

TOWNSHIP OF EASTAMPTON
AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2009

**TOWNSHIP OF EASTAMPTON
COUNTY OF BURLINGTON**

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**TOWNSHIP OF EASTAMPTON
COUNTY OF BURLINGTON**

PART I

**INDEPENDENT AUDITOR'S REPORTS
FINANCIAL STATEMENTS AND
SUPPLEMENTARY DATA
FOR THE YEAR ENDED DECEMBER 31, 2009**



Certified Public Accountants & Consultants

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members of the Township Council
Township of Eastampton
County of Burlington
Eastampton, New Jersey 08060

We have audited the accompanying statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds of the Township of Eastampton, State of New Jersey as of December 31, 2009 and 2008, and the related statements of operations and changes in fund balance--regulatory basis for the years then ended, and the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis and general fixed assets as of December 31, 2009 and 2008. These financial statements are the responsibility of the Township of Eastampton's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, 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 prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

In our opinion, except for the effects on the financial statements of the requirement that the Township of Eastampton prepare its financial statements in accordance with the accounting practices on the basis of accounting 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 Township of Eastampton, State of New Jersey, as of December 31 2009 and 2008, or the results of its operations and changes in fund balance for the years then ended.

Furthermore, in our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds of the Township of Eastampton, State of New Jersey, as of December 31, 2009 and 2008, and the results of its

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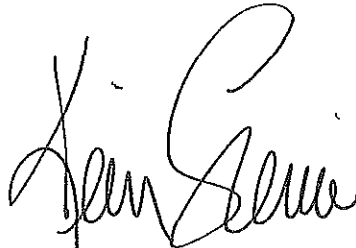
operations and changes in fund balance of such funds--regulatory basis for the years then ended, and the revenues--regulatory basis, expenditures--regulatory basis of the various funds and general fixed assets, for the year ended December 31, 2009 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2010, on our consideration of the Township of Eastampton, State of New Jersey's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements of the Township of Eastampton's basic financial statements. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Respectfully submitted,

HOLMAN & FRENIA, P. C.

A handwritten signature in black ink, appearing to read "Kevin P. Frenia", written in a cursive style.

Kevin P. Frenia
Registered Municipal Accountant
CR 435

Medford, New Jersey
March 10, 2010



Certified Public Accountants & Consultants

**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**

The Honorable Mayor and Members
of the Township Council
Township of Eastampton
County of Burlington
Eastampton, New Jersey 08060

We have audited the financial statements of the Township of Eastampton, County of Burlington, State of New Jersey, as of and for the year ended December 31, 2009, and have issued our report thereon dated March 10, 2010. Our report disclosed that, as described in Note 1 to the financial statements, the Township prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Service, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than 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 as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township of Eastampton'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, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination

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of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Comment and Recommendation Section to be a material weakness as Finding No. 2009-02.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Comment and Recommendation Section to be significant deficiencies as Findings No's.: 2009-01 and 2009-03.

Compliance and Other Matters

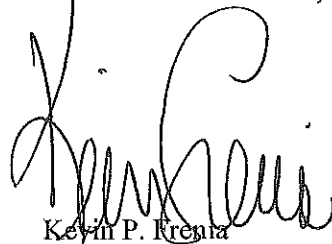
As part of obtaining reasonable assurance about whether the Township of Eastampton's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed three instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which are described in the accompanying Comment and Recommendation Section as Finding No's: 2009-01, 2009-02, and 2009-03.

We noted certain matters that we reported to management of the Township of Eastampton in a separate letter dated March 10, 2010.

This report is intended solely for the information and use of the Township of Eastampton's management, and Committee members, others within the organization, the Division of Local Government Services, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

HOLMAN & FRENIA, P. C.



Kevin P. Frenia
Registered Municipal Accountant
CR 435

Medford, New Jersey
March 10, 2010

FINANCIAL STATEMENTS

**TOWNSHIP OF EASTAMPTON
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2009 AND 2008**

ASSETS	REFERENCE	2009	2008
Regular Fund:			
Cash - Checking & Savings Account:			
Treasurer	A-4	\$986,631	928,523
Petty Cash		1,200	1,200
Change Funds		525	525
Due from State of New Jersey:			
Senior Citizen & Veteran Deductions	A-8	15,656	13,656
Total Regular Fund		1,004,012	943,904
Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-5	29,979	2,626
Tax Title Liens Receivable	A-6	412,455	380,620
Revenue Accounts Receivable	A-7	6,051	8,846
Due From Municipal Open Space	B		11,391
Due From Trust Fund - Other	B		15,975
Due From Payroll Fund	D	1,021	17,070
Due From Dog Trust Fund	B	4,514	3,658
Total Receivables & Other Assets With Full Reserves		454,020	440,186
Deferred Charges:			
Overexpenditure of Appropriation Reserve	A-9	29,833	8,371
Deficit in Operations - Prior Year	A-3	5,250	5,250
Special Emergency 40A:4-55		71,600	113,200
Total Deferred Charges		106,683	126,821
Total Regular Fund, Receivables & Other Assets With Full Reserves		1,564,715	1,510,911
State & Federal Grants:			
Due From Current Fund		43,723	35,849
Accounts Receivable	A-12	66,355	61,355
Total State & Federal Grants		110,078	97,204
Total Assets		\$1,674,793	1,608,115

The accompanying Notes to the Financial Statement is an integral part of this Statement.

**TOWNSHIP OF EASTAMPTON
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2009 AND 2008**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2009	2008
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$101,068	179,473
Encumbrances Payable	A-3	59,597	35,347
Prepaid Taxes	A-4	43,224	44,351
Tax Overpayments		52,238	21,432
Reserve for Municipal Open Space		284,787	284,735
Reserve for Fire Safety Inspections		280	280
Reserve for Uniform Fire Safety Act		328	328
Reserve for Reassessment Program		1,371	1,396
Reserve for Tax Sale Premiums			1,000
Reserve for Public Defender Fees			99
Reserve for Performance Bond		48,649	48,649
Reserve for Codification of Ordinance		7,225	14,124
Due State & Federal Grant Fund		43,723	35,849
Due State of NJ - DCA		5,733	
Due Mt Holly MUA		3,926	
Due County for Added Taxes		3,659	14,333
Due Trust Other		12,207	
Emergency Note Payable		71,600	113,200
		<hr/>	
Total Liabilities		739,615	794,596
		<hr/>	
Reserve for Receivables & Other Assets	A	454,020	440,186
Fund Balance	A-1	371,080	276,129
		<hr/>	
Total Reserves		1,564,715	1,510,911
		<hr/>	
State & Federal Grants:			
Encumbrances Payable		637	
Reserve for State & Federal Grants:			
Appropriated	A-13	102,978	91,196
Unappropriated	A-14	6,463	6,008
		<hr/>	
Total State & Federal Grants		110,078	97,204
		<hr/>	
Total Liabilities, Reserves & Fund Balance		\$1,674,793	1,608,115
		<hr/> <hr/>	

The accompanying Notes to the Financial Statement is an integral part of this Statement.

TOWNSHIP OF EASTAMPTON
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
Revenue & Other Income Realized:		
Fund Balance Utilized	\$100,000	436,300
Miscellaneous Revenue Anticipated	1,377,443	1,170,533
Receipts From Delinquent Taxes	14,912	205,448
Receipts From Current Taxes	12,158,646	12,068,504
Nonbudget Revenue	67,896	31,231
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	34,671	33,447
Tax Appeal Reserve Cancelled		40,000
Deficit in Operations		5,250
Interfunds Liquidated	8,932	43,649
	<hr/>	<hr/>
Total Revenue & Other Income Realized	13,762,500	14,034,362
	<hr/>	<hr/>
Expenditures:		
Budget and Emergency Appropriations:		
Within 5% CAPS:		
Operations:		
Salaries and Wages	1,991,702	2,013,448
Other Expenses	1,356,498	1,435,931
Deferred Charges & Statutory Expenditures Municipal	336,140	161,656
Excluded from 5% CAPS:		
Operations	199,919	458,253
Capital Improvements		13,500
Debt Service - Municipal	471,294	373,501
Deferred Charges - Municipal	41,600	121,600
County Taxes	2,021,179	2,043,631
Due County for Added Taxes	3,659	14,333
Local District School Tax	4,759,417	4,853,713
Regional High School Tax	1,866,346	1,931,715
Municipal Open Space Tax	220,065	273,734
Fire District Taxes	299,730	297,180
Other Debits to Income:		
Refund of Prior Year Revenue		14,078
Interfunds Created		1,341
	<hr/>	<hr/>
Total Expenditures	13,567,549	14,007,614
	<hr/>	<hr/>
Excess in Revenue	194,951	26,748
Fund Balance January 1, 2009	276,129	685,681
	<hr/>	<hr/>
Total	471,080	712,429
Decreased by: Utilized as Revenue	100,000	436,300
	<hr/>	<hr/>
Balance December 31, 2009	\$371,080	276,129
	<hr/>	<hr/>

The accompanying Notes to the Financial Statement is an integral part of this Statement.

TOWNSHIP OF EASTAMPTON
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009

	REFERENCE	ANTICIPATED BUDGET	ADDED PER N.J.S.40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance	A-1	\$100,000		100,000	
Miscellaneous Revenue					
Anticipated:					
Licenses:					
Alcoholic Beverages	A-7	9,469		9,908	439
Trailer Park	A-7	8,780		7,440	(1,340)
Fees & Permits:					
Construction Code Official	A-7	40,271		84,738	44,467
Other	A-7	2,413		3,879	1,466
Fines & Costs:					
Municipal Court	A-7	95,222		105,095	9,873
Energy Receipts Taxes	A-7	465,450		465,450	
Extraordinary Aid	A-7	250,000		250,000	
Interest on Investments	A-7	39,658		22,015	(17,643)
Reserve for Payment of Debt		119,842		119,842	
Capital Surplus		75,000		75,000	
C.M.P.T.R.A.	A-7	71,253		71,253	
P.I.L.O.T.	A-7	67,013		69,450	2,437
Interfunds Liquidated		29,953		29,953	
Body Armor Replacement	A-12	1,659		1,659	
Drunk Driving Enforcement Fund	A-12	2,524		2,524	
Sustainable New Jersey	A-12	10,000		10,000	
Clean Communities Act	A-12	9,533		9,533	
Recycling Grant	A-12	1,825		1,825	
Cable Television Fees	A-7	19,525		19,525	
Rental of Property	A-7	3,750		3,750	
Police Reports	A-7	5,400		2,451	(2,949)
Hotel Fees	A-7	2,900		3,573	673
Housing Resale Certificate Fees	A-7	2,880		2,880	
Land Use Review Fees	A-7	1,000		5,700	4,700
Total		1,335,320		1,377,443	42,123
Receipts from Delinquent Taxes	A-2			14,912	14,912
Amount to be Raised by Support of Municipal Budget:					
Local Tax for Municipal Purposes Including					
Reserve for Uncollected Taxes	A-2	3,078,747		3,042,336	(36,411)
Budget Totals		4,514,067		4,534,691	20,624
Nonbudget Revenues	A-2			67,896	67,896
Total		\$4,514,067		4,602,587	88,520

The accompanying Notes to the Financial Statement is an integral part of this Statement.

