

TOWNSHIP OF HAMILTON
REPORT OF AUDIT
FOR THE YEAR ENDED
DECEMBER 31, 2014

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TOWNSHIP OF HAMILTON

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

FOR THE YEAR ENDED

DECEMBER 31, 2014

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Township of Hamilton, as of December 31, 2014, the related statement of operations and changes in fund balance - regulatory basis for the year then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents. The financial statements of the Township of Hamilton as of and for the year ended December 31, 2013 were audited by other auditors whose report dated May 19, 2014 expressed an adverse opinion on those statements in accordance with Generally Accepted Accounting Principles and an unmodified opinion on those statements in conformity with the Regulatory Basis of Accounting as described in Note 1.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Township of Hamilton as of December 31, 2014, or changes in financial position for the year then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As described in Note 9 of the financial statements, the Township participates in a Length of Service Award Program (LOSAP) for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$606,356.23 and \$525,171.42 for 2014 and 2013 respectively were not audited and, therefore, we express no opinion on the LOSAP program.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2014 and 2013, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2014 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

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

The supplemental information listed in the table of contents is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2015 on our consideration of the Township of Hamilton's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Hamilton's internal control over financial reporting and compliance.

Very truly yours,

FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello

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

March 23, 2015

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EXHIBIT - A
CURRENT FUND

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**CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
Regular Fund:		
Cash:		
Cash Treasurer	\$ 11,771,025.28	11,352,099.79
Cash - Change	1,025.00	1,025.00
Total Cash	<u>11,772,050.28</u>	<u>11,353,124.79</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	824,316.88	736,786.43
Tax Title Lien Receivable	126,363.95	99,337.17
Property Acquired for Taxes - at Assessed Valuation	4,563,100.00	3,631,500.00
Revenue Accounts Receivable	53,957.43	48,611.04
Due from Federal and Grant Receivable	37,825.34	179,375.57
Total Receivables and Other Assets	<u>5,605,563.60</u>	<u>4,695,610.21</u>
Deferred Charges:		
None	-	-
Total Deferred Charges	<u>-</u>	<u>-</u>
Total Regular Fund	<u>17,377,613.88</u>	<u>16,048,735.00</u>
Federal and State Grant Fund:		
Federal and State Grants Receivable	1,113,466.81	1,441,938.53
Total Federal and State Grant Fund	<u>1,113,466.81</u>	<u>1,441,938.53</u>
Total Current Fund	<u>\$ 18,491,080.69</u>	<u>17,490,673.53</u>

**CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2014</u>	<u>2013</u>
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 1,397,622.20	1,192,276.54
Reserve for Encumbrances/Accounts Payable	477,761.45	898,737.49
Prepaid Taxes	453,532.32	407,621.18
Overpaid Taxes	190,300.36	167,311.51
Accounts Payable	233,955.15	106,094.20
County Added Tax Payable	35,407.41	68,445.69
Local District School Taxes Payable	1,980,531.02	1,980,531.02
Regional High School Taxes Payable	2,623,680.80	2,353,455.25
Prepaid Cell Tower Lease	-	3,984.35
Reserve for Tax Appeals	271,021.78	339,981.35
Due to Trust Fund - Other	500.00	-
Due to State of New Jersey -		
Senior Citizens and Veterans	3,268.72	2,950.71
DCA Fees	5,115.00	4,620.00
Marriage and Burial Fees	755.00	1,025.00
	<u>7,673,451.21</u>	<u>7,527,034.29</u>
Reserve for Receivables and Other Assets	5,605,563.60	4,695,610.21
Fund Balance	4,098,599.07	3,826,090.50
Total Regular Fund	<u>17,377,613.88</u>	<u>16,048,735.00</u>
Federal and State Grant Fund:		
Appropriated Reserves	936,819.92	901,462.18
Encumbrances Payable	138,821.55	361,100.78
Due to Current Fund	37,825.34	179,375.57
Total Federal and State Grant Fund	<u>1,113,466.81</u>	<u>1,441,938.53</u>
Total Current Fund	<u>\$ 18,491,080.69</u>	<u>17,490,673.53</u>

**CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

	2014	2013
Revenue and Other Income Realized		
Fund Balance	\$ 2,915,369.00	2,700,000.00
Miscellaneous Revenue Anticipated	5,303,855.58	6,362,278.71
Receipts from Delinquent Taxes	384,339.61	557,788.21
Receipts from Current Taxes	58,944,700.45	58,800,133.70
Non Budget Revenue	583,688.43	599,845.22
Other Credits to Income:		
Unexpended Balance of Appropriation Res.	1,041,671.44	1,017,143.12
Cancellation of Prior Year Liabilities	4,020.35	-
Interfund Returned	179,375.57	-
Prior Years' Accounts Payable Cancelled	-	760.85
Cancellation of Prior Year Reserves	568,959.57	-
Grant Reserve Balances Canceled	10,792.94	32,910.00
Reserves Liquidated:		
Federal and State Grant Fund	-	58,496.32
Total Income	69,936,772.94	70,129,356.13
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	9,230,300.00	8,784,625.00
Other Expenses	9,516,975.00	9,287,355.00
Deferred Charges & Statutory Expenditures	2,064,622.00	2,136,073.00
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	-	94,352.33
Other Expenses	523,236.52	965,346.00
Capital Improvements	375,000.00	540,000.00
Debt Service	2,695,757.23	3,498,219.65
Local District School Tax	19,625,352.00	19,676,001.04
Regional District School Tax	11,798,359.05	11,228,046.97
County Tax	10,837,456.09	11,352,017.42
County Share of Added Tax	35,407.41	68,445.69
Refund of Prior Year's Revenue	4,354.73	16,427.24
Interfund Created	37,825.34	-
Other:		
Cancellation of Senior and Vet Due from State	4,250.00	250.00
Total Expenditures	66,748,895.37	67,647,159.34
Excess in Revenue	3,187,877.57	2,482,196.79

**CURRENT FUND
 COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
 IN FUND BALANCE - REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31,**

	2014	2013
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute Deferred Charges to Budgets of Succeeding Year		
None	-	-
Total Adjustments	-	-
Statutory Excess to Fund Balance	3,187,877.57	2,482,196.79
Fund Balance January 1	3,826,090.50	4,043,893.71
	7,013,968.07	6,526,090.50
Decreased by:		
Utilization as Anticipated Revenue	2,915,369.00	2,700,000.00
Fund Balance December 31	\$ 4,098,599.07	3,826,090.50

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Anticipated		Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87		
Fund Balance Anticipated	\$ 2,915,369.00		2,915,369.00	
Total Fund Balance Anticipated	<u>2,915,369.00</u>	<u>-</u>	<u>2,915,369.00</u>	<u>-</u>
Miscellaneous Revenues:				
Section A: Local Revenues				
Licenses:				
Alcoholic Beverages	17,000.00		52,871.63	35,871.63
Fees and Permits	121,000.00		142,262.77	21,262.77
Fines and Costs:				
Municipal Court	650,000.00		713,242.52	63,242.52
Interest and Costs on Taxes	126,300.00		169,623.42	43,323.42
Total Section A	<u>914,300.00</u>	<u>-</u>	<u>1,078,000.34</u>	<u>163,700.34</u>
Section B: State Aid without Offsetting Appropriations				
Garden State Trust	86,066.00		86,066.00	
Energy Receipts Tax P.L. 1997, Chapters 162 & 167	2,754,977.00		2,754,977.00	
Total Section B	<u>2,841,043.00</u>	<u>-</u>	<u>2,841,043.00</u>	<u>-</u>
Section C: Dedicated Uniform Construction Code Fees				
Offset with Appropriations				
Uniform Construction Code Fees	375,000.00		390,150.00	15,150.00
Section F: Special Items of General Revenue Anticipated				
with Prior Written Consent of Director of Local Government				
Services - Public and Private Revenues Offset				
with Appropriations				
Municipal Alliance on Alcoholism and Drug Abuse	22,400.00	657.00	23,057.00	
Safe Corridors Grant	62,790.70		62,790.70	
Bulletproof Vest Grant		8,843.08	8,843.08	
Safe and Secure Communities		60,000.00	60,000.00	
Distracted Driving Statewide Crackdown		5,000.00	5,000.00	
Body Armor		4,633.22	4,633.22	
Click It or Ticket Seat Belt Mobilization		4,000.00	4,000.00	
Emergency Management Performance Grant		5,000.00	5,000.00	
Drunk Driving Enforcement Grant		42,186.78	42,186.78	
Clean Communities Grant		62,278.74	62,278.74	
Post Sandy Planning Assistance Grant				
Historic Mays Landing Neighborhood Planning		48,200.00	48,200.00	
Historic Mays Landing Pre-Investigation & Redevelopment		48,000.00	48,000.00	
NJHS Holiday Drive Sober or Get Pulled Over		12,500.00	12,500.00	
Total Section F	<u>85,190.70</u>	<u>301,298.82</u>	<u>386,489.52</u>	<u>-</u>
Section G: Special Items of General Revenue Anticipated				
with Prior Written Consent of Director of Local Government				
Services - Other Special Items:				
Uniform Fire Safety Act	113,000.00		154,557.72	41,557.72
Hamilton Township MUA Surplus	200,000.00		200,000.00	
Housing Inspection Fees	180,000.00		253,615.00	73,615.00
Total Section G	<u>493,000.00</u>	<u>-</u>	<u>608,172.72</u>	<u>115,172.72</u>
Total Miscellaneous Revenues	<u>4,708,533.70</u>	<u>301,298.82</u>	<u>5,303,855.58</u>	<u>294,023.06</u>
Receipts from Delinquent Taxes	500,000.00		384,339.61	(115,660.39)
Subtotal General Revenues	<u>8,123,902.70</u>	<u>301,298.82</u>	<u>8,603,564.19</u>	<u>178,362.67</u>

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Anticipated		Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87		
Amount to be Raised by Taxes for Support of Municipal Budget				
Local Tax for Municipal Purposes	17,495,721.71		18,163,048.61	667,326.90
Total Amount to be Raised by Taxes for Support of Municipal Budget	<u>17,495,721.71</u>	<u>-</u>	<u>18,163,048.61</u>	<u>667,326.90</u>
Budget Totals	<u>25,619,624.41</u>	<u>301,298.82</u>	<u>26,766,612.80</u>	<u>845,689.57</u>
Non- Budget Revenues:				
Other Non- Budget Revenues:			<u>583,688.43</u>	<u>583,688.43</u>
	<u>25,619,624.41</u>	<u>301,298.82</u>	<u>27,350,301.23</u>	<u>1,429,378.00</u>

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Analysis of Realized Revenues

Allocation of Current Tax Collections:		
Revenue from Collections	\$	58,944,700.45
Less: Reserve for Tax Appeals Pending		<u>-</u>
Net Revenue from Collections		58,944,700.45
Allocated to:		
School, County and Other Taxes		<u>42,296,574.55</u>
Balance for Support of Municipal Budget Appropriations		16,648,125.90
Increased by:		
Appropriation "Reserved for Uncollected Taxes"		<u>1,514,922.71</u>
Amount for Support of Municipal Budget Appropriations		<u><u>18,163,048.61</u></u>

