

TOWN OF HAMMONTON

REPORT OF AUDIT

FOR THE YEAR ENDED

DECEMBER 31, 2020

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, 2020

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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, 2020 and 2019, 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, 2020, 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, 2020 and 2019, 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, 2020 and 2019, 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, 2020 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 June 11, 2021 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

June 11, 2021

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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, 2020 and 2019

<u>ASSETS</u>	<u>REFERENCE</u>	<u>2020</u>	<u>2019</u>
Current Fund:			
Cash -- Tax Collector - Treasurer	SA-1	\$ 4,735,568.27	\$ 4,061,667.59
Cash -- Change Fund	SA-2	585.00	585.00
Due From State of New Jersey -- Senior Citizens' and Veterans Deductions	SA-10	<u>45,342.52</u>	<u>40,836.81</u>
Total		<u>4,781,495.79</u>	<u>4,103,089.40</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-3	1,612.77	6,344.15
Tax Title Liens Receivable	SA-4	925,273.63	926,725.59
Property Acquired for Taxes - Assessed Valuation	A	510,100.00	510,100.00
Revenue Accounts Receivable	SA-5	63,184.57	65,718.23
Due from Federal and State Grant Fund	A	119,305.83	-
Due from Animal Control Fund	SB-3	<u>3,498.74</u>	<u>-</u>
		<u>1,622,975.54</u>	<u>1,508,887.97</u>
		<u>6,404,471.33</u>	<u>5,611,977.37</u>
Federal and State Grant Fund:			
Due from Current Fund	A	-	153,540.06
Federal and State Grants Receivable	SA-15	<u>776,860.96</u>	<u>390,717.95</u>
		<u>776,860.96</u>	<u>544,258.01</u>
		<u>\$ 7,181,332.29</u>	<u>\$ 6,156,235.38</u>

TOWN OF HAMMONTON

Current Fund

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

For the Years Ended December 31, 2020 and 2019

	<u>REFERENCE</u>	<u>2020</u>	<u>2019</u> (Continued)
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3 & SA-6	\$ 615,896.93	\$ 69,665.41
Reserve for Encumbrances	SA-7	524,766.47	341,847.82
Prepaid Taxes	SA-8	541,374.83	579,458.96
Tax Overpayments	SA-9	310.59	125.98
Due State of New Jersey -- Vital Statistics	SA-11	-	525.00
Local School Tax Payable	SA-12	0.26	0.26
Due County for Added and Omitted Taxes	SA-13	51,454.98	37,563.09
Due to Federal and State Grant Fund	A	-	153,540.06
Due to Trust - Other Funds	SB-5	115,738.75	134,460.25
		<u>1,849,542.81</u>	<u>1,317,186.83</u>
Reserve for Receivables and Other Assets	A	1,622,975.54	1,508,887.97
Fund Balance	A-1	<u>2,931,952.98</u>	<u>2,785,902.57</u>
		<u>6,404,471.33</u>	<u>5,611,977.37</u>
Federal and State Grant Fund:			
Due to Current Fund	A	119,305.83	
Reserve for Federal and State Grants:			
Unappropriated Reserves	SA-16	-	58,570.82
Appropriated Reserves	SA-17	515,317.38	306,367.18
Reserve for Encumbrances	SA-18	<u>142,237.75</u>	<u>179,320.01</u>
Total Federal and State Grant Fund		<u>776,860.96</u>	<u>544,258.01</u>
		<u>\$ 7,181,332.29</u>	<u>\$ 6,156,235.38</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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 1,775,000.00	\$ 1,784,953.00
Miscellaneous Revenue Anticipated	3,188,953.34	3,257,758.21
Receipts from Delinquent Taxes	119,275.41	45,784.54
Receipts from Current Taxes	37,326,773.17	36,914,419.21
Non-Budget Revenues	760,595.71	549,657.54
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	23,404.12	22,484.09
Prior Year Encumbrances Canceled	-	7,311.37
Federal and State Grant Fund Appropriated Reserves Canceled	91,106.87	-
Liquidation of Reserves for:		
Reserve for Due from Animal Control Fund	-	81.40
Total Revenue and Other Income Realized	<u>43,285,108.62</u>	<u>42,582,449.36</u>
<u>Expenditures</u>		
Operations Within "CAPS":		
Salaries and Wages	4,730,874.23	4,595,218.00
Other Expenses	4,580,369.68	4,293,335.53
Deferred Charges and Statutory Expenditures Within "CAPS"	1,102,099.83	1,072,777.00
Operations Excluded from "CAPS":		
Salaries and Wages	-	21,251.36
Other Expenses	614,790.24	411,197.74
Capital Improvements Excluded from "CAPS"	100,000.00	95,000.00
Municipal Debt Service Excluded from "CAPS"	2,468,495.14	2,659,433.72
Deferred Charges Excluded from "CAPS"	477.00	72,820.60
County Taxes	7,816,770.84	7,777,295.27
Due County for Added and Omitted Taxes	51,454.98	37,563.09
Local School Taxes	19,683,695.00	19,649,695.00
Prior Year Tax Appeal	-	25,936.69
Federal and State Grant Fund Receivables Canceled	92,226.70	-
Reserve for Due from Federal and State Grant Fund	119,305.83	-
Reserve for Due from Animal Control Fund	3,498.74	-
Total Expenditures	<u>41,364,058.21</u>	<u>40,711,524.00</u>

(Continued)

TOWN OF HAMMONTON**Current Fund**

Statements of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Statutory Excess to Fund Balance	\$ 1,921,050.41	\$ 1,870,925.36
Fund Balance January 1	<u>2,785,902.57</u>	<u>2,699,930.21</u>
Total	4,706,952.98	4,570,855.57
Decreased by:		
Utilized as Revenue	<u>1,775,000.00</u>	<u>1,784,953.00</u>
Balance December 31	<u><u>\$ 2,931,952.98</u></u>	<u><u>\$ 2,785,902.57</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, 2020

	<u>Budget</u>	<u>N.J.S.A. 40A:4-87</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Fund Balance	\$ 1,775,000.00	-	\$ 1,775,000.00	-
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	12,000.00		12,931.20	\$ 931.20
Other	3,000.00		4,512.00	1,512.00
Fines and Costs - Municipal Court	236,000.00		159,334.99	(76,665.01)
Interest and Costs on Taxes	75,000.00		110,940.51	35,940.51
Interest on Investments and Deposits	60,500.00		51,777.79	(8,722.21)
Board of Health Fees	28,000.00		29,130.00	1,130.00
Airport Rental	73,000.00		84,840.02	11,840.02
Energy Receipts Tax	1,238,077.00		1,238,076.99	(0.01)
Garden State Trust Fund	53,430.00		34,637.00	(18,793.00)
Uniform Construction Code Fees	220,000.00		187,250.00	(32,750.00)
Public and Private Revenues Offset with Appropriations:				
Clean Communities		\$ 35,041.86	35,041.86	
Municipal Alliance on Alcoholism and Drug Abuse	14,868.00		14,868.00	
Sustainable Jersey Grant Fund		20,000.00	20,000.00	
Sustainable Jersey		5,000.00	5,000.00	
New Jersey League of Conservation Voters Fund Grant		20,000.00	20,000.00	
Bass Pro Shops - Lake Vegetation Survey		1,000.00	1,000.00	
United States Dept. of Transportation - FAA Grant		168,765.00	168,765.00	
U.S. Homeland Security FEMA Assistance to Firefighters Grant		267,809.52	267,809.52	
Body Armor Replacement Fund	3,018.04		3,018.04	
Recycling Tonnage Grant	58,570.82		58,570.82	
Other Special Items:				
Uniform Fire Safety Act	47,000.00		50,280.87	3,280.87
Cable TV Franchise Fee	49,135.31		49,135.31	
Plymouth Place -- Payment In-Lieu of Taxes	104,500.00		113,789.00	9,289.00
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 Bonds	12,576.57		12,476.57	(100.00)
New Airport Hanger Lease	32,656.40		32,656.40	
New Airport Hanger Lease	70,000.00		70,000.00	
Total	2,744,443.59	517,616.38	3,188,953.34	(73,106.63)
Receipts from Delinquent Taxes	2,700.00	-	119,275.41	116,575.41
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes	9,692,320.63	-	10,874,621.97	1,182,301.34
Budget Totals	14,214,464.22	517,616.38	15,957,850.72	1,225,770.12
Non-Budget Revenues	-	-	760,595.71	760,595.71
Total	\$ 14,214,464.22	\$ 517,616.38	\$ 16,718,446.43	\$ 1,986,365.83
				(Continued)

TOWN OF HAMMONTON
Current Fund
Statement of Revenues - Regulatory Basis (Cont'd)
For the Year Ended December 31, 2020

Analysis of Realized Revenue

Allocation of Current Tax Collections:		
Revenue from Collections		\$ 37,326,773.17
Allocated to:		
County Taxes	\$ 6,955,749.63	
County Library Taxes	515,887.59	
County Health Taxes	326,569.41	
County Open Space Taxes	18,564.21	
Due County for Added & Omitted	51,454.98	
School Taxes	19,717,695.00	
		<u>27,585,920.82</u>
Sub-Total		9,740,852.35
Add Appropriation - Reserve for Uncollected Taxes		<u>1,133,769.62</u>
Amount for Support of Municipal Budget Appropriations		<u>\$ 10,874,621.97</u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collections		\$ 5,677.59
Tax Title Lien Collections		<u>113,597.82</u>
		<u>\$ 119,275.41</u>
Licenses -- Other:		
Raffle/Bingo		\$ 1,280.00
Marriage		281.00
Business License		<u>2,951.00</u>
		<u>\$ 4,512.00</u>
Interest on Investments:		
Treasurer -- Tax Collector		51,721.95
Due from Animal Control Fund		<u>55.84</u>
		<u>\$ 51,777.79</u>

(Continued)

TOWN OF HAMMONTON
Current Fund
Statement of Revenues - Regulatory Basis (Cont'd)
For the Year Ended December 31, 2020

Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated:			
Revenue Accounts Receivable:			
Police Department	\$	4,274.86	
Use of Police Vehicle Fees		14,990.00	
Town Clerk:			
Street Opening Permits		22,541.50	
Tree Removal Permits		175.00	
Municipal Court - Resitution		150.00	
Folsom Court Contract Agreement		18,000.00	
Business Registration Certificates		1,035.00	
Landlord Registration Fees		66,414.00	
Abandoned Property Registration Fees		235,100.00	
Lien Recording Fees		544.00	
Freon Fees and Permits		80.00	
Fire Inspection Fees		12,204.00	
Property Maintenance Fees		271.35	
Rental of Polling Places		350.00	
Planning and Zoning Board		4,950.00	
Tax Assessor		430.00	
		381,509.71	
Less: Refund of Landlord, Business Registration Fees, Street Opening Permits and Restitution		(7,700.00)	
Refunds - Encumbered		(150.00)	
			\$ 373,659.71
Tax Collector - Treasurer:			
State of New Jersey -- Administrative Reimbursement		2,299.90	
Recreation Insurance		6,009.50	
Prior Year Refunds		11,274.42	
Rental of Dog Park Usage		225.00	
Rental of Town Hall		6,000.00	
Telephone Rental		74,997.38	
Inspection Fines		2,550.00	
Sale of Scrap Metal		8,598.50	
Sale of Equipment at Auction		9,662.56	
NSF Fees		60.00	
Sale of Land		260,250.00	
Payment In-Lieu of Taxes		1,000.00	
Lot Grading Application Fee		510.00	
			383,437.26
Add: Statutory Excess Animal Control Fund			3,498.74
			\$ 760,595.71

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

TOWN OF HAMMONTON
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2020

	<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>	
GENERAL APPROPRIATIONS:						
<i>Operations Within "CAPS":</i>						
<u>GENERAL GOVERNMENT</u>						
Administrative and Executive						
Salaries and Wages	\$ 136,991.20	\$ 136,991.20	\$ 128,508.28	\$ 7.60	\$ 8,475.32	
Other Expenses	20,000.00	20,000.00	15,785.05	1,294.95	2,920.00	
Elections						
Other Expenses	8,000.00	8,000.00	6,069.35		1,930.65	
Financial Administration						
Salaries and Wages	74,190.00	74,190.00	74,190.00		-	
Other Expenses	20,000.00	20,000.00	11,337.12	102.68	8,560.20	
Annual Audit	10,000.00	10,000.00	5,000.00		5,000.00	
Assessment of Taxes						
Salaries and Wages	110,039.38	110,039.38	106,589.60		3,449.78	
Other Expenses	5,900.00	40,900.00	3,983.50	100.00	36,816.50	
Collection of Taxes						
Salaries and Wages	55,618.63	55,618.63	36,285.92		19,332.71	
Other Expenses	22,500.00	22,500.00	4,779.73	5,827.45	11,892.82	
Legal Services and Costs:						
Other Expenses	200,000.00	200,000.00	74,113.32	103,423.89	22,462.79	
Engineering Services and Costs						
Other Expenses	34,000.00	34,000.00	18,270.00	15,600.00	130.00	
Public Buildings and Grounds						
Other Expenses	170,000.00	170,000.00	96,962.46	59,207.08	13,830.46	
Natural Gas	28,000.00	28,000.00	21,630.07	6,288.93	81.00	
Electricity	65,000.00	65,000.00	17,411.73	5,681.12	41,907.15	
Telephone	56,000.00	56,000.00	54,482.98	808.62	708.40	
Gasoline	86,000.00	86,000.00	71,000.75	1,306.39	13,692.86	
Municipal Land Use Law (N.J.S.A. 40:55D-1)						
Planning Board:						
Salaries and Wages	15,683.20	15,683.20	15,683.20		-	
Other Expenses	12,440.00	12,440.00	9,374.85	56.99	3,008.16	

(Continued)

TOWN OF HAMMONTON
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2020

	<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>
GENERAL APPROPRIATIONS:					
<i>Operations Within "CAPS" (Cont'd):</i>					
<u>GENERAL GOVERNMENT (Cont'd)</u>					
Historical Society:					
Other Expenses	\$ 3,700.00	\$ 3,700.00	\$ 1,130.29	\$ 2,569.71	\$ -
Environmental Commission (N.J.S. 40:56A-1 et seq.)					
Other Expenses	1,390.00	1,390.00	281.87	1,108.13	-
Computer					
Salaries and Wages	55,892.60	55,892.60	55,029.76		862.84
Other Expenses	65,000.00	65,000.00	62,316.54	209.28	2,474.18
Insurance					
Group Insurance Plan for Employees	1,362,381.04	1,263,728.21	1,220,469.04	770.00	42,489.17
Health Benefit Waivers	13,410.00	13,410.00	13,410.00		-
Workers Compensation Insurance	390,622.00	390,622.00	386,277.00		4,345.00
Liability Insurance	23,631.04	23,631.04	23,631.04		-
Temporary Disability Insurance	17,000.00	17,000.00	14,394.93	1,837.27	767.80
<u>PUBLIC SAFETY</u>					
Fire					
Other Expenses	227,071.00	227,071.00	188,740.05	38,318.41	12.54
State Fire Prevention Code					
Salaries and Wages	21,800.00	22,736.16	22,736.16		-
Other Expenses	4,900.00	4,900.00	2,025.00	457.00	2,418.00
Police					
Salaries and Wages	2,918,485.36	2,917,549.20	2,733,396.72	10,000.00	174,152.48
Other Expenses	358,062.67	398,062.67	262,765.19	119,008.98	16,288.50
Police Radio and Communications					
Salaries and Wages	220,502.40	220,502.40	205,201.29		15,301.11
Other Expenses	4,850.00	4,850.00	-		4,850.00

