PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

TOWNSHIP OF WASHINGTON
COUNTY OF GLOUCESTER, NEW JERSEY

REPORT OF AUDIT

FOR THE YEAR ENDED
DECEMBER 31, 2025

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TOWNSHIP OF WASHINGTON
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TOWNSHIP OF WASHINGTON

PART I

REPORT OF AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Regulatory Basis Financial Statements

Opinions on Regulatory Basis Financial Statements

We have audited the accompanying regulatory basis financial statements of the various funds and the general fixed asset account group of the Township of Washington (the "Township"), in the County of Gloucester, State of New Jersey, which comprise the balance sheets as of December 31, 2025, and the related statement of operations and changes in fund balance and statement of operations and changes in reserve for future use for the year then ended, the statements of revenues and statements of expenditures for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying regulatory basis financial statements present fairly, in all material respects, the regulatory basis balance sheets of the Township, as of December 31, 2025, and the regulatory basis revenues, expenditures, and changes in fund balance and reserve for future use for the year then ended, the statements of revenues and statements of expenditures for the year ended December 31, 2025 and the related notes to the financial statements, in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), as described in Note 1.

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America* section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the Township as of December 31, 2025, or the results of its operations and changes in fund balance for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions on Regulatory Basis of Accounting

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Township and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As described in Note 1 to the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division (regulatory basis), which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division. 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 and pervasive.

Report on Prior Year Financial Statements

The financial statements of the Township as of and for the year ended December 31, 2024, were audited by Bowman & Company LLP, whose owners became partners with PKF O'Connor Davies, LLP, and whose report dated September 23, 2025, expressed an unmodified opinion on the regulatory basis of accounting and an adverse opinion on accounting principles generally accepted in the United States of America.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards,* and requirements prescribed by the Division, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

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

Report on Supplementary Information

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

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary statements and schedules are fairly stated, in all material respects, in relation to the basic 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 10, 2026 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township'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 Township's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP
Voorhees, New Jersey
August 10, 2026

Carol A McAllister

Carol A. McAllister
Certified Public Accountant
Registered Municipal Accountant

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), the regulatory basis financial statements of the Township of Washington (the "Township"), in the County of Gloucester, State of New Jersey, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated August 10, 2026 in which we expressed an adverse opinion on the conformity of the basic financial statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the financial reporting provisions of the Division.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP
Voorhees, New Jersey
August 10, 2026

Carol A. McAllister

Carol A. McAllister
Certified Public Accountant
Registered Municipal Accountant

TOWNSHIP OF WASHINGTON
CURRENT FUND
Balance Sheets - Regulatory Basis
As of December 31, 2025 and 2024

	Ref.	2025	2024
ASSETS AND DEFERRED CHARGES			
Current Fund:			
Cash:			
Chief Financial Officer	SA-1	$ 11,129,086.70	$ 8,172,715.10
Change Fund	SA-2	2,385.00	2,385.00
Due from State of New Jersey (Ch.73, P.L.1976)	SA-4	63,119.76	70,350.34
		11,194,591.46	8,245,450.44
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-3	19,148.50	134,024.47
Tax Title Liens Receivable	SA-5	823,858.20	1,920,260.19
Property Acquired for Taxes - Assessed Valuation	A	1,494,500.00	1,494,500.00
Revenue Accounts Receivable	SA-6	17,953.39	532,761.10
Loan Receivable - County House Village	A	1,920,000.00	1,920,000.00
Accrued Interest Receivable on Loan	SA-9	1,536,000.00	1,478,400.00
Due from Animal Control Trust Fund	SB-5	13,329.40	24,881.82
		5,824,789.49	7,504,827.58
Deferred Charges:			
Emergency Authorization (40A: 4-46)	SA-7	165,084.00	237,957.32
		165,084.00	237,957.32
		17,184,464.95	15,988,235.34
Federal, State and Other Grant Fund:			
Federal, State and Other Grants Receivable	SA-22	2,971,617.55	2,655,182.30
Due from the Current Fund	SA-25	185,504.92	147,516.99
		3,157,122.47	2,802,699.29
		$ 20,341,587.42	$ 18,790,934.63

(Continued)

TOWNSHIP OF WASHINGTON
CURRENT FUND
Balance Sheets - Regulatory Basis
As of December 31, 2025 and 2024

	Ref.	2025	2024
LIABILITIES, RESERVES AND FUND BALANCE			
Current Fund:			
Appropriation Reserves	A-3;SA-8	$ 1,835,999.51	$ 2,395,319.83
Reserve for Encumbrances	A-3;SA-8	515,995.26	870,409.97
Accounts Payable	SA-11	4,612.00	6,546.36
Payroll Deductions Payable	SA-10	11,808.22	242,250.52
Prepaid Taxes	SA-12	2,062,602.13	1,600,873.03
Tax Overpayments	SA-13	36,470.36	12,799.63
Due County for Added and Omitted Taxes	SA-15	75,102.37	56,521.39
Washington Square PILOT Due Other Entities	SA-21	389,685.10	
Due to Library	SA-18	34,027.27	33,935.62
Due to State of New Jersey - DCA Fees	SA-19	75,942.00	83,723.00
Due to State of New Jersey - Marriage and Burial Fees	SA-20	1,130.00	810.00
Due to Federal, State and Other Grant Fund	SA-25	185,504.92	147,516.99
Due to Open Space Trust Fund	SB-6	1,086.50	
Due to General Capital Fund	SC-5	196,002.96	413,434.92
		5,425,968.60	5,864,141.26
Reserves for Receivables	A	5,824,789.49	7,504,827.58
Fund Balance	A-1	5,933,706.86	2,619,266.50
		17,184,464.95	15,988,235.34
Federal, State and Other Grant Fund:			
Reserve for:			
Federal, State and Other Grants Unappropriated	SA-23	10,375.00	17,978.99
Federal, State and Other Grants Appropriated	SA-24	3,111,503.19	2,306,688.00
Encumbrances	SA-24	35,244.28	478,032.30
		3,157,122.47	2,802,699.29
		$ 20,341,587.42	$ 18,790,934.63

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

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statements of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2025 and 2024

	Ref.	2025	2024
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	$ 2,500,000.00	$ 4,299,000.00
Miscellaneous Revenues Anticipated	A-2	12,840,145.59	12,557,538.55
Receipts from Delinquent Taxes	A-2	317,286.04	61,135.79
Receipts from Current Taxes	A-2	181,973,562.39	174,399,950.47
Nonbudget Revenues	A-2	1,793,411.01	109,579.98
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	SA-8	2,590,572.04	1,022,999.88
Statutory Excess - Animal Control Fund	SB-3	13,329.40	15,093.20
Cancellation of Accounts Payable	SA-11	6,546.36	
Cancellation of Federal, State and Other Grants Appropriated	SA-25	433,113.39	
Receipts from Tax Installment Plan Principal			190,048.07
Reserves Liquidated:			
Open Space Trust Fund			159,229.28
Animal Control Fund	A	11,552.42	
		202,479,518.64	192,814,575.22
Expenditures:			
Budget and Emergency Appropriations:			
Appropriations Within "CAPS":			
Operations:			
Salaries and Wages	A-3	16,750,652.00	17,050,860.32
Other Expenses	A-3	21,103,625.00	19,530,636.00
Deferred Charges and Statutory Expenditures	A-3	4,752,089.00	4,872,927.53
Appropriations Excluded from "CAPS":			
Operations:			
Salaries and Wages	A-3	108,123.00	338,943.95
Other Expenses	A-3	4,235,914.55	5,409,199.38
Capital Improvements	A-3	15,000.00	255,000.00
Municipal Debt Service	A-3	4,057,553.96	4,050,628.76
Deferred Charges	A-3	237,957.32	
Fire District Taxes	SA-17	9,064,158.00	8,606,614.00
County Taxes	SA-14	32,611,156.46	32,435,959.60
Due County for Added Taxes	SA-15	75,102.37	56,521.39
Local District School Tax	SA-16	102,973,217.00	97,596,253.00
Municipal Open Space Tax	SA-3	473,081.94	476,709.98
Cancellation of Federal, State and Other Grants Receivable	SA-25	363,630.99	
Cancellation of Prior Year Taxes - Creation of Tax Overpayment			191,815.47
Refund of Prior Year Revenue			46,654.56
Reserves Created:			
Animal Control Fund			15,093.20
Prior Year Senior Citizen and Disabled Disallowed Taxes	SA-4	8,900.69	7,401.37
		196,830,162.28	190,941,218.51
Excess in Revenue to Fund Balance (Carried Forward)		5,649,356.36	1,873,356.71

(Continued)

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statements of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2025 and 2024

	Ref.	2025	2024
Excess in Revenue to Fund Balance (Brought Forward)		$ 5,649,356.36	$ 1,873,356.71
Adjustments to Income Before Fund Balance - Expenditures Included Above Which Are by Statute Deferred Charges to Budget of Succeeding Year	A-3	165,084.00	237,957.32
Statutory Excess of Fund Balance		5,814,440.36	2,111,314.03
Fund Balance January 1	A	2,619,266.50	4,806,952.47
		8,433,706.86	6,918,266.50
Decreased by: Utilization as Anticipated Revenue	A-2	2,500,000.00	4,299,000.00
Fund Balance December 31	A	$ 5,933,706.86	$ 2,619,266.50

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

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2025

	Ref.	Anticipated Budget	Special N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	$ 2,500,000.00	$	$ 2,500,000.00	$
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	SA-6	45,000.00		36,120.00	(8,880.00)
Fees and Permits	SA-6	755,000.00		714,427.45	(40,572.55)
Fines and Costs:					
Municipal Court	SA-6	165,000.00		184,434.81	19,434.81
Interest and Costs on Taxes	SA-6	260,000.00		316,893.16	56,893.16
Interest on Investments and Deposits	SA-6	470,000.00		562,019.69	92,019.69
Hotel and Motel Occupancy Fee	SA-6	62,500.00		69,779.44	7,279.44
Library Pension Reimbursement	SA-6	125,000.00		162,696.00	37,696.00
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	SA-6	3,239,604.00		3,239,603.72	(0.28)
Uniform Construction Code Fees	SA-6	1,100,000.00		1,107,900.67	7,900.67
Special Items of Revenue with Prior Consent of Director:					
Shared Service Agreement- Pitman Borough CFO Services	SA-6	33,667.00		33,667.00	
Public and Private Revenues Offset With Appropriations:					
Recycling Tonnage Grant	A-3		94,340.46	94,340.46	
FY 25 NJDOT Altair Drive Phase 3	A-3	374,580.00		374,580.00	
Community Energy Plan Grant	A-3		10,000.00	10,000.00	
Clean Communities Program	A-3		122,057.84	122,057.84	
Drunk Driving Enforcement Fund	A-3	1,600.00		1,600.00	
Aggressive Driver - Smooth Operator	A-3		6,720.00	6,720.00	
Drive Sober or Get Pulled Over	A-3		14,280.00	14,280.00	
Body Armor Replacement Fund	A-3	6,003.99		6,003.99	
National Opioids Settlement Funds	A-3		107,489.85	107,489.85	
Click It or Ticket	A-3		3,920.00	3,920.00	
Safe and Secure	A-3	45,150.00		45,150.00	
Emergency Management Performance Grant	A-3	10,000.00		10,000.00	
Gloucester County Operation Helping Hands	A-3		2,900.00	2,900.00	
FY23 Cops Hiring Program	A-3		375,000.00	375,000.00	
Community Development Block Grant	A-3		129,634.00	129,634.00	
New Jersey Historical Commission - Old Stone House	A-3		2,100.00	2,100.00	
New Jersey Historical Commission - Art	A-3		2,800.00	2,800.00	
New Jersey Historical Commission - Morgan House	A-3	65,059.00		65,059.00	
U Text U Drive U Pay	A-3		7,000.00	7,000.00	
DUI Saturation Grant	A-3		1,120.00	1,120.00	
Recreation Improvements 2025	A-3		450,000.00	450,000.00	

(Continued)

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2025

	Ref.	Anticipated Budget	Special N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
Miscellaneous Revenues (Cont'd):					
Other Special Items of Revenues:					
Franchise Fees - Cable TV	SA-6	$ 293,066.63	$	$ 293,066.63	$
Payment in Lieu of Taxes - NJ Transit	SA-6	10,680.00		10,680.00	
Payment in Lieu of Taxes - County House	SA-6	44,000.00		44,794.00	794.00
Payment in Lieu of Taxes - Gloucester County Public Housing	SA-6	1,875.00		3,326.18	1,451.18
Payment in Lieu of Taxes - Mill Stream	SA-6	56,000.00		62,334.39	6,334.39
Payment in Lieu of Taxes / Tax Abatements	SA-6	85,630.07		96,498.28	10,868.21
Payment in Lieu of Taxes / Washington Square	SA-6	500,000.00		514,341.21	14,341.21
Payment in Lieu of Taxes - Kennedy	SA-6	300,000.00		316,455.00	16,455.00
Housing Inspection Fees	SA-6	365,000.00		303,163.00	(61,837.00)
Reimbursement - School Resource Officer	SA-6	240,000.00		250,000.00	10,000.00
School SLEO Reimbursement	SA-6	798,000.00		958,478.50	160,478.50
Business Registration Fees	SA-6	82,000.00		76,735.00	(5,265.00)
Administrative Fee - Off Duty Police	SA-6	79,000.00		117,363.25	38,363.25
Anticipated General Capital Fund Balance	SA-6	309,704.22		309,704.22	
Recycling Fees	SA-6	8,000.00		6,338.60	(1,661.40)
Cannabis Dispensary	SA-6	108,000.00		129,348.25	21,348.25
Receipts from Municipal Lien Assignment	SA-6	412,250.00		412,250.00	
MUA Allocation	SA-6	675,972.00		675,972.00	
Total Miscellaneous Revenues		11,127,341.91	1,329,362.15	12,840,145.59	383,441.53
Receipts from Delinquent Taxes	A-2	50,250.00		317,286.04	267,036.04
Subtotal General Revenues		13,677,591.91	1,329,362.15	15,657,431.63	650,477.57
Amount to be Raised by Taxes for Support to Municipal Budget -					
Local Tax for Municipal Purposes		34,386,280.58		35,074,250.38	687,969.80
Minimum Library Tax		2,390,196.41		2,390,196.41	
	A-2	36,776,476.99		37,464,446.79	687,969.80
Budget Totals		50,454,068.90	1,329,362.15	53,121,878.42	1,338,447.37
Nonbudget Revenues	A-2			1,793,411.01	1,793,411.01
		$ 50,454,068.90	$ 1,329,362.15	$ 54,915,289.43	$ 3,131,858.38
	Ref.	A-3	A-3		

(Continued)

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2025

Analysis of Realized Revenue:	Ref.		
Allocation of Current Tax Collections:			
Revenue from Collections	SA-3		$ 181,973,562.39
Allocated to:			
County Taxes	SA-3	$ 32,686,258.83	
School Taxes	SA-3	102,973,217.00	
Municipal Open Space Taxes	SA-3	473,081.94	
Fire District Taxes	SA-3	9,064,158.00	
			145,196,715.77
Balance for Support of Municipal Budget Revenues			36,776,846.62
Add:			
Appropriation: "Reserve for Uncollected Taxes"	A-3		687,600.17
Amount for Support of Municipal Budget Appropriations			$ 37,464,446.79
Receipts from Delinquent Taxes:			
Delinquent Tax Collections	SA-3		$ 136,625.02
Tax Title Liens Collections	SA-5		180,661.02
			$ 317,286.04
Analysis of Non-Budget Revenue			
Miscellaneous Revenue Not Anticipated:			
Recycling Buckets			$ 1,660.00
White Goods Pick Up			3,500.00
Clear Channel Bus Shelter			15,470.00
Asset Auction			561.00
Police Miscellaneous Revenue - Car Fax			4,415.00
Municipal Court Miscellaneous			969.98
Tax Collector Miscellaneous			452.10
Foreclosed Outside Lien Premium			37,600.00
Insurance Reimbursements			39,732.23
Can Lease			68,940.00
Miscellaneous			2,721.40
Refund of Prior Year Expenditure			34,578.89
Millstream Repayment of PILOT Loan			1,577,000.00
Senior Citizens and Veterans Administrative Fee			5,810.41
	A-2		$ 1,793,411.01

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

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2025

	Appropriations		Paid or Charged			Unexpended Balance
	Budget	Budget After Modification	Expended	Encumbered	Reserved	Canceled
OPERATIONS WITHIN "CAPS"						
General Government						
Office of Business Administrator						
Salaries and Wages	$ 159,350.00	$ 159,510.00	$ 159,500.03	$	$ 9.97	$
Other Expenses	140,500.00	140,500.00	116,576.05	3,111.34	20,812.61	
Human Resources						
Salaries and Wages	98,950.00	98,950.00	94,553.97		4,396.03	
Other Expenses	19,725.00	19,725.00	15,337.65	63.35	4,324.00	
Office of Township Mayor						
Salaries and Wages	77,000.00	77,000.00	75,743.09		1,256.91	
Other Expenses	8,000.00	8,000.00	5,075.79	678.43	2,245.78	
Township Council						
Salaries and Wages	30,001.00	30,001.00	29,769.33		231.67	
Other Expenses	3,800.00	3,800.00	1,573.44	240.00	1,986.56	
Office of Township Clerk						
Salaries and Wages	400,000.00	365,000.00	350,214.37		14,785.63	
Other Expenses	99,300.00	99,300.00	86,508.35	4,790.37	8,001.28	
Division of Treasury						
Salaries and Wages	358,000.00	358,000.00	351,328.81		6,671.19	
Other Expenses	50,916.00	50,916.00	49,916.00	24.20	975.80	
Annual Audit	75,000.00	75,000.00	75,000.00			
Division of Tax Collector						
Salaries and Wages	273,750.00	273,750.00	268,952.54		4,797.46	
Other Expenses	62,000.00	62,000.00	41,121.12	3,862.07	17,016.81	
Office of Township Attorney						
Other Expenses	306,000.00	221,500.00	212,407.82	337.50	8,754.68	
Division of Engineering						
Other Expenses	100,000.00	100,000.00	83,670.81		16,329.19	
Advisory Board Economic Development						
Other Expenses	65,000.00	65,000.00	64,901.12		98.88	

