

TOWNSHIP OF WASHINGTON
AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2019

**WASHINGTON TOWNSHIP
COUNTY OF BURLINGTON**

CONTENTS

PART I

	PAGE
Independent Auditor's Report	1
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards	5
EXHIBITS	
General-Purpose Financial Statements:	
Current Fund:	
Statements of Assets, Liabilities, Reserves & Fund Balance - Regulatory Basis	A 9
Statements of Operations and Changes in Fund Balance - Regulatory Basis	A-1 11
Statement of Revenues – Regulatory Basis	A-2 12
Statement of Expenditures – Regulatory Basis	A-3 14
Trust Fund:	
Statements of Assets, Liabilities, Reserves & Fund Balance - Regulatory Basis	B 18
General Capital Fund:	
Statements of Assets, Liabilities, Reserves & Fund Balance - Regulatory Basis	C 19
Public Assistance Fund:	
Statements of Assets, Liabilities, Reserves & Fund Balance - Regulatory Basis	D 20
Payroll Fund:	
Statements of Assets, Liabilities, Reserves & Fund Balance - Regulatory Basis	E 21
Fixed Assets:	
Statements of Assets, Liabilities, Reserves & Fund Balance - Regulatory Basis	F 22
Notes to Financial Statements	25
Supplemental Exhibits:	
Current Fund:	
Schedule of Cash-Treasurer	A-4 49
Schedule of Taxes Receivable & Analysis of Property Tax Levy	A-5 50

(continued)

	EXHIBITS	PAGE
Schedule of Tax Title Liens	A-6	51
Schedule of Revenue Accounts Receivable	A-7	51
Schedule of 2018 Appropriation Reserves	A-8	52
Schedule of Local District School Taxes	A-9	54
Schedule of County Taxes Payable	A-10	54
Schedule of Appropriated State Grants	A-11	55
Schedule of State Grants Receivable	A-12	56
Schedule of Unappropriated State Grants	A-13	56
Trust Fund:		
Schedule of Cash - Treasurer	B-1	59
Schedule of Reserve for Dog Fund Expenditures	B-2	59
Schedule of Due From/(To) Current Fund–Dog Trust Fund	B-3	60
Schedule of Due From/(To) Current Fund –Trust Other	B-4	60
Schedule of Reserve for Unemployment Compensation	B-5	60
Schedule of Reserve for Public Defender	B-6	61
Schedule of Reserve for Builders’ Escrow	B-7	61
General Capital Fund:		
Analysis of General Capital Cash	C-1	65
Schedule of Improvement Authorizations	C-2	66
Schedule of Capital Surplus	C-3	67
Schedule of Capital Improvement Fund	C-4	67
Public Assistance Fund:		
Schedule of Cash - Treasurer	D-1	71
Schedule of Public Assistance Revenues	D-2	71
Payroll Fund:		
Schedule of Cash	E-1	75
Schedule of Payroll Taxes Payable	E-2	75
PART II		
Schedule of Financial Statement Findings:		
Schedule of Financial Statement Findings		79
Summary Schedule of Prior Year Audit Findings		80
PART II		
Letter of Comments and Recommendations		
Officials in Office		83
General Comments		85
Other Comments		86
Recommendations		86
Acknowledgment		87

(Concluded)

**TOWNSHIP OF WASHINGTON
COUNTY OF BURLINGTON**

PART I

**INDEPENDENT AUDITOR'S REPORTS
FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA
FOR THE YEAR ENDED DECEMBER 31, 2019**

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Committee
Township of Washington
County of Burlington
Greenbank, New Jersey

Report on the Financial Statements

We have audited the accompanying statement of assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of the Township of Washington as of December 31, 2019, and the related statement of operations and changes in fund balance - regulatory basis for the year then ended, the related statement of revenues - regulatory basis, and statement of expenditures - regulatory basis for the year ended December 31, 2019 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 from material misstatement.

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

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the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As described in Note 1, the financial statements are prepared by the Township of Washington on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2019, or the results of its operations and changes in fund balance for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

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, as of December 31, 2019, and the results of its operations and changes in fund balance - regulatory basis of such funds for the year then ended, and the statement of revenues - regulatory basis, statement of expenditures - regulatory basis of the various funds, and general fixed assets group of accounts – regulatory basis, for the year ended December 31, 2019 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township’s basic financial statements. The supplemental schedules 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 and are not a required part of the basic financial statements.

The supplemental schedules presented for the various funds are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the

financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information 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.

Prior Period Financial Statements

The financial statements as of December 31, 2018, were audited by other auditors whose report dated July 23, 2019, expressed an unmodified opinion on the regulatory basis of accounting.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated June 30, 2020 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 in considering the Township's internal control over financial reporting and compliance.

Respectfully submitted,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

David McNally
Certified Public Accountant
Registered Municipal Accountant
RMA No. 573

Medford, New Jersey
June 30, 2020

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

INDEPENDENT AUDITOR'S 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

Honorable Mayor and Members
of the Township Committee
Township of Washington
County of Burlington
Greenbank, New Jersey

We have audited, in accordance with the 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, the financial statements - regulatory basis of the Township of Washington, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 30, 2020. Our report indicated that the Township's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting 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 of the financial statements, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any

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deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

David McNally
Certified Public Accountant
Registered Municipal Accountant
RMA No. 573

Medford, New Jersey
June 30, 2020

FINANCIAL STATEMENTS

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**TOWNSHIP OF WASHINGTON
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018**

ASSETS	REFERENCE	2019	2018
Current Fund:			
Cash - Treasurer	A-4	\$ 4,097,173	\$ 4,029,909
Petty Cash	A	50	50
Change Fund	A	100	100
Due From State of New Jersey:			
Senior Citizen & Veteran Deductions	A	5,465	5,465
Total Current Fund		4,102,788	4,035,524
Receivables & Other Assets With Full Reserves:			
Taxes Receivable	A-5	39,999	65,393
Tax Title Liens Receivable	A-6	39,291	30,727
Revenue Accounts Receivable	A-7	-	907
Due General Capital Fund	C	103,047	92,904
Due Federal and State Grant Funds	A	89,731	49,496
Due From Dog Trust	B	3,029	2,583
Due From Trust Other	B	19,837	18,740
Due From Payroll	E	2,182	2,107
Due From Public Assistance	D	-	137
Total Receivables & Other Assets With Full Reserves		297,116	262,994
Deferred Charges			
Special Emergency-Tax Maps	A	18,000	24,000
Subtotal		4,417,904	4,322,518
Federal & State Grant Funds:			
Grants Receivable	A-12	528,500	339,174
Total Federal & State Grant Funds		528,500	339,174
Total Assets		\$ 4,946,404	\$ 4,661,692

