

OFFICIAL STATEMENT DATED AUGUST 14, 2025

NEW ISSUE - BOOK-ENTRY ONLY

RATING: Moody's "Aa3"
See "RATING" herein

In the opinion of Archer & Greiner P.C., Red Bank, New Jersey, Bond Counsel to the Township ("Bond Counsel"), under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance with certain covenants described herein, interest on the Bonds (as defined herein) (i) is not includable in gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) will not be treated as a preference item under Section 57 of the Code for purposes of calculating the Federal alternative minimum tax; however, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under the Code. Bond Counsel is further of the opinion that, under existing laws of the State of New Jersey, interest on the Bonds and any gain on the sale thereof is not includable in gross income under the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein.

**TOWNSHIP OF WASHINGTON
IN THE COUNTY OF GLOUCESTER,
STATE OF NEW JERSEY**

**\$21,860,000
GENERAL OBLIGATION BONDS, SERIES 2025
(CALLABLE)**

Dated: Date of Delivery

Due: May 15, as shown on the inside cover

The \$21,860,000 General Obligation Bonds, Series 2025 (the "Bonds"), are general obligations of the Township of Washington, in the County of Gloucester, State of New Jersey (the "Township") and are secured by the full faith and credit of the Township for the payment of principal thereof and interest thereon. The Bonds, unless paid from other sources, are payable from *ad valorem* taxes levied upon all the taxable property within the Township for the payment of the principal thereof and the interest thereon without limitation as to rate or amount.

The Bonds will be issued in the form of one certificate for the aggregate principal amount thereof maturing in each year and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Bonds. The certificates will be on deposit with DTC. DTC will be responsible for maintaining a book-entry system for recording the interests of its participants or transfers of the interests among its participants. The participants will be responsible for maintaining records regarding the beneficial ownership interests in the Bonds on behalf of the individual purchasers. Individual purchases may be made in the principal amount of \$5,000 each or any integral multiple thereof, except that those Bonds in excess of the largest principal amount thereof not equaling a multiple of \$5,000 shall be in denominations of \$1,000 or any integral multiple thereof. See "BOOK-ENTRY ONLY SYSTEM" herein. So long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, payments of principal of and interest on the Bonds will be made to DTC or its nominee, Cede & Co., which will remit such payments to the DTC Participants, which will in turn remit such payments to the owners of beneficial interest in the Bonds.

Principal of the Bonds is payable on May 15 in each of the years set forth on the inside front cover page hereof. Interest on the Bonds is payable on May 15 and November 15, commencing May 15, 2026 in each year until maturity or prior redemption, as applicable. Interest on the Bonds is calculated on the basis of twelve (12) thirty (30) day months in a three hundred sixty (360) day year.

The Bonds are subject to redemption prior to their stated maturities as set forth herein.

The Bonds are not a debt or obligation, legal, moral or otherwise, of the State of New Jersey, or any county, municipality or political subdivision thereof other than the Township.

The Bonds are being issued by the Township to provide funds which will be used to: (i) permanently finance and currently refund a portion of prior Bond Anticipation Notes of the Township, issued on September 4, 2024 and maturing on September 3, 2025 in the principal amount of \$14,407,273; (ii) permanently finance and currently refund a portion of prior Bond Anticipation Notes of the Township, issued December 12, 2024 and maturing on September 3, 2025 in the principal amount of \$6,951,642; (iii) permanently finance various capital improvements in and for the Township; and (iv) finance the costs associated with the issuance and sale of the Bonds.

The Bonds are authorized by, and are issued pursuant to, the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"), are authorized by various bond ordinances duly adopted by the Township Council and published and approved as required by law, and by a resolution duly adopted by the Township Council on July 16, 2025.

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement, including the Appendices hereto, to obtain information essential to their making an informed decision.

The Bonds are offered when, as and if issued and subject to prior sale, withdrawal or modification of the offer without notice and to the approval of legality by the law firm of Archer & Greiner P.C., Red Bank, New Jersey, Bond Counsel to the Township, and certain other conditions described herein. Certain legal matters will be passed on for the Township by its Attorney, Blaney, Donohue & Weinberg, PC, Avalon, New Jersey. Acacia Financial Group, Inc., Mount Laurel, New Jersey, has served as Municipal Advisor to the Township in connection with the issuance of the Bonds. It is expected that the Bonds will be available for delivery through the facilities of DTC, New York, New York, on or about August 28, 2025.



**TOWNSHIP OF WASHINGTON
IN THE COUNTY OF GLOUCESTER
STATE OF NEW JERSEY**

\$21,860,000 GENERAL OBLIGATION BONDS, SERIES 2025

MATURITY SCHEDULE, INTEREST RATES, YIELDS OR PRICES AND CUSIP*

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP*</u>
2026	\$1,255,000	4.00%	2.23%	940416LR9
2027	1,435,000	4.00	2.27	940416LS7
2028	1,480,000	4.00	2.25	940416LT5
2029	1,550,000	4.00	2.28	940416LU2
2030	1,650,000	4.00	2.37	940416LV0
2031	1,780,000	4.00	2.54	940416LW8
2032	1,865,000	4.00	2.70	940416LX6
2033	2,080,000	4.00	2.87	940416LY4
2034	2,150,000	4.00	3.05	940416LZ1
2035	2,205,000	4.00	3.24	940416MA5
2036	2,205,000	4.00	3.45	940416MB3
2037	2,205,000	4.00	3.68	940416MC1

* CUSIP is a registered trademark of the American Bankers Association. CUSIP numbers are provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP Numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds and the Township does not make any representations with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specified maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

**TOWNSHIP OF WASHINGTON
IN THE COUNTY OF GLOUCESTER, STATE OF NEW JERSEY**

MAYOR

Anthony DellaPia, Mayor

TOWNSHIP COUNCIL

Peter Del Borrello, III, Council President
Donald Brown, Council Vice President
Joseph Harris, Councilperson
Johnson "Jack" Yerkes, III, Councilperson
Dana Pasqualone, Councilperson

BUSINESS ADMINISTRATOR

Joseph Russo

CHIEF FINANCIAL OFFICER

Colette Bachich

TOWNSHIP CLERK

Christine Ciallella

TOWNSHIP ATTORNEY

Blaney, Donohue & Weinberg, PC
Avalon, New Jersey

INDEPENDENT AUDITOR

Bowman & Company LLP
Voorhees, New Jersey

BOND COUNSEL

Archer & Greiner P.C.
Red Bank, New Jersey

MUNICIPAL ADVISOR

Acacia Financial Group, Inc.
Mount Laurel, New Jersey

No broker, dealer, salesperson or other person has been authorized by the Township or the Bond Underwriter to give any information or to make any representations, with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Township or the Bond Underwriter. The information contained herein has been obtained from the Township, DTC and other sources which are believed to be reliable; however, such information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation or warranty of the Township or the Bond Underwriter. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in any of the information herein since the date hereof, or the date as of which such information is given, if earlier.

References in this Official Statement to laws, rules, regulations, ordinances, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein, and copies of which may be inspected at the offices of the Township during normal business hours.

The order and placement of materials in this Official Statement, including the Appendices, are not deemed to be a determination of relevance, materiality or importance, and this Official Statement, including the Appendices, must be considered in its entirety.

In order to facilitate the distribution of the Bonds, the Bond Underwriter may engage in transactions intended to stabilize the price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The prices at which the Bonds are offered to the public by the Bond Underwriter and the yields resulting therefrom may vary from the initial public offering prices or yields shown on the inside front cover page hereof. In addition, the Bond Underwriter may allow concessions or discounts from such initial public offering prices or yields to dealers and others.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale.

The Bond Underwriter has reviewed the information in this Official Statement in accordance with and as part of their respective responsibilities to investors under the Federal securities laws as applied to the facts and circumstances of this transaction, but the Bond Underwriter does not guaranty the accuracy or completeness of such information.

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**OFFICIAL STATEMENT
of
TOWNSHIP OF WASHINGTON
IN THE COUNTY OF GLOUCESTER, STATE OF NEW JERSEY
\$21,860,000 GENERAL OBLIGATION BONDS, SERIES 2025**

INTRODUCTION

The purpose of this Official Statement is to provide certain information regarding the financial and economic condition of the Township of Washington (the "Township"), in the County of Gloucester (the "County"), State of New Jersey (the "State") in connection with the sale and issuance of its \$21,860,000 General Obligation Bonds, Series 2025 (the "Bonds"). This Official Statement (the "Official Statement"), which includes the cover page and the Appendices attached hereto, has been authorized by the Township Council to be distributed in connection with the sale of the Bonds and has been executed by and on behalf of the Township by the Chief Financial Officer.

This Official Statement contains specific information relating to the Bonds including their general description, certain matters affecting the financing, certain legal matters, historical financial information and other information pertinent to the sale, issuance and delivery of the Bonds. This Official Statement should be read in its entirety.

All financial and other information presented herein has been provided by the Township from its records, except for information expressly attributed to other sources. The presentation of information is intended to show recent historical information and, but only to the extent specifically provided herein, certain projections of the immediate future, and is not necessarily indicative of future or continuing trends in the financial position or other affairs of the Township.

This Official Statement is "deemed final", as of its date, within the meaning of Rule 15c2-12 promulgated by the Securities and Exchange Commission ("Rule 15c2-12").

THE BONDS

General Description of the Bonds

The Bonds shall be dated the date of delivery and will mature on May 15 in the years and in the principal amounts as set forth on the inside front cover page hereof. The Bonds shall bear interest from the date of delivery and shall be payable on each May 15 and November 15 (each, an "Interest Payment Date") in each year until maturity or earlier redemption, as applicable, commencing May 15, 2026, at the rates shown on the inside front cover page hereof. The Bonds are issuable as fully registered book-entry only bonds in the form of one certificate for each year of maturity of the Bonds in the aggregate principal amount of such maturity. The Bonds may be purchased in book-entry only form in the amount of \$5,000 each or any integral multiple thereof, except that those Bonds in excess of the largest principal amount thereof not equaling a multiple of \$5,000 shall be in denominations of \$1,000 or any integral multiple thereof, through book-entries made on the books and records of The Depository Trust Company, New York, New York ("DTC") and its participants. So long as DTC or its nominee, Cede & Co., or any successor or assign, is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by the Township directly to Cede & Co. or any successor or assign, as nominee for DTC. Interest on the Bonds is calculated on the basis of twelve (12) thirty (30) day months in a three hundred sixty (360) day year and will be credited to the participants of DTC as listed on the records of DTC as of the close of business on May 1 and November 1 (the "Record Dates" for the payment of interest on the Bonds). See "BOOK-ENTRY ONLY SYSTEM" herein.

Optional Redemption

The Bonds of this issue maturing prior to May 15, 2033 are not subject to redemption prior to their stated maturities. The Bonds of this issue maturing on or after May 15, 2033 are subject to redemption at the option of the Township, in whole or in part, on any date on or after May 15, 2032 upon notice as required herein at one hundred percent (100%) of the principal amount being redeemed (the "Redemption Price"), plus accrued interest to the date fixed for redemption.

Notice of redemption ("Notice of Redemption") shall be given by mailing such notice at least thirty (30) days but not more than sixty (60) days before the date fixed for redemption by first class mail in a sealed envelope with postage prepaid to the registered owners of such Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Township or a duly appointed Bond Registrar. So long as DTC (or any successor thereto) acts as Securities Depository for the Bonds, Notice of Redemption shall be sent to such Securities Depository and shall not be sent to the beneficial owners of the Bonds. Any failure of the Securities Depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of the redemption proceedings. If the Township determines to redeem a portion of the Bonds prior to maturity, such Bonds shall be selected by the Township; the Bonds to be redeemed having the same maturity shall be selected by the Securities Depository in accordance with its regulations.

If Notice of Redemption has been given as provided herein, the Bonds or the portion thereof called for redemption shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption. Interest shall cease to accrue on the Bonds after the date fixed for redemption.

Authorization for the Issuance of the Bonds

The Bonds are authorized by, and are issued pursuant to, the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"), and are authorized by various bond ordinances duly adopted by the Township Council on the dates set forth in the chart below and on the following page and published and approved as required by law, and by a resolution duly adopted by the Township Council on July 16, 2025 (the "Resolution").

The bond ordinances authorizing the Bonds were published in full or in summary after their final adoption along with the statement that the twenty (20) day period of limitation within which a suit, action or proceeding questioning the validity of such bond ordinances could be commenced began to run from the date of the first publication of such statement. The Local Bond Law provides, that after issuance, all obligations shall be conclusively presumed to be fully authorized and issued by all laws of the State, and all persons shall be estopped from questioning their sale, execution or delivery by the Township. Such estoppel period has concluded as of the date of this Official Statement.

Purpose of the Bonds

Proceeds of the Bonds will be used to: (i) permanently finance and currently refund a portion of prior Bond Anticipation Notes of the Township, issued on September 4, 2024 and maturing on September 3, 2025 in the principal amount of \$14,407,273; (ii) permanently finance and currently refund a portion of prior Bond Anticipation Notes of the Township, issued December 12, 2024 and maturing on September 3, 2025 in the principal amount of \$6,951,642; (iii) permanently finance various improvements in and for the Township; and (iv) finance the costs associated with the issuance and sale of the Bonds.

The purposes for which proceeds of the Bonds will be used have been authorized by duly adopted, approved and published bond ordinances of the Township, which bond ordinances are described in the following table by ordinance number, description and date of final adoption, and amount to be issued for such purposes. The bond ordinances are:

Ordinance Number	Description and Date of Final Adoption	Amount Authorized	Notes Outstanding	Amount Funded With Bond Proceeds
O009-2021	Various 2021 General Capital Improvements, Finally Adopted May 12, 2021	\$4,868,133	\$4,868,133	\$4,868,133
O009-2022	Various 2022 General Capital Improvements, Finally Adopted July 20, 2022	4,729,100	4,729,100	4,729,100
O010-2023	Various 2023 General Capital Improvements, Finally Adopted June 14, 2023	4,810,040	4,810,040	4,810,040
O006-2024	Various 2024 General Capital Improvements, Finally Adopted July 24, 2024	4,094,500	4,094,500	4,094,500
O016-2024	Acquisition of Trash Receptacles, Finally Adopted October 23, 2024	2,857,142	2,857,142	2,857,142
O014-2025	Various 2025 General Capital Improvements, Finally Adopted June 25, 2025	508,085	0	508,085
TOTAL		\$21,867,000	\$21,358,915	\$21,867,000

Payment of Bonds

As hereinafter stated, the Bonds are general obligations of the Township for which the full faith and credit of the Township will be pledged. The Township is authorized and required by law to levy *ad valorem* taxes on all taxable property within the Township for the payment of principal of and interest on the Bonds without limitation as to rate or amount.

Book-Entry Only System

The description which follows of the procedures and recordkeeping with respect to beneficial ownership interest in the Bonds, payment of principal and interest and other payments on the Bonds to Direct and Indirect Participants (defined below) or Beneficial Owners (defined below), confirmation and transfer of beneficial ownership interests in the Bonds and other related transactions by and between DTC, Direct Participants and Beneficial Owners, is based on certain information furnished by DTC to the Township. Accordingly, the Township does not make any representations as to the completeness or accuracy of such information.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and

non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy (the "Omnibus Proxy") to the Township as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Township or any hereafter designated paying agent, if any, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Township or a hereafter designated paying agent, if any, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Township or a hereafter designated paying agent, if any, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Township or a hereafter designated paying agent, if any. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Township may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Township believes to be reliable, but the Township takes no responsibility for the accuracy thereof.

THE TOWNSHIP OR A HEREAFTER DESIGNATED PAYING AGENT, IF ANY, WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, OR THE INDIRECT PARTICIPANTS, OR BENEFICIAL OWNERS.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDHOLDERS OR REGISTERED OWNERS OF THE BONDS (OTHER THAN UNDER THE CAPTION "TAX MATTERS") SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS.

