



WithumSmith+Brown, PC
Certified Public Accountants and Consultants

TOWNSHIP OF WEST AMWELL

County of Hunterdon

Report of Audit

December 31, 2012 and 2011

With Independent Auditors' Report

Township of West Amwell
County of Hunterdon
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December 31, 2012 and 2011

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County of Hunterdon
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Independent Auditors' Report on 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, 2012 and 2011, and the related notes to the financial statements, which collectively comprise the Township's financial statements-regulatory basis, as listed in the foregoing table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles 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. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



Opinions

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, 2012 and 2011, or the results of its operations and changes in fund balance for the years then ended.

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.

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, 2012 and 2011, 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, 2012, 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.

Other Matters

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's financial statements—regulatory basis. 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 a required part of the basic financial statements. Such schedules and information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements—regulatory basis.

This information has been subjected to the auditing procedures applied in the audit of the financial statements—regulatory basis, 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 financial statements as a whole.

The Fund Summaries and the Statistical Information and Roster of Officials have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 17, 2013 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.

Charles M. Case CPA, RAIF
William Smith & Brown, PC
June 17, 2013



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

To the Honorable Mayor & Members of the Township Committee
Township of 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, 2012 and the related notes to the financial statements, which collectively comprise The Township's financial statements-regulatory basis, and have issued our report thereon dated June 17, 2013. Our report disclosed that, as described in Note 1 to the financial statements, the Township prepares its financial statements in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which differ from accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and recommendations as item 2012-1 that we consider to be a significant deficiency.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from 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 an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and recommendations as item 2012-1.

Township of West Amwell's Response to Finding

The Township's response to the finding identified in our audit is described in the accompanying schedule of findings and recommendations. The Township's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Charles M. Core CPA, RMA
Withum Smith + Brown PC

June 17, 2013

Financial Statements

Township of West Amwell

County of Hunterdon

2012

Current Fund

Township of West Amwell
County of Hunterdon
Current Fund
Comparative Balance Sheets-Regulatory Basis
December 31, 2012 and 2011

			A
			-1-
	Reference	2012	2011
Assets			
Regular Fund:			
Cash - Treasurer	A-4	\$ 2,130,160.52	\$ 1,847,541.19
Change Fund - Collector		225.00	225.00
Due from NJ - Senior Citizens' and Veterans' Deductions		250.00	
Prepaid Local School Tax	A-4, A-13	2,000.00	1,593.00
		<u>2,132,635.52</u>	<u>1,849,359.19</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	286,714.82	204,164.50
Tax Title Liens Receivable	A-6	119,994.40	110,559.54
Property Acquired for Taxes - Assessed Valuation	A-7	3,150.00	3,150.00
Due from New Jersey - SHB Overpayment	A-4	17,917.77	
Revenue Accounts Receivable	A-8	10,873.88	8,789.87
Due from Federal and State Grant Fund	A	24.86	
Due from Animal Control Trust Fund	B	2.98	
Due from Other Trust Funds	B	194.97	3,242.30
Due from General Capital Fund	C	1,693.48	0.27
Due from Payroll Fund	E		1,249.73
		<u>440,567.16</u>	<u>331,156.21</u>
Special Emergency Authorizations (40A:4-55)	A-9	91,192.00	113,992.00
Overexpenditure of Appropriation Reserve	A-10	141.93	
		<u>91,333.93</u>	<u>113,992.00</u>
		<u>2,664,536.61</u>	<u>2,294,507.40</u>
Federal and State Grant Fund:			
Cash	A-4	63,150.50	17,488.07
Grants Receivable	A-15	20,062.82	47,562.82
		<u>83,213.32</u>	<u>65,050.89</u>
		<u>\$ 2,747,749.93</u>	<u>\$ 2,359,558.29</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, 2012 and 2011

A
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	Reference	2012	2011
Liabilities, Reserves and Fund Balance			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3, A-10	\$ 146,961.44	\$ 129,399.11
Reserve for Encumbrances	A-3, A-10	30,885.38	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	A-2, A-4	21,620.00	21,620.00
Reserve for Special Emergencies	A-11	6,000.00	35,816.16
Taxes Collected in Advance	A-4, A-5	111,930.52	164,885.30
Prepaid Trash Permits	A-4, A-2	28,381.25	29,843.00
Due to State of NJ - Senior Citizens/Veterans Deductions			6,306.16
Due to State of NJ - Construction Code Fees		777.29	676.65
Due to State of NJ - Marriage Licenses		25.00	75.00
Due to Open Space Trust Fund	B		973.09
Due to Payroll Fund	E	2,169.70	
Due to County for Food Inspections		75.00	400.00
Due to County for Added and Omitted Taxes		13,279.50	5,887.74
Local District School Tax Payable	A-12	949,201.01	912,337.99
		<u>1,348,058.09</u>	<u>1,360,245.34</u>
Reserve for Receivables and Other Assets	A	440,567.16	331,156.21
Fund Balance	A-1	875,911.36	603,105.85
		<u>2,664,536.61</u>	<u>2,294,507.40</u>
Federal and State Grant Fund:			
Due to Current Fund	A	24.86	
Appropriated Reserves	A-15	44,252.78	65,050.89
Unappropriated Reserves	A-16	38,935.68	
		<u>83,213.32</u>	<u>65,050.89</u>
		<u>\$ 2,747,749.93</u>	<u>\$ 2,359,558.29</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, 2012 and 2011

	A-1	
	2012	2011
Revenue and Other Income		
Fund Balance Revenue Utilized	\$ 96,000.00	\$ 85,000.00
Miscellaneous Revenue Anticipated	1,968,562.63	1,737,528.35
Receipts from Delinquent Taxes	184,714.32	166,392.81
Receipts from Current Taxes	10,749,400.89	10,525,807.24
Non Budget Revenue	110,084.00	49,327.98
Other Credits to Income:		
Unexpended Balances of Appropriation Reserves and Reserve for Encumbrances	126,972.71	35,917.74
Prior Year Special Emergency Cancelled	23,816.16	
Tax Overpayments Cancelled	1.80	1.21
Interfund Receivables Realized	4,297.06	4,507.63
Total Revenues	<u>13,263,849.57</u>	<u>12,604,482.96</u>
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS":		
Operations:		
Salaries and Wages	1,144,072.00	1,084,196.00
Other Expenses	931,801.00	1,022,682.00
Deferred Charges and Regulatory Expenditures	232,176.00	216,649.00
Appropriations-Excluded from "CAPS":		
Operations:		
Salaries and Wages	6,763.00	5,000.00
Other Expenses	85,495.84	39,202.13
Capital Improvements	15,000.00	60,000.00
Municipal Debt Service	642,028.55	655,881.88
Deferred Charges and Regulatory Expenditures	22,800.00	
County Taxes	1,926,837.85	1,912,186.01
County Share of Added and Omitted Taxes	13,279.50	5,887.74
Local District School Tax	3,791,804.00	3,418,078.00
Regional High School Tax	3,780,602.20	3,582,107.18
Municipal Open Space Tax	280,281.87	323,888.09
Interfunds Advanced	19,638.82	5,196.86
Prior Year Revenue Refunds	2,463.43	5,162.23
Refund of Prior Year Taxes		263.98
Prepaid Regional High School Tax Cancelled		1.10
Overexpenditure of Appropriation Reserve	141.93	
Total Expenditures	<u>12,895,185.99</u>	<u>12,336,382.20</u>
Excess In Revenue	368,663.58	268,100.76
Adjustment to Income Before Fund Balance:		
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Years	<u>141.93</u>	<u>113,992.00</u>
	368,805.51	382,092.76
Fund Balance, January 1	<u>603,105.85</u>	<u>306,013.09</u>
	971,911.36	688,105.85
Decrease - Utilization as Anticipated Revenue	<u>96,000.00</u>	<u>85,000.00</u>
Fund Balance, December 31	<u>\$ 875,911.36</u>	<u>\$ 603,105.85</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, 2012

A-2
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	Anticipated			
	Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 96,000.00	\$	\$ 96,000.00	\$
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	2,500.00		2,500.00	
Fees and Permits	60,000.00		80,449.35	20,449.35
Fines and Costs:				
Municipal Court	67,500.00		160,313.13	92,813.13
Interest and Costs on Taxes	35,000.00		41,211.00	6,211.00
Interest on Investments and Deposits	3,637.87		6,479.98	2,842.11
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	
Uniform Construction Code Fees	60,000.00		78,287.60	18,287.60
Garden State Preservation Trust Fund	36,752.00		36,752.00	
Watershed Moratorium Offset Aid	21,620.00		21,620.00	
Body Armor Replacement Program		1,025.39	1,025.39	
Drive Sober or Get Pulled Over		4,400.00	4,400.00	
Clean Communities Program		9,604.97	9,604.97	
Recycling Tonnage Grant		3,655.48	3,655.48	
NJ Clean Energy		11,050.00	11,050.00	
Sustainable New Jersey		10,000.00	10,000.00	
US Bulletproof Vest Program		2,200.00	2,200.00	
Reserve to Pay Open Space Debt Service	485,000.00		485,000.00	
General Capital Fund Balance	85,000.00		85,000.00	
Interlocal Agreement - Animal Control Services	20,500.00		21,884.73	1,384.73
	<u>1,784,638.87</u>	<u>41,935.84</u>	<u>1,968,562.63</u>	<u>141,987.92</u>
Receipts from Delinquent Taxes	<u>170,000.00</u>		<u>184,714.32</u>	<u>14,714.32</u>
Amount to be Raised by Taxes for Support of Municipal Budget	<u>1,202,562.13</u>		<u>1,171,595.47</u>	<u>(30,966.66)</u>
Budget Totals	<u>3,253,201.00</u>	<u>41,935.84</u>	<u>3,420,872.42</u>	<u>125,735.58</u>
Non-Budget Revenues			<u>110,084.00</u>	<u>110,084.00</u>
	<u>\$ 3,253,201.00</u>	<u>\$ 41,935.84</u>	<u>\$ 3,530,956.42</u>	<u>\$ 235,819.58</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, 2012

A-2
-2-

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Collections Realized		\$ 10,749,400.89
Allocated to:		
Municipal Open Space Tax	\$ 280,281.87	
County Taxes	1,926,837.85	
County Share of Added and Omitted Taxes	13,279.50	
Local District School Tax	3,791,804.00	
Regional High School Tax	3,780,602.20	
		<u>9,792,805.42</u>
Supported by Municipal Revenues		956,595.47
Increased by: Appropriation "Reserve for Uncollected Taxes"		<u>215,000.00</u>
Amount for Support of Municipal Budget Appropriation		<u>\$ 1,171,595.47</u>