(Continued)

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2025

	Appropriations		Paid or Charged			Unexpended Balance
	Budget	Budget After Modification	Expended	Encumbered	Reserved	Canceled
OPERATIONS WITHIN "CAPS" (CONT'D)						
General Government (Cont'd)						
Municipal Land Use Law (NJSA 40:55D-1)						
Planning Board/Zoning Board						
Salaries and Wages	$ 353,000.00	$ 343,000.00	$ 331,951.49	$	$ 11,048.51	$
Other Expenses	21,000.00	21,000.00	8,331.07	855.00	11,813.93	
Code Enforcement and Administration						
Code Enforcement						
Salaries and Wages	70,000.00	70,000.00	67,839.16		2,160.84	
Other Expenses	2,250.00	2,250.00		650.78	1,599.22	
Insurance						
Liability Insurance	600,000.00	600,000.00	574,755.55		25,244.45	
Workers Compensation	1,062,000.00	1,062,000.00	1,006,909.47		55,090.53	
Group Insurance for Employees	7,600,000.00	7,600,000.00	6,997,599.27	10,058.18	592,342.55	
Health Insurance Opt-out Payment	165,000.00	165,000.00	154,212.39		10,787.61	
Public Safety						
Division of Police						
Salaries and Wages	9,825,000.00	9,914,335.00	9,892,440.10		21,894.90	
Other Expenses	369,000.00	369,000.00	286,934.17	26,115.88	55,949.95	
Office of Emergency Management						
Salaries and Wages	3,000.00	3,005.00	3,000.14		4.86	
Other Expenses	8,000.00	8,000.00	7,924.77		75.23	
Division of Municipal Prosecutor						
Other Expenses	34,825.00	34,825.00	32,904.14		1,920.86	
Public Works						
Division of Public Works						
Office of Director						
Salaries and Wages	3,980,000.00	3,980,000.00	3,960,935.04		19,064.96	
Other Expenses	41,000.00	41,000.00	35,847.76	1,083.93	4,068.31	
Division of Trash Collection						
Other Expenses	4,785,000.00	4,785,000.00	4,678,809.81		106,190.19	

(Continued)

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2025

	Appropriations		Paid or Charged			Unexpended Balance
	Budget	Budget After Modification	Expended	Encumbered	Reserved	Canceled
OPERATIONS WITHIN "CAPS" (CONT'D)						
Public Works (Cont'd)						
Division of Streets						
Other Expenses	$ 267,500.00	$ 267,500.00	$ 73,309.71	$ 83,635.00	$ 110,555.29	$
Division of Public Buildings						
Other Expenses (N.J.S.A.40A:4-46 $143,000.00+)	211,400.00	354,400.00	165,961.88	14,516.74	173,921.38	
Division of Vehicle Maintenance						
Other Expenses (N.J.S.A.40A:4-46 $22,084.00+)	312,750.00	334,834.00	254,780.49	57,653.37	22,400.14	
Health and Human Services						
Youth Services						
Other Expenses	4,300.00	4,300.00			4,300.00	
Sustainable Washington Township						
Other Expenses	3,825.00	3,825.00	1,800.22	1,560.93	463.85	
Environmental Commission						
Other Expenses	5,300.00	5,300.00	2,861.56	2,384.49	53.95	
Parks and Recreation						
Senior Citizen Advisory Council						
Other Expenses	500.00	500.00			500.00	
Other Common Operating Functions						
Veterans Affairs Advisory Council						
Other Expenses	3,600.00	3,600.00	818.50		2,781.50	
Accumulated Leave Compensation						
Other Expenses	50,000.00	50,000.00	50,000.00			
Celebration of Public Event, Anniversary or Holiday						
Other Expenses	135,500.00	135,500.00	112,927.00	5,522.95	17,050.05	
Utilities						
Gasoline & Diesel	455,000.00	353,500.00	264,122.01	15,000.00	74,377.99	
Electricity	450,000.00	514,000.00	472,833.20	40,622.68	544.12	
Telephone and Telegraph	100,000.00	109,000.00	101,868.28		7,131.72	
Heating Oil	66,000.00	76,000.00	70,550.05		5,449.95	
Street Lighting	775,000.00	868,000.00	793,953.74	73,306.62	739.64	
Water and Sewer	22,500.00	22,500.00	15,581.83		6,918.17	

(Continued)

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2025

	Appropriations		Paid or Charged			Unexpended Balance
	Budget	Budget After Modification	Expended	Encumbered	Reserved	Canceled
OPERATIONS WITHIN "CAPS" (CONT'D)						
Landfill and Solid Waste Disposal Costs						
Trash Disposal						
Other Expenses	$ 2,399,000.00	$ 2,399,000.00	$ 2,026,019.61	$ 158,000.00	$ 214,980.39	$
Municipal Court Functions						
Municipal Court						
Salaries and Wages	320,500.00	320,500.00	296,400.70		24,099.30	
Other Expenses	33,450.00	33,450.00	16,940.56	647.87	15,861.57	
Public Defender						
Salaries and Wages	21,601.00	21,601.00	21,600.02		0.98	
Department of Licenses and Inspection						
State Uniform Construction Code						
Construction Code Official						
Salaries and Wages	770,500.00	736,000.00	717,507.53		18,492.47	
Other Expenses	34,600.00	34,600.00	19,272.66	5,356.87	9,970.47	
TOTAL OPERATIONS - WITHIN "CAPS"	37,689,193.00	37,854,277.00	35,601,654.17	510,078.55	1,742,544.28	
Detail						
Salaries and Wages	16,740,652.00	16,750,652.00	16,621,736.32		128,915.68	
Other Expenses	20,948,541.00	21,103,625.00	18,979,917.85	510,078.55	1,613,628.60	
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
Statutory Expenditures:						
Contribution to						
Public Employees' Retirement System	1,119,631.00	1,119,631.00	1,119,631.00			
Social Security System (O.A.S.I.)	785,000.00	785,000.00	728,828.56		56,171.44	
Police and Firemen's Retirement System of NJ	2,784,958.00	2,784,958.00	2,784,958.00			
Unemployment Compensation Insurance	40,000.00	40,000.00	40,000.00			
Defined Contribution Retirement Program	22,500.00	22,500.00	18,075.39		4,424.61	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	4,752,089.00	4,752,089.00	4,691,492.95		60,596.05	

(Continued)

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2025

	Appropriations		Paid or Charged			Unexpended Balance
	Budget	Budget After Modification	Expended	Encumbered	Reserved	Canceled
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	$ 42,441,282.00	$ 42,606,366.00	$ 40,293,147.12	$ 510,078.55	$ 1,803,140.33	$
OPERATIONS EXCLUDED FROM "CAPS"						
Education Functions						
Maintenance of Free Public Library (N.J.S.A. 40:54-8)	2,390,196.41	2,390,196.41	2,390,196.40		0.01	
Recycling Tax	72,000.00	72,000.00	53,702.22	5,500.00	12,797.78	
Shared Municipal Service Agreements						
Pitman Borough CFO Services						
Salaries & Wages	28,333.00	28,333.00	27,788.54		544.46	
Other Expenses	5,334.00	5,334.00			5,334.00	
SFSP Fire District Payment	16,419.00	16,419.00	16,419.00			
TOTAL OPERATIONS EXCLUDED FROM "CAPS"	2,512,282.41	2,512,282.41	2,488,106.16	5,500.00	18,676.25	
Public and Private Programs Offset by Revenues						
Clean Communities Program (N.J.S.A.40A:4-87 $122,057.84+)		122,057.84	122,057.84			
Safe & Secure	45,150.00	45,150.00	45,150.00			
Community Development Block Grant (N.J.S.A.40A:4-87 $129,634.00+)		129,634.00	129,634.00			
Community Energy Plan Grant (N.J.S.A.40A:4-87 $10,000.00+)		10,000.00	10,000.00			
Recycling Tonnage Grant (N.J.S.A.40A:4-87 $94,340.46+)		94,340.46	94,340.46			
FY25 NJDOT Municipal Aid Program - Altair Phase 3	374,580.00	374,580.00	374,580.00			
Historical Commission - Old Stone House (N.J.S.A.40A:4-87 $2,100.00+)		2,100.00	2,100.00			
NJ Historical Morgan House Grant	65,059.00	65,059.00	65,059.00			
Historical Commission Grant - Art (N.J.S.A.40A:4-87 $2,800.00+)		2,800.00	2,800.00			
Recreational Improvements 2025 (N.J.S.A.40A:4-87 $450,000.00+)		450,000.00	450,000.00			
National Opioid Settlement (N.J.S.A.40A:4-87 $107,489.85+)		107,489.85	107,489.85			
Click It or Ticket (N.J.S.A.40A:4-87 $3,920.00+)		3,920.00	3,920.00			
Aggressive Driver - Smooth Operator (N.J.S.A.40A:4-87 $6,720.00+)		6,720.00	6,720.00			
FY21 Emergency Management Performance Grant	10,000.00	10,000.00	10,000.00			
FY23 COPS Hiring Program (N.J.S.A.40A:4-87 $375,000.00+)		375,000.00	375,000.00			
Gloucester County Operation Helping Hands (N.J.S.A.40A:4-87 $2,900.00+)		2,900.00	2,900.00			

(Continued)

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2025

	Appropriations		Paid or Charged			Unexpended Balance
	Budget	Budget After Modification	Expended	Encumbered	Reserved	Canceled
OPERATIONS EXCLUDED FROM "CAPS" (CONT'D)						
Public and Private Programs Offset by Revenues (Cont'd)						
Body Armor Replacement Fund	$ 6,003.99	$ 6,003.99	$ 6,003.99	$	$	$
Drive Sober or Get Pulled Over (N.J.S.A.40A:4-87 $14,280.00+)		14,280.00	14,280.00			
U Text U Drive U Pay (N.J.S.A.40A:4-87 $7,000.00+)		7,000.00	7,000.00			
DUI Saturation Grant (N.J.S.A.40A:4-87 $1,120.00+)		1,120.00	1,120.00			
Drunk Driving Enforcement Fund	1,600.00	1,600.00	1,600.00			
Total Public and Private Programs Offset by Revenues	502,392.99	1,831,755.14	1,831,755.14			
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	3,014,675.40	4,344,037.55	4,319,861.30	5,500.00	18,676.25	
Detail						
Salaries and Wages	75,083.00	108,123.00	107,578.54		544.46	
Other Expenses	2,939,592.40	4,235,914.55	4,212,282.76	5,500.00	18,131.79	
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Reserve for Computers	15,000.00	15,000.00	400.36	416.71	14,182.93	
TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"	15,000.00	15,000.00	400.36	416.71	14,182.93	
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS":						
Payment of Bond Principal	2,515,000.00	2,515,000.00	2,515,000.00			
Interest on Bonds	769,537.52	769,537.52	769,537.52			
Interest on Notes	763,687.88	763,687.88	763,687.84			0.04
Green Trust Loan Program						
Loan Repayments for Principal and Interest	9,328.61	9,328.61	9,328.60			0.01
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	4,057,554.01	4,057,554.01	4,057,553.96			0.05

(Continued)

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2025

	Appropriations		Paid or Charged			Unexpended Balance
	Budget	Budget After Modification	Expended	Encumbered	Reserved	Canceled
DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS":						
Emergency Authorizations	$ 237,957.32	$ 237,957.32	$ 237,957.32	$	$	$
TOTAL DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"	237,957.32	237,957.32	237,957.32			
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	7,325,186.73	8,654,548.88	8,615,772.94	5,916.71	32,859.18	0.05
SUBTOTAL GENERAL APPROPRIATIONS	49,766,468.73	51,260,914.88	48,908,920.06	515,995.26	1,835,999.51	0.05
RESERVE FOR UNCOLLECTED TAXES	687,600.17	687,600.17	687,600.17			
TOTAL GENERAL APPROPRIATIONS	$ 50,454,068.90	$ 51,948,515.05	$ 49,596,520.23	$ 515,995.26	$ 1,835,999.51	$ 0.05
Ref.	A-2			A	A	

	Ref.		
Budget	A-2	$ 50,454,068.90	
Appropriation by N.J.S.A. 40A:4-87	A-2	1,329,362.15	
Appropriation by N.J.S.A. 40A:4-46	A-3	165,084.00	
Reserve for Federal, State and Other Grants Appropriated	SA-25		$ 1,831,755.14
Deferred Charges	A-3		237,957.32
Reserve for Uncollected Taxes	A-3		687,600.17
Disbursed	SA-1		46,839,207.60
		$ 51,948,515.05	$ 49,596,520.23

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

TOWNSHIP OF WASHINGTON
TRUST FUNDS
Balance Sheets - Regulatory Basis
As of December 31, 2025 and 2024

	Ref.	2025	2024
ASSETS			
Animal Control Fund:			
Cash - Chief Financial Officer	SB-1	$ 49,088.00	$ 62,617.02
Open Space Trust Fund:			
Cash - Chief Financial Officer	SB-1	2,215,932.78	1,739,018.49
Due from Current Fund	SB-6	1,086.50	
		2,217,019.28	1,739,018.49
Trust Other Funds:			
Cash - Chief Financial Officer	SB-1	4,350,528.19	3,429,346.37
Cash - Collector	SB-2	1,536,217.06	2,411,972.79
Cash - Change Fund	B	300.00	300.00
		5,887,045.25	5,841,619.16
		$ 8,153,152.53	$ 7,643,254.67
LIABILITIES, RESERVES AND FUND BALANCE			
Animal Control Fund:			
Reserve for Animal Control Expenditures	SB-3	$ 35,752.00	$ 37,723.80
Due to State of New Jersey	SB-4	6.60	11.40
Due to Current Fund	SB-5	13,329.40	24,881.82
		49,088.00	62,617.02
Open Space Trust Fund:			
Reserve for Future Use	SB-6	2,217,019.28	1,739,018.49

(Continued)

TOWNSHIP OF WASHINGTON
TRUST FUNDS
Balance Sheets - Regulatory Basis
As of December 31, 2025 and 2024

	Ref.	2025	2024
LIABILITIES, RESERVES AND FUND BALANCE			
Trust Other Funds:			
Miscellaneous Trust Reserves:			
Youth Services	SB-7	$ 50,130.46	$ 50,130.46
Escrow	SB-7	916,384.95	699,289.38
Cash Bonds	SB-7	548,267.93	309,164.85
Unemployment	SB-7	31,037.88	5,962.09
Parks and Recreation Trust	SB-7	1,107,163.29	978,580.15
Affordable Housing	SB-7	1,261,074.48	1,031,528.13
Forfeited Funds	SB-7	44,430.52	7,135.97
Clean Up Day Donations	SB-7	3,067.13	3,067.13
POAA Fees	SB-7	730.67	1,082.59
Technology and Communications	SB-7	128.00	128.00
Sidewalk Fund	SB-7	70,763.18	58,763.18
Speedhumps	SB-7	593.53	593.53
Historical Properties	SB-7	34,262.62	24,130.88
Police Donations	SB-7	53,561.44	42,246.50
K-9 Unit Donations	SB-7	62,495.76	26,977.73
Storm Recovery	SB-7	7,546.30	67,996.30
Earth Day Donations	SB-7	459.31	459.31
Veterans Wall	SB-7	2,610.59	4,296.28
4th of July Festival	SB-7	20,741.04	20,441.04
Public Defender	SB-7	31,639.31	29,094.31
Super Saturday	SB-7	9,281.97	12,280.59
Accumulated Absences	SB-7	94,457.83	56,297.97
Miscellaneous Trust Escrows Reserves:			
Tax Sale Premiums	SB-8	1,440,800.00	2,004,300.00
Redemption of Tax Title Liens	SB-8	95,417.06	407,672.79
		5,887,045.25	5,841,619.16
		$ 8,153,152.53	$ 7,643,254.67

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

TOWNSHIP OF WASHINGTON
OPEN SPACE TRUST FUND
Statements of Operations and Changes in Reserve for Future Use--
Regulatory Basis
For the Years Ended December 31, 2025 and 2024

	Ref.	2025	2024
Revenue and Other Income Realized			
Amount to be Raised by Taxation	B-2	$ 473,081.94	$ 476,709.98
Reserve for Future Use	B-2	1,739,018.49	1,906,528.62
Miscellaneous	B-2	38,932.47	76,500.04
Total Income		2,251,032.90	2,459,738.64
Budget Appropriations:			
Maintenance of Lands for Recreation and Conservation:			
Salaries & Wages	B-3	10,000.12	10,000.12
Other Expenses	B-3	24,013.50	583,903.63
Acquisition of Farmland			126,816.40
Total Expenditures		34,013.62	720,720.15
Excess to Reserve		2,217,019.28	1,739,018.49
Reserve for Future Use:			
Balance January 1	B	1,739,018.49	1,906,528.62
		3,956,037.77	3,645,547.11
Decreased by:			
Utilized as Revenue	B-2	1,739,018.49	1,906,528.62
Balance December 31	B	$ 2,217,019.28	$ 1,739,018.49

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

Exhibit B-2

TOWNSHIP OF WASHINGTON
OPEN SPACE TRUST FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2025

