

TOWNSHIP OF WASHINGTON

Financial Statements
with Additional Financial Information

December 31, 2017

(With Independent Auditor's Report Thereon)

TOWNSHIP OF WASHINGTON

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LOUIS C. MAI CPA & ASSOCIATES

P.O. Box 624
Pompton Plains, N.J. 07444

Phone: 973-492-2524
Fax: 973-492-9515

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying regulatory basis balance sheets of the various funds and account groups of the Township of Washington, Bergen County, New Jersey as of December 31, 2017, and the related regulatory basis statements of operations and changes in fund balances for the year then ended and the related and the related regulatory basis statements of revenues and statements of expenditures of the Current Fund for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles

As described in note 1 of the financial statements, these financial statements were prepared in conformity with the accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey- regulatory basis, which is a basis of accounting other than accounting principles generally accepted in the United States of America to meet the requirements of the State of New Jersey.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Washington, New Jersey, as of December 31, 2017 and the changes in financial position for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Township of Washington, New Jersey, as of December 31, 2017 and the related statement of operations and changes in fund balances for the year then ended and the related statement of revenues and statements of expenditures of the Current Fund for the year ended December 31, 2017 on the regulatory basis of accounting described in note 1.

Other Matters

Additional Financial Information

Our audit was conducted for the purpose of forming opinions on the regulatory financial statements that collectively comprise the Township’s basic financial statements. The additional financial information included in the accompanying table of contents, is presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the basic financial statements. Such information and schedules is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the additional financial information included in the accompanying table of contents is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the Township of Washington’s basic financial statements. The information included in the Supplementary Data and the General Comments and Recommendations as listed in the table of contents are presented for additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements. Accordingly, we do not express an opinion or provide any assurance on it. In

addition, the DLGS requires that the Length of Service Award program (LOSAP) be included as unaudited in the regulatory basis financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements. Accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2018 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Township of Washington's internal control over financial reporting and compliance.

Louis C. Mai CPA & Associates
Louis C. Mai

Louis C. Mai, Registered Municipal Accountant
No. CR00217

June 25, 2018

LOUIS C. MAI CPA & ASSOCIATES

P.O. Box 624
Pompton Plains, N.J. 07444

Phone: 973-492-2524
Fax: 973-492-9515

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*

Independent Auditor's Report

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

We have audited , in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying regulatory basis balance sheets of the various funds and account groups as of December 31, 2017 and 2016 of the Township of Washington, Bergen County, New Jersey, and the related regulatory basis statements of operations and changes in fund balances for the years then ended and the related and the related regulatory basis statements of revenues and statements of expenditures of the Current Fund for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents, and have issued our report thereon dated June 25, 2018, which report expressed an adverse opinion in accordance with accounting principles generally accepted in the United States of America and an unmodified opinion on the regulatory basis of accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

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

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Louis C. Mai CPA & Associates
Louis C. Mai

Louis C. Mai, Registered Municipal Accountant
No. CR00217

June 25, 2018

FINANCIAL STATEMENTS

TOWNSHIP OF WASHINGTON

Balance Sheet
Regulatory Basis

Current Fund

December 31, 2017 and 2016

Assets	Ref.	2017	2016
Cash - checking	A-4	\$ 11,040,298	8,418,869
Cash - Tax Collector	A-5	30	25,508
Cash - change fund	A-6	325	325
Grants receivable	A-12	82,262	21,180
Due from State of New Jersey - Senior Citizens' and Veterans' deductions	A-7	<u>8,360</u>	<u>8,360</u>
		<u>11,131,275</u>	<u>8,474,242</u>
Receivables and other assets with full reserves:			
Delinquent property taxes receivable	A-8	305,812	384,475
Tax title liens	A-9	11,877	6,286
Foreclosed property	A-10	70,950	70,950
Due from:			
Other Trust Funds	A-13	54,775	—
General Capital Fund	A-13	7,971	7,969
Animal Control Fund	A-13	<u>15,151</u>	<u>8,089</u>
		<u>466,536</u>	<u>477,769</u>
Deferred charges:			
Overexpenditure of appropriation	A-24	29,612	29,612
Special emergency authorizations (40A-4:53)	A-24	<u>56,000</u>	<u>112,000</u>
		<u>85,612</u>	<u>141,612</u>
		<u>\$ 11,683,423</u>	<u>9,093,623</u>

TOWNSHIP OF WASHINGTON

Balance Sheet
Regulatory Basis

Current Fund

December 31, 2017 and 2016

Liabilities, Reserves and Fund Balance	Ref.	2017	2016
Regular Fund:			
Liabilities:			
Appropriation reserves	A-3,A-15	\$ 718,702	1,381,888
Encumbrances payable	A-16	328,935	608,594
Tax overpayments	A-17	35,197	—
Prepaid taxes	A-18	2,926,441	181,699
Accounts paable	A-19	73,107	48,019
Due to:			
County for added taxes	A-20	9,574	—
Length of Service Award Program Fund	A-27	9,200	9,200
Other Trust Fund	A-13	—	45,805
Appropriated Grant Reserves	A-21	273,843	219,971
Unappropriated Grant Reserves	A-22	44,662	24,077
Various reserves	A-23	1,534,796	1,178,458
		<u>5,954,457</u>	<u>3,697,711</u>
Reserve for receivables and other assets		466,536	477,769
Fund balance	A-1	<u>5,262,430</u>	<u>4,918,143</u>
		<u><u>11,683,423</u></u>	<u><u>9,093,623</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF WASHINGTON

Statement of Operations and Changes in Fund Balance
Regulatory Basis

Current Fund

Years ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenue and other income realized:		
Fund balance utilized	\$ 1,200,000	1,110,000
Miscellaneous revenue anticipated	1,950,856	1,814,236
Receipts from delinquent taxes	379,027	322,049
Receipts from current taxes	37,058,483	36,982,461
Non-budget revenues	81,941	116,231
Other credits to income:		
Unexpended balance of appropriation reserves	1,156,917	1,548,465
Interfunds returned	—	52,116
Other liabilities cancelled	—	67,000
Accounts payable canceled	—	50,347
	<u>41,827,224</u>	<u>42,062,905</u>
Total income		
Expenditures:		
Budget and emergency appropriations:		
Appropriations within "CAPS":		
Operations:		
Salaries and wages	4,588,130	4,499,638
Other expenses	3,087,844	3,572,238
Deferred charges and statutory expenditures	883,886	884,462
Appropriations excluded from "CAPS":		
Operations:		
Salaries and wages	—	8,797
Other expenses	1,607,611	1,563,294
Capital improvements	193,871	55,450
Municipal debt service	1,053,447	1,021,516
Deferred charges	62,041	96,356
County taxes	4,216,654	4,228,298
County open space tax	174,667	43,549
Amount due County for added and omitted taxes	9,574	45,888
Regional school taxes	24,346,646	21,774,472
Interfunds advanced	54,777	7,908
Prior year senior citizens deductions cancelled	1,943	—
Refund of prior year revenue	1,846	5,419
	<u>40,282,937</u>	<u>37,807,285</u>
Total expenditures		
Excess in revenue	1,544,287	4,255,620
Fund balance, January 1	4,918,143	1,772,523
	6,462,430	6,028,143
Decreased by utilized as anticipated revenue	1,200,000	1,110,000
Fund balance, December 31	<u>\$ 5,262,430</u>	<u>4,918,143</u>

See accompanying notes to financial statements.

TOWNSHIP OF WASHINGTON

Statement of Revenues
Regulatory Basis

Current Fund

Year ended December 31, 2017

	<u>Budget</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Fund balance anticipated	\$ 1,200,000	1,200,000	—
Miscellaneous revenues:			
Licenses:			
Alcoholic beverages	15,000	15,126	126
Other	2,500	4,583	2,083
Fees and permits			
Construction code official	185,000	159,293	(25,707)
Other	200,000	190,529	(9,471)
Fines and costs - municipal court	70,000	77,147	7,147
Interest and costs on taxes	80,000	79,790	(210)
Interest on investments and deposits	57,000	60,783	3,783
Cable television franchise fee	148,000	150,866	2,866
Sewer charges	27,000	9,440	(17,560)
Energy Receipts Tax (P.L. 1999, Ch 162 & 167)	713,525	713,525	—
State and Federal programs offset with appropriations			
Municipal Alliance on Alcoholism and Drug Abuse	9,876	9,876	—
Community Development Block Grant ADA Grant	33,871	33,871	—
Recycling tonnage grant	15,503	15,503	—
NJ DOT Mountain Avenue	155,000	155,000	—
Clean Communities Program	27,193	27,193	—
Body armor replacement program	2,104	2,104	—
Uniform Fire Safety Act	15,000	12,204	(2,796)
Sale of recyclables	30,000	43,959	13,959
Cell tower	82,000	81,397	(603)
Police outside billings - Other Trust Fund	7,243	108,667	101,424
	<u>1,875,815</u>	<u>1,950,856</u>	<u>75,041</u>
Receipts from delinquent taxes	\$ 350,000	379,027	29,027
Amount to be raised by taxes for support of municipal budget:			
Local Tax for Municipal Purposes including Reserve for Uncollected taxes	8,350,159	8,610,086	259,927
Minimum Library Tax	580,840	580,840	—
Total Amount to be Raised	<u>8,930,999</u>	<u>9,190,926</u>	<u>259,927</u>
Budget totals	<u>\$ 12,356,814</u>	12,720,809	<u>363,995</u>
Non-budget revenues		81,941	
		<u>\$ 12,802,750</u>	
Allocation of current tax collections:			
Revenue from collections		\$ 37,408,483	
Allocated to:			
School, County and Open Space taxes		28,747,541	
Reserve for tax appeals		<u>350,000</u>	
Balance for support of municipal budget		8,310,942	

(Continued)

TOWNSHIP OF WASHINGTON

Statement of Revenues
Regulatory Basis

Current Fund

Year ended December 31, 2017

	<u>Budget</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Add appropriation reserve for uncollected taxes		879,984	
Amount for support of municipal budget		\$ 9,190,926	
Receipts from delinquent taxes:			
Delinquent tax collections		\$ 379,027	
		\$ 379,027	
Miscellaneous revenue not anticipated:			
Tree removal application fees		\$ 4,375	
FEMA reimbursements		20,663	
CDBG reimbursements		3,081	
Rental of Township property		10,000	
Miscellaneous		24,084	
Insurance dividends		10,024	
Senior Citizen - administrative fees		1,976	
Excess payroll funds		7,738	
		\$ 81,941	

See accompanying notes to financial statements.

TOWNSHIP OF WASHINGTON

Statement of Expenditures
Regulatory Basis

Current Fund

Year ended December 31, 2017

	Appropriations			Expended	
	Budget	Transfers	Budget after modification	Paid or charged	Reserved
General appropriations:					
Operations within "CAPS":					
General Government					
General Administration					
Salaries and wages	\$ 201,672	(6,000)	195,672	171,721	23,951
Other expenses	19,900	—	19,900	14,653	5,247
Maintenance and support of office equipment					
Maintenance and support - equipment	22,500	—	22,500	17,384	5,116
Maintenance and support - computers/telephone	7,000	—	7,000	6,704	296
Mayor & Council					
Salaries and wages - Mayor	9,936	—	9,936	9,936	—
Other expenses - Mayor	3,150	—	3,150	1,848	1,302
Salaries and wages - Council	30,941	—	30,941	30,941	—
Other expenses - Council	5,900	—	5,900	1,828	4,072
Municipal Clerk					
Salaries and wages	90,170	—	90,170	88,353	1,817
Other expenses	16,929	—	16,929	9,577	7,352
Elections					
Salaries and wages	800	400	1,200	1,200	—
Other expenses	9,000	(400)	8,600	8,553	47
Financial Administration					
Salaries and wages	69,925	—	69,925	67,450	2,475
Other expenses					
Financial Services - Fees	15,000	—	15,000	6,938	8,062
Miscellaneous other	22,700	(722)	21,978	15,264	6,714
Audit Services					
Other expenses	33,000	—	33,000	—	33,000
Revenue Administration					
Salaries and wages	10,250	—	10,250	9,363	887
Other expenses	11,655	—	11,655	11,440	215
Tax Assessment Administration					
Salaries and wages	31,821	—	31,821	31,060	761
Other expenses	2,915	—	2,915	2,559	356
Legal Services					
Salaries and wages	72,023	44,000	116,023	114,805	1,218
Other expenses					
Council	100,000	(15,000)	85,000	84,379	621
Tax appeals	20,000	(14,000)	6,000	6,000	—
Codification of ordinances	5,000	(5,000)	—	—	—
Engineering Services					
Salaries and wages	1,250	—	1,250	1,250	—
Other expenses	35,000	6,000	41,000	37,095	3,905
Department of Public Affairs					
Salaries and wages	1,250	—	1,250	1,250	—
Other expenses	18,800	—	18,800	17,436	1,364
Cable Television Expense	7,000	—	7,000	6,047	953
Land Use Administration					
Planning Board					
Salaries and wages	10,300	—	10,300	6,492	3,808
Other exoense	36,700	(10,000)	26,700	7,503	19,197
Zoning Board of Adjustment					
Salaries and wages	21,675	—	21,675	19,287	2,388
Other expenses	6,937	—	6,937	5,727	1,210
Public Safety Functions					
Police Department					
Salaries and wages	3,004,935	—	3,004,935	2,875,105	129,830
Other expenses	39,650	—	39,650	35,880	3,770
Acquisition/Leasing of Police Vehicles	55,100	—	55,100	50,588	4,512
Community policing	1,500	—	1,500	1,457	43
Telephoe support system	6,500	—	6,500	4,875	1,625
Maintenance of desk record system	12,700	—	12,700	12,608	92
Police range rental	8,000	—	8,000	6,400	1,600
Computer software leasing	13,750	—	13,750	11,250	2,500
Police car cameras	3,500	—	3,500	3,174	326
Reverse 911 system	3,300	—	3,300	2,995	305