Discontinuation of Book-Entry Only System

If the Township, in its sole discretion, determines that DTC is not capable of discharging its duties, or if DTC discontinues providing its services with respect to the Bonds at any time, the Township will attempt to locate another qualified Securities Depository. If the Township fails to find such Securities Depository, or if the Township determines, in its sole discretion, that it is in the best interest of the Township or that the interest of the Beneficial Owners might be adversely affected if the book-entry only system of transfer is continued (the Township undertakes no obligation to make an investigation to determine the occurrence of any events that would permit it to make such determination) the Township shall notify DTC of the termination of the book-entry only system.

Security and Source of Payment

The Bonds are valid and legally binding general obligations of the Township, and the Township has pledged its full faith and credit for the payment of the principal of and interest on the Bonds. The Bonds are direct obligations of the Township and, unless paid from other sources, the Township is required by law to levy *ad valorem* taxes upon all the taxable property within the Township for the payment of the principal of and interest on the Bonds without limitation as to rate or amount.

The Township is required by law to include the total amount of principal and interest on all of its general obligation indebtedness, such as the Bonds, for the current year in each annual budget unless provision has been made for payment of its general obligation indebtedness from other sources. The enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights or remedies heretofore or hereafter enacted. See "MUNICIPAL BANKRUPTCY" herein.

The Bonds are not a debt or obligation, legal, moral or otherwise, of the State, or any county, municipality or any political subdivision thereof, other than the Township.

NO DEFAULT

The Township has never defaulted in the payment of principal of, redemption premium, if any, and interest on any bonds or notes or other obligations of the Township, nor are any payments of principal of or interest on the Township's indebtedness past due.

CERTAIN RISK FACTORS

COVID-19 Disclosure

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, then President Trump declared a national emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. Governor Phil Murphy (the "Governor") of the State declared a state of emergency and a public health emergency on March 9, 2020 due to the outbreak of COVID-19, which spread throughout the State and to all counties within the State. In response to the COVID-19 pandemic, federal and state legislation and executive orders were implemented to mitigate the spread of the disease and to provide relief to state and local governments. The pandemic and certain mitigation measures altered the behavior of businesses and people with negative impacts on regional, State and local economies. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level. Depending on future circumstances, ongoing actions could be taken by State, federal and local governments and private entities, to mitigate the spread and impacts of COVID-19, its variants or other critical health care challenges.

To date, the overall finances and operations of the Township have not been materially or adversely affected as a result of the COVID-19 pandemic. Nonetheless, the degree of any such impact to the Township's operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 pandemic, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what additional actions may be taken by governmental and other health care authorities to manage the COVID-19 pandemic. The continued spread of the outbreak could have a material adverse effect on the Township and its economy.

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by President Biden on March 12, 2021, comprises \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic, which included \$350 billion in relief funds for state and local governments, such as the Township. The Township received certain funding from the Plan, in two equal installments. The deadline to obligate the funds was December 31, 2024.

Cyber Disclosure

The Township relies on a complex technology environment to conduct its various operations. As a result, the Township faces certain cyber security threats at various times including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and digital networks and systems.

Climate Disclosure

The State is naturally susceptible to the effects of extreme weather events and natural disasters including floods and hurricanes, which could result in negative economic impacts on communities. Such effects can be exacerbated by a longer term shift in the climate over several decades (commonly referred to as "climate change"), including increasing global temperatures and rising sea levels. The occurrence of such extreme weather events could damage local infrastructure that provides essential services to the Township as well as resulting in economic impacts such as loss of ad valorem tax revenue, interruption of municipal services, and escalated recovery costs. No assurance can be given as to whether future extreme weather events will occur that could materially adversely affect the financial condition of the Township.

PROVISIONS FOR THE PROTECTION OF GENERAL OBLIGATION DEBT

Procedure for Authorization

The Township has no constitutional limit on its power to incur indebtedness other than that it may issue obligations only for public purposes pursuant to State statutes. The authorization and issuance of Township debt, including the purpose, amount and nature thereof, the method and manner of the incurrence of such debt, the maturity and terms of repayment thereof, and other related matters are statutory. The Township is not required to submit the proposed incurrence of indebtedness to a public referendum.

The Township, by bond ordinance, may authorize and issue negotiable obligations for the financing of any capital improvement or property which it may lawfully acquire, or any purpose for which it is authorized or required by law to make an appropriation, except current expenses and payment of obligations (other than those for temporary financings). Bond ordinances must be finally adopted by the recorded affirmative vote of at least two-thirds of the full membership of the Township Council and approved by the Mayor. The Local Bond Law requires publication and posting of the bond ordinance. If the bond ordinance requires approval or endorsement of the State, it cannot be finally adopted until such approval has been received. The Local Bond Law provides that a bond ordinance shall take effect twenty (20) days after the first publication thereof after final adoption. At the conclusion of the twenty-day period all challenges to the validity of the obligations authorized by such bond ordinance shall be precluded except for constitutional matters. Moreover, after issuance, all obligations are conclusively presumed to be fully authorized and issued by all laws of the State and any person shall be estopped from questioning their sale, execution or delivery by the Township.

Local Bond Law (N.J.S.A. 40A:2-1 et seq.)

The Bonds are being issued pursuant to the provisions of the Local Bond Law. The Local Bond Law governs the issuance of bonds and bond anticipation notes to finance certain municipal capital expenditures. Among its provisions are requirements that bonds or notes must mature within the statutory period of usefulness of the projects being financed, that bonds be retired in serial or sinking fund installments, and that, unlike school debt, and with some exceptions, including self-liquidating obligations and the improvements involving State grants, a five percent (5%) cash down payment must be generally provided. Such down payment must have been raised by budgetary appropriations, from cash on hand previously contributed for the purpose or by emergency resolution adopted pursuant to the Local Budget Law, N.J.S.A. 40A:4-1 et seq., as amended and supplemented (the "Local Budget Law"). All bonds and notes issued by the Township are general "full faith and credit" obligations.

Short Term Financing

Local governmental units (including the Township) may issue bond anticipation notes to temporarily finance a capital improvement or project in anticipation of the issuance of bonds if the bond ordinance or subsequent resolution so provides. Such bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount of bonds authorized in the ordinance, as may be amended and supplemented, creating such capital expenditure. A local unit's bond anticipation notes may be issued and renewed for periods not exceeding one (1) year, with the final maturity occurring and being paid no later than the first day of the fifth month following the close of the tenth fiscal year after the original issuance of the notes, provided that no notes may be renewed beyond the third anniversary date of the original notes and each anniversary date thereafter, unless an amount of such note at least equal to the first legally payable installment of the anticipated bonds (the first year's principal payment), is paid and retired from funds other than the proceeds of obligations on or before the third anniversary date and each anniversary date thereafter.

The issuance of tax anticipation notes by a municipality is limited in amount by the provisions of the Local Budget Law and may be renewed from time to time, but, in the case of a municipality such as the Township, all such notes and renewals thereof must mature not later than 120 days after the end of the fiscal year in which such notes were issued.

Refunding Bonds (N.J.S.A. 40A:2-51 et seq.)

Refunding bonds may be issued pursuant to the Local Bond Law for the purpose of paying, funding or refunding outstanding bonds, including emergency appropriations, the actuarial liabilities of a non-State administered public employee pension system, the present value of unfunded accrued liabilities for State administered early retirement incentive benefits, and amounts owing to others for taxes levied in the local unit, or any renewals or extensions thereof, and for paying the cost of issuance of refunding bonds. The Local Finance Board, in the Division of Local Governmental Services, New Jersey Department of Community Affairs (the "Local Finance Board") must approve the authorization of the issuance of refunding bonds or the local unit may issue such refunding bonds in accordance with the regulations promulgated by the Local Finance Board.

Statutory Debt Limitation (N.J.S.A. 40A:2-6 et seq.)

There are statutory requirements which limit the amount of debt which the Township is permitted to authorize. The authorized bonded indebtedness of a Township is limited by the Local Bond Law and other laws to an amount equal to three and one-half percent (3½%) of its stated average equalized valuation basis, subject to certain exceptions noted below. The stated equalized valuation basis is set by statute as the average of the equalized valuations of all taxable real property, together with improvements to such property, and the assessed valuation of certain Class II railroad property within the boundaries of the Township for each of the last three (3) preceding years as annually certified in the valuation of all taxable real property, in the Table of Equalized Valuation by the Director of the Division of Taxation, in the New Jersey Department of the Treasury (the "Division of Taxation"). Certain categories of debt are permitted by statute to be deducted for the purposes of computing the statutory debt limit. The Local Bond Law permits the issuance of certain obligations, including obligations issued for certain emergency or self-liquidating purposes, notwithstanding the statutory debt limitation described above; but, with certain exceptions, it is then necessary to obtain the approval of the Local Finance Board. See "Exceptions to Debt Limitation-Extensions of Credit" herein.

Exceptions to Debt Limitation – Extensions of Credit (N.J.S.A. 40A:2-7 et seq.)

The debt limit of the Township may be exceeded with the approval of the Local Finance Board. If all or any part of a proposed debt authorization is to exceed its debt limit, the Township must apply to the Local Finance Board for an extension of credit. The Local Finance Board considers the request, concentrating its review on the effect of the proposed authorization on outstanding obligations and operating expenses and the anticipated ability to meet the proposed obligations. If the Local Finance Board determines that a proposed debt authorization is not unreasonable or exorbitant, that the purposes or improvements for which the obligations are issued are in the public interest and for the health, welfare and convenience or betterment of the inhabitants of the Township and that the proposed debt authorization would not materially impair the credit of the Township or substantially reduce the ability of the Township to meet its obligations or to provide essential services that are in the public interest and makes other statutory determinations, approval is granted. In addition to the aforesaid, debt in excess of the debt limit may be issued to fund certain obligations, for self-liquidating purposes and, in each fiscal year, in an amount not exceeding two-thirds of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of obligations issued for utility or assessment purposes) plus two-thirds of the amount raised in the tax levy of the current fiscal year by the local unit for the payment of bonds or notes of any school district. As shown in Appendix "A", the Township has not exceeded its debt limit.

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DEBT INFORMATION OF THE TOWNSHIP

The Township must report all new authorizations of debt or changes in previously authorized debt to the Division through the filing of Supplemental and Annual Debt Statements. The Supplemental Debt Statement must be submitted to the Division before final passage of any debt authorization other than a refunding debt authorization. Before the end of the first month (January 31) of each fiscal year of the Township, the Township must file an Annual Debt Statement which is dated as of the last day of the preceding fiscal year (December 31) with the Division and with the Township Clerk. This report is made under oath and states the authorized, issued and unissued debt of the Township as of the previous December 31. Through the Annual and Supplemental Debt Statements, the Division monitors all local borrowing. Even though the Township's authorizations are within its debt limits, the Division is able to enforce State regulations as to the amounts and purposes of local borrowings.

FINANCIAL MANAGEMENT

Accounting and Reporting Practices

The accounting policies of the Township conform to the accounting principles applicable to local governmental units which have been prescribed by the Division. A modified accrual basis of accounting is followed with minor exceptions. Revenues are recorded as received in cash except for certain amounts which may be due from other governmental units and which are accrued. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue only when received. Expenditures are generally recorded on the accrual basis, except that unexpended appropriations at December 31, unless canceled by the governing body, are reported as expenditures with offsetting appropriation reserves. Appropriation reserves are available, until lapsed at the close of the succeeding fiscal year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are credited to the results of operations. As is the prevailing practice among municipalities and counties in the State, the Township does not record obligations for accumulated unused vacation and sick pay.

Local Budget Law (N.J.S.A. 40A:4-1 et seq.)

The foundation of the State local finance system is the annual cash basis budget. Every local unit, including the Township, must adopt an annual operating budget in the form required by the Division. Certain items of revenue and appropriation are regulated by law and the proposed operating budget cannot be finally adopted until it has been certified by the Director, or in the case of a local unit's examination of its own budget as described herein, such budget cannot be finally adopted until a local examination certificate has been approved by the Chief Financial Officer and governing body of the local unit. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service and the Director, or in the case of the local examination, the local unit may review the adequacy of such appropriations. Among other restrictions, the Director or, in the case of local examination, the local unit may examine the budget with reference to all estimates of revenue and the following appropriations: (a) payment of interest and debt redemption charges, (b) deferred charges and statutory expenditures, (c) cash deficit of the preceding year, (d) reserve for uncollected taxes, and (e) other reserves and non-disbursement items. Taxes levied are a product of total appropriations, less non-tax revenues, plus a reserve predicated on the prior year's collection experience.

The Director, in reviewing the budget, has no authority over individual operating appropriations, unless a specific amount is required by law, but the Director's budgetary review functions, focusing on anticipated revenues, and serves to protect the solvency of the local unit. Local budgets, by law and regulation, must be in balance on a "cash basis", i.e., the total of anticipated revenues must equal the total of appropriation. N.J.S.A. 40A:4-22. If in any year the Township's expenditures exceed its realized revenues for that year, then such excess (deficit) must be raised in the succeeding year's budget.

In accordance with the Local Budget Law and related regulations, (i) each local unit, with a population of 10,000 persons, must adopt and annually revise a six (6) year capital program (ii) each local unit, with a

population under 10,000 persons, must adopt (with some exceptions) and annually revise a three (3) year capital program. See "CAPITAL IMPROVEMENT PROGRAM" herein.

Municipal public utilities are supported by the revenues generated by the respective operations of the utilities, in addition to the general taxing power upon real property. For each utility, there is established a separate budget. The anticipated revenues and appropriations for each utility are set forth in the separate section of the budget. The budget is required to be balanced and to provide fully for debt service. The regulations regarding anticipation of revenues and deferral of charges apply equally to the budgets of the utilities. Deficits or anticipated deficits in utility operations which cannot be provided for from utility surplus, if any, are required to be raised in the "current" or operating budget.

State Supervision (N.J.S.A. 52:27BB-1 et seq.)

State law authorizes State officials to supervise fiscal administration in any municipality which is in default on its obligations; which experiences severe tax collection problems for two (2) successive years; which has a deficit greater than four percent (4%) of its tax levy for two (2) successive years; which has failed to make payments due and owing to the State, county, school district or special district for two (2) consecutive years; which has an appropriation in its annual budget for the liquidation of debt which exceeds twenty-five percent (25%) of its total operating appropriations (except dedicated revenue appropriations) for the previous budget year; or which has been subject to a judicial determination of gross failure to comply with the Local Bond Law, the Local Budget Law or the Local Fiscal Affairs Law which substantially jeopardizes its fiscal integrity. State officials are authorized to continue such supervision for as long as any of the conditions exist and until the municipality operates for a fiscal year without incurring cash deficit.

Limitations on Expenditures ("Cap Law") (N.J.S.A. 40A:4-45.1, et seq.)

N.J.S.A. 40A:4-45.3 places limits on municipal tax levies and expenditures. This law is commonly known as the "Cap Law" (the "Cap Law"). The Cap Law provides that the Township shall limit any increase in its budget to 2.5% or the Cost-Of-Living Adjustment, whichever is less, of the previous year's final appropriations, subject to certain exceptions. The Cost-Of-Living Adjustment is defined as the rate of annual percentage increase, rounded to nearest half percent, in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services produced by the United States Department of Commerce for the year preceding the current year as announced by the Director. However, in each year in which the Cost-Of-Living Adjustment is equal to or less than 2.5%, the Township may, by ordinance, approved by a majority vote of the full membership of the governing body, provide that the final appropriations of the Township for such year be increased by a percentage rate that is greater than the Cost-Of-Living Adjustment, but not more than 3.5% over the previous year's final appropriations. See N.J.S.A. 40A:4-45.14. In addition, N.J.S.A. 40A:4-45.15a restored "CAP" banking to the Local Budget Law. Municipalities are permitted to appropriate available "CAP Bank" in either of the next two (2) succeeding years' final appropriations. Along with the permitted increases for total general appropriations there are certain items that are allowed to increase outside the "CAP".

Additionally, P.L. 2010, c.44, effective July 2, 2010, imposes a two percent (2%) cap on the tax levy of a municipality, county, fire district or solid waste collection district, with certain exceptions and subject to a number of adjustments. The exclusions from the limit include increases required to be raised for capital expenditures, including debt service, increases in pension contributions in excess of two percent (2%), certain increases in health care costs in excess of two percent (2%), and extraordinary costs incurred by a local unit directly related to a declared emergency. The governing body of a local unit may request approval, through a public question submitted to the legal voters residing in its territory, to increase the amount to be raised by taxation, and voters may approve increases above two percent (2%) not otherwise permitted under the law by an affirmative vote of fifty percent (50%).

