

TOWNSHIP OF WEST AMWELL

County of Hunterdon

Report of Audit

December 31, 2011 and 2010

With Independent Auditors' Report

Township of West Amwell
County of Hunterdon
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December 31, 2011 and 2010

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

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

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

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

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

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

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

In accordance with Government Auditing Standards, we have also issued our report dated August 16, 2012 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

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

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

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

Charles M. Case RMA# 54
William Small & Brown PC
August 16, 2012

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 West Amwell

We have audited the financial statements-regulatory basis of the Township of West Amwell, ("the Township"), as of and for the year ended December 31, 2011, and have issued our report thereon dated August 16, 2012. Our report disclosed that, as described in Note 1 to the financial statements, the Township prepares its financial statements in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which 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

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and recommendations as items 2011-1 and 2011-2, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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

A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and recommendations as items 2011-1 and 2011-2 to be significant deficiencies.

Compliance and Other Matters

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

We noted certain matters that we reported to the management of the Township in a separate letter dated August 16, 2012.

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

Charles M. Case RMA #54
Withen Smith & Brown PC
August 16, 2012

Financial Statements

Township of West Amwell

County of Hunterdon

2011

Current Fund

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

A
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	Reference	2011	2010
Assets			
Regular Fund:			
Cash - Treasurer	A-4	\$ 1,847,541.19	\$ 1,753,615.43
Change Fund - Collector		225.00	225.00
Prepaid Local School Tax	A-4	1,593.00	
Prepaid Regional High School Tax	A-14		1.10
		<u>1,849,359.19</u>	<u>1,753,841.53</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	204,164.50	192,354.63
Tax Title Liens Receivable	A-6	110,559.54	102,826.52
Property Acquired for Taxes - Assessed Valuation	A-7	3,150.00	3,150.00
Sales Contract Receivable - Property Acquired for Taxes	A-8		10,000.00
Due from Taxpayer	A-4		2,771.75
Revenue Accounts Receivable	A-9	8,789.87	4,649.46
Due from Other Trust Funds	B	3,242.30	3,242.30
Due from General Capital Fund	C	0.27	0.43
Due from Payroll Fund	E	1,249.73	130.60
		<u>331,156.21</u>	<u>319,125.69</u>
Special Emergency Authorizations (40A:4-55)	A-10	<u>113,992.00</u>	
		<u>2,294,507.40</u>	<u>2,072,967.22</u>
Federal and State Grant Fund:			
Cash	A-4	17,488.07	18,907.11
Grants Receivable	A-15	47,562.82	66,487.75
		<u>65,050.89</u>	<u>85,394.86</u>
		<u>\$ 2,359,558.29</u>	<u>\$ 2,158,362.08</u>

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

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

A
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	Reference	2011	2010
Liabilities, Reserves and Fund Balance			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3, A-11	\$ 129,399.11	\$ 66,913.15
Reserve for Encumbrances	A-3	15,273.14	
Reserve for Garden State Preservation Trust Fund	A-2, A-4	36,752.00	36,752.00
Reserve for Watershed Moratorium Aid		21,620.00	21,620.00
Reserve for Special Emergencies	A-12	35,816.16	
Taxes Collected in Advance	A-4, A-5	164,885.30	83,005.15
Prepaid Trash Permits	A-4	29,843.00	11,030.00
Due to State of NJ - Senior Citizens/Veterans Deductions		6,306.16	
Due to State of NJ - Construction Code Fees		676.65	878.97
Due to State of NJ - Marriage Licenses		75.00	
Due to Open Space Trust Fund	B	973.09	2,137.60
Due to County for Food Inspections		400.00	
Due to County for Added and Omitted Taxes		5,887.74	13,153.58
Local District School Tax Payable	A-13	912,337.99	1,212,337.99
		<u>1,360,245.34</u>	<u>1,447,828.44</u>
Reserve for Receivables and Other Assets	A	331,156.21	319,125.69
Fund Balance	A-1	603,105.85	306,013.09
		<u>2,294,507.40</u>	<u>2,072,967.22</u>
Federal and State Grant Fund:			
Appropriated Reserves	A-16	65,050.89	80,433.33
Unappropriated Reserves	A-17		4,961.53
		<u>65,050.89</u>	<u>85,394.86</u>
		<u>\$ 2,359,558.29</u>	<u>\$ 2,158,362.08</u>

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

Township of West Amwell

County of Hunterdon

Current Fund

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

Years Ended December 31, 2011 and 2010

	A-1	
	2011	2010
Revenue and Other Income		
Fund Balance Revenue Utilized	\$ 85,000.00	\$ 150,000.00
Miscellaneous Revenue Anticipated	1,737,528.35	1,603,726.15
Receipts from Delinquent Taxes	166,392.81	141,259.62
Receipts from Current Taxes	10,525,807.24	10,266,343.31
Non Budget Revenue	49,327.98	90,918.19
Other Credits to Income:		
Unexpended Balances of Appropriation Reserves	35,917.74	67,896.10
Tax Overpayments Cancelled	1.21	
Interfund Receivables Realized	4,507.63	4,250.00
Total Revenues	<u>12,604,482.96</u>	<u>12,324,393.37</u>
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS":		
Operations:		
Salaries and Wages	1,084,196.00	989,885.00
Other Expenses	1,022,682.00	874,809.60
Deferred Charges and Regulatory Expenditures	216,649.00	136,106.93
Appropriations-Excluded from "CAPS":		
Operations:		
Salaries and Wages	5,000.00	2,550.00
Other Expenses	39,202.13	124,837.32
Capital Improvements	60,000.00	100,000.00
Municipal Debt Service	655,881.88	640,472.34
Deferred Charges and Regulatory Expenditures-Municipal		21,500.00
County Taxes	1,912,186.01	1,943,323.66
County Share of Added and Omitted Taxes	5,887.74	13,153.58
Local District School Tax	3,418,078.00	3,721,264.00
Regional High School Tax	3,582,107.18	3,271,513.59
Municipal Open Space Tax	323,888.09	324,837.60
Interfunds Advanced	5,196.86	2,772.45
Prior Year Revenue Refunds	5,162.23	
Refund of Prior Year Taxes	263.98	
Prepaid Regional High School Tax Cancelled	1.10	
Total Expenditures	<u>12,336,382.20</u>	<u>12,167,026.07</u>
Excess In Revenue	268,100.76	157,367.30
Adjustment to Income Before Fund Balance:		
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Years	<u>113,992.00</u>	<u>157,367.30</u>
	382,092.76	
Fund Balance, January 1	<u>306,013.09</u>	<u>298,645.79</u>
	688,105.85	456,013.09
Decrease - Utilization as Anticipated Revenue	<u>85,000.00</u>	<u>150,000.00</u>
Fund Balance, December 31	<u>\$ 603,105.85</u>	<u>\$ 306,013.09</u>

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

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

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	Anticipated		Realized	Excess or (Deficit)
	Budget	Special N.J.S. 40A:4-87		
Fund Balance Anticipated	\$ 85,000.00	\$	\$ 85,000.00	\$
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	2,500.00		2,754.00	254.00
Fees and Permits	53,620.47		78,154.14	24,533.67
Fines and Costs:				
Municipal Court	72,000.00		69,539.09	(2,460.91)
Interest and Costs on Taxes	27,500.00		37,379.18	9,879.18
Interest on Investments and Deposits	20,250.00		3,839.53	(16,410.47)
Consolidated Municipal Property Tax Relief Aid	366,757.00		366,757.00	
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	540,372.00		540,372.00	
Reserve for Garden State Preservation Trust Fund	36,752.00		36,752.00	
Uniform Construction Code Fees	45,100.00		62,688.50	17,588.50
Watershed Moratorium Offset Aid	21,620.00		21,620.00	
Body Armor Replacement Program	973.08	1,096.45	2,069.53	
Over the Limit Under Arrest 2011 Statewide Crackdown		4,100.00	4,100.00	
Clean Communities Program		9,851.36	9,851.36	
Recycling Tonnage Grant	3,925.45	2,606.37	6,531.82	
Drunk Driving Enforcement Fund		2,149.42	2,149.42	
Reserve for Sale of Assets	20,000.00			(20,000.00)
Employee Contribution for Health Care Benefits	3,384.00		10,470.78	7,086.78
Reserve to Pay Open Space Debt Service	482,500.00		482,500.00	
	<u>1,697,254.00</u>	<u>19,803.60</u>	<u>1,737,528.35</u>	<u>20,470.75</u>
Receipts from Delinquent Taxes	<u>175,000.00</u>		<u>166,392.81</u>	<u>(8,607.19)</u>
Amount to be Raised by Taxes for Support of Municipal Budget	<u>1,202,562.13</u>		<u>1,193,660.22</u>	<u>(8,901.91)</u>
Budget Totals	<u>3,159,816.13</u>	<u>19,803.60</u>	<u>3,182,581.38</u>	<u>2,961.65</u>
Non-Budget Revenues			<u>49,327.98</u>	<u>49,327.98</u>
	<u>\$ 3,159,816.13</u>	<u>\$ 19,803.60</u>	<u>#####</u>	<u>\$ 52,289.63</u>

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

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

A-2

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Analysis of Realized Revenues

Allocation of Current Tax Collections:

Collections Realized		\$ 10,525,807.24
Allocated to:		
Municipal Open Space Tax	\$ 323,888.09	
County Taxes	1,912,186.01	
County Share of Added and Omitted Taxes	5,887.74	
Local District School Tax	3,718,078.00	
Regional High School Tax	3,582,107.18	
		<u>9,542,147.02</u>
Supported by Municipal Revenues		983,660.22
Increased by: Appropriation "Reserve for Uncollected Taxes"		<u>210,000.00</u>
Amount for Support of Municipal Budget Appropriation		<u>\$ 1,193,660.22</u>

Fees and Permits - Other:

Via Clerk:		
Trash Permits	\$ 60,240.00	
Police Department	173.14	
Registrar of Vital Statistics	529.00	
		<u>\$ 60,942.14</u>
Treasurer:		
Board of Adjustment	3,085.00	
Board of Health	8,875.00	
Planning Board	5,252.00	
		<u>17,212.00</u>
		<u>\$ 78,154.14</u>
Cash Receipts		\$ 67,549.14
Cash Disbursed		<u>425.00</u>
		67,124.14
Prior Year Prepaid Trash Permits Realized		<u>11,030.00</u>
		<u>\$ 78,154.14</u>

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

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

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Miscellaneous Revenue Not Anticipated:

