

**TOWNSHIP OF HAMILTON**  
**REPORT OF AUDIT**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2009**

**TOWNSHIP OF HAMILTON**  
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**TOWNSHIP OF HAMILTON**

**PART I**

**REPORT ON EXAMINATION OF FINANCIAL STATEMENTS - STATUTORY BASIS**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2009**



# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and  
Members of the Township Committee  
Township of Hamilton  
County of Atlantic, New Jersey

We have audited the accompanying balance sheets – statutory basis of the various funds and account groups of the Township of Hamilton, State of New Jersey (the "Township"), as of December 31, 2009 and 2008 and the related statements of operations and changes in fund balance – statutory basis for the years then ended and the related statement of revenues – statutory basis and statement of expenditures – statutory basis for the year ended December 31, 2009, as listed in the accompanying table of contents. These financial statements – statutory basis are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with 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 and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 1, the Township, prepares its financial statements on a basis of accounting prescribed by the Division that demonstrates compliance with a modified accrual basis, with certain exceptions, and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these statutory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.


In our opinion, because of the Township's policy to prepare its financial statements on the prescribed basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the various funds and account groups of the Township, as of December 31, 2009 and 2008 and the results of operations and changes in fund balance of such funds for the years then ended, and the statement of revenues and statement of expenditures of the various funds for the year ended December 31, 2009.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Township, as of December 31, 2009 and 2008 and the results of operations and changes in fund balances of such funds for the years then ended and the statement of revenues and statement of expenditures of the various funds for the year ended December 31, 2009 on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 20, 2010 on our consideration of the Township's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedules of state awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the financial statements of the Township. The supplemental schedules and the schedules of state awards as listed in the table of contents have been subjected to the auditing procedures applied to the audit of the financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

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



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

**May 20, 2010**



**EXHIBIT - A  
CURRENT FUND**

**TOWNSHIP OF HAMILTON**  
**CURRENT FUND**  
**COMPARATIVE BALANCE SHEET - STATUTORY BASIS**

	<u>Ref.</u>	<u>Balance Dec. 31, 2009</u>	<u>Balance Dec. 31, 2008</u>
<b><u>Assets</u></b>			
Regular Fund:			
Cash:			
Treasurer	A-4	\$ 9,465,025.79	\$ 10,455,714.83
Collector	A-5	157,835.00	152,738.00
Garbage District		-	120,937.11
Change and Petty Cash Funds		925.00	925.00
		<u>9,623,785.79</u>	<u>10,730,314.94</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	620,480.60	727,279.08
Tax Title Liens Receivable	A-8	10,755.37	2,208.52
Property Acquired at Assessed Valuation		3,918,000.00	3,918,000.00
Due from General Capital Fund		212,250.00	-
Revenue Accounts Receivable	A-9	79,954.88	91,604.93
		<u>4,841,440.85</u>	<u>4,739,092.53</u>
Deferred Charges:			
Special Emergency		800,000.00	1,000,000.00
		<u>800,000.00</u>	<u>1,000,000.00</u>
		<u>15,265,226.64</u>	<u>16,469,407.47</u>
Federal and State Grant Fund:			
Cash	A-4	-	-
Due from Current Fund		602,128.95	775,928.18
Grant Receivables	A-11	1,042,455.92	1,040,607.59
		<u>1,644,584.87</u>	<u>1,816,535.77</u>
		<u>\$ 16,909,811.51</u>	<u>\$ 18,285,943.24</u>

**TOWNSHIP OF HAMILTON**  
**CURRENT FUND**  
**COMPARATIVE BALANCE SHEET - STATUTORY BASIS**

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
<b>Regular Fund:</b>			
<b>Liabilities:</b>			
Appropriation Reserves	A-3:A-10	\$ 788,228.09	\$ 738,464.73
Reserve for Encumbrances		398,392.51	723,400.73
Reserve for Garbage District Encumbrances		-	120,937.11
Due to State - Seniors and Veterans		4,950.67	7,229.57
Prepaid Taxes		378,078.21	344,234.55
Tax Overpayments		-	30,024.87
Accounts Payable		12,250.00	-
County Taxes Payable		-	40.69
Due to County Added Taxes		46,848.83	72,792.77
Local District School Taxes Payable		3,165,406.98	3,015,437.98
Regional High School Taxes Payable		1,022,606.30	1,197,404.10
Reserve for Tax Sale Premiums		157,835.00	152,738.00
Reserve for Revaluation		895,660.00	1,000,000.00
Reserve for Garden State Preservation		129,098.94	144,201.87
Due to Federal & State Grant Fund		602,128.95	775,928.18
Due to State of New Jersey -			
Marriage Licenses		1,125.00	1,455.00
Permit Surcharge Fees		9,172.00	5,826.00
Due to Industrial Commission		4,674.44	4,674.44
		<u>7,616,455.92</u>	<u>8,334,790.59</u>
Reserve for Receivables and Other Assets		4,841,440.85	4,739,092.53
Fund Balance	A-1	<u>2,807,329.87</u>	<u>3,395,524.35</u>
		<u>15,265,226.64</u>	<u>16,469,407.47</u>
<b>Federal and State Grant Fund:</b>			
Unappropriated Reserves	A-12	10,534.00	-
Appropriated Reserves	A-13	1,450,627.17	1,751,299.36
Encumbrances Payable		183,423.70	65,236.41
		<u>1,644,584.87</u>	<u>1,816,535.77</u>
		<u>\$ 16,909,811.51</u>	<u>\$ 18,285,943.24</u>

**TOWNSHIP OF HAMILTON**  
**CURRENT FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE**  
**STATUTORY BASIS**

	<u>Ref.</u>	<u>Year 2009</u>	<u>Year 2008</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	\$	2,415,000.00	\$ 3,300,000.00
Miscellaneous Revenue Anticipated		6,653,737.68	7,398,471.54
Receipts from Delinquent Taxes		690,753.08	543,801.58
Receipts from Current Taxes		51,806,986.55	50,889,689.35
Non-Budget Revenue		876,311.86	1,889,834.39
Other Credits to Income:			
Accounts Payable Canceled		-	1,282.90
Tax Overpayments Cancelled		-	9,105.21
Unexpended Balance of Appropriation Reserves		608,476.94	301,460.68
Total Income		<u>63,051,266.11</u>	<u>64,333,645.65</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Appropriations Within "CAP"			
Operations:			
Salaries and Wages		10,177,200.00	9,951,600.00
Other Expenses		7,992,426.00	7,643,602.00
Deferred Charges & Statutory Expenditures		2,339,168.00	817,000.00
Appropriations Excluded from "CAP"			
Operations:			
Salaries and Wages		137,892.94	55,291.00
Other Expenses		650,746.11	2,115,801.87
Capital Improvements		75,000.00	75,000.00
Municipal Debt Service		3,174,348.88	3,838,718.09
Deferred Charges & Statutory Expenditures		200,000.00	3,361.05
Garbage District Taxes		-	2,197,500.00
County Taxes		8,231,663.14	7,913,335.40
County Added and Omitted Taxes		46,848.83	72,833.46
Local District School Tax		19,121,023.00	18,321,053.00
Regional High School Tax		8,875,113.69	9,336,714.19
Interfund Advanced		200,000.00	-
Prior Year Senior Citizen Deduction Disallowed		2,500.00	1,500.00
Prior Year Revenue Refunded		530.00	1,840.70
Total Expenditures		<u>61,224,460.59</u>	<u>62,345,150.76</u>

**TOWNSHIP OF HAMILTON**  
**CURRENT FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE**  
**STATUTORY BASIS**

	<u>Ref.</u>	<u>Year 2009</u>	<u>Year 2008</u>
Excess In Revenue		\$ 1,826,805.52	\$ 1,988,494.89
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by			
Statute Deferred Charges to Budget of			
Succeeding Year		-	1,000,000.00
		<u>-</u>	<u>1,000,000.00</u>
Statutory Excess to Fund Balance		1,826,805.52	2,988,494.89
Fund Balance January 1	A	<u>3,395,524.35</u>	<u>3,707,029.46</u>
		5,222,329.87	6,695,524.35
Decreased by:			
Utilization as Anticipated Revenue		<u>2,415,000.00</u>	<u>3,300,000.00</u>
Fund Balance December 31	A	<u>\$ 2,807,329.87</u>	<u>\$ 3,395,524.35</u>

**TOWNSHIP OF HAMILTON**  
**CURRENT FUND**  
**STATEMENT OF REVENUES - STATUTORY BASIS**

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	N.J.S. 40A:4-87		
Fund Balance Anticipated	\$	2,415,000.00	\$	\$ 2,415,000.00	\$ -
Total Surplus Anticipated		<u>2,415,000.00</u>	<u>-</u>	<u>2,415,000.00</u>	<u>-</u>
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages		17,000.00		20,969.76	3,969.76
Fees and Permits		160,000.00		128,505.16	(31,494.84)
Fines and Costs:					
Municipal Court		1,060,000.00		1,096,506.87	36,506.87
Interest and Costs on Taxes		126,300.00		139,041.62	12,741.62
Interest on Investments and Deposits		231,000.00		137,482.93	(93,517.07)
Energy Receipts Tax (P.L. 1997, Ch. 162 & 167)		3,463,202.00		3,463,202.00	-
Reserve for Garden State Trust PILOT Funds		144,201.87		144,201.87	-
Pineland Property Tax Stabilization Aid		94,713.00		94,713.00	-
Uniform Construction Code Fees		400,000.00		446,762.00	46,762.00

**TOWNSHIP OF HAMILTON**  
**CURRENT FUND**  
**STATEMENT OF REVENUES - STATUTORY BASIS**

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	N.J.S. 40A:4-87		
Miscellaneous Revenues (continued):					
Special Items:					
State and Federal Programs Off-Set by Revenues:					
Clean Communities		\$	\$ 50,033.11	\$ 50,033.11	\$ -
Justice Assistant Grant			43,437.00	43,437.00	-
Safe and Secure Communities Grant			58,686.00	58,686.00	-
Neighborhood Crime Prevention & Intervention			55,177.00	55,177.00	-
NJ Highway Safe Corridors Grant			48,000.00	48,000.00	-
Drunk Driving Enforcement Fund			35,769.94	35,769.94	-
NJ DOT			150,000.00	150,000.00	-
Municipal Alliance on Alcoholism and Drug Abuse			22,400.00	22,400.00	-
NJ Highway Traffic Safety Grant			125,366.00	125,366.00	-
Other Special Items:					
Uniform Fire Safety Act			113,000.00	135,483.42	22,483.42
Hamilton Township MUA Surplus NJSA 40A:5A-12.1			258,000.00	258,000.00	-
Total Miscellaneous Revenues	A-1		<u>6,215,182.87</u>	<u>6,653,737.68</u>	<u>(2,548.24)</u>
Receipts from Delinquent Taxes	A-1:A-2		<u>700,000.00</u>	<u>690,753.08</u>	<u>(9,246.92)</u>
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes			16,145,327.20	16,701,876.96	556,549.76
Total Amount to be Raised by Taxes for Support of Municipal Budget			<u>16,145,327.20</u>	<u>16,701,876.96</u>	<u>556,549.76</u>
Budget Totals			<u>25,475,510.07</u>	<u>26,461,367.72</u>	<u>544,754.60</u>
Non-Budget Revenues				<u>876,311.86</u>	<u>876,311.86</u>
		\$	<u><u>25,475,510.07</u></u>	\$ <u><u>27,337,679.58</u></u>	\$ <u><u>1,421,066.46</u></u>

**TOWNSHIP OF HAMILTON**  
**CURRENT FUND**  
**STATEMENT OF REVENUES - STATUTORY BASIS**

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenues from Collections	\$ 51,806,986.55
Allocated to:	
School, County and Other Taxes	<u>36,274,648.66</u>
Balance for Support of Municipal Budget Appropriations	15,532,337.89
Add: Appropriation	
"Reserve for Uncollected Taxes"	<u>1,169,539.07</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 16,701,876.96</u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 683,355.96
Tax Title Lien Collections	<u>7,397.12</u>
	<u>\$ 690,753.08</u>

Analysis of Non-Budget Revenues:

Miscellaneous Revenue Not Anticipated:

Municipal Service Fees	\$ 165,279.60
Sale of Township Owned Land	426,202.00
Interstate Outdoor Advertising	8,200.00
Clerk Fees	6,184.88
Planning & Zoning Fees	5,163.10
Police Record Fees	1,433.25
Discovery Fees	4,219.39
Magic Sports	100,000.00
Refunds	11,954.11
POD Admin Fees	13,369.17
NJ DMV Inspection Fines	35,207.33
Hamilton School Trash	6,337.83
EMPG EMA	5,000.00
Pafacom PILOT	1,500.00
Seniors & Veterans Administrative Fee	4,091.09
Hotel Tax	3,771.43
Cell Tower Leases	10,000.00
Public Works Auction	39,535.13
Tax Collector	13,778.96
Community Activities	150.00
Garbage District Surplus	7,295.41
Miscellaneous	7,639.18
	<u>\$ 876,311.86</u>



**TOWNSHIP OF HAMILTON**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - STATUTORY BASIS**

	Appropriations		Expended			(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<b>OPERATIONS WITHIN "CAPS"</b>						
<b>GENERAL GOVERNMENT:</b>						
Township Committee						
Salaries and Wages	\$ 58,200.00	\$ 58,200.00	\$ 58,144.56	\$	\$ 55.44	\$
Other Expenses	5,300.00	5,300.00	4,670.00	630.00	-	
Township Administrator						
Salaries and Wages	155,700.00	161,100.00	160,915.68		184.32	
Other Expenses	10,000.00	10,000.00	3,786.53	793.37	5,420.10	
Human Resources						
Salaries and Wages	43,200.00	43,200.00	43,010.56		189.44	
Other Expenses	22,000.00	22,000.00	8,163.17	306.76	13,530.07	
Municipal Clerk's Office						
Salaries and Wages	180,500.00	180,500.00	179,946.95		553.05	
Other Expenses	37,965.00	37,965.00	30,794.06	5,627.56	1,543.38	
Financial Administration						
Salaries and Wages	230,700.00	223,200.00	221,594.26		1,605.74	
Other Expenses:						
Annual Audit	39,500.00	39,500.00	39,500.00		-	
Miscellaneous Other Expenses	22,825.00	22,825.00	12,932.45	3,224.51	6,668.04	
Assessment of Taxes						
Salaries and Wages	163,700.00	163,700.00	163,678.35		21.65	
Other Expenses	52,250.00	52,250.00	37,749.76	3,688.96	10,811.28	
Collection of Taxes						
Salaries and Wages	138,800.00	149,500.00	149,456.78		43.22	
Other Expenses	26,700.00	31,700.00	26,174.37	3,056.14	2,469.49	
Legal Services and Costs						
Other Expenses:						
Special Counsel	12,000.00	46,000.00	38,438.61	2,838.34	4,723.05	
Miscellaneous Other Expenses	100,000.00	100,000.00	77,488.33	9,611.96	12,899.71	
Engineering Services and Costs						
Other Expenses						
Municipal Land Use Law (NJSA 40:55 D-1):	45,000.00	45,000.00	32,822.00		12,178.00	
Planning Board						
Salaries and Wages	182,800.00	183,300.00	182,986.20		313.80	
Other Expenses	83,900.00	83,900.00	30,826.74	7,521.96	45,551.30	