(Continued)

TOWN OF HAMMONTON
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2020

	<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>	
GENERAL APPROPRIATIONS:						
<i>Operations Within "CAPS" (Cont'd):</i>						
<u>PUBLIC SAFETY (Cont'd)</u>						
Municipal Court:						
Salaries and Wages	\$ 185,856.40	\$ 185,856.40	\$ 173,698.38	\$	\$ 12,158.02	
Other Expenses	11,500.00	11,500.00	8,463.95	\$ 2,320.83	715.22	
Prosecutor:						
Salaries and Wages	46,500.00	46,500.00	44,583.34		1,916.66	
Public Defender:						
Salaries and Wages	25,000.00	25,000.00	18,750.00		6,250.00	
<u>STREETS AND ROADS</u>						
Streets and Roads						
Salaries and Wages	643,087.44	643,087.44	571,337.30	325.50	71,424.64	
Other Expenses	965,238.76	975,238.76	872,915.09	101,842.51	481.16	
Street Lighting						
Other Expenses	146,000.00	146,000.00	145,966.00		34.00	
<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	367.50		232.50	
<u>RECREATION AND EDUCATION</u>						
Parks Commission:						
Salaries and Wages	1,200.00	1,200.00	1,200.00		-	
Recreation						
Salaries and Wages	3,000.00	3,000.00	-		3,000.00	
Other Expenses	125,000.00	125,000.00	94,909.18	11,277.58	18,813.24	
Celebration of Public Events, Anniversaries and Holidays	39,000.00	39,000.00	15,000.00	10,000.00	14,000.00	
<u>CODE ENFORCEMENT</u>						
Property Maintenance Officer						
Salaries and Wages	21,112.00	21,112.00	21,112.00		-	
Other Expenses	550.00	550.00	32.99		517.01	
						(Continued)

TOWN OF HAMMONTON
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2020

	<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>	
GENERAL APPROPRIATIONS: <i>Operations Within "CAPS" (Cont'd):</i> CODE ENFORCEMENT (Cont'd) Construction Code Official Salaries and Wages Other Expenses	\$ 195,915.62 21,000.00	\$ 195,915.62 21,000.00	\$ 171,191.18 19,973.06	\$ 958.46	\$ 24,724.44 68.48	
UNCLASSIFIED Advertising Other Expenses Municipal Airport Other Expenses	50,000.00 17,500.00	50,000.00 17,500.00	50,000.00 8,556.84	8,485.00	458.16	
<i>Total Operations Including Contingent - Within "CAPS"</i>	9,324,896.74	9,311,243.91	8,189,095.60	509,194.36	612,953.95	\$ -
Detail: Salaries and Wages Other Expenses	4,730,874.23 4,594,022.51	4,730,874.23 4,580,369.68	4,379,493.13 3,809,602.47	10,333.10 498,861.26	341,048.00 271,905.95	
GENERAL APPROPRIATIONS: <i>Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS":</i> STATUTORY EXPENDITURES: Contribution to: Defined Contribution Retirement Plan Public Employees Retirement System of N.J. Police and Firemen's Retirement System of N.J. Social Security System (O.A.S.I.)	6,500.00 182,153.00 716,794.00 183,000.00	6,500.00 183,066.53 729,533.30 183,000.00	5,796.47 183,066.53 729,533.30 181,871.22		703.53 - - 1,128.78	
<i>Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"</i>	1,088,447.00	1,102,099.83	1,100,267.52	-	1,832.31	-
<i>Total General Appropriations - For Municipal Purposes Within "CAPS"</i>	10,413,343.74	10,413,343.74	9,289,363.12	509,194.36	614,786.26	-
						(Continued)

TOWN OF HAMMONTON
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2020

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserve for Encumbrances	Reserved	
GENERAL APPROPRIATIONS:						
Operations Excluded from "CAPS":						
Recycling Tax	\$ 17,000.00	\$ 17,000.00	\$ 15,889.33	\$	1,110.67	
Public and Private Programs Offset By Revenues:						
Atlantic County Municipal Alliance Grant	18,585.00	18,585.00	18,585.00		-	
Clean Communities Program (NJSA 40A:4-87, \$35,041.86)		35,041.86	35,041.86		-	
Body Armor Replacement Fund	3,018.04	3,018.04	3,018.04		-	
Recycling Tonnage Grant	58,570.82	58,570.82	58,570.82		-	
Sustainable Jersey Grant Fund (NJSA 40A:4-87, \$20,000.00)		20,000.00	20,000.00		-	
Sustainable Jersey (NJSA 40A:4-87, \$5,000.00)		5,000.00	5,000.00		-	
N.J. League of Conservation Voters Fund Grant (NJSA 40A:4-87, \$20,000.00)		20,000.00	20,000.00		-	
Bass Pro Shops - Lake Vegetation Survey (NJSA 40A:4-87, \$1,000.00)		1,000.00	1,000.00		-	
U.S. Dept. of Transportation - FAA Grant (NJSA 40A:4-87, \$168,765.00)		168,765.00	168,765.00		-	
U.S. Homeland Security FEMA Assistance to Firefighters Grant (NJSA 40A:4-87, \$267,809.52)		267,809.52	267,809.52		-	
Total Operations - Excluded From "CAPS"	97,173.86	614,790.24	613,679.57	-	1,110.67	-
Detail:						
Salaries and Wages	-	-	-	-	-	-
Other Expenses	97,173.86	614,790.24	613,679.57		1,110.67	
Capital Improvements--Excluded from "CAPS"						
Capital Improvement Fund	100,000.00	100,000.00	100,000.00	-	-	-
Municipal Debt Service - Excluded from "CAPS"						
Payment of Bond & Loan Principal	\$ 1,745,000.00	\$ 1,745,000.00	\$ 1,745,000.00			-
Payment of Note Principal	109,700.00	109,700.00	109,700.00			-
Interest on Bonds	522,000.00	522,000.00	521,616.04			383.96
Interest on Notes	13,000.00	13,000.00	12,899.92			100.08
Green Trust Loan Program --Principal and Interest	80,000.00	80,000.00	79,279.18			720.82
Total Municipal Debt Service - Excluded from "CAPS"	2,469,700.00	2,469,700.00	2,468,495.14	-	-	1,204.86

(Continued)

TOWN OF HAMMONTON
Current Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2020

	<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>					
Unfunded General capital ordinance # 17-13	477.00	477.00	477.00		-
<i>Total Deferred Charges - Excluded from "CAPS"</i>	477.00	477.00	477.00		
<i>Total General Appropriations for Municipal Purposes Excluded from "CAPS"</i>	2,667,350.86	3,184,967.24	3,182,651.71		1,110.67
GENERAL APPROPRIATIONS:					
Subtotal General Appropriations	13,080,694.60	13,598,310.98	12,472,014.83	\$ 509,194.36	615,896.93
Reserve for Uncollected Taxes	1,133,769.62	1,133,769.62	1,133,769.62		
<i>TOTAL GENERAL APPROPRIATIONS</i>	<u>\$ 14,214,464.22</u>	<u>\$ 14,732,080.60</u>	<u>\$ 13,605,784.45</u>	<u>\$ 509,194.36</u>	<u>\$ 615,896.93</u>
Appropriation by N.J.S.A. 40A:4-87		\$ 517,616.38			
Original Budget		<u>14,214,464.22</u>			
		<u>\$ 14,732,080.60</u>			
Reserve for Federal and State Grants -- Appropriated			\$ 597,790.24		
Reserve for Uncollected Taxes			1,133,769.62		
Disbursed			<u>11,874,224.59</u>		
			<u>\$ 13,605,784.45</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, 2020 and 2019

<u>ASSETS</u>	<u>REFERENCE</u>	<u>2020</u>	<u>2019</u>
Animal Control Fund:			
Cash	SB-1	\$ 7,202.94	\$ 5,950.14
Other Funds:			
Cash	SB-1	2,030,496.41	1,896,496.66
Investments -- U.S. Government Securities	SB-2	417,631.42	396,123.96
Due from Current Fund	SB-5	115,738.75	134,460.25
Total Other Funds		2,563,866.58	2,427,080.87
Total		\$ 2,571,069.52	\$ 2,433,031.01
 <u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due to Current Fund	SB-3	\$ 3,498.74	\$ -
Reserve for Animal Control Fund Expenditures	SB-4	3,704.20	5,950.14
Total Animal Control Fund		7,202.94	5,950.14
Other Funds:			
Reserve for Prosecutor's Trust Fund	SB-6	21,196.44	21,022.51
Reserve for Recreation Fees	SB-7	23,939.73	25,332.17
Reserve for Street Opening Escrow Deposits	SB-8	90,391.10	89,164.10
Reserve for Escrow Deposits	SB-9	319,353.18	301,116.32
Reserve for Public Defender Trust Fund	SB-10	839.64	226.31
Reserve for Parking Offense Adjudication Act	SB-11	1,656.50	2,305.33
Reserve for Municipal Drug Alliance Funds	SB-12	6,736.55	6,463.87
Reserve for Airport Security Deposit	SB-13	9,786.80	9,706.50
Reserve for Police Outside Detail	SB-14	117,051.25	141,460.25
Reserve for Tax Title Lien Redemption	SB-15	354,102.31	109,163.52
Reserve for Tax Sale Premium	SB-16	701,900.00	845,900.00
Payroll Deductions Payable	SB-17	8,424.76	53,078.20
Park Recreation Trust Fund	SB-18	118,631.50	73,403.08
Recaptured Grant Funds	SB-19	87,238.88	87,238.88
Uniform Fire Penalties Rider	SB-20	1,529.07	1,516.52
State Landfill Tax Escrow Fund	SB-21	175,389.37	173,950.04
State Landfill Closure -- Escrow Fund	SB-22	417,631.42	396,123.96
Reserve for Celebration of Public Events	SB-23	17,057.20	66,712.37
Reserve for COAH Fees	SB-24	22,876.05	835.97
Reserve for Police Equipment Donations	SB-25	5,747.33	810.97
Reserve for Encumbrances	SB-26	62,387.50	21,550.00
Total Other Funds		2,563,866.58	2,427,080.87
Total		\$ 2,571,069.52	\$ 2,433,031.01

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, 2020 and 2019

	<u>REFERENCE</u>	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>			
Cash	SC-1 & SC-2	\$ 1,395,208.88	\$ 1,271,836.48
Federal Grants Receivable	SC-3	420,531.13	920,464.33
Deferred Charges to Future Taxation:			
Funded	SC-4	13,291,597.95	15,098,613.38
Unfunded	SC-5	<u>2,240,709.00</u>	<u>683,636.00</u>
Total Assets		<u>\$ 17,348,046.96</u>	<u>\$ 17,974,550.19</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds	SC-12	\$ 12,475,000.00	\$ 14,220,000.00
Bond Anticipation Notes Payable	SC-11	2,215,709.00	658,159.00
Green Acres Trust Fund Loan Payable	SC-10	816,597.95	878,613.38
Improvement Authorizations:			
Funded	SC-6	215,048.45	698,511.73
Unfunded	SC-6	357,486.06	25,000.00
Contracts Payable	SC-7	1,254,985.54	780,819.55
Capital Improvement Fund	SC-8	13,219.96	969.96
Due to Utility Operating Fund	SC-1	-	700,000.00
Reserve for Payment of Bonds	SC-9	<u>-</u>	<u>12,476.57</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 17,348,046.96</u>	<u>\$ 17,974,550.19</u>

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

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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, 2020 and 2019

<u>ASSETS</u>	<u>REFERENCE</u>	<u>2020</u>	<u>2019</u>
Operating Fund:			
Cash	SD-1	\$ 858,652.86	\$ 415,978.42
Due from General Capital Fund	SC-1	-	700,000.00
Due from Utility Capital Fund	SD-1	-	60,775.00
		<u>858,652.86</u>	<u>1,176,753.42</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	SD-3	212,973.49	4,461.42
Utility Liens	SD-4	73,192.66	47,252.45
		<u>286,166.15</u>	<u>51,713.87</u>
Deferred Charges:			
Operating Deficit	D-1	96,809.06	-
Total Operating Fund		<u>1,241,628.07</u>	<u>1,228,467.29</u>
Capital Fund:			
Cash	SD-1&SD-2	2,123,928.39	2,467,140.30
Fixed Capital	SD-5	51,895,260.76	51,895,260.76
Fixed Capital Authorized and Uncompleted	SD-6	25,764,666.94	25,864,512.94
State Loans Receivable	SD-7	-	225,446.00
Total Capital Fund		<u>79,783,856.09</u>	<u>80,452,360.00</u>
Total Assets		<u>\$ 81,025,484.16</u>	<u>\$ 81,680,827.29</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, 2020 and 2019

	<u>REFERENCE</u>	<u>2020</u>	<u>2019</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves	D-4 & SD-8	\$ 168,030.11	\$ 107,115.60
Reserve for Encumbrances	SD-9	377,865.33	322,652.78
Prepaid Utility Rents	SD-10	17,735.54	18,551.79
Accrued Interest Payable	SD-11	165,330.90	201,933.21
		<hr/>	<hr/>
Total Liabilities		728,961.88	650,253.38
Reserve for Receivables	D	286,166.15	51,713.87
Fund Balance	D-1	226,500.04	526,500.04
		<hr/>	<hr/>
Total Operating Fund		1,241,628.07	1,228,467.29
		<hr/>	<hr/>
Capital Fund:			
Serial Bonds	SD-20	\$ 8,650,000.00	\$ 10,395,000.00
New Jersey Environmental Infrastructure Trust Loans Payable	SD-19	10,309,839.71	11,021,486.14
Improvement Authorizations:			
Funded	SD-12	288,042.15	1,284,427.50
Unfunded	SD-12	-	100,243.00
Contracts Payable	SD-13	189,843.73	258,663.41
Capital Improvement Fund	SD-14	18,759.73	18,759.73
Reserves for:			
Amortization	SD-15	53,744,519.94	51,286,380.51
Payment of Bonds	SD-16	606,746.56	610,320.06
Payment of Loans	SD-17	1,020,936.22	457,919.92
Deferred Amortization	SD-18	4,955,168.05	4,955,168.05
Due to Utility Operating Fund	SD-1		60,775.00
Fund Balance	D-2	-	3,216.68
		<hr/>	<hr/>
Total Capital Fund		79,783,856.09	80,452,360.00
		<hr/>	<hr/>
Total Liabilities, Reserves and Fund Balance		\$ 81,025,484.16	\$ 81,680,827.29
		<hr/>	<hr/>