Cable TV Franchise Fee	\$ 8,223.10
County of Hunterdon-Poll Rent	160.00
Donation	1,450.00
Fire Fees	5,199.00
Fire Rebate	6,174.98
Miscellaneous - Clerk	854.80
Miscellaneous - Collector	600.00
Miscellaneous - Treasurer	355.53
Motor Vehicle Inspection Fines	500.00
Off Duty Police Administrative Fee	2,545.00
Payment in Lieu of Taxes	624.15
Prior Year Appropriation Refund	4,638.23
Sale of Scrap Metal	819.00
State of NJ - Vets and Senior Citizens Administrative Fee	705.00
Stream Recycling	5,474.76
Unclaimed Property	1,004.43

39,327.98

Sale of Property Acquired for Taxes - Sales Contract

10,000.00

\$ 49,327.98

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

A-3
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	Appropriations		Expended		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Cancelled
OPERATIONS - WITHIN 'CAPS'					
GENERAL GOVERNMENT FUNCTIONS:					
General Administration:					
Salaries and Wages	\$ 25,700.00	\$ 25,700.00	\$ 25,578.00	\$ 122.00	\$
Other Expenses	31,200.00	31,200.00	30,349.78	850.22	
Mayor and Committee:					
Salaries and Wages	9,079.00	9,079.00	9,079.00		
Other Expenses	150.00	150.00		150.00	
Municipal Clerk:					
Salaries and Wages	61,600.00	62,600.00	62,336.84	263.16	
Other Expenses	7,050.00	12,550.00	5,535.26	7,014.74	
Financial Administration:					
Salaries and Wages	42,800.00	42,800.00	42,479.15	320.85	
Other Expenses	3,100.00	3,100.00	2,694.00	406.00	
Audit Services:					
Other Expenses	18,000.00	18,000.00	18,000.00		
Revenue Administration:					
Salaries and Wages	15,300.00	15,300.00	15,300.00		
Other Expenses	6,785.00	6,785.00	6,522.88	262.12	
Tax Assessment Administration:					
Salaries and Wages	31,100.00	31,100.00	31,086.58	13.42	
Other Expenses	4,700.00	5,900.00	5,793.91	106.09	
Reassessment Cost (NJSA 40A:4-55 +\$24,000.00)		24,000.00	24,000.00		
Legal Services:					
Other Expenses	35,000.00	35,000.00	28,828.77	6,171.23	
Agricultural Advisory Services:					
Other Expenses	90.00	90.00		90.00	
Farmers' Market Committee:					
Other Expenses	100.00	100.00		100.00	
Engineering Services:					
Other Expenses	10,000.00	24,000.00	18,292.45	5,707.55	
Historic Sites Office:					
Other Expenses	100.00	200.00	171.00	29.00	
LAND USE ADMINISTRATION:					
Municipal Land Use Law (NJSA 40:55D:1)					
Planning Board:					
Salaries and Wages	13,260.00	13,260.00	13,260.00		
Other Expenses	12,400.00	12,400.00	4,670.45	7,729.55	
Zoning Board of Adjustment:					
Salaries and Wages	11,900.00	12,450.00	12,410.00	40.00	
Other Expenses	4,000.00	5,000.00	4,668.81	331.19	
INSURANCE:					
General Liability	83,100.00	81,950.00	81,896.00	54.00	
Workers Compensation	46,100.00	46,100.00	46,016.00	84.00	
Employee Group Health	220,700.00	229,400.00	229,338.78	61.22	
UNIFORM CONSTRUCTION CODE:					
Appropriations offset by Dedicated Revenues (NJAC 5:23-4.17):					
Uniform Construction Code Enforcement Function:					
Construction Code Official:					
Salaries and Wages	49,540.00	49,540.00	48,525.80	1,014.20	
Other Expenses	1,250.00	1,950.00	1,800.10	149.90	
PUBLIC SAFETY FUNCTIONS:					
Police:					
Salaries and Wages	578,000.00	555,200.00	512,734.05	42,465.95	
Other Expenses	22,700.00	22,700.00	19,567.16	3,132.84	
Retirement Payout (NJSA 40A:4-55 +\$29,992.00)		29,992.00	29,992.00		
Office of Emergency Management:					
Other Expenses	90.00	90.00		90.00	
Aid to Volunteer Fire Company:					
West Amwell Fire Company	23,000.00	23,000.00	23,000.00		
Fire Prevention Bureau:					
Salaries and Wages	6,032.00	6,032.00	5,310.22	721.78	
Other Expenses	400.00	400.00		400.00	
Fire Hydrant Service	4,000.00	4,100.00	4,032.00	68.00	

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

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

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	Appropriations		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Aid to Volunteer Ambulance Companies	\$ 9,000.00	\$ 9,000.00	\$ 9,000.00	\$	\$
Municipal Prosecutors Office:					
Contracted Services	15,500.00	15,500.00	15,260.39	239.61	
Municipal Court:					
Salaries and Wages	56,700.00	56,700.00	53,425.26	3,274.74	
Other Expenses	6,200.00	6,200.00	1,464.27	4,735.73	
Public Defender:					
Other Expenses	1,500.00	1,750.00	1,500.00	250.00	
PUBLIC WORKS FUNCTIONS:					
Street and Roads Maintenance:					
Salaries and Wages	182,200.00	187,800.00	187,496.66	303.34	
Other Expenses	70,000.00	70,000.00	65,748.39	4,251.61	
Hurricane Irene Emergency (NJSA 40A:4-55 +\$60,000)		60,000.00	60,000.00		
Solid Waste Collection:					
Salaries and Wages	8,250.00	8,250.00	8,250.00		
Other Expenses	50,000.00	25,000.00	23,675.17	1,324.83	
Building and Grounds:					
Salaries and Wages	3,400.00	3,400.00	365.66	3,034.34	
Other Expenses	19,000.00	19,000.00	14,995.36	4,004.64	
Vehicle Maintenance	43,600.00	48,600.00	47,743.80	856.20	
HEALTH AND HUMAN SERVICES:					
Public Health Services:					
Salaries and Wages	2,550.00	2,550.00	2,513.68	36.32	
Other Expenses	28,600.00	21,600.00	19,854.55	1,745.45	
Environmental Health Services:					
Other Expenses	400.00	400.00	320.00	80.00	
Community Forestry:					
Other Expenses	300.00	300.00	95.00	205.00	
Animal Control Services:					
Salaries and Wages	1,000.00	1,000.00	1,000.00		
Other Expenses	100.00	400.00	200.00	200.00	
Welfare/Administration of Public Assistance:					
Salaries and Wages	1,385.00	1,435.00	1,412.95	22.05	
Other Expenses	175.00	175.00	37.31	137.69	
Social Services Agencies:					
Other Expenses	2,500.00	2,500.00	2,500.00		
PARKS AND RECREATION FUNCTIONS:					
Recreation Services and Programs:					
Other Expenses	500.00	900.00	760.00	140.00	
UNCLASSIFIED:					
Accumulated Leave Compensation	2,000.00	2,000.00	2,000.00		
Celebration of Public Events	100.00	100.00		100.00	
UTILITY EXPENSES AND BULK PURCHASES:					
Electricity	30,000.00	30,000.00	22,839.11	7,360.89	
Street Lighting	5,500.00	5,500.00	5,017.93	482.07	
Telephone	12,000.00	12,000.00	11,860.74	139.26	
Fuel Oil	20,000.00	23,000.00	22,757.97	242.03	
Gasoline	42,000.00	49,500.00	48,805.88	694.12	
Recycling Surcharge	100.00	1,100.00	905.55	194.45	
Total Operations	1,992,886.00	2,106,878.00	1,994,874.62	112,003.38	-
Contingent					
Total Operations Including Contingent	1,992,886.00	2,106,878.00	1,994,874.62	112,003.38	-
DETAIL:					
Salaries & Wages	1,099,796.00	1,084,196.00	1,032,563.85	51,632.15	-
Other Expenses (including Contingent)	893,090.00	1,022,682.00	962,310.77	60,371.23	-

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

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

A-3
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	Appropriations		Expended		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Cancelled
DEFERRED CHARGES AND REGULATORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Regulatory Expenditures:					
Contribution to:					
Public Employees' Retirement System	\$ 62,500.00	\$ 62,500.00	\$ 62,500.00	\$	\$
Social Security System (O.A.S.I.)	85,800.00	85,800.00	85,603.39	196.61	
Police and Firemen's Retirement System of NJ	68,299.00	68,299.00	68,299.00		
Defined Contribution Retirement Program	50.00	50.00		50.00	
Total Deferred Charges & Regulatory Expenditures - Municipal Within "CAPS"	216,649.00	216,649.00	216,402.39	246.61	-
Total General Appropriations for Municipal Purposes Within "CAPS"	2,209,535.00	2,323,527.00	2,211,277.01	112,249.99	-
OPERATIONS - EXCLUDED FROM "CAPS"					
Affordable Housing Agency:					
Salaries and Wages	5,000.00	5,000.00	1,638.38	3,361.62	
Other Expenses	3,000.00	3,000.00	212.50	2,787.50	
LOSAP	11,000.00	11,000.00		11,000.00	
NJPDES Stormwater Permit (N.J.S.A. 40A:4-45.3(cc))					
Street Division:					
Other Expenses	500.00	500.00	500.00		
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES					
Clean Communities Program (40A:4-87 + \$9,851.36)		9,851.36	9,851.36		
Recycling Tonnage Grant (40A:4-87 + \$2,606.37)	3,925.45	6,531.82	6,531.82		
Over the Limit Under Arrest 2011 Statewide Crackdown (40A:4-87 + \$4,100.00)		4,100.00	4,100.00		
Drunk Driving Enforcement Fund (40A:4-87 + \$2,149.42)		2,149.42	2,149.42		
Body Armor Replacement Program (40A:4-87 + \$1,096.45)	973.08	2,069.53	2,069.53		
Total Operations - Excluded from "CAPS"	24,398.53	44,202.13	27,053.01	17,149.12	-
DETAIL:					
Salaries & Wages	5,000.00	5,000.00	1,638.38	3,361.62	-
Other Expenses	19,398.53	39,202.13	25,414.63	13,787.50	-
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS":					
Capital Improvement Fund	60,000.00	60,000.00	60,000.00		
Total Capital Improvements - Excluded from "CAPS"	60,000.00	60,000.00	60,000.00		

