

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

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY DATA AND INFORMATION  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

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

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MERCER COUNTY, NEW JERSEY**

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## **INTRODUCTORY SECTION**



June 20, 2018

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, 2017 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 and the New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments".



Business Administrator



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 of the various funds and account group, as of and for the years ended December 31, 2017 and 2016, and the related statements of revenues, expenditures and changes in fund balance for the years then ended and the related notes to the financial statements, the combining financial statements, the statements of fund balance, the statements of revenues and the statements of expenditures of the various funds for the year ended December 31, 2017, which collectively comprise the Township’s basic financial statements, as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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 audit 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 to demonstrate compliance with the Division's regulatory-basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between 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, 2017 and 2016, and the results of its operations and changes in fund balances for the year 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, 2017 and 2016, and the results of its operations and changes in fund balances of such funds for the years then ended, and the combining financial statements, the statements of fund balance, the statements of revenues and the statements of expenditures of the various funds for the year ended December 31, 2017 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-22, 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 2017 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 or forming an opinion on the financial statements taken as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance, financial data schedule – balance sheet, and financial data schedule – schedule of changes to reserve, as required by Title

**Honorable Mayor and Members  
of the Township Council  
Township of Hamilton  
Page 3**

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 2017 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 June 20, 2018, 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.

*PKF O'Connor Davies, LLP*

Cranford, New Jersey  
June 20, 2018

*David J. Gannon*

David J. Gannon, CPA  
Registered Municipal Accountant, No. 520

**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, 2017

<u>ASSETS</u>	<u>CURRENT FUND</u>	<u>TRUST FUND</u>	<u>GENERAL CAPITAL FUND</u>	<u>UTILITY OPERATING FUND</u>	<u>UTILITY CAPITAL FUND</u>	<u>UTILITY ASSESSMENT FUND</u>	<u>GOVERNMENTAL FIXED ASSET ACCOUNT GROUP</u>	<u>TOTAL Dec. 31, 2017</u>	<u>MEMORANDUM ONLY TOTAL Dec. 31, 2016</u>
Cash and Investments	\$ 25,545,629.04	\$ 24,590,346.81	\$ 12,361,120.07	\$ 3,223,120.59	\$ 21,454,807.16	\$ 467.10		\$ 87,175,490.77	\$ 93,888,031.79
Federal and State Grant Receivable	1,796,676.85		347,081.78		8,650.65			2,152,409.28	2,728,285.98
Receivables and Other Assets:									
Delinquent Property Taxes and Utility Charges	63,064.58			624.00				63,688.58	906,530.08
Other Receivables	64,890.65	865,088.68						929,979.33	128,814.64
Assessments Receivable		896,017.37						896,017.37	961,903.88
Tax Title, Sewer and Assessment Liens Rec.	2,939,673.34			72,334.28				3,012,007.62	2,887,212.31
Prepaid School Tax	211,898.50							211,898.50	-
Interfunds Receivable	122,547.74	534,500.00	1,658,072.50	4,270,472.18				6,585,592.42	103,444.56
Property Acquired for Taxes	367,045.00							367,045.00	367,045.00
Due from State								-	267,964.65
Prospective Assessments Funded		2,267,073.50						2,267,073.50	2,267,073.50
Deferred Charges	880,000.00		98,723,746.53					99,603,746.53	99,666,403.38
Fixed Capital					134,215,182.90			134,215,182.90	134,159,873.33
Fixed Capital Authorized and Uncompleted					65,491,985.82			65,491,985.82	59,375,285.82
Fixed Assets							<u>\$ 107,484,678.72</u>	<u>107,484,678.72</u>	<u>106,342,688.23</u>
	<u>\$ 31,991,425.70</u>	<u>\$ 29,153,026.36</u>	<u>\$ 113,090,020.88</u>	<u>\$ 7,566,551.05</u>	<u>\$ 221,170,626.53</u>	<u>\$ 467.10</u>	<u>\$ 107,484,678.72</u>	<u>\$ 510,456,796.34</u>	<u>\$ 504,050,557.15</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, 2017

	CURRENT FUND	TRUST FUND	GENERAL CAPITAL FUND	UTILITY OPERATING FUND	UTILITY CAPITAL FUND	UTILITY ASSESSMENT FUND	GOVERNMENTAL FIXED ASSET ACCOUNT GROUP	TOTAL Dec. 31, 2017	MEMORANDUM ONLY TOTAL Dec. 31, 2016
LIABILITIES, RESERVES AND FUND BALANCE									
Overpayments	\$ 2,813.28			\$ 18,702.22				\$ 21,515.50	\$ 287,763.49
Appropriation Reserves	4,947,967.10			871,209.53				5,819,176.63	6,204,140.70
Prepaid Taxes, Assessments and Utility Charges	7,279,203.53	\$ 9,332.15		750,530.30				8,039,065.98	2,760,296.05
Federal and State Grants:									
Appropriated Reserves	2,211,244.81							2,211,244.81	2,310,582.03
Unappropriated Reserves	133,846.07							133,846.07	9,656.90
Encumbrances	87,697.23							87,697.23	106,494.33
Other Liabilities and Reserves:									
Due to State of New Jersey	32,082.00							32,082.00	47,136.00
Reserve for Future Debt Service			\$ 171,689.79	569,370.61				741,060.40	566,885.34
Capital Improvement Fund			73,008.74		\$ 192,775.00			265,783.74	230,059.58
Other Liabilities and Reserves	519,618.25	27,814,581.46	125,000.00		112,836,787.95			141,295,987.66	138,091,456.10
Improvement Authorizations			28,976,055.70		32,119,813.31			61,095,869.01	56,998,269.18
Reserve for Encumbrances/ Accounts Payable	1,771,913.44	306,110.75	4,772,423.37	658,869.88	1,738,184.79			9,247,502.23	8,058,746.78
Reserve for Tax Title Liens								-	2,818,493.96
Interfunds Payable	2,155,120.24	160,000.00	4,270,472.18					6,585,592.42	103,444.56
Serial Bonds Payable		863,000.00	64,183,000.00		58,049,000.00			123,095,000.00	89,192,000.00
Bond Anticipation Notes Payable			7,939,000.00		15,917,772.00			23,856,772.00	70,866,000.00
Special Emergency Notes Payable	880,000.00							880,000.00	1,320,000.00
Green Trust Loan Payable			225,473.88					225,473.88	271,769.34
Environmental Infrastructure Loans			2,351,424.25		315,587.10			2,667,011.35	3,027,270.45
Reserve for Receivables	3,434,673.57			72,958.28				3,507,631.85	1,470,808.40
Accrued Interest on Bonds and Notes				1,090,642.99				1,090,642.99	832,689.57
County and School Taxes Payable	318,005.06							318,005.06	631,224.39
Investment in Fixed Assets							\$ 107,484,678.72	107,484,678.72	106,342,688.23
Fund Balance	<u>8,217,241.12</u>	<u>2.00</u>	<u>2,472.97</u>	<u>3,534,267.24</u>	<u>706.38</u>	<u>\$ 467.10</u>		<u>11,755,156.81</u>	<u>11,502,681.77</u>
	<u>\$ 31,991,425.70</u>	<u>\$ 29,153,026.36</u>	<u>\$ 113,090,020.88</u>	<u>\$ 7,566,551.05</u>	<u>\$ 221,170,626.53</u>	<u>\$ 467.10</u>	<u>\$ 107,484,678.72</u>	<u>\$ 510,456,796.34</u>	<u>\$ 504,050,557.15</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, 2017

	CURRENT FUND	UTILITY OPERATING FUND	Total Dec. 31, 2017
<u>Revenues:</u>			
Fund Balance Appropriated	\$ 4,500,000.00	\$ 2,275,000.00	\$ 6,775,000.00
Sewer Rents and Connection Fees		16,437,366.84	16,437,366.84
Miscellaneous Revenue	9,905,423.86	129,046.89	10,034,470.75
State Aid	19,166,830.00		19,166,830.00
State and Federal Grants	651,088.22		651,088.22
Special Items	423,587.65		423,587.65
Receipts from Delinquent Taxes	366,115.73		366,115.73
Amount to be Raised by Taxes for Support of Municipal Budget:			
Local Tax for Municipal Purposes	66,628,698.03		66,628,698.03
Local Library Tax	2,884,609.80		2,884,609.80
Total Budget Revenue	<u>104,526,353.29</u>	<u>18,841,413.73</u>	<u>123,367,767.02</u>
Other Credits to Income	<u>3,426,398.88</u>	<u>1,189,004.72</u>	<u>4,615,403.60</u>
Total Revenues	<u>107,952,752.17</u>	<u>20,030,418.45</u>	<u>127,983,170.62</u>
<u>Expenditures:</u>			
Current Fund Within CAPS:			
General Government	916,223.00	12,049,034.00	12,965,257.00
Department of Administration	1,069,651.00		1,069,651.00
Department of Finance	1,750,079.00		1,750,079.00
Department of Law	1,790,866.00		1,790,866.00
Department of Engineering, Planning and Inspection	3,846,437.98		3,846,437.98
Department of Economic Development/Technology	669,325.00		669,325.00
Department of Public Safety	23,841,949.00		23,841,949.00
Department of Public Works	21,651,819.78		21,651,819.78
Department of Health, Recreation and Welfare	3,457,064.00		3,457,064.00
Separate Boards and Agencies	202,188.00		202,188.00
Unclassified Purposes	17,029,519.00		17,029,519.00
Deferred Charges and Statutory Expenditures	9,807,405.00	813,211.00	10,620,616.00
Current Fund Excluded From CAPS:			
General Government	4,778,739.00		4,778,739.00
Public and Private Programs	1,099,675.87		1,099,675.87
Capital Improvements	415,000.00		415,000.00
Debt Service	9,324,602.40	5,265,014.81	14,589,617.21
Reserve for Uncollected Taxes	1,100,290.19		1,100,290.19
Total Budget Expenditures	<u>102,750,834.22</u>	<u>18,127,259.81</u>	<u>120,878,094.03</u>
Other Charges	<u>77,601.55</u>		<u>77,601.55</u>
Total Expenditures	<u>102,828,435.77</u>	<u>18,127,259.81</u>	<u>120,955,695.58</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, 2017

	CURRENT FUND	UTILITY OPERATING FUND	Total Dec. 31, 2017
Excess in Revenues	\$ 5,124,316.40	\$ 1,903,158.64	\$ 7,027,475.04
Fund Balance January 1, 2017	<u>7,592,924.72</u>	<u>3,906,108.60</u>	<u>11,499,033.32</u>
	12,717,241.12	5,809,267.24	18,526,508.36
Decreased by:			
Utilized as Anticipated Revenue	<u>4,500,000.00</u>	<u>2,275,000.00</u>	<u>6,775,000.00</u>
Fund Balance December 31, 2017	<u>\$ 8,217,241.12</u>	<u>\$ 3,534,267.24</u>	<u>\$ 11,751,508.36</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, 2017

	BUDGET AS <u>MODIFIED</u>	2017 <u>ACTUAL</u>	EXCESS <u>(DEFICIT)</u>
Revenues:			
Fund Balance Appropriated	\$ 4,500,000.00	\$ 4,500,000.00	
Miscellaneous Revenue	9,010,304.72	9,905,423.86	\$ 895,119.14
State Aid	19,166,830.00	19,166,830.00	
State and Federal Grants	651,088.22	651,088.22	
Special Items	423,587.65	423,587.65	
Receipts from Delinquent Taxes	30,000.00	366,115.73	336,115.73
Amount to be Raised by Taxes for Support of Municipal Budget:			
Local Tax for Municipal Purposes	65,442,489.19	66,628,698.03	1,186,208.84
Local Library Tax	<u>2,884,609.80</u>	<u>2,884,609.80</u>	
Total Budget Revenue	<u>102,108,909.58</u>	<u>104,526,353.29</u>	<u>2,417,443.71</u>
Other Credits to Income		<u>3,426,398.88</u>	<u>3,426,398.88</u>
Total Revenues	<u>102,108,909.58</u>	<u>107,952,752.17</u>	<u>5,843,842.59</u>
Expenditures:			
Current Fund Within CAPS:			
General Government	916,223.00	916,223.00	
Department of Administration	1,069,651.00	1,069,651.00	
Department of Finance	1,750,079.00	1,750,079.00	
Department of Law	1,790,866.00	1,790,866.00	
Department of Engineering, Planning and Inspection	3,846,437.98	3,846,437.98	
Department of Economic Development/Technology	669,325.00	669,325.00	
Department of Public Safety	23,841,949.00	23,841,949.00	
Department of Public Works	21,651,819.78	21,651,819.78	
Department of Health, Recreation and Welfare	3,457,064.00	3,457,064.00	
Separate Boards and Agencies	202,188.00	202,188.00	
Unclassified Purposes	17,029,519.00	17,029,519.00	
Deferred Charges and Statutory Expenditures	9,807,405.00	9,807,405.00	
Current Fund Excluded From CAPS:			
General Government	4,778,739.00	4,778,739.00	
Public and Private Programs	1,099,675.87	1,099,675.87	
Capital Improvements	415,000.00	415,000.00	
Debt Service	9,333,765.98	9,324,602.40	9,163.58
Reserve for Uncollected Taxes	<u>1,100,290.19</u>	<u>1,100,290.19</u>	
Total Budget Expenditures	102,759,997.80	102,750,834.22	9,163.58
Other Charges		<u>77,601.55</u>	<u>(77,601.55)</u>
Total Expenditures	<u>102,759,997.80</u>	<u>102,828,435.77</u>	<u>(68,437.97)</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, 2017

	<u>BUDGET AS MODIFIED</u>	<u>2017 ACTUAL</u>	<u>EXCESS</u>
Excess in Revenues	\$ (651,088.22)	\$ 5,124,316.40	\$ 5,775,404.62
Fund Balance January 1, 2017	<u>7,592,924.72</u>	<u>7,592,924.72</u>	<u>                    </u>
	6,941,836.50	12,717,241.12	5,775,404.62
Decreased by:			
Utilized as Anticipated Revenue	<u>4,500,000.00</u>	<u>4,500,000.00</u>	<u>                    </u>
Fund Balance December 31, 2017	<u>\$ 2,441,836.50</u>	<u>\$ 8,217,241.12</u>	<u>\$ 5,775,404.62</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, 2017

	<u>BUDGET AS MODIFIED</u>	<u>2017 ACTUAL</u>	<u>EXCESS</u>
Revenues:			
Fund Balance Appropriated	\$ 2,275,000.00	\$ 2,275,000.00	
Sewer Rents	15,702,259.81	16,437,366.84	\$ 735,107.03
Miscellaneous	<u>150,000.00</u>	<u>129,046.89</u>	<u>(20,953.11)</u>
Total Budget Revenue	<u>18,127,259.81</u>	<u>18,841,413.73</u>	<u>714,153.92</u>
Other Credits to Income		<u>1,189,004.72</u>	<u>1,189,004.72</u>
Total Revenues	<u>18,127,259.81</u>	<u>20,030,418.45</u>	<u>1,903,158.64</u>
Expenditures:			
Operating Expenses	12,049,034.00	12,049,034.00	
Debt Service	5,265,014.81	5,265,014.81	
Statutory Expenditures	<u>813,211.00</u>	<u>813,211.00</u>	
Total Expenditures	<u>18,127,259.81</u>	<u>18,127,259.81</u>	<u>-</u>
Excess in Revenues / Statutory Excess to Fund Balance		<u>1,903,158.64</u>	<u>1,903,158.64</u>
Fund Balance January 1, 2017	<u>3,906,108.60</u>	<u>3,906,108.60</u>	<u>-</u>
	<u>3,906,108.60</u>	<u>5,809,267.24</u>	<u>1,903,158.64</u>
Decreased by:			
Utilized in Sewer Operating Budget	<u>2,275,000.00</u>	<u>2,275,000.00</u>	<u>-</u>
Fund Balance December 31, 2017	<u>\$ 1,631,108.60</u>	<u>\$ 3,534,267.24</u>	<u>\$ 1,903,158.64</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, 2017 AND 2016

ASSETS	BALANCE DEC. 31, 2017	BALANCE DEC. 31, 2016	LIABILITIES, RESERVES AND FUND BALANCE	BALANCE DEC. 31, 2017	BALANCE DEC. 31, 2016
Cash and Investments - Treasurer	\$ 24,746,277.40	\$ 17,501,474.23	Liabilities:		
Cash - Change Fund	2,881.00	2,881.00	Prepaid Taxes	\$ 7,279,203.53	\$ 2,141,232.05
Prepaid School Tax	211,898.50		Tax Overpayments	2,813.28	274,146.91
			Accounts Payable	130,744.57	52,274.41
Due from State of N.J. Per Chap. 73, P.L. 1976	<u>282,907.12</u>	<u>267,964.65</u>	Appropriation Reserves	4,947,967.10	4,923,421.83
			Special Emergency Notes Payable	880,000.00	1,320,000.00
			Due to General Capital	1,498,072.50	
			Due to Trust	534,500.00	
			Due to State of New Jersey:		
	<u>25,243,964.02</u>	<u>17,772,319.88</u>	State Marriage License Fees	2,800.00	3,750.00
			DCA Training Fees	29,282.00	43,386.00
			Due County for Added Taxes	318,005.06	362,627.89
			Due to Grant Fund	122,547.74	102,844.74
Receivables and Other Assets With Full Reserves:			PILOT Payable	141,560.85	
Taxes Receivable	63,064.58	55,674.15	Reserve for Encumbrances	1,641,168.87	1,596,683.43
Tax Title Liens Receivable	2,939,673.34	2,818,493.96	Reserve for 2014 Revaluation Expense	378,057.40	410,431.40
Property Acquired for Taxes at Assessed Value	367,045.00	367,045.00	Due Local School District	<u>17,906,722.90</u>	<u>11,499,395.16</u>
Revenue Accounts Receivable	64,890.65	74,718.90			
Other Accounts Receivable		54,095.74			
Due from Trust Other Fund		599.82			
	<u>3,434,673.57</u>	<u>3,370,627.57</u>			
Deferred Charges:					
Special Emergency Authorization	<u>880,000.00</u>	<u>1,320,000.00</u>	Reserve for Receivables	3,434,673.57	3,370,627.57
			Fund Balance	<u>8,217,241.12</u>	<u>7,592,924.72</u>
Total Regular Fund	<u>29,558,637.59</u>	<u>22,462,947.45</u>	Total Regular Fund	<u>29,558,637.59</u>	<u>22,462,947.45</u>
Grant Fund:			Grant Fund:		
Cash and Investments - Treasurer	796,470.64	875,815.72	Reserve for Encumbrances	87,697.23	106,494.33
Due from Current Fund	122,547.74	102,844.74	Reserve for State & Federal Grants:		
State & Federal Grants Receivable	<u>1,513,769.73</u>	<u>1,488,072.80</u>	Appropriated	2,211,244.81	2,310,582.03
			Unappropriated	<u>133,846.07</u>	<u>9,656.90</u>
Total Grant Fund	<u>2,432,788.11</u>	<u>2,426,733.26</u>	Total Grant Fund	<u>2,432,788.11</u>	<u>2,426,733.26</u>
Total Current Fund	<u>\$ 31,991,425.70</u>	<u>\$ 24,889,680.71</u>	Total Current Fund	<u>\$ 31,991,425.70</u>	<u>\$ 24,889,680.71</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, 2017 AND 2016

<u>REVENUE AND OTHER INCOME</u>	<u>YEAR 2017</u>	<u>YEAR 2016</u>
Fund Balance Utilized	\$ 4,500,000.00	\$ 4,500,000.00
Miscellaneous Revenues Anticipated	30,146,929.73	30,729,781.62
Receipts from Delinquent Taxes	366,115.73	37,004.87
Receipts from Current Taxes	258,350,944.77	252,668,301.95
Non-Budget Revenue	1,343,077.29	901,113.48
Other Credits to Income:		
Unexpended Balance of Prior Year Approp. Res. Lapsed	<u>2,083,321.59</u>	<u>1,039,146.25</u>
Total Revenue and Other Income	<u>\$ 296,790,389.11</u>	<u>\$ 289,875,467.83</u>
 <u>EXPENDITURES</u>		
Budget Appropriations:		
Operations:		
Salaries and Wages	44,693,300.00	43,686,186.00
Other Expenses	37,410,236.63	38,977,510.80
Deferred Charges and Statutory Expenditures	9,807,405.00	9,564,307.00
Capital Improvements	415,000.00	410,000.00
Municipal Debt Service	9,324,602.40	7,444,188.38
Special District Taxes	23,762,073.00	22,673,160.58
County Taxes	53,855,199.13	52,808,619.74
Local District School Taxes	112,320,655.00	109,354,340.00
Other	70,351.55	
Interfunds Advanced		102,844.74
Prior Years Senior Citizens/Veterans Deductions	<u>7,250.00</u>	<u>7,332.98</u>
 Total Expenditures	 <u>\$ 291,666,072.71</u>	 <u>\$ 285,028,490.22</u>

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, 2017 AND 2016

	<u>YEAR 2017</u>	<u>YEAR 2016</u>
Statutory Excess to Fund Balance	\$ 5,124,316.40	\$ 4,846,977.61
 <u>FUND BALANCE</u>		
Balance - January 1	<u>7,592,924.72</u>	<u>7,245,947.11</u>
	12,717,241.12	12,092,924.72
Decreased by:		
Utilized as Anticipated Revenue	<u>4,500,000.00</u>	<u>4,500,000.00</u>
Balance - December 31	<u>\$ 8,217,241.12</u>	<u>\$ 7,592,924.72</u>

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	ANTICIPATED		REALIZED	EXCESS (DEFICIT)
	2017 BUDGET	N.J.S.A. 40A:4-87		
Surplus Anticipated	\$ 4,500,000.00		\$ 4,500,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverage	90,300.00		97,100.00	\$ 6,800.00
Other	182,000.00		181,223.33	(776.67)
Fees and Permits:				
Other	265,000.00		306,445.82	41,445.82
Fines and Costs:				
Municipal Court	900,000.00		831,232.45	(68,767.55)
Interest and Costs on Taxes	689,029.94		692,374.06	3,344.12
Interest on Investments and Deposits	350,000.00		523,029.92	173,029.92
Cable Franchise Fees	1,321,699.77		1,321,699.77	
Housing, Site and Contractor Fees	500,000.00		927,757.00	427,757.00
Energy Receipts Tax	19,166,830.00		19,166,830.00	
Payments in Lieu of Taxes - Low Cost Housing	223,000.00		335,603.63	112,603.63
Reimbursement for Administrative Service:				
Free Public Library	218,553.25		241,579.35	23,026.10
Sewer Operating Fund	874,067.00		874,067.00	
Uniform Construction Code Fees	3,000,000.00		2,228,525.00	(771,475.00)
Developers Escrow - Engineering & Planning Staff	100,000.00		296,528.07	196,528.07
Special Items:				
Alcohol Education & Rehab		\$ 12,739.25	12,739.25	
Click It or Ticket Grant		5,500.00	5,500.00	
Div of Highway Traffic Safety		5,000.00	5,000.00	
NJ ACCHO	1,500.00		1,500.00	
NJACCO Health		2,320.00	2,320.00	
Recycling Tonnage	137,687.65		137,687.65	
Emergency Management Assistance	9,400.00		9,400.00	
Clean Communities		184,817.89	184,817.89	
State DOT Whitehorse-Hamilton Sq Rd	275,000.00		275,000.00	
NJDOT Hughes Drive		305,000.00	305,000.00	
Municipal Alliance		78,832.00	78,832.00	
Drive Sober Get Pulled Over		5,500.00	5,500.00	

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	ANTICIPATED		REALIZED	EXCESS (DEFICIT)
	2017 BUDGET	N.J.S.A. 40A:4-87		
Miscellaneous Revenues (Cont'd.):				
Special Items (cont'd):				
Drunk Driving Enforcement		\$ 10,400.38	\$ 10,400.38	
Drunk Driving Enforcement		10,400.38	10,400.38	
Drive Sober Get Pulled Over		5,500.00	5,500.00	
Drive Sober Get Pulled Over		5,500.00	5,500.00	
State Body Armor		14,078.32	14,078.32	
Distracted Driving		5,500.00	5,500.00	
Septemberfest Sponsorships and Vendor Fees	\$ 90,000.00		50,030.00	\$ (39,970.00)
Ecological Facility & Various Leases	100,000.00		138,244.79	38,244.79
FEMA Reimbursement	157,742.98		157,742.98	
HUD Administrative Reimbursements & HCVP	150,000.00		197,839.54	47,839.54
American Metro - Payment in Lieu of Taxes	450,000.00		504,401.15	54,401.15
Total Miscellaneous Revenues	<u>29,251,810.59</u>	<u>651,088.22</u>	<u>30,146,929.73</u>	<u>244,030.92</u>
Receipts from Delinquent Taxes	<u>30,000.00</u>		<u>366,115.73</u>	<u>336,115.73</u>
Amount to be Raised by Taxation for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	65,442,489.19		66,628,698.03	1,186,208.84
Local Tax for Municipal Library	<u>2,884,609.80</u>		<u>2,884,609.80</u>	
Total Amount to be Raised By Taxation	<u>68,327,098.99</u>		<u>69,513,307.83</u>	<u>1,186,208.84</u>
Budget Totals	102,108,909.58	651,088.22	104,526,353.29	1,766,355.49
Non-Budget Revenues			<u>1,343,077.29</u>	<u>1,343,077.29</u>
	<u>\$ 102,108,909.58</u>	<u>\$ 651,088.22</u>	<u>\$ 105,869,430.58</u>	<u>\$ 3,109,432.78</u>

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

Analysis of Non-Budget Revenues:

Hotel Occupancy Fees	\$	351,019.14
Interlocal Agreements		12,675.00
Special Event Reimbursements		4,933.79
Recycling		2,284.85
Homestead Rebate Admin Fee		4,966.20
NFS Bad Checks		1,260.00
Tax Office		387,618.01
Other		258,281.80
Wedding Ceremonies		16,100.00
Restitution		3,210.51
Plans/Specifications		4,147.22
Golf Center		90,715.00
Sayen House and Gardens, Kuser, and Bromley		102,708.11
Senior & Veteran's Administrative Fee		19,420.91
Sale of Municipal Assets		<u>83,736.75</u>
	\$	<u>1,343,077.29</u>

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collection:

Revenue from Collection:

Collections by Cash:

Year 2017	\$ 255,228,074.78	
Year 2016	2,141,232.05	
Sr. Cit. & Vet. Deduction		
Reimbursement	<u>981,637.94</u>	\$ 258,350,944.77

School, County and Special

District Taxes		<u>189,937,927.13</u>
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68,413,017.64

Add: Reserve for Uncollected Taxes

1,100,290.19

\$ 69,513,307.83

Receipts from Delinquent Taxes:

Delinquent Tax Collection	\$ 73,297.83
Tax Title Lien Collection	<u>292,817.90</u>

\$ 366,115.73

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
Operations Within "CAPS"						
<u>GENERAL GOVERNMENT:</u>						
Office of the Mayor						
Salaries and Wages	\$ 347,725.00	\$ 350,825.00	\$ 334,673.98		\$ 16,151.02	
Other Expenses	16,909.00	16,909.00	12,869.44	\$ 623.12	3,416.44	
Township Council						
Salaries and Wages	78,337.00	78,337.00	78,332.04		4.96	
Other Expenses	10,600.00	10,600.00	6,573.88	605.67	3,420.45	
Fire District Study	100,000.00	100,000.00	48,336.33	284.69	51,378.98	
Office of the Municipal Clerk						
Salaries and Wages	277,647.00	278,647.00	265,291.39		13,355.61	
Other Expenses	80,905.00	80,905.00	46,764.15	34,132.89	7.96	
<u>DEPARTMENT OF ADMINISTRATION:</u>						
Business Administrator						
Salaries and Wages	225,245.00	226,745.00	217,864.35		8,880.65	
Other Expenses	7,190.00	7,190.00	6,589.97		600.03	
Human Resources						
Salaries and Wages	217,588.00	217,588.00	209,169.92		8,418.08	
Other Expenses	9,120.00	9,120.00	7,385.08	635.42	1,099.50	
Training	10,000.00	7,000.00	1,832.02		5,167.98	
Division of Budget and Purchasing						
Salaries and Wages	427,230.00	428,130.00	411,512.26		16,617.74	
Other Expenses	28,878.00	28,878.00	19,221.63	3,254.74	6,401.63	
Postage Costs	145,000.00	145,000.00	144,061.47	787.49	151.04	
<u>DEPARTMENT OF FINANCE:</u>						
Financial Administration:						
Salaries and Wages	365,594.00	365,594.00	340,860.09		24,733.91	
Other Expenses	233,570.00	233,570.00	224,630.49	8,191.90	747.61	
Annual Audit	67,230.00	67,230.00	62,506.00		4,724.00	
Division of Assessments						
Salaries and Wages	438,354.00	432,354.00	368,506.84		63,847.16	
Other Expenses	89,325.00	89,325.00	84,290.96	897.99	4,136.05	
Division of Revenue Collection						
Salaries and Wages	438,956.00	438,956.00	387,046.15		51,909.85	
Other Expenses	123,050.00	123,050.00	91,779.06	4,927.46	26,343.48	

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017 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	\$ 335,007.00	\$ 343,407.00	\$ 327,545.54		\$ 15,861.46	
Other Expenses	118,000.00	109,600.00	54,298.90	\$ 5,004.55	50,296.55	
Municipal Prosecutor						
Salaries and Wages	118,297.00	118,297.00	83,211.50		35,085.50	
Municipal Court						
Salaries and Wages	1,109,813.00	1,109,813.00	1,018,117.38		91,695.62	
Other Expenses	109,748.00	109,748.00	70,022.05	3,269.52	36,456.43	
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	572,186.00	572,186.00	493,223.46		78,962.54	
Other Expenses	121,309.00	121,309.00	38,397.74	65,320.25	17,591.01	
Community Planning & Compliance						
Salaries and Wages	556,314.00	558,714.00	530,465.59		28,248.41	
Other Expenses	16,985.00	14,585.00	4,442.70	210.00	9,932.30	
Zoning Board						
Salaries and Wages	91,204.00	92,204.00	88,523.23		3,680.77	
Other Expenses	15,450.00	15,510.00	14,905.47	390.00	214.53	
Affordable Housing						
Salaries and Wages	236,541.00	236,541.00			236,541.00	
Office on Housing Inspe						
Salaries and Wages	373,215.00	372,215.00	334,657.79		37,557.21	
Other Expenses	19,112.00	19,052.00	11,621.81	548.15	6,882.04	
Uniform Construction Code						
Salaries and Wages	1,344,493.00	1,344,493.00	1,273,960.17		70,532.83	
Other Expenses	499,628.98	499,628.98	494,281.38	2,614.28	2,733.32	
<u>DEPARTMENT OF ECONOMIC DEVELOPMENT</u>						
Salaries and Wages	421,394.00	421,394.00	391,620.55		29,773.45	
Other Expenses	247,931.00	247,931.00	140,189.73	106,570.95	1,170.32	
<u>DEPARTMENT OF PUBLIC SAFETY:</u>						
Police Division						
Salaries and Wages	22,624,426.00	22,428,321.00	21,148,285.36		1,280,035.64	
Other Expenses	1,049,815.00	1,049,815.00	678,854.34	170,614.29	200,346.37	
Purchase of Police Vehicles	325,000.00	325,000.00	105,010.13	217,281.79	2,708.08	
Office of Emergency Management						
Other Expenses	38,813.00	38,813.00	17,317.44	21,403.66	91.90	

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
Operations Within "CAPS" (Cont'd.)						
<u>DEPARTMENT OF PUBLIC WORKS:</u>						
Public Works						
Salaries and Wages	\$ 4,138,691.00	\$ 4,161,691.00	\$ 3,991,182.52		\$ 170,508.48	
Other Expenses	625,545.00	602,545.00	464,907.63	\$ 94,661.99	42,975.38	
Other Public Works Functions						
Salaries and Wages	91,756.00	91,756.00	85,807.08		5,948.92	
Other Expenses	18,530.00	18,530.00	6,352.72	5,601.35	6,575.93	
Division of Buildings and Grounds						
Salaries and Wages	2,130,916.00	1,980,916.00	1,768,901.36		212,014.64	
Other Expenses	498,688.86	498,688.86	406,285.91	83,065.17	9,337.78	
Solid Waste Collection & Recycling						
Salaries and Wages	108,839.00	108,839.00	91,386.12		17,452.88	
Other Expenses	3,817,947.00	3,867,947.00	3,449,950.05	258,778.72	159,218.23	
Maintenance of Motor Vehicles						
Salaries and Wages	1,273,702.00	1,223,702.00	1,139,828.65		83,873.35	
Other Expenses	604,628.00	604,628.00	550,727.95	41,989.04	11,911.01	
Landfill/Solid Waste Disposal Costs	5,025,500.00	5,325,500.00	4,801,067.90	209,645.19	314,786.91	
Maintenance of Parks						
Salaries and Wages	2,914,688.00	2,614,688.00	2,428,546.43		186,141.57	
Other Expenses	324,678.92	324,678.92	269,501.34	36,225.71	18,951.87	
Division of Citizen Response						
Salaries and Wages	225,498.00	225,498.00	208,290.45		17,207.55	
Other Expenses	2,212.00	2,212.00	1,462.15	343.44	406.41	
<u>DEPARTMENT OF HEALTH, RECREATION AND WELFARE:</u>						
Public Health Services						
Salaries and Wages	791,288.00	791,288.00	708,239.29		83,048.71	
Other Expenses	201,574.00	201,574.00	65,521.34	117,628.21	18,424.45	
Environmental Health Services						
Salaries and Wages	428,312.00	428,612.00	410,236.85		18,375.15	
Other Expenses	16,814.00	16,514.00	8,865.03	3,200.07	4,448.90	
Animal Control Services						
Salaries and Wages	378,723.00	381,923.00	368,586.55		13,336.45	
Other Expenses	141,000.00	137,800.00	106,102.18	21,830.40	9,867.42	
Division of Recreation						
Salaries and Wages	450,990.00	450,990.00	375,434.06		75,555.94	
Other Expenses	489,904.00	479,904.00	362,441.12	35,309.83	82,153.05	

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
Operations Within "CAPS" (Cont'd.)						
<u>DEPARTMENT OF HEALTH, RECREATION AND WELFARE (CONT'D.):</u>						
Office of Sr. Citizens Programs						
Salaries and Wages	\$ 427,544.00	\$ 427,544.00	\$ 407,058.23		\$ 20,485.77	
Other Expenses	140,915.00	140,915.00	118,733.75	\$ 9,506.97	12,674.28	
<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	1,200.00	1,200.00	484.20		715.80	
Zoning Board of Adjustment						
Other Expenses	46,500.00	46,500.00	9,830.40	185.71	36,483.89	
Economic Development Commission						
Salaries and Wages	1,000.00	1,000.00	725.00		275.00	
Other Expenses	3,280.00	3,280.00	3,264.70		15.30	
Planning Board						
Other Expenses	45,932.00	45,932.00	20,302.61		25,629.39	
Board of Public Officers						
Salaries and Wages	400.00	400.00	350.00		50.00	
Other Expenses	100.00	100.00			100.00	
Municipal Alliance						
Salaries and Wages	1,000.00	1,000.00	200.00		800.00	
Aid to Museum (N.J.S.A. 40:23-6.22)	6,550.00	21,550.00	6,550.00	15,000.00		
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	30,000.00	10,000.00		
Neighborhood Service Center - Contributions	10,000.00	10,000.00			10,000.00	
Redevelopment Board						
Salaries and Wages	250.00	250.00	100.00		150.00	
Other Expenses	8,280.00	8,280.00			8,280.00	
Shade Tree Commission						
Salaries and Wages	450.00	450.00	450.00			
Other Expenses	300.00	300.00	160.00		140.00	
Parks and Recreation Commission						
Salaries and Wages	100.00	100.00	100.00			

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
Operations Within "CAPS" (Cont'd.)						
<u>SEPARATE BOARDS AND AGENCIES (CONTD.):</u>						
Rent Leveling Board						
Salaries and Wages	\$ 700.00	\$ 700.00	\$ 700.00			
Other Expenses	50.00	50.00			\$ 50.00	
Public Safety Commission						
Salaries and Wages	200.00	200.00			200.00	
Special Needs Commission						
Salaries and Wages	600.00	600.00			600.00	
Other Expenses	200.00	200.00			200.00	
<u>UNCLASSIFIED PURPOSES:</u>						
Aid to Board of Fire Commissioners	15,000.00	15,000.00	15,000.00			
Utility Expense and Bulk Purchase	3,203,400.00	2,803,400.00	2,408,235.38	\$ 49,008.26	346,156.36	
Retirement Payouts	250,000.00	250,000.00	188,685.53		61,314.47	
Payments to Fire Districts	29,102.00	29,102.00	29,021.58		80.42	
Other Insurance General Liability	642,754.00	642,754.00	642,754.00			
Group Insurance	11,387,181.00	12,037,181.00	12,037,181.00			
Self Insurance	1,148,057.00	1,148,057.00	1,148,057.00			
Self Insurance Special Assessment	44,025.00	44,025.00	44,025.00			
Condominium Services Act	60,000.00	60,000.00			60,000.00	
Total Operations Within "CAPS"	<u>76,318,726.76</u>	<u>76,225,121.76</u>	<u>69,890,038.82</u>	<u>1,639,548.87</u>	<u>4,695,534.07</u>	
DETAIL:						
Salaries and Wages	44,215,914.00	43,557,609.00	40,477,675.71		3,079,933.29	
Other Expenses	32,102,812.76	32,667,512.76	29,412,363.11	1,639,548.87	1,615,600.78	
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL - WITHIN "CAPS":						
Statutory Expenditures:						
Contributions to:						
Public Employees Retirement System	2,874,408.00	3,068,013.00	3,068,012.32		0.68	
Social Security System (O.A.S.I.)	2,171,697.00	2,071,697.00	1,956,343.94		115,353.06	
DCRP	23,200.00	23,200.00	6,705.62		16,494.38	
Police and Firemen's Retirement Sys. of NJ	4,644,495.00	4,644,495.00	4,644,495.00			
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	<u>9,713,800.00</u>	<u>9,807,405.00</u>	<u>9,675,556.88</u>		<u>131,848.12</u>	
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>86,032,526.76</u>	<u>86,032,526.76</u>	<u>79,565,595.70</u>	<u>1,639,548.87</u>	<u>4,827,382.19</u>	

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED		UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED      RESERVED	
<u>Operations Excluded from "CAPS"</u>					
Maintenance of Free Public Library	\$2,884,610.00	\$2,884,610.00	\$2,884,610.00		
Police Dispatch/911					
Salaries and Wages	1,135,691.00	1,135,691.00	1,021,548.14		\$ 114,142.86
Other Expenses	109,750.00	109,750.00	106,979.95	\$ 1,620.00	1,150.05
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		
<u>STATE AND FEDERAL PROGRAMS</u>					
<u>OFF-SET BY REVENUES:</u>					
Alcohol Ed. And Rehab		12,739.25	12,739.25		
Division of Highway Traffic Safety		5,000.00	5,000.00		
NJACCHO Mini Grant	1,500.00	1,500.00	1,500.00		
Click It or Ticket Grant		5,500.00	5,500.00		
Clean Communities		184,817.89	184,817.89		
State DOT Whitehorse Hamilton Square Road	275,000.00	275,000.00	275,000.00		
State DOT Hughes Drive		305,000.00	305,000.00		
Emergency Management	9,400.00	9,400.00	9,400.00		
Distracted Driving		5,500.00	5,500.00		
Municipal Alliance		78,832.00	78,832.00		
Drive Sober Get Pulled Over		5,500.00	5,500.00		
Drive Sober Get Pulled Over		5,500.00	5,500.00		
Drive Sober Get Pulled Over		5,500.00	5,500.00		
NJACCHO Health		2,320.00	2,320.00		
Drunk Driving Enforcement Grant		10,400.38	10,400.38		
Drunk Driving Enforcement Grant		10,400.38	10,400.38		
State Body Armor		14,078.32	14,078.32		
Recycling Tonnage	137,687.65	137,687.65	137,687.65		
Matching Funds for Municipal Alliance	19,708.00	19,708.00	19,708.00		
Matching Funds for Grants	5,292.00	5,292.00			5,292.00
Total Operations Excluded from "CAPS"	5,227,326.65	5,878,414.87	5,756,209.96	1,620.00	120,584.91
<u>DETAIL:</u>					
Salaries and Wages	1,135,691.00	1,135,691.00	1,021,548.14		114,142.86
Other Expenses	4,091,635.65	4,742,723.87	4,734,661.82		6,442.05

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
<u>CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS":</u>						
Capital Improvement Fund	\$ 415,000.00	\$ 415,000.00	\$ 415,000.00			
Total Capital Improvements Excluded from "CAPS"	<u>415,000.00</u>	<u>415,000.00</u>	<u>415,000.00</u>			
<u>MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS":</u>						
Payment of Bond Principal	5,855,000.00	5,855,000.00	5,855,000.00			
Interest on Bonds	1,999,165.98	1,999,165.98	1,996,808.81			\$ 2,357.17
Principal Payment BANS	432,000.00	432,000.00	432,000.00			
Interest on Notes	624,000.00	624,000.00	624,000.00			
Special Emergency Note Interest	27,000.00	27,000.00	27,000.00			
Special Assessment Interest	30,000.00	30,000.00	30,000.00			
Green Trust Loan Program						
Payment of Principal	47,300.00	47,300.00	47,225.99			74.01
Payment of Interest	5,300.00	5,300.00	5,200.43			99.57
NJEITF:						
Payment of Principal	278,000.00	278,000.00	277,825.13			174.87
Payment of Interest	<u>36,000.00</u>	<u>36,000.00</u>	<u>29,542.04</u>			<u>6,457.96</u>
Total Municipal Debt Service Excluded from "CAPS"	<u>9,333,765.98</u>	<u>9,333,765.98</u>	<u>9,324,602.40</u>			<u>9,163.58</u>
Total General Appropriations for Municipal Excluded from "CAPS"	<u>14,976,092.63</u>	<u>15,627,180.85</u>	<u>15,495,812.36</u>	\$ <u>1,620.00</u>	\$ <u>120,584.91</u>	<u>9,163.58</u>
Subtotal General Appropriations	101,008,619.39	101,659,707.61	95,061,408.06	1,641,168.87	4,947,967.10	9,163.58
Reserve for Uncollected Taxes	<u>1,100,290.19</u>	<u>1,100,290.19</u>	<u>1,100,290.19</u>			
Total General Appropriations	\$ <u>102,108,909.58</u>	\$ <u>102,759,997.80</u>	\$ <u>96,161,698.25</u>	\$ <u>1,641,168.87</u>	\$ <u>4,947,967.10</u>	\$ <u>9,163.58</u>
Adopted Budget		\$ 102,108,909.58				
Appropriated N.J.S.A. 40A:4-87		<u>651,088.22</u>				
		\$ <u>102,759,997.80</u>				
Cash Disbursed			\$ 93,967,024.19			
State & Federal Grants Appropriated			1,094,383.87			
Reserve for Uncollected Taxes			<u>1,100,290.19</u>			
			\$ <u>96,161,698.25</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, 2017 AND 2016

<u>ASSETS</u>	<u>BALANCE DEC. 31, 2017</u>	<u>BALANCE DEC. 31, 2016</u>	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>BALANCE DEC. 31, 2017</u>	<u>BALANCE DEC. 31, 2016</u>
Trust Assessment Fund:			Trust Assessment Fund:		
Cash and Investments - Treasurer	\$ 316,171.95	\$ 249,385.95	Prepaid Assessments	\$ 9,332.15	\$ 9,332.15
Assessments Receivable	895,117.88	961,903.88	Reserve for Assessments, Liens and		
Assessment Lien, Interest & Costs	899.49	899.49	Assessment Lien Interest and Costs	2,606,928.67	2,496,928.67
Prospective Assessments Funded	<u>2,267,073.50</u>	<u>2,267,073.50</u>	Serial Bonds Payable	863,000.00	973,000.00
			Fund Balance	<u>2.00</u>	<u>2.00</u>
Total Trust Assessment Fund	<u>3,479,262.82</u>	<u>3,479,262.82</u>	Total Trust Assessment Fund	<u>3,479,262.82</u>	<u>3,479,262.82</u>
Animal Control Trust Fund:			Animal Control Trust Fund:		
Cash and Investments - Treasurer	88,341.81	44,778.75	Reserve for Animal Control	83,210.02	41,571.96
			Escrow	4,782.00	2,857.00
			Reserve for Encumbrances	349.79	349.79
Total Animal Control Trust Fund	<u>88,341.81</u>	<u>44,778.75</u>	Total Animal Control Trust Fund	<u>88,341.81</u>	<u>44,778.75</u>
Trust-Other Fund:			Trust-Other Fund:		
Cash and Investments - Treasurer	23,776,629.75	24,368,579.75	Reserve for Encumbrances	305,760.96	194,123.64
Due from Current Fund	<u>534,500.00</u>	<u>24,368,579.75</u>	Escrow Funds	7,456,800.50	7,037,492.30
	24,311,129.75	24,368,579.75	Performance Guarantees	1,305,235.05	1,305,235.05
			Due to Current Fund		599.82
			Deposits for Tax Sale Redemp./Premiums	3,838,765.44	4,827,463.86
			Utilities Trust Reserve	40,195.69	5,094.74
			Developers Escrow	1,130,024.58	1,227,348.65
			Dedicated Law Enfor. Trust Fund	52,426.57	61,328.71
			Affordable Housing	6,148,724.44	4,839,204.62
			Flexible Spending Account	25,917.13	17,318.83
			Unemployment Trust	92,974.75	25,447.59
			Insurance Trust Reserve	1,843,681.31	3,154,656.78
			Off-Duty Police	1,010,768.32	686,581.20
			Storm Recovery	413,451.98	500,000.00
			Payroll Deductions Payable	486,403.03	486,683.96
			Due to General Capital Fund	<u>160,000.00</u>	
Total Trust-Other Fund	<u>\$ 24,311,129.75</u>	<u>\$ 24,368,579.75</u>	Total Trust-Other Fund	<u>\$ 24,311,129.75</u>	<u>\$ 24,368,579.75</u>

See accompanying notes to the financial statements

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, 2017 AND 2016

	<u>BALANCE</u> <u>DEC. 31, 2017</u>	<u>BALANCE</u> <u>DEC. 31, 2016</u>		<u>BALANCE</u> <u>DEC. 31, 2017</u>	<u>BALANCE</u> <u>DEC. 31, 2016</u>
Housing and Community Development Act of 1974:			Housing & Community Development Act of 1974:		
Cash and Investments - Treasurer	\$ 50,761.88	\$ 1,433.67	Reserve for Commun. Develop. Blk.		
Accounts Receivable	<u>865,088.68</u>	<u>1,028,076.75</u>	Grant Projects	\$ 915,850.56	\$ 1,029,510.42
Total Housing and Community Development Act of 1974	<u>915,850.56</u>	<u>1,029,510.42</u>	Total Housing & Community Development Act of 1974	<u>915,850.56</u>	<u>1,029,510.42</u>
Self-Insurance Trust Fund:			Self-Insurance Trust Fund:		
Cash and Investments - Treasurer	<u>7,720.12</u>	<u>8,286.65</u>	Reserve for Insurance Claims: Worker's Compensation	<u>7,720.12</u>	<u>8,286.65</u>
Total Self Insurance Trust Fund	<u>7,720.12</u>	<u>8,286.65</u>	Total Self Insurance Trust Fund	<u>7,720.12</u>	<u>8,286.65</u>
HUD Housing Voucher Trust Fund:			HUD Housing Voucher Trust Fund:		
Cash and Investments - Treasurer	350,721.30	520,874.04	Reserve for HUD Housing Voucher Program Expenditures	349,268.30	425,125.04
Accounts Receivable	<u>                    </u>	<u>53,904.00</u>	Accounts Payable	1,453.00	4,100.00
Total HUD Housing Voucher Trust Fund	<u>350,721.30</u>	<u>574,778.04</u>	Unearned Revenue	<u>                    </u>	<u>145,553.00</u>
Total Trust Funds	<u>\$ 29,153,026.36</u>	<u>\$ 29,505,196.43</u>	Total Trust Funds	<u>\$ 29,153,026.36</u>	<u>\$ 29,505,196.43</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 DECEMBER 31, 2017

	BUDGET REVENUES	REALIZED
Deficit (General Budget)	\$ 110,000.00	\$ 110,000.00

TOWNSHIP OF HAMILTON  
 MERCER COUNTY, NEW JERSEY  
 TRUST ASSESSMENT FUND  
 STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	BUDGET APPROPRIATION	EXPENDED
Payment of Bond Principal	\$ 110,000.00	\$ 110,000.00

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, 2017 AND 2016

<u>ASSETS</u>	<u>BALANCE</u> <u>DEC. 31, 2017</u>	<u>BALANCE</u> <u>DEC. 31, 2016</u>
Cash and Investments - Treasurer	\$ 12,361,120.07	\$ 17,112,334.95
Due from State of NJ DOT	189,581.78	189,581.78
Due from County of Mercer	157,500.00	
Due from Trust Other Fund	160,000.00	
Due from Current Fund	1,498,072.50	
Deferred Charges to Future Taxation:		
Funded	66,759,898.13	53,223,537.98
Unfunded	<u>31,963,848.40</u>	<u>45,122,865.40</u>
	<u>\$ 113,090,020.88</u>	<u>\$ 115,648,320.11</u>
<u>LIABILITIES, RESERVES</u> <u>AND FUND BALANCE</u>		
General Serial Bonds	\$ 64,183,000.00	\$ 50,265,000.00
Bond Anticipation Notes	7,939,000.00	31,329,000.00
Environmental Infrastructure Loan	2,351,424.25	2,686,768.64
Due to Sewer Operating	4,270,472.18	
Green Trust Project Loan Payable	225,473.88	271,769.34
Reserve for Encumbrances	4,772,423.37	3,261,841.68
Improvement Authorizations:		
Funded	9,314,758.23	4,837,016.62
Unfunded	19,661,297.47	22,796,464.19
Reserve For:		
Unallocated Grant Receipts	125,000.00	125,000.00
Capital Improvement Fund	73,008.74	37,284.58
Future Debt Service	171,689.79	35,702.09
Fund Balance	<u>2,472.97</u>	<u>2,472.97</u>
	<u>\$ 113,090,020.88</u>	<u>\$ 115,648,320.11</u>

There were Bonds and Notes Authorized but not Issued for the years ended December 31, 2017 and 2016 in the amounts of \$24,024,848.40 and \$13,793,865.40 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, 2017 AND 2016

<u>ASSETS</u>	<u>BALANCE DEC. 31, 2017</u>	<u>BALANCE DEC. 31, 2016</u>	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>BALANCE DEC. 31, 2017</u>	<u>BALANCE DEC. 31, 2016</u>
Operating Fund:			Operating Fund:		
Cash and Investments - Treasurer	\$ 3,223,120.59	\$ 7,742,420.30	Liabilities:		
Due from General Capital	<u>4,270,472.18</u>	<u>7,742,420.30</u>	Sewer Rents Overpayments	\$ 18,702.22	\$ 13,616.58
	<u>7,493,592.77</u>	<u>7,742,420.30</u>	Prepaid Sewer Rents	750,530.30	609,731.85
			Accounts Payable	8,398.00	
Receivables With Offsetting Reserves:			Appropriation Reserves	871,209.53	1,280,718.87
Sewer Rents Receivable	624.00	850,855.93	Reserve for Encumbrances	650,471.88	568,371.58
Sewer Rent Liens Receivable	<u>72,334.28</u>	<u>67,818.86</u>	Reserve for Future Debt Service	569,370.61	531,183.25
			Accrued Interest on Bonds & Notes	<u>1,090,642.99</u>	<u>832,689.57</u>
	<u>72,958.28</u>	<u>918,674.79</u>		<u>3,959,325.53</u>	<u>3,836,311.70</u>
			Reserve for Receivables	72,958.28	918,674.79
			Fund Balance	<u>3,534,267.24</u>	<u>3,906,108.60</u>
Total Operating Fund	<u>7,566,551.05</u>	<u>8,661,095.09</u>	Total Operating Fund	<u>7,566,551.05</u>	<u>8,661,095.09</u>
Capital Fund:			Capital Fund:		
Cash and Investments - Treasurer	21,454,807.16	25,459,299.68	Serial Bonds	58,049,000.00	37,954,000.00
Account Receivable - State	8,650.65	8,650.65	Bond Anticipation Notes	15,917,772.00	39,537,000.00
Fixed Capital	134,215,182.90	134,159,873.33	NJ EIT Loan Payable	315,587.10	340,501.81
Fixed Capital - Auth. and Uncompl.	<u>65,491,985.82</u>	<u>59,375,285.82</u>	Reserve for Encumbrances	1,738,184.79	2,381,002.25
			Improvement Authorizations:		
			Funded	9,833,546.34	1,617,857.92
			Unfunded	22,286,266.97	27,746,930.45
			Reserve for:		
			Capital Improvement Fund	192,775.00	192,775.00
			Reserve for Amortization	112,836,787.95	109,232,335.67
			Fund Balance	<u>706.38</u>	<u>706.38</u>
Total Capital Fund	<u>221,170,626.53</u>	<u>219,003,109.48</u>	Total Capital Fund	<u>221,170,626.53</u>	<u>219,003,109.48</u>
Assessment Fund:			Assessment Fund:		
Cash and Investments - Treasurer	<u>467.10</u>	<u>467.10</u>	Fund Balance	<u>467.10</u>	<u>467.10</u>
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>\$ 228,737,644.68</u>	<u>\$ 227,664,671.67</u>	Total Sewer Utility Fund	<u>\$ 228,737,644.68</u>	<u>\$ 227,664,671.67</u>

There were Bonds and Notes Authorized but not Issued for the years ended December 31, 2017 and 2016 in the amounts of \$12,588,021.67 and \$6,471,321.67, respectively.