The Division of Local Government Services has advised that counties and municipalities must comply with both budget "CAP" and the tax levy limitation. Neither the tax levy limitation nor the "CAP" law, however, limits the obligation of the Township to levy *ad valorem* taxes upon all taxable property within the boundaries of the Township to pay debt service on bonds and notes, including the Bonds.

Deferral of Current Expenses

Supplemental appropriations made after the adoption of the budget and determination of the tax rate may be authorized by the governing body of a local unit, including the Township, but only to meet unforeseen circumstances, to protect or promote public health, safety, morals or welfare, or to provide temporary housing or public assistance prior to the next succeeding fiscal year. However, with certain exceptions described below, such appropriations must be included in full as a deferred charge in the following year's budget. Any emergency appropriation must be declared by resolution according to the definition provided in N.J.S.A. 40A:4-48, and approved by at least two-thirds of the full membership of the governing body and shall be filed with the Director. If such emergency appropriations exceed three percent (3%) of the adopted operating budget, consent of the Director is required. N.J.S.A. 40A:4-49.

The exceptions are certain enumerated quasi-capital projects ("special emergencies") such as (i) the repair and reconstruction of streets, roads or bridges damaged by snow, ice, frost, or floods, which may be amortized over three (3) years, and (ii) the repair and reconstruction of streets, roads, bridges or other public property damaged by flood or hurricane, where such expense was unforeseen at the time of budget adoption, the repair and reconstruction of private property damaged by flood or hurricane, tax map preparation, re-evaluation programs, revision and codification of ordinances, master plan preparations, drainage map preparation for flood control purposes, studies and planning associated with the construction and installation of sanitary sewers, authorized expenses of a consolidated commission, contractually required severance liabilities resulting from the layoff or retirement of employees and the preparation of sanitary and storm system maps, all of which projects set forth in this section (ii) may be amortized over five (5) years. N.J.S.A. 40A:4-53, -54, -55, -55.1. Emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project as described above.

Budget Transfers

Budget transfers provide a degree of flexibility and afford a control mechanism. Pursuant to N.J.S.A. 40A:4-58, transfers between major appropriation accounts are prohibited until the last two (2) months of the municipality's fiscal year. Appropriation reserves may be transferred during the first three (3) months of the current fiscal year to the previous fiscal year's budget. N.J.S.A. 40A:4-59. Both types of transfers require a two-thirds vote of the full membership of the governing body. Although sub-accounts within an appropriation are not subject to the same year-end transfer restriction, they are subject to internal review and approval. Generally, transfers cannot be made from the down payment account, the capital improvement fund, contingent expenses or from other sources as provided in the statute.

Anticipation of Real Estate Taxes

The same general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. N.J.S.A. 40A:4-29 sets limits on the anticipation of delinquent tax collections and provides that, "[t]he maximum which may be anticipated is the sum produced by the multiplication of the amount of delinquent taxes unpaid and owing to the local unit on the first day of the current fiscal year by the percentage of collection of delinquent taxes for the year immediately preceding the current fiscal year."

In regard to current taxes, N.J.S.A. 40A:4-41(b) provides that, "[r]eceipts from the collection of taxes levied or to be levied in the municipality, or in the case of a county for general county purposes and payable in the fiscal year shall be anticipated in an amount which is not in excess of the percentage of taxes levied and payable during the next preceding fiscal year which was received in cash by the last day of the preceding fiscal year."

This provision requires that an additional amount (the "reserve for uncollected taxes") be added to the tax levy required to balance the budget so that when the percentage of the prior year's tax collection is applied to the combined total, the sum will at least equal the tax levy required to balance the budget. The reserve requirement is calculated as follows:

Total of Local, County, and School Levies	- Anticipated Revenues	= Cash Required from Taxes to Support Local Municipal Budget and Other Taxes	
			Amount to be
<u>Cash Required from Taxes to Support Local Municipal Budget and Other Taxes</u>			= Raised by
Prior Year's Percentage of Current Tax Collection (or Lesser %)			Taxation

Anticipation of Miscellaneous Revenues

N.J.S.A 40A:4-26 provides that, "[n]o miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit."

No budget or amendment thereof shall be adopted unless the Director shall have previously certified his approval of such anticipated revenues except that categorical grants-in-aid contracts may be included for their face amount with an offsetting appropriation. The fiscal years of such grants rarely coincide with a municipality's calendar fiscal year. Grant revenues are fully realized in the year in which they are budgeted by the establishment of accounts receivable and offsetting reserves.

Local Examination of Budgets (N.J.S.A. 40A:4-78(b))

Chapter 113 of the Laws of New Jersey of 1996 (N.J.S.A. 40A:4-78(b)) authorizes the Local Finance Board to adopt rules that permit certain municipalities to assume the responsibility, normally granted to the Director, of conducting the annual budget examination required by the Local Budget Law. Since 1997 the Local Finance Board has developed regulations that allow "eligible" and "qualifying" municipalities to locally examine their budget every two (2) of three (3) years.

Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.)

The Local Fiscal Affairs, N.J.S.A. 40A:5-1 et seq., as amended and supplemented (the "Local Fiscal Affairs Law"), regulates the non-budgetary financial activities of local governments. An annual, independent audit of the local unit's accounts for the previous year must be performed by a Registered Municipal Accountant licensed in the State of New Jersey. The audit, conforming to the Division of Local Government Services, in the New Jersey Department of Community Affairs (the "Division") "Requirements of Audit", must be completed within six (6) months (June 30) after the close of the Township's fiscal year (December 31), and includes recommendations for improvement of the local unit's financial procedures. The audit report must be filed with the Township Clerk and is available for review during regular municipal business hours and shall, within five (5) days thereafter be filed with the Director of the Division (the "Director"). A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within thirty (30) days of the Township Clerk's receipt of the audit report. Accounting methods utilized in the conduct of the audit conform to practices prescribed by the Division, which practices differ in some respects from accounting principals generally accepted in the United States of America.

Annual Financial Statement (N.J.S.A. 40A:5-12 et seq.)

An annual financial statement ("Annual Financial Statement") which sets forth the financial condition of a local unit for the fiscal year must be filed with the Division not later than January 26 (in the case of a county) and not later than February 10 (in the case of a municipality) after the close of the calendar fiscal year, such as the Township, or not later than August 10 of the State fiscal year for those municipalities which operate on the State fiscal year. The Annual Financial Statement is prepared either by the Chief Financial Officer or the Registered Municipal Accountant for the local unit. It reflects the results of operations for the year of the Current and Utility Funds. If the statement of operations results in a cash deficit, the deficit must be included in full in the succeeding year's budget. The entire annual financial statement is filed with the clerk of the local unit and is available for review during business hours.

Investment of Municipal Funds

Investment of funds by municipalities is governed by N.J.S.A. 40A:5-14 et seq. Such statute requires municipalities to adopt a cash management plan pursuant to the requirements outlined by said statute. Once a municipality adopts a cash management plan it must deposit or invest its funds pursuant to such plan. N.J.S.A. 40A:5-15.1 provides for the permitted securities a municipality may invest in pursuant to its cash management plan. Some of the permitted securities are as follows: (a) obligations of, or obligations guaranteed by, the United States of America ("Government Obligations"), (b) Government money market mutual funds which invest in securities permitted under the statute, (c) bonds of certain Federal Government agencies having a maturity date not greater than 397 days from the date of purchase, (d) bonds or other obligations of the particular municipality or school districts of which the local unit is a part or within which the school district is located, and (e) bonds or other obligations having a maturity date not greater than 397 days from the date of purchase and approved by the Division of Investment, in the New Jersey Department of the Treasury. Municipalities are required to deposit their funds in banks satisfying certain security requirements set forth in N.J.S.A. 17:9-41 et seq. Municipalities are required to deposit their funds in interest-bearing bank accounts to the extent practicable and other permitted investments.

CAPITAL IMPROVEMENT PROGRAM

In accordance with the Local Budget Law, the Township must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period not greater than over the next ensuing six (6) years as a general improvement program. The Capital Budget and Capital Improvement Program must be adopted as part of the annual budget pursuant to N.J.A.C. 5:30-4. The Capital Budget does not by itself confer any authorization to raise or expend funds, rather it is a document used for planning. Specific authorization to expend funds for such purposes must be granted, by a separate bond ordinance, by inclusion of a line item in the Capital Improvement Section of the budget, by an ordinance taking money from the Capital Improvement Fund, or other lawful means.

TAX ASSESSMENT AND COLLECTION

Assessment and Collection of Taxes

Property valuations (assessments) are determined on true values as arrived at by the cost approach, market data approach and capitalization of net income (where applicable). Current assessments are the result of maintaining new assessments on a "like" basis with established comparable properties for newly assessed or purchased properties resulting in a decline of the assessment ratio to true value to its present level. This method assures equitable treatment to like property owners. Because of the escalation of property resale values, annual adjustments could not keep pace with the rising values.

Upon the filing of certified adopted budgets by the Township, the local school district and the County, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provisions for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4-1 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special district.

For calendar year municipalities, tax bills are sent in June of the current fiscal year. Taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1. The August and November tax bills are determined as the full tax levied for municipal, county and school purposes for the current municipal fiscal year, less the amount charged as the February and May installments for municipal, county and school purposes in the current fiscal year. The amounts due for the February and May installments are determined as by the municipal governing body as either one-quarter or one-half of the full tax levied for municipal, county or school purposes for the preceding fiscal year.

Fiscal year municipalities follow the same general rationale for the billing of property taxes, however billing is processed semi-annually. The provisions of P.L. 1994, C. 72 changed the procedures for State fiscal year billing originally established in P.L. 1991, C. 75. Chapter 72 moves the billing calculation back on a calendar year basis, which permits tax levies to be proved more readily than before.

The formula used to calculate tax bills under P.L. 1994, C. 72 are as follows:

The third and fourth installments, for municipal purposes, would equal one-half of an estimated annual tax levy, plus the balance of the full tax levied during the current tax year for school, county and special district purposes. The balance of the full tax for non-municipal purposes is calculated by subtracting amounts due on a preliminary basis from the full tax requirement for the tax year. The first and second installments, for municipal purposes, will be calculated on a percentage of the previous years billing necessary to bill the amount required to collect the full tax levy, plus the non-municipal portion, which represents the amount payable to each taxing district for the period of January 1 through June 30.

Tax installments not paid on or before the due date are subject to interest penalties of eight percent (8%) on the first \$1,500 of the delinquency and, then eighteen percent (18%) per annum on any amount in excess of \$1,500. A penalty of up to six percent (6%) of the delinquency in excess of \$10,000 may be imposed on a taxpayer who fails to pay that delinquency prior to the end of the tax year in which the taxes become delinquent. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with State Statutes. Tax title liens are periodically assigned to the Township Attorney (as defined herein) for in rem foreclosures in order to acquire title to these properties.

The provisions of chapter 99 of the Laws of New Jersey of 1997 allow a municipality to sell its total property tax levy to the highest bidder either by public sale with sealed bids or by public auction. The purchaser shall pay the total property tax levy bid amount in quarterly installments or in one annual installment. Property taxes will continue to be collected by the municipal tax collector and the purchaser will receive as a credit against his payment obligation the amount of taxes paid to the tax collector. The purchaser is required to secure his payment obligation to the municipality by an irrevocable letter of credit or surety bond. The purchaser is entitled to receive, all delinquent taxes and other municipal charges owing, due and payable upon collection by the tax collector. The statute sets forth bidding procedures, minimum bidding terms and requires the review and approval of the sale by the Division.

Tax Appeals

New Jersey Statutes provide a taxpayer with remedial procedures for appealing an assessed valuation that the taxpayer deems excessive. The taxpayer has a right to file a petition on or before the 15th day of January of the current tax year for its review. The County Board of Taxation and the Tax Court of New Jersey have the authority after a hearing to increase, decrease or reject the appeal petition. Adjustments by the County Board of Taxation are usually concluded prior to the issuance of tax bills. If the taxpayer believes the decision of the County Board of Taxation to be incorrect, appeal of the decision may be made to the Tax Court of New Jersey. State tax court appeals tend to take several years to conclude by settlement or trial and any losses in tax collection from prior years, after an unsuccessful trial or by settlement, are charged directly to operations.

TAX MATTERS

Exclusion of Interest on the Bonds From Gross Income for Federal Tax Purposes

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met on a continuing basis subsequent to the issuance of the Bonds in order to assure that interest on the Bonds will be excluded from gross income for federal income tax purposes under Section 103 of the Code. Failure of the Township to comply with such requirements may cause interest on the Bonds to lose the exclusion from gross income for federal income tax purposes, retroactive to the date of issuance of the Bonds. The Township will make certain representations in its tax certificate, which will be executed on the date of issuance of the Bonds, as to various tax requirements. The Township has covenanted to comply with

the provisions of the Code applicable to the Bonds and has covenanted not to take any action or fail to take any action that would cause interest on the Bonds to lose the exclusion from gross income under Section 103 of the Code. Bond Counsel will rely upon the representations made in the tax certificate and will assume continuing compliance by the Township with the above covenants in rendering its federal income tax opinions with respect to the exclusion of interest on the Bonds from gross income for federal income tax purposes and with respect to the treatment of interest on the Bonds for the purposes of alternative minimum tax.

Assuming the Township observes its covenants with respect to compliance with the Code, Archer & Greiner P.C., Bond Counsel to the Township, is of the opinion that, under existing law, interest on the Bonds is not includable for Federal income tax purposes in the gross income of the owners of the Bonds pursuant to Section 103 of the Code. Interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing federal alternative minimum tax; however, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under the Code.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and enforcement of the Code or those regulations by the IRS.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Township or the owners of the Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Bonds, under current IRS procedures, the IRS will treat the Township as the taxpayer and the beneficial owners of the Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including, but not limited to, selection of the Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Bonds.

Payments of interest on tax-exempt obligations, including the Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If an Obligation owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Additional Federal Income Tax Consequences of Holding the Bonds

Prospective purchasers of the Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Bonds, may have additional federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty companies, foreign corporations and certain S corporations.

Bond Counsel expresses no opinion regarding any federal tax consequences other than its opinion with regard to the exclusion of interest on the Bonds from gross income pursuant to Section 103 of the Code and interest on the Bonds not constituting an item of tax preference under Section 57 of the Code. Prospective purchasers of the Bonds should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the Bonds.

Changes in Federal Tax Law Regarding the Bonds

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State of New Jersey. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. There can be no assurance that

legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the tax status of interest on the Bonds or the market value or marketability of the Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax) or repeal (or reduction in the benefit) of the exclusion of interest, if applicable, on the Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

State Taxation for the Bonds

Bond Counsel is of the opinion that, based upon existing law, interest on the Bonds and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act.

ADDITIONALLY, EACH PURCHASER OF THE BONDS SHOULD CONSULT HIS OR HER OWN ADVISOR REGARDING ANY CHANGES IN THE STATUS OF PENDING OR PROPOSED FEDERAL OR NEW JERSEY STATE TAX LEGISLATION, ADMINISTRATIVE ACTION TAKEN BY TAX AUTHORITIES, COURT DECISIONS OR LITIGATION.

ALL POTENTIAL PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE.

Other Tax Consequences

Except as described above, Bond Counsel expresses no opinion with respect to any Federal, state, local or foreign tax consequences of ownership of the Bonds. Bond Counsel renders its opinion under existing statutes, regulations, rulings and court decisions as of the date of issuance of the Bonds and assumes no obligation to update its opinion after such date of issuance to reflect any future action, fact, circumstance, change in law or interpretation, or otherwise. Bond Counsel expresses no opinion as to the effect, if any, on the tax status of the interest on the Bonds paid or to be paid as a result of any action hereafter taken or not taken in reliance upon an opinion of other counsel.

See Appendix C for the complete text of the proposed form of Bond Counsel's legal opinion with respect to the Bonds.