	Ref.	Budget Revenues	Budget After Modifications	Realized	Excess or (Deficit)
Amount to be Raised by Taxation	B-1	$ 471,995.44	$ 471,995.44	$ 471,995.44	$
Interest	B-1	6,086.07	28,832.47	28,832.47	
Rental	B-1	2,900.00	10,100.00	10,100.00	
Reserve Funds	B-1	1,739,018.49	1,739,018.49	1,739,018.49	
		2,220,000.00	2,249,946.40	2,249,946.40	
Miscellaneous Revenues Not Anticipated:					
Added & Omitted Taxes	B-1		1,086.50	1,086.50	
			1,086.50	1,086.50	
		$ 2,220,000.00	$ 2,251,032.90	$ 2,251,032.90	$
	Ref.	B-3	B-3	B-1	

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

Exhibit B-3

TOWNSHIP OF WASHINGTON
OPEN SPACE TRUST FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2025

	Ref.	Budget Appropriations	Budget After Modifications	Expended	Reserved
Maintenance of Lands for Recreation and Conservation:					
Salaries and Wages	B-1	$ 10,100.00	$ 10,100.00	$ 10,000.12	$ 99.88
Other Expenses	B-1	783,771.00	783,771.00	24,013.50	759,757.50
Acquisition of Lands for Recreation and Conservation:	B-1	1,426,129.00	1,457,161.90		1,457,161.90
		$ 2,220,000.00	$ 2,251,032.90	$ 34,013.62	$ 2,217,019.28
	Ref.	B-2	B-2	B-1	

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

TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
Balance Sheets - Regulatory Basis
As of December 31, 2025 and 2024

	Ref.	2025	2024
ASSETS			
Cash	SC-1	$ 7,313,034.04	$ 11,674,024.84
Due from Current Fund	SC-5	196,002.96	413,434.92
Deferred Charges to Future Taxation:			
Funded	SC-3	48,948,357.80	29,611,595.48
Unfunded	SC-4	165.00	21,358,915.00
		$ 56,457,559.80	$ 63,057,970.24
LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds Payable	SC-8	$ 48,900,000.00	$ 29,555,000.00
Loan Payable - Green Trust	SC-9	48,357.80	56,595.48
Bond Anticipation Notes Payable	SC-10		21,358,915.00
Improvement Authorizations:			
Funded	SC-7	4,336,850.77	1,014,603.50
Unfunded	SC-7	165.00	8,636,638.50
Reserve for Encumbrances	SC-7	1,762,453.11	2,040,695.39
Reserve for Payment of Debt	SC-7	302,912.22	
Capital Improvement Fund	SC-6	59,068.15	85,818.15
Fund Balance	C-1	1,047,752.75	309,704.22
		$ 56,457,559.80	$ 63,057,970.24
Bonds and Notes Authorized But Not Issued	SC-11	$ 165.00	$ -

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

TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
Statement of Changes in Fund Balance - Regulatory Basis
For the Year Ended December 31, 2025

	Ref.		
Balance Dec. 31, 2024	C		$ 309,704.22
Increased by:			
Premium on Serial Bonds Issued	SC-1	$ 1,043,352.88	
Funded Improvement Authorization Canceled	SC-7	4,399.87	
			1,047,752.75
			1,357,456.97
Decreased by:			
Realized as Current Fund Revenue	A-2		309,704.22
Balance Dec. 31, 2025	C		$ 1,047,752.75

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

TOWNSHIP OF WASHINGTON
GENERAL FIXED ASSET ACCOUNT GROUP
Balance Sheets - Regulatory Basis
As of December 31, 2025 and 2024

	2025	2024
Assets:		
Land, Buildings and Improvements	$ 12,677,615.42	$ 12,424,696.53
Machinery and Equipment	2,938,653.86	2,752,198.20
Vehicles	9,480,619.25	8,450,222.86
Total Assets	$ 25,096,888.53	$ 23,627,117.59
Fund Balance:		
Investments in General Fixed Assets	$ 25,096,888.53	$ 23,627,117.59

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Washington (hereafter referred to as the "Township") was incorporated on February 17, 1836 and is located in southwest New Jersey approximately twenty miles southeast of the City of Philadelphia. The Township's population according to the 2020 census was 48,677. The Township is 21.5 square miles.

The Township has a Mayor-Council form of government known as the Mayor-Council Plan A under the Optional Municipal Charter Law of 1960, popularly known as the Faulkner Act. The Mayor is separately elected. Executive and administrative responsibility rests with the Mayor, who is assisted by the Business Administrator. Department Heads are appointed by the Mayor, with the consent of the Council. The five (5) member Township Council exercises legislative responsibilities.

Component Units - The financial statements of the component units of the Township are not presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity,* as amended. If the provisions of the aforementioned GASB Statement, as amended, had been complied with, the financial statements of the following component units would have been either blended or discretely presented with the financial statements of the Township, the primary government:

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

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

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

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

In accordance with the *Requirements*, the Township accounts for its financial transactions through the use of separate funds and an account group which are described as follows:

Current Fund - The current fund accounts for resources and expenditures for governmental operations of a general nature, including federal, state and other grant funds.

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)

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

General Fixed Asset Group of Accounts - The general fixed asset group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other governmental funds.

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

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

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

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded.

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

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

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

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

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

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

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR Part 200), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of $5,000.00. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset account group, reflecting the activity for the year, must be included in the Township's basic financial statements.

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

Foreclosed Property - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason, the value of foreclosed property has not been included in the general fixed asset group of accounts. If such property is converted to a municipal use, it will be recorded in the general fixed asset account group.

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

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

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

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

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

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

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

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

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

Library Taxes - The municipality is responsible for levying, collecting and remitting library taxes for the Margaret E. Heggan Free Public Library. The amount of the library tax is a separate local levy tax and is remitted to the Library through the municipal budget.

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

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

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

Expenditures (Cont'd) - Appropriations for principal and interest payments on outstanding general capital bonds and notes are provided on the cash basis.

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as income.

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

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

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits might not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first $250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of December 31, 2025, the Township's bank balances of $27,516,527.28 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	$ 26,129,543.72
Uninsured and Uncollateralized	1,386,983.56
Total	$ 27,516,527.28

New Jersey Asset and Rebate Management Program (NJ/ARM) - During the year, the Township participated in the New Jersey Asset & Rebate Management Program. The program was created in 1989 as a joint investment trust under the Interlocal Service Act. NJ/ARM provides local governments in New Jersey with investment management services for capital, reserve, general operating funds and for arbitrage rebate compliance for bond and note issue. The program advisory board is made up of New Jersey local government officials and is managed by PFM Asset Management LLC. The Program is designed to be in compliance with New Jersey statutes and regulations for allowable investments. The fund deposits can be liquidated on a daily basis and have an AAA rating by Standard & Poor's. NJ/ARM funds are not subject to custodial risk as defined above. Township deposits with the fund are considered cash equivalents and at December 31, 2025 the balance was $5,716,222.47.

Note 3: PROPERTY TAXES

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

Comparative Schedule of Tax Rates

	Year Ended				
	2025	2024	2023	2022	2021
Apportionment of Tax Rate:					
Municipal	$ .729	$ .707	$ .644	$ .604	$ .603
Municipal Open Space	.010	.010	.011	.011	.011
Municipal Library	.050	.045	.042	.036	.034
County	.649	.645	.673	.671	.676
County Open Space Preservation Trust Fund	.043	.043	.042	.040	.042
Local School	2.184	2.066	2.007	1.956	1.920
General Tax Rate	$ 3.665	$ 3.516	$ 3.419	$ 3.318	$ 3.286
Special District Rates - Fire	$ 0.193	$ 0.183	$ 0.176	$ 0.159	$ 0.147

Assessed Valuation

Year	Amount
2025	$ 4,716,661,500.00
2024	4,723,988,900.00
2023	4,722,105,100.00
2022	4,738,268,675.00
2021	4,725,112,369.00

Comparison of Tax Levies and Collections

Year	Tax Levy	Collections	Percentage of Collections
2025	$ 182,385,615.66	$ 181,973,562.39	99.77%
2024	175,062,693.04	174,399,950.47	99.62%
2023	169,880,107.99	169,223,321.22	99.61%
2022	165,032,355.25	164,608,187.87	99.74%
2021	162,788,145.12	162,490,468.99	99.82%

Delinquent Taxes and Tax Title Liens

Year	Tax Title Liens	Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2025	$ 823,858.20	$ 19,148.50	$ 843,006.70	0.46%
2024	1,920,260.19	134,024.47	2,054,284.66	1.17%
2023	1,777,730.12	18,019.31	1,795,749.43	1.06%
2022	1,657,604.77	22,927.51	1,680,532.28	1.02%
2021	1,763,215.19	15,522.11	1,778,737.30	1.09%

Note 3: PROPERTY TAXES (CONT'D)

The following comparison is made of the number of tax title liens receivable on December 31 for the current and previous four calendar years:

Year	Number
2025	46
2024	48
2023	38
2022	44
2021	55

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

Year	Amount
2025	$ 1,494,500.00
2024	1,494,500.00
2023	1,494,500.00
2022	1,494,500.00
2021	1,300,025.00

Note 5: FUND BALANCES APPROPRIATED

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

Year	Balance December 31,	Utilized in Budget of Succeeding Year	Percentage of Fund Balance Used
2025	$ 5,933,706.86	$ 3,900,000.00	65.73%
2024	2,619,266.50	2,500,000.00	95.45%
2023	4,806,952.47	4,299,000.00	89.43%
2022	6,350,047.61	5,000,000.00	78.74%
2021	7,108,241.61	6,000,000.00	84.41%

Note 6: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2025:

Fund	Interfunds Receivable	Interfunds Payable
Current	$ 13,329.40	$ 382,594.38
Federal, State and Other Grant	185,504.92	
Trust - Animal Control		13,329.40
Trust - Open Space	1,086.50	
General Capital	196,002.96	
	$ 395,923.78	$ 395,923.78

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2026, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 7: LOAN RECEIVABLE – COUNTY HOUSE VILLAGE ASSOCIATES, L.P.

On December 16, 1997, the Township entered into a promissory note agreement with County House Village Associates, L.P., a New Jersey limited partnership, in the principal amount of $1,920,000.00. The note was issued in connection with a municipal general obligation taxable bond transaction to support the development of affordable housing units pursuant to a Developer's Agreement dated July 24, 1997.

The note is secured by a third lien mortgage on real property located at Lot 8.02, Block 16 on the Tax Map of the Township, fronting on County House Road. The mortgage and related security agreement provide collateral for the repayment of the note.

The note bears interest at a rate of 3.00% per annum, with all accrued interest and principal due in full on or before December 31, 2029. Interest began accruing in May 1999, and as of December 31, 2025, accrued interest totaled $1,536,000.00, based on an annual accrual of $57,600.00.

Note 8: FIXED ASSETS

The following is a summary of changes in the general fixed asset account group for the year ended December 31, 2025:

	Balance Dec. 31, 2024	Additions	Deletions	Balance Dec. 31, 2025
Land, Buildings and Improvements	$ 12,424,696.53	$ 266,041.89	$ 13,123.00	$ 12,677,615.42
Machinery and Equipment	2,752,198.20	186,455.66		2,938,653.86
Vehicles	8,450,222.86	1,030,396.39		9,480,619.25
	$ 23,627,117.59	$ 1,482,893.94	$ 13,123.00	$ 25,096,888.53

Note 9: PENSION PLANS

A substantial number of the Township's employees participate in one of the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. In addition, several Township employees participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This Plan is administered by Empower for the New Jersey Division of Pensions and Benefits. Each Plan has a Board of Trustees that is primarily responsible for its administration. As a local participation employer of these pension plans, the Township is referred to as "Employer" throughout this Note. The Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS and PFRS plans' fiduciary net position which can be obtained by writing to the following address or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
https://www.state.nj.us/treasury/pensions/financial-reports.shtml

General Information about the Pension Plans

Plan Descriptions

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan, which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, and disability benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Employer, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

Police and Firemen's Retirement System - The Police and Firemen's Retirement System is a cost-sharing multiple-employer defined benefit pension plan, which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The PFRS' designated purpose is to provide retirement, death, and disability benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the Employer. The PFRS' Board of Trustees is primarily responsible for the administration of the PFRS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of P.L. 2007, c. 92 and P.L. 2007, c. 103, and expanded under the provisions of P.L. 2008, c. 89 and P.L. 2010, c. 1. The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are state or local officials who are elected or appointed on or after July 1, 2007; employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least $5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least $5,000.00 annually.

Note 9: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Vesting and Benefit Provisions

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A. The PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

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

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

Police and Firemen's Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

Tier	Definition
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Note 9: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Vesting and Benefit Provisions (Cont'd)

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 7.50% of base salary. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) is 10.0%. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

Special Funding Situation Component - Under N.J.S.A. 43:15A, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. One of such legislation, which legally obligates the State, is Chapter 133, P.L. 2001. This legislation increased the accrual rate from 1/60 to 1/55. In addition, it lowered the age required for a veteran benefit equal to 1/55 of highest 12-month compensation for each year of service from 60 to 55. Chapter 133, P.L. 2001 also established the Benefit Enhancement Fund (BEF) to fund the additional annual employer normal contribution due to the State's increased benefits. If the assets in the BEF are insufficient to cover the normal contribution for the increased benefits for a valuation period, the State will pay such amount for both the State and local employers.

The amounts contributed on behalf of the local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The Employer's contractually required contribution rate for the year ended December 31, 2025 was 16.33% of the Employer's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2025, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2025 is $1,136,653.00, and is payable by April 1, 2026. Due to the basis of accounting described in Note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2024, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2024 was $1,119,631.00, which was paid on April 1, 2025.

Note 9: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Contributions (Cont'd)

Public Employees' Retirement System (Cont'd) - Employee contributions to the Plan for the year ended December 31, 2025 were $524,456.81.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer, under Chapter 133, P.L. 2001, for the year ended December 31, 2025 was .50% of the Employer's covered payroll.

Based on the most recent PERS measurement date of June 30, 2025, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Employer, to the pension plan for the year ended December 31, 2025 was $35,145.00. For the prior year measurement date of June 30, 2024, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Employer, to the pension plan for the year ended December 31, 2024 was $36,046.00.

Police and Firemen's Retirement System - The contribution policy for PFRS is set by N.J.S.A 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 10.0% of base salary. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability.

Special Funding Situation Component - Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The Employer's contractually required contribution rate for the year ended December 31, 2025 was 36.73% of the Employer's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2025, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2025 is $2,922,118.00, and is payable by April 1, 2026. Due to the basis of accounting described in Note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2024, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2024 was $2,784,958.00, which was paid on April 1, 2025.

Employee contributions to the Plan for the year ended December 31, 2025 were $801,982.50.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer, for the year ended December 31, 2025 was 6.20% of the Employer's covered payroll.

Note 9: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Contributions (Cont'd)

Police and Firemen's Retirement System (Cont'd) - Based on the most recent PFRS measurement date of June 30, 2025, the State's contractually required contribution, on-behalf of the Employer, to the pension plan for the year ended December 31, 2025 was $493,522.00, and is payable by April 1, 2026. For the prior year measurement date of June 30, 2024, the State's contractually required contribution, on-behalf of the Employer, to the pension plan for the year ended December 31, 2024 was $471,549.00, which was paid on April 1, 2025.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Employer contributes 3% of the employees' base salary, for each pay period.

For the year ended December 31, 2025, employee contributions totaled $34,946.18, and the Employer's contributions were $23,841.39. There were no forfeitures during the year.

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employees' Retirement System

Pension Liability - As of December 31, 2025, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The Employer's proportionate share of the PERS net pension liability was $10,228,704.00. The net pension liability was measured as of June 30, 2025 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2025. The Employer's proportion of the net pension liability was based on a projection of the Employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2025 measurement date, the Employer's proportion was .0831693257%, which was an increase of .0008879149% from its proportion measured as of June 30, 2024.

Pension (Benefit) Expense - For the year ended December 31, 2025, the Employer's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2025 measurement date was $487,398.00. This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in Note 1; however, as previously mentioned, for the year ended December 31, 2025, the Employer's contribution to PERS was $1,119,631.00, and was paid on April 1, 2025.

For the year ended December 31, 2025, the State's proportionate share of the PERS pension (benefit) expense, associated with the Employer, under Chapter 133, P.L. 2001, calculated by the Plan as of the June 30, 2025 measurement date, was $34,145.00. This on-behalf (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in Note 1.

Note 9: PENSION PLANS (CONT'D)

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Police and Firemen's Retirement System

Pension Liability - As of December 31, 2025, the Employer's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Employer's Proportionate Share of Net Pension Liability	$ 20,511,160.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Employer	4,163,711.00
	$ 24,674,871.00

The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2025. The Employer's proportion of the net pension liability was based on a projection of the Employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2025 measurement date, the Employer's proportion was .2045178200%, which was an increase of .0031818800% from its proportion measured as of June 30, 2024. Likewise, at June 30, 2025, the State of New Jersey's proportion, on-behalf of the Employer, was .2045178400%, which was an increase of .0031818600% from its proportion, on-behalf of the Employer, measured as of June 30, 2024.

Pension (Benefit) Expense - For the year ended December 31, 2025, the Employer's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2025 measurement date was $1,363,550.00. This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in Note 1; however, as previously mentioned, for the year ended December 31, 2025, the Employer's contribution to PFRS was $2,784,958.00, and was paid on April 1, 2025.

For the year ended December 31, 2025, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Employer, calculated by the Plan as of the June 30, 2025 measurement date, was $493,522.00. This on-behalf (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in Note 1.

