

**TOWNSHIP OF EAST AMWELL**

**County of Hunterdon**

**Report of Audit**

**December 31, 2008 and 2007**

**With Independent Auditors' Report**

**Township of East Amwell  
County of Hunterdon  
Table of Contents  
December 31, 2008 and 2007**

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	Exhibit	Page(s)
Independent Auditors' Report on Audit of the Financial Statements		1-2
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>		3-4
<b>Financial Statements</b>		
<u>Current Fund</u>		
Comparative Balance Sheets-Regulatory Basis	A	5-6
Comparative Statements of Operations and Change in Fund Balance- Regulatory Basis	A-1	7
Statement of Revenues-Regulatory Basis	A-2	8-10
Statement of Expenditures- Regulatory Basis	A-3	11-14
<u>Trust Fund</u>		
Comparative Balance Sheets-Regulatory Basis	B	15
<u>General Capital Fund</u>		
Comparative Balance Sheets-Regulatory Basis	C	16
Statement of Fund Balance-Regulatory Basis	C-1	17
<u>Public Assistance Fund</u>		
Comparative Balance Sheets-Regulatory Basis	D	18
<u>Payroll Fund</u>		
Comparative Balance Sheets-Regulatory Basis	E	19
<u>General Fixed Assets</u>		
Statement of General Fixed Assets-Regulatory Basis	F	20
Notes to Financial Statements		21-28
<b>Supplementary Information</b>		
<u>Current Fund</u>		
Schedule of Cash - Treasurer	A-4	29
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-5	30-31
Schedule of Tax Title Liens Receivable	A-6	32
Schedule of Property Acquired for Taxes-Assessed Valuation	A-7	32
Schedule of Revenue Accounts Receivable	A-8	33
Schedule of Deferred Charges	A-9	34
Schedule of Appropriation Reserves	A-10	35-37
Schedule of Local District School Tax	A-11	38
Schedule of Regional High School Tax	A-12	39
Schedule of Federal and State Grants Receivable	A-13	40
Schedule of Appropriated Reserves	A-14	41

**Township of East Amwell  
County of Hunterdon  
Table of Contents  
December 31, 2008 and 2007**

---

	<b>Exhibit</b>	<b>Page(s)</b>
<u>Trust Fund</u>		
Schedule of Trust Cash - Treasurer	B-1	42
Schedule of Cash - Collector	B-2	43
Schedule of Reserve for Animal Control Fund Expenditures	B-3	44
Schedule of Trust Fund Deposits and Reserves	B-4	45
Schedule of Reserve for Open Space	B-5	46
<u>General Capital Fund</u>		
Schedule of Cash - Treasurer	C-2	47
Analysis of Cash and Investments	C-3	48-49
Schedule of Deferred Charges to Future Taxation - Funded	C-4	50
Schedule of Deferred Charges to Future Taxation - Unfunded	C-5	51
Schedule of Capital Improvement Fund	C-6	52
Schedule of Improvement Authorizations	C-7	53-54
Schedule of New Jersey Economic Development Loan Payable	C-8	55
Schedule of NJ Green Trust Loan Payable	C-9	56
Schedule of Bond Anticipation Notes	C-10	57
Schedule of General Serial Bonds	C-11	58
<u>Public Assistance Fund</u>		
Schedule of Cash - Treasurer	D-1	59
Schedule of Public Assistance Cash and Reconciliation at Year-End	D-2	60
Schedule of Public Assistance Revenues	D-3	61
Schedule of Public Assistance Expenditures	D-4	61
Schedule of Assistance Commitments Payable	D-5	61
<u>Payroll Fund</u>		
Schedule of Payroll Cash	E-1	62
Schedule of Payroll Taxes Payable	E-2	63
<b>Other Supplementary Information</b>		
Other Supplementary Data		64-66
<b>Comments Section</b>		67-68
<b>Schedule of Findings and Recommendations</b>		69-70



WithumSmith+Brown, PC  
Certified Public Accountants and Consultants

3040 Route 22 West, Suite 110  
Somerville, New Jersey 08876 USA  
908 526 6363 . fax 908 526 9944  
www.withum.com

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## Independent Auditors' Report on Audit of the Financial Statements

To the Honorable Mayor and 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, 2008 and 2007, 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 the audit requirements 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, 2008 and 2007, 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, 2008 and 2007, 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, 2008, 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 a report dated July 8, 2009 on our consideration of the Township's internal control over financial reporting and 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.

Our audits were conducted for the purpose of forming opinions on the financial statements-regulatory basis that collectively comprise the Township's basic financial statements. The accompanying supplemental schedules and information of the individual funds listed in the foregoing table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements. Such schedules and information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole, on the regulatory basis described in Note 1.

*Charles H. Case*  
*William Smith + Brown PC*  
July 8, 2009



WithumSmith+Brown, PC  
Certified Public Accountants and Consultants

3040 Route 22 West, Suite 110  
Somerville, New Jersey 08876 USA  
908 526 6363 . fax 908 526 9944  
www.withum.com

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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**

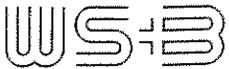
To the Honorable Mayor & Members of the Township Committee  
Township of East Amwell

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, 2008, and have issued our report thereon dated July 8, 2009. 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 differs 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

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.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Township's financial statement that is more than inconsequential will not be prevented or detected by the Township's internal control.



A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain matters that we have reported to the management of the Township in a separate letter dated July 8, 2009.

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.

*Clark M. Case*  
*William Smith & Brown P.C.*  
July 8, 2009

## Financial Statements

**Township of East Amwell**

**County of Hunterdon**

**2008**

**Current Fund**

Township of East Amwell  
 County of Hunterdon  
 Current Fund  
 Comparative Balance Sheets-Regulatory Basis  
 December 31, 2008 and 2007

	Reference	2008	2007
A -1-			
<b>Assets</b>			
Regular Fund:			
Cash - Treasurer	A-4	\$ 3,726,330.10	\$ 3,985,374.21
Cash - Petty Cash Fund		175.00	175.00
Cash - Change Funds		75.00	75.00
		<u>3,726,580.10</u>	<u>3,985,624.21</u>
Receivables with Offsetting Reserves:			
Delinquent Property Taxes Receivable	A-5	240,265.29	186,156.32
Tax Title Liens Receivable	A-6	4,373.43	4,258.18
Property Acquired for Taxes - Assessed Valuation	A-7	22,300.00	22,300.00
Revenue Accounts Receivable	A-8	2,437.36	1,924.77
Due from Other Trust Funds	B	191.05	275.21
Due from Capital Fund	C	166.93	9,958.95
Due from Payroll Fund	E		3.20
	A	<u>269,734.06</u>	<u>224,876.63</u>
Deferred Charges:			
Special Emergency Authorization 40A:4-55	A-9	<u>35,000.00</u>	<u>70,000.00</u>
		<u>4,031,314.16</u>	<u>4,280,500.84</u>
Federal and State Grant Fund:			
Cash	A-4	190,508.63	6,621.72
Federal and State Grants Receivable	A-13	12,457.20	11,057.20
		<u>202,965.83</u>	<u>17,678.92</u>
		<u>\$ 4,234,279.99</u>	<u>\$ 4,298,179.76</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, 2008 and 2007

A  
 -2-

	Reference	2008	2007
<b>Liabilities, Reserves and Fund Balance</b>			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3, A-10	\$ 56,253.76	\$ 125,737.38
Reserve for Encumbrances	A-3, A-10	78,118.61	53,725.00
Reserve for Revaluation Program		1,423.97	1,890.97
Taxes Collected in Advance		148,398.70	151,553.21
Tax Overpayments		92.24	
Reserve for Garden State Trust Fund		24,748.25	27,329.90
Due to Open Space Trust Fund	B	1,363.73	3,096.85
Due to State of NJ-Senior Citizens and Veterans Deductions		28.08	291.67
Due to State to NJ-Uniform Construction Fees		946.00	745.00
Due to State of NJ-Marriage Licenses		100.00	25.00
Due to County for Added and Omitted Taxes		12,206.80	26,217.38
Local District School Taxes Payable	A-11	1,775,844.69	1,680,451.38
Regional High School Taxes Payable	A-12	1,122,195.66	1,198,009.94
		<u>3,221,720.49</u>	<u>3,269,073.68</u>
Reserve for Receivables and Other Assets	A	269,734.06	224,876.63
Fund Balance	A-1	539,859.61	786,550.53
		<u>4,031,314.16</u>	<u>4,280,500.84</u>
Federal and State Grant Fund:			
Appropriated Reserves	A-14	202,965.83	17,678.92
		<u>\$ 4,234,279.99</u>	<u>\$ 4,298,179.76</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, 2008 and 2007**

	A-1	
	2008	2007
<b>Revenue and Other Income</b>		
Fund Balance Utilized	\$ 485,000.00	\$ 485,000.00
Miscellaneous Revenue Anticipated	2,210,915.01	1,429,759.36
Receipts from Delinquent Taxes	174,705.10	200,320.48
Receipts from Current Taxes	13,860,767.79	13,960,491.78
Non-Budget Revenue	16,632.64	8,078.70
Other Credits to Income:		
Unexpended Balances of Appropriation Reserves	122,471.54	68,141.84
Reserve for Encumbrances Cancelled		3,607.53
Interfund Receivables Realized	10,237.36	47.85
Tax Overpayments Cancelled	1.32	9.61
Outstanding Check Voided.		564.39
	<u>16,880,730.76</u>	<u>16,156,021.54</u>
<b>Expenditures</b>		
Budget Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	711,454.00	676,326.00
Other Expenses	734,092.00	754,380.00
Deferred Charges and Statutory Expenditures - Municipal	57,100.00	51,200.00
Operations Excluded From "CAPS" Operations:		
Salaries and Wages	300.00	
Other Expenses	288,047.59	99,590.72
Capital Improvements	495,500.00	375,000.00
Municipal Debt Service	1,387,119.00	728,524.85
Deferred Charges -Municipal	35,000.00	79,739.26
Municipal Open Space Tax	318,053.73	317,349.85
Fire District Tax	190,597.00	186,697.00
County Taxes	2,814,598.09	2,825,274.42
Due to County for Added and Omitted Taxes	12,206.80	26,217.38
Local District School Tax	6,149,330.00	5,940,162.00
Regional High School Tax	3,444,177.83	3,595,806.20
Interfunds Advanced		3.19
Refund Prior Year Revenue	200.00	320.00
Refund Prior Year Taxes	4,645.64	
	<u>16,642,421.68</u>	<u>15,656,590.87</u>
Excess In Revenue	238,309.08	499,430.67
Fund Balance, January 1	786,550.53	772,119.86
	<u>1,024,859.61</u>	<u>1,271,550.53</u>
Decrease - Utilization as Anticipated Revenue	485,000.00	485,000.00
Fund Balance, December 31	<u>\$ 539,859.61</u>	<u>\$ 786,550.53</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  
Years Ended December 31, 2008 and 2007**

A-2  
-1-

	Anticipated		Realized	Excess (Deficit)
	Budget	Special NJSA 40A:4-87		
Fund Balance Anticipated	\$ 485,000.00	\$	\$ 485,000.00	\$
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	2,060.00		2,060.00	
Fees and Permits	50,000.00		35,620.00	(14,380.00)
Fines and Costs:				
Municipal Court	22,000.00		25,133.77	3,133.77
Interest and Costs on Taxes	46,000.00		54,223.81	8,223.81
Interest on Investments and Deposits	217,000.00		144,755.37	(72,244.63)
Rental Municipal Building	4,350.00		3,425.00	(925.00)
Consolidated Munc. Property Tax Relief Aid	107,169.00		107,169.00	
Energy Receipts Tax (P.L. 1997, Chp. 162 & 167)	304,028.00		304,028.00	
Garden State Preservation Trust Fund	27,329.90		27,329.90	
Uniform Construction Code Fees	66,000.00		54,713.00	(11,287.00)
Recycling Tonnage Grant		2,383.37	2,383.37	
Clean Communities Program	8,392.12	1,051.58	9,443.70	
Hunterdon County Oper, Space, Recreation, Farmland and Historic Preservation Trust Fund-Municipal Grants Program	38,560.52		38,560.52	
Hunterdon County Cultural and Heritage Commission-Special Purpose Award	1,000.00		1,000.00	
SNJDOT Grant-Spring Hill Road	120,000.00		120,000.00	
SNJDOT Grant-Back Brook Road	150,000.00		150,000.00	
SNJEDA-Hazardous Dischargee Remediation Fund-Public Entity Grant Program #P19484	184,040.00		184,040.00	
ANJEC Grant	1,400.00		1,400.00	
Hunterdon County Cultural and Heritage Commission-Special Project Reserve for Kanack/Payment of Debt	2,635.77	2,000.00	2,000.00	
Reserve for Kanack /Harrison Payment of Debt	301,744.33		301,744.33	
Reserve for Reiter-Payment of Debt	519,043.00		519,043.00	
Capital Surplus	120,206.47		120,206.47	
	<u>2,292,959.11</u>	<u>5,434.95</u>	<u>2,210,915.01</u>	<u>(87,479.05)</u>
Receipts from Delinquent Taxes	193,000.00		174,705.10	(18,294.90)
Amounts to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	1,108,467.00		1,206,184.34	97,717.34
Budget Totals	4,079,426.11	5,434.95	4,076,804.45	(8,056.61)
Non-Budget Revenue			16,632.64	16,632.64
	<u>\$ 4,079,426.11</u>	<u>\$ 5,434.95</u>	<u>\$ 4,093,437.09</u>	<u>\$ 8,576.03</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  
Years Ended December 31, 2008 and 2007**

