

**TOWNSHIP OF HAMILTON**  
**REPORT OF AUDIT**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2011**

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**TOWNSHIP OF HAMILTON**

**PART I**

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

**FOR THE YEAR ENDED**

**DECEMBER 31, 2011**

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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 – Regulatory basis of the various funds and account groups of the Township of Hamilton, State of New Jersey (the "Township"), as of December 31, 2011 and 2010 and the related statements of operations and changes in fund balance – Regulatory basis for the years then ended and the related statement of revenues – Regulatory basis and statement of expenditures – Regulatory basis for the year ended December 31, 2011, as listed in the accompanying table of contents. These financial statements – Regulatory 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 opinions.

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 Regulatory 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, 2011 and 2010 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, 2011.

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, 2011 and 2010 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, 2011 on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 9, 2012 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 schedule 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*  
Leon P. Costello  
Certified Public Accountant  
Registered Municipal Accountant  
No. 393

May 9, 2012



**EXHIBIT - A  
CURRENT FUND**

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

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
<b><u>Assets</u></b>			
Regular Fund:			
Cash:			
Treasurer	A-4	\$ 8,661,012.70	\$ 7,553,797.72
Collector	A-5	22,949.00	78,985.00
Change and Petty Cash Funds		<u>1,025.00</u>	<u>1,025.00</u>
		<u>8,684,986.70</u>	<u>7,633,807.72</u>
Other Receivables:			
Due from State - Seniors and Veterans		549.29	-
		<u>549.29</u>	<u>-</u>
Receivables and Other Assets with			
Full Reserves:			
Delinquent Property Taxes Receivable	A-7	829,471.98	663,497.21
Tax Title Liens Receivable	A-8	47,429.22	30,093.66
Property Acquired at Assessed Valuation		3,812,700.00	3,917,800.00
Due from Federal & State Grant Fund		-	5,545.53
Revenue Accounts Receivable	A-9	44,642.70	55,275.96
		<u>4,734,243.90</u>	<u>4,672,212.36</u>
Deferred Charges:			
Special Emergency		400,000.00	600,000.00
		<u>400,000.00</u>	<u>600,000.00</u>
		<u>13,819,779.89</u>	<u>12,906,020.08</u>
Federal and State Grant Fund:			
Cash	A-4	-	-
Due from Current Fund		283,876.38	-
Grant Receivables	A-11	1,665,530.71	1,518,177.16
		<u>1,949,407.09</u>	<u>1,518,177.16</u>
		<u>\$ 15,769,186.98</u>	<u>\$ 14,424,197.24</u>

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

	Ref.	Balance Dec. 31, 2011	Balance Dec. 31, 2010
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3:A-10	\$ 1,200,560.37	\$ 950,278.56
Reserve for Encumbrances		533,519.82	501,519.57
Due to State - Seniors and Veterans		-	2,450.71
Prepaid Taxes		431,609.21	358,541.84
Accounts Payable		-	1,305.15
Due to County Added Taxes		44,474.23	38,440.93
Local District School Taxes Payable		1,887,090.98	1,713,310.98
Regional High School Taxes Payable		1,399,485.40	1,244,733.60
Reserve for Tax Sale Premiums		22,949.00	78,985.00
Reserve for Revaluation		49,644.00	186,386.00
Reserve for Garden State Preservation		86,066.00	86,066.00
Due to Federal & State Grant Fund		283,876.38	-
Due to Trust Other		500.00	-
Due to State of New Jersey - Marriage Licenses		(55.00)	1,025.00
Burial Permits		-	5.00
Permit Surcharge Fees		8,917.00	4,989.00
		<u>5,948,637.39</u>	<u>5,168,037.34</u>
Reserve for Receivables and Other Assets		4,734,243.90	4,672,212.36
Fund Balance	A-1	<u>3,136,898.60</u>	<u>3,065,770.38</u>
		<u>13,819,779.89</u>	<u>12,906,020.08</u>
Federal and State Grant Fund:			
Unappropriated Reserves	A-12	-	2,568.96
Appropriated Reserves	A-13	1,428,146.43	1,424,411.11
Due to Current Fund	A	-	5,545.53
Encumbrances Payable		521,260.66	85,651.56
		<u>1,949,407.09</u>	<u>1,518,177.16</u>
		<u>\$ 15,769,186.98</u>	<u>\$ 14,424,197.24</u>

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

	Ref.	Year 2011	Year 2010
<b><u>Revenue and Other Income Realized</u></b>			
Fund Balance Utilized	\$	2,450,000.00	\$ 2,803,000.00
Miscellaneous Revenue Anticipated		6,470,618.63	6,023,150.42
Receipts from Delinquent Taxes		257,792.41	431,343.18
Receipts from Current Taxes		55,891,902.03	53,639,158.21
Non-Budget Revenue		1,035,404.37	802,809.41
Other Credits to Income:			
Sale of Property Acquired for Taxes		-	200.00
Interfund Returned		5,545.53	212,250.00
Accounts Payable Cancelled		16.16	-
Interfund Balance Cancelled		-	4,674.44
Unexpended Balance of Appropriation Reserves		927,149.63	550,850.36
Total Income		<u>67,038,428.76</u>	<u>64,467,436.02</u>
<b><u>Expenditures</u></b>			
Budget and Emergency Appropriations:			
Appropriations Within "CAP"			
Operations:			
Salaries and Wages		8,793,375.00	9,990,687.00
Other Expenses		8,239,910.00	8,308,482.00
Deferred Charges & Statutory Expenditures		3,257,546.00	2,421,891.00
Appropriations Excluded from "CAP"			
Operations:			
Salaries and Wages		420,425.00	422,149.47
Other Expenses		1,297,994.94	721,964.42
Capital Improvements		75,000.00	75,000.00
Municipal Debt Service		3,248,190.21	3,157,950.64
Deferred Charges & Statutory Expenditures		200,000.00	390,700.00
County Taxes		9,355,541.92	8,455,483.74
County Added and Omitted Taxes		44,474.23	38,440.93
Local District School Tax		19,608,987.00	17,912,321.00
Regional High School Tax		9,952,018.09	9,505,101.47
Interfund Advanced		-	5,545.53
Prior Year Senior Citizen Deduction Disallowed		3,250.00	-
Prior Year Revenue Refunded		20,588.15	278.31
Total Expenditures		<u>64,517,300.54</u>	<u>61,405,995.51</u>

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

	<u>Ref.</u>	<u>Year 2011</u>	<u>Year 2010</u>
Excess In Revenue		\$ 2,521,128.22	\$ 3,061,440.51
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by			
Statute Deferred Charges to Budget of		-	-
Succeeding Year		-	-
Statutory Excess to Fund Balance		2,521,128.22	3,061,440.51
Fund Balance January 1	A	3,065,770.38	2,807,329.87
		5,586,898.60	5,868,770.38
Decreased by:			
Utilization as Anticipated Revenue		2,450,000.00	2,803,000.00
Fund Balance December 31	A	\$ 3,136,898.60	\$ 3,065,770.38

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

Ref.	Anticipated		Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87		
	\$ 2,450,000.00	\$	2,450,000.00	\$ -
Fund Balance Anticipated				
Total Surplus Anticipated	2,450,000.00	-	2,450,000.00	-
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	17,000.00		30,678.26	13,678.26
Fees and Permits	123,000.00		121,382.05	(1,617.95)
Fines and Costs:				
Municipal Court	650,000.00		768,752.58	118,752.58
Interest and Costs on Taxes	126,300.00		134,127.44	7,827.44
Interest on Investments and Deposits	20,000.00		8,136.37	(11,863.63)
Energy Receipts Tax (P.L. 1997, Ch. 162 & 167)	2,754,977.00		2,754,977.00	-
Reserve for Garden State Trust PILOT Funds	86,066.00		86,066.00	-
Uniform Construction Code Fees	375,000.00		510,845.00	135,845.00

**TOWNSHIP OF HAMILTON  
CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY 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			56,553.60	56,553.60	-
Justice Assistant Grant		10,655.00		10,655.00	-
Safe and Secure Communities Grant			56,762.00	56,762.00	-
Neighborhood Crime Prevention & Intervention			55,177.00	55,177.00	-
NJ DOT		289,641.00		289,641.00	-
Municipal Alliance on Alcoholism and Drug Abuse		22,400.00		22,400.00	-
ARRA COPS Hiring Recovery Program		353,008.00		353,008.00	-
Emergency Management		5,000.00		5,000.00	-
Body Armor Grant			4,675.17	4,675.17	-
Bullet Proof Vest Partnership		2,568.96		4,947.96	-
NJHS Holiday Drive Sober			5,000.00	5,000.00	-
NJ Highway Traffic Safety Grant			42,997.21	42,997.21	-
Hazardous Discharge Site Remediation			426,003.00	426,003.00	-
Cars - E Grant Program		300,000.00		300,000.00	-
Other Special Items:					
Uniform Fire Safety Act		113,000.00		145,257.65	32,257.65
Hamilton Township MUA Surplus NJSA 40A:5A-12.1		250,000.00		250,000.00	-
Reserve to Pay Debt Service		27,576.34		27,576.34	-
Total Miscellaneous Revenues	A-1	5,526,192.30	649,546.98	6,470,618.63	294,879.35
Receipts from Delinquent Taxes	A-1:A-2	575,000.00		257,792.41	(317,207.59)
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes		17,774,078.71		18,373,206.84	599,128.13
Total Amount to be Raised by Taxes for Support of Municipal Budget		17,774,078.71		18,373,206.84	599,128.13
Budget Totals		26,325,271.01	649,546.98	27,551,617.88	576,799.89
Non-Budget Revenues				1,035,404.37	1,035,404.37
		\$ 26,325,271.01	\$ 649,546.98	\$ 28,587,022.25	\$ 1,612,204.26

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

Analysis of Realized RevenuesAllocation of Current Tax Collections:

Revenues from Collections	\$ 55,891,902.03
Add: Prior Year's Reserve for Tax Appeals	<u>55,891,902.03</u>
Allocated to:	
School, County and Other Taxes	<u>38,961,021.24</u>
Balance for Support of Municipal Budget Appropriations	16,930,880.79
Add: Appropriation	
"Reserve for Uncollected Taxes"	<u>1,442,326.05</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 18,373,206.84</u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 226,167.26
Tax Title Lien Collections	<u>31,625.15</u>
	<u>\$ 257,792.41</u>

Analysis of Non-Budget Revenues:

