



Audits of Warren County Constitutional Officers

20

Pages 2 - 16	Office of the Clerk
Pages 17 - 39	Office of the County Prosecutor
Pages 40 - 54	Office of the Sheriff
Pages 55 - 69	Office of the Surrogate

COUNTY OF WARREN
OFFICE OF THE CLERK
REPORT OF AUDIT
2019

COUNTY OF WARREN
OFFICE OF THE COUNTY CLERK
INDEPENDENT AUDITORS' REPORT AND
BALANCE SHEET AND SUPPLEMENTAL SCHEDULE
YEAR ENDED DECEMBER 31, 2019
TABLE OF CONTENTS

	<u>Page</u>
Report of Audit:	
Independent Auditors' Report	1-2
Financial Statement:	
Comparative Balance Sheet – Regulatory Basis	4
Notes to Balance Sheet	5-8
Supplemental Schedule:	
Schedule of Cash	10
Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance:	
Cover Letter	12
Comments and Recommendations	13

Independent Auditors' Report

The Honorable Director and Members of
the Board of Chosen Freeholders
County of Warren
Belvidere, New Jersey

Report on the Financial Statements

We have audited the balance sheet *–regulatory basis–* of the Office of the County Clerk, a component unit of the County of Warren, as of and for the years December 31, 2019 and 2018, and the related notes to the financial statements, as listed in the table of contents

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this balance sheet in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and audit requirements prescribed by the Division. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

The Honorable Director and Members of
 the Board of Chosen Freeholders
 County of Warren
 Belvidere, New Jersey
 Page 2

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

As described in Note 1, the balance sheet is prepared by the Office of the County Clerk on the basis of accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the balance sheet of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the balance sheet referred to above does not present fairly in accordance with accounting principles generally accepted in the United States of America the financial position of the Office of the County Clerk as of December 31, 2019 and 2018.

Opinion on Regulatory Basis of Accounting

In our opinion, the balance sheet referred to above presents fairly, in all material respects, the financial position of the Office of the County Clerk as of December 31, 2019 and 2018, on the basis of the accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as described in Note 1.

Other Matters

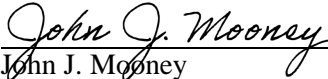
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the balance sheet of the Office of the County Clerk. The supplemental schedule listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplemental schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the balance sheet. Such information has been subjected to the auditing procedures applied in the audit of the balance sheet and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the balance sheet or to the balance sheet itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedule is fairly stated, in all material respects, in relation to the balance sheet as a whole.

Mount Arlington, New Jersey
 August 6, 2020

NISIVOCCIA LLP


 John J. Mooney
 Registered Municipal Accountant No. 560
 Certified Public Accountant

FINANCIAL STATEMENT

COUNTY OF WARREN
OFFICE OF THE CLERK
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	December 31,	
	2019	2018
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 486,238.83	\$ 420,072.93
Change Fund	105.00	130.00
Due from Passport Agencies	70.00	70.00
TOTAL ASSETS	<u>\$ 486,413.83</u>	<u>\$ 420,272.93</u>
<u>LIABILITIES AND RESERVES</u>		
Fines Due to Municipalities	\$ 120.00	\$ 120.00
Court Deposits	140.00	140.00
Recount Fees	187.00	187.00
Charge Accounts	41,981.54	39,322.31
Due to Warren County Treasurer	131,998.64	110,736.72
Due to Warren County Treasurer, Public Health Priority Funds	21,458.75	23,778.50
Due to Secretary of State	94.50	135.00
Due to State of New Jersey, Division of Taxation	243,233.40	208,533.40
Due to State of New Jersey, Preservation Fund	47,200.00	37,320.00
TOTAL LIABILITIES AND RESERVES	<u>\$ 486,413.83</u>	<u>\$ 420,272.93</u>

THE ACCOMPANYING NOTES TO THE BALANCE SHEET
ARE AN INTEGRAL PART OF THIS STATEMENT

COUNTY OF WARREN
OFFICE OF THE COUNTY CLERK
NOTES TO BALANCE SHEET
YEAR ENDED DECEMBER 31, 2019

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Office of the County Clerk, County of Warren conform to the accounting practices applicable to counties which have been prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). 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.

A. Reporting Entity

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of GASB Codification Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America. Accordingly, the Office of the county Clerk is a component unit of the County of Warren under provisions of Governmental Accounting Standards Board's Codification Section 2100.

B. Basis of Accounting

The accounting practices prescribed or permitted for counties by the Division differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units ("GAAP"). The more significant differences are as follows:

Receipts - receipts are recognized on a cash basis. GAAP requires such revenue to be recognized in the accounting period when they are measurable and available to fund current year's expenditures, reduced by an allowance for doubtful accounts.

Reserves/Disbursements - reserves are established to reflect amounts due to other governments, County offices, or other third parties. Disbursements are recognized when paid rather than when the obligation is incurred. GAAP requires such obligations to be recorded as liabilities and expenditures in the period in which the obligations were incurred, if measurable.

Investments – investments are stated at cost.

COUNTY OF WARREN
OFFICE OF THE COUNTY CLERK
NOTES TO BALANCE SHEET
YEAR ENDED DECEMBER 31, 2019
 (Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

C. Function of the Office of the County Clerk

The Office of the County Clerk acts as an intermediary for the Department of Treasury, State of New Jersey, and the U.S. Department of Justice by collecting fees for naturalization, passports, enrollments, incorporations, and other miscellaneous charges, and remitting the proceeds to the respective agencies. Fees for registering mortgages, deeds, power of attorney, etc., and related charges are remitted to the County. Receipts are recorded at the time the cash is received.

Note 2: Cash and Cash Equivalents:

Cash and cash equivalents include petty cash, change funds, amounts in deposits, money market accounts, and short-term investments with original maturities of three months or less.

Investments are stated at cost. The County classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB requires disclosure of the level of custodial credit risk assumed by the County in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the County ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The County limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed below and on the following page.

