

TOWNSHIP OF EAST AMWELL

County of Hunterdon

Report of Audit

December 31, 2011 and 2010

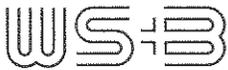
With Independent Auditors' Report

Township of East Amwell
County of Hunterdon
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Township of East Amwell
County of Hunterdon
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Independent Auditors' Report on Audit of the Financial Statements

To the Honorable Mayor & Members of the Township Committee
Township of East Amwell

We have audited the accompanying financial statements-regulatory basis of the individual funds of the Township of East Amwell, ("the Township"), as of and for the years ended December 31, 2011 and 2010, as listed in the foregoing table of contents. These financial statements are the responsibility of the management of the Township. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 1, the financial statements previously referred to have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects on the financial statements of the requirement that the Township prepare its financial statements in accordance with the accounting practices discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the various funds of the Township of East Amwell, County of Hunterdon, State of New Jersey as of December 31, 2011 and 2010, or the results of its operations and changes in fund balance for the years then ended.



Furthermore, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position—regulatory basis of the various funds of the Township of East Amwell, County of Hunterdon, State of New Jersey as of December 31, 2011 and 2010, and the results of its operations and the changes in fund balances—regulatory basis of the individual funds for the years then ended and the revenues, expenditures and fund balances—regulatory basis for the year ended December 31, 2011, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated July 31, 2012 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The accompanying supplemental schedules and information of the individual funds included in the contents of this report are presented for purposes of additional analysis and are not required parts of the basic financial statements. Such schedules and information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2011 and 2010 financial statements.

The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules and information of the individual funds are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

The Fund Summaries and the Statistical Information and Roster of Officials, which are the responsibility of management, are presented for the purpose of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Charles M. Case RMA # 54
Witham Smith & Brown, PC
July 31, 2012



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Certified Public Accountants and Consultants

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Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance With Government Auditing Standards

To the Honorable Mayor & Members of the Township Committee
Township of East Amwell

We have audited the financial statements-regulatory basis of the Township of East Amwell, ("the Township"), as of and for the year ended December 31, 2011, and have issued our report thereon dated July 31, 2012. Our report disclosed that, as described in Note 1 to the financial statements, the Township prepares its financial statements in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which differ from accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Township is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements-regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and recommendations, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and recommendations as item 2011-2 to be a material weakness.



A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and recommendations as items 2011-1 and 2011-3 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as items 2011-1, 2011-2 and 2011-3.

We noted certain matters that we reported to the management of the Township in a separate letter dated July 31, 2012.

This report is intended solely for the information and use of the governing body, management, others within the Township and the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not intended to be and should not be used by anyone other than these specified parties.

Charles M. Case RMA # 54

William Smith + Brown PC

July 31, 2012

Financial Statements

Township of East Amwell

County of Hunterdon

2011

Current Fund

**Township of East Amwell
County of Hunterdon
Current Fund
Comparative Balance Sheets-Regulatory Basis
December 31, 2011 and 2010**

			A
			-1-
	Reference	2011	2010
Assets			
Regular Fund:			
Cash - Treasurer	A-4	\$ 4,973,618.98	\$ 3,661,549.72
Cash - Petty Cash Fund		175.00	175.00
Cash - Change Funds		75.00	75.00
Due from State of NJ-Senior Citizens and Veterans Deductions		250.00	1,000.00
		<u>4,974,118.98</u>	<u>3,662,799.72</u>
Receivables with Offsetting Reserves:			
Delinquent Property Taxes Receivable	A-5	263,363.02	231,799.55
Tax Title Liens Receivable	A-6	4,738.14	4,612.95
Property Acquired for Taxes - Assessed Valuation	A-7	22,300.00	22,300.00
Revenue Accounts Receivable	A-8	1,307.46	2,357.51
Due from Animal Control Trust	B	1,956.08	20.00
Due from Other Trust Funds	B	594.32	
Due from Capital Fund	C		0.39
	A	<u>294,259.02</u>	<u>261,090.40</u>
		<u>5,268,378.00</u>	<u>3,923,890.12</u>
Federal and State Grant Fund:			
Cash	A-4	50,316.44	64,874.71
Grants Receivable	A-12	180,000.00	
		<u>230,316.44</u>	<u>64,874.71</u>
		<u>\$ 5,498,694.44</u>	<u>\$ 3,988,764.83</u>

The Notes to the Financial Statements are an integral part of these statements.

**Township of East Amwell
County of Hunterdon
Current Fund
Comparative Balance Sheets-Regulatory Basis
December 31, 2011 and 2010**

A
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	Reference	2011	2010
Liabilities, Reserves and Fund Balance			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3, A-9	\$ 51,882.48	\$ 25,839.34
Reserve for Encumbrances	A-3, A-9	11,864.09	23,107.44
Taxes Collected in Advance		654,096.02	122,831.95
Reserve for Garden State Trust Fund		17,407.00	17,407.00
Due to Other Trust Funds	B		27.63
Due to Open Space Trust Fund	B	312,007.84	1,520.87
Due to General Capital Fund	C	119,999.45	
Due to Public Assistance Fund	D	20.20	
Due to Payroll Fund	E	27.03	
Due to State of NJ-Marriage Licenses		150.00	50.00
Due to County for Added and Omitted Taxes		11,513.84	13,644.12
Local District School Taxes Payable	A-10	1,998,083.69	1,945,815.54
Regional High School Taxes Payable	A-11	1,445,274.13	1,185,576.74
		<u>4,622,325.77</u>	<u>3,335,820.63</u>
Reserve for Receivables and Other Assets	A	294,259.02	261,090.40
Fund Balance	A-1	<u>351,793.21</u>	<u>326,979.09</u>
		<u>5,268,378.00</u>	<u>3,923,890.12</u>
Federal and State Grant Fund:			
Appropriated Reserves	A-13	228,749.74	62,865.18
Unappropriated Reserves	A-14	1,566.70	2,009.53
		<u>230,316.44</u>	<u>64,874.71</u>
		<u>\$ 5,498,694.44</u>	<u>\$ 3,988,764.83</u>

The Notes to Financial Statements are an integral part of these statements.

Township of East Amwell

County of Hunterdon

Current Fund

Comparative Statements of Operations and Change in Fund Balance-Regulatory Basis

Years Ended December 31, 2011 and 2010

	A-1	
	2011	2010
Revenue and Other Income		
Fund Balance Utilized	\$ 100,000.00	\$ 230,300.00
Miscellaneous Revenue Anticipated	1,136,341.12	946,433.39
Receipts from Delinquent Taxes	231,799.55	257,212.07
Receipts from Current Taxes	14,960,952.81	14,357,076.83
Non-Budget Revenue	37,227.11	31,879.67
Other Credits to Income:		
Unexpended Balances of Appropriation Reserves and Reserve for Encumbrances	15,411.66	25,992.85
Interfund Receivables Realized	22.41	46.53
Due from West Amwell Township		7,391.82
Tax Overpayments Cancelled	0.79	2.35
	<u>16,481,755.45</u>	<u>15,856,335.51</u>
Expenditures		
Budget Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	572,499.01	600,718.00
Other Expenses	630,288.99	608,166.00
Deferred Charges and Statutory Expenditures - Municipal	104,203.00	99,613.67
Operations Excluded From "CAPS" Operations:		
Salaries and Wages	4,243.00	4,820.00
Other Expenses	316,225.80	80,601.18
Capital Improvements	63,300.00	270,000.00
Municipal Debt Service	657,676.14	673,332.47
Municipal Open Space Tax	316,458.57	316,350.87
Fire District Tax	188,172.00	184,483.00
County Taxes	2,784,006.60	2,769,572.79
Due to County for Added and Omitted Taxes	11,513.84	13,644.12
Local District School Tax	6,611,971.00	6,487,349.00
Regional High School Tax	4,090,334.74	3,570,940.10
Interfunds Advanced	5,973.64	
Refund Prior Year Revenue	75.00	300.00
	<u>16,356,941.33</u>	<u>15,679,891.20</u>
Excess In Revenue	124,814.12	176,444.31
Fund Balance, January 1	326,979.09	380,834.78
	<u>451,793.21</u>	<u>557,279.09</u>
Decrease - Utilization as Anticipated Revenue	100,000.00	230,300.00
	<u>351,793.21</u>	<u>326,979.09</u>
Fund Balance, December 31	<u>\$ 351,793.21</u>	<u>\$ 326,979.09</u>

The Notes to Financial Statements are an integral part of these statements.

Township of East Amwell
County of Hunterdon
Current Fund
Statement of Revenues-Regulatory Basis
Year Ended December 31, 2011

A-2
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	Anticipated		Realized	Excess (Deficit)
	Budget	Special NJSA 40A:4-87		
Fund Balance Anticipated	\$ 100,000.00	\$	\$ 100,000.00	\$
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	2,400.00		2,472.00	72.00
Fees and Permits	22,000.00		39,196.00	17,196.00
Fines and Costs:				
Municipal Court	30,000.00		31,644.48	1,644.48
Interest and Costs on Taxes	67,500.00		68,778.48	1,278.48
Interest on Investments and Deposits	25,000.00		26,423.36	1,423.36
Rental Municipal Building	4,360.00		4,350.00	(10.00)
Consolidated Munc. Property Tax Relief Aid	29,781.00		29,781.00	
Energy Receipts Tax (P.L. 1997, Chp. 162 & 167)	272,399.00		272,399.00	
Garden State Preservation Trust Fund	17,407.00		17,407.00	
Recycling Tonnage Grant	2,009.53		2,009.53	
Clean Communities Program	11,764.84		11,764.84	
Hunterdon County Open Space, Recreation, Farmland and Historic Preservation Trust Fund-Municipal Grants Program	24,315.43		24,315.43	
Historic Preservation Grant		61,800.00	61,800.00	
SNJDOT Municipal Aid Program for Pedestrian Safety Improvements	180,000.00		180,000.00	
Reserve for Kanack Payment of Debt	133,263.57		133,263.57	
Reserve for Payment of Debt Service	12,665.74		12,665.74	
Reserve to Pay Open Space Debt Service	218,070.69		218,070.69	
	<u>1,052,936.80</u>	<u>61,800.00</u>	<u>1,136,341.12</u>	<u>21,604.32</u>
Receipts from Delinquent Taxes	231,799.00		231,799.55	0.55
Amounts to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	1,183,679.00		1,208,342.06	24,663.06
Budget Totals	2,568,414.80	61,800.00	2,676,482.73	46,267.93
Non-Budget Revenue			37,227.11	37,227.11
	<u>\$ 2,568,414.80</u>	<u>\$ 61,800.00</u>	<u>\$ 2,713,709.84</u>	<u>\$ 83,495.04</u>

Township of East Amwell
 County of Hunterdon
 Current Fund
 Statement of Revenues-Regulatory Basis
 Year Ended December 31, 2011

A-2
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Allocation of Current Tax Collections

Collections Realized		\$ 14,960,952.81
Allocated to:		
Municipal Open Space Tax	\$ 316,458.57	
Fire District Tax	188,172.00	
County Taxes	2,784,006.60	
County Share of Added and Omitted Taxes	11,513.84	
Local District School Tax	6,611,971.00	
Regional High School Tax	4,090,334.74	
		<u>14,002,456.75</u>
Balance for Support of Budget Appropriations		958,496.06
Increased by: Appropriation - Reserve for Uncollected Taxes		<u>249,846.00</u>
Amount for Support of Municipal Budget Appropriations		<u>\$ 1,208,342.06</u>

Analysis of Fees and Permits - Other

Treasurer:		
Board of Adjustment		\$ 75.00
Board of Health		23,575.00
Clean Up Day		1,393.00
Planning Board		13,238.00
Registrar of Vital Statistics		15.00
Smoke Detectors		900.00
		<u>\$ 39,196.00</u>

Township of East Amwell
County of Hunterdon
Current Fund
Statement of Revenues-Regulatory Basis
Year Ended December 31, 2011

A-2
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Analysis of Non-Budget Revenue

Appropriation Refunds-2010	\$	15,712.76
Cable TV Franchise Fee		3,331.10
Certified Lists		120.00
Clerk - Various		1,060.50
County of Hunterdon-Poll Rent		400.00
Energy Refund		1,300.18
Insurance Refund		5,293.07
Miscellaneous - Collector		80.00
Miscellaneous-Treasurer		211.32
Motor Vehicle Inspection Fine		815.00
Prior Year's Voided Checks		103.71
State of NJ-Vets & Senior Citizens Admin. Fee		910.00
Tax Premiums Cancelled		7,300.00
Verizon Franchise Fee		589.47
		<hr/>
	\$	<u>37,227.11</u>

Township of East Amwell
County of Hunterdon
Current Fund
Statement of Expenditures-Regulatory Basis
Year Ended December 31, 2011

