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TOWNSHIP OF WASHINGTON
PART 1
REPORT OF AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Council
Township of Washington
Sewell, New Jersey 08080

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Washington, in the County of Gloucester, State of New Jersey, as of December 31, 2013 and 2012, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed assets group of accounts for the year ended December 31, 2013 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating 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, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

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

Adverse Opinion on 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, in the County of Gloucester, State of New Jersey, as of December 31, 2013 and 2012, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Washington, in the County of Gloucester, State of New Jersey, as of December 31, 2013 and 2012, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis, expenditures - regulatory basis of the various funds, and general fixed assets, for the year ended December 31, 2013 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in Note 1.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements.

The supplementary financial statements presented for the various funds and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such 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 information described in the previous paragraph is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 28, 2014 on our consideration of the Township of Washington's, in the County of Gloucester, State of New Jersey, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township of Washington's internal control over financial reporting.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Carol A. McAllister

Carol A. McAllister
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
May 28, 2014

**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
Sewell, New Jersey 08080

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey of the Township of Washington, in the County of Gloucester, State of New Jersey, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated May 28, 2014. That report indicated that the Township of Washington's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township of Washington'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 Township of Washington's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any 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 of Washington's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Carol A. McAllister
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
May 28, 2014

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statements of Assets, Liabilities, Reserves, and Fund Balances - Regulatory Basis
As of December 31, 2013 and 2012

<u>ASSETS</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Regular Fund:			
Cash:			
Treasurer	SA-1	\$ 7,128,417.31	\$ 5,885,611.75
Petty Cash	A	1,000.00	1,000.00
Change Fund	SA-2	1,540.00	1,540.00
Due from State of New Jersey (Ch.73, P.L.1976)	SA-4	<u>67,540.48</u>	<u>63,225.13</u>
		<u>7,198,497.79</u>	<u>5,951,376.88</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-3	168,881.44	70,223.63
Tax Title Liens Receivable	SA-5	510,239.51	493,087.65
Miscellaneous Liens Receivable	SA-6	6,349.15	6,525.06
Property Acquired for Taxes - Assessed Valuation	A	865,625.00	865,625.00
Revenue Accounts Receivable	SA-7	28,571.40	29,156.82
Loan Receivable - County House Village	A	1,920,000.00	1,920,000.00
Accrued Interest Receivable on Loan	SA-9	844,800.00	787,200.00
Due from Animal Control Trust Fund	SB-4	7,281.44	11,580.53
Due from General Capital Fund	SC-5	<u>78.55</u>	<u> </u>
		<u>4,351,826.49</u>	<u>4,183,398.69</u>
		<u>11,550,324.28</u>	<u>10,134,775.57</u>
Federal, State and Other Grant Fund:			
Federal, State and Other Grants Receivable	SA-23	1,001,466.96	757,278.28
Due from the Current Fund	SA-26	<u>482,875.34</u>	<u>622,696.27</u>
		<u>1,484,342.30</u>	<u>1,379,974.55</u>
		<u>\$ 13,034,666.58</u>	<u>\$ 11,514,750.12</u>

(Continued)

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statements of Assets, Liabilities, Reserves, and Fund Balances - Regulatory Basis
As of December 31, 2013 and 2012

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Regular Fund:			
Appropriation Reserves	A-3;SA-8	\$ 1,286,856.62	\$ 1,424,914.77
Reserve for Encumbrances	A-3;SA-8	552,719.71	484,527.74
Payroll Deductions Payable	SA-10	16,128.57	64,827.23
Prepaid Taxes	SA-11	896,882.92	1,174,645.62
Tax Overpayments	SA-12	2.66	8.59
Due County for Added and Omitted Taxes	SA-14	16,798.71	54,512.23
Due to Library	SA-17	33,447.75	31,073.48
Due to State of New Jersey - DCA Fees	SA-18	10,163.00	6,693.00
Due to State of New Jersey - Marriage and Burial Fees	SA-19	1,300.00	935.00
Reserve for Prescriptions	SA-20	593.94	
Reserve for Division of Motor Vehicles	A	18,685.66	18,685.66
Reserve for Deposit for Sale of Property	SA-21		100,000.00
Reserve for Tax Appeals	SA-22	170,000.00	
Due to Federal, State and Other Grant Fund	SA-26	482,875.34	622,696.27
Due to Open Space Trust Fund	SB-6	484,079.63	483,990.36
Due to Trust Other Fund	SB-8	184,198.23	589,433.43
		<u>4,154,732.74</u>	<u>5,056,943.38</u>
Reserves for Receivables	A	4,351,826.49	4,183,398.69
Fund Balance	A-1	<u>3,043,765.05</u>	<u>894,433.50</u>
		<u>11,550,324.28</u>	<u>10,134,775.57</u>
Federal, State and Other Grant Fund:			
Reserve for:			
Federal, State and Other Grants Appropriated	SA-25	1,425,464.62	1,172,561.22
Encumbrances	SA-25	53,874.46	202,410.11
Due to General Capital Fund	C	<u>5,003.22</u>	<u>5,003.22</u>
		<u>1,484,342.30</u>	<u>1,379,974.55</u>
		<u>\$ 13,034,666.58</u>	<u>\$ 11,514,750.12</u>

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

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statements of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 500,000.00	\$ 1,200,000.00
Miscellaneous Revenues Anticipated	14,260,374.94	6,600,595.20
Receipts from Delinquent Taxes	197,622.78	178,659.92
Receipts from Current Taxes	140,033,464.41	135,021,265.89
Nonbudget Revenues	218,468.57	225,113.48
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	1,216,798.21	374,535.24
Statutory Excess - Animal Control Fund	7,281.44	11,580.53
Cancellation of Local School District Tax	1.50	
Cancellation of Fire District Tax	1.00	
Reserves Liquidated:		
Animal Control Fund	4,299.09	29,841.12
General Capital Fund		349,489.25
	<u>156,438,311.94</u>	<u>143,991,080.63</u>
Expenditures:		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	12,065,054.00	12,042,585.00
Other Expenses	14,626,557.00	14,760,380.00
Deferred Charges and Statutory Expenditures	2,749,522.00	2,791,505.00
Appropriations Excluded from "CAPS"		
Operations:		
Other Expenses	2,232,045.61	2,099,275.62
Capital Improvements	370,000.00	532,302.00
Municipal Debt Service	9,333,935.69	2,280,916.49
Judgment	81,467.28	64,800.00
Deferred Charges	4,528.80	
Fire District Taxes	5,465,389.00	5,302,556.00
County Taxes	27,340,646.46	26,665,070.48
Due County for Added Taxes	16,798.71	54,512.24
Local District School Tax	78,961,042.00	76,137,579.00
Municipal Open Space Tax	495,497.49	512,499.04
Cancellation of Prior Year Taxes - Creation of Tax Overpayment		118,149.50
Reserves Created:		
General Capital Fund	78.55	
Prior Year Senior Citizen and Disabled Disallowed Taxes	46,417.80	18,917.81
	<u>153,788,980.39</u>	<u>143,381,048.18</u>
Excess in Revenue to Fund Balance (Carried Forward)	2,649,331.55	610,032.45

(Continued)

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statements of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Excess in Revenue to Fund Balance (Brought Forward)	\$ 2,649,331.55	\$ 610,032.45
Fund Balance January 1	<u>894,433.50</u>	<u>1,484,401.05</u>
	3,543,765.05	2,094,433.50
Decreased by:		
Utilization as Anticipated Revenue	<u>500,000.00</u>	<u>1,200,000.00</u>
Fund Balance December 31	<u>\$ 3,043,765.05</u>	<u>\$ 894,433.50</u>

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

TOWNSHIP OF WASHINGTON
CURRENT FUND

Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2013

	Anticipated Budget	Special N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 500,000.00		\$ 500,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	40,000.00		48,280.00	8,280.00
Fees and Permits	245,000.00		282,563.59	37,563.59
Fines and Costs:				
Municipal Court	480,000.00		450,318.27	(29,681.73)
Interest and Costs on Taxes	319,000.00		301,255.63	(17,744.37)
Interest on Investments and Deposits	2,600.00		1,046.50	(1,553.50)
Hotel and Motel Occupancy Fee	50,000.00		60,677.67	10,677.67
Consolidated Municipal Property Tax Relief Aid	272,223.00		272,223.00	
Energy Receipts Tax P.L. 1997, Chapters 162 & 167)	2,929,206.00		2,929,206.18	0.18
Uniform Construction Code Fees	358,000.00		419,826.00	61,826.00
Public and Private Revenues Offset With Appropriations:				
Click it or Ticket 2013 Statewide Seat Belt Mobilization	4,000.00		4,000.00	
Community Development Block Grant	117,209.60		117,209.60	
Drive Sober or Get Pulled Over		4,400.00	4,400.00	
Drunk Driving Enforcement Fund	12,006.21		12,006.21	
Justice Assistance Grant (JAG)		5,000.00	5,000.00	
NJ Historical Commission	850.00		850.00	
Body Armor		8,263.23	8,263.23	
Clean Communities Program	71,024.00	12,363.90	83,387.90	
Municipal Alliance on Alcoholism and Drug Abuse	31,880.00		31,880.00	
Recycling Tonnage Grant		80,794.55	80,794.55	
Alcohol Education & Rehabilitation Fund		3,588.68	3,588.68	
ANJEC WLP Trails		780.00	780.00	
Bulletproof Vest Grant		5,016.44	5,016.44	
NJDOT Reconstruction of Wilson Road		175,000.00	175,000.00	
FEMA Hazard Mitigation Grant Program - Stable Drive / Windy Acres Drive		175,000.00	210,000.00	
Donation - Comcast	210,000.00	5,000.00	5,000.00	
Other Special Items of Revenues:				
Franchise Fees - Cable TV	258,270.62		258,270.62	
Payment in Lieu of Taxes - NJ Transit	10,680.00		10,680.00	
Payment in Lieu of Taxes - County House	28,040.00		28,040.00	

(Continued)

TOWNSHIP OF WASHINGTON
CURRENT FUND
 Statement of Revenues - Regulatory Basis
 For the Year Ended December 31, 2013

	Anticipated Budget	Special N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
Other Special Items of Revenues (Cont'd):				
Payment in Lieu of Taxes - Mill Stream	\$ 52,244.00	\$	62,925.00	\$ 10,681.00
Payment in Lieu of Taxes - Gloucester County Public Housing	910.20		775.26	(134.94)
Payment in Lieu of Taxes - Elwyn New Jersey	7,951.89		7,951.89	
Payment in Lieu of Taxes - Other	377,000.00		692,490.35	315,490.35
Recycling Fees	155,000.00		156,631.56	1,631.56
Housing Inspection Fees	180,000.00		188,660.00	8,660.00
Reimbursement - School Resource Officer	86,528.00		86,527.68	(0.32)
Business Registration Fees	20,850.00		34,260.00	13,410.00
Administrative Fee - Off Duty Police	54,886.00		86,942.13	32,056.13
Administrative Fee - Construction Code	16,000.00		8,647.00	(7,353.00)
Sale of Property	425,000.00		425,000.00	
Reserve for Payment of Debt	6,650,000.00		6,650,000.00	
Anticipated General Capital Fund Balance	50,000.00		50,000.00	
Total Miscellaneous Revenues	13,516,359.52	300,206.80	14,260,374.94	443,808.62
Receipts from Delinquent Taxes	70,000.00		197,622.78	127,622.78
Subtotal General Revenues	14,086,359.52	300,206.80	14,957,997.72	571,431.40
Amount to be Raised by Taxes for Support to Municipal Budget - Local Tax for Municipal Purposes Minimum Library Tax	26,654,069.83 1,512,880.79		27,331,585.64 1,512,880.79	677,515.81
Budget Totals	42,253,310.14	300,206.80	43,802,464.15	1,248,947.21
Nonbudget Revenues			218,468.57	218,468.57
	\$ 42,253,310.14	\$ 300,206.80	\$ 44,020,932.72	\$ 1,467,415.78

(Continued)

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2013

Analysis of Realized Revenue:Allocation of Current Tax Collections:

Revenue from Collections		\$ 140,033,464.41
Allocated to:		
County Taxes	\$ 27,357,445.17	
School Taxes	78,961,042.00	
Municipal Open Space Taxes	495,497.49	
Fire District Taxes	<u>5,465,389.00</u>	
		<u>112,279,373.66</u>
Balance for Support of Municipal Budget Revenues		27,754,090.75
Add:		
Appropriation: "Reserve for Uncollected Taxes"		<u>1,090,375.68</u>
Amount for Support of Municipal Budget Appropriations		<u>\$ 28,844,466.43</u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections		\$ 84,079.39
Tax Title Liens Collections		<u>113,543.39</u>
		<u>\$ 197,622.78</u>

Analysis of Non-Budget Revenue

Miscellaneous Liens Receivable -- Property Maintenance Charges		\$ 13,232.57
Miscellaneous Revenue Not Anticipated:		
Recycling Buckets	\$ 5,426.00	
White Goods Pick Up	4,260.00	
Election Polling	2,800.00	
Rent	21,317.21	
Virtua Reimbursement Irrigation System	12,500.00	
Library Pension	36,000.00	
Senior Citizens and Veterans Administrative Fee	9,771.11	
Canceled Item Court	686.00	
Canceled Item Tax Title Lien	12,000.00	
Tax Search Fees	230.00	
Duplicate Bill Fee	160.00	
NSF Checks	540.00	
Reimbursements	60,870.79	
DMV Inspection Fines	9,434.50	
Clear Channel	8,260.00	
Sale of Vehicles & Equipment	18,075.00	
Miscellaneous	<u>2,905.39</u>	
		<u>205,236.00</u>
		<u>\$ 218,468.57</u>

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

TOWNSHIP OF WASHINGTON
CURRENT FUND
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2013

	Appropriations			Paid or Charged		Unexpended Balance Canceled
	Budget	Budget After Modification	Expended	Encumbered	Reserved	
OPERATIONS WITHIN "CAPS"						
General Government						
Office of Township Mayor						
Salaries and Wages	\$ 71,900.00	\$ 71,900.00	\$ 69,297.00	\$	\$ 2,603.00	\$
Other Expenses	900.00	900.00	676.62		223.38	
Township Council						
Salaries and Wages	30,000.00	30,001.00	30,000.10		0.90	
Other Expenses	3,000.00	3,000.00	1,193.18		1,806.82	
Annual Audit	62,000.00	62,000.00	62,000.00			
Office of Township Clerk						
Salaries and Wages	207,800.00	207,800.00	203,456.16		4,343.84	
Other Expenses	67,500.00	79,500.00	76,800.11	305.00	2,394.89	
Office of Business Administrator						
Salaries and Wages	196,200.00	196,200.00	192,864.31		3,335.69	
Other Expenses	50,700.00	50,700.00	47,070.65	3,600.00	29.35	
Division of Treasury						
Salaries and Wages	185,880.00	185,880.00	178,661.25		7,218.75	
Other Expenses	41,400.00	41,400.00	29,818.54	8,390.80	3,190.66	
Division of Tax Collector						
Salaries and Wages	170,726.00	170,726.00	166,371.17		4,354.83	
Other Expenses	26,000.00	26,000.00	25,946.42		53.58	
Reserve for Tax Appeals	170,000.00	170,000.00	170,000.00			
Office of Municipal Tax Assessor						
Other Expenses	35,327.00	35,327.00	32,592.42		2,734.58	
Office of Township Attorney						
Salaries and Wages	96,900.00	96,900.00	96,899.92		0.08	
Other Expenses	100,500.00	100,500.00	73,301.67	5,005.00	22,193.33	
Division of Engineering						
Other Expenses	105,000.00	105,000.00	102,606.10		2,393.90	
Advisory Board Economic Development						
Other Expenses	2,500.00	2,500.00			2,500.00	

(Continued)