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

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

TOWN OF HAMMONTON
Water and Sewer Utility Operating Fund
 Statements Of Operations And Changes In Fund Balance - Regulatory Basis
 For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Revenue and Other Income Realized:		
Operating Fund Balance Utilized	\$ 300,000.00	\$ 623,900.00
Rents	6,041,809.99	6,150,692.98
Utility Capital Reserve for Payment of Notes	3,573.50	60,775.00
Utility Capital Fund Balance	3,216.68	
Miscellaneous	139,199.14	253,547.31
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	30,438.52	11,968.42
Prior Year Encumbrances Canceled	-	2,377.00
	<u>6,518,237.83</u>	<u>7,103,260.71</u>
Total Revenue and Other Income Realized		
Expenditures:		
Operating	3,536,297.18	3,476,647.36
Capital Outlay	-	60,775.00
Debt Service	2,912,256.71	2,967,627.43
Deferred Charges and Statutory Expenditures	166,493.00	338,752.64
	<u>6,615,046.89</u>	<u>6,843,802.43</u>
Total Expenditures		
Excess (Deficit) in Revenue	<u>(96,809.06)</u>	<u>259,458.28</u>
Fund Balance January 1	<u>526,500.04</u>	<u>890,941.76</u>
	526,500.04	1,150,400.04
Decreased by:		
Utilization by Water Operating Budget	<u>300,000.00</u>	<u>623,900.00</u>
Fund Balance December 31	<u><u>\$ 226,500.04</u></u>	<u><u>\$ 526,500.04</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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Balance January 1	\$ 3,216.68	\$ 3,216.68
Increased By:		
Premium Received on Bond Anticipation Notes Issued	<u>-</u>	<u>-</u>
	3,216.68	3,216.68
Decreased by:		
Anticipated as Revenue in Utility Operating Budget	<u>3,216.68</u>	<u>-</u>
Balance December 31	<u><u>\$ -</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, 2020

	<u>Budget</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Fund Balance Anticipated	\$ 300,000.00	\$ 300,000.00	
Rents	6,150,000.00	6,041,809.99	\$ (108,190.01)
Utility Capital Fund Balance	3,216.68	3,216.68	-
Utility Capital Reserve for Payment of Bonds	3,573.50	3,573.50	-
Miscellaneous	<u>173,000.00</u>	<u>139,199.14</u>	<u>(33,800.86)</u>
Total	<u>\$ 6,629,790.18</u>	<u>\$ 6,487,799.31</u>	<u>\$ (141,990.87)</u>

Analysis of Realized Revenues

Rents:

Consumer Accounts Receivable:

Rents Collected	\$ 6,024,717.76
Prepaid Rents Applied	17,092.23
Liens Collected	<u>-</u>

Total	<u>\$ 6,041,809.99</u>
-------	------------------------

Miscellaneous:

Penalty on Delinquent Accounts	\$ 25,011.25
Interest on Investments	24,952.76
Meters	12,391.00
Taps	7,250.00
Connection Fees (Sewer)	38,000.00
Connection Fees (Water)	28,500.00
Road Restoration	500.00
Sludge Removal	137.25
Refund Prior Years Expenditures	<u>2,456.88</u>
	<u>\$ 139,199.14</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, 2020

	<u>Budget</u>	<u>Transfers</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended Reserve For Encumbrances</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Operating:							
Salaries and Wages	\$ 736,959.33		\$ 736,959.33	\$ 660,660.71		\$ 76,298.62	
Other Expenses	2,799,337.85		2,799,337.85	2,377,528.44	337,645.97	84,163.44	
Debt Service:							
Payment of Bond/Loan Principal	1,745,000.00		1,745,000.00	1,745,000.00			\$ -
NJEIT Principal	712,000.00		712,000.00	711,646.43			353.57
Interest on Bonds & Loans	470,000.00		470,000.00	455,610.28			14,389.72
Deferred Charges and Statutory Expenditures:							
Deferred Charge:							
Unfunded Capital Ordinance #27-09	530.00		530.00	530.00			-
Unfunded Capital Ordinance #22-14	397.00		397.00	397.00			-
Unfunded Capital Ordinance #19-13	66.00		66.00	66.00			-
Unfunded Capital Ordinance #6-19	500.00		500.00	500.00			-
Statutory Expenditures:							
Contribution to:							
Social Security System (O.A.S.I.)	60,000.00		60,000.00	54,971.43		5,028.57	
New Jersey Disability Insurance	5,000.00		5,000.00	2,460.52		2,539.48	
PERS	100,000.00		100,000.00	100,000.00		-	
Total	\$ 6,629,790.18	\$ -	\$ 6,629,790.18	\$ 6,109,370.81	\$ 337,645.97	\$ 168,030.11	\$ 14,743.29
Interest on Bonds & Loans				\$ 455,610.28			
Disbursed				5,653,760.53			
				\$ 6,109,370.81			

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, 2020

	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Additions/</u> <u>Adjustments</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
General Fixed Assets				
Land	\$ 3,080,100.00			\$ 3,080,100.00
Building	9,280,754.00			9,280,754.00
Equipment	<u>6,795,795.36</u>	<u>392,764.68</u>	<u>206,646.00</u>	<u>6,981,914.04</u>
			t	
Total General Fixed Assets	<u>\$ 19,156,649.36</u>	<u>\$ 392,764.68</u>	<u>\$ 206,646.00</u>	<u>\$ 19,342,768.04</u>
 Total Investments in General Fixed Assets	 <u>\$ 19,156,649.36</u>	 <u>\$ 392,764.68</u>	 <u>\$ 206,646.00</u>	 <u>\$ 19,342,768.04</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, 2020 AND 2019

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, 2020 AND 2019
(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, 2020 AND 2019
(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, 2020 and 2019.

	Balance 12/31/2019	Additions	Adjustments/ Deletions	Balance 12/31/2020
Land	\$ 3,080,100.00			3,080,100.00
Buildings and Improvements	9,280,754.00			9,280,754.00
Machinery and Equipment	6,795,795.36	392,764.68	206,646.00	6,981,914.04
Total General Fixed Assets	\$ 19,156,649.36	392,764.68	206,646.00	19,342,768.04

	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

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, 2020 AND 2019
(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, 2020 AND 2019
(CONTINUED)

F. Recent Accounting Pronouncements Not Yet Effective

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. 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.

In June 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32". This statement is effective for fiscal periods beginning after June 15, 2021 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 2020 and 2019 statutory budgets included a reserve for uncollected taxes in the amount of \$1,133,769.62 and \$1,125,576.90, respectively. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2020 and 2019 statutory budgets was \$1,775,000.00 and \$1,784,953.00, 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 2020 and 2019 calendar years:

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(CONTINUED)

	<u>2020</u>	<u>2019</u>
Assessment of Taxes		
Other Expenses	\$ 35,000	
Legal		
Other Expenses		16,000
Group Insurance Plan	(98,653)	(78,800)
Police		
Salaries and Wages	40,000	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 2020 and 2019 calendar years:

	<u>2020</u>	<u>2019</u>
Sustainable Jersey Grant Fund	\$ 20,000.00	
Sustainable Jersey	5,000.00	
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
NJ League of Conservation Voters Fund Grant	20,000.00	
Bass Pro Shops - Lake Vegetation Survey	1,000.00	
US Dept of Transportation - FAA Grant	168,765.00	
US Homeland Security FEMA Assistance to Fire Fighters	267,809.52	
Drive Sober or Get Pulled Over		5,500.00
Clean Communities Grant	35,041.86	38,865.78

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 2020 or 2019.

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, 2020, \$167,631.42 of the municipality's bank balance of \$11,989,479.30 was exposed to

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(CONTINUED)

custodial credit risk. 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.

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 \$417,631.42 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, 2020 AND 2019
(CONTINUED)

Investment Type	Maturities	Moody's Credit Rating	Cost Amount	Fair Value Amount
U.S. Government Obligations	N/A	N/A	623.56	623.56
FHLMC	4/20/2023	Aaa	3,990.00	4,020.24
FHLMC	5/5/2023	Aaa	3,998.32	4,020.52
FHLMC	7/20/2023	Aaa	2,000.00	2,002.90
FHLMC	1/17/2020	Aaa	3,996.92	4,196.12
FHLMCMTN	7/25/2022	Aaa	1,995.48	2,000.54
FHLMCMTN	10/16/2023	Aaa	4,981.35	4,996.60
FHLMCMTN	6/26/2023	Aaa	3,988.32	4,008.68
FHLMCMTN	8/24/2023	Aaa	3,995.92	4,007.88
FHLMCMTN	11/6/2023	Aaa	3,996.40	4,003.40
FHLMCMTN	7/8/2022	Aaa	2,000.00	2,000.02
FHLMCMTN	8/12/2021	Aaa	2,984.76	3,018.42
FHLMCMTN	2/16/2021	Aaa	3,989.44	4,010.72
FNMA	7/10/2023	Aaa	3,991.40	4,009.56
FNMA	11/27/2023	Aaa	3,995.44	4,003.60
FNMA	8/25/2025	Aaa	3,981.28	3,999.12
FNMA	6/17/2025	Aaa	3,991.72	4,021.24
FNMA	9/6/2022	Aaa	7,972.16	8,170.24
FNMA	10/7/2021	Aaa	2,994.96	3,028.62
FNMA	1/7/2025	Aaa	2,990.43	3,161.31
FNMA	1/11/2022	Aaa	2,997.84	3,076.86
FNMA	9/12/2023	Aaa	2,987.70	3,214.50
FNMA Deb	4/22/2025	Aaa	4,989.70	5,058.80
FNMA Deb	4/12/2022	Aaa	2,990.16	3,083.79
Federal Argi Mtg Corp	12/29/2023	Aaa	1,997.50	2,000.46
Federal Farm Credit Bks	4/1/2021	Aaa	2,017.00	2,008.42
Federal Farm Credit Bks	7/17/2023	Aaa	2,002.64	2,134.36
Federal Home Loan Bks	2/12/2021	Aaa	6,930.91	7,016.80
US Treasury Bds	8/15/2021	Aaa	5,796.56	4,197.52
US Treasury Bds	8/15/2022	Aaa	2,720.94	2,231.02
US Treasury Bond	8/15/2023	Aaa	1,313.59	1,159.92
US Treasury Bond	2/15/2022	N/A	3,330.24	3,994.08
US Treasury Note	11/30/2022	Aaa	3,998.13	4,000.48
US Treasury Note	4/30/2025	Aaa	2,994.22	3,010.89
US Treasury Note	10/31/2027	Aaa	990.08	992.19
US Treasury Note	8/15/2030	Aaa	12,760.78	12,675.00
US Treasury Note	2/28/2025	Aaa	3,040.20	3,105.81
US Treasury Note	7/31/2021	Aaa	1,989.69	2,011.72
US Treasury Note	9/30/2021	Aaa	2,971.29	3,022.62
Subtotal (Carried Forward)			\$ 141,277.03	\$ 141,298.53

TOWN OF HAMMONTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(CONTINUED)

Investment Type	Maturities	Moody's Credit Rating	Cost Amount	Fair Value Amount
Subtotal (Brought Forward)			141,277.03	141,298.53
US Treasury Note	10/31/2021	Aaa	1,987.58	2,018.60
US Treasury Note	2/15/2030	Aaa	1,068.59	1,057.93
US Treasury Note	8/15/2022	Aaa	2,991.33	3,066.81
US Treasury Note	8/15/2026	Aaa	4,862.11	5,294.35
US Treasury Note	9/30/2024	Aaa	996.13	1,047.15
US Treasury Note	2/15/2026	Aaa	11,984.22	12,763.08
US Treasury Note	5/15/2026	Aaa	5,840.90	6,388.62
US Treasury Note	8/15/2022	Aaa	3,994.22	4,097.20
US Treasury Note	8/15/2029	Aaa	3,919.81	4,279.08
US Treasury Note	10/31/2023	Aaa	2,966.48	3,125.28
US Treasury Note	11/15/2022	Aaa	1,950.78	2,055.70
US Treasury Note	3/31/2022	Aaa	3,964.06	4,081.24
US Treasury Note	5/15/2022	Aaa	1,859.14	2,044.54
US Treasury Note	5/15/2023	Aaa	2,757.42	3,114.15
US Treasury Note	11/15/2029	Aaa	2,051.91	2,161.48
US Treasury Note	2/28/2022	Aaa	7,068.63	7,142.17
US Treasury Note	8/31/2022	Aaa	2,003.59	2,057.96
US Treasury Note	11/30/2021	Aaa	11,907.66	12,192.72
US Treasury Note	2/15/2023	Aaa	2,920.12	3,118.14
US Treasury Note	2/15/2025	Aaa	8,816.60	9,635.94
US Treasury Note	4/30/2024	Aaa	3,018.05	3,179.76
US Treasury Note	5/31/2021	Aaa	1,006.37	1,007.70
US Treasury Note	8/15/2025	Aaa	12,724.97	14,002.43
US Treasury Note	10/31/2022	Aaa	3,044.41	3,102.54
US Treasury Note	11/15/2021	Aaa	973.28	1,016.33
US Treasury Note	5/15/2025	Aaa	8,970.27	9,713.70
US Treasury Note	6/30/2022	Aaa	4,072.81	4,119.68
US Treasury Note	11/30/2024	Aaa	2,034.22	2,145.86
US Treasury Note	2/15/2027	Aaa	10,976.84	12,158.85
US Treasury Note	3/31/2026	Aaa	10,945.43	12,064.36
US Treasury Note	8/15/2027	Aaa	4,938.87	5,544.15
US Treasury Note	11/15/2024	Aaa	1,004.84	1,077.27
US Treasury Note	11/15/2025	Aaa	9,257.86	9,828.27
US Treasury Note	11/15/2027	Aaa	14,263.09	16,655.85
US Treasury Note	5/15/2027	Aaa	7,089.51	7,808.01
US Treasury Note	8/15/2024	Aaa	4,124.30	4,311.08
US Treasury Note	2/28/2026	Aaa	9,508.20	9,977.31
US Treasury Note	5/15/2024	Aaa	13,129.69	14,008.54
US Treasury Note	8/15/2023	Aaa	10,789.92	11,676.28
US Treasury Note	1/31/2026	Aaa	4,051.56	4,455.00
US Treasury Note	2/15/2024	Aaa	1,013.05	1,080.20
Subtotal (Carried Forward)			\$ 364,125.85	\$ 380,973.84

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Investment Type	Maturities	Moody's Credit Rating	Cost Amount	Fair Value Amount
Subtotal (Brought Forward)			364,125.85	380,973.84
US Treasury Note	2/15/2028	Aaa	2,943.75	3,440.28
US Treasury Note	4/30/2026	Aaa	3,136.17	3,181.41
US Treasury Note	11/15/2023	Aaa	1,001.33	1,074.22
US Treasury Note	5/15/2028	Aaa	3,987.85	4,634.36
US Treasury Note	8/15/2028	Aaa	6,846.37	8,131.20
US Treasury Note	11/30/2023	Aaa	1,049.06	1,078.67
US Treasury Note	11/15/2028	Aaa	11,295.43	13,023.78
Private Export Funding	11/15/2024	Aaa	1,997.34	2,093.66
Subtotal (Carried Forward)			<u>\$ 396,383.15</u>	<u>\$ 417,631.42</u>

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NOTE 5: LONG-TERM DEBT

Summary of Municipal Debt

	<u>Year 2020</u>	<u>Year 2019</u>	<u>Year 2018</u>
Issued:			
General:			
Bonds, Loans and Notes	\$ 15,507,306.95	15,756,772.38	16,469,902.46
Water and Sewer Utility:			
Bonds, Loans and Notes	18,959,839.71	21,416,486.14	22,593,828.57
Assessment Bonds			-
	<u>34,467,146.66</u>	<u>37,173,258.52</u>	<u>39,063,731.03</u>
Total Issued			
Authorized but not issued:			
General:			
Bonds, Loans and Notes	25,000.00	25,477.00	11,581.00
Water and Sewer Utility:			
Bonds, Loans and Notes	-	101,339.00	99,846.00
	<u>25,000.00</u>	<u>126,816.00</u>	<u>111,427.00</u>
Total Authorized but not Issued			
Total Issued and Authorized but not issued	<u>34,492,146.66</u>	<u>37,300,074.52</u>	<u>39,175,158.03</u>
Deductions:			
Reserve for Payment of Debt			
Self-Liquidating Debt	<u>18,042,570.89</u>	<u>21,517,825.14</u>	<u>20,417,445.00</u>
Total Deductions	<u>18,042,570.89</u>	<u>21,517,825.14</u>	<u>20,417,445.00</u>
Net Debt	<u>\$ 16,449,575.77</u>	<u>15,782,249.38</u>	<u>18,757,713.03</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 1.129%

	Gross Debt	Deductions	Net Debt
Local School District	\$ 17,969,000.00	17,969,000.00	-
Water & Sewer Utility	18,959,839.71	18,042,570.89	917,268.82
General	15,532,306.95	-	15,532,306.95
Total	<u>52,461,146.66</u>	<u>36,011,570.89</u>	<u>16,449,575.77</u>

Net debt \$16,449,575.77 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$1,457,524,215.00 = 1.129%.

