

**TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY DATA AND INFORMATION  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

**TOWNSHIP OF HAMILTON MERCER COUNTY, NEW JERSEY**

**TABLE OF CONTENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**

**INTRODUCTORY SECTION**

Letter of Transmittal

**PART I**

**FINANCIAL SECTION**

Independent Auditors' Report

Basic Financial Statements:

I. Combined Financial Statements

Combined Statement of Assets, Liabilities, Reserves and Fund  
Balance - All Fund Types and Account Groups - Regulatory  
Basis

Combined Statement of Revenues, Expenditures and Changes in  
Fund Balances - Regulatory Basis - Current and Utility Operating  
Funds

Statement of Revenues, Expenditures and Changes in  
Fund Balance - Regulatory Basis - Budget and Actual - Current  
Fund

Statement of Revenues, Expenditures and Changes in Fund Balance  
- Regulatory Basis - Budget and Actual - Utility Operating  
Fund

II. Individual Fund Financial Statements

A Current Fund Statement of Assets, Liabilities, Reserves and  
Fund Balance - Regulatory Basis

A- 1 Current Fund Statement of Revenues, Expenditures and Change  
in Fund Balance - Regulatory Basis

A- 2 Current Fund Statement of Revenues - Regulatory Basis

A- 3 Current Fund Statement of Expenditures - Regulatory Basis

B Trust Fund - Statement of Assets, Liabilities, Reserves and  
Fund Balance - Regulatory Basis

B- 1 Trust Assessment Fund - Statement of Revenues

B- 2 Trust Assessment Fund - Statement of Expenditures

C General Capital Fund - Statement of Assets, Liabilities,  
Reserves and Fund Balance - Regulatory Basis

**TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY**

**TABLE OF CONTENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

IL Individual Fund Financial Statements (Cont'd.)

- C- 1 General Capital Fund - Statement of Revenues, Expenditures and Change in Fund Balance - Regulatory Basis
- D Sewer Utility Fund - Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
- D- 1 Sewer Utility Operating Fund - Statement of Revenues, Expenditures, Operations and Change in Fund Balance - Regulatory Basis
- D- 2 Sewer Utility Capital Fund - Statement of Revenues, Expenditures and Change in Fund Balance - Regulatory Basis
- D- 3 Sewer Utility Assessment Fund - Statement of Revenues, Expenditures and Change in Fund Balance - Regulatory Basis
- D- 4 Sewer Utility Operating Fund - Statement of Revenues - Regulatory Basis
- D- 5 Sewer Utility Operating Fund - Statement of Expenditures - Regulatory Basis

Notes to Financial Statements

**PART II-SINGLE AUDIT SECTION**

**SINGLE AUDIT SECTION**

- Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with *Government Auditing Standards*
- Report on Compliance for Each Major Federal and State Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and NJ OMB Circular 15-08.

**Schedule of Expenditures of Federal Awards and State Financial Assistance**

- Sch. A Schedule of Expenditures of Federal Awards
- Sch. B Schedule of Expenditures of State Financial Assistance

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance

- Sch. C Schedule of Findings and Questioned Costs
- Sch. D Schedule of Prior Year Audit Findings

**TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY**

**TABLE OF CONTENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**PART III - OTHER SUPPLEMENTARY INFORMATION**

Individual Fund Supplementary Schedules

Current Fund:

- A- 4 Schedule of Taxes Receivable and Analysis of Property Tax Levy
- A -5 Schedule of Tax Title Liens
- A- 6 Schedule of Other Accounts Receivable
- A- 7 Schedule of Taxes Payable (Prepaid)
- A- 8 Schedule of 2014 Appropriation Reserves
- A- 9 Schedule of Prepaid Taxes
- A-10 Schedule of Tax Overpayments
- A-11 Schedule of Due From State of New Jersey
- A-12 Schedule of Federal and State Grants Accounts Receivable – Grant Fund
- A-13 Schedule of Reserve for State and Federal Grants Appropriated – Grant Fund
- A-14 Schedule of Reserve for State and Federal Grants - Unappropriated Grant Fund

Trust Fund:

- B-3 Statement of Revenues, Expenditures and Change in Reserve - Regulatory Basis - Animal Control Fund
- B- 4 Analysis of Trust Assessment Cash and Investments
- B- 5 Schedule of Assessments Receivable
- B- 6 Schedule of Cash and Reserve Activity
- B- 7 Schedule of Prospective Assessments - Funded
- B- 8 Schedule of Reserve for Assessments Liens and Assessment Lien Interest and Costs - Trust Assessment Fund
- B- 9 Schedule of Assessment Serial Bonds

General Capital Fund:

- C- 2 Analysis of Cash and Investments
- C- 3 Schedule of Deferred Charges to Future Taxation - Unfunded
- C- 4 Schedule of Improvement Authorizations
- C- 5 Schedule of General Serial Bonds
- C- 6 Schedule of Loan Payable - New Jersey Environmental Infrastructure Trust
- C- 7 Schedule of Project Loans Payable - New Jersey Department of Environmental Protection Green Trust Program
- C- 8 Schedule of Capital Improvement Fund
- C- 9 Schedule of Bond Anticipation Notes
- C-10 Schedule of Bonds and Notes Authorized but not Issued

Sewer Utility Fund:

- D- 6 Analysis of Cash and Investments - Sewer Utility Assessment Trust
- D- 7 Analysis of Sewer Utility Capital Cash and Investments
- D- 8 Schedule of Sewer Rents Receivable - Sewer Utility Operating Fund
- D- 9 Schedule of Sewer Rent Liens Receivable - Sewer Utility Operating Fund
- D-10 Schedule of Fixed Capital - Sewer Utility Capital Fund

**TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY**

**TABLE OF CONTENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**OTHER SUPPLEMENTARY INFORMATION (CONT'D.)**

- D-11 Schedule of Fixed Capital Authorized and Uncompleted - Sewer Utility Capital Fund
- D-12 Schedule of Reserve for Capital Improvement Fund - Sewer Utility Capital Fund
- D-13 Schedule of 2014 Appropriation Reserves - Sewer Utility Operating Fund
- D-14 Schedule of Sewer Rents Overpayments
- D-15 Schedule of Prepaid Sewer Rents
- D-16 Schedule of Accrued Interest on Bonds and Notes and Analysis of Balance - Sewer Utility Operating Fund
- D-17 Schedule of Improvement Authorizations - Sewer Utility Capital Fund
- D-18 Schedule of Reserve for Amortization - Sewer Utility Capital Fund
- D-19 Schedule of Deferred Reserve for Amortization – Sewer Utility Capital Fund
- D-20 Schedule of Sewer Serial Bonds - Sewer Utility Capital Fund
- D-21 Schedule of Loan Payable - New Jersey Environmental Infrastructure Trust – Sewer Utility Capital Fund
- D-22 Schedule of Bond Anticipation Notes - Sewer Utility Capital Fund
- D-23 Schedule of Bonds and Notes Authorized but not Issued - Sewer Utility Capital Fund

Supplementary Data:

- Statement of Operations and Change in Fund Balance - Current Fund
- Statement of Operations and Change in Fund Balance- Sewer Utility Operating Fund
- Comparative Schedule of Tax Rate Information
- Comparison of Tax Levies and Collection
- Delinquent Taxes and Tax Title Liens
- Property Acquired by Tax Title Lien Liquidation
- Comparison of Sewer Utility Levies and Collections
- Comparative Schedule of Fund Balances
- Officials in Office and Surety Bonds

**PART IV- STATISTICAL SECTION & AUDITORS'  
MANAGEMENT REPORTS**

**STATISTICAL SECTION (UNAUDITED)**

Table

- 1 Current Fund Expenditures by Function
- 2 Current Fund Revenues by Source
- 3 Assessed Value and Estimate of Total Value
- 4 Schedule of Ten Largest Taxpayers
- 5 Ratio of Bonded Debt, Bond Anticipation Notes and Loans to Equalized Value and Debt per Capita
- 6 Ratio of Annual Debt Service Expenditures (Gross)-Current Fund
- 7 Demographic Statistics
- 8 Miscellaneous Statistics

## AUDITORS' MANAGEMENT REPORTS

General Comments  
Recommendations

## **INTRODUCTORY SECTION**



# The Township of Hamilton

## DIRECTOR OF FINANCE

---

September 8, 2016

The Honorable Mayor and Members  
of the Township Council  
Township of Hamilton  
2090 Greenwood Ave.  
PO Box 00150  
Hamilton, NJ 08650-0150

The Comprehensive Annual Financial Report (the "CAFR") for the Township of Hamilton (the "Township") for the year ended December 31, 2015 is hereby submitted, as mandated by state statute. New Jersey state statutes require that the Township annually issue a report on its financial position and activity and that this report be audited by an independent registered municipal accountant. The responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Township.

The Comprehensive Annual Financial Report is presented in five sections: the introductory section, the financial section, the single audit section, other supplemental information, the statistical section and the general findings and recommendations. The introductory section, which is unaudited, contains this letter of transmittal and a listing of the Township's principal and elected and appointed officials. The financial section includes the general - purpose financial statements and individual and fund statements and schedules, as well as the independent auditor's report on these financial statements and schedules. The statistical section, which is unaudited, includes selected financial and demographic information. The single audit section includes the auditor's reports and the schedules of Federal and State financial assistance. The Township is required to undergo an annual single audit in conformity with the provisions of Section 200.501 of the Uniform Guidance implemented on December 26, 2014 and the New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments".

John Ricci, Business Administrator

John Barrett, Chief Financial Officer

**TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY**

**PART I  
INDEPENDENT AUDITORS' REPORT  
FINANCIAL STATEMENTS  
AND NOTES TO THE FINANCIAL STATEMENTS**

## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members  
of the Township Council  
Township of Hamilton  
Mercer County, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying basic financial statements – regulatory basis of the Township of Hamilton (“Township”), County of Mercer, State of New Jersey, which comprise the statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group, as of December 31, 2015 and 2014 and the related statements of revenues, expenditures and changes in fund balance - regulatory basis, the statements of fund balance – regulatory basis, the statements of operations and changes in operating fund balance – regulatory basis, the statements of revenues – regulatory basis, the statements of expenditures – regulatory basis of the various funds and the related notes to the financial statements for the years then ended as listed in the basic financial statements section of the accompanying table of contents.

### **Management’s Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (“Division”). 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 misstatement, whether due to fraud or error.

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the requirements prescribed by the Division. Those standards and the requirements prescribed by the Division require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditors’ 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 Township’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 Township’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

As described in Note 2, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division (regulatory basis), which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 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 the Township as of December 31, 2015 and 2014, or the results of its operations and changes in fund balances for the years then ended.

### **Unmodified Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to above present fairly, in all material respects the statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of the Township as of December 31, 2015 and 2014, and the results of its operations and changes in fund balances of such funds – regulatory basis for the years then ended, and the revenues - regulatory basis and expenditures – regulatory basis of the various funds for the year ended December 31, 2015 in accordance with the financial reporting provisions of the Division, as described in Note 2 to the financial statements.

### **Report on Supplementary Information as Required by the Division in Accordance with Regulatory-Basis**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Township's basic financial statements. The supplementary information, as identified as exhibits A-4 through D-23, the comments and recommendations and supplementary information in the table of contents, is presented for purposes of additional analysis as required by the Division and is not a required part of the 2015 regulatory - basis financial statements of the Township. Such information is the responsibility of management and was derived from and relates 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## Report on Supplementary Information as Required by the Uniform Guidance and NJ OMB 15-08

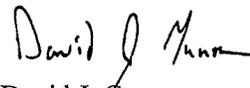
Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* and by New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are presented for purposes of additional analysis and are not a required part of the regulatory-basis financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2015 regulatory-basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory-basis financial statements or to the regulatory-basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the regulatory-basis financial statements taken as a whole.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Township's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory section and statistical section have 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 them.

### *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 8, 2016, on our consideration of the Township'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



David J. Gannon  
Registered Municipal Accountant  
No. 520



WISS & COMPANY, LLP

**COMBINED FINANCIAL STATEMENTS**

TOWNSHIP OF HAMILTON  
 COUNTY OF MERCER  
 COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE- ALL FUND TYPES AND ACCOUNT GROUPS  
 REGULATORY BASIS  
 DECEMBER 31, 2015

	CURRENT FUND	TRUST FUND	GENERAL CAPITAL FUND	UTILITY OPERATING FUND	UTILITY CAPITAL FUND	UTILITY ASSESSMENT FUND	GOVERNMENTAL FIXED ASSET ACCOUNT GROUP	TOTAL Dec. 31, 2015	MEMORANDUM ONLY TOTAL DEC. 31, 2014 AS RESTATED
<b>ASSETS</b>									
Cash and Investments	\$ 15,912,304.02	\$ 21,289,762.99	\$ 16,554,638.82	\$ 8,411,941.40	\$ 22,884,551.46	\$ 467.10		\$ 85,053,665.79	\$ 93,303,884.45
Federal and State Grant Receivable	2,719,125.49	842,482.96						3,561,608.45	4,024,951.72
Receivables and Other Assets:									
Delinquent Property Taxes and Utility Charges				28,720.81				28,720.81	532,760.77
Other Receivables	133,929.57							133,929.57	120,800.71
Assessments Receivable		1,028,689.88						1,028,689.88	1,095,475.88
Tax Title, Sewer and Assessment Liens Rec.	2,969,389.82	899.49		165,984.57				3,136,273.88	1,667,509.94
Prepaid School Tax	1,654,153.50							1,654,153.50	100,677.50
Interfunds Receivable	20,427.52	50.80						20,478.32	44,802.95
Property Acquired for Taxes	367,045.00							367,045.00	367,045.00
Due from State	227,865.05		189,581.78		8,650.65			426,097.48	305,899.13
Prospective Assessments Funded		2,267,073.50						2,267,073.50	2,267,073.50
Deferred Charges	1,760,000.00		96,093,069.97	-				97,853,069.97	95,018,117.95
Fixed Capital					134,005,871.92			134,005,871.92	129,864,136.06
Fixed Capital Authorized and Uncompleted					52,996,235.82			52,996,235.82	50,957,090.70
Fixed Assets							\$ 104,743,230.85	104,743,230.85	104,630,896.09
	<u>\$ 25,764,239.97</u>	<u>\$ 25,428,959.62</u>	<u>\$ 112,837,290.57</u>	<u>\$ 8,606,646.78</u>	<u>\$ 209,895,309.85</u>	<u>\$ 467.10</u>	<u>\$ 104,743,230.85</u>	<u>\$ 487,276,144.74</u>	<u>\$ 484,301,122.35</u>

TOWNSHIP OF HAMILTON  
COUNTY OF MERCER  
COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE- ALL FUND TYPES AND ACCOUNT GROUPS  
REGULATORY BASIS  
DECEMBER 31, 2015

	CURRENT FUND	TRUST FUND	GENERAL CAPITAL FUND	UTILITY OPERATING FUND	UTILITY CAPITAL FUND	UTILITY ASSESSMENT FUND	GOVERNMENTAL FIXED ASSET ACCOUNT GROUP	TOTAL Dec. 31, 2015	MEMORANDUM ONLY TOTAL DEC. 31, 2014 AS RESTATED
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>									
Overpayments	\$ 2,496.55			\$ 895.30				\$ 3,391.85	\$ 16,141.30
Appropriation Reserves	4,732,639.71			1,387,063.34				6,119,703.05	6,137,596.38
Prepaid Taxes, Assessments and Utility Charges	1,579,809.48	\$ 9,332.15		1,441,174.24				3,030,315.87	2,460,499.67
Federal and State Grants:									
Appropriated Reserves	2,757,121.51							2,757,121.51	2,932,456.45
Unappropriated Reserves	22,940.90							22,940.90	
Encumbrances	2,112,641.25							2,112,641.25	475,759.49
Other Liabilities and Reserves:									
Due to State of New Jersey	38,604.00	2,020.80						40,624.80	10,173.00
Reserve for Future Debt Service			\$ 562,876.17	538,054.26				1,100,930.43	2,321,496.07
Capital Improvement Fund			32,699.58		\$ 192,775.00			225,474.58	206,311.58
Due to Current		61.52	658.00					719.52	
Due to Dog Trust	50.80							50.80	
Due to Grant Fund	19,708.00							19,708.00	
Other Reserves	1,191,481.00	24,272,072.67			106,643,551.01			132,107,104.68	128,982,287.14
Improvement Authorizations			26,062,042.57		26,130,914.45			52,192,957.02	48,097,663.93
Reserve for Encumbrances/ Accounts Payable	330,387.07	62,470.48	4,608,386.71	375,057.01	2,618,077.95			7,994,379.22	9,475,195.27
Reserve for Tax title Liens	2,969,389.82							2,969,389.82	
Interfunds Payable								-	44,802.95
Serial Bonds Payable		1,083,000.00	55,385,000.00		40,364,000.00			96,832,000.00	88,501,000.00
Bond Anticipation Notes Payable			22,895,000.00		33,580,000.00			56,475,000.00	71,178,658.00
Special Emergency Notes Payable	1,760,000.00							1,760,000.00	2,200,000.00
Green Trust Loan Payable			318,064.80					318,064.80	363,448.04
Environmental Infrastructure Loans			2,970,089.77		365,285.06			3,335,374.83	3,634,339.10
Reserve for Receivables	134,649.09			194,705.38				329,354.47	2,732,019.88
Accrued Interest on Bonds and Notes				698,619.04				698,619.04	579,986.21
Other Payables	866,373.68			59,635.00				926,008.68	122,160.88
Investment in Fixed Assets							\$ 104,743,230.85	104,743,230.85	104,630,896.09
Fund Balance	7,245,947.11	2.00	2,472.97	3,911,443.21	706.38	\$ 467.10		11,161,038.77	9,198,230.92
	<u>\$ 25,764,239.97</u>	<u>\$ 25,428,959.62</u>	<u>\$ 112,837,290.57</u>	<u>\$ 8,606,646.78</u>	<u>\$ 209,895,309.85</u>	<u>\$ 467.10</u>	<u>\$ 104,743,230.85</u>	<u>\$ 487,276,144.74</u>	<u>\$ 484,301,122.35</u>

See accompanying notes to the financial statements

TOWNSHIP OF HAMILTON  
COUNTY OF MERCER  
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE- REGULATORY BASIS  
CURRENT AND UTILITY OPERATING FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2015

	CURRENT FUND	UTILITY OPERATING FUND	Total Dec. 31, 2015
<b>Revenues:</b>			
Fund Balance Appropriated	\$ 3,200,000.00		\$ 3,200,000.00
Sewer Rents and Connection Fees		\$ 16,145,868.91	16,145,868.91
Reserve to Pay Debt Service		1,644,145.79	1,644,145.79
Miscellaneous Revenue	8,388,752.74	346,941.60	8,735,694.34
State Aid	19,166,830.00		19,166,830.00
State and Federal Grants	642,394.80		642,394.80
Special Items	614,000.00		614,000.00
Receipts from Delinquent Taxes	156,578.90		156,578.90
Amount to be Raised by Taxes for Support of Municipal Budget:			
Local Tax for Municipal Purposes	64,392,419.16		64,392,419.16
Local Library Tax	2,892,513.00		2,892,513.00
<b>Total Budget Revenue</b>	<u>99,453,488.60</u>	<u>18,136,956.30</u>	<u>117,590,444.90</u>
Other Credits to Income	3,549,360.52	638,675.61	4,188,036.13
<b>Total Revenues</b>	<u>103,002,849.12</u>	<u>18,775,631.91</u>	<u>121,778,481.03</u>
<b>Expenditures:</b>			
Current Fund Within CAPS:			
General Government	765,764.00	12,571,579.00	13,337,343.00
Department of Administration	1,046,304.00		1,046,304.00
Department of Finance	1,667,828.00		1,667,828.00
Department of Law	1,733,982.00		1,733,982.00
Department of Engineering, Planning and Inspection	3,744,301.00		3,744,301.00
Department of Economic Development/Technology	695,965.00		695,965.00
Department of Public Safety	22,808,704.75		22,808,704.75
Department of Public Works	20,754,685.28		20,754,685.28
Department of Health, Recreation and Welfare	3,243,074.00		3,243,074.00
Separate Boards and Agencies	188,918.00		188,918.00
Unclassified Purposes	19,441,529.00		19,441,529.00
Deferred Charges and Statutory Expenditures	9,029,569.00	867,268.00	9,896,837.00
Current Fund Excluded From CAPS:			
General Government	4,667,726.00		4,667,726.00
Public and Private Programs	667,394.80		667,394.80
Capital Improvements	419,175.00	250,000.00	669,175.00
Debt Service	6,140,276.55	4,286,607.27	10,426,883.82
Reserve for Uncollected Taxes	899,442.30		899,442.30
<b>Total Budget Expenditures</b>	<u>97,914,638.68</u>	<u>17,975,454.27</u>	<u>115,890,092.95</u>
Other Charges	725,580.23		725,580.23
<b>Total Expenditures</b>	<u>98,640,218.91</u>	<u>17,975,454.27</u>	<u>116,615,673.18</u>

TOWNSHIP OF HAMILTON  
COUNTY OF MERCER  
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE- REGULATORY BASIS  
CURRENT AND UTILITY OPERATING FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2015

	CURRENT FUND	UTILITY OPERATING FUND	Total Dec. 31, 2015
Excess in Revenues	\$ 4,362,630.21	\$ 800,177.64	\$ 5,162,807.85
Fund Balance January 1, 2015	<u>6,083,316.90</u>	<u>3,111,265.57</u>	<u>9,194,582.47</u>
	10,445,947.11	3,911,443.21	14,357,390.32
Decreased by:			
Utilized as Anticipated Revenue	<u>3,200,000.00</u>	<u>-</u>	<u>3,200,000.00</u>
Fund Balance December 31, 2015	<u>\$ 7,245,947.11</u>	<u>\$ 3,911,443.21</u>	<u>\$ 11,157,390.32</u>

TOWNSHIP OF HAMILTON  
COUNTY OF MERCER  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE- REGULATORY BASIS  
BUDGET AND ACTUAL-CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015

	BUDGET AS <u>MODIFIED</u>	2015 <u>ACTUAL</u>	EXCESS <u>(DEFICIT)</u>
<b>Revenues:</b>			
Fund Balance Appropriated	\$ 3,200,000.00	\$ 3,200,000.00	
Miscellaneous Revenue	7,789,724.34	8,388,752.74	\$ 599,028.40
State Aid	19,166,830.00	19,166,830.00	
State and Federal Grants	642,394.80	642,394.80	
Special Items	614,000.00	614,000.00	
Receipts from Delinquent Taxes	417,000.00	156,578.90	(260,421.10)
Amount to be Raised by Taxes for Support of Municipal Budget:			
Local Tax for Municipal Purposes	63,199,999.99	64,392,419.16	1,192,419.17
Local Library Tax	<u>2,892,513.00</u>	<u>2,892,513.00</u>	
Total Budget Revenue	<u>97,922,462.13</u>	<u>99,453,488.60</u>	<u>1,531,026.47</u>
Other Credits to Income		<u>3,549,360.52</u>	<u>3,549,360.52</u>
Total Revenues	<u>97,922,462.13</u>	<u>103,002,849.12</u>	<u>5,080,386.99</u>
<b>Expenditures:</b>			
Current Fund Within CAPS:			
General Government	765,764.00	765,764.00	
Department of Administration	1,046,304.00	1,046,304.00	
Department of Finance	1,667,828.00	1,667,828.00	
Department of Law	1,733,982.00	1,733,982.00	
Department of Engineering, Planning and Inspection	3,744,301.00	3,744,301.00	
Department of Economic Development/Technology	695,965.00	695,965.00	
Department of Public Safety	22,808,704.75	22,808,704.75	
Department of Public Works	20,754,685.28	20,754,685.28	
Department of Health, Recreation and Welfare	3,243,074.00	3,243,074.00	
Separate Boards and Agencies	188,918.00	188,918.00	
Unclassified Purposes	19,441,529.00	19,441,529.00	
Deferred Charges and Statutory Expenditures	9,029,569.00	9,029,569.00	
Current Fund Excluded From CAPS:			
General Government	4,667,726.00	4,667,726.00	
Public and Private Programs	667,394.80	667,394.80	
Capital Improvements	419,175.00	419,175.00	
Debt Service	6,148,100.00	6,140,276.55	7,823.45
Reserve for Uncollected Taxes	<u>899,442.30</u>	<u>899,442.30</u>	
Total Budget Expenditures	<u>97,922,462.13</u>	<u>97,914,638.68</u>	<u>7,823.45</u>
Other Charges		<u>725,580.23</u>	<u>(725,580.23)</u>
Total Expenditures	<u>97,922,462.13</u>	<u>98,640,218.91</u>	<u>(717,756.78)</u>

TOWNSHIP OF HAMILTON  
COUNTY OF MERCER  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE- REGULATORY BASIS  
BUDGET AND ACTUAL-CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015

	BUDGET AS <u>MODIFIED</u>	2015 <u>ACTUAL</u>	<u>EXCESS</u>
Excess in Revenues	\$ -	\$ 4,362,630.21	\$ 4,362,630.21
Fund Balance January 1, 2015	<u>6,083,316.90</u>	<u>6,083,316.90</u>	<u>                    </u>
Decreased by:	6,083,316.90	10,445,947.11	4,362,630.21
Utilized as Anticipated Revenue	<u>3,200,000.00</u>	<u>3,200,000.00</u>	<u>                    </u>
Fund Balance December 31, 2015	<u>\$ 2,883,316.90</u>	<u>\$ 7,245,947.11</u>	<u>\$ 4,362,630.21</u>

TOWNSHIP OF HAMILTON  
COUNTY OF MERCER  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE- REGULATORY BASIS  
BUDGET AND ACTUAL-UTILITY OPERATING FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>BUDGET AS MODIFIED</u>	<u>2015 ACTUAL</u>	<u>EXCESS</u>
<b>Revenues:</b>			
Sewer Rents	\$ 15,231,701.21	\$ 15,237,718.91	\$ 6,017.70
Sewer Connection Fees	800,000.00	908,150.00	108,150.00
Reserve for Debt Service	1,644,145.79	1,644,145.79	
Miscellaneous	<u>300,000.00</u>	<u>346,941.60</u>	<u>46,941.60</u>
 Total Budget Revenue	 <u>17,975,847.00</u>	 <u>18,136,956.30</u>	 <u>161,109.30</u>
 Other Credits to Income		 <u>638,675.61</u>	 <u>638,675.61</u>
 Total Revenues	 <u>17,975,847.00</u>	 <u>18,775,631.91</u>	 <u>799,784.91</u>
 <b>Expenditures:</b>			
Operating Expenses	12,571,579.00	12,571,579.00	
Capital Improvements	250,000.00	250,000.00	
Debt Service	4,287,000.00	4,286,607.27	392.73
Over expenditure of 2013 Appropriations	110,000.00	110,000.00	-
Statutory Expenditures	<u>757,268.00</u>	<u>757,268.00</u>	<u>-</u>
 Total Expenditures	 <u>17,975,847.00</u>	 <u>17,975,454.27</u>	 <u>392.73</u>
 Excess in Revenues / Statutory Excess to Fund Balance		 <u>800,177.64</u>	 <u>800,177.64</u>
 Fund Balance January I, 2015	 <u>3,111,265.57</u>	 <u>3,111,265.57</u>	 <u>-</u>
	 <u>3,111,265.57</u>	 <u>3,911,443.21</u>	 <u>800,177.64</u>
 Fund Balance December 31, 2015	 <u>\$ 3,111,265.57</u>	 <u>\$ 3,911,443.21</u>	 <u>\$ 800,177.64</u>

**INDIVIDUAL FUND FINANCIAL STATEMENTS**

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

<u>ASSETS</u>	<u>BALANCE</u> <u>DEC. 31, 2015</u>	<u>BALANCE</u> <u>DEC. 31, 2014</u>	<u>LIABILITIES, RESERVES</u> <u>AND FUND BALANCE</u>	<u>BALANCE</u> <u>DEC. 31, 2015</u>	<u>BALANCE</u> <u>DEC. 31, 2014</u>
Cash and Investments - Treasurer	\$ 15,760,266.36	\$ 15,711,250.99	Liabilities:		
Cash - Change Fund	2,481.00	2,481.00	Prepaid Taxes	\$ 1,579,809.48	\$ 1,039,409.85
Prepaid School Tax	1,654,153.50	100,677.50	Tax Overpayments	2,496.55	14,597.12
Due from State of N.J. Per Chap. 73, P.L. 1976	<u>227,865.05</u>	<u>107,666.70</u>	Accounts Payable	330,387.07	49,599.73
			Appropriation Reserves	4,732,639.71	5,374,492.39
			Other Prepaid Fees		14,124.00
	<u>17,644,765.91</u>	<u>15,922,076.19</u>	Special Emergency Notes Payable	1,760,000.00	2,200,000.00
Receivables and Other Assets With Full Reserves:			Due to State of New Jersey:		
Taxes Receivable		505,102.14	State Marriage License Fees	2,905.00	2,800.00
Tax Title Liens Receivable	2,969,389.82	1,577,198.54	DCA Training Fees	35,699.00	5,507.00
Property Acquired for Taxes at Assessed Value	367,045.00	367,045.00	Due County for Added Taxes	249,364.68	122,160.88
Revenue Accounts Receivable	79,833.83	72,172.48	Due to Grant Fund	19,708.00	
Other Accounts Receivable	54,095.74	48,628.23	Due to Animal Control Fund	50.80	
Due from General Capital Fund	658.00		PILOT Payable	617,009.00	
Due from Trust Other Fund	61.52		Reserve for Encumbrances	2,004,313.51	1,259,642.32
Due from Animal Control Trust		44,802.95	Reserve for 2014 Revaluation Expenses	824,436.00	
	<u>3,471,083.91</u>	<u>2,614,949.34</u>	Reserve for Special Emergency		<u>1,956,426.00</u>
Deferred Charges:				<u>\$ 12,158,818.80</u>	<u>\$ 12,038,759.29</u>
Special Emergency Authorization	<u>1,760,000.00</u>	<u>2,200,000.00</u>	Reserve for Receivables	3,471,083.91	2,614,949.34
			Fund Balance	<u>7,245,947.11</u>	<u>6,083,316.90</u>
Total Regular Fund	<u>22,875,849.82</u>	<u>20,737,025.53</u>	Total Regular Fund	<u>22,875,849.82</u>	<u>20,737,025.53</u>
Grant Fund:			Grant Fund:		
Cash and Investments - Treasurer	149,556.66	308,360.55	Reserve for Encumbrances	108,327.74	475,759.49
Due from Current Fund	19,708.00		Reserve for State & Federal Grants:		
State & Federal Grants Receivable	<u>2,719,125.49</u>	<u>3,099,855.39</u>	Appropriated	2,757,121.51	2,932,456.45
			Unappropriated	<u>22,940.90</u>	
Total Grant Fund	<u>2,888,390.15</u>	<u>3,408,215.94</u>	Total Grant Fund	<u>2,888,390.15</u>	<u>3,408,215.94</u>
Total Current Fund	<u>\$ 25,764,239.97</u>	<u>24,145,241.47</u>	Total Current Fund	<u>\$ 25,764,239.97</u>	<u>\$ 24,145,241.47</u>

See accompanying notes to the financial statements

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN  
FUND BALANCE - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

<u>REVENUE AND OTHER INCOME</u>	<u>YEAR 2015</u>	<u>YEAR 2014</u>
Fund Balance Utilized	\$ 3,200,000.00	\$ 2,400,000.00
Miscellaneous Revenues Anticipated	28,811,977.54	29,149,181.75
Receipts from Delinquent Taxes	156,578.90	430,079.28
Receipts from Current Taxes	247,291,629.31	242,947,965.74
Interfunds Returned	44,752.15	66,986.38
Non-Budget Revenue	1,656,241.97	991,604.36
Other Credits to Income:		
Unexpended Balance of Prior Year Approp. Res. Lapsed	<u>1,848,366.51</u>	<u>1,783,382.53</u>
Total Revenue and Other Income	<u>283,009,546.38</u>	<u>277,769,200.04</u>
<u>EXPENDITURES</u>		
Budget Appropriations:		
Operations:		
Salaries and Wages	42,998,023.00	41,945,784.71
Other Expenses	38,428,152.83	40,951,213.90
Deferred Charges and Statutory		
Expenditures	9,029,569.00	8,778,456.67
Capital Improvements	419,175.00	394,859.58
Municipal Debt Service	6,140,276.55	6,060,083.10
Special District Taxes	22,129,925.00	21,662,025.03
County Taxes	52,801,888.56	52,795,515.14
Local District School Taxes	105,974,326.00	102,495,636.00
Amounts Due Under PILOT Agreement	617,009.00	
Other	88,757.43	
Adjustment for Senior Citizens Prior Adjustments		182,952.22
Prior Years Senior Citizens/Veterans Deductions	<u>19,813.80</u>	<u>6,869.86</u>
Total Expenditures	<u>278,646,916.17</u>	<u>275,273,396.21</u>



TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015

	ANTICIPATED		REALIZED	EXCESS (DEFICIT)
	2015 BUDGET	N.J.S.A. 40A:4-87		
Surplus Anticipated	\$ 3,200,000.00		\$ 3,200,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverage	90,300.00		122,450.00	\$ 32,150.00
Other	185,000.00		169,242.55	(15,757.45)
Fees and Permits:				
Other	183,000.00		266,099.78	83,099.78
Fines and Costs:				
Municipal Court	900,000.00		892,338.65	(7,661.35)
Interest and Costs on Taxes	600,000.00		569,844.93	(30,155.07)
Interest on Investments and Deposits	125,000.00		374,537.23	249,537.23
Cable Franchise Fees	1,300,455.64		1,301,592.78	1,137.14
Housing, Site and Contractor Fees	530,541.98		513,800.00	(16,741.98)
Energy Receipts Tax	19,166,830.00		19,166,830.00	
Payments in Lieu of Taxes - Low Cost Housing	223,000.00		223,000.00	
Reimbursement for Administrative Service:				
Free Public Library	74,000.00		74,000.00	
Sewer Operating Fund	680,000.00		680,331.00	331.00
Uniform Construction Code Fees	2,327,573.82		2,511,028.75	183,454.93
Developers Escrow - Engineering & Planning Staff	100,000.00		181,174.02	81,174.02
Special Items:				
Alcohol Education & Rehab		\$ 10,725.83	10,725.83	
Distracted Driving		5,000.00	5,000.00	
Click It or Ticket Grant		4,000.00	4,000.00	
Clean Communities		191,186.16	191,186.16	
State DOT Whitehorse-Hamilton Sq Rd		300,000.00	300,000.00	
Municipal Alliance		78,832.00	78,832.00	
Drive Sober Get Pulled Over		5,000.00	5,000.00	

See accompanying notes to the financial statements

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015

	ANTICIPATED		<u>REALIZED</u>	EXCESS <u>(DEFICIT)</u>
	2015 <u>BUDGET</u>	N.J.S.A. <u>40A:4-87</u>		
Miscellaneous Revenues (Cont'd):				
Special Items (cont'd):				
Drive Sober or Get Pulled Over		\$ 7,500.00	\$ 7,500.00	
Drunk Driving Enforcement		14,252.82	14,252.82	
Bulletproof Vest Program		11,169.18	11,169.18	
State Body Armor Grant		14,728.81	14,728.81	
Septemberfest Sponsorships and Vendor Fees	\$ 79,000.00		93,117.70	\$ 14,117.70
Reserve for Future Debt Service Special Emergency Notes	14,125.00		34,839.20	20,714.20
Reserve for Future Debt Service Gen Capital	451,727.90		451,727.90	
HUD Administrative Reimbursements & HCVP	149,000.00		152,628.25	3,628.25
American Metro - Payment in Lieu of Taxes	391,000.00		391,000.00	
	<u>27,570,554.34</u>	<u>642,394.80</u>	<u>28,811,977.54</u>	<u>599,028.40</u>
Total Miscellaneous Revenues				
Receipts from Delinquent Taxes	417,000.00		156,578.90	(260,421.10)
	<u>417,000.00</u>		<u>156,578.90</u>	<u>(260,421.10)</u>
Amount to be Raised by Taxation for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including				
Reserve for Uncollected Taxes	63,199,999.99		64,392,419.16	1,192,419.17
Local Tax for Municipal Library	2,892,513.00		2,892,513.00	
	<u>66,092,512.99</u>		<u>67,284,932.16</u>	<u>1,192,419.17</u>
Total Amount to be Raised By Taxation				
Budget Totals	97,280,067.33	642,394.80	99,453,488.60	1,531,026.47
	<u>97,280,067.33</u>	<u>642,394.80</u>	<u>99,453,488.60</u>	<u>1,531,026.47</u>
Non-Budget Revenues			1,656,241.97	1,656,241.97
	<u>97,280,067.33</u>	<u>642,394.80</u>	<u>101,109,730.57</u>	<u>3,187,268.44</u>

See accompanying notes to the financial statements

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015

Analysis of Non-Budget Revenues:

Hotel Occupancy Fees	\$	200,395.39
Copy Fees		423.04
Rentals		5,408.04
Recycling		1,135.60
Ecological Facility Lease Payments		47,500.02
Lease & Interlocal		52,415.00
NFS Bad Checks		1,340.00
Cell Towers		15,866.68
Tax Office		215,657.33
Other		676,891.64
Restitution		2,320.01
Plans/Specifications		3,400.00
Excess CDBG/HUD reimbursements		157,281.20
Golf Center		146,743.44
Sayen House and Gardens		81,442.32
Kuser, Bromley and Misc. Festivals		<u>48,022.26</u>
	\$	<u>1,656,241.97</u>

See accompanying notes to the financial statements

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collection:

Revenue from Collection:

Collections by Cash:

Year 2015	\$ 245,071,973.93	
Year 2014	1,039,409.85	
Sr. Cit. & Vet. Deduction		
Reimbursement	<u>1,180,245.53</u>	\$ 247,291,629.31

School, County and Special  
District Taxes

180,906,139.45

66,385,489.86

Add: Reserve for Uncollected Taxes

899,442.30

\$ 67,284,932.16

Receipts from Delinquent Taxes:

Delinquent Tax Collection	\$ 88,522.23	
Tax Title Lien Collection	<u>68,056.67</u>	
		\$ <u>156,578.90</u>

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015

	2015 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
Operations Within "CAPS"						
<u>GENERAL GOVERNMENT:</u>						
Office of the Mayor						
Salaries and Wages	\$ 333,100.00	\$ 334,600.00	\$ 323,241.01		\$ 11,358.99	
Other Expenses	19,992.00	19,992.00	13,813.99	\$ 533.05	5,644.96	
Township Council						
Salaries and Wages	78,332.00	78,332.00	78,332.00		0.00	
Other Expenses	10,300.00	10,300.00	4,097.59	5,855.82	346.59	
Office of the Municipal Clerk						
Salaries and Wages	261,285.00	261,285.00	243,921.30		17,363.70	
Other Expenses	61,255.00	61,255.00	35,462.10	24,438.66	1,354.24	
<u>DEPARTMENT OF ADMINISTRATION:</u>						
Business Administrator						
Salaries and Wages	221,266.00	222,766.00	213,620.94		9,145.06	
Other Expenses	7,120.00	7,120.00	6,540.65		579.35	
Human Resources						
Salaries and Wages	179,961.00	178,161.00	171,498.25		6,662.75	
Other Expenses	27,065.00	31,965.00	23,280.34	7,649.10	1,035.56	
Training	3,000.00	3,000.00	200.00		2,800.00	
Division of Budget and Purchasing						
Salaries and Wages	423,809.00	420,559.00	406,866.71		13,692.29	
Other Expenses	27,733.00	27,733.00	21,435.22	1,337.14	4,960.64	
Postage Costs	155,000.00	155,000.00	152,663.02		2,336.98	
<u>DEPARTMENT OF FINANCE:</u>						
Financial Administration:						
Salaries and Wages	305,595.00	296,145.00	275,528.17		20,616.83	
Other Expenses	203,570.00	203,570.00	156,084.28	23,700.78	23,784.94	
Annual Audit	60,733.00	60,733.00	60,733.00			
Division of Assessments						
Salaries and Wages	421,400.00	421,400.00	402,056.97		19,343.03	
Other Expenses	42,405.00	42,405.00	26,506.42	363.29	15,535.29	
Division of Revenue Collection						
Salaries and Wages	522,375.00	525,875.00	509,870.59		16,004.41	
Other Expenses	117,700.00	117,700.00	86,602.45	14,478.47	16,619.08	

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015

	2015 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
Operations Within "CAPS" (Cont'd.)						
<u>DEPARTMENT OF LAW:</u>						
Legal Services						
Salaries and Wages	\$ 313,377.00	\$ 313,377.00	\$ 295,443.07	\$ 17,933.93		
Other Expenses	196,400.00	196,400.00	100,712.31	4,965.26	90,722.43	
Municipal Prosecutor						
Salaries and Wages	92,832.00	92,832.00	86,938.25		5,893.75	
Municipal Court						
Salaries and Wages	1,027,629.00	1,027,629.00	950,879.31		76,749.69	
Other Expenses	103,743.00	103,743.00	76,591.18	3,994.24	23,157.58	
Public Defender						
Salaries and Wages	1.00	1.00			1.00	
<u>DEPARTMENT OF ENGINEERING, PLANNING AND INSPECTIONS:</u>						
Division of Engineering						
Salaries and Wages	454,375.00	455,575.00	438,547.94		17,027.06	
Other Expenses	134,339.00	134,339.00	26,614.83	67,762.10	39,962.07	
Community Planning & Compliance						
Salaries and Wages	550,212.00	552,212.00	533,879.93		18,332.07	
Other Expenses	30,850.00	30,850.00	7,861.72	1,614.53	21,373.75	
Zoning Board						
Salaries and Wages	85,407.00	85,407.00	80,335.61		5,071.39	
Other Expenses	15,450.00	15,450.00	14,623.00	642.92	184.08	
Affordable Housing						
Salaries and Wages	240,113.00	240,113.00	152,628.25		87,484.75	
Office on Housing Inspect						
Salaries and Wages	369,652.00	369,652.00	336,595.25		33,056.75	
Other Expenses	45,262.00	45,262.00	6,803.11	32,268.00	6,190.89	
Uniform Construction Code						
Salaries and Wages	1,175,633.00	1,175,633.00	1,088,519.39		87,113.61	
Other Expenses	639,808.00	639,808.00	584,562.90	33,498.59	21,746.51	
<u>DEPARTMENT OF ECONOMIC DEVELOPMENT</u>						
Salaries and Wages	449,204.00	449,204.00	416,119.45		33,084.55	
Other Expenses	246,761.00	246,761.00	163,615.88	36,156.24	46,988.88	
<u>DEPARTMENT OF PUBLIC SAFETY:</u>						
Police Division						
Salaries and Wages	21,618,222.00	21,618,222.00	20,629,690.77		988,531.23	
Other Expenses	842,944.75	842,944.75	401,000.31	293,608.41	148,336.03	
Purchase of Police Vehicles	325,000.00	325,000.00	295,021.90	28,388.00	1,590.10	
Office of Emergency Management						
Other Expenses	22,538.00	22,538.00	10,495.42	8,887.82	3,154.76	

See accompanying notes to the financial statements

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015

	2015 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED		UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED	
Operations Within "CAPS" (Cont'd.)					
<u>DEPARTMENT OF PUBLIC WORKS:</u>					
Public Works					
Salaries and Wages	\$ 3,946,745.00	\$ 3,946,745.00	\$ 3,740,264.90		\$ 206,480.10
Other Expenses	1,016,226.00	1,016,226.00	874,457.74	\$ 119,932.56	21,835.70
Other Public Works Functions					
Salaries and Wages	74,511.00	74,511.00	54,027.45		20,483.55
Other Expenses	20,210.00	20,210.00	9,254.11	291.74	10,664.15
Division of Buildings and Grounds					
Salaries and Wages	1,861,471.00	1,861,471.00	1,635,082.71		226,388.29
Other Expenses	474,784.36	474,784.36	358,285.22	93,949.36	22,549.78
Solid Waste Collection & Recycling					
Salaries and Wages	98,108.00	98,108.00	86,049.52		12,058.48
Other Expenses	3,350,000.00	3,400,000.00	3,077,549.32	164,573.07	157,877.61
Maintenance of Motor Vehicles					
Salaries and Wages	1,225,072.00	1,190,072.00	1,021,336.36		168,735.64
Other Expenses	548,078.00	583,078.00	491,417.49	41,104.42	50,556.09
Landfill/Solid Waste Disposal Costs	4,650,000.00	4,700,000.00	3,593,298.32	826,586.20	280,115.48
Maintenance of Parks					
Salaries and Wages	2,868,370.00	2,868,370.00	2,511,101.00		357,269.00
Other Expenses	308,628.92	308,628.92	224,933.89	38,711.66	44,983.37
Division of Citizen Response					
Salaries and Wages	208,766.00	208,766.00	188,373.26		20,392.74
Other Expenses	3,715.00	3,715.00	2,383.15	306.34	1,025.51
<u>DEPARTMENT OF HEALTH, RECREATION AND WELFARE:</u>					
Public Health Services					0.00
Salaries and Wages	721,940.00	721,940.00	677,564.95		44,375.05
Other Expenses	176,024.00	176,024.00	95,884.63	20,143.45	59,995.92
Environmental Health Services					
Salaries and Wages	391,608.00	391,608.00	357,999.73		33,608.27
Other Expenses	13,830.00	13,830.00	8,831.68	4,338.42	659.90
Animal Control Services					
Salaries and Wages	330,885.00	330,885.00	307,490.75		23,394.25
Other Expenses	97,000.00	97,000.00	87,118.84	5,376.84	4,504.32
Division of Recreation					
Salaries and Wages	513,926.00	513,926.00	472,902.03		41,023.97
Other Expenses	461,650.00	461,650.00	345,871.12	61,044.76	54,734.12

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015

	2015 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
Operations Within "CAPS" (Cont'd.)						
DEPARTMENT OF HEALTH, <u>RECREATION AND WELFARE (CONT'D.):</u>						
Office of Sr. Citizens Programs						
Salaries and Wages	\$ 405,066.00	\$ 404,966.00	\$ 391,333.74	\$	13,632.26	
Other Expenses	131,245.00	131,245.00	104,960.10	\$ 11,420.68	14,864.22	
<u>SEPARATE BOARDS AND AGENCIES:</u>						
Environmental Commission (N.J.S.A. 40:56A-81 et seq.)						
Salaries and Wages	700.00	700.00	700.00			
Other Expenses	600.00	600.00	400.65		199.35	
Zoning Board of Adjustment						
Other Expenses	46,500.00	46,500.00	18,171.61	669.13	27,659.26	
Economic Development Commission						
Salaries and Wages	1,000.00	1,000.00	1,000.00			
Other Expenses	3,280.00	3,280.00	3,280.00			
Planning Board						
Other Expenses	45,932.00	45,932.00	16,144.22	1,027.86	28,759.92	
Board of Public Officers						
Salaries and Wages	350.00	350.00	225.00		125.00	
Other Expenses	3,250.00	3,250.00			3,250.00	
Aid to Museum (N.J.S.A. 40:23-6.22)	6,550.00	6,550.00	6,550.00			
Center for the Physically Limited (N.J.S.A. 40:13)	19,396.00	19,396.00	19,396.00			
First Aid Organizations - Contributions	40,000.00	40,000.00			40,000.00	
Neighborhood Service Center - Contributions	10,000.00	10,000.00			10,000.00	
Redevelopment Board						
Salaries and Wages	250.00	250.00	150.00		100.00	
Other Expenses	8,280.00	8,280.00			8,280.00	
Shade Tree Commission						
Salaries and Wages	250.00	250.00	150.00		100.00	
Other Expenses	330.00	330.00	285.00		45.00	
Parks and Recreation Commission						
Salaries and Wages	100.00	100.00	100.00			
Other Expenses	200.00	200.00			200.00	

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015

	2015 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
Operations Within "CAPS" (Cont'd.)						
<u>SEPARATE BOARDS AND AGENCIES (CONT'D.):</u>						
Rent Leveling Board						
Salaries and Wages	\$ 700.00	\$ 700.00	\$ 700.00			
Other Expenses	150.00	150.00		\$ 150.00		
Public Safety Commission						
Salaries and Wages	200.00	200.00			200.00	
Special Needs Commission						
Salaries and Wages	650.00	650.00	600.00		50.00	
Other Expenses	250.00	250.00			250.00	
<u>UNCLASSIFIED PURPOSES:</u>						
Aid to Board of Fire Commissioners	15,000.00	15,000.00	15,000.00			
Utility Expense and Bulk Purchase	3,366,827.00	3,266,827.00	2,821,896.45	\$ 24,199.60	420,730.95	
Retirement Payouts	250,000.00	250,000.00	187,814.59		62,185.41	
Payments to Fire Districts	29,102.00	29,102.00	29,102.00			
Other Insurance General Liability	630,000.00	630,000.00	630,000.00			
Group Insurance	14,134,500.00	14,134,500.00	14,134,500.00			
Self Insurance	1,066,100.00	1,066,100.00	1,066,100.00			
Condominium Services Act	50,000.00	50,000.00			50,000.00	
<b>Total Operations Within "CAPS"</b>	<b>76,091,055.03</b>	<b>76,091,055.03</b>	<b>69,579,872.31</b>	<b>2,003,818.51</b>	<b>4,507,364.21</b>	
<u>DETAIL:</u>						
Salaries and Wages	42,024,448.00	41,984,548.00	39,269,479.15		2,715,068.85	
Other Expenses	34,066,607.03	34,106,507.03	30,310,393.16	2,003,818.51	1,792,295.36	
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL - WITHIN "CAPS":</u>						
Statutory Expenditures:						
Contributions to:						
Public Employees Retirement System	2,749,869.00	2,749,869.00	2,749,869.00			
Social Security System (O.A.S.I.)	2,018,940.00	2,018,940.00	1,860,755.41		158,184.59	
DCRP	21,000.00	21,000.00	11,195.00		9,805.00	
Police and Firemen's Retirement Sys. of NJ	4,239,760.00	4,239,760.00	4,239,760.00			
<b>Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"</b>	<b>9,029,569.00</b>	<b>9,029,569.00</b>	<b>8,861,579.41</b>		<b>167,989.59</b>	
<b>Total General Appropriations for Municipal Purposes Within "CAPS"</b>	<b>85,120,624.03</b>	<b>85,120,624.03</b>	<b>78,441,451.72</b>	<b>2,003,818.51</b>	<b>4,675,353.80</b>	

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015

	2015 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED		UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED	
<b>Operations Excluded from "CAPS"</b>					
Maintenance of Free Public Library	\$ 2,892,513.00	\$ 2,892,513.00	\$ 2,892,513.00		
Police Dispatch/911					
Salaries and Wages	1,041,475.00	1,013,475.00	964,676.60		\$ 48,798.40
Other Expenses	113,050.00	113,050.00	109,359.49	\$ 495.00	3,195.51
Supplemental Fire Services Program	98,688.00	98,688.00	98,688.00		
Deficit in Assessment Fund	110,000.00	110,000.00	110,000.00		
Special Emergency Revaluation	440,000.00	440,000.00	440,000.00		
<b>STATE AND FEDERAL PROGRAMS OFF-SET BY REVENUES:</b>					
Alcohol Ed. And Rehab		10,725.83	10,725.83		
Click It or Ticket Grant		4,000.00	4,000.00		
Clean Communities		191,186.16	191,186.16		
State DOT Whitehorse Hamilton Square Road		300,000.00	300,000.00		
Municipal Alliance		78,832.00	78,832.00		
Distracted Driver		5,000.00	5,000.00		
Drive Sober Get Pulled Over		7,500.00	7,500.00		
Bulletproof Vest Program		11,169.18	11,169.18		
Drunk Driving Enforcement Grant		14,252.82	14,252.82		
State Body Armor		14,728.81	14,728.81		
Diver Sober or Get Pulled Over		5,000.00	5,000.00		
Matching Funds for Grants	25,000.00	25,000.00	19,708.00		5,292.00
<b>Total Operations Excluded from "CAPS"</b>	<b>4,720,726.00</b>	<b>5,335,120.80</b>	<b>5,277,339.89</b>		<b>57,285.91</b>
<b>DETAIL:</b>					
Salaries and Wages	1,041,475.00	1,013,475.00	964,676.60		48,798.40
Other Expenses	3,679,251.00	4,321,645.80	4,312,663.29		8,487.51

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015

	2015 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
<u>CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS":</u>						
Capital Improvement Fund	\$ 419,175.00	\$ 419,175.00	\$ 419,175.00			
Total Capital Improvements Excluded from "CAPS"	<u>419,175.00</u>	<u>419,175.00</u>	<u>419,175.00</u>			
<u>MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS":</u>						
Payment of Bond Principal	3,895,000.00	3,895,000.00	3,895,000.00			
Interest on Bonds	1,500,000.00	1,538,000.00	1,537,998.00			\$ 2.00
Principal Payment BANS	1,000.00	1,000.00	658.00			342.00
Interest on Notes	300,000.00	290,000.00	289,951.25			48.75
Special Emergency Note Interest	17,500.00	17,500.00	17,294.44			205.56
Special Assessment Interest	37,000.00	37,000.00	37,000.00			
Green Trust Loan Program						
Payment of Principal	45,500.00	45,500.00	45,383.24			116.76
Payment of Interest	7,100.00	7,100.00	7,043.17			56.83
NJEITF:						
Payment of Principal	275,000.00	275,000.00	274,290.74			709.26
Payment of Interest	<u>42,000.00</u>	<u>42,000.00</u>	<u>35,657.71</u>			<u>6,342.29</u>
Total Municipal Debt Service Excluded from "CAPS"	<u>6,120,100.00</u>	<u>6,148,100.00</u>	<u>6,140,276.55</u>			<u>7,823.45</u>
Total General Appropriations for Municipal Excluded from "CAPS"	<u>11,260,001.00</u>	<u>11,902,395.80</u>	<u>11,836,791.44</u>	\$ 495.00	\$ 57,285.91	<u>7,823.45</u>
Subtotal General Appropriations	96,380,625.03	97,023,019.83	90,278,243.16	2,004,313.51	4,732,639.71	7,823.45
Reserve for Uncollected Taxes	<u>899,442.30</u>	<u>899,442.30</u>	<u>899,442.30</u>			
Total General Appropriations	<u>\$ 97,280,067.33</u>	<u>\$ 97,922,462.13</u>	<u>\$ 91,177,685.46</u>	<u>\$ 2,004,313.51</u>	<u>\$ 4,732,639.71</u>	<u>\$ 7,823.45</u>
Adopted Budget		\$ 97,280,067.33				
Appropriated N.J.S.A. 40A:4-87		<u>642,394.80</u>				
		<u>\$ 97,922,462.13</u>				
Cash Disbursed			\$ 89,616,140.36			
State & Federal Grants Appropriated			662,102.80			
Reserve for Uncollected Taxes			<u>899,442.30</u>			
			<u>\$ 91,177,685.46</u>			

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

TRUST FUND  
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

<u>ASSETS</u>	<u>BALANCE</u> <u>DEC. 31, 2015</u>	<u>BALANCE</u> <u>DEC. 31, 2014</u>	<u>LIABILITIES, RESERVES</u> <u>AND FUND BALANCE</u>	<u>BALANCE</u> <u>DEC. 31, 2015</u>	<u>BALANCE</u> <u>DEC. 31, 2014</u>
Trust Assessment Fund:			Trust Assessment Fund:		
Cash and Investments - Treasurer	\$ 182,599.95	\$ 115,813.95	Prepaid Assessments	\$ 9,332.15	\$ 9,332.15
Assessments Receivable	1,028,689.88	1,095,475.88	Reserve for Assessments, Liens and		
Assessment Lien, Interest & Costs	899.49	899.49	Assessment Lien Interest and Costs	2,386,928.67	2,276,928.67
Prospective Assessments Funded	<u>2,267,073.50</u>	<u>2,267,073.50</u>	Serial Bonds Payable	1,083,000.00	1,193,000.00
			Fund Balance	<u>2.00</u>	<u>2.00</u>
<b>Total Trust Assessment Fund</b>	<u>3,479,262.82</u>	<u>3,479,262.82</u>	<b>Total Trust Assessment Fund</b>	<u>3,479,262.82</u>	<u>3,479,262.82</u>
Animal Control Trust Fund:			Animal Control Trust Fund:		
Cash and Investments - Treasurer	14,036.96	102,995.35	Due to State of New Jersey	2,020.80	1,866.00
Due from Current Fund	<u>50.80</u>		Due to Current Fund		44,802.95
			Reserve for Animal Control	1,744.21	48,784.40
			Escrow	7,542.00	7,542.00
			Reserve for Encumbrances	<u>2,780.75</u>	
<b>Total Animal Control Trust Fund</b>	<u>14,087.76</u>	<u>102,995.35</u>	<b>Total Animal Control Trust Fund</b>	<u>14,087.76</u>	<u>102,995.35</u>
Trust-Other Fund:			Trust-Other Fund:		
Cash and Investments - Treasurer	<u>20,478,167.08</u>	<u>19,952,913.00</u>	Reserve for Encumbrances	59,689.73	754,341.29
			Escrow Funds	6,052,364.47	5,755,661.73
			Performance Guarantees	1,305,235.05	1,673,761.05
			Reimbursable Temp. CO		62,237.75
			Deposits for Tax Sale Redemp./Premiums	4,930,254.89	5,090,524.83
			Due to State Marriage Licenses		12,775.00
			Developers Escrow	1,223,548.96	1,109,296.15
			Dedicated Law Enfor. Trust Fund	97,286.44	103,250.41
			Affordable Housing	3,141,648.80	2,643,792.38
			Flexible Spending Account	20,609.99	14,796.84
			Unemployment Trust	75,938.60	110,744.48
			Insurance Trust Reserve	2,132,762.87	1,880,952.86
			Off-Duty Police	469,734.52	657,365.87
			Storm Recovery	500,000.00	
			Payroll Deductions Payable	<u>469,092.76</u>	<u>83,412.36</u>
<b>Total Trust-Other Fund</b>	<u>20,478,167.08</u>	<u>19,952,913.00</u>	<b>Total Trust-Other Fund</b>	<u>20,478,167.08</u>	<u>19,952,913.00</u>

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

TRUST FUND  
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	BALANCE DEC. 31, 2015	BALANCE DEC. 31, 2014		BALANCE DEC. 31, 2015	BALANCE DEC. 31, 2014
Housing and Community Development Act of 1974:			Housing & Community Development Act of 1974:		
Cash and Investments - Treasurer	\$ 136,239.86	\$ 40,523.66	Reserve for Commun. Develop. Blk. Grant Projects	\$ 978,661.30	\$ 965,619.99
Accounts Receivable	<u>842,482.96</u>	<u>925,096.33</u>	Due to Current Fund	<u>61.52</u>	<u>                    </u>
Total Housing and Community Development Act of 1974	<u>978,722.82</u>	<u>965,619.99</u>	Total Housing & Community Development Act of 1974	<u>978,722.82</u>	<u>965,619.99</u>
Self-Insurance Trust Fund:			Self-Insurance Trust Fund:		
Cash and Investments - Treasurer	<u>17,095.23</u>	<u>26,620.96</u>	Reserve for Insurance Claims: Worker's Compensation	<u>17,095.23</u>	<u>26,620.96</u>
Total Self Insurance Trust Fund	<u>17,095.23</u>	<u>26,620.96</u>	Total Self Insurance Trust Fund	<u>17,095.23</u>	<u>26,620.96</u>
HUD Housing Voucher Trust Fund:			HUD Housing Voucher Trust Fund:		
Cash and Investments - Treasurer	<u>461,623.91</u>	<u>455,226.28</u>	Reserve for HUD Housing Voucher Program Expenditures	<u>461,623.91</u>	<u>455,226.28</u>
Total HUD Housing Voucher Trust Fund	<u>461,623.91</u>	<u>455,226.28</u>	Total HUD Housing Voucher Trust Fund	<u>461,623.91</u>	<u>455,226.28</u>
Total Trust Funds	<u>\$ 25,428,959.62</u>	<u>\$ 24,982,638.40</u>	Total Trust Funds	<u>\$ 25,428,959.62</u>	<u>\$ 24,982,638.40</u>

See accompanying notes to the financial statements

TOWNSHIP OF HAMILTON  
 MERCER COUNTY, NEW JERSEY  
 TRUST ASSESSMENT FUND  
 STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECMEBER 31, 2015

	<u>BUDGET</u>	<u>REALIZED</u>
	<u>REVENUES</u>	<u>REALIZED</u>
Deficit (General Budget)	<u>\$ 110,000.00</u>	<u>\$ 110,000.00</u>

TOWNSHIP OF HAMILTON  
 MERCER COUNTY, NEW JERSEY  
 TRUST ASSESSMENT FUND  
 STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECMEBER 31, 2015

	<u>BUDGET</u>	<u>EXPENDED</u>
	<u>APPROPRIATION</u>	<u>EXPENDED</u>
Payment of Bond Principal	<u>\$ 110,000.00</u>	<u>\$ 110,000.00</u>

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

GENERAL CAPITAL FUND  
 STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS  
 FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

<u>ASSETS</u>	<u>BALANCE</u> <u>DEC. 31, 2015</u>	<u>BALANCE</u> <u>DEC. 31, 2014</u>
Cash and Investments - Treasurer	\$ 16,554,638.82	\$ 22,381,360.80
Due from State of NJ DOT	189,581.78	189,581.78
Deferred Charges to Future Taxation:		
Funded	58,673,154.57	48,184,828.55
Unfunded	<u>37,419,915.40</u>	<u>44,523,289.40</u>
	<u>\$ 112,837,290.57</u>	<u>\$ 115,279,060.53</u>
<u>LIABILITIES, RESERVES</u> <u>AND FUND BALANCE</u>		
General Serial Bonds	\$ 55,385,000.00	\$ 44,577,000.00
Bond Anticipation Notes	22,895,000.00	37,598,658.00
Environmental Infrastructure Loan	2,970,089.77	3,244,380.51
Due to Current Fund	658.00	
Green Trust Project Loan Payable	318,064.80	363,448.04
Reserve for Encumbrances	4,608,386.71	2,289,076.25
Improvement Authorizations:		
Funded	6,758,054.57	2,698,744.64
Unfunded	19,303,988.00	24,040,015.64
Reserve For:		
Capital Improvement Fund	32,699.58	13,536.58
Future Debt Service	562,876.17	451,727.90
Fund Balance	<u>2,472.97</u>	<u>2,472.97</u>
	<u>\$ 112,837,290.57</u>	<u>\$ 115,279,060.53</u>

There were Bonds and Notes Authorized but not Issued for the years ended December 31, 2015 and 2014 in the amounts of \$14,524,915.40 and \$6,924,631.40, respectively.



TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY  
SEWER UTILITY FUND  
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

<u>ASSETS</u>	<u>BALANCE DEC. 31, 2015</u>	<u>BALANCE DEC. 31, 2014</u>	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>BALANCE DEC. 31, 2015</u>	<u>BALANCE DEC. 31, 2014</u>
Operating Fund:			Operating Fund:		
Cash and Investments - Treasurer	\$ 8,411,941.40	\$ 8,057,855.64	Liabilities:		
	<u>8,411,941.40</u>	<u>8,057,855.64</u>	Sewer Rents Overpayments	\$ 895.30	\$ 1,544.18
Receivables With Offsetting Reserves:			Prepaid Sewer Rents	1,441,174.24	1,397,633.67
Sewer Rents Receivable	28,720.81	27,658.63	Accounts Payable	59,635.00	
Sewer Rent Liens Receivable	165,984.57	89,411.91	Appropriation Reserves	1,387,063.34	763,103.99
	<u>194,705.38</u>	<u>117,070.54</u>	Reserve for Encumbrances	375,057.01	444,553.85
Deferred Charge:			Reserve for Future Debt Service	538,054.26	1,869,768.17
Overexpenditure of a 2013 Budget Appropriation		110,000.00	Accrued Interest on Bonds & Notes	698,619.04	579,986.21
				<u>4,500,498.19</u>	<u>5,056,590.07</u>
Total Operating Fund	<u>8,606,646.78</u>	<u>8,284,926.18</u>	Reserve for Receivables	194,705.38	117,070.54
Capital Fund:			Fund Balance	<u>3,911,443.21</u>	<u>3,111,265.57</u>
Cash and Investments - Treasurer	22,884,551.46	26,148,015.17	Total Operating Fund	<u>8,606,646.78</u>	<u>8,284,926.18</u>
Account Receivable - State	8,650.65	8,650.65	Capital Fund:		
Fixed Capital	134,005,871.92	129,864,136.06	Serial Bonds	40,364,000.00	42,731,000.00
Fixed Capital - Auth. and Uncompl.	52,996,235.82	50,957,090.70	Bond Anticipation Notes	33,580,000.00	33,580,000.00
			NJ EIT Loan Payable	365,285.06	389,958.59
			Reserve for Encumbrances	2,618,077.95	4,696,552.46
			Improvement Authorizations:		
			Funded	1,695,665.38	1,606,350.98
			Unfunded	24,435,249.07	19,752,552.67
			Reserve for:		
			Capital Improvement Fund	192,775.00	192,775.00
			Deferred Reserve for Amortization		2,307,834.71
			Reserve for Amortization	106,643,551.01	101,720,161.79
			Fund Balance	<u>706.38</u>	<u>706.38</u>
Total Capital Fund	<u>209,895,309.85</u>	<u>206,977,892.58</u>	Total Capital Fund	<u>209,895,309.85</u>	<u>206,977,892.58</u>
Assessment Fund:			Assessment Fund:		
Cash and Investments - Treasurer	467.10	467.10	Fund Balance	467.10	467.10
Total Sewer Assessment Fund	<u>467.10</u>	<u>467.10</u>	Total Sewer Assessment Fund	<u>467.10</u>	<u>467.10</u>
Total Sewer Utility Fund	\$ <u>218,502,423.73</u>	\$ <u>215,263,285.86</u>	Total Sewer Utility Fund	\$ <u>218,502,423.73</u>	\$ <u>215,263,285.86</u>

There were Bonds and Notes Authorized but not Issued for the years ended December 31, 2015 and 2014 in the amounts of \$6,049,271.67 and \$92,271.67, respectively.



TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

SEWER UTILITY CAPITAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN  
FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance - December 31, 2015 and 2014

\$ 706.38



TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND  
 STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS</u>
Sewer Rents	\$ 15,231,701.21	\$ 15,237,718.91	\$ 6,017.70
Sewer Connection Fees	800,000.00	908,150.00	108,150.00
Reserve for Debt Service	1,644,145.79	1,644,145.79	
Miscellaneous	<u>300,000.00</u>	<u>346,941.60</u>	<u>46,941.60</u>
	<u>\$ 17,975,847.00</u>	<u>\$ 18,136,956.30</u>	<u>\$ 161,109.30</u>

Analysis of Realized  
Revenues:

Sewer Rents:	
Sewer Rents Receivable	\$ 13,835,143.37
Sewer Rent Liens	4,941.87
Prepaid Sewer Rents	<u>1,397,633.67</u>
	<u>\$ 15,237,718.91</u>

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND  
 STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015

	2015 <u>BUDGET</u>	BUDGET AFTER <u>MODIFICATION</u>	<u>EXPENDED</u>			<u>UNEXPENDED BALANCE CANCELLED</u>
			<u>PAID OR CHARGED</u>	<u>ENCUMBERED</u>	<u>RESERVED</u>	
Operating:						
Salaries and Wages	\$ 4,313,289.00	\$ 4,313,289.00	\$ 3,749,235.49		\$ 564,053.51	
Other Expenses	5,305,990.00	5,305,990.00	4,239,715.12	\$ 331,666.28	734,608.60	
Group Insurance Plan for Employees	2,531,000.00	2,531,000.00	2,531,000.00			
Self-Insurance Program N.J.S.A. 40A:10-1 et seq.	265,000.00	265,000.00	265,000.00			
Other Insurance and Surety Bond Premiums	156,300.00	156,300.00	156,300.00			
Capital Improvements:						
Capital Outlay	250,000.00	250,000.00	156,695.03	43,390.73	49,914.24	
Debt Service:						
Payment of Bond Principal	2,183,000.00	2,208,000.00	2,208,000.00			
Interest on Bonds	1,800,000.00	1,775,000.00	1,775,000.00			
Interest on Notes	275,000.00	275,000.00	275,000.00			
EIT Loan Principal	25,000.00	25,000.00	24,673.53			\$ 326.47
EIT Loan Interest	4,000.00	4,000.00	3,933.74			66.26
Deferred Charges:						
Overexpenditure of 2013 Appropriations	110,000.00	110,000.00	110,000.00			
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System	431,183.00	431,183.00	431,183.00			
Social Security System (O.A.S.I.)	326,085.00	326,085.00	287,598.01		38,486.99	
Total Sewer Utility Appropriations	\$ <u>17,975,847.00</u>	\$ <u>17,975,847.00</u>	\$ <u>16,213,333.92</u>	\$ <u>375,057.01</u>	\$ <u>1,387,063.34</u>	\$ <u>392.73</u>
Cash Disbursed			\$ 14,049,400.18			
Deferred Charges			110,000.00			
Accrued Interest on Bonds and Notes			<u>2,053,933.74</u>			
			\$ <u>16,213,333.92</u>			

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 1: FORM OF GOVERNMENT

The Township is managed under the Mayor - Council form of government authorized under Plan F of the "Faulkner Act of 1950". This form of government, adopted in 1976 by Township voters, provides for the direct election of the Mayor and five council members for four-year terms. This form of government provides for the administrative function of government under the Mayor, supported by a Business Administrator and various department heads and for the legislative function under the Township Council.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Governmental Accounting Standards Board (GASB) established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The Division of Local Government Services (the "Division") requires the financial statements of the Township of Hamilton to be reported separately.

Except as noted below, the basic financial statements of the Township of Hamilton include every board, body or officer supported and maintained wholly or in part by funds appropriated by the Township of Hamilton, as required by N.J.S.A. 40A:5-5. Accordingly, the basic financial statements the Township of Hamilton do not include the operations of the municipal library, first aid organizations, fire districts or economic development commission.

B. Description of Funds

The accounting policies of the Township of Hamilton conform to the accounting principles applicable to municipalities which 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 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 - resources and expenditures for governmental operations of a general nature, including Federal and State grant funds, except as otherwise noted.

Trust Fund - receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created. Pursuant to the provisions of N.J.S.A., 40A:4-39, the financial transactions of the Housing and Community Development Act of 1974 funds are reported within the Trust Fund. In addition, the financial transactions of the following funds and accounts are also reported within the Trust Fund:

Animal Control Trust Fund  
Assessment Trust Fund  
Unemployment Compensation Trust Fund Dedicated  
Law Enforcement Trust Fund, Self-Insurance Trust  
Fund

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.):

B. Description of Funds (cont'd)

Affordable Housing Fund  
Other Dedicated Funds

General Capital Fund - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes authorized for said purposes. Debt obligations authorized in conjunction with the Township's conversion to the state's fiscal year are also accounted for in the General Capital Fund.

Sewer Utility Fund - resources and expenditures for the operations and acquisition of capital facilities of the municipally owned Sewer Utility.

Governmental Fixed Assets - the Governmental Fixed Asset Account Group is used to account for fixed assets used in governmental fund type operations for control purposes. Infrastructure assets such as roads, sidewalks, etc. are not capitalized. All governmental fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available or any other reasonable basis, provided such basis is adequately disclosed in the financial statements. No depreciation is recorded on governmental fixed assets.

The GASB is the accepted standards-setting body for establishing governmental accounting and financial reporting principles. The current format for governmental financial reporting was established in GASB Statement 34, "Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments". The minimum requirements for general purpose external financial statements include:

1. Management's Discussion and Analysis
2. Financial Statements:
  - a. Government-wide financial statements
  - b. Fund Financial Statements
  - c. Notes to Financial Statements
3. Required Supplementary Information

Codification of Governmental Accounting and Financial Reporting Standards recognizes three fund categories as appropriate for the accounting and reporting of the financial position and results of operations in accordance with generally accepted accounting principles. This structure for external financial reporting differs from the organization of funds prescribed under the regulatory basis of accounting utilized by the Township. The resultant presentation of financial position and results of operations in the form of basic financial statements is not intended to present the basic financial statements required by GAAP.

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.):

C. Basis of Accounting and Measurement Focus

The basis of accounting as prescribed by the Division for its operating funds is generally a modified cash basis for revenue recognition and a modified accrual basis for expenditures. The operating funds utilize a "current financial resources" measurement focus.

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. The most significant is the reporting of Management's Discussion and Analysis and government-wide financial statements, which are not presented in the accompanying regulatory basis financial statements prepared in accordance with accounting principles prescribed by the Division. The other more significant differences between the reporting of Fund Financial Statements under GAAP and the regulatory basis are as follows:

Revenues - Revenues are recorded as received in cash except for regulatory reimbursements and grant funds which are due from other governmental units. State and Federal grants, entitlements and shared revenues received for operating purposes are realized as revenues when anticipated in the Township budget. Receivables for property taxes and sewer utility consumer charges are recorded with offsetting reserves within the Current Fund and Sewer Utility Fund, respectively. Other amounts that are due to the Township which are susceptible to accrual are recorded as receivables with offsetting reserves.

These reserves are liquidated and revenues are recorded as realized upon receipt of cash. GAAP requires the recognition of revenues for general operations in the accounting period in which they become available and measurable, with the exception of sewer utility consumer charges, which should be recognized in the period they are earned and become measurable.

Expenditures - For purposes of financial reporting, expenditures are recorded as "paid or charged" or "appropriation reserves". Paid or charged refers to the Township "budgetary" basis of accounting. Generally, these 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. Reserves for unliquidated encumbrances at the close of the year are reported as a cash liability. Encumbrances do not constitute expenditures under GAAP. Appropriation reserves refers to unexpended appropriation balances at the close of the year. Appropriation reserves are automatically created and recorded as a cash liability, except for amounts which may be cancelled 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 and not recorded in the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Generally, unexpended balances of budget appropriations are not recorded as expenditures under GAAP. Expenditures for compensated absences, i.e. accumulations of earned but unused vacations and sick leave, are recorded in the period in which the payments are made. GAAP requires that expenditures be recorded in the governmental (Current) fund in an amount that would normally be liquidated with available financial resources, and that expenditures be recorded in the enterprise fund (Sewer Utility Fund), on a full accrual basis. Expenditures for the costs of post-employment benefits other than pensions (other post-employment benefits or "OPEB") are recorded in the accounting period in which the payments are made. GAAP requires recognition of the actuarially determined estimated OPEB cost during the employment period of each employee, during which any OPEB benefit is earned.

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.):

C. Basis of Accounting and Measurement Focus (cont'd)

For the purposes of calculating the results of Current Fund operations, the regulatory basis of accounting utilized by the Township requires that certain expenditures be deferred and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories of overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the Fund balance sheet. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance.

New Jersey statutes require municipalities to provide annual funding to Free Public Libraries through the Current Fund Budget. Amounts paid on behalf of the Free Public Library or transferred to the custody of the Library's management are recorded as budgetary expenditures of the Township, notwithstanding the fact that the Library is recognized as a separate entity for financial reporting purposes. Under GAAP, the Library's financial position and operating results would be incorporated in the Township's financial statements.

Compensated Absences - The Township has adopted a written policy procedure manual which sets forth the terms under which an employee may accumulate earned, but unused, vacation and sick leave, establishes the limits on such accumulations and specifies the conditions under which the right to receive payment for such accumulations vests with the employee. The Township records expenditures for payments of earned and unused vacation and sick leave in the accounting period in which the payments are made. GAAP requires that expenditures be recorded in the governmental (Current) fund in an amount that would normally be liquidated with available financial resources, and that expenditures be recorded in the enterprise (Sewer Utility) fund on a full accrual basis.

Property Acquired for Taxes Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP normally requires such property to be recorded only in the government-wide statement of net assets at the lower of cost or fair market value.

Self Insurance Reserves - Charges to self insurance reserves are recorded when payments of claims and related expenses are made. Increases to self insurance reserves are recorded from budgetary appropriations in the accounting period in which budgetary expenditures are recorded. Earnings on investments and miscellaneous reimbursements are credited to reserves when received in cash. GAAP requires that liabilities for incurred claims be recorded as determined actuarially, and that operating transfers to self insurance funds not exceed the amount determined.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the accounting period the receivables are liquidated. GAAP does not require the establishment of an offsetting reserve.

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.):

C. Basis of Accounting and Measurement Focus (cont'd)

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories are not included on the various balance sheets. Although the expenditure method of accounting for purchases of supplies is in accordance with GAAP, the cost of inventory on hand at the close of the year should be reported on the balance sheet with an offsetting reserve for conformity with GAAP.

Sale of Municipal Assets - Cash proceeds from the sale of Township owned property may be realized as revenue or reserved until utilized as an item of revenue in a subsequent year budget. Year end balances of reserved proceeds are reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period that the terms of the sales contracts become legally enforceable.

Governmental Fixed Assets - Property and equipment acquired by the Current, Trust and the General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized in their own respective funds, with the exception of equipment acquired by the H.U.D. Housing Assistance Fund which is capitalized. The H.U.D. Housing Assistance Fund does not record depreciation on fixed assets. Property and equipment acquired by the Sewer Utility Fund are accumulated in their respective capital accounts at cost. Detailed records of accumulated capitalized costs, by project and/or location are not maintained. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Sewer Utility Capital Fund represent charges to operations for the costs of acquisitions of property, equipment and improvement and costs funded from sources other than bonded debt of the utility. The utility does not record depreciation on fixed assets. GAAP does not require the establishment of a reserve for amortization for utility fixed assets, but does require the recognition of depreciation of these assets as an operating expense of the utility.

Budgets and Budgetary Accounting — an annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditure. Budget amounts presented in the accompanying financial statements represent amounts adopted by the township and approved by the State Division of Local Government Services in accordance with N.J.S.A. 40A:4 et seq.

Grants and Awards- The Township receives federal and state grants, awards and financial assistance. The amounts received and expended are reported in the various funds as follows:

Current Fund — Grant, award and assistance programs that support the general operations of the Township, and any program not reported elsewhere.

Trust Fund — Programs for which the Township has received state approval for reporting as dedicated trust funds.

Capital Funds — Programs which represent funding sources for capital projects established by ordinance.

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.):

C. Basis of Accounting and Measurement Focus (cont'd)

Disclosures About Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and cash equivalents and short-term investments: The carrying amount approximates fair value because of the short maturity of those investments.

Long-term Debt: The Township's long-term debt is stated at face value. The debt is not traded and it is not practicable to determine its fair value without incurring excessive cost. Additional information pertinent to the Township's long-term debt is disclosed in Note 4 to the financial statements.

Net Pension Liability and Pension Related Deferred Outflows of Resources and Deferred Inflows of Resources and Pension Expense

The requirements of GASB Statement 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68* require governmental entities to record their distributive share of net pension liability, deferred outflows of resources, deferred inflows of resources and total pension related expense. Accounting principles applicable to municipalities, which have been prescribed by the Division, do not require the recording of these liabilities, deferrals and expenses, but do require the disclosure of these amounts. Refer to Note 9 - Pensions and Retirement Plans for these disclosures.

GASBs Implemented in the 2015 Fiscal Year

In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* ("GASB No. 68"). The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities.

In November 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68* ("GASB No. 71"). The objective of this Statement is to improve accounting and financial reporting by addressing an issue in Statement No. 68 concerning the transition provisions related to certain pension contributions made to defined benefit pension plans prior to the implementation of that Statement by employers and nonemployer contributing entities. Since the Township does not follow generally accepted accounting principles, the GASBs will not result in a change in the Township's assets, liabilities and contribution requirements. However, they did result in additional note disclosures as required by the GASBs (Refer to Note 9 for additional information).

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.):

GASBs to be Implemented in Future Fiscal Years

The GASB issued Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* in June 2015. This Statement replaces the requirements of Statement 45 and the primary objective of this Statement is to improve accounting and reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local government employers about financial support for OPEB that is provided by other entities. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2017. Management has not yet determined the impact of the Statement on the financial statements.

The GASB issued Statement 77, *Tax Abatement Disclosures* in August 2015. This Statement is intended to improve financial reporting by requiring disclosure of tax abatement information about a reporting government's own tax abatement agreements and those that are entered into by other governments and that reduce the reporting government's tax revenues. The requirements of this Statement are effective for financial statements for reporting periods beginning after December 15, 2015. Management has not yet determined the impact of the Statement on the financial statements.

Use of Estimates — The preparation of the financial statements requires management of the Township to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Comparative Data

Comparative data for the prior year has been presented in order to provide an understanding of changes in the Township's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Note 3: DEFERRED COMPENSATION PLAN

The Hamilton Township Deferred Compensation Plan was established pursuant to Section 457 of the Internal Revenue Code and P.L. 1977, C. 381; P.L. 1978, C. 39; and P.L. 1980, C. 78 of the Statutes of New Jersey. The Plan is an arrangement whereby a public employer may establish a plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more of the types of investments permitted under the governing regulations. The deferred compensation plans are administered by MetLife, Mass Mutual, and Axa Equitable. The Township does not make any contributions to the plan and the deferred compensation is not available to employees until termination, retirement, death or unforeseeable hardship.

In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of the Internal Revenue Code Section 457(g), the Township's plan was amended to require that all amounts of compensation deferred under the Plan are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the plan are held in trust, in annuity contracts or custodial accounts.

The plan's assets are not the property of the Township and therefore are not presented in the financial statements.

As of December 31, 2015 and 2014, the amounts held in trust amounted to \$27,556,212.80 and \$27,915,633.67, respectively.

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 4: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION

A. Summary of Municipal Debt:

	<u>2015</u>	<u>2014</u>
Issued:		
General:		
Bonds and notes	\$ 78,280,000.00	\$ 82,175,658.00
Green trust program loans	318,064.80	363,448.04
Infrastructure loan	2,970,089.77	3,244,380.51
Trust Assessment:		
Bonds and notes	1,083,000.00	1,193,000.00
Sewer Utility:		
Bonds and notes	73,944,000.00	76,311,000.00
Infrastructure loan	365,285.06	389,958.59
Total Debt Issued	<u>156,960,439.63</u>	<u>163,677,445.14</u>
Less:		
Funds temporarily held to pay		
Bonds or Notes:		
General Capital	562,876.17	451,727.90
Sewer Utility - general	538,054.26	1,869,768.17
	<u>1,100,930.43</u>	<u>2,321,496.07</u>
Net Debt Issued	<u>155,859,509.20</u>	<u>161,355,949.07</u>
Authorized but not issued:		
General:		
Bond and notes	14,524,820.40	6,924,536.40
Assessment:		
Bond and notes	95.00	95.00
Sewer Utility:		
Bond and notes	6,049,271.67	92,271.67
Total authorized but not issued	<u>20,574,187.07</u>	<u>7,016,903.07</u>
Net bonds and notes issued and authorized but not issued	<u>\$ 176,433,696.27</u>	<u>\$ 168,372,852.14</u>

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 4: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

A. Summary of Municipal Debt (Cont'd): Summarized below are the Township's individual bond and loan issues which were outstanding at December 31, 2015 and 2014:

<u>General Debt</u>	<u>2015</u>	<u>2014</u>
\$17,425,000 General Improvement Refunding Bonds of 2013, due in annual installments of \$1,470,000 through \$2,050,000 through August 1, 2025, interest at 3.00% through 4.00%.	\$ 17,300,000.00	\$ 17,300,000.00
\$4,630,000 Pension Obligation Refunding Bonds of 2013, due in annual installments of \$405,000 through \$585,000 through August 1, 2023, interest at 1.17% through 3.12%.	3,895,000.00	4,265,000.00
\$28,364,000 General Improvement Refunding Bonds of 2005 final installment of \$1,420,000 was paid on August 1, 2015, interest at 4.125%	-	1,420,000.00
\$17,716,000 General Improvement Bonds of 2010, due in annual installments of \$1,695,000 through \$1,700,000 through February 1, 2022, interest at 3.00% through 3.25%.	11,891,000.00	13,546,000.00
\$8,046,000 General Improvement Bonds of 2014, due in annual installments of \$750,000 through \$900,000 through June 1, 2024, interest at 2.00% through 4.00%.	7,596,000.00	8,046,000.00
\$14,703,000 General Improvement Bonds of 2015 due in annual installments of \$800,000 through \$1,600,000 through June 1, 2025, interest at 2.00% through 4.00%	14,703,000.00	-
	<u>55,385,000.00</u>	<u>44,577,000.00</u>

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 4: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

A. Summary of Municipal Debt (Cont'd)

General Debt (Cont'd)

<u>Green Trust Loans</u>	<u>2015</u>	<u>2014</u>
\$115,841.25 Issac Pearson Acq., due in semi-annual installments of \$7,203.38 through March 6, 2022, interest at 2.00%.	\$ 43,701.95	\$ 49,937.60
\$461,600 Veterans Park., due in semi-annual installments of \$28,703.76 through March 6, 2022, interest at 2.00%.	174,142.70	198,990.28
\$265,655 Tyndale Farm Acq., due in semi-annual installments of \$16,519.28 through March 6, 2022, interest at 2.00%.	100,220.15	114,520.16
 <u>New Jersey Environmental Infrastructure Trust</u>		
\$1,435,000 Infrastructure Loan, due in annual installments of \$75,000 through \$110,000 through August 1, 2025 interest at 4.000% to 4.375%	900,000.00	970,000.00
\$4,028,778 Infrastructure Loan, Principal Only- due in semi-annual installments of \$4,408.24 to \$205,928.39 through August 1, 2025.	2,070,089.77	2,274,380.51

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 4: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

A. Summary of Municipal Debt (Cont'd)

General Debt (Cont'd)

	2015	2014
Bond Anticipation Notes, date of original issue August 8, 2014, due date June 10, 2016, interest rate at 1.50%	\$ 22,895,000.00	\$ 22,895,000.00
Bond Anticipation Notes, date of original issue November 20, 2012 paid on June 11, 2015, interest rate of 0.75%	-	14,703,658.00
\$1,523,000 Assessment Bonds of 2010, due in annual installments of \$103,000 through \$110,000 through February 1, 2025, interest at 3.00% through 3.625%.	1,083,000.00	1,193,000.00
Total General Debt	\$ 82,651,154.58	\$ 86,976,486.55
<u>Utility Debt</u>		
\$22,815,000 Sewer Utility Bonds of 2005, final installment of \$1,348,000 paid on August 1, 2015, interest at 4.00%	-	1,348,000.00
\$4,320,000 Sewer Utility Refunding Bonds of 2005, final installment of \$255,000 paid on August 1, 2015, interest at 4.00%, with the balance refunded during 2015.	-	3,449,000.00

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 4: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

A. Summary of Municipal Debt (Cont'd)

Utility Debt (Cont'd)

	<u>2015</u>	<u>2014</u>
\$5,142,000 Sewer Utility Bonds of 2010, due in annual installments of \$155,000 through \$290,000 through March 1, 2035, interest at 3.00% through 4.30%	\$ 4,397,000.00	\$ 4,552,000.00
\$16,505,000 Sewer Utility Refunding Bonds of 2013, due in annual installments of \$1,400,000 through \$1,935,000 through Aug 1, 2025, interest at 3.00% through 4.00%.	16,395,000.00	16,395,000.00
\$14,687,000 Sewer Utility Improvement Bonds of 2014, due in annual installments of \$475,000 through \$650,000 through June 1, 2039, interest at 2.00% through 4.00%.	14,362,000.00	14,687,000.00
\$2,300,000 Sewer Utility Improvement Bonds of 2014, due in annual installments of \$125,000 through \$200,000 through June 1, 2028, interest at 2.00% through 4.00%.	2,200,000.00	2,300,000.00
\$3,035,000 Sewer Utility Refunding Series Bonds of 2015 due in annual installments of \$255,000 through \$360,000 through August 1, 2025, interest at 2.00% through 5.00%	3,010,000.00	
Bond Anticipation Notes (Series 2014 C), date of original issue June 11, 2014 due date June 10, 2016, interest rate of 1.50%.	30,380,000.00	30,380,000.00

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 4: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

A. Summary of Municipal Debt (Cont'd)

Utility Debt (Cont'd)

	<u>2015</u>	<u>2014</u>
Bond Anticipation Notes (Series 2014 E), date of original issue June 11, 2014 due date June 10, 2016, interest rate of 1.25%.	\$ 3,200,000.00	\$ 3,200,000.00
\$126,650.65 Infrastructure Loan, due in annual installments of \$5,765.40 through \$8,841.65 through August 1, 2029, interest at 2.28% to 4.16%	99,035.03	104,690.71
\$4,028,778 Infrastructure Loan, Principal Only- due in semi-annual installments of \$19,017.85 through August 1, 2029	<u>266,250.03</u>	<u>285,267.88</u>
Total utility debt	<u>74,309,285.06</u>	<u>76,700,958.59</u>
Total debt issued and outstanding	<u>\$ 156,960,439.64</u>	<u>\$ 163,677,445.14</u>

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 4: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

B. Schedule of Annual Debt Service for Principal and Interest for the Bonded Debt Issued and Outstanding

Year	General*		Sewer Utility		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 5,230,000.00	\$ 1,939,429.75	\$ 2,410,000.00	\$ 1,417,662.26	\$ 7,640,000.00	\$ 3,357,092.01
2017	5,965,000.00	1,579,243.90	2,460,000.00	1,341,787.26	8,425,000.00	2,921,031.16
2018	6,115,000.00	1,396,644.61	2,535,000.00	1,261,237.26	8,650,000.00	2,657,881.87
2019	6,285,000.00	1,192,639.45	2,630,000.00	1,170,409.14	8,915,000.00	2,363,048.59
2020	6,460,000.00	974,249.15	2,715,000.00	1,072,996.64	9,175,000.00	2,047,245.79
2021-2025	26,413,000.00	2,040,592.42	15,305,000.00	3,811,430.05	41,718,000.00	5,852,022.47
2026-2030			5,040,000.00	1,701,464.39	5,040,000.00	1,701,464.39
2031-2035			4,672,000.00	880,155.75	4,672,000.00	880,155.75
2036-2039			2,597,000.00	181,632.50	2,597,000.00	181,632.50
	<u>\$ 56,468,000.00</u>	<u>\$ 9,122,799.28</u>	<u>\$ 40,364,000.00</u>	<u>\$ 12,838,775.25</u>	<u>\$ 96,832,000.00</u>	<u>\$ 21,961,574.53</u>

\* The general debt includes the debt of the trust assessment fund.

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 4: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

C. Summary of Statutory Debt Condition – Annual Debt Statements

The summarized statement of debt condition which follows is reported in accordance with the required method for preparation of the Annual Debt Statement and indicates a statutory net debt of:

2015

	Gross Debt	Deductions	Net Debt
Local school district debt	\$ 37,255,000.00	\$ 37,255,000.00	
Sewer utility debt	80,358,556.73	80,358,556.73	
General debt	97,176,069.97	562,876.17	\$ 96,613,193.80
	\$ 214,789,626.70	\$ 118,176,432.90	\$ 96,613,193.80

Net Debt \$96,613,193.80 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended \$8,516,370,351.67 equals 1.134%.

Equalized Valuation Basis

2013 Equalized valuation basis of real property	\$ 8,404,340,204.00
2014 Equalized valuation basis of real property	8,661,186,874.00
2015 Equalized valuation basis of real property	8,483,583,977.00
 Average Equalization Valuation	 \$ 8,516,370,351.67

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

3 1/2% of Equalized Valuation	\$ 298,072,962.31
Net debt	96,613,193.80
 Remaining Borrowing Power	 \$ 201,459,768.51

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY  
 NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 4: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

C. Summary of Statutory Debt Condition – Annual Debt Statements (Cont'd.)

2014

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local school district debt	\$ 40,385,000.00	\$ 40,385,000.00	
Sewer utility debt	76,793,230.26	76,793,230.26	
General debt	<u>93,901,117.95</u>	<u>451,727.90</u>	\$ 93,449,390.05
	<u>\$ 211,079,348.21</u>	<u>\$ 117,629,958.16</u>	<u>\$ 93,449,390.05</u>

Net Debt \$93,449,390.05 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended \$8,439,319,800.33 equals 1.107%.

Equalized Valuation Basis

2012 Equalized valuation basis of real property	\$ 8,252,432,323.00
2013 Equalized valuation basis of real property	8,404,340,204.00
2014 Equalized valuation basis of real property	<u>8,661,186,874.00</u>
 Average Equalization Valuation	 <u>\$ 8,439,319,800.33</u>

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

3 1/2% of Equalized Valuation	\$ 295,376,193.01
Net debt	<u>93,449,390.05</u>
 Remaining Borrowing Power	 <u>\$ 201,926,802.96</u>

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY  
 NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 4: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

D. Loan Agreements:  
Loan Agreements – NJ Environment Infrastructure Trust

The Township has entered into a loan financing with the State of New Jersey Department of Environmental Protection Trust. The improvement programs are financed through debt issued by the New Jersey Infrastructure Trust. During the year ended December 31, 2015, the Township made payments to the New Jersey Environmental Infrastructure Trust with respect to the loan improvement programs in the amount of \$70,000.00.

Schedule of Annual Debt Service of Principal and Interest for the Loan Agreements Issued and Outstanding at December 31, 2015.

Calendar Year	<u>NJ Environmental Infrastructure Trust</u>	
	Principal	Interest
2016	\$ 75,000.00	\$ 38,712.50
2017	75,000.00	35,712.50
2018	80,000.00	32,712.50
2019	85,000.00	29,312.50
2020	85,000.00	25,700.00
2021-2025	500,000.00	67,812.52
Total	\$ 900,000.00	\$ 229,962.52

The payment schedules for this loan agreement is set forth in the General Capital section of this report.

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 4: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

D. Loan Agreements: (Cont'd.)

Loan Agreements – NJ Environmental Infrastructure Trust (Cont'd.)

The Township has entered into a loan financing with the State of New Jersey Department of Environmental Protection Trust. The improvement programs are financed through debt issued by the New Jersey Environmental Infrastructure Trust. During the year ended December 31, 2014, the Township made payments to the New Jersey Environmental Infrastructure Trust with respect to the loan improvement programs in the amount of \$204,290.74.

Calendar Year	NJ Environmental Infrastructure Trust Principal Only
2016	\$ 208,321.13
2017	202,825.13
2018	206,489.13
2019	209,420.32
2020	202,802.23
2021-2025	1,040,231.83
	\$ 2,070,089.77

The payment schedules for this loan agreement is set forth in the General Capital Fund section of this report.

Pursuant to the provisions of N.J.S.A. 40A:2-1 et seq. the combined outstanding principal of these loans, in the amount of \$2,970,089.77 has been included in the calculation of the Township's statutory debt condition.

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 4: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

D. Loan Agreements: (Cont'd.)

Loan Agreements – NJ Environmental Infrastructure Trust (Cont'd.)

The Township has entered into a loan financing with the State of New Jersey Department of Environmental Protection Trust. The improvement programs are financed through debt issued by the New Jersey Environmental Infrastructure Trust. During the year ended December 31, 2015, the Township made payments to the New Jersey Environmental Infrastructure Trust with respect to the loan improvement programs in the amount of \$5,655.68.

Schedule of Annual Debt Service for Principal and Interest for the Loan Agreements Issued and Outstanding at December 31, 2015:

Calendar Year	<u>NJ Environmental Infrastructure Trust</u>	
	Principal	Interest
2016	\$ 5,765.40	\$ 3,444.06
2017	5,896.86	3,312.60
2018	6,048.41	3,161.06
2019	6,214.74	2,994.72
2020	6,398.07	2,811.38
2021-2025	35,343.28	10,704.04
2026-2029	33,368.27	3,469.60
Total	\$ 99,035.03	\$ 29,897.46

The payment schedules for this loan agreement is set forth in the Sewer Utility Capital Fund section of this report.

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY  
 NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 4: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

D. Loan Agreements: (Cont'd)

Loan Agreements – NJ Environmental Infrastructure Trust (Cont'd)

The Township has entered into a loan financing with the State of New Jersey Department of Environmental Protection Trust. The improvement programs are financed through debt issued by the New Jersey Environmental Infrastructure Trust. During the year ended December 31, 2015, the Township made payments to the New Jersey Environmental Infrastructure Trust with respect to the loan improvement programs in the amount of \$19,017.85.

Schedule of Annual Debt Service for Principal Only for the  
Loan Agreements Issued and Outstanding at December 31, 2015:

Calendar Year	NJ Environmental Infrastructure Trust Principal Only
2016	\$ 19,017.85
2017	19,017.85
2018	19,017.85
2019	19,017.85
2020	19,017.85
2021 - 2025	95,089.25
2026 - 2029	76,071.53
Total	\$ 266,250.03

The payment schedules for this loan agreement is set forth in the Sewer Utility Capital Fund section of this report.

Pursuant to the provisions of N.J.S.A. 40A:2-1 et seq. the combined outstanding principal of these loans, in the amount of \$365,285.06 has been included in the calculation of the Township's statutory debt condition.

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 4: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

D. Loan Agreements: (Cont'd.)

Loan Agreements – Green Trust Loan

The Township has entered into a loan financing with the State of New Jersey Department of Environmental Protection Trust. The improvement programs are financed through debt issued under the Green Acres Bond Act of 1978. During the year ended December 31, 2015, the Township made payments with respect to the Green Trust Program Loans in the amount of \$45,383.24.

Schedule of Annual Debt Service for Principal and Interest for the Loan Agreements Issued and Outstanding at December 31, 2015

Calendar Year	Green Trust Loan - Issac Pearson Acquisition	
	Principal	Interest
2016	\$ 6,360.99	\$ 842.39
2017	6,488.84	714.54
2018	6,619.27	584.11
2019	6,752.31	451.07
2020	6,888.03	315.35
2021-22	10,592.51	212.56
Total	<u>\$ 43,701.95</u>	<u>\$ 3,120.02</u>

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 4: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

D. Loan Agreements: (Cont'd.)

Loan Agreements – Veterans Park Extension

Schedule of Annual Debt Service for Principal and Interest for the Loan Agreements Issued and Outstanding at December 31, 2015

Calendar Year	<u>Green Trust Loan - Veterans Park Extension</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 25,347.03	\$ 3,356.74
2017	25,856.51	2,847.26
2018	26,376.22	2,327.54
2019	26,906.38	1,797.38
2020	27,447.19	1,256.57
2021-22	<u>42,209.37</u>	<u>846.98</u>
Total	<u>\$ 174,142.70</u>	<u>\$ 12,432.47</u>

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 4: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

Loan Agreements – Tyndale Farm Acquisition

Schedule of Annual Debt Service for Principal and Interest for the Loan Agreements Issued and Outstanding at December 31, 2015

Calendar Year	Green Trust Loan - Tyndale Farm Acquisition	
	Principal	Interest
2016	\$ 14,587.45	\$ 1,931.83
2017	14,880.65	1,638.63
2018	15,179.76	1,339.52
2019	15,484.87	1,034.41
2020	15,796.11	723.17
2021-22	24,291.31	487.44
Total	\$ <u>100,220.15</u>	\$ <u>7,155.00</u>

The payment schedules for these loan agreements are set forth in the General Capital section of this report.

Pursuant to the provisions of N.J.S.A. 40A:2-1 et seq. the combined outstanding principal of these loans, in the amount of \$318,064.80 has been included in the calculation of the Township's statutory debt condition.