TOWNSHIP OF WASHINGTON
CURRENT FUND

Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2013

	Appropriations		Paid or Charged			Unexpended Balance Canceled
	Budget	Budget After Modification	Expended	Encumbered	Reserved	
<u>OPERATIONS WITHIN "CAPS" (CONTD)</u>						
<u>General Government (Cont'd)</u>						
Municipal Land Use Law (NJSA 40:55D-1)						
Planning Board/Zoning Board						
Salaries and Wages	\$ 127,483.00	\$ 127,483.00	\$ 124,114.42	\$ 3,868.83	\$ 3,368.58	\$
Other Expenses	42,195.00	42,195.00	9,798.22		28,527.95	
Code Enforcement and Administration						
Code Enforcement						
Salaries and Wages	113,810.00	98,810.00	90,862.82		7,947.18	
Other Expenses	1,150.00	1,150.00	964.16		185.84	
Insurance						
Liability Insurance	729,000.00	729,000.00	720,024.17	6,877.04	2,098.79	
Workers Compensation	1,130,714.00	1,130,714.00	1,123,970.33		6,743.67	
Group Insurance for Employees	4,835,153.00	4,835,153.00	4,655,339.15		179,813.85	
Health Insurance Opt-out Payment	66,400.00	66,400.00	62,632.14		3,767.86	
Public Safety						
Division of Police						
Salaries and Wages	7,980,952.00	7,980,952.00	7,677,056.48		303,895.52	
Other Expenses	321,550.00	321,550.00	266,798.45	46,950.83	7,800.72	
Division of Municipal Prosecutor						
Salaries and Wages	25,500.00	25,501.00	25,500.02		0.98	
Public Works						
Division of Public Works						
Office of Director						
Salaries and Wages	2,319,953.00	2,355,053.00	2,355,027.10		25.90	
Other Expenses	41,450.00	41,450.00	33,701.00	706.25	7,042.75	
Division of Trash Collection						
Other Expenses	2,550,000.00	2,550,000.00	2,184,771.50	208,903.50	156,325.00	
Division of Streets						
Other Expenses	156,500.00	156,500.00	55,148.07	7,000.00	94,351.93	
Division of Public Buildings						
Other Expenses	187,500.00	187,500.00	127,842.50	8,771.85	50,885.65	

(Continued)

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2013

	Appropriations		Paid or Charged			Unexpended Balance Canceled
	Budget	Budget After Modification	Expended	Encumbered	Reserved	
<u>OPERATIONS WITHIN "CAPS" (CONTD)</u>						
<u>Public Works (Contd)</u>						
Division of Vehicle Maintenance						
Other Expenses						
Health and Human Services						
Youth Services						
Salaries and Wages						
Other Expenses	2,500.00	2,500.00	1,887.75		612.25	
Environmental Commission						
Other Expenses	1,925.00	1,925.00	1,709.69	201.00	14.31	
<u>Parks and Recreation</u>						
Senior Citizen Advisory Council						
Other Expenses	500.00	500.00			500.00	
<u>Other Common Operating Functions</u>						
<u>Veterans Affairs Advisory Council</u>						
Other Expenses	3,600.00	3,600.00	2,151.75	755.00	693.25	
<u>Celebration of Public Event, Anniversary or Holiday</u>						
Other Expenses	43,000.00	43,000.00	38,147.22	926.10	3,926.68	
<u>Utilities</u>						
Gasoline	450,000.00	450,000.00	299,310.49	50,000.00	100,689.51	
Electricity	460,000.00	460,000.00	449,678.24		10,321.76	
Telephone and Telegraph	110,000.00	110,000.00	105,828.69	149.96	4,021.35	
Heating Oil	60,000.00	60,000.00	53,093.13		6,906.87	
Street Lighting	410,000.00	410,000.00	410,000.00			
Water and Sewer	20,000.00	20,000.00	19,716.88		283.12	
<u>Landfill and Solid Waste Disposal Costs</u>						
Trash Disposal						
Other Expenses	2,000,000.00	1,944,398.00	1,662,512.39	140,000.00	141,885.61	
<u>Municipal Court Functions</u>						
Municipal Court						
Salaries and Wages	312,856.00	312,856.00	290,972.69		21,883.31	
Other Expenses	33,040.00	33,040.00	26,390.10	951.37	5,698.53	

(Continued)

TOWNSHIP OF WASHINGTON
CURRENT FUND
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2013

	Appropriations		Paid or Charged		Unexpended Balance Canceled
	Budget	Budget After Modification	Expended	Encumbered	
OPERATIONS WITHIN "CAPS" (CONTD)					
<u>Municipal Court Functions (Cont'd)</u>					
Public Defender					
Salaries and Wages	\$ 5,000.00	\$ 5,000.00	\$	\$	\$ 5,000.00
Department of Licenses and Inspection					
State Uniform Construction Code:					
Construction Code Official	184,992.00	199,992.00	195,876.21		4,115.79
Salaries and Wages	8,905.00	8,905.00	7,419.45		1,485.55
Other Expenses	115,000.00	115,000.00	98,749.32		16,250.68
Contracted Services - Third Party					
→ Total Operations Within "CAPS"	<u>26,700,111.00</u>	<u>26,691,611.00</u>	<u>24,913,844.06</u>	<u>503,028.01</u>	<u>1,274,738.93</u>
TOTAL OPERATIONS - WITHIN "CAPS"					
Detail:					
Salaries and Wages	12,029,952.00	12,065,054.00	11,696,959.65		368,094.35
Other Expenses	<u>14,670,159.00</u>	<u>14,626,557.00</u>	<u>13,216,884.41</u>	<u>503,028.01</u>	<u>906,644.58</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Contribution to:					
Public Employees' Retirement System	502,001.00	502,001.00	502,001.00		
Social Security System (O.A.S.I.)	489,382.00	495,382.00	486,954.65		8,427.35
Police and Firemen's Retirement System of NJ	1,682,139.00	1,682,139.00	1,682,139.00		
Unemployment Insurance	<u>70,000.00</u>	<u>70,000.00</u>	<u>70,000.00</u>		
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	<u>2,743,522.00</u>	<u>2,749,522.00</u>	<u>2,741,094.65</u>		<u>8,427.35</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	<u>29,443,633.00</u>	<u>29,441,133.00</u>	<u>27,654,938.71</u>	<u>503,028.01</u>	<u>1,283,166.28</u>

(Continued)

TOWNSHIP OF WASHINGTON
CURRENT FUND
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2013

	Appropriations		Paid or Charged		Unexpended Balance Canceled
	Budget	Budget After Modification	Expended	Encumbered	
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>					
<u>Insurance (N.J.S.A. 40A:4-45.3(00))</u>	\$ 95,099.00	\$ 95,099.00	\$ 95,099.00	\$	\$
Employee Group Health					
Education Functions					
Maintenance of Free Public Library (N.J.S.A. 40:54-8)	1,512,881.00	1,512,881.00	1,512,881.00		
Recycling Tax	60,000.00	62,500.00	51,809.66	7,000.00	3,690.34
<u>Shared Municipal Service Agreements</u>					
Interlocal Municipal Service Agreements					
SFSP Fire District Payment	16,419.00	16,419.00	16,419.00		
Total Operations Excluded From "CAPS"	1,684,399.00	1,686,899.00	1,676,208.66	7,000.00	3,690.34
<u>Public and Private Programs Offset by Revenues:</u>					
Clean Communities Program (N.J.S.A. 40A:4-87 \$12,363.90)	71,024.00	83,387.90	83,387.90		
Municipal Alliance on Alcoholism and Drug Abuse	31,880.00	31,880.00	31,880.00		
Municipal Alliance on Alcoholism and Drug Abuse - Cash Match	7,970.00	7,970.00	7,970.00		
Click It or Ticket 2013 Statewide Seat Belt Mobilization	4,000.00	4,000.00	4,000.00		
NJ Historical Commission	850.00	850.00	850.00		
Community Development Block Grant	117,209.60	117,209.60	117,209.60		
Drive Sober or Get Pulled Over (N.J.S.A. 40A:4-87 \$4,400)		4,400.00	4,400.00		
Alcohol Education/Rehabilitation Program (N.J.S.A. 40A:4-87 \$3,588.68)		3,588.68	3,588.68		
Recycling Tonnage Grant (N.J.S.A. 40A:4-87 \$80,794.55)		80,794.55	80,794.55		
ANJEC WLP Trails (N.J.S.A. 40A:4-87 \$780)		780.00	780.00		
NJDOT Reconstruction of Wilson Road (N.J.S.A. 40A:4-87 \$175,000)		175,000.00	175,000.00		
Body Armor Grant (N.J.S.A. 40A:4-87 \$8,263.23)		8,263.23	8,263.23		
Bulletproof Vest Grant (N.J.S.A. 40A:4-87 \$5,016.44)		5,016.44	5,016.44		
Justice Assistance Grant (N.J.S.A. 40A:4-87 \$5,000.00)		5,000.00	5,000.00		
Comcast (N.J.S.A. 40A:4-87 \$5,000)		5,000.00	5,000.00		
Drunk Driving Enforcement Fund	12,006.21	12,006.21	12,006.21		
Total Public and Private Programs Offset by Revenues	244,939.81	545,146.61	545,146.61		

(Continued)

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2013

	Appropriations		Paid or Charged			Unexpended Balance Canceled
	Budget	Budget After Modification	Expended	Encumbered	Reserved	
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>						
<u>TOTAL OPERATIONS - EXCLUDED FROM "CAPS"</u>	\$ 1,929,338.81	\$ 2,232,045.61	\$ 2,221,355.27	\$ 7,000.00	\$ 3,690.34	\$
Detail:						
Salaries and Wages						
Other Expenses	1,929,338.81	2,232,045.61	2,221,355.27	7,000.00	3,690.34	
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	160,000.00	160,000.00	160,000.00			
Public and Private Programs Offset by Revenues:						
FEMA Hazard Mitigation Grant-Stable Drive/Windy Acres Drive	210,000.00	210,000.00	210,000.00			
<u>TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>	370,000.00	370,000.00	370,000.00			
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	1,890,200.00	1,890,200.00	1,890,200.00			
Payment of Bond Anticipation Notes	6,650,000.00	6,650,000.00	6,650,000.00			0.01
Interest on Bonds	664,235.85	664,235.85	664,235.84			
Interest on Notes	21,730.72	21,730.72	21,730.72			
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	107,800.00	107,800.00	107,769.13			30.87
<u>TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>	9,333,966.57	9,333,966.57	9,333,935.69			30.88
<u>DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"</u>						
Deferred Charges to Future Taxation - Unfunded	797.00	797.00	797.00			
Ordinance 10-2004	3,731.80	3,731.80	3,731.80			
Ordinance 37-2007						
<u>TOTAL DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"</u>	4,528.80	4,528.80	4,528.80			
<u>JUDGMENTS (N.J.S.A. 40A:4-45.3cc)</u>	81,467.28	81,467.28	38,775.58	42,691.70		

(Continued)

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2013

	Appropriations		Paid or Charged		Unexpended Balance Canceled
	Budget	Budget After Modification	Expended	Encumbered	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	\$ 11,719,301.46	\$ 12,022,008.26	\$ 11,968,595.34	\$ 49,691.70	\$ 3,690.34
SUBTOTAL GENERAL APPROPRIATIONS	41,162,934.46	41,463,141.26	39,623,534.05	552,719.71	1,286,856.62
RESERVE FOR UNCOLLECTED TAXES	1,090,375.68	1,090,375.68	1,090,375.68		
TOTAL GENERAL APPROPRIATIONS	\$ 42,253,310.14	\$ 42,553,516.94	\$ 40,713,909.73	\$ 552,719.71	\$ 1,286,856.62
Budget	\$ 42,253,310.14				
Appropriation by 40A:4-87	300,206.80				
Reserve for Federal, State and Other Grants Appropriated		\$ 755,146.61			
Reserve for Uncollected Taxes		1,090,375.68			
Reserve for Tax Appeals		170,000.00			
Disbursed		38,698,387.44			
	\$ 42,553,516.94	\$ 40,713,909.73			

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

TOWNSHIP OF WASHINGTON
TRUST FUNDS
 Statements of Assets, Liabilities, Reserves and Fund Balances - Regulatory Basis
 As of December 31, 2013 and 2012

<u>ASSETS</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Animal Control Fund:			
Cash - Treasurer	SB-1	\$ 43,886.44	\$ 50,287.93
Due from State of New Jersey	SB-5		78.60
		<u>43,886.44</u>	<u>50,366.53</u>
Open Space Trust Fund:			
Cash - Treasurer	SB-1	372,604.08	47,248.96
Due from Current Fund	SB-6	484,079.63	483,990.36
		<u>856,683.71</u>	<u>531,239.32</u>
Trust Other Funds:			
Cash - Treasurer	SB-1	2,016,476.99	1,095,276.37
Cash - Collector	SB-2	1,693,654.53	474,725.34
Due from Current Fund	SB-8	184,198.23	589,433.43
		<u>3,894,329.75</u>	<u>2,159,435.14</u>
		<u>\$ 4,794,899.90</u>	<u>\$ 2,741,040.99</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Reserve for Animal Control Expenditures	SB-3	\$ 36,600.80	\$ 38,786.00
Due to State of New Jersey	SB-5	4.20	
Due to Current Fund	SB-4	7,281.44	11,580.53
		<u>43,886.44</u>	<u>50,366.53</u>
Open Space Trust Fund:			
Reserve for Open Space	SB-7	856,683.71	531,239.32

(Continued)

TOWNSHIP OF WASHINGTON
TRUST FUNDS
Statements of Assets, Liabilities, Reserves and Fund Balances - Regulatory Basis
As of December 31, 2013 and 2012

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Trust Other Funds:			
Miscellaneous Trust Reserves:			
Youth Services	SB-9	\$ 55,859.46	\$ 55,602.46
Escrow	SB-9	575,484.46	314,693.42
Unemployment	SB-9	63,969.59	
Parks and Recreation Trust	SB-9	991,448.48	875,433.36
Off-Duty Police	SB-9	85,358.13	24,372.76
Affordable Housing	SB-9	248,710.19	221,901.85
Forfeited Funds	SB-9	71,741.22	101,976.03
Self Insurance Claims	SB-9	10.00	2,970.18
Clean Up Day Donations	SB-9	2,161.48	1,324.14
POAA Fees	SB-9	637.00	525.00
Technology and Communications	SB-9	400.00	
Sidewalk Fund	SB-9	20,223.03	12,174.64
Speedhumps	SB-9	593.53	593.53
Historical Properties	SB-9	22,380.82	14,400.46
Octoberfest	SB-9	2,863.80	2,863.80
Police Donations	SB-9	46,376.89	28,864.46
Earth Day Donations	SB-9	2,753.53	2,891.49
Veterans Wall	SB-9	2,564.42	3,914.42
4th of July Festival	SB-9	457.06	3,157.06
Public Defender	SB-9	3,833.16	14,858.12
Super Saturday	SB-9	3,225.49	2,543.60
Miscellaneous Trust Escrows Reserves:			
Tax Sale Premiums	SB-10	1,632,300.00	346,800.00
Redemption of Tax Title Liens	SB-10	60,978.01	127,574.36
		<u>3,894,329.75</u>	<u>2,159,435.14</u>
		<u>\$ 4,794,899.90</u>	<u>\$ 2,741,040.99</u>

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

TOWNSHIP OF WASHINGTON
OPEN SPACE TRUST FUND
 Statement of Revenues--Regulatory Basis
 For the Year Ended December 31, 2013

	<u>Budget Revenues</u>	<u>Realized</u>
Amount to be Raised by Taxation	\$ 495,497.49	\$ 495,497.49
Reserve Funds	<u>302.51</u>	<u>302.51</u>
	495,800.00	495,800.00
Miscellaneous Revenues Not Anticipated:		
Interest		2,442.41
State of New Jersey - Green Trust Fund		304,542.71
Rental		<u>18,370.00</u>
		<u>325,355.12</u>
	<u>\$ 495,800.00</u>	<u>\$ 821,155.12</u>

The accompanying Notes to Financial Statements are an integral part of these statement.

