
Machinery and Equipment	6,763,139.14	110,883.00	78,226.78	6,795,795.36
Total General Fixed Assets	\$ 19,123,993.14	110,883.00	78,226.78	19,156,649.36

	Balance 12/31/2017	Additions	Adjustments/ Deletions	Balance 12/31/2018
Land	\$ 3,080,100.00	-	-	3,080,100.00
Buildings and Improvements	9,280,754.00	-	-	9,280,754.00
Machinery and Equipment	6,405,092.14	759,028.00	400,981.00	6,763,139.14
Total General Fixed Assets	\$ 18,765,946.14	759,028.00	400,981.00	19,123,993.14

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, 2019 AND 2018
(CONTINUED)

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

Deferred Charges

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

Property Tax Revenues

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

Reserve for Uncollected Taxes

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

D. Required Financial Statements

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

E. Comparative Data

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

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(CONTINUED)

F. Recent Accounting Pronouncements Not Yet Effective

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, “Leases”. This statement is effective for fiscal periods beginning after December 15, 2019, will not have any effect on the Town’s financial reporting.

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89, “Accounting for Interest Costs Incurred before the End of a Construction Period”. This statement is effective for fiscal periods beginning after December 15, 2019, will not have any effect on the Town’s financial reporting.

In May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, “Conduit Debt Obligations”. This statement is effective for fiscal periods beginning after December 15, 2020, will not have any effect on the Town’s financial reporting.

In January 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 92, “Omnibus 2020”. This statement is effective for fiscal periods beginning after June 15, 2020, with the exception of the provisions affecting GASB 87 which is effective upon issuance, will not have any effect on the Town’s financial reporting.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 93, “Replacement of Interbank Offered Rates”. This statement is effective for fiscal periods beginning after June 15, 2020, will not have any effect on the Town’s financial reporting.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 94, “Public-Private Partnerships and Availability Payment Arrangements”. This statement is effective for fiscal periods beginning after June 15, 2022, will not have any effect on the Town’s financial reporting.

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 95, “Postponement of the Effective Dates of Certain Authoritative Guidance”. This statement is effective upon issuance and will not have any effect on the Town’s financial reporting.

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, “Subscription-Based Information Technology Arrangements”. This statement is effective for fiscal periods beginning after June 15, 2022 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 2019 and 2018 statutory budgets included a reserve for uncollected taxes in the amount of \$1,125,576.90 and \$1,119,408.47, respectively. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2019 and 2018 statutory budgets was \$1,784,953.00 and \$1,600,000.00, 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 2019 and 2018 calendar years:

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(CONTINUED)

	<u>2019</u>	<u>2018</u>
Legal		
Other Expenses	\$ 16,000	31,000
Streets Lighting		
Other Expenses		(31,000)
Group Insurance Plan	(78,800)	
Police		
Salaries and Wages	18,126	
Other Expenses	24,000	

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 2019 and 2018 calendar years:

	<u>2019</u>	<u>2018</u>
ANJEC Grant	\$	1,500.00
Neighborhood Preservation Program	125,000.00	
Atlantic County Municipal Alliance	17,113.00	
Drunk Driving Enforcement Funds	10,251.36	
Body Armor Replacement Fund	3,138.96	
Pedestrian Safety, Education & Enforcement Fund		9,950.00
Community Development Block Grant		83,940.00
Drive Sober or Get Pulled Over	5,500.00	
Clean Communities Grant	38,865.78	34,602.54

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. No emergency authorizations were adopted in 2019 or 2018.

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, 2019, \$146,123.96 of the municipality's bank balance of \$10,618,495.77 was exposed to custodial credit risk. As of December 31, 2018, \$128,082.29 of the municipality's bank balance of \$9,734,078.58 was exposed to custodial credit risk.

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(CONTINUED)

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 Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Town, and are held by either the counterparty or the counterparty's trust department or agent but not in the Town's name. All of the Town's \$396,123.96 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, 2019 AND 2018
(CONTINUED)

Investment Type	Maturities	Moody's Credit Rating	Cost Amount	Fair Value Amount
U.S. Government Obligations	N/A	N/A	3,687.70	3,687.70
FHLMC	8/12/2021	AAA	2,984.76	2,977.86
FHLMC	4/20/2020	AAA	3,986.32	3,996.80
FHLMC	2/16/2021	AAA	3,989.44	4,034.28
FHLMC	1/17/2020	AAA	4,994.86	4,999.50
FNMA	9/6/2022	AAA	7,972.16	7,947.36
FNMA	1/11/2022	AAA	2,997.84	3,060.69
FNMA	10/7/2021	AAA	2,994.96	2,988.60
FNMA	4/12/2022	AAA	2,990.16	3,044.88
FNMA	9/12/2023	AAA	2,987.70	3,131.58
FNMA	2/28/2020	AAA	2,998.08	2,999.43
Federal Farm Credit Bks	5/8/2020	AAA	5,001.30	4,998.35
Federal Farm Credit Bks	4/1/2021	AAA	2,017.00	2,004.64
Federal Farm Credit Bks	11/27/2020	AAA	4,991.30	5,014.65
Federal Farm Credit Bks	7/17/2023	AAA	2,002.64	2,085.02
Federal Home Loan Bks	2/12/2021	AAA	6,930.91	7,060.27
Tennessee Valley Authority	3/15/2020	AAA	1,995.68	2,002.60
US Treas Bds	8/15/2021	AAA	5,796.56	4,416.56
US Treas Bds	8/15/2022	AAA	2,720.94	2,288.98
US Treas Bds	8/15/2023	AAA	1,313.59	1,161.68
US Treas Bds	2/15/2020	AAA	5,634.69	4,032.40
US Treas Bds	2/15/2022	AAA	3,330.24	3,862.84
US Treasury Note	7/31/2021	AAA	1,989.69	1,985.08
US Treasury Note	9/30/2021	AAA	2,971.29	2,975.85
US Treasury Note	10/31/2021	AAA	1,987.58	1,987.96
US Treasury Note	1/31/2021	AAA	2,941.05	2,991.69
US Treasury Note	2/15/2020	AAA	2,994.26	2,998.95
US Treasury Note	8/31/2020	AAA	983.67	998.32
US Treasury Note	4/15/2020	AAA	4,992.58	4,998.65
US Treasury Note	8/15/2022	AAA	2,991.33	2,993.43
US Treasury Note	8/15/2026	AAA	4,862.11	4,903.30
US Treasury Note	9/30/2024	AAA	996.13	991.68
US Treasury Note	2/15/2026	AAA	15,047.97	14,868.15
US Treasury Note	5/15/2026	AAA	5,840.90	5,939.28
US Treasury Note	8/15/2022	AAA	3,994.22	4,003.76
US Treasury Note	8/15/2029	AAA	3,919.81	3,899.84
US Treasury Note	10/31/2023	AAA	2,966.48	2,997.30
US Treasury Note	11/15/2022	AAA	1,950.78	2,001.48
US Treasury Note	3/31/2022	AAA	3,964.06	4,015.00
Subtotal (Carried Forward)			\$ 149,712.74	\$ 147,346.39

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(CONTINUED)

Investment Type	Maturities	Moody's Credit Rating	Cost Amount	Fair Value Amount
Subtotal (Brought Forward)			149,712.74	147,346.39
US Treasury Note	5/15/2022	AAA	1,859.14	2,007.34
US Treasury Note	5/15/2023	AAA	2,757.42	3,011.61
US Treasury Note	2/28/2022	AAA	7,068.63	7,042.91
US Treasury Note	8/31/2022	AAA	2,003.59	2,014.68
US Treasury Note	11/30/2021	AAA	11,907.66	12,069.84
US Treasury Note	2/15/2023	AAA	2,920.12	3,035.16
US Treasury Note	2/15/2025	AAA	8,816.60	9,130.05
US Treasury Note	4/30/2024	AAA	3,018.05	3,041.13
US Treasury Note	8/15/2025	AAA	12,724.97	13,178.23
US Treasury Note	10/31/2022	AAA	3,044.41	3,032.94
US Treasury Note	11/15/2021	AAA	6,968.90	7,055.23
US Treasury Note	5/15/2025	AAA	8,970.27	9,185.67
US Treasury Note	6/30/2022	AAA	4,072.81	4,052.80
US Treasury Note	11/30/2024	AAA	2,034.22	2,040.86
US Treasury Note	2/15/2027	AAA	10,976.84	11,308.99
US Treasury Note	3/31/2026	AAA	10,945.43	11,303.38
US Treasury Note	8/15/2027	AAA	4,938.87	5,142.80
US Treasury Note	11/15/2024	AAA	1,004.84	1,026.21
US Treasury Note	11/15/2025	AAA	9,257.86	9,245.07
US Treasury Note	11/15/2027	AAA	14,263.09	15,426.60
US Treasury Note	5/15/2027	AAA	7,089.51	7,261.17
US Treasury Note	8/15/2024	AAA	4,124.30	4,122.52
US Treasury Note	12/31/2020	AAA	13,083.28	13,091.91
US Treasury Note	2/28/2026	AAA	9,508.20	9,379.35
US Treasury Note	5/15/2024	AAA	13,129.69	13,451.49
US Treasury Note	8/15/2023	AAA	10,789.92	11,329.56
US Treasury Note	1/31/2026	AAA	4,051.56	4,195.80
US Treasury Note	5/15/2020	AAA	979.18	1,006.02
US Treasury Note	11/15/2020	AAA	4,662.78	5,042.00
US Treasury Note	2/15/2024	AAA	1,013.05	1,043.09
US Treasury Note	2/15/2028	AAA	2,943.75	3,198.39
US Treasury Note	4/30/2023	AAA	3,136.17	3,108.63
US Treasury Note	11/15/2023	AAA	1,001.33	1,040.82
US Treasury Note	5/15/2028	AAA	3,987.85	4,308.28
US Treasury Note	8/15/2028	AAA	6,846.37	7,549.64
US Treasury Note	11/30/2023	AAA	1,049.06	1,045.98
US Treasury Note	5/15/2021	AAA	4,989.26	5,102.15
US Treasury Note	11/15/2028	AAA	11,295.43	12,102.97
US Treasury Note	2/15/2020	AAA	4,041.56	4,009.28
US Treasury Note	5/15/2020	AAA	2,894.06	2,051.02
Private Export Funding	11/15/2024	AAA	1,997.34	1,986.00
			<u>\$ 391,880.11</u>	<u>\$ 396,123.96</u>

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

NOTE 5: LONG-TERM DEBT

Summary of Municipal Debt

	<u>Year 2019</u>	<u>Year 2018</u>	<u>Year 2017</u>
Issued:			
General:			
Bonds, Loans and Notes	\$ 15,756,772.38	16,469,902.46	16,469,902.46
Water and Sewer Utility:			
Bonds, Loans and Notes	21,416,486.14	22,593,828.57	25,019,075.00
Assessment Bonds		-	-
Total Issued	<u>37,173,258.52</u>	<u>39,063,731.03</u>	<u>41,488,977.46</u>
Authorized but not issued:			
General:			
Bonds, Loans and Notes	25,477.00	11,581.00	6,200.86
Water and Sewer Utility:			
Bonds, Loans and Notes	<u>101,339.00</u>	<u>99,846.00</u>	<u>3,141,271.29</u>
Total Authorized but not Issued	<u>126,816.00</u>	<u>111,427.00</u>	<u>3,147,472.15</u>
Total Issued and Authorized but not issued	<u>37,300,074.52</u>	<u>39,175,158.03</u>	<u>44,636,449.61</u>
Deductions:			
Reserve for Payment of Debt			
Self-Liquidating Debt	<u>21,517,825.14</u>	<u>20,417,445.00</u>	<u>28,160,346.29</u>
Total Deductions	<u>21,517,825.14</u>	<u>20,417,445.00</u>	<u>28,160,346.29</u>
Net Debt	<u>\$ 15,782,249.38</u>	<u>18,757,713.03</u>	<u>16,476,103.32</u>

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Summary of Regulatory Debt Condition – Annual Debt Statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a regulatory net debt of 1.114%

	Gross Debt	Deductions	Net Debt
Local School District	\$ 19,799,000.00	19,799,000.00	-
Water & Sewer Utility	21,517,825.14	21,517,825.14	-
General	15,782,249.38	-	15,782,249.38
Total	<u>57,099,074.52</u>	<u>41,316,825.14</u>	<u>15,782,249.38</u>

Net debt \$15,782,249.38 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$1,416,599,087.00 = 1.114%.

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

3 1/2% of Equalized Valuation Basis	\$ 49,580,968.05
Net Debt	15,782,249.38
Remaining Borrowing Power	<u>\$ 33,798,718.67</u>

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

Description of Bonds and Loans Payable

At December 31, 2019, bonds payable in the General Capital Fund consisted of the following individual issues:

\$7,450,000.00 General Improvement Bonds dated May 14, 2009, due in annual installments through January 15, 2024 bearing interest at various rates from 3.50% to 4.25% per annum. \$6,500,000.00 of these bonds were refunded in May of 2017. The balance remaining as of December 31, 2019, is \$0.00.

\$9,025,000.00 Refunding Bonds, Series 2016 dated 5/11/16 payable in annual installments through 2/1/24. Interest is paid semiannually at varying rates from 2.00% to 5.00% per annum. These bonds were issued to advance refund the callable portion of the General Improvement Bonds, Series 2007 and a portion of 2009. The bonds that were called had maturities from 2/1/2017 to 2/1/2024 in the total amount of \$9,525,000. The balance remaining on the issue as of December 31, 2019 was \$7,040,000.00.

\$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, 2019, is \$7,180,000.00.

\$400,000.00 State of New Jersey Green Trust Loans dated February 28, 2004 & March 26, 2012 and February 11, 2016, due in semi-annual installments beginning in 2004 through 2033, bearing interest at various rates. The balance remaining as of December 31, 2019, is \$878,613.38.

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At December 31, 2019, bonds payable in the Water and Sewer Utility Fund consisted of the following individual issues:

\$1,985,000.00 Water and Sewer Bonds dated May 14, 2009, due in annual installments through January 15, 2024 bearing interest at various rates from 3.50% to 4.25% per annum. A portion of these bonds were refunded in May of 2016. The balance remaining as of December 31, 2019, is \$0.00.

\$4,705,000.00 Water and Sewer Refunding Bonds dated March 14, 2009, due in annual installments through July 1, 2016 bearing interest at various rates from 3.50% to 4.00% per annum. The balance remaining as of December 31, 2019, is \$965,000.00.