Custodial Credit Risk – The County's policy with respect to custodial credit risk requires that the County ensures that County funds are only deposited in financial institutions in which NJ counties are permitted to invest their funds.

Deposits:

New Jersey statutes permit the deposit of public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories.

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

The market value of the collateral must equal 5% of the average daily balance of public funds on deposit and in addition if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

COUNTY OF WARREN
OFFICE OF THE COUNTY CLERK
NOTES TO BALANCE SHEET
YEAR ENDED DECEMBER 31, 2019
 (Continued)

Note 2: Cash and Cash Equivalents (Cont'd)

Deposits: (Cont'd)

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

Investments:

New Jersey statutes permit the purchase of the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law" P.L. 1983, c. 313 (C.40A:5A-1 et seq.) Other Bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983 c.313 (C.40A:5A-1 et seq.);
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and

COUNTY OF WARREN
OFFICE OF THE COUNTY CLERK
NOTES TO BALANCE SHEET
YEAR ENDED DECEMBER 31, 2019
(Continued)

Note 2: Cash and Cash Equivalents (Cont'd)

Investments: (Cont'd)

- (e) a master repurchase agreement providing for the custody and security of collateral is executed.

The office of the County Clerk did not hold any investments during the year ending December 31, 2019. As of December 31, 2019, the carrying amount of the cash and cash equivalents of the Office of the County Clerk was \$486,238.83 and the bank balance was \$465,464.03.

Note 3: Subsequent Event

The COVID-19 outbreak in the United States and specifically in New Jersey has caused disruption of the County's normal financial operations with the County office closed to the public and minimal staff working on site. Though the impact on the County's operations cannot be reasonably estimated at this date, it is likely that there will be an impact on fees collected by the Office of the County Clerk.

SUPPLEMENTAL SCHEDULE

COUNTY OF WARREN
OFFICE OF THE CLERK
SCHEDULE OF CASH

	Balance at December 31, 2018	Receipts	Disbursements	Balance at December 31, 2019
Fines Due to Municipalities	\$ 120.00			\$ 120.00
Court Deposits	140.00			140.00
Recount Fees	187.00			187.00
Charge Accounts	39,322.31	\$ 64,219.90	\$ 61,560.67	41,981.54
Due to Warren County Treasurer	110,736.72	1,410,534.98	1,389,273.06	131,998.64
Due to Warren County Treasurer - Public Health Priority Funds	23,778.50	346,730.75	349,050.50	21,458.75
Due to Secretary of State	135.00	2,037.00	2,077.50	94.50
Due from Passport Agencies	(70.00)			(70.00)
Due to State of New Jersey, Division of Taxation	208,533.40	3,408,246.36	3,373,546.36	243,233.40
Due to State of New Jersey, Preservation Fund	37,320.00	465,736.00	455,856.00	47,200.00
	<u>\$ 420,202.93</u>	<u>\$ 5,697,504.99</u>	<u>\$ 5,631,364.09</u>	<u>\$ 486,343.83</u>

COUNTY OF WARREN
OFFICE OF THE COUNTY CLERK
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
YEAR ENDED DECEMBER 31, 2019



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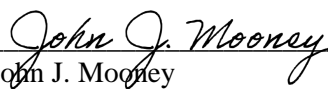
August 6, 2020

The Honorable Director and Members
of the Board of Chosen Freeholders
County of Warren
Belvidere, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America, the balance sheet of the Office of the County Clerk, County of Warren for the year ended December 31, 2019, and have issued our report thereon dated August 6, 2020.

As part of our audit, we performed procedures required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the findings and results, thereof are disclosed on the following page. This letter does not affect our report dated August 6, 2020, on the balance sheet of the Office of the County Clerk.

NISIVOCIA LLP



John J. Mooney
Registered Municipal Accountant No. 560
Certified Public Accountant

COUNTY OF WARREN
OFFICE OF COUNTY CLERK
COMMENTS AND RECOMMENDATIONS

Management Suggestions:

There are several accounts for which the Clerk's office is designating a portion of its cash balance for Fines Due to Municipalities, Court Deposits, Recount Fees, and Due from Passport Agencies which have not changed in several years. It is suggested that the Clerk's office close out these accounts and return the funds to the Warren County Treasurer.

Recommendations:

None

COUNTY OF WARREN

OFFICE OF THE COUNTY PROSECUTOR
STATE SEIZED AND FORFEITED ASSETS FUND

REPORT OF AUDIT

2019

NISIVOCCIA LLP
CERTIFIED PUBLIC ACCOUNTANTS

COUNTY OF WARREN
OFFICE OF THE COUNTY PROSECUTOR –
STATE SEIZED AND FORFEITED ASSETS FUND
REPORT OF AUDIT
YEAR ENDED DECMEBER 31, 2019

COUNTY OF WARREN
OFFICE OF THE COUNTY PROSECUTOR -
STATE SEIZED AND FORFEITED ASSETS FUND
INDEPENDENT AUDITORS' REPORT AND
BALANCE SHEET AND SUPPLEMENTAL SCHEDULE
YEAR ENDED DECEMBER 31, 2019
TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1-2
Financial Statements:	
Balance Sheet – Regulatory Basis	3
Statement of Revenues, Expenditures and Changes in Fund Balance – Regulatory Basis	4
Statement of Cash Flows – Regulatory Basis	5
Notes to the Financial Statements	6-10
Supplemental Schedules:	
Schedule of Distribution to Law Enforcement Agencies (Not Applicable)	11
Schedule of Law Enforcement Trust Fund Expenditures	12
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 <i>Government Auditing Standards</i>	13-14
Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance:	
Cover Letter	15
Comments and Recommendations	16
Summary of Recommendations	17