TOWNSHIP OF WASHINGTON

Statement of Expenditures
Regulatory Basis

Current Fund

Year ended December 31, 2017

	Appropriations			Expended	
	Budget	Transfers	Budget after modification	Paid or charged	Reserved
Police Dispatchers					
Salaries and wages	\$ 145,000	—	145,000	109,081	35,919
Office of Emergency Management					
Salaries and wages	2,600	—	2,600	1,800	800
Other expenses	1,750	—	1,750	1,493	257
Aid to Volunteer Ambulance Company	44,854	—	44,854	44,854	—
Fire Department					
Salaries and wages	1,250	—	1,250	288	962
Other expenses	27,700	(550)	27,150	15,890	11,260
Clothing allowance	43,000	—	43,000	37,950	5,050
Physicals	1,400	550	1,950	1,675	275
Death benefits	1,618	—	1,618	1,618	—
Maintenance program	33,250	—	33,250	27,684	5,566
Equipment compliance	6,800	—	6,800	2,633	4,167
Uniform Fire Safety Code					
Other expenses	12,500	—	12,500	9,165	3,335
Fire Hydrant Service	150,237	—	150,237	150,237	—
Municipal Prosecutor					
Salaries and wages	7,722	—	7,722	6,722	1,000
Public Works Functions					
Department of Municipal Facilities					
Salaries and wages	569,485	—	569,485	528,570	40,915
Other expenses	87,683	—	87,683	71,706	15,977
Other Public Works Functions					
Street Sweeping	13,500	—	13,500	9,000	4,500
Recycling					
Other expenses	342,918	—	342,918	338,311	4,607
Buildings and Grounds					
Building Maintenance	29,500	—	29,500	28,061	1,439
Vehicle Maintenance					
Other expenses	102,500	(1,985)	100,515	76,406	24,109
Community Services Act	30,000	—	30,000	27,915	2,085
Health and Human Services					
Public Health Services					
Salaries and wages - Board of Health	4,952	976	5,928	5,625	303
Other expensees - Board of Health	37,203	(525)	36,678	35,591	1,087
Animal Control Services					
Other expenses	13,000	(451)	12,549	11,170	1,379
Recreation Services and Programs					
Salaries and wages	74,375	—	74,375	63,972	10,403
Other expenses	116,400	—	116,400	114,363	2,037
Golden Seniors' Committee	16,000	—	16,000	16,000	—
Senior Activities	3,500	—	3,500	1,815	1,685
Maintenance of Parks					
Other expenses	48,000	—	48,000	29,837	18,163
Other Common Operation Functions					
Celebration of Public Events	25,000	—	25,000	21,722	3,278
Accumulated Leave Compension	75,000	—	75,000	75,000	—
Municipal Court					
Salaries and wages	70,785	—	70,785	44,680	26,105
Other expenses	7,130	—	7,130	3,864	3,266
Public Defender					
Other expenses	2,400	—	2,400	2,000	400
Insurance					
Liability Insurance (BJIF)	154,756	—	154,756	154,756	—
Workers Compensation Insurance (BJIF)	185,621	—	185,621	185,621	—
Employee Group Insurance	667,000	—	667,000	605,564	61,436
Unemployment	—	—	—	—	—
Code Enforcement and Administration					
Construction Officials					
Salaries and wages	115,637	—	115,637	105,351	10,286
Other expenses	9,536	—	9,536	4,417	5,119

TOWNSHIP OF WASHINGTON

Statement of Expenditures
Regulatory Basis

Current Fund

Year ended December 31, 2017

	Appropriations			Expended	
	Budget	Transfers	Budget after modification	Paid or charged	Reserved
Utility Expenses & Bulk Purchases					
Electricity	\$ 55,000	—	55,000	54,426	574
Street Lighting	60,000	—	60,000	55,911	4,089
Telephone	42,100	—	42,100	38,132	3,968
Water	12,500	—	12,500	9,681	2,819
Natural Gas	14,000	—	14,000	13,899	101
Gasoline	46,500	1,985	48,485	48,485	—
Landfill/Solid Waste Disposal					
Sanitary Landfill & Dump Fees	65,000	—	65,000	62,917	2,083
Total operations including contingent-within "CAPS"	<u>7,676,696</u>	<u>(722)</u>	<u>7,675,974</u>	<u>7,074,233</u>	<u>601,741</u>
					(continued)
Detail:					
Salaries and wages	4,548,754	39,376	4,588,130	4,294,302	293,828
Other expenses (including contingent)	3,127,942	(40,098)	3,087,844	2,779,931	307,913
	<u>7,676,696</u>	<u>(722)</u>	<u>7,675,974</u>	<u>7,074,233</u>	<u>601,741</u>
Deferred charges and statutory expenditures - municipal within "CAPS":					
Deferred Charges:					
Prior year bills					
Utilities(2015 and Prior)	15,000	—	15,000	4,985	10,015
Statutory Charges					
DCRP Pension	6,722	703	7,425	7,425	—
Social Security System (OASD)	152,000	19	152,019	152,019	—
Public Employees Retirement System	129,489	—	129,489	129,489	—
Police & Firemen's Retirement System	579,953	—	579,953	579,953	—
Total deferred charges and statutory expenditures - municipal within "CAPS"	<u>883,164</u>	<u>722</u>	<u>883,886</u>	<u>873,871</u>	<u>10,015</u>
Total general appropriations for municipal purposes within "CAPS"	<u>8,559,860</u>	<u>—</u>	<u>8,559,860</u>	<u>7,948,104</u>	<u>611,756</u>
Operations excluded from "CAPS" - mandated expenditures per N.J.S.A. 40A:4-45.3g:					
Maintenance - Free Public Library (Chapter 82, PL 1985):					
Other expenses	580,840	—	580,840	579,471	1,369
Length of Service Award Program (L.O.S.A.P.)	90,000	—	90,000	—	90,000
Bergen County Utilities Authority - Contractual					
Operating	580,190	—	580,190	580,190	—
Debt Service	224,436	—	224,436	224,436	—
Other Municipalities - Contractual	75,000	—	75,000	59,423	15,577
Public and private programs offset by revenues:					
Recycling Tonnage Grant	15,503	—	15,503	15,503	—
Body Armor Replacement Program	2,104	—	2,104	2,104	—
Clean Communities program	27,193	—	27,193	27,193	—
Municipal Alliance Grant					
State Share	9,876	—	9,876	9,876	—
Local Match	2,469	—	2,469	2,469	—
Total operations-excluded from "CAPS"	<u>1,607,611</u>	<u>—</u>	<u>1,607,611</u>	<u>1,500,665</u>	<u>106,946</u>
					(continued)
Detail:					
Salaries and wages	—	—	—	—	—
Other expenses	1,607,611	—	1,607,611	1,500,665	106,946
	<u>1,607,611</u>	<u>—</u>	<u>1,607,611</u>	<u>1,500,665</u>	<u>106,946</u>
Capital improvements excluded from "CAPS":					
Capital Improvement Fund	—	—	—	—	—
NJ DOT - Mountain Avenue	155,000	—	155,000	155,000	—
CDBG - ADA Compliant Curb Ramps	33,871	—	33,871	33,871	—
Reserve for Ambulance	5,000	—	5,000	5,000	—
Total capital improvements excluded from "CAPS"	<u>193,871</u>	<u>—</u>	<u>193,871</u>	<u>193,871</u>	<u>—</u>

TOWNSHIP OF WASHINGTON

Statement of Expenditures
Regulatory Basis

Current Fund

Year ended December 31, 2017

	Appropriations			Expended	
	Budget	Transfers	Budget after modification	Paid or charged	Reserved
Municipal debt service excluded from "CAPS":					
Payment of bond principal	\$ 815,000	—	815,000	815,000	—
Payment of bond anticipation notes	103,858	—	103,858	103,858	—
Interest on bonds	70,022	—	70,022	70,022	—
Interest on notes	64,567	—	64,567	64,567	—
Total municipal debt service excluded from "CAPS"	1,053,447	—	1,053,447	1,053,447	—
Deferred charges - municipal - excluded from "CAPS":					
Emergency Authorization			—		
Special Emergency Authorizations - 5 Years	56,000	—	56,000	56,000	—
Deferred charges to future taxation - unfunded Ordinance 98-15	6,041	—	6,041	6,041	—
Total deferred charges - municipal - excluded from "CAPS"	62,041	—	62,041	62,041	—
Total general appropriations excluded from "CAPS"	2,916,970	—	2,916,970	2,810,024	106,946
Subtotal general appropriations	11,476,830	—	11,476,830	10,758,128	718,702
Reserve for uncollected taxes	879,984	—	879,984	879,984	—
Total general appropriations	\$ 12,356,814	—	12,356,814	11,638,112	718,702
Original budget			\$ 12,167,943	—	
Added by NJSA 40A:4-87 (CH 159)			188,871		
			\$ 12,356,814		
<u>Analysis of paid or charged</u>					
Cash disbursed				\$ 10,127,177	
Encumbrances payable				328,935	
Deferred Charges				56,000	
Transferred to Appropriated Grant Reserve				246,016	
Reserve for uncollected taxes				879,984	
				\$ 11,638,112	

See accompanying notes to financial statements.

TOWNSHIP OF WASHINGTON

Balance Sheet
Regulatory Basis

Trust Funds

December 31, 2017 and 2016

Assets	Ref.	2017	2016
Animal Control Fund			
Cash	B-1	\$ 28,471	21,465
Cash - change fund		25	25
		<u>28,496</u>	<u>21,490</u>
Other Trust Funds:			
Cash	B-1	2,584,168	2,417,431
Payroll deductions payable (deficit)	B-9	1,406	—
Due from Current Fund	B-7	—	45,805
		<u>2,585,574</u>	<u>2,463,236</u>
Unemployment Compensation Fund - cash	B-1	<u>221,009</u>	<u>163,647</u>
Length of Service Award Program Fund (UNAUDITED)			
Investments		2,121,948	1,746,911
Due from Current Fund		9,200	9,200
		<u>2,131,148</u>	<u>1,756,111</u>
		<u>\$ 4,966,227</u>	<u>4,404,484</u>
Liabilities and Reserves			
Dog License Fund:			
Due to Current Fund	B-7	\$ 15,151	8,089
Due to State of New Jersey	B-3	—	545
Reserve for Dog License Fund expenditures	B-2	13,345	12,856
		<u>28,496</u>	<u>21,490</u>
Other Trust Funds:			
Reserve for:			
Escrow and performance deposits	B-4	932,837	896,394
Insurance settlements	B-5	276,864	288,623
Mt Laurel senior housing	B-8	17,259	17,259
Payroll deductions payable (deficit)	B-9	—	6,425
Police private detail billings	B-10	951	7,243
Due to Current Fund	B-7	54,775	—
Various reserves	B-11	1,302,888	1,247,292
		<u>2,585,574</u>	<u>2,463,236</u>
Unemployment Compensation Fund -			
Reserve for Unemployment Insurance Claims	B-12	221,009	163,647
		<u>221,009</u>	<u>163,647</u>
Length of Service Award Program Fund (UNAUDITED)			
Reserve for Investments in Length of Service Award Program		2,131,148	1,756,111
		<u>\$ 4,966,227</u>	<u>4,404,484</u>

See accompanying notes to financial statements.

TOWNSHIP OF WASHINGTON

Balance Sheet
Regulatory Basis

General Capital Fund

December 31, 2017 and 2016

Assets	Ref.	2017	2016
Cash	C-2,C-3	\$ 1,699,933	2,109,024
Grants receivable	C-14	266,081	288,836
Deferred charges to future taxation funded	C-5	1,247,000	2,062,000
Deferred charges to future taxation unfunded	C-6	7,840,234	4,779,459
		<u>\$ 11,053,248</u>	<u>9,239,319</u>
Liabilities, Reserves and Fund Balance			
Contracts payable	C-9	\$ 462,373	338,508
Bond anticipation notes	C-11	4,770,579	4,304,437
Improvement authorizations:			
Funded	C-8	529,959	418,111
Unfunded	C-8	3,758,101	1,571,742
Due to Current Fund	C-4	7,971	7,971
Reserve for payment of debt	C-10	4,131	19,161
Reserve for grants receivable	C-14	—	2,701
Reserve for preliminary costs	C-15	5,000	5,000
Reserve for ambulance	C-16	50,000	45,000
General serial bonds payable	C-12	1,247,000	2,062,000
Capital Improvement Fund	C-7	14,564	176,760
Fund balance	C-1	203,570	287,928
		<u>\$ 11,053,248</u>	<u>9,239,319</u>

There were bonds and notes authorized but not issued at December 31, 2016 and 2017 of \$475,022 and \$3,112,908 respectively (Exhibit C-13).

See accompanying notes to financial statements.

TOWNSHIP OF WASHINGTON

Statement of Fund Balance
Regulatory Basis

General Capital Fund

Years ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Balance, Beginning of year	\$ 287,928	317,809
Increased by:		
Cancellation of funded improvement authorization	163,940	—
CDBG grant receipts for funded ordinance	—	21,088
Premium on sale of notes	38,834	28,497
	<u>202,774</u>	<u>49,585</u>
	490,702	367,394
Decreased by:		
Appropriated to fund improvement authorizations	<u>287,132</u>	<u>79,466</u>
Balance, End of year	<u>\$ 203,570</u>	<u>287,928</u>

See accompanying notes to financial statements.

TOWNSHIP OF WASHINGTON

Statement of General Fixed Assets
Regulatory Basis

General Fixed Asset Account Group

December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Land	\$ 11,383,900	11,383,900
Buildings	2,637,529	2,637,529
General equipment and machinery	<u>5,494,571</u>	<u>5,330,986</u>
Total fixed assets	<u>\$ 19,516,000</u>	<u>19,352,415</u>

See accompanying notes to financial statements.