\$3,395,000.00 Water and Sewer Refunding Bonds dated June 28, 2012, due in annual installments through March 1, 2024 bearing interest at various rates from 3.50% to 4.00% per annum. The balance remaining as of December 31, 2019, is \$2,105,000.00.

\$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, 2019 was \$5,225,000.00.

\$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, 2019, is \$2,100,000.00.

\$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, 2019, is \$11,021,486.14.

Changes in Long-Term Debt

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

	Outstanding 12/31/2018	Issues or Additions	Payments or Expenditures	Outstanding 12/31/2019	Due in One Year
General Capital Fund:					
Bonds Payable	\$ 8,260,000.00	7,180,000.00	1,220,000.00	14,220,000.00	1,745,000.00
Green Trust Loans	939,406.86	-	60,793.48	878,613.38	62,015.43
Compensated Absences	290,747.50	27,287.21		318,034.71	
Water and Sewer Utility Fund:					
Bonds Payable	9,895,000.00	2,100,000.00	1,600,000.00	10,395,000.00	1,745,000.00
NJEIT	11,718,132.57	-	696,646.43	11,021,486.14	581,464.04
Total All Funds	\$ 31,103,286.93	9,307,287.21	3,577,439.91	36,833,134.23	4,133,479.47

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

Year Ending December 31,	General Capital Fund Principal	Interest	Total All Debt Service
2020	1,807,015.43	538,879.78	2,345,895.21
2021	1,888,261.94	465,329.74	2,353,591.68
2022	1,954,533.51	385,308.16	2,339,841.67
2023	2,065,830.64	298,011.02	2,363,841.66
2024	2,162,490.08	206,337.84	2,368,827.92
2025-2029	4,132,285.90	460,860.02	4,593,145.92
2030-2033	1,088,195.88	29,852.65	1,118,048.53
Total	<u>15,098,613.38</u>	<u>2,384,579.21</u>	<u>17,483,192.59</u>

Year Ending December 31,	Water and Sewer Utility Principal	Interest	Total All Debt Service
2020	2,456,646.73	501,754.41	2,958,401.14
2021	1,931,646.73	430,963.78	2,362,610.51
2022	1,741,646.73	365,113.78	2,106,760.51
2023	1,831,646.73	309,363.78	2,141,010.51
2024	1,886,646.43	250,338.78	2,136,985.21
2025-2029	5,746,890.84	805,618.90	6,552,509.74
2030-2034	4,858,895.51	299,638.86	5,158,534.37
2035-2036	962,466.44	12,437.50	974,903.94
Total	<u>21,416,486.14</u>	<u>2,975,229.79</u>	<u>24,391,715.93</u>

NOTE 6: SHORT TERM FINANCING

	Balance 12/31/2018	Additions	Reductions	Balance 12/31/2019
BANs - General	\$ 7,237,175.00	6,431,166.00	13,010,092.00	658,249.00
BANs - Utility	980,696.00	827,993.00	1,808,689.00	-
Total BANs	<u>\$ 8,217,871.00</u>	<u>7,259,159.00</u>	<u>14,818,781.00</u>	<u>658,249.00</u>

	Balance 12/31/2017	Additions	Reductions	Balance 12/31/2018
BANs - General	\$ 5,940,990.00	7,237,085.00	5,940,900.00	7,237,175.00
BANs - Utility	1,134,296.00	980,696.00	1,134,296.00	980,696.00
Total BANs	<u>\$ 7,075,286.00</u>	<u>8,217,781.00</u>	<u>7,075,196.00</u>	<u>8,217,871.00</u>

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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, 2019, the Town estimates this liability to be approximately \$318,034.71 based on 2019 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 12/31/2019	Balance 12/31/2018
Prepaid Taxes	\$ 579,458.96	587,776.99
Cash Liability for Taxes Collected in Advance	579,458.96	587,776.99

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.

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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, 2019, 2018 and 2017 were \$280,622, \$272,481, and \$267,095 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, 2019, 2018 and 2017 were \$663,357, \$605,649, and \$606,278 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.

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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, 2019:

Public Employees' Retirement System

The Town has a liability of \$5,220,941 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 that was rolled forward to June 30, 2019. 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, 2019, the Town's proportion is 0.0289754729%, which was a decrease of 1.97% from its proportion measured as of June 30, 2018.

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For the year ended December 31, 2019, the Town would have recognized pension expense of \$173,966. At December 31, 2018, 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	\$ 521,330.00	1,812,172.00
Difference in expected and actual experience	93,709.00	23,064.00
Net difference between projected and actual earnings on pension plan investments		82,415.00
Changes in proportion and differences between Town contributions and proportionate share of contributions	144,633.00	256,060.00
Total	<u>\$ 759,672.00</u>	<u>2,173,711.00</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,	
2020	\$ 163,653
2021	530,887
2022	474,051
2023	222,592
2024	22,856
Total	<u>\$ 1,414,039</u>

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases:	
Through 2026	2.00% – 6.00% (based on years of service)
Thereafter	3.00% - 7.00% (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 200 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%

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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 base on the Pub-2010 Non-Safety Disabled 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-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) 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, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk mitigation strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
US equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 70% 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 projected future benefit payments of current plan members through 2057. Therefore, the

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long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.28%, as well as what the Municipality's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.28%) or 1-percentage point higher (7.28%) than the current rate:

	1% Decrease (5.28%)	Current Discount Rate (6.28%)	1% Increase (7.28%)
Town's proportionate share of the net pension liability	\$ 6,265,995	5,220,941	4,341,358

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 \$8,684,193 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as July 1, 2018 that was rolled forward to June 30, 2019. 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, 2019, the Town's proportion is 0.07096193260%, which is an increase of 0.61% from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the Town would have recognized pension expense of \$692,606. At December 31, 2019, 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	\$ 297,568.00	2,806,652.00
Difference in expected and actual experience	73,306.00	54,981.00
Net difference between projected and actual earnings on pension plan investments		117,668.00
Changes in proportion and differences between Town contributions and proportionate share of contributions	351,866.00	442,604.00
Total	<u>\$ 722,740.00</u>	<u>3,421,905.00</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:

TOWN OF HAMMONTON
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Year ended June 30,		
2020	\$	471,111
2021		988,938
2022		700,375
2023		345,237
2024		193,504
Total	\$	<u>2,699,165</u>

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation rate

Price 2.75%

Wage 3.25%

Salary increases:

Through all future years 3.25% - 15.25% (based on years of service)

Investment rate of return: 7.00%

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% 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 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152% adjustment for males and 109/3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) 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.

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
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Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk mitigation strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
US equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

Discount Rate

The discount rate used to measure the total pension liability was 6.85% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be made based 70% of the actuarially determine 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 projected future benefit payments of current plan members through 2076. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2076, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2019, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
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	1% Decrease (5.85%)	Current Discount Rate (6.85%)	1% Increase (7.85%)
Town's proportionate share of the net pension liability	\$ 11,376,365	8,684,193	6,456,246

In addition to the PFRS liabilities listed above, a special funding situation exists for the Local employers of the Police and Fire Retirement System of New Jersey. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers under Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The June 30, 2018 State special funding situation net pension liability amount of \$1,932,374,825, 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, 2019 State special funding situation pension expense of \$224,526,138 is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2019. 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 2019, the State contributed an amount less than the actuarially determined amount.

Although the liabilities related to the special funding situation are the liabilities of the State of New Jersey, the proportionate share of the statewide liability allocated to the Town was 0.07096193260% for 2019. The net pension liability amount allocated to the Town was \$1,371,251.00. For the fiscal year ending June 30, 2019 State special funding situation pension expense of \$159,328.00 is allocated to the Town.

Pension plan fiduciary net position.

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

NOTE 11: 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) Comprehensive Annual Financial Report (CAFR), 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.

TOWN OF HAMMONTON
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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;

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 Town 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, where applicable, and the nonspecial funding situation, the Collective Total OPEB liabilities for the year ended June 30, 2019 were \$5,637,151,775 and \$8,182,092,807, 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, 2018 through June 30, 2019. 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, 2019 is as follows:

TOWN OF HAMMONTON
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	June 30, 2019	
	Collective Total	Proportionate Share
Total OPEB Liability	\$ 13,819,244,582	\$ 12,851,621
Plan Fiduciary Net Position	273,173,482	254,046
Net OPEB Liability	<u>\$ 13,546,071,100</u>	<u>\$ 12,597,575</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.98%	1.98%

At June 30, 2019 the Town's proportionate share of the Collective Net OPEB Liability was \$12,597,575. The Town's proportion of the Collective Net OPEB Liability was 0.092998% which was a decrease from the prior year of 5.58%.

For the Year ended June 30, 2019 the Town's Total OPEB Expense was \$485,210.

The total OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. 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:

Inflation rate	2.50%
Salary increases*:	
PERS Initial fiscal year applied	
Rate through 2026	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%
PFRS	
Rate for all future years	3.25% to 15.25%

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

Mortality:

PERS: Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019

PFRS: Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019

Actuarial assumptions used in the July 1, 2018 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
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Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years.

Discount Rate

The discount rate for June 30, 2019 was 3.50%. This represents the municipal bond return rate as chosen by the State. The source is 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.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the Net OPEB liability as of June 30, 2019, 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 (2.50%)		Discount Rate (3.50%)		1% Increase (4.50%)
<hr/>						
Collective						
Net OPEB Liability	\$	15,662,704,137	\$	13,546,071,100	\$	11,826,026,995
Proportionate Share						
Net OPEB Liability	\$	14,566,001	\$	12,597,575	\$	10,997,968

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

The following presents the net OPEB liability as of June 30, 2019, 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:

TOWN OF HAMMONTON
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		<u>1% Decrease</u>		<u>Healthcare Cost Trend Rate</u>		<u>1% Increase</u>
Collective						
Net OPEB Liability	\$	11,431,214,644	\$	13,546,071,100	\$	16,243,926,531
Proportionate Share						
Net OPEB Liability	\$	10,630,801	\$	12,597,575	\$	15,106,527

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

At June 30, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to retired employees' OPEB from the following sources:

	<u>Collective Totals</u>		<u>Proportionate Share</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$	\$ (3,961,399,180)	\$	\$ (3,684,022)
Changes of assumptions		(4,800,426,301)		(4,464,300)
Net difference between projected and actual earnings on OPEB plan investments		11,158,226		10,377
Changes in proportion and differences between contributions and proportionate share of contributions			217,419	(2,345,045)
Total	\$	<u><u>(8,761,825,481)</u></u>	\$	<u><u>(10,493,367)</u></u>

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:

<u>Year ended June 30,</u>		<u>Collective Totals</u>		<u>Proportionate Share</u>
2020	\$	(1,425,201,517)	\$	(1,671,930)
2021		(1,425,201,517)		(1,671,930)
2022		(1,426,076,187)		(1,672,957)
2023		(1,427,489,995)		(1,674,615)
2024		(1,428,781,861)		(1,676,131)
Thereafter		(1,617,916,178)		(1,898,008)
Total	\$	<u><u>(8,750,667,255)</u></u>	\$	<u><u>(10,265,571)</u></u>

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

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
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Collective OPEB Expenses reported by the State of New Jersey

The components of allocable OPEB Expense related to specific liabilities of individual employers for the year ending June 30, 2019 are as follows:

Service cost	\$ 666,574,660
Interest on Total OPEB Liability	636,082,461
Expected Investment Return	(11,286,267)
Administrative Expenses	9,478,435
Changes of Benefit Terms	(1,903,958)
Current Period Recognition (Amortization) of Deferred Inflow s/ Outflow s of Resources:	
Differences between Expected and Actual Experience	(619,405,071)
Changes in Assumptions	(809,376,790)
Differences between Projected and Actual Investment Earnings on OPEB Plan Investments	3,580,344
Total Collective OPEB Expense	\$ <u>(126,256,186)</u>

Schedule of Town's Share of Net OPEB Liability

	<u>2018</u>	<u>2019</u>
Town's Proportionate Share of Net OPEB Liability	0.098491%	0.092998%
Town's Share of Net OPEB Liability	\$ 15,430,209	12,597,575
Town's Covered Payroll	4,414,529	4,336,991
Town's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered-Employee Payroll	349.53%	290.47%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.97%	1.97%

NOTE 12: PROPERTY TAXES

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

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

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

TOWN OF HAMMONTON
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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	Budget of Succeeding Year	Percent Utilized
Current Fund	2019	\$ 2,785,902.57	1,775,000.00	63.71%
	2018	2,699,930.21	1,784,953.00	66.11%
	2017	2,237,075.08	1,600,000.00	71.52%
	2016	1,464,806.42	1,304,700.00	89.07%
	2015	1,646,862.96	1,490,000.00	90.48%
	Year	Balance December 31st	Utilized in Budget of Succeeding Year	Percent Utilized
Utility Fund	2019	\$ 526,500.04	300,000.00	56.98%
	2018	890,941.76	623,900.00	70.03%
	2017	990,941.76	100,000.00	10.09%
	2016	818,855.74	315,000.00	38.47%
	2015	937,842.46	370,807.10	39.54%

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
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NOTE 15: INTERFUND BALANCES

As of December 31, 2019, the following interfunds were included on the balance sheets of the various funds of the Town of Hammonton:

	<u>Due from</u>	<u>Due to</u>
Current Fund:		
Grant Fund	\$	153,540.06
Animal Control Fund		
Trust Other		134,460.25
General Capital		
Grant Fund:		
Current Fund	153,540.06	
General Capital:		
Utility Operating Fund		700,000.00
Trust Fund:		
Current Fund	134,460.25	
Utility Operating Fund:		
General Capital Fund	700,000.00	
Utility Capital Fund	60,775.00	
Utility Capital Fund		
Utility Operating Fund:		60,775.00
	\$ <u>1,048,775.31</u>	<u>1,048,775.31</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.

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 2019 and 2018 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.

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
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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, 2019 and 2018 was \$16,287.65 and \$19,583.20 respectively.

NOTE 18: SANITARY LANDFILL ESCROW CLOSURE FUND

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

As of August 1988, the landfill reached its holding capacity. However, the escrow closure fund balance at December 31, 2019 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, 2019 and July 2, 2020 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.

