

**TOWNSHIP OF WASHINGTON**  
**BERGEN COUNTY, NEW JERSEY**  
**REPORT OF AUDIT**  
**YEAR ENDED DECEMBER 31, 2009**

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**TOWNSHIP OF WASHINGTON**

**BERGEN COUNTY, NEW JERSEY**

**PART I**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2009**

# LERCH, VINCI & HIGGINS, LLP

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## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members  
of the Township Council  
Township of Washington  
Township of Washington, New Jersey

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Township of Washington as of December 31, 2009 and 2008 and the related statements of operations and changes in fund balance - regulatory basis for the years then ended and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the Current Fund for the year ended December 31, 2009. These financial statements are the responsibility of the Township of Washington's management. Our responsibility is to express an opinion on these financial statements based on our audits.

Except as discussed in the fourth paragraph, we conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township of Washington's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described more fully in Note 1, the Township has prepared these financial statements using accounting practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

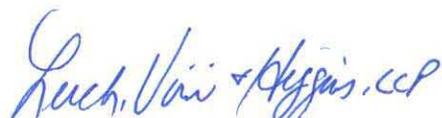
In addition, the financial statements of the Length of Service Awards Program (LOSAP) Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Fund financial statements as part of our audit of the Township's financial statements. The LOSAP Fund financial activities are included in the Township's Trust Fund, and represent 35 percent and 26 percent of the assets and liabilities, respectively, of the Township's Trust Funds as of December 31, 2009 and 2008.

In our opinion, because of the effects of the Township preparing its financial statements on the basis of accounting discussed in the third paragraph, the financial statements referred to previously do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Washington as of December 31, 2009 and 2008, or the changes in its financial position, for the years then ended. Further, the Township has not presented a management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

However, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Fund financial statements been audited, the financial statements - regulatory basis referred to previously present fairly, in all material respects, the financial position - regulatory basis of the various funds and account group of the Township of Washington as of December 31, 2009 and 2008 and the results of operations and changes in fund balance - regulatory basis of such funds for the years then ended and the revenues - regulatory basis and the expenditures - regulatory basis of the Current Fund for the year ended December 31, 2009 on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated June 24, 2010 on our consideration of the Township of Washington'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 and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Township of Washington. The supplementary schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Township of Washington. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole on the basis of accounting described in Note 1.

  
LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Registered Municipal Accountants

  
Gary J. Vinci  
Registered Municipal Accountant  
RMA Number CR00411

Fair Lawn, New Jersey  
June 24, 2010

**TOWNSHIP OF WASHINGTON  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
CURRENT FUND  
AS OF DECEMBER 31, 2009 AND 2008**

ASSETS	<u>Reference</u>	<u>2009</u>	<u>2008</u>
Cash and Investments - Treasurer	A-4	\$ 5,021,449	\$ 4,719,873
Cash - Collector	A-5	13,555	(96,985)
Cash - Change Fund	A-6	<u>325</u>	<u>325</u>
		<u>5,035,329</u>	<u>4,623,213</u>
State/Federal Aid Receivable	A-12	66,802	42,188
Due from State of NJ-Seniors & Veterans	A-7	<u>13,367</u>	<u>9,367</u>
		<u>5,115,498</u>	<u>4,674,768</u>
Receivables and Other Assets With Full Reserves			
Taxes Receivable	A-8	295,853	235,885
Tax Title Liens Receivable	A-9	2,614	2,300
Property Acquired for Taxes - Assessed Valuation	A-10	70,950	70,950
Due from General Capital Fund	C-6		2,222
Due from Animal Control Fund	B-9	8,803	3,721
Due from Other Trust Fund	B-7	94,877	95,388
Revenue Accounts Receivable	A-13	<u>9,743</u>	<u>-</u>
		<u>482,840</u>	<u>410,466</u>
Deferred Charges			
Emergency Authorizations	A-22	21,000	
Special Emergency Authorizations	A-11	<u>53,800</u>	<u>107,600</u>
		<u>74,800</u>	<u>107,600</u>
Total Assets		<u>\$ 5,673,138</u>	<u>\$ 5,192,834</u>

**TOWNSHIP OF WASHINGTON**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**CURRENT FUND**  
**AS OF DECEMBER 31, 2009 AND 2008**  
**(Continued)**

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Liabilities			
Appropriation Reserves	A-3,A-14	\$ 702,884	\$ 139,403
Due to General Capital Fund	C-6	8,534	
Accounts Payable	A-21	608,396	315,774
Encumbrances Payable	A-15	673,571	898,280
Prepaid Taxes	A-16	179,219	187,395
Tax Overpayments	A-17	5,240	1,271
Miscellaneous Reserves	A-18	1,174,963	1,164,043
County Taxes Payable	A-19	6,830	9,615
Due to Length of Service Award Program Fund	B	<u>95,450</u>	<u>89,700</u>
		3,455,087	2,805,481
Reserve for Receivables and Other Assets	A	482,840	410,466
Fund Balance	A-1	<u>1,735,211</u>	<u>1,976,887</u>
<b>Total Liabilities, Reserves and Fund Balance</b>		<u>\$ 5,673,138</u>	<u>\$ 5,192,834</u>

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

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>			
Fund Balance Utilized	A-2	\$ 1,100,000	\$ 1,100,000
Miscellaneous Revenue Anticipated	A-2	2,153,732	2,076,409
Receipts from Delinquent Taxes	A-2	235,663	229,523
Receipts from Current Taxes	A-2	33,234,567	32,367,694
Non-Budget Revenue	A-2	144,606	91,419
Other Credits to Income			
Cancellation of Accounts Payable	A-21	55,667	18,257
Statutory Excess Dog License Fund	B-9	5,081	3,718
Tax Overpayments Cancelled	A-17	11,605	31,181
Unappropriated Grant Reserves Cancelled	A-1		26,250
Unexpended Balance of Appropriation Reserves	A-14	28,749	167,593
		<hr/>	<hr/>
Total Revenues		36,969,670	36,112,044
<b>EXPENDITURES</b>			
Budget Appropriations			
Operations			
Salaries and Wages	A-3	4,268,234	4,198,124
Other Expenses	A-3	4,910,584	5,267,210
Capital Improvements	A-3	58,480	70,000
Municipal Debt Service	A-3	1,163,025	1,154,995
Deferred Charges and Statutory Expenditures	A-3	943,907	247,313
Other Debits			
County Taxes	A-19	3,619,132	3,489,221
County Open Space Tax	A-19	198,927	199,955
Due County for Added and Omitted Taxes	A-19	6,830	9,615
Regional School Taxes	A-20	20,923,500	20,315,713
Prior Year Senior Citizen/Veterans Disallowed	A-1		985
Grants Receivable Cancelled	A-1		16,724
Refund of Prior Year Revenue	A-4	37,378	40,944
Interfunds Originating	A	2,349	71,959
		<hr/>	<hr/>
Total Expenditures		36,132,346	35,082,758
Excess in Revenue		837,324	1,029,286

The Accompanying Notes are an Integral Part of these Financial Statements

**TOWNSHIP OF WASHINGTON**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**  
**(Continued)**

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
Excess in Revenue		\$ 837,324	\$ 1,029,286
Adjustments to Income Before Surplus:			
Expenditures Included Above Which by Statute are Deferred Charges to Budget of Succeeding Years	A-3, A-22	<u>21,000</u>	<u>-</u>
		858,324	1,029,286
FUND BALANCE, JANUARY 1	A-1	<u>1,976,887</u>	<u>2,047,601</u>
		2,835,211	3,076,887
Decreased by:			
Utilization as Anticipated Revenue	A-1,A-2	<u>1,100,000</u>	<u>1,100,000</u>
FUND BALANCE, DECEMBER 31	A	<u>\$ 1,735,211</u>	<u>\$ 1,976,887</u>

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

	<u>Reference</u>	2009 <u>Budget</u>	Added by N.J.S. <u>40A:4-87</u>	2009 <u>Realized</u>	Excess or <u>(Deficit)</u>
FUND BALANCE ANTICIPATED	A-1	\$ 1,100,000	-	\$ 1,100,000	-
<b>MISCELLANEOUS REVENUES</b>					
Licenses					
Alcoholic Beverages	A-13	6,500		11,031	\$ 4,531
Other	A-2	1,500		2,850	1,350
Fees and Permits					
Construction Code Official	A-13	120,000		107,879	(12,121)
Other	A-2	125,000		147,456	22,456
Fines and Costs					
Municipal Court	A-13	80,000		64,227	(15,773)
Interest and Costs on Taxes	A-13	33,000		61,329	28,329
Energy Receipts Tax	A-13	853,942		853,942	
Interest on Investments and Deposits	A-2	100,000		37,560	(62,440)
Consolidated Municipal Property					
Tax Relief Aid	A-13	43,009		43,009	
Reserve for CMPTRA	A-18	37,057		37,057	
State and Federal Offset With Appropriations					
Public Health Priority Funding Act					
of 1977	A-12	8,128		8,128	
Clean Communities Grant	A-12	14,600		14,600	
Municipal Alliance on Alcoholism and Drug Abuse	A-12		\$ 11,017	11,017	
County of Bergen - Federal Handicap Ramp	A-12		72,601	72,601	
Obey the Signs or Pay the Fines- Speed Enf.	A-12		4,000	4,000	
Community Development Block Grant	A-12	3,000		3,000	
GDL 2009 Enforcement/Educ Grant	A-12	2,000		2,000	
Over the Limit Under Arrest	A-12		6,000	6,000	
Emergency Preparedness - Health Dept	A-12		2,500	2,500	
2010 State Health Services Grant - H1N1	A-12		96,110	96,110	
Motorcycle Safety Grant	A-12		7,800	7,800	

**TOWNSHIP OF WASHINGTON**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**  
**(Continued)**

	<u>Reference</u>	2009 <u>Budget</u>	Added by N.J.S. <u>40A:4-87</u>	2009 <u>Realized</u>	Excess or <u>(Deficit)</u>
MISCELLANEOUS REVENUES (Continued)					
Special Items					
Joint Health Services - Contractual	A-13	\$ 170,683		\$ 155,236	\$ (15,447)
Cable Television Fees	A-13	35,000		96,204	61,204
Uniform Fire Safety Act	A-13	12,715		9,187	(3,528)
Library Reimbursement	A-13	106,252		227,847	121,595
Sale of Recyclables	A-13	50,000		23,365	(26,635)
Sewer Charges	A-13	35,000	-	47,797	12,797
		<u>1,837,386</u>	<u>-</u>	<u>2,153,732</u>	<u>116,318</u>
Total Miscellaneous Revenues	A-1	1,837,386	\$ 200,028	2,153,732	116,318
RECEIPTS FROM DELINQUENT TAXES	A-1, A-8	<u>150,000</u>	<u>-</u>	<u>235,663</u>	<u>85,663</u>
AMOUNT TO BE RAISED FOR SUPPORT OF MUNICIPAL BUDGET					
Local Tax for Municipal Purposes	A-2,A-8	<u>8,808,095</u>	<u>-</u>	<u>9,258,457</u>	<u>450,362</u>
Total		<u>\$ 11,895,481</u>	<u>\$ 200,028</u>	12,747,852	<u>\$ 652,343</u>
Non-Budget Revenue	A-1, A-2			<u>144,606</u>	
				<u>\$ 12,892,458</u>	

**TOWNSHIP OF WASHINGTON**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**  
**(Continued)**

	<u>Reference</u>	
<b>ANALYSIS OF REALIZED REVENUES</b>		
Allocation of Current Tax Collections		
Revenue from Collections	A-1,A-8	\$ 33,234,567
Less: Allocated to School and County Taxes	A-19, A-20	<u>24,748,389</u>
		8,486,178
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>772,279</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 9,258,457</u>
Licenses - Other		
Township Clerk	A-13	\$ 2,520
Board of Health	A-13	<u>330</u>
	A-2	<u>\$ 2,850</u>
Fees and Permits - Other		
Township Clerk	A-13	\$ 7,970
Police Department	A-13	12,606
Zoning Board of Adjustment	A-13	8,100
Planning Board	A-13	5,285
Board of Health	A-13	10,000
Recreation	A-13	<u>103,495</u>
	A-2	<u>\$ 147,456</u>
Interest on Investments and Deposits		
Treasurer and Collector	A-13	\$ 32,989
Due from General Capital Fund	C-6	81
Due from Animal Control Fund	B-9	1
Due from Other Trust Fund	B-7	<u>4,489</u>
	A-2	<u>\$ 37,560</u>
<b>ANALYSIS OF NON-BUDGET REVENUE</b>		
Sale of Municipal Assets		\$ 11,825
Miscellaneous		45,292
Rent Fees - Washington Ave		10,050
Snow Plowing		8,370
Insurance Dividends		6,705
Flu Vaccine Reimbursements		22,679
Insurance Refunds		21,196
Library Rental of Building		18,000
Miscellaneous Reimbursements		<u>489</u>
	A-2, A-4	<u>\$ 144,606</u>

The Accompanying Notes are an Integral Part of these Financial Statements

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

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Total Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<b>OPERATIONS - WITHIN "CAPS"</b>					
General Government					
General Administration					
Salaries and Wages	\$ 174,267	\$ 179,916	\$ 179,916		
Other Expenses	24,200	24,700	24,312	\$ 388	
Maintenance and Support of Office Equip					
Maint. & Support- Equipment	11,500	13,578	12,756	822	
Maint. & Support- Computers/Telephone	30,000	30,000	12,928	17,072	
Mayor & Council					
Salaries and Wages- Mayor	8,675	8,675	8,675		
Other Expenses- Mayor	5,000	5,000	3,988	1,012	
Salaries and Wages- Council	27,339	27,339	27,339		
Other Expenses- Council	5,550	5,550	2,929	2,621	
Municipal Clerk					
Salaries and Wages	65,965	65,965	65,965		
Other Expenses	7,900	7,900	7,640	260	
Elections- S&W	1,600	1,600	1,600		
Elections- Other Expenses	10,050	10,050	8,627	1,423	
Financial Administration					
Salaries and Wages	115,610	115,610	115,610		
Other Expenses					
Financial Services - Fees	24,000	24,000	10,300	13,700	
Miscellaneous Other	14,350	14,350	14,248	102	
Audit Services					
Other Expenses	31,500	31,500		31,500	
Revenue Administration					
Salaries and Wages	50,770	50,770	49,757	1,013	
Other Expenses	15,525	15,525	12,506	3,019	
Tax Assessment Administration					
Salaries and Wages	46,071	46,071	46,071		
Other Expenses	3,810	3,810	3,704	106	
Legal Services					
Salaries and Wages	62,691	62,691	62,691		
Other Expenses					
Administration	500	500		500	
Council	83,000	83,000	65,415	17,585	
Tax Appeals	20,000	20,000	20,000		
Engineering Services					
Salaries and Wages	1,000	1,000	1,000		
Other Expenses	24,000	36,767	36,767		
Department of Public Affairs					
Salaries and Wages	1,000	1,000	1,000		
Other Expenses	27,110	27,110	22,275	4,835	
Cable Television Expense					
	7,000	7,000	7,000		
Land Use Administration					
Planning Board					
Salaries and Wages	6,758	6,758	6,730	28	
Other Expenses	7,060	7,060	6,161	899	
Zoning Board of Adjustment					
Salaries and Wages	17,758	17,758	17,370	388	
Other Expenses	9,376	11,831	11,048	783	

The Accompanying Notes are an Integral Part of these Financial Statements

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

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Total Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<b>PUBLIC SAFETY FUNCTIONS</b>					
Police Department					
Salaries and Wages	\$ 2,713,987	\$ 2,713,987	\$ 2,683,987	\$ 30,000	
Other Expenses	29,550	29,550	29,542	8	
Acquisition/Leasing of Police Vehicles	38,125	38,125	38,082	43	
Community Policing	1,000	1,000	972	28	
Telephone Support System	4,000	4,000	4,000		
Maintenance of Desk Record System	17,000	17,000	16,832	168	
Police Range Repair	7,500	7,500	5,000	2,500	
Reverse 911 System	500	500		500	
Police Dispatching	48,000	13,495	10,000	3,495	
Office of Emergency Management					
Salaries and Wages	1,000	1,000	750	250	
Other Expenses	300	300	300		
Aid to Volunteer Ambulance Company	30,000	30,000	26,507	3,493	
Fire Department					
Salaries & Wages	1,000	1,000	1,000		
Other Expenses	21,150	21,150	17,256	3,894	
Clothing Allowance	31,000	31,000	30,500	500	
Physicals	1,300	1,300	1,300		
Death Benefits	9,800	18,800	9,300	9,500	
Maintenance Program	8,000	8,000	7,921	79	
Equipment Compliance	5,200	5,200	3,921	1,279	
Purchase of Pagers	2,500	2,500		2,500	
Internet	480	480	150	330	
Uniform Fire Safety Code					
Other Expenses	10,150	10,150	10,027	123	
Fire Hydrant Service	154,298	145,298	136,681	8,617	
Municipal Prosecutor					
Salaries & Wages	8,357	8,357	7,607	750	
<b>PUBLIC WORKS FUNCTIONS</b>					
Department of Municipal Facilities					
Salaries and Wages	604,718	604,718	602,228	2,490	
Other Expenses	46,050	72,010	67,050	4,960	
Other Public Works Functions					
Shade Trees - Holiday Decoration	3,000	3,000	1,407	1,593	
Street Sweeping	28,000	28,000		28,000	
Solid Waste Collection					
Salaries and Wages	1,000	1,000	1,000		
Other Expenses	230,000	228,000	207,475	20,525	
Buildings and Grounds					
Building Maintenance	14,500	14,500	9,537	4,963	
Vehicle Maintenance					
Other Expenses	74,500	93,256	86,311	6,945	
Community Services Act	38,000	38,000	34,270	3,730	