## Miscellaneous Revenue Not Anticipated:

Municipal Service Fees	\$ 182,717.10
Sale of Township Owned Land	510,689.51
Auction Proceeds	48,735.41
Egg Harbor City Dispatching Interlocal	88,050.00
Interstate Outdoor Advertising	12,490.63
Cell Tower Lease	14,490.00
Clerk Fees	6,790.67
Planning & Zoning Fees	9,465.96
Police Record Fees	1,181.20
Discovery Fees	548.92
NJ DMV Inspection Fines	17,411.00
FEMA Reimbursements	85,960.25
Expired Tax Premiums	5,335.00
Escrow Interest Cancellations	6,416.01
Seniors & Veterans Administrative Fee	4,105.00
Homestead Rebate Administrative Fee	2,217.00
Metal and Oil Recycling Fees	7,382.65
Hotel Tax	3,522.62
Police Off Duty Distraction Fees	15,797.70
Animal Control Statutory Excess	1,708.03
Refunds & Rebates	1,358.40
Restitution	72.85
Hep B Funds	1,725.00
Tax Collector	4,525.61
Community Activities	175.00
Miscellaneous	2,532.85
	<u>\$ 1,035,404.37</u>



**TOWNSHIP OF HAMILTON**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY 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	\$ 60,325.00	\$ 60,325.00	\$ 57,772.98	\$ 2,552.02	\$
Salaries and Wages	5,100.00	5,100.00	3,595.61	192.50	1,311.89
Other Expenses	164,000.00	169,100.00	168,841.60	388.27	258.40
Township Administrator	13,300.00	13,300.00	2,642.87		10,268.86
Salaries and Wages	44,800.00	44,800.00	44,708.04		91.96
Other Expenses	12,835.00	12,835.00	7,900.98	2,180.59	2,753.43
Human Resources	158,800.00	182,500.00	182,244.38		255.62
Salaries and Wages	37,950.00	37,950.00	26,123.52	2,935.44	8,891.04
Other Expenses	221,300.00	221,300.00	214,554.38		6,745.62
Municipal Clerk's Office					
Salaries and Wages	39,500.00	39,500.00	39,500.00		
Other Expenses	16,775.00	16,775.00	13,107.78	3,004.73	662.49
Financial Administration					
Salaries and Wages	144,700.00	144,700.00	126,298.16		18,401.84
Other Expenses	50,850.00	50,850.00	38,820.54	7,902.11	4,127.35
Annual Audit					
Miscellaneous Other Expenses	136,700.00	154,700.00	153,835.40		864.60
Assessment of Taxes	44,450.00	44,450.00	40,994.55	1,240.41	2,215.04
Salaries and Wages	50,000.00	50,000.00	41,716.04	5,312.50	2,971.46
Other Expenses	100,000.00	100,000.00	79,804.21	16,278.49	3,917.30
Collection of Taxes					
Salaries and Wages	50,000.00	50,000.00	37,916.00	2,437.50	9,646.50
Other Expenses					
Legal Services and Costs					
Special Counsel					
Miscellaneous Other Expenses					
Engineering Services and Costs					
Other Expenses	193,900.00	193,900.00	193,895.00		5.00
Municipal Land Use Law (NJSA 40:55 D-1)	71,600.00	71,600.00	24,241.25	2,038.13	45,320.62
Planning Board					
Salaries and Wages					
Other Expenses					

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

	Appropriations		Paid or Charged	Expended		Reserved	(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification		Encumbered	Reserved		
\$	92,200.00	\$ 92,200.00	87,046.53	\$	5,153.47	\$	
Board of Adjustments	16,400.00	16,400.00	7,261.89	1,392.54	7,745.57		
Salaries and Wages							
Other Expenses							
Environmental Commission (NJSA 40:5-3)							
Salaries and Wages	500.00	500.00	380.00		120.00		
Other Expenses	700.00	700.00	356.00		344.00		
Industrial Commission (NJSA 40:55-3)							
Other Expenses	25,430.00	25,430.00	12,617.83	902.07	11,910.10		
Management of Information Systems							
Salaries and Wages	67,400.00	67,400.00	67,373.02		26.98		
Other Expenses	58,050.00	66,550.00	26,280.80	40,019.60	249.60		
<b>INSURANCE:</b>							
Liability Insurance	257,550.00	307,550.00	256,835.00	49,092.00	1,623.00		
Workers Compensation Insurance	642,400.00	642,400.00	641,860.00		540.00		
Group Insurance for Employees	2,201,000.00	2,201,000.00	2,088,430.83	959.90	111,609.27		
<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	261,400.00	261,400.00	203,948.84	31,288.89	26,162.27		
Police and Traffic Control							
Salaries and Wages	5,336,900.00	5,336,900.00	5,082,429.96	102,319.30	254,470.04		
Other Expenses	518,100.00	518,100.00	332,577.75		83,202.95		
Ambulance Aid and Maintenance							
Other Expenses	42,900.00	42,900.00	31,693.93	6,698.73	4,507.34		
Uniform Fire Safety Act (PL 1983, Ch. 383)							
Salaries and Wages	47,300.00	47,300.00	42,100.18		5,199.82		
Other Expenses	18,850.00	18,850.00	16,135.27	2,004.58	710.15		
Office of Emergency Management Services							
Salaries and Wages	3,800.00	4,500.00	4,499.56		0.44		
Other Expenses	3,900.00	3,900.00	(1,187.29)	3,625.37	1,461.92		

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

	Appropriations		Paid or Charged	Expended		Reserved	(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification		Encumbered	Reserved		
<b>STREETS AND ROADS DEPARTMENTS:</b>							
Road Repairs and Maintenance	\$ 1,073,600.00	\$ 1,073,600.00	\$ 959,339.21	\$ 114,260.79	\$ -		
Salaries and Wages	651,600.00	651,600.00	463,807.32	103,113.42	84,679.26		
Other Expenses	1,655,000.00	1,655,000.00	1,479,265.80	85,263.57	90,470.63		
Solid Waste Collection							
Street Lighting	230,000.00	230,000.00	194,546.60	16,244.11	19,209.29		
Other Expenses							
<b>HEALTH AND WELFARE DEPARTMENT:</b>							
Registrar of Vital Statistics	3,650.00	4,650.00	4,618.48	31.52	316.50		
Salaries and Wages	1,120.00	1,120.00	803.50				
Other Expenses							
<b>OFFICE OF NON-DEPARTMENTAL BOARDS, AUTHORITIES AND AGENCIES:</b>							
Animal Control	28,800.00	28,800.00	28,800.00	-	-		
Other Expenses							
Municipal Court	453,300.00	453,300.00	449,963.66	3,336.34	10,074.24		
Salaries and Wages	31,050.00	31,050.00	20,121.33	854.43			
Other Expenses							
Prosecutor's Office	80,000.00	80,000.00	80,000.00	-	-		
Other Expenses							
Public Defender	20,000.00	20,000.00	20,000.00	-	-		
Salaries and Wages							
Community Education / Recreation	87,300.00	87,300.00	70,522.94	16,777.06			
Salaries and Wages	6,475.00	6,475.00	3,448.10	3,026.90			
Other Expenses							
Social Services	23,100.00	23,100.00	22,876.55	223.45	388.46		
Salaries and Wages	500.00	500.00	111.54				
Other Expenses							
Historical Advisory Board	500.00	500.00	390.60	109.40			
Salaries and Wages	4,100.00	4,100.00	276.86	3,699.56			
Other Expenses				123.58			
Veteran's Advisory Board	500.00	500.00	380.00	120.00			
Salaries and Wages	1,575.00	1,575.00	-	1,575.00			
Other Expenses							
<b>UNIFORM CONSTRUCTION CODE:</b>							
Construction Code Official	290,300.00	290,300.00	289,668.11	631.89			
Salaries and Wages	15,150.00	15,150.00	4,996.09	1,069.88	9,084.03		
Other Expenses							

**TOWNSHIP OF HAMILTON  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY 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	\$ 125,000.00	\$ 125,000.00	\$ -	\$ -	
Compensated Absence Reserve	40,000.00	40,000.00			
Utilities	741,500.00	741,500.00	547,387.52	28,853.18	165,259.30
Postage	50,000.00	50,000.00	47,425.15	2,534.00	40.85
<b>TOTAL OPERATIONS WITHIN "CAPS"</b>	<u>16,891,485.00</u>	<u>16,998,285.00</u>	<u>15,318,402.75</u>	<u>520,269.82</u>	<u>1,159,612.43</u>
Contingent	35,000.00	35,000.00	14,021.89	13,250.00	7,728.11
<b>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"</b>	<u>16,926,485.00</u>	<u>17,033,285.00</u>	<u>15,332,424.64</u>	<u>533,519.82</u>	<u>1,167,340.54</u>
Detail:					
Salaries and Wages	8,665,075.00	8,793,375.00	8,363,738.74	-	429,636.26
Other Expenses	8,261,410.00	8,239,910.00	6,968,685.90	533,519.82	737,704.28
<b>STATUTORY EXPENDITURES:</b>					
Contributions to:					
Social Security System (O.A.S.I.)	693,700.00	693,700.00	674,295.54		19,404.46
Police and Firemen's Retirement System	1,464,237.00	1,464,237.00	1,464,237.00		-
Public Employee's Retirement System	528,809.00	528,809.00	528,809.00		-
Unemployment Compensation Insurance	661,500.00	554,700.00	554,700.00		44.03
Defined Contribution Retirement Program	2,100.00	2,100.00	2,055.97		3,371.34
Disability Insurance	14,000.00	14,000.00	10,628.66		
<b>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES WITHIN "CAPS"</b>	<u>3,364,346.00</u>	<u>3,257,546.00</u>	<u>3,234,726.17</u>	<u>-</u>	<u>22,819.83</u>
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</b>	<u>20,290,831.00</u>	<u>20,290,831.00</u>	<u>18,567,150.81</u>	<u>533,519.82</u>	<u>1,190,160.37</u>
<b>OPERATIONS EXCLUDED FROM "CAPS" INSURANCE:</b>					
Contribution to:					
LOSAP					
Other Expenses	80,000.00	80,000.00	69,600.00		10,400.00
<b>TOTAL OTHER OPERATIONS EXCLUDED FROM "CAPS"</b>	<u>80,000.00</u>	<u>80,000.00</u>	<u>69,600.00</u>	<u>-</u>	<u>10,400.00</u>