SUPPLEMENTARY INFORMATION

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the various funds and account group as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Town's basic financial statements, and have issued our report thereon dated July 2, 2020, which was adverse due to being presented in accordance with the New Jersey regulatory basis of accounting.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

Purpose of this Report

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

Very truly yours,

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

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

July 2, 2020

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. 2019-001

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. 2018-001

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 2019. 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, 2019

	<u>CURRENT FUND</u>	<u>FEDERAL AND STATE GRANT FUND</u>
Balance December 31, 2018	\$ 3,825,029.52	\$ -
Increased by Receipts:		
Uniform Fire Safety Act	\$ 53,003.45	
Miscellaneous Revenue not Anticipated	122,918.48	
Taxes Receivable	36,200,443.05	
Tax Title Liens Receivable	42,733.71	
Revenue Accounts Receivable	3,102,041.95	
Prepaid Taxes	579,458.96	
Tax Overpayments	50,985.08	
Due from State of New Jersey - Tax Deductions	120,701.81	
Due to State of New Jersey - Vital Statistics	1,900.00	
Due from Animal Control Fund	138.17	
Due from Trust -- Other Funds	222,962.50	
Due from General Capital Fund	141,500.00	
Federal and State Grants Receivable		\$ 166,517.19
Matching Funds for Grants		26,505.00
Due from Current Fund	<u>104,919.84</u>	
Total Receipts	<u>40,743,707.00</u>	<u>193,022.19</u>
	44,568,736.52	193,022.19
Decreased by Disbursements:		
Refund of Landlord, Business Registration Fees	2,049.00	
Special Emergency Notes	72,820.60	
2019 Appropriations	12,323,582.58	
2018 Appropriation Reserves	321,792.68	
Reserve for Encumbrances	7,733.67	
Tax Overpayments	79,695.10	
Due to State of New Jersey - Vital Statistics	1,825.00	
Local District School Taxes	19,649,695.00	
Due County for Added and Omitted Taxes Payable	28,148.37	
County Taxes Payable	7,777,295.27	
Due from Trust -- Other Funds	209,843.75	
Due to General Capital Fund	6,082.91	
Reserve for Federal and State Grants - Appropriated		55,056.69
Reserve for Encumbrances - Federal and State Grants		33,045.66
Matching Funds for Grants	26,505.00	
Due to Federal and State Grant Fund	<u>104,919.84</u>	
Total Disbursements	<u>40,507,068.93</u>	<u>193,022.19</u>
Balance December 31, 2019	<u><u>\$ 4,061,667.59</u></u>	<u><u>\$ -</u></u>

TOWN OF HAMMONTON
Current Fund
Schedule of Cash - Collector/Treasurer (Cont'd)
For the Year Ended December 31, 2019

Reconciliation Dec. 31, 2019

OceanFirst Bank		
Account No. 0402017818	4,086,481.16	
Add: Deposit in Transit	240.00	
Less: Outstanding Checks per Permanent Record	<u>(25,053.57)</u>	4,061,667.59
Account No. 0402017615	\$ 56,974.81	
Add: Deposit in Transit	8,410.20	
Less: Outstanding Checks per Permanent Record	<u>(65,385.01)</u>	-
		<u></u>
Balance		<u>\$ 4,061,667.59</u>

Analysis of Balance Dec. 31, 2019

Current Fund	\$ 4,061,667.59
Federal and State Grant Fund	<u>-</u>
	<u>\$ 4,061,667.59</u>

TOWN OF HAMMONTON
Current Fund
Schedule of Change Funds
For the Year Ended December 31, 2019

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, 2019

<u>Year</u>	<u>Balance December 31, 2018</u>	<u>2019 Levy</u>	<u>Added Taxes</u>	<u>2018</u>	<u>Collections 2019</u>	<u>Due From State Of New Jersey</u>	<u>Overpayments Applied</u>	<u>Canceled</u>	<u>Transferred To Tax Title Liens</u>	<u>Balance December 31, 2019</u>
2017	\$ 577.68				\$ 577.68					\$ -
2018	2,473.15				2,473.15					-
	3,050.83	-	-	-	3,050.83	-	-	-	-	-
2019		\$ 37,133,014.32	\$ -	\$ 587,776.99	36,197,392.22	\$ 129,250.00	\$ -	\$ 45,189.96	\$ 167,061.00	6,344.15
Total	\$ 3,050.83	\$ 37,133,014.32	\$ -	\$ 587,776.99	\$ 36,200,443.05	\$ 129,250.00	\$ -	\$ 45,189.96	\$ 167,061.00	\$ 6,344.15
<u>Analysis of 2019 Property Tax Levy</u>										
Tax Yield:										
General Purpose Tax										
Added Taxes (54:4-63.1 et seq.)										
Total										
\$ 37,133,014.32										
Tax Levy:										
Local District School Tax										
County Tax										
County Library Tax										
County Health Services Tax										
County Open Space Preservation										
Due County for Added Taxes (54:4-63.1 et seq.)										
27,464,553.36										
Local Tax for Municipal Purposes										
Additional Tax Levies										
9,668,460.96										
Total										
\$ 37,133,014.32										

TOWN OF HAMMONTON
Current Fund
Schedule of Tax Title Liens
For the Year Ended December 31, 2019

Balance December 31, 2018		\$ 800,149.35
Increased by:		
Transfers from Taxes Receivable	\$ 167,061.00	
Tax Sale Interest and Costs	<u>2,248.95</u>	
		<u>169,309.95</u>
		969,459.30
Decreased by:		
Collections		<u>42,733.71</u>
Balance December 31, 2019		<u><u>\$ 926,725.59</u></u>

TOWN OF HAMMONTON
Current Fund
Schedule of Revenue Accounts Receivable
For the Year Ended December 31, 2019

	Balance December 31, <u>2018</u>	Accrued <u>In 2019</u>	<u>Collected</u>	Balance December 31, <u>2019</u>
Clerk:				
Alcoholic Beverage Licenses		\$ 12,988.80	\$ 12,988.80	
Other Licenses		6,175.00	6,175.00	
Street Opening Permits		62,588.50	62,588.50	
Tree Removal Permits		150.00	150.00	
Business Registration Certificates		18,397.50	18,397.50	
Landlord Registration Fees		51,750.00	51,750.00	
Lien Recording Fees		252.00	252.00	
Abandoned Property Registration Fees		239,250.00	239,250.00	
Freon Fees and Permits		180.00	180.00	
Fire Inspection Fees		8,470.00	8,470.00	
Property Maintenance Fees		5,746.33	5,746.33	
Rental of Polling Place		350.00	350.00	
Planning Board and Zoning Board		9,700.00	9,700.00	
Tax Assessor		594.00	594.00	
Police Department		3,442.63	3,442.63	
Use of Police Vehicles		26,565.00	26,565.00	
Municipal Court:				
Fines and Costs	\$ 13,245.65	253,972.11	250,634.84	\$ 16,582.92
Restitution		750.00	750.00	
Cancellation of Outstanding Check		602.10	602.10	
Interest and Costs on Taxes		79,270.44	79,270.44	
Board of Health Fees		28,379.17	28,379.17	
Airport Rental		73,954.22	73,954.22	
Uniform Construction Code Fees		249,580.00	249,580.00	
Cable TV Franchise Fee	48,583.92	49,135.31	48,583.92	49,135.31
Plymouth Place - Payment In-Lieu of Taxes		132,850.00	132,850.00	
Water Utility Management Fee		84,952.93	84,952.93	
Sewer Utility Management Fee		98,158.52	98,158.52	
Interlocal Agreement - School Police		170,000.00	170,000.00	
New Airport Hanger Lease		32,656.40	32,656.40	
New Airport Hanger Lease				
Relief Act		70,000.00	70,000.00	
Energy Receipts Tax		1,238,077.00	1,238,077.00	
Garden State Trust Fund		34,637.00	34,637.00	
Interest on Investments		62,355.65	62,355.65	
		<hr/>	<hr/>	
Total	<u>\$ 61,829.57</u>	<u>\$ 3,105,930.61</u>	<u>\$ 3,102,041.95</u>	<u>\$ 65,718.23</u>

TOWN OF HAMMONTON
Current Fund
Schedule of Deferred Charges
N.J.S.A. 40A:4-55 Special Emergency
For the Year Ended December 31, 2019

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Net Amount</u> <u>Authorized</u>	<u>1/5 Net Amount</u> <u>Authorized</u>	<u>Balance</u> <u>Dec. 31, 2018</u>	<u>Authorized</u> <u>in 2019</u>	<u>Raised in</u> <u>2019 Budget</u>	<u>Balance</u> <u>Dec. 31, 2019</u>
6/2/14	Revaluation Program	364,103.00	72,820.60	\$ 72,820.60		\$ 72,820.60	\$ -

TOWN OF HAMMONTON
Current Fund
Schedule of Special Emergency Notes Payable
For the Year Ended December 31, 2019

<u>Date Authorized</u>	<u>Purpose</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2018</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance Dec. 31, 2019</u>
6/2/14	Revaluation Program	10/31/2018	10/31/2019	2.10%	\$ 72,820.60		\$ 72,820.60	\$ -

TOWN OF HAMMONTON
Current Fund

Schedule of 2018 Appropriation Reserves
For the Year Ended December 31, 2019

	<u>Balance</u> <u>December 31, 2018</u>		<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Reserved</u>	<u>Encumbered</u>			
Administrative and Executive	\$ -	\$ 2,120.01	\$ -	\$ 1,858.34	\$ -
Salaries and Wages	449.55		2,150.56		292.22
Other Expenses					
Elections					
Other Expenses	935.20		0.20	-	0.20
Financial Administration					
Other Expenses	933.51	2,394.62	2,395.13	2,319.62	75.51
Assessment of Taxes					
Salaries and Wages	0.04		0.04	-	0.04
Other Expenses	83.82	1,936.12	2,019.94	2,019.77	0.17
Collection of Taxes					
Salaries and Wages	691.16		0.16	-	0.16
Other Expenses	14.63	2,911.66	11,916.29	11,605.00	311.29
Legal					
Other Expenses	3,693.76	49,693.74	53,387.50	48,771.59	4,615.91
Engineering					
Other Expenses	873.00	8,205.00	8,205.00	4,205.00	4,000.00
Public Buildings and Grounds					
Other Expenses	553.43	15,758.33	25,911.76	25,571.22	340.54
Electricity	1,022.29		1,022.29	-	1,022.29
Telephone	4,054.54		2,454.54	1,691.91	762.63
Municipal Land Use Law					
Planning Board					
Other Expenses	2,603.98	334.50	350.48	350.31	0.17
Historical Society:					
Other Expenses	1,578.64		1,578.64	-	1,578.64
Environmental Commission					
Other Expenses		1,390.00	1,390.00	1,390.00	-
Computer					
Salaries and Wages	442.43		0.43	-	0.43
Other Expenses	6,436.99	852.56	853.55	102.56	750.99
Insurance					
Group Insurance Plan for Employees	13,844.56		8,344.56	8,254.52	90.04
Temporary Disability Insurance	420.51	1,446.68	1,867.19	1,446.68	420.51

(Continued)

TOWN OF HAMMONTON
Current Fund

Schedule of 2018 Appropriation Reserves
For the Year Ended December 31, 2019

	<u>Balance</u>		<u>Balance</u>	<u>Paid or</u>	<u>Balance</u>
	<u>Reserved</u>	<u>Encumbered</u>	<u>After</u>	<u>Charged</u>	<u>Lapsed</u>
			<u>Transfers</u>		
<u>WITHIN "CAPS" (Cont'd)</u>					
Fire					
Other Expenses	16.75	46,148.59	46,165.34	46,149.35	15.99
State Fire Prevention Code					
Salaries and Wages	1,910.60		1,910.60	-	1,910.60
Other Expenses	913.31	1,500.00	2,413.31	2,413.31	-
Police					
Salaries and Wages	8,191.21		0.21	-	0.21
Other Expenses	120.26	21,419.37	21,539.63	17,797.13	3,742.50
Police Radio and Communications					
Other Expenses		1,580.00	1,580.00	1,526.96	53.04
Municipal Court					
Salaries and Wages	1,800.43		0.43	-	0.43
Other Expenses	1,248.52		1,248.52	1,248.52	-
Streets and Roads					
Salaries and Wages	3,039.52		0.52	-	0.52
Other Expenses	1,346.51	108,740.80	130,386.31	129,596.89	789.42
Street Lighting					
Other Expenses	235.21		235.21	-	235.21
Registrar of Vital Statistics					
Other Expenses	306.00		-	-	-
Recreation					
Salaries and Wages	1,945.08		0.08	-	0.08
Other Expenses	163.88	11,810.56	11,811.44	11,186.56	624.88
Property Maintenance Officer					
Other Expenses	266.00		-	-	-
Construction Code Official					
Salaries and Wages	884.24		0.24	-	0.24
Other Expenses	2,754.49	126.44	126.93	126.44	0.49

(Continued)

TOWN OF HAMMONTON

Current Fund

Schedule of 2018 Appropriation Reserves
For the Year Ended December 31, 2019

	<u>Balance</u> <u>December 31, 2018</u>		<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
<u>WITHIN "CAPS" (Cont'd)</u>	<u>Reserved</u>	<u>Encumbered</u>			
Celebration of Public Events			2,500.00		-
Other Expenses				2,500.00	
Municipal Airport					
Other Expenses	611.17	1,630.09	1,630.26	830.26	800.00
Defined Contribution Retirement System	47.87		47.87	-	47.87
Social Security System	1,013.87		0.87	-	0.87
Recycling Tax	849.80		849.80		-
Grand Total	\$ 66,296.76	\$ 279,999.07	\$ 346,295.83	\$ 323,811.74	\$ 22,484.09
Disbursed				\$ 321,792.68	
Reserve for Encumbrances				2,019.06	
				\$ 323,811.74	

TOWN OF HAMMONTON
Current Fund
Schedule of Reserve for Encumbrances
For the Year Ended December 31, 2019

Balance December 31, 2018		\$ 296,356.61
Increased by:		
2019 Appropriations	\$ 338,516.26	
2018 Appropriation Reserves	<u>2,019.06</u>	
		<u>340,535.32</u>
		636,891.93
Decreased by:		
Payments	7,733.67	
Transferred to Appropriation Reserves	279,999.07	
Canceled	<u>7,311.37</u>	
		<u>295,044.11</u>
Balance December 31, 2019		<u>\$ 341,847.82</u>

TOWN OF HAMMONTON
Current Fund
Schedule of Prepaid Taxes
For the Year Ended December 31, 2019

Balance December 31, 2018 (2019 Taxes)	\$ 587,776.99
Increased by:	
Collection of 2020 Taxes	<u>579,458.96</u>
	1,167,235.95
Decreased by:	
Application to 2019 Taxes	<u>587,776.99</u>
Balance December 31, 2019 (2020 Taxes)	<u><u>\$ 579,458.96</u></u>