ALL POTENTIAL PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS WITH RESPECT TO THE FEDERAL, STATE AND LOCAL TAX CONSEQUENCES (INCLUDING BUT NOT LIMITED TO THOSE LISTED ABOVE) OF THE OWNERSHIP OF THE BONDS.

LITIGATION

To the knowledge of the Township Attorney, Blaney, Donohue & Weinberg, PC, Avalon, New Jersey (the "Township Attorney"), there is no litigation of any nature now pending or threatened, restraining or enjoining the issuance or the delivery of the Bonds, or the levy or the collection of taxes to pay the principal of or the interest on the Bonds, or in any manner questioning the authority or the proceedings for the issuance of the Bonds or for the levy or the collection of taxes to pay the principal of or the interest on the Bonds, or contesting the corporate existence or the boundaries of the Township or the title of any of the present officers. Moreover, to the knowledge of the Township Attorney, no litigation is presently pending or threatened that, in the opinion of the Township Attorney, would have a material adverse impact on the financial condition of the Township if adversely decided. A Certificate to such effect will be executed by the Township Attorney and delivered to the Bond Underwriter (as hereinafter defined) at closing.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, the issuance, the sale and the delivery of the Bonds are subject to the approval of Archer & Greiner P.C., Red Bank, New Jersey, Bond Counsel to the Township,

whose approving legal opinion will be delivered with the Bonds substantially in the form set forth as Appendix C hereto. Certain legal matters will be passed on for the Township by its Township Attorney.

MUNICIPAL BANKRUPTCY

The undertakings of the Township should be considered with reference to 11 U.S.C. § 101 et seq., as amended and supplemented (the "Bankruptcy Code"), and other bankruptcy laws affecting creditors' rights and municipalities in general. The Bankruptcy Code permits the State or any political subdivision, public agency, or instrumentality that is insolvent or unable to meet its debts to commence a voluntary bankruptcy case by filing a petition with a bankruptcy court for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of petitioner's creditors; provides that a petition filed under this chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants priority to certain debts owed; and provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount and more than one half in number of the allowed claims of at least one (1) impaired class. The Bankruptcy Code specifically does not limit or impair the power of a state to control by legislation or otherwise, the procedures that a municipality must follow in order to take advantage of the provisions of the Bankruptcy Code.

The Bankruptcy Code provides that special revenue acquired by the debtor after the commencement of the case shall remain subject to any lien resulting from any security agreement entered into by such debtor before the commencement of such bankruptcy case. However, special revenues acquired by the debtor after commencement of the case shall continue to be available to pay debt service secured by those revenues. Furthermore, the Bankruptcy Code provides that a transfer of property of a debtor to or for the benefit of any holder of a bond or note, on account of such bond or note, may not be avoided pursuant to certain preferential transfer provisions set forth in such code.

Reference should also be made to N.J.S.A. 52:27-40 et seq., which provides that a local unit, including the Township, has the power to file a petition in bankruptcy with any United States court or court in bankruptcy under the provisions of the Bankruptcy Code, for the purpose of effecting a plan of readjustment of its debts or for the composition of its debts; provided, however, the approval of the Local Finance Board, as successor to the Municipal Finance Commission, must be obtained.

The Township has not authorized the filing of a bankruptcy petition. This reference to the Bankruptcy Code or the State statute should not create any implication that the Township expects to utilize the benefits of their provisions, or that if utilized, such action would be approved by the Local Finance Board, or that any proposed plan would include a dilution of the source of payment of and security for the Bonds, or that the Bankruptcy Code could not be amended after the date hereof.

SECONDARY MARKET DISCLOSURE FOR THE BONDS

The Township has covenanted for the benefit of the holders of the Bonds and the beneficial owners of the Bonds to provide certain financial information and operating data of the Township annually and to comply with the provisions of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended and supplemented, and as detailed in a Continuing Disclosure Certificate (the "Bond Disclosure Certificate") to be executed on behalf of the Township by its Chief Financial Officer, in the form appearing in Appendix D attached hereto. Such Bond Disclosure Certificate shall be delivered concurrently with the delivery of the Bonds. Annual financial information, including operating data, and notices of events specified in the Rule, if material, shall be filed with the Municipal Securities Rulemaking Board (the "MSRB"). This covenant is being made by the Township to assist the purchaser of the Bonds in complying with the Rule.

The Township has met all continuing disclosure requirements over the past five years. The Township has appointed Acacia Financial Group, Inc., Mount Laurel, New Jersey to act as dissemination agent ("Dissemination Agent") to the Township to assure future compliance with the Rule.

LEGALITY FOR INVESTMENT

The State and all public officers, municipalities, counties, political subdivisions and public bodies, and agencies thereof, all banks, bankers, trust companies, savings and loan associations, savings banks and institutions, building and loan associations, investment companies, and other persons carrying on banking business, all insurance companies, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds of the Township, including the Bonds, and such Bonds are authorized security for any and all public deposits.

MUNICIPAL ADVISOR

Acacia Financial Group, Inc., Mount Laurel, New Jersey has served as Municipal Advisor to the Township with respect to the issuance of the Bonds (the "Municipal Advisor"). The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of, or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement and the Appendices hereto. The Municipal Advisor is an independent registered municipal advisor and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

UNDERWRITING

The Bonds have been purchased from the Township at a public sale for resale by Janney Montgomery Scott, LLC (the "Underwriter"), at a purchase price of \$22,910,352.88. The purchase price of the Bonds reflects the par amount of the Bonds equal to \$21,860,000.00; minus an Underwriter's discount of \$52,711.87, plus an original issue premium in the amount of \$1,103,064.75.

RATING

Moody's Investors Service, Inc. ("Rating Agency") has assigned the Bonds a rating of "Aa3".

The rating reflects only the views of the Rating Agency and an explanation of the significance of such rating may only be obtained from the Rating Agency. There can be no assurance that the rating will be maintained for any given period of time or that the rating may not be raised, lowered or withdrawn entirely, if in the Rating Agency's judgment, circumstances so warrant. Any downward change in, or withdrawal of such rating may have adverse effect on the marketability or market price of the Bonds. An explanation of the significance of such credit rating may be obtained from the Rating Agency.

FINANCIAL STATEMENTS

APPENDIX B contains certain unaudited financial data of the Township for the year ended December 31, 2024, as well as the audited financial data of the Township for the years ended December 31, 2023 and December 31, 2022. The audited financial data was extracted from the report prepared by Holt McNally & Associates, Inc., Medford, New Jersey (the "Prior Auditor"), to the extent and for the period set forth in its report appearing in APPENDIX B to this Official Statement. The Prior Auditor has not participated in the preparation of this Official Statement nor has such firm verified the accuracy, completeness or fairness of the information contained herein (except for the audited financial data appearing in APPENDIX B hereto) and, accordingly, will express no opinion with respect thereto.

PREPARATION OF OFFICIAL STATEMENT

All information has been obtained from sources which the Township considers to be reliable but it makes no warranty, guarantee or other representation with respect to the accuracy and completeness of such information.

The Auditor takes responsibility for the financial statements to the extent specified in the Independent Accountant's Compilation Report.

Acacia Financial Group, Inc., has not participated in the preparation of the financial or statistical information in this Official Statement, nor has it verified the accuracy, completeness or fairness thereof and, accordingly, expresses no opinion with respect thereto.

Archer & Greiner P.C. has not participated in the preparation of the financial or statistical information in this Official Statement, nor has it verified the accuracy, completeness or fairness thereof and, accordingly, expresses no opinion with respect thereto.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including requests for information additional to that contained herein, may be directed to the Township of Washington, Colette Bachich, Chief Financial Officer, at (856) 589-0520, ext. 2227, or cbachich@twp.washington.nj.us or Jennifer G. Edwards at Acacia Financial Group, Inc., Municipal Advisor, at (856) 234-2266 or jedwards@acaciafin.com.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement between the Township and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there have been no changes in the affairs in the Township since the date thereof.

The information contained in this Official Statement is not guaranteed as to accuracy or completeness.

**TOWNSHIP OF WASHINGTON,
IN THE COUNTY OF GLOUCESTER,
STATE OF NEW JERSEY**

/s/ Colette Bachich
Colette Bachich
Chief Financial Officer

Dated: August 14, 2025

APPENDIX A

**CERTAIN GENERAL INFORMATION CONCERNING
THE TOWNSHIP OF WASHINGTON,
IN THE COUNTY OF GLOUCESTER, STATE OF NEW JERSEY**

GENERAL INFORMATION ON THE TOWNSHIP

History

The Township of Washington, County of Gloucester, New Jersey ("Township") was settled about 1677 by English settlers who were given land by the crown as a reward for their bravery in crossing the Atlantic. At that time, the Township was home to the Mantese Indians, part of the Lenni-Lenape tribe. In 1677, the Mantese, with whom the settlers are reported to have had friendly relations, deeded the land of which the Township is a part to the settlers in return for various items, including tools, weapons, articles of clothing and trinkets.

The Township was once a part of the largest township in Gloucester County – Deptford Township as it was called by the English. On February 17, 1836, a part of old Deptford Township was set aside and assigned the name "The Township of Washington" in honor of George Washington. On March 11, 1844, Camden County was formed and Washington Township was "set off to that county". On February 28, 1871, the Township was put back into Gloucester County. Monroe Township was a part of Washington Township from 1836 until March 3, 1859, when that new township was incorporated. There have been a few minor boundary changes since 1871.

In addition to farming, early commercial activity included grist mills and sawmills. Today the Township is primarily a residential suburban community experiencing continued growth and development.

Location

The Township is within the Delaware Valley economic region, a tri-state region composed of eleven counties in the States of New Jersey, Pennsylvania and Delaware. It is a major transportation center, combining one of the largest port facilities in the world with extensive rail, air and interstate highway systems.

The Township falls within the Philadelphia, PA-NJ Metropolitan Statistical Area ("MSA"), a region, which includes Bucks, Chester, Delaware, Montgomery and Philadelphia Counties in Pennsylvania and Burlington, Camden, and Gloucester Counties in New Jersey. The population of New Jersey as a whole increased from 8,791,894 in 2010, to 9,288,994 in 2020, as determined by the United States Department of Commerce, Bureau of the Census. According to the 2020 Census, the population of Gloucester County increased from 288,288 in 2010 to 302,294 in 2020, an increase of 4.86 percent. The population of the Township has remained consistent in the last decade from 48,559 in 2010 to 48,677 in 2020.

Organization

The Township is governed by a Mayor and a five-member Township Council. The Mayor and members of the Township Council are elected for staggered four-year terms in elections held every two years. The Mayor and two members of Council are elected in one election and two years later, the other three members of Council are elected.

The Mayor is the Chief Executive Officer of the Township. The responsibilities of the Mayor include: execution and enforcement of laws of the State and ordinances of the Township, recommending to Council such measures as he/she deems necessary or appropriate for the health, safety, and welfare of the Township, and preparing and submitting the annual budget to Council for its consideration.

The responsibilities of Council, are, among others, to adopt the municipal budget and to enact ordinances to promote the health, safety, and welfare of the Township and its residents.

The Township's Business Administrator serves the Township on a full-time basis as its Chief Operating Officer and Director of Finance. As the Township's Chief Operating Officer, the Business Administrator is responsible for the daily operations of the Township, staffing and personnel matters, preparation and implementation of the budget, and Township receipts and disbursements.

The Township's Chief Financial Officer is the custodian of all public moneys of the Township and also serves as Treasurer.

The Township Clerk assists with administering the affairs of the Township, including attending Council meetings and providing for the taking and preparation of minutes thereof; compilation, preservation, indexing and publication of all ordinances and resolutions; and any other duties which Council may assign.

Police, Fire Protection and Emergency Services

The Township provides police protection through the employment of 83 full-time officers and ten special police officers. In 2021 the police department installed a new computer network, added vehicles and body cameras, added mounted and mobile radios, and has completed approximately 80% of the conversion from traditional police cruisers to more specialized sports utility vehicles (SUV's). The Township police department recently recertified its accreditation and Gold Standard in Public Safety. This is an accreditation that less than 1% of all law enforcement agencies in the US receive.

Fire protection is provided by a paid and volunteer network, separate and distinct from Township operations, which has its own taxing power. Ambulance service is provided by an autonomous volunteer network. The Township does not allocate an annual expenditure in the budget for this service, but does contribute \$16,419.00 to the fire district through a shared service agreement.

Library

The Margaret E. Heggan Free Public Library of the Township is open seven days per week, all year long. The library's collection includes books, movies, recorded books, magazines, music, and museum passes. There is always a reference librarian on duty to answer questions. The library contains separate adult, children, and teen computer areas and offers programs for babies, toddlers, and school-age children. There is also an ample collection of books, movies, music, and magazines for teenagers. It became a municipal library in 1991. It is located at 606 Delsea Drive and is 20,000 square feet. Residents can also enjoy the benefits of other area libraries as part of a three-county consortium.

Recreation

A number of services are provided by the Township and paid for from general revenues. The Parks and Recreation Department oversees Township parks, playgrounds and recreational activities. Washington Lake Park is home to several spring and summer events including movies, concerts, and a Super Saturday Town Fair. It is also host to multiple annual events that attract people from all over the area, including: a summer wine festival, the Summer Taco Palooza event, National Night Out, and a Fall Food Truck & Music Festival. The park contains three playgrounds – two of which are handicap accessible and a new state of the art playground that includes a rock wall and parent/child swing set. Additionally, the Township has completed the rejuvenation of Cedar Lake, incorporating it into Washington Lake Park complex as a whole. This has included a new fishing dock (to be annually stocked with fish), rejuvenation of the lake itself, additional walking and hiking trails, added parking areas, as well as a new dog park facility within the Cedar Lake area. Recreational activities in the Township include eleven organized sports and over thirty summer programs. In addition, the recreational department offers summer discount theme park ticketing.

Transportation

The Township is located on the North-South Freeway (State Highway 42) at the beginning of the Atlantic City Expressway, approximately twenty minutes from downtown Philadelphia, the Philadelphia International Airport, and the main hub of AMTRAK and New Jersey Transit's Northeast Corridor Train Service. Interstate Routes 295, 95, 676, and the New Jersey Turnpike are less than ten minutes away. Local train service is available from nearby Woodbury (the County seat) or the Lindenwold High Speed Line operated by PATCO. The Township is serviced by New Jersey Transit Bus Service. Newark International Airport is approximately ninety minutes away, center city Manhattan, New York City two hours, and the Delaware Memorial Bridge forty minutes.

Hospital

Washington Township has become known as a major medical hub in South Jersey. Cooper Medicine, Penn Medicine, Rothman Institute, Virtua Health Systems, and Jefferson Health Hospital all have several medical locations within the Township. Jefferson Health, Washington Township, currently offers 230 acute care beds, a 111-bed long-term care facility, and a 79-bed sub-acute rehabilitation center. Also offered are multiple ambulatory services, 24-hour emergency services, inpatient and outpatient services, and diagnostic programs. In addition, Jefferson Health houses Gloucester County's only Level 3 Neonatal Intensive Care Unit (NICU), providing life-saving care for the most fragile infants.

In 2021, Jefferson Health completed a \$222 million expansion. The expansion features an 8-level enclosed parking facility, which houses 835-plus parking spaces; and an 180,000 square-foot, 7-floor hospital patient tower with approximately 90 all-private patient rooms. The construction provided \$170 million direct, and an estimated \$200 million indirect investment in community while providing more than 2,200 construction jobs.

Trash and Recyclables

Trash, including recyclables, is collected on behalf of the Township by a private contractor, Suburban Disposal, Inc. ("Suburban"). The Township has a three-year contract with Suburban expiring July 31, 2027, with two optional one-year extensions. Residential trash is directed to Wheelabrator Gloucester County, Westville, New Jersey or Gloucester County Improvement Authority, Woodbury, New Jersey for disposal. Recyclable materials are processed by Omni Recycling, with whom the Township has a five-year contract which runs from March 1, 2021 through February of 2026. At the present time, the cost per ton for disposal is \$53.26.