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

	Appropriations		Expended		Reserved	(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Encumbered		
<b>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</b>						
Justice Assistant Grant	\$ 10,655.00	\$ 10,655.00	\$ 10,655.00	\$ -	\$ -	\$ -
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	55,177.00	-	-	-
Emergency Management	5,000.00	5,000.00	5,000.00	-	-	-
Safe and Secure Communities Grant	56,762.00	56,762.00	56,762.00	-	-	-
ARRA COPS Hiring Recovery Program	353,008.00	353,008.00	353,008.00	-	-	-
Cars - E Grant Program	300,000.00	300,000.00	300,000.00	-	-	-
Hazardous Discharge Site Remediation	426,003.00	426,003.00	426,003.00	-	-	-
NJ Highway Traffic Safety Grant	42,997.21	42,997.21	42,997.21	-	-	-
Transportation Trust Fund	289,641.00	289,641.00	289,641.00	-	-	-
NJHS Holiday Drive Sober	5,000.00	5,000.00	5,000.00	-	-	-
Bullet Proof Vest Partnership	4,947.96	4,947.96	4,947.96	-	-	-
Clean Communities	56,553.60	56,553.60	56,553.60	-	-	-
Body Armor Grant	4,675.17	4,675.17	4,675.17	-	-	-
<b>TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</b>	<b>1,638,419.94</b>	<b>1,638,419.94</b>	<b>1,638,419.94</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</b>	<b>1,718,419.94</b>	<b>1,718,419.94</b>	<b>1,708,019.94</b>	<b>-</b>	<b>10,400.00</b>	<b>-</b>
Detail:						
Salaries and Wages	420,425.00	420,425.00	420,425.00	-	-	-
Other Expenses	1,297,994.94	1,297,994.94	1,287,594.94	-	10,400.00	-
<b>CAPITAL IMPROVEMENTS</b>	<b>75,000.00</b>	<b>75,000.00</b>	<b>75,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
Capital Improvement Fund	75,000.00	75,000.00	75,000.00	-	-	-
<b>TOTAL CAPITAL IMPROVEMENTS</b>	<b>75,000.00</b>	<b>75,000.00</b>	<b>75,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEBT SERVICE</b>						
Payment of Bond Principal	2,680,000.00	2,680,000.00	2,680,000.00	-	-	-
Interest on Bonds	516,100.00	516,100.00	516,050.00	-	-	50.00
<b>GREEN TRUST LOAN PROGRAM:</b>						
Loan Repayment for Principal and Interest	52,141.00	52,141.00	52,140.21	-	-	0.79
<b>TOTAL DEBT SERVICE</b>	<b>3,248,241.00</b>	<b>3,248,241.00</b>	<b>3,248,190.21</b>	<b>-</b>	<b>-</b>	<b>50.79</b>

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

	Appropriations		Paid or Charged	Expended		(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification		Encumbered	Reserved	
<b>DEFERRED CHARGES EXCLUDED FROM "CAPS"</b>						
Deferred Charges	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00	\$ -	\$ -	
Special Emergency						
<b>TOTAL DEFERRED CHARGES EXCLUDED FROM "CAPS"</b>	<u>200,000.00</u>	<u>200,000.00</u>	<u>200,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"</b>						
5,241,660.94	5,241,660.94	5,231,210.15		10,400.00		50.79
<b>SUBTOTAL GENERAL APPROPRIATIONS</b>	<u>25,532,491.94</u>	<u>25,532,491.94</u>	<u>23,798,360.96</u>	<u>533,519.82</u>	<u>1,200,560.37</u>	<u>50.79</u>
Reserve for Uncollected Taxes	1,442,326.05	1,442,326.05	1,442,326.05	-	-	
<b>TOTAL GENERAL APPROPRIATIONS</b>	<u>\$ 26,974,817.99</u>	<u>\$ 26,974,817.99</u>	<u>\$ 25,240,687.01</u>	<u>\$ 533,519.82</u>	<u>\$ 1,200,560.37</u>	<u>\$ 50.79</u>
Adopted Budget	\$ 26,325,271.01					
Added Appropriations N.J.S.A. 40A:4-87	649,546.98					
	<u>\$ 26,974,817.99</u>					
Federal and State Grants Reserve for Uncollected Taxes	\$ 1,638,419.94					
Deferred Charges	1,442,326.05					
Disbursed	200,000.00					
Total	<u>\$ 21,959,941.02</u>					
	\$ 25,240,687.01					

**EXHIBIT - B  
TRUST FUND**

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

<u>Assets</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
<b><u>Animal Control Fund</u></b>			
Cash and Investments	B-1	\$ 16,875.80	\$ 16,900.40
		<u>16,875.80</u>	<u>16,900.40</u>
<b><u>Other Funds</u></b>			
Cash and Investments - Treasurer	B-2	2,572,905.51	2,321,845.04
Cash Tax Title Lien - Collector	B-6	17,043.02	31,807.53
Due from Current Fund	A	500.00	-
Off - Duty Police Fees Receivable	B-11	-	11,246.33
		<u>2,590,448.53</u>	<u>2,364,898.90</u>
		<u>\$ 2,607,324.33</u>	<u>\$ 2,381,799.30</u>



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

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
<u>Animal Control Fund</u>			
Reserve for Animal Control Expenditures	B-3	\$ 16,871.60	\$ 16,900.40
Due to State of New Jersey	B-5	4.20	-
		<u>16,875.80</u>	<u>16,900.40</u>
<u>Other Funds</u>			
Reserve for Small Cities Grant Trust Fund	B-8	69,741.06	79,653.06
Reserve for Law Enforcement Trust Fund	B-9	29,276.49	30,417.38
Reserve for CDBG Trust Fund	B-10	20,991.93	-
Reserve for Off Duty Police	B-12	1,797.93	-
Payroll Deductions Payable	B-14	71,870.28	106,212.87
Miscellaneous Trust Fund Reserves	B-15	1,600,077.78	1,357,860.31
Miscellaneous Trust Fund Escrows	B-16	796,693.06	790,755.28
		<u>2,590,448.53</u>	<u>2,364,898.90</u>
		<u>\$ 2,607,324.33</u>	<u>\$ 2,381,799.30</u>

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

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

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
<b><u>Assets</u></b>			
Cash and Investments	C-2,C-3	\$ 1,283,861.22	\$ 2,383,589.43
Deferred Charges to Future Taxation:			
Funded	C-5	13,136,373.33	15,861,310.90
Unfunded	C-6	3,501,000.00	2,073,000.00
		<u>\$ 17,921,234.55</u>	<u>\$ 20,317,900.33</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
Serial Bonds Payable	C-8	\$ 12,810,000.00	\$ 15,490,000.00
Green Trust Loans	C-8A	326,373.33	371,310.90
Improvement Authorizations:			
Funded	C-7	1,554,328.39	1,358,875.13
Unfunded	C-7	2,728,442.18	1,946,107.27
Contracts Payable	C-13	448,541.23	551,069.72
Encumbrances Payable	C-13	49,661.53	276,770.55
Reserve for Payment of Debt	C-2	-	27,576.34
Capital Improvement Fund	C-4	3,887.89	9,337.85
Fund Balance	C-1	-	286,852.57
		<u>\$ 17,921,234.55</u>	<u>\$ 20,317,900.33</u>

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

Balance December 31, 2010	<u>Ref.</u> C		\$	286,852.57
Increased By:				
Cancellation of Improvement Authorizations		\$	<u>1,697.47</u>	<u>1,697.47</u>
				288,550.04
Decreased By:				
Fund Balance				<u>288,550.04</u>
Balance December 31, 2011	C		\$	<u><u>-</u></u>

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

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

	<u>Ref.</u>	<u>Balance Dec. 31, 2011</u>	<u>Balance Dec. 31, 2010</u>
<u>General Fixed Assets</u>			
Land	\$	14,730,000.00	\$ 13,112,600.00
Building		7,397,766.25	7,473,566.25
Machinery and Equipment		15,471,982.46	16,787,710.80
		<u>\$ 37,599,748.71</u>	<u>\$ 37,373,877.05</u>
<u>Investment in General Fixed Assets</u>			
Investment in General Fixed Assets	\$	37,599,748.71	\$ 37,373,877.05
		<u>\$ 37,599,748.71</u>	<u>\$ 37,373,877.05</u>

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS –**  
**REGULATORY BASIS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**

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

**Basis of Accounting**

The financial statements – regulatory 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 2010 census is 26,503. 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 its 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 – regulatory 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 – regulatory 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 –**  
**REGULATORY BASIS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**(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.

**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 regulatory 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 – regulatory basis.



**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS –**  
**REGULATORY BASIS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**(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 –**  
**REGULATORY BASIS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**(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 – regulatory 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 –**  
**REGULATORY BASIS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**(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 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, 2011, the following is a breakdown of the school tax payable and year-end tax deferral:

Category	Amount
Local School Tax Payable	\$ 1,887,090.98
Local School Tax Deferred	6,774,537.98
Regional School Tax Payable	1,399,485.40
Regional School Tax Deferred	2,213,985.70
	\$ 12,275,100.06

**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 –**  
**REGULATORY BASIS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**(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 –**  
**REGULATORY BASIS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**(CONTINUED)**

**NOTE 2: LONG-TERM DEBT**

**Summary of Municipal Debt**

	<u>Year 2011</u>	<u>Year 2010</u>	<u>Year 2009</u>
Issued:			
General:			
Bonds, Loans and Notes	\$ 13,136,373.33	\$ 15,861,310.90	\$ 18,440,363.01
Other:			
Bonds issued by Hamilton Township Municipal Utilities Authority	6,205,000.00	7,160,000.00	8,080,000.00
Total Issued	<u>19,341,373.33</u>	<u>23,021,310.90</u>	<u>26,520,363.01</u>
Less:			
Funds Temporarily Held to Pay Bonds and Notes	-	27,576.34	191,542.60
Bonds Authorized by another Public Body guaranteed by the Municipality	6,205,000.00	7,160,000.00	8,080,000.00
Net Debt Issued	<u>13,136,373.33</u>	<u>15,833,734.56</u>	<u>18,248,820.41</u>
Authorized But Not Issued:			
General:			
Bonds and Notes	<u>3,501,000.00</u>	<u>2,073,000.00</u>	<u>835,700.00</u>
Total Authorized But Not Issued	<u>3,501,000.00</u>	<u>2,073,000.00</u>	<u>835,700.00</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 16,637,373.33</u>	<u>\$ 17,906,734.56</u>	<u>\$ 19,084,520.41</u>

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

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a regulatory net debt of 0.65%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General Debt	\$ 16,637,373.33	\$ -	\$ 16,637,373.33
School Debt	41,578,559.62	41,578,559.62	-
Municipal Utilities Authority	6,205,000.00	6,205,000.00	-
	<u>\$ 64,420,932.95</u>	<u>\$ 47,783,559.62</u>	<u>\$ 16,637,373.33</u>

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS –**  
**REGULATORY BASIS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**(CONTINUED)**

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

Net debt \$16,637,373.33 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$2,557,322,395 = 0.65%.

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

3-1/2% of Equalized Valuation Basis	\$ 89,506,283.83
Net Debt	<u>16,637,373.33</u>
Remaining Borrowing Power	<u>\$ 72,868,910.50</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, 2011, 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 various rates from 3.40% to 3.60% per annum. The balance remaining as of December 31, 2011, is \$4,600,000.00.

\$6,860,000.00 General Improvement Bonds dated July 30, 2009, due in annual installments through July 15, 2019, bearing interest at various rates from 2.50% to 3.75% per annum. The balance remaining as of December 31, 2011, is \$6,040,000.00.