Receipts from Delinquent Taxes:		
Delinquent Tax Collection	348,744.08	
Tax Title Lien Collections	<u>35,595.53</u>	
Total Receipts from Delinquent Taxes		<u><u>384,339.61</u></u>

Analysis of Non-Budget Revenue:		
Miscellaneous Revenue Not Anticipated:		
Township Clerk - Miscellaneous	4,215.98	
Senior Citizen & Veteran's Admin Fee	3,930.00	
Finance - Miscellaneous	4,756.26	
Hotel Tax	1,647.21	
Cell Tower Leases	56,691.35	
Egg Harbor City Dispatch Shared Service	176,100.00	
Tax Collector - Miscellaneous	25,530.79	
Municipal Service Fee	189,189.90	
Planning and Zoning Fees	1,330.68	
Construction Restitution	2,120.00	
Police	1,929.55	
Fire Official	177.40	
Housing	610.00	
Facility Use Fees	650.00	
Discovery Fees	666.84	
Land Sales	23,475.00	
Reimbursement of Police Examination/Training Costs	30,732.28	
DMV Inspection Services	8,750.00	
Bill Board Rentals	9,577.41	
Proceeds from Auction	14,172.85	
Police Outside Duty Admin Fees	11,985.43	
Excess Dog and Cat Reserve	782.31	
Zoning Permits	8,455.00	
Recycled Materials	2,128.90	
Other Miscellaneous	603.45	
LOSAP Surrender	<u>3,479.84</u>	
Total Miscellaneous Revenue Not Anticipated	\$	<u><u>583,688.43</u></u>

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
OPERATIONS WITHIN "CAPS" GENERAL GOVERNMENT:						
Office of Township Committee						
Salaries and Wages	\$ 61,000.00	61,000.00	60,325.00		675.00	
Other Expenses	5,300.00	5,300.00	4,734.25	4.82	560.93	
Office of Township Administrator						
Salaries and Wages	251,000.00	251,000.00	238,412.88		12,587.12	
Other Expenses	15,575.00	12,575.00	10,541.68	279.22	1,754.10	
Human Resources						
Salaries and Wages	57,000.00	57,000.00	54,999.88		2,000.12	
Other Expenses	27,230.00	27,230.00	21,277.96	1,573.08	4,378.96	
Office of Township Clerk						
Salaries and Wages	208,000.00	208,000.00	203,071.03		4,928.97	
Other Expenses	43,475.00	43,475.00	30,823.80	1,965.03	10,686.17	
Office of Financial Administration						
Salaries and Wages	208,000.00	208,000.00	183,991.69		24,008.31	
Other Expenses						
Annual Audit	39,500.00	39,500.00	39,500.00			
Miscellaneous Other Expenses	31,025.00	33,025.00	29,789.85	1,048.61	2,186.54	
Office of Tax Assessor						
Salaries and Wages	137,000.00	137,000.00	121,921.87		15,078.13	
Other Expenses	367,850.00	367,850.00	297,832.44	60,510.48	9,507.08	
Office of Tax Collector						
Salaries and Wages	194,000.00	194,000.00	190,077.68		3,922.32	
Other Expenses:	48,200.00	55,200.00	34,639.66	18,289.42	2,270.92	
Legal Services						
Other Expenses						
Special Counsel	50,000.00	71,000.00	59,991.74	3,317.75	7,690.51	
Miscellaneous Other Expenses	100,000.00	131,000.00	104,190.83	6,475.12	20,334.05	
Engineering Services and Costs						
Other Expenses	50,000.00	47,000.00	39,241.50	4,748.00	3,010.50	

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Municipal Land Use Law (NJSA 40:55D-1)						
Planning Board						
Salaries and Wages	188,000.00	188,000.00	163,004.14		24,995.86	
Other Expenses	64,600.00	46,600.00	20,852.09	2,110.69	23,637.22	
Board of Adjustment						
Salaries and Wages	38,000.00	38,000.00	36,994.17		1,005.83	
Other Expenses	16,000.00	16,000.00	10,892.20	220.06	4,887.74	
Industrial Commission						
Other Expenses	28,550.00	26,550.00	7,421.93	525.17	18,602.90	
Insurance:						
General Liability	335,000.00	335,000.00	333,019.76	752.17	1,228.07	
Workers Compensation Insurance	742,300.00	742,300.00	742,300.00			
Employee Group Health	2,098,853.00	2,078,853.00	1,984,039.25		94,813.75	
Health Benefits Waiver						
Salaries and Wages	32,000.00	32,000.00	30,285.38		1,714.62	
Municipal Court						
Salaries and Wages	442,000.00	442,000.00	399,805.86		42,194.14	
Other Expenses	39,250.00	39,250.00	32,525.12	5,525.67	1,199.21	
Prosecutor's Office						
Other Expenses	60,000.00	60,000.00	60,000.00			
Management of Information Systems						
Salaries and Wages	82,000.00	82,000.00	79,999.92		2,000.08	
Other Expenses	86,000.00	86,000.00	20,053.73	65,533.63	412.64	
Fire Department						
Other Expenses	65,500.00	65,500.00	65,500.00			
Rental of Buildings	402,400.00	402,400.00	279,865.34	70,280.84	52,253.82	
Aid to Volunteer Fire Companies						
Police and Traffic Control						
Salaries and Wages	5,785,000.00	5,785,000.00	5,451,129.08		333,870.92	
Other Expenses	389,382.00	389,382.00	302,673.96	64,965.12	21,742.92	
Emergency Management Services						
Salaries and Wages	2,700.00	2,700.00	2,396.91		303.09	
Other Expenses	3,900.00	3,900.00	3,642.70		257.30	

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Ambulance Aid Maintenance Other Expenses	42,900.00	42,900.00	35,835.92	2,156.98	4,907.10	
Uniform Fire Safety Act (P.L. 1983, Ch. 383) Salaries and Wages Other Expenses	48,000.00 14,775.00	48,000.00 14,775.00	31,275.81 9,771.28	303.21	16,724.19 4,700.51	
Streets and Roads Maintenance Salaries and Wages Other Expenses Solid Waste Collection	933,000.00 866,750.00 1,700,000.00	946,000.00 866,750.00 1,700,000.00	926,623.81 647,484.18 1,558,826.30	113,753.88 4,502.86	19,376.19 105,511.94 136,670.84	
Registrar of Vital Statistics Salaries and Wages Other Expenses	6,000.00 1,410.00	6,000.00 1,410.00	5,376.66 445.50	73.50	623.34 891.00	
Animal Control Other Expenses	24,000.00	24,000.00	24,000.00			
Public Defender (P.L. 1997, C. 256) Salaries and Wages	20,000.00	20,000.00	20,000.00			
Historical Advisory Board Salaries and Wages Other Expenses	2,600.00 1,600.00	2,600.00 1,600.00	2,499.90 271.28		100.10 1,328.72	
Housing Code Enforcement Salaries and Wages Other Expenses	206,000.00 78,350.00	206,000.00 78,350.00	174,376.54 46,085.04	2,501.82	31,623.46 29,763.14	
Construction Official Salaries and Wages Other Expenses	276,000.00 18,300.00	276,000.00 18,300.00	267,118.58 6,482.79	565.90	8,881.42 11,251.31	
Compensated Absence Reserve Contribution to Snow Reserve Reserve for Tax Appeals	40,000.00 125,000.00 500,000.00	40,000.00 100,000.00 500,000.00	40,000.00 100,000.00 500,000.00			

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Street Lighting	230,000.00	230,000.00	197,483.04	22,079.37	10,437.59	
Utilities	729,000.00	729,000.00	526,402.05	23,699.05	178,898.90	
Postage	55,000.00	50,000.00	47,557.26		2,442.74	
TOTAL OPERATIONS WITHIN "CAPS"	18,714,275.00	18,712,275.00	16,919,681.22	477,761.45	1,314,832.33	-
Contingent	35,000.00	35,000.00	15,000.00		20,000.00	
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	18,749,275.00	18,747,275.00	16,934,681.22	477,761.45	1,334,832.33	-
Detail:						
Salaries and Wages	9,217,300.00	9,230,300.00	8,683,686.79	-	546,613.21	-
Other Expenses	9,531,975.00	9,516,975.00	8,250,994.43	477,761.45	788,219.12	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES:						
Deferred Charges:						
None						
Statutory Expenditures:						
Contributions to:						
Public Employees' Retirement System	381,415.00	381,415.00	381,415.00			
Social Security System (O.A.S.I.)	686,000.00	686,000.00	649,085.85		36,914.15	
Police and Firemen's Retirement System	959,707.00	959,707.00	959,707.00			
Unemployment Compensation Insurance (NJSA 43:21-3 et seq.)	20,000.00	20,000.00	20,000.00			
Disability Insurance	12,000.00	11,750.00	4,213.16		7,536.84	
Defined Contribution Retirement Program	3,500.00	5,750.00	5,611.12		138.88	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:	2,062,622.00	2,064,622.00	2,020,032.13	-	44,589.87	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	20,811,897.00	20,811,897.00	18,954,713.35	477,761.45	1,379,422.20	-
OPERATIONS - EXCLUDED FROM "CAPS"						
(A) Operations - Excluded from "CAPS"	51,147.00	51,147.00	51,147.00			
Employee Group Health Insurance	80,000.00	80,000.00	61,800.00		18,200.00	
Length of Service Awards Program	131,147.00	131,147.00	112,947.00		18,200.00	

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
(A) Public and Private Programs Off-Set by Revenues						
Municipal Alliance on Alcoholism and Drug Abuse	22,400.00	23,057.00	23,057.00			
Municipal Alliance on Alcoholism and Drug Abuse - Cash Match	5,600.00	5,600.00	5,600.00			
Safe Corridors Grant	62,790.70	62,790.70	62,790.70			
Bulletproof Vest Grant (N.J.S.A. 40A:4-87)		8,843.08	8,843.08			
Safe and Secure Communities (N.J.S.A. 40A-87)		60,000.00	60,000.00			
Distracted Driving Statewide Crackdown		5,000.00	5,000.00			
Body Armor (N.J.S.A. 40A:4-87)		4,633.22	4,633.22			
Click It or Ticket Seat Belt Mobilization		4,000.00	4,000.00			
Emergency Management Performance Grant		5,000.00	5,000.00			
Drunk Driving Enforcement Grant (N.J.S.A. 40A:4-87)		42,186.78	42,186.78			
Clean Communities Grant (N.J.S.A. 40A:4-87)		62,278.74	62,278.74			
Post Sandy Planning Assistance Grant (N.J.S.A. 40A:4-87)						
Historic Mays Landing Neighborhood Planning		48,200.00	48,200.00			
Historic Mays Landing Pre-Investigation & Redevelopment		48,000.00	48,000.00			
NJHS Holiday Drive Sober or Get Pulled Over (N.J.S.A. 40A:4-87)		12,500.00	12,500.00			
Total Public and Private Programs Off-Set by Revenues	<u>90,790.70</u>	<u>392,089.52</u>	<u>392,089.52</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Operations - Excluded from "CAPS"	<u>221,937.70</u>	<u>523,236.52</u>	<u>505,036.52</u>	<u>-</u>	<u>18,200.00</u>	<u>-</u>
Detail:						
Salaries and Wages						
Other Expenses	<u>221,937.70</u>	<u>523,236.52</u>	<u>505,036.52</u>	<u>-</u>	<u>18,200.00</u>	<u>-</u>
(C) Capital Improvements						
Capital Improvement Fund	95,000.00	95,000.00	95,000.00			
Purchase of Emergency Equipment	280,000.00	280,000.00	280,000.00			
Total Capital Improvements	<u>375,000.00</u>	<u>375,000.00</u>	<u>375,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
(D) Debt Service						
Payment of Bond Principal	2,000,000.00	2,000,000.00	2,000,000.00			
Payment of Bond Anticipation and Capital Notes	375,000.00	375,000.00	375,000.00			
Interest on Bonds	250,400.00	250,400.00	250,400.00			
Interest on Notes	39,375.00	39,375.00	39,265.63			109.37
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	31,092.00	31,092.00	31,091.60			0.40
Total Debt Service	<u>2,695,867.00</u>	<u>2,695,867.00</u>	<u>2,695,757.23</u>	<u>-</u>	<u>-</u>	<u>109.77</u>