Fees and Permits - Other:

Via Clerk:		
Trash Permits	\$ 58,640.35	
Other	5,303.00	
Police Department	118.00	
Registrar of Vital Statistics	308.00	
		<u>\$ 64,369.35</u>
Treasurer:		
Zoning Board	4,725.00	
Board of Health	6,875.00	
Planning Board	4,480.00	
		<u>16,080.00</u>
		<u>\$ 80,449.35</u>

Cash Receipts	\$ 50,606.35
Prior Year Prepaid Trash Permits Applied	<u>29,843.00</u>
	<u>\$ 80,449.35</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, 2012

A-2

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Miscellaneous Revenue Not Anticipated:

Cable TV Franchise Fee	\$	8,661.12
County of Hunterdon-Poll Rent		160.00
Donation		600.00
Fire Fees		3,494.00
Fire Rebate		6,447.98
Miscellaneous - Clerk		900.86
Miscellaneous - Collector		312.20
Miscellaneous - Treasurer		1,091.92
Motor Vehicle Inspection Fines		1,850.00
Off Duty Police Administrative Fee		3,060.00
Miscellaneous Refunds		4,908.51
Payment in Lieu of Taxes		625.86
Hurricane Irene Reimbursement		44,286.09
2011 Storm Reimbursement		5,732.28
Hunting Permits		1,700.00
Sale of Cars and/or Scrap Metal		15,898.60
State of NJ - Vets and Senior Citizens Administrative Fee		645.00
Stream Recycling		4,331.76
Cancel Prior Year Tax Sale Premium		5,377.82
		<u>5,377.82</u>
	\$	<u>110,084.00</u>
Cash Received	\$	112,318.67
Cash Disbursed		<u>(2,234.67)</u>
	\$	<u>110,084.00</u>

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, 2012

A-3
-1-

	Appropriations		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
OPERATIONS - WITHIN 'CAPS'					
GENERAL GOVERNMENT FUNCTIONS:					
General Administration:					
Salaries and Wages	\$ 26,969.00	\$ 27,219.00	\$ 27,175.62	\$ 43.38	\$
Other Expenses	33,700.00	33,700.00	32,166.51	1,533.49	
Mayor and Committee:					
Salaries and Wages	9,262.00	9,262.00	9,203.99	58.01	
Other Expenses	200.00	200.00		200.00	
Municipal Clerk:					
Salaries and Wages	68,910.00	68,910.00	67,185.54	1,724.46	
Other Expenses	12,200.00	12,200.00	5,442.75	6,757.25	
Financial Administration:					
Salaries and Wages	45,325.00	45,325.00	44,827.04	497.96	
Other Expenses	6,600.00	6,600.00	1,637.99	4,962.01	
Audit Services:					
Other Expenses	18,000.00	18,000.00	16,750.00	1,250.00	
Revenue Administration:					
Salaries and Wages	15,606.00	15,606.00	15,606.00		
Other Expenses	6,800.00	6,800.00	6,189.32	610.68	
Tax Assessment Administration:					
Salaries and Wages	32,977.00	32,977.00	31,728.70	1,248.30	
Other Expenses	4,650.00	14,650.00	12,291.44	2,358.56	
Legal Services:					
Other Expenses	35,000.00	28,000.00	19,582.00	8,418.00	
Agricultural Advisory Services:					
Other Expenses	500.00	500.00	210.00	290.00	
Farmers' Market Committee:					
Other Expenses	100.00	100.00		100.00	
Engineering Services:					
Other Expenses	19,000.00	8,850.00	1,687.50	7,162.50	
Historic Sites Office:					
Other Expenses	300.00	300.00		300.00	
LAND USE ADMINISTRATION:					
Municipal Land Use Law (NJSA 40:55D:1)					
Planning Board:					
Salaries and Wages	13,525.00	13,525.00	13,525.00		
Other Expenses	12,200.00	13,400.00	10,125.89	3,274.11	
Zoning Board of Adjustment:					
Salaries and Wages	14,736.00	14,736.00	14,605.90	130.10	
Other Expenses	5,000.00	5,000.00	2,878.92	2,121.08	
INSURANCE:					
General Liability	78,200.00	78,200.00	76,361.50	1,838.50	
Workers Compensation	42,336.00	42,336.00	42,250.00	86.00	
Employee Group Health	233,200.00	236,700.00	236,530.59	169.41	
UNIFORM CONSTRUCTION CODE:					
Appropriations offset by Dedicated Revenues (NJAC 5:23-4.17):					
Uniform Construction Code Enforcement Function:					
Construction Code Official:					
Salaries and Wages	55,715.00	55,715.00	53,224.07	2,490.93	
Other Expenses	7,500.00	7,500.00	3,000.00	4,500.00	
PUBLIC SAFETY FUNCTIONS:					
Police:					
Salaries and Wages	547,685.00	576,685.00	576,007.04	677.96	
Other Expenses	34,400.00	34,400.00	22,696.73	11,703.27	
Retirement Payout	21,500.00	21,500.00	21,500.00		
Office of Emergency Management:					
Other Expenses	700.00	700.00		700.00	
Aid to Volunteer Fire Company:					
West Amwell Fire Company	26,500.00	26,500.00	26,500.00		
Fire Prevention Bureau:					
Salaries and Wages	5,649.00	5,649.00	5,649.00		
Other Expenses	400.00	400.00		400.00	
Fire Hydrant Service	4,100.00	4,200.00	4,111.96	88.04	

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, 2012

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	Appropriations		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Aid to Volunteer Ambulance Companies	\$ 9,500.00	\$ 9,500.00	\$ 9,500.00	\$	\$
Municipal Prosecutors Office:					
Contracted Services	15,500.00	15,500.00	15,046.55	453.45	
Municipal Court:					
Salaries and Wages	59,090.00	59,090.00	57,524.70	1,565.30	
Other Expenses	6,200.00	6,200.00	3,673.94	2,526.06	
Public Defender:					
Other Expenses	1,785.00	2,535.00	2,500.00	35.00	
PUBLIC WORKS FUNCTIONS:					
Street and Roads Maintenance:					
Salaries and Wages	203,130.00	178,130.00	176,125.49	2,004.51	
Other Expenses	70,000.00	70,000.00	45,588.54	24,411.46	
Solid Waste Collection:					
Salaries and Wages	5,488.00	5,688.00	5,638.26	49.74	
Other Expenses	25,500.00	25,500.00	21,526.08	3,973.92	
Building and Grounds:					
Salaries and Wages	3,825.00	3,825.00	3,631.88	193.12	
Other Expenses	25,000.00	25,000.00	18,915.51	6,084.49	
Vehicle Maintenance	50,000.00	50,000.00	45,639.61	4,360.39	
HEALTH AND HUMAN SERVICES:					
Public Health Services:					
Salaries and Wages	3,289.00	3,289.00	2,753.30	535.70	
Other Expenses	22,200.00	24,200.00	23,861.25	338.75	
Environmental Health Services:					
Other Expenses	500.00	500.00	300.00	200.00	
Community Forestry:					
Other Expenses	300.00	300.00		300.00	
Welfare/Administration of Public Assistance:					
Salaries and Wages	1,441.00	1,441.00	1,441.00		
Other Expenses	180.00	180.00		180.00	
Social Services Agencies:					
Other Expenses	2,500.00	2,500.00	2,500.00		
PARKS AND RECREATION FUNCTIONS:					
Recreation Services and Programs:					
Other Expenses	4,000.00	4,000.00	1,196.83	2,803.17	
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	25,000.00	18,201.64	6,798.36	
Street Lighting	5,200.00	5,200.00	4,495.77	704.23	
Telephone	12,200.00	15,500.00	15,340.03	159.97	
Fuel Oil	23,000.00	18,250.00	17,965.58	284.42	
Gasoline	55,000.00	55,000.00	53,650.24	1,349.76	
Recycling Surcharge	1,100.00	1,100.00	949.68	150.32	
Total Operations	2,077,473.00	2,075,873.00	1,948,616.88	127,256.12	-
Contingent					
Total Operations Including Contingent	2,077,473.00	2,075,873.00	1,948,616.88	127,256.12	-
DETAIL:					
Salaries & Wages	1,139,622.00	1,144,072.00	1,128,929.25	15,142.75	-
Other Expenses (including Contingent)	937,851.00	931,801.00	819,687.63	112,113.37	-

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, 2012

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	Appropriations		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
DEFERRED CHARGES AND REGULATORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Regulatory Expenditures:					
Contribution to:					
Public Employees' Retirement System	\$ 70,946.00	\$ 70,946.00	\$ 70,946.00	\$	\$
Social Security System (O.A.S.I.)	87,800.00	89,400.00	89,320.33	79.67	
Police and Firemen's Retirement System of NJ	71,780.00	71,780.00	71,780.00		
Defined Contribution Retirement Program	50.00	50.00		50.00	
Total Deferred Charges & Regulatory Expenditures - Municipal Within "CAPS"	230,576.00	232,176.00	232,046.33	129.67	
Total General Appropriations for Municipal Purposes Within "CAPS"	2,308,049.00	2,308,049.00	2,180,663.21	127,385.79	
OPERATIONS - EXCLUDED FROM "CAPS"					
Shared Service Agreement:					
Animal Control Services:					
Salaries and Wages	27,000.00	27,000.00	23,076.72	3,923.28	
Other Expenses	2,000.00	2,000.00	1,410.20	589.80	
Affordable Housing Agency:					
Salaries and Wages	6,763.00	6,763.00	4,831.40	1,931.60	
Other Expenses	3,060.00	3,060.00	929.03	2,130.97	
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 + \$9,604.97)		9,604.97	9,604.97		
Recycling Tonnage Grant (40A:4-87 + \$3,655.48)		3,655.48	3,655.48		
Drive Sober or Get Pulled Over (40A:4-87 + \$4,400.00)		4,400.00	4,400.00		
Sustainable New Jersey (40A:4-87 + \$10,000.00)		10,000.00	10,000.00		
Bulletproof Vest Partnership (40A:4-87 + \$2,200.00)		2,200.00	2,200.00		
NJ Clean Energy (40A:4-87 + \$11,050.00)		11,050.00	11,050.00		
Body Armor Replacement Program (40A:4-87 + \$1,025.39)		1,025.39	1,025.39		
Total Operations - Excluded from "CAPS"	50,323.00	92,258.84	72,683.19	19,575.65	-
DETAIL:					
Salaries & Wages	6,763.00	6,763.00	4,831.40	1,931.60	-
Other Expenses	43,560.00	85,495.84	67,851.79	17,644.05	-
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS":					
Capital Improvement Fund	15,000.00	15,000.00	15,000.00		
Total Capital Improvements - Excluded from "CAPS"	15,000.00	15,000.00	15,000.00		