Independent Auditors' Report

Office of the County Prosecutor
County of Warren
Belvidere, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements –*regulatory basis* - of the Office of the County Prosecutor – Law Enforcement Trust Funds (the “Fund”), a component unit of the County of Warren, as of and for the year ended December 31, 2019, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by the Attorney General's Office, Department of Law and Public Safety, State of New Jersey (the “AG”) and the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”) to demonstrate compliance with the Division's and AG's regulatory basis of accounting, and the budget laws of New Jersey; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

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

As described in Note 1, the financial statements are prepared by the Fund on the basis of accounting practices prescribed or permitted by the Division and the AG to demonstrate compliance with the AG's and the Division's regulatory basis of accounting, which is a basis of accounting other than accounting principles generally accepted in

Office of the County Prosecutor
County of Warren
Belvidere, New Jersey

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly in accordance with accounting principles generally accepted in the United States of America the financial position of the Fund as of December 31, 2019, or the changes in financial position or cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements – *regulatory basis* - referred to above present fairly, in all material respects, the financial position of the Fund as of December 31, 2019, and the changes in fund balance and cash flows thereof of such funds for the year ended December 31, 2019 on the basis of accounting practices prescribed or permitted by the Division and AG to demonstrate compliance with the Division's and AG's regulatory basis of accounting, as described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds that collectively comprise the Fund's financial statements. The supplemental schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

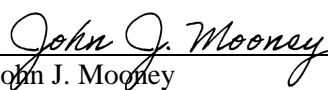
The supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 6, 2020 on our consideration of the Fund's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fund's 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 Fund's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
August 6, 2020

NISIVOCCIA LLP


John J. Mooney
Registered Municipal Accountant #560
Certified Public Accountant

FINANCIAL STATEMENTS

COUNTY OF WARREN
OFFICE OF THE PROSECUTOR
LAW ENFORCEMENT TRUST FUNDS
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2019

	Seized Asset Trust Account	County Prosecutor Law Enforcement Trust Account	Asset Maintenance Account	Seized Funds Held in Evidence Account	Confidential Account	Firearms Training System Account	Federal Equitable Sharing Account	Municipal Law Enforcement Trust Account	Total
Assets									
Cash and Cash Equivalents	\$ 38,489	\$ 211,406	\$ 2,226	\$ 15,305	\$ 11,574	\$ 374	\$ 64,878	\$ 48,508	\$ 392,760
Vehicles and Property	3,343								3,343
Total Assets	\$ 41,832	\$ 211,406	\$ 2,226	\$ 15,305	\$ 11,574	\$ 374	\$ 64,878	\$ 48,508	\$ 396,103
Liabilities, Reserves and Fund Balance									
Reserve for Assets in Custodianship of the Prosecutor	\$ 3,343				\$ 11,574			\$	3,343
Reserve for Confidential Funds									11,574
Reserve for Seized Funds				\$ 15,305					15,305
Fund Balance	38,489	\$ 211,406	\$ 2,226			\$ 374	\$ 64,878	\$ 48,508	365,881
Total Liabilities, Reserves and Fund Balance	\$ 41,832	\$ 211,406	\$ 2,226	\$ 15,305	\$ 11,574	\$ 374	\$ 64,878	\$ 48,508	\$ 396,103

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT

COUNTY OF WARREN
OFFICE OF THE PROSECUTOR
LAW ENFORCEMENT TRUST FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Seized Asset Trust Account	County Prosecutor Law Enforcement Trust Account	Asset Maintenance Account	Firearms Training System Account	Federal Equitable Sharing Account	Municipal Law Enforcement Trust Account	Petty Cash	Total
Revenue								
Seized Funds	\$ 30,374	\$ 28,267			\$ 540			\$ 59,181
Interest On Investments	549	3,466	\$ 36		994	\$ 735		5,780
Transfer from Seized Asset Trust Account		3,488				1,417		4,905
Transfer from Phillipsburg MEA						1,500		1,500
Petty Cash Reimbursements							\$ 23,649	23,649
Total Revenue	30,923	35,220	36		1,534	3,653	23,649	95,015
Expenditures and Other Charges								
Transfer to Independence Law Enforcement Trust Account						1,500		1,500
Refunds of Seized Funds	389							389
Asset Maintenance and Forfeiture Costs			60					60
Law Enforcement Expenditures		49,701						49,701
Due Law Enforcement Trust Account	3,488							3,488
Due Municipal Law Enforcement Trust Account	1,417							1,417
Petty Cash Expenditures							23,649	23,649
Total Expenditures and Other Charges	5,294	49,701	60			1,500	23,649	80,204
Excess/(Deficit) of Revenue Over/(Under) Expenditures and Other Charges	25,629	(14,481)	(24)		1,534	2,153		14,811
Fund Balance January 1	12,860	225,887	2,250	\$ 374	63,344	46,355	-0-	351,070
Fund Balance December 31	\$ 38,489	\$ 211,406	\$ 2,226	\$ 374	\$ 64,878	\$ 48,508	\$ -0-	\$ 365,881