The Accompanying Notes are an Integral Part of these Financial Statements

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

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Total Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<b>HEALTH AND HUMAN SERVICES</b>					
Public Health Services					
Salaries and Wages (Board of Health)	\$ 79,561	\$ 79,561	\$ 79,561		
Other Expenses (Board of Health)	23,420	23,420	18,694	\$ 4,726	
Occ. Safety & Health Blood Pathogens	3,000	3,000	500	2,500	
Animal Control Services					
Other Expenses	12,500	12,500	12,000	500	
Contributions to Social Services Agencies					
Aid to David Goldberg Child Care Center	500				
Recreation Services and Programs					
Salaries and Wages	73,003	73,003	70,527	2,476	
Other Expenses	112,930	124,206	122,913	1,293	
Golden Seniors' Committee	14,000	14,000	14,000		
Senior Activities	3,000	3,000	2,280	720	
Community Programs					
Salaries and Wages	1,500	1,500	1,500		
Other Expenses	4,000	1,500	1,450	50	
Maintenance of Parks					
Parks and Other Expenses	105,000	86,064	44,542	41,522	
Rental - Athletic Facilities	5,000	5,000	5,000		
<b>OTHER COMMON OPERATING FUNCTIONS</b>					
Celebration of Public Events	15,500	15,500	15,079	421	
Accumulated Leave Compensation	12,000	12,000		12,000	
<b>MUNICIPAL COURT</b>					
Salaries and Wages	70,492	70,492	68,117	2,375	
Other Expenses	9,500	9,500	8,916	584	
Public Defender					
Other Expenses	1,639	1,639	1,600	39	
<b>INSURANCE</b>					
Liability Insurance (BJIF)	149,608	149,608	143,347	6,261	
Workers Compensation Insurance (BJIF)	153,892	153,892	127,660	26,232	
Employee Group Insurance	825,825	825,825	649,550	176,275	
Unemployment Taxes	10,000	10,000	10,000		
<b>CODE ENFORCEMENT &amp; ADMINISTRATION</b>					
Construction Officials					
Salaries and Wages	100,473	100,473	99,663	810	
Other Expenses	5,750	5,750	5,749	1	
<b>UTILITY EXPENSES &amp; BULK PURCHASES</b>					
Electricity	76,000	76,000	71,000	5,000	
Street Lighting	87,553	87,553	67,553	20,000	
Telephone	35,600	35,600	35,403	197	
Water	7,200	7,200	7,200		
Natural Gas	24,000	24,000	19,713	4,287	
Gasoline	84,200	84,200	56,801	27,399	
<b>LANDFILL/SOLID WASTE DISPOSAL</b>					
Sanitary Landfill & Dump Fees	94,000	94,000	84,750	9,250	-
<b>Total Operations Within "CAPS"</b>	<u>7,325,546</u>	<u>7,346,546</u>	<u>6,762,309</u>	<u>584,237</u>	<u>-</u>

The Accompanying Notes are an Integral Part of these Financial Statements

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

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Total Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</b>					
Statutory Charges					
Social Security System (O.A.S.I.)	\$ 162,000	\$ 162,000	\$ 162,000		
Police & Firemen's Retirement System	611,736	611,736	611,436	\$ 300	
Public Employees Retirement System	116,371	116,371	116,371	-	-
	<u>890,107</u>	<u>890,107</u>	<u>889,807</u>	<u>300</u>	<u>-</u>
Total Deferred Charges & Statutory Expenditures - Municipal Within "CAPS"	<u>890,107</u>	<u>890,107</u>	<u>889,807</u>	<u>300</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>8,215,653</u>	<u>8,236,653</u>	<u>7,652,116</u>	<u>584,537</u>	<u>-</u>
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>					
<b>PUBLIC SAFETY FUNCTIONS</b>					
Length of Service Awards Program (LOSAP)	92,000	92,000	80,500	11,500	
<b>EDUCATION FUNCTIONS</b>					
Maintenance of Free Public Library	661,789	661,789	650,313	11,476	
<b>UTILITY EXPENSES &amp; BULK PURCHASES</b>					
Sewer					
Bergen County Utilities Authority - Contractual	586,892	586,892	586,892		
Other Municipalities - Contractual	102,300	102,300	102,300		
<b>PUBLIC WORKS</b>					
Engineering - NJDEP Stormwater					
Other Expenses	16,000	16,000	2,000	14,000	-
Total Other Operations Excluded from "CAPS"	<u>1,458,981</u>	<u>1,458,981</u>	<u>1,422,005</u>	<u>36,976</u>	<u>-</u>
<b>Interlocal Municipal Service Agreements</b>					
Joint Health Services - Contractual					
Salaries and Wages	15,990	15,990	15,990		
Other Expenses	124,200	124,200	121,615	2,585	-
Total Interlocal Municipal Service Agreements	<u>140,190</u>	<u>140,190</u>	<u>137,605</u>	<u>2,585</u>	<u>-</u>
<b>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</b>					
Public Health Priority Funding Act of 1977					
State Share	8,128	8,128	8,128		
Clean Communities Program	14,600	14,600	5,826	8,774	
Motorcycle Safety Grant-2010			7,800	7,800	
GDL 2009 Enforcement / Ed. Grant	2,000	2,000	2,000		
Emergency Preparedness Grant			2,500	2,500	
Municipal Alliance Grant					
State Share		11,017	9,195	1,822	
Local Match	2,845	2,845	2,845		
Community Development Block Grant					
Federal Share	3,000	3,000	3,000		

The Accompanying Notes are an Integral Part of these Financial Statements

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

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Total Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<b>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</b>					
(Continued)					
Matching Funds for Grants	\$ 2,500	\$ 2,500		\$ 2,500	
2010 State Health Service Grant - H1N1		96,110	\$ 38,220	57,890	
Obey the Sign or Pay the Fine - Speed Info		4,000	4,000		
Federal Handicap Ramp Improvements		72,601	72,601		
Over the Limit under arrest	-	6,000	6,000	-	-
	<u>33,073</u>	<u>233,101</u>	<u>154,315</u>	<u>78,786</u>	<u>-</u>
Total Public and Private Programs Offset by Revenues					
	<u>33,073</u>	<u>233,101</u>	<u>154,315</u>	<u>78,786</u>	<u>-</u>
Total Operations Excluded from "CAPS"	<u>1,632,244</u>	<u>1,832,272</u>	<u>1,713,925</u>	<u>118,347</u>	<u>-</u>
<b>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</b>					
Capital Improvement Fund	53,480	53,480	53,480		
Reserve for Ambulance	5,000	5,000	5,000	-	-
	<u>58,480</u>	<u>58,480</u>	<u>58,480</u>	<u>-</u>	<u>-</u>
Total Capital Improvements Excluded from "CAPS"					
	<u>58,480</u>	<u>58,480</u>	<u>58,480</u>	<u>-</u>	<u>-</u>
<b>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</b>					
Payment of Bond Principal	780,000	780,000	780,000		
Principal on Bond Anticipation Notes	42,000	42,000	42,000		
Interest on Bonds	213,362	213,362	213,362		
Interest on Notes	64,430	64,430	64,430		
EDA Loan					
Removal of Tank	7,185	7,185	7,185		
Tank Remediation	35,085	35,085	35,085		
Estimated Loan Repayments for Principal/Interest	20,963	20,963	20,963	-	-
	<u>1,163,025</u>	<u>1,163,025</u>	<u>1,163,025</u>	<u>-</u>	<u>-</u>
Total Municipal Debt Service Excluded from "CAPS"					
	<u>1,163,025</u>	<u>1,163,025</u>	<u>1,163,025</u>	<u>-</u>	<u>-</u>
<b>DEFERRED CHARGES MUNICIPAL - EXCLUDED FROM "CAPS"</b>					
Deferred Charges					
Special Emergency Authorizations	53,800	53,800	53,800	-	-
	<u>53,800</u>	<u>53,800</u>	<u>53,800</u>	<u>-</u>	<u>-</u>
Total Deferred Charges - Municipal Excluded from "CAPS"					
	<u>53,800</u>	<u>53,800</u>	<u>53,800</u>	<u>-</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>2,907,549</u>	<u>3,107,577</u>	<u>2,989,230</u>	<u>118,347</u>	<u>-</u>
Subtotal General Appropriations	11,123,202	11,344,230	10,641,346	702,884	-
Reserve for Uncollected Taxes	772,279	772,279	772,279	-	-
Total General Appropriations	<u>\$ 11,895,481</u>	<u>\$ 12,116,509</u>	<u>\$ 11,413,625</u>	<u>\$ 702,884</u>	<u>\$ -</u>

Reference A-2

A

The Accompanying Notes are an Integral Part of these Financial Statements

**TOWNSHIP OF WASHINGTON**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**  
(Continued)

	<u>Reference</u>	<u>Modified Budget</u>	<u>Expended Paid or Charged</u>
Adopted Budget	A-2	\$ 11,895,481	
N.J.S.A. 40A:4-87	A-2	200,028	
Emergency Appropriation	A-22	<u>21,000</u>	
		<u>\$ 12,116,509</u>	
Cash Disbursed	A-4		\$ 9,827,638
Encumbrances Payable	A-15		673,571
Due to Length of Service Award Program Fund	B		80,500
Current Fund Expenditures Paid by General Capital Fund	C-6		837
Due to General Capital Fund - Reserve for Ambulance	C-6		5,000
Deferred Charges	A-11		53,800
Reserve for Uncollected Taxes	A-2		<u>772,279</u>
			<u>\$ 11,413,625</u>

**TOWNSHIP OF WASHINGTON  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
TRUST FUNDS  
AS OF DECEMBER 31, 2009 AND 2008**

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
ASSETS			
ANIMAL CONTROL FUND			
Cash	B-2	\$ 14,705	\$ 10,289
Cash - Change Fund	B	<u>25</u>	<u>25</u>
		<u>14,730</u>	<u>10,314</u>
OTHER TRUST FUND			
Cash	B-2	<u>1,259,804</u>	<u>1,393,745</u>
		<u>1,259,804</u>	<u>1,393,745</u>
UNEMPLOYMENT INSURANCE TRUST FUND			
Cash	B-2	<u>15,969</u>	<u>17,573</u>
LENGTH OF SERVICE AWARD PROGRAM FUND (UNAUDITED)			
Investments	B	609,534	406,774
Due from Current Fund	B	<u>95,450</u>	<u>89,700</u>
		<u>704,984</u>	<u>496,474</u>
Total Assets		<u>\$ 1,995,487</u>	<u>\$ 1,918,106</u>

**TOWNSHIP OF WASHINGTON**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**TRUST FUNDS**  
**AS OF DECEMBER 31, 2009 AND 2008**  
**(Continued)**

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>ANIMAL CONTROL FUND</b>			
Reserve for Animal Control Expenditures	B-4	\$ 5,927	\$ 6,588
Due to State of NJ	B-5		5
Due to Current Fund	B-9	<u>8,803</u>	<u>3,721</u>
		<u>14,730</u>	<u>10,314</u>
<b>OTHER TRUST FUND</b>			
Reserve for Escrow and Performance Deposits	B-6	457,313	607,189
Reserve for Insurance Settlements	B-10	342,666	342,666
Reserve for Mt. Laurel Senior Housing	B-11	102,259	102,259
Reserve for Payroll Deductions Payable	B-12	33,589	39,698
Reserve for Police Private Detail Billings	B-15	207,668	170,571
Due to Current Fund	B-7	94,877	95,388
Miscellaneous Reserves	B-14	<u>21,432</u>	<u>35,974</u>
		<u>1,259,804</u>	<u>1,393,745</u>
<b>UNEMPLOYMENT INSURANCE TRUST FUND</b>			
Due to State of New Jersey	B-13	413	9,739
Reserve for Unemployment Insurance Claims	B-8	<u>15,556</u>	<u>7,834</u>
		<u>15,969</u>	<u>17,573</u>
<b>LENGTH OF SERVICE AWARD PROGRAM FUND (UNAUDITED)</b>			
Reserve for Investments in Length of Service Award Program	B	<u>704,984</u>	<u>496,474</u>
<b>Total Liabilities, Reserves and Fund Balance</b>		<u>\$ 1,995,487</u>	<u>\$ 1,918,106</u>

**TOWNSHIP OF WASHINGTON**  
**COMPARATIVE STATEMENTS OF FUND BALANCE - REGULATORY BASIS**  
**OTHER TRUST FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
Balance, January 1	B	\$ <u>          -</u>	\$ <u>          17</u>
Decreased by:			
Transfer to Reserve for Escrow and Performance Deposits	B-1	<u>                  -</u>	<u>                  17</u>
Balance, December 31	B	<u>\$ <u>          -</u></u>	<u>\$ <u>          -</u></u>

**TOWNSHIP OF WASHINGTON**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**GENERAL CAPITAL FUND**  
**AS OF DECEMBER 31, 2009 AND 2008**

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>			
Cash and Investments	C-2, C-3	\$ 872,988	\$ 951,262
Grants Receivable	C-16	416,138	876,138
Due from Current Fund	C-6	8,534	
Deferred Charges to Future Taxation			
Funded	C-4	4,905,168	5,746,938
Unfunded	C-5	<u>3,686,537</u>	<u>3,394,276</u>
 Total Assets		 <u>\$ 9,889,365</u>	 <u>\$ 10,968,614</u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Improvement Authorizations			
Funded	C-7	\$ 496,080	\$ 926,257
Unfunded	C-7	1,400,310	1,570,802
Due to Current Fund	C-6		2,222
General Serial Bonds	C-8	4,757,000	5,537,000
Bond Anticipation Notes	C-9	2,250,000	1,895,000
Capital Improvement Fund	C-10	116,726	90,396
Contracts Payable	C-11	299,280	295,198
EDA Loan Payable	C-12	148,168	209,938
Reserve for Grants Receivable	C-16	61,138	91,138
Reserve for Payment of Bonds	C-13	314,961	314,961
Reserve for Preliminary Costs	C-14	5,000	5,000
Reserve for Ambulance	C-15	10,000	
Fund Balance	C-1	<u>30,702</u>	<u>30,702</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 9,889,365</u>	 <u>\$ 10,968,614</u>

There were bonds and notes authorized but not issued on December 31, 2009 and 2008 of \$1,491,937 and \$1,554,676 respectively, (Exhibit C-17).

**TOWNSHIP OF WASHINGTON**  
**COMPARATIVE STATEMENTS OF FUND BALANCE - REGULATORY BASIS**  
**GENERAL CAPITAL FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
Balance, January 1	C	\$ <u>30,702</u>	\$ <u>30,702</u>
Balance, December 31	C	\$ <u>30,702</u>	\$ <u>30,702</u>

**TOWNSHIP OF WASHINGTON  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
GENERAL FIXED ASSETS ACCOUNT GROUP  
AS OF DECEMBER 31, 2009 AND 2008**

	Balance, December 31, <u>2009</u>	Balance, December 31, <u>2008</u>
<b>ASSETS</b>		
Land	\$ 11,053,900	\$ 11,053,900
Buildings and Building Improvements	2,549,329	2,510,404
Machinery and Equipment	<u>4,161,449</u>	<u>3,967,986</u>
	<u>\$ 17,764,678</u>	<u>\$ 17,532,290</u>
<b>FUND BALANCE</b>		
Investment in General Fixed Assets	<u>\$ 17,764,678</u>	<u>\$ 17,532,290</u>

**NOTES TO FINANCIAL STATEMENTS**

**TOWNSHIP OF WASHINGTON  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Township of Washington have been prepared on a basis of accounting in conformity with accounting principles and practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a regulatory basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Such principles and practices 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. Under this method of accounting, the Township accounts for its financial transactions through separate funds, which differ from the fund structure required by GAAP.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has 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.

**A. Reporting Entity**

The Township of Washington (the "Township") was incorporated in 1840 and operates under an elected Mayor/Council form of government. The Township's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB requires the financial reporting entity to include both the primary government and component units. Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Township is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Township in that the Township approves the budget, the issuance of debt or the levying of taxes. The Township is not includable in any other reporting entity as a component unit.

The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Township do not include the municipal library, volunteer fire department or volunteer ambulance squad, which are considered component units under GAAP. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

TOWNSHIP OF WASHINGTON  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**B. Measurement Focus, Basis of Accounting and Basis of Presentation**

The Township uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Township functions or activities. The Township also uses an account group, which is designed to provide accountability for certain assets that are not recorded in those Funds.

The Township has the following funds and account group:

Current Fund – This fund is used to account for the revenues and expenditures for governmental operations of a general nature and the assets and liabilities related to such activities, including Federal and State grants not accounted for in another fund.

