

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 17, 2025

NEW ISSUE

**RATING: S&P: “SP-1+”
(See “RATING” herein)**

In the opinion of McManimon, Scotland & Baumann, LLC, Bond Counsel, assuming compliance by the Township (as defined herein) with certain tax covenants described herein, under existing law, interest on the Notes (as defined herein) is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and interest on the Notes is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax; however, interest on the Notes is included in the “adjusted financial statement income” of certain corporations that are subject to alternative minimum tax under Section 55 of the Code. Based upon existing law, interest on the Notes and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. See “TAX MATTERS” herein.

**\$55,000,000
TOWNSHIP OF HAMILTON, IN THE
COUNTY OF MERCER, NEW JERSEY
BOND ANTICIPATION NOTES, SERIES 2025B
(Book-Entry-Only) (Non-Callable)**

Interest Rate: ____% Yield: ____% CUSIP*: _____

Dated: Date of Delivery

Due: October 7, 2026

The \$55,000,000 Bond Anticipation Notes, Series 2025B (the “Notes”) of the Township of Hamilton, in the County of Mercer, New Jersey (the “Township”), will be issued in the form of one certificate for the aggregate principal amount of the Notes and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, Brooklyn, New York (“DTC”), which will act as securities depository. Interest on the Notes will be credited to the participants of DTC as listed on the records of DTC as of one business day prior to the maturity date set forth above. See “BOOK-ENTRY-ONLY SYSTEM” herein. The principal of and interest on the Notes will be paid on the maturity date to DTC by the Township or its designated paying agent. Interest on the Notes shall be calculated on the basis of a 360-day year consisting of twelve 30-day calendar months. The Notes are not subject to redemption prior to their stated maturity.

The Notes are valid and legally binding obligations of the Township, payable in the first instance from the proceeds of the sale of bonds in anticipation of which the Notes are issued, but, if not so paid, payable ultimately from *ad valorem* taxes that may be levied upon all the taxable property within the Township without limitation as to rate or amount.

This cover page contains information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement, including the appendices, to obtain information essential to the making of an informed investment decision.

The Notes will be offered when, as and if issued and delivered to the Underwriter (as defined herein), subject to prior sale, to withdrawal or modification of the offer without notice and to the approval of legality by the law firm of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, and certain other conditions described herein. Certain legal matters will be passed upon for the Township by its Township Attorney, Elissa Grodd Schragger, Esq., Hamilton, New Jersey. Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey, has served as Municipal Advisor to the Township in connection with the issuance of the Notes. It is expected that the Notes will be available for delivery through DTC in Brooklyn, New York, on or about October 8, 2025.

**BIDS FOR THE NOTES WILL BE RECEIVED IN ACCORDANCE WITH THE NOTICE OF SALE
ON SEPTEMBER 24, 2025. FOR MORE DETAILS ON HOW TO BID,
VIEW THE NOTICE OF SALE POSTED AT WWW.MUNIHUB.COM.**

* Registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP number listed above is being provided solely for the convenience of Noteholders only at the time of issuance of the Notes, and the Township does not make any representation with respect to such number or undertake any responsibility for its accuracy now or at any time in the future. The CUSIP number is subject to being changed after the issuance of the Notes as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to the Notes.

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

MAYOR

Jeffrey S. Martin

TOWNSHIP COUNCIL

Richard Tighe, President
Pasquale “Pat” Papero, Vice President
Nancy Phillips
Charles F. Whalen
Anthony Carabelli, Jr

TOWNSHIP ADMINISTRATOR

Kathryn Monzo

CHIEF FINANCIAL OFFICER

Eugenia Poulos

TAX COLLECTOR

Jessica Crea

TOWNSHIP CLERK

Alison Sabo, RMC

TOWNSHIP ATTORNEY

Elissa Grodd Schragger, Esq.

2024 AUDITOR

Suplee, Clooney & Company
Westfield, New Jersey

2023 AUDITOR

Mercadien, P.C.
Hamilton, New Jersey

BOND COUNSEL

McManimon, Scotland & Baumann, LLC
Roseland, New Jersey

MUNICIPAL ADVISOR

Phoenix Advisors, a division of First Security Municipal Advisors, Inc.
Hamilton, New Jersey

No broker, dealer, salesperson or other person has been authorized by the Township to give any information or to make any representations with respect to the Notes other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the foregoing. The information contained herein has been provided by the Township and other sources deemed reliable; however, no representation or warranty is made as to its accuracy or completeness and such information is not to be construed as a representation or warranty by the Underwriter or, as to information from sources other than itself, by the Township. The information and the expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder under any circumstances shall create any implication that there has been no change in any of the information herein since the date hereof or since the date as of which such information is given, if earlier. This Official Statement is submitted in connection with the sale of the Notes referred to herein and may not be used, in whole or in part, for any other purpose.

References in this Official Statement to laws, rules, regulations, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein, and copies of which may be inspected at the offices of the Township during normal business hours.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended by the Township from time to time (collectively, the "Official Statement"), may be treated as a "Final Official Statement" with respect to the Notes described herein that is deemed final as of the date hereof (or of any such supplement or amendment) by the Township.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE NOTES IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

McManimon, Scotland & Baumann, LLC has not participated in the preparation of the financial or statistical information contained in this Official Statement nor has it verified the accuracy or completeness thereof and, accordingly, expresses no opinion with respect thereto.

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OFFICIAL STATEMENT
Relating to the
TOWNSHIP OF HAMILTON,
IN THE COUNTY OF MERCER, NEW JERSEY

\$55,000,000 BOND ANTICIPATION NOTES, SERIES 2025B

INTRODUCTION

This Official Statement, which includes the cover page and the appendices attached hereto, has been prepared by the Township of Hamilton (the “Township”), in the County of Mercer (the “County”), State of New Jersey (the “State”), in connection with the sale and issuance of its \$55,000,000 Bond Anticipation Notes, Series 2025B (the “Notes”). This Official Statement has been executed by and on behalf of the Township by its Chief Financial Officer and may be distributed in connection with the sale of the Notes described herein.

This Official Statement contains specific information relating to the Notes including their general description, certain matters affecting the financing, certain legal matters, historical financial information and other information pertinent to this issue. This Official Statement should be read in its entirety. All financial and other information presented herein has been provided by the Township from its records, except for information expressly attributed to other sources. This Official Statement is “deemed final,” as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission.

THE NOTES

General Description

The Notes are dated, will mature on the date and in the amount and will bear interest payable at the interest rate, all as set forth on the cover page hereof. Interest shall be computed on the basis of a 30-day month/360-day year. The Notes will be issued in the form of one certificate for the aggregate principal amount of the Notes and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, Brooklyn, New York (“DTC”), which will act as securities depository. The Notes may be purchased in book-entry-only form in the principal amount of \$5,000 or any integral multiple of \$1,000 in excess thereof through book-entries made on the books and records of DTC and its participants. The Notes are issuable as fully registered book-entry obligations. Interest on the Notes will be credited to the participants of DTC as listed on the records of DTC as of one business day prior to maturity.

Redemption

The Notes are not subject to redemption prior to their stated maturity.

BOOK-ENTRY-ONLY SYSTEM*

The description which follows of the procedures and recordkeeping with respect to beneficial ownership interest in the Notes, payment of principal and interest and other payments on the Notes to Direct and Indirect Participants (each as defined below) or Beneficial Owners, confirmation and transfer of beneficial ownership interests in the Notes and other related transactions by and between DTC, Direct Participants and Beneficial Owners, is based on certain information furnished by DTC to the Township. DTC will act as securities depository for the Notes. The Notes will be issued as fully registered securities registered in the

* Source: The Depository Trust Company.

name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Note certificate will be issued in the aggregate principal amount of the Notes and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P Global rating of AA+. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co., or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Township as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, if any, and principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Township or the paying agent, if any, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and shall be the responsibility of such Participant and not of DTC or its nominee, the paying agent, if any, or the Township, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, if any, and principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Township or the paying agent, if any, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Notes at any time by giving reasonable notice to the Township or the paying agent, if any. Under such circumstances, in the event that a successor securities depository is not obtained, Note certificates are required to be printed and delivered.

The Township may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Township believes to be reliable, but the Township takes no responsibility for the accuracy thereof.

THE INFORMATION CONTAINED IN THIS SECTION "BOOK-ENTRY-ONLY SYSTEM" HAS BEEN PROVIDED BY DTC. THE TOWNSHIP MAKES NO REPRESENTATIONS AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

THE TOWNSHIP WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO NOTE HOLDERS; (III) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST DUE ON THE NOTES; OR (IV) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY CEDE & CO., AS NOMINEE FOR DTC AND THE REGISTERED OWNER OF THE NOTES. THE RULES APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION AND THE PROCEDURES OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE NOTES, AS NOMINEE FOR DTC, REFERENCES HEREIN TO THE HOLDERS OR REGISTERED OWNERS OF THE NOTES (OTHER THAN UNDER THE CAPTIONS "TAX MATTERS" AND "SECONDARY MARKET DISCLOSURE") SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE NOTES.

Discontinuation of Book-Entry-Only System

If the Township, in its sole discretion, determines that DTC is not capable of discharging its duties, or if DTC discontinues providing its services with respect to the Notes at any time, the Township will attempt to locate another qualified securities depository. If the Township fails to find such a securities depository, or if the Township determines, in its sole discretion, that it is in the best interest of the Township or that the interest

of the Beneficial Owners might be adversely affected if the book-entry-only system of transfer is continued (the Township undertakes no obligation to make an investigation to determine the occurrence of any events that would permit it to make such determination), the Township shall notify DTC of the termination of the book-entry-only system.

AUTHORIZATION AND PURPOSE

The Notes have been authorized by and are being issued pursuant to: (i) the Local Redevelopment and Housing Law of the State of New Jersey, N.J.S.A. 40A:12A-1 *et seq.*; and (ii) the bond ordinance of the Township set forth below.

Bond Ordinance Number	Description of Improvement and Date of Adoption of Ordinance	Amount of Notes to Be Issued
24-013	Municipal Building Redevelopment Project, finally adopted March 19, 2024.	\$55,000,000

The proceeds from the sale and issuance of the Notes will be used by the Township to: (i) refund, on a current basis, the \$25,000,000 outstanding bond anticipation notes of the Township dated October 10, 2024 and maturing October 9, 2025 (the “Prior Notes”); (ii) capitalize the interest due on the Prior Notes in the amount of \$872,569.44; (iii) provide new money in the amount of \$29,127,430.56 to temporarily finance a portion of the costs of the municipal building redevelopment project; and (iv) pay the costs associated with the authorization, sale and issuance of the Notes.

SECURITY AND SOURCE OF PAYMENT

The Notes are valid and legally binding obligations of the Township, payable in the first instance from the proceeds of the sale of bonds in anticipation of which the Notes are issued, but, if not so paid, payable ultimately from *ad valorem* taxes that may be levied upon all the taxable property within the Township without limitation as to rate or amount.

CERTAIN RISK FACTORS

Recent Healthcare Developments

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, the President of the United States declared a national public health emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. The Governor of the State declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to, among other things, provide relief to state and local governments, including the American Rescue Plan Act of 2021 (the “Plan”). The pandemic and certain mitigation measures, which altered the behavior of businesses and people, have had and may continue to have negative impacts on regional, State and local economies. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level.

To date, the overall finances and operations of the Township have not been materially adversely affected by the COVID-19 pandemic. Nonetheless, there can be no assurance regarding the extent to which

the COVID-19 pandemic, or any other national health crisis or pandemic, may impact the national, State or local economies in the future, nor how any such event may materially adversely impact municipalities, including the Township. The Township cannot quantify any such impacts at this time.

The Plan, signed into law on March 12, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. The Township has received \$17,161,883 from the Plan. The deadline to obligate the funds was December 31, 2024, and such funds were only spent on certain allowable uses as set forth in the Plan.

Cybersecurity

The Township relies on a complex technology environment to conduct its various operations. As a result, the Township faces certain cybersecurity threats at various times including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and digital networks and systems. To mitigate the risks of business operations impact and/or damage from cybersecurity incidents or cyber-attacks, the Township has invested in multiple forms of cybersecurity and operational safeguards.

Climate

The State of New Jersey is naturally susceptible to the effects of extreme weather events and natural disasters including floods and hurricanes, which could result in negative economic impacts on communities. Such effects can be exacerbated by a longer term shift in the climate over several decades (commonly referred to as “climate change”), including increasing global temperatures and rising sea levels. The occurrence of such extreme weather events could damage local infrastructure that provides essential services to the Township as well as resulting in economic impacts such as loss of *ad valorem* tax revenue, interruption of municipal services and escalated recovery costs. No assurance can be given as to whether future extreme weather events will occur that could materially adversely affect the financial condition of the Township.

MUNICIPAL FINANCE - FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES

Local Bond Law (N.J.S.A. 40A:2-1 et seq.)

The Local Bond Law governs the issuance of bonds and notes to finance certain general municipal and utility capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in serial installments. A 5% cash down payment is generally required toward the financing of expenditures for municipal purposes subject to a number of exceptions. All bonds and notes issued by the Township are general full faith and credit obligations.

The authorized bonded indebtedness of the Township for municipal purposes is limited by statute, subject to the exceptions noted below, to an amount equal to 3.5% of its average equalized valuation basis. The Township has not exceeded its statutory debt limit.

Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit, including school bonds that do not exceed the school bond borrowing margin and certain debt that may be deemed self-liquidating.

The Township may exceed its debt limit with the approval of the Local Finance Board, a State regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the Township may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the Township or substantially reduce the ability of the Township to meet its obligations or to provide essential public improvements and services, or if it makes certain other statutory determinations,

approval is granted. In addition, debt in excess of the statutory limit may be issued by the Township to fund certain notes, to provide for self-liquidating purposes, and, in each fiscal year, to provide for purposes in an amount not exceeding 2/3 of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

The Township may sell short-term “bond anticipation notes” to temporarily finance a capital improvement or project in anticipation of the issuance of bonds if the bond ordinance or a subsequent resolution so provides. Bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount specified in the ordinance creating such capital expenditure, as it may be amended and supplemented. A local unit’s bond anticipation notes may be issued for periods not greater than one year. Generally, bond anticipation notes may not be outstanding for longer than ten years. An additional period may be available following the tenth anniversary date equal to the period from the notes’ maturity to the end of the tenth fiscal year in which the notes mature plus 4 months (May 1) in the next following fiscal year from the date of original issuance. Beginning in the third year, the amount of notes that may be issued is decreased by the minimum amount required for the first year’s principal payment for a bond issue.

Local Budget Law (N.J.S.A. 40A:4-1 et seq.)

The foundation of the State local finance system is the annual cash basis budget. Every local unit must adopt a budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”). Certain items of revenue and appropriation are regulated by law and the proposed budget must be certified by the Director of the Division (the “Director”) prior to final adoption. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service, and the Director is required to review the adequacy of such appropriations.

The local unit is authorized to issue Emergency Notes and Special Emergency Notes pursuant to the Local Budget Law.

Tax Anticipation Notes are limited in amount by law and must be paid off in full within 120 days of the close of the fiscal year.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the review functions focusing on anticipated revenues serve to protect the solvency of all local units.

The cash basis budgets of local units must be in balance, i.e., the total of anticipated revenues must equal the total of appropriations (N.J.S.A. 40A:4-22). If in any year a local unit’s expenditures exceed its realized revenues for that year, then such excess must be raised in the succeeding year’s budget.

The Local Budget Law (N.J.S.A. 40A:4-26) provides that no miscellaneous revenues from any source may be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director determines that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and certifies that determination to the local unit.

No budget or budget amendment may be adopted unless the Director shall have previously certified his or her approval of such anticipated revenues except that categorical grants-in-aid contracts may be included for their face amount with an offsetting appropriation. The fiscal years for such grants rarely coincide with the municipality’s calendar year. However, grant revenue is generally not realized until received in cash.

The same general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. The maximum amount of delinquent taxes that may be anticipated is limited by a statutory formula, which allows the local unit to anticipate collection at the same rate realized

for the collection of delinquent taxes in the previous year. Also, the local unit is required to make an appropriation for a “reserve for uncollected taxes” in accordance with a statutory formula to provide for a tax collection in an amount that does not exceed the percentage of taxes levied and payable in the preceding fiscal year that was received in cash by December 31 of that year. The budget also must provide for any cash deficits of the prior year.

Emergency appropriations (those made after the adoption of the budget and the determination of the tax rate) may be authorized by the governing body of a local unit. However, with minor exceptions, such appropriations must be included in full in the following year’s budget.

The exceptions are certain enumerated quasi-capital projects (“special emergencies”) such as ice, snow and flood damage to streets, roads and bridges, which may be amortized over three years, and tax map preparation, re-evaluation programs, revision and codification of ordinances, master plan preparation, payment of compensated absences and drainage map preparation for flood control purposes, which may be amortized over five years. Of course, emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project.

Under legislation enacted to address the COVID-19 pandemic, P.L. 2020, c. 60 (A4175), a municipality may adopt an emergency appropriation to fund certain deficits resulting from COVID-19 with approval of the Director of the Division of Local Government Services and may either fund it as a deferred charge or issue special emergency notes to fund it payable by 1/5 each year beginning in the year after the year in which the deferred charge appears in the financial statements so it is paid off no later than the last day of the sixth fiscal year following the end of the fiscal year in which the application is made. If there is a showing of fiscal distress, that may be extended to ten years. The Director may also promulgate guidelines modifying the standard for anticipated revenues when the amount realized in cash from the same source during the next preceding fiscal year experienced reductions due to COVID-19. Also, local units may be able to issue refunding bonds with Local Finance Board approval to repay a Federal Emergency Management Agency Community Disaster Loan for which it executed a promissory note in 2013.

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between appropriation accounts may be made only during the last two months of the year. Appropriation reserves may also be transferred during the first three months of the year to the previous year’s budget. Both types of transfers require a 2/3 vote of the full membership of the governing body; however, transfers cannot be made from either the down payment account or the capital improvement fund. Transfers may be made between sub-account line items within the same account at any time during the year, subject to internal review and approval. In a “CAP” budget, no transfers may be made from excluded from “CAP” appropriations to within “CAP” appropriations nor can transfers be made between excluded from “CAP” appropriations, except that transfers may be made between debt service principal and interest.

A provision of law known as the New Jersey “Cap Law” (N.J.S.A. 40A:4-45.1 et seq.) imposes limitations on increases in municipal appropriations subject to various exceptions. The payment of debt service is an exception from this limitation. The Cap formula is somewhat complex, but basically it permits a municipality to increase its overall appropriations by the lesser of 2.5% or the “Index Rate” if the Index Rate is greater than 2.5%. The “Index Rate” is the rate of annual percentage increase, rounded to the nearest one-half percent, in the Implicit Price Deflator for State and Local Government purchases of goods and services computed by the U.S. Department of Commerce. Exceptions to the limitations imposed by the Cap Law also exist for other things including capital expenditures; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law. Counties are also prohibited from increasing their tax levies by more than the lesser of 2.5% or the Index Rate subject to certain exceptions. Municipalities by ordinance approved by a majority of the full membership of the governing body may increase appropriations up to 3.5% over the prior year’s appropriation, and counties by resolution approved by a

majority of the full membership of the governing body may increase the tax levy up to 3.5% over the prior year's tax levy in years when the Index Rate is 2.5% or less.

Additionally, legislation constituting P.L. 2010, c. 44, approved July 13, 2010, limits tax levy increases for those local units to 2% with exceptions only for capital expenditures including debt service, increases in pension contributions and accrued liability for pension contributions in excess of 2%, certain healthcare increases, extraordinary costs directly related to a declared emergency and amounts approved by a simple majority of voters voting at a special election.

Neither the tax levy limitation nor the "Cap Law" limits the obligation of the Township to levy *ad valorem* taxes upon all taxable property within the Township to pay debt service on its bonds or notes, including the Notes.

In accordance with the Local Budget Law, each local unit must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period not greater than over the next ensuing six years as a general improvement program. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures which the local unit may contemplate over the next six years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the terms were detailed.

Tax Assessment and Collection Procedure

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners, but it often results in a divergence of the assessment ratio to true value. Because of the changes in property resale values, annual adjustments could not keep pace with the changing values.

Upon the filing of certified adopted budgets by the Township's local school district and the County, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, the levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4-1 et seq. Special taxing districts are permitted in the State for various special services rendered to the properties located within the special districts.

Tax bills are typically mailed annually in June or following the adoption of the State budget, at which time State aid is certified, by the Township's Tax Collector. The taxes are due August 1 and November 1, respectively, and are adjusted to reflect the current calendar year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding year are based upon one-half of the current year's total tax.

Tax installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00, and if a delinquency (including interest) is in excess of \$10,000.00 and remains in arrears after December 31, an additional flat penalty of 6% shall be charged against the delinquency. These interest rates and penalties are the highest permitted under State statutes. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with State statutes.

Tax Appeals

The State statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. Prior to February 1 in each year, the Township must mail to each property owner a notice of the

current assessment and taxes on the property. The taxpayer has a right to petition the County Board of Taxation on or before April 1 for review. The County Board of Taxation has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the County Board of Taxation, appeal may be made to the Tax Court of New Jersey for further hearing. Some State Tax Court appeals may take several years prior to settlement and any losses in tax collections from prior years are charged directly to operations.

Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.)

This law regulates the non-budgetary financial activities of local governments. The chief financial officer of every local unit must file annually, with the Director, a verified statement of the financial condition of the local unit and all constituent boards, agencies or commissions.

An independent examination of each local unit's accounts must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division of Local Government Services' "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the Director. A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended December 31, 2023 for the Township is on file with the Township Clerk and is available for review during business hours.

INDEPENDENT AUDITORS

Appendix "B" contains: (i) certain unaudited financial information of the Township for the Township's fiscal year ending December 31, 2024 and (ii) certain audited financial information of the Township for the Township's fiscal year ending December 31, 2023. The unaudited financial information for the fiscal year ending December 31, 2024 was provided by Suplee, Clooney & Company, Westfield, New Jersey (the "2024 Auditor"). The audited financial information was extracted from the report prepared by Mercadien, P.C., Hamilton, New Jersey (the "2023 Auditor"), to the extent and for the period set forth in their report appearing in Appendix "B" to this Official Statement. Neither the 2023 Auditor nor the 2024 Auditor has participated in the preparation of this Official Statement, nor have such firms verified the accuracy, completeness or fairness of the information contained herein (except for such firm's portion of the financial statements appearing in Appendix "B" hereto) and, accordingly, will express no opinion with respect thereto. See "APPENDIX B – EXCERPTS FROM FINANCIAL STATEMENTS OF THE TOWNSHIP OF HAMILTON, IN THE COUNTY OF MERCER, NEW JERSEY".

LITIGATION

To the knowledge of the Township Attorney, Elissa Grodd Schragger, Esquire (the "Township Attorney"), there is no litigation of any nature, now pending or threatened, restraining or enjoining the issuance or the delivery of the Notes, or the levy or the collection of any taxes to pay the principal of or the interest on the Notes, or in any manner questioning the authority or the proceedings for the issuance of the Notes or for the levy or the collection of taxes, or contesting the corporate existence or the boundaries of the Township or the title of any of the present officers. Moreover, to the knowledge of the Township Attorney, no litigation is presently pending or threatened that, in the opinion of the Township Attorney, would have a material adverse impact on the financial condition of the Township if adversely decided.

TAX MATTERS

Exclusion of Interest on the Notes From Gross Income for Federal Tax Purposes

The Internal Revenue Code of 1986, as amended (the “Code”), imposes certain requirements that must be met on a continuing basis subsequent to the issuance of the Notes in order to assure that interest on the Notes will be excluded from gross income for federal income tax purposes under Section 103 of the Code. Failure of the Township to comply with such requirements may cause interest on the Notes to lose the exclusion from gross income for federal income tax purposes, retroactive to the date of issuance of the Notes. The Township will make certain representations in its Arbitrage and Tax Certificate, which will be executed on the date of issuance of the Notes, as to various tax requirements. The Township has covenanted to comply with the provisions of the Code applicable to the Notes and has covenanted not to take any action or fail to take any action that would cause interest on the Notes to lose the exclusion from gross income under Section 103 of the Code. Bond Counsel (as defined herein) will rely upon the representations made in the Arbitrage and Tax Certificate and will assume continuing compliance by the Township with the above covenants in rendering its federal income tax opinions with respect to the exclusion of interest on the Notes from gross income for federal income tax purposes and with respect to the treatment of interest on the Notes for the purposes of alternative minimum tax.