**TOWNSHIP OF HAMILTON**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - STATUTORY BASIS**

	Appropriations		Expended			(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
Board of Adjustments						
Salaries and Wages	\$ 106,000.00	\$ 106,500.00	\$ 106,435.72	\$	\$ 64.28	\$
Other Expenses	18,500.00	18,500.00	9,749.84	1,456.37	7,293.79	
Environmental Commission (NJSA 40:5-3)						
Salaries and Wages	2,400.00	2,400.00	2,380.88		19.12	
Other Expenses	780.00	780.00	451.00		329.00	
Industrial Commission (NJSA 40:55-3)						
Other Expenses	31,280.00	31,280.00	13,455.56	1,263.43	16,561.01	
Management of Information Systems						
Salaries and Wages	65,000.00	65,000.00	64,938.51		61.49	
Other Expenses	58,460.00	58,460.00	57,867.68	540.00	52.32	
<b>INSURANCE:</b>						
Liability Insurance	260,900.00	260,900.00	255,726.50		5,173.50	
Workers Compensation Insurance	510,930.00	510,930.00	509,781.50		1,148.50	
Group Insurance for Employees	2,218,705.00	2,230,705.00	2,215,992.81		14,712.19	
<b>PUBLIC SAFETY:</b>						
Fire Department						
Other Expenses:						
Rental of Buildings	65,500.00	65,500.00	65,500.00		-	
Aid to Volunteer Fire Companies	234,000.00	234,000.00	212,126.36	18,667.93	3,205.71	
Police and Traffic Control						
Salaries and Wages	6,303,000.00	6,252,500.00	6,148,335.76		104,164.24	
Other Expenses	585,376.00	585,376.00	399,598.05	125,463.94	60,314.01	
Ambulance Aid and Maintenance						
Other Expenses	42,900.00	42,900.00	36,301.23	2,162.00	4,436.77	
Uniform Fire Safety Act (PL 1983, Ch. 383)						
Salaries and Wages	106,300.00	106,300.00	99,676.53		6,623.47	
Other Expenses	11,860.00	11,860.00	7,809.49	1,609.19	2,441.32	
Office of Emergency Management Services						
Salaries and Wages	3,200.00	3,200.00	1,946.62		1,253.38	
Other Expenses	9,200.00	9,200.00	2,325.44	2,986.80	3,887.76	

**TOWNSHIP OF HAMILTON**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - STATUTORY BASIS**

	Appropriations		Expended			(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<b>STREETS AND ROADS DEPARTMENTS:</b>						
Road Repairs and Maintenance						
Salaries and Wages	\$ 1,355,400.00	\$ 1,355,400.00	\$ 1,329,725.25	\$	\$ 25,674.75	\$
Other Expenses	616,460.00	616,460.00	469,004.81	104,653.99	42,801.20	
Solid Waste Collection	1,646,500.00	1,646,500.00	1,515,389.18	53,642.78	77,468.04	
Street Lighting						
Other Expenses	215,000.00	215,000.00	190,436.27	1,012.54	23,551.19	
<b>HEALTH AND WELFARE DEPARTMENT:</b>						
Registrar of Vital Statistics						
Salaries and Wages	5,200.00	5,200.00	5,151.38		48.62	
Other Expenses	940.00	940.00	939.32		0.68	
<b>OFFICE OF NON-DEPARTMENTAL BOARDS, AUTHORITIES AND AGENCIES:</b>						
Animal Control						
Other Expenses	27,000.00	27,000.00	27,000.00		-	
Municipal Court						
Salaries and Wages	490,900.00	490,900.00	487,990.78		2,909.22	
Other Expenses	39,800.00	39,800.00	17,730.17	3,634.18	18,435.65	
Prosecutor's Office						
Salaries and Wages	83,100.00	83,100.00	81,042.00		2,058.00	
Public Defender						
Salaries and Wages	20,000.00	-			-	
Community Education / Recreation						
Salaries and Wages	84,400.00	85,000.00	84,328.43		671.57	
Other Expenses	8,645.00	8,645.00	3,768.88	2.37	4,873.75	
Social Services						
Salaries and Wages	109,000.00	109,000.00	100,777.38		8,222.62	
Other Expenses	5,000.00	5,000.00	1,716.00	1,865.47	1,418.53	
Historical Advisory Board						
Salaries and Wages	2,500.00	2,500.00	2,447.12		52.88	
Other Expenses	5,000.00	5,000.00	599.60	1,200.00	3,200.40	
Veteran's Advisory Board						
Salaries and Wages	2,400.00	2,400.00	2,380.88		19.12	
Other Expenses	1,750.00	1,750.00	412.95	377.65	959.40	
<b>UNIFORM CONSTRUCTION CODE:</b>						
Construction Code Official						
Salaries and Wages	302,600.00	305,100.00	295,476.95		9,623.05	
Other Expenses	18,500.00	18,500.00	7,918.38	3,895.14	6,686.48	

**TOWNSHIP OF HAMILTON**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - STATUTORY BASIS**

	Appropriations		Expended			(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<b>UNCLASSIFIED:</b>						
<b>OTHER COMMON OPERATIONS FUNCTIONS</b>						
Contribution to Snow Reserve	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ -	\$ -	
Compensated Absence Reserve	40,000.00	40,000.00	40,000.00	-	-	
Utilities	741,000.00	741,000.00	523,901.94	36,659.17	180,438.89	
Postage	45,000.00	45,000.00	44,986.13		13.87	
<b>TOTAL OPERATIONS WITHIN "CAPS"</b>	<b>18,151,426.00</b>	<b>18,144,626.00</b>	<b>16,986,602.64</b>	<b>398,392.51</b>	<b>759,630.85</b>	<b>-</b>
Contingent	25,000.00	25,000.00			25,000.00	
<b>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"</b>	<b>18,176,426.00</b>	<b>18,169,626.00</b>	<b>16,986,602.64</b>	<b>398,392.51</b>	<b>784,630.85</b>	<b>-</b>
Detail:						
Salaries and Wages	10,235,000.00	10,177,200.00	10,012,767.53	-	164,432.47	-
Other Expenses	7,941,426.00	7,992,426.00	6,973,835.11	398,392.51	620,198.38	-
<b>STATUTORY EXPENDITURES:</b>						
Contributions to:						
Social Security System (O.A.S.I.)	783,000.00	787,000.00	784,897.21		2,102.79	
Police and Firemen's Retirement System	1,168,629.00	1,168,629.00	1,168,629.00		-	
Public Employee's Retirement System	353,814.00	353,814.00	353,814.00		-	
Unemployment Compensation Insurance	15,000.00	15,000.00	15,000.00		-	
Defined Contribution Retirement Program	725.00	725.00	683.38		41.62	
Disability Insurance	14,000.00	14,000.00	12,547.17		1,452.83	
<b>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES WITHIN "CAPS"</b>	<b>2,335,168.00</b>	<b>2,339,168.00</b>	<b>2,335,570.76</b>	<b>-</b>	<b>3,597.24</b>	<b>-</b>
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</b>	<b>20,511,594.00</b>	<b>20,508,794.00</b>	<b>19,322,173.40</b>	<b>398,392.51</b>	<b>788,228.09</b>	<b>-</b>
<b>OPERATIONS EXCLUDED FROM "CAPS"</b>						
<b>INSURANCE:</b>						
Contribution to:						
LOSAP						
Other Expenses	50,000.00	52,800.00	52,800.00		-	
<b>TOTAL OTHER OPERATIONS EXCLUDED FROM "CAPS"</b>	<b>50,000.00</b>	<b>52,800.00</b>	<b>52,800.00</b>	<b>-</b>	<b>-</b>	<b>-</b>

**TOWNSHIP OF HAMILTON**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - STATUTORY BASIS**

	Appropriations		Expended			(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<b>PUBLIC AND PRIVATE PROGRAMS OFFSET</b>						
<b>BY REVENUES</b>						
Drunk Driving Enforcement Fund	\$	\$ 35,769.94	\$ 35,769.94	\$	-	\$
Justice Assistant Grant		43,437.00	43,437.00		-	
Municipal Alliance on Alcoholism and Drug Abuse						
State Share	22,400.00	22,400.00	22,400.00		-	
Local Share	5,600.00	5,600.00	5,600.00		-	
Neighborhood Crime Prevention & Intervention		55,177.00	55,177.00		-	
Safe and Secure Communities Grant		58,686.00	58,686.00		-	
NJ Highway Safety Grant						
Federal Share	125,366.00	125,366.00	125,366.00		-	
Local Share	141,370.00	141,370.00	141,370.00		-	
NJ Highway Safe Corridors Grant		48,000.00	48,000.00		-	
NJ DOT		150,000.00	150,000.00		-	
Clean Communities		50,033.11	50,033.11		-	
<b>TOTAL PUBLIC AND PRIVATE PROGRAMS</b>						
<b>OFFSET BY REVENUES</b>	294,736.00	735,839.05	735,839.05	-	-	-
<b>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</b>	344,736.00	788,639.05	788,639.05	-	-	-
Detail:						
Salaries and Wages	-	137,892.94	137,892.94	-	-	-
Other Expenses	344,736.00	650,746.11	650,746.11	-	-	-
<b>CAPITAL IMPROVEMENTS</b>						
Capital Improvement Fund	75,000.00	75,000.00	75,000.00		-	
<b>TOTAL CAPITAL IMPROVEMENTS</b>	75,000.00	75,000.00	75,000.00	-	-	-
<b>DEBT SERVICE</b>						
Payment of Bond Principal	2,498,000.00	2,498,000.00	2,498,000.00			-
Interest on Bonds	532,700.00	532,700.00	532,641.00			59.00
Interest on Notes	91,800.00	91,800.00	91,567.66			232.34
<b>GREEN TRUST LOAN PROGRAM:</b>						
Loan Repayment for Principal and Interest	52,141.00	52,141.00	52,140.22			0.78
<b>TOTAL DEBT SERVICE</b>	3,174,641.00	3,174,641.00	3,174,348.88	-	-	292.12

**TOWNSHIP OF HAMILTON  
CURRENT FUND  
STATEMENT OF EXPENDITURES - STATUTORY BASIS**

	Appropriations		Expended			(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<b>DEFERRED CHARGES EXCLUDED FROM "CAPS"</b>						
Deferred Charges						
Special Emergency	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00		\$ -	
<b>TOTAL DEFERRED CHARGES EXCLUDED FROM "CAPS"</b>	200,000.00	200,000.00	200,000.00	-	-	-
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"</b>	3,794,377.00	4,238,280.05	4,237,987.93	-	-	292.12
<b>SUBTOTAL GENERAL APPROPRIATIONS</b>	24,305,971.00	24,747,074.05	23,560,161.33	398,392.51	788,228.09	292.12
Reserve for Uncollected Taxes	1,169,539.07	1,169,539.07	1,169,539.07		-	
<b>TOTAL GENERAL APPROPRIATIONS</b>	\$ 25,475,510.07	\$ 25,916,613.12	\$ 24,729,700.40	\$ 398,392.51	\$ 788,228.09	\$ 292.12
Adopted Budget		\$ 25,475,510.07				
Added Appropriations N.J.S.A. 40A:4-87		441,103.05				
		\$ 25,916,613.12				
Federal and State Grants			\$ 735,839.05			
Reserve for Uncollected Taxes			1,169,539.07			
Deferred Charges			200,000.00			
Disbursed			22,624,322.28			
Total			\$ 24,729,700.40			

**EXHIBIT - B  
TRUST FUND**

**TOWNSHIP OF HAMILTON**  
**TRUST FUND**  
**COMPARATIVE BALANCE SHEET - STATUTORY BASIS**

<u>Assets</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
<u>Animal Control Fund</u>			
Cash and Investments	B-1	\$ 18,381.60	\$ 18,995.80
		<u>18,381.60</u>	<u>18,995.80</u>
<u>Other Funds</u>			
Cash and Investments - Treasurer	B-2	2,472,055.66	2,876,759.51
Cash Tax Title Lien - Collector	B-6	8,773.36	46,977.91
Off - Duty Police Fees Receivable	B-11	9,702.07	5,058.04
CDBG Trust Fund Receivable	B-7	15,538.50	15,538.50
		<u>2,506,069.59</u>	<u>2,944,333.96</u>
		<u>\$ 2,524,451.19</u>	<u>\$ 2,963,329.76</u>



**TOWNSHIP OF HAMILTON**  
**TRUST FUND**  
**COMPARATIVE BALANCE SHEET - STATUTORY BASIS**

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2009</u>	<u>Balance Dec. 31, 2008</u>
<u>Animal Control Fund</u>			
Reserve for Animal Control Expenditures	B-3	\$ 18,381.60	\$ 18,995.80
Due to State of New Jersey	B-5	-	-
		<u>18,381.60</u>	<u>18,995.80</u>
<u>Other Funds</u>			
Reserve for Small Cities Grant Trust Fund	B-8	83,987.06	106,515.06
Reserve for Law Enforcement Trust Fund	B-9	16,189.19	23,149.19
Reserve for CDBG Trust Fund	B-10	727.49	7,110.50
Payroll Deductions Payable	B-14	99,005.41	101,048.57
Miscellaneous Trust Fund Reserves	B-15	1,541,043.14	1,513,037.09
Miscellaneous Trust Fund Escrows	B-16	765,117.30	1,193,473.55
		<u>2,506,069.59</u>	<u>2,944,333.96</u>
		<u>\$ 2,524,451.19</u>	<u>\$ 2,963,329.76</u>

**EXHIBIT - C**  
**GENERAL CAPITAL FUND**

**TOWNSHIP OF HAMILTON**  
**GENERAL CAPITAL FUND**  
**COMPARATIVE BALANCE SHEET - STATUTORY BASIS**

<u>Assets</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
Cash and Investments	C-2,C-3	\$ 2,919,930.36	\$ 808,802.19
Due from State of New Jersey		1,293.01	1,293.01
Due from Department of Transportation		100,000.00	100,000.00
Deferred Charges to Future Taxation:			
Funded	C-5	18,440,363.01	14,163,547.12
Unfunded	C-6	835,700.00	6,267,700.00
		<u>\$ 22,297,286.38</u>	<u>\$ 21,341,342.32</u>
 <u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds Payable	C-8	\$ 18,025,000.00	\$ 13,705,000.00
Green Trust Loans	C-8A	415,363.01	458,547.12
Bond Anticipation Notes Payable	C-9	-	2,983,200.00
Improvement Authorizations:			
Funded	C-7	2,225,497.30	1,075,544.66
Unfunded	C-7	831,942.78	1,992,142.67
Reserve for Contribution Towards Cost of Improvements		9,334.22	9,334.22
Contracts Payable	C-13	167,809.65	736,888.81
Encumbrances Payable	C-13	144,115.33	309,253.35
Reserve for Payment of Debt	C-2	191,542.60	-
Due to Current Fund	C-2	212,250.00	-
Due to Industrial Commission		66,756.50	66,756.50
Capital Improvement Fund	C-4	3,490.94	490.94
Fund Balance	C-1	4,184.05	4,184.05
		<u>\$ 22,297,286.38</u>	<u>\$ 21,341,342.32</u>

**TOWNSHIP OF HAMILTON**  
**GENERAL CAPITAL FUND**  
**STATEMENT OF FUND BALANCE - STATUTORY BASIS**

Balance December 31, 2008	<u>Ref.</u> C		\$	4,184.05
Increased By:				
None		\$	_____	
				-
				<u>4,184.05</u>
Decreased By:				
None		_____		
				-
Balance December 31, 2009	C		\$	<u><u>4,184.05</u></u>

**EXHIBIT - D**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**

**TOWNSHIP OF HAMILTON**  
**GENERAL FIXED ASSET ACCOUNT GROUP**  
**COMPARATIVE BALANCE SHEET - STATUTORY BASIS**

	<u>Ref.</u>	<u>Balance Dec. 31, 2009</u>	<u>Balance Dec. 31, 2008</u>
<u>General Fixed Assets</u>			
Land	\$	13,112,600.00	\$ 13,112,600.00
Building		7,473,566.25	7,473,566.25
Machinery and Equipment		16,822,348.48	15,255,310.76
		<u>\$ 37,408,514.73</u>	<u>\$ 35,841,477.01</u>
 <u>Investment in General Fixed Assets</u>			
Investment in General Fixed Assets	\$	37,408,514.73	\$ 35,841,477.01
		<u>\$ 37,408,514.73</u>	<u>\$ 35,841,477.01</u>

**EXHIBIT - E**  
**INDUSTRIAL COMMISSION**

**TOWNSHIP OF HAMILTON**  
**INDUSTRIAL COMMISSION**  
**COMPARATIVE BALANCE SHEET - STATUTORY BASIS**

<u>Assets</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2009</u>	<u>Balance Dec. 31, 2008</u>
Due from Current Fund	\$	4,674.44	\$ 4,674.44
Due from General Capital Funds		66,756.50	66,756.50
		<u>71,430.94</u>	<u>71,430.94</u>
	\$	<u>71,430.94</u>	\$ <u>71,430.94</u>
 <u>Liabilities, Reserves and Fund Balance</u>			
Fund Balance	\$	71,430.94	\$ 71,430.94
		<u>71,430.94</u>	<u>71,430.94</u>
	\$	<u>71,430.94</u>	\$ <u>71,430.94</u>



**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS –**  
**STATUTORY BASIS**  
**YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The financial statements – statutory basis of the Township of Hamilton have been prepared in conformity with an “Other Comprehensive Basis of Accounting” (OCBOA), as established by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). The more significant of the Township’s accounting policies are described below.