\$4,865,000.00 Refunding Bonds dated October 1, 2009, due in annual installments through October 1, 2013, bearing interest at various rates from 2.00% to 4.00% per annum. The balance remaining as of December 31, 2011, is \$2,170,000.00.

\$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, 2011, is \$20,737.05.

\$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, 2011, is \$305,636.28.

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS –**  
**REGULATORY BASIS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**(CONTINUED)**

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

**Changes in Long-Term Debt**

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

	Outstanding 12/31/10	Issues or Additions	Payments or Expenditures	Outstanding 12/31/11
General Capital Fund:				
Bonds Payable	\$ 15,490,000.00	\$	\$ 2,680,000.00	\$ 12,810,000.00
Green Trust Loans	371,310.90		44,937.57	326,373.33
<b>Total All Funds</b>	<b>\$ 15,861,310.90</b>	<b>\$ -</b>	<b>\$ 2,724,937.57</b>	<b>\$ 13,136,373.33</b>

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

Year Ending December 31	General Capital Fund	
	Principal	Interest
2012	\$ 2,895,840.81	439,549.40
2013	2,785,608.35	336,783.25
2014	2,026,123.08	255,368.52
2015	2,026,648.15	187,643.44
2016	827,183.78	119,907.82
2017 - 2021	2,544,337.80	189,120.17
2022	30,631.36	460.23
	<b>\$ 13,136,373.33</b>	<b>\$ 1,528,832.83</b>

**Refunding Bonds Issued**

On October 1, 2009, the Township issued Refunding Bonds in the amount of \$4,865,000.00 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 \$4,907,000.00 was replaced with the Refunding Issue. The required cash flow for the Bonds for Principal and Interest prior to the refunding was \$5,414,355.00 and the cash flow requirements after the refunding is \$5,202,100.00 resulting in net savings in the amount of \$212,255.00 for a present value savings of \$205,808.00.

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS –**  
**REGULATORY BASIS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**(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, 2011, the Township estimates this liability to be approximately \$1,399,917.20 based on 2011 pay rates and compensated absence balances. The Township has established a reserve in the amount of \$16,089.17 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 it's 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, 2011		Balance December 31, 2010	
Prepaid Taxes - Cash Liability	\$ 431,609.21	\$	358,541.84	



**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS –**  
**REGULATORY BASIS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**(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 6.5% 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 \$528,809.00 for 2011 and was \$398,508.00 for 2010.

For the Police and Firemen's Retirement System, the Township's contribution was \$1,464,237.00 and \$1,279,787.00 for 2011 and 2010 respectively.

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS –**  
**REGULATORY BASIS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**(CONTINUED)**

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

Three Year Trend Information for PERS			
Funding Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2011	\$ 528,809.00	100%	\$ -
12/31/2010	398,508.00	100%	-
12/31/2009	353,814.00	100%	-

Three Year Trend Information for PFRS			
Funding Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2011	\$ 1,464,237.00	100%	\$ -
12/31/2010	1,279,787.00	100%	-
12/31/2009	1,168,629.00	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, 2011, the carrying amount of the Township's deposits was \$12,575,672.25 and the bank balance was \$13,751,114.11. 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, 2011, 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 regulatory 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, 2011, the Township did not have any investments.

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS –**  
**REGULATORY BASIS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**(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 regulatory provision for the assessment of property, levying of taxes and the collection thereof is set forth in N.J.S.A. 54:4 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

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

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 –**  
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**YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**(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>			
	2011	2010	2009
Tax Rate	\$ 2.363	\$ 4.149	\$ 3.973
Apportionment of Tax Rate:			
Municipal	0.740	1.307	1.225
County	0.392	0.644	0.625
Local School	0.817	1.475	1.450
Regional School	0.414	0.723	0.673

<b>Assessed Valuation</b>	
2011	\$ 2,399,494,081
2010	1,314,246,876
2009	1,318,254,766

<b>Comparison of Tax Levies and Collections</b>				
Year		Tax Levy	Collections	Percentage of Collections
2011	\$	56,970,107.22	\$ 55,891,902.03	98.11%
2010		54,775,970.88	53,639,158.21	97.92%
2009		52,672,083.75	51,806,986.55	98.36%

<b>Delinquent Taxes and Tax Title Liens</b>					
Year		Tax Title Liens	Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2011	\$	47,429.22	\$ 829,471.98	\$ 876,901.20	1.54%
2010		30,093.66	663,497.21	693,590.87	1.27%
2009		10,755.37	620,480.60	631,235.97	1.20%

**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:

Year		Amount
2011	\$	3,812,700.00
2010		3,917,800.00
2009		3,918,000.00

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS –**  
**REGULATORY BASIS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**(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	2011	\$ 3,136,898.60	\$ 2,100,000.00	66.95%
	2010	3,065,770.38	2,450,000.00	79.91%
	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%

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

Receivables and payables at December 31, 2011 are as follows:

<u>Amount</u>	<u>Due To</u>	<u>Due From</u>
\$ 283,876.38	Federal and State Grant Fund	Current Fund
500.00	Trust Other Fund	Current Fund
<u>\$ 284,376.38</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 --**  
**REGULATORY BASIS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**(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 that 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, 2011:

	Balance as of December 31, 2010	Additions	Disposals	Balance as of December 31, 2011
Land	\$ 13,112,600.00	\$ 1,617,400.00		\$ 14,730,000.00
Building Improvements	7,473,566.25		75,800.00	7,397,766.25
Machinery & Equipment	16,787,710.80	437,699.51	1,753,427.85	15,471,982.46
<b>Total</b>	<b>\$ 37,373,877.05</b>	<b>\$ 2,055,099.51</b>	<b>\$ 1,829,227.85</b>	<b>\$ 37,599,748.71</b>

**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 solid waste accepted for disposal. No withdrawals may be made from the fund without written approval from the State Department of Environmental Protection and Energy.

At December 31, 2011, it is estimated that the landfills have reached 60% of their 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 –**  
**REGULATORY BASIS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**(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, 2011, the Authority had \$6,205,000.00 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, 2011.

**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:

Year	Other	Contributions	Amount Reimbursed	Ending Balance
2011	\$ 32,611.64	\$ 263,574.11	\$ (7,472.21)	\$ 373,266.24
2010	15,070.52	30,000.00	(42,731.18)	84,552.70
2009		15,000.00	(42,271.16)	82,213.36

**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: SUBSEQUENT EVENTS**

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2011 through May 9, 2012, 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**

Ref.	Current Fund	Federal and State Grant Fund
Balance December 31, 2010	\$ 7,553,797.72	\$ -
Increased By Receipts:		
Tax Collector	\$ 55,535,017.37	\$
Reserve for Garden State Preservation Trust	86,066.00	
Due to State of New Jersey -		
Marriage Licenses	2,780.00	
Permit Surcharge Fees	37,304.00	
Due from State of New Jersey -		
Senior Citizens & Veterans	205,250.00	
Homestead Rebates	610,147.49	
Due to Trust Other	500.00	
Revenue Accounts Receivable	5,648,484.01	
Federal and State Grants Received		1,482,897.43
Matching Funds for Grants		5,600.00
Due from Federal & State Grant Fund	289,421.91	
	62,414,970.78	1,488,497.43
	69,968,768.50	1,488,497.43

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

Ref.	Current Fund	Federal and State Grant Fund
Decreased By Disbursements:		
2011 Appropriations	\$ 21,959,941.02	\$
2010 Appropriation Reserves	524,648.50	
Grant Fund Encumbrances Payable	1,288.99	85,651.56
Accounts Payable	136,742.00	
Reserve for Revaluation	9,355,541.92	
County Taxes	38,440.93	
County Added and Omitted Taxes	19,435,207.00	
Local District School Tax	9,797,266.29	
Regional School District Taxes		
Due to State of New Jersey -		
Marriage Licenses	3,860.00	
Burial Permits	5.00	
Permit Surcharge Fees	33,376.00	289,421.91
Due to Current Fund	21,438.15	
Refund of Prior Year Revenue		1,113,423.96
Federal and State Grant Expenditures		
	<u>61,307,755.80</u>	<u>1,488,497.43</u>
	\$ <u>8,661,012.70</u>	\$ <u>-</u>
Balance December 31, 2011		

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

Balance December 31, 2010	<u>Ref.</u> A	\$ 78,985.00
Increased By Receipts:		
Taxes Receivable	\$ 54,933,129.96	
Interest and Cost on Taxes	134,127.44	
Tax Title Liens	31,625.15	
Miscellaneous Revenue Not Anticipated	4,525.61	
Tax Premiums Received	23,601.00	
Prepaid Taxes	431,609.21	
		<u>55,558,618.37</u>
		55,637,603.37
Decreased By Disbursements:		
Payment to Treasurer	55,535,017.37	
Tax Premiums Refunded	79,637.00	
		<u>55,614,654.37</u>
Balance December 31, 2011	A	\$ <u><u>22,949.00</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		400.00
	\$	<u>1,025.00</u>

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

Year	Balance Dec. 31, 2010	2011 Levy	Added Taxes	2010 Collections	2011 Collections	Adjustments	Transferred To Tax Title Liens	Balance Dec. 31, 2011
Arrears \$	6,474.31	\$	\$	\$	5,981.64	1,980.84	\$	2,473.51
2009	250.00			(121,240.36)	(121,490.36)	(121,490.36)		-
2010	656,772.90			341,425.98	341,425.98	(286,824.73)	28,522.19	2,473.51
	663,497.21			226,167.26	226,167.26	(406,334.25)	28,522.19	826,998.47
2011		56,700,562.20	269,545.02	358,541.84	55,533,360.19	(230,768.20)	20,438.52	829,471.98
		<u>56,700,562.20</u>	<u>269,545.02</u>	<u>358,541.84</u>	<u>55,759,527.45</u>	<u>(637,102.45)</u>	<u>48,960.71</u>	<u>\$</u>
Ref.								<u>A</u>

\$ 54,933,129.96 Cash Receipts  
610,147.49 Homestead Rebates  
216,250.00 Senior Citizens and Veterans  
\$ 55,759,527.45

\$ 56,700,562.20  
269,545.02  
\$ 56,970,107.22

Analysis of 2011 Property Tax Levy  
Tax Yield:  
General Property Tax  
Added Taxes (54:4-63.1 et seq.)