Assuming the Township observes its covenants with respect to compliance with the Code, McManimon, Scotland & Baumann, LLC (“Bond Counsel”) is of the opinion that, under existing law, interest on the Notes is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, and interest on the Notes is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax; however, interest on the Notes is included in the “adjusted financial statement income” of certain corporations that are subject to alternative minimum tax under Section 55 of the Code.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel’s legal judgment as to exclusion of interest on the Notes from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service (“IRS”) or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and enforcement of the Code or those regulations by the IRS.

Bond Counsel’s engagement with respect to the Notes ends with the issuance of the Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the Township or the owners of the Notes regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Notes, under current IRS procedures, the IRS will treat the Township as the taxpayer and the beneficial owners of the Notes will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including, but not limited to, selection of the Notes for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Notes.

Payments of interest on tax-exempt obligations, including the Notes, are generally subject to IRS Form 1099-INT information reporting requirements. If an owner of the Notes is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Original Issue Premium

The Notes may be sold at an initial offering price in excess of the amount payable at the maturity date. The excess, if any, of the tax basis of the Notes to a purchaser (other than a purchaser who holds the Notes as inventory, as stock-in-trade or for sale to customers in the ordinary course of business) over the amount payable at maturity is amortizable note premium, which is not deductible from gross income for federal income tax purposes. Amortizable note premium, as it amortizes, will reduce the owner's tax cost of the Notes used to determine, for federal income tax purposes, the amount of gain or loss upon the sale, redemption at maturity or other disposition of the Notes. Accordingly, an owner of the Notes may have taxable gain from the disposition of the Notes, even though the Notes are sold, or disposed of, for a price equal to the owner's original cost of acquiring the Notes. Premium amortizes over the term of the Notes under the "constant yield method" described in regulations interpreting Section 1272 of the Code. Owners of the Notes should consult their own tax advisors with respect to the calculation of the amount of note premium that will be treated for federal income tax purposes as having amortized for any taxable year (or portion thereof) of the owner and with respect to other federal, state and local tax consequences of owning and disposing of the Notes.

Bank-Qualification

The Notes **will not** be designated as qualified under Section 265 of the Code by the Township for an exemption from the denial of deduction for interest paid by financial institutions to purchase or to carry tax-exempt obligations.

The Code denies the interest deduction for certain indebtedness incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations. The denial to such institutions of 100% of the deduction for interest paid on funds allocable to tax-exempt obligations applies to those tax-exempt obligations acquired by such institutions after August 7, 1986. For certain issues that are eligible to be designated and that are designated by the issuer as qualified under Section 265 of the Code, 80% of such interest may be deducted as a business expense by such institutions.

Additional Federal Income Tax Consequences of Holding the Notes

Prospective purchasers of the Notes should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Notes, may have additional federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty companies, foreign corporations and certain S corporations.

Bond Counsel expresses no opinion regarding any federal tax consequences other than its opinion with regard to the exclusion of interest on the Notes from gross income pursuant to Section 103 of the Code and interest on the Notes not constituting an item of tax preference under Section 57 of the Code. Prospective purchasers of the Notes should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the Notes.

Changes in Federal Tax Law Regarding the Notes

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Notes will not have an adverse effect on the tax status of interest on the Notes or the market value or marketability of the Notes. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax) or repeal (or reduction in the benefit) of

the exclusion of interest on the Notes from gross income for federal or state income tax purposes for all or certain taxpayers.

State Taxation

Bond Counsel is of the opinion that, based upon existing law, interest on the Notes and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act.

THE OPINIONS EXPRESSED BY BOND COUNSEL WITH RESPECT TO THE NOTES ARE BASED UPON EXISTING LAWS AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL DECISIONS AND REGULATORY CHANGES AS OF THE DATE OF ISSUANCE OF THE NOTES, AND BOND COUNSEL HAS EXPRESSED NO OPINION WITH RESPECT TO ANY LEGISLATION, REGULATORY CHANGES OR LITIGATION ENACTED, ADOPTED OR DECIDED SUBSEQUENT THERETO. PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE POTENTIAL IMPACT OF ANY PENDING OR PROPOSED FEDERAL OR STATE TAX LEGISLATION, REGULATIONS OR LITIGATION.

SECONDARY MARKET DISCLOSURE

Solely for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the “Rule”), and provided that the Notes are not exempt from the Rule and provided that the Notes are not exempt from the following requirements in accordance with paragraph (d) of the Rule, for so long as the Notes remain outstanding (unless the Notes have been wholly defeased), the Township shall provide for the benefit of the holders of the Notes and the beneficial owners thereof, in a timely manner not in excess of ten business days after the occurrence of the event, to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (“EMMA”) dataport, notice of any of the following events with respect to the Notes.

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes;
- (7) Modifications to the rights of holders of the Notes, if material;
- (8) Note calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property securing repayment of the Notes, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Township;
- (13) The consummation of a merger, consolidation or acquisition involving the Township or the sale of all or substantially all of the assets of the Township, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the Township, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a

- Financial Obligation of the Township, any of which affect holders of the Notes, if material; and
- (16) Default, event of acceleration, termination event, modification of terms or other similar events under a Financial Obligation of the Township, if any such event reflects financial difficulties.

The term “Financial Obligation” as used in subparagraphs (15) and (16) above means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation or (iii) guarantee of (i) or (ii); provided, however, that the term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

If all or any part of the Rule ceases to be in effect for any reason, then the information required to be provided under this undertaking, insofar as the provision of the Rule no longer in effect required the provision of such information, shall no longer be required to be provided.

The Chief Financial Officer shall determine, in consultation with Bond Counsel, the application of the Rule or the exemption from the Rule for each issue of obligations of the Township prior to their offering. Such officer is authorized to enter into additional written contracts or undertakings to implement the Rule and to amend such contracts or undertakings or the undertakings set forth herein, provided such amendment is, in the opinion of Bond Counsel, in compliance with the Rule.

In the event that the Township fails to comply with the Rule requirements or the written contracts or undertakings specified in this undertaking, the Township shall not be liable for monetary damages, remedy being specifically limited to specific performance of the Rule requirements or the written contracts or undertakings therefor.

The Township has previously entered into continuing disclosure undertakings under the Rule. Within the five (5) years preceding the date of this Official Statement, certain filings by the Township may have inadvertently omitted some of the required CUSIPs associated with the Township’s outstanding bonds. Additionally, the Township previously failed to timely file a notice in connection with an interest payment in the amount of \$888,336.25 due on November 15, 2022 and made on November 28, 2022 to DTC. The late payment was a result of DTC not sending a payment notice and an administrative oversight. The funds were available for payment on the payment date. Remedies have been made to correct the error and the Township expects to make all future payments in a timely manner. Such notice of event and late filing have since been filed with EMMA. The Township appointed Phoenix Advisors, Hamilton, New Jersey, in June of 2013 to act as Continuing Disclosure Agent to assist in the filing of certain information on EMMA, as required under its obligations.

MUNICIPAL BANKRUPTCY

The undertakings of the Township should be considered with reference to Chapter IX of the Bankruptcy Act, 11 U.S.C. Section 901 *et seq.*, as amended by Public Law 94-260, approved April 8, 1976, and as further amended on November 6, 1978 by the Bankruptcy Reform Act of 1978, effective October 1, 1979, as further amended by Public Law 100-597, effective November 3, 1988, and as further amended and other bankruptcy laws affecting creditor’s rights and municipalities in general. The amendments of P.L. 94-260 replace former Chapter IX and permit the State or any political subdivision, public agency or instrumentality that is insolvent or unable to meet its debts to file a petition in a court of bankruptcy for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of petitioner’s creditors; provides that a petition filed under such chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants priority to debt owed for services or material actually provided within three months of the filing of the petition; directs a petitioner to file a plan

for the adjustment of its debts; and provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount or more than one-half in number of the listed creditors. The 1976 Amendments were incorporated into the Bankruptcy Reform Act of 1978 with only minor changes.

Reference should also be made to N.J.S.A. 52:27-40 et seq., which provides that a municipality has the power to file a petition in bankruptcy provided the approval of the Municipal Finance Commission has been obtained. The powers of the Municipal Finance Commission have been vested in the Local Finance Board. The Bankruptcy Act specifically provides that Chapter IX does not limit or impair the power of a state to control, by legislation or otherwise, the procedures that a municipality must follow in order to take advantage of the provisions of the Bankruptcy Act.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, issuance, sale and delivery of the Notes are subject to the approval of Bond Counsel to the Township, whose approving legal opinion will be delivered with the Notes substantially in the form as set forth in Appendix "C". Certain legal matters will be passed on for the Township by the Township Attorney.

UNDERWRITING

The Notes have been purchased from the Township at a public sale by _____ (the "Underwriter") at a price of \$ _____ (consisting of the par amount of the Notes plus original issue premium in the amount of \$ _____ minus Underwriter's discount in the amount of \$ _____). The Underwriter has purchased the Notes in accordance with the Notice of Sale.

The Underwriter intends to offer the Notes to the public initially at the offering yield set forth on the cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriter may offer and sell the Notes to certain dealers (including dealers depositing the Notes into investment trusts) at a yield higher than the public offering yield set forth on the cover page, and such yield may be changed, from time to time, by the Underwriter without prior notice.

RATING

S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P"), has assigned a short-term rating of "SP-1+" to the Notes.

The rating reflects only the views of S&P and an explanation thereof may be obtained only from S&P. Certain information and materials, including information and materials not included in this Official Statement, were furnished by the Township to S&P. Generally, S&P bases its ratings on the information and materials so furnished and on its investigations, studies and assumptions.

There is no assurance that any such rating will remain in effect for any given period of time or that any such rating will not be revised downward, suspended or withdrawn entirely by a rating agency if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision, suspension or withdrawal of a rating may have an adverse effect on the market price or the marketability of the Notes. The Township has not undertaken any responsibility to oppose any such downward revision, suspension or withdrawal of a rating.

MUNICIPAL ADVISOR

Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey, has served as Municipal Advisor to the Township in connection with the issuance of the Notes (the “Municipal Advisor”) and has assisted in matters related to the planning, structuring and terms of the Notes. The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement and the Appendices hereto. The Municipal Advisor is an Independent Registered Municipal Advisor pursuant to the Dodd-Frank Act and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

PREPARATION OF OFFICIAL STATEMENT

The Township hereby states that the descriptions and statements herein, including financial statements, are true and correct in all material respects, and it will confirm to the Underwriter by a certificate signed by the Mayor and the Chief Financial Officer of the Township that, to such officers’ knowledge, such descriptions and statements, as of the date of this Official Statement, are true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading.

The Municipal Advisor has participated in the preparation and review of the information contained in this Official Statement, including the collection of financial, statistical and demographic information; however, it has not verified the accuracy, completeness or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto. Certain information set forth herein has been obtained from the Township and other sources, which are deemed reliable, but no warranty, guaranty or other representation as to the accuracy or completeness is made as to such information contained herein. There is no assurance that any of the assumptions or estimates contained herein will be realized.

Bond Counsel has neither participated in the preparation of the financial or statistical information contained in this Official Statement, nor has it verified the accuracy, completeness or fairness thereof and, accordingly, expresses no opinion with respect thereto.

All other information has been obtained from sources which the Township considers to be reliable, and it makes no warranty, guaranty or other representation with respect to the accuracy and completeness of such information.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including any information additional to that contained herein, may be directed to Eugenia Poulos, Chief Financial Officer, 2090 Greenwood Avenue, Hamilton, New Jersey 08650, (609) 890-3510, or to its Municipal Advisor, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 2000 Waterview Drive, Suite 101, Hamilton, New Jersey, 08691, telephone (609) 291-0130.

All quotations from and summaries and explanations of provisions of laws of the State herein do not purport to be complete and are qualified in their entirety by reference to the official compilation thereof.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement among the Township, the Underwriter and the holders of any of the Notes. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Notes made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs (financial or otherwise) of the Township since the date hereof. The information contained in this Official Statement is not guaranteed as to accuracy or completeness.

TOWNSHIP OF HAMILTON, IN THE COUNTY MERCER, NEW JERSEY

By: _____
Eugenia Poulos,
Chief Financial Officer

Dated: September __, 2025

APPENDIX A

**CERTAIN ECONOMIC AND DEMOGRAPHIC INFORMATION ABOUT THE TOWNSHIP OF
HAMILTON, IN THE COUNTY OF MERCER, NEW JERSEY**

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INFORMATION REGARDING THE TOWNSHIP¹

The following material presents certain economic and demographic information of the Township of Hamilton (the “Township”), in the County of Mercer (the “County”), New Jersey (the “State”).

General Information

The Township was formally incorporated in 1842. It is located in the west-central portion of the State and is served by rail, while also having access to several major arteries, including the New Jersey Turnpike. The Township is the most populous municipality in the County and comprises a total land area of approximately forty (40) square miles, making it the second largest municipality in the County. The Township is roughly sixty (60) miles away from New York City and forty (40) miles away Philadelphia.

Transportation

The location of the Township astride the major transportation corridor in the northeast offers commuters multiple options with regards to transportation. Access to the New Jersey Turnpike is available at interchange 7A which is located within the Township. Interstates 95, 195, 295, U.S. Routes 1 and 130 and State Highway 33 also traverse the Township. Main line freight, including spur facilities to industrial sites, and passenger rail service is available. Hamilton Transit Center, a New Jersey Transit rail and bus station, with direct rail service to New York City via the Northeast Corridor Line, is located in the Township, providing efficient commuting opportunities for residents.

Form of Government

The Township is managed under a Mayor-Council form of government authorized under Plan E of the Faulkner Act of 1950. This form of government provides for, among other things, the direct election of the Mayor and the five-member Township Council, the separation of legislative power from administrative functions, and the employment of full-time professional personnel in the Departments of Administration, Finance, Law, Engineering, Planning and Inspections, Public Safety, Public Works, and Health, Recreation and Welfare. The Mayor and Township Council members are all elected in odd-numbered years to serve four-year terms of office. At the annual reorganization meeting, the Council selects one of its members to serve as President and another member to serve as Vice President for a one-year term.

Education

The Township’s local school district offers educational services to students in Pre-Kindergarten through grade 12 via its operations at twenty-three (23) total schools: seventeen (17) elementary schools; three (3) middle schools; and three (3) senior high schools.

The Township’s central location in the State also provides the benefit of being in commuting distance of the following higher education institutions: Princeton University; The College of New Jersey; Mercer County Community College; Rider University; and Rutgers, the State University.

Governmental Services

Parks and Recreation

In addition to County and State parklands located within its boundaries, the Township owns and operates approximately thirty (30) parks. The largest of these, Veteran’s Park, contains jogging trails, bicycle paths, nature trails, soccer and baseball fields and tennis courts. The Township offers a variety of

¹ Source: The Township, unless otherwise indicated.

recreational, cultural and social programs to its residents as well as special facilities and programs for the handicapped. Altogether, over 1,700 acres of parkland are available for active and passive recreational activities.

General Services

The Township maintains a police force consisting of officers, clerical support staff and dispatchers. Previously, there were nine (9) independent volunteer fire districts in the Township and one (1) volunteer ambulance squad. In December of 2017, the Township Council voted to authorize the consolidation of all nine (9) fire districts into one municipal fire department. Effective January 1, 2021, the independent fire districts were consolidated to form a unified Fire Division in the Township. The main branch of the municipal library has a capacity of 180,000 volumes in addition to pamphlets, recordings, films and microfilm reference material.

Utilities

The Township is provided water service from two sources: Trenton Water Works; and Aqua New Jersey. The Township owns and operates a sewerage plant which provides for the treatment and disposal of effluent and services a large portion of the Township. Public utilities serving the Township include Public Service Electric & Gas Company and Verizon Communications, Inc.

Pension and Retirement Systems

Substantially all eligible employees participate in the Public Employees' Retirement System, the Police and Firemen's Retirement System or the Defined Contribution Retirement Program, which have been established by State statute and are administered by the New Jersey Division of Pensions and Benefits (the "Division"). Benefits, contributions, means of funding and the manner of administration are established pursuant to State statute. The Division annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial calculations and the employees contribute a portion of the cost. Each Plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes the financial statements and required supplementary information. This report may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625 or is available online at www.nj.gov/treasury/pensions/financial-reports.shtml.

The Public Employees' Retirement System ("PERS") is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. Membership is mandatory for substantially all full-time employees of the State or any county, municipality, school district or public agency, provided the employee is not required to be a member of another State-administered retirement system or other State pension fund or local jurisdiction's pension fund.

The Police and Firemen's Retirement System ("PFRS") is a cost-sharing multiple-employer defined benefit pension plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A, to provide retirement, death, disability and medical benefits to certain qualified members. Membership is mandatory for substantially all full-time county and municipal police and firemen or officer employees with police powers appointed after June 30, 1944.

The Defined Contribution Retirement Program ("DCRP") is a cost-sharing multiple-employer defined contribution pension fund which was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

Employment and Unemployment Comparisons

For the following years, the New Jersey Department of Labor reported the following annual average employment information for the Township, the County, and the State of New Jersey:

	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployed</u>	<u>Unemployment Rate</u>
<u>Township</u>				
2024	50,155	48,062	2,093	4.2%
2023	49,951	47,986	1,965	3.9%
2022	49,183	47,434	1,749	3.6%
2021	48,669	45,696	2,973	6.1%
2020	48,569	44,285	4,284	8.8%
<u>County</u>				
2024	199,583	190,833	8,750	4.4%
2023	198,699	190,533	8,166	4.1%
2022	195,425	188,302	7,123	3.6%
2021	192,685	180,980	11,705	6.1%
2020	192,510	177,193	15,317	8.0%
<u>State</u>				
2024	4,898,008	4,676,064	221,944	4.5%
2023	4,867,113	4,659,779	207,334	4.3%
2022	4,756,002	4,572,879	183,123	3.9%
2021	4,654,243	4,342,075	312,168	6.7%
2020	4,643,700	4,204,301	439,399	9.5%

Source: New Jersey Department of Labor, Office of Research and Planning, Division of Labor Market and Demographic Research, Bureau of Labor Force Statistics, Local Area Unemployment Statistics

Income (as of 2023)

	<u>Township</u>	<u>County</u>	<u>State</u>
Median Household Income	\$97,481	\$96,333	\$101,050
Median Family Income	117,076	124,699	123,892
Per Capita Income	46,143	52,101	53,118

Source: US Bureau of the Census, 2023 American Community Survey 5-Year Estimates

Population

The following tables summarize population increases and the decreases for the Township, the County, and the State.

<u>Year</u>	<u>Township</u>		<u>County</u>		<u>State</u>	
	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>
2024 est.	93,911	1.75%	392,138	1.24%	9,500,851	2.28%
2020	92,297	4.33	387,340	5.68	9,288,994	5.65
2010	88,464	1.56	366,513	4.49	8,791,894	4.49
2000	87,109	0.64	350,761	7.65	8,414,350	8.85
1990	86,553	4.53	325,824	5.83	7,730,188	4.96

Source: United States Department of Commerce, Bureau of the Census

Largest Taxpayers

The ten largest taxpayers in the Township and their assessed valuations are listed below:

<u>Taxpayers</u>	<u>2025</u>	<u>% of Total</u>
	<u>Assessed Valuation</u>	<u>Assessed Valuation</u>
Paramount MKTPL@Hamilton	\$66,763,300	0.74%
Inspired Senior Living	42,281,000	0.47%
Quakerbridge Partners LLC	40,700,000	0.45%
RAR2-401 Cabot Drive, LLC	38,004,500	0.42%
Hamilton Station Apartments	37,941,200	0.42%
Reckson-Matrix	36,257,300	0.40%
BCIF Hamilton Distribution Center	33,735,200	0.38%
MREIC Trenton NJ LLC	32,600,000	0.36%
Levin Properties	32,553,800	0.36%
Hamilton Montage LLC	<u>31,991,000</u>	<u>0.36%</u>
Total	<u>\$392,827,300</u>	<u>4.37%</u>

Source: Annual Comprehensive Financial Report of the School District

Largest Employers

<u>Name</u>	<u>Number of Employees</u>
Trane Company	1,200
Robert Wood Johnson-Hamilton	1,100
UPS	900
Fed-Ex	850
Verizon	575
Genesis	545
Shoprite (Marketplace) & Shoprite of Hamilton Rt 33	500
Walmart Marketplace & Walmart Nottingham Way	500
AAA	350
Home Depot	200

Source: Township Officials

Tax Levy and Tax Collection Data

<u>Year</u>	<u>Tax Levy</u>	<u>Current Year Collection</u>	<u>Current Year % of Collection</u>
2024U	\$316,448,262	\$316,208,652	99.92%
2023	295,259,565	294,302,285	99.68%
2022	286,444,627	285,619,014	99.71%
2021	286,857,290	286,474,771	99.87%
2020	281,595,068	280,755,577	99.70%

U: Unaudited

Source: 2024 Annual Financial Statement and Annual Audit Reports

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Tax</u>	<u>Total Delinquent</u>	<u>% of Tax Levy</u>
2024U	\$1,837,583	\$27,810	\$1,865,393	0.59%
2023	1,867,391	7,671	1,875,062	0.64%
2022	2,165,304	16,405	2,181,709	0.76%
2021	2,225,588	3,742	2,229,330	0.78%
2020	3,103,503	17,785	3,121,288	1.11%

U: Unaudited

Source: 2024 Annual Financial Statement and Annual Audit Reports

Property Acquired by Tax Title Lien Liquidation

<u>Year</u>	<u>Amount</u>
2024U	\$377,111
2023	377,111
2022	372,069
2021	367,045
2020	367,045

U: Unaudited

Source: 2024 Annual Financial Statement and Annual Audit Reports

Sewer Collection Data

<u>Year</u>	<u>Sewer Levy</u>	<u>Current Year Collection</u>	<u>% of Current Year Collection</u>
2024U	\$19,774,715	\$19,754,282	99.90%
2023	19,743,039	19,766,257	100.12%
2022	19,754,350	19,748,338	99.97%
2021	19,056,962	18,973,072	99.56%
2020	17,284,712	17,809,918	103.04%

U: Unaudited

Source: 2024 Annual Financial Statement and Annual Audit Reports

Tax Rates per \$100 of Net Valuations Taxable and Allocations

<u>Year</u>	<u>Municipal</u>	<u>Local School</u>	<u>County</u>	<u>Total</u>
2024	\$1.298	\$1.459	\$0.767	\$3.524
2023	1.195	1.431	0.677	3.303
2022	1.191	1.430	0.630	3.251
2021*	1.190	1.432	0.641	3.263
2020	0.857	1.407	0.639	2.903

*Includes the Township Fire Department, created on January 1, 2021.

Source: Abstract of Ratables and State of New Jersey – Property Taxes

Valuation of Property

<u>Year</u>	<u>Aggregate Assessed Valuation of Real Property</u>	<u>Aggregate True Value of Real Property</u>	<u>Ratio of Assessed to True Value</u>	<u>Assessed Value of Personal Property</u>	<u>Equalized Valuation</u>
2025	\$8,960,826,550	\$13,622,417,984	65.78%	\$19,742,663	\$13,642,160,647
2024	8,915,536,550	13,553,567,270	65.78	22,509,171	13,576,076,441
2023	8,843,489,500	11,742,782,499	75.31	24,829,400	11,767,611,899
2022	8,737,351,350	10,477,696,786	83.39	26,466,000	10,504,162,786
2021	8,657,418,950	9,503,204,116	91.10	27,571,359	9,530,775,475

Source: Abstract of Ratables and State of New Jersey – Table of Equalized Valuations

Classification of Ratables

The table below lists the comparative assessed valuation for each classification of real property within the Township for past five (5) years.