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND  
 STATEMENT OF REVENUES, EXPENDITURES, OPERATIONS AND CHANGE IN  
 FUND BALANCE - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

<u>REVENUE AND OTHER INCOME REALIZED</u>	<u>YEAR 2017</u>	<u>YEAR 2016</u>
Fund Balance Utilized	\$ 2,275,000.00	\$ 1,000,000.00
Sewer Rents	16,105,621.79	15,158,471.20
Sewer Connection Fees	331,745.05	701,322.00
Reserve for Future Debt Service		307,754.37
Miscellaneous	129,046.89	153,811.54
Miscellaneous Revenue Not Anticipated		55,280.55
Other Credits to Income:		
Unexpended Balance of Appropriation		
Reserves Lapsed	<u>1,189,004.72</u>	<u>1,025,779.54</u>
 Total Revenues	 <u>20,030,418.45</u>	 <u>18,402,419.20</u>
 <u>EXPENDITURES</u>		
Budget Appropriations:		
Operating	12,049,034.00	12,020,459.00
Capital Improvements		250,000.00
Debt Service	5,265,014.81	4,350,212.81
Statutory Expenditures	<u>813,211.00</u>	<u>787,082.00</u>
 Total Expenditures	 <u>18,127,259.81</u>	 <u>17,407,753.81</u>
 Excess in Revenues Over Expenditures	 1,903,158.64	 994,665.39
 <u>FUND BALANCE</u>		
Balance - January 1	<u>3,906,108.60</u>	<u>3,911,443.21</u>
	5,809,267.24	4,906,108.60
Decreased by:		
Utilized in Sewer Operating Budget	<u>2,275,000.00</u>	<u>1,000,000.00</u>
Balance - December 31	<u>\$ 3,534,267.24</u>	<u>\$ 3,906,108.60</u>

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, 2017

Balance - December 31, 2017 and 2016	\$ <u>706.38</u>
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TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

SEWER UTILITY ASSESSMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN  
FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

Balance - December 31, 2017 and 2016 \$ 467.10

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND  
 STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS/ (DEFICIT)</u>
Operating Fund Balance			
Anticipated	\$ 2,275,000.00	\$ 2,275,000.00	
Sewer Rents	15,002,259.81	16,105,621.79	\$ 1,103,361.98
Sewer Connection Fees	700,000.00	331,745.05	(368,254.95)
Miscellaneous	<u>150,000.00</u>	<u>129,046.89</u>	<u>(20,953.11)</u>
	<u>\$ 18,127,259.81</u>	<u>\$ 18,841,413.73</u>	<u>\$ 714,153.92</u>

TOWNSHIP OF HAMILTON  
MERCER COUNTY, NEW JERSEY

SEWER UTILITY OPERATING FUND  
 STATEMENT OF EXPENDITURES - REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2017

	2017 <u>BUDGET</u>	BUDGET AFTER <u>MODIFICATION</u>	<u>EXPENDED</u>		
			<u>PAID OR CHARGED</u>	<u>ENCUMBERED</u>	<u>RESERVED</u>
Operating:					
Salaries and Wages	\$ 4,638,414.00	\$ 4,638,414.00	\$ 4,104,484.21		\$ 533,929.79
Other Expenses	4,758,830.00	4,758,830.00	3,820,336.39	\$ 650,471.88	288,021.73
Group Insurance Plan for Employees	2,321,775.00	2,321,775.00	2,321,775.00		
Self-Insurance Program N.J.S.A. 40A:10-1 et seq.	211,592.00	211,592.00	211,592.00		
Other Insurance and Surety Bond Premiums	118,423.00	118,423.00	118,423.00		
Debt Service:					
Payment of Bond Principal	2,460,000.00	2,460,000.00	2,460,000.00		
Payment of BANS	140,000.00	140,000.00	140,000.00		
Interest on Bonds	1,861,787.50	1,861,787.50	1,861,787.50		
Interest on Notes	775,000.00	775,000.00	775,000.00		
EIT Loan Principal	24,914.71	24,914.71	24,914.71		
EIT Loan Interest	3,312.60	3,312.60	3,312.60		
Statutory Expenditures:					
Contribution to:					
Public Employees Retirement System	458,372.00	458,372.00	458,372.00		
Social Security System (O.A.S.I.)	<u>354,839.00</u>	<u>354,839.00</u>	<u>305,580.99</u>		<u>49,258.01</u>
Total Sewer Utility Appropriations	\$ <u>18,127,259.81</u>	\$ <u>18,127,259.81</u>	\$ <u>16,605,578.40</u>	\$ <u>650,471.88</u>	\$ <u>871,209.53</u>
Cash Disbursed			\$ 13,965,478.30		
Accrued Interest on Bonds and Notes			<u>2,640,100.10</u>		
			\$ <u>16,605,578.40</u>		

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**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 of 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
- HUD Housing Vouchers
- 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 the General Capital Fund.

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Description of Funds (continued)**

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.

**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.

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):**

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

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.

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.

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):**

C. Basis of Accounting and Measurement Focus (continued)

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 position 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.

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.

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):**

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

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. Township 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.

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.

Recent Pronouncements

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

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

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

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

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 30, 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 Township has implemented this standard; however, it has no tax abatement arrangements to disclose at December 31, 2017.

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, 2017 and 2016, the amounts held in trust amounted to \$30,148,074.40 and \$26,733,566.04, respectively.

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 4: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION**

A. Summary of Municipal Debt:

**Summary of Municipal Debt**

	2017	2016
Issued:		
General Capital:		
Bonds and notes	\$ 72,122,000.00	\$ 81,594,000.00
Green trust program loans	225,473.88	271,769.34
Infrastructure loan	2,351,424.25	2,686,768.64
Trust Assessment:		
Bonds and notes	863,000.00	973,000.00
Sewer Utility:		
Bonds and notes	73,966,772.00	77,491,000.00
Infrastructure loan	315,587.10	340,501.81
Total Debt Issued	\$ 149,844,257.23	\$ 163,357,039.79
Less:		
Funds temporarily held to pay		
Bonds or Notes:		
General Capital	171,689.79	35,702.09
Sewer Utility	569,370.61	531,183.25
	741,060.40	566,885.34
Net Debt Issued	\$ 149,103,196.83	\$ 162,790,154.45
Authorized But Not Issued		
General Capital:		
Bonds and Notes	\$ 24,024,753.40	\$ 13,793,770.40
Trust Assessment:		
Bonds and Notes	95.00	95.00
Sewer Utility:		
Bonds and Notes	12,588,021.67	6,471,321.67
Total authorized but not issued	36,612,870.07	20,265,187.07
Net bonds and notes issued and authorized but not issued	\$ 185,716,066.90	\$ 183,055,341.52

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 4: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (continued)**

**A. Summary of Municipal Debt (continued)**

<b>Changes in Long-Term Municipal Debt</b>	Balance, December 31, 2016	Additions	Reductions	Balance, December 31, 2017
<b>Bonds Payable</b>				
General Capital Fund	\$ 50,265,000.00	\$ 19,773,000.00	\$ 5,855,000.00	\$ 64,183,000.00
Trust Assessment Fund	973,000.00		110,000.00	863,000.00
Sewer Utility Capital Fund	37,954,000.00	22,555,000.00	2,460,000.00	58,049,000.00
Total	<u>\$ 89,192,000.00</u>	<u>\$</u>	<u>\$ 8,425,000.00</u>	<u>\$ 123,095,000.00</u>
<b>Infrastructure Loans Payable</b>				
General Capital Fund	\$ 2,686,768.64		\$ 335,344.39	\$ 2,351,424.25
Sewer Utility Capital Fund	340,501.81		24,914.71	315,587.10
Total	<u>\$ 3,027,270.45</u>	<u>\$</u>	<u>\$ 360,259.10</u>	<u>\$ 2,667,011.35</u>
<b>Green Trust Loans Payable</b>				
General Capital Fund	\$ 271,769.34		\$ 46,295.46	\$ 225,473.88
Total Long-Term Debt	<u>\$ 92,491,039.79</u>	<u>\$</u>	<u>\$ 8,831,554.56</u>	<u>\$ 125,987,485.23</u>
<b>Bonds and Notes Authorized But Not Issued</b>				
General Capital Fund*	\$ 13,793,865.40	\$ 15,930,983.00	\$ 5,700,000.00	\$ 24,024,848.40
Sewer Utility Capital Fund	6,471,321.67	6,116,700.00		12,588,021.67
Total	<u>\$ 20,265,187.07</u>	<u>\$ 22,047,683.00</u>	<u>\$ 5,700,000.00</u>	<u>\$ 36,612,870.07</u>
	Balance, December 31, 2015	Additions	Reductions	Balance, December 31, 2016
<b>Bonds Payable</b>				
General Capital Fund	\$ 55,385,000.00		\$ 5,120,000.00	\$ 50,265,000.00
Trust Assessment Fund	1,083,000.00		110,000.00	973,000.00
Sewer Utility Capital Fund	40,364,000.00		2,410,000.00	37,954,000.00
Total	<u>\$ 96,832,000.00</u>	<u>\$</u>	<u>\$ 7,640,000.00</u>	<u>\$ 89,192,000.00</u>
<b>Infrastructure Loans Payable</b>				
General Capital Fund	\$ 2,970,089.77		\$ 283,321.13	\$ 2,686,768.64
Sewer Utility Capital Fund	365,285.06		24,783.25	340,501.81
Total	<u>\$ 3,335,374.83</u>	<u>\$</u>	<u>\$ 308,104.38</u>	<u>\$ 3,027,270.45</u>
<b>Green Trust Loans Payable</b>				
General Capital Fund	\$ 318,064.80		\$ 46,295.46	\$ 271,769.34
Total Long-Term Debt	<u>\$ 100,485,439.63</u>	<u>\$</u>	<u>\$ 7,994,399.84</u>	<u>\$ 92,491,039.79</u>
<b>Bonds and Notes Authorized But Not Issued</b>				
General Capital Fund*	\$ 14,524,915.40	\$ 30,597,950.00	\$ 31,329,000.00	\$ 13,793,865.40
Sewer Utility Capital Fund	6,049,271.67	6,379,050.00	5,957,000.00	6,471,321.67
Total	<u>\$ 20,574,187.07</u>	<u>\$ 36,977,000.00</u>	<u>\$ 37,286,000.00</u>	<u>\$ 20,265,187.07</u>

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

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**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, 2017 and 2016:

**Changes in Short-Term Debt**

	Balance, December 31, 2016	Additions	Reductions	Balance, December 31, 2017
Bond Anticipation Notes				
General Capital Fund	\$ 31,329,000.00	\$ 7,939,000.00	\$31,329,000.00	\$ 7,939,000.00
Sewer Utility Capital Fund	39,537,000.00	15,917,772.00	39,537,000.00	15,917,772.00
Total	<u>\$ 70,866,000.00</u>	<u>\$ 23,856,772.00</u>	<u>\$70,866,000.00</u>	<u>\$ 23,856,772.00</u>
	Balance, December 31, 2015	Additions	Reductions	Balance, December 31, 2016
Bond Anticipation Notes				
General Capital Fund	\$ 22,895,000.00	\$ 31,329,000.00	\$22,895,000.00	\$ 31,329,000.00
Sewer Utility Capital Fund	33,580,000.00	39,537,000.00	33,580,000.00	39,537,000.00
Total	<u>\$ 56,475,000.00</u>	<u>\$ 70,866,000.00</u>	<u>\$56,475,000.00</u>	<u>\$ 70,866,000.00</u>

<b>General Debt</b>	2017	2016
\$17,425,000 General Improvement Refunding Bonds of 2013, due in annual installments of \$1,555,000 through \$2,050,000 through August 1, 2025, interest at 4.00%	\$ 14,320,000.00	\$ 15,830,000.00
\$4,630,000 Pension Obligation Refunding Bonds of 2013, due in annual installments of \$440,000 through \$585,000 through August 1, 2023, interest at 1.85% through 3.12%.	3,045,000.00	3,490,000.00
\$17,716,000 General Improvement Bonds of 2010, due in annual installments \$1,700,000 through February 1, 2022, interest at 3.13% through 3.25%	8,496,000.00	10,196,000.00
\$8,046,000 General Improvement Bonds of 2014, due in annual installments of \$810,000 through \$900,000 through June 1, 2024, interest at 2.00% through 4.00%.	6,056,000.00	6,846,000.00
\$14,703,000 General Improvement Bonds of 2015 due in annual installments of \$1,455,000 through \$1,600,000 through June 1, 2025, interest at 2.00% through 4.00%	12,493,000.00	13,903,000.00
\$19,773,000 General Improvement Bonds of 2017 due in annual installments of \$1,163,000 through \$2,325,000 through June 1, 2028, interest at 3.00% through 5.00%	<u>19,773,000.00</u>	<u>-</u>

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 4: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (continued)**

A. Summary of Municipal Debt (Cont'd)

General Debt (cont'd)

<b>Green Trust Loans</b>	2017	2016
\$115,841.25 Issac Pearson Acq., due in semi-annual installments of \$7,203.38 through March 6, 2022, interest at 2.00%.	\$ 30,979.97	\$ 37,340.96
\$461,600 Veterans Park., due in semi-annual installments of \$28,703.76 through March 6, 2022, interest at 2.00%.	123,448.64	148,795.67
\$265,655 Tyndale Farm Acq., due in semi-annual installments of \$16,519.28 through March 6, 2022, interest at 2.00%.	71,045.27	85,632.71
<b>New Jersey Environmental Infrastructure Trust</b>		
\$1,435,000 Infrastructure Loan, due in annual installments of \$80,000 through \$110,000 through August 1, 2025 interest at 4.250% to 4.375%	692,480.74	825,000.00
\$4,028,778 Infrastructure Loan, Principal Only- due in		
<b>Bond Anticipation Notes</b>		
Bond Anticipation Notes, date of original issue August 28 2014, due date June 8, 2017, interest rate at 2.00%		22,895,000.00
Bond Anticipation Notes, date of original issue June 11, 2016, due date June 8, 2017, interest rate at 1.50% through 2%		8,434,000.00
Bond Anticipation Notes, date of original issue June 8, 2017, due date May 23, 2018, interest rate at 2.00%	7,939,000.00	
\$1,523,000 Assessment Bonds of 2010, due in annual installments of \$103,000 through \$110,000 through February 1, 2025, interest at 3.125% through 3.625%	863,000.00	973,000.00
<b>Total General Debt</b>	<b>\$ 75,561,898.13</b>	<b>\$ 85,525,537.98</b>

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 4: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (continued)**

A. Summary of Municipal Debt (Cont'd)

Utility Debt

	2017	2016
\$5,142,000 Sewer Utility Bonds of 2010, due in annual installments of \$160,000 through \$290,000 through March 1, 2035, interest at 3.125% through 4.300%.	\$ 4,082,000.00	\$ 4,242,000.00
\$16,505,000 Sewer Utility Refunding Bonds of 2013, due in annual installments of \$1,475,000 through \$1,935,000 through Aug 1, 2025, interest of 4.00%	13,560,000.00	14,995,000.00
\$14,687,000 Sewer Utility Improvement Bonds of 2014, due in annual installments of \$500,000 through \$650,000 through June 1, 2039, interest at 2.00% through 4.00%.	13,412,000.00	13,887,000.00
\$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%.	1,950,000.00	2,075,000.00
\$3,035,000 Sewer Utility Refunding Series Bonds of 2015 due in annual installments of \$275,000 through \$360,000 through August 1, 2025, interest at 3.00% through 5.00%.	2,490,000.00	2,755,000.00
\$23,480,000 Sewer Utility Improvement Bonds of 2017 (series B) due in annual installments of \$475,000 to \$940,000 through May 15, 2047, interest at 3.00% through 5.00%.	22,555,000.00	
Bond Anticipation Notes, date of original issue August 28, 2014 and June 11, 2016, due date May 23, 2018, interest rate at 2.00%.	12,761,476.00	36,337,000.00
Bond Anticipation Notes, date of original issue June 10, 2016, due date May 23, 2018, interest rate at 2.00%	3,156,296.00	3,200,000
\$126,650.65 Infrastructure Loan, due in annual installments of \$6,048.41 through \$8,841.65 through August 1, 2029, interest at 2.75% to 4.16%	87,372.77	93,269.63
\$4,028,778 Infrastructure Loan, Principal Only- due in semi-annual installments totaling \$19,017.85 through August 1, 2029	228,214.33	247,232.18
Total utility debt	\$ 74,282,359.10	\$ 77,831,501.81
Total debt issued and outstanding	\$ 149,844,257.23	\$ 163,357,039.79

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 4: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (continued)**

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

Schedule of Annual Debt Service for Principal and Interest for the Bonded Debt Issues and Outstanding

Year	General*		Sewer Utility		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 7,278,000.00	\$ 2,321,289.61	\$ 3,010,000.00	\$ 2,115,063.00	\$ 10,288,000.00	\$ 4,436,352.61
2019	7,450,000.00	2,076,539.45	3,105,000.00	2,007,609.88	10,555,000.00	4,084,149.33
2020	7,625,000.00	1,811,549.15	3,190,000.00	1,891,197.38	10,815,000.00	3,702,746.53
2021	7,640,000.00	1,540,507.35	3,315,000.00	1,768,550.50	10,955,000.00	3,309,057.85
2022	7,766,000.00	1,283,870.00	3,415,000.00	1,650,463.00	11,181,000.00	2,934,333.00
2023-2027	24,962,000.00	2,762,090.07	15,210,000.00	6,172,536.29	40,172,000.00	8,934,626.36
2028-2032	2,325,000.00	58,125.00	9,010,000.00	3,800,377.50	11,335,000.00	3,858,502.50
2033-2037			8,247,000.00	2,306,840.01	8,247,000.00	2,306,840.01
2038-2042			5,422,000.00	1,117,845.00	5,422,000.00	1,117,845.00
2043-2047			4,125,000.00	360,868.17	4,125,000.00	360,868.17
<b>Total</b>	<b>\$ 65,046,000.00</b>	<b>\$ 11,853,970.63</b>	<b>\$ 58,049,000.00</b>	<b>\$ 23,191,350.73</b>	<b>\$ 118,970,000.00</b>	<b>\$ 34,684,453.19</b>

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

**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:

2017	Gross Debt	Deductions	Net Debt
Local School District	\$ 84,473,000.00	\$ 84,473,000.00	
Sewer Utility	86,554,793.67	86,554,793.67	
General Capital	99,586,746.53	171,689.79	\$ 99,415,056.74
	<u>\$ 270,614,540.20</u>	<u>\$ 171,199,483.46</u>	<u>\$ 99,415,056.74</u>

Net Debt \$99,415,056.74 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended \$8,617,061,159.67 equals 1.15%.

Equalized Valuation Basis

2015 Equalized valuation basis of real property	\$ 8,483,583,977.00
2016 Equalized valuation basis of real property	8,626,133,807.00
2017 Equalized valuation basis of real property	<u>8,741,465,695.00</u>
Average equalization value	<u>\$ 8,617,061,159.67</u>

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 4: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (continued)**

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

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

3 1/2 % of Equalized Valuation		\$	301,597,140.59
Net Debt			99,415,056.74
Remaining Borrowing Power		\$	202,182,083.85

<b>2016</b>	Gross Debt	Deductions	Net Debt
Local School District	\$ 31,925,000.00	\$ 31,925,000.00	
Sewer Utility	84,302,823.48	84,302,823.48	
General Capital	99,319,403.38	35,702.09	\$ 99,283,701.29
	\$ 215,547,226.86	\$ 116,263,525.57	\$ 99,283,701.29

Net Debt \$99,283,701.09 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended \$8,590,301,552.67 equals 1.156%.

Equalized Valuation Basis

2014 Equalized valuation basis of real property		\$	8,661,186,874.00
2015 Equalized valuation basis of real property			8,483,583,977.00
2016 Equalized valuation basis of real property			8,626,133,807.00
Average equalization value		\$	8,590,301,552.67

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

3 1/2 % of Equalized Valuation		\$	300,660,554.34
Net Debt			99,283,701.29
Remaining Borrowing Power		\$	201,376,853.05

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, 2017, the Township made payments to the New Jersey Environmental Infrastructure Trust with respect to the loan improvement programs in the amount of \$75,000.00

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 4: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (continued)**

D. Loan Agreements: (continued)

Loan Agreements – NJ Environmental Infrastructure Trust (continued)

Schedule of Annual Debt Service of Principal and Interest for the Loan Agreements Issued and Outstanding at December 31, 2017.

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

<u>Year</u>	<u>NJ Environmental Infrastructure Trust</u>	
	<u>Principal</u>	<u>Interest</u>
2018	\$ 74,763.93	\$ 27,699.30
2019	79,221.11	24,708.74
2020	79,096.47	21,539.88
2021	83,341.58	18,376.02
2022	87,649.22	15,042.34
2023-2026	<u>288,408.43</u>	<u>23,411.14</u>
Total	<u>\$ 692,480.74</u>	<u>\$ 130,777.42</u>

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, 2017, the Township made payments to the New Jersey Environmental Infrastructure Trust with respect to the loan improvement programs in the amount of \$260,344.39.

<u>Year</u>	<u>NJ Environmental Infrastructure Trust Principal</u>	
	2018	\$ 206,489.13
2019	209,420.32	
2020	202,802.23	
2021	204,954.83	
2022	206,901.33	
2023-2026	<u>628,375.67</u>	
Total	<u>\$ 1,658,943.51</u>	

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 \$2,351,424.25 has been included in the calculation of the Township's statutory debt condition.

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 4: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (continued)**

D. Loan Agreements: (continued)

Loan Agreements – NJ Environmental Infrastructure Trust (continued)

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, 2017, the Township made payments to the New Jersey Environmental Infrastructure Trust with respect to the loan improvement programs in the amount of \$5,896.86.

Schedule of Annual Debt Service for Principal and Interest for the Loan Agreements Issued and Outstanding at December 31, 2017:

<u>Year</u>	<b><u>NJ Environmental Infrastructure Trust</u></b>	
	<u>Principal</u>	<u>Interest</u>
2018	\$ 6,048.41	\$ 3,161.06
2019	6,214.74	2,994.72
2020	6,398.07	2,811.38
2021	6,598.97	2,149.10
2022	6,814.76	2,357.91
2023-2027	37,961.12	9,856.30
2028-2030	17,336.70	7,144.11
Total	<u>\$ 87,372.77</u>	<u>\$ 30,474.57</u>

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

Schedule of Annual Debt Service for Principal Only for the Loan Agreements Issued and Outstanding at December 31, 2017:

<u>Year</u>	<b><u>NJ Environmental Infrastructure Trust Principal Only</u></b>	
	2018	\$ 19,017.85
2019	19,017.85	
2020	19,017.85	
2021	19,017.85	
2022	19,017.85	
2023-2027	95,089.25	
2028-2030	38,035.83	
Total	<u>\$ 228,214.33</u>	

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 \$315,587.10 has been included in the calculation of the Township's statutory

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 4: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (continued)**

D. Loan Agreements: (continued)

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, 2017, the Township made payments-with respect to the Green Trust Program Loans in the amount of \$46,295.46.

