

**REPORT OF AUDIT**  
**BOROUGH OF WASHINGTON**  
**COUNTY OF WARREN**  
**DECEMBER 31, 2021**

BOROUGH OF WASHINGTON, N.J.  
YEAR ENDED DECEMBER 31, 2021  
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**BOROUGH OF WASHINGTON**



**PART I**

**REPORT OF AUDIT ON FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY DATA**

**YEAR ENDED DECEMBER 31, 2021**



**WIELKOTZ & COMPANY**   
CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and  
Members of the Borough Council  
Borough of Washington  
Washington, New Jersey 07882

**Report on the Financial Statements**

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

We have audited the accompanying balance sheets – regulatory basis of the various funds and account group of the Borough of Washington in the County of Warren, as of December 31, 2021 and 2020, the related statement of operations and changes in fund balance – regulatory basis for the years then ended, and the related statement of revenues -regulatory basis and the statement of expenditures – regulatory basis of the various funds for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Borough’s basic financial statements as listed in the table of contents.

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 accompanying financial statements referred to above do not present fairly the financial position of each fund of the Borough of Washington as of December 31, 2021 and 2020, or changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”) and Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough of Washington, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse audit opinion.



Honorable Mayor and  
Members of the Borough Council  
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As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Washington on the basis of the financial reporting provisions prescribed by 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 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.

### ***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above, present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2021 and 2020, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures and changes in fund balance for the year ended December 31, 2021 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough of Washington's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.





In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Borough's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### ***Other Matters***

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Washington's basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance



Honorable Mayor and  
Members of the Borough Council  
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with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or any form of assurance thereon.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2022 on our consideration of the Borough of Washington's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Borough of Washington's internal control over financial reporting and compliance.



Steven D. Wielkocz, C.P.A.  
Registered Municipal Accountant  
No. CR00413



WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

August 31, 2022



**Borough of Washington, N.J.**

**Comparative Balance Sheet - Regulatory Basis**

**Current Fund**

**December 31,**

<u>Assets</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<b>Current Fund:</b>			
Cash	A-4	2,516,637.27	3,222,976.34
Change Fund	A-5	325.00	325.00
<b>Due From State of New Jersey:</b>			
Senior Citizen and Veteran Deductions	A-10	7,861.48	8,209.43
		<u>2,524,823.75</u>	<u>3,231,510.77</u>
<b>Receivables and Other Assets with Full Reserves:</b>			
Delinquent Taxes Receivable	A-6	340,891.57	538,494.12
Tax Title Liens Receivable	A-7	328,729.61	259,630.86
<b>Property Acquired for Taxes -</b>			
Assessed Valuation	A-8	969,500.00	969,500.00
Revenue Accounts Receivable	A-9	1,724.00	1,074.57
<b>Interfund Receivables:</b>			
Other Trust Fund	A-12	1,808.11	
Solid Waste Utility Fund	A-12	400,000.00	
Animal Control Trust Fund	A-12	12,500.00	12,500.00
		<u>2,055,153.29</u>	<u>1,781,199.55</u>
<b>Deferred Charges:</b>			
Special Emergency Authorization	A-11	143,400.00	143,400.00
		<u>4,723,377.04</u>	<u>5,156,110.32</u>
<b>Federal and State Grant Fund:</b>			
Cash	A-4	470,186.27	756.24
<b>Interfund Receivable:</b>			
Current Fund	A-20	-	142,833.33
Sewer Operating	A-20	-	7,766.29
Grants Receivable	A-21	759,772.89	797,691.34
		<u>1,229,959.16</u>	<u>949,047.20</u>
		<u>5,953,336.20</u>	<u>6,105,157.52</u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

**Borough of Washington, N.J.**

**Comparative Balance Sheet - Regulatory Basis**

**Current Fund**

**December 31,**

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<b>Current Fund:</b>			
Appropriation Reserves:	A-3; A-13	281,330.55	465,084.15
Reserve for Encumbrances	A-3; A-13	102,517.94	117,229.68
<b>Interfunds Payable:</b>			
Federal and State Grants	A-12	-	142,833.33
Open Space	A-12	119.99	-
Other Trust Fund	A-12		175,168.71
Tax Overpayments	A-14	6,352.17	-
Accounts Payable	A-14	16,500.00	18,000.00
<b>Reserve for:</b>			
State Library Aid	A-14	4,586.90	6,345.32
Tax Appeals	A-14	5,902.19	5,902.19
Sale of Municipal Assets	A-14	23,292.00	23,292.00
Prepaid Taxes	A-15	173,943.50	117,969.22
County Taxes Payable	A-16	4,811.00	507.17
Local School District Tax Payable	A-17	787,300.81	768,667.81
Regional High School Taxes Payable	A-18	104,655.28	152,905.68
		<u>1,511,312.33</u>	<u>1,993,905.26</u>
 Reserve for Receivables	 Contra	 2,055,153.29	 1,781,199.55
Fund Balance	A-1	1,156,911.42	1,381,005.51
		<u>4,723,377.04</u>	<u>5,156,110.32</u>
 <b>Federal and State Grant Fund:</b>			
Appropriated Reserve for Grants	A-22	681,703.46	639,509.37
Unappropriated Reserve for Grants	A-23	364,311.99	173,333.33
Encumbrances Payable	A-24	183,943.71	136,204.50
		<u>1,229,959.16</u>	<u>949,047.20</u>
		<u>5,953,336.20</u>	<u>6,105,157.52</u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

## Borough of Washington, N.J.

## Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

## Current Fund

## Years Ended December 31,

	Ref.	2021	2020
Revenues and Other Income:			
Fund Balance Utilized	A-2	600,000.00	602,560.19
Miscellaneous Revenue Anticipated	A-2	2,173,239.13	2,534,826.58
Receipts from Delinquent Taxes	A-2	495,712.21	527,081.04
Receipts from Current Taxes	A-2	18,305,760.58	18,517,437.71
Non-Budget Revenue	A-2	41,466.23	47,123.76
Other Credits to Income:			
Void Old Outstanding Checks			3,349.73
COVID-19 Special Emergency			143,400.00
Interfunds Returned	A-12		3,333.36
Appropriated Grant Reserves Canceled	A-19	0.08	
Unexpended Balance of			
Appropriation Reserves	A-13	333,740.63	235,732.04
Cancellation of Accounts Payable	A-14	1,500.00	500.00
Total Revenues and Other Income		<u>21,951,418.86</u>	<u>22,615,344.41</u>
Expenditures:			
Budget and Emergency Appropriations:			
Operations - Within "CAPS"			
Operating	A-3	2,492,885.00	3,080,674.89
Deferred Charges and			
Statutory Expenditures	A-3	266,510.00	268,049.18
Operations - Excluded From CAPS:			
Operating	A-3	3,692,727.25	3,943,042.26
Capital Improvements	A-3	144,000.00	60,000.00
Municipal Debt Service	A-3	1,102,534.86	1,140,581.13
Interfund Advances	A-12	401,808.11	12,500.00
Municipal Open Space Tax	A-12	73,419.99	73,157.12
County Taxes including Added Taxes	A-16	2,939,598.74	2,914,240.83
Local District School Tax	A-17	5,451,213.00	5,450,337.00
Regional High School Tax	A-18	4,810,816.00	4,896,233.00
Special Improvement District Tax	A-19	200,000.00	200,000.00
Total Expenditures		<u>21,575,512.95</u>	<u>22,038,815.41</u>
Statutory Excess to Fund Balance		375,905.91	576,529.00
Fund Balance, January 1,	A	<u>1,381,005.51</u>	<u>1,407,036.70</u>
		1,756,911.42	1,983,565.70
Decreased by:			
Fund Balance Utilized as Budget Revenue		<u>600,000.00</u>	<u>602,560.19</u>
Fund Balance, December 31,	A	<u>1,156,911.42</u>	<u>1,381,005.51</u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

## Borough of Washington, N.J.

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## Statement of Revenues - Regulatory Basis

## Current Fund

Year Ended December 31, 2021

	Ref.	Budget	Appropriated by: 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	600,000.00		600,000.00	-
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-9	5,000.00		5,010.00	10.00
Fees and Permits	A-9	130,000.00		49,475.00	(80,525.00)
Fines and Costs:					
Municipal Court	A-9	32,000.00		29,025.70	(2,974.30)
Interest and Costs on Taxes	A-9	90,000.00		104,314.91	14,314.91
Interest on Investments and Deposits	A-9	10,000.00		3,314.83	(6,685.17)
Energy Receipts Tax	A-9	593,376.00		593,376.00	-
Special Items of General Revenue Anticipated					
With Prior Written Consent of Director of Local Government Services:					
Public and Private Revenues:					
Recycling Tonnage Grant	A21		4,585.06	4,585.06	-
Municipal Alliance	A21		4,434.00	4,434.00	-
New Jersey Department of Transportation-South Lincoln	A21	84,000.00		84,000.00	-
Municipal Aid	A21		115,000.00	115,000.00	-
Firefighter Grant	A21		173,333.33	173,333.33	-
NJ CARES	A21		66,611.00	66,611.00	-
Risk Control Grant	A-21		2,787.00	2,787.00	-
Other Special Items:					
Shared Service Animal Shelter	A-9				-
Cable TV Gross Receipts	A-9	21,000.00		22,305.59	1,305.59
Shared Service -Oxford CFO	A-9	35,000.00		35,000.04	0.04
Shared Service-Oxford Administrator	A-9	46,666.68		46,666.67	(0.01)
Shared Service-Oxford Municipal Clerk	A-9	35,000.00		34,000.00	(1,000.00)
Sewer Operating Surplus	A-9	800,000.00		800,000.00	-
Total Miscellaneous Revenues	A-1	1,882,042.68	366,750.39	2,173,239.13	(75,553.94)
Receipts from Delinquent Taxes	A-1;A-2	400,000.00		495,712.21	95,712.21
Subtotal General Revenues		2,882,042.68	366,750.39	3,268,951.34	20,158.27
Amount to be Raised by Taxes for Support of Municipal Budget-Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-2	5,199,443.18		5,579,264.85	379,821.67
Budget Totals		8,081,485.86	366,750.39	8,848,216.19	399,979.94
Non-Budget Revenue	A-1;A-2	-	-	41,466.23	41,466.23
		<u>8,081,485.86</u>	<u>366,750.39</u>	<u>8,889,682.42</u>	<u>441,446.17</u>
		A-3	A-3		

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

## Borough of Washington, N.J.

## Statement of Revenues - Regulatory Basis

## Current Fund

## Year Ended December 31, 2021

<u>Analysis of Realized Revenues</u>	<u>Ref.</u>	
Revenue from Collections	A-1;A-6	18,305,760.58
Allocated to School and County Taxes	A-6	<u>13,475,047.73</u>
Balance for Support of Municipal Budget Appropriations.		4,830,712.85
Add:		
Appropriated Reserve for Uncollected Taxes	A-3	<u>748,552.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>5,579,264.85</u>
Receipts from Delinquent Taxes:		
Delinquent Taxes		
Taxes Receivable	A-6	<u>495,712.21</u>
		<u>495,712.21</u>
		A-2
<u>Analysis of Non-budget Revenues</u>		
Miscellaneous Revenues Not Anticipated:		
Tax Department Miscellaneous		130.00
Senior Citizen and Veterans Admin. Costs Reimb.		586.96
Finance - Miscellaneous		33,324.95
Tax Sale Costs		2,603.89
Various Refunds and Miscellaneous		<u>4,820.43</u>
	A-4	<u>41,466.23</u>
		A-2

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Borough of Washington, N. J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
<u>General Appropriations</u>						
General Government:						
Administrative and Executive:						
Salaries and Wages		91,700.00	93,300.00	93,256.88	43.12	-
Other Expenses		82,500.00	82,475.00	66,943.37	15,531.63	-
Mayor and Council:						
Salaries and Wages		22,600.00	22,600.00	22,443.23	156.77	-
Other Expenses		7,900.00	7,900.00	5,022.88	2,877.12	-
Municipal Clerk:						
Salaries and Wages		92,550.00	92,550.00	92,514.85	35.15	-
Other Expenses		12,500.00	15,000.00	14,339.31	660.69	-
Financial Administration:						
Salaries and Wages		120,745.00	120,745.00	117,845.81	2,899.19	-
Other Expenses		16,500.00	17,000.00	16,989.64	10.36	-
Annual Audit		35,000.00	35,000.00	32,000.00	3,000.00	-
Revenue Administration:						
Salaries and Wages		91,900.00	99,900.00	92,006.31	7,893.69	-
Other Expenses		23,900.00	23,900.00	10,893.58	13,006.42	-
Assessment of Taxes:						
Salaries and Wages		45,400.00	45,400.00	34,875.45	10,524.55	-
Other Expenses		16,100.00	16,100.00	8,261.40	7,838.60	-
Legal Services and Costs:						
Other Expenses		80,000.00	80,000.00	67,851.16	12,148.84	-
Engineering Services and Costs:						
Other Expenses		20,000.00	20,000.00	3,070.00	16,930.00	-
Land Use Board						
Salaries and Wages		4,900.00	4,900.00	4,891.71	8.29	-
Other Expenses		11,750.00	11,750.00	3,105.00	8,645.00	-

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.



Borough of Washington, N. J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
<u>General Appropriations</u>						
P.E.O.S.H.A. (P.L. 1983,C516):						
Other Expenses		500.00	500.00		500.00	-
Insurance:						
Health Insurance Waiver		3,000.00	3,000.00		3,000.00	-
General Liability		258,000.00	260,500.00	260,106.78	393.22	-
Employee Group Health		210,000.00	203,300.00	173,874.08	29,425.92	-
Public Safety:						
Fire:						
Other Expenses						
Miscellaneous Other Expenses		45,000.00	45,000.00	45,000.00	-	-
Fire Hydrant Service		73,000.00	73,000.00	70,199.80	2,800.20	-
First Aid Organization - Aid Maintenance:						
Other Expenses		19,000.00	19,000.00	19,000.00	-	-
Uniform Fire Safety Act (CH. 383, P.L. 1983)						
Fire and Code Enforcement:						
Other Expenses		500.00	500.00		500.00	-
Office of Emergency Management:						
Salaries and Wages		7,500.00	7,600.00	7,500.08	99.92	-
Other Expenses		1,000.00	1,000.00		1,000.00	-
Public Works						
Road Repair and Maintenance						
Salaries and Wages		582,440.00	582,440.00	524,344.98	58,095.02	-
Other Expenses		110,150.00	110,150.00	110,150.00	-	-
Shade Tree Commission:						
Salaries and Wages		1,200.00	1,200.00	1,102.05	97.95	-
Other Expenses		21,600.00	21,625.00	21,624.67	0.33	-
Public Buildings and Grounds:						
Other Expenses		31,500.00	41,500.00	41,402.46	97.54	-

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Borough of Washington, N. J.

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Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
<u>General Appropriations</u>						
Health and Welfare						
Animal Control:						
Salaries and Wages		1,000.00	1,000.00	1,000.00	-	-
Senior Services						
Other Expenses		3,000.00	3,000.00	3,000.00	-	-
Park and Recreation:						
Recreation and Education						
Other Expenses		75,000.00	75,000.00	75,000.00	-	-
Public Defender (P.L. 1977,C.256)						
Other Expenses		6,000.00	6,000.00	3,000.00	3,000.00	-
State Uniform Construction Code						
Construction Official						
Salaries and Wages		51,900.00	21,900.00	15,000.00	6,900.00	
Other Expenses		3,050.00	3,050.00	230.00	2,820.00	
Unclassified:						
Electricity		35,000.00	35,000.00	20,236.83	14,763.17	
Natural Gas		15,000.00	15,000.00	14,972.16	27.84	
Street Lighting & Traffic Lights		65,100.00	65,100.00	62,117.53	2,982.47	
Solid Waste Disposal						
Telephone		33,000.00	33,000.00	30,978.98	2,021.02	
Water		13,000.00	21,000.00	20,987.86	12.14	
Gasoline and Diesel Fuel		35,000.00	35,000.00	27,915.14	7,084.86	
Municipal Service Reimbursements		20,000.00	20,000.00	18,793.07	1,206.93	
Total Operations Within "CAPS"		<u>2,496,385.00</u>	<u>2,492,885.00</u>	<u>2,253,847.05</u>	<u>239,037.95</u>	
Total Operations Including Contingent- Within "CAPS"	A-1	<u>2,496,385.00</u>	<u>2,492,885.00</u>	<u>2,253,847.05</u>	<u>239,037.95</u>	

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Borough of Washington, N. J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
<u>General Appropriations</u>						
Detail:						
Salaries and Wages		1,113,835.00	1,093,535.00	1,006,781.35	86,753.65	-
Other Expenses (Including Contingent)		1,382,550.00	1,399,350.00	1,247,065.70	152,284.30	-
Deferred Charges and Statutory Expenditures- Municipal Within "CAPS"						-
Statutory Expenditures:						-
Contribution to:						-
Public Employees Retirement System		164,810.00	164,810.00	164,810.00	-	-
Social Security System (O.A.S.I.)		93,200.00	93,200.00	88,198.11	5,001.89	-
Unemployment Compensation Insurance		6,500.00	6,500.00	6,500.00	-	-
Defined Contribution Retirement Program		2,000.00	2,000.00	378.80	1,621.20	-
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	A-1	266,510.00	266,510.00	259,886.91	6,623.09	-
Total General Appropriations for Municipal Purposes within "CAPS"		2,762,895.00	2,759,395.00	2,513,733.96	245,661.04	-
Operations - Excluded From "CAPS"						-
Maintenance of Free Public Library		149,734.12	149,734.12	144,925.32	4,808.80	-
Other Expenses		500.00	500.00		500.00	-
COVID		150,234.12	150,234.12	144,925.32	5,308.80	-
Total Other Operations - Excluded From Caps						
Shared Service Agreements						
Shared Engineering Services - Washington Township		78,000.00	78,000.00	78,000.00	-	-
Shared Police Services - Washington Township		2,762,576.06	2,762,576.06	2,762,576.06	-	-
Shared Court Services - Mansfield Township		195,000.00	195,000.00	190,073.00	4,927.00	-
Shared Animal Control Services:						
Other Expenses		10,000.00	10,000.00	10,000.00	-	-