Trust Funds - Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the Township as an agent for individuals, private organizations, or other governments are recorded in the Trust Funds.

Animal Control Fund - This fund is used to account for fees collected from dog and cat licenses and expenditures which are regulated by NJS 4:19-15.11.

Other Trust Fund - This fund is established to account for the assets and resources, which are held by the Township as a trustee or agent for individuals, private organizations, other governments and/or other funds. These funds include dedicated fees/proceeds collected, developer deposits, payroll related deposits and funds deposited with the Township as collateral.

Unemployment Insurance Trust Fund - This fund is used to account for employee and employer contributions for the purpose of providing unemployment benefits to former eligible employees.

Length of Service Award Program Fund (LOSAP) – This fund is established to account for the tax-deferred income benefits to active volunteer members of emergency service organizations of the Township.

General Capital Fund – This fund is used to account for the receipt and disbursement of funds used and related financial transactions related to the acquisition or improvement of general capital facilities and other capital assets, other than those acquired in the Current Fund.

General Fixed Assets Account Group - This account group is used to account for all general fixed assets of the Township. The Township's infrastructure is not reported in the account group.

The Township of Washington follows a modified accrual basis of accounting. Under this method of accounting, revenues, except State/Federal Aid, are recognized when received and expenditures are recorded when incurred. The accounting principles and practices prescribed or permitted for municipalities by the Division ("regulatory basis of accounting") differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

**TOWNSHIP OF WASHINGTON  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)**

**Property Tax Revenues** - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Township. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The Township also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11<sup>th</sup> day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Township may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

**Miscellaneous Revenues** - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both measurable and available).

**Grant and Similar Award Revenues** - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Township's budget. GAAP requires such revenues to be recognized as soon as all eligibility requirements imposed by the grantor or provider have been met.

TOWNSHIP OF WASHINGTON  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)**

**Budgets and Budgetary Accounting** - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Township and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

The Township is not required to adopt budgets for the following funds:

Trust Funds  
General Capital Fund

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2009 and 2008 the Township Council increased the original budget by \$221,028 and \$22,335. The increases for 2009 were funded by additional aid allotted to the Township in the amount of \$200,028 as well as an emergency resolution totaling \$21,000 for Department of Municipal Facilities other expenses. The increases in 2008 were funded by additional aid allotted to the Township. In addition, the governing body approved several budget transfers during 2009 and 2008.

**Expenditures** – Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, as well as expenditures related to compensated absences and claims and judgements, which are recognized when due.

**Encumbrances** - Contractual orders outstanding at December 31, are reported as expenditures and liabilities through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures or liabilities under GAAP.

TOWNSHIP OF WASHINGTON  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)**

**Appropriation Reserves** – Appropriation reserves are recorded as liabilities and are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

**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. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations are recorded as a long-term obligation in the government-wide financial statements.

**Property Acquired for Taxes** – Property acquired for taxes is recorded in the Current Fund at the assessed valuation when such property was acquired, and is fully reserved. GAAP requires such property to be recorded as a capital asset in the government-wide financial statements at fair value on the date of acquisition.

**Interfunds** - Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve for interfunds and, therefore, does not recognize income in the year liquidated.

**Inventories** - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires inventories to be recorded as assets in proprietary-type funds.

**Cash and Investments** - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Investments are reported at cost and are limited by N.J.S.A. 40A:5-15.1 et seq. with the exception of LOSAP Trust Fund investments which are reported at fair value and are limited by N.J.A.C. 5:30-14.19. GAAP requires that all investments be reported at fair value.

**Tax Appeals and Other Contingent Losses** - Losses arising from tax appeals and other contingent losses 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. GAAP requires such amounts to be recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

**General Fixed Assets** - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, the Township of Washington has developed a fixed assets accounting and reporting system.

TOWNSHIP OF WASHINGTON  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)**

**General Fixed Assets (Continued)**

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks are not capitalized.

Fixed Assets purchased after December 31, 1990 are stated as cost. Donated fixed assets are recorded at estimated fair market value at the date of donation.

Fixed Assets purchased prior to December 31, 1990 are stated as follows:

Land and Buildings	Assessed Value
Machinery and Equipment	Replacement Cost

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

GAAP requires that capital assets be recorded in proprietary-type funds as well as the government-wide financial statement at historical or estimated historical cost if actual historical cost is not available. In addition, GAAP requires depreciation on capital assets to be recorded in proprietary-type funds as well as in the government-wide financial statements.

**Use of Estimates** - The preparation of financial statements requires management of the Township to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of accrued revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

**Reclassifications** - Certain reclassifications have been made to the December 31, 2008 balances to conform to the December 31, 2009 presentation.

**TOWNSHIP OF WASHINGTON  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)**

**Comparative Data** - Comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Township's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

**C. Basic Financial Statements**

The GASB Codification also requires the financial statements of a governmental unit to be presented in the basic financial statements in accordance with GAAP. The Township presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from reporting requirements under GAAP.

**NOTE 2 DEPOSITS AND INVESTMENTS**

The Township considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as cash and cash equivalents.

**Deposits**

The Township's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Township is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank for a temporary period ending December 31, 2013. SIPC replaces cash claims up to a maximum of \$100,000 for each failed brokerage firm. At December 31, 2009 and 2008, the book value of the Township's deposits were \$7,062,068 and \$6,859,717 and bank and brokerage firm balances of the Township's deposits amounted to \$7,207,760 and \$7,072,779, respectively. The Township's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2009</u>	<u>2008</u>
Insured	\$ 7,207,760	\$ 7,072,779

**TOWNSHIP OF WASHINGTON  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 2 DEPOSITS AND INVESTMENTS (Continued)**

**Deposits (Continued)**

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Township does not have a formal policy for custodial credit risk. None of the Township’s deposits were exposed to custodial credit risk.

**Investments**

The Township is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the Township or bonds or other obligations of the school districts which are a part of the Township or school districts located within the Township, Local Government investment pools, and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e). In addition, the Township is permitted to invest LOSAP Funds with the types of eligible investments authorized in NJAC 5:30-14.19. LOSAP investments include interest bearing accounts or securities, in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

As of December 31, 2009 and 2008, the Township had the following investments:

<u>2009</u>	<u>Fair Value</u>	<u>Book Value</u>
<u>Investment:</u>		
Government Money Market Fund (MBIA)		\$ 136,752
Length of Service Award Program	\$ 609,534	-
	<u>\$ 609,534</u>	<u>\$ 136,752</u>
<u>2008</u>	<u>Fair Value</u>	<u>Book Value</u>
<u>Investment:</u>		
Government Money Market Fund (MBIA)		\$ 136,390
Length of Service Award Program	\$ 406,774	-
	<u>\$ 406,774</u>	<u>\$ 136,390</u>

**TOWNSHIP OF WASHINGTON  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 2 DEPOSITS AND INVESTMENTS (Continued)**

**Deposits (Continued)**

Custodial Credit Risk -- Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Township does not have a policy for custodial risk. As of December 31, 2009 and 2008, \$746,286 and \$543,164 of the Township’s investments was exposed to custodial credit risk as follows:

	<u>2009</u>	<u>2008</u>
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the Township's name	\$ <u>746,286</u>	\$ <u>543,164</u>

Interest Rate Risk – The Township does not have a formal investment policy that limits investment maturities as a means of managing it’s exposure to fair value losses arising from increasing interest rates.

The fair value of the above-listed investments were based on quoted market prices.

Interest earned in the General Capital Fund, Animal Control Fund and certain Other Trust Funds are assigned to the Current Fund in accordance with the regulatory basis of accounting.

**NOTE 3 TAXES RECEIVABLE**

Receivables at December 31, 2009 and 2008 consisted of the following:

	<u>2009</u>	<u>2008</u>
<u>Current</u>		
Property Taxes	\$ 295,853	\$ 235,885
Tax Title Liens	<u>2,614</u>	<u>2,300</u>
	<u>\$ 298,467</u>	<u>\$ 238,185</u>

In 2009 and 2008, the Township collected \$235,663 and \$229,523 from delinquent taxes, which represented 99% and 99% of the prior year delinquent taxes receivable balance.

**TOWNSHIP OF WASHINGTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 4 MUNICIPAL DEBT**

The Local Bond Law governs the issuance of bonds and notes used to finance capital expenditures. General obligation bonds have been issued for the general capital fund. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and four months or retired by the issuance of bonds.

The Township's debt is summarized as follows:

	<u>2009</u>	<u>2008</u>
Issued		
General		
Bonds, Notes and Loans	\$ 7,155,168	\$ 7,641,938
Less Funds Temporarily Held to Pay Bonds and Notes	<u>370,361</u>	<u>370,361</u>
Net Debt Issued	6,784,807	7,271,577
Authorized But Not Issued		
General		
Bonds and Notes	<u>1,491,937</u>	<u>1,554,676</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 8,276,744</u>	<u>\$ 8,826,253</u>

The statement of debt condition that follows is extracted from the Township's Annual Debt Statement and indicates a statutory net debt of .42% and .44% at December 31, 2009 and 2008, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2009</u>			
General Debt	\$ 8,647,105	\$ 370,361	\$ 8,276,744
School Debt	<u>8,616,949</u>	<u>8,616,949</u>	<u>-</u>
Total	<u>\$ 17,264,054</u>	<u>\$ 8,987,310</u>	<u>\$ 8,276,744</u>

**TOWNSHIP OF WASHINGTON  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 4 MUNICIPAL DEBT (Continued)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2008</u>			
General Debt	\$ 9,196,614	\$ 370,361	\$ 8,826,253
School Debt	<u>9,053,981</u>	<u>9,053,981</u>	<u>-</u>
Total	<u>\$ 18,250,595</u>	<u>\$ 9,424,342</u>	<u>\$ 8,826,253</u>

The Township's remaining borrowing power under N.J.S. 40A:2-6, as amended, at December 31, was as follows:

	<u>2009</u>	<u>2008</u>
3-1/2% of Equalized Valuation Basis (Municipal) Net Debt	<u>\$ 68,959,211</u> <u>8,276,744</u>	<u>\$ 68,990,327</u> <u>8,826,253</u>
Remaining Borrowing Power	<u>\$ 60,682,467</u>	<u>\$ 60,164,074</u>

The Township's long-term debt consisted of the following at December 31:

**General Obligation Bonds**

The Township levies ad valorem taxes to pay debt service on general obligation bonds. General obligation bonds outstanding at December 31 are as follows:

	<u>2009</u>	<u>2008</u>
\$4,840,000, 2003 Bonds, due in annual installments of \$635,000 to \$670,000 through October 2012, interest at 3.50%-3.875%	\$ 1,960,000	\$ 2,580,000
\$3,322,000, 2003 Bonds, due in annual installments of \$175,000 to \$375,000 through September 2018, interest at 4.10%	<u>2,797,000</u>	<u>2,957,000</u>
	<u>\$ 4,757,000</u>	<u>\$ 5,537,000</u>

**TOWNSHIP OF WASHINGTON  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 4 MUNICIPAL DEBT (Continued)**

**General Intergovernmental Loans Payable**

The Township has entered into loan agreements with the New Jersey Department of Environmental Protection (Green Acres Loan) for the financing relating to the Memorial Field. The Township levies ad valorem taxes to pay debt service on general intergovernmental loans issued. General intergovernmental loans outstanding at December 31 are as follows:

	<u>2009</u>	<u>2008</u>
\$390,000, 1993 Loan, due in Annual installments of \$19,500 through August, 2013, interest at 1.5%	\$ 78,000	\$ 97,500
\$71,850, 1999 Loan, due in Annual installments of \$7,185 through July, 2009, interest at 0.0%		7,185
\$350,845, 2001 Loan, due in Annual installments of \$35,085 through January, 2011, interest at 0.0%	<u>70,168</u>	<u>105,253</u>
	<u>\$ 148,168</u>	<u>\$ 209,938</u>

The Township's principal and interest for long-term debt issued and outstanding as of December 31, 2009 is as follows:

Calendar Year	<u>General Serial Bonds</u>		<u>General Loans</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2010	\$ 810,000	\$ 187,427	\$ 54,585	\$ 1,170	\$ 1,053,182
2011	835,000	158,027	54,585	878	1,048,490
2012	905,000	126,085	19,500	585	1,051,170
2013	360,000	90,487	19,498	294	470,279
2014	365,000	75,727			440,727
2015-2018	<u>1,482,000</u>	<u>151,821</u>	<u>-</u>	<u>-</u>	<u>1,633,821</u>
	<u>\$ 4,757,000</u>	<u>\$ 789,574</u>	<u>\$ 148,168</u>	<u>\$ 2,927</u>	<u>\$ 5,697,669</u>

**TOWNSHIP OF WASHINGTON  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 4 MUNICIPAL DEBT (Continued)**

**Changes in Long-Term Municipal Debt**

The Township's long-term capital debt activity for the years 2009 and 2008 were as follows:

	Balance, December 31, <u>2008</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2009</u>	Due Within <u>One Year</u>
<u>2009</u>					
General Capital Fund					
Bonds Payable	\$ 5,537,000		\$ 780,000	\$ 4,757,000	\$ 810,000
Intergovernmental Loans Payable	<u>209,938</u>	<u>-</u>	<u>61,770</u>	<u>148,168</u>	<u>54,585</u>
General Capital Fund Long-Term Liabilities	<u>\$ 5,746,938</u>	<u>\$ -</u>	<u>\$ 841,770</u>	<u>\$ 4,905,168</u>	<u>\$ 864,585</u>
	Balance, December 31, <u>2007</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2008</u>	Due Within <u>One Year</u>
<u>2008</u>					
General Capital Fund					
Bonds Payable	\$ 6,287,000		\$ 750,000	\$ 5,537,000	\$ 780,000
Intergovernmental Loans Payable	<u>271,708</u>	<u>-</u>	<u>61,770</u>	<u>209,938</u>	<u>61,770</u>
General Capital Fund Long-Term Liabilities	<u>\$ 6,558,708</u>	<u>\$ -</u>	<u>\$ 811,770</u>	<u>\$ 5,746,938</u>	<u>\$ 841,770</u>

**Short-Term Debt**

The Township's short-term capital debt activity for the years 2009 and 2008 was as follows:

	Balance December 31, <u>2008</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2009</u>
General Capital Fund				
Bond Anticipation Notes	\$ 1,895,000	\$ 2,250,000	\$ 1,895,000	\$ 2,250,000
	Balance December 31, <u>2007</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2008</u>
General Capital Fund				
Bond Anticipation Notes	\$ 1,937,000	\$ 1,895,000	\$ 1,937,000	\$ 1,895,000

**TOWNSHIP OF WASHINGTON  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 5 FIXED ASSETS**

**General Fixed Assets**

The following is a summary of changes in the general fixed assets account group for the years 2009 and 2008.

	Balance December 31, <u>2008</u>	<u>Additions</u>	<u>Deletions</u>	Balance, December 31, <u>2009</u>
<u>2009</u>				
Land	\$ 11,053,900			\$ 11,053,900
Buildings and Building Improvement	2,510,404	\$ 38,925		2,549,329
Machinery and Equipment	<u>3,967,986</u>	<u>302,853</u>	<u>\$ 109,390</u>	<u>4,161,449</u>
	<u>\$ 17,532,290</u>	<u>\$ 341,778</u>	<u>\$ 109,390</u>	<u>\$ 17,764,678</u>
	Balance December 31, <u>2007</u>	<u>Additions</u>	<u>Deletions</u>	Balance, December 31, <u>2008</u>
<u>2008</u>				
Land	\$ 11,053,900			\$ 11,053,900
Buildings and Building Improvement	2,510,404			2,510,404
Machinery and Equipment	<u>3,771,589</u>	<u>\$ 196,397</u>	<u>-</u>	<u>3,967,986</u>
	<u>\$ 17,335,893</u>	<u>\$ 196,397</u>	<u>\$ -</u>	<u>\$ 17,532,290</u>

**TOWNSHIP OF WASHINGTON  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 6 DUE TO/FROM OTHER FUNDS**

As of December 31, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>2009</u>		<u>2008</u>	
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 103,680	\$ 103,984	\$ 101,331	\$ 89,700
Animal Control Fund		8,803		3,721
Other Trust Fund		94,877		95,388
LOSAP Trust Fund	95,450		89,700	
General Capital Fund	<u>8,534</u>	<u>-</u>	<u>-</u>	<u>2,222</u>
 Total	 <u>\$ 207,664</u>	 <u>\$ 207,664</u>	 <u>\$ 191,031</u>	 <u>\$ 191,031</u>

The above balances are the result of expenditures being paid by one fund on behalf of another and/or receipts being received in one fund on behalf of another.

The Township expects all interfund balances to be liquidated within one year.