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT

COUNTY OF WARREN
OFFICE OF THE PROSECUTOR
LAW ENFORCEMENT TRUST FUNDS
STATEMENT OF CASH FLOWS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Seized Asset Trust Account	County Prosecutor Law Enforcement Trust Account	Asset Maintenance Account	Seized Funds Held in Evidence Account	Confidential Account	Firearms Training System Account	Federal Equitable Sharing Account	Municipal Law Enforcement Trust Account	Petty Cash	Total
Cash Flows From Operating Activities										
Seized Funds	\$ 30,374	\$ 28,267		\$ 8,968			\$ 540			\$ 68,149
Interest On Investments	549	3,466	\$ 36		\$ 12,500		994	\$ 735		5,780
Received from County Treasurer										12,500
Distribution from Seized Asset Trust Account		3,488						1,417		4,905
Transfer from Phillipsburg MEA								1,500		1,500
Petty Cash Reimbursements									\$ 23,649	23,649
Cash Provided by Operating Activities	30,923	35,220	36	8,968	12,500		1,534	3,653	23,649	116,483
Transfer to Independence Law Enforcement Trust Account								1,500		1,500
Cash Paid for Refunds of Seized Funds	389			3,768						4,157
Cash Paid for Asset Maintenance and Forefeiture Costs			60						60	
Cash Paid for Law Enforcement Expenditures		49,701			10,000					49,701
Cash Paid for Confidential Fund Expenditures										10,000
Cash Paid to County Law Enforcement Trust Account	3,488									3,488
Cash Paid to Municipal Law Enforcement Trust	1,417									1,417
Cash Paid for Petty Cash Expenditures									23,649	23,649
Cash Paid from Operating Activities	5,294	49,701	60	3,768	10,000			1,500	23,649	93,972
Net Increase/(Decrease) in Cash	25,629	(14,481)	(24)	5,200	2,500		1,534	2,153		22,511
Cash Balance January 1, 2019	12,860	225,887	2,250	10,105	9,074	\$ 374	63,344	46,355	-0-	370,249
Cash Balance December 31, 2019	\$ 38,489	\$ 211,406	\$ 2,226	\$ 15,305	\$ 11,574	\$ 374	\$ 64,878	\$ 48,508	\$ -0-	\$ 392,760

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT

COUNTY OF WARREN
OFFICE OF THE COUNTY PROSECUTOR -
STATE SEIZED AND FORFEITED ASSETS FUND
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Office of the County Prosecutor – Law Enforcement Trust Fund, County of Warren, conform to regulations governing forfeiture and distribution of property and funds prescribed by the Attorney General’s Office (the “AG”), Department of Law and Public Safety, State of New Jersey. Such regulations are designed primarily for determining compliance with legal provisions and as a means of reporting on the stewardship of public officials with respect to forfeited property.

A. Reporting Entity

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of GASB Codification Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America. Accordingly, the Office of the County Prosecutor is a component unit of the County of Warren under provisions of Governmental Accounting Standards Board’s Codification Section 2100.

B. Basis of Accounting

The accounting practices prescribed or permitted for counties by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”) and the AG’s differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units (“GAAP”). The more significant differences are as follows:

Revenues - revenues are recognized on a cash basis or, in the case of property other than cash, at the estimated realizable value on the date seized or forfeited. GAAP requires revenue to be recognized in the accounting period when it is measurable and available to fund current year’s expenditures, reduced by an allowance for doubtful accounts.

Expenditures - Expenditures are recognized when paid rather than when the obligation is incurred, except for certain amounts due to other governmental entities which are recognized when payable. GAAP requires such obligations to be recorded as liabilities and expenditures in the period in which the obligations were incurred, if measurable.

COUNTY OF WARREN
OFFICE OF THE COUNTY PROSECUTOR -
STATE SEIZED AND FORFEITED ASSETS FUND
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019
 (Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

C. Function of the Office of the County Prosecutor

The Office of the County Prosecutor administers the property and funds which a municipal law enforcement agency receives as a result of seizures and forfeitures brought under the authority of NJSA 2C:64-1 et seq. The Office of the County Prosecutor also participates in the Equitable Sharing of Federally Forfeited Property. The Office of the County Prosecutor maintains the following accounts:

County Prosecutor's Law Enforcement Trust Account (CLETA) – accounts for funds or proceeds from the sale of forfeited property received by the County Prosecutor's office. These funds are to be used to benefit the prosecutor's office.

Asset Maintenance Account – accounts for interest earned on seized assets. These funds are to be used for forfeiture related purposes such as costs directly related to the administration or operation of the forfeiture program and the seizure, acquisition, maintenance and preservation of seized property prior to a final judgment of forfeiture.

Seized Asset Trust Account (SATA) – accounts for the seized funds not yet forfeited.

Federal Equitable Sharing Account – accounts for federally shared forfeited assets for the use of the local law enforcement agency.

Municipal Law Enforcement Trust Account (MEA) – accounts for individual municipalities' share of interest earned on seized assets and funds or proceeds from the sale of forfeited property received by the County Prosecutor's office. These funds are to be used to benefit the local law enforcement agency of a municipality.

Firearms Training System Account – accounts for funds designated for the purpose of firearms training of law enforcement agencies in the County.

Confidential Account – accounts for funds used to purchase items directly related to ongoing investigations.

Seized Funds Held in Evidence Account – accounts for funds seized during criminal investigations.

Note 2: Cash and Cash Equivalents

Cash and cash equivalents include petty cash, change funds, amounts in deposits, money market accounts, and short-term investments with original maturities of three months or less.

Investments are stated at cost. The County classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

COUNTY OF WARREN
OFFICE OF THE COUNTY PROSECUTOR -
STATE SEIZED AND FORFEITED ASSETS FUND
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019
(Continued)

Note 2: Cash and Cash Equivalents (Cont'd)

GASB requires disclosure of the level of custodial credit risk assumed by the County in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the County ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The County limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed below and on the following page.

Custodial Credit Risk – The County's policy with respect to custodial credit risk requires that the County ensures that County funds are only deposited in financial institutions in which NJ counties are permitted to invest their funds.

Deposits:

New Jersey statute permits the deposit of public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories.

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

The market value of the collateral must equal 5% of the average daily balance of public funds on deposit and, in addition, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

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

Investments:

New Jersey statutes permit the Office of the Prosecutor to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;

COUNTY OF WARREN
OFFICE OF THE COUNTY PROSECUTOR -
STATE SEIZED AND FORFEITED ASSETS FUND
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019
 (Continued)

Note 2: Cash and Cash Equivalents (Cont'd):

Investments: (Cont'd)

- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law" P.L. 1983, c. 31 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the of Local Government Services in the Department of Community Affairs for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983 c.31 (C.40A:5A-1 et seq.);
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

The Office of the County Prosecutor did not hold any investments during the year ended December 31, 2019. As of December 31, 2019, cash at the Office of the County Prosecutor's office consisted of deposits in savings and checking accounts. The carrying amount of the Prosecutor's cash at December 31, 2019 was \$392,760 and the bank balance was \$378,353.09.