Schedule of Annual Debt Service for Principal and Interest for the Loan Agreements Issued and Outstanding at December 31, 2017:

<u>Green Trust Loan - Issac Pearson Acquisition</u>		
<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 6,619.27	\$ 584.11
2019	6,752.31	451.06
2020	6,888.03	315.35
2021	7,026.48	176.90
2022	3,693.88	35.66
Total	\$ 30,979.97	\$ 1,563.08

Loan Agreements – Veterans Park Extension

Schedule of Annual Debt Service for Principal and Interest for the Loan Agreements Issued and Outstanding at December 31, 2017:

<u>Green Trust Loan - Veterans Park Extension</u>		
<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 26,885.69	\$ 2,327.54
2019	26,906.38	1,797.38
2020	27,447.20	1,256.57
2021	27,998.88	704.88
2022	14,210.49	142.10
Total	\$ 123,448.64	\$ 6,228.47

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 4: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (continued)**

Loan Agreements – Tyndale Farm Acquisition

Schedule of Annual Debt Service for Principal and Interest for the Loan Agreements Issued and Outstanding at December 31, 2017:

<u>Green Trust Loan - Tyndale Farm Acquisition</u>		
<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 15,472.97	\$ 1,339.52
2019	15,484.86	1,034.41
2020	15,796.11	723.17
2021	16,113.61	405.66
2022	8,177.72	81.78
Total	\$ 71,045.27	\$ 3,584.54

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 \$225,473.88 has been included in the calculation of the Township's statutory debt condition.

**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:

<b><u>2017</u></b>		
Cash Receipts from Fees, Rents or Other Charges and Surplus Anticipated		\$ 18,841,413.73
Deductions:		
Operating and Maintenance Cost	\$ 12,862,245.00	
Debt Service per Utility Operating Fund	5,265,014.81	
		18,127,259.81
Excess in Revenue		\$ 714,153.92
<b><u>2016</u></b>		
Cash Receipts from Fees, Rents or Other Charges and Surplus Anticipated		\$ 17,376,639.66
Deductions:		
Operating and Maintenance Cost	\$ 12,807,541.00	
Debt Service per Utility Operating Fund	4,350,212.81	
		17,157,753.81
Excess in Revenue		\$ 218,885.85

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**  
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**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)

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

<b><u>2017</u></b>	
Excess in Revenues - Cash Basis (D-1)	\$ 1,903,158.64
Add Capital Outlay	<u>-</u>
	\$ 1,903,158.64
Deduct: Other Credits to Income	<u>1,189,004.72</u>
Excess in Revenues	<u><u>\$ 714,153.92</u></u>

<b><u>2016</u></b>	
Excess in Revenues - Cash Basis (D-1)	\$ 994,665.39
Add Capital Outlay	<u>250,000.00</u>
	\$ 1,244,665.39
Deduct: Other Credits to Income	<u>1,025,779.54</u>
Excess in Revenues	<u><u>\$ 218,885.85</u></u>

**NOTE 5: FIXED ASSETS**

Capital asset activity for the year ended December 31, 2017 and 2016 was as follows:

General Fixed Assets

	Balance December 31, 2016	Additions	Reductions	Balance December 31, 2017
Land and Buildings	\$ 84,354,835.64			\$ 84,354,835.64
Equipment	8,384,332.30	\$ 1,417,758.10	\$ 246,229.89	9,555,860.51
Vehicles	13,603,520.69	733,467.15	763,005.27	13,573,982.57
	<u>\$ 106,342,688.63</u>	<u>\$ 2,151,225.25</u>	<u>\$ 1,009,235.16</u>	<u>\$107,484,678.72</u>
	Balance December 31, 2015	Additions	Reductions	Balance December 31, 2016
Land and Buildings	\$ 84,354,835.64			\$ 84,354,835.64
Equipment	7,764,952.75	\$ 959,117.55	\$ 339,738.00	8,384,332.30
Vehicles	12,623,442.46	2,380,541.08	1,400,462.85	13,603,520.69
	<u>\$ 104,743,230.85</u>	<u>\$ 3,339,658.63</u>	<u>\$ 1,740,200.85</u>	<u>\$106,342,688.63</u>

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 5: FIXED ASSETS (continued)**

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.

**NOTE 6: FUND BALANCES APPROPRIATED**

Fund balances at December 31, 2017, December 31, 2016, and December 31, 2015 were appropriated and included as anticipated revenue in their own respective funds for the years ending December 31, as follows:

		Balance <u>December 31.</u>	Anticipated <u>Succeeding Year</u>
<b>Current Fund:</b>	2017	\$ 8,217,241.12	\$ 5,100,000.00
	2016	7,592,924.72	4,500,000.00
	2015	7,245,947.11	4,500,000.00
<b>Sewer Utility Operating Fund:</b>	2017	\$ 3,543,267.24	\$ 3,000,000.00
	2016	3,906,108.60	2,275,000.00
	2015	3,911,443.21	1,000,000.00

**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.

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 7: DEPOSITS AND INVESTMENTS (continued)**

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.

At December 31, 2017 and 2016 the Township had the following depository accounts. All deposits are carried at cost. \$91,892.20 and \$68,564.72 held in agency and payroll accounts for the year ended December 31, 2017 and 2016 respectively are not covered by GUDPA.

<u>Depository Account</u>	Book Balance	
	December 31, 2017	December 31, 2016
Cash (Demand Accounts)	\$ 87,172,409.77	\$ 93,885,150.79
Change Funds (On-Hand)	3,081.00	2,881.00
	<u>\$ 87,175,490.77</u>	<u>\$ 93,888,031.79</u>

<u>Depository Account</u>	Bank Balance	
	December 31, 2017	December 31, 2016
FDIC Insured	\$ 1,250,000.00	\$ 1,250,000.00
GUPDA Insured	87,371,285.34	94,601,857.35
	<u>\$ 88,621,285.34</u>	<u>\$ 95,851,857.35</u>

At December 31, 2017, 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.

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 7: DEPOSITS AND INVESTMENTS (continued)**

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.
- (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.

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.

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**  
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**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.

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. 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.

Additionally, new legislation constituting P.L. 2010, c. 44, effective July 13, 2010, imposed a two percent (2%) cap on the tax levy of the municipality with certain exceptions and subject to a number of adjustments. The exclusions from the limit include increases required to be raised for capital expenditures, including debt service, increases in pension contributions in excess of 2%, certain increases in health care over 2%, and extraordinary costs incurred by a local unit directly related to a declared emergency. The governing body of a local unit may request approval, through a public question submitted to the legal voters residing in its territory, to increase the amount to be raised by taxation, and voters may approve increases above 2% not otherwise permitted under the law by an affirmative vote of 50%.

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 13, 2017. The underlying tax collection rate for 2017 is 98.94%.

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 9: PENSION PLANS**

Public Employee Retirement System

The Public Employee Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PERS Plan are as follows:

Plan Membership and Contributing Employers- Substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency are enrolled in PERS, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or other jurisdiction's pension fund. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2017 and 2016:

	2017	2016
Inactive plan members or beneficiaries currently receiving benefits	170,124	170,685
Inactive plan members entitled to but not yet receiving benefits	650	650
Active plan members	254,685	254,685
Total	425,459	426,020

Contributing Employers – 1,703

Significant Legislation – For State of New Jersey contributions to PERS, Chapter 1, P.L. 2010, effective May 21, 2010, required the State to resume making actuarially recommended contributions to the pension plan on a phased-in basis over a seven year period beginning in the fiscal year ended June 30, 2012. For State fiscal year 2016, the State was required to make a minimum contribution representing 5/7<sup>th</sup> of the actuarially determined contribution amount based on the July 1, 2014 actuarial valuation.

Chapter 19, P.L. 2009, effective March 17, 2009, provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State Fiscal Year 2009. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of PERS, by employer, for the reduced normal and accrued liability contributions provided under this law.

This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PERS.

For the year ended December 31, 2017 and 2016 the Township's total payroll for all employees was \$44,393,474.39 and \$44,946,171.32, respectively. Total PERS covered payroll was \$24,664,786 and \$23,522,663, respectively. Covered payroll refers to pensionable compensation, rather than total compensation, paid by the Township to active employees covered by the Plan.

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 9: PENSION PLANS (continued)**

*Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A 43:15 and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016 and increased to 7.20% for State fiscal year 2017, commencing July 1, 2017. The phase-in of the additional incremental member contribution rate will take place in July of each subsequent State fiscal year.*

Employers' contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. Township contributions are due and payable on April 1<sup>st</sup> in the second fiscal period subsequent to plan year for which the contributions requirements were calculated. Township payments to PERS for the years ending December 31, 2017 and 2016 consisted of the following:

	2017	2016
Total Regular Billings	\$ 3,056,840	\$ 3,007,673

The Township recognizes liabilities to PERS and records expenditures for same in the fiscal period that bills become due.

The vesting and benefit provisions are set by N.J.S.A. 43:15. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007.
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

A service retirement benefit of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, to tier 3 and 4 members before age 62 and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age of his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – The regulatory basis of accounting which is basis for the preparation of the Township's basic financial statements does not require or permit the inclusion of entity-wide, full accrual basis financial statements. Accordingly, the Township does not recognize pension liabilities for any current or prior period until the fiscal period in which such payments will become due and payable.

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9: PENSION PLANS (continued)**

At June 30, 2017, the PERS reported a net pension liability of \$23,278,401,588 for its Non-State Employer Member Group. The Township's proportionate share of the net pension liability for the Non-State Employer Member Group that is attributable to the Township was \$76,812,253 or 0.3299721972%, which was a decrease of 0.0085826605% from its proportion measured as of June 30, 2016.

The pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017.

At June 30, 2016, the PERS reported a net pension liability of \$29,617,131,759 for its Non-State Employer Member Group. The proportionate share of the State of New Jersey's the net pension liability for the Non-State Employer Member Group that is attributable to the Township was \$100,270,238 or 0.3385548577%.

At December 31, 2017, the Township's deferred outflows of resources and deferred inflows of resources related to PERS were from the following sources, if GASB #68 was recognized:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,808,663	
Changes in assumptions	15,475,022	\$ 15,418,288
Net difference between projected and actual earnings on pension plan investments	523,040 53,614	
Changes in proportion and differences between Township contributions and proportionate share of contributions		2,565,978
Township contributions subsequent to the measurement date	<u>3,056,840</u>	
	<u>\$ 20,917,179</u>	<u>\$ 17,984,266</u>

\$3,056,840 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 would be recognized in pension expense on the GAAP basis as follows:

<u>Year ended December 31,</u>		<u>Amount</u>
2018	\$	1,174,296
2019		2,146,380
2020		1,064,061
2021		(2,695,570)
2022		<u>(1,813,094)</u>
Total	\$	<u>(123,927)</u>

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9: PENSION PLANS (continued)**

*Actuarial Assumptions-* The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	June 30, 2017	June 30, 2016
Inflation	2.25%	3.08%
Salary Increases through 2026	1.65% - 4.15% based on age	1.65% - 4.15% based on age
Thereafter	2.65% - 5.15% based on age	2.65% - 5.15% based on age
Investment rate of return	7.00%	7.65%

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale.

Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 and 2016 are summarized in the following table:

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9: PENSION PLANS (continued)**

<u>Asset Class</u>	<u>June 30, 2017</u>		<u>June 30, 2016</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash equivalents	5.50%	1.00%	5.00%	0.87%
U.S. Treasuries	3.00%	1.87%	1.50%	1.74%
Global diversified credit	5.00%	7.10%		
Credit oriented hedge funds	1.00%	6.60%		
Debt related private equity	2.00%	10.63%		
Debt related real estate	1.00%	6.61%		
Private real asset	2.50%	11.83%	2.00%	6.91%
Equity related real estate	6.25%	9.23%		
U.S. equity	30.00%	8.19%	26.00%	8.53%
Non-U.S. developed markets equity	11.50%	9.00%		
Emerging markets equity	6.50%	11.64%	6.50%	9.95%
Buyouts/venture capital	8.25%	13.08%		13.08%
Absolute return/risk mitigation	5.00%	5.51%		
Investment grade credit	10.00%	3.78%	8.00%	1.79%
Public high yield	2.50%	6.82%		
Mortgages			2.00%	1.67%
High yield bonds			2.00%	4.56%
Inflation indexed bonds			1.50%	3.44%
Private equity			9.00%	12.40%
Hedge funds/absolute returns			12.50%	4.68%
Commodities			0.50%	5.45%
Developed foreign markets			13.25%	6.83%
REIT			5.25%	5.63%
Global debt ex US			5.00%	-0.25%
	100.00%		100.00%	

*Discount Rate* – The discount rate used to measure the total pension liability as of June 30, 2016 was 3.98% and as of June 30, 2017 was 5.00%. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 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 contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plans fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9: PENSION PLANS (continued)**

*Sensitivity of Net Pension Liability* – the following presents the net pension liability of PERS calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

		At 1% Decrease (4.00%)		At Current Discount Rate (5.00%)		At 1% Increase (6.00%)
PERS	\$	95,290,813	\$	76,812,253	\$	61,417,323

*Plan Fiduciary Net Position* – The plan fiduciary net position for PERS, including the State of New Jersey, at June 30, 2017 and 2016 were \$28,464,239,578 and \$26,762,070,610 respectively. The portion of the Plan Fiduciary Net Position was allocable to the Local (Non-Sate) Groups at June 30, 2017 and 2016 was \$21,573,965,463 and \$19,857,566,387, respectively.

*Additional Information*

Collective balances at June 30, 2017 are as follows:

Collective deferred outflows of resources	\$	6,424,455,842
Collective deferred inflows of resources		5,700,625,981
Collective net pension liability		23,278,401,588
 Township's Proportion		 0.3299721972%

Collective pension expense for the Local Group for the measurement period ended June 30, 2017 and 2016 was \$1,694,305,613 and \$2,830,763,540, respectively. The average of the expected remaining service lives of all plan members if 5.48, 5.57, 5.72 and 6.44 years for 2017, 2016, 2015 and 2014, respectively.

**State Contribution Payable Dates**

Prior to July 1, 2017 valuation, it is assumed the State will make pension contributions the June 30<sup>th</sup> following the valuation date. Effective with the July 1, 2017 valuation Chapter 83 P.L. 2016 requires the State to make pension contributions on a quarterly basis at least 25% by September 30, at least 50% by December 31, at least 75% by March 31, and at least 100% by June 30.

**Receivable Contributions**

State contributions expected to be paid the June 30<sup>th</sup> following the valuation date. Effective with the July 1, 2017 valuation, State contributions expected to be paid in equal quarterly amounts as of September 30<sup>th</sup>, December 31<sup>st</sup>, March 31<sup>st</sup> and June 30<sup>th</sup> following the valuation date are discounted by the interest rate used at the valuation.

Local contributions expected to be paid the April 1<sup>st</sup>, following the valuation are discounted by the interest rate used at the valuation date.

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9: PENSION PLANS (continued)**

**Police and Firemen’s Retirement System**

The Police and Firemen’s Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PFRS Plan are as follows:

Plan Membership and Contributing Employers- Substantially all full-time county and municipal police and firemen and state firemen or officer employees with police powers appointed after June 30, 1944 are enrolled in PFRS Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2017 and 2016:

	2017	2016
Inactive plan members or beneficiaries currently receiving benefits	43,011	40,789
Inactive plan members entitled to but not yet receiving benefits	47	47
Active plan members	40,789	45,625
Total	83,847	86,461

Contributing Employers – 585

In addition to the State, who is the sole payer of regular employer contributions to the fund, PFRS’s contributing employers include boards of education who elected to participate in the Early Retirement Incentive Program (ERIP) and are legally responsible to continue to pay toward their incurred liability. The current number of ERIP contributing employers is 26.

Significant Legislation – For State of New Jersey contributions to PFRS, Chapter 1, P.L. 2010, effective May 21, 2010, required the State to resume making actuarially recommended contributions to the pension plan on a phased-in basis over a seven year period beginning in the fiscal year ended June 30, 2012. For State fiscal year 2017, the State was required to make a minimum contribution representing 6/7<sup>th</sup> of the actuarially determined contribution amount based on the July 1, 2014 actuarial valuation.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PFRS.

For the year ended December 31, 2017 and 2016 the Township’s total payroll for all employees was \$44,393,474 and \$44,946,171, respectively. Total PFRS covered payroll was \$18,605,490 and \$18,631,147, respectively. Covered payroll refers to pensionable compensation, rather than total compensation, paid by the Township to active employees covered by the Plan.

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contributions rate increased from 8.5% of annual compensation to 10.0% in October 2011. Employer contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. Township contributions are due and payable on April 1<sup>st</sup> in the second fiscal period subsequent to plan year for which the contributions requirements were calculated.

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9: PENSION PLANS (continued)**

Township payments to PFRS for the years ending December 31, 2017 and 2016 consisted of the following:

	2017	2016
Total Regular Billing	\$ 5,028,155	\$ 4,644,495

The Township recognizes liabilities to PFRS and records expenditures for same in the fiscal period that bills become due.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service.

The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – The regulatory-basis of accounting which is basis for the preparation of the Township’s basic financial statements does not require or permit the inclusion of entity-wide, full accrual basis financial statements. Accordingly, the Township does not recognize pension liabilities for any current or prior period until the fiscal period in which such payments will become due and payable.

At June 30, 2017, the PFRS reported a net pension liability of \$17,167,260,198 for its Non-State, Non-Special Funding Situation Employer Member Group. The Township’s proportionate share of the net pension liability for the Non-State Non-Special Funding Situation Employer Member Group was \$87,710,026, or 0.5681412579% which was a decrease of 0.00149737416% from its proportion measured as of June 30, 2016. Then pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017.

At June 30, 2016, the PFRS reported a net pension liability of \$20,706,699,056 for its Non-State, Non-Special Funding Situation Employer Member Group. The Township’s proportionate share of the net pension liability for the Non-State Non-Special Funding Situation Employer Member Group was \$108,815,550, or 0.5696386320%.

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 9: PENSION PLANS (continued)**

At December 31, 2017, the Township's deferred outflows of resources and deferred inflows of resources related to PFRS were from the following sources; if GASB #68 was recognized

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 569,011	\$ 514,785
Changes in assumptions	10,815,623	14,364,338
Net difference between projected and actual earnings on pension plan investments	1,673,713	
Changes in proportion and differences between Township contributions and proportionate share of contributions	1,085,897	1,213,927
Township contributions subsequent to the measurement date	<u>5,028,155</u>	
	<u>\$ 19,172,399</u>	<u>\$ 16,093,050</u>

\$5,028,155 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 would be recognized in pension expense on the GAAP basis as follows:

Year ended <u>December 31,</u>	<u>Amount</u>
2018	\$ 1,004,244
2019	2,775,693
2020	121,523
2021	(4,049,192)
2022	<u>(1,801,074)</u>
Total	<u>\$ (1,948,806)</u>

*Actuarial Assumptions-* The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Inflation	2.25%	3.08%
Salary Increases through 2026	2.10% - 8.98% based on age	2.10% - 8.98% based on age
Thereafter	3.10% - 9.98% based on age	3.10% - 9.98% based on age
Investment rate of return	7.00%	7.65%

Pre-retirement mortality rates were based on the RP-2000 Pre-Retirement mortality tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for male service

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9: PENSION PLANS (continued)**

retirements and beneficiaries are based the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's 2014 projection scales. Post-retirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability mortality tables were based on special mortality tables used for the period after disability retirement.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2017 and 2016 are summarized in the following table:

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9: PENSION PLANS (continued)**

<u>Asset Class</u>	<u>June 30, 2017</u>		<u>June 30, 2016</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash equivalents	5.50%	1.00%	5.00%	0.87%
U.S. Treasuries	3.00%	1.87%	1.50%	1.74%
Global diversified credit	5.00%	7.10%		
Credit oriented hedge funds	1.00%	6.60%		
Debt related private equity	2.00%	10.63%		
Debt related real estate	1.00%	6.61%		
Private real asset	2.50%	11.83%	2.00%	6.91%
Equity related real estate	6.25%	9.23%		
U.S. equity	30.00%	8.19%	26.00%	8.53%
Non-U.S. developed markets equity	11.50%	9.00%		
Emerging markets equity	6.50%	11.64%	6.50%	9.95%
Buyouts/venture capital	8.25%	13.08%		13.08%
Absolute return/risk mitigation	5.00%	5.51%		
Investment grade credit	10.00%	3.78%	8.00%	1.79%
Public high yield	2.50%	6.82%		
Mortgages			2.00%	1.67%
High yield bonds			2.00%	4.56%
Inflation indexed bonds			1.50%	3.44%
Private equity			9.00%	12.40%
Hedge funds/absolute returns			12.50%	4.68%
Commodities			0.50%	5.45%
Developed foreign markets			13.25%	6.83%
REIT			5.25%	5.63%
Global debt ex US			5.00%	-0.25%
	100.00%		100.00%	

*Discount Rate* – The discount rate used to measure the total pension liability as of June 30, 2016 was 5.55% and as of June 30, 2017 was 6.14%. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 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 contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9: PENSION PLANS (continued)**

*Sensitivity of Net Pension Liability* – the following presents the net pension liability of PFRS calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

	At 1% Decrease (5.14%)	At Current Discount Rate (6.14%)	At 1% Increase (7.14%)
PFRS	\$ 115,565,182	\$ 87,710,026	\$ 64,823,848

*Plan Fiduciary Net Position* – The plan fiduciary net position for PFRS at June 30, 2017 and 2016 was \$25,847,718,399 and \$23,984,726,664, respectively.

*Additional Information*

Collective balances at June 30, 2017 are as follows:

Collective deferred outflows of resources	\$	2,941,952,753
Collective deferred inflows of resources		3,262,432,093
Collective net pension liability		17,167,260,198
 Township's Proportion		 0.5681412579%

Collective pension expense for the Local Group for the measurement period ended June 30, 2017 and 2016 was \$1,624,455,951 and \$2,255,296,958, respectively. The average of the expected remaining service lives of all plan members if 5.59, 5.58, 5.53 and 6.17 years for 2017, 2016, 2015 and 2014, respectively.

**State Contribution Payable Dates**

Prior to July 1, 2017 valuation, it is assumed the State will make pension contributions the June 30<sup>th</sup> following the valuation date. Effective with the July 1, 2017 valuation Chapter 83 P.L. 2016 requires the State to make pension contributions on a quarterly basis at least 25% by September 30, at least 50% by December 31, at least 75% by March 31, and at least 100% by June 30.

**Receivable Contributions**

State contributions expected to be paid the June 30<sup>th</sup> following the valuation date. Effective with the July 1, 2017 valuation, State contributions expected to be paid in equal quarterly amounts as of September 30<sup>th</sup>, December 31<sup>st</sup>, March 31<sup>st</sup> and June 30<sup>th</sup> following the valuation date are discounted by the interest rate used at the valuation.

Local contributions expected to be paid the April 1<sup>st</sup>, following the valuation are discounted by the interest rate used at the valuation date.

Special Funding Situation- Under N.J.S.A 43:16A-15, local participating employers are responsible

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 9: PENSION PLANS (continued)**

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 state is treated as a non-employer 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, 2017 and 2016 for police and fire is 0.5681412579% and 0.5696386320%, respectively. The non-employer contributing entities' contribution for the year ended June 30, 2017 and 2016 was \$491,255 and \$350,134, respectively. The state's proportionate share of net pension liability attributable to the Township as of June 30, 2017 and 2016 was \$9,824,262 and \$9,137,807, respectively.

**Defined Contribution Retirement Plan**

DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. Prudential is acting on behalf of the NJ Division of Pensions and Benefits as the record keeper and investment funds manager. Chapter 1, P.L. 2010 increased the minimum annual salary required for eligibility in the DCRP. An employee must earn an annual salary of at least \$5,000 to be eligible or to continue participation. The Defined Contribution Retirement Plan (DCRP) is a multiple employer defined contribution plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the DCRP are as follows:

*Plan Membership and Contributing Employers-* Enrollment in the DCRP is required for state or local officials, elected or appointed on or after July 1, 2007; employees enrolled in PFRS or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PFRS or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000 annually; and employees otherwise eligible to enroll in PFRS or PERS after May 21, 2010, who do not work the minimum number of hours per week required for tier 4 or tier 5 enrollment, but who earn salary of at least \$5,000 annually. At June 30, 2017 and 2016, the membership in the DCRP, based on the information within the Division's database, was 46,557, and 36,808.

*Contribution Requirement and Benefit Provisions -* State and local government employers contribute 3% of the employee's base salary. Active members contribute 5.5% of base salary.

Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 10: POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS —  
HEALTH CARE BENEFITS**

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on 7.20% for PERS, 10% for PFRS and 5.5% for DCRP of employees' base wages.

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 1,011 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, 2017, approximately 389 retirees and 622 active employees were receiving non-contributory health coverage benefits. The health benefit cost attributable to retirees at December 31, 2017 was \$7,031,035.20

At December 31, 2016, approximately 389 retirees and 622 active employees were receiving non-contributory health coverage benefits. The health benefit cost at December 31, 2016 was \$7,226,533.35.

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 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 2017 and 2016, the Township's annual OPEB cost (expense) (GAAP Basis) of \$24,680,000.00 and \$23,800,000.00, respectively were equal to the ARC.