**NOTE 7 FUND BALANCES APPROPRIATED**

Under the regulatory basis of accounting, fund balance in the Current Fund is comprised of cash surplus (fund balance) and non-cash surplus (fund balance). All or part of cash surplus as of December 31 may be anticipated in the subsequent year's budget. The non-cash surplus portion of fund balance may be utilized in the subsequent year's budget with the prior written consent of the Director of the Division of Local Government Services if certain guidelines are met as to its availability. Fund balances at December 31, which were appropriated and included as anticipated revenue in the current fund's budget for the succeeding year were as follows:

	Fund Balance December 31, <u>2009</u>	Utilized in Subsequent <u>Year's Budget</u>		Fund Balance December 31, <u>2008</u>	Utilized in Subsequent <u>Year's Budget</u>
Current Fund					
Cash Surplus	\$ 1,580,242	\$ 975,000 (1)	\$	1,817,732	\$ 1,100,000
Non-Cash Surplus	<u>154,969</u>	<u>-</u>	<u>\$</u>	<u>159,155</u>	<u>-</u>
	 <u>\$ 1,735,211</u>	 <u>\$ 975,000</u>	 <u>\$</u>	 <u>1,976,887</u>	 <u>\$ 1,100,000</u>

(1) The above fund balance amount appropriated represents the surplus anticipated in the 2010 introduced municipal budget. The 2010 municipal budget has not been legally adopted as of the date of audit.

**TOWNSHIP OF WASHINGTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 8 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

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

	<u>Balance, December 31,</u>	<u>Subsequent Year Budget Appropriation</u>	<u>Balance to Succeeding Budgets</u>
<b><u>2009</u></b>			
Current Fund			
Special Emergency Authorizations (40A:4-55)	\$53,800	\$53,800	
Emergency Authorization	<u>21,000</u>	<u>21,000</u>	_____
	<u>\$74,800</u>	<u>\$74,800</u>	<u>\$ -</u>
<b><u>2008</u></b>			
Current Fund			
Special Emergency Authorizations (40A:4-55)	<u>\$107,600</u>	<u>\$53,800</u>	<u>\$53,800</u>

**NOTE 9 COMPENSATED ABSENCES**

Under the existing policies and labor agreements of the Township, employees are allowed to accumulate (with certain restrictions) unused vacation benefits and sick leave over the life of their working careers and to redeem such unused leave time in cash (with certain limitations) upon death, retirement or by extended absence immediately preceding retirement.

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$610,942 and \$561,227 at December 31, 2009 and 2008, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability.

**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS**

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all state and local government employees which includes those Township employees who are eligible for pension coverage.

**Police and Firemen's Retirement System (PFRS)** – established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership.

**Public Employees' Retirement System (PERS)** – established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement healthcare for those eligible employees whose local employers elected to do so, to substantially all full-time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits and 25 years for post-retirement healthcare coverage.

**TOWNSHIP OF WASHINGTON  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Township employees who are eligible for pension coverage.

**Defined Contribution Retirement Program (DCRP)** – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership.

**Other Pension Funds**

The state established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local governmental employers do not appropriate funds to SACT.

The cost of living increase for PFRS and PERS are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required contributions for the system.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems, funds, and trust. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits website at [www.state.nj.us/treasury/pension](http://www.state.nj.us/treasury/pension).

**Basis of Accounting**

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

**Investment Valuation**

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund, Common Pension Fund A, Common Pension Fund B, Common Pension Fund D and Common Pension Fund E. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290.

**TOWNSHIP OF WASHINGTON  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Significant Legislation**

P.L. 2009, c. 19, effective March 17, 2009 provides an option for local employers to contribute 50 percent of the normal and accrued liability contribution amounts certified by the PERS and PFRS for payments due in State fiscal year 2009. This law also provides that a local employer may pay 100 percent of the required contribution. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries for PERS and PFRS 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 State fiscal year ending June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

P.L. 2008, c. 89, effective November 1, 2008, increased the PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; changed the early retirement provisions; increased the minimum annual compensation required for membership eligibility for new members on or after the effective date of this law.

P.L. 2007, c. 103, certain parts effective July 1, 2007, provided for the following: changed contribution rates of PERS and Defined Contribution Retirement Program (DCRP) to 5.5 percent of annual compensation; imposed an annual maximum wage contribution base and a new retirement age to new employees; implemented changes to State Health Benefits Program (SHBP) which included the creation of the School Employees' Health Benefit Program (SEHBP) and established an employee contribution of 1.5 percent of the employee's base salary.

**Funded Status and Funding Progress**

As of June 30, 2008, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems, including PERS and PFRS, is 72.6 percent with an unfunded actuarial accrued liability of \$34.4 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 69.6 percent and \$23.0 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 77.2 percent and \$11.4 billion.

The funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual limitations on the pattern of cost sharing between the employer and members in the future.

**TOWNSHIP OF WASHINGTON  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Actuarial Methods and Assumptions**

In the June 30, 2008 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (1) 8.25 percent for investment rate of return for all the retirement systems; and (2) 5.45 percent for projected salary increases for all the retirement systems except PFRS.

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on 5.5% for PERS, 8.50% for PFRS and 5.5% for DCRP of employees' annual compensation.

**Annual Pension Cost (APC)**

For PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, annual pension cost equals contributions made. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employee contribution.

During the years ended December 31, 2009, 2008 and 2007, the Township, was required to contribute for normal cost pension contributions the following amounts which equaled the required contributions for each year:

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>	<u>PERS</u>
2009	\$ 611,736	\$ 116,371
2008	559,875	91,426
2007	361,931	47,707

**TOWNSHIP OF WASHINGTON  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 11 RISK MANAGEMENT**

The Township is exposed to various risks of loss related to general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; termination of employees and natural disasters. The Township has obtained commercial insurance coverage to guard against these events to minimize the exposure to the Township should they occur.

The Township of Washington is a member of the Bergen County Municipal Joint Insurance Fund (BJIF) and New Jersey Municipal Environmental Risk Management Fund and Municipal Excess Liability Joint Insurance Fund (MEL). The joint insurance funds are both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and worker's compensation. The Funds are risk-sharing public entity pools. The Fund's coverage amounts are on file with the Township.

The relationship between the Township and respective insurance funds is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Township is contractually obligated to make all annual and supplementary contributions to the insurance funds, to report claims on a timely basis, to cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which the municipality was a member.

The funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the funds can be obtained by contacting the respective fund's Treasurer.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage in any of the prior three years.

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees 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, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Township's unemployment compensation trust fund for the current and previous two years:

<u>Year Ended December 31</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2009	\$ 10,000	\$ 9,032	\$ 11,311	\$ 15,556
2008	10,000	7,626	16,334	7,834
2007	15,000	9,532	24,403	6,392

**TOWNSHIP OF WASHINGTON  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 12 CONTINGENT LIABILITIES**

The Township is a party defendant in some lawsuits, none of a kind unusual for a municipality of its size and scope of operation. In the opinion of the Township's Attorney, the potential claims against the Township not covered by insurance policies would not materially affect the financial condition of the Township.

**Pending Tax Appeals** - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2009 and 2008. Amounts claimed have not yet been determined. The Township is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Township does not recognize a liability, if any, until these cases have been adjudicated. The Township expects such amounts, if any, could be immaterial. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

**Federal and State Awards** - The Township participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Township may be required to reimburse the grantor government. As of December 31, 2009 and 2008, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Township believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Township.

**NOTE 13 FEDERAL ARBITRAGE REGULATIONS**

The Township is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2009 and 2008, the Township has not estimated its estimated arbitrage earnings due to the IRS, if any.

**NOTE 14 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED**

The Township of Washington Length of Service Award Program (the Plan) was created by a Township ordinance adopted on July 26, 1997 pursuant to 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Township of Washington approved the adoption of the Plan at the general election held on November 2, 1999.

The first year of eligibility for entrance into the Plan was calendar year 2000. The tax deferred income benefits for emergency services volunteers, consisting of the Volunteer Fire Department and the Volunteer Ambulance Corps, come from contributions made solely by the Township on behalf of those volunteers who meet the criteria of a plan created by the governing body.

**TOWNSHIP OF WASHINGTON  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 14 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED (Continued)**

If an active member meets the year of active service requirement, a LOSAP must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services issues the permitted maximum increase annually.

The Township of Washington has contributed \$1,150 for 2009 and 2008, respectively, for each eligible volunteer fire department and ambulance corps member into the Plan.

In accordance with the amendments to Section 457 of the Internal Revenue Code and the State Deferred Revenue Regulations, the Township has placed the amounts deferred, including earnings, in a trust for the exclusive benefit of the plan participants and their beneficiaries.

Lincoln Financial is the administrator of the plan. The Township's practical involvement in administering the plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the plan administrator.

**Vesting and Benefits**

A volunteer is eligible to receive a distribution of funds upon completing 5 (five) cumulative years as an active member of the volunteer organization. Certain restrictions and tax implications may result in the event of a withdrawal of funds from the Plan.

If a volunteer member does not vest and terminates their association with the emergency service organization, the funds are returned to the sponsoring agency's surplus.

**Reporting Requirements**

The New Jersey Administrative Code NJAC 5:30-14.49 requires that the Township perform a separate review report of the plan in accordance with the American Institute of Certified Public Accountants (AICPA) Statements on Standards for Accounting and Auditing Review Services. Since a review does not constitute an audit, the financial statements pertaining to the Plan are presented as unaudited in this report as part of the Township's Trust Fund.

**TOWNSHIP OF WASHINGTON  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

**NOTE 15 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

As of December 31, the Township had the following commitments with respect to unfinished capital projects:

	<u>Capital Project</u>	<u>Construction/ Equipment Commitment</u>	<u>Estimated Date of Completion/ Acquisition</u>
<u>2009</u>			
None			
<u>2008</u>			
Acquisition of Fire Department Equipment		\$57,313	2009

**CURRENT FUND**

**TOWNSHIP OF WASHINGTON  
STATEMENT OF CURRENT CASH AND INVESTMENTS - TREASURER**

Balance, December 31, 2008		\$ 4,719,873
Increased by Receipts:		
Tax Collector	\$ 33,314,890	
Non-Budget Revenue	144,606	
Due from State of New Jersey - Senior Citizens' and Veterans' Deductions	141,750	
State/Federal Aid Receivable	203,142	
Revenue Accounts Receivable	1,775,222	
Receipts from Other Trust Fund	5,000	
Tax Overpayments	63,403	
Miscellaneous Reserves	<u>46,438</u>	
		<u>35,694,451</u>
		40,414,324
Decreased by Disbursements:		
2009 Budget Appropriations	9,827,638	
2008 Appropriation Reserves	207,447	
Encumbrances Payable	420,267	
Accounts Payable	15,892	
Payment to Length of Service Award Program Fund	74,750	
Tax Overpayments	47,829	
County Taxes Payable	3,827,674	
Regional School Taxes Payable	20,923,500	
Miscellaneous Reserves	10,500	
Refund of Prior Year Revenue	<u>37,378</u>	
		<u>35,392,875</u>
Balance, December 31, 2009		<u>\$ 5,021,449</u>

**TOWNSHIP OF WASHINGTON  
STATEMENT OF CASH - TAX COLLECTOR**

Balance (Overdraft), December 31, 2008		\$ (96,985)
Increased by Receipts:		
Taxes Receivable	\$ 33,137,085	
Prepaid Taxes	179,219	
Revenue Accounts Receivable	<u>109,126</u>	
		<u>33,425,430</u>
		33,328,445
Decreased by Disbursements:		
Payments to Treasurer - Current Fund		<u>33,314,890</u>
Balance, December 31, 2009		<u>\$ 13,555</u>

**TOWNSHIP OF WASHINGTON  
STATEMENT OF CHANGE FUND**

<u>Office</u>	Balance, December 31, <u>2008</u>	Balance, December 31, <u>2009</u>
Tax Collector	\$ 100	\$ 100
Municipal Court	200	200
Board of Health	<u>25</u>	<u>25</u>
	<u>\$ 325</u>	<u>\$ 325</u>

**STATEMENT OF DUE FROM STATE OF NEW JERSEY  
FOR SENIOR CITIZENS' AND VETERANS' DEDUCTIONS**

Balance, December 31, 2008		\$ 9,367
Increased by:		
Senior Citizens/ Veterans Deductions Per Tax Billings	\$ 141,750	
Senior Citizens' Deductions Allowed Per Tax Collector-2008	1,750	
Senior Citizens' Deductions Allowed Per Tax Collector-2009	<u>2,250</u>	
		<u>145,750</u>
		155,117
Decreased by:		
Received in Cash from State		<u>141,750</u>
Balance, December 31, 2009		<u>\$ 13,367</u>

**TOWNSHIP OF WASHINGTON  
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

<u>Year</u>	Balance, December 31, <u>2008</u>	2009 <u>Levy</u>	<u>Collected In</u>		Senior Citizens' and Veterans' Deductions <u>Allowed</u>	Transferred to Tax <u>Title Liens</u>	<u>Cancelled</u>	Balance, December 31, <u>2009</u>
			<u>2008</u>	<u>2009</u>				
2008	\$ 235,885	-	-	\$ 233,913	\$ 1,750	-	\$ 222	-
	235,885	-	-	233,913	1,750	-	222	-
2009	-	\$ 33,625,549	\$ 187,395	32,903,172	144,000	\$ 314	94,815	\$ 295,853
	<u>\$ 235,885</u>	<u>\$ 33,625,549</u>	<u>\$ 187,395</u>	<u>\$ 33,137,085</u>	<u>\$ 145,750</u>	<u>\$ 314</u>	<u>\$ 95,037</u>	<u>\$ 295,853</u>

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TAX YIELD

General Purpose Tax	\$ 33,565,717
Added Taxes (54:4-63.1 et seq.)	<u>59,832</u>
	<u>\$ 33,625,549</u>

TAX LEVY

Regional School Tax (Abstract)	\$ 20,923,500
County Taxes	
County Tax (Abstract)	
County Open Space Tax	
Due County for Added and Omitted Taxes (54:4-63.1 et seq.)	3,824,889
Local Tax for Municipal Purposes (Abstract)	
Add: Additional Tax Levied	<u>8,877,160</u>
	<u>\$ 33,625,549</u>

**TOWNSHIP OF WASHINGTON  
STATEMENT OF TAX TITLE LIENS**

Balance, December 31, 2008	\$ 2,300
Increased by:	
Transferred from 2009 Taxes Receivable	<u>314</u>
Balance, December 31, 2009	<u>\$ 2,614</u>

**TOWNSHIP OF WASHINGTON  
STATEMENT OF PROPERTY ACQUIRED FOR TAXES  
(AT ASSESSED VALUATION)**

Balance, December 31, 2008 \$ 70,950

Balance, December 31, 2009 \$ 70,950

**Schedule of Property Acquired for Taxes  
(at Assessed Valuation)**

<u>Block</u>	<u>Lot</u>	Balance, December 31, <u>2009</u>	<u>Block</u>	<u>Lot</u>	Balance, December 31, <u>2009</u>
1103	1	\$ 220	3117	28	\$ 2,300
2102	3	200	3106	41-42	200
2306	13-14	50	3106	24	300
2306	15	20	3202A	2	500
2314	26-27	4,000	3215	35	100
2321	5	2,300	3217	17-21	125
2326	28	20	3206	6	75
2326	69-70	20	3304	53	500
2426	73	3,700	3305	6A	2,000
2406	5-6	3,900	3601	8	500
2406	28-29	3,900	3602	3	4,100
3104	44	7,300	4102A	1	50
3111	1-2	50	4305	5	2,800
3111	3-4	50	306	15	6,700
3111	5-6	50	4308	50	5,000
3111	7-8	50	4310	3-4	40
3111	11-12	50	4315	1-2	20
3112	4-5	50	4315	3	20
3112	6	50	4318	31-32	40
3112	8-11	100	4401	1	500
3112	12-13	50	4404	23-24	40
3112	16-18	75	4409	8	2,000
3113	6-8	75	4411	36	2,500
3113	11-12	50	4412	44	2,100
3113	14	50	4422	12-13	40
3113	15	100	4506	5-8	20
3113	16-17	50	4513	16	2,100
3113	18-19	50	4417	27	<u>9,700</u>
					<u>\$ 70,950</u>

**TOWNSHIP OF WASHINGTON**  
**STATEMENT OF DEFERRED CHARGES**  
**SPECIAL EMERGENCY AUTHORIZATIONS (N.J.S. 40A:4-53)**

<u>Purpose</u>	Not Less Than 1/5 of Amount Authorized	Balance, December 31, 2008	Decreased by: 2009 Budget	Balance, December 31, 2009
Revaluation of Real Property	\$ 51,800	\$ 103,600	\$ 51,800	\$ 51,800
Revision of Tax Maps	<u>2,000</u>	<u>4,000</u>	<u>2,000</u>	<u>2,000</u>
	<u>\$ 53,800</u>	<u>107,600</u>	<u>\$ 53,800</u>	<u>\$ 53,800</u>

**STATEMENT OF STATE/FEDERAL AID RECEIVABLE**

	Balance December 31, 2008	Accrued in 2009	Cash Receipts	Balance December 31, 2009
Police Click It or Ticket It Grant	\$ 1,550			\$ 1,550
Bergen County Handgun Grant	2,000			2,000
Community Development Block Grant	3,330	\$ 3,000	\$ 3,000	3,330
Child Passenger Safety Grant	5,389			5,389
Assistance to Firefighters	3,032			3,032
Stormwater Drainage	19,702			19,702
Pandemic Flu Preparedness	4			4
Police Body Armor	317			317
Motorcycle Safety Grant	6,864		5,875	989
Public Health Priority Funding		8,128	8,128	
Clean Communities Program		14,600	14,600	
GDL 2009 Enforcement/Education Grant		2,000	2,000	
Municipal Alliance Grant		11,017	11,017	
County of Bergen - Federal Handicap Ramp		72,601	72,601	
Obey the Signs or Pay the Fines- Speed Enf.		4,000	4,000	
Over the Limit Under Arrest		6,000	5,975	25
Emergency Preparedness - Health Dept		2,500		2,500
2010 State Health Services Grant - H1N1		96,110	75,946	20,164
Motorcycle Safety Grant	<u>-</u>	<u>7,800</u>	<u>-</u>	<u>7,800</u>
	<u>\$ 42,188</u>	<u>\$ 227,756</u>	<u>\$ 203,142</u>	<u>\$ 66,802</u>