A-2  
-2-

**Allocation of Current Tax Collections**

Collections Realized		\$ 13,860,767.79
Allocated to:		
Municipal Open Space Tax	\$ 318,053.73	
Fire District Tax	190,597.00	
County Taxes	2,814,598.09	
County Share of Added and Omitted Taxes	12,206.80	
Local District School Tax	6,149,330.00	
Regional High School Tax	3,444,177.83	
		<u>12,928,963.45</u>
Balance for Support of Budget Appropriations		931,804.34
Increased by: Appropriation - Reserve for Uncollected Taxes		<u>274,380.00</u>
Amount for Support of Municipal Budget Appropriations		<u>\$ 1,206,184.34</u>

**Analysis of Fees and Permits - Other**

Treasurer:		
Assessment Searches		750.00
Board of Adjustment		27,830.00
Board of Health		2,055.00
Clean Up Day		240.00
Code of Twp. & Sourland Mountain Plan		105.00
Development Ordinance		
Logging Permit		3,585.00
Planning Board		35.00
Registrar of Vital Statistics		
Road Opening Permit		
Smoke Detectors		
Tax Search Fees		1,020.00
Trash Permits		
		<u>35,620.00</u>
Treasurer:		
Cash Receipts		39,140.00
Cash Disbursed		<u>3,520.00</u>
		<u>\$ 35,620.00</u>

Township of East Amwell  
 County of Hunterdon  
 Current Fund  
 Statement of Revenues-Regulatory Basis  
 Years Ended December 31, 2008 and 2007

A-2  
 -3-

Analysis of Non-Budget Revenue

Aluminum Rebate		
Appropriation Refunds-2007	\$	616.00
Auction Proceeds		414.00
Cable TV Franchise Fee		4,896.00
Certified Lists		3,562.77
Clerk - Various		200.00
County of Hunterdon-Poll Rent		1,061.71
Gypsy Moth Program		600.00
Historic Preservation		2,170.59
Miscellaneous-Treasurer		912.00
Motor Vehicle Inspection Fine		138.70
Payroll Refunds		400.00
State of NJ-Vets & Senior Citizens Admin. Fee		751.70
		<u>909.17</u>
	\$	<u>16,632.64</u>

**Township of East Amwell  
County of Hunterdon  
Current Fund  
Statement of Expenditures-Regulatory Basis  
Year Ended December 31, 2008**

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	\$ 92,180.00	\$ 92,930.00	\$ 92,019.98	\$ 910.02	\$
Other Expenses	47,200.00	44,200.00	36,885.80	314.20	7,000.00
Mayor and Committee:					
Salaries and Wages	9,045.00	9,045.00	9,045.00		
Other Expenses	600.00	600.00	313.00	7.00	280.00
Municipal Clerk:					
Salaries and Wages	70,127.00	70,127.00	69,463.85	663.15	
Other Expenses	8,600.00	8,600.00	6,284.35	1,015.65	1,300.00
Financial Administration:					
Salaries and Wages	35,322.00	35,322.00	34,640.37	181.63	500.00
Other Expenses	6,400.00	6,400.00	5,437.01	562.99	400.00
Audit Services:					
Other Expenses	21,800.00	21,800.00	21,800.00		
Revenue Administration:					
Salaries and Wages	35,250.00	35,750.00	35,335.04	414.96	
Other Expenses	8,800.00	8,300.00	7,075.09	224.91	1,000.00
Tax Assessment Administration:					
Salaries and Wages	29,137.00	29,137.00	29,137.00		
Other Expenses	23,000.00	23,000.00	17,658.28	5,341.72	
Legal Services:					
Other Expenses	60,000.00	60,000.00	47,118.70	12,881.30	
Agricultural Advisory Committee:					
Salaries and Wages	500.00	1,000.00	677.45	22.55	300.00
Other Expenses	700.00	700.00	15.08	184.92	500.00
Engineering Services:					
Other Expenses	19,000.00	19,000.00	16,278.47	321.53	2,400.00
Historical Sites Office:					
Salaries and Wages	700.00	700.00	311.37	138.63	250.00
Other Expenses	2,918.00	2,918.00	2,645.26	272.74	
LAND USE ADMINISTRATION:					
Planning Board:					
Salaries and Wages	16,000.00	16,500.00	16,075.65	424.35	
Other Expenses	39,750.00	38,250.00	28,133.77	2,116.23	8,000.00
Zoning Board of Adjustment:					
Salaries and Wages	27,995.00	28,495.00	28,138.48	356.52	
Other Expenses	17,600.00	16,100.00	8,468.98	2,631.02	5,000.00
INSURANCE:					
General Liability Insurance	64,980.00	64,980.00	59,631.79	1,348.21	4,000.00
Workmens Compensation Insurance	29,005.00	29,005.00	29,005.00		
Employee Group Health Insurance	141,100.00	141,100.00	133,576.55	523.45	7,000.00
Unemployment Insurance	5,000.00	5,000.00	5,000.00		
PUBLIC SAFETY FUNCTIONS:					
Office of Emergency Management:					
Other Expenses	3,000.00	3,000.00	703.75	296.25	2,000.00
Aid to Volunteer Ambulance Companies	29,000.00	29,000.00	29,000.00		
Municipal Court:					
Salaries and Wages	33,483.00	33,483.00	33,318.00	165.00	
Other Expenses	8,150.00	8,150.00	7,035.39	214.61	900.00
Public Defender (P.L. 1997, C.256):					
Salaries and Wages	1,083.00	1,083.00	882.00	26.00	175.00
Municipal Prosecutors Office:					
Salaries and Wages	11,046.00	11,046.00	11,046.00		

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

**Township of East Amwell  
County of Hunterdon  
Current Fund  
Statement of Expenditures-Regulatory Basis  
Year Ended December 31, 2008**

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	\$ 266,556.00	\$ 249,054.00	\$ 234,182.25	\$ 2,871.75	\$ 12,000.00
Other Expenses	73,000.00	73,000.00	43,020.10	4,979.90	25,000.00
Solid Waste Collection:					
Salaries and Wages	1,800.00	1,800.00	1,546.45	253.55	
Other Expenses	7,900.00	7,900.00	5,529.58	570.42	1,800.00
Vehicle Maintenance:					
Other Expenses	15,000.00	30,000.00	26,543.19	3,456.81	
Buildings and Grounds:					
Other Expenses	45,969.00	47,469.00	47,365.23	103.77	
HUMAN SERVICES:					
Public Health Services:					
Salaries and Wages	20,000.00	18,500.00	17,283.61	516.39	700.00
Other Expenses	36,000.00	35,000.00	23,741.03	3,758.97	7,500.00
Environmental Health Services:					
Salaries and Wages	2,200.00	2,400.00	2,158.75	241.25	
Other Expenses	3,300.00	3,300.00	1,905.02	394.98	1,000.00
Animal Control Services:					
Salaries and Wages	500.00	500.00			500.00
Other Expenses	3,000.00	3,000.00			3,000.00
Welfare/Admin of Public Assistance:					
Salaries and Wages	2,513.00	2,515.00	2,515.00		
Other Expenses	800.00	800.00	368.79	431.21	
Contribution to Social Service Agencies-Statutory:					
Other Expenses	850.00	850.00	850.00		
RECREATION AND EDUCATION:					
Recreation Services & Programs:					
Salaries and Wages	5,620.00	5,920.00	5,861.37	58.63	
Other Expenses	13,100.00	13,100.00	11,759.31	340.69	1,000.00
UNIFORM CONSTRUCTION CODE					
Approp Offset by Ded Revs (NJAC 5.23-4.17):					
Uniform Construction Code Enforcement Function:					
Salaries and Wages	80,572.00	80,572.00	78,104.34	2,467.66	
Other Expenses	6,150.00	6,150.00	4,919.74	1,230.26	
UTILITY EXPENSES AND BULK PURCHASES:					
Electricity	20,000.00	23,000.00	22,931.97	68.03	
Street Lighting	4,500.00	5,000.00	4,510.44	489.56	
Telephone	12,000.00	12,000.00	11,407.49	592.51	
Fuel Oil	6,500.00	6,500.00	6,204.30	295.70	
Gasoline	23,000.00	23,000.00	14,916.38	1,083.62	7,000.00
Total Operations Within "CAPS"	1,549,301.00	1,546,051.00	1,389,780.80	55,765.20	100,505.00
Contingent					
Total Operations Including Contingent - Within "CAPS"	1,549,301.00	1,546,051.00	1,389,780.80	55,765.20	100,505.00
DETAIL:					
Salaries and Wages	741,629.00	725,879.00	701,741.96	9,712.04	14,425.00
Other Expenses - (Including Contingent)	807,672.00	820,172.00	688,038.84	46,053.16	86,080.00

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

**Township of East Amwell  
County of Hunterdon  
Current Fund  
Statement of Expenditures-Regulatory Basis  
Year Ended December 31, 2008**

A-3  
-3-

	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.)	\$ 53,000.00	\$ 55,750.00	\$ 55,741.92	\$ 8.08	\$
Defined Contribution Retirement Program	500.00	500.00			500.00
Compensation Plan:					
Other Expenses	1,350.00	1,350.00	1,350.00		
Total Deferred Charges & Statutory Expenditures -Municipal Within "CAPS"	54,850.00	57,600.00	57,091.92	8.08	500.00
Total General Appropriations for Municipal Purposes Within "CAPS"	1,604,151.00	1,603,651.00	1,446,872.72	55,773.28	101,005.00
OPERATIONS - EXCLUDED FROM "CAPS"					
NJPDDES Stormwater Permit (N.J.S.A. 40A: 4-45.3 (cc))					
Public Health Services:					
Salaries and Wages	500.00	500.00	209.53	90.47	200.00
Other Expenses	8,100.00	8,600.00	8,210.45	389.55	
Contribution to:					
Public Employees Retirement System	34,176.00	34,176.00	34,176.00		
Gypsy Moth Control:					
Other Expenses	3,000.00	3,000.00	2,915.62	0.38	84.00
Recycling Enhancement Act (P.L. 2007 C311)	500.00	500.00	51.92	0.08	448.00
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES					
Recycling Tonnage Grant (N.J.S.A. 40A:4-87 \$2,383.37+)		2,383.37	2,383.37		
Clean Communities Program:					
Other Expenses (40A:4-87 \$1,051.58+)	8,392.12	9,443.70	9,443.70		
Hunterdon County Open Space, Recreation, Farmland and Historic Preservation Trust Fund - Municipal Grants Program	38,560.52	38,560.52	38,560.52		
Hunterdon County Cultural and Heritage Commission- Special Purpose Award	1,000.00	1,000.00	1,000.00		
SNJEDA-Hazardous Discharge Site Remediation Fund- Public Safety Grant Program - #P19484	184,040.00	184,040.00	184,040.00		
ANJEC Grant:					
State Share	1,400.00	1,400.00	1,400.00		
Local Share	2,000.00	2,000.00	2,000.00		
Hunterdon County Cultural and Heritage Commission - Special Project		2,000.00	2,000.00		
SFSP Fire District Payment	1,500.00	1,500.00	1,476.00		24.00
Matching Funds for Grants	100.00	100.00			100.00
Total Operations - Excluded from "CAPS"	283,268.64	289,203.59	287,867.11	480.48	856.00
Detail:					
Salaries and Wages	500.00	500.00	209.53	90.47	200.00
Other Expenses	282,768.64	288,703.59	287,657.58	390.01	656.00

Township of East Amwell  
County of Hunterdon  
Current Fund  
Statement of Expenditures-Regulatory Basis  
Year Ended December 31, 2008