Current Fund
Schedule of Tax Overpayments
For the Year Ended December 31, 2019

Balance December 31, 2018	\$ 2,899.31
Increased by:	
Overpayments in 2019	50,985.08
Prior Year Tax Appeal	<u>25,936.69</u>
	<u>76,921.77</u>
	79,821.08
Decreased by:	
Refunded	79,695.10
Applied	-
Encumbered	<u>-</u>
	<u>79,695.10</u>
Balance December 31, 2019	<u><u>\$ 125.98</u></u>

TOWN OF HAMMONTON**Current Fund**

Schedule of Due from State of New Jersey - Senior Citizen and Veterans' Deductions
For the Year Ended December 31, 2019

Balance December 31, 2018		\$ 32,288.62
Increased by:		
Deductions per Tax Billing	\$ 129,250.00	
2019 Deductions Allowed by Tax Collector	2,250.00	
2019 Deductions Disallowed by Tax Collector	<u>(2,250.00)</u>	
		<u>129,250.00</u>
		161,538.62
Decreased by:		
Collections		<u>120,701.81</u>
Balance December 31, 2019		<u><u>\$ 40,836.81</u></u>

EXHIBIT SA-13**Current Fund**

Schedule of Due State of New Jersey -- Vital Statistics
For the Year Ended December 31, 2019

Balance December 31, 2018		\$ 450.00
Increased by:		
Fees Collected		<u>1,900.00</u>
		\$ 2,350.00
Decreased by:		
Payments		<u>1,825.00</u>
Balance December 31, 2019		<u><u>\$ 525.00</u></u>

TOWN OF HAMMONTON
Current Fund
Schedule of Local District School Tax
For the Year Ended December 31, 2019

Balance December 31, 2018:		
School Tax Payable	\$ 0.26	
School Tax Deferred	<u>9,824,847.50</u>	\$ 9,824,847.76
Increased by:		
Levy - School Year July 1, 2019 to June 30, 2020		<u>19,649,695.00</u>
		29,474,542.76
Decreased by:		
Payments		<u>19,649,695.00</u>
Balance December 31, 2019:		
School Tax Payable	0.26	
School Tax Deferred	<u>9,824,847.50</u>	<u>\$ 9,824,847.76</u>
2019 Liability for Local School District Tax:		
School Tax Paid	\$ 19,649,695.00	
School Tax Payable - Dec. 31, 2019	<u>0.26</u>	\$ 19,649,695.26
Less:		
School Tax Payable - Dec. 31, 2018		<u>0.26</u>
Amount Charged to 2019 Operations		<u><u>\$ 19,649,695.00</u></u>

TOWN OF HAMMONTON**Current Fund**

Schedule of Due County for Added and Omitted Taxes

For the Year Ended December 31, 2019

Balance December 31, 2018	\$ 28,148.37
Increased by:	
County Share of 2019 Added and Omitted Taxes	<u>37,563.09</u>
	65,711.46
Decreased by:	
Payments	<u>28,148.37</u>
Balance December 31, 2019	<u><u>\$ 37,563.09</u></u>

Current Fund

Schedule of County Taxes Payable

For the Year Ended December 31, 2019

County Taxes	\$ 6,925,555.83	
County Library Taxes	510,961.75	
County Health Service Taxes	322,628.31	
County Open Space Preservation	<u>18,149.38</u>	
		\$ 7,777,295.27
Decreased by:		
Payments		<u><u>\$ 7,777,295.27</u></u>

TOWN OF HAMMONTON
Federal and State Grant Fund
Schedule of Federal and State Grants Receivable
For the Year Ended December 31, 2019

	Balance December 31, 2018	<u>Accrued</u>	<u>Cancelled</u>	<u>Received</u>	Balance December 31, 2019
Federal Grants:					
Division of Highway Traffic Safety:					
2017 FAA Grant - Obstruction Removal Design	\$ 10,807.00				\$ 10,807.00
2019 Distracted Driving Crackdown		\$ 5,500.00		5,500.00	-
2019 Drive Sober or Get Pulled Over		5,500.00		5,500.00	-
2019 FAA Grant - Airport Fence Design		84,042.00		-	84,042.00
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Federal Grants	10,807.00	95,042.00	-	11,000.00	94,849.00
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
State Grants:					
2017-18 Municipal Alliance on Alcoholism and Drug Abuse	3,523.22				3,523.22
2018-19 Municipal Alliance on Alcoholism and Drug Abuse		17,113.00		12,349.52	4,763.48
2019-20 Municipal Alliance on Alcoholism and Drug Abuse		17,113.00		3,145.53	13,967.47
2019 Recycling Tonnage Grant		58,570.82		58,570.82	
Clean Communities Grant		38,865.78		38,865.78	-
Drunk Driving Enforcement Fund		10,251.36		10,251.36	-
2018 Pedestrian Safety, Education & Enforcement Fund	9,950.00			4,195.22	5,754.78
2019 NJEDA - Hazardous Discharge Grant Program		66,200.00			66,200.00
ANJEC Grant	500.00				500.00
Community Development Block Grant	83,940.00				83,940.00
2019 Reforestation Grant		17,220.00			17,220.00
2019 Body Armor Replacement Fund		3,138.96		3,138.96	-
2019 DCA - Neighborhood Preservation Program		125,000.00		25,000.00	100,000.00
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total State Grants	97,913.22	353,472.92	-	155,517.19	295,868.95
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Grand Total	\$ 108,720.22	\$ 448,514.92	\$ -	\$ 166,517.19	\$ 390,717.95
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

TOWN OF HAMMONTON
Federal and State Grant Fund
Schedule of Reserve for Federal And State Grants - Unappropriated
For the Year Ended December 31, 2019

	Balance December 31, <u>2018</u>	Federal and State Grants <u>Receivable</u>	Realized As Revenue <u>In 2019</u>	Balance December 31, <u>2019</u>
Federal Grants:				
2019 Distracted Driving Crackdown		\$ 5,500.00	\$ 5,500.00	
2019 Drive Sober or Get Pulled Over		5,500.00	5,500.00	
2019 FAA Grant - Airport Fence Design		84,042.00	84,042.00	
	<hr/>	<hr/>	<hr/>	<hr/>
Total Federal Grants	-	95,042.00	95,042.00	-
	<hr/>	<hr/>	<hr/>	<hr/>
State Grants:				
2018-19 Municipal Alliance on Alcoholism and Drug Abuse		17,113.00	17,113.00	-
2019-20 Municipal Alliance on Alcoholism and Drug Abuse		17,113.00	17,113.00	
2019 Recycling Tonnage Grant		58,570.82		\$ 58,570.82
Clean Communities Grant		38,865.78	38,865.78	
Drunk Driving Enforcement Fund		10,251.36	10,251.36	
2019 NJEDA - Hazardous Discharge Grant Program		66,200.00	66,200.00	
2019 Reforestation Grant		17,220.00	17,220.00	-
2019 Body Armor Replacement Fund		3,138.96	3,138.96	-
2019 DCA - Neighborhood Preservation Program		125,000.00	125,000.00	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total State Grants	-	353,472.92	294,902.10	58,570.82
	<hr/>	<hr/>	<hr/>	<hr/>
Grand Total	<u>\$ -</u>	<u>\$ 448,514.92</u>	<u>\$ 389,944.10</u>	<u>\$ 58,570.82</u>

TOWN OF HAMMONTON
Federal and State Grant Fund
Schedule of Reserve for Federal and State Grants - Appropriated
For the Year Ended December 31, 2019

	Balance December 31, 2018	Transferred From 2019 Budget Appropriation	Cancelled	Prior Year Encumbrances Cancelled	Disbursed	Encumbrances	Balance December 31, 2019
Federal Grants:							
2017 FAA Grant - Obstruction Removal Design	\$ 10,807.00						\$ 10,807.00
2012 Federal Forfeited Property - Police Equipment	2,856.67	\$ 5,500.00			5,307.50		2,856.67
2019 Distracted Driving Crackdown		5,500.00			5,500.00		192.50
2019 Drive Sober or Get Pulled Over		93,381.00			1,375.00	\$ 92,006.00	-
2019 FAA Grant - Airport Fence Design							-
Total Federal Grants	13,663.67	104,381.00	-	-	12,182.50	92,006.00	13,856.17
State Grants:							
2018 Clean Communities Grant	7,351.56			924.68	8,476.54	\$ 25,241.54	8,276.24
2019 Clean Communities Grant		38,865.78					5,147.70
2018 Recycling Tonnage Grant						190.00	1,248.56
2018 Drunk Driving Enforcement Fund	688.56	10,251.36		750.00	350.00	280.00	9,621.36
2019 Drunk Driving Enforcement Fund					880.00	1,055.01	-
2017 Body Armor Replacement Program	1,935.01	3,138.96				3,138.96	-
2018 Body Armor Replacement Program		66,200.00			10,117.50	56,082.50	-
2019 NJEDA - Hazardous Discharge Grant Program		25,830.00				1,326.00	-
2019 Reforestation Grant		125,000.00					24,504.00
2019 DCA - Neighborhood Preservation Program							125,000.00
2017-18 Municipal Alliance on Alcoholism and Drug Abuse	21.10			2,516.00			2,537.10
2018-19 Municipal Alliance on Alcoholism and Drug Abuse		21,391.00			16,761.23		4,629.77
2019-20 Municipal Alliance on Alcoholism and Drug Abuse		21,391.00			4,171.42		17,219.58
Community Development Block Grant	83,940.00						83,940.00
2018 Pedestrian Safety , Education & Enforcement Fund	7,915.82				2,117.50		5,798.32
2018 ANJEC Grant	1,500.00						1,500.00
2007 Alcohol, Education and Rehabilitation	431.23						431.23
2009 Alcohol, Education and Rehabilitation	463.05						463.05
2011 Alcohol, Education and Rehabilitation	2,111.47						2,111.47
2012 Alcohol, Education and Rehabilitation	82.63						82.63
Total State Grants	106,440.43	312,068.10	-	4,190.68	42,874.19	87,314.01	292,511.01
Total	\$ 120,104.10	\$ 416,449.10	\$ -	\$ 4,190.68	\$ 55,056.69	\$ 179,320.01	\$ 306,367.18

TOWN OF HAMMONTON
Federal and State Grant Fund
Schedule of Reserve for Encumbrances
For the Year Ended December 31, 2019

Balance December 31, 2018		\$ 37,236.34
Increased by:		
Reserve for Encumbrances - Appropriated		<u>179,320.01</u>
		216,556.35
Decreased by:		
Disbursements	\$ 33,045.66	
Canceled	<u>4,190.68</u>	
		<u>37,236.34</u>
Balance December 31, 2019		<u><u>\$ 179,320.01</u></u>

TOWN OF HAMMONTON
Trust Fund
Schedule of Cash - Treasurer
For the Year Ended December 31, 2019

	ANIMAL CONTROL <u>TRUST</u>	TRUST <u>OTHER</u>
Balance December 31, 2018	\$ 4,874.54	\$ 2,007,954.57
Increased by Receipts:		
Dog License Fees	2,021.00	
Due to Current Fund	56.77	
Reserve for Prosecutor's Trust Fund		4,553.26
Reserve for Recreation Fees		11,420.76
Reserve for Street Opening Deposits		137,940.00
Reserve for Escrow Deposits		279,382.51
Reserve for Public Defender Trust Fund		4,147.23
Reserve for Parking Offense Adjudication Act		28.00
Reserve for Municipal Drug Alliance Funds		8,949.18
Reserve for Airport Security Deposit		96.58
Reserve for Tax Title Lien Redemption		2,958,543.70
Reserve for Tax Sale Premiums		737,900.00
Payroll Deposits		6,720,481.49
Reserve for Park Recreation Trust Fund		730.36
Reserve for Uniform Fire Penalties Rider		21.80
Reserve for State Landfill Tax Escrow Fund		1,730.81
Reserve for Celebration of Public Events		39,805.42
Reserve for COAH Fees		8.33
Reserve for Police Equipment Donations		507.06
	<hr/>	<hr/>
Total Receipts	2,077.77	10,906,246.49
	<hr/>	<hr/>
Decreased by Disbursements:		
Due to Current Fund	138.17	
Dog License Expenditures	452.00	
Reserve for Recreation Fees		9,554.14
Reserve for Street Opening Deposits		74,863.00
Reserve for Escrow Deposits		205,814.99
Reserve for Municipal Drug Alliance Funds		6,704.37
Reserve for Tax Title Lien Redemption		2,979,948.85
Reserve for Tax Sale Premium		1,012,300.00
Payroll Payments		6,718,070.17
Reserve for Uniform Fire Penalties Rider		1,032.42
Reserve for Celebration of Public Events		8,723.46
Reserve for Encumbrances	412.00	693.00
	<hr/>	<hr/>
Total Disbursements	1,002.17	11,017,704.40
	<hr/>	<hr/>
Balance December 31, 2019	\$ 5,950.14	\$ 1,896,496.66
	<hr/>	<hr/>

TOWN OF HAMMONTON
Trust Other Funds
Schedule of Investments -- U.S. Government Securities
For the Year Ended December 31, 2019

Balance December 31, 2018	\$ 378,082.29
Increased by:	
Interest Earned on Investments	\$ 9,285.24
Realized Capital Gains	<u>10,715.46</u>
	<u>20,000.70</u>
	398,082.99
Decreased by:	
Escrow Agent Fees	<u>1,959.03</u>
Balance December 31, 2019	<u><u>\$ 396,123.96</u></u>

Schedule of Investments December 31, 2019

U.S. Government Obligations \$ 3,687.70

	<u>Shares</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	
<i>FHLMC:</i>					
	3,000	Various	8-12-21	1.125%	2,977.86
	4,000	Various	4-20-20	1.375%	3,996.80
	4,000	Various	2-16-21	2.375%	4,034.28
	5,000	Various	1-17-20	1.50%	4,999.50
<i>FNMA:</i>					
	8,000	Various	9-6-22	1.375%	7,947.36
	3,000	Various	1-11-22	2.625%	3,060.69
	3,000	Various	10-7-21	1.375%	2,988.60
	3,000	Various	4-12-22	2.25%	3,044.88
	3,000	Various	9-12-23	2.875%	3,131.58
	3,000	Various	2-28-20	1.50%	2,999.43
<i>Federal Farm Credit Bks:</i>					
	5,000	Various	5-8-20	1.55%	4,998.35
	2,000	Various	4-1-21	1.75%	2,004.64
	5,000	Various	11-27-20	1.90%	5,014.65
	2,000	Various	7-17-23	2.875%	2,085.02
<i>Federal Home Loan Bks:</i>					
	7,000	Various	2-12-21	2.350%	7,060.27
<i>Tennessee Valley Authority:</i>					
	2,000	Various	3-15-20	2.25%	2,002.60