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

\$ 19,608,987.00  
9,952,018.09  
9,355,541.92  
44,474.23  
\$ 17,774,078.71  
235,007.27  
18,009,085.98  
\$ 56,970,107.22

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

Balance December 31, 2010	<u>Ref.</u> A		\$	30,093.66
Increased By:				
Transfers from Taxes Receivable		\$	<u>48,960.71</u>	<u>48,960.71</u>
				79,054.37
Decreased By:				
Liens Redeemed		\$	<u>31,625.15</u>	<u>31,625.15</u>
Balance December 31, 2011			\$	<u><u>47,429.22</u></u>

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

Ref.	Balance Dec. 31, 2010	Accrued In 2011	Collected	Balance Dec. 31, 2011
<u>Miscellaneous Revenue Anticipated:</u>				
Municipal Court	\$ 55,275.96	\$ 758,119.32	\$ 768,752.58	\$ 44,642.70
Interest on Taxes		134,127.44	134,127.44	-
Energy Receipts Tax		2,754,977.00	2,754,977.00	-
Alcoholic Beverage Licenses		30,678.26	30,678.26	-
Fees and Permits		121,382.05	121,382.05	-
Interest on Investments		8,136.37	8,136.37	-
Uniform Construction Code Fees		510,845.00	510,845.00	-
Uniform Fire Code		145,257.65	145,257.65	-
Reserve for Garden State Trust PILOT Funds		86,066.00	86,066.00	-
Hamilton Township MUA Surplus NJSA 40A:5A-12.1		250,000.00	250,000.00	-
Reserve to Pay Debt Service		27,576.34	27,576.34	-
		1,035,404.37	1,035,404.37	-
Miscellaneous Revenue Not Anticipated				
	\$ 55,275.96	\$ 5,862,569.80	\$ 5,873,203.06	\$ 44,642.70
TOTALS	A		A-4	A
Ref.				
Treasurer Cash Collected			\$ 5,648,484.01	
Reserve for Garden State Trust PILOT Funds			86,066.00	
Tax Collector Cash Collected			138,653.05	
			\$ 5,873,203.06	

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

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Township Committee				
Salaries and Wages	\$ 6,510.10	\$ 6,510.10		\$ 6,510.10
Other Expenses	1,365.00	1,365.00	56.00	1,309.00
Township Administrator				
Salaries and Wages	1,836.49	1,836.49		1,836.49
Other Expenses	11,504.28	11,504.28	5,342.41	6,161.87
Human Resources				
Salaries and Wages	291.53	291.53		291.53
Other Expenses	2,741.70	2,741.70	1,125.71	1,615.99
Municipal Clerks Office				
Salaries and Wages	3,197.70	3,197.70		3,197.70
Other Expenses	17,736.53	17,736.53	3,502.94	14,233.59
Financial Administration				
Salaries and Wages	4,525.78	4,525.78		4,525.78
Annual Audit	1,200.00	1,200.00		1,200.00
Miscellaneous Other Expenses	5,638.93	5,638.93	2,436.19	3,202.74
Assessment of Taxes				
Salaries and Wages	579.72	579.72		579.72
Other Expenses	11,091.54	11,091.54	2,570.92	8,520.62
Collection of Taxes				
Salaries and Wages	1,462.70	1,462.70		1,462.70
Other Expenses	5,670.75	5,670.75	3,887.06	1,783.69
Legal Services and Costs				
Special Counsel	20,656.34	20,656.34	13,195.00	7,461.34
Other Expenses - Miscellaneous	14,347.78	12,247.78	10,813.24	1,434.54
Engineering Services and Costs				
Other Expenses - Miscellaneous	14,273.25	16,373.25	8,790.50	7,582.75
Planning Board				
Salaries and Wages	444.30	444.30		444.30
Other Expenses	64,851.46	64,851.46	1,539.59	63,311.87
Board of Adjustments				
Salaries and Wages	21,389.31	21,389.31		21,389.31
Other Expenses	2,523.30	2,523.30	1,163.95	1,359.35
Environmental Commission				
Salaries and Wages	30.00	30.00		30.00
Other Expenses	644.00	644.00		644.00
Industrial Commission (N.J.S.A. 40:55-3)				
Other Expenses	5,092.29	5,092.29	3,312.15	1,780.14
Management Information Systems				
Salaries and Wages	318.17	318.17		318.17
Other Expenses	36,358.86	36,358.86	29,928.66	6,430.20
Fire Department				
Other Expenses:				
Aid to Volunteer Fire Company	22,088.73	22,088.73	15,266.00	6,822.73
Police and Traffic Control				
Salaries and Wages	8,512.89	8,512.89		8,512.89
Other Expenses	244,222.25	244,222.25	125,046.23	119,176.02
Ambulance Aid and Maintenance				
Other Expenses	7,838.16	7,838.16	2,659.02	5,179.14
Uniform Fire and Safety Act (PL 983, C. 393)				
Salaries and Wages	5,082.38	5,082.38		5,082.38
Other Expenses	4,703.57	4,703.57	891.73	3,811.84



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

	Balance Dec. 31, 2010	Balance After Transfers	Paid or Charged	Balance Lapsed
Office of Emergency Management				
Salaries and Wages	\$ 53.08	\$ 53.08		\$ 53.08
Other Expenses	3,312.12	3,312.12	2,818.47	493.65
Road Repair and Maintenance				
Salaries and Wages	51,186.82	51,186.82		51,186.82
Other Expenses	152,025.31	152,025.31	106,304.74	45,720.57
Solid Waste Collection	277,148.65	277,148.65	75,384.69	201,763.96
Street Lighting				
Other Expenses	13,148.29	22,948.29	22,210.75	737.54
Registrar of Vital Statistics				
Salaries and Wages	56.22	56.22		56.22
Other Expenses	302.48	302.48		302.48
Municipal Court				
Salaries and Wages	25,523.09	25,523.09		25,523.09
Other Expenses	17,201.74	17,201.74	2,654.69	14,547.05
Public Defender				
Salaries and Wages	15,000.00	15,000.00		15,000.00
Community Education / Recreation				
Salaries and Wages	260.67	260.67		260.67
Other Expenses	8,491.40	8,491.40		8,491.40
Social Services				
Salaries and Wages	2,298.19	2,298.19		2,298.19
Other Expenses	1,918.64	1,918.64	58.30	1,860.34
Historical Advisory Board				
Salaries and Wages	61.10	61.10		61.10
Other Expenses	4,734.69	4,734.69		4,734.69
Veteran's Advisory Board				
Salaries and Wages	30.00	30.00		30.00
Other Expenses	1,311.78	1,311.78	100.00	1,211.78
Construction Code Official				
Salaries and Wages	2,297.46	2,297.46		2,297.46
Other Expenses	9,954.99	9,954.99	1,667.95	8,287.04
Utilities	119,675.48	109,875.48	48,587.66	61,287.82
Contribution to Snow Reserve	18,607.13	18,607.13	18,607.13	-
Postage	0.86	0.86		0.86
Social Security	18,637.62	18,637.62	553.72	18,083.90
DCRP	25.66	25.66		25.66
Disability Insurance	1,489.38	1,489.38		1,489.38
Contingent	23,796.20	23,796.20		23,796.20
LOSAP	1,600.00	1,600.00		1,600.00
Insurance				
Liability Insurance	1,196.75	1,196.75		1,196.75
Group Insurance	130,323.29	130,323.29	14,173.10	116,150.19
Workers Compensation Insurance	1,399.25	1,399.25		1,399.25
<b>TOTALS</b>	<b>\$ 1,451,798.13</b>	<b>\$ 1,451,798.13</b>	<b>\$ 524,648.50</b>	<b>\$ 927,149.63</b>
Ref.	A			A-1

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

<u>Purpose</u>	Balance Dec. 31, 2010	Anticipated Revenues	Received	Cancelled	Balance Dec. 31, 2011
Safe and Secure Communities Grant	\$ 147,575.00	\$ 56,762.00	\$ 56,762.00	\$ -	147,575.00
Green Acres Program Grant		5,000.00			5,000.00
NJHS Holiday Drive Sober		300,000.00	37,312.25		262,687.75
Cars - E Grant Program	330,000.00	289,641.00	225,051.75		394,589.25
NJ Department of Transportation - 2009	55,177.00	55,177.00	55,177.00		55,177.00
Neighborhood Crime Prevention & Intervention	34,466.00	426,003.00	426,003.00		34,466.00
Hazardous Discharge Site Remediation		56,553.60	56,553.60		-
Clean Communities Program	22,400.00	22,400.00	17,200.66		27,599.34
Municipal Alliance on Alcoholism and Drug Abuse		2,379.00	2,379.00		-
Bulletproof Vest Partnership		4,675.17	4,675.17		-
Body Armor		10,655.00	10,655.00		-
Justice Assistant Grant	33,437.16	42,997.21			76,434.37
NJ Highway Traffic Safety Grant	321,372.00	353,008.00	586,128.00		88,252.00
ARRA COPS Hiring Recovery Program					
Neighborhood Crime Prevention & Intervention		5,000.00	5,000.00		5,000.00
Emergency Management	568,750.00				568,750.00
Atlantic County Open Space Grant					
<b>TOTALS</b>	<u>\$ 1,518,177.16</u>	<u>\$ 1,630,250.98</u>	<u>\$ 1,482,897.43</u>	<u>\$ -</u>	<u>\$ 1,665,530.71</u>

Ref.

A-13

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

<u>Purpose</u>	<u>Balance Dec. 31, 2010</u>	<u>Received</u>	<u>Anticipated Revenues</u>	<u>Balance Dec. 31, 2011</u>
State: Bulletproof Vest Partnership Grant	\$ 2,568.96 \$	\$	2,568.96 \$	-
Federal: Justice Assistance Grant	-			-
Other: None				
<b>TOTALS</b>	<u>\$ 2,568.96 \$</u>	<u>- \$</u>	<u>2,568.96 \$</u>	<u>-</u>
Ref.	A			A

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

Purpose	Balance	Budget	Expended	Cancelled	Balance
	Dec. 31, 2010	Appropriations			Dec. 31, 2011
Drunk Driving Enforcement Fund	\$ 33,485.03	\$	\$ 21,444.91	\$	12,040.12
Cars - E Grant Program	34,466.00	300,000.00	274,825.00		25,175.00
Hazardous Discharge Site Remediation		426,003.00	426,003.00		34,466.00
ARRA COPS Hiring Recovery Program		353,008.00	315,930.27		37,077.73
Green Acres Program Grant	147,575.00				147,575.00
Body Armor Fund	13,895.55	4,675.17	5,180.50		13,390.22
NJHS Holiday Drive Sober		5,000.00	2,600.00		2,400.00
Safe and Secure Communities Grant	20,836.56	56,762.00	20,836.56		56,762.00
Clean Communities Program	117,972.29	56,553.60	14,377.39		160,148.50
Municipal Alliance on Alcoholism and Drug Abuse	18,251.92	28,000.00	9,428.82		36,823.10
Emergency Management	5,000.00	5,000.00			10,000.00
NJ Department of Transportation	300,611.85	289,641.00	362,034.00		228,218.85
Neighborhood Crime Prevention & Intervention	55,177.00	55,177.00	55,177.00		55,177.00
Working Group for Homeland Security (Canine)	0.43				0.43
Justice Assistance Grant		10,655.00	10,655.00		
Coastal Grant	12,702.50				12,702.50
NJ Highway Traffic Safety Grant	95,473.67	42,997.21	115,769.67		22,701.21
Bulletproof Vest Partnership	213.31	4,947.96	422.50		4,738.77
Atlantic County Open Space Grant	568,750.00				568,750.00
<b>TOTALS</b>	<b>\$ 1,424,411.11</b>	<b>\$ 1,638,419.94</b>	<b>\$ 1,634,684.62</b>	<b>\$ -</b>	<b>\$ 1,428,146.43</b>
Ref.	A			A-11	A
		Cash Disbursed	\$ 1,113,423.96	A-4	
		Encumbered	521,260.66	A	
			<u>1,634,684.62</u>		