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
(E) Deferred Charges Emergency Authorizations	-	-	-	-	-	-
Total Deferred Charges	-	-	-	-	-	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	3,292,804.70	3,594,103.52	3,575,793.75	-	18,200.00	109.77
SUBTOTAL GENERAL APPROPRIATIONS	24,104,701.70	24,406,000.52	22,530,507.10	477,761.45	1,397,622.20	109.77
(M) Reserve for Uncollected Taxes	1,514,922.71	1,514,922.71	1,514,922.71	-	-	-
TOTAL GENERAL APPROPRIATIONS	\$ 25,619,624.41	25,920,923.23	24,045,429.81	477,761.45	1,397,622.20	109.77
Budget		25,619,624.41				109.77
Appropriations by 40A:4-87		301,298.82				-
Emergency Appropriations		-				109.77
		<u>25,920,923.23</u>				<u>109.77</u>
Reserve for Uncollected Taxes			1,514,922.71			
Federal and State Grants			392,089.52			
Deferred Charges			-			
Reserve for Tax Appeals			500,000.00			
Disbursements			21,638,417.58			
			<u>24,045,429.81</u>			

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**EXHIBIT - B
TRUST FUND**

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**TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

	2014	2013
<u>Assets</u>		
<u>Animal Control Fund</u>		
Cash and Investments	\$ 13,084.60	14,221.40
	13,084.60	14,221.40
<u>Length of Service Award Program (LOSAP) (unaudited)</u>		
Investments		
Mutual Funds	606,356.23	525,171.42
Employer Contribution Receivable	60,000.00	-
	666,356.23	525,171.42
<u>Other Funds</u>		
Cash - Treasurer	2,374,520.83	2,468,879.18
Cash - Collector	222,779.69	172,261.75
Small Cities Loan Receivable	467,580.47	473,529.47
Due from Current Fund	500.00	-
	3,065,380.99	3,114,670.40
	\$ 3,744,821.82	3,654,063.22

**TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

	2014	2013
<u>Liabilities, Reserves and Fund Balance</u>		
<u>Animal Control Fund</u>		
Reserve for Animal Control Expenditures	\$ 12,264.20	12,081.40
Due to State of New Jersey	5.40	-
Encumbrances Payable	815.00	2,140.00
	13,084.60	14,221.40
<u>Length of Service Award Program (LOSAP) (unaudited)</u>		
Net Assets Available for Benefits	666,356.23	525,171.42
<u>Other Funds</u>		
Miscellaneous Trust Reserves:		
Small Cities Grant	19,799.75	13,850.75
Law Enforcement	90,594.37	95,153.11
Off Duty Police	24,038.26	23,864.62
Small Cities Loans	467,580.47	473,529.47
Payroll Deductions Payable	92,899.97	77,001.46
Miscellaneous Trust Fund Reserves		
Public Defender	41,226.96	29,486.93
Public Offenses Adjudication Act	1,169.62	1,079.62
Police Donations	4,867.52	5,767.67
Snow Removal	210,332.64	278,704.88
Developer's Escrow	961,246.44	1,003,361.46
Performance Guarantee	6,500.00	5,500.00
Recycling	63,975.89	87,733.47
Fire Penalty Fees	5,649.90	2,649.90
Street Opening Deposits	40,297.99	31,696.74
Accumulated Absences	6,893.40	31,505.79
Unemployment Compensation	61,871.60	71,831.64
Affordable Housing	128,121.33	110,590.28
Recreation	65,146.08	66,992.33
Miscellaneous Trust Fund Escrows		
Offsite Improvements	514,247.78	495,037.78
Landfill Closure	4,361.26	4,361.26
Fire Suppression System	31,780.07	32,709.49
Redemption of Tax Sale Premiums	167,949.00	122,349.00
Redemption of Tax Title Liens	54,830.69	49,912.75
	3,065,380.99	3,114,670.40
	\$ 3,744,821.82	3,654,063.22

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

EXHIBIT - C
GENERAL CAPITAL FUND

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**GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
Cash	\$ 3,916,175.98	1,205,346.83
Deferred Charges to Future Taxation -		
Funded	5,428,801.09	7,454,924.17
Unfunded	7,621,000.00	6,191,000.00
	<u>16,965,977.07</u>	<u>14,851,271.00</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Reserve for Encumbrances	1,703,162.24	653,724.53
Bond Anticipation Notes Payable	7,621,000.00	3,150,000.00
Serial Bonds Payable	5,200,000.00	7,200,000.00
Green Trust Loan Payable	228,801.09	254,924.17
Contracts Payable	54,271.42	112,250.28
Improvement Authorizations:		
Funded	435,650.88	766,201.16
Unfunded	1,375,354.54	2,353,938.97
Reserves for:		
Payment of Notes	29,800.00	-
Purchase of Emergency Equipment	280,000.00	322,295.00
Capital Improvement Fund	23,887.89	23,887.89
Fund Balance	14,049.01	14,049.00
	<u>\$ 16,965,977.07</u>	<u>14,851,271.00</u>

There were bonds and notes authorized but not issued at December 31,

2013	3,041,000.00
2014	-

**GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

	<u>2014</u>	<u>2013</u>
Beginning Balance January 1	\$ 14,049.00	14,049.00
Increased by:		
Premiums on Sale of Bonds & Notes	0.01	-
Ending Balance December 31	<u>\$ 14,049.01</u>	<u>14,049.00</u>

EXHIBIT - G
GENERAL FIXED ASSETS ACCOUNT GROUP

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**GENERAL FIXED ASSET ACCOUNT GROUP
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

	<u>2014</u>	<u>2013</u>
<u>General Fixed Assets</u>		
Land	\$ 4,324,200.00	14,688,900.00
Building	6,430,566.25	7,397,766.25
Machinery and Equipment	16,928,506.85	16,353,845.45
	<u>27,683,273.10</u>	<u>38,440,511.70</u>
<u>Investment in General Fixed Assets</u>		
Investment in General Fixed Assets	27,683,273.10	38,440,511.70
	<u>\$ 27,683,273.10</u>	<u>38,440,511.70</u>

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NOTES TO FINANCIAL STATEMENTS

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TOWNSHIP OF HAMILTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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 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

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and, (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the Township is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Township in that the Township approves the budget, the issuance of debt or the levying of taxes. The Hamilton Township Municipal Utilities Authority is a component unit of the Township however the organization is not presented as part of the financial statements of the Township of Hamilton. The Municipal Utilities Authority has an independent audit performed and a copy is available at the Authority's office:

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

B. Description of Funds

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

Current Fund

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

Trust Funds

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

TOWNSHIP OF HAMILTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

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.

General Fixed Assets Account Group

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

C. Basis of Accounting

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

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

Revenues – are recorded as received in cash except for certain amounts that are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the Township budget. 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. Other amounts that are due to the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

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

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

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

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

TOWNSHIP OF HAMILTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

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

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

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

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

No depreciation has been provided for in the financial statements.

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

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

The following schedules are a summarization of the changes in general fixed assets for the years ended December 31, 2014 and 2013.

	Balance 12/31/13	Additions	Adjustments/ Deletions	Balance 12/31/14
Land	\$ 14,688,900.00		(10,364,700.00)	4,324,200.00
Buildings and Improvements	7,397,766.25		(967,200.00)	6,430,566.25
Machinery and Equipment	16,353,845.45	1,083,820.12	(509,158.72)	16,928,506.85
Total General Fixed Assets	\$ 38,440,511.70	1,083,820.12	(11,841,058.72)	27,683,273.10

	Balance 12/31/12	Additions	Adjustments/ Deletions	Balance 12/31/13
Land	\$ 14,730,000.00		41,100.00	14,688,900.00
Buildings and Improvements	7,397,766.25			7,397,766.25
Machinery and Equipment	16,244,200.52	428,165.93	318,521.00	16,353,845.45
Total General Fixed Assets	\$ 38,371,966.77	428,165.93	359,621.00	38,440,511.70

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

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

TOWNSHIP OF HAMILTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

Deferred Charges

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

Property Tax Revenues

Property tax revenues are collected in quarterly installments due February 1st, May 1st, August 1st, and November 1st. Property taxes unpaid are subject to tax sale in accordance with statutes. The amount of tax levied, includes not only the amount required in support of the 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.

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.

D. Required Financial Statements

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

E. Comparative Data

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

F. Recent Accounting Pronouncements

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68 "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the Township's financial reporting. However, the provisions of this statement will require significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

In January 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 69 "Government Combinations and Disposals of Government Operations". This statement, which is effective for fiscal periods beginning after December 15, 2013, will not have any effect on the Township's financial reporting.

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In November 2013, Governmental Accounting Standards Board (GASB) issued Statement No. 71 “Pension Transition for Contributions Made subsequent to the Measurement Date-an amendment of GASB Statement No. 68”. The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68, which is effective for periods beginning after June 15, 2014. The provisions of this statement will require significant modifications to the disclosure requirements related to the entity’s proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

Note 2: BUDGETARY INFORMATION

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2014 and 2013 statutory budgets included a reserve for uncollected taxes in the amount of \$1,514,922.71 and \$1,428,938.59, respectively. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2014 and 2013 statutory budgets was \$2,915,369.00 and \$2,700,000.00, respectively.

The Chief Financial Officer has the discretion of approving intra department budgetary transfers throughout the year. Inter department transfers are not permitted prior to November 1. After November 1 these transfers can be made in the form of a resolution and approved by Township Committee. The following significant budget transfers were approved in the 2014 and 2013 calendar years.

	<u>2014</u>	<u>2013</u>
Legal Services		
Miscellaneous Other Expenses	\$ 31,000	
Management Information System		
Other Expenses		45,000
Police and Traffic Control		
Other Expenses		(45,000)
Division of Public Works		
Other Expenses		113,000
Contribution to Snow Reserve	(25,000)	(113,000)

NJSA 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. The following budget insertions were approved during the 2014 and 2013 calendar years:

	<u>2014</u>	<u>2013</u>
Safe and Secure Communities	\$ 60,000.00	60,000.00
Community Development Block Grant		60,946.00
Drunk Driving Enforcement Fund	42,186.74	25,552.33
NJ Department of Transportation Grant		187,000
Post Sandy Planning Assistance Grants		
Preparation of Strategic Recovery Planning Report		29,000
Historic Mays Landing Neighborhood Planning	48,200.00	
Historic Mays Landing Pre-Investigation & Redevelopment	48,000.00	
No Net Loss Reforestation Protection		500,352.00
Clean Communities Grant		66,396.63

The municipality may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public

TOWNSHIP OF HAMILTON
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health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budget of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. There were no emergency appropriations authorized by Township Council during the 2014 or 2013 calendar years.