A-3  
-4-

	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	197,500.00	197,500.00	197,500.00	\$	\$
Purchase of Ambulance Equipment	28,000.00	28,000.00	28,000.00		
New Jersey Transportation Trust Fund Authority Net	270,000.00	270,000.00	270,000.00		
Total Capital Improvements	495,500.00	495,500.00	495,500.00		
OPERATIONS - EXCLUDED FROM "CAPS"					
MUNICIPAL DEBT SERVICE:					
Payment of Bond Principal	\$ 390,000.00	\$ 390,000.00	\$ 390,000.00		
Payment of Bond Anticipation Notes	639,249.47	639,249.47	639,249.47		
Interest on Bonds	243,040.00	243,040.00	243,037.50		2.50
Interest on Notes	67,850.00	67,850.00	67,845.99		4.01
New Jersey Economic Development Loan Payments	46,987.00	46,987.00	46,986.04		0.96
Total Municipal Debt Service	1,387,126.47	1,387,126.47	1,387,119.00		7.47
DEFERRED CHARGES:					
Special Emergency Authorizations - 5 years (NJSA: 40A: 4-55)	35,000.00	35,000.00	35,000.00		
Total Deferred Charges - Municipal Excluded from "CAPS"	35,000.00	35,000.00	35,000.00		-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	2,200,895.11	2,206,830.06	2,205,486.11	480.48	863.47
Subtotal General Appropriations	3,805,046.11	3,810,481.06	3,652,358.83	56,253.76	101,868.47
Reserve for Uncollected Taxes	274,380.00	274,380.00	274,380.00		
	<u>\$ 4,079,426.11</u>	<u>\$ 4,084,861.06</u>	<u>\$ 3,926,738.83</u>	<u>\$ 56,253.76</u>	<u>\$ 101,868.47</u>
Appropriation By 40A:4-87 Budget		\$ 5,434.95			
		<u>4,079,426.11</u>			
		<u>\$ 4,084,861.06</u>			
ANALYSIS OF PAID OR CHARGED:					
Federal and State Grant Funds			\$ 470,267.07		
Deferred Charge - Special Emergency Authorization (40A:4-55)			35,000.00		
Due to Open Space Trust Fund			38,560.52		
Reserve for Encumbrances			78,118.61		
Reserve for Uncollected Taxes			274,380.00		
Disbursed			<u>3,032,860.72</u>		
			3,929,186.92		
Receipts			<u>2,448.09</u>		
			<u>\$ 3,926,738.83</u>		

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

**Township of East Amwell**

**County of Hunterdon**

**2008**

**Trust Fund**

**Township of East Amwell  
County of Hunterdon  
Trust Fund  
Comparative Balance Sheets-Regulatory Basis  
December 31, 2008 and 2007**

		<b>B</b>	
	Reference	2008	2007
<b>Assets</b>			
Animal Control Fund:			
Cash - Treasurer	B-1	\$ 5,070.11	\$ 941.80
Change Fund		15.00	15.00
Total Animal Control Fund		<u>5,085.11</u>	<u>956.80</u>
Other Trust Funds:			
Cash - Treasurer	B-1	<u>251,927.65</u>	<u>239,347.52</u>
Open Space Trust Fund:			
Cash	B-1	941,956.78	818,533.22
Due from Current Fund	A	1,363.73	3,096.85
Total Open Space Trust Fund		<u>943,320.51</u>	<u>821,630.07</u>
		<u>\$ 1,200,333.27</u>	<u>\$ 1,061,934.39</u>
<b>Liabilities, Reserves and Fund Balance</b>			
Animal Control Fund:			
Prepaid Licenses		\$	\$ 12.00
Due to State of New Jersey			6.60
Reserve for Animal Control Expenditures	B-3	<u>5,085.11</u>	<u>938.20</u>
Total Animal Control Fund		<u>5,085.11</u>	<u>956.80</u>
Other Trust Funds:			
Trust Fund Reserves	B-4	251,736.60	239,069.11
Due to Current Fund	A	191.05	275.21
Due to Payroll Fund	E		3.20
Total Other Trust Funds		<u>251,927.65</u>	<u>239,347.52</u>
Open Space Trust Fund:			
Reserve for Open Space	B-5	<u>943,320.51</u>	<u>821,630.07</u>
Total Open Space Trust Fund		<u>943,320.51</u>	<u>821,630.07</u>
		<u>\$ 1,200,333.27</u>	<u>\$ 1,061,934.39</u>

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

**Township of East Amwell**

**County of Hunterdon**

**2008**

**General Capital Fund**

**Township of East Amwell  
County of Hunterdon  
General Capital Fund  
Comparative Balance Sheets-Regulatory Basis  
December 31, 2008 and 2007**

		C	
	Reference	2008	2007
<b>Assets</b>			
Cash	C-2	\$ 1,844,374.16	\$ 2,881,088.68
Fair Housing Loans Receivable		40,000.00	40,000.00
SNJ DOT Grants Receivable:			
Spring Hall Road Improvement	C-7	120,000.00	
Road Improvement Back Brook Rd. Lingbergh Road	C-7	150,000.00	
Deferred Charges to Future Taxation:			
Funded	C-4	5,642,366.20	6,069,546.64
Unfunded	C-5	1,000,000.00	1,696,150.00
		<u>\$ 9,046,740.36</u>	<u>\$ 10,686,785.32</u>
<b>Liabilities, Reserves and Fund Balance</b>			
General Serial Bonds Payable	C-11	\$ 5,180,000.00	\$ 5,570,000.00
Bond Anticipation Notes	C-10	1,000,000.00	1,696,150.00
New Jersey Economic Development Loan Payable	C-8		11,966.62
Green Trust Loan Advance/Payable	C-9	462,366.20	487,580.02
Capital Improvement Fund	C-6	90,060.01	133,275.02
Improvement Authorizations:			
Funded	C-7	1,440,285.51	728,413.61
Unfunded	C-7	397,149.42	615,320.24
Due to Current Fund	A	166.93	9,958.95
Reserve for Kanack - Payment of Debt		382,643.67	385,279.44
Reserve for Kanack (Harrison) - Payment of Debt		619.90	302,364.23
Reserve for Reiter - Payment of Debt			519,043.00
Reserve for Fair Housing Loans Receivable		40,000.00	40,000.00
Reserve for Preliminary Expenses:			
Farmland Preservation and/or Open Space		17,336.08	16,666.88
Preservation Plan for the Homestead at Clawson Park		4,555.00	3,205.00
Purchase of Tax Liens for Future Open Space Acquisition		5,000.00	5,000.00
Future Road Projects		8,370.00	
Fund Balance	C-1	<u>18,187.64</u>	<u>162,562.31</u>
		<u>\$ 9,046,740.36</u>	<u>\$ 10,686,785.32</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, 2008**

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		C-1
Balance, December 31, 2007		\$ 162,562.31
Increased by:		
Permanently Funded Improvement Authorization Cancelled		1,831.80
		164,394.11
Decreased by:		
Payment to Current Fund as Anticipated Revenue	\$ 120,206.47	
Appropriation to Finance Improvement Authorization	26,000.00	
		146,206.47
Balance, December 31, 2008		\$ 18,187.64

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

**Township of East Amwell**

**County of Hunterdon**

**2008**

**Public Assistance Fund**

**Township of East Amwell**  
**County of Hunterdon**  
**Public Assistance Fund**  
**Comparative Balance Sheets-Regulatory Basis**  
**December 31, 2008 and 2007**

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			D
	Reference	2008	2007
<b>Assets</b>			
Cash	D-1	<u>\$ 14,328.57</u>	<u>\$ 11,073.97</u>
<b>Liabilities, Reserves and Fund Balance</b>			
Reserve for Public Assistance		<u>\$ 14,328.57</u>	<u>\$ 11,073.97</u>

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

**Township of East Amwell**

**County of Hunterdon**

**2008**

**Payroll Fund**

**Township of East Amwell**  
**County of Hunterdon**  
**Payroll Fund**  
**Comparative Balance Sheets-Regulatory Basis**  
**December 31, 2008 and 2007**

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			E
	Reference	2008	2007
<b>Assets</b>			
Cash	E-1	\$ 2,946.22	\$ 2,758.92
Due from Other Trust Funds	B	<u>                    </u>	<u>          3.20</u>
		<u>\$ 2,946.22</u>	<u>\$ 2,762.12</u>
 <b>Liabilities, Reserves and Fund Balance</b>			
Payroll Taxes Payable	E-2	\$ 2,946.22	\$ 2,758.92
Due to Current Fund	A	<u>                    </u>	<u>          3.20</u>
		<u>\$ 2,946.22</u>	<u>\$ 2,762.12</u>

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

**Township of East Amwell**

**County of Hunterdon**

**2008**

**General Fixed Assets**

**Township of East Amwell**  
**County of Hunterdon**  
**Statement of General Fixed Assets-Regulatory Basis**  
**Years Ended December 31, 2008 and 2007**

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	F	
	2008	2007
General Fixed Assets:		
Land	\$ 1,726,720.00	\$ 1,726,720.00
Buildings and Improvements	1,259,883.57	1,150,213.59
Machinery and Equipment	<u>1,187,897.14</u>	<u>1,168,925.14</u>
	<u>\$ 4,174,500.71</u>	<u>\$ 4,045,858.73</u>
Investment in General Fixed Assets	<u>\$ 4,174,500.71</u>	<u>\$ 4,045,858.73</u>

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

**Township of East Amwell**  
**Notes to Financial Statements**  
**December 31, 2008 and 2007**

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**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, 2008 and 2007**

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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 official's 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, 2008 and 2007**

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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 in each depository. 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, including certificates of deposit.

As of December 31, 2008, the Township's cash accounts consisted of:

TD Bank (formerly Commerce Bank)	\$6,746,463.86
Citigroup Fund Services-State Cash Management	<u>230,978.36</u>
	<u>\$6,977,442.22</u>

**Township of East Amwell**  
**Notes to Financial Statements**  
**December 31, 2008 and 2007**

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The carrying amount of the Township's cash and cash equivalents at December 31, 2008 was \$6,977,442.22 and the bank balance was \$6,974,450.25. Of the balance, \$250,000.00 was covered by federal depository insurance and \$6,724,450.25 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	\$ 250,000.00
Category 2	Deposits which are collateralized with securities held by the pledging financial institution's trust department, or Agent in the Township's name	6,727,442.22
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, 2008 and 2007**

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**3. Long Term Debt**

Municipal Debt consists of the following at December 31:

	2008	2007	2006
Issued:			
General:			
Bonds and notes	\$ 6,180,000.00	\$7,266,150.00	\$6,664,000.00
NJ Economic Development Authority loan payable	--	11,966.62	23,933.29
NJDEP Green Acres loan payable	<u>462,366.21</u>	<u>487,580.02</u>	<u>--</u>
	6,642,366.21	7,765,696.64	6,687,933.29
Authorized but not issued:			
General:			
Bonds and notes	--	--	1,044,739.26
Green trust loan advance	<u>--</u>	<u>--</u>	<u>500,000.00</u>
	<u>\$ 6,642,366.21</u>	<u>\$7,765,696.64</u>	<u>\$8,732,672.55</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 0.81%.

	Gross Debt	Deductions	Net Debt
Local school district debt	\$ 1,735,000.00	\$1,735,000.00	\$ --
Regional High School district debt	2,018,402.77	2,018,402.77	--
General debt	<u>6,642,366.21</u>	<u>--</u>	<u>6,642,366.21</u>
	<u>\$10,395,768.98</u>	<u>\$3,753,402.77</u>	<u>\$6,642,366.21</u>

Net debt \$6,642,366.21 divided by equalized valuation basis per NJSA 40A:2-2 as amended, \$822,396,550 = 0.81%.

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

3.5% of equalized valuation basis of \$794,561,610.00	\$28,783,879.25
Net debt	<u>6,642,366.21</u>
Remaining borrowing power	<u>\$22,141,513.04</u>

**Township of East Amwell**  
**Notes to Financial Statements**  
**December 31, 2008 and 2007**

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

Year	Principal	Interest	Total
2009	\$ 300,000.00	\$ 224,852.50	\$ 524,852.50
2010	300,000.00	211,592.50	511,592.50
2011	325,000.00	197,722.50	522,722.50
2012	340,000.00	182,890.00	522,890.00
2013	365,000.00	167,170.00	532,170.00
2014-2018	2,070,000.00	572,391.25	2,642,391.25
2019-2023	<u>1,480,000.00</u>	<u>138,547.50</u>	<u>1,618,547.50</u>
	<u>\$5,180,000.00</u>	<u>\$1,695,166.25</u>	<u>\$6,875,166.25</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
2009	\$ 25,720.61	\$ 9,119.36	\$ 34,839.97
2010	26,237.60	8,602.38	34,839.97
2011	26,764.97	8,075.00	34,839.97
2012	27,302.94	7,537.02	34,839.97
2013	27,851.73	6,988.24	34,839.97
2014-2018	147,884.43	26,315.42	174,199.85
2019-2023	163,356.42	10,843.43	174,199.85
2024	<u>17,247.51</u>	<u>172.48</u>	<u>17,419.99</u>
	<u>\$ 462,366.21</u>	<u>\$ 77,653.32</u>	<u>\$ 540,019.54</u>

**4. Fund Balance Appropriated**

The Current Fund balance at December 31, 2008 which was appropriated and included as anticipated revenue in the Current Fund amounted to \$375,000.00 in the budget adopted for the year 2009.