**TOWNSHIP OF WASHINGTON**  
**STATEMENT OF REVENUE ACCOUNTS RECEIVABLE**

	Balance, December 31, <u>2008</u>	Accrued in 2009	Cash Receipts		Balance, December 31, <u>2009</u>
			Collector	Treasurer	
Township Clerk					
Licenses					
Alcoholic Beverages		\$ 11,031		\$ 11,031	
Other		2,520		2,520	
Fees and Permits		7,970		7,970	
Police Department					
Fees and Permits		12,606		12,606	
Planning Board					
Fees and Permits		5,285		5,285	
Zoning Board of Adjustment					
Fees and Permits		8,100		8,100	
Construction Code Official					
Fees and Permits		107,879		107,879	
Recreation Department					
Fees and Permits		103,495		103,495	
Board of Health					
Licenses		330		330	
Fees and Permits		10,000		10,000	
Municipal Court					
Fines and Costs		73,970		64,227	\$ 9,743
Interest and Cost on Taxes		61,329	\$ 61,329		
Energy Receipts Tax		853,942		853,942	
Consolidated Municipal Property					
Tax Relief Aid		43,009		43,009	
Interest on Investments and Deposits		32,989		32,989	
Joint Health Services		155,236		155,236	
Uniform Fire Safety Act		9,187		9,187	
Cable Television Fees		96,204		96,204	
Library Reimbursement		227,847		227,847	
Sale of Recyclables		23,365		23,365	
Sewer Charges		47,797			
	-	47,797	47,797	-	-
	<u>\$ -</u>	<u>\$ 1,894,091</u>	<u>\$ 109,126</u>	<u>\$ 1,775,222</u>	<u>\$ 9,743</u>
			Cash Receipts	<u>\$ 1,775,222</u>	

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

	Balance, December 31, <u>2008</u>	Encumbrances <u>Cancelled</u>	<u>Transfers</u>	Modified <u>Balance</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
<b>OPERATIONS - WITHIN "CAPS"</b>						
General Government						
General Administration						
Salaries and Wages	\$ 1,550		\$ (1,050)	\$ 500	\$ 500	
Other Expenses	2,351		(89)	2,262	2,262	
Maint. & Support- Equipment	401	\$ 1,879	(1,280)	1,000		\$ 1,000
Maint. & Support- Computers/Telephone		102		102		102
Mayor & Council						
Other Expenses- Mayor		24	84	108		108
Other Expenses- Council	416	74	(331)	159		159
Municipal Clerk						
Salaries and Wages	310		(44)	266	266	
Other Expenses	1	10	(11)			
Elections - Other Expenses	50	5,900	(5,950)			
Financial Administration						
Other Expenses						
Financial Services - Fees	4,000			4,000	4,000	
Miscellaneous Other	17		1,450	1,467	1,467	
Revenue Administration						
Salaries and Wages	200	4,050	(4,250)			
Other Expenses	201	1,059	(1,260)			
Tax Assessment Administration						
Other Expenses	35	77	(80)	32		32
Legal Services						
Other Expenses						
Administration	500		(500)			
Council			24,197	24,197	24,162	35
Tax Appeals		10,000	(10,000)			
Engineering Services						
Other Expenses	250		12,000	12,250	12,250	
Department of Public Affairs						
Other Expenses	3,215	1,498	(4,713)			
Cable Television Expense						
			34	34	34	
Land Use Administration						
Planning Board						
Salaries and Wages	150		(150)			
Other Expenses	888	1,106	(1,888)	106		106
Zoning Board of Adjustment						
Other Expenses	429	77	(502)	4		4
<b>PUBLIC SAFETY FUNCTIONS</b>						
Police Department						
Salaries and Wages			235,462	235,462	235,462	
Other Expenses			606	606	587	19
Acquisition/Leasing of Police Vehicles	150	5,775	(5,925)			
Community Policing	90	60	(150)			
Telephone Support System		858	(858)			
Maintenance of Desk Record System		171	(171)			
Computer Software Leasing			2,300	2,300	2,300	
Police Range Repair		2,280	(2,280)			
Reverse 911 System	500		(500)			
Office of Emergency Management						
Salaries and Wages	750			750	750	

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

	Balance, December 31, 2008	Encumbrances Cancelled	Transfers	Modified Balance	Paid or Charged	Balance Lapsed
Fire Department						
Other Expenses	\$ 185	\$ 4,574	\$ (4,755)	\$ 4		\$ 4
Clothing Allowance	2,475		(1,325)	1,150	\$ 1,150	
Physicals		1,242	(1,242)			
Equipment Compliance			295	295	295	
Purchase Pagers	266		(266)			
Uniform Fire Safety Code						
Other Expenses	9	475	(484)			
Municipal Prosecutor						
Salaries & Wages	680			680		680
<b>PUBLIC WORKS FUNCTIONS</b>						
Department of Municipal Facilities						
Salaries and Wages	1,564		12,012	13,576	12,257	1,319
Other Expenses	1,001		9,410	10,411	10,071	340
Other Public Works Functions						
Shade Trees - Holiday Decoration	1,470		(224)	1,246		1,246
Solid Waste Collection						
Other Expenses		6,445	(6,354)	91		91
<b>PUBLIC WORKS FUNCTIONS (Continued)</b>						
Buildings and Grounds						
Building Maintenance		110		110		110
Vehicle Maintenance						
Other Expenses	3,650		5,686	9,336	9,282	54
Community Services Act	1,030			1,030	1,030	
<b>HEALTH AND HUMAN SERVICES</b>						
Public Health Services						
Salary and Wages (Board of Health)			826	826	826	
Other Expenses (Board of Health)		60		60		60
Occ. Safety & Health Blood Pathogens	500			500	500	
Animal Control Services						
Other Expenses		1,550	(1,550)			
Recreation Services and Programs						
Salaries and Wages	1,527		(1,527)			
Other Expenses	5,475		(2,550)	2,925	2,855	70
Community Programs	1,500		1,000	2,500	2,500	
Maintenance of Parks						
Parks and Other Expenses	264		2,644	2,908	2,908	
<b>OTHER COMMON OPERATING FUNCTIONS</b>						
Celebration of Public Events	1,776	41	(1,776)	41		41
Accumulated Leave Compensation	12,000			12,000	12,000	

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

	Balance, December 31, 2008	Encumbrances Cancelled	Transfers	Modified Balance	Paid or Charged	Balance Lapsed
<b>MUNICIPAL COURT</b>						
Salaries and Wages	\$ 2,162		\$ (2,162)			
Other Expenses	2,867	\$ 717	(3,571)	\$ 13		\$ 13
<b>Public Defender</b>						
Other Expenses	107	500		607		607
<b>INSURANCE</b>						
Liability Insurance (BJIF)			25,875	25,875	\$ 25,875	
Workers Compensation Insurance (BJIF)	1,346	21,718	(23,064)			
Employee Group Insurance		243,054	(243,054)			
<b>CODE ENFORCEMENT &amp; ADMINISTRATION</b>						
Construction Officials						
Other Expenses	80	956	(1,036)			
<b>UTILITY EXPENSES &amp; BULK PURCHASES</b>						
Electricity			5,235	5,235	5,235	
Street Lighting	302	19,538	(19,580)	260		260
Telephone	129	2,250	(2,031)	348		348
Natural Gas	1,450		(687)	763	763	
Gasoline	466		20,104	20,570	20,310	260
<b>LANDFILL/SOLID WASTE DISPOSAL</b>						
Sanitary Landfill & Dump Fees	9,000	-	-	9,000	3,198	5,802
<b>Total Operations Within "CAPS"</b>	<u>69,735</u>	<u>338,230</u>	<u>-</u>	<u>407,965</u>	<u>395,095</u>	<u>12,870</u>
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</b>						
<b>Statutory Charges</b>						
Social Security System (O.A.S.I.)	14,786	-	-	14,786	5,000	9,786
<b>Total Deferred Charges &amp; Statutory Expenditures - Municipal Within "CAPS"</b>	<u>14,786</u>	<u>-</u>	<u>-</u>	<u>14,786</u>	<u>5,000</u>	<u>9,786</u>
<b>Total General Appropriations for Municipal Purposes Within "CAPS"</b>	<u>84,521</u>	<u>338,230</u>	<u>-</u>	<u>422,751</u>	<u>400,095</u>	<u>22,656</u>
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>						
<b>PUBLIC SAFETY FUNCTIONS</b>						
Length of Service Awards Program (LOSAP)	12,650			12,650	12,650	
<b>EDUCATION FUNCTIONS</b>						
Maintenance of Free Public Library	4,305			4,305	4,305	
<b>UTILITY EXPENSES &amp; BULK PURCHASES</b>						
<b>Sewer</b>						
Bergen County Utilities Authority - Contractual		1		1	1	
<b>PUBLIC WORKS</b>						
Engineering - NJDEP Stormwater						
Other Expenses	9,000	-	-	9,000	9,000	-
<b>Total Other Operations Excluded from "CAPS"</b>	<u>25,955</u>	<u>1</u>	<u>-</u>	<u>25,956</u>	<u>25,956</u>	<u>-</u>

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

	Balance, December 31, 2008	Encumbrances Cancelled	Transfers	Modified Balance	Paid or Charged	Balance Lapsed
<b>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</b>						
Joint Health Services - Contractual	\$ 8,752	-	-	\$ 8,752	\$ 5,159	\$ 3,593
Other Expenses	<u>8,752</u>	<u>-</u>	<u>-</u>	<u>8,752</u>	<u>5,159</u>	<u>3,593</u>
Total Interlocal Municipal Service Agreements	<u>8,752</u>	<u>-</u>	<u>-</u>	<u>8,752</u>	<u>5,159</u>	<u>3,593</u>
<b>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</b>						
Clean Communities Program	158			158	158	
Motorcycle Safety Grant	6,400			6,400	6,400	
Municipal Alliance Grant						
State Share	2,491			2,491	2,491	
Local Match	617			617	617	
Police - Live Scan Fingerprint						
State Share	18	\$ 17		35	35	
Matching Funds for Grants	2,500			2,500		2,500
Pandemic flu Preparedness	4			4	4	
Drunk Driving Enforcement Fund	2,987			2,987	2,987	
Reserve for Body Armor Replacement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Public and Private Programs Offset by Revenues	<u>15,175</u>	<u>17</u>	<u>-</u>	<u>15,192</u>	<u>12,692</u>	<u>2,500</u>
Total Operations Excluded from "CAPS"	<u>49,882</u>	<u>18</u>	<u>-</u>	<u>49,900</u>	<u>43,807</u>	<u>6,093</u>
<b>CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</b>						
Reserve for Ambulance	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total Capital Improvements Excluded from "CAPS"	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>54,882</u>	<u>18</u>	<u>-</u>	<u>54,900</u>	<u>48,807</u>	<u>6,093</u>
Total General Appropriations	<u>\$ 139,403</u>	<u>\$ 338,248</u>	<u>\$ -</u>	<u>\$ 477,651</u>	<u>\$ 448,902</u>	<u>\$ 28,749</u>
				Transfer to Accounts Payable	224,416	
				Due to General Capital Fund	5,000	
				Transferred to Miscellaneous Reserves	12,000	
				Transferred to Appropriated Grant Reserves	39	
				Cash Disbursements	<u>207,447</u>	
					<u>\$ 448,902</u>	

**TOWNSHIP OF WASHINGTON  
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2008		\$ 898,280
Increased by:		
Charges to 2009 Budget Appropriations		<u>673,571</u>
		1,571,851
Decreased by:		
Cash Disbursements	\$ 420,267	
Transferred to Accounts Payable	139,765	
Transferred to 2008 Appropriation Reserves	<u>338,248</u>	
		<u>898,280</u>
Balance, December 31, 2009		<u>\$ 673,571</u>

EXHIBIT A-16

**STATEMENT OF PREPAID TAXES**

Balance, December 31, 2008		\$ 187,395
Increased by:		
2010 Prepaid Taxes		<u>179,219</u>
		366,614
Decreased by:		
Applied to 2009 Taxes		<u>187,395</u>
Balance, December 31, 2009		<u>\$ 179,219</u>

EXHIBIT A-17

**STATEMENT OF TAX OVERPAYMENTS**

Balance, December 31, 2008		\$ 1,271
Increased by:		
Cash Receipts		<u>63,403</u>
		64,674
Decreased by:		
Cancelled to Operations	\$ 11,605	
Cash Disbursements	<u>47,829</u>	
		<u>59,434</u>
Balance, December 31, 2009		<u>\$ 5,240</u>

**TOWNSHIP OF WASHINGTON  
STATEMENT OF MISCELLANEOUS RESERVES**

	Balance, December 31, <u>2008</u>	<u>Receipts</u>	Transfer From 2008 Appropriation <u>Reserves</u>	Realized as 2009 Budget <u>Revenue</u>	<u>Expended</u>	Balance, December 31, <u>2009</u>
<b>Miscellaneous Reserves:</b>						
Sale of Municipal Assets	\$ 1,018,471					\$ 1,018,471
Insurance Recoveries	17,741	\$ 9,500			\$ 10,500	16,741
Motor Vehicle Inspection Fees	26,883	7,519				34,402
Reserve for State Aid-CMPTRA-08	37,057			\$ 37,057		-
Reserve for Federal ADA Ramp		4,901				4,901
Accumulated Leave Comp			\$ 12,000			12,000
<b>Appropriated Reserves:</b>						
Alcohol Education and Rehabilitation	4,132					4,132
Clean Communities Grant	6					6
Police Live Scan Fingerprint				35		35
Drunk Driving Enforcement Fund	8,634					8,634
Tobacco Grant	214					214
FEMA - SLAHEOP Grant	75					75
Community Development Block Grant	4,117					4,117
Public Health Priority Funding	517			4		521
Bergen County Handgun Grant	2,000					2,000
Health - Nextel PDA Grant	5					5
Police - Click it or Ticket Grant	2,507					2,507
Child Passenger Safety Grant	3,811					3,811
Police Body Armor Fund	2,183					2,183
FEMA Firefighter Grant	486					486
LINCS- Core Capacity Infrastructure Grant	3					3
Stormwater Regulation Grant	23,826					23,826
Motorcycle Safety Grant	50					50
<b>Unappropriated Reserves:</b>						
Truck Inspection Violations	5,282					5,282
Recycling Tonnage Grant		21,758				21,758
Municipal Alliance Grant		2,760				2,760
Pandemic Flu Grant	5,851					5,851
Body Armor Grant	192	-	-	-	-	192
	<u>\$ 1,164,043</u>	<u>\$ 46,438</u>	<u>\$ 12,039</u>	<u>\$ 37,057</u>	<u>\$ 10,500</u>	<u>\$ 1,174,963</u>

Reserve for Sale of Assets	\$ 1,018,471
Other Miscellaneous Reserves	68,044
Appropriated Grant Reserves	52,605
Unappropriated Grant Reserves	<u>35,843</u>
	<u>\$ 1,174,963</u>

**TOWNSHIP OF WASHINGTON  
STATEMENT OF COUNTY TAXES PAYABLE**

Balance, December 31, 2008		\$ 9,615
Increased by:		
Levy of 2009		
County Tax (Abstract)	\$ 3,619,132	
County Open Space Tax (Abstract)	198,927	
County Tax for Added Taxes (54:4-63.1)	<u>6,830</u>	
		<u>3,824,889</u>
		3,834,504
Decreased by:		
Payments		<u>3,827,674</u>
Balance, December 31, 2009		<u>\$ 6,830</u>

**STATEMENT OF REGIONAL SCHOOL TAXES PAYABLE**

Increased by:		
Levy of 2009 (Calendar Year)		<u>\$ 20,923,500</u>
Decreased by:		
Payments		<u>\$ 20,923,500</u>

**TOWNSHIP OF WASHINGTON  
STATEMENT OF ACCOUNTS PAYABLE**

Balance, December 31, 2008		\$	315,774
Increased by:			
Transferred from Appropriation Reserves	\$	224,416	
Transferred from Encumbrances Payable		<u>139,765</u>	
			<u>364,181</u>
			679,955
Decreased By:			
Cash Disbursements		15,892	
Cancelled to Operations		<u>55,667</u>	
			<u>71,559</u>
Balance, December 31, 2009		\$	<u>608,396</u>

**STATEMENT OF DEFERRED CHARGES - EMERGENCY AUTHORIZATIONS**

Increased by:			
Amount Resulting From 2009		\$	<u>21,000</u>
Balance, December 31, 2009		\$	<u>21,000</u>