TOWNSHIP OF WASHINGTON
OPEN SPACE TRUST FUND
 Statement of Expenditures--Regulatory Basis
 For the Year Ended December 31, 2013

	<u>Budget Appropriations</u>	<u>Expended</u>
Debt Service:		
Payment of Bond Principal	\$ 359,800.00	\$ 359,800.00
Payment of Bond Interest	<u>136,000.00</u>	<u>135,608.22</u>
	<u>\$ 495,800.00</u>	<u>\$ 495,408.22</u>

The accompanying Notes to Financial Statements are an integral part of these statement.

TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
Statements of Assets, Liabilities, Reserves and Fund Balances - Regulatory Basis
As of December 31, 2013 and 2012

<u>ASSETS</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Cash	SC-1	\$ 2,342,523.15	\$ 11,240,796.28
Grant Receivable	C	1,243.93	1,243.93
Due from Federal, State and Other Grant Fund	C	5,003.22	5,003.22
Deferred Charges to Future Taxation:			
Funded	SC-3	22,002,414.10	24,347,860.88
Unfunded	SC-4	<u>2,485,706.00</u>	<u>6,655,034.80</u>
		<u>\$ 26,836,890.40</u>	<u>\$ 42,249,939.11</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds Payable	SC-9	\$ 21,458,000.00	\$ 23,708,000.00
Loan Payable - Green Trust	SC-10	544,414.10	639,860.88
Bond Anticipation Notes Payable	A-3		6,650,000.00
Improvement Authorizations:			
Funded	SC-8	1,815,159.63	2,029,315.59
Unfunded	SC-8	2,485,200.00	4,528.80
Due to Current Fund	SC-5	78.55	
Capital Improvement Fund	SC-6	112,668.15	83,468.15
Reserve for:			
Road Improvements	SC-7	13,007.54	13,007.54
Purchase of Server	SC-7	703.60	703.60
Repairs to Grenloch Dam	SC-7	5,844.65	5,844.65
Accrued Interest	SC-7	22,010.37	22,010.37
Debt Service	SC-7	15,760.50	15,760.50
Payment of Debt	SC-7		6,650,000.00
Reserve for Encumbrances	SC-8	358,448.03	2,371,843.75
Fund Balance	C-1	<u>5,595.28</u>	<u>55,595.28</u>
		<u>\$ 26,836,890.40</u>	<u>\$ 42,249,939.11</u>

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

TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
Statement of Fund Balance - Regulatory Basis
For the Year Ended December 31, 2013

Balance Dec. 31, 2012	\$ 55,595.28
Decreased by:	
Anticipated as Revenue in 2013 Budget	<u>50,000.00</u>
Balance Dec. 31, 2013	<u>\$ 5,595.28</u>

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

GENERAL FIXED ASSET ACCOUNT GROUP
Schedule of General Fixed Assets -- Regulatory Basis
For the Year Ended December 31,

Balance
Dec. 31,

General Fixed Assets:

Land, Buildings and Improvements	\$ 11,558,816.97
Machinery and Equipment	239,204.89
Vehicles	<u>7,153,862.00</u>
Total General Fixed Assets	<u>\$ 18,951,883.86</u>
Total Investments in General Fixed Assets	<u>\$ 18,951,883.86</u>

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

TOWNSHIP OF WASHINGTON
Notes to Financial Statements
For the Year Ended December 31, 2013

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Description of Financial Reporting Entity - The Township of Washington was incorporated in February 17, 1836 and is located in southwest New Jersey approximately twenty miles southeast of the City of Philadelphia. The population according to the 2010 census is 48,559. The Township is 21.5 square miles.

The Township has a Mayor-Council form of government known as the Mayor-Council Plan A under the Optional Municipal Charter Law of 1950, popularly known as the Faulkner Act. The Mayor is separately elected. Executive and administrative responsibility rests with the Mayor, who is assisted by the Business Administrator. Department heads are appointed by the Mayor, with the consent of the Council. The five (5) member Township Council exercises legislative responsibilities.

Component Units - The financial statements of the component units of the Township of Washington are not presented in accordance with Governmental Accounting Standards Board Statement No. 14. If the provisions of GASBS No. 14 had been complied with, the financial statements of the following component units would have been either blended or discretely presented with the financial statements of the Township, the primary government:

Washington Township Municipal Utilities Authority
152 Whitman Drive
Turnersville, New Jersey 08012

Margaret E. Heggan Free Public Library
606 Delsea Drive
Sewell, New Jersey 08080

Annual financial reports may be inspected directly at the offices of these component units during regular business hours.

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

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

Current Fund - The Current Fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

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

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

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

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

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Township's financial statements.

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

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

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

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

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

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

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

General Fixed Assets - Accounting for Governmental Fixed Assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements and transfers of fixed assets. In addition, a Statement of General Fixed Assets, reflecting the activity for the year, must be included in the Township's basic financial statements.

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

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

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

Liens Sold for Other Governmental Units - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Fund Balance - Fund Balances included in the current fund represent amounts available for anticipation as revenue in future years budgets, with certain restrictions.

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

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

School Taxes - The municipality is responsible for levying, collecting and remitting school taxes for the Township of Washington School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1, 2013 to December 31, 2013.

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

Fire District Taxes - The municipality is responsible for levying, collecting, and remitting Fire District Taxes for Township of Washington Fire District. Operations are charged for the full amount required to be raised by taxation to support the Fire District for the year.

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

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end 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.

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

Compensated Absences and Postemployment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Note 2: **CASH AND CASH EQUIVALENTS**

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits might not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2013, the Township's bank balances of \$14,060,782.89 were exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 2,358,191.99
Uninsured and Collateralized with Securities Held by Pledging Financial Institutions	<u>10,735,363.38</u>
Total	<u><u>\$ 13,093,555.37</u></u>

New Jersey Asset and Rebate Management Program (NJ/ARM) - During the year, the Township participated in the New Jersey Asset & Rebate Management Program. The program was created in 1989 as a joint investment trust under the Interlocal Services Act. NJ/ARM provides local governments in New Jersey with investment management services for capital, reserve, general operating funds and for arbitrage rebate compliance for bond and note issues. The program advisory board is made up of New Jersey local government officials and is managed by PFM Asset Management LLC. The program is designed to be in compliance with New Jersey statutes and regulations for allowable investments. The fund deposits can be liquidated on a daily basis and have an AAAM rating by Standard & Poor's. NJ/ARM funds are not subject to custodial risk as defined above. Township deposits with the fund are considered cash equivalents and at December 31, 2013 the balance was \$383,363.02.

Note 3: PROPERTY TAXES

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

Comparative Schedule of Tax Rates

	<u>2013 (1)</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Tax Rate	<u>\$3.303</u>	<u>\$5.300</u>	<u>\$5.312</u>	<u>\$5.291</u>	<u>\$5.078</u>
Apportionment of Tax Rate:					
Municipal	\$.626	\$.997	\$.985	\$ 1.021	\$.941
Municipal Open Space	.012	.020		.020	.020
Municipal Library	.035	.063	.067		
County	.600	.965	1.011	1.046	1.053
County Open Space Preservation Trust Fund	.044	.076	.081	.083	.083
Local School	1.857	2.972	2.976	2.925	2.786
Special District Rates - Fire	.129	.207	.192	.196	.195

Assessed Valuation

2013	(1)	\$ 4,253,197,354.00
2012		2,562,495,207.00
2011		2,561,083,683.00
2010		2,572,647,562.00
2009		2,583,274,255.00

(1) Revaluation

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2013	\$ 140,569,274.01	\$ 140,033,464.41	99.62%
2012	136,083,748.88	135,021,265.89	99.22%
2011	136,327,289.37	135,755,756.40	99.58%
2010	136,306,665.00	136,035,014.00	99.80%
2009	131,672,407.90	131,333,013.18	99.74%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2013	\$ 510,239.51	\$ 168,881.44	\$ 679,120.95	0.48%
2012	493,087.65	70,223.63	563,311.28	0.41%
2011	423,825.90	87,759.19	511,583.09	0.37%
2010	329,947.00	64,194.00	394,141.00	0.29%
2009	257,028.57	33,869.60	290,898.17	0.22%

Note 3: PROPERTY TAXES (CONT'D)

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

<u>Year</u>	<u>Number</u>
2013	67
2012	81
2011	83
2010	70
2009	68

Note 4: 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, for the current and previous four years was as follows:

<u>Year</u>	<u>Amount</u>
2013	\$865,625.00
2012	865,625.00
2011	865,625.00
2010	986,325.00
2009	986,325.00

Note 5: FUND BALANCES APPROPRIATED

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

<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2013	\$ 3,043,765.05	\$ 230,000.00	7.56%
2012	894,433.50	500,000.00	55.90%
2011	1,484,401.05	1,200,000.00	80.84%
2010	2,694,561.00	2,500,000.00	92.78%
2009	3,206,405.12	2,770,054.38	86.39%

Note 6: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2013:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$7,359.99	\$1,151,153.20
Federal, State and Other Grant Fund	482,875.34	5,003.22
Animal Control Fund		7,281.44
Open Space Trust Fund	484,079.63	
Trust-- Other Funds	184,198.23	
General Capital Fund	5,003.22	78.55
	<u>\$1,163,516.41</u>	<u>\$1,163,516.41</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During 2014, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 7: PENSION PLANS

The Township of Washington contributes to two cost-sharing multiple-employer defined benefit pension plans, the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS), which are administered by the New Jersey Division of Pensions and Benefits. In addition, Township employees could participate in the Defined Contribution Retirement Program (DCRP), which is a defined contribution pension plan and is also administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

Public Employees' Retirement System - The PERS was established in 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased to 6.5% plus an additional 1.0% phased-in over seven years. The phase-in of the additional incremental member contribution amount began July 1, 2012 and increases each subsequent July 1. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Note 7: **PENSION PLANS (CONT'D)**

Public Employees' Retirement System (Cont'd) -- The Township is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions, were as follows:

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Funded by Township</u>
2013	\$ 158,852.00	\$ 316,037.00	\$ 474,889.00	\$ 474,889.00
2012	210,113.00	352,794.00	562,907.00	562,907.00
2011	259,909.00	345,997.00	605,906.00	605,906.00

Police and Firemen's Retirement System - The PFRS was established in 1944. The PFRS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:16A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 204, P.L. 1989, plan members enrolled in the Police and Firemen's Retirement System are required to contribute 8.5% of their annual covered salary. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was increased to 10% in October, 2011. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Township is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions, were as follows:

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Funded by Township</u>
2013	\$ 762,010.00	\$ 920,129.00	\$ 1,682,139.00	\$ 1,682,139.00
2012	813,526.00	849,432.00	1,662,958.00	1,662,958.00
2011	1,166,129.00	867,089.00	2,033,218.00	2,033,218.00

Defined Contribution Retirement Program - The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.) and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Township's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

The Township did not have any employees participate in the DCRP program during 2013.

Note 7: PENSION PLANS (CONT'D)

Early Retirement Incentive Program – Legislation enacted in 1991 and 1993 made early retirement available through Early Retirement Incentive Programs. These programs, which were subject to the approval of the Township's governing body, were available to employees who met certain minimum requirements. The governing body of the Township approved the program on October 10, 1991 for eligible members of the PERS. One employee applied for early retirement during the 1991 program. Program costs are billed annually by the Division of Pensions. As of December 31, 2013, the accrued liability to the PERS for the 1991 program was \$153,983.00 payable in annual installments of \$19,247.00 to April 1, 2021.

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the Township.

Note 8: POSTEMPLOYMENT HEALTHCARE BENEFITS PLAN

Plan Description - The Township contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 2012, the Township authorized participation in the SHBP's post-retirement benefit program through resolution number R-30-2012. The Township provides for a 100% funded postemployment health care, dental and prescription drug benefits to certain retired employees where such benefits are established and amended by various union contracts, separate employee agreements and Township Policies.

Generally, Police Officers become eligible for retirement benefits based on retiring after at age 55 or older with at least twenty (20) years of service or having retired under disability pension from a New Jersey administered pension plan. A non-uniformed employee becomes eligible based on retiring at age 62 or older with at least twenty (20) years of service. Eligible retirees receive health, dental and prescription drug benefits subject to variety of co-pays based on years of service and respective labor contracts and retirement system.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/.

Funding Policy - Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Note 8: **POSTEMPLOYMENT HEALTHCARE BENEFITS PLAN (CONT'D)**

Funding Policy (Cont'd) -- Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township on a monthly basis. The Township funds these benefits on a pay-as-you-go basis for all eligible employees and therefore does not record accrued expense related to these benefits.

The Township contributions for post-retirement benefits to SHBP for the year ended December 31, 2013 were \$2,225,794.47, which equaled the required contributions for that period. There were approximately 100 retired participants receiving benefits at December 31, 2013.

DENTAL BENEFITS PLAN:

Plan Description

The Township's defined benefit postemployment dental plan is the Township of Washington Postemployment Benefits Plan (the "Township Plan"). The Township plan is a sole employer postemployment dental plan administered by the Township. The plan does not issue a separate financial report.

The Township provides for a 100% funded postemployment dental benefits to certain retired employees where such benefits are established and amended by various union contracts, separate employee agreements and Township policies.

Generally, Police Officers become eligible for retirement benefits based on retiring after at age 55 or older with at least twenty (20) years of service or having retired under disability pension from a New Jersey administered pension plan. A non-uniformed employee becomes eligible based on retiring at age 62 or older with at least twenty (20) years of service. Eligible retirees receive dental benefits subject to variety of co-pays based on years of service and respective labor contracts and retirement system.

Funding Policy

The Township is required to fund these benefits on a pay-as-you-go basis, based on accounting procedures regulated by the State of New Jersey, and therefore does not accrue any expenses related to these benefits. During 2013 the Township contributed \$110,000 to the Township plan for current premiums.

Annual OPEB Cost and Net OPEB Obligation

The Township's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Township's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the Township's net OPEB obligation to the Plan:

Note 8: **POSTEMPLOYMENT HEALTHCARE BENEFITS PLAN (CONT'D)**

DENTAL BENEFITS PLAN (CONT'D):

Annual OPEB Cost and Net OPEB Obligation (Cont'd):

Annual Required Contribution	\$390,000.00
Interest on Net OPEB Obligation – Beginning of Year	0.00
Adjustment to Annual Required Contribution	0.00
	<hr/>
Annual OPEB Cost (Expense)	390,000.00
Contributions made	110,000.00
	<hr/>
Increase in Net OPEB Obligation	280,000.00
Net OPEB Obligation (NOO) – Beginning of Year	0.00
	<hr/>
Net OPEB Obligation (NOO) – End of Year	<u>\$280,000.00</u>

Funded Status and Funding Progress

As of January 1, 2013, the most recent actuarial valuation date, the Township Dental Plan was 0% funded. The actuarial accrued liability for benefits was \$4,740,000.00, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,740,000.00. The covered payroll (annual payroll of active employees covered by the plan) was not applicable, and the ratio of the UAAL to the covered payroll was not applicable. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented below as required supplementary information, compares the assets used for funding purposes to the comparable liabilities to determine how well the Township Dental Plan is funded. The actuarial liability is compared to the actuarial value of assets to determine the funding ratio. The Actuarial Accrued Liability under GASB is determined assuming that the Township Plan is ongoing and participants continue to terminate employment, retire, etc., in accordance with the actuarial assumptions.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the dental plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2013 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included the following: a discount rate of four and a half percent (4.5%) on future benefit costs; per year; a medical cost trend rate of nine and one-half percent (9.5%) per year, reduced by decrements to an ultimate rate of five percent (5%) after ten years. The actuarial value of the Township Dental Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three year period. The Township Dental Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2013 was thirty years.