**5. Deferred Charges to Be Raised in Succeeding Budgets**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2007 the following deferred charges are shown on the balance sheets of the various funds:

	Balance December 31, 2008	2009 Budget Appropriation	Balance to Succeeding Budgets
Current Fund:			
Special Emergency Authorization 40A:4-55	\$35,000.00	\$35,000.00	\$ --

The appropriation in the 2009 budget is not less than that required by statute.

**Township of East Amwell**  
**Notes to Financial Statements**  
**December 31, 2008 and 2007**

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**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>	
	Balance	Balance	Balance	Balance
	December 31,	December 31,	December 31,	December 31,
	2008	2007	2008	2007
Balance of tax	\$2,524,022.19	\$2,428,628.88	\$1,722,088.92	\$1,797,903.20
Deferred	<u>748,177.50</u>	<u>748,177.50</u>	<u>599,893.26</u>	<u>599,893.26</u>
Payable	<u>\$1,775,844.69</u>	<u>\$1,680,451.38</u>	<u>\$1,122,195.66</u>	<u>\$1,198,009.94</u>

**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 2008 and 2007 as follows:

	2008	2007
Prepaid Taxes	<u>\$148,398.70</u>	<u>\$151,553.21</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 2008 and 2007 were \$34,176.00 and \$19,756.20, 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.

**Township of East Amwell  
Notes to Financial Statements  
December 31, 2008 and 2007**

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**10. Fixed Assets**

The changes in fixed assets are summarized as follows:

	<b>Balance Dec. 31, 2007</b>	<b>Increase</b>	<b>Decrease</b>	<b>Balance Dec. 31, 2008</b>
Land	\$1,726,720.00	\$ --	\$ --	\$1,726,720.00
Building & improvements	1,150,213.59	109,669.98	--	1,259,883.57
Machinery & equipment	<u>1,168,925.14</u>	<u>57,472.00</u>	<u>38,500.00</u>	<u>1,187,897.14</u>
	<u>\$4,045,858.73</u>	<u>\$167,141.98</u>	<u>\$38,500.00</u>	<u>\$4,174,500.71</u>

**11. Leases**

The Township has not entered into any capital lease agreements as of December 31, 2008 and 2007.

**12. Compensated Absences**

The Township has not permitted employees to accrue unused vacation days. Sick days may be accumulated up to 30 days. However, any person leaving the employment of the Township is not compensated for any accumulated sick days.

**13. Interfund Receivables and Payables:**

	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
Current Fund	\$ 357.98	\$1,363.73
Other Trust Funds	--	191.05
Open Space Trust Fund	1,363.73	--
Capital Fund	<u>--</u>	<u>166.93</u>
	<u>\$1,721.71</u>	<u>\$1,721.71</u>

**14. 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.

**15. Subsequent Events**

On May 8, 2009 the tax court of New Jersey issued a civil action judgment for the Ridge at Back Brook, reducing the assessed value by \$1,000,000 for 2008 and \$9,256,700.00 for 2009. The tax reduction based on the 2008 tax rate is \$17,730.00 for 2008 and \$164,121.30 for 2009.

**Supplementary Information-Regulatory Basis**

**Township of East Amwell**

**County of Hunterdon**

**2008**

**Current Fund**

**Township of East Amwell  
County of Hunterdon  
Current Fund  
Schedule of Cash-Treasurer  
Year Ended December 31, 2008**

A-4

	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance, December 31, 2007	\$ 3,985,374.21	\$ 6,621.72
Increased by Receipts:		
Petty Cash Fund	\$ 150.00	
Taxes Receivable	13,838,197.76	
Interest and Costs on Taxes	54,223.81	
Taxes Collected in Advance	148,398.70	
Tax Overpayments	8,897.43	
Miscellaneous Revenue Not Anticipated	16,632.64	
Revenue Accounts Receivable	1,624,053.71	
Appropriation Refunds	2,448.09	
2007 Appropriation Reserve Refunds	2,730.03	
Due to State of NJ - Uniform Construction Code Fees	4,901.00	
Due to State of NJ - Marriage Licenses	525.00	
Due from Federal and State Grant Fund	1,500.00	
Due from Other Trust Funds	275.21	
Due from Capital Fund	9,958.96	
Due from Payroll Fund	202.40	
Reserve for Garden State Trust Fund	24,748.25	
State of New Jersey - Senior Citizens' & Veterans' Deductions	45,458.33	
Grants Receivable		\$ 198,867.07
Due from Current Fund - Local Match		2,000.00
Due Current Fund-Interest Earned		1,970.32
Contra Items	1,457,984.90	493.04
	<u>17,241,286.22</u>	<u>203,330.43</u>
	21,226,660.43	209,952.15
Decreased by Disbursements:		
Petty Cash Fund	150.00	
Refund Prior Year Revenue	200.00	
Refund of Revenue Accounts Receivable	3,520.00	
2008 Appropriations	3,032,860.72	
2007 Appropriation Reserves	59,720.87	
Reserve for Revaluation Program	467.00	
Tax Overpayments	8,803.87	
Refund Prior Year Taxes	4,645.64	
Due from Federal and State Grant Fund	1,500.00	
Due to Open Space Trust Fund	319,786.85	
Due to Capital Fund	0.01	
Due From Payroll Fund	199.20	
Due to State of NJ - Uniform Construction Code Fees	4,700.00	
Due to State of NJ - Marriage License	450.00	
Fire District Tax	190,597.00	
County Taxes	2,814,598.09	
2007 County Share of Added and Omitted Taxes	26,217.38	
Local District School Tax	6,053,936.69	
Regional High School Tax	3,519,992.11	
Appropriated Reserves		\$ 16,980.16
Due Current Fund-Interest Earned		1,970.32
Contra Items	1,457,984.90	493.04
	<u>17,500,330.33</u>	<u>19,443.52</u>
Balance, December 31, 2008	<u>\$ 3,726,330.10</u>	<u>\$ 190,508.63</u>

See Independent Auditors' Report.

Township of East Amwell  
 County of Hunterdon  
 Current Fund

Schedule of Taxes Receivable and Analysis of Property Tax Levy  
 Year Ended December 31, 2008

A-5  
 -1-

Year	Balance December 31, 2007	2008 Levy	Collected		Remitted and Cancelled	State's Share of Senior Citizens & Veterans Deductions Allowed-Net	Transferred to Tax Title Liens	Balance December 31, 2008
			2007	2008				
2006	\$ 3,210.12	\$	\$		\$	\$	\$	3,210.12
2007	182,946.20			174,705.10	594.88			7,646.22
	186,156.32			174,705.10	594.88			10,856.34
2008		14,098,240.47	151,553.21	13,663,492.66	7,948.48	45,721.92	115.25	229,408.95
	\$ 186,156.32	\$ 14,098,240.47	\$ 151,553.21	\$ 13,838,197.76	\$ 8,543.36	\$ 45,721.92	\$ 115.25	\$ 240,265.29

**Township of East Amwell**  
**County of Hunterdon**  
**Current Fund**  
**Schedule of Taxes Receivable and Analysis of Property Tax Levy**  
**Year Ended December 31, 2008**

A-5  
-2-

**Analysis of 2008 Property Tax Levy**

Tax Yield:

General Purpose Tax		\$ 13,847,987.54
Fire District Taxes		190,597.00
Added and Omitted Taxes:		
Omitted Taxes (54:4-63.12 et. seq.)		3,001.38
Added Taxes (54:4-63.1et. seq)		10,404.55
Senior Citizens' Exemptions Allowed At Tax Billings		5,250.00
Veterans' Deductions Allowed at Tax Billings		41,000.00
		<u>41,000.00</u>
		<u>\$ 14,098,240.47</u>

Tax Levy:

Local District School Tax (Abstract)		\$ 6,149,330.00	
Regional High School Tax (Abstract)		3,444,177.83	
County Taxes:			
General (Abstract)	\$ 2,355,722.80		
Library Tax (Abstract)	204,555.52		
County Open Space Preservation	254,319.77		
	<u>2,814,598.09</u>		
Due to County for Added and Omitted Taxes	12,206.80		
			2,826,804.89
Municipal Open Space Trust Fund (Abstract)	316,690.00		
Due to Municipal Open Space for Added and Omitted Taxes	<u>1,363.73</u>		
			318,053.73
Fire District No. 1 Tax (Abstract)			190,597.00
Local Tax for Municipal Purposes:			
Abstract	1,108,467.00		
Additional Tax Levied	<u>60,810.02</u>		
			<u>1,169,277.02</u>
			<u>\$ 14,098,240.47</u>

**Analysis of Collections Realized**

	<u>2008</u>	<u>Prior Years</u>
Taxes Paid in Advance Applied	\$ 151,553.21	
Taxes Receivable Collected	13,663,492.66	\$ 174,705.10
State Share of Senior Citizens' Deductions	5,250.00	
State Share of Senior Citizens' Deductions Disallowed	(778.08)	
State Share of Veteran's Deductions	41,250.00	
	<u>41,250.00</u>	
	<u>\$ 13,860,767.79</u>	<u>\$ 174,705.10</u>

See Independent Auditors' Report.

**Township of East Amwell  
County of Hunterdon  
Current Fund  
Schedule of Tax Title Liens Receivable  
Year Ended December 31, 2008**

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**A-6**

Balance, December 31, 2007	\$ 4,258.18
Increased by:	
Transfers from Taxes Receivable	<u>115.25</u>
Balance, December 31, 2008	<u>\$ 4,373.43</u>

**Schedule of Property Acquired for Taxes-Assessed Valuation  
Year Ended December 31, 2008**

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**A-7**

Balance, December 31, 2008 and 2007	<u>\$ 22,300.00</u>
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See Independent Auditors' Report.

Township of East Amwell  
 County of Hunterdon  
 Current Fund  
 Schedule of Revenue Accounts Receivable  
 Year Ended December 31, 2008

A-8

	Balance December 31, 2007	Accrued in 2008	Collected by Treasurer	Prior Year Reserve Applied	Balance December 31, 2008
Anticipated Revenues:					
Licenses:					
Alcoholic Beverages	\$	\$ 2,060.00	\$ 2,060.00	\$	\$
Fees and Permits:					
Construction Code Official	234.00	54,479.00	54,713.00		
Other		35,620.00	35,620.00		
Municipal Court Fines and Costs	1,690.77	24,955.36	25,133.77		1,512.36
Interest on Investments and Deposits		144,755.37	144,755.37		925.00
Rental of Municipal Building		4,350.00	3,425.00		
Consolidated Municipal Property					
Tax Relief Aid		107,169.00	107,169.00		
Energy Receipts Tax		304,028.00	304,028.00		
Reserve for Garden State Trust Fund		27,329.90		27,329.90	
Reserve for Kanack-Payment of Debt		2,635.77	2,635.77		
Reserve for Kanack/Harrison-Payment of Debt		301,744.33	301,744.33		
Reserve for Reiter-Payment of Debt		519,043.00	519,043.00		
Capital Surplus		120,206.47	120,206.47		
	<u>\$ 1,924.77</u>	<u>\$ 1,648,376.20</u>	<u>\$ 1,620,533.71</u>	<u>\$ 27,329.90</u>	<u>\$ 2,437.36</u>
Cash Received			\$ 1,624,053.71		
Cash Disbursed			3,520.00		
			<u>\$ 1,620,533.71</u>		

Township of East Amwell  
 County of Hunterdon  
 Current Fund  
 Schedule of Deferred Charges  
 N.J.S.A. 40A: 4-55 Special Emergency-Codification of Ordinances, Tax Map and Revaluation Program  
 Year Ended December 31, 2008