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

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

	<u>2017</u>	<u>2016</u>
Net OPEB obligation - beginning of year	\$ 134,070,000.00	\$ 116,120,000.00
Annual required contribution (ARC)	26,520,000.00	25,400,000.00
Interest on OPEB obligation	6,040,000.00	5,220,000.00
Adjustment to annual	(7,880,000.00)	(6,820,000.00)
Less: Contributions	<u>(6,100,000.00)</u>	<u>(5,850,000.00)</u>
Net OPEB obligation - end of year	<u>\$ 152,650,000.00</u>	<u>\$ 134,070,000.00</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, 2017.

The funded status of the plan for the Township as of December 31, 2017 and 2016, is as follows:

	<u>2017</u>	<u>2016</u>
Actuarial accrued liability (AAL)	\$ 306,080,000.00	\$ 292,580,000.00
Actuarial value of plan assets	<u>-</u>	<u>-</u>
Unfunded Actuarial liability (UAAL)	<u>\$ 306,080,000.00</u>	<u>\$ 292,580,000.00</u>
Funded ratio (actual value of plan assets/AAL)	0%	0%
Covered payroll (active plan members)	51,590,000.00	51,580,000.00
UAAI as a percentage of covered payroll	593%	567%

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.

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, 2017 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.

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**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 coverage 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 \$13,000,000 less various members SIR. The minimum Fund retention shall be \$500,000.

2. General Liability

The Fund covers \$15,000,000 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 \$15,000,000 Automobile Liability and Property Damage claims (not subject to an aggregate limit). Minimum Fund Retention is \$250,000.

The Fund provides PIP limits of NJ Statutory amounts.

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

4. Property

The Fund has purchased property insurance with total limits of \$600,000,000 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 \$15,000,000 per occurrence, \$30,000,000 in the aggregate per member municipality for each fund year. Fund Retention \$150,000.

6. Employment Practices Liability (EPL)

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 11: RISK MANAGEMENT (continued)**

The Fund covers \$15,000,000 per occurrence, \$30,000,000 in the aggregate 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%.

Cyber liability is \$1,000,000 per member and \$2,500,000 in aggregate.

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

1. Workers Compensation: \$50,000 S.I.R.
2. Liability: \$50,000
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.

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.

**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.

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**  
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**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 \$15,762,613.25 and \$14,037,813.01, respectively. This amount represents a full costing of the value of compensated absences payable earned at December 31, 2017 and 2016 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.

**NOTE 13: INTERFUNDS**

The following Interfund balances remain on the balance sheets at December 31, 2017 and 2016:

Fund	2017		2016	
	Interfunds Receivable	Interfunds Payable	Interfunds Receivable	Interfunds Payable
Current Fund		\$ 2,155,120.24	\$ 599.82	\$ 102,844.74
Federal and State Grant Fund	\$ 122,547.74		102,844.74	
General Trust Fund	534,500.00	160,000.00		599.82
General Capital Fund	1,658,072.50	4,270,472.18		
Sewer Operating Fund	4,270,472.18			
	<u>\$ 6,585,592.42</u>	<u>\$ 6,585,592.42</u>	<u>\$ 103,444.56</u>	<u>\$ 103,444.56</u>

The interfund balances represent short-term loans between the funds that are expected to be liquidated in the following year.

**TOWNSHIP OF HAMILTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**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 "premium holiday". Accordingly at December 31, 2016, the amount of the premium deferrals three months were \$840,348.35. There was no deferral at December 31, 2017.

**NOTE 15: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

The following deferred charges are shown on the December 31, 2017 and 2016 balance sheet of the Township's Current Fund.

	December 31, 2017		December 31, 2016	
	Amount	Raised in Succeeding Year Budget	Amount	Raised in Succeeding Year Budget
Current Fund	<u>\$ 880,000.00</u>	<u>\$ 880,000.00</u>	<u>\$ 1,320,000.00</u>	<u>\$ 1,320,000.00</u>

**NOTE 16: SUBSEQUENT EVENTS**

Management has reviewed and evaluated all events and transactions from December 31, 2017 through June 20, 2018, which is the date the financial statements were available to be issued. Based on this evaluation, the Township has determined that no subsequent events have occurred which require disclosure in the financial statements.

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

**PART II  
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 year ended December 31, 2017 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 20, 2018, 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.

**Honorable Mayor and Members  
of the Township Council  
Township of Hamilton**

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**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.

*PKF O'Connor Davies, LLP*

Cranford, New Jersey  
June 20, 2018

*David J. Gannon*

David J. Gannon, CPA  
Registered Municipal Accountant, No. 520



**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, 2017. 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, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of 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.

## Opinion on Each Major Federal and State Program

In our opinion, the Township complied, in all material respects with each of 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, 2017.

## 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 each of 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.

*PKF O'Connor Davies, LLP*

Cranford, New Jersey  
June 20, 2018

*David J. Gannon*

David J. Gannon, CPA  
Registered Municipal Accountant, No. 520

**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, 2017

Federal Funding Department	CFDA Number	State Program Code	Passed Through Entity Identifying Number	Passed Through To Sub Recipients	Total Award	Grant Year	2017		Cumulative Expenditures at December 31, 2017
							Cash Receipts	Expenditures	
Indirect Programs:									
Department of Justice, Office of Justice Programs:									
Justice Assistance Grant	16.738	Not Applicable			17,984.00	2016	\$ 16,208.00		\$ 17,984.00
Bullet Proof Vest Partnership	16.607	Not Applicable			11,169.18	2015	1,669.80	\$ 1,000.00	11,169.18
Sub-total - Department of Justice							<u>17,877.80</u>	<u>1,000.00</u>	<u>29,153.18</u>
Department of Law and Public Safety									
Drunk Driver Prevention - Drive Sober or Get Pulled Over	20.601	066-1160-100-057			5,500.00	2017	11,000.00	1,376.03	1,376.03
Drunk Driving Enforcement	20.616	066-1160-100-155			20,800.76	2017	10,400.38	365.50	365.50
Click it or Ticket	20.616	066-1160-100-155			5,000.00	2017	5,500.00		
Sub-total - Department of Law and Public Safety							<u>26,900.38</u>	<u>1,741.53</u>	<u>1,741.53</u>
Sub-total - Pass through State of New Jersey							<u>53,800.76</u>	<u>3,483.06</u>	<u>32,636.24</u>
Direct Programs:									
Department of Housing and Urban Development									
Community Development Block Grants	14.218	Not Applicable				Prior Years Through 2017	753,837.85	717,230.99	2,734,080.08
HUD Housing Section 8 Housing Choice Voucher Program	14.871	Not Applicable				Prior Years Through 2017	1,639,545.48	1,863,602.22	9,583,783.69
Sub-total - Direct Awards							<u>2,393,383.33</u>	<u>2,580,833.21</u>	<u>12,317,863.77</u>
Total expenditures							<u>\$ 2,465,061.89</u>	<u>\$ 2,585,316.27</u>	<u>\$ 12,350,500.01</u>

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, 2017

State Funding Department or Division	Program	Total Award	State Account No.	Grant Year	2017		Cumulative Expenditures at December 31, 2017
					Cash Receipts	Grant Expenditures	
<b>Environmental Protection</b>							
	State Recycling Grants - Recycling Tonnage Grant	144,115.47	4900-752-178810-60	2016		\$ 80,224.67	\$ 138,084.27
	State Recycling Grants - Recycling Tonnage Grant	137,687.65	4900-752-178810-60	2017	\$ 137,687.65	4,585.35	4,585.35
	Municipality Road Mileage - Clean Community Grant	191,186.16	042-4900-765-004	2015			191,186.16
	Municipality Road Mileage - Clean Community Grant	217,544.71	042-4900-765-004	2016		126,726.97	217,307.79
	Municipality Road Mileage - Clean Community Grant	184,817.89	042-4900-765-004	2017	184,817.89	48,722.36	48,722.36
	NJ Turnpike Phase II	612,374.00	FY12-71H-042-4801-009	2012-2014			362,983.42
	NJ Turnpike Phase III	612,338.00	FY13-531-042-4815-191	2014			346,329.69
<b>Health and Human Services</b>							
	Mercer County Municipal Alliance (State Share)	78,832.00	N/A	2016	18,565.28	68,141.94	97,124.41
	Mercer County Municipal Alliance (State Share)	78,832.00	N/A	2017	57,581.92	26,785.96	26,785.96
<b>Law and Public Safety</b>							
	Body Armor Replacement	15,386.18	066-1020-718-001	2012			87.16
	Body Armor Replacement	19,793.90	066-1020-718-001	2013			210.20
	Body Armor Replacement	14,755.38	066-1020-718-001	2014			14,755.38
	Body Armor Replacement	14,728.81	066-1020-718-001	2015		7,746.04	14,728.81
	Body Armor Replacement	14,053.56	066-1020-718-001	2016		11,956.71	11,956.71
	Body Armor Replacement	14,053.56	066-1020-718-001	2017	14,078.32		
	Alcohol Ed. & Rehabilitation Grant	9,427.30	9735-760-098-Y900-00 1-XI 00-6020	2016		8,346.22	8,346.22
	Alcohol Ed. & Rehabilitation Grant	12,739.25	9735-760-098-Y900-00 1-XI 00-6020	2017	12,739.25	6,300.00	6,300.00
	Emergency Management Assistance	5,000.00	N/A	2009			1,463.23
	Emergency Management Assistance	5,000.00	N/A	2011			5,000.00
	Emergency Management Assistance	5,000.00	N/A	2012			814.77
	Emergency Management Assistance	20,000.00	N/A	2016			8,582.80
	Division of Highway Traffic Safety	5,000.00	N/A	2017	5,000.00		
<b>Department of Transportation</b>							
	Local Aid: Safe Routes to Schools	275,000.00	N/A	2013	156,410.45	273,708.04	274,999.94
	Local Aid: Safe Routes to Transit	200,000.00	N/A	2013	150,000.00	199,282.40	199,282.40
	Local Aid: Safe Routes to Schools	47,250.00	N/A	2016		47,250.00	47,250.00
	NJ DOT Roadway Improvements S.Olden	283,500.00	480-078-6320	2014			283,500.00
	NJ DOT Whitehorse Hamilton Sq. Road	300,000.00	480-078-6320	2015	225,000.00	300,000.00	300,000.00
<b>Total Expenditures</b>					<b>\$ 961,880.76</b>	<b>\$ 1,209,776.66</b>	<b>\$ 2,854,715.40</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, 2017**

**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.

**Note 5 – Indirect Cost Rate:**

The Township has elected not to use the ten percent de minimis indirect cost rate as allowed by the Uniform Guidance.

**Hamilton Township HA (NJ212)  
Hamilton, NJ  
Program Balance Sheet Summary**

**Fiscal Year Ended December 31, 2017**

	<u>14.871 Housing</u>		<u>Total</u>
	Choice Vouchers		
111 Cash - Unrestricted	\$ 343,724	\$	343,724
112 Cash - Restricted - Modernization and Development			
113 Cash - Other Restricted	6,997.00		6,997.00
114 Cash - Tenant Security Deposits			
115 Cash - Restricted for Payment of Current Liabilities			
100 Total Cash	\$ 350,721	\$	350,721
121 Accounts Receivable - PHA Projects			
122 Accounts Receivable - HUD Other Projects			
124 Accounts Receivable - Other Government			
125 Accounts Receivable - Miscellaneous			
126 Accounts Receivable - Tenants			
126.1 Allowance for Doubtful Accounts - Tenants			
126.2 Allowance for Doubtful Accounts - Other			
127 Notes, Loans, & Mortgages Receivable - Current			
128 Fraud Recovery			
128.1 Allowance for Doubtful Accounts - Fraud			
129 Accrued Interest Receivable			
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$ -	\$	-
131 Investments - Unrestricted			
132 Investments - Restricted			
135 Investments - Restricted for Payment of Current Liability			
142 Prepaid Expenses and Other Assets			
143 Inventories			
143.1 Allowance for Obsolete Inventories			
144 Inter Program Due From			
145 Assets Held for Sale			
150 Total Current Assets	\$ 350,721	\$	350,721
161 Land			
162 Buildings			
163 Furniture, Equipment & Machinery - Dwellings			
164 Furniture, Equipment & Machinery - Administration			
165 Leasehold Improvements			
166 Accumulated Depreciation			
167 Construction in Progress			
168 Infrastructure			
160 Total Capital Assets, Net of Accumulated Depreciation	\$ -	\$	-
171 Notes, Loans and Mortgages Receivable - Non-Current			
172 Notes, Loans, & Mortgages Receivable - Non Current - Past			
173 Grants Receivable - Non Current			
174 Other Assets			
176 Investments in Joint Ventures			
180 Total Non-Current Assets	\$ -	\$	-
200 Deferred Outflow of Resources	<u>\$ -</u>	\$	<u>-</u>
290 Total Assets and Deferred Outflow of Resources	<u>\$ 350,721</u>	\$	<u>350,721</u>

**Hamilton Township HA (NJ212)  
Hamilton, NJ  
Program Balance Sheet Summary  
Fiscal Year Ended December 31, 2017**

	<u>14.871 Housing</u>	<u>Total</u>
	Choice Vouchers	
311 Bank Overdraft		
312 Accounts Payable <= 90 Days	\$ 1,453	\$ 1,453
313 Accounts Payable >90 Days Past Due		
321 Accrued Wage/Payroll Taxes Payable		
322 Accrued Compensated Absences - Current Portion		
324 Accrued Contingency Liability		
325 Accrued Interest Payable		
331 Accounts Payable - HUD PHA Programs		
332 Account Payable - PHA Projects		
333 Accounts Payable - Other Government		
341 Tenant Security Deposits		
342 Unearned Revenue		
343 Current Portion of Long-term Debt - Capital		
344 Current Portion of Long-term Debt - Operating Borrowings		
345 Other Current Liabilities		
346 Accrued Liabilities - Other		
347 Inter Program - Due To		
348 Loan Liability - Current		
310 Total Current Liabilities	\$ 1,453	\$ 1,453
351 Long-term Debt, Net of Current - Capital Projects/Mortgage		
352 Long-term Debt, Net of Current - Operating Borrowings		
353 Non-current Liabilities - Other		
354 Accrued Compensated Absences - Non Current		
355 Loan Liability - Non Current		
356 FASB 5 Liabilities		
357 Accrued Pension and OPEB Liabilities		
350 Total Non-Current Liabilities	\$ -	\$ -
300 Total Liabilities	\$ 1,453	\$ 1,453
400 Deferred Inflow of Resources		
508.4 Net Investment in Capital Assets		
511.4 Restricted Net Position	\$ 6,997	\$ 6,997
512.4 Unrestricted Net Position	\$ 342,271	\$ 342,271
513 Total Equity - Net Assets / Position	<u>\$ 349,268</u>	<u>\$ 349,268</u>
600 Total Liabilities, Deferred Inflows of Resources and Equity -	<u>\$ 350,721</u>	<u>\$ 350,721</u>

**Hamilton Township HA (NJ212)  
Hamilton, NJ  
Program Revenue and Expense Summary**

**Fiscal Year End December 31, 2017**

	14.871 Housing Choice Vouchers	Total
70300 Net Tenant Rental Revenue		
70400 Tenant Revenue - Other		
70500 Total Tenant Revenue	\$ -	\$ -
70600 HUD PHA Operating Grants	\$ 1,778,980	\$ 1,778,980
70610 Capital Grants		
70710 Management Fee		
70720 Asset Management Fee		
70730 Book Keeping Fee		
70740 Front Line Service Fee		
70750 Other Fees		
70700 Total Fee Revenue		
70800 Other Government Grants		
71100 Investment Income - Unrestricted	\$ 859	\$ 859
71200 Mortgage Interest Income		
71300 Proceeds from Disposition of Assets Held for Sale		
71310 Cost of Sale of Assets		
71400 Fraud Recovery	\$ 7,907	\$ 7,907
71500 Other Revenue		
71600 Gain or Loss on Sale of Capital Assets		
72000 Investment Income - Restricted		
70000 Total Revenue	<u>\$ 1,787,746</u>	<u>\$ 1,787,746</u>
91100 Administrative Salaries	\$ 161,708	\$ 161,708
91200 Auditing Fees		
91300 Management Fee		
91310 Book-keeping Fee		
91400 Advertising and Marketing		
91500 Employee Benefit contributions - Administrative	\$ 69,303	\$ 69,303
91600 Office Expenses	\$ 20,857	\$ 20,857
91700 Legal Expense		
91800 Travel		
91810 Allocated Overhead		
91900 Other	\$ 1,883	\$ 1,883
91000 Total Operating - Administrative	<u>\$ 253,751</u>	<u>\$ 253,751</u>
92000 Asset Management Fee		
92100 Tenant Services - Salaries		
92200 Relocation Costs		
92300 Employee Benefit Contributions - Tenant Services		
92400 Tenant Services - Other		
92500 Total Tenant Services	\$ -	\$ -
93100 Water		
93200 Electricity		
93300 Gas		
93400 Fuel		
93500 Labor		
93600 Sewer		
93700 Employee Benefit Contributions - Utilities		
93800 Other Utilities Expense		
93000 Total Utilities	\$ -	\$ -

**Hamilton Township HA (NJ212)  
Hamilton, NJ  
Program Revenue and Expense Summary**

**Fiscal Year End December 31, 2017**

	14.871 Housing Choice Vouchers	Total
70300 Net Tenant Rental Revenue		
94100 Ordinary Maintenance and Operations - Labor		
94200 Ordinary Maintenance and Operations - Materials and		
94300 Ordinary Maintenance and Operations Contracts		
94500 Employee Benefit Contributions - Ordinary Maintenance		
94000 Total Maintenance	\$ -	\$ -
95100 Protective Services - Labor		
95200 Protective Services - Other Contract Costs		
95300 Protective Services - Other		
95500 Employee Benefit Contributions - Protective Services		
95000 Total Protective Services	\$ -	\$ -
96110 Property Insurance		
96120 Liability Insurance		
96130 Workmen's Compensation		
96140 All Other Insurance		
96100 Total insurance Premiums	\$ -	\$ -
96200 Other General Expenses		
96210 Compensated Absences		
96300 Payments in Lieu of Taxes		
96400 Bad debt - Tenant Rents		
96500 Bad debt - Mortgages		
96600 Bad debt - Other		
96800 Severance Expense		
96000 Total Other General Expenses	\$ -	\$ -
96710 Interest of Mortgage (or Bonds) Payable		
96720 Interest on Notes Payable (Short and Long Term)		
96730 Amortization of Bond Issue Costs		
96700 Total Interest Expense and Amortization Cost	\$ -	\$ -
96900 Total Operating Expenses	<u>\$ 253,751</u>	<u>\$ 253,751</u>
97000 Excess of Operating Revenue over Operating Expenses	\$ 1,533,995	\$ 1,533,995
97100 Extraordinary Maintenance		
97200 Casualty Losses - Non-capitalized		
97300 Housing Assistance Payments	\$ 1,609,851	\$ 1,609,851
97350 HAP Portability-In		
97400 Depreciation Expense		
97500 Fraud Losses		
97600 Capital Outlays - Governmental Funds		
97700 Debt Principal Payment - Governmental Funds		
97800 Dwelling Units Rent Expense		
90000 Total Expenses	<u>\$ 1,863,602</u>	<u>\$ 1,863,602</u>

**Hamilton Township HA (NJ212)  
Hamilton, NJ  
Program Revenue and Expense Summary**

**Fiscal Year End December 31, 2017**

	14.871 Housing Choice Vouchers	Total
70300 Net Tenant Rental Revenue		
10010 Operating Transfer In		
10020 Operating transfer Out		
10030 Operating Transfers from/to Primary Government		
10040 Operating Transfers from/to Component Unit		
10050 Proceeds from Notes, Loans and Bonds		
10060 Proceeds from Property Sales		
10070 Extraordinary Items, Net Gain/Loss		
10080 Special Items (Net Gain/Loss)		
10091 Inter Project Excess Cash Transfer In		
10092 Inter Project Excess Cash Transfer Out		
10093 Transfers between Program and Project - In		
10094 Transfers between Project and Program - Out		
10100 Total Other financing Sources (Uses)	\$ -	\$ -
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ (75,856)	\$ (75,856)
11020 Required Annual Debt Principal Payments	\$ -	\$ -
11030 Beginning Equity	\$ 425,124	\$ 425,124
11040 Prior Period Adjustments, Equity Transfers and Correction		
11050 Changes in Compensated Absence Balance		
11060 Changes in Contingent Liability Balance		
11070 Changes in Unrecognized Pension Transition Liability		
11080 Changes in Special Term/Severance Benefits Liability		
11090 Changes in Allowance for Doubtful Accounts - Dwelling		
11100 Changes in Allowance for Doubtful Accounts - Other		
11170 Administrative Fee Equity	\$ 342,271	\$ 342,271
11180 Housing Assistance Payments Equity	\$ 6,997	\$ 6,997
11190 Unit Months Available	2664	2664
11210 Number of Unit Months Leased	2046	2046
11270 Excess Cash		
11610 Land Purchases		
11620 Building Purchases		
11630 Furniture & Equipment - Dwelling Purchases		
11640 Furniture & Equipment - Administrative Purchases		
11650 Leasehold Improvements Purchases		
11660 Infrastructure Purchases		
13510 CFFP Debt Service Payments		
13901 Replacement Housing Factor Funds		

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

**Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2017**

**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, 2017**

**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:

State Account Number

Name of State Program

480-078-6320

New Jersey Department of  
Transportation Municipal Aid  
Formula and Discretionary Aid  
Program

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

**Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2017**

**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, 2017**

**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, 2017**

**Federal Award Programs:**

None noted.

**State Financial Assistance Programs:**

None noted.

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

**PART III**

**OTHER SUPPLEMENTARY INFORMATION**

**INDIVIDUAL FUND FINANCIAL STATEMENTS**

**CURRENT FUND**

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

YEAR	BALANCE DEC. 31, 2016	ADDED	2017 LEVY	COLLECTIONS 2016	BY CASH 2017	SR. CITIZENS AND VETERANS DEDUCTION REIMBURSEMENT	TRANSFER TO TAX TITLE LIEN	REMITTED AND CANCELLED	BALANCE DEC. 31, 2017
Prior Years	\$ 55,674.15	\$ 23,212.86			\$ 73,297.83	\$ (7,250.00)		\$ 6,286.12	\$ 6,553.06
	55,674.15	23,212.86			73,297.83	(7,250.00)		6,286.12	6,553.06
2017			\$ 259,244,975.93	\$ 2,141,232.05	255,228,074.78	981,637.94	\$ 413,997.28	423,522.36	56,511.52
	<u>\$ 55,674.15</u>	<u>\$ 23,212.86</u>	<u>\$ 259,244,975.93</u>	<u>\$ 2,141,232.05</u>	<u>\$ 255,301,372.61</u>	<u>\$ 974,387.94</u>	<u>\$ 413,997.28</u>	<u>\$ 429,808.48</u>	<u>\$ 63,064.58</u>

Analysis of 2017 Property Tax Levy:

Tax Yield:

General Purpose	\$ 257,857,994.74
Omitted/Added Taxes (N.J.S.A. 54:4-63.1 et seq.)	1,386,981.19

\$ 259,244,975.93

Tax Levy:

Local District School Tax (Abstract)	\$ 112,320,655.00
County Tax (Abstract)	51,361,148.90
County Open Space	2,176,046.17
County Added & Omitted	318,004.06
Special District Taxes	23,762,073.00

Local Tax for Municipal Purposes	65,442,489.19
Local Tax for Library Purposes	2,884,609.80
Add: Additional Tax for Mun. Purposes	979,949.81

\$ 259,244,975.93

SCHEDULE OF TAX TITLE LIENS  
CURRENT FUND

Balance - December 31, 2016	\$	2,818,493.96
Increased by:		
Transfer from Taxes Receivable		413,997.28
		3,232,491.24
Decreased by:		
Collections		292,817.90
Balance - December 31, 2017	\$	2,939,673.34

SCHEDULE OF OTHER ACCOUNTS RECEIVABLE  
CURRENT FUND

Balance - December 31, 2016	\$	54,095.74
Decreased by:		
Cancellations		54,095.74
Balance - December 31, 2017	\$	-

CURRENT FUND  
SCHEDULE OF TAXES PAYABLE (PREPAID)

	Balance December 31, 2016	Taxes Levied	Cash Disbursements	Balance December 31, 2017
County Taxes		\$ 51,361,148.90	\$ (51,361,148.90)	
County - Open Space		2,176,046.17	(2,176,046.17)	
County - Added & Omitted	\$ 362,627.89	318,004.06	(362,626.89)	\$ 318,005.06
Local School District Taxes	268,596.50	112,320,655.00	(112,801,150.00)	(211,898.50)
Special Districts Taxes		23,762,073.00	(23,762,076.00)	
Total	<u>\$ 631,224.39</u>	<u>\$ 189,937,927.13</u>	<u>\$ (190,463,047.96)</u>	<u>\$ 106,106.56</u>