Note 8: POSTEMPLOYMENT HEALTHCARE BENEFITS PLAN (CONT'D)

DENTAL BENEFITS PLAN (CONT'D):

REQUIRED SUPPLEMENTARY INFORMATION

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)—Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
1/1/2013	\$-0-	\$4,740,000.00	\$4,740,000.00	0%	Not Applicable	Not Applicable

**Schedule of Funding Progress for Township Dental Benefits (Only) Plan
Schedule of Employer Contributions Dental (Only) Plan**

<u>Year Ended December 31,</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>
2013	\$390,000.00	28.20%

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	January 1, 2013
Actuarial Cost Method	Unit Credit
Amortization Method	Level dollar basis/open
Remaining Amortization	Period 30 years
Asset Valuation Method	Market Value

Actuarial Assumptions:

Investment Rate of Return	4.5%
Rate of Medical Inflation	9.5% grading to 5% after 10 years
Marital - Actives	Wife is assumed to be same age as the husband
	70% of males and 50% of females are assumed married
Participation Rate	100% of eligible retirees expected to participate

Note 9: COMPENSATED ABSENCES

The Township of Washington provides to its employees compensated absences benefits for holidays, sick days, vacation, personal, jury duty, military leave, bereavement for immediate family members and for occupational injuries in accordance with labor contracts and Township policies.

Police Sergeants and Superior Officers are entitled to 28 to 46 leave days per year based on years of service. Such days can be carried forward until retirement or termination. At retirement or termination the officer is entitled to be paid for days leave carried forward and all unused leave for current year and all unused vacation days and at the rate of pay upon termination or retirement. Such days are capped at a maximum of 100 days for existing Sergeants and 80 days for those promoted to Sergeant after January 1, 2010.

Patrol Officers under their union contract can carry forward up to 165 sick days. At retirement or termination the officer is entitled to be paid for a maximum of 165 days leave carried forward and all unused leave, and for current year at the rate of pay upon termination or retirement. The officer also has the option of selling the current year unused sick leave back to the Township.

Full time Clerical union workers are entitled to up to 114 sick hours per year. Unused sick hours can be carried forward. At termination or retirement they would be paid for 70% of their accumulated sick pay up to a maximum of \$18,000. The clerical worker also has the option of selling the current year unused sick leave back to the Township.

Full time Public Works union employees are entitled to be paid for a maximum of 90 days of unused sick leave upon termination or retirement if hired prior to July 1, 2006. If hired after that date they are only paid up to a \$15,000 maximum.

Other full-time nonunion employees earn sick hours of 8 to 10 hours each month worked. Unused sick leave may be accumulated and carried forward to the subsequent year or it may be sold back to the Township. Upon termination or retirement the employee is entitled to be paid for all unused sick days. Other compensated absences such as vacation and personal days cannot be carried forward however any unused days for current year and are compensated for at retirement or termination.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2013, accrued benefits for compensated absences are valued at \$1,908,961.65.

Note 10: DEFERRED COMPENSATION SALARY ACCOUNT

The Township offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Township or its creditors. Since the Township does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Township's financial statements.

Note 11: **LEASE OBLIGATIONS**

At December 31, 2013, the Township had lease agreements in effect for the following:

Capital:

Police Vehicles
Police Car Date Terminals and related equipment

Operating:

Konica Minolta Copier
Pitney Bowes Mailing Machine

The following is an analysis of capital and operating leases.

Capital Leases - The following capital fixed assets were acquired by capital lease

	<u>Dec. 31, 2013</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Copiers (1)		\$ 23,307.45
Vehicles	\$ 80,148.46	181,695.52
Equipment	69,703.60	
	<u>\$ 149,852.06</u>	<u>\$ 205,002.97</u>

Future minimum payment under capital lease agreements are as follows:

Year	Principal	Interest	Total
2014	\$ 97,580.95	\$ 7,523.03	\$ 105,103.98
2015	18,250.02	2,096.98	20,347.00
2016	19,105.91	1,241.09	20,347.00
2017	14,915.18	345.07	15,260.25
	<u>\$ 149,852.06</u>	<u>\$ 11,206.17</u>	<u>\$ 161,058.23</u>

(1) Capital Lease Copiers were exchanged for new copiers under an operating lease agreement.

Operating Leases - Future minimum rental payments under operating lease agreements are as follows:

<u>Year</u>	<u>Amount</u>
2014	\$16,891.20
2015	16,891.20
2016	16,891.20
2017	15,211.20
2018	6,765.60

Rental payments under operating leases for the year 2013 were \$9,285.60.

Note 12: **CAPITAL DEBT****Summary of Debt**

	<u>Year 2013</u>	<u>Year 2012</u>	<u>Year 2011</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$22,002,414.10	\$30,997,860.88	\$20,156,426.63
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	2,485,706.00	5,034.80	5,034.80
Total Issued and Authorized but Not Issued	24,488,120.10	31,002,895.68	20,161,461.43
Deductions:			
Reserve for Payment of Notes		6,650,000.00	
Net Debt	\$24,488,120.10	\$24,352,895.68	\$20,161,461.43

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 indicated a statutory net debt of 0.531%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$24,390,000.00	\$24,390,000.00	
General	24,488,120.10		\$24,488,120.10
	\$48,878,120.10	\$24,390,000.00	\$24,488,120.10

Net Debt \$24,488,120.10 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$4,615,703,680.00 equals 0.531%.

Borrowing Power Under N.J.S.A.40A:2-6 As Amended

3 1/2% of Equalized Valuation Basis (Municipal)	\$161,549,628.80
Net Debt	24,488,120.10
Remaining Borrowing Power	\$137,061,508.70

Note 12: CAPITAL DEBT (CONT'D)Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding

	<u>General</u>		
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 2,323,000.00	\$ 727,456.76	\$ 3,050,456.76
2015	2,380,000.00	646,498.76	3,026,498.76
2016	2,080,000.00	563,037.52	2,643,037.52
2017	2,165,000.00	472,987.52	2,637,987.52
2018	1,840,000.00	392,787.52	2,232,787.52
2019-2023	6,490,000.00	1,068,475.08	7,558,475.08
2024-2028	2,605,000.00	422,381.30	3,027,381.30
2029-2031	1,575,000.00	76,125.02	1,651,125.02

Green Trust Assistance Program Loan

The Township of Washington entered into a loan agreements with the State of New Jersey under the Green Trust Assistance Program. The proceeds of the loan were used to construct or improve the Township's recreational facilities. Provisions of this agreement require the Township to repay the loan in semi-annual installments, bearing interest at two percent (2%). The total principal amount due on the loan at December 31, 2013 was \$544,414.10. Future scheduled loan payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$81,484.53	\$10,403.88	\$91,888.41
2015	67,082.80	8,924.84	76,007.64
2016	68,431.16	7,576.47	76,007.63
2017	69,806.64	6,200.99	76,007.63
2018	71,209.75	4,797.89	76,007.64
2019-2023	121,728.02	11,971.54	133,699.56
2024-2028	42,032.95	4,610.10	46,643.05
2029-2031	22,638.25	683.65	23,321.90

Note 13: JOINT INSURANCE POOL

The Township of Washington is a member of the Gloucester, Salem and Cumberland County Municipal Joint Insurance Fund established pursuant to N.J.S.A. 40A:10-36 et. seq. and N.J.A.C. 11:15-3.

The Fund is a member of the Municipal Excess Liability Joint Insurance Fund (MEL) that provides excess insurance and services to 19 local Joint Insurance Funds. The Fund provides its members with the following coverage:

Workers' Compensation and Employer's Liability
Liability other than Motor Vehicles
Property Damage other than Motor Vehicles
Motor Vehicles

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

The Fund provides the Township with the following coverage:

Property - Blanket Building and Grounds
General and Automobile Liability
Workers' Compensation and Employer's Liability
Public Employee and Official Bonds

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The Township's agreement with the pool provides that the pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$50,000 to \$200,000 based on the line of coverage for each insured event.

The Fund publishes its own financial report for the year ended December 31, 2013, which can be obtained from:

Gloucester, Salem and Cumberland Counties Municipal Joint Insurance Fund
Five Greentree Centre
525 Lincoln Drive West
P.O. Box 490
Marlton, New Jersey 08053

Note 14: NEW JERSEY UNEMPLOYMENT COMPENSATION INSURANCE

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State. The following is a summary of Township contributions, reimbursements to the State for benefits paid and the ending balance of the Township's trust fund for the current and previous two years:

<u>Year</u>	<u>Township Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2013	\$70,000.00	\$26,562.05	\$63,969.59
2012	39,741.74	55,794.74	—
2011	103,125.72	126,664.51	—

It is estimated that unreimbursed payments on behalf of the Township at December 31, 2013 are \$5,764.79.

Note 15: MORTGAGE LOAN RECEIVABLE

The Township of Washington entered into a grant/loan agreement in the principal amount of \$1,920,000.00, dated December 16, 1997, with County House Village Associates, L.P. for the construction of a low income housing project called "County House Village". The loan is recorded as a third mortgage for the partnership as recorded in the Gloucester County Clerk's office. The note bears interest at a rate of 3% per annum. Principal and accumulated accrued interest is payable upon maturity on December 31, 2029. At December 31, 2013 and 2012, the principal balance is \$1,920,000.00. Accrued interest at December 31, 2013 and 2012 is \$ 844,800.00 and \$787,200.00, respectively. The principal and interest receivable are offset with reserves which will be realized upon payment being received.

Note 16: LITIGATION

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

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Current Cash—Treasurer
For the Year Ended December 31, 2013

		Current Fund
Balance Dec. 31, 2012		\$ 5,885,611.75
Increased by Receipts:		
Taxes Receivable	\$ 138,427,359.49	
Tax Title Liens Receivable	113,543.39	
Miscellaneous Liens Receivable	13,232.57	
Miscellaneous Revenue Not Anticipated	205,236.00	
Due from State of New Jersey - Senior Citizen and Veterans Deduction	464,805.54	
2011 Appropriation Reserves Refunds	714.86	
Revenue Accounts Receivable	13,087,151.83	
Payroll Funds	16,357,142.63	
Prepaid Taxes	835,583.83	
Tax Overpayments	520,193.46	
Reserve for Deposit for Sale of Property	325,000.00	
Reserve for Prescriptions	75,000.00	
Due to Municipal Library	688,146.33	
Due to State - DCA Fees	33,744.00	
Due to State - Marriage License Fees	4,955.00	
Due from Federal, State and Other Grant Fund - Receivable	502,987.93	
Due from Animal Control Fund	11,580.53	
Due from Trust Other Fund – Treasurer	123,397.38	
		171,789,774.77
		177,675,386.52
Decreased by Disbursements:		
2013 Appropriations	38,698,387.44	
2012 Appropriation Reserves	693,359.16	
County Tax	27,340,646.46	
Due County for Added and Omitted Tax	54,512.23	
Local School District Tax	78,961,040.50	
Fire District Tax	5,465,388.00	
Due to Municipal Library	685,772.06	
Payroll Funds	16,405,841.29	
Refund Tax Overpayment	458,900.30	
Reserve for Prescriptions	74,406.06	
Due to State - DCA Fees	30,274.00	
Due to State - Marriage License Fees	4,590.00	
Due to Federal, State and Other Grant Fund - - Appropriated Grant Reserves	650,778.86	
Due to Trust Other Fund	527,664.63	
Due from Trust Municipal Open Space Fund	495,408.22	
		170,546,969.21
Balance Dec. 31, 2013		\$ 7,128,417.31

TOWNSHIP OF WASHINGTON
CURRENT FUND
Schedule of Change Funds
For the Year Ended December 31, 2013

<u>Office</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Municipal Clerk	\$ 300.00
Municipal Court Administrator	150.00
Tax Collector	350.00
Planning Board	100.00
Recreation and Public Works	70.00
Construction Code Official	100.00
Housing	100.00
Police	100.00
Golf Course	<u>270.00</u>
	<u>\$ 1,540.00</u>

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Taxes Receivable and Analysis of Property Tax Levy
For the Year Ended December 31, 2013

Year	Balance Dec. 31, 2012	2013 Levy	Added Taxes	2012	2013	Cancelled	Transferred to Tax Title Liens	Transferred To Acrears	Balance Dec. 31, 2013
Arrears	\$ 7,034.35	\$	\$	\$ 4,121.51	\$	\$	\$	\$ 8,497.79	\$ 11,410.83
2009	10.16			3,071.23	10.16				9.33
2010	3,091.14			5,928.19	13.28				244.35
2011	6,185.82			70,958.46	297.07			(500.00)	28,564.43
2012	53,902.16		46,417.80						
	70,223.63		46,417.80		84,079.39			7,997.79	40,228.74
2013	70,223.63	140,569,274.01	5,590.36	1,174,645.62	138,658,818.79	273,693.57	131,065.90	(7,997.79)	128,652.70
	\$ 70,223.63	\$ 140,569,274.01	\$ 52,008.16	\$ 1,174,645.62	\$ 138,942,998.18	\$ 274,014.66	\$ 131,065.90	\$	\$ 168,881.44
Taxes Receivable									
Homestead Rebate									
	\$		\$ 135,860,575.23						
			2,566,784.26						
Senior Citizens and Veterans									
			\$	138,427,359.49					
				515,538.69					
				\$	138,942,998.18				
Analysis of 2013 Property Tax Levy									
Tax Yield:									
General Property Tax									
					\$ 140,483,115.97				
Added & Omitted Taxes (54.4-63.1 et. seq.)									
					86,158.04				
							\$ 140,569,274.01		
Tax Levy:									
Local School District Tax									
					\$	78,961,042.00			
County Taxes:									
County Tax									
				\$	25,489,283.35				
County Open Space Tax									
					1,851,363.11				
Due County for Added & Omitted Taxes									
					16,798.71				
Total County Taxes									
					27,357,445.17				
Fire District Taxes									
					5,465,369.00				
Local Tax for Municipal Purposes									
Municipal Open Space Tax									
					26,654,069.83				
Minimum Library Tax									
					495,497.49				
Add: Additional Tax Levied									
					1,512,860.79				
					122,949.73				
					28,785,397.84				
							\$ 140,569,274.01		

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Due From State of New Jersey
Veterans' And Senior Citizens' Deductions
For the Year Ended December 31, 2013

Balance Dec. 31, 2012		\$ 63,225.13
Increased by:		
Deductions per Tax Billing:		
Senior Citizens	\$ 93,750.00	
Veterans	<u>416,500.00</u>	
	510,250.00	
Deductions Allowed by Collector - 2013 Taxes	<u>8,750.00</u>	
	519,000.00	
Deductions Disallowed by Collector - 2013 Taxes	<u>(3,461.31)</u>	
	\$ 515,538.69	
Deductions Disallowed by Collector - 2012 Taxes	<u>(46,417.80)</u>	
		<u>469,120.89</u>
		532,346.02
Decreased by:		
Collection		<u>464,805.54</u>
Balance Dec. 31, 2013		<u>\$ 67,540.48</u>
<u>Analysis of Amount Realized:</u>		
Senior Citizens' and Veterans' Deductions Per Tax Billings	\$ 510,250.00	
Senior Citizens' and Veterans'		
Deductions Allowed by Collector - 2013 Taxes	<u>8,750.00</u>	
		\$ 519,000.00
Less:		
Senior Citizens' and Veterans'		
Deductions Disallowed by Collector - 2013 Taxes		<u>3,461.31</u>
		<u>\$ 515,538.69</u>

TOWNSHIP OF WASHINGTON
CURRENT FUND
 Statement of Tax Title Liens
 For the Year Ended December 31, 2013

Balance Dec. 31, 2012		\$ 493,087.65
Increased by:		
Transfers from Taxes Receivable	\$ 131,065.90	
Interest and Costs on Taxes	<u>4,279.17</u>	<u>135,345.07</u>
		628,432.72
Decreased by:		
Canceled	4,649.82	
Collections	<u>113,543.39</u>	<u>118,193.21</u>
Balance Dec. 31, 2013		\$ <u><u>510,239.51</u></u>

TOWNSHIP OF WASHINGTON
CURRENT FUND
 Statement of Miscellaneous Liens Receivable
 For the Year Ended December 31, 2013