**TOWNSHIP OF EASTAMPTON
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

ANALYSIS OF REALIZED REVENUES

	REFERENCE	
Allocation of Current Tax Collections:		
Revenue From Collections	A-1,A-5	\$12,158,646
Allocated to School, County, Municipal Open Space & Special Districts	A-5	9,162,042
Balance for Support of Municipal Budget Appropriations		2,996,604
Increased by Appropriation for Uncollected Taxes	A-3	45,732
Amount for Support of Municipal Budget Appropriations	A-2	\$3,042,336
Receipts from Delinquent Taxes:		
Delinquent Tax Collection	A-5,A-6	\$14,912
Total		\$14,912

ANALYSIS OF NONBUDGET REVENUE

Miscellaneous Revenue Not Anticipated:		
Miscellaneous Other		\$27,544
Cancellation of Outstanding Checks		16,591
Interest and Costs on Taxes		22,277
Tax Collector		1,484
Total Nonbudget Revenue		\$67,896
Reference		A-2

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

**TOWNSHIP OF EASTAMPTON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

OPERATIONS - Within "CAPS"	APPROPRIATIONS		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCELED
General Government:					
General Administrative:					
Salaries and Wages	\$121,424	121,424	120,027	1,397	
Other Expenses	16,500	16,500	15,662	838	
Mayor & Council:					
Salaries and Wages	14,196	13,996	13,755	241	
Other Expenses	1,700	1,200	964	236	
Municipal Clerk:					
Salaries and Wages	54,080	54,080	54,080		
Other Expenses	9,400	7,900	6,895	1,005	
Elections	1,500	2,061	2,061		
Codification of Ordinances	2,000	3,000		3,000	
Financial Administration:					
Salaries and Wages	41,214	43,914	43,906	8	
Other Expenses	16,000	16,000	10,464	5,536	
Audit Services:					
Miscellaneous - Other Expenses	21,500	21,500	21,500		
Collection of Taxes:					
Salaries and Wages	19,215	19,165	19,154	11	
Other Expenses	8,370	9,570	7,790	1,780	
Legal Services & Costs:					
Other Expenses	54,000	54,000	48,128	5,872	
Municipal Court:					
Salaries and Wages	25,000	25,000	25,000		
Other Expenses	2,225	1,567	1,566	1	
Engineering Services:					
Other Expenses	25,000	25,000	21,306	3,694	
Municipal Land Use Law (N.J.S. 40:55D-1):					
Planning Board:					
Salaries and Wages	7,500	8,550	8,538	12	
Other Expenses	335	335	335		
Engineering Services & Costs	2,000	1,250	961	289	
Legal Services & Costs	15,000	5,000	3,645	1,355	
Municipal Planner	2,000	1,500	633	867	
Insurance:					
Unemployment Insurance	5,500	7,600	7,573	27	
Other Insurance	4,500	4,500	1,037	3,463	
Liability Insurance	75,915	76,200	76,200		
Workers Compensation Insurance	91,792	90,591	90,591		
Employee Group Insurance	360,000	376,500	368,554	89	7,857
Environmental Commission-(NJS40:5A-1 et seq):					
Other Expenses	600	425	412	13	
Public Safety:					
Police:					
Salaries and Wages	1,437,403	1,437,403	1,378,511	16,892	42,000
Other Expenses	97,825	97,825	90,629	7,196	

**TOWNSHIP OF EASTAMPTON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	APPROPRIATIONS		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCELED
OPERATIONS - Within "CAPS"					
Public Safety (continued):					
Office of Emergency Management:					
Other Expenses	500				
Municipal Prosecutor:					
Other Expenses	3,750	2,185	2,185		
Public Works Functions:					
Other Public Works Functions:					
Salaries & Wages	183,000	182,906	173,013	1,853	8,040
Other Expenses	41,851	37,851	36,077		1,774
Solid Waste Collection:					
Garbage & Trash Removal	142,000	147,605	147,605		
Vehicle Maintenance:					
Other Expenses	27,000	22,000	19,335	1,957	708
Building & Grounds:					
Salaries & Wages	13,442	13,452	12,887	5	560
Other Expenses	4,200	3,700	3,188	337	175
Parks & Recreation Functions:					
Recreation Services & Programs:					
Salaries and Wages	16,162	16,162	16,162		
Other Expenses	3,250	1,686	1,686		
Utility Expenses & Bulk Purchases:					
Street Lighting	75,000	76,382	70,515	5,867	
Electricity	30,000	34,750	32,111	2,639	
Telephone	29,500	31,500	31,500		
Fuel Oil	10,000	10,000	7,363	2,637	
Gasoline	48,000	44,000	42,750		1,250
Sewer	800	900	899	1	
Water	1,100	1,525	1,525		
Landfill Waste Disposal:					
Disposal Costs	185,221	161,221	160,002	1,219	
Uniform Construction Code Enforcement Functions:					
Construction Official:					
Salaries and Wages	35,000	43,150	43,149	1	
Other Expenses	4,000	4,250	4,203	47	
Electrical Inspector:					
Salaries and Wages	7,500	12,500	12,480	20	
Other Common Operating Functions (Unclassified):					
Mt. Holly Sewerage Authority Charges	1,000	1,000		1,000	
Celebration of Public Events	600	76	76		
Condominium Service Law	20,000	20,000		20,000	
Matching Funds for Grant - Drug Alliance	3,200	3,200	3,200		
Prior Year Professional Bills	5,000	3,313	3,312	1	
Total Operations Within "CAPS"	3,424,770	3,418,870	3,265,100	91,406	62,364

**TOWNSHIP OF EASTAMPTON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	APPROPRIATIONS		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCELED
OPERATIONS - Within "CAPS"					
Detail:					
Salaries and Wages	1,975,136	1,991,702	1,920,662	20,440	50,600
Other Expenses	1,449,634	1,427,168	1,344,438	70,966	11,764
DEFERRED CHARGES & STATUTORY EXPENDITURES MUNICIPAL WITHIN "CAPS":					
Social Security System (O.A.S.I.)	153,275	152,275	147,007	2,636	2,632
Defined Contribution Retirement Program	100				
Recreation Trust Deficit	4,279	4,279	4,279		
Contributions to Police & Fire Retirement System	156,440	156,440	156,440		
Contributions to Public Employee Retirement System	23,146	23,146	23,146		
Total Deferred Charges & Statutory Expenditures Within "CAPS"	337,240	336,140	330,872	2,636	2,632
Total General Appropriations for Municipal Purposes Within "CAPS"	3,762,010	3,755,010	3,595,972	94,042	64,996
OPERATIONS - EXCLUDED FROM "CAPS"					
Supplemental Fire Services Program:					
Other Expenses	1,502	1,502	1,502		
Municipal Court:					
Salaries and Wages	4,500	4,500	3,326		1,174
Recycling Tax	8,376	8,376	8,376		
Interlocal Municipal Service Agreements					
Tax Assessor Interlocal Services Agreement	44,000	44,000	38,144	1,356	4,500
MACCS Interlocal Services Agreement	60,000	67,000	61,330	5,670	
Municipal Court	49,000	49,000	49,000		
Public & Private Programs Offset by Revenues:					
Drunk Driving Enforcement Fund:					
Salaries & Wages	2,524	2,524	2,524		
Clean Communities Grant:					
Salaries & Wages	9,533	9,533	9,533		
Sustainable New Jersey Grant:					
Other Expenses	10,000	10,000	10,000		
Recycling Grant:					
Other Expenses	1,825	1,825	1,825		
Body Armor Replacement Fund - Police:					
Other Expenses	1,659	1,659	1,659		
Total Operations Excluded From "CAPS"	192,919	199,919	187,219	7,026	5,674
Detail:					
Salaries and Wages	16,557	16,557	15,383	1,174	
Other Expenses	176,362	183,362	171,836	5,852	5,674

**TOWNSHIP OF EASTAMPTON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	APPROPRIATIONS		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCELED
OPERATIONS - Excluded from "CAPS"					
Municipal Debt Service - Excluded From "CAPS":					
Payment of Bond Principal	20,975	20,975	20,975		
Payment of Bond Anticipation Notes & Capital Notes	369,252	369,252	369,252		
Interest on Bonds	21,420	21,420	21,101		319
Interest on Notes	60,159	60,159	59,966		193
Total Municipal Debt Service Excluded from "CAPS"	471,806	471,806	471,294		512
Deferred Charges - Municipal Excluded from "CAPS":					
Deferred Charges:					
Special Emergency Authorizations - 5 Years (40A:4-55)	41,600	41,600	41,600		
Total Deferred Charges - Municipal Excluded from "CAPS"	41,600	41,600	41,600		
Total General Appropriations Excluded from "CAPS"	706,325	713,325	700,113	7,026	6,186
Subtotal General Appropriations	4,468,335	4,468,335	4,296,085	101,068	71,182
Reserve For Uncollected Taxes	45,732	45,732	45,732		
Total General Appropriations	\$4,514,067	4,514,067	4,341,817	101,068	71,182
		REFERENCE			
Original Appropriations	A-3	\$4,514,067			
Total		\$4,514,067			
		REFERENCE			
Deferred Charges to Future Taxation		A-3	\$41,600		
Encumbrances Payable			59,597		
Reserve for Uncollected Taxes		A-3	45,732		
Reserve for State Grants Appropriated		A-12	28,741		
Disbursed		A-4	4,166,147		
Total			\$4,341,817		

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

**TOWNSHIP OF EASTAMPTON
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2009 AND 2008**

ASSETS	REFERENCE	2009	2008
Dog License Fund:			
Cash	B-1	\$12,878	12,400
Due from State of New Jersey		5	25
Total Dog License Fund		<u>12,883</u>	<u>12,425</u>
Other Funds:			
Cash	B-1	3,200,461	3,441,545
Deferred Charge - Overexpenditure of Parks & Recreation			4,279
Due from Current	A	296,994	284,735
Total Other Funds		<u>3,497,455</u>	<u>3,730,559</u>
Total Assets		<u><u>\$3,510,338</u></u>	<u><u>3,742,984</u></u>
LIABILITIES & RESERVES			
Dog License Fund:			
Due to Current Fund		\$4,514	3,658
Reserve for Dog Fund Expenditures	B-3	8,208	8,658
Prepaid Licenses		161	109
Total Dog License Fund		<u>12,883</u>	<u>12,425</u>
Other Funds:			
Due Current Fund	A		27,366
Due Capital Fund	C	8	72,000
Due Victims of Crime Compensation Board		600	
Reserve For:			
Escrow Funds	B-4	44,216	27,699
Premiums Received at Tax Sale	B-13	107,200	104,600
Park & Recreation Funds	B-8	19,664	
Park & Recreation Building Fund	B-7	1,273	1,308
Redemption of Tax Title Liens	B-5	18,231	19,713
Storm Water Management Funds	B-6	1,273	1,273
Special Law Enforcement	B-9	10,570	5,085
Public Defender	B-11	9,644	8,132
Off Duty Police	B-12	13,528	3,997
Municipal Open Space Tax	B-10	3,271,248	3,459,386
Total Other Funds		<u>3,497,455</u>	<u>3,730,559</u>
Total Liabilities & Reserves		<u><u>\$3,510,338</u></u>	<u><u>3,742,984</u></u>

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

TOWNSHIP OF EASTAMPTON
GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2009 AND 2008

ASSETS	REFERENCE	2009	2008
Cash	C-1	\$246,742	519,994
DOT Grant Receivable	C	16,150	47,950
Due from Trust Other Fund	C	8	72,000
Deferred Charges to Future Taxation:			
Unfunded	C-3	1,461,212	1,830,464
Funded		7,731,150	8,057,950
		<hr/>	<hr/>
Total Assets		\$9,455,262	10,528,358
		<hr/> <hr/>	<hr/> <hr/>
LIABILITIES, RESERVES & FUND BALANCE			
Bond Anticipation Notes	C-6	\$1,459,498	1,828,750
Bonds Payable	C-7	7,715,000	8,010,000
Reserve For Receivables	C	16,150	47,950
Improvement Authorizations:			
Unfunded	C-5	139,776	284,957
Funded	C-5	88,637	88,637
Accounts Payable		10,197	47,218
Contracts Payable		760	760
Reserve to Pay Debt Service	C-2	17,158	137,000
Capital Surplus	C	2	75,002
Capital Improvement Fund	C-4	8,084	8,084
		<hr/>	<hr/>
Total Liabilities, Reserves & Fund Balance		\$9,455,262	10,528,358
		<hr/> <hr/>	<hr/> <hr/>

There were bonds and notes authorized but not issued on December 31, 2009 \$1,714 and on December 31, 2008 was \$1,714. (Exhibit C-8)

The accompanying Notes to the Financial Statement are an integral part of this Statement.

**TOWNSHIP OF EASTAMPTON
PAYROLL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2009 AND 2008**

ASSETS	REFERENCE	2009	2008
Cash - Treasurer	D-1	\$17,655	37,535
Total Assets		<u>\$17,655</u>	<u>37,535</u>
 LIABILITIES 			
Payroll Taxes Payable	D-2	\$16,634	20,465
Due to Current Fund	A	1,021	17,070
Total Liabilities		<u>\$17,655</u>	<u>37,535</u>

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

**TOWNSHIP OF EASTAMPTON
GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENTS OF GENERAL FIXED ASSETS
DECEMBER 31, 2009 AND 2008**

	2009	2008
Fixed Assets:		
Building	\$1,264,315	1,264,315
Land	10,524,300	10,524,300
Equipment	1,735,892	1,655,821
	<hr/>	<hr/>
Total	\$13,524,507	13,444,436
	<hr/> <hr/>	<hr/> <hr/>
 Investment in Fixed Assets	 \$13,524,507	 13,444,436
	<hr/> <hr/>	<hr/> <hr/>

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

**TOWNSHIP OF EASTAMPTON
COUNTY OF BURLINGTON**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

TOWNSHIP OF EASTAMPTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

Note 1. Summary of Significant Accounting Policies:

Fiscal Reporting Entity

The Township of Eastampton was incorporated under the laws of the State of New Jersey. The financial statements of the reporting entity include those of the Township of Eastampton only and no other component units.

Basis of Accounting

The accounting policies of the Township of Eastampton conform to the accounting principles applicable to municipalities, which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Under this method of accounting, the Township accounts for its financial transactions through the following separate funds:

Current Fund - Resources and expenditures for governmental operation of a general nature, including federal and state grant funds.

Trust Fund - receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created, including dog license revenue and expenditures and sundry deposits held for satisfactory completion of specific work.

General Capital Fund - receipt and disbursement of funds for the acquisition of capital facilities, other than those acquired in the Current Fund.