**Description of Financial Reporting Entity**

The Township of Hamilton was incorporated in 1813 and is located in Atlantic County approximately eighteen miles west of Atlantic City and forty miles east of Philadelphia. The present population according to the 2000 census is 20,499. The Township comprises an area of approximately 115 square miles.

The Township operates under the Township Committee form of government. The five member Committee is elected to alternate three-year terms. A Mayor and Deputy Mayor are selected from the Committee by it’s members. Legislative and executive power is vested in the Committee.

**Component Units**

The financial statements, of the component unit of the Township of Hamilton, are not presented in accordance with Governmental Accounting Standards Board Statement (GASB) No. 14. If the provisions of GASB 14 had been complied with the following entity’s financial statements would have to be, either blended, or discretely presented with the financial statements – statutory basis of the Township of Hamilton, the primary government:

Hamilton Municipal Utilities Authority  
6024 Ken Scull Drive  
Mays Landing, New Jersey 08330

Annual financial reports may be inspected directly at the offices of these component units during regular business hours.

**Basis of Presentation, Fund Accounting**

The financial statements – statutory basis of the Township of Hamilton contain all funds and account groups in accordance with the “Requirements of Audit”, as promulgated 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 respect to public funds. Under this method of accounting, the Township of Hamilton accounts for its financial transactions through the following separate funds, which differ from the funds required by GAAP.

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS –**  
**STATUTORY BASIS**  
**YEARS ENDED DECEMBER 31, 2009 AND 2008**  
**(CONTINUED)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

**Industrial Commission**

The Industrial Commission accounts for the receipt and disbursement of funds relating to the marketability of vacant land within the Township of Hamilton.

**Budgets and Budgetary Accounting**

The Township of Hamilton must adopt an annual budget in accordance with N.J.S.A. 40A:4 et al. State statutes require the governing body to introduce and approve the annual municipal budget no later than February 10<sup>th</sup> of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget, and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date of introduction. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9.

An extension of the statutory due dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Township's financial statements – statutory basis.

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS –**  
**STATUTORY BASIS**  
**YEARS ENDED DECEMBER 31, 2009 AND 2008**  
**(CONTINUED)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Cash and Investments**

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank approved by the State Department of Banking and Insurance, and organized under laws of the United States or the State of New Jersey or the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of securities, which may be purchased by New Jersey municipal units.

The cash management plan adopted by the Township of Hamilton requires it to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA).

GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-42 requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

Public funds are defined as the funds of any governmental unit. Public depositories include banks (both state and federal), savings and loan institutions and savings banks, the deposits of which are federally insured. All public depositories pledge collateral, having a market value of five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories in the collateral pool, is available to pay the full amount of their deposits to the governmental units.

Generally, the Township considers all investments that mature in one year or less, to be cash equivalents.

All certificates of deposit are recorded as cash regardless of date of maturity.

**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. GAAP does not require the establishment of an offsetting reserve.

**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.

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS –**  
**STATUTORY BASIS**  
**YEARS ENDED DECEMBER 31, 2009 AND 2008**  
**(CONTINUED)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**General Fixed Assets**

Property and Equipment purchased by the Current and General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized.

Accounting for Governmental Fixed Assets, as promulgated by Technical Accounting Directive No. 2, as issued by the Division of Local Government Services, differs in certain respects from GAAP. The following is a brief description of the provisions of the Directive:

Fixed Assets used in governmental operations ("general fixed assets") are accounted for in the General Fixed Assets Account Group. Public Domain ("Infrastructure") 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.

No depreciation on general fixed assets is recorded in the financial statements – statutory basis.

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.

**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 capitalized in the General Fixed Assets Account Group. GAAP requires property to be recorded at the market value at the time of acquisition.

**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.

**Appropriation Reserves**

Appropriation Reserves covering unexpended appropriation balances are automatically created at year end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation Reserves are available, until lapsed at the close of the succeeding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriation Reserves are not established under GAAP.

**Liens Sold for Other Governmental Units**

Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the other governmental unit net of costs of the sale. The related costs of sale are recognized as revenue when received.

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS –**  
**STATUTORY BASIS**  
**YEARS ENDED DECEMBER 31, 2009 AND 2008**  
**(CONTINUED)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Balance**

Fund Balances included in the Current Fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

**Revenues**

Revenues are recorded as received in cash, except for certain amounts that are due from other governmental units. Revenue from Federal and State Grants is realized as revenue when anticipated as such in the Township's budget. Other amounts that are due the Township, which are susceptible to accrual, are also recorded as receivables with offsetting reserves, and recorded as revenue when received. GAAP generally requires that grant revenue be recognized when actual expenditures financed by the grant are made.

**Property Tax Revenues**

Property tax revenues are collected in quarterly installments due February 1<sup>st</sup>, May 1<sup>st</sup>, August 1<sup>st</sup>, and November 1<sup>st</sup>. Property taxes unpaid on April 1, of the year following their final due date are subject to tax sale in accordance with statutes. The amount of tax levied, includes not only the amount required in support of the Township'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 Township'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.

**School Taxes**

The Township is responsible for levying, collecting and remitting school taxes for the Township of Hamilton School District, as well as for the Township's share of the Greater Egg Harbor Regional High School District. Fund Balance is charged for the full amount required to be raised from taxation to operate the school districts from January 1<sup>st</sup> through December 31<sup>st</sup>. Deferred school taxes arise due to the differences in the municipal and school district fiscal year ends. As of December 31, 2009, the following is a breakdown of the school tax payable and year-end tax deferral:

<u>Category</u>	<u>Amount</u>
Local School Tax Payable	\$ 3,165,406.98
Local School Tax Deferred	5,296,537.98
Regional School Tax Payable	1,022,606.30
Regional School Tax Deferred	2,213,985.70
	<u>\$ 11,698,536.96</u>

**County Taxes**

The Township is responsible for levying, collecting and remitting county taxes for the County of Atlantic. Fund Balance is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10<sup>th</sup> of the current year. In addition, Fund Balance is charged for the County Share of Added and Omitted Taxes, certified to the County Board of Taxation by October 10<sup>th</sup> of the current year, and due to be paid to the County by February 15<sup>th</sup> of the following year.

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS –**  
**STATUTORY BASIS**  
**YEARS ENDED DECEMBER 31, 2009 AND 2008**  
**(CONTINUED)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Reserve for Uncollected Taxes**

The inclusion of the “Reserve for Uncollected Taxes”, appropriation in the Township’s annual budget protects the Township 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. A Reserve for Uncollected Taxes is not established under GAAP.

**Expenditures**

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 system. Outstanding encumbrances at December 31<sup>st</sup> are recorded as a cash liability. Appropriations for principal payments on outstanding General Capital Fund bonds and notes are provided on the cash basis. Interest on General Capital Fund indebtedness is on the cash basis. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on long – term debt, which is recognized when due.

**Compensated Absences and Post – Employment Benefits**

Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for, in the annual budget in the year in which they are paid, on a “pay as you go” basis. Likewise, no accrual is made for post employment benefits, if any, which are also funded on a “pay as you go” basis.

The Township does not provide Other Post Employment Benefits (OPEB) and therefore has no reporting responsibility under GASB 45.

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS –**  
**STATUTORY BASIS**  
**YEARS ENDED DECEMBER 31, 2009 AND 2008**  
**(CONTINUED)**

**NOTE 2: LONG-TERM DEBT**

**Summary of Municipal Debt**

	<u>Year</u> <u>2009</u>	<u>Year</u> <u>2008</u>	<u>Year</u> <u>2007</u>
Issued:			
General:			
Bonds, Loans and Notes	\$ 18,440,363.01	\$ 17,146,747.12	\$ 20,214,680.34
Other:			
Bonds issued by Hamilton Township Municipal Utilities Authority	8,080,000.00	8,980,000.00	9,992,484.51
Total Issued	<u>26,520,363.01</u>	<u>26,126,747.12</u>	<u>30,207,164.85</u>
Less:			
Funds Temporarily Held to Pay Bonds and Notes	191,542.60	-	635,630.91
Bonds Authorized by another Public Body guaranteed by the Municipality	8,080,000.00	8,980,000.00	9,992,484.51
Net Debt Issued	<u>18,248,820.41</u>	<u>17,146,747.12</u>	<u>19,579,049.43</u>
Authorized But Not Issued:			
General:			
Bonds and Notes	835,700.00	3,284,500.00	1,859,561.05
Total Authorized But Not Issued	<u>835,700.00</u>	<u>3,284,500.00</u>	<u>1,859,561.05</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 19,084,520.41</u>	<u>\$ 20,431,247.12</u>	<u>\$ 21,438,610.48</u>

**Summary of Statutory Debt Condition – Annual Debt Statement**

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.71%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General Debt	\$ 19,276,063.01	\$ 191,542.60	\$ 19,084,520.41
School Debt	44,459,362.75	44,459,362.75	-
Municipal Utilities Authority	8,080,000.00	8,080,000.00	-
	<u>\$ 71,815,425.76</u>	<u>\$ 52,730,905.35</u>	<u>\$ 19,084,520.41</u>

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS –**  
**STATUTORY BASIS**  
**YEARS ENDED DECEMBER 31, 2009 AND 2008**  
**(CONTINUED)**

**NOTE 2: LONG-TERM DEBT (Continued)**

Net debt \$19,084,520.41 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$2,675,093,688 = 0.71%.

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

3-1/2% of Equalized Valuation Basis	\$	93,628,279.08
Net Debt		<u>19,084,520.41</u>
Remaining Borrowing Power	\$	<u><u>74,543,758.67</u></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, 2009, bonds payable in the General Capital Fund consisted of the following individual issues:

\$8,730,000.00 General Improvement Bonds dated August 15, 2005, due in annual installments through August 15, 2015, bearing interest at variable rates from 3.40% to 3.60% per annum. The balance remaining as of December 31, 2009, is \$6,300,000.00.

\$6,860,000.00 General Improvement Bonds dated July 30, 2009, due in annual installments through July 15, 2019, bearing interest at variable rates from 2.50% to 3.75% per annum. The balance remaining as of December 31, 2009, is \$6,860,000.00.

\$4,865,000.00 Refunding Bonds dated October 1, 2009, due in annual installments through October 1, 2013, bearing interest at variable rates from 2.00% to 4.00% per annum. The balance remaining as of December 31, 2009, is \$4,865,000.00.

\$338,493.75 State of New Jersey Green Trust Loans dated 1993, due in semi-annual installments beginning in 1993 through 2012, bearing interest at 2.00% per annum. The balance remaining as of December 31, 2009, is \$60,993.39.

\$500,000.00 State of New Jersey Green Trust Loans dated 2003, due in semi-annual installments beginning in 2003 through 2022, bearing interest at 1.00% per annum. The balance remaining as of December 31, 2009, is \$354,369.62.



**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS –**  
**STATUTORY BASIS**  
**YEARS ENDED DECEMBER 31, 2009 AND 2008**  
**(CONTINUED)**

**NOTE 2: LONG-TERM DEBT (Continued)**

**Changes in Long-Term Debt**

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

	<u>Outstanding 12/31/08</u>	<u>Issues or Additions</u>	<u>Payments or Expenditures</u>	<u>Outstanding 12/31/09</u>
General Capital Fund:				
Bonds Payable	\$ 13,705,000.00	\$ 11,725,000.00	\$ 7,405,000.00	\$ 18,025,000.00
Green Trust Loans	458,547.12		43,184.11	415,363.01
 Total All Funds	 <u>\$ 14,163,547.12</u>	 <u>\$ 11,725,000.00</u>	 <u>\$ 7,448,184.11</u>	 <u>\$ 18,440,363.01</u>

**Schedule of Annual Debt Service for Principal and Interest for Serial Bonds and Green Trust Loans Issued and Outstanding**

<u>Year Ending December 31</u>	<u>General Capital Fund</u>	
	<u>Principal</u>	<u>Interest</u>
2010	\$ 2,579,052.11	\$ 578,898.53
2011	2,724,937.57	523,252.65
2012	2,895,840.81	439,549.41
2013	2,785,608.35	336,783.25
2014	2,026,123.08	255,368.52
2015 - 2019	5,338,705.79	493,945.51
2020 - 2022	90,095.30	3,179.47
	<u>\$ 18,440,363.01</u>	<u>\$ 2,630,977.34</u>

**Refunding Bonds Issued**

On October 1, 2009, the Township issued Refunding Bonds in the amount of \$4,865,000 to Currently Refund the 1998 General Obligation Bonds and the 1998 Refunding Bonds maturing after October 1, 2010. The Debt retired in the amount of \$4,907,000 was replaced with the Refunding Issue. The required cash flow for the Bonds for Principal and Interest prior to the refunding was \$5,414,355 and the cash flow requirements after the refunding is \$5,202,100 resulting in net savings in the amount of \$212,255 for a present value savings of \$205,808.

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS –**  
**STATUTORY BASIS**  
**YEARS ENDED DECEMBER 31, 2009 AND 2008**  
**(CONTINUED)**

**NOTE 3: COMPENSATED ABSENCES**

The Township 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 \$15,000.00. 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, 2009, the Township estimates this liability to be approximately \$1,702,586 based on 2009 pay rates and compensated absence balances. The Township has established a reserve in the amount of \$71,701.99 to offset this liability.