COUNTY OF WARREN
OFFICE OF THE COUNTY PROSECUTOR -
STATE SEIZED AND FORFEITED ASSETS FUND
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019
 (Continued)

Note 3: Seized and Forfeited Assets Held

Seized and forfeited assets are valued at estimated wholesale value. Vehicles are auctioned off when the County gains title, and proceeds from the auction are deposited into the County Prosecutor's Law Enforcement Trust Account. As of December 31, 2019, the following seized and forfeited assets were held:

File #	Year	Description		Serial #	Value	Location
		Make	Model			
1911-0768	2009	BMW	328	3WBAWC33539PC87879	\$ 3,343	Warren Co. Impound
					<u>\$ 3,343</u>	

Note 4: Subsequent Event

The COVID-19 outbreak in the United States and specifically in New Jersey has caused disruption of the County's normal financial operations with the County office closed to the public and minimal staff working on site. Though the impact on the Fund's operations cannot be reasonably estimated at this date, it is likely that there will be an impact on at least the timing of collection of receipts as in the Fund.

SUPPLEMENTAL SCHEDULES

COUNTY OF WARREN
OFFICE OF THE PROSECUTOR
SCHEDULE OF DISTRIBUTION TO LAW ENFORCEMENT AGENCIES
FOR THE YEAR ENDED DECEMBER 31, 2019

NOT APPLICABLE

COUNTY OF WARREN
OFFICE OF THE PROSECUTOR
SCHEDULE OF LAW ENFORCEMENT TRUST FUND &
ASSET MAINTENANCE ACCOUNT EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2019

Description	Asset Maintenance Account	County Prosecutor Law Enforcement Trust Account
Audit Expense		\$ 6,440
Computer Equipment & Accessories		14,935
Meetings		1,221
Distribution of Forfeited Funds		150
Training/Education		11,550
Equipment Purchases		10,208
Motor Vehicle Title & Towing Fees	\$ 60	
Miscellaneous		829
Uniform Expense		4,368
	<u>\$ 60</u>	<u>\$ 49,701</u>

Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

Office of the County Prosecutor
County of Warren
Belvidere, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed for seized and/or forfeited property issued by the Attorney General's Office, Department of Law and Public Safety, State of New Jersey (the "AG"), 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 Warren County Prosecutor Law Enforcement Trust Funds (the "Fund") as of and for the year ended December 31, 2019, and the related notes to the financial statements, and have issued our report thereon dated August 6, 2020. These financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") and the AG to demonstrate compliance with the Division and AG's regulatory basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

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

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

Office of the County Prosecutor
County of Warren
Belvidere, New Jersey
Page 2

Compliance and Other Matters

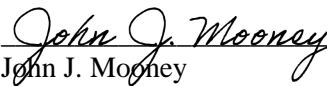
As part of obtaining reasonable assurance about whether the Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

Purpose of this Report

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

Mount Arlington, New Jersey
August 6, 2020

NISIVOCIA LLP



John J. Mooney
Registered Municipal Accountant #560
Certified Public Accountant

COUNTY OF WARREN
OFFICE OF THE COUNTY PROSECUTOR -
STATE SEIZED AND FORFEITED ASSETS FUND
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
YEAR ENDED DECEMBER 31, 2019



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August 6, 2020

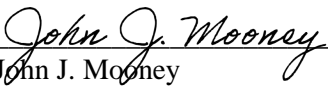
Office of the County Prosecutor
County of Warren
Belvidere, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed for seized and/or forfeited property issued by the Attorney General's Office, Department of Law and Public Safety, 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 component unit financial statements of the Office of the County Prosecutor – Law Enforcement Trust Funds, County of Warren as of and for the year ended December 31, 2019, and have issued our report thereon dated August 6, 2020.

As part of our audit, we performed procedures required by the Attorney General's Office, Department of Law and Public Safety, State of New Jersey, and the results, thereof are disclosed on the following page. This letter does not affect our report dated August 6, 2020, on the financial statements of the Office of the County Prosecutor – Law Enforcement Trust Funds.

This report is intended for the information of the Warren County Prosecutor's Office's management and the Attorney General's Office, Department of Law and Public Safety, State of New Jersey. However, this report is a matter of public record and its distribution is not limited.

NISIVOCIA LLP



John J. Mooney
Registered Municipal Accountant #560
Certified Public Accountant

COUNTY OF WARREN
OFFICE OF THE COUNTY PROSECUTOR -
STATE SEIZED AND FORFEITED ASSETS FUND
COMMENTS AND RECOMMENDATIONS

None

COUNTY OF WARREN
OFFICE OF THE COUNTY PROSECUTOR -
STATE SEIZED AND FORFEITED ASSETS FUND
SUMMARY OF RECOMMENDATIONS

None

COUNTY OF WARREN
OFFICE OF THE SHERIFF
REPORT OF AUDIT
2019

COUNTY OF WARREN
OFFICE OF THE SHERIFF
INDEPENDENT AUDITORS' REPORT AND
BALANCE SHEET AND SUPPLEMENTAL SCHEDULE
YEAR ENDED DECEMBER 31, 2019
TABLE OF CONTENTS

	<u>Page</u>
Report of Audit:	
Independent Auditors' Report	1-2
Financial Statement:	
Comparative Balance Sheet – Regulatory Basis	4
Notes to the Balance Sheet	5-8
Supplemental Schedule:	
Schedule of Cash	10
Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance:	
Cover Letter	12
Comments and Recommendations	13



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Independent Member
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Independent Auditors' Report

The Honorable Director and Members of
the Board of Chosen Freeholders
County of Warren
Belvidere, New Jersey

Report on the Financial Statements

We have audited the balance sheet – *regulatory basis* - of the Office of the Sheriff, a component unit of the County of Warren, as of and for the years ended December 31, 2019 and 2018, and the related notes to the balance sheet.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this balance sheet in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on this balance sheet based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, and audit requirements prescribed by the Division. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the balance sheet is free from material misstatement.