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

**TOWNSHIP OF WASHINGTON
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018**

LIABILITIES, RESERVES & FUND BALANCE	REFERENCE	2019	2018
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 186,766	\$ 173,105
Encumbrances Payable	A-3	3,585	6,296
Prepaid Taxes	A	26,955	28,490
Prepaid License Fees	A	250	-
Tax Overpayments	A	5,391	4,906
Due County Taxes	A-10	4,319	4,944
Due to State - Marriage Licenses	A	-	25
Reserve For Tax Sale Premiums	A	4,621	4,621
Reserve for Codification	A	4,000	4,000
Reserve for Reassessment Program	A	1,400	1,400
Reserve for Fire Safety	A	800	800
Reserve for Third Party Tax Title Lien	A	1,575	1,575
Reserve for Tax Maps	A	3,000	22,500
		<hr/>	<hr/>
Total Liabilities		242,662	252,662
		<hr/>	<hr/>
Reserve for Receivables & Other Assets	A	297,116	262,994
Fund Balance	A-1	3,878,126	3,806,862
		<hr/>	<hr/>
Total Reserve & Fund Balance		4,417,904	4,322,518
		<hr/>	<hr/>
Federal & State Grant Funds:			
Appropriated Reserves	A-11	438,769	278,621
Unappropriated Reserves	A-13	-	60
Reserve for Encumbrances	A-11	-	10,997
Due Current Fund	A	89,731	49,496
		<hr/>	<hr/>
Total Federal & State Grant Funds		528,500	339,174
		<hr/>	<hr/>
Total Liabilities, Reserve & Fund Balance		<u>\$ 4,946,404</u>	<u>\$ 4,661,692</u>

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

**TOWNSHIP OF WASHINGTON
CURRENT FUND
STATEMENTS OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019	2018
Revenue & Other Income Realized:		
Fund Balance Utilized	\$ 85,989	\$ 92,913
Miscellaneous Revenue Anticipated	1,055,522	859,196
Receipts from Delinquent Taxes	62,586	59,330
Receipts from Current Taxes	1,142,380	1,333,538
Nonbudget Revenues	12,361	29,906
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	165,283	92,565
Miscellaneous Refunds	271	868
Interfunds Liquidated	8,701	30,135
	2,533,093	2,498,451
Total Revenue & Other Income Realized		
Expenditures:		
Budget & Emergency Appropriations:		
Appropriations - Within "CAPS"		
Operations:		
Salaries and Wages	155,651	144,600
Other Expenses	602,405	610,801
Deferred Charges & Statutory Expenditures	14,446	14,104
Appropriations Excluded from "CAPS":		
Operations	283,073	86,581
County Taxes	362,504	370,955
Local District School Tax	894,513	1,081,049
Interfunds Created	63,248	20,494
	2,375,840	2,328,584
Total Expenditures		
Excess in Revenue	157,253	169,867
Statutory Excess to Fund Balance	157,253	169,867
Fund Balance January 1	3,806,862	3,729,908
Decreased by:		
Utilized as Anticipated Revenue	85,989	92,913
Fund Balance December 31	\$ 3,878,126	\$ 3,806,862

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

**TOWNSHIP OF WASHINGTON
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	ANTICIPATED BUDGET	REALIZED	EXCESS (DEFICIT)
Fund Balance Anticipated	\$ 85,989	\$ 85,989	\$ -
Miscellaneous Revenues Anticipated:			
Other Licenses	3,000	8,406	5,406
Municipal Court Fines & Costs	8,000	907	(7,093)
Interest & Costs on Taxes	7,500	8,692	1,192
Interest on Investments & Deposits	4,000	20,737	16,737
Energy Receipt Tax	84,588	84,588	-
Garden State Trust	731,260	731,260	-
Consolidated Municipal Property Tax Relief	1,159	1,159	-
Clean Communities	8,319	8,319	-
NJ DOT	184,326	184,326	-
Recycling Tonnage Grant	1,264	1,264	-
Alcohol Education & Rehabilitation Fund	864	864	-
Firewise Grant	5,000	5,000	-
Total	1,039,280	1,055,522	16,242
Receipts From Delinquent Taxes	-	62,586	62,586
Budget Totals	1,125,269	1,204,097	78,828
Nonbudget Revenues	-	12,361	12,361
Total	\$ 1,125,269	\$ 1,216,458	\$ 91,189

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

**TOWNSHIP OF WASHINGTON
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:	
Revenue From Collections	\$ 1,142,380
Allocated to School & County Taxes	<u>1,184,908</u>
Balance for Support of Municipal Budget Appropriations	(42,528)
Add: Appropriation Reserve for Uncollected Taxes	<u>69,694</u>
Amount for Support of Budget	<u><u>\$ 27,166</u></u>
Receipts From Delinquent Taxes:	
Delinquent Tax Collections	<u>\$ 62,586</u>
Total	<u><u>\$ 62,586</u></u>

ANALYSIS OF NONBUDGET REVENUE

Miscellaneous Revenue Not Anticipated:	
Miscellaneous	<u>\$ 12,361</u>
Total	<u><u>\$ 12,361</u></u>

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

**TOWNSHIP OF WASHINGTON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

OPERATIONS	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
General Government:				
Mayor & Committee:				
Salaries and Wages	\$ 9,000	\$ 9,000	\$ 8,944	\$ 56
Other Expenses	3,000	3,000	1,319	1,681
Municipal Clerk:				
Salaries and Wages	34,000	34,000	31,713	2,287
Other Expenses	21,000	21,000	14,607	6,393
Financial Administration:				
Salaries and Wages	16,985	16,985	16,979	6
Other Expenses	14,000	14,000	8,094	5,906
Audit Services:				
Other Expenses	18,900	18,900	18,900	-
Computerized Processing:				
Other Expenses	13,250	14,250	10,126	4,124
Revenue Administration (Tax Collection):				
Salaries and Wages	17,800	17,800	16,441	1,359
Other Expenses	5,300	5,300	3,342	1,958
Tax Assessment Administration:				
Salaries and Wages	17,800	17,800	17,635	165
Other Expenses	5,300	5,300	2,785	2,515
Legal Services & Costs:				
Other Expenses	28,000	28,000	10,715	17,285
Engineering Services & Costs:				
Other Expenses	70,000	70,000	38,301	31,699
Municipal Land Use Law (N.J.S.A.40:55D-1):				
Land Development Board:				
Salaries and Wages	12,000	10,500	7,340	3,160
Other Expenses	4,000	4,000	2,392	1,608
Insurance:				
Unemployment Insurance	700	700	161	539
Liability Insurance	35,950	35,950	35,948	2
Workers Compensation Insurance	16,985	16,985	16,985	-
Emergency Management Services:				
Office of Emergency Management:				
Salaries and Wages	2,400	2,400	2,400	-
Other Expenses	5,000	5,000	342	4,658
Aid to Volunteer Fire Company	100,000	100,000	100,000	-
Aid to Volunteer Ambulance Service	50,000	50,000	50,000	-
Streets & Roads:				
Road Repairs & Maintenance:				
Salaries and Wages	23,000	23,000	18,539	4,461
Other Expenses	26,000	26,000	11,820	14,180
Public Works Functions:				
Other Public Works Functions - Recycling:				
Other Expenses	1,150	1,150	1,150	-