The modified accrual basis of accounting is followed, with minor exceptions. Modifications from the accrual basis follow:

Revenues

Revenues are recorded as received in cash except for certain amounts, which may be due from the State of New Jersey or the Federal Government as grants. The amounts recorded as property taxes receivable and consumer accounts receivable have not been included in revenue. Amounts that are due to the Municipality which are susceptible of accrual are recorded as receivables with offsetting reserves.

Expenditures

Expenditures are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a liability in the financial statements and constitute part of the Township's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balance are automatically created on December 31st of each year and recorded as Liabilities, except for amounts which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the

TOWNSHIP OF EASTAMPTON

**NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2009**

Note 1. Summary of Significant Accounting Policies (continued):

Expenditures (continued):

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 general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Foreclosed Property

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

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.

Insurance

Costs of insurance for all funds are recorded as expenditures at the time of payment. Insurance costs chargeable to future periods are not carried as prepayments.

Inventories of Supplies

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

General Fixed Assets

Property and equipment purchased by the Current and General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized. No depreciation has been recorded. Fixed Assets acquired through grants in and/or contributed capital have not been accounted for separately.

	Balance December 31, 2008	Additions	Deletions	Balance December 31, 2009
Building	\$ 1,264,315		\$ -	\$ 1,264,315
Land	10,524,300			10,524,300
Equipment	1,655,821	\$80,071		<u>1,735,892</u>
Total	<u>\$13,444,436</u>	<u>\$80,071</u>	<u>\$ -</u>	<u>\$13,524,507</u>

TOWNSHIP OF EASTAMPTON

NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2009

Note 1. Summary of Significant Accounting Policies (continued):

Compensated Absences

The regular Township employees do not accrue accumulated unpaid vacation, but may accrue up to 90 sick days. At date of retirement, employee may sell back any unused sick time at ½ the current rate. The

Township police department does accrue one-half of unused sick days with a payout required at time of termination.

The amount of accrual for compensated absences as of December 31, 2009 is as follows:

	Employees Accrual	Township Share of Payroll Taxes	Total
Accrued Time	<u>\$157,458</u>	<u>\$11,809</u>	<u>\$169,267</u>

This liability has not been recorded on the financial statements. Actual payment and funding for compensated absences occurs through budget appropriation in the annual operating budget and only during the year the employee terminates employment (pay-as-you-go basis).

Property Taxes

Property taxes are an enforceable lien on property as of January 1. Taxes are levied annually and are payable in quarterly installments on February 1, May 1, August 1 and November 1 of each year.

Investments

Investments are stated at actual cost.

Budgets

The Township is required by state law to adopt an annual budget for the Current Fund. Each budget is presented in accordance with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

The following steps are taken in establishing the budgetary data reflected in the financial statements:

1. Prior to February 10th of the budget year the Township introduces a budget, which includes proposed expenditures and financing methods.
2. A public hearing is held 28 days after introduction, after a public hearing the budget may be adopted by the governing body.

Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

TOWNSHIP OF EASTAMPTON
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2009

Note 2. Bonds and Notes Authorized But Not Issued:

At December 31, 2009 the Township has authorized but not issued bonds and notes as follows:

General Capital Fund - Bonds and Notes	<u>\$1,714</u>
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Note 3. Current Fund Balance Appropriated:

Fund Balance at December 31, 2009, which was appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2010 were as follows:

Current Fund	<u>\$231,000</u>
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Note 4. Deferred District School Taxes:

Regulations provided for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Township has elected to defer school taxes as follows:

	BALANCE DECEMBER	
	2009	2008
Local School Taxes:		
Balance of Tax	\$2,393,939	\$2,365,478
Deferred	<u>2,393,939</u>	<u>2,365,478</u>
 Tax Payable	 <u>\$ 0</u>	 <u>\$ 0</u>
 Regional School Taxes:		
Balance of Tax	\$ 914,761	\$ 951,576
Deferred	<u>914,761</u>	<u>951,576</u>
 Tax Payable	 <u>\$ 0</u>	 <u>\$ 0</u>

Note 5. Cash and Cash Equivalents and Investments

The Township is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at December 31, 2009, and reported at fair value are as follows:

TOWNSHIP OF EASTAMPTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

Note 5. Cash and Cash Equivalents and Investments (continued):

Type	Carrying Value
Deposits:	
Demand Deposits	\$4,131,909
New Jersey Cash Management Fund	<u>332,458</u>
Total Deposits	<u>\$4,464,367</u>
 Reconciliation of Statement of Comparative Balance Sheets:	
Current:	
Treasurer	\$ 986,631
Dog Trust	12,878
Other Trust	3,200,461
General Capital	246,742
Payroll Fund	<u>17,655</u>
Total Reconciliation of Comparative Balance Sheets	<u>\$4,464,367</u>

Custodial Credit Risk – Deposits in financial institutions, reported as components of cash, cash equivalents and investments had a bank balance of \$4,491,135 at December 31, 2009. Of the bank balance \$500,000 was fully insured by the FDIC (Federal Depository Insurance Corporation) and \$3,991,135 was secured by a collateral pool held by the bank, but not in the Township’s name, as required by New Jersey’s Governmental Unit Deposit Protection Act (GUDPA). The Governmental Unit Deposit Protection Act is more fully described in Note 6 of these financial statements.

Investment Interest Rate Risk – The Township has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investment held at December 31, 2009, are provided in the above schedule.

Investment Credit Risk – The Township has no investment policy that limits its investment choices other than the limitation of state law as follows:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- Government money market mutual funds;
- Any obligation that a federal agency or federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor;

TOWNSHIP OF EASTAMPTON

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Note 5. Cash and Cash Equivalents and Investments (continued):

- Bonds or other obligations of the Township or bonds or other obligations of the local unit or units within which the Township is located;
- Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, approved by the Division of Investment in the Department of Treasury for investment by the Township;
- Local Governments investment pools;
- Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281; or
- Agreements for the repurchase of fully collateralized securities with certain limitations.

Concentration of Investment Credit Risk – The Township places no limit on the amount it may invest in any one issuer.

Note 6. Governmental Unit Deposit Protection Act (GUDPA)

The Township has deposited cash in 2009 with an approved public fund depository qualified under the provisions of the Government Unit Deposit Protection Act. In addition to savings and checking accounts the Township invests monies in certificates of deposits.

The Governmental Unit Deposit Protection Act P.L. 1970, Chapter 236, was passed to afford protection against bankruptcy or default by a depository. C.17:9-42 provides that no governmental unit shall deposit funds in a public depository unless such funds are secured in accordance with this act. C.17:9-42 provides that every public depository having public funds on deposit shall, as security for such deposits, maintain eligible collateral having a market value at least equal to either (1) 5% of the average daily balance of collected public funds on deposit during the 6 month period ending on the next preceding valuation date (June 30 or December 31) or (2) at the election of the depository, at least equal to 5% of the average balance of collected public funds on deposit on the first, eighth, fifteenth, and twenty-second days of each month in the 6 month period ending on the next preceding valuation date (June 30 or December 31). No public depository shall be required to maintain any eligible collateral pursuant to this act as security for any deposit or deposits of any governmental unit to the extent such deposits are insured by F.D.I.C. or any other U.S. agency which insures public depository funds.

No public depository shall at any time receive and hold on deposit for any period in excess of 15 days public funds of a governmental unit(s) which, in the aggregate, exceed 75% of the capital funds of the depository, unless such depository shall, in addition to the security required to be maintained under the

TOWNSHIP OF EASTAMPTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

Note 6. Governmental Unit Deposit Protection Act (GUDPA) (continued)

paragraph above, secure such excess by eligible collateral with a market value at least equal to 100% of such excess.

In the event of a default, the Commissioner of Banking within 20 days after the default occurrence shall ascertain the amount of public funds on deposit in the defaulting depository and the amounts covered by federal deposit insurance and certify the amounts to each affected governmental unit. Within 10 days after receipt of this certification, each unit shall furnish to the Commissioner verified statements of its public deposits. The Commissioner shall ascertain the amount derived or to be derived from the liquidation of the collateral maintained by the defaulting depository and shall distribute such proceeds pro rata among the governmental units to satisfy the net deposit liabilities to such units.

If the proceeds of the sale of the collateral are insufficient to pay in full the liability to all affected governmental units, the Commissioner shall assess the deficiency against all other public depositories having public funds on deposit determined by a formula determined by law. All sums collected by the Commissioner shall be paid to the governmental units having deposits in the defaulting depository in the proportion that the net deposit liability to each such governmental unit bears to the aggregate of the net deposit liabilities to all such governmental units.

All public depositories are required to furnish information and reports dealing with public funds on deposit every six months, June 30th and December 31st, with the Commissioner of Banking. Any public depository which refuses or neglects to give any information so requested may be excluded by the Commissioner from the right to receive public funds for deposit until such time as the Commissioner shall acknowledge that such depository has furnished the information requested.

Upon review and approval of the Certification Statement that the public depository complies with statutory requirements, the Commissioner issues forms approving the bank as a municipal depository. The Municipality should request copies of these approval forms semiannually to assure that all depositories are complying with requirements.

Note 7. Pension:

A. Plan Description

The Township of Eastampton contributes to a cost-sharing multiple-employer defined benefit pension plan, Public Employees' Retirement System (P.E.R.S.) and Police and Fireman's Retirement System (P.F.R.S.), administered by the State of New Jersey, Division of Pensions and Benefits. It provides retirement, disability, medical and death benefits to plan members and beneficiaries. The State of New Jersey P.E.R.S. and P.F.R.S. programs were established as of January 1, 1955 and July 1, 1944, respectively. The programs were established under the provisions of *N.J.S.A.43:15A* and *N.J.S.A.43:16A* which assigns authority to establish and amend benefit provisions to the plan's board of trustees.

TOWNSHIP OF EASTAMPTON

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Note 7. Pension (continued):

P.E.R.S. and P.F.R.S. issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625, or calling (609) 984-1684.

B. Funding Policy

The System's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the System is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction. The System's Board of Trustees is primarily responsible for the administration of the System.

According to the State of New Jersey administrative code, all obligations of the System will be assumed by the State of New Jersey should the System terminate.

Plan members are required to contribute 5% through June 30, 2008 and 5.5% thereafter of their annual covered salary for P.E.R.S., 8.5% of their annual covered salary for P.F.R.S. and the Township is required to contribute at an actuarially determined rate. The current rate represents approximately 1.79% for P.E.R.S. and 9.09% for P.F.R.S. of annual covered payroll. The contribution requirements of plan members and the Township of Eastampton are established and may be amended by the plan's board of trustees. The Township's contributions to P.E.R.S. for the years ending December 31, 2009, 2008 and 2007 were \$23,146, \$34,838 and \$21,920, respectively, equal to the required contributions for each year, and to P.F.R.S. for the years ending December 31, 2009, 2008 and 2007 were \$156,440, \$277,566 and \$163,024, respectively, equal to the required contributions for each year.

Note 8. General Long-Term Debt:

A summary of Long-Term Debt is as follows:

Description	Interest	Balance January 1, 2008	Retired	Balance December 31, 2009
Various Capital Improvements	3.25% to 4.125%	<u>\$8,010,000</u>	<u>\$295,000</u>	<u>\$7,715,000</u>

TOWNSHIP OF EASTAMPTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

Note 8. General Long-Term Debt (continued):

A. 2003 General Obligation Bonds

2003 General Obligation Bonds dated July 1, 2003, were issued in the amount of \$9,320,000. The Bonds are being issued to provide funds, which will be used to: 1) permanently finance the costs of various capital improvements for which the obligations have been authorized and 2) pay certain costs and expenses incidental to the issuance and delivery of the Bonds. Interest on the Bonds will be payable semiannually commencing on January 1, 2004 and thereafter on July 1 and January 1 until maturity.

Principal amounts are due each July 1 starting in 2004. The Bonds maturing on and after July 1, 2014 are subject to redemption prior to their stated maturity dates at the option of the Township at a redemption price equal to 100% of the principal amount of Bonds to be redeemed, plus accrued interest to the redemption date. The following schedule depicts principal and interest commencing January 1, 2009:

Year	Principal	Interest	Total
2010	\$ 320,000.00	\$ 291,678.75	\$ 611,678.75
2011	320,000.00	281,278.75	601,278.75
2012	370,000.00	270,878.75	640,878.75
2013	375,000.00	258,391.25	633,391.25
2014	400,000.00	245,335.00	645,335.00
2015-2019	2,025,000.00	1,017,565.00	3,042,565.00
2020-2024	2,145,000.00	623,600.00	2,768,600.00
2025-2028	<u>1,760,000.00</u>	<u>181,500.00</u>	<u>1,941,500.00</u>
Total	<u>\$7,715,000.00</u>	<u>\$3,170,227.50</u>	<u>\$10,885,227.50</u>

7.11% of principal and interest is charged against budgeted Debt Service. The remaining 92.89% is charged against the Open Space Trust Fund.