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Borough of Washington, N. J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
<u>General Appropriations</u>						
Building and Grounds - Washington BOE		8,000.00	8,000.00	8,000.00	-	-
Administrator-Oxford Township		46,666.68	46,666.68	22,500.00	24,166.68	-
Clerk-Oxford Township		35,000.00	37,000.00	36,874.03	125.97	-
CFO-Oxford Township		35,000.00	36,500.00	36,249.94	250.06	-
Total Shared Service Agreements		3,170,242.74	3,173,742.74	3,144,273.03	29,469.71	-
Public and Private Programs Offset By Revenues						
Recycling Tonnage Grant		4,585.06	4,585.06	4,585.06	-	-
Municipal Aid		115,000.00	115,000.00	115,000.00	-	-
Firefighter Grant		173,333.33	173,333.33	173,333.33	-	-
NJ CARES		66,611.00	66,611.00	66,611.00	-	-
Municipal Alliance:						
State Share		4,434.00	4,434.00	4,434.00	-	-
Local Share		2,000.00	2,000.00	1,109.00	891.00	-
Risk Control Grant		2,787.00	2,787.00	2,787.00	-	-
Total Public and Private Programs Offset By Revenues		368,750.39	368,750.39	367,859.39	891.00	-
Total Operations - Excluded from "CAPS"	A-1	3,689,227.25	3,692,727.25	3,657,057.74	35,669.51	-
Detail:						
Salaries and Wages		116,666.68	120,166.68	95,623.97	24,542.71	-
Other Expenses		3,572,560.57	3,572,560.57	3,561,433.77	11,126.80	-
Capital Improvements - Excluded From "CAPS"						
Capital Improvement Fund		60,000.00	60,000.00	60,000.00	-	-
NJ Transportation Fund Authority Act - NJDOT - South Lincoln		84,000.00	84,000.00	84,000.00	-	-
Total Capital Improvements Excluded from "CAPS"	A-1	144,000.00	144,000.00	144,000.00	-	-

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Borough of Washington, N. J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
<u>General Appropriations</u>						
Municipal Debt Service - Excluded From "CAPS"						
Payment of Bond Principal		945,000.00	945,000.00	945,000.00	-	-
Interest on Bonds		81,359.00	81,359.00	81,359.00	-	-
Interest on Notes		37,500.00	37,500.00	37,500.00	-	-
Loan Repayment for Principal and Interest		39,703.00	39,703.00	38,675.86	-	1,027.14
Total Municipal Debt Service-Excluded from "CAPS"	A-1	1,103,562.00	1,103,562.00	1,102,534.86	-	1,027.14
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		4,936,789.25	4,940,289.25	4,903,592.60	35,669.51	1,027.14
Total General Appropriations - Excluded From "CAPS"		4,936,789.25	4,940,289.25	4,903,592.60	35,669.51	1,027.14
Subtotal General Appropriations		7,699,684.25	7,699,684.25	7,417,326.56	281,330.55	1,027.14
Reserve for Uncollected Taxes		748,552.00	748,552.00	748,552.00	-	-
Total General Appropriations		8,448,236.25	8,448,236.25	8,165,878.56	281,330.55	1,027.14
					A	
<u>Analysis of Modified Budget</u>						
Adopted Budget	A-2		8,081,485.86			
Appropriation by 40A-4-87	A-2		366,750.39			
			<u>8,448,236.25</u>			
<u>Analysis of Paid or Charged</u>						
Reserve for Uncollected Taxes	A-2			748,552.00		
Cash Disbursed	A-4			6,864,058.23		
Encumbrances	A-14			102,517.94		
Interfund - Federal and State Grant Fund	A-22			450,750.39		
				<u>8,165,878.56</u>		

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

**Borough of Washington, N. J.**

**Comparative Balance Sheet - Regulatory Basis**

**Trust Funds**

**December 31,**

<u>Assets</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<b>Animal Control Trust Fund:</b>			
Cash- Treasurer	B-2	4,588.52	4,179.33
Change Fund	B-1	100.00	100.00
Due from the State of New Jersey	B-8	-	1.00
<b>Deferred Charges</b>			
Deficit in Animal Control	B-3	7,817.68	8,703.96
		<u>12,506.20</u>	<u>12,984.29</u>
<b>Other Trust Funds:</b>			
Cash	B-2	2,392,309.32	1,836,401.25
Interfund - Current Fund	B-6	-	175,168.71
		<u>2,392,309.32</u>	<u>2,011,569.96</u>
		<u>2,404,815.52</u>	<u>2,024,554.25</u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

**Borough of Washington, N. J.**

**Comparative Balance Sheet - Regulatory Basis**

**Trust Funds**

**December 31,**

<u>Liabilities, Reserves &amp; Fund Balance</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<b>Animal Control Trust Fund:</b>			
Interfund - Current Fund	B-5	12,500.00	12,500.00
Encumbrances	B-4	-	484.29
Due State Department of Health	B-8	6.20	-
		<u>12,506.20</u>	<u>12,984.29</u>
<b>Other Trust Fund:</b>			
Interfund - Current Fund	B-6	1,688.12	-
Encumbrances Payable	B-7	25,980.19	26,794.95
<b>Reserve for:</b>			
Escrow Deposits	B-9	556,279.77	512,759.84
POAA	B-9	2,555.78	2,531.78
Recreation	B-9	72,964.07	82,652.07
Tax Sale Premiums	B-9	450,100.00	288,100.00
Public Defender	B-9	2,391.50	1,991.50
Fire Safety Bureau Trust	B-9	8,629.51	8,629.51
WBFD Dedicated Penalty Trust	B-9	1,139.41	324.49
C.O.A.H.	B-9	434,838.38	403,010.66
Unemployment	B-9	80,938.08	80,063.08
Payroll	B-9	13,348.09	13,331.75
Comcast	B-9	227.66	227.66
Snow Removal/Storm Recovery	B-9	81,935.11	-
Senior Activity	B-9	4,255.74	1,512.31
Outside Liens	B-9	30,481.63	23,695.18
Open Space	B-9	553,871.15	480,260.05
Street Opening	B-9	17,001.00	17,001.00
Escrow	B-9	53,170.00	53,170.00
Salary Settlements	B-9	514.13	15,514.13
		<u>2,392,309.32</u>	<u>2,011,569.96</u>
		<u>2,404,815.52</u>	<u>2,024,554.25</u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

## Borough of Washington, N. J.

## Comparative Balance Sheet - Regulatory Basis

## General Capital Fund

December 31,

<u>Assets</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Cash	C-2;C-3	322,150.66	783,982.52
Deferred Charges to Future Taxation			
Funded	C-6	2,242,347.33	3,224,268.07
Unfunded	C-7	2,397,700.00	3,635,700.00
		<u>4,962,197.99</u>	<u>7,643,950.59</u>
 <u>Liabilities, Reserves and Fund Balance</u>			
Encumbrances Payable	C-5	184,946.09	831,842.83
Due to Solid Waste Capital	C-4	407,854.54	
Capital Improvement Fund	C-8	81,551.67	21,551.67
Improvement Authorizations:			
Funded	C-9	182,699.80	223,144.70
Unfunded	C-9	28,172.35	270,517.11
Green Acres Loan Payable	C-10	111,347.33	148,268.07
Reserve for:			
Debt Service	C-11	9,320.21	9,320.21
Generator	C-11	1,500.00	1,500.00
General Serial Bonds Payable	C-12	2,131,000.00	3,076,000.00
Bond Anticipation Notes	C-13	1,749,500.00	2,987,500.00
Fund Balance	C-1	74,306.00	74,306.00
		<u>4,962,197.99</u>	<u>7,643,950.59</u>

Footnote C: There were \$648,200 Bonds and Notes Authorized But Not Issued as of December 31, 2021 and \$648,200 as of December 31, 2020 as of Exhibit C-14.

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.



## Borough of Washington, N. J.

## Comparative Schedule of Fund Balance - Regulatory Basis

## General Capital Fund

## Year Ended December 31,

		<u>2021</u>	<u>2020</u>
	<u>Ref.</u>		
Balance - January 1,	C	74,306.00	52,016.00
Increased by:			
Premium on Bond Anticipation Notes		<u>                    </u>	<u>22,290.00</u>
		<u>                    </u>	<u>22,290.00</u>
Balance - December 31,	C	<u>74,306.00</u>	<u>74,306.00</u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

## Borough of Washington, N. J.

## Comparative Balance Sheet - Regulatory Basis

## Sewer Utility Fund

December 31,

	<u>Ref</u>	<u>2021</u>	<u>2020</u>
<u>Assets</u>			
Operating Fund:			
Cash-Treasurer	D-5	3,641,720.06	3,429,818.30
Change Fund	D-7	75.00	75.00
		<u>3,641,795.06</u>	<u>3,429,893.30</u>
Receivables with Full Reserves:			
Consumer Accounts	D-8	406,479.75	450,630.01
Sewer Liens	D-9	19,873.36	15,418.36
		<u>426,353.11</u>	<u>466,048.37</u>
Total Operating Fund		<u>4,068,148.17</u>	<u>3,895,941.67</u>
Capital Fund:			
Cash	D-5;D-6	284,831.71	184,831.71
Fixed Capital	D-11	18,165,364.71	18,165,364.71
Fixed Capital Authorized and Uncompleted*	D-12	700,000.00	700,000.00
Total Capital Fund		<u>19,150,196.42</u>	<u>19,050,196.42</u>
Total Assets		<u>23,218,344.59</u>	<u>22,946,138.09</u>

\* The fixed capital reported is taken from the municipal records and does not necessarily reflect the true condition of such fixed capital.

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

## Borough of Washington, N. J.

## Comparative Balance Sheet - Regulatory Basis

## Sewer Utility Fund

December 31,

	<u>Ref</u>	<u>2021</u>	<u>2020</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserve:			
Unencumbered	D-4;D-13	503,129.44	626,598.94
Encumbered	D-4;D-13	30,736.41	17,510.16
		<u>533,865.85</u>	<u>644,109.10</u>
Interfund Payable			
Grant Fund	D-10	-	7,766.29
Accounts Payable	D-14	126,829.99	126,829.99
Accrued Interest	D-15	51,407.94	50,189.05
Prepaid Sewer Charges	D-17	18,618.14	
Overpayment of Sewer Charges	D-17	18,995.54	14,324.58
		<u>749,717.46</u>	<u>843,219.01</u>
Reserve for Receivables	Contra	426,353.11	466,048.37
Fund Balance	D-1	2,892,077.60	2,586,674.29
Total Operating Fund		<u>4,068,148.17</u>	<u>3,895,941.67</u>
Capital Fund:			
Improvement Authorization			
Funded	D-16	46,757.50	46,757.50
Unfunded	D-16	330,634.97	330,634.97
Capital Improvement Fund	D-18	200,000.22	100,000.22
Reserve for Amortization	D-19	18,105,364.71	18,004,531.84
Reserve for Encumbrances	D-20	97,732.50	97,732.50
Deferred Reserve For Amortization	D-21	300,000.00	300,000.00
NJFIT Wastewater Loans Payable	D-22	60,000.00	160,832.87
Fund Balance	D-2	9,706.52	9,706.52
		<u>19,150,196.42</u>	<u>19,050,196.42</u>
Total Liabilities, Reserves and Fund Balances		<u>23,218,344.59</u>	<u>22,946,138.09</u>

Footnote D: There were Bonds and Notes Authorized But Not Issued at December 31, 2021 and 2020 in the amount of \$400,000 and \$400,000 respectively - per Exhibit D-23

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

## Borough of Washington, N. J.

## Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

## Sewer Utility Operating Fund

Years Ended December 31,

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Revenue and Other Income Realized:			
Surplus	D-3	596,196.00	709,129.00
Rents	D-3	2,414,525.82	2,132,346.30
Non-Budget Revenues	D-3	33,260.67	61,152.40
Other Credits to Income:			
Unexpended Balance of			
Appropriation Reserves	D-3	553,812.82	19,946.01
Accounts Payable Cancelled		-	98,668.28
Total Income		<u>3,597,795.31</u>	<u>3,021,241.99</u>
Expenditures:			
Operating		1,685,000.00	1,976,215.00
Capital Improvements		100,000.00	100,000.00
Debt Service		100,196.00	96,914.00
Deferred Charges and			
Statutory Expenditures		11,000.00	11,000.00
Surplus (General Budget)		800,000.00	800,000.00
Total Expenditures		<u>2,696,196.00</u>	<u>2,984,129.00</u>
Excess (Deficit) in Revenue over Expenditures		<u>901,599.31</u>	<u>37,112.99</u>
Fund Balance - January 1,	D-1	<u>2,586,674.29</u>	<u>3,258,690.30</u>
		3,488,273.60	3,295,803.29
Decreased by:			
Utilized as Anticipated Revenue	D-3	<u>596,196.00</u>	<u>709,129.00</u>
Fund Balance - December 31,	D	<u><u>2,892,077.60</u></u>	<u><u>2,586,674.29</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

## Borough of Washington, N. J.

## Comparative Statement of Fund Balance - Regulatory Basis

## Sewer Utility Capital Fund

## Year Ended December 31,

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Balance - January 31,	D	<u>9,706.52</u>	<u>9,706.52</u>
Balance - December 31,	D	<u>9,706.52</u>	<u>9,706.52</u>

D-3

## Statement of Revenues - Regulatory Basis

## Sewer Utility Operating Fund

## Year Ended December 31, 2021

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Operating Surplus Anticipated	D-1	596,196.00	596,196.00	-
Sewer Service Charges	D-1;D-3	2,100,000.00	2,414,525.82	314,525.82
Non-Budget Revenues	D-1;D-5		33,260.67	33,260.67
Budget Totals		<u>2,696,196.00</u>	<u>3,043,982.49</u>	<u>347,786.49</u>

Analysis of Realized Revenue

Consumer Accounts Receivable	D-8		<u>2,414,525.82</u>	
------------------------------	-----	--	---------------------	--

Analysis of Miscellaneous Revenue

## Interest on Investments:

Miscellaneous		130.72		
Tax Sale Costs		29,093.56		
Interest on Delinquent Rents		1,372.69		
Interest on Investments		<u>2,663.70</u>		
	D-3		<u>33,260.67</u>	

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

**Borough of Washington, N. J.**  
**Statement of Expenditures - Regulatory Basis**  
**Sewer Operating Fund**

Year Ended December 31, 2021

	<u>Appropriated</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
<u>Ref.</u>	<u>Budget</u>	<u>Modification</u>	<u>Charged</u>	<u>Reserved</u>
Operating:				
Salaries and Wages	185,000.00	175,000.00	157,318.24	17,681.76
Other Expenses	<u>1,500,000.00</u>	<u>1,510,000.00</u>	<u>993,815.91</u>	<u>516,184.09</u>
Total Operating	D-1 <u>1,685,000.00</u>	<u>1,685,000.00</u>	<u>1,151,134.15</u>	<u>533,865.85</u>
Capital Improvements:				
Capital Improvement Fund	100,000.00	100,000.00	100,000.00	-
Total Capital Improvements	D-1 <u>100,000.00</u>	<u>100,000.00</u>	<u>100,000.00</u>	<u>-</u>
Debt Service:				
Infrastructure Trust Principal and Interest	100,196.00	100,196.00	100,196.00	-
Total Debt Service	D-1 <u>100,196.00</u>	<u>100,196.00</u>	<u>100,196.00</u>	<u>-</u>
Deferred Charges and Statutory Expenditures				
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	11,000.00	11,000.00	11,000.00	-
Total Deferred Charges and Statutory Expenditures	D-1 <u>11,000.00</u>	<u>11,000.00</u>	<u>11,000.00</u>	<u>-</u>
Surplus (General Budget)	D-1 <u>800,000.00</u>	<u>800,000.00</u>	<u>800,000.00</u>	<u>-</u>
	<u>800,000.00</u>	<u>800,000.00</u>	<u>800,000.00</u>	<u>-</u>
Total Sewer Utility Appropriations	<u>2,696,196.00</u>	<u>2,696,196.00</u>	<u>2,162,330.15</u>	<u>533,865.85</u>
<u>Analysis of Paid or Charged</u>				
			2,161,111.26	
			1,218.89	
			<u>2,162,330.15</u>	
<u>Analysis of Appropriations Reserved</u>				
				503,129.44
				30,736.41
				<u>533,865.85</u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

**Borough of Washington, N. J.**

**Comparative Balance Sheet - Regulatory Basis**

**Solid Waste Utility Fund**

**December 31,**

	<u>Ref</u>	<u>2021</u>
<u>Assets</u>		
Operating Fund:		
Cash-Treasurer	E-4, E-5	369,837.37
		369,837.37
Receivables with Full Reserves:		
Consumer Accounts	E-6	94,532.27
		94,532.27
Deferred Charges		
Deficit in Operations	E-16	35,004.46
Overexpenditure of Appropriations	E-16	36,200.98
		71,205.44
Total Operating Fund		535,575.08
Capital Fund:		
Cash	E-4, E-5	
Fixed Capital	E-9	1,300,000.00
Due from General Capital	E-7	407,854.54
Total Capital Fund		1,707,854.54
Total Assets		2,243,429.62

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

## Borough of Washington, N. J.

## Comparative Balance Sheet - Regulatory Basis

## Solid Waste Utility Fund

December 31,

		<u>2021</u>
<u>Liabilities, Reserves and Fund Balance</u>		
Operating Fund:		
Appropriation Reserve:	E-3	14,183.14
Reserve for Encumbrances	E-13	26,859.67
Interfund Payable		
Current Fund	E-8	400,000.00
		<u>441,042.81</u>
Reserve for Receivables	Contra	94,532.27
Fund Balance	E-1	
Total Operating Fund		<u>535,575.08</u>
Capital Fund:		
Improvement Authorization		
Unfunded	E-10	234,340.84
Bond Anticipation Notes Payable	E-15	1,238,000.00
Reserve for Encumbrances	E-12	53,513.70
Deferred Reserve For Amortization	E-14	62,000.00
Reserve for Debt Service	E-11	120,000.00
		<u>1,707,854.54</u>
Total Liabilities, Reserves and Fund Balances		<u>2,243,429.62</u>

Footnote D: There were no Bonds and Notes Authorized But Not Issued at December 31, 2021 and 2020.