**TOWNSHIP OF WASHINGTON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

OPERATIONS	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
Public Building & Grounds:				
Salaries and Wages	16,950	16,950	11,125	5,825
Other Expenses	30,000	30,000	13,247	16,753
Health & Welfare:				
Board of Health:				
Other Expenses	1,020	1,020	-	1,020
Animal Control Services:				
Other Expenses	3,000	3,000	1,059	1,941
Parks & Recreation Functions:				
Recreation:				
Other Expenses	1,500	1,500	1,003	497
Maintenance of Parks:				
Other Expenses	500	500	-	500
Utility Expenses & Bulk Purchases:				
Electricity	8,000	8,000	2,651	5,349
Street Lighting	3,500	3,500	3,260	240
Telephone	11,000	11,000	8,961	2,039
Fuel Oil	15,000	15,000	8,361	6,639
Telecommunications Cost	5,000	5,000	2,521	2,479
Propane	2,100	2,100	-	2,100
Gasoline	2,150	2,150	148	2,002
Landfill/Solid Waste Disposal Costs:				
Solid Waste Disposal:				
Other Expenses	27,250	27,250	25,693	1,557
Other Expenses- Garbage Removal	69,000	69,500	69,352	148
Uniform Construction Code Enforcement:				
Code Enforcement Officer:				
Salaries and Wages	7,216	7,216	5,846	1,370
Other Expenses	1,850	1,850	550	1,300
Other Common Operating Functions:				
Celebration of Public Events:				
Other Expenses	1,500	1,500	-	1,500
Total Operations - Within "CAPS"	758,056	758,056	600,755	157,301
Total Operations Including Contingent - Within "CAPS"	758,056	758,056	600,755	157,301
Detail				
Salaries & Wages	157,151	155,651	136,962	18,689
Other Expenses	600,905	602,405	463,793	138,612
Deferred Charges & Statutory Expenditures- Municipal - Within "CAPS"				
Statutory Expenditures:				
Social Security System (O.A.S.I.)	11,100	11,100	10,524	576

**TOWNSHIP OF WASHINGTON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

OPERATIONS	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
Statutory Expenditures (continued):				
Contributions to Employees Retirement System	3,346	3,346	3,346	-
Total Deferred Charges & Statutory Expenditures Within "CAPS"	14,446	14,446	13,870	576
Total General Appropriations for Municipal Purposes Within "CAPS"	772,502	772,502	614,625	157,877
Operations - Excluded from "CAPS":				
Interlocal Municipal Service Agreements:				
Municipal Prosecutor:				
Other Expenses	6,500	6,500	2,030	4,470
Municipal Court:				
Other Expenses	35,000	35,000	17,561	17,439
Public Defender:				
Salaries and Wages	2,000	2,000	20	1,980
Stormwater Management:				
Other Expenses	5,000	5,000	-	5,000
Tax Assessment Administration:				
Other Expenses	3,800	3,800	3,800	-
Total Interlocal Municipal Service Agreements	52,300	52,300	23,411	28,889
Public & Private Programs Offset by Revenues:				
Firewise Grant	5,000	5,000	5,000	-
NJ DOT	-	184,326	184,326	-
Alcohol Education and Rehabilitation Fund	60	864	864	-
Clean Communities	-	8,319	8,319	-
Recycling Tonnage	1,264	1,264	1,264	-
Total Public & Private Programs Offset by Revenues	6,324	199,773	199,773	-
Deferred Charges:				
Special Emergency Authorizations - 5 Years	6,000	6,000	6,000	-
Total Deferred Charges Excluded from "CAPS"	6,000	6,000	6,000	-
Transfers to Board of Education for Use of Local Schools	25,000	25,000	25,000	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	89,624	283,073	254,184	28,889

**TOWNSHIP OF WASHINGTON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

OPERATIONS	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
Subtotal General Appropriations	\$ 862,126	\$ 1,055,575	\$ 868,809	\$ 186,766
Reserve for Uncollected Taxes	69,694	69,694	69,694	-
Total General Appropriations	\$ 931,820	\$ 1,125,269	\$ 938,503	\$ 186,766

Adopted Budget	\$ 931,820
Appropriation by 40A:4-87	<u>193,449</u>
Total	<u>\$ 1,125,269</u>

State Grants	\$ 199,773
Encumbrances Payable	3,585
Reserve for Uncollected Taxes	69,694
Deferred Charge	6,000
Refunds	(20,876)
Cash	<u>680,327</u>
Total	<u>\$ 938,503</u>

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

**TOWNSHIP OF WASHINGTON
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018**

ASSETS	REFERENCE	2019	2018
Dog Trust Fund:			
Cash	B-1	\$ 3,372	\$ 2,876
Total Dog Trust Fund		<u>3,372</u>	<u>2,876</u>
Other Fund:			
Cash	B-1	29,669	28,440
Total Other Fund		<u>29,669</u>	<u>28,440</u>
Total Assets		<u>\$ 33,041</u>	<u>\$ 31,316</u>
LIABILITIES & RESERVES			
Dog Trust Fund:			
Due to Current	B-3, A	\$ 3,029	\$ 2,583
Reserve for Dog Fund Expenditures	B-2	343	293
Total Dog Trust Fund		<u>3,372</u>	<u>2,876</u>
Other Fund:			
Reserve for Unemployment	B-5	466	466
Reserve for Public Defender	B-6	1,645	1,645
Reserve for Builders' Escrow	B-7	7,436	7,304
Due to Current	B-4, A	19,837	18,740
Due Payroll	E	285	285
Total Other Fund		<u>29,669</u>	<u>28,440</u>
Total Liabilities & Reserves		<u>\$ 33,041</u>	<u>\$ 31,316</u>

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

**TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018**

ASSETS	REFERENCE	<u>2019</u>	<u>2018</u>
Cash	C-1	\$ 1,144,151	\$ 1,143,479
Total Assets		<u>\$ 1,144,151</u>	<u>\$ 1,143,479</u>
 LIABILITIES & RESERVES			
Improvement Authorizations:			
Funded	C-3	\$ 175,815	\$ 185,286
Capital Improvement Fund	C-5	819,452	819,452
Due to Current Fund	A	103,047	92,904
Capital Surplus	C-4	<u>45,837</u>	<u>45,837</u>
Total Liabilities & Reserves		<u>\$ 1,144,151</u>	<u>\$ 1,143,479</u>

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

**TOWNSHIP OF WASHINGTON
PUBLIC ASSISTANCE FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018**

ASSETS	REFERENCE	<u>2019</u>	<u>2018</u>
Cash	D-1	\$ -	\$ 5,402
Total Assets		<u>\$ -</u>	<u>\$ 5,402</u>
 LIABILITIES			
Due Current Fund	D-2	\$ -	\$ 137
Reserve for Public Assistance	D	<u>-</u>	<u>5,265</u>
Total Liabilities		<u>\$ -</u>	<u>\$ 5,402</u>

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

**TOWNSHIP OF WASHINGTON
PAYROLL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018**

ASSETS	REFERENCE	<u>2019</u>	<u>2018</u>
Cash	E-1	\$ 3,220	\$ 3,131
Due From Unemployment Trust	B	<u>285</u>	<u>285</u>
Total Assets		<u>\$ 3,505</u>	<u>\$ 3,416</u>
 LIABILITIES			
Payroll Taxes Payable	E-2	\$ 1,323	\$ 1,309
Due to Current Fund	A	<u>2,182</u>	<u>2,107</u>
Total Liabilities		<u>\$ 3,505</u>	<u>\$ 3,416</u>

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

**TOWNSHIP OF WASHINGTON
GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENT OF FIXED ASSETS AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2019 AND 2018**

ASSETS	<u>2019</u>	<u>2018</u>
Land & Improvements	\$ 1,516,627	\$ 1,516,627
Equipment	<u>290,548</u>	<u>284,788</u>
Total	<u><u>\$ 1,807,175</u></u>	<u><u>\$ 1,801,415</u></u>
FUND BALANCE		
Investment in General Fixed Assets	<u><u>\$ 1,807,175</u></u>	<u><u>\$ 1,801,415</u></u>

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

**TOWNSHIP OF WASHINGTON
COUNTY OF BURLINGTON**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 1. Summary of Significant Accounting Policies

Description of Financial Reporting Entity

The Township of Washington was incorporated in 1802 and is located in the County of Burlington, New Jersey. The population according to the 2010 census was 687.