A-3
-1-

	Appropriations		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT FUNCTIONS:					
General Administration:					
Salaries and Wages	\$ 70,762.00	\$ 70,112.00	\$ 69,160.26	\$ 191.74	\$ 760.00
Other Expenses	31,800.00	31,800.00	27,845.34	1,954.66	2,000.00
Mayor and Committee:					
Salaries and Wages	12,060.00	12,060.00	12,060.00		
Other Expenses	250.00	250.00	105.00		145.00
Municipal Clerk:					
Salaries and Wages	77,960.00	78,525.00	78,522.48	2.52	
Other Expenses	6,775.00	6,775.00	5,941.74	833.26	
Financial Administration:					
Salaries and Wages	40,869.00	35,629.00	35,626.19	2.81	
Other Expenses	9,060.00	8,060.00	7,094.18	965.82	
Audit Services:					
Other Expenses	21,500.00	21,500.00	21,500.00		
Revenue Administration:					
Salaries and Wages	34,170.00	34,170.01	34,170.01		
Other Expenses	7,800.00	7,800.00	6,832.07	667.93	300.00
Tax Assessment Administration:					
Salaries and Wages	29,903.00	29,903.00	29,903.00		
Other Expenses	6,300.00	4,800.00	1,651.94	2,148.06	1,000.00
Legal Services:					
Other Expenses	30,000.00	30,000.00	21,496.77	8,503.23	
Agricultural Advisory Committee:					
Salaries and Wages	350.00	425.00	404.94	20.06	
Other Expenses	100.00	25.00		25.00	
Engineering Services:					
Other Expenses	5,000.00	5,000.00	2,944.50	1,055.50	1,000.00
Historical Sites Office:					
Salaries and Wages	500.00	800.00	598.77	0.23	201.00
Other Expenses	800.00	500.00	258.94	241.06	
LAND USE ADMINISTRATION:					
Planning Board:					
Salaries and Wages	17,000.00	17,000.00	15,539.36	60.64	1,400.00
Other Expenses	17,400.00	17,400.00	15,133.28	2,266.72	
Zoning Board of Adjustment:					
Salaries and Wages	29,394.00	29,394.00	27,906.51	87.49	1,400.00
Other Expenses	5,250.00	5,250.00	3,345.33	1,904.67	
INSURANCE:					
General Liability Insurance	81,317.00	81,317.00	80,618.00	699.00	
Workmens Compensation Insurance	28,878.00	28,878.00	28,878.00		
Employee Group Health Insurance	144,954.00	154,158.99	144,777.94	7,381.05	2,000.00
PUBLIC SAFETY FUNCTIONS:					
Office of Emergency Management:					
Other Expenses	1,000.00	1,000.00		500.00	500.00
Aid to Volunteer Ambulance Companies	29,000.00	29,000.00	29,000.00		
Fire Prevention Bureau:					
Salaries and Wages	600.00	1,100.00	1,000.00		100.00
Other Expenses	150.00	300.00	298.00	2.00	
Municipal Court:					
Salaries and Wages	34,193.00	34,193.00	34,096.90	0.10	96.00
Other Expenses	7,700.00	7,700.00	6,791.53	8.47	900.00
Public Defender (P.L. 1997, C.256):					
Salaries and Wages	1,105.00	1,105.00	1,008.00		97.00
Municipal Prosecutors Office:					
Salaries and Wages	11,267.00	11,267.00	11,267.00		

Township of East Amwell
 County of Hunterdon
 Current Fund
 Statement of Expenditures-Regulatory Basis
 Year Ended December 31, 2011

A-3
 -2-

	Appropriations		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
OPERATIONS - WITHIN "CAPS"					
PUBLIC WORKS FUNCTIONS:					
Streets and Roads Maintenance:					
Salaries and Wages	\$ 212,500.00	\$ 207,500.00	\$ 202,603.93	\$ 896.07	\$ 4,000.00
Other Expenses	83,120.00	83,120.00	71,170.13	1,949.87	10,000.00
Solid Waste Collection:					
Salaries and Wages	1,500.00	1,500.00	1,380.90	119.10	
Other Expenses	3,250.00	3,250.00	3,250.00		
Vehicle Maintenance:					
Other Expenses	15,000.00	17,000.00	15,053.76	1,946.24	
Buildings and Grounds:					
Other Expenses	22,500.00	22,500.00	20,687.34	1,812.66	
HUMAN SERVICES:					
Public Health Services:					
Salaries and Wages	6,600.00	6,670.00	6,666.24	3.76	
Other Expenses	21,500.00	21,500.00	12,132.55	6,867.45	2,500.00
Environmental Health Services:					
Salaries and Wages	2,000.00	2,000.00	1,516.98	0.02	483.00
Other Expenses	850.00	850.00	709.16	140.84	
Welfare/Admin of Public Assistance:					
Salaries and Wages	2,563.00	2,563.00	2,552.42	10.58	
Other Expenses	300.00	300.00	120.28	179.72	
Contribution to Social Service Agencies-Statutory:					
Other Expenses	750.00	750.00	750.00		
RECREATION AND EDUCATION:					
Recreation Services & Programs:					
Salaries and Wages	6,120.00	6,120.00	5,708.31	411.69	
Other Expenses	7,650.00	7,650.00	5,580.36	1,069.64	1,000.00
UTILITY EXPENSES AND BULK PURCHASES:					
Electricity	15,000.00	15,100.00	13,853.25	1,246.75	
Street Lighting	4,600.00	4,600.00	4,315.76	284.24	
Telephone	9,000.00	9,000.00	7,645.01	1,354.99	
Fuel Oil	4,700.00	4,700.00	3,436.55	1,263.45	
Gasoline	18,000.00	18,800.00	17,210.54	1,589.46	
Total Operations Within "CAPS"	1,232,670.00	1,232,670.00	1,152,119.45	50,668.55	29,882.00
Contingent					
Total Operations Including Contingent - Within "CAPS"	1,232,670.00	1,232,670.00	1,152,119.45	50,668.55	29,882.00
DETAIL:					
Salaries and Wages	590,816.00	580,936.01	570,692.20	1,806.81	8,437.00
Other Expenses - (Including Contingent)	641,854.00	651,733.99	581,427.25	48,861.74	21,445.00

Township of East Amwell
County of Hunterdon
Current Fund
Statement of Expenditures-Regulatory Basis
Year Ended December 31, 2011

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	Appropriations		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
OPERATIONS - WITHIN "CAPS"					
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	47,000.00	47,000.00	45,707.63	292.37	1,000.00
Public Employees Retirement System	55,633.00	55,633.00	55,633.00		
Defined Contribution Retirement Program	250.00	250.00	217.93	32.07	
Unemployment Insurance	500.00	500.00	500.00		
Compensation Plan:					
Other Expenses	1,820.00	1,820.00	1,820.00		
Total Deferred Charges & Statutory Expenditures -Municipal Within "CAPS"	105,203.00	105,203.00	103,878.56	324.44	1,000.00
Total General Appropriations for Municipal Purposes Within "CAPS"	1,337,873.00	1,337,873.00	1,255,998.01	50,992.99	30,882.00
OPERATIONS - EXCLUDED FROM "CAPS"					
NJPDES Stormwater Permit (N.J.S.A. 40A: 4-45.3 (cc))					
Public Health Services:					
Other Expenses	3,500.00	3,500.00	2,173.00	327.00	1,000.00
Insurance (N.J.S.A. 40A: 4-45.3(00))					
Employee Group Health Insurance	16,746.00	16,746.00	16,746.00		
Affordable Housing Agency:					
Salaries and Wages	4,243.00	4,243.00	4,243.00		
Other Expenses	500.00	500.00		500.00	
Recycling Enhancement Act (P.L. 2007 C311)	100.00	100.00	37.51	62.49	
Statutory Expenditures:					
Shared Service Agreements					
With Raritan Township:					
Police:					
Other Expenses	15,000.00	15,000.00	15,000.00		
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES					
Clean Communities Program:					
Other Expenses	11,764.84	11,764.84	11,764.84		
Recycling Tonnage Grant	2,009.53	2,009.53	2,009.53		
SNJDOT Municipal Aid Program for Pedestrian Safety Improvements for the Village of Ringoes	180,000.00	180,000.00	180,000.00		
County Historic Preservation Grant		61,800.00	61,800.00		
Hunterdon County Open Space, Recreation, Farmland and Historic Preservation Trust Fund - Municipal Grants Program	24,315.43	24,315.43	24,315.43		
SFSP Fire District Payment	1,490.00	1,490.00	1,490.00		
Matching Funds for Grants	50.00	50.00			50.00
Total Operations - Excluded from "CAPS"	259,718.80	321,518.80	319,579.31	889.49	1,050.00
Detail:					
Salaries and Wages	4,243.00	4,243.00	4,243.00		
Other Expenses	255,475.80	317,275.80	315,336.31	889.49	1,050.00

Township of East Amwell
 County of Hunterdon
 Current Fund
 Statement of Expenditures-Regulatory Basis
 Year Ended December 31, 2011

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	Appropriations		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES					
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	\$ 63,300.00	\$ 63,300.00	\$ 63,300.00	\$	\$
Total Capital Improvements	63,300.00	63,300.00	63,300.00		
OPERATIONS - EXCLUDED FROM "CAPS"					
MUNICIPAL DEBT SERVICE:					
Payment of Bond Principal	345,000.00	345,000.00	345,000.00		
Payment of Bond Anticipation Notes and Capital Notes	110,000.00	110,000.00	110,000.00		
Interest on Bonds	158,047.00	158,047.00	158,046.18		0.82
Interest on Notes	9,790.00	9,790.00	9,790.00		
Loan Repayments for Principal and Interest	34,840.00	34,840.00	34,839.96		0.04
Total Municipal Debt Service	657,677.00	657,677.00	657,676.14		0.86
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	980,695.80	1,042,495.80	1,040,555.45	889.49	1,050.86
Subtotal General Appropriations	2,318,568.80	2,380,368.80	2,296,553.46	51,882.48	31,932.86
Reserve for Uncollected Taxes	249,846.00	249,846.00	249,846.00		
	\$ 2,568,414.80	\$ 2,630,214.80	\$ 2,546,399.46	\$ 51,882.48	\$ 31,932.86
Original Budget		\$ 2,568,414.80			
Appropriation by 40A:4-87		61,800.00			
		\$ 2,630,214.80			
Federal and State Grant Funds			\$ 193,774.37		
County Historic Preservation Grant			61,800.00		
Hunterdon County Municipal Grants Program			24,315.43		
Reserve for Encumbrances			11,864.09		
Reserve for Uncollected Taxes			249,846.00		
Disbursed			2,035,087.32		
			2,576,687.21		
Receipts			30,287.75		
			\$ 2,546,399.46		

Township of East Amwell

County of Hunterdon

2011

Trust Fund

Township of East Amwell
County of Hunterdon
Trust Fund
Comparative Balance Sheets-Regulatory Basis
December 31, 2011 and 2010

			B
	Reference	2011	2010
Assets			
Animal Control Fund:			
Cash - Treasurer	B-1	\$ 11,127.84	\$ 7,706.39
Change Fund		15.00	15.00
Total Animal Control Fund		<u>11,142.84</u>	<u>7,721.39</u>
Other Trust Funds:			
Cash - Treasurer	B-1	517,723.23	327,636.07
Due from Current Fund	A		27.63
		<u>517,723.23</u>	<u>327,663.70</u>
Open Space Trust Fund:			
Cash	B-1	1,334,017.58	1,277,568.91
Due from Current Fund	A	312,007.84	1,520.87
Due from Hunterdon County Open Space Trust		30,900.00	
Total Open Space Trust Fund		<u>1,676,925.42</u>	<u>1,279,089.78</u>
		<u>\$ 2,205,791.49</u>	<u>\$ 1,614,474.87</u>
Liabilities, Reserves and Fund Balance			
Animal Control Fund:			
Due to Current Fund	A	\$ 1,956.08	\$ 20.00
License Overpayments		25.00	25.00
Reserve for Animal Control Expenditures	B-3	9,161.76	7,676.39
Total Animal Control Fund		<u>11,142.84</u>	<u>7,721.39</u>
Other Trust Funds:			
Due to Current Fund	A	594.32	
Trust Fund Reserves	B-4	517,128.91	327,663.70
Total Other Trust Funds		<u>517,723.23</u>	<u>327,663.70</u>
Open Space Trust Fund:			
Due to General Capital Fund	C	0.08	0.04
Reserve for Open Space	B-5	1,615,125.34	1,279,089.74
Reserve for Preservation of Clawson House		61,800.00	
Total Open Space Trust Fund		<u>1,676,925.42</u>	<u>1,279,089.78</u>
		<u>\$ 2,205,791.49</u>	<u>\$ 1,614,474.87</u>

The Notes to Financial Statements are an integral part of these statements.