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.



## Borough of Washington, N. J.

## Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

## Solid Waste Utility Operating Fund

Years Ended December 31,

	<u>Ref.</u>	<u>2021</u>
Revenue and Other Income Realized:		
Solid Waste Fees	E-2	608,692.73
Miscellaneous Revenue	E-2	6,470.81
Total Income		<u>615,163.54</u>
Expenditures:		
Operating	E-3	552,523.98
Debt Service	E-3	120,000.00
Deferred Charges and Statutory Expenditures	E-3	13,845.00
Total Expenditures		<u>686,368.98</u>
Excess (Deficit) in Revenue over Expenditures		<u>(71,205.44)</u>
Adjustments to income Before Fund Balance:		
Expenditures included above which are By Statute Deferred Charges of the Succeeding Year	E-16	36,200.98
Operating Deficit to be raised in the succeeding year's budget	E-16	<u>(35,004.46)</u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

## Statement of Revenues - Regulatory Basis

## Solid Waste Utility Operating Fund

Year Ended December 31, 2021

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Solid Waste Fees	E-1	650,168.00	608,692.73	(41,475.27)
Miscellaneous	E-1		6,470.81	6,470.81
Budget Totals		<u>650,168.00</u>	<u>615,163.54</u>	<u>(35,004.46)</u>
 <u>Analysis of Realized Revenue</u>				
Consumer Accounts Receivable	E-6	<u>608,692.73</u>	<u>608,692.73</u>	
 <u>Analysis of Miscellaneous Revenue</u>				
Interest on Investments:				
Miscellaneous		2,946.81		
Garbage Stickers		<u>3,524.00</u>		
	E-1,E-5		<u>6,470.81</u>	

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Borough of Washington, N. J.

Statement of Expenditures - Regulatory Basis

Solid Waste Operating Fund

Year Ended December 31, 2021

	Ref.	Appropriated		Budget After Modification	Paid or Charged	Expended	Reserved	Over-Expended
		Budget	Budget					
Operating:								
Salaries and Wages		181,000.00		173,000.00	160,628.66		12,371.34	
Other Expenses		25,323.00		33,323.00	69,523.98		-	36,200.98
Group Health Insurance		60,000.00		60,000.00	58,188.20		1,811.80	
Tipping Fees		250,000.00		250,000.00	250,000.00		-	
Total Operating	E-1	516,323.00		516,323.00	538,340.84		14,183.14	36,200.98
Debt Service:								
Payment of Bond Anticipation Note		120,000.00		120,000.00	120,000.00		-	
Total Debt Service	E-1	120,000.00		120,000.00	120,000.00		-	
Deferred Charges and Statutory Expenditures								
Statutory Expenditures:								
Contribution to:								
Social Security System (O.A.S.I.)		13,845.00		13,845.00	13,845.00		-	
Total Deferred Charges and Statutory Expenditures	E-1	13,845.00		13,845.00	13,845.00		-	
Total Sewer Utility Appropriations		650,168.00		650,168.00	672,185.84		14,183.14	36,200.98
							E	E-16

	REF.
Disbursed	E-4
Encumbered	E-13
Total	
	672,185.84

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

## Borough of Washington, N.J.

## Comparative Statement of General Fixed Assets - Regulatory Basis

December 31,

	Balance <u>Dec. 31, 2021</u>	Balance <u>Dec. 31, 2020</u>
<u>General Fixed Assets:</u>		
Land / Land Improvements		
Buildings	5,305,500.00	5,305,500.00
Machinery and Equipment	<u>4,786,819.00</u>	<u>4,811,484.00</u>
	<u>10,092,319.00</u>	<u>10,116,984.00</u>
 Investment in Fixed Assets	 <u>10,092,319.00</u>	 <u>10,116,984.00</u>

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

**BOROUGH OF WASHINGTON, NJ**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

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

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with generally accepted accounts principles (GAAP).

The financial statements of the Borough of Washington have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a comprehensive basis of accounting other than generally accepted accounting principles. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

**A. Reporting Entity**

The Borough of Washington (the "Borough") is an instrumentality of the State of New Jersey, established to function as a municipality. The Borough Council consists of elected officials and is responsible for the fiscal control of the Borough.

Except as noted below, the financial statements of the Borough of Washington include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Washington, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Borough of Washington do not include operations of the library, first aid squads, local or regional school districts, inasmuch as their activities are administered by separate boards.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will, by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the volunteer Fire Department which is considered a component unit under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

**BOROUGH OF WASHINGTON, NJ**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Accounting**

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

The Borough has the following funds and account groups:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

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

Other Trust Fund - This fund is established to account for the assets and resources which are also held by the Borough as a trustee or agent for individuals, private organizations, other governments and/or other funds.

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

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

Sewer Utility Operating and Sewer Capital Fund - This fund was used to account for the operations and acquisition of capital facilities of the municipally owned Sewer Utility.

Solid Waste Operating and Capital Fund - This fund is used to account for resources and expenditures for the collection and disposal of solid waste.

General Fixed Assets Account Group - To account for all fixed assets of the Borough. The Borough's infrastructure is not reported in the group.

**BOROUGH OF WASHINGTON, NJ**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting**

A modified accrual basis of accounting is followed by the Borough of Washington. Under this method of accounting revenues, except State/Federal Aid, are recognized when received and expenditure are recorded, when incurred. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. The more significant differences are as follows:

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

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

**Grant Revenues** - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

**BOROUGH OF WASHINGTON, NJ**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

B. Basis of Accounting (continued)

Budgets and Budgetary Accounting

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

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

Animal Control Trust Fund  
General Capital Fund  
Sewer Capital Fund

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During the year several budget transfers were approved by the governing body.

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



**BOROUGH OF WASHINGTON, NJ**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

B. Basis of Accounting (continued)

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

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

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

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

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

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at cost and are limited by NJSA 40A:5-15.1(a).

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the Borough establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

**BOROUGH OF WASHINGTON, NJ**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

B. Basis of Accounting (continued)

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

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

General Fixed Assets - The Borough of Washington has developed a fixed asset accounting and reporting system, as promulgated by the Division of Local Government Services, which differs from generally accepted accounting principles

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

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

No depreciation has been provided for in the financial statements.

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

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

GAAP requires that all fixed assets be capitalized at historical cost or estimated historical cost if actual historical cost is not available.

**BOROUGH OF WASHINGTON, NJ**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

B. Basis of Accounting (continued)

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

A review of the recently issued and adopted pronouncements did not identify any statements which affect the financial statements presented for the period.

C. Basic Financial Statements

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

**NOTE 2: BUDGETARY INFORMATION**

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2020 statutory budget included a reserve for uncollected taxes in the amount of \$748,552.00. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2021 statutory budget was \$600,000.00.

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**BOROUGH OF WASHINGTON, NJ**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

**NOTE 2: BUDGETARY INFORMATION (CONTINUED)**

Interdepartment budget transfers are not permitted prior to November 1. After November 1, budget transfers can be made in the form of a resolution and approved by the Borough Council.

N.J.S.A. 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. There were \$366,750.39 of items of revenue and appropriation inserted into the annual budget for 2021.

The municipality may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need or public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. During 2021, there were no special emergency appropriations.

**NOTE 3: FIXED ASSETS**

The following schedule is a summarization of the changes in general fixed assets for the calendar year ended December 31, 2021.

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
Land, Land Improvements and Buildings	\$5,305,500.00	\$	\$	\$5,305,500.00
Machinery and Equipment	<u>4,811,484.00</u>	<u>15,593.00</u>	<u>40,258.00</u>	<u>4,786,819.00</u>
	<u>\$10,116,984.00</u>	<u>\$15,593.00</u>	<u>\$40,258.00</u>	<u>\$10,092,319.00</u>

**NOTE 4: MUNICIPAL DEBT**

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

**BOROUGH OF WASHINGTON, NJ**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

**NOTE 4: MUNICIPAL DEBT (CONTINUED)**

The Borough's debt is summarized as follows:

	<u>Year 2021</u>	<u>Year 2020</u>	<u>Year 2019</u>
<u>Issued:</u>			
<u>General:</u>			
Bonds, Notes and Loans	\$3,991,847.33	\$6,211,768.07	\$5,959,961.33
<u>Sewer Utility:</u>			
Bonds, Notes and Loans	60,000.00	160,832.87	257,745.98
<u>Solid Waste Utility:</u>			
Bonds, Notes and Loans	<u>1,238,000.00</u>	<u>                    </u>	<u>                    </u>
Total Issued	<u>5,289,847.33</u>	<u>6,372,600.94</u>	<u>6,217,707.31</u>
 <u>Authorized But Not Issued</u>			
<u>General:</u>			
Bonds and Notes	648,200.00	648,200.00	1,886,200.00
<u>Sewer Utility:</u>			
Bonds and Notes	<u>400,000.00</u>	<u>400,000.00</u>	<u>400,000.00</u>
Total Authorized But Not Issued	<u>1,048,200.00</u>	<u>1,048,200.00</u>	<u>2,286,200.00</u>
 Net Bonds and Notes Issued and Authorized But Not Issued	 <u>\$6,338,047.33</u>	 <u>\$7,420,800.94</u>	 <u>\$8,503,907.31</u>

**SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statement net debt of 1.146%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General Debt	\$4,640,047.33	\$9,320.31	\$4,630,727.02
Sewer Utility Debt	460,000.00	460,000.00	
Solid Waste Utility Debt	1,238,000.00	97,554.00	1,140,446.00
Local and Regional School District Debt	<u>4,081,048.37</u>	<u>4,081,048.37</u>	<u>0.00</u>
	<u>\$10,419,095.70</u>	<u>\$4,647,922.68</u>	<u>\$5,771,173.02</u>

Net Debt \$5,771,173.12 divided by equalized valuation basis per N.J.S. 40A:2-2 as amended, \$503,710,517.00 = 1.146%.

**BOROUGH OF WASHINGTON, NJ**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

**NOTE 4: MUNICIPAL DEBT (CONTINUED)**

**BORROWING POWER UNDER N.J.S. 40A:2-6 AS AMENDED**

3 ½% of Equalized Valuation Basis (Municipal)	\$16,310,704.46
Net Debt	<u>5,771,173.12</u>
Remaining Borrowing Power	<u>\$10,539,531.34</u>

**ANALYSIS OF AVERAGE EQUALIZED VALUATION**

2020	\$503,710,517.00	
2019		\$449,202,797.00
2018		\$445,152,211.00

**School Debt Deduction**

School Debt is deductible up to the extent of 2.5% of the Average Equalized Assessed Valuation of real property for the Local and Regional School Districts.

**CALCULATION OF "SELF-LIQUIDATING PURPOSE" SEWER UTILITY PER N.J.S. 40A:2-45**

<u>Cash Receipts from Fees, Rents or Other Charges for Year</u>		\$2,447,786.49
Operating and Maintenance Costs	\$1,151,134.15	
Deferred Charges and Statutory Expenditures	11,000.00	
Debt Service	<u>100,196.00</u>	
		<u>1,262,330.15</u>
Excess in Revenue		<u>\$1,185,456.34</u>

**CALCULATION OF "SELF-LIQUIDATING PURPOSE" SOLID WASTE UTILITY DEBT**

Cash Receipts from Fees, Rents or Other Charges for Year		\$615,163.54
Operating and Maintenance Costs	\$538,340.84	
Deferred Charges and Statutory Expenditures	13,845.00	
Debt Service	<u>120,000.00</u>	
		<u>672,185.84</u>
Excess in Revenue		<u>(\$57,022.30)</u>

**BOROUGH OF WASHINGTON, NJ**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

**NOTE 4: MUNICIPAL DEBT (CONTINUED)**

**CALCULATION OF "SELF-LIQUIDATING PURPOSE" SOLID WASTE UTILITY DEBT**

If there is an "excess in revenue" all such utility debt is deductible. If there is a deficit, then utility debt is not deductible to the extent of 20 times such deficit amount. The forgoing debt information is in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

The Borough's debt issued and outstanding on December 31, 2021 is as follows:

**General Capital Fund:**

\$328,750.00 Green Acres Trust Loan - dated October 17, 2002 with New Jersey Department of Environmental Protection. This loan is payable in semi-annual installments through July 2022. Interest is paid semi-annually at a rate of 2.00% per annum. The balance remaining as of December 31, 2021 was \$20,140.16.

**General Capital Fund: (continued)**

\$283,200.00 Green Acres Trust Loan - dated March 4, 2009 with New Jersey Department of Environmental Protection. This loan is payable in semi-annual installments through December 31, 2026. Interest is paid semi-annually at a rate of 2.00% per annum. The balance remaining as of December 31, 2021 was \$91,207.17.

General Improvement Bonds - \$2,706,000.00 of 2012 General Improvement Bonds - dated April 1, 2012. This bond is payable in annual installments through April 1, 2027. The interest is payable semi-annually at various rates from 2.00-2.60% per annum. The balance remaining as of December 31, 2021 was \$1,321,000.00.

Refunding Bonds - \$3,185,000.00 of General Refunding Bonds - dated August 1, 2020. This bond is payable in annual installments through March 1, 2022. The interest is payable semi-annually at a rate of 4.00% per annum. The balance remaining as of December 31, 2021 was \$810,000.00.

**Sewer Utility Capital Fund:**

**Wastewater Treatment Loans:**

\$790,000.00 of 2002 Trust Loan dated October 15, 2002. This loan is payable in annual installments of \$35,000.00 to \$60,000.00 through August 2022. Interest is calculated at variable interest rates and is included in the annual installments. The remaining balance as of December 31, 2021 was \$60,000.00.

**BOROUGH OF WASHINGTON, NJ**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

**NOTE 4: MUNICIPAL DEBT (CONTINUED)**

**SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING DECEMBER 31, 2021**

<u>Year</u>	<u>General Capital</u>		<u>Sewer Utility Capital</u>		<u>Yearly Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$972,662.88	\$48,204.34	\$60,000.00	\$2,850.00	\$1,032,662.88	\$51,054.34
2023	267,874.93	27,255.75			267,874.93	27,255.75
2024	268,234.21	21,271.48			268,234.21	21,271.48
2025	268,600.72	15,029.96			268,600.72	15,029.96
2026-2027	<u>464,974.59</u>	<u>11,716.59</u>			<u>464,974.59</u>	<u>11,716.59</u>
	<u>\$2,242,347.33</u>	<u>\$123,478.12</u>	<u>\$60,000.00</u>	<u>\$2,850.00</u>	<u>\$2,302,347.33</u>	<u>\$126,328.12</u>

Long-term debt as of December 31, 2021 consisted of the following:

	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u>	<u>Amounts Due</u>
	<u>Dec. 31, 2020</u>			<u>Balance</u>	<u>Within</u>
					<u>One Year</u>
General Capital Fund:					
General Serial Bonds	\$3,076,000.00	\$	\$945,000.00	\$2,131,000.00	\$935,000.00
Green Acres Trust Fund	<u>148,268.07</u>		<u>36,920.74</u>	<u>111,347.33</u>	<u>37,662.88</u>
	<u>3,224,268.07</u>		<u>981,920.74</u>	<u>2,242,347.33</u>	<u>972,662.88</u>
Sewer Capital Fund:					
Waste Sewer Loans	<u>160,832.87</u>		<u>100,832.87</u>	<u>60,000.00</u>	<u>60,000.00</u>
Compensated Absences	<u>172,058.71</u>		<u>32,255.60</u>	<u>139,803.11</u>	<u>0.00</u>
	<u>\$3,557,159.65</u>	<u>\$0.00</u>	<u>\$1,115,009.21</u>	<u>\$2,442,150.44</u>	<u>\$1,032,662.88</u>

(1) Net of days allowed and days used and adjusted.