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

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

The Honorable Director and Members of
the Board of Chosen Freeholders
County of Warren
Belvidere, New Jersey
Page 2

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

As described in Note 1, the balance sheet is prepared by the Office of the Sheriff on the basis of accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the balance sheet of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the balance sheet referred to above does not present fairly in accordance with accounting principles generally accepted in the United States of America the financial position of the Office of the Sheriff as of December 31, 2019 and 2018.

Opinion on Regulatory Basis of Accounting

In our opinion, the balance sheet referred to above presents fairly, in all material respects, the financial position of the Office of the Sheriff as of December 31, 2019 and 2018, on the basis of accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as described in Note 1.

Other Matters

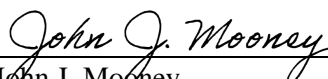
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the Office of the Sheriff's balance sheet. The supplemental schedule listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplemental schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the balance sheet. Such information has been subjected to the auditing procedures applied in the audit of the balance sheet and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the balance sheet or to the balance sheet itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedule is fairly stated, in all material respects, in relation to the balance sheet as a whole.

Mount Arlington, New Jersey
August 6, 2020

NISIVOCIA LLP


John J. Mooney
Registered Municipal Accountant #560
Certified Public Accountant

FINANCIAL STATEMENT

COUNTY OF WARREN
OFFICE OF THE SHERIFF
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	December 31,	
	2019	2018
<u>ASSETS</u>		
Cash and Cash Equivalents:		
Sales Account	\$ 2,060,622.64	\$ 2,144,587.54
General Account	3,613.19	2,707.15
TOTAL ASSETS	<u>\$ 2,064,235.83</u>	<u>\$ 2,147,294.69</u>
 <u>LIABILITIES AND RESERVES</u>		
Due to County Treasurer	\$ 31,096.96	\$ 22,392.44
Reserve for Wage Executions	3,613.19	2,707.15
Reserve for Foreclosures	2,029,525.68	2,122,195.10
TOTAL LIABILITIES AND RESERVES	<u>\$ 2,064,235.83</u>	<u>\$ 2,147,294.69</u>

THE ACCOMPANYING NOTES TO THE BALANCE SHEET
 ARE AN INTEGRAL PART OF THIS STATEMENT

COUNTY OF WARREN
OFFICE OF THE SHERIFF
NOTES TO BALANCE SHEET
YEAR ENDED DECEMBER 31, 2019

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Office of the Sheriff, County of Warren conform to the accounting practices applicable to counties, which have been prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such 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.

A. Reporting Entity

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of GASB Codification Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America. Accordingly, the Office of the Sheriff is a component unit of the County of Warren under provisions of Governmental Accounting Standards Board's Codification Section 2100.

B. Basis of Accounting

The accounting practices prescribed for counties by the Division differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units ("GAAP"). The more significant differences are as follows:

Receipts - receipts are recognized on a cash basis. GAAP requires such receipts to be recognized in the accounting period when they are measurable and available to fund current year's expenditures, reduced by an allowance for doubtful accounts.

Reserves/Disbursements - reserves are established to reflect amounts due to other governments, County offices, or other third parties. Disbursements are recognized when paid rather than when the obligation is incurred. GAAP requires such obligations to be recorded as liabilities and expenditures in the period in which the obligations were incurred, if measurable.

Investments - investments, which consist of certificates of deposit, are recorded at cost. GAAP generally requires that investments be recorded at fair value.

COUNTY OF WARREN
OFFICE OF THE SHERIFF
NOTES TO BALANCE SHEET
YEAR ENDED DECEMBER 31, 2019
 (Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

C. Function of the Office of the Sheriff

The Office of the Sheriff acts as an intermediary for the County Treasurer by collecting fees and receipts generated from foreclosure sales and executions. The Office of the Sheriff maintains the following reserves:

Wage Executions - Accounts for the receipts and fees from executions.

Foreclosures – Accounts for the receipts and fees from foreclosures of property.

Note 2: Cash and Cash Equivalents

Cash and cash equivalents include petty cash, change funds, amounts in deposits, money market accounts, and short-term investments with original maturities of three months or less.

Investments are stated at cost. The County classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB requires disclosure of the level of custodial credit risk assumed by the County in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the County ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The County limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed below and on the following page.

Custodial Credit Risk – The County's policy with respect to custodial credit risk requires that the County ensures that County funds are only deposited in financial institutions in which NJ counties are permitted to invest their funds.

Deposits:

New Jersey statute permits the deposit of public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories.

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

The market value of the collateral must equal 5% of the average daily balance of public funds on deposit and in addition if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

COUNTY OF WARREN
OFFICE OF THE SHERIFF
NOTES TO BALANCE SHEET
YEAR ENDED DECEMBER 31, 2019
 (Continued)

Note 2: Cash and Cash Equivalents (Cont'd):

Deposits: (Cont'd)

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

Investments:

New Jersey statutes permit the Office of the Sheriff to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law" P.L. 1983, c. 313 (C.40A:5A-1 et seq.) Other Bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983 C.313 (C.40A:5A-1 et seq.);
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;

COUNTY OF WARREN
OFFICE OF THE SHERIFF
NOTES TO BALANCE SHEET
YEAR ENDED DECEMBER 31, 2019
(Continued)

Note 2: Cash and Cash Equivalents (Cont'd):

Investments: (Cont'd)

- (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
- (e) a master repurchase agreement providing for the custody and security of collateral is executed.

The Office of the Sheriff did not hold any investments during the year ended December 31, 2019. As of December 31, 2019, cash of the Office of the Sheriff's office consisted of deposits in savings and checking accounts. The carrying amount of the Sheriff's cash at December 31, 2019 was \$2,064,235.83 and the bank balance was \$2,188,648.77.