Township of East Amwell

County of Hunterdon

2011

General Capital Fund

**Township of East Amwell
County of Hunterdon
General Capital Fund
Comparative Balance Sheets-Regulatory Basis
December 31, 2011 and 2010**

		C	
	Reference	2011	2010
Assets			
Cash	C-2	\$ 400,550.83	\$ 1,254,332.80
Due from Current Fund		119,999.45	
Due from Open Space Trust Fund	B	0.08	0.04
Fair Housing Loans Receivable		40,000.00	40,000.00
SNJ DOT Grants Receivable:			
Spring Hill Road Improvement Project			30,000.00
Road Improvements to Back Brook Road			86,100.00
Road Improvements to Lindbergh Road			100,000.00
Dutch Lane Road Improvement Project		40,000.00	160,000.00
Deferred Charges to Future Taxation:			
Funded	C-4	4,633,643.03	5,005,408.00
Unfunded	C-5	1,270,445.16	1,409,000.00
		<u>\$ 6,504,638.55</u>	<u>\$ 8,084,840.84</u>
Liabilities, Reserves and Fund Balance			
General Serial Bonds Payable	C-10	\$ 4,250,000.00	\$ 4,595,000.00
Bond Anticipation Notes	C-9	780,000.00	890,000.00
Green Trust Loan Advance/Payable	C-8	383,643.03	410,408.00
Capital Improvement Fund	C-6	142,894.38	228,322.74
Improvement Authorizations:			
Funded	C-7	331,612.29	893,402.58
Unfunded	C-7	446,665.02	849,353.90
Due to Current Fund	A		0.39
Reserve for Kanack - Payment of Debt			133,263.57
Reserve for Kanack (Harrison) - Payment of Debt			
Reserve for Payment of Debt Service			12,665.74
Reserve for Fair Housing Loans Receivable		40,000.00	40,000.00
Reserve for Preliminary Expenses:			
Farmland Preservation and/or Open Space		6,053.78	16,181.78
Preservation Plan for the Homestead at Clawson Park		4,555.00	4,555.00
Purchase of Tax Liens for Future Open Space Acquisition		5,000.00	5,000.00
Future Road Projects		4,743.00	5,194.00
Pedestrian Improvements for Village of Ringoes		1,336.50	1,405.50
Fund Balance	C-1	<u>108,135.55</u>	<u>87.64</u>
		<u>\$ 6,504,638.55</u>	<u>\$ 8,084,840.84</u>

The Notes to Financial Statements are an integral part of these statements.

**Township of East Amwell
County of Hunterdon
General Capital Fund
Statement of Fund Balance-Regulatory Basis
Year Ended December 31, 2011**

	C-1
Balance, December 31, 2010 and 2011	\$ 87.64
Increased by:	
Permanently Funded Improvement Authorization Cancelled	<u>108,047.91</u>
Balance, December 31, 2011	<u><u>\$ 108,135.55</u></u>

The Notes to Financial Statements are an integral part of this statement.

Township of East Amwell

County of Hunterdon

2011

Public Assistance Fund

Township of East Amwell
County of Hunterdon
Public Assistance Fund
Comparative Balance Sheets-Regulatory Basis
December 31, 2011 and 2010

			D
	Reference	2011	2010
Assets			
Cash	D-1	\$ 28,309.70	\$ 24,474.41
Due to Current Fund	A	20.20	-
		<u>\$ 28,329.90</u>	<u>\$ 24,474.41</u>
Liabilities, Reserves and Fund Balance			
Reserve for Public Assistance		<u>\$ 28,329.90</u>	<u>\$ 24,474.41</u>

The Notes to Financial Statements are an integral part of these statements.

Township of East Amwell

County of Hunterdon

2011

Payroll Fund

Township of East Amwell
County of Hunterdon
Payroll Fund
Comparative Balance Sheets-Regulatory Basis
December 31, 2011 and 2010

			E
	Reference	2011	2010
Assets			
Cash	E-1	\$	\$ 79.59
Due from Current Fund	A	27.03	
		\$ 27.03	\$ 79.59
Liabilities, Reserves and Fund Balance			
Cash Deficit		\$ 27.03	\$
Payroll Taxes Payable	E-2		79.59
		\$ 27.03	\$ 79.59

The Notes to Financial Statements are an integral part of these statements.

Township of East Amwell

County of Hunterdon

2011

General Fixed Assets

**Township of East Amwell
 County of Hunterdon
 Statement of General Fixed Assets-Regulatory Basis
 Years Ended December 31, 2011 and 2010**

		F
	2011	2010
General Fixed Assets:		
Land	\$ 1,976,833.50	\$ 1,976,833.50
Buildings and Improvements	1,293,249.07	1,293,249.07
Machinery and Equipment	<u>1,183,289.26</u>	<u>1,183,289.26</u>
	<u>\$ 4,453,371.83</u>	<u>\$ 4,453,371.83</u>
Investment in General Fixed Assets	<u>\$ 4,453,371.83</u>	<u>\$ 4,453,371.83</u>

The Notes to Financial Statements are an integral part of these statements.

Township of East Amwell
Notes to Financial Statements
December 31, 2011 and 2010

1. Summary of Significant Accounting Policies

Reporting Entity

Except as noted below, the financial statements of the Township of East Amwell include every board, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of East Amwell as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements do not include the operations of the local or regional school board, the Fire Commissioners, first aid squad, and the joint municipal court, all of which are subject to separate audit. Included within the financial statements are taxes levied, collected, and turned over to the local and regional school boards, the County of Hunterdon and the Fire Commissioners and appropriations for contributions to the first aid squad.

Description of Funds

The Township of East Amwell uses funds and account groups to report its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance with the policies and procedures required by the State of New Jersey, Division of Local Government Services and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in funds because they do not directly affect net expendable available resources.

Governmental Funds

Current Fund - resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

Trust Fund - receipt, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund - receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund. Current and long-term debt is recorded in this fund.

Public Assistance Fund - receipt and disbursement of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey Statutes.

Payroll Fund - funds used to pay employees and related payroll deductions and taxes.

Account Groups

General Fixed Assets Account Group - used to account for all fixed assets of the Township of East Amwell, other than those accounted for in proprietary or trust funds.

Regulatory Basis Presentation

The accounting policies of the Township of East Amwell conform to the accounting principles and practices applicable to municipalities which have been prescribed by the New Jersey Department of Community Affairs, Division of Local Government Services. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting the stewardship of public officials with respect to public funds.

Township of East Amwell
Notes to Financial Statements
December 31, 2011 and 2010

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

Revenues - are recorded when received in cash except for certain amounts, which are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the Township budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Expenditures - are reported on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuances of a purchase order (in conjunction with the Encumbrance Accounting System). Outstanding encumbrances at December 31 are shown as encumbrances payable in the financial statements. Appropriation reserves covering unexpended appropriation balances are created automatically at December 31 of each year and recorded as liabilities, except for amounts, which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis. Interest on the general capital indebtedness is also on the cash basis.

Deferred Charges to Future Taxation-Funded and Unfunded (Capital Fund) - Upon authorization of capital projects, the Township establishes deferred charges for the cost of the capital projects that are to be raised by future taxation. Deferred charges that relate to permanent debt issued are shown as funded. All other deferred charges are shown as unfunded.

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

Tax Title Liens - are taxes, which have been put up for sale but have not been purchased. The Township then accepts the lien, which will earn 18% per annum until the lien is paid off by the property owner. The Township may choose to foreclose on the property and return the property to the tax rolls.

Joint Insurance Fund - The Township participates in a Joint Insurance Fund for its general and auto liability, property and automobile physical damage, workers compensation and public officials' liability.

Interfunds - interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

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

General Fixed Assets - In accordance with Technical Accounting Directive No. 85-2, issued in 1985, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, all local government units are required to have and maintain a fixed asset accounting and reporting system for general fixed assets. In accordance with this Directive, all general fixed assets owned as of December 31, 1985 are to be valued at cost, estimated historical cost or any other reasonable basis. For all general fixed assets acquired beginning January 1, 1986, the required basis for valuation is actual cost.

The Township has developed a fixed asset accounting and reporting system based on an inventory of all Township assets. Fixed assets used in governmental operations are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets, sidewalks and drainage systems are not capitalized.

Township of East Amwell
Notes to Financial Statements
December 31, 2011 and 2010

All fixed assets are valued at historical cost, or estimated historical cost, if actual historical cost is not available, except for land and buildings at January 1, 1986, which were valued at assessed valuation.

No depreciation has been provided for in the financial statements.

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

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

Departures from Generally Accepted Accounting Principles - The accounting principles followed by the Township of East Amwell differ in some respects from generally accepted accounting principles applicable to local government units. Some of these differences may be material. The more significant differences are as follows:

- a. Property tax receivables, interfund receivables, and other receivables, which are susceptible to accrual, are fully reserved and not recognized as revenue until the cash is received.
- b. Unexpended and uncommitted appropriations are reflected as expenditures for the current year and cancelled to fund balance at the end of the following year.
- c. Overexpended appropriations and emergency appropriations are deferred to succeeding years' operations.
- d. Liabilities for sick and vacation pay and for contributions to state administered pension plans are not recorded until paid.
- e. Losses arising from tax appeals and other contingencies are not recorded until paid.

It is not practical to determine the effect of such differences on the financial statements.

2. Deposits and Investments

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 agency of the United States that insures deposits or the State of New Jersey Cash Management Fund. New Jersey statutes require public depositories to maintain collateral for deposit of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5 percent of the average daily balance of 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.

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. The State of New Jersey Cash Management fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature within one year. Collateralization of fund investments is generally not required.

The cash on deposit is partially insured by federal deposit insurance in the amount of \$250,000 for interest bearing accounts in each depository. There is no limit on the coverage for non-interest bearing accounts. Balances above the federal deposit insurance amount are insured by the Government Unit Deposit Protection Act (GUDPA), N.J.S.A. 17:9-41, et seq., which insures all New Jersey governmental units' deposits in excess of the federal deposit insurance maximums. Cash determined by the Township Committee consists of all bank accounts.

Township of East Amwell
Notes to Financial Statements
December 31, 2011 and 2010

As of December 31, 2011, the Township's cash accounts consisted of:

TD Bank	\$ 412,350.31
Hopewell Valley Community Bank	6,897,198.57
Citi Fund Services-New Jersey State Cash Management	<u>6,419.03</u>
	<u>\$ 7,315,967.91</u>

The carrying amount of the Township's cash and cash equivalents at December 31, 2011 was \$7,314,985.77 and the bank balance was \$7,315,967.91. Of the balance, \$5,927,676.00 was covered by federal depository insurance and \$ 1,388,291.91 was covered by the Government Unit Deposit Protection Act (GUDPA), N.J.S.A. 17:9-41, et seq. for all New Jersey governmental units' deposits in excess of the federal deposit maximums.

The cash deposits held at financial institutions can be categorized according to three levels of risk as described below:

Category 1	Deposits which are covered by FDIC, or collateralized by securities held by the Township or its agent, in the Township's name	\$ 5,927,676.00
Category 2	Deposits which are collateralized with securities held by the pledging financial institution's trust department, or Agent in the Township's name	1,388,291.91
Category 3	Deposits which are not collateralized or insured	---

Investments

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

- (a) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (b) Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Associates or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- (c) Bonds or other obligations of the Township or bonds or other obligations of school districts of which the Township is a part or within which the school district is located.
- (d) Bonds or other obligations, having a maturity date of not more than twelve months from the date of purchase, which are approved by the New Jersey Department of Treasury, Division of Investments.
- (e) Qualified mutual funds with portfolios limited to (i) bonds or other obligations of, or guaranteed by, the United States of America; and (ii) repurchase agreements fully collateralized by such obligations. These investments must be transacted only through national or state banks located within New Jersey.

During the year, the Township had none of its idle funds invested in repurchase agreements collateralized by eligible securities. At the close of the year, no such investments were held by the Township.

**Township of East Amwell
Notes to Financial Statements
December 31, 2011 and 2010**

3. Long Term Debt

Municipal Debt consists of the following at December 31:

	2011	2010	2009
Issued:			
General:			
Bonds and notes	\$5,030,000.00	\$5,485,000.00	\$5,880,000.00
NJDEP Green Acres loan payable	<u>383,643.03</u>	<u>410,408.00</u>	<u>436,645.60</u>
	\$5,413,643.03	\$5,895,408.00	\$6,316,645.60
Authorized but not issued:			
General:			
Bonds and notes	<u>490,445.16</u>	<u>519,000.00</u>	<u> --</u>
	<u>\$5,904,088.19</u>	<u>\$6,414,408.00</u>	<u>\$6,316,645.60</u>

Summary of Regulatory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicates a regulatory net debt of .74%.