Washington Township Municipal Utilities Authority

The Washington Township Municipal Utilities Authority ("Authority"), a public body corporate and politic of the State, was created pursuant to an ordinance duly adopted on June 22, 1962, as amended by Ordinance No. 10 duly adopted July 17, 1985, by the Township Council of the Township. The Authority was created for the purpose of constructing and operating a sanitary sewerage system for the proper collection and disposal of certain sanitary sewerage and other wastes arising within the Township and a water distribution system within the Township.

Water Service

The Authority provides water service to Township residents. The Authority currently has sixteen wells in operation with a 13 million gallon per day output maximum. Additional storage tanks exist with a capacity of ten million gallons.

Residents pay a minimum quarterly charge of \$29.00 for 10,000 gallons of water. The water rates for usages greater than 10,000 gallons are based on a tiered system. The price per 1,000 gallons is indicated in the following schedules.

WATER RATES (Per Quarter)

Residential (5/8" Meter)

0	-	10,000	=	\$29.00 min.
10,000	-	35,000	=	\$1.85 per 1,000
35,001	-	60,000	=	\$3.15 per 1,000
60,001	-	85,000	=	\$4.15 per 1,000
85,001	-	125,000	=	\$5.55 per 1,000
125,001	-	200,000	=	\$8.55 per 1,000
200,000	-	and up	=	\$10.55 per 1,000

Commercial (5/8" Meter)

0	-	10,000	=	\$39.00 min.
10,001	-	50,000	=	\$1.91 per 1,000
50,001	-	75,000	=	\$3.05 per 1,000
75,001	-	100,000	=	\$4.05 per 1,000
100,000	-	and up	=	\$5.05 per 1,000

Water Service

Apartments

All gallonage allowances are per apartment

0	-	5,000	=	\$34.00 per apt.
5,001	-	15,000	=	\$1.91 per apt., per 1,000
15,001	-	30,000	=	\$3.05 per apt., per 1,000
30,001	-	and up	=	\$10.55 per apt., per 1,000

Industrial (5/8" Meter)

0	-	10,000	=	\$39.00 min.
10,001	-	50,000	=	\$1.91 per 1,000
50,001	-	75,000	=	\$2.55 per 1,000
75,001	-	100,000	=	\$4.05 per 1,000
100,000	-	and up	=	\$5.05 per 1,000

Sewer Service

The Authority provides sewer service to the Township residents. The fixed rate is \$76.00 per quarter with a variable rate of \$1.80 per 1,000 gallons based on water consumption during the previous winter quarter.

Most residents in developments are connected to the Authority's system. The Authority currently has approximately 17,500 customers serviced by its water and sewer system.

Personnel

The Township employs 179 persons on a full-time year-round basis and 82 (261 Total) persons on a part-time basis, of whom 83 of the full-time personnel are police officers.

Employee Collective Bargaining Units

The Township maintains collective bargaining relationships with the following organizations:

- (1) The American Federation of State, County and Municipal Employees (AFSCME – Clerical, Local 3303L), with a four-year contract from January 1, 2021 through December 31, 2024.
Currently negotiating a new contract.
- (2) The American Federation of State, County and Municipal Employees (AFSCME – Blue Collar / Public Works, Local 3303A), with a six-year contract from January 1, 2020 through December 31, 2025.
- (3) The American Federation of State, County and Municipal Employees (AFSCME – Municipal Services Supervisors & Coordinators, Local 3303S), with a six-year contract from January 1, 2021 through December 31, 2026.
- (4) Police Benevolent Association of New Jersey, Local 318, with a four-year contract from January 1, 2024 through December 31, 2027.
- (5) Policemen's Benevolent Association of New Jersey, Police Sergeant's Association, Local 318, with a four-year contract from January 1, 2024 through December 31, 2027.
- (6) Superior Officers Association, Fraternal Order of Police, Lodge 86, with a five-year contract from January 1, 2022 through December 31, 2026.

Township Population (1)

2020 Federal Census	48,677
2010 Federal Census	48,559
2000 Federal Census	47,114
1990 Federal Census	41,960
1980 Federal Census	27,878

Selected Census 2023 Data for the Township (1)

Median household income	\$114,520
Per capita income	51,906

Labor Force (2)

The following table discloses current labor force data for the Township, County and State.

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Township					
Labor Force	25,733	25,820	26,421	26,957	27,093
Employment	23,483	24,301	25,504	25,949	26,043
Unemployment	2,250	1,519	917	1,008	1,050
Unemployment Rate	8.7%	5.9%	3.5%	3.7%	3.9%
County					
Labor Force	156,419	157,695	161,384	165,120	166,130
Employment	142,386	147,614	155,189	158,213	158,789
Unemployment	14,033	10,081	6,195	6,907	7,341
Unemployment Rate	9.0%	6.4%	3.8%	4.2%	4.4%
State					
Labor Force	4,643,700	4,654,243	4,756,002	4,867,113	4,898,008
Employment	4,204,301	4,342,075	4,572,879	4,659,779	4,676,064
Unemployment	439,399	312,168	183,123	207,334	221,944
Unemployment Rate	9.5%	6.7%	3.9%	4.3%	4.5%

Business and Industry

Washington Township continues to enjoy growth within the residential and commercial sectors, including healthcare. Within the last few years, through hospital provider Jefferson Health, Washington Township has welcomed a new 7-floor, 60 patient all suite state-of-the-art patient tower (with room for 60 additional patient rooms in the future) at a cost of \$182 million. In addition, an 8-level, 800-plus hospital parking garage at a cost of \$23 million and their largest 30,000sf medical practice in NJ were constructed. Jefferson alone employs 2,200 at all of their facilities within the township. A new 30,000 sf memory care facility was constructed. The facility is operated by Juniper, a multi-state operator and the first women-founded and women-operated assisted living chain in the US.

On the commercial retail front, since January 2025, 55 businesses applied for business permits. To date, that number represents a 30% increase from 2024 during the same time period. Major retailers opened such as Floor & Decor (254 stores in 38 states), Michael's Crafts (1,300 stores in 49 states), and Burlington (Fortune 500, 1,108 stores) and a new development commitment from Sprouts Market (440 stores nationwide) will bring a new Sprouts Market to Washington Township in 2026.

(1) Source: U.S. Department of Commerce, Bureau of Census

(2) Source: New Jersey Department of Labor

Other notable retailers recently opening in Washington Township include: First Watch, Raising Cane's, Chipotle (2 locations), Crumbl Cookies, AAMCO transmissions, 7 Brew, Hallmark, Kidstrong, Starbucks (4th in Washington Twp.), Dollar General (second location in the Township). New children's entertainment operators opened, including: Fun City (expansion) and Monster Golf and SkyZone will open in a former Bed Bath & Beyond space later in 2025. Some of the largest retail REIT operators with shopping centers in the Township indicated they are at the highest occupancy levels since construction of the centers over 30 years ago. Moreover, every retail vacancy over 11,000sf has been leased.

New construction commercial projects include: South Jersey Periodontics (new, 10,000sf building under construction next to existing 8,000sf building), Jefferson Hospital 30,000sf specialty practices, redevelopment of a 66,000sf light industrial building, new WaWa building, new Burger King, Life Storage, 2 new fuel facilities operated by VP Fuels, and a new \$18 million retail development commencing in fall 2025, which will include a new 40,000sf KIA facility and a separate tire operation plus an additional pad. Other new commercial developments in the planning stage include: CarMax wholesale facility and a mixed-use project which will include over 300,000sf of light industrial and a 200-unit residential project. An additional 700,000sf industrial project was approved in 2024.

Residential growth will grow quite rapidly over the next few years with multiple residential townhouse projects in the planning stages. Given the success of recent townhouse projects within Washington Township and the State of New Jersey's Affordable Housing requirements, 4 major residential projects are in the advanced phase. Each project will contain approximately 300 units and yield close to 1,200 residential units in total. An additional 288-unit townhouse project has already been approved and will commence construction in late 2025. The developer, DR HORTON is the largest building in the US. Lennar, the second largest builder, will build in two separate developments totaling approximately 600 units.

Building, Zoning and Development Codes

The Township has established development regulations governing the size of lots for various types of construction. The land requirements are based on the type and nature of the building.

The Township building codes conform to standards of the Uniform Construction Code of New Jersey. These codes and other municipal codes are codified as a basis for improved administration and regulation.

The Township's Municipal Land Use Law gives the Township Zoning Board of Adjustment authority to regulate most land use other than family residential use. In this way, the Township is able to guide the approximate use or development of land to promote the public health, safety, morals and general welfare.

Building Permits (1)

<u>Year</u>	<u>Number of Permits Issued</u>	<u>Value of Construction</u>
2025 (2)	1,241	\$24,814,205
2024	2,391	\$64,839,732
2023	2,394	\$60,323,852
2022	2,487	\$40,646,759
2021	2,854	\$57,683,618
2020	2,399	\$51,025,969

(1) Source: Township's Construction office
 (2) As of June 30, 2025

TEN LARGEST NON-GOVERNMENTAL EMPLOYERS (1)

<u>Employer</u>	<u>Type of Business</u>	<u>Approximate Number of Employees</u>
Thomas Jefferson Hospital	Health Care	700
Walmart	Retail Store	385
Virtua Health Care	Health Care	250
Bottino's Shoprite	Supermarket	240
Health Care Center at Washington Township	Assisted Living	180
Home Depot	Retail Store	170
Kohl's	Retail Store	154
Lowes	Retail Store	150
Target	Retail Store	140
At Home	Retail Store	100
AcmeMarkets	Supermarket	95

GENERAL INFORMATION ON THE SCHOOL DISTRICT (2)

Education

The Washington Township Board of Education ("Board" when referring to the governing body and "School District" when referring to the legal entity governed by the Board) is a Type II School District functioning through a nine-member board elected for three-year terms. The School District operates six elementary schools, three middle schools, one high school complex, and one pre-school/kindergarten center, providing educational services for grades pre-kindergarten through twelve.

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT SCHOOL ENROLLMENTS (3)

<u>Grade</u>	<u>June 30,</u>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
K	477	502	534	472	448
1	461	510	407	472	469
2	439	453	461	456	472
3	411	516	428	436	465
4	467	531	461	453	466
5	451	559	483	460	471
6	485	594	483	513	473
7	502	579	513	490	513
8	497	533	494	558	483
9	440	516	432	487	506
10	446	519	464	474	487
11	437	514	439	479	474
12	459	516	517	500	486
Special Education	1025	1286	971	1093	988
Totals	<u>6,997</u>	<u>8,128</u>	<u>7,087</u>	<u>7,343</u>	<u>7,201</u>

(1) Source: Respective Employers

(2) Source: School District officials

(3) Source: Application for State School Aid

Present School Facilities, Enrollment and Capacity (1)

<u>Name of School</u>	<u>Date Constructed</u>	<u>Renovations/ Additions</u>	<u>Grades</u>	<u>Enrollment June 30, 2024</u>	<u>Functional Capacity</u>
Bells Elementary School	1969	1997	1-5	554	675
Birches Elementary School	1969	1997	1-5	453	675
Thomas Jefferson Elementary School	1980	1997	K-5	484	675
Hurffville Elementary School	1959	1997	1-5	558	675
Grenloch Terrace	1940	1991	K	276	600
Wedgewood Elementary School	1969	1997	1-5	471	675
Whitman Elementary School	1965	1997	K-5	551	675
Chestnut Ridge Middle School	1989		6-8	654	900
Orchard Valley Middle School	1989		6-8	526	900
Washington Township High School	1961, 1980	1997	9-12	2105	3200
Bunker Hill Middle School	1997		6-8	578	900
Totals				<u>7,210 (2)</u>	<u>10,550</u>

HIGHER EDUCATION FACILITIES

Rowan College of South Jersey

Rowan College of South Jersey ("College"), formerly known as Rowan College at Gloucester County and Gloucester County College, is a public community college with two campuses, one in Sewell and one in Vineland. The College was established in 1966 as Gloucester County College. In 2014 the College changed its name to Rowan College of Gloucester County when Rowan University and Gloucester County College entered into a partnership. The College then expanded in 2019, combining Rowan College at Gloucester County and Cumberland County College to become Rowan College of South Jersey. The College now offers conditional dual enrollment with Rowan University depending on GPA. While Gloucester County College took the Rowan name, the community college maintains its independence with its own Board of Trustees and administration.

Total enrollment for the fall 2024¹ semester was 5,217 students. In addition, the College's Division of Career and Technical Education provides various educational, career training and personal enrichment courses, as well as outreach programs, to community residents.

The College offers more than 120 academic programs in a full spectrum of career fields. The College also maintains a well-rounded cultural, artistic and sports calendar of events.

A number of selective admission programs related to the allied-health field, including nursing, diagnostic medical sonography (DMS) and nuclear medicine technology (NMT) are available at the College.

The College awards both certificate and associate degrees leading to immediate career and transfer opportunities. With an extensive record of matriculation agreements with four-year colleges and universities, graduates are able to transfer seamlessly into baccalaureate and master degree programs. The College added an automatic-dual acceptance initiative with five (5) four-year universities which makes earning a bachelor's degree an uncomplicated progression with added benefits. The College's educational partners offer a variety of programs and incentives to the College graduates ranging from tuition discounts to obtaining a bachelor's degree on the College campus.

(1) Source: School District officials

(2) Excludes 111 Out of District students

¹ Represents the latest data available. (Unaudited)

In September 2024, the 15,216 square foot addition to the Nursing and Health Professions Center was opened.

In November 2024, the 3,900 square foot addition to the Steven M. Sweeney Center for Neurodiversity was opened.

The College constructed a 27,390 square-foot Health Science Center with classes beginning in September of 2023.

Located on 250 acres in Deptford Township, New Jersey, the College's main campus also houses the Career and Technical Education Center that will provide wind turbine technician training for employers in the offshore wind industry.

In addition to the above several other recent projects have been completed including a one-story economic development center to house the New Jersey Department of Labor and Workforce Development, the Gloucester County Chamber of Commerce and the Gloucester County Economic Development Department. In addition, a two-story, 56,000 square-foot medical and academic building for Rowan School of Osteopathic Medicine. The Health Sciences Center was also completed.

Rowan University

Today, Rowan is a selective, medium-sized national public research university located primarily in Glassboro, New Jersey. It is recognized for its nationally ranked academic and athletic programs, talented professors, and high-tech facilities. Rowan prides itself on being able to provide its nearly 23,000 students an outstanding education at an exceptional value.

The University's approved degree programs as of June 30, 2024, include 101 bachelor's degrees, 60 master's degrees, 16 doctoral degrees (Ed.D. and Ph.D.) and two professional degrees, a Doctor of Medicine (M.D.) and a Doctor of Osteopathic Medicine (D.O.). A Doctor of Veterinary Medicine degree has also been approved and the University plans to admit its first class of students in Fall 2025.

Rowan is continually recognized for excellence by top organizations including *U.S. News & World Report*, *Forbes*, the *Chronicle of Higher Education* and the website *College Factual*.

For 2025, *U.S. News & World Report* ranked Rowan #171 among national research universities and #92 among public research universities. Rowan was also recognized in the following categories:

- Best Value Schools – National Universities, #98
- Best Colleges for Veterans – National Universities, #120
- Social Mobility – National Universities, #211

The Chronicle of Higher Education recognized Rowan as the nation's 3rd fastest-growing research university in the U.S. in August of 2024. The Princeton Review ranked Rowan's entrepreneurship program #1 in New Jersey and #4 in the Northeast.

LOCATIONS

The University's main campus, on approximately 200 acres in the southern New Jersey town of Glassboro, is about 20 minutes southeast of Philadelphia and about one hour west of Atlantic City. It is approximately two hours from New York City and just a two-and-a-half-hour drive to Washington, D.C. The locale provides students all of the advantages of a suburban campus plus opportunities for entertainment, cultural events, and professional opportunities in major east coast metropolises and the nation's capital.



Beyond Glassboro, the University has a campus in Camden, one of its two medical schools with facilities in both Stratford and Sewell, and Rowan Medicine, as defined herein, also has practice sites in the New Jersey counties of Atlantic, Burlington, Camden, Cumberland and Gloucester.