Note 9. Property Taxes:

Property taxes are an enforceable lien on the assessed property. Taxes are due on a quarterly basis on February 1, May 1, August 1 and November 1. All unpaid taxes become delinquent 10 days after the above due dates. The Township bills and collects its own property taxes as well as the taxes levied by the other taxing bodies within the municipality. Property tax revenues are recognized when collected. A reserve for uncollected taxes is established in the current operating budget to the extent that their collectability is improbable.

TOWNSHIP OF EASTAMPTON

**NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2009**

Note 10. Capital Lease:

In 2006 the Township entered into a lease purchase agreement for the purchase of a 2006 Ford Crown Victoria with the Ford Motor Credit Company. Payments will be \$709.29 for 36 months. In 2007 the Township entered into a lease purchase agreement for the purchase of two 2007 Crown Victories with the Ford Motor Credit Company. Payments will be \$1,775 for 36 months. In 2009 the Township entered into a lease purchase agreement for two 2008 Chevrolet Suburbans with Ford Motor Credit Company. Payments will be \$1,874.94 for 36 months.

Year	Principal	Interest	Total
2010	\$29,569.67	\$1,808.21	\$31,377.88
2011	<u>16,464.37</u>	<u>410.09</u>	<u>16,874.46</u>
Total	<u>\$46,034.04</u>	<u>\$2,218.30</u>	<u>\$48,252.34</u>

Capital Lease payables are not recorded by the Municipality on the face of the financial statements. They are budgeted on a pay-as-you-go basis.

Note 11. Supplemental Information Open Space Program & Smart Growth Planning Report

Mission of the Open Space Program

Enhancing the quality of life of Eastampton residents is the central focus of municipal government in the Township. The open space plan is a strategically critical link in the pursuit of this goal. New Jersey measures local quality of life through economic well-being, housing value and ownership, property tax base and rate, public safety, school achievement, and community amenities. Eastampton's Open Space Plan addresses each of these elements to the maximum extent possible and is coordinated with the Township's overall smart growth philosophy.

Eastampton was one of seven recipients of the 2004 New Jersey Smart Futures Award in recognition of its thoughtful approach to land use and open space planning. The award was from NJFUTURES, which is New Jersey's leading smart growth organization and is co-chaired by the State's former governors.

The properties listed for preservation in the Open Space Plan have been preserved as of 2003 through a variety of strategies. Certain properties within the plan were the subject of drawn out litigation with developers intent on imposing a poorly balanced ratio of housing to commercial development that would have created a severe fiscal deficit for the municipality.

Impact on Quality of Life and Community Development

The basis of the Township's future economic competitiveness is its livability and attractiveness. The envelope of open space and farmland that has been created around the core of the municipality sets a

TOWNSHIP OF EASTAMPTON

NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2009

Note 11. Supplemental Information Open Space Program & Smart Growth Planning Report (continued):

development environment conducive to high quality and high value construction. The following points further illustrate the anticipated economic benefits of the Plan.

Balanced Land Use - The land preserved under the Plan would have resulted in standard suburban housing tract development. Over the past ten years, applications for such developments were pending that would have yielded 940 +/- dwelling units. The resulting imbalance between residential and commercial land uses would have resulted in a negative ratable for the community. To correct the existing ratio of housing to commercial ratables, the Township has undertaken a comprehensive planning effort of its central business district through a \$60,000 Smart Growth Planning grant from the New Jersey Department of Community Affairs, which will result in standards and incentives to improve the area. Land that is suitable for commercial and mixed-use development also remains open along Route 206. In 2004, the Township approved preliminary site plans and a use variance for 33,000 square feet of new commercial development on Route 206.

- A. Efficient Infrastructure - Eastampton's Plan and redevelopment goals mirror the objectives of the State of New Jersey's Development and Redevelopment Plan. In a 2000 report by Rutgers University on the State Plan entitled "Impact Assessment of the Interim State Development and Redevelopment Plan," the authors concluded that the preservation of open space and redevelopment of existing center: "Will save as much as \$2.3 billion in capital costs for local road and water and sewer infrastructure over the next 20 years and as much as \$160 million per year in reduced fiscal deficits statewide for municipalities and school districts." By avoiding unplanned sprawl development, Eastampton will benefit from reduced infrastructure costs and minimize the ratable deficits.
- B. Higher Property Values – A 1998 report by ERE Yarmouth and Real Estate Research Corporation entitled "Defining New Limits: Emerging Trends in Real Estate" noted that there is "no greater risk to land values than unrestrained development," which promotes a loss in exclusivity that results in a deteriorating housing stock. Further, there are numerous studies showing that proximity to permanent open space has a dramatic effect on property values. Attracting Investment – In a report entitled "The Economic Benefits of Open Space" published by The Trust for Public Land, numerous reports are cited explaining the link between corporate investment, relocation decisions and quality of life, which includes proximity to open space. In short, the report states "If people want to live in a place, companies, stores, hotels, and apartments will follow."

Explanation of Post 1998 Open Space Projects

As of May 2003, all proposed preservation projects have been successfully completed. A green belt of 1,016 +/- acres now surrounds the center of the Township. The lands preserved from development include the following projects:

TOWNSHIP OF EASTAMPTON

NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2009

Note 11. Supplemental Information Open Space Program & Smart Growth Planning Report (continued):

Land Purchased Fee Simple by Township for Passive & Active Recreation: 212 Acres

Project A: Tabas

Acres: 43

Price: \$921,500

Grants: New Jersey Green Acres Program \$460,750

Burlington County Open Space Program \$230,375

Township's Cost: \$460,750

A proposal for a 50+/- unit residential subdivision was pending litigation.

Project B: Eastampton LLC

Acres: 172 (211 acres purchased, 39 acres subdivided for positive ratable growth.)

Price: \$7,438,500 for 172 open space parcel. Cost of the total 211 acres was \$8,950,000.

Grants: New Jersey Green Acres Program \$3,500,000* (\$4,961,500 anticipated)

Burlington County Open Space Program \$1,857,125

Township's Cost: \$4,406,375 (\$619,875 once full grant commitments received).

A Court approved General Development Plan for a 577 residential unit subdivision was pending at time of purchase.

County and Township purchase of development rights for farmland preservation: 334 Acres

Under this approach, the Township has contributed to the acquisition of development rights so that the land can remain in private ownership but limited to farming activities. The Township partnered with the

Burlington County Farmland Preservation program to complete two farmland preservation projects. These include the Axelrod Farm and the Walton Farm.

The Township is now working with the Burlington County Office of Planning and Economic Development to create an agri-business and eco-tourism plan for the region that would include these properties along with historic Smithville Park.

TOWNSHIP OF EASTAMPTON

NOTES TO FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED DECEMBER 31, 2009

Note 11. Supplemental Information Open Space Program & Smart Growth Planning Report (continued):

The total cost to the Township for participation in the acquisition of development rights is expected to be approximately \$325,000. The farmland will continue to generate positive tax revenue for the municipality and grow in value as the regional agri-business and eco-tourism plans unfold.

Wetlands Mitigation: 341 Acres

This land was targeted for higher density residential development to meet the Township's affordable housing obligation. By taking advantage of a new market for restored wetlands, the Township was able to preserve 341 acres of land at no cost while meeting its affordable housing obligation with a high quality and award winning 100 unit affordable housing development in its redevelopment zone.

Background - In March of 1983, weeks after the New Jersey Supreme Court handed down its Mount Laurel II decision, an exclusionary zoning lawsuit was filed against the Township by Toll Brothers, Inc. in order to meet the Township affordable housing obligation. A subsequent settlement provided for the development of 720 multi-family units on the site, which at the time consisted of 297 acres. This project was not developed and in the 1980's, the Freshwater Wetlands Protection Act was adopted that impacted much of the site. The property was taken over by LandBank Inc., which added 70 adjacent acres to the site and proposed a 350-unit development with 70 units set aside for affordable housing.

In 1994, LandBank filed for bankruptcy and a new entity, Rancocas Investments, LLC., took over the property, which continued to carry previous court orders to produce affordable housing. In 1998, the Township entered into negotiations with the new owners. The resulting developer's agreement transferred 26 acres for a 100 unit affordable housing development and the balance of the land would be used for wetlands mitigation projects, which was Rancocas Investment's primary business.

Consequently, the Township was able to preserve 341 acres of environmentally sensitive land and avert a court ordered low quality 350-unit multi-family development to a high quality 100-unit complex that meets the Township affordable housing requirement now and into the immediate future. The development also has initiated the pedestrian scale and community design pattern the Township is encouraging in the Village Center District.

The Township did not incur acquisition costs in this agreement.

Fee Simple Acquisitions by Burlington County Freeholders and Regional High School: 129 Acres

The Burlington County Freeholders and Rancocas Valley Regional High School purchased a 129-acre parcel known as DAC in 1999. Approximately half the land was added to Burlington County's Smithville Park, and the balance of the land is in development stages for active recreational fields for the primary use of the regional high school located in neighboring Mt. Holly Township. Eastampton residents will be granted use of these fields for various active recreational activities.

TOWNSHIP OF EASTAMPTON

NOTES TO FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED DECEMBER 31, 2009

Note 11. Supplemental Information Open Space Program & Smart Growth Planning Report (continued):

Prior to its acquisition, a 55 unit residential subdivision had been proposed.

Governance & Planning

The Township Council, past and present, pursued a disciplined legal and communications strategy to achieve the community's highly vocalized desire to stop the type of development described above and to preserve farmland and open space. The Council has been able to keep the community focused and engaged in complex growth management and quality of life issues over successive elections cycles.

Legal challenges, backed by the development community, had been ongoing for approximately fourteen-years. Through the consistency of its planning documents, the Township prevailed in nearly all instances.

Establishing Open Space Plan & Tax

The Township Council adopted the Plan in 1998 and incorporated it into the Township's Master Plan in June 2001. In each case there was a process of extensive public input that included petitions, public meetings, two surveys and two referendums (1998 and 2001), which memorialized the acquisition goals and created a dedicated tax. Public support of the open space initiatives passed by a 3-1 margin each time. The 1998 referendum established an open space tax of 3 cents per \$100 of assessed value. In 2001 the Township asked for and was given authority to raise the Open Space Tax up to 23 cents per \$100 of assessed value. The current open space tax is set at 4.2 cents per \$100 of assessed value and generates approximately \$220,000 per year. This figure is sufficient to meet the debt payment schedule for the projects listed below and may be reduced as additional funds are received and the municipal tax base grows.

Open Space Grants & Financing

Eastampton Township is taking advantage of two open space grant programs to finance its Plan. These include the State of New Jersey's Green Acres program under the Department of Environmental Protection and the Burlington County Open Space program.

NJ Green Acres Program

The Green Acres program has established a variety of grant options. The most comprehensive grant is known as the *Planning Incentive Grant Program* whereby the applicant municipality is required to amend its municipal master plan to include an approved open space element and establish a dedicated open space tax. In return, the program would provide up to 50 percent of the acquisition costs on the lands listed in the open space element. Eastampton met these requirements and was accepted into the program.

TOWNSHIP OF EASTAMPTON

NOTES TO FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED DECEMBER 31, 2009

Note 11. Supplemental Information Open Space Program & Smart Growth Planning Report (continued):

Green Acres was not able to provide the full 50 percent funding in a timely manner as a result of increased demand for funding and a downturn in State revenues. If the Township choose to wait for full funding from Green Acres prior to acquisition, rising land prices would have jeopardized the program. Consequently, the Township bonded for the full cost of the effort with the consent of Township voters (June 2001 referendum) and with the understanding that funding from Green Acres would be ongoing. In 2004 and 2005, the Township was awarded an additional \$800,000 (\$400,000 each year). The Township has received those funds in 2006. The Township received an additional \$300,000 in 2008 and \$350,000 in 2009. This increased the total funding from Green Acres to \$3,500,000 and lowered the remaining contribution to \$1.46 million.

Conclusion – Growth Management Pays Off in Eastampton

Eastampton Township was aggressive in securing initial grant funding for open space when it was available, approximately \$4,123,250 to date from all sources. It also timed the purchase of the land prior to the rapid increase in real-estate values now being experienced. For example, the Eastampton LLC project was appraised for a second time in January 2003 as part of the subdivision process. Appraisal (1) valued the land at \$13,000,000 and Appraisal (2) valued the land at \$11,937,000¹. Through existing grants, the cost to the Township will be \$4,406,375. If the Green Acres program continues to provide annual payments towards its initially committed level of funding, as is anticipated, the cost to the Township for the land will have been \$1,862,127, or 15 percent of its current value.

As a result of the open space program, construction of 940 low to moderate value residential units was averted that would have overwhelmed local services and the school system in particular. The total cost of the open space program (Eastampton LLC., Tabas and farmland preservation) will fall between \$2.7 and \$5.7 million depending on the availability and timing of additional Green Acres funding. It is a given that the construction of the 940 units would have resulted in 300 - 400 additional students necessitating the construction of an additional school building in addition to the proposed renovations. As previously noted, the cost of financing the open space program decreased in 2004 due to the reduction in the open space tax from .19 cents to .18 cents per \$100 of assessed value. Finally, the value associated with proximity to high quality open space will have a positive impact on surrounding property values, thus further reducing the cost of the open space projects to the community.