A-9

Date Authorized	Purpose	Net Amount Authorized	1/5 of Net Amount Authorized	Balance December 31, 2007	Reduced in 2008	Balance December 31, 2008
3/11/04	Tax Map	\$ 10,000.00	\$ 2,000.00	\$ 4,000.00	\$ 2,000.00	\$ 2,000.00
3/11/04	Revaluation Program	165,000.00	33,000.00	66,000.00	33,000.00	33,000.00
		<u>\$ 175,000.00</u>	<u>\$ 35,000.00</u>	<u>\$ 70,000.00</u>	<u>\$ 35,000.00</u>	<u>\$ 35,000.00</u>

Township of East Amwell  
 County of Hunterdon  
 Current Fund  
 Schedule of Appropriation Reserves  
 Year Ended December 31, 2008

A-10  
 -1-

	Balance December 31, 2007	Balance After Transfer and Encumbrance	Paid or Charged	Balance Lapsed
OPERATIONS - WITHIN "CAPS"				
GENERAL GOVERNMENT FUNCTIONS:				
General Administration:				
Salaries and Wages	\$ 122.72	\$ 1,945.48	\$ 1,822.76	\$ 122.72
Other Expenses	8,758.49	9,356.41	2,255.93	7,100.48
Mayor and Committee:				
Other Expenses	6.50	6.50		6.50
Municipal Clerk:				
Salaries and Wages	4,126.40	5,013.90	887.50	4,126.40
Other Expenses	3,588.31	3,634.78	46.47	3,588.31
Financial Administration:				
Salaries and Wages	407.67	458.22	50.55	407.67
Other Expenses	793.02	793.02		793.02
Audit Services:				
Other Expenses	200.00	200.00		200.00
Revenue Administration:				
Salaries and Wages	68.04	76.31	8.27	68.04
Other Expenses	494.79	507.75	12.96	494.79
Tax Assessment Administration:				
Other Expenses	673.65	2,241.15	1,747.61	493.54
Legal Services:				
Other Expenses	29,208.64	35,463.86	6,873.32	28,590.54
Agricultural Advisory Committee:				
Salaries and Wages	466.06	499.75	33.69	466.06
Other Expenses	341.00	341.00		341.00
Engineering Services:				
Other Expenses	5,117.38	6,650.38	2,371.50	4,278.88
Historical Sites Office:				
Other Expenses	259.57	1,094.88	835.31	259.57
LAND USE ADMINISTRATION:				
Planning Board:				
Salaries and Wages	1,860.97	1,497.71	636.74	860.97
Other Expenses	581.40	5,459.83	2,274.60	3,185.23
Zoning Board of Adjustment:				
Salaries and Wages	576.05	1,153.16	577.11	576.05
Other Expenses	427.34	3,803.28	3,418.54	384.74
INSURANCE:				
General Liability Insurance	1,806.89	1,806.89		1,806.89
Employee Group Health Insurance	17,351.44	17,351.44		17,351.44
PUBLIC SAFETY FUNCTIONS:				
Office of Emergency Management:				
Other Expenses	274.85	2,035.85	1,837.00	198.85
Municipal Court:				
Salaries and Wages	704.56	704.56		704.56
Other Expenses	659.88	659.88		659.88
Public Defender:				
Salaries and Wages	50.00	50.00		50.00

See Independent Auditors' Report.

Township of East Amwell  
 County of Hunterdon  
 Current Fund  
 Schedule of Appropriation Reserves  
 Year Ended December 31, 2008

A-10  
 -2-

	Balance December 31, 2007	Balance After Transfer and Encumbrance	Paid or Charged	Balance Lapsed
OPERATIONS - WITHIN "CAPS"				
PUBLIC WORKS FUNCTIONS:				
Streets and Roads Maintenance:				
Salaries and Wages	\$ 7,875.85	\$ 14,365.06	\$ 4,455.71	\$ 9,909.35
Other Expenses	3,339.93	16,070.22	12,730.29	3,339.93
Solid Waste Collection:				
Salaries and Wages	295.55	371.05	75.50	295.55
Other Expenses	1,110.88	1,603.92	493.04	1,110.88
Vehicle Maintenance:				
Other Expenses	3,330.32	4,229.20	898.88	3,330.32
Buildings and Grounds:				
Other Expenses	10,451.36	11,877.38	4,343.78	7,533.60
HUMAN SERVICES:				
Public Health Services:				
Salaries and Wages	170.20	946.84	776.64	170.20
Other Expenses	6,303.11	8,178.11	1,875.00	6,303.11
Environmental Health Services:				
Salaries and Wages	146.39	146.39		146.39
Other Expenses	882.01	882.01		882.01
Animal Control Services:				
Other Expenses	66.55	66.55		66.55
Welfare/Admin of Public Assistance:				
Other Expenses	583.22	583.22	136.08	447.14
RECREATION AND EDUCATION:				
Recreation Services & Programs:				
Salaries and Wages	318.17	406.60	88.43	318.17
Other Expenses	1,725.23	1,922.39	197.16	1,725.23
UNIFORM CONSTRUCTION CODE				
Approp Offset by Ded Revs (NJAC 5:23-4.17):				
Uniform Construction Code Enforcement Function:				
Salaries and Wages	208.34	2,032.01	1,823.67	208.34
Other Expenses	643.02	820.47	177.45	643.02
UNCLASSIFIED				
Celebration of Public Event:				
Other Expenses	100.00	100.00		100.00
UTILITY EXPENSES AND BULK PURCHASES:				
Electricity	1,007.44	1,427.98	420.54	1,007.44
Street Lighting	267.36	267.36		267.36
Telephone	338.87	749.44	410.57	338.87
Fuel Oil	630.54	1,592.77	962.23	630.54
Gasoline	1,117.22	2,117.22	1,436.01	681.21

Township of East Amwell  
 County of Hunterdon  
 Current Fund  
 Schedule of Appropriation Reserves  
 Year Ended December 31, 2008

A-10  
 -3-

	Balance December 31, 2007	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:				
Public Employees' Retirement System				
Social Security System (O.A.S.I.)	\$ 57.00	\$ 57.00	\$	\$ 57.00
OPERATIONS - EXCLUDED FROM "CAPS"				
Affordable Housing Agency:				
Salaries and Wages				
Insurance: N.J.S.A. 40A:4-45.3(00)				
General Liability				
Workers Compensation				
Employee Group Health	4,961.00	4,961.00		4,961.00
NJPDES Stormwater Permit (N.J.S.A. 40A: 4-45.3 (cc))				
Public Health Services:				
Other Expenses	881.40	881.40		881.40
Contribution to Public Employees Retirement System	0.80	0.80		0.80
	<u>\$ 125,737.38</u>	<u>\$ 179,462.38</u>	<u>\$ 56,990.84</u>	<u>\$ 122,471.54</u>
Appropriation Reserves		\$ 125,737.38		
Reserve for Encumbrances		<u>53,725.00</u>		
		<u>\$ 179,462.38</u>		
Cash Disbursed			\$ 59,720.87	
Cash Receipts			<u>2,730.03</u>	
			<u>\$ 56,990.84</u>	

**Township of East Amwell**  
**County of Hunterdon**  
**Current Fund**  
**Schedule of Local District School Tax**  
**Year Ended December 31, 2008**

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A-11

Balance, December 31, 2007:		
School Tax Payable	\$ 1,680,451.38	
School Tax Deferred	<u>748,177.50</u>	
		\$ 2,428,628.88
Increased by:		
Levy - School Year July 1, 2008 to June 30, 2009		<u>6,149,330.00</u>
		8,577,958.88
Decreased by:		
Payments		<u>6,053,936.69</u>
Balance, December 31, 2008:		
School Tax Payable	1,775,844.69	
School Tax Deferred	<u>748,177.50</u>	
		<u>\$ 2,524,022.19</u>

See Independent Auditors' Report.

**Township of East Amwell**  
**County of Hunterdon**  
**Current Fund**  
**Schedule of Regional High School Tax**  
**Year Ended December 31, 2008**

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A-12

Balance, December 31, 2007:		
School Tax Payable	\$ 1,198,009.94	
School Tax Deferred	<u>599,893.26</u>	
		\$ 1,797,903.20
Increased by:		
Levy - School Year July 1, 2008 to June 30, 2009		<u>3,444,177.83</u>
		5,242,081.03
Decreased by:		
Payments		<u>3,519,992.11</u>
Balance, December 31, 2008:		
School Tax Payable	1,122,195.66	
School Tax Deferred	<u>599,893.26</u>	
		<u>\$ 1,722,088.92</u>

See Independent Auditors' Report.

Township of East Amwell  
 County of Hunterdon  
 Federal and State Grant Fund  
 Schedule of Federal and State Grants Receivable  
 Year Ended December 31, 2008

A-13

	Balance December 31, 2007	Revenue	Received	Balance December 31, 2008
<b>Grant</b>				
Clean Communities Program	\$	\$ 9,443.70	\$ 9,443.70	\$
Recycling Tonnage Grant		2,383.37	2,383.37	
2007 Municipal Stormwater Regulation Program	11,057.20			11,057.20
Hunterdon County Cultural and Heritage Commission-Special Purpose Award		1,000.00	1,000.00	
Hunterdon County Cultural and Heritage Commission-Special Projects Grant		2,000.00	2,000.00	
ANJEC Grant		1,400.00		1,400.00
SNJEDA-Hazardous Discharge Site Remediation Fund-Public Entity Grant Program #P19484		184,040.00	184,040.00	
	<u>\$ 11,057.20</u>	<u>\$ 200,267.07</u>	<u>\$ 198,867.07</u>	<u>\$ 12,457.20</u>

Township of East Amwell  
 County of Hunterdon  
 Federal and State Grant Fund  
 Schedule of Appropriated Reserves  
 Year Ended December 31, 2008

A-14

	Balance December 31, 2007	Transferred from 2008 Budget Appropriations	Paid or Charged	Balance December 31, 2008
<b>Grant</b>				
2007 Clean Communities Program	\$ 2,126.59		\$ 2,126.59	
2008 Clean Communities Program		9,443.70	8,396.46	1,047.24
County of Hunterdon-Cultural & Heritage Commission-Special Projects Grant "Old Ringoes":				
State Share	500.00			500.00
Local Share	1,500.00			1,500.00
2007 Recycling Tonnage Grant	89.41		89.41	
2008 Recycling Tonnage Grant		2,383.37	1,442.22	941.15
SNJDEP Municipal Stormwater Regulation Program	11,057.20			11,057.20
State and Local All Hazards Emergency Operating Planning Program	2,405.72			2,405.72
Hunterdon County Cultural and Heritage Commission-Special Purpose Award		1,000.00	1,000.00	
Hunterdon County Cultural and Heritage Commission-Special Projects Grant		2,000.00		2,000.00
SNJEDA-Hazardous Discharge Site Remediation Fund-Public Entity Grant Program #P19484		184,040.00	2,417.50	181,622.50
ANJEC Grant:				
State Share		1,400.00	700.00	700.00
Local Share		2,000.00	807.98	1,192.02
	<u>\$ 17,678.92</u>	<u>\$ 202,267.07</u>	<u>\$ 16,980.16</u>	<u>\$ 202,965.83</u>

See Independent Auditors' Report.

**Township of East Amwell**

**County of Hunterdon**

**2008**

**Trust Fund**

**Township of East Amwell  
County of Hunterdon  
Trust Fund  
Schedule of Cash - Treasurer  
Year Ended December 31, 2008**

	B-1		
	Animal Control Fund	Other Trust Funds	Open Space Trust Fund Fund
Balance, December 31, 2007	\$ 941.80	\$ 239,347.52	\$ 818,533.22
Increased by Receipts:			
Dog License Fees	14,581.40		
Due to State of NJ	1,899.60		
Prepaid License			
Due to Current Fund-Settle Interfund			
Due to Dog Owners - License Overpayments	33.00		
Due to Payroll Fund			
Trust Fund Reserves		137,544.98	
Reserve for Open Space - 2008 Levy			316,690.00
Reserve for Open Space - 2007 Added and Omitted Taxes			3,096.85
County of Hunterdon - Open Space Municipal Grants Program			38,560.52
Reserve for Open Space - Other Receipt			12,069.77
Contra Item			139.50
Due Current Fund - Interest Earned	132.00	2,764.38	
Interest Earned			21,033.08
	<u>16,646.00</u>	<u>140,309.36</u>	<u>391,589.72</u>
	<u>17,587.80</u>	<u>379,656.88</u>	<u>1,210,122.94</u>
Decreased by Disbursements:			
Expenditures Under RS 4:19-15.11	10,445.29		
Due State of NJ	1,907.40		
Due to Dog Owner-License Overpayments	33.00		
Trust Fund Reserves		124,877.49	
Due to Payroll Fund		3.20	
Due to Current Fund-Interest Earned	132.00	2,848.54	
Due to Current Fund-Settlement of Interfund			
Contra Item			139.50
Reserve for Open Space:			
Down Payments on Improvement Authorizations			
Deferred Charges to Future Taxation Ord # 06-13			
Acquisition of Real Property			220,000.00
Maintenance of Lands for Recreation and Conservation			22,026.66
Reserve for Preliminary Expenses:			
Preservation Plan for the Homestead at Clawson Park			6,000.00
Farmland Preservation and/or Open Space			20,000.00
	<u>12,517.69</u>	<u>127,729.23</u>	<u>268,166.16</u>
Balance, December 31, 2008	<u>\$ 5,070.11</u>	<u>\$ 251,927.65</u>	<u>\$ 941,956.78</u>

See Independent Auditors' Report.