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

Balance December 31, 2010	<u>Ref.</u> A		\$	3,917,800.00
Increased By:				
None		\$ _____		-
				<u>3,917,800.00</u>
Decreased By:				
Sale of Property		<u>105,100.00</u>		<u>105,100.00</u>
Balance December 31, 2011	A		\$	<u><u>3,812,700.00</u></u>

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

Balance December 31, 2010 - Due to	<u>Ref.</u> A		\$	(2,450.71)
Increased By:				
Deductions per Tax Duplicate		\$ 205,000.00		
Current Year Deductions Allowed by Collector		11,250.00		
		<u>216,250.00</u>		<u>213,799.29</u>
Decreased By:				
Cash Receipts		205,250.00		
Current Year Deductions Dis-allowed by Collector		4,750.00		
Prior Year Deductions Dis-allowed by Collector		<u>3,250.00</u>		<u>213,250.00</u>
Balance December 31, 2011 - Due from	A		\$	<u><u>549.29</u></u>

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

Balance December 31, 2010	<u>Ref.</u> A		\$ 358,541.84
Increased By:			
Cash Receipts		\$ <u>431,609.21</u>	<u>431,609.21</u>
			790,151.05
Decreased By:			
Applied to Current Taxes		<u>358,541.84</u>	<u>358,541.84</u>
Balance December 31, 2011	A		\$ <u><u>431,609.21</u></u>

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

Balance December 31, 2010	<u>Ref.</u> A		\$ -
Increased By:			
Cash Receipts		\$ _____	<u>-</u>
			-
Decreased By:			
Cash Disbursements		_____	<u>-</u>
Balance December 31, 2011	A		\$ <u><u>-</u></u>

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

	<u>Ref.</u>		
Balance December 31, 2010	A		\$ -
Increased By:			
General County Tax		\$ 7,942,753.87	
Library Tax		794,494.19	
Local Health Services Tax		487,838.30	
County Open Space Tax		<u>130,455.56</u>	
			<u>9,355,541.92</u>
			9,355,541.92
Decreased By:			
Cash Disbursed		<u>9,355,541.92</u>	
			<u>9,355,541.92</u>
Balance December 31, 2011	A		\$ <u><u>-</u></u>

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

	<u>Ref.</u>		
Balance December 31, 2010	A		\$ 38,440.93
Increased By:			
County Share of Levy		\$ <u>44,474.23</u>	
			<u>44,474.23</u>
			82,915.16
Decreased By:			
Cash Disbursed		<u>38,440.93</u>	
			<u>38,440.93</u>
Balance December 31, 2011	A		\$ <u><u>44,474.23</u></u>

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

	<u>Ref.</u>		
Balance December 31, 2010			
Deferred School Tax		\$ 6,774,537.98	
School Tax Payable	A	1,713,310.98	
			\$ 8,487,848.96
Increased By:			
School Tax Levy		19,608,987.00	
			19,608,987.00
			19,608,987.00
Decreased By:			
Cash Disbursed		19,435,207.00	
			19,435,207.00
Balance December 31, 2011			
Deferred School Tax		6,774,537.98	
School Tax Payable	A	1,887,090.98	
			\$ 8,661,628.96
 <u>Analysis of Liability</u>			
Tax Paid			\$ 19,435,207.00
Tax Payable December 31, 2011			1,887,090.98
			21,322,297.98
Tax Payable December 31, 2010			(1,713,310.98)
Amount Charged to Operations			\$ 19,608,987.00



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

	<u>Ref.</u>		
Balance December 31, 2010			
Deferred School Tax		\$ 2,213,985.70	
School Tax Payable	A	1,244,733.60	
			\$ 3,458,719.30
Increased By:			
School Tax Levy		9,952,018.09	
			9,952,018.09
			9,952,018.09
Decreased By:			
Cash Disbursed		9,797,266.29	
			9,797,266.29
Balance December 31, 2011			
Deferred School Tax		2,213,985.70	
School Tax Payable	A	1,399,485.40	
			\$ 3,613,471.10
 <u>Analysis of Liability</u>			
Tax Paid			\$ 9,797,266.29
Tax Payable December 31, 2011			1,399,485.40
			11,196,751.69
Tax Payable December 31, 2010			(1,244,733.60)
Amount Charged to Operations			\$ 9,952,018.09

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

Balance December 31, 2010	<u>Ref.</u> A	\$	78,985.00
Increased By:			
Cash Receipts		\$	23,601.00
			<u>23,601.00</u>
			102,586.00
Decreased By:			
Cash Disbursed			79,637.00
			<u>79,637.00</u>
Balance December 31, 2011	A	\$	<u><u>22,949.00</u></u>

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

Balance December 31, 2010	<u>Ref.</u> A	\$	86,066.00
Increased By:			
Cash Receipts		\$	86,066.00
			<u>86,066.00</u>
			172,132.00
Decreased By:			
Anticipated as Revenue			86,066.00
			<u>86,066.00</u>
Balance December 31, 2011	A	\$	<u><u>86,066.00</u></u>

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

Balance December 31, 2010	<u>Ref.</u> A		\$	1,305.15
Increased By:				
None		\$ -		-
				1,305.15
Decreased By:				
Cancelled		16.16		
Cash Disbursed		1,288.99		
				1,305.15
Balance December 31, 2011	A		\$	-

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

Balance December 31, 2010	<u>Ref.</u> A		\$	1,025.00
Increased By:				
Cash Receipts		\$ 2,780.00		2,780.00
				3,805.00
Decreased By:				
Cash Disbursed		3,860.00		
				3,860.00
Balance December 31, 2011	A		\$	(55.00)

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

Balance December 31, 2010	<u>Ref.</u> A		\$	-
Increased By:				
None		\$		-
				-
Decreased By:				
None				
				-
Balance December 31, 2011	A		\$	-

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

Balance December 31, 2010	<u>Ref.</u> A		\$	4,989.00
Increased By:				
Cash Receipts		\$		37,304.00
				37,304.00
				42,293.00
Decreased By:				
Cash Disbursed				
				33,376.00
Balance December 31, 2011	A		\$	8,917.00

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

Balance December 31, 2010	<u>Ref.</u> A	\$	5,545.53
Increased By:			
None		\$ _____	-
			5,545.53
Decreased By:			
Cash Disbursed		289,421.91	289,421.91
Balance December 31, 2011	A	\$	(283,876.38)

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

Balance December 31, 2010	<u>Ref.</u> B		\$	16,900.40
Increased By Receipts:				
Dog Licenses Fees		\$		6,136.40
State License Fees				1,800.60
Cat License Fees				<u>1,182.00</u>
				<u>9,119.00</u>
				26,019.40
Decreased By Disbursements:				
State of New Jersey				1,796.40
Animal Control Expenditures				5,639.17
Due to Current Fund				<u>1,708.03</u>
				<u>9,143.60</u>
Balance December 31, 2011	B		\$	<u><u>16,875.80</u></u>

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

	<u>Ref.</u>		
Balance December 31, 2010	B		\$ 2,321,845.04
Increased By Receipts:			
Reserve for Off-Duty Police		\$ 179,078.97	
Off-Duty Police Fees Receivable		11,246.33	
Reserve for Law Enforcement Fund		18,616.09	
Payroll Deductions Payable		11,974,867.73	
Reserve for Small Cities Grant Fund		12,610.00	
Reserve for CDBG Trust Fund		20,991.93	
Reserve for Miscellaneous Trust Funds		868,922.83	
Reserve for Miscellaneous Trust Fund Escrows		<u>24,906.98</u>	
			<u>13,111,240.86</u>
			15,433,085.90
Decreased By Disbursements:			
Reserve for Off-Duty Police		177,281.04	
Payroll Deductions Payable		12,009,210.32	
Reserve for Law Enforcement Fund		19,756.98	
Reserve for Small Cities Grant Fund		22,522.00	
Reserve for CDBG		-	
Due from Current Fund		500.00	
Reserve for Miscellaneous Trust Funds		626,705.36	
Reserve for Miscellaneous Trust Fund Escrows		<u>4,204.69</u>	
			<u>12,860,180.39</u>
Balance December 31, 2011	B		\$ <u><u>2,572,905.51</u></u>

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

Balance December 31, 2010	<u>Ref.</u> B		\$	16,900.40
Increased By:				
Dog Licenses Fees Collected		\$		6,136.40
Other Fees Collected				<u>1,182.00</u>
				<u>7,318.40</u>
				24,218.80
Decreased By:				
Statutory Excess Due to Current Fund				1,708.03
Animal Control Expenditures				<u>5,639.17</u>
				<u>7,347.20</u>
Balance December 31, 2011	B		\$	<u><u>16,871.60</u></u>

License Fees Collected

	<u>Year</u>		
2010	\$		10,163.00
2009			<u>9,640.20</u>
	\$		<u><u>19,803.20</u></u>



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

Balance December 31, 2010	<u>Ref.</u> B	\$	-
Increased By:			
Statutory Excess		\$	<u>1,708.03</u>
			<u>1,708.03</u>
			1,708.03
Decreased By:			
Paid to Current Fund			<u>1,708.03</u>
			<u>1,708.03</u>
			1,708.03
Balance December 31, 2011	B	\$	<u><u>-</u></u>

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

Balance December 31, 2010	<u>Ref.</u> B	\$	-
Increased By:			
Collected		\$	<u>1,800.60</u>
			<u>1,800.60</u>
			1,800.60
Decreased By:			
Paid to State of New Jersey			<u>1,796.40</u>
			<u>1,796.40</u>
			1,796.40
Balance December 31, 2011	B	\$	<u><u>4.20</u></u>

Exhibit B-6

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

Balance December 31, 2010	<u>Ref.</u> B	\$ 31,807.53
Increased By Receipts:		
Deposits for Redemptions of Tax Sale Certificates	\$ <u>447,715.34</u>	<u>447,715.34</u>
		<u>479,522.87</u>
Decreased By Disbursements:		
Tax Sale Certificates Redeemed	<u>462,479.85</u>	<u>462,479.85</u>
Balance December 31, 2011	B	\$ <u><u>17,043.02</u></u>

Exhibit B-7

**SCHEDULE OF CDBG TRUST FUND RECEIVABLE**

Balance December 31, 2010	<u>Ref.</u> B	\$ -
Increased By:		
None	\$ _____	<u>-</u>
		<u>-</u>
Decreased By:		
Disbursements	_____	<u>-</u>
		<u>-</u>
Balance December 31, 2011	B	\$ <u><u>-</u></u>