Note 9: PENSION PLANS (CONT'D)

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Deferred Outflows of Resources and Deferred Inflows of Resources - As of December 31, 2025, the Employer had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	$ 291,639.00	$ 1,680,409.00	$ 1,972,048.00	$ 10,931.00	$ 389,832.00	$ 400,763.00
Changes of Assumptions	1,615.00	1,025,963.00	1,027,578.00	117,844.00	259,301.00	377,145.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	852,939.00	1,004,790.00	1,857,729.00
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	160,259.00	628,174.00	788,433.00	255,325.00	1,162,293.00	1,417,618.00
Employer's Contributions Subsequent to the Measurement Date	568,327.00	1,461,059.00	2,029,386.00	-	-	-
	$ 1,021,840.00	$ 4,795,605.00	$ 5,817,445.00	$ 1,237,039.00	$ 2,816,216.00	$ 4,053,255.00

Deferred outflows of resources in the amounts of $568,327.00 and $1,461,059.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2026. These amounts were based on an estimated April 1, 2027 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2025 to the Employer's year end of December 31, 2025.

Note 9: PENSION PLANS (CONT'D)

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - The Employer will amortize the other deferred outflows of resources and deferred inflows of resources related to pensions over the following number of years:

	PERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2020	5.16	-	5.90	-
June 30, 2021	-	5.13	-	6.17
June 30, 2022	-	5.04	6.22	-
June 30, 2023	5.08	-	6.16	-
June 30, 2024	5.08	-	6.09	-
June 30, 2025	5.15	-	5.86	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2020	-	5.16	-	5.90
June 30, 2021	5.13	-	6.17	-
June 30, 2022	-	5.04	-	6.22
June 30, 2025	-	5.15	5.86	-
Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2021	-	5.00	-	5.00
June 30, 2022	5.00	-	5.00	-
June 30, 2023	-	5.00	-	5.00
June 30, 2024	-	5.00	-	5.00
June 30, 2025	-	5.00	-	5.00
Changes in Proportion				
Year of Pension Plan Deferral:				
June 30, 2020	5.16	5.16	5.90	5.90
June 30, 2021	5.13	5.13	6.17	6.17
June 30, 2022	5.04	5.04	6.22	6.22
June 30, 2023	5.08	5.08	6.16	6.16
June 30, 2024	5.08	5.08	6.09	6.09
June 30, 2025	5.15	5.15	5.86	5.86

Note 9: PENSION PLANS (CONT'D)

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

Year Ending Dec 31,	PERS	PFRS	Total
2026	$ 169,134.00	$ 1,061,399.00	$ 1,230,533.00
2027	(434,751.00)	(405,940.00)	(840,691.00)
2028	(361,930.00)	(370,304.00)	(732,234.00)
2029	(160,882.00)	(106,590.00)	(267,472.00)
2030	4,903.00	339,765.00	344,668.00
	$ (783,526.00)	$ 518,330.00	$ (265,196.00)

Actuarial Assumptions

The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2025. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	PERS	PFRS
Inflation Rate:		
Price	2.75%	2.50%
Wage	3.25%	3.00%
Salary Increases:	3.25% - 7.75% Based on Years of Service	4.00% - 17.50% Based on Years of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2021 - June 30, 2024	July 1, 2021 - June 30, 2024

Public Employees' Retirement System

Pre-retirement mortality rates were based on the Pub-2016 General Below-Median Income Employee mortality table with an 86.3% adjustment for males and 97.6% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Post-retirement mortality rates were based on the Pub-2016 General Below-Median Income Healthy Retiree mortality table with a 93.3% adjustment for males and 99.5% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2016 Non-Safety Disabled Retiree mortality table with a 156.9% adjustment for males and 139.0% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Mortality improvement is based on Scale MP-2021.

Note 9: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Police and Firemen's Retirement System

Employee mortality rates were based on the Pub-2016 Safety Employee mortality tables projected generationally from 2016 with Scale MP-2021. 5% of deaths are assumed to be accidental. Healthy annuitants, mortality rates were 100% of the Pub-2016 Safety Retiree Below Median amount-weighted mortality tables for males and 98% of the Pub-2016 Safety Retiree Below Median amount-weighted mortality tables for females, projected generationally from 2016 with Scale MP-2021 mortality projection. For contingent annuitants, mortality rates were 100% of the Pub-2016 Contingent Survivor Below Median amount-weighted mortality tables for males and 102% Pub-2016 Contingent Survivor Below Median amount-weighted tables for females, projected generationally from 2016 with Scale MP-2021. Disability mortality rates were 134% of the Pub-2016 Safety Disabled Retiree amount-weighted mortality table for males and 100% of the Pub-2016 Safety Disabled Retiree amount-weighted table for females, projected generationally from 2016 with Scale MP-2021 mortality projection.

For both PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2025) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in PERS' and PFRS' target asset allocation as of June 30, 2025 are summarized in the table that follows:

PERS			PFRS		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.55%	U.S. Large-Cap Equity	24.00%	6.90%
Non-U.S. Developed Markets Equity	12.75%	8.77%	U.S. Small/Mid Cap Equity	4.00%	7.40%
International Small Cap Equity	1.25%	8.77%	Non-U.S. Developed Large-Cap Equity	9.50%	6.70%
Emerging Markets Equity	5.50%	10.30%	Non-U.S. Developed Small-Cap Equity	2.00%	7.50%
Private Equity	13.00%	12.00%	Emerging Markets Large-Cap Equity	6.00%	9.60%
Real Estate	8.00%	10.78%	Emerging Markets Small-Cap Equity	1.50%	9.60%
Real Assets	3.00%	7.90%	U.S. Treasury Bond	7.00%	4.10%
High Yield	4.50%	6.63%	U.S. Corporate Bond	5.00%	5.90%
Private Credit	8.00%	9.00%	U.S. Mortgage-Backed Securities	5.00%	4.40%
Investment Grade Credit	7.00%	5.47%	Global Multisector Fixed Income	6.00%	6.50%
Cash Equivalents	2.00%	3.61%	Cash	2.00%	3.40%
U.S. Treasuries	4.00%	3.61%	Real Estate Core	3.00%	5.10%
Risk Mitigation Strategies	3.00%	7.26%	Real Estate Non-Core	4.00%	6.50%
			Infrastructure	3.00%	7.00%
	100.00%		Private Debt/Credit	8.00%	9.10%
			Private Equity	10.00%	10.10%
				100.00%	

Note 9: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Discount Rate -

For both PERS and PFRS, the discount rate used to measure the total pension liability was 7.00% as of June 30, 2025. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate

Public Employees' Retirement System (PERS) - The following presents the Employer's proportionate share of the net pension liability as of the June 30, 2025 measurement date, calculated using a discount rate of 7.00%, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate used:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer's Proportionate Share of the Net Pension Liability	$ 14,002,488.00	$ 10,228,704.00	$ 7,012,439.00

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Employer's annual required contribution. As such, the net pension liability as of the June 30, 2025 measurement date, for the Employer and the State of New Jersey, calculated using a discount rate of 7.00%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer's Proportionate Share of the Net Pension Liability	$ 29,838,519.00	$ 20,511,160.00	$ 12,729,204.00
State of New Jersey's Proportionate Share of Net Pension Liability	6,057,139.00	4,163,711.00	2,583,994.00
	$ 35,895,658.00	$ 24,674,871.00	$ 15,313,198.00

Note 9: PENSION PLANS (CONT'D)

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension (benefit) expense, information about the respective fiduciary net position of the PERS and PFRS and additions to/deductions from PERS and PFRS' respective fiduciary net position have been determined on the same basis as they are reported by PERS and PFRS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

A: STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN

N.J.A.C. 5:30-6.1(c) allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2025 was not available; therefore, the information from the measurement period June 30, 2024 is disclosed below.

General Information about the State Health Benefits Local Government Retired Employees Plan

Plan Description and Benefits Provided - The State of New Jersey (the "State") provides postemployment benefits to certain Township retirees and their dependents under a special funding situation as described below.

The State, on-behalf of the Township, contributes to the State Health Benefits Local Government Retired Employees Plan (the "Plan"), which is a cost-sharing multiple-employer defined benefit other postemployment benefit ("OPEB") plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the "State"), Division of Pensions and Benefits' (the "Division") annual financial statements, which can be found at https://www.state.nj.us/treasury/pensions/financial-reports.shtml. As a local participating employer of the Plan, the Township is referred to as "Employer" throughout this Note.

The Plan provides medical and prescription drug coverage to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

A: STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)

General Information about the State Health Benefit Local Government Retired Employees Plan (Cont'd)

Plan Description and Benefits Provided (Cont'd) - In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Special Funding Situation Component - The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1997. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis. Partially funded benefits are also available to local police officers and firefighters who retire with 25 years of service or on disability from an employer who does not provide coverage under the provisions of Chapter 330, P.L. 1997. Upon retirement, these individuals must enroll in the OPEB Plan.

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

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer. The participating employer is required to disclose in their respective notes to the financial statements, an expense and corresponding revenue, and their proportionate share of the OPEB expense allocated to the State under the special funding situation.

The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the Employer, is not known; however, under the special funding situation, the State's OPEB (benefit) expense , on-behalf of the Employer, is ($22,985.00) for the year ended December 31, 2024, representing -0.30% of the Employer's covered payroll.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

A: STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)

OPEB Liability

OPEB Liability - At December 31, 2024, the State's proportionate share of the net OPEB liability associated with the Employer was $237,249.00. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024.

The State's proportion of the net OPEB liability, associated with the Employer, was based on the ratio of the Plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2023 through June 30, 2024. For the June 30, 2024 measurement date, the State's proportion on-behalf of the Employer was .004865%, which was a decrease of .000214% from its proportion measured as of the June 30, 2023 measurement date.

Actuarial Assumptions

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024, used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases *	
PFRS – Rates for all future years	3.25% to 16.25% based on years of service
Mortality	
Pre-Retirement Healthy – PFRS	PUB-2010 "Safety" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021
Post-Retirement Healthy – Chapter 330 Retirees	
Disabled Retiree – PFRS Future Retirees	
Disabled Retiree – Chapter 330 Retirees	

* salary increases are based on years of service within the respective Plan.

Actuarial assumptions used in the valuation were based on the results of the PFRS experience study prepared for July 1, 2018 to June 30, 2021.

100% of active members are considered to participate in the Plan upon retirement.

All of the Plan's investments are in the State of New Jersey Cash Management Fund (the "CMF"). The New Jersey Division of Investments manages the CMF, which is available on a voluntary basis for investment by State and certain non-State participants. The CMF is considered to be an investment trust fund as defined in GASB Statement No. 31, *Certain Investments and External Investment Pools.* The CMF invests in U.S. government and agency obligations, commercial paper, corporate obligations and certificates of deposit. Units of ownership in the CMF may be purchased or redeemed on any given business day (excluding State holidays) at the unit cost of value of $1.00. Participant shares are valued on a fair value basis. The CMF pays interest to participants on a monthly basis.

Discount Rate - The discount rate used to measure the OPEB liability at June 30, 2024 was 3.93%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

A: STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)

Actuarial Assumptions (Cont'd)

The health care trend assumptions used are as follows:

	Annual Rate of Increase					
	Medical Trend			Prescription Drug Trend		
Fiscal Year Ending	Pre-65	PPO Post-65	HMO Post-65	Pre-65	Post-65	EGWP
2025	7.50%	2.42%	2.25%	12.75%	12.25%	21.78%
2026	7.00%	19.38%	20.15%	12.25%	11.75%	10.92%
2027	6.50%	22.62%	23.58%	11.25%	10.75%	8.19%
2028	6.00%	14.93%	15.47%	10.00%	9.75%	9.79%
2029	5.50%	12.87%	13.31%	9.00%	9.00%	8.92%
2030	5.25%	11.35%	11.71%	8.00%	8.00%	5.74%
2031	5.00%	10.16%	10.46%	7.00%	7.00%	4.87%
2032	4.75%	9.18%	9.44%	6.00%	6.00%	6.00%
2033	4.50%	6.54%	6.65%	5.00%	5.00%	5.00%
2034 and Later	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The net OPEB liability, calculated using a discount rate of 3.93%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Employer	$ 276,370.00	$ 237,249.00	$ 205,917.00

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The net OPEB liability, using a healthcare cost trend rate that is 1% lower or 1% higher than the current healthcare cost trend rates used, is as follows:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Employer	$ 200,664.00	$ 237,249.00	$ 284,287.00

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

A: STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)

OPEB Plan Fiduciary Net Position

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB (benefit) expense, information about the respective fiduciary net position of the State Health Benefits Local Government Retired Employees Plan and additions to/deductions from the Plan's respective fiduciary net position have been determined on the same basis as they are reported by the Plan. Accordingly, contributions (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

B: TOWNSHIP OF WASHINGTON POSTEMPLOYMENT BENEFIT PLAN

Plan Description and Benefits Provided – The Township is referred to as "Employer" throughout this note. The Employer provides postretirement medical, prescription, dental benefits and reimbursement of Medicare Part B costs to certain retirees. The medical and prescription part of the Township's postemployment benefit plan is a fully insured plan through the Southern New Jersey Regional Employee Benefits Plan; the dental benefits plan is self-insured. The Township's plan is not administered through a trust that meets the criteria in paragraph 4 of the GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, and covers the following retiree population: police officers retiring with at least fifteen (15) years of service; and non-uniformed employees retiring after the age of 62 or older with at least fifteen (15) years of service. Coverage is provided for the retirees and their spouse. Plan members receiving benefits are not required to make any contributions.

Employees Covered by Benefit Terms - As of December 31, 2024, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	174
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	-
Active Employees	179
	353

Total OPEB Liability - The Employer's total OPEB liability of $113,597,910.00 was measured as of December 31, 2025 and was determined by an actuarial valuation as of December 31, 2024.

Actuarial Assumptions and Other Inputs - The following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary Increases	3.00% Annually
Discount Rate	4.43%
Healthcare Cost Trend Rates	
Medical (Including Medicare Part B)	
Pre-65	7.00% Decreasing to 4.00% Ultimate
Post-65	5.00% Decreasing to 4.00% Ultimate
Dental	4.50%
Retirees' Share of Benefit-Related Costs	None

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

B: TOWNSHIP OF WASHINGTON POSTEMPLOYMENT BENEFIT PLAN (CONT'D)

Actuarial Assumptions and Other Inputs (Cont'd) - The discount rate was based on the S&P Municipal Bond 20-Year High Grade Rate Index as of December 31, 2025.

Mortality rates were based on the PUB-2016 Mortality Table with MP-2024 IRS Adjusted MP-2021 Projection.

An experience study was not performed on the actuarial assumptions used in the December 31, 2024 valuation since the Plan had insufficient data to produce a study with credible results. Mortality rates, termination rates and retirement rates were based on standard tables issued by Society of Actuaries. The actuary has used their professional judgement in applying these assumptions to this Plan.

Changes in Total OPEB Liability

Balance at December 31, 2024		$ 100,818,448.00
Changes for the Year:		
Service Cost	$ 2,851,062.00	
Interest Cost	4,323,217.00	
Benefit Payments	(5,319,546.00)	
Changes in Assumptions	13,097,526.00	
Difference between Expected and Actual Experience	(2,172,797.00)	
Net Changes		12,779,462.00
Balance at December 31, 2025		$ 113,597,910.00

Changes of assumptions and other inputs reflect a change in the discount rate from 4.28% at December 31, 2024 to 4.43% at December 31, 2025.

Sensitivity of Total OPEB Liability to Changes in Discount Rate - The following presents the total OPEB liability of the Employer, as well as what the Employer's total OPEB liability would be if it were calculated for using a discount rate that is 1-percentage -point lower or 1-percentage-point higher than the current discount rate:

	1.00% Decrease (3.43%)	Current Discount Rate (4.43%)	1.00% Increase (5.43%)
Total OPEB Liability	$ 131,285,164.00	$ 113,597,910.00	$ 99,415,108.00

Sensitivity of Total OPEB Liability to Changes in Healthcare Trend - The following presents the total OPEB liability of the Employer, as well as what the Employer's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1.00% Decrease	Healthcare Trend	1.00% Increase
Total OPEB Liability	$ 97,430,306.00	$ 113,597,910.00	$ 134,438,871.00

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

B: TOWNSHIP OF WASHINGTON POSTEMPLOYMENT BENEFIT PLAN (CONT'D)

OPEB (Benefit) Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended December 31, 2025, the Employer recognized OPEB (benefit) expense of $5,467,475.00. As of December 31, 2025, the Employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 13,354,059.00	$ 3,982,107.00
Changes of Assumptions	2,094,391.00	15,837,921.00
	$ 15,448,450.00	$ 19,820,028.00

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB (benefit) expense as follows:

Year Ending	
Dec. 31, 2026	$ (1,881,580.00)
Dec. 31, 2027	(1,881,583.00)
Dec. 31, 2028	(1,086,707.00)
Dec. 31, 2029	(1,342,497.00)
Dec. 31, 2030	1,820,789.00
	$ (4,371,578.00)

Note 11: COMPENSATED ABSENCES

The Township has multiple collective bargaining agreements (CBAs) in place, each governing different groups of employees. Non-represented employees follow the Township's personnel manual with regards to compensated absences. These agreements and the personnel manual contain varying provisions regarding the accrual, usage, and payout of compensated absences. As a result, the calculation of the liability for compensated absences reflects the specific terms and conditions outlined in each respective agreement and the personnel manual.

The Township does not record accrued expenses related to compensated absences; however, the Township has established a compensated absences trust fund to set aside funds for future payments of compensated absences. At December 31, 2025, the balance of the fund was $94,457.83. It is estimated that, at December 31, 2025, accrued benefits for compensated absences are valued at $4,520,923.33.

Note 12: DEFERRED COMPENSATION SALARY ACCOUNT

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

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

Note 13: CAPITAL DEBT

General Improvement Bonds

General Obligation Bonds, Series 2012 - On December 13, 2012, the Township issued $8,530,000.00 of general obligation bonds, with interest rates ranging from 2.0% to 3.0%. The purpose of the bonds is to fund capital ordinances 33-2006 and 09-2012. The final maturity of the bonds is November 15, 2031.