**Township of East Amwell**  
**County of Hunterdon**  
**Trust Fund**  
**Schedule of Cash - Collector**  
**Year Ended December 31, 2008**

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		B-2
Balance, December 31, 2007		\$
Increased by:		
Deposits for Redemption of Tax Sale Certificates		27,399.94
Due to Current Fund-Interest Earned		42.59
		27,442.53
Decreased by:		
Deposits for Redemption of Tax Sale Certificates	\$ 27,399.94	
Due to Current Fund-Interest Earned	42.59	
	27,442.53	27,442.53
Balance, December 31, 2008		\$

See Independent Auditors' Report.

**Township of East Amwell  
 County of Hunterdon  
 Animal Trust Fund  
 Schedule of Reserve for Animal Control Fund Expenditures  
 Year Ended December 31, 2008**

**B-3**

Balance, December 31, 2007		\$ 938.20
Increased by:		
Cash Receipts:		
Dog License Fees Collected	\$ 10,843.20	
2007 Dog License Fees Collected	43.20	
2008 Dog License Late Fees Collected	3,695.00	
	<u>14,581.40</u>	
2008 Dog License Fees Applied	10.80	
		<u>14,592.20</u>
		15,530.40
Decreased by:		
Expenditures Per RS 4:19-15.11:		
Cash Disbursed		<u>10,445.29</u>
Balance, December 31, 2008		<u><u>\$ 5,085.11</u></u>

**License Fees Collected**

Year	Amount
2006	\$ 7,665.00
2007	<u>9,499.60</u>
Maximum Allowed Reserve	<u><u>\$ 17,164.60</u></u>

See Independent Auditors' Report.

**Township of East Amwell  
 County of Hunterdon  
 Other Trust Funds  
 Schedule of Trust Fund Deposits and Reserves  
 Year Ended December 31, 2008**

B-4

Purpose	Balance December 31, 2007	Receipts	Disbursements	Balance December 31, 2008
Special Deposits	\$ 125,548.44	\$ 87,534.32	\$ 106,093.56	\$ 106,989.20
Unemployment Compensation	10,414.75	6,708.09	7,504.00	9,618.84
Housing Trust	77,543.80	30,045.67	11,078.93	96,510.54
POAA	32.00			32.00
Marion Clawson Memorial Park	730.12	55.90		786.02
Deposits for Redemption of Tax Sale Certificates		27,399.94	27,399.94	
Premiums Received at Tax Sale	9,300.00	8,000.00		17,300.00
Public Defender		201.00	201.00	
Historic Preservation	500.00			500.00
Snow Removal	15,000.00			15,000.00
Living Waters Lutheran Church Donation		5,000.00		5,000.00
	<u>\$ 239,069.11</u>	<u>\$ 164,944.92</u>	<u>\$ 152,277.43</u>	<u>\$ 251,736.60</u>
		\$ 137,544.98	\$ 124,877.49	
Treasurer		27,399.94	27,399.94	
Collector		<u>\$ 164,944.92</u>	<u>\$ 152,277.43</u>	

See Independent Auditors' Report.

**Township of East Amwell  
 County of Hunterdon  
 Open Space Trust Fund  
 Schedule of Reserve for Open Space  
 Year Ended December 31, 2008**

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**B-5**

Balance, December 31, 2007		\$ 821,630.07
Increased by:		
Cash Receipts:		
2008 Levy	\$ 316,690.00	
Interest Earned	21,033.08	
County of Hunterdon - Open Space Municipal Grants Program - Year 2008	38,560.52	
Other Receipts	<u>12,069.77</u>	
	388,353.37	
2008 Added and Omitted Taxes	<u>1,363.73</u>	
		<u>389,717.10</u>
		1,211,347.17
Decreased by:		
Cash Disbursed:		
Appropriated to Finance Improvement Authorizations	220,000.00	
Reserve for Preliminary Expenses:		
Preservation Plan for the Homestead at Clawson Park	6,000.00	
Farmland Preservation and/or Open Space	20,000.00	
Maintenance of Land for Recreation and Conservation	<u>22,026.66</u>	
		<u>268,026.66</u>
Balance, December 31, 2008		<u>\$ 943,320.51</u>

See Independent Auditors' Report.

**Township of East Amwell**

**County of Hunterdon**

**2008**

**General Capital Fund**

**Township of East Amwell  
County of Hunterdon  
General Capital Fund  
Schedule of Cash - Treasurer  
Year Ended December 31, 2008**

C-2

Balance, December 31, 2007		\$ 2,881,088.68
Increased by Receipts:		
Budget Appropriations:		
Capital Improvement Fund	\$ 197,500.00	
Deferred Charges to Future Taxation	639,249.47	
Interest Earned-Due Current Fund	127,957.66	
Open Space Trust Fund-Appropriated to Finance Improvement Authorizations	220,000.00	
Reserve for Preliminary Expenses-Farmland Preservation and/or Open Space	3,000.00	
Open Space Trust Fund-Reserve for Preliminary Expenses	26,000.00	
Bond Anticipation Notes	1,000,000.00	
Due Current Fund (Contra)	639,249.47	
	<u>639,249.47</u>	2,852,956.60
		<u>5,734,045.28</u>
Decreased by Disbursements:		
Improvement Authorizations	440,082.83	
Reserve for Preliminary Expenses - Farmland Preservation and/or Open Space	22,330.80	
Reserve for Preliminary Expenses - Preservation Plan for the Homestead at Clawson Park	4,650.00	
Reserve for Preliminary Expenses - Road Projects	1,630.00	
Anticipated Revenue - Reserve for Kanack Payment of Debt	2,635.77	
Anticipated Revenue - Reserve for Kanack (Harrison) - Payment of Debt	301,744.33	
Anticipated Revenue - Reserve for Reiter - Payment of Debt	519,043.00	
Anticipated Revenue - Capital Fund Balance	120,206.47	
Bond Anticipation Notes	1,696,150.00	
Due Current Fund - Interest Earned	127,790.73	
Due Current Fund - Settle Interfund	9,958.95	
Due to Open Space Trust Fund - Cancel Ordinance Regarding Open Space	4,198.77	
Due Current Fund (Contra)	639,249.47	
	<u>639,249.47</u>	3,889,671.12
		<u>1,844,374.16</u>
Balance, December 31, 2008		\$ 1,844,374.16

See Independent Auditors' Report.

Township of East Annwell  
 County of Hurterdon  
 General Capital Fund  
 Analysis of Cash and Investments  
 Year Ended December 31, 2008

	Balance December 31, 2007	Receipts			Disbursements			Balance December, 31 2008
		Budget Appropriation	Bond Anticipation Notes	Miscellaneous	Improvement Authoriza- tion	Bond Anticipation Notes	Miscel- laneous	
Capital Fund Balance	\$ 162,562.31	\$	\$	\$	\$	\$	\$	18,187.64
Capital Improvement Fund	133,275.02	197,500.00				120,206.47	26,000.00	90,060.01
Reserve for Preliminary Expenses:							416,000.00	175,284.99
Preservation Plan for Homestead at Clawson Park	3,205.00					4,650.00		4,555.00
Farmland Preservation and/or Open Space	16,666.88			3,000.00		22,330.80		17,336.08
Purchase of Tax Liens for Future Open Spaces Acquisition	5,000.00							5,000.00
Future Road Projects						1,630.00		8,370.00
Reserve for Kanack (Harrison) - Payment of Debt	302,364.23					301,744.33		619.90
Reserve for Kanack - Payment of Debt	385,279.44					2,635.77		382,643.67
Reserve for Reiter - Payment of Debt	519,043.00					519,043.00		
IMPROVEMENT AUTHORIZATIONS:								
ORD #								
98-02 Various Capital Improvements	103,321.48							103,321.48
01-22 Suppl Approp. for Phase I of Mason Clawson Memorial Park Development Project	18,494.80							18,494.80
03-17 Purchase of Farmland Development Rights in Property Known as Block 16 01, Lot 31	56,900.53	639,249.47					56,900.53	56,900.53
04-09 Funding of Phase 2 of the Marlon Clawson Memorial Park Development Project	1,409.46			1,409.00				0.46
05-10 Various Building Repair Projects	2,430.77			2,430.77				
05-11 Purchase, Installation and Set-Up of Emergency Communications Equipment and Electrical Upgrade to the Municipal Building	13,675.98							13,675.98
05-12 Clawson Park Barn Replacement	44,905.68			2,600.00				42,305.68
05-13 Clawson Park - Phase II	5,550.97							5,550.97
05-14 Clawson Historic House Roof and Exterior Stabilization	23,991.66			18,152.59				5,839.09
05-34 Acquisition of Development Rights Easements on Certain Real Property (B 27, L35.01 and B 27, L46 + 46.06)	87,783.95							87,783.95
06-12 Township Share of the Cost of Easements Under the Farmland Program to be Undertaken Jointly with the County and the State	539,924.91		1,000,000.00	142,775.49		1,000,000.00		397,149.42

C-3  
-1-

Township of East Amwell  
 County of Hunterdon  
 General Capital Fund  
 Analysis of Cash and Investments  
 Year Ended December 31, 2008

	Balance December 31, 2007	Receipts			Disbursements			Balance December, 31 2008
		Budget Appropriation	Bond Anticipation Notes	Miscellaneous	Improvement Authoriza- tion	Bond Anticipation Notes	Miscel- laneous	
06-18 2006 Phase of the Marion Clawson Memorial Park Development Project	\$ 58,274.56	\$	\$	\$	\$ 31,512.65	\$	\$	\$ 26,761.91
06-23 Various Building Renovation Projects at the Municipal Building	45,159.66				45,159.66			
07-07 Leveling and Overlapping Portions of Various Twp. Roads	185,890.75				13,288.91		172,601.84	
07-08 Purchase of Office Equipment and Office Furniture	11,891.42				8,723.48			3,167.94
07-09 East Amwell Twp. School Soccer Field Well Pump Project and Irrigation Distribution System	19,951.85				19,657.98		293.87	
07-10 Purchase of a Tractor Mounted Roadside Mower	17,959.95							17,959.95
07-12 Purchase of a Mower for the Parks	47,747.40				43,842.50		3,904.90	
07-13 Supplemental Appropriation for Barn Replacement at the Marion Clawson Memorial Park	15,000.00							15,000.00
07-14 Supplemental Appropriation for Various Renovation Projects at the Municipal Building	25,000.00				25,000.00			
07-17 Purchase of a 11 Ft. Power Angle Reversible Snow Plow	9,968.05				8,136.25		1,831.80	
07-18 Purchase of a Portable Speed Display Sign Trailer	8,500.00				5,616.65		2,883.35	
08-05 Supplemental Appropriation for Various Renovation Projects at the Municipal Building					30,460.64			36,000.00
08-06 Acquisition of Development Rights Easements on Certain Real Properties Known as B17, L16.03 and B21, L16 & 16.01					47.25			219,952.75
8-08 Twp. Funding Share of the Spring Hill Rd. Improvement Project					8,901.50			155,096.50
08-13 Road Improvements to Back Brook Rd.					8,838.97			166,161.03
08-14 Supplemental Appropriation for Twp. Funding Share of the Spring Hill Rd. Improvement Fund								35,000.00
08-15 Various Municipal Bldg. Repairs and Improvements					23,206.20			42,783.80
08-16 Leveling and Overlaying Portions of Various Twp. Roads					42.64			49,957.36
08-17 Purchase of a 2009 Dump Truck with Plows and Sander					41.74			135,958.26
08-19 Supplemental Appropriations for the Twp. Funding Share of the Back Brook Improvement Fund					37.76			10,000.00
08-20 Road Improvements to Lindbergh Rd.								274,962.24
Due from Open Space Trust Fund Current Fund							246,000.00	
SNJDOT Grant Receivable:	9,958.95						4,198.77	166.93
Spring Hill Road Improvement							776,998.15	
Road Improvement Back Brook Road							120,000.00	(120,000.00)
Lindbergh Road							150,000.00	(150,000.00)
							250,000.00	(250,000.00)
	\$ 2,881,088.68	\$ 836,749.47	\$ 1,000,000.00	\$ 1,016,207.13	\$ 440,062.83	\$ 1,696,150.00	\$ 1,446,216.09	\$ 1,844,374.16