**NOTE 4: DEFERRED COMPENSATION ACCOUNT**

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Township of Hamilton complies with a private letter ruling of the Internal Revenue Service that requires assets of deferred compensation plans be held in Trust under the beneficial ownership of the Trustee, (Township of Hamilton) serving as Trustee, for the exclusive benefit of the plan participants and their beneficiaries, and that the assets shall not be diverted to any other purpose. The plan administrator is as follows:

VALIC Retirement Corporation

**NOTE 5: LENGTH OF SERVICE AWARD PROGRAM**

The Township's Length of Service Awards Program (LOSAP) was created by a Township Ordinance adopted on August 16, 1999 pursuant to Section 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Township of Hamilton approved the adoption of the LOSAP at the general election held on November 2, 1999, and the first year of eligibility for entrance into the LOSAP by qualified volunteers was calendar year 2001. The LOSAP provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Township or its creditors. Since the Township does not have a fiduciary relationship with the LOSAP, the balances and activities of the LOSAP are not reported in the Township's financial statements.

**NOTE 6: TAXES COLLECTED IN ADVANCE**

Taxes collected in advance include amounts set forth as cash liabilities in the financial statements as follows:

		Balance December 31, 2009		Balance December 31, 2008
Prepaid Taxes - Cash Liability	\$	378,078.21	\$	344,234.55

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS –**  
**STATUTORY BASIS**  
**YEARS ENDED DECEMBER 31, 2009 AND 2008**  
**(CONTINUED)**

**NOTE 7: RETIREMENT PLANS**

**Plan Descriptions**

All eligible employees participate in the Public Employees' Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS) contributory defined benefit public employee retirement systems that have been established by State Statute. These systems are sponsored and administered by the State of New Jersey.

The Public Employees' Retirement System was established in January 1955, under the provisions of N.J.S.A. 43:14A, to provide coverage including post-retirement health care to substantially all full-time employees of the State or any County, Municipality, School district or public agency, provided the employee is not a member of another state-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60, with an annual benefit generally determined to be 1/60<sup>th</sup> of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above – mentioned formula but at a reduced rate (one-quarter of one percent for each month the member lacks of attaining the age 55).

The Police and Firemen's Retirement System was established in July 1944, under the provisions of N.J.S.A. 43:16A, to provide coverage to substantially all full-time County and Municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership.

The State of New Jersey, Department of Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information for PERS and PFRS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

**Significant Legislation**

During the year ended June 30, 1997, legislation was enacted authorizing the New Jersey Economic Development Authority (the "Authority"), to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. On June 30, 1997, the Authority issued bonds pursuant to this legislation, and \$241,106,642.00 from the proceeds of the Bonds were deposited into the investment accounts of PERS.

**Funding Policy**

The Contribution policy is set by New Jersey State Statutes, and contributions are required by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. PERS provides for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

For the Public Employees' Retirement System, the Township's contribution was \$353,814.00 for 2009 and was \$251,995.20 for 2008.

For the Police and Firemen's Retirement System, the Township's contribution was \$1,168,629.00 and \$1,005,087.00 for 2009 and 2008 respectively.

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS –**  
**STATUTORY BASIS**  
**YEARS ENDED DECEMBER 31, 2009 AND 2008**  
**(CONTINUED)**

**NOTE 7: RETIREMENT PLANS (Continued)**

<b>Three Year Trend Information for PERS</b>			
<b>Funding Year</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
12/31/09	\$ 353,814.00	100%	\$ -
12/31/08	251,995.20	100%	-
12/31/07	124,520.40	100%	-

<b>Three Year Trend Information for PFRS</b>			
<b>Funding Year</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
12/31/09	\$ 1,168,629.00	100%	\$ -
12/31/08	1,005,087.00	100%	-
12/31/07	640,401.60	100%	-

**NOTE 8: CASH AND INVESTMENTS**

**Cash**

Operating cash, in the form of checking, savings and money market savings accounts, is held in the Township's name by several commercial banking institutions. At December 31, 2009, the carrying amount of the Township's deposits was \$15,042,926.77 and the bank balance was \$16,134,008.38. Of the bank balance, \$250,000.00 was insured with Federal Deposit Insurance Corporation.

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the Township's bank accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the Township would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At December 31, 2009, all of the Township's deposits were insured by either FDIC or GUDPA and therefore not exposed to custodial credit risk. The Township does not have a policy for custodial credit risk, other than the statutory requirements of utilizing only GUDPA institutions.

**Investments**

Pursuant to the Enabling Act, the funds of the Township may be invested in any direct obligations of, or obligations as to which the principal and interest thereof is guaranteed by, the United States of America or other obligations as the Township may approve. It invests pooled monies from various State and non-State agencies in primarily short-term investments.

As of December 31, 2009, the Township did not have any investments.

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS –**  
**STATUTORY BASIS**  
**YEARS ENDED DECEMBER 31, 2009 AND 2008**  
**(CONTINUED)**

**NOTE 9: 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 statutory 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.

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.

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS –**  
**STATUTORY BASIS**  
**YEARS ENDED DECEMBER 31, 2009 AND 2008**  
**(CONTINUED)**

**NOTE 9: PROPERTY TAXES (Continued)**

The following is a three-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years:

<b>Comparative Schedule of Tax Rates</b>			
	<b>2009</b>	<b>2008</b>	<b>2007</b>
Tax Rate	\$ 3.973	\$ 3.797	\$ 3.738
Apportionment of Tax Rate:			
Municipal	1.225	1.010	0.903
County	0.625	0.613	0.625
Local School	1.450	1.450	1.451
Regional School	0.673	0.724	0.759

<b>Assessed Valuation</b>		
2009	\$	1,318,254,766
2008		1,289,964,779
2007		1,266,509,452

<b>Comparison of Tax Levies and Collections</b>				
<b>Year</b>		<b>Tax Levy</b>	<b>Collections</b>	<b>Percentage of Collections</b>
2009	\$	52,672,083.75	\$ 51,806,986.55	98.36%
2008		51,655,237.98	50,889,689.35	98.52%
2007		50,166,300.62	49,553,821.43	98.78%

<b>Delinquent Taxes and Tax Title Liens</b>					
<b>Year</b>		<b>Tax Title Liens</b>	<b>Delinquent Taxes</b>	<b>Total Delinquent</b>	<b>Percentage of Tax Levy</b>
2009	\$	10,755.37	\$ 620,480.60	\$ 631,235.97	1.20%
2008		2,208.52	727,279.08	729,487.60	1.41%
2007		15,139.97	562,052.39	577,192.36	1.15%

**Property Acquired by Tax Title Lien Liquidation**

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, was as follows:

<b>Year</b>		<b>Amount</b>
2009	\$	3,918,000.00
2008		3,918,000.00
2007		3,972,800.00

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS –**  
**STATUTORY BASIS**  
**YEARS ENDED DECEMBER 31, 2009 AND 2008**  
**(CONTINUED)**

**NOTE 10: ECONOMIC DEPENDENCY**

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

**NOTE 11: 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:

	<u>Year</u>	<u>Balance December 31st</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percent Utilized</u>
Current Fund	2009	\$ 2,807,329.87	\$ 2,803,000.00	99.85%
	2008	3,395,524.35	2,415,000.00	71.12%
	2007	3,707,029.46	3,300,000.00	89.02%
	2006	4,145,150.32	3,745,150.32	90.35%
	2005	5,554,461.72	4,210,500.00	75.80%

**NOTE 12: RECEIVABLES AND PAYABLES WITHIN THE REPORTING ENTITY**

Receivables and payables at December 31, 2009 are as follows:

<u>Amount</u>	<u>Due To</u>	<u>Due From</u>
\$ 212,250.00	Current	General Capital
601,128.95	Federal and State Grant Fund	Current
4,674.44	Industrial Commission	Current
66,756.50	Industrial Commission	General Capital
<u>\$ 884,809.89</u>		

**NOTE 13: BUDGETARY DATA**

Annually, Township Committee adopts the annual appropriation budgets for the Current Fund and the Capital Improvement Plan. Once approved, the Township Committee may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.

Supplemental appropriations per N.J.S.A. 40A:4-46 and 54, Emergencies and Special Emergencies, become charges against the budget of the following year per N.J.S.A. 40A:4-47 except when financing is provided for by bonding ordinances.

Budget transfers between appropriation accounts are prohibited until the last two months of the year. The Township Council approves the transfers by Resolution. Budgetary transfers during the year were not significant.

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS –**  
**STATUTORY BASIS**  
**YEARS ENDED DECEMBER 31, 2009 AND 2008**  
**(CONTINUED)**

**NOTE 14: FEDERAL AND STATE GRANTS**

In the normal course of operations, the Township 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, which may arise as a result of these audits, is not believed to be material.

**NOTE 15: GENERAL FIXED ASSETS**

The following schedule is a summarization of the changes in General Fixed Assets for the year ended December 31, 2009:

	<b>Balance as of December 31, 2008</b>	<b>Additions</b>	<b>Balance as of December 31, 2009</b>
Land	\$ 13,112,600.00	\$	\$ 13,112,600.00
Building Improvements	7,473,566.25		7,473,566.25
Machinery & Equipment	15,255,310.76	1,567,037.72	16,822,348.48
Total	<u>\$ 35,841,477.01</u>	<u>\$ 1,567,037.72</u>	<u>\$ 37,408,514.73</u>

**NOTE 16: RISK MANAGEMENT**

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

**Property and Liability Insurance**

The Township maintains insurance coverage for property, liability and surety bonds.

**NOTE 17: SANITARY LANDFILL ESCROW CLOSURE FUND**

The Township of Hamilton operated two municipal landfills located in the Mizpah and Mays Landing sections of the Township until 1980 when they were closed. 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 sold waste accepted for disposal. No withdrawals may be made from the fund without written approval from the State Department of Environmental Protection and Energy.

At December 31, 2009, it is estimated that the landfill has reached 60% of it's holding capacity. The escrow closure fund balance at year end 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 the closure are not known.



**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS –**  
**STATUTORY BASIS**  
**YEARS ENDED DECEMBER 31, 2009 AND 2008**  
**(CONTINUED)**

**NOTE 18: DEBT SERVICE AGREEMENT**

In November 1990, the Township adopted an ordinance to guarantee the bonds of the Hamilton Township Municipal Utilities Authority for \$16,200,000.00. At December 31, 2009, the Authority had \$8,080,000.00 in outstanding debt covered by this contract. Under State Statutes, this service contract does not affect the Townships debt limitations; accordingly, the above transaction is not recorded as a liability by the Township at December 31, 2009.

**NOTE 19: NEW JERSEY UNEMPLOYMENT COMPENSATION INSURANCE**

The Township has elected to fund it's New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to it's former employees and charged to it's account with the State. The Township is billed quarterly for the amounts due to the State. The following is a summary of Township contributions, reimbursements to the State for benefits paid and the ending balance of the Township's trust fund for the current and previous two years:

<u>Year</u>	<u>Other</u>	<u>Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2009	\$	\$ 15,000.00	\$ (42,271.16)	\$ 82,213.36
2008	29,946.94	25,000.00	(2,725.86)	109,484.52
2007	-	25,000.00	(11,763.13)	57,263.44

**NOTE 20: LITIGATION**

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

**NOTE 21: DISSOLUTION OF GARBAGE DISTRICT**

On October 20, 2008, the Township adopted Ordinance 1637-2008, which dissolved the Hamilton Township Garbage District. As of December 31, 2008, the Township has assumed all assets, rights and obligations of the Hamilton Township Garbage District.

**NOTE 22: SUBSEQUENT EVENTS**

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2009 through May 20, 2010 the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no items have come to attention of the Township that would require disclosure.

## **SUPPLEMENTARY INFORMATION**

**TOWNSHIP OF HAMILTON**  
**CURRENT FUND**  
**SCHEDULE OF CASH - TREASURER**

	<u>Ref.</u>	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance December 31, 2008	A	\$ 10,455,714.83	\$ -
Increased By Receipts:			
Tax Collector		\$ 52,527,706.01	\$
Reserve for Garden State Preservation Trust		129,098.94	
Due to State of New Jersey -			
Marriage Licenses		4,860.00	
Permit Surcharge Fees		29,252.00	
Due from State of New Jersey -			
Senior Citizens & Veterans		204,554.38	
Revenue Accounts Receivable		6,639,570.36	
Federal and State Grants Received			587,020.72
Matching Funds for Grants			146,970.00
Unappropriated Reserves			10,534.00
Due from Current Fund			173,799.23
		<u>59,535,041.69</u>	<u>918,323.95</u>
		69,990,756.52	918,323.95

**TOWNSHIP OF HAMILTON**  
**CURRENT FUND**  
**SCHEDULE OF CASH - TREASURER**

	<u>Ref.</u>	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Decreased By Disbursements:			
2009 Appropriations	\$	22,624,322.28	\$
2007 Appropriation Reserves		853,388.52	
Grant Fund Encumbrances Payable			65,236.41
Reserve for Revaluation		92,090.00	
Tax Overpayments		78,153.99	
County Taxes		8,231,663.14	
County Added and Omitted Taxes		72,752.08	
Local District School Tax		18,971,054.00	
Regional School District Taxes		9,049,911.49	
Refund of Prior Year Revenue			
Due to State of New Jersey -			
Marriage Licenses		5,190.00	
Permit Surcharge Fees		25,906.00	
Matching Funds for Grants		146,970.00	
Due from General Capita Fund		200,000.00	
Due to Grant Fund		173,799.23	
Refund of Prior Year Revenue		530.00	
Federal and State Grant Expenditures			853,087.54
		<u>60,525,730.73</u>	<u>918,323.95</u>
Balance December 31, 2009	A	\$ <u><u>9,465,025.79</u></u>	\$ <u><u>-</u></u>

**TOWNSHIP OF HAMILTON**  
**CURRENT FUND**  
**SCHEDULE OF CURRENT CASH - COLLECTOR**

Balance December 31, 2008	<u>Ref.</u> A		\$ 152,738.00
Increased By Receipts:			
Taxes Receivable		\$ 51,939,274.68	
Interest and Cost on Taxes		139,041.62	
Tax Title Liens		7,397.12	
Miscellaneous Revenue Not Anticipated		18,366.64	
Due to Hamilton Township MUA		1,700.72	
Tax Premiums Received		181,025.00	
Tax Overpayments		43,847.02	
Prepaid Taxes		378,078.21	
		52,708,731.01	
			52,861,469.01
Decreased By Disbursements:			
Payment to Treasurer		52,527,706.01	
Tax Premiums Refunded		175,928.00	
		52,703,634.01	
Balance December 31, 2009	A		\$ <u><u>157,835.00</u></u>

**TOWNSHIP OF HAMILTON**  
**CURRENT FUND**  
**SCHEDULE OF CHANGE FUNDS**

**Analysis of Balance**

**Office**

Municipal Clerk	\$	150.00
Construction Code Official		200.00
Planning & Zoning Officer		50.00
Tax Collector		200.00
Police Department		25.00
Municipal Court		300.00
	\$	<u>925.00</u>

**TOWNSHIP OF HAMILTON**  
**CURRENT FUND**  
**SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

Year	Balance	2009 Levy	Added Taxes	Collections		Adjustments	Transferred To Tax Title Liens	Balance
	Dec. 31, 2008			2008	2009			Dec. 31, 2009
Arrears	\$ 16,414.51	\$	\$	\$	\$	\$ 2,764.09	\$	\$ 19,178.60
2008	710,864.57				683,355.96	(17,490.62)	10,017.99	-
	727,279.08	-	-	-	683,355.96	(14,726.53)	10,017.99	19,178.60
2009		52,374,791.39	297,292.36	344,234.55	51,462,752.00	(259,345.45)	4,449.75	601,302.00
	\$ 727,279.08	\$ 52,374,791.39	\$ 297,292.36	\$ 344,234.55	\$ 52,146,107.96	\$ (274,071.98)	\$ 14,467.74	\$ 620,480.60
Ref.	A							A

\$ 51,939,274.68 Taxes Receivable  
 206,833.28 Senior Citizens and Veterans  
\$ 52,146,107.96

Analysis of 2008 Property Tax Levy

Tax Yield:

General Property Tax  
 Added Taxes (54:4-63.1 et seq.)