Rowan acquired approximately 600 acres of open space in Glassboro and neighboring Harrison and Mantua Townships, some of which is home to the South Jersey Technology Park (SJTP) at Rowan University. A portion of the land on that parcel informally referred to as the “West Campus” was developed into athletic fields. In May of 2016, Rowan sold 100 acres of West Campus land in Harrison Township to Inspira Health Network of New Jersey (“Inspira”). Inspira broke ground in May 2017 on its new \$349 million, 467,000 square foot, 204-bed medical center which opened in December 2019. It currently employs 1,400 workers and provides Rowan with a wide range of educational opportunities. It also attracts health-care providers, researchers, and businesses to the area. The Rowan University Shreiber School of Veterinary Medicine (“Shreiber SVM”) building will also be located on the West Campus. Designed as a multipurpose learning environment, the envisioned 167,000 square foot complex will include a veterinary hospital, academic building, and research space housing the School of Translational Biomedical Sciences.

Glassboro: The Glassboro campus has transformed over the last decade, with more than 815,600 square feet of expansion and new development since the fall of 2015. This transformation has increased the Glassboro campus infrastructure to 78 buildings, ranging from Bunce Hall, the first building on campus, which houses a theater, classroom space, administrative offices, as well as the College of Humanities and Social Sciences, to approximately 6,450 beds in 7 residence halls and 9 apartment communities owned by the University or privately owned and operated through public-private partnership or affiliation agreements.

West Campus: The West Campus houses the SJTP and CREATEs Hanger. The Schreiber School of Veterinary Medicine “Shreiber SVM” and the Rowan-Virtua Rita & Larry Salva School of Nursing & Health Professions building are currently under construction which will bring the total number of buildings on the West Campus to four. The Shreiber SVM will be the first school of veterinary medicine in New Jersey when it opens for the Fall of 2025.

Camden: Since the acquisition of the historic First National Bank and Trust Company building in 2009, the Camden campus has enabled the University to offer new degree programs that are relevant to the urban mission of the campus, including Law and Justice Studies, Human Services, Sociology, and Disaster Preparedness and Emergency Management. Camden also houses the Intensive English Language Program and dual credit programs with the Camden City School District and the LEAP Academy Charter School. Also on the Camden campus is the Medical Education

Building (“MEB”), which houses CMSRU. The MEB is located adjacent to the school’s primary clinical affiliate, Cooper University Hospital, on the health campus in Camden. The facility features Active Learning Rooms, a large auditorium, a Learning Commons, a Clinical Simulation Center, and multiple floors of instructional and research lab space.

Stratford: The Rowan-Virtua SOM Campus contains four major buildings, spanning 400,000 square feet: the 120,000 square foot Academic Center, the 100,000 square foot Science Center, the 120,000 square foot University Doctors Pavilion, and the 60,000 square foot University Education Center. These buildings house the Rowan University School of Osteopathic Medicine, a Graduate School of Biomedical Sciences, and portions of Rowan-Virtua SOM’s faculty practice plan (“Rowan Medicine”).

Mantua Township: The Jean & Ric Edelman Fossil Park (“Fossil Park”), a 44,000 square foot museum and dig site that opened in March 2025 provides researchers with the best window, east of the Mississippi, into the Cretaceous Period – the heyday of dinosaurs. The Fossil Park is five miles from Main Campus and will be part of the University’s School of Earth & Environment. In addition to the Fossil Park, the Rowan Medical Center in Sewell is located on the Gloucester County campus of RCSJ and is the home for the Rowan Integrated Special Needs (“RISN”) Center. In September 2024, construction began on 12,389 square foot addition that will expand degree offerings to meet the health care needs of the region and nation with a new Master of Physician Assistant (PA) Studies program. The new building will feature a state-of-the-art simulation center, a clinical skills lab, and a fully equipped modern cadaver anatomy lab.

Cumberland County: The Rowan Medicine Building – Cumberland houses the NeuroMusculoskeletal Institute (“NMI”), the Child Abuse Research Education and Service (“CARES”) Institute and the RISN Center Clinical Practices.

Gloucester County Institute of Technology

The Gloucester County Institute of Technology (GCIT) is a four-year public vocational-technical high school located at 1360 Tanyard Road in Deptford Township, New Jersey. Established in 1971, GCIT operates under the Gloucester County Vocational-Technical School District and serves students in grades 9-12 across Gloucester County. GCIT is recognized as one of the top public high schools in New Jersey and the Philadelphia area.

GCIT offers a diverse range of Career and Technical Education (CTE) and academic programs designed to prepare students for both higher education and immediate entry into the workforce. As of the 2024-2025 school year, the school provides 18 full-time programs of study (www.gcit.org). Admission to GCIT is competitive, with approximately 450 students accepted each year, and the selection process considers academic performance from 7th – 8th graders, and standardized test scores. As of the 2023-2024 school year, GCIT had an enrollment of 1,639 students with a student-to-teacher ratio of 15:1.

In addition to high school secondary programs, GCIT offers post-secondary and apprenticeship programs for adult learners and high school graduates seeking advanced education and career training. These programs are designed to help adult learners acquire industry-recognized credentials and prepare for successful careers. As an official recognized, registered apprenticeship site with the United States Department of Labor (USDOL), in collaboration with local labor unions and businesses, GCIT offers apprenticeship programs in Electrical, HVAC, and Plumbing. These programs combine classroom instruction with on-the-job training, providing a comprehensive pathway to skilled trades careers.

GCIT actively engages with the community by offering various services to the local community through its specialized programs. Automotive and Cosmetology services, the Fresh Start Bakery, the school’s fitness center, and the pool are services offered to all Gloucester County residents. GCIT students actively participate in several community-focused events and organizations, including City of

Hope Walk, Style-A Thon, Out of the Darkness Suicide Prevention Walk, Love Our Vets, and HOSA Blood Drive. The School Based Youth Services (SBYS) program at GCIT offers counseling to GCIT students, addressing issues like stress, depression, and family problems. For more information, visit the official website at www.gcit.org.

Schools for Neurodiversity at Gloucester County Special Services School District

The Schools for Neurodiversity provides a wide range of educational services to the families of the County. The Schools for Neurodiversity serves children with special needs from birth to age 21. The enrollment for the 28-acre Bankbridge complex in Deptford, as of May 15, 2025, was 515 neurodivergent students. It is the mission of the Gloucester County Special Services School District (GCSSSD) to enable students to become:

- Life-long learners
- Positive contributors to the community
- Problem solvers
- Productive workers
- Ethical decision-makers
- It is the expectation of the Gloucester County Special Services School District that all pupils achieve the NJCCCS at all grade levels.

Bankbridge Regional School opened its doors in September 2000 and serves secondary level students who have special needs. In September 2002, The School for Neurodiversity opened Bankbridge Elementary School. The elementary school is located next to Bankbridge Regional and serves special needs students from pre-kindergarten to grade five (5).

The Bankbridge Development Center ("BDC") opened in 2007. With an emphasis on developing skills in the areas of communication, socialization, and independence, the BDC strives toward helping students become participating and contributing members of their community. Education, advocacy, public awareness efforts, and the promotion of research form the cornerstones of the activities.

Together, they can: promote lifelong access and opportunity for all individuals within the autism spectrum and/or multiply disabled.

BDC student outcome goals include, but are not limited to:

- The development of a functional communication system in order to increase interaction and enhance adaptive behaviors.
- Effectively providing functional, skill-based instruction to develop each student's social, behavioral and academic abilities.
- Providing students with the skills necessary to become contributing and functional members of society.

The staff at BDC is dedicated to educating and supporting the special needs students who attend that campus. Each classroom and specialty area has been carefully designed to provide an encouraging but challenging learning environment to help the children reach their maximum potential. The programs are tailored to meet the specific needs of each child. The philosophy, goals, and objectives of the BDC reflect the diversity of the children they serve. Programs are designed to meet their educational, social, and emotional needs.

In addition to the schools, the Schools for Neurodiversity provide the following services to support the special needs children of the County:

(i) the Early Intervention Program for children from birth to age 3 and their families; and (ii) the Center for Regional Education Support Services (CRESS) which provides professional services to the school districts in the County and the County of Camden.

The Schools for Neurodiversity also provides support to nonpublic students through their schools including remedial programs, speech-language therapy and curriculum purchasing. The Schools for Neurodiversity's Special Projects Program provides Migrant Services to more than 3,000 students and families throughout the southern region of New Jersey.

CERTAIN TAX INFORMATION TEN LARGEST REAL PROPERTY TAXPAYERS (1)

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	2025	
		Assessed	Valuation
Cars DB5 LP	Auto Sales	\$	38,289,600
Virtua West Jersey c/o Altus Group	Healthcare		36,428,000
Society Hill Apartment Associates LP	Apartments		32,079,000
Centro Bradley c/o Ryan LLC	Retail Stores		23,500,000
Wal-Mart Property c/o Ryan LLC	Retail Stores		20,176,500
Birches Realty c/o Sigma Mgmt Co	Apartments		17,596,000
Washington Center LLC	Retail Stores		17,317,000
Turnersville Interestate LLC	Retail Stores		15,960,000
BRE RC Cross Keys NJ LLC	Retail Stores		13,971,500
Target Corp	Retail Stores		13,500,000

CURRENT TAX COLLECTIONS (2)

<u>Year</u>	<u>Total Levy</u>	<u>Collected in Year of Levy</u>		<u>Balance Dec. 31</u>	
		<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2024 (3)	\$ 175,062,693	\$ 174,399,950	99.62%	\$ 134,024	0.08%
2023	169,690,840	169,223,321	99.72%	17,988	0.01%
2022	165,032,355	164,608,188	99.74%	22,910	0.01%
2021	162,788,145	162,490,469	99.82%	15,454	0.01%
2020	159,787,536	159,489,538	99.81%	10,379	0.01%

(1) Source: Gloucester County Tax Assessor

(2) Source: Annual Reports of Audit, unless otherwise indicated

(3) Information from Annual Compiled Financial Statement

DELINQUENT TAXES (1)

<u>Year</u>	<u>Outstanding</u>		<u>Collected</u>		<u>Transferred to Liens</u>	<u>Other Credits</u>	<u>Balance Dec. 31</u>
	<u>Jan. 1</u>	<u>Added</u>	<u>Amount</u>	<u>Percentage</u>			
2024	(2) \$ 18,019	\$ 7,401	\$ 25,421	100.00%	\$ -	\$ -	\$ -
2023	22,928	311,921	72,144	21.55%	-	262,673	32
2022	15,522	137,536	80,152	52.37%	-	72,889	17
2021	10,407	5,125	11,439	73.65%	-	4,025	68
2020	26,602	17,487	40,580	92.04%	29	3,451	28

TAX TITLE LIENS (1)

<u>Year</u>		<u>Balance</u>	<u>Added by</u>	<u>Collected</u>	<u>Cancellations/ Foreclosures</u>	<u>Balance</u>
		<u>Jan. 1</u>	<u>Sales and Transfers</u>			<u>Dec. 31</u>
2024	(2)	\$ 1,777,730	\$ 178,245	\$ 35,715	\$ -	\$ 1,920,260
2023		1,657,605	149,680	11,281	18,274	1,777,730
2022		1,763,215	188,174	293,784	-	1,657,605
2021		1,635,160	193,957	65,902	-	1,763,215
2020		1,538,408	233,796	137,044	-	1,635,160

FORECLOSED PROPERTY (1)(3)

<u>Year</u>		<u>Balance</u>	<u>Added By</u>	<u>Sales of</u>	<u>Balance</u>
		<u>Jan. 1</u>	<u>Transfer</u>	<u>Property</u>	<u>Dec. 31</u>
2024	(2)	\$ 1,494,500	\$ -	\$ -	\$ 1,494,500
2023		1,494,500	-	-	1,494,500
2022		1,300,025	287,075	109,949	1,494,500
2021		1,300,025	-	-	1,300,025
2020		1,300,025	-	-	1,300,025

(1) Source: Annual Reports of Audit, unless otherwise indicated

(2) Information from Annual Compiled Financial Statement

(3) These amounts are reflected on the basis of assessed value in the year of acquisition in accordance with the regulation of the Division of Local Government Services. These amounts represent the property acquired for taxes and by deed by the Township of Washington.

NET ASSESSED VALUATIONS AND ANNUAL TAX RATES (1)

<u>Year</u>	<u>Net Valuation Taxable</u>	<u>Tax Rate (2)</u>				
		<u>Total Rate</u>	<u>County</u>	<u>Local School</u>	<u>Municipal</u>	<u>Fire District</u>
2025	\$ 4,719,954,400	N/A	N/A	N/A	N/A	N/A
2024	4,723,988,900	\$ 3.699	\$ 0.688	\$ 2.066	\$ 0.762	\$ 0.183
2023	4,722,105,100	3.595	0.715	2.007	0.697	0.176
2022	4,738,268,675	3.477	0.711	1.956	0.651	0.159
2021	4,725,112,369	3.433	0.718	1.920	0.648	0.147
2020	4,711,528,046	3.381	0.719	1.890	0.633	0.139

RATIO OF ASSESSED VALUATION TO TRUE VALUE AND TRUE VALUE PER CAPITA(3)

<u>Year</u>	<u>Real Property Assessed Valuation</u>	<u>Percentage of True Value</u>	<u>True Value</u>	<u>True Value per Capita (4)</u>
2025	\$ 4,716,661,500	65.88%	\$ 7,159,474,044	\$ 147,081
2024	4,723,988,900	72.77%	6,491,670,881	133,362
2023	4,722,105,100	78.78%	5,994,040,493	123,139
2022	4,732,998,115	89.87%	5,266,493,952	108,193
2021	4,720,001,615	95.83%	4,925,390,394	101,185

REAL PROPERTY CLASSIFICATION (1)

<u>Year</u>	<u>Assessed Value of Land and Improvements</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Farmland & Industrial</u>	<u>Apartments</u>
2025	\$ 4,716,661,500	\$ 47,373,200	\$ 3,803,757,100	\$ 796,305,300	\$ 18,556,900	\$ 50,669,000
2024	4,723,988,900	49,496,900	3,802,964,000	804,644,400	16,214,600	50,669,000
2023	4,722,105,100	51,254,400	3,800,676,800	803,221,800	16,114,100	50,838,000
2022	4,732,998,115	50,472,600	3,798,455,400	818,554,615	14,677,500	50,838,000
2021	4,720,001,615	55,280,300	3,780,486,000	818,726,015	14,671,300	50,838,000

(1) Source: Gloucester County Tax Assessor

(2) Per \$100 of assessed valuation

(3) Source: State of New Jersey, Department of Treasury, Division of Taxation

(4) Based on Census 2020 of 48,677

**TOWNSHIP OF WASHINGTON
STATEMENT OF INDEBTEDNESS (1)**

The following table summarizes the direct debt of the Township of Washington as of December 31, 2024. The gross debt comprises long and short-term debt issued and debt authorized but not issued, including General and debt of the School District. Deductions from gross debt to arrive at net debt include deductible school district debt. The resulting net debt of \$50,970,510.47 represents .777% of the average of equalized valuations for the Township for the last three years, which is within the 3.5% limit imposed by N.J.S.A. 40A:2-6.