**BOROUGH OF WASHINGTON, NJ**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

**NOTE 5: BOND ANTICIPATION NOTES**

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

The following activity related to Bond Anticipation Notes occurred during the calendar year ended December 31, 2021:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
General Capital:				
Oppenheimer	\$2,987,500.00	\$          0	\$2,987,500.00	\$0.00
Amboy Bank	0.00	1,749,500.00	0.00	1,749,500.00
Solid Waste Utility:	0.00	1,238,000.00	0.00	1,238,000.00
	<u>\$2,987,500.00</u>	<u>\$1,749,500.00</u>	<u>\$2,987,500.00</u>	<u>\$1,749,500.00</u>

The Borough has outstanding at December 31, 2021, a bond anticipation note in the amount of \$1,749,500.00 in the General Capital Fund payable to Amboy Bank. This note will mature on October 13, 2022 and it is the intent of the Borough Council to renew this note for another one year period. The current interest rate on this note is 0.32%. Principal and interest on this note is paid from the Current Fund budget of the Borough.

The Borough has outstanding at December 31, 2021, a bond anticipation note in the amount of \$1,238,000.00 in the Solid Waste Utility payable to Amboy Bank. This note will mature on October 13, 2022 and it is the intent of the Borough Council to renew this note for another one year period. The current interest rate on this note is 0.32%. Principal and interest on this note is paid from the Solid Waste Utility Budget.

**BOROUGH OF WASHINGTON, NJ**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

**NOTE 6: FUND BALANCES APPROPRIATED**

Fund balances at December 31, 2021 and 2020 which were appropriated and included as anticipated revenue in their own respective funds for the years ending December 31, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Current Fund	<u>\$600,000.00</u>	<u>\$600,000.00</u>
Sewer Utility Operating	<u>\$550,000.00</u>	<u>\$596,196.00</u>

**NOTE 7: TAXES COLLECTED IN ADVANCE**

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	<u>Balance Dec 31, 2020</u>	<u>Balance Dec 31, 2020</u>
Prepaid Taxes	<u>\$173,943.50</u>	<u>\$117,969.22</u>
Cash Liability for Taxes Collected in Advance	<u>\$173,943.50</u>	<u>\$117,969.22</u>

**NOTE 8: LOCAL AND REGIONAL DISTRICT SCHOOL TAXES**

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the School District. The Borough of Washington has elected to defer school taxes.

	<u>Balance Dec. 31, 2021</u>	<u>Balance Dec. 31, 2020</u>
<u>Local District School Tax</u>		
Balance of Tax	\$3,090,257.95	\$3,071,624.95
Deferred	<u>2,302,957.14</u>	<u>2,302,957.14</u>
School Tax Payable	<u>\$787,300.81</u>	<u>\$768,667.81</u>
	<u>Balance</u>	<u>Balance</u>
	<u>Dec. 31, 2021</u>	<u>Dec. 31, 2020</u>
<u>Regional High School Tax</u>		
Balance of Tax	\$2,231,283.78	\$2,279,534.18
Deferred	<u>2,126,628.50</u>	<u>2,126,628.50</u>
School Tax Payable	<u>\$104,655.28</u>	<u>\$152,905.68</u>

**BOROUGH OF WASHINGTON, NJ**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

**NOTE 9: PENSION PLAN**

Description of Plans:

Borough employees participate in the State of New Jersey Public Employees' Retirement System (PERS), a contributory defined benefit public employee retirement system or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

*Public Employees' Retirement System (PERS)*

Plan Description

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

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

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

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

**BOROUGH OF WASHINGTON, NJ**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

**NOTE 9: PENSION PLAN (CONTINUED)**

Defined Contribution Retirement Program

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

The Borough's contribution to the various plans, equal to the required contributions for each year, were as follows:

<u>Year</u>	<u>PERS</u>	<u>DCRP</u>
2021	\$140,247.00	\$378.80
2020	152,580.00	973.04
2019	138,199.00	4,928.20

**BOROUGH OF WASHINGTON, NJ**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

**NOTE 9: PENSION PLAN (CONTINUED)**

Contribution Requirements (continued)

Statement No's 68 and 71 require a state or local government employer to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. However, since the financial statements are prepared on another comprehensive basis of accounting, the net pension liability of the various pension systems is not recorded in the financial statements and is only required to be disclosed in the notes to the financial statements.

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

**Public Employees Retirement System (PERS)**

At December 31, 2021, the Borough had a liability of \$1,630,892.00 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2021, the Borough's proportion was 0.0137668659 percent, which was an increase/(decrease) of 0.0002954953 percent from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Borough recognized pension expense of \$140,247.00. At December 31, 2021, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$25,721.00	\$11,675.00
Changes of assumptions	8,494.00	580,608.00
Net difference between projected and actual earnings on pension plan investments	-0-	429,620.00
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>379,143.00</u>	<u>70,594.00</u>
Total	<u>\$413,358.00</u>	<u>\$1,092,497.00</u>

**BOROUGH OF WASHINGTON, NJ**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

**NOTE 9: PENSION PLAN (CONTINUED)**

**Public Employees Retirement System (PERS), (continued)**

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2021) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2022	(\$348,819.00)
2023	(274,760.00)
2024	(187,340.00)
2025	(140,824.00)
2026	55.00

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.13, 5.16, 5.21, 5.63, 5.48, 5.57, 5.72, and 6.44 years for 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

**Additional Information**

Local Group Collective balances net of non-employer (State of New Jersey) balances at June 30, 2021 and June 30, 2020 are as follows:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Collective deferred outflows of resources	\$1,164,738,169	\$2,347,583,337
Collective deferred inflows of resources	8,339,123,762	7,849,949,467
Collective net pension liability	11,846,499,172	16,435,616,426
Borough's Proportion	0.0137668659%	0.0134713706%

**BOROUGH OF WASHINGTON, NJ**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

**NOTE 9: PENSION PLAN (CONTINUED)**

**Public Employees Retirement System (PERS), (continued)**

**Actuarial Assumptions**

The collective total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which rolled forward to June 30, 2021. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% (based on years of service)
Thereafter	3.00-7.00% (based on years of service)
Investment Rate of Return	7.00%

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**Mortality Rates**

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and a 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

**BOROUGH OF WASHINGTON, NJ**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

**NOTE 9: PENSION PLAN (CONTINUED)**

**Public Employees Retirement System (PERS), (continued)**

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	3.00%	9.15%
Real Assets	8.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%



**BOROUGH OF WASHINGTON, NJ**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

**NOTE 9: PENSION PLAN (CONTINUED)**

**Public Employees Retirement System (PERS), (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate**

The following presents the collective net pension liability of the participating employers as of June 30, 2021, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1- percentage point lower or 1 percentage-point higher than the current rate:

	<u>June 30, 2021</u>		
	<u>1%</u> Decrease <u>6.00%</u>	<u>At Current</u> Discount Rate <u>7.00%</u>	<u>1%</u> Increase <u>8.00%</u>
Borough's proportionate share of the pension liability	\$2,244,619.00	\$1,630,892.00	\$1,142,196.00

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**BOROUGH OF WASHINGTON, NJ**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

**NOTE 10: ACCRUED SICK AND VACATION BENEFITS**

The Borough of Washington has permitted employees to accrue unused sick pay, which may be taken as time off or paid at a later date at an \$139,803.10. This amount is not reported either as an expenditure or liability. However, it is expected that the cost of such unpaid compensation would be included in the Borough's budget operating expenditures in the year in which it is used. The Borough has reserved \$514.13 from previous budgets to be used to offset this liability and is reflected on the Trust Fund Schedule of Reserves, Exhibit B-9.

**NOTE 11: CASH, CASH EQUIVALENTS AND INVESTMENTS**

**Cash**

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2021, \$-0- of the Borough's bank balance of \$10,073,195.12 was exposed to custodial credit risk.

**Investments**

**Investment Rate Risk**

The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

**Credit Risk**

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the towns or bonds or other obligations of the local unit or units within which the Borough is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**Concentration of Credit Risk**

The Borough places no limit on the amount the Borough may invest in any one issuer.

**BOROUGH OF WASHINGTON, NJ**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

**NOTE 12: RISK MANAGEMENT**

The Borough is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough has obtained insurance coverage to guard against these events which will provide minimum exposure to the Borough should they occur. During the 2020 calendar year, the Borough did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

**NOTE 13: PUBLIC ASSISTANCE**

The Borough of Washington has elected to have the County of Warren process all public assistance granted to the residents. Therefore, the Borough of Washington no longer has a public assistance director.

**NOTE 14: HEALTH INSPECTIONS**

The Borough of Washington has elected to have the County of Warren, Department of Health, do all the health inspections. Therefore, the Borough does not have a health inspector.

**NOTE 15: DUE TO/FROM OTHER FUNDS**

Balances due to/from other funds at December 31, 2021 consist of the following:

\$12,500.00	Due to Current Fund from Animal Control Trust Fund for shared services fees received.
1,808.11	Due to Current Fund from Other Trust Fund.
119.99	Due to Other Trust Fund - Open Space from Current Fund for receipts in Current Fund.
	Due to Solid Waste Capital Fund from General Capital Fund for disbursements.
<u>407,854.54</u>	
<u>\$422,282.64</u>	

It is anticipated that all interfunds will be liquidated during the calendar year.

**BOROUGH OF WASHINGTON, NJ**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

**NOTE 16. OTHER POST EMPLOYMENT BENEFITS (OPEB)**

***Special Funding Situation PFRS***

In addition to the pension described in Note 9, the Borough does not provide post employment health care benefits as part of the State Health Benefits Local Government Retired Employments Plan. However, benefits are provided as describe below:

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under chapter 271, P.L. 1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred inflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation.

The following Other Post Employment Benefit information is as of June 30, 2019 which is the latest information available as of the date of this report. This information is eighteen months prior to December 31, 2021. GASB Statement No. 75 requires that the information be no more than twelve months prior to the employer's fiscal year end. No modification of the Independent Auditor's Report is being made since the Division of Local Government Services, Department of County Affairs, State of New Jersey is permitting the regulatory basis financial statements of Municipal, County and Library's to be issued with unmodified opinion's until such time current Other Post Employment Benefit information is available.

At December 31, 2021, the State's proportionate share of the net OPEB liability attributable to the Borough for the PFRS special funding situation is \$741,386.00 and the State's proportionate share of the OPEB expense for the PFRS special funding situation is 9,827.00.

**NOTE 17. LEASES**

The Borough has commitments to three separate lease agreements for three DPW trucks. The leases began on 12/10/2020 and expire 11/20/2023. Total monthly payments are \$1,937.35. Operating lease payments made during the year were \$23,248.20. Future operating lease payments are as follows:

2022	\$23,248.20
2023	\$21,310.85

**BOROUGH OF WASHINGTON, NJ**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

**NOTE 18. CONTINGENT LIABILITIES**

The Borough of Washington's Counsel has advised us there are two matters which have been turned over to the Borough's insurance carrier. There are various tax appeals being handled by other attorneys. In addition, the Borough is party to ongoing COAH Affordable Housing Litigation.

**NOTE 19: OTHER MATTERS**

On March 9, 2020, Governor Phil Murphy signed Executive Order No. 103 that declared a State of Emergency and Public Health Emergency across all 21 counties in New Jersey in response to address the novel coronavirus (COVID-19) outbreak. At the time of this report, the State of Emergency and Public Health Emergency remains in effect. In efforts to reduce the spread of the virus, many companies and organizations have either reduced staff or closed down, thus creating a potential financial dilemma among many of the taxpayers of the Borough of Washington. The Borough has identified several risks as a result of this pandemic, including possible delays in the collection of real estate taxes, revenue shortfalls in general permit revenue and cash flow shortages as a result of these delayed collections and increased health emergency costs. During 2020, the Borough received reimbursement of health emergency costs associated with the pandemic from the Federal CARES Act funding provided to the State or County Governments.

**NOTE 20: SUBSEQUENT EVENTS**

The Borough has evaluated subsequent events through August 31, 2022, the date which the financial statements were available to be issued and the following item was noted for disclosure:

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 into effect. This plan, among other things, provides direct federal funding to aid county and municipal governments to help offset revenue losses, cover increased costs incurred during the coronavirus pandemic response and to make necessary investments in water, sewer or broadband infrastructure. The amount of federal aid available to the Borough of Washington is \$675,112.18 which will be available for use until December 31, 2024. This amount will be distributed to the Borough in two installments. The first installment within 120 days of the State receiving the funding from the Federal government and the second installment one year after the receipt of the first installment.

**SUPPLEMENTARY DATA**

**BOROUGH OF WASHINGTON, N.J.**

**OFFICIALS IN OFFICE AND SURETY BONDS**  
**YEAR ENDED DECEMBER 31, 2021**

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
David Higgins	Mayor	*
Ethel Conry	Deputy Mayor	*
Louann Cox	Councilperson	*
Chelsea Duchemin - resigned 12/20/21	Councilperson	*
Sonia Ron	Councilperson	*
Josephine Noone	Councilperson	*
Keith Norris	Councilperson	*
Michael Heinrich	Councilperson	*
Matthew Hall	Manager	*
Laurie Barton	Municipal Clerk	*
Natasha Turchan	CFO	*
Lisa Truppa	Tax Collector	*
Mark Merrill	Code Enforcement Officer	*
Craig Brotons	Tax Assessor	*
Matthew Lopez	Fire Official	*
Robert Lagonera	Animal Control Officer	*
Kevin Smith	Engineer	*
Leslie Parikh, Esq.	Attorney	*
Scott Willhelm	Public Defender	*
Steven D. Wielkotz C.P.A., R.M.A.	Auditor	*

\* Public Employees Dishonesty Blanket Bond is in force covering each employee for \$1,000,000.00 issued by Fidelity and Deposit Company of Maryland, Statewide Insurance Fund, named insurer.

Borough of Washington  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended December 31, 2021

Federal Grantor/Pass-Through Grantor/ Program Title	Federal C.F.D.A Number	Program or Award Amount	Grant Period From/To	12/31/2020		Expended	12/31/2021		MEMO Cumulative Total Expenditures
				(Receivable)	Reserve Balance		(Receivable)	Reserve Balance	
U.S. Department of Treasury									
Pass Through New Jersey Department of Community									
Affairs - Division of Local Government Services									
21.019	20-100-022-8030-686		3/1/20-12/31/20	(66,611.00)	-	(36,318.97)	-	30,292.03	36,318.97
21.027			3/1/21-12/31/26	(66,611.00)	-	(36,318.97)	-	337,556.09	-
								367,848.12	36,318.97
FEDERAL AND STATE GRANT FUND									
U.S. Department of Treasury									
Emergency Management Agency Assistance									
83.562	10,000.00		1/1/20-12/31/20	-	10,000.00	(7,500.00)	-	2,500.00	7,500.00
83.562	10,000.00		1/1/20-12/31/20	-	-	-	-	10,000.00	-
97.044	173,333.33		8/31/20-8/30/22	-	173,333.33	(173,333.33)	-	-	173,333.33
								12,500.00	180,833.33
Total Federal Emergency Management Agency Assistance									
Department of Housing & Urban Development									
Pass Through State of New Jersey									
Department of Community Affairs									
Small Cities Program									
14.228	400,000.00		1/1/20 - 12/31/20	(400,000.00)	390,598.02	(28,800.00)	(390,400.00)	361,798.02	38,201.98
				(400,000.00)	390,598.02	(28,800.00)	(390,400.00)	361,798.02	38,201.98
				(400,000.00)	573,931.35	(209,633.33)	(390,400.00)	374,298.02	219,055.31
FEDERAL AND STATE GRANT FUND									
TOTAL FEDERAL AID									
				(466,611.00)	573,931.35	(245,952.30)	(390,400.00)	742,146.14	255,354.28

Note: This schedule was not subject to an audit in accordance with The Uniform Guidance.