General Obligation Bonds, Series 2017 - On April 20, 2017, the Township issued $13,410,000.00 in general obligation bonds, with interest rates ranging from 2.0% to 5.0%. The purpose of the bonds is to fund capital ordinances 36-2013, 03-2015, and 12-2016. The final maturity of the bonds is February 1, 2037.

General Obligation Bonds, Series 2021 - On June 18, 2021, the Township issued $20,210,000.00 in general obligation bonds, with interest rates ranging from 0.05% to 3.0%. The purpose of the bonds is to fund capital ordinances 7-2017, 15-2018, 18-2019, and 5-2020. The final maturity of the bonds is May 15, 2035.

General Obligation Bonds, Series 2025 - On August 28, 2025, the Township issued $21,860,000.00 in general obligation bonds, with an annual interest rate of 4.00%. The purpose of the bonds is to fund capital ordinances 9-2021, 9-2022, 10-2023, 16-2024 and 15-2025. The final maturity of the bonds is May 15, 2037.

The following schedule represents the remaining debt service, through maturity, for the general improvement bonds:

Year	Principal	Interest	Total
2026	$ 3,810,000.00	$ 1,731,586.96	$ 5,541,586.96
2027	4,025,000.00	1,415,012.52	5,440,012.52
2028	4,105,000.00	1,279,662.52	5,384,662.52
2029	4,210,000.00	1,140,312.52	5,350,312.52
2030	4,355,000.00	999,775.02	5,354,775.02
2031-2035	22,275,000.00	2,923,193.80	25,198,193.80
2036-2037	6,120,000.00	231,440.63	6,351,440.63
	$ 48,900,000.00	$ 9,720,983.97	$ 58,620,983.97

Note 13: CAPITAL DEBT (CONT'D)

General Debt - New Jersey Green Acres Loan

On August 9, 2011, the Township entered into a loan agreement with the New Jersey Department of Environmental Protection to provide $150,018.00, at an interest rate of 2.0%. The proceeds were used to fund the Washington Township Lake Park Enhancement Project. Semiannual debt payments are due May 12th and November 12th through 2031.

The following schedule represents the remaining debt service, through maturity, for the New Jersey Green Acres loan:

Year	Principal	Interest	Total
2026	$ 8,403.26	$ 925.35	$ 9,328.61
2027	8,572.17	756.45	9,328.62
2028	8,744.47	584.14	9,328.61
2029	8,920.24	408.38	9,328.62
2030	9,099.53	229.09	9,328.62
2031	4,618.13	46.18	4,664.31
	$ 48,357.80	$ 2,949.59	$ 51,307.39

The following schedule represents the Township's summary of debt for the current and two previous years:

	2025	2024	2023
Issued			
Bonds, Loans and Notes	$ 48,948,357.80	$ 50,970,510.48	$ 46,506,943.85
Authorized but not Issued			
Bonds, Loans and Notes	165.00	-	-
Total Issued and Authorized but not Issued	48,948,522.80	50,970,510.48	46,506,943.85
Deductions			
Reserve for Payment of Debt	302,912.22	-	-
Net Debt	$ 48,645,610.58	$ 50,970,510.48	$ 46,506,943.85

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of .680%.

	Gross Debt	Deductions	Net Debt
School Purposes	$ 21,380,000.00	$ 21,380,000.00	
General	48,948,522.80	302,912.22	$ 48,645,610.58
	$ 70,328,522.80	$ 21,682,912.22	$ 48,645,610.58

Note 13: CAPITAL DEBT (CONT'D)

Summary of Statutory Debt Condition - Annual Debt Statement (Cont'd)

Net debt $48,645,610.58 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, $7,199,616,526.33, equals .676%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	$ 251,986,578.42
Less: Net Debt	48,645,610.58
Remaining Borrowing Power	$ 203,340,967.84

A revised Annual Debt Statement should be filed by the Chief Financial Officer.

Note 14: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2025, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the current fund:

Description	Balance December 31, 2025	2026 Budget Appropriation
Emergency Authorization (N.J.S.A. 40A:4-46)	$ 165,084.00	$ 165,084.00

The appropriations in the 2026 Budget as adopted are not less than that required by the statutes.

Note 15: RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The Township maintains commercial insurance coverage for property, liability, vehicle, surety bonds, etc.

New Jersey Unemployment Compensation Insurance - The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State.

The following is a summary of the activity and the ending balance of the Township's trust fund for the current and previous two years:

Year	Township Contributions	Employee Contributions	Interest Earnings	Amount Reimbursed	Ending Balance
2025	$ 40,000.00	$ 28,981.64	$ 503.16	$ 44,409.01	$ 31,037.88
2024	-	30,017.86	914.70	88,722.94	5,962.09
2023	-	26,831.88	1,530.63	48,931.20	63,752.47

Note 15: RISK MANAGEMENT (CONT'D)

Joint Insurance Fund - The Township is a member of the Gloucester, Salem and Cumberland Counties Municipal Insurance Joint Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation including Employer's Liability
General Liability including Police Professional and Employee Benefit Liability
Automobile Liability
Blanket Crime including Public Employee Dishonesty
Property Including Boiler and Machinery
Public Officials and Employment Practices Liability
Volunteer Directors and Officers Liability
Cyber Liability

The following coverages are provided to the Fund's member local units by their membership in the Municipal Excess Liability Joint Insurance Fund (MEL):

Excess Workers' Compensation
Excess General Liability
Non-Owned Aircraft Liability
Excess Auto Liability
Fidelity and Performance (Blanket)
Excess Property including Boiler and Machinery
Crime including Excess Public Employee and Public Official Coverage

Environmental Impairment Liability coverage is provided to the Fund's member local units by the Fund's membership in the New Jersey Municipal Environmental Risk Management Fund.

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

The Township's agreement with the Fund provides that the Fund will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund, which is an insurance pool formed by all the other joint insurance funds.

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report which can be obtained from:

Gloucester, Salem and Cumberland
Counties Municipal Joint Insurance Fund
6000 Sagemore Drive, Suite 6203
P.O. Box 490
Marlton, New Jersey 08053

Note 16: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST

On November 7, 2000, pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of the Township authorized the establishment of the Township Open Space Trust Fund effective January 1, 2001, for the purpose of raising revenue for the acquisition of land, easements and/or development rights to preserve underdeveloped areas in the Township. As approved by the referendum, the Township levies a tax not to exceed two cents per one hundred dollars of assessed valuation. Amounts raised by taxation are assessed, levied and collected in the same manner and at the same time as other taxes. Future increases in the tax rate or to extend the authorization must be authorized by referendum. On October 25, 2017, the Township adopted Ord. 29-2017 to amend the funding for the Open Space Trust Fund. Effective January 1, 2018 and every year thereafter, the Open Space Trust Fund shall be funded through the dedication to the fund in the amount of $0.01 per $100 of the assessed tax levy.

All revenue received is accounted for in a Trust Fund dedicated by rider (N.J.S.A. 40A:4-39) for the purpose stated. Interest earned on the investment of these funds is credited to the Township Open Space Trust Fund. A budget indicating the anticipated revenues and expenditures of the Open Space Trust Fund for each year is adopted as part of the Township's annual budget.

Note 17: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Township expects such amount, if any, to be immaterial.

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

Note 18: TAX ABATEMENTS

Short Term - The Township is authorized to enter into property tax abatement agreements for commercial and industrial structures under N.J.S.A. 40A:21-1 (Chapter 441, P.L. 1991) known as the "Five Year Exemption and Abatement Law", Chapter 229 of the Township Code of the Township, Taxation, Article I, and Ordinance No. 37-1998; amended in its entirety by Ordinance 19-2019. Under these laws, the Township may grant property tax abatements for a period of five years from the date of completion of construction for the purpose of encouraging the construction of new commercial and industrial structures.

The first calendar year following completion, 0 percent of taxes are due, and each subsequent calendar year the percentage of taxes due increases by 20 percent. During the 6th calendar year, 100 percent of taxes are assessed and due. The property owner agrees that the payment in lieu of taxes shall be made to the Township in quarterly installments on those dates when real estate tax payments are due.

Failure to make timely payments shall result in interest being assessed at the highest rate permitted for unpaid taxes and a real property tax lien on the land.

Note 18: TAX ABATEMENTS (CONT'D)

Short Term (Cont'd) - For the year ended December 31, 2025, the Township billed $96,498.28 in payment in lieu of taxes under the short term tax abatement agreements; and the total property taxes abated amounted to $105,660.48 under this program, including the following property tax abatement agreements for property improvements or new construction that each exceeded 10 percent of the total, which is the percentage the Township considers to be material for purposes of individual disclosure:

Business Name	Purpose	Percent Abated	Amount Abated
RS Fries Mills, LLC	Physician's Office	60%	$ 12,052.72
Sun Kiss Properties	Hair Salon	60%	28,762.92
Hutton Turnersville NJ ST LLC	Car Wash	60%	20,521.07
TRE SIGLI	Restaurant	60%	19,922.94
The Royal One LLC	Nail Bar and Spa	80%	16,671.35

Long Term - The Township is authorized to enter into long term property tax abatement agreements pursuant to the provisions of the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. (the "Redevelopment Law"). Under the Redevelopment Law, a municipality which has adopted a redevelopment plan may enter into a financial agreement with an urban renewal entity for the undertaking of a project as set forth in a redevelopment plan. At the Township Council meeting held on November 9, 2016, the Township Council adopted Ordinances 21-2016, 22-2016, 23-2016 and 24-2016 approving financial agreements for tax exemption for urban renewal projects with respect to a portion of the Washington Square Redevelopment Area located within the Township for 25 years. Under the terms of the agreements, the Township will exempt the taxes of certain urban renewal entities qualified to do business under the provisions of the Long Term Tax Exemption Law as amended and as supplemented, N.J.S.A. 40A:20-1, et seq. (Long Term Tax Exemption Law). For the year ended December 31, 2025, the Township abated property taxes of approximately $848,000.00. In return, the entities will pay the Township an annual service charge, plus a 2% administrative fee. The agreements further stipulate that the Township shall remit 5% of the net amount for any year to the County of Gloucester. In addition, on March 8, 2017, the Township Council adopted Ordinance 4-2017, approving an agreement with the Board of Education of the Township to provide the Board of Education with 44% of the annual service charge component net of the administrative fee and any portion of payment paid to the County of Gloucester.

For the year ended December 31, 2025, the Township received from the entities payments in lieu of taxes and administrative fees in the amounts of $932,261.00 and $18,378.36, respectively, and after distribution to the County of Gloucester and the Board of Education, recognized revenues in the amount of $514,341.21.

Note 19: SUBSEQUENT EVENTS

Authorization of Debt - Subsequent to December 31, the Township authorized additional bonds and notes as follows:

Purpose	Adoption	Authorization
General Improvements		
Various Capital Improvements	05/06/26	$ 3,783,850.00
Construction of a Police Building Phase I	05/06/26	9,500,000.00
		$ 13,283,850.00

On June 24, 2026 the Township issued Bond Anticipation Notes in the amount of $13,283,850.00 at a 4.00% interest rate and June 23, 2027 maturity date to fund these bond ordinances.

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Current Cash--Chief Financial Officer
For the Year Ended December 31, 2025

		Current Fund
Balance Dec. 31, 2024		$ 8,172,715.10
Increased by Receipts:		
Taxes Receivable	$ 180,217,123.77	
Tax Title Liens Receivable	180,661.02	
Tax Sale Collected for MUA	24,479.27	
Miscellaneous Revenue Not Anticipated	1,793,411.01	
Due from State of New Jersey - Senior Citizen and Veterans Deduction	290,520.50	
Revenue Accounts Receivable	10,481,254.27	
Payroll Funds	20,399,245.73	
Prepaid Taxes	1,878,483.90	
Tax Overpayments	401,371.84	
Washington Square PILOT Due to Other Entities	436,298.15	
Due to Municipal Library	1,248,622.00	
Due to State - DCA Fees	85,511.00	
Due to State - Marriage License Fees	4,880.00	
Due from Federal, State and Other Grant Fund - Receivable	1,144,084.91	
Due from Animal Control Fund	24,881.82	
Due from General Capital Fund	309,704.22	
		218,920,533.41
		227,093,248.51
Decreased by Disbursements:		
2025 Appropriations	46,839,207.60	
2024 Appropriation Reserves	670,545.76	
County Tax	32,611,156.46	
Due County for Added and Omitted Tax	56,521.39	
Local School District Tax	102,973,217.00	
Fire District Tax	9,064,158.00	
Due to Municipal Library	1,248,530.35	
Payroll Funds	20,629,688.03	
Refund Tax Overpayment	193,582.88	
Washington Square PILOT Due to Other Entities	46,613.05	
Disbursed to MUA for Tax Sale	24,479.27	
Due to State - DCA Fees	93,292.00	
Due to State - Marriage License Fees	4,560.00	
Due to Federal, State and Other Grant Fund -		
- Appropriated Grant Reserves	1,036,614.58	
Due from Trust Municipal Open Space Fund	471,995.44	
		215,964,161.81
Balance Dec. 31, 2025		$ 11,129,086.70

TOWNSHIP OF WASHINGTON
CURRENT FUND
Schedule of Change Funds
As of December 31, 2025

Office	Dec. 31, 2025
Municipal Clerk	$ 400.00
Municipal Court Administrator	150.00
Tax Collector	350.00
Recreation and Public Works	70.00
Construction Code Official	600.00
Housing	400.00
Planning & Zoning	200.00
Police	15.00
Golf Course	200.00
	$ 2,385.00

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Taxes Receivable and Analysis of Property Tax Levy
For the Year Ended December 31, 2025

Year	Balance Dec. 31, 2024	2025 Levy	Added Taxes	Collections 2024	Collections 2025	Canceled	Transferred to Tax Title Liens	Balance Dec. 31, 2025
2024	$ 134,024.47	$ -	$ 8,900.69	$ -	$ 136,625.02	$ 3,377.81	$ -	$ 2,922.33
2025		182,385,615.66		1,600,873.03	180,372,689.36	313,622.26	82,204.84	16,226.17
	$ 134,024.47	$ 182,385,615.66	$ 8,900.69	$ 1,600,873.03	$ 180,509,314.38	$ 317,000.07	$ 82,204.84	$ 19,148.50

Taxes Receivable		$ 180,217,123.77	
Senior Citizens and Veterans		292,190.61	
		$ 180,509,314.38	
Analysis of 2025 Property Tax Levy			
Tax Yield:			
General Property Tax			$ 181,968,853.06
Added & Omitted Taxes (54:4-63.1 et. seq.)			416,762.60
			$ 182,385,615.66
Tax Levy:			
Local School District Tax			$ 102,973,217.00
County Taxes:			
County Tax		$ 30,591,570.61	
County Open Space Tax		2,019,585.85	
Due County for Added & Omitted Taxes		75,102.37	
Total County Taxes			32,686,258.83
Fire District Taxes			9,064,158.00
Local Tax for Municipal Purposes		34,386,280.58	
Municipal Open Space Tax		471,995.44	
Due Municipal Open Space for Added & Omitted Taxes		1,086.50	
Minimum Library Tax		2,390,196.41	
Add: Additional Tax Levied - Added Taxes		340,573.73	
Add: Additional Tax Levied by Rounding of Tax Rate		71,849.17	
			37,661,981.83
			$ 182,385,615.66

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Due From State of New Jersey
Veterans' And Senior Citizens' Deductions
For the Year Ended December 31, 2025

Balance Dec. 31, 2024			$ 70,350.34
Increased by:			
Deductions per Tax Billing:			
Senior Citizens	$ 41,750.00		
Veterans	247,000.00		
	288,750.00		
Deductions Allowed by Collector - 2025 Taxes	4,750.00		
	293,500.00		
Deductions Disallowed by Collector - 2025 Taxes	(1,309.39)		
		$ 292,190.61	
Deductions Disallowed by Collector - 2024 Taxes		(8,900.69)	
			283,289.92
			353,640.26
Decreased by:			
Collections			290,520.50
Balance Dec. 31, 2025			$ 63,119.76
Analysis of Amount Realized:			
Senior Citizens' and Veterans' Deductions Per Tax Billings		$ 288,750.00	
Senior Citizens' and Veterans'			
Deductions Allowed by Collector - 2025 Taxes		4,750.00	
			$ 293,500.00
Less:			
Senior Citizens' and Veterans'			
Deductions Disallowed by Collector - 2025 Taxes			1,309.39
			$ 292,190.61

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Tax Title Liens
For the Year Ended December 31, 2025

Balance Dec. 31, 2024		$ 1,920,260.19
Increased by:		
Transfers from Taxes Receivable	$ 82,204.84	
Interest and Costs on Tax Sale	588.10	
		82,792.94
		2,003,053.13
Decreased by:		
Collections	180,661.02	
Canceled	149,760.81	
Assignments Less than Full Value	848,773.10	
		1,179,194.93
Balance Dec. 31, 2025		$ 823,858.20