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 4: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

E. Summary of Regulatory Debt Condition - Annual Debt Statements

Deduction of Self-Liquidating Utility Debt for Statutory Net Debt (N.J.S.A. 40:2-45)

The calculation of "Self-Liquidating Purpose" for the Sewer Utility, per N.J.S.A. 40A:2-45 is as follows:

2015

Cash Receipts from Fees, Rents, or Other Charges for Year	\$ 18,136,956.30
---	------------------

Deductions:

Operating and Maintenance Costs	\$ 13,438,847.00
Debt Service per Sewer Accounts	4,286,607.27

Total Deductions	<u>17,725,454.27</u>
------------------	----------------------

Excess in Revenues	<u>\$ 411,502.03</u>
--------------------	----------------------

2014

Cash Receipts from Fees, Rents, or Other Charges for Year	\$ 17,209,723.81
---	------------------

Deductions:

Operating and Maintenance Costs	\$ 13,347,307.04
Debt Service per Sewer Accounts	3,094,487.25

Total Deductions	<u>16,441,794.29</u>
------------------	----------------------

Excess in Revenues	<u>\$ 767,929.52</u>
--------------------	----------------------

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 4: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

Deduction of Self-Liquidating Utility Debt for Statutory Net Debt (N.J.S.A. 40:2-45) (Cont'd)

The difference between the excess in revenues for debt statement purposes and the excess in revenues on a cash basis for the Sewer Utility Fund is as follows:

2015

Excess in Revenues - Cash Basis (D-1)	\$	800,177.64
Add: Capital Outlay		250,000.00
	\$	1,050,177.64
Deduct: Other Credits to Income		638,675.61
Excess in Revenues per Debt Statement	\$	411,502.03

2014

Excess in Revenues - Cash Basis (D-1)	\$	866,665.15
Add: Capital Outlay		250,000.00
	\$	1,116,665.15
Deduct: Other Credits to Income		348,735.63
Excess in Revenues per Debt Statement	\$	767,929.52

Note 5: GOVERNMENTAL FIXED ASSETS

Capital asset activity for the year ended December 31, 2015 was as follows:

	Balance <u>December 31, 2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>December 31, 2015</u>
Land/Buildings	\$ 83,711,576.00	\$ 643,259.64		\$ 84,354,835.64
Equipment	7,413,591.27	434,945.90	\$ 83,584.42	7,764,952.75
Vehicles	13,505,728.82	1,634,262.50	2,516,548.86	12,623,442.46
Total	\$ 104,630,896.09	\$ 2,712,468.04	\$ 2,600,133.28	\$ 104,743,230.85

The Governmental Fixed Asset Account Group is used to account for fixed assets used in governmental fund type operations for control purposes. Infrastructure assets such as roads, sidewalks, etc. are not capitalized. All governmental fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available or any other reasonable basis, provided such basis is adequately disclosed in the financial statements. No depreciation is recorded on governmental fixed assets.

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 6: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2015 and December 31, 2014 were appropriated and included as anticipated revenue in their own respective funds for the years ending December 31, as follows:

	<u>Fund Balance</u> <u>December 31, 2015</u>	<u>Appropriated</u> <u>2016</u>		<u>Fund Balance</u> <u>December 31, 2014</u>	<u>Appropriated</u> <u>2015</u>
Current Fund	\$ 7,245,947.11	\$ 4,900,000.00	\$	6,083,316.90	\$ 3,200,000.00
Sewer Utility Fund	3,911,443.21	1,000,000.00		3,111,265.57	-

Note 7: DEPOSITS AND INVESTMENTS

State statutes set forth deposit requirements and investments that may be purchased by local units and the Township deposits and invests its funds pursuant to its policies and an adopted cash management plan.

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund. New Jersey statutes require public depositories to maintain collateral for deposit of public funds that exceed insurance limits to protect deposits from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five (5) percent of the average daily balance of collected public funds; or if the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent, to secure the deposits of governmental units.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 7: DEPOSITS AND INVESTMENTS (CONT'D.)

At December 31, 2015 and 2014, the cash and cash equivalents and investments of the Township on deposit and on-hand consisted of the following:

	<u>2015</u>	<u>2014</u>
Cash (Demand Accounts)	\$ 85,051,186.11	\$ 93,301,403.45
Change Funds (On-Hand)	<u>2,481.00</u>	<u>2,481.00</u>
Total	<u>\$ 85,053,667.11</u>	<u>\$ 93,303,884.45</u>

Based upon GASB criteria, the Township considers change funds, cash in banks, investments in certificates of deposits and State of New Jersey Cash Management Fund as cash and cash equivalents. At December 31, 2015 and 2014, the carrying amount of the Township's deposits was \$87,674,088.57 and \$94,904,562.44 and the book balance was \$85,053,667.11 and \$93,303,884.45, respectively. Of the bank balances at December 31, 2015 and 2014, \$1,000,000 was covered by Federal Depository Insurance and \$86,674,088.57 and \$93,904,562.44, respectively was covered under the provisions of GUDPA.

At December 31, 2015, the Township has implemented the disclosure requirements of Governmental Accounting Standards Board Statement No. 40 "Deposits and Investment Risk Disclosures" (GASB 40) and accordingly the Township has assessed the Custodial Risk, the Concentration of Credit Risk and Interest Rate Risk of its cash and investments.

- (a) Custodial Credit Risk — The Township's deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are: uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but no in the depositor-governments name. The deposit risk is that, in the event of the failure of a depository financial institution, the Township will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The Township's investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Township and are held by either: the counterparty or the counterparty's trust department or agent but not in the Township's name. The investment risk is that, in the event of the failure of the counterparty to a transaction, the Township will not be able to recover the value of the investment or collateral securities that in possession of an outside party.
- (b) Concentration of Credit Risk — This is the risk associated with the amount of investments that Township has with any one issuer that exceeds 5 percent or more of its total investments. Investment issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.
- (c) Credit Risk — GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In general, the Township does not have an investment policy regarding Credit Risk except to the extent outlined under the Township's investment policy.

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 7: DEPOSITS AND INVESTMENTS (CONT'D.)

- (d) Interest Rate Risk - This is the risk that changes in interest rates will adversely affect the fair value of an investment. The Township does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate fluctuations.

As of December 31, 2015, based upon the insured balances provided by the FDIC and NJGUDPA coverage, no amounts of the Township's bank balance was considered exposed to custodial credit risk.

Investments

New Jersey statutes establish the following securities as eligible for the investment of Township funds:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States;
2. Government money market mutual funds;
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided such obligation bear a fixed rate of interest not dependent on any index or other external factor,
4. Bonds or other obligation of the Township or bonds or other obligations of school districts of which the Township is a part and within the school district is located,
5. Bonds or other obligations having a maturity date of not more than 397 days from the date of purchase that are approved by the Division of Investment of the Department of Treasury for investment by local units;
6. Local government investment pools;
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1997, c.281 (C.52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities, if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3);
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is more than 30 days; and
  - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.19:9-41) and for which a master repurchase agreement providing for the custody and security of the collateral is executed.

Note 8: ASSESSMENT AND COLLECTION OF PROPERTY TAXES

A taxable valuation of real property is prepared by the Tax Assessor as of October 1 in each year and filed with the County Board of Taxation by January 10 of the following year. The County Board of Taxation establishes tax rates to reflect the levy necessary for municipal, local school district, special district and county taxes.

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 8: ASSESSMENT AND COLLECTION OF PROPERTY TAXES (CONT'D.)

The provisions of P.L. 1994, C. 72 changed the procedures for State fiscal year billing originally established in P.L. 1991, C. 75. Chapter 72 moves the billing calculation back on a calendar year basis, which permits tax levies to be proved more readily than before.

The formula used to calculate tax bills under P.L. 1994, C. 72 are as follows:

The third and fourth installments, for municipal purposes, would equal one-half of an estimated annual tax levy, plus the balance of the full tax levied during the current tax year for school, county and special district purposes. The balance of the full tax for non-municipal purposes is calculated by subtracting amounts due on a preliminary basis from the full tax requirement for the tax year. The first and second installments, for municipal purposes, will be calculated on a percentage of the previous years billing necessary to bill the amount required to collect the full tax levy, plus the non-municipal portion, which represents the amount payable to each taxing district for the period of January through June 30.

Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% to 18% of the amount delinquent. In addition, the law now allows for, and the Township has authorized, the imposition of a penalty of 6% on delinquencies exceeding \$10,000.00 that remain unpaid at the end of a calendar year. If taxes remain delinquent on or after November 11 of the succeeding fiscal year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property, and allows the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish property taxes as a lien on real estate as of the first day of the fiscal year of the municipality, even though the full amount due is not known.

As County, School and Special District tax requirements are certified to the County Board of Taxation on a calendar year basis and within a time frame which precludes the certification of a municipal purpose tax certification for the calendar year, the conversion to a fiscal year has necessitated that tax bills be prepared and mailed by the Tax Collector twice annually. The law requires tax bills for the first and second installments to be delivered on or before October 1 of the pre-tax year, and bills for the third and fourth installments to be delivered on or before June 14. The regulatory requirement to deliver tax bills for the first and second installments by October 1 of the pre-tax year requires that these bills utilize assessed valuations from the pre-tax year. As a result, tax bills for the third and fourth installments will also include adjustments to reflect the results of changes in assessed valuations from the pre-tax year to the current tax year.

Accelerated Tax Sale

Commencing with the year ended June 30, 2003 the Township of Hamilton held an accelerated tax sale as allowed by Chapter 99, P.L. 1996. An accelerated tax sale must be held for each subsequent year to keep tax revenues and cash flows consistent from year to year. The tax sale was held on December 16, 2015.

Note 9: PENSION AND RETIREMENT PLANS

Substantially, all Township employees participate in either the Public Employees' Retirement System, Consolidated Police and Firemen's Pension Fund or Police and Firemen's Retirement System. The Division of Pensions within the Treasury Department of the State of New Jersey is the administrator of the funds and charges municipalities annually for their respective contributions. The plans provide retirement and disability benefits, annual cost of living adjustments and benefits to plan members and beneficiaries. The plans are cost sharing multiple-employer defined benefit plans and as such do not

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 9: PENSION AND RETIREMENT PLANS (CONT'D.)

maintain separate records for each municipality in the state and, therefore, the actuarial data for the Township is not available. The Division of Pensions issues publicly available financial reports for each of the plans that include financial statements and required supplementary information. The reports may be obtained by writing the State of New Jersey, Division of Pensions.

Covered employees are required by State statute to contribute a certain percentage of their salary to the plan. Each member's percentage is based on age determined at the effective date of enrollment. In addition, the PERS and PFRS bills the Township annually at an actuarially determined rate for its required contribution. The current rate of required contribution of annual covered payroll is 7.06% for PERS employees and 10.0% for PFRS.

The contribution requirements of plan members and the Township are established and may be amended by the Board of Trustees of respective plans. The Township's contributions to the PERS for the years ended December 31, 2015, 2014 and 2013 were \$3,326,442 \$3,069,014 and \$2,608,894, respectively. The Township's contributions to the PFRS for the years ended December 31, 2015, 2014 and 2013 were \$4,239,760, \$4,187,464 and \$4,381,101, respectively.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

*Public Employee's Retirement System (PERS)*

At December 31, 2015 and 2014, the Township's liability for its proportionate share of the net pension liability was \$76,795,495 and \$65,246,580, respectively. The net pension liability was measured as of June 30, 2015 and 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 and July 1, 2013, which was rolled forward to June 30, 2015 and June 30, 2014, respectively. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2015, the Township's proportion was 0.3421040127 percent, which was a decrease of 0.0063844956 from its proportion measured as of June 30, 2014.

At December 31, 2015, the Township's deferred outflows of resources and deferred inflows of resources related to PERS were from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of assumptions	\$ 8,247,223	
Net difference between projected and actual earnings on pension plan investments		\$ 1,234,724
Difference between expected and actual experience	1,832,071	
Changes in proportion and differences between Township contributions and proportionate share of contributions	97,560	1,014,140
Township contributions subsequent to the measurement date	1,470,589	
	\$ 11,647,443	\$ 2,248,864

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 9: PENSION AND RETIREMENT PLANS (CONTINUED)

\$1,470,589 is reflected above as deferred outflows of resources related to pensions resulting from Township contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2016	\$ 1,413,228
2017	1,413,227
2018	1,413,229
2019	2,385,313
2020	1,302,993
	<u>\$ 7,927,990</u>

*Actuarial Assumptions*

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	3.04%
Salary increases	
2012-2021	2.15 - 4.40%
	based on age
Thereafter	3.15 - 5.40%
	based on age
Investment rate of return	7.90%

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

*Mortality Rates*

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 9: PENSION AND RETIREMENT PLANS (CONTINUED)

*Long-Term Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
Core Bonds	1.75%	1.64%
Intermediate-Term Bonds	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Markets	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds / Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debtrex US	3.50%	-0.40%
REIT	4.25%	5.12%
	<u>100.00%</u>	

*Discount Rate*

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 9: PENSION AND RETIREMENT PLANS (CONTINUED)

*Sensitivity of the Township's proportionate share of the net pension liability to changes in the discount rate*

The following presents the Township's proportionate share of the net pension liability as of June 30, 2015 calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90 percent) or 1-percentage-point higher (5.90 percent) than the current rate:

	At 1% Decrease (3.90%)	At Current Discount Rate (4.90%)	At 1% Increase (5.90%)
Township's proportionate share of the net pension liability	\$ 95,447,404	\$ 76,795,495	\$ 61,157,869

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees Retirement System.

*Additional Information*

Collective balances at June 30, 2015 are as follows:

Collective deferred outflows of resources	\$ 2,946,265,815
Collective deferred inflows of resources	\$ 360,920,604
Collective net pension liability - Local Group	\$ 22,447,996,119
Township's Proportion	0.3421040127%

Collective pension expense for the Local Group for the measurement period ended June 30, 2015 is \$1,472,586,715.

The average of the expected remaining service lives of all plan members is 5.72 and 6.44 years for 2015 and 2014, respectively.

*Police and Firemen's Retirement System (PFRS)*

At December 31, 2015 and 2014, the Township's liability for its proportionate share of the net pension liability was \$94,850,149 and \$69,436,787, respectively. The net pension liability was measured as of June 30, 2015 and 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 and July 1, 2013, which was rolled forward to June 30, 2015 and June 30, 2014, respectively. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2015, the Township's proportion was 0.5694477694 percent, which was an increase of 0.0174453282 from its proportion measured as of June 30, 2014.

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 9: PENSION AND RETIREMENT PLANS (CONTINUED)

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of assumptions	\$ 17,511,694	
Differences between expected and actual experience		\$ 818,113
Net difference between projected and actual earnings on pension plan investments		1,650,783
Changes in proportion and differences between Township contributions and proportionate share of contributions	1,913,586	1,972,598
Township contributions subsequent to the measurement date	2,314,381	
	\$ 21,739,661	\$ 4,441,494

\$2,314,381 is reported as deferred outflows of resources related to pensions resulting from Township contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended December 31:**

2016	\$ 2,819,010
2017	2,819,011
2018	2,819,012
2019	4,590,459
2020	1,936,294
	\$ 14,983,786

*Actuarial Assumptions*

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	3.04%
Salary increases	
2012-2021	2.60 - 9.48%
	based on age
Thereafter	3.60 - 10.48%
	based on age
Investment rate of return	7.90%

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 9: PENSION AND RETIREMENT PLANS (CONTINUED)

*Mortality Rates*

Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

*Long-Term Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds / Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
	<u>100.00%</u>	

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 9: PENSION AND RETIREMENT PLANS (CONTINUED)

*Discount Rate*

The discount rate used to measure the total pension liability was 5.79% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the Township's proportionate share of the net pension liability to changes in the discount rate*

The following presents the Township's proportionate share of the net pension liability as of June 30, 2015 calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.79 percent) or 1-percentage-point higher (6.79 percent) than the current rate:

	At 1% Decrease (4.79%)	At Current Discount Rate (5.79%)	At 1% Increase (6.79%)
Township's proportionate share of the net pension liability	\$ 125,042,609	\$ 94,850,149	\$ 70,230,896

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Police and Firemen's Retirement System.

*Additional Information*

Collective balances at June 30, 2015 are as follows:

Collective deferred outflows of resources	\$	3,075,206,294
Collective deferred inflows of resources	\$	433,559,708
Collective net pension liability - Local Group	\$	18,117,234,618
Township's Proportion		0.5694477694%

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 9: PENSION AND RETIREMENT PLANS (CONTINUED)

Collective pension expense for the Local Group for the measurement period ended June 30, 2015 is \$1,619,458,723.

The average of the expected remaining service lives of all plan members is 5.53 and 6.17 years for 2015 and 2014, respectively.

*Special Funding Situation*

Under N.J.S.A 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation and the State is treated as a non-employer contributing entity. The non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the Township as of June 30, 2015 for police and fire is 0.5694477694% and the non-employer contributing entities' contribution for the year ended June 30, 2015 for police and fire was \$432,997. The state's proportionate share of the net pension liability attributable to the Township as of June 30, 2015 is \$8,318,040.

Note 10: POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS —  
HEALTH CARE BENEFITS

The Township of Hamilton provides its retirees with health benefits which are fully funded by the Township. These benefits are negotiated for through each bargaining unit's contract. Retirees receive the same type of health insurance coverage that they were receiving prior to retirement. There are currently 934 total participants enrolled in health benefits programs, which are fully funded by the Township. Under GASB Statement #45 the Township is required to report a liability in the notes for payment of health benefits to retirees.

The Township provides health benefits through its group insurance plan to certain retirees and their dependents, as follows:

The former employer assumes the cost if the retired employee meets certain requirements. The Plan Sponsor has agreed to pay retiree coverage if he or she has 25 or more years of continuous service within the Public Employees Retirement Fund of the Police and Fireman's Retirement Fund

At December 31, 2015, approximately 386 retirees and 548 active employees were receiving non-contributory health coverage benefits at an estimated annual cost to the Township of \$13,542,287.00.

This is the fifth year the Township is disclosing its postemployment healthcare plan benefit costs based upon the implementation requirements of GASB Statement 45.

The contribution requirements of plan members and the participating agencies are established and may be amended by the through the collective bargaining process or by action of the Mayor and/or Township Council. The Township's annual postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 10: POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS —  
 HEALTH CARE BENEFITS (CONTINUED)

paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the Township's annual OPEB cost for the year, any amounts contributed to the plan and the Township's net OPEB obligation. For 2015 and 2014, the Township's annual OPEB cost (expense) (GAAP Basis) of \$24,130,000.00 and \$23,580,000.00, respectively were equal to the ARC.

	2015	2014
Net OPB obligation - beginning of year	\$ 97,580,000.00	\$ 82,450,000.00
Annual required contribution (ARC)	25,470,000.00	24,710,000.00
Interest on OPEB obligation	4,390,000.00	3,710,000.00
Adjustment to annual required contribution	(5,730,000.00)	(4,840,000.00)
Less: Contributions	(5,590,000.00)	(8,450,000.00)
 Net OPEB obligation - end of year	 <u>\$ 116,120,000.00</u>	 <u>\$ 97,580,000.00</u>

Under the regulatory basis of accounting utilized by the Township financial statement recognition of the ARC and Net OPEB obligation is not required and these amounts are not reflected in the reported expenditures and liabilities at December 31, 2015.

The funded status of the plan for the Township as of December 31, 2015, is as follows:

	Total
Actuarial accrued liability (AAL)	297,690,000.00
Actuarial value of plan assets	-
 Unfunded actuarial liability (UAAL)	 <u>\$ 297,690,000.00</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 42,000,000.00
UAAL as a percentage of covered payroll	709%

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health-care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presented as required supplementary information following the notes to the financial statements, presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 10: **POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS —  
HEALTH CARE BENEFITS (CONTINUED)**

Projections of benefits for financial reporting purposes are based on the substantive plan and includes the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2015 actuarial valuation, the projected unit credit method was used. A rate of 4.50% was utilized as the discount rate and the amount of increase in the normal cost amount. The unfunded accrued liability is being amortized as a level dollar amount using an open period of thirty (30) years.

Note 11: **RISK MANAGEMENT**

A **Garden State Municipal Joint Insurance Fund**

On February 1, 2002 the Township joined the Garden State Municipal Joint Insurance Fund. This fund provides for a pooling of self-retained risks of insurable losses, as well as the procurement of cost effective excess insurance coverage.

Summary of Risk Management Program

The GSMJIF Provides the following coverages to its participants:

1. **Workers Compensation**

The Fund covers regulatory less various members' self-insured retention (SIR). The minimum Fund retention shall be \$500,000.

Employers Liability covers \$15,000,000 less various members SIR. The minimum Fund retention shall be \$250,000.

2. **General Liability**

The Fund covers \$15,000,000.00 Combined Single Limit (CSL) excess of the funds \$250,000 (subject to annual aggregate limits)

The minimum Fund retention for all general liability coverage shall be \$250,000.

3. **Auto Liability**

The Fund covers Automobile Liability and Property Damage claims in the Fund's excess General Liability limit except that Automobile Liability claims that penetrate the excess of \$250,000 layer are not subject to an aggregate limit.

The Fund provides PIP limits of NJ Statutory amounts.

The Fund does provide excess Uninsured/Underinsured Motorist Coverage. \$15,000/\$30,000/\$5,000

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 11: RISK MANAGEMENT (CONT'D.)

4. Property

The Fund has purchased property insurance with total limits of \$50,000,000 and boiler and machinery coverage at limits of \$100,000,000, subject to a members' deductible of \$25,000 and a Fund retention of \$25,000.

5. Public Officials Liability ("POL")

The Fund covers \$10,000,000 in the aggregate on an occurrence basis per member municipality for each fund year. Township Retention \$10,000.

6. Employment Practices Liability (EPL)

The Fund covers \$10,000,000 in the aggregate on an occurrence basis per member local unit for each Fund year.

The minimum Fund retention for EPL shall be \$150,000, Township retention \$10,000.00 plus 20%.

The Township's self-insured risk or deductible for coverages provided through the GSMJIF are as follows:

1. Workers Compensation: \$25,000 S.I.R.
2. Liability: \$25,000 S.I.R.
3. Auto: \$1,000 Deductible (Qualified Vehicles Only)

The Garden State Municipal Joint Insurance Fund, issues publicly available financial reports that include the financial statements and required supplementary information for insurance. The financial reports may be obtained by writing to the Garden State Municipal Joint Insurance Fund, 900 Route 9 North, Suite 503, Woodbridge, New Jersey, 07095-1003.

B. Pre -2002 Risk Management

Effective for calendar year 1981, in response to rising premiums for traditional risk transfer insurance coverage, the Township instituted a self-insurance risk management program for claims relating to Worker's Compensation, General Liability and Automobile Liability. For loss years 1981 through 1985, the Township obtained reinsurance coverage and umbrella coverage which limited the Township's risk retention to \$100,000 per occurrence and \$375,000 annual aggregate (stop-loss). Based on non-utilization of these coverages, and in response to prohibitive premiums for diminished coverage, the Township dropped these coverages for 1986 and subsequent periods and retains all risks associated with these coverages, The Township re-instituted reinsurance coverage beginning on July 1, 1998. Risk retention was limited to \$100,000 per claim and \$300,000 annual aggregate, in total, up to a maximum of \$5,000,000. The Township engaged an outside claims service bureau to serve as Fund Administrator. Reserves are established by the administrator for estimated benefits and expenses for reported claims.

The Township currently operates a risk management program, which included a significant self-insured risk retention, and had established a Self-Insurance Trust Fund to account for this activity.

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 11: RISK MANAGEMENT (CONT'D.)

Reserves available in the Self-Insurance Trust Fund may be utilized to make contributions towards the settlement of the residual claims or the Township may redirect these funds to any other lawful purpose. At the end of 2015 there were 73 open cases with a reserve amount of \$2,295,198.60.

C. Employee Health Benefits

Effective July 1, 2013 the Township revised its risk management plan for the provision of employee health benefits, by entering into a contract with Amerihealth New Jersey which provides for a risk-transfer to the insurer in exchange for the payment of contractual premiums. Employees are required to contribute a portion of the costs of such insurance.

Note 12: ACCRUED SICK AND VACATION BENEFITS

The Township has adopted a written Policy Procedure Manual, which sets forth the terms under which an employee may accumulate unused benefits. General Policy is as follows:

Sick Leave. Sick leave for permanent employees accumulates at the rate of one and one quarter (1 1/4) days per month. Any amount of sick leave allowance not used in a calendar year shall accumulate to the employee's credit from year to year to be used if and when needed. Employees having accumulated ten or more of their sick days in a given year have the option to be paid five days wages in lieu of carrying over five of their sick days. Upon normal retirement, or death subsequent to filing for retirement, employees are entitled to receive a lump sum payment as supplemental compensation for each full day of earned and unused accumulated sick leave which is credited to him/ her on the effective date of his retirement. Employees who elect a deferred retirement benefit are not eligible for this supplemental compensation payment. Lump sum payments to management employees shall not exceed \$21,000.00.

Vacations - Vacation pay for permanent employees is accumulated in accordance with the approved schedules for his/her respective units. Vacation days shall be taken during the current year and shall not accumulate, except that vacation time may be carried over to the next succeeding year only (maximum twenty days). An employee who has separated his/her employment shall be entitled in time or in pay to any earned vacation accumulated and not previously used (maximum thirty days for upper-level supervisors and management).

The Personnel Division maintains up-to-date records of each employee's status relating to earned and unused sick and vacation pay. An estimate of the current cost of such unpaid compensation has been made by the Township in the amount of \$12,862,762.02 and \$12,838,345.31, respectively. This amount represents a full costing of the value of compensated absences payable earned at December 31, 2015 and 2014 respectively, and has not been discounted to reflect the estimated termination payments anticipated by the township. Termination payments are subject to eligibility requirements and payment caps as discussed above. No amounts have been reported as expenditures for any accumulations earned by employees during the current year or any prior periods. Expenditures for payment of accrued sick and vacation benefits are recorded in the period in which the payments are made.

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 13: INTERFUNDS

The following Interfund balances remain on the balance sheets at December 31, 2015:

	Interfunds Receivable	Interfunds Payable
Fund:		
Current fund	\$ 719.52	\$ 19,758.80
Grant fund	19,708.00	-
Animal control fund	50.80	-
Trust Fund	-	61.52
General capital fund	-	658.00
Total	\$ 20,478.32	\$ 20,478.32

The interfund receivable in the animal control fund and the correlated interfund payable in the current fund relate to the additional funding needed to cover amounts due to the State per the dog report. The interfund payable in the general capital fund and the correlated interfund receivable in the current fund relate to the payment of BANs that was not covered by the 2015 debt issuance. The interfund payable in the current fund and the correlated interfund receivable in the grant fund relate to Township matching funds for the Municipal Alliance grant. The interfund payable in the trust fund and the correlated interfund receivable in the current fund relate to the CDBG grant.

Note 14: CONTINGENT LIABILITIES

A. Pending or Threatened Litigation

As at the date of this report, the Township had litigation pending. The majority of this litigation involves claims against the Township relating to matters that traditionally would be covered through the procurement of workers' compensation, automobile and liability insurance policy coverages. As more fully described in Note 11, the Township currently manages its risks through participation in the Garden State Municipal Joint Insurance Fund. For GSMJIF covered claims incurred subsequent to February 1, 2002, there are no claims currently outstanding that are anticipated to exceed the combined coverages provided by the GSMJIF through self-insured retention and excess insurance coverages. The Township provides for its self-insured risk retention on GSMJIF covered claims through an annual budget appropriation.

Of the remaining litigation, there are several pending property tax appeals. The merits of this litigation and its potential effects cannot currently be ascertained.

B. Deferred Health Premiums

Effective July 1, 2013, the Township revised its risk management plan for the provision of employee health benefits, by entering into a contract with Amerihealth New Jersey that provides for a full-transfer of these risks. This contract also provides for a three-month "premium holiday". Accordingly at December 31, 2015 and 2014 the amounts of the premium deferrals were \$3,187,023.00 and \$3,265,124.40, respectively. The deferred premiums are payable upon the non-renewal of the Amerihealth coverage.

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 15: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

	<u>Balance</u> <u>December 31, 2015</u>		<u>To be Raised in</u> <u>Succeeding Budgets</u>
Current Fund:			
Special Emergency	\$ 1,760,000.00	\$	1,760,000.00

Note 16: SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions from December 31, 2015 through September 8, 2016. The effects of those events and transactions, if any, that provide additional pertinent information about conditions that existed at the balance sheet date have been recognized in the accompanying financial statements.

**TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY**

**PART II**

**SINGLE AUDIT SECTION**

**SINGLE AUDIT SECTION**

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

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members  
of the Township Council  
Township of Hamilton  
Mercer County, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as 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, the regulatory-basis financial statements of the Township of Hamilton (the "Township"), County of Mercer, New Jersey as of and for the years ended December 31, 2015 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated September 8, 2016, in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the financial reporting provisions of the Division.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township'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.

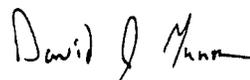
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## 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 Township'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 Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



David J. Gannon  
Registered Municipal Accountant  
No. 520



WISS & COMPANY, LLP

Livingston, New Jersey  
September 8, 2016



REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND REPORT  
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND  
NJ OMB CIRCULAR 15-08

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members  
of the Township Council  
Township of Hamilton  
Mercer County, New Jersey

**Report on Compliance for Each Major Federal and State Program**

We have audited the Township of Hamilton's, County of Mercer, New Jersey ("Township") compliance with the types of compliance requirements described in the *OMB Compliance Supplement and New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on its major federal and state programs for the year ended December 31, 2015. The Township's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal and state statutes, regulations, contracts, and terms and conditions of federal and state awards applicable to its federal and state programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for the Township's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("*Uniform Guidance*") and New Jersey OMB Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, the Uniform Guidance and New Jersey OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on major federal and state programs occurred. An audit includes examining, on a test basis, evidence about the Township's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal and state programs. However, our audit does not provide a legal determination of the Township's compliance.

WISS & COMPANY, LLP

## Opinion on Each Major Federal and State Program

In our opinion, the Township complied, in all material respects with the types of compliance requirements referred to above that could have a direct and material effect on its major federal and state programs for the year ended December 31, 2015.

## Report on Internal Control Over Compliance

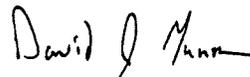
Management of the Township is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal and state programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal and state programs and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over compliance.

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

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

## Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purposes.



David J. Gannon  
Registered Municipal Accountant  
No. 520



WISS & COMPANY, LLP

Livingston, New Jersey  
September 8, 2016

**SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE**

Township of Hamilton  
County of Mercer

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2015

Federal Funding Department	CFDA Number	State Program Code	Total Award	Grant Year	2015		Cumulative Expenditures at December 31, 2015
					Cash Receipts	Expenditures	
<b>Indirect Programs:</b>							
<b>Department of Justice, Office of Justice Programs:</b>							
Justice Assistance Grant	16.738	Not Applicable	\$ 19,317.00	2014	\$ 19,317.00		\$ 19,317.00
Justice Assistance Grant	16.738	Not Applicable	3,692.00	2012	3,692.00		3,692.00
Justice Assistance Grant	16.738	Not Applicable	12,048.00	2011	12,048.00		12,048.00
Bullet Proof Vest Partnership	16.607	Not Applicable	19,134.91	2014		\$ 11,369.40	12,894.60
<b>Sub-total - Department of Justice</b>					<b>35,057.00</b>	<b>11,369.40</b>	<b>47,951.60</b>
<b>Department of Law and Public Safety</b>							
Drunk Driver Prevention - Drive Sober or Get Pulled Over	20.601	066-1160-100-057	13,800.00	2012	5,000.00		5,000.00
Drunk Driver Prevention - Drive Sober or Get Pulled Over	20.616	066-1160-100-057	7,500.00	2015	7,500.00		7,500.00
Click it or Ticket	20.616	066-1160-100-155	4,000.00	2015	4,000.00		
Distracted Driving	20.600	066-1160-100-036	4,950.00	2015	4,950.00		4,950.00
Drunk Driving Enforcement	20.616	066-1160-100-155	16,764.52	2013		3,686.00	9,586.60
Drunk Driving Enforcement	20.616	066-1160-100-155	14,252.82	2015	14,252.82		
<b>Sub-total - Department of Law and Public Safety</b>					<b>35,702.82</b>	<b>3,686.00</b>	<b>27,036.60</b>
<b>Department of Transportation</b>							
Recreational Trails Program	20.219	4800-533-852000-60	19,100.00	2012	12,087.00	675.49	12,087.01
Municipal Aid: Road Improvements- Whitehorse Hamilton Square Road	20.205	078-6320-480	249,500.00	2015	187,500.00	249,500.00	249,500.00
<b>Sub-total - Department of Transportation</b>					<b>199,587.00</b>	<b>250,175.49</b>	<b>261,587.01</b>
<b>Sub-total - Pass through State of New Jersey</b>					<b>270,346.82</b>	<b>265,230.89</b>	<b>336,575.21</b>
<b>Direct Programs:</b>							
<b>Department of Housing and Urban Development</b>							
Community Development Block Grants	14.218	Not Applicable	2,238,049.46	Prior Years Through 2014	820,199.81	589,635.17	2,016,849.09
HUD Housing Section 8 Housing Choice Voucher Program	14.871	Not Applicable	7,512,240.73	Prior Years Through 2014	1,820,711.73	1,814,314.10	7,720,181.47
<b>Sub-total - Direct Awards</b>					<b>2,640,911.54</b>	<b>2,403,949.27</b>	<b>9,737,030.56</b>
<b>Total expenditures</b>					<b>\$ 2,911,258.36</b>	<b>\$ 2,669,180.16</b>	<b>\$ 10,073,605.77</b>

See accompanying Notes to Schedules of Expenditures of Awards.