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

A-3
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	Appropriations		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS":					
Payment of Bond Principal	\$ 320,000.00	\$ 320,000.00	\$ 320,000.00	\$	\$
Payment of Note Principal	70,300.00	70,300.00	70,300.00		
Interest on Bonds	224,040.00	224,040.00	224,040.00		
Interest on Notes	10,451.00	10,451.00	10,450.28		0.72
Green Trust Loan Program:					
Loan Repayment for Principal and Interest	31,091.60	31,091.60	31,091.60		
Total Municipal Debt Service	655,882.60	655,882.60	655,881.88		0.72
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	740,281.13	760,084.73	742,934.89	17,149.12	0.72
Subtotal General Appropriations	2,949,816.13	3,083,611.73	2,954,211.90	129,399.11	0.72
Reserve for Uncollected Taxes	210,000.00	210,000.00	210,000.00		
	<u>\$ 3,159,816.13</u>	<u>\$ 3,293,611.73</u>	<u>\$ 3,164,211.90</u>	<u>\$ 129,399.11</u>	<u>\$ 0.72</u>
Original Budget		\$ 3,159,816.13			
Appropriation by 40A:4-87		19,803.60			
Special Emergency Authorizations		113,992.00			
		<u>\$ 3,293,611.73</u>			
Deferred Charge - Special Emergency Authorization (NJSA 40A:4-55)			\$ 113,992.00		
Reserve for Encumbrances			15,273.14		
Reserve for Federal and State Grants			24,702.13		
Reserve for Uncollected Taxes			210,000.00		
Cash Disbursed			2,810,271.16		
			3,174,238.43		
Cash Receipts			10,026.53		
			<u>\$ 3,164,211.90</u>		

Township of West Amwell

County of Hunterdon

2011

Trust Fund

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

			B
	Reference	2011	2010
Assets			
Animal Control Fund:			
Cash - Treasurer	B-1	\$ 1,629.60	\$ 1,856.73
		<u>1,629.60</u>	<u>1,856.73</u>
Other Trust Funds:			
Cash - Treasurer	B-1	492,445.92	448,261.17
		<u>492,445.92</u>	<u>448,261.17</u>
Open Space Trust Fund:			
Cash	B-1	2,691,544.01	2,783,816.91
Due from Current Fund	A	973.09	2,137.60
		<u>2,692,517.10</u>	<u>2,785,954.51</u>
		<u>\$ 3,186,592.62</u>	<u>\$ 3,236,072.41</u>
Liabilities, Reserves and Fund Balances			
Animal Control Fund:			
Reserve for Animal Control Expenditures	B-2	\$ 1,629.60	\$ 1,856.73
		<u>1,629.60</u>	<u>1,856.73</u>
Other Trust Funds:			
Due to Current Fund	A	3,242.30	3,242.30
Trust Fund Reserves	B-3	489,203.62	445,018.87
		<u>492,445.92</u>	<u>448,261.17</u>
Open Space Trust Fund:			
Due to General Capital Fund	C	36,000.00	
Reserve for Open Space	B-4	2,656,517.10	2,785,954.51
		<u>2,692,517.10</u>	<u>2,785,954.51</u>
		<u>\$ 3,186,592.62</u>	<u>\$ 3,236,072.41</u>

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

Township of West Amwell

County of Hunterdon

2011

General Capital Fund

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

		C	
	Reference	2011	2010
Assets			
Cash	C-2	\$ 531,095.92	\$ 616,931.44
State of N.J. DOT Grant Receivable - Ord #04-10			77,486.75
Due from Open Space Trust Fund	B	36,000.00	
Deferred Charges to Future Taxation:			
Funded	C-4	5,484,792.04	5,830,146.84
Unfunded	C-5	<u>1,787,155.55</u>	<u>1,106,100.00</u>
		<u>\$ 7,839,043.51</u>	<u>\$ 7,630,665.03</u>
Liabilities, Reserves and Fund Balance			
General Serial Bonds	C-10	\$ 5,217,000.00	\$ 5,537,000.00
Bond Anticipation Notes	C-8	735,800.00	706,100.00
State NJ-DEP Green Trust Loan Payable	C-9	267,792.04	293,146.84
Capital Improvement Fund	C-6	135,162.81	115,992.81
Improvement Authorizations - Funded	C-7	306,672.22	347,895.97
Improvement Authorizations - Unfunded	C-7	951,497.07	437,762.63
Reserve for Preliminary Expenses:			
Open Space and Farmland Preservation	C-12	38,821.01	6,468.26
Repair of the Septic System at the Fire House	C-12	7,744.20	7,744.20
Future Road Projects	C-12	9,258.50	9,258.50
Municipal Building Improvements	C-12	5,450.60	5,450.60
Due to Current Fund	A	0.27	0.43
Fund Balance	C-1	<u>163,844.79</u>	<u>163,844.79</u>
		<u>\$ 7,839,043.51</u>	<u>\$ 7,630,665.03</u>

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

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

C-1

Balance, December 31, 2010 and 2011

\$ 163,844.79

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

Township of West Amwell

County of Hunterdon

2011

Public Assistance Fund

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

			D
	Reference	2011	2010
Assets			
Cash	D-1	\$ 16,911.85	\$ 4,925.06
		<u>\$ 16,911.85</u>	<u>\$ 4,925.06</u>
Liabilities, Reserves and Fund Balance			
Reserve for Public Assistance		\$ 16,911.85	\$ 4,925.06
		<u>\$ 16,911.85</u>	<u>\$ 4,925.06</u>

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

Township of West Amwell

County of Hunterdon

2011

Payroll Fund

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

E

	Reference	2011	2010
Assets			
Payroll Fund:			
Cash	E-1	\$	\$
Prepaid Pension		1,449.80	130.60
		<u>1,449.80</u>	<u>130.60</u>
		<u>\$ 1,449.80</u>	<u>\$ 130.60</u>
Liabilities and Fund Balance			
Payroll Fund:			
Cash Deficit	E-1	\$ 200.07	\$
Due to Current Fund	A	1,249.73	130.60
		<u>1,249.73</u>	<u>130.60</u>
		<u>\$ 1,449.80</u>	<u>\$ 130.60</u>

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

Township of West Amwell

County of Hunterdon

2011

General Fixed Assets

Township of West Amwell
County of Hunterdon
Statement of General Fixed Assets-Regulatory Basis
Year Ended December 31, 2011

	F	
	2011	2010
General Fixed Assets:		
Land	\$ 2,052,406.03	\$ 2,052,406.03
Building	1,696,956.83	1,696,956.83
Machinery and Equipment	<u>2,220,647.17</u>	<u>1,982,644.16</u>
	<u>\$ 5,970,010.03</u>	<u>\$ 5,732,007.02</u>
Investment in General Fixed Assets	<u>\$ 5,970,010.03</u>	<u>\$ 5,732,007.02</u>

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

Township of West Amwell
County of Hunterdon
Notes to Financial Statements
December 31, 2011 and 2010

1. Summary of Significant Accounting Policies

Reporting Entity

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

Description of Funds

The Township of West 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 West Amwell, other than those accounted for in proprietary or trust funds.

Regulatory Basis Presentation

The accounting policies of the Township of West 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.

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

Township of West Amwell
County of Hunterdon
Notes to Financial Statements
December 31, 2011 and 2010

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 Federal and State grants are recorded with offsetting reserves on the balance sheet of the Township's Current Fund. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

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

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

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

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

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

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

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

Township of West Amwell
County of Hunterdon
Notes to Financial Statements
December 31, 2011 and 2010

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.

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 progress 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 West 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.

Township of West Amwell
County of Hunterdon
Notes to Financial Statements
December 31, 2011 and 2010

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000. The State of New Jersey Cash Management fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature within one year. Collateralization of fund investments is generally not required.

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

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

TD Bank North	\$ 5,791,231.81
Citi Fund Services-New Jersey State Cash Management	<u>2,371.88</u>
	<u>\$5,793,603.69</u>

The carrying amount of the Township's cash and cash equivalents at December 31, 2011 was \$5,598,681.49 and the bank balance was \$5,793,603.69. Of the balance, \$250,000.00 was covered by federal depository insurance and \$5,543,603.69 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	5,543,603.69
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.

Township of West Amwell
County of Hunterdon
Notes to Financial Statements
December 31, 2011 and 2010

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.

3. Long Term Debt

Municipal Debt consisted of the following at December 31:

	2011	2010	2009
Issued:			
General:			
Bonds and Notes	\$ 5,952,800.00	\$6,243,100.00	\$ 6,603,400.00
Excess Proceeds of Bond Anticipation Notes Issued	<u>(24,414.45)</u>		
	5,928,385.55	6,243,100.00	6,603,400.00
NJ Dept. Environmental Protection Green Trust Loan Payable	<u>267,792.04</u>	<u>293,146.84</u>	<u>318,002.05</u>
	6,196,177.59	6,536,246.84	6,921,402.05
Authorized But Not Issued:			
Bonds and Notes	<u>1,075,770.00</u>	<u>400,000.00</u>	<u>819,945.77</u>
Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 7,271,947.59</u>	<u>\$6,936,246.84</u>	<u>\$ 7,741,347.82</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 1.30%.

	Gross Debt	Deductions	Net Debt
Regional High School District Debt	\$ 7,095,999.00	\$7,095,999.00	\$ --
Local School District Debt	1,015,000.00	1,015,000.00	--
General Debt	<u>7,296,361.59</u>	<u>24,414.00</u>	<u>7,271,947.59</u>
	<u>\$15,407,360.59</u>	<u>\$8,135,413.00</u>	<u>\$ 7,271,947.59</u>

Net debt \$7,271,947.59 divided by equalized valuation basis per NJSA40A:2-2 as amended \$555,448,676.00= 1.30%

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

3.5% of Equalized Valuation Basis (Municipal)	\$555,448,676.00	\$19,440,703.66
Net Debt		<u>7,271,947.59</u>
Remaining Borrowing Power		<u>\$12,168,756.07</u>

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

Year	Principal	Interest	Total
2012	\$ 320,000.00	\$ 211,465.00	\$ 531,465.00
2013	330,000.00	198,671.25	528,671.25
2014	350,000.00	185,217.50	535,217.50
2015	360,000.00	171,051.25	531,051.25
2016	370,000.00	156,151.25	526,151.25
2017-2021	2,000,000.00	537,912.50	2,537,912.50
2022	<u>1,487,000.00</u>	<u>132,117.50</u>	<u>1,619,117.50</u>
	<u>\$5,217,000.00</u>	<u>\$1,592,586.25</u>	<u>\$ 6,809,586.25</u>

Township of West Amwell
County of Hunterdon
Notes to Financial Statements
December 31, 2011 and 2010

Schedule of Annual Debt Service for Principal and Interest for New Jersey Green Trust Loan Payable

Year	Principal	Interest	Total
2012	\$ 25,864.43	\$ 5,227.17	\$ 31,091.60
2013	26,384.31	4,707.29	31,091.60
2014	26,914.63	4,176.97	31,091.60
2015	27,455.62	3,635.98	31,091.60
2016	28,007.47	3,084.13	31,091.60
2017-2021	<u>133,165.58</u>	<u>6,746.62</u>	<u>139,912.20</u>
	<u>\$ 267,792.04</u>	<u>\$ 27,578.16</u>	<u>\$295,370.20</u>

4. Fund Balance Appropriated

Current Fund balance at December 31, 2011, which was appropriated and included as anticipated revenue in the 2012 budget was \$96,000.00.