SCHEDULE OF 2016 APPROPRIATION RESERVES  
CURRENT FUND

	BALANCE DEC. 31, <u>2016</u>	ENCUMBERED DEC. 31, 2016	BALANCE AFTER MODIFICATION	PAID OR CHARGED	ACCOUNTS PAYABLE	BALANCE LAPSED
Operations Within "CAPS"						
Salaries and Wages:						
Office of the Mayor	\$ 10,128.17		\$ 13,128.17	\$ 12,959.68		\$ 168.49
Office of the Township Clerk	15,804.38		12,804.38	10,008.23		2,796.15
Office of the Business Administrator	12,071.27		12,071.27	8,646.93		3,424.34
Division of Human Resources	11,584.39		11,584.39	8,022.81		3,561.58
Division of Budget and Purchasing	21,234.88		21,234.88	15,766.41		5,468.47
Office of Financial Admin.	29,812.46		11,812.46	11,567.69		244.77
Division of Assessments	45,791.13		17,791.13	16,533.40		1,257.73
Division of Revenue Collection	42,496.60		18,496.60	17,328.14		1,168.46
Legal Services	12,898.80		12,898.80	12,703.50		195.30
Municipal Prosecutor	4,631.65		4,631.65	3,328.46		1,303.19
Municipal Court	116,574.85		46,574.85	41,635.01		4,939.84
Public Defender	1.00		1.00			1.00
Division of Engineering	16,527.15		16,527.15	16,527.15		
Affordable Housing	82,788.00		82,788.00			82,788.00
Community Planning & Compliance	19,887.69		19,887.69	19,887.69		
Zoning Board	7,447.11		7,447.11	3,391.48		4,055.63
Housing Inspections	14,207.05		14,207.05	12,810.91		1,396.14
Uniform Construction Code	58,521.31		58,521.31	47,316.06		11,205.25
Economic Development	64,588.06		19,588.06	15,061.86		4,526.20
Police Division/Dept. of Public Safety	686,558.85		856,558.85	832,634.46		23,924.39
Office of Public Works	113,861.25		149,861.25	144,699.33		5,161.92
Other Public Works	15,012.50		15,012.50	3,088.42		11,924.08
Solid Waste Collection & Recycling	10,246.47		10,246.47	4,415.03		5,831.44
Maintenance of Motor Vehicles	168,541.11		68,541.11	45,182.03		23,359.08
Division of Buildings and Grounds	173,324.61		73,324.61	65,183.28		8,141.33
Maintenance of Parks	404,276.38		104,276.38	94,407.80		9,868.58
Citizens Response	34,744.88		9,744.88	6,922.85		2,822.03
Public Health Services	44,346.11		44,346.11	24,023.18		20,322.93
Environmental Health Services	18,933.88		19,933.88	15,768.79		4,165.09
Animal Control Services	13,370.34		14,370.34	12,951.52		1,418.82
Director of Recreation	25,029.27		23,029.27	14,409.31		8,619.96
Sr. Citizens Programs	39,764.29		39,764.29	15,427.08		24,337.21
Environmental Commission	407.05		407.05			407.05
Redevelopment Board	100.00		100.00			100.00

SCHEDULE OF 2016 APPROPRIATION RESERVES  
CURRENT FUND

	BALANCE DEC. 31, <u>2016</u>	ENCUMBERED <u>DEC. 31, 2016</u>	BALANCE AFTER <u>MODIFICATION</u>	PAID OR <u>CHARGED</u>	ACCOUNTS <u>PAYABLE</u>	BALANCE <u>LAPSED</u>
Salaries and Wages(cont'd):						
Shade Tree Commission	\$ 25.00		\$ 25.00			\$ 25.00
Special Needs Commission	200.00		200.00			200.00
Public Safety Commission	200.00		200.00			200.00
Other Expenses:						
Office of the Mayor	2,728.54	\$ 886.05	3,614.59	\$ 1,692.34		1,922.25
Township Council	2,098.74	1,369.16	3,467.90	1,283.10		2,184.80
Office of the Township Clerk	4,523.82	9,701.61	14,225.43	9,701.61		4,523.82
Office of Business Administrator	501.22	97.28	598.50	97.28		501.22
Division of Human Resources	1,670.01	1,080.64	2,750.65	1,123.95	\$ 774.10	852.60
Training	5,891.24		5,891.24			5,891.24
Division of Budget and Purchasing	2,572.17	2,723.57	5,295.74	2,233.86		3,061.88
Postage Costs	2,114.20	255.00	2,369.20	255.00		2,114.20
Office of Director of Finance	26,076.45	9,853.50	35,929.95	8,233.25	1,783.36	25,913.34
Audit	1,494.00		1,494.00	1,494.00		
Division of Assessments	17,161.02	350.12	17,511.14	368.29	101.83	17,041.02
Division of Revenue Collection	36,897.48	4,614.93	41,512.41	13,201.41	873.58	27,437.42
Legal Services	63,452.18	14,048.60	77,500.78	63,778.56	5,000.00	8,722.22
Municipal Court	33,059.67	5,145.29	38,204.96	7,145.41		31,059.55
Division of Engineering	78,471.42	2,564.00	81,035.42	7,889.00	62,000.00	11,146.42
Division of Economic Develop.	31,423.90	81,698.25	113,122.15	71,809.51	12,791.44	28,521.20
Community Planning & Compliance	26,754.64		26,754.64			26,754.64
Zoning Board	603.33		603.33			603.33
Uniform Construction Code	7,468.15	51,713.25	59,181.40	4,759.37	18,799.00	35,623.03
Housing Inspections	2,730.84	662.58	3,393.42	600.00	812.58	1,980.84
Group Insurance			534,500.00	534,500.00		
Police Division/Dept. of Public Safety	40,133.31	286,864.38	326,997.69	319,493.13	6,252.06	1,252.50
Office of Emergency Management	17,457.17	6,009.54	23,466.71	17,676.42		5,790.29
Purchase of Police Cars		325,000.00	325,000.00	325,000.00		
Office of Public Works	269,042.12	64,316.83	302,858.95	39,700.57	7,685.33	255,473.05
Other Public Works Functions	7,898.70	5,794.86	13,693.56	5,469.36		8,224.20
Division of Bldgs. and Grounds	46,024.65	70,017.59	116,042.24	73,591.90	1,569.40	40,880.94
Solid Waste Collection & Recycling	160,710.52	108,542.54	269,253.06	251,640.87		17,612.19
Maintenance of Motor Vehicles	51,569.69	41,895.95	93,465.64	53,882.05	2,710.11	36,873.48
Landfill/Solid Waste Disposal Costs	100,000.00	352,236.52	452,236.52	392,095.09		60,141.43
Maintenance of Parks	58,934.77	42,611.91	101,546.68	55,678.95		45,867.73

SCHEDULE OF 2016 APPROPRIATION RESERVES  
CURRENT FUND

	BALANCE DEC. 31, 2016	ENCUMBERED DEC. 31, 2016	BALANCE AFTER MODIFICATION	PAID OR CHARGED	ACCOUNTS PAYABLE	BALANCE LAPSED
Other Expenses (cont'd)						
Division of Citizen Response	\$ 369.15	\$ 523.93	\$ 893.08	\$ 742.29		\$ 150.79
Public Health Services	37,773.99	21,867.36	59,641.35	21,565.51	\$ 1,553.34	36,522.50
Environmental Health Services	8,032.00	3,604.01	11,636.01	3,523.60		8,112.41
Animal Control Services	2,967.41	9,113.00	12,080.41	3,875.09	5,699.71	2,505.61
Division of Recreation	48,809.30	45,281.60	94,090.90	48,683.86	1,449.99	43,957.05
Office of Senior Citizens Programs	7,046.60	13,099.28	20,145.88	11,395.61	578.11	8,172.16
Environmental Comm.	670.00		670.00			670.00
Zoning Board of Adjustment	30,351.30	164.88	30,516.18	164.88		30,351.30
Planning Board	36,998.66	50.76	37,049.42	50.76		36,998.66
Board of Public Officers	575.00		575.00			575.00
Redevelopment Board	8,280.00		8,280.00			8,280.00
Shade Tree Commission	59.12		59.12			59.12
Rent Leveling Board	50.00		50.00			50.00
Special Needs Commission	200.00		200.00			200.00
Retirement Payouts	127,842.34		127,842.34	122,336.61		5,505.73
Utility Expense and Bulk Purchase	866,583.80	12,924.66	879,508.46	42,624.08	310.63	836,573.75
Condo Services Act	50,000.00		50,000.00	46,805.82		3,194.18
DCRP	14,058.51		14,058.51	349.99		13,708.52
Public Employees Retirement System	0.39		0.39	0.00		0.39
Social Security System (O.A.S.I.)	157,880.79		157,880.79	137,009.53		20,871.26
<b>Total Operations Within "CAPS"</b>	<b>4,833,950.25</b>	<b>1,596,683.43</b>	<b>6,430,633.68</b>	<b>4,256,130.40</b>	<b>130,744.57</b>	<b>2,043,758.71</b>
Operations Excluded From "CAPS"						
Salaries and Wages:						
Police Dispatch/911	83,011.48		83,011.48	49,413.70		33,597.78
Other Expenses:						
Police Dispatch/911	1,168.10		1,168.10	495.00		673.10
Matching Funds for Grants	5,292.00		5,292.00			5,292.00
<b>Total Operations Excluded from "CAPS"</b>	<b>89,471.58</b>		<b>89,471.58</b>	<b>49,908.70</b>		<b>39,562.88</b>
<b>Total Appropriation Reserves</b>	<b>\$ 4,923,421.83</b>	<b>\$ 1,596,683.43</b>	<b>\$ 6,520,105.26</b>	<b>\$ 4,306,039.10</b>	<b>\$ 130,744.57</b>	<b>\$ 2,083,321.59</b>

SCHEDULE OF PREPAID TAXES  
CURRENT FUND

Balance - December 31, 2016	\$	2,141,232.05
Increased by:		
2017 Prepaid Tax Collections		7,279,203.53
		9,420,435.58
Decreased by:		
Applied to 2016 Taxes		2,141,232.05
Balance - December 31, 2017	\$	7,279,203.53

SCHEDULE OF TAX OVERPAYMENTS  
CURRENT FUND

Balance - December 31, 2016	\$	274,146.91
Increased by:		
Overpayments in 2017		2,813.28
		276,960.19
Decreased by:		
Refunds		274,146.91
Balance - December 31, 2017	\$	2,813.28

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

Balance - December 31, 2016		\$ 267,964.65
Increased by:		
Allowable Deductions Per Tax Billings (Abstract)	\$ 979,500.00	
2017 Deductions Allowed by Collector	<u>21,000.00</u>	
		<u>1,000,500.00</u>
		1,268,464.65
Decreased by:		
Cash Received	971,045.47	
2017 Deductions Disallowed by Collector:	<u>14,512.06</u>	
		<u>985,557.53</u>
Balance - December 31, 2017		<u><u>\$ 282,907.12</u></u>
<u>Analysis of Realized Revenue for 2017:</u>		
Deductions Allowed Per Tax Billings	\$ 979,500.00	
2017 Deductions Allowed/Disallowed by Collector (net)	<u>(2,137.94)</u>	
Realized as Revenue - 2017		<u><u>\$ 981,637.94</u></u>

SCHEDULE OF STATE AND FEDERAL GRANTS ACCOUNTS RECEIVABLE  
GRANT FUND

<u>GRANT/AID PROGRAM</u>	<u>BALANCE DEC. 31, 2016</u>	<u>REALIZED IN 2017 BUDGET</u>	<u>RECEIVED 2017</u>	<u>BALANCE DEC. 31, 2017</u>
Transportation Trust	\$ 12,345.00			\$ 12,345.00
NJ DOT Speed Humps	1,879.49			1,879.49
Klockner Rd.	14,070.38			14,070.38
Smart Future Grant	25,000.00			25,000.00
SFY 2006:				
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
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	7,013.00			7,013.00
NJ Turnpike Phase II - Ch. 159	87.06			87.06
CY 2013				
Safe Streets To Roads	200,000.00		\$ 150,000.00	50,000.00
Safe Routes to Schools	275,000.00		156,410.45	118,589.55
NNL Turnpike Phase III	38.00			38.00

SCHEDULE OF STATE AND FEDERAL GRANTS ACCOUNTS RECEIVABLE  
GRANT FUND

<u>GRANT/AID PROGRAM</u>	<u>BALANCE</u> <u>DEC. 31, 2016</u>	<u>REALIZED</u> <u>IN 2017</u> <u>BUDGET</u>	<u>RECEIVED</u> <u>2017</u>	<u>BALANCE</u> <u>DEC. 31, 2017</u>
CY 2014				
Municipal Alliance	\$ 15,792.14			\$ 15,792.14
NJDOT Roadway Improv S. Olden	70,875.00			70,875.00
Bulletproof Vest Program	19,134.91			19,134.91
CY 2015				
Distracted Driving	50.00			50.00
Municipal Alliance	316.10			316.10
State DOT Whitehorse Hamilton Square Rd.	300,000.00		\$ 225,000.00	75,000.00
Bulletproof Vest Program	11,169.18			11,169.18
CY 2016				
Recreational Trails	24,000.00			24,000.00
Municipal Alliance	20,493.89		18,565.28	1,928.61
Edward Byrne JAG 2016	16,208.00		16,208.00	
NJDOT Whitehorse-Hamilton Square	275,000.00			275,000.00
NJDOT Safe Streets to Schools	47,250.00			47,250.00
Bulletproof Vest Partnership	13,903.45		1,669.80	12,233.65
<b><u>2017</u></b>				
NJ ACCHO Mini Grant		\$ 1,500.00		1,500.00
NJDOT Whitehorse Hamilton Sq Rd		275,000.00		275,000.00
Recycling Tonnage		137,687.65	137,687.65	
Emergency Management Assistance		9,400.00		9,400.00
Div of Highway Traffic Safety		5,000.00	5,000.00	
Drive Sober Get Pulled Over		5,500.00	5,500.00	
Alcohol Education and Rehab		12,739.25	12,739.25	
NJDOT Muni Adi Hughes Drive		305,000.00		305,000.00
Clean Communities		184,817.89	184,817.89	
Municipal Alliance		78,832.00	57,581.92	21,250.08
Drive Sober Get Pulled Over		5,500.00	5,500.00	
Click It or Ticket		5,500.00	5,500.00	
NJACCHO Health		2,320.00	2,320.00	
Drunk Driving Enforcement		10,400.38	10,400.38	
Distracted Driving		5,500.00		5,500.00
Drunk Driving Enforcement		10,400.38		10,400.38
State Body Armor		14,078.32	14,078.32	
Drive Sober Get Pulled Over		5,500.00		5,500.00
	<u>\$ 1,448,072.80</u>	<u>\$ 1,074,675.87</u>	<u>\$ 1,008,978.94</u>	<u>\$ 1,513,769.73</u>

SCHEDULE OF RESERVE FOR STATE AND FEDERAL  
GRANTS APPROPRIATED  
GRANT FUND

	Balance Dec. 31 <u>2016</u>	TRANSFERRED 2017 <u>BUDGET</u>	ENCUMBERED <u>Dec. 31, 2016</u>	PAID OR <u>CHARGED</u>	ENCUMBERED <u>Dec. 31, 2017</u>	<u>CANCELLED</u>	Exhibit - A-13 Balance Dec. 31 <u>2017</u>
Parking Adjudication	\$ 330.00						\$ 330.00
NJ DOT Livable Comm. Anchor Thread Park			\$ 8,347.00				8,347.00
NJ DOT Quakerbridge & Young Rd.	22,295.00						22,295.00
SFY 2005:							
Klockner Rd.	15,625.94						15,625.94
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 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				2,230.08
NJ Forestry Service Stimulus ARRA	7,000.00						7,000.00
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
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	.89						.89
2010 Smart Growth Planning Grant	500.00						500.00
Municipal Alliance	1,255.96						1,255.96
Regional Trails	4,000.00						4,000.00
Drunk Driving Enforcement Grant	6,883.37			\$ 365.50			6,517.87
Justice Assistance Recovery Act	12,444.80						12,444.80
Municipal Court Alcohol Ed. Rehab	6,954.84		1,200.00	6,300.00			1,854.84
Child Passenger Safety	2,200.00						2,200.00
CY 2012							
Municipal Alliance	456.64						456.64
Emergency Management Performance	2,215.23		1,970.00		\$ 1,970.00		2,215.23
Recreation Trails Program	7,012.99						7,012.99
Recycling Tonnage Grant	9.34						9.34
Justice Assistance I	18,799.00						18,799.00
Alcohol Education & Rehab	11,548.09						11,548.09

SCHEDULE OF RESERVE FOR STATE AND FEDERAL  
GRANTS APPROPRIATED  
GRANT FUND

Exhibit - A-13  
Page 2 of 3

<u>GRANT PROGRAM</u>	<u>BALANCE DEC. 31 2016</u>	<u>TRANSFERRED 2017 BUDGET</u>	<u>ENCUMBERED Dec. 31, 2016</u>	<u>PAID OR CHARGED</u>	<u>ENCUMBERED Dec. 31, 2017</u>	<u>CANCELLED</u>	<u>BALANCE DEC. 31, 2017</u>
Turnpike Phase II	\$ 249,390.58						\$ 249,390.58
Drive Sober or Get Pulled Over	4,400.00						4,400.00
2012 Sustainable Land Use Planning Grant	2,500.00						2,500.00
CY 2013							
Municipal Alliance	687.16						687.16
Safe Streets to Transit Program	200,000.00			\$ 199,282.40			717.60
Safe Routes to Schools Program	272,436.06		\$ 1,272.04	273,708.04			.06
Driver Sober Get Pulled Over	4,400.00						4,400.00
Click It or Ticket Grant	4,000.00						4,000.00
NNL Turnpike Phase III	266,008.31						266,008.31
Municipal Court Alcohol Ed. Rehab	12,613.15						12,613.15
Drunk Driving Enforcement Grant	4,269.14		229.90	1,376.03	\$ 290.28		2,832.73
State Body Armor Grant							
CY 2014							
Municipal Alliance (6mo)	973.11						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	145.36						145.36
Emergency Management Assistance	10,000.00						10,000.00
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
Recycling Tonnage			438.80				438.80
CY2015							
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	1,335.70						1,335.70
Alcohol Education Rehab	3,371.06			2,641.70			729.36
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	1,000.00			1,000.00			
Body Armor Grant	6,076.24		1,669.80	7,746.04			
Drunk Driving Enforcement	14,252.82						14,252.82
CY2016							
Recreational Trails	24,000.00						24,000.00
Municipal Alliance	12,038.45		57,519.08	68,141.94	950.00		465.59

SCHEDULE OF RESERVE FOR STATE AND FEDERAL  
GRANTS APPROPRIATED  
GRANT FUND

Exhibit - A-13  
Page 3 of 3

	Balance Dec. 31 <u>2016</u>	TRANSFERRED 2016 <u>BUDGET</u>	ENCUMBERED Dec. 31, 2016	PAID OR CHARGED	ENCUMBERED Dec. 31, 2017	<u>CANCELLED</u>	Balance Dec. 31 <u>2017</u>
Edward Byrne JAG 2016	\$ 16,208.00						\$ 16,208.00
Recycling Tonnage	85,088.84		\$ 1,167.03	\$ 80,224.67	\$ 711.98		5,319.22
Emergency Management Assistance	11,417.20						11,417.20
Clean Communities	124,964.95		1,998.94	126,726.97	236.92		
NJDOT Whitehorse-Hamilton Square	275,000.00						275,000.00
Drive Sober Get Pulled Over	5,000.00						5,000.00
Drunk Driving Enforcement	13,234.55						13,234.55
Click It or Ticket	5,000.00						5,000.00
Alcohol Education and Rehab	9,427.30			5,704.52			3,722.78
Body Armor	14,053.56			11,956.71	2,096.85		
NJDOT Safe Streets to Schools	47,250.00			47,250.00			
Bulletproof Vest Partnership	13,903.45				9,322.92		4,580.53
CY2017							
NJ ACCHO Mini Grant		\$ 1,500.00					1,500.00
NJDOT Whitehorse Hamilton Sq Rd		275,000.00					275,000.00
Recycling Tonnage		137,687.65		4,585.35	5,500.00		127,602.30
Emergency Management Assistance		9,400.00					9,400.00
Div of Highway Traffic Safety		5,000.00					5,000.00
Drive Sober Get Pulled Over		5,500.00					5,500.00
Alcohol Education and Rehab		12,739.25					12,739.25
NJDOT Muni Adi Hughes Drive		305,000.00					305,000.00
Clean Communities		184,817.89		48,722.36	8,717.93		127,377.60
Municipal Alliance		98,540.00		26,785.96	56,719.77		15,034.27
Drive Sober Get Pulled Over		5,500.00					5,500.00
Click It or Ticket		5,500.00					5,500.00
NJACCHO Health		2,320.00					2,320.00
Drunk Driving Enforcement		10,400.38					10,400.38
Distracted Driving		5,500.00					5,500.00
Drunk Driving Enforcement		10,400.38					10,400.38
State Body Armor		14,078.32					14,078.32
Drive Sober Get Pulled Over		5,500.00					5,500.00
	<u>\$ 2,310,582.03</u>	<u>\$ 1,094,383.87</u>	<u>\$ 106,494.33</u>	<u>\$ 1,212,518.19</u>	<u>\$ 87,697.23</u>	<u>\$ -</u>	<u>\$ 2,211,244.81</u>

SCHEDULE OF STATE AND FEDERAL GRANTS UNAPPROPRIATED  
GRANT FUND

<u>GRANT/AID PROGRAM</u>	<u>BALANCE</u> <u>DEC. 31, 2016</u>	<u>RECEIVED</u> <u>2017</u>	<u>BALANCE</u> <u>DEC. 31, 2017</u>
DOJ	\$ 4,956.90		\$ 4,956.90
New Jersey Division of Law and Public Safety	4,700.00		4,700.00
Recycling Tonnage		<u>\$ 124,189.17</u>	<u>124,189.17</u>
	<u>\$ 9,656.90</u>	<u>\$ 124,189.17</u>	<u>\$ 133,846.07</u>

**TRUST FUND**

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

Balance - December 31, 2016	\$41,571.96
Increased by:	
2017 Dog License and Other Related Fees	<u>43,931.00</u>
	85,502.96
Decreased by:	
Expenditures per R.S. 4:19-15.11	<u>2,292.94</u>
Balance - December 31, 2017	<u><u>\$83,210.02</u></u>

License Fees Collected:

<u>Year</u>	<u>Amount</u>
2015	\$42,134.60
2016	<u>41,338.40</u>
	<u><u>\$83,473.00</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. 2016</u>	<u>RECEIPTS</u>	<u>BALANCE</u> <u>DEC. 2017</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	333,930.00	\$ 66,786.00	400,716.00
Prepaid Assessments	9,332.15		9,332.15
	<u>\$ 249,385.95</u>	<u>\$ 66,786.00</u>	<u>\$ 316,171.95</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 PLEDGED TO</u>		
			<u>BALANCE DEC. 2016</u>	<u>COLLECTIONS</u>	<u>BALANCE DEC. 2017</u>	<u>ASSESSMENT BONDS</u>	<u>RESERVE</u>
04-36	Roadway Improvements	11/5/10	<u>\$ 961,903.88</u>	<u>\$ 66,786.00</u>	<u>\$ 895,117.88</u>	<u>\$ 863,000.00</u>	<u>\$32,117.88</u>
			961,903.88	66,786.00	895,117.88	863,000.00	32,117.88
	Assessment Lien Receivable Prior Years		<u>899.49</u>		<u>899.49</u>		<u>\$ 899.49</u>
	Total		<u>\$ 962,803.37</u>	<u>\$ 66,786.00</u>	<u>\$ 896,017.37</u>	<u>\$ 863,000.00</u>	<u>\$33,017.37</u>

SCHEDULE OF CASH AND RESERVE ACTIVITY  
TRUST FUNDS

	BALANCE DEC. 31, 2016	RECEIPTS	DISBURSEMENTS	ADJUSTMENTS	BALANCE DEC. 31, 2017
<b>Trust Assessment:</b>					
Prepaid Assessments	\$ 9,332.15				\$ 9,332.15
Assessments Receivable	(961,903.88)	\$ 66,786.00			(895,117.88)
Assessment Liens & Costs	(899.49)				(899.49)
Prospective Assessments Funded	(2,267,073.50)				(2,267,073.50)
Reserve for Assessments	2,496,928.67			\$ 110,000.00	2,606,928.67
Serial Bonds Payable	973,000.00			(110,000.00)	863,000.00
Assessment Fund Balance	2.00				2.00
<b>Total</b>	<b>249,385.95</b>	<b>66,786.00</b>	<b>-</b>	<b>-</b>	<b>316,171.95</b>
<b>Animal Control:</b>					
Due NJ - State License Fees		7,120.20	\$ (7,120.20)		
Reserve for Encumbrance	349.79				349.79
Escrow	2,857.00	1,925.00			4,782.00
Animal Control Reserves	41,571.96	43,931.00	(2,292.94)		83,210.02
<b>Total</b>	<b>44,778.75</b>	<b>52,976.20</b>	<b>(9,413.14)</b>	<b>-</b>	<b>88,341.81</b>
<b>Trust - Other Funds:</b>					
Due to/from Current Fund	599.82	4,142,882.82	(4,677,982.64)		(534,500.00)
Due to/from General Capital Fund		160,000.00			160,000.00
Res for Encumbrances (Trust)	62,303.33	183,813.74	(62,200.95)		183,916.12
Res for Encumbrances (Ins. Reserves)	37,068.72	20,000.11	(37,068.72)		20,000.11
Res for Encumbrances (Law Enf. Trust)	2,818.00	21,746.60			24,564.60
Res for Encumbrances (Utilities Reserves)	75,130.40		(28,397.75)		46,732.65
Res for Encumbrances (COAH)	16,803.19	29,841.64	(16,097.35)		30,547.48
Affordable Housing Fund - COAH	4,839,204.62	1,523,562.18	(214,042.36)		6,148,724.44
Flexible Spending Account	17,318.83	36,514.74	(27,916.44)		25,917.13
Dedicated Law Enforcement Trust	61,328.71	17,311.19	(26,213.33)		52,426.57
Developers Escrow Fund	1,227,348.65	402,524.78	(499,848.85)		1,130,024.58
Other Escrow Funds	7,037,492.30	1,527,994.08	(1,108,685.88)		7,456,800.50
Performance Guarantees	1,305,235.05				1,305,235.05
Deposits for Tax Sale Redemptions	4,827,463.86	30,963,102.77	(31,951,801.19)		3,838,765.44
Payroll Deductions Payable	486,683.96	13,036,050.68	(13,036,331.61)		486,403.03
Insurance Trust Reserve	3,154,656.78	23,494,569.25	(24,805,544.72)		1,843,681.31
Utilities Trust Reserve	5,094.74	2,874,042.40	(2,838,941.45)		40,195.69
Unemployment Trust	25,447.59	174,052.07	(106,524.91)		92,974.75
Storm Recovery Trust	500,000.00	191,522.50	(278,070.52)		413,451.98
Off-Duty Police	686,581.20	1,950,042.32	(1,625,855.20)		1,010,768.32
<b>Total</b>	<b>24,368,579.75</b>	<b>80,749,573.87</b>	<b>(81,341,523.87)</b>	<b>-</b>	<b>23,776,629.75</b>