The form of Government is known as a Township pursuant to N.J.S.A.40A:63-1 et seq. The government consists of three (3) Committee Members who are elected at large to three (3) year staggered terms. The Mayor is elected from and by the Members of the Committee and serves a one (1) year term. Under the statutes the Mayor is the head of the government and acts as the executive branch. The Committee acts as the legislative branch of government and has executive powers not assigned to the Mayor.

Component Units - GASB Statement 14, as amended by GASB Statements 39, 61 and 80, establishes criteria to be used in determining the component units, which should be included in the financial statements of a primary government. The financial statements of the Township are not presented in accordance with GAAP (as discussed below). Therefore, the Township had no component units as defined by GASB Statement No. 14, as amended by GASB Statements 39, 61 and 80.

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the Township contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United State of America applicable to local government units. The more significant differences are explained further in this note.

In accordance with the "Requirements", the Township accounts for its financial transactions through the use of separate funds, which are described as follows:

Current Fund – This fund accounts for revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Funds – These funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund – This fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

Public Assistance Fund – accounts for receipt and disbursement of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey statutes.

General Fixed Asset Account Group – The Fixed Asset Account Group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other funds of the Township.

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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

Payroll Fund – the Payroll Trust Fund accounts for receipt and disbursement of funds for payroll taxes and employee compensation.

Budgets and Budgetary Accounting - The Township must adopt an annual budget for its Current Fund in accordance with *N.J.S.A.40A:4* et seq. *N.J.S.A.40A:4-5* requires the governing body to introduce and approve the annual municipal budget no later than February 10th of each year. At introduction, the governing body must fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with *N.J.S.A.40A:4-9*. Amendments to adopted budgets, if any are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of Local Government Services, with the permission of the Local Finance Board. Budgets are adopted on the same basis of accounting utilized for the preparation of the Township's financial statements. Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

Cash, Cash Equivalents and Investments - Cash and Cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Under GAAP, investments are reported at fair value but under regulatory basis of accounting, investments are stated at cost. Therefore unrealized gains or losses on investments have not been recorded.

New Jersey municipal units are required by *N.J.S.A.40A:5-14* to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. *N.J.S.A.40A:5-15.1* provides a list of investments, which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local utilities and other state agencies.

N.J.S.A.17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the Governmental Units.

The cash management plan adopted by the Township requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories and Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

General Fixed Assets – Accounting for governmental fixed assets, as required by *N.J.A.C.5:30-5.6*, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$2,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. In some instances, assets are valued at the assessed valuation of the property at the time of acquisition, which approximates fair value. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed assets, reflecting the activity for the year, must be included in the Township's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. All fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

Foreclosed property – Foreclosed Property or “Property Acquired for Taxes” is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the Township to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

Deferred Charges – The recognition of certain expenditures is deferred to future periods. These expenditures or deferred charges are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with *N.J.S.A.40A:4-46* et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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

Fund Balance – Fund Balance included in the Current Fund represent the amount available for anticipation as revenue in future year’s budgets, with certain restrictions.

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

Property Tax Revenues – are collected in quarterly installments due February 1, May 1, August 1 and November 1. The amount of tax levied includes not only the amount required in support of the Township’s annual budget, but also the amounts required in support of the budgets of the County of Burlington and Washington Township School District. Unpaid property taxes are subject to tax sale in accordance with statutes.

County Taxes – The municipality is responsible for levying, collecting and remitting County taxes for the County of Burlington. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10th of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10th of the current year and due to be paid to the County by February 15th of the following year.

School Taxes – The municipality is responsible for levying, collecting and remitting school taxes for the Washington Township School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district July 1 to June 30.

Deferred School Taxes – School taxes raised in advance in the Current Fund for a school fiscal year (July 1 to June 30) which remain unpaid at December 31 of the calendar year levied may be deferred to fund balance to the extent of not more than 50% of the annual levy providing no requisition has been made by the school district for such amount.

Reserve for Uncollected Taxes – The inclusion of the “Reserve for Uncollected Taxes” appropriation in the Township’s annual budget protects the Township from taxes not paid currently. The Reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

Expenditures – are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When an expenditure is paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves. Appropriations for interest payments on outstanding general capital bonds and notes are provided on the cash basis.

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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

Appropriation Reserves – Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts, which may be cancelled by the governing body. Appropriation reserves and reserve for encumbrances at current year end are available until December 31st of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding year. Any unspent balances at this time are lapsed appropriation reserves and recorded as income.

Long-Term Debt - Long-Term Debt relative to the acquisition of capital assets, is recorded as a liability in the General Capital Fund. Where an improvement is a “local improvement”, i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences – Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences.

Recent Accounting Pronouncements – The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has recently adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. (GAAP). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements.

Adopted Accounting Pronouncements

The following GASB Statements became effective for the year ended December 31, 2019:

Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The following effective dates have been updated to reflect the implementation of Statement No. 95.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 83, Certain Asset Retirement Obligations. An asset retirement obligation is a legally enforceable liability associated with the retirement of a tangible capital asset. Statement No. 83 establishes guidance for determining the timing and pattern of recognition for liabilities and corresponding deferred outflow of resources related to such obligations. The requirements of this Statement are effective for reporting periods beginning after June 15, 2019. Management does not expect this Statement to have a material impact on the Township’s financial statements.

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 1. Summary of Significant Accounting Policies (continued)

Statement No. 84, *Fiduciary Activities*. The Statement intends to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. To that end, Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Statement No. 84 is effective for reporting periods beginning after December 15, 2019. Management does not expect this Statement to have a material impact on the Township's financial statements.

Statement No. 87, *Leases*. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after June 15, 2021. Management has not yet determined the potential impact on the Township's financial statements.

Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The Governmental Accounting Standards Board (GASB) has issued a new standard with guidance the GASB believes will enhance debt-related disclosures in notes to financial statements, including those addressing direct borrowings and direct placements. The new standard clarifies which liabilities governments should include in their note disclosures related to debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2019. This statement had no material impact on the Township's financial statements.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Management does not expect this Statement to have a material impact on the Township's financial statements.

Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Statement No. 90 is effective for reporting periods beginning after December 15, 2019. Management has not yet determined the potential impact on the Township's financial statements.

Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations;

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 1. Summary of Significant Accounting Policies (continued)

and improving required note disclosures. Statement No. 91 is effective for reporting periods beginning after December 15, 2021. Management has not yet determined the potential impact on the Township's financial statements.

Note 2. Deposits and Investments

The Township is governed by the deposit and investment limitations of New Jersey state law.

Deposits

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned. Although the Township does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Township in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the Township relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2019, the Township's bank balance of \$5,435,056 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$ 5,405,387
Uninsured and Uncollateralized	<u>29,669</u>
	<u>\$ 5,435,056</u>

Investments

The Township had no investments as of December 31, 2019.

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 3. Property Taxes

The following is a three-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years.