5. School Taxes

Local District 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:

	Regional High School Balance December 31, 2011	Balance December 31, 2010	Local District School Tax Balance December 31, 2011	Balance December 31, 2010
Balance of Tax	\$(1,593.00)	\$(1.10)	\$ 1,860,631.99	\$1,860,631.99
Deferred	<u>—</u>	<u>—</u>	<u>948,294.00</u>	<u>648,294.00</u>
Tax Payable (Prepaid)	<u>\$(1,593.00)</u>	<u>\$(1.10)</u>	<u>\$ 912,337.99</u>	<u>\$1,212,337.99</u>

6. Taxes Collected In Advance

Taxes collected in advance are classified as prepayments and are presented as cash liabilities in the financial statements as follows:

	2011	2010
Prepaid Taxes	<u>\$164,885.30</u>	<u>\$83,005.15</u>

7. 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.

8. Pension Plans

Substantially all of the employees of the Township of West Amwell are enrolled in one of two cost-sharing multiple-employer public employee retirement systems: the Public Employees Retirement System ("PERS") or the Police and Firemen's Retirement System ("PFRS"). The Division of Pensions in the Department of the Treasury, State of New Jersey, administers the PERS and PFRS plans. The plans are funded annually based on the projected benefit method with aggregate level normal cost and frozen initial unfunded accrued liability. The plans, which cover public employees throughout the State of New Jersey, do not maintain separate records for each reporting unit and, accordingly, the actuarial data for the employees of the Township who are members of the plans are not available.

Township of West Amwell
County of Hunterdon
Notes to Financial Statements
December 31, 2011 and 2010

The Township's contributions in 2011 and 2010 were \$62,500.00 and \$52,082.00, respectively for PERS, and \$68,299.00 and \$47,923.00, respectively for PFRS. A portion of the annual employer contributions to both pension systems 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 both PERS and PFRS. These financial reports 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.

9. Deferred Compensation Plan

The Township of West Amwell Deferred Compensation Plan was established pursuant to Section 457 of the Internal Revenue Code and in accordance with applicable New Jersey statutes and the New Jersey Administrative Code (NJAC 5:37). The Plan is an arrangement whereby a public employer may establish a plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more of the types of investments permitted under governing regulations. The Plan is offered by the Township through Lincoln National Life Insurance Company, the program administrator.

10. Fixed Assets

The changes in fixed assets are summarized as follows:

	Balance December 31, 2010	Increase	Decrease	Balance December 31, 2011
Land	\$2,052,406.03	\$ --	\$ --	\$2,052,406.03
Improvement	1,696,956.83	--	--	1,696,956.83
Machinery & Equipment	<u>1,982,644.16</u>	<u>238,003.01</u>	<u>--</u>	<u>2,220,647.17</u>
	<u>\$5,732,007.02</u>	<u>\$238,003.01</u>	<u>\$ --</u>	<u>\$5,970,010.03</u>

11. Leases

Purpose	Date of Issue	Original Issue	Interest Rate	Balance Dec. 31, 2011
2008 Ford Crown Victoria	8/29/08	\$21,392.00	7.25%	\$ 4,897.23

The following schedule reflects the base payments due.

Fiscal Year	Principal	Interest	Total
2012	<u>\$ 4,566.19</u>	<u>\$ 331.04</u>	<u>\$ 4,897.23</u>

The leases payable are not recorded by the Township.

Township of West Amwell
County of Hunterdon
Notes to Financial Statements
December 31, 2011 and 2010

12. Compensated Absences

The Township permits employees to accrue unused vacation to March 31 of the following year. Sick time for employees other than the Police Department can be accumulated up to 260 days, but will not be paid at retirement or resignation. For employees of the Police Department, unused sick days shall accumulate from year to year. Upon retirement, under the New Jersey Police and Firemen's Retirement System, the Township shall pay the employees of the Police Department the full amount of any unused sick leave accrued at the employee's prevailing rate of pay not to exceed forty (40) days. As of December 31, 2011, the contingent liability for accrued sick leave was \$50,927.52.

13. Interfund Receivables and Payables:

Individual interfund receivable and payable balances consisted of the following at December 31, 2011:

Fund Type	Interfund Receivable	Interfund Payable
Current Fund	\$ 4,492.30	\$ 973.09
Open Space Trust Fund	973.09	36,000.00
Other Trust Funds	--	3,242.30
General Capital Fund	36,000.00	.27
Payroll Fund	--	1,249.73
	<u>\$41,465.39</u>	<u>\$41,465.39</u>

14. Contingent Liabilities

Correspondence with legal counsel representing the Township indicates no adverse financial impact arising from potential settlements required by litigation.

15. Subsequent Events

The Township has evaluated subsequent events occurring after the balance sheet date through August 13, 2012, which is the date the financial statements were available to be issued. Based on this evaluation, the Township has determined there are no subsequent events that require disclosure in the financial statements.

Supplemental Information-Regulatory Basis

Township of West Amwell

County of Hunterdon

2011

Current Fund

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

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	Current Fund	Federal and State Grant Fund
Balance, December 31, 2010	\$ 1,753,615.43	\$ 18,907.11
Increased by Receipts:		
Petty Cash	\$ 150.00	\$
Miscellaneous Revenue Not Anticipated	49,327.98	
2011 Appropriation Refunds	10,026.53	
Taxes Receivable	10,578,277.53	
Tax Overpayments	18,723.59	
Interest and Costs on Taxes	37,379.18	
Taxes Collected in Advance	164,885.30	
State of New Jersey - Senior Citizens' and Veterans' Deductions	35,250.00	
Tax Title Liens	1,973.53	
Due from Federal and State Grant Fund	23,775.32	
Due Other Trust Funds	5,247.50	
Due from General Capital Fund	73,457.81	
Due from Public Assistance Fund	12,500.00	
Due Payroll Fund	6,786.39	
Revenue Accounts Receivable	1,627,665.04	
Due State of New Jersey - Marriage Licenses & Domestic Partners	225.00	
Due State of New Jersey - Construction Code Fees	3,130.50	
Due Hunterdon County - Food Inspections	400.00	
Prepaid Trash Permits	29,843.00	
Due to Current Fund - Interest Earned		84.56
Federal and State Grants Receivable		38,665.53
Reserve for Garden State Trust Fund	36,752.00	
Contra items	1,200,000.00	
	<u>13,915,776.20</u>	<u>38,750.09</u>
	15,669,391.63	57,657.20

Decreased by Disbursements:

Petty Cash	150.00
2011 Appropriations	2,810,271.16
2010 Appropriation Reserves and Encumbrances	30,995.41
Reserve for Special Emergencies	78,175.84
Tax Overpayments	18,986.36
Due from Public Assistance Trust Fund	12,500.00
Due to Federal & State Grant Fund	19,675.32
Due Other Trust Funds	9,347.50
Due to General Capital Fund	73,457.38
Due to Open Space Trust Fund - Other	483.60
Due to Open Space Trust Fund - 2011 Levy	322,915.00
Due to Open Space Trust Fund - 2010 Added & Omitted Tax	2,137.60
Due from Payroll Fund	6,992.45

See Independent Auditors' Report.

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

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	Current Fund	Federal and State Grant Fund
Refund of Prior Year Revenue	\$ 5,162.23	\$
Due to State of NJ - Marriage License and Domestic Partners	150.00	
Due to State of NJ - Uniform Construction Code Fees	3,332.82	
County Taxes Payable	1,912,186.01	
Due to County for Added and Omitted Taxes	13,153.58	
Prepaid Local District School Tax Payable	1,593.00	
Local District School Tax Payable	3,718,078.00	
Regional High School Tax Payable	3,582,107.18	
Due to Current Fund - Interest Earned		84.56
Federal and State Grants Appropriated Reserves		40,084.57
Contra items	<u>1,200,000.00</u>	
	<u>13,821,850.44</u>	<u>40,169.13</u>
Balance, December 31, 2011	<u>\$1,847,541.19</u>	<u>\$ 17,488.07</u>

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

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Year	Balance December 31, 2010	2011 Levy	Added Taxes	Collections		Cancelled	Senior Citizens and Veterans' Deductions-Net	Transferred to Tax Title Liens	Balance December 31, 2011
				2010	2011				
2006	\$	\$	\$	\$	\$ 250.00	\$	\$ (1,250.00)	\$	\$ 1,000.00
2007					250.00		(1,250.00)		1,000.00
2008					600.00		(2,056.16)		1,456.16
2009					250.00		(2,250.00)		2,000.00
2010	192,354.63		263.98		169,875.44	6,372.78			16,370.39
	192,354.63		263.98		171,225.44	6,372.78	(6,806.16)		21,826.55
2011		10,774,871.47		83,005.15	10,407,052.09	57,019.73	35,750.00	9,706.55	182,337.95
	\$ 192,354.63	\$ 10,774,871.47	\$ 263.98	\$ 83,005.15	\$ 10,578,277.53	\$ 63,392.51	\$ 28,943.84	\$ 9,706.55	\$ 204,164.50

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

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Analysis of 2011 Property Tax Levy

Tax Yield:

General Purpose Tax	\$ 10,706,807.97
Omitted Taxes (54: 4-63.12 et.seq.)	7,779.54
Added Taxes (54:4-63.1 et. seq.)	24,783.96
Senior Citizens' Exemptions Allowed at Tax Billings	6,250.00
Veterans' Deductions Allowed at Tax Billings	29,250.00
	<u>\$ 10,774,871.47</u>

Tax Levy:

Local District School Tax (Abstract)	\$ 3,718,078.00	
Regional High School Tax (Abstract)	3,582,107.18	
County Taxes:		
General (Abstract)	\$ 1,608,670.81	
Library Tax (Abstract)	135,635.31	
County Open Space (Abstract)	167,879.89	
	<u>1,912,186.01</u>	
Due to County for Added and Omitted Taxes	5,887.74	
Total County Taxes		1,918,073.75
Municipal Open Space Tax:		
Abstract	322,915.00	
Added and Omitted Taxes	973.09	
Total Municipal Open Space Tax		323,888.09
Local Tax for Municipal Purposes:		
Abstract	1,202,562.13	
Additional Tax Levied	30,162.32	
Total Local Tax for Municipal Purposes		<u>1,232,724.45</u>
		<u>\$ 10,774,871.47</u>

Analysis of Collections Realized

	2011	Prior Years
Taxes Paid in Advance	\$ 83,005.15	\$
Taxes Receivable Collected	10,407,052.09	171,225.44
State Share of Senior Citizens' Deductions Allowed	6,500.00	
State Share of Senior Citizens' Deductions Disallowed	(750.00)	(6,556.16)
State Share of Veterans' Deductions Allowed	30,250.00	
State Share of Veterans' Deductions Disallowed	<u>(250.00)</u>	<u>(250.00)</u>
	<u>\$ 10,525,807.24</u>	<u>\$ 164,419.28</u>

See Independent Auditors Report.