\$ 52,374,791.39  
 297,292.36  
\$ 52,672,083.75

Tax Levy:

Local District School Tax:  
 Levy  
 Regional High School Tax  
 County Taxes  
 County Taxes Added and Omitted  
 Local Tax for Municipal Purposes  
 Add: Additional Tax Levied

\$ 19,121,023.00  
 8,875,113.69  
 8,231,663.14  
 46,848.83  
 \$ 16,145,327.20  
252,107.89  
 16,397,435.09  
\$ 52,672,083.75

**TOWNSHIP OF HAMILTON**  
**CURRENT FUND**  
**SCHEDULE OF TAX TITLE LIENS**

Balance December 31, 2008	<u>Ref.</u> A		\$ 2,208.52
Increased By:			
Interest & Costs Added at Tax Sale		\$ 1,476.23	
Transfers from Taxes Receivable		<u>14,467.74</u>	
			<u>15,943.97</u>
			18,152.49
Decreased By:			
Liens Redeemed		\$ 7,397.12	
Cancellation of Lien		<u>                    </u>	
			<u>7,397.12</u>
Balance December 31, 2009			\$ <u><u>10,755.37</u></u>



**TOWNSHIP OF HAMILTON**  
**CURRENT FUND**  
**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	<u>Ref.</u>	<u>Balance Dec. 31, 2008</u>		<u>Accrued In 2009</u>		<u>Collected</u>		<u>Balance Dec. 31, 2009</u>
<u>Miscellaneous Revenue Anticipated:</u>								
Municipal Court		\$ 91,604.93	\$	1,084,856.82	\$	1,096,506.87	\$	79,954.88
Interest on Taxes				139,041.62		139,041.62		-
Energy Receipts Tax				3,463,202.00		3,463,202.00		-
Alcoholic Beverage Licenses				20,969.76		20,969.76		-
Fees and Permits				128,505.16		128,505.16		-
Interest on Investments				137,482.93		137,482.93		-
Uniform Construction Code Fees				446,762.00		446,762.00		-
Pineland Property Tax Stabilization Aid				94,713.00		94,713.00		-
Uniform Fire Code				135,483.42		135,483.42		-
Hamilton Township MUA Surplus NJSA 40A:5A-12.1				258,000.00		258,000.00		-
Miscellaneous Revenue Not Anticipated				876,311.86		876,311.86		-
<b>TOTALS</b>		<u>\$ 91,604.93</u>	<u>\$</u>	<u>6,785,328.57</u>	<u>\$</u>	<u>6,796,978.62</u>	<u>\$</u>	<u>79,954.88</u>
	Ref.	A				A-4		A
				Ref.				
				A-4		6,639,570.36		
				A-5		157,408.26		
					\$	<u>6,796,978.62</u>		

**TOWNSHIP OF HAMILTON**  
**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2008	Balance After Transfers	Paid or Charged	Balance Lapsed
Township Committee				
Salaries and Wages	\$ 56.20	\$ 56.20		\$ 56.20
Other Expenses	522.80	522.80	355.00	167.80
Township Administrator				
Salaries and Wages	475.64	475.64		475.64
Other Expenses	26,133.56	26,133.56	16,098.99	10,034.57
Municipal Clerks Office				
Salaries and Wages	277.71	277.71		277.71
Other Expenses	14,512.20	14,512.20	5,975.32	8,536.88
Financial Administration				
Salaries and Wages	3,384.63	3,384.63		3,384.63
Other Expenses	13,735.58	13,735.58	4,102.75	9,632.83
Assessment of Taxes				
Salaries and Wages	501.56	501.56		501.56
Other Expenses	18,711.37	18,711.37	10,288.34	8,423.03
Collection of Taxes				
Salaries and Wages	1,258.76	1,258.76		1,258.76
Other Expenses	9,634.97	9,634.97	2,638.26	6,996.71
Legal Services and Costs				
Special Counsel	10,081.00	10,081.00	874.50	9,206.50
Other Expenses - Miscellaneous	56,090.32	56,090.32	18,041.83	38,048.49
Prosecutor				
Salaries and Wages	4,400.00	4,400.00		4,400.00
Engineering Services and Costs				
Other Expenses	3,597.25	3,597.25	3,427.00	170.25
Planning Board				
Salaries and Wages	582.86	582.86		582.86
Other Expenses	35,182.71	35,182.71	17,276.44	17,906.27
Board of Adjustments				
Salaries and Wages	54.04	54.04		54.04
Other Expenses	4,079.90	4,079.90	549.38	3,530.52
Environmental Commission				
Salaries and Wages	8.62	8.62		8.62
Other Expenses	394.00	394.00		394.00
Industrial Commission (N.J.S.A. 40:55-3)				
Other Expenses	32,601.81	32,601.81	5,654.89	26,946.92
Municipal Court				
Salaries and Wages	8,529.90	8,529.90		8,529.90
Other Expenses	12,505.27	12,505.27	3,198.97	9,306.30
Fire Department				
Other Expenses:				
Aid to Volunteer Fire Company	35,269.49	35,269.49	21,563.01	13,706.48
Police and Traffic Control				
Salaries and Wages	148,541.33	148,541.33	55,117.05	93,424.28
Other Expenses	429,202.52	429,202.52	404,611.69	24,590.83
Ambulance Aid and Maintenance				
Other Expenses	34,850.25	34,850.25	28,978.73	5,871.52
Uniform Fire and Safety Act (PL 983, C. 393)				
Salaries and Wages	5,381.24	5,381.24		5,381.24
Other Expenses	6,212.21	6,212.21	848.86	5,363.35

**TOWNSHIP OF HAMILTON**  
**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2008	Balance After Transfers	Paid or Charged	Balance Lapsed
Office of Emergency Management				
Salaries and Wages	\$ 26.18	\$ 26.18	\$	\$ 26.18
Other Expenses	5,344.48	5,344.48	4,548.56	795.92
Road Repair and Maintenance				
Salaries and Wages	37,023.26	37,023.26		37,023.26
Other Expenses	120,893.34	120,893.34	109,882.94	11,010.40
Street Lighting				
Other Expenses	30,317.00	30,317.00	23,504.99	6,812.01
Registrar of Vital Statistics				
Salaries and Wages	112.81	112.81		112.81
Other Expenses	397.09	397.09	123.35	273.74
Animal Control				
Other Expenses	1,500.00	1,500.00		1,500.00
Community Education / Recreation				
Salaries and Wages	96.55	96.55		96.55
Other Expenses	3,386.87	3,386.87	455.94	2,930.93
Social Services				
Salaries and Wages	5,359.24	5,359.24		5,359.24
Other Expenses	1,135.67	1,135.67	269.61	866.06
Historical Advisory Board				
Salaries and Wages	51.52	51.52		51.52
Other Expenses	5,000.00	5,000.00		5,000.00
Veteran's Advisory Board				
Salaries and Wages	8.62	8.62		8.62
Other Expenses	1,040.57	1,040.57	466.09	574.48
Construction Code Official				
Salaries and Wages	1,914.64	1,914.64		1,914.64
Other Expenses	32,423.84	32,423.84	4,515.71	27,908.13
Utilities	114,841.15	114,841.15	58,795.93	56,045.22
Postage	1,013.10	1,013.10	995.81	17.29
Social Security	10,938.83	10,938.83	674.91	10,263.92
DCRP	292.88	292.88	1.00	291.88
Disability Insurance	3,459.38	3,459.38		3,459.38
Contingent	30,000.00	30,000.00	24,959.02	5,040.98
Length of Services Award Programs	1,800.00	1,800.00	1,200.00	600.00
Insurance				
Liability Insurance	29,691.26	29,691.26		29,691.26
Group Insurance	19.74	19.74		19.74
Workers Compensation Insurance	107,007.74	107,007.74	23,393.65	83,614.09
<b>TOTALS</b>	<b>\$ 1,461,865.46</b>	<b>\$ 1,461,865.46</b>	<b>\$ 853,388.52</b>	<b>\$ 608,476.94</b>
Ref.	A			A-1

**TOWNSHIP OF HAMILTON**  
**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

<u>Purpose</u>	<u>Balance Dec. 31, 2008</u>	<u>Anticipated Revenues</u>	<u>Received</u>	<u>Balance Dec. 31, 2009</u>
Drunk Driving Enforcement Fund	\$	\$ 35,769.94	\$ 35,769.94	\$ -
Safe and Secure Communities Grant	55,291.00	58,686.00	113,977.00	-
Green Acres Program Grant	147,575.00			147,575.00
Public Archive & Records Infrastructure Support (PARIS)	17,653.00		16,275.00	1,378.00
Municipal Stormwater Regulation Program	3,527.00			3,527.00
NJ Department of Transportation	150,000.00		95,218.50	54,781.50
NJ Department of Transportation - 2009		150,000.00		150,000.00
NJ Highway Safe Corridors Grant		48,000.00	48,000.00	-
Neighborhood Crime Prevention & Intervention		55,177.00	27,588.48	27,588.52
Hazardous Discharge Site Remediation	34,466.00			34,466.00
Clean Communities Program		50,033.11	50,033.11	-
Municipal Alliance on Alcoholism and Drug Abuse	22,493.68	22,400.00	26,203.12	18,690.56
Bulletproof Vest Partnership	5,775.03		3,618.99	2,156.04
Buffer Zone Protection Program Grant	106.14			106.14
Highway Traffic Safety Grant	33,436.66		31,339.41	2,097.25
NJ Highway Traffic Safety Grant	0.50	125,366.00	94,026.59	31,339.91
Justice Assistance Grant	1,533.58	43,437.00	44,970.58	-
Atlantic County Open Space Grant	568,750.00			568,750.00
<b>TOTALS</b>	<b>\$ 1,040,607.59</b>	<b>\$ 588,869.05</b>	<b>\$ 587,020.72</b>	<b>\$ 1,042,455.92</b>
Ref.	A			A

**TOWNSHIP OF HAMILTON**  
**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF RESERVES FOR FEDERAL AND STATE GRANTS - UNAPPROPRIATED**

<u>Purpose</u>	<u>Balance Dec. 31, 2008</u>	<u>Received</u>	<u>Anticipated Revenues</u>	<u>Balance Dec. 31, 2009</u>
State:				
None	\$	\$	\$	\$ -
Federal:				
Justice Assistance Grant		10,534.00		10,534.00
Other:				
None				
TOTALS	\$ -	\$ 10,534.00	\$ -	\$ 10,534.00
	Ref. A			A

**TOWNSHIP OF HAMILTON**  
**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS**

<u>Purpose</u>	<u>Balance Dec. 31, 2008</u>	<u>Budget Appropriations</u>	<u>Expended</u>	<u>Balance Dec. 31, 2009</u>
Drunk Driving Enforcement Fund	\$ 16,331.81	\$ 35,769.94	\$ 22,902.98	\$ 29,198.77
Public Archive & Records Infrastructure Support (PARIS)	47.22		(1,330.78)	1,378.00
Enhanced 911 Equipment Grant	10.00			10.00
Hazardous Discharge Site Remediation	379,125.00		344,659.00	34,466.00
Exercise Improvement Action Grant	5,000.00		5,000.00	-
Green Acres Program Grant	147,575.00			147,575.00
Municipal Stormwater Regulation Program	5,470.00		5,250.00	220.00
Body Armor Fund	13,943.54		3,339.41	10,604.13
Safe and Secure Communities Grant		58,686.00	58,686.00	-
Clean Communities Program	132,539.23	50,033.11	85,949.63	96,622.71
Municipal Alliance on Alcoholism and Drug Abuse	11,872.45	28,000.00	27,491.24	12,381.21
NJ Department of Transportation	150,000.00		150,000.00	-
NJ Department of Transportation		150,000.00	41,922.89	108,077.11
NJ Highway Safe Corridors Grant		48,000.00	30,783.56	17,216.44
NJ Corridors Grant	15,981.58		15,981.58	-
Neighborhood Crime Prevention & Intervention		55,177.00		55,177.00
Working Group for Homeland Security (Canine)	4,206.87		3,515.00	691.87
Safe Streets to School Program				-
Justice Assistance Grant	5,873.00	43,437.00	1,304.70	48,005.30
Coastal Grant	12,702.50			12,702.50
NJ Highway Traffic Safety Grant	257,792.00	266,736.00	221,915.18	302,612.82
Bulletproof Vest Partnership	8,888.55		3,950.24	4,938.31
Highway Traffic Safety Grant	15,190.61		15,190.61	-
Atlantic County Open Space Grant	568,750.00			568,750.00
<b>TOTALS</b>	<b>\$ 1,751,299.36</b>	<b>\$ 735,839.05</b>	<b>\$ 1,036,511.24</b>	<b>\$ 1,450,627.17</b>
Ref.	A			A
		Cash Disbursed	\$ 853,087.54	A-4
		Encumbered	183,423.70	A
			<u>\$ 1,036,511.24</u>	

**TOWNSHIP OF HAMILTON**  
**CURRENT FUND**  
**SCHEDULE OF PROPERTY ACQUIRED FOR TAXES - ASSESSED VALUE**

Balance December 31, 2008	<u>Ref.</u> A		\$	3,918,000.00
Increased By:				
None		\$		-
				3,918,000.00
Decreased By:				
Adjustments				
Sale of Property				-
Balance December 31, 2009	A		\$	3,918,000.00

**TOWNSHIP OF HAMILTON**  
**CURRENT FUND**  
**SCHEDULE OF DUE TO / FROM STATE OF NEW JERSEY**  
**SENIOR CITIZEN & VETERAN DEDUCTIONS**

Balance December 31, 2008 - Due From	<u>Ref.</u> A		\$	(7,229.57)
Increased By:				
Deductions per Tax Duplicate		\$	206,750.00	
Current Year Deductions Allowed by Collector			5,250.00	
				212,000.00
				204,770.43
Decreased By:				
Cash Receipts			204,554.38	
Current Year Deductions Dis-allowed by Collector			2,666.72	
Prior Year Deductions Dis-allowed by Collector			2,500.00	
				209,721.10
Balance December 31, 2009 - Due To	A		\$	(4,950.67)

**TOWNSHIP OF HAMILTON**  
**CURRENT FUND**  
**SCHEDULE OF PREPAID TAXES**

Balance December 31, 2008	<u>Ref.</u> A		\$	344,234.55
Increased By:				
Cash Receipts		\$ 378,078.21		
Transferred from Overpayments		378,078.21		378,078.21
				722,312.76
Decreased By:				
Applied to Current Taxes		344,234.55		
		344,234.55		344,234.55
Balance December 31, 2009	A		\$	378,078.21

**TOWNSHIP OF HAMILTON**  
**CURRENT FUND**  
**SCHEDULE OF TAX OVERPAYMENTS**

Balance December 31, 2008	<u>Ref.</u> A		\$	30,024.87
Increased By:				
Cash Receipts		\$ 43,847.02		
		43,847.02		43,847.02
				73,871.89
Decreased By:				
Refunded		73,871.89		
		73,871.89		73,871.89
Balance December 31, 2009	A		\$	-