(Continued)

TOWN OF HAMMONTON
Trust Other Funds
Schedule of Investments -- U.S. Government Securities
For the Year Ended December 31, 2019

Schedule of Investments December 31, 2019 (cont'd)

	<u>Shares</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>		
<i>U.S. Treasury Bonds:</i>						
	4,000	Various	8-15-21	8.125%	\$	4,416.56
	2,000	Various	8-15-22	7.25%		2,288.98
	1,000	Various	8-15-23	6.25%		1,161.68
	4,000	Various	2-15-20	8.50%		4,032.40
	4,000	Various	2-15-22	N/A		3,862.84
<i>U.S. Treasury Notes:</i>						
	2,000	Various	7-31-21	1.125%		1,985.08
	3,000	Various	9-30-21	1.25%		2,975.85
	2,000	Various	10-31-21	1.25%		1,987.96
	3,000	Various	1-31-21	1.375%		2,991.69
	3,000	Various	2-15-20	1.375%		2,998.95
	1,000	Various	8-31-20	1.375%		998.32
	5,000	Various	4-15-20	1.50%		4,998.65
	3,000	Various	8-15-22	1.50%		2,993.43
	5,000	Various	8-15-26	1.50%		4,903.30
	1,000	Various	9-30-24	1.50%		991.68
	15,000	Various	2-15-26	1.625%		14,868.15
	6,000	Various	5-15-26	1.625%		5,939.28
	4,000	Various	8-15-22	1.625%		4,003.76
	4,000	Various	8-15-29	1.625%		3,899.84
	3,000	Various	10-31-23	1.625%		2,997.30
	2,000	Various	11-15-22	1.625%		2,001.48
	4,000	Various	3-31-22	1.75%		4,015.00
	2,000	Various	5-15-22	1.75%		2,007.34
	3,000	Various	5-15-23	1.75%		3,011.61
	7,000	Various	2-28-22	1.875%		7,042.91
	2,000	Various	8-31-22	1.875%		2,014.68
	12,000	Various	11-30-21	1.875%		12,069.84
	3,000	Various	2-15-23	2.00%		3,035.16
	9,000	Various	2-15-25	2.00%		9,130.05
	3,000	Various	4-30-24	2.00%		3,041.13
	13,000	Various	8-15-25	2.00%		13,178.23
	3,000	Various	10-31-22	2.00%		3,032.94
	7,000	Various	11-15-21	2.00%		7,055.23
	9,000	Various	5-15-25	2.125%		9,185.67
	4,000	Various	6-30-22	2.125%		4,052.80

(Continued)

TOWN OF HAMMONTON
Trust Other Funds
Schedule of Investments -- U.S. Government Securities
For the Year Ended December 31, 2019

Schedule of Investments December 31, 2019 (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>					
	2,000	Various	11-30-24	2.125%	\$ 2,040.86
	11,000	Various	2-15-27	2.25%	11,308.99
	11,000	Various	3-31-26	2.25%	11,303.38
	5,000	Various	8-15-27	2.25%	5,142.80
	1,000	Various	11-15-24	2.25%	1,026.21
	9,000	Various	11-15-25	2.25%	9,245.07
	15,000	Various	11-15-27	2.25%	15,426.60
	7,000	Various	5-15-27	2.375%	7,261.17
	4,000	Various	8-15-24	2.375%	4,122.52
	13,000	Various	12-31-20	2.375%	13,091.91
	9,000	Various	2-28-26	2.50%	9,379.35
	13,000	Various	5-15-24	2.50%	13,451.49
	11,000	Various	8-15-23	2.50%	11,329.56
	4,000	Various	1-31-26	2.625%	4,195.80
	1,000	Various	8-15-20	2.625%	1,006.02
	5,000	Various	11-15-20	2.625%	5,042.00
	1,000	Various	2-15-24	2.75%	1,043.09
	3,000	Various	2-15-28	2.75%	3,198.39
	3,000	Various	4-30-23	2.75%	3,108.63
	1,000	Various	11-15-23	2.75%	1,040.82
	4,000	Various	5-15-28	2.875%	4,308.28
	7,000	Various	8-15-28	2.875%	7,549.64
	1,000	Various	11-30-23	2.875%	1,045.98
	5,000	Various	5-15-21	3.125%	5,102.15
	11,000	Various	11-15-28	3.125%	12,102.97
	4,000	Various	2-15-20	3.625%	4,009.28
	2,000	Various	5-15-20	8.75%	2,051.02
<i>Private Export Funding</i>					
	2,000	Various	11-15-24	1.75%	1,986.00
					<u>\$ 396,123.96</u>

TOWN OF HAMMONTON
Animal Control Fund
Schedule of Due to Current Fund
For the Year Ended December 31, 2019

Balance December 31, 2018	\$ 81.40
Increased by:	
Interest Earned	<u>56.77</u>
	138.17
Decreased by:	
Disbursed to Current Fund	<u>138.17</u>
Balance December 31, 2019	<u><u>\$ -</u></u>

EXHIBIT SB-4

Animal Control Fund
Schedule of Reserve For Animal Control Fund Expenditures
For the Year Ended December 31, 2019

Balance December 31, 2018	\$ 4,381.14
Increased by:	
2019 Dog License Fees Collected	<u>2,021.00</u>
	6,402.14
Decreased by:	
Expenditures	<u>452.00</u>
Balance December 31, 2019	<u><u>\$ 5,950.14</u></u>

<u>License Fees Collected</u>	
<u>Year</u>	<u>Amount</u>
2017	\$ 4,437.80
2018	<u>1,683.20</u>
Total	<u><u>\$ 6,121.00</u></u>

TOWN OF HAMMONTON
Trust Other Funds
Schedule of Due from Current Fund
For the Year Ended December 31, 2019

Balance December 31, 2018		\$ 121,341.50
Increased by:		
Police Outside Detail Received in Current Fund		<u>222,962.50</u>
		344,304.00
Decreased by:		
Police Outside Detail Disbursed in Current Fund	\$ 202,843.75	
Public Defender Fees Disbursed in Current Fund	<u>7,000.00</u>	
		<u>209,843.75</u>
Balance December 31, 2019		<u><u>\$ 134,460.25</u></u>

TOWN OF HAMMONTON
Trust Other Funds
Schedule of Due to VCCB - Criminal Disposition
For the Year Ended December 31, 2019

Balance December 31, 2018	\$ 839.93
Decreased by:	
Transfer to Public Defender Fees	<u>839.93</u>
Balance December 31, 2019	<u><u>\$ -</u></u>

Trust Other Funds
Schedule of Reserve for Prosecutor's Trust Fund
For the Year Ended December 31, 2019

Balance December 31, 2018		\$ 16,469.25
Increased by:		
Receipts	\$ 4,353.00	
Interest Earned	<u>200.26</u>	
		<u>4,553.26</u>
		21,022.51
Decreased by:		
Reserve Expenditures		<u>-</u>
Balance December 31, 2019		<u><u>\$ 21,022.51</u></u>

TOWN OF HAMMONTON
Trust Other Funds
Schedule of Reserve for Recreation Fees
For the Year Ended December 31, 2019

Balance December 31, 2018		\$ 23,465.55
Increased by:		
Deposits	\$ 11,166.00	
Interest Earned	<u>254.76</u>	
		<u>11,420.76</u>
		34,886.31
Decreased by:		
Disbursements		<u>9,554.14</u>
Balance December 31, 2019		<u><u>\$ 25,332.17</u></u>

Trust Other Funds
Schedule of Reserve for Street Opening Deposits
For the Year Ended December 31, 2019

Balance December 31, 2018		\$ 26,087.10
Increased by:		
Deposits		<u>137,940.00</u>
		164,027.10
Decreased by:		
Refunded		<u>74,863.00</u>
Balance December 31, 2019		<u><u>\$ 89,164.10</u></u>

TOWN OF HAMMONTON
Trust Other Funds
Schedule of Reserve for Escrow Deposits
For the Year Ended December 31, 2019

Balance December 31, 2018	\$ 227,548.80
Increased by:	
Deposits	<u>279,382.51</u>
	506,931.31
Decreased by:	
Payments	<u>205,814.99</u>
Balance December 31, 2019	<u><u>\$ 301,116.32</u></u>

Trust Other Funds
Schedule of Reserve for Public Defender Trust Fund
For the Year Ended December 31, 2019

Balance December 31, 2018	\$ 2,239.15
Increased by:	
Received	\$ 4,090.00
Interest Earned	<u>57.23</u>
	4,147.23
Transfer from Excess in Public Defender Fees	<u>839.93</u>
	<u>4,987.16</u>
	7,226.31
Decreased by:	
Public Defender Fees Disbursed in Current Fund	<u>7,000.00</u>
Balance December 31, 2019	<u><u>\$ 226.31</u></u>

TOWN OF HAMMONTON**Trust Other Funds**

Schedule of Reserve for Parking Offense Adjudication Act
For the Year Ended December 31, 2019

Balance December 31, 2018	\$	2,277.33
Increased by:		
Received from Municipal Court		<u>28.00</u>
Balance December 31, 2019	\$	<u><u>2,305.33</u></u>

Trust Other Funds

Schedule of Reserve for Municipal Drug Alliance Funds
For the Year Ended December 31, 2019

Balance December 31, 2018	\$	4,099.06
Increased by:		
Receipts	\$	8,896.00
Interest Received		<u>53.18</u>
		8,949.18
Prior Year Encumbrances Canceled		<u>120.00</u>
		<u>9,069.18</u>
		13,168.24
Decreased by:		
Disbursements	\$	6,704.37
Encumbrances		<u>-</u>
		<u>6,704.37</u>
Balance December 31, 2019	\$	<u><u>6,463.87</u></u>

TOWN OF HAMMONTON
Trust Other Funds
Schedule of Airport Security Deposit
For the Year Ended December 31, 2019

Balance December 31, 2018		\$ 9,609.92
Increased by:		
Receipts	\$ -	
Interest Received	<u>96.58</u>	
		<u>96.58</u>
		9,706.50
Decreased by:		
Disbursements		<u>-</u>
Balance December 31, 2019		<u><u>\$ 9,706.50</u></u>

Trust Other Funds
Schedule of Reserve for Police Outside Detail
For the Year Ended December 31, 2019

Balance December 31, 2018		\$ 121,341.50
Increased by:		
Received in Current Fund		<u>222,962.50</u>
		344,304.00
Decreased by:		
Disbursed in Current Fund		<u>202,843.75</u>
Balance December 31, 2019		<u><u>\$ 141,460.25</u></u>

TOWN OF HAMMONTON
Trust Other Funds
Schedule of Reserve for Tax Title Lien Redemption
For the Year Ended December 31, 2019

Balance December 31, 2018	\$ 130,568.67
Increased by:	
Lien Redemption Deposits	<u>2,958,543.70</u>
	3,089,112.37
Decreased by:	
Lien Redemption Disbursements	<u>2,979,948.85</u>
Balance December 31, 2019	<u><u>\$ 109,163.52</u></u>

Trust Other Funds
Schedule of Reserve for Tax Sale Premium
For the Year Ended December 31, 2019

Balance December 31, 2018	\$ 1,120,300.00
Increased by:	
Premiums Received at Tax Sale	<u>737,900.00</u>
	1,858,200.00
Decreased by:	
Premiums Refunded	<u>1,012,300.00</u>
Balance December 31, 2019	<u><u>\$ 845,900.00</u></u>

TOWN OF HAMMONTON
Trust Other Funds
Schedule of Payroll Deductions Payable
For the Year Ended December 31, 2019

Balance December 31, 2018	\$ 50,666.88
Increased by:	
Deposits	<u>6,720,481.49</u>
	6,771,148.37
Decreased by:	
Payments	<u>6,718,070.17</u>
Balance December 31, 2019	<u><u>\$ 53,078.20</u></u>

Trust Other Funds
Schedule of Park Recreation Trust Fund
For the Year Ended December 31, 2019

Balance December 31, 2018	\$ 72,672.72
Increased by:	
Donation Received	\$ -
Interest Earned	<u>730.36</u>
	<u>730.36</u>
	73,403.08
Decreased by:	
Payments	<u>-</u>
Balance December 31, 2019	<u><u>\$ 73,403.08</u></u>

TOWN OF HAMMONTON
Trust Other Funds
Schedule of Recaptured Grant Funds
For the Year Ended December 31, 2019

Balance December 31, 2018		\$ 108,788.88
Increased by:		
Recaptured Grant Funds Received		<u>-</u>
		108,788.88
Decreased by:		
Disbursements	\$ -	
Encumbrances	<u>21,550.00</u>	
		<u>21,550.00</u>
Balance December 31, 2019		<u><u>\$ 87,238.88</u></u>

EXHIBIT SB-21

Trust Other Funds
Schedule of Uniform Fire Penalties Rider
For the Year Ended December 31, 2019

Balance December 31, 2018		\$ 2,527.14
Increased by:		
Deposits	\$ -	
Interest Received	<u>21.80</u>	
		<u>21.80</u>
		2,548.94
Decreased by:		
Disbursements		<u>1,032.42</u>
Balance December 31, 2019		<u><u>\$ 1,516.52</u></u>

TOWN OF HAMMONTON
Trust Other Funds
Schedule of State Landfill Tax Escrow Fund
For the Year Ended December 31, 2019

Balance December 31, 2018	\$ 172,219.23
Increased by:	
Interest Earned	<u>1,730.81</u>
Balance December 31, 2019	<u><u>\$ 173,950.04</u></u>

Trust Other Funds
Schedule of State Landfill Closure -- Escrow Fund
For the Year Ended December 31, 2019

Balance December 31, 2018		\$ 378,082.29
Increased by:		
Interest Earned on Investments	\$ 9,285.24	
Realized Capital Gains	<u>10,715.46</u>	
		<u>20,000.70</u>
		398,082.99
Decreased by:		
Escrow Agent Fees		<u>1,959.03</u>
Balance December 31, 2019		<u><u>\$ 396,123.96</u></u>

TOWN OF HAMMONTON**Trust Other Funds**

Schedule of Reserve for Celebration of Public Events
For the Year Ended December 31, 2019