TOWNSHIP OF WASHINGTON

Notes to Financial Statements

December 31, 2017

(1) *Summary of Significant Accounting Policies*

The accounting policies of the Township of Washington, State of New Jersey (the Township) conform to the accounting principles applicable to municipalities prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles. The following is a summary of the significant policies.

Reporting Entity

The financial statements of the Township include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Township do not include the operations of the Board of Education, Volunteer Fire Department, Ambulance and Rescue Services or Free Public Library.

Fund Accounting

In order to ensure observance of limitations and restrictions placed on the use of the resources available to the Township, the accounts of the Township are maintained in accordance with the principles of "fund accounting." This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified. The operation of each fund is accounted for with a separate set of self balancing accounts that comprise its assets, liabilities reserves, fund balance, revenues and expenditures, as appropriate.

Fund Types

Current Fund – is used to account for all revenues and expenditures applicable to the general operations of Township departments and agencies. Federal and state grants are included in the current fund.

Trust Funds – are used to account for assets held by the Township in a trustee capacity or as an agent for individuals or other governmental agencies. Funds held by the Township which have restrictions placed on the use of such funds are recorded in the Trust Funds.

General Capital Fund – is used to account for financial resources to be used for the acquisition of general capital facilities. The major resources are derived from the sale of serial bonds and bond anticipation notes.

General Fixed Assets Account Group – is used to account for all fixed assets purchased by the current and general capital funds.

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 of Washington and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

TOWNSHIP OF WASHINGTON

Notes to Financial Statements

December 31, 2017

Basis of Accounting

The Township follows the following accounting policies:

Revenues

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

Expenditures

Current Fund, General Capital Fund and Utility Fund expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Township's statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds and notes are provided on a cash basis; interest on general capital indebtedness is on the cash basis. Trust Fund expenditures are accounted for on the cash basis.

Disbursements for Current Fund and General Capital Fund inventory type items are considered expenditures at the time of purchase. Prepaid expenses are not recorded. The Township's share of contributions for fringe benefits, such as retirement plans, accrued vacation leave, litigation settlements and certain professional fees are accounted for on the cash basis.

Had the Township's financial statements been prepared under generally accepted accounting principles, appropriation reserves would not be recorded; revenues susceptible of accrual would have been reflected without offsetting reserves; Federal grants and assistance would be recognized when earned, not when awarded; inventories would not be reflected as expenditures at the time of purchase; and encumbrances would not be considered as expenditures. Taxes collected on behalf of the county and school district and the related payment to those entities would not be reflected in operations. Deferred charges and improvement authorizations would not be recorded as assets and liabilities in the General Capital Fund. The Division of Local Government Services, Department of Community Affairs, State of New Jersey does not require the management's discussion and analysis, required supplemental information or government wide financial statements required by generally accepted accounting principles to be presented.

TOWNSHIP OF WASHINGTON

Notes to Financial Statements

December 31, 2017

Foreclosed Property

Real property acquired for taxes is recorded in the Current Fund at assessed valuation when such property is acquired and is fully reserved. Under GAAP property acquired for taxes would be recorded in the general fixed assets at net realizable value

Interfund Receivables

Interfund receivables created by cash transfers from the Current Fund are recorded with offsetting reserves created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in other funds are not offset by reserves.

Deferred Charges to Future Taxation Funded and Unfunded

Upon the authorization of capital projects, the Township establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to the N.J.S.A. 40A:2-4, the Township may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Township raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced. Under GAAP deferred charges to future taxation would not be recorded and proceeds of debt issued would be recognized as revenue

Fixed Assets

Current Fund and General Capital Fund

Property and equipment purchased by the Current Fund and the General Capital Fund are recorded as expenditures at the time of purchase. Fixed assets are capitalized at cost in the General Fixed Assets Account Group.

Use of Estimates

The preparation of financial statements requires management to make estimates that affect the recorded amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(2) Retirement Systems

Substantially all of the Township's employees participate in one of the following contributory defined benefit public employee retirement systems (retirement systems) which have been established by State statute: the Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS). These systems are sponsored and administered by the State of New Jersey.

TOWNSHIP OF WASHINGTON

Notes to Financial Statements

December 31, 2017

Police and Firemen's Retirement System

Police and Firemen's Retirement Systems (PFRS)--is a cost-sharing multiple-employer contributory defined benefit plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A to provide retirement, death and disability benefits 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

Public Employees' Retirement System (PERS)--is a cost-sharing multiple-employer contributory defined benefit plan which was established as of January 1, 1955, under the provision N.J.S.A. 43:15A to provide retirement, death and disability benefits, including post-retirement health care, 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 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

Defined Contribution Retirement Program

The Defined Contribution Retirement Program, herein referred to as 'DCRP', was established July 1, 2007 under the provisions of Chapters 92 and 103, P.L. 2007. Individuals eligible for membership in the DCRP include local officials who are elected or appointed on or after July 1, 2007; and employees enrolled in the PERS on or after July 1, 2007 who earn salary in excess of established "maximum compensation" limits.

A local elected official is any individual who holds elected public office. Officials elected on or after July 1, 2007 will only be enrolled in DCRP. Elected officials already enrolled in PERS prior to July 1, 2007 based on elected office will remain a PERS member while serving in that same elected office. Any break in service or election to a different elected office will automatically enroll the elected official in DCRP. If a retired member of another State-administered retirement system is elected to office, that elected official can choose to either continue receiving retirement benefits from the former employment or suspend such benefits and participate in DCRP.

A local appointed official is any individual appointed by the governor, including those requiring advice and consent of the Senate, or an individual appointed in a similar manner by the governing body of a local public entity. On or after July 1, 2007, a newly appointed official who does not have an existing PERS account will only be enrolled in the DCRP. Appointed officials already enrolled in PERS prior to July 1, 2007 will remain a PERS member while serving in that same appointed office.

An appointed official is permitted to join or remain in PERS if that appointed official holds a professional license or certificate to perform and is serving in any of the following capacities: Certified Health Officer, Tax Collector, Chief Financial Officer, Construction Code Official, Qualified Purchasing Agent, Tax Assessor, Municipal Planner, Registered Municipal Clerk, Licensed Uniform Subcode Inspector, or Principal/Certified Public Works Manager.

Additional minimum DCRP eligible criteria for a newly elected or appointed official are the same as for a PERS position. However, in the case of DCRP, eligible officials can elect an irrevocable waiver of their participation when earning less than \$5,000 annually.

TOWNSHIP OF WASHINGTON

Notes to Financial Statements

December 31, 2017

Eligible PERS members are enrolled in the DCRP when annual salary exceeds the maximum compensation limit. This may occur upon enrollment into the PERS when an annual base salary is reported on the enrollment application that will exceed the maximum compensation; or when PERS member's annual salary is increased to where it will exceed the maximum compensation and it is reported by the employer to the Division of Pensions and benefits.

Enrolled members contribute 5.5% of the base salary to a tax-deferred investment account established with Prudential Financial, which administers the DCRP for the Division of Pensions and Benefits. Members enrolled due to income levels in excess of maximum compensation limits only contribute based on that amount in excess. Member contributions are matched by a 3% employer contribution.

Newly eligible and enrolled members that have existing DCRP accounts or are active or vested members of another State-administered retirement system are immediately vested in DCRP. Conversely, those officials not qualifying for immediate vesting in DCRP will become fully vested upon commencement of their second year of membership. In such case that there is no eligible second year of membership, all employee and employer contributions will be refunded to the appropriate contributing parties.

DCRP members may elect to receive all or a portion of the account in a lump-sum distribution, or as a fixed term or life annuity. There is no minimum retirement age under the DCRP. Any distributions of mandatory contributions will automatically render the member retired. Lump-sum cash distributions to members under the age of 55 are limited to the member's contributions and earnings. Employer matching contributions and earnings are only available after the age of 55. A member may begin collecting an annuity or take a cash distribution at any time after termination of employment, but will no longer be eligible to participate in any State-administered retirement system upon a return to public employment in New Jersey.

DCRP members are covered by employer-paid life insurance, payable to their designated beneficiaries, in the amount of 1 ½ times the annual base salary on which DCRP contributions were based. This benefit continues for up to two years if on an approved leave of absence without pay for personal illness. Life insurance may also be available to members upon retirement at an amount reduced to 3/16 of the annual base salary on which DCRP contributions were based who qualify by being 60 or older with 10 years of participation in DCRP or any age with 25 years of participation. In the case of members enrolled due to income levels in excess of maximum compensation limits, years of participation in either scenario would also include participation in PERS.

DCRP members are eligible employer-paid long term disability coverage after one year of participation. Eligibility occurs after six consecutive months of total disability. Members would receive a regular monthly income benefit up to 60% of the base salary on which DCRP contributions were based during 12 months preceding the onset of the disability, offset by any other periodic benefit the member may be receiving. Benefits will be paid so long the member remains disabled or until the age of 70. Benefits terminate should the member begin receiving retirement annuity payments.

Other Pension Funds

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of several State-administered retirement systems to purchase annuities to

TOWNSHIP OF WASHINGTON

Notes to Financial Statements

December 31, 2017

supplement the guaranteed benefits provided by their retirement system. The state or local governmental employers do not appropriate funds to SACT.

The State also administers the Pension Adjustment Fund (PAF) which provides cost of living increases, equal to 60 percent of the change in the average consumer price index, to eligible retirees in all State-sponsored pension systems except SACT. The cost of living increases for PFRS and PERS are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required State contribution for that system.

According to State statutes, 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 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 obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rates increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates will increase in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be a least 1.5% of salary.
- In addition, this legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

TOWNSHIP OF WASHINGTON

Notes to Financial Statements

December 31, 2017

Funding Policy

Contribution Requirements:

The contribution policy for PFRS and PERS is set by New Jersey State statutes and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Members of PFRS contribute at a uniform rate of 10.0% of base salary, as defined. Members of PERS contribute at a uniform rate of 7.27% of base salary, as defined. Employers are required to contribute at an actuarially determined rate in all Funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PFRS and PERS.

Township Contributions:

The Township's required contributions were as follows:

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
PERS \$	129,489	126,424	138,169	166,445	156,153
PFRS \$	579,53	534,771	559,157	553,973	616,011
DCRP \$	7,425	2,676	2,370	2,500	2,256

GASB 68 Disclosure in accordance with Division of Local Government Services Local Finance Notice 2015-24

The amount of the Township's contribution is certified each year by PERS and PFRS on the recommendation of the actuary, who makes an annual actuarial valuation. The valuation is based on a determination of the financial condition of the retirement system. It includes the computation of the present dollar value of benefits payable to former and present members and the present dollar value of future employer and employee contributions, giving effect to mortality among active and retired members and also to the rates of disability, retirement, withdrawal, former service, salary and interest. In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Specific information on actuarial assumptions and rates of return can be found at www.state.nj.us/treasury/pensions/amnrprts.shtml.

The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS.

<u>PERS</u>		<u>2017</u>	<u>2016</u>	<u>2015</u>
Covered Employee Payroll		997,838	\$1,035,856	\$1,147,931
Total Payroll		3,912,956	4,430,534	4,433,980
Actuarial Contribution Requirements		148,994	135,420	129,404
Total Contributions		226,869	209,792	209,599
Employer's Share		148,994	135,420	129,404
% of Covered Payroll		14.93%	13.07%	11.27%
Employee's Share		77,875	74,372	80,195
% of Covered Payroll		7.80%	7.18%	6.99%

TOWNSHIP OF WASHINGTON

Notes to Financial Statements

December 31, 2017

PFRS			
	2017	2016	2015
Covered Employee Payroll	2,559,139	\$2,440,496	\$2,271,686
Total Payroll	3,912,956	4,430,534	4,433,980
Actuarial Contribution Requirements	554,741	510,688	534,075
Total Contributions	810,655	754,737	761,244
Employer's Share	554,741	510,688	534,075
% of Covered Payroll	21.68%	20.93%	23.51%
Employee's Share	255,914	244,049	227,169
% of Covered Payroll	10.00%	10.00%	10.00%

Assumptions

The total PERS and PFRS pension liability for June 30, 2017 measurement date was determined by an actuarial valuation as of June 30, 2016 using an actuarial experience study for the period July 1, 2011 to June 30, 2014. The pension liability was rolled forward to June 30, 2017. The actuarial valuation used an inflation rate of 2.25%, projected salary increases through 2026 from of 1.65% to 4.15% for PERS and 2.10% to 8.98% for PFRS based on age and thereafter 2.65% to 5.15% for PERS and 3.10% to 9.98% for PFRS based on age and an investment rate of return of 7.00%.

The discount rate used to measure the total pension liability was 5.00% and 3.98% for PERS and 6.14 and 5.55% for PFRS as of June 30, 2017 and 2016 respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability. More information on mortality rates and other assumptions, and investment policies, can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

The following presents the Township's proportionate share of the PERS net pension liability calculated using the discount rate of 5.00% and 3.98% as of June 30, 2017 and 2016, respectively, as well as what the PERS net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the assumed rate.

Sensitivity of the Township's Proportionate Share of the PERS Local Share Net Pension Liability to Changes in the Discount Rate

	At 1% decrease (4.00%)	At current discount rate (5.00%)	At 1% increase (6.00%)
2017	<u>\$4,887,144</u>	<u>\$3,939,441</u>	<u>\$3,141,887</u>

TOWNSHIP OF WASHINGTON

Notes to Financial Statements

December 31, 2017

	At 1% decrease (2.98%)	At current discount rate (3.98%)	At 1% increase (4.98%)
2016	<u>\$6,390,479</u>	<u>\$5,215,086</u>	<u>\$4,244,697</u>

The following presents the Township’s proportionate share of the PFRS net pension liability calculated using the discount rate of 6.14% and 5.55% as of June 30, 2017 and 2016, respectively, as well as what the PFRS net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the assumed rate.