	Gross Debt	Deductions	Net Debt
Local school district debt	\$1,290,000.00	\$1,290,000.00	\$ --
Regional High School district debt	1,637,849.00	1,637,849.00	--
General debt	<u>5,904,088.19</u>	<u> --</u>	<u>5,904,088.19</u>
	<u>\$8,831,937.19</u>	<u>\$2,927,849.00</u>	<u>\$5,904,088.19</u>

Net debt \$5,904,088.19 divided by equalized valuation basis per NJSA 40A:2-2 as amended, \$798,728,915.00 = .74%.

Borrowing Power Under NJSA 40A:2-6 As Amended

3.5% of equalized valuation basis	\$27,955,512.03
Net debt	<u>5,904,088.16</u>
Remaining borrowing power	<u>\$22,051,423.87</u>

Township of East Amwell
Notes to Financial Statements
December 31, 2011 and 2010

Schedule of Annual Debt Service for principal and interest for general serial bonds issued and outstanding

Year	Principal	Interest	Total
2012	\$ 355,000.00	\$ 145,452.50	\$ 500,452.50
2013	380,000.00	133,407.50	513,407.50
2014	400,000.00	120,627.50	520,627.50
2015	395,000.00	107,622.50	502,622.50
2016	430,000.00	92,635.00	522,635.00
2017-2021	1,890,000.00	244,933.75	2,134,933.75
2022-2023	400,000.00	17,500.00	417,500.00
	<u>\$4,250,000.00</u>	<u>\$ 862,178.75</u>	<u>\$5,112,178.75</u>

Schedule of Annual Debt Service for Principal and Interest for New Jersey Department of Environmental Protection Green Acres Loan Payable

Year	Principal	Interest	Total
2012	27,302.94	7,537.03	34,839.97
2013	27,851.73	6,988.24	34,839.97
2014	28,411.56	6,428.41	34,839.97
2015	28,982.62	5,857.35	34,839.97
2016	29,565.18	5,274.79	34,839.97
2017-2021	156,982.30	17,217.54	174,199.84
2022-2024	84,546.70	2,553.23	87,099.93
	<u>\$ 383,643.03</u>	<u>\$ 51,856.59</u>	<u>\$ 435,499.62</u>

4. Refunding Bond

On August 31, 2010, the Township issued a refunding bond which was refunding the outstanding callable general improvement bonds dated March 1, 1998 and February 1, 2001. This refunding bond is refunding the following outstanding callable bonds which were due as follows.

General Improvement of 1998

Year	Principal	Interest	Total
2012	\$ 95,000.00	\$ 34,952.50	\$ 129,952.50
2013	105,000.00	29,952.50	134,952.50
2014	105,000.00	24,702.50	129,702.50
2015	105,000.00	19,426.25	124,426.25
2016	110,000.00	13,997.50	123,997.50
2017-2018	220,000.00	11,220.00	231,220.00
	<u>\$ 740,000.00</u>	<u>\$ 134,251.25</u>	<u>\$ 874,251.25</u>

**Township of East Amwell
Notes to Financial Statements
December 31, 2011 and 2010**

General Improvement of 2001

Year	Principal	Interest	Total
2012	\$ 125,000.00	\$ 70,485.00	\$ 195,485.00
2013	125,000.00	64,610.00	189,610.00
2014	150,000.00	58,147.50	208,147.50
2015	150,000.00	51,097.50	201,097.50
2016	165,000.00	43,695.00	208,695.00
2017-2021	<u>840,000.00</u>	<u>100,421.25</u>	<u>940,421.25</u>
	<u>\$ 1,555,000.00</u>	<u>\$ 388,456.25</u>	<u>\$1,943,456.25</u>

The purpose of the Bonds is to (i) currently refund all of the outstanding callable principal amount of the originally issued \$1,600,000 General Improvement Bonds of the Township dated March 1, 1998 and maturing on or after March 1, 2011 (the "1998 Refunded Bonds") at par, plus any unpaid accrued interest to October 4, 2010 (the "1998 Redemption Date"); (ii) advance refund all of the outstanding callable principal amount of the originally issued \$2,500,000 General Improvement Bonds of the Township dated February 1, 2001 and maturing on or after February 1, 2012 (the "2001 Refunded Bonds") at par, plus any unpaid accrued interest to February 1, 2011 (the "2001 Redemption Date"); and (iii) pay the costs of issuance with respect to the Bonds. The 1998 Refunded Bonds and the 2001 Refunded Bonds are collectively referred to herein as the "Refunded Bonds." The 1998 Redemption Date and the 2001 Redemption Date are collectively referred to herein as the "Redemption Date."

A portion of the proceeds of the Bonds will be deposited upon delivery thereof in an escrow account for the Bonds with TD Bank, N.A., Cherry Hill, New Jersey (the "Escrow Agent"), and such proceeds will be invested in direct non-callable obligations of the United States of America (the "Government Obligations"), the principal of which, together with cash and any investment earnings thereon, will be sufficient to pay, when due, the principal of, redemption premium, if any, and interest on the Refunded Bonds. The Township will give irrevocable instructions to the Escrow Agent on the delivery date to have the Refunded Bonds called for redemption on their Redemption Date.

5. Fund Balance Appropriated

The Current Fund balance at December 31, 2011 which was appropriated and included as anticipated revenue in the Current Fund amounted to \$161,000.00 in the budget adopted for the year 2012.

6. School Taxes

Local district school taxes and regional high school taxes have been raised and liabilities deferred by statute, resulting in the school taxes payable set forth in the Current Fund liabilities as follows:

	<u>Local District School Tax</u>		<u>Regional High School Tax</u>	
	<u>Balance December 31, 2011</u>	<u>Balance December 31, 2010</u>	<u>Balance December 31, 2011</u>	<u>Balance December 31, 2010</u>
Balance of tax	\$2,746,261.19	\$2,693,993.04	\$2,045,167.39	\$1,785,470.00
Deferred	<u>748,177.50</u>	<u>748,177.50</u>	<u>599,893.26</u>	<u>599,893.26</u>
Payable	<u>\$1,998,083.69</u>	<u>\$1,945,815.54</u>	<u>\$1,445,274.13</u>	<u>\$1,185,576.74</u>

Township of East Amwell
Notes to Financial Statements
December 31, 2011 and 2010

7. Taxes Collected In Advance

Taxes collected in advance are classified as prepayments and are set forth as cash liabilities in the financial statements at December 2011 and 2010 as follows:

	2011	2010
Prepaid Taxes	<u>\$654,096.02</u>	<u>\$122,831.95</u>

8. Property Taxes

Property taxes are levied annually and are due quarterly on the following dates: February 1, May 1, August 1 and November 1. Property taxes are considered to be delinquent if not received within ten days of the respective due dates:

9. Pension Plans

Substantially all of the employees of the Township of East Amwell are enrolled in the Public Employees Retirement System ("PERS"). The Division of Pensions in the Department of the Treasury, State of New Jersey, administers the PERS plan. The plan is funded annually based on the projected benefit method with aggregate level normal cost and frozen initial unfunded accrued liability. The plan, which covers public employees throughout the State of New Jersey, does not maintain separate records for each reporting unit and, accordingly, the actuarial data for the employees of the Township who are members of the plan are not available.

The Township's contributions in 2011 and 2010 were \$55,633.00 and \$56,966.00, respectively for PERS. A portion of the annual employer contributions to the pension system represents additional costs for Township participation in an Early Retirement Incentive Program ("ERIP") authorized in a prior period.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits issues publicly available financial reports that include the financial statements and required supplementary information for the PERS. This financial report may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

10. Fixed Assets

The changes in fixed assets are summarized as follows:

	Balance Dec. 31, 2010	Increase	Decrease	Balance Dec. 31, 2011
Land	\$1,976,833.50	\$ --	\$ --	\$1,976,833.50
Building & improvements	1,293,249.07	--	--	1,293,249.07
Machinery & equipment	<u>1,183,289.26</u>	<u>--</u>	<u>--</u>	<u>1,183,289.26</u>
	<u>\$4,453,371.83</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$4,453,371.83</u>

11. Leases

The Township has not entered into any capital lease agreements as of December 31, 2011 and 2010.

12. Compensated Absences

The Township has not permitted employees to accrue unused vacation days. Sick days may be accumulated up to 30 days.

Township of East Amwell
Notes to Financial Statements
December 31, 2011 and 2010

13. Interfund Receivables and Payables:

	Interfund Receivable	Interfund Payable
Current Fund	\$ 2,550.40	\$432,034.32
Animal Control Fund	--	1,956.08
Other Trust Funds	--	594.32
Open Space Trust Fund	312,007.84	.08
Capital Fund	119,999.53	--
Payroll Trust Fund	27.03	--
	<u>\$434,584.80</u>	<u>\$434,584.80</u>

14. Deferred Compensation Plan

The Township of East Amwell Deferred Compensation Plan was established pursuant to Section 457 of the Internal Revenue Code and in accordance with applicable New Jersey statutes and the New Jersey Administrative Code (N.J.A.C. 5:37-1). 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 governing regulations. The Plan is offered by the Township through Lincoln National Life Insurance Company.

15. Contingent Liabilities

The Township's attorney and other legal counsel representing the Township have indicated there are various claims by persons who have asserted tort claims against the Township of East Amwell. These claims have been turned over to the insurance company and those claims should not exceed the policy limits or that there are any uncovered claims asserted.

16. Subsequent Events

The Township has evaluated subsequent events occurring after the balance sheet date through July 31, 2012, which is the date the financial statements were available to be issued. Based on this evaluation, the Township has determined there are no subsequent events that require disclosure in or adjustment to the financial statements.

Supplementary Information-Regulatory Basis

Township of East Amwell

County of Hunterdon

2011

Current Fund

Township of East Amwell
 County of Hunterdon
 Current Fund
 Schedule of Cash-Treasurer
 Year Ended December 31, 2011

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	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance, December 31, 2010	\$ 3,661,549.72	\$ 64,874.71
Increased by Receipts:		
Petty Cash Fund	\$ 175.00	
Taxes Receivable	15,025,170.41	
Interest and Costs on Taxes	68,778.48	
Taxes Collected in Advance	654,096.02	
Tax Overpayments	9,630.39	
Miscellaneous Revenue Not Anticipated	37,227.11	
Revenue Accounts Receivable	772,605.84	
Appropriation Refunds	30,287.75	
Due to State of NJ - Marriage Licenses	450.00	
Due to/from Other Trust Funds	8,217.20	
Due to/from General Capital Fund	120,001.86	
Due to/from Animal Control Trust Fund - settle interfund	20.00	
Due to/from Payroll Trust Fund	1,085.89	
Reserve for Garden State Trust Fund	17,407.00	
State of New Jersey - Senior Citizens' & Veterans' Deductions	45,500.00	
Grants Receivable		\$ 11,764.84
Unappropriated Reserves		1,566.70
Interest Earned		6.39
	<u>16,790,652.95</u>	<u>13,337.93</u>
	20,452,202.67	78,212.64
Decreased by Disbursements:		
Petty Cash Fund	175.00	
Refund Prior Year Revenue	75.00	
2011 Appropriations	2,035,087.32	
2010 Reserve for Encumbrances and Appropriation Reserves	33,535.12	
Refund Revenue Accounts Receivable	2,340.00	
Tax Overpayments	9,629.60	
Due to/from Other Trust Funds	8,811.52	
Due to/from Open Space Trust Fund - Other	4,450.73	
Due to/from Open Space Trust Fund - Added & Omitted Taxes	1,520.87	
Due to/from Animal Control Trust Fund	1,956.08	
Due to Payroll Trust Fund	4,489.53	
Due to State of NJ - Marriage License	350.00	
Fire District Tax	188,172.00	
County Taxes	2,784,006.60	
County Share of Added and Omitted Taxes	13,644.12	
Local District School Tax	6,559,702.85	
Regional High School Tax	3,830,637.35	
Appropriated Reserves		27,889.81
Interest Earned		6.39
	<u>15,478,583.69</u>	<u>27,896.20</u>
Balance, December 31, 2011	<u>\$ 4,973,618.98</u>	<u>\$ 50,316.44</u>

Township of East Amwell
 County of Hunterdon
 Current Fund
 Schedule of Taxes Receivable and Analysis of Property Tax Levy
 Year Ended December 31, 2011