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2025

	Balance Dec. 31, 2024	Accrued In 2025	Receipts	Balance Dec. 31, 2025
Miscellaneous Revenue Anticipated				
Licenses:				
Alcoholic Beverages	$	$ 36,120.00	$ 36,120.00	$
Fees and Permits		714,427.45	714,427.45	
Fines and Costs:				
Municipal Court	13,761.10	188,627.10	184,434.81	17,953.39
Interest and Costs on Taxes		316,893.16	316,893.16	
Interest on Investments and Deposits		562,019.69	562,019.69	
Hotel and Motel Occupancy Fee		69,779.44	69,779.44	
Library Pension		162,696.00	162,696.00	
Energy Receipts Tax P.L. 1997, Chapters 162 & 167)		3,239,603.72	3,239,603.72	
Uniform Construction Code Fees		1,107,900.67	1,107,900.67	
Special Items of Revenue with Prior Consent of Director:				
Shared Service Agreement- Pitman Borough CFO Services		33,667.00	33,667.00	
Other Special Items of Revenues:				
Franchise Fees - Cable TV		293,066.63	293,066.63	
Payment in Lieu of Taxes - NJ Transit		10,680.00	10,680.00	
Payment in Lieu of Taxes - County House		44,794.00	44,794.00	
Payment in Lieu of Taxes - Gloucester County Public Housing		3,326.18	3,326.18	
Payment in Lieu of Taxes - Mill Stream		62,334.39	62,334.39	
Payment in Lieu of Taxes - Abatements		96,498.28	96,498.28	
Payment in Lieu of Taxes - Washington Square		514,341.21	514,341.21	
Payment in Lieu of Taxes - Kennedy		316,455.00	316,455.00	
Housing Inspection Fees		303,163.00	303,163.00	
Reimbursement - School Resource Officer	120,000.00	130,000.00	250,000.00	
School SLEO Reimbursement	399,000.00	559,478.50	958,478.50	
Business Registration Fees		76,735.00	76,735.00	
Administrative Fee - Off Duty Police		117,363.25	117,363.25	
Anticipated General Capital Fund Balance		309,704.22	309,704.22	
Recycling Fees		6,338.60	6,338.60	
Cannabis Dispensary		129,348.25	129,348.25	
Receipts from Municipal Lien Assignment		412,250.00	412,250.00	
MUA Allocation		675,972.00	675,972.00	
	$ 532,761.10	$ 10,493,582.74	$ 11,008,390.45	$ 17,953.39
Current Fund - Chief Financial Officer			$ 10,481,254.27	
Due from General Capital Fund:				
Fund Balance Utilized as Revenue			309,704.22	
Interest Earned - Due to Current Fund - General Capital Fund			217,431.96	
			$ 11,008,390.45	

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Deferred Charges
For the Year Ended December 31, 2025

	Balance Dec. 31, 2024	Created in In 2025	Raised in In 2025	Balance Dec. 31, 2025
Emergency Authorization (N.J.S.A. 40A:4-46)	$ 237,957.32	$ 165,084.00	$ 237,957.32	$ 165,084.00

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of 2024 Appropriation Reserves
For the Year Ended December 31, 2025

	Balance Dec. 31, 2024		Balance	Disbursed /	Accounts	Balance
	Reserved	Encumbered	After Transfers	Refunded	Payable	Lapsed
OPERATIONS WITHIN "CAPS"						
General Government						
Office of Township Mayor						
Salaries and Wages	$ 826.84	$	$ 826.84	$	$	$ 826.84
Other Expenses	3,406.70		3,406.70	475.00		2,931.70
Township Council						
Salaries and Wages	0.90		0.90			0.90
Other Expenses	452.00		452.00			452.00
Annual Audit	10,300.00		10,300.00			10,300.00
Office of Township Clerk						
Salaries and Wages	11,132.85		11,132.85			11,132.85
Other Expenses	16,703.71	1,141.91	17,845.62	2,129.87		15,715.75
Office of Business Administrator						
Salaries and Wages	2,760.58		2,760.58			2,760.58
Other Expenses	24,761.45	2,295.27	27,056.72	2,295.27		24,761.45
Human Resources						
Salaries and Wages	4,700.00		4,700.00			4,700.00
Other Expenses	3,701.00	250.00	3,951.00	250.00		3,701.00
Division of Treasury						
Salaries and Wages	625.27		625.27			625.27
Other Expenses	6,547.61	3,541.77	10,089.38	3,002.50		7,086.88
Division of Tax Collector						
Salaries and Wages	16.51		16.51			16.51
Other Expenses	3,063.40	50.00	3,113.40	50.00		3,063.40
Office of Township Attorney						
Salaries and Wages	5,680.36		5,680.36			5,680.36
Other Expenses	17,766.39	12,824.00	30,590.39	25,151.80		5,438.59
Land Use Administration						
Division of Engineering						
Other Expenses	52,228.05	800.00	53,028.05	34,840.76		18,187.29

(Continued)

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of 2024 Appropriation Reserves
For the Year Ended December 31, 2025

	Balance Dec. 31, 2024		Balance	Disbursed /	Accounts	Balance
	Reserved	Encumbered	After Transfers	Refunded	Payable	Lapsed
OPERATIONS WITHIN "CAPS" (CONT'D)						
Land Use Administration (Cont'd)						
Advisory Board Economic Development						
Other Expenses	$ 8,776.36	$ 434.40	$ 9,210.76	$ 742.20	$	$ 8,468.56
Planning Board/Zoning Board						
Salaries and Wages	11,877.35		11,877.35			11,877.35
Other Expenses	11,377.86	855.00	12,232.86	855.00		11,377.86
Code Enforcement and Administration						
Code Enforcement						
Salaries and Wages	7,099.24		7,099.24			7,099.24
Other Expenses	250.00		250.00			250.00
Insurance						
Liability Insurance	46,194.27		46,194.27	100.81		46,093.46
Workers Compensation	48,300.35		48,300.35			48,300.35
Group Insurance for Employees	490,009.50	8,100.12	498,109.62	31,488.93		466,620.69
Health Insurance Opt-out Payment	21,803.79		21,803.79			21,803.79
Public Safety						
Division of Police						
Salaries and Wages	9,371.49		9,371.49	(20,408.26)		29,779.75
Other Expenses	64,183.10	23,069.91	87,253.01	28,131.98	4,612.00	54,509.03
Division of Municipal Prosecutor						
Salaries and Wages	1.04		1.04			1.04
Public Works Functions						
Division of Public Works						
Office of Director						
Salaries and Wages	23,555.13		23,555.13			23,555.13
Other Expenses	85.05	800.60	885.65	885.65		
Division of Trash Collection						
Other Expenses	778,744.80	497,430.00	1,276,174.80	283,748.21		992,426.59
Division of Streets						
Other Expenses	17,310.23	13,555.34	30,865.57	13,055.34		17,810.23

(Continued)

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of 2024 Appropriation Reserves
For the Year Ended December 31, 2025

	Balance Dec. 31, 2024		Balance	Disbursed /	Accounts	Balance
	Reserved	Encumbered	After Transfers	Refunded	Payable	Lapsed
OPERATIONS WITHIN "CAPS" (CONT'D)						
Public Works Functions (Cont'd)						
Division of Public Buildings						
Other Expenses	$ 74,720.51	$ 39,527.44	$ 114,247.95	$ 31,178.63	$	$ 83,069.32
Division of Vehicle Maintenance						
Other Expenses	77,433.52	42,070.01	119,503.53	32,115.15		87,388.38
Health and Human Services						
Youth Services						
Other Expenses	4,300.00		4,300.00			4,300.00
Sustainable Washington Township						
Other Expenses	332.29	1,579.63	1,911.92	1,823.16		88.76
Environmental Commission						
Other Expenses		1,201.83	1,201.83	1,201.83		
Parks and Recreation						
Senior Citizen Advisory Council						
Other Expenses	500.00		500.00			500.00
Other Common Operating Functions						
Veterans Affairs Advisory Council						
Other Expenses	2,707.50		2,707.50			2,707.50
Celebration of Public Event, Anniversary or Holiday						
Other Expenses	6,976.05	920.00	7,896.05	982.90		6,913.15
Landfill and Solid Waste Disposal Costs						
Trash Disposal						
Other Expenses	166,682.72	193,330.62	360,013.34	191,830.62		168,182.72
Utilities						
Gasoline	88,562.79	15,000.00	43,562.79	(66,047.79)		109,610.58
Electricity	40,101.67	674.97	60,776.64	8,042.86		52,733.78
Telephone and Telegraph	63,743.11	4,337.12	46,580.23	8,674.91		37,905.32
Heating Oil	5,668.70		7,168.70	(5,505.05)		12,673.75
Street Lighting	1,770.87		61,770.87	43,814.43		17,956.44
Water and Sewer	5,706.63		5,706.63			5,706.63

(Continued)

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of 2024 Appropriation Reserves
For the Year Ended December 31, 2025

	Balance Dec. 31, 2024		Balance	Disbursed /	Accounts	Balance
	Reserved	Encumbered	After Transfers	Refunded	Payable	Lapsed
OPERATIONS WITHIN "CAPS" (CONT'D)						
Municipal Court Functions						
Municipal Court						
Salaries and Wages	$ 42,271.32	$	$ 42,271.32	$	$	$ 42,271.32
Other Expenses	6,421.32	1,169.09	7,590.41	1,293.19		6,297.22
Public Defender						
Salaries and Wages	0.98		0.98			0.98
Office of Emergency Management						
Salaries and Wages	2,513.47		2,513.47			2,513.47
Other Expenses	252.60		252.60			252.60
Department of Licenses and Inspection						
State Uniform Construction Code						
Construction Code Official						
Salaries and Wages	17,979.00		17,979.00			17,979.00
Other Expenses	23,462.77		23,462.77	495.00		22,967.77
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
Contribution to						
Social Security System (O.A.S.I.)	33,336.26		33,336.26			33,336.26
Defined Contribution Retirement Program	2,085.19		2,085.19			2,085.19
OPERATIONS EXCLUDED FROM "CAPS"						
Recycling Tax	10,177.38	5,450.94	15,628.32	5,450.94		10,177.38
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Reserve for Computers	14,000.00		14,000.00	8,399.92		5,600.08
Total	$ 2,395,319.83	$ 870,409.97	$ 3,265,729.80	$ 670,545.76	$ 4,612.00	$ 2,590,572.04

Exhibit SA-9

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Accrued Interest Receivable on Loan
For the Year Ended December 31, 2025

Balance Dec. 31, 2024	$ 1,478,400.00
Increased by:	
Accrued Interest	57,600.00
Balance Dec. 31, 2025	$ 1,536,000.00

Exhibit SA-10

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Payroll Deductions Payable
For the Year Ended December 31, 2025

Balance Dec. 31, 2024		$ 242,250.52
Increased by:		
Net Payroll	$ 12,888,552.24	
Payroll Deductions and Employer Contribution	7,510,693.49	
		20,399,245.73
		20,641,496.25
Decreased by:		
Net Payroll	12,888,552.24	
Payroll Deductions and Employer Contribution	7,741,135.79	
		20,629,688.03
Balance Dec. 31, 2025		$ 11,808.22

Exhibit SA-11

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Accounts Payable
For the Year Ended December 31, 2025

Balance Dec. 31, 2024	$ 6,546.36
Increased by:	
Transferred from 2024 Appropriation Reserve	4,612.00
	11,158.36
Decreased by:	
Canceled	6,546.36
Balance Dec. 31, 2025	$ 4,612.00

Exhibit SA-12

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2025

Balance Dec. 31, 2024 (2025 Taxes)		$ 1,600,873.03
Increased by:		
Transfer from Overpayments	$ 184,118.23	
Collection (2026 Taxes)	1,878,483.90	
		2,062,602.13
		3,663,475.16
Decreased by:		
Applied to 2025 Taxes		1,600,873.03
Balance Dec. 31, 2025 (2026 Taxes)		$ 2,062,602.13

Exhibit SA-13

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2025

Balance Dec. 31, 2024		$ 12,799.63
Increased by:		
Cash Receipts		401,371.84
		414,171.47
Decreased by:		
Refunds	$ 193,582.88	
Applied to Prepaid Taxes	184,118.23	
		377,701.11
Balance Dec. 31, 2025		$ 36,470.36

Exhibit SA-14

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of County Taxes Payable
For the Year Ended December 31, 2025

Accrued in 2025:		
2025 Levy:		
County General	$ 30,591,570.61	
County Open Space	2,019,585.85	
		$ 32,611,156.46
Decreased by:		
Disbursements		$ 32,611,156.46

Exhibit SA-15

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Amount Due to County For Added and Omitted Taxes
For the Year Ended December 31, 2025

Balance Dec. 31, 2024	$ 56,521.39
Increased by:	
County Share of Added and Omitted Taxes	75,102.37
	131,623.76
Decreased by:	
Disbursements	56,521.39
Balance Dec. 31, 2025	$ 75,102.37

Exhibit SA-16

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Local School District Tax
For the Year Ended December 31, 2025

Accrued in 2025:	
Levy - Calendar Year	$ 102,973,217.00
Decreased by:	
Disbursements	$ 102,973,217.00

Exhibit SA-17

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Due to Fire Districts
For the Year Ended December 31, 2025

Accrued in 2025:	
Levy - Calendar Year	$ 9,064,158.00
Decreased by:	
Disbursements	$ 9,064,158.00

Exhibit SA-18

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Due to Library
For the Year Ended December 31, 2025

Balance Dec. 31, 2024		$ 33,935.62
Increased by:		
Receipts		1,248,622.00
		1,282,557.62
Decreased by:		
Disbursements		1,248,530.35
Balance Dec. 31, 2025		$ 34,027.27

Exhibit SA-19

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Due to State - DCA Fees
For the Year Ended December 31, 2025

Balance Dec. 31, 2024		$ 83,723.00
Increased by:		
Receipts - Construction Code	$ 83,951.00	
Receipts - Lead Fee	1,560.00	
		85,511.00
		169,234.00
Decreased by:		
Disbursements		93,292.00
Balance Dec. 31, 2025		$ 75,942.00

Exhibit SA-20

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Due to State - Marriage and Burial Fees
For the Year Ended December 31, 2025

Balance Dec. 31, 2024		$ 810.00
Increased by:		
Receipts		4,880.00
		5,690.00
Decreased by:		
Disbursements		4,560.00
Balance Dec. 31, 2025		$ 1,130.00

Exhibit SA-21

TOWNSHIP OF WASHINGTON
CURRENT FUND
Statement of Washington Square PILOT Due to Other Entities
For the Year Ended December 31, 2025

Accrued in 2025:		
PILOT Due to School District	$ 389,685.10	
PILOT Due to County	46,613.05	
		$ 436,298.15
Decreased by:		
Disbursements		46,613.05
Balance Dec. 31, 2025		$ 389,685.10

TOWNSHIP OF WASHINGTON
FEDERAL, STATE AND OTHER GRANT FUND
Statement of Federal, State and Other Grants Receivable
For the Year Ended December 31, 2025

Program	Balance Dec. 31, 2024	Accrued	Received in Current Fund	Canceled	Balance Dec. 31, 2025
Federal Grants:					
Community Development Block Grant	$ 51,949.48	$	$	$ 51,949.48	$
PY 21 CDBG - Parke Place Blvd.	1.00			1.00	
PY 22 CDBG - White Birch Phase 2	113,600.00		113,600.00		
PY 22 CDBG-CV - Grenloch Park Pathway	150,000.00		150,000.00		
PY 23 CDBG - Arborwood	129,634.40				129,634.40
PY 24 CDBG - White Birch Road Phase 3		129,634.00			129,634.00
FY25 Emergency Management Performance Grant		10,000.00	10,000.00		
Click It or Ticket		3,920.00	3,920.00		
Aggressive Driver - Smooth Operator		6,720.00	3,360.00		3,360.00
U Text U Drive U Pay		7,000.00	7,000.00		
DUI Saturation Grant		1,120.00			1,120.00
Gloucester County Operation Helping Hands		2,900.00	2,900.00		
Drive Sober or Get Pulled Over	420.00	14,280.00	14,280.00	420.00	
Bullet Proof Vest	9,116.79				9,116.79
NJ DEP Recreation Trails	7,485.50			7,485.50	
FY23 COPS Hiring Program		375,000.00	82,908.26		292,091.74
Total Federal Grants	462,207.17	550,574.00	387,968.26	59,855.98	564,956.93
State Grants:					
NJ DOT - Bells Lake Road	62,500.00				62,500.00
NJ DOT - Bells Lake Road Phase 2	54,625.00				54,625.00
NJ DOT - Reconstruction of Stagecoach Road	12,626.95			12,626.95	
NJ DOT - Stagecoach Road	43,750.00			43,750.00	
NJ DOT - Hurfville Road	18,926.89			18,926.89	
NJ DOT - Mt. Pleasant Road Phase 2	35,635.17			35,635.17	
NJ DOT - Salina Road	65,275.00				65,275.00
NJ DOT - Johnson Road	445,000.00		176,183.10		268,816.90
NJ DOT - Altair Phase 2	219,285.00		164,463.75		54,821.25
NJ DOT - Altair Phase 3		374,580.00		192,836.00	181,744.00
Municipal Alliance on Alcoholism and Drug Abuse	58,152.26				58,152.26
2019 ANJEC Poplar Trail	500.00				500.00

(Continued)

TOWNSHIP OF WASHINGTON
FEDERAL, STATE AND OTHER GRANT FUND
Statement of Federal, State and Other Grants Receivable
For the Year Ended December 31, 2025

Program	Balance Dec. 31, 2024	Accrued	Received in Current Fund	Canceled	Balance Dec. 31, 2025
State Grants (Cont'd):					
NJ Historical Commission - Old Stone House	$ 25.00	$ 2,100.00	$ 600.00	$	$ 1,525.00
NJ Historical Commission Morgan House Grant	3,372.21	65,059.00			68,431.21
NJ Historical Commission - Art	1,000.00	2,800.00	1,000.00		2,800.00
Body Worn Camera Grant	42,798.00		42,798.00		
Sustainable New Jersey - Green House Refurbishment	2,500.00				2,500.00
Drugged Driving Initiative	12,320.00				12,320.00
Safe and Secure	24,683.65	45,150.00	24,683.65		45,150.00
NJDEP Stormwater Assistance	10,000.00				10,000.00
Recycling Tonnage Grant		94,340.46	94,340.46		
Clean Communities		122,057.84	122,057.84		
NJDEP Green Acres WLP Inclusive Playground	750,000.00				750,000.00
NJUCF Stewardship Grant	15,000.00		15,000.00		
NJBPU Community Energy Plan Grant		10,000.00	7,500.00		2,500.00
Green Acres - Washington Lake Park Phase 2	315,000.00				315,000.00
NJDCA Recreation Improvements 2025		450,000.00			450,000.00
Total State Grants	2,192,975.13	1,166,087.30	648,626.80	303,775.01	2,406,660.62
Local Grants:					
National Opioids Settlement		107,489.85	107,489.85		
Total Local Grants		107,489.85	107,489.85		
Grand Total	$ 2,655,182.30	$ 1,824,151.15	$ 1,144,084.91	$ 363,630.99	$ 2,971,617.55