Township of West Amwell
County of Hunterdon
Current Fund
Statement of Expenditures-Regulatory Basis
Year Ended December 31, 2012

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	211,465.00	211,465.00	211,465.00		
Interest on Notes	9,172.00	9,172.00	9,171.95		0.05
Green Trust Loan Program:					
Loan Repayment for Principal and Interest	31,092.00	31,092.00	31,091.60		0.40
Total Municipal Debt Service	642,029.00	642,029.00	642,028.55		0.45
DEFERRED CHARGES - EXCLUDED FROM CAPS:					
Special Emergency Authorization - 5 year (NJSA 40A:4-55)	22,800.00	22,800.00	22,800.00		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	730,152.00	772,087.84	752,511.74	19,575.65	0.45
Subtotal General Appropriations	3,038,201.00	3,080,136.84	2,933,174.95	146,961.44	0.45
Reserve for Uncollected Taxes	215,000.00	215,000.00	215,000.00		
	<u>\$ 3,253,201.00</u>	<u>\$ 3,295,136.84</u>	<u>\$ 3,148,174.95</u>	<u>\$ 146,961.44</u>	<u>\$ 0.45</u>
Original Budget		\$ 3,253,201.00			
Appropriation by 40A:4-87		41,935.84			
		<u>\$ 3,295,136.84</u>			
Deferred Charge - Special Emergency Authorization (NJSA 40A:4-55)			\$ 22,800.00		
Reserve for Encumbrances			30,885.38		
Reserve for Federal and State Grants			41,935.84		
Reserve for Uncollected Taxes			215,000.00		
Cash Disbursed			2,845,706.99		
			<u>3,156,328.21</u>		
Cash Receipts			8,153.26		
			<u>\$ 3,148,174.95</u>		

Township of West Amwell

County of Hunterdon

2012

Trust Fund

Township of West Amwell
County of Hunterdon
Trust Fund
Comparative Balance Sheets-Regulatory Basis
December 31, 2012 and 2011

			B
	Reference	2012	2011
Assets			
Animal Control Fund:			
Cash - Treasurer	B-1	\$ 3,638.59	\$ 1,629.60
		<u>3,638.59</u>	<u>1,629.60</u>
Other Trust Funds:			
Cash - Treasurer	B-1	447,833.62	492,445.92
		<u>447,833.62</u>	<u>492,445.92</u>
Open Space Trust Fund:			
Cash	B-1	2,480,410.44	2,691,544.01
Due from Current Fund	A		973.09
		<u>2,480,410.44</u>	<u>2,692,517.10</u>
		<u>\$ 2,931,882.65</u>	<u>\$ 3,186,592.62</u>
Liabilities, Reserves and Fund Balances			
Animal Control Fund:			
Due to SNJ Dept of Health		\$ 74.40	\$
Due to Current Fund	A	2.98	
Reserve for Animal Control Expenditures	B-2	3,561.21	1,629.60
		<u>3,638.59</u>	<u>1,629.60</u>
Other Trust Funds:			
Due to Current Fund	A	194.97	3,242.30
Trust Fund Reserves	B-3	447,638.65	489,203.62
		<u>447,833.62</u>	<u>492,445.92</u>
Open Space Trust Fund:			
Due to General Capital Fund	C		36,000.00
Reserve for Open Space	B-4	2,480,410.44	2,656,517.10
		<u>2,480,410.44</u>	<u>2,692,517.10</u>
		<u>\$ 2,931,882.65</u>	<u>\$ 3,186,592.62</u>

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

Township of West Amwell

County of Hunterdon

2012

General Capital Fund

Township of West Amwell
County of Hunterdon
General Capital Fund
Comparative Balance Sheets-Regulatory Basis
December 31, 2012 and 2011

C

	Reference	2012	2011
Assets			
Cash	C-2	\$ 462,314.63	\$ 531,095.92
Due from Open Space Trust Fund	C-11		36,000.00
Mortgage Receivable	C-12	73,112.03	
Deferred Charges to Future Taxation:			
Funded	C-4	5,138,927.61	5,484,792.04
Unfunded	C-5	<u>1,675,324.52</u>	<u>1,787,155.55</u>
		<u>\$ 7,349,678.79</u>	<u>\$ 7,839,043.51</u>
Liabilities, Reserves and Fund Balance			
General Serial Bonds	C-10	\$ 4,897,000.00	\$ 5,217,000.00
Bond Anticipation Notes	C-8	735,800.00	735,800.00
State NJ-DEP Green Trust Loan Payable	C-9	241,927.61	267,792.04
Capital Improvement Fund	C-6	160,212.79	135,162.81
Improvement Authorizations - Funded	C-7	250,632.14	306,672.22
Improvement Authorizations - Unfunded	C-7	875,170.94	951,497.07
Reserve for Preliminary Expenses:			
Open Space and Farmland Preservation	C-13	35,285.01	38,821.01
Repair of the Septic System at the Fire House	C-13		7,744.20
Future Road Projects	C-13		9,258.50
Municipal Building Improvements	C-13		5,450.60
Reserve for Mortgage Receivable	C-12	73,112.03	
Due to Current Fund	A	1,693.48	0.27
Fund Balance	C-1	<u>78,844.79</u>	<u>163,844.79</u>
		<u>\$ 7,349,678.79</u>	<u>\$ 7,839,043.51</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, 2012**

	C-1
Balance, December 31, 2011	\$ 163,844.79
Decreased by:	
Payment to Current Fund or Anticipated Revenue	<u>85,000.00</u>
Balance, December 31, 2012	<u><u>\$ 78,844.79</u></u>

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

Township of West Amwell

County of Hunterdon

2012

Public Assistance Fund

Township of West Amwell
 County of Hunterdon
 Public Assistance Fund
 Comparative Balance Sheets-Regulatory Basis
 December 31, 2012 and 2011

			D
	Reference	2012	2011
Assets			
Cash	D-1	\$ 3,925.82	\$ 16,911.85
		<u>\$ 3,925.82</u>	<u>\$ 16,911.85</u>
Liabilities, Reserves and Fund Balance			
Reserve for Public Assistance		\$ 3,925.82	\$ 16,911.85
		<u>\$ 3,925.82</u>	<u>\$ 16,911.85</u>

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

Township of West Amwell

County of Hunterdon

2012

Payroll Fund

Township of West Amwell
 County of Hunterdon
 Payroll Fund
 Comparative Balance Sheets-Regulatory Basis
 December 31, 2012

			E
	Reference	2012	2011
Assets			
Payroll Fund:			
Due from Current Fund	A	\$ 2,169.70	\$
Prepaid Pension			<u>1,449.80</u>
		<u>\$ 2,169.70</u>	<u>\$ 1,449.80</u>
Liabilities and Fund Balance			
Payroll Fund:			
Cash Deficit	E-1	\$ 31.89	\$ 200.07
Payroll Deductions Payable	E-2	2,137.81	
Due to Current Fund	A		<u>1,249.73</u>
		<u>\$ 2,169.70</u>	<u>\$ 1,449.80</u>

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

Township of West Amwell

County of Hunterdon

2012

General Fixed Assets

Township of West Amwell
County of Hunterdon
Statement of General Fixed Assets-Regulatory Basis
Years Ended December 31, 2012 and 2011

	F	
	2012	2011
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>2,305,468.73</u>	<u>2,220,647.77</u>
	<u>\$ 6,054,831.59</u>	<u>\$ 5,970,010.63</u>
Investment in General Fixed Assets	<u>\$ 6,054,831.59</u>	<u>\$ 5,970,010.63</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, 2012 and 2011**

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, 2012 and 2011

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 - 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, 2012 and 2011

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, 2012 and 2011

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, 2012, the Township's cash accounts consisted of:

TD Bank North	\$ 106,423.15
Hopewell Valley Community Bank	5,563,547.62
Citi Fund Services-New Jersey State Cash Management	<u>2,373.25</u>
	<u>\$5,672,344.02</u>

The carrying amount of the Township's cash and cash equivalents at December 31, 2012 was \$5,591,659.12 and the bank balance was \$5,672,344.02. Of the balance, \$356,423.15 was covered by federal depository insurance and \$5,315,920.87 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	\$ 356,423.15
Category 2	Deposits which are collateralized with securities held by the pledging financial institution's trust department, or Agent in the Township's name	5,315,920.87
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, 2012 and 2011

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:

	2012	2011	2010
Issued:			
General:			
Bonds and Notes	\$5,632,800.00	\$5,952,800.00	\$ 6,243,100.00
Excess Proceeds of Bond Anticipation			
Notes Issued	--	(24,414.45)	--
	<u>5,632,800.00</u>	<u>5,928,385.55</u>	<u>6,243,100.00</u>
NJ Dept. Environmental Protection			
Green Trust Loan Payable	<u>241,927.61</u>	<u>267,792.04</u>	<u>293,146.84</u>
	<u>5,874,727.61</u>	<u>6,196,177.59</u>	<u>6,536,246.84</u>
Authorized But Not Issued:			
Bonds and Notes	<u>981,055.55</u>	<u>1,075,770.00</u>	<u>400,000.00</u>
Bonds and Notes Issued and			
Authorized But Not Issued	<u>\$ 6,855,783.16</u>	<u>\$7,271,947.59</u>	<u>\$ 6,936,246.84</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 1.28%.

	Gross Debt	Deductions	Net Debt
Regional High School District Debt	\$ 6,648,920.39	\$6,648,920.39	\$ --
Local School District Debt	945,000.00	945,000.00	--
General Debt	<u>6,855,783.16</u>	<u>--</u>	<u>6,855,783.16</u>
	<u>\$14,449,703.55</u>	<u>\$7,593,920.39</u>	<u>\$ 6,855,783.16</u>

Net debt \$6,855,783.16 divided by equalized valuation basis per NJSA40A:2-2 as amended \$534,097,267.33= 1.28%

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

3.5% of Equalized Valuation Basis (Municipal) \$534,097,267.33	\$15,193,404.36
Net Debt	<u>6,855,783.16</u>
Remaining Borrowing Power	<u>\$ 8,337,621.20</u>

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

Year	Principal	Interest	Total
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	380,000.00	140,570.00	520,570.00
2018-2022	<u>3,107,000.00</u>	<u>529,460.00</u>	<u>3,636,460.00</u>
	<u>\$4,897,000.00</u>	<u>\$1,381,121.25</u>	<u>\$6,278,121.25</u>

**Township of West Amwell
County of Hunterdon
Notes to Financial Statements
December 31, 2012 and 2011**

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

Year	Principal	Interest	Total
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	28,570.43	2,521.17	31,091.60
2018-2021	<u>104,595.15</u>	<u>4,225.45</u>	<u>108,820.60</u>
	<u>\$ 241,927.61</u>	<u>\$ 22,350.99</u>	<u>\$264,278.60</u>

4. Fund Balance Appropriated

Current Fund balance at December 31, 2012, which was appropriated and included as anticipated revenue in the 2013 budget was \$408,000.00.