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

Balance December 31, 2010	<u>Ref.</u> B	\$ 79,653.06
Increased By:		
Receipts	\$ <u>12,610.00</u>	<u>12,610.00</u>
		92,263.06
Decreased By:		
Disbursements	<u>22,522.00</u>	<u>22,522.00</u>
Balance December 31, 2011	B	<u>\$ 69,741.06</u>

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

Balance December 31, 2010	<u>Ref.</u> B	\$ 30,417.38
Increased By:		
Forfeitures	\$ <u>18,616.09</u>	<u>18,616.09</u>
		49,033.47
Decreased By:		
Cash Disbursed	<u>19,756.98</u>	<u>19,756.98</u>
Balance December 31, 2011	B	<u>\$ 29,276.49</u>

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

Balance December 31, 2010	<u>Ref.</u> B		\$	-
Increased By:				
Receipts		\$ 20,991.93		
				<u>20,991.93</u>
				<u>20,991.93</u>
Decreased By:				
Disbursements		_____		-
Balance December 31, 2011	B		\$	<u><u>20,991.93</u></u>

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

Balance December 31, 2010	<u>Ref.</u> B		\$	11,246.33
Increased By:				
None		\$ -		
				<u>-</u>
				<u>11,246.33</u>
Decreased By:				
Receipts		<u>11,246.33</u>		<u>11,246.33</u>
Balance December 31, 2011	B		\$	<u><u>-</u></u>

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

Balance December 31, 2010	<u>Ref.</u> B	\$	-
Increased By Receipts:			
Charges for Off-Duty Police Services		\$	<u>179,078.97</u>
			<u>179,078.97</u>
			179,078.97
Decreased By Disbursements:			
Disbursements			<u>177,281.04</u>
			177,281.04
Balance December 31, 2011	B	\$	<u><u>1,797.93</u></u>

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

Balance December 31, 2010	<u>Ref.</u> B	\$	-
Increased By:			
None		\$	<u>                    </u>
			<u>                    </u>
			-
Decreased By:			
None			<u>                    </u>
			<u>                    </u>
			-
Balance December 31, 2011	B	\$	<u><u>                    </u></u>

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

	Balance December 31, 2010	Receipts	Disbursements	Balance December 31, 2011
	\$			
Social Security - Medicare Tax		1,208,788.43	1,208,788.43	-
Net Pay		6,021,747.74	6,021,747.74	-
Federal Withholding Tax		1,210,888.50	1,210,888.50	-
State Income Tax		297,297.39	297,297.39	-
Unemployment Compensation	18,134.45	52,085.14	69,359.92	859.67
PERS	22,416.58	747,270.76	748,440.41	21,246.93
PFRS	39,426.54	1,852,045.38	1,855,861.95	35,609.97
PERS - Contributory Insurance	1,732.97	19,439.94	19,631.62	1,541.29
PERS - Loan	2,923.15	51,008.07	51,090.74	2,840.48
PFRS - Loan	7,094.01	108,544.19	106,108.40	9,529.80
Deferred Compensation Plan - VALIC		140,634.84	140,634.84	-
FSA 125	2,519.45	10,575.44	13,094.89	-
Life Insurance - Colonial	135.88	1,630.56	1,766.44	-
AFLAC	2,884.78	26,110.97	28,995.75	-
Colonial 125	125.28	896.36	1,021.64	-
Dental - Vision		96,376.77	96,376.77	-
Support		53,880.00	53,880.00	-
Wage Attachments		4,349.67	4,349.67	-
Titan Athletic Club	540.84	1,363.34	1,904.18	-
DCRP		6,065.47	6,065.47	-
PBA Dues	3,810.40	36,432.00	40,242.40	-
Teamster Dues	2,599.50	26,770.00	29,369.50	-
PAC Dues	36.00	348.00	384.00	-
Payroll Agency 2003	1,833.04	318.77	1,909.67	242.14
	<u>\$ 106,212.87</u>	<u>\$ 11,974,867.73</u>	<u>\$ 12,009,210.32</u>	<u>\$ 71,870.28</u>

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

	Balance December 31, 2010	Miscellaneous	Disbursements	Balance December 31, 2011
Reserves for:				
Public Defender	\$ 5,315.53	\$ 51,700.00	\$ 35,241.68	\$ 21,773.85
Parking Offenses Adjudication Act	730.62	116.00		846.62
Police Donations	8,713.92	7,207.45	11,421.25	4,500.12
Snow Removal	815.47	72,952.72	717.96	73,050.23
Developer's Escrow	542,149.33	342,002.97	357,483.20	526,669.10
Recycling	68,756.62	13,894.06	3,039.59	79,611.09
Fire Penalty Fees	20,091.00	500.00		20,591.00
Street Opening Deposits	20,451.49	11,400.00	9,825.00	22,026.49
Accumulated Absences	40,678.95	40,000.00	64,589.88	16,089.07
Unemployment Compensation	84,552.70	296,185.75	7,472.21	373,266.24
Affordable Housing	485,908.33	13,680.88	119,526.30	380,062.91
Recreation Fund	79,696.35	19,283.00	17,388.29	81,591.06
	<u>\$ 1,357,860.31</u>	<u>\$ 868,922.83</u>	<u>\$ 626,705.36</u>	<u>\$ 1,600,077.78</u>

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

	Balance December 31, 2010	Receipts	Disbursements	Balance December 31, 2011
Reserve for Offsite Improvements	\$ 714,730.20	\$ 24,906.98	\$ 111.00	\$ 739,526.18
Reserve for Landfill Closure	4,361.26			4,361.26
Fire Suppression System	39,856.29		4,093.69	35,762.60
Reserve for Redemption of Tax Sale Certificates	31,807.53	447,715.34	462,479.85	17,043.02
	<u>\$ 790,755.28</u>	<u>\$ 472,622.32</u>	<u>\$ 466,684.54</u>	<u>\$ 796,693.06</u>
Tax Collector	\$	447,715.34	\$ 462,479.85	
Treasurer	\$	24,906.98	4,204.69	
	<u>\$</u>	<u>\$ 472,622.32</u>	<u>\$ 466,684.54</u>	



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

Balance December 31, 2010	<u>Ref.</u> C		\$ 2,383,589.43
Increased By Receipts:			
Budget Appropriation:			
Capital Improvement Fund		75,000.00	
		75,000.00	2,458,589.43
Decreased By Disbursements:			
Improvement Authorizations		319,311.60	
Contracts and Encumbrances Payable		827,840.27	
Reserve for Payment of Serial Bond		27,576.34	
		1,174,728.21	1,283,861.22
Balance December 31, 2011	C		\$ <u><u>1,283,861.22</u></u>

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

	Receipts			Disbursements			Transfers		Balance Dec. 31, 2011
	Balance Dec. 31, 2010	Bonds Issued	Misc.	Improvement Authorizations	Misc.	From	To		
Fund Balance	\$ 286,852.57	\$	\$	\$	\$	\$ 288,550.04	\$ 1,697.47	\$ 0.00	3,887.89
Capital Improvement Fund	9,337.85		75,000.00		276,770.55	80,449.96	49,661.53	49,661.53	49,661.53
Reserve for Encumbrances	276,770.55				27,576.34				
Reserve for Payment of Bonds	27,576.34				488,475.60				
Contracts Payable	551,069.72								448,541.23
<u>Improvement Authorizations</u>									
Ord.									
Number									
1403-01 Various Capital Improvements	34,084.32								34,084.32
1433-02 Various Capital Improvements	103,226.76			53,226.76					50,000.00
1462-03 Various Capital Improvements	35,068.85			35,068.85					3,552.98
1463-03 General Recreational Improvements				(3,552.98)					278,495.65
1531-05 Main Street Road Improvements	278,495.65								168,780.22
1607-07 Various Capital Improvements	170,679.28					1,899.06			15.00
1625-08 Various Capital Improvements	92,331.87			90,619.40		1,697.47			182,238.63
1631-08 Road Improvement Program 2008	185,743.33			3,504.70					(309,886.66)
1649-09 Various Capital Improvements	74,003.21			186,993.37		196,896.50			520,470.07
1671-10 2010 Road Improvement Program	459,245.07			(75,102.40)		13,877.40			(462,671.16)
1672-10 Various Capital Improvements	(200,895.94)			57,679.69		204,095.53			19,691.52
1693-11 Various Capital Improvements				33,468.33		18,840.15		72,000.00	
1710-11 Acquisition of Computer Software and Hardware - Public Safety Department								297,000.00	
	\$ 2,383,589.43	\$ -	\$ 75,000.00	\$ 381,905.72	\$ 792,822.49	\$ 806,306.11	\$ 806,306.11	\$ 1,283,861.22	\$ 1,283,861.22

Ref.

Exhibit C-4

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

Balance December 31, 2010	<u>Ref.</u> C	\$ 9,337.85
Increased By:		
Current Fund Budget Appropriation	\$ 75,000.00	
		<u>75,000.00</u>
		84,337.85
Decreased By:		
Appropriated to Finance Improvement Authorizations	80,449.96	
		<u>80,449.96</u>
Balance December 31, 2011	C	\$ <u><u>3,887.89</u></u>

Exhibit C-5

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

Balance December 31, 2010	<u>Ref.</u> C	\$ 15,861,310.90
Increased By:		
None	\$ -	
		<u>-</u>
		15,861,310.90
Decreased By:		
2010 Budget Appropriation to Pay Bonds	2,680,000.00	
2010 Budget Appropriation to Pay Green Trust Loans	44,937.57	
		<u>2,724,937.57</u>
Balance December 31, 2011	C	\$ <u><u>13,136,373.33</u></u>

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

Ord. Number	Improvement Description	Balance Dec. 31, 2010	2011 Authorizations	Balance Dec. 31, 2011	Analysis of Balance		
					Bond Anticipation Note	Expenditures	Unexpended Improvement Authorization
1649-09	Various Capital Improvements	\$ 645,000.00	\$	\$ 645,000.00	\$ 309,886.66	\$ 335,113.34	
1672-10	Various Capital Improvements	1,428,000.00	1,428,000.00	1,428,000.00	462,671.16	965,328.84	
1693-11	Various Capital Improvements		1,428,000.00	1,428,000.00		1,428,000.00	
		<u>\$ 2,073,000.00</u>	<u>\$ 1,428,000.00</u>	<u>\$ 3,501,000.00</u>	<u>\$ 772,557.82</u>	<u>\$ 2,728,442.18</u>	
						C	

Ref.