**TOWNSHIP OF HAMILTON**  
**CURRENT FUND**  
**SCHEDULE OF COUNTY TAXES PAYABLE**

Balance December 31, 2008	<u>Ref.</u> A		\$	40.69
Increased By:				
General County Tax		\$ 6,841,714.64		
Library Tax		782,120.06		
Local Health Services Tax		470,324.07		
County Opens Space Tax		<u>137,463.68</u>		
				<u>8,231,622.45</u>
				8,231,663.14
Decreased By:				
Cash Disbursed		<u>8,231,663.14</u>		
				<u>8,231,663.14</u>
Balance December 31, 2009	A		\$	<u><u>-</u></u>

**TOWNSHIP OF HAMILTON**  
**CURRENT FUND**  
**SCHEDULE OF COUNTY ADDED AND OMITTED TAXES PAYABLE**

Balance December 31, 2008	<u>Ref.</u> A		\$	72,792.77
Increased By:				
County Share of Levy		\$ 46,808.14		
				<u>46,808.14</u>
				119,600.91
Decreased By:				
Cash Disbursed		<u>72,752.08</u>		
				<u>72,752.08</u>
Balance December 31, 2009	A		\$	<u><u>46,848.83</u></u>

**TOWNSHIP OF HAMILTON**  
**CURRENT FUND**  
**SCHEDULE OF LOCAL SCHOOL DISTRICT TAX**

	<u>Ref.</u>		
Balance December 31, 2008			
Deferred School Tax		\$ 5,296,537.98	
School Tax Payable	A	3,015,437.98	
			\$ 8,311,975.96
Increased By:			
School Tax Levy		19,121,023.00	
			19,121,023.00
			19,121,023.00
Decreased By:			
Cash Disbursed		18,971,054.00	
			18,971,054.00
Balance December 31, 2009			
Deferred School Tax		5,296,537.98	
School Tax Payable	A	3,165,406.98	
			\$ 8,461,944.96
			8,461,944.96
<u>Analysis of Liability</u>			
Tax Paid			\$ 18,971,054.00
Tax Payable December 31, 2009			3,165,406.98
			22,136,460.98
Tax Payable December 31, 2008			(3,015,437.98)
Amount Charged to Operations			\$ 19,121,023.00
			19,121,023.00

**TOWNSHIP OF HAMILTON**  
**CURRENT FUND**  
**SCHEDULE OF REGIONAL SCHOOL DISTRICT TAX**

	<u>Ref.</u>		
Balance December 31, 2008			
Deferred School Tax		\$ 2,213,985.70	
School Tax Payable	A	1,197,404.10	
			\$ 3,411,389.80
Increased By:			
School Tax Levy		8,875,113.69	
			8,875,113.69
			8,875,113.69
Decreased By:			
Cash Disbursed		9,049,911.49	
			9,049,911.49
Balance December 31, 2009			
Deferred School Tax		2,213,985.70	
School Tax Payable	A	1,022,606.30	
			\$ 3,236,592.00
<u>Analysis of Liability</u>			
Tax Paid			\$ 9,049,911.49
Tax Payable December 31, 2009			1,022,606.30
			10,072,517.79
Tax Payable December 31, 2008			(1,197,404.10)
Amount Charged to Operations			\$ 8,875,113.69

**TOWNSHIP OF HAMILTON**  
**CURRENT FUND**  
**SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS**

Balance December 31, 2008	<u>Ref.</u> A		\$	152,738.00
Increased By:				
Cash Receipts		\$ 181,025.00		
				181,025.00
				333,763.00
Decreased By:				
Cash Disbursed		175,928.00		
				175,928.00
Balance December 31, 2009	A		\$	157,835.00

**TOWNSHIP OF HAMILTON**  
**CURRENT FUND**  
**SCHEDULE OF RESERVE FOR GARDEN STATE PRESERVATION TRUST FUND**

Balance December 31, 2008	<u>Ref.</u> A		\$	144,201.87
Increased By:				
Cash Receipts		\$ 129,098.94		
				129,098.94
				273,300.81
Decreased By:				
Anticipated as Revenue		144,201.87		
				144,201.87
Balance December 31, 2009	A		\$	129,098.94

**TOWNSHIP OF HAMILTON**  
**CURRENT FUND**  
**SCHEDULE OF ACCOUNTS PAYABLE**

Balance December 31, 2008	<u>Ref.</u> A		\$	-
Increased By:				
Transferred from Reserve for Revaluation		\$ 12,250.00		
				12,250.00
				12,250.00
Decreased By:				
Prior Balance Cancelled				
Cash Disbursed				
				-
Balance December 31, 2009	A		\$	12,250.00

**TOWNSHIP OF HAMILTON**  
**CURRENT FUND**  
**SCHEDULE OF DUE TO STATE OF NJ - MARRIAGE LICENSES**

Balance December 31, 2008	<u>Ref.</u> A		\$	1,455.00
Increased By:				
Cash Receipts		\$ 4,860.00		
				4,860.00
				6,315.00
Decreased By:				
Cash Disbursed		5,190.00		
				5,190.00
Balance December 31, 2009	A		\$	1,125.00

**TOWNSHIP OF HAMILTON**  
**CURRENT FUND**  
**SCHEDULE OF DEPOSITS ON SALE OF PROPERTY**

Balance December 31, 2008	<u>Ref.</u> A		\$	-
Increased By:				
None		\$		-
				-
				-
Decreased By:				
None				
				-
Balance December 31, 2009	A		\$	-

**TOWNSHIP OF HAMILTON**  
**CURRENT FUND**  
**SCHEDULE OF DUE TO STATE OF NJ - DCA TRAINING FEES**

Balance December 31, 2008	<u>Ref.</u> A		\$	5,826.00
Increased By:				
Cash Receipts		\$		29,252.00
				29,252.00
				35,078.00
Decreased By:				
Cash Disbursed				
				25,906.00
Balance December 31, 2009	A		\$	9,172.00

**TOWNSHIP OF HAMILTON**  
**CURRENT FUND**  
**SCHEDULE OF DUE FROM / TO GRANT FUND**

Balance December 31, 2008	<u>Ref.</u> A		\$	775,928.18
Increased By:				
Cash Receipts		\$ <u>9,196.16</u>		<u>9,196.16</u>
				785,124.34
Decreased By:				
Cash Disbursed		<u>182,995.39</u>		<u>182,995.39</u>
Balance December 31, 2009	A		\$	<u><u>602,128.95</u></u>

**TOWNSHIP OF HAMILTON**  
**TRUST FUND**  
**SCHEDULE OF ANIMAL CONTROL CASH - TREASURER**

Balance December 31, 2008	<u>Ref.</u> B		\$	18,995.80
Increased By Receipts:				
Dog Licenses Fees		\$		8,353.00
State License Fees				2,379.00
Cat License Fees				692.00
				11,424.00
				30,419.80
Decreased By Disbursements:				
State of New Jersey				2,379.00
Animal Control Expenditures				9,659.20
Due to Current Fund				-
				12,038.20
Balance December 31, 2009	B		\$	18,381.60



**TOWNSHIP OF HAMILTON**  
**TRUST FUND**  
**SCHEDULE OF OTHER TRUST CASH - TREASURER**

	Ref.	Other
Balance December 31, 2008	B	\$ 2,876,759.51
Increased By Receipts:		
Reserve for Off-Duty Police	\$	161,482.34
Off-Duty Police Fees Receivable		5,058.04
Reserve for Law Enforcement Fund		18,712.25
Payroll Deductions Payable		13,298,154.80
Reserve for Small Cities Grant Fund		4,980.00
Reserve for Miscellaneous Trust Funds		685,692.83
Reserve for Miscellaneous Trust Fund Escrows		164,330.53
		14,338,410.79
		17,215,170.30
Decreased By Disbursements:		
Reserve for Off-Duty Police		171,184.41
Payroll Deductions Payable		13,300,197.96
Reserve for Law Enforcement Fund		25,672.25
Reserve for Small Cities Grant Fund		27,508.00
Reserve for CDBG		6,383.01
Reserve for Miscellaneous Trust Funds		657,686.78
Reserve for Miscellaneous Trust Fund Escrows		554,482.23
		14,743,114.64
Balance December 31, 2009	B	\$ <u><u>2,472,055.66</u></u>

**TOWNSHIP OF HAMILTON**  
**TRUST FUND**  
**SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES**

Balance December 31, 2008	<u>Ref.</u> B		\$	18,995.80
Increased By:				
Dog Licenses Fees Collected		\$		8,353.00
Other Fees Collected				<u>692.00</u>
				<u>9,045.00</u>
				28,040.80
Decreased By:				
Statutory Excess Due to Current Fund				-
Animal Control Expenditures				<u>9,659.20</u>
				<u>9,659.20</u>
Balance December 31, 2009	B		\$	<u><u>18,381.60</u></u>

License Fees Collected	<u>Year</u>			
	2008	\$		9,578.40
	2007			<u>9,640.20</u>
		\$		<u><u>19,218.60</u></u>

**TOWNSHIP OF HAMILTON**  
**TRUST FUND**  
**SCHEDULE OF DUE TO CURRENT FUND - ANIMAL CONTROL FUND**

Balance December 31, 2008	<u>Ref.</u> B	\$	-
Increased By:			
None		\$	<u>          </u>
			-
Decreased By:			
None			<u>          </u>
			-
Balance December 31, 2009	B	\$	<u><u>          </u></u>

**SCHEDULE OF AMOUNT DUE TO STATE OF NEW JERSEY**

Balance December 31, 2008	<u>Ref.</u> B	\$	-
Increased By:			
Collected		\$	<u>  2,379.00  </u>
			<u>          2,379.00</u>
Decreased By:			<u>          2,379.00</u>
Paid to State of New Jersey			<u>          2,379.00</u>
			<u>          2,379.00</u>
Balance December 31, 2009	B	\$	<u><u>          </u></u>

**TOWNSHIP OF HAMILTON**  
**TRUST FUND**  
**SCHEDULE OF TAX TITLE LIEN TRUST CASH - COLLECTOR**

Balance December 31, 2008	<u>Ref.</u> B		\$ 46,977.91
Increased By Receipts:			
Deposits for Redemptions of Tax Sale Certificates		\$ <u>633,767.28</u>	
			<u>633,767.28</u>
			680,745.19
Decreased By Disbursements:			
Tax Sale Certificates Redeemed		<u>671,971.83</u>	
			<u>671,971.83</u>
Balance December 31, 2009	B		\$ <u><u>8,773.36</u></u>

**SCHEDULE OF CDBG TRUST FUND RECEIVABLE**

Balance December 31, 2008	<u>Ref.</u> B		\$ 15,538.50
Increased By:			
None		\$ _____	
			<u>-</u>
			15,538.50
Decreased By:			
None		_____	
			<u>-</u>
Balance December 31, 2009	B		\$ <u><u>15,538.50</u></u>

**TOWNSHIP OF HAMILTON**  
**TRUST FUND**  
**SCHEDULE OF RESERVE FOR SMALL CITIES GRANT FUND**

Balance December 31, 2008	<u>Ref.</u> B	\$ 106,515.06
Increased By Receipts:		
Escrow Settlement	\$ <u>4,980.00</u>	<u>4,980.00</u>
		111,495.06
Decreased By Disbursements:		
Disbursements	<u>27,508.00</u>	<u>27,508.00</u>
Balance December 31, 2009	B	\$ <u><u>83,987.06</u></u>

Exhibit B-9

**SCHEDULE OF RESERVE FOR LAW ENFORCEMENT TRUST FUND**

Balance December 31, 2008	<u>Ref.</u> B	\$ 23,149.19
Increased By:		
Forfeitures	\$ <u>18,712.25</u>	<u>18,712.25</u>
		41,861.44
Decreased By:		
Cash Disbursed	<u>25,672.25</u>	<u>25,672.25</u>
Balance December 31, 2009	B	\$ <u><u>16,189.19</u></u>

**TOWNSHIP OF HAMILTON**  
**TRUST FUND**  
**SCHEDULE OF RESERVE FOR CDBG TRUST FUND**

Balance December 31, 2008	<u>Ref.</u> B	\$ 7,110.50
Increased By Receipts:		
None		\$ _____
		<u>                    -</u>
		<u>                    7,110.50</u>
Decreased By Disbursements:		
Disbursements		<u>                    6,383.01</u>
		<u>                    6,383.01</u>
Balance December 31, 2009	B	<u><u>                    \$ 727.49</u></u>

**SCHEDULE OF OFF - DUTY POLICE FEES RECEIVABLE**

Balance December 31, 2008	<u>Ref.</u> B	\$ 5,058.04
Increased By:		
Charges for Off-Duty Police Services		\$ 9,702.07
		<u>                    9,702.07</u>
		<u>                   14,760.11</u>
Decreased By:		
Receipts		<u>                    5,058.04</u>
		<u>                    5,058.04</u>
Balance December 31, 2009	B	<u><u>                    \$ 9,702.07</u></u>

**TOWNSHIP OF HAMILTON**  
**TRUST FUND**  
**SCHEDULE OF RESERVE FOR OFF - DUTY POLICE TRUST FUND**

Balance December 31, 2008	<u>Ref.</u> B	\$	-
Increased By Receipts:			
Charges for Off-Duty Police Services		\$	<u>161,482.34</u>
			<u>161,482.34</u>
Decreased By Disbursements:			
Disbursements			<u>161,482.34</u>
			<u>161,482.34</u>
Balance December 31, 2009	B	\$	<u><u>-</u></u>

**SCHEDULE OF DUE FROM / TO OFF-DUTY POLICE TRUST FUND**

Balance December 31, 2008	<u>Ref.</u> B	\$	-
Increased By:			
None		\$	<u>                    </u>
			<u>-</u>
			<u>-</u>
Decreased By:			
None			<u>                    </u>
			<u>-</u>
Balance December 31, 2009	B	\$	<u><u>-</u></u>

**TOWNSHIP OF HAMILTON**  
**TRUST FUND**  
**SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE**

	Balance December 31, 2008	Receipts	Disbursements	Balance December 31, 2009
Social Security - Medicare Tax	\$ 6.16	\$ 1,655,527.17	\$ 1,655,527.07	\$ 6.26
Net Pay		7,050,465.12	7,050,465.12	-
Federal Withholding Tax		1,291,327.26	1,291,318.95	8.31
State Income Tax		325,072.88	325,072.94	(0.06)
Unemployment Compensation	3,176.48	63,488.84	48,982.15	17,683.17
PERS	22,754.17	611,422.82	612,202.70	21,974.29
PFRS	37,674.61	1,635,606.75	1,633,963.55	39,317.81
PERS - Contributory Insurance	2,031.30	22,758.23	23,081.67	1,707.86
PERS - Loan	8,780.57	86,996.29	92,555.04	3,221.82
PFRS - Loan	9,120.72	121,394.55	121,608.62	8,906.65
Deferred Compensation Plan - VALIC		149,678.40	149,678.40	-
FSA 125	2,517.10	11,611.01	12,834.57	1,293.54
Life Insurance - Colonial	228.10	2,419.12	2,647.22	-
AFLAC	2,952.51	37,323.39	37,169.67	3,106.23
Colonial 125	125.28	1,531.76	1,657.04	-
Dental - Vision		79,129.83	79,129.83	-
Support		55,543.00	55,543.00	-
Wage Attachments		2,192.36	2,192.36	-
Titan Athletic Club	429.34	7,239.09	7,668.43	-
DCRP	(1.00)	1,936.93	1,935.93	-
Charity		125.00	125.00	-
PBA Dues	4,239.60	50,496.00	54,735.60	-
Teamster Dues	2,721.50	34,389.00	37,149.50	(39.00)
PAC Dues	40.00	480.00	520.00	-
Payroll Agency 2003	4,252.13		2,433.60	1,818.53
	\$ <u>101,048.57</u>	\$ <u>13,298,154.80</u>	\$ <u>13,300,197.96</u>	\$ <u>99,005.41</u>