5. Deferred Charges to be Raised in Succeeding Years

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2012, the following deferred charges are shown on the balance sheet of current fund:

	Balance December 31, 2012	2013 Budget Appropriation	Balance Succeeding Budgets
Special Emergency Authorization	\$91,192.00	\$22,800.00	\$69,120.00
Overexpenditure of Appropriation Reserve	141.93	--	141.93

The 2013 Budget Appropriation for the special emergency is not less than required by statute.

6. 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		Local District School Tax	
	Balance December 31, 2012	Balance December 31, 2011	Balance December 31, 2012	Balance December 31, 2011
Balance of Tax (Prepaid)	\$(2,000.00)	\$(1,593.00)	\$ 1,897,495.01	\$1,860,631.99
Deferred	--	--	948,294.00	948,294.00
Tax Payable (Prepaid)	<u>\$(2,000.00)</u>	<u>\$(1,593.00)</u>	<u>\$ 949,201.01</u>	<u>\$ 912,337.99</u>

7. Taxes Collected In Advance

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

	2012	2011
Prepaid Taxes	<u>\$111,930.52</u>	<u>\$164,885.30</u>

8. Property Taxes

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

Township of West Amwell
County of Hunterdon
Notes to Financial Statements
December 31, 2012 and 2011

9. 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.

The Township's contributions in 2012 and 2011 were \$70,946.00 and \$62,500.00, respectively for PERS, and \$71,780.00 and \$68,299.00, 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.

10. 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 (NJJAC 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.

11. Fixed Assets

The changes in fixed assets are summarized as follows:

	Balance December 31, 2011	Increase	Decrease	Balance December 31, 2012
Land	\$2,052,406.03	\$ --	\$ --	\$2,052,406.03
Improvement	1,696,956.83	--	--	1,696,956.83
Machinery & Equipment	2,220,647.17	84,821.56	--	2,305,468.73
	<u>\$5,970,010.03</u>	<u>\$84,821.56</u>	<u>\$ --</u>	<u>\$6,054,831.59</u>

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, 2012, the contingent liability for accrued sick leave was \$42,879.68.

Township of West Amwell
County of Hunterdon
Notes to Financial Statements
December 31, 2012 and 2011

13. Interfund Receivables and Payables:

Individual interfund receivable and payable balances consisted of the following at December 31, 2012:

Fund Type	Interfund Receivable	Interfund Payable
Current Fund	\$ 1,916.29	\$ 2,169.70
Federal and State Grants Fund	--	24.86
Animal Control Trust Fund	--	2.98
Other Trust Funds	--	194.97
General Capital Fund	--	1,693.48
Payroll Fund	2,169.70	--
	<u>\$ 4,085.99</u>	<u>\$ 4,085.99</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 June 17, 2013, which is the date the financial statements were available to be issued. Based on this evaluation, the Township has determined that the following is the only subsequent event which requires disclosure in the financial statements.

On January 23, 2013, the Township agreed to sell \$850,000.00 of refunding bonds to be dated February 22, 2013, the proceeds of which are to partly pay down the 2003 bond issue having a balance of \$2,499,000.00 at December 31, 2012. In addition, the Township transferred \$1,500,000.00 from the open space trust fund to apply to the pay-down of the 2003 bond issue. After paying the scheduled principal payment on February 15, 2013, the 2003 bonds will be paid in full.

Supplemental Information-Regulatory Basis

Township of West Amwell

County of Hunterdon

2012

Current Fund

Township of West Amwell

County of Hunterdon

2012

General Capital Fund

Township of West Amwell
County of Hunterdon
Current Fund
Schedule of Cash-Treasurer
Year Ended December 31, 2012

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	Current Fund	Federal and State Grant Fund
Balance, December 31, 2011	\$1,847,541.19	\$ 17,488.07
Increased by Receipts:		
Petty Cash	\$ 150.00	\$
Miscellaneous Revenue Not Anticipated	112,318.67	
2012 Appropriation Refunds	8,153.26	
Taxes Receivable	10,735,229.91	
Tax Overpayments	2,808.71	
Interest and Costs on Taxes	41,211.00	
Taxes Collected in Advance	111,930.52	
State of New Jersey - Senior Citizens' and Veterans' Deductions	27,443.84	
Due from Other Trust Fund - Settle Interfund	3,242.30	
Due Payroll Fund	31,240.00	
Revenue Accounts Receivable	1,797,200.79	
Due State of New Jersey - Marriage Licenses & Domestic Partners	275.00	
Due State of New Jersey - Construction Code Fees	4,640.40	
Due Hunterdon County - Food Inspections	325.00	
Prepaid Trash Permits	28,381.25	
Due to Current Fund - Interest Earned		224.65
Federal and State Grants Receivable		69,435.84
Federal and State Grants Unappropriated Reserves		38,935.68
Reserve for Watershed Moratorium	21,620.00	
Reserve for Garden State Trust Fund	36,752.00	
Contra items	534,376.76	
	<u>13,497,299.41</u>	<u>108,596.17</u>
	15,344,840.60	126,084.24
Decreased by Disbursements:		
Petty Cash	150.00	
2012 Appropriations	2,845,706.99	
2011 Appropriation Reserves and Encumbrances	17,841.47	
Reserve for Special Emergencies	6,000.00	
Tax Overpayments	2,806.91	
Due Hunterdon County - Food Inspections	650.00	
Due to Open Space Trust Fund - 2012 Levy	278,403.00	
Due to Open Space Trust Fund - 2012 Added & Omitted Tax	1,878.87	
Due to Open Space Trust Fund - Other	976.34	
Due to Open Space Trust Fund-Settle Interfund	973.09	
Due from Payroll Fund	28,760.25	

See Independent Auditors' Report.

Township of West Amwell
County of Hunterdon
Current Fund
Schedule of Cash-Treasurer
Year Ended December 31, 2012

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	Current Fund	Federal and State Grant Fund
Refund of Prior Year Revenue	\$ 2,463.43	\$
Refund MRNA	2,234.67	
Due from New Jersey - SHB Overpayment	17,917.77	
Due to State of NJ - Marriage License and Domestic Partners	325.00	
Due to State of NJ - Uniform Construction Code Fees	4,539.76	
County Taxes Payable	1,926,837.85	
Due to County for Added and Omitted Taxes	5,887.74	
Prepaid Local District School Tax	2,000.00	
Local District School Tax Payable	3,753,347.98	
Regional High School Tax Payable	3,780,602.20	
Due to Current Fund - Interest Earned		199.79
Federal and State Grants Appropriated Reserves		62,733.95
Contra items	<u>534,376.76</u>	
	<u>13,214,680.08</u>	<u>62,933.74</u>
Balance, December 31, 2012	<u>\$2,130,160.52</u>	<u>\$ 63,150.50</u>

Township of West Amwell
County of Hunterdon
Current Fund
Schedule of Taxes Receivable and Analysis of Property Tax Levy
Year Ended December 31, 2012

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Year	Balance December 31, 2011	2012 Levy	Collections		Cancelled	Senior Citizens and Veterans' Deductions-Net	Transferred to Tax Title Liens	Balance December 31, 2012
			2011	2012				
2006	\$ 1,000.00	\$	\$	500.00	\$	\$ 500.00	\$	\$
2007	1,000.00			500.00		500.00		
2008	1,456.16			956.16		500.00		
2009	2,000.00			1,500.00		500.00		
2010	16,370.39			16,370.39				
2011	182,337.95			162,887.77	9,544.87			9,905.31
	204,164.50			182,714.32	9,544.87	2,000.00		9,905.31
2012		11,071,475.98	164,885.30	10,552,515.59	35,830.72	32,000.00	9,434.86	276,809.51
	\$ 204,164.50	\$ 11,071,475.98	\$ 164,885.30	\$ 10,735,229.91	\$ 45,375.59	\$ 34,000.00	\$ 9,434.86	\$ 286,714.82

See Independent Auditors' Report.

Township of West Amwell
County of Hunterdon
Current Fund
Schedule of Taxes Receivable and Analysis of Property Tax Levy
Year Ended December 31, 2012

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Analysis of 2012 Property Tax Levy

Tax Yield:

General Purpose Tax	\$ 10,962,098.30
Added Taxes (54:4-63.1 et. seq.)	75,377.68
Senior Citizens' Exemptions Allowed at Tax Billings	6,000.00
Veterans' Deductions Allowed at Tax Billings	28,000.00
	<u>\$ 11,071,475.98</u>

Tax Levy:

Local District School Tax (Abstract)	\$ 3,791,804.00	
Regional High School Tax (Abstract)	3,780,602.20	
County Taxes:		
General (Abstract)	\$ 1,602,333.60	
Library Tax (Abstract)	160,162.77	
County Open Space (Abstract)	164,341.48	
	<u>1,926,837.85</u>	
Due to County for Added and Omitted Taxes	13,279.50	
Total County Taxes		1,940,117.35
Municipal Open Space Tax:		
Abstract	278,403.00	
Added and Omitted Taxes	<u>1,878.87</u>	
Total Municipal Open Space Tax		280,281.87
Local Tax for Municipal Purposes:		
Abstract	1,202,562.13	
Additional Tax Levied	<u>76,108.43</u>	
Total Local Tax for Municipal Purposes		<u>1,278,670.56</u>
		<u>\$ 11,071,475.98</u>

Analysis of Collections Realized

	2012	Prior Years
Taxes Paid in Advance	\$ 164,885.30	\$
Taxes Receivable Collected	10,552,515.59	182,714.32
State Share of Senior Citizens' Deductions Allowed	6,000.00	2,000.00
State Share of Senior Citizens' Deductions Disallowed	(2,250.00)	
State Share of Veterans' Deductions Allowed	<u>28,250.00</u>	
	<u>\$ 10,749,400.89</u>	<u>\$ 184,714.32</u>

See Independent Auditors Report.