Township of Hamilton  
County of Mercer

## Schedule of Expenditures of State Financial Assistance

Year Ended December 31, 2015

State Funding Department or Division	Program	Total Award	State Account No.	Grant Year	2015		Cumulative Expenditures at December 31, 2015
					Cash Receipts	Grant Expenditures	
<b>Environmental Protection</b>							
	State Recycling Grants - Recycling Tonnage Grant	\$ 127,490.79	4900-752-178810-60	2012		\$ 105,353.86	\$ 105,353.86
	State Recycling Grants - Recycling Tonnage Grant	134,252.79	4900-752-178810-60	2013		132,119.39	132,119.39
	State Recycling Grants - Recycling Tonnage Grant	139,428.38	4900-752-178810-60	2014		44,496.80	44,496.80
	Municipality Road Mileage - Clean Community Grant	157,182.88	042-4900-765-004	2014		96,292.69	96,292.69
	Municipality Road Mileage - Clean Community Grant	191,186.16	042-4900-765-004	2015	\$ 191,186.16	63,979.62	63,979.62
	NJ Turnpike Phase II	612,374.00	FY12-71H-042-4801-009	2012-2014	436,800.00	113,360.00	357,107.00
	NJ Turnpike Phase III	612,338.00	FY13-531-042-4815-191	2014		259,419.35	335,088.75
<b>Health and Human Services</b>							
	Mercer County Municipal Alliance (State Share)	98,414.00	NA	2013		76.00	97,726.84
	Mercer County Municipal Alliance (State Share)	147,720.00	NA	2014	41,132.64	72,062.72	146,601.53
	Mercer County Municipal Alliance (State Share)	98,540.00	NA	2015	58,579.44	21,781.07	21,781.07
<b>Law and Public Safety</b>							
	Body Armor Replacement	14,755.38	066-1020-718-001	2014		8,132.10	14,232.90
	Body Armor Replacement	14,728.81	066-1020-718-001	2015	14,728.81		
	Alcohol Ed. & Rehabilitation Grant	12,903.79	9735-760-098-Y900-00 1-XI 00-6020	2010		300.00	12,900.00
	Alcohol Ed. & Rehabilitation Grant	10,725.83	9735-760-098-Y900-00 1-XI 00-6020	2015	10,725.83		
<b>Department of Transportation</b>							
	Local Aid: Safe Routes to Schools	275,000.00	NA	2013		985.00	985.00
<b>Total Expenditures</b>					<b>\$ 753,152.88</b>	<b>\$ 918,358.60</b>	<b>\$ 1,428,665.45</b>

See accompanying Notes to Schedules of Expenditures of Awards.

N/A- Not Available

**TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY**

**Notes to Schedules of Expenditures of Federal Awards and  
State Financial Assistance  
December 31, 2015**

**Note 1 - General:**

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal and state financial assistance programs of the Township of Hamilton. The Township is defined in Note 1 to the financial statements. To the extent identified, the federal and state financial assistance that passed through other governmental agencies is included on the schedules of expenditures of federal awards and state financial assistance.

**Note 2 - Basis of Accounting:**

The accompanying schedules of financial assistance are presented using the basis of accounting as described in Note 2 to the Township's financial statements.

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

Amounts reported in the accompanying schedules agree with amounts reported in the Township's financial statements.

**Note 4 - Relationship to Federal and State Financial Reports:**

Amounts reported in the accompanying schedules of expenditures of federal awards and state financial assistance agree with the amounts reported in the related federal and state financial reports, where required.

**TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY**

**Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2015**

**Section I - Summary of Auditor's Results**

**Financial Statement Section**

Type of auditor's report issued:	<u>Unmodified – OCBOA,</u> <u>Adverse – U.S. GAAP</u>		
Internal Control over financial reporting:			
Material weakness(es) identified?	_____ Yes	<u>  X  </u> No	
Significant deficiency(ies) identified?	_____ Yes	<u>  X  </u> None Reported	
Noncompliance material to the financial statements noted?	_____ Yes	<u>  X  </u> No	

**Federal Awards**

Dollar threshold used to distinguish between type A and B programs:	<u>  \$750,000.00  </u>		
Auditee qualified as low-risk auditee?	<u>  X  </u> Yes	_____ No	
Internal Control over major programs:			
Material weakness(es) identified?	_____ Yes	<u>  X  </u> No	
Significant deficiency(ies) identified?	_____ Yes	<u>  X  </u> None Reported	
Type of auditor's report issued on compliance for major programs:	<u>  Unmodified  </u>		
Any audit findings disclosed that are required to be reported in accordance with Section 200.516 of the Uniform Guidance?	_____ Yes	<u>  X  </u> No	

Identification of major programs:

<u>Program Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.871	HUD Section 8 Housing Choice Voucher Program

**TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY**

**Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2015**

**Section I - Summary of Auditor's Results (continued)**

**State Financial Assistance**

Dollar threshold used to distinguish between type A and B programs: \$750,000.00

Auditee qualified as low-risk auditee?	<u>  X  </u>	Yes	<u>          </u>	No
Internal Control over major programs:				
Material weakness(es) identified?	<u>          </u>	Yes	<u>  X  </u>	No
Significant deficiency(ies) identified?	<u>          </u>	Yes	<u>  X  </u>	None Reported
Type of auditor's report issued on compliance for major programs:			<u>Unmodified</u>	
Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular 15-08?	<u>          </u>	Yes	<u>  X  </u>	No

Identification of major programs:

<u>State Account Number</u>	<u>Name of State Program</u>
71H-042-4801-009	NJ Turnpike Phase II
531-042-4815-191	NJ Turnpike Phase III
4900-752-178810	Recycling Tonnage Grant

**TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY**

**Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2015**

**Section II – Schedule of Financial Statement Findings**

No financial statement findings noted that are required to be reported under *Government Auditing Standards*.

**TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY**

**Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2015**

**Section III – Federal and State Award Findings and Questioned Costs**

**Federal Award Programs:**

None noted.

**State Financial Assistance Programs:**

None noted.

**TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY**

**Summary Schedule of Prior Year Audit Findings  
For the Year Ended December 31, 2015**

**Federal Award Programs:**

None noted.

**State Financial Assistance Programs:**

None noted.

**TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY**

**PART III**

**OTHER SUPPLEMENTARY INFORMATION**

**CURRENT FUND**

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

<u>YEAR</u>	<u>BALANCE DEC. 31, 2014</u>	<u>2015 LEVY</u>	<u>COLLECTIONS 2014</u>	<u>BY CASH 2015</u>	<u>SR. CITIZENS AND VETERANS DEDUCTION REIMBURSEMENT</u>	<u>TRANSFER TO TAX TITLE LIEN</u>	<u>REMITTED AND CANCELLED</u>	<u>BALANCE DEC. 31, 2015</u>
Prior Years	\$ 505,102.14			\$ 88,522.23	\$ 19,813.80	\$ 362,863.05	\$ 33,903.06	-
	505,102.14			88,522.23	19,813.80	362,863.05	33,903.06	-
2015		\$ 248,120,111.50	\$ 1,039,409.85	245,071,973.93	1,180,245.53	300,961.58	527,520.61	-
	<u>\$ 505,102.14</u>	<u>\$ 248,120,111.50</u>	<u>\$ 1,039,409.85</u>	<u>\$ 245,160,496.16</u>	<u>\$ 1,200,059.33</u>	<u>\$ 663,824.63</u>	<u>\$ 561,423.67</u>	<u>-</u>

Analysis of 2015 Property Tax Levy:

Tax Yield:	
General Purpose	\$247,054,967.54
Omitted/Added Taxes (N.J.S.A. 54:4-63.1 et seq.)	<u>1,065,143.96</u>
	<u>\$248,120,111.50</u>
Tax Levy:	
Local District School Tax (Abstract)	105,974,326.00
County Tax (Abstract)	50,375,689.82
County Open Space	2,176,833.95
County Added & Omitted	249,364.68
Special District Taxes	22,129,925.00
Local Tax for Municipal Purposes	63,199,999.95
Local Tax for Library Purposes	2,892,513.00
Add: Additional Tax for Mun. Purposes	<u>1,121,459.10</u>
	<u>\$248,120,111.50</u>

SCHEDULE OF TAX TITLE LIENS  
CURRENT FUND

Balance - December 31, 2014		\$1,577,198.54
Increased by:		
Interest and Costs	\$ 796,423.32	
Transfer from Taxes Receivable	<u>663,824.63</u>	
		<u>1,460,247.95</u>
		3,037,446.49
Decreased by:		
Collections		<u>68,056.67</u>
Balance - December 31, 2015		<u><u>\$2,969,389.82</u></u>

SCHEDULE OF OTHER ACCOUNTS RECEIVABLE  
CURRENT FUND

Balance - December 31, 2014		\$48,628.23
Increased by:		
Billings		<u>206,418.08</u>
		255,046.31
Decreased by:		
Collections		<u>200,950.57</u>
Balance - December 31, 2015		<u><u>\$54,095.74</u></u>

CURRENT FUND  
SCHEDULE OF TAXES PAYABLE (PREPAID)

	Balance December 31, 2014	Taxes Levied	Cash Disbursements	Balance December 31, 2015
County Taxes		\$ 50,375,689.82	\$ (50,375,689.82)	
County - Open Space		2,176,833.95	(2,176,833.95)	
County - Added & Omitted	\$ 122,160.88	249,364.68	(122,160.88)	\$ 249,364.68
Local School District Taxes	(100,677.50)	105,974,326.00	(107,527,802.00)	(1,654,153.50)
Special Districts Taxes		22,129,925.00	(22,129,925.00)	
<b>Total</b>	<b>\$ 21,483.38</b>	<b>\$ 180,906,139.45</b>	<b>\$ (182,332,411.65)</b>	<b>\$ (1,404,788.82)</b>

SCHEDULE OF 2014 APPROPRIATION RESERVES  
CURRENT FUND

	BALANCE DEC. 31, <u>2014</u>	ENCUMBERED DEC. 31, 2014	BALANCE AFTER MODIFICATION	PAID OR CHARGED	ACCOUNTS PAYABLE	BALANCE LAPSED
Operations Within "CAPS"						
Salaries and Wages:						
Office of the Mayor	\$ 10,720.56		\$ 10,720.56	\$ 10,720.56		
Township Council	4,569.33		4,569.33			\$ 4,569.33
Office of the Township Clerk	13,437.82		13,437.82	7,575.43	\$ 601.00	\$ 5,261.39
Office of the Business Administrator	6,707.65		6,707.65	6,695.62		12.03
Division of Human Resources	34,741.53		34,741.53	3,272.43	1,702.00	29,767.10
Division of Budget and Purchasing	25,520.49		25,520.49	12,684.70	6,853.22	5,982.57
Office of Financial Admin.	19,918.83		19,918.83	18,516.01	1,402.82	
Division of Assessments	13,528.13		13,528.13	12,549.17	978.96	
Division of Revenue Collection	22,312.90		22,312.90	15,591.59	5,497.00	1,224.31
Legal Services	18,482.83		18,482.83	9,067.05	1,539.00	7,876.78
Municipal Prosecutor	2,896.96		2,896.96	2,797.32		99.64
Municipal Court	50,404.64		50,404.64	28,845.01	9,192.00	12,367.63
Public Defender	1.00		1.00			1.00
Division of Engineering	19,676.53		19,676.53	12,848.92	6,411.00	416.61
Affordable Housing	211,514.55		211,514.55			211,514.55
Community Planning & Compliance	6,788.96		6,788.96	6,788.96		
Zoning Board	4,183.51		4,183.51	2,460.06	1,187.00	536.45
Housing Inspections	21,632.99		21,632.99	8,994.55	11,047.00	1,591.44
Uniform Construction Code	102,153.89		102,153.89	34,684.78	18,372.00	49,097.11
Economic Development	22,744.55		22,744.55	12,759.42	3,340.00	6,645.13
Police Division/Dept. of Public Safety	936,811.17		696,811.17	636,463.30	18,216.00	42,131.87
Office of Public Works	344,279.13		169,279.13	112,237.22	57,041.91	
Other Public Works	74,510.51		74,510.51			74,510.51
Solid Waste Collection & Recycling	11,517.97		11,517.97	2,800.06	1,275.00	7,442.91
Maintenance of Motor Vehicles	114,095.34		114,095.34	32,515.67	17,105.00	64,474.67
Division of Buildings and Grounds	129,622.94		129,622.94	52,632.82	26,872.23	50,117.89
Maintenance of Parks	238,127.29		118,127.29	77,535.43	40,591.86	
Citizens Response	42,858.79		42,858.79	5,910.99	2,847.00	34,100.80
Public Health Services	48,460.33		48,460.33	21,394.33	9,160.10	17,905.90
Environmental Health Services	31,068.68		31,068.68	9,490.64	5,871.00	15,707.04
Animal Control Services	9,460.06		9,460.06	7,605.16	1,854.90	
Director of Recreation	18,291.33		18,291.33	10,736.25	2,916.00	4,639.08
Sr. Citizens Programs	36,719.40		36,719.40	10,789.87	4,817.00	21,112.53
Environmental Commission	270.00		270.00			270.00
Economic Development Comm.	20.00		20.00			20.00
Board of Public Officers	250.00		250.00			250.00
Redevelopment Board	100.00		100.00			100.00

SCHEDULE OF 2014 APPROPRIATION RESERVES  
CURRENT FUND

	BALANCE DEC. 31, <u>2014</u>	ENCUMBERED DEC. 31, 2014	BALANCE AFTER MODIFICATION	PAID OR CHARGED	ACCOUNTS PAYABLE	BALANCE LAPSED
Salaries and Wages(cont'd):						
Shade Tree Commission	\$ 390.00		\$ 390.00			\$ 390.00
Parks and Recreation Commission	100.00		100.00			100.00
Special Needs Commission	25.00		25.00			25.00
Other Expenses:						
Office of the Mayor	4,683.06	\$ 4,032.54	8,715.60	\$ 3,114.58		5,601.02
Township Council	2,522.07	2,445.96	4,968.03	3,948.40		1,019.63
Office of the Township Clerk	8,250.36	7,131.95	15,382.31	10,037.99		5,344.32
Office of Business Administrator	699.41		699.41			699.41
Division of Human Resources	2,940.47	222.87	3,163.34	196.97		2,966.37
Training	200.00		200.00			200.00
Division of Budget and Purchasing	5,521.75	858.87	6,380.62	836.83		5,543.79
Postage Costs	15,708.58	655.90	16,364.48	15,907.00		457.48
Office of Director of Finance	32,984.67	10,073.68	43,058.35	17,349.53		25,708.82
Division of Assessments	18,260.59	4,252.50	22,513.09	3,966.55		18,546.54
Division of Revenue Collection	25,511.30	7,252.04	32,763.34	12,081.00		20,682.34
Legal Services	55,970.48	35,971.20	131,941.68	120,260.97	\$ 3,090.00	8,590.71
Municipal Court	823.88	4,014.82	4,838.70	3,458.37		1,380.33
Division of Engineering	13,687.21	95,566.00	109,253.21	91,879.00		17,374.21
Division of Economic Develop.	8,177.77	70,384.17	78,561.94	72,950.77		5,611.17
Community Planning & Compliance	24,706.69	764.25	25,470.94	1,591.54		23,879.40
Zoning Board	465.00	630.00	1,095.00			1,095.00
Uniform Construction Code	21,645.17	1,889.77	23,534.94	10,963.61		12,571.33
Housing Inspections	7,369.18	5,238.36	12,607.54	6,070.36		6,537.18
Group Insurance			500,000.00	500,000.00		
Police Division/Dept. of Public Safety	56,998.33	185,818.56	242,816.89	182,847.10	55,242.51	4,727.28
Office of Emergency Management	15,915.14	3,087.64	19,002.78	3,575.28		15,427.50
Purchase of Police Cars	159,865.69	74,635.20	734,500.89	532,847.81		201,653.08
Office of Public Works	10,266.92	4,743.41	15,010.33	4,884.89		10,125.44
Division of Bldgs. and Grounds	61,290.31	57,739.00	119,029.31	97,726.67	227.21	21,075.43
Solid Waste Collection & Recycling	429,767.51	91,668.15	331,435.66	328,006.66		3,429.00
Maintenance of Motor Vehicles	91,519.04	64,187.16	90,706.20	77,698.07		13,008.13
Landfill/Solid Waste Disposal Costs	674,059.77	319,409.98	713,469.75	712,556.88		912.87
Maintenance of Parks	27,015.11	35,676.10	62,691.21	33,295.34	37.85	29,358.02

SCHEDULE OF 2014 APPROPRIATION RESERVES  
CURRENT FUND

	BALANCE DEC. 31, 2014	ENCUMBERED DEC. 31, 2014	BALANCE AFTER MODIFICATION	PAID OR CHARGED	ACCOUNTS PAYABLE	BALANCE LAPSED
Other Expenses (cont'd)						
Division of Citizen Response	\$ 1,245.83	\$ 393.07	\$ 1,638.90	\$ 504.02		\$ 1,134.88
Public Health Services	28,255.86	48,412.94	76,668.80	70,973.85	\$ 297.50	5,397.45
Environmental Health Services	5,006.35	368.21	5,374.56	959.51		4,415.05
Animal Control Services	9,458.51	9,943.90	19,402.41	13,370.03		6,032.38
Division of Recreation	54,649.55	20,242.47	74,892.02	59,284.54		15,607.48
Office of Senior Citizens Programs	16,560.22	15,027.04	31,587.26	18,006.54		13,580.72
Environmental Comm.	640.00		640.00			640.00
Zoning Board of Adjustment	25,769.66	1,092.58	26,862.24	1,092.58		25,769.66
Economic Development Comm.	0.96		0.96			0.96
Planning Board	14,540.85	7.56	14,548.41	1,398.40		13,150.01
Board of Public Officers	3,250.00		3,250.00			3,250.00
(N.J.S.A. 40:13)	19,396.00		19,396.00	19,396.00		
First Aide Organizations	40,000.00		40,000.00			40,000.00
Redevelopment Board	4,680.00		4,680.00			4,680.00
Shade Tree Commission	25.00		25.00			25.00
Parks and Recreation Commission	200.00		200.00			200.00
Rent Leveling Board	150.00		150.00			150.00
Special Needs Commission	300.00		300.00			300.00
Retirement Payouts	2,948.23		2,948.23	740.64		2,207.59
Utility Expense and Bulk Purchase	313,995.98	75,804.47	389,800.45	57,991.71		331,808.74
Condo Services Act	50,000.00		80,000.00	78,694.21		1,305.79
DCRP	9,952.19		9,952.19	7,096.08		2,856.11
Public Employees Retirement System	1.92		1.92			1.92
Social Security System (O.A.S.I.)	164,339.32		164,339.32	57,903.97		106,435.35
<b>Total Operations Within "CAPS"</b>	<b>5,191,107.48</b>	<b>1,259,642.32</b>	<b>6,450,749.80</b>	<b>4,422,427.57</b>	<b>315,586.07</b>	<b>1,712,736.16</b>
<b>Operations Excluded From "CAPS"</b>						
Salaries and Wages:						
Police Dispatch/911	113,365.36		113,365.36	32,953.56	14,801.00	65,610.80
Other Expenses:						
Police Dispatch/911	69,225.05		69,225.05			69,225.05
Matching Funds for Grants	794.50		794.50			794.50
<b>Total Operations Excluded from "CAPS"</b>	<b>183,384.91</b>		<b>183,384.91</b>	<b>32,953.56</b>	<b>14,801.00</b>	<b>135,630.35</b>
<b>Total Appropriation Reserves</b>	<b>\$ 5,374,492.39</b>	<b>\$ 1,259,642.32</b>	<b>\$ 6,634,134.71</b>	<b>\$ 4,455,381.13</b>	<b>\$ 330,387.07</b>	<b>\$ 1,848,366.51</b>

Exhibit- A-9

SCHEDULE OF PREPAID TAXES  
CURRENT FUND

Balance - December 31, 2014	\$1,039,409.85
Increased by:	
2016 Prepaid Tax Collections	<u>1,579,809.48</u>
	2,619,219.33
Decreased by:	
Applied to 2015 Taxes	<u>1,039,409.85</u>
Balance - December 31, 2015	<u><u>\$1,579,809.48</u></u>

Exhibit - A-10

SCHEDULE OF TAX OVERPAYMENTS  
CURRENT FUND

Balance - December 31, 2014	\$14,597.12
Increased by:	
Overpayments in 2015	<u>231,119.50</u>
	245,716.62
Decreased by:	
Refunds	<u>243,220.07</u>
Balance - December 31, 2015	<u><u>\$2,496.55</u></u>

SCHEDULE OF DUE FROM STATE OF NEW JERSEY  
PER CH. 73, P.L. 1976 - CURRENT FUND

Balance - December 31, 2014		\$ 107,666.70
Increased by:		
Allowable Deductions Per Tax Billings (Abstract)	\$ 1,088,250.00	
2015 Deductions Allowed by Collector	111,396.19	
Prior Years Deductions Allowed by Collector	<u>19,813.80</u>	
		<u>1,219,459.99</u>
		1,327,126.69
Decreased by:		
Cash Received	1,079,860.98	
2015 Deductions Disallowed by Collector:	<u>19,400.66</u>	
		<u>1,099,261.64</u>
Balance - December 31, 2015		<u><u>\$227,865.05</u></u>
<u>Analysis of Realized Revenue for 2015:</u>		
Deductions Allowed Per Tax Billings	\$1,088,250.00	
2015 Deductions Disallowed by Collector (net)	<u>91,995.53</u>	
Realized as Revenue - 2015		<u><u>\$1,180,245.53</u></u>

SCHEDULE OF STATE AND FEDERAL GRANTS ACCOUNTS RECEIVABLE  
GRANT FUND

<u>GRANT/AID PROGRAM</u>	<u>BALANCE DEC. 31.2014</u>	<u>REALIZED IN 2015 BUDGET</u>	<u>RECEIVED 2015</u>	<u>BALANCE DEC. 31.2015</u>
NJ DOT Livable Comm. East State St.	\$ 100,000.00			\$ 100,000.00
Transportation Trust	12,345.00			12,345.00
Transportation Fund	150,000.00			150,000.00
NJ DOT Speed Humps	1,879.49			1,879.49
Klockner Rd.	14,070.38			14,070.38
Neighborhood Revitalization	56,671.57			56,671.57
County South Broad St.	83,000.00			83,000.00
Local Preparedness	100,000.00			100,000.00
Smart Future Grant	25,000.00			25,000.00
SFY 2006:				
NJDOT 2004 Municipal Aid Speed Humps	90,000.00			90,000.00
SFY 2007:				
NJ Treasury/Admin. Kuser Mansion Restoration	40,000.00			40,000.00
College of NJ E. State St. Corridor Revitalization	26,328.43			26,328.43
Wildlife Habitat Incentive Program	7,650.00			7,650.00
SFY 2008:				
Klockner Road FY 2007 (Rt. 33 to E. State St.)	1,555.56			1,555.56
SFY 2010:				
NJ Health Officer Mini Grant	2,500.00			2,500.00
Paris Grant SFY 10	16,625.00			16,625.00
CDBG Recovery Grant	0.01			0.01
TY 2010:				
Over the Limit Under Arrest	600.00			600.00
CY 2011:				
Child Passenger Safety	3,100.00			3,100.00
Regional Trails	4,000.00			4,000.00
Justice Assistance Recovery Act	12,048.00		\$ 12,048.00	
Bullet Proof Vest	16,087.50			16,087.50
Over the Limit Under Arrest	600.00			600.00
Child Passenger Safety	2,200.00			2,200.00
CY 2012				
Municipal Alliance	17,200.70			17,200.70
Recreational Trails Program	19,100.00		12,087.00	7,013.00
Justice Assistance Grant II - Ch. 159	3,692.00		3,692.00	
NJ Turnpike Phase II - Ch. 159	574,887.06		436,800.00	138,087.06
CY 2013				
Safe Streets To Roads	200,000.00			200,000.00
Safe Routes to Schools	275,000.00			275,000.00
Green Communities	3,000.00			3,000.00
State DOT Whitehorse Hamilton Sq. Road	249,500.00		187,125.00	62,375.00
NNL Turnpike Phase III	612,338.00			612,338.00

SCHEDULE OF STATE AND FEDERAL GRANTS ACCOUNTS RECEIVABLE  
GRANT FUND

<u>GRANT/AID PROGRAM</u>	<u>BALANCE</u> <u>DEC. 31,2014</u>	<u>REALIZED</u> <u>IN 2015</u> <u>BUDGET</u>	<u>RECEIVED</u> <u>2015</u>	<u>BALANCE</u> <u>DEC. 31,2015</u>
CY 2014				
Municipal Alliance	\$ 56,924.78		\$ 41,132.64	\$ 15,792.14
Justice Assistance	19,317.00		19,317.00	
NJDOT Roadway Improv S. Olden	283,500.00			283,500.00
Bulletproof Vest Program	19,134.91			19,134.91
CY 2015				
Clean Communities		\$ 191,186.16	191,186.16	
Drive Sober or Get Pulled Over		7,500.00	7,500.00	
Distracted Driving		5,000.00	4,950.00	50.00
Click It or Ticket		4,000.00	4,000.00	
Municipal Alliance		78,832.00	58,579.44	20,252.56
Alcohol Education Rehab		10,725.83	10,725.83	
Drive Sober or Get Pulled Over		5,000.00	5,000.00	
State DOT Whitehorse Hamilton Square Rd.		300,000.00		300,000.00
Bulletproof Vest Program		11,169.18		11,169.18
Body Armor Grant		14,728.81	14,728.81	
Drunk Driving Enforcement		14,252.82	14,252.82	
	<u>\$3,099,855.39</u>	<u>\$642,394.80</u>	<u>\$1,023,124.70</u>	<u>\$2,719,125.49</u>

SCHEDULE OF RESERVE FOR STATE AND FEDERAL  
GRANTS APPROPRIATED  
GRANT FUND

<u>GRANT PROGRAM</u>	<u>BALANCE DEC. 31 2014</u>	<u>TRANSFERRED FROM 2015 BUDGET</u>	<u>ENCUMBERED AT 12/31/14</u>	<u>PAID OR CHARGED</u>	<u>ENCUMBERED AT 12/31/15</u>	<u>BALANCE DEC. 31, 2015</u>
Parking Adjudication	\$ 330.00					\$330.00
NJ DOT Livable Comm. East State St.	100,000.00					100,000.00
NJ DOT Livable Comm. Anchor Thread Park			\$ 8,347.00		\$ 8,347.00	
NJ DOT Quakerbridge & Young Rd.	22,295.00					22,295.00
DOT Speed Bumps Pilot Program	90,000.00					90,000.00
DOT Safe Streets to Schools	150,000.00					150,000.00
SFY 2005:						
Klockner Rd.	15,625.94					15,625.94
Local Preparedness	87,276.83			\$ 21,280.00		65,996.83
Smart Grant	25,000.00					25,000.00
SFY 2007:						
Wildlife Habitat Incentive Program	7,650.00					7,650.00
SFY 2008:						
Alcohol Education & Rehab. Fund	204.46					204.46
Public Health Priority			29,117.00		29,117.00	
SFY 2009:						
Emergency Management Assistance	1,463.23					1,463.23
SFY 2010:						
Alcohol Education and Rehab	8,627.25					8,627.25
NJ Health Officer Mini Grant	2,500.00					2,500.00
Municipal Alliance	1,845.92		384.16		384.16	1,845.92
NJ Forestry Service Stimulus ARRA	7,000.00					7,000.00
Alcohol Education and Rehab	603.79			300.00	303.79	
TY 2010:						
Over the Limit Under Arrest	600.00					600.00
OEM Exercise Management Program	9,547.69					9,547.69
Hepatitis B Inoculation	1,400.00					1,400.00
Safe and Secure Communities	55,415.00					55,415.00
Regional Fugitive Task Force	12,000.00					12,000.00
CY 2011						
Child Passenger Safety	3,100.00					3,100.00
Safe and Secure Communities	4,585.00					4,585.00
H1N1 Corrective Actions Grant	0.89					0.89
2010 Smart Growth Planning Grant	500.00					500.00
FFY2011 Emergency Mgt. Perf. Grant	5,000.00					5,000.00
Municipal Alliance	1,255.96					1,255.96
Regional Trails	4,000.00					4,000.00
Drunk Driving Enforcemetn Grant	6,883.37					6,883.37
Justice Assistance Recovery Act	12,444.80					12,444.80
Municipal Court Alcohol Ed. Rehab	12,351.05				296.21	12,054.84
Child Passenger Safety	2,200.00					2,200.00
CY 2012						
Municipal Alliance	456.64					456.64
Safe and Secure Communities	55,415.00					55,415.00
Emergency Management Performance	5,000.00					5,000.00
Recreation Trails Program	7,012.99		675.49	675.49		7,012.99
Recycling Tonnage Grant	9.34					9.34
Justice Assistance I	18,799.00					18,799.00
Alcohol Educatinon & Rehab	11,548.09					11,548.09

SCHEDULE OF RESERVE FOR STATE AND FEDERAL  
GRANTS APPROPRIATED  
GRANT FUND

GRANT PROGRAM	BALANCE	TRANSFERRED	ENCUMBERED	PAID OR	ENCUMBERED	BALANCE
	DEC. 31 2014	FROM 2015 BUDGET	AT 12/31/14	CHARGED	AT 12/31/15	DEC. 31, 2015
Turnpike Phase II	\$ 253,332.00		\$ 115,295.00	\$ 113,360.00		\$ 255,267.00
Recycling Tonnage Grant	106,905.71		350.00	105,353.86	\$ 1,901.85	
Drive Sober or Get Pulled Over	4,400.00					4,400.00
Body Armor Grant	87.16					87.16
2012 Sustainable Land Use Planning Grant	2,500.00					2,500.00
CY 2013						
Municipal Alliance	687.16		76.00	76.00		687.16
Safe Streets to Transit Program	200,000.00					200,000.00
Safe Routes to Schools Program	275,000.00			985.00		274,015.00
Green Communities			3,000.00		3,000.00	
Driver Sober Get Pulled Over	4,400.00					4,400.00
Clean Communities			1,180.58		1,180.58	
State DOT Whitehorse-Hamilton Sq. Rd.	249,500.00			249,500.00		
Click It or Ticket Grant	4,000.00					4,000.00
NNL Turnpike Phase III	247,985.90		288,682.70	259,419.35	29,263.35	247,985.90
Municipal Court Alcohol Ed. Rehab	12,613.15					12,613.15
Drunk Driving Enforcemtn Grant	10,357.92		351.00	3,686.00	220.00	6,802.92
Recycling Tonnage Grant	132,119.39			132,119.39		
State Body Armor Grant	210.20					210.20
CY 2014						
Municipal Alliance (6mo)	973.11		84.00	84.00		973.11
Drive Sober or Get Pulled Over	4,400.00					4,400.00
Sustainable Energy Grant	5,000.00					5,000.00
Drunk Driving Enforcement	31,734.93					31,734.93
ANJEC Vernal Pool Cert	2,500.00					2,500.00
Municipal Alliance	67,439.89		4,684.19	71,978.72		145.36
Clean Communities	72,760.32		23,532.37	96,292.69		
Emergency Management Assistance	10,000.00					10,000.00
NJDOT Roadway Improvements S. Olden	283,500.00					283,500.00
Alcohol Education Rehab	11,638.78					11,638.78
Small Grants Program	5,000.00					5,000.00
Drunk Driving Enforcement	13,770.92					13,770.92
Click It or Ticket	4,000.00					4,000.00
State Body Armor Replacement	8,654.58			8,132.10		522.48
Bulletproof Vest Program	17,609.71			11,369.40		6,240.31
Recycling Tonnage	139,428.38			44,496.80	15,689.36	79,242.22
CY2015						
Clean Communities		\$ 191,186.16		63,979.62	10,924.42	116,282.12
Drive Sober or Get Pulled Over		7,500.00				7,500.00
Distracted Driving		5,000.00				5,000.00
Click It or Ticket		4,000.00				4,000.00
Municipal Alliance		98,540.00		21,781.07	7,700.02	69,058.91
Alcohol Education Rehab		10,725.83				10,725.83
Drive Sober or Get Pulled Over		5,000.00				5,000.00
State DOT Whitehorse Hamilton Square		300,000.00				300,000.00
Bulletproof Vest Program		11,169.18				11,169.18
Body Armor Grant		14,728.81				14,728.81
Drunk Driving Enforcement		14,252.82				14,252.82
	<u>\$2,932,456.45</u>	<u>\$662,102.80</u>	<u>\$475,759.49</u>	<u>\$1,204,869.49</u>	<u>\$108,327.74</u>	<u>\$2,757,121.51</u>

SCHEDULE OF STATE AND FEDERAL GRANTS UNAPPROPRIATED  
GRANT FUND

<u>GRANT/AID PROGRAM</u>	<u>BALANCE DEC. 31, 2014</u>	<u>RECEIVED 2015</u>	<u>BALANCE DEC. 31, 2015</u>
DOJ		\$4,956.90	\$4,956.90
Justice Assistance Grant		17,984.00	17,984.00
	<u>\$ -</u>	<u>\$22,940.90</u>	<u>\$ 22,940.90</u>

**TRUST FUND**

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGE IN RESERVE - REGULATORY BASIS  
ANIMAL CONTROL FUND

Balance - December 31, 2014		\$48,784.40
Increased by:		
2015 Dog License Fees	\$ 22,571.60	
Adoption Fees	4,880.00	
Late Fees	2,269.50	
Miscellaneous Fees	<u>12,413.50</u>	
		<u>42,134.60</u>
		90,919.00
Decreased by:		
Expenditures per R.S. 4:19-15.11		<u>89,174.79</u>
Balance - December 31, 2015		<u><u>\$1,744.21</u></u>

License Fees Collected:

<u>Year</u>	<u>Amount</u>
2013	\$ 23,425.20
2014	<u>22,980.80</u>
	<u><u>\$ 46,406.00</u></u>

Note: R.S. 4:19-15.11

" . . .there shall be transferred from such special account to the general funds of the municipality any amount then in such special account which is in excess of the total amount paid into such special account during the last two fiscal years next preceding".