	Debt Issued			Authorized but not <u>Issued</u>	Gross <u>Debt</u>	<u>Deductions</u>	Net <u>Debt</u>
	<u>Bonds</u>	<u>Loans</u>	<u>Notes</u>			<u>School Debt</u>	
General	\$29,555,000	\$56,595	\$21,358,915		\$50,970,510		\$50,970,510
School District	6,445,000				6,445,000	\$6,445,000	
	<u>\$36,000,000</u>	<u>\$56,595</u>	<u>\$21,358,915</u>	<u>\$0</u>	<u>\$57,415,510</u>	<u>\$6,445,000</u>	<u>\$50,970,510</u>

(1) As of December 31, 2024

Source: Township Annual Debt Statement

**TOWNSHIP OF WASHINGTON
DEBT RATIOS AND VALUATIONS (1)(2)**

Average of Equalized Valuations of Real Property with Improvements and Second Class Railroad for 2022, 2023 and 2024	\$6,555,848,730
Statutory Net Debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2022, 2023 and 2024	0.777%
2024 Net Valuation Taxable	\$4,723,988,900
2024 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	\$6,491,670,881
Gross Debt (3):	
As a percentage of 2024 Net Valuation Taxable	1.22%
As a percentage of 2024 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	0.88%
Net Debt (3):	
As a percentage of 2024 Net Valuation Taxable	1.08%
As a percentage of 2024 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	0.79%
Gross Debt Per Capita (4)	\$1,180
Net Debt Per Capita (4)	\$1,047

TOWNSHIP BORROWING CAPACITY (1)(2)

3.5% of Averaged (2022-24) Equalized Valuation of Real Property including Improvements (\$6,555,848,730)	\$229,454,706
Net Debt	<u>50,970,510</u>
Remaining Borrowing Capacity	<u>\$178,484,195</u>

LOCAL BOARD OF EDUCATION BORROWING CAPACITY (1)(2)

4% of Averaged (2022-24) Equalized Valuation of Real Property including Improvements (\$6,555,848,730)	\$262,233,949
School Debt	<u>6,445,000</u>
Remaining Borrowing Capacity	<u>\$255,788,949</u>

(1) As of December 31, 2024

(2) Source: Township Audit Report

(3) Excluding overlapping debt

(4) Based on 2020 Federal Census of 48,677

**TOWNSHIP OF WASHINGTON
OVERLAPPING DEBT
AS OF DECEMBER 31, 2024**

	DEBT ISSUED				Debt Auth. but not Issued
	<u>Debt Outstanding</u>	<u>Deduction</u>	<u>Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to the Issuer</u>	
County of Gloucester (1):					
General	\$ 239,268,000	\$ 19,131,039 (2)	\$ 220,136,961	\$ 36,828,914 (4)	
Bonds Issued by Other Public Bodies					
Guaranteed by the County	100,041,911	100,041,911 (3)	-		
	<u>\$ 339,309,911</u>	<u>\$ 119,172,950</u>	<u>\$ 220,136,961</u>	<u>\$ 36,828,914</u>	<u>\$ -</u>

(1) Source: County's Annual Debt Statement

(2) Includes Reserve for Payment of Debt and County College Bonds.

(3) Deductible in accordance with N.J.S. 40:37A-80.

(4) Such debt is allocated as a proportion of the Issuer's share of the total 2024 Net Valuation on which County taxes are apportioned, which is 16.73%.

**TOWNSHIP OF WASHINGTON
SCHEDULE OF DEBT SERVICE (1)
(BONDED DEBT & LOANS)**

<u>Year</u>	<u>General Debt - Serial Bonds</u>			<u>General Debt - New Jersey Green Acres Loans</u>			<u>Grand Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2025	\$ 2,515,000.00	\$ 769,537.52	\$ 3,284,537.52	\$ 8,237.68	\$ 1,090.92	\$ 9,328.60	\$ 3,293,866.12
2026	2,555,000.00	695,262.52	3,250,262.52	8,403.26	925.35	9,328.61	3,259,591.13
2027	2,590,000.00	619,512.52	3,209,512.52	8,572.17	756.45	9,328.62	3,218,841.14
2028	2,625,000.00	542,462.52	3,167,462.52	8,744.47	584.14	9,328.61	3,176,791.13
2029	2,660,000.00	463,712.52	3,123,712.52	8,920.24	408.38	9,328.62	3,133,041.14
2030	2,705,000.00	387,175.02	3,092,175.02	9,099.53	229.09	9,328.62	3,101,503.64
2031	2,750,000.00	316,056.26	3,066,056.26	4,618.12	46.18	4,664.30	3,070,720.56
2032	2,280,000.00	250,331.26	2,530,331.26				2,530,331.26
2033	2,330,000.00	196,406.26	2,526,406.26				2,526,406.26
2034	2,385,000.00	141,156.26	2,526,156.26				2,526,156.26
2035	2,450,000.00	83,843.76	2,533,843.76				2,533,843.76
2036	855,000.00	41,146.88	896,146.88				896,146.88
2037	855,000.00	13,893.75	868,893.75				868,893.75
	<u>\$ 29,555,000.00</u>	<u>\$ 4,520,497.05</u>	<u>\$ 34,075,497.05</u>	<u>\$ 56,595.47</u>	<u>\$ 4,040.51</u>	<u>\$ 60,635.98</u>	<u>\$ 34,136,133.03</u>

(1) As of December 31, 2024

Source: Township Auditor

TOWNSHIP OF WASHINGTON
2025 MUNICIPAL BUDGET (1)

CURRENT FUND

Anticipated Revenues:

Fund Balance	\$ 2,500,000.00
Miscellaneous Revenues:	
Local Revenues	1,882,500.00
State Aid without Offsetting Appropriations	3,239,604.00
Dedicated Uniform Construction Code Fees	1,100,000.00
Shared Service Agreements	33,667.00
Public and Private Programs Offset with Appropriations	502,392.99
Other Special Items of Revenue	4,369,177.92
Receipts from Delinquent Taxes	50,250.00
Amount to be Raised by Taxation for Municipal Purposes	<u>36,776,476.99</u>
Total Appropriated Revenues	<u><u>\$50,454,068.90</u></u>

Appropriations:

Within CAPS:

Operations	\$37,689,193.00
Deferred Charges and Statutory Expenditures	4,752,089.00

Excluded from CAPS:

Other Operations	2,462,196.41
Shared Service Agreements	50,086.00
Public and Private Programs	502,392.99
Capital Improvements	15,000.00
Debt Service	4,057,554.01
Deferred Charges	237,957.32
Reserve for Uncollected Taxes	<u>687,600.17</u>

Total Appropriations	<u><u>\$50,454,068.90</u></u>
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(1) Adopted

TOWNSHIP OF WASHINGTON
CAPITAL PROGRAM
PROJECTS SCHEDULED FOR THE YEARS 2025-2030 (1)

Project Title:	Estimated	Current	Capital	Grants-in Aid	Bonds	
	<u>Total Cost</u>	<u>Year 2025</u>	<u>Improvement</u>	<u>and Other</u>	<u>General</u>	<u>Self-Liquidating</u>
Various Police Equipment and Vehicles	\$ 465,000.00		\$ 23,250.00		\$ 441,750.00	
Totals--All Projects	\$ 465,000.00	\$ -	\$ 23,250.00	\$ -	\$ 441,750.00	\$ -

(1) Adopted

APPENDIX B

**COMPILED FINANCIAL STATEMENTS OF THE TOWNSHIP FOR THE YEAR ENDED
DECEMBER 31, 2024 AND
AUDITED FINANCIAL STATEMENTS OF THE TOWNSHIP FOR THE YEARS ENDED
DECEMBER 31, 2023 AND 2022**

FOR THE YEAR ENDED 2024

COMPILED FINANCIAL STATEMENTS

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

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

Management is responsible for the accompanying financial statements of the Township of Washington, New Jersey, which comprise the statement of assets, liabilities, reserves and fund balance--regulatory basis of the various funds as of December 31, 2024 and the related statements of operations and changes in fund balances--regulatory basis for the year then ended, in accordance with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and for determining that this regulatory basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all of the disclosures required by these regulatory accounting practices. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Township's assets, liabilities, reserves, fund balance, revenues and expenditures. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Respectfully submitted,

/s/ BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

/s/ Carol A. McAllister
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
March 7, 2025

TOWNSHIP OF WASHINGTON**CURRENT FUND****Statement of Assets, Liabilities, Reserves, and Fund Balances - Regulatory Basis****As of December 31, 2024****ASSETS****Regular Fund:****Cash:**

Chief Financial Officer	\$ 8,172,715.10
Change Fund	2,385.00
Due from State of New Jersey (Ch.73, P.L.1976)	70,350.34

8,245,450.44**Receivables and Other Assets with Full Reserves:**

Delinquent Property Taxes Receivable	134,024.47
Tax Title Liens Receivable	1,920,260.19
Property Acquired for Taxes - Assessed Valuation	1,494,500.00
Revenue Accounts Receivable	532,761.10
Loan Receivable - County House Village	1,920,000.00
Accrued Interest Receivable on Loan	1,478,400.00
Due from Animal Control Trust Fund	24,881.82

7,504,827.58**Deferred Charges:**

Emergency Authorization (40A: 4-46)	237,957.32
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237,957.32

15,988,235.34**Federal, State and Other Grant Fund:**

Federal, State and Other Grants Receivable	2,655,182.30
Due from the Current Fund	147,516.99

2,802,699.29

\$ 18,790,934.63**(Continued)**

TOWNSHIP OF WASHINGTON

CURRENT FUND

Statement of Assets, Liabilities, Reserves, and Fund Balances - Regulatory Basis

As of December 31, 2024

LIABILITIES, RESERVES AND FUND BALANCE

Regular Fund:

Appropriation Reserves	\$ 2,395,319.83
Reserve for Encumbrances	870,409.97
Accounts Payable	6,546.36
Payroll Deductions Payable	242,250.52
Prepaid Taxes	1,600,873.03
Tax Overpayments	12,799.63
Due County for Added and Omitted Taxes	56,521.39
Due to Library	33,935.62
Due to State of New Jersey - DCA Fees	83,723.00
Due to State of New Jersey - Marriage and Burial Fees	810.00
Due to Federal, State and Other Grant Fund	147,516.99
Due to General Capital Fund	413,434.92

5,864,141.26

Reserves for Receivables	7,504,827.58
Fund Balance	2,619,266.50

15,988,235.34

Federal, State and Other Grant Fund:

Reserve for:

Federal, State and Other Grants Unappropriated	17,978.99
Federal, State and Other Grants Appropriated	2,306,688.00
Encumbrances	478,032.30

2,802,699.29

\$ 18,790,934.63

See Independent Accountant's Compilation Report and selected notes.

TOWNSHIP OF WASHINGTON**CURRENT FUND****Statement of Operations and Changes in Fund Balance - Regulatory Basis
For the Year Ended December 31, 2024****Revenue and Other Income Realized:**

Fund Balance Utilized	\$ 4,299,000.00
Miscellaneous Revenues Anticipated	12,557,538.55
Receipts from Delinquent Taxes	61,135.79
Receipts from Current Taxes	174,399,950.47
Nonbudget Revenues	109,579.98
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	1,022,999.88
Statutory Excess - Animal Control Fund	15,093.20
Receipts from Tax Installment Plan Principal	190,048.07
Reserves Liquidated:	
Open Space Trust Fund	159,229.28
	<u>192,814,575.22</u>

Expenditures:

Budget and Emergency Appropriations:	
Appropriations Within "CAPS":	
Operations:	
Salaries and Wages	17,050,860.32
Other Expenses	19,530,636.00
Deferred Charges and Statutory Expenditures	4,872,927.53
Appropriations Excluded from "CAPS":	
Operations:	
Salaries and Wages	338,943.95
Other Expenses	5,409,199.38
Capital Improvements	255,000.00
Municipal Debt Service	4,050,628.76
Fire District Taxes	8,606,614.00
County Taxes	32,435,959.60
Due County for Added Taxes	56,521.39
Local District School Tax	97,596,253.00
Municipal Open Space Tax	476,709.98
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	7,401.37
	<u>190,941,218.51</u>

Excess in Revenue to Fund Balance (Carried Forward) 1,873,356.71

(Continued)

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

Excess in Revenue to Fund Balance (Brought Forward)	\$ 1,873,356.71
Adjustments to Income Before Fund Balance -	
Expenditures Included Above Which Are by Statute Deferred	
Charges to Budget of Succeeding Year	<u>237,957.32</u>
Statutory Excess of Fund Balance	2,111,314.03
Fund Balance January 1	<u>4,806,952.47</u>
	6,918,266.50
Decreased by:	
Utilization as Anticipated Revenue	<u>4,299,000.00</u>
Fund Balance December 31	<u><u>\$ 2,619,266.50</u></u>

See Independent Accountant's Compilation Report and selected notes.

TOWNSHIP OF WASHINGTON
TRUST FUNDS
Statement of Assets, Liabilities, Reserves and Fund Balances - Regulatory Basis
As of December 31, 2024

ASSETS

Animal Control Fund:	
Cash - Chief Financial Officer	\$ 62,617.02
	<u>62,617.02</u>
Open Space Trust Fund:	
Cash - Chief Financial Officer	1,739,018.49
	<u>1,739,018.49</u>
Trust Other Funds:	
Cash - Chief Financial Officer	3,429,346.37
Cash - Collector	2,411,972.79
Cash - Change Fund	300.00
	<u>5,841,619.16</u>
	<u>\$ 7,643,254.67</u>

LIABILITIES, RESERVES AND FUND BALANCE

Animal Control Fund:	
Reserve for Animal Control Expenditures	\$ 37,723.80
Due to State of New Jersey	11.40
Due to Current Fund	24,881.82
	<u>62,617.02</u>
Open Space Trust Fund:	
Reserve for Open Space	1,739,018.49
	<u>1,739,018.49</u>

(Continued)

TOWNSHIP OF WASHINGTON
TRUST FUNDS
Statement of Assets, Liabilities, Reserves and Fund Balances - Regulatory Basis
As of December 31, 2024

LIABILITIES, RESERVES AND FUND BALANCE

Trust Other Funds:

Miscellaneous Trust Reserves:

Youth Services	\$ 50,130.46
Escrow	699,289.38
Cash Bonds	309,164.85
Unemployment	5,962.09
Parks and Recreation Trust	978,580.15
Affordable Housing	1,031,528.13
Forfeited Funds	7,135.97
Clean Up Day Donations	3,067.13
POAA Fees	1,082.59
Technology and Communications	128.00
Sidewalk Fund	58,763.18
Speedhumps	593.53
Historical Properties	24,130.88
Police Donations	42,246.50
K-9 Unit Donations	26,977.73
Storm Recovery	67,996.30
Earth Day Donations	459.31
Veterans Wall	4,296.28
4th of July Festival	20,441.04
Public Defender	29,094.31
Super Saturday	12,280.59
Accumulated Absences	56,297.97

Miscellaneous Trust Escrows Reserves:

Tax Sale Premiums	2,004,300.00
Redemption of Tax Title Liens	407,672.79

5,841,619.16

\$ 7,643,254.67

See Independent Accountant's Compilation Report and selected notes.

TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
Statement of Assets, Liabilities, Reserves and Fund Balances - Regulatory Basis
As of December 31, 2024

ASSETS

Cash	\$ 11,674,024.84
Due from Current Fund	413,434.92
Deferred Charges to Future Taxation:	
Funded	29,611,595.48
Unfunded	<u>21,358,915.00</u>
	<u>\$ 63,057,970.24</u>

LIABILITIES, RESERVES AND FUND BALANCE

General Serial Bonds Payable	\$ 29,555,000.00
Loan Payable - Green Trust	56,595.48
Bond Anticipation Notes Payable	21,358,915.00
Improvement Authorizations:	
Funded	871,745.50
Unfunded	8,779,496.50
Reserve for Encumbrances	2,040,695.39
Capital Improvement Fund	85,818.15
Fund Balance	<u>309,704.22</u>
	<u>\$ 63,057,970.24</u>

See Independent Accountant's Compilation Report and selected notes.

TOWNSHIP OF WASHINGTON
Selected Information – Substantially All Disclosures Required
By the Regulatory Basis of Accounting Have Been Omitted
For the Year Ended December 31, 2024

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 population according to the 2020 census is 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 225), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Uniform Guidance. 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 group of accounts, 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 group of accounts.

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

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

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

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

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants 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; interest on general capital indebtedness is 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.

FOR THE YEARS ENDED 2023 AND 2022

AUDITED FINANCIAL STATEMENTS

**TOWNSHIP OF WASHINGTON
COUNTY OF GLOUCESTER**

**AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023**

**TOWNSHIP OF WASHINGTON
COUNTY OF GLOUCESTER**

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COUNTY OF GLOUCESTER**

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COUNTY OF GLOUCESTER**

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**TOWNSHIP OF WASHINGTON
COUNTY OF GLOUCESTER**

PART I

**INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of the Township of Washington, County of Gloucester, State of New Jersey, as of December 31, 2023 and 2022, and the related statement of operations and changes in fund balance - regulatory basis for the year then ended, the related statements of revenues - regulatory basis, and statements of expenditures - regulatory basis for the year ended December 31, 2023 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 Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of the Township, as of December 31, 2023 and 2022, and the results of its operations and changes in fund balance - regulatory basis of such funds for the year then ended, and the statements of revenues - regulatory basis, and statements of expenditures - regulatory basis, for the year ended December 31, 2023 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

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 below "*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United State of America*" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2023, or the results of its operations and changes in fund balance for the year then ended.