Township of East Amwell  
 County of Hunterdon  
 General Capital Fund  
 Schedule of Deferred Charges to Future Taxation - Funded  
 Year Ended December 31, 2008

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C-4

Balance, December 31, 2007		\$ 6,069,546.64
Decreased by:		
2008 Budget Appropriation to Pay General Serial Bonds	\$ 390,000.00	
2008 Budget Appropriation to Pay SNJ Economic Development Loan	11,966.62	
2008 Budget Appropriation to Pay SNJ Green Trust Loan	<u>25,213.82</u>	
		<u>427,180.44</u>
Balance, December 31, 2008		<u>\$ 5,642,366.20</u>



**Township of East Amwell**  
**County of Hunterdon**  
**General Capital Fund**  
**Schedule of Capital Improvement Fund**  
**Year Ended December 31, 2008**

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C-6

Balance, December 31, 2007		\$	133,275.02
Increased by:			
2008 Budget Appropriation	\$	197,500.00	
Improvement Authorizations Cancelled:			
Ord #03-17 Leveling and Overlapping Portions of Various Twp. Roads		172,601.84	
Ord #07-18 Purchase of Portable Speed Display Sign/Trailer		<u>2,683.15</u>	
			<u>372,784.99</u>
			506,060.01
Decreased by:			
Direct Charges Made for Preliminary Costs-Future Road Project		10,000.00	
Appropriation to Finance Improvement Authorizations		<u>406,000.00</u>	
			<u>416,000.00</u>
Balance, December 31, 2008		\$	<u><u>90,060.01</u></u>

See Independent Auditors' Report.

Township of East Amwell  
 County of Hunterdon  
 General Capital Fund  
 Schedule of Improvement Authorizations  
 Year Ended December 31, 2008

C-7  
 -1-

Ord. Number	Improvement Description	Date Adopted	Amount	Balance December 31, 2007		2008 Authorizations				Balance December 31, 2008		
				Funded	Unfunded	Capital Improvement Fund	State NJ DOT Grant Receivable	Open Space Trust Fund	Capital Surplus	Paid or Charged	Cancelled	Funded
98-02	Various Capital Improvements	2/12/98	\$ 577,525.00	\$ 103,321.48	\$	\$	\$	\$	\$	\$	\$ 103,321.48	\$
01-22	Suppl Agreem. For Phase I of Maxon Clawson Memorial Park Development Project	10/25/01	350,000.00	18,494.80								18,494.80
03-17	Purchase of Farmland Development Rights in Property Known as Block 16.01, Lot 31	10/9/03	750,000.00	56,900.53								56,900.53
04-09	Funding of Phase 2 of the Marion Clawson Memorial Park Development Project	5/13/04	200,000.00	1,409.46								1,409.46
05-10	Various Building Repair Projects	5/26/05	18,000.00	2,430.77								2,430.77
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	44,905.68								42,305.68
05-13	Clawson Park - Phase II	5/26/05	15,000.00	5,550.97								5,550.97
05-14	Clawson Historic House Roof and Exterior Stabilization	5/26/05	25,000.00	23,991.68								5,839.09
05-34	Acquisition of Development Rights Easements on Certain Real Property (B 27, L 33.01 and B 27, L 46 + 46.05)	12/27/05	150,000.00	67,763.95								87,783.95
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	539,924.91								397,149.42
06-18	2006 Phase of the Marion Clawson Memorial Park Development Project	6/22/06	65,000.00	58,274.56								26,761.91
06-23	Various Building Renovation Projects at the Municipal Building	10/26/06	65,000.00	45,159.66								45,159.66
07-07	Leveling and Overlapping Portions of Various Twp. Roads	6/14/07	391,000.00	185,890.75								172,601.84
07-08	Purchase of Office Equipment and Office Furniture	6/14/07	13,500.00	11,891.42								3,167.94
07-09	East Amwell Twp. School Soccer Field Well Pump Project and Irrigation Distribution System	6/14/07	20,000.00	19,951.85								293.87
07-10	Purchase of a Tractor Mounted Roadside Mower	7/19/07	18,000.00	17,959.95								17,959.95
07-12	Purchase of a Mower for the Parks	7/19/07	48,000.00	47,747.40								3,964.90
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
07-14	Supplemental Appropriation for Various Renovation Projects at the Municipal Building	10/11/07	25,000.00	25,000.00								25,000.00
07-17	Purchase of a 11 Ft. Power Angle Reversible Snow Plow	12/15/07	10,000.00	9,968.05								1,831.80
07-18	Purchase of a Portable Sheet Display Sign Trailer	12/27/07	8,500.00	8,500.00								2,663.15

Township of East Anwell  
 County of Hunterdon  
 General Capital Fund  
 Schedule of Improvement Authorizations  
 Year Ended December 31, 2008

C-7  
 -2-

Ord. Number	Improvement Description	Date Adopted	Amount	Balance December 31, 2007		2008 Authorizations				Balance December 31, 2008			
				Funded	Unfunded	Capital Improvement Fund	State NJ DOT Grant Receivable	Open Space Trust Fund	Capital Surplus	Paid or Charged	Cancelled	Funded	Unfunded
08-05	Supplemental Appropriation for Various Renovation Projects at the Municipal Building	5/8/08	\$ 36,000.00	\$	\$	\$ 36,000.00	\$	\$	\$	\$ 30,460.84	\$	\$ 5,538.36	
08-06	Acquisition of Development Rights Easements on Certain Real Properties Known as E17, L16 03 and B2, L1, 16 & 16 01	5/8/08	220,000.00					220,000.00		47.25		219,952.75	
08-08	Township Funding Share of the Spring Hill Rd. Improvement Project	7/17/08	165,000.00			45,000.00	120,000.00			8,901.50		156,098.50	
08-13	Road Improvements to Back Brook Rd.	7/17/08	175,000.00			25,000.00	150,000.00			8,838.97		186,161.03	
08-14	Supplemental Appropriation for Township Funding Share of the Spring Hill Rd. Improvement Project	9/11/08	35,000.00			35,000.00						35,000.00	
08-15	Various Municipal Building Repairs and Improvements	10/9/08	66,000.00			40,000.00			26,000.00	23,206.20		42,793.80	
08-16	Leveling and Overlaying Portions of Various Twp. Rds	10/9/08	50,000.00			50,000.00				42.64		49,957.36	
08-17	Purchase of a 2008 Dump Truck with Plovers and Sander	10/9/08	140,000.00			140,000.00				41.74		139,958.26	
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 Lextersburgh Rd.	12/30/08	275,000.00			25,000.00	250,000.00			37.76		274,962.24	
			\$ 728,413.61	\$ 615,320.24	\$ 406,000.00	\$ 520,000.00	\$ 220,000.00	\$ 26,000.00	\$ 440,082.83	\$ 238,216.09	\$ 1,440,985.51	\$ 397,149.42	

Open Space Trust Fund	\$ 4,188.77
Deferred Charges to Future Taxation-Unfunded	56,980.53
Capital Improvement Fund	175,284.89
Capital Surplus	1,831.30
<b>Total</b>	<b>\$ 238,216.09</b>

Township of East Amwell  
 County of Hunterdon  
 General Capital Fund  
 Schedule of New Jersey Economic Development Loan Payable  
 Year Ended December 31, 2008

C-8

Purpose	Date of Issue	Original Issue	Maturities of Principal Outstanding December 31, 2008	Interest Rate	Balance December 31, 2007	Decreased	Balance December 31, 2008
Renovation of Municipal Building	3/24/94	\$ 179,500			\$ 11,966.62	\$ 11,966.62	\$

Township of East Amwell  
 County of Hunterdon  
 General Capital Fund  
 Schedule of NJ Green Trust Loan Payable  
 Year Ended December 31, 2008

C-9

Purpose	Date of Issue	Original Issue	Maturities of Principal Outstanding		Interest Rate	Balance December 31, 2007	Decreased	Balance December 31, 2008
			Date	Amount				
Marion F. Clawson Park	1/27/07	\$ 500,000.00	1/27/09	12,796.32	2.00			
	7/27/09		7/27/09	12,924.28	%			
	1/27/10		1/27/10	13,053.53				
	7/27/10		7/27/10	13,184.07				
	1/27/11		1/27/11	13,315.90				
	7/27/11		7/27/11	13,449.07				
	1/27/12		1/27/12	13,583.55				
	7/27/12		7/27/12	13,719.39				
	1/27/13		1/27/13	13,856.58				
	7/27/13		7/27/13	13,995.15				
	1/27/14		1/27/14	14,135.10				
	7/27/14		7/27/14	14,276.46				
	1/27/15		1/27/15	14,419.21				
	7/27/15		7/27/15	14,563.41				
	1/27/16		1/27/16	14,709.04				
	7/27/16		7/27/16	14,856.14				
	1/27/17		1/27/17	15,004.69				
	7/27/17		7/27/17	15,154.74				
	1/27/18		1/27/18	15,306.29				
	7/27/18		7/27/18	15,459.35				
	1/27/19		1/27/19	15,613.95				
	7/27/19		7/27/19	15,770.09				
	1/27/20		1/27/20	15,927.78				
	7/27/20		7/27/20	16,087.06				
1/27/21		1/27/21	16,247.94					
7/27/21		7/27/21	16,410.41					
1/27/22		1/27/22	16,574.52					
7/27/22		7/27/22	16,740.26					
1/27/23		1/27/23	16,907.67					
7/27/23		7/27/23	17,076.74					
1/27/24		1/27/24	17,247.51					
						\$ 487,580.02	\$ 25,213.82	\$ 462,366.20

See Independent Auditors' Report.

Township of East Amwell  
 County of Hunterdon  
 General Capital Fund  
 Schedule of Bond Anticipation Notes  
 Year Ended December 31, 2008

C-10

Ord. Number	Purpose	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2007	Increase	Decrease	Balance December 31, 2008
03-17	Purchase of Farmland Development Rights in Property Known as Block 16.01, Lot 31	6/29/04	5/22/07	5/22/08	4.00%	\$ 696,150.00	\$	\$ 696,150.00	\$
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	5/22/07 5/22/08	5/22/08 5/22/09	4.00% 2.30%	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
						<u>\$ 1,696,150.00</u>	<u>\$ 1,000,000.00</u>	<u>\$ 1,696,150.00</u>	<u>\$ 1,000,000.00</u>
						Cash Receipt	\$ 1,000,000.00	\$ 1,696,150.00	
						Cash Disbursed			
						<u>\$ 1,000,000.00</u>	<u>\$ 1,696,150.00</u>	<u>\$ 1,696,150.00</u>	<u>\$ 1,000,000.00</u>

Township of East Amwell  
 County of Hunterdon  
 General Capital Fund  
 Schedule of General Serial Bonds Payable  
 Year Ended December 31, 2008

C-11

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2008		Interest Rate	Balance December 31, 2007	Increase	Decrease	Balance December 31, 2008
			Date	Amount					
General Improvements of 1993	9/1/93	\$1,444,000			4.65 %	\$ 120,000.00	\$ 120,000.00	\$	
General Improvements of 1998	3/1/98	1,600,000	3/1/09-10	80,000	5.00				
			3/1/11-12	95,000	5.00				
			3/1/13-14	105,000	5.00				
			3/1/15	105,000	5.05				
			3/1/16	110,000	5.05				
			3/1/17-18	110,000	5.10	1,065,000.00	70,000.00	\$995,000	
General Improvement of 2001	2/1/01	2,500,000	2/1/09-10	100,000	4.70				
			2/1/11	110,000	4.70				
			2/1/12-13	125,000	4.70				
			2/1/14-15	150,000	4.70				
			2/1/16-17	165,000	4.70				
			2/1/18	165,000	4.70				
			2/1/19-21	170,000	4.75	1,965,000.00	100,000.00	1,865,000.00	
General Improvement of 2003	2/15/03	2,820,000	2/15/09-12	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				
			2/15/22	200,000	4.30				
			2/15/23	200,000	4.40				
			2,420,000.00		100,000.00	2,320,000.00			
			\$ 5,570,000.00	\$	\$ 390,000.00	\$ 5,180,000.00			

**Township of East Amwell**

**County of Hunterdon**

**2008**

**Public Assistance Fund**

Township of East Amwell  
 County of Hunterdon  
 Public Assistance Fund  
 Schedule of Cash - Treasurer  
 Year Ended December 31, 2008