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

3 1/2% of Equalized Valuation Basis	\$ 51,013,347.54
Net Debt	<u>16,449,575.77</u>
Remaining Borrowing Power	<u>\$ 34,563,771.77</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, 2020, bonds payable in the General Capital Fund consisted of the following individual issues:

\$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, 2020 was \$5,750,000.00.

\$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, 2020, is \$6,725,000.00.

\$1,200,000.00 State of New Jersey Green Trust Loans dated February 28, 2004, March 26, 2012 and February 11, 2016, due in semi-annual installments beginning in 2004 through 2033, bearing interest at various rates. The balance remaining as of December 31, 2020, is \$816,597.95.

At December 31, 2020, bonds payable in the Water and Sewer Utility Fund consisted of the following individual issues:

\$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, 2020, is \$485,000.00.

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\$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, 2020, is \$1,825,000.00.

\$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, 2020 was \$4,320,000.00.

\$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, 2020, is \$2,020,000.00.

\$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, 2020, is \$10,309,839.71.

Changes in Long-Term Debt

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

	<u>Outstanding</u> <u>12/31/2019</u>	<u>Issues or</u> <u>Additions</u>	<u>Payments or</u> <u>Expenditures</u>	<u>Outstanding</u> <u>12/31/2020</u>	<u>Due in</u> <u>One Year</u>
General Capital Fund:					
Bonds Payable	\$ 14,220,000.00		1,745,000.00	12,475,000.00	1,825,000.00
Green Trust Loans	878,613.38		62,015.43	816,597.95	63,261.94
Compensated					
Absences	318,034.71	113,374.82		431,409.53	
Water and Sewer					
Utility Fund:					
Bonds Payable	10,395,000.00		1,745,000.00	8,650,000.00	1,210,000.00
NJEIT	11,021,486.14		711,646.43	10,309,839.71	721,646.73
Total All Funds	\$ <u>36,833,134.23</u>	<u>113,374.82</u>	<u>4,263,661.86</u>	<u>32,682,847.19</u>	<u>3,819,908.67</u>

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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		Total All Debt
	Principal	Interest	Service
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	794,035.75	143,703.43	937,739.18
2026-2030	4,238,462.36	340,683.57	4,579,145.93
2031-2033	187,983.67	6,325.67	194,309.34
Total	<u>13,291,597.95</u>	<u>1,845,699.43</u>	<u>15,137,297.38</u>

Year Ending December 31,	Water and Sewer Utility		Total All Debt
	Principal	Interest	Service
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	1,121,646.43	206,513.78	1,328,160.21
2026-2030	5,762,588.03	697,543.90	6,460,131.93
2031-2035	4,181,734.28	210,900.08	4,392,634.36
2036	502,284.35	2,737.50	505,021.85
Total	<u>18,959,839.71</u>	<u>2,473,475.38</u>	<u>21,433,315.09</u>

NOTE 6: SHORT TERM FINANCING

	Balance 12/31/2019	Additions	Reductions	Balance 12/31/2020
BANs - General	\$ 658,249.00	2,215,709.00	658,159.00	2,215,799.00
BANs - Utility	-	-	-	-
Total BANs	<u>\$ 658,249.00</u>	<u>2,215,709.00</u>	<u>658,159.00</u>	<u>2,215,799.00</u>

	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>

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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, 2020, the Town estimates this liability to be approximately \$431,409.53 based on 2020 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 12/31/2020	Balance 12/31/2019
Prepaid Taxes	\$ 541,374.83	579,458.96
Cash Liability for Taxes Collected in Advance	541,374.83	579,458.96

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, 2020, 2019 and 2018 were \$282,153, \$294,227, and \$272,481 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, 2020, 2019 and 2018 were \$716,794, \$689,550, and \$605,649 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
NOTES TO FINANCIAL STATEMENTS –
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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:

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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	2020	\$ 2,931,952.98	1,820,000.00	62.07%
	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%
	Year	Balance December 31st	Utilized in Budget of Succeeding Year	Percent Utilized
Utility Fund	2020	\$ 226,500.04	100,000.00	44.15%
	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%

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

As of December 31, 2020, 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	\$ 119,305.83	
Animal Control Fund	3,498.74	
Trust Other		115,738.75
Grant Fund:		
Current Fund		119,305.83
Trust Fund:		
Current Fund	112,240.01	
	<u>\$ 235,044.58</u>	<u>235,044.58</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, 2020 and 2019 was \$15,881.34 and \$16,287.65 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, 2020 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, 2020 and June 11, 2021 the date the financial statements were available for issuance for possible disclosure and recognition in the financial statements and no items have come to the attention of the City that would require disclosure.

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SUPPLEMENTARY INFORMATION

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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, 2020, and the related notes to the financial statements, which collectively comprise Town's basic financial statements, and have issued our report thereon dated June 11, 2021, 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

June 11, 2021

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. 2020-001

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. 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

This has not been corrected and is a repeat finding in 2020. 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, 2020

	<u>CURRENT FUND</u>	<u>FEDERAL AND STATE GRANT FUND</u>
Balance December 31, 2019	\$ 4,061,667.59	\$ -
Increased by Receipts:		
Uniform Fire Safety Act	\$ 50,280.87	
Miscellaneous Revenue not Anticipated	383,437.26	
Taxes Receivable	36,633,365.82	
Tax Title Liens Receivable	113,597.82	
Revenue Accounts Receivable	2,913,576.53	
Prepaid Taxes	541,374.83	
Tax Overpayments	89,794.97	
Due from State of New Jersey - Tax Deductions	114,994.29	
Due to State of New Jersey - Vital Statistics	1,875.00	
Due from Animal Control Fund	55.84	
Due from Trust -- Other Funds	94,506.00	
Due from General Capital Fund	12,476.57	
Federal and State Grants Receivable		\$ 57,132.71
Matching Funds for Grants		3,717.00
Due from Current Fund	<u>273,965.72</u>	<u>273,965.72</u>
Total Receipts	<u>40,949,335.80</u>	<u>334,815.43</u>
	45,011,003.39	334,815.43
Decreased by Disbursements:		
Refund of Miscellaneous Revenue Not Anticipated	7,700.00	
2020 Appropriations	11,874,224.59	
2019 Appropriation Reserves	370,780.44	
Reserve for Encumbrances	2,281.56	
Tax Overpayments	89,484.38	
Due to State of New Jersey - Vital Statistics	2,025.00	
Local District School Taxes	19,683,695.00	
Due County for Added and Omitted Taxes Payable	37,563.09	
County Taxes Payable	7,816,770.84	
Due from Trust -- Other Funds	113,227.50	
Due to General Capital Fund	-	
Reserve for Federal and State Grants - Appropriated		296,834.57
Reserve for Encumbrances - Federal and State Grants		37,980.86
Matching Funds for Grants	3,717.00	
Due to Federal and State Grant Fund	<u>273,965.72</u>	<u>273,965.72</u>
Total Disbursements	<u>40,275,435.12</u>	<u>334,815.43</u>
Balance December 31, 2020	<u><u>\$ 4,735,568.27</u></u>	<u><u>\$ -</u></u>

TOWN OF HAMMONTON
Current Fund
Schedule of Cash - Collector/Treasurer (Cont'd)
For the Year Ended December 31, 2020

Reconciliation Dec. 31, 2020

OceanFirst Bank		
Account No. 0402017818	4,835,917.04	
Add: Deposit in Transit	41,316.23	
Less: Outstanding Checks per Permanent Record	<u>(141,665.00)</u>	4,735,568.27
Account No. 0402017615	\$ 446,393.52	
Add: Deposit in Transit	320.00	
Less: Outstanding Checks per Permanent Record	<u>(446,713.52)</u>	-
		<u></u>
Balance		<u>\$ 4,735,568.27</u>

Analysis of Balance Dec. 31, 2020

Current Fund	\$ 4,735,568.27
Federal and State Grant Fund	<u>-</u>
	<u>\$ 4,735,568.27</u>

TOWN OF HAMMONTON
Current Fund
Schedule of Change Funds
For the Year Ended December 31, 2020

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, 2020

Year	Balance December 31, 2019	2020 Levy	Added Taxes	2019	Collections 2020	Due From State Of New Jersey	Overpayments Applied	Canceled	Transferred To Tax Title Liens	Balance December 31, 2020
2019	\$ 6,344.15				\$ 5,677.59					\$ 666.56
	6,344.15	-	-	-	5,677.59	-	-	-	-	666.56
2020		\$ 37,475,254.36	\$ -	\$ 579,458.96	36,627,688.23	\$ 119,500.00	\$ 125.98	\$ 36,858.25	\$ 110,676.73	946.21
Total	\$ 6,344.15	\$ 37,475,254.36	\$ -	\$ 579,458.96	\$ 36,633,365.82	\$ 119,500.00	\$ 125.98	\$ 36,858.25	\$ 110,676.73	\$ 1,612.77
<u>Analysis of 2020 Property Tax Levy</u>										
Tax Yield:										
General Purpose Tax										
Added Taxes (54:4-63.1 et seq.)										
Total										
\$ 37,475,254.36										
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.)										
27,585,920.82										
Local Tax for Municipal Purposes										
Additional Tax Levies										
9,889,333.54										
Total										
\$ 37,475,254.36										

TOWN OF HAMMONTON
Current Fund
Schedule of Tax Title Liens
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 926,725.59
Increased by:		
Transfers from Taxes Receivable	\$ 110,676.73	
Tax Sale Interest and Costs	<u>1,469.13</u>	
		<u>112,145.86</u>
		1,038,871.45
Decreased by:		
Collections		<u>113,597.82</u>
Balance December 31, 2020		<u><u>\$ 925,273.63</u></u>

TOWN OF HAMMONTON
Current Fund
Schedule of Revenue Accounts Receivable
For the Year Ended December 31, 2020

	Balance December 31, <u>2019</u>	Accrued <u>In 2020</u>	<u>Collected</u>	Balance December 31, <u>2020</u>
Clerk:				
Alcoholic Beverage Licenses		\$ 12,931.20	\$ 12,931.20	
Other Licenses		4,512.00	4,512.00	
Street Opening Permits		22,541.50	22,541.50	
Tree Removal Permits		175.00	175.00	
Business Registration Certificates		1,035.00	1,035.00	
Landlord Registration Fees		66,414.00	66,414.00	
Abandoned Property Registration Fees		235,100.00	235,100.00	
Lien Recording Fees		544.00	544.00	
Freon Fees and Permits		80.00	80.00	
Fire Inspection Fees		12,204.00	12,204.00	
Property Maintenance Fees		271.35	271.35	
Rental of Polling Place		350.00	350.00	
Planning Board and Zoning Board		4,950.00	4,950.00	
Tax Assessor		430.00	430.00	
Police Department		4,274.86	4,274.86	
Use of Police Vehicles		14,990.00	14,990.00	
Municipal Court:				
Fines and Costs	\$ 16,582.92	156,504.06	159,334.99	\$ 13,751.99
Restitution		150.00	150.00	
Folsom Court Contract Agreement		18,000.00	18,000.00	
Interest and Costs on Taxes		110,940.51	110,940.51	
Board of Health Fees		29,130.00	29,130.00	
Airport Rental		84,840.02	84,840.02	
Uniform Construction Code Fees		187,250.00	187,250.00	
Cable TV Franchise Fee	49,135.31	49,432.58	49,135.31	49,432.58
Plymouth Place - Payment In-Lieu of Taxes		113,789.00	113,789.00	
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		70,000.00	70,000.00	
Energy Receipts Tax		1,238,076.99	1,238,076.99	
Garden State Trust Fund		34,637.00	34,637.00	
Interest on Investments		51,721.95	51,721.95	
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$ 65,718.23</u>	<u>\$ 2,911,042.87</u>	<u>\$ 2,913,576.53</u>	<u>\$ 63,184.57</u>

TOWN OF HAMMONTON
Current Fund
Schedule of 2019 Appropriation Reserves
For the Year Ended December 31, 2020

	<u>Reserved</u>	<u>Balance December 31, 2019 Encumbered</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Administrative and Executive	\$ -	\$ 780.05	\$ -	\$ 710.05	\$ -
Salaries and Wages	64.35		844.40		134.35
Other Expenses					
Financial Administration	469.41				
Salaries and Wages	182.19	576.60	-	-	-
Other Expenses			758.79	551.60	207.19
Assessment of Taxes					
Other Expenses	724.75	1,758.68	2,483.43	2,258.68	224.75
Collection of Taxes					
Other Expenses	1,231.14	10,774.50	10,505.64	10,489.98	15.66
Legal					
Other Expenses	54.30	1,422.92	27,477.22	27,327.08	150.14
Engineering					
Other Expenses	300.00	10,866.50	11,166.50	10,866.50	300.00
Public Buildings and Grounds					
Other Expenses	3.09	15,727.49	16,930.58	16,605.58	325.00
Natural Gas	1,029.60	2,051.14	3,080.74	2,870.27	210.47
Electricity	2.82		2.82	-	2.82
Telephone	2,021.33	1,327.40	1,348.73	1,329.91	18.82
Gasoline	1,026.00		26.00	-	26.00
Municipal Land Use Law					
Planning Board					
Salaries and Wages	773.00		-	-	-
Other Expenses	1,182.27	8.37	90.64	8.37	82.27
Historical Society:					
Other Expenses	312.14	2,306.78	2,618.92	2,618.92	-
Environmental Commission					
Other Expenses	1,140.00		1,140.00	608.28	531.72
Computer					
Salaries and Wages	867.79		-	-	-
Other Expenses	1,350.00	250.00	250.00	250.00	-
Insurance					
Group Insurance Plan for Employees	1,363.14	\$ 351.20	14.34	-	14.34
Workers Compensation Insurance	10,275.56		-	-	-
Temporary Disability Insurance	712.35		712.35	712.35	-