Comparison Schedule of Tax Rates

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Tax Rate	<u>\$ 1.251</u>	<u>\$ 1.469</u>	<u>\$ 1.679</u>
Apportionment of Tax Rate:			
Local School	0.869	1.080	1.295
County	0.382	0.389	0.384

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2019	\$ 94,673,700
2018	94,945,650
2017	95,354,200

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2019	\$ 1,188,052	\$ 1,142,380	96.15%
2018	1,402,200	1,334,098	95.14%
2017	1,603,996	1,542,046	96.13%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2019	\$ 39,291	\$ 39,999	\$ 79,290	6.67%
2018	30,727	65,393	96,120	6.85%
2017	28,102	59,520	87,622	5.46%

**TOWNSHIP OF WASHINGTON
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 3. Property Taxes (continued)

Number of Tax Title Liens

<u>Year</u>	<u>Number</u>
2019	12
2018	10
2017	12

The last tax sale was held on June 25, 2019.

Note 4: Property Acquired By Tax Title Lien Liquidation

The Township had no properties acquired by liquidation of tax title liens as of December 31, 2019, 2018 or 2017.

Note 5. Fund Balances Appropriated

The following schedule details the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets:

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
Current Fund:			
2019	\$ 3,878,126	\$ 59,816	1.54%
2018	3,806,862	85,989	2.26%
2017	3,729,908	92,913	2.49%

Note 6. Disaggregated Receivable and Payable Balances

There are no significant components of receivable and payable balances reported in the financial statements.

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 7. Interfund Receivables, Payables and Transfers

The following interfund balances were recorded in the various statements of assets liabilities, reserves and fund balances at December 31, 2019:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 217,826	\$ -
State and Federal Grant Fund	-	89,731
Animal Control Trust	-	3,029
Trust Other Fund	-	20,122
Capital Fund	-	103,047
Payroll Fund	285	2,182
	<u>\$ 218,111</u>	<u>\$ 218,111</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

A summary of interfund transfers is as follows:

Fund	Transfers In	Transfers Out
Current Fund	\$ 5,402	\$ 41,853
State and Federal Grant Fund	40,235	-
Animal Control Trust	446	-
Trust Other Fund	1,097	-
Payroll Fund	75	-
Public Assistance Fund	-	5,402
	<u>\$ 47,255</u>	<u>\$ 47,255</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them (i.e. interest earning), (2) provide cash flow to other funds to temporary finance expenditures that are on a reimbursable basis (i.e. grants), (3) when no bank account exists for a fund, and (4) utilizing surplus or fund balance from one fund as budgeted revenue in another.

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 8. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2019.

	Balance December 31, <u>2018</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2019</u>
Land and Improvements	\$ 1,516,627	\$ -	\$ -	\$ 1,516,627
Machinery & Equipment	284,788	5,760	-	290,548
	\$ 1,801,415	\$ 5,760	\$ -	\$ 1,807,175

Note 9. Pension Obligations

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at <http://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit before age 62 and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Basis of Presentation - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2019, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2019, the Township's contractually required contribution to PERS plan was \$3,298.

Components of Net Pension Liability - At December 31, 2019, the Township's proportionate share of the PERS net pension liability was \$61,092. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2019. The Township's proportion measured as of June 30, 2019, was 0.000339% which was an increase of 0.000003% from its proportion measured as of June 30, 2018.

Balances at December 31, 2019 and December 31, 2018

	<u>12/31/2019</u>	<u>12/30/2018</u>
Actuarial valuation date (including roll forward)	June 30, 2019	June 30, 2018
Deferred Outflows of Resources	\$ 50,627	\$ 82,837
Deferred Inflows of Resources	115,878	162,723
Net Pension Liability	61,092	66,234
Township's portion of the Plan's total Net Pension Liability	0.00034%	0.00034%

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2019, the Township's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2019 measurement date is (\$16,478). This expense is not recognized by the Township because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Township contributed \$3,298 to the plan in 2019.

At December 31, 2019, the Township reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 1,097	\$ 270
Changes of Assumptions	6,100	21,205
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	964
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	<u>43,430</u>	<u>93,439</u>
	<u>\$ 50,627</u>	<u>\$ 115,878</u>

The Township will amortize the above sources of deferred outflows and inflows related to PERS over the following number of years:

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	5.63	-
June 30, 2019	5.21	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

<u>Year Ending</u> <u>Dec 31,</u>	<u>Amount</u>
2020	\$ (10,754)
2021	(31,143)
2022	(21,689)
2023	(1,501)
2024	(160)
	<u>\$ (65,247)</u>

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation		
Price		2.75%
Wage		3.25%
Salary Increases:		
Through 2026	2.00 - 6.00%	Based on Years of Service
Thereafter	3.00 - 7.00%	Based on Years of Service
Investment Rate of Return		7.00%
Mortality Rate Table		
PERS	Pub-2010 General Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019	
PFRS	Pub-2010 Safety Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019	
Period of Actuarial Experience		
Study upon which Actuarial Assumptions were Based		July 1, 2014 - June 30, 2018

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.28%) or 1-percentage-point higher (7.28%) than the current rate:

	1% Decrease <u>(5.28%)</u>	Current Discount Rate <u>(6.28%)</u>	1% Increase <u>(7.28%)</u>
Township's Proportionate Share of the Net Pension Liability	\$ 77,707	\$ 61,092	\$ 47,876

Note 10. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2019 the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balances of the following funds:

<u>Description</u>	<u>Balance December 31, 2018</u>	<u>2019 Budget Appropriation</u>	<u>Balance to Succeeding Budgets</u>
Current Fund:			
Special Emergency Authorizations (40A:4-55)	\$ 24,000	\$ 6,000	\$ 18,000

Note 11. Garden State Preservation Trust Act

On June 28, 1999 the governor signed into law the Garden State Preservation Trust Act to provide an increase in lieu tax payments to municipalities with state parks, forest and wildlife areas. This act provides a \$20 per acre payment to Washington Township, as the Township land is over 60% state forest. The Township received \$731,260 under this program during 2019.

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 12. Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Township is covered by the following coverages:

- Worker’s Compensation
- General Liability
- Employer’s Liability
- Auto Liability
- Property Damage

New Jersey Unemployment Compensation Insurance

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the “Reimbursement Method”. Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund, dollar-for-dollar, for unemployment benefits paid to its former employees who were laid off or furloughed and charged to its account with the State. The Township is billed quarterly for amounts due to the State. The following is a summary of Township contributions, reimbursements to the State for benefits paid and the ending balance of the Township’s unemployment trust fund for the current and previous two years:

<u>Year</u>	<u>Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019	\$ -	\$ -	\$ 466
2018	-	-	466
2017	-	-	466

Note 13. Contingencies

Grantor Agencies

The Township receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2019 the Township estimates that no material liabilities will result from such audits.

Litigation

The Township is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Township, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 13. Contingencies (continued):

Tax Appeals

Losses arising from tax appeals are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. There are no significant pending tax appeals as of December 31, 2019.

Note 14. Deferred School Taxes

School taxes have been raised and the liability deferred by statutes. The balance of unpaid local school taxes levied, amount deferred and the amount reported as a liability (payable) at December 31, are as follows:

<u>Local Taxes</u>	Balance, December 31,	
	<u>2019</u>	<u>2018</u>
Total Balance of Local Tax	\$ 139,817	\$ 211,926
Deferred Taxes	139,817	211,926
Local Tax Payable	\$ -	\$ -

A prior year tax overpayment of local school taxes was reclassified as a reduction of deferred local school taxes during the current year.