<u>Year</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>	<u>Total</u>
2024	\$79,696,400	\$6,379,948,500	\$16,900,300	\$1,699,682,700	\$366,657,950	\$372,650,700	\$8,915,536,550
2023	100,794,300	6,348,151,400	17,742,300	1,705,304,250	304,410,450	367,086,800	8,843,489,500
2022	83,374,000	6,301,746,200	19,446,400	1,664,774,550	298,503,000	369,507,200	8,737,351,350
2021	74,373,800	6,279,382,400	19,341,300	1,648,838,650	266,919,400	368,563,400	8,657,418,950
2020	74,983,200	6,274,331,860	19,626,400	1,653,933,530	272,536,000	362,988,300	8,658,399,290

Source: Abstract of Ratables and State of New Jersey – Property Value Classification

Financial Operations

The following table summarizes the Township's Current Fund budget for the past five (5) fiscal years ending December 31. The following summary should be used in conjunction with the tables in the sourced documents from which it is derived.

<u>Anticipated Revenues</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Fund Balance Utilized	\$6,900,000	\$7,495,000	\$8,600,000	\$8,000,000	\$9,200,000
Miscellaneous Revenues	32,177,272	37,086,556	43,461,646	38,194,368	43,220,815
Receipts from Delinquent Taxes	200,000	115,000	135,000	400,000	249,000
Amount to be Raised by Taxation	<u>103,377,058</u>	<u>104,401,496</u>	<u>105,934,539</u>	<u>115,988,198</u>	<u>122,761,121</u>
Total Revenue:	<u>\$142,654,330</u>	<u>\$149,098,052</u>	<u>\$158,131,185</u>	<u>\$162,582,567</u>	<u>\$175,430,936</u>
<u>Appropriations</u>					
General Appropriations	\$107,872,717	\$129,859,987	\$135,372,998	\$140,678,392	\$149,492,463
Operations (Excluded from CAPS)	6,194,071	6,423,141	8,690,418	9,092,864	11,522,477
Deferred Charges and Statutory Expenditures	15,776,706	0	0	0	0
Capital Improvement Fund	724,000	588,385	2,025,000	100	100
Municipal Debt Service	11,241,690	11,509,300	11,467,000	12,203,300	14,090,200
Reserve for Uncollected Taxes	<u>845,146</u>	<u>717,239</u>	<u>575,769</u>	<u>607,910</u>	<u>325,696</u>
Total Appropriations:	<u>\$142,654,330</u>	<u>\$149,098,052</u>	<u>\$158,131,185</u>	<u>\$162,582,567</u>	<u>\$175,430,936</u>

Source: Annual Adopted Budgets of the Township

Fund Balance

Current Fund

The following table lists the Township's fund balance and the amount utilized in the succeeding year's budget for the Current Fund for the past five (5) fiscal years ending December 31.

<u>Fund Balance - Current Fund</u>		
	Balance	Utilized in Budget
<u>Year</u>	<u>12/31</u>	<u>of Succeeding Year</u>
2024U	\$16,642,686	\$9,200,000
2023	15,032,032	8,000,000
2022	13,531,609	8,600,000
2021	15,966,342	7,495,000
2020	10,106,697	6,900,000

U: Unaudited

Source: 2024 Annual Financial Statement and Annual Audit Reports

Sewer Utility Operating Fund

The following table lists the Township's fund balance and the amount utilized in the succeeding year's budget for the Sewer Utility Operating Fund for the past five (5) fiscal years ending December 31.

<u>Fund Balance - Sewer Utility Operating Fund</u>		
	Balance	Utilized in Budget
<u>Year</u>	<u>12/31</u>	<u>of Succeeding Year</u>
2024U	\$6,307,845	\$3,480,000
2023	6,772,491	3,283,830
2022	5,034,237	2,357,220
2021	3,235,135	1,020,000
2020	2,501,131	550,000

U: Unaudited

Source: 2024 Annual Financial Statement and Annual Audit Reports

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Township's Indebtedness as of December 31, 2024

General Purpose Debt

Serial Bonds	\$36,523,000
Bond Anticipation Notes	57,691,000
Bonds and Notes Authorized but Not Issued	59,025,565
Other Bonds, Notes and Loans	310,707
Total:	<u>\$153,550,272</u>

Local School District Debt

Serial Bonds	\$46,715,000
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
Total:	<u>\$46,715,000</u>

Self-Liquidating Debt

Serial Bonds	\$40,142,000
Bond Anticipation Notes	21,851,000
Bonds and Notes Authorized but Not Issued	37,150,375
Other Bonds, Notes and Loans	329,224
Total:	<u>\$99,472,599</u>

TOTAL GROSS DEBT

\$299,737,871

Less: Statutory Deductions	
General Purpose Debt	\$3,918,076
Local School District Debt	46,715,000
Self-Liquidating Debt	99,472,599
Total:	<u>\$150,105,674</u>

TOTAL NET DEBT

\$149,632,196

Source: Annual Debt Statement of the Township

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Overlapping Debt (as of December 31, 2024) ²

<u>Name of Related Entity</u>	<u>Related Entity Debt Outstanding</u>	<u>Township Percentage</u>	<u>Township Share</u>
Local School District	\$46,715,000	100.00%	\$46,715,000
County	635,709,173	21.13%	<u>134,340,279</u>
Net Indirect Debt			\$181,055,279
Net Direct Debt			<u>149,632,196</u>
Total Net Direct and Indirect Debt			<u>\$330,687,475</u>

Debt Limit (as of December 31, 2024)

Average Equalized Valuation Basis (2022, 2023, 2024)	\$11,924,682,185
Permitted Debt Limitation (3 1/2%)	417,363,876
Less: Net Debt	<u>149,632,196</u>
Remaining Borrowing Power	<u>\$267,731,680</u>
Percentage of Net Debt to Average Equalized Valuation	1.255%
Gross Debt Per Capita based on 2020 population of 93,911	\$3,248
Net Debt Per Capita based on 2020 population of 93,911	\$1,621

Source: Annual Debt Statement of the Township

² Township percentage of County debt is based on the Township's share of total equalized valuation in the County.

APPENDIX B

**EXCERPTS FROM FINANCIAL STATEMENTS OF THE TOWNSHIP OF HAMILTON,
IN THE COUNTY OF MERCER, NEW JERSEY**

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**UNAUDITED FINANCIAL DATA OF THE TOWNSHIP
FOR THE YEAR ENDED DECEMBER 31, 2024**

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ACCOUNTANT'S COMPILATION REPORT

UNAUDITED FINANCIAL STATEMENTS

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SUPLEE, CLOONEY & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

ACCOUNTANT'S COMPILATION REPORT

The Honorable Mayor and Members
of the Township Committee
Township of Hamilton
County of Mercer
Hamilton, New Jersey 08609

We have compiled the accompanying balance sheets - regulatory basis of the individual funds from the 2024 Annual Financial Statement (AFS) of the Township of Hamilton, County of Mercer, New Jersey as of December 31, 2024 and the related statements of operations and changes in fund balances - regulatory basis for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements - regulatory basis have been prepared on a prescribed basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements and schedules information that is the representation of management of the Township of Hamilton. We have not audited or reviewed the accompanying financial statements - regulatory basis and, accordingly, do not express an opinion or any other form of assurance on them.

The management of the Township of Hamilton has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the regulatory basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Township of Hamilton's financial position - regulatory basis and the results of its operations and changes in its fund balance - regulatory basis. Accordingly, these financial statements are not designed for those who are not informed about such matters.

SUPLEE, CLOONEY & COMPANY LLC
Certified Public Accountants

/s/ Robert W. Swisher
Robert W. Swisher, C.P.A., R.M.A.

April 15, 2025

TOWNSHIP OF HAMILTON

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

BALANCE
DECEMBER
31, 2024
(Unaudited)

ASSETS

Current Fund:

Cash	\$ 31,113,409.92
Petty Cash	3,981.00
Due From State of NJ - Veterans and Senior Citizens	259,362.89
	<u>\$ 31,376,753.81</u>

Receivables with Full Reserves:

Delinquent Property Taxes Receivable	\$ 27,809.84
Tax Title Liens Receivable	1,837,582.78
Property Acquired for Taxes (At Assessed Valuation)	377,110.99
Revenue Accounts Receivable	57,172.17
Interfunds Receivable	384,141.94
	<u>\$ 2,683,817.72</u>

Prepaid Expenses - Fire Consolidation

Other Receivables	\$ 19,589.00
	14,154.00
	<u>\$ 33,743.00</u>

\$ 34,094,314.53

Grant Fund:

Cash	2,563,968.66
Grants Receivable	\$ 8,652,731.29
Due From HUD	2,214.41

\$ 11,218,914.36

\$ 45,313,228.89

TOWNSHIP OF HAMILTON

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

BALANCE
DECEMBER
31, 2024
(Unaudited)

LIABILITIES, RESERVES AND FUND BALANCE

Current Fund:

Liabilities:

Appropriation Reserves	\$ 4,791,147.52
Reserve for Encumbrances	3,838,125.03
Due State of NJ - Marriage Licenses	4,250.00
Due State of NJ - DCA Training Fees	43,434.00
Reserve for Tax Appeals	4,854.00
Accounts Payable	1,021,963.03
Tax Overpayments	36,990.53
Interfunds Payable	14,781.40
Prepaid Taxes	1,712,706.33
County Taxes Payable	928,144.69
Local District School Tax Prepaid	(2.00)
Reserve for Miscellaneous Deposits	2,371,416.04
	<u>\$ 14,767,810.57</u>

Reserve for Receivables	2,683,817.72
Fund Balance	<u>16,642,686.24</u>

\$ 34,094,314.53

Grant Fund:

Reserve for Grants-Appropriated	\$ 9,882,250.92
Reserve for Grants-Unappropriated	28,602.48
Interfunds Payable	113,208.41
Reserve for Encumbrances	<u>1,194,852.55</u>

\$ 11,218,914.36

\$ 45,313,228.89

TOWNSHIP OF HAMILTONCURRENT FUND

STATEMENTS OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

	YEAR ENDED DECEMBER <u>31, 2024</u> (Unaudited)
<u>REVENUE AND OTHER INCOME</u>	
Fund Balance Utilized	\$ 8,000,000.00
Miscellaneous Revenues Anticipated	43,890,244.93
Receipts from Delinquent Taxes	251,288.88
Receipts from Current Taxes	316,208,652.36
Non-Budget Revenues	476,339.72
Other Credits to Income:	
Unexpended Balance of Appropriation Reserve	4,824,811.80
Sale of Municipal Assets	177,270.97
Interfunds Returned	628,176.74
<u>Total Income</u>	\$ <u>374,456,785.40</u>
<u>EXPENDITURES</u>	
Budget and Emergency Appropriations:	
Within CAPS:	
Operations including Contingent	\$ 121,445,184.79
Deferred Charges and Statutory	
Expenditures - Municipal	19,233,207.52
Excluded from CAPS:	
Operations	12,401,931.51
Capital Improvement Fund	100.00
Municipal Debt Service	12,070,682.99
County Tax	68,526,683.81
County Tax for Added and Omitted Taxes	328,429.92
Local District School Tax	130,429,327.00
Interfund Advances	384,141.94
Refund of Prior Years Revenues:	26,441.27
<u>Total Expenditures</u>	\$ <u>364,846,130.75</u>
Excess in Revenue	\$ 9,610,654.65
<u>Fund Balance</u>	
Balance, January 1	15,032,031.59
	\$ <u>24,642,686.24</u>
Decreased by:	
Utilization as Anticipated Revenue	<u>8,000,000.00</u>
Balance, December 31	\$ <u><u>16,642,686.24</u></u>

TOWNSHIP OF HAMILTON

TRUST FUND

BALANCE SHEET - REGULATORY BASIS

BALANCE
DECEMBER
31, 2024
(Unaudited)

ASSETS

Animal Control Trust Fund:

Cash	\$ 147,825.93
	<u>\$ 147,825.93</u>

Assessment Trust Fund:

Cash	\$ 303,504.27
Prospective Assessments Funded	2,069,073.50
Assessments Receivable	263,619.04
Assesment Lien - Interest and Costs	899.49
	<u>\$ 2,637,096.30</u>

Open Space Trust Fund:

Cash	769,526.17
	<u>769,526.17</u>

CDBG Trust Fund:

Cash	\$ 17,250.39
Accounts Receivable	145,060.93
Due From Grant Fund	81,640.66
Due From Housing Administration	3,918.14
	<u>\$ 247,870.12</u>

Arts and Cultural Trust Fund:

Cash	\$ 2,742,218.63
Due From CDBG	10,079.02
Due From Grant Fund	31,567.75
	<u>\$ 2,783,865.40</u>

Other Funds:

Cash	\$ 14,434,899.14
	<u>\$ 14,434,899.14</u>
	<u>\$ 21,021,083.06</u>

TOWNSHIP OF HAMILTON

TRUST FUND

BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31, 2018 AND 2017

BALANCE
DECEMBER
31, 2024
(Unaudited)

LIABILITIES, RESERVES AND FUND BALANCES

Animal Control Trust Fund:	
Encumbrances Payable	\$ 28,418.70
Due State of New Jersey	3,617.91
Reserve for Animal Control Trust Fund Expenditures	115,789.32
	<u>\$ 147,825.93</u>
Assessment Trust Fund:	
Prepaid Assessments	\$ 9,332.15
Due to Other Funds and Surplus	3,802.00
Reserve for Assessment Liens and Assessment Lien Interest and Costs	2,563,962.15
Serial Bonds Payable	60,000.00
	<u>\$ 2,637,096.30</u>
Open Space Trust Fund:	
Reserve for Encumbrances	\$ 40,804.44
Reserve for Green Trust	728,721.73
	<u>\$ 769,526.17</u>
CDBG Trust Fund:	
Due to Current Fund	\$ 40,356.33
Due to Payroll	10,079.02
Reserve for Grant Projects	10,689.19
Reserve for CDBG	186,745.58
	<u>\$ 247,870.12</u>
Arts and Cultural Trust Fund:	
Due To HUD HAP	\$ 7,542.06
Due To Trust Other Fund	243.67
Reserve for Payroll	2,776,079.67
	<u>\$ 2,783,865.40</u>
Other Funds:	
Interfunds Payable	\$ 18,017.09
Encumbrances Payable	200,317.20
Reserve for:	
Escrows	6,506,050.31
Performance Guarantees	1,301,835.05
Various Reserves and Deposits	6,408,679.49
	<u>\$ 14,434,899.14</u>
	<u>\$ 21,021,083.06</u>

"C"

TOWNSHIP OF HAMILTON

GENERAL CAPITAL FUND

BALANCE SHEET - REGULATORY BASIS

BALANCE
DECEMBER
31, 2024
(Unaudited)

ASSETS

Cash	\$ 39,601,134.47
Deferred Charges to Future Taxation:	
Funded	37,906,487.67
Unfunded	116,716,565.00
Grants Receivable	5,112,948.10
Interfunds Receivable	
	<hr/>
	\$ 199,337,135.24

LIABILITIES, RESERVES AND FUND BALANCE

Bond Anticipation Notes	\$ 57,691,000.00
Serial Bonds	36,523,000.00
Loans Payable	310,707.00
Capital Leases Payable	1,072,780.67
Interfunds Payable	248,475.90
Improvement Authorizations:	
Funded	1,120,362.49
Unfunded	40,519,587.78
Capital Improvement Fund	1,344,128.74
Reserve For:	
Encumbrances	54,275,896.11
Miscellaneous Deposits	3,932,288.81
Fund Balance	2,298,907.74
	<hr/>
	\$ 199,337,135.24

TOWNSHIP OF HAMILTON

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

Balance, December 31, 2023		\$	783,489.46
Increased by:			
Audit Adjustment	\$	<u>1,765,418.28</u>	
			<u>1,765,418.28</u>
		\$	<u>2,548,907.74</u>
Decreased by:			
Anticipated as Revenue in the Current Fund			<u>250,000.00</u>
Balance, December 31, 2024 (Unaudited)		\$	<u><u>2,298,907.74</u></u>

TOWNSHIP OF HAMILTON

SEWER UTILITY FUND

BALANCE SHEET - REGULATORY BASIS

BALANCE
DECEMBER
31, 2024
(Unaudited)

ASSETS

Operating Fund:

Cash - Treasurer	\$ 10,654,021.07
Petty Cash	1,076.31
Interfunds Receivable	452,234.02
	<u>\$ 11,107,331.40</u>

Receivables With Full Reserves:

Consumer Accounts Receivable	\$ 11,307.71
Sewer Liens Receivable	32,088.59
	<u>\$ 43,396.30</u>

Total Operating Fund

\$ 11,150,727.70

Capital Fund:

Cash-Treasurer	\$ 11,105,899.11
Fixed Capital	197,707,129.04
Fixed Capital Authorized and Uncompleted	50,608,875.07
Grants Receivable	8,650.65
	<u>8,650.65</u>

Total Capital Fund

\$ 259,430,553.87

\$ 270,581,281.57

TOWNSHIP OF HAMILTON

SEWER UTILITY FUND

BALANCE SHEET - REGULATORY BASIS

BALANCE
DECEMBER
31, 2024
(Unaudited)

LIABILITIES, RESERVES AND FUND BALANCE

Operating Fund:

Liabilities:

Appropriation Reserves	\$ 1,595,098.79
Sewer Prepayments	90,859.73
Encumbrances Payable	1,170,370.06
Accrued Interest	1,631,365.54
Reserve for Debt Service	311,792.75
	<u>\$ 4,799,486.87</u>
Reserve for Receivables	43,396.30
Fund Balance	<u>6,307,844.53</u>

Total Operating Fund \$ 11,150,727.70

Capital Fund:

Capital Improvement Fund	\$ 192,775.00
Contracts Payable	193,192.00
Encumbrances	5,522,806.56
Loan Payable	136,032.28
Sewer Utility Bonds	40,142,000.00
Bond Anticipation Notes	21,851,000.00
Interfunds Payable	437,452.62
Reserve for:	
Amortization	148,843,405.21
Debt Service	2,251,959.76
Improvement Authorizations:	
Unfunded	39,235,139.87
Fund Balance	<u>624,790.57</u>

Total Capital Fund \$ 259,430,553.87

\$ 270,581,281.57

"D-1"

TOWNSHIP OF HAMILTON

SEWER UTILITY FUND

STATEMENT OF OPERATIONS
AND CHANGES IN FUND BALANCE - REGULATORY BASIS

	YEAR ENDED DECEMBER <u>31, 2024</u> (Unaudited)
<u>REVENUE AND OTHER INCOME REALIZED</u>	
Fund Balance Utilized	\$ 3,283,830.00
Sewer Use Charges	19,754,282.14
Miscellaneous	38,919.97
Sewer Connection Fees	815,580.00
Interest	1,423,674.82
Reserve for Payment of Debt	437,452.62
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	1,899,624.08
Various Cancellations	<u>53,349.97</u>
<u>TOTAL INCOME</u>	<u>\$ 27,706,713.60</u>
<u>EXPENDITURES</u>	
Operating:	\$ 15,326,458.00
Capital Improvements	700,000.00
Debt Service	7,651,072.00
Statutory Expenditures	<u>1,210,000.00</u>
<u>TOTAL EXPENDITURES</u>	<u>\$ 24,887,530.00</u>
Excess in Revenue	\$ 2,819,183.60
<u>Fund Balance</u>	
Balance, January 1	<u>6,772,490.93</u>
	\$ 9,591,674.53
Decreased by:	
Utilization by Sewer Operating Budget	<u>3,283,830.00</u>
Balance, December 31	<u><u>\$ 6,307,844.53</u></u>

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**AUDITED FINANCIAL STATEMENTS OF THE TOWNSHIP
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

FINANCIAL STATEMENTS

December 31, 2023

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

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INTRODUCTORY SECTION (UNAUDITED)

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August 22, 2024

The Honorable Mayor and Members of the Township Council
Township of Hamilton
2090 Greenwood Avenue
P.O. Box 00150
Hamilton, New Jersey 08650

The annual financial report for the Township of Hamilton for the year ended December 31, 2023, 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 annual financial report is presented in six sections: the introductory section (unaudited), basic financial statements - regulatory basis, supplemental schedules, required supplementary information (unaudited), supplementary information, and statistical section (unaudited). The introductory section contains this letter of transmittal. The basic financial statements - regulatory basis include the combined statements of assets, liabilities, reserves and fund balance for all fund types and account group as well as select individual fund statements and the notes to financial statements. The supplemental schedules include individual fund schedules that provide additional detail and information in support of the basic financial statements - regulatory basis. The required supplementary information (unaudited) includes schedules required by the Governmental Accounting Standards Board related to the Township's pension and other postretirement benefit plans. The supplementary information and statistical section (unaudited) include select financial and demographic information to provide additional insight and information to the financial statements as a whole.

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INDEPENDENT AUDITORS' REPORT

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements – regulatory basis of the various funds and account group of the Township of Hamilton, County of Mercer, State of New Jersey (“Township”), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Township’s basic financial statements, as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective regulatory basis financial position of the Township as of December 31, 2023, and the respective regulatory changes in financial position for the year then ended in accordance with the financial reporting provisions in Note A.

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 section of our report, the financial statements 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, 2023, or the changes in financial position for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (“GAAS”) and requirements of audit prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note A of the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions in Note A. 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' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and requirements of audit prescribed by the Division, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and requirements of audit prescribed by the Division, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Report on Summarized Comparative Information

We have previously audited the Township's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 20, 2023, in accordance with the financial reporting provisions described in Note A. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink, appearing to read "Warren A. Broudy". The signature is fluid and cursive, with the first name "Warren" being the most prominent part.