Note 3: Subsequent Event

The COVID-19 outbreak in the United States and specifically in New Jersey has caused disruption of the Office of the Sheriff's normal financial operations with the county office closed to the public and minimal staff working on site. Though the impact on the Office of the Sheriff's operations cannot be reasonably estimated at this date, it is likely that there will be an impact on the fees and deposits collected by the Office of the Sheriff.

SUPPLEMENTAL SCHEDULE

COUNTY OF WARREN
OFFICE OF THE SHERIFF
SCHEDULE OF CASH

	<u>Total</u>	<u>Due to County Treasurer</u>	<u>Wage Executions</u>	<u>Foreclosures</u>
Balance December 31, 2018	\$ 2,147,294.69	\$ 22,392.44	\$ 2,707.15	\$ 2,122,195.10
Increased by:				
Fees and Deposits	<u>5,067,420.44</u>	<u>576,414.13</u>	<u>83,007.77</u>	<u>4,407,998.54</u>
	<u>7,214,715.13</u>	<u>598,806.57</u>	<u>85,714.92</u>	<u>6,530,193.64</u>
Decreased by:				
Cash Disbursements	<u>5,150,479.30</u>	<u>567,709.61</u>	<u>82,101.73</u>	<u>4,500,667.96</u>
Balance December 31, 2019	<u><u>\$ 2,064,235.83</u></u>	<u><u>\$ 31,096.96</u></u>	<u><u>\$ 3,613.19</u></u>	<u><u>\$ 2,029,525.68</u></u>

COUNTY OF WARREN
OFFICE OF THE SHERIFF
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
YEAR ENDED DECEMBER 31, 2019



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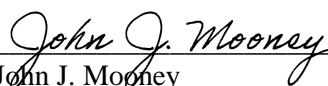
August 6, 2020

The Honorable Director and Members
of the Board of Chosen Freeholders
County of Warren
Belvidere, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America, the balance sheet of the Office of the Sheriff, County of Warren for the year ended December 31, 2019, and have issued our report thereon dated August 6, 2020.

As part of our audit, we performed procedures required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the findings and results, if any, thereof are disclosed on the following page. This letter does not affect our report dated August 6, 2020, on the balance sheet of the Office of the Sheriff.

NISIVOCCIA LLP



John J. Mooney
Registered Municipal Accountant #560
Certified Public Accountant

COUNTY OF WARREN
OFFICE OF THE SHERIFF
COMMENTS AND RECOMMENDATIONS

NONE

COUNTY OF WARREN
OFFICE OF THE SURROGATE
REPORT OF AUDIT
2019

COUNTY OF WARREN
OFFICE OF THE SURROGATE
INDEPENDENT AUDITORS' REPORT AND
BALANCE SHEET AND SUPPLEMENTAL SCHEDULE
YEAR ENDED DECEMBER 31, 2019
TABLE OF CONTENTS

	<u>Page</u>
Report of Audit:	
Independent Auditors' Report	1-2
Financial Statement:	
Comparative Balance Sheet – Regulatory Basis	4
Notes to the Balance Sheet	5-8
Supplemental Schedule:	
Schedule of Cash and Investments	10
Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance:	
Cover Letter	12
Comments and Recommendations	13

Independent Auditors' Report

The Honorable Director and Members of
the Board of Chosen Freeholders
County of Warren
Belvidere, New Jersey -

Report on the Financial Statements

We have audited the balance sheet – *regulatory basis* - of the Office of the Surrogate, a component unit of the County of Warren, as of and for the years December 31, 2019 and 2018, and the related notes to the balance sheet.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this balance sheet in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on this balance sheet based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, and audit requirements prescribed by the Division. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether this balance sheet is free from material misstatement.

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

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

The Honorable Director and Members of
the Board of Chosen Freeholders
County of Warren
Page 2

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

As described in Note 1, the balance sheet has been prepared by the Office of the Surrogate on the basis of accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the balance sheet of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the balance sheet referred to above, does not present fairly in accordance with accounting principles generally accepted in the United States of America the financial position of the office of the Surrogate as of December 31, 2019 and 2018.

Opinion on Regulatory Basis of Accounting

In our opinion, the balance sheet referred to above presents fairly, in all material respects, the financial position of the Office of the Surrogate as of December 31, 2019 and 2018, on the basis of the accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as described in Note 1.

Other Matters

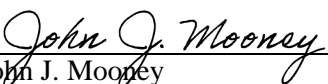
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the balance sheet of the Office of the Surrogate. The supplemental schedule listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplemental schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the balance sheet. Such information has been subjected to the auditing procedures applied in the audit of the balance sheet and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the balance sheet or to the balance sheet itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedule is fairly stated, in all material respects, in relation to the balance sheet as a whole.

Mount Arlington, New Jersey
August 6, 2020

NISIVOCCIA LLP


John J. Mooney
Registered Municipal Accountant #560
Certified Public Accountant

FINANCIAL STATEMENT

COUNTY OF WARREN
OFFICE OF THE SURROGATE
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	December 31,	
	2019	2018
<u>ASSETS</u>		
Cash and Cash Equivalents:		
Surrogate's Account	\$ 10,672.00	\$ 17,631.65
Guardianship Trust Fund	4,173,540.94	4,416,460.20
Petty Cash		50.00
Guardianship Trust Fund - Investments	269,012.16	264,138.50
TOTAL ASSETS	<u>\$ 4,453,225.10</u>	<u>\$ 4,698,280.35</u>
 <u>LIABILITIES AND RESERVES</u>		
Due to Warren County Treasurer	\$ 10,672.00	\$ 17,681.65
Reserve for Guardianship Trust Funds	4,442,553.10	4,680,598.70
TOTAL LIABILITIES AND RESERVES	<u>\$ 4,453,225.10</u>	<u>\$ 4,698,280.35</u>

THE ACCOMPANYING NOTES TO THE BALANCE SHEET
 ARE AN INTEGRAL PART OF THIS STATEMENT

COUNTY OF WARREN
OFFICE OF THE SURROGATE
NOTES TO BALANCE SHEET
YEAR ENDED DECEMBER 31, 2019

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Office of the Surrogate, County of Warren conform to the accounting practices applicable to counties which have been prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). 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.