Note 15. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2019 and June 30, 2020, the date the financial statements were available to be issued. They following items have been noted:

COVID-19

COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic by the World Health Organization and is currently affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and, on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

In New Jersey, Governor Murphy by way of executive orders, has ordered, among other things: all State residents to remain home or at their place of residence unless they meet one or more enumerated exceptions; all State residents to practice social distancing; gatherings of individuals, such as parties, celebrations and social events, are cancelled; non-essential businesses to cease operations from 8:00 p.m. to 5:00 a.m.; all restaurants and bars to close except for delivery or takeout services; casinos, racetracks, gyms and fitness centers and entertainment centers to close; all county and municipal libraries to close; all

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 15. Subsequent Events (continued):

business and non-profits to accommodate telework or work-from-home arrangements; the cessation of all non-essential construction projects; an extension of insurance premium grace periods; all Pre-K through 12 schools to close; all universities and colleges in the State to cease in-person instruction; The Township expects ongoing actions will be taken by State, federal and local governments and private entities to mitigate the spread of and impacts of COVID-19.

The Township cannot reasonably predict how long the outbreak may impact the financial condition or operations of the Township, whether there will be any impact on the assessed values of property within the Township or the deferral of tax payments to the Township or the costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs of the Township.

On March 24, 2020, the Division of Local Government Services in the New Jersey Department of Community Affairs extended the date for introduction of municipal budgets to April 28, 2020 (or the next regularly scheduled governing body meeting thereafter) and the date for municipal budget adoption to May 30, 2020 (or the next regularly scheduled governing body meeting thereafter). The New Jersey Legislature is considering legislation that, if enacted, would permit the extension of any additional deadlines under the Local Budget Law, the Local Fiscal Affairs Law and the laws with respect to the issuance of tax bills. Such proposed legislation would also permit municipalities to institute an extended grace period for the receipt of property tax payments and to extend the dates for the payment of taxes by a municipality due to a county, a school district or any other taxing district. A proposed amendment to such proposed legislation would also provide that any shortfall in the property tax payments received by the municipality would be borne *pro rata* by the municipality, the county and the school district(s). There can be no assurance that this legislation, or any other actions, will be enacted by the New Jersey Legislature. The Township does not plan to issue any updates or revisions regarding this legislation, or any other actions enacted by the New Jersey Legislature, if or when such legislation or other actions are enacted.

SUPPLEMENTAL EXHIBITS

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CURRENT FUND

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**TOWNSHIP OF WASHINGTON
CURRENT FUND
STATEMENT OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2019**

	CURRENT	FEDERAL & STATE GRANTS
Balance December 31, 2018	\$ 4,029,909	\$ -
Receipts:		
Senior Citizens' & Veterans' Deduction	\$ 7,000	\$ -
Taxes Receivable	1,173,574	-
Prepaid Taxes	22,652	-
Miscellaneous Revenue Not Anticipated	12,361	-
Revenue Accounts Receivable	855,749	-
Budget Refunds	20,876	-
Marriage License Fees	150	-
Transfers from Public Assistance Fund	5,402	-
Other	309	-
Grants Receivable	-	10,387
Due from Current Fund	-	40,235
Total Receipts	2,098,073	50,622
Total	6,127,982	50,622
Disbursements:		
2019 Appropriations	680,327	-
2018 Appropriation Reserves	14,118	-
Local District School Taxes	894,513	-
County Taxes	363,129	-
Marriage License Fees	175	-
Tax Overpayments	236	-
Refund of Revenue	7,598	-
Paid on Behalf of General Capital	9,360	-
Due to Dog Trust	446	-
Due to Trust Other	1,097	-
Due to Payroll Fund	75	-
Reserve for Tax Maps	19,500	-
Appropriated Grants	-	50,622
Due to Grant Fund	40,235	-
Total Disbursements	2,030,809	50,622
Balance December 31, 2019	\$ 4,097,173	\$ -

**TOWNSHIP OF WASHINGTON
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2019**

YEAR	BALANCE DECEMBER 31, 2018	2019 LEVY	ADDED TAXES	COLLECTED 2018	2019	SENIOR CITIZEN & VETERAN DEDUCTIONS ALLOWED	TRANSFERRED TO TAX TITLE LIEN	CANCELED	BALANCE DECEMBER 31, 2019
2018	\$ 65,393	\$ -	\$ -	\$ -	\$ 62,586	\$ -	\$ 2,807	\$ -	\$ -
Total	65,393	-	-	62,586	2,807	-	2,807	-	-
2019	-	1,180,736	7,316	24,481	1,110,899	7,000	5,292	381	39,999
Total	\$ 65,393	\$ 1,180,736	\$ 7,316	\$ 24,481	\$ 1,173,485	\$ 7,000	\$ 8,099	\$ 381	\$ 39,999

ANALYSIS OF 2019 PROPERTY TAX LEVY

Tax Yield:	
General Purpose Tax:	
General Property Taxes	\$ 1,180,736
Added Taxes	7,316
Total	<u>\$ 1,188,052</u>
Tax Levy:	
Local District School Tax (Abstract)	\$ 822,404
County Taxes (Abstract)	305,586
County Library Tax (Abstract)	28,558
County Open Space Tax (Abstract)	27,235
County Added Omitted Taxes	1,125
Total	1,184,908
Add: Additional Tax Levied	<u>3,144</u>
Total	<u>\$ 1,188,052</u>

**TOWNSHIP OF WASHINGTON
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018		\$	30,727
Increased by:			
Interest and Costs		\$	465
Transfers from Taxes Receivable			8,099
			8,564
Balance December 31, 2019		\$	39,291

**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2019**

ACCOUNT	BALANCE DECEMBER 31, 2018	ACCRUED	COLLECTED	BALANCE DECEMBER 31, 2019
Clerk:				
Licenses-Other	\$ -	\$ 8,406	\$ 8,406	\$ -
Municipal Court Fines & Costs	907	-	907	-
Interest & Costs on Taxes	-	8,692	8,692	-
Interest on Investments & Deposits	-	20,737	20,737	-
Energy Receipt Tax	-	84,588	84,588	-
Garden State Preservation Trust	-	731,260	731,260	-
Consolidated Municipal Property Tax Relief	-	1,159	1,159	-
Total	\$ 907	\$ 854,842	\$ 855,749	\$ -
		Cash Received	\$ 855,749	
		Total	\$ 855,749	

**TOWNSHIP OF WASHINGTON
CURRENT FUND
SCHEDULE OF 2018 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2019**

ACCOUNT	BALANCE DECEMBER 31, 2018	BALANCE AFTER TRANSFERS	EXPENDED	BALANCE LAPSED
Mayor & Committee:				
Other Expenses	\$ 1,484	\$ 1,484	\$ 79	\$ 1,405
Municipal Clerk:				
Other Expenses	10,191	10,191	678	9,513
Financial Administration:				
Other Expenses	4,261	4,261	-	4,261
Audit Services:				
Other Expenses	500	500	-	500
Computerized Processing:				
Other Expenses	2,031	2,031	163	1,868
Revenue Administration (Tax Collection):				
Other Expenses	1,697	1,697	-	1,697
Tax Assessor:				
Other Expenses	5,189	5,189	1,000	4,189
Legal Services:				
Other Expenses	14,043	14,043	1,417	12,626
Engineering Services & Costs:				
Other Expenses	50,736	50,736	5,683	45,053
Land Development Board:				
Other Expenses	1,667	1,667	-	1,667
Insurance:				
Unemployment Insurance	698	698	11	687
Office of Emergency Management:				
Other Expenses	2,979	2,979	-	2,979
Streets & Roads:				
Other Expenses	9,889	9,889	664	9,225
Public Building & Grounds:				
Other Expenses	18,567	18,567	73	18,494
Board of Health:				
Other Expenses	1,020	1,020	-	1,020
Animal Control Services:				
Other Expenses	2,197	2,197	161	2,036
Recreation:				
Other Expenses	1,500	1,500	-	1,500
Maintenance of Parks:				
Other Expenses	500	500	-	500
Utility Expenses & Bulk Purchases:				
Electricity	3,741	3,741	-	3,741
Street Lighting	381	381	236	145
Telephone	2,481	2,481	860	1,621
Fuel Oil	7,049	7,049	-	7,049
Telecommunications Cost	2,538	2,538	-	2,538
Propane	2,100	2,100	-	2,100
Gasoline	1,881	1,881	-	1,881