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Year	Balance December 31, 2010	2011 Levy	Collected		Cancelled	State's Share of Senior Citizens & Veterans Deductions Allowed-Net	Transferred to Tax Title Liens	Balance December 31, 2011
			2010	2011				
2006	\$	\$	\$	250.00	\$	(250.00)	\$	\$
2007				250.00		(250.00)		
2010	231,799.55			231,799.55				
	231,799.55			232,299.55		(500.00)		
2011		15,237,104.61	122,831.95	14,792,870.86	12,663.59	45,250.00	125.19	263,363.02
	\$ 231,799.55	\$ 15,237,104.61	\$ 122,831.95	\$ 15,025,170.41	\$ 12,663.59	\$ 44,750.00	\$ 125.19	\$ 263,363.02

**Township of East Amwell
County of Hunterdon
Current Fund
Schedule of Taxes Receivable and Analysis of Property Tax Levy
Year Ended December 31, 2011**

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Analysis of 2011 Property Tax Levy

Tax Yield:		
General Purpose Tax		\$ 14,942,584.97
Fire District Taxes		189,894.61
Added and Omitted Taxes:		
Omitted Taxes (54:4-63.12 et. seq.)		60,125.03
Added Taxes (54:4-63.1et. seq)		5,000.00
Senior Citizens' Exemptions Allowed At Tax Billings		39,500.00
Veterans' Deductions Allowed at Tax Billings		<u>39,500.00</u>
		<u>\$ 15,237,104.61</u>

Tax Levy:			
Local District School Tax (Abstract)		\$ 6,611,971.00	
Regional High School Tax (Abstract)		4,090,334.74	
County Taxes:			
General (Abstract)	\$ 2,342,101.73		
Library Tax (Abstract)	197,479.87		
County Open Space Preservation	244,425.00		
	<u>2,784,006.60</u>		
Due to County for Added and Omitted Taxes	11,513.84		
		2,795,520.44	
Municipal Open Space Trust Fund (Abstract)	315,184.00		
Due to Municipal Open Space for Added and Omitted Taxes	<u>1,274.57</u>		
		316,458.57	
Fire District No. 1 Tax (Abstract)		188,172.00	
Local Tax for Municipal Purposes:			
Abstract	1,183,679.00		
Additional Tax Levied	<u>50,968.86</u>		
		<u>1,234,647.86</u>	
			<u>\$ 15,237,104.61</u>

Analysis of Collections Realized	2011	Prior Years
Taxes Paid in Advance Applied	\$ 122,831.95	\$
Taxes Receivable Collected	14,792,870.86	232,299.55
State Share of Senior Citizens' Deductions	5,000.00	
State Share of Senior Citizens' Deductions Disallowed		(500.00)
State Share of Veteran's Deductions	39,500.00	
State Share of Veteran's Deductions Allowed	<u>750.00</u>	
	<u>\$ 14,960,952.81</u>	<u>\$ 231,799.55</u>

See Independent Auditors' Report.

**Township of East Amwell
County of Hunterdon
Current Fund
Schedule of Tax Title Liens Receivable
Year Ended December 31, 2011**

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Balance, December 31, 2010	\$ 4,612.95
Increased by:	
Transfers from Taxes Receivable	<u>125.19</u>
Balance, December 31, 2011	<u>\$ 4,738.14</u>

**Schedule of Property Acquired for Taxes-Assessed Valuation
Year Ended December 31, 2011**

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Balance, December 31, 2011 and 2010	<u>\$ 22,300.00</u>
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Township of East Amwell
 County of Hunterdon
 Current Fund
 Schedule of Revenue Accounts Receivable
 Year Ended December 31, 2011

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	Balance December 31, 2010	Accrued in 2011	Collected by Treasurer	Prior Year Reserve Applied	Balance December 31, 2011
Anticipated Revenues:					
Licenses:					
Alcoholic Beverages	\$	\$ 2,472.00	\$ 2,472.00	\$	\$
Fees and Permits		39,196.00	39,196.00		
Municipal Court Fines and Costs	2,357.51	30,594.43	31,644.48		1,307.46
Interest on Investments and Deposits		26,423.36	26,423.36		
Rental of Municipal Building		4,350.00	4,350.00		
Consolidated Municipal Property					
Tax Relief Aid		29,781.00	29,781.00		
Energy Receipts Tax		272,399.00	272,399.00		
Reserve for Garden State Trust Fund		17,407.00		17,407.00	
Reserve for Kanack Payment of Debt		133,263.57	133,263.57		
Reserve for Payment of Debt Service		12,665.74	12,665.74		
Reserve to Pay Open Space Debt Service		218,070.69	218,070.69		
	<u>\$ 2,357.51</u>	<u>\$ 786,622.79</u>	<u>\$ 770,265.84</u>	<u>\$ 17,407.00</u>	<u>\$ 1,307.46</u>
		Receipts	\$ 772,605.84		
		Disbursements	<u>2,340.00</u>		
			<u>\$ 770,265.84</u>		

Township of East Amwell
 County of Hunterdon
 Current Fund
 Schedule of Appropriation Reserves
 Year Ended December 31, 2011

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	Balance December 31, 2010	Balance After Transfers and Encumbrances	Paid or Charged	Balance Lapsed
OPERATIONS - WITHIN "CAPS"				
GENERAL GOVERNMENT FUNCTIONS:				
General Administration:				
Salaries and Wages	\$ 1,030.80	\$ 1,336.74	\$ 1,305.94	\$ 30.80
Other Expenses	2,639.68	2,707.47	2,504.15	203.32
Mayor and Committee:				
Other Expenses	5.00	5.00		5.00
Municipal Clerk:				
Salaries and Wages	0.93	0.93		0.93
Other Expenses	183.88	349.27	325.39	23.88
Financial Administration:				
Salaries and Wages	161.20	23.10	21.90	1.20
Other Expenses	3.00	3.00		3.00
Revenue Administration:				
Salaries and Wages	0.45	0.45		0.45
Other Expenses	1.60	161.60	160.00	1.60
Tax Assessment Administration:				
Other Expenses	980.14	980.14	930.02	50.12
Legal Services:				
Other Expenses	1,612.45	1,712.45	1,664.00	48.45
Agricultural Advisory Committee:				
Salaries and Wages	34.28	54.72	20.44	34.28
Other Expenses	0.25	0.25		0.25
Engineering Services:				
Other Expenses	803.50	303.50		303.50
Historical Sites Office:				
Salaries and Wages	50.60	50.60	19.26	31.34
Other Expenses	224.79	470.39	445.60	24.79
LAND USE ADMINISTRATION:				
Planning Board:				
Salaries and Wages	372.76	291.60	288.84	2.76
Other Expenses	2,470.46	8,070.46	7,535.50	534.96
Zoning Board of Adjustment:				
Salaries and Wages	130.36	424.18	293.82	130.36
Other Expenses	600.74	2,847.24	2,789.19	58.05
INSURANCE:				
General Liability Insurance	4.00	4.00		4.00
Employee Group Health Insurance	735.78	1,901.42	1,690.64	210.78
PUBLIC SAFETY FUNCTIONS:				
Fire Prevention Bureau:				
Salaries and Wages	50.00	50.00		50.00
Other Expenses	41.72	41.72		41.72
Municipal Court:				
Salaries and Wages	20.00			
Other Expenses	56.25	56.25		56.25
Public Defender (P.L. 1997, c. 256)				
Salaries and Wages	0.50	0.50		0.50

Township of East Amwell
 County of Hunterdon
 Current Fund
 Schedule of Appropriation Reserves
 Year Ended December 31, 2011

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	Balance December 31, 2010	Balance After Transfer and Encumbrance	Paid or Charged	Balance Lapsed
OPERATIONS - WITHIN "CAPS"				
PUBLIC WORKS FUNCTIONS:				
Streets and Roads Maintenance:				
Salaries and Wages	\$ 2,995.40	\$ 5,537.65	\$ 5,532.25	\$ 5.40
Other Expenses	2,177.46	10,666.99	1,147.42	9,519.57
Solid Waste Collection:				
Salaries and Wages	134.10	4.10		4.10
Other Expenses	480.06	480.06		480.06
Vehicle Maintenance:				
Other Expenses	518.80	977.25	458.45	518.80
Buildings and Grounds:				
Other Expenses	1,383.17	1,803.44	682.43	1,121.01
HUMAN SERVICES:				
Public Health Services:				
Salaries and Wages	127.74	127.74		127.74
Other Expenses	1,531.31	1,501.31	1,059.25	442.06
Environmental Health Services:				
Salaries and Wages	106.45	106.45		106.45
Other Expenses	164.58	279.58	274.98	4.60
Welfare/Admin of Public Assistance:				
Other Expenses	129.46	129.46	129.00	0.46
RECREATION AND EDUCATION:				
Recreation Services & Programs:				
Salaries and Wages	45.46	45.46		45.46
Other Expenses	505.34	660.74	314.19	346.55
UNIFORM CONSTRUCTION CODE				
Approp Offset by Ded Revs (NJAC 5:23-4.17):				
Uniform Construction Code Enforcement Function:				
Salaries and Wages	0.05	0.05		0.05
Other Expenses	0.50	0.50		0.50
UTILITY EXPENSES AND BULK PURCHASES:				
Electricity	646.91	1,756.50	1,109.59	646.91
Street Lighting	76.99	76.99		76.99
Telephone	213.81	289.51	186.70	102.81
Fuel Oil	1,143.51	703.90	703.39	0.51
Gasoline	1,234.09	1,943.09	1,942.78	0.31

Township of East Amwell
 County of Hunterdon
 Current Fund
 Schedule of Appropriation Reserves
 Year Ended December 31, 2011

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	Balance December 31, 2010	Balance After Transfer and Encumbrance	Paid or Charged	Balance Lapsed
OPERATIONS - WITHIN "CAPS"				
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"				
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	\$ 0.48	\$ 0.48		\$ 0.48
OPERATIONS - EXCLUDED FROM "CAPS"				
NJPDES Stormwater Permit (N.J.S.A. 40A:4-53.3 (cc))				
Public Health Services:				
Salaries and Wages				
Other Expenses	7.75	7.75		7.75
Affordable Housing Agency:				
Other Expenses				
Recycling Enhancement Act (P.L. 2007 c311)	0.80	0.80		0.80
	<u>\$ 25,839.34</u>	<u>\$ 48,946.78</u>	<u>\$ 33,535.12</u>	<u>\$ 15,411.66</u>
Appropriation Reserves		\$ 25,839.34		
Reserve for Encumbrances		<u>23,107.44</u>		
		<u>\$ 48,946.78</u>		

Township of East Amwell
County of Hunterdon
Current Fund
Schedule of Local District School Tax
Year Ended December 31, 2011

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Balance, December 31, 2010:		
School Tax Payable	\$ 1,945,815.54	
School Tax Deferred	<u>748,177.50</u>	
		\$ 2,693,993.04
Increased by:		
Levy - School Year July 1, 2011 to June 30, 2012		<u>6,611,971.00</u>
		9,305,964.04
Decreased by:		
Payments		<u>6,559,702.85</u>
Balance, December 31, 2011:		
School Tax Payable	1,998,083.69	
School Tax Deferred	<u>748,177.50</u>	
		<u>\$ 2,746,261.19</u>

Township of East Amwell
County of Hunterdon
Current Fund
Schedule of Regional High School Tax
Year Ended December 31, 2011

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Balance, December 31, 2010:		
School Tax Payable	\$ 1,185,576.74	
School Tax Deferred	<u>599,893.26</u>	
		\$ 1,785,470.00
Increased by:		
Levy - School Year July 1, 2011 to June 30, 2012		<u>4,090,334.74</u>
		5,875,804.74
Decreased by:		
Payments		<u>3,830,637.35</u>
Balance, December 31, 2011:		
School Tax Payable	1,445,274.13	
School Tax Deferred	<u>599,893.26</u>	
		<u>\$ 2,045,167.39</u>

Township of East Amwell
 County of Hunterdon
 Federal and State Grant Fund
 Schedule of Federal and State Grants Receivable
 Year Ended December 31, 2011

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	Balance December 31, 2010	Revenue	Transferred from Unappropriated Reserves	Received	Balance December 31, 2011
Grant					
Clean Communities Program	\$	\$ 11,764.84	\$	\$ 11,764.84	\$
NJDOT Municipal Aid Program for Pedestrian Safety for Village of Ringoos		180,000.00			180,000.00
Recycling Tonnage Grant		2,009.53	2,009.53		
	<u>\$</u>	<u>\$ 193,774.37</u>	<u>\$ 2,009.53</u>	<u>\$ 11,764.84</u>	<u>\$ 180,000.00</u>

Township of East Amwell
 County of Hunterdon
 Federal and State Grant Fund
 Schedule of Appropriated Reserves
 Year Ended December 31, 2011