Balance Dec. 31, 2012		\$ 6,525.06
Increased by:		
Property Maintenance Fees and Charges		<u>13,056.66</u>
		19,581.72
Decreased by:		
Collections		<u>13,232.57</u>
Balance Dec. 31, 2013		\$ <u><u>6,349.15</u></u>

TOWNSHIP OF WASHINGTON
CURRENT FUND

Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2013

	Balance Dec. 31, 2012	Accrued In 2013	Receipts	Balance Dec. 31, 2013
Miscellaneous Revenue Anticipated				
Licenses:				
Alcoholic Beverages		48,280.00	48,280.00	\$
Fees and Permits		282,563.59	282,563.59	
Fines and Costs:				
Municipal Court	29,156.82			28,571.40
Interest and Costs on Taxes		449,732.85	450,318.27	
Interest on Investments and Deposits		301,255.63	301,255.63	
Hotel and Motel Occupancy Fee		1,046.50	1,046.50	
Consolidated Municipal Property Tax Relief Aid		60,677.67	60,677.67	
Energy Receipts Tax P.L. 1997, Chapters 162 & 167)		272,223.00	272,223.00	
Uniform Construction Code Fees		2,929,206.18	2,929,206.18	
Other Special Items of Revenues:		419,826.00	419,826.00	
Franchise Fees - Cable TV		258,270.62	258,270.62	
Payment in Lieu of Taxes - NJ Transit		10,680.00	10,680.00	
Payment in Lieu of Taxes - County House		28,040.00	28,040.00	
Payment in Lieu of Taxes - Mill Stream		62,925.00	62,925.00	
Payment in Lieu of Taxes - Gloucester City Public Housing		775.26	775.26	
Payment in Lieu of Taxes - Vineland Training School		7,951.89	7,951.89	
Payment in Lieu of Taxes - Other		692,490.35	692,490.35	
Recycling Fees		156,631.56	156,631.56	
Housing Inspection Fees		188,660.00	188,660.00	
Reimbursement - School Resource Officer		86,527.68	86,527.68	
Business Registration Fees		34,260.00	34,260.00	
Administrative Fee - Off Duty Police		86,942.13	86,942.13	
Administrative Fee - Construction Code		8,647.00	8,647.00	
Reserve for Payment of Debt		6,650,000.00	6,650,000.00	
Anticipated General Capital Fund Balance		50,000.00	50,000.00	
	\$ 29,156.82	\$ 13,087,612.91	\$ 13,088,198.33	\$ 28,571.40
Current Fund - Treasurer			\$ 13,087,151.83	
Interest Earned - Due to Current Fund:				
Trust Other Fund - Tax Collector			25.54	
Trust Other Fund - Treasurer			942.41	
General Capital Fund			78.55	
			\$ 13,088,198.33	

TOWNSHIP OF WASHINGTON
CURRENT FUND
 Statement of Appropriation Reserves
 For the Year Ended December 31, 2013

	Balance Dec. 31, 2012	Balance	Disbursed	Refund	Balance
	<u>Reserved</u>	<u>Encumbered</u>	<u>After Transfers</u>	<u>Disbursed</u>	<u>Lapsed</u>
OPERATIONS WITHIN "CAPS"					
<u>General Government</u>					
Office of Township Mayor					
Salaries and Wages	\$ 1,571.61	\$	\$ 1,571.61	\$	\$ 1,571.61
Other Expenses	428.82		428.82	50.00	478.82
Township Council					
Salaries and Wages	0.39		0.39		0.39
Other Expenses	720.00		720.00		720.00
Office of Township Clerk					
Salaries and Wages	25,444.79		25,444.79		23,804.94
Other Expenses	1,723.99	384.64	2,108.63	169.72	1,988.91
Office of Business Administrator					
Salaries and Wages	2,097.25		2,097.25		1,217.99
Other Expenses	1,610.94	1,934.40	3,545.34	2,859.40	685.94
Division of Treasury					
Salaries and Wages	10,051.02		10,051.02		7,150.02
Other Expenses	1,068.34	2,778.77	3,847.11	2,779.38	1,117.73
Division of Tax Collector					
Salaries and Wages	3,239.93		3,239.93		1,279.17
Other Expenses	42.54		42.54		42.54
Office of Municipal Tax Assessor					
Other Expenses	1,508.80		1,508.80		1,508.80
Office of Township Attorney					
Other Expenses	32,791.08		32,791.08	32,791.01	0.07
<u>Land Use Administration</u>					
Division of Engineering					
Other Expenses	5,296.75		5,296.75	4,134.00	1,162.75
Advisory Board Economic Development					
Other Expenses	1,522.00		1,522.00		1,522.00
Planning Board/Zoning Board					
Salaries and Wages	3,397.21		3,397.21		2,481.96
Other Expenses	9,030.16	4,385.00	13,415.16	4,965.00	8,600.16

(Continued)

TOWNSHIP OF WASHINGTON
CURRENT FUND
 Statement of Appropriation Reserves
 For the Year Ended December 31, 2013

	Balance Dec. 31, 2012	Balance	Disbursed	Refund	Balance
	<u>Reserved</u>	<u>After Transfers</u>	<u></u>	<u></u>	<u>Lapsed</u>
OPERATIONS WITHIN "CAPS"					
<u>Code Enforcement and Administration</u>					
Code Enforcement	\$ 759.66	\$ 759.66			\$ 759.66
Salaries and Wages	250.00	250.00			250.00
Other Expenses					
<u>Insurance</u>					
Liability Insurance	130.38	130.38	19.32		111.06
Workers Compensation	33,825.87	33,825.87	30,300.00		3,525.87
Group Insurance for Employees	323,825.31	323,825.31			323,825.31
Health Insurance Opt-out Payment	4,792.84	4,792.84			4,792.84
<u>Public Safety</u>					
Division of Police					
Salaries and Wages	294,432.21	241,432.21	10,890.42		230,541.79
Other Expenses	6,670.80	40,024.34	35,306.05	50.00	4,768.29
Division of Municipal Prosecutor					
Salaries and Wages	499.96	499.96			499.96
<u>Public Works Functions</u>					
Division of Public Works					
Office of Director					
Salaries and Wages	5,975.69	5,975.69	2,894.59		3,081.10
Other Expenses	10,446.11	10,581.11	1,226.44	100.00	9,454.67
Division of Trash Collection					
Other Expenses	67,715.25	203,593.00	203,815.00		67,493.25
Division of Streets					
Other Expenses	116,483.36	116,983.36	614.25		116,369.11
Division of Public Buildings					
Other Expenses	36,871.14	42,137.65	4,865.45		37,272.20
Division of Vehicle Maintenance					
Other Expenses	21,580.40	35,526.61	30,484.52		5,042.09

(Continued)

TOWNSHIP OF WASHINGTON
CURRENT FUND
 Statement of Appropriation Reserves
 For the Year Ended December 31, 2013

	<u>Balance Dec. 31, 2012</u>	<u>Encumbered</u>	<u>Balance</u>	<u>Disbursed</u>	<u>Refund</u>	<u>Balance</u>
	<u>Reserved</u>		<u>After Transfers</u>			<u>Lapsed</u>
OPERATIONS WITHIN "CAPS"						
<u>Health and Human Services</u>						
<u>Youth Services</u>						
Salaries and Wages	\$ 4,386.00	\$	\$ 4,386.00	\$	\$	\$ 4,386.00
Other Expenses	297.40		297.40	274.05		23.35
<u>Environmental Commission</u>						
Other Expenses	151.56		151.56			151.56
<u>Parks and Recreation</u>						
Senior Citizen Advisory Council						
Other Expenses	1,000.00		1,000.00			1,000.00
<u>Other Common Operating Functions</u>						
Veterans Affairs Advisory Council						
Other Expenses	0.84	475.00	475.84	475.00		0.84
Celebration of Public Event, Anniversary or Holiday						
Other Expenses	2,200.70	375.00	2,575.70	472.75		2,102.95
<u>Landfill and Solid Waste Disposal Costs</u>						
Trash Disposal						
Other Expenses	109,068.41	162,000.00	271,068.41	143,516.32		127,552.09
<u>Utilities</u>						
Gasoline	40,762.25	45,000.00	85,762.25	48,287.61		37,474.64
Electricity	7,836.01		7,836.01			7,836.01
Telephone and Telegraph	380.24		380.24	252.81		127.43
Heating Oil	9,159.61		9,159.61		264.86	9,424.47
Street Lighting	51,921.79	3,428.57	55,350.36	47,882.61		7,467.75
Water and Sewer	74.53		74.53			74.53
<u>Municipal Court Functions</u>						
Municipal Court						
Salaries and Wages	19,604.57		19,604.57	2,420.37		17,184.20
Other Expenses	7,538.98	1,204.10	8,743.08	1,163.10		7,579.98

TOWNSHIP OF WASHINGTON
CURRENT FUND

Statement of Appropriation Reserves
For the Year Ended December 31, 2013

	Balance Dec. 31, 2012	Balance	Balance	Disbursed	Refund	Balance
	<u>Reserved</u>	<u>Encumbered</u>	<u>After Transfers</u>			<u>Lapsed</u>
<u>OPERATIONS WITHIN "CAPS" (CONT'D)</u>						
Department of Licenses and Inspection	\$ 9,184.84	\$	\$ 9,184.84	\$ 941.48	\$	\$ 8,243.36
State Uniform Construction Code	1,114.96	1,268.00	2,382.96			2,382.96
Construction Code Official	45,765.10		45,765.10	14,929.91		30,835.19
Salaries and Wages						
Other Expenses						
Contracted Services - Third Party						
<u>Unclassified</u>						
Salary Adjustment	848.93		53,848.93	52,914.07		934.86
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>						
Contribution to:						
Social Security System (O.A.S.I.)	70,353.39		70,353.39	100.47		70,252.92
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>						
Recycling Tax	10,158.06	4,500.00	14,658.06	3,317.94		11,340.12
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>						
Traffic Signal Agreements:						
Minuteman Drive and Huffville-Crosskeys Road	7,302.00		7,302.00			7,302.00
Total	\$ 1,424,914.77	\$ 484,527.74	\$ 1,909,442.51	\$ 693,359.16	\$ 714.86	\$ 1,216,798.21

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Accrued Interest Receivable on Loan
For the Year Ended December 31, 2013

Balance Dec. 31, 2012		\$ 787,200.00
Increased by:		
Accrued Interest		<u>57,600.00</u>
Balance Dec. 31, 2013		<u>\$ 844,800.00</u>

Exhibit SA-10

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Payroll Deductions Payable
For the Year Ended December 31, 2013

Balance Dec. 31, 2012		\$ 64,827.23
Increased by:		
Gross Payroll	\$ 13,632,753.42	
Employer Contributions	<u>2,724,389.21</u>	
		<u>16,357,142.63</u>
		16,421,969.86
Decreased by:		
Net Payroll	8,422,920.04	
Payroll Deductions and Employer Contribution	<u>7,982,921.25</u>	
		<u>16,405,841.29</u>
Balance Dec. 31, 2013		<u>\$ 16,128.57</u>

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2013

Balance Dec. 31, 2012 (2013 Taxes)		\$ 1,174,645.62
Increased by:		
Transfer from Overpayments	\$ 61,299.09	
Collection (2014 Taxes)	<u>835,583.83</u>	
		<u>896,882.92</u>
		2,071,528.54
Decreased by:		
Applied to 2013 Taxes		<u>1,174,645.62</u>
Balance Dec. 31, 2013 (2014 Taxes)		<u>\$ 896,882.92</u>

Exhibit SA-12

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2013

Balance Dec. 31, 2012		\$ 8.59
Increased by:		
Overpayments in 2013:		
Cash Receipts		<u>520,193.46</u>
		520,202.05
Decreased by:		
Refunds	\$ 458,900.30	
Applied to Prepaid Taxes	<u>61,299.09</u>	
		<u>520,199.39</u>
Balance Dec. 31, 2013		<u>\$ 2.66</u>

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of County Taxes Payable
For the Year Ended December 31, 2013

Accrued in 2013:			
2013 Levy:			
County General	\$ 25,489,283.35		
County Open Space	<u>1,851,363.11</u>		
		\$	<u>27,340,646.46</u>
Disbursements		\$	<u>27,340,646.46</u>

Exhibit SA-14

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Amount Due to County For Added and Omitted Taxes
For the Year Ended December 31, 2013

Balance Dec. 31, 2012	\$	54,512.23
Increased by:		
County Share of Added and Omitted Taxes		<u>16,798.71</u>
		71,310.94
Decreased by:		
Disbursements		<u>54,512.23</u>
Balance Dec. 31, 2013	\$	<u>16,798.71</u>

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Local School District Tax
For the Year Ended December 31, 2013

Accrued in 2013:			
Levy - Calendar Year			\$ 78,961,042.00
Decreased by:			
Disbursements	\$ 78,961,040.50		
Canceled to Fund Balance		<u>1.50</u>	
			<u>\$ 78,961,042.00</u>

Exhibit SA-16

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Due to Fire Districts
For the Year Ended December 31, 2013

Accrued in 2013:			
Levy - Calendar Year			\$ 5,465,389.00
Decreased by:			
Payments	\$ 5,465,388.00		
Canceled to Fund Balance		<u>1.00</u>	
			<u>\$ 5,465,389.00</u>

Exhibit SA-17

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Due to Library
For the Year Ended December 31, 2013

Balance Dec. 31, 2012			\$ 31,073.48
Increased by:			
Receipts			<u>688,146.33</u>
			719,219.81
Decreased by:			
Disbursements			<u>685,772.06</u>
Balance Dec. 31, 2013			<u>\$ 33,447.75</u>

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Due to State - DCA Fees
For the Year Ended December 31, 2013

Balance Dec. 31, 2012	\$	6,693.00
Increased by:		
Receipts		<u>33,744.00</u>
		40,437.00
Decreased by:		
Payments		<u>30,274.00</u>
Balance Dec. 31, 2013	\$	<u><u>10,163.00</u></u>

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Due to State - Marriage and Burial Fees
For the Year Ended December 31, 2013

Balance Dec. 31, 2012	\$	935.00
Increased by:		
Receipts		<u>4,955.00</u>
		5,890.00
Decreased by:		
Payments		<u>4,590.00</u>
Balance Dec. 31, 2013	\$	<u><u>1,300.00</u></u>

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Reserve for Prescriptions
For the Year Ended December 31, 2013

Increased by:	
Transfer from Budget Appropriations	\$ 75,000.00
Decreased by:	
Payment of Reimbursements to Retirees	<u>74,406.06</u>
Balance Dec. 31, 2013	<u>\$ 593.94</u>

Exhibit SA-21

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Reserve for Deposit for Sale of Property
For the Year Ended December 31, 2013

Balance Dec. 31, 2012	\$ 100,000.00
Increased by:	
Receipts	<u>325,000.00</u>
	425,000.00
Decreased by:	
Realized as Revenue in 2013 Budget	<u>\$ 425,000.00</u>

Exhibit SA-22

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Reserve for Tax Appeals
For the Year Ended December 31, 2013

Accrued in 2013:	
Budget Appropriation	<u>\$ 170,000.00</u>

TOWNSHIP OF WASHINGTON
FEDERAL, STATE AND OTHER GRANT FUND
 Statement of Federal, State and Other Grants Receivable
 For the Year Ended December 31, 2013