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

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Balance, December 31, 2010	\$ 102,826.52
Increased by:	
Transfers from Taxes Receivable	<u>9,706.55</u>
	112,533.07
Decreased by:	
Cash Collected	<u>1,973.53</u>
Balance, December 31, 2011	<u><u>\$ 110,559.54</u></u>

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

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Balance, December 31, 2010 and 2011	<u><u>\$ 3,150.00</u></u>
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**Schedule of Sale Contract Receivable - Property Acquired for Taxes
Year Ended December 31, 2011**

A-8

Balance, December 31, 2010	\$ 10,000.00
Decreased by:	
Collection	<u>10,000.00</u>
	<u><u>\$</u></u>

**Township of West Amwell
County of Hunterdon
Current Fund
Schedule of Revenue Accounts Receivable
Year Ended December 31, 2011**

	A-9				
	Balance December 31, 2010	Accrued 2011	Collected by Treasurer	Prior Year Reserve Applied	Balance December 31, 2011
Anticipated Revenues:					
Clerk:					
Licenses:					
Alcoholic Beverages	\$	\$ 2,754.00	\$ 2,754.00	\$	\$
Fees and Permits		17,212.00	17,212.00		
Treasurer:					
Fees and Permits		60,942.14	60,942.14		
Interest on Deposits and Investments		3,839.53	3,839.53		
Municipal Court:					
Fines and Costs	4,649.46	73,679.50	69,539.09		8,789.87
Construction Code Official:					
Uniform Construction Code Fees		62,688.50	62,688.50		
Consolidated Municipal Property Tax Relief Aid		366,757.00	366,757.00		
Energy Receipts Tax		540,372.00	540,372.00		
Employee Contribution for Health Benefits		10,470.78	10,470.78		
Watershed Moratorium Offset Aid		21,620.00	21,620.00		
Reserve for Garden State Preservation Trust Fund		36,752.00		36,752.00	
Reserve to Pay Debt Service		482,500.00	482,500.00		
	<u>\$ 4,649.46</u>	<u>\$ 1,679,587.45</u>	<u>\$ 1,638,695.04</u>	<u>\$ 36,752.00</u>	<u>\$ 8,789.87</u>
Cash Receipts			\$ 1,627,665.04		
Add: Prior Year Prepaid Applied			11,030.00		
			<u>\$ 1,638,695.04</u>		

Township of West Amwell
County of Hunterdon
Current Fund
Schedule of Deferred Charges
N.J.S.A. 40A: 4-55 Special Emergency Appropriations
Year Ended December 31, 2011

Date Authorized	Purpose	Net Amount Authorized	1/5 of Net Amount Authorized	Balance December 31, 2010	Added in 2011	Reduced in 2011	A-10	
							Balance December 31, 2011	
6/22/2011	Reassessment of the Township of West Amwell	\$ 24,000.00	\$ 4,800.00	\$	\$ 24,000.00	\$	\$	24,000.00
10/26/2011	Contractually Required Severance Liabilities Resulting from the Retirement of Police Employee	29,992.00	5,998.00		29,992.00			29,992.00
10/26/2011	Extraordinary Expense for Repair and Reconstruction of Property Damaged by Hurricane Irene - 2011	60,000.00	12,000.00		60,000.00			60,000.00
		<u>\$ 113,992.00</u>	<u>\$ 22,798.00</u>	<u>\$</u>	<u>\$ 113,992.00</u>	<u>\$</u>	<u>\$</u>	<u>113,992.00</u>

See Independent Auditors' Report.

Township of West Amwell
County of Hunterdon
Current Fund
Schedule of 2010 Appropriation Reserves
Year Ended December 31, 2011

				A-11 -1-
	Balance December 31, 2010	Balance After Transfers, and Encumbrances	Paid or Charged	Balance Lapsed
OPERATIONS - WITHIN 'CAPS'				
GENERAL GOVERNMENT FUNCTIONS:				
General Administration:				
Other Expenses	\$ 1,364.31	\$ 1,364.31	\$ 119.94	\$ 1,244.37
Municipal Clerk:				
Salaries and Wages	19.50	19.50		19.50
Other Expenses	653.20	653.20	401.14	252.06
Financial Administration:				
Other Expenses	79.00	79.00		79.00
Revenue Administration:				
Salaries and Wages	282.75	282.75		282.75
Other Expenses	240.39	240.39	15.27	225.12
Tax Assessment Administration:				
Other Expenses	203.30	203.30	203.30	
Legal Services:				
Other Expenses	1,294.33	1,294.33	1,100.42	193.91
Engineering Services:				
Other Expenses	376.90	376.90		376.90
Historic Sites Office:				
Other Expenses	0.03	0.03		0.03
LAND USE ADMINISTRATION:				
Municipal Land Use Law (NJSA 40:55D:1)				
Planning Board:				
Other Expenses	1,603.27	1,603.27	1,528.27	75.00
Zoning Board of Adjustment:				
Other Expenses	799.32	799.32	126.48	672.84
INSURANCE:				
General Liability	0.50	0.50		0.50
Employee Group Health	5,109.21	5,109.21	702.00	4,407.21
UNIFORM CONSTRUCTION CODE:				
Appropriations offset by Dedicated Revenues (NJAC 5:23-4.17)				
Uniform Construction Code Enforcement Function:				
Construction Code Official:				
Salaries and Wages	414.55	414.55		414.55
Other Expenses	239.38	239.38		239.38
PUBLIC SAFETY FUNCTIONS:				
Police:				
Salaries and Wages	5,975.79	5,975.79		5,975.79
Other Expenses	1,265.48	1,265.48		1,265.48
Municipal Prosecutors Office:				
Contracted Services	45.14	45.14		45.14
Municipal Court:				
Salaries and Wages	51.68	51.68		51.68
Other Expenses	2,484.02	2,484.02		2,484.02
Fire Prevention Bureau				
Other Expenses	400.00	400.00		400.00

**Township of West Amwell
County of Hunterdon
Current Fund
Schedule of 2010 Appropriation Reserves
Year Ended December 31, 2011**

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	Balance December 31, 2010	Balance After Transfers and Encumbrances	Paid or Charged	Balance Lapsed
PUBLIC WORKS FUNCTIONS:				
Street and Roads Maintenance:				
Salaries and Wages	\$ 8,159.69	\$ 8,159.69	\$	\$ 8,159.69
Other Expenses	11,724.91	11,724.91	11,010.99	713.92
Solid Waste Collection:				
Salaries and Wages	1,705.67	1,705.67		1,705.67
Other Expenses	140.16	140.16	36.00	104.16
Building and Grounds:				
Other Expenses	1,813.57	1,813.57	1,167.82	625.75
Vehicle Maintenance	535.83	535.83	535.83	
HEALTH AND HUMAN SERVICES:				
Public Health Services:				
Other Expenses	838.81	838.81	838.81	
Environmental Health Services:				
Other Expenses	100.00	100.00		100.00
Community Forestry:				
Other Expenses	5.00	5.00		5.00
Animal Control Services:				
Salaries and Wages	8.16	8.16		8.16
Welfare/Administration of Public Assistance:				
Other Expenses	160.73	160.73	160.73	
PARKS AND RECREATION FUNCTIONS:				
Recreation Services and Programs:				
Other Expenses	20.00	20.00	20.00	
UNCLASSIFIED:				
Prior Year Bills	385.60	385.60		385.60
UTILITY EXPENSES AND BULK PURCHASES:				
Electricity	1,796.33	1,796.33	1,042.62	753.71
Street Lighting	124.16	124.16	124.16	
Telephone	913.00	913.00	100.02	812.98
Water	14.98	14.98		14.98
Fuel Oil	2,822.63	2,822.63		2,822.63
Gasoline	1,741.61	1,741.61	1,741.61	
Recycling Surcharge	0.20	0.20		0.20
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"				
Contribution to:				
Social Security System (O.A.S.I)	0.06	0.06		0.06
OPERATIONS - EXCLUDED FROM "CAPS"				
LOSAP	11,000.00	11,000.00	10,000.00	1,000.00
	<u>\$ 66,913.15</u>	<u>\$ 66,913.15</u>	<u>\$ 30,995.41</u>	<u>\$ 35,917.74</u>

Township of West Amwell
County of Hunterdon
Current Fund
Schedule of Reserve for Special Emergencies
Year Ended December 31, 2011

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Increased by:

Special Emergency Appropriations Added in 2011

\$ 113,992.00

Decreased by:

Cash Disbursed

(78,178.84)

\$ 35,816.16

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

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Balance, December 31, 2010:		
School Tax Payable	\$ 1,212,337.99	
School Tax Deferred	<u>648,294.00</u>	
		\$ 1,860,631.99
Increased by:		
Levy - School Year July 1, 2011 to June 30, 2012		<u>3,718,078.00</u>
		5,578,709.99
Decreased by:		
Cash Disbursed		<u>3,718,078.00</u>
Balance, December 31, 2011:		
School Tax Payable	912,337.99	
School Tax Deferred	<u>948,294.00</u>	
		<u>\$ 1,860,631.99</u>
2011 Liability for Local District School Tax:		
Tax Paid		\$ 3,718,078.00
Tax Payable, December 31, 2011		<u>912,337.99</u>
		4,630,415.99
Less: Tax Payable, December 31, 2010		<u>(1,212,337.99)</u>
Amount Charged to 2011 Operations		<u>\$ 3,418,078.00</u>

See Independent Auditors' Report.

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

A-14

Balance, December 31, 2010 (Prepaid)		\$	(1.10)
Increased by:			
Levy - Calendar Year 2011	3,582,107.18		
Cancelled by Resolution	<u>1.10</u>		
			3,582,108.28
Decreased by:			
Cash Disbursed			<u>3,582,107.18</u>
Balance, December 31, 2011		\$	<u><u> </u></u>

See Independent Auditors' Report.