TOWNSHIP OF WASHINGTON
FEDERAL, STATE AND OTHER GRANT FUND
Statement of Reserve for Federal, State and Other Grants - Unappropriated
For the Year Ended December 31, 2025

Program	Balance Dec. 31, 2024	Grants Receivable	Realized as Miscellaneous Revenue	Balance Dec. 31, 2025
Federal Grants:				
Historical Commission	$ 375.00	$	$	$ 375.00
Click It or Ticket		3,920.00	3,920.00	
Drive Sober or Get Pulled Over		14,280.00	14,280.00	
Aggressive Driver - Smooth Operator		6,720.00	6,720.00	
U Text U Drive U Pay		7,000.00	7,000.00	
DUI Saturation Grant		1,120.00	1,120.00	
Gloucester County Operation Helping Hands		2,900.00	2,900.00	
FY24 Emergency Management Performance Grant	10,000.00		10,000.00	
FY25 Emergency Management Performance Grant		10,000.00		10,000.00
CDBG - PY 2024 White Birch Road Phase 3		129,634.00	129,634.00	
FY23 COPS Hiring Program		375,000.00	375,000.00	
Total Federal Grants	10,375.00	550,574.00	550,574.00	10,375.00
State Grants:				
FY 25 NJDOT Altair Drive Phase 3		374,580.00	374,580.00	
Safe and Secure		45,150.00	45,150.00	
New Jersey Historical Commission - Old Stone House		2,100.00	2,100.00	
New Jersey Historical Commission - Morgan House		65,059.00	65,059.00	
NJ Historical Commission - Art		2,800.00	2,800.00	
Body Armor Grant	6,003.99		6,003.99	
NJBPU Community Energy Plan Grant		10,000.00	10,000.00	
NJDCA Recreation Improvements 2025		450,000.00	450,000.00	
Recycling Tonnage		94,340.46	94,340.46	
Clean Communities		122,057.84	122,057.84	
Drunk Driving Enforcement Fund (DDEF)	1,600.00		1,600.00	
Total State Grants	7,603.99	1,166,087.30	1,173,691.29	
Local Grants				
National Opioids Settlement		107,489.85	107,489.85	
Total Local Grants		107,489.85	107,489.85	
Grand Total	$ 17,978.99	$ 1,824,151.15	$ 1,831,755.14	$ 10,375.00

TOWNSHIP OF WASHINGTON
FEDERAL, STATE AND OTHER GRANT FUND
Statement of Reserve for Federal, State and Other Grants Appropriated
For the Year Ended December 31, 2025

Program	Balance Dec. 31, 2024 Reserved	Balance Dec. 31, 2024 Encumbered	Transferred from 2025 Budget Appropriation	Disbursed	Encumbered	Canceled	Balance Dec. 31, 2025
Federal Grants:							
FY23 Emergency Management Performance Grant	$ 10,000.00	$	$	$ 10,000.00	$	$	$
FY24 Emergency Management Performance Grant			10,000.00	10,000.00			
American Rescue Plan:							
Cybersecurity Modernization		17,294.86		17,294.86			
Engineering / Stormwater		32,989.28			32,989.28		
Click It or Ticket			3,920.00	3,920.00			
Road to Recovery	2,400.00						2,400.00
Drive Sober or Get Pulled Over	420.00		14,280.00	14,280.00		420.00	
Distracted Driving	12,040.00						12,040.00
Aggressive Driver - Smooth Operator			6,720.00	3,360.00			3,360.00
U Text U Drive U Pay			7,000.00	7,000.00			
DUI Saturation Grant			1,120.00	840.00			280.00
Gloucester County Operation Helping Hands			2,900.00	2,900.00			
Community Development Block Grant	117,820.28					117,820.28	
PY 17 CDBG - Senior Center Generator	3,406.02					3,406.02	
PY 21 CDBG - Parke Place Blvd	3,592.48			3,591.48		1.00	
PY 23 CDBG - Arborwood	4,163.23	103,462.00		107,625.23			
PY 24 CDBG - White Birch Road Phase 3			129,634.00				129,634.00
Bullet Proof Vest	5,603.36			5,603.36			
NJ DEP Recreation Trails	796.00					796.00	
NJ Transportation Trust - Salina Road	5,095.08					5,095.08	
Washington Lake Park - Trail Restoration	987.96						987.96
FY23 COPS Hiring Program			375,000.00	82,908.26			292,091.74
Total Federal Grants	166,324.41	153,746.14	550,574.00	269,323.19	32,989.28	127,538.38	440,793.70

(Continued)

TOWNSHIP OF WASHINGTON
FEDERAL, STATE AND OTHER GRANT FUND
Statement of Reserve for Federal, State and Other Grants Appropriated
For the Year Ended December 31, 2025

Program	Balance Dec. 31, 2024 Reserved	Balance Dec. 31, 2024 Encumbered	Transferred from 2025 Budget Appropriation	Disbursed	Encumbered	Canceled	Balance Dec. 31, 2025
State Grants:							
FY 22 NJDOT Mount Pleasant Phase 2	$ 43,869.86	$	$	$ 8,234.69	$	$ 35,635.17	$
FY 22 NJDOT Local Aid Infrastructure - Johnson Road	197,500.00	247,500.00		177,041.09			267,958.91
FY 24 NJDOT Altair Drive Phase 2	213,178.75	6,106.25		219,285.00			
FY 25 NJDOT Altair Drive Phase 3			374,580.00			192,836.00	181,744.00
NJDOT Stagecoach Road	87,755.79			31,378.84		56,376.95	
NJDOT Hurfville Road	18,926.89					18,926.89	
Body Worn Camera Grant		12,486.00		12,486.00			
Municipal Court Alcohol Education	4,603.54			1,877.92			2,725.62
Body Armor			6,003.99	6,003.99			
Safe and Secure	32,400.00		45,150.00	32,400.00			45,150.00
Clean Communities	334,135.44	1,975.00	122,057.84	25,806.82			432,361.46
Drugged Driving Initiative	560.00						560.00
Municipal Alliance	107,524.43			9,634.93			97,889.50
NJDEP Stormwater Assistance	25,000.00						25,000.00
Drunk Driving Enforcement Fund	96.75		1,600.00	920.00			776.75
NJDEP Goodwin Tract Deer Fence	1,800.00					1,800.00	
Historic Preservation Commission	100.00						100.00
NJ Historical Commission - Old Stone House			2,100.00	300.00			1,800.00
NJ Historical Commission - Morgan House Grant			65,059.00	36,073.93			28,985.07
NJ Historical Commission - Art	4,138.42		2,800.00	350.00			6,588.42
2019 ANJEC - Poplar Trail		680.00		225.00	455.00		
Recycling Tonnage Grant	221,304.74		94,340.46	50,519.98	1,800.00		263,325.22
NJBPU Community Energy Plan Grant			10,000.00	7,500.00			2,500.00
NJDCA Recreation Improvements 2025			450,000.00				450,000.00
NJDEP Green Acres WLP Inclusive Playground	716,383.62			39,275.40			677,108.22
Total State Grants	2,009,278.23	268,747.25	1,173,691.29	659,313.59	2,255.00	305,575.01	2,484,573.17

(Continued)

TOWNSHIP OF WASHINGTON
FEDERAL, STATE AND OTHER GRANT FUND
Statement of Reserve for Federal, State and Other Grants Appropriated
For the Year Ended December 31, 2025

Program	Balance Dec. 31, 2024 Reserved	Encumbered	Transferred from 2025 Budget Appropriation	Disbursed	Encumbered	Canceled	Balance Dec. 31, 2025
Local Grant							
AKC Reunited - Adopt a K-9 Grant	$ 10,000.00	$	$	$	$	$	$ 10,000.00
First responder's Children's Foundation	834.00						834.00
Sustainable New Jersey - Green House Refurbishment		61.11					61.11
Municipal Alliance - Cash Match	31,077.92						31,077.92
NJ Historical Commission Match	1,623.99						1,623.99
Donations - Concerts	500.00						500.00
National Opioids Settlement	87,049.45	55,477.80	107,489.85	107,977.80			142,039.30
Total Local Grant	131,085.36	55,538.91	107,489.85	107,977.80			186,136.32
Grand Total	$ 2,306,688.00	$ 478,032.30	$ 1,831,755.14	$ 1,036,614.58	$ 35,244.28	$ 433,113.39	$ 3,111,503.19

TOWNSHIP OF WASHINGTON
FEDERAL, STATE AND OTHER GRANT FUND
Statement of Due from Current Fund
For the Year Ended December 31, 2025

Balance Dec. 31, 2024		$ 147,516.99
Increased by:		
Grants Receivable Received in the Current Fund	$ 1,144,084.91	
Cancellation of Federal, State and Other Grants Receivable	363,630.99	
		1,507,715.90
		1,655,232.89
Decreased by:		
Cancellation of Federal, State and Other Grants Appropriated	433,113.39	
Disbursements:		
Grants Appropriated Expended in the Current Fund	1,036,614.58	
		1,469,727.97
Balance Dec. 31, 2025		$ 185,504.92

SUPPLEMENTAL EXHIBITS

TRUST FUND

TOWNSHIP OF WASHINGTON
TRUST FUNDS
Statement of Trust Fund Cash - Chief Financial Officer
For the Year Ended December 31, 2025

		Animal Control	Open Space	Trust Other
Balance Dec. 31, 2024		$ 62,617.02	$ 1,739,018.49	$ 3,429,346.37
Increased by Receipts:				
Reserve for Animal Control	$ 14,477.00		$	$
Due to State of N.J.-- Dog License Fees	2,883.00			
Reserve for Open Space			510,927.91	
Reserve for Miscellaneous Trust Reserves:				
Fees, Refunds, Interest and Donations:				
Youth Services				
Escrow				776,171.79
Cash Bonds				268,600.20
Unemployment Claims				69,484.80
Parks and Recreation Trust				1,407,003.30
Off-Duty Police				1,181,618.05
Affordable Housing				328,188.87
Forfeited Funds				89,258.12
Self Insurance				27,860.04
POAA Fees				40.00
Reserve for Sidewalk Fund				12,000.00
Historical Properties				17,918.52
Police Donations				60,698.62
K-9 Unit Donations				48,275.00
4th of July Festival				300.00
Public Defender				2,545.00
Super Saturday				9,200.00
Accumulated Absences				50,000.00
		17,360.00	510,927.91	4,349,162.31
Subtotal Carried Forward		79,977.02	2,249,946.40	7,778,508.68

(Continued)

TOWNSHIP OF WASHINGTON
TRUST FUNDS
Statement of Trust Fund Cash - Chief Financial Officer
For the Year Ended December 31, 2025

		Animal Control	Open Space	Trust Other
Subtotal Brought Forward		$ 79,977.02	$ 2,249,946.40	$ 7,778,508.68
Decreased by Disbursements:				
Due to Current Fund	$ 24,881.82		$	$
Reserve for Animal Control	3,119.40			
Due to State of N.J.-- Dog License Fees	2,887.80			
Reserve for Open Space			34,013.62	
Reserve for Miscellaneous Trust Reserves:				
Reserve for Youth Services				
Escrow				559,076.22
Cash Bonds				29,497.12
Unemployment Claims				44,409.01
Parks and Recreation Trust				1,278,420.16
Off-Duty Police				1,181,618.05
Affordable Housing				98,642.52
Forfeited Funds				51,963.57
Self Insurance Claims				27,860.04
Reserve for POAA Fees				391.92
Historical Properties				7,786.78
Police Donations				49,383.68
K-9 Unit Donations				12,756.97
Storm Recovery				60,450.00
Veterans Wall				1,685.69
Super Saturday				12,198.62
Accumulated Absences				11,840.14
		30,889.02	34,013.62	3,427,980.49
Balance Dec. 31, 2025		$ 49,088.00	$ 2,215,932.78	$ 4,350,528.19

TOWNSHIP OF WASHINGTON
TRUST FUNDS
Statement of Trust Fund Cash--Collector
For the Year Ended December 31, 2025

		Trust Other
Balance Dec. 31, 2024		$ 2,411,972.79
Increased by Receipts:		
Reserve for Miscellaneous Trust Escrows:		
Tax Sale Premiums	$ 1,137,000.00	
Redemption of Tax Title Liens	1,368,325.66	
		2,505,325.66
		4,917,298.45
Decreased by Disbursements:		
Reserve for Miscellaneous Trust Escrows:		
Tax Sale Premiums	1,700,500.00	
Redemption of Tax Title Liens	1,680,581.39	
		3,381,081.39
Balance Dec. 31, 2025		$ 1,536,217.06

Exhibit SB-3

TOWNSHIP OF WASHINGTON
ANIMAL CONTROL FUND
Statement of Reserve for Animal Control Expenditures
For the Year Ended December 31, 2025

Balance Dec. 31, 2024		$ 37,723.80
Increased by:		
Dog License Fees Collected		14,477.00
		52,200.80
Decreased by:		
Disbursements	$ 3,119.40	
Statutory Excess Due to Current Fund	13,329.40	
		16,448.80
Balance Dec. 31, 2025		$ 35,752.00

Dog License Fees Collected

Year	Amount
2023	$ 16,663.80
2024	19,088.20
	$ 35,752.00

Exhibit SB-4

TOWNSHIP OF WASHINGTON
ANIMAL CONTROL FUND
Statement of Due To State of New Jersey - Department of Health
Dog License Fees
For the Year Ended December 31, 2025

Balance Dec. 31, 2024	$ 11.40
Increased by:	
Receipts	2,883.00
	2,894.40
Decreased by:	
Disbursements	2,887.80
Balance Dec. 31, 2025	$ 6.60

TOWNSHIP OF WASHINGTON
ANIMAL CONTROL FUND
Statement of Due To Current Fund
For the Year Ended December 31, 2025

Balance Dec. 31, 2024	$	24,881.82
Increased by:		
Statutory Excess Due to Current Fund		13,329.40
		38,211.22
Decreased by:		
Disbursements		24,881.82
Balance Dec. 31, 2025	$	13,329.40

TOWNSHIP OF WASHINGTON
OPEN SPACE TRUST FUND
Statement of Reserve for Future Use
For the Year Ended December 31, 2025

Balance Dec. 31, 2024			$ 1,739,018.49
Increased by:			
Receipts:			
Interest Earned	$ 28,832.47		
Tax Levy	471,995.44		
Rental and Lease Payments	10,100.00		
		$ 510,927.91	
Due from Current Fund - Added and Omitted Taxes		1,086.50	
			512,014.41
			2,251,032.90
Decreased by:			
Disbursement			34,013.62
Balance Dec. 31, 2025			$ 2,217,019.28

TOWNSHIP OF WASHINGTON
TRUST OTHER FUND
Statement of Miscellaneous Trust Reserves
For the Year Ended December 31, 2025

	Balance Dec. 31, 2024	Increases Fees, Refunds, Interest and Donations	Decreases Chief Financial Officer Disbursements	Balance Dec. 31, 2025
Reserve for:				
Youth Services	$ 50,130.46	$	$	$ 50,130.46
Escrow	699,289.38	776,171.79	559,076.22	916,384.95
Cash Bonds	309,164.85	268,600.20	29,497.12	548,267.93
Unemployment Claims	5,962.09	69,484.80	44,409.01	31,037.88
Parks and Recreation Trust	978,580.15	1,407,003.30	1,278,420.16	1,107,163.29
Off-Duty Police		1,181,618.05	1,181,618.05	
Affordable Housing	1,031,528.13	328,188.87	98,642.52	1,261,074.48
Forfeited Funds	7,135.97	89,258.12	51,963.57	44,430.52
Self Insurance Claims		27,860.04	27,860.04	
Clean Up Day Donations	3,067.13			3,067.13
POAA Fees	1,082.59	40.00	391.92	730.67
Technology and Communications	128.00			128.00
Sidewalk Fund	58,763.18	12,000.00		70,763.18
Speedhumps	593.53			593.53
Historical Properties	24,130.88	17,918.52	7,786.78	34,262.62
Police Donations	42,246.50	60,698.62	49,383.68	53,561.44
K-9 Unit Donation	26,977.73	48,275.00	12,756.97	62,495.76
Storm Recovery	67,996.30		60,450.00	7,546.30
Earth Day Donations	459.31			459.31
Veterans Wall	4,296.28		1,685.69	2,610.59
4th of July Festival	20,441.04	300.00		20,741.04
Public Defender	29,094.31	2,545.00		31,639.31
Super Saturday	12,280.59	9,200.00	12,198.62	9,281.97
Accumulated Absences	56,297.97	50,000.00	11,840.14	94,457.83
	$ 3,429,646.37	$ 4,349,162.31	$ 3,427,980.49	$ 4,350,828.19

TOWNSHIP OF WASHINGTON
TRUST OTHER FUND
Statement of Miscellaneous Trust Escrows
For the Year Ended December 31, 2025