Township of West Amwell
County of Hunterdon
Current Fund
Schedule of Tax Title Liens Receivable
Year Ended December 31, 2012

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Balance, December 31, 2011	\$ 110,559.54
Increased by:	
Transfers from Taxes Receivable	<u>9,434.86</u>
Balance, December 31, 2012	<u>\$ 119,994.40</u>

Schedule of Property Acquired for Taxes-Assessed Valuation
Year Ended December 31, 2012

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Balance, December 31, 2011 and 2012	<u>\$ 3,150.00</u>
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Township of West Amwell
County of Hunterdon
Current Fund
Schedule of Revenue Accounts Receivable
Year Ended December 31, 2012

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	Balance December 31, 2011	Accrued 2012	Collected by Treasurer	Prior Year Reserve Applied	Balance December 31, 2012
Anticipated Revenues:					
Clerk:					
Licenses:					
Alcoholic Beverages		\$ 2,500.00	\$ 2,500.00	\$	\$
Fees and Permits		64,369.35	64,369.35		
Treasurer:					
Fees and Permits		16,080.00	16,080.00		
Interest on Deposits and Investments		6,479.98	6,479.98		
Municipal Court:					
Fines and Costs	8,789.87	162,397.14	160,313.13		10,873.88
Construction Code Official:					
Uniform Construction Code Fees		78,287.60	78,287.60		
Consolidated Municipal Property Tax Relief Aid		366,757.00	366,757.00		
Energy Receipts Tax		540,372.00	540,372.00		
Watershed Moratorium Offset Aid		21,620.00		21,620.00	
Reserve for Garden State Preservation Trust Fund		36,752.00		36,752.00	
Interlocal Agreement - Animal Control Services		21,884.73	21,884.73		
General Capital fund Balance		85,000.00	85,000.00		
Reserve to Pay Open Space Debt Service		485,000.00	485,000.00		
	<u>\$ 8,789.87</u>	<u>\$ 1,887,499.80</u>	<u>\$ 1,827,043.79</u>	<u>\$ 58,372.00</u>	<u>\$ 10,873.88</u>
Cash Receipts					
Add: Prior Year Prepaid Applied			\$ 1,797,200.79		
			<u>29,843.00</u>		
			<u>\$ 1,827,043.79</u>		

See Independent Auditors' Report.

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, 2012

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Date Authorized	Purpose	Net Amount Authorized	1/5 of Net Amount Authorized	Balance December 31, 2011	Reduced in 2012	Balance December 31, 2012
6/22/2011	Reassessment of the Township of West Amwell	\$ 24,000.00	\$ 4,800.00	\$ 24,000.00	\$ 4,800.00	\$ 19,200.00
10/26/2011	Contractually Required Severance Liabilities Resulting from the Retirement of Police Employee	29,992.00	5,998.00	29,992.00	6,000.00	23,992.00
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	12,000.00	48,000.00
		<u>\$ 113,992.00</u>	<u>\$ 22,798.00</u>	<u>\$ 113,992.00</u>	<u>\$ 22,800.00</u>	<u>\$ 91,192.00</u>

See Independent Auditors' Report.

Township of West Amwell
County of Hunterdon
Current Fund
Schedule of 2011 Appropriation Reserves
Year Ended December 31, 2012

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	Balance December 31, 2011	Balance After Transfers, and Encumbrances	Paid or Charged	Balance Lapsed	Over- Expended
OPERATIONS - WITHIN 'CAPS'					
GENERAL GOVERNMENT FUNCTIONS:					
General Administration:					
Salaries and Wages	\$ 122.00	\$ 122.00	\$	\$ 122.00	\$
Other Expenses	850.22	2,926.22	2,602.11	324.11	
Mayor and Committee					
Other Expenses	150.00	150.00		150.00	
Municipal Clerk:					
Salaries and Wages	263.16	263.16		263.16	
Other Expenses	7,014.74	7,014.74	227.44	6,787.30	
Financial Administration:					
Salaries and Wages	320.85	320.85		320.85	
Other Expenses	406.00	406.00		406.00	
Revenue Administration:					
Other Expenses	262.12	262.12	68.33	193.79	
Tax Assessment Administration:					
Salaries and Wages	13.42	13.42		13.42	
Other Expenses	106.09	106.09	14.34	91.75	
Legal Services:					
Other Expenses	6,171.23	6,171.23	1,953.64	4,217.59	
Agriculture 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	5,707.55	5,707.55		5,707.55	
Historic Sites Office:					
Other Expenses	29.00	29.00		29.00	
LAND USE ADMINISTRATION:					
Municipal Land Use Law (NJSA 40:55D:1)					
Planning Board:					
Other Expenses	7,729.55	7,729.55	617.49	7,112.06	
Zoning Board of Adjustment:					
Salaries and Wages	40.00	40.00		40.00	
Other Expenses	331.19	331.19	75.00	256.19	
INSURANCE:					
General Liability	54.00	54.00		54.00	
Workers' Compensation	84.00	84.00	84.00		
Employee Group Health	61.22	61.22		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	1,014.20	1,014.20		1,014.20	
Other Expenses	149.90	149.90		149.90	
PUBLIC SAFETY FUNCTIONS:					
Police:					
Salaries and Wages	42,465.95	42,465.95		42,465.95	
Other Expenses	3,132.84	3,132.84	590.92	2,541.92	
Office of Emergency Management:					
Other Expenses	90.00	90.00		90.00	
Fire Prevention Bureau					
Salaries and Wages	721.78	721.78		721.78	
Other Expenses	400.00	400.00		400.00	
Fire Hydrant Service	68.00	68.00		68.00	
Municipal Prosecutors Office:					
Contracted Services	239.61	239.61	239.61		
Municipal Court:					
Salaries and Wages	3,274.74	3,274.74		3,274.74	
Other Expenses	4,735.73	4,735.73	916.84	3,818.89	
Public Defender:					
Other Expenses	250.00	250.00	250.00		

See Independent Auditors' Report.

Township of West Amwell
County of Hunterdon
Current Fund
Schedule of 2011 Appropriation Reserves
Year Ended December 31, 2012

A-10
-2-

	Balance December 31, 2011	Balance After Transfers and Encumbrances	Paid or Charged	Balance Lapsed	Over- Expended
PUBLIC WORKS FUNCTIONS:					
Street and Roads Maintenance:					
Salaries and Wages	\$ 303.34	\$ 303.34	\$	\$ 303.34	\$
Other Expenses	4,251.61	15,448.75		15,448.75	
Solid Waste Collection:					
Other Expenses	1,324.83	1,324.83	1,466.76		141.93
Building and Grounds:					
Salaries and Wages	3,034.34	3,034.34		3,034.34	
Other Expenses	4,004.64	4,004.64	2,585.68	1,418.96	
Vehicle Maintenance	856.20	856.20	856.20		
HEALTH AND HUMAN SERVICES:					
Public Health Services:					
Salaries and Wages	36.32	36.32		36.32	
Other Expenses	1,745.45	1,745.45	1,187.50	557.95	
Environmental Health Services:					
Other Expenses	80.00	80.00		80.00	
Community Forestry:					
Other Expenses	205.00	205.00		205.00	
Animal Control Services:					
Other Expenses	200.00	200.00		200.00	
Welfare/Administration of Public Assistance:					
Salaries and Wages	22.05	22.05		22.05	
Other Expenses	137.69	137.69		137.69	
PARKS AND RECREATION FUNCTIONS:					
Recreation Services and Programs:					
Other Expenses	140.00	140.00		140.00	
UNCLASSIFIED:					
Accumulated Leave Compensation		2,000.00		2,000.00	
Celebration of Public Events	100.00	100.00		100.00	
UTILITY EXPENSES AND BULK PURCHASES:					
Electricity	7,360.89	7,360.89	2,113.75	5,247.14	
Street Lighting	482.07	482.07	425.39	56.68	
Telephone	139.26	139.26	139.26		
Fuel Oil	242.03	242.03		242.03	
Gasoline	694.12	694.12		694.12	
Recycling Surcharge	194.45	194.45	64.71	129.74	
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN *CAPS*					
Contribution to:					
Social Security System (O.A.S.I.)	196.61	196.61		196.61	
Deferred Contribution Retirement Program	50.00	50.00		50.00	
OPERATIONS - EXCLUDED FROM *CAPS*					
Affordable Housing Agency:					
Salaries and Wages	3,361.62	3,361.62		3,361.62	
Other Expenses	2,787.50	2,787.50	1,362.50	1,425.00	
LOSAP	11,000.00	11,000.00		11,000.00	
	<u>\$ 129,399.11</u>	<u>\$ 144,672.25</u>	<u>\$ 17,841.47</u>	<u>\$ 126,972.71</u>	<u>\$ 141.93</u>
Appropriation Reserves		\$ 129,399.11			
Reserve for Encumbrances		15,273.14			
		<u>\$ 144,672.25</u>			

See Independent Auditors' Report.

Township of West Amwell
County of Hunterdon
Current Fund
Schedule of Reserve for Special Emergencies
Year Ended December 31, 2012

A-11

Balance, December 31, 2011 \$ 35,816.16

Decreased by:

Cash Disbursed

\$ 6,000.00

Cancelled by Resolution

23,816.16

29,816.16

Balance, December 31, 2012

\$ 6,000.00

See Independent Auditors' Report.

Township of West Amwell
 County of Hunterdon
 Current Fund
 Schedule of Local District School Tax
 Year Ended December 31, 2012

A-12

Balance, December 31, 2011		
School Tax Payable	\$ 912,337.99	
School Tax Deferred	<u>948,294.00</u>	\$ 1,860,631.99
Increased by:		
Levy - School Year July 1, 2012 to June 30, 2013		<u>3,791,804.00</u>
		5,652,435.99
Decreased by:		
Cash Disbursed	3,753,347.98	
Prepaid School Tax Applied	<u>1,593.00</u>	
		<u>3,754,940.98</u>
Balance, December 31, 2012		
School Tax Payable	949,201.01	
School Tax Deferred	<u>948,294.00</u>	
		<u>\$ 1,897,495.01</u>

See Independent Auditors' Report.