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

					A-15
	Balance December 31, 2010	Revenue 2011	Transferred from Unappropriated Reserves	Received	Balance December 31, 2011
Clean Communities Program	\$	\$ 9,851.36	\$ 63.00	\$ 9,788.36	\$
US Dept of Justice - COPS Law Enforcement Technology Grant	35,000.00				35,000.00
Recycling Tonnage Program		6,531.82	3,925.45	2,606.37	
Body Armor Replacement Program		2,069.53	973.08	1,096.45	
Community Forestry Grant	3,315.00				3,315.00
US Dept of Justice - Bulletproof Vest Partnership Grant	1,136.00				1,136.00
Drunk Driving Enforcement Fund		2,149.42		2,149.42	
Over the Limit Under Arrest 2011 Statewide Crackdown		4,100.00			4,100.00
State NJDEP-Pollution Control and Management Implementation Grant:					
Watershed Protection Plan for the Alexauken Creek Watershed	27,036.75			23,024.93	4,011.82
	<u>\$ 66,487.75</u>	<u>\$ 24,702.13</u>	<u>\$ 4,961.53</u>	<u>\$ 38,665.53</u>	<u>\$ 47,562.82</u>

Federal and State Grant Fund
Schedule of Appropriated Reserves
Year Ended December 31, 2011

					A-16
	Balance December, 31 2010	Transferred from 2011 Budget Appropriation	Expended	Balance December 31, 2011	
Grant Period					Grant
Various	\$ 2,639.31	\$ 2,149.42	\$ 646.42	\$ 4,142.31	Drunk Driving Enforcement Fund
2011		4,100.00	4,100.00		Over the Limit Under Arrest 2011 Statewide Crackdown
2011		2,606.37		2,606.37	Recycling Tonnage Grant
2010		3,925.45		3,925.45	Recycling Tonnage Grant
2011		9,788.36	9,788.36		Clean Communities Program
2010	5,077.54	63.00	5,140.54		Clean Communities Program
2009	646.51			646.51	Body Armor Grant
2010		973.08	715.00	258.08	Body Armor Grant
2011		1,096.45		1,096.45	Body Armor Grant
2009	2,100.00			2,100.00	Community Forestry Grant
2010	3,000.00			3,000.00	Community Forestry Grant
2009					US Dept of Justice - COPS Law Enforcement Technology Grant
	35,000.00			35,000.00	
2009	947.14		715.00	232.14	US Dept of Justice - Bulletproof Vest Partnership Grant
2005					Municipal Stormwater Regulation Program Grant
	217.12			217.12	
2004					State and Local All Hazards Emergency Operation Planning Program
	2,405.72			2,405.72	
2011					State NJ DEP-Pollution Control and Mgmt. Implementation Grant:
					Watershed Protection Plan for the Alexauken Creek Watershed
	<u>28,399.99</u>		<u>18,979.25</u>	<u>9,420.74</u>	
	<u>\$ 80,433.33</u>	<u>\$ 24,702.13</u>	<u>\$ 40,084.57</u>	<u>\$ 65,050.89</u>	

Federal and State Grant Fund
Schedule of Unappropriated Reserves
Year Ended December 31, 2011

					A-17
	Balance December 31, 2010	Cash Receipts	Transferred to 2011 Anticipated Revenue	Balance December 31, 2011	
Grant					
Clean Communities Program	\$ 63.00	\$	\$ 63.00	\$	
Recycling Tonnage Grant	3,925.45		3,925.45		
Body Armor Replacement Program	973.08		973.08		
	<u>\$ 4,961.53</u>	<u>\$</u>	<u>\$ 4,961.53</u>	<u>\$ -</u>	

See Independent Auditors' Report.

Township of West Amwell

County of Hunterdon

2011

Trust Fund

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

B-1

	Animal Control Fund	Other Trust Funds	Open Space Trust Fund
Balance, December 31, 2010	\$ 1,856.73	\$ 448,261.17	\$ 2,783,816.91
Increased by Receipts:			
Dog Licensing Fees	4,856.80		
Due to State of NJ	724.20		
Kennel Fees	25.00		
Due Current Fund - Interest Earned	11.52		
Trust Fund Reserves		205,211.34	
Open Space Trust Fund Reserves:			
2011 Levy			322,915.00
Interest Earned			5,392.29
Hunterdon County Open Space Recreation, Farmland and Historic Preservation Trust Fund - Municipal Grants Program			17,128.33
Donations			3,185.13
State & County Reimbursements			47,689.99
Sub-total	5,617.52	205,211.34	396,310.74
Due from Current Fund	5,617.52	205,211.34	2,137.60
	7,474.25	653,472.51	3,182,265.25
Decreased by Disbursements:			
Expenditures under R.S. 4:19-15:11	5,108.93		
Due to State of NJ	724.20		
Due to Current Fund - Interest Earned	11.52		
Due to Current Fund			482,500.00
Trust Fund Reserves		161,026.59	
Reserve for Open Space			8,221.24
	5,844.65	161,026.59	490,721.24
Balance, December 31, 2011	\$ 1,629.60	\$ 492,445.92	\$ 2,691,544.01

See Independent Auditors' Report.

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

B-2

Balance, December 31, 2010		\$ 1,856.73
Increased by:		
Receipts:		
Dog Licensing Fees Collected	\$ 4,510.80	
Late Fees Collected	346.00	
	<u>4,856.80</u>	
Kennel License Fees Collected	25.00	
	<u>4,881.80</u>	
		<u>6,738.53</u>
Decreased by:		
Expenditures Under R.S. 54:19-15.11:		
Cash Disbursed		<u>5,108.93</u>
Balance, December 31, 2011		<u>\$ 1,629.60</u>

License Fees Collected

Year	Amount
2009	\$ 5,127.80
2010	<u>5,918.00</u>
Total (Maximum Reserve)	<u>\$ 11,045.80</u>

Township of West Amwell
County of Hunterdon
Trust Fund
Schedule of Trust Fund Reserves
Year Ended December 31, 2011

B-3

Purpose	Balance December 31, 2010	Receipts	Disburse- ments	Adjustments	Balance December 31, 2011
Developers Escrow	\$ 78,420.96	\$ 155,140.96	\$ 125,598.14	\$ (5,377.82)	\$ 102,585.96
Technology Trust	231.04				231.04
POAA	22.00				22.00
Historic Preservation Trust	1,945.88	184.00			2,129.88
Housing Trust	168,579.36	22,737.21			191,316.57
Affordable Housing	127,363.54	254.96			127,618.50
Accumulated Leave Compensation	6,708.36				6,708.36
Outside Police		7,897.50	7,357.50		540.00
Celebration of Public Events and Farm Market	33.60	3,197.00	1,703.68		1,526.92
Fire Penalty	2,000.00				2,000.00
Public Defender	325.00		325.00		
Premiums Received at Tax Sale				5,377.82	5,377.82
Unemployment	25,614.39	49.80	984.00		24,680.19
Municipal Alliance	33,774.74	15,749.91	25,058.27		24,466.38
	<u>\$ 445,018.87</u>	<u>\$ 205,211.34</u>	<u>\$ 161,026.59</u>	<u>\$ -</u>	<u>\$ 489,203.62</u>

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

B-4

Balance, December 31, 2010		\$ 2,785,954.51
Increased by:		
Cash Receipts:		
2011 Tax Levy	\$ 322,915.00	
County of Hunterdon - Open Space Municipal Grants Program	17,128.33	
Donations	3,185.13	
State and County Reimbursements	47,689.99	
Interest Earned	5,392.29	
	<u>396,310.74</u>	
Due Open Space Trust Fund from 2011 Added and Omitted Taxes	<u>973.09</u>	
		<u>397,283.83</u>
		3,183,238.34
Decreased by:		
Cash Disbursed:		
Due to Current Fund	482,500.00	
Reserve for Open Space	<u>8,221.24</u>	
	<u>490,721.24</u>	
Due to General Capital Fund	<u>36,000.00</u>	
		<u>526,721.24</u>
Balance, December 31, 2011		<u><u>\$ 2,656,517.10</u></u>

See Independent Auditors' Report.

Township of West Amwell

County of Hunterdon

2011

General Capital Fund

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

C-2

Balance, December 31, 2010		\$ 616,931.44
Increased by Receipts:		
Budget Appropriation:		
Capital Improvement Fund	\$ 60,000.00	
Payment of Bond Anticipation Note	70,300.00	
Grant Receivable - SNJDOT - Ord #04-10	77,486.75	
Deferred Charges to Future Taxation - Unfunded - NJ DOT	24,414.45	
Bond Anticipation Notes	735,800.00	
Due to Current Fund	1,239.33	
Contra Item-Current Fund-BAN Interest	20,900.56	
Total Receipts		<u>990,141.09</u>
		1,607,072.53
Decreased by Disbursements:		
Improvement Authorizations	344,089.31	
Bond Anticipation Notes	706,100.00	
Due Current Fund	1,239.49	
Reserve for Preliminary Expenses:		
Open Space and Farmland Preservation	3,647.25	
Contra Item-Current Fund-BAN Interest	20,900.56	
Total Disbursements		<u>1,075,976.61</u>
Balance, December 31, 2011		<u><u>\$ 531,095.92</u></u>

See Independent Auditors' Report.

3

See Independent Auditors' Report.

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

C-4

Balance, December 31, 2010		\$	5,830,146.84
Decreased by:			
2011 Budget Appropriation to Pay General Serial Bonds	\$	320,000.00	
2011 Budget Appropriation to Pay NJ Economic Development Loan		<u>25,354.80</u>	
			<u>345,354.80</u>
Balance, December 31, 2011		\$	<u><u>5,484,792.04</u></u>

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

C-5

Ord. No.	Improvement Description	Analysis of Balance December 31, 2011					
		Balance December 31, 2010	2011 Authorization	Grant Received From State NJ DOT	Funded by Budget Appropriation	Balance December 31, 2011	Financed by Bond Anticipation Notes
06-06	Acquisition of Fire Vehicles	\$ 492,100.00	\$	\$	\$ 70,300.00	\$ 421,800.00	\$
14-09	Acquisition and Improvement of Real Property	214,000.00				214,000.00	
20-09	Acquisition of Real Property to Meet Township's COAH Obligation	300,000.00				300,000.00	300,000.00
04-10	Reconstruction of a Portion of Rocktown Hill Road	100,000.00	775,770.00	24,414.45		75,585.55	
10-11	Various Capital Improvements	\$ 1,106,100.00	\$ 775,770.00	\$ 24,414.45	\$ 70,300.00	\$ 1,787,155.55	\$ 885,108.87
							\$ 951,497.07
							24,417.17
							13,924.66
							28,046.37
							66,388.20
							\$ 885,108.87

Improvement Authorization - Unfunded
Less: Unexpended Proceeds of Bond
Anticipation Notes Issued:
Ord #14-09 24,417.17
Ord #20-09 13,924.66
Ord #04-10 28,046.37
66,388.20

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

C-6

Balance, December 31, 2010	\$ 115,992.81
Increased by:	
2011 Budget Appropriation	<u>60,000.00</u>
	175,992.81
Decreased by:	
Appropriation to Finance Improvement Authorization	<u>40,830.00</u>
Balance, December 31, 2011	<u><u>\$ 135,162.81</u></u>

See Independent Auditors' Report.