A. Reporting Entity

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of GASB Codification Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America. Accordingly, the Office of the county Surrogate is a component unit of the County of Warren under provisions of Governmental Accounting Standards Board's Codification Section 2100.

B. Basis of Accounting

The accounting principles and practices prescribed for counties by the Division differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units ("GAAP"). The more significant differences are as follows:

Receipts - receipts are recognized on a cash basis. GAAP requires such receipts to be recognized in the accounting period when they are measurable and available to fund current year's expenditures, reduced by an allowance for doubtful accounts.

Reserves/Disbursements - reserves are established to reflect amounts due to other governments, County offices, or other third parties. Disbursements are recognized when paid rather than when the obligation is incurred. GAAP requires such obligations to be recorded as liabilities and expenditures in the period in which the obligations were incurred, if measurable.

COUNTY OF WARREN
OFFICE OF THE SURROGATE
NOTES TO BALANCE SHEET
YEAR ENDED DECEMBER 31, 2019
 (Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

B. Basis of Accounting (Cont'd)

Investments - investments, which consist of certificates of deposit, are recorded at cost. GAAP generally requires that investments are recorded at fair value.

C. Function of the Office of the Surrogate

The Office of the Surrogate acts as a guardian for the funds of certain residents, such as minors or incompetents. The Office of the Surrogate also acts as intermediary for the County Treasurer by collecting revenue generated in the form of probate fees and fees for copies of wills and similar items. The Office of the Surrogate maintains the following funds:

Surrogate's Account – Accounts for the receipt of fees for probating wills

Guardianship Fund - Accounts for the receipt of money held for minors and incompetents.

Note 2: Cash and Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, amounts in deposits, money market accounts, and short-term investments with original maturities of three months or less.

Investments are stated at cost. The County classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB requires disclosure of the level of custodial credit risk assumed by the County in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the County ensures that any deposit or investment matures within the time period that approximated the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The County limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed on the following page.

Custodial Credit Risk – The County's policy with respect to custodial credit risk requires that the County ensures that County funds are only deposited in financial institutions in which NJ counties are permitted to invest their funds.

COUNTY OF WARREN
OFFICE OF THE SURROGATE
NOTES TO BALANCE SHEET
YEAR ENDED DECEMBER 31, 2019
 (Continued)

Note 2: Cash and Cash Equivalents and Investments (Cont'd)

Deposits:

New Jersey statutes permits the deposit of public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories.

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

The market value of the collateral must equal 5% of the average daily balance of public funds on deposit and in addition

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

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

Investments:

New Jersey statutes permit the Office of the Surrogate to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor
- (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law" P.L. 1983, c. 313 (C.40A:5A-1 et seq.) Other Bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or

COUNTY OF WARREN
OFFICE OF THE SURROGATE
NOTES TO BALANCE SHEET
YEAR ENDED DECEMBER 31, 2019
 (Continued)

Note 2: Cash and Cash Equivalents and Investments (Cont'd)

Investments: (Cont'd)

(8) Agreements for the repurchase of fully collateralized securities if:

- (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983 C.313 (C.40A:5A-1 et seq.);
- (b) the custody of collateral is transferred to a third party;
- (c) the maturity of the agreement is not more than 30 days;
- (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
- (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2019, cash and cash equivalents and investments of the Office of the Surrogate consisted of savings, checking, and certificates of deposit. Cash and cash equivalents and investments held on behalf of the guardians consisted of savings accounts and certificates of deposit.

The carrying amount of the Office of the Surrogate's cash and cash equivalents at December 31, 2019 was \$4,184,212.94, which consisted of \$4,173,540.94 in savings accounts and \$10,672.00 in checking accounts. Investments consisted of \$269,012.16 in certificates of deposit. The total of the corresponding bank balances was \$4,453,225.10.

Note 3: Subsequent Event

The COVID-19 outbreak in the United States and specifically in New Jersey has caused disruption of the County's normal financial operations with the County office closed to the public and minimal staff working on site. Though the impact on the County's operations cannot be reasonably estimated at this date, it is likely that there will be an impact on fees collected in the Surrogate's Office.

SUPPLEMENTAL SCHEDULE

COUNTY OF WARREN
OFFICE OF THE SURROGATE
SCHEDULE OF CASH AND INVESTMENTS

	Balance at December 31, 2018	Receipts	Disbursements	Balance at December 31, 2019
Due to Warren County Treasurer	\$ 17,681.65	\$ 128,679.36	\$ 135,689.01	\$ 10,672.00
Reserve for Guardianship Accounts	4,680,598.70	1,708,317.80	1,946,363.40	4,442,553.10
	<u>\$ 4,698,280.35</u>	<u>\$ 1,836,997.16</u>	<u>\$ 2,082,052.41</u>	<u>\$ 4,453,225.10</u>

COUNTY OF WARREN
OFFICE OF THE SURROGATE
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
YEAR ENDED DECEMBER 31, 2019



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August 6, 2020

The Honorable Director and Members
of the Board of Chosen Freeholders
County of Warren
Belvidere, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America, the comparative balance sheet of the Office of the Surrogate, County of Warren for the year ended December 31, 2019, and have issued our report thereon dated August 6, 2020.

As part of our audit, we performed procedures required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the findings and results thereof are disclosed on the following page. This letter does not affect our report dated August 6, 2020, on the balance sheet of the Office of the Surrogate.

NISIVOCIA LLP



John J. Mooney
Registered Municipal Accountant #560
Certified Public Accountant

COUNTY OF WARREN
OFFICE OF THE SURROGATE
COMMENTS AND RECOMMENDATIONS

None