(Continued)

TOWN OF HAMMONTON
Current Fund
Schedule of 2019 Appropriation Reserves
For the Year Ended December 31, 2020

	<u>Reserved</u>	<u>Balance December 31, 2019 Encumbered</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
<u>WITHIN "CAPS" (Cont'd)</u>					
Fire					
Other Expenses	1,163.77	72,097.74	73,261.51	71,871.37	1,390.14
State Fire Prevention Code					
Salaries and Wages	2,254.04		2,254.04	-	2,254.04
Other Expenses	2,368.90	175.00	2,543.90	175.00	2,368.90
Police					
Salaries and Wages	330.00		-	-	-
Other Expenses	8,801.55	30,520.48	65,156.41	64,885.88	270.53
Police Radio and Communications					
Salaries and Wages			-	-	-
Other Expenses	750.00	100.00	100.00	100.00	-
Municipal Court					
Salaries and Wages	1,117.34		-	-	-
Other Expenses	108.27		108.27	-	108.27
Public Defender:					
Other Expenses	7,000.00		7,000.00	-	7,000.00
Streets and Roads					
Salaries and Wages	5,032.41		-	-	-
Other Expenses	5,863.16	145,049.86	114,713.02	107,910.69	6,802.33
Street Lighting					
Other Expenses	1,711.20	6,825.83	7,437.03	7,384.33	52.70
Registrar of Vital Statistics					
Other Expenses	159.00		-	-	-
Recreation					
Salaries and Wages	690.72		-	-	-
Other Expenses	120.97	6,809.74	6,930.71	6,929.68	1.03
Property Maintenance Officer					
Other Expenses	212.02	300.00	512.02	95.00	417.02
Construction Code Official					
Salaries and Wages	143.68		-	-	-
Other Expenses		2,264.73	2,264.73	1,992.22	272.51

(Continued)

TOWN OF HAMMONTON
Current Fund
Schedule of 2019 Appropriation Reserves
For the Year Ended December 31, 2020

	<u>Balance December 31, 2019 Reserved</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
<u>WITHIN "CAPS" (Cont'd)</u>				
Celebration of Public Events				
Other Expenses		5,000.00	5,000.00	-
Municipal Airport				
Other Expenses	2,724.81	21,171.25	40,387.94	223.12
Defined Contribution Retirement System	534.19	-	-	-
Social Security System	2,656.28	-	-	-
Recycling Tax	837.87	837.87	837.87	-
Grand Total	<u>\$ 69,665.41</u>	<u>\$ 338,516.26</u>	<u>\$ 384,777.55</u>	<u>\$ 23,404.12</u>
Disbursed			\$ 370,780.44	
Reserve for Encumbrances			<u>13,997.11</u>	
			<u>\$ 384,777.55</u>	

TOWN OF HAMMONTON**Current Fund**

Schedule of Reserve for Encumbrances
For the Year Ended December 31, 2020

Balance December 31, 2019		\$	341,847.82
Increased by:			
2020 Appropriations	\$	509,194.36	
2019 Appropriation Reserves		13,997.11	
Due to State - Vital Statistics		375.00	
Refund - Revenue Accounts Receivable		150.00	
			<u>523,716.47</u>
			865,564.29
Decreased by:			
Payments		2,281.56	
Transferred to Appropriation Reserves		338,516.26	
			<u>340,797.82</u>
Balance December 31, 2020		\$	<u><u>524,766.47</u></u>

TOWN OF HAMMONTON
Current Fund
Schedule of Prepaid Taxes
For the Year Ended December 31, 2020

Balance December 31, 2019 (2020 Taxes)	\$ 579,458.96
Increased by:	
Collection of 2021 Taxes	<u>541,374.83</u>
	1,120,833.79
Decreased by:	
Application to 2020 Taxes	<u>579,458.96</u>
Balance December 31, 2020 (2021 Taxes)	<u><u>\$ 541,374.83</u></u>

Current Fund
Schedule of Tax Overpayments
For the Year Ended December 31, 2020

Balance December 31, 2019	\$ 125.98
Increased by:	
Overpayments in 2020	<u>89,794.97</u>
	89,920.95
Decreased by:	
Refunded	89,484.38
Applied	<u>125.98</u>
	<u>89,610.36</u>
Balance December 31, 2020	<u><u>\$ 310.59</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, 2020

Balance December 31, 2019		\$	40,836.81
Increased by:			
Deductions per Tax Billing	\$	119,250.00	
2020 Deductions Allowed by Tax Collector		750.00	
2020 Deductions Disallowed by Tax Collector		<u>(500.00)</u>	
			<u>119,500.00</u>
			160,336.81
Decreased by:			
Collections			<u>114,994.29</u>
Balance December 31, 2020		\$	<u><u>45,342.52</u></u>

EXHIBIT SA-11**Current Fund**

Schedule of Due State of New Jersey -- Vital Statistics
For the Year Ended December 31, 2020

Balance December 31, 2019		\$	525.00
Increased by:			
Fees Collected			<u>1,875.00</u>
		\$	2,400.00
Decreased by:			
Payments	\$	2,025.00	
Encumbrances		<u>375.00</u>	
			<u>2,400.00</u>
Balance December 31, 2020		\$	<u><u>-</u></u>

TOWN OF HAMMONTON
Current Fund
Schedule of Local District School Tax
For the Year Ended December 31, 2020

Balance December 31, 2019:		
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, 2020 to June 30, 2021		<u>19,717,695.00</u>
		29,542,542.76
Decreased by:		
Payments		<u>19,683,695.00</u>
Balance December 31, 2020:		
School Tax Payable	0.26	
School Tax Deferred	<u>9,858,847.50</u>	<u>\$ 9,858,847.76</u>
2020 Liability for Local School District Tax:		
School Tax Paid	\$ 19,683,695.00	
School Tax Payable - Dec. 31, 2020	<u>0.26</u>	\$ 19,683,695.26
Less:		
School Tax Payable - Dec. 31, 2019		<u>0.26</u>
Amount Charged to 2020 Operations		<u><u>\$ 19,683,695.00</u></u>

TOWN OF HAMMONTON**Current Fund**

Schedule of Due County for Added and Omitted Taxes

For the Year Ended December 31, 2020

Balance December 31, 2019	\$ 37,563.09
Increased by:	
County Share of 2020 Added and Omitted Taxes	<u>51,454.98</u>
	89,018.07
Decreased by:	
Payments	<u>37,563.09</u>
Balance December 31, 2020	<u><u>\$ 51,454.98</u></u>

EXHIBIT SA-14**Current Fund**

Schedule of County Taxes Payable

For the Year Ended December 31, 2020

County Taxes	\$ 6,955,749.63	
County Library Taxes	515,887.59	
County Health Service Taxes	326,569.41	
County Open Space Preservation	<u>18,564.21</u>	
		\$ 7,816,770.84
Decreased by:		
Payments		<u><u>\$ 7,816,770.84</u></u>

TOWN OF HAMMONTON
Federal and State Grant Fund
Schedule of Federal and State Grants Receivable
For the Year Ended December 31, 2020

	Balance December 31, <u>2019</u>	<u>Accrued</u>	<u>Cancelled</u>	<u>Received</u>	Balance December 31, <u>2020</u>
Federal Grants:					
Division of Highway Traffic Safety:					
2017 FAA Grant - Obstruction Removal Design	\$ 10,807.00				\$ 10,807.00
United States Dept. of Transportation - FAA Grant		\$ 168,765.00			168,765.00
U.S. Homeland Security FEMA Assistance to Firelighters Grant		267,809.52			267,809.52
2019 FAA Grant - Airport Fence Design	84,042.00				84,042.00
	<u>94,849.00</u>	<u>436,574.52</u>	<u>-</u>	<u>-</u>	<u>531,423.52</u>
Total Federal Grants					
	<u>94,849.00</u>	<u>436,574.52</u>	<u>-</u>	<u>-</u>	<u>531,423.52</u>
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	4,763.48		4,763.48		-
2019-20 Municipal Alliance on Alcoholism and Drug Abuse	13,967.47			\$ 6,572.81	7,394.66
2020-21 Municipal Alliance on Alcoholism and Drug Abuse		14,868.00			14,868.00
Clean Communities Grant		35,041.86		35,041.86	-
Sustainable Jersey Grant Fund		20,000.00		10,000.00	10,000.00
Sustainable Jersey		5,000.00		2,500.00	2,500.00
New Jersey League of Conservation Voters Fund Grant		20,000.00			20,000.00
Bass Pro Shops - Lake Vegetation Survey		1,000.00			1,000.00
2018 Pedestrian Safety, Education & Enforcement Fund	5,754.78				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
2020 Body Armor Replacement Fund		3,018.04		3,018.04	-
2019 DCA - Neighborhood Preservation Program	100,000.00				100,000.00
	<u>295,868.95</u>	<u>98,927.90</u>	<u>92,226.70</u>	<u>57,132.71</u>	<u>245,437.44</u>
Total State Grants					
	<u>295,868.95</u>	<u>98,927.90</u>	<u>92,226.70</u>	<u>57,132.71</u>	<u>245,437.44</u>
Grand Total	<u>\$ 390,717.95</u>	<u>\$ 535,502.42</u>	<u>\$ 92,226.70</u>	<u>\$ 57,132.71</u>	<u>\$ 776,860.96</u>

TOWN OF HAMMONTON
Federal and State Grant Fund
Schedule of Reserve for Federal And State Grants - Unappropriated
For the Year Ended December 31, 2020

	Balance December 31, <u>2019</u>	Federal and State Grants <u>Receivable</u>	Realized As Revenue <u>In 2020</u>	Balance December 31, <u>2020</u>
Federal Grants:				
United States Dept. of Transportation - FAA Grant 2020 Drive Sober or Get Pulled Over		\$ 168,765.00	\$ 168,765.00	\$ -
U.S. Homeland Security FEMA Assistance to Firefighters Grant		<u>267,809.52</u>	<u>267,809.52</u>	<u>-</u>
Total Federal Grants	<u>-</u>	<u>436,574.52</u>	<u>436,574.52</u>	<u>-</u>
State Grants:				
2020-21 Municipal Alliance on Alcoholism and Drug Abuse		14,868.00	14,868.00	-
Clean Communities Grant		35,041.86	35,041.86	-
Sustainable Jersey Grant Fund		20,000.00	20,000.00	-
Sustainable Jersey		5,000.00	5,000.00	-
New Jersey League of Conservation Voters Fund Grant		20,000.00	20,000.00	-
Bass Pro Shops - Lake Vegetation Survey		1,000.00	1,000.00	-
2019 Recycling Tonnage Grant	58,570.82		58,570.82	-
2020 Body Armor Replacement Fund		3,018.04	3,018.04	-
Total State Grants	<u>58,570.82</u>	<u>98,927.90</u>	<u>157,498.72</u>	<u>-</u>
Grand Total	<u><u>\$ 58,570.82</u></u>	<u><u>\$ 535,502.42</u></u>	<u><u>\$ 594,073.24</u></u>	<u><u>\$ -</u></u>

TOWN OF HAMMONTON
Federal and State Grant Fund
Schedule of Reserve for Federal and State Grants - Appropriated
For the Year Ended December 31, 2020

	Balance December 31, 2019	Transferred From 2020 Budget Appropriation	Cancelled	Prior Year Encumbrances Cancelled	Disbursed	Encumbrances	Balance December 31, 2020
Federal Grants:							
2017 FAA Grant - Obstruction Removal Design	\$ 10,807.00						\$ 10,807.00
2012 Federal Forfeited Property - Police Equipment	2,856.67						2,856.67
2019 Distracted Driving Crackdown	192.50						192.50
2020 United States Dept. of Transportation - FAA Grant		\$ 168,765.00			\$ 1,950.00		166,815.00
2020 U.S. Homeland Security FEMA Assistance to Firefighters Grant		267,809.52			267,809.52		-
2019 FAA Grant - Airport Fence Design							-
Total Federal Grants	13,856.17	436,574.52	-	-	269,759.52	-	180,671.17
State Grants:							
2018 Clean Communities Grant	8,276.24						8,276.24
2019 Clean Communities Grant	5,147.70						5,147.70
2020 Clean Communities Grant		35,041.86					35,041.86
2020 Recycling Tonnage Grant		58,570.82					58,570.82
2018 Drunk Driving Enforcement Fund	1,248.56				1,248.56		
2019 Drunk Driving Enforcement Fund	9,621.36				2,032.44	\$ 179.00	7,409.92
2017 Body Armor Replacement Program							-
2018 Body Armor Replacement Program							-
2020 Body Armor Replacement Program		3,018.04					3,018.04
2019 NJEDA - Hazardous Discharge Grant Program							-
2019 Reforestation Grant	24,504.00						24,504.00
2019 DCA - Neighborhood Preservation Program	125,000.00						125,000.00
2017-18 Municipal Alliance on Alcoholism and Drug Abuse	2,537.10		\$ 2,537.10				-
2018-19 Municipal Alliance on Alcoholism and Drug Abuse	4,629.77		4,629.77				-
2019-20 Municipal Alliance on Alcoholism and Drug Abuse	17,219.58				3,544.05	719.60	12,955.93
2020-21 Municipal Alliance on Alcoholism and Drug Abuse		18,585.00			250.00		18,335.00
Community Development Block Grant	83,940.00						-
2018 Pedestrian Safety , Education & Enforcement Fund	5,798.32						5,798.32
2018 ANJEC Grant	1,500.00						1,500.00
2020 Sustainable Jersey		5,000.00					5,000.00
2020 Sustainable Jersey		20,000.00			20,000.00		-
2020 New Jersey League of Conservation Voters Fund Grant		20,000.00					20,000.00
2020 Bass Pro Shops - Lake Vegetation Survey		1,000.00					1,000.00
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	292,511.01	161,215.72	91,106.87	-	27,075.05	898.60	334,646.21
Total	\$ 306,367.18	\$ 597,790.24	\$ 91,106.87	\$ -	\$ 296,834.57	\$ 898.60	\$ 515,317.38

TOWN OF HAMMONTON
Federal and State Grant Fund
Schedule of Reserve for Encumbrances
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 179,320.01
Increased by:		
Reserve for Encumbrances - Appropriated		<u>898.60</u>
		180,218.61
Decreased by:		
Disbursements	\$ 37,980.86	
Canceled	<u>-</u>	
		<u>37,980.86</u>
Balance December 31, 2020		<u><u>\$ 142,237.75</u></u>