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

C-7

Ord. No.	Improvement Description	Date	Ordinance Amount	2011 Authorizations			
				Balance December 31, 2010		Capital Improvement Fund	Deferred Charges to Future Taxation
				Funded	Unfunded		
96-12	Funding Accessory Loan Program - Rehab. of Existing Rental Dwellings	12/4/96	\$ 140,000.00	\$ 20,000.00	\$	\$	\$ 20,000.00
06-06	Acquisition of Fire Vehicles	5/3/06	740,000.00	16,521.53		583.02	15,938.51
05-09	Township's Share of the Cost of the Acquisition of Certain Property B8, Lots 20 and 36	3/18/09	800,000.00	63,636.66		7,292.19	56,344.47
14-09	Acquisition and Improvement of Real Property Including the Building Thereon for Public Purposes	5/6/09	225,000.00		25,000.19	563.02	
20-09	Acquisition of Real Property to Meet the Township's COAH Obligation	8/12/09	315,000.00		313,924.66		24,417.17
21-09	Acquisition of a Conservation Easement on Certain Real Property Known as B8, L14 and 15	8/12/09	725,000.00	171,572.41		70,791.41	313,924.66
04-10	Reconstruction of a Portion of Rocktown Hill Rd	4/7/10	305,000.00		98,837.78		28,046.37
09-10	Funding Township's Share of the Cost of the Acquisition of an Agricultural Development	7/7/10	30,000.00	29,913.16		24,310.70	
10-10	Rights Easement on Block 14, Lot 33.95 Purchase and Installation of Overhead Doors at the Township Garage	9/1/10	30,000.00	6,540.97			5,602.46
11-10	Purchase of a Refurbished Garbage Truck	10/6/10	70,000.00	24,711.24			6,540.97
15-10	Purchase of Office Equipment	12/29/10	15,000.00	15,000.00		9,037.84	24,711.24
10-11	Various Capital Improvements	6/22/11	816,600.00			231,491.13	5,962.16
				\$ 347,895.97	\$ 437,762.63	\$ 344,089.31	\$ 951,497.07
						\$ 306,672.22	\$ 585,108.87
						\$ 775,770.00	\$ 951,497.07

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

C-3

Ord. No.	Improvement Description	Date of Original Issue of Notes	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2010	Increased	Decreased	Balance December 31, 2011
06-06	Acquisition of Fire Vehicles	7/19/07	7/2/10 6/30/11	7/2/11 6/29/12	1.48 % 1.25	\$ 492,100.00	\$ 421,800.00	\$ 492,100.00	\$ 421,800.00
14-09	Acquisition and Improvement of Real Property	7/2/09	7/2/10 6/30/11	7/2/11 6/29/12	1.48 % 1.25	214,000.00	214,000.00	214,000.00	214,000.00
04-10	Reconstruction of a Portion of Rocktown Hill Rd.	6/30/11	6/30/11	6/29/12	1.25 %		100,000.00		100,000.00
						<u>\$ 706,100.00</u>	<u>\$ 735,800.00</u>	<u>\$ 706,100.00</u>	<u>\$ 735,800.00</u>
					Issued for Cash		\$ 735,800.00	\$ 706,100.00	
					Cash Disbursed			<u>\$ 706,100.00</u>	
							<u>\$ 735,800.00</u>	<u>\$ 706,100.00</u>	

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

C-9

Purpose	Date of Issue	Original Issue	Maturities of		Interest Rate	Balance December 31, 2010	Decreased	Balance December 31, 2011
			Principal Outstanding	Amount				
			Date					
Sourlands/Open Space Acquisition Project	6/25/01	\$ 500,000	3/25/12	12,867.88	2.0%			
			9/25/12	12,996.55				
			3/25/13	13,126.52				
			9/25/13	13,257.79				
			3/25/14	13,390.36				
			9/25/14	13,524.27				
			3/25/15	13,659.51				
			9/25/15	13,796.11				
			3/25/16	13,934.07				
			9/25/16	14,073.40				
			3/25/17	14,214.15				
			9/25/17	14,356.28				
			3/25/18	14,499.85				
			9/25/18	14,644.84				
			3/25/19	14,791.29				
			9/25/19	14,939.21				
			3/25/20	15,088.60				
			9/25/20	15,239.48				
			3/25/21	15,391.88				
						\$ 293,146.84	\$ 25,354.80	\$ 267,792.04

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

C-10

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2011		Interest Rate	Balance December 31, 2010	Increased	Decreased	Balance December 31, 2011
			Date	Amount					
General Improvements of 2003	2/15/03	\$ 4,009,000.00	2/15/12-13	\$ 190,000.00	3.625%				
			2/15/14	210,000.00	3.700%				
			2/15/15	210,000.00	3.750%				
			2/15/16-17	220,000.00	4.000%				
			2/15/18-19	230,000.00	4.000%				
			2/15/20	240,000.00	4.125%				
			2/15/21	240,000.00	4.250%				
			2/15/22	250,000.00	4.250%	\$ 2,879,000.00	\$	\$ 190,000.00	\$ 2,689,000.00
			2/15/23	259,000.00	4.250%				
General Improvements of 2006	5/1/06	3,118,000.00	5/1/12-12	130,000.00	4.375%				
			5/1/13-14	140,000.00	4.375%				
			5/1/15-16	150,000.00	4.375%				
			5/1/17-18	160,000.00	4.375%				
			5/1/19-20	170,000.00	4.375%				
			5/1/21-22	180,000.00	4.375%				
			5/1/23-24	190,000.00	4.375%				
			5/1/25	210,000.00	4.375%				
			5/1/26	208,000.00	4.375%				
						2,658,000.00		130,000.00	2,528,000.00
						\$ 5,537,000.00	\$	\$ 320,000.00	\$ 5,217,000.00

See Independent Auditor's Report.

**Township of West Amwell
County of Hunterdon
General Capital Fund
Schedule Due from Open Space Trust Fund
Year Ended December 31, 2011**

C-11

Increased by:

Reserve for Preliminary Expenses Financed by the Open Space Trust Fund	<u>\$ 36,000.00</u>
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Balance, December 31, 2011	<u><u>\$ 36,000.00</u></u>
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Township of West Amwell
County of Hunterdon
General Capital Fund
Schedule of Reserve for Preliminary Expenses
Year Ended December 31, 2011

C-12

Purpose	Balance December 31, 2010	Resolution for Preliminary Expenses	Cash Disbursed	Balance December 31, 2011
Open Space and Farmland Preservation	\$ 6,468.26	\$ 36,000.00	\$ 3,647.25	\$ 38,821.01
Repair of the Septic System at the Firehouse	7,744.20			7,744.20
Future Road Projects	9,258.50			9,258.50
Municipal Building Improvements	5,450.60			5,450.60
	<u>\$ 28,921.56</u>	<u>\$ 36,000.00</u>	<u>\$ 3,647.25</u>	<u>\$ 61,274.31</u>

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

C-13

Ord. No.	Improvement Description	Balance December 31, 2010	2011 Authorizations	Funded by Notes Issued	Balance December 31, 2011
20-09	Acquisition of Real Property to Meet Township's COAH Obligation	\$ 300,000.00	\$	\$	300,000.00
04-10	Reconstruction of a Portion of Rocktown Hill Road	100,000.00		100,000.00	
10-11	Various Capital Improvements		775,770.00		775,770.00
		<u>\$ 400,000.00</u>	<u>\$ 775,770.00</u>	<u>\$ 100,000.00</u>	<u>\$ 1,075,770.00</u>

Township of West Amwell

County of Hunterdon

2011

Public Assistance Fund

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

	D-1		
	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>	<u>Fund Total</u>
Balance, December 31, 2010	\$ 1,043.58	\$ 3,881.48	\$ 4,925.06
Increased by:			
Interest Earned	2.10	18.60	20.70
Due to Current Fund		12,500.00	12,500.00
State Aid		49,100.00	49,100.00
	<u>2.10</u>	<u>61,618.60</u>	<u>61,620.70</u>
	1,045.68	65,500.08	66,545.76
Decreased by:			
Due to Current Fund		12,500.00	12,500.00
Public Assistance		37,133.91	37,133.91
	<u>-</u>	<u>49,633.91</u>	<u>49,633.91</u>
Balance, December 31, 2011	<u>\$ 1,045.68</u>	<u>\$ 15,866.17</u>	<u>\$ 16,911.85</u>

**Township of West Amwell
County of Hunterdon
Public Assistance Fund
Schedule of Public Assistance Cash and Reconciliation at Year End
Year Ended December 31, 2011**

D-2

Balance, December 31, 2010	\$ 4,925.06
Increased by Receipts:	
Cash	<u>61,620.70</u>
	66,545.76
Decreased by Disbursements:	
Cash	<u>49,633.91</u>
Balance, December 31, 2011	<u>\$ 16,911.85</u>

Reconciliation, December 31, 2011

	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>	<u>Total</u>
Balance on Deposit per Statement of TD Bank:			
Checking	\$ 1,045.68	\$ 15,940.17	\$ 16,985.85
Less outstanding checks		<u>74.00</u>	<u>74.00</u>
	<u>\$ 1,045.68</u>	<u>\$ 15,866.17</u>	<u>\$ 16,911.85</u>

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

D-3

	P.A.T.F. Account #1	P.A.T.F. Account #2	Fund Total
Interest Earned	\$ 2.10	\$ 18.60	\$ 20.70
Due to Current Fund		12,500.00	12,500.00
State Aid		49,100.00	49,100.00
	<u>\$ 2.10</u>	<u>\$ 61,618.60</u>	<u>\$ 61,620.70</u>

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

D-4

	P.A.T.F. Account #1 (75%)	P.A.T.F. Account #2 (100%)	Fund Total
Maintenance Payments	\$	\$ 4,923.90	\$ 4,923.90
Work Related Expenses		68.00	68.00
Temporary Rental Assistance		25,762.23	25,762.23
Emergency Assistance - Rent		2,250.00	2,250.00
Emergency Assistance - Security Deposit		862.50	862.50
Emergency Assistance - Shelter/Motel/Housing		2,650.00	2,650.00
Emergency Assistance - Utilities		617.28	617.28
	<u>\$</u>	<u>\$ 37,133.91</u>	<u>\$ 37,133.91</u>

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

D-5

Not Applicable

Township of West Amwell

County of Hunterdon

2011

Payroll Fund

Township of West Amwell
County of Hunterdon
Payroll Fund
Schedule of Cash-Payroll
Year Ended December 31, 2011

E-1

Balance, December 31, 2010		\$	130.60
Increased by:			
Net Payroll	\$	760,000.11	
Payroll Deductions and Employer's Share		355,170.51	
Contribution for Public Employees Retirement System		62,500.00	
Contribution for Police and Fire Retirement System		68,299.00	
Due to Current Fund - Interest Earned		32.09	
Due to Current Fund - Other Miscellaneous Adjustments		1,119.13	
			<u>1,247,120.84</u>
			1,247,251.44
Decreased by:			
Net Payroll		760,000.11	
Contribution for Public Employees Retirement System		62,500.00	
Contribution for Police and Fire Retirement System		68,299.00	
Payroll Deductions and Employer's Share		355,170.51	
Overpayment for Public Employees Retirement System		1,449.80	
Due to Current Fund - Interest Earned		32.09	
			<u>1,247,451.51</u>
Balance, December 31, 2011		\$	<u>(200.07)</u>

See Independent Auditors' Report.