Sensitivity of the Township’s Proportionate Share of the PFRS Local Share Net Pension Liability to Changes in the Discount Rate

	At 1% decrease (5.14%)	At current discount rate (6.14%)	At 1% increase (7.14%)
2017	<u>\$15,453,516</u>	<u>\$11,728,691</u>	<u>\$8,668,323</u>
2016	<u>\$17,520,314</u>	<u>\$13,587,678</u>	<u>\$10,388,050</u>

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarially determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the State and local groups.

TOWNSHIP OF WASHINGTON

Notes to Financial Statements

December 31, 2017

To facilitate the separate (sub) actuarial valuations, The Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedules of pension amount by employer. The allocation percentages for each group as of June 30, 2017 and 2016 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal years ended June 30, 2017 and 2016, respectively.

Following is the total of the Township's portion of the PERS and PFRS net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and the pension expense and expenditures for the fiscal year ended June 30, 2017.

	PERS	PFRS
Net Pension Liabilities	\$3,939,441	\$11,728,691
Deferred Outflow of Resources	1,042,275	2,835,302
Deferred Inflow of Resources	1,018,516	2,506,083
Pension Expense	254,848	1,121,243
Contributions Made After Measurement Date	—	—

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collected deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented in the PERS schedule of employer allocations and applied to amounts presented in the PERS schedule of pension amounts by employer are based on the ratio of the contributions as an individual employer to total contributions to the PERS and PFRS during the years ended June 30, 2017 and 2016. The Township's proportionate share of the collective net pension liability as of June 30, 2017 and 2016 was .01692% and .08875% for PERS and .07597% and .1870% for PFRS respectively.

At June 30, 2017, the amount determined as the Township's proportionate share of the PERS net pension liability was \$3,939,441. For the year ended June 30, 2017 the Township recognized PERS pension expense of \$254,848. At June 30, 2017, deferred outflows of resources and deferred inflows of resources related to the PERS pension are as follows:

TOWNSHIP OF WASHINGTON

Notes to Financial Statements

December 31, 2017

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of Assumptions	\$793,662	\$790,752
Difference between expected and actual experience	92,760	
Net Difference Between Projected and Actual Investment Earnings	26,825	-----
Net Change in Proportions	129,028	227,764
Net Actual Less Proportionate Share of Contributions	—	—
Total Contributions and Proportionate Share of Contributions after the Measurement Date	—	—
	<u>\$1,042,275</u>	<u>\$1,018,516</u>

At June 30, 2017, the amount determined as the Township's proportionate share of the PFRS net pension liability was \$11,728,691. For the year ended June 30, 2017 the Township recognized PFRS pension expense of \$1,121,243. At June 30, 2017, deferred outflows of resources and deferred inflows of resources related to the PFRS pension are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of Assumptions	\$1,446,278	\$1,920,817
Differences between expected and actual experience	76,089	68,838
Net Difference Between Projected and Actual Investment Earnings	223,811	
Net Change in Proportions	1,089,124	516,428
Net Actual Less Proportionate Share of Contributions	—	—
Total Contributions and Proportionate Share of Contributions after the Measurement Date	—	—
	<u>\$2,835,302</u>	<u>\$2,506,083</u>

Long-Term Expected Rate of Return

The arithmetic mean return on the portfolio was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017 are summarized in the following table.

TOWNSHIP OF WASHINGTON

Notes to Financial Statements

December 31, 2017

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Debt Related Real Estate	1.00%	6.61%
Public High Yield Bonds	2.50%	6.82%
Risk Mitigation Strategies	5.00%	5.51%
US Equities	30.00%	8.19%
Non US Dev Market Equities	11.50%	9.00%
Emerging Market Equities	6.50%	11.64%
Debt Related Private Equity	2.00%	10.63%
Credit Oriented Hedge Funds	1.00%	6.60%
Equity Related Real Estate	6.25%	9.23%
Private Real Estate	2.50%	11.83%
Global Diversified Credit	5.00%	7.10%
Buyouts/ Venture Capital	8.25%	13.08%

(3) Municipal Debt

**Summary of Municipal Debt
(Excluding Current and Utility Operating Debt and Type I School Debt)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Issued:			
General - bonds and notes	\$ 6,017,579	6,366,437	5,382,000
Total issued	<u>6,017,579</u>	<u>6,366,437</u>	<u>5,382,000</u>
Authorized but not issued:			
General - bonds and notes	3,112,908	475,022	1,530,245
	<u>3,112,908</u>		
Total authorized but not issued		475,022	<u>1,530,245</u>
Total bonds and notes issued and authorized but not issued	9,112,908	6,841,459	<u>6,912,245</u>
	<u>\$</u>		

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicates a statutory net debt of .518%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional school district debt	\$ 16,870,734	16,870,734	—
General debt	<u>9,112,908</u>	<u>4,131</u>	<u>9,108,777</u>
	<u>\$ 25,983,642</u>	<u>16,874,865</u>	<u>9,108,777</u>

TOWNSHIP OF WASHINGTON

Notes to Financial Statements

December 31, 2017

Net debt of \$9,108,777 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$1,758,557,769 equals .518%.

Borrowing Power under N.J.S.A. 40A:2-6 as Amended

3-1/2% of equalized valuation basis (municipal)	\$61,549,522
Net debt	<u>9,108,777</u>
Remaining borrowing power	<u>\$52,110,745</u>

This a summary of bonded debt changes for the years ended December 31, 2017 and 2016:

	<u>Dec. 31, 2016</u>	<u>Increases</u>	<u>Deductions</u>	<u>Dec. 31, 2017</u>
General Capital Fund	2,062,000	—	815,000	1,247,000
\$	<u>2,062,000</u>	<u>—</u>	<u>815,000</u>	<u>1,247,000</u>
	<u>Dec. 31, 2015</u>	<u>Increases</u>	<u>Deductions</u>	<u>Dec. 31, 2016</u>
General Capital Fund	2,872,000	—	810,000	2,062,000
\$	<u>2,872,000</u>	<u>—</u>	<u>810,000</u>	<u>2,062,000</u>

Bond debt service requirements at December 31, 2017 were as follows;

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>
2018	\$807,000	41,447
2019	440,000	13,200
	<u>\$1,247,000</u>	<u>54,647</u>

(4) Bond Anticipation Notes

The Township issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally such notes must be paid no later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. Legal installments must continue to be paid if the notes are to be renewed beyond the third anniversary date of the original issuance.

TOWNSHIP OF WASHINGTON

Notes to Financial Statements

December 31, 2017

The changes in outstanding bond anticipation notes for the years ended December 31, 2016 and 2017 are as follows:

	Dec. 31, 2015	Increases	Decreases	Dec. 31, 2016
General Capital Fund	2,510,000	1,944,717	150,280	4,304,437
\$	2,510,000	1,944,717	150,280	4,304,437

	Dec. 31, 2016	Increases	Decreases	Dec. 31, 2015
General Capital Fund	4,304,437	570,000	103,858	4,770,579
\$	4,304,437	570,000	103,858	4,770,579

(5) Fund Balances Appropriated

Fund balances appropriated and included as anticipated revenue in the 2018 budget is as follows:

Current Fund	\$ 2,150,000
--------------	--------------

(6) Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2017, the Township Current Fund had the following deferred charges to be raised in the 2018 or subsequent budgets.

	Balance, Dec. 31, <u>2017</u>	2018 Budget <u>Appropriation</u>
Current Fund:		
Special emergencies	\$ 56,000	56,000
Overexpenditure of appropriation	29,612	29,612

(7) Deferred Compensation Plans

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits employees to defer a portion of their salary to future years. Individuals are one hundred percent vested. The plan, which began formal operations on November 13, 1985, is funded solely from voluntary employee payroll deductions. Distribution is available to employees upon termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely property and rights of the individual contributors and are not subject to the claims of the Township's general creditors.

The Lincoln National Insurance Company, Fort Wayne, Indiana was chosen to serve as the plan's trustee.

TOWNSHIP OF WASHINGTON

Notes to Financial Statements

December 31, 2017

(8) Accrued Sick and Vacation Benefits

By contract some employees are entitled to accrue unused sick pay, which may be taken as time off or paid at a later date upon absence. It is estimated that the current cost of such unpaid compensation approximates \$465,994 and \$481,425 for the years ended December 31, 2016 and 2017 respectively. This amount, in accordance with state accounting requirements, is not reported either as an expenditure or liability.

(9) Contingencies

Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2017. 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. Funding of any ultimate liability would be provided for in succeeding years' budgets or through a refunding bond ordinance which would allow the Township to fund these liabilities over a number of years.

The Township is also involved in suits in the normal course of business. These cases, if decided against the Township, would be paid by its insurance carrier. The Township expects such amounts, if any, to be immaterial.

The Township participates in numerous Federal and State of New Jersey grant programs which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the Township has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivables at December 31, 2017 may be impaired. In the opinion of the Township, there are no significant contingent liabilities relating to compliance with rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying financial statements for such contingencies.

(10) Risk Retention Program

The Township participates in a joint insurance fund that provides coverage for its automobile, general liability and workers' compensation exposures property, fire, water, utility, boiler and machinery, and employee fidelity. Various deductibles, limits, and coinsurance provisions apply to these policies.

(11) Fixed Assets

The Township records assets with a useful life in excess of five years and with a value over \$5,000 as a fixed asset. The accounts are adjusted for dispositions and abandonment's. Depreciation is not recorded.

Fixed assets used in governmental operation (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("Infrastructure") general fixed assets consisting of certain improvement other than building, such as roads, bridges, curbs and gutters, streets and sidewalks, and drainage systems are not capitalized.

The Township's fixed assets are summarized as follows:

TOWNSHIP OF WASHINGTON

Notes to Financial Statements

December 31, 2017

	<u>Balance</u>			<u>Balance</u>
	<u>Dec 31, 2016</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Dec. 31, 2017</u>
General Fixed Assets:				
Land	\$ 11,383,900	—	—	11,428,900
Buildings	2,637,529	—	—	2,637,529
General equip./ machinery	5,330,986	266,036	102,451	5,494,571
	<u>19,352,415</u>	<u>266,036</u>	<u>102,451</u>	<u>19,516,000</u>

(continued)

	<u>Balance</u>			<u>Balance</u>
	<u>Dec 31, 2015</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Dec. 31, 2016</u>
General Fixed Assets:				
Land	\$ 11,428,900	—	45,000	11,383,900
Buildings	2,637,529	—	—	2,637,529
General equipment and machinery	4,965,022	668,151	302,187	5,330,986
	<u>19,031,451</u>	<u>668,151</u>	<u>347,187</u>	<u>19,352,415</u>

(12) Interfund Balances

The Township has interfund balances at December 31, 2017 and 2016 as follows:

	<u>2017</u>		<u>2016</u>	
	<u>Due From</u>	<u>Due To</u>	<u>Due From</u>	<u>Due To</u>
Current Fund:				
Other Trust Fund	\$ 54,775		\$	45,805
Animal Control Fund	15,151		8,089	
General Capital Fund	7,971		7,969	
LOSAP Fund		9,200		9,200
Other Trust Fund				
Current Fund		54,775	45,805	
Animal Control Fund:				
Current Fund		15,151		8,089
General Capital Fund:				
Current Fund		7,971		7,969
LOSAP Fund				
Current Fund	9,200		9,200	

(13) Volunteer Length of Service Award Plan (Unaudited)

The Township established a Volunteer Length of Service Award Plan (LOSAP) on behalf of the volunteer firefighters, rescue workers, emergency medical services and ambulances services. The Township contributions to the LOSAP are vested after five years of service and are not taxable to the volunteers until receipt of such funds by the volunteer due to retirement, termination after vesting, death or disability or unforeseeable emergency. Lincoln National Insurance Company, Fort Wayne, Indiana was chosen to serve as the plan's trustee. All amounts contributed under the plan are recorded in the

TOWNSHIP OF WASHINGTON

Notes to Financial Statements

December 31, 2017

LOSAP Fund and shall remain the assets of the Township and are subject to the claims of the Township's general creditors until distributed to the participants.

Township activity for the three years ending December 31, 2017 is as follows:

	January 1	Contributions	Distributions	Fees	Gain/(Loss)	December 31
2017	\$ 1,746,910	87,500	33,822	2,817	324,176	2,121,948
2016	1,583,280	87,500	37,218	2,750	116,098	1,746,910
2015	1,499,494	101,250	22,000	2,450	6,987	1,583,280

The total value of plan assets at December 31, are determined by the trustees.

(14) Cash

Cash and cash equivalents includes amounts on deposit, and short term investments with original maturities of three months or less from the date of acquisition.

Deposits

New Jersey statutes require that municipalities deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. Municipalities are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes (GUDPA) require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

GASB Statement No. 40, Deposit and Investment Risk Disclosures, requires disclosure of bank deposits that are subject to custodial credit risk. The custodial credit risk for deposits is the risk that, in the event of the failure of a depository institution, the Township will not be able to recover deposits or will not be able to recover collateral securities that may be in the possession of an outside party. As of December 31, 2017, the Township's bank deposits are insured or covered by the State's Government Unit Deposit Protection Act.

TOWNSHIP OF WASHINGTON

Notes to Financial Statements

December 31, 2017

(15) Taxes Receivable, Tax Title Liens

In accordance with the accounting principles prescribed by the State of New Jersey, taxes receivable and tax title liens 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 taxes receivable and tax title liens that are uncollectible.

Taxes for the Township are levied annually in June and are payable February 1, May 1, August 1, and November 1. The taxes are liens on the property as of the billing date.