TOWN OF HAMMONTON
Trust Fund
Schedule of Cash - Treasurer
For the Year Ended December 31, 2020

	ANIMAL CONTROL <u>TRUST</u>	TRUST <u>OTHER</u>
Balance December 31, 2019	\$ 5,950.14	\$ 1,896,496.66
Increased by Receipts:		
Dog License Fees	1,704.80	
Due to Current Fund	55.84	
Reserve for Prosecutor's Trust Fund		173.93
Reserve for Recreation Fees		922.45
Reserve for Street Opening Deposits		35,367.50
Reserve for Escrow Deposits		157,978.62
Reserve for Public Defender Trust Fund		613.33
Reserve for Parking Offense Adjudication Act		10.00
Reserve for Municipal Drug Alliance Funds		4,772.68
Reserve for Airport Security Deposit		80.30
Reserve for Tax Title Lien Redemption		1,836,661.64
Reserve for Tax Sale Premiums		518,941.11
Payroll Deposits		6,666,636.66
Reserve for Park Recreation Trust Fund		45,228.42
Reserve for Recaptured Grant Funds		735.62
Reserve for Uniform Fire Penalties Rider		12.55
Reserve for State Landfill Tax Escrow Fund		1,439.33
Reserve for Celebration of Public Events		46,756.11
Reserve for COAH Fees		22,240.08
Reserve for Police Equipment Donations		4,936.36
Total Receipts	1,760.64	9,343,506.69
Decreased by Disbursements:		
Due to Current Fund	55.84	
Dog License Expenditures	452.00	
Reserve for Recreation Fees		2,314.89
Reserve for Street Opening Deposits		34,140.50
Reserve for Escrow Deposits		139,741.76
Reserve for Parking Offense Adjudication Act		658.83
Reserve for Municipal Drug Alliance Funds		4,500.00
Reserve for Tax Title Lien Redemption		1,591,722.85
Reserve for Tax Sale Premium		662,941.11
Payroll Payments		6,711,290.10
Reserve for Recaptured Grant Funds		735.62
Reserve for Celebration of Public Events		39,711.28
Reserve for COAH Fees		200.00
Reserve for Encumbrances		21,550.00
Total Disbursements	507.84	9,209,506.94
Balance December 31, 2020	\$ 7,202.94	\$ 2,030,496.41

TOWN OF HAMMONTON
Trust Other Funds
Schedule of Investments -- U.S. Government Securities
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 396,123.96
Increased by:		
Interest Earned on Investments	\$ 8,406.33	
Realized Capital Gains	<u>15,183.36</u>	
		<u>23,589.69</u>
		419,713.65
Decreased by:		
Escrow Agent Fees		<u>2,082.23</u>
Balance December 31, 2020		<u><u>\$ 417,631.42</u></u>

Schedule of Investments December 31, 2020

U.S. Government Obligations \$ 623.56

	<u>Shares</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	
<i>FHLMC:</i>					
	4,000	Various	4-20-23	0.375%	4,020.24
	4,000	Various	5-5-23	0.375%	4,020.52
	2,000	Various	7-20-23	0.410%	2,002.90
	4,000	Various	2-12-25	1.50%	4,196.12
	2,000	Various	7-25-22	0.125%	2,000.54
	5,000	Various	10-16-23	0.125%	4,996.60
	4,000	Various	6-26-23	0.250%	4,008.68
	4,000	Various	8-24-23	0.250%	4,007.88
	4,000	Various	11-6-23	0.250%	4,003.40
	2,000	Various	7-8-22	0.320%	2,000.02
	3,000	Various	8-12-21	1.125%	3,018.42
	4,000	Various	2-16-21	2.375%	4,010.72
<i>FNMA:</i>					
	4,000	Various	7-10-23	0.250%	4,009.56
	4,000	Various	11-27-23	0.250%	4,003.60
	4,000	Various	8-25-25	0.375%	3,999.12
	4,000	Various	6-17-25	0.500%	4,021.24
	8,000	Various	9-6-22	1.375%	8,170.24
	3,000	Various	10-7-21	1.375%	3,028.62
	3,000	Various	1-7-25	1.625%	3,161.31
	3,000	Various	1-11-22	2.625%	3,076.86
	3,000	Various	9-12-23	2.875%	3,214.50
	5,000	Various	4-12-22	2.25%	5,058.80
	3,000	Various	4-12-22	2.25%	3,083.79

(Continued)

TOWN OF HAMMONTON
Trust Other Funds
Schedule of Investments -- U.S. Government Securities
For the Year Ended December 31, 2020

Schedule of Investments December 31, 2020 (cont'd)

	<u>Shares</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	
<i>Federal Farm Credit Bks:</i>					
	2,000	Various	12-29-23	0.300%	\$ 2,000.46
	2,000	Various	4-1-21	1.75%	2,008.42
	2,000	Various	7-17-23	2.875%	2,134.36
<i>Federal Home Loan Bks:</i>					
	7,000	Various	2-12-21	2.350%	7,016.80
<i>U.S. Treasury Bonds:</i>					
	4,000	Various	8-15-21	8.125%	4,197.52
	2,000	Various	8-15-22	7.25%	2,231.02
	1,000	Various	8-15-23	6.25%	1,159.92
	4,000	Various	2-15-22	N/A	3,994.08
<i>U.S. Treasury Notes:</i>					
	4,000	Various	11-30-22	0.125%	4,000.48
	3,000	Various	4-30-25	0.375%	3,010.89
	1,000	Various	10-31-27	0.500%	992.19
	13,000	Various	8-15-30	0.625%	12,675.00
	3,000	Various	2-28-25	1.125%	3,105.81
	2,000	Various	7-31-21	1.125%	2,011.72
	3,000	Various	9-30-21	1.125%	3,022.62
	2,000	Various	10-31-21	1.25%	2,018.60
	1,000	Various	2-15-30	1.50%	1,057.93
	3,000	Various	8-15-22	1.50%	3,066.81
	5,000	Various	8-15-26	1.50%	5,294.35
	1,000	Various	9-30-24	1.50%	1,047.15
	12,000	Various	2-15-26	1.625%	12,763.08
	6,000	Various	5-15-26	1.625%	6,388.62
	4,000	Various	8-15-22	1.625%	4,097.20
	4,000	Various	8-15-29	1.625%	4,279.08
	3,000	Various	10-31-23	1.625%	3,125.28
	2,000	Various	11-15-22	1.625%	2,055.70
	4,000	Various	3-31-22	1.75%	4,081.24
	2,000	Various	5-15-22	1.75%	2,044.54
	3,000	Various	5-15-23	1.75%	3,114.15
	2,000	Various	11-15-29	1.75%	2,161.48
	7,000	Various	2-28-22	1.875%	7,142.17
	2,000	Various	8-31-22	1.875%	2,057.96
	12,000	Various	11-30-21	1.875%	12,192.72
	3,000	Various	2-15-23	2.00%	3,118.14
	9,000	Various	2-15-25	2.00%	9,635.94

(Continued)

TOWN OF HAMMONTON
Trust Other Funds
Schedule of Investments -- U.S. Government Securities
For the Year Ended December 31, 2020

Schedule of Investments December 31, 2020 (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>						
	3,000	Various	4-30-24	2.00%	\$	3,179.76
	1,000	Various	5-31-21	2.00%		1,007.70
	13,000	Various	8-15-25	2.00%		14,002.43
	3,000	Various	10-31-22	2.00%		3,102.54
	1,000	Various	11-15-21	2.00%		1,016.33
	9,000	Various	5-15-25	2.125%		9,713.70
	4,000	Various	6-30-22	2.125%		4,119.68
	2,000	Various	11-30-24	2.125%		2,145.86
	11,000	Various	2-15-27	2.25%		12,158.85
	11,000	Various	3-31-26	2.25%		12,064.36
	5,000	Various	8-15-27	2.25%		5,544.15
	1,000	Various	11-15-24	2.25%		1,077.27
	9,000	Various	11-15-25	2.25%		9,828.27
	15,000	Various	11-15-27	2.25%		16,655.85
	7,000	Various	5-15-27	2.375%		7,808.01
	4,000	Various	8-15-24	2.375%		4,311.08
	9,000	Various	2-28-26	2.50%		9,977.31
	13,000	Various	5-15-24	2.50%		14,008.54
	11,000	Various	8-15-23	2.50%		11,676.28
	4,000	Various	1-31-26	2.625%		4,455.00
	1,000	Various	2-15-24	2.75%		1,080.20
	3,000	Various	2-15-28	2.75%		3,440.28
	3,000	Various	4-30-23	2.75%		3,181.41
	1,000	Various	11-15-23	2.75%		1,074.22
	4,000	Various	5-15-28	2.875%		4,634.36
	7,000	Various	8-15-28	2.875%		8,131.20
	1,000	Various	11-30-23	2.875%		1,078.67
	11,000	Various	11-15-28	3.125%		13,023.78

Private Export Funding

	2,000	Various	11-15-24	1.75%		2,093.66
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\$ 417,631.42

TOWN OF HAMMONTON
Animal Control Fund
Schedule of Due to Current Fund
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ -
Increased by:		
Interest Earned	\$ 55.84	
Statutory Excess in Animal Control Fund Reserve	<u>3,498.74</u>	
		<u>3,554.58</u>
		3,554.58
Decreased by:		
Disbursed to Current Fund		<u>55.84</u>
Balance December 31, 2020		<u><u>\$ 3,498.74</u></u>

EXHIBIT SB-4

Animal Control Fund
Schedule of Reserve For Animal Control Fund Expenditures
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 5,950.14
Increased by:		
2020 Dog License Fees Collected		<u>1,704.80</u>
		7,654.94
Decreased by:		
Expenditures	\$ 452.00	
Statutory Excess in Animal Control Fund Reserve	<u>3,498.74</u>	
		<u>3,950.74</u>
Balance December 31, 2020		<u><u>\$ 3,704.20</u></u>

<u>License Fees Collected</u>	
<u>Year</u>	<u>Amount</u>
2018	\$ 1,683.20
2019	<u>2,021.00</u>
Total	<u><u>\$ 3,704.20</u></u>

TOWN OF HAMMONTON
Trust Other Funds
Schedule of Due from Current Fund
For the Year Ended December 31, 2020

Balance December 31, 2019	\$ 134,460.25
Increased by:	
Police Outside Detail Received in Current Fund	<u>94,506.00</u>
	228,966.25
Decreased by:	
Police Outside Detail Disbursed in Current Fund	<u>113,227.50</u>
Balance December 31, 2020	<u><u>\$ 115,738.75</u></u>

TOWN OF HAMMONTON
Trust Other Funds
Schedule of Reserve for Prosecutor's Trust Fund
For the Year Ended December 31, 2020

Balance December 31, 2019	\$ 21,022.51
Increased by:	
Interest Earned	<u>173.93</u>
	21,196.44
Decreased by:	
Reserve Expenditures	<u>-</u>
Balance December 31, 2020	<u><u>\$ 21,196.44</u></u>

TOWN OF HAMMONTON
Trust Other Funds
Schedule of Reserve for Recreation Fees
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 25,332.17
Increased by:		
Deposits	\$ 725.00	
Interest Earned	<u>197.45</u>	
		<u>922.45</u>
		26,254.62
Decreased by:		
Disbursements		<u>2,314.89</u>
Balance December 31, 2020		<u><u>\$ 23,939.73</u></u>

Trust Other Funds
Schedule of Reserve for Street Opening Deposits
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 89,164.10
Increased by:		
Deposits		<u>35,367.50</u>
		124,531.60
Decreased by:		
Refunded		<u>34,140.50</u>
Balance December 31, 2020		<u><u>\$ 90,391.10</u></u>

EXHIBIT SB-9

TOWN OF HAMMONTON
Trust Other Funds
Schedule of Reserve for Escrow Deposits
For the Year Ended December 31, 2020

Balance December 31, 2019	\$ 301,116.32
Increased by:	
Deposits	<u>157,978.62</u>
	459,094.94
Decreased by:	
Payments	<u>139,741.76</u>
Balance December 31, 2020	<u><u>\$ 319,353.18</u></u>

EXHIBIT SB-10

Trust Other Funds
Schedule of Reserve for Public Defender Trust Fund
For the Year Ended December 31, 2020

Balance December 31, 2019	\$ 226.31
Increased by:	
Received	\$ 550.00
Interest Earned	<u>63.33</u>
	<u>613.33</u>
	839.64
Decreased by:	
Payments	<u>-</u>
Balance December 31, 2020	<u><u>\$ 839.64</u></u>

TOWN OF HAMMONTON**Trust Other Funds**

Schedule of Reserve for Parking Offense Adjudication Act
For the Year Ended December 31, 2020

Balance December 31, 2019	\$	2,305.33
Increased by:		
Received from Municipal Court		<u>10.00</u>
		2,315.33
Decreased by:		
Disbursements		<u>658.83</u>
Balance December 31, 2020	\$	<u><u>1,656.50</u></u>

EXHIBIT SB-12**Trust Other Funds**

Schedule of Reserve for Municipal Drug Alliance Funds
For the Year Ended December 31, 2020

Balance December 31, 2019	\$	6,463.87
Increased by:		
Receipts	\$	4,695.00
Interest Received		<u>77.68</u>
		<u>4,772.68</u>
		11,236.55
Decreased by:		
Disbursements		<u>4,500.00</u>
Balance December 31, 2020	\$	<u><u>6,736.55</u></u>

TOWN OF HAMMONTON
Trust Other Funds
Schedule of Airport Security Deposit
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 9,706.50
Increased by:		
Receipts	\$ -	
Interest Received	<u>80.30</u>	
		<u>80.30</u>
		9,786.80
Decreased by:		
Disbursements		<u>-</u>
Balance December 31, 2020		<u><u>\$ 9,786.80</u></u>

Trust Other Funds
Schedule of Reserve for Police Outside Detail
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 141,460.25
Increased by:		
Received in Current Fund		<u>94,506.00</u>
		235,966.25
Decreased by:		
Disbursed in Current Fund	\$ 113,227.50	
Encumbrances	<u>5,687.50</u>	
		<u>118,915.00</u>
Balance December 31, 2020		<u><u>\$ 117,051.25</u></u>

TOWN OF HAMMONTON
Trust Other Funds
Schedule of Reserve for Tax Title Lien Redemption
For the Year Ended December 31, 2020

Balance December 31, 2019	\$ 109,163.52
Increased by:	
Lien Redemption Deposits	<u>1,836,661.64</u>
	1,945,825.16
Decreased by:	
Lien Redemption Disbursements	<u>1,591,722.85</u>
Balance December 31, 2020	<u><u>\$ 354,102.31</u></u>

Trust Other Funds
Schedule of Reserve for Tax Sale Premium
For the Year Ended December 31, 2020

Balance December 31, 2019	\$ 845,900.00
Increased by:	
Premiums Received at Tax Sale	<u>518,941.11</u>
	1,364,841.11
Decreased by:	
Premiums Refunded	<u>662,941.11</u>
Balance December 31, 2020	<u><u>\$ 701,900.00</u></u>