Township of West Amwell
County of Hunterdon
Payroll Fund
Schedule of Payroll Deductions Payable
Year Ended December 31, 2011

E-2

	Balance December 31, 2010	Cash Receipts	Cash Disbursed	Balance December 31, 2011
Account				
FICA and Medicare	\$	\$ 63,223.46	\$ 63,223.46	\$
FWT		150,544.51	150,544.51	
NJ GIT		35,072.81	35,072.81	
PERS		53,477.31	53,477.31	
PERS Insurance		2,161.91	2,161.91	
PFRS		26,073.68	26,073.68	
Unemployment and Disability		3,200.93	3,200.93	
NJ Family Leave Insurance		417.81	417.81	
Accident Insurance		417.81	417.81	
Employees' Health Insurance Contribution		10,470.78	10,470.78	
Union Dues		1,009.50	1,009.50	
457 Plan		9,100.00	9,100.00	
	<u>\$</u>	<u>\$ 355,170.51</u>	<u>\$ 355,170.51</u>	<u>\$</u>

Other Supplemental Information-Regulatory Basis

**Township of West Amwell
County of Hunterdon
Officials in Office and Surety Bonds
Year Ended December 31, 2011**

The following officials were in office during the period under audit:

Name	Title	Note	Corporate Surety
Thomas J. Molnar	Mayor		
George A. Fisher	Deputy Mayor		
Zachary T. Rich	Committee Member		
Barbara Walsh	Municipal Housing Liason/Administrative Agent		
Lora L. Olsen	Affirmative Action Officer, Clean Communities Coordinator, Certifying Officer for Health Benefits, Clerk, Registrar of Vital Statistics, Assessment Search Officer, Board of Health Secretary Clerk Typist/Administrative Secretary	1	
Sandy Haberle	Deputy Clerk, Deputy Registrar of Vital Statistics, Purchasing Agent, Clerk Typist/ Administrative Secretary, Deputy Board of Health Secretary, Assistant Treasurer, Payroll Clerk	1 1	
Regina V. Taylor	Construction Office Technical Assistant	1	
Thomas J. Carro	Treasurer, Chief Financial Officer, Certifying Officer for PERS and PFRS	2	\$ 1,000,000.00
Mary Hyland	Tax Collector, Tax Search Officer	2	\$ 1,000,000.00
David Gill	Tax Assessor, Assessment Inspection Officer	1	
Donna Griffiths	Police Matron, Police Department Secretary, Clerk Typist/Administrative Secretary	2	\$ 100,000.00
Maria Andrews	Planning Board Secretary, Deputy Zoning Board Secretary		
Ruth Hall	Zoning Board Secretary, Deputy Planning Board Secretary		
Raymond Barson	Magistrate	2	\$ 50,000.00
Lolly Hoagland	Court Administrator	2	\$ 35,000.00
Patricia Ahern	Deputy Court Administrator through December 31, 2011	1	
Mary Hoagland	Dog Registrar, Animal Control Officer, Police Matron, Waste Security Officer	1	
Victor Rose	Substitute Plumbing Subcode Official & Inspector		
Christopher Rose	Construction Code Official, Plumbing Sub-code Official		
Bill Donnerstag	Fire Official, fire Subcode Official & Inspector through November 11, 2011	1	
Phillip Langon	Fire Official, fire Subcode Official & Inspector as of November 12, 2011	1	
Lonnie Baldino	Zoning Official, Substitute Construction Code Official	1	
Helen Kuhl	Director of Welfare	1	
Randy Hoagland	Road Supervisor	1	
Phillip Faherty III	Township Attorney, Township Prosecutor		
Robert J. Clerico	Township Engineer		
John Hartman	Public Defender		

NOTE 1: Other employees covered by Public Alliance Insurance Coverage Fund under public officials liability coverage.

NOTE 2: Municipal Excess Liability Joint Insurance Fund

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

	2011		2010	
	Amount	%	Amount	%
Revenue and Other Income Realized				
Fund balance utilized	\$ 85,000.00	0.67 %	\$ 150,000.00	1.22 %
Miscellaneous - from other than local property tax levies	1,822,775.28	14.46	1,762,540.44	14.30
Collection of delinquent taxes	166,392.81	1.32	141,259.62	1.15
Collection of current tax levy	10,525,807.24	83.51	10,266,343.31	83.30
Interfunds loans returned	4,507.63	0.04	4,250.00	0.03
Total revenue and other income realized	12,604,482.96	100.00 %	12,324,393.37	100.00 %
Expenditures				
Budget expenditures - municipal purposes	3,083,611.01	25.00 %	2,890,161.19	23.75 %
County taxes	1,918,073.75	15.55	1,956,477.24	16.08
Local and regional school taxes	7,000,185.18	56.74	6,992,777.59	57.47
Municipal open space tax	329,084.95	2.67	324,837.60	2.67
Interfunds Advanced			0.70	
Other expenditures	5,427.31	0.04	2,771.75	
Total expenditures	12,336,382.20	100.00 %	12,167,026.07	99.97 %
Excess in revenue	268,100.76		157,367.30	
Adjustment to Income Before Fund Balance:				
Expenditures Included Above which are by Statute				
Deferred Charges to Budget of Succeeding Years	113,992.00			
	382,092.76		157,367.30	
Fund balance, January 1	306,013.09		298,645.79	
	688,105.85		456,013.09	
Less: Utilization as Anticipated Revenue	85,000.00		150,000.00	
Fund Balance, December 31	\$ 603,105.85		\$ 306,013.09	

See Independent Auditors' Report.

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

	2011	2010	2009
Comparative Schedule of Tax Rate Information			
Tax rate	\$ 1,996	\$ 1,941	\$ 1,866
Apportionment of tax rate:			
Municipal	\$ 0.223	\$ 0.217	\$ 0.191
Municipal open space	0.059	0.060	0.060
County	0.299	0.305	0.320
County library	0.026	0.026	0.027
County open space	0.032	0.032	0.034
Local school	0.691	0.693	0.662
Regional high school	0.666	0.608	0.572
Assessed valuation:			
2011	\$ 538,191,781.00		
2010		\$ 537,333,776.00	
2009			\$ 537,373,969.00

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.

Year	Tax Levy	Collections	Percentage of Collection
2011	\$ 10,774,871.47	\$ 10,525,807.24	97.69%
2010	10,497,820.24	10,266,343.31	97.80%
2009	10,078,913.69	9,914,169.22	98.37%

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.

December 31	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2011	\$ 110,559.54	\$ 204,164.50	\$ 314,724.04	2.92%
2010	102,826.52	192,354.63	295,181.15	2.81%
2009	91,569.02	142,283.89	233,852.91	2.32%

Property Acquired by Tax Title Lien Liquidation

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

Year	Amount
2011	\$ 3,150.00
2010	3,150.00
2009	14,400.00

Comparative Schedule of Fund Balance (Current Fund)

Year	Balance Dec. 31	Utilized in Budget of Succeeding Year
2011	\$ 603,105.85	\$ 96,000.00
2010	306,013.09	85,000.00
2009	298,645.79	150,000.00
2008	620,433.56	480,000.00
2007	629,549.48	365,000.00

See Independent Auditors' Report.

Comments Section

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

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

Scope of Audit

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

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

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

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

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

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

N.J.S. 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the term of Section 3 of this Act, shall be made or awarded only after public advertising of bids and bidding therefore, except as is provided otherwise in this Act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate and \$17,500.00 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 \$17,500.00 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 item:

Case Model 580H 4WD Loader/Extendahoe

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

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

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$17,500.00 "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.

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, 2011 adopted the following resolution authorizing interest to be charged on delinquent taxes:

BE IT RESOLVED as follows:

1. Real estate taxes shall be collected quarterly on February 1, May 1, August 1 and November 1, 2011.
2. Interest shall be charged and calculated at the rate of 8% per annum on the first \$1,500.00 of the delinquency, and 18% per annum on any amount in excess of the first \$1,500.00. These amounts are to be calculated from the date the tax was payable until the date the actual payment was received in the tax office.
3. There shall be a ten (10) day grace period, after which unpaid taxes will be charged interest from the due date.
4. Redemption fees for tax sale certificates to the municipality and lien holders will be calculated as follows:
 - 2% on certificates \$100.00 to \$4,999.00
 - 4% on certificates \$5,000.00 to \$9,999.00
 - 6% on certificates over \$10,000.00

Tax Sale

The last tax sale was held on October 25, 2011 and was complete, except for one property held out due to bankruptcy.

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

Year	Number of Liens
2011	14
2010	15
2009	19

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

Schedule of Financial Statement Findings

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

Findings

Statement of Condition 2011-1

Deposits for the Animal Control Trust Fund, Construction Office and Public Assistance Trust Fund were not made within 48 hours as required by N.J.S. 40A:5-15, nor were the late fees for dog licenses properly charged.

Criteria

The Township is required to deposit funds within 48 hours of receipt and charge fees per adopted ordinance.

Effect

The Township is not in compliance with N.J.S. 40A:5-15.

Cause

Deposits were not made within 48 hours of receipt and late fees were not charged as required.

Recommendation

All funds should be deposited within 48 hours of receipt and fees charged as stipulated by ordinance.

Response:

Animal Control Trust Fund now uses an updated computer program and deposits are made within the 48 hour time requirement.

A more concerted effort will be made to deposit within the required time limits although with all employees in the construction office being part-time, there will still be unavoidable delays.

Public Assistance Trust Fund check for \$1,480.95 from the County dated October 18, 2011 discovered by auditors was deposited May 23 2012.

Statement of Condition 2011-2

Interfunds totaling \$41,465.39 exist on various Township balance sheets at December 31, 2011.

Criteria

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

Effect

The Township's balance sheets include interfund balances at year-end

Cause

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

Recommendation

All interfunds should be liquidated prior to the end of the fiscal year.

Response:

Interfunds will be settled as soon as possible after year-end.

See Independent Auditors' Report.

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

Schedule of Prior Year Financial Statement Findings

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

Significant Deficiencies and Other Matters

Corrective action was taken on the prior year findings.