Borough of Washington  
 Schedule of Expenditures of State Awards

For the Year Ended December 31, 2021

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From/To	12/31/2020		12/31/2021		MEMO Cumulative Total Expenditures
				Receivable	Reserve Balance	Receivable	Reserve Balance	
<b>FEDERAL AND STATE GRANT FUND</b>								
N.J. Department of Environmental Protection								
Clean Communities	765-042-4900-004-V42Y-6020	15,772.10	1/1/19-12/31/19	-	8,081.04	-	(8,081.04)	15,772.10
Clean Communities	765-042-4900-004-V42Y-6020	14,221.09	1/1/20-12/31/20	-	14,221.09	-	(4,163.72)	4,163.72
Clean Communities	765-042-4900-004-V42Y-6020	15,135.75	1/1/21-12/31/21	-	-	-	15,135.75	-
				-	22,302.13	-	(12,244.76)	19,955.82
Recycling Tonnage	752-042-4900-001-V42Y-6020	4,298.57	1/1/20-12/31/20	-	4,154.80	-	(4,154.80)	4,298.57
Recycling Tonnage	752-042-4900-001-V42Y-6020	4,585.06	1/1/21-12/31/21	-	-	-	4,585.06	1,945.04
				-	4,154.80	-	(6,099.84)	6,243.61
Community Stewardship Incentive Program Reforestation	09-032-012-2121	5,000.00	1/1/10-12/31/10	(5,000.00)	2,700.00	(5,000.00)	-	2,700.00
Community Stewardship Incentive Program Reforestation	100-042-4870-074-V42F-6120	16,200.00	1/1/17-12/31/17	(1,621.80)	2.00	(1,621.80)	-	16,198.00
Community Stewardship Incentive Program Reforestation	19-033-010-2121	12,000.00	1/1/19-12/31/19	(12,000.00)	12,000.00	(12,000.00)	-	12,000.00
				(18,621.80)	14,702.00	(18,621.80)	-	30,498.00
Hazardous Discharge Site Remediation Fund (Passed through N.J. Economic Development Authority)	157099	171,375.65	1/1/19-12/31/19	(137,275.65)	4,029.90	-	-	167,345.40
<b>Total Department of Environmental Protection</b>				(155,897.45)	45,188.83	(18,621.80)	(30,344.60)	224,022.83
Department of Community Affairs:								
Municipal Alliance	N/A	18,077.00	1/1/18-12/31/18	(2,966.89)	200.68	-	(200.68)	18,077.00
Municipal Alliance	N/A	17,327.00	1/1/19-12/31/19	(17,327.00)	17,327.00	(10,926.09)	(203.32)	203.32
Municipal Alliance	N/A	3,325.00	1/1/20-12/31/20	-	-	(3,325.00)	-	-
<b>Total Department of Community Affairs</b>				(20,293.89)	17,527.68	(14,251.09)	(404.00)	18,280.32
Department of Transportation:								
Beehoven Avenue	480-078-6320-AJQ	140,000.00	Continuous	-	5,960.55	-	-	5,960.55
Safe Routes to School	6320-480-078-6320-AM2-TCAP-6010	90,000.00	Continuous	(30,552.00)	-	(30,552.00)	-	134,039.45
South Lincoln Ave Section I	480-078-6320-AJQ	84,000.00	Continuous	(84,000.00)	84,000.00	(84,000.00)	(45,318.40)	90,000.00
Broad Street	480-078-6320-AJQ	75,000.00	Continuous	(75,000.00)	75,000.00	(75,000.00)	-	45,318.40
North Prospect Street	480-078-6320-AMQ	100,000.00	Continuous	(25,000.00)	80.43	(25,000.00)	-	75,000.00
South Lincoln Ave Section II	115,000.00	115,000.00	Continuous	-	-	(115,000.00)	-	80.43
<b>Total Department of Transportation</b>				(214,552.00)	165,040.98	(329,552.00)	(45,318.40)	99,919.57
Department of Law and Public Safety								
Alcohol, Education and Rehabilitation Fund	9735-760-098-4900-001-X100-6020	3,853.16	2002 and Prior	-	2,899.16	-	-	2,899.16
Alcohol, Education and Rehabilitation Fund	9735-760-098-4900-001-X100-6020	375.00	2004 and Prior	-	347.21	-	-	347.21
<b>Total Department of Law and Public Safety</b>				-	3,246.37	-	-	981.79
<b>TOTAL FEDERAL AND STATE GRANT FUND - STATE AID</b>				(390,743.34)	231,003.86	(362,424.89)	(76,067.00)	292,983.02
<b>TOTAL FEDERAL AND STATE GRANT FUND - STATE AID</b>				(390,743.34)	231,003.86	(362,424.89)	(76,067.00)	292,983.02

TABLE 1: This table was not subject to an audit in accordance with N.J.A.C. 17:27, but is presented for informational purposes only.

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

**SEWER UTILITY OPERATING FUND**

	<u>Year 2021</u>		<u>Year 2020</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<b><u>Revenue and Other Income Realized</u></b>				
Solid Waste Fees	608,692.73	98.948%	-	0.000%
Miscellaneous	<u>6,470.81</u>	1.052%	<u>-</u>	0.000%
<b><u>Total Revenue and Other Income Realized</u></b>	<u>615,163.54</u>	<u>100.00%</u>	<u>-</u>	
<b><u>Expenditures</u></b>				
Budget Expenditures:				
Operating	552,523.98	80.500%	-	0.000%
Debt Service	120,000.00	17.483%	-	0.000%
Deferred Charges and Statutory Expenditures	<u>13,845.00</u>	2.017%	<u>-</u>	0.000%
<b><u>Total Expenditures</u></b>	<u>686,368.98</u>	<u>100.00%</u>	<u>-</u>	
<b>Excess (Deficit) in Revenue</b>	(71,205.44)		-	
<b>Adjustments to Income Before Fund Balance:</b>				
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Years	<u>36,200.98</u>		<u>-</u>	
<b>Operating Deficit to be Raised in the Succeeding Year</b>	<u>(35,004.46)</u>		<u>-</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Tax Rate:</u>	<u>5.04</u>	<u>5.161</u>	<u>5.155</u>
<u>Apportionment of Tax Rate:</u>			
Municipal	1.410	1.518	1.518
Municipal Open Space	.020	.019	.020
County	.802	.797	.830
Local School	1.488	1.489	1.459
Regional School	1.313	1.338	1.328

Assessed Valuation

2021	\$366,499,772.00		
2020		\$366,145,200.00	
2019			\$366,449,300.00

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Collections</u>	<u>Percentage of Collection</u>
2021	\$18,702,892.83	\$18,305,760.58	97.88%
2020	19,111,402.25	18,517,437.71	96.89%
2019	19,089,079.95	18,502,230.03	96.93%

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>Year</u>	<u>Amount of Delinquent Taxes</u>	<u>Amount of Tax Title Liens</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2021	\$340,891.57	\$538,494.12	\$879,385.69	4.702%
2020	538,494.12	259,630.86	798,124.98	4.18%
2019	520,053.44	889,028.52	1,409,081.96	7.38%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2021	\$969,500.00
2020	969,500.00
2019	914,500.00

COMPARISON OF SEWER UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Collections</u>
2021	\$2,374,830.56	\$2,418,980.82
2020	2,346,735.57	2,131,462.04
2019	2,323,569.87	2,380,374.29

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year</u>	<u>Balance Dec. 31,</u>	<u>Utilized In Budget of Succeeding Year</u>
<u>Current Fund:</u>	2021	\$1,156,911.34	\$600,000.00
	2020	1,381,005.51	600,000.00
	2019	1,407,036.70	602,560.19
<u>Sewer Utility Operating Fund:</u>	2021	\$2,892,077.60	\$550,000.00
	2020	2,586,674.29	596,196.00
	2019	3,258,690.30	709,129.00
<u>Solid Waste Utility Fund:</u>	2021	\$-0-	\$-0-
	2020	-0-	-0-
	2019	-0-	-0-

## Borough of Washington, N.J.

## Schedule of Cash - Treasurer

## Current Fund

Year Ended December 31, 2021

	<u>Ref.</u>	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance - December 31, 2020	A	<u>3,222,976.34</u>	<u>756.24</u>
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	41,466.23	-
Taxes Receivable	A-6	18,654,503.57	-
Revenue Accounts Receivable	A-9	1,722,488.74	-
Due From State - Senior Citizen and Veteran Deductions	A-10	29,347.95	-
Interfunds	A-12	119.99	-
Various Cash Liabilities and Reserves	A-14	6,352.17	-
Prepaid Taxes	A-15	173,943.50	-
Interfund - Current Fund	A-20		150,599.62
Unappropriated Reserves	A-23		364,311.99
Grants Receivable	A-21		231,335.51
		<u>20,628,222.15</u>	<u>746,247.12</u>
		23,851,198.49	747,003.36
Decreased by Disbursements:			
Current Year Budget Appropriations	A-3	6,864,058.23	
Interfunds	A-12	793,230.14	
Appropriation Reserves	A-13	248,573.20	
Various Cash Liabilities and Reserves	A-14	1,758.42	
County Taxes Payable	A-16	2,935,294.91	
Local School District Taxes Payable	A-17	5,432,580.00	
Regional High School Taxes Payable	A-18	4,859,066.40	
Special Improvement District Taxes Payable	A-19	199,999.92	
Appropriated Reserves for Grants	A-22		140,612.59
Reserve for Encumbrances	A-24	-	136,204.50
		<u>21,334,561.22</u>	<u>276,817.09</u>
Balance - December 31, 2021	A	<u>2,516,637.27</u>	<u>470,186.27</u>

**Borough of Washington, N.J.**

**Schedule of Cash - Change Fund**

**Current Fund**

**Year Ended December 31, 2021**

	<u>Ref.</u>	
Balance - December 31, 2020	A	<u>325.00</u>
Balance - December 31, 2021	A	<u>325.00</u>
<u>Analysis of Balance:</u>		
Tax Collector		100.00
Municipal Clerk		100.00
Recreation		<u>125.00</u>
		<u>325.00</u>

**Borough of Washington, N.J.**  
**Schedule of Taxes Receivable and Analysis of Property Tax Levy**

**Current Fund**

**Year Ended December 31, 2021**

Year	Balance, Dec. 31, 2020	Levy	Added Taxes	Collected 2020	Collected 2021	Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Cancelled	Balance, Dec. 31, 2021
2020	538,494.12	-	-	-	495,712.21		21,880.02	17,153.58	3,748.31
2021	538,494.12	18,471,588.51	231,304.32	117,969.22	18,158,791.36	29,000.00	43,405.38	16,583.61	337,143.26
	A	<u>18,471,588.51</u>	<u>231,304.32</u>	<u>117,969.22</u>	<u>18,654,503.57</u>	<u>29,000.00</u>	<u>65,285.40</u>	<u>33,737.19</u>	<u>340,891.57</u>
				A-2;A-15	A-2;A-4	A-2, A-10	A-7		A

Analysis of Tax Levy

Ref.

Tax yield:  
 General Purpose Tax  
 Added Tax (R.S. 54:4-63.1 et seq.)

18,471,588.51  
231,304.32  
18,702,892.83

Tax Levy:

Municipal Open Space Tax  
 County Tax  
 Added County Taxes  
 Local District School Tax  
 Regional High School Tax  
 Special Improvement District Tax

73,419.99  
 2,934,787.74  
4,811.00  
 2,939,598.74  
 10,462,029.00  
13,475,047.73

Local Tax for Municipal Purposes  
 Additional Taxes

5,199,443.18  
28,401.92  
5,227,845.10  
18,702,892.83

**Borough of Washington, N.J.**  
**Schedule of Tax Title Liens Receivable**

**Current Fund**

**Year Ended December 31, 2021**

	<u>Ref.</u>		
Balance - December 31, 2020	A		259,630.86
Increased by:			
Transferred from Taxes Receivable	A-6	65,285.40	
Interest and Cost on Lien Sale		<u>3,813.35</u>	
			<u>69,098.75</u>
Balance - December 31, 2021	A		<u><u>328,729.61</u></u>

A-8

**Schedule of Property Acquired for  
Taxes Assessed Valuation**

**Current Fund**

**Year Ended December 31, 2021**

	<u>Ref.</u>		
Balance - December 31, 2020	A		<u><u>969,500.00</u></u>
Balance - December 31, 2021	A		<u><u>969,500.00</u></u>



Borough of Washington, N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2021

	<u>Ref.</u>	Balance Dec. 31, <u>2020</u>	<u>Accrued</u>	<u>Collected</u>	Balance Dec. 31, <u>2021</u>
Clerk:					
Licenses:					
Alcoholic Beverages	A-2	-	5,010.00	5,010.00	-
Fees and Permits	A-2	-	49,475.00	49,475.00	-
Municipal Court:					
Fines and Costs	A-2	1,074.57	29,675.13	29,025.70	1,724.00
Tax Collector:					
Interest and Costs on Taxes	A-2	-	104,314.91	104,314.91	-
Interest on Investments and Deposits	A-2	-	3,314.83	3,314.83	-
Energy Receipts	A-2	-	593,376.00	593,376.00	-
Cable TV Gross Receipts	A-2	-	22,305.59	22,305.59	-
Shared Service -Oxford CFO	A-2	-	35,000.04	35,000.04	-
Shared Service-Oxford Administrator	A-2	-	46,666.67	46,666.67	-
Shared Service-Oxford Municipal Clerk	A-2	-	34,000.00	34,000.00	-
Sewer Operating Surplus	A-2	-	800,000.00	800,000.00	-
		<u>1,074.57</u>	<u>1,723,138.17</u>	<u>1,722,488.74</u>	<u>1,724.00</u>
		A	A-4	A-4	A

## Borough of Washington, N.J.

Schedule of Amount Due From State of New Jersey  
for Senior Citizens' and Veterans' Deductions - CH. 73 P.L. 1976

Current Fund

Year Ended December 31, 2021

	<u>Ref.</u>		
Balance - December 31, 2020	A		8,209.43
Increased by:			
Senior Citizens' and Veterans' Deductions Per Tax Billing		28,750.00	
Senior Citizens' and Veterans' Deductions Allowed			
By the Tax Collector - 2021 Taxes		<u>1,250.00</u>	
		30,000.00	
Less: Senior Citizens Deductions Disallowed			
By the Tax Collector - 2021 Taxes		<u>1,000.00</u>	
	A-6		<u>29,000.00</u>
			37,209.43
Decreased by:			
State Share of Senior Citizens and Veteran			
Deductions Received in Cash	A-4		<u>29,347.95</u>
Balance - December 31, 2021	A		<u><u>7,861.48</u></u>

## Borough of Washington, N.J.

## Schedule of Deferred Charges

## N.J.S.A. 40A:4-53 Special Emergency

## Current Fund

## For Year Ended December 31, 2021

	<u>Net Amount Authorized</u>	1/5 of <u>Net Amount Authorized</u>	<u>Balance, Dec. 31, 2020</u>	<u>Balance, Dec. 31, 2021</u>
COVID-19 Special Emergency	143,400.00	28,680.00	<u>143,400.00</u> A	<u>143,400.00</u> A

Borough of Washington, N.J.

Schedule of Interfunds Receivables/(Payables)

		Current Fund			
		Year Ended December 31, 2021			
<u>Fund</u>	<u>Ref.</u>	<u>Due From/(To) Balance Dec. 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	<u>Due From/(To) Balance Dec. 31, 2021</u>
Federal and State Grants	A	(142,833.33)		142,833.33	-
Animal Control Trust Fund	A	12,500.00			12,500.00
Other Trust	A	(175,168.71)	73,419.99	250,396.81	1,808.11
Solid Waste Utility Fund				400,000.00	400,000.00
Open Space	A		119.99		(119.99)
		<u>(305,502.04)</u>	<u>73,539.98</u>	<u>793,230.14</u>	<u>414,188.12</u>
<u>Analysis</u>					
Due From Current Fund		(318,002.04)			(119.99)
Due To Current Fund	A-1	12,500.00			414,308.11
		<u>(305,502.04)</u>			<u>414,188.12</u>
Received	A-4		119.99		
Disbursed	A-4			793,230.14	
Municipal Open Space Tax	A-1; A-6		73,419.99		
			<u>73,539.98</u>	<u>793,230.14</u>	

**Borough of Washington, N. J.**  
**Schedule of Appropriation Reserves**  
**Current Fund**  
**Year Ended December 31, 2021**

	Balance, Dec. 31, <u>2020</u>	Balance after <u>Transfers</u>	Total Paid or <u>Charged</u>	Balance <u>Lapsed</u>
<u>General Appropriations</u>				
General Government:				
Administration and Executive:				
Salaries and Wages	3,635.26	3,635.26		3,635.26
Other Expenses	30,031.33	22,531.33	13,461.84	9,069.49
Mayor and Council:				
Salaries and Wages	50.00	50.00		50.00
Other Expenses	7,752.61	7,752.61	262.00	7,490.61
Municipal Clerk:				
Salaries and Wages	33,833.75	33,833.75		33,833.75
Other Expenses	7,464.04	7,464.04	1,899.00	5,565.04
Financial Administration:				
Salaries and Wages	451.82	451.82		451.82
Other Expenses	9,589.65	9,589.65	1,848.44	7,741.21
Annual Audit	18,280.00	18,280.00	15,500.00	2,780.00
Revenue Administration:				
Salaries and Wages	279.81	279.81		279.81
Other Expenses	79.80	79.80		79.80
Assessment of Taxes:				
Salaries and Wages	4,985.92	4,985.92		4,985.92
Other Expenses	8,057.20	8,057.20	4,279.50	3,777.70
Legal Services and Costs:				
Other Expenses	22,016.76	22,016.76	10,574.29	11,442.47
Engineering Services and Costs:				
Other Expenses	2,617.44	2,617.44		2,617.44
Municipal Land Use:				
Board of Adjustment:				
Salaries and Wages	0.60	0.60		0.60
Other Expenses	9,368.27	9,368.27		9,368.27
Local Code Enforcement:				
Salaries and Wages	91.71	91.71		91.71
Other Expenses	3,383.14	3,383.14		3,383.14
P.E.O.S.H.A. (P.L. 1983, C516)				
Other Expenses	1,000.00	1,000.00		1,000.00
Insurance:				
Health Insurance Waiver	3,800.00	3,800.00		3,800.00
General Liability	2,939.14	2,939.14		2,939.14
Employee Group Health	88,552.62	88,552.62	686.30	87,866.32
Public Safety:				
Fire:				
Other Expenses:				
Fire Hydrant Service	7,220.00	7,220.00	6,551.23	668.77

**Borough of Washington, N. J.**  
**Schedule of Appropriation Reserves**  
**Current Fund**  
**Year Ended December 31, 2021**