To date, one mixed-use project is complete, and another is under construction. As the Township is able to factor these new Ratables into the open space debt schedule, the Council will be in position to consider further adjustments to the open space tax.

¹ (1) Ronald A. Curini Appraisal Co., Inc., Hamilton Square, NJ (2) Joseph L. Manzi Real Estate, Inc., Burlington, NJ.

TOWNSHIP OF EASTAMPTON

**NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2009**

Note 12. Joint Insurance Pool

The Township of Eastampton is a member of the Garden State Municipal Joint Insurance Fund. The Fund provides its members with the following coverage:

Comprehensive Coverage Package: Property, Equipment Breakdown,
Inland Marine, Crime, General Liability and Automobile
Workers' Compensation and Employer's Liability
Law Enforcement Liability
Public Officials Liability

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

The Fund publishes its own financial report for the year ended December 31, 2009, which can be obtained from:

Garden State Municipal Joint Insurance Fund
C/o NIP Group, Inc.
900 Route 9 North, Suite 503
Woodbridge, New Jersey 07095

Note 13 Risk Management

The Township is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error and omission, injuries to employees; and natural disaster. It is the policy of the Township to purchase commercial insurance for the risks of loss to which it is exposed. Settlements in each of the past three years have not exceeded the insurance coverage.

Note 14. Interfunds

The following interfunds remained as of December 31, 2009:

TOWNSHIP OF EASTAMPTON

**NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2009**

Note 14. Interfunds (continued):

Fund	Due From	Due To
Current Fund	\$ 5,535	\$340,717
State/Federal Grant Fund	43,723	
Dog License Fund		4,514
Payroll Fund		1,021
Capital Fund	8	
Trust Other Fund	<u>296,994</u>	<u>8</u>
Total	<u>\$346,260</u>	<u>\$346,260</u>

The purpose of these interfunds is short-term borrowings.

Note 15. Post-Retirement Health Benefits

Eastampton Township provides post-employment dental coverage to eligible retired employees and their families until Medicare age is attained. As of December 31, 2009, an employee is generally eligible for benefits upon retirement provided they have completed 25 years of public employment with the Eastampton Township and are at least 55 years of age. Eligible retirees contribute 20% of the premium charged.

Eastampton Township's annual Other Post-Employment Benefit cost is calculated based on the Annual Required Contribution. The actuarial cost method used to determine the Plan's funding requirements is the "Unit Credit" method. Under this method, an actuarial accrued liability is determined as the present value of the earned benefits, which is allocated to service before the current plan year. The Plan is currently unfunded. The unfunded actuarial liability is amortized over thirty years. The following table shows the changes in Eastampton Township's annual Other Post-Employment Benefit cost for the year, the amount actually contributed to the Plan and changes in their net Other Post-Employment Benefit obligation to the plan:

Annual Required Contribution	\$ 2,440
Interest on Net Other Post-Employment Benefit	-
Adjustment to Annual Required Contribution	-
	<u>2,440</u>
Annual Other Post-Employment Benefit Contributions Made	<u> </u>
Increase in Net OPEB Obligation	2,440
Net OPEB, Beginning of Year	<u>19,242</u>
Net OPEB, End of Year	<u>\$21,682</u>

TOWNSHIP OF EASTAMPTON

**NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2009**

Note 15. Post-Retirement Health Benefits (continued):

Eastampton Township's annual Other Post-Employment Benefit cost, the percentage of annual Other Post Employment Benefit cost contributed to the Plan, and the net Other Post Employment Benefit obligation (OPEB) for the year ending December 31, 2009 is as follows:

YEAR ENDED	ANNUAL OPEB COST	PERCENTAGE CONTRIBUTED	NET OPEB OBLIGATION
12/31/09	\$2,440	0%	\$21,682

Actuarial assumptions were used to value the post-retirement medical liabilities. Actuarial assumptions were based on the actual experience of the covered group, to the extent that creditable experience data was available, with an emphases on expected long-term future trends rather than giving undue weight to recent past experience. The reasonableness of each actuarial assumption was considered independently based on its own merits, its consistency with each other assumption, and the combined impact of all assumptions.

Two economic assumptions used in the valuation are the discount rate and the dental care cost trend rates. The economic assumptions are used to account for changes in the cost of benefits over time and to discount future benefit payments for the time value of money.

The investment return assumption (discount rate) should be the estimated long-term investment yield on the investments that are expected to be used to finance the payments of benefits. The investments expected to be used to finance the payments of benefits would be plan assets for funded plans, assets of the employer for pay-as-you-go plans, or a proportionate combination of the two for plans that being partially funded. We assumed a discount rate of 5.0 percent for purposes of developing the liabilities and Annual Required Contribution on the basis that the Plan would not be funded. We based dental claims on an annual average claims cost of approximately \$1,424 per covered retiree for family coverage and \$491 for single coverage. We assumed dental care costs would increase annually at a rate of 5%.

Eastampton Township currently has one eligible retired employees receiving retirement benefits. The net Other Post-Employment Benefit obligation to Eastampton Township to provide benefits to the retirees for the year ended December 31, 2009, was \$21,682.

Note 16. Pension Deferral

Eastampton Township elected to defer 50 percent of their normal PERS and PFRS pension obligations which were due April 1, 2009 for the state fiscal year ending June 30, 2009 pursuant to Public Law 2009, c.19 (S-21) which was enacted March 17, 2009. The total amount deferred by the Township was \$163,090, which was made of \$18,538 of PERS obligations and \$144,552 of PFRS obligations.

TOWNSHIP OF EASTAMPTON

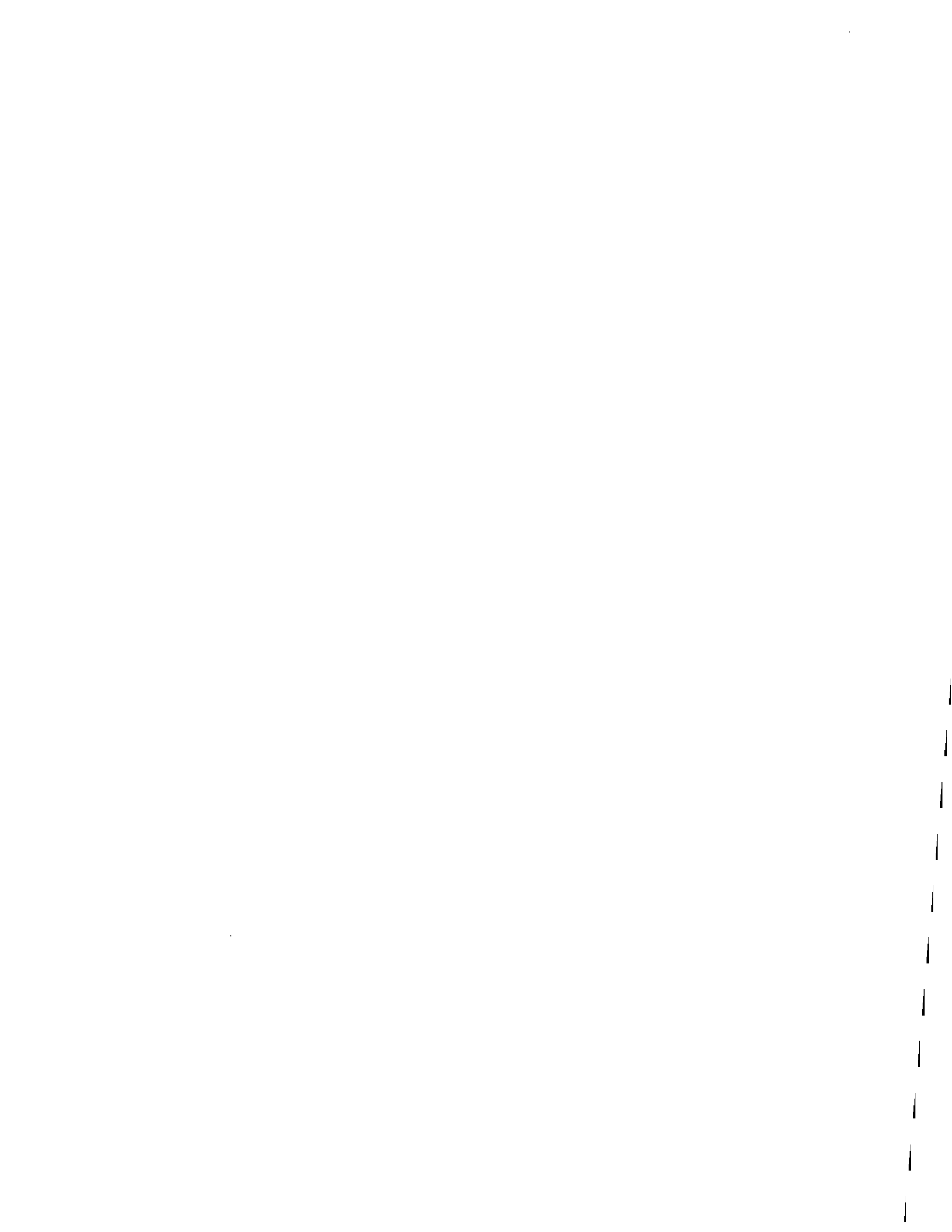
**NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2009**

Note 16. Pension Deferral (continued):

The unpaid amount of the Township's pension obligation will be repaid starting in April of 2012 and will extend over a 15 year period. The amount due will fluctuate based on pension system investment earnings on the deferred amount.

SUPPLEMENTAL EXHIBITS

CURRENT FUND



**TOWNSHIP OF EASTAMPTON
CURRENT FUND
STATEMENT OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2009**

	CURRENT FUND	STATE & FEDERAL GRANT FUND
Balance December 31, 2008	\$928,523	
Increased by Receipts:		
Taxes Receivable	\$12,018,365	
Tax Title Liens Receivable	13,583	
Prepaid Taxes	43,224	
Petty Cash	825	
Tax Overpayments	75,931	
Due To Mt. Holly Sewer	56,806	
Miscellaneous Revenue Not Anticipated	67,896	
Due From State of New Jersey - Senior Citizen & Veteran Deductions	60,283	
Revenue Accounts Receivable	1,351,902	
Due to Trust Other	270,114	
Due State & Federal Grant Fund	4,674	
Due State DCA	7,483	
Due State Marriage Licenses	1,150	
State Grants Receivable		14,533
State Grants Unappropriated		6,463
	13,972,236	20,996
Total Receipts	13,972,236	20,996
Subtotal	14,900,759	20,996
Decreased by Disbursements:		
2009 Appropriations	4,166,147	
2008 Reserved Appropriations	166,264	
Reserve for New Jersey State Grants Appropriated		16,322
Encumbrances Payable	35,347	
Refund of Tax Overpayments	10,148	
County Taxes	2,021,179	
County Share of Added Taxes	14,333	
Local School Tax	4,759,417	
Regional High School Tax	1,866,346	
Fire District Tax	299,730	
Open Space Trust	220,012	
Due State Marriage Licenses	1,150	
Codification of Ordinances	6,899	
Reassessment Program	25	
Due State DCA	1,750	
Special Emergency Note Payable	41,600	
Trust Other	250,076	
Petty Cash	825	
Due To Mt. Holly Sewer	52,880	
Interfund - State & Federal		4,674
	13,914,128	20,996
Total Disbursements	13,914,128	20,996
Balance December 31, 2009	\$986,631	-

**TOWNSHIP OF EASTAMPTON
CURRENT FUND
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2009**

YEAR	BALANCE	2009 LEVY	ADDED TAXES	COLLECTED		DUE FROM STATE OF NEW JERSEY	OVERPAYMENTS APPLIED	TRANSFERRED		BALANCE DECEMBER 31, 2009
	DECEMBER 31, 2008			2008	2009			TO TAX TITLE LIENS	CANCELED	
2008	\$2,626				2,546	(1,217)				1,297
Total	2,626				2,546	(1,217)				1,297
2009		12,238,460	22,051	44,351	12,015,819	63,500	34,976	44,728	28,455	28,682
Total	\$2,626	12,238,460	22,051	44,351	12,018,365	62,283	34,976	44,728	28,455	29,979

ANALYSIS OF 2009 PROPERTY TAX LEVY

General Purpose		\$11,938,730
Added Taxes (54:4-63.1 et seq)		22,051
Fire District Tax		299,730
Total		<u>\$12,260,511</u>
TAX LEVY:		
Local School Tax		\$4,787,878
Regional High School Tax		1,829,531
County Taxes:		
General County	\$1,651,237	
County Open Space	213,033	
County Library Tax	156,909	
Due County for Added Tax (54:4-63.1 et seq)	3,659	2,024,838
Fire District Tax		299,730
Municipal Open Space	220,065	
Local Tax for Municipal Purposes	3,078,747	
Add: Additional Taxes Levied	19,722	3,318,534
Total		<u>\$12,260,511</u>