TRUST ASSESSMENT FUND  
ANALYSIS OF TRUST ASSESSMENT CASH AND INVESTMENTS

	<u>BALANCE</u> <u>DEC. 2014</u>	<u>RECEIPTS</u>	<u>BALANCE</u> <u>DEC. 2015</u>
Trust Surplus	\$ 2.00		\$ 2.00
Assessment Bonds of 1985	3,332.64		3,332.64
Assessment Bonds of 1992	(97,210.84)		(97,210.84)
Assessment Bonds of 2010	200,358.00	\$ 66,786.00	267,144.00
Prepaid Assessments	9,332.15		9,332.15
	<u>\$ 115,813.95</u>	<u>\$ 66,786.00</u>	<u>\$ 182,599.95</u>

( ) Denotes Deficit

SCHEDULE OF ASSESSMENTS RECEIVABLE  
TRUST ASSESSMENT FUND

<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTIONS</u>	<u>DATE OF CONFIRMATION</u>	<u>BALANCE</u>		<u>BALANCE DEC. 2015</u>	<u>BALANCE PLEDGED TO ASSESSMENT BONDS</u>		<u>RESERVE</u>
			<u>DEC. 2014</u>	<u>COLLECTIONS</u>				
04-36	Roadway Improvements	11/5/10	\$ 1,095,475.88	\$ 66,786.00	\$ 1,028,689.88	\$ 1,028,689.88		
			1,095,475.88	66,786.00	1,028,689.88	1,028,689.88		
	Assessment Lien Receivable Prior Years		899.49		899.49			\$ 899.49
	Total		\$ 1,096,375.37	\$ 66,786.00	\$ 1,029,589.37	\$ 1,028,689.88		\$ 899.49

SCHEDULE OF CASH AND RESERVE ACTIVITY  
TRUST FUNDS

	BALANCE DEC. 31, 2014	RECEIPTS	DISBURSEMENTS	ADJUSTMENTS	BALANCE DEC. 31, 2015
<b>Trust Assessment:</b>					
Prepaid Assessments	\$9,332.15				\$9,332.15
Assessments Receivable	(1,095,475.88)	\$66,786.00			(1,028,689.88)
Assessment Liens & Costs	(899.49)				(899.49)
Prospective Assessments Funded	(2,267,073.50)				(2,267,073.50)
Reserve for Assessments	2,276,928.67			\$110,000.00	2,386,928.67
Serial Bonds Payable	1,193,000.00			(110,000.00)	1,083,000.00
Assessment Fund Balance	2.00				2.00
<b>Total</b>	<b>115,813.95</b>	<b>66,786.00</b>	<b>-</b>	<b>-</b>	<b>\$182,599.95</b>
<b>Animal Control:</b>					
Due from/to Current Fund	44,802.95		\$ (44,853.75)		(50.80)
Due NJ - State License Fees	1,866.00	7,412.40	(7,257.60)		2,020.80
Reserve for Encumbrance	-			2,780.75	2,780.75
Escrow	7,542.00				7,542.00
Animal Control Reserves	48,784.40	42,134.90	(86,394.34)	(2,780.75)	1,744.21
<b>Total</b>	<b>102,995.35</b>	<b>49,547.30</b>	<b>(138,505.69)</b>	<b>-</b>	<b>14,036.96</b>
<b>Trust - Other Funds:</b>					
Res for Encumbrances (Trust)	734,559.14			(702,852.54)	31,706.60
Res for Encumbrances (COAH)	4,531.55			23,451.58	27,983.13
Res for Encumbrances (Law Enf)	15,250.60			(15,250.60)	
Affordable Housing Fund - COAH	2,643,792.38	548,882.03	(27,574.03)	(23,451.58)	3,141,648.80
Flexible Spending Account	14,796.84	25,934.50	(20,121.35)		20,609.99
Dedicated Law Enforcement Trust	103,250.41	27,286.53	(48,501.10)	15,250.60	97,286.44
Developers Escrow Fund	1,109,296.15	481,955.02	(367,702.21)		1,223,548.96
Other Escrow Funds	5,755,661.73	1,742,116.88	(2,148,266.68)	702,852.54	6,052,364.47
Performance Guarantees	1,673,761.05		(368,526.00)		1,305,235.05
Reimbursable Temporary CO's	62,237.75		(62,237.75)		
Deposits for Tax Sale Redemptions	5,090,524.83	15,926,503.15	(16,086,773.09)		4,930,254.89
Due to State Marriage Licenses	12,775.00		(12,775.00)		
Payroll Deductions Payable	83,412.36	12,840,812.41	(12,455,132.01)		469,092.76
Insurance Trust Reserve	1,880,952.86	24,920,337.65	(24,668,527.64)		2,132,762.87
Utilities Trust Reserve		2,857,006.45	(2,857,006.45)		
Unemployment Trust	110,744.48	58,483.60	(93,289.48)		75,938.60
Storm Recovery Trust		500,000.00			500,000.00
Off-Duty Police	657,365.87	1,677,099.75	(1,864,731.10)		469,734.52
<b>Total</b>	<b>19,952,913.00</b>	<b>61,606,417.97</b>	<b>(61,081,163.89)</b>	<b>-</b>	<b>20,478,167.08</b>

SCHEDULE OF CASH AND RESERVE ACTIVITY  
TRUST FUNDS

	<u>BALANCE</u> DEC. 31, 2014	<u>RECEIPTS</u>	<u>DISBURSEMENTS</u>	<u>ADJUSTMENTS</u>	<u>BALANCE</u> DEC. 31, 2015
<b>Self Insurance Trust Fund:</b>					
Workers Comp. Insurance Claims	\$26,620.96	\$9.22	\$ (9,534.95)		\$17,095.23
<b>Total</b>	<b>26,620.96</b>	<b>9.22</b>	<b>(9,534.95)</b>	<b>-</b>	<b>17,095.23</b>
<b>Housing and Community Development:</b>					
Accounts Receivable	(925,096.33)	820,199.81		\$ (585,286.29)	(690,182.81)
Reserve for Encumbrances				134,848.44	
Reserve for Community Dev.	965,619.99		(589,635.17)	450,437.85	826,422.67
<b>Total</b>	<b>40,523.66</b>	<b>820,199.81</b>	<b>(589,635.17)</b>	<b>-</b>	<b>136,239.86</b>
<b>HUD Housing Voucher Program</b>					
Reserve for HUD Housing Voucher Program	455,226.28	1,820,711.73	(1,814,314.10)		461,623.91
<b>Total</b>	<b>455,226.28</b>	<b>1,820,711.73</b>	<b>(1,814,314.10)</b>	<b>-</b>	<b>461,623.91</b>
<b>Grand Total</b>	<b>\$20,694,093.20</b>	<b>\$64,363,672.03</b>	<b>\$ (63,633,153.80)</b>		<b>21,289,762.99</b>

SCHEDULE OF PROSPECTIVE ASSESSMENTS - FUNDED  
TRUST ASSESSMENT FUND

CAPITAL ORDINANCE NO.	IMPROVEMENT DESCRIPTION	BALANCE DEC. 31, 2014	BALANCE DEC. 31, 2015	BALANCE PLEGGED TO	
				RESERVE	ASSESSMENT BONDS
4875	Constr. & Acquis. of Curbs and Sidewalks Various Streets	\$52,657.00	\$52,657.00	\$ 52,657.00	
4876	Constr. of Water Mains - Paterson, etc.	24,406.50	24,406.50	24,406.50	
4885	Constr. of New Roads - Murray, Hewitt Aves.	200,000.00	200,000.00	200,000.00	
5064	Road Constr. Along Estates Blvd.	350,000.00	350,000.00	350,000.00	
5066	Curb Improv. Along Various Rds.	10,005.00	10,005.00	10,005.00	
5071	Curb Improv. Along Various Rds.	10,005.00	10,005.00	10,005.00	
5087	Install. of New Water Line	20,000.00	20,000.00	20,000.00	
04-036	Roadway Improvements-Variou	1,600,000.00	1,600,000.00	517,000.00	\$1,083,000.00
		<u>\$2,267,073.50</u>	<u>\$2,267,073.50</u>	<u>\$1,184,073.50</u>	<u>\$1,083,000.00</u>

SCHEDULE OF RESERVE FOR ASSESSMENTS  
LIENS AND ASSESSMENT LIEN INTEREST AND COSTS  
TRUST ASSESSMENT FUND

CAPITAL ORDINANCE NO.	<u>IMPROVEMENT DESCRIPTION</u>	BALANCE DEC. 31, 2014	CURRENT BUDGET FOR DEFICIT	BALANCE DEC. 31, 2015
<u>ASSESSMENTS RECEIVABLE</u>				
822	Basin Rd., Boxwood, Bucknell, Evelyn, Laura, Lehigh, Sandalwood Aves. - Water Mains	\$ 3,048.37		\$ 3,048.37
04-36	Roadway Improvements-Variou	1,158,932.31		1,158,932.31
<u>PROSPECTIVE ASSESSMENTS FUNDED</u>				
4875	Curbs and Sidewalks - Var. Sts.	52,657.00		52,657.00
4876	Water Mains - Patterson, etc.	24,406.50		24,406.50
4885	New Roads - Murray, Hewitt Aves.	200,000.00		200,000.00
5064	Road Constr. Along Estates Blvd.	319,985.00		319,985.00
<u>PROSPECTIVE ASSESSMENTS FUNDED</u>				
04-036	Roadway Improvements-Variou	517,000.00	\$ 110,000.00	627,000.00
<u>ASSESSMENT LIENS</u>				
5051	Jefferson, Johnston Aves. Redfern St., Ridge Ave., Samuel, Stockton St. - Curbs	899.49		899.49
		<u>\$2,276,928.67</u>	<u>\$110,000.00</u>	<u>\$2,386,928.67</u>

SCHEDULE OF ASSESSMENT SERIAL BONDS  
TRUST ASSESSMENT FUND

ISSUE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS		INTEREST RATE	BALANCE DEC. 31, 2014	DECREASE	BALANCE DEC. 31, 2015
			OUTSTANDING -December 31, 2015	DATE				
Special Assessment Bonds, Series 2010C	3/10/2010	\$ 1,523,000.00	2/1/2016-17	\$ 110,000.00	3.000%	\$ 1,193,000.00	\$ 110,000.00	\$ 1,083,000.00
			2018-21	110,000.00	3.125%			
			2022	110,000.00	3.250%			
			2023	105,000.00	3.375%			
			2024	105,000.00	3.500%			
			2025	103,000.00	3.625%			
						<u>\$ 1,193,000.00</u>	<u>\$ 110,000.00</u>	<u>\$ 1,083,000.00</u>

**GENERAL CAPITAL FUND**

ANALYSIS OF CASH AND INVESTMENTS  
GENERAL CAPITAL FUND

	<u>BALANCE</u> <u>DEC. 31,2014</u>	<u>BALANCE</u> <u>DEC. 31,2015</u>
Fund Balance	\$2,472.97	\$2,472.97
Capital Improvement Fund	13,536.58	32,699.58
Reserve for Encumbrances	2,289,076.25	4,608,386.71
Reserve for Future Debt Service	451,727.90	562,876.17
Due to Current Fund		658.00
Grants Receivable	(189,581.78)	(189,581.78)
CAP. NO.	<u>IMPROVEMENT AUTHORIZATIONS</u>	
	<u>General Improvements</u>	
5053	Acquisition of Land (10,703.83)	(10,703.83)
5056	Reconstruction of Various Roads (9,579.91)	(9,579.91)
5090	Improv. to Public Facilities and Parks (83,979.49)	(83,979.49)
5096	Reval. Tax Maps (1,423.43)	(1,423.43)
5125	Various Public Facility Improv. (4,019.78)	(4,019.78)
5129	Various Capital Improvements 6,413.60	6,413.60
5130	Acquisition of Real Property (102,583.65)	(102,583.65)
5133	Improve. To Var. Public Facilities (40,000.00)	(40,000.00)
5135	Various Capital Improvements 15,894.72	15,894.72
5137	Various Capital Improvements 455.93	455.93
02-012	Var. Capital Improvements (15,314.31)	(15,314.31)
04-037/04-043	Various Road Improvements 42,601.61	42,601.61
05-002/051008	Braghelli Tract Purchase (69,978.77)	(69,978.77)
05-049	Various Capital Improvements (314,988.19)	(314,980.71)
07-009	Reconst. Of Various Roads 525.06	525.06
07-020	Var. Capital Improvements 33,650.82	24,650.82
08-004	Var. Capital Improvements 35.73	35.73
08-065	Var. Capital Improvements 126,714.06	70,385.46
09-004	Var. Capital Improvements 156,271.06	119,564.80
09-031	Var. Capital Improvements 1,833,002.33	1,571,605.49
10-032	Various Road Improvements 2,765,876.75	2,367,320.15
11-016	Animal Shelter (474,999.86)	(474,999.33)
11-017	Var. Capital Improvements 2,469,299.89	2,056,291.48
12-031	Var. Capital Improvements 3,744,752.69	2,802,886.72
12-032	Open Space Acquisition 299,196.16	299,196.16
13-046	Various Capital Improvements 2,478,698.93	2,344,132.72
14-031	Various Capital Improvements 6,785,292.20	2,791,281.70
15-000	Various Capital Improvements	(2,031,570.33)
	<u>Local Improvements</u>	
5028	Curb Improv. Along George Dye Road and Youngs Road (95.00)	(95.00)
04-036	Special Assessments 183,113.56	183,113.56
	<u>\$22,381,360.80</u>	<u>\$16,554,638.82</u>

( ) Denotes Deficit

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

CAP NO.	DATE	IMPROVEMENT DESCRIPTION	BALANCE DEC. 31, 2014	2015 AUTHOR.	OTHER FUNDING	BONDS ISSUED	BALANCE DEC. 31, 2015	ANALYSIS OF BALANCE - DEC. 31, 2015		
								BOND ANTICIPATION NOTES	EXPENDITURES	UNEXPENDED BALANCE OF IMPROV. AUTH.
<u>General Improvements</u>										
5053	4/15/1986	Acquis. of Land and Improv. of Various Parks	\$ 10,703.83				\$ 10,703.83		\$ 10,703.83	
5056	4/21/1987	Reconstruction of Various Roads	9,579.91				9,579.91		9,579.91	
5090	11/6/1991	Improv. to Public Facilities and Parks	83,979.49				83,979.49		83,979.49	
5096	2/2/1995	Reval. of Real Property, Develop. of New Tax Maps & Acquis. of Related Equipment	1,423.43				1,423.43		1,423.43	
5125	12/2/1997	Var. Public Facilities Improvements	4,019.78				4,019.78		4,019.78	
5130	10/8/1999	Acquisition of Real Property	102,583.65				102,583.65		102,583.65	
5133	11/26/1999	Improv. to Var. Public Facilities	40,000.00				40,000.00		40,000.00	
5135	6/8/2000	Various Capital Improvements	1,389.00				1,389.00			\$ 1,389.00
02-012	4/10/2002	Var. Capital Improvements	15,314.31				15,314.31		15,314.31	
04-037	10/13/2004	Var. Improvements (3,423,000)	63.00				63.00			63.00
05-002	3/8/2005	Braghelli Tract Purchase(7,150,740)	121,036.00				121,036.00		69,978.77	51,057.23
05-049	1/25/2006	Various Capital Improvements	317,257.00				317,257.00		314,980.71	2,276.29
09-031	12/1/2009	Var. Capital Improvements	870.00				870.00			870.00
10-032	11/08/2010	Var. Road Improvements	7,600,000.00		\$ 329.00	\$ 7,578,375.00	21,296.00			21,296.00
11-016	04/19/2011	Animal shelter	475,000.00				475,000.00		474,999.33	0.67
11-017	04/19/2011	Var. Capital Improvements	7,144,975.00				20,021.00			20,021.00
12-031	08/21/2012	Var. Capital Improvements	8,075,000.00				8,075,000.00	\$ 8,075,000.00		
12-032	08/21/2012	Open Space Acquisitions	5,700,000.00				5,700,000.00			5,700,000.00
13-046	11/19/2013	Var. Capital Improvements	7,125,000.00				7,125,000.00	7,125,000.00		
14-031	05/20/2014	Var. Capital Improvements	7,695,000.00				7,695,000.00	7,695,000.00		
15-020	09/10/2015	Various Capital Improvements	\$ 7,600,284.00				7,600,284.00		2,031,570.33	5,568,713.67
<u>Local Improvements</u>										
5028	3/15/1983	Curb Improv. Along George Dye Rd. and Youngs Road	95.00				95.00		95.00	
			<u>\$ 44,523,289.40</u>	<u>\$ 7,600,284.00</u>	<u>\$ 658.00</u>	<u>\$ 14,703,000.00</u>	<u>\$ 37,419,915.40</u>	<u>\$ 22,895,000.00</u>	<u>\$ 3,159,228.54</u>	<u>\$ 11,365,686.86</u>
Unexpended Balances of Unfunded Improvement Authorizations										\$ 19,303,988.00
Less: Unexpended Proceeds of Bond Anticipation Notes										<u>7,938,301.14</u>
										<u>\$ 11,365,686.86</u>

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
GENERAL CAPITAL FUND

CAP NO.	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE DEC. 31, 2014		ENCUMBERED 12/31/14	2015 AUTHORIZATIONS		PAID OR CHARGED	ENCUMBERED 12/31/2015	BALANCE - DEC. 31, 2015	
		DATE	AMOUNT	FUNDED	UNFUNDED		UNFUNDED	CAPITAL IMPROVEMENT FUND			FUNDED	UNFUNDED
<u>General Improvements:</u>												
5129	Various Capital Improvements	7/30/1999	\$ 2,400,000.00	\$ 6,413.60							\$ 6,413.60	
5135	Various Capital Improvements	6/8/2000	5,806,632.00	15,894.72	\$ 1,389.00						15,894.72	\$ 1,389.00
5137	Various Capital Improvements	12/20/2000	1,708,000.00	455.93							455.93	
02-012	Var. Capital Improvements	4/10/2002	4,588,002.00			\$ 218.00				\$ 218.00		
04-037	Var. Rd. Improvements	10/13/2004	3,423,000.00	42,601.61	63.00	452.95				452.95	42,601.61	63.00
05-002	Braghelli Tract Purchase	3/8/2005	7,150,740.00		51,057.23							51,057.23
05-049	Various Capital Improvements	12/6/2005	3,986,587.00		2,268.81	5,685.00		\$ 3,177.52	2,500.00			2,276.29
07-009	Reconst. Of Various Roads	5/15/2007	414,698.88	525.06		20.97			20.97		525.06	
07-020	Var. Capital Improvements	6/5/2007	3,015,000.00	33,650.82		2,221.25		2,823.75	8,397.50		24,650.82	
08-004	Var. Capital Improvements	2/19/2008	1,026,000.00	35.73							35.73	
08-065	Var. Capital Acquisitions	10/21/2008	1,470,000.00	126,714.06					56,328.60		70,385.46	
09-004	Var. Capital Improvements	2/3/2009	8,797,589.00	156,271.06		243,628.89			83,475.01	196,860.14	119,564.80	
09-031	Var. Capital Improvements	12/2/2009	8,869,216.00	1,833,872.33		2,400.12			93,406.19	170,390.77	1,571,605.49	870.00
10-032	Var. Capital Improvements	11/08/2010	8,400,000.00		2,787,172.75	74,164.26			357,540.92	115,179.94	2,367,320.15	21,296.00
11-016	Animal shelter	04/19/2011	500,000.00		0.14	54,614.73			54,614.20			0.67
11-017	Var. Capital Improvements	04/19/2011	7,521,025.00		2,489,320.89	16,552.24			250,401.16	179,159.49	2,056,291.48	20,021.00
12-031	Var. Capital Improvements	08/21/2012	8,500,000.00		3,744,752.69	28,739.03			728,941.01	241,663.99		2,802,886.72
12-032	Open Space Acquisitions	08/21/2012	6,000,000.00	299,196.16	5,700,000.00						299,196.16	5,700,000.00
13-046	Var. Capital Improvements	11/19/2013	7,500,000.00		2,478,698.93	1,542,201.54			1,521,902.25	154,865.50		2,344,132.72
14-031	Var. Capital Improvements	05/20/2014	8,100,000.00		678,529.2	318,177.27			2,304,837.82	2,007,349.95		2,791,281.70
15-020	Various Capital Improvements	09/10/2015	8,000,296.00				\$ 7,600,284.00	\$ 400,012.00	900,254.82	1,531,327.51		5,568,713.67
<u>Local Improvements:</u>												
04-036	Special Assessment	10/13/2004	1,600,000.00	183,113.56							183,113.56	
				<u>\$2,698,744.64</u>	<u>\$24,040,015.64</u>	<u>\$2,289,076.25</u>	<u>\$7,600,284.00</u>	<u>\$400,012.00</u>	<u>\$6,357,703.25</u>	<u>\$4,608,386.71</u>	<u>\$6,758,054.57</u>	<u>\$19,303,988.00</u>

SCHEDULE OF GENERAL SERIAL BONDS  
GENERAL CAPITAL FUND

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING -DEC. 31, 2015		INTEREST RATE	BALANCE DEC. 31, 2014	INCREASED	DECREASED	BALANCE DEC. 31, 2015
			DATE	AMOUNT					
General Improvement Bonds	8/1/2005	\$ 28,364,000.00				\$ 1,420,000.00		\$ 1,420,000.00	
General Improvement Bonds	3/1/2010	17,716,000.00	2/1/2016	\$ 1,695,000.00	3.000%	13,546,000.00		1,655,000.00	\$ 11,891,000.00
			2/1/2017	1,700,000.00	3.000%				
			2/1/2018	1,700,000.00	3.125%				
			2/1/2019	1,700,000.00	3.125%				
			2/1/2020	1,700,000.00	3.125%				
			2/1/2021	1,700,000.00	3.125%				
			2/1/2022	1,696,000.00	3.250%				
Refunding Series 2013	4/30/2013	17,425,000.00	8/1/2016	1,470,000.00	3.000%	17,300,000.00			17,300,000.00
			8/1/2017	1,510,000.00	3.000%				
			8/1/2018	1,555,000.00	4.000%				
			8/1/2019	1,615,000.00	4.000%				
			8/1/2020	1,680,000.00	4.000%				
			8/1/2021	1,745,000.00	4.000%				
			8/1/2022	1,815,000.00	4.000%				
			8/1/2023	1,890,000.00	4.000%				
			8/1/2024	1,970,000.00	4.000%				
			8/1/2025	2,050,000.00	4.000%				
Refunding Series 2013 - Pension	4/30/2013	4,630,000.00	8/1/2016	405,000.00	1.170%	\$4,265,000.00		370,000.00	3,895,000.00
			8/1/2017	445,000.00	1.550%				
			8/1/2018	485,000.00	1.850%				
			8/1/2019	535,000.00	2.110%				
			8/1/2020	585,000.00	2.460%				
			8/1/2021	440,000.00	2.770%				
			8/1/2022	480,000.00	3.020%				
			8/1/2023	520,000.00	3.120%				
General Improvement Bonds	6/1/2014	8,046,000.00	6/1/2016	750,000.00	4.000%	\$8,046,000.00		\$450,000.00	7,596,000.00
			6/1/2017	790,000.00	4.000%				
			6/1/2018	810,000.00	4.000%				
			6/1/2019	825,000.00	2.000%				
			6/1/2020	840,000.00	4.000%				
			6/1/2021	885,000.00	2.000%				
			6/1/2022	900,000.00	2.000%				
			6/1/2023	900,000.00	2.125%				
			6/1/2024	896,000.00	2.250%				
General Improvement Bonds	6/1/2015	14,703,000.00	6/1/2016	800,000.00	2.000%		\$14,703,000.00		14,703,000.00
			6/1/2017	1,410,000.00	3.000%				
			6/1/2018	1,455,000.00	3.000%				
			6/1/2019	1,500,000.00	4.000%				
			6/1/2020	1,545,000.00	4.000%				
			6/1/2021	1,595,000.00	3.000%				
			6/1/2022	1,600,000.00	2.000%				
			6/1/2023	1,600,000.00	2.250%				
			6/1/2024	1,600,000.00	2.375%				
			6/1/2025	1,598,000.00	2.500%				
						<u>\$44,577,000.00</u>	<u>\$14,703,000.00</u>	<u>\$3,895,000.00</u>	<u>\$55,385,000.00</u>

SCHEDULE OF LOANS PAYABLE  
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST  
GENERAL CAPITAL FUND

PROJECT DESCRIPTION	DRAWDOWN DATE	AMOUNT OF LOAN	INTEREST RATE	MATURITIES OF LOANS		BALANCE DEC. 31, 2014	DECREASED	BALANCE DEC. 31, 2015
				DATE	AMOUNT			
Infrastructure Water Loan	8/1/2006	\$ 1,435,000.00	4.00%	8/1/16-8/1/17	\$ 75,000.00	\$ 970,000.00	\$ 70,000.00	\$ 900,000.00
			4.25%	8/1/2018	80,000.00			
			4.25%	8/1/2019	85,000.00			
			4.50%	8/1/2020	85,000.00			
			4.375%	8/1/2021	90,000.00			
			4.375%	8/1/2022	95,000.00			
			4.375%	8/1/2023	100,000.00			
			4.375%	8/1/2024	105,000.00			
			4.375%	8/1/2025	110,000.00			
				<u>1-Feb</u>	<u>1-Aug</u>			
Infrastructure Water Loan - Principal Only	8/1/2006	\$ 4,028,778	2016	35,460.62	172,860.51	2,274,380.51	204,290.74	2,070,089.77
			2017	32,712.62	170,112.51			
			2018	29,964.62	176,524.51			
			2019	26,850.22	182,570.10			
			2020	23,541.18	179,261.05			
			2021	20,037.48	184,917.35			
			2022	16,430.73	190,470.60			
			2023	12,623.61	195,823.47			
			2024	8,616.11	200,975.96			
			2025	4,408.24	205,928.39			
						<u>\$ 3,244,380.51</u>	<u>\$ 274,290.74</u>	<u>\$ 2,970,089.77</u>

SCHEDULE OF PROJECT LOANS PAYABLE  
 NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION  
 GREEN TRUST PROGRAM  
GENERAL CAPITAL FUND

<u>PROJECT DESCRIPTION</u>	<u>DRAWDOWN DATE</u>	<u>AMOUNT OF LOAN</u>	<u>INTEREST RATE</u>	<u>LOAN REPAYMENT PERIOD</u>	<u>SCHEDULED SEMI-ANNUAL PAYMENT*</u>	<u>BALANCE DEC. 31,2014</u>	<u>DECREASED</u>	<u>BALANCE DEC. 31,2015</u>
Issac Pearson Acquisition	6/4/2002	\$ 115,841.25	2.00%	3/6/03-3/6/2022	\$ 7,203.38	\$ 49,937.60	\$ 6,235.65	\$ 43,701.95
Veterans Park Extension	6/4/2002	461,600.00	2.00%	3/6/03-3/6/2022	28,703.76	198,990.28	24,847.58	174,142.70
Tyndale Farm Acquisition	6/4/2002	265,655.00	2.00%	3/6/03-3/6/2022	16,519.28	114,520.16	14,300.01	100,220.15
*Principal and Interest						<u>\$ 363,448.04</u>	<u>\$ 45,383.24</u>	<u>\$ 318,064.80</u>

SCHEDULE OF CAPITAL IMPROVEMENT FUND  
GENERAL CAPITAL FUND

Balance December 31, 2014	\$	13,536.58
Increased By:		
Budgeted Appropriations		419,175.00
		432,711.58
Decreased By:		
Appropriations To Finance Improvement Authorizations		400,012.00
		400,012.00
Balance December 31, 2015	\$	32,699.58

SCHEDULE OF BOND ANTICIPATION NOTES  
GENERAL CAPITAL FUND

CAP NO.	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL ISSUE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DEC. 31 2014	INCREASED	DECREASED	BALANCE DEC. 31 2015
09-031	Various Capital Improvements	6/15/2011	6/15/2013	6/14/2014	0.75%				
10-032	Various Road Improvements	11/20/2012	6/13/2014	6/13/2015	0.75%	\$7,578,704.00		\$7,578,704.00	
11-017	Various Capital Improvements	11/20/2012	6/13/2014	6/13/2015	0.75%	7,124,954.00		7,124,954.00	
12-031	Various Capital Improvements	8/28/2014	8/28/2014	6/11/2015	1.00%	8,075,000.00		8,075,000.00	
13-046	Various Capital Improvements	8/28/2014	8/28/2014	6/11/2015	1.00%	7,125,000.00		7,125,000.00	
14-031	Various Capital Improvements	8/28/2014	8/28/2014	6/11/2015	1.00%	7,695,000.00		7,695,000.00	
12-031	Various Capital Improvements	8/28/2014	6/11/2015	6/10/2016	1.50%		\$8,075,000.00		\$8,075,000.00
13-046	Various Capital Improvements	8/28/2014	6/11/2015	6/10/2016	1.50%		7,125,000.00		\$7,125,000.00
14-031	Various Capital Improvements	8/28/2014	6/11/2015	6/10/2016	1.50%		7,695,000.00		\$7,695,000.00
						\$ 37,598,658.00	\$22,895,000.00	\$37,598,658.00	\$22,895,000.00

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

CAP. NO.	IMPROVEMENT DESCRIPTION	BALANCE - DEC. 31, 2014		AUTHORIZED 2015	BANS REDEEMED	BANS ISSUED	OTHER FUNDING	BONDS ISSUED	BALANCE - DEC. 31, 2015	
		CAPITAL FUND	TRUST FUND						CAPITAL FUND	TRUST FUND
<u>General Improvements</u>										
5056	Reconstr. of Various Roads	\$	9,579.91							\$9,579.91
5053	Acquis. of Land and Improv. of Var. Parks		10,703.83							10,703.83
5090	Improv. to Public Facilities and Parks		83,979.49							83,979.49
5096	Revaluation		1,423.43							1,423.43
5125	Var. Public Facilities Projects		4,019.78							4,019.78
5130	Acquisition of Real Property		102,583.65							102,583.65
5133	Improv. To Var. Public Facilities		40,000.00							40,000.00
5135	Various Capital Improvements		1,389.00							1,389.00
02-012	Various Capital Improvements		15,314.31							15,314.31
04-037	Various Road Improvements		63.00							63.00
05-002	Braghelli Tract Purchase		121,036.00							121,036.00
05-049	Various Capital Improvements		317,257.00							317,257.00
09-031	Various Capital Improvements		870.00							870.00
10-032	Various Road Improvements		21,296.00		\$ 7,578,704.00		\$ 329.00	\$ 7,578,375.00		21,296.00
11-016	Animal shelter		475,000.00							475,000.00
11-017	Var. Capital Improvements		20,021.00		7,124,954.00		329.00	7,124,625.00		20,021.00
12-031	Var. Capital Improvements				8,075,000.00	\$ 8,075,000.00				
12-032	Open Space Acquisitions		5,700,000.00							5,700,000.00
13-046	Var. Capital Improvements				7,125,000.00	7,125,000.00				
14-031	Var. Capital Improvements				7,695,000.00	7,695,000.00				
15-020	Various Capital Improvements			\$ 7,600,284.00						7,600,284.00
<u>Local Improvements</u>										
5028	Curb Improv. Along George Dye Rd. and Youngs Rd.	\$	95.00							\$ 95.00
		<u>\$6,924,536.40</u>	<u>\$95.00</u>	<u>\$7,600,284.00</u>	<u>\$37,598,658.00</u>	<u>\$22,895,000.00</u>	<u>\$658.00</u>	<u>\$14,703,000.00</u>	<u>\$14,524,820.40</u>	<u>\$95.00</u>

**SEWER UTILITY FUND**

ANALYSIS OF CASH AND INVESTMENTS  
SEWER UTILITY ASSESSMENT TRUST FUND

	BALANCE DEC. 31 <u>2014</u>	BALANCE DEC. 31 <u>2015</u>
Fund Balance	<u>\$ 467.10</u>	<u>\$ 467.10</u>
	<u><u>\$ 467.10</u></u>	<u><u>\$ 467.10</u></u>