	Balance, Dec. 31, <u>2020</u>	Balance after <u>Transfers</u>	Total Paid or <u>Charged</u>	Balance <u>Lapsed</u>
First Aid Organization - Aid Maintenance:				-
Other Expenses	19,000.00	19,000.00	19,000.00	-
Uniform Fire Safety Act (P.L. 1983,C.383):				-
Fire and Safety Code Enforcement:				-
Other Expenses	5,800.00	5,800.00		5,800.00
Office of Emergency Management:				-
Salaries and Wages	587.00	587.00		587.00
Other Expenses	1,000.00	1,000.00		1,000.00
Public Works:				-
Road Repairs and Maintenance:				-
Salaries and Wages	41,044.47	41,044.47	41,044.47	-
Other Expenses	44,099.14	44,099.14	44,099.14	-
Shade Tree Commission:				-
Salaries and Wages	0.83	0.83		0.83
Other Expenses	1,710.74	1,710.74	1,662.79	47.95
Public Building and Grounds:				-
Other Expenses	5,968.70	5,968.70	2,419.52	3,549.18
Solid Waste Collection:				-
Other Expense	33,133.37	33,133.37	26,533.33	6,600.04
Health and Welfare:				-
Animal Control:				-
Salaries and Wages	4,500.00	4,500.00		4,500.00
Public Defender (P.L. 1977, C.256)				-
Other Expenses	4,800.00	4,800.00		4,800.00
Unclassified:				-
Electricity	17,230.74	17,230.74	1,945.82	15,284.92
Natural Gas	3,263.45	3,763.45	3,758.58	4.87
Street Lighting & Traffic Lights	10,461.93	10,461.93	5,284.70	5,177.23
Solid Waste Disposal	8,044.24	15,044.24	14,939.16	105.08
Telephone	2,386.89	2,386.89	1,040.93	1,345.96
Water	4,505.06	4,505.06	790.17	3,714.89
Gasoline and Diesel Fuel	12,643.57	12,643.57	1,818.99	10,824.58
Municipal Service Reimbursement	19,625.00	19,625.00	19,519.91	105.09
Deferred Charges and Statutory Expenditures				-
Contribution to:				-
Public Employees Retirement System	20.00	20.00		20.00
Social Security System (O.A.S.I.)	12,154.73	12,154.73		12,154.73
Defined Contribution Retirement Program	6,026.96	6,026.96		6,026.96
Maintenance of Free Public Library:				-
Other Expenses	5,223.73	5,223.73	5,223.73	-
COVID				-
Other Expenses	4,720.38	4,720.38		4,720.38

**Borough of Washington, N. J.**  
**Schedule of Appropriation Reserves**  
**Current Fund**  
**Year Ended December 31, 2021**

	Balance, Dec. 31, <u>2020</u>	Balance after <u>Transfers</u>	Total Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Shared Service Agreements:				-
Shared Police Services - Washington Township	66.97	66.97		66.97
Shared Engineering Services - Washington Townshl	339.36	339.36		339.36
Shared Administrator Services - Oxford Township	25,304.18	25,304.18		25,304.18
Shared CFO Services - Oxford Township	4,166.72	4,166.72		4,166.72
Shared Animal Control Services:				-
Salaries and Wages	6,083.80	6,083.80	4,429.36	1,654.44
Other Expenses	8,421.00	8,421.00		8,421.00
Social Security	4,500.00	4,500.00		4,500.00
Total General Appropriation Reserves	<u>582,313.83</u>	<u>582,313.83</u>	<u>248,573.20</u>	<u>333,740.63</u>
			A-4	A-1

	<u>Ref.</u>	
<u>Analysis of Appropriation Reserve</u>		
Unencumbered	A	465,084.15
Encumbered	A	<u>117,229.68</u>
		<u>582,313.83</u>

Borough of Washington, N.J.

Schedule of Various Cash Liabilities and Reserves

Current Fund

Year Ended December 31, 2021

	Balance Dec. 31, 2020	Increased	Decreased	Balance Dec. 31, 2021
<u>Liabilities and Reserves</u>				
<u>Liabilities:</u>				
Accounts Payable	18,000.00		1,500.00	16,500.00
Tax Overpayments		6,352.17		6,352.17
<u>Reserve for:</u>				
Encumbrances	117,229.68	102,517.94	117,229.68	102,517.94
Tax Appeals	5,902.19			5,902.19
State Library Aid	6,345.32		1,758.42	4,586.90
Sale of Municipal Assets	23,292.00			23,292.00
	<u>170,769.19</u>	<u>108,870.11</u>	<u>120,488.10</u>	<u>159,151.20</u>
	A			A
	<u>Ref.</u>			
Accounts Payable Cancelled			1,500.00	
Appropriations		102,517.94		
Appropriations Reserves			117,229.68	
Cash Received		6,352.17		
Cash Disbursed		<u>108,870.11</u>	<u>1,758.42</u>	
			<u>120,488.10</u>	



**Borough of Washington, N.J.**

**Schedule of Prepaid Taxes**

**Current Fund**

**Year Ended December 31, 2021**

	<u>Ref.</u>	
Balance - December 31, 2020	A	117,969.22
Increased by:		
Receipts - Prepaid Taxes	A-4	<u>173,943.50</u>
		291,912.72
Decreased by:		
Applied to Taxes	A-6	<u>117,969.22</u>
Balance - December 31, 2021	A	<u><u>173,943.50</u></u>

**Borough of Washington, N.J.**  
**Schedule of County Taxes Payable**

**Current Fund**

**Year Ended December 31, 2021**

Balance - December 31, 2020	<u>Ref.</u> A		507.17
Increased by:			
Levy	A-6	2,934,787.74	
Added and Omitted Taxes	A-6 A-1	<u>4,811.00</u>	<u>2,939,598.74</u>
			2,940,105.91
Decreased by:			
Payments	A-4		<u>2,935,294.91</u>
Balance - December 31, 2021	A		<u><u>4,811.00</u></u>

## Borough of Washington, N.J.

## Schedule of Local School District Tax

## Current Fund

## Year Ended December 31, 2021

	<u>Ref.</u>		
Balance - December 31, 2020			
School Tax Deferred		2,302,957.14	
School Tax Payable	A	<u>768,667.81</u>	3,071,624.95
Increased by:			
Levy School Year July 1, 2021 to June 30, 2022	A-6		<u>5,451,213.00</u>
			8,522,837.95
Decreased by:			
Payments	A-4		<u>5,432,580.00</u>
Balance - December 31, 2021			
School Tax Deferred		2,302,957.14	
School Tax Payable	A	<u>787,300.81</u>	<u>3,090,257.95</u>
Liability for Local School Tax			
Taxes Paid			5,432,580.00
Taxes Payable December 31, 2021			<u>787,300.81</u>
			6,219,880.81
Less:			
Taxes Payable December 31, 2020			<u>768,667.81</u>
Amount Charged to Operations	A-1		<u><u>5,451,213.00</u></u>

## Borough of Washington, N.J.

## Schedule of Regional High School Taxes Payable

## Current Fund

## Year Ended December 31, 2021

	<u>Ref.</u>		
Balance - December 31, 2020			
Tax Payable	A	152,905.68	
School Taxes Deferred		<u>2,126,628.50</u>	2,279,534.18
Increased by:			
Levy School Year July 1, 2021 to June 30, 2022	A-6		<u>4,810,816.00</u>
			7,090,350.18
Decreased by:			
Payments	A-4		<u>4,859,066.40</u>
Balance - December 31, 2021			
Tax Payable	A	104,655.28	
School Taxes Deferred		<u>2,126,628.50</u>	<u>2,231,283.78</u>
Liability for Regional District School Tax:			
Taxes Paid			4,859,066.40
Less:			
Taxes Payable-December 31, 2020			<u>152,905.68</u>
Amount Charged to Operations	A-1		<u>4,810,816.00</u>
			<b>A-19</b>

## Schedule of Special Improvement District Taxes Payable

## Current Fund

## Year Ended December 31, 2021

	<u>Ref.</u>		
Increased by:			
Levy- 2021	A-1;A-6		<u>200,000.00</u>
Decreased by:			
Cancelled	A-1	0.08	
Payments	A-4	<u>199,999.92</u>	<u>200,000.00</u>

## Borough of Washington, N.J.

## Schedule of Interfunds

## Federal and State Grant Fund

Year Ended December 31, 2021

<u>Fund</u>	Balance <u>Dec. 31, 2020</u>	<u>Decreased</u>
Current Fund	142,833.33	142,833.33
Sewer Operating	<u>7,766.29</u>	<u>7,766.29</u>
	<u>150,599.62</u>	<u>150,599.62</u>
	A	A-4

**Borough of Washington, N.J.**  
**Schedule of Grants Receivable**  
**Federal and State Grant Fund**  
**Year Ended December 31, 2021**

<u>Grant</u>	<u>Balance</u> Dec. 31, 2020	<u>Budget</u> Revenue	<u>Received</u>	<u>Cancelled</u>	<u>Balance</u> Dec. 31, 2021
Municipal Alliance Grant	20,293.89	3,325.00	9,367.80		14,251.09
Municipal Alliance - Local Share	6,948.00	1,109.00	1,109.00		6,948.00
State Aid-Highways	-	84,000.00			84,000.00
Recycling Tonnage	-	4,585.06	4,585.06		-
NJ CARES	-	66,611.00	66,611.00		-
HDSRF - Cleanup	137,275.65		137,275.65		-
Fire Grant		173,333.33	173,333.33		-
Statewide Insurance - Risk Control Grant	-	2,787.00	2,787.00		-
Highlands Council - Initial Assessment Grant	17,000.00				17,000.00
Small Cities	400,000.00		9,600.00		390,400.00
Community Stewardship Incentive Program					
Reforestation - Tree Planting	1,621.80				1,621.80
NJ Safe Routes To School	30,552.00				30,552.00
New Jersey Department of Transportation		115,000.00		84,000.00	115,000.00
New Jersey Department of Transportation-South Lincoln	84,000.00				-
New Jersey Department of Transportation-North Prospect Street	25,000.00				25,000.00
New Jersey Department of Transportation-Broad Street	75,000.00				75,000.00
	<u>797,691.34</u>	<u>450,750.39</u>	<u>404,668.84</u>	<u>84,000.00</u>	<u>759,772.89</u>
	A	A-2		A-23	A
		Ref.			
		Cash Receipts	231,335.51		
		A-4	173,333.33		
		A-23	<u>404,668.84</u>		
		Transfer from Unappropriated Reserve for Grants			

Borough of Washington, N.J.

Schedule of Appropriated Reserves of Grants

Federal and State Grant Fund

Year Ended December 31, 2021

	Grant		Transfer From Budget	Expended	Cancelled	Balance Dec. 31, 2021
	Balance Dec. 31, 2020	Balance Dec. 31, 2021				
Recycling Tonnage Grant	4,154.80	2,640.02	4,585.06	6,099.84		2,640.02
Alcohol Education and Rehabilitation Fund	3,246.37	3,246.37				3,246.37
Municipal Alliance Grant:						
Local Share	5,894.74	7,003.74	1,109.00			7,003.74
State Share	17,527.68	20,448.68	3,325.00	404.00		20,448.68
DOT Grant - Beethoven Avenue	5,960.55	5,960.55				5,960.55
New Jersey Department of Transportation	84,000.00	115,000.00	115,000.00		84,000.00	115,000.00
New Jersey Department of Transportation-South Lincoln	75,000.00	75,000.00				75,000.00
New Jersey Department of Transportation-Broad Street	80.43	80.43				80.43
New Jersey Department of Transportation-North Prospect Street			173,333.33	173,333.33		
Fire Grant			66,611.00	36,318.97		30,292.03
NJ CARES				12,244.76		10,057.37
Clean Communities Program	22,302.13	361,798.02		28,800.00		361,798.02
Small Cities Grant	390,598.02	38,681.60	84,000.00	45,318.40		38,681.60
State Aid-Highways						0.60
Sustainable Jersey	0.60					
Emergency Management Agency Assistance	10,000.00	2,500.00		7,500.00		2,500.00
Highlands Council - Initial Assessment Grant	12,000.00			12,000.00		
Community Stewardship Incentive Program						
Reforestation - Tree Planting	2,702.00	2,702.00	2,787.00	2,537.00		2,702.00
Hazardous Discharge Site Remediation Fund	4,029.90	4,029.90				4,029.90
Statewide Insurance - Risk Control Grant	2,012.15	2,262.15				2,262.15
	639,509.37	681,703.46	450,750.39	324,556.30	84,000.00	681,703.46
	A	A			A-21	A

Ref.

Federal and State Grants	A-3	450,750.39	-
Cash Disbursements	A-4	-	140,612.59
Reserve for Encumbrances	A-24	-	183,943.71
		450,750.39	324,556.30

Borough of Washington, N.J.

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2021

<u>Grant</u>	Balance Dec. 31, 2020	Transfer To Appropriated Reserves	Cash Received	Balance Dec. 31, 2021
Clean Communities			15,135.75	15,135.75
ARP Funding			337,556.09	337,556.09
Emergency Management			10,000.00	10,000.00
Shade Tree			1,619.80	1,619.80
HDSRF			0.35	0.35
Assistance to Firefighters Grant	173,333.33	173,333.33		-
	<u>173,333.33</u>	<u>173,333.33</u>	<u>364,311.99</u>	<u>364,311.99</u>
	A	A-21	A-4	A



**Borough of Washington, N.J.**  
**Schedule of Encumbrances Payable**  
**Federal and State Grant Fund**  
**Year Ended December 31, 2021**

	<u>Ref.</u>	
Balance - December 31, 2020	A	136,204.50
Increased by:		
Charged to Appropriated Reserves	A-22	<u>183,943.71</u>
		320,148.21
Decreased by:		
Disbursements	A-4	<u>136,204.50</u>
Balance - December 31, 2021	A	<u><u>183,943.71</u></u>

**Borough of Washington, N.J.**  
**Schedule of Cash - Change Fund**  
**Animal Control Trust Fund**  
**Year Ended December 31, 2021**

Balance - December 31, 2020	<u>Ref.</u> B	<u>100.00</u>
Balance - December 31, 2021	B	<u><u>100.00</u></u>

## Borough of Washington, N. J.

## Schedule of Cash

## Trust Funds

Year Ended December 31, 2021

	<u>Ref.</u>	<u>Animal Control Trust Fund</u>	<u>Other Trust Funds</u>
Balance - December 31, 2020	B	<u>4,179.33</u>	<u>1,836,401.25</u>
Increased by Receipts:			
Dog License Fees - Borough	B-3	6,912.00	-
Cat License Fees - Borough	B-3	905.00	-
Late Fees	B-3	580.00	-
Interfund - Current Fund	B-5; B-6	-	176,976.82
Dog License Fees - State Share	B-8	813.00	-
Other Trust Funds	B-9	-	3,918,782.35
Total Receipts		<u>9,210.00</u>	<u>4,095,759.17</u>
		<u>13,389.33</u>	<u>5,932,160.42</u>
Decreased by Disbursements:			
Encumbrances Payable			
Animal Control	B-4	484.29	-
Trust Funds	B-7	-	26,794.95
Reserve for Animal Control Trust			
Fund Expenditures	B-3	7,510.72	-
State Share - Dog Licenses	B-8	805.80	-
Other Trust Funds	B-9	-	3,513,056.15
Total Disbursements		<u>8,800.81</u>	<u>3,539,851.10</u>
Balance - December 31, 2021	B	<u>4,588.52</u>	<u>2,392,309.32</u>

## Borough of Washington, N. J.

## Reserve/(Deficit) for Animal Control Trust Fund Expenditures

## Trust Funds

Year Ended December 31, 2021

	<u>Ref.</u>		
Balance - December 31, 2020	B		(8,703.96)
Increased by:			
Dog License Fees	B-2	6,912.00	
Cat License Fees	B-2	905.00	
Late Fees	B-2	<u>580.00</u>	
			<u>8,397.00</u>
			(306.96)
Decreased by:			
Reserve for Animal Control Trust Fund Expenditures	B-2		<u>7,510.72</u>
Balance - December 31, 2021	B		<u><u>(7,817.68)</u></u>

License Fees CollectedYear

2020

8,218.60

2019

6,825.00

15,043.60

B-4

## Schedule of Encumbrances Payable

## Animal Control Trust Fund

Year Ended December 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	B	<u><u>484.29</u></u>
Decreased by:		
Cash Disbursements	B-2	<u><u>484.29</u></u>

**Borough of Washington, N. J.**

**Schedule of Interfund Receivable (Payable) - Current Fund**

**Animal Trust Fund**

**Year Ended December 31, 2021**

	Due (to) / from Balance <u>Dec. 31, 2020</u>	Due (to)/ from Balance <u>Dec. 31, 2021</u>
Animal Trust Fund	<u>(12,500.00)</u>	<u>(12,500.00)</u>
	B	B

## Borough of Washington, N. J.

## Schedule of Interfund Receivable (Payable)

## Other Trust Fund

## Year Ended December 31, 2021

	Due From / (To)			Due From / (To)
	Balance			Balance
	Dec. 31, 2020	Increased	Decreased	Dec. 31, 2021
Current Fund	<u>175,168.71</u>	<u>119.99</u>	<u>176,976.82</u>	<u>(1,688.12)</u>
	B			B
	<u>Ref.</u>			
Cash Receipts	B-2		176,976.82	
Various Reserves	B-9	119.99	-	
		<u>119.99</u>	<u>176,976.82</u>	

B-7

## Schedule of Encumbrances Payable

## Trust Fund

## Year Ended December 31, 2021

Balance - December 31, 2020	<u>Ref.</u> B	26,794.95
Increased by:		
Charges to Reserves	B-9	<u>25,980.19</u>
		52,775.14
Decreased by:		
Cash Disbursements	B-2	<u>26,794.95</u>
Balance - December 31, 2021	B	<u>25,980.19</u>

**Borough of Washington, N. J.**

**Schedule of Due (To) / From State Department of Health**

**Trust Funds**

**Year Ended December 31, 2021**

	<u>Ref.</u>	
Balance - December 31, 2020		
Due From State of New Jersey	B	1.00
Increased by:		
State Fees Collected	B-2	813.00
		<u>(812.00)</u>
Decreased by:		
Disbursements	B-2	805.80
		<u>805.80</u>
Balance - December 31, 2021		
Due From State of New Jersey	B	<u><u>(6.20)</u></u>

## Borough of Washington, N. J.

## Schedule of Other Trust Funds

## Trust Funds

## Year Ended December 31, 2021

	Balance <u>Dec. 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	Balance <u>Dec. 31, 2021</u>
Reserve for:				
Escrow Deposits	512,759.84	182,483.03	138,963.10	556,279.77
POAA	2,531.78	24.00	-	2,555.78
Recreation	82,652.07	126,746.42	136,434.42	72,964.07
Tax Sale Premiums	288,100.00	424,600.00	262,600.00	450,100.00
Public Defender	1,991.50	400.00		2,391.50
Fire Safety Bureau Trust	8,629.51	-		8,629.51
C.O.A.H.	403,010.66	41,183.57	9,355.85	434,838.38
Unemployment	80,063.08	7,528.36	6,653.36	80,938.08
Payroll	13,331.75	2,603,776.49	2,603,760.15	13,348.09
Comcast	227.66	-	-	227.66
WBFD Dedicated Penalty Trust	324.49	814.92	-	1,139.41
Snow Removal/Storm Recovery	-	101,712.46	19,777.35	81,935.11
Senior Activity	1,512.31	5,166.40	2,422.97	4,255.74
Outside Liens	23,695.18	350,325.61	343,539.16	30,481.63
Open Space	480,260.05	74,141.08	529.98	553,871.15
Street Opening	17,001.00	-	-	17,001.00
Escrow	53,170.00	-	-	53,170.00
Salary Settlements	15,514.13	-	15,000.00	514.13
	<u>1,984,775.01</u>	<u>3,918,902.34</u>	<u>3,539,036.34</u>	<u>2,364,641.01</u>
	B			B

Ref.