**TOWNSHIP OF EASTAMPTON
CURRENT FUND
STATEMENT OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Balance December 31, 2008		\$380,620
Increased by :		
Transfers From Taxes Receivable	\$44,728	
Interest & Costs/Year-End Penalties	690	45,418
Subtotal		426,038
Decreased by :		
Liens Redeemed		13,583
Balance December 31, 2009		\$412,455

**STATEMENT OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2009**

	BALANCE DECEMBER 31, 2008	ACCRUED IN 2009	COLLECTED BY TREASURER	BALANCE DECEMBER 31, 2009
Licenses:				
Alcoholic Beverages		9,908	9,908	
Trailer Camp Licenses		7,440	7,440	
Fees & Permits - Other		3,879	3,879	
Construction Code Official:				
Fees & Permits	\$1,228	83,510	84,738	
Housing Resale Certification Fees		2,880	2,880	
Municipal Court:				
Fines & Costs	7,618	103,528	105,095	6,051
Energy Receipts Taxes		465,450	465,450	
Extraordinary Aid		250,000	250,000	
P.I.L.O.T.		69,450	69,450	
Interfunds Liquidated		29,953	29,953	
C.M.P.T.R.A		71,253	71,253	
Interest on Investments & Deposits		22,015	22,015	
Reserve for Debt Service		119,842	119,842	
Capital Surplus		75,000	75,000	
Cable Television Fees		19,525	19,525	
Rental of Real Property		3,750	3,750	
Police Reports		2,451	2,451	
Hotel Fees		3,573	3,573	
Land Use Review Fees		5,700	5,700	
Total	\$8,846	1,349,107	1,351,902	6,051
Cash Receipts			\$1,351,902	
Total			\$1,351,902	

TOWNSHIP OF EASTAMPTON
 CURRENT FUND
 SCHEDULE OF DUE (TO) FROM STATE OF NEW JERSEY
 VETERAN AND SENIOR CITIZEN DEDUCTIONS
 FOR THE YEAR ENDED DECEMBER 31, 2009

Balance December 31, 2008		\$13,656
Increased by:		
2009 Deductions Per Tax Billing:		
Senior Citizens'	\$4,000	
Veterans'	56,750	
Deductions Allowed by Collector - 2009 Taxes	2,750	63,500
		<hr/>
Subtotal		77,156
Decreased by:		
Deductions Disallowed by Collector - Prior Year	1,217	
Received from State of New Jersey Veterans'	60,283	61,500
		<hr/>
Balance December 31, 2009		<u><u>\$15,656</u></u>

**TOWNSHIP OF EASTAMPTON
CURRENT FUND
STATEMENT OF 2008 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	BALANCE DECEMBER 31, 2008	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED	OVEREXPENDED
Other Expenses:					
General Administrative	\$2,484	2,484	2,344	140	
Mayor & Council	635	635	205	430	
Municipal Clerk - Ordinances	1	6,701	6,640	61	
Financial Administration	6,912	12,192	7,666	4,526	
Collection of Taxes	347	347	344	3	
Legal Services & Costs	5,060	5,060	2,925	2,135	
Municipal Court	1,620	1,620	720	900	
Planning Board Legal	1,226	1,226	645	581	
Other Insurance	456	2,994	2,901	93	
Employee Group Insurance	776	776		776	
Construction Official	13	13	5	8	
Police	10,005	10,255	10,855		600
Recycling Tax	6,379	6,379	4,106	2,273	
Public Works	7,048	5,048	3,521	1,527	
Vehicle Maintenance	3,939	3,939	1,197	2,742	
Condo Service Law	20,000	20,000	20,000		
Utility Expenses Electricity	1,748	1,948	1,940	8	
Utility Expenses Street Lighting	4,659	5,134	6,811		1,677
Utility Expenses Telephone	1,933	1,933	572	1,361	
Utility Expenses Fuel Oil	1,131	1,131	904	227	
Utility Expenses Sewer	165	165	165		
Utility Expenses Gasoline	3,517	3,517	2,075	1,442	
Land Waste Disposal	26,534	26,534	26,354	180	
Social Security	5,759	6,159	5,980	179	
Prior Year Professional Bills	205	205	61	144	
Interlocal Services Agreement:					
Tax Assessor	5,617	5,617	14	5,603	
MACCS	10,281	10,281	10,179	102	
Salary & Wages:					
Financial Administration	2,888	2,888	2,578	310	
Collection of Taxes	735	735	711	24	
Police	63,224	47,571	59,672		12,101
Public Works	7,105	8,915	15,999		7,084
Buildings & Grounds	568	568	506	62	
Municipal Court	3,126	3,126	3,016	110	
All Others	8,724	8,724		8,724	
Total	\$214,820	214,820	201,611	34,671	21,462

**TOWNSHIP OF EASTAMPTON
CURRENT FUND
STATEMENT OF LOCAL DISTRICT SCHOOL TAX
FOR THE YEAR ENDED DECEMBER 31, 2009**

Balance December 31, 2008:	
School Tax Deferred	\$2,365,478
Increased by Levy - School Year July 1, 2009 - June 30, 2010	<u>4,787,878</u>
Subtotal	7,153,356
Decreased - Payments	<u>4,759,417</u>
Balance December 31, 2009:	
School Tax Deferred	<u>2,393,939</u>
Total Balance December 31, 2009	<u><u>\$2,393,939</u></u>

ANALYSIS OF AMOUNT CHARGED TO OPERATIONS

Tax Paid	<u>\$4,759,417</u>
Amount Charged to 2009 Operations	<u><u>\$4,759,417</u></u>

**STATEMENT OF REGIONAL HIGH SCHOOL TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2009**

Balance December 31, 2008:	
School Tax Deferred	\$951,576
Increased by - Levy - July 1, 2009 to June 30, 2010	<u>1,829,531</u>
Subtotal	2,781,107
Decreased by - Payments	<u>1,866,346</u>
Balance December 31, 2009:	
School Tax Deferred	<u>914,761</u>
Total Balance December 31, 2009	<u><u>\$914,761</u></u>

ANALYSIS OF AMOUNT CHARGED TO OPERATIONS

2009 Payments	<u>\$1,866,346</u>
Amount Charged to 2009 Operations	<u><u>\$1,866,346</u></u>

**TOWNSHIP OF EASTAMPTON
CURRENT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2009**

	BALANCE DECEMBER 31, 2008	2009 REVENUE	RECEIVED 2009	BALANCE DECEMBER 31, 2009
State Grants:				
Drunk Driving Enforcement Fund		2,524	2,524	
Transportation Trust Fund	\$51,591			51,591
Office Highway Safety - Click-it or Ticket	295			295
Body Armor Replacement Fund		1,659	1,659	
Computer Cops CD Grant	1,100			1,100
Recycling Tonnage Grant		1,825	1,825	
Clean Communities Fund		9,533	9,533	
Sustainable New Jersey		10,000	5,000	5,000
Municipal Stormwater Regulation	6,351			6,351
Subtotal	59,337	25,541	20,541	64,337
Federal Grants:				
Community Development Block Grant	2,018			2,018
Total	\$61,355	25,541	20,541	66,355
			\$6,008	
			14,533	
			\$20,541	

**TOWNSHIP OF EASTAMPTON
CURRENT FUND
STATEMENT OF RESERVES FOR STATE AND FEDERAL GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2009**

APPROPRIATION	BALANCE DECEMBER 31, 2008	2009 APPROPRIATIONS	2009 DISBURSED	BALANCE DECEMBER 31, 2009
State Share of Grants:				
Transportation Trust Fund	\$61,700			61,700
Clean Communities Fund	725	9,533	7,080	3,178
Drunk Driving Enforcement Fund	3,273	2,524	2,295	3,502
Alcohol Education Rehabilitation Fund	375			375
Community Forestry Program	960			960
Community Resources/Special Legislative Grant	2,457			2,457
Computer Cops CD Grant	5,175		4,030	1,145
Body Armor Replacement Fund	2,827	1,659	637	3,849
Office Highway Safety - DWI	1,342		917	425
Office Highway Safety - Click It or Ticket	295			295
Recycling Tonnage Grant	853	1,825		2,678
Emergency Management Grant	405			405
Municipal Storm Water Regulation	6,930		2,000	4,930
Municipal Alliance - Township Share		3,200		3,200
Sustainable New Jersey		10,000		10,000
Community Development Block Grant	3,879			3,879
Total	\$91,196	28,741	16,959	102,978
			\$637	
			16,322	
			\$16,322	

**STATEMENT OF RESERVE FOR STATE AND FEDERAL GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2009**

APPROPRIATION	BALANCE DECEMBER 31, 2008	CASH RECEIPTS	APPROPRIATED DURING 2009	ADJUSTMENT	BALANCE DECEMBER 31, 2009
State Share of Grants:					
Drunk Driving Enforcement Fund	\$2,524	2,675	2,524		2,675
Body Armor Replacement Fund	1,659		1,659		
Recycling Grant	1,825	3,788	1,825		3,788
Total	\$6,008	6,463	6,008		6,463

TRUST FUND

**TOWNSHIP OF EASTAMPTON
TRUST FUND
STATEMENT OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>DOG LICENSE</u>	<u>OTHER</u>
Balance December 31, 2008	\$12,400	3,441,545
Increased by Receipts:		
Dog License Fees	\$4,368	
Due State of New Jersey Treasury Fees	920	
Due Current	74	5,937
Reserved For:		
Engineering & Inspection Escrow Funds		62,892
Redemption of Tax Title Liens		86,282
Tax Sale Premiums		22,400
Special Law Enforcement		12,444
Public Defender		3,435
Municipal Open Space Fund		388,674
Off Duty Police		10,267
Park & Recreation Funds		44,755
Total Receipts	<u>5,362</u>	<u>637,086</u>
Subtotal	<u>17,762</u>	<u>4,078,631</u>
Decreased by Disbursements:		
Expenditures Under R.S.4:19-15.11	1,713	
Escrow Funds		46,375
Due to State of New Jersey	900	
Public Defender		1,422
Parks & Recreation Building Fund		35
Redemption of Tax Title Liens		103,386
Due to Capital		71,992
Due to Current Fund	2,271	29,414
Tax Sale Premiums		9,200
Special Law Enforcement		6,959
Municipal Open Space Fund		576,865
Off Duty Police		7,431
Park & Recreation Fees		25,091
Total Disbursements	<u>4,884</u>	<u>878,170</u>
Balance December 31, 2009	<u><u>\$12,878</u></u>	<u><u>3,200,461</u></u>

**TOWNSHIP OF EASTAMPTON
DOG LICENSE FUND
STATEMENT OF DUE TO/(FROM) STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2009**

Balance December 31, 2008	(\$25)
Increased by:	
2009 State Registration Fees Collected	920
Subtotal	895
Decreased by:	
Payments to State of New Jersey	900
Balance December 31, 2009	(\$5)

**STATEMENT OF RESERVE FOR DOG FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2009**

Balance December 31, 2008	\$8,658
Increased by:	
Due from Dog Registrar: Dog Licenses	4,206
Subtotal	12,864
Decreased by:	
Excess Due to Current Fund	\$2,943
Expenditures Under R.S. 4:19-11	1,713
	4,656
Balance December 31, 2009	\$8,208

LICENSE FEES COLLECTED

YEAR	AMOUNT
2008	\$4,216
2007	3,992
Total	\$8,208

**TOWNSHIP OF EASTAMPTON
TRUST FUND
STATEMENT OF RESERVE FOR ESCROW FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Balance December 31, 2008	\$27,699
Increased by:	
Escrow Funds:	
Escrow Deposits	62,892
Subtotal	90,591
Decreased by:	
Escrow Payments	46,375
Balance December 31, 2009	\$44,216

**STATEMENT OF RESERVE FOR REDEMPTION OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Balance December 31, 2008	\$19,713
Increased by:	
Tax Sale Receipts	101,904
Subtotal	121,617
Decreased by:	
Tax Sale Redemptions	103,386
Balance December 31, 2009	\$18,231

**STATEMENT OF RESERVE FOR STORM WATER MANAGEMENT
FOR THE YEAR ENDED DECEMBER 31, 2009**

Balance December 31, 2009 & 2008	\$1,273
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**TOWNSHIP OF EASTAMPTON
TRUST FUND
STATEMENT OF RESERVE FOR PARKS AND RECREATION BUILDING FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

Balance December 31, 2008	\$1,308
Decreased by:	
Disbursements	35
	<hr/>
Balance December 31, 2009	<u>1,273</u>

**STATEMENT OF RESERVE FOR PARKS AND RECREATION
FOR THE YEAR ENDED DECEMBER 31, 2009**

Balance December 31, 2008	\$ -
Increased by:	
Interest Earnings	\$6
Due from Current	810
Recreation Fees	43,939
	<hr/>
Subtotal	44,755
Decreased by:	
Expenditures	25,091
	<hr/>
Balance December 31, 2009	<u>\$19,664</u>