A-13

	Balance December 31, 2010	Transferred from 2011 Budget Appropriations	Paid or Charged	Balance December 31, 2011
Grant				
2010 Clean Communities Program	\$ 8,063.38	\$	\$ 8,063.38	\$
2011 Clean Communities Program		11,764.84	6,848.87	4,915.97
County of Hunterdon-Cultural & Heritage Commission-Special Projects Grant "Old Ringoes":				
State Share	500.00			500.00
Local Share	162.00			162.00
2011 Recycling Tonnage Grant		2,009.53	570.87	1,438.66
State and Local All Hazards Emergency Operating Planning Program	773.84		34.60	739.24
Hunterdon County Cultural and Heritage Commission-Special Projects Grant	2,000.00			2,000.00
NJDOT Municipal Aid Program for Pedestrian Safety for Village of Ringoes		180,000.00		180,000.00
SNJEDA-Hazardous Discharge Site Remediation Fund-Public Entity Grant Program #P19484	50,255.90		11,449.59	38,806.31
ANJEC Grant:				
State Share	700.00		512.44	187.56
Local Share	410.06		410.06	
	<u>\$ 62,865.18</u>	<u>\$ 193,774.37</u>	<u>\$ 27,889.81</u>	<u>\$ 228,749.74</u>

Township of East Amwell
 County of Hunterdon
 Federal and State Grant Fund
 Schedule of Unappropriated Reserves
 Year Ended December 31, 2011

A-14

	Balance December 31, 2010	Received	Realized as Grant Receivable	Balance December 31, 2011
Grant				
Recycling Tonnage Grant - 2011	\$	\$ 1,566.70	\$	\$ 1,566.70
Recycling Tonnage Grant - 2010	<u>2,009.53</u>		<u>2,009.53</u>	
	<u>\$ 2,009.53</u>	<u>\$ 1,566.70</u>	<u>\$ 2,009.53</u>	<u>\$ 1,566.70</u>

Township of East Amwell

County of Hunterdon

2011

Trust Fund

**Township of East Amwell
County of Hunterdon
Trust Fund
Schedule of Cash - Treasurer
Year Ended December 31, 2011**

	B-1		
	Animal Control Fund	Other Trust Funds	Open Space Trust Fund Fund
Balance, December 31, 2010	\$ 7,706.39	\$ 327,636.07	\$ 1,277,568.91
Increased by Receipts:			
Dog License Fees	11,383.20		
Due to State of NJ	1,903.80		
Dog Late Fees	2,875.00		
Trust Fund Reserves		289,199.67	
County of Hunterdon - Open Space Municipal Grants Program			24,315.44
Reserve for Open Space - Interest Earned			7,082.98
Reserve for Open Space - Ordinances Cancelled:			
Ordinance #08-06			18,894.15
Ordinance #09-09			5,750.66
Ordinance #10-17			219,521.56
Due Current Fund		27.63	5,406.75
Due Current Fund - Interest Earned	0.77	375.68	
Green Acres - Cider Mill			429,000.00
			709,971.54
Due from General Capital Fund			0.04
Reserve for Open Space - 2010 Added and Omitted Taxes			1,520.87
Historic Preservation Grant			30,900.00
	16,162.77	289,602.98	742,392.45
	23,869.16	617,239.05	2,019,961.36
Decreased by Disbursements:			
Expenditures Under RS 4:19-15.11	10,816.75		
Due to State of NJ	1,903.80		
Trust Fund Reserves		99,734.46	
Due General Capital fund			
Ordinance #11-04			15,000.00
Ordinance #11-03			435,000.00
Reserve for Preliminary Expenses			1,681.00
Debt Service			218,070.69
Due to Current Fund-Interest Earned	0.77	375.68	
Due to Current Fund-Settlement of Interfund	20.00		
Reserve for Open Space:			
Maintenance of Lands for Recreation and Conservation			16,192.09
	12,741.32	100,110.14	685,943.78
Balance, December 31, 2011	\$ 11,127.84	\$ 517,128.91	\$ 1,334,017.58

**Township of East Amwell
County of Hunterdon
Trust Fund
Schedule of Cash - Collector
Year Ended December 31, 2011**

B-2

Balance, December 31, 2010	\$	
Increased by:		
Deposits for Redemption of Tax Sale Certificates		8,142.20
Decreased by:		
Disbursements for Redemption of Tax Sale Certificates		<u>8,142.20</u>
Balance, December 31, 2011	\$	<u><u> </u></u>

**Township of East Amwell
 County of Hunterdon
 Animal Trust Fund
 Schedule of Reserve for Animal Control Fund Expenditures
 Year Ended December 31, 2011**

B-3

Balance, December 31, 2010		\$	7,676.39
Increased by:			
Cash Receipts:			
Dog License Fees Collected	\$	11,383.20	
Dog Late Fees Collected		<u>2,875.00</u>	<u>14,258.20</u>
			21,934.59
Decreased by:			
Expenditures Per RS 4:19-15.11:			
Cash Disbursed		10,816.75	
Due to Current Fund		<u>1,956.08</u>	<u>12,772.83</u>
Balance, December 31, 2011			<u>\$ 9,161.76</u>

License Fees Collected

Year	Amount
2009	\$ 14,119.00
2010	<u>14,153.00</u>
Maximum Allowed Reserve	<u>\$ 28,272.00</u>

**Township of East Amwell
County of Hunterdon
Other Trust Funds
Schedule of Trust Fund Deposits and Reserves
Year Ended December 31, 2011**

B-4

<u>Purpose</u>	<u>Balance December 31, 2010</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance December 31, 2011</u>
Escrow Deposits	\$ 179,023.88	\$ 235,490.68	\$ 67,321.05	\$ 347,193.51
Unemployment Compensation	14,401.24	1,735.75	66.35	16,070.64
Housing Trust	107,148.06	18,417.04	16,829.86	108,735.24
POAA	32.00			32.00
Marion Clawson Memorial Park	786.02	114.00		900.02
Deposits for Redemption of Tax Sale Certificates		8,142.20	8,142.20	
Premiums Received at Tax Sale	18,200.00	25,000.00	7,300.00	35,900.00
Public Defender	72.50	300.00	75.00	297.50
Historic Preservation	500.00			500.00
Snow Removal	7,500.00			7,500.00
	<u>\$ 327,663.70</u>	<u>\$ 289,199.67</u>	<u>\$ 99,734.46</u>	<u>\$ 517,128.91</u>

**Township of East Amwell
 County of Hunterdon
 Open Space Trust Fund
 Schedule of Reserve for Open Space
 Year Ended December 31, 2011**

B-5

Balance, December 31, 2010		\$ 1,279,089.74
Increased by:		
Cash Receipts:		
Interest Earned	\$ 7,082.98	
County of Hunterdon:		
Open Space Municipal Grants Program - Year 2011	24,315.44	
County Reimbursements	5,406.75	
State of NJ - Cider Mill	429,000.00	
Due from General Capital Fund-Ordinances Cancelled	244,166.37	
	<u>709,971.54</u>	
2011 Levy	315,184.00	
2011 Added and Omitted Taxes	1,274.57	
	<u>316,458.57</u>	<u>1,026,430.11</u>
		<u>2,305,519.85</u>
Decreased by:		
Cash Disbursed:		
Debt Service	218,070.69	
Due from General Capital Fund:		
Ordinance #11-03	435,000.00	
Ordinance #11-04	15,000.00	
Reserve for Preliminary Expenses	1,681.00	
Maintenance of Land for Recreation and Conservation	16,192.09	
	<u>685,943.78</u>	
Due to Current Fund - Maintenance of Land for Recreation and Conservation	4,450.73	<u>690,394.51</u>
Balance, December 31, 2011		<u>\$ 1,615,125.34</u>

See Independent Auditors' Report.

Township of East Amwell

County of Hunterdon

2011

General Capital Fund

**Township of East Amwell
County of Hunterdon
General Capital Fund
Schedule of Cash - Treasurer
Year Ended December 31, 2011**

C-2

Balance, December 31, 2010		\$	1,254,332.80
Increased by Receipts:			
Budget Appropriations:			
Capital Improvement Fund	\$	63,300.00	
Payment of Bond Anticipation Notes		110,000.00	
SNJDOT Grants Receivable:			
Spring Hill Road Improvement Project		30,000.00	
Road Improvements to Back Brook Road		86,100.00	
Road Improvements to Lindbergh Road		19,083.16	
Improvement Authorization Funds Refunds		145,776.20	
Interest Earned-Due Current Fund		126.01	
Due Current Fund - Interest on Bond Anticipation Notes		9,790.00	
Due from Open Space Trust Fund -Ordinance #11-03		435,000.00	
Due from Open Space Trust Fund -Ordinance #11-04		15,000.00	
Bond Anticipation Notes		780,000.00	
			<u>1,694,175.37</u>
			2,948,508.17
Decreased by Disbursements:			
Improvement Authorizations		1,242,297.77	
Due to Open Space Trust Fund		244,166.41	
Reserve for Preliminary Expenses - Farmland Preservation/Open Space		10,128.00	
Reserve for Preliminary Expenses - Future Road Projects		5,451.00	
Reserve for Preliminary Expenses - Pedestrian Improvements to Village of Ringoes		69.00	
Anticipated Revenue - Reserve for Payment of Debt		12,665.74	
Anticipated Revenue - Reserve for Kanack Payment of Debt		133,263.57	
Due Current Fund - Interest on Bond Anticipation Notes		9,790.00	
Bond Anticipation Notes		890,000.00	
Due Current Fund - Interest Earned		125.46	
Due Current Fund - Settle Interfund		0.39	
			<u>2,547,957.34</u>
Balance, December 31, 2011		\$	<u>400,550.83</u>

See Independent Auditors' Report.

Township of East Amwell
 County of Hunterdon
 General Capital Fund
 Analysis of General Capital Cash
 Year Ended December 31, 2011

C-3
 -1-

ORD. #	Balance December 31, 2010	Receipts			Disbursements			Balance December 31, 2011
		Budget Appropriation	Bond Anticipation Notes	Miscellaneous	Improvement Authorization	Bond Anticipation Notes	Miscellaneous	
Capital Fund Balance	\$ 87.64	\$	\$	\$	\$	\$	\$	\$ 108,135.55
Capital Improvement Fund	226,322.74	63,300.00					150,000.00	142,894.38
Reserve for Preliminary Expenses:								
Preservation Plan for Homestead at Clawson Park	4,555.00							4,555.00
Farmland Preservation and/or Open Space	16,181.78			10,128.00				6,053.78
Purchase of Tax Liens for Future Open Space Acquisition	5,000.00							5,000.00
Future Road Projects	5,194.00			5,451.00			5,000.00	4,743.00
Pedestrian Improvements for Village of Ringoes	1,405.50			69.00				1,336.50
Reserve for Debt Service	12,665.74			12,665.74				
Reserve for Kinetick - Payment of Debt	133,263.57			133,263.57				
IMPROVEMENT AUTHORIZATIONS:								
96-02	103,321.48							103,321.48
01-22	18,494.80							18,494.80
05-11	13,675.98							13,675.98
05-12	42,305.68							42,305.68
05-14	5,839.09				1,900.00			3,939.09
05-12	390,627.05	110,000.00	730,000.00		323,381.18	890,000.00		67,245.88
07-13	15,000.00							15,000.00
08-06	18,894.15						18,894.15	
08-08	1,556.51							1,556.51
08-13	61,168.34						61,168.34	

Township of East Amwell
 County of Hunterdon
 General Capital Fund
 Analysis of General Capital Cash
 Year Ended December 31, 2011

C-3
 -2-

	Balance December 31, 2010	Receipts			Disbursements			Balance December 31 2011
		Budget Appropriation	Bond Anticipation Notes	Miscellaneous	Improvement Authoriza- tion	Bond Anticipation Notes	Miscel- laneous	
08-14	\$ 35,000.00	\$	\$	\$	\$ 28,443.49	\$	\$	\$
08-15	18,810.16						6,556.51	18,810.16
08-19	10,000.00						10,000.00	
08-20	111,308.90				69.00		111,239.90	1,960.47
09-07	3,653.17				1,692.70			
09-09	5,797.16				46.50		5,750.66	
10-05	(60,273.16)				172.00			(60,445.16)
10-06	35,670.36				6,859.70			28,811.66
10-08	1,033.24				363.85		669.39	
10-15	2,194.92							2,194.92
10-16	418.51						418.51	
10-17	219,521.56						219,521.56	
10-20	5,930.91							5,930.91
10-21	159,859.01				164,197.37			(4,338.36)
10-22	3,948.65				3,764.91		183.74	
11-3					432,438.15			432,438.15
11-4				145,776.20	207,018.70			(48,242.50)
11-9				40,710.26				40,710.26

Township of East Amwell
 County of Hunterdon
 General Capital Fund
 Analysis of General Capital Cash
 Year Ended December 31, 2011