Cash Receipts	B-2	3,918,782.35	
Cash Disbursements	B-2		3,513,056.15
Interfund Current	B-6	119.99	
Encumbrances Payable	B-7		25,980.19
		<u>3,918,902.34</u>	<u>3,539,036.34</u>



## Borough of Washington, N. J.

## Schedule of Cash

## General Capital Fund

## Year Ended December 31, 2021

	<u>Ref.</u>		
Balance - December 31, 2020	C;C-3		783,982.52
Increased by Receipts:			
Due to Solid Waste Capital Fund	C-4	120,000.00	
Capital Improvement Fund	C-8	<u>60,000.00</u>	
			<u>180,000.00</u>
			963,982.52
Decreased by Disbursements:			
Reserve for Encumbrances	C-5	593,311.34	
Improvement Authorizations	C-9	<u>48,520.52</u>	
			<u>641,831.86</u>
Balance - December 31, 2021	C;C-3		<u><u>322,150.66</u></u>

Borough of Washington, N. J.  
 Analysis of Cash  
 General Capital Fund  
 Year Ended December 31, 2021

	Balance Dec. 31, 2020	Receipts			Disbursements		Transfers		Balance Dec. 31, 2021
		Budget Appropriation	Bond Anticipation Notes	Receipts Miscellaneous	Improvement Authorizations	Miscellaneous	To	(From)	
Fund Balance	74,306.00								74,306.00
Capital Improvement Fund	21,551.67	60,000.00							81,551.67
Encumbrances Payable	831,842.83					593,311.34		(53,657.10)	184,874.39
Due to Solid Waste Capital Fund	-			120,000.00			287,926.24		407,926.24
Reserve for Debt Service	9,320.21								9,320.21
Reserve for Generator	1,500.00								1,500.00
<u>Improvement Authorizations</u>									
Ordinance									
04-2013 Various Improvements and Purposes	1,850.00								1,850.00
02-2014 Various Capital Improvements	1,917.62								1,917.62
04-2015 Purchase of Zero Turn Lawnmower	225.00						71.70		225.00
05-2015 Various Improvements and Purposes	1,362.91								1,434.61
08-2017 Various Improvements and Purposes	32,603.75								32,603.75
11-2018 Acquisition of a New Fire Pumper Truck	14,769.04								14,769.04
14-2019 Acquisition of a New Street Sweeper	11,315.31								11,315.31
16-2019 Various Improvements and Purposes	21,707.58							(234,340.84)	21,707.58
26-2019 Acquisition of New Dump Trucks	237,319.76				2,978.92				0.00
27-2019 Purchase of a Mason Dump Truck with Plow	79,826.00				40,516.60				39,309.40
05-2020 Acquisition of Lands	(641,087.00)				5,025.00				(646,112.00)
07-2020 Various Capital Improvements	83,651.84								83,651.84
	783,982.52	60,000.00	-	120,000.00	48,520.52	593,311.34	287,997.94	(287,997.94)	322,150.66
									<u>C</u>

**Borough of Washington, N. J.**

**Schedule of Due From - General Capital**

**Solid Waste Utility Capital Fund**

**Year Ended December 31, 2021**

Ref.

Increased by:

Improvement Authorization	C-9	234,340.84
Encumbrances	C-2	53,513.70
Reserve for Debt Service	C-2	<u>120,000.00</u>

Balance-December 31, 2021

C 407,854.54

**Borough of Washington, N. J.**  
**Schedule of Encumbrances Payable**  
**General Capital Fund**  
**Year Ended December 31, 2021**

	<u>Ref.</u>		
Balance - December 31, 2020	C		831,842.83
Decreased by:			
Cancelled	C-9	71.70	
Transferred to Solid Waste	C-9	53,513.70	
Cash Disbursements	C-2	<u>593,311.34</u>	
			<u>646,896.74</u>
Balance - December 31, 2021	C		<u><u>184,946.09</u></u>

## Borough of Washington, N. J.

Schedule of Deferred Charges to Future  
Taxation - Funded

## General Capital Fund

Year Ended December 31, 2021

	<u>Ref.</u>		
Balance - December 31, 2020	C		3,224,268.07
Decreased by:			
Funded by Budget Appropriation			
Green Acres Loan Payable	C-10	36,920.74	
Serial Bonds Payable	C-12	<u>945,000.00</u>	
			<u>981,920.74</u>
Balance - December 31, 2021	C		<u><u>2,242,347.33</u></u>

Borough of Washington, N. J.  
 Schedule of Deferred Charges to Future Taxation - Unfunded  
 General Capital Fund  
 Year Ended December 31, 2021

Ord. Number	Improvement Description	Balance	Transferred to	Balance	Financed by	Expended	Unexpended Improvement Authorization
		Dec. 31, 2020	Solid Waste	Dec. 31, 2021	Bond Anticipation Notes		
10-2018	Improvements to Various Roads	1,031,000.00		1,031,000.00	1,031,000.00	-	-
11-2018	Acquisition of a New Fire Pumper Truck	465,000.00		465,000.00	465,000.00	-	-
06-2019	Acquisition of a New Fire Command Vehicle	16,000.00		16,000.00	16,000.00	-	-
14-2019	Acquisition of a New Street Sweeper	237,500.00		237,500.00	237,500.00	-	-
26-2019	Acquisition of new dump trucks	1,238,000.00	1,238,000.00	-	-	-	-
05-2020	Acquisition of Lands	648,200.00		648,200.00		646,112.00	2,088.00
		<u>3,635,700.00</u>	<u>1,238,000.00</u>	<u>2,397,700.00</u>	<u>1,749,500.00</u>	<u>646,112.00</u>	<u>2,088.00</u>
		C	C-13	C	C-13		

	Ref.	
Improvement Authorizations Unfunded	C-9	28,172.35
Less: Unexpended Proceeds of Bonds		
Anticipations Notes		
11-2018	14,769.04	
14-2019	11,315.31	
		<u>26,084.35</u>
		<u>2,088.00</u>

**Borough of Washington, N. J.**  
**Schedule of Capital Improvement Fund**  
**General Capital Fund**  
**Year Ended December 31, 2021**

	<u>Ref.</u>	
Balance - December 31, 2020	C	21,551.67
Increased by:		
Cash Receipts	C-2	<u>60,000.00</u>
Balance - December 31, 2021	C	<u><u>81,551.67</u></u>

Borough of Washington, N. J.  
 Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2021

Ord. Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2020		Prior Years Purchase Order Cancelled	Transferred to Solid Waste	Paid or Charged	Balance Dec. 31, 2021	
				Funded	Unfunded				Funded	Unfunded
General Improvements:										
04-2013	Various Improvements and Purposes	06/18/13	366,500.00	1,850.00	-	-	-	-	1,850.00	-
02-2014	Various Capital Improvements	06/17/14	264,000.00	1,917.62	-	-	-	-	1,917.62	-
04-2015	Purchase of Zero Turn Lawnmower	05/19/15	6,000.00	225.00	-	-	-	-	225.00	-
05-2015	Various Improvements and Purposes	06/16/15	298,000.00	1,362.91	-	71.70	-	-	1,434.61	-
08-2017	Various Improvements and Purposes	05/16/17	400,000.00	32,603.75	-	-	-	-	32,603.75	-
11-2018	Acquisition of a New Fire Pumper Truck	05/01/18	500,000.00	-	14,769.04	-	-	-	-	14,769.04
14-2019	Acquisition of a New Street Sweeper	06/18/19	250,000.00	-	11,315.31	-	-	-	-	11,315.31
16-2019	Various Improvements and Purposes	06/18/19	265,000.00	21,707.58	-	-	234,340.84	2,978.92	21,707.58	-
26-2019	Acquisition of New Dump Trucks	10/01/19	1,300,000.00	-	237,319.76	-	-	40,516.60	39,309.40	-
27-2019	Purchase of a Mason Dump Truck with Plow	10/15/19	80,000.00	79,826.00	-	-	-	5,025.00	-	2,088.00
05-2020	Acquisition of Lands	04/07/20	838,200.00	-	7,113.00	-	-	-	-	-
07-2020	Various Capital Improvements	07/21/20	120,000.00	83,651.84	270,517.11	71.70	234,340.84	48,520.52	83,651.84	28,172.35
				C	C	C-5	C-4	C-2	C	C
				223,144.70	270,517.11	71.70	234,340.84	48,520.52	182,699.80	28,172.35



Borough of Washington, N. J.

Schedule of Green Acres Trust Loan Payable

General Capital Fund

Year Ended December 31, 2021

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance, Dec. 31, 2020	Decreased	Balance, Dec. 31, 2021
			Date	Amount				
Green Acres Loan	10/17/2002	328,750.00	01/17/2022-07/17/2022	See Notes	2.00%	39,883.44	19,743.28	20,140.16
Green Acres Loan	03/04/2009	283,200.00	06/30/2022-06/30/2026	See Notes	2.00%	108,384.63	17,177.46	91,207.17
			12/31/2022-12/31/2026	See Notes		148,268.07	36,920.74	111,347.33
						<u>C</u>	<u>C-6</u>	<u>C</u>

**Borough of Washington, N. J.****Schedule of Various Reserves****General Capital Fund****Year Ended December 31, 2021**

	Balance <u>Dec. 31, 2020</u>	Balance <u>Dec. 31, 2021</u>
Reserve for Debt Service	9,320.21	9,320.21
Reserve for Generator	<u>1,500.00</u>	<u>1,500.00</u>
	<u>10,820.21</u>	<u>10,820.21</u>
	C	C

Borough of Washington, N. J.

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2021

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2021	Interest Rate	Balance	
					Dec. 31, 2020	Dec. 31, 2021
General Improvement Bonds	04/01/12	2,706,000.00	4/1/2022 125,000.00	2.00%		
			4/1/2023-25 250,000.00	2.00-2.40%		
			4/1/2026 225,000.00	2.50%		
			4/1/2027 221,000.00	2.60%	1,446,000.00	1,321,000.00
General Refunding Bonds	08/01/17	3,185,000.00	3/1/2022 810,000.00	4.00%	1,630,000.00	810,000.00
					<u>3,076,000.00</u>	<u>945,000.00</u>
					<u>C</u>	<u>C</u>

Borough of Washington, N. J.

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year Ended December 31, 2021

Ord. No./Date	Improvement Description	Date of		Interest Rate	Balance Dec. 31, 2020	Decreased	Balance Dec. 31, 2021
		Original Issue	Date of Issue				
10-2018	Improvements to Various Roads	10/15/19	10/14/20	1.25%	1,031,000.00		1,031,000.00
11-2018	Acquisition of a New Fire Pumper Truck	10/15/19	10/14/20	1.25%	465,000.00		465,000.00
06-2019	Acquisition of a New Fire Command Vehicle	10/15/19	10/14/20	1.25%	16,000.00		16,000.00
14-2019	Acquisition of a New Street Sweeper	10/15/19	10/14/20	1.25%	237,500.00		237,500.00
26-2019	Acquisition of a New Dump Truck	10/14/20	10/14/20	1.25%	1,238,000.00	1,238,000.00	
					<u>2,987,500.00</u>	<u>1,238,000.00</u>	<u>1,749,500.00</u>
					C	C-7	C

Borough of Washington, N. J.

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2021

<u>Ord. Number</u>	<u>Date</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2020</u>	<u>Balance Dec. 31, 2021</u>
26-2019	10/01/19	Acquisition of New Dump Trucks	648,200.00	-
05-2020	04/07/20	Acquisition of Lands	648,200.00	648,200.00
			<u>Footnote C</u>	<u>Footnote C</u>

## Borough of Washington, N. J.

## Schedule of Cash

## Sewer Utility Fund

Year Ended December 31, 2021

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2020	D;D-6	<u>3,429,818.30</u>	<u>184,831.71</u>
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	D-3	33,260.67	
Consumer Accounts/Liens Receivable	D-8	2,414,525.82	
Reserve for Overpayments	D-17	23,289.10	
Capital Improvement Fund	D-18		100,000.00
		<u>2,471,075.59</u>	<u>100,000.00</u>
		<u>5,900,893.89</u>	<u>284,831.71</u>
Decreased by Disbursements:			
Budget Appropriations	D-4	2,161,111.26	
Interfund - Grant Fund	D-10	7,766.29	-
Appropriation Reserves	D-13	90,296.28	
		<u>2,259,173.83</u>	<u>-</u>
Balance - December 31, 2021	D;D-6	<u><u>3,641,720.06</u></u>	<u><u>284,831.71</u></u>

Borough of Washington, N. J.

Analysis of Cash

Sewer Utility Capital Fund  
Year Ended December 31, 2021

	Receipts		Disbursements		Balance Dec. 31, 2021
	Balance Dec. 31, 2020	Budget Appropriations	Improvement Authorizations	Miscellaneous	
Fund Balance	9,706.52				9,706.52
Capital Improvement Fund	100,000.22	100,000.00			200,000.22
Reserve for Encumbrances	97,732.50				97,732.50
Ord. 15-2019	46,757.50				46,757.50
Ord. 20-2019	(69,365.03)				(69,365.03)
Improvements to the Sanitary Sewer System	184,831.71	100,000.00	-	-	284,831.71
	D;D-5				D;D-5

**Borough of Washington, N. J.**

**Schedule of Change Fund**

**Sewer Utility Operating Fund**

**Year Ended December 31, 2021**

	<u>Ref.</u>	
Balance - December 31, 2020	D	<u>75.00</u>
Balance - December 31, 2021	D	<u>75.00</u>

**Schedule of Consumer Accounts Receivable**

**Sewer Utility Operating Fund**

**Year Ended December 31, 2021**

	<u>Balance Dec. 31, 2020</u>	<u>Charges</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2021</u>
Consumer Accounts Receivable	<u>450,630.01</u> D	<u>2,374,830.56</u>	<u>2,418,980.82</u>	<u>406,479.75</u> D
		<u>Ref.</u>		
Rents Received		D-3;D-5	2,414,525.82	
Transfer to Lien		D-9	4,455.00	
			<u>2,418,980.82</u>	



**Borough of Washington, N. J.**

**Schedule of Sewer Liens**

**Sewer Utility Operating Fund**

**Year Ended December 31, 2021**

	<u>Ref.</u>	
Balance - December 31, 2020	D	15,418.36
Increased by:		
Consumer Accounts Receivable	D-8	<u>4,455.00</u>
Balance - December 31, 2021	D	<u><u>19,873.36</u></u>

## Borough of Washington, N. J.

## Schedule of Due (To)/From - Grant Fund

## Sewer Utility Operating Fund

## Year Ended December 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	D	<u>(7,766.29)</u>
Increased by:		
Cash Disbursements	D-5	<u>7,766.29</u>

**Borough of Washington, N. J.**  
**Schedule of Fixed Capital**  
**Sewer Utility Capital Fund**  
**Year Ended December 31, 2021**

<u>Description</u>	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
Wastewater Treatment Plant	18,140,614.71	18,140,614.71
Equipment	24,750.00	24,750.00
	<u>18,165,364.71</u>	<u>18,165,364.71</u>
	D	D

Borough of Washington, N. J.

Schedule of Fixed Capital Authorized and Uncompleted

Sewer Utility Capital Fund

Year Ended December 31, 2021

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance</u>		<u>Balance,</u>	
		<u>Date</u>	<u>Amount</u>	<u>Dec. 31, 2020</u>	<u>Dec. 31, 2021</u>
15-2019	Various Sewer Improvements	6/18/2019	300,000.00	300,000.00	300,000.00
20-2019	Improvements to the Sanitary Sewer System	9/3/2019	400,000.00	400,000.00	400,000.00
				<u>700,000.00</u>	<u>700,000.00</u>
				D	D

Borough of Washington, N. J.