NOTE 3: INVESTMENTS

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

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

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

Unaudited Investments

As more fully described in Note 9, the Township has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et seq. except that all investments are retained in the name of the Township. All investments are valued at fair value. In accordance with NJAC 5:30-14.37 the investments are maintained by Lincoln Benefit Life, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2014 and 2013 amounted to \$606,356.23 and \$525,171.42, respectively.

Note 4: CASH

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The municipality's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in new Jersey Statues 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the municipality relative to the happening of a future condition. As of December 31, 2014, \$92,899.97 of the municipality's bank balance of \$18,971,469.46 was exposed to custodial credit risk.

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TOWNSHIP OF HAMILTON
NOTES TO FINANCIAL STATEMENTS –
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(CONTINUED)

NOTE 5: LONG-TERM DEBT

Summary of Municipal Debt

	<u>Year 2014</u>	<u>Year 2013</u>	<u>Year 2012</u>
Issued:			
General:			
Bonds, Loans and Notes	\$ 13,049,801.09	10,604,924.17	13,740,532.52
Other:			
Bonds Issued by Hamilton Township			
Municipal Utilities Authority	<u>9,952,730.71</u>	<u>8,080,000.00</u>	<u>5,210,000.00</u>
Total Issued	23,002,531.80	18,684,924.17	18,950,532.52
Less:			
Bonds authorized by another public body			
guaranteed by the municipality	<u>9,952,730.71</u>	<u>8,080,000.00</u>	<u>5,210,000.00</u>
Net Debt Issued	13,049,801.09	10,604,924.17	13,740,532.52
Authorized but not issued:			
General:			
Bonds and Notes	<u>0</u>	<u>3,041,000.00</u>	<u>1,901,000.00</u>
Net Bonds and Notes Issued and Authorized			
but not Issued	\$ <u>13,049,801.09</u>	<u>13,645,924.17</u>	<u>15,641,532.32</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 .552%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional High School	\$ 15,006,885.59	15,006,885.59	0
Local School District	15,314,000.00	15,314,000.00	0
General	<u>23,002,531.80</u>	<u>9,952,730.71</u>	<u>13,049,801.09</u>
Total	\$ <u>53,323,417.39</u>	<u>40,273,616.30</u>	<u>13,049,801.09</u>

Net debt \$13,049,801.09 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$2,365,151,771.67= .552%.

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

3 ½% of Equalized Valuation Basis	\$ 82,780,312.00
Net Debt	<u>13,049,801.09</u>
Remaining Borrowing Power	\$ <u>69,730,510.91</u>

TOWNSHIP OF HAMILTON
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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, 2014, 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, 2014, is \$1,200,000.

\$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, 2014, is \$4,000,000.

\$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, 2014, is \$228,801.09.

Changes in Long-Term Debt

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

	<u>Outstanding 12/31/13</u>	<u>Issues or Additions</u>	<u>Payments or Expenditures</u>	<u>Outstanding 12/31/14</u>	<u>Due in One Year</u>
General Capital Fund:					
Bonds Payable	\$ 7,200,000.00		2,000,000.00	5,200,000.00	2,000,000.00
Green Trust Loans	254,924.17		26,123.08	228,801.09	26,648.15
Compensated Absences	<u>1,453,275.93</u>	<u>869,693.58</u>	<u>895,624.83</u>	<u>1,427,344.68</u>	<u>40,888.46</u>
Total All Funds	<u>\$ 8,908,200.10</u>	<u>869,693.58</u>	<u>2,921,747.91</u>	<u>6,856,145.77</u>	<u>2,067,536.61</u>

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

Year Ending December 31,	Green Trust Program Loans		General Capital Fund		Total All Debt Service
	Principal	Interest	Principal	Interest	
2015	\$ 26,648.15	4,443.44	2,000,000.00	183,200.00	2,214,291.59
2016	27,183.78	3,907.82	800,000.00	116,000.00	947,091.60
2017	27,730.18	3,361.42	800,000.00	88,000.00	919,091.60
2018	28,287.55	2,804.05	800,000.00	60,000.00	891,091.60
2019	28,856.13	2,235.46	800,000.00	30,000.00	861,091.59
2020-2024	90,095.30	3,179.47			93,274.77
Total	<u>\$ 228,801.09</u>	<u>19,931.66</u>	<u>5,200,000.00</u>	<u>477,200.00</u>	<u>5,925,932.75</u>

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NOTE 6: SHORT TERM FINANCING

	Balance 12/31/13	Additions	Reductions	Balance 12/31/14
Bond Anticipation Notes	\$ <u>3,150,000.00</u>	<u>4,846,000.00</u>	<u>375,000.00</u>	<u>7,621,000.00</u>
	Balance 12/31/12	Additions	Reductions	Balance 12/31/13
Bond Anticipation Notes	\$ <u>3,500,000.00</u>	<u>3,150,000.00</u>	<u>3,500,000.00</u>	<u>3,150,000.00</u>

At December 31, 2014 the Township had a bond anticipation note held by Jeffries, LLC for \$7,621,000. The note will mature 6/5/15 with interest at 1.00% per annum.

At December 31, 2013 the Township had a bond anticipation note held by N. W. Capital Markets for \$3,150,000. The note matured 9/4/14 with interest at 1.25% per annum.

NOTE 7: 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, 2014, the Township estimates this liability to be approximately \$1,427,344.68 based on 2014 pay rates and compensated absence balances. The Township has established a reserve in the amount of \$6,893.40 to offset this liability.

NOTE 8: DEFERRED COMPENSATION ACCOUNT

Employees of the Township may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

The deferred compensation plan is available to all employees of the Township. Under than plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

An unrelated financial institution administers the deferred compensation plan. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the employee.

As part of its fiduciary role, the Township has an obligation of due care in selecting the third party administrator. In the opinion of the Township's legal counsel, the Township has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

The plan administrator is as follows:

VALIC Retirement Corporation

TOWNSHIP OF HAMILTON
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NOTE 9: LENGTH OF SERVICE AWARD PROGRAM (UNAUDITED)

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. This plan is made available to all bona fide eligible volunteers who are performing qualified services which is defined as firefighting and prevention services, emergency medical service and ambulance services pursuant to Section 457 of the Internal Revenue Code of 1986, as amended, except for provisions added by reason of the LOSAP as enacted into federal law in 1997. The establishment of this LOSAP will also comply with New Jersey Public Law 1997, Chapter 388 and the LOSAP Document. The Township appropriated \$80,000 and \$80,000 in 2014 and 2013 budgets, respectively for contributions to the LOSAP for volunteers who have met the established criteria.

The LOSAP is administered by an unrelated financial institution. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the Township subject only to the claims of the Township's general creditors. In addition, the participants in the plan have rights equal to those of the general creditors of the Township, and each participant's rights are equal to his or her share of the fair market value of the plan assets. The Township believes that it is unlikely that plan assets will be needed to satisfy claims of general creditors that might arise.

As part of its fiduciary role, the Township has an obligation of due care in selecting the third party administrator. In the opinion of the Township's legal counsel, the Township has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

NOTE 10: TAXES COLLECTED IN ADVANCE

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

	Balance 12/31/14	Balance 12/31/13
Prepaid Taxes	453,532.32	407,621.18
Cash Liability for Taxes Collected in Advance	\$ 453,532.32	407,621.18

NOTE 11: PENSION FUNDS

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

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Public Employees' Retirement System

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

Police and Fireman's Retirement System

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

Defined Contribution Retirement Program (DCRP)

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

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provides for employee contributions of 6.78% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in PERS. The current PERS rate is 27.78% of covered payroll. The Township's contributions to PERS for the years ended December 31, 2014, 2013 and 2012 were \$381,415, \$425,648, and \$505,168.00 respectively, equal to the required contributions for each year.

The contribution policy for the PFRS is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 8.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate. The Township's contributions to PFRS for the years ended December 31, 2014, 2013 and 2012 were \$959,707, \$1,034,725, and \$1,343,208.00 respectively, equal to the required contributions for each year.

Total payroll for the years ended December 31, 2014, 2013, and 2012 was \$8,788,964, \$8,789,989, and \$8,642,859. Payroll covered by PFRS was \$4,083,586, \$4,125,333, and \$4,137,710. Covered payroll under PERS was \$3,455,411, \$3,415,721, and \$3,463,304.

Significant Legislation

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

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

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

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

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

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

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language

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from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

NOTE 12: POST-RETIREMENT BENEFITS

Plan Description

The township of Hamilton contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey, Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 53:14-17.25 et.seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. The Township has adopted a resolution authorizing their participation in the State Health Benefit Program and Local Prescription Drug Program. The Township does not offer post-retirement benefits to retirees.

The New Jersey State Health Benefits Plan issues a stand-alone financial report under GASB 43. To view the report, go to <http://www.state.nj.us/treasury/pensions/health-benefits.shtml>.

NOTE 13: 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

TOWNSHIP OF HAMILTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

to file an appeal petition may be extended. The County Board of Taxation has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year, and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels the County Board of Taxation unsatisfactorily reviewed the petition, appeal may be made to the Tax Court of New Jersey for further hearing. Some Tax Court appeals may take several years prior to settlement, and any losses in tax collection from prior years, are charged to a reserve set aside for this purpose or directly charged to Fund Balance.

NOTE 14: 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 15: FUND BALANCES APPROPRIATED

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

	Year	Balance December 31st	Utilized in Budget of Succeeding Year	Percent Utilized
Current Fund	2014	\$ 4,098,599.07	2,220,000.00	54.16%
	2013	3,826,090.50	2,915,369.00	76.20%
	2012	4,043,893.71	2,700,000.00	66.77%
	2011	3,136,898.60	2,100,000.00	66.95%
	2010	3,065,770.38	2,450,000.00	79.91%

NOTE 16: INTERFUND BALANCES

As of December 31, 2014, the following interfunds were included on the balance sheets of the various funds of the Township of Hamilton:

	Due from	Due to
Current Fund:		
Grant Fund	\$ 37,825.34	
Other Trust Funds		500.00
Grant Fund:		
Current Fund		37,825.34
Other Trust Funds:		
Current Fund		
Other Trusts	500.00	
	\$ 38,325.34	38,325.34

The amounts due to or from the grant fund are due to the fact that there is no separate grant fund bank account. The amount due to or from the other trust funds are due to a payment made from an incorrect account. It is anticipated that all interfunds will be liquidated during the current calendar year.

TOWNSHIP OF HAMILTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 17: 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 18: 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. During the 2014 and 2013 calendar years, the Township did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

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

The Township is a member of the Atlantic County Municipal Joint Insurance Fund (JIF) and the Municipal Excess Liability Fund (MEL) which also includes other municipalities throughout the region. The Township is obligated to remit insurance premiums into these funds for sufficient insurance coverage. There is an unknown contingent liability with the Atlantic County Municipal Joint Insurance Fund if there is a catastrophic insurance claim from any member of the fund. The Township has a general liability limit of \$200,000 under JIF, with a coverage limitation of \$4,900,000 under MEL. There was no reduction in coverage and no claims in excess of coverage during 2014. The Joint Insurance Fund issues its own financial report which may be obtained from the Atlantic County Joint Insurance Fund, Arthur J. Gallagher Risk Management Services, Inc., PO Box 530, 6000 Sagamore Drive, Suite 6203, Marlton, NJ 08053.