Warren A. Broudy, CPA, RMA
Registered Municipal Accountant License No. 554

MERCADIEN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

August 22, 2024

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BASIC FINANCIAL STATEMENTS – REGULATORY BASIS

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

**COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE – ALL FUND TYPES AND
ACCOUNT GROUP**

December 31, 2023

	Current and Grant	Capital	Trust Funds	Utility Fund Operating	Utility Fund Capital	Fixed Asset Account Group	Totals Memorandum Only December 31,	
							2023	2022
ASSETS AND OTHER DEBITS								
Cash and Cash Equivalents	\$ 37,753,622.08	\$ 22,361,685.51	\$ 31,526,664.08	\$ 10,724,041.94	\$ 15,828,534.15	\$ -	\$ 118,194,547.76	\$ 92,617,164.24
Federal and State Grants Receivable	8,618,611.01	5,323,393.20	-	-	-	-	13,942,004.21	9,790,921.89
Receivables and Other Assets								
Revenue Accounts Receivable	41,445.83	-	-	-	-	-	41,445.83	54,771.68
Delinquent Property Taxes & Utility Charges	7,670.91	-	-	-	-	-	7,670.91	16,404.68
Other Accounts Receivable	37,393.17	-	622,805.01	-	-	-	660,198.18	597,768.03
Assessments Receivable	-	-	330,405.04	8,231.49	-	-	338,636.53	2,779,755.47
Tax Title, Sewer and Assessment Liens Receivable	1,867,391.27	-	899.49	31,988.43	-	-	1,900,279.19	2,263,610.83
Interfunds Receivable	626,740.98	1,030,000.00	754,936.68	361.94	-	-	2,412,039.60	1,221,403.61
Property Acquired for Taxes at Assessed Valuation	377,110.99	-	-	-	-	-	377,110.99	372,068.68
Due from State of New Jersey	261,039.42	-	-	-	8,650.65	-	269,690.07	269,690.07
Prospective Assessments Funded	-	-	2,069,073.50	-	-	-	2,069,073.50	2,069,073.50
Deferred Charges	152,389.52	96,548,449.45	-	-	-	-	96,700,838.97	96,788,951.47
Fixed Capital	-	-	-	-	197,707,129.04	-	197,707,129.04	140,161,895.66
Fixed Capital Authorized and Uncompleted	-	-	-	-	45,608,875.07	-	45,608,875.07	93,374,108.45
Fixed Assets	-	-	-	-	-	142,739,998.85	142,739,998.85	139,703,232.63
	<u>\$ 49,743,415.18</u>	<u>\$ 125,263,528.16</u>	<u>\$ 35,304,783.80</u>	<u>\$ 10,764,623.80</u>	<u>\$ 259,153,188.91</u>	<u>\$ 142,739,998.85</u>	<u>\$ 622,969,538.70</u>	<u>\$ 582,080,820.89</u>

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

**COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE – ALL FUND TYPES AND
ACCOUNT GROUP (CONTINUED)**

December 31, 2023

	Current and Grant	Capital	Trust Funds	Utility Fund Operating	Utility Fund Capital	Fixed Asset Account Group	Totals Memorandum Only December 31,	
							2023	2022
LIABILITIES, RESERVES AND FUND BALANCE								
Appropriation Reserves	\$ 7,100,233.16	\$ -	\$ -	\$ 1,004,771.51	\$ -	\$ -	\$ 8,105,004.67	\$ 8,079,623.34
Prepaid Taxes, Assessments and Utility Charges	1,860,057.51	-	9,332.15	146,837.83	-	-	2,016,227.49	1,980,804.05
Federal and State Grants								
Appropriated Reserves	9,290,084.53	-	-	-	-	-	9,290,084.53	4,730,466.27
Unappropriated Reserves	38,033.66	-	-	-	-	-	38,033.66	5,041,805.11
Reserve for Encumbrances	1,523,841.53	-	-	-	-	-	1,523,841.53	1,407,189.54
Other Liabilities and Reserves								
Due to State of New Jersey	41,753.00	-	2,070.68	-	-	-	43,823.68	57,774.80
Due to County of Mercer	1,079,843.64	-	-	-	-	-	1,079,843.64	599,714.78
Due to HUD	-	-	-	-	-	-	-	84,951.58
Reserve for Future Debt Service	-	3,391,428.85	-	311,792.75	-	-	3,703,221.60	913,728.36
Capital Improvement Fund	-	1,718,521.74	-	-	192,775.00	-	1,911,296.74	437,804.74
Interfunds Payable	1,229,154.67	-	1,162,319.73	20,565.20	-	-	2,412,039.60	1,221,403.61
Other Liabilities and Reserves	-	-	16,126,524.11	-	147,231,490.15	-	163,358,014.26	151,493,676.83
Improvement Authorizations	-	37,396,747.89	-	-	38,766,543.34	-	76,163,291.23	79,551,793.34
Encumbrances and Accounts Payable	6,953,010.74	7,591,883.71	1,349,684.42	1,681,774.31	6,241,535.35	-	23,817,888.53	20,167,691.01
Reserve for Tax Title Liens	-	-	2,730,331.83	-	-	-	2,730,331.83	2,737,931.83
Serial Bonds Payable	-	24,989,000.00	125,000.00	-	44,072,000.00	-	69,186,000.00	80,986,000.00
Bond Anticipation Notes Payable	-	47,395,000.00	-	-	21,861,700.00	-	69,256,700.00	37,492,000.00
Capital Leases Payable	-	1,403,128.66	-	-	-	-	1,403,128.66	1,724,087.29
NJIB Loans Payable	-	594,327.85	-	-	162,354.50	-	756,682.35	1,091,197.83
Reserve for Receivables	2,955,538.74	-	-	40,581.86	-	-	2,996,120.60	5,190,457.51
Accrued Interest on Bonds and Notes	-	-	-	785,809.41	-	-	785,809.41	476,289.04
Deposits for Tax Sale Redemption/Premiums	-	-	4,179,812.35	-	-	-	4,179,812.35	4,336,745.36
Other Reserves	2,639,832.41	-	-	-	-	-	2,639,832.41	2,994,581.73
Escrow	-	-	9,619,706.53	-	-	-	9,619,706.53	9,964,535.84
Investment in General Fixed Assets	-	-	-	-	-	142,739,998.85	142,739,998.85	139,703,232.63
Fund Balance	15,032,031.59	783,489.46	2.00	6,772,490.93	624,790.57	-	23,212,804.55	19,615,334.47
	<u>\$ 49,743,415.18</u>	<u>\$ 125,263,528.16</u>	<u>\$ 35,304,783.80</u>	<u>\$ 10,764,623.80</u>	<u>\$ 259,153,188.91</u>	<u>\$ 142,739,998.85</u>	<u>\$ 622,969,538.70</u>	<u>\$ 582,080,820.89</u>

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

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE – CURRENT AND UTILITY OPERATING FUNDS**

Year Ended December 31, 2023

	Current Fund	Utility Operating Fund	Total
Revenues and Other Income Realized			
Fund Balance Utilized	\$ 8,600,000.00	\$ 2,357,220.00	\$ 10,957,220.00
Sewer Rents and Connection Fees	-	20,273,345.71	20,273,345.71
Miscellaneous Revenues Realized	20,586,426.98	83,031.42	20,669,458.40
State Aid	21,417,665.33	-	21,417,665.33
State and Federal Grants	8,551,971.60	-	8,551,971.60
Receipts from Delinquent Taxes	509,864.79	-	509,864.79
Amounts to be Raised by Taxes for Support of Municipal Budget			
Local Tax for Municipal Purposes	104,568,697.71	-	104,568,697.71
Local Library Tax	3,501,384.00	-	3,501,384.00
Subtotal Revenues	167,736,010.41	22,713,597.13	190,449,607.54
Other Credits to Income	7,207,252.75	3,008,734.71	10,215,987.46
Total Revenues	174,943,263.16	25,722,331.84	200,665,595.00
Expenditures			
Current Fund Within "CAPS"			
General Government	1,076,510.20	14,301,708.00	15,378,218.20
Department of Administration	1,425,810.00	-	1,425,810.00
Department of Finance	1,901,600.00	-	1,901,600.00
Department of Law	2,141,790.00	-	2,141,790.00
Department of Engineering, Planning and Inspection	5,017,105.80	-	5,017,105.80
Department of Economic Development/Technology	908,770.00	-	908,770.00
Department of Public Safety	46,632,514.38	-	46,632,514.38
Department of Public Works	21,914,524.50	-	21,914,524.50
Department of Health, Recreation and Welfare	4,560,451.00	-	4,560,451.00
Separate Boards and Agencies	110,800.00	-	110,800.00
Unclassified Purposes	31,157,069.68	-	31,157,069.68
Deferred Charges and Statutory Expenditures	18,678,442.31	1,161,000.00	19,839,442.31
Current Fund Excluded from "CAPS"			
General Government	6,074,742.00	-	6,074,742.00
Public and Private Programs	8,596,971.60	-	8,596,971.60
Capital Improvements	2,025,000.00	-	2,025,000.00
Debt Service	11,428,099.49	6,164,150.00	17,592,249.49
Reserve for Uncollected Taxes	575,768.63	-	575,768.63
Subtotal Expenditures	164,225,969.59	21,626,858.00	185,852,827.59
Other Charges	769,260.00	-	769,260.00
Total Expenditures	164,995,229.59	21,626,858.00	186,622,087.59
Excess in Revenues	9,948,033.57	4,095,473.84	14,043,507.41
Adjustments to Income			
Expenditures Included Above that are, by Statute, Deferred Charges to Budget of Succeeding Year Special Emergency Appropriation	152,389.52	-	152,389.52
Statutory Excess to Fund Balance	10,100,423.09	4,095,473.84	14,195,896.93
Fund Balance, Beginning of Year	13,531,608.50	5,034,237.09	18,565,845.59
Subtotal	23,632,031.59	9,129,710.93	32,761,742.52
Less Fund Balance Utilized	8,600,000.00	2,357,220.00	10,957,220.00
Fund Balance, End of Year	\$ 15,032,031.59	\$ 6,772,490.93	\$ 21,804,522.52

See notes to financial statements.

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

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - CURRENT FUND**

Year Ended December 31, 2023

	Budget	Actual	Variance
Revenues and Other Income Realized			
Fund Balance Utilized	\$ 8,600,000.00	\$ 8,600,000.00	\$ -
Miscellaneous Revenues Realized	20,724,323.61	20,586,426.98	(137,896.63)
State Aid	20,166,646.28	21,417,665.33	1,251,019.05
State and Federal Grants	8,551,971.60	8,551,971.60	-
Receipts from Delinquent Taxes	135,000.00	509,864.79	374,864.79
Amounts to be Raised by Taxes for Support of Municipal Budget			
Local Tax for Municipal Purposes	102,433,155.09	104,568,697.71	2,135,542.62
Local Library Tax	3,501,384.00	3,501,384.00	-
Subtotal Revenues	164,112,480.58	167,736,010.41	3,623,529.83
Other Credits to Income	-	7,207,252.75	7,207,252.75
Total Revenues	164,112,480.58	174,943,263.16	10,830,782.58
Expenditures			
Current Fund Within "CAPS"			
General Government	1,076,510.20	1,076,510.20	-
Department of Administration	1,425,810.00	1,425,810.00	-
Department of Finance	1,901,600.00	1,901,600.00	-
Department of Law	2,141,790.00	2,141,790.00	-
Department of Engineering, Planning and Inspection	5,017,105.80	5,017,105.80	-
Department of Economic Development/Technology	908,770.00	908,770.00	-
Department of Public Safety	46,632,514.38	46,632,514.38	-
Department of Public Works	21,762,134.98	21,914,524.50	(152,389.52)
Department of Health, Recreation and Welfare	4,560,451.00	4,560,451.00	-
Separate Boards and Agencies	110,800.00	110,800.00	-
Unclassified Purposes	31,157,069.68	31,157,069.68	-
Deferred Charges and Statutory Expenditures	18,678,442.31	18,678,442.31	-
Current Fund Excluded from "CAPS"			
General Government	6,074,742.00	6,074,742.00	-
Public and Private Programs	8,596,971.60	8,596,971.60	-
Capital Improvements	2,025,000.00	2,025,000.00	-
Debt Service	11,467,000.00	11,428,099.49	38,900.51
Reserve for Uncollected Taxes	575,768.63	575,768.63	-
Subtotal Expenditures	164,112,480.58	164,225,969.59	(113,489.01)
Other Charges	-	769,260.00	(769,260.00)
Total Expenditures	164,112,480.58	164,995,229.59	(882,749.01)
Excess in Revenues	\$ -	9,948,033.57	\$ 9,948,033.57
Adjustments to Income			
Expenditures Included Above that are, by Statute, Deferred Charges to Budget of Succeeding Year Special Emergency Appropriation		152,389.52	
Statutory Excess to Fund Balance		10,100,423.09	
Fund Balance, Beginning of Year		13,531,608.50	
Subtotal		23,632,031.59	
Less Fund Balance Utilized		8,600,000.00	
Fund Balance, End of Year		\$ 15,032,031.59	

See notes to financial statements.

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

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
–BUDGET AND ACTUAL – UTILITY OPERATING FUND**

Year Ended December 31, 2023

	Budget as Modified	Actual	Variance
Revenues and Other Income Realized			
Fund Balance Anticipated	\$ 2,357,220.00	\$ 2,357,220.00	\$ -
Sewer Rents and Connection Fees	19,204,638.00	20,273,345.71	1,068,707.71
Miscellaneous Revenues	65,000.00	83,031.42	18,031.42
Total Budget Revenue	21,626,858.00	22,713,597.13	1,086,739.13
Other Credits to Income	-	3,008,734.71	3,008,734.71
Total Revenues	21,626,858.00	25,722,331.84	4,095,473.84
Expenditures			
Operating Expenses	14,301,708.00	14,301,708.00	-
Debt Service	6,164,150.00	6,164,150.00	-
Other Expenses	1,161,000.00	1,161,000.00	-
Subtotal Expenditures	21,626,858.00	21,626,858.00	-
Other Charges	-	-	-
Total Expenditures	21,626,858.00	21,626,858.00	-
Statutory Excess to Fund Balance	\$ -	4,095,473.84	\$ 4,095,473.84
Fund Balance, Beginning of Year		5,034,237.09	
Subtotal		9,129,710.93	
Less: Fund Balance Utilized		2,357,220.00	
Fund Balance, End of Year		\$ 6,772,490.93	

INDIVIDUAL FUND FINANCIAL STATEMENTS

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CURRENT FUND

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

A

**CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE**

December 31, 2023 and 2022

ASSETS	December 31,		LIABILITIES, RESERVES AND FUND BALANCE	December 31,	
	2023	2022		2023	2022
Cash and Investments - Treasurer	\$ 34,280,686.35	\$ 32,627,658.25	Prepaid Taxes	\$ 1,796,491.42	\$ 1,591,803.67
Cash - Change Fund	3,981.00	3,981.00	Tax Overpayments	63,566.09	276,297.55
			Accounts Payable	89,773.87	1,276,646.15
Due from State of N.J. per Chap. 73, P.L. 1976	261,039.42	261,039.42	Accounts Payable - Fire	334,612.55	556,063.00
	<u>34,545,706.77</u>	<u>32,892,678.67</u>	Appropriation Reserves	7,100,233.16	6,304,165.99
			Reserve for Encumbrances	6,519,880.36	3,076,005.26
Receivables and Other Assets With			Reserve for Encumbrances - Fire	-	2,472,804.06
Full Reserves:			Due to State of New Jersey:		
Taxes Receivable	7,670.91	16,404.68	State Marriage License Fees	3,000.00	1,060.00
Tax Title Liens Receivable	1,867,391.27	2,165,304.12	DCA Training Fees	38,753.00	56,689.00
Fire District Receivables	14,154.00	33,743.00	Due to Grant Fund	-	61,247.91
Fire Consolidation Funds Advanced	19,589.00	-	Due to Trust Funds	-	7,943.84
Property Acquired for Taxes	377,110.99	372,068.68	Due to Sewer Operating Fund	-	27,947.93
Due from General Trust Fund	232,425.63	68.26	Due to Sewer Capital Fund	-	200,832.61
Due from CDBG Trust Fund	40,356.33	40,177.51	Due to Developer's Escrow Trust Fund	68.26	-
Due from Grant Fund	116,325.99	-	Due to Affordable Housing Trust Fund	9.94	-
Due from Payroll Trust	3,650.17	-	County Taxes Payable	1,079,843.64	599,714.78
Due from Animal Trust Fund	1,257.65	-	Reserve for County PILOT	79,879.25	60,188.20
Due from Sewer Operating Fund	20,565.20	-	Reserve for School PILOT	-	151,056.25
Due from Assessment Trust Fund	630.21	-	Reserve for Fire Consolidation	70,754.16	1,783,521.00
Due from Developer's Escrow Trust Fund	543.33	-	Reserve for Accumulated Absence Fire	658,117.00	-
Due from Fire Penalty Trust Fund	5,848.00	-	Reserve for Capital Fire	950,404.00	-
Due from Recreation Trust Fund	200,659.94	-	Reserve for Municipal Relief Fund	880,678.00	999,816.28
Due from Tax Title Lien Trust Fund	5,914.29	-			
Revenue Accounts Receivable	41,445.83	54,771.68			
	<u>2,955,538.74</u>	<u>2,682,537.93</u>		<u>19,666,064.70</u>	<u>19,503,803.48</u>
Deferred Charges:					
Emergency	152,389.52	-	Reserve for Receivables	2,955,538.74	2,682,537.93
Overexpenditures	-	142,733.31	Fund Balance	15,032,031.59	13,531,608.50
Total Current Fund	<u>37,653,635.03</u>	<u>35,717,949.91</u>	Total Current Fund	<u>37,653,635.03</u>	<u>35,717,949.91</u>
Grant Fund:			Grant Fund:		
			Due to Capital Fund	1,030,000.00	866,250.00
Cash and Investments - Treasurer	3,468,954.73	8,086,165.43	Due to Current Fund	116,325.99	-
State & Federal Grants Receivable	8,618,611.01	3,898,297.58	Due to Payroll Trust Fund	8,743.96	-
Due from Current Fund	-	61,247.91	Due to Sewer Operating Fund	259.94	-
Due from HUD Admin Trust Fund	2,214.41	-	Due to General Trust Fund	10,997.53	-
Total Grant Fund	<u>12,089,780.15</u>	<u>12,045,710.92</u>	Due to CDBG Trust Fund	71,493.01	-
			Reserve for Encumbrances	1,523,841.53	1,407,189.54
Total Current Fund	<u>\$ 49,743,415.18</u>	<u>\$ 47,763,660.83</u>	Reserve for State & Federal Grants:		
			Appropriated	9,290,084.53	4,730,466.27
			Unappropriated	38,033.66	5,041,805.11
			Total Grant Fund	<u>12,089,780.15</u>	<u>12,045,710.92</u>
			Total Current Fund	<u>\$ 49,743,415.18</u>	<u>\$ 47,763,660.83</u>

See notes to financial statements.

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

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**CURRENT FUND
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

Years Ended December 31, 2023 and 2022

	2023	2022
REVENUE AND OTHER INCOME		
Fund Balance Utilized	\$ 8,600,000.00	\$ 7,495,000.00
Miscellaneous Revenues Anticipated	49,816,468.03	40,762,642.47
Receipts from Delinquent Taxes	509,864.79	210,279.26
Receipts from Current Taxes	294,939,332.68	285,619,013.56
Non-Budget Revenue	739,595.88	480,415.83
Other Credits to Income:		
Unexpended Balance of Prior Year Approp. Res. Lapsed	4,648,241.29	3,614,206.23
Reclass Fire Reserve to Fund Balance	2,472,804.06	-
Prior Year Interfunds Returned	47,306.89	-
Appropriations Canceled	38,900.51	-
Total Revenue and Other Income	<u>361,812,514.13</u>	<u>338,181,557.35</u>
EXPENDITURES		
Budget Appropriations:		
Operations:		
Salaries and Wages	69,326,229.00	65,190,431.25
Other Expenses	62,192,430.16	54,953,802.87
Deferred Charges and Statutory Expenditures	18,678,442.31	16,682,217.00
Capital Improvements	2,025,000.00	588,385.00
Municipal Debt Service	11,428,099.49	11,414,028.97
County Taxes Levied	60,528,524.60	55,182,311.77
Local District School Taxes Levied	126,916,495.00	125,261,639.00
Refund of Prior Year Revenue	769,260.00	-
Establish Fire Reserves	-	3,848,474.95
Total Expenditures	<u>351,864,480.56</u>	<u>333,121,290.81</u>
Excess in Revenues	9,948,033.57	5,060,266.54
Adjustments to Income Before Fund Balance:		
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Years	<u>152,389.52</u>	<u>-</u>
Statutory Excess to Fund Balance	10,100,423.09	5,060,266.54
Fund Balance - January 1	<u>13,531,608.50</u>	<u>15,966,341.96</u>
Subtotal	23,632,031.59	21,026,608.50
Decreased by:		
Utilized as Anticipated Revenue	<u>8,600,000.00</u>	<u>7,495,000.00</u>
Fund Balance - December 31	<u><u>\$ 15,032,031.59</u></u>	<u><u>\$ 13,531,608.50</u></u>

See notes to financial statements.

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

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**CURRENT FUND
STATEMENT OF REVENUES AND OTHER CREDITS TO INCOME**

Year Ended December 31, 2023

	Anticipated		Realized	Excess (Deficit)
	2023 Budget	N.J.S.A. 40A:4-87		
Surplus Anticipated	\$ 8,600,000.00	\$ -	\$ 8,600,000.00	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverage	90,000.00	-	98,650.00	8,650.00
Other	200,000.00	-	171,598.33	(28,401.67)
Fees and Permits:				
Other	550,000.00	-	370,394.61	(179,605.39)
Fines and Costs:				
Municipal Court	535,000.00	-	716,996.06	181,996.06
Interest and Costs on Taxes	500,000.00	-	543,013.63	43,013.63
Interest on Investments and Deposits	2,475,000.00	-	2,530,546.60	55,546.60
Housing, Site and Contractor Fees	840,000.00	-	679,997.26	(160,002.74)
Energy Receipts Tax	19,166,830.00	-	20,417,849.05	1,251,019.05
Municipal Relief Fund Aid	999,816.28	-	999,816.28	-
Reimbursement for Administrative Service:				
Free Public Library	200,000.00	-	200,000.00	-
Sewer Operating Fund	1,000,000.00	-	1,000,000.00	-
Admin Fee - Police Outside Services	200,000.00	-	200,000.00	-
Uniform Construction Code Fees	3,500,000.00	-	3,049,815.00	(450,185.00)
Special Items:				
Body Armor Grant	9,685.65	-	9,685.65	-
Recycling Tonnage Grant	182,395.36	-	182,395.36	-
Drunk Driving Enforcement Fund Grant	-	14,078.38	14,078.38	-
Distracted Driving Enforcement	12,250.00	-	12,250.00	-
Mercer County Community Investment Initiative	-	445,000.00	445,000.00	-
Vaccination Supplemental Funding	-	20,000.00	20,000.00	-
Lead Grant Assistance	-	88,400.00	88,400.00	-
GCADA Municipal Alliance Youth Leadership Program	10,597.00	-	10,597.00	-
NJ DCA-Fire Truck - State Legislature R1077	-	1,000,000.00	1,000,000.00	-
Spotted Lanternfly	-	15,000.00	15,000.00	-
Clean Communities Grant	-	218,364.85	218,364.85	-
Drive Sober or Get Pulled Over End of the Year	10,500.00	19,250.00	29,750.00	-
Community Development Block Grant Fund	-	618,997.00	618,997.00	-
Childhood Lead Program	-	177,300.00	177,300.00	-
NJDEP Stormwater Assistance Grant	-	15,000.00	15,000.00	-
Strengthening Local Public Health	-	495,411.00	495,411.00	-
NJDEP Open Space	-	1,050,000.00	1,050,000.00	-
SRFR Grant-Holmdel Park & Nonprofit Center	-	750,000.00	750,000.00	-
Enhancing Local Public Health Infrastructure	-	610,278.14	610,278.14	-
State of New Jersey Attorney General's Opioid Settlement	35,058.12	-	35,058.12	-
Local Recreational Improvement	-	75,000.00	75,000.00	-
GCADA Municipal Alliance Grant	22,650.00	-	22,650.00	-
Click It or Ticket 2022 Seat Belt Mobilization	-	8,750.00	8,750.00	-
NJDEP Garden State Preservation Trust-Sayen Gardens	-	310,364.00	310,364.00	-
Municipal Court Alcohol Education Rehab and Enforcement	-	24,401.40	24,401.40	-
Animal Shelter Safety Grant	100,000.00	-	100,000.00	-
EPA Nearpara FY22 Brownfields Assessments	500,000.00	-	500,000.00	-
NJ DOT East Park Avenue	517,730.00	-	517,730.00	-
FEMA Assistance to Fire Fighters	54,545.45	-	54,545.45	-
NJDOT- Local Aid Infrastructure Fund	353,000.00	-	353,000.00	-
NJDOT- East State Street Extension	700,000.00	-	700,000.00	-
COVID Vaccine Grant	62,264.37	-	62,264.37	-
JAG -Justice Assistant Edward Byrne Memorial	-	13,684.00	13,684.00	-
Bulletproof Vest BVP Federal	-	12,016.88	12,016.88	-

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

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**CURRENT FUND
STATEMENT OF REVENUES AND OTHER CREDITS TO INCOME (CONTINUED)**