(16) Subsequent Events

The adoption of Ordinance 18-06 authorized \$1,300,000 for various public improvements and authorized \$1,237,000 bonds and notes to finance the projects.

The adoption of Ordinance 18-05 authorized the improvement of the Washington Avenue and Pascack Road Intersection and provided \$400,000 of Capital Improvement Funds for the project.

There have been no other events subsequent to December 31, 2017 that require disclosure in the financial statements

ADDITIONAL FINANCIAL INFORMATION

TOWNSHIP OF WASHINGTON

Schedule of Cash - Treasurer

Current Fund

Year ended December 31, 2017

Balance, December 31, 2016	\$ <u>8,418,869</u>
Increased by receipts:	
Collector of taxes	40,551,758
Revenue accounts receivable	1,609,996
Miscellaneous revenue not anticipated	81,941
Due from State of New Jersey	97,579
Grants receivable	180,361
Tax overpayments	61,306
Unappropriated grant reserves	22,689
Various reserves	356,338
General Capital receipts deposited in Current Fund	2
Budget refunds	<u>9,517</u>
	<u>42,971,487</u>
	<u>51,390,356</u>
Decreased by disbursements:	
Budget appropriations	10,127,177
Appropriation reserves	789,612
Local district school taxes	24,346,646
County taxes	4,391,321
Due from Other Trust Funds	100,000
Various reserves	356,338
Grant expenditures	211,009
Tax overpayment refunds	26,109
Refund of prior year revenue	<u>1,846</u>
	<u>40,350,058</u>
Balance, December 31, 2017	\$ <u><u>11,040,298</u></u>

TOWNSHIP OF WASHINGTON

Schedule of Cash - Tax Collector

Current Fund

Year ended December 31, 2017

Balance, December 31, 2016	\$ <u>25,508</u>
Increased by receipts:	
Taxes receivable	37,505,311
Prepaid taxes	2,926,441
Revenue accounts receivable	94,528
Lien redemptions	<u>207,666</u>
	<u>40,733,946</u>
	<u>40,759,454</u>
Decreased by disbursements:	
Payments to Treasurer - Current Fund	40,551,758
Lien redemptions	<u>207,666</u>
	<u>40,759,424</u>
Balance, December 31, 2017	\$ <u><u>30</u></u>

TOWNSHIP OF WASHINGTON

Schedule of Change Funds

Current Fund

Year ended December 31, 2017

	Balance Dec. 31, 2016	Balance Dec. 31, 2017
Tax Collector	\$ 100	100
Municipal Court	200	200
Board of Health	25	25
	<u>325</u>	<u>325</u>
	<u>\$ 325</u>	<u>325</u>

TOWNSHIP OF WASHINGTON

Schedule of Due from (to) State of New Jersey -
Senior Citizens' and Veterans' Deductions

Current Fund

Year ended December 31, 2017

Balance, December 31, 2016	\$ <u>8,360</u>
Increased by:	
Senior Citizens' deductions per duplicate	9,750
Veterans' deductions per duplicate	90,000
Senior Citizens' deductions allowed by tax collector	750
Veterans' deductions allowed by tax collector - 2016	<u>250</u>
	<u>100,750</u>
	<u>109,110</u>
Decreased by:	
Cash received	97,579
Senior Citizens' and Veterans' deductions disallowed - State audit	1,228
Senior Citizens' and Veterans' deductions disallowed - 2016	<u>1,943</u>
	<u>100,750</u>
Balance, December 31, 2017	\$ <u><u>8,360</u></u>

TOWNSHIP OF WASHINGTON

Schedule of Taxes Receivable

Current Fund

Year ended December 31, 2017

Year	Balance, Dec. 31, 2016	2017 levy	Added Taxes	Cash collections		Transferred to tax title liens	Cancelled	Balance, Dec. 31, 2017
				2016	2017			
2016	384,475	—	1,943	—	379,027	2,436	2,752	2,203
	<u>384,475</u>	<u>—</u>	<u>1,943</u>	<u>—</u>	<u>379,027</u>	<u>2,436</u>	<u>—</u>	<u>2,203</u>
2017	—	37,675,259	82,156	181,699	37,226,784	3,155	42,168	303,609
	<u>\$ 384,475</u>	<u>37,675,259</u>	<u>84,099</u>	<u>181,699</u>	<u>37,605,811</u>	<u>5,591</u>	<u>42,168</u>	<u>305,812</u>
Senior Citizens' and Veterans' deductions					\$ 100,500			
Cash					<u>37,505,311</u>			
					<u>\$ 37,605,811</u>			

Analysis of Property Tax Levy

Tax yield:

General purpose tax	\$ 37,675,259
Added and omitted taxes	<u>82,156</u>
	<u>\$ 37,757,415</u>

Tax levy:

County taxes	\$ 4,216,654
County Open Space	174,667
Regional school taxes	24,346,646
Due County for added taxes	9,574
Local tax for municipal purposes	8,350,159
Library tax	580,840
Additional taxes levied	<u>78,875</u>
	<u>\$ 37,757,415</u>

TOWNSHIP OF WASHINGTON

Schedule of Tax Title Liens

Current Fund

Year ended December 31, 2017

Balance, December 31, 2016	\$ <u>6,286</u>
Increased by:	
Transferred from prior year taxes	2,436
Transferred from taxes receivable	<u>3,155</u>
	<u>5,591</u>
Balance, December 31, 2017	\$ <u><u>11,877</u></u>

TOWNSHIP OF WASHINGTON

Schedule of Revenue Accounts Receivable

Current Fund

Year ended December 31, 2017

	Balance, Dec. 31, 2016	Accrued in 2017	Collected by		Balance, Dec. 31, 2017
			Collector	Treasurer	
Township Clerk					
Alcoholic beverage license	\$ —	15,126	—	15,126	—
Licenses - other	—	2,980	—	2,980	—
Fees and permits	—	12,849	—	12,849	—
Police Department - fees and permits	—	10,914	—	10,914	—
Planning Board - fees and permits	—	3,212	—	3,212	—
Zoning Board of Adjustment - fees and permits	—	10,150	—	10,150	—
Construciton Code Official - fees and permits	—	158,313	—	158,313	—
Recreation Department - fees and permits	—	141,086	—	141,086	—
Board of Health					
Licenses	—	1,603	—	1,603	—
Fees and permits	—	13,197	—	13,197	—
Municipal Court - fines and costs	—	77,147	—	77,147	—
Interest and cost on taxes	—	79,790	79,790	—	—
Energy receipts tax	—	713,525	—	713,525	—
Interest on investments and deposits	—	60,783	5,298	55,485	—
Uniform Fire Safety Act	—	12,204	—	12,204	—
Cable television franchise fee	—	150,866	—	150,866	—
Police Outside Duty - other Trust Fund	—	108,667	—	108,667	—
Sale of recyclables	—	43,959	—	43,959	—
Cell tower	—	81,397	—	81,397	—
Sewer charges	—	9,440	9,440	—	—
	<u>\$ —</u>	<u>1,697,768</u>	<u>94,528</u>	<u>1,612,680</u>	<u>—</u>
Cash			\$ 94,528	1,609,996	
Unappropriated reserves			—	2,104	
Due from Other Trust - interest			—	580	
			<u>\$ 94,528</u>	<u>1,612,680</u>	

TOWNSHIP OF WASHINGTON

Schedule of Grants Receivable

Year ended December 31, 2017

	Balance, Dec. 31, 2016	Awarded in 2017	Received	Balance, Dec. 31, 2017
Community Development Block Grant	\$ —	33,871	33,871	—
Drive Sober or Get Pulled Over	1,108	—	—	1,108
Clean Communities Program	—	27,193	18,667	8,526
Municipal Alliance Grant	20,072	9,876	9,876	20,072
NJ DOT Mountain Ave.	—	155,000	102,444	52,556
Recycling Tonnage Grant	—	15,503	15,503	—
	<u>\$ 21,180</u>	<u>241,443</u>	<u>180,361</u>	<u>82,262</u>

TOWNSHIP OF WASHINGTON

Schedule of Interfunds

Current Fund

Year ended December 31, 2017

	<u>Other Trust Fund</u>	<u>General Capital Fund</u>	<u>Animal Control Fund</u>
Balance, December 31, 2016, due from (to)	\$ (45,805)	7,969	8,089
Increased by:			
Cash disbursed	100,000	—	—
Statutory excess	—	—	5,095
Interest earned	580	—	—
Interfund Returned to General Capital	—	2	—
Excess fees transferred	—	—	1,967
	<u>100,580</u>	<u>2</u>	<u>7,062</u>
Balance, December 31, 2017, due from (to)	<u>\$ 54,775</u>	<u>7,971</u>	<u>15,151</u>

TOWNSHIP OF WASHINGTON

Schedule of Regional District School
Taxes Payable

Current Fund

Year ended December 31, 2017

Balance, December 31, 2016	\$	—
Increased by tax levy		<u>24,346,646</u>
		24,346,646
Decreased by payments		<u>24,346,646</u>
Balance, December 31, 2017	\$	<u><u>—</u></u>

TOWNSHIP OF WASHINGTON

Schedule of Appropriation Reserves

Current Fund

Year ended December 31, 2017

	Balance Dec. 31, 2016	Transfer of encum- brances	Transfers	Balance after transfers	Paid or charged	Unexpended balances lapsed
General appropriations:						
Operations within "CAPS":						
General Government						
General Administration						
Salaries and wages	\$ 5,922	—	—	5,922	1,350	4,572
Other expenses	14,350	364	—	14,714	1,396	13,318
Maintenance and support of office equipment						
Maintenance and support - equipment	1,018	2,690	—	3,708	766	2,942
Maintenance and support - computers/telephone	3,351	7,890	—	11,241	10,472	769
Mayor & Council						
Salaries and wages - Mayor	145	—	—	145	145	—
Other expenses - Mayor	2,645	632	—	3,277	632	2,645
Other expenses - Council	8,467	—	—	8,467	—	8,467
Municipal Clerk						
Salaries and wages	5,649	—	—	5,649	285	5,364
Other expenses	3,733	5,033	—	8,766	4,227	4,539
Elections						
Salaries and wages	1,025	—	—	1,025	400	625
Other expenses	1,568	—	—	1,568	—	1,568
Financial Administration						
Salaries and wages	42,354	—	—	42,354	4,750	37,604
Other expenses						
Financial Services - Fees	—	11,701	—	11,701	10,763	938
Miscellaneous other	3,918	7,569	—	11,487	6,685	4,802
Audit Services						
Other expenses	—	33,200	—	33,200	32,000	1,200
Revenue Administration						
Salaries and wages	7,434	—	—	7,434	6	7,428
Other expenses	2,377	1,688	—	4,065	1,688	2,377
Tax Assessment Administration						
Salaries and wages	9,606	—	—	9,606	624	8,982
Other expenses	886	50	—	936	20	916
Legal Services						
Salaries and wages	—	—	—	—	1,049	(1,049)
Other expenses						
Administration						
Council	26,901	—	14,997	41,898	14,987	26,911
Tax appeals	5,904	7,895	(10,000)	3,799	—	3,799
Codification of ordinances	1,500	—	—	1,500	—	1,500
Engineering Services						
Salaries and wages	—	—	—	—	—	—
Other expenses	49,068	23,160	—	72,228	6,091	66,137
Department of Public Affairs						
Salaries and wages	—	—	—	—	—	—
Other expenses	5,233	5,000	—	10,233	4,200	6,033
Cable Television Expense	1,526	5,474	—	7,000	5,335	1,665
Land Use Administration						
Planning Board						
Salaries and wages	3,134	—	—	3,134	—	3,134
Other expense	9,337	55	—	9,392	150	9,242
Zoning Board of Adjustment						
Salaries and wages	3,713	—	—	3,713	64	3,649
Other expenses	1,886	4,959	—	6,845	4,989	1,856
Public Safety Functions						
Police Department						
Salaries and wages	134,923	—	—	134,923	57,511	77,412
Other expenses	44,785	905	(853)	44,837	912	43,925
Acquisition/Leasing of Police Vehicles	7,897	1,505	—	9,402	1,505	7,897
Community policing	1	125	—	126	125	1
Telephone support system	—	816	853	1,669	1,077	592
Maintenance of desk record system	1	—	—	1	—	1
Police range rental	2,000	—	—	2,000	—	2,000