**TOWNSHIP OF EASTAMPTON
TRUST FUND
STATEMENT OF RESERVE FOR SPECIAL LAW ENFORCEMENT
FOR THE YEAR ENDED DECEMBER 31, 2009**

Balance December 31, 2008		\$5,085
Increased by:		
Receipt from Forfeitures	\$12,386	
Interest	58	12,444
		<hr/>
Subtotal		17,529
Decreased by:		
Disbursements		6,959
		<hr/>
Balance December 31, 2009		<u><u>\$10,570</u></u>

**STATEMENT OF RESERVE FOR MUNICIPAL OPEN SPACE TAX
FOR THE YEAR ENDED DECEMBER 31, 2009**

Balance December 31, 2008		\$3,459,386
Increased by:		
Tax Levy	\$220,064	
County Open Space	146,400	
Interest Earned	22,263	388,727
		<hr/>
Subtotal		3,848,113
Decreased by:		
Debt Service	553,870	
Due Current	22,995	576,865
		<hr/>
Balance December 31, 2009		<u><u>\$3,271,248</u></u>

**TOWNSHIP OF EASTAMPTON
TRUST FUND
STATEMENT OF RESERVE FOR PUBLIC DEFENDER
FOR THE YEAR ENDED DECEMBER 31, 2009**

Balance December 31, 2008	\$8,132
Increased by:	
Receipt For Public Defender Fees	3,534
Subtotal	11,666
Decreased by:	
Disbursements	2,022
Balance December 31, 2009	\$9,644

**STATEMENT OF RESERVE FOR OFF DUTY POLICE OFFICERS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Balance December 31, 2008	\$3,997
Increased by:	
Receipt For Off Duty Police Officers	16,962
Subtotal	20,959
Decreased by:	
Disbursements	7,431
Balance December 31, 2009	\$13,528

**STATEMENT OF RESERVE FOR TAX SALE PREMIUM
FOR THE YEAR ENDED DECEMBER 31, 2009**

Balance December 31, 2008	\$104,600
Increased by:	
Receipts	23,400
Subtotal	128,000
Decreased by:	
Other	\$11,600
Disbursements	9,200
	20,800
Balance December 31, 2009	\$107,200

GENERAL CAPITAL FUND

**TOWNSHIP OF EASTAMPTON
GENERAL CAPITAL FUND
STATEMENT OF GENERAL CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2009**

Balance December 31, 2008		\$519,994
Increased by:		
Due To Current Fund	\$200,000	
Due To Current Fund - Interest	3,686	203,686
		<hr/>
Subtotal		723,680
Decreased by:		
Improvement Authorizations	105,929	
Prior Year Account Payables & Contracts Payable Paid	44,473	
Loan Current Fund	200,000	
Reserve for Debt Service	47,850	
Due To Current - Capital Surplus	75,000	
Due To Current - Interest	3,686	476,938
		<hr/>
Balance December 31, 2009		<u><u>\$246,742</u></u>

**STATEMENT OF GENERAL CAPITAL CASH AND INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Capital Improvement Fund		\$8,084
Reserve to Pay Debt Service		17,158
Capital Surplus		2
Contracts Payable		760
Accounts Payable		10,197
Due from Trust Other		(8)
DOT Account Receivable		(16,150)
Improvement Authorizations:		
Ordinance Number:	DESCRIPTION	
1995-05	Purchase of Computer & Other	2
2000-04	Purchase of Leaf Vacuum	(384)
2001-03	Purchase of Various Capital Items	(190)
2002-14	Purchase of Land	44,685
2005-16	Various Capital Improvements	304
2006-06	Various Capital Equipment	37,227
2006-08	Trash Compactor	6,205
2007-13	Installation Sidewalk on Student Drive	42,885
2008-06	Road Construction & Miscellaneous Public Works Equipment	64,104
2008-12	Various Capital Items	31,861
		<hr/>
Total		<u><u>\$246,742</u></u>

**TOWNSHIP OF EASTAMPTON
GENERAL CAPITAL FUND
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2009**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2008	NOTES PAID BY BUDGET APPROPRIATIONS	BALANCE DECEMBER 31, 2009	ANALYSIS OF BALANCE DECEMBER 31, 2009		
					FINANCED BY BOND ANTICIPATION NOTES	UNEXPENDED EXPENDITURES	IMPROVEMENT AUTHORIZATIONS
General Improvements:							
1988-10	Miscellaneous General Improvements	\$75		75			75
2000-04	Purchase of Leaf Vacuum, Mower, Police Court Renovations	384		384		384	
2001-03	Purchase of Various Capital Items	190		190		190	
2002-14	Open Space Preservation	626,065	125,000	501,065	500,000	1,065	
2004-06	Purchase of Various Capital Items	21,900	21,900				
2005-16	Various Capital Improvements	170,804	24,401	146,403	146,403		
2005-19	Purchase of Generator	33,440	16,720	16,720	16,720		
2006-06	Various Capital Equipment	407,511	50,939	356,572	356,572		
2006-08	Trash Compactor	83,600	10,450	73,150	73,150		
2008-06	Road Construction & Miscellaneous Public Works Equipment	332,500	119,842	212,658	212,658		
2008-12	Various Capital Items	153,995		153,995	153,995		
Total		\$1,830,464	369,252	1,461,212	1,459,498	1,639	75

Improvement Authorizations Unfunded	<u>\$139,776</u>
Less: Unexpended Proceeds of Bond Anticipation	
Notes Issued:	
Ord Numbers--	
2005-16	\$304
2006-06	37,227
2006-08	6,205
2008-06	64,104
2008-12	<u>31,861</u>
Total	<u><u>\$75</u></u>

EXHIBIT C-4

**TOWNSHIP OF EASTAMPTON
GENERAL CAPITAL FUND
STATEMENT OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

Balance December 31, 2009 & 2008

\$8,084

**TOWNSHIP OF EASTAMPTON
GENERAL CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2009**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2008		PAID OR CHARGED	CANCEL	REFUNDS	BALANCE DECEMBER 31, 2009		
				UNFUNDED	FUNDED				UNFUNDED	FUNDED	
General Improvements:											
1988-10	Miscellaneous General Improvements	6/28/88	\$120,375	\$75					75		
1995-05	Purchase of Computer & Other	6/22/95	132,500		2					2	
2002-14	Purchase of Land	10/28/02	1,050,000		45,750					45,750	
2005-16	Various Capital Improvements	5/23/05	256,850	10,378		10,074			304		
2006-06	Various Capital Equipment	6/12/06	851,000	42,746		5,565		46	37,227		
2006-08	Trash Compactor	9/25/06	110,000	6,205					6,205		
2007-13	Installation of Sidewalk on Student Drive	12/10/07			42,885					42,885	
2008-06	Road Construction & Miscellaneous Public Works Equipment	4/28/08	332,500	113,225		17,321	31,800		64,104		
2008-12	Various Capital Items	10/24/08	153,995	112,328		80,467			31,861		
Total				\$284,957	88,637	113,427	31,800	46	139,776	88,637	
Accounts Payable						\$7,452					
Cash Disbursements						<u>105,975</u>					
Total						<u>\$113,427</u>					
Dot Grant Cancelled - Knightsbridge Road							<u>\$31,800</u>				

**TOWNSHIP OF EASTAMPTON
GENERAL CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES
AT DECEMBER 31, 2009**

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ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ISSUE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2008	INCREASED	DECREASED	BALANCE DECEMBER 31, 2009
2002-14	Purchase of Land	10/28/02	02/9/08 02/6/09	02/6/09 02/5/10	3.25% 3.94%	\$625,000	500,000	625,000	500,000
2004-06	Purchase of Various Capital Items	05/28/04	05/23/08	05/27/09	3.00%	21,900		21,900	
2005-16	Various Capital Improvements	5/23/05	06/13/08 06/12/09	06/12/09 06/11/10	3.00% 3.94%	170,804	146,403	170,804	146,403
2005-19	Purchase of Generator	10/11/05	11/14/08 11/13/09	11/13/09 11/12/10	3.20% 3.74%	33,440	16,720	33,440	16,720
2006-06	Various Capital Equipment	7/12/06	07/11/08 07/10/09	07/10/09 07/09/10	3.00% 3.94%	407,511	356,572	407,511	356,572
2006-08	Trash Compactor	11/17/06	11/14/08 11/13/09	11/13/09 11/12/10	3.20% 3.74%	83,600	73,150	83,600	73,150
2008-06	Miscellaneous Public Works Equipment & Road Construction	6/18/08	6/18/08 6/19/09	6/19/09 6/18/10	3.00% 3.94%	332,500	212,658	332,500	212,658
2008-12	Various Capital Improvements & Equipment	11/13/08	11/13/08 11/13/09	11/13/09 11/12/10	3.00% 3.74%	153,995	153,995	153,995	153,995
Total						<u>\$1,828,750</u>	<u>1,459,498</u>	<u>1,828,750</u>	<u>1,459,498</u>
							Renewals	\$1,459,498	1,459,498
							Paid by Budget Appropriation		369,252
								<u>\$1,459,498</u>	<u>1,828,750</u>

**TOWNSHIP OF EASTAMPTON
GENERAL CAPITAL FUND
ANALYSIS OF BONDS PAYABLE
AT DECEMBER 31, 2009**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORIGINAL AMOUNT OF ISSUE	ORIGINAL DATE OF ISSUE	MATURITIES OF BONDS		INTEREST RATE	BALANCE		BALANCE	
				OUTSTANDING DECEMBER 31, 2009	DATE		DECEMBER 31, 2008	PAID	ISSUED	DECEMBER 31, 2009
2003-04	Various Capital Improvements	\$9,320,000	6/16/03	7/01/10	\$320,000	3.250%	\$8,010,000	295,000		7,715,000
				7/01/11	320,000	3.250%				
				7/01/12	370,000	3.375%				
				7/01/13	375,000	3.375%				
				7/01/14	400,000	3.500%				
				7/01/15	400,000	3.500%				
				7/01/16	400,000	3.500%				
				7/01/17	405,000	3.500%				
				7/01/18	410,000	3.600%				
				7/01/19	410,000	4.000%				
				7/01/20	410,000	4.000%				
				7/01/21	420,000	4.000%				
				7/01/22	435,000	4.000%				
				7/01/23	440,000	4.000%				
				7/01/24	440,000	4.000%				
				7/01/25	440,000	4.125%				
				7/01/26	440,000	4.125%				
				7/01/27	440,000	4.125%				
				7/01/28	440,000	4.125%				
						Total	\$8,010,000	295,000	-	7,715,000

**TOWNSHIP OF EASTAMPTON
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2009**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2008	INCREASED BY IMPROVEMENT AUTHORIZATIONS	BOND	BALANCE DECEMBER 31, 2009
				ANTICIPATION NOTES ISSUED	
1988-10	Miscellaneous General Improvements	\$75			75
2000-04	Purchase of a Leaf Vacuum Mower, Police & Court Renovations	384			384
2000-09	Open Space Preservation	197			197
2001-03	Purchase of Various Capital Items	190			190
2002-11	Open Space Preservation	868			868
	Total	<u>\$1,714</u>			<u>1,714</u>

PAYROLL FUND

**TOWNSHIP OF EASTAMPTON
PAYROLL FUND
STATEMENT OF PAYROLL FUND CASH
FOR THE YEAR ENDED DECEMBER 31, 2009**

Balance December 31, 2008		\$37,535
Increased by Receipts:		
Net Pay	\$1,347,286	
Due from Current	192	
Payroll Withholdings	1,047,122	2,394,600
Subtotal		2,432,135
Decreased by Disbursements:		
Net Pay	1,347,286	
Due to Current	16,241	
Payment to Agencies	1,050,953	2,414,480
Balance December 31, 2009		\$17,655

**STATEMENT OF PAYROLL TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2009**

Balance December 31, 2008		\$20,465
Increased by:		
Payroll Deductions		1,047,122
Subtotal		1,067,587
Decreased by:		
Disbursements		1,050,953
Balance December 31, 2009		\$16,634

ANALYSIS OF BALANCE

Pension Liability		\$14,550
New Jersey State Withholding Taxes		1,340
New Jersey Disability		426
New Jersey FLI		42
New Jersey Unemployment Compensation		276
Balance December 31, 2009		\$16,634

SUPPLEMENTARY DATA

**Summary of Municipal Debt
(Excluding Current Debt)**

	YEAR 2009	YEAR 2008	YEAR 2007
Issued - General - Bonds & Notes	\$9,174,498	9,838,750	9,909,365
Authorized but not Issued:			
General - Bonds & Notes	1,714	1,714	1,714
Total	\$9,176,212	9,840,464	9,911,079

**Summary of Statutory 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 statutory net debt of .38%

	GROSS DEBT	DEDUCTIONS	NET DEBT
Local School District Debt	\$11,165,000	11,165,000	
Regional School District Debt	2,420,055	2,420,055	
General Debt	9,176,212	7,183,622	1,992,590
Total	\$22,761,267	20,768,677	1,992,590

Net Debt, \$1,992,590 divided by Equalized Valuation Basis per N.J.S.A.40A:2-2, as amended, \$523,781,348 equals .38%.