**TOWNSHIP OF WASHINGTON
CURRENT FUND
SCHEDULE OF 2018 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2019**

ACCOUNT	BALANCE DECEMBER 31, 2018	BALANCE AFTER TRANSFERS	EXPENDED	BALANCE LAPSED
Solid Waste Disposal:				
Other Expenses	\$ 3,399	\$ 3,399	\$ 2,934	\$ 465
Other Expenses- Garbage Removal	173	173	159	14
Code Enforcement Officer:				
Other Expenses	340	340	-	340
Celebration of Public Events:				
Other Expenses	543	543	-	543
Contingent	1,000	1,000	-	1,000
Statutory Expenditures				
Social Security System (O.A.S.I.)	511	511	-	511
Interlocal Municipal Service Agreements:				
Municipal Prosecutor	3,500	3,500	-	3,500
Municipal Court	8,572	8,572	-	8,572
Public Defender	2,000	2,000	-	2,000
All Salary Appropriation Reserves	10,043	10,043	-	10,043
Total	<u>\$ 179,401</u>	<u>\$ 179,401</u>	<u>\$ 14,118</u>	<u>\$ 165,283</u>
		Cash Disbursements	<u>\$ 14,118</u>	
			<u>\$ 14,118</u>	

**TOWNSHIP OF WASHINGTON
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018		
School Taxes Payable	\$	-
School Taxes Deferred		211,926
		<u>211,926</u>
		211,926
Increased by:		
Levy - Calendar Year 2019		822,404
		<u>822,404</u>
Subtotal		1,034,330
Decreased by:		
Payments		894,513
		<u>894,513</u>
Balance December 31, 2019		
School Taxes Payable		-
School Taxes Deferred		139,817
		<u>139,817</u>
Total		<u>\$ 139,817</u>
2019 Liability for Local District School Tax:		
Tax Paid	\$	894,513
Tax Payable December 31, 2019		-
		<u>-</u>
Subtotal	\$	894,513
Less: Tax Payable December 31, 2018		<u>-</u>
Amount Charged to 2019 Operations	\$	<u><u>894,513</u></u>

EXHIBIT A-10

**SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018		\$	4,944
Increased by Levy:			
County Tax	\$	305,586	
County Library Tax		28,558	
County Open Space Tax		27,235	
Added & Omitted Taxes		1,125	362,504
			<u>362,504</u>
Subtotal			367,448
Decreased by:			
Payments			363,129
			<u>363,129</u>
Balance December 31, 2019		\$	<u><u>4,319</u></u>

**TOWNSHIP OF WASHINGTON
CURRENT FUND
SCHEDULE OF APPROPRIATED STATE GRANTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

GRANT	BALANCE DECEMBER 31, 2018	2019 BUDGET	ENCUMBRANCES RECLASSIFIED	EXPENDED	BALANCE DECEMBER 31, 2019
Clean Communities Program	\$ 11,160	\$ 8,319	\$ 195	\$ 6,062	\$ 13,612
Firewise	-	5,000	-	4,992	8
NJ DOT- Turtle Creek	188,100	-	10,802	37,213	161,689
NJ DOT- River Road 2019	-	184,326	-	-	184,326
CSIP	16	-	-	-	16
Supplemental Fire Service Program	859	-	-	-	859
Emergency Pothole Repair Program	178	-	-	-	178
Community Development Block Grant:					
Henderson Avenue	26,960	-	-	-	26,960
Alcohol Education & Rehabilitation Fund	8,024	864	-	1,755	7,133
Governor Connect Grant	369	-	-	-	369
New Jersey Forest Fire Services	15,259	-	-	-	15,259
Community Forestry	14,226	-	-	-	14,226
SLAHEOP Grant	2,406	-	-	-	2,406
Emergency Management (FEMA)	3,443	-	-	-	3,443
Municipal Stormwater	5,000	-	-	-	5,000
Recycling Tonnage	2,621	1,264	-	600	3,285
Total	\$ 278,621	\$ 199,773	\$ 10,997	\$ 50,622	\$ 438,769

Encumbrances	\$ -
Cash Disbursements	50,622
Total	\$ 50,622

**TOWNSHIP OF WASHINGTON
CURRENT FUND
SCHEDULE OF GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2019**

GRANT	BALANCE DECEMBER 31, 2018	2019 REVENUE	2019 RECEIVED	TRANSFERRED FROM UNAPPROPRIATED	BALANCE DECEMBER 31, 2019
Community Development					
Block Grant	\$ 69,000	\$ -	\$ -	\$ -	\$ 69,000
Transportation Trust Fund	19,635	-	-	-	19,635
Clean Communities	-	8,319	8,319	-	-
Firewise	-	5,000	-	-	5,000
Recycling Tonnage	887	1,264	1,264	-	887
Municipal Alliance Grant	5,327	-	-	-	5,327
NJ DOT- River Road 2019	-	184,326	-	-	184,326
Alcohol Education & Rehabilitation Fund	-	864	804	60	-
NJ DOT- Turtle Creek	244,325	-	-	-	244,325
Total	\$ 339,174	\$ 199,773	\$ 10,387	\$ 60	\$ 528,500
Cash Receipts			<u>\$ 10,387</u>		
Total			<u><u>\$ 10,387</u></u>		

**SCHEDULE OF UNAPPROPRIATED STATE GRANTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

GRANT	BALANCE DECEMBER 31, 2018	RECEIVED	TRANSFERRED TO APPROPRIATIONS	BALANCE DECEMBER 31, 2019
Alcohol Rehabilitation	\$ 60	\$ -	\$ 60	\$ -
Total	\$ 60	\$ -	\$ 60	\$ -

TRUST FUND

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**TOWNSHIP OF WASHINGTON
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2019**

	DOG TRUST FUND	TRUST OTHER FUNDS
Balance December 31, 2018	\$ 2,876	\$ 28,440
Receipts from:		
Escrow Deposits	-	1,225
Dog Licenses- 2019	410	-
State License Fees	91	-
Interfund- Current	446	1,097
	<u>3,823</u>	<u>30,762</u>
Subtotal		
Escrow Disbursements	-	1,093
Due to State	91	-
Cash Disbursements	360	-
	<u>451</u>	<u>1,093</u>
Subtotal		
Balance December 31, 2019	<u>\$ 3,372</u>	<u>\$ 29,669</u>

**SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018	\$ 293
Increased by:	
2019 Dog License Fees Collected	<u>410</u>
Subtotal	703
Decreased by:	
Animal Expenditures	<u>360</u>
Balance December 31, 2019	<u>\$ 343</u>

LICENSE FEES COLLECTED	
YEAR	AMOUNT
2018	\$ 381
2017	<u>288</u>
Total	<u>\$ 669</u>