Balance December 31, 2018		\$	35,130.41
Increased by:			
Receipts	\$	39,398.00	
Interest Earned		<u>407.42</u>	
		39,805.42	
Prior Year Encumbrances Canceled		<u>500.00</u>	
			<u>40,305.42</u>
			75,435.83
Decreased by:			
Disbursements			<u>8,723.46</u>
Balance December 31, 2019		\$	<u><u>66,712.37</u></u>

Trust Other Funds

Schedule of Reserve for COAH Fees
For the Year Ended December 31, 2019

Balance December 31, 2018		\$	827.64
Increased by:			
Interest Earned			<u>8.33</u>
			835.97
Decreased by:			
Disbursements			<u>-</u>
Balance December 31, 2019		\$	<u><u>835.97</u></u>

TOWN OF HAMMONTON
Trust Other Funds
Schedule of Reserve for Police Equipment Donations
For the Year Ended December 31, 2019

Balance December 31, 2018		\$	303.91
Increased by:			
Donations Received	\$	500.00	
Interest Earned		<u>7.06</u>	
			<u>507.06</u>
			810.97
Decreased by:			
Disbursements			<u></u>
Balance December 31, 2019		\$	<u><u>810.97</u></u>

EXHIBIT SB-27

Trust Other Funds
Schedule of Reserve for Encumbrances
For the Year Ended December 31, 2019

Balance December 31, 2018		\$	1,313.00
Increased by:			
Reserve for Recaptured Grant Funds			<u>21,550.00</u>
			22,863.00
Decreased by:			
Disbursed	\$	693.00	
Canceled		<u>620.00</u>	
			<u>1,313.00</u>
Balance December 31, 2019		\$	<u><u>21,550.00</u></u>

TOWN OF HAMMONTON
General Capital Fund
Schedule of Cash - Treasurer
For the Year Ended December 31, 2019

Balance December 31, 2018		\$ 668,300.46
Increased by Receipts:		
Due from Current Fund	\$ 6,082.91	
Federal Grants Receivable	178,086.20	
Budget Appropriation:		
Capital Improvement Fund	95,000.00	
Due to Utility Operating	700,000.00	
Premium Received on Sale of Bonds	12,476.57	
Proceeds from Sale of Bonds	7,180,000.00	
Reoffering Premium from Sale of Bonds	381,000.00	
Bond Anticipation Notes Issued	11,581.00	
	<u>8,564,226.68</u>	
		9,232,527.14
Decreased by Disbursements:		
Improvement Authorizations	1,813,625.81	
Contracts Payable	232,557.85	
Current Fund - Reserve for Payment of Notes	141,500.00	
Bond Anticipation Notes Paid from Bond Funds	5,773,007.00	
	<u>7,960,690.66</u>	
Balance December 31, 2019		<u><u>\$ 1,271,836.48</u></u>
<u>Reconciliation Dec. 31, 2019</u>		
OceanFirst Bank		
Account No. 0402017591		\$ 1,271,836.48
Less: Outstanding Checks		<u>-</u>
		<u><u>\$ 1,271,836.48</u></u>

TOWN OF HAMMONTON
General Capital Fund
Schedule of Federal Grants Receivable
For the Year Ended December 31, 2019

Balance December 31, 2018		\$ 630,447.53
Increased by:		
2019 Improvement Authorization		<u>468,103.00</u>
		1,098,550.53
Decreased by:		
Receipts	\$ 178,086.20	
Canceled	<u>-</u>	<u>178,086.20</u>
Balance December 31, 2019		<u><u>\$ 920,464.33</u></u>

<u>Agency</u>	<u>Ordinance No.</u>	<u>Amount</u>
New Jersey Department of Transportation (2016)	21-18	\$ 49,000.00
New Jersey Department of Transportation (2017)	21-18	55,500.00
New Jersey Department of Transportation (2018)	21-18	391,000.00
Federal Aviation Administration Block Grant	26-18	119,964.33
New Jersey Department of Transportation (2019)	7-19	305,000.00
		<u><u>\$ 920,464.33</u></u>

TOWN OF HAMMONTON**General Capital Fund**

Schedule of Deferred Charges to Future Taxation - Funded
For the Year Ended December 31, 2019

Balance December 31, 2018		\$ 9,199,406.86
Increased by:		
Serial Bonds Issued		<u>7,180,000.00</u>
		16,379,406.86
Decreased by:		
2019 Budget Appropriations:		
Serial Bonds	1,220,000.00	
Green Acres Loan	<u>60,793.48</u>	
		<u>1,280,793.48</u>
Balance December 31, 2019		<u><u>\$ 15,098,613.38</u></u>

TOWN OF HAMMONTON
General Capital Fund
Schedule of Deferred Charges To Future Taxation - Unfunded
For the Year Ended December 31, 2019

Ordinance Number	Improvement Description	Balance December 31, 2018	2019 Authorizations	Notes Paid by Budget Appropriation	Notes Paid by Bonds Issued	Balance December 31, 2019	Analysis of Balance		
							Funded by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
22-09	Various Improvements (a) Improve Airport Academy Drive Access Road & Fencing	\$ 4,960.00	\$	4,960.00					
26-09	Sidewalk Improvements to Bellevue Ave.	61,750.00		12,350.00	\$ 49,400.00				
3-08/32-09/ 4-10	Renovation to Runway Apron	2,300.00		2,300.00					
4E-12	Road Improvements	14,250.00		14,250.00					
17-13	Various Improvements	49,875.00		7,000.00	42,398.00	\$ 477.00		\$ 477.00	
25-13	Municipal Airport Study and Improvements	15,855.00		2,855.00	13,000.00				
14-14	Lakeview Drive Storm Sewer and Roadway Improvements	9,746.00		1,745.00	8,001.00				
23-14	Municipal Airport Improvement Program	51,906.00		8,906.00	43,000.00				
24-14	Preliminary Planning, Study and Analysis Related to Obstruction Removal at Municipal Airport	3,986.00		1,986.00	2,000.00				
25-14	Municipal Airport Construction and Obstruction Removal	20,602.00		3,602.00	17,000.00				
35-14	Municipal Airport Compliance Plan	14,630.00		2,630.00	12,000.00				
9-15	Roadway Improvements	232,750.00		33,250.00	199,500.00				
10-15	Acquisition of an Airplane/Helicopter Hanger Located at the Hammonton Airport	767,859.00		109,700.00		658,159.00	\$ 658,159.00		
12-15/23-15	Acquisition of Trash Trucks, Trasc Receiptacles and Auxiliary Trash Truck Equipment	390,605.00		56,000.00	334,605.00				
1-16	Purchase of Fire Rescue/Pumper Truck	408,880.00		51,110.00	357,770.00				
2-16	Remove Obstructions at Airport	12,640.00		1,640.00	11,000.00				
17-16	Purchase of Police Radios	273,600.00		34,200.00	239,400.00				
22-16	Purchase of Equipment and Trucks and Improvements to Town-Owned Buildings	60,136.00		8,136.00	52,000.00				

(Continued)

TOWN OF HAMMONTON
General Capital Fund
Schedule of Deferred Charges To Future Taxation - Unfunded
For the Year Ended December 31, 2019

Ordinance Number	Improvement Description	Analysis of Balance							
		Balance December 31, 2018	2019 Authorizations	Notes Paid by Budget Appropriation	Notes Paid by Bonds Issued	Balance December 31, 2019	Funded by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
6-17	Various Lighting Improvements: (a) Park Recreation Lighting Improvements (b) LED Conversion of Street Lighting	\$ 555,750.00 1,368,000.00		\$ 61,750.00 293,500.00	\$ 494,000.00 1,074,500.00				
14-17	Water Tower Communication Project	20,520.00		2,520.00	18,000.00				
18-17	Various Road Improvements	726,750.00		80,750.00	646,000.00				
20-17	Purchase of Computer Equipment	198,360.00		22,360.00	176,000.00				
8-18	Purchase of a Fire Truck	551,000.00			551,000.00				
21-18	Various Improvements: Various Road Improvements Reconstruction of 2nd Road Reconstruction of 14th Street Purchase of 224 Vine Street	950,000.00 288,800.00 27,075.00 142,500.00			950,000.00 288,800.00 27,075.00 142,500.00				
26-18	Municipal Airport Master Plan Study	23,581.00			23,581.00				
7-19	Purchase of Police Pro-Phoenix and 911 System		\$ 214,700.00		\$ 214,700.00				
7-19	Purchase of Police F150 Pickup and three 4-Wheel Drive Vehicles		197,220.00 1,140,000.00		197,220.00 1,140,000.00				
7-19	2019 Road Program								
7-19	Reconstruction of 14 th St		42,750.00		42,750.00				
7-19	Reconstruction of Washington St.		32,300.00		32,300.00				
7-19	Airport Hanger Fire Suppression System		66,500.00		66,500.00				
19-19	Construction of Fire Suppresion Building at Airport and Taxiway Sealing		95,000.00		95,000.00				
21-19	Cost of Certain Infrastructure Improvements Relating to a Redevelopment Project		25,000.00			\$ 25,000.00			\$ 25,000.00
		\$ 7,248,666.00	\$ 1,813,470.00	\$ 817,500.00	\$ 7,561,000.00	\$ 683,636.00	\$ 658,159.00	\$ 477.00	\$ 25,000.00
		Proceeds from Sale of Bonds Reoffering Premium from Sale of Bonds							
		\$ 7,180,000.00 381,000.00							
		\$ 7,561,000.00							
		Improvement Authorizations - Unfunded							
						\$ 25,000.00			

TOWN OF HAMMONTON
General Capital Fund
Schedule of Improvement Authorizations
For the Year Ended December 31, 2019

Ordinance Number	Improvement Description	2019 Authorizations					Balance	
		Date	Ordinance Amount	Capital Improvement Fund	Grants Receivable	Deferred Charges to Future Taxation - Unfunded	December 31, 2019	
							Funded	Unfunded
2-16	Remove Obstructions at Airport	2-22-16	166,481.00		\$ 16,931.00		\$ 30,414.40	-
17-16	Purchase of Police Radios	9-26-16	360,000.00			\$ 59,153.19		-
22-16	Purchase of Equipment and Trucks and Improvements to Town-Owned Buildings	11-21-16	107,726.73			25,650.00	7,348.73	-
6-17	Various Lighting Improvements: (a) Park Recreation Lighting Improvements (b) LED Conversion of Street Lighting	3-20-17	650,000.00 1,600,000.00			(12,204.41) (6,093.72)	29,823.13 16,055.89	-
20-17	Purchase of Computer Equipment	9-25-17	232,000.00			23,581.50		-
21-18	Various Improvements: Various Road Improvements Reconstruction of 2nd Road Reconstruction of 14th Street Purchase of 224 Vine Street						50,914.17 16,055.79 37,100.00 128,150.00	-
26-18	Municipal Airport Master Plan Study							-
7-19	Purchase of Police Pro-Phoenix and 911 System			\$ 11,300.00		\$ 214,700.00	217,139.14	-
7-19	Purchase of Police F150 Pickup and three 4-Wheel Drive Vehicles			10,380.00 60,000.00		197,220.00 1,140,000.00	207,600.00 1,133,211.24	-
7-19	2019 Road Program						66,788.76	-
7-19	Reconstruction of 14 th St			2,250.00	305,000.00	42,750.00	45,000.00	-
7-19	Reconstruction of Washington St.			1,700.00	146,172.00	32,300.00	180,172.00	-
7-19	Airport Hanger Fire Suppression System			3,500.00		66,500.00	70,000.00	-
19-19	Construction of Fire Suppresion Building at Airport and Taxiway Sealing			5,000.00		95,000.00	98,000.00	-
21-19	Cost of Certain Infrastructure Improvements Relating to a Redevelopment Project					25,000.00		\$ 25,000.00
Total				\$ 94,130.00	\$ 468,103.00	\$ 1,813,470.00	\$ 698,511.73	\$ 25,000.00
				Federal Grants Receivable		\$ 468,103.00	-	
				Prior Year Contracts Payable Canceled Contracts Payable Cash Disbursed		\$ (34,575.13) 672,508.51 1,813,625.81		
						\$ 2,451,559.19		\$ 2,451,559.19

TOWN OF HAMMONTON
General Capital Fund
Schedule of Contracts Payable
For the Year Ended December 31, 2019

Balance December 31, 2018		\$ 375,444.02
Increased by:		
Charged to Improvement Authorizations		<u>672,508.51</u>
		1,047,952.53
Decreased by:		
Disbursed	\$ 232,557.85	
Canceled	<u>34,575.13</u>	
		<u>267,132.98</u>
Balance December 31, 2019		<u><u>\$ 780,819.55</u></u>

EXHIBIT SC-8

Schedule of Capital Improvement Fund
For the Year Ended December 31, 2019

Balance December 31, 2018		\$ 99.96
Increased by:		
2019 Budget Appropriation		<u>95,000.00</u>
		95,099.96
Decreased by:		
Appropriations to Finance Improvement Authorizations		<u>94,130.00</u>
Balance December 31, 2019		<u><u>\$ 969.96</u></u>

EXHIBIT SC-9

Schedule of Reserve for Payment of Bond Anticipation Notes
For the Year Ended December 31, 2019

Balance December 31, 2018		\$ 141,500.00
Decreased By:		
Anticipated as Revenue in 2019 Current Fund Budget		<u>141,500.00</u>
Balance December 31, 2019		<u><u>\$ -</u></u>

TOWN OF HAMMONTON
General Capital Fund
Schedule of Green Acres Trust Fund Loan Payable
For the Year Ended December 31, 2019

Balance December 31, 2018	\$ 939,406.86
Increased by:	
Loan Issued	-
	939,406.86
Decreased by:	
Paid by 2018 Budget Appropriation	60,793.48
Balance December 31, 2019	\$ 878,613.38

Analysis of Balance December 31, 2019

<u>Payment Date</u>	<u>Amount</u>
2-28-20	\$ 4,264.24
3-26-20	6,001.05
5-16-20	20,588.16
8-28-20	4,306.88
9-26-20	6,061.06
11-16-20	20,794.04
2-28-21	4,349.95
3-26-21	6,121.67
5-16-21	21,001.98
8-28-21	4,393.45
9-26-21	6,182.89
11-16-21	21,212.00
2-28-22	4,437.39
3-26-22	6,244.72
5-16-22	21,424.12
8-28-22	4,481.76
9-26-22	6,307.16
11-16-22	21,638.36
2-28-23	4,526.58
3-26-23	6,370.24
5-16-23	21,854.74
8-28-23	4,571.85
9-26-23	6,433.94
11-16-23	22,073.29
2024 through 2033	622,971.86
	\$ 878,613.38