Year Ended December 31, 2023

	Anticipated			
	2023 Budget	N.J.S.A. 40A:4-87	Realized	Excess (Deficit)
Miscellaneous Revenues (Cont'd.):				
Ecological Facility	180,000.00	-	282,764.12	102,764.12
Low Cost Housing - Payment in Lieu of Taxes	550,000.00	-	613,415.02	63,415.02
American Metro - Payment in Lieu of Taxes	641,000.00	-	-	(641,000.00)
Lambertville Road - Payment in Lieu of Taxes	800,000.00	-	904,290.75	104,290.75
Hotel Fees	560,000.00	-	512,068.69	(47,931.31)
Golf Center	105,000.00	-	149,390.16	44,390.16
Sayen House/Gardens, Kuser Rental Fees	135,000.00	-	213,666.15	78,666.15
Cable Franchise Fees	1,197,323.61	-	1,137,927.30	(59,396.31)
Fire Protection Revenues	590,000.00	-	596,297.42	6,297.42
Reserve for Debt Service	506,000.00	-	506,000.00	-
General Capital Surplus	250,000.00	-	250,000.00	-
Lapsed Dog Trust Receipts	120,000.00	-	120,000.00	-
American Rescue Plan Revenue Recovery	5,000,000.00	-	5,000,000.00	-
Total Miscellaneous Revenues	43,461,645.84	5,981,295.65	49,816,468.03	373,526.54
Receipts from Delinquent Taxes	135,000.00	-	509,864.79	374,864.79
Amount to be Raised by Taxation for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	102,433,155.09	-	104,568,697.71	2,135,542.62
Local Tax for Municipal Library	3,501,384.00	-	3,501,384.00	-
Total Amount to be Raised by Taxation	105,934,539.09	-	108,070,081.71	2,135,542.62
Budget Totals	158,131,184.93	5,981,295.65	166,996,414.53	2,883,933.95
Non-Budget Revenues	-	-	739,595.88	739,595.88
	<u>\$ 158,131,184.93</u>	<u>\$ 5,981,295.65</u>	<u>\$ 167,736,010.41</u>	<u>\$ 3,623,529.83</u>
Analysis of Non-Budget Revenues:				
Tax/Finance/Clerk			\$ 348,212.64	
Cell Towers			39,037.15	
Health Department			42,689.93	
Sale of Municipal Assets			155,698.60	
Public Works			37,427.03	
Misc			116,530.53	
			<u>\$ 739,595.88</u>	
Analysis of Realized Revenues:				
Allocation of Current Tax Collection:				
Revenue from Collection:				
Collections by Cash:				
Year 2023	\$ 292,710,481.07			
Year 2022	1,591,803.67			
Sr. Cit. & Vet. Deduction				
Reimbursement	637,047.94		\$ 294,939,332.68	
Allocated to:				
School and County Taxes			187,445,019.60	
			107,494,313.08	
Add: Reserve for Uncollected Taxes			575,768.63	
			<u>\$ 108,070,081.71</u>	
Receipts from Delinquent Taxes:				
Delinquent Tax Collection			\$ 16,404.68	
Tax Title Lien Collection			493,460.11	
			<u>\$ 509,864.79</u>	

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

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**CURRENT FUND
STATEMENT OF EXPENDITURES**

Year Ended December 31, 2023

	2023 Budget	Budget After Modification	Expended			Unexpended Balance Canceled	Overexpenditure
			Paid	Encumbered	Reserved		
Operations Within "CAPS"							
<u>GENERAL GOVERNMENT:</u>							
Office of the Mayor							
Salaries and Wages	\$ 388,625.00	\$ 388,625.00	\$ 372,555.14	\$ -	\$ 16,069.86	\$ -	\$ -
Other Expenses	20,484.20	20,484.20	10,866.67	1,041.78	8,575.75	-	-
Township Council							
Salaries and Wages	78,500.00	98,500.00	98,000.04	-	499.96	-	-
Other Expenses	27,950.00	27,950.00	13,407.03	237.19	14,305.78	-	-
Office of the Municipal Clerk							
Salaries and Wages	383,876.00	363,876.00	290,451.84	-	73,424.16	-	-
Other Expenses	177,075.00	177,075.00	131,246.01	1,242.54	44,586.45	-	-
<u>DEPARTMENT OF ADMINISTRATION:</u>							
Business Administrator							
Salaries and Wages	375,600.00	375,600.00	365,893.40	-	9,706.60	-	-
Other Expenses	46,775.00	46,775.00	12,375.21	6,541.42	27,858.37	-	-
Human Resources							
Salaries and Wages	352,150.00	357,150.00	352,914.51	-	4,235.49	-	-
Other Expenses	27,700.00	22,700.00	14,145.93	906.48	7,647.59	-	-
Division of Budget and Purchasing							
Salaries and Wages	438,600.00	438,600.00	429,891.90	-	8,708.10	-	-
Other Expenses	19,985.00	19,985.00	13,127.02	6,207.60	650.38	-	-
Postage Costs	165,000.00	165,000.00	163,631.40	1,367.98	0.62	-	-
<u>DEPARTMENT OF FINANCE:</u>							
Financial Administration:							
Salaries and Wages	521,000.00	521,000.00	490,469.62	-	30,530.38	-	-
Other Expenses	349,950.00	349,950.00	247,822.68	42,021.18	60,106.14	-	-
Annual Audit	78,000.00	78,000.00	72,500.00	4,500.00	1,000.00	-	-
Division of Assessments							
Salaries and Wages	370,100.00	370,100.00	350,253.41	-	19,846.59	-	-
Other Expenses	65,150.00	65,150.00	35,337.70	889.94	28,922.36	-	-
Division of Revenue Collection							
Salaries and Wages	379,400.00	379,400.00	364,108.26	-	15,291.74	-	-
Other Expenses	138,000.00	138,000.00	33,957.48	71,839.12	32,203.40	-	-

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

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**CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)**

Year Ended December 31, 2023

	2023 Budget	Budget After Modification	Expended			Unexpended Balance Canceled	Overexpenditure
			Paid	Encumbered	Reserved		
Operations Within "CAPS" (Cont'd.)							
<u>DEPARTMENT OF LAW:</u>							
Legal Services							
Salaries and Wages	477,000.00	477,000.00	447,032.75	-	29,967.25	-	-
Other Expenses	123,240.00	123,240.00	48,207.56	33,497.67	41,534.77	-	-
Municipal Prosecutor							
Other Expenses	154,890.00	154,890.00	129,942.70	22,109.00	2,838.30	-	-
Municipal Court							
Salaries and Wages	1,160,100.00	1,160,100.00	1,054,006.51	-	106,093.49	-	-
Other Expenses	156,860.00	156,860.00	77,174.28	7,192.48	72,493.24	-	-
Public Defender							
Salaries and Wages	69,700.00	69,700.00	67,919.02	-	1,780.98	-	-
<u>DEPARTMENT OF ENGINEERING, PLANNING AND INSPECTIONS:</u>							
Division of Engineering							
Salaries and Wages	733,800.00	733,800.00	652,354.84	-	81,445.16	-	-
Other Expenses	187,075.00	187,075.00	95,539.41	43,105.22	48,430.37	-	-
Community Planning & Compliance							
Salaries and Wages	675,000.00	665,000.00	618,257.03	-	46,742.97	-	-
Other Expenses	24,838.80	24,838.80	6,834.85	5,327.67	12,676.28	-	-
Zoning Board							
Salaries and Wages	104,300.00	114,300.00	111,379.03	-	2,920.97	-	-
Other Expenses	350.00	350.00	-	-	350.00	-	-
Office on Housing Inspections							
Salaries and Wages	557,200.00	557,200.00	508,772.57	-	48,427.43	-	-
Other Expenses	23,650.00	23,650.00	15,326.97	5,862.06	2,460.97	-	-
Uniform Construction Code							
Salaries and Wages	1,812,100.00	1,782,100.00	1,513,240.58	-	268,859.42	-	-
Other Expenses	898,792.00	928,792.00	876,185.42	29,089.54	23,517.04	-	-
<u>DEPARTMENT OF ECONOMIC DEVELOPMENT:</u>							
Salaries and Wages	90,100.00	90,100.00	88,056.02	-	2,043.98	-	-
Other Expenses	6,200.00	6,200.00	5,025.72	1,040.00	134.28	-	-
Division of Information Technology							
Salaries and Wages	391,400.00	391,400.00	385,581.38	-	5,818.62	-	-
Other Expenses	421,070.00	421,070.00	266,891.10	111,772.17	42,406.73	-	-

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

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**CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)**

Year Ended December 31, 2023

	2023 Budget	Budget After Modification	Expended			Unexpended Balance Canceled	Overexpenditure
			Paid	Encumbered	Reserved		
Operations Within "CAPS" (Cont'd.)							
<u>DEPARTMENT OF PUBLIC SAFETY:</u>							
Police Division							
Salaries and Wages	25,075,000.00	25,053,650.00	24,221,565.64	-	832,084.36	-	-
Other Expenses	1,534,786.00	1,534,786.00	780,124.73	617,692.97	136,968.30	-	-
Purchase of Police Vehicles	24,500.00	24,500.00	-	11,922.15	12,577.85	-	-
Office of Emergency Management							
Other Expenses	39,892.00	39,892.00	3,154.46	36,615.10	122.44	-	-
Fire Department							
Salaries and Wages	18,250,000.00	18,595,000.00	18,506,839.10	-	88,160.90	-	-
Other Expenses	1,654,686.38	1,384,686.38	838,052.53	539,174.52	7,459.33	-	-
<u>DEPARTMENT OF PUBLIC WORKS:</u>							
Public Works							
Salaries and Wages	4,070,000.00	4,060,000.00	4,021,856.56	-	38,143.44	-	-
Other Expenses	405,575.00	405,575.00	342,224.36	53,561.82	9,788.82	-	-
Other Public Works Functions - Safety Program							
Salaries and Wages	104,940.00	114,940.00	105,323.76	-	9,616.24	-	-
Other Expenses	24,631.55	24,631.55	20,037.86	4,493.61	100.08	-	-
Division of Buildings and Grounds							
Salaries and Wages	2,500,000.00	2,500,000.00	2,035,378.57	-	464,621.43	-	-
Other Expenses	688,460.00	765,849.52	654,614.48	101,005.69	10,229.35	-	-
Solid Waste Collection & Recycling							
Salaries and Wages	121,628.00	121,628.00	116,508.27	-	5,119.73	-	-
Other Expenses	5,716,407.95	6,416,407.95	5,371,378.06	200,161.29	844,868.60	-	-
Maintenance of Motor Vehicles							
Salaries and Wages	1,293,600.00	1,243,600.00	1,195,289.49	-	48,310.51	-	-
Other Expenses	761,240.00	811,240.00	705,189.58	97,644.93	8,405.49	-	-
Landfill/Solid Waste Disposal Costs	1,263,000.00	1,263,000.00	1,263,000.00	-	-	-	-
Maintenance of Parks							
Salaries and Wages	3,385,000.00	3,385,000.00	3,080,378.37	-	304,621.63	-	-
Other Expenses	482,888.00	482,888.00	295,498.61	121,397.16	65,992.23	-	-
Division of Citizen Response							
Salaries and Wages	312,400.00	312,400.00	286,535.58	-	25,864.42	-	-
Other Expenses	7,364.48	7,364.48	3,325.65	-	4,038.83	-	-
<u>DEPARTMENT OF HEALTH, RECREATION AND WELFARE:</u>							
Public Health Services							
Salaries and Wages	972,300.00	972,300.00	909,019.82	-	63,280.18	-	-
Other Expenses	215,840.00	215,840.00	110,288.94	6,830.80	98,720.26	-	-

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

A-3

**CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)**

Year Ended December 31, 2023

	2023 Budget	Budget After Modification	Expended			Unexpended Balance Canceled	Overexpenditure
			Paid	Encumbered	Reserved		
Operations Within "CAPS" (Cont'd.)							
DEPARTMENT OF HEALTH, RECREATION AND WELFARE (CONT'D.):							
Environmental Health Services							
Salaries and Wages	421,300.00	421,300.00	382,401.59	-	38,898.41	-	-
Other Expenses	21,310.00	21,310.00	3,318.90	403.63	17,587.47	-	-
Animal Control Services							
Salaries and Wages	677,000.00	677,000.00	664,313.48	-	12,686.52	-	-
Other Expenses	280,490.00	280,490.00	198,425.76	30,428.18	51,636.06	-	-
Division of Recreation							
Salaries and Wages	540,100.00	540,100.00	476,519.25	-	63,580.75	-	-
Other Expenses	726,421.00	726,421.00	484,077.29	132,756.27	109,587.44	-	-
Office of Senior Citizens' Programs							
Salaries and Wages	572,500.00	572,500.00	542,749.51	-	29,750.49	-	-
Other Expenses	133,190.00	133,190.00	93,529.06	15,744.32	23,916.62	-	-
SEPARATE BOARDS AND AGENCIES:							
Environmental Commission (N.J.S.A. 40:56A-81 et seq.)							
Salaries and Wages	1,250.00	1,250.00	700.00	-	550.00	-	-
Other Expenses	4,800.00	4,800.00	1,184.52	454.47	3,161.01	-	-
Zoning Board of Adjustment							
Other Expenses	33,600.00	33,600.00	7,390.49	6,841.10	19,368.41	-	-
Economic Development Commission							
Salaries and Wages	1,000.00	1,000.00	450.00	-	550.00	-	-
Other Expenses	2,700.00	2,700.00	1,956.99	359.48	383.53	-	-
Planning Board							
Other Expenses	56,000.00	56,000.00	38,620.56	14,273.47	3,105.97	-	-
Board of Public Officers							
Salaries and Wages	800.00	800.00	775.00	-	25.00	-	-
Other Expenses	100.00	100.00	-	-	100.00	-	-
Municipal Alliance							
Salaries and Wages	450.00	450.00	325.00	-	125.00	-	-
Cultural and Arts Commission							
Salaries and Wages	1,000.00	1,000.00	-	-	1,000.00	-	-
Other Expenses	1,500.00	1,500.00	-	-	1,500.00	-	-

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

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**CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)**

Year Ended December 31, 2023

	2023 Budget	Budget After Modification	Expended			Unexpended Balance Canceled	Overexpenditure
			Paid	Encumbered	Reserved		
Operations Within "CAPS" (Cont'd.)							
<u>SEPARATE BOARDS AND AGENCIES (CONT'D.):</u>							
Redevelopment Board							
Salaries and Wages	1,000.00	1,000.00	-	-	1,000.00	-	-
Other Expenses	1,000.00	1,000.00	-	-	1,000.00	-	-
Shade Tree Commission							
Salaries and Wages	1,000.00	1,000.00	475.00	-	525.00	-	-
Other Expenses	1,000.00	1,000.00	815.00	-	185.00	-	-
Parks and Recreation Commission							
Salaries and Wages	1,000.00	1,000.00	375.00	-	625.00	-	-
Rent Leveling Board							
Salaries and Wages	500.00	500.00	-	-	500.00	-	-
Other Expenses	50.00	50.00	-	-	50.00	-	-
Senior Center Advisory Commission							
Salaries and Wages	1,000.00	1,000.00	-	-	1,000.00	-	-
Public Safety Commission							
Salaries and Wages	250.00	250.00	-	-	250.00	-	-
Special Needs Commission							
Salaries and Wages	600.00	600.00	-	-	600.00	-	-
Other Expenses	200.00	200.00	-	-	200.00	-	-
<u>UNCLASSIFIED PURPOSES:</u>							
Utility Expense and Bulk Purchase	5,656,523.68	5,656,523.68	3,940,643.97	1,229,818.31	486,061.40	-	-
Accumulated Leave Payouts	689,750.00	689,750.00	689,750.00	-	-	-	-
ARP Funds for Landfill/Solid Waste	5,000,000.00	4,300,000.00	3,063,303.54	1,146,699.57	89,996.89	-	-
Other Insurance General Liability	2,598,000.00	3,048,000.00	2,890,497.88	74,392.21	83,109.91	-	-
Group Insurance	17,105,400.00	16,655,400.00	14,201,983.58	1,634,263.38	819,153.04	-	-
Storm Recovery Reserves							
Salaries and Wages	166,000.00	166,000.00	39,500.72	-	126,499.28	-	-
Other Expenses	472,000.00	472,000.00	6,063.48	40,827.89	425,108.63	-	-
Aid to Museum (N.J.S.A. 40:23-6.22)	10,000.00	10,000.00	9,064.51	-	935.49	-	-
Center for the Physically Limited (N.J.S.A. 40:13)	19,396.00	19,396.00	-	-	19,396.00	-	-
First Aid Organizations - Contributions	40,000.00	40,000.00	40,000.00	-	-	-	-
Condominium Services Act	100,000.00	100,000.00	-	-	100,000.00	-	-
Total Operations Within "CAPS"	116,715,906.04	116,846,945.56	103,475,477.49	6,513,553.36	6,857,914.71	-	-
<u>DETAIL:</u>							
Salaries and Wages	67,819,059.00	68,067,709.00	65,928,609.54	22,109.00	2,806,740.46	-	-
Other Expenses	48,896,847.04	48,779,236.56	37,546,867.95	6,491,444.36	4,051,174.25	-	-

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

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**CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)**

Year Ended December 31, 2023

	2023 Budget	Budget After Modification	Expended			Unexpended Balance Canceled	Overexpenditure
			Paid	Encumbered	Reserved		
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL - <u>WITHIN "CAPS":</u>							
Deferred Charges:							
Prior Year's Bills	760.00	760.00	585.00	175.00	-	-	-
Prior Year Overexpenditure	142,733.31	142,733.31	142,733.31	-	-	-	-
Statutory Expenditures:							
Contributions to:							
Public Employees' Retirement System	3,520,530.00	3,474,530.00	3,449,694.74	-	24,835.26	-	-
Police and Firemen's Retirement System	12,222,449.00	12,243,799.00	12,243,770.84	-	28.16	-	-
Social Security System (O.A.S.I.)	2,751,000.00	2,751,000.00	2,601,940.65	-	149,059.35	-	-
DCRP	19,620.00	65,620.00	65,608.19	-	11.81	-	-
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	18,657,092.31	18,678,442.31	18,504,332.73	175.00	173,934.58	-	-
Total General Appropriations for Municipal Purposes Within "CAPS"	135,372,998.35	135,525,387.87	121,979,810.22	6,513,728.36	7,031,849.29	-	-
<u>Operations Excluded from "CAPS"</u>							
Maintenance of Free Public Library	3,501,384.00	3,501,384.00	3,501,384.00	-	-	-	-
Group Insurance	1,117,600.00	1,117,600.00	1,117,600.00	-	-	-	-
Tax Appeal Refund	57,500.00	57,500.00	49,139.00	536.00	7,825.00	-	-
Police Dispatch/911							
Salaries and Wages	1,258,520.00	1,258,520.00	1,199,193.13	-	59,326.87	-	-
Other Expenses	139,738.00	139,738.00	132,890.00	5,616.00	1,232.00	-	-
STATE AND FEDERAL PROGRAMS <u>OFFSET BY REVENUES:</u>							
Animal Shelter Safety Grant	100,000.00	100,000.00	100,000.00	-	-	-	-
Body Armor	9,685.65	9,685.65	9,685.65	-	-	-	-
Bulletproof Vest Grant	-	12,016.88	12,016.88	-	-	-	-
EPA Neapara Brownfields Assessment	500,000.00	500,000.00	500,000.00	-	-	-	-
Enhancing Local Public Health Capacity Grant	-	610,278.14	610,278.14	-	-	-	-
NJ DCA Fire Truck Grant	-	1,000,000.00	1,000,000.00	-	-	-	-
NJ DOH Strengthening Local Public Health	-	495,411.00	495,411.00	-	-	-	-
NJ DOH Childhood Lead Program	-	177,300.00	177,300.00	-	-	-	-
Lead Assistance Grant	-	88,400.00	88,400.00	-	-	-	-
Mercer County Community Investment Initiative	-	445,000.00	445,000.00	-	-	-	-

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

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**CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)**

Year Ended December 31, 2023

	2023 Budget	Budget After Modification	Expended			Unexpended Balance Canceled	Overexpenditure
			Paid	Encumbered	Reserved		
Clean Communities	-	218,364.85	218,364.85	-	-	-	-
COVID Vaccine Grant	62,264.37	62,264.37	62,264.37	-	-	-	-
COVID Vaccination Supplemental Funding	-	20,000.00	20,000.00	-	-	-	-
Recycling Tonnage	182,395.36	182,395.36	182,395.36	-	-	-	-
Drunk Driving Enforcement Fund	-	14,078.38	14,078.38	-	-	-	-
Distracted Driving	12,250.00	12,250.00	12,250.00	-	-	-	-
Drive Sober Get Pulled Over	10,500.00	29,750.00	29,750.00	-	-	-	-
Municipal Alcohol Education & Rehab Program	-	24,401.40	24,401.40	-	-	-	-
GCADA Municipal Alliance Youth Leadership	10,597.00	10,597.00	10,597.00	-	-	-	-
Municipal Alliance (DEDR)	22,650.00	22,650.00	22,650.00	-	-	-	-
Justice Assistance Edward Byrne Memorial Grant	-	13,684.00	13,684.00	-	-	-	-
NJ DOT East Park Ave.	517,730.00	517,730.00	517,730.00	-	-	-	-
NJ DOT East State Street Extension	700,000.00	700,000.00	700,000.00	-	-	-	-
NJ DOT Whitehorse-Mercerville Transit Access	353,000.00	353,000.00	353,000.00	-	-	-	-
Local Recreational Improvement	-	75,000.00	75,000.00	-	-	-	-
Click it or Ticket	-	8,750.00	8,750.00	-	-	-	-
FEMA Assistance to Fire Fighters	54,545.45	54,545.45	54,545.45	-	-	-	-
Spotted Lanternfly Grant	-	15,000.00	15,000.00	-	-	-	-
NJ DEP Stormwater Assistance Grant	-	15,000.00	15,000.00	-	-	-	-
NJ DEP Garden State Preservation - Sayen Gardens	-	310,364.00	310,364.00	-	-	-	-
NJ DEP Open Space Grant	-	1,050,000.00	1,050,000.00	-	-	-	-
Community Development (CDBG)	-	618,997.00	618,997.00	-	-	-	-
SRFR Grant - Holmedell Park & Nonprofit Center	-	750,000.00	750,000.00	-	-	-	-
Attorney General Opioid Settlement	35,058.12	35,058.12	35,058.12	-	-	-	-
Matching Funds for Grants	45,000.00	45,000.00	45,000.00	-	-	-	-
Total Operations Excluded from "CAPS"	8,690,417.95	14,671,713.60	14,597,177.73	6,152.00	68,383.87	-	-
DETAIL:							
Salaries and Wages	1,258,520.00	1,258,520.00	1,199,193.13	-	59,326.87	-	-
Other Expenses	7,431,897.95	13,413,193.60	13,397,984.60	6,152.00	9,057.00	-	-
CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS":							
Capital Improvement Fund	1,975,000.00	1,975,000.00	1,975,000.00	-	-	-	-
IT Life Cycle Project (44-902)	50,000.00	50,000.00	50,000.00	-	-	-	-
Total Capital Improvements Excluded from "CAPS"	2,025,000.00	2,025,000.00	2,025,000.00	-	-	-	-

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

A-3

**CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)**

Year Ended December 31, 2023

	2023 Budget	Budget After Modification	Expended			Unexpended Balance Canceled	Overexpenditure
			Paid	Encumbered	Reserved		
MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS":							
Payment of Bond Principal	7,935,000.00	7,935,000.00	7,935,000.00	-	-	-	-
Interest on Bonds	1,144,000.00	1,144,000.00	1,143,665.43	-	-	334.57	-
Payment of BANs & Capital Notes	1,061,700.00	1,061,700.00	1,061,700.00	-	-	-	-
Interest on Notes	472,000.00	472,000.00	471,925.00	-	-	75.00	-
Capital Lease	510,000.00	510,000.00	497,110.64	-	-	12,889.36	-
Special Assessment Interest	6,300.00	6,300.00	2,500.00	-	-	3,800.00	-
Green Trust Loan Program							
Payment of Principal	950.00	950.00	-	-	-	950.00	-
Payment of Interest	50.00	50.00	-	-	-	50.00	-
NJETT/NJIB							
Payment of Principal	323,000.00	323,000.00	302,509.56	-	-	20,490.44	-
Payment of Interest	14,000.00	14,000.00	13,688.86	-	-	311.14	-
Total Municipal Debt Service Excluded from "CAPS"	11,467,000.00	11,467,000.00	11,428,099.49	-	-	38,900.51	-
Total General Appropriations for Municipal Excluded from "CAPS"	22,182,417.95	28,163,713.60	28,050,277.22	6,152.00	68,383.87	38,900.51	-
Subtotal General Appropriations	157,555,416.30	163,689,101.47	150,030,087.44	6,519,880.36	7,100,233.16	38,900.51	-
Reserve for Uncollected Taxes	575,768.63	575,768.63	575,768.63	-	-	-	-
Total General Appropriations	\$ 158,131,184.93	\$ 164,264,870.10	\$ 150,605,856.07	\$ 6,519,880.36	\$ 7,100,233.16	\$ 38,900.51	\$ -
Adopted Budget		\$ 158,131,184.93					
Appropriated N.J.S.A. 40A:4-87		5,981,295.65					
Special Emergency		152,389.52					
		<u>\$ 164,264,870.10</u>					
Cash Disbursed			\$ 141,478,115.84				
State & Federal Grants Appropriated			8,551,971.60				
Reserve for Uncollected Taxes			575,768.63				
			<u>\$ 150,605,856.07</u>				

See notes to financial statements.