TOWN OF HAMMONTON
Trust Other Funds
Schedule of Payroll Deductions Payable
For the Year Ended December 31, 2020

Balance December 31, 2019	\$ 53,078.20
Increased by:	
Deposits	<u>6,666,636.66</u>
	6,719,714.86
Decreased by:	
Payments	<u>6,711,290.10</u>
Balance December 31, 2020	<u><u>\$ 8,424.76</u></u>

Trust Other Funds
Schedule of Park Recreation Trust Fund
For the Year Ended December 31, 2020

Balance December 31, 2019	\$ 73,403.08
Increased by:	
Donation Received	\$ 44,500.00
Interest Earned	<u>728.42</u>
	<u>45,228.42</u>
	118,631.50
Decreased by:	
Payments	<u>-</u>
Balance December 31, 2020	<u><u>\$ 118,631.50</u></u>

TOWN OF HAMMONTON
Trust Other Funds
Schedule of Recaptured Grant Funds
For the Year Ended December 31, 2020

Balance December 31, 2019	\$ 87,238.88
Increased by:	
Recaptured Grant Funds Received	<u>735.62</u>
	87,974.50
Decreased by:	
Disbursements	<u>735.62</u>
Balance December 31, 2020	<u><u>\$ 87,238.88</u></u>

EXHIBIT SB-20

Trust Other Funds
Schedule of Uniform Fire Penalties Rider
For the Year Ended December 31, 2020

Balance December 31, 2019	\$ 1,516.52
Increased by:	
Deposits	\$ -
Interest Received	<u>12.55</u>
	<u>12.55</u>
	1,529.07
Decreased by:	
Disbursements	<u>-</u>
Balance December 31, 2020	<u><u>\$ 1,529.07</u></u>

TOWN OF HAMMONTON
Trust Other Funds
Schedule of State Landfill Tax Escrow Fund
For the Year Ended December 31, 2020

Balance December 31, 2019	\$ 173,950.04
Increased by:	
Interest Earned	<u>1,439.33</u>
Balance December 31, 2020	<u><u>\$ 175,389.37</u></u>

Trust Other Funds
Schedule of State Landfill Closure -- Escrow Fund
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 396,123.96
Increased by:		
Interest Earned on Investments	\$ 8,406.33	
Realized Capital Gains	<u>15,183.36</u>	
		<u>23,589.69</u>
		419,713.65
Decreased by:		
Escrow Agent Fees		<u>2,082.23</u>
Balance December 31, 2020		<u><u>\$ 417,631.42</u></u>

TOWN OF HAMMONTON
Trust Other Funds
Schedule of Reserve for Celebration of Public Events
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 66,712.37
Increased by:		
Receipts	\$ 46,160.00	
Interest Earned	596.11	
	<u> </u>	<u>46,756.11</u>
		113,468.48
Decreased by:		
Disbursements	39,711.28	
Encumbrances	56,700.00	
	<u> </u>	<u>96,411.28</u>
Balance December 31, 2020		<u><u>\$ 17,057.20</u></u>

Trust Other Funds
Schedule of Reserve for COAH Fees
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 835.97
Increased by:		
Receipts	\$ 22,195.50	
Interest Earned	44.58	
	<u> </u>	<u>22,240.08</u>
		23,076.05
Decreased by:		
Disbursements		<u>200.00</u>
Balance December 31, 2020		<u><u>\$ 22,876.05</u></u>

TOWN OF HAMMONTON

Trust Other Funds

Schedule of Reserve for Police Equipment Donations
For the Year Ended December 31, 2020

Balance December 31, 2019		\$	810.97
Increased by:			
Donations Received	\$	4,910.50	
Interest Earned		<u>25.86</u>	
			<u>4,936.36</u>
Decreased by:			
Disbursements			<u>5,747.33</u>
			<u>-</u>
Balance December 31, 2020	\$	<u>5,747.33</u>	

Trust Other Funds

Schedule of Reserve for Encumbrances
For the Year Ended December 31, 2020

Balance December 31, 2019		\$	21,550.00
Increased by:			
Reserve for Police Outside Detail	\$	5,687.50	
Reserve for Celebration of Public Events		<u>56,700.00</u>	
			<u>62,387.50</u>
Decreased by:			
Disbursed	\$	21,550.00	
Canceled		<u>-</u>	
			<u>21,550.00</u>
Balance December 31, 2020	\$	<u>62,387.50</u>	

TOWN OF HAMMONTON
General Capital Fund
Schedule of Cash - Treasurer
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 1,271,836.48
Increased by Receipts:		
Federal Grants Receivable	\$ 1,039,933.20	
Budget Appropriation:		
Deferred Charges to Future Taxation - Ord. 17-13	477.00	
Capital Improvement Fund	100,000.00	
Bond Anticipation Notes Issued	1,667,250.00	
		<u>2,807,660.20</u>
		4,079,496.68
Decreased by Disbursements:		
Improvement Authorizations	1,308,089.73	
Contracts Payable	663,721.50	
Due to Utility Operating	700,000.00	
Current Fund - Reserve for Payment of Bonds	12,476.57	
		<u>2,684,287.80</u>
Balance December 31, 2020		<u><u>\$ 1,395,208.88</u></u>
<u>Reconciliation Dec. 31, 2020</u>		
OceanFirst Bank		
Account No. 0402017591		\$ 1,266,185.45
Add: Deposit In-Transit		141,500.00
Less: Outstanding Checks		<u>(12,476.57)</u>
		<u><u>\$ 1,395,208.88</u></u>

TOWN OF HAMMONTON
General Capital Fund
Analysis of General Capital Cash
For the Year Ended December 31, 2020

	Balance December 31, 2019	Received		Disbursed		Transfers From	To	Balance December 31, 2020
		Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Miscellaneous			
Reserve for Payment of Bonds	\$ 12,476.57				\$ 12,476.57			\$ -
Capital Improvement Fund	969.96		\$ 100,000.00			\$ 87,750.00		13,219.96
<u>Improvement Authorizations:</u>								
Ordinance								
Number								
17-13	(477.00)		477.00					-
2-16/16-19	30,414.40			\$ 30,414.40				-
22-16								
	7,348.73			5,567.50				1,781.23
6-17	45,879.02			8,404.82		8,456.52	\$ 1,265.00	30,282.68
21-18								
	232,219.96			140,057.19			823.22	92,985.99
7-19	380,649.62			8,823.28		305,000.00	23,172.21	89,998.55
19-19								
	2,000.00			2,000.00				-
21-19								
	-							-
		\$ 1,667,250.00		1,112,822.54		849,691.40	627,750.00	332,486.06
8-20								
Contracts Payable	780,819.55				663,721.50	25,260.43	1,163,147.92	1,254,985.54
Federal Grants Receivable	(920,464.33)		1,039,933.20			540,000.00		(420,531.13)
Due to Utility Operating Fund	700,000.00				700,000.00			-
	-							
	\$ 1,271,836.48	\$ 1,667,250.00	\$ 1,140,410.20	\$ 1,308,089.73	\$ 1,376,198.07	\$ 1,816,158.35	\$ 1,816,158.35	\$ 1,395,208.88

TOWN OF HAMMONTON
General Capital Fund
Schedule of Federal Grants Receivable
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 920,464.33
Increased by:		
2020 Improvement Authorization		<u>540,000.00</u>
		1,460,464.33
Decreased by:		
Receipts	\$ 1,039,933.20	
Canceled	<u>-</u>	
		<u>1,039,933.20</u>
Balance December 31, 2020		<u><u>\$ 420,531.13</u></u>

<u>Agency</u>	<u>Ordinance No.</u>	<u>Amount</u>
New Jersey Department of Transportation (2018)	21-18	539.81
Federal Aviation Administration Block Grant	26-18	106,666.32
New Jersey Department of Transportation (2019)	7-19	76,250.00
New Jersey Department of Transportation (2020)	8-20	57,500.00
New Jersey Department of Transportation (2020)	8-20	179,575.00
		<u><u>\$ 420,531.13</u></u>

TOWN OF HAMMONTON**General Capital Fund**

Schedule of Deferred Charges to Future Taxation - Funded
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 15,098,613.38
Decreased by:		
2019 Budget Appropriations:		
Serial Bonds	1,745,000.00	
Green Acres Loan	<u>62,015.43</u>	
		<u>1,807,015.43</u>
Balance December 31, 2020		<u><u>\$ 13,291,597.95</u></u>

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EXHIBIT SC-7

TOWN OF HAMMONTON
General Capital Fund
Schedule of Contracts Payable
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 780,819.55
Increased by:		
Charged to Improvement Authorizations		<u>1,163,147.92</u>
		1,943,967.47
Decreased by:		
Disbursed	\$ 663,721.50	
Canceled	<u>25,260.43</u>	
		<u>688,981.93</u>
Balance December 31, 2020		<u><u>\$ 1,254,985.54</u></u>

EXHIBIT SC-8

Schedule of Capital Improvement Fund
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 969.96
Increased by:		
2019 Budget Appropriation		<u>100,000.00</u>
		100,969.96
Decreased by:		
Appropriations to Finance Improvement Authorizations		<u>87,750.00</u>
Balance December 31, 2020		<u><u>\$ 13,219.96</u></u>

EXHIBIT SC-9

Schedule of Reserve for Payment of Bonds
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 12,476.57
Decreased By:		
Anticipated as Revenue in 2020 Current Fund Budget		<u>12,476.57</u>
Balance December 31, 2020		<u><u>\$ -</u></u>

TOWN OF HAMMONTON
General Capital Fund
Schedule of Green Acres Trust Fund Loan Payable
For the Year Ended December 31, 2020

Balance December 31, 2019	\$ 878,613.38
Increased by:	
Loan Issued	-
	<hr/>
	878,613.38
Decreased by:	
Paid by 2020 Budget Appropriation	62,015.43
	<hr/>
Balance December 31, 2020	<u><u>\$ 816,597.95</u></u>

Analysis of Balance December 31, 2020

<u>Payment Date</u>	<u>Amount</u>
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
2-28-24	4,617.56
3-26-24	6,498.28
5-16-24	22,294.02
9-26-24	6,563.26
11-16-24	22,516.96
2025 through 2033	<hr/>
	560,481.78
	<hr/>
	<u><u>\$ 816,597.95</u></u>

TOWN OF HAMMONTON
General Capital Fund
Schedule of Bond Anticipation Notes
For the Year Ended December 31, 2020

<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, 2019</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2020</u>
10-15	Acquisition of an Airplane/Helicopter Hanger Located at the Hammonton Airport	8-27-15	11-19-19 11-10-20	11-19-20 11-9-21	1.960% 1.260%	\$ 658,159.00	\$ 548,459.00	\$ 658,159.00	\$ - 548,459.00
8-20	Various Improvements	11-10-20	11-10-20	11-9-21	0.500%		1,667,250.00		1,667,250.00
Total						<u>\$ 658,159.00</u>	<u>\$ 2,215,709.00</u>	<u>\$ 658,159.00</u>	<u>\$ 2,215,709.00</u>
					Issued for Cash Renewals	\$ 1,667,250.00 548,459.00		\$ 548,459.00 109,700.00	
					Paid by Budget Appropriation				
						<u>\$ 2,215,709.00</u>	<u>\$ 658,159.00</u>		

TOWN OF HAMMONTON
General Capital Fund
Schedule of General Serial Bonds
For the Year Ended December 31, 2020

Purpose	Date of Issue	Original Issue	Maturities of			Interest Rate	Balance December 31, 2019	Increased	Decreased	Balance December 31, 2020
			Bonds Outstanding							
			Date	December 31, 2020	Amount					
General Obligation Refunding Bonds	5/11/16	\$ 9,025,000.00	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%	\$ 7,040,000.00	\$ 1,290,000.00	\$ 5,750,000.00		
General Bonds of 2019	11/7/19	7,180,000.00	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	455,000.00	6,725,000.00		
Total										

TOWN OF HAMMONTON
General Capital Fund

Schedule of Bonds And Notes Authorized But Not Issued
For the Year Ended December 31, 2020

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2019</u>	<u>2020 Authorizations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Raised in 2020 Current Fund Budget</u>	<u>Balance December 31, 2020</u>
17-13	Various Improvements	\$ 477.00			\$ 477.00	\$ -
21-19	Cost of Certain Infrastructure Improvements Relating to a Redevelopment Project	25,000.00				25,000.00
8-20	Various Capital Improvements		\$ 1,667,250.00	\$ 1,667,250.00		-
	Total	\$ 25,477.00	\$ 1,667,250.00	\$ 1,667,250.00	\$ 477.00	\$ 25,000.00

TOWN OF HAMMONTON
Water and Sewer Utility Fund
Schedule of Cash - Collector/Treasurer
For the Year Ended December 31, 2020

	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2019	\$ 415,978.42	\$ 2,467,140.30
Increased by Receipts:		
Consumer Accounts Receivable	\$ 6,024,717.76	
Utility Capital Fund Balance	3,216.68	
Utility Capital Reserve for Payment of Notes	3,573.50	
Miscellaneous Revenue	139,199.14	
Prepaid Rents	17,735.54	
Due from General Capital Fund	700,000.00	
Due from Utility Operating Fund		\$ 1,493.00
Reserve for Payment of Loans		44,154.95
Due from Utility Capital Fund	<u>60,775.00</u>	
Total Receipts	<u>6,949,217.62</u>	<u>45,647.95</u>
Sub-total	7,365,196.04	2,512,788.25
Decreased by Disbursements:		
2020 Appropriations	5,653,760.53	
2019 Appropriation Reserves	359,110.50	
Refund of Prepaid Rents	1,459.56	
Accrued Interest on Bonds and Loans	492,212.59	
Due To Utility Operating Fund		60,775.00
Improvement Authorizations		215,009.27
Contracts Payable		106,285.41
Due to Utility Operating - Utility Capital Fund Balance		3,216.68
Due to Utility Operating - Reserve for Payment of Notes		<u>3,573.50</u>
Total Disbursements	<u>6,506,543.18</u>	<u>388,859.86</u>
Balance December 31, 2020	<u><u>\$ 858,652.86</u></u>	<u><u>\$ 2,123,928.39</u></u>

TOWN OF HAMMONTON
Water and Sewer Utility Fund
Schedule of Cash - Collector/Treasurer
For the Year Ended December 31, 2020

	<u>Operating</u>	<u>Capital</u>
<u>Reconciliation December 31, 2020</u>		
OceanFirst Bank		
Account No. 0402017664	\$ 2,980,956.90	
Add: Deposit in Transit	1,624.35	
Less: Outstnading Check	<u>-</u>	
	<u><u>\$ 2,982,581.25</u></u>	
 <u>Analysis of Balance</u>		
Operating Fund	\$ 858,652.86	
Capital Fund	<u>2,123,928.39</u>	
	<u><u>\$ 2,982,581.25</u></u>	

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
Analysis of Cash
For the Year Ended December 31, 2020