**TOWNSHIP OF HAMILTON**  
**TRUST FUND**  
**SCHEDULE OF MISCELLANEOUS TRUST FUND RESERVES**

	<u>Balance</u> <u>December 31, 2008</u>	<u>Budget</u> <u>Appropriations</u>	<u>Miscellaneous</u>	<u>Disbursements</u>	<u>Balance</u> <u>December 31, 2009</u>
Reserves for:					
Public Defender	\$ 12,334.86	\$	\$ 31,300.00	\$ 34,651.89	\$ 8,982.97
Parking Offenses Adjudication Act	274.62		252.00		526.62
Police Donations	11,908.81		2,200.00	1,590.50	12,518.31
Snow Removal	37,446.97	30,261.21		56,907.64	10,800.54
Developer's Escrow	697,507.75		312,847.04	456,147.06	554,207.73
Recycling	28,212.18		27,037.35	565.70	54,683.83
Fire Penalty Fees	15,968.50		500.00		16,468.50
Street Opening Deposits	24,306.99		9,385.00	18,423.50	15,268.49
Accumulated Absences	31,701.94	40,000.00			71,701.94
Unemployment Compensation	109,484.52	15,000.00		42,271.16	82,213.36
Affordable Housing	466,467.74		212,860.23	39,007.87	640,320.10
Recreation Fund	77,422.21		4,050.00	8,121.46	73,350.75
	<u>\$ 1,513,037.09</u>	<u>\$ 85,261.21</u>	<u>\$ 600,431.62</u>	<u>\$ 657,686.78</u>	<u>\$ 1,541,043.14</u>

**TOWNSHIP OF HAMILTON**  
**TRUST FUND**  
**SCHEDULE OF MISCELLANEOUS TRUST FUND ESCROWS**

	<u>Balance</u> <u>December 31, 2008</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>December 31, 2009</u>
Reserve for Offsite Improvements	\$ 1,099,641.57	\$ 164,330.53	\$ 552,892.60	\$ 711,079.50
Reserve for Landfill Closure	4,361.26			4,361.26
Fire Suppression System	42,492.81		1,589.63	40,903.18
Reserve for Redemption of Tax Sale Certificates	46,977.91	633,767.28	671,971.83	8,773.36
	<u>\$ 1,193,473.55</u>	<u>\$ 798,097.81</u>	<u>\$ 1,226,454.06</u>	<u>\$ 765,117.30</u>
Tax Collector		\$ 633,767.28	\$ 671,971.83	
Treasurer		164,330.53	554,482.23	
		<u>\$ 798,097.81</u>	<u>\$ 1,226,454.06</u>	

**TOWNSHIP OF HAMILTON**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF CASH - TREASURER**

Balance December 31, 2008	<u>Ref.</u> C		\$ 808,802.19
Increased By Receipts:			
Premium on Bonds Issued		\$ 191,542.60	
Serial Bonds Issued		6,860,000.00	
Refunding Bonds Issued		4,865,000.00	
Due to Current Fund		212,250.00	
Capital Improvement Fund		75,000.00	
		<hr/>	
			<u>12,203,792.60</u>
			13,012,594.79
Decreased By Disbursements:			
Improvement Authorizations		6,063,322.27	
Contracts and Encumbrances Payable		1,046,142.16	
Payment of Bond Anticipation Note		2,983,200.00	
		<hr/>	
			<u>10,092,664.43</u>
Balance December 31, 2009	C		\$ <u><u>2,919,930.36</u></u>

**TOWNSHIP OF HAMILTON**  
**GENERAL CAPITAL FUND**  
**ANALYSIS OF CASH**

	Receipts		Disbursements		Transfers		Balance Dec. 31, 2009	
	Balance Dec. 31, 2008	Bonds Issued	Misc.	Improvement Authorizations	Misc.	From		To
Fund Balance	\$ 4,184.05	\$	\$	\$	\$	\$	\$ 4,184.05	
Capital Improvement Fund	490.94		75,000.00			72,000.00	3,490.94	
Due to Industrial Commission	66,756.50						66,756.50	
Due to Current Fund			212,250.00	12,250.00			212,250.00	
State Grants Receivable	(1,293.01)						(1,293.01)	
Due from Department of Transportation	(100,000.00)						(100,000.00)	
Reserve for Improvements	9,334.22						9,334.22	
Reserve for Encumbrances	309,253.35				309,253.35		144,115.33	
Reserve for Payment of Bonds			191,542.60				191,542.60	
Contracts Payable	736,888.81				736,888.81		167,809.65	
<b>Improvement Authorizations</b>								
Ord. Number								
1403-01 Various Capital Improvements	30,769.00			(4,997.32)		4,500.00	31,266.32	
1433-02 Various Capital Improvements	120,405.44			12,787.32			107,618.12	
1462-03 Various Capital Improvements	35,068.85						35,068.85	
1463-03 General Recreational Improvements	5,478.48						5,478.48	
1476-03 Repairs and Improvements to Public Buildings & Grounds	267,558.87			(3,048.96)		95,445.46	175,162.37	
1501-04 Various Capital Improvements	8,317.10						8,317.10	
1531-05 Main Street Road Improvements	278,495.65			(48,474.50)		48,474.50	278,495.65	
1536-05 Various Capital Improvements	2,158.44			(3,726.34)			5,884.78	
1553-06 Acquisition of Land	(161,874.47)	342,000.00		(12,952.50)			193,078.03	
1565-06 Various Capital Improvements	672,421.87			825.78		32,250.00	639,346.09	
1601-07 Sidewalk Improvements	75,250.00	40,000.00		97.50			115,152.50	
1607-07 Various Capital Improvements	(1,234,204.16)	1,474,200.00		11,775.29		4.00	228,216.55	
1625-08 Various Capital Improvements	(569,447.57)	1,428,300.00		642,816.91		67,787.30	148,248.22	
1631-08 Road Improvement Program 2008	251,414.83			97.50			251,317.33	
1634-08 Land Acquisition	1,375.00			(1,471.91)			2,846.91	
1649-09 Various Capital Improvements		592,300.00		592,343.50		75,713.72	(3,757.22)	
1657-09 Refunding Bond Ordinance			4,865,000.00	4,865,000.00			-	
	<u>\$ 808,802.19</u>	<u>\$ 3,876,800.00</u>	<u>\$ 5,343,792.60</u>	<u>\$ 6,063,322.27</u>	<u>\$ 1,046,142.16</u>	<u>\$ 396,174.98</u>	<u>\$ 396,174.98</u>	<u>\$ 2,919,930.36</u>
Ref.	C							C

**TOWNSHIP OF HAMILTON**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

Balance December 31, 2008	<u>Ref.</u> C	\$ 490.94
Increased By:		
Current Fund Budget Appropriation	\$ 75,000.00	
		<u>75,000.00</u>
		75,490.94
Decreased By:		
Appropriated to Finance Improvement Authorizations	72,000.00	
		<u>72,000.00</u>
Balance December 31, 2009	C	\$ <u><u>3,490.94</u></u>

**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED**

Balance December 31, 2008	<u>Ref.</u> C	\$ 14,163,547.12
Increased By:		
None	\$ 6,818,000.00	
		<u>6,818,000.00</u>
		20,981,547.12
Decreased By:		
2009 Budget Appropriation to Pay Bonds	2,498,000.00	
2009 Budget Appropriation to Pay Green Trust Loans	43,184.11	
		<u>2,541,184.11</u>
Balance December 31, 2009	C	\$ <u><u>18,440,363.01</u></u>

**TOWNSHIP OF HAMILTON**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Ord. Number	Improvement Description	Balance Dec. 31, 2008	2009 Authorizations	Bonds Issued	Balance Dec. 31, 2009	Analysis of Balance		Unexpended Improvement Authorization
						Bond Anticipation Note	Expenditures	
1531-05	Main Street Road Improvements	\$ 412,000.00	\$	\$ 412,000.00	\$ -	\$	\$	\$
1553-06	Acquisition of Land	342,000.00		342,000.00	-			
1565-06	Various Capital Improvements	2,571,200.00		2,571,200.00	-			
1601-07	Sidewalk Improvements	40,000.00		40,000.00	-			
1607-07	Various Capital Improvements	1,474,200.00		1,474,200.00	-			
1625-08	Various Capital Improvements	1,428,300.00		1,428,300.00	-			
1649-09	Various Capital Improvements		1,428,000.00	592,300.00	835,700.00		3,757.22	831,942.78
1657-09	Refunding Bonds		(42,000.00)	(42,000.00)	-			
		<u>\$ 6,267,700.00</u>	<u>\$ 1,386,000.00</u>	<u>\$ 6,818,000.00</u>	<u>\$ 835,700.00</u>	<u>\$ -</u>	<u>\$ 3,757.22</u>	<u>\$ 831,942.78</u>
Ref.		C						C
								Improvement Authorization - Unfunded \$ 831,942.78
								Less:
								Unexpended Proceeds of Bond Anticipation Notes:
								None
								-
								<u>\$ 831,942.78</u>

**TOWNSHIP OF HAMILTON  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord. Number	Improvement Description	Ord. Date	Amount	Balance December 31, 2008		2009 Authorizations				Balance December 31, 2009		
				Funded	Unfunded	Funded	Deferred Charges to Future Taxation	Other	Paid or Charged	Cancelled	Funded	Unfunded
<b>General Improvements</b>												
1403-01	Various Capital Improvements: Landfill Closure	7/16/2001	\$ 100,000	\$ 30,769.00	\$	\$	\$	\$	\$	(497.32)	\$	\$ 31,266.32
1433-02	Various Capital Improvements: Department of Public Works Projects Landfill Closure	8/19/2002 8/19/2002	173,000 50,000	70,405.44 50,000.00						12,787.32		57,618.12 50,000.00
1462-03	Various Capital Improvements: Improvements to Public Works Building and Grounds	6/2/2003	47,525	35,068.85								35,068.85
1463-03	General Recreational Improvements	6/16/2003	90,648	5,478.48								5,478.48
1476-03	Repairs and Improvements to Public Buildings and Grounds	9/29/2003	3,000,000	267,558.87						92,396.50		175,162.37
1501-04	Various Capital Improvements: Improvements to Public Buildings and Grounds Purchase of Emergency Equipment for Fire and Rescue Squads	8/16/2004 8/16/2004	35,000 335,000	2,400.00 5,917.10								2,400.00 5,917.10
1531-05	Main Street Road Improvements	6/20/2005	1,100,000	278,495.65						-		278,495.65
1536-05	Various Capital Improvements: Improvements to Public Buildings and Grounds and Purchase of Equipment Purchase of Public Safety and Communications Equipment Purchase of Emergency Equipment for Fire and Rescue Squads	7/18/2005 7/18/2005 7/18/2005	359,000 140,000 486,925	1,411.44		747.00				(3,726.34)		1,411.44 3,726.34 747.00
1541-05	Road Program		64,169	-								-
1553-06	Acquisition of Land	2/6/2006	360,000		180,125.53					(12,952.50)		193,078.03
1565-06	Various Capital Improvements: Fire Equipment Improvements to Recreation Facilities & Playground Equipment	6/5/2006 6/5/2006	455,000 660,000		20,626.80 651,795.07					20,025.78 13,050.00		601.02 638,745.07
1601-07	Sidewalk Improvements	2007	140,000	75,250.00	40,000.00					97.50		115,152.50
1607-07	Various Capital Improvements	2007	1,548,300		239,995.84					11,779.29		228,216.55
1625-08	Various Capital Improvements	5/19/2008	1,500,000		858,852.43					710,604.21		148,248.22
1631-08	Road Improvement Program 2008	9/2/2008	367,238	251,414.83						97.50		251,317.33
1634-08	Land Acquisition	12/15/2008	165,000	1,375.00						(1,471.91)		2,846.91
1649-09	Various Capital Improvements	6/1/2009	1,500,000			72,000.00	1,428,000.00			668,057.22		831,942.78
1657-09	Refunding Bond Ordinance	8/3/2009	5,250,000				5,250,000.00			4,865,000.00	385,000.00	-
				\$ 1,075,544.66	\$ 1,992,142.67	\$ 72,000.00	\$ 6,678,000.00	\$ -	\$ 6,375,247.25	\$ 385,000.00	\$ 2,225,497.30	\$ 831,942.78
Ref.				C	C						C	C
				Capital Improvement Fund	\$ 72,000.00			Cash Disbursed	\$ 6,063,322.27			

**TOWNSHIP OF HAMILTON**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF GENERAL SERIAL BONDS**

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2009		Interest Rate	Balance Dec. 31, 2008	Increased	Decreased	Balance Dec. 31, 2009				
			Date	Amount									
1998 Refunding Bonds	12/1/1998	\$ 6,460,000		\$		\$ 2,445,000.00	\$ (1,845,000.00)	\$ 600,000.00	\$ -				
1998 General Improvements	12/1/1998	7,667,000				3,712,000.00	(3,062,000.00)	650,000.00	-				
2001 General Improvements	10/15/2001	4,043,000				618,000.00		618,000.00	-				
2005 General Improvements	8/15/2005	8,730,000	8/15/2010	800,000.00	3.400%	6,930,000.00			630,000.00	6,300,000.00			
			8/15/2011	900,000.00	3.500%								
			8/15/2012	1,000,000.00	3.500%								
			8/15/2013	1,200,000.00	3.500%								
			8/15/2014	1,200,000.00	3.600%								
			8/15/2015	1,200,000.00	3.600%								
2009 General Improvements	7/30/2009	6,860,000	7/15/2010	400,000.00	2.500%		6,860,000.00			6,860,000.00			
			7/15/2011	420,000.00	2.500%								
			7/15/2012	470,000.00	2.500%								
			7/15/2013	770,000.00	3.000%								
			7/15/2014	800,000.00	3.000%								
			7/15/2015	800,000.00	3.000%								
			7/15/2016	800,000.00	3.500%								
			7/15/2017	800,000.00	3.500%								
			7/15/2018	800,000.00	3.750%								
			7/15/2019	800,000.00	3.750%								
2009 Refunding Bonds	10/1/2009	4,865,000	10/1/2010	1,335,000.00	2.000%		4,865,000.00			4,865,000.00			
			10/1/2011	1,360,000.00	3.000%								
			10/1/2012	1,380,000.00	4.000%								
			10/1/2013	790,000.00	2.000%								
						Ref. \$	<u>13,705,000.00</u>	\$	<u>6,818,000.00</u>	\$	<u>2,498,000.00</u>	\$	<u>18,025,000.00</u>
							C		C		C		C



**TOWNSHIP OF HAMILTON**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF GREEN TRUST LOANS PAYABLE**

<u>Improvement Description</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Loans Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2008</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2009</u>
			<u>Date</u>	<u>Amount</u>				
General Improvements	1993	\$ 338,494	2010	\$ 19,927.89	2.000%	\$ 80,528.62	\$ 19,535.23	\$ 60,993.39
			2011	20,328.45				
			2012	20,737.05				
General Improvements	2003	500,000	2010	24,124.22	1.000%	378,018.50	23,648.88	354,369.62
			2011	24,609.12				
			2012	25,103.76				
			2013	25,608.35				
			2014	26,123.08				
			2015	26,648.15				
			2016	27,183.78				
			2017	27,730.18				
			2018	28,287.55				
			2019	28,856.13				
			2020	29,436.13				
			2021	30,027.81				
			2022	30,631.36				
						\$ <u>458,547.12</u>	\$ <u>43,184.11</u>	\$ <u>415,363.01</u>
Ref.						C	C	C