**TRUST FUND**

**TOWNSHIP OF WASHINGTON**  
**STATEMENT OF TRUST CASH AND INVESTMENTS - TREASURER**

	<u>Animal Control Fund</u>	<u>Other Trust Fund</u>	<u>Unemployment Insurance Trust Fund</u>
Balance, December 31, 2008	\$ 10,289	\$ 1,393,745	\$ 17,573
Increased by Receipts:			
Due from Dog License Official	\$ 6,447		
Miscellaneous Escrow and Performance Deposits		\$ 113,443	
Miscellaneous Reserves		10,083	
Police Outside Billings		102,211	
Employee Contributions			\$ 9,032
Payroll Deposits		5,758,186	
Budget Appropriation			10,000
Interest on Investments and Deposits	<u>1</u>	<u>4,489</u>	<u>1</u>
	<u>6,448</u>	<u>5,988,412</u>	<u>19,033</u>
	16,737	7,382,157	36,606
Decreased by:			
Payments to Current Fund		5,000	
Expenditures Under R.S. 4:19-15.1	1,238		
Due to State of New Jersey			
- Dog License Fees	794		
Miscellaneous Escrow and Performance Deposits		263,319	
Miscellaneous Reserves		24,625	
Payroll Disbursements		5,764,295	
Police Outside Billings		65,114	
Payments to State of New Jersey - Unemployment Insurance Benefits	<u>-</u>	<u>-</u>	<u>20,637</u>
	<u>2,032</u>	<u>6,122,353</u>	<u>20,637</u>
Balance, December 31, 2009	<u>\$ 14,705</u>	<u>\$ 1,259,804</u>	<u>\$ 15,969</u>

**TOWNSHIP OF WASHINGTON  
STATEMENT OF AMOUNT DUE FROM DOG LICENSING OFFICIAL  
ANIMAL CONTROL FUND**

Increased by:	
Dog License Fees Collected	\$ 4,664
Cat License Fees Collected	220
Dog Registration Fees - Due State of N.J.	789
Late Fees	<u>774</u>
	<u>\$ 6,447</u>
Decreased by:	
Payments to Treasurer	<u>\$ 6,447</u>

**STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES  
ANIMAL CONTROL FUND**

Balance, December 31, 2008	\$ 6,588
Increased by:	
Dog Licenses Issued	\$ 4,664
Late Fees Collected	774
Cat Licenses Issued	<u>220</u>
	<u>5,658</u>
	12,246
Decreased by:	
Expenditures Under R.S. 4:19-15.11	1,238
Statutory Excess	<u>5,081</u>
	<u>6,319</u>
Balance, December 31, 2009	<u>\$ 5,927</u>

**STATEMENT OF DUE TO STATE OF NEW JERSEY  
ANIMAL CONTROL FUND**

Balance, December 31, 2008	\$ 5
Increased by:	
2009 State Registration Fees	<u>789</u>
	794
Decreased by:	
Payments to State of New Jersey	<u>794</u>
Balance, December 31, 2009	<u>\$ -</u>

**TOWNSHIP OF WASHINGTON  
STATEMENT OF RESERVE FOR ESCROW AND PERFORMANCE DEPOSITS  
OTHER TRUST FUND**

Balance, December 31, 2008	\$ 607,189
Increased by:	
Cash Receipts	113,443
	720,632
Decreased by:	
Cash Disbursements	263,319
Balance, December 31, 2009	\$ 457,313

**STATEMENT OF DUE TO CURRENT FUND  
OTHER TRUST FUND**

Balance, December 31, 2008	\$ 95,388
Increased by:	
Interest on Investments and Deposits	4,489
	99,877
Decreased by:	
Payments to Current Fund	5,000
Balance, December 31, 2009	\$ 94,877

**TOWNSHIP OF WASHINGTON  
STATEMENT OF RESERVE FOR UNEMPLOYMENT INSURANCE CLAIMS  
UNEMPLOYMENT INSURANCE TRUST FUND**

Balance, December 31, 2008		\$ 7,834
Increased by:		
Interest Earned on Deposits	\$ 1	
Budget Appropriation	10,000	
Employee Contributions	<u>9,032</u>	
		<u>19,033</u>
		26,867
Decreased by:		
Unemployment Insurance Claims		<u>11,311</u>
Balance, December 31, 2009		<u>\$ 15,556</u>

**STATEMENT OF DUE TO CURRENT FUND  
ANIMAL CONTROL FUND**

Balance, December 31, 2008		\$ 3,721
Increased by:		
Interest on Investments and Deposits	\$ 1	
Statutory Excess	<u>5,081</u>	
		<u>5,082</u>
Balance, December 31, 2009		<u>\$ 8,803</u>

**TOWNSHIP OF WASHINGTON  
STATEMENT OF RESERVE FOR INSURANCE SETTLEMENT - MUNICIPAL COMPLEX  
OTHER TRUST FUND**

Balance, December 31, 2008	\$ <u>342,666</u>
Balance, December 31, 2009	\$ <u><u>342,666</u></u>

EXHIBIT B-11

**STATEMENT OF RESERVE FOR MT LAUREL SENIOR HOUSING  
OTHER TRUST FUND**

Balance, December 31, 2008	\$ <u>102,259</u>
Balance, December 31, 2009	\$ <u><u>102,259</u></u>

EXHIBIT B-12

**STATEMENT OF RESERVE FOR PAYROLL DEDUCTIONS PAYABLE  
OTHER TRUST FUND**

Balance, December 31, 2008	\$ 39,698
Increased by:	
Payroll Deposits	<u>5,758,186</u>
	5,797,884
Decreased by:	
Payroll Disbursements	<u>5,764,295</u>
Balance, December 31, 2009	\$ <u><u>33,589</u></u>

**TOWNSHIP OF WASHINGTON  
STATEMENT OF DUE TO STATE OF NJ - UNEMPLOYMENT INSURANCE TRUST FUND**

Balance, December 31, 2008	\$	9,739
Increased by:		
Unemployment Claims		11,311
		21,050
Decreased by:		
Payment of Claims		20,637
Balance, December 31, 2009	\$	413

EXHIBIT B-14

**STATEMENT OF MISCELLANEOUS RESERVES  
OTHER TRUST FUND**

	Balance, December 31, <u>2008</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, December 31, <u>2009</u>
Marriage Licenses - Due to State	\$ 875	\$ 750	\$ 800	\$ 825
Tax Sale Premiums	25,500		22,000	3,500
Celebrations of Public Events	3,670			3,670
Municipal Alliance Donation	950			950
Rental Deposits	2,000	1,100	1,000	2,100
Miscellaneous	2,041	7,051		9,092
Dare Donations		920	825	95
POAA	938	262	-	1,200
	<u>\$ 35,974</u>	<u>\$ 10,083</u>	<u>\$ 24,625</u>	<u>\$ 21,432</u>

EXHIBIT B-15

**STATEMENT OF POLICE PRIVATE DETAIL BILLINGS  
OTHER TRUST FUND**

Balance, December 31, 2008	\$	170,571
Increased by:		
Cash Receipts		102,211
		272,782
Decreased by:		
Payment of Claims		65,114
Balance, December 31, 2009	\$	207,668

**GENERAL CAPITAL FUND**

**TOWNSHIP OF WASHINGTON  
STATEMENT OF GENERAL CAPITAL CASH - TREASURER**

Balance, December 31, 2008		\$ 951,262
Increased by:		
Interest on Investments and Deposits	\$ 81	
Grant Receipts	30,000	
Bond Anticipation Note Proceeds	2,250,000	
Capital Improvement Fund	<u>53,480</u>	
		<u>2,333,561</u>
		3,284,823
Decreased by Disbursements:		
Improvement Authorizations	557,998	
Current Fund Expenditures Paid by General Capital Fund	837	
Bond Anticipation Note Payments	<u>1,853,000</u>	
		<u>2,411,835</u>
Balance, December 31, 2009		<u>\$ 872,988</u>

**TOWNSHIP OF WASHINGTON  
ANALYSIS OF GENERAL CAPITAL CASH**

EXHIBIT C-3

	Balance, December 31, <u>2009</u>
Fund Balance	\$ 30,702
Grants Receivable	(355,000)
Due from Current Fund	(8,534)
Reserve for Payment of Bonds	314,961
Reserve for Preliminary Costs	5,000
Reserve for Ambulance	10,000
Capital Improvement Fund	116,726
Contracts Payable	299,280
Excess Proceeds	55,400

<u>Ordinance Number</u>	<u>Improvement Description</u>	
95-5, 96-5	Impvt. to Municipal Bldg./Air Conditioning	7,184
96-1	Acq. of DMF Equipment	373
96-4,97-10	Various Improvements	18,709
96-8,97-8	Various Improvements	210
96-9,97-9	Various Improvements	(3,363)
96-11	Acq. of Property	770
96-13	Acq. of Fire Dept. Equipment	1,519
95-8/95-11/97-4	Impvt. to Colonial Blvd	(6,227)
97-6	Impvt. of Municipal Complex	1,127
97-7/98-9	Impvt. of Municipal Parking Area	1,433
97-11	Impvts. for the Fire Dept.	1,525
98-13	Installation of Lightening Rod	1,133
98-10/98-15	Removal of Underground Storage Tanks	(19)
98-16	Improvement of Ridgewood Road	8,700
98-17/01-3	Traffic Light Improvement	16,196
99-7/05-1	Purchase of Equipment	(36,391)
99-8	Various Improvements	(2,701)
99-12	Purchase of Equipment/Renovation Fire	(30,213)
00-4	Purchase of Equipment - Fire Dept	306
00-6	Purchase of Equipment	7,871
00-9	Improvement to Property	22,328
01-8	Acquisition of Vehicular Equipment	(6,773)
02-5/03-6/03-7	Various Improvements	19,754
02-6	Acq. & Installation of Exhaust System - Firehouse	6,067
02-12	Acq. Of New and Additional Equipment	10,219
02-16	Acq. Of New and Additional Police Equipment	8
02-19	Construction of Fieldhouse at Clark Field	4,895
03-02	Acq. Of New & Add'l Vehicle Equipment	7,327
03-09	Acq. Of New & Add'l Fire Equipment	4,720
03-15	Construction of Commuter Curbs/Sidewalks - Washington Avenue	2,786
02-1/04-2	Improvements to Free Public Library - Supplemental	104,055
04-4	Acquisition of Land	865
04-9	Various Improvements	4,647
04-11	Acquisition of Various Equipment	12,070
04-14	Acquisition of Fire Fighter Equipment	1,235
06-07	Acquisition of Police Utility Vehicle	3,976
06-09	Improvement of Storm Water Drainage System	153,106
06-15	Acquisition of Fire Fighter Equipment	3,101
06-23	Acquisition of Front End Bucket Loader	2,829
06-24	Acquisition of Office Equipment	2,122
06-29	Various Improvements	161,797
06-30	Acquisition of Various Fire Fighting Equipment	7,135
07-4	Improvement of the Storm Water Drainage System	(8,911)
07-08/08-13	Remediation of Property	(92,637)
07-09	Acquisition of New Fire Fighting Equipment	15,600
07-11	Acquisition of New Computer Equipment	29,224
07-12	Acquisition of a New Dump Truck	10,660
07-13	Various Improvements	8,546
08-07	Construction of New Park	(3,964)
08-09	Various Improvements	9,500
08-10	Various Improvements	99,395
08-11	Various Improvements	(198,109)
09-04	Construction of Curbs and Sidewalks	102,677
09-08	Acq. of New Computer Equipment - Police	(96,639)
09-13	Acq. of New Emergency Communication Equip	12,700
		<u>\$ 872,988</u>

**TOWNSHIP OF WASHINGTON**  
**STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED**

Balance, December 31, 2008		\$ 5,746,938
Decreased by:		
2009 Budget Appropriations		
Bonds	\$ 780,000	
EDA Loans	<u>61,770</u>	
		<u>841,770</u>
Balance, December 31, 2009		<u>\$ 4,905,168</u>



**TOWNSHIP OF WASHINGTON  
STATEMENT OF DUE TO/FROM CURRENT FUND**

Balance, December 31, 2008 (Due To)		\$	2,222
Increased by:			
Interest on Investments and Deposits			81
			2,303
Decreased by:			
Transfer from 2009 Budget Appropriation- Reserve for Acquisition of Ambulance	\$	5,000	
Transfer from 2008 Approp Reserves - Reserve for Acquisition of Ambulance		5,000	
Current Fund Expenditures Paid by General Capital		837	
			10,837
Balance, December 31, 2009 (Due From)		\$	8,534

TOWNSHIP OF WASHINGTON  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance Amount	2009 Authorizations						Paid or Charged	Contracts Payable Cancelled	Improvement Authorizations Cancelled	Balance.	
			December 31, 2008		Capital Improvement Fund	Grants Receivable	Deferred Charges to Future Taxation Unfunded	December 31, 2009					
			Funded	Unfunded				Funded				Unfunded	
89-12	Improvement to Municipal Fieldhouse	\$ 14,000	\$	2							\$	2	
90-5	Improvement to Lafayette	165,000		8,301								8,301	
95-5,96-5	Impvt. to Municipal Bldg./Air Cond.	125,000	\$ 7,184							\$	7,184		
97-4	Impvt. to Colonial Blvd	545,000	925	26,648				\$ 7,152				20,421	
96-1	Acq. of DMF Equipment	105,000	373									373	
96-4,97-10	Various Improvements	311,000	18,709	38,000							18,709	38,000	
96-8,97-8	Various Improvements	153,000	210	14,250							210	14,250	
96-9,97-9	Various Improvements	128,000		28,637								28,637	
96-11	Acq. of Property	160,000	770									770	
96-13	Acq. of Fire Dept. Equip.	45,000	1,519									1,519	
97-6	Impvt. of Municipal Complex	250,000	1,127									1,127	
97-7/98-9	Impvt. of Municipal Parking Area	220,000	1,433	80,000								1,433	
97-11	Impvis. for the Fire Dept.	28,000	1,525									1,525	
98-13	Installation of Lightening Rod	29,000	1,133									1,133	
98-10/98-15	Removal of Underground Storage Tanks	150,000		24,981								24,981	
98-16	Improvement of Ridgewood Road	70,000	8,700									8,700	
98-17/01-3	Traffic Light Improvement	110,000	16,196	3,000							16,196	3,000	
99-7/05-1	Purchase of Equipment	44,000		6,309								6,309	
99-8	Various Improvements	200,000		11,299								11,299	
99-12	Purch. of Equip./Renovation Firehouse	50,000		11,663				9,876				1,787	
00-4	Purchase of Equipment - Fire Dept	5,500	306									306	
00-6	Purchase of Equipment	55,000	7,871									7,871	
00-9	Improvement to Municipal Property	360,000	22,328									22,328	
01-8	Acquisition of Vehicle Equipment	178,000	1,227	20,000				8,000				13,227	
02-1	Improvements to Free Public Library	1,250,000	104,055								104,055		
02-5/03-6/03-7	Various Improvements	258,000		19,599					\$ 155			19,754	
02-6	Acq. & Install. Of Exhaust System - Firehouse	30,000	6,067									6,067	
02-12	Acq. Of New & Add'l Equipment	67,000	12,219					2,000				10,219	
02-16	Acq. Of New & Add'l Police Equipment	58,000	8									8	
02-19	Construction of Fieldhouse at Clark Field	110,000		4,895								4,895	
03-02	Acq. Of New & Add'l Vehicle Equipment	52,000	7,327									7,327	
03-09	Acq. Of New & Add'l Fire Equipment	62,000	4,720									4,720	
03-15	Construction of Commuter Curbs/Sidewalks - Washington Avenue	22,000		2,786								2,786	
04-4	Acquisition of Land	180,000		865								865	
04-9	Various Improvements	35,100	4,647									4,647	
04-11	Acquisition of Various Equipment	186,000		12,070								12,070	
04-14	Acquisition of Fire Fighter Equipment	666,000		1,235								1,235	
06-07	Acquisition of Police Utility Vehicle	35,000		3,976								3,976	
06-09	Improvement of Storm Water Drainage System	490,000	153,106	223,500							153,106	223,500	
06-15	Acquisition of Fire Fighter Equipment	66,000		3,101								3,101	
06-23	Acquisition of Front End Bucket Loader	132,000		2,829								2,829	
06-24	Acquisition of Office Equipment	12,000		2,122								2,122	