Township of West Amwell
County of Hunterdon
Current Fund
Schedule of Regional High School Tax
Year Ended December 31, 2012

A-13

Balance, December 31, 2011	\$
Increased by:	
Levy - Calendar Year 2012	<u>3,780,602.20</u>
	3,780,602.20
Decreased by:	
Cash Disbursed	<u>3,780,602.20</u>
Balance, December 31, 2012	<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, 2012

	A-14			
	Balance December 31, 2011	Revenue 2012	Received	Balance December 31, 2012
Clean Communities Program	\$	\$ 9,604.97	\$ 9,604.97	\$
US Dept of Justice - COPS Law Enforcement Technology Grant	35,000.00		35,000.00	
Recycling Tonnage Program		3,655.48	3,655.48	
Body Armor Replacement Program		1,025.39	1,025.39	
Community Forestry Grant	3,315.00			3,315.00
US Dept of Justice - Bulletproof Vest Partnership Grant	1,136.00	2,200.00		3,336.00
Sustainable New Jersey		10,000.00	5,000.00	5,000.00
NJ Clean Energy		11,050.00	11,050.00	
Over the Limit Under Arrest 2011 Statewide Crackdown	4,100.00		4,100.00	
Drive Sober or Get Pulled Over		4,400.00		4,400.00
State NJDEP-Pollution Control and Management Implementation Grant:				
Watershed Protection Plan for the Alexauken Creek Watershed	4,011.82			4,011.82
	<u>\$ 47,562.82</u>	<u>\$ 41,935.84</u>	<u>\$ 69,435.84</u>	<u>\$ 20,062.82</u>

Federal and State Grant Fund
Schedule of Appropriated Reserves
Year Ended December 31, 2012

		A-15			
		Balance December, 31 2011	Transferred from 2012 Budget Appropriation	Expended	Balance December 31, 2012
Grant Period	Grant				
Various	Drunk Driving Enforcement Fund	\$ 4,142.31	\$	\$ 62.48	\$ 4,079.83
	NJ Clean Energy		11,050.00	11,050.00	
2012	Recycling Tonnage Grant		3,655.48		3,655.48
2011	Recycling Tonnage Grant	2,606.37		1,699.55	906.82
2010	Recycling Tonnage Grant	3,925.45		3,925.45	
2012	Clean Communities Program		9,604.97	9,604.97	
2012	Drive Sober or Get Pulled Over		4,400.00		4,400.00
2009	Body Armor Grant	646.51		646.51	
2010	Body Armor Grant	258.08		258.08	
2011	Body Armor Grant	1,096.45		486.91	609.54
2012	Body Armor Grant		1,025.39		1,025.39
2009	Community Forestry Grant	2,100.00			2,100.00
2010	Community Forestry Grant	3,000.00			3,000.00
2009	US Dept of Justice - COPS Law Enforcement Technology Grant	35,000.00		35,000.00	
2009	US Dept of Justice - Bulletproof Vest Partnership Grant	232.14			232.14
2012	US Dept of Justice - Bulletproof Vest Partnership Grant		2,200.00		2,200.00
2005	Municipal Stormwater Regulation Program Grant	217.12			217.12
7/4/05	Sustainable New Jersey		10,000.00		10,000.00
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	9,420.74			9,420.74
		<u>\$ 65,050.89</u>	<u>\$ 41,935.84</u>	<u>\$ 62,733.95</u>	<u>\$ 44,252.78</u>

Federal and State Grant Fund
Schedule of Unappropriated Reserves
Year Ended December 31, 2012

		A-16			
		Balance December 31, 2011	Cash Receipts	Transferred to 2012 Anticipated Revenue	Balance December 31, 2012
Grant					
Rocktown Hill DRJTBC		\$	\$ 38,935.68	\$	\$ 38,935.68

Township of West Amwell

County of Hunterdon

2012

Trust Fund

**Township of West Amwell
County of Hunterdon
Trust Fund
Schedule of Cash-Treasurer
Year Ended December 31, 2012**

B-1

	Animal Control Fund	Other Trust Funds	Open Space Trust Fund
Balance, December 31, 2011	\$ 1,629.60	\$ 492,445.92	\$ 2,691,544.01
Increased by Receipts:			
Dog Licensing Fees	10,903.40		
Due to State of NJ	1,053.60		
Other Animal Fees	347.00		
Kennel Fees	25.00		
Due Current Fund - Interest Earned	22.60		
Trust Fund Reserves		91,625.70	
Open Space Trust Fund Reserves:			
2012 Levy			278,403.00
2012 Added & Omitted Taxes			1,878.87
Interest Earned			6,993.75
State & County Reimbursements			35,577.17
Due to/from Current Fund		194.97	973.09
	<u>12,351.60</u>	<u>91,820.67</u>	<u>323,825.88</u>
	<u>13,981.20</u>	<u>584,266.59</u>	<u>3,015,369.89</u>
Decreased by Disbursements:			
Expenditures under R.S. 4:19-15:11	9,343.79		
Due to State of NJ	979.20		
Due to Current Fund - Interest Earned	19.62	3,242.30	
Due to General Capital Fund			36,000.00
Trust Fund Reserves		133,190.67	
Reserve for Open Space			498,959.45
	<u>10,342.61</u>	<u>136,432.97</u>	<u>534,959.45</u>
Balance, December 31, 2012	<u>\$ 3,638.59</u>	<u>\$ 447,833.62</u>	<u>\$ 2,480,410.44</u>

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, 2012

B-2

Balance, December 31, 2011		\$ 1,629.60
Increased by:		
Receipts:		
Dog Licensing Fees Collected	\$ 6,728.40	
Late Fees Collected	4,175.00	
	<u>10,903.40</u>	
Other Animal Fees	347.00	
Kennel License Fees Collected	<u>25.00</u>	
		<u>11,275.40</u>
		12,905.00
Decreased by:		
Expenditures Under R.S. 54:19-15.11:		
Cash Disbursed		<u>9,343.79</u>
Balance, December 31, 2012		<u><u>\$ 3,561.21</u></u>

License Fees Collected

Year	Amount
2010	\$ 5,918.00
2011	<u>4,881.80</u>
Total (Maximum Reserve)	<u><u>\$ 10,799.80</u></u>

Township of West Amwell
County of Hunterdon
Trust Fund
Schedule of Trust Fund Reserves
Year Ended December 31, 2012

B-3

Purpose	Balance December 31, 2011	Receipts	Disburse- ments	Balance December 31, 2012
Developers Escrow	\$ 102,585.96	\$ 35,750.72	\$ 71,052.30	\$ 67,284.38
Technology Trust	231.04			231.04
POAA	22.00			22.00
Historic Preservation Trust	2,129.88	260.00		2,389.88
Housing Trust	191,316.57	1,517.55	9,888.23	182,945.89
Affordable Housing	127,618.50	16,846.74	317.68	144,147.56
Accumulated Leave Compensation	6,708.36			6,708.36
Outside Police	540.00	9,753.00	9,750.00	543.00
Celebration of Public Events and Farm Market	1,526.92	4,449.13	2,198.55	3,777.50
Fire Penalty	2,000.00			2,000.00
Public Defender		50.00		50.00
Premiums Received at Tax Sale	5,377.82		5,377.82	
Unemployment	24,680.19	1,109.06	3,281.43	22,507.82
Municipal Alliance	24,466.38	21,889.50	31,324.66	15,031.22
	<u>\$ 489,203.62</u>	<u>\$ 91,625.70</u>	<u>\$ 133,190.67</u>	<u>\$ 447,638.65</u>

Township of West Amwell
County of Hunterdon
Open Space Trust Fund
Schedule of Reserve for Open Space
Year Ended December 31, 2012

B-4

Balance, December 31, 2011		\$ 2,656,517.10
Increased by:		
Cash Receipts:		
2012 Tax Levy	\$ 278,403.00 •	
2012 Added & Omitted Taxes	1,878.87 •	
State and County Reimbursements	35,577.17	
Interest Earned	<u>6,993.75</u>	
		<u>322,852.79</u>
		2,979,369.89
Decreased by:		
Cash Disbursed:		
Reserve for Open Space		<u>498,959.45</u>
Balance, December 31, 2012		<u><u>\$ 2,480,410.44</u></u>

Township of West Amwell

County of Hunterdon

2012

General Capital Fund

Township of West Amwell
County of Hunterdon
General Capital Fund
Schedule of Cash-Treasurer
Year Ended December 31, 2012

C-2

Balance, December 31, 2011		\$	531,095.92
Increased by Receipts:			
Budget Appropriation:			
Capital Improvement Fund	\$	15,000.00	
Payment of Bond Anticipation Note		70,300.00	
Mortgage Receivable		1,887.97	
Due from Open Space Trust Fund		36,000.00	
Bond Anticipation Notes		735,800.00	
Due to Current Fund		3,220.89	
Void 2011 Check - ORD 10-11		8,969.75	
Contra Item-Current Fund-BAN Interest		9,171.95	
Total Receipts			<u>880,350.56</u>
			1,411,446.48
Decreased by Disbursements:			
Improvement Authorizations		114,096.22	
Bond Anticipation Notes		735,800.00	
Due Current Fund		1,527.68	
Reserve for Preliminary Expenses:			
Open Space and Farmland Preservation		3,536.00	
Due Current Fund as Anticipated Revenue		85,000.00	
Contra Item-Current Fund-BAN Interest		9,171.95	
Total Disbursements			<u>949,131.85</u>
Balance, December 31, 2012		\$	<u>462,314.63</u>

See Independent Auditors' Report.

**Township of West Amwell
County of Huntordon
General Capital Fund**

0-5

Ord. No.	Improvement Description	Analysis of Balance December 31, 2012									
		Balance December 31, 2011	2012 Authorization	Mtg Receivable	Authorization Cancelled	Funded by Budget Appropriation	Balance December 31, 2012	Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations	Excess Proceeds
06-08	Acquisition of Fire Vehicles	\$ 421,500.00	\$	\$	\$ 15,582.20	\$ 52,700.00	\$ 353,517.80	\$ 369,100.00	\$	\$	\$ 15,582.20
14-09	Acquisition and Improvement of Real Property	214,000.00		1,887.57	24,060.86	17,600.00	170,451.17	186,400.00			25,948.83
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	75,585.55					75,585.55	75,585.55			
10-11	Various Capital Improvements	775,770.00					775,770.00	94,714.45	147,499.33	533,556.22	
		<u>\$ 1,787,555.55</u>	<u>\$</u>	<u>\$ 1,887.57</u>	<u>\$ 39,643.06</u>	<u>\$ 70,300.00</u>	<u>\$ 1,675,324.52</u>	<u>\$ 735,800.00</u>	<u>\$ 147,499.33</u>	<u>\$ 833,556.22</u>	<u>\$ 41,531.03</u>
								Improvement Authorization - Unfunded		\$ 875,170.94	
								Lease: Unexpended Proceeds of Bond			
								Anticipation Notes Issued:			
								Ord #20-09	\$ 13,924.66		
								Ord #04-10	27,890.06	41,614.72	
										<u>\$ 833,556.22</u>	