**TOWNSHIP OF HAMILTON**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF BOND ANTICIPATION NOTES**

Ord. Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2008	Decreased	Balance Dec. 31, 2009
1531-05	Main Street Road Improvements	2/8/2007	2/7/2008	2/6/2009	2.000%	\$ 412,000.00	\$ 412,000.00	\$ -
1565-06	Various Capital Improvements	2/8/2007	2/7/2008	2/6/2009	2.000%	2,571,200.00	2,571,200.00	-
						<u>\$ 2,983,200.00</u>	<u>\$ 2,983,200.00</u>	<u>\$ -</u>
					Ref.	<u>C</u>	<u>C</u>	<u>C</u>

**TOWNSHIP OF HAMILTON**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

Ord. Number	Improvement Description	Balance Dec. 31, 2008	2009 Authorizations	Bond, Notes or Grants Issued	Cancelled	Balance Dec. 31, 2009
1553-06	Acquisition of Land	\$ 342,000.00	\$	\$ 342,000.00	\$	\$ -
1601-07	Sidewalk Improvements	40,000.00		40,000.00		-
1607-07	Various Capital Improvements	1,474,200.00		1,474,200.00		-
1625-08	Various Capital Improvements	1,428,300.00		1,428,300.00		-
1649-09	Various Capital Improvements		1,428,000.00	592,300.00		835,700.00
1657-09	Refunding Bonds		5,250,000.00	4,865,000.00	385,000.00	-
		<u>\$ 3,284,500.00</u>	<u>\$ 6,678,000.00</u>	<u>\$ 8,741,800.00</u>	<u>\$ 385,000.00</u>	<u>\$ 835,700.00</u>
	Ref. C					C

**TOWNSHIP OF HAMILTON**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF DUE FROM STATE OF NEW JERSEY**

Balance December 31, 2008	<u>Ref.</u> C	\$	1,293.01
Increased By:			
None		\$	-
			<u>-</u>
			1,293.01
Decreased By:			
None			-
			<u>-</u>
Balance December 31, 2009	C	\$	<u><u>1,293.01</u></u>

**SCHEDULE OF DUE FROM DEPARTMENT OF TRANSPORTATION**

Balance December 31, 2008	<u>Ref.</u> C	\$	100,000.00
Increased By:			
None		\$	-
			<u>-</u>
			100,000.00
Decreased By:			
None			-
			<u>-</u>
Balance December 31, 2009	C	\$	<u><u>100,000.00</u></u>

**TOWNSHIP OF HAMILTON**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF RESERVE FOR ENCUMBRANCES AND CONTRACTS PAYABLE**

Balance December 31, 2008	<u>Ref.</u> C		\$	1,046,142.16
Increased By:				
Charges to Improvement Authorizations		\$ 311,924.98		
				311,924.98
				1,358,067.14
Decreased By:				
Transferred to Improvement Authorizations		1,046,142.16		
				1,046,142.16
Balance December 31, 2009	C		\$	311,924.98

Detail

Encumbrances Payable		144,115.33		
Contracts Payable		167,809.65		
Total		\$ 311,924.98		

**TOWNSHIP OF HAMILTON**

**PART II**

**GENERAL COMMENTS AND RECOMMENDATIONS**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2009**



# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS – STATUTORY BASIS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor and  
Members of the Township Committee  
Township of Hamilton  
County of Atlantic, New Jersey

We have audited the financial statements – statutory basis of the Township of Hamilton, State of New Jersey (the "Township"), as of and for the year ended December 31, 2009, and have issued our report thereon dated May 20, 2010. Our report disclosed that, as described in Note 1 to the financial statements, the Township prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements prescribed by the Division.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or 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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

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

This report is intended solely for the information and use of management, the Township Committee, others within the entity, and the Division as well as other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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



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

**May 20, 2010**



**TOWNSHIP OF HAMILTON**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDING DECEMBER 31, 2009**

**I. SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued: **Unqualified Opinion issued on the Financial Statements – Statutory Basis, presented in accordance with an “Other Comprehensive Basis of Accounting” dated May 20, 2010.**

Internal control over financial reporting:

- |   |           |
|---|-----------|
| 1) Material Weakness identified?  | <b>NO</b> |
| 2) Significant Deficiencies identified that are not considered to be a Material Weakness? | <b>NO</b> |

Non-Compliance material to Financial Statements – Statutory Basis noted? **None Reported**

**II. FINDINGS RELATING TO THE FINANCIAL STATEMENTS – STATUTORY BASIS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS**

Our audit disclosed no findings related to the financial statements – statutory basis that are required to be reported in accordance with Government Auditing Standards.

**MANAGEMENT RESPONSES**

None Required.

**STATUS OF PRIOR YEAR FINDINGS**

**Finding #2008-1**

The Municipal Court should be reconciling the General and the Bail Bank Accounts on a monthly basis.

Finding #2008-1 was corrected in 2009.

## TOWNSHIP OF HAMILTON

### GENERAL COMMENTS

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

N.J.S.A. 40A:11-4 states, "Every contract awarded by the contracting agent, for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law. The Township's bid threshold was \$29,000.

The governing body of the Township of Hamilton has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in a violation of the statute, the Township Committee's opinion should be sought before a commitment is made.

Our examination of expenditures did not reveal any payments in excess of the bid threshold for the provision or performance of any goods or services, other than those where bids had been previously sought by public advertisement, awarded under state or county cooperative purchasing agreements, or awarded in compliance with other provisions of the "Local Public Contracts Law," N.J.S.A. 40A:11.

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

Offsite Improvements  
Pedestrian Bridge  
Supplying and/or Installing Bleachers at Various Township Recreation Sites  
Janitorial Services  
New Fire Truck

#### **Collection of Interest on Delinquent Taxes and Assessments**

The statutes provide 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 adopted the following resolution authorizing interest to be charged on delinquent taxes:

**BE IT RESOLVED** by the Township Committee of the Township of Hamilton, in accordance with Chapter 75, New Jersey Laws of 1991, and N.J.S.A. 54:4-67, 54:5-32, 54:5-34 and 54:5-35, which authorizes the Governing Body inter alia to fix the rate of interest to be charged, in the Township of Hamilton, for the nonpayment of taxes, assessments and municipal charges, said rate of interest shall be and is hereby fixed at 8 per cent per annum on the first \$1,500 of delinquency and 18 per cent per annum on any amount in excess of \$1,500 to be calculated from the date when the taxes, assessments and charges become delinquent.

**BE IT FURTHER RESOLVED** by the Township Committee of the Township of Hamilton, in accordance with N.J.S.A. 54:4-67, Chapter 75, New Jersey Laws of 1991, and Chapter 32, New Jersey Laws of 1994, which permits a 6 per cent penalty on taxes and municipal charges greater than \$10,000 as of the close of the fiscal year, that said end-of-year penalty shall be fixed for the Year 2009.

This Resolution shall take effect January 1, 2009.

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

**TOWNSHIP OF HAMILTON**

**GENERAL COMMENTS (CONTINUED)**

**Delinquent Taxes and Tax Title Liens**

The tax sale was held 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<sup>st</sup> of the last five years:

<u>Year</u>	<u>Number</u>
2009	3
2008	3
2007	3
2006	1
2005	1

It is essential to good management that all means provided by the statutes be utilized to liquidate tax title liens, in order to get such properties back on a tax-paying basis.

**Verification of Delinquent Taxes and Other Charges**

A test verification of delinquent taxes and charges, as well as 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>
Payments of 2009 and 2010 Taxes	40
Delinquent Taxes	40
Total	<u>80</u>

**Deposit of Municipal Funds**

N.J.S.A. 40A:5-15 states:

“All moneys, including moneys collected by taxation, received from any source by or on behalf of any local unit or any board or department thereof shall, within 48 hours after the receipt thereof, either

- a. be paid to the officer charged with the custody of the general funds of the local unit, who shall deposit all such funds within 48 hours after the receipt thereof to the credit of the local unit in its designated legal depository, or
- b. be deposited to the credit of the local unit in its designated legal depository.”

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

FINDINGS AND RECOMMENDATIONS

None

Should any questions arise as to my comments or recommendations, or should you desire assistance in implementing my recommendations, please do not hesitate to contact me.

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



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

May 20, 2010

**TOWNSHIP OF HAMILTON**  
**PART III**  
**STATE FINANCIAL ASSISTANCE PROGRAMS**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2009**

**TOWNSHIP OF HAMILTON  
SCHEDULE OF STATE AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

State Funding Department	Program	State Account Number	Grant Period		Program Receipts	Program Expenditures	Cumulative Expenditures
			From	To			
<b>Department of State</b>	PARIS	2545-100-074-2545-033	Open		\$ 16,275.00	\$ (1,330.78)	\$ 32,550.00
<b>Department of Environmental Protection</b>	Clean Communities	4900-765-042-4900-004-V42Y-6020	Open		50,033.11	85,949.63	85,949.63
	Hazardous Discharge Site Remediation	N/A	Open		-	344,659.00	344,659.00
	Storm Water Management	100-042-4840-091-057500	Open		-	5,250.00	5,250.00
<b>Department of Treasury</b>	Municipal Alliance Program	475-995120-60	Open		26,203.12	27,491.24	27,491.24
<b>Department of Transportation</b>	Trust Fund						
	2008 Grant	6320-048-078-6320	Open		95,218.50	150,000.00	150,000.00
	2009 Grant	6320-048-078-6320	Open		-	41,922.89	41,922.89
	NJ Highway Safe Corridors	N/A	Open		48,000.00	30,783.56	30,783.56
	NJ Highway Safe Corridors	N/A	Open			15,981.58	47,000.00
	NJ Highway Safety Grant	N/A	Open			15,190.61	234,691.00
<b>Department of Law and Public Safety</b>	Body Armor Grant	1020-718-066-1020-001-01-YCJS-6120	Open			3,339.41	3,339.41
	Bullet Proof Vest Partnership	1020-718-066-1020-001-01-YCJS-6120	Open		3,618.99	3,950.24	3,950.24
	Exercise Improvement Action Grant	N/A	Open		-	5,000.00	5,000.00
	Safe and Secure Communities Grant	100-066-1020-107	1/1/2009	12/31/2009	58,686.00	58,686.00	58,686.00
	Drunk Driving Enforcement Fund	N/A	Open		35,769.94	22,902.98	22,902.98
<b>Total State Assistance</b>					<u>\$ 333,804.66</u>	<u>\$ 809,776.36</u>	<u>\$ 1,094,175.95</u>

**TOWNSHIP OF HAMILTON**  
**NOTES TO SCHEDULE OF STATE AWARDS**  
**YEAR ENDED DECEMBER 31, 2009**

**Note 1: General**

The accompanying schedule of financial assistance present the activity of all state financial assistance programs of the Township of Township of Hamilton. The Township is defined in Note 1 to the Township's financial statements – statutory basis.

**Note 2: Basis of Accounting**

The accompanying schedule of financial assistance are presented using the modified accrual basis of accounting in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. 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 respect to public funds. Under this method of accounting, the Township accounts for its financial transactions through separate funds, which differ from the funds required by accounting principles generally accepted in the United States of America (GAAP).

**Note 3: Relationship to General-Purpose Financial Statements**

Amounts reported in the accompanying schedules agree with amounts reported in the Township's financial statements – statutory basis. The financial statements – statutory basis present the Grant Fund on a budgetary basis. The Grant Fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

		<u>Federal</u>		<u>State</u>		<u>Total</u>
Grant Fund	\$	226,734.88	\$	809,776.36	\$	1,036,511.24
Total Financial Assistance	\$	<u>226,734.88</u>	\$	<u>809,776.36</u>	\$	<u>1,036,511.24</u>

**Note 4: Relationship to State Financial Reports**

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.



# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • PO BOX 538 • OCEAN CITY, NJ • 08226-0538

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM  
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133 AND  
NEW JERSEY OMB CIRCULAR 04-04**

To the Honorable Mayor and  
Members of the Township Committee  
Township of Hamilton  
County of Atlantic, New Jersey

Compliance

We have audited the compliance of the Township of Hamilton, State of New Jersey (the "Township"), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement and New Jersey OMB Circular 04-04* that are applicable to each of its major state programs for the year ended December 31, 2009. The Township's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the Township's management. Our responsibility is to express an opinion on the Township's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations and New Jersey OMB 04-04* and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Those standards, OMB A-133 and OMB 04-04 and State of New Jersey prescribed audit requirements require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining on a test basis, evidence about the Township's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Township's compliance with those requirements.

In our opinion, the Township complied in all material respects with the requirements referred to above that are applicable to each of its major state programs for the year ended December 31, 2009.



### Internal Control Over Compliance

The management of the Township is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered the Township's internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township's control over compliance.

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 noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use management of the Township, Division of Local Government Services, Department of Community Affairs, State of New Jersey (cognizant audit agency), other state awarding agencies and pass-through entities and is not intended and should not be used by anyone other than these specified parties.

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

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

May 20, 2010

**TOWNSHIP OF HAMILTON**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDING DECEMBER 31, 2009**

**I. SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued: **Unqualified Opinion issued on the Financial Statements – Statutory Basis, presented in accordance with an “Other Comprehensive Basis of Accounting”.**

Internal control over financial reporting:

- 1) Material Weakness identified? **NO**
- 2) Significant Deficiencies identified that are not considered to be a Material Weakness? **NONE REPORTED**

Non-Compliance material to Financial Statements – Statutory Basis noted? **NONE**

**Federal Awards**

Internal control over major programs:

- 1) Material Weakness identified? **NOT APPLICABLE**
- 2) Reportable conditions identified that are not considered to be a Material Weakness? **NOT APPLICABLE**

Type of auditor's report issued on compliance for major programs: **NOT APPLICABLE**

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133? **NOT APPLICABLE**

Identification of major programs: **NOT APPLICABLE**

Dollar threshold used to distinguish between Type A and Type B Programs: **NOT APPLICABLE**

Auditee qualified as low-risk Auditee? **NOT APPLICABLE**

**TOWNSHIP OF HAMILTON**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDING DECEMBER 31, 2009**  
**(CONTINUED)**

**I. SUMMARY OF AUDITOR'S RESULTS (Continued)**

**State Awards**

Internal control over major programs:

- |   |                      |
|---|----------------------|
| 3) Material Weakness identified?  | <b>NO</b>            |
| 4) Significant Deficiencies identified that are not considered to be a Material Weakness? | <b>NONE REPORTED</b> |

Type of auditor's report issued on compliance for major programs:	<b>An Unqualified Opinion was issued on compliance for major programs.</b>
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Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04?	<b>NO</b>
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Identification of major programs:	
<b>6320-48-78-6320</b>	<b>DOT Trust Fund – 2009</b>
<b>6320-48-78-6320</b>	<b>DOT Trust Fund – 2008</b>
<b>N/A</b>	<b>Hazardous Discharge Site Remediation</b>

Dollar threshold used to distinguish between Type A and Type B Programs:	<b>\$300,000</b>
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Auditee qualified as low-risk Auditee?	<b>NO</b>
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**II. FINDINGS RELATING TO THE FINANCIAL STATEMENTS – STATUTORY BASIS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS**

In accordance with Government Auditing Standards, our audit disclosed no findings relating to the financial statements – statutory basis that are required to be reported under this section.

**III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AND STATE AWARDS**

**Federal:           NOT APPLICABLE**

**State:             Our audit disclosed no material Findings or Questioned Costs.**

**STATUS OF PRIOR YEAR FINDINGS**

There were no prior year Findings or Questioned Costs.