TOWNSHIP OF WASHINGTON  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance Amount	2009 Authorizations																				
			Balance, December 31, 2008		Capital Improvement Fund	Grants Receivable	Deferred Charges to Future Taxation Unfunded	Paid or Charged	Contracts Payable Cancelled	Improvement Authorizations Cancelled	Balance, December 31, 2009												
			Funded	Unfunded							Funded	Unfunded											
06-29	Various Improvements	\$ 445,000	\$	218,475			\$	56,678			\$	161,797											
06-30	Acquisition of Various Fire Fighting Equipment	48,500		7,135								7,135											
07-04	Imprvt of the Storm Water Drainage System	700,000	\$	520,174	161,500				\$	915	\$	682,589											
07-06	Improvement of the Firehouse	20,000		2,946				2,946															
07-08/08-13	Remediation of Property	205,000		23,492	\$ 6,000		\$	114,000				21,363											
07-09	Acquisition of New Fire Fighting Equipment	155,000		15,600								15,600											
07-11	Acquisition of New Computer Equipment	55,000		29,224								29,224											
07-12	Acquisition of a New Dump Truck	90,000		10,613						47		10,660											
07-13	Various Improvements	68,000		9,233				687				8,546											
08-07	Construction of New Park	145,000		3,894	137,750			7,858				133,786											
08-09	Various Improvements	65,000		10,462				962				9,500											
08-10	Various Improvements	158,500		3,364	150,500			2,194			\$	1,170											
08-11	Various Improvements	259,500		12,194	246,750			240,303				18,641											
09-04	Construction of Curbs and Sidewalks	155,000			2,700	\$	100,000	52,300				102,677											
09-08	Acq. of New Computer Equipment - Police	115,000			5,750			109,250				12,611											
09-13	Acq. of New Emergency Communication Equip	254,000			12,700			241,300				12,700											
			\$	926,257	\$	1,570,802	\$	27,150	\$	100,000	\$	516,850	\$	563,197	\$	1,117	\$	682,589	\$	496,080	\$	1,400,310	
								Contracts Payable	\$	5,199													
								Cash Disbursements		557,998													
									\$	563,197													

**TOWNSHIP OF WASHINGTON  
STATEMENT OF GENERAL SERIAL BONDS**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Bond Maturities Outstanding</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2008</u>	<u>Decreased</u>	<u>Balance, December 31, 2009</u>
			<u>Date</u>	<u>Amount</u>				
Refunding Bonds of 2003	8/15/2003	\$ 4,840,000	10/1/2010	\$ 635,000	3.50%	\$ 2,580,000	\$ 620,000	\$ 1,960,000
			10/1/2011	655,000	3.75%			
			10/1/2012	670,000	3.875%			
General Bonds of 2003	9/1/2003	3,322,000	9/1/2010	175,000	4.10%	<u>2,957,000</u>	<u>160,000</u>	<u>2,797,000</u>
			9/1/2011	180,000				
			9/1/2012	235,000				
			9/1/2013	360,000				
			9/1/2014	365,000				
			9/1/15-16	370,000				
			9/1/2017	375,000				
			9/1/2018	367,000				
					<u>\$ 5,537,000</u>	<u>\$ 780,000</u>	<u>\$ 4,757,000</u>	
								Paid by Budget Appropriation <u>\$ 780,000</u>

**TOWNSHIP OF WASHINGTON  
STATEMENT OF BOND ANTICIPATION NOTES**

Ord. No.	Improvement Description	Original Amount of Note	Original Date of Issue	Date of Issue	Date of Maturity	Interest Rate	Balance, December 31, 2008	Increased	Decreased	Balance, December 31, 2009
98-20	Improvements to Memorial Field	\$ 13,000	11/3/2005	10/31/2008 10/31/2009	10/31/2009 10/29/2010	3.40% 0.90%	\$ 12,550	\$ 12,100	\$ 12,550	\$ 12,100
02-19	Construction of New Field House	104,500	10/31/2009	10/31/2009	10/29/2010	0.90%		104,500		104,500
03-7	Various Improvements	70,900	11/3/2005	10/31/2008 10/31/2009	10/31/2009 10/29/2010	3.40% 0.90%	68,400	65,900	68,400	65,900
03-15	Washington Ave - Commuter Sidewalks	20,900	11/3/2005	10/31/2008 10/31/2009	10/31/2009 10/29/2010	3.40% 0.90%	19,800	18,700	19,800	18,700
04-4	Acquisition of Land	171,000	11/3/2005	10/31/2008 10/31/2009	10/31/2009 10/29/2010	3.40% 0.90%	168,835	166,670	168,835	166,670
04-11	Acquisition of Equipment	27,000	11/3/2005	10/31/2008 10/31/2009	10/31/2009 10/29/2010	3.40% 0.90%	24,595	22,190	24,595	22,190
04-14	Acquisition of Equipment	634,200	11/3/2005	10/31/2008 10/31/2009	10/31/2009 10/29/2010	3.40% 0.90%	600,820	567,440	600,820	567,440
06-07	Acquisition of Police Utility Vehicle	33,300	11/1/2007	10/31/2008 10/31/2009	10/31/2009 10/29/2010	3.40% 0.90%	33,300	33,300	33,300	33,300
06-15	Acquisition of Fire Fighter Equipment	62,800	11/1/2007	10/31/2008 10/31/2009	10/31/2009 10/29/2010	3.40% 0.90%	62,800	62,800	62,800	62,800
06-23	Acquisition of Front End Bucket Loader	125,700	11/1/2007	10/31/2008 10/31/2009	10/31/2009 10/29/2010	3.40% 0.90%	125,700	125,700	125,700	125,700
06-24	Acquisition of Office Equipment	11,400	11/1/2007	10/31/2008 10/31/2009	10/31/2009 10/29/2010	3.40% 0.90%	11,400	11,400	11,400	11,400
06-29	Various Improvements	290,375	11/1/2007	10/31/2008 10/31/2009	10/31/2009 10/29/2010	3.40% 0.90%	290,375	422,750	290,375	422,750
06-30	Acquisition of Various Fire Fighting Equip	46,075	11/1/2007	10/31/2008 10/31/2009	10/31/2009 10/29/2010	3.40% 0.90%	46,075	46,075	46,075	46,075
07-08	Remediation of Property	80,750	11/1/2007	10/31/2008 10/31/2009	10/31/2009 10/29/2010	3.40% 0.90%	80,750	80,750	80,750	80,750
07-09	Acquisition of New Fire Fighting Equipme	147,250	11/1/2007	10/31/2008 10/31/2009	10/31/2009 10/29/2010	3.40% 0.90%	147,250	147,250	147,250	147,250

TOWNSHIP OF WASHINGTON  
STATEMENT OF BOND ANTICIPATION NOTES

Ord. No.	Improvement Description	Original Amount of Note	Original Date of Issue	Date of Issue	Date of Maturity	Interest Rate	Balance, December 31, 2008	Increased	Decreased	Balance, December 31, 2009
07-11	Acquisition of New Computer Equipment	\$ 52,250	11/1/2007	10/31/2008 10/31/2009	10/31/2009 10/29/2010	3.40% 0.90%	\$ 52,250	\$ 52,250	\$ 52,250	\$ 52,250
07-12	Acquisition of a New Dump Truck	85,500	11/1/2007	10/31/2008 10/31/2009	10/31/2009 10/29/2010	3.40% 0.90%	85,500	85,500	85,500	85,500
07-13	Various Improvements	64,600	11/1/2007	10/31/2008 10/31/2009	10/31/2009 10/29/2010	3.40% 0.90%	64,600	64,600	64,600	64,600
08-09	Various Improvements	61,900	10/31/2009	10/31/2009	10/29/2010	0.90%		61,900		61,900
08-10	Various Improvements	98,225	10/31/2009	10/31/2009	10/29/2010	0.90%	-	98,225	-	98,225
							<u>\$ 1,895,000</u>	<u>\$ 2,250,000</u>	<u>\$ 1,895,000</u>	<u>\$ 2,250,000</u>
							Paydown by Budget		\$ 42,000	
							New Issues	\$ 397,000		
							Renewals	<u>1,853,000</u>	<u>1,853,000</u>	
								<u>\$ 2,250,000</u>	<u>\$ 1,895,000</u>	

**TOWNSHIP OF WASHINGTON  
STATEMENT OF CAPITAL IMPROVEMENT FUND**

Balance, December 31, 2008	\$	90,396
Increased by:		
2009 Budget Appropriation		<u>53,480</u>
		143,876
Decreased by:		
Appropriations to Finance Improvement Authorizations		<u>27,150</u>
Balance, December 31, 2009	\$	<u>116,726</u>

EXHIBIT C-11

**STATEMENT OF CONTRACTS PAYABLE**

Balance, December 31, 2008	\$	295,198
Increased by:		
Charges to Improvement Authorizations		<u>5,199</u>
		300,397
Decreased by:		
Cancelled		<u>1,117</u>
Balance, December 31, 2009	\$	<u>299,280</u>

EXHIBIT C-12

**STATEMENT OF EDA LOANS PAYABLE**

Balance, December 31, 2008	\$	209,938
Decreased by:		
2009 Budget Appropriation to Pay Loan Principal		<u>61,770</u>
Balance, December 31, 2009	\$	<u>148,168</u>

**TOWNSHIP OF WASHINGTON  
STATEMENT OF RESERVE FOR PAYMENT OF BONDS**

Balance, December 31, 2008	\$ <u>314,961</u>
Balance, December 31, 2009	\$ <u>314,961</u>

**STATEMENT OF RESERVE FOR PRELIMINARY COSTS**

Balance, December 31, 2008	\$ <u>5,000</u>
Balance, December 31, 2009	\$ <u>5,000</u>

**STATEMENT OF RESERVE FOR AMBULANCE**

Increased by:	
Due from Current Fund	\$ <u>10,000</u>
Balance, December 31, 2009	\$ <u>10,000</u>

**TOWNSHIP OF WASHINGTON  
STATEMENT OF GRANTS RECEIVABLE**

		Department of Environmental Protection	County of Bergen	Community Development Block Grant	Department of Transportation
	<u>Total</u>	<u>Ord. 6-09</u>	<u>Ord. 7-04</u>	<u>Ord. 8-11</u>	<u>Ord. 09-04</u>
Balance, December 31, 2008	\$ 876,138	\$ 255,000	\$ 530,000	\$ 61,138	\$ 30,000
Increased by:					
Grants Awarded	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 100,000</u>
	<u>976,138</u>	<u>255,000</u>	<u>530,000</u>	<u>61,138</u>	<u>100,000</u>
Decreased by:					
Cancelled	530,000		530,000		
Collections	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>-</u>
	<u>560,000</u>	<u>-</u>	<u>530,000</u>	<u>30,000</u>	<u>-</u>
Balance, December 31, 2009	<u>\$ 416,138</u>	<u>\$ 255,000</u>	<u>\$ -</u>	<u>\$ 61,138</u>	<u>\$ 100,000</u>
Pledged to Ordinance	\$ 355,000	\$ 255,000			\$ 100,000
Pledged to Reserve	<u>61,138</u>	<u>-</u>	<u>-</u>	<u>\$ 61,138</u>	<u>\$ -</u>
	<u>\$ 416,138</u>	<u>\$ 255,000</u>	<u>\$ -</u>	<u>\$ 61,138</u>	<u>\$ 100,000</u>

**TOWNSHIP OF WASHINGTON**  
**STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

Ord. No.	Improvement Description	Balance	2009		Grant Receipts	Bond	Balance December 31, 2009
		December 31, 2008	Authorizations	Cancelled		Anticipation Notes Issued	
89-12	Improvement to Municipal Fieldhouse	\$ 2					\$ 2
90-5	Improvement to Lafayette	8,301					8,301
95-8/95-11/97-4	Improvements to Colonial Blvd.	26,648					26,648
96-4,97-10	Various Improvements	38,000					38,000
96-8,97-8	Various Improvements	14,250					14,250
96-9/97-9	Various Improvements	32,000					32,000
97-7/98-9	Improvements to Municipal Parking Area	80,000					80,000
98-10/98-15	Removal of Underground Storage Tanks	25,000					25,000
98-17/01-3	Traffic Light Improvement	3,000					3,000
99-7/05-1	Purchase of Equipment	42,700					42,700
99-8	Various Improvements	14,000					14,000
99-12	Purch. Of Equipment/Fire Renovation	32,000					32,000
01-8	Acq. Of New and Add'l Vehicle Eq.	20,000					20,000
02-19	Constr. of Fieldhouse at Clark Field	104,500				\$ 104,500	
06-09	Improvement of Storm Water Drainage System	223,500					223,500
06-29	Various Improvements	132,375				132,375	
07-4	Imprvt of the Storm Water Drainage System	161,500		\$ 152,589			8,911
08-07	Construction of New Park	137,750					137,750
08-09	Various Improvements	61,900				61,900	
08-10	Various Improvements	150,500				98,225	52,275
08-11	Various Improvements	246,750			\$ 30,000		216,750
08-13	Remediation of Property		\$ 114,000				114,000
09-04	Construction of Curbs and Sidewalks		52,300				52,300
09-08	Acq. of New Computer Equipment - Police		109,250				109,250
09-13	Acq. of New Emergency Communication Equip		241,300				241,300
		\$ 1,554,676	\$ 516,850	\$ 152,589	\$ 30,000	\$ 397,000	\$ 1,491,937

**TOWNSHIP OF WASHINGTON**  
**COUNTY OF BERGEN**  
**PART II**  
**GOVERNMENT AUDITING STANDARDS**  
**YEAR ENDED DECEMBER 31, 2009**

# LERCH, VINCI & HIGGINS, LLP

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## 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 Council  
Township of Washington  
Township of Washington, New Jersey

We have audited the financial statements – regulatory basis of the Township of Washington as of and for the year ended December 31, 2009, and have issued our report thereon dated June 24, 2010 which indicated that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared using the regulatory basis of accounting prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1. In addition, our report on the financial statements – regulatory basis was qualified because of the presentation of the unaudited LOSAP Fund financial statements. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

### **Internal Control Over Financial Reporting**

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

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 Township's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting described in the accompanying schedule of findings and responses as items 2009-1 and 2009-2 that we consider to be significant deficiencies in internal control over financial reporting. 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.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township of Washington's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 and which are described in the accompanying schedule of findings and responses as items 2009-1 and 2009-2.

We also noted certain matters that we reported to management of the Township of Washington in Part III of this report of audit entitled "Letter of Comments and Recommendations".

The Township of Washington's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the Township's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the governing body, management, New Jersey Department of Community Affairs and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

  
LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Registered Municipal Accountants

  
Gary J. Vinci  
Registered Municipal Accountant  
RMA Number CR00411

Fair Lawn, New Jersey  
June 24, 2010

**TOWNSHIP OF WASHINGTON  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>CFDA Number</u>	<u>Grant Year</u>	<u>Grant Award Amount</u>	<u>CY 2009 Grant Receipts</u>	<u>Balance, December 31, 2008</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Balance, December 31, 2009</u>	<u>Cumulative Expended</u>
U.S. Department of Housing and Urban Development (Passed through County Dept. of Community Development)									
Community Development Block Grants	14.219								
Community Development Block Grants		2004	\$ 48,000		\$ 4,117			\$ 4,117	\$ 43,883
Community Development Block Grants		2009	77,502	\$ 77,502		\$ 77,502	\$ 72,601	4,901	72,601
Community Development Block Grants		2009	3,000	3,000		3,000	3,000		3,000
Improvement to Municipally-owned facilities (Ord 08-11)		2008	30,000	30,000	30,000		30,000		30,000
U.S. Department of Health (Passed through Dept. of Health)									
Division of Epidemiology Comm Dis Cont									
Public Health Emergency Preparedness	93.069	2008	9,419		4			4	9,415
Public Health Emergency Preparedness		2009	2,500			2,500	2,500		2,500
Public Health Emergency Preparedness - H1N1		2009	96,110	75,946		96,110	38,220	57,890	38,220
U.S. Department of Law and Public Safety (Passed through Division of Highway Traffic Safety)									
Safety Belt Performance Grant									
Motorcycle Safety Grant	20.609	2008	6,400	5,875	6,400		6,400		6,400
Motorcycle Safety Grant	20.609	2007	7,200		50			50	7,150
Motorcycle Safety Grant	20.609	2009	7,800			7,800		7,800	
State and Community Highway Safety	20.600	2009	2,000	2,000		2,000	2,000		2,000
State and Community Highway Safety	20.601	2009	6,000	5,975		6,000	6,000		6,000
State and Community Highway Safety	20.600	2009	4,000	4,000		4,000	4,000		4,000
Highway Planning and Construction (Pass through N.J. Department of Transportation)									
Local Municipal Aid, NJTPA									
Construction of Curbs and Sidewalk - Ord 09-04	20.205	2009	100,000			100,000		100,000	-
U.S. Department of Homeland Security (Passed through Dept. of Law and Public Safety)									
Emergency Management Assistance									
FEMA - SLAHEOP	97.044	2004	2,406		75			75	2,331
FEMA - Assistance to Firefighters		2005	3,032		486	-	-	486	2,546
					<u>\$ 41,132</u>	<u>\$ 298,912</u>	<u>\$ 164,721</u>	<u>\$ 175,323</u>	

The above schedule is not subject to a Single Audit as defined by U.S. OMB A-133.