Township of West Amwell
 County of Hunterdon
 General Capital Fund
 Schedule of Deferred Charges to Future Taxation-Funded
 Year Ended December 31, 2012

C-4

Balance, December 31, 2011		\$ 5,484,792.04
Decreased by:		
2012 Budget Appropriation to Pay General Serial Bonds	\$ 320,000.00	
2012 Budget Appropriation to Pay NJ Economic Development Loan	<u>25,864.43</u>	
		<u>345,864.43</u>
Balance, December 31, 2012		<u>\$ 5,138,927.61</u>

Township of West Amwell
County of Hunterdon
General Capital Fund
Schedule of Deferred Charges to Future Taxation-Unfunded
Year Ended December 31, 2012

C-5

Ord. No.	Improvement Description	Balance December 31, 2011	2012 Authorization	Mtg Receivable	Authorization Cancelled	Funded by Budget Appropriation	Balance December 31, 2012	Analysis of Balance December 31, 2012			
								Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations	Excess Proceeds
06-08	Acquisition of Fire Vehicles	\$ 421,800.00	\$	\$	\$ 15,582.20	\$ 52,700.00	\$ 353,517.80	\$ 389,100.00	\$	\$	15,582.20
14-09	Acquisition and Improvement of Real Property	214,000.00			24,080.86	17,600.00	170,451.17	196,400.00			25,948.83
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	75,585.55					75,585.55	75,585.55			
10-11	Various Capital Improvements	775,770.00					775,770.00	94,714.45	147,499.33	533,556.22	
		<u>\$ 1,787,155.55</u>	<u>\$</u>	<u>\$</u>	<u>\$ 39,643.06</u>	<u>\$ 70,300.00</u>	<u>\$ 1,675,324.52</u>	<u>\$ 735,800.00</u>	<u>\$ 147,499.33</u>	<u>\$ 833,556.22</u>	<u>\$41,531.03</u>
								Improvement Authorization - Unfunded			
								Less: Unexpended Proceeds of Bond			
								Anticipation Notes Issued:			
								Ord #20-08 \$ 13,924.68			
								Ord #04-10 27,690.06			
								<u>41,614.72</u>			
								<u>\$ 833,556.22</u>			

Township of West Amwell
County of Hunterdon
General Capital Fund
Schedule of Capital Improvement Fund
Year Ended December 31, 2012

C-6

Balance, December 31, 2011		\$ 135,162.81
Increased by:		
2012 Budget Appropriation	\$ 15,000.00	
Improvement Authorizations Cancelled	<u>110,049.98</u>	
		<u>125,049.98</u>
Decreased by:		<u>260,212.79</u>
Appropriation to Finance Improvement Authorization		<u>100,000.00</u>
Balance, December 31, 2012		<u><u>\$ 160,212.79</u></u>

Township of West Amwell
County of Hunterdon
General Capital Fund
Schedule of Improvement Authorizations
Year Ended December 31, 2012

C-7

Ord. No.	Improvement Description	Ordinance		2012 Authorizations				Deferred Charges to Future Taxation Unfunded	Paid or Charged	Cancelled	Balance December 31, 2012		
		Date	Amount	December 31, 2011		Capital Improvement Fund	Funded				Unfunded	Funded	Unfunded
				Funded	Unfunded								
98-12	Funding Accessory Loan Program - Rehab. of Existing Rental Dwellings	12/4/96	\$ 140,000.00	\$ 20,000.00	\$	\$	\$	\$	\$ 15,582.20	\$ 20,000.00	\$		
08-06	Acquisition of Fire Vehicles	5/3/06	740,000.00	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	56,344.47					356.31	56,344.47			
14-09	Acquisition and Improvement of Real Property including the Building Thereon for Public Purposes	5/6/09	225,000.00		24,417.17				356.31	24,080.86			
20-09	Acquisition of Real Property to Meet the Township's COAH Obligation	8/12/09	315,000.00		313,924.66							313,924.66	
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					356.31	171,572.41		27,690.06	
04-10	Reconstruction of a Portion of Rocktown Hill Rd	4/7/10	305,000.00		28,046.37								
09-10	Funding Township's Share of the Cost of the Acquisition of an Agricultural Development Rights Easement on Block 14, Lot 33.95	7/7/10	30,000.00	5,602.46						5,602.46			
10-10	Purchase and Installation of Overhead Doors at the Township Garage	9/1/10	30,000.00	6,540.97						6,540.97			
11-10	Purchase of a Refurbished Garbage Truck	10/6/10	70,000.00	24,711.24						24,711.24			
15-10	Purchase of Office Equipment	12/29/10	15,000.00	5,962.16					2,345.49		3,616.67	533,556.22	
10-11	Various Capital Improvements	6/22/11	816,600.00		585,108.87				51,552.65				
10-12	Various Purchases	5/23/12	100,000.00			100,000.00			50,159.40		49,840.60		
				<u>\$306,672.22</u>	<u>\$951,497.07</u>	<u>\$ 100,000.00</u>	<u>\$ -</u>	<u>\$105,126.47</u>	<u>\$ 127,239.74</u>	<u>\$250,692.14</u>	<u>\$875,170.94</u>		
								Cash Disbursed	\$114,096.22				
								Cash Receipts	8,969.75				
									<u>\$105,126.47</u>				
								Capital Improvement Fund		\$ 87,596.68			
								Deferral Charges to Future Taxation- Unfunded		39,643.06			
										<u>\$ 127,239.74</u>			

See Independent Auditors' Report.

Township of West Amwell
County of Hunterdon
General Capital Fund
Schedule of Bond Anticipation Notes
Year Ended December 31, 2012

C-3

Ord. No.	Improvement Description	Date of Original Issue of Notes	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012
06-06	Acquisition of Fire Vehicles	7/19/07	6/30/11 6/28/12	6/29/12 6/28/13	1.25 % 1.10	\$ 421,800.00	\$ 369,100.00	\$ 421,800.00	\$ 369,100.00
14-09	Acquisition and improvement of Real Property	7/2/09	6/30/11 6/28/12	6/29/12 6/28/13	1.25 1.10	214,000.00	196,400.00	214,000.00	196,400.00
04-10	Reconstruction of a Portion of Rocktown Hill Rd.	6/30/11	6/30/11 6/28/12	6/29/12 6/28/13	1.25 1.10	100,000.00	75,585.55	100,000.00	75,585.55
10-12	Various Improvements	6/28/12	6/28/12	6/28/13	1.10		94,714.45		94,714.45
						<u>\$ 735,800.00</u>	<u>\$ 735,800.00</u>	<u>\$ 735,800.00</u>	<u>\$ 735,800.00</u>
					Issued for Cash		\$ 735,800.00	\$ 735,800.00	
					Cash Disbursed				
							<u>\$ 735,800.00</u>	<u>\$ 735,800.00</u>	<u>\$ 735,800.00</u>

Township of West Amwell
County of Hunterdon
General Capital Fund
Schedule of NJ Green Trust Loan Payable
Year Ended December 31, 2012

C-9

Purpose	Date of Issue	Original Issue	Maturities of		Interest Rate	Balance December 31, 2011	Decreased	Balance December 31, 2012
			Principal Outstanding					
			Date	Amount				
Sourlands/Open Space Acquisition Project	6/25/01	\$ 500,000	3/25/13	\$ 13,126.52	2.0%			
			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				
						\$ 267,792.04	\$ 25,864.43	\$ 241,927.61

See Independent Auditors' Report.

Township of West Amwell
County of Hunterdon
General Capital Fund
Schedule of General Serial Bonds
Year Ended December 31, 2012

C-10

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2012		Interest Rate	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012
			Date	Amount					
General Improvements of 2003	2/15/03	\$ 4,009,000.00	2/15/13	\$ 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%				
			2/15/23	259,000.00	4.250%	\$ 2,689,000.00	\$	\$ 190,000.00	\$ 2,499,000.00
General Improvements of 2006	5/1/06	3,118,000.00	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%	2,528,000.00		130,000.00	2,398,000.00
						<u>\$ 5,217,000.00</u>	<u>\$</u>	<u>\$ 320,000.00</u>	<u>\$ 4,897,000.00</u>

Township of West Amwell
County of Hunterdon
General Capital Fund
Schedule of Due from Open Space Trust Fund
Year Ended December 31, 2012

	C-11
Balance, December 31, 2011	\$ 36,000.00
Decreased by:	
Cash Received from Open Space Trust Fund	<u>36,000.00</u>
Balance, December 31, 2012	<u><u>\$</u></u>

Schedule of Mortgage Receivable
Year Ended December 31, 2012

	C-12
Increased by:	
Mortgage Between Christopher A. Rose and the Township Dated June 27, 2012	\$ 75,000.00
Decreased by:	
Principal Payments Received	<u>1,887.97</u>
Balance, December 31, 2012	<u><u>\$ 73,112.03</u></u>

See Independent Auditors' Report.

Township of West Amwell
 County of Hunterdon
 General Capital Fund
 Schedule of Reserve for Preliminary Expenses - Open Space and Farmland
 Preservation
 Year Ended December 31, 2012

C-13

Purpose	Balance December 31, 2011	Cancelled by Resolution	Cash Disbursed	Balance December 31, 2012
Open Space and Farmland Preservation	\$ 38,821.01	\$	\$ 3,536.00	\$ 35,285.01
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>\$ 61,274.31</u>	<u>\$ 22,453.30</u>	<u>\$ 3,536.00</u>	<u>\$ 35,285.01</u>

Township of West Amwell
County of Hunterdon
General Capital Fund
Schedule of Bonds and Notes Authorized but Not Issued
Year Ended December 31, 2012

C-14

Ord. No.	Improvement Description	Balance December 31, 2011	2012 Authorizations	Bond Anticipation Notes Issued	Balance December 31, 2012
20-09	Acquisition of Real Property to Meet Township's COAH Obligation	\$ 300,000.00	\$	\$	\$ 300,000.00
10-11	Various Capital Improvements	775,770.00		94,714.45	681,055.55
		<u>\$ 1,075,770.00</u>	<u>\$ -</u>	<u>\$ 94,714.45</u>	<u>\$ 981,055.55</u>

See Independent Auditors Report.