New Jersey Unemployment Compensation Insurance - The Township has elected to fund its 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 its former employees and charged to its account with the State. The Township is billed quarterly for the amounts due to the State. The following is a summary of Township contributions, reimbursements to the State for benefits paid and the ending balance of the Township’s trust fund for the current and previous two years:

<u>Year</u>	<u>Other</u>	<u>Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014	\$	20,000.00	(29,960.04)	61,871.60
2013	12,569.73		(21,473.54)	71,831.64
2012	17,162.79	(250,000.00)	(59,693.58)	80,735.45

NOTE 19: 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, 2014, 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.

TOWNSHIP OF HAMILTON
NOTES TO FINANCIAL STATEMENTS –
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

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.

NOTE 20: 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, 2014, the Authority had \$3,115,000 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, 2014.

NOTE 21: CONTINGENT LIABILITIES

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 22: SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2014 and through March 23, 2015, the date that the financial statements were available to be issued, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the Township that would require disclosure or adjustment.

SUPPLEMENTARY INFORMATION

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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PHONE 609.399.6333 • FAX 609.399.3710
www.ford-scott.com

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the various funds and account group as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise Township's basic financial statements, and have issued our report thereon dated March 23, 2015, which was adverse due to being presented in accordance with the New Jersey regulatory basis of accounting.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Very truly yours,

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

Leon P. Costello

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

March 23, 2015

TOWNSHIP OF HAMILTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2014

Schedule A

Federal Grantor / Pass-through Grantor Program	CFDA Number	Pass-Through Entity ID#	Grant Period From To	Program or Award Amount	Unexpended Balance 12/31/13	Receipts or Revenue Recognized	Disbursements/ Expenditures	Adjustments	Unexpended Balance 12/31/14
Department of Justice	16.607		1/1/14 12/31/14	8,843.08	-	8,843.08			8,843.08
Bullet Proof Vest Partnership	16.607		1/1/13 12/31/13	4,557.28	4,557.28				4,557.28
Bullet Proof Vest Partnership	16.607		1/1/12 12/31/12	2,958.27	604.01				604.01
Total Department of Justice					5,161.29	8,843.08	-	-	14,004.37
					5,161.29	8,843.08	-	-	14,004.37
Department of Transportation	20.609		1/1/11 12/31/13	956,641.00	12,633.62		(13,118.88)	(25,752.50)	-
Highway Planning and Construction-Local Municipal Aid					12,633.62		(13,118.88)	(25,752.50)	-
Total Department of Transportation									
New Jersey Department of Law and Public Safety									
Drive Sober or Get Pulled Over	20.601		12/5/14 1/2/15	7,500.00		7,500.00	7,050.00		450.00
Year End Holiday Crackdown	20.601		8/15/14 9/1/14	5,000.00		5,000.00			
Statewide Labor Day Crackdown	20.601		1/1/12 12/31/12	8,000.00	3,800.00		1,800.00	(2,000.00)	
Holiday Drive Sober	20.602		5/19/14 6/1/14	4,000.00		4,000.00			
Click It or Ticket Seat Belt Mobilization	20.610		4/1/14 4/21/14	5,000.00		5,000.00			
Distracted Driving Crackdown	97.042		7/1/13 6/30/14	5,000.00		5,000.00			5,000.00
Emergency Management Agency Assistance									
Total Department of Law and Public Safety					3,800.00	26,500.00	17,850.00	(2,000.00)	5,450.00
Community Development Block Grants									
Passed through Atlantic County Improvement Authority									
CBG for Atlantic County Urban County	14.218		11/14/12 12/31/14	60,946.00	37,816.00				37,816.00
Demolition of Dilapidated/Unsafe Structures									
Post Sandy Planning Assistance Grants	14.269		10/23/13 10/23/14	29,000.00	26,836.24		26,834.71		1.53
Preparation of Strategic Recovery Planning Report									
Historic Mays Landing -	14.269		9/4/14 9/4/15	48,200.00	48,200.00	48,200.00	48,200.00		
Neighborhood Planning	14.269		9/4/14 9/4/15	48,000.00	48,000.00	48,000.00	48,000.00		
Pre-investment and Redevelopment									
Total Community Development Block Grant					64,652.24	96,200.00	123,034.71	-	37,817.53
Total Federal Assistance					86,247.15	131,543.08	127,765.83	(27,752.50)	57,271.90

TOWNSHIP OF HAMILTON
 SCHEDULE OF STATE FINANCIAL ASSISTANCE
 YEAR ENDED DECEMBER 31, 2014

State Grantor / Pass-Through Grantor / Program	State Account Number	Grant Period From To	Grant Award	Unexpended Balance 12/31/13	Receipts or Revenue Recognized	Disbursements/Expenditures	Adjustments	Unexpended Balance 12/31/14	Accumulated Expenditures
Department of Transportation: Highway Safety Program-Safe Corridors		1/1/2014 12/31/2014	62,790.70	-	62,790.70	34,809.81	-	27,980.89	34,809.81
Total Department of Transportation					62,790.70	34,809.81	-	27,980.89	34,809.81
Department of Law and Public Safety:									
Safe and Secure Communities Grant	100-066-1020-107	1/1/2014 12/31/2014	60,000.00		60,000.00	27,297.14		32,702.86	27,297.14
Body Armor Grant	1020-718-066-1020	1/1/2014 12/31/2014	4,633.22		4,633.22			4,633.22	-
Body Armor Grant	1020-718-066-1020	1/1/2013 12/31/2013	6,094.09	6,094.09		2,493.85		3,600.24	5,361.14
Body Armor Grant	1020-718-066-1020	1/1/2012 12/31/2012	4,790.72	4,790.72		4,790.72			4,790.72
Body Armor Grant	1020-718-066-1020	1/1/2011 12/31/2011	4,675.17	4,675.17		4,675.17			4,675.17
Body Armor Grant	1020-718-066-1020	1/1/2010 12/31/2010	8,016.42	1,622.76		1,622.76			8,016.42
Drunk Driving Enforcement	NA	1/1/2014 12/31/2014	42,186.78		42,186.78			42,186.78	-
Drunk Driving Enforcement	NA	1/1/2013 12/31/2013	25,552.33	25,552.33		19,153.98		6,398.35	19,153.98
Drunk Driving Enforcement	NA	1/1/2012 12/31/2012	24,141.90	8,281.72		8,281.72		0.00	24,141.90
Total Department of Law and Public Safety				51,016.79	106,820.00	68,315.34	-	89,521.45	93,436.47
Department of Environmental Protection									
Clean Community Program	4900-765-042-4900	1/1/2014 12/31/2014	62,278.74		62,278.74			62,278.74	-
Clean Community Program	4900-765-042-4900	1/1/2013 12/31/2013	66,396.63	66,396.63		53,247.68		13,148.95	53,247.68
Clean Community Program	4900-765-042-4900	1/1/2012 12/31/2012	56,552.02	17,922.94		17,922.94			56,552.02
No Net Loss Reforestation Grant	NA	4/2/2013 10/31/2017	500,352.00	472,252.00				472,252.00	28,100.00
Hazardous Discharge Site Remediation	100-042-4870-074	1/1/2008 12/31/2008	379,125.00	34,466.00		34,466.00		34,466.00	34,466.00
Green Acres Program	NA	1/1/2006 12/31/2006	147,575.00	147,575.00				147,575.00	
Total Department of Environmental Protection				738,612.57	62,278.74	71,170.62	-	729,720.69	137,889.70
Total State Assistance				789,629.36	231,889.44	174,295.77	-	847,223.03	286,145.98
Total Federal and State and Local Assistance				875,876.51	363,432.52	302,061.60	(27,752.50)	904,494.93	

See Accompanying Notes to Schedules of Federal and State Financial Assistance

TOWNSHIP OF HAMILTON
NOTES TO SCHEDULE OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2014

Note 1: General

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state grant activity of the Township of Hamilton, New Jersey and is presented on the basis of accounting prescribed by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, which is a comprehensive basis of accounting other than generally accepted accounting principles. Encumbrances are considered in determining the single audit threshold on major programs.

Note 2: Relationship to General-Purpose Financial Statements

Amounts reported in the accompanying schedules agree with amounts reported in the Township's financial statements. Receipts from federal and state grants are realized as revenue when anticipated in the Township's budget. Expenditures are recognized when they become payable. Financial assistance revenue and expenditures are reported in the Township's financial statements on the basis of accounting prescribed by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Expenditure per Schedule of Expenditures of Federal Awards and State Financial Assistance	\$ 127,765.83	174,295.77	302,061.60
Encumbrances, net	<u>198,918.15</u>	<u>21,236.08</u>	<u>220,154.23</u>
Expenditures reported in Basic Financial Statements	<u>\$ 326,683.98</u>	<u>195,531.85</u>	<u>522,215.83</u>

Schedule of Financial Statement Findings

NONE

Status of Prior Year Recommendations

NONE

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

		Current Fund
Balance December 31, 2013	\$	11,352,099.79
Increased by Receipts:		
Tax Collector		58,716,165.38
Tax Title Liens		35,595.53
Prepaid Taxes		453,532.32
Revenue Accounts Receivable		
Treasurer		4,747,742.64
Tax Collector		169,623.42
Miscellaneous Revenue		583,688.43
Due from State of New Jersey - Senior Citizens & Veterans		196,500.00
Due to State of New Jersey - Marriage Licenses		4,145.00
DCA Fees		25,244.00
Due to Other Trusts		500.00
Federal and State Receivables		695,398.58
		65,628,135.30
		76,980,235.09
Decreased by Disbursements:		
Current Year Appropriation		21,638,417.58
Prior Year Appropriations		914,580.24
Accounts Payable		6,865.40
Tax Overpayments		7,785.17
Refund of Prior Year Revenue		4,354.73
County Taxes		10,837,456.09
County Added and Omitted Taxes		68,445.69
Local District School Taxes		19,625,352.00
Regional School Taxes		11,528,133.50
Due to State of New Jersey - Marriage Licenses		4,415.00
DCA Fees		24,749.00
Federal, State and Other Grant Fund Appropriated Grant Reserves		548,655.41
		65,209,209.81
Balance December 31, 2014	\$	11,771,025.28

CURRENT FUND
SCHEDULE OF CURRENT CASH - COLLECTOR

Balance December 31, 2013	\$	-
Increased By Receipts:		
Taxes Receivable	\$ 58,716,165.38	
Interest and Cost on Taxes	169,623.42	
Tax Title Liens	35,595.53	
Miscellaneous Revenue Not Anticipated	25,530.79	
Due to Hamilton Township MUA	59,279.86	
Tax Premiums Received	251,900.00	
Outside Lien Redemptions	497,870.39	
Prepaid Taxes	453,532.32	
		60,209,497.69
		60,209,497.69
Decreased By Disbursements:		
Payment to Treasurer	59,400,447.44	
Tax Premiums Refunded	557,150.25	
Payment to Trust Fund	251,900.00	
		60,209,497.69
Balance December 31, 2014	\$	-