Improvement Authorization - Unfunded \$ 2,728,442.18  
 Less: Unexpended Proceeds of Bond Anticipation Notes: None  
\$ 2,728,442.18

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

Ord. Number	Improvement Description	Ord. Date	Amount	Balance December 31, 2010		Funded	Deferred Charges to Future Taxation	Paid or Charged	Cancelled	Balance December 31, 2011	
				Funded	Unfunded					Funded	Unfunded
<b>General Improvements</b>											
1403-01	Various Capital Improvements: Landfill Closure	7/16/2001	\$ 100,000	\$ 34,084.32	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,084.32	\$ -
1433-02	Various Capital Improvements: Department of Public Works Projects Landfill Closure	8/19/2002 8/19/2002	173,000 50,000	53,226.76 50,000.00	-	-	-	53,226.76	-	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	-	-	-	-	(3,552.98)	-	3,552.98	-
1531-05	Main Street Road Improvements	6/20/2005	1,100,000	278,495.65	-	-	-	278,495.65	-	-	-
1607-07	Various Capital Improvements	2007	1,548,300	170,679.28	-	-	-	1,899.06	-	-	-
1625-08	Various Capital Improvements	5/19/2008	1,500,000	92,331.87	-	-	-	90,619.40	1,697.47	15.00	-
1631-08	Road Improvement Program 2008	9/2/2008	367,238	185,743.33	-	-	-	3,504.70	-	-	335,113.34
1649-09	Various Capital Improvements	6/1/2009	1,500,000	459,245.07	719,003.21	-	-	383,899.87	-	520,470.07	-
1671-10	2010 Road Improvement Program	6/21/2010	688,745	-	-	-	-	(61,225.00)	-	-	965,328.84
1672-10	Various Capital Improvements	6/21/2010	1,500,000	1,227,104.06	-	-	-	261,775.22	-	19,691.52	1,428,000.00
1693-11	Various Capital Improvements	7/11/2011	1,500,000	-	-	72,000.00	1,428,000.00	52,308.48	-	-	-
1710-11	Acquisition of Computer Software and Hardware - Public Safety Department	12/5/2011	297,000	-	-	297,000.00	-	-	-	297,000.00	-
				<b>\$ 1,358,875.13</b>	<b>\$ 1,946,107.27</b>	<b>\$ 369,000.00</b>	<b>\$ 1,428,000.00</b>	<b>\$ 817,514.36</b>	<b>\$ 1,697.47</b>	<b>\$ 1,554,328.39</b>	<b>\$ 2,728,442.18</b>
				C	C	C	C	C	C	C	C
				Capital Improvement Fund	\$ 80,449.96	Encumbered	\$ 498,202.76				
				Fund Balance	288,550.04	Cash Disbursed	319,311.60				
					<u>369,000.00</u>		<u>817,514.36</u>				

Ref.

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

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds				Balance Dec. 31, 2011
			Date	Outstanding Dec. 31, 2011 Amount	Interest Rate	Balance Dec. 31, 2010	
2005 General Improvements	8/15/2005	\$ 8,730,000	8/15/2012	\$ 1,000,000.00	3.500%	\$ 5,500,000.00	\$ 4,600,000.00
			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	7/15/2012	470,000.00	2.500%	6,460,000.00	6,040,000.00
			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%		
2009 Refunding Bonds	10/1/2009	4,865,000	10/1/2012	1,380,000.00	4.000%	3,530,000.00	2,170,000.00
			10/1/2013	790,000.00	2.000%		
					Ref. \$	\$ 15,490,000.00	\$ 12,810,000.00
							C
							C

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

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Loans				Balance Dec. 31, 2011	
			Outstanding December 31, 2011	Interest Rate	Balance Dec. 31, 2010	Decreased		
General Improvements	1993	\$ 338,494	\$ 20,737.05	2.000%	\$ 41,065.50	\$ 20,328.45	\$ 20,737.05	
General Improvements	2003	500,000	2012	25,103.76	1.000%	330,245.40	24,609.12	305,636.28
			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						
					\$ 371,310.90	\$ 44,937.57	\$ 326,373.33	
Ref.					C		C	

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

Ord. Number	Improvement Description	Balance Dec. 31, 2010	2011 Authorizations	Balance Dec. 31, 2011
1649-09	Various Capital Improvements	\$ 645,000.00	\$	\$ 645,000.00
1672-10	Various Capital Improvements	1,428,000.00		1,428,000.00
1693-11	Various Capital Improvements		1,428,000.00	1,428,000.00
		<u>\$ 2,073,000.00</u>	<u>\$ 1,428,000.00</u>	<u>\$ 3,501,000.00</u>
Ref.		C		C



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

Balance December 31, 2010	<u>Ref.</u> C		\$	827,840.27
Increased By:				
Charges to Improvement Authorizations		\$		<u>498,202.76</u>
				<u>498,202.76</u>
				1,326,043.03
Decreased By:				
Cash Disbursed				<u>827,840.27</u>
				<u>827,840.27</u>
Balance December 31, 2011	C		\$	<u><u>498,202.76</u></u>

Detail

Encumbrances Payable		49,661.53		
Contracts Payable		448,541.23		
Total		<u>\$ 498,202.76</u>		

**TOWNSHIP OF HAMILTON**

**PART II**

**GENERAL COMMENTS AND RECOMMENDATIONS**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2011**

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS – REGULATORY 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 – regulatory basis of the Township of Hamilton, State of New Jersey (the “Township”), as of and for the year ended December 31, 2011, and have issued our report thereon dated May 9, 2012. 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.

We noted certain matters that we reported to the City's management in a separate letter dated May 9, 2012.

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

May 9, 2012

**TOWNSHIP OF HAMILTON**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDING DECEMBER 31, 2011**

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

**Financial Statements**

Type of auditor's report issued: **Unqualified Opinion issued on the Financial Statements – Regulatory Basis, presented in accordance with an “Other Comprehensive Basis of Accounting” dated May 9, 2012.**

Internal control over financial reporting:

- |                                  |                      |
|----------------------------------|----------------------|
| 1) Material Weakness identified? | <b>NO</b>            |
| 2) Significant Deficiencies?     | <b>NONE REPORTED</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**

No prior findings noted.

## 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 \$36,000.

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:

- Licensed Electrician
- Licensed Plumber
- Lawn Care at Various Township Properties
- Employee Uniforms
- Skilled Carpentry
- Property Maintenance
- HVAC
- Tree Trimming
- Animal Control
- Painting
- Fleet Maintenance and Management Services
- Improvements to West Jersey Avenue, Section 1
- Repairs to Front Steps and Wall at Municipal Building
- E-Ticket Software
- Electronic Door Locks
- Courtroom Rehabilitation
- Fire Suppression System for Server Room
- Snow Plow & Front End Loader
- Restroom Improvements
- Dispatch Wireless Console System
- Road Projects – Park Road, East Walnut Street, Strand Avenue & Harding Lakes Road
- Fire Apparatus
- Snow Removal Services
- Malaga Road Repair

#### **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.

**TOWNSHIP OF HAMILTON**

**GENERAL COMMENTS (CONTINUED)**

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 2011.

This Resolution shall take effect January 1, 2011.

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

**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>
2011	72
2010	75
2009	3
2008	3
2007	3

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 2011 and 2012 Taxes	25
Delinquent Taxes	25
Total	<u>50</u>

**TOWNSHIP OF HAMILTON**

**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 not always deposited within the mandated time.



TOWNSHIP OF HAMILTON

FINDINGS AND RECOMMENDATIONS

None

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

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

May 9, 2012

**TOWNSHIP OF HAMILTON**  
**PART III**  
**STATE FINANCIAL ASSISTANCE PROGRAMS**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2011**

**TOWNSHIP OF HAMILTON  
SCHEDULE OF STATE AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

State Funding Department	Program	State Account Number	Grant Period From	Grant Period To	Program Receipts	Program Expenditures	Cumulative Expenditures
Department of Environmental Protection	Clean Communities	4900-765-042-4900-004-V42Y-6020 N/A	Open		\$ 56,553.60	\$ 14,377.39	\$ 14,377.39
			Open		426,003.00	426,003.00	426,003.00
Department of Treasury	Municipal Alliance Program	475-995120-60	Open		17,200.66	9,428.82	9,428.82
Department of Law & Public Safety Office of Homeland Security	Cars - E Grant Program	N/A	10/1/2010	3/31/2012	37,312.25	274,825.00	274,825.00
Department of Transportation	Trust Fund 2011 Grant 2010 Grant 2009 Grant	6320-048-078-6320 6320-048-078-6320 6320-048-078-6320	Open		45,051.75	73,956.89	73,956.89
			Open		180,000.00	180,000.00	180,000.00
			Open		180,000.00	108,077.11	150,000.00
Department of Law and Public Safety	Body Armor Grant Bullet Proof Vest Partnership NJ Holiday Drive Sober Safe and Secure Communities Grant Drunk Driving Enforcement Fund	1020-718-066-1020-001-01-YCJS-6120 1020-718-066-1020-001-01-YCJS-6120 N/A 100-066-1020-107 N/A	Open		4,675.17	5,180.50	5,180.50
			Open		2,379.00	422.50	422.50
			Open		-	2,600.00	2,600.00
			Open		56,762.00	20,836.56	60,000.00
Total State Assistance			1/1/2010	12/31/2011		21,444.91	47,402.12
					\$ 825,937.43	\$ 1,137,152.68	\$ 1,244,196.22

**TOWNSHIP OF HAMILTON**  
**NOTES TO SCHEDULE OF STATE AWARDS**  
**YEAR ENDED DECEMBER 31, 2011**

**Note 1: General**

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

**Note 2: Basis of Accounting**

The accompanying schedule of financial assistance is 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. The financial statements 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	\$ 497,531.94	\$ 1,137,152.68	\$ 1,634,684.62
Total Financial Assistance	<u>\$ 497,531.94</u>	<u>\$ 1,137,152.68</u>	<u>\$ 1,634,684.62</u>

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

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

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**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON 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 Council  
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, 2011. 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 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, 2011.

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

May 9, 2012

**TOWNSHIP OF HAMILTON**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDING DECEMBER 31, 2011**

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

**Financial Statements**

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

Internal control over financial reporting:

- 1) Material Weakness identified? **NO**
- 2) Significant Deficiencies? **NONE REPORTED**

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

**Federal Awards**

Internal control over major programs:

- 1) Material Weakness identified? **NOT APPLICABLE**
- 2) Significant Deficiencies? **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? **NO 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, 2011**  
**(CONTINUED)**

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

**State Awards**

Internal control over major programs:

- |                                  |                      |
|----------------------------------|----------------------|
| 1) Material Weakness identified? | <b>NO</b>            |
| 2) Significant Deficiencies?     | <b>NONE REPORTED</b> |

Type of auditor's report issued on compliance for major programs:	<b>UNQUALIFIED</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>NONE</b>
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Identification of major programs:

<b>GRANT #</b>	<b>PROGRAM NAME</b>
N/A	Hazardous Discharge Site Remediation Grant
N/A	CARS E Grant Program

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.