Township of West Amwell

County of Hunterdon

2012

Public Assistance Fund

Township of West Amwell
County of Hunterdon
Public Assistance Fund
Schedule of Cash-Treasurer
Year Ended December 31, 2012

D-1

	P.A.T.F. Account #1	P.A.T.F. Account #2	Fund Total
Balance, December 31, 2011	\$ 1,045.68	\$ 15,866.17	\$ 16,911.85
Increased by:			
Interest Earned	3.08	28.57	31.65
Due to Current Fund		3,668.70	3,668.70
State Aid	3.08	3,697.27	3,700.35
	1,048.76	19,563.44	20,612.20
Decreased by:			
Due to Current Fund	0.06	0.92	0.98
Public Assistance		16,685.40	16,685.40
	0.06	16,686.32	16,686.38
Balance, December 31, 2012	\$ 1,048.70	\$ 2,877.12	\$ 3,925.82

Township of West Amwell
County of Hunterdon
Public Assistance Fund
Schedule of Public Assistance Cash and Reconciliation at Year End
Year Ended December 31, 2012

D-2

Balance, December 31, 2011	\$ 16,911.85
Increased by Receipts:	
Cash	<u>3,700.35</u>
	20,612.20
Decreased by Disbursements:	
Cash	<u>16,686.38</u>
Balance, December 31, 2012	<u>\$ 3,925.82</u>

Reconciliation, December 31, 2012

	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>	<u>Total</u>
Balance on Deposit per Statement of Hopewell Valley Community Bank:			
Checking	\$ 1,048.70	\$ 2,951.12	\$ 3,999.82
Less outstanding checks	<u> </u>	<u>74.00</u>	<u>74.00</u>
	<u>\$ 1,048.70</u>	<u>\$ 2,877.12</u>	<u>\$ 3,925.82</u>

See Independent Auditors' Report.

Township of West Amwell
County of Hunterdon
Public Assistance Fund
Schedule of Public Assistance Revenues
Year Ended December 31, 2012

D-3

	P.A.T.F. Account #1	P.A.T.F. Account #2	Fund Total
Interest Earned	\$ 3.08	\$ 28.57	\$ 31.65
State Aid		3,668.70	3,668.70
	<u>\$ 3.08</u>	<u>\$ 3,697.27</u>	<u>\$ 3,700.35</u>

Public Assistance Fund
Schedule of Public Assistance Expenditures
Year Ended December 31, 2012

D-4

	P.A.T.F. Account #1 (75%)	P.A.T.F. Account #2 (100%)	Fund Total
Maintenance Payments	\$	\$ 2,989.00	\$ 2,989.00
Temporary Rental Assistance		13,074.40	13,074.40
Emergency Assistance - Utilities		622.00	622.00
	<u>\$</u>	<u>\$ 16,685.40</u>	<u>\$ 16,685.40</u>

Public Assistance Fund
Schedule of Assistance Commitments Payable
Year Ended December 31, 2012

D-5

Not Applicable

Township of West Amwell

County of Hunterdon

2012

Payroll Fund

Township of West Amwell
County of Hunterdon
Payroll Fund
Schedule of Cash-Payroll
Year Ended December 31, 2012

E-1

Balance, December 31, 2011 \$ (200.07)

Increased by:

Net Payroll	\$ 842,203.04	
Payroll Deductions and Employer's Share	427,700.02	
Contribution for Public Employees Retirement System	70,946.00	
Contribution for Police and Fire Retirement System	71,780.00	
Prior Year Prepaid Pension	1,449.80	
Due to Current Fund - Interest Earned	69.97	
Due to Current Fund - Other Miscellaneous Adjustments	27,240.48	
		<u>1,441,389.31</u>
		1,441,189.24

Decreased by:

Net Payroll	842,203.04	
Contribution for Public Employees Retirement System	70,946.00	
Contribution for Police and Fire Retirement System	71,780.00	
Payroll Deductions and Employer's Share	425,562.21	
Due to Current Fund - Other Miscellaneous Adjustments	30,722.95	
Due to Current Fund - Interest Earned	6.93	
		<u>1,441,221.13</u>

Balance, December 31, 2012 \$ (31.89)

Township of West Amwell
County of Hunterdon
Payroll Fund
Schedule of Payroll Taxes and Deductions Payable
Year Ended December 31, 2012

E-2

Account	Balance December 31, 2011	Cash Receipts	Cash Disbursed	Balance December 31, 2012
FICA and Medicare	\$	\$ 155,315.61	\$ 155,315.61	\$
FWT		143,651.85	143,651.85	
SWT		34,303.78	34,303.78	
PERS		27,578.23	27,578.23	
PERS Insurance		1,958.55	1,958.55	
PFRS		33,744.57	33,744.57	
Unemployment and Disability		2,810.73	2,810.73	
NJ Family Leave Insurance		558.47	558.47	
Accident Insurance		1,707.60	1,707.60	
Employees' Health Insurance Contribution		11,749.91	11,749.91	
Flex Spending		3,351.92	1,214.11	2,137.81
Union Dues		1,668.80	1,668.80	
457 Plan		9,300.00	9,300.00	
	<u>\$</u>	<u>\$ 427,700.02</u>	<u>\$ 425,562.21</u>	<u>\$ 2,137.81</u>

Other Supplemental Information-Regulatory Basis

**Township of West Amwell
County of Hunterdon
Comparative Statement of Operations and Changes in Fund Balance-Current Fund
Years Ended December 31, 2012 and 2011**

	<u>2012</u>		<u>2011</u>	
	Amount	%	Amount	%
Revenue and Other Income Realized				
Fund balance utilized	\$ 96,000.00	0.72 %	\$ 85,000.00	0.67 %
Miscellaneous - from other than local property tax levies	2,229,437.30	16.81	1,822,775.28	14.46
Collection of delinquent taxes	184,714.32	1.39	166,392.81	1.32
Collection of current tax levy	10,749,400.89	81.05	10,525,807.24	83.51
Interfunds loans returned	4,297.06	0.03	4,507.63	0.04
Total revenue and other income realized	<u>13,263,849.57</u>	<u>100.00 %</u>	<u>12,604,482.96</u>	<u>100.00 %</u>
Expenditures				
Budget expenditures - municipal purposes	3,080,136.39	23.89 %	3,083,611.01	25.00 %
County taxes	1,940,117.35	15.05	1,918,073.75	15.55
Local and regional school taxes	7,572,406.20	58.72	7,000,185.18	56.74
Municipal open space tax	280,281.87	2.17	329,084.95	2.67
Interfunds Advanced	19,638.82	0.15		
Other expenditures	2,605.36	0.02	5,427.31	0.04
Total expenditures	<u>12,895,185.99</u>	<u>100.00 %</u>	<u>12,336,382.20</u>	<u>100.00 %</u>
Excess in revenue	368,663.58		268,100.76	
Adjustment to Income Before Fund Balance:				
Expenditures Included Above which are by Statute				
Deferred Charges to Budget of Succeeding Years	141.93		113,992.00	
	<u>368,805.51</u>		<u>382,092.76</u>	
Fund balance, January 1	603,105.85		306,013.09	
	<u>971,911.36</u>		<u>688,105.85</u>	
Less: Utilization as Anticipated Revenue	96,000.00		85,000.00	
Fund Balance, December 31	<u>\$ 875,911.36</u>		<u>\$ 603,105.85</u>	

Township of West Amwell
County of Hunterdon
Other Supplemental Information
Years Ended December 31, 2012, 2011 and 2010

	2012	2011	2010
Comparative Schedule of Tax Rate Information			
Tax rate	\$ 2.367	\$ 1.996	\$ 1.941
Apportionment of tax rate:			
Municipal	\$ 0.259	\$ 0.223	\$ 0.217
Municipal open space	0.059	0.059	0.060
County	0.346	0.299	0.305
County library	0.035	0.026	0.026
County open space	0.036	0.032	0.032
Local school	0.818	0.691	0.693
Regional high school	0.814	0.666	0.608
Assessed valuation:			
2012	\$ 464,005,680.00		
2011		\$ 538,191,781.00	
2010			\$ 537,333,776.00

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
2012	\$ 11,071,475.88	\$ 10,749,400.89	97.09%
2011	10,774,871.47	10,525,807.24	97.69%
2010	10,497,820.24	10,266,343.31	97.80%

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
2012	\$ 119,994.40	\$ 286,714.82	\$ 406,709.22	3.67%
2011	110,559.54	204,164.60	314,724.04	2.92%
2010	102,826.52	192,354.63	295,181.15	2.81%

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
2012	\$ 3,150.00
2011	3,150.00
2010	3,150.00

Comparative Schedule of Fund Balance (Current Fund)

Year	Balance Dec. 31	Utilized In Budget of Succeeding Year
2012	\$ 875,911.36	\$ 408,000.00
2011	603,105.85	96,000.00
2010	308,013.09	85,000.00
2009	298,645.79	150,000.00
2008	620,433.56	480,000.00

**Township of West Amwell
County of Hunterdon
Officials in Office and Surety Bonds
Year Ended December 31, 2012**

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

Name	Title	Note	Corporate Surety
George A. Fisher	Mayor		
Zachary T. Rich	Deputy Mayor		
Thomas J. Molnar	Committee Member		
Barbara Walsh	Municipal Housing Liason/Administrative Agent		
Lora L. Olsen	Clerk, Affirmative Action Officer, Clean Communities Coordinator, Certifying Officer for Health Benefits, 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
Dawn Augustine	Acting Court Administrator for Absences	1	
Sandy Haberle	Dog Registrar	1	
Nate Barson	Animal Control Officer		
Victor Rose	Substitute Plumbing Subcode Official & Inspector		
Christopher Rose	Construction Code Official, Plumbing Sub-code Official		
Phillip Langon	Fire Subcode Official & Inspector	1	
Michael Janoski	Electric Subcode Official & Inspector		
Jason Fretz	Fire Official		
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		
Richard Roseberry	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

Comments Section

Township of West Amwell
County of Hunterdon
Comments
December 31, 2012

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, 2012, 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 firehouse roof replacement

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.

See Independent Auditor's Report.

Township of West Amwell
County of Hunterdon
Comments
December 31, 2012

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 2, 2012 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, 2012.
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 9, 2012 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
2012	14
2011	14
2010	15

**Township of West Amwell
County of Hunterdon
Schedule of Findings and Recommendations
December 31, 2012**

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 2012-1

Finding:

The budgeted expenditures for a specific line item were in excess of the amount of the budget resulting in appropriation reserves being over-expended by \$141.93 during the year.

Conclusion:

The Township is not in compliance with NJSA 40A:4-57 which states that no municipality shall incur any liability in excess of the amount appropriated for such purpose.

Recommendation:

Over-expenditures of budget appropriations be avoided.

Planned Corrective Action:

The over-expenditure will be raised in the succeeding year's budget and future over-expenditures will be avoided.

**Township of West Amwell
County of Hunterdon
Schedule of Findings and Recommendations
December 31, 2012**

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.