				D-1
	<u>Reference</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>	<u>Fund Total</u>
Balance, December 31, 2007	D	\$	\$ 11,073.97	\$ 11,073.97
Increased By Receipts:				
State Aid			28,600.00	
Due Current Fund			4,000.00	
Interest Earned			164.07	
			<u>32,764.07</u>	<u>-</u>
			<u>43,838.04</u>	<u>11,073.97</u>
Decreased by:				
Public Assistance - 2008			25,509.47	
Due Current Fund			4,000.00	
			<u>29,509.47</u>	<u>-</u>
Balance, December 31, 2008	D	\$	\$ 14,328.57	\$ 14,328.57

**Township of East Amwell  
County of Hunterdon  
Public Assistance Fund  
Schedule of Public Assistance Cash and Reconciliation  
Year Ended December 31, 2008**

		<b>D-2</b>	
Balance, December 31, 2007		\$ 11,073.97	
Increased by Receipts:			
State Aid	\$ 28,600.00		
Due Current Fund - Contra	4,000.00		
Interest Earned	164.07		
	<u>32,764.07</u>	<u>43,838.04</u>	
Decreased by Disbursements:			
Public Assistance Expenditures	25,509.47		
Due Current Fund - Contra	4,000.00		
	<u>29,509.47</u>	<u>14,328.57</u>	
Balance, December 31, 2008		<u>\$ 14,328.57</u>	
Reconciliation, December 31, 2008			
	<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 Commerce Bank Checking	\$	\$ 14,615.57	
Less: Outstanding Checks		287.00	
	<u>\$</u>	<u>\$ 14,328.57</u>	<u>\$ -</u>

Township of East Amwell  
 County of Hunterdon  
 Public Assistance Fund  
 Schedule of Public Assistance Revenues  
 Year Ended December 31, 2008

D-3

	P.A.T.F. Account #1 (75%)	P.A.T.F. Account #2 (100%)	Fund Total
State Aid	\$	\$ 28,600.00	\$ 28,600.00
Interest Income		164.07	164.07
Total Revenues (P.A.T.F.)		<u>28,764.07</u>	<u>28,764.07</u>
	<u>\$</u>	<u>\$ 28,764.07</u>	<u>\$ 28,764.07</u>

Public Assistance Fund  
 Schedule of Public Assistance Expenditures  
 Year Ended December 31, 2008

D-4

	P.A.T.F. Account #1 (75%)	P.A.T.F. Account #2 (100%)	Fund Total
Current Year Assistance:			
Assistance Reported:			
Employable:			
Maintenance	\$	\$ 5,232.00	\$ 5,232.00
Transportation		1,029.00	1,029.00
Temporary Rental Assistance		6,085.00	6,085.00
Shelter/Housing		9,518.00	9,518.00
Utilities		927.84	927.84
Security Deposit		325.00	325.00
Unemployable:			
Maintenance		1,610.00	1,610.00
Shelter/Housing		700.00	700.00
Utilities		296.13	296.13
		<u>25,722.97</u>	<u>25,722.97</u>
Voids Reported		(213.50)	(213.50)
Total Expenditures (P.A.T.F.)	<u>\$</u>	<u>\$ 25,509.47</u>	<u>\$ 25,509.47</u>

Public Assistance Fund  
 Schedule of Assistance Commitments Payable  
 Year Ended December 31, 2008

D-5

Not Applicable

**Township of East Amwell**

**County of Hunterdon**

**2008**

**Payroll Fund**

**Township of East Amwell  
 County of Hunterdon  
 Payroll Fund  
 Schedule of Payroll Cash  
 Year Ended December 31, 2008**

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E-1

Balance, December 31, 2007		\$ 2,758.92
Increased by:		
Payroll Taxes and Benefits Payable	\$ 266,582.33	
Garnishment	8,520.00	
Budget Appropriation-PERS	34,176.00	
Net Payroll	506,334.45	
Due to Current Fund - Interest Earned	106.39	
Due from Other Trust Fund	3.20	
Contra Items	930.40	
		<u>816,652.77</u>
		819,411.69
Decreased by:		
Payroll Taxes and Benefits Payable	266,395.03	
Garnishment	8,520.00	
Budget Appropriation-PERS	34,176.00	
Net Payroll	506,334.45	
Due to Current Fund - Interest Earned	106.39	
Due to Current Fund-Settlement of Interfund	3.20	
Contra Items	930.40	
		<u>816,465.47</u>
Balance, December 31, 2008		<u>\$ 2,946.22</u>

See Independent Auditors' Report.

Township of East Amwell  
 County of Hunterdon  
 Payroll Fund  
 Schedule of Payroll Taxes Payable  
 Year Ended December 31, 2008

E-2

Account	Balance December 31, 2007	Cash Receipts	Cash Disbursements	Balance December 31, 2008
Federal Income Tax	\$	\$ 63,853.55	\$ 63,853.55	\$
FICA and Medicare		111,374.13	111,374.13	
NJ GIT		17,248.94	17,248.94	
PERS	2,524.97	33,913.99	33,727.43	2,711.53
PERS Insurance	213.29	3,165.02	3,143.62	234.69
Unemployment and Disability		3,648.61	3,648.61	
Dental Insurance	20.66	4,188.10	4,208.76	
459 Plan		29,189.99	29,189.99	
	<u>\$ 2,758.92</u>	<u>\$ 266,582.33</u>	<u>\$ 266,395.03</u>	<u>\$ 2,946.22</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, 2008 and 2007**

	2008		2007	
	Amount	%	Amount	%
<b>Revenue and Other Income Realized</b>				
Fund Balance Utilized	\$ 485,000.00	2.87 %	\$ 485,000.00	3.00 %
Miscellaneous - From Other Than Local Property Tax Levies	2,350,020.51	13.92	1,510,161.43	9.35
Collection of Delinquent Taxes	174,705.10	1.04	200,320.48	1.24
Collection of Current Tax Levy	13,860,767.79	82.11	13,960,491.78	86.41
Interfund Loans Returned	10,237.36	0.06	47.85	
	<u>16,880,730.76</u>	<u>100.00 %</u>	<u>16,156,021.54</u>	<u>100.00 %</u>
<b>Expenditures</b>				
Budget Expenditures - Municipal Purposes	3,708,612.59	22.28 %	2,764,760.83	17.66 %
Municipal Open Space Tax	318,053.73	1.91	317,349.85	2.03
Fire District Tax	190,597.00	1.15	186,697.00	1.19
County Taxes	2,826,804.89	16.99	2,851,491.80	18.21
Local and Regional School Taxes	9,593,507.83	57.64	9,535,968.20	60.91
Interfunds Advanced			3.19	
Other Expenditures	4,845.64	0.03	320.00	
	<u>16,642,421.68</u>	<u>100.00 %</u>	<u>15,656,590.87</u>	<u>100.00 %</u>
Excess in Revenues	238,309.08		499,430.67	
<b>Fund Balance</b>				
Balance, January 1	<u>786,550.53</u>		<u>772,119.86</u>	
	1,024,859.61		1,271,550.53	
Less: Utilization as Anticipated Revenue	<u>485,000.00</u>		<u>485,000.00</u>	
Balance, December 31	<u>\$ 539,859.61</u>		<u>\$ 786,550.53</u>	

See Independent Auditors' Report.

**Township of East Amwell  
County of Hunterdon  
Other Supplemental Information  
Years Ended December 31, 2008, 2007 and 2006**

**Comparative Schedule of Tax Rate Information**

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Tax Rate	1.773	1.784	\$ 1.802
Apportionment of Tax Rate:			
Municipal	0.140	0.140	0.137
Municipal Open Space	0.040	0.040	0.041
Fire District #1 Tax	0.025	0.024	0.022
County	0.298	0.302	0.299
County Library	0.026	0.028	0.027
County Open Space	0.033	0.034	0.030
Local School	0.776	0.757	0.731
Regional High School	0.435	0.459	0.515
Assessed Valuation:			
2008	<u>\$ 791,724,997.00</u>		
2007		<u>\$ 786,307,681.00</u>	
2006			<u>\$ 784,233,934.00</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>	
2008	\$ 14,098,240.47	\$ 13,860,767.79	98.3	%
2007	14,156,590.04	13,960,491.78	98.6	%
2006	14,254,485.67	14,024,893.55	98.4	%

**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>	
2008	\$ 4,373.43	\$ 240,265.29	\$ 244,638.72	1.74	%
2007	4,258.18	186,156.32	190,414.50	1.34	%
2006	4,142.22	203,530.60	207,672.82	1.46	%

**Property Acquired by Tax Title Lien Liquidation**

<u>Year</u>	<u>Amount</u>
2008	\$ 22,300.00
2007	22,300.00
2006	22,300.00

No properties have been acquired in 2007 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>
2008	\$ 539,859.61	\$ 375,000.00
2007	786,550.53	485,000.00
2006	772,119.86	485,000.00
2005	783,912.24	496,000.00
2004	752,729.94	475,000.00

See Independent Auditors' Report.

**Township of East Amwell  
County of Hunterdon  
Officials in Office and Surety Bonds  
Year Ended December 31, 2008**

<u>Name</u>	<u>Title</u>	<u>Note</u>	<u>Corporate Surety</u>
Larry Tatsch	Mayor		
Kathleen Machnik	Deputy Mayor		
Kurt Hoffman	Committee Member to 7/14/07		
Richard Spiegel	Committee Member		
Linda Lenox	Committee Member		
Patricia Cregar	Committee Member from 8/16/07		
Timothy Matheny	Township Administrator		
Teresa Stahl	Clerk, Officer for Assessment of Municipal Improvements, Registrar of Vital Statistics	2	
Darlis Maksymovich	Deputy Municipal Clerk, Board of Health Secretary, Construction Secretary	2	
Pamela Aneskewich	Deputy Municipal Clerk from 6/28/07 to 7/7/07	2	
Carolyn Fritsch	Deputy Municipal Clerk from 9/19/07	2	
Pamela Dymek	Deputy Registrar, Assistant Tax Collector, Road Dept. Secretary, Office Assistant	2	
Joan McGee	Planning Board Administrator to 3/17/07	2	
Maria Andrews	Planning Board Administrator from 5/9/07		
Maria Andrews	Assistant Treasurer, Zoning Secretary, Board of Adjustment Administrator	2	
Jane Luhrs	Chief Financial Officer, Treasurer	1	\$ 1,000,000.00
Mary Hyland	Tax Collector, Tax Search Officer	1	\$ 1,000,000.00
Marianne Busher	Tax Assessor		
Richard Cushing	Attorney		
John Petronko, Jr.	Magistrate	2	
Cindy Hooven	Court Administrator	2	
Dennis O'Neal	Engineer		
Helen Kuhl	Welfare Director	2	
Stewart Doddy	Construction and Building Sub-Code Official, Building and Plumbing Inspector	2	
Robert Miller	Acting Zoning Officer	2	
Richard McManus	Zoning Officer from 4/19/07	2	
Peter Buchanan	Electrical Inspector	2	
Pete Ball	Fire Subcode and Fire Inspector	2	

NOTES: 1. Municipal Excess Liability Joint Insurance Fund

2. Other employees covered by Public Alliance Insurance Coverage Fund under public officials liability coverage.

## Comments Section

**Township of East Amwell**  
**County of Hunterdon**  
**Comments**  
**December 31, 2008**

---

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, 2008, 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 \$21,000.00 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 \$21,000.00 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:

Mower

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-out violations existed.

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$21,000 "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, 2008**

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**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 1, 2008 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, 2008; May 1, 2008; August 1, 2008 and November 1, 2008 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 24, 2008 and was complete.

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

<b>Year</b>	<b>Number of Liens</b>
2008	2
2007	2
2006	2

**Confirmation of Delinquent Taxes and Other Charges**

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

<b>Type</b>	<b>Number Mailed</b>
Delinquent taxes	10
Payments of 2009 taxes	25
Payments of 2008 taxes	25

For those confirmation notices which were not returned by taxpayers, we audited subsequent cash collections as an alternative procedure when possible.

See Independent Auditor's Report.

**Township of East Amwell  
County of Hunterdon  
Schedule of Findings and Recommendations  
December 31, 2008**

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**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.

**Significant Deficiencies and Other Matters**

None

**Township of East Amwell  
County of Hunterdon  
Schedule of Findings and Recommendations  
December 31, 2007**

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**Schedule of Prior Year Financial Statement Findings**

This section identifies the status of prior year findings 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.

**Significant Deficiencies and Other Matters**

Corrective action was taken on the prior year recommendations.