**TOWNSHIP OF WASHINGTON  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2009**

<u>State Grant Program</u>	<u>Grant Number</u>	<u>Grant Year</u>	<u>Grant Award Amount</u>	<u>CY 2009 Grant Receipts</u>	<u>Balance, December 31, 2008</u>	<u>Revenue</u>	<u>Expended</u>	<u>(1) Cancelled/ Adjustments</u>	<u>Balance, December 31, 2009</u>	<u>Cumulative Expended</u>
Alcohol Education and Rehabilitation Program	4270-760-050000-63-260	2004 Prior	\$ 62 4,070		\$ 62 4,070				\$ 62 4,070	
Public Health Priority Funding Act of 1977	4220-150-021030-60	2009 2007 2003 2001	8,128 9,042 8,146 10,542	\$ 8,128		\$ 8,128	\$ 8,128	\$ 4		\$ 8,128 9,035 7,872 10,302
Clean Communities Grant	4900-765-178900	2009 2008 2007	14,600 11,354 10,851	14,600		14,600	5,826 158		8,774	5,826 11,354 10,845
Drunk Driving Enforcement Fund	1110-448-031020-22	2008 2003 2001 1998 Prior	4,945 1,448 190 190 7,081		2,987 1,448 15 90 7,081		2,987			4,945 1,448 175 100
Body Armor Fund	**	2002	2,183		2,183				2,183	
Tobacco Age Enforcement	**	2006 2002 1998	180 330 90		180 30 4				180 30 4	300 86
Division of Highway Traffic - Child Passenger Safety	**	2007 2006 2004	1,656 5,000 5,705		1,034 1,951 826				1,034 1,951 826	622 3,049 4,879
Police-Live Scan Fingerprint ID System	**	2008	9,000		18			17	35	8,965

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**TOWNSHIP OF WASHINGTON  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2009**

<u>State Grant Program</u>	<u>Grant Number</u>	<u>Grant Year</u>	<u>Grant Award Amount</u>	<u>CY 2009 Grant Receipts</u>	<u>Balance, December 31, 2008</u>	<u>Revenue</u>	<u>Expended</u>	<u>(1) Cancelled/ Adjustments</u>	<u>Balance, December 31, 2009</u>	<u>Cumulative Expended</u>
Police Click it or Ticket Grant	* *	2007	\$ 4,000		\$ 63				\$ 63	\$ 3,937
		2005	4,000		529				529	3,471
		2004	10,000		517				517	9,483
		2003	4,000		1,398				1,398	2,602
Stormwater Grant	* *	2006	23,936		23,826				23,826	110
LINCS - Core Capacity Infrastructure	* *	2005	3,000		3				3	2,997
Department of Environmental Protection	* *									
Imprvt of the Storm Water Drainage System-Ord 06-09		2006	255,000		153,106				153,106	101,894
Imprvt of the Storm Water Drainage System-Ord 07-04		2007	530,000		520,174			\$ (520,174)		9,826
<u>Passed Through County of Bergen</u>										
Municipal Alliance on Alcoholism and Drug Abuse	* *	2009	11,017	\$ 11,017		\$ 11,017	\$ 9,195		1,822	9,195
		2008	11,500		2,491	-	2,491	-	-	11,500
					<u>\$ 724,767</u>	<u>\$ 33,745</u>	<u>\$ 28,785</u>	<u>\$ (520,153)</u>	<u>\$ 209,574</u>	

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The above schedule is not subject to a single audit as defined by New Jersey OMB Circular 04-04.

\* \* Not Available

(1) - Adjustments were due to cancellation of prior year encumbrances payable and grants receivable.

**NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE**

**TOWNSHIP OF WASHINGTON  
 NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
 AND STATE FINANCIAL ASSISTANCE  
 YEAR ENDED DECEMBER 31, 2009**

**NOTE 1 GENERAL**

The accompanying schedules present the activity of all federal awards and state financial assistance programs of the Township of Washington. The Township is defined in Note 1(A) to the Township's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedules are presented using the regulatory basis of accounting as prescribed or permitted for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. This basis of accounting is described in Note 1(B) to the Township's financial statements.

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

Amounts reported in the accompanying schedules agree with amounts reported in the Township's financial statements. Financial assistance revenues are reported in the Township's financial statements on a basis of accounting described above as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ 198,912	\$ 33,745	\$ 232,657
General Capital	<u>100,000</u>	<u>-</u>	<u>100,000</u>
	<u>\$ 298,912</u>	<u>\$ 33,745</u>	<u>\$ 332,657</u>

**NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the Township's fiscal year and grant program year.

**TOWNSHIP OF WASHINGTON  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2009**

**NOTE 5 STATE LOANS OUTSTANDING**

The Township's state loans outstanding at December 31, 2009, which are not required to be reported on the schedule of expenditures of state financial assistance, are as follows:

<u>Loan Program</u>	<u>State</u>
NJ Economic Development Authority	<u>\$148,168</u>

**TOWNSHIP OF WASHINGTON**  
**COUNTY OF BERGEN**  
**PART III**  
**SUPPLEMENTARY DATA**  
**LETTER OF COMMENTS AND RECOMMENDATIONS**  
**YEAR ENDED DECEMBER 31, 2009**

**TOWNSHIP OF WASHINGTON  
SUPPLEMENTARY DATA**

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -  
CURRENT FUND**

	<u>Year 2009</u>		<u>Year 2008</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>				
Fund Balance Utilized	\$ 1,100,000	2.97 %	\$ 1,100,000	3.05 %
Miscellaneous - From Other Than Local				
Property Tax Levies	2,298,338	6.22	2,167,828	6.00
Collection of Delinquent Taxes and Tax Title Liens	235,663	0.64	229,523	0.64
Collection of Current Tax Levy	33,234,567	89.90	32,367,694	89.63
Other Credits	<u>101,102</u>	<u>0.27</u>	<u>246,999</u>	<u>0.68</u>
 Total Income	 <u>36,969,670</u>	 <u>100.00</u> %	 <u>36,112,044</u>	 <u>100.00</u> %
 <b>EXPENDITURES</b>				
Budget Expenditures				
Municipal Purposes	11,344,230	31.40 %	10,937,642	31.18 %
County Taxes	3,824,889	10.59	3,698,791	10.54
Regional School Taxes	20,923,500	57.90	20,315,713	57.91
Other Expenditures	<u>39,727</u>	<u>0.11</u>	<u>130,612</u>	<u>0.37</u>
 Total Expenditures	 <u>36,132,346</u>	 <u>100.00</u> %	 <u>35,082,758</u>	 <u>100.00</u> %
 Less: Expenditures to be Raised by Future Revenue	 <u>21,000</u>		 <u>-</u>	
 Total Adjusted Expenditures	 <u>36,111,346</u>		 <u>35,082,758</u>	
 Excess in Revenue	 858,324		 1,029,286	
 Fund Balance, January 1	 <u>1,976,887</u>		 <u>2,047,601</u>	
	2,835,211		3,076,887	
 Less Utilization as Anticipated Revenue	 <u>1,100,000</u>		 <u>1,100,000</u>	
 Fund Balance, December 31	 <u>\$ 1,735,211</u>		 <u>\$ 1,976,887</u>	

**TOWNSHIP OF WASHINGTON  
SUPPLEMENTARY DATA**

**Comparative Schedule of Tax Rate Information**

	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>Tax Rate</u>	<u>\$1.752</u>	<u>\$1.70</u>	<u>\$1.62</u>
<u>Apportionment of Tax Rate</u>			
Municipal	.459	.444	.424
County	.189	.183	.174
County Open Space	.011	.011	.010
Regional School District	1.093	1.062	1.012
<u>Assessed Valuation</u>			
2009	<u>\$1,915,851,475</u>		
2008		<u>\$1,913,535,975</u>	
2007			<u>\$1,908,102,301</u>

**Comparison of Tax Levies and Collection Currently**

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2009	\$ 33,625,549	\$ 33,234,567	98.83%
2008	32,614,391	32,367,694	99.24%
2007	30,962,610	30,652,159	99.00%

**TOWNSHIP OF WASHINGTON  
SUPPLEMENTARY DATA**

**Delinquent Taxes and Tax Title Liens**

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last three years.

<u>December 31 Year</u>	<u>Amount of Delinquent Taxes and Liens</u>	<u>Percentage of Tax Levy</u>
2009	\$ 298,467	0.89%
2008	238,185	0.73%
2007	230,240	0.74%

**Property Acquired by Tax Title Lien Liquidation**

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

<u>Year</u>	<u>Amount</u>
2009	\$70,950
2008	70,950
2007	70,950

**Comparative Schedule of Fund Balances**

	<u>Year</u>	<u>Balance, December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
Current Fund	2009	\$1,735,211	\$975,000 (1)
	2008	1,976,887	1,100,000
	2007	2,047,601	1,100,000
	2006	2,038,232	1,000,000
	2005	2,170,027	1,100,000

(1) The above fund balance amount appropriated represents the surplus anticipated in the 2010 introduced municipal budget. The 2010 municipal budget has not been legally adopted as of the date of audit.

**TOWNSHIP OF WASHINGTON  
SUPPLEMENTARY DATA**

**OFFICIALS IN OFFICE AND SURETY BONDS**

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Corporate Surety</u>
Charles Devine	Mayor		
Janet Sobkowicz	Council President		
Robert Schroeder	Council Vice President		
Richard Hrbek	Councilman		
Joseph Giardina	Councilman		
Glenn Beckmeyer	Councilman		
Agnes Smith	Administrator		
Mary Ann Ozment	Township Clerk, Licensing Officer, Assessment Search Officer	\$1,000,000	A
Jacqueline Do	Director of the Department of Finance and Township Treasurer	1,000,000	A
Joyce Campbell	Tax Collector and Tax Search Officer	1,000,000	A
James Feury	Municipal Engineer	1,000,000	A
Kenneth Poller	Director of the Department of Law and Township Attorney	1,000,000	A
Richard Koesel	Director of the Department of Municipal Facilities	1,000,000	A
R. Thompson	Director of Department of Fire Protection	1,000,000	A
Thomas Mechan	Chief of Fire Prevention Bureau	1,000,000	A
William Cichetti	Police Chief	1,000,000	A
Peter Geiger	Magistrate	1,000,000	A
Margaret A. Koesel	Court Administrator	1,000,000	A
Dorothy Kueller	Director of the Department of Health and Welfare	1,000,000	A
Rosemarie Hannan	Director of Department of Public Affairs	1,000,000	A
David Frank	Director of Department of Engineering	1,000,000	A
Joseph Rinaldi	Director of Department of Public Safety	1,000,000	A

	<u>Face Value</u>	<u>Bond Number</u>	<u>Issued by</u>	<u>Position Covered</u>	<u>Period Covered</u>
A	\$1,000,000	N/A	Bergen County Municipal Joint Insurance Fund	Township of Washington Township of Washington Volunteer Fire Department Township of Washington Municipal Library	1/1/09 - 12/31/09

**TOWNSHIP OF WASHINGTON  
SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2009-1**

Certain accounts in the Other Trust Fund and Unemployment Fund general ledgers for the year ended December 31, 2009 were not in agreement with the subsidiary records and bank reconciliations. In addition, certain transactions were not properly recorded in the general ledgers.

**Criteria**

NJAC 5:30-5.7 General Ledger Accounting Systems

**Condition**

The Other Trust Fund general ledger was not reconciled to the respective subsidiary project status reports of the Township resulting in certain general ledger accounts being materially misstated at December 31, 2009. In addition, certain transactions of the Unemployment Fund were not properly recorded in the general ledger resulting in the cash balance per the general ledger not in agreement with the bank reconciliation.

**Cause**

Project status activity is not integrated with general ledger function resulting in cash disbursements being posted as journal entries. In addition, general ledger balances are not being reconciled to subsidiary records on a monthly basis.

**Effect**

Financial statements presented for audit contained material misstatements with respect to certain general ledger accounts. Adjusting journal entries were applied to the financial statements presented for audit to adjust balances to subsidiary records.

**Recommendation**

The Other Trust Fund and Unemployment Fund general ledgers be reconciled to the subsidiary records on a periodic basis.

**Management's Response**

Management has reviewed this finding and has indicated that corrective action will be taken.

**Finding 2009-2**

Purchases of gasoline and police dispatching software exceeded the bid threshold in aggregate and were not awarded by public bid in accordance with N.J.S.A. 40A:11, et seq. or by State contract.

**Criteria**

NJ Local Public Contracts Law – N.J.S.A. 40A:11.

**Condition**

The Township contracted for various goods/services where no evidence of public bidding or State contract existed.

**TOWNSHIP OF WASHINGTON  
SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2009-2 (Continued)**

**Cause**

The Township purchased \$54,177 of gasoline and \$36,400 for police dispatching software without public bids and/or State contract.

**Effect**

The Township is not in compliance with NJ Local Public Contracts Law.

**Recommendation**

All contracts for goods and services relating to gasoline purchases and police dispatch software which in the aggregate exceed the bid threshold be publicly bid in accordance with Local Public Contracts Law.

**Management's Response**

Management has reviewed this finding and has indicated that corrective action will be taken.

**GENERAL COMMENTS**

Our comments with respect to our examination and any error, omission, irregularity, violation of law, discrepancy or other nonconformity to the law or regulation found during the examination are herewith set forth.

**Prior Year Findings – Unresolved**

Our audit revealed that fees collected for outside police duty for services previously rendered were not transferred to the Current Fund. It is recommended that all outside police duty fees collected for services previously rendered be transferred to Current Fund in a timely manner.

Our audit of the Municipal Court revealed that certain tickets assigned to officers but not issued within six months appear on the monthly management report. It is recommended that tickets assigned but not issued for a period greater than six months be recalled in accordance with Administrative Office of the Courts (AOC) requirements.

Our audit revealed the Township did not review their current employees regarding the Defined Contribution Retirement Program to determine compliance with the respective Local Finance Notice. It is recommended that Township review employees regarding applicability of the Defined Contribution Retirement Program to comply with the enrollment regulations of this program.

**Current Year**

Our audit revealed that the Township's fixed asset accounting and reporting system was not updated for certain current year additions and deletions. The financial statements as presented reflect unrecorded additions and deletions. It is recommended that the Township's fixed asset accounting and reporting system be currently maintained.

**TOWNSHIP OF WASHINGTON  
LETTER OF COMMENTS AND RECOMMENDATIONS**

**GENERAL COMMENTS (Continued)**

**Contracts and Agreements Required to be Advertised for NJS 40A:11-4**

NJS 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only 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 \$21,000, except by contract or agreement."

The Purchasing Agent and the Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$21,000 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Township Counsel's opinion should be sought before a commitment is made.

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

The minutes indicate that bids were requested by public advertising for the following items:

- Landscape/Maintenance of  
Gardener Memorial and Sherry Field
- Acquisition of a Sanitation Truck
- Barrier Free Restrooms at Firehouse
- Acquisition of Police Vehicle

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. The Township does maintain an accumulation of cost by vendor. Disbursements were reviewed to determine whether any clear-cut violations existed.

Our examination of expenditures did not reveal instances where expenditures were made in excess of \$25,000 "for the performance of any work, or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of NJS 40A:11-6.

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

The following resolution authorizes the rate of interest to be charged on municipal charges:

WHEREAS, the governing body may, pursuant to statute, fix the rate of interest to be charged for the non-payment of taxes, assessments and municipal charges, and to prescribe penalties for delinquencies;

NOW, THEREFORE, BE IT RESOLVED, by the Township Council of the Township of Washington as follows:

**TOWNSHIP OF WASHINGTON  
LETTER OF COMMENTS AND RECOMMENDATIONS**

**GENERAL COMMENTS (Continued)**

**Contracts and Agreements Required to be Advertised for NJS 40A:11-4 (Continued)**

- 1) All prior resolutions concerning the rate of interest to be charged for the non-payment of taxes, assessments or municipal charges are hereby rescinded.
- 2) The rate of interest to be charged for the non-payment of taxes, assessments or municipal charges is hereby fixed, pursuant to statute, as follows: eight (8%) percent per annum on the first \$1,500 of the delinquency, and eighteen (18%) percent per annum on any amount in excess of \$1,500 to be calculated from the date the tax or assessment was payable until the date of actual payment.
- 3) With respect to tax certificates held by the municipality the following additional penalties shall be charged: two (2%) percent on the amount due over \$200 up to \$5,000; four (4%) percent of the amount due over \$5,000 up to \$10,000 and six (6%) percent on the amount in excess of \$10,000.

**Delinquent Assessments and Tax Title Liens**

There was no tax sale held in 2009 since all delinquent taxes were paid prior to year end.

There is one Township owned tax title lien receivable as of December 31, 2009.

**TOWNSHIP OF WASHINGTON  
SUPPLEMENTARY DATA**

**RECOMMENDATIONS**

It is recommended that:

1. The Other Trust Fund and Unemployment Fund general ledgers be reconciled to the subsidiary records on a periodic basis.
2. All contracts for goods and services relating to gasoline purchases and police dispatch software which in the aggregate exceed the bid threshold be publicly bid in accordance with Local Public Contracts Law.
- \* 3. All outside police duty fees collected for services previously rendered be transferred to the Current Fund in a timely manner.
- \* 4. Tickets assigned but not issued for a period greater than six months be recalled in accordance with Administrative Office of the Courts (AOC) requirements.
- \* 5. Township review their employees regarding applicability of the Defined Contribution Retirement Program to comply with the enrollment regulations of this program.
6. The Township's fixed asset accounting and reporting system be currently maintained.

**Status of Prior Year's Audit Findings/Recommendations**

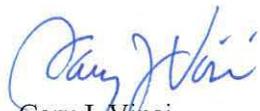
Corrective action was taken on all prior year's recommendations except those denoted with an asterisk (\*).

\*\*\*\*\*

The recommendations noted in our review were not such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to our comments or recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.

  
LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Registered Municipal Accountants

  
Gary J. Vinci  
Registered Municipal Accountant  
RMA Number CR00411