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Accrued</u>	<u>Received in</u> <u>Current Fund</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Federal Grants:				
Community Development Block Grant	\$ 84,686.65	\$ 117,209.60		\$ 201,896.25
Federal Emergency Management Assistance Over the Limit Year End Crackdown	5,000.00			5,000.00
Drive Sober or Get Pulled Over	6,200.00			6,200.00
Click It or Ticket 2013 Seat Belt Mobilization	600.00	4,400.00	4,100.00	900.00
Bullet Proof Vest	23,052.71	4,000.00	4,000.00	
Justice Assistance Grant	23,100.00	5,016.44	8,027.50	20,041.65
NJ DEP Recreation Trails	11,628.00	5,000.00	18,825.00	9,275.00
NJ Transportation Trust - Canal Street	30,439.00		4,142.50	7,485.50
NJ Transportation Trust - Sidewalk Improvements	30,006.09			30,439.00
NJ Transportation Trust - Mt. Pleasant Road	69,501.00			30,006.09
NJ Transportation Trust - County House Road	25,000.00			69,501.00
NJ DOT - Bike Pathway - Bethel Mill	52,316.00			25,000.00
NJ DOT - Colonial Way	36,922.00			52,316.00
NJ DOT - Goodwin Parkway Phase I	175,000.00		131,250.00	36,922.00
NJ DOT - Bike Pathway - East Holly	44,168.00			43,750.00
NJ DOT Local Aid Pedestrian Safety Program	39,946.00			44,168.00
NJ DOT - Reconstruction of Wilson Road		175,000.00		39,946.00
FEMA Hazard Mitigation Program - Stable Drive/Windy Acres Drive		210,000.00	121,147.59	53,852.41
	<u>657,565.45</u>	<u>520,626.04</u>	<u>291,492.59</u>	<u>886,698.90</u>
Total Federal Grants				

(Continued)

TOWNSHIP OF WASHINGTON
FEDERAL, STATE AND OTHER GRANT FUND
 Statement of Federal, State and Other Grants Receivable
 For the Year Ended December 31, 2013

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Accrued</u>	<u>Received in</u> <u>Current Fund</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
State Grants:				
Municipal Court Alcohol Education	\$	\$ 3,588.68	\$ 3,588.68	\$ 39,311.34
Municipal Alliance on Alcoholism and Drug Abuse	24,521.11	31,880.00	17,089.77	11,950.00
NJ Environmental Protection --Goodwin Tract Deer Fence	11,950.00			
Drunk Driving Enforcement		12,006.21	12,006.21	
NJ Historical Commission		850.00	850.00	
ANJEC WLP Trails		780.00	515.00	
Crash Reduction	2,700.00			265.00
Environmental Services	91.00			2,700.00
PARIS Grant	2,841.00			91.00
Recycling Tonnage		80,794.55	80,794.55	2,841.00
Aggressive Driver - Smooth Operator	200.00			200.00
Body Armor		8,263.23	8,263.23	
Clean Communities	1,427.72	83,387.90	83,387.90	1,427.72
Safe and Secure Communities	55,782.00			55,782.00
Obey the Signs or Pay the Fines	200.00			200.00
Total State Grants	<u>99,712.83</u>	<u>221,550.57</u>	<u>206,495.34</u>	<u>114,768.06</u>
Local Grants:				
Comcast Grant		5,000.00	5,000.00	
Grand Total	<u>\$ 757,278.28</u>	<u>\$ 747,176.61</u>	<u>\$ 502,987.93</u>	<u>\$ 1,001,466.96</u>

TOWNSHIP OF WASHINGTON
FEDERAL, STATE AND OTHER GRANT FUND
 Statement of Reserve for Federal, State and Other Grants - Unappropriated
 For the Year Ended December 31, 2013

<u>Program</u>	<u>Grants Receivable</u>	<u>Realized as Miscellaneous Revenue</u>
Federal Grants:		
Community Development Block Grant	\$ 117,209.60	\$ 117,209.60
FEMA Hazard Mitigation Program - Stable Drive/Windy Acres Drive	210,000.00	210,000.00
Drive Sober or Get Pulled Over	4,400.00	4,400.00
Click It or Ticket 2013 Statewide Seat Belt Mobilization	4,000.00	4,000.00
Bullet Proof Vest	5,016.44	5,016.44
NJDOT - Reconstruction of Wilson Road	175,000.00	175,000.00
Justice Assistance Grant (JAG)	5,000.00	5,000.00
Total Federal Grants	<u>520,626.04</u>	<u>520,626.04</u>
State Grants:		
Municipal Court Alcohol Education	3,588.68	3,588.68
Municipal Alliance on Alcoholism and Drug Abuse	31,880.00	31,880.00
NJ Historical Commission	850.00	850.00
ANJEC WLP Trails	780.00	780.00
Drunk Driving Enforcement	12,006.21	12,006.21
Recycling Tonnage	80,794.55	80,794.55
Body Armor	8,263.23	8,263.23
Clean Communities	83,387.90	83,387.90
Total State Grants	<u>221,550.57</u>	<u>221,550.57</u>
Local Grants		
Comcast Grant	5,000.00	5,000.00
Total Local Grants	<u>5,000.00</u>	<u>5,000.00</u>
Grand Total	<u>\$ 747,176.61</u>	<u>\$ 747,176.61</u>

TOWNSHIP OF WASHINGTON
FEDERAL, STATE AND OTHER GRANT FUND
 Statement of Reserve for Federal, State and Other Grants Appropriated
 For the Year Ended December 31, 2013

<u>Program</u>	<u>Balance Dec. 31, 2012</u>	<u>Encumbered</u>	<u>Transferred from 2013 Budget Appropriation</u>	<u>Encumbered</u>	<u>Disbursed in Current Fund</u>	<u>Balance Dec. 31, 2013</u>
Federal Grants:						
Federal Emergency Management Assistance	\$ 28,986.24	\$	\$ 210,000.00	\$	2,999.88	25,986.36
FEMA Hazard Mitigation - Stable Driver/Windy Acre Drive						210,000.00
Click it or Ticket	9,000.00		4,000.00		4,000.00	9,000.00
You Drink, You Drive, You Lose	3,500.00					3,500.00
Community Development Block Grant	158,460.74		117,209.60		149,839.77	129,830.57
Bullet Proof Vest	10,174.43	3,471.57	5,016.44		8,027.50	10,634.94
Buckle Up	2,000.00					2,000.00
Over the Limit, Under Arrest	7,025.00					7,025.00
Over the Limit, Impaired Driving	3,125.00					3,125.00
Over the Limit, Year End Crackdown	15,000.00					15,000.00
Drive Sober or Get Pulled Over	600.00		4,400.00		4,100.00	900.00
Justice Assistance Grant	3,875.00		5,000.00		8,050.00	625.00
HEOP Grant	2,406.00					2,406.00
NJ DEP Recreation Trails	796.00					796.00
NJ Transportation Trust - County House Road	25,000.00					25,000.00
NJ Transportation Trust - Mt. Pleasant Road	12,990.22					12,990.22
NJ Transportation Trust - Salina Road	5,095.08					5,095.08
Washington Lake Park - Trail Restoration	8,872.00					8,872.00
NJ DOT Local Aid Pedestrian Safety Program	13,206.00					13,206.00
NJ Department of Transportation - Sidewalk Improvements	30,439.00					30,439.00
NJ Department of Transportation - Canal Street	86,517.00					86,517.00
NJ Department of Transportation - Colonial Way	36,922.00		175,000.00		175,000.00	36,922.00
NJ Department of Transportation - Goodwin Parkway Phase I						
NJ Department of Transportation - Wilson Road						
Energy Efficiency & Conservation Block Grant	4,283.35	6,063.96		15,960.46	143,283.69	15,755.85
Total Federal Grants	468,073.06	184,535.53	520,626.04	15,960.46	503,286.16	663,988.01

(Continued)

TOWNSHIP OF WASHINGTON
FEDERAL, STATE AND OTHER GRANT FUND
 Statement of Reserve for Federal, State and Other Grants Appropriated
 For the Year Ended December 31, 2013

<u>Program</u>	<u>Balance Dec. 31, 2012</u>		<u>Transferred from 2013 Budget Appropriation</u>	<u>Encumbered</u>	<u>Disbursed in Current Fund</u>	<u>Balance Dec. 31, 2013</u>
	<u>Reserved</u>	<u>Encumbered</u>				
State Grants:	\$	\$	\$	\$	\$	\$
Drunk Driving Enforcement Fund	15,876.46		12,006.21		7,322.90	20,559.77
Aggressive Driver - Smooth Operator	200.00					200.00
Municipal Court Alcohol Education	4,098.62		3,588.68		3,829.00	3,858.30
Body Armor	6,717.17	7,146.18	8,263.23		8,027.50	14,099.08
Clean Communities	40,382.77	150.00	83,387.90	180.00	41,850.31	81,890.36
Municipal Alliance	79,049.95	6,204.45	31,880.00		27,547.93	89,586.47
Municipal Alliance - Cash Match	1,696.81	4,373.95	7,970.00		6,125.67	7,915.09
Crash Reduction	2,700.00					2,700.00
Obey the Signs or Pay the Fines	200.00					200.00
Environmental Services Grant	6,960.00					6,960.00
NJ Department of Environmental Protection						
Goodwin Tract Deer Fence	11,950.00					11,950.00
NJ Historical Commission			850.00		832.59	17.41
ANJEC WLP Trails			780.00			780.00
Park & Recreation Grant	106,971.00					106,971.00
Recycling Tonnage Grant	202,608.38					198,712.13
Statewide Livable Grant	87.00					87.00
Safe and Secure Community Program	55,782.00		80,794.55	37,734.00	46,956.80	55,782.00
PARIS Grant	9,624.00					9,624.00
Special Legislative Grant - Playground Equipment	42,000.00					42,000.00
Special Legislative Grant - Improvements to Athletic Center	75.00					75.00
Special Legislative Grant - Amphitheater	110,959.00					110,959.00
Total State Grants	697,938.16	17,874.58	229,520.57	37,914.00	142,492.70	764,926.61

(Continued)

TOWNSHIP OF WASHINGTON
FEDERAL, STATE AND OTHER GRANT FUND
 Statement of Reserve for Federal, State and Other Grants Appropriated
 For the Year Ended December 31, 2013

Program	Balance Dec. 31, 2012 Reserved	Encumbered	Transferred from 2013 Budget Appropriation	Encumbered	Disbursed in Current Fund	Balance Dec. 31, 2013
Local Grant						
Target Police Grant	\$ 550.00	\$	\$	\$	\$	550.00
Wal-Mart Grant	500.00					500.00
Donations - Concerts	500.00					500.00
Comcast Grant	5,000.00		5,000.00		5,000.00	5,000.00
Total Local Grant	<u>6,550.00</u>		<u>5,000.00</u>		<u>5,000.00</u>	<u>6,550.00</u>
Grand Total	<u>\$ 1,172,561.22</u>	<u>\$ 202,410.11</u>	<u>\$ 755,146.61</u>	<u>\$ 53,874.46</u>	<u>\$ 650,778.86</u>	<u>\$ 1,425,464.62</u>
Matching funds for Grants Realized as Revenue			\$ 7,970.00			
			<u>747,176.61</u>			
			<u>\$ 755,146.61</u>			

TOWNSHIP OF WASHINGTON
FEDERAL, STATE AND OTHER GRANT FUND
Statement of Due from Current Fund
For the Year Ended December 31, 2013

Balance Dec. 31, 2012		\$ 622,696.27
Increased by:		
Matching Funds for Municipal Alliance Grant	\$ 7,970.00	
Grants Receivable received in the Current Fund	<u>502,987.93</u>	
		<u>510,957.93</u>
		1,133,654.20
Decrease by:		
Grants Appropriated expended in the Current Fund		<u>650,778.86</u>
Balance Dec. 31, 2013		<u><u>\$ 482,875.34</u></u>

SUPPLEMENTAL EXHIBITS

TRUST FUND

TOWNSHIP OF WASHINGTON
TRUST FUNDS

Statement of Trust Fund Cash--Treasurer
For the Year Ended December 31, 2013

	<u>Animal Control</u>	<u>Open Space</u>	<u>Trust Other</u>
Balance Dec. 31, 2012	\$ 50,287.93	\$ 47,248.96	\$ 1,095,276.37
Increased by Receipts:			
Due to Current Fund -- Interest Earned	\$	\$	942.41
Due from Current Fund			420,620.26
Reserve for Animal Control	17,054.00		
Reserve for Open Space		325,355.12	
Reserve for Miscellaneous Trust Reserves:			
Youth Services			257.00
Escrow			634,037.27
Unemployment Claims			20,531.64
Parks and Recreation Trust			1,162,647.42
Off-Duty Police			845,937.49
Affordable Housing			26,808.34
Forfeited Funds			27,376.31
Self Insurance Claims			24,300.00
Clean Up Day Donations			2,675.00
POAA Fees			112.00
Reserve for Technology and Communications			400.00
Reserve for Sidewalk Fund			8,048.39
Historical Properties			8,444.16
Police Donations			35,722.00
Earth Day Donations			2,570.00
Veterans Wall			600.00
Public Defender			4,275.00
Super Saturday			8,625.90
Due to State of N.J.-- Dog License Fees	<u>4,158.00</u>		
Subtotal Carried Forward	<u>21,212.00</u>	<u>325,355.12</u>	<u>3,234,930.59</u>
	71,499.93	372,604.08	4,330,206.96

(Continued)

TOWNSHIP OF WASHINGTON
TRUST FUNDS

Statement of Trust Fund Cash--Treasurer
For the Year Ended December 31, 2013

	<u>Animal Control</u>	<u>Open Space</u>	<u>Trust Other</u>
Subtotal Brought Forward	\$ 71,499.93	\$ 372,604.08	\$ 4,330,206.96
Decreased by Disbursements:			
Due to Current Fund	\$ 11,580.53		
Reserve for Animal Control	11,957.76		
Reserve for Miscellaneous Trust Reserves:			
Escrow			373,246.23
Unemployment Claims			20,531.64
Parks and Recreation Trust			945,618.34
Off-Duty Police			838,349.50
Forfeited Funds			57,611.12
Self Insurance Claims			27,260.18
Clean Up Day Donations			1,837.66
Historical Properties			463.80
Police Donations			18,209.57
Earth Day Donations			2,707.96
Veterans Wall			1,950.00
4th of July Festival			2,700.00
Reserve for Public Defender			15,299.96
Super Saturday			7,944.01
Due to State of N.J.-- Dog License Fees	<u>4,075.20</u>		
	<u>27,613.49</u>		<u>2,313,729.97</u>
Balance Dec. 31, 2013	<u>\$ 43,886.44</u>	<u>\$ 372,604.08</u>	<u>\$ 2,016,476.99</u>

TOWNSHIP OF WASHINGTON
TRUST FUNDS
Statement of Trust Fund Cash--Collector
For the Year Ended December 31, 2013

		<u>Trust Other</u>
Balance Dec. 31, 2012		\$ 474,725.34
Increased by Receipts:		
Reserve for Miscellaneous Trust Escrows:		
Tax Sale Premiums	\$ 1,510,000.00	
Redemption of Tax Title Liens	2,234,330.68	
Due to Current Fund -- Interest Earned	<u>25.54</u>	
		<u>3,744,356.22</u>
		4,219,081.56
Decreased by Disbursements		
Reserve for Miscellaneous Trust Escrows:		
Tax Sale Premiums	224,500.00	
Redemption of Tax Title Liens	<u>2,300,927.03</u>	
		<u>2,525,427.03</u>
Balance Dec. 31, 2013		\$ <u><u>1,693,654.53</u></u>

TOWNSHIP OF WASHINGTON
ANIMAL CONTROL FUND
 Statement of Reserve for Animal Control Expenditures
 For the Year Ended December 31, 2013

Balance Dec. 31, 2012		\$	38,786.00
Increased by:			
Receipts			
Dog License Fees Collected			<u>17,054.00</u>
			55,840.00
Decreased by:			
Disbursements	\$	11,957.76	
Statutory Excess Due to Current Fund		<u>7,281.44</u>	
			<u>19,239.20</u>
Balance Dec. 31, 2013		\$	<u><u>36,600.80</u></u>

Dog License Fees Collected

<u>Year</u>	<u>Amount</u>
2011	\$ 18,221.00
2012	<u>18,379.80</u>
	<u><u>\$ 36,600.80</u></u>

TOWNSHIP OF WASHINGTON
ANIMAL CONTROL FUND
 Statement of Due To Current Fund
 For the Year Ended December 31, 2013