Equalized Valuation Basis:

2009	\$515,033,596
2008	532,280,543
2007	524,029,906
Average	\$523,781,348

Borrowing Power Under 40A:2-6:

3-1/2% of Equalized Valuation Bases (Municipal)	\$18,332,347
Net Debt	1,992,590
Remaining Borrowing Power	\$16,339,757

**Comparative Statement of Operations and
Change in Fund Balance - Current Fund**

	YEAR 2009		YEAR 2008	
	AMOUNT	PERCENT	AMOUNT	PERCENT
Revenue and Other Income Realized				
Fund Balance Utilized	\$100,000	0.73%	436,300	3.11%
Miscellaneous - From Other Than Local Property Tax Levies	1,488,942	10.82%	1,324,110	9.43%
Collection of Delinquent Taxes & Tax Title Liens	14,912	0.11%	205,448	1.46%
Collection of Current Tax Levy	12,158,646	88.35%	12,068,504	85.99%
Total Income	13,762,500	100.00%	14,034,362	100.00%
Expenditures				
Budget Expenditures - Municipal				
Purposes	4,397,153	32.41%	4,577,889	32.68%
County Taxes	2,024,838	14.92%	2,057,964	14.69%
Local & Regional School Taxes	6,625,763	48.84%	6,785,428	48.44%
Other Expenditures	220,065	1.62%	289,153	2.06%
Special District Taxes	299,730	2.21%	297,180	2.12%
Total Expenditures	13,567,549	<u>100.00%</u>	14,007,614	<u>100.00%</u>
Excess in Revenue	194,951		26,748	
Fund Balance January 1	276,129		685,681	
Total	471,080		712,429	
Less:				
Utilization as Anticipated Revenue	100,000		436,300	
Fund Balance December 31	<u><u>\$371,080</u></u>		<u><u>276,129</u></u>	

**Comparison of Tax Levies
and Collection Currently**

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

YEAR	TAX LEVY	CURRENTLY		
		CASH COLLECTIONS	PERCENTAGE OF COLLECTION	
2009	\$12,260,511	12,158,646	99.17%	
2008	12,113,015	12,068,504	99.63%	
2007	12,472,381	12,177,822	97.64%	
		2009	2008	2007
Total Tax Rate		<u>\$2.343</u>	<u>\$2.302</u>	<u>\$2.354</u>
Apportionment of Tax Rate:				
Municipal		0.589	0.531	0.496
Fire District Tax		0.058	0.057	0.057
County		0.388	0.393	0.396
Local School		0.916	0.905	0.956
Regional School		0.350	0.364	0.377
Municipal Open Space		0.042	0.052	0.072

Net Valuation Taxable:

2009	\$522,910,383		
2008		\$522,632,943	
2007			\$521,083,404

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.

YEAR ENDED DECEMBER 31	AMOUNT OF TAX TITLE LIENS	AMOUNT OF DELINQUENT TAXES	TOTAL DELINQUENT	PERCENTAGE OF TAX LEVY
2009	\$412,455	29,979	442,434	3.609%
2008	380,620	2,626	383,246	3.164%
2007	344,892	230,783	575,675	4.616%

Comparative Schedule of Fund Balances

Current Fund:	Balance December 31	Utilized in Budget of Succeeding Year
2009	\$371,080	231,000
2008	276,129	100,000
2007	685,681	436,300
2006	946,987	650,000
2005	1,055,064	650,000
2004	951,835	585,000
2003	976,349	453,600

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2009:

NAME	TITLE	AMOUNT OF BOND	NAME OF CORPORATE SURETY
Keith Nagler	Mayor		
Jay Springer	Deputy Mayor		
Louise Campbell	Councilwoman		
Joe Maroccia	Councilman		
Walt Tafe	Councilman		
David Scott Carew	Township Manager		
Kim-Marie White	Township Clerk	\$ 10,000	A
Gerald Mingin	Chief Financial Officer	\$ 10,000	A
Doris LaVacca	Treasurer/Tax Collector/ Tax Search Officer	\$125,000	B
Rosalind E. Bosserdet	Construction Technical Assistant	\$ 10,000	A
Eileen Fahey	Solicitor		
Fred Hardt	Special Council		
Nancy Jamanow (Environmental Resolutions, Inc.)	Engineer		

(A) Western Surety Company

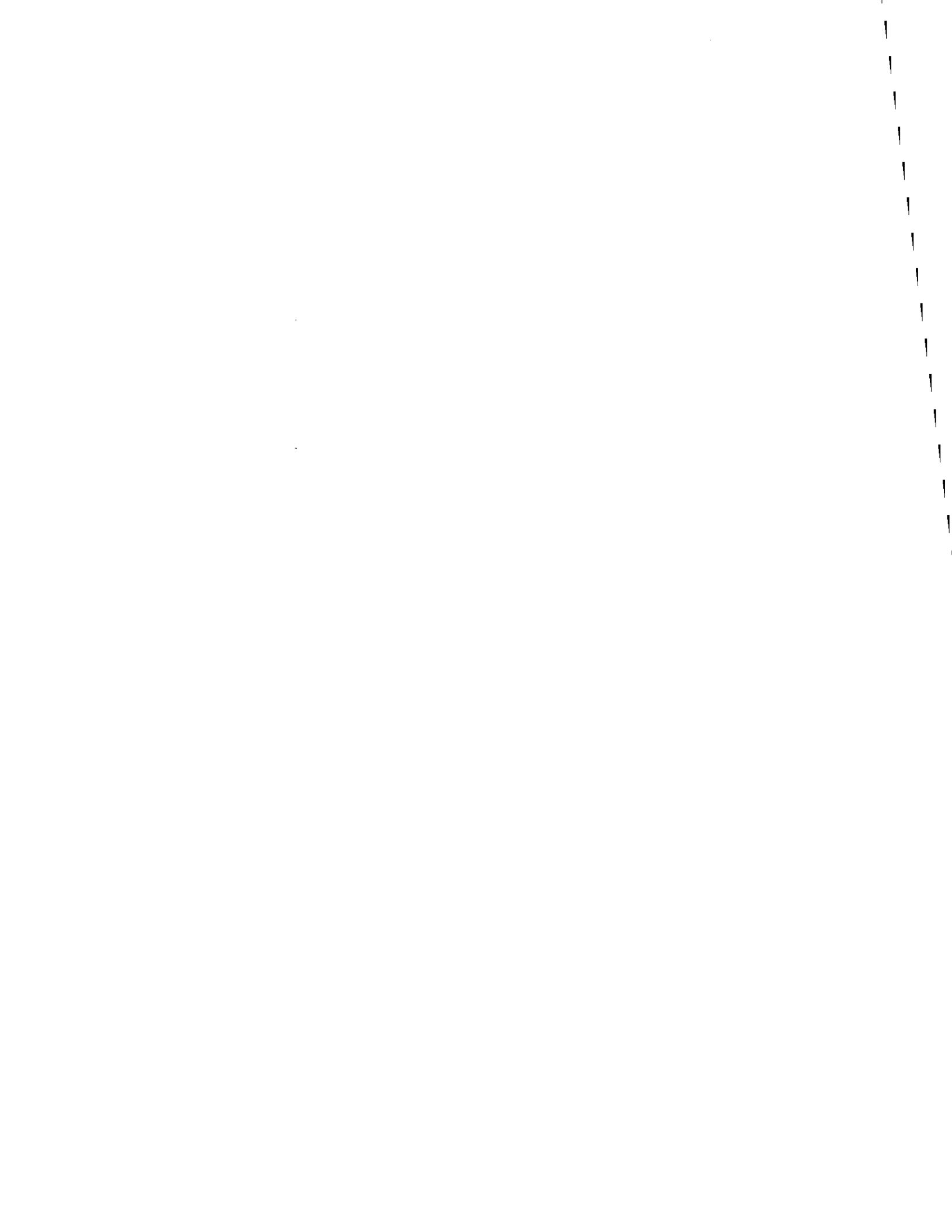
(B) Travelers Casualty and Surety Company of America

All of the bonds were examined and properly executed.

**TOWNSHIP OF EASTAMPTON
COUNTY OF BURLINGTON**

PART II

**COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2009**





Certified Public Accountants & Consultants

The Honorable Mayor and Members of the
Township Council
Township of Eastampton
Eastampton, New Jersey 08060

We have audited the financial statements of the Township of Eastampton in the County of Burlington for the year ended December 31, 2009. In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

GENERAL COMMENTS

Contracts and Agreements Required to be advertised by (N.J.S.A.40A:11-4)

N.J.S.A.40A:11-4 - Every contract or agreement, for the performance of any work or 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 terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for 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 of \$21,000 except by contract or agreement.

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

The minutes indicate that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services," per *N.J.S.A.40A:11-5*.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$3,150 thereafter "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1a*).

MEDFORD OFFICE

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Collection of Interest on Delinquent Taxes

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

The governing body on January 5, 2009 adopted the following resolution authorizing interest/penalties to be charged on delinquent taxes:

“BE IT RESOLVED by the Township Council of the Township of Eastampton, County of Burlington, State of New Jersey, the rate of interest charged on delinquent taxes or assessments on any installment made ten (10) days after the date upon which the same became payable, shall not exceed eight (8) percent per annum of the first One Thousand Five Hundred Dollars (\$1,500.00) of the delinquency, and eighteen (18) percent per annum on any amount in excess of One Thousand Five Hundred Dollars (\$1,500.00).

BE IT FURTHER RESOLVED, that where interest on delinquent tax payments is one dollar (\$1.00) or less, payment and collection of said interest is hereby waived.”

It appears from an examination of the Collector's record that interest/penalties was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2009, included 2009 and 2008 real estate taxes.

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
2009	22
2008	24
2007	24

Deductions From Taxes

The audit of senior citizen and veteran deductions on a test basis revealed that deductions appear reasonable.

Examination of Bills

A test check of paid bills was made and each bill, upon proper approval, was considered as a separate and individual contract unless the records disclosed it to be a partial payment or estimate.

Treasurer

***Finding 2009-01:**

It was noted in our audit that four (4) appropriation line items were overexpended against the appropriation reserve year budget. After further inquiry it was determined that this was caused by a 2008 audit adjustment that was never communicated to the Eastampton Township Staff by the Township auditor.

Treasurer (continued):

Recommendation:

That there be no overexpended lines against the appropriation reserve year budget.

Finding 2009-02:

A complete general ledger for all financial transactions for the Current and Trust funds is not maintained in accordance with *N.J.A.C.5:30-57*.

Recommendation:

That the Chief Financial Officer maintain a complete general ledger of all financial transactions for Current and Trust Funds that is to be the official permanent financial record of the Municipality in accordance with the Administrative Code.

Municipal Court

The Township of Eastampton entered into an Interlocal municipal court agreement with the Township of Westampton on April 13, 2009 in accordance with *N.J.S.A.2B:12-1*.

There was no attempt to review or test transactions of the municipal court records. Records of the Eastampton Court were audited by the auditors of Westampton Township for 2009. It is recommended that the township monitor their monthly court revenue as well as review the status of time payments on a periodic basis.

Further, it is recommended that the Township obtain the Municipal Court Report for the year ending December 31, 2009 from the Township of Westampton.

Payroll

The examination of the payroll fund included testing the detail computation of various deductions or other credits from the payroll of Township employees, also, the examination ascertained that the accumulated withholdings were distributed to the proper agencies.

Finding 2009-03:

It was noted in our audit that there was no salary ordinance completed for the Police Department for the year of 2009.

Recommendation:

That a proper salary ordinance be completed each year for all departments.

***Prior Year Findings**

Follow-up of Prior Year Findings

In accordance with Government Auditing Standards, our procedures included a review of all prior year findings. Corrective action was taken on all prior year findings except those that are marked with an asterisk (*) above.

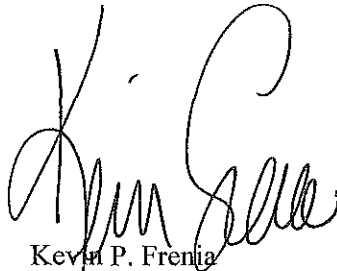
Acknowledgment

We received the complete cooperation of all the Township Officials and employees and we greatly appreciate the courtesies extended to the members of the audit team.

The problems and weaknesses noted in our review were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole. Should you have any questions concerning our comments or recommendations, or should you desire any assistance in implementing our recommendations, please call me.

Respectfully submitted,

HOLMAN & FRENIA, P. C.

A handwritten signature in black ink, appearing to read "Kevin P. Frenia". The signature is fluid and cursive, with a large initial "K" and "F".

Kevin P. Frenia
Registered Municipal Accountant
No. CR435

Medford Office
March 10, 2010