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

Year	Balance Dec. 31, 2013	Current Year Levy	Added Taxes	Collections by Cash		Overpayments Applied	Overpayments Created	Canceled	Adjustments	Transferred To Tax Title Lien	Arrears	Balance Dec. 31, 2014
				2013	2014							
Arrears	\$ 30,578.93				2,985.82						10,256.71	37,849.82
2013	706,207.50		4,250.00	667,442.83			321,684.57	316,788.52	-	40,113.05	(7,547.67)	250.00
	736,786.43	-	4,250.00	670,428.65			321,684.57	316,788.52	-	40,113.05	2,709.04	38,099.82
2014	-	59,784,459.27	195,590.42	407,621.18	58,246,168.72	290,910.55		229,116.46	-	17,306.68	(2,709.04)	786,217.06
\$	736,786.43	59,784,459.27	199,840.42	407,621.18	58,916,597.37	290,910.55	321,684.57	545,904.98	-	57,419.73	-	824,316.88
					58,716,165.38	Cash Receipts						
					200,431.99	Senior Citizens and Veterans						
					<u>58,916,597.37</u>							
Analysis of Current Year Tax Levy												
Tax Yield:												
General Property Tax												
Added Taxes (54-4-63.1 et. Seq.)												
					59,784,459.27							
					195,590.42							
					<u>59,980,049.69</u>							
Tax Levy:												
General County Taxes												
County Library Taxes												
County Open Space Taxes												
County Health Taxes												
County Added and Omitted Taxes												
Total County Taxes												
					9,095,080.02							
					900,635.21							
					128,200.23							
					713,540.63							
					35,407.41							
					<u>10,872,863.50</u>							
Local School District Tax												
Regional School District Tax												
					19,625,352.00							
					11,798,359.05							
Local Tax for Municipal Purposes												
Add: Additional Tax Levied												
					17,495,721.71							
					<u>187,753.43</u>							
					<u>17,683,475.14</u>							
					<u>59,980,049.69</u>							

**CURRENT FUND
SCHEDULE OF TAX TITLE LIENS**

Balance December 31, 2013		\$ 99,337.17
Increased by:		
Transfers from Taxes Receivable	57,419.73	
Interest and Costs Accrued by Sale	5,202.58	
	<hr/>	<hr/>
		62,622.31
		161,959.48
Decreased by:		
Collections	35,595.53	
	<hr/>	<hr/>
		35,595.53
Balance December 31, 2014		\$ <u><u>126,363.95</u></u>

**CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance Dec. 31, 2013	Accrued in 2014	Collected by		Balance Dec. 31, 2014
			Collector	Treasurer	
Licenses:					
Alcoholic Beverages		52,871.63		52,871.63	
Fees and Permits		142,262.77		142,262.77	
Fines and Costs:					
Municipal Court	48,611.04	718,443.91		713,242.52	53,812.43
Interest and Costs on Taxes		169,623.42	169,623.42		
Energy Receipts Tax		2,754,977.00		2,754,977.00	
Garden State Trust Pilot		86,066.00		86,066.00	
Uniform Construction Code Fees		390,150.00		390,150.00	
Other Special Items of Revenues:					
Uniform Fire Safety Act		154,557.72		154,557.72	
Hamilton Township MUA Surplus		200,000.00		200,000.00	
Housing Inspection Fees		253,760.00		253,615.00	145.00
	<u>48,611.04</u>	<u>4,922,712.45</u>	<u>169,623.42</u>	<u>4,747,742.64</u>	<u>53,957.43</u>

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

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charges	Accounts Payable	Balance Lapsed	Over- Expended
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT:						
Township Committee						
Other Expenses	\$ 7,662.96	7,662.96	135.00		7,527.96	
Township Administrator						
Other Expenses	10,126.13	10,030.13	354.19		9,675.94	
Human Resources						
Other Expenses	10,625.18	11,625.18	11,014.18		611.00	
Municipal Clerk's Office						
Other Expenses	17,057.93	17,057.93	1,654.68		15,403.25	
Financial Administration						
Other Expenses	12,265.08	12,265.08	2,092.24		10,172.84	
Legal Services and Costs						
Other Expenses		-				
Miscellaneous Other Expenses	59,408.98	59,408.98	25,149.13		34,259.85	
Division of Tax Assessment						
Other Expenses	35,889.99	35,889.99	9,910.83		25,979.16	
Division of Tax Collection						
Other Expenses	8,851.58	8,851.58	3,604.91		5,246.67	
Management Information Systems						
Other Expenses	4,342.63	4,342.63	4,305.67		36.96	
LAND USE ADMINISTRATION						
Division of Engineering						
Other Expenses	4,385.50	9,385.50	7,434.00	65.50	1,886.00	
Board of Adjustment						
Other Expenses	12,586.69	12,586.69	449.05		12,137.64	
Municipal Land Use Law (NJSA 40:55D-1)						
Planning Board/Zoning Board						
Salaries and Wages	9,512.89	12,138.89	12,138.22		0.67	
Other Expenses	50,866.95	50,866.95	6,345.36	811.25	43,710.34	
Industrial Commission						
Other Expenses	13,938.83	13,938.83	3,275.21		10,663.62	
PUBLIC SAFETY						
Fire Department						
Other Expenses						
Aid to Volunteer Fire Companies	109,639.90	109,639.90	86,474.94	1,731.00	21,433.96	
Uniform Fire Safety Act (PL 1983, Ch. 383)						
Other Expenses	3,748.12	3,748.12	959.73		2,788.39	
Police and Traffic Control						
Other Expenses	286,260.97	286,260.97	259,260.07	19,154.60	7,846.30	
Ambulance Aid and Maintenance						
Other Expenses	4,788.06	4,788.06	2,627.43		2,160.63	

See Accompanying Auditor's Report

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

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charges	Accounts Payable	Balance Lapsed	Over- Expended
Office of Emergency Management Services						
Other Expenses	2,858.24	2,858.24	2,429.68		428.56	
PUBLIC WORKS						
Division of Public Works						
Salaries and Wages	98,397.64	98,397.64	2,917.00		95,480.64	
Other Expenses	288,415.18	288,415.18	114,350.26	113,000.00	61,064.92	
Solid Waste Collection	164,219.22	164,219.22	84,842.67		79,376.55	
Other Expenses	35,517.11	35,517.11	34,710.86		806.25	
HEALTH AND HUMAN SERVICES						
Historical Advisory Board						
Other Expenses	1,332.77	1,332.77	108.98		1,223.79	
UTILITIES						
Contribution to Snow Reserve	972.83	972.83	972.83			
Utilities	234,421.15	234,421.15	48,478.66		185,942.49	
Postage	9,392.90	12.90	12.00		0.90	
MUNICIPAL COURT FUNCTIONS						
Municipal Court						
Other Expenses	2,470.09	2,970.09	2,261.17		708.92	
INSURANCE						
Group Insurance for Employees	81,181.63	81,181.63	21,623.64		59,557.99	
UNIFORM CONSTRUCTION CODE						
State Uniform Construction Code						
Construction Official						
Other Expenses	11,886.44	11,886.44	410.22		11,476.22	
Housing Inspections						
Other Expenses	14,094.27	14,094.27	5,467.47		8,626.80	
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
Contributions to						
Social Security	32,076.35	32,076.35	108.88		31,967.47	
Defined Contribution Retirement Program	730.56	1,080.56	996.08		84.48	
CAPITAL IMPROVEMENTS						
Purchase of Emergency Equipment	157,705.00	157,705.00	157,705.00			
ALL OTHER CATEGORIES						
	293,384.28	293,384.28			293,384.28	
\$	2,091,014.03	2,091,014.03	914,580.24	134,762.35	1,041,671.44	-

Cash Disbursements	926,838.69
Refunds	(12,258.45)
	<u>914,580.24</u>

See Accompanying Auditor's Report

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

Balance December 31, 2013			
School Tax Payable	\$	1,980,531.02	
School Tax Deferred		<u>6,774,537.98</u>	
			\$ 8,755,069.00
Increased by:			
Levy - School Year July 1, 2014 to June 30, 2015			<u>19,625,352.00</u>
			28,380,421.00
Decreased by:			
Payments			<u>19,625,352.00</u>
Balance December 31, 2014			
School Tax Payable		1,980,531.02	
School Tax Deferred		<u>6,774,537.98</u>	
			<u>8,755,069.00</u>
Current Year Liability for Local School District School Tax:			
Tax Paid			19,625,352.00
Tax Payable Ending			<u>1,980,531.02</u>
			21,605,883.02
Less: Tax Payable Beginning			<u>1,980,531.02</u>
Amount charged to Current Year Operations			<u>\$ 19,625,352.00</u>

**CURRENT FUND
SCHEDULE OF REGIONAL HIGH SCHOOL TAX**

Balance December 31, 2013			
School Tax Payable	\$	2,353,455.25	
School Tax Deferred		<u>2,213,985.70</u>	
			\$ 4,567,440.95
Increased by:			
School Tax Levy - School Year July 1, 2014 to June, 2015			<u>11,798,359.05</u>
			16,365,800.00
Decreased by:			
Payments			<u>11,528,133.50</u>
Balance December 31, 2014			
School Tax Payable		2,623,680.80	
School Tax Deferred		<u>2,213,985.70</u>	
			<u>4,837,666.50</u>
Current Year Liability for Regional High School Tax:			
Tax Paid			11,528,133.50
Tax Payable Ending			<u>2,623,680.80</u>
			14,151,814.30
Less: Tax Payable Beginning			<u>2,353,455.25</u>
Amount charged to Current Year Operations			<u>\$ 11,798,359.05</u>

**CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

<u>Purpose</u>	<u>Balance Dec. 31, 2013</u>	<u>Transferred From 2014 Revenues</u>	<u>Received</u>	<u>Adjustments</u>	<u>Balance Dec. 31, 2014</u>
FEDERAL GRANTS:					
NJ Department of Transportation - 2009	69,393.50			(25,752.50)	43,641.00
NJ Department of Transportation - 2013	187,000.00		98,738.40		88,261.60
NJ Highway Traffic Safety Grant	33,437.16				33,437.16
NJHA Holiday Drive Sober	4,400.00	12,500.00	7,400.00	(2,000.00)	7,500.00
Bullet Proof Vest Partnership		8,843.08	2,822.70		6,020.38
Click It or Ticket		4,000.00	4,000.00		
Community Development Block Grant					
Post Sandy Planning Assistance Grants					
Preparation of Strategic Recovery Planning Report	29,000.00	48,200.00	28,998.47		1.53
Historic Mays Landing Neighborhood Planning					48,200.00
Historic Mays Landing Pre-Investment and Redevelopment		48,000.00			48,000.00
Total Federal	<u>323,230.66</u>	<u>121,543.08</u>	<u>141,959.57</u>	<u>(27,752.50)</u>	<u>275,061.67</u>
STATE GRANTS:					
Green Acres Program Grant	147,575.00	62,790.70			147,575.00
NJ Highway Safety Corridors		5,000.00	5,000.00		62,790.70
Distracted Driving Crackdown					-
Hazardous Discharge Site Remediation	34,466.00	42,186.78	42,186.78		34,466.00
Drunk Driving Enforcement Fund	24,141.90	4,633.22	4,633.22		24,141.90
Body Armor Fund		62,278.74	62,278.74		
Clean Communities Grant	60,946.00		26,227.80		34,718.20
Community Development Block Grant		60,000.00	60,000.00		
Safe and Secure Communities Grant	3,000.00				3,000.00
Green Communities Grant		5,000.00	5,000.00		
Emergency Management Grant					
No Net Loss Reforestation Grant	500,352.00				500,352.00
Total State	<u>770,480.90</u>	<u>241,889.44</u>	<u>205,326.54</u>	<u>-</u>	<u>807,043.80</u>
OTHER GRANTS:					
Atlantic County Open Space Grant	331,776.81	28,657.00	310,272.47		21,504.34
Municipal Alliance on Alcoholism and Drug Abuse	16,450.16		43,440.00	8,189.84	9,857.00
Total State	<u>348,226.97</u>	<u>28,657.00</u>	<u>353,712.47</u>	<u>8,189.84</u>	<u>31,361.34</u>
\$	<u>1,441,938.53</u>	<u>392,089.52</u>	<u>700,998.58</u>	<u>(19,562.66)</u>	<u>1,113,466.81</u>
		Cash	695,386.58		
		Matching Share	5,600.00		
			<u>700,998.58</u>		