TOWN OF HAMMONTON
General Capital Fund
Schedule of Bond Anticipation Notes
For the Year Ended December 31, 2019

<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, 2018</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2019</u>
22-09	Various Improvements	7-2-13	11-20-18	4-11-19	3.00%	\$ 4,960.00	\$	4,960.00	-
26-09	Sidewalk Improvements to Bellevue Ave.	7-2-13	11-20-18 4-10-19	4-11-19 11-20-19	3.00% 2.00%	61,750.00	\$ 49,400.00	61,750.00 49,400.00	- -
32-09/4-10	Renovation to Runway Apron	7-2-13	11-20-18	4-11-19	3.00%	2,300.00		2,300.00	-
4E-12	Road Improvements	7-2-13	11-20-18	4-11-19	3.00%	14,250.00		14,250.00	-
14-14	Lakeview Drive Storm Sewer and Roadway Improvements	12-1-14	11-20-18 4-10-19	4-11-19 11-20-19	3.00% 2.00%	9,746.00	8,001.00	9,746.00 8,001.00	- -
23-14	Municipal Airport Improvement Program	12-1-14	11-20-18 4-10-19	4-11-19 11-20-19	3.00% 2.00%	51,906.00	43,000.00	51,906.00 43,000.00	- -
24-14	Preliminary Planning, Study and Analysis Related to Obstruction Removal at Municipal Airport	12-1-14	11-20-18 4-10-19	4-11-19 11-20-19	3.00% 2.00%	3,986.00	2,000.00	3,986.00 2,000.00	- -
25-14	Municipal Airport Construction and Obstruction Removal	12-1-14	11-20-18 4-10-19	4-11-19 11-20-19	3.00% 2.00%	20,602.00	17,000.00	20,602.00 17,000.00	- -
17-13	Various Improvements	6-23-15	11-20-18 4-10-19	4-11-19 11-20-19	3.00% 2.00%	49,875.00	42,875.00	49,875.00 42,875.00	- -
25-13	Municipal Airport Study and Improvements	6-23-15	11-20-18 4-10-19 11-20-18	4-11-19 11-20-19 4-11-19	3.00% 2.00% 3.00%	15,855.00	13,000.00	15,855.00 13,000.00	- -
35-14	Professional Fees Associated with Airport Compliance Plan	6-23-15	4-10-19 11-20-18	11-20-19 4-11-19	2.00% 3.00%	14,630.00	12,000.00	14,630.00 12,000.00	- -
9-15	Roadway Improvements	11-30-15	11-20-18 4-10-19	4-11-19 11-20-19	3.00% 2.00%	232,750.00	199,500.00	232,750.00 199,500.00	- -
10-15	Acquisition of an Airplane/Helicopter Hanger Located at the Hammonton Airport	8-27-15	11-20-18 11-19-19	11-20-19 11-19-20	3.349% 1.960%	767,859.00	658,159.00	767,859.00	- \$ 658,159.00
12-15/ 23-15	Acquisition of Trash Trucks, Trash Receptacles and Auxiliary Trash Truck Equipment	11-30-15	11-20-18 4-10-19	4-11-19 11-20-19	3.00% 2.00%	390,605.00	334,605.00	390,605.00 334,605.00	- -
1-16	Purchase of Fire Rescue/Pumper Truck	11-22-16	11-20-18 4-10-19	4-11-19 11-20-19	3.00% 2.00%	408,880.00	357,770.00	408,880.00 357,770.00	- -
2-16	Remove Obstructions at Airport	11-22-16	11-20-18 4-10-19	4-11-19 11-20-19	3.00% 2.00%	12,640.00	11,000.00	12,640.00 11,000.00	- -

(Continued)

TOWN OF HAMMONTON
General Capital Fund
Schedule of General Serial Bonds
For the Year Ended December 31, 2019

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2019</u>		<u>Interest Rate</u>	<u>Balance December 31, 2018</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2019</u>
			<u>Date</u>	<u>Amount</u>					
General Bonds of 2009	5/14/09	\$ 7,450,000.00			4.00%	\$ 500,000.00	\$ 500,000.00		-
General Obligation Refunding Bonds	5/11/16	9,025,000.00	2-1-20	\$ 1,290,000.00	5.00%				
			2-1-21	1,375,000.00	5.00%				
			2-1-22	1,415,000.00	5.00%				
			2-1-23	1,455,000.00	5.00%				
			2-1-24	1,505,000.00	5.00%	7,760,000.00	720,000.00		\$ 7,040,000.00
General Bonds of 2019	11/7/19	7,180,000.00	11-1-20	455,000.00	2.00%				
			11-1-21	450,000.00	2.00%				
			11-1-22	475,000.00	3.00%				
			11-1-23	545,000.00	3.00%				
			11-1-24	595,000.00	4.00%				
			11-1-25	735,000.00	3.00%				
			11-1-26	735,000.00	4.00%				
			11-1-27	760,000.00	3.00%				
			11-1-28	785,000.00	3.00%				
			11-1-29	810,000.00	2.00%				
			11-1-30	835,000.00	2.25%		\$ 7,180,000.00		7,180,000.00
Total						\$ 8,260,000.00	\$ 7,180,000.00	\$ 1,220,000.00	\$ 14,220,000.00
						Paid by Budget Appropriation			
						\$ 1,220,000.00			

TOWN OF HAMMONTON
General Capital Fund
 Schedule of Bonds And Notes Authorized But Not Issued
 For the Year Ended December 31, 2019

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2018</u>	<u>2019 Authorizations</u>	<u>BAN Not Reissued</u>	<u>General Bonds Issued</u>	<u>Balance December 31, 2019</u>
17-13	Various Improvements			\$ 477.00		\$ 477.00
26-18	Municipal Airport Master Plan Study	\$ 11,581.00			\$ 11,581.00	-
7-19	Various Capital Improvements		\$ 1,693,470.00		1,693,470.00	-
19-19	Construction of Fire Suppression Building at Airport and Taxiway Sealing		95,000.00		95,000.00	-
21-19	Cost of Certain Infrastructure Improvements Relating to a Redevelopment Project		25,000.00			25,000.00
<hr/>						
Total		\$ 11,581.00	\$ 1,813,470.00	\$ 477.00	\$ 1,800,051.00	\$ 25,477.00
<hr/>						

TOWN OF HAMMONTON
General Capital Fund
Schedule of Reserve for Payment of Bonds
For the Year Ended December 31, 2019

Balance December 31, 2018	\$ -
Increased by:	
Received at Bond Sale	<u>12,476.57</u>
Balance December 31, 2019	<u><u>\$ 12,476.57</u></u>

TOWN OF HAMMONTON
Water and Sewer Utility Fund
Schedule of Cash - Collector/Treasurer
For the Year Ended December 31, 2019

	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2018	\$ 1,154,420.42	\$ 1,551,015.96
Increased by Receipts:		
Consumer Accounts Receivable	\$ 6,143,005.87	
Utility Capital Reserve for Payment of Notes	60,775.00	
Miscellaneous Revenue	253,547.31	
Prepaid Rents	18,551.79	
Due to Utility Operating Fund		\$ 60,775.00
Premium Received on Bonds Issued		3,573.50
Budget Appropriation:		
Capital Improvement Fund		60,775.00
State Loans Receivable		225,762.00
Bonds Issued		2,100,000.00
Reoffering Premium from Sale of Bonds		66,000.00
	<hr/>	<hr/>
Total Receipts	6,475,879.97	2,516,885.50
	<hr/>	<hr/>
Sub-total	7,630,300.39	4,067,901.46
Decreased by Disbursements:		
2019 Appropriations	5,722,003.41	
2018 Appropriation Reserves	183,102.68	
Reserve for Encumbrances	1,921.25	
Refund of Prepaid Rents	3,097.43	
Accrued Interest on Bonds and Loans	543,422.20	
Due from General Capital Fund	700,000.00	
Due from Utility Capital Fund	60,775.00	
Improvement Authorizations		634,060.82
Contracts Payable		77,932.34
Utility Operating - Reserve for Payment of Notes		60,775.00
Bond Anticipation Notes Paid from Bond Funds		827,993.00
	<hr/>	<hr/>
Total Disbursements	7,214,321.97	1,600,761.16
	<hr/>	<hr/>
Balance December 31, 2019	\$ 415,978.42	\$ 2,467,140.30

TOWN OF HAMMONTON
Water and Sewer Utility Fund
Schedule of Cash - Collector/Treasurer
For the Year Ended December 31, 2019

	<u>Operating</u>	<u>Capital</u>
<u>Reconciliation December 31, 2019</u>		
Capital Bank		
Account No. 0402017664	\$ 2,899,319.29	
Add: Deposit in Transit	13,015.69	
Less: Outstnading Check	<u>(29,216.26)</u>	
	<u>\$ 2,883,118.72</u>	
 <u>Analysis of Balance</u>		
Operating Fund	\$ 415,978.42	
Capital Fund	<u>2,467,140.30</u>	
	<u>\$ 2,883,118.72</u>	

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TOWN OF HAMMONTON
Water and Sewer Utility Fund
Schedule of Consumer Accounts Receivable
For the Year Ended December 31, 2019

Balance December 31, 2018		\$ 8,598.47
Increased by:		
Rents Levied in 2019		<u>6,165,191.13</u>
		6,173,789.60
Decreased by:		
Collections	\$ 6,143,005.87	
Prepaid Applied	7,687.11	
Transferred to Liens	<u>18,635.20</u>	
		<u>6,169,328.18</u>
Balance December 31, 2019		<u><u>\$ 4,461.42</u></u>

Water and Sewer Utility Fund
Schedule of Water Utility Liens
For the Year Ended December 31, 2019

Balance December 31, 2018		\$ 27,528.46
Increased by:		
Transferred from Consumer Accounts Receivable	\$ 18,635.20	
Lien Interest and Costs	<u>1,088.79</u>	
		<u>19,723.99</u>
		47,252.45
Decreased by:		
Collections		<u>-</u>
Balance December 31, 2019		<u><u>\$ 47,252.45</u></u>

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
Schedule of Fixed Capital
For the Year Ended December 31, 2019

	Balance December 31, <u>2018</u>	Additions by <u>Ordinance</u>	Balance December 31, <u>2019</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, 2019

Ordinance Number	Improvement Description	Ordinance		Balance December 31, 2018	2019 Authorizations	Balance December 31, 2019
		Date	Amount		Deferred Charges to Future Revenue	
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
	(e) 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	3,400,535.71		3,400,535.71
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	1,035,000.00		1,035,000.00
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	3,500,000.00		3,500,000.00
6-19	Installation of Sewer Lines and Relocation of Interceptor Line on Boyer Avenue and the Purchase of Euipment for the Utility Department	4/29/19			\$ 332,500.00	332,500.00
8-19	Various Utility Improvements	5/20/19			1,007,000.00	1,007,000.00
				\$ 24,525,012.94	\$ 1,339,500.00	\$ 25,864,512.94

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
Schedule of State Loans Receivable
For the Year Ended December 31, 2019

Balance December 31, 2018		\$ 451,208.00
Decreased By:		
Received from NJEIT	\$ 225,762.00	
Canceled by Resolution	<u>-</u>	
		<u>225,762.00</u>
Balance December 31, 2019		<u><u>\$ 225,446.00</u></u>

TOWN OF HAMMONTON
Water and Sewer Utility Fund
Schedule of 2018 Appropriation Reserves
For the Year Ended December 31, 2019

	Balance December 31, 2018		Balance After	Paid or	Balance
	<u>Reserved</u>	<u>Encumbered</u>	<u>Transfers</u>	<u>Charged</u>	<u>Lapsed</u>
Operating:					
Salaries and Wages	\$ 9,289.95		\$ -	\$ -	\$ -
Other Expenses	1,034.87	\$ 179,043.16	189,367.98	183,102.68	6,265.30
Social Security System	3,706.97		3,706.97	-	3,706.97
New Jersey Disability Insurance	1,996.15		1,996.15	-	1,996.15
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$ 16,027.94</u>	<u>\$ 179,043.16</u>	<u>\$ 195,071.10</u>	<u>\$ 183,102.68</u>	<u>\$ 11,968.42</u>
			Cash Disbursed	<u>\$ 183,102.68</u>	

TOWN OF HAMMONTON
Water and Sewer Utility Fund
Schedule of Reserve for Encumbrances
For the Year Ended December 31, 2019

Balance December 31, 2018		\$ 183,341.41
Increased by:		
2019 Appropriations		<u>322,652.78</u>
		505,994.19
Decreased by:		
Transferred to Appropriation Reserves	\$ 179,043.16	
Disbursed	1,921.25	
Canceled	<u>2,377.00</u>	
		<u>183,341.41</u>
Balance December 31, 2019		<u><u>\$ 322,652.78</u></u>

TOWN OF HAMMONTON
Water and Sewer Utility Fund
Schedule of Prepaid Rents
For the Year Ended December 31, 2019

Balance December 31, 2018		\$ 10,784.54
Increased by:		
Received in 2019		<u>18,551.79</u>
		29,336.33
Decreased by:		
Refunded	\$ 3,097.43	
Applied to Consumer Accounts Receivable	<u>7,687.11</u>	
		<u>10,784.54</u>
Balance December 31, 2019		<u><u>\$ 18,551.79</u></u>

TOWN OF HAMMONTON
Water and Sewer Utility Fund
Schedule of Accrued Interest Payable
For the Year Ended December 31, 2019

Balance December 31, 2018						\$ 227,077.41
Increased by:						
Budget Appropriations for:						
Interest on Bonds and Loans				500,988.56		
Interest on Notes				17,289.44		
						<u>518,278.00</u>
						745,355.41
Decreased by:						
Interest Paid:						
Interest on Bonds & Loans				522,863.78		
Interest on Notes				20,558.42		
						<u>543,422.20</u>
Balance December 31, 2019						<u><u>\$ 201,933.21</u></u>