**TOWNSHIP OF WASHINGTON
TRUST FUND
SCHEDULE OF DUE (FROM)/TO CURRENT FUND - DOG TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018	\$	2,583
Increased by:		
Interfunds Created		446
Balance December 31, 2019	\$	3,029

**SCHEDULE OF DUE TO CURRENT FUND - TRUST OTHER
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018	\$	18,740
Increased by:		
Interfund Created		1,097
Balance December 31, 2018	\$	19,837

**SCHEDULE OF RESERVE FOR UNEMPLOYMENT COMPENSATION
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2019 & 2018	\$	466
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**TOWNSHIP OF WASHINGTON
TRUST FUND
SCHEDULE OF RESERVE FOR PUBLIC DEFENDER
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018	\$	1,645
Increased by:		
Cash Receipts		-
Balance December 31, 2019	<u>\$</u>	<u>1,645</u>

**SCHEDULE OF RESERVE FOR BUILDERS ESCROW
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018	\$	7,304
Increased by:		
Escrow Deposits		1,225
Subtotal		8,529
Decreased by:		
Expenditures		1,093
Balance December 31, 2019	<u>\$</u>	<u>7,436</u>

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GENERAL CAPITAL FUND

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**TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018	\$	1,143,479
Receipts:		
Interest		783
Subtotal		1,144,262
Disbursements:		
Improvement Authorizations		111
Balance December 31, 2019	\$	1,144,151

**TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2019**

	DATE OF ORDINANCE	AMOUNT
Capital Improvement Fund		\$ 819,452
Capital Surplus		45,837
Due from Current Fund		103,047
Improvement Authorization:		
Various Town Roads	5/11/10	19,123
Acquisition of Dump Truck and Building Renovation	12/9/14	121,156
Acquisition of Backhoe and Various Improvements	6/9/15	28,252
Improvements to Municipal Building	12/29/15	7,284
Total		\$ 1,144,151

**TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019**

DESCRIPTION	ORDINANCE DATE	AMOUNT	BALANCE DECEMBER, 31, 2018		EXPENDED	BALANCE DECEMBER, 31, 2019	
			FUNDED	UNFUNDED		FUNDED	UNFUNDED
Various Town Roads	5/11/2010	\$ 25,000	\$ 19,123	\$ -	\$ -	\$ 19,123	\$ -
Acquisition of Dump Truck and Building Renovations	12/9/2014	330,000	121,156	-	-	121,156	-
Acquisition of Backhoe and Various Improvements	6/9/2015	75,000	28,252	-	-	28,252	-
Improvements to Municipal Building	12/29/2015	40,000	16,755	-	9,471	7,284	-
Total			\$ 185,286	\$ -	\$ 9,471	\$ 175,815	\$ -
			Paid by Current Fund		\$ 9,360		
			Cash Disbursements		111		
					<u>\$ 9,471</u>		

**TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2019**

EXHIBIT C-4

Balance, December 31, 2019 and 2018

\$ 45,837

**SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

EXHIBIT C-5

Balance, December 31, 2019 and 2018

\$ 819,452

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PUBLIC ASSISTANCE FUND

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**TOWNSHIP OF WASHINGTON
PUBLIC ASSISTANCE FUND
SCHEDULE OF TREASURER'S CASH
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018	\$	5,402
Decreased by:		
Transfer to Current Fund		5,402
Balance, December 31, 2019	\$	-

**SCHEDULE OF INTERFUND DUE TO CURRENT FUND - PUBLIC ASSISTANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018	\$	137
Decreased by:		
Interfund Liquidated		137
Balance, December 31, 2019	\$	-

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PAYROLL FUND

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**TOWNSHIP OF WASHINGTON
PAYROLL FUND
SCHEDULE OF CASH - PAYROLL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018		\$	3,131
Increased by Receipts:			
Net Pay	\$	112,197	
Transfers from Current Fund		75	
Payroll Taxes		39,241	151,513
Subtotal			154,644
Decreased by Disbursements:			
Net Pay		112,197	
Payroll Taxes		39,227	151,424
Balance December 31, 2019		\$	<u>3,220</u>

**SCHEDULE OF PAYROLL TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2019**

Balance December 31, 2018		\$	1,309
Increased by:			
Payroll Taxes Withheld			<u>39,241</u>
Subtotal			40,550
Decreased by:			
Payments to Various Agencies - Payroll Fund			<u>39,227</u>
Balance December 31, 2019		\$	<u>1,323</u>

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TOWNSHIP OF WASHINGTON

PART II

**SCHEDULE OF FINANCIAL STATEMENT FINDINGS -
GOVERNMENT AUDITING STANDARDS**

FOR THE YEAR ENDED DECEMBER 31, 2019

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**TOWNSHIP OF WASHINGTON
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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

None.

**TOWNSHIP OF WASHINGTON
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings

No Prior Year Findings.

FEDERAL AWARDS

N/A – No Federal Single Audit in prior year.

STATE FINANCIAL ASSISTANCE

N/A – No State Single Audit in prior year.

TOWNSHIP OF WASHINGTON

PART III

**LETTER OF COMMENTS AND RECOMMENDATIONS – REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2019:

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Dudley Lewis	Mayor	-
Barry Cavileer	Councilmember	-
Paul Seybold	Councilmember	-
Kristen Manning	Chief Financial Officer	75,000
Kathleen D. Hoffman	Clerk	35,000
Kimberly Smith	Tax Collector	75,000
Peggy A. Beck	Court Administrator	25,000

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Honorable Mayor and Members
of the Township Committee
Township of Washington
County of Burlington
Greenbank, New Jersey

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 ended December 31, 2019.

GENERAL COMMENTS:

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

N.J.S.A.40A:11-4 states 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 the bid threshold, except by contract or agreement.

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$40,000 for the year ended December 31, 2019.

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.

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.

Our examination of expenditures did not reveal any individual payments or contracts in excess of the bid threshold "for the performance of any work, or the furnishing of any materials, supplies or labor" other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of *N.J.S.A.40A:11-6*.

Collection of Interest on Delinquent Taxes and Assessments

N.J.S.54:4-67, provides the method for authorizing interest and the maximum rates 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 2, 2019 adopted the following resolution authorizing interest to be charged on delinquent taxes:

NOW THEREFORE, BE IT RESOLVED, that if said taxes are deemed to be delinquent for non-payment of taxes, the Tax Collector shall charge eight (8%) percent per annum on the first \$1,500.00 of the delinquency, and eighteen (18%) percent per annum on any amount in excess of \$1,500.00; and

BE IT FURTHER RESOLVED, by the Township Committee of the Township of Washington, that the Tax Collector shall allow that no interest will be charged on payments received and made by the tenth calendar day following the date upon which the same became payable; and

BE IT FURTHER RESOLVED, by the Township Committee of the Township of Washington, that the Tax Collector shall charge, in addition to the interest for delinquent taxes, as noted above, a penalty of six (6%) percent of the amount of the delinquency in taxes in excess of \$10,000.00 to a taxpayer who fails to pay the delinquency prior to the end of the calendar year.

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

OTHER COMMENTS (FINDINGS):

None.

RECOMMENDATIONS:

None.

Appreciation

We express our appreciation for the assistance and courtesies extended to the members of the audit team.

Respectfully submitted,

HOLT MCNALLY & ASSOCIATES, INC

David McNally
Certified Public Accountant
Registered Municipal Accountant
RMA No. 573

Medford, New Jersey
June 30, 2020