TOWNSHIP OF WASHINGTON

Schedule of Appropriation Reserves

Current Fund

Year ended December 31, 2017

	Balance Dec. 31, 2016	Transfer of encum- brances	Transfers	Balance after transfers	Paid or charged	Unexpended balances lapsed
General appropriations:						
Computer software leasing	\$ 1,250	—	—	1,250	—	1,250
Police car cameras	170	—	—	170	—	170
Reverse 911 system	505	—	—	505	—	505
Police Dispatchers						
Salaries and wages	43,011	—	—	43,011	1,538	41,473
Office of Emergency Management						
Salaries and wages	2,500	—	—	2,500	—	2,500
Other expenses	3,344	—	—	3,344	—	3,344
Aid to Volunteer Ambulance Company	—	5,347	—	5,347	5,347	—
Fire Department						
Other expenses	22,228	3,303	—	25,531	3,303	22,228
Clothing allowance	562	675	—	1,237	675	562
Physicals	1,240	280	—	1,520	280	1,240
Death benefits	11,251	—	—	11,251	11,250	1
Maintenance program	4,501	2,530	—	7,031	555	6,476
Equipment compliance	2,500	1,876	—	4,376	575	3,801
Uniform Fire Safety Code						
Other expenses	4,475	9,025	—	13,500	8,500	5,000
Fire Hydrant Service	—	11,692	828	12,520	12,520	—
Municipal Prosecutor						
Salaries and wages	598	—	—	598	98	500
Public Works Functions						
Department of Municipal Facilities						
Salaries and wages	151,444	—	—	151,444	1,498	149,946
Other expenses	47,658	18,484	—	66,142	17,163	48,979
Other Public Works Functions						
Street Sweeping	—	4,500	—	4,500	4,500	—
Recycling						
Other expenses	15,770	178,662	—	194,432	176,607	17,825
Buildings and Grounds						
Building Maintenance	35,489	5,080	—	40,569	2,767	37,802
Vehicle Maintenance						
Other expenses	38,589	15,243	—	53,832	11,645	42,187
Community Services Act	6,504	3,807	—	10,311	3,682	6,629
Health and Human Services						
Public Health Services						
Salaries and wages - Board of Health	217	—	—	217	(635)	852
Other expenses - Board of Health	10,689	596	—	11,285	596	10,689
Animal Control Services						
Other expenses	1,480	1,910	—	3,390	1,850	1,540
Recreation Services and Programs						
Salaries and wages	16,407	—	—	16,407	208	16,199
Other expenses	38,611	25,441	—	64,052	27,649	36,403
Golden Seniors' Committee	1,655	4,359	—	6,014	4,359	1,655
Senior Activities	785	460	—	1,245	440	805
Community programs						
Salaries and wages						
Other expense	—	435	—	435	435	—
Maintenance of Parks						
Other expenses	9,113	1,901	—	11,014	1,630	9,384
Rental - Athletic Facilities	11,700	—	—	11,700	—	11,700
Resurfacing of Memorial Field	20,165	261	(4,997)	15,429	—	15,429
Other Common Operation Functions						
Celebration of Public Events	4,338	646	—	4,984	76	4,908
Municipal Court						
Salaries and wages	2,803	—	—	2,803	1,803	1,000
Other expenses	4,074	206	—	4,280	206	4,074
Public Defender						
Other expenses	800	—	—	800	200	600

TOWNSHIP OF WASHINGTON

Schedule of Appropriation Reserves

Current Fund

Year ended December 31, 2017

	Balance Dec. 31, 2016	Transfer of encum- brances	Transfers	Balance after transfers	Paid or charged	Unexpended balances lapsed
General appropriations:						
Insurance						
Liability Insurance (BJIF)	\$ 2,423	37,080	—	39,503	36,813	2,690
Workers Compensation Insurance (BJIF)	1	46,026	—	46,027	46,026	1
Employee Group Insurance	53,996	—	—	53,996	—	53,996
Unemployment	58,375	—	—	58,375	58,375	—
Code Enforcement and Administration						
Construction Officials						
Salaries and wages	4,024	—	—	4,024	1,336	2,688
Other expenses	551	—	—	551	—	551
Utility Expenses & Bulk Purchases						
Electricity	7,804	10,610	—	18,414	6,800	11,614
Street Lighting	7,703	11,349	—	19,052	9,884	9,168
Telephone	4,392	4,584	—	8,976	4,487	4,489
Water	3,948	1,288	(828)	4,408	1,288	3,120
Natural Gas	5,307	4,133	—	9,440	3,934	5,506
Gasoline	49,646	4,604	—	54,250	4,604	49,646
Landfill/Solid Waste Disposal						
Sanitary Landfill & Dump Fees	25,609	7,865	—	33,474	4,774	28,700
Deferred charges and statutory expenditures - municipal within "CAPS":						
Statutory Charges						
DCRP Pension	1,324	—	1,635	2,959	2,959	—
Social Security System (OASI)	38,043	—	—	38,043	—	38,043
Public Employees Retirement System	5,522	4,478	(1,635)	8,365	4,478	3,887
Police & Firemen's Retirement System	29,745	255	—	30,000	255	29,745
Operations excluded from "CAPS" - mandated expenditures per N.J.S.A. 40A:4-45.3g:						
Maintenance - Free Public Library (Chapter 82, PL 1985):						
Other expenses	1,132	2,587	—	3,719	3,719	—
Length of Service Award Program (L.O.S.A.P.)	125,000	—	—	125,000	90,687	34,313
Other Municipalities - Contractual	5,725	51,875	—	57,600	51,788	5,812
Interlocal Municipal Service Agreements						
Joint Health Services - Contractual						
Salaries and wages	1	—	—	1	—	1
Other expenses	1,531	663	—	2,194	664	1,530
Public and private programs offset by revenues:						
Reserve for CDBG grant	1,106	—	—	1,106	1,106	—
Drive Sober or Get Pulled Over	230	—	—	230	230	—
Reserve for Recycling Tonnage Grant	8,807	3,767	—	12,574	12,574	—
Body Armor Replacement Fund	2,184	—	—	2,184	2,184	—
Reserve for Pandemic Flu	6,538	—	—	6,538	6,538	—
Municipal Alliance Grant						
State Share	238	—	—	238	238	—
Local Match	2,300	—	—	2,300	2,300	—
	<u>\$ 1,381,888</u>	<u>608,594</u>	<u>—</u>	<u>1,990,482</u>	<u>833,565</u>	<u>1,156,917</u>
					\$ 789,612	
					25,088	
					18,865	
					<u>\$ 833,565</u>	

TOWNSHIP OF WASHINGTON

Schedule of Encumbrances Payable

Current Fund

Year ended December 31, 2017

Balance, December 31, 2016	\$ 608,594
Increased by budget encumbrances	<u>328,935</u>
	<u>937,529</u>
Decreased by:	
Transfer to Appropriation Reserves	<u>608,594</u>
Balance, December 31, 2017	<u><u>\$ 328,935</u></u>

TOWNSHIP OF WASHINGTON

Schedule of Tax Overpayments

Current Fund

Year ended December 31, 2017

Balance, December 31, 2016	\$	—
Increased by cash receipts		<u>61,306</u>
		61,306
Decreased by:		
Cash disbursed		<u>26,109</u>
Balance, December 31, 2017	\$	<u><u>35,197</u></u>

TOWNSHIP OF WASHINGTON

Schedule of Prepaid Taxes

Current Fund

Year ended December 31, 2017

Balance, December 31, 2016	\$	181,699
Increased by cash receipts		<u>2,926,441</u>
		3,108,140
Decreased by transfer to taxes receivable		<u>181,699</u>
Balance, December 31, 2017	\$	<u><u>2,926,441</u></u>

TOWNSHIP OF WASHINGTON

Schedule of Accounts Payable

Current Fund

Year ended December 31, 2017

Balance, December 31, 2016	\$	48,019
Increased by:		
Transfer from appropriation reserves		<u>25,088</u>
Balance, December 31, 2017	\$	<u><u>73,107</u></u>

TOWNSHIP OF WASHINGTON

Schedule of County Taxes Payable

Current Fund

Year ended December 31, 2017

Balance, December 31, 2016	\$ <u> —</u>
Increased by:	
Increased by County tax levy	4,216,654
County Open Space Tax	174,667
Added and Omitted Taxes	<u> 9,574</u>
	<u>4,400,895</u>
	4,400,895
Decreased by:	
Payments	<u>4,391,321</u>
Balance, December 31, 2017	\$ <u><u> 9,574</u></u>

TOWNSHIP OF WASHINGTON

Schedule of Appropriated Grant Reserves

Year ended December 31, 2017

	Balance, Dec. 31, 2016	Transferred from 2017 budget	Transferred From 2016 Reserves	Expended	Balance, Dec. 31, 2017
Alcohol Education and Rehabilitation	\$ 4,132	—	—	—	4,132
Clean Communities Grant	66,214	27,193	—	13,420	79,987
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	8,530	—	1,106	—	9,636
Public Health Priority Funding	144	—	—	—	144
Pandemic Flu	7,743	—	6,538	—	14,281
Health - Nectel PDA Grant	5	—	—	—	5
Police - Click It or Ticket Grant	957	—	—	—	957
Recycling Tonnage Grant	89,063	15,503	8,807	—	113,373
Police Body Armor Fund	2,187	2,104	2,184	—	6,475
FEMA Firefighter Grant	486	—	—	—	486
LINCS - Core Capacity Infrastructure Grant	3	—	—	—	3
Stormwater Regulation Grant	4,124	—	—	—	4,124
Municipal Alliance Grant	11,402	9,876	—	6,249	15,029
Municipal Alliance Grant - Local Share	2,469	2,469	—	2,469	2,469
Over the Limit Under Arrest	10,150	—	—	—	10,150
Drive Sober or Get Pulled Over	2,363	—	230	—	2,593
CDBG ADA Compliance Curb Ramps	—	33,871	—	33,871	—
NJ DOT Mountain Ave.	—	155,000	—	155,000	—
Bergen County Municipal JIF	1,041	—	—	—	1,041
	<u>\$ 219,971</u>	<u>246,016</u>	<u>18,865</u>	<u>211,009</u>	<u>273,843</u>

TOWNSHIP OF WASHINGTON

Schedule of Unappropriated Grant Reserves

Year ended December 31, 2017

	Balance, Dec. 31, 2016	Transferred to budget	Received	Balance, Dec. 31, 2017
Recycling Tonnage Grant	\$ 21,973	—	—	21,973
Recycling Tonnage Grant	—	—	20,585	20,585
Body Armor Grant	2,104	2,104	2,104	2,104
	<u>24,077</u>	<u>2,104</u>	<u>22,689</u>	<u>44,662</u>

TOWNSHIP OF WASHINGTON

Schedule of Various Reserves

Current Fund

Year ended December 31, 2017

	Balance, Dec. 31, 2016	Receipts	Balance, Dec. 31, 2017
Sale of Municipal Assets	\$ 1,033,000	6,338	1,039,338
Insurance Recoveries	43,298	—	43,298
Motor Vehicle Inspection Fees	54,705	—	54,705
Tax Map and Revaluation	47,455	—	47,455
Tax Appeals	—	350,000	350,000
	<u>\$ 1,178,458</u>	<u>356,338</u>	<u>1,534,796</u>

TOWNSHIP OF WASHINGTON

Schedule of Deferred Charges

Current Fund

Year ended December 31, 2017

	<u>Date</u> <u>Authorized</u>	<u>Amount</u> <u>Authorized</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
Overexpenditure of Appropriations			\$ 29,612	—	29,612
Special Emergency:					
Revaluation of Real Property	9/1/2011	\$ 280,000	<u>112,000</u>	<u>56,000</u>	<u>56,000</u>
			<u>\$ 141,612</u>	<u>56,000</u>	<u>85,612</u>

TOWNSHIP OF WASHINGTON

Schedule of Due to Length of Service Award Program Fund

Year ended December 31, 2017

Balance, December 31, 2016	\$	9,200
		<hr/>
Balance, December 31, 2017	\$	<u>9,200</u>

TOWNSHIP OF WASHINGTON

Schedule of Cash - Treasurer

Trust Funds

Year ended December 31, 2017

	Dog License Fund	Other Trust Funds	Unemployment Compensation Fund
Balance, December 31, 2016	\$ 21,465	2,417,431	163,647
Increased by receipts:			
Due from Dog License Official	9,945	—	—
Escrow and Performance Deposits	—	319,009	—
Various reserves	—	150,249	—
Police outside billings	—	320,179	—
Employees' contributions	—	—	5,197
Payroll deposits	—	7,461,719	—
Prior year check cancelled	53	—	—
Interest on investment and deposits	149	580	1,180
Due from Current Fund	—	100,000	—
Budget appropriation	—	—	58,375
	<u>10,147</u>	<u>8,351,736</u>	<u>64,752</u>
	<u>31,612</u>	<u>10,769,167</u>	<u>228,399</u>
Decreased by disbursements:			
Payments to State of New Jersey	1,339	—	—
Dog license expenditures	1,667	—	—
Due to Current Fund	135	—	—
Escrow and Performance Deposits	—	282,566	—
Various reserves	—	94,653	—
Payroll disbursements	—	7,469,550	—
Police outside billings	—	326,471	—
Reserve for insurance settlement	—	11,759	—
Unemployment insurance benefits	—	—	7,390
	<u>3,141</u>	<u>8,184,999</u>	<u>7,390</u>
Balance, December 31, 2017	\$ <u><u>28,471</u></u>	<u><u>2,584,168</u></u>	<u><u>221,009</u></u>

TOWNSHIP OF WASHINGTON

Schedule of Reserve for Dog License
Fund Expenditures - Animal Trust Fund

Trust Funds

Year ended December 31, 2017

Balance, December 31, 2016	\$ <u>12,856</u>
Increased by:	
Licenses and fees	4,638
Prior year voided check	53
Late fees collected	2,240
Cat licenses issued	320
	<u>7,251</u>
	<u>20,107</u>
Decreased by:	
Expenditures under R.S. 4:19-15.11:	
Excess balance due to Current Fund	5,095
Other disbursements	1,667
	<u>6,762</u>
Balance, December 31, 2017	\$ <u><u>13,345</u></u>
2015 license revenue	\$ 6,824
2016 license revenue	<u>6,521</u>
	\$ <u><u>13,345</u></u>

TOWNSHIP OF WASHINGTON

Schedule of Due to (from) State of New Jersey -
Dog License Fund

Trust Funds

Year ended December 31, 2017

Balance, December 31, 2016	\$	545
Increased by cash collected		<u>794</u>
		1,339
Decreased by cash disbursed		<u>1,339</u>
Balance, December 31, 2017	\$	<u><u>—</u></u>

TOWNSHIP OF WASHINGTON

Schedule of Reserve for Escrow and Performance Deposits
Other Trust Funds

Trust Funds

Year ended December 31, 2017

Balance, December 31, 2016	\$ 896,394
Increased by cash receipts	<u>319,009</u>
	1,215,403
Decreased by cash disbursements	<u>282,566</u>
Balance, December 31, 2017	<u><u>\$ 932,837</u></u>

Analysis of Balance

Performance Bonds	\$ 135,851
Backfill Bonds	24,920
Escrow Fees	687,066
Escrow - COAH Fees	85,000
	<u><u>\$ 932,837</u></u>