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TRUST FUND

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

B

**TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE**

December 31, 2023 and 2022

<u>ASSETS</u>	<u>Balance December 31, 2023</u>	<u>Balance December 31, 2022</u>	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Balance December 31, 2023</u>	<u>Balance December 31, 2022</u>
Trust Assessment Fund:			Trust Assessment Fund:		
Cash and Investments - Treasurer	\$ 468,718.16	\$ 466,301.95	Prepaid Assessments	\$ 9,332.15	\$ 9,332.15
Assessments Receivable	330,405.04	397,191.04	Reserve for Assessments, Liens and		
Assessment Lien, Interest & Costs	899.49	899.49	Assessment Lien Interest and Costs	2,730,331.83	2,737,931.83
Due from General Trust	-	3,800.00	Serial Bonds Payable	125,000.00	190,000.00
Prospective Assessments Funded	2,069,073.50	2,069,073.50	Due to General Trust	3,800.00	-
Total Trust Assessment Fund	<u>2,869,096.19</u>	<u>2,937,265.98</u>	Due to Current Fund	630.21	-
			Fund Balance	2.00	2.00
			Total Trust Assessment Fund	<u>2,869,096.19</u>	<u>2,937,265.98</u>
Animal Control Trust Fund:			Animal Control Trust Fund:		
Cash and Investments - Treasurer	182,019.30	232,206.30	Reserve for Animal Control	163,822.40	227,863.32
Due from Current Fund	-	1,257.65	Escrow	6,894.58	5,512.27
Total Animal Control Trust Fund	<u>182,019.30</u>	<u>233,463.95</u>	Reserve for Encumbrances	7,973.99	62.56
			Due to State of NJ	2,070.68	25.80
			Due to Current Fund	1,257.65	-
			Total Animal Control Trust Fund	<u>182,019.30</u>	<u>233,463.95</u>
Recreation Trust Fund:			Recreation Trust Fund:		
Cash and Investments - Treasurer	465,244.59	190,106.66	Due to Current Fund	200,659.94	-
Total Recreation Trust Fund	<u>465,244.59</u>	<u>190,106.66</u>	Reserve for Recreation	264,584.65	190,106.66
			Total Recreation Trust Fund	<u>465,244.59</u>	<u>190,106.66</u>
Electronic Receipts Trust Fund:			Electronic Receipts Trust Fund:		
Cash and Investments - Treasurer	-	9,136.44	Reserve for Recreation	-	9,136.44
Total Electronic Receipts Trust Fund	<u>-</u>	<u>9,136.44</u>	Total Electronic Receipts Trust Fund	<u>-</u>	<u>9,136.44</u>
Emergency Voucher Program Trust Fund:			Emergency Voucher Program Trust Fund:		
Cash and Investments - Treasurer	24,185.49	4,215.46	Due to Payroll	19,209.55	19,209.55
Due from Housing Voucher Trust Fund	22,107.04	13,135.55	Due to Library	10,492.00	-
Accounts Receivable	9,406.00	-	Reserves for Emergency Voucher	25,996.98	(1,858.54)
Total Emergency Voucher Program Trust Fund	<u>55,698.53</u>	<u>17,351.01</u>	Total Emergency Voucher Trust Fund	<u>55,698.53</u>	<u>17,351.01</u>

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

B

**TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE (CONTINUED)**

December 31, 2023 and 2022

ASSETS	Balance December 31, 2023	Balance December 31, 2022	LIABILITIES, RESERVES AND FUND BALANCE	Balance December 31, 2023	Balance December 31, 2022
Trust-Other Fund:			Trust-Other Fund:		
			Reserve for Encumbrances	291,443.39	291,443.39
			Other Escrow Funds	6,737,648.30	7,208,284.97
			Performance Guarantees	1,303,835.05	1,305,235.05
			Due to Current Fund	232,425.63	-
			Due to Assessment Trust	-	3,800.00
			Due to Payroll	221,470.36	210,277.80
			Due to Other Trust	54,093.07	-
			Accumulated Absences	930,018.78	779,144.22
Cash and Investments - Treasurer	12,770,284.95	13,873,298.23	Deposits for Tax Sale Redemp./Premiums	-	1,412,096.41
Due from Tax Title Lien Trust	584,666.70	-	Insurance Reserve	465,000.00	-
Due from Green Acres	54,093.07	-	Recycling Program Reserve	385,098.00	-
Due from Grant Fund	10,997.53	-	Off-Duty Police	441,262.58	297,307.66
Due from Payroll	18,822.98	-	Police Donations	452.00	-
Due from Affordable Housing COAH Fund	3,851.25	-	Storm Recovery	332,795.92	156,798.39
Due from Assessment Trust	3,800.00	-	Payroll Deductions Payable	1,229,860.59	1,318,224.35
Due from Current Fund	-	6,686.19	Green Trust Reserve	821,112.81	897,372.18
Total Trust-Other Fund	13,446,516.48	13,879,984.42	Total Trust-Other Fund	13,446,516.48	13,879,984.42
Tax Title Lien Trust Fund:			Tax Title Lien Trust Fund:		
			Reserve for Tax Title Lien	4,179,812.35	2,924,648.95
			Due to Other Trust	584,666.70	-
Cash and Investments - Treasurer	4,770,393.34	2,924,648.95	Due to Current Fund	5,914.29	-
Total Tax Title Lien Trust Fund	4,770,393.34	2,924,648.95	Total Tax Title Lien Trust Fund	4,770,393.34	2,924,648.95
Unemployment Trust Fund:			Unemployment Trust Fund:		
Cash and Investments - Treasurer	454,377.33	405,966.56	Reserve for Unemployment Claims	454,377.33	405,966.56
Total Unemployment Trust Fund	454,377.33	405,966.56	Total Unemployment Trust Fund	454,377.33	405,966.56

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

B

**TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE (CONTINUED)**

December 31, 2023 and 2022

ASSETS	Balance December 31, 2023	Balance December 31, 2022	LIABILITIES, RESERVES AND FUND BALANCE	Balance December 31, 2023	Balance December 31, 2022
Affordable Housing COAH Trust Fund:			Affordable Housing COAH Trust Fund:		
Cash and Investments - Treasurer	8,978,866.78	5,980,805.51	Reserve for Affordable Housing COAH	8,504,080.47	5,916,373.06
Due from Current Fund	9.94	-	Reserve for Encumbrances	470,843.00	64,432.45
Total Affordable Housing COAH Trust Fund	8,978,876.72	5,980,805.51	Due to Other Trust	3,851.25	-
			Due to Sewer Operating	102.00	-
			Total Affordable Housing COAH Trust Fund	8,978,876.72	5,980,805.51
Flexible Spending Trust Fund:			Flexible Spending Trust Fund:		
Cash and Investments - Treasurer	34,956.91	31,021.63	Reserve for Flexible Spending	34,956.91	31,021.63
Total Flexible Spending Trust Fund	34,956.91	31,021.63	Total Flexible Spending Trust Fund	34,956.91	31,021.63
Law Enforcement Trust Fund:			Law Enforcement Trust Fund:		
Cash and Investments - Treasurer	76,465.27	43,970.00	Reserve for Dedicated Law Enforcement	76,465.27	43,970.00
Total Law Enforcement Trust Fund	76,465.27	43,970.00	Total Law Enforcement Trust Fund	76,465.27	43,970.00
Developer's Escrow Trust Fund:			Developer's Escrow Trust Fund:		
Cash and Investments - Treasurer	2,875,638.72	2,750,806.86	Reserve for Developer's Escrow	2,875,163.65	2,750,738.60
Total Developer's Escrow Trust Fund	2,875,638.72	2,750,806.86	Due to Current Fund	475.07	68.26
			Total Developer's Escrow Trust Fund	2,875,638.72	2,750,806.86
Fire Penalty Trust Fund:			Fire Penalty Trust Fund:		
Cash and Investments - Treasurer	86,503.79	47,508.79	Reserve for Fire Penalty Trust	80,655.79	47,508.79
Total Fire Penalty Trust Fund	86,503.79	47,508.79	Due to Current Fund	5,848.00	-
			Total Fire Penalty Trust Fund	86,503.79	47,508.79
Housing and Community Development Act of 1974:			Housing & Community Development Act of 1974:		
Cash and Investments - Treasurer	6,583.49	92,028.28	Reserve for CDBG Grant Projects	334,113.53	53,784.90
Accounts Receivable	366,142.66	564,025.03	Reserve for Recovery Act Program	-	477,139.32
Due from Grant Fund	71,493.01	-	Reserve for Project Income	60,558.35	-
Due from Affordable Housing Admin Fund	3,918.14	-	Due to Current Fund	40,356.33	40,177.51
Total Housing and Community Development Act of 1974	448,137.30	656,053.31	Due to Payroll Fund	13,109.09	-
			Due to HUD	-	84,951.58
			Total Housing & Community Development Act of 1974	448,137.30	656,053.31

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

B

**TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE (CONTINUED)**

December 31, 2023 and 2022

<u>ASSETS</u>	<u>Balance December 31, 2023</u>	<u>Balance December 31, 2022</u>	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Balance December 31, 2023</u>	<u>Balance December 31, 2022</u>
HUD Housing Voucher Program:			HUD Housing Voucher Program:		
			Reserve for HUD Housing Admin	73,651.23	27,918.01
			Reserve for HUD Housing Voucher Program	143,810.47	23,590.65
			Reserve for Fraud Recovery	15.00	-
			Due to Payroll Fund	301,550.04	301,550.04
			Due to Emergency Voucher Trust Program	22,107.04	13,135.55
			Due to Grant Fund	2,214.41	-
			Due to CDBG Trust Fund	3,918.14	-
			Due to Library	12,140.00	-
Cash and Investments - Treasurer	332,425.96	390,279.25	Accounts Payable	1,453.00	24,085.00
Accounts Receivable	228,433.37	-	Total HUD Housing Voucher Program Trust	560,859.33	390,279.25
Total HUD Housing Voucher Program Trust	560,859.33	390,279.25			
Total Trust Funds	<u>\$ 35,304,783.80</u>	<u>\$ 30,498,369.32</u>	Total Trust Funds	<u>\$ 35,304,783.80</u>	<u>\$ 30,498,369.32</u>

There were Bonds and Notes Authorized but not Issued as of December 31, 2023 and 2022, in the amount of \$95 and \$95, respectively.

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

B-1

**TRUST ASSESSMENT FUND
STATEMENT OF REVENUES**

Year Ended December 31, 2023

	Budget Revenues	Realized
Deficit (General Budget)	<u>\$ 65,000.00</u>	<u>\$ 65,000.00</u>

**TRUST ASSESSMENT FUND
STATEMENT OF EXPENDITURES**

B-2

Year Ended December 31, 2023

	Budget Appropriation	Expended
Payment of Bond Principal	<u>\$ 65,000.00</u>	<u>\$ 65,000.00</u>

GENERAL CAPITAL FUND

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

C

**GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE**

December 31, 2023 and 2022

<u>ASSETS</u>	Balance <u>December 31, 2023</u>	Balance <u>December 31, 2022</u>
Cash and Investments	\$ 22,361,685.51	\$ 4,773,387.91
Federal and State Grants Receivable	5,323,393.20	5,892,624.31
Due from Grant Fund	1,030,000.00	866,250.00
Deferred Charges to Future Taxation:		
Funded	26,986,456.51	35,550,862.22
Unfunded	69,561,992.94	61,095,355.94
	<u>\$ 125,263,528.16</u>	<u>\$ 108,178,480.38</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
General Serial Bonds	\$ 24,989,000.00	\$ 32,924,000.00
Bond Anticipation Notes	47,395,000.00	23,662,000.00
Environmental Infrastructure Loan	594,327.85	902,774.93
Capital Leases Payable	1,403,128.66	1,724,087.29
Reserve for Encumbrances	7,591,883.71	7,495,068.07
Improvement Authorizations:		
Funded	2,836,718.17	5,928,444.35
Unfunded	34,560,029.72	33,952,170.93
Reserve for:		
Capital Improvement Fund	1,718,521.74	245,029.74
Future Debt Service	3,391,428.85	601,935.61
Fund Balance	783,489.46	742,969.46
	<u>\$ 125,263,528.16</u>	<u>\$ 108,178,480.38</u>

There were Bonds and Notes Authorized but not Issued as of December 31, 2023 and 2022, in the amount of \$22,166,992.94 and \$37,433,355.94, respectively.

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

C-1

**GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE**

Year Ended December 31, 2023

Balance - December 31, 2022	\$ 742,969.46
Increased by:	
Interfunds Returned	<u>290,520.00</u>
	1,033,489.46
Decreased by:	
Capital Surplus Appropriated to 2023 Current Fund	<u>250,000.00</u>
Balance - December 31, 2023	<u><u>\$ 783,489.46</u></u>

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SEWER UTILITY FUND

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

D

**SEWER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE**

December 31, 2023 and 2022

<u>ASSETS</u>	<u>Balance December 31, 2023</u>	<u>Balance December 31, 2022</u>	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Balance December 31, 2023</u>	<u>Balance December 31, 2022</u>
Operating Fund:			Operating Fund:		
Cash and Investments - Treasurer	\$ 10,724,041.94	\$ 8,752,696.32	Prepaid Sewer Rents	\$ 146,837.83	\$ 103,370.68
	<u>10,724,041.94</u>	<u>8,752,696.32</u>	Appropriation Reserves	1,004,771.51	1,775,457.35
			Accounts Payable	-	52,686.27
Receivables With Offsetting Reserves:			Reserve for Encumbrances	1,681,774.31	998,863.14
Due from Current Fund	-	27,947.93	Reserve for Future Debt Service	311,792.75	311,792.75
Due from Grant Fund	259.94	-	Accrued Interest on Bonds & Notes	785,809.41	476,289.04
Due from Affordable Housing Trust Fund	102.00	-	Due to Current Fund	<u>20,565.20</u>	<u>-</u>
Sewer Rents Receivable	8,231.49	2,382,564.43		<u>3,951,551.01</u>	<u>3,718,459.23</u>
Sewer Rent Liens Receivable	<u>31,988.43</u>	<u>97,407.22</u>	Reserve for Receivables	40,581.86	2,507,919.58
	<u>40,581.86</u>	<u>2,507,919.58</u>	Fund Balance	<u>6,772,490.93</u>	<u>5,034,237.09</u>
Total Operating Fund	<u>10,764,623.80</u>	<u>11,260,615.90</u>	Total Operating Fund	<u>10,764,623.80</u>	<u>11,260,615.90</u>
Capital Fund:			Capital Fund:		
			Serial Bonds	44,072,000.00	47,872,000.00
Cash and Investments - Treasurer	15,828,534.15	10,930,974.46	Bond Anticipation Notes	21,861,700.00	13,830,000.00
Account Receivable - State	8,650.65	8,650.65	NJIB Loan Payable	162,354.50	188,422.90
Due from Current Fund	-	200,832.61	Reserve for Encumbrances	6,241,535.35	3,649,253.86
Fixed Capital	197,707,129.04	140,161,895.66	Improvement Authorizations:		
Fixed Capital - Auth. and Uncompl.	<u>45,608,875.07</u>	<u>93,374,108.45</u>	Funded	-	1,783,802.96
Total Capital Fund	<u>259,153,188.91</u>	<u>244,676,461.83</u>	Unfunded	38,766,543.34	37,887,375.10
Assessment Fund:			Reserve for:		
Cash and Investments - Treasurer	-	467.10	Capital Improvement Fund	192,775.00	192,775.00
Total Sewer Assessment Fund	<u>-</u>	<u>467.10</u>	Debt Service	4,355,107.16	-
			Reserve for Amortization	142,876,382.99	138,966,314.59
Total Sewer Utility Fund	<u>\$ 269,917,812.71</u>	<u>\$ 255,937,544.83</u>	Fund Balance	<u>624,790.57</u>	<u>306,517.42</u>
			Total Capital Fund	<u>259,153,188.91</u>	<u>244,676,461.83</u>
			Assessment Fund:		
			Fund Balance	-	467.10
			Total Sewer Assessment Fund	<u>-</u>	<u>467.10</u>
			Total Sewer Utility Fund	<u>\$ 269,917,812.71</u>	<u>\$ 255,937,544.83</u>

There were Bonds and Notes Authorized but not Issued as of December 31, 2023 and 2022, in the amount of \$34,343,566.62 and \$32,679,266.62, respectively.

See notes to financial statements.

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

D-1

**SEWER UTILITY OPERATING FUND
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

Year Ended December 31, 2023

	December 31,	
	2023	2022
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 2,357,220.00	\$ 1,020,000.00
Sewer Rents	19,766,256.87	19,748,338.08
Sewer Connection Fees	507,088.84	454,554.99
Miscellaneous Revenue	83,031.42	84,811.80
Miscellaneous Revenue not Anticipated	1,014,414.70	-
Other Credits to Income:		
Unexpended Balance of Prior Year Appropriation		
Reserves Lapsed	1,960,513.75	1,763,684.36
Unexpended Balance of Appropriations	33,806.26	-
Accrued Bond Interest Adjustment	-	331,578.67
Total Revenues	<u>25,722,331.84</u>	<u>23,402,967.90</u>
<u>Expenditures</u>		
Budget Appropriations:		
Operating	14,001,708.00	13,614,503.00
Debt Service	6,164,150.00	5,576,883.17
Capital Outlay	300,000.00	-
Statutory Expenditures	1,161,000.00	1,174,300.00
Other	-	218,179.36
Total Expenditures	<u>21,626,858.00</u>	<u>20,583,865.53</u>
Statutory Excess to Fund Balance	4,095,473.84	2,819,102.37
Balance - January 1	<u>5,034,237.09</u>	<u>3,235,134.72</u>
	9,129,710.93	6,054,237.09
Decreased by: Utilized in Budget	<u>2,357,220.00</u>	<u>1,020,000.00</u>
Balance - December 31	<u>\$ 6,772,490.93</u>	<u>\$ 5,034,237.09</u>

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

D-2

**SEWER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE**

Year Ended December 31, 2023

Balance - December 31, 2022		\$	306,517.42
Increased by:			
Encumbrances Canceled	\$	<u>318,273.15</u>	
			<u>318,273.15</u>
Balance - December 31, 2023		\$	<u><u>624,790.57</u></u>

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

D-3

SEWER UTILITY OPERATING FUND – STATEMENT OF REVENUES

Year Ended December 31, 2023

	Anticipated	2023 Realized	(Deficit)/ Excess
Operating Fund Balance			
Anticipated	\$ 2,357,220.00	\$ 2,357,220.00	\$ -
Sewer Rents	18,904,638.00	19,766,256.87	861,618.87
Sewer Connection Fees	300,000.00	507,088.84	207,088.84
Interest	-	1,014,414.70	1,014,414.70
Miscellaneous	65,000.00	83,031.42	18,031.42
	<u>\$ 21,626,858.00</u>	<u>\$ 23,728,011.83</u>	<u>\$ 2,101,153.83</u>

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

D-4

SEWER UTILITY OPERATING FUND – STATEMENT OF EXPENDITURES

Year Ended December 31, 2023

	2023 Budget	Budget After Modification	Paid	Expended Encumbered	Reserved	Unexpended Balance Canceled	Overexpenditure
Operating:							
Salaries and Wages	\$ 4,950,000.00	\$ 4,850,000.00	\$ 4,368,825.47	\$ -	\$ 481,174.53	\$ -	\$ -
Other Expenses	4,926,708.00	5,026,708.00	3,178,220.85	1,381,774.31	466,712.84	-	-
Group Insurance Plan for Employees	3,125,000.00	3,125,000.00	3,125,000.00	-	-	-	-
Administrative Services	1,000,000.00	1,000,000.00	1,000,000.00	-	-	-	-
Capital Improvements:							
Capital Outlay	300,000.00	300,000.00	-	300,000.00	-	-	-
Debt Service:							
Payment of Bond Principal	3,810,000.00	3,810,000.00	3,800,000.00	-	-	10,000.00	-
Payment of BANs & Capital Notes	85,000.00	85,000.00	84,000.00	-	-	1,000.00	-
Interest on Bonds	1,785,000.00	1,785,000.00	1,785,000.00	-	-	-	-
Interest on Notes	451,000.00	451,000.00	451,000.00	-	-	-	-
EIT Loan Principal	26,100.00	26,100.00	26,068.40	-	-	31.60	-
EIT Loan Interest	7,050.00	7,050.00	7,050.00	-	-	-	-
Statutory Expenditures:							
Public Employees' Retirement System	771,000.00	786,000.00	771,000.00	-	15,000.00	-	-
Social Security System (O.A.S.I.)	380,000.00	365,000.00	330,902.73	-	34,097.27	-	-
DCRP	10,000.00	10,000.00	2,213.13	-	7,786.87	-	-
Total Sewer Utility Appropriations	<u>\$ 21,626,858.00</u>	<u>\$ 21,626,858.00</u>	<u>\$ 18,929,280.58</u>	<u>\$ 1,681,774.31</u>	<u>\$ 1,004,771.51</u>	<u>\$ 11,031.60</u>	<u>\$ -</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

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

E

**GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENTS OF GENERAL FIXED ASSETS**

<u>Assets</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
General Fixed Assets		
Land, Building & Building Improvements	\$ 104,123,306.64	\$ 100,260,306.64
Equipment	10,194,932.16	11,862,305.94
Vehicles	28,421,760.05	27,580,620.05
Total General Fixed Assets	<u>\$ 142,739,998.85</u>	<u>\$ 139,703,232.63</u>
 <u>Reserve</u>		
Investment in General Fixed Assets	<u>\$ 142,739,998.85</u>	<u>\$ 139,703,232.63</u>

NOTES TO FINANCIAL STATEMENTS

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

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Township of Hamilton ("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.

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, Department of Community Affairs, State of New Jersey (the "Division") requires the financial statements of the Township to be reported separately.

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

Description of Funds

The accounting policies of the Township conform to the accounting principles applicable to municipalities which have been prescribed by the Division. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township accounts for its financial transactions through 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:

1. Animal Control Trust Fund;
2. Assessment Trust Fund;
3. Unemployment Compensation Trust Fund;
4. Dedicated Law Enforcement Trust Fund;
5. Self-Insurance Trust Fund;
6. Recreation Trust;
7. HUD Housing and Community Development; and
8. Other Dedicated Funds

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

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Description of Funds (Continued)

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 are also accounted for in the General Capital Fund.

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

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

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 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 No. 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

The 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 generally accepted accounting principles ("GAAP").