	Balance December 31, 2019	Receipts		Disbursements		Transfers		Balance December 31, 2020
		Miscellaneous		Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 3,216.68							\$ -
Capital Improvement Fund	18,759.73				\$ 3,216.68			18,759.73
<u>Improvement Authorizations:</u>								
Ord.								
No.								
<i>General Improvements:</i>								
27-09			\$ 530.00					-
26-11	(530.00)							18,260.00
19-13	18,260.00							-
Well 4 Facility Project	(66.00)		66.00					
7-14/12-14/ 22-14/								
33-14	4,584.38		397.00					4,981.38
21-15/ 4-18								-
Various Improvements	-							(0.20)
11-16	744,407.35					\$ 744,407.55		
6-19								
Various Road and Utility Improvements								
Installation of Sewer Lines and Relocation of Interceptor Line on Boyer Avenue and the Purchase of Equipment for the Utility Department	211,402.77		\$ 37,130.00			5,920.00		168,352.77
8-19	305,373.00			177,879.27		31,545.73		95,948.00
Various Utility Improvements								
State Loans Receivable	(225,446.00)						\$ 225,446.00	-
Contracts Payable	258,663.41				106,285.41		37,465.73	189,843.73
Reserve for Payment of Bonds	610,320.06				3,573.50			606,746.56
Reserve for Payment of Loans	457,419.92		44,654.95			225,446.00	744,407.35	1,021,036.22
Due to Utility Operating Fund	60,775.00				60,775.00			-
	\$ 2,467,140.30	\$ 45,647.95	\$ 215,009.27	\$ 173,850.59	\$ 1,007,319.28	\$ 1,007,319.08	\$ 2,123,928.19	

EXHIBIT SD-3

TOWN OF HAMMONTON
Water and Sewer Utility Fund
Schedule of Consumer Accounts Receivable
For the Year Ended December 31, 2020

Balance December 31, 2019	\$ 4,461.42
Increased by:	
Rents Levied in 2020	<u>6,276,262.27</u>
	6,280,723.69
Decreased by:	
Collections	\$ 6,024,717.76
Prepaid Applied	17,092.23
Transferred to Liens	<u>25,940.21</u>
	6,067,750.20
Balance December 31, 2020	<u><u>\$ 212,973.49</u></u>

EXHIBIT SD-4

Water and Sewer Utility Fund
Schedule of Water Utility Liens
For the Year Ended December 31, 2020

Balance December 31, 2019	\$ 47,252.45
Increased by:	
Transferred from Consumer Accounts Receivable	\$ 25,940.21
Lien Interest and Costs	<u>-</u>
	25,940.21
	73,192.66
Decreased by:	
Collections	<u>-</u>
Balance December 31, 2020	<u><u>\$ 73,192.66</u></u>

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
Schedule of Fixed Capital
For the Year Ended December 31, 2020

	Balance December 31, <u>2019</u>	Additions by <u>Ordinance</u>	Balance December 31, <u>2020</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, 2020

Ordinance Number	Improvement Description	Ordinance		Balance December 31, 2019	Grants Receivable/ Improvement Authorizations Canceled	Balance December 31, 2020
		Date	Amount			
General Improvements:						
9-04/17-05/ 17-06	Various Sewer Utility Improvements	5/24/04	\$ 1,675,000.00	\$ 1,543,960.90		\$ 1,543,960.90
16-05	Various Improvements:	5/23/05				
18-06	(b) Egg Harbor Road Water Main Extension	8/7/06	500,000.00	691,907.30		691,907.30
	(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	\$ 99,846.00	3,400,154.00
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
				\$ 25,864,512.94	\$ 99,846.00	\$ 25,764,666.94

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
Schedule of State Loans Receivable
For the Year Ended December 31, 2020

Balance December 31, 2019	\$ 225,446.00
Decreased By:	
Canceled by Resolution	<u>225,446.00</u>
Balance December 31, 2020	<u><u>\$ -</u></u>

TOWN OF HAMMONTON
Water and Sewer Utility Fund
 Schedule of 2019 Appropriation Reserves
 For the Year Ended December 31, 2020

	<u>Balance</u>		<u>Balance</u>		<u>Balance</u>
	<u>Reserved</u>	<u>Encumbered</u>	<u>After</u>	<u>Paid or</u>	<u>Balance</u>
			<u>Transfers</u>	<u>Charged</u>	<u>Lapsed</u>
Operating:					
Salaries and Wages	\$ 97,451.42		\$ -	\$ -	\$ -
Other Expenses	922.92	\$ 282,433.42	380,807.76	357,861.19	22,946.57
Social Security System	6,798.71		6,798.71	-	6,798.71
New Jersey Disability Insurance	1,942.55		1,942.55	1,249.31	693.24
Total	<u>\$ 107,115.60</u>	<u>\$ 282,433.42</u>	<u>\$ 389,549.02</u>	<u>\$ 359,110.50</u>	<u>\$ 30,438.52</u>
			Cash Disbursed	<u>\$ 359,110.50</u>	

TOWN OF HAMMONTON
Water and Sewer Utility Fund
Schedule of Reserve for Encumbrances
For the Year Ended December 31, 2020

Balance December 31, 2019	\$ 322,652.78
Increased by:	
2020 Appropriations	<u>337,645.97</u>
	660,298.75
Decreased by:	
Transferred to Appropriation Reserves	<u>282,433.42</u>
Balance December 31, 2020	<u><u>\$ 377,865.33</u></u>

TOWN OF HAMMONTON
Water and Sewer Utility Fund
Schedule of Prepaid Rents
For the Year Ended December 31, 2020

Balance December 31, 2019	\$	18,551.79
Increased by:		
Received in 2020		<u>17,735.54</u>
		36,287.33
Decreased by:		
Refunded	\$	1,459.56
Applied to Consumer Accounts Receivable		<u>17,092.23</u>
		<u>18,551.79</u>
Balance December 31, 2020	\$	<u><u>17,735.54</u></u>

TOWN OF HAMMONTON
Water and Sewer Utility Fund
Schedule of Accrued Interest Payable
For the Year Ended December 31, 2020

Balance December 31, 2019	\$ 201,933.21
Increased by:	
Budget Appropriations for:	
Interest on Bonds and Loans	<u>455,610.28</u>
	657,543.49
Decreased by:	
Interest Paid:	
Interest on Bonds & Loans	<u>492,212.59</u>
Balance December 31, 2020	<u><u>\$ 165,330.90</u></u>

Analysis of Accrued Interest December 31, 2020

	Principal Outstanding Dec. 31, 2020	Interest Rate	From	To	Period	Amount
<i>Water & Sewer Refunding Bonds of 2009</i>	\$ 485,000.00	Various	7/1/20	12/31/20	6 Months	\$ 9,700.00
<i>NJEIT Trust/Fund Loan of 2012</i>	1,492,330.98	Various	8/1/20	12/31/20	5 Months	11,165.79
<i>Sewer 2012 Refunding Bonds</i>	1,825,000.00	Various	9/1/20	12/31/20	4 Months	24,333.33
<i>NJEIT Trust/Fund Loan of 2013</i>	1,302,920.56	Various	8/1/20	12/31/20	5 Months	5,062.50
<i>NJEIT Trust/Fund Loan of 2014</i>	4,681,669.60	Various	8/1/20	12/31/20	5 Months	23,458.34
<i>2016 Refunding Bonds</i>	4,320,000.00	Various	8/1/20	12/31/20	5 Months	71,270.83
<i>NJEIT Trust/Fund Loan of 2017</i>	2,832,918.57	Various	8/1/20	12/31/20	5 Months	11,263.03
<i>2019 Water and Sewer Bonds</i>	2,020,000.00	Various	11/7/20	12/31/20	53 Days	9,077.08
						<u><u>\$ 165,330.90</u></u>

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
Schedule of Improvement Authorizations
For the Year Ended December 31, 2020

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance		Capital Improvement Fund	Deferred Charges To Future Revenue	Canceled	Paid or Charged	Balance			
				Funded	Unfunded					Funded	Unfunded		
				December 31, 2019						December 31, 2020			
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/													
33-14	Boyer Avenue Drip Irrigation Project	3/10/14	500,000.00										
		9/22/14	35,000.00										
		12/1/14	500,000.00	4,584.38	\$ 397.00				-	4,981.38	-		
11-16	Various Road and Utility Improvements	5/16/16	3,500,000.00	744,307.35	99,846.00			\$ 844,153.35	-		-		
6-19	Installation of Sewer Lines and Relocation of Interceptor Line on Boyer Avenue and the Purchase of Equipment for the Utility Department	4/29/19	350,000.00	211,902.77					43,050.00	168,852.77	-		
8-19	Various Utility Improvements	5/20/19	1,060,000.00	305,373.00					209,425.00	95,948.00	-		
Total				\$ 1,284,427.50	\$ 100,243.00	\$ -	\$ -	\$ 844,153.35	\$ 252,475.00	\$ 288,042.15	\$ -		
										Contracts Payable			
										\$ 37,465.73			
										215,009.27			
										\$ 252,475.00			

EXHIBIT SD-13

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
Schedule of Contracts Payable
For the Year Ended December 31, 2020

Balance December 31, 2019	\$ 258,663.41
Increased By:	
Charged to Improvement Authorizations	<u>37,465.73</u>
	296,129.14
Decreased by:	
Disbursed	\$ 106,285.41
Canceled	<u>-</u>
	<u>106,285.41</u>
Balance December 31, 2020	<u><u>\$ 189,843.73</u></u>

EXHIBIT SD-14

Schedule of Capital Improvement Fund
For the Year Ended December 31, 2020

Balance December 31, 2019	\$ 18,759.73
Increased by:	
2020 Budget Appropriation	<u>-</u>
	18,759.73
Decreased by:	
Appropriations to Finance Improvement Authorizations	<u>-</u>
Balance December 31, 2020	<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, 2020

Balance December 31, 2019		\$ 51,286,380.51
Increased By:		
2020 Budget Appropriations:		
NJEIT Loans	\$ 711,646.43	
Serial Bonds	1,745,000.00	
Deferred Charges - Unfunded Improvement Authorizations	<u>1,493.00</u>	
		<u>2,458,139.43</u>
Balance December 31, 2020		<u><u>53,744,519.94</u></u>

EXHIBIT SD-16

Water and Sewer Utility Capital Fund
Schedule of Reserve for Payment of Bonds
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 610,320.06
Decreased By:		
Anticipated as Revenue in the Operating 2020 Budget		<u>3,573.50</u>
Balance December 31, 2020		<u><u>\$ 606,746.56</u></u>

EXHIBIT SD-17

Water and Sewer Utility Capital Fund
Schedule of Reserve for Payment of Loans
For the Year Ended December 31, 2020

Balance December 31, 2019		\$ 457,919.92
Increased by:		
Received from NJEIT	\$ 44,154.95	
Funded Improvement Authorizations - Canceled	<u>744,307.55</u>	
		<u>788,462.50</u>
		\$ 1,246,382.42
Decreased By:		
State Loans Receivable Canceled by Resolution		<u>225,446.00</u>
Balance December 31, 2020		<u><u>\$ 1,020,936.42</u></u>

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
Schedule of Deferred Reserve for Amortization
For the Year Ended December 31, 2020

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2019</u>	<u>Grants Receivable Canceled</u>	<u>Balance Dec. 31, 2020</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
11-16	Various Road and Utility Improvements				
			<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, 2020

Balance December 31, 2019	\$ 11,021,486.14
Increased by:	
Loans Executed	-
	11,021,486.14
Decreased by:	
Paid by 2020 Budget Appropriation	711,646.43
Balance December 31, 2020	<u>\$ 10,309,839.71</u>

Analysis of Balance Dec. 31, 2020

<u>Payment Date</u>	<u>Trust</u> <u>Loan</u>	<u>Fund</u> <u>Loan</u>	<u>Total</u>
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	224,073.00	341,097.62	565,170.62
2/1/23		170,548.81	170,548.81
8/1/23	233,303.00	341,097.62	574,400.62
2/1/24		170,548.81	170,548.81
8/1/24	237,801.00	341,097.62	578,898.62
2/1/25		170,548.81	170,548.81
8/1/25	256,947.00	341,097.62	598,044.62
2026 through 2036	<u>2,327,876.00</u>	<u>4,261,607.56</u>	<u>6,589,483.56</u>
	<u>\$ 3,490,000.00</u>	<u>\$ 6,819,839.71</u>	<u>\$ 10,309,839.71</u>

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
Schedule of General Serial Bonds
For the Year Ended December 31, 2020

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance December 31, 2019	Issued	Decreased	Balance December 31, 2020
			Date	December 31, 2020	Amount					
Water & Sewer Utility Refunding Bonds	5/14/09	\$ 4,705,000.00	7-1-21	\$	485,000.00	4.00%	\$ 965,000.00		\$ 480,000.00	\$ 485,000.00
			3-1-21		295,000.00	4.00%				
			3-1-22		490,000.00	4.00%				
			3-1-23		515,000.00	4.00%				
Sewer Refunding Bonds of 2012	6/28/12	3,395,000.00	3-1-24		525,000.00	4.00%	2,105,000.00		280,000.00	1,825,000.00
			2-1-21		330,000.00	5.00%				
			2-1-22		410,000.00	5.00%				
			2-1-23		450,000.00	5.00%				
Water & Sewer Utility Refunding Bonds	5/11/16	7,605,000.00	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%	5,225,000.00		905,000.00	4,320,000.00
			2-1-36		70,000.00	3.00%				
Water & Sewer Bonds of 2019	11/7/19	\$ 2,100,000.00	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		\$ 80,000.00	\$ 2,020,000.00
Total							\$ 10,395,000.00	\$ -	\$ 1,745,000.00	\$ 8,650,000.00
							Paid by Budget Appropriation			\$ 1,745,000.00

TOWN OF HAMMONTON
Water and Sewer Utility Capital Fund
Schedule of Bonds and Notes Authorized but not Issued
For the Year Ended December 31, 2020

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2019</u>	<u>2020 Authorizations</u>	<u>Raised in 2020 Utility Operating Budget</u>	<u>Canceled</u>	<u>Balance December 31, 2020</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	500.00		500.00		-
		<u>\$ 101,339.00</u>	<u>\$ -</u>	<u>\$ 1,493.00</u>	<u>\$ 99,846.00</u>	<u>\$ -</u>

TOWN OF HAMMONTON

PART II

LETTER OF COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED

DECEMBER 31, 2020

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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 \$44,000 except by contract or agreement.

The governing body of the Town has the responsibility of determining whether the expenditures in any category will exceed \$44,000 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 \$44,000 "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
- Restoration of Clock 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 6, 2020, 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 29, 2020 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>
2020	101
2019	112
2018	117
2017	123
2016	123

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
2020	\$	37,475,254.36	99.62%
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%

Comparative Schedule of Tax Rate Information

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Tax Rate	2.719	2.709	2.696	2.658	2.561
Apportionment Of Tax Rate:					
Municipal	0.707	0.697	0.698	0.677	0.653
County	0.572	0.572	0.556	0.558	0.504
Local School	1.440	1.440	1.442	1.423	1.404
Assessed Valuation	1,369,276,200	1,364,157,700	1,363,406,500	1,363,568,100	1,357,131,700

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
2020	\$	925,273.63	1,612.77	926,886.40	2.47%
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%

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

June 11, 2021