Schedule of Appropriation Reserves

Sewer Utility Operating Fund

Year Ended December 31, 2021

	Balance, Dec. 31, <u>2020</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating:				
Salaries and Wages	35,607.21	35,607.21		35,607.21
Other Expenses	603,272.08	603,272.08	87,414.19	515,857.89
Statutory Expenditures:				
Social Security System (O.A.S.I.)	5,229.81	5,229.81	2,882.09	2,347.72
	<u>644,109.10</u>	<u>644,109.10</u>	<u>90,296.28</u>	<u>553,812.82</u>
			D-5	D-1
<u>Analysis of Appropriation Reserve</u>				
Unencumbered		D 626,598.94		
Encumbered		D 17,510.16		
		<u>644,109.10</u>		

**Borough of Washington, N. J.**  
**Schedule of Accounts Payable**  
**Sewer Utility Operating Fund**  
**Year Ended December 31, 2021**

	<u>Ref.</u>	
Balance - December 31, 2020	D	<u>126,829.99</u>
Balance - December 31, 2021	D	<u>126,829.99</u>

**Borough of Washington, N. J.**  
**Schedule of Accrued Interest**  
**Sewer Utility Operating Fund**  
**Year Ended December 31, 2021**

	<u>Ref.</u>	<u>Loans</u>
Balance - December 31, 2020	D	50,189.05
Increased by: Budget Appropriations		<u>1,218.89</u>
Balance - December 31, 2021	D	<u><u>51,407.94</u></u>

Borough of Washington, N. J.

Schedule of Improvement Authorizations

Sewer Utility Capital Fund

Year Ended December 31, 2021

ORD. No.	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2020		Balance Dec. 31, 2021	
				Funded	Unfunded	Funded	Unfunded
15-2019	Various Sewer Improvements	06/18/19	300,000.00	46,757.50		46,757.50	
20-2019	Improvements to the Sanitary Sewer System	09/03/19	400,000.00		330,634.97	-	330,634.97
				<u>46,757.50</u>	<u>330,634.97</u>	<u>46,757.50</u>	<u>330,634.97</u>
				D	D	D	D



## Borough of Washington, N. J.

## Schedule of Reserves

## Sewer Utility Operating Fund

Year Ended December 31, 2021

<u>Description</u>	Balance <u>Dec. 31, 2020</u>	<u>Increased</u>	Balance <u>Dec. 31, 2021</u>
Prepaid Sewer Charges		18,618.14	18,618.14
Overpaid Sewer Charges	14,324.58	4,670.96	18,995.54
	<u>14,324.58</u>	<u>23,289.10</u>	<u>37,613.68</u>
	D	D-5	D

**Borough of Washington, N. J.**  
**Schedule of Capital Improvement Fund**  
**Sewer Utility Capital Fund**  
**Year Ended December 31, 2021**

	<u>Ref.</u>	
Balance - December 31, 2020	D	100,000.22
Increased by:		
Budget Appropriation	D-5	<u>100,000.00</u>
Balance - December 31, 2021	D	<u><u>200,000.22</u></u>

D-19

**Schedule of Reserve for Amortization**  
**Sewer Utility Capital Fund**  
**Year Ended December 31, 2021**

	<u>Ref.</u>	
Balance - December 31, 2020	D	18,004,531.84
Increased by:		
USDA Rural Development Loan by Operating Budget	D-22	<u>100,832.87</u>
Balance - December 31, 2021	D	<u><u>18,105,364.71</u></u>

D-20

**Schedule of Encumbrances Payable**  
**Sewer Utility Capital Fund**  
**Year Ended December 31, 2021**

	<u>Ref.</u>	
Balance - December 31, 2020	D	<u>97,732.50</u>
Balance - December 31, 2021	D	<u><u>97,732.50</u></u>

**Borough of Washington, N. J.**

**Schedule of Deferred Reserve for Amortization**

**Sewer Utility Capital Fund**

**Year Ended December 31, 2021**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance, Dec. 31, 2020</u>	<u>Balance, Dec. 31, 2021</u>
15-2019	Various Sewer Improvements	6/18/2019	<u>300,000.00</u> D	<u>300,000.00</u> D

Borough of Washington, N. J.

Schedule of Wastewater Loans Payable

Sewer Utility Capital Fund

Year Ended December 31, 2021

Purpose	Date of Issue	Amount of Original Issue	Maturities Outstanding December 31, 2021		Interest Rate	Balance Dec. 31, 2020	Decreased	Balance Dec. 31, 2021
			Date	Amount				
Trust Loan - Project #S340706-05	10/15/02	790,000.00	2021	60,000.00	5.00%	120,000.00	60,000.00	60,000.00
			2022	60,000.00	4.75%			
Fund Loan - Project #S340706-05	10/15/02	835,741.00	2021	40,832.87	0.00%	40,832.87	40,832.87	60,000.00
						<u>160,832.87</u>	<u>100,832.87</u>	<u>60,000.00</u>
						D	D-19	D

Borough of Washington, N. J.  
Schedule of Bonds and Notes Authorized But Not Issued

Sewer Utility Capital Fund

Year Ended December 31, 2021

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance, Dec. 31, 2020</u>	<u>Balance, Dec. 31, 2021</u>
20-2019	Improvements to the Sanitary Sewer System	<u>400,000.00</u>	<u>400,000.00</u>
		<u>Footnote D</u>	<u>Footnote D</u>

**Borough of Washington, N. J.**

**Schedule of Cash**

**Solid Waste Utility Fund**

**Year Ended December 31, 2021**

	<u>Ref.</u>	<u>Operating</u>
Balance - December 31, 2020	E;E-6	<u>-</u>
Increased by Receipts:		
Miscellaneous Revenue Not Anticipated	E-2	6,470.81
Consumer Accounts/Liens Receivable	E-6	608,692.73
Interfund-Current Fund	E-8	400,000.00
		<u>1,015,163.54</u>
		1,015,163.54
Decreased by Disbursements:		
Budget Appropriations	E-3	645,326.17
		<u>645,326.17</u>
Balance - December 31, 2021	E;E-6	<u><u>369,837.37</u></u>

## Borough of Washington, N. J.

## Analysis of Cash

## Sewer Utility Capital Fund

## Year Ended December 31, 2021

	<u>Transferred</u>	
	From	Balance
	<u>General Capital</u>	<u>Dec. 31, 2021</u>
Reserve for Encumbrances	53,513.70	53,513.70
Reserve for Debt service	120,000.00	120,000.00
Due to General Capital	(407,854.54)	(407,854.54)
Ord. <u>Improvement Authorizations</u>		
26-19 Acquisition of New Dump Trucks	234,340.84	234,340.84
	<u>-</u>	<u>-</u>
		E; E-4

## Borough of Washington

## Schedule of Consumer Accounts Receivable

## Solid Waste Utility Operating Fund

Year Ended December 31, 2021

	<u>Charges</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2021</u>
Consumer Accounts Receivable	<u>703,225.00</u>	<u>608,692.73</u>	<u>94,532.27</u>
		E-2	E

## Schedule of Due From - General Capital

## Solid Waste Utility Capital Fund

Year Ended December 31, 2021

Ref.

Increased by:

Transferred from General Capital			
Improvement Authorization	E-10	234,340.84	
Encumbrances	E-12	53,513.70	
Reserve for Debt Service	E-11	<u>120,000.00</u>	
Balance - December 31, 2021	E		<u>407,854.54</u>



**Borough of Washington**

**Schedule of Due to - Current Fund**

**Solid Waste Utility Operating Fund**

**Year Ended December 31, 2021**

Ref.

Increased by:

Cash Receipts

E-4

400,000.00

Balance - December 31, 2021

E

400,000.00

## Borough of Washington, N. J.

## Schedule of Fixed Capital

## Sewer Utility Capital Fund

Year Ended December 31, 2021

<u>Description</u>	<u>Additions By Ordinance</u>	<u>Balance Dec. 31, 2021</u>
Purchase of New Dump Trucks	1,300,000.00	1,300,000.00
	<u>1,300,000.00</u>	<u>1,300,000.00</u>
	E	E
		<u>Ref.</u>
		E-15 1,238,000.00
		E-14 62,000.00
		<u>1,300,000.00</u>

**Borough of Washington, N. J.**  
**Schedule of Improvement Authorizations**

**Sewer Utility Capital Fund**

**Year Ended December 31, 2021**

<u>ORD.</u> <u>No.</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Ordinance</u> <u>Amount</u>	<u>Transferred</u> <u>from</u> <u>General Capital</u>	<u>Balance</u> <u>Dec. 31, 2021</u> <u>Unfunded</u>
26-2019	Acquisition of Dump Trucks	10/01/19	1,300,000.00	237,319.76	237,319.76
				<u>237,319.76</u>	<u>237,319.76</u>
				<u>E-7</u>	<u>E</u>

**Borough of Washington, N. J.**  
**Schedule of Reserve for Debt Service**  
**Sewer Utility Capital Fund**  
**Year Ended December 31, 2021**

Ref.

Increased by:		
Budget Appropriation	E-4	<u>120,000.00</u>
Balance - December 31, 2021	E	<u><u>120,000.00</u></u>

E-12

**Schedule of Reserve for Encumbrances**  
**Sewer Utility Capital Fund**  
**Year Ended December 31, 2021**

Ref.

Balance - December 31, 2020	E	
Increased by:		
Encumbrances	E-7	<u>53,513.70</u>
Balance - December 31, 2021	E	<u><u>53,513.70</u></u>

E-13

**Schedule of Encumbrances Payable**  
**Sewer Utility Operating Fund**  
**Year Ended December 31, 2021**

Ref.

Increased by:		
Encumbrances	E-3	<u>26,859.67</u>
Balance - December 31, 2021	E	<u><u>26,859.67</u></u>

**Borough of Washington, N. J.**

**Schedule of Deferred Reserve for Amortization**

**Sewer Utility Capital Fund**

**Year Ended December 31, 2021**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Paid from Budget</u>	<u>Balance, Dec. 31, 2021</u>
26-2019	Acquisition of New Dump Trucks	10/1/2019	<u>62,000.00</u> E-9	<u>62,000.00</u> E

Borough of Washington, N. J.

Schedule of Bond Anticipation Notes Payable

Solid Waste Utility Capital Fund

Year Ended December 31, 2021

Purpose	Date of Issue	Amount of Original Issue	Maturities Outstanding		Interest Rate	Increased	Balance Dec. 31, 2021
			Date	Amount			
Acquisition of New Dump Trucks	10/14/19		10/13/22	1,238,000.00	0.320%	1,238,000.00	1,238,000.00
						<u>E-9</u>	<u>E</u>

## Borough of Washington, N. J.

## Schedule of Deferred Charges

## Solid Waste Utility Operating Fund

## Year Ended December 31, 2021

	<u>Ref.</u>	<u>Added in 2021</u>	<u>Balance December 31, 2021</u>
Overexpenditure of Appropriations	E; E-1	36,200.98	36,200.98
Deficit in Operations	E; E-1	35,004.46	35,004.46
		<u>71,205.44</u>	<u>71,205.44</u>
		E	E

**BOROUGH OF WASHINGTON**

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**PART II**

**REPORT ON INTERNAL CONTROL AND ON COMPLIANCE  
AND OTHER MATTERS**

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2021**





**WIELKOTZ & COMPANY** LLP  
CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and  
Members of the Borough Council  
Borough of Washington  
Washington, New Jersey 07882

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Borough of Washington in the County of Warren as of and for the year ended December 31, 2021, and the related notes to the financial statements, and have issued our report thereon dated August 31, 2022, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

**Internal Control Over Financial Reporting**

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

We did identify certain immaterial deficiencies in internal control that we have reported to management of the Borough of Washington in the accompanying comments and recommendations section of this report.


### **Compliance and Other Matters**

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

However, we noted certain immaterial instances of noncompliance that we have reported to the management of the Borough of Washington in the accompanying comments and recommendations section of this report.

### **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 Borough of Washington internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Washington's internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Steven D. Wielkocz, C.P.A.  
Registered Municipal Accountant  
No. 413

  
Wielkocz & Company, LLC  
*Certified Public Accountants*

Pompton Lakes, New Jersey

August 31, 2022



## GENERAL COMMENTS

### Cash Balances

Cash balances in all funds were verified by independent certificates obtained from the depositories as of December 31, 2021, and at August 31, 2022, in connection with the supplemental reconciliations made for all officials. Cash on hand was counted on that date.

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

N.J.S. 40A:11-3 states:

- a. "When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.
- b. Any contracts made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.
- c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, c.198 (C.40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. That adjustment shall become effective on July 1 of the year in which it is made."

N.J.S. 40A:11-4 states: "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsection b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

## GENERAL COMMENTS (CONTINUED)

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

Effective April 17, 2000 and thereafter the bid threshold in accordance with N.J.S.A. 40A:11-3 (as amended) is \$17,500.00 and \$25,000.00 with a qualified purchasing agent. On July 1, 2015, the threshold was increased to \$40,000.00 with a qualified purchasing agent and on July 1, 2020 this threshold was increased to \$44,000.00.

The Governing Body of the Borough of Washington have the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year and where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Attorney's opinion should be sought before a commitment is made.

The minutes indicated the bids were requested by public advertising per N.J.S.A. 40A:11-4. The minutes also indicated that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

Inasmuch as the system of records did not provide for the accumulation of payments for categories for the performance of any work or the furnishing or hiring of any material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed. None were noted.

Our review of the Borough's minutes indicated that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

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

The Borough is a member of a Cooperative Pricing Council organized in the surrounding area.

### Collection of Interest on Delinquent Taxes and Assessments

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

The Governing Body on January 5, 2021 adopted the following resolutions authorizing interest to be charged on delinquent taxes:

#### RESOLUTION OF THE BOROUGH OF WASHINGTON, COUNTY OF WARREN, STATE OF NEW JERSEY, FIXING THE RATE OF INTEREST TO BE CHARGED ON DELINQUENT TAXES OF ASSESSMENTS

"WHEREAS, taxes are payable in quarterly installments on February 1<sup>st</sup>, May 1<sup>st</sup>, August 1<sup>st</sup> and November 1<sup>st</sup> in each year, and installments become delinquent if not paid on or before those dates".

**GENERAL COMMENTS (CONTINUED)**

Collection of Interest on Delinquent Taxes and Assessments (continued)

“BE IT THEREFORE RESOLVED, that Council does hereby authorize an interest charge not to exceed eight (8%) percent per annum on the first \$1,500.00 of the delinquency and eighteen (18%) percent per annum on any amount in excess of \$1,500.00 upon all delinquent installments; and

BE IT ALSO RESOLVED, that Council does hereby authorize a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000.00 who fails to pay that delinquency prior to the end of the calendar year. That penalty so fixed shall not exceed six (6%) percent of the amount of the delinquency.

BE IT FURTHER RESOLVED, that any installments received after the expiration of the grace period, and such grace period shall be the period starting with the second day and ending on the ten (10<sup>th</sup>) day of the month in which taxes are due, shall bear interest at the applicable interest rate from the original due date.

BE IT FURTHER RESOLVED, that the Tax Collector of the Borough of Washington is hereby authorized to conduct the annual sale of delinquent taxes for the Calendar Year 2020.

It appears from an examination of the Collector's records, that interest was collected in accordance with the forgoing resolution.

As part of the audit, an agreement between the Borough and Phillipsburg National Bank, dated October 12, 1992, effective January 1, 1993, established the Bank as the official Tax Receiving Agency, was reviewed. However, the statutes read that the Tax Receiving Agency can only accept current year tax payments. Therefore, the agreement between the bank and Borough was reviewed, and accepted by the Division of Local Government Services for their approval on February 4, 1993.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on October 7, 2021 and was complete, except for properties in bankruptcy court.

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

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

<u>Year</u>	<u>Number of Liens</u>
2021	11
2020	5
2019	9

## **GENERAL COMMENTS (CONTINUED)**

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a tax-paying basis.

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services.

### **Verification of Delinquent Taxes and Other Charges**

The result of the test, which was made as of December 31, 2021 is not yet known, but a separate report will be rendered if any irregularities are developed.

In addition, analytical review procedures were utilized to ascertain the validity of the receivables.

## **OTHER COMMENTS**

### **Municipal Court**

1. There were 292 tickets assigned but not issued as of December 31, 2021.

#### **Management Response:**

Tickets assigned but not issued at year end will be recalled or reissued.

2. In several instances, court fees collected were not disbursed to appropriate agencies by the 15<sup>th</sup> of the following month.

#### **Management Response:**

Efforts will be made to ensure disbursements are made by the 15<sup>th</sup> of the following month.

**RECOMMENDATIONS**

1. That tickets assigned but not issued at year end be recalled or reissued.
2. That court disbursements be made to appropriate agencies by the 15<sup>th</sup> of the following month.

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

A review was performed on all prior years' recommendations and corrective action was taken on all, with the exception of the following:

1. That tickets assigned but not issued at year end be recalled or reissued.

\* \* \* \* \*

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

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

Very truly yours,



Steven D. Wielkocz, C.P.A.  
Registered Municipal Accountant  
No. 413



Wielkocz & Company, LLC  
Certified Public Accountants