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

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Measurement Focus (Continued)

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

Revenues

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

Expenditures

For purposes of financial reporting, expenditures are recorded as "paid" or "charged" or "appropriation reserves". Paid or charged refers to the Township's "budgetary" basis of accounting. Generally, these expenditures, including those for federal, state and local grants, are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Reserves for unliquidated encumbrances at the close of the year are reported as a cash liability. Encumbrances do not constitute expenditures under GAAP. Appropriation reserves refers to unexpended appropriation balances at the close of the year. Appropriation reserves are automatically created and recorded as a cash liability, except for amounts which may be cancelled by the governing body. Appropriation reserves are available until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred and not recorded in the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Generally, unexpended balances of budget appropriations are not recorded as expenditures under GAAP. Expenditures for compensated absences, i.e., accumulations of earned but unused vacations and sick leave, are recorded in the period in which the payments are made. GAAP requires that expenditures be recorded in the governmental (Current) fund in an amount that would normally be liquidated with available financial resources, and that expenditures be recorded in the enterprise fund (Sewer Utility Fund), on a full accrual basis. Expenditures for the costs of post-employment benefits other than pensions (other post-employment benefits or "OPEB") are recorded in the accounting period in which the payments are made. GAAP requires recognition of the actuarially determined estimated OPEB cost during the employment period of each employee, during which any OPEB benefit is earned.

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

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Measurement Focus (Continued)

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 over-expenditures and emergency appropriations. Over-expenditures 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. Over-expenditures 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 over-expenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance.

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

Compensated Absences

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

Property Acquired for Taxes

Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP normally requires such property to be recorded only in the government-wide statement of net 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.

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

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Measurement Focus (Continued)

Interfunds

Interfund receivables in the Current Fund and Sewer Operating 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. GAAP requires the cost of inventory on hand at the close of the year should be reported on the balance sheet with an offsetting non-spendable fund balance or reserve.

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 HUD Housing Assistance Fund which is capitalized. The HUD Housing Assistance Fund does not record depreciation on fixed assets. Property and equipment acquired by the Sewer Utility Fund are accumulated in their respective capital accounts at cost. Detailed records of accumulated capitalized costs, by project and/or location are not maintained. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Sewer Utility Capital Fund represent charges to operations for the costs of acquisitions of property, equipment and improvement and costs funded from sources other than bonded debt of the utility. The utility does not record depreciation on fixed assets. GAAP does not require the establishment of a reserve for amortization for utility fixed assets but does require the recognition of depreciation of these assets as an operating expense of the utility.

Budgets and Budgetary Accounting

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Township budget amounts presented in the accompanying financial statements represent amounts adopted by the Township and approved by the Division in accordance with N.J.S.A. 40A:4 et seq.

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

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Measurement Focus (Continued)

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 Financial Instruments

The following methods and assumptions were used to estimate the 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 I to the financial statements.

Pension and Post-employment Benefit Expenses

The requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* 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. The requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions* require governmental entities to record on the financial statements their distributive share of net post-employment benefits other than pension (OPEB) liability, deferred outflows of resources, deferred inflows of resources, and total OPEB 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 K – Pension Plans and Note L – Post-Employment Benefits Other Than Pensions for these disclosures.

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.

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

NOTES TO FINANCIAL STATEMENTS

B. CASH, CASH EQUIVALENTS AND INVESTMENTS

Basis of Accounting and Measurement Focus (Continued)

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.

Cash and Cash Equivalents

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 insure deposits or the State of New Jersey Cash Management Fund. New Jersey statutes require public depositories to maintain collateral for deposit of public funds that exceed insurance limits to protect deposits from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

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

At December 31, 2023, the Township had the following depository accounts. All deposits are carried at cost. The amount of \$2,811,161.34 held in payroll and agency accounts for the year ended December 31, 2023, is not covered by GUDPA.

	<u>Book Balance</u> <u>December 31, 2023</u>	<u>Book Balance</u> <u>December 31, 2022</u>
<u>Depository Account</u>		
Cash (demand accounts)	\$ 118,189,490.45	\$ 92,612,112.24
Change funds (on-hand)	5,057.31	5,052.00
	<u>\$ 118,194,547.76</u>	<u>\$ 92,617,164.24</u>
	<u>Bank Balance</u> <u>December 31, 2023</u>	<u>Bank Balance</u> <u>December 31, 2022</u>
<u>Depository Account</u>		
FDIC insured	\$ 1,102,800.02	\$ 1,101,782.65
GUDPA collateralized	111,350,649.55	91,122,873.91
Uninsured and uncollateralized	2,811,161.34	2,795,549.99
	<u>\$ 115,264,610.91</u>	<u>\$ 95,020,206.55</u>

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

NOTES TO FINANCIAL STATEMENTS

B. CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Basis of Accounting and Measurement Focus (Continued)

The Township follows the disclosure requirements of GASB Statement No. 40, *Deposits and Investment Risk Disclosures* ("GASB 40") and accordingly, the Township has assessed the custodial credit risk, the concentration of credit risk, credit risk and interest rate risk of its cash and investments.

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 not in the depositor-government's 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 are in possession of an outside party.

Concentration of Credit Risk — This is the risk associated with the amount of investments that the Township has with any one issuer that exceeds 5 percent or more of its total investments. Investments 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. In general, the Township does not have an investment policy regarding concentration of credit risk as all Township investments are in the types of the excluded investments noted.

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 any investments subject to credit risk or an investment policy regarding credit risk.

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 of America;
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 bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations 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;

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

NOTES TO FINANCIAL STATEMENTS

B. CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Basis of Accounting and Measurement Focus (Continued)

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: the underlying securities are permitted investments pursuant to paragraphs (1) and (3); the custody of collateral is transferred to a third party; the maturity of the agreement is more than 30 days; and 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.

C. UNUSED 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 \$15,000.00 and are only payable at the time of retirement.

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 current records of each employee's status relating to earned and unused sick and vacation pay. An estimate of the cost of such unpaid compensation as of December 31, 2023, has been made by the Township in the amount of \$8,803,917.20. This amount is not included in liabilities at December 31, 2023, and represents the full value of compensated absences payable and has not been discounted for 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 unused sick and vacation benefits are recorded in the period in which the payments are made.

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

NOTES TO FINANCIAL STATEMENTS

D. INTERFUNDS

The following Interfund balances remain on the balance sheets at December 31, 2023:

	Interfunds Receivable	Interfunds Payable
Current Fund	\$ 626,740.98	\$ 1,229,154.67
General Trust Fund	754,936.68	1,162,319.73
General Capital Fund	1,030,000.00	-
Sewer Operating Fund	361.94	20,565.20
Sewer Capital Fund	-	-
	<u>\$2,412,039.60</u>	<u>\$2,412,039.60</u>

The Interfund balances represent short-term loans between the funds which must be liquidated in the following year.

E. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

The following deferred charge is shown on the December 31, 2023, balance sheet of the Township's Current Fund related to a special emergency appropriation incurred in 2023. The prior year amount was appropriated in the 2023 budget and the current year amount will be included in the subsequent year budget.

	2023		2022	
	Amount	Raised in Succeeding Year Budget	Amount	Raised in Succeeding Year Budget
Current Fund	\$ 152,389.52	\$ 152,389.52	\$ 142,733.31	\$ 142,733.31
	<u>\$ 152,389.52</u>	<u>\$ 152,389.52</u>	<u>\$ 142,733.31</u>	<u>\$ 142,733.31</u>

F. TAX ABATEMENTS

The Township has entered into several property tax abatement agreements in order to provide incentives to redevelop areas that are in need for improvement or to create economic growth. These agreements are authorized under various New Jersey state statutes. The following represents the Township's most significant tax abatement agreements:

Program/Entity Name	PILOT 2023 Billing	PILOT 2023 Collection	Taxes if Billed in Full	Abated Taxes
Low Income Housing PILOT				
Robert Wood Johnson	\$ 282,531.00	\$ 282,531.00	\$ 1,048,273.11	\$ 765,742.11
Pond Run Housing	145,900.00	145,900.00	354,636.50	208,736.50
Alvin E. Gershen	174,100.00	174,100.00	297,375.70	123,275.70
McCorristin Square	30,600.00	30,600.00	80,130.78	49,530.78
Project Freedom	12,569.00	12,569.00	135,512.18	122,943.18
	<u>645,700.00</u>	<u>645,700.00</u>	<u>1,915,928.27</u>	<u>1,270,228.27</u>
American Metro	1,257,000.00	-	206,605.95	(1,050,394.05)
HRP Mercer Urban Renewal	951,885.00	951,885.00	206,305.38	(745,579.62)
Total	<u>\$3,137,116.00</u>	<u>\$1,880,116.00</u>	<u>\$3,377,112.71</u>	<u>\$ 239,996.71</u>

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

NOTES TO FINANCIAL STATEMENTS

G. FUND BALANCES APPROPRIATED

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

<u>Fund</u>	<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
Current Fund	2023	\$ 15,032,031.59	\$ 8,000,000.00
	2022	13,531,608.50	8,600,000.00
	2021	15,966,341.96	7,495,000.00
	2020	10,106,697.34	6,900,000.00
	2019	6,130,576.29	3,384,650.00
Sewer Utility Fund	2023	6,772,490.93	3,283,830.00
	2022	5,034,237.09	2,357,220.00
	2021	3,235,134.72	1,020,000.00
	2020	2,501,130.91	550,000.00
	2019	1,758,751.80	471,350.00

H. 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 year's 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%.

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

NOTES TO FINANCIAL STATEMENTS

H. ASSESSMENT AND COLLECTION OF PROPERTY TAXES (CONTINUED)

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 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. A tax sale was held on December 19, 2023. The underlying tax collection rate for 2023 was 99.89% prior to the accelerated tax sale and 99.57% after the tax sale.

I. DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION

Summary of Municipal Debt

	2023
General Capital Bonds and Notes	\$ 72,384,000.00
General Capital Infrastructure Loans	594,327.85
General Capital Leases	1,403,128.66
Trust Assessment Fund Bonds and Notes	125,000.00
Sewer Utility Capital Fund Bonds and Notes	65,933,700.00
Sewer Utility Capital Fund Infrastructure Loans	162,354.50
Total Issued	<u>140,602,511.01</u>
Less Fund Temporarily Held to Pay Bonds or Notes:	
General Capital	\$ (3,306,028.85)
Sewer Utility Operating Fund	(311,792.75)
Total Funds	<u>(3,617,821.60)</u>
Net Debt Issued	<u>136,984,689.41</u>
Authorized but not Issued	
General Capital Bonds and Notes	\$ 22,166,992.94
Trust Assessment Fund Bonds and Notes	95.00
Sewer Utility Capital Fund Bonds and Notes	34,343,566.62
Total Authorized but not Issued	<u>56,510,654.56</u>
Total Issued & Authorized but not Issued	<u>\$ 193,495,343.97</u>

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

NOTES TO FINANCIAL STATEMENTS

I. DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONTINUED)

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 0.890%. Net debt \$94,101,305.23 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$10,574,561,133.67 equals 0.890%. The Township's remaining borrowing power is \$276,008,334.45 and 2.610%. The below information is not in agreement with the Annual Debt Statement filed by the Chief Financial Officer. A revised Annual Debt Statement should be filed.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 51,780,000.00	\$ 51,780,000.00	\$ -
Sewer Utility Debt	101,400,266.62	101,400,266.62	-
General Debt	95,145,620.79	1,044,315.56	94,101,305.23
	<u>\$ 248,325,887.41</u>	<u>\$ 154,224,582.18</u>	<u>\$ 94,101,305.23</u>

Equalized Valuation Basis

2021 Equalized Valuation Basis of Real Property	\$ 9,503,204,116.00
2022 Equalized Valuation Basis of Real Property	10,477,696,786.00
2023 Equalized Valuation Basis of Real Property	11,742,782,499.00
Average Equalized Value	<u>\$ 10,574,561,133.67</u>

Borrowing Power under N.J.S.A. 40A:2-6 as amended

3 -1/2% of Equalized Valuation Basis	\$ 370,109,639.68
Net Debt	94,101,305.23
Remaining Borrowing Power	<u>\$ 276,008,334.45</u>

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:

	2023
Cash Receipts from Fees, Rents or Other	
Charges and Surplus Anticipated	<u>\$ 22,713,597.13</u>
Deductions	
Operating and Maintenance Cost	15,462,708.00
Debt Service per Utility Operating Fund	6,164,150.00
	<u>21,626,858.00</u>
	<u>\$ 1,086,739.13</u>

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:

	2023
Excess in Revenues - Cash Basis	\$ 4,095,473.84
Deduct: Other Credits to Income	(3,008,734.71)
Excess in Revenues	<u>\$ 1,086,739.13</u>

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

NOTES TO FINANCIAL STATEMENTS

I. DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONTINUED)

Changes in Long-Term Municipal Debt

	Balance December 31, 2022	Additions	Reductions	Balance December 31, 2023
Bonds Payable				
General Capital Fund	\$ 32,924,000.00	\$ -	\$ 7,935,000.00	\$ 24,989,000.00
Trust Assessment Fund	190,000.00	-	65,000.00	125,000.00
Sewer Utility Capital Fund	47,872,000.00	-	3,800,000.00	44,072,000.00
Subtotal	<u>80,986,000.00</u>	<u>-</u>	<u>11,800,000.00</u>	<u>69,186,000.00</u>
Infrastructure Loans Payable				
General Capital Fund	902,774.93	-	308,447.08	594,327.85
Sewer Utility Capital Fund	188,422.90	-	26,068.40	162,354.50
Subtotal	<u>1,091,197.83</u>	<u>-</u>	<u>334,515.48</u>	<u>756,682.35</u>
Capital Leases Payable				
General Capital Fund	1,724,087.29	-	320,958.63	1,403,128.66
Subtotal	<u>1,724,087.29</u>	<u>-</u>	<u>320,958.63</u>	<u>1,403,128.66</u>
Total Long-Term Debt	<u>\$ 83,801,285.12</u>	<u>\$ -</u>	<u>\$ 12,455,474.11</u>	<u>\$ 71,345,811.01</u>
Bonds & Notes Authorized but not Issued				
General Capital Fund	\$ 37,433,355.94	\$32,128,637.00	\$ 47,395,000.00	\$ 22,166,992.94
Trust Assessment Fund	95.00	-	-	95.00
Sewer Utility Capital Fund	32,679,266.62	23,526,000.00	21,861,700.00	34,343,566.62
Subtotal	<u>\$ 70,112,717.56</u>	<u>\$55,654,637.00</u>	<u>\$ 69,256,700.00</u>	<u>\$ 56,510,654.56</u>

Changes in Short-Term Municipal Debt

	Balance December 31, 2022	Additions	Reductions	Balance December 31, 2023
Bond Anticipation Notes				
General Capital Fund	\$ 23,662,000.00	\$47,395,000.00	\$ 23,662,000.00	\$ 47,395,000.00
Sewer Utility Capital Fund	13,830,000.00	21,861,700.00	13,830,000.00	21,861,700.00
Subtotal	<u>\$ 37,492,000.00</u>	<u>\$69,256,700.00</u>	<u>\$ 37,492,000.00</u>	<u>\$ 69,256,700.00</u>

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

NOTES TO FINANCIAL STATEMENTS

I. DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONTINUED)

Total Debt Issued and Outstanding Detail

	<u>2023</u>
<u>Capital Fund - Serial Bonds</u>	
\$17,425,000 general improvement refunding bonds of 2013, due in annual installments of \$1,615,000 to \$2,050,000 through August 1, 2025, interest at 4.00%	\$ 4,020,000.00
\$8,046,000 general improvement bonds of 2014, due in annual installments of \$825,000 to \$900,000 through June 1, 2024, interest at 2.00% through 4.00%	896,000.00
\$14,703,000 general improvement bonds of 2015, due in annual installments of \$1,500,000 to \$1,600,000 through June 1, 2025, interest at 2.00% through 4.00%	3,198,000.00
\$19,773,000 general improvement bonds of 2017, due in annual installments of \$1,165,000 to \$2,325,000 through June 1, 2028, interest at 4.00% through 5.00%	11,625,000.00
\$7,600,000 general improvement bonds of 2019, due in annual installments of \$375,000 to \$750,000 through May 1, 2030, interest at 2.00% through 2.25%	5,250,000.00
<u>Capital Fund - NJIB Loans</u>	
\$1,435,000 infrastructure loan, due in annual installments of \$85,000 to \$110,000 through August 1, 2025, interest at 4.250% to 4.375%	174,399.23
\$4,028,778 infrastructure loan, principal only - due in semi-annual installments of \$4,408.24 to \$205,928.39 through August 1, 2025	419,928.62
<u>Capital Fund - Capital Leases</u>	
\$7,600,000 capital leases, due in annual installments of \$150,000 to \$376,000 through May 14, 2029, interest at 2.000% to 2.250%	1,403,128.66
<u>Capital Fund - Bond Anticipation Notes</u>	
Bond anticipation notes, date of original issue May 22, 2018, May 15, 2020, February 16, 2021, February 16, 2022, and February 13, 2023, due date February 13, 2024, interest rate at 2.850%	47,395,000.00
Total Capital Fund Debt	<u>\$ 74,381,456.51</u>

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

NOTES TO FINANCIAL STATEMENTS

I. DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONTINUED)

Total Debt Issued and Outstanding Detail (Continued)

Trust Fund - Serial Bonds

\$1,523,000 assessment bonds of 2010, due in annual installments of \$103,000 to \$110,000 through February 1, 2025, interest at 3.125% through 3.625%	\$ 125,000.00
Total Trust Fund Debt	\$ 125,000.00

Sewer Utility Fund - Serial Bonds

\$16,505,000 sewer utility refunding bonds of 2013, due in annual installments of \$1,535,000 to \$1,935,000 through August 1, 2025, interest of 4.00%	\$ 3,790,000.00
\$14,687,000 sewer utility improvement bonds of 2014, due in annual installments of \$500,000 to \$650,000 through June 1, 2039, interest at 2.00% through 4.00%	10,272,000.00
\$2,300,000 sewer utility improvement bonds of 2014, due in annual installments of \$150,000 to \$200,000 through June 1, 2028, interest at 3.00% through 4.00%	1,000,000.00
\$3,035,000 sewer utility refunding series bonds of 2015, due in annual installments of \$280,000 to \$360,000 through August 1, 2025, interest at 4.00% through 5.00%	700,000.00
\$23,480,000 sewer utility improvement bonds of 2017, (series B) due in annual installments of \$475,000 to \$940,000 through May 1, 2047, interest at 4.00% through 5.00%	19,655,000.00
\$3,556,000 sewer utility improvement bonds of 2019, due in annual installments of \$111,000 to \$220,000 through May 1, 2039, interest at 2.00% through 3.00%	3,095,000.00
\$3,112,000 sewer utility improvement bonds of 2019, due in annual installments of \$105,000 to \$200,000 through May 1, 2039, interest at 3.50% through 3.75%	2,680,000.00
\$3,470,000 sewer utility refunding bonds of 2019, due in annual installments of \$45,000 to \$270,000 through February 1, 2035, interest at 2.00% through 4.00%	2,880,000.00

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

NOTES TO FINANCIAL STATEMENTS

I. DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONTINUED)

Total Debt Issued and Outstanding Detail (Continued)

Sewer Utility Fund - Bond Anticipation Notes

Bond anticipation notes, date of original issue May 22, 2018, February 3, 2021, February 1, 2022, and February 13, 2023, due date February 13, 2024, interest rate at 2.850% 21,861,700.00

Sewer Utility Fund - NJIB Loans

\$126,650.65 infrastructure loan, due in annual installments of \$6,214.74 through \$8,841.65 through August 1, 2029, interest at 2.95% through 4.16% 48,247.27

\$4,028,778 infrastructure loan, principal only-due in semi-annual installments totaling \$19,017.85 through August 1, 2029 114,107.23

Total Sewer Utility Fund Debt \$ 66,096,054.50

Total Debt Issued and Outstanding \$ 140,602,511.01

Schedule of Annual Debt Service for Principal and Interest for the Serial Bond Debt Issued and Outstanding

Years	General*		Sewer Utility		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 7,606,000.00	\$ 866,342.50	\$ 3,930,000.00	\$ 1,518,592.51	\$ 11,536,000.00	\$ 2,384,935.01
2025	6,783,000.00	602,862.50	4,150,000.00	1,364,180.01	10,933,000.00	1,967,042.51
2026	3,075,000.00	366,562.50	2,260,000.00	1,191,048.76	5,335,000.00	1,557,611.26
2027	3,075,000.00	233,437.50	2,320,000.00	1,099,855.01	5,395,000.00	1,333,292.51
2028	3,075,000.00	100,312.50	2,350,000.00	1,007,361.26	5,425,000.00	1,107,673.76
2029-2033	1,500,000.00	33,750.00	10,595,000.00	3,912,578.14	12,095,000.00	3,946,328.14
2034-2038	-	-	9,975,000.00	2,264,902.51	9,975,000.00	2,264,902.51
2039-2043	-	-	5,192,000.00	951,653.76	5,192,000.00	951,653.76
2044-2047	-	-	3,300,000.00	231,000.00	3,300,000.00	231,000.00
Total	\$ 25,114,000.00	\$ 2,203,267.50	\$ 44,072,000.00	\$ 13,541,171.96	\$ 69,186,000.00	\$ 15,744,439.46

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

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

NOTES TO FINANCIAL STATEMENTS

I. DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONTINUED)

Schedule of Annual Debt Service for Principal and Interest for New Jersey Infrastructure Bank and Green Trust Loans Issued and Outstanding

Loan Agreements – New Jersey Infrastructure Bank

The Township has entered into two loan financing agreements for various improvement programs with the New Jersey Infrastructure Bank ("NJIB", formerly the New Jersey Environmental Infrastructure Trust). The improvement programs are financed through debt issued by the NJIB. During the year ended December 31, 2023, the Township made payments to the NJIB with respect to the loan improvement programs in the amount of \$334,515.48.

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

Years	General		Sewer Utility		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 314,592.07	\$ 9,406.26	\$ 26,322.22	\$ 1,905.10	\$ 340,914.29	\$ 11,311.36
2025	279,735.78	4,812.50	26,592.48	1,634.84	306,328.26	6,447.34
2026	-	-	26,880.32	1,347.00	26,880.32	1,347.00
2027	-	-	27,186.95	1,040.36	27,186.95	1,040.36
2028	-	-	27,512.90	714.42	27,512.90	714.42
2029	-	-	27,859.63	367.82	27,859.63	367.82
Total	<u>\$ 594,327.85</u>	<u>\$ 14,218.76</u>	<u>\$ 162,354.50</u>	<u>\$ 7,009.54</u>	<u>\$ 756,682.35</u>	<u>\$ 21,228.30</u>

The above table and the capital fund and sewer capital fund statements of assets, liabilities reserves and fund balance do not include the NJIB project number S340898-06 short-term loan payable in the amount of \$2,563,974. The loan temporarily finances charges against sewer capital improvement ordinance 22-042 for the replacement of six rotating biological contractors at the water pollution control plant. A receivable for loan funds available to be drawn from NJIB for an equal amount is also excluded from the financial schedules. The loan will be recorded when the project is completed, and a final permanent loan payable value equal to NJIB funds used is determinable.

J. FIXED ASSETS

Capital asset activity for the year ended December 31, 2023, was as follows:

	Balance	Additions	Reductions	Balance
	December 31, 2022			December 31, 2023
Land and Buildings	\$ 100,260,306.64	\$ 3,863,000.00	\$ -	\$ 104,123,306.64
Equipment	11,862,305.94	799,048.46	2,466,422.24	10,194,932.16
Vehicles	27,580,620.05	2,375,117.07	1,533,977.07	28,421,760.05
	<u>\$ 139,703,232.63</u>	<u>\$ 7,037,165.53</u>	<u>\$ 4,000,399.31</u>	<u>\$ 142,739,998.85</u>

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

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

NOTES TO FINANCIAL STATEMENTS

K. PENSION PLANS

A substantial number of the Township's employees participate in the following defined benefit pension plans: Public Employees' Retirement System ("PERS") and Police and Firemen's Retirement System ("PFRS"), which are administered and/or regulated by the New Jersey Division of Pensions and Benefits ("Division of Pensions and Benefits"). Both plans have a board of trustees that are primarily responsible for its administration. The Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

For additional information about PERS or PFRS, please refer to the Division of Pensions and Benefits' Annual Comprehensive Financial Report ("ACFR") which can be found at: <https://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

Plan Descriptions

PERS is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955. The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service. The following represents the membership tiers for 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 to enroll 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.