SCHEDULE OF CASH AND RESERVE ACTIVITY  
TRUST FUNDS

	<u>BALANCE</u> <u>DEC. 31, 2016</u>	<u>RECEIPTS</u>	<u>DISBURSEMENTS</u>	<u>ADJUSTMENTS</u>	<u>BALANCE</u> <u>DEC. 31, 2017</u>
Self Insurance Trust Fund:					
Workers Comp. Insurance Claims	\$ 8,286.65	\$ 10,724.28	\$ (11,290.81)		\$ 7,720.12
<b>Total</b>	<b>8,286.65</b>	<b>10,724.28</b>	<b>(11,290.81)</b>		<b>7,720.12</b>
Housing and Community Development:					
Accounts Receivable	(1,028,076.75)	753,837.85	(590,849.78)		(865,088.68)
Reserve for Community Dev.	1,029,510.42	603,571.24	(717,230.99)		915,850.67
<b>Total</b>	<b>1,433.67</b>	<b>1,357,409.09</b>	<b>(1,308,080.77)</b>		<b>50,761.99</b>
HUD Housing Voucher Program					
Reserve for HUD Housing Voucher Program	425,125.04	1,639,545.48	(1,863,602.22)	148,200.00	349,268.30
Accounts Receivable	(53,904.00)	53,904.00			
Accounts Payable	4,100.00			(2,647.00)	1,453.00
Unearned Revenue	145,553.00			(145,553.00)	
<b>Total</b>	<b>520,874.04</b>	<b>1,693,449.48</b>	<b>(1,863,602.22)</b>	<b>-</b>	<b>350,721.30</b>
<b>Grand Total</b>	<b>\$ 25,193,338.81</b>	<b>\$ 83,930,918.92</b>	<b>\$ (84,533,910.81)</b>	<b>\$ -</b>	<b>\$ 24,590,346.92</b>

SCHEDULE OF PROSPECTIVE ASSESSMENTS - FUNDED  
TRUST ASSESSMENT FUND

CAPITAL ORDINANCE NO.	IMPROVEMENT DESCRIPTION	BALANCE DEC. 31, 2016	BALANCE DEC. 31, 2017	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	
04-06	Roadway Improvements-Variou	1,600,000.00	1,600,000.00	737,000.00	\$ 863,000.00
		<u>\$2,267,073.50</u>	<u>\$ 2,267,073.50</u>	<u>\$ 1,404,073.50</u>	<u>\$ 863,000.00</u>

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

CAPITAL ORDINANCE NO.	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DEC. 31, 2016</u>	<u>CURRENT BUDGET FOR DEFICIT</u>	<u>BALANCE DEC. 31, 2017</u>
<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	1,378,932.31	\$ 110,000.00	1,488,932.31
<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>				
04-06	Roadway Improvements-Variou	517,000.00		517,000.00
<u>ASSESSMENT LIENS</u>				
5051	Jefferson, Johnston Aves. Redfern St., Ridge Ave., Samuel, Stockton St. - Curbs	899.49		899.49
		<u>\$ 2,496,928.67</u>	<u>\$ 110,000.00</u>	<u>\$ 2,606,928.67</u>

SCHEDULE OF ASSESSMENT SERIAL BONDS  
TRUST ASSESSMENT FUND

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS</u>		<u>INTEREST RATE</u>	<u>BALANCE DEC. 31, 2016</u>	<u>DECREASE</u>	<u>BALANCE DEC. 31, 2017</u>	
			<u>OUTSTANDING -December 31, 2017</u>	<u>DATE</u>					<u>AMOUNT</u>
Special Assessment Bonds, Series 2010C	3/10/2010	\$ 1,523,000.00	2018-21	\$	110,000.00	3.125%	\$ 973,000.00	\$ 110,000.00	\$ 863,000.00
			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>\$ 973,000.00</u>	<u>\$ 110,000.00</u>	<u>\$ 863,000.00</u>	

**GENERAL CAPITAL FUND**

ANALYSIS OF CASH AND INVESTMENTS  
GENERAL CAPITAL FUND

	<u>BALANCE</u> <u>DEC. 31, 2016</u>	<u>BALANCE</u> <u>DEC. 31, 2017</u>
Fund Balance	\$ 2,472.97	\$ 2,472.97
Capital Improvement Fund	37,284.58	73,008.74
Reserve for Encumbrances	3,261,841.68	4,772,423.37
Reserve for Future Debt Service	35,702.09	171,689.79
Due to Sewer Operating Fund		4,270,472.18
Due from Trust Other Fund		(160,000.00)
Due from Current		(1,498,072.50)
Mercer At Play	125,000.00	125,000.00
Grants Receivable	(189,581.78)	(347,081.78)
<u>CAP.</u>		
<u>NO.</u>		
	<u>IMPROVEMENT AUTHORIZATIONS</u>	
	<u>General Improvements</u>	
5053	(10,703.83)	(10,703.83)
5056	(9,579.91)	(9,579.91)
5090		
	(83,979.49)	(83,979.49)
5096	(1,423.43)	(1,423.43)
5125	(4,019.78)	(4,019.78)
5129	6,413.60	6,413.60
5130	(102,583.65)	(102,583.65)
5133	(40,000.00)	(40,000.00)
5135	15,894.72	15,894.72
5137	455.93	455.93
02-012	(15,314.31)	(15,314.31)
04-037/04-043	20,975.36	20,119.31
05-002/051008	(69,978.77)	(69,978.77)
05-049	2,049.29	2,273.29
07-009	525.06	546.03
07-020	24,650.82	24,650.82
08-004	35.73	35.73
08-065	4,924.59	4,924.59
09-004	89,609.32	1,692.82
09-031	1,045,989.76	999,756.70
10-032	1,457,327.57	1,142,169.38
11-016	.67	.67
11-017	1,729,874.44	1,130,917.61
12-031	2,143,162.84	1,785,194.71
12-032	299,196.16	
13-046	1,727,860.74	1,556,934.28
14-031	2,353,275.26	2,013,907.77
15-020	3,730,300.59	2,306,942.37
16-022	(658,342.43)	(3,599,947.82)
17-015		450,000.00
17-016		(2,757,110.60)
	<u>Local Improvements</u>	
5028	(95.00)	(95.00)
04-036	183,113.56	183,113.56
	<u>\$ 17,112,334.95</u>	<u>\$ 12,361,120.07</u>

( ) Denotes Deficit



SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
GENERAL CAPITAL FUND

CAP. NO.	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	BALANCE DEC. 31, 2016			2017 AUTHORIZATIONS						BALANCE - DEC. 31, 2017		
			AMOUNT	FUNDED	UNFUNDED	ENCUMBERED 12/31/16	UNFUNDED	OTHER FUNDING	CAPITAL IMPROVEMENT FUND	PAID OR CHARGED	ENCUMBERED 12/31/2017	CANCELLED	FUNDED	UNFUNDED
General Improvements:														
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	
04-037	Var. Rd. Improvements	10/13/2004	3,423,000.00	20,975.36		63.00	\$ 452.95		\$ 1,309.00				20,119.31	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			2,276.29			2,276.00					2,500.29
07-009	Reconst. Of Various Roads	5/15/2007	414,698.88	525.06			20.97							546.03
07-020	Var. Capital Improvements	6/5/2007	3,015,000.00	24,650.82			7,520.00		3,797.50	\$ 3,722.50			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	4,924.59			3,517.00		3,517.00				4,924.59	
09-004	Var. Capital Improvements	2/3/2009	8,797,589.00	89,609.32			181,110.15		87,916.50		181,110.15		1,692.82	
09-031	Var. Capital Improvements	12/2/2009	8,869,216.00	1,045,119.76		870.00	339,666.65		363,380.59		22,519.12		998,886.70	870.00
10-032	Var. Capital Improvements	11/08/2010	8,400,000.00	1,436,227.57		21,296.00	272,205.75		473,811.00		113,552.94		1,121,069.38	21,296.00
11-016	Animal shelter	04/19/2011	500,000.00			0.67							0.67	
11-017	Var. Capital Improvements	04/19/2011	7,521,025.00	1,709,874.44		20,021.00	64,381.59		86,826.45		576,511.97		1,130,917.61	
12-031	Var. Capital Improvements	08/21/2012	8,500,000.00			2,143,162.84	490,639.33		836,822.41		11,785.05		1,785,194.71	21.00
12-032	Open Space Acquisitions	08/21/2012	6,000,000.00	299,196.16							\$ 5,999,196.16			
13-046	Var. Capital Improvements	11/19/2013	7,500,000.00			1,727,860.74	293,495.43		445,528.74		18,893.15		1,556,934.28	
14-031	Var. Capital Improvements	05/20/2014	8,100,000.00			2,353,275.26	471,715.17		673,719.90		137,362.76		2,013,907.77	
15-020	Various Capital Improvements	09/10/2015	8,000,296.00			3,730,584.59	660,194.14		1,476,107.76		607,444.60			2,307,226.37
16-022	Various Capital Improvements	8/15/2016	8,108,365.00			7,044,607.57	474204.55		2,511,061.02		904,748.92			4,103,002.18
17-015	Open Space Acquisitions	5/24/2017	9,000,000.00					\$ 8,550,000.00	\$ 160,000.00	\$ 290,000.00			450,000.00	8,550,000.00
17-016	Various Capital Improvements	5/24/2017	8,269,455.00					7,380,983.00	500,000.00	388,472.00	1,450,810.39	2,194,772.21		4,623,872.40
04-036	Special Assessment	10/13/2004	1,600,000.00	183,113.56									183,113.56	
			<b>\$4,837,016.62</b>	<b>\$ 22,796,464.19</b>		<b>\$3,261,623.68</b>	<b>\$ 15,930,983.00</b>	<b>\$ 660,000.00</b>	<b>\$ 678,472.00</b>	<b>\$ 8,416,884.26</b>	<b>\$ 4,772,423.37</b>	<b>\$5,999,196.16</b>	<b>\$ 9,314,758.23</b>	<b>\$ 19,661,297.47</b>

SCHEDULE OF GENERAL SERIAL BONDS  
GENERAL CAPITAL FUND

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING -DEC. 31, 2017		INTEREST RATE	BALANCE DEC. 31, 2016	INCREASED	DECREASED	BALANCE DEC. 31, 2017							
			DATE	AMOUNT												
General Improvement Bonds	3/1/2010	\$ 17,716,000.00	2/1/2018	\$ 1,700,000.00	3.125%	\$ 10,196,000.00		\$ 1,700,000.00	\$ 8,496,000.00							
			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	8/1/2018	1,555,000.00	4.000%	15,830,000.00		1,510,000.00	14,320,000.00							
			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	8/1/2018	485,000.00	1.850%	3,490,000.00		445,000.00	3,045,000.00							
			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	6/1/2018	810,000.00	4.000%	6,846,000.00		790,000.00	6,056,000.00							
			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	6/1/2018	1,455,000.00	3.000%	13,903,000.00		1,410,000.00	12,493,000.00							
			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%											
General Improvement Bonds	Series 2017A	19,773,000.00	5/15/2018	1,163,000.00	3.000%		\$ 19,773,000.00		19,773,000.00							
			5/15/2019	1,165,000.00	4.000%											
			5/15/2020	1,165,000.00	4.000%											
			5/15/2021	1,165,000.00	5.000%											
			5/15/2022	1,165,000.00	5.000%											
			5/15/2023	2,325,000.00	5.000%											
			5/15/2024	2,325,000.00	5.000%											
			5/15/2025	2,325,000.00	5.000%											
			5/15/2026	2,325,000.00	5.000%											
			5/15/2027	2,325,000.00	5.000%											
			5/15/2028	2,325,000.00	5.000%											
										<u>\$ 50,265,000.00</u>	<u>\$ 19,773,000.00</u>	<u>\$ 5,855,000.00</u>	<u>\$ 64,183,000.00</u>			

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

<u>PROJECT DESCRIPTION</u>	<u>DRAWDOWN DATE</u>	<u>AMOUNT OF LOAN</u>	<u>INTEREST RATE</u>	<u>MATURITIES OF LOANS</u>		<u>BALANCE DEC. 31, 2016</u>	<u>DECREASED</u>	<u>BALANCE DEC. 31, 2017</u>
				<u>DATE</u>	<u>AMOUNT</u>			
Infrastructure Water Loan	8/1/2006	\$ 1,435,000.00	4.250%	8/1/2018	\$ 80,000.00	\$ 825,000.00	\$ 132,519.26	\$ 692,480.74
			4.250%	8/1/2019	85,000.00			
			4.500%	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>YEAR</u>	<u>SEMI-ANNUAL PRINCIPAL</u>				
				<u>1-Feb</u>	<u>1-Aug</u>			
Infrastructure Water Loan - Principal Only	8/1/2006	4,028,778.00	2018	\$ 29,964.62	176,524.51	1,861,768.64	202,825.13	1,658,943.51
			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>\$ 2,686,768.64</u>	<u>\$ 335,344.39</u>	<u>\$ 2,351,424.25</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, 2016</u>	<u>DECREASED</u>	<u>BALANCE DEC. 31, 2017</u>
Issac Pearson Acquisition	6/4/2002	\$ 115,841.25	2.00%	3/6/03-3/6/2022	\$ 7,203.38	\$ 37,340.96	\$ 6,360.99	\$ 30,979.97
Veterans Park Extension	6/4/2002	461,600.00	2.00%	3/6/03-3/6/2022	28,703.76	148,795.67	25,347.03	123,448.64
Tyndale Farm Acquisition	6/4/2002	265,655.00	2.00%	3/6/03-3/6/2022	16,519.28	<u>85,632.71</u>	<u>14,587.44</u>	<u>71,045.27</u>
*Principal and Interest						<u>\$ 271,769.34</u>	<u>\$ 46,295.46</u>	<u>\$ 225,473.88</u>

SCHEDULE OF CAPITAL IMPROVEMENT FUND  
GENERAL CAPITAL FUND

Balance December 31, 2016		\$ 37,284.58
Increased By:		
Ordinance Cancelled	\$ 299,196.16	
Budgeted Appropriations	<u>415,000.00</u>	
		<u>714,196.16</u>
		751,480.74
Decreased By:		
Appropriations To Finance Improvement Authorizations		<u>678,472.00</u>
Balance December 31, 2017		<u><u>\$ 73,008.74</u></u>

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 2016	INCREASED	Paydown Current Budget Appropriation	Bonds Issued	DECREASED	BALANCE DEC. 31 2017
12-031	Various Capital Improvements	8/28/2014	6/11/2016	6/8/2017	2.00%	\$ 8,075,000.00		\$ 297,204.00	\$ 7,777,796.00		
13-046	Various Capital Improvements	8/28/2014	6/11/2016	6/8/2017	2.00%	7,125,000.00		114,796.00	7,010,204.00		
14-031	Various Capital Improvements	8/28/2014	6/11/2016	6/8/2017	2.00%	7,695,000.00			7,695,000.00		
11-016	Animal Shelter	6/11/2016	6/11/2016	6/8/2017	2.00%	475,000.00			475,000.00		
11-017	Various Capital Improvements	6/11/2016	6/11/2016	6/8/2017	2.00%	20,000.00		20,000.00			
15-020	Various Capital Improvements	6/11/2016	6/8/2017	5/23/2018	2.00%	7,600,000.00	\$ 7,600,000.00			\$ 7,600,000.00	\$ 7,600,000.00
05-049	Various Capital Improvements	6/11/2016	6/8/2017	5/23/2018	2.00%	317,030.00	317,030.00			317,030.00	317,030.00
09-031	Various Capital Improvements	6/11/2016	6/8/2017	5/23/2018	2.00%	870.00	870.00			870.00	870.00
10-032	Various Road Improvements	6/11/2016	6/8/2017	5/23/2018	2.00%	21,100.00	21,100.00			21,100.00	21,100.00
						<u>\$ 31,329,000.00</u>	<u>\$ 7,939,000.00</u>	<u>\$ 432,000.00</u>	<u>22,958,000.00</u>	<u>\$ 7,939,000.00</u>	<u>\$ 7,939,000.00</u>

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

CAP. NO.	IMPROVEMENT DESCRIPTION	BALANCE - DEC. 31, 2016		AUTHORIZED 2017	CANCELLED	BALANCE - DEC. 31, 2017	
		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	227.00				227.00	
10-032	Various Road Improvements	196.00				196.00	
11-017	Var. Capital Improvements	21.00				21.00	
12-032	Open Space Acquisitions	5,700,000.00			\$ 5,700,000.00		
15-020	Various Capital Improvements	284.00				284.00	
16-022	Various Capital Improvements	7,702,950.00				7,702,950.00	
17-015	Open Space Acquisitions			\$ 8,550,000.00		8,550,000.00	
17-016	Various Capital Improvements			7,380,983.00		7,380,983.00	
<u>Local Improvements</u>							
5028	Curb Improv. Along George Dye Rd. and Youngs Rd.		\$ 95.00				\$ 95.00
		<u>\$ 13,793,770.40</u>	<u>\$ 95.00</u>	<u>\$ 15,930,983.00</u>	<u>\$ 5,700,000.00</u>	<u>\$ 24,024,753.40</u>	<u>\$ 95.00</u>

**SEWER UTILITY FUND**

ANALYSIS OF CASH AND INVESTMENTS  
SEWER UTILITY ASSESSMENT FUND

	BALANCE DEC. 31 <u>2016</u>	BALANCE DEC. 31 <u>2017</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>2016</u>	BALANCE DEC. 31 <u>2017</u>
Fund Balance	\$ 706.38	\$ 706.38
Accounts Receivable EIT Loan	(8,650.65)	(8,650.65)
Reserve for Encumbrances	2,381,002.25	1,738,184.79
Capital Improvement Fund	192,775.00	192,775.00
<u>CAP</u> <u>NO.</u>	<u>IMPROVEMENT</u> <u>AUTHORIZATIONS</u>	
	<u>General Improvements:</u>	
6623	Constr. of a Sanitary Sewer Main - Whitehorse-Mercerville Rd.	(44,290.00)
6642	Constr. of a Sewer Interceptor Line	(14,000.00)
6645	Var. Sewer Capital Improvements	(434.00)
6646	Improv. to San. Sewer System	2,300.00
6652	Var. Sewer Capital Improvements	14,297.60
6661	Var. Capital Improvements	(0.41)
6664	Replacement of Sewer Lines	(33,272.00)
6667	Sewer Cap. Improve.	3,782.48
6670	Improvements to Sewer System	(0.26)
03-006	Wastewater Util. Cap. Prog.	88,750.83
04-038/04-044	Various Sewer Capital Improvements	304,668.94
05-050	Various Sewer Capital Improvements	162,222.30
08-069	Var. Sewer Cap. Improvements	94,473.64
10-011	Var. Sewer Cap. Improvements	947,362.13
10-031	Var. Sewer Cap. Improvements	2,198,489.49
11-015	Var. Sewer Cap. Improvements	1,532,398.63
12-030	Var. Sewer Cap. Improvements	2,396,175.97
13-021	Var. Sewer Cap. Improvements	4,978,927.13
14-030	Var. Sewer Cap. Improvements	5,287,298.71
15-019	Various Sewer Capital Improvements	5,290,455.22
16-023	Various Sewer Capital Improvements	(316,139.70)
17-021	Various Sewer Capital Improvements	(567,227.01)
		\$ 25,459,299.68
		\$ 21,454,807.16

SCHEDULE OF SEWER RENTS RECEIVABLE  
SEWER UTILITY OPERATING FUND

Balance - December 31, 2016		\$ 850,855.93
Increased by:		
Sewer Rents Charged in 2017		<u>15,255,389.86</u>
		16,106,245.79
Decreased by:		
Cash Receipts	\$ 15,495,889.94	
Prepaid Sewer Rents Applied	<u>609,731.85</u>	
		<u>16,105,621.79</u>
Balance - December 31, 2017		<u>\$ 624.00</u>

SCHEDULE OF SEWER RENT LIENS RECEIVABLE  
SEWER UTILITY OPERATING FUND

Balance - December 31, 2016		\$ 67,818.86
Increased by:		
Interest and Costs		<u>4,949.76</u>
		72,768.62
Decreased by:		
Collection		<u>434.34</u>
Balance - December 31, 2017		<u>\$ 72,334.28</u>

SCHEDULE OF FIXED CAPITAL  
SEWER UTILITY CAPITAL FUND

	<u>BALANCE</u> <u>DEC. 31, 2016</u>	<u>ADDITIONS</u> <u>BY CAPITAL</u> <u>OUTLAY</u>	<u>BALANCE.</u> <u>DEC. 31, 2017</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	43,198,968.37		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	7,786,206.29	\$ 55,309.57	7,841,515.86
Miscellaneous Expenses	5,078,534.00		5,078,534.00
Water Use Reduction Equipment	119,480.97		119,480.97
	<u>\$ 134,159,873.33</u>	<u>\$ 55,309.57</u>	<u>\$ 134,215,182.90</u>

SCHEDULE OF FIXED CAPITAL  
AUTHORIZED AND UNCOMPLETED  
SEWER UTILITY CAPITAL FUND

CAP NO.	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE	2017	BALANCE
		DATE	AMOUNT	DEC. 31, 2016	AUTHORIZED	DEC. 31, 2017
6646	Improvements to Sanitary Sewer System	4/21/1987	\$3,761,000.00	\$ 2,300.00		\$ 2,300.00
6652	Various Sewer Capital Improvements	4/16/1991	4,090,000.00	14,297.60		14,297.60
03-006	Wastewater Utility Cap. Improv.	4/2/2003	2,300,000.00	88,750.83		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	100,248.73		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	75,885.39		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	10/10/2015	5,957,000.00	5,957,000.00		5,957,000.00
16-023	Various Sewer Capital Improvements	8/15/2016	6,376,050.00	6,379,050.00		6,379,050.00
17-021	Various Sewer Capital Improvements	6/7/2017	6,116,700.00		\$ 6,116,700.00	6,116,700.00
				<u>\$ 59,375,285.82</u>	<u>\$ 6,116,700.00</u>	<u>\$ 65,491,985.82</u>

SCHEDULE OF RESERVE FOR CAPITAL IMPROVEMENT FUND  
SEWER UTILITY CAPITAL FUND

Balance - December 31, 2016 and 2017

\$ 192,775.00

SCHEDULE OF 2016 APPROPRIATION RESERVES  
SEWER UTILITY OPERATING FUND

	BALANCE DEC. 31 <u>2016</u>	RESERVE FOR ENCUMBRANCES <u>DEC. 31, 2016</u>	AMOUNT AFTER MODIFICATION	PAID OR CHARGED	ACCOUNTS PAYABLE <u>DEC. 31, 2017</u>	BALANCE <u>LAPSED</u>
Operating:						
Salaries and Wages	\$ 658,704.90		\$ 658,704.92	\$ 243,132.08		\$ 415,572.84
Other Expenses	512,220.39	\$ 511,190.09	1,023,410.48	339,202.73	\$ 8,398.00	675,809.75
Capital Improvements:						
Capital Outlay	79,864.00	57,181.49	137,045.49	55,309.57		81,735.92
Statutory Expenditures:						
Contribution to:						
Social Security Sys. (O.A.S.I)	29,929.56		29,929.56	14,043.35		15,886.21
	<u>\$ 1,280,718.85</u>	<u>\$ 568,371.58</u>	<u>\$ 1,849,090.45</u>	<u>\$ 651,687.73</u>	<u>\$8,398.00</u>	<u>\$ 1,189,004.72</u>

SCHEDULE OF SEWER RENTS OVERPAYMENTS  
SEWER UTILITY OPERATING FUND

Balance - December 31, 2016	\$ 13,616.58
Increased by:	
Cash Receipts	<u>5,085.64</u>
Balance - December 31, 2017	<u>\$ 18,702.22</u>

SCHEDULE OF PREPAID SEWER RENTS  
SEWER UTILITY OPERATING FUND

Balance - December 31, 2016	\$ 609,731.85
Increased by:	
Cash Receipts	<u>750,530.30</u>
	1,360,262.15
Decreased by:	
Applied to Sewer Rents Receivable	<u>609,731.85</u>
Balance - December 31, 2017	<u>\$ 750,530.30</u>

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

Balance - December 31, 2016		\$	832,689.57
Increased by:			
Charged to 2017 Budget Approp.			2,640,100.10
			3,472,789.67
Decreased by:			
Charged Reserve for Debt Service			146,904.86
Cash Disbursed			2,235,241.82
			2,382,146.68
Balance - December 31, 2017		\$	1,090,642.99

Analysis of Balance - Dec. 31, 2017

NJ EIT Principal Outstanding Dec. 31, 2017	Interest Rate	From	To	Period		Amount
\$ 315,587.10	0.62%	08/01/17	12/31/2017	5 months	\$	815.27

Bond Anticipation Notes

\$ 12,761,476.00	2.00%	06/08/17	12/31/2017	202 days		143,212.12
3,156,296.00	2.00%	06/08/17	12/31/2017	202 days		35,420.66
\$ 15,917,772.00						