Balance December 31, 2012		\$	11,580.53
Increased by:			
Statutory Excess in Reserve for Animal Control Fund			<u>7,281.44</u>
			18,861.97
Decreased by:			
Disbursements			<u>11,580.53</u>
Balance December 31, 2013		\$	<u><u>7,281.44</u></u>

TOWNSHIP OF WASHINGTON
ANIMAL CONTROL FUND
Statement of Due To (From) State of New Jersey - Department of Health
Dog License Fees
For the Year Ended December 31, 2013

Balance Dec. 31, 2012	\$ (78.60)
Accrued in 2013:	
Receipts in Clerk's Account	<u>4,158.00</u>
	4,079.40
Decreased by:	
Disbursements in Clerk's Account	<u>4,075.20</u>
Balance Dec. 31, 2013	<u><u>\$ 4.20</u></u>

TOWNSHIP OF WASHINGTON
OPEN SPACE TRUST FUND
Statement of Due From Current Fund
For the Year Ended December 31, 2013

Balance Dec. 31, 2012		\$ 483,990.36
Increased by:		
Tax Levy		<u>495,497.49</u>
		979,487.85
Decreased by:		
Disbursements in Current Fund for Open Space Trust Fund		<u>495,408.22</u>
Balance Dec. 31, 2013		<u>\$ 484,079.63</u>

Exhibit SB-7

TOWNSHIP OF WASHINGTON
OPEN SPACE TRUST FUND
Statement of Reserve for Open Space Trust Fund
For the Year Ended December 31, 2013

Balance Dec. 31, 2012		\$ 531,239.32
Increased by:		
Receipts:		
Interest Earned	\$ 2,442.41	
State of New Jersey - Green Trust Fund	304,542.71	
Rental	<u>18,370.00</u>	
Due from Current Fund - Tax Levy	\$ 325,355.12	
		<u>495,497.49</u>
		820,852.61
Decreased by:		1,352,091.93
Disbursements in Current Fund for Open Space Trust Fund		<u>495,408.22</u>
Balance Dec. 31, 2013		<u>\$ 856,683.71</u>

TOWNSHIP OF WASHINGTON
TRUST OTHER FUND
Statement of Due From Current Fund
For the Year Ended December 31, 2013

Balance Dec. 31, 2012			\$ 589,433.43
Increased by:			
2013 Budget Appropriation:			
Reserve for Unemployment Insurance	\$ 70,000.00		
Receipts for Miscellaneous Trust Reserves Collected in Current Fund	<u>53,397.38</u>		<u>123,397.38</u>
			712,830.81
Decreased by:			
Interest Earned -- Tax Collector	\$ 25.54		
Interest Earned -- Treasurer	<u>942.41</u>		
		967.95	
Disbursed -- Treasurer	420,620.26		
Miscellaneous Trust Reserves Disbursed in Current Fund	<u>107,044.37</u>		
		<u>527,664.63</u>	<u>528,632.58</u>
Balance Dec. 31, 2013			<u>\$ 184,198.23</u>
<u>Analysis of Balance as of Dec. 31, 2013</u>			
Self Insurance			\$ (4.28)
Escrow			(1,049.66)
Tax Title Lien Redemption			(376.52)
Parks & Recreation			94,639.92
Off Duty Police			53,397.38
Unemployment			63,969.59
Trust Other			<u>(26,378.20)</u>
			<u>\$ 184,198.23</u>

TOWNSHIP OF WASHINGTON
TRUST OTHER FUND
 Statement of Miscellaneous Trust Reserves
 For the Year Ended December 31, 2013

	Balance Dec. 31, 2012	Receipts from Fees, Refunds, Interest and Donations			Disbursements		Balance Dec. 31, 2013
		Treasurer	Collected in Current Fund	Budget Appropriation	Treasurer	Disbursed in Current Fund	
Reserve for:							
Youth Services	\$ 55,602.46	\$ 257.00	\$	\$	\$	\$	\$ 55,859.46
Escrow	314,693.42	634,037.27			373,246.23		575,484.46
Unemployment Claims		20,531.64	70,000.00		20,531.64	6,030.41	63,969.59
Parks and Recreation Trust	875,433.36	1,162,647.42			945,618.34	101,013.96	991,448.48
Off-Duty Police	24,372.76	845,937.49		53,397.38	838,349.50		85,358.13
Affordable Housing	221,901.85	26,808.34					248,710.19
Forfeited Funds	101,976.03	27,376.31			57,611.12		71,741.22
Self Insurance Claims	2,970.18	24,300.00			27,260.18		10.00
Clean Up Day Donations	1,324.14	2,675.00			1,837.66		2,161.48
POAA Fees	525.00	112.00					637.00
Technology and Communications		400.00					400.00
Sidewalk Fund	12,174.64	8,048.39					20,223.03
Speedhumps	593.53						593.53
Historical Properties	14,400.46	8,444.16			463.80		22,380.82
Octoberfest	2,863.80						2,863.80
Police Donations	28,864.46	35,722.00			18,209.57		46,376.89
Earth Day Donations	2,891.49	2,570.00			2,707.96		2,753.53
Veterans Wall	3,914.42	600.00			1,950.00		2,564.42
4th of July Festival	3,157.06				2,700.00		457.06
Public Defender	14,858.12	4,275.00			15,299.96		3,833.16
Super Saturday	2,543.60	8,625.90			7,944.01		3,225.49
	<u>\$ 1,685,060.78</u>	<u>\$ 2,813,367.92</u>	<u>\$ 70,000.00</u>	<u>\$ 53,397.38</u>	<u>\$ 2,313,729.97</u>	<u>\$ 107,044.37</u>	<u>\$ 2,201,051.74</u>

TOWNSHIP OF WASHINGTON
TRUST OTHER FUND
Statement of Miscellaneous Trust Escrows
For the Year Ended December 31, 2013

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Tax Collector</u> <u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Reserve for:				
Tax Sale Premiums	\$ 346,800.00	\$ 1,510,000.00	\$ 224,500.00	\$ 1,632,300.00
Tax Title Liens	<u>127,574.36</u>	<u>2,234,330.68</u>	<u>2,300,927.03</u>	<u>60,978.01</u>
	<u>\$ 474,374.36</u>	<u>\$ 3,744,330.68</u>	<u>\$ 2,525,427.03</u>	<u>\$ 1,693,278.01</u>

SUPPLEMENTAL EXHIBITS
GENERAL CAPITAL FUND

TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
Statement of General Capital Cash--Treasurer
For the Year Ended December 31, 2013

Balance Dec. 31, 2012		\$ 11,240,796.28
Increased by Receipts:		
Due to Current Fund	\$ 78.55	
Budget Appropriation -- Unfunded Improvement Authorizations:		
Ordinance 10-2004	797.00	
Ordinance 37-2007	3,731.80	
Budget Appropriation -- Capital Improvement Fund	160,000.00	
		164,607.35
		11,405,403.63
Decreased by Disbursements:		
Realized as Revenue in Current Fund Budget		
Capital Fund Balance	\$ 50,000.00	
Reserve for Payment of Notes	6,650,000.00	
Improvement Authorizations	2,362,880.48	
		9,062,880.48
Balance Dec. 31, 2013		\$ 2,342,523.15

TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
 Analysis of General Capital Cash
 For the Year Ended December 31, 2013

	Balance		Receipts		Disbursements			Transfers		Balance
	Dec. 31, 2012		Budget	Misc.	Improvement	Misc.	From	To	Dec. 31, 2013	
Fund Balance	\$ 55,595.28	\$	\$	\$	\$	\$			\$	5,595.28
Capital Improvement Fund	83,468.15	160,000.00					130,800.00			112,668.15
Grant Receivable	(1,243.93)									(1,243.93)
Due to Current Fund				78.55						78.55
Due from Federal and State Grant Fund	(5,003.22)									(5,003.22)
Reserve for:										
Purchase of Server	703.60									703.60
Repairs to Grenloch Dam	5,844.65									5,844.65
Road Improvements	13,007.54									13,007.54
Debt Service	15,760.50									15,760.50
Accrued Interest	22,010.37									22,010.37
Reserve for Payment of Debt	6,650,000.00					6,650,000.00				
Reserve for Encumbrances	2,371,843.75						2,371,843.75	358,448.03		358,448.03
<u>Improvement Authorizations:</u>										
<u>Ordinance</u>										
<u>Number</u>										
32 & 38-1998 Various Capital Improvements	(506.00)									(506.00)
10-2004 Various Capital Improvements	17,116.03	797.00								17,913.03
15-2006 Improvements to Park & Recreation Facilities	1,647.13									1,647.13
33-2006 Various Capital Improvements	3,957.50									3,957.50
37-2007 Tennis Courts and In-Line Hockey Park	258.14	3,731.80								3,989.94
09-2012 Various Capital Improvements	2,006,336.79				2,362,880.48		358,448.03	2,371,843.75		1,656,852.03
36-2013 Various Capital Improvements								130,800.00		130,800.00
	<u>\$ 11,240,796.28</u>	<u>\$ 164,528.80</u>	<u>\$ 78.55</u>	<u>\$ 2,362,880.48</u>	<u>\$ 6,700,000.00</u>	<u>\$ 2,861,091.78</u>	<u>\$ 2,861,091.78</u>	<u>\$ 2,861,091.78</u>	<u>\$ 2,342,523.15</u>	



TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation--Funded
For the Year Ended December 31, 2013

Balance Dec. 31, 2012		\$ 24,347,860.88
Decreased by:		
2013 Open Space Trust Fund Budget Appropriation to Pay:		
Serial Bonds	\$ 359,800.00	
2013 Current Fund Budget Appropriation to Pay:		
Serial Bonds	1,890,200.00	
Green Trust Loans	<u>95,446.78</u>	
		<u>2,345,446.78</u>
Balance Dec. 31, 2013		\$ <u><u>22,002,414.10</u></u>

TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
 Statement of Deferred Charges to Future Taxation - Unfunded
 For the Year Ended December 31, 2013

Ordinance Number	Improvement Description	Analysis of Balance Dec 31, 2013				Unexpended Improvement Authorizations
		Balance Dec. 31, 2012	2013 Authorizations	Funded by Budget Appropriation	Balance Dec. 31, 2013	
General Improvements:						
32 & 38-1998	Various Capital Improvements	\$ 506.00	\$	\$	\$ 506.00	\$
10-2004	Various Capital Improvements	797.00		797.00		
37-2007	Tennis Courts and In-Line Hockey Park	3,731.80		3,731.80		
09-2012	Various Capital Improvements	6,650,000.00		6,650,000.00		
36-2013	Various Capital Improvements	2,485,200.00	2,485,200.00	2,485,200.00	2,485,200.00	2,485,200.00
		<u>\$ 6,655,034.80</u>	<u>\$ 2,485,200.00</u>	<u>\$ 6,654,528.80</u>	<u>\$ 2,485,706.00</u>	<u>\$ 2,485,200.00</u>
				Improvement Authorizations-- Unfunded		<u>\$ 2,485,200.00</u>

TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
 Statement of Due to Current Fund
 For the Year Ended December 31, 2013

Receipts -- Interest Earned	\$	<u>78.55</u>
Balance Dec. 31, 2013	\$	<u><u>78.55</u></u>

Exhibit SC-6

TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
 Statement of Capital Improvement Fund
 For the Year Ended December 31, 2013

Balance Dec. 31, 2012	\$	83,468.15
Increased by:		
2013 Budget Appropriation		<u>160,000.00</u>
		243,468.15
Decreased by:		
Appropriation to Finance Improvement Authorizations		<u>130,800.00</u>
Balance Dec. 31, 2013	\$	<u><u>112,668.15</u></u>

TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
Statement of Capital Reserves
For the Year Ended December 31, 2013

<u>Reserve for:</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Anticipated</u> <u>as Revenue in</u> <u>2013 Budget</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Road Improvements	\$ 13,007.54	\$	\$ 13,007.54
Reserve for Payment of Notes	6,650,000.00	6,650,000.00	
Purchase of Server	703.60		703.60
Repairs to Grenloch Dam	5,844.65		5,844.65
Accrued Interest	22,010.37		22,010.37
Debt Service	15,760.50		15,760.50
	<u>\$ 6,707,326.66</u>	<u>\$ 6,650,000.00</u>	<u>\$ 57,326.66</u>

TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
 Schedule of Improvement Authorizations
 For the Year Ended December 31, 2013

Ordinance Number	Improvement Description	Date	Ordinance Amount	Dec. 31, 2012		Prior Year Encumbrances	Capital Improvement Fund	Paid or Charged	2013 Authorization	
				Funded	Unfunded				Funded	Unfunded
10-2004	Various Capital Improvements	05/26/04	\$ 4,467,155.00	\$ 17,116.03	\$ 797.00	\$	\$	\$	\$	\$ 17,913.03
15-2006	Improvements to Park & Recreation Facilities	03/23/06	75,000.00	1,647.13						1,647.13
33-2006	Various Capital Improvements	09/14/06	3,000,000.00	3,957.50						3,957.50
37-2007	Tennis Courts and In-Line Hockey Park	10/09/07	205,000.00	258.14	3,731.80					3,989.94
09-2012	Various Capital Improvements	05/23/12	7,000,000.00	2,006,336.79		2,371,843.75		2,721,328.51		1,656,652.03
36-2013	Various Capital Improvements	12/11/13	2,616,000.00				130,800.00			130,800.00
				<u>\$ 2,029,315.59</u>	<u>\$ 4,528.80</u>	<u>\$ 2,371,843.75</u>	<u>\$ 130,800.00</u>	<u>\$ 2,721,328.51</u>	<u>\$ 2,485,200.00</u>	<u>\$ 1,815,159.63</u>
								<u>\$ 2,362,880.48</u>		
								<u>358,448.03</u>		
										<u>\$ 2,721,328.51</u>

Disbursed Reserve for Encumbrances

TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
 Statement of General Serial Bonds
 For the Year Ended December 31, 2013

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2013		Interest Rate	Balance Dec. 31, 2012	Paid by Budget Appropriation	Balance Dec. 31, 2013
			Date	Amount				
Refunding Bonds, Series 2004	08/01/04	\$ 8,085,000.00	11/15/14	\$ 385,000.00	4.000%			
			11/15/15	395,000.00	4.000%	\$ 1,165,000.00	\$ 385,000.00	\$ 780,000.00
General Bonds, Series 2004	07/15/04	4,243,000.00	07/15/14	393,000.00	3.600%			
			07/15/15	400,000.00	3.700%			
			07/15/16	500,000.00	3.800%			
			07/15/17	500,000.00	3.900%	2,093,000.00	300,000.00	1,793,000.00
Refunding Bonds, Series 2005	12/07/05	9,585,000.00	08/01/14	1,265,000.00	3.600%			
			08/01/15	1,305,000.00	3.600%	3,840,000.00	1,270,000.00	2,570,000.00
Refunding Bonds, Series 2006	01/05/06	8,190,000.00	08/01/14	15,000.00	3.800%			
			08/01/15	15,000.00	3.875%			
			08/01/16	1,315,000.00	5.000%			
			08/01/17	1,370,000.00	4.000%			
			08/01/18	1,360,000.00	4.000%			
			08/01/19	1,350,000.00	4.000%			
		08/01/20	1,345,000.00	4.000%				
			08/01/21	1,295,000.00	3.875%	8,080,000.00	15,000.00	8,065,000.00

(Continued)

TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
 Statement of General Serial Bonds
 For the Year Ended December 31, 2013

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2013		Interest Rate	Balance Dec. 31, 2012	Paid by Budget Appropriation	Balance Dec. 31, 2013
			Date	Amount				
General Bonds, Series 2012	12/13/12	\$ 8,530,000.00	11/15/14 - 16	265,000.00	2.000%			
			11/15/17	295,000.00	2.000%			
			11/15/18 - 19	480,000.00	2.000%			
			11/15/20	485,000.00	2.000%			
			11/15/21	500,000.00	2.000%			
			11/15/22	510,000.00	2.000%			
			11/15/23	525,000.00	3.000%			
			11/15/24 - 25	515,000.00	3.000%			
			11/15/26 - 28	525,000.00	3.000%			
			11/15/29	525,000.00	2.250%			
		11/15/30	525,000.00	2.375%				
		11/15/31	525,000.00	2.500%				
						\$ 8,530,000.00	\$ 280,000.00	\$ 8,250,000.00
						\$ 23,708,000.00	\$ 2,250,000.00	\$ 21,458,000.00
Paid in Current Fund								\$ 1,890,200.00
Paid in Open Space Trust Fund								\$ 359,800.00
								\$ 2,250,000.00

TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
Statement of Loan Payable - Green Trust
For the Year Ended December 31, 2013

Balance Dec. 31, 2012	\$	639,860.88
Decreased by:		
Payments		<u>95,446.78</u>
Balance Dec. 31, 2013	\$	<u><u>544,414.10</u></u>

TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND

Statement of Bonds and Notes Authorized But Not Issued
 For the Year Ended December 31, 2013

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Balance Dec. 31, 2012</u>	<u>2013 Authorizations</u>	<u>Funded by Budget Appropriation</u>	<u>Balance Dec. 31, 2013</u>
General Improvements: 32 & 38-1998	Various Capital Improvements	10/08/98	\$ 506.00	\$	\$	506.00
10-2004	Various Capital Improvements	05/26/04	797.00		797.00	
37-2007	Tennis Courts and In-Line Hockey Park	10/09/07	3,731.80		3,731.80	
36-2013	Various Capital Improvements	12/11/13		2,485,200.00		2,485,200.00
			<u>\$ 5,034.80</u>	<u>\$ 2,485,200.00</u>	<u>\$ 4,528.80</u>	<u>\$ 2,485,706.00</u>

TOWNSHIP OF WASHINGTON
PART 2
SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2013

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133**

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Council
Township of Washington
Sewell, New Jersey 08080

Report on Compliance for Each Major Federal Program

We have audited the Township of Washington's, in the County of Gloucester, State of New Jersey, compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on the Township's major federal program for the year ended December 31, 2013. The Township's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Township's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Township's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Township's compliance.