C-3
 -3-

	Balance December 31, 2010	Receipts		Disbursements			Transfers		Balance December, 31 2011
		Budget Appropriation	Bond Anticipation Notes	Improvement Authoriza- tion	Bond Anticipation Notes	Miscel- laneous	From	To	
11-10 Leveling and Subgrade Reconstruction of Various Township Roads	\$	\$	\$	\$ 25,772.23	\$	\$	\$	\$ 76,000.00	\$ 50,227.77
11-11 Purchase and Installation of a Superduty Straight Blade Snow Plow				3,912.22				4,000.00	87.78
Due from Open Space Trust Fund	(0.04)			450,000.00	244,166.41	450,000.00	244,166.37		(0.08)
Due Current Fund	0.39			9,916.01	9,915.85	120,000.00			(119,999.46)
SNJDOT Grant Receivable:									
Spring Hill Road Improvement	(30,000.00)			30,000.00					
Road Improvement Back Brook Road	(86,100.00)			86,100.00					
Lindbergh Road	(100,000.00)			19,083.16				80,916.84	
Dutch Lane Road Improvements	(160,000.00)							120,000.00	(40,000.00)
	\$ 1,254,332.80	\$ 173,300.00	\$ 780,000.00	\$ 1,242,237.77	\$ 415,658.57	\$ 1,154,402.76	\$ 1,154,402.76	\$ 1,154,402.76	\$ 400,550.83

**Township of East Amwell
County of Hunterdon
General Capital Fund
Schedule of Deferred Charges to Future Taxation - Funded
Year Ended December 31, 2011**

C-4

Balance, December 31, 2010

\$ 5,005,408.00

Decreased by:

2011 Budget Appropriation to Pay General Serial Bonds
2011 Budget Appropriation to Pay SNJ Green Trust Loan

\$ 345,000.00
26,764.97

371,764.97

Balance, December 31, 2011

\$ 4,633,643.03

Township of East Amwell
 County of Hunterdon
 General Capital Fund
 Schedule of Deferred Charges to Future Taxation - Unfunded
 Year Ended December 31, 2011

C-5

Ord. Number	Improvement Description	Balance December 31, 2010	2011 Authorizations	Authorizations Cancelled	Notes Paid By Budget Appropriation	Balance December 31, 2011	Bond Anticipation Notes	Analysis of Balances December 31, 2011	
								Expenditures	Unexpended Improvement Authorization
06-12	Township Share of the Cost of Easements Under the Farmland Program to be Undertaken Jointly with the County and the State	\$ 890,000.00	\$	\$	\$ 110,000.00	\$ 780,000.00	\$ 780,000.00	\$	\$
10-5	Resurfacing of a Portion of Back Brook Road	139,000.00		78,554.84		60,445.16		60,445.16	
10-12	Refunding All or a Portion of the Outstanding Callable General Improvement Bonds Dated 3/1/99 and 2/1/02	245,000.00		245,000.00					
10-21	Dutch Lane Road Improvement Project	135,000.00				135,000.00		4,338.36	130,661.64
11-4	Township Share of Acquisition of Development Easements in Two Farms		295,000.00			295,000.00		46,242.50	248,757.50
		\$ 1,409,000.00	\$ 295,000.00	\$ 323,554.84	\$ 110,000.00	\$ 1,270,445.16	\$ 780,000.00	\$ 111,026.02	\$ 379,419.14

Improvement Authorizations - Unfunded \$ 446,665.02
 Less: Unexpended Proceeds of Bond Anticipation Notes 67,245.88
 Issued: Ordinance No. 06-12 \$ 379,419.14

Township of East Amwell
County of Hunterdon
General Capital Fund
Schedule of Capital Improvement Fund
Year Ended December 31, 2011

C-6

Balance, December 31, 2010		\$	228,322.74
Increased by:			
2011 Budget Appropriation	\$	63,300.00	
Improvement Authorizations Cancelled - See C-7 for Detail		<u>1,271.64</u>	
			<u>64,571.64</u>
			292,894.38
Decreased by:			
Direct Charges Made for Preliminary Costs-Future Road Projects		5,000.00	
Appropriation to Finance Improvement Authorizations		<u>145,000.00</u>	
			<u>150,000.00</u>
Balance, December 31, 2011		\$	<u><u>142,894.38</u></u>

Township of East Amwell
 County of Hunterdon
 General Capital Fund
 Schedule of Improvement Authorizations
 Year Ended December 31, 2011

C-7
-1-

Ord. Number	Improvement Description	Date Adopted	Amount	Balance December 31, 2010		2011 Authorizations		Balance December 31, 2011				
				Funded	Unfunded	Capital Improvement Fund	Deferred Charge to Future Taxation Unfunded	Open Space Trust Fund	Paid or Charged	Cancelled	Funded	Unfunded
08-02	Various Capital Improvements	2/12/08	\$ 577,525.00	\$ 103,321.46	\$	\$	\$	\$	\$	\$	\$ 103,321.48	\$
01-22	Suppl Approp. For Phase I of Marion Clawson Memorial Park Development Project	10/25/01	350,000.00	18,494.80							18,494.80	
05-11	Purchase, Installation and Set-Up of Emergency Communications Equipment and Electrical Upgrade to the Municipal Building	5/26/05	15,000.00	13,675.98							13,675.98	
05-12	Clawson Park Barn Replacement	5/26/05	45,000.00	42,305.68							42,305.68	
05-14	Clawson Historic House Roof and Exterior Stabilization	5/26/05	25,000.00	5,839.09						1,900.00	3,939.09	
06-12	Township Share of the Cost of Easements Under the Farmland Program to be Undertaken Jointly with the County and the State	6/8/06	1,050,000.00		390,627.06							67,245.88
07-13	Supplemental Appropriation for Barn Replacement at the Marion Clawson Memorial Park	7/19/07	15,000.00	15,000.00							15,000.00	
08-06	Acquisition of Development Rights Easements on Certain Real Properties Known as B17, L16.03 and B21, L16 & 16.01	5/8/08	220,000.00	18,894.15						18,894.15		
08-08	Township Funding Share of the Spring Hill Rd. Improvement Project	7/17/08	185,000.00	1,556.51						1,556.51		
08-13	Road Improvements to Back Brook Rd.	7/17/08	175,000.00	61,168.34						61,168.34		
08-14	Supplemental Appropriation for Township Funding Share of the Spring Hill Rd. Improvement Project	9/11/08	35,000.00	35,000.00						6,556.51		
08-15	Various Municipal Building Repairs and Improvements	10/9/08	66,000.00	18,810.16								18,810.16
08-19	Supplemental Appropriations for the Twp. Funding Share of the Back Brook Rd. Improvement Project	12/30/08	10,000.00	10,000.00						10,000.00		
08-20	Road Improvements to Lindbergh Rd.	12/30/08	275,000.00	111,308.90						111,239.90		
09-07	Purchase of Various Office Equipment	4/23/09	20,000.00	3,653.17						69.00		1,960.47
09-09	Acquisition of Contribution to the Purchase of Real Property B35.01, L37	6/25/09	260,000.00	5,797.16						46.50		5,750.66
10-05	Resurfacing of a Portion of Back Brook Road	4/8/10	160,000.00		78,726.84					172.00		78,554.84
10-06	Leveling and Subgrade Reconstruction of Various Twp. Rds.	4/26/10	60,000.00	35,670.36						6,656.70		28,811.66

Township of East Amwell
 County of Hunterdon
 General Capital Fund
 Schedule of NJ Green Trust Loan Payable
 Year Ended December 31, 2011

C-8

Purpose	Date of Issue	Original Issue	Maturities of		Interest Rate	Balance December 31, 2010	Decreased	Balance December 31, 2011
			Principal Outstanding December 31, 2011	Amount				
Marion F. Clawson Park	1/27/07	\$ 500,000.00			2.00 %			
			1/27/12	\$ 13,583.55				
			7/27/12	13,719.39				
			1/27/13	13,856.58				
			7/27/13	13,995.15				
			1/27/14	14,135.10				
			7/27/14	14,276.46				
			1/27/15	14,419.21				
			7/27/15	14,563.41				
			1/27/16	14,709.04				
			7/27/16	14,856.14				
			1/27/17	15,004.69				
			7/27/17	15,154.74				
			1/27/18	15,306.29				
		7/27/18	15,459.35					
		1/27/19	15,613.95					
		7/27/19	15,770.09					
		1/27/20	15,927.78					
		7/27/20	16,087.06					
		1/27/21	16,247.94					
		7/27/21	16,410.41					
		1/27/22	16,574.52					
		7/27/22	16,740.26					
		1/27/23	16,907.67					
		7/27/23	17,076.74					
		1/27/24	17,247.51					
						\$ 410,408.00	\$ 26,764.97	\$ 383,643.03

Township of East Amwell
 County of Hunterdon
 General Capital Fund
 Schedule of Bond Anticipation Notes
 Year Ended December 31, 2011

C-9

Ord. Number	Purpose	Date of Issue of Original Note	Date of Maturity	Interest Rate	Balance December 31, 2010	Increase	Decrease	Balance December 31, 2011
06-12	Township Share of the Cost of Easements Under the Farmland Program to be Undertaken Jointly with the County and State	5/22/07	5/21/10 5/20/11	1.00 % 0.75	\$ 890,000.00	\$ 780,000.00	\$ 890,000.00	\$ 780,000.00
					<u>\$ 890,000.00</u>	<u>\$ 780,000.00</u>	<u>\$ 890,000.00</u>	<u>\$ 780,000.00</u>
					Cash Received	\$ 780,000.00	\$ 890,000.00	
					Cash Disbursed			
					<u>\$ 780,000.00</u>	<u>\$ 780,000.00</u>	<u>\$ 890,000.00</u>	

Township of East Amwell
 County of Hunterdon
 General Capital Fund
 Schedule of General Serial Bonds Payable
 Year Ended December 31, 2011

C-10

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding	Interest Rate	Balance December 31, 2010	Increase	Decrease	Balance December 31, 2011
General Improvement of 2001	2/1/01	\$ 2,500,000.00		4.70	\$ 110,000.00	\$	\$ 110,000.00	\$
General Improvement of 2003	2/15/12		\$ 120,000	3.80				
	2/15/13-15		135,000	3.80				
	2/15/16		155,000	3.90				
	2/15/17		155,000	4.00				
	2/15/18		155,000	4.05				
	2/15/19		180,000	4.10				
	2/15/20		190,000	4.20				
	2/15/21		200,000	4.25				
2010 Refunding Bonds	2/15/22		200,000	4.30	2,080,000.00		120,000.00	1,960,000.00
	2/15/23		200,000	4.40				
	8/31/10	2,405,000.00		3.00				
			235,000	3.00				
			245,000	3.00				
			265,000	3.00				
			260,000	3.00				
			275,000	4.00				
			270,000	2.375				
			160,000	2.625				
			155,000	2.75				
			150,000	3.00	2,405,000.00		115,000.00	2,290,000.00
					\$ 4,595,000.00	\$ -	\$ 345,000.00	\$ 4,250,000.00

Township of East Amwell
 County of Hunterdon
 General Capital Fund
 Schedule of Bonds and Notes Authorized but Not Issued
 Year Ended December 31, 2011

C-11

<u>Ord No.</u>	<u>Improvement Description</u>	<u>Balance December 31, 2010</u>	<u>2011 Authorizations</u>	<u>Authorization Cancelled</u>	<u>Balance December 31, 2011</u>
10-5	Resurfacing of a Portion of Back Brook Road	\$ 139,000.00	\$	\$ 78,554.84	\$ 60,445.16
10-12	Refunding of all or a Portion of the Outstanding Callable General Improvement Bonds Dated 3/1/98 and 2/1/01	245,000.00		245,000.00	
10-21	Dutch Lane Road Improvement Project	135,000.00			135,000.00
11-04	Twp. Share of Acquisition of Development Easements in Two Farms		295,000.00		295,000.00
		<u>\$ 519,000.00</u>	<u>\$ 295,000.00</u>	<u>\$ 323,554.84</u>	<u>\$ 490,445.16</u>

Township of East Amwell

County of Hunterdon

2011

Public Assistance Fund

Township of East Amwell
 County of Hunterdon
 Public Assistance Fund
 Schedule of Cash - Treasurer
 Year Ended December 31, 2011

			D-1
Reference	P.A.T.F. Account #1	P.A.T.F. Account #2	Fund Total
Balance, December 31, 2010	D	\$ 24,474.41	\$ 24,474.41
Increased By:			
State Aid		26,700.00	26,700.00
SSI Refund		10,918.33	10,918.33
Interest Earned		33.30	33.30
Prior Year Voided Checks		1,521.00	1,521.00
		<u>39,172.63</u>	<u>37,651.63</u>
		<u>63,647.04</u>	<u>62,126.04</u>
Decreased by:			
Due from Current Fund		20.20	20.20
Public Assistance - 2011		<u>35,317.14</u>	<u>35,317.14</u>
		<u>35,337.34</u>	<u>35,337.34</u>
Balance, December 31, 2011	D	<u>\$ 28,309.70</u>	<u>\$ 28,309.70</u>