ANALYSIS OF CASH AND INVESTMENTS  
SEWER UTILITY CAPITAL FUND

		BALANCE DEC. 31 <u>2014</u>	BALANCE DEC. 31 <u>2015</u>
Fund Balance		\$706.38	\$706.38
Accounts Receivable EIT LOAN		(8,650.65)	(8,650.65)
Reserve for Encumbrances		4,696,552.46	2,618,077.95
Capital Improvement Fund		192,775.00	192,775.00
CAP NO.	<u>IMPROVEMENT AUTHORIZATIONS</u>		
	<u>General Improvements:</u>		
6623	Constr. of a Sanitary Sewer Main - Whitehorse-Mercerville Rd.	(44,290.00)	(44,290.00)
6642	Constr. of a Sewer Interceptor Line	(14,000.00)	(14,000.00)
6645	Var. Sewer Capital Improvements	(434.00)	(434.00)
6646	Improv. to San. Sewer System	2,300.00	2,300.00
6652	Var. Sewer Capital Improvements	14,297.60	14,297.60
6661	Var. Capital Improvements	(0.41)	(0.41)
6664	Replacement of Sewer Lines	(33,272.00)	(33,272.00)
6667	Sewer Cap. Improve.	3,782.48	3,782.48
6670	Improvements to Sewer System	(0.26)	(0.26)
03-006	Wastewater Util. Cap. Prog.	88,750.83	88,750.83
04-038/04-044	Various Sewer Capital Improvements	304,668.94	304,668.94
05-050	Various Sewer Capital Improvements	156,659.54	156,922.30
08-069	Var. Sewer Cap. Improvements	7,322.16	75,610.39
10-011	Var. Sewer Cap. Improvements	1,028,569.43	1,049,332.84
10-031	Var. Sewer Cap. Improvements	2,655,357.34	2,569,614.73
11-015	Var. Sewer Cap. Improvements	2,503,257.20	1,564,906.02
12-030	Var. Sewer Cap. Improvements	2,159,205.75	2,638,212.45
13-021	Var. Sewer Cap. Improvements	5,752,119.69	5,475,794.00
14-030	Var. Sewer Cap. Improvements	6,682,337.69	6,610,385.06
15-019	Various Sewer Capital Improvements		(380,938.19)
		<u>\$26,148,015.17</u>	<u>\$22,884,551.46</u>

Exhibit - D-8

SCHEDULE OF SEWER RENTS RECEIVABLE  
SEWER UTILITY OPERATING FUND

Balance - December 31, 2014		\$27,658.63
Increased by:		
Sewer Rents Charged in 2015		<u>15,256,182.66</u>
		15,283,841.29
Decreased by:		
Cash Receipts	\$13,835,143.37	
Transferred to Sewer Rent Liens	22,343.44	
Prepaid Sewer Rents Applied	<u>1,397,633.67</u>	
		<u>15,255,120.48</u>
Balance - December 31, 2015		<u><u>\$28,720.81</u></u>

Exhibit - D-9

SCHEDULE OF SEWER RENT LIENS RECEIVABLE  
SEWER UTILITY OPERATING FUND

Balance - December 31, 2014		\$89,411.91
Increased by:		
Interest and Costs	\$59,171.09	
Transf. from Sewer Rents Receivable	<u>22,343.44</u>	<u>81,514.53</u>
		170,926.44
Decreased by:		
Collection		<u>4,941.87</u>
Balance - December 31, 2015		<u><u>\$165,984.57</u></u>

SCHEDULE OF FIXED CAPITAL  
SEWER UTILITY CAPITAL FUND

	<u>BALANCE</u> <u>DEC. 31, 2014</u>	<u>COMPLETED</u>	<u>ADDITIONS</u> <u>BY CAPITAL</u> <u>OUTLAY</u>	<u>BALANCE.</u> <u>DEC. 31, 2015</u>
Fixed Capital - Prior Yrs.	\$3,874,314.36			\$3,874,314.36
Land and Land Rights	392,052.51			392,052.51
Structures and Buildings	263,047.09			263,047.09
Collecting System	42,736,887.51	\$462,080.86		43,198,968.37
Pumping Station	5,551,204.10			5,551,204.10
Treatment and Disposal System	45,452,903.99			45,452,903.99
Interest During Construction	3,225,659.66			3,225,659.66
Engineering Costs	19,217,501.99			19,217,501.99
Miscellaneous Equipment	3,954,073.13	3,454,251.27	\$223,880.48	7,632,204.88
Miscellaneous Expenses	5,077,011.25	1,522.75		5,078,534.00
Water Use Reduction Equipment	119,480.97			119,480.97
	<u>\$129,864,136.56</u>	<u>\$3,917,854.88</u>	<u>\$223,880.48</u>	<u>\$134,005,871.92</u>

SCHEDULE OF FIXED CAPITAL  
AUTHORIZED AND UNCOMPLETED  
SEWER UTILITY CAPITAL FUND

CAP NO.	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE DEC. 31, 2014	2015 AUTHORIZED	TRANSFERRED TO FIXED CAPITAL	BALANCE DEC. 31, 2015
		DATE	AMOUNT				
6646	Improvements to Sanitary Sewer System	4/21/87	\$3,761,000.00	\$2,300.00			\$2,300.00
6652	Various Sewer Capital Improvements	4/16/91	4,090,000.00	14,297.60			14,297.60
03-006	Wastewater Utility Cap. Improv.	4/2/2003	2,300,000.00	90,273.58		\$1,522.75	88,750.83
04-038/04-044	Klockner Pump Station	10/13/2004	1,350,000.00	110,235.80			110,235.80
04-038/04-044	Pond Run Pump Station	10/13/2004	844,950.00	8,943.10			8,943.10
04-038/04-044	Runyon Court Sewer	10/13/2004	17,500.00	400.00			400.00
04-038/04-044	Overlook Avenue Sewer Line	10/13/2004	83,500.00	0.80			0.80
05-50	Equipment Control	5/18/2005	3,554,500.00	3,554,500.00		3,454,251.27	100,248.73
05-50	Sewer & Road Improvements	5/18/2005	350,000.00	69,173.21			69,173.21
05-50	Utility Trucks	5/18/2005	83,000.00	0.36			0.36
08-069	Various Sewer Utility Improvements	12/24/2008	5,399,500.00	537,966.25		462,080.86	75,885.39
10-011	Treatment Plant Improvements	5/13/2010	2,502,000.00	2,502,000.00			2,502,000.00
10-011	Pump Station Repairs	5/13/2010	1,120,000.00	1,120,000.00			1,120,000.00
10-011	Collection System Rehabilitation	5/13/2010	3,718,500.00	3,718,500.00			3,718,500.00
10-011	Vehicles and Equipment	5/13/2010	448,500.00	448,500.00			448,500.00
10-011	Collection System Rehabilitation	5/13/2010	5,200,000.00	5,200,000.00			5,200,000.00
10-031	Various Sewer Capital Improvements	11/8/2010	8,400,000.00	8,400,000.00			8,400,000.00
11-015	Various Sewer Capital Improvements	4/19/2011	5,880,000.00	5,880,000.00			5,880,000.00
12-030	Various Sewer Capital Improvements	8/21/2012	5,000,000.00	5,000,000.00			5,000,000.00
13-021	Various Sewer Capital Improvements	7/10/2013	7,400,000.00	7,400,000.00			7,400,000.00
14-030	Various Sewer Capital Improvements	6/10/2014	6,900,000.00	6,900,000.00			6,900,000.00
15-019	Various Sewer Capital Improvements				\$5,957,000.00		5,957,000.00
				<u>\$50,957,090.70</u>	<u>\$5,957,000.00</u>	<u>\$3,917,854.88</u>	<u>\$52,996,235.82</u>

SCHEDULE OF RESERVE FOR CAPITAL IMPROVEMENT FUND  
SEWER UTILITY CAPITAL FUND

Balance - December 31, 2014 and 2015

\$ 192,775.00

SCHEDULE OF 2014 APPROPRIATION RESERVES  
SEWER UTILITY OPERATING FUND

	BALANCE DEC. 31 <u>2014</u>	RESERVE FOR ENCUMBRANCES <u>DEC. 31, 2014</u>	AMOUNT AFTER MODIFICATION	PAID OR CHARGED	ACCOUNTS PAYABLE <u>DEC. 31, 2015</u>	BALANCE <u>LAPSED</u>
Operating:						
Salaries and Wages	\$ 490,893.45		\$ 490,893.45	\$ 123,854.28	\$ 59,635.00	\$ 307,404.17
Other Expenses	173,431.95	\$ 386,475.72	559,907.67	308,855.27		251,052.40
Other Insurance						
Capital Improvements:						
Capital Outlay	54,585.30	58,078.13	112,663.43	67,185.45		45,477.98
Statutory Expenditures:						
Contribution to:						
Public Employees Ret. Sys.						
Social Security Sys. (O.A.S.I)	44,193.29		44,193.29	9,452.23		34,741.06
	<u>\$763,103.99</u>	<u>\$444,553.85</u>	<u>\$1,207,657.84</u>	<u>\$509,347.23</u>	<u>\$59,635.00</u>	<u>\$638,675.61</u>

SCHEDULE OF SEWER RENTS OVERPAYMENTS  
SEWER UTILITY OPERATING FUND

Balance - December 31, 2014	\$1,544.18
Increased by:	
Cash Receipts	<u>16,320.87</u>
	17,865.05
Decreased by:	
Refunded	<u>16,969.75</u>
Balance - December 31, 2015	<u><u>\$895.30</u></u>

SCHEDULE OF PREPAID SEWER RENTS  
SEWER UTILITY OPERATING FUND

Balance - December 31, 2014	\$1,397,633.67
Increased by:	
Cash Receipts	<u>1,441,174.24</u>
	2,838,807.91
Decreased by:	
Applied to Sewer Rents Receivable	<u>1,397,633.67</u>
Balance - December 31, 2015	<u><u>\$1,441,174.24</u></u>

SCHEDULE OF ACCRUED INTEREST ON  
BONDS AND NOTES AND ANALYSIS OF BALANCE  
SEWER UTILITY OPERATING FUND

Balance - December 31, 2014	\$579,986.21
Increased by:	
Charged to 2015 Budget Approp.	2,053,933.74
	2,633,919.95
Decreased by:	
Cash Disbursed	1,935,300.91
Balance - December 31, 2015	\$698,619.04

Analysis of Balance - Dec. 31, 2015:

NJ EIT Principal Outstanding Dec. 31, 2015	Interest Rate	From	To	Period	Amount
\$365,285.06	0.62%	08/01/15	12/31/2015	5 months	\$943.65

Bond Anticipation Notes

\$ 30,380,000.00	1.50%	06/11/15	12/31/2015	199 days	251,900.83
3,200,000.00	1.25%	06/11/15	12/31/2015	199 days	22,111.11
\$ 33,580,000.00					

SCHEDULE OF ACCRUED INTEREST ON  
BONDS AND NOTES AND ANALYSIS OF BALANCE  
SEWER UTILITY OPERATING FUND

Analysis of Balance - Dec. 31, 2015:

	Principal Outstanding <u>Dec. 31, 2015</u>	Interest Rate	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
<u>Serial Bonds</u>						
\$	255,000.00	3.00%	08/01/15	12/31/2015	5 Months	\$ 3,187.50
	265,000.00	4.00%	08/01/15	12/31/2015	5 Months	4,416.67
	275,000.00	3.00%	08/01/15	12/31/2015	5 Months	3,437.50
	280,000.00	4.00%	08/01/15	12/31/2015	5 Months	4,666.67
	295,000.00	4.00%	08/01/15	12/31/2015	5 Months	4,916.67
	305,000.00	2.00%	08/01/15	12/31/2015	5 Months	2,541.67
	310,000.00	5.00%	08/01/15	12/31/2015	5 Months	6,458.33
	325,000.00	5.00%	08/01/15	12/31/2015	5 Months	6,770.83
	340,000.00	4.71%	08/01/15	12/31/2015	5 Months	6,672.50
	360,000.00	4.67%	08/01/15	12/31/2015	5 Months	7,005.00
	155,000.00	3.00%	08/01/15	12/31/2015	5 Months	1,937.50
	160,000.00	3.000%	08/01/15	12/31/2015	5 Months	2,000.00
	160,000.00	3.125%	08/01/15	12/31/2015	5 Months	2,083.33
	165,000.00	3.125%	08/01/15	12/31/2015	5 Months	2,148.44
	175,000.00	3.125%	08/01/15	12/31/2015	5 Months	2,278.65
	180,000.00	3.125%	08/01/15	12/31/2015	5 Months	2,343.75
	185,000.00	3.250%	08/01/15	12/31/2015	5 Months	2,505.21
	195,000.00	3.375%	08/01/15	12/31/2015	5 Months	2,742.19
	200,000.00	3.500%	08/01/15	12/31/2015	5 Months	2,916.67
	210,000.00	3.625%	08/01/15	12/31/2015	5 Months	3,171.88
	220,000.00	3.750%	08/01/15	12/31/2015	5 Months	3,437.50
	225,000.00	3.875%	08/01/15	12/31/2015	5 Months	3,632.81
	235,000.00	4.000%	08/01/15	12/31/2015	5 Months	3,916.67
	250,000.00	4.000%	08/01/15	12/31/2015	5 Months	4,166.67
	260,000.00	4.125%	08/01/15	12/31/2015	5 Months	4,468.75
	270,000.00	4.125%	08/01/15	12/31/2015	5 Months	4,640.63
	285,000.00	4.300%	08/01/15	12/31/2015	5 Months	5,106.25
	290,000.00	4.300%	08/01/15	12/31/2015	5 Months	5,195.83

SCHEDULE OF ACCRUED INTEREST ON  
BONDS AND NOTES AND ANALYSIS OF BALANCE  
SEWER UTILITY OPERATING FUND

Analysis of Balance - Dec. 31, 2015:

Principal Outstanding <u>Dec. 31, 2015</u>	Interest Rate	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
\$ 290,000.00	4.300%	08/01/15	12/31/2015	5 Months	\$ 5,195.83
287,000.00	4.300%	08/01/15	12/31/2015	5 Months	5,142.08
1,400,000.00	3.000%	08/01/15	12/31/2015	5 Months	17,500.00
1,435,000.00	3.000%	08/01/15	12/31/2015	5 Months	17,937.50
1,475,000.00	4.000%	08/01/15	12/31/2015	5 Months	24,583.33
1,535,000.00	4.000%	08/01/15	12/31/2015	5 Months	25,583.33
1,595,000.00	4.000%	08/01/15	12/31/2015	5 Months	26,583.33
1,655,000.00	4.000%	08/01/15	12/31/2015	5 Months	27,583.33
1,720,000.00	4.000%	08/01/15	12/31/2015	5 Months	28,666.67
1,790,000.00	4.000%	08/01/15	12/31/2015	5 Months	29,833.33
1,855,000.00	4.000%	08/01/15	12/31/2015	5 Months	30,916.67
1,935,000.00	4.000%	08/01/15	12/31/2015	5 Months	32,250.00
475,000.00	4.000%	12/01/15	12/31/2015	1 Month	1,583.33
475,000.00	4.000%	12/01/15	12/31/2015	1 Month	1,583.33
500,000.00	4.000%	12/01/15	12/31/2015	1 Month	1,666.67
500,000.00	2.000%	12/01/15	12/31/2015	1 Month	833.33
500,000.00	4.000%	12/01/15	12/31/2015	1 Month	1,666.67
525,000.00	2.000%	12/01/15	12/31/2015	1 Month	875.00
550,000.00	2.000%	12/01/15	12/31/2015	1 Month	916.67
565,000.00	2.125%	12/01/15	12/31/2015	1 Month	1,000.52
575,000.00	2.250%	12/01/15	12/31/2015	1 Month	1,078.13
600,000.00	2.500%	12/01/15	12/31/2015	1 Month	1,250.00
650,000.00	3.000%	12/01/15	12/31/2015	1 Month	1,625.00
650,000.00	3.000%	12/01/15	12/31/2015	1 Month	1,625.00
650,000.00	3.000%	12/01/15	12/31/2015	1 Month	1,625.00
650,000.00	3.000%	12/01/15	12/31/2015	1 Month	1,625.00
650,000.00	3.125%	12/01/15	12/31/2015	1 Month	1,692.71
650,000.00	3.250%	12/01/15	12/31/2015	1 Month	1,760.42
650,000.00	3.250%	12/01/15	12/31/2015	1 Month	1,760.42
650,000.00	3.250%	12/01/15	12/31/2015	1 Month	1,760.42
650,000.00	3.250%	12/01/15	12/31/2015	1 Month	1,760.42
650,000.00	3.500%	12/01/15	12/31/2015	1 Month	1,895.83

SCHEDULE OF ACCRUED INTEREST ON  
BONDS AND NOTES AND ANALYSIS OF BALANCE  
SEWER UTILITY OPERATING FUND

Analysis of Balance - Dec. 31, 2015:

	Principal Outstanding <u>Dec. 31, 2015</u>	Interest Rate	From	To	Period	Amount
<u>Serial Bonds</u>						
\$	650,000.00	3.500%	12/01/15	12/31/2015	1 Month	\$ 1,895.83
	650,000.00	3.500%	12/01/15	12/31/2015	1 Month	1,895.83
	650,000.00	3.500%	12/01/15	12/31/2015	1 Month	1,895.83
	647,000.00	3.500%	12/01/15	12/31/2015	1 Month	1,887.08
	125,000.00	2.000%	12/01/15	12/31/2015	1 Month	208.33
	125,000.00	2.000%	12/01/15	12/31/2015	1 Month	208.33
	125,000.00	2.000%	12/01/15	12/31/2015	1 Month	208.33
	150,000.00	3.000%	12/01/15	12/31/2015	1 Month	375.00
	150,000.00	3.000%	12/01/15	12/31/2015	1 Month	375.00
	175,000.00	3.000%	12/01/15	12/31/2015	1 Month	437.50
	175,000.00	3.250%	12/01/15	12/31/2015	1 Month	473.96
	175,000.00	3.500%	12/01/15	12/31/2015	1 Month	510.42
	200,000.00	3.500%	12/01/15	12/31/2015	1 Month	583.33
	200,000.00	3.500%	12/01/15	12/31/2015	1 Month	583.33
	200,000.00	4.000%	12/01/15	12/31/2015	1 Month	666.67
	200,000.00	4.000%	12/01/15	12/31/2015	1 Month	666.67
	200,000.00	4.000%	12/01/15	12/31/2015	1 Month	666.67
	<u>\$40,364,000.00</u>					<u>\$698,619.04</u>

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
SEWER UTILITY CAPITAL FUND

CAP. NO.	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE - DEC. 31, 2014		ENCUMBRANCES 12/31/14	2015 AUTHORIZED	PAID OR CHARGED	ENCUMBRANCES 12/31/15	BALANCE - DEC. 31, 2015	
		DATE	AMOUNT	FUNDED	UNFUNDED					FUNDED	UNFUNDED
<u>General Improvement:</u>											
6646	Improv. to San. Sewer System	4/21/1987	\$ 3,761,000.00	\$ 2,300.00						\$ 2,300.00	
6652	Various Capital Improvements	4/16/1991	4,090,000.00	14,297.60						14,297.60	
6667	Various Capital Improvements	11/26/1999	2,637,000.00	3,782.48						3,782.48	
03-006	Wastewater Util. Cap. Prog.	4/2/2003	2,300,000.00	88,750.83		\$ 1,522.75			\$ 1,522.75	88,750.83	
04-038/04-044	Klockner Pump Station	10/13/2004	1,350,000.00	110,235.80						110,235.80	
04-038/04-044	Pond Run Pump Station	10/13/2004	844,950.00	8,943.10						8,943.10	
04-038/04-044	Pump Station Alarm Radio	10/13/2004	265,000.00	185,089.24		5,700.00			5,700.00	185,089.24	
04-038/04-044	Dewatering Facility Air Quality	10/13/2004	58,000.00			58,000.00			58,000.00		
04-038/04-044	RBC Main Effluent	10/13/2004	40,000.00			10,630.00			10,630.00		
04-038/04-044	Runyon Court Sewer	10/13/2004	17,500.00	400.00						400.00	
04-038/04-044	Support Sanitary Sewer	10/13/2004	300,000.00	0.80						0.80	
05-050	Equipment Control	1/25/2006	3,554,500.00	99,985.97		191,642.41		\$ 164,269.82	27,109.83	100,248.73	
05-050	Sewer & Road Improvements	1/25/2006	350,000.00	56,673.21		12,500.00			12,500.00	56,673.21	
05-050	Utility Trucks	1/25/2006	83,000.00	0.36						0.36	
08-069	Various Capital Improvements	12/24/2008	5,399,500.00	7,322.16	\$ 275.00	241,534.09		61,809.95	111,435.91	75,610.39	\$ 275.00
10-011	Various Capital Improvements	3/1/2010	12,989,000.00	1,028,569.43		1,265,918.94		687,122.62	558,032.91	1,049,332.84	
10-031	Various Capital Improvements	11/8/2010	8,400,000.00		2,655,357.34	291,601.51		81,201.49	296,142.63		2,569,614.73
11-015	Various Capital Improvements	4/19/2011	5,880,000.00		2,503,257.20	872,996.07		933,673.32	877,673.93		1,564,906.02
12-030	Various Capital Improvements	8/21/2012	5,000,000.00		2,159,205.75	1,110,859.53		494,753.30	137,099.53		2,638,212.45
13-021	Various Capital Improvements	7/10/2013	7,400,000.00		5,752,119.69	537,942.16		683,998.79	130,269.06		5,475,794.00
14-030	Various Capital Improvements	6/10/2014	6,900,000.00		6,682,337.69	95,705.00		103,441.23	64,216.40		6,610,385.06
15-019	Various Capital Improvements		5,957,000.00				\$ 5,957,000.00	53,193.19	327,745.00		5,576,061.81
				<u>\$ 1,606,350.98</u>	<u>\$ 19,752,552.67</u>	<u>\$ 4,696,552.46</u>	<u>\$ 5,957,000.00</u>	<u>\$ 3,263,463.71</u>	<u>\$ 2,618,077.95</u>	<u>\$ 1,695,665.38</u>	<u>\$ 24,435,249.07</u>

SCHEDULE OF RESERVE FOR AMORTIZATION  
SEWER UTILITY CAPITAL FUND

Balance -December 31, 2014		\$101,720,161.79
Increased by:		
Serial Bonds Paid by Operating Budget	\$2,208,000.00	
Transfer from Deferred Reserve for Amortization	2,307,834.71	
EIT Loans Paid By Operating Budget	24,673.53	
2015 Refinancing Bonds	159,000.00	
Capital Outlay Expenditures	<u>223,880.98</u>	
		<u>4,923,389.22</u>
Balance -December 31, 2015		<u><u>\$106,643,551.01</u></u>

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION  
SEWER UTILITY CAPITAL FUND

CAP. NO.	<u>IMPROVEMENT DESCRIPTION</u>	BALANCE DEC. 31, 2014	TRANSFERRED TO RESERVE FOR <u>AMORTIZATION</u>	BALANCE DEC. 31, 2015
6646	Improv. to the San. Sewer Sys.	\$77,822.68	\$77,822.68	
6647	Sewer Improv. (Amended 7/19/88)	845.00	845.00	
6649	Various Capital Improvements	110,047.94	110,047.94	
6651	Various Capital Improvements	68,358.43	68,358.43	
6652	Various Capital Improvements	185,235.66	185,235.66	
6655	Various Capital Improvements	90,000.00	90,000.00	
6656	Various Capital Improvements	60,000.00	60,000.00	
6658	Various Capital Improvements	8,500.00	8,500.00	
6660	Various Capital Improvements	203,400.00	203,400.00	
6661	Various Capital Improvements	37,500.00	37,500.00	
6662	Various Capital Improvements	250,000.00	250,000.00	
6663	Sewer Utility Equipment	7,000.00	7,000.00	
6665	Various Capital Improvements	160,000.00	160,000.00	
6666	Various Capital Improvements	171,000.00	171,000.00	
6667	Various Capital Improvements	137,000.00	137,000.00	
6668	Various Capital Improvements	75,000.00	75,000.00	
6669	Improv. to the San. Sewer Sys.	100,000.00	100,000.00	
6671	Various Capital Improvements	137,000.00	137,000.00	
02-011	Various Capital Improvements	56,900.00	56,900.00	
03-006	Wastewater Project	115,000.00	115,000.00	
08-069	Various Capital Improvements	257,225.00	257,225.00	
		<u>\$2,307,834.71</u>	<u>\$2,307,834.71</u>	<u>\$ -</u>

SCHEDULE OF SEWER SERIAL BONDS  
SEWER UTILITY CAPITAL FUND

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS		INTEREST RATE	BALANCE DEC. 31, 2014	INCREASED	DECREASED	REFUNDED	BALANCE DEC. 31, 2015
			OUTSTANDING -DEC. 31, 2015	DATE						
Sewer Utility Bonds	8/1/2005	\$ 22,815,000.00				\$ 1,348,000.00		\$ 1,348,000.00		
Sewer Utility Refunding Bonds		4,320,000.00				3,449,000.00		255,000.00	\$ 3,194,000.00	
Sewer Utility Bonds	3/1/2010	5,142,000.00	\$	3/1/2016	155,000.00	3.000%	4,552,000.00	155,000.00		\$ 4,397,000.00
				3/1/2017	160,000.00	3.000%				
				3/1/2018	160,000.00	3.125%				
				3/1/2019	165,000.00	3.125%				
				3/1/2020	175,000.00	3.125%				
				3/1/2021	180,000.00	3.125%				
				3/1/2022	185,000.00	3.250%				
				3/1/2023	195,000.00	3.375%				
				3/1/2024	200,000.00	3.500%				
				3/1/2025	210,000.00	3.625%				
				3/1/2026	220,000.00	3.750%				
				3/1/2027	225,000.00	3.875%				
				3/1/2028	235,000.00	4.000%				
				3/1/2029	250,000.00	4.000%				
				3/1/2030	260,000.00	4.125%				
				3/1/2031	270,000.00	4.125%				
				3/1/2032	285,000.00	4.300%				
				3/1/2033	290,000.00	4.300%				
				3/1/2034	290,000.00	4.300%				
				3/1/2035	287,000.00	4.300%				
Sewer Utility Refunding Bonds	4/30/2013	\$ 16,505,000.00		8/1/2016	1,400,000.00	3.000%	16,395,000.00			16,395,000.00
				8/1/2017	1,435,000.00	3.000%				
				8/1/2018	1,475,000.00	4.000%				
				8/1/2019	1,535,000.00	4.000%				
				8/1/2020	1,595,000.00	4.000%				
				8/1/2021	1,655,000.00	4.000%				
				8/1/2022	1,720,000.00	4.000%				
				8/1/2023	1,790,000.00	4.000%				
				8/1/2024	1,855,000.00	4.000%				
				8/1/2025	1,935,000.00	4.000%				

SCHEDULE OF SEWER SERIAL BONDS  
SEWER UTILITY CAPITAL FUND

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS			INTEREST RATE	BALANCE DEC. 31, 2014	INCREASED	DECREASED	REFUNDED	BALANCE DEC. 31, 2015							
			OUTSTANDING - DEC. 31, 2015	DATE	AMOUNT													
Sewer Utility Tax Exempt	6/1/2014	\$ 14,687,000.00	6/1/2016	\$ 475,000.00	4.000%	\$ 14,687,000.00		\$ 325,000.00		\$ 14,362,000.00								
			6/1/2017	475,000.00	4.000%													
			6/1/2018	500,000.00	4.000%													
			6/1/2019	500,000.00	2.000%													
			6/1/2020	500,000.00	4.000%													
			6/1/2021	525,000.00	2.000%													
			6/1/2022	550,000.00	2.000%													
			6/1/2023	565,000.00	2.125%													
			6/1/2024	575,000.00	2.250%													
			6/1/2025	600,000.00	2.500%													
			6/1/2026	650,000.00	3.000%													
			6/1/2027	650,000.00	3.000%													
			6/1/2028	650,000.00	3.000%													
			6/1/2029	650,000.00	3.000%													
			6/1/2030	650,000.00	3.125%													
			6/1/2031	650,000.00	3.250%													
			6/1/2032	650,000.00	3.250%													
			6/1/2033	650,000.00	3.250%													
			6/1/2034	650,000.00	3.250%													
			6/1/2035	650,000.00	3.500%													
			6/1/2036	650,000.00	3.500%													
			6/1/2037	650,000.00	3.500%													
			6/1/2038	650,000.00	3.500%													
			6/1/2039	647,000.00	3.500%													
			Sewer Utility Taxable	6/1/2014	2,300,000.00						6/1/2016	125,000.00	2.000%	2,300,000.00		100,000.00		2,200,000.00
											6/1/2017	125,000.00	2.000%					
											6/1/2018	125,000.00	2.000%					
											6/1/2019	150,000.00	3.000%					
											6/1/2020	150,000.00	3.000%					
6/1/2021	175,000.00	3.000%																
6/1/2022	175,000.00	3.250%																
6/1/2023	175,000.00	3.500%																
6/1/2024	200,000.00	3.500%																
6/1/2025	200,000.00	3.500%																
6/1/2026	200,000.00	4.000%																
6/1/2027	200,000.00	4.000%																
6/1/2028	200,000.00	4.000%																
Sewer Series 2015	8/1/2015	3,035,000.00				8/1/2016	255,000.00	3.000%	\$ 3,035,000.00		25,000.00		3,010,000.00					
						8/1/2017	265,000.00	4.000%										
						8/1/2018	275,000.00	3.000%										
			8/1/2019	280,000.00	4.000%													
			8/1/2020	295,000.00	4.000%													
			8/1/2021	305,000.00	2.000%													
			8/1/2022	310,000.00	5.000%													
			8/1/2023	325,000.00	5.000%													
			8/1/2024	340,000.00	4.710%													
			8/1/2025	360,000.00	4.670%													
														\$42,731,000.00	\$3,035,000.00	\$2,208,000.00	\$3,194,000.00	\$40,364,000.00

SCHEDULE OF LOAN PAYABLE  
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST  
SEWER UTILITY CAPITAL FUND

PROJECT DESCRIPTION	DRAWDOWN DATE	AMOUNT OF LOAN	INTEREST RATE	MATURITIES OF LOANS		BALANCE DEC. 31, 2014	DECREASED	BALANCE DEC. 31, 2015					
				DATE	AMOUNT								
Infrastructure Water Loan	8/1/2010	\$ 126,650.65	2.28%	8/1/2016	\$ 5,765.40	\$ 104,690.71	\$ 5,655.68	\$ 99,035.03					
			2.57%	8/1/2017	5,896.86								
			2.75%	8/1/2018	6,048.41								
			2.95%	8/1/2019	6,214.74								
			3.14%	8/1/2020	6,398.07								
			3.27%	8/1/2021	6,598.97								
			3.46%	8/1/2022	6,814.76								
			3.60%	8/1/2023	7,050.55								
			3.70%	8/1/2024	7,304.37								
			3.80%	8/1/2025	7,574.63								
			3.90%	8/1/2026	7,862.47								
			3.99%	8/1/2027	8,169.10								
			4.08%	8/1/2028	8,495.05								
			4.16%	8/1/2029	8,841.65								
									<b>YEAR</b>	<b>SEMI-ANNUAL PRINCIPAL</b>			
				1-Feb	1-Aug								
Infrastructure Water Loan - Principal Only	8/1/2010	\$ 4,028,778	2016	6,339.28	12,678.57	285,267.88	19,017.85	266,250.03					
			2017	6,339.28	12,678.57								
			2018	6,339.28	12,678.57								
			2019	6,339.28	12,678.57								
			2020	6,339.28	12,678.57								
			2021	6,339.28	12,678.57								
			2022	6,339.28	12,678.57								
			2023	6,339.28	12,678.57								
			2024	6,339.28	12,678.57								
			2025	6,339.28	12,678.57								
			2026	6,339.28	12,678.57								
			2027	6,339.28	12,678.57								
			2028	6,339.28	12,678.57								
			2029	6,339.41	12,678.57								
						<u>\$ 389,958.59</u>	<u>\$ 24,673.53</u>	<u>\$ 365,285.06</u>					

SCHEDULE OF BOND ANTICIPATION NOTES  
SEWER UTILITY CAPITAL FUND

CAP NO.	IMPROVEMENT DESCRIPTION	DATE OF	DATE	DATE	INTEREST RATE	BALANCE			BALANCE
		ORIGINAL ISSUE	OF ISSUE	OF MATURITY		DEC. 31 2014	INCREASED	DECREASED	DEC. 31 2015
10-031	Various Capital Improvements	8/28/2014	8/28/2014	6/11/2015	1.00%	\$5,200,000.00		\$5,200,000.00	
10-031	Various Capital Improvements	8/28/2014	8/28/2014	6/11/2015	1.00%	3,200,000.00		3,200,000.00	
11-015	Various Capital Improvements	8/28/2014	8/28/2014	6/11/2015	1.00%	5,880,000.00		5,880,000.00	
12-030	Various Capital Improvements	8/28/2014	8/28/2014	6/11/2015	1.00%	5,000,000.00		5,000,000.00	
13-021	Various Capital Improvements	8/28/2014	8/28/2014	6/11/2015	1.00%	7,400,000.00		7,400,000.00	
14-030	Various Capital Improvements	8/28/2014	8/28/2014	6/11/2015	1.00%	6,900,000.00		6,900,000.00	
10-031	Various Capital Improvements	8/28/2014	6/11/2015	6/10/2016	1.50%		\$5,200,000.00		\$5,200,000.00
10-031	Various Capital Improvements	8/28/2014	6/11/2015	6/10/2016	1.25%		3,200,000.00		3,200,000.00
11-015	Various Capital Improvements	8/28/2014	6/11/2015	6/10/2016	1.50%		5,880,000.00		5,880,000.00
12-030	Various Capital Improvements	8/28/2014	6/11/2015	6/10/2016	1.50%		5,000,000.00		5,000,000.00
13-021	Various Capital Improvements	8/28/2014	6/11/2015	6/10/2016	1.50%		7,400,000.00		7,400,000.00
14-030	Various Capital Improvements	8/28/2014	6/11/2015	6/10/2016	1.50%		6,900,000.00		6,900,000.00
						<u>\$33,580,000.00</u>	<u>\$33,580,000.00</u>	<u>\$33,580,000.00</u>	<u>\$33,580,000.00</u>