TOWNSHIP OF WASHINGTON

Schedule of Reserve for Insurance Settlement - Municipal Complex
Other Trust Funds

Trust Funds

Year ended December 31, 2017

Balance, December 31, 2016	\$	288,623
Decreased by cash disbursements		<u>11,759</u>
Balance, December 31, 2017	\$	<u><u>276,864</u></u>

TOWNSHIP OF WASHINGTON

Schedule of Amount Due from Dog Licensing Official

Animal Control Fund

Trust Funds

Year ended December 31, 2017

Balance, December 31, 2016	\$	<u>—</u>
Increased by:		
Dog license fees collected		4,638
Cat license fees collected		320
Dog registration fees - Due State of NJ		794
Late fees		<u>2,240</u>
		<u>7,992</u>
		7,992
Decreased by:		
Payments to Treasurer		<u>7,992</u>
Balance, December 31, 2017	\$	<u><u>—</u></u>

TOWNSHIP OF WASHINGTON

Schedule of Due to (from) Current Fund

Trust Funds

Year ended December 31, 2017

	Dog License Fund	Other Trust
	<u> </u>	<u> </u>
Balance, December 31, 2016, Due to	\$ 8,089	(45,805)
Increased by:		
Interest on investments and deposits		580
Excess fees transferred	1,967	—
Excess balance in Dog License fund	5,095	—
Cash received	<u>—</u>	<u>100,000</u>
	<u>7,062</u>	<u>100,580</u>
Balance, December 31, 2017, Due (from)	<u>\$ 15,151</u>	<u>54,775</u>

TOWNSHIP OF WASHINGTON

Schedule of Reserve for Mt Laurel Senior Housing
Other Trust Funds

Trust Funds

Year ended December 31, 2017

Balance, December 31, 2016	\$ <u>17,259</u>
Balance, December 31, 2017	\$ <u>17,259</u>

TOWNSHIP OF WASHINGTON

Schedule of Reserve for Payroll Deductions Payable
Other Trust Funds

Trust Funds

Year ended December 31, 2017

Balance, December 31, 2016	\$	6,425
Increased by payroll deposits		<u>7,461,719</u>
		7,468,144
Decreased by payroll disbursements		<u>7,469,550</u>
Balance, December 31, 2017	\$	<u><u>(1,406)</u></u>

TOWNSHIP OF WASHINGTON

Schedule of Police Private Detail Billings
Other Trust Funds

Trust Funds

Year ended December 31, 2017

Balance, December 31, 2016	\$ 7,243
Increased by cash receipts	<u>320,179</u>
	<u>327,422</u>
Decreased by:	
Reimbursements for payroll paid to Current Fund	227,292
Administrative fees paid to Current Fund	<u>99,179</u>
	<u>326,471</u>
Balance, December 31, 2017	<u><u>\$ 951</u></u>

TOWNSHIP OF WASHINGTON

Schedule of Various Reserves for Other
Trust Fund Expenses -
Other Trust Funds

Trust Funds

Year ended December 31, 2017

	Balance, Dec. 31, 2016	Increased	Decreased	Balance, Dec. 31, 2017
Reserve for:				
Marriage Licenses - Due to State	\$ 825	1,250	1,325	750
Tax sale premiums	486,800	32,100	72,989	445,911
Celebtations of public events	84,005	10,825	6,263	88,567
Municipal Alliance donation	950	—	—	950
Rental deposits	3,050	—	—	3,050
Field House donations	1,747	—	—	1,747
Recreation donations	1,825	—	—	1,825
Police department donations	26,100	295	851	25,544
DARE reserve	95	—	—	95
Fire Department/Uniform Fire Safety Penalties	1,657	—	—	1,657
Snow Plowing	109,770	3,420	—	113,190
Accumulated leave compensation	480,338	75,000	—	555,338
Fire department death benefits	—	12,868	—	12,868
Health insurance contribution	19,800	—	—	19,800
Found money	55	—	—	55
Land sale deposit	26,320	67	—	26,387
Recreation	1,455	14,364	13,223	2,596
POAA	2,500	60	2	2,558
	<u>\$ 1,247,292</u>	<u>150,249</u>	<u>94,653</u>	<u>1,302,888</u>

TOWNSHIP OF WASHINGTON

Schedule of Reserve for State
Unemployment Insurance -
Unemployment Compensation Fund

Trust Funds

Year ended December 31, 2017

Balance, December 31, 2016	\$ <u>163,647</u>
Increased by:	
Budget appropriation	58,375
Employee contributions	5,197
Interest	<u>1,180</u>
	<u>64,752</u>
	228,399
Decreased by disbursed State of New Jersey	<u>7,390</u>
Balance, December 31, 2017	\$ <u><u>221,009</u></u>

TOWNSHIP OF WASHINGTON

Schedule of Cash - Treasurer

General Capital Fund

Year ended December 31, 2017

Balance, December 31, 2016	\$ <u>2,109,024</u>
Increased by receipts:	
Premium on notes	38,834
Grants collected	43,253
Deferred charge from Current Fund	6,041
Bond anticipation note proceeds	570,000
Resserve for ambulance	<u>5,000</u>
	<u>663,128</u>
	<u>2,772,152</u>
Decreased by disbursements:	
Improvement authorizations	<u>1,072,219</u>
	<u>1,072,219</u>
Balance, December 31, 2017	\$ <u><u>1,699,933</u></u>

TOWNSHIP OF WASHINGTON

Schedule of Analysis of General Capital Cash

General Capital Fund

December 31, 2017

Contracts payable	\$ 462,373
Due to Current Fund	7,971
Grants receivable	(266,081)
Reserve for ambulance	50,000
Reserve for preliminary costs	5,000
Reserve for payment of debt	4,131
Capital Improvement Fund	14,564
Fund balance	203,570

Improvement Authorizations:

<u>Ordinance number</u>	<u>Improvement description</u>	
98-10/98-15	Removal of underground storage tanks	(3,775)
99-7/05-1	Purchase of equipment	1,855
02-19	Construction of fieldhouse at Clark Field	2
06-09	Improvement of storm water drainage system	144,144
07-08/08-13	Remediation of property	19,069
08-11	Various improvements	1
12-06	Acq of new fire department equipment	3,442
12-12	Acq of new and additional vehiculare equip	2,986
12-13	Improvements of Memorial Field	33,594
13-06	Various road improvements	137,660
13-06	Various road improvements- excess proceeds	43,253
13-07	Improvement to Colonial Blvd	65,814
13-10	Acquisition of radios and pagers	2,675
13-11	Various improvements	57,710
13-12	Improvement of municipal complex site	10,610
13-20	Various improvements	29,360
14-11	Fencing at Memorial Field	19,975
14-13	Various improvements	72,875
15-04	Improvement to Memorial Field	123,778
15-07	Improvement of Various Roads	(14,200)
15-09	Acq of new and additional vehicular equip	(45,281)
15-19	Acquisition of computer equipment - police dept	4,749

(continued)

TOWNSHIP OF WASHINGTON

Schedule of Analysis of General Capital Cash

General Capital Fund

December 31, 2017

16-02	Various improvements	127,217
16-07	Various capital projects	10,003
16-09	Police hardware and peripherals	8,232
17-03	Imprvt of various roads	21,573
17-04	Various improvements	301,696
17-05	Various capital projects	<u>39,388</u>
		<u>\$ 1,699,933</u>

TOWNSHIP OF WASHINGTON

Schedule of Amount Due from /(to) Current Fund

General Capital Fund

Year ended December 31, 2017

Balance, December 31, 2016 (Due To)	\$ <u><u>(7,971)</u></u>
Balance, December 31, 2017 (Due To)	\$ <u><u>(7,971)</u></u>

TOWNSHIP OF WASHINGTON

Schedule of Deferred Charges to
Future Taxation Funded

General Capital Fund

Year ended December 31, 2017

Balance, December 31, 2016	\$	2,062,000
Decreased by bonds paid		<u>815,000</u>
Balance, December 31, 2017	\$	<u><u>1,247,000</u></u>

TOWNSHIP OF WASHINGTON

Schedule of Capital Improvement Fund

General Capital Fund

Year ended December 31, 2017

Balance, December 31, 2016	\$	176,760
Decreased by appropriated to finance improvement authorizations		<u>162,196</u>
Balance, December 31, 2017	\$	<u><u>14,564</u></u>

TOWNSHIP OF WASHINGTON

Schedule of Improvement Authorizations

General Capital Fund

Year ended December 31, 2017

Ordinance number	Improvement description	Ordinance Original Amount	Balance, December 31, 2016		Authorizations	Expended	Authorizations Canceled/ Reappropriated	Balance, December 31, 2017	
			Funded	Unfunded				Funded	Unfunded
95-5/96-5	Impvmt to municipal bldg/air cond	\$ 125,000	3,415	—	—	—	3,415	—	—
95-8/95-11/97/4	Impvmt to Colonial Blvd	545,000	—	22,911	—	—	—	—	22,911
97-6	Impvmt of municipal complex	250,000	1,127	—	—	—	1,127	—	—
98-10/98-15	Removal of underground storage tanks	150,000	—	12,042	—	3,775	—	—	8,267
99-7/05-01	Purchase of equipment	—	—	—	—	(1,855)	—	—	1,855
00-9	Imprvt to municipal property	360,000	2,216	—	—	—	2,216	—	—
02-5/03-6/03-7	Various improvements	258,000	17,617	—	—	—	17,617	—	—
02-19	Construction of fieldhouse at Clark Field	110,000	104	—	—	—	102	2	—
03-09	Acq of new & add'l fire equipment	62,000	4,873	—	—	4,795	78	—	—
06-09	Imprct of storm water drainage system	490,000	106,148	223,500	—	(37,996)	—	144,144	223,500
06-29	Various improvements	445,000	53,834	—	—	6,885	46,949	—	—
06-30	Acq. Of various fire fighting equip	48,500	3,190	—	—	3,080	110	—	—
07-08/08-13	Remediation of property	205,000	19,069	—	—	—	—	19,069	—
07-11	Acq of new computer equipment	55,000	6,220	—	—	—	6,220	—	—
08-09	Various improvements	65,000	11,756	—	—	9,920	1,836	—	—
08-10	Various improvements	158,500	6,686	—	—	—	6,686	—	—
08-11	Various improvements	259,500	19,020	—	—	—	19,019	1	—
09-04	Construction of curbs and sidewalks	155,000	18,273	—	—	18,273	—	—	—
09-08	Acq of new computer equipment - Police	115,000	13,281	—	—	—	13,281	—	—
09-13	Acq of new emerg communication equip	254,000	62,452	—	—	20,514	41,938	—	—
12-06	Acq of new fire dept equipment	21,000	—	3,442	—	—	—	—	3,442
12-12	Acq of new & add'l vehicular equip	162,000	—	24,953	—	21,967	—	—	2,986
12-13	Imprvt of Memorial Field	160,000	—	33,594	—	—	—	—	33,594
13-06	Various road improvements	908,692	—	151,880	—	14,220	—	—	137,660
;13-07	Imprvt to Colonial Blvd	300,000	—	65,814	—	—	—	—	65,814
13-10	Acq of radios and pagers	7,000	7,000	—	—	4,325	—	2,675	—
13-11	Various improvements	285,897	—	120,908	—	58,174	5,024	—	57,710
13-12	Imprvt of municipal complex site	94,320	—	64,428	—	53,818	—	—	10,610
13-20	Various improvements	235,400	—	150,944	—	—	—	—	150,944
14-11	Fencing at Memorial Field	110,000	—	18,175	—	(1,800)	—	—	19,975
14-13	Various improvements	100,000	—	2,875	—	(70,000)	—	—	72,875
15-04	Imprvt to Memorial Field	150,000	—	82,395	—	(41,383)	—	—	123,778

(continued)

TOWNSHIP OF WASHINGTON

Schedule of Improvement Authorizations

General Capital Fund

Year ended December 31, 2017

Ordinance number	Improvement description	Ordinance Original Amount	Balance, December 31, 2016		Authorizations	Expended	Authorizations Canceled/ Reappropriated	Balance, December 31, 2017	
			Funded	Unfunded				Funded	Unfunded
15-07	Imprvt of various roads	750,000	—	103,049	—	103,049	—	—	—
15-08	Jack Woods Sr Center flooring replacement	25,000	2,112	—	—	—	2,112	—	—
15-09	Acq of new & add'l vehicular equip	765,000	—	146,371	—	116,908	—	—	29,463
15-18	In-vehicle computers & patrol car radar	36,000	1,234	—	—	—	1,234	—	—
15-19	Acq of computer equip - police dept	35,000	4,749	—	—	—	—	4,749	—
16-02	Various improvements	1,009,000	—	344,461	—	217,244	—	—	127,217
16-07	Various capital projects	53,000	45,503	—	—	35,500	—	10,003	—
16-09	Police hardware and peripherals	26,466	8,232	—	—	—	—	8,232	—
17-03	Imprvt of various roads	600,000	—	—	600,000	578,427	—	—	21,573
17-04	Various improvements	2,946,123	—	—	2,946,123	500	—	301,696	2,643,927
17-05	Various capital projects	117,132	—	—	117,132	77,744	—	39,388	—
			<u>\$ 418,111</u>	<u>1,571,742</u>	<u>3,663,255</u>	<u>1,196,084</u>	<u>168,964</u>	<u>529,959</u>	<u>3,758,101</u>
Deferred Charges Unfunded					\$ 3,213,927				
Fund Balance					287,132				
Capital Improvement Fund					162,196				
					<u>\$ 3,663,255</u>				
					\$ 276,899				
					(153,034)				
					<u>1,072,219</u>				
					<u>\$ 1,196,084</u>				