See Accompanying Auditor's Report

**CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS**

	Balance December 31, 2013	2014		Reverse	Encumbrances	Balance
	Appropriated	Reserve for Encumbrances	Appropriations	Prior Year Encumbrances	Encumbrances	Dec. 31, 2014
FEDERAL GRANTS:						
NJ Department of Transportation	\$ 12,633.62			272,935.47		
NJHS Holiday Drive Sober	3,800.00		12,500.00			5,450.00
Click It or Ticket			4,000.00			
Bullet Proof Vest Partnership	5,161.29		8,843.08			14,004.37
Distracted Driving Crackdown			5,000.00			
Emergency Management Grant			5,000.00			
Community Development Block Grants						5,000.00
Atlantic County Urban County						
Demolition of Dilapidated/Unsafe Structure	37,816.00			23,130.00	3,111.08	37,816.00
Post Sandy Planning Assistance Grants						
Preparation of Strategic Recovery Planning Report	26,636.24		48,200.00	2,163.76	48,200.00	1.53
Historic Mays Landing Neighborhood Planning						
Historic Mays Landing Pre-Investment and Redevelopment			48,000.00		48,000.00	
Total Federal	86,247.15	-	131,543.08	298,229.23	99,311.08	62,271.90
STATE GRANTS:						
Drunk Driving Enforcement Fund	33,834.05		42,186.78	26,992.10	1,043.60	48,585.13
NJ Highway Traffic Safety Grant	34,466.00					34,466.00
Hazardous Discharge Site Remediation	147,575.00			43.75		147,575.00
Green Acres Program Grant	17,182.74		4,633.22	13,582.50		8,233.46
Body Armor Fund	84,319.57		62,278.74	99,188.42	3,165.00	75,427.89
Clean Communities			60,000.00	27,297.14		32,702.86
Safe and Secure Communities Grant			62,790.70	27,686.69		27,980.89
Safe Corridors						
Coastal Grant	472,252.00			12,702.50	12,702.50	472,252.00
No Net Loss Reforestation Grant				15,217.50	14,476.25	
Total State	789,629.36	-	231,889.44	59,746.55	38,510.47	847,223.03
OTHER GRANTS:						
Atlantic County Open Space Grant	1,947.07			1,000.00	1,000.00	1,947.07
Municipal Alliance on Alcoholism and Drug Abuse	23,638.60		28,657.00	26,439.58		25,377.92
Total Other	25,585.67	-	28,657.00	26,439.58	1,000.00	27,324.99
Total	901,462.18	-	392,089.52	361,100.78	138,821.55	936,819.92

TRUST FUND
SCHEDULE OF ANIMAL CONTROL CASH - TREASURER

Balance December 31, 2013		\$	14,221.40
Increased By Receipts:			
Dog Licenses Fees	6,035.60		
State License Fees	1,598.40		
Late Fees Collected	480.00		
Interest	3.00		
			8,117.00
			22,338.40
Decreased By Disbursements:			
State of New Jersey	1,593.00		
Animal Control Expenditures	6,878.49		
Due to Current Fund	782.31		
			9,253.80
Balance December 31, 2014		\$	13,084.60

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

		Other
Balance December 31, 2013	\$	2,468,879.18
Increased By Receipts:		
Reserve for Miscellaneous Trust Reserves:		
Off-Duty Police		241,782.05
Law Enforcement Fund		6,001.62
Payroll Deductions Payable		11,160,310.70
Small Cities Grant Fund		5,949.00
Miscellaneous Trust Funds		753,534.58
		12,167,577.95
		14,636,457.13
Decreased By Disbursements:		
Reserve for Miscellaneous Trust Reserves:		
Off-Duty Police		241,608.41
Law Enforcement Fund		10,560.36
Payroll Deductions Payable		11,144,412.19
Miscellaneous Trust Funds		848,175.92
Miscellaneous Trust Fund Escrows		16,679.42
Due to Current Fund		500.00
		12,261,936.30
Balance December 31, 2014	\$	2,374,520.83

TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES

Balance December 31, 2013	\$	14,221.40
Increased By:		
Dog Licenses Fees Collected		5,521.60
Cat License Fees Collected		514.00
Late Fees Collected		480.00
Interest		3.00
		6,518.60
		20,740.00
Decreased By:		
Statutory Excess Due to Current Fund		292.31
Cat Licenses Remitted to Current Fund		490.00
Animal Control Expenditures		6,878.49
		7,660.80
Animal Control Expenditures Encumbered		815.00
Balance December 31, 2014	\$	12,264.20

License Fees Collected	<u>Year</u>	
	2012	\$ 5,945.00
	2013	6,319.20
		12,264.20

TRUST FUND
SCHEDULE OF AMOUNT DUE TO (FROM) STATE OF NEW JERSEY

Balance December 31, 2013	\$	-
Increased By:		
License Fees Collected		1,598.40
		1,598.40
Decreased By:		
Paid to State of New Jersey		1,593.00
		1,593.00
Balance December 31, 2014	\$	5.40

TRUST FUND
SCHEDULE OF TRUST CASH - TAX COLLECTOR

Balance December 31, 2013	\$	172,261.75
Increased By Receipts:		
Deposits for Redemptions of Tax Sale Certificates	<u>809,050.25</u>	
		<u>809,050.25</u>
		981,312.00
Decreased By Disbursements:		
Tax Sale Certificates Redeemed	<u>758,532.31</u>	
		<u>758,532.31</u>
Balance December 31, 2014	\$	<u><u>222,779.69</u></u>

TRUST FUND
SCHEDULE OF RESERVE FOR SMALL CITIES GRANT FUND

Balance December 31, 2013	\$	13,850.75
Increased By:		
Receipts	<u>5,949.00</u>	
		<u>5,949.00</u>
		<u>19,799.75</u>
Decreased By:		
Disbursements	<u>-</u>	
		<u>-</u>
Balance December 31, 2014		<u><u>19,799.75</u></u>

SCHEDULE OF RESERVE FOR LAW ENFORCEMENT TRUST FUND

Balance December 31, 2013		95,153.11
Increased By:		
Forfeitures	<u>6,001.62</u>	
		<u>6,001.62</u>
		<u>101,154.73</u>
Decreased By:		
Cash Disbursed	<u>10,560.36</u>	
		<u>10,560.36</u>
Balance December 31, 2014	\$	<u><u>90,594.37</u></u>

TRUST FUND
SCHEDULE OF RESERVE FOR OFF - DUTY POLICE TRUST FUND

Balance December 31, 2013	\$	23,864.62
Increased By Receipts:		
Charges for Off-Duty Police Services		<u>241,782.05</u>
		<u>241,782.05</u>
		<u>265,646.67</u>
Decreased By Disbursements:		
Transfer to Payroll for Police Salaries		229,622.98
Transfer to Current Fund fro Administration Fee		<u>11,985.43</u>
		<u>241,608.41</u>
Balance December 31, 2014		<u><u>24,038.26</u></u>

SCHEDULE OF SMALL CITIES LOANS RECEIVABLE

Balance December 31, 2013	473,529.47
Decreased By:	
Repayments	<u>5,949.00</u>
	<u>5,949.00</u>
Balance December 31, 2014	<u><u>467,580.47</u></u>

**TRUST FUND
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE**

	Balance Dec. 31, 2013	Receipts	Disbursements	Balance Dec. 31, 2014
	\$			
Social Security - Medicare Tax		1,343,141.98	1,343,141.98	
Net Pay		5,544,503.62	5,544,503.62	
Federal Withholding Tax		1,107,323.22	1,107,323.22	
State Income Tax		300,247.38	300,247.38	
Unemployment Compensation	1,508.01	42,340.14	29,924.14	13,924.01
PERS	21,732.64	634,215.77	629,658.16	26,290.25
PFRS	35,727.37	1,370,444.35	1,372,306.46	33,865.26
PERS - Contributory Insurance	1,487.62	17,981.58	17,846.25	1,622.95
PERS - Loan	4,544.67	63,145.47	63,765.26	3,924.88
PFRS - Loan	9,001.11	123,860.74	123,329.07	9,532.78
Deferred Compensation Plan - VALIC		130,067.44	130,067.44	
FSA 125 Reimbursement	2,616.68	5,299.84	4,418.82	3,497.70
Life Insurance - Colonial		1,628.76	1,628.76	
AFLAC	57.75	21,272.28	21,330.03	
Colonial 125		774.96	774.96	
Dental - Vision		328,491.44	328,491.44	
Support		49,372.40	49,372.40	
Wage Attachments		1,750.30	1,750.30	
DCRP	83.47	12,522.73	12,606.20	
PBA Dues		37,612.30	37,612.30	
Teamster Dues		24,074.00	24,074.00	
PAC Dues		240.00	240.00	
Payroll Agency 2003	242.14			242.14
	<u>\$ 77,001.46</u>	<u>11,160,310.70</u>	<u>11,144,412.19</u>	<u>92,899.97</u>

TRUST FUND
SCHEDULE OF MISCELLANEOUS TRUST FUND RESERVES

	Balance Dec. 31, 2013	Budget Appropriations	Miscellaneous	Disbursements	Balance Dec. 31, 2014
Reserves for:					
Public Defender	\$ 29,486.93		47,100.00	35,359.97	41,226.96
Parking Offenses Adjudication Act	1,079.62		90.00		1,169.62
Police Donations	5,767.67		4,662.44	5,562.59	4,867.52
Snow Removal	278,704.88	100,000.00		168,372.24	210,332.64
Developer's Escrow	1,003,361.46		375,549.17	417,664.19	961,246.44
Performance Guarantee Improvements	5,500.00		12,025.00	11,025.00	6,500.00
Recycling	87,733.47		35,481.97	59,239.55	63,975.89
Fire Penalty Fees	2,649.90		3,500.00	500.00	5,649.90
Street Opening Deposits	31,696.74		27,350.00	18,748.75	40,297.99
Accumulated Absences	31,505.79	40,000.00		64,612.39	6,893.40
Unemployment Compensation	71,831.64	20,000.00		29,960.04	61,871.60
Affordable Housing	110,590.28		33,911.00	16,379.95	128,121.33
Recreation Fund	66,992.33		18,905.00	20,751.25	65,146.08
	<u>\$ 1,726,900.71</u>	<u>160,000.00</u>	<u>558,574.58</u>	<u>848,175.92</u>	<u>1,597,299.37</u>