Opinion on the Major Federal Program

In our opinion, Township of Washington complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for year ended December 31, 2013.

Report on Internal Control Over Compliance

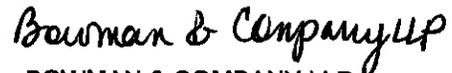
Management of Township of Washington is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township of Washington's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Carol A. McAllister
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
May 28, 2014

TOWNSHIP OF WASHINGTON
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2013

Federal Grantor/ Pass-through <u>Grantor/Program Title</u>	Federal CFDA <u>Number</u>	GMIS Number/ <u>Grant Number</u>	Program or Award <u>Amount</u>	Matching Contri- <u>bution</u>	<u>Grant Period</u> From To	
<u>U.S. Department of Housing and Urban Development</u>						
<u>Passed through County of Gloucester, New Jersey</u>						
Community Development Block Grant	14.218	N/A	\$150,963.00	N/A	01/01/05	Indef.
Community Development Block Grant	14.218	N/A	475,620.00	N/A	01/01/07	Indef.
Community Development Block Grant	14.218	N/A	44,986.00	N/A	01/01/09	Indef.
Community Development Block Grant	14.218	N/A	159,802.00	N/A	01/01/10	Indef.
Community Development Block Grant	14.218	N/A	132,608.00	N/A	01/01/11	Indef.
Community Development Block Grant	14.218	N/A	117,209.60	N/A	01/01/12	Indef.
Total Community Development Block Grant						
Total U.S. Department of Housing and Urban Development						
<u>U.S. Department of Transportation</u>						
<u>Passed through New Jersey State Department of Transportation</u>						
Highway Planning and Construction - Goodwin Parkway	20.205	6320-480-60082x-61	175,000.00	N/A	05/9/12	Indef.
Highway Planning and Construction - Wilson Road	20.205	6320-480-60082x-61	175,000.00	N/A	05/1/13	Indef.
NJ Transportation Trust - County House Road	20.205	6320-480-60082x-61	140,000.00	N/A	02/28/05	Indef.
NJ Transportation Trust - Mt. Pleasant Road	20.205	6320-480-60082x-61	150,000.00	N/A	11/29/06	Indef.
NJ Transportation Trust - Salina Road	20.205	6320-480-60082x-61	175,000.00	N/A	01/28/10	Indef.
NJ Department of Transportation - Sidewalk Improvements	20.205	6320-480-60082x-61	205,047.50	N/A	07/30/08	Indef.
NJ Department of Transportation - Canal Street	20.205	6320-480-60082x-61	100,000.00	N/A	05/19/04	Indef.
NJ Department of Transportation - Colonial Way	20.205	6320-480-60082x-61	163,000.00	N/A	06/23/04	Indef.
NJDOT Local Aid Pedestrian Safety Program	20.205	6320-480-60082x-61	405,000.00	N/A	05/03/04	Indef.
<u>Passed through New Jersey State Department of Environmental Protection</u>						
Recreation Trail	20.219	4875-042-100-205	25,000.00	N/A	09/28/07	08/31/10
Washington Lake Park - Trail Restoration	20.219	4875-042-100-205	23,289.00	N/A	09/25/06	08/31/09
<u>Passed through New Jersey State Department of Law and Public Safety</u>						
You Drive, You Drive, You Lose	20.605	N/A	3,500.00	N/A	05/19/05	05/30/05
Buckle Up	20.602	06611606007484	2,000.00	N/A	11/14/05	12/18/05
Impaired Driving Crackdown	20.601	0661160100057	7,025.00	N/A	N/A	N/A
Impaired Driving Crackdown	20.601	0661160100057	3,125.00	N/A	N/A	N/A
Impaired Driving Crackdown	20.601	0661160100057	15,000.00	N/A	N/A	N/A
Impaired Driving Crackdown	20.601	0661160100057	4,400.00	N/A	08/09/11	09/05/11
Impaired Driving Crackdown	20.601	0661160100057	4,400.00	N/A	08/09/13	09/05/14
Click it or Ticket	20.616	0661160100155	5,000.00	N/A	05/24/04	06/06/04
Click it or Ticket	20.616	0661160100155	4,000.00	N/A	05/23/05	06/06/05
Click it or Ticket	20.616	0661160100155	4,000.00	N/A	05/23/13	06/06/13
Total U.S. Department of Transportation						

Balance December 31, 2012	Receipts or		Code	Encumbrances/		Balance December 31, 2013	Memo Only	
	Revenues Recognized	Adjustments		Contract Awards	Disbursed/ Expended		Cash Collected	Accumulated Expenditures
\$79,268.85						\$79,268.85		\$71,694.15
796.01						796.01		474,823.99
36,806.00						36,806.00		8,180.00
5,631.78					\$5,631.78			159,802.00
35,958.10					35,958.10			132,808.00
	\$117,209.60				108,249.89	8,959.71		108,249.89
158,460.74	117,209.60	-		-	149,839.77	125,830.57	-	955,358.03
158,460.74	117,209.60	-		-	149,839.77	125,830.57	-	955,358.03
		\$175,000.00	1		175,000.00		\$131,250.00	175,000.00
	175,000.00			\$15,960.46	143,283.69	15,755.85	121,147.59	143,283.69
25,000.00						25,000.00		115,000.00
12,990.22						12,990.22		137,009.78
5,095.08						5,095.08		169,904.92
30,439.00						30,439.00		174,808.50
86,517.00						86,517.00		13,483.00
36,922.00						36,922.00		126,078.00
13,206.00						13,206.00		391,794.00
210,169.30	175,000.00	175,000.00		15,960.46	318,283.69	225,925.15	252,397.59	1,446,161.89
796.00						796.00	4,142.50	24,204.00
8,872.00						8,872.00		14,417.00
9,668.00	-	-		-	-	9,668.00	4,142.50	38,621.00
3,500.00						3,500.00		
2,000.00						2,000.00		
7,025.00						7,025.00		
3,125.00						3,125.00		
15,000.00						15,000.00		
600.00						600.00		3,800.00
	4,400.00				4,100.00	300.00	4,100.00	4,100.00
5,000.00						5,000.00		
4,000.00						4,000.00		
	4,000.00				4,000.00		4,000.00	4,000.00
40,250.00	8,400.00	-		-	8,100.00	40,550.00	8,100.00	11,900.00
260,087.30	183,400.00	175,000.00		15,960.46	326,383.69	276,143.15	264,640.09	1,496,682.89

(Continued)

TOWNSHIP OF WASHINGTON
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2013

Federal Grantor/ Pass-through Grantor/Program Title	Federal CFDA Number	GMIS Number/ Grant Number	Program or Award Amount	Matching Contri- bution	<u>Grant Period</u> From To	
<u>U.S. Department of Energy</u>						
Energy Efficiency and Conservation Block Grant	81.128	N/A	\$467,400.00	N/A	09/21/09	09/20/12
Total U.S. Department of Energy						
<u>U.S. Department of Justice</u>						
<u>Passed through County of Gloucester, New Jersey</u>						
Byrne JAG Program	16.738	313004002	8,675.00	N/A	10/01/11	9/30/14
Bulletproof Vest Partnership Grant	16.607	FY 12	10,530.00	N/A	09/21/11	08/31/13
Bulletproof Vest Partnership Grant	16.607	FY 13	5,016.44	N/A	09/14/13	08/31/15
Total U.S. Department of Justice						
<u>U.S. Department of Homeland Security</u>						
<u>Passed through New Jersey State Department of Law and Public Safety</u>						
FEMA Hazard Mitigation - Stable Drive/Windy Acre	97.039	N/A	210,000.00	N/A	9-10-12	9-9-15
<u>Passed through New Jersey State Police</u>						
Emergency Management Grant	97.042	99-1200-100-726	30,000.00	N/A	7-01-10	6-30-11
Disaster Grants - Public Assistance (FEMA)	97.036	66-1200-100-A70	60,870.79	N/A	N/A	N/A
State and Local All Hazards Emergency						
Operation Planning Program (SLAHEOP)	97.051	N/A	2,406.00	N/A	N/A	N/A
Total U.S. Department of Homeland Security						
Total Federal Financial Assistance						

Adjustment Codes:

(1) Prior Year Encumbered

The accompanying Notes to Financial Statements and Notes to Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Balance December 31, 2012	Receipts or Revenues Recognized	Adjustments	Code	Encumbrances/ Contract Awards		Disbursed/ Expended	Balance December 31, 2013	Memo Only	
								Cash Collected	Accumulated Expenditures
\$4,283.35	-	\$6,063.96	1	-		\$7,985.32	\$2,361.99	-	\$465,038.01
4,283.35	-	6,063.96		-		7,985.32	2,361.99	-	465,038.01
3,675.00	\$5,000.00					8,050.00	625.00	\$18,825.00	8,050.00
10,174.43		3,471.57	1			8,027.50	5,618.50	8,027.50	4,911.50
	5,016.44						5,016.44		
13,849.43	10,016.44	3,471.57		-		16,077.50	11,259.94	26,852.50	12,961.50
	210,000.00						210,000.00		
28,986.24						2,999.88	25,986.36		4,013.64
	60,870.79					60,870.79			60,870.79
2,406.00							2,406.00		
31,392.24	270,870.79	-		-		63,870.67	238,392.36	-	64,884.43
\$468,073.06	\$581,496.83	\$184,535.53		\$15,960.46		\$564,156.95	\$653,988.01	\$291,492.59	\$2,994,924.86

TOWNSHIP OF WASHINGTON
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2013

Note 1: GENERAL

The accompanying schedule of expenditures of federal awards presents the activity of all federal awards programs of the Township of Washington, County of Gloucester, State of New Jersey. The Township is defined in the Notes to the Financial Statements, Note 1.

Note 2: BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, which is described in the Notes to the Financial Statements, Note 1.

Note 3: RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedule agree with amounts reported in the Township's financial statements. Expenditures from federal awards are reported in the Township's financial statements as follows:

<u>Fund</u>	<u>Federal</u>	<u>Total</u>
Current Fund	<u>\$ 564,156.95</u>	<u>\$ 564,156.95</u>

Note 4: MAJOR PROGRAMS

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

TOWNSHIP OF WASHINGTON
PART 3
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013

TOWNSHIP OF WASHINGTON
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2013

Not applicable--State Single Audit not required

Section 1- Summary of Auditor's Results (Cont'd)

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? ___ yes ___ no

Significant deficiency(ies) identified? ___ yes ___ none reported

Type of auditor's report issued on compliance for major programs _____

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 or New Jersey Circular 04-04-OMB? ___ yes ___ no

Identification of major programs:

<u>GMS Number(s)</u>	<u>Name of State Program</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Dollar threshold used to determine Type A programs \$ _____

Auditee qualified as low-risk auditee? ___ yes ___ no

TOWNSHIP OF WASHINGTON
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2013

Section 2- Schedule of Financial Statement Findings

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

None.

TOWNSHIP OF WASHINGTON
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2013

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by OMB Circular A-133.

None.

TOWNSHIP OF WASHINGTON
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2013

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

N/A.

TOWNSHIP OF WASHINGTON
Summary Schedule of Prior Year Audit Findings
And Questioned Costs as Prepared by Management

This section identifies the status of prior year findings related to the financial statement that are required to be reported in accordance with Government Auditing Standards.

FINANCIAL STATEMENT FINDINGS

Finding No. 2012-1

Condition

The general ledgers for all funds were not properly maintained and as a result numerous adjusting entries were required in order to achieve proper presentation in the financial statements. Also, the general ledger subsidiary appropriation ledgers were not in agreement with the general ledger control accounts. Adjustments to the totals of the appropriation ledger were required to attain assurance that the ledgers had a complete accounting.

Current Status

The finding has been resolved.

Finding No. 2012-2

Condition

A fixed asset ledger was in place for the year 2012, but it did not meet the minimum requirements as set forth by the Local Finance Board in the New Jersey Administrative Code. The Township did not have adequate controls in place to assure that new assets were properly identified as to location, inventory tag number, serial number and other identifying information. There were no controls in place to assure that assets sold or discarded are removed from the ledger or that all new assets, including those that may have been donated or obtained through a capital lease were recorded. The Township's last inventory of fixed assets took place in 2002.

Current Status

The finding has been resolved.

Finding No. 2012-3

Condition

A payroll deductions payable analysis was not prepared that compared payroll deductions to the subsequent payments to payroll agencies and other entities to assure the accuracy of both deductions and payments.

Current Status

The finding has been resolved.

FEDERAL AWARDS

N/A.

STATE FINANCIAL ASSISTANCE PROGRAMS

N/A.

**TOWNSHIP OF WASHINGTON
Officials in Office and Surety Bonds**

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

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
Barbara Wallace	Mayor	(A)
Robert Smith	Business Administrator	(A)
Daniel Morley	President of Council	(A)
Giancarlo D'Orazio	Vice President of Council	(A)
Christopher Del Borrello	Council Member	(A)
Scott Newman	Council Member	(A)
Michelle Martin	Council Member	(A)
Robin Sarlo	Chief Financial Officer and Tax Collector	(A)
Mary Lou Bergh	Township Clerk (to November 2013)	(A)
Donna Heaton	Deputy Clerk	(A)
Alicia Melson	Tax Assessor – Gloucester County	(A)
Martin Whitcraft	Municipal Court Judge	(A)
Donna Tomasetti	Court Administrator	(A)
Debbie Slotnick	Deputy Court Administrator	(A)
Remington & Vernick	Engineer	
John Armano Jr, Esq	Attorney	

(A) Surety Bond Coverage by Gloucester, Salem and Cumberland County Municipal Joint Insurance Fund
\$1,000,000

A copy of the policy was examined and found to be properly executed.

APPRECIATION

I express my appreciation for the assistance and courtesies rendered by the Township officials during the course of the audit.

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Carol A. McAllister
Certified Public Accountant
Registered Municipal Accountant