Service retirement benefits of 1/55th of final average salary for each year of service credit are available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit are available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 years or more 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 age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for their respective tier.

PFRS is a cost-sharing multiple-employer defined benefit pension plan. The vesting and benefit provisions are set by N.J.S.A. 43:15A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except disability benefits, which vest after four years of service. The following represents the membership tiers for PFRS:

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

NOTES TO FINANCIAL STATEMENTS

K. PENSION PLANS (CONTINUED)

Plan Descriptions (Continued)

<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 to enroll 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 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.

The Defined Contribution Retirement Program ("DCRP") is a multiple-employer defined contribution pension fund established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code ("IRC") 401(a) et seq. and is a governmental plan within the meaning of IRC 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn a salary in excess of established "maximum compensation" limits; employees enrolled in PFRS after May 21, 2010, who earn a salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the \$8,400.00 minimum annual salary for tier 3 enrollment but who earn a salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010, who do not work the 32 minimum hours per week required for tiers 4 or 5 enrollment, but who earn a salary of at least \$5,000.00 annually. The maximum wage limit for 2023 is \$142,800 and is subject to annual adjustment. Members who earn in excess of the annual maximum wage will be enrolled in the DCRP in addition to the PERS.

For DCRP, 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
COUNTY OF MERCER, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

K. PENSION PLANS (CONTINUED)

Contributions

The Township is billed annually for its normal contribution plus any accrued liability. Contribution to PERS from the Township was \$4,440,355 for the plan year ended June 30, 2023. Contribution to PFRS from the Township was \$12,222,446.17 for the plan year ended June 30, 2023. The Township's total covered payroll for all PERS and PFRS employees was \$28,299,492 and \$35,044,563, respectively, at December 31, 2023. Covered payroll refers to pensionable compensation, rather than total compensation, paid by the Township to active employees covered by the Plan.

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 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 employers 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 those retirement systems, 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.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in state fiscal year 2009. Such employers 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 those retirement systems, 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.

A special funding situation exists for the local employers of PFRS. The State of New Jersey (the "State"), as a non-employer, is required to pay the additional costs incurred by local employers under Chapter 8, P.L. 2000; Chapter 318, P.L. 2001; Chapter 86, P.L. 2001; Chapter 511, P.L. 1991; Chapter 109, P.L. 1979; Chapter 247, P.L. 1993; and Chapter 201, P.L. 2001. The June 30, 2023, state special funding situation net pension liability amount of \$2,055,697,552 is the accumulated difference between the annual actuarially determined state obligation under the special funding situation and the actual state contribution through the valuation date. The state special funding situation pension expense of \$235,029,281 for the plan year ended June 30, 2023, is the actuarially determined contribution amount that the state owes for the plan year ended June 30, 2023. The pension expense is deemed to be a state administrative expense due to the special funding situation.

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

NOTES TO FINANCIAL STATEMENTS

K. PENSION PLANS (CONTINUED)

Contributions (Continued)

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the state if certain circumstances occurred. The legislation, which legally obligates the state, is as follows: Chapter 8, P.L. 2000; Chapter 318, P.L. 2001; Chapter 86, P.L. 2001; Chapter 511, P.L. 1991; Chapter 109, P.L. 1979; Chapter 247, P.L. 1993; and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation are considered a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer-specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. The State contribution for the plan year ended June 30, 2023, was \$2,349,899 for PERS and PFRS combined. The unaudited portion of the non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the Township is \$19,154,560 and the revenue that the Township would record is \$2,338,147.

The contribution policy for DCRP is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Township contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. For the plan year ended June 30, 2023, the Township's contributions were \$65,608. There were no forfeitures during the year.

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

The regulatory basis of accounting, which is the 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 plan year ended June 30, 2023, the Township had a liability of \$51,097,835 for its combined proportionate share of the net pension liability in PERS and \$103,953,059 for its combined proportionate share of the net pension liability in PFRS. The pension liability for the June 30, 2023, measurement date for both PERS and PFRS was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members of the plan, actuarial determined. At plan year ended June 30, 2023, the Township's combined PERS proportion was 0.3574207%, which was an increase of 0.0053142% from its proportion of 0.3521064% measured as of June 30, 2022. The Township's combined PFRS proportion was 0.9408553%, which was an increase of 0.0339318% from its proportion of 0.9069235% measured as of June 30, 2022.

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

NOTES TO FINANCIAL STATEMENTS

K. PENSION PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At December 31, 2023, the Township's deferred outflows of resources and deferred inflows of resources related to PERS and PFRS were from the following sources, if GASB 68 was recognized:

	Plan Year Ended June 30, 2023			
	PERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 488,561.00	\$ 208,872.00	\$ 4,451,062.00	\$ 4,957,639.00
Changes in assumptions	112,252.00	3,096,748.00	224,367.00	7,019,322.00
Net difference between projected and actual investment earnings on pension plan investments	235,312.00	-	5,294,133.00	-
Changes in proportion	1,436,330.00	2,053,897.00	48,996,336.00	41,052,842.00
Twp contributions subsequent to the measurement date	4,714,988.00	-	12,524,676.00	-
	<u>\$ 6,987,443.00</u>	<u>\$ 5,359,517.00</u>	<u>\$71,490,574.00</u>	<u>\$53,029,803.00</u>

The Township's 2023 contributions after the measurement date of \$4,714,988 for PERS and \$12,524,676 for PFRS are reflected above as deferred outflows of resources related to pensions.

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:

December 31,	PERS	PFRS
2024	\$ (2,697,774.48)	\$ (4,045,489.84)
2025	(1,505,794.24)	(3,882,363.82)
2026	2,104,246.70	6,246,327.99
2027	(376,577.26)	(537,233.77)
2028	6,404.64	191,752.21
Thereafter	-	19,608.12
	<u>\$ (2,469,494.64)</u>	<u>\$ (2,007,399.11)</u>

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

NOTES TO FINANCIAL STATEMENTS

K. PENSION PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The average of the expected remaining service lives of all PERS plan members is 5.08, 5.04, 5.13, 5.16, 5.21 and 5.63 years for 2023, 2022, 2021, 2020, 2019 and 2018, respectively. The average of the expected remaining service lives of all PFRS plan members is 6.16, 6.22, 6.17, 5.90, 5.92 and 5.73 years for 2023, 2022, 2021, 2020, 2019 and 2018, respectively.

Actuarial Assumptions

The total pension liability in the plan year ended June 30, 2023, actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2023	
	PERS	PFRS
Inflation rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:		
Through all future years (based on years of service)	2.75%-6.55%	3.25%-16.25%
Investment rate of return	7.00%	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021. The actuarial assumptions used in the July 1, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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

NOTES TO FINANCIAL STATEMENTS

K. PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

Employee mortality rates for PFRS were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021. The actuarial assumptions used in the July 1, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023), 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 and PFRS target asset allocation as of plan year ended June 30, 2023, are summarized in the following table:

Asset Class	Target Allocation	2023
		Long-Term Expected Rate of Return
U.S. equity	28.00%	8.98%
Non-U.S. developed markets equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging markets equity	5.50%	11.13%
Private equity	13.00%	12.50%
Real assets	3.00%	8.40%
Real estate	8.00%	8.58%
High yield	4.50%	6.97%
Private credit	8.00%	9.20%
Investment grade credit	7.00%	5.19%
Cash equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk mitigation strategies	3.00%	6.21%
	<u>100.00%</u>	

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

NOTES TO FINANCIAL STATEMENTS

K. PENSION PLANS (CONTINUED)

Discount Rate

The PERS and PFRS discount rate used to measure the total pension liability was 7.00% as of plan year ended June 30, 2023. 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 and the non-employer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in Discount Rate

The following presents the net pension liability of PERS and 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 one percentage point lower or one percentage rate higher than the current rate:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
Township's Combined Proportionate Share of PERS Plan Year Ended June 30, 2023	<u>\$ 67,079,315</u>	<u>\$ 51,097,835</u>	<u>\$ 38,292,944</u>
Township's Combined Proportionate Share of PFRS Plan Year Ended June 30, 2023	<u>\$ 171,528,911</u>	<u>\$ 103,953,059</u>	<u>\$ 82,784,252</u>

L. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Local Plan Description

The Township provides a single employer post-employment health benefits plan (the "Local OPEB Plan") for its employees and retirees through a single employer defined benefit healthcare plan. The Township followed the accounting provisions of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*. This statement established guidelines for reporting costs associated with OPEB. OPEB costs are calculated based on plan benefits (other than pensions), that the retired employees and their spouses have accrued as a result of their respective years of employment service.

The Township's Local OPEB Plan provides health benefits to all retired Township employees and their spouses, starting at age 55 and 25 years of service. The Local OPEB Plan is a comprehensive health benefits plan which pays for hospital services, doctor expenses and other medical related necessities which include prescription drugs, and mental health/substance abuse services, subject to provisions and limitations. The Local OPEB Plan is not a separate entity or trust and does not issue stand-alone financial statements. Assets are accumulated in a trust that meets the criteria

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

NOTES TO FINANCIAL STATEMENTS

L. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Local Plan Description (Continued)

in paragraph 4 of GASB Statement No. 75. In the Local OPEB Plan there were 691 active and 497 retired employees eligible for benefits at December 31, 2023. The Township funds the Local OPEB Plan in the amount of the current annual premium net of employee contributions for all retired participants. One-hundred percent of retirees are expected to participate.

Local OPEB Plan Total OPEB Liability

The Township's Local OPEB Plan total OPEB liability of \$466,441,318 was measured as of December 31, 2023. The components of the Township's Local OPEB Plan total OPEB liability as of December 31, 2023, are as follows:

	2023
Total OPEB liability	\$ 466,441,318
Plan Fiduciary Net Position	-
Net OPEB Liability	<u>466,441,318</u>
Plan Fiduciary Net Position as a % of total OPEB Liability	0%
Balance Beginning of Year	\$ 424,760,973
Changes for the year:	
Interest Cost	18,147,622
Service Cost	8,145,193
Changes in assumptions for other inputs:	
Difference between expected & actual experience	(1,031,344)
Changes in assumptions	23,823,779
Benefit Payments	<u>(7,404,905)</u>
Net changes	<u>41,680,345</u>
Balance End of Year	<u>\$ 466,441,318</u>

Actuarial Assumptions

The Local OPEB Plan total OPEB liability as of December 31, 2023, was determined by an actuarial valuation as of December 31, 2023, using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Inflation	3.00%
Participation Rate increases	100.00%
Salary increases	3.00%
Mortality:	PUB-2010 mortality table with MP-2021 projection
Healthcare cost trend rates	7.5% decreasing to 4.5%; Part B 4.0%
Discount rate and investment rate of return	4.00%

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

NOTES TO FINANCIAL STATEMENTS

L. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions (Continued)

The discount rate was based on the S&P Municipal Bond 20-Year High Grade Rate Index as of December 29, 2023. Mortality rates were based on the PUB-2010 mortality table using Scale MP-2021 projection. The actuarial assumptions used in the January 1, 2023, valuation and measurement dates were based on the results of an actuarial experience study for the period January 1, 2022 to December 31, 2022, rolled forward to December 31, 2023.

Sensitivity of the Local OPEB Plan Total OPEB Liability

Sensitivity to changes in the discount rate - The following presents the Local OPEB Plan total OPEB liability of the Township, as well as what the Township's Local OPEB Plan total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	At 1% Decrease (3.00%)	At Current Discount Rate (4.00%)	At 1% Increase (5.00%)
December 31, 2023 Local Plan OPEB Liability	<u>\$ 547,743,210.00</u>	<u>\$ 466,441,318.00</u>	<u>\$ 401,585,540.00</u>

Sensitivity to changes in the healthcare cost trend rate - The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

	At 1% Decrease	At Current Discount Rate	At 1% Increase
December 31, 2023 Local Plan OPEB Liability	<u>\$ 398,297,687.00</u>	<u>\$ 466,441,318.00</u>	<u>\$ 553,697,670.00</u>

Local OPEB Plan Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

Following the regulatory basis of accounting used by the Township, OPEB expense is incurred based on the plan contributions made net of employee contributions. For the year ended December 31, 2023, the Township recognized OPEB expense of \$15,836,246.96. Under GASB accounting requirements, for the year ended December 31, 2023, the Township would recognize OPEB expense of \$29,635,934 related to plan experience and assumption loss amortization, service and interest costs. At December 31, 2023, the Township would have reported net deferred outflows of resources of \$160,056,180 and deferred inflows of resources related to OPEB of \$135,749,059. These amounts would be amortized in equal installments of over five years starting in 2024.

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

NOTES TO FINANCIAL STATEMENTS

L. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Local OPEB Plan Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

	December 31, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 133,403,996.00	\$ 14,408,516.00
Changes in assumptions	26,652,184.00	121,340,543.00
	<u>\$ 160,056,180.00</u>	<u>\$ 135,749,059.00</u>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

December 31,	Amount
2024	\$ 3,343,119.00
2025	1,619,219.00
2026	7,773,019.00
2027	7,773,024.00
2028	3,798,740.00
	<u>\$ 24,307,121.00</u>

In addition to the local OPEB Plan, the Township also participates in the State Health Plan for a limited number of participants. The GASB Statement No. 75 report of the State OPEB Plan for the period ended June 30, 2023, was not available as of the date of this report. Per Local Finance Notice 2023-10, issued by the Division of Local Government Services, calendar year municipalities are able to include in their annual audits the most recent audited GASB 75 information published by the State of New Jersey Division of Pensions and Benefits. Thus, the Township included in the note below disclosures based on the period ended June 30, 2022, audited State OPEB Plan information.

State OPEB Plan Description

The Township also participates in a cost-sharing multiple-employer defined post-retirement benefit plan (the "State OPEB Plan"), which is administered by the State of New Jersey. The State OPEB Plan provides continued health care benefits to employees retiring after twenty-five years of service. Benefits, contributions, funding and the manner of administration are determined by the State of New Jersey Legislature. The Division of Pensions and Benefits charges the Township for its contributions. The total number of retired participants eligible for benefits was 5.

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

NOTES TO FINANCIAL STATEMENTS

L. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

State OPEB Plan Description (Continued)

The State OPEB Plan provides medical and prescription drug coverage to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide post-retirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer-paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of post-retirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer-paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription drug coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide post-retirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for post-retirement medical coverage who have less than 20 years of creditable service on June 28, 2011, will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Annual Comprehensive Financial Report (ACFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

State OPEB Plan Allocation Methodology

GASB Statement No. 75 requires participating employers in the State OPEB Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the State OPEB Plan's nonspecial funding situation during the measurement period July 1, 2021 through June 30, 2022.

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

NOTES TO FINANCIAL STATEMENTS

L. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Special Funding Situation

For the State OPEB Plan, under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer. The Township's unaudited portion of the non-employer contributing entities' total proportionate share of the collective net OPEB liability as of plan year ended June 30, 2022, is 0.018248% or \$615,653. The Township's unaudited portion of the non-employer OPEB expense was a credit of \$100,980.

State OPEB Plan Net OPEB Liability

The Township's proportionate share of the State OPEB Plan collective net OPEB liability is 0.004706% and \$760,000, as of plan year ended June 30, 2022, both decreased from the plan year ended June 30, 2021, proportionate share of the State OPEB Plan collective net OPEB liability of .004737% and \$852,649. The Township's unaudited portion of the non-employer contributing entities' total proportionate share of the State OPEB Plan collective net OPEB liability is (.36%) as of December 31, 2023, was 0.018248% and \$615,653. The components of the Township's State OPEB Plan total OPEB liability as of plan year ended June 30, 2022, is as follows:

	State OPEB Plan Year Ended June 30, 2022
Total OPEB Liability	\$ 757,239.00
Plan Fiduciary Net Position	(2,761.00)
Net OPEB Liability	<u>\$ 760,000.00</u>
Plan Fiduciary Net Position as a % of total OPEB Liability	-0.36%

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

NOTES TO FINANCIAL STATEMENTS

L. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

State OPEB Plan Actuarial Assumptions

The State OPEB Plan net OPEB liability as of plan year ended June 30, 2022, was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumption, applied to all periods in the measurement:

Salary increases*	
PERS	
Initial fiscal year applied	
Rate for all future years	2.75 - 6.55%
PFRS	
Rate for all future years	3.25 - 16.25%

PERS Mortality:

Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

PFRS Mortality:

Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

* Salary increases are based on years of service within the respective plan.

Actuarial assumptions used in the July 1, 2021, valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021. One-hundred percent of active members are considered to participate in the Plan upon retirement.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend is initially 6.25% and decreases to a 4.5% long-term trend rate after seven years and for all future years. For post-65 PPO and HMO medical benefits, the actual fully-insured Medical Advantage trend rates for fiscal years 2023 through 2033 and all future years. The rates used for 2023 are -1.89% and -1.99%, respectively, trending to 4.5% in 2033 and for all future years. For prescription drug benefits, the initial trend rate is 8.0% and decreases to a 4.5% long-term trend rate after seven years and for all future years.

Discount Rate

The discount rate for plan year ended June 30, 2022, was 3.54%. This represents the municipal bond return rate as chosen by the State. The source is 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

NOTES TO FINANCIAL STATEMENTS

L. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Sensitivity of the State OPEB Plan Net OPEB Liability

Sensitivity to changes in the discount rate - The following presents the State OPEB Plan collective net OPEB liability of the participating employers as of plan year ended June 30, 2023, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	At 1% Decrease (2.54%)	At Current Discount Rate (3.54%)	At 1% Increase (4.54%)
State OPEB Plan Year Ended June 30, 2022, Liability	<u>\$ 880,993</u>	<u>\$ 760,000</u>	<u>\$ 662,650</u>

Sensitivity to changes in the healthcare cost trend rate - The following presents the State OPEB Plan net OPEB liability as of plan year ended June 30, 2023, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it were calculated using a healthcare trend rate that is one percentage point lower or one percentage point higher than the current rate:

	At 1% Decrease	At Current Discount Rate	At 1% Increase
State OPEB Plan Year Ended June 30, 2022, Liability	<u>\$ 644,731</u>	<u>\$ 760,000</u>	<u>\$ 907,627</u>

State OPEB Plan Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the plan year ended June 30, 2022, the Township recognized State OPEB Plan credit to expense of (\$95,555). At plan year ended June 30, 2022, the Township reported net deferred inflows of resources related to the State OPEB Plan of (\$259,373).

	2022 State OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 39,247	\$ 140,872
Changes in assumptions	101,425	259,373
Net difference between projected and actual investment earnings on pension plan investments	200	-
Changes in proportion	45,118	341,976
	<u>\$ 185,990</u>	<u>\$ 742,221</u>

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

NOTES TO FINANCIAL STATEMENTS

L. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

State OPEB Plan Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Plan Year Ending June 30,</u>	<u>Amount</u>
2023	\$ (68,867)
2024	(68,927)
2025	(54,431)
2026	(24,309)
2027	(5,450)
2028-2029	(37,388)
	<u>\$ (259,373)</u>

The previous amounts do not include employer-specific deferred outflows of resources and deferred inflows of resources related to the changes in proportion. These amounts should be recognized (amortized) by each employer over the average remaining service lives of all plan members, which are 7.82, 7.82, 7.87, 8.05 and 8.14 years for the 2022, 2021, 2020, 2019 and 2018 amounts, respectively.

M. RISK MANAGEMENT

Garden State Municipal Joint Insurance Fund

On February 1, 2002, the Township joined the Garden State Municipal Joint Insurance Fund ("GSMJIF" or the "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 Fund's \$250,000 (subject to annual aggregate limits).

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

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

NOTES TO FINANCIAL STATEMENTS

M. RISK MANAGEMENT (CONTINUED)

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 member's deductible of \$25,000 and a Fund retention of \$25,000.

5. Public Officials Liability

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.

Employment Practices Liability (EPL)

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 the aggregate.

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

Workers' Compensation: \$50,000 SIR Liability: \$50,000
Auto: \$1,000 Deductible (Qualified Vehicles Only)

The GSMJIF 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 404, Woodbridge, New Jersey, 07095-1003.

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 Workers' 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

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

NOTES TO FINANCIAL STATEMENTS

M. RISK MANAGEMENT (CONTINUED)

Pre-2002 Risk Management (Continued)

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 reinstituted 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 includes a self-insured risk retention, and has 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.

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.

N. DEFERRED COMPENSATION PLAN

The Hamilton Township Deferred Compensation Plan was established pursuant to Section 457 of the IRC 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 IRC 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.

The amount held in trust was not available as of December 31, 2023. As of December 31, 2022, the amount held in trust amounted to \$37,490,298.67.

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

NOTES TO FINANCIAL STATEMENTS

O. CONTINGENT LIABILITIES

Pending or Threatened Litigation

As of the date of this report, the Township has 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 M, the Township currently manages its risks through participation in the GSMJIF. 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.

In 2023, the owners of American Metro property did not pay the billed PILOT amount. The amounts related to the PILOT program due to Mercer County and the Township Board of Education were still made by the Township despite not collecting the PILOT funds. As a result, the amount billed plus interest is being sought by the Township through legal remedy.

P. SUBSEQUENT EVENTS

On January 23, 2024, the Township issued bond anticipation notes Series 2024 in the amount of \$69,289,000 consisting of \$47,395,300 general improvement notes and \$19,893,700 in sewer utility notes. This bond anticipation notes matured May 15, 2024. On April 30, 2024, the Township permanently bonded a portion of these bond anticipation notes when it issued general obligation bond Series 2024 in the amount of \$19,075,000. The remainder of the bond anticipation notes were renewed, and new notes issued through a new bond anticipation note issued with the general obligation bonds Series 2024 in the amount of \$54,542,000 consisting of \$32,691,000 general improvement notes and \$21,851,000 in sewer utility notes. This bond anticipation note matures May 14, 2025.

APPENDIX C

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL

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_____, 2025

Township Council of the
Township of Hamilton, in the
County of Mercer, New Jersey

Dear Council Members:

We have acted as bond counsel to the Township of Hamilton, in the County of Mercer, New Jersey (the "Township"), in connection with the issuance by the Township of its \$55,000,000 Bond Anticipation Note, Series 2025B (the "Note"), dated the date hereof. In order to render the opinions herein, we have examined laws, documents and records of proceedings, or copies thereof, certified or otherwise identified to our satisfaction and have undertaken such research and analyses as we have deemed necessary.

The Note is issued pursuant to the Local Redevelopment and Housing Law of the State of New Jersey, N.J.S.A. 40A:12A-1 *et seq.*, and the bond ordinance of the Township listed in the Certificate of Determination and Award prepared in connection with this issue, in all respects duly approved and published as required by law. The Note is a temporary obligation issued in anticipation of the issuance of bonds.

In our opinion, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws or application by a court of competent jurisdiction of legal or equitable principles relating to the enforcement of creditors' rights, the Note is a valid and legally binding obligation of the Township, payable in the first instance from the proceeds of the sale of the bonds in anticipation of which the Note is issued, but, if not so paid, payable ultimately from *ad valorem* taxes that may be levied upon all the taxable property within the Township without limitation as to rate or amount.

On the date hereof, the Township has covenanted in its Arbitrage and Tax Certificate (the "Certificate") to comply with certain continuing requirements that must be satisfied subsequent to the issuance of the Note in order to preserve the tax-exempt status of the Note pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Pursuant to Section 103 of the Code, failure to comply with these requirements could cause interest on the Note to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Note. In the event that the Township continuously complies with its covenants and in reliance on representations, certifications of fact and statements of reasonable expectations made by the Township in the Certificate, it is our opinion that, under existing law, interest on the Note is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, and interest on the Note is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax; however, interest on the Note is included in the "adjusted financial statement income" of certain corporations that are subject to alternative minimum tax under Section 55 of the Code. We express no opinion regarding other federal tax consequences arising with respect to the Note. Further, in our opinion, based upon existing law, interest on the Note and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. These opinions are based on existing statutes, regulations, administrative pronouncements and judicial decisions.

This opinion is issued as of the date hereof. We assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law or interpretations thereof that may occur after the date of this opinion or for any reason whatsoever.

Very truly yours,

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