TRUST FUND
SCHEDULE OF MISCELLANEOUS TRUST FUND ESCROWS

	Balance Dec. 31, 2013	Receipts	Disbursements	Balance Dec. 31, 2014
Reserve for Offsite Improvements	\$ 495,037.78	34,960.00	15,750.00	514,247.78
Reserve for Landfill Closure	4,361.26			4,361.26
Fire Suppression System	32,709.49		929.42	31,780.07
Redemption of Tax Sale Premiums	122,349.00	251,900.00	206,300.00	167,949.00
Redemption of Tax Title Liens	49,912.75	557,150.25	552,232.31	54,830.69
	<u>704,370.28</u>	<u>844,010.25</u>	<u>775,211.73</u>	<u>773,168.80</u>
Tax Collector	809,050.25		758,532.31	
Treasurer	34,960.00		16,679.42	
	<u>844,010.25</u>		<u>775,211.73</u>	

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

Balance December 31, 2013		\$ 1,205,346.83
Increased by:		
Capital Improvement Fund	95,000.00	
Premium on Sale of Notes	29,800.01	
Bond Anticipation Notes	7,621,000.00	
Reserve for Purchase of Emergency Equipment	280,000.00	
	<hr/>	<hr/>
		8,025,800.01
		9,231,146.84
Decreased by:		
Improvement Authorizations	2,539,970.86	
Bond Anticipation Notes	2,775,000.00	
	<hr/>	<hr/>
		5,314,970.86
Balance December 31, 2014		\$ <u><u>3,916,175.98</u></u>

**GENERAL CAPITAL FUND
ANALYSIS OF CASH**

	Balance Dec. 31, 2013		Receipts		Disbursements		Transfers		Balance Dec. 31, 2014
			Miscellaneous		Improvement Authorizations	Miscellaneous	From To		
				Debt Issued					
Fund Balance	\$	14,049.00		0.01					14,049.01
Capital Improvement Fund		23,887.89		95,000.00				95,000.00	23,887.89
Reserve for Payment of Bonds and Notes				29,800.00					29,800.00
Capital Reserves		322,295.00		280,000.00					280,000.00
Reserve for Encumbrances		653,724.53						1,703,162.24	1,703,162.24
Contracts Payable		112,250.28						54,271.42	54,271.42
Improvement Authorizations:									
1403-01 Various Capital Improvements		34,084.32						34,084.32	50,000.00
1433-02 Various Capital Improvements		50,000.00							
1463-03 General Recreational Improvements									
1531-05 Main Street Road Improvements		321,153.90			150,884.50			321,153.90	
1607-07 Various Capital Improvements		168,780.22						17,895.72	
1625-08 Various Capital Improvements		15.00						15.00	
1631-08 Road Improvement Program 2008		181,388.63			181,388.63				
1649-09 Various Capital Improvements		106,284.58			33,632.38			4,582.65	92,158.25
1671-10 2010 Road Improvement Program		2,487.78			90,592.24			6,828.20	2,369.14
1672-10 Various Capital Improvements		638,265.08			539,854.07			193,164.15	151,347.94
1693-11 Various Capital Improvements		234,185.89			160,563.66			74,618.85	24,615.52
1710-11 Acquisition of Computer Software and Hardware-									
Public Safety Department		8,291.31			8,291.31			34,137.50	
1713-12 2012-13 Road Improvement Program		(1,487,296.58)		1,900,000.00	284,259.13			306,817.88	178,373.59
1748-13 Various Capital Improvements		(178,500.00)		1,140,000.00	209,045.79			159,155.86	754,658.35
1760-14 Purchase of Emergency Equipment								148,629.88	173,665.12
1766-14 Various Capital Improvements					735,822.55			811,602.97	352,574.48
1767-14 Public Works Projects					145,636.60			355,253.22	209,616.62
	\$	1,205,346.83		404,800.01	2,539,970.86	-		3,295,956.69	3,916,175.98
				4,846,000.00					

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance December 31, 2013		\$ 7,454,924.17
Decreased by:		
Serial Bonds Paid	2,000,000.00	
Green Trust Loan Principal Paid	<u>26,123.08</u>	
		<u>2,026,123.08</u>
Balance December 31, 2014		\$ <u><u>5,428,801.09</u></u>

**GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND**

Balance December 31, 2013		\$ 23,887.89
Increased by:		
Budget Appropriation	95,000.00	
	95,000.00	95,000.00
		118,887.89
Decreased by:		
Improvement Authorizations Funded	95,000.00	
	95,000.00	95,000.00
Balance December 31, 2014		\$ <u>23,887.89</u>

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
			Date	Amount					
2005 General Improvements	8/15/2005	8,730,000	8/15/2015	1,200,000.00	3.600%	2,400,000.00		1,200,000.00	1,200,000.00
2009 General Improvements	7/30/2009	6,860,000	7/15/2015	800,000.00	3.000%	4,800,000.00		800,000.00	4,000,000.00
			7/15/2016	800,000.00					
			7/15/2017	800,000.00					
			7/15/2018	800,000.00					
			7/15/2019	800,000.00	3.750%				
						\$ 7,200,000.00		2,000,000.00	5,200,000.00

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2014		Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
			Date	Amount					
General Improvements	2003	\$ 500,000.00	2015	26,648.15	1.000%	254,924.17		26,123.08	228,801.09
			2016	27,183.78					
			2017	27,730.18					
			2018	28,287.55					
			2019	28,856.13					
			2020	29,436.13					
			2021	30,027.81					
		2022	30,631.36						
						<u>\$ 254,924.17</u>		<u>26,123.08</u>	<u>228,801.09</u>

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

Improvement Description	Ordinance Number	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
Various Capital Improvements	1649-09	9/6/2012	9/3/2014	6/3/2015	1.000% \$	580,500.00		69,107.00	511,393.00
Various Capital Improvements	1672-10	9/6/2012	9/3/2014	6/3/2015	1.000%	1,285,200.00		153,000.00	1,132,200.00
Stormwater Outfall Extensions	1693-11	9/6/2012	9/3/2014	6/3/2015	1.000%	1,284,300.00	1,000.00	152,893.00	1,132,407.00
2012-13 Road Improvement Program	1713-12	9/3/2014	9/3/2014	6/3/2015	1.000%		1,900,000.00		1,900,000.00
Various Capital Improvements	1748-13	9/3/2014	9/3/2014	6/3/2015	1.000%		1,140,000.00		1,140,000.00
Various Capital Improvements	1766-14	9/3/2014	9/3/2014	6/3/2015	1.000%		1,805,000.00		1,805,000.00
					\$	<u>3,150,000.00</u>	<u>4,846,000.00</u>	<u>375,000.00</u>	<u>7,621,000.00</u>

**GENERAL CAPITAL FUND
SCHEDULE OF BOND AND NOTES AUTHORIZED BUT NOT ISSUED**

Ordinance Number	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Debt Issued	Other	Balance Dec. 31, 2014
1693-11	Various Capital Improvements	\$ 1,000.00		1,000.00		
1713-12	2012-13 Road Improvement Program	1,900,000.00		1,900,000.00		
1748-13	Various Capital Improvements	1,140,000.00		1,140,000.00		
1766-14	Various General Improvements		1,805,000.00	1,805,000.00		
		<u>\$ 3,041,000.00</u>	<u>1,805,000.00</u>	<u>4,846,000.00</u>	<u>-</u>	<u>-</u>

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TOWNSHIP OF HAMILTON

PART II

LETTER OF COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED

DECEMBER 31, 2014

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GENERAL COMMENTS

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

N.J.S. 40A:11-4 states, "Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$36,000 except by contract or agreement.

The governing body of the Township has the responsibility of determining whether the expenditures in any category will exceed \$36,000 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Township Counsel's opinion should be sought before a commitment is made.

Our examination of expenditures did not reveal payments in excess of \$36,000 "for the performance of any work or the furnishing or hiring of any materials or supplies" other than those where bids had been previously sought by public advertisement, awarded under state or county cooperative purchasing agreements, or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

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

- Fire Pumper Apparatus
- Interior Alterations to the Public Works Building
- 2014 Road Projects
- Leipe Tract Drainage Basin Remediation and Recreation Complex Irrigation System
- Town Hall Auxiliary Parking Lot
- 2014 Milling and Patching Program
- Radio Equipment under the Township's Radio P25 Project

Contracts and Agreements Requiring Solicitation of Quotations

N.J.S. 40A:11-6.1 states, "Prior to the award of any other purchase, contract or agreement, the contracting agent shall, except in the case of the performance of professional services, solicit quotations, whenever practical, on any such purchase, contract or agreement the estimated cost or price of which is \$2,625 or more."

Our examination of expenditures did reveal not purchases made in excess of \$5,400 without obtaining quotes as required by statute.

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body, on January 6, 2014, adopted the following resolution authorizing interest to be charged on delinquent taxes:

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

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

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

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and Township Committee of the Township of Hamilton, Atlantic County, State of New Jersey, as follows;

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

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held on March 5, 2014 and was not complete due to properties in bankruptcy not being sold.

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

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

<u>Year</u>	<u>Number of Liens</u>
2014	147
2013	139
2012	83
2011	72
2010	75

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

Verification of Delinquent Taxes and Other Charges

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

<u>Type</u>	<u>Number Mailed</u>
Payment of 2015 and 2014 Taxes	11
Delinquent Tax Balances	1
Municipal Court	20

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

Deposit of Municipal Funds

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

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

Comparison of Tax Levies and Collections Currently

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

Year	Tax Levy	Currently	
		Cash Collections	Percentage of Collections
2014	\$ 59,980,049.69	58,944,700.45	98.27%
2013	60,086,621.25	58,800,133.70	97.86%
2012	56,451,130.39	55,688,856.97	98.65%
2011	56,970,107.22	55,891,902.03	98.11%
2010	54,775,970.88	53,639,158.21	97.92%

Comparative Schedule of Tax Rate Information

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Tax Rate	2.627	2.527	2.355	2.363	4.149
Apportionment Of Tax Rate:					
Municipal	.770	.739	.740	.740	1.307
County	.475	.481	.379	.392	.644
Local School	.863	.832	.808	.817	1.475
Regional High School	.519	.475	.428	.414	.723
Assessed Valuation	2,275,007,386	2,363,065,213	2,388,396,578	2,399,494,081	1,314,246,876

A revaluation of properties was performed in 2010 in order to bring the property values in line with their true value. The revaluation was effective for the 2011 tax year.

Delinquent Taxes and Tax Title Liens

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

Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage Of Tax Levy
2014	\$ 126,363.95	824,316.88	950,680.83	1.58%
2013	99,337.17	736,786.43	836,123.60	1.39%
2012	75,560.40	557,959.37	633,519.77	1.12%
2011	47,429.22	829,471.98	876,901.20	1.54%
2010	30,093.66	663,497.21	693,590.87	1.27%

RECOMMENDATIONS

None

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

Very truly yours,

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

Leon P. Costello

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

March 23, 2015