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

Analysis of Balance - Dec. 31, 2017:

Principal Outstanding <u>Dec. 31, 2017</u>	Interest Rate	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
<u>Serial Bonds</u>					
\$275,000.00	3.00%	08/01/17	12/31/2017	5 Months	\$ 3,437.50
280,000.00	4.00%	08/01/17	12/31/2017	5 Months	4,666.67
295,000.00	4.00%	08/01/17	12/31/2017	5 Months	4,916.67
305,000.00	2.00%	08/01/17	12/31/2017	5 Months	2,541.67
310,000.00	5.00%	08/01/17	12/31/2017	5 Months	6,458.33
325,000.00	5.00%	08/01/17	12/31/2017	5 Months	6,770.83
340,000.00	4.71%	08/01/17	12/31/2017	5 Months	6,672.50
360,000.00	4.67%	08/01/17	12/31/2017	5 Months	7,005.00
160,000.00	3.125%	08/01/17	12/31/2017	5 Months	2,083.33
165,000.00	3.125%	08/01/17	12/31/2017	5 Months	2,148.44
175,000.00	3.125%	08/01/17	12/31/2017	5 Months	2,278.65
180,000.00	3.125%	08/01/17	12/31/2017	5 Months	2,343.75
185,000.00	3.250%	08/01/17	12/31/2017	5 Months	2,505.21
195,000.00	3.375%	08/01/17	12/31/2017	5 Months	2,742.19
200,000.00	3.500%	08/01/17	12/31/2017	5 Months	2,916.67
210,000.00	3.625%	08/01/17	12/31/2017	5 Months	3,171.88
220,000.00	3.750%	08/01/17	12/31/2017	5 Months	3,437.50
225,000.00	3.875%	08/01/17	12/31/2017	5 Months	3,632.81
235,000.00	4.000%	08/01/17	12/31/2017	5 Months	3,916.67
250,000.00	4.000%	08/01/17	12/31/2017	5 Months	4,166.67
260,000.00	4.125%	08/01/17	12/31/2017	5 Months	4,468.75
270,000.00	4.125%	08/01/17	12/31/2017	5 Months	4,640.63
285,000.00	4.300%	08/01/17	12/31/2017	5 Months	5,106.25
290,000.00	4.300%	08/01/17	12/31/2017	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, 2017:

Principal Outstanding <u>Dec. 31, 2017</u>	Interest Rate	From	To	Period	Amount
\$290,000.00	4.300%	08/01/17	12/31/2017	5 Months	\$ 5,195.83
287,000.00	4.300%	08/01/17	12/31/2017	5 Months	5,142.08
1,475,000.00	4.000%	08/01/17	12/31/2017	5 Months	24,583.33
1,535,000.00	4.000%	08/01/17	12/31/2017	5 Months	25,583.33
1,595,000.00	4.000%	08/01/17	12/31/2017	5 Months	26,583.33
1,655,000.00	4.000%	08/01/17	12/31/2017	5 Months	27,583.33
1,720,000.00	4.000%	08/01/17	12/31/2017	5 Months	28,666.67
1,790,000.00	4.000%	08/01/17	12/31/2017	5 Months	29,833.33
1,855,000.00	4.000%	08/01/17	12/31/2017	5 Months	30,916.67
1,935,000.00	4.000%	08/01/17	12/31/2017	5 Months	32,250.00
500,000.00	4.000%	12/01/17	12/31/2017	1 Month	1,666.67
500,000.00	2.000%	12/01/17	12/31/2017	1 Month	833.33
500,000.00	4.000%	12/01/17	12/31/2017	1 Month	1,666.67
525,000.00	2.000%	12/01/17	12/31/2017	1 Month	875.00
550,000.00	2.000%	12/01/17	12/31/2017	1 Month	916.67
565,000.00	2.125%	12/01/17	12/31/2017	1 Month	1,000.52
575,000.00	2.250%	12/01/17	12/31/2017	1 Month	1,078.13
600,000.00	2.500%	12/01/17	12/31/2017	1 Month	1,250.00
650,000.00	3.000%	12/01/17	12/31/2017	1 Month	1,625.00
650,000.00	3.000%	12/01/17	12/31/2017	1 Month	1,625.00
650,000.00	3.000%	12/01/17	12/31/2017	1 Month	1,625.00
650,000.00	3.125%	12/01/17	12/31/2017	1 Month	1,692.71
650,000.00	3.250%	12/01/17	12/31/2017	1 Month	1,760.42
650,000.00	3.250%	12/01/17	12/31/2017	1 Month	1,760.42
650,000.00	3.250%	12/01/17	12/31/2017	1 Month	1,760.42
650,000.00	3.250%	12/01/17	12/31/2017	1 Month	1,760.42
650,000.00	3.500%	12/01/17	12/31/2017	1 Month	1,895.83



SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
SEWER UTILITY CAPITAL FUND

CAP. NO.	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE - DEC. 31, 2016		ENCUMBRANCES 12/31/16	2017 AUTHORIZED	PAID OR CHARGED	ENCUMBRANCES 12/31/17	BALANCE - DEC. 31, 2017	
		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	105,548.73		21,809.83		\$ 17,271.14	21,809.83	88,277.59	
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	94,473.64	\$ 275.00	92,572.66			92,572.66	94,473.64	\$ 275.00
10-011	Various Capital Improvements	3/1/2010	12,989,000.00	947,362.13		470,251.50		209,940.71	345,434.59	862,238.33	
10-031	Various Capital Improvements	11/8/2010	8,400,000.00		2,198,489.49	450,304.66		220,618.57	289,292.09		2,138,883.49
11-015	Various Capital Improvements	4/19/2011	5,880,000.00		1,532,398.63	363,094.40		417,484.12	156,270.28	1,321,738.63	
12-030	Various Capital Improvements	8/21/2012	5,000,000.00		2,396,175.97	113,425.96		67,583.84	58,419.45	2,383,598.64	
13-021	Various Capital Improvements	7/10/2013	7,400,000.00		4,978,927.13	251,118.77		496,494.33	120,805.48	4,612,746.09	
14-030	Various Capital Improvements	6/10/2014	6,900,000.00		5,287,298.71	229,673.84		631,705.40	532.10		4,884,735.05
15-019	Various Capital Improvements	10/10/2015	5,957,000.00		5,290,455.22	42,335.88		547,641.99	187,901.55		4,597,247.56
16-023	Various Capital Improvements	8/15/2016	6,379,050.00		6,062,910.30	258,062.00		854,172.28	351,147.14		5,115,652.88
17-021	Various Capital Improvements	6/7/2017	6,116,700.00				\$ 6,116,700.00	541,580.14	25,646.87		5,549,472.99
				\$ 1,617,857.92	\$ 27,746,930.45	\$ 2,381,002.25	\$ 6,116,700.00	\$ 4,004,492.52	\$ 1,738,184.79	\$ 9,833,546.34	\$ 22,286,266.97

SCHEDULE OF RESERVE FOR AMORTIZATION  
SEWER UTILITY CAPITAL FUND

Balance -December 31, 2016		\$ 109,232,335.67
Increased by:		
Serial Bonds Paid by Operating Budget	\$ 2,460,000.00	
Budget	24,914.71	
EIT Loans Paid By Operating Budget	925,000.00	
2017 Premium Applied to 2017 Bond Issuance	55,309.57	
Capital Outlay Expenditures	139,228.00	
Bond Anticipation Notes Paid By Operating Budget	<u>139,228.00</u>	
		<u>3,604,452.28</u>
Balance -December 31, 2017		<u>\$ 112,836,787.95</u>

SCHEDULE OF SEWER SERIAL BONDS  
SEWER UTILITY CAPITAL FUND

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING - DEC. 31, 2017</u>		<u>INTEREST RATE</u>	<u>BALANCE DEC. 31, 2016</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DEC. 31, 2017</u>
			<u>DATE</u>	<u>AMOUNT</u>					
Sewer Utility Bonds	3/1/2010	\$ 5,142,000.00	3/1/2018	\$ 160,000.00	3.125%	\$ 4,242,000.00		\$ 160,000.00	\$ 4,082,000.00
			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	8/1/2018	1,475,000.00	4.000%	14,995,000.00		1,435,000.00	13,560,000.00
			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			BALANCE DEC. 31, 2016	INCREASED	DECREASED	BALANCE DEC. 31, 2017
			OUTSTANDING -DEC. 31, 2017	DATE	AMOUNT				
Sewer Utility Tax Exempt	6/1/2014	\$ 14,687,000.00	6/1/2018	\$ 500,000.00	4.000%	\$ 13,887,000.00		\$ 475,000.00	\$ 13,412,000.00
			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	6/1/2018	125,000.00	2.000%	2,075,000.00		125,000.00	1,950,000.00
			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%				

SCHEDULE OF SEWER SERIAL BONDS  
SEWER UTILITY CAPITAL FUND

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING -DEC. 31, 2017		INTEREST RATE	BALANCE DEC. 31, 2016	INCREASED	DECREASED	BALANCE DEC. 31, 2017
			DATE	AMOUNT					
Sewer Series 2015	8/1/2015	\$ 3,035,000.00	8/1/2018	\$ 275,000.00	3.000%	\$ 2,755,000.00		\$ 265,000.00	\$ 2,490,000.00
			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%				
Sewer Series 2017 B	5/15/2017	23,480,000.00	5/15/2018	475,000.00	3.000%		\$ 22,555,000.00		22,555,000.00
			5/15/2019	475,000.00	4.000%				
			5/15/2020	475,000.00	4.000%				
			5/15/2021	475,000.00	5.000%				
			5/15/2022	475,000.00	5.000%				
			5/15/2023	525,000.00	5.000%				
			5/15/2024	530,000.00	5.000%				
			5/15/2025	605,000.00	5.000%				
			5/15/2026	940,000.00	5.000%				
			5/15/2027	940,000.00	5.000%				
			5/15/2028	940,000.00	5.000%				
			5/15/29-5/15/47	15,700,000.00	various				

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, 2016	DECREASED	BALANCE DEC. 31, 2017
				DATE	AMOUNT			
Infrastructure Water Loan	8/1/2010	\$ 126,650.65	2.75%	8/1/2018	\$ 6,048.41	\$ 93,269.63	\$ 5,896.86	\$ 87,372.77
			2.95%	8/1/2019	6,214.74			
			3.14%	8/1/2020	6,398.07			
				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			
			Infrastructure Water Loan - Principal Only	8/1/2010	4,028,778			
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>\$ 340,501.81</u>	<u>\$ 24,914.71</u>	<u>\$ 315,587.10</u>

SCHEDULE OF BOND ANTICIPATION NOTES  
SEWER UTILITY CAPITAL FUND

CAP NO.	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL ISSUE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DEC. 31 2016	INCREASED	Paydowns	DECREASED	BALANCE DEC. 31 2017
10-031	Various Capital Improvements	8/28/2014	6/8/2017	6/8/2017	2.00%	\$ 5,200,000.00			\$ 5,200,000.00	
10-031	Various Capital Improvements	8/28/2014	6/8/2017	5/23/2018	2.00	3,200,000.00	\$ 3,156,296.00	\$ 43,704.00	3,156,296.00	\$ 3,156,296.00
11-015	Various Capital Improvements	8/28/2014	6/8/2017	6/8/2017	2.00	5,880,000.00			5,880,000.00	
12-030	Various Capital Improvements	8/28/2014	6/8/2017	6/8/2017	2.00	5,000,000.00			5,000,000.00	
13-021	Various Capital Improvements	8/28/2014	6/8/2017	6/8/2017	2.00	7,400,000.00			7,400,000.00	
14-030	Various Capital Improvements	8/28/2014	6/8/2017	5/23/2018	2.00	6,900,000.00	6,804,476.00	95,524.00	6,804,476.00	6,804,476.00
15-019	Various Capital Improvements	6/11/2016	6/8/2017	5/23/2018	2.00	5,957,000.00	5,957,000.00		5,957,000.00	5,957,000.00
						<u>\$ 39,537,000.00</u>	<u>\$ 15,917,772.00</u>	<u>\$ 139,228.00</u>	<u>\$ 39,397,772.00</u>	<u>\$ 15,917,772.00</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, 2016 CAPITAL FUND</u>	<u>AUTHORIZED 2017</u>	<u>BALANCE DEC. 31, 2017 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.	0.00		0.00
16-023	8/15/2016	Various Capital Improv.	6,379,050.00		6,379,050.00
17-021	6/7/2017	Various Capital Improv.		<u>\$ 6,116,700.00</u>	<u>6,116,700.00</u>
			<u>\$ 6,471,321.67</u>	<u>\$ 6,116,700.00</u>	<u>\$ 12,588,021.67</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, 2017**

<u>REVENUE AND OTHER INCOME REALIZED</u>	YEAR 2017	
	AMOUNT	%
Fund Balance Utilized	\$ 4,500,000.00	1.51
Miscellaneous Revenues Anticipated	30,146,929.73	10.15
Receipts from Delinquent Taxes	366,115.73	0.12
Receipts from Current Taxes	258,350,944.77	87.06
Non-Budget Revenue	1,343,077.29	0.45
Other Credits to Income	<u>2,083,321.59</u>	<u>0.70</u>
Total Income	<u>296,790,389.11</u>	<u>100.00</u>
 <u>EXPENDITURES</u>		
Budget Appropriations:		
Operations:		
Salaries and Wages	44,693,300.00	15.32
Other Expenses	37,410,236.63	12.83
Deferred Charges and Statutory Expenditures	9,807,405.00	3.36
Capital Improvements	415,000.00	0.14
Municipal Debt Service	9,324,602.40	3.20
Special District Taxes	23,762,073.00	8.15
County Taxes	53,855,199.13	18.46
Local District School Taxes	112,320,655.00	38.51
Prior Years Senior Citizens/Veterans Deductions	7,250.00	0.00
Other Debits to Income	<u>70,351.51</u>	<u>0.02</u>
Total Expenditures	<u>291,666,072.67</u>	<u>100.00</u>
Excess in Revenues Over Expenditures	5,124,316.44	
Fund Balance January 1	<u>7,592,924.72</u>	
	12,717,241.16	
Decreased by:		
Utilized as Anticipated Revenue	<u>4,500,000.00</u>	
Fund Balance December 31	<u>\$ 8,217,241.16</u>	

**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, 2017**

<u>REVENUE AND OTHER INCOME REALIZED</u>	YEAR 2017	
	AMOUNT	%
Fund Balance Utilized	\$ 2,275,000.00	11.36
Collection of Sewer Rents	16,105,621.79	80.40
Fees and Permits	331,745.05	1.66
Miscellaneous Revenues	129,046.89	0.64
Other Credits to Income:		
Unexpended Balance of 2016 Appropriation Reserves Lapsed	1,189,004.72	5.94
Total Revenues	20,030,418.45	100.00
<u>EXPENDITURES</u>		
Budget Appropriations:		
Operating	12,049,034.00	66.47
Debt Service	5,265,014.81	29.04
Deferred Charges and Statutory Expenditures	813,211.00	4.49
Total Expenditures	18,127,259.81	100.00
Excess in Revenues Over Expenditures	1,903,158.64	
Fund Balance January 1	3,906,108.60	
	5,809,267.24	
Decreased by:		
Utilized in Sewer Operating Budget	2,275,000.00	
Fund Balance December 31	\$ 3,534,267.24	

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

**SCHEDULE OF TAX RATE INFORMATION  
FOR THE YEARS ENDED DECEMBER 31, 2017, 2016 AND 2015**

	<u>2017</u>		<u>2016</u>		<u>2015</u>
<u>Tax Rate:</u>	\$ 2.752		\$ 2.704		\$ 4.350
<u>Apportionment of Tax Rate:</u>					
Municipal	\$ 0.769		\$ 0.760		\$ 1.220
Library	0.033		0.034		0.060
County	0.604		0.594		0.980
Local School	1.320		1.291		2.052
Open Space	0.026		0.025		0.040
<u>Fire District Tax Rates:</u>					
Fire District 1	\$ 0.110		\$ 0.110		\$ 0.170
Fire District 2	0.270		0.250		0.400
Fire District 3	0.600		0.550		0.860
Fire District 4	0.470		0.440		0.690
Fire District 5	0.600		0.550		0.880
Fire District 6	0.210		0.180		0.290
Fire District 7	0.150		0.150		0.240
Fire District 8	0.330		0.330		0.510
Fire District 9	0.290		0.310		0.520
<u>Assessed Valuation (Taxable):</u>					
2017	\$ <u>8,510,085,105.00</u>				
2016	\$ <u>8,473,551,847.00</u>				
2015	\$ <u>5,165,540,985.00</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>
2017	\$ 259,244,975.93	\$ 258,350,944.77	99.66%
2016	253,376,027.05	252,668,301.95	99.72%
2015	248,120,111.50	247,291,629.31	99.67%

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

**DELINQUENT TAXES AND TAX TITLE LIENS  
FOR THE YEARS ENDED DECEMBER 31, 2017, 2016, and 2015**

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>
2017	\$ 2,939,673.34	\$ 63,064.58	\$ 3,002,737.92	1.16%
2016	2,818,493.96	55,674.15	2,874,168.11	1.13%
2015	2,969,389.82	-	2,969,389.82	1.20%

**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>
2017	\$ 367,045.00
2016	367,045.00
2015	367,045.00

**COMPARISON OF SEWER UTILITY LEVIES AND COLLECTIONS**

<u>Year</u>	<u>SEWER UTILITY</u>	
	<u>Levies</u>	<u>Collections</u>
2017	\$ 15,255,389.86	\$ 16,105,621.79
2016	15,980,606.32	15,158,471.20
2015	15,256,182.66	15,255,120.48

**COMPARATIVE SCHEDULE OF FUND BALANCES**

	<u>Year Ended</u>	<u>Balance</u>	<u>Utilized in Budget of Succeeding Year</u>
Current Fund	2017	\$ 8,217,241.12	\$ 5,100,000.00
	2016	7,592,924.72	4,500,000.00
	2015	7,245,947.11	4,500,000.00
Sewer Utility Operating Fund	2017	\$ 3,534,267.24	\$ 3,000,000.00
	2016	3,906,108.60	2,275,000.00
	2015	3,911,443.21	1,000,000.00

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

**OFFICIALS IN OFFICE AND SURETY BONDS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

The following officials were in office on December 31, 2017:

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>	<u>NAME OF CORPORATE SURETY</u>
Kelly A. Yaede	Mayor		
Dennis Pone	President		
Ralph Mastrangelo	Vice President		
David Kenny	Council person		
Ileana Schirmer	Council person		
Dina Thornton	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 Hoffman	Presiding Municipal Judge	\$ 1,000,000.00	Selective Insurance/JIF
Kenneth Lozier	Municipal Judge	1,000,000.00	Selective Insurance/JIF
Danielle Peacock	Tax Collector, Tax Search Officer	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
2017	\$ 916,223	\$ 1,069,651	\$ 13,872,017	\$ 1,750,079	\$ 1,790,866	\$ 2,002,316	\$ 669,325
2016	780,609	925,648	15,892,396	1,732,794	1,729,915	1,844,486	755,483
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

  

Year	Public Safety	Public Works	Health, Recreation, & Welfare	Separate Boards & Agencies	Uniform Construction Codes Appropriations	Unclassified Purposes	Deferred Charges & Statutory Expenditures
2017	\$ 23,841,949	\$ 21,651,820	\$ 3,457,065	\$ 202,188	\$ 1,844,122	\$ 3,157,502	\$ 9,807,405
2016	23,376,300	21,279,501	3,270,273	186,368	1,852,885	3,446,720	9,564,307
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

  

Year	Operations Excluded from "CAPS"	State and Federal Grants	Capital Improvements	Deferred Charges Excluded from CAPS	Debt Service	Reserve for Uncollected Taxes	Total
2017	\$ 4,778,739	\$ 1,099,676	\$ 415,000		\$ 9,324,604	\$ 1,100,290	\$ 102,750,834
2016	4,663,766	926,553	410,000		7,444,188	1,256,306	101,338,498
2015	4,667,726	667,395	419,175		6,148,100	899,442	97,864,490
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

(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
2017	\$ 69,513,308	\$ 366,116	\$ 5,418,970	\$ 2,228,525	\$ 840,005	\$ 19,166,830	\$ 874,067
2016	69,088,488	37,005	5,024,221	3,024,442	745,373	19,166,830	874,067
2015	64,392,419	156,579	4,283,906	2,692,203	614,000	19,166,830	680,331
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	1,488,167	502,093	24,712,770	620,000

  

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
2017	\$ 2,083,322	\$ 83,737	\$ 543,857	\$ 1,074,676	\$ 4,500,000	\$ 1,259,341	\$ 107,952,752
2016	1,039,146		993,296	901,553	4,500,000	901,232	106,295,653
2015	1,848,367		732,313	642,395	3,200,000	1,656,242	106,039,742
2014	1,783,383		1,235,471	839,561	2,400,000	991,604	99,236,286
2013	154,888		4,973,944	1,777,988	4,500,000	1,493,565	104,492,028
2012	2,224,385	94,357	1,518,135	1,383,823	7,029,271	3,162,463	105,076,870
2011	2,058,395	60,185	3,684,177	1,134,534	7,856,297	1,965,105	105,776,539
TY 2010	3,523,423	50,000	24,860	106,626		463,833	95,853,018
2010	3,427,495		1,803,702	2,385,190	3,350,000	624,629	59,240,659
2009	2,584,698		3,629,543	1,371,410		1,697,281	100,338,729

- (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
2017	\$ 8,510,085,105	\$ 8,768,832,490	97.05%
2016	8,473,551,847	8,653,838,044	97.92%
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%

TOWNSHIP OF HAMILTON  
COUNTY OF MERCER  
SCHEDULE OF TEN LARGEST TAXPAYERS - 2017  
LAST TEN FISCAL YEARS  
UNAUDITED

Taxpayer	Business Type	2017 Assessed Valuation	As a Percent of Total Net Assessed Taxable Valuation
JDN Real Estate	Real Estate	\$ 90,929,950	1.07%
PSEG	Industrial	61,050,700	0.72%
QB Partners	Office	44,002,000	0.52%
Cabot Holdings	Real Estate	39,100,000	0.46%
Horizon Business park	Office	33,742,900	0.40%
Bell Atlantic	Personal Property	33,054,196	0.39%
Levin Properties	Real Estate	31,589,500	0.37%
Reckson-Matrix	Real Estate	28,800,600	0.34%
Hamilton Station Apartments	Real Estate	24,588,900	0.29%
Kusar Village	Real Estate	23,369,000	0.27%
		\$410,227,746	4.82%

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	Ratio of Net Debt to Equalized Valuation	Net Debt Excluding Authorized not Issued		Debt per Capita
						Debt	Ratio of Debt to Equalized Valuation	
2017	88,464	\$ 8,617,061,159	\$ 99,415,057	1,124	1.15%	\$ 75,390,209	0.87%	\$ 852
2016	88,464	8,590,301,553	99,283,701	1,122	1.16%	79,018,514	0.92%	893
2015	88,464	8,516,370,352	96,613,194	1,092	1.13%	82,088,278	1.00%	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
TY 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

(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
2017	\$ 5,855,000	\$ 1,996,809	\$ 7,851,809	\$ 102,750,834	7.64%
2016	5,486,616	1,957,572	7,444,188	101,338,498	7.35%
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%

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

Year	Unemployment Rate (1)	Total per Capita Income (2)
2017	4.00%	\$ 33,496
2016	4.10%	32,344
2015	4.90%	32,344
2014	5.90%	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

(1)- Per NJ Department of Labor Statistics

(2)- 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  
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**

**TOWNSHIP OF HAMILTON  
COUNTY OF MERCER, NEW JERSEY  
YEAR ENDED DECEMBER 31, 2017**

**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, 2017, 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 \$40,000 for the period January 1, 2017 through December 31, 2017 are the thresholds set forth in the aforementioned Statute for the year ended December 31, 2017.

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, 2017**

**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, 2017, 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 2017 delinquencies was held on December 13, 2017.

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, 2017**

**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 cash accounts from January 1, 2017 to December 31, 2017. Earnings from the investments are shown as revenue in the various accounts of the Township as of December 31, 2017. 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 cash accounts and investments held by the Township were directly confirmed as of December 31, 2017.

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. 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.

Finding 2017-001

During our testing of purchases, it was noted that there were goods purchased or services rendered with purchase order dates after the goods were received or service were performed.

We recommend that all requisitions are submitted to the CFO to certify the availability of funds prior to any commitment of services or receipt of goods.

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 2017. 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.

**TOWNSHIP OF HAMILTON  
COUNTY OF MERCER, NEW JERSEY  
YEAR ENDED DECEMBER 31, 2017**

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.

**GENERAL COMMENTS**

Administration and Accounting for Federal and State Grant Programs

During 2017, 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 2017 for the purposes authorized except for the following conditions that were noted during our testing.

Finding 2017-002

During our testing, we noted that one tenant was awarded rental assistance through the HUD Housing Section 8 Choice Voucher Program, but the annual household income of the tenant exceeded the eligibility threshold.

We recommend that the Township perform a formal review on an annual basis to ensure only qualified tenants receive rental assistance under the HUD Housing Section 8 Choice Voucher Program.

Finding 2017-003

Our testing revealed an instance in which the Township was reimbursed by the HUD Housing Section 8 Choice Voucher Program for an employee's salary for one week in which the employee was on unpaid leave.

We recommend a more careful review of time sheets prior to submission for reimbursement to the Department of Housing and Urban Development.

**TOWNSHIP OF HAMILTON  
COUNTY OF MERCER, NEW JERSEY  
YEAR ENDED DECEMBER 31, 2017**

Prior Year Findings

Corrective actions have been taken on all of the prior year's findings and recommendations.