Township of East Amwell
 County of Hunterdon
 Public Assistance Fund
 Schedule of Public Assistance Cash and Reconciliation
 Year Ended December 31, 2011

D-2

Balance, December 31, 2010		\$ 24,474.41
Increased by Receipts and Other:		
State Aid	\$ 26,700.00	
SSI Refund	10,918.33	
Interest Earned	33.30	
Prior Year Voided Checks	1,521.00	
		<u>39,172.63</u>
		63,647.04
Decreased by Disbursements:		
Due from Current Fund	20.20	
Public Assistance Expenditures	35,317.14	
		<u>35,337.34</u>
Balance, December 31, 2011		<u>\$ 28,309.70</u>

Reconciliation, December 31, 2011

	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>	<u>Total</u>
Balance on Deposit per Statement of Hopewell Valley Community Bank Checking	\$	\$ 9,977.15	\$ 9,977.15
Balance on Deposit per Statement of TD Bank Checking		20,755.55	20,755.55
Sub-total		30,732.70	30,732.70
Less: Outstanding Checks		(2,423.00)	(2,423.00)
	<u>\$</u>	<u>\$ 28,309.70</u>	<u>\$ 28,309.70</u>

Township of East Amwell
 County of Hunterdon
 Public Assistance Fund
 Schedule of Public Assistance Revenues
 Year Ended December 31, 2011

D-3

	P.A.T.F. Account #1 (75%)	P.A.T.F. Account #2 (100%)	Fund Total
State Aid	\$	\$ 26,700.00	\$ 26,700.00
SSI Refund		10,918.33	10,918.33
Interest Income		33.30	33.30
Prior Year Voided Checks		1,521.00	1,521.00
Total Revenues (P.A.T.F.)		<u>39,172.63</u>	<u>39,172.63</u>
	<u>\$</u>	<u>\$ 39,172.63</u>	<u>\$ 39,172.63</u>

Public Assistance Fund
 Schedule of Public Assistance Expenditures
 Year Ended December 31, 2011

D-4

	P.A.T.F. Account #1 (75%)	P.A.T.F. Account #2 (100%)	Fund Total
Current Year Assistance:			
Assistance Reported:			
Maintenance	\$	\$ 7,287.00	\$ 7,287.00
Transportation		15.00	15.00
Temporary Rental Assistance		27,206.00	27,206.00
Emergency Assistance - Rent		475.00	475.00
Emergency Assistance - Utilities		124.14	124.14
Total Expenditures Reported (P.A.T.F.)		<u>35,107.14</u>	<u>35,107.14</u>
Assistance Not Reported:			
Maintenance		<u>210.00</u>	<u>210.00</u>
Total Expenditures Reported and Unreported (P.A.T.F.)	<u>\$</u>	<u>\$ 35,317.14</u>	<u>\$ 35,317.14</u>

Public Assistance Fund
 Schedule of Assistance Commitments Payable
 Year Ended December 31, 2011

D-5

Not Applicable

Township of East Amwell

County of Hunterdon

2011

Payroll Fund

**Township of East Amwell
 County of Hunterdon
 Payroll Fund
 Schedule of Payroll Cash
 Year Ended December 31, 2011**

E-1

Balance, December 31, 2010		\$	79.59
Increased by:			
Payroll Taxes and Benefits Payable	\$	173,348.78	
Budget Appropriation-PERS		55,633.00	
Employee Health Insurance Contributions		5,640.00	
Employer portion FICA and Medicare		45,836.28	
Net Payroll		416,541.00	
Due to Current Fund - Interest Earned		0.75	
			<u>696,999.81</u>
			697,079.40
Decreased by:			
Payroll Taxes and Benefits Payable		173,428.37	
Budget Appropriation-PERS		55,633.00	
Employee Health Insurance Contributions		5,640.00	
Employer portion FICA and Medicare		45,836.28	
Net Payroll		416,541.00	
Due to Current Fund		27.03	
Due to Current Fund - Interest Earned		0.75	
			<u>697,106.43</u>
Balance, December 31, 2011		\$	<u>(27.03)</u>

**Township of East Amwell
County of Hunterdon
Payroll Fund
Schedule of Payroll Taxes Payable
Year Ended December 31, 2011**

E-2

<u>Account</u>	<u>Balance December 31, 2010</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance December 31, 2011</u>
Federal Income Tax	\$	\$ 61,420.41	\$ 61,420.41	\$
FICA and Medicare		33,535.83	33,535.83	
SWT		17,808.83	17,808.83	
NJ Family Leave Insurance		244.86	244.86	
PERS	62.25	28,658.42	28,720.67	
PERS Insurance	17.34	2,276.45	2,293.79	
Unemployment and Disability		1,788.96	1,788.96	
Dental Insurance		3,885.48	3,885.48	
457 Plan		23,729.54	23,729.54	
	<u>\$ 79.59</u>	<u>\$ 173,348.78</u>	<u>\$ 173,428.37</u>	<u>\$ -</u>

Other Supplemental Information-Regulatory Basis

Township of East Amwell
County of Hunterdon
Comparative Statement of Operations and Change in Fund Balance-Current Fund
Years Ended December 31, 2011 and 2010

	2011		2010	
	Amount	%	Amount	%
Revenue and Other Income Realized				
Fund Balance Utilized	\$ 100,000.00	0.61 %	\$ 230,300.00	1.46 %
Miscellaneous - From Other Than Local Property				
Tax Levies	1,188,980.68	7.21	1,011,700.08	6.38
Collection of Delinquent Taxes	231,799.55	1.41	257,212.07	1.62
Collection of Current Tax Levy	14,960,952.81	90.77	14,357,076.83	90.54
Interfund Loans Returned	22.41		46.53	
	<u>16,481,755.45</u>	<u>100.00 %</u>	<u>15,856,335.51</u>	<u>100.00 %</u>
Expenditures				
Budget Expenditures - Municipal Purposes	2,348,435.94	14.36 %	2,337,251.32	14.91 %
Municipal Open Space Tax	316,458.57	1.93	316,350.87	2.02
Fire District Tax	188,172.00	1.15	184,483.00	1.18
County Taxes	2,795,520.44	17.09	2,783,216.91	17.75
Local and Regional School Taxes	10,702,305.74	65.43	10,058,289.10	64.14
Interfund Loans Advanced	5,973.64	0.03		
Other Expenditures	75.00		300.00	0.00
	<u>16,356,941.33</u>	<u>100.00 %</u>	<u>15,679,891.20</u>	<u>100.00 %</u>
Excess in Revenues	124,814.12		176,444.31	
Fund Balance				
Balance, January 1	<u>326,979.09</u>		<u>380,834.78</u>	
	451,793.21		557,279.09	
Less: Utilization as Anticipated Revenue	<u>100,000.00</u>		<u>230,300.00</u>	
Balance, December 31	<u>\$ 351,793.21</u>		<u>\$ 326,979.09</u>	

See Independent Auditors' Report.

**Township of East Amwell
County of Hunterdon
Other Supplemental Information
Years Ended December 31, 2011, 2010 and 2009**

Comparative Schedule of Tax Rate Information

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Tax Rate	\$ 1.926	\$ 1.844	\$ 1.842
Apportionment of Tax Rate:			
Municipal	0.150	0.151	0.149
Municipal Open Space	0.039	0.039	0.040
Fire District #1 Tax	0.024	0.024	0.025
County	0.298	0.296	0.298
County Library	0.026	0.025	0.026
County Open Space	0.031	0.031	0.032
Local School	0.839	0.824	0.804
Regional High School	0.519	0.454	0.468
Assessed Valuation:			
2011	<u>\$ 787,964,523.00</u>		
2010		<u>\$ 787,824,265.00</u>	
2009			<u>\$ 791,724,997.00</u>

Comparison of Tax Levies and Collection Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collection</u>
2011	\$ 15,237,104.61	\$ 14,960,952.81	98.2%
2010	14,592,461.53	14,357,076.83	98.4%
2009	14,486,633.03	14,207,423.30	98.1%

Delinquent Taxes and Tax Title Liens

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

<u>December 31,</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2011	\$ 4,738.14	\$ 263,363.02	\$ 268,101.16	1.8%
2010	4,612.95	231,799.55	236,412.50	1.6%
2009	4,493.09	257,212.07	261,705.16	1.8%

Property Acquired by Tax Title Lien Liquidation

<u>Year</u>	<u>Amount</u>
2011	\$ 22,300.00
2010	22,300.00
2009	22,300.00

No properties have been acquired in 2011 by foreclosure or deed, as a result of liquidation of tax title liens.

Comparative Schedule of Fund Balance (Current Fund)

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
2011	\$ 351,793.21	\$ 161,000.00
2010	326,979.09	100,000.00
2009	380,834.78	230,300.00
2008	539,859.61	375,000.00
2007	786,550.53	485,000.00

See Independent Auditors' Report.

Comments Section

Township of East Amwell
County of Hunterdon
Comments
December 31, 2011

An audit of the financial accounts and transactions of the Township of East Amwell, County of Hunterdon, New Jersey ("Township") for the year ended December 31, 2011, has recently been completed. The results of the audit are herewith set forth:

Scope of Audit

The audit covered the financial transactions of the Tax Collector, Treasurer, the activities of the Township Committee and the records of the various outside departments.

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

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

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

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

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

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

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the amounts as noted above within the fiscal year and, where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion shall be sought before a commitment is made.

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

Road Maintenance and Repair Materials
Lindbergh Road Improvement Project
Dutch Lane Road Improvement Project

The system of records did not provide for an accumulation of payments by categories of materials or supplies, or related work or labor. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the amounts as noted above "for the performance of any work or the furnishing of labor materials and supplies or the hiring of teams or vehicles", other than where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of N.J.S. 40A:11-6.

See Independent Auditor's Report.

Township of East Amwell
County of Hunterdon
Comments
December 31, 2011

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 2, 2011 adopted the following resolution authorizing interest to be charged on delinquent taxes:

1. BE IT RESOLVED that taxes shall be collected quarterly on February 1, 2011; May 1, 2011; August 1, 2011 and November 1, 2011 and that interest will be charged at the rate of 8% per annum on the first \$1,500 of the delinquency and 18% per annum on any amount in excess of \$1,500.00 to be calculated from the date the tax was payable until the date of actual payment. There will be a ten day grace period after which unpaid taxes will then be charged interest from the due date.
2. NOW, THEREFORE, BE IT RESOLVED by the Mayor and Committee of the Township of East Amwell that the penalty authorized by P.L. 1991, c. 75, be fixed in the amount of six percent (6%) of all taxes due on any delinquency greater than \$10,000.00 which remains unpaid at the close of each calendar year. The Tax Collector is authorized to calculate the amount of any such penalty and to add the amount of the penalty to the other municipal charges and liens owing as to any given parcel at the end of the calendar year.

Tax Sale

The last tax sale was held on October 27, 2011 and was complete.

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

Year	Number of Liens
2011	2
2010	2
2009	2

**Township of East Amwell
County of Hunterdon
Schedule of Findings and Recommendations
December 31, 2011**

Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Statement of Condition 2011-1

Interfunds totaling \$434,584.80 exist on various Township balance sheets at December 31, 2011.

Criteria

The Township is expected to reflect accurate balances at year-end. Year-end procedures should include the liquidation of interfunds.

Effect

The Township balance sheets include interfund balances at year-end

Cause

Transfer of fund and/or posting of transactions did not occur prior to year-end.

Recommendation

Steps should be taken to liquidate all interfunds prior to the end of the fiscal year.

Statement of Condition 2011-2

No general ledger was maintained by the Township as required by NJAC 5:30-5.7..

Criteria

The Township is required to maintain a complete general ledger for all funds.

Effect

The Township did not have a general ledger for 2011

Cause

The general ledger was not updated after the former CFO retired.

Recommendation

Steps should be taken to ensure the general ledger is complete and accurate.

**Township of East Amwell
County of Hunterdon
Schedule of Findings and Recommendations
December 31, 2011**

Statement of Condition 2011-3

Ordinance 11-4 was not adopted in compliance with 40A: 2-17.

Criteria

A bond ordinance shall be finally adopted by the recorded affirmative votes of at least 2/3 of the full membership of the governing body.

Effect

Ordinance 11-4 was not adopted in compliance with the statute.

Course

One committee member was absent and one member voted no.

Recommendation

Bond ordinances be adopted by the affirmative vote of at least 2/3 of the full membership of the governing body.

**Township of East Amwell
County of Hunterdon
Schedule of Findings and Recommendations
December 31, 2011**

Schedule of Prior Year Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Findings

None