SCHEDULE OF BONDS AND NOTES  
 AUTHORIZED BUT NOT ISSUED  
SEWER UTILITY CAPITAL FUND

<u>CAP. NO.</u>	<u>ORD. DATE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DEC. 31, 2014 CAPITAL FUND</u>	<u>AUTHORIZED 2015</u>	<u>BALANCE DEC. 31, 2015 CAPITAL FUND</u>
6623	6/6/73	Constr. of San. Sewer Main - Whitehorse Mercerville Rd.	\$44,290.00		\$44,290.00
6642	3/22/84	Constr. of a Sewer Interceptor Line	14,000.00		14,000.00
6645	4/16/86	Var. Sewer Capital Improv.	434.00		434.00
6661	5/17/1995	Various Capital Improv.	0.41		0.41
6664	5/28/1997	Replacement of Sewer Lines	33,272.00		33,272.00
6670	6/8/2000	Various Capital Improv.	0.26		0.26
08-069	12/24/2008	Various Capital Improv.	275.00		275.00
15-019	8/18/2015	Various Capital Improv.		<u>\$ 5,957,000.00</u>	<u>5,957,000.00</u>
			<u>\$92,271.67</u>	<u>\$5,957,000.00</u>	<u>\$6,049,271.67</u>

## **SUPPLEMENTARY DATA**

**TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY**

**STATEMENT OF OPERATIONS AND  
CHANGE IN FUND BALANCE - CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

REVENUE AND OTHER	YEAR 2015	
<u>INCOME REALIZED</u>	AMOUNT	%
Fund Balance Utilized	\$ 3,200,000.00	1.12
Miscellaneous Revenues Anticipated	28,811,977.54	10.17
Receipts from Delinquent Taxes	156,578.90	0.06
Receipts from Current Taxes	247,291,629.31	87.39
Interfunds Returned	44,752.15	0.02
Non-Budget Revenue	1,656,241.97	0.59
Other Credits to Income	1,848,366.51	0.65
 Total Income	283,009,546.38	100.00
 <u>EXPENDITURES</u>		
Budget Appropriations:		
Operations:		
Salaries and Wages	42,998,023.00	15.43
Other Expenses	38,428,152.83	13.79
Deferred Charges and Statutory		
Expenditures	9,029,569.00	3.24
Capital Improvements	419,175.00	0.15
Municipal Debt Service	6,140,276.55	2.20
Special District Taxes	22,129,925.00	7.94
County Taxes	52,801,888.56	18.95
Local District School Taxes	105,974,326.00	38.03
Prior Years Senior Citizens/Veterans Deductions	19,813.80	0.01
Other Debits to Income	705,766.43	0.25
 Total Expenditures	278,646,916.17	100.00
 Excess in Revenues Over Expenditures	4,362,630.21	
 Fund Balance January 1	6,083,316.90	
	10,445,947.11	
Decreased by:		
Utilized as Anticipated Revenue	3,200,000.00	
 Fund Balance December 31	\$ 7,245,947.11	

**TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY**

**STATEMENT OF OPERATIONS AND CHANGE IN  
FUND BALANCE - SEWER UTILITY OPERATING FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>REVENUE AND OTHER INCOME REALIZED</u>	YEAR 2015	
	AMOUNT	%
Collection of Sewer Rents	\$ 15,237,718.91	81.15
Fees and Permits	908,150.00	4.84
Reserve for Future Debt Service	1,644,145.79	8.76
Miscellaneous Revenues	346,941.60	1.85
Other Credits to Income:		
Unexpended Balance of 2014 Appropriation		
Reserves Lapsed	638,675.61	3.40
Total Revenues	18,775,631.91	100.00
<u>EXPENDITURES</u>		
Budget Appropriations:		
Operating	12,571,579.00	69.94
Capital Improvements	250,000.00	1.39
Debt Service	4,286,607.27	23.84
Deferred Charges and Statutory		
Expenditures	867,268.00	4.83
Total Expenditures	17,975,454.27	100.00
Excess in Revenues Over Expenditures	800,177.64	
Fund Balance January 1	3,111,265.57	
Fund Balance December 31	\$ 3,911,443.21	

**TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY**

**SCHEDULE OF TAX RATE INFORMATION  
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013**

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Tax Rate:</u>	\$ <u>4.350</u>	\$ <u>4.280</u>	\$ <u>4.110</u>
<u>Apportionment of Tax Rate:</u>			
Municipal	\$ 1.220	\$ 1.230	\$ 1.160
Library	0.060	0.050	0.050
County	0.980	0.980	0.920
Local School	2.052	1.980	1.950
Open Space	0.040	0.040	0.030
<u>Fire District Tax Rates:</u>			
Fire District 1	\$ 0.170	\$ 0.160	\$ 0.160
Fire District 2	0.400	0.400	0.368
Fire District 3	0.860	0.860	0.883
Fire District 4	0.690	0.660	0.642
Fire District 5	0.880	0.840	0.780
Fire District 6	0.290	0.280	0.260
Fire District 7	0.240	0.230	0.228
Fire District 8	0.510	0.500	0.455
Fire District 9	0.520	0.520	0.509
<u>Assessed Valuation (Taxable):</u>			
2015	\$ <u>5,165,540,985.00</u>		
2014		\$ <u>5,166,302,640.00</u>	
2013			\$ <u>5,157,770,396.00</u>

COMPARISON OF TAX LEVIES AND COLLECTIONS

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.

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2015	\$ 248,120,111.50	\$ 247,291,629.31	99.67%
2014	243,532,333.40	242,947,965.74	99.76%
2013	233,598,623.09	232,774,294.24	99.65%

**TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY**

**DELINQUENT TAXES AND TAX TITLE LIENS  
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014, and 2013**

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

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2015	\$ 2,969,389.82	\$ -	\$ 2,969,389.82	1.20%
2014	1,577,198.54	505,102.14	2,082,300.68	0.86%
2013	1,695,034.38	532,326.85	2,227,361.23	0.95%

**PROPERTY ACQUIRED FOR TAX TITLE LIEN LIQUIDATION**

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

<u>Year</u>	<u>Amount</u>
2015	\$ 367,045.00
2014	367,045.00
2013	367,045.00

**COMPARISON OF SEWER UTILITY LEVIES AND COLLECTIONS**

<u>Year</u>	<u>SEWER UTILITY</u>	
	<u>Levies</u>	<u>Collections</u>
2015	\$ 15,256,182.66	\$ 15,255,120.48
2014	15,212,396.69	15,223,836.31
2013	15,078,899.73	15,053,074.46

**COMPARATIVE SCHEDULE OF FUND BALANCES**

	<u>Year Ended</u>	<u>Balance</u>	<u>Utilized in Budget of Succeeding Year</u>
	Current Fund	2015	\$ 7,245,947.11
	2014	6,083,316.90	3,200,000.00
	2013	3,787,513.07	2,400,000.00
Sewer Utility	2015	3,911,443.21	1,000,000.00
Operating Fund	2014	3,111,265.57	-
	2013	2,944,600.42	700,000.00

**TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY**

**OFFICIALS IN OFFICE AND SURETY BONDS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

The following officials were in office on December 31, 2015:

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>	<u>NAME OF CORPORATE SURETY</u>
Kelly A. Yaede	Mayor		
Dennis Pone	President		
Ileana Schirmer	Vice President		
Edward R. Gore III	Council person		
Kevin J. Meara	Council person		
David Kenny	Council person		
Eileen A. Gore	Municipal Clerk		
Alison J. Salvatore	Deputy Municipal Clerk		
John F. Ricci	Business Administrator		
John E. Barrett	Chief Financial Officer		
Donald Kosul	Tax Assessor		
Lindsay Burbage	Township Attorney		
David Carothers	Director of Public Works		
Richard Watson	Director of Water Pollution Control		
Jeffrey Plunkett	Director of Health, Recreation and Welfare		
Douglas Hoffinan	Presiding Municipal Judge	\$ 1,000,000.00	Selective Insurance/JIF
Kenneth Lozier	Municipal Judge	1,000,000.00	Selective Insurance/JIF
Michele Rossi	Tax Collector, Tax Search Officer (Effective Janury 1, 2015 through November 30, 2015)	1,000,000.00	Selective Insurance/JIF
Danielle Peacock	Tax Collector, Tax Search Officer (Effective December 1, 2015 through Present)	1,000,000.00	Selective Insurance/JIF
Richard Williams	Township Engineer		
Raymond Lumio	Bldg. Inspector, Supt. Of Division Of Inspections		
James W. Collins	Chief of Police		
Lynn Hoagland	Court Administrator, Court Clerk	1,000,000.00	Selective Insurance/JIF
Nancy Lear	Deputy Court Administrator		

All other employees were covered under a Public Employees Blanket Bond issued by the Travelers Casualty and Surety Company of America in the amount of \$1,000,000.

All surety bonds in effect were examined or verified.

**TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY**

**PART IV**

**STATISTICAL SECTION & AUDITORS' MANAGEMENT**

**STATISTICAL SECTION (UNAUDITED)**

TOWNSHIP OF HAMILTON  
COUNTY OF MERCER  
CURRENT FUND EXPENDITURES BY FUNCTION  
LAST TEN FISCAL YEARS  
UNAUDITED

Year	General Government	Administration	Insurances & Postage	Finance	Law	Engineering, Planning, & Inspections	Economic Development/ Technology
2015	\$ 765,764	\$ 891,304	\$ 16,035,600	\$ 1,667,828	\$ 1,733,982	\$ 1,928,860	\$ 695,965
2014	748,728	897,782	15,966,286	1,655,967	1,722,745	1,941,535	633,757
2013	634,591	1,086,572	18,726,584	1,630,923	1,620,071	1,869,473	616,984
2012	857,211	971,421	15,953,796	1,567,141	1,646,180	2,158,583	642,730
2011	760,391	921,965	15,700,426	1,368,049	1,637,507	1,539,753	774,790
TY 2010	389,401	533,513	9,136,914	690,026	783,661	750,540	288,591
2010	737,830	950,050	13,371,023	1,480,158	1,686,918	1,808,178	535,500
2009	847,593	925,849	12,511,900	1,434,218	1,564,920	1,732,141	509,173
2008	887,116	1,097,608	12,360,273	1,374,268	1,554,958	1,999,683	378,221
2007	817,708	1,080,671	11,253,207	1,350,944	1,426,405	1,784,456	364,246

Year	Public Safety	Public Works	Health, Recreation, & Welfare	Separate Boards & Agencies	Uniform Construction Codes Appropriations	Unclassified Purposes	Deferred Charges & Statutory Expenditures
2015	\$ 22,808,705	\$ 20,754,685	\$ 3,243,074	\$ 188,918	\$ 1,815,441	\$ 3,560,929	\$ 9,029,569
2014	22,242,797	20,513,866	3,104,541	189,143	1,793,099	3,516,772	8,778,457
2013	22,294,054	20,170,229	2,698,607	163,863	1,760,053	3,955,118	8,943,570
2012	22,549,786	21,432,021	3,110,778	192,608	1,968,355	3,982,172	8,890,652
2011	22,337,609	22,262,426	3,223,939	188,588	1,734,181	3,951,700	9,289,422
TY 2010	10,949,754	11,290,762	1,644,376	109,958	899,046	1,828,337	944,882
2010	21,626,460	23,166,517	3,336,786	187,521	1,758,731	4,006,417	8,129,988
2009	21,001,466	22,046,820	2,971,330	170,456	1,984,724	4,430,593	9,101,601
2008	21,329,747	21,167,353	2,959,115	143,256		3,313,986	3,518,328
2007	19,828,279	19,652,630	2,778,563	198,465		2,904,280	2,115,518

Year	Operations Excluded from "CAPS"	State and Federal Grants	Capital Improvements	Deferred Charges Excluded from CAPS	Debt Service	Reserve for Uncollected Taxes	Total
2015	\$ 4,667,726	\$ 667,395	\$ 419,175		\$ 6,148,100	\$ 899,442	97,922,462
2014	7,136,120	864,561	394,860		6,060,083	900,240	99,061,339
2013	3,477,394	2,792,848	398,677		5,352,787	1,383,678	99,576,077
2012	4,214,114	1,381,323	379,150		5,939,570	1,300,000	99,137,590
2011	5,295,784	1,159,534	400,000		5,740,819	1,263,809	99,550,691
TY 2010	2,353,645	106,626	600,000		3,585,762	2,000,000	48,885,795
2010	6,793,788	2,410,190	400,000		5,567,198	1,300,000	99,253,253
2009	4,365,678	1,396,410	350,000	\$ 50,000	6,624,841	1,300,000	95,319,712
2008	8,917,664	1,100,487	150,000	10,000	6,025,173	1,101,453	89,388,689
2007	6,754,082	1,065,931	100,000	125,000	5,299,624	1,063,111	79,963,120

(1) Excludes taxes allocated to county and school

(2) During SFY 2009 Uniform Construction Code Appropriations were transferred from the Trust Fund back to the Current Fund budget.

(3) During TY 2010 the Township converted back to a calendar year.

TOWNSHIP OF HAMILTON  
COUNTY OF MERCER  
CURRENT FUND REVENUES BY SOURCE  
LAST TEN FISCAL YEARS  
UNAUDITED

Year	Taxes (1)	Delinquent Taxes	Fees, Permits, Fines and Licenses	Construction Code Fees	In Lieu Of Taxes	State Aid	From Other Funds
2015	\$ 64,392,419	\$ 156,579	\$ 4,964,237	\$ 2,692,203	\$ 614,000	\$ 19,166,830	
2014	64,087,414	430,079	4,577,038	2,352,951	223,000	19,166,830	\$ 754,331
2013	63,259,610	448,261	3,781,392	2,031,012	223,000	19,166,830	754,331
2012	62,826,326	566,516	3,677,150	1,696,081	223,000	19,166,830	861,943
2011	63,524,839	1,989,124	3,702,598	2,488,885	223,000	19,166,830	589,000
TY 2010	28,963,765	61,715	1,068,428	1,044,370	215,585	15,985,780	310,000
2010	61,064,278	71,333	4,326,844	1,255,613	543,197	24,094,067	620,000
2009	59,860,049	105,124	3,767,594	1,488,168	502,093	24,712,770	620,000
2008	55,051,187	72,029	3,089,018		848,185	25,836,719	520,000
2007	42,043,024	384,069	3,520,221		218,374	25,338,486	1,229,234

Year	Appropriation Reserve Lapsed	Sale of Municipal Assets	Other Special Items of Revenue	State and Federal Grants	Surplus Anticipated	Non-Budget Revenues and Other Items	Total
2015	\$ 1,848,367		\$ 732,313	\$ 642,395	\$ 3,200,000	\$ 1,656,242	\$ 100,065,584
2014	1,783,383		1,235,471	839,561	2,400,000	991,604	98,841,662
2013	154,888		4,973,944	1,777,988	4,500,000	1,493,565	102,564,821
2012	2,224,385	\$ 94,357	1,518,135	1,383,823	7,029,271	3,162,463	104,430,281
2011	2,058,395	60,185	3,684,177	1,134,534	7,856,297	1,965,105	108,442,969
TY 2010	3,523,423	50,000	24,860	106,626		463,833	51,818,386
2010	3,427,495		1,803,702	2,385,190	3,350,000	624,629	103,566,349
2009	2,584,698		3,629,543	1,371,410		1,697,281	100,338,730
2008	446,909		169,000	1,075,487	2,139,695	525,359	89,773,588
2007	369,523		4,222,970	1,040,931	3,861,911	352,105	82,580,848

(1) Excludes taxes allocated to county, school and special districts.

(2) During SFY 2009 Construction Code Revenue was Realized in the Current Fund.

(3) During TY 2010 the Township converted back to a calendar year Township.

TOWNSHIP OF HAMILTON  
COUNTY OF MERCER  
ASSESSSED VALUE AND ESTIMATE OF TOTAL VALUE  
LAST TEN FISCAL YEARS  
UNAUDITED

Year	Net Assessed Valuation Taxable	Market Valuation	Percentage of Net Assessed To Market Value
2015	\$ 5,165,540,985	\$ 8,713,857,913	59.28%
2014	5,166,302,640	8,660,503,656	61.15%
2013	5,157,770,396	8,281,583,808	62.28%
2012	5,158,330,794	9,160,155,030	56.31%
2011	5,158,310,796	9,128,138,022	56.51%
2010	5,181,260,831	9,839,082,474	52.66%
2009	5,183,429,281	10,412,674,329	49.78%
2008	5,185,400,541	10,114,275,612	51.27%
2007	5,128,624,286	9,361,748,161	54.78%
2006	5,059,660,299	7,924,291,776	63.85%

TOWNSHIP OF HAMILTON  
COUNTY OF MERCER  
SCHEDULE OF TEN LARGEST TAXPAYERS - 2015  
LAST TEN FISCAL YEARS  
UNAUDITED

Taxpayer	Business Type	2015* Assessed Valuation	As a Percent of Total Net Assessed Taxable Valuation
JDN Real Estate	Real Estate	\$91,075,050	1.76%
PSEG	Industrial	87,748,200	1.70%
Quakerbridge Plaza	Office	43,750,000	0.85%
Bell Atlantic	Personal Property	33,391,636	0.65%
Levin Properties	Real Estate	31,589,500	0.61%
Horizon Business park	Office	33,742,900	0.65%
Sharbell	Residential Home Development	29,062,800	0.56%
Cabot Holdings	Real Estate	26,300,800	0.51%
Station Apartments	Real Estate	24,588,900	0.48%
Kusar Village	Real Estate	23,369,000	0.45%
		<u>\$424,618,786</u>	<u>8.22%</u>

\* During 2015, the Township performed a revaluation on all major properties throughout the Township.

TOWNSHIP OF HAMILTON  
COUNTY OF MERCER  
RATIO OF BONDED DEBT, BOND ANTICIPATION NOTES, AND LOANS TO EQUALIZED VALUE  
AND DEBT PER CAPITA  
LAST TEN FISCAL YEARS

Year	Population (1)	Average Equalized Valuation	Net Debt	Net Debt per Capita	Debt to Equalized Valuation	Net Debt Excluding Authorized not Issued		
						Debt	Ratio of Debt to Equalized	Debt per Capita
2015	88,464	\$ 8,516,370,352	\$ 96,613,194	1,092	1.13%	\$ 82,088,278	0.96%	\$ 928
2014	88,464	8,439,319,800	93,449,390	1,056	1.11%	86,524,759	1.03%	978
2013	88,464	8,422,856,565	90,664,310	1,025	1.08%	63,892,038	0.76%	722
2012	88,464	9,050,138,527	87,384,557	988	0.97%	64,634,899	0.71%	731
2011	88,464	10,195,687,606	77,444,505	875	0.76%	47,143,944	0.46%	533
1 Y 2010	88,464	10,240,337,968	83,744,979	947	0.82%	41,911,393	0.41%	474
2010	88,464	10,240,337,968	73,512,663	831	0.72%	57,158,245	0.56%	646
2009	88,894	9,831,693,888	63,681,522	716	0.65%	50,505,427	0.51%	568
2008	88,894	8,950,354,281	71,543,184	805	0.80%	84,317,894	0.94%	949
2007	88,894	7,957,308,378	57,648,359	649	0.72%	52,850,918	0.66%	595

(1) Information taken from [http://nj.gov/counties/mercer/departments/pdfs/census\\_ham.pdf](http://nj.gov/counties/mercer/departments/pdfs/census_ham.pdf)

TOWNSHIP OF HAMILTON  
COUNTY OF MERCER  
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES (GROSS) - CURRENT FUND  
LAST TEN FISCAL YEARS  
UNAUDITED

Year	Principal	Interest	Total Debt Service	Total Current Fund Governmental Expenditures	Ratio of Debt Service to Current Fund Expenditures
2015	\$ 4,215,332	\$ 1,924,945	\$ 6,140,277	\$ 97,914,639	6.27%
2014	4,458,192	1,601,891	6,060,083	99,030,638	6.12%
2013	3,679,109	1,673,678	5,352,787	99,576,077	5.38%
2012	3,851,477	2,088,123	5,939,600	99,154,956	5.99%
2011	3,683,221	2,057,598	5,740,819	99,550,691	5.77%
TY 2010	2,574,147	1,011,616	3,585,763	48,885,795	7.33%
2010	3,690,594	1,876,604	5,567,198	99,253,253	5.61%
2009	3,417,351	2,013,418	5,430,769	95,319,712	5.70%
2008	3,809,818	2,013,418	5,823,236	89,388,689	6.51%
2007	3,114,427	2,185,197	5,299,624	79,963,120	6.63%

TOWNSHIP OF HAMILTON  
COUNTY OF MERCER  
DEMOGRAPHIC STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

Year	Unemployment Rate (1)	Total per Capita Income (2)
2015	7.10%	\$ 32,344
2014	7.20%	N/A
2013	7.20%	N/A
2012	7.20%	N/A
2011	7.70%	N/A
2010	7.30%	N/A
2009	7.60%	N/A
2008	5.40%	N/A
2007	4.30%	N/A
2006	2.20%	N/A

(1)- Per NJ Department of Labor Statistics

(2)- Information taken from [http://nj.gov/counties/mercercer/departments/pdfs/census\\_ham.pdf](http://nj.gov/counties/mercercer/departments/pdfs/census_ham.pdf)

TOWNSHIP OF HAMILTON  
COUNTY OF MERCER  
MISCELLANEOUS STATISTICS  
UNAUDITED

Date of Incorporation	1842
Form of Government	Mayor - Council
Area in Square Miles	40
Miles Of Streets	N/A

**AUDITORS' MANAGEMENT REPORTS**

**COMMENTS SECTION**

**TOWNSHIP OF HAMILTON  
COUNTY OF MERCER, NEW JERSEY  
YEAR ENDED DECEMBER 31, 2015**

**GENERAL COMMENTS**

An audit of the financial accounts and transactions of the Township of Hamilton, County of Mercer, New Jersey, for the year ended December 31, 2015, has been completed. The General Comments are herewith set forth:

Scope of Audit

The audit covered the financial transactions of the Finance Department and the other various offices and departments collecting fees within the Township of Hamilton, County of Mercer, New Jersey.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed.

Cash on hand was confirmed and cash and investment balances were reconciled with independent certifications obtained directly from the depositories.

Revenues and receipts were established and verified as to source and amount insofar as the records permitted.

Our audit was made in accordance with auditing standards generally accepted in the United States and in compliance with the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Therefore, our audit included the procedures noted above as well as tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

**OTHER MATTERS**

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

N.J.S.A. 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 bid threshold as set forth in New Jersey Statute 40A.4:11-4". The amount of \$36,000 for the period January 1, 2015 through June 30, 2015 and \$40,000 for the period July 1, 2015 through December 31, 2015 are the thresholds set forth in the aforementioned Statute for the year ended December 31, 2015.

The governing body of the Township has the responsibility of determining whether the expenditures in any category will exceed the thresholds identified above 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.

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts and agreements for "Professional Services" per N.J.S.A. 40A:11-5. Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring or any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed.

**TOWNSHIP OF HAMILTON  
COUNTY OF MERCER, NEW JERSEY  
YEAR ENDED DECEMBER 31, 2015**

**GENERAL COMMENTS**

Pay-to-Play Requirements

The responsibility for compliance with the Township's local ordinance and the statutory requirements relating to pay-to-play has been bifurcated. All matters relating to professional service contracts have been assigned to the Office of the Township Attorney, while compliance for non-professional services contracts remains with the Township Purchasing Agent. An anomaly exists in the "Pay-to-Play" statutes when they are matched with the LPCL requirements to determine compliance requirements. The threshold for Pay-to-Play is set at \$17,500, with no escalator provision. At the time c.271 was enacted, the bid threshold per the LPCL was also set at \$17,500. However, effective July 1, 2005, the bid threshold was increased to \$21,000. This created a gap for compliance, as under c. 271, a contract not awarded using a fair & open process and exceeding \$17,500 triggers the filing of additional documentation relating to ownership of the contracting entity and disclosure of political contributions. Since "Pay-to-Play" laws cover all contracts (not just professional services as some believe) any contract (or aggregation of purchases of similar goods or services) that does not meet "fair and open" standards requires the Township to obtain the necessary c. 271 documents. The provisions of c. 271 became effective on January 1, 2006.

Collection of Interest on Delinquent Taxes and Assessments

N.J.S.A. 54:4-67 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 1, 2015, adopted a resolution authorizing interest to be charged on delinquent taxes and assessments, as follows:

8% Interest on Amounts up to \$1,500 on Delinquent Tax and Assessment Accounts

18% Interest on Amounts from \$1,500 and above on Delinquent Tax and Assessment Accounts

Ten (10) Day Grace Period

This resolution also included the provision of N.J.S.A. 54:4-67 to include a penalty of 6% to be charged to delinquencies in excess of \$10,000 at the end of the calendar year.

An examination of the collector's records indicated that interest on delinquencies was calculated in accordance with the foregoing resolution, for items tested.

Delinquent Taxes and Tax Title Liens

The tax sale for 2015 delinquencies was held on December 16, 2015.

An accelerated tax sale was held in SFY 2003 as permitted by Chapter 99, P.L 1996. An accelerated tax sale has been held in each subsequent year.

The Township maintains a foreclosure program for tax title liens that become subject to In Rem

**TOWNSHIP OF HAMILTON  
COUNTY OF MERCER, NEW JERSEY  
YEAR ENDED DECEMBER 31, 2015**

**GENERAL COMMENTS**

Foreclosure. Subject liens have been assigned to attorneys and are in process of foreclosure.

**Investment of Funds**

The Chief Financial Officer had most of the idle funds of the Township invested in the interest-bearing investments or accounts from January 1, 2015 to December 31, 2015. Earnings from the investments are shown as revenue in the various accounts of the Township as of December 31, 2015. The investment program instituted by the finance officer was complete with minimal balances remaining in demand accounts. This policy complied with N.J.S.A. 40A.4: 5-14 in all respects.

All investments held by the Township were directly confirmed as of December 31, 2015.

**Purchase Order System and Encumbrance System**

The Township's budgetary operation is on a full encumbrance system with the exception of payrolls and other direct costs. All purchases are made directly by the purchasing department or subsequently confirmed on an emergency basis. Tests of the system disclosed no exceptions during 2015. Outstanding encumbrances were reviewed at the close of the year, and adjustments and cancellations were made where appropriate to reflect actual commitments outstanding for budgetary control.

**Condition of Records - Tax Collector Office**

The records maintained by the Tax Collector were audited. Computerized cash receipt records were agreed to daily controls and in total monthly with no exceptions noted for items tested. No exceptions were noted in the testing of computerized real estate tax billings and billing adjustments for real estate taxes.

**Condition of Records - Finance Department**

The Finance Department utilized a computerized general ledger accounting system during 2015. General ledgers were maintained for all funds. The Township is currently in compliance with New Jersey Administrative Code 5:30-5.7, establishment and maintenance of a general ledger.

**Payment of Claims**

The examination did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. Authorization for payment of claims is delegated to the Chief Financial Officer and bill lists are submitted to the Township Council for approval and recorded as a supplement to the official minutes.

Claims were examined on a test basis for the year under audit and no exceptions were noted.

**Budgetary Records**

The Township maintains a detailed, computerized subsidiary ledger for each of its budgets.

**TOWNSHIP OF HAMILTON  
COUNTY OF MERCER, NEW JERSEY  
YEAR ENDED DECEMBER 31, 2015**

**GENERAL COMMENTS**

Administration and Accounting for Federal and State Grant Programs

During 2015, the Township operated programs, which were funded in whole or in part by state or federal grant awards. As part of the acceptance of these funds, the Township is required to make assurances to the grantor agency that it will comply, in its general operations as well as in the operation of grant funded programs, with various laws and regulations. In addition, the individual grant contracts impose specific compliance requirements for the operations of each program. The examination of these grant programs, on a test basis, indicated that the Township has expended grant funds during 2015 for the purposes authorized.

## **COMMENTS AND RECOMMENDATIONS**

**TOWNSHIP OF HAMILTON  
COUNTY OF MERCER, NEW JERSEY  
YEAR ENDED DECEMBER 31, 2015**

Prior Year Findings

Corrective actions have been taken on all of the prior year's findings and recommendations, except as noted below (\*).

Funds Not Deposited in a Timely Manner – Tax Office:

In accordance with N.J.S.A. 40A:5-15, all moneys, including moneys collected by taxation, received from any source by or on behalf of any local unit or any board or department thereof shall, within 48 hours after the receipt thereof, either be paid to the officer charged with the custody of the general funds of the local unit, who shall deposit all such funds within 48 hours after the receipt thereof to the credit of the local unit in its designated legal depository, or be deposited to the credit of the local unit in its designated legal depository.

Our testing revealed that the tax department was not depositing funds in the timeline prescribed by N.J.S.A. 40A: 5-15. This included receipts received by residents for tax payments and the funds turned over from outside departments to get deposited into the bank.

Although our testing over cash receipts in the tax office identified this as a repeat comment from the 2014 audit, we noted that the Township implemented new procedures effective December 1, 2015. These procedures included but were not limited to purchasing and installing a new check and deposit scan system to expedite the time the funds get deposited into the bank. Furthermore, the tax office redesigned their process to record cash receipts to accelerate the time frame the cash gets recorded and deposited into the bank. We noted no 48 hour exceptions during the time frame these new processes were implemented. Since corrective action has already been implemented, no further corrective action is required.

Payment in Lieu of Tax (“PILOT”):

During our audit of the Township’s PILOT agreements we noted that one of the agreements examined, 240 Princeton Avenue Urban Renewal, LLC (“Subjected Property”) required that the revenue generated from the agreement must be distributed to the Township’s Board of Education and the Fire District servicing the project in the same manner as if such revenues were received as real estate taxes for the Subjected Property, as well as, remit 5% of the revenue to the County. The amount the Township allocated to the Board of Education remained the same without adjustment over a several year period and the County and Fire District have not received any amounts over the duration of the agreement.

Prior to completion of the audit, the Township reviewed the PILOT agreement for the Subjected Property and calculated the amounts that should be allocated to the Board of Education, County and Fire District. Those amounts have been accrued for as of December 31, 2015.

Finding 2015-001\*

Cash Deficits:

The Township had several bond ordinances in the General Capital Fund and Utility Capital Fund that have had cash deficits for more than five years.

We suggest that the Township issue either bonds or bond anticipation notes or raise an appropriation in the next annual budget to provide cash funding for these bond ordinances that currently have cash deficits associated with them.

**TOWNSHIP OF HAMILTON  
COUNTY OF MERCER, NEW JERSEY  
YEAR ENDED DECEMBER 31, 2015**

Finding 2015-002\*

Senior Discounts for Dog Licenses not Formally Approved:

The Township offers a \$6.00 discount to the senior citizen residents of Hamilton Township. Although this discount has been in effect for many years and prior to the current administration in place at the Township, no formal approval was noted in either the Township's ordinance or Township's administrative code.

Due to the administrative time to formally approve the ordinance, the \$6.00 discount did not get formally approved by December 31, 2015 and therefore is repeated as a recommendation in the 2015 audit. The Township intends on formally approving the \$6.00 discount to the senior citizens through adoption of an ordinance during the year ended December 31, 2016.

Finding 2015-003

Time and Effort Reporting & Fringe Benefits – Grants:

The Township has one grant administrator for both the Housing and Urban Development Grant (HUD) and the Community Development Block Grant (CDBG). Since the duties and responsibilities between the two grants are similar, the hours recorded on the grant administrator's time sheets did not always portray the actual hours worked on each respective grant. Although the total hours between the two grants were accurate, the time that should have be charged to each respective grant should have been based on the percentage of time actually worked between the HUD grant and CDBG grant. The actual time documented on the grant administrator's time sheets were difficult to determine the actual time incurred between the two grants.

Additionally, the grant administrator also approves all HUD grant time sheets. While this is a preferred and prudent practice, the grant administrator was noted to sign off on her own time sheets as well.

Lastly, the Township charges a portion of fringe benefits to the HUD grant. Although this is an allowable and acceptable cost, the amount charged to the grant did not always align with the actual cost of fringe benefits. The Township calculated the amount to be charged to the grant based on a percentage of total fringe benefits. We reviewed the actual costs charged to the grant and noted the comparison between the actual costs and the amount actually charged to the grant yielded an immaterial difference.

We suggest the Township improve the process to record payroll and fringe benefits to its HUD and CDBG grants. Time and effort reporting should include an identification of the actual hours worked for each grant independently and the Township should authorize another individual to approve the grant administrator's time sheets. The Township should also record the actual costs of fringe benefits to the grant instead of using estimated rates in its calculations that may not truly reflect the accurate expense on a consistent basis.