TOWNSHIP OF WASHINGTON

Schedule of Contracts Payable

General Capital Fund

Year ended December 31, 2017

Balance, December 31, 2016	\$	338,508
Increased by contracts awarded		<u>276,899</u>
		615,407
Decreased		
Cancelled		<u>153,034</u>
Balance, December 31, 2017	\$	<u><u>462,373</u></u>

TOWNSHIP OF WASHINGTON

Schedule of Reserve for Payment of Debt

General Capital Fund

Year ended December 31, 2017

Balance, December 31, 2016	\$	19,161
Decreased by:		
Note non renewal paid		<u>15,030</u>
Balance, December 31, 2017	\$	<u><u>4,131</u></u>

TOWNSHIP OF WASHINGTON

Schedule of Bond Anticipation Notes

General Capital Fund

Year ended December 31, 2017

Ordinance number	Purpose	Original date of issue	Date of issue	Date of maturity	Interest rate	Balance, Dec. 31, 2016	Increased	Decreased	Balance, Dec. 31, 2017
99-7/05-1	Purchase of equipment	8/8/13	8/4/17	8/3/18	2.000%	33,778	29,310	33,778	29,310
99-12	Purchase of equip/firehouse renov.	8/8/13	8/4/17	8/3/18	2.000%	26,657	23,101	26,657	23,101
07-4	Imprvt of Stormwater Drainage Sys	8/8/13	8/4/17	8/3/18	2.000%	8,775	8,662	8,775	8,662
12-06	Acq of new fire dept equipment	8/8/13	8/4/17	8/3/18	2.000%	17,777	15,554	17,777	15,554
12-12	Acq of new & additional vehicle equi	8/8/13	8/4/17	8/3/18	2.000%	136,888	119,776	136,888	119,776
12-13	Improvements to Memorial Field	8/8/13	8/4/17	8/3/18	2.000%	146,758	141,516	146,758	141,516
13-06	Various road improvements	8/8/13	8/4/17	8/3/18	2.000%	819,473	773,946	819,473	773,946
13-07	Improvements of Colonial Blvd	8/8/13	8/4/17	8/3/18	2.000%	126,881	111,881	126,881	111,881
13-11	Various improvements	8/8/13	8/4/17	8/3/18	2.000%	185,384	177,857	185,384	177,857
1558	Expansion of police department	8/8/13	8/4/17	8/3/18	2.000%	—	—	—	—
13-12	Improv of municipal complex site	8/8/13	8/4/17	8/3/18	2.000%	86,514	83,424	86,514	83,424
13-20	Various improvements	8/6/15	8/4/17	8/3/18	2.000%	73,835	73,835	73,835	73,835
13-20	Various improvements	8/4/16	8/4/17	8/3/18	2.000%	28,211	28,211	28,211	28,211
1576	Various capital improvements	8/9/12	8/4/17	8/3/18	2.000%	—	—	—	—
14-11	Fencing at memorial Field	8/4/16	8/4/17	8/3/18	2.000%	64,100	64,100	64,100	64,100
14-13	Various improvements	8/6/15	8/4/17	8/3/18	2.000%	95,000	95,000	95,000	95,000
15-04	Improvement to Memorial field	8/4/16	8/4/17	8/3/18	2.000%	142,800	142,800	142,800	142,800
15-07	Improvement of various roads	8/6/15	8/4/17	8/3/18	2.000%	602,000	602,000	602,000	602,000
15-07	Improvement of various roads	8/4/16	8/4/17	8/3/18	2.000%	97,800	97,800	97,800	97,800
15-09	Acq. of new and additional vehicles	8/4/16	8/4/17	8/3/18	2.000%	653,256	653,256	653,256	653,256
16-02	Various improvements	8/4/16	8/4/17	8/3/18	2.000%	958,550	958,550	958,550	958,550
17-03	Improvement of various roads	8/4/17	8/4/17	8/3/18	2.000%	—	570,000	—	570,000
						<u>\$ 4,304,437</u>	<u>4,770,579</u>	<u>4,304,437</u>	<u>4,770,579</u>
							Renewal \$ 4,200,579	4,200,579	
							Issued 570,000	—	
							Paid from budget appropriation —	103,858	
							<u>\$ 4,770,579</u>	<u>4,304,437</u>	

TOWNSHIP OF WASHINGTON

Schedule of Serial Bonds Payable

General Capital Fund

Year ended December 31, 2017

<u>Date of Issue</u>	<u>Purpose</u>	<u>Original Issue</u>	<u>Maturity of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance, Dec. 31, 2016</u>	<u>Bonds paid</u>	<u>Balance, Dec. 31, 2017</u>
			<u>Date</u>	<u>Amount</u>				
Sept. 1, 2003	General Bonds of 2003	3,220,000	9/1/18	367,000	4.100	742,000	375,000	367,000
Oct. 1, 2011	General Bonds of 2011	3,275,000	10/1/18	440,000	3.000	1,320,000	440,000	880,000
			10/1/19	440,000	3.000			
						\$ 2,062,000	815,000	1,247,000

TOWNSHIP OF WASHINGTON

Schedule of Bonds and Notes Authorized but not Issued

General Capital Fund

Year ended December 31, 2017

Ordinance number	Description	Balance, Dec. 31, 2016	2017 authori- zations	Debt Issued	Cancellation/ Appropriated	Balance, Dec. 31, 2017
95-8/95-11/97-4	Improvements to Colonial Blvd.	\$ 22,911	—	—	—	22,911
98-10/98-15	Removal of Underground Storage Tanks	18,083	—	—	6,041	12,042
06-09	Improvements of Storm Water Drainage Sy	223,500	—	—	—	223,500
13-20	Various Improvements	121,584	—	—	—	121,584
15-07	Improvement of Various Roads	14,200	—	—	—	14,200
15-09	Acq. Of New and Add'l Vehicle Eq.	74,744	—	—	—	74,744
17-03	Imprvt of various roads	—	570,000	570,000	—	—
17-04	Various improvements	—	2,643,927	—	—	2,643,927
		<u>\$ 475,022</u>	<u>3,213,927</u>	<u>570,000</u>	<u>6,041</u>	<u>3,112,908</u>

TOWNSHIP OF WASHINGTON

Schedule of Grant Receivable

General Capital Fund

Year Ended December 31, 2017

	<u>Total</u>	<u>Dept of Environmental Protection Ord 06-09</u>	<u>County of Bergen Open Space Ord 13-11</u>	<u>County of Bergen Open Space Ord 14-11</u>	<u>Community Development Block Grant Ord 15-08</u>
Balance, December 31, 2016	\$ 288,836	255,000	31,135	900	1,801
	<u>288,836</u>	<u>255,000</u>	<u>31,135</u>	<u>900</u>	<u>1,801</u>
Decreased by:					
Collections	15,030		15,030	—	—
Cancelled	7,725	—	5,024	900	1,801
	<u>22,755</u>	<u>—</u>	<u>20,054</u>	<u>900</u>	<u>1,801</u>
Balance, December 31, 2017	\$ <u>266,081</u>	<u>255,000</u>	<u>11,081</u>	<u>—</u>	<u>—</u>
Anaylsis of balance:					
Pledged to ordinance	\$ 266,081	255,000	11,081	—	—
Pledged to reserve	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u>\$ 266,081</u>	<u>255,000</u>	<u>11,081</u>	<u>—</u>	<u>—</u>

TOWNSHIP OF WASHINGTON

Schedule of Reserve for Preliminary Costs

General Capital Fund

Year ended December 31, 2017

Balance, December 31, 2016	\$ <u>5,000</u>
Balance, December 31, 2017	\$ <u><u>5,000</u></u>

TOWNSHIP OF WASHINGTON

Schedule of Reserve for Ambulance

General Capital Fund

Year ended December 31, 2017

Balance, December 31, 2016	\$	45,000
Increased by budget appropriation		<u>5,000</u>
Balance, December 31, 2017	\$	<u><u>50,000</u></u>

TOWNSHIP OF WASHINGTON

Schedule of Changes in General Fixed Assets

General Fixed Assets Account Group

Year Ended December 31, 2017

Category	Balance Dec. 31, 2016	Additions	Deletions	Balance Dec. 31, 2017
Land	\$ 11,383,900	—	—	11,383,900
Buildings	2,637,529	—	—	2,637,529
General equipment and machinery	5,330,986	266,036	102,451	5,494,571
	<u>\$ 19,352,415</u>	<u>266,036</u>	<u>102,451</u>	<u>19,516,000</u>

ADDITIONAL FINANCIAL INFORMATION

TOWNSHIP OF WASHINGTON

Supplementary Data

December 31, 2017

Comparative Schedule of Tax Rate Information

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Tax rate	\$ 2.325	2.309	2.270
Apportionment of tax rate:			
Municipal	0.515	0.541	0.555
Library	0.036	0.036	0.035
County Open Space	0.010	0.003	0.003
County	0.261	0.262	0.251
Regional school	1.503	1.467	1.426
Assessed valuation:			
2017		\$ 1,620,440,890	
2016		1,617,651,763	
2015		1,618,668,512	

Comparison of Tax Levies and Collections Currently

<u>Year</u>	<u>Tax levy</u>	<u>Currently</u>	
		<u>Cash collections</u>	<u>Percentage of collection</u>
2017	\$ 37,757,415	37,408,483	99.080 %
2016	37,408,731	36,982,461	98.86
2015	36,776,001	36,391,753	98.95
2014	35,888,975	35,450,691	98.77
2013	35,403,399	34,873,160	98.50

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 five years.

<u>Dec.31</u>	<u>Amount of tax title liens</u>	<u>Amount of delinquent taxes</u>	<u>Total delinquent</u>	<u>Percentage of tax levy</u>
2017	\$ 11,877	305,812	317,689	0.84 %
2016	6,286	384,475	390,761	1.05
2015	2,472	322,878	325,350	0.88
2014	1,062	382,918	383,980	1.07
2013	785	300,021	300,806	0.85

(Continued)

TOWNSHIP OF WASHINGTON

Supplementary Data

December 31, 2017

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>
2017	\$ 70,950
2016	70,950
2015	70,950
2014	70,950
2013	70,950

Comparative Schedule of Fund Balances

<u>Fund</u>	<u>Year</u>	<u>Balance, Dec.31</u>	<u>Utilized in budget of succeeding year</u>	<u>Percent utilized</u>
Current	2017	\$ 5,262,430	2,150,000	41%
	2016	4,918,143	1,200,000	24%
	2015	1,772,523	1,110,000	63%
	2014	2,712,049	1,325,000	49%
	2013	2,312,475	1,100,000	48%

(Continued)

TOWNSHIP OF WASHINGTON

Supplementary Data

Officials in Office and Surety Bonds

The following officials were in office on December 31, 2017

<u>Name</u>	<u>Title</u>	<u>Amount of blanket bond</u>
Janet Sobkowicz	Mayor	
Robert Bruno	Council President	
Michael Ullman	Council Vice President	
Thomas Sears	Councilmember	
Peter Calamari	Councilmember	
Dr. Steven Cascio	Councilmember	
Mary Anne Groh	Business Administrator	
Susan Witkowski	Township Clerk	
Ashley Morrone	Chief Financial Officer	\$ 1,000,000
Ashley Morrone	Tax and Collector and Tax Search Officer	1,000,000
Peter G. Geiger	Municipal Court Judge	1,000,000
Lynda Lasini	Court Administrator	1,000,000
Raymond Damiano	Tax Assessor	
Christopher P. Statile P.A.	Municipal Engineer	
Kenneth Poller, Esq	Director Department of Law/ Township Attorney	

TOWNSHIP OF WASHINGTON
General Comments and Recommendations
Year ended December 31, 2017

TOWNSHIP OF WASHINGTON

General Comments

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

N.J.S.A. 40A:-11-4 states "Every contract or agreement, for the performance of any work or 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."

The governing body of the Township has the responsibility of determining whether the expenditures in any category will exceed the statutory bid limit, within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Township Attorney'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 that exceeded the bid threshold, that may have been negotiated and awarded without public advertising for bids and bidding per N.J.S.A. 40A:11-5.

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

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

Collection of Interest on Delinquent Taxes and Assessments

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The governing body adopted resolution No. 17-116 fixing the rate of interest to be charged on delinquent taxes, assessments, or municipal charges.

The penalty for nonpayment of taxes, assessments or municipal charges becoming delinquent on and after January 4, 2016 shall be at the rate of eight per centum (8%) per year for the first \$1,500 of delinquency and eighteen per centum (18%) per year on amounts over \$1,500; and no interest if payment of any installment is made within ten (10) days after the date upon which the same became payable.

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.

It appears from a test of the Tax Collector's record that interest was collected in accordance with the foregoing resolution.

(Continued)

TOWNSHIP OF WASHINGTON

General Comments

Delinquent Taxes and Tax Title Liens

The last tax sale was held on November 17, 2017 and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

<u>Year</u>	<u>Number of liens</u>
2017	3
2016	3
2015	2

Status of Prior Year Comments

Recommendations number 2 and 5 of 2016 were partially resolved, all other recommendations were resolved completely.

Other Comments

The building department has signed checks which are payable to the township with amounts not completed and monies received are not deposited within 48 business hours of receipt.

The township does not have a list of detailed current list of fixed assets that agree to the financial statements.

There is an overexpenditure in the appropriation reserves for legal salary and wages due to the prior year reclassification not being reflected in the reserve schedule.

There is a deficit in the payroll deduction payable trust fund.

Municipal Court:

The reconciled bail account does not agree to the cash bail on hand per the cashbook.

Recommendations

1. The building department should not have signed checks which are payable to the township with amounts not completed and all monies received should be deposited within 48 business hours of receipt.
2. The fixed asset list should be reconciled to the financial statements.
3. Accounting reclassifications should be reflected in the subsidiary ledgers.
4. The deficit in the payroll deduction payable trust should be funded.
5. Municipal Court:
The reconciled bail account should agree to the cash bail on hand per the cashbook.