	Balance Dec. 31, 2024	Receipts	Disbursements	Balance Dec. 31, 2025
Reserve for:				
Tax Sale Premiums	$ 2,004,300.00	$ 1,137,000.00	$ 1,700,500.00	$ 1,440,800.00
Tax Title Liens	407,672.79	1,368,325.66	1,680,581.39	95,417.06
	$ 2,411,972.79	$ 2,505,325.66	$ 3,381,081.39	$ 1,536,217.06

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
Statement of General Capital Cash - Chief Financial Officer
For the Year Ended December 31, 2025

Balance Dec. 31, 2024		$ 11,674,024.84
Increased by Receipts:		
Due to Current Fund - Interest Earned	$ 217,431.96	
General Serial Bonds	21,860,000.00	
Premium Received on Issuance of Serial Bonds	1,043,352.88	
Deferred Charges to Future Taxation - Premium Received	7,000.00	
		23,127,784.84
		34,801,809.68
Decreased by Disbursements:		
Fund Balance Realized as Current Fund Revenue	309,704.22	
Improvement Authorizations	5,820,156.42	
Bond Anticipation Notes	21,358,915.00	
		27,488,775.64
Balance Dec. 31, 2025		$ 7,313,034.04

TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
Analysis of General Capital Cash
For the Year Ended December 31, 2025

		Balance / (Deficit) Dec. 31, 2024	Receipts: Serial Bonds	Receipts: Misc.	Disbursements: Improvement Authorizations	Disbursements: Bond Anticipation Notes	Disbursements: Misc.	Transfers: From	Transfers: To	Balance / (Deficit) Dec. 31, 2025
Fund Balance		$ 309,704.22	$	$ 1,043,352.88	$	$	$	$ 309,704.22	$ 4,399.87	$ 1,047,752.75
Capital Improvement Fund		85,818.15						26,750.00		59,068.15
Due from Current Fund		(413,434.92)		217,431.96			309,704.22		309,704.22	(196,002.96)
Reserve for Encumbrances		2,040,695.39						2,040,695.39	1,762,453.11	1,762,453.11
Reserve for Payment of Debt									302,912.22	302,912.22
Improvement Authorizations:										
Ordinance Number										
10-2004	Various Capital Improvements	4,399.87						4,399.87		
33-2006	Various Capital Improvements	3,957.50								3,957.50
09-2012 / 22-2018	Various Capital Improvements	188.02						188.02		
03-2015	Various Capital Improvements	16,874.91			7,865.00					9,009.91
12-2016 / 19-2016	Various Capital Improvements	92,742.08			35,163.50			11,197.26	47,913.51	94,294.83
07-2017	Various Capital Improvements	331,954.18			14,207.50			340,251.76	29,186.52	6,681.44
15-2018	Various Capital Improvements	89,042.82			750.00			371,761.37	371,761.37	88,292.82
18-2019	Various Capital Improvements	98,213.09			57,647.55			172,769.84	202,167.35	69,963.05
03-2020	Acquisition of Various Police Traffic Related Equipment Improvements	6,506.23								6,506.23
05-2020	Various Capital Improvements	227,866.80			206,456.99			9,373.66	206,194.38	218,230.53
09-2021	Various Capital Improvements and Acquisition of Various Capital Equipment	432,843.11	4,866,533.00	1,600.00	60,009.29	4,868,133.00		13,415.20	50,618.25	410,036.87
09-2022	Various Capital Improvements and Acquisition of Various Capital Equipment	1,048,046.66	4,727,600.00	1,500.00	431,000.78	4,729,100.00		179,955.56	314,982.89	752,073.21
10-2023	Various Capital Improvements and Acquisition of Various Capital Equipment	959,091.32	4,808,540.00	1,500.00	253,198.66	4,810,040.00		2,987.75	336,312.82	1,039,217.73
06-2024	Various Capital Improvements and Acquisition of Various Capital Equipment	3,339,515.41	4,093,200.00	1,300.00	2,249,773.23	4,094,500.00		849,517.21	481,558.30	721,783.27
16-2024	Acquisition of Trash Receptacles	3,000,000.00	2,856,242.00	900.00	2,182,560.62	2,857,142.00				817,439.38
04-2025	Erosion Improvements, Stormwater Piping and Improvements to Municipal Buildings								50,000.00	50,000.00
14-2025	Various Capital Improvements		507,885.00	200.00	321,523.30			163,947.70	26,750.00	49,364.00
		$ 11,674,024.84	$ 21,860,000.00	$ 1,267,784.84	$ 5,820,156.42	$ 21,358,915.00	$ 309,704.22	$ 4,496,914.81	$ 4,496,914.81	$ 7,313,034.04

TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation - Funded
For the Year Ended December 31, 2025

Balance Dec. 31, 2024		$ 29,611,595.48
Increased by:		
Serial Bonds Issued		21,860,000.00
		51,471,595.48
Decreased by:		
2025 Current Fund Budget Appropriation to Pay:		
Serial Bonds	$ 2,515,000.00	
Green Trust Loans	8,237.68	
		2,523,237.68
Balance Dec. 31, 2025		$ 48,948,357.80

TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation - Unfunded
For the Year Ended December 31, 2025

Ordinance Number	Improvement Description	Balance Dec. 31, 2024	2025 Authorizations	Decreases: Cash Receipts - Bond Premium	Decreases: Transferred to Deferred Taxation - Funded	Balance Dec. 31, 2025	Analysis of Balance Dec 31, 2025: Unexpended Improvement Authorizations
09-2021	Various Capital Improvements and Acquisition of Various Capital Equipment	$ 4,868,133.00	$	$ 1,600.00	$ 4,866,533.00	$	$
09-2022	Various Capital Improvements and Acquisition of Various Capital Equipment	4,729,100.00		1,500.00	4,727,600.00		
10-2023	Various Capital Improvements and Acquisition of Various Capital Equipment	4,810,040.00		1,500.00	4,808,540.00		
06-2024	Various Capital Improvements and Acquisition of Various Capital Equipment	4,094,500.00		1,300.00	4,093,200.00		
16-2024	Acquisition of Trash Receptacles	2,857,142.00		900.00	2,856,242.00		
14-2025	Various Capital Improvements		508,250.00	200.00	507,885.00	165.00	165.00
		$ 21,358,915.00	$ 508,250.00	$ 7,000.00	$ 21,860,000.00	$ 165.00	$ 165.00
	Improvement Authorizations-- Unfunded						$ 165.00

Exhibit SC-5

TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
Statement of Due from Current Fund
For the Year Ended December 31, 2025

Balance Dec. 31, 2024		$ 413,434.92
Increased by:		
Disbursements to Current Fund		309,704.22
		723,139.14
Decreased by:		
Cash Receipts - Interest Earned	$ 217,431.96	
Realized as Current Fund Revenue	309,704.22	
		527,136.18
Balance Dec. 31, 2025		$ 196,002.96

Exhibit SC-6

TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2025

Balance Dec. 31, 2024	$ 85,818.15
Decreased by:	
Appropriation to Finance Improvement Authorizations	26,750.00
Balance Dec. 31, 2025	$ 59,068.15

TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
Statement of Improvement Authorizations
For the Year Ended December 31, 2025

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Dec. 31, 2024 Funded	Dec. 31, 2024 Unfunded	Dec. 31, 2024 Encumbrances	2025 Authorizations	Paid or Charged	Canceled / Reappropriated	Dec. 31, 2025 Funded	Dec. 31, 2025 Unfunded
General Improvements:											
10-2004	Various Capital Improvements	05/26/04	$ 4,467,155.00	$ 4,399.87	$	$	$	$	$ (4,399.87)	$	$
33-2006	Various Capital Improvements	09/14/06	3,000,000.00	3,957.50						3,957.50	
09-2012 22-2018	Various Capital Improvements	5/23/12 9/12/18	7,000,000.00	188.02					(188.02)		
03-2015	Various Capital Improvements	02/25/15	5,300,000.00	16,874.91				7,865.00		9,009.91	
12-2016 19-2016	Various Capital Improvements	6/22/16 9/14/16	6,200,000.00	92,742.08		47,913.51		35,163.50	(11,197.26)	94,294.83	
07-2017	Various Capital Improvements	05/10/17	5,828,900.00	331,954.18		29,186.52		14,207.51	(340,251.75)	6,681.44	
15-2018	Various Capital Improvements	07/25/18	5,412,800.00	89,042.82		371,761.37		372,511.37		88,292.82	
18-2019	Various Capital Improvements	06/05/19	6,000,000.00	98,213.09		202,167.35		229,142.20	(1,275.19)	69,963.05	
03-2020	Acquisition of Various Police Traffic Related Equipment	02/26/20	100,000.00	6,506.23						6,506.23	
05-2020	Various Capital Improvements	06/24/20	4,245,300.00	227,866.80		206,194.38		215,830.65		218,230.53	
09-2021	Various Capital Improvements and Acquisition of Various Capital Equipment	05/12/21	5,124,350.00		432,843.11	50,618.25		73,424.49		410,036.87	
09-2022	Various Capital Improvements and Acquisition of Various Capital Equipment	07/20/22	4,978,000.00		1,048,046.66	314,982.89		610,956.34		752,073.21	
10-2023	Various Capital Improvements and Acquisition of Various Capital Equipment	06/14/23	5,063,000.00		959,091.32	336,312.82		256,186.41		1,039,217.73	
06-2024	Various Capital Improvements and Acquisition of Various Capital Equipment	07/24/24	4,310,000.00		3,339,515.41	481,558.30		3,099,290.44		721,783.27	
16-2024	Acquisition of Trash Receptacles	10/23/24	3,000,000.00	142,858.00	2,857,142.00			2,182,560.62		817,439.38	

(Continued)

TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
Statement of Improvement Authorizations
For the Year Ended December 31, 2025

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Dec. 31, 2024 Funded	Dec. 31, 2024 Unfunded	Encumbrances	2025 Authorizations	Paid or Charged	Canceled / Reappropriated	Dec. 31, 2025 Funded	Dec. 31, 2025 Unfunded
General Improvements:											
04-2025	Erosion Improvements, Stormwater Piping and Improvements to Municipal Buildings	04/23/25	$ 50,000.00	$	$	$	$	$	$ 50,000.00	$ 50,000.00	$
14-2025	Various Capital Improvements	06/25/25	535,000.00				535,000.00	485,471.00		49,364.00	165.00
				$ 1,014,603.50	$ 8,636,638.50	$ 2,040,695.39	$ 535,000.00	$ 7,582,609.53	$ (307,312.09)	$ 4,336,850.77	$ 165.00
	Canceled to Reserve for Payment of Debt								$ 302,912.22		
	Canceled to Fund Balance								4,399.87		
									$ 307,312.09		
	Capital Improvement Fund						$ 26,750.00				
	Deferred Charges to Future Taxation - Unfunded						508,250.00				
							$ 535,000.00				
	Disbursed							$ 5,820,156.42			
	Reserve for Encumbrances							1,762,453.11			
								$ 7,582,609.53			

TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
Statement of General Serial Bonds
For the Year Ended December 31, 2025

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2025 Date	Amount	Interest Rate	Balance Dec. 31, 2024	Issued	Paid by Budget Appropriation	Balance Dec. 31, 2025
General Obligation Bonds, Series 2012	12/13/12	$ 8,530,000.00	11/15/26 - 28	$ 525,000.00	3.000%				
			11/15/29	525,000.00	2.250%				
			11/15/30	525,000.00	2.375%				
			11/15/31	525,000.00	2.500%	$ 3,665,000.00	$	$ 515,000.00	$ 3,150,000.00
General Obligation Bonds, Series 2017	04/20/17	13,410,000.00	02/01/26	625,000.00	5.000%				
			02/01/27	645,000.00	5.000%				
			02/01/28	665,000.00	5.000%				
			02/01/29	690,000.00	3.000%				
			02/01/30	715,000.00	3.000%				
			02/01/31	740,000.00	3.000%				
			02/01/32	770,000.00	3.000%				
			02/01/33	795,000.00	3.000%				
			02/01/34	825,000.00	3.000%				
			02/01/35	860,000.00	3.125%				
			02/01/36	855,000.00	3.125%				
			02/01/37	855,000.00	3.250%	9,650,000.00		610,000.00	9,040,000.00
General Obligation Bonds, Series 2021	06/18/21	20,210,000.00	05/15/26	1,405,000.00	2.000%				
			05/15/27	1,420,000.00	2.000%				
			05/15/28	1,435,000.00	2.000%				
			05/15/29	1,445,000.00	3.000%				
			05/15/30	1,465,000.00	3.000%				
			05/15/31	1,485,000.00	2.000%				
			05/15/32	1,510,000.00	2.000%				
			05/15/33	1,535,000.00	2.000%				
			05/15/34	1,560,000.00	2.000%				
			05/15/35	1,590,000.00	2.000%	16,240,000.00		1,390,000.00	14,850,000.00
General Obligation Bonds, Series 2025	08/28/25	21,860,000.00	05/15/26	1,255,000.00	4.000%				
			05/15/27	1,435,000.00	4.000%				
			05/15/28	1,480,000.00	4.000%				
			05/15/29	1,550,000.00	4.000%				
			05/15/30	1,650,000.00	4.000%				
			05/15/31	1,780,000.00	4.000%				
			05/15/32	1,865,000.00	4.000%				
			05/15/33	2,080,000.00	4.000%				
			05/15/34	2,150,000.00	4.000%				
			05/15/35 - 37	2,205,000.00	4.000%		21,860,000.00		21,860,000.00
						$ 29,555,000.00	$ 21,860,000.00	$ 2,515,000.00	$ 48,900,000.00

TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
Statement of Loan Payable - Green Trust
For the Year Ended December 31, 2025

Balance Dec. 31, 2024	$	56,595.48
Decreased by:		
Payments		8,237.68
Balance Dec. 31, 2025	$	48,357.80

TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
Statement of Bond Anticipation Notes
For the Year Ended December 31, 2025

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Maturity Date	Interest Rate	Balance Dec. 31, 2024	Paid from Bond Proceeds
09-2021	Various Capital Improvements and Acquisition of Various Capital Equipment	09/08/22	09/04/24	09/03/25	4.00%	$ 4,868,133.00	$ 4,868,133.00
09-2022	Various Capital Improvements and Acquisition of Various Capital Equipment	09/08/22	09/04/24	09/03/25	4.00%	4,729,100.00	4,729,100.00
10-2023	Various Capital Improvements and Acquisition of Various Capital Equipment	09/06/23	09/04/24	09/03/25	4.00%	4,810,040.00	4,810,040.00
06-2024	Various Capital Improvements and Acquisition of Various Capital Equipment	12/12/24	12/12/24	09/03/25	3.75%	4,094,500.00	4,094,500.00
16-2024	Acquisition of Trash Receptacles	12/12/24	12/12/24	09/03/25	3.75%	2,857,142.00	2,857,142.00
						$ 21,358,915.00	$ 21,358,915.00

TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2025

Ordinance Number	Improvement Description	Ordinance Date	Balance Dec. 31, 2024	2025 Authorizations	Notes Paid from Bond Proceeds	Bonds Issued	Balance Dec. 31, 2025
General Improvements:							
09-2021	Various Capital Improvements and Acquisition of Various Capital Equipment	05/12/21	$	$	$ 4,868,133.00	$ 4,868,133.00	$
09-2022	Various Capital Improvements and Acquisition of Various Capital Equipment	07/20/22			4,729,100.00	4,729,100.00	
10-2023	Various Capital Improvements and Acquisition of Various Capital Equipment	06/14/23			4,810,040.00	4,810,040.00	
06-2024	Various Capital Improvements and Acquisition of Various Capital Equipment	07/24/24			4,094,500.00	4,094,500.00	
16-2024	Acquisition of Trash Receptacles	10/23/24			2,857,142.00	2,857,142.00	
14-2025	Various Capital Improvements	06/25/25		508,250.00		508,085.00	165.00
			$ -	$ 508,250.00	$ 21,358,915.00	$ 21,867,000.00	$ 165.00

Serial Bonds Issued	$ 21,860,000.00
Premiums Received on Serial Bonds Issued	7,000.00
	$ 21,867,000.00

TOWNSHIP OF WASHINGTON

PART II

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2025

TOWNSHIP OF WASHINGTON
Schedule of Findings and Recommendations
For the Year Ended December 31, 2025

Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, require reporting.

None.

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

This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with *Government Auditing Standards*, the Uniform Guidance, and State of New Jersey OMB Circular 25-12.

FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE PROGRAMS

None.

TOWNSHIP OF WASHINGTON
Officials in Office and Surety Bonds

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

Name	Title	Amount of Surety Bond
Anthony DellaPia	Mayor	
Peter Del Borrello, III	Council President	
Donald Brown, Jr.	Council Vice President	
Richard Bennett	Council Member – Until June 2025	
Joseph Harris	Council Member	
Dana Pasqualone	Council Member – From July 2025	
Johnson "Jack" Yerkes, III	Council Member	
Joseph Russo	Business Administrator	(*)
Colette Bachich	Chief Financial Officer / Treasurer	(*)
Sheila Batten	Tax Collector	(*)
Christine Ciallella	Deputy Clerk	(*)
Craig Black	Tax Assessor – County of Gloucester	
Hon. Martin W. Whitcraft	Municipal Court Judge	(*)
Alissa Moser	Court Administrator	(*)
Pennoni Associates, Inc.	Engineer	
Matthew T. Rooney, Esq.	Township Attorney	

Designated individuals so marked (*) were covered by $2,000,000.00 in total surety bond coverage, including a blanket crime policy of $50,000.00 with a $1,000.00 deductible through Gloucester, Salem, Cumberland Counties Municipal Joint Insurance Fund and $1,950,000.00 of excess crime coverage through Municipal Excess Liability Joint Insurance Fund.

APPRECIATION

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP
Voorhees, New Jersey
August 10, 2026

Carol A. McAllister

Carol A. McAllister
Certified Public Accountant
Registered Municipal Accountant