Analysis of Accrued Interest December 31, 2019

	Principal Outstanding Dec. 31, 2019	Interest Rate	From	To	Period	Amount
Water & Sewer Refunding Bonds of 2009	\$ 965,000.00	Various	7/1/19	12/31/19	6 Months	\$ 18,700.00
NJEIT Trust/Fund Loan of 2012	1,611,633.79	Various	8/1/19	12/31/19	5 Months	14,362.50
Sewer 2012 Refunding Bonds	2,105,000.00	Various	9/1/19	12/31/19	4 Months	28,066.67
NJEIT Trust/Fund Loan of 2013	1,406,876.48	Various	8/1/19	12/31/19	5 Months	5,479.17
NJEIT Trust/Fund Loan of 2014	5,009,874.91	Various	8/1/19	12/31/19	5 Months	25,333.34
2016 Refunding Bonds	5,225,000.00	Various	8/1/19	12/31/19	5 Months	90,124.99
NJEIT Trust/Fund Loan of 2017	2,993,100.96	Various	8/1/19	12/31/19	5 Months	11,888.02
2019 Water and Sewer Bonds	2,100,000.00	Various	11/7/19	12/31/19	53 Days	7,978.52
						<u><u>\$ 201,933.21</u></u>

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
Schedule of Improvement Authorizations
For the Year Ended December 31, 2019

Ordinance Number	Improvement Description	2019 Authorizations									
		Ordinance		Balance December 31, 2018		Capital Improvement Fund	Deferred Charges To Future Revenue	Paid or Charged	Balance December 31, 2019		
		Date	Amount	Funded	Unfunded			Funded	Unfunded		
General Improvements:											
26-11	Northwest Water Main Project/NJEIT	12/19/11	4,600,000.00	-	-			\$ (18,260.00)	\$ 18,260.00		-
7-14/12-14/ 22-14/	Boyer Avenue Drip Irrigation Project	3/10/14	500,000.00								
		9/22/14	35,000.00								
		12/1/14	500,000.00		\$ 64.38		(4,917.00)	4,584.38	\$ 397.00		
21-15/ 4-18	Replacement of Water Utility Buildings Various Improvements	11/2/15 2/26/18	1,625,586.90	-				-			
11-16	Various Road and Utility Improvements	5/16/16	3,500,000.00	\$ 744,252.35	99,846.00			(55.00)	744,307.35		99,846.00
6-19	Installation of Sewer Lines and Relocation of Interceptor Line on Boyer Avenue and the Purchase of Equipment for the Utility Department						\$ 17,500.00	\$ 332,500.00	138,097.23	211,902.77	-
8-19	Various Utility Improvements						53,000.00	1,007,000.00	754,627.00	305,373.00	-
Total				\$ 744,252.35	\$ 99,910.38			\$ 1,339,500.00	\$ 869,492.23	\$ 1,284,427.50	\$ 100,243.00
Contracts Payable Canceled \$ (23,232.00)											
Contracts Payable 258,663.41											
Disbursed 634,060.82											
\$ 869,492.23											

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
Schedule of Contracts Payable
For the Year Ended December 31, 2019

Balance December 31, 2018		\$ 101,164.34
Increased By:		
Charged to Improvement Authorizations		<u>258,663.41</u>
		359,827.75
Decreased by:		
Disbursed	\$ 77,932.34	
Canceled	<u>23,232.00</u>	
		<u>101,164.34</u>
Balance December 31, 2019		<u><u>\$ 258,663.41</u></u>

Schedule of Capital Improvement Fund
For the Year Ended December 31, 2019

Balance December 31, 2018		\$ 28,484.73
Increased by:		
2019 Budget Appropriation		<u>60,775.00</u>
		89,259.73
Decreased by:		
Appropriations to Finance Improvement Authorizations		<u>70,500.00</u>
Balance December 31, 2019		<u><u>\$ 18,759.73</u></u>

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
Schedule of Reserve for Amortization
For the Year Ended December 31, 2019

Balance December 31, 2018		\$ 48,771,031.08
Increased By:		
Reoffering Premium from Sale of Bonds - Debt Retired	\$ 66,000.00	
2019 Budget Appropriations:		
NJEIT Loans	696,646.43	
Bond Anticipation Notes	152,703.00	
Serial Bonds	<u>1,600,000.00</u>	
		<u>2,515,349.43</u>
Balance December 31, 2019		<u><u>51,286,380.51</u></u>

EXHIBIT SD-16

Water and Sewer Utility Capital Fund
Schedule of Reserve for Payment of Bonds
For the Year Ended December 31, 2019

Balance December 31, 2018	\$ 606,746.56
Increased By:	
Premium Received on Bond Sale	<u>\$ 3,573.50</u>
Balance December 31, 2019	<u><u>\$ 610,320.06</u></u>

EXHIBIT SD-17

Water and Sewer Utility Capital Fund
Schedule of Reserve for Payment of Bond Anticipation
Notes For the Year Ended December 31, 2019

Balance December 31, 2018	\$ 60,775.00
Decreased By:	
Anticipated as Revenue in the Operating 2019 Budget	<u>60,775.00</u>
Balance December 31, 2019	<u><u>\$ -</u></u>

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
Schedule of Reserve for Payment of Loans
For the Year Ended December 31, 2019

Balance December 31, 2018	\$ 457,919.92
Increased by:	
Improvement Authorization Canceled	<u>-</u>
Balance December 31, 2019	<u><u>\$ 457,919.92</u></u>

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
Schedule of Deferred Reserve for Amortization
For the Year Ended December 31, 2019

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2018</u>	<u>Grants Receivable/ Improvement Authorizations Canceled</u>	<u>Balance Dec. 31, 2019</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>\$ 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, 2019

Balance December 31, 2018	\$ 11,718,132.57
Increased by:	
Loans Executed	-
	11,718,132.57
Decreased by:	
Paid by 2019 Budget Appropriation	696,646.43
Balance December 31, 2019	<u>\$ 11,021,486.14</u>

Analysis of Balance Dec. 31, 2019

<u>Payment Date</u>	<u>Trust</u> <u>Loan</u>	<u>Fund</u> <u>Loan</u>	<u>Total</u>
2/1/20		\$ 127,154.68	\$ 127,154.68
8/1/20	\$ 200,000.00	254,309.36	454,309.36
2/1/21		170,548.81	170,548.81
8/1/21	210,000.00	341,097.62	551,097.62
2/1/22	-	170,548.81	170,548.81
8/1/22	225,000.00	341,097.62	566,097.62
2/1/23		170,548.81	170,548.81
8/1/23	235,000.00	341,097.62	576,097.62
2/1/24		170,548.81	170,548.81
8/1/24	240,000.00	341,097.62	581,097.62
2025 through 2036	<u>2,580,000.00</u>	<u>4,903,436.38</u>	<u>7,483,436.38</u>
	<u>\$ 3,690,000.00</u>	<u>\$ 7,331,486.14</u>	<u>\$ 11,021,486.14</u>

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
Schedule of Bond Anticipation Notes
For the Year Ended December 31, 2019

<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, 2018</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2019</u>
27-09	Bellevue Ave. Water Utility Improvements	7-2-13	11-20-18 4-10-19	4-11-19 11-20-19	3.00% 2.00%	\$ 204,430.00	\$ 163,530.00	\$ 204,430.00 163,530.00	\$ - -
28-09	Various Sewer Utility Improvements	7-2-13	11-20-18 4-10-19	4-11-19 11-20-19	3.00% 2.00%	30,000.00	24,000.00	30,000.00 24,000.00	- -
22-14	Boyer Avenue Drip Irrigation Project	12-1-14	11-20-18 4-10-19	4-11-19 11-20-19	3.00% 2.00%	21,000.00	18,397.00	21,000.00 18,397.00	- -
33-14	Boyer Avenue Drip Irrigation Project	6-23-15	11-20-18 4-10-19	4-11-19 11-20-19	3.00% 2.00%	700,000.00	600,000.00	700,000.00 600,000.00	- -
19-13	Well 4 Facility Project	11-22-16	11-20-18 4-10-19	4-11-19 11-20-19	3.00% 2.00%	25,266.00	22,066.00	25,266.00 22,066.00	- -
						<u>\$ 980,696.00</u>	<u>\$ 827,993.00</u>	<u>\$ 1,808,689.00</u>	<u>\$ -</u>
						Renewals	\$ 827,993.00	\$ 827,993.00	
						Paid from Bond Funds		827,993.00	
						Paid by Budget Appropriation		152,703.00	
						<u>\$ 827,993.00</u>	<u>\$ 1,808,689.00</u>	<u>\$ 1,808,689.00</u>	<u>\$ -</u>

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
Schedule of General Serial Bonds
For the Year Ended December 31, 2019

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding</u>			<u>Interest Rate</u>	<u>Balance December 31, 2018</u>	<u>Issued</u>	<u>Decreased</u>	<u>Balance December 31, 2019</u>
			<u>Date</u>	<u>December 31, 2019</u>	<u>Amount</u>					
Water & Sewer Bonds of 2009	5/14/09	\$ 1,985,000.00					\$ 135,000.00		\$ 135,000.00	\$ -
Water & Sewer Utility Refunding Bonds	5/14/09	4,705,000.00	7-1-20		480,000.00	3.75%				
			7-1-21		485,000.00	4.00%	1,440,000.00		475,000.00	965,000.00
Sewer Refunding Bonds of 2012	6/28/12	3,395,000.00	3-1-20		280,000.00	4.00%				
			3-1-21		295,000.00	4.00%				
			3-1-22		490,000.00	4.00%				
			3-1-23		515,000.00	4.00%				
			3-1-24		525,000.00	4.00%	2,375,000.00		270,000.00	2,105,000.00
Water & Sewer Utility Refunding Bonds	5/11/16	7,605,000.00	2-1-20		905,000.00	5.00%				
			2-1-21		330,000.00	5.00%				
			2-1-22		410,000.00	5.00%				
			2-1-23		450,000.00	5.00%				
			2-1-24		465,000.00	5.00%				
			2-1-25		195,000.00	4.00%				
			2-1-26		205,000.00	4.00%				
			2-1-27		215,000.00	4.00%				
			2-1-28		220,000.00	4.00%				
			2-1-29		230,000.00	3.00%				
			2-1-30		235,000.00	3.00%				
			2-1-31		245,000.00	3.00%				
			2-1-32		250,000.00	3.00%				
			2-1-33		260,000.00	3.00%				
			2-1-34		265,000.00	3.00%				
			2-1-35		275,000.00	3.00%				
			2-1-36		70,000.00	3.00%	5,945,000.00		720,000.00	5,225,000.00

(Continued)

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
Schedule of General Serial Bonds
For the Year Ended December 31, 2019

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of</u>			<u>Interest Rate</u>	<u>Balance December 31, 2018</u>	<u>Issued</u>	<u>Decreased</u>	<u>Balance December 31, 2019</u>
			<u>Bonds Outstanding</u>	<u>December 31, 2019</u>	<u>Amount</u>					
Water & Sewer Bonds of 2019	11/7/19	\$ 2,100,000.00								
			11-1-20	\$ 80,000.00		2.00%				
			11-1-21	100,000.00		2.00%				
			11-1-22	105,000.00		3.00%				
			11-1-23	120,000.00		3.00%				
			11-1-24	145,000.00		4.00%				
			11-1-25	155,000.00		3.00%				
			11-1-26	155,000.00		4.00%				
			11-1-27	155,000.00		3.00%				
			11-1-28	155,000.00		3.00%				
			11-1-29	155,000.00		2.00%				
			11-1-30	155,000.00		2.25%				
			11-1-31	155,000.00		2.00%				
			11-1-32	155,000.00		2.125%				
		11-1-33	155,000.00		2.125%					
		11-1-34	155,000.00		2.25%		\$ 2,100,000.00		\$ 2,100,000.00	
Total							\$ 9,895,000.00	\$ 2,100,000.00	\$ 1,600,000.00	\$ 10,395,000.00
							Paid by Budget Appropriation			
								\$ 1,600,000.00		

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
Schedule of Bonds and Notes Authorized but not Issued
For the Year Ended December 31, 2019

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2018</u>	<u>2019 Authorizations</u>	<u>BAN Not Reissued</u>	<u>Water/Sewer Bonds Issued</u>	<u>Balance December 31, 2019</u>
27-09	Bellevue Ave. Water Utility Improvements			\$ 530.00		\$ 530.00
22-14	Boyer Avenue Drip Irrigation Project			397.00		397.00
19-13	Well 4 Facility Project			66.00		66.00
11-16	Various Road and Utility Improvements	\$ 99,846.00				99,846.00
6-19	Installation of Sewer Lines and Relocation of Interceptor Line on Boyer Avenue and the Purchase of Equipment for the Utility Department		\$ 332,500.00		\$ 332,000.00	500.00
8-19	Various Utility Improvements		1,007,000.00		1,007,000.00	
		<u>\$ 99,846.00</u>	<u>\$ 1,339,500.00</u>	<u>\$ 993.00</u>	<u>\$ 1,339,000.00</u>	<u>\$ 101,339.00</u>

TOWN OF HAMMONTON

PART II

LETTER OF COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED

DECEMBER 31, 2019

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GENERAL COMMENTS

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

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

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

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

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

- Various Construction
- Fire Suppression System
- Painting of Water Tower

Contracts and Agreements Requiring Solicitation of Quotations

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

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

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body, on January 7, 2019, 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 20, 2019 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>
2019	112
2018	117
2017	123
2016	123
2015	113

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

Verification of Delinquent Taxes and Other Charges

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

<u>Type</u>	<u>Number Mailed</u>
Payment of 2020 and 2019 Taxes & Utilities	10
Delinquent Tax Balances	0
Municipal Court	10

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

Deposit of Municipal Funds

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

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

Comparison of Tax Levies and Collections Currently

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

Year		Currently	
		Cash Collections	Percentage of Collections
2019	\$	37,133,014.32	99.41%
2018		36,893,921.37	99.67%
2017		36,400,669.22	99.18%
2016		34,836,592.55	99.20%
2015		33,893,349.78	99.33%

Comparative Schedule of Tax Rate Information

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Tax Rate	2.709	2.696	2.658	2.561	2.456
Apportionment Of Tax Rate:					
Municipal	0.697	0.698	0.677	0.653	.624
County	0.572	0.556	0.558	0.504	.451
Local School	1.440	1.442	1.423	1.404	1.367
Assessed					
Valuation	1,364,157,700	1,363,406,500	1,363,568,100	1,357,131,700	1,359,227,331

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
2019	\$	926,725.59	6,344.15	933,069.74	2.51%
2018		800,149.35	3,050.83	803,200.18	2.18%
2017		733,033.00	3,129.01	736,162.01	2.02%
2016		678,298.82	882.40	679,181.22	1.95%
2015		607,841.84	53,562.57	661,404.41	1.95%

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

July 2, 2020