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Basis for Opinions

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

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

As described in Note 1, the financial statements are prepared by the Township of Washington on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

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

Responsibilities of Management for the Financial Statements

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

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 of Washington's ability to continue as a going concern for twelve months beyond the financial statement date, including any current known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 generally accepted auditing standards and *Government Auditing Standards* and in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards and in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements 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 judgement, 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.

Supplemental 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 supplemental schedules presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards, as required by *Title 2 U.S Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principals and Audit Requirements for Federal Awards* (Uniform Guidance), is also presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and related 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 combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards 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 June 12, 2024 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 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.

Respectfully submitted,

HOLT MCNALLY & ASSOCIATES, INC.

Certified Public Accountants & Advisors

Michael Holt
Certified Public Accountant
Registered Municipal Accountant
RMA No. 473

Medford, New Jersey
June 12, 2024



HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

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

Honorable Mayor and Members
of the Township Council
Township of Washington
County of Gloucester
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 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 financial statements - regulatory basis of the Township of Washington, County of Gloucester, State of New Jersey, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 12, 2024. Our report indicated that the Township's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been 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 three instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which is described in the accompanying schedule of findings and questioned cost as Finding No. 2023-001, 2023-002 and 2023-003.

Township of Washington's Response to Findings

The Township of Washington's response to the finding identified in our audit is described in the accompanying schedule of financial statement findings. The Township's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.

Certified Public Accountants & Advisors

Michael Holt
Certified Public Accountant
Registered Municipal Accountant
RMA No. 473

Medford, New Jersey
June 12, 2024

BASIC FINANCIAL STATEMENTS

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**TOWNSHIP OF WASHINGTON
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

ASSETS	REFERENCE	2023	2022
Regular Fund:			
Cash- Treasurer	A-4	\$ 10,708,187.93	\$ 13,154,425.05
Cash - Change Fund	A-5	2,385.00	2,695.00
Due from State of New Jersey for Senior Citizen & Veteran Deductions	A-8	67,837.50	67,531.89
Total Regular Fund		10,778,410.43	13,224,651.94
Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-6	18,019.31	22,927.51
Tax Title Liens Receivable	A-7	1,777,730.12	1,657,604.77
Miscellaneous Liens Receivable	A	2,688.48	2,688.48
Property Acquired / Assessed Valuation	A-10	1,494,500.00	1,494,500.00
Revenue Accounts Receivable	A-9	12,869.36	9,062.55
Loan Receivable - County House Village	A	1,920,000.00	1,920,000.00
Accured Interest Receivable on Loan	A	1,420,800.00	1,363,200.00
Due from:			
General Capital Fund	C	-	28,413.93
Trust Other Fund	B	-	327.34
Open Space Trust Fund	B	159,229.28	234,633.00
Animal Control Fund	B	9,788.62	18,511.02
		6,815,625.17	6,751,868.60
Deferred Charges:			
Over-Expenditures of Budget Appropriations	A-3	71,729.53	-
Total Deferred Charges		71,729.53	-
Total Current Fund		17,665,765.13	19,976,520.54
State & Federal Grants:			
Due from Current Fund	A	1,316,353.38	2,131,514.99
Grants Receivable	A-23	1,810,467.68	1,987,934.79
Total State & Federal Grants		3,126,821.06	4,119,449.78
Total Assets		\$ 20,792,586.19	\$ 24,095,970.32

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

**TOWNSHIP OF WASHINGTON
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2023	2022
Regular Fund:			
Appropriation Reserves	A-3	\$ 1,949,156.08	\$ 2,048,378.86
Reserve for Encumbrances	A-3,A-12	354,294.30	342,885.92
Accounts Payable	A-11	2,568.47	6,729.30
Prepaid Taxes	A-13	1,293,357.96	1,331,141.28
Tax Overpayments	A-14	557,921.48	46,187.93
Due to County for Added and Omitted Taxes	A-17	37,833.38	51,628.06
Payroll Taxes Payable	A	12,922.21	15,424.05
Due to Federal & State Grant Fund	A	1,316,353.38	2,131,514.99
Due to General Capital Fund	C	2,163.55	-
Due to Library	A	33,835.48	33,835.48
Due to the State:			
Marriage Licenses	A-18	1,455.00	5.00
DCA Inspection Fees	A-19	37,129.00	12,558.00
Reserve for State and Local Fiscal Recovery Funds	A-3	110,270.00	687,316.48
Reserve for Municipal Aid Relief	A	333,927.20	166,998.98
Subtotal		6,043,187.49	6,874,604.33
Reserve for Receivables & Other Assets	A	6,815,625.17	6,751,868.60
Fund Balance	A-1	4,806,952.47	6,350,047.61
Total Regular Fund		17,665,765.13	19,976,520.54
State & Federal Grants:			
Encumbrances Payable	A-24	1,081,504.98	753,473.81
Reserve for Grants Appropriated	A-24	1,780,510.05	1,834,800.16
Reserve for Grants Unappropriated	A-25	264,806.03	1,531,175.81
Total State & Federal Grants		3,126,821.06	4,119,449.78
Total Liabilities, Reserves & Fund Balance		\$ 20,792,586.19	\$ 24,095,970.32

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

**TOWNSHIP OF WASHINGTON
CURRENT FUND
STATEMENTS OF OPERATIONS AND
CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023	2022
Revenue & Other Income Realized:		
Fund Balance Utilized	\$ 5,000,000.00	\$ 6,000,000.00
Miscellaneous Revenue Anticipated	11,513,846.67	10,408,301.12
Receipts From Delinquent Taxes & Tax Title Liens	44,934.54	300,872.91
Receipts From Current Taxes	169,223,321.22	164,608,187.87
Nonbudget Revenue	297,329.60	772,577.42
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	1,931,004.05	3,750,462.66
Statutory Excess - Animal Control Fund	9,788.62	18,511.02
Liquidation of Reserves For:		
Prior Year Interfund Returned	-	10,810.61
Change Fund Correction	-	250.00
Cancelled Grants	-	423.44
Total	<u>188,020,224.70</u>	<u>185,870,397.05</u>
Expenditures:		
Budget & Emergency Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	16,668,002.00	16,536,602.00
Other Expenses	18,315,751.00	18,540,948.99
Deferred Charges & Statutory		
Expenditures - Municipal Within "CAPS"	4,307,364.24	4,177,236.00
Operations Excluded from "CAPS":		
Salaries & Wages	55,850.00	67,990.00
Other Expenses	4,081,275.54	3,184,485.14
Capital Improvements	310,000.00	250,000.00
Municipal Debt Service	3,598,416.13	3,437,123.49
Fire District Taxes	8,268,069.00	7,500,068.00
County Taxes	33,738,439.54	33,657,181.07
Due County for Added & Omitted Taxes	37,833.38	51,628.06
Municipal Open Space Tax	473,351.77	474,277.97
Local District School Tax	94,760,664.00	92,658,431.00
Change Fund Correction	310.00	-
Refund of Prior Year Revenue	12,371.48	86,326.87
Prior Year Senior Citizen and Disabled Disallowed Taxes	7,351.29	6,292.46
Total Expenditures	<u>184,635,049.37</u>	<u>180,628,591.05</u>
Regulatory Excess to Fund Balance	3,385,175.33	5,241,806.00
Adjustments to Income Before Surplus:		
Expenditures Included Above Which are by Statute		
Deferred Charges to Budget of Succeeding Year	71,729.53	-
Excess to Fund Balance	3,456,904.86	5,241,806.00
Fund Balance January 1	<u>6,350,047.61</u>	<u>7,108,241.61</u>
Total	9,806,952.47	12,350,047.61
Decreased by: Utilization as Anticipated Revenue	<u>5,000,000.00</u>	<u>6,000,000.00</u>
Fund Balance December 31	<u><u>\$ 4,806,952.47</u></u>	<u><u>\$ 6,350,047.61</u></u>

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

**TOWNSHIP OF WASHINGTON
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	BUDGET	APPROPRIATED by N.J.S.A.40A:47-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Utilized	\$ 5,000,000.00	\$ -	\$ 5,000,000.00	\$ -
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	50,000.00	-	33,840.00	(16,160.00)
Fees and Permits	822,193.18	-	620,983.20	(201,209.98)
Fines & Costs:				
Municipal Court	130,000.00	-	138,908.24	8,908.24
Interest & Costs on Taxes	365,000.00	-	224,526.10	(140,473.90)
Interest on Deposits	200,000.00	-	526,003.70	326,003.70
Library Pension Reimbursement	92,000.00	-	117,324.00	25,324.00
Hotel and Motel Occupancy Fees	82,000.00	-	78,740.46	(3,259.54)
Energy Receipts Tax	3,223,558.00	-	3,223,558.00	-
Uniform Construction Code				
Fees & Permits	850,462.67	-	913,143.00	62,680.33
Safe and Secure Communities Grant	32,400.00	-	32,400.00	-
Community Development Block Grant	150,000.00	-	150,000.00	-
Bullet Proof Vest Partnership	-	10,317.42	10,317.42	-
Historical Preservation Grant	100.00	-	100.00	-
Municipal Alliance on Alcoholism	6,000.00	-	6,000.00	-
Recycling Tonnage Grant	1,500.00	72,732.40	74,232.40	-
Body Armor Replacement Fund	4,904.81	-	4,904.81	-
NJDOT - Municipal Aid Program	261,100.00	-	261,100.00	-
Drugged Driving Initiative	31,920.00	-	31,920.00	-
Distracted Driving	12,250.00	-	12,250.00	-
NJDEP Stormwater Assistance	-	25,000.00	25,000.00	-
Click It or Ticket	-	7,000.00	7,000.00	-
CDBG - White Birch Road Improvements	-	113,600.00	113,600.00	-
Drunk Driving Enforcement	-	11,200.00	11,200.00	-
Drive Sober or Get Pulled Over	-	8,680.00	8,680.00	-
Shop With a Cop	-	4,000.00	4,000.00	-
Clean Communities Program	-	108,349.04	108,349.04	-
Community Engagement Grant - First Responders Children's Foundat	-	3,350.00	3,350.00	-
AKC Reunited - Adopt a K-9 Grant	-	10,000.00	10,000.00	-
Records System Improvements for Traffic Stop Data Collection	-	12,877.00	12,877.00	-
NJ Historical Commission - Old Stone House	-	1,400.00	1,400.00	-
NJ Historical Commission - Art	-	1,250.00	1,250.00	-
Emergency Management Assistance Grant	10,000.00	-	10,000.00	-
Reserve for State and Local Fiscal Recovery Funds	-	577,046.48	577,046.48	-
General Capital Fund Balance	500,000.00	-	500,000.00	-
Franchise Fees - Cable TV	303,394.48	-	303,394.48	-
Payment in Lieu of Taxes - NJ Transit	10,680.00	-	10,680.00	-
Payment in Lieu of Taxes - Kennedy	300,000.00	-	278,623.68	(21,376.32)
Payment in Lieu of Taxes - County House	42,000.00	-	44,084.00	2,084.00
Payment in Lieu of Taxes - Millstream	55,000.00	-	70,756.00	15,756.00
Payment in Lieu of Taxes - Gloucester County Public Housing	1,875.00	-	3,993.74	2,118.74
Payment in Lieu of Taxes - Washington Square	350,000.00	-	477,485.96	127,485.96
Payment in Lieu of Taxes/Tax Abatements	47,000.00	-	32,722.68	(14,277.32)
Reimbursement - School Resource Officer	60,505.00	-	121,010.00	60,505.00
School SLEO Reimbursement	84,400.00	-	406,026.97	321,626.97
Housing Inspection Fees	250,000.00	-	353,245.00	103,245.00
Business Registration Fees	22,000.00	-	52,880.00	30,880.00
Administrative Fees - Off Duty	75,000.00	-	65,082.80	(9,917.20)
Recycling Fees	6,200.00	-	6,871.53	671.53
American Rescue Plan - Loss of Revenue	1,265,987.00	-	1,265,987.00	-
Reserve for Municipal Relief Aid	166,998.98	-	166,998.98	-
Total Miscellaneous Revenues	9,866,429.12	966,802.34	11,513,846.67	680,615.21
Receipts from Delinquent Taxes	240,000.00	-	44,934.54	(195,065.46)
Local Tax for Municipal Purposes	30,444,959.27	-	31,126,482.87	681,523.60
Minimum Library Tax	2,004,379.37	-	2,004,379.37	-
Budget Totals	47,555,767.76	966,802.34	49,689,643.45	1,167,073.35
Nonbudget Revenues	-	-	297,329.60	297,329.60
Total	\$ 47,555,767.76	\$ 966,802.34	\$ 49,986,973.05	\$ 1,464,402.95

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

**TOWNSHIP OF WASHINGTON
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:	
Revenue From Collections	\$ 169,223,321.22
Less: Allocated for School & County Taxes	<u>137,278,357.69</u>
Total Allocation of Current Tax Collections	31,944,963.53
Add: Budget Appropriation - Reserve for Uncollected Taxes	<u>1,185,898.71</u>
Total Amount for Support of Municipal Budget Appropriation	<u>\$ 33,130,862.24</u>
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	\$ 33,653.83
Tax Title Lien Collections	<u>11,280.71</u>
Total Receipts from Delinquent Taxes	<u>\$ 44,934.54</u>

ANALYSIS OF NONBUDGET REVENUES

Miscellaneous Revenue Not Anticipated:	
Receipts:	
MUA Water and Sewer	42,209.50
Miscellaneous	60,274.55
Insurance Refunds	40,986.50
Senior & Vet Admin	6,555.03
Sale of Municipal Assets	52,263.00
Opioids Settlement	<u>95,041.02</u>
Total Nonbudgeted Revenue	<u>\$ 297,329.60</u>

**TOWNSHIP OF WASHINGTON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	APPROPRIATIONS		EXPENDED			OVER-	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	EXPENDITURE	CANCELLED
General Government Functions:							
Business Administrator:							
Salaries and Wages	\$ 168,100.00	\$ 201,600.00	\$ 200,116.20	\$ -	\$ 1,483.80	\$ -	\$ -
Other Expenses	140,500.00	140,500.00	110,533.94	1,707.85	28,258.21	-	-
Human Resources:							
Salaries and Wages	89,000.00	89,000.00	88,923.56	-	76.44	-	-
Other Expenses	19,725.00	9,725.00	4,785.79	250.00	4,689.21	-	-
Office of Township Mayor:							
Salaries and Wages	80,000.00	80,000.00	70,599.18	-	9,400.82	-	-
Other Expenses	7,500.00	7,500.00	6,184.43	925.00	390.57	-	-
Township Council:							
Salaries and Wages	30,001.00	30,001.00	30,000.10	-	0.90	-	-
Other Expenses	3,800.00	3,800.00	2,703.72	-	1,096.28	-	-
Office of Township Clerk:							
Salaries and Wages	426,000.00	430,000.00	429,719.37	-	280.63	-	-
Other Expenses	114,800.00	114,800.00	87,047.70	245.52	27,506.78	-	-
Division of Treasury:							
Salaries and Wages	315,500.00	315,500.00	313,850.35	-	1,649.65	-	-
Other Expenses	55,950.00	55,950.00	46,530.58	2,844.60	6,574.82	-	-
Audit Services	66,000.00	66,000.00	66,000.00	-	-	-	-
Division of Tax Collector:							
Salaries and Wages	265,500.00	265,500.00	264,375.51	-	1,124.49	-	-
Other Expenses	56,000.00	41,000.00	41,612.41	-	-	612.41	-
Office of Township Attorney:							
Salaries and Wages	156,100.00	156,100.00	152,359.97	-	3,740.03	-	-
Other Expenses	443,000.00	193,000.00	105,644.26	6,193.06	81,162.68	-	-
Division of Engineering:							
Other Expenses	130,000.00	180,000.00	128,041.06	-	51,958.94	-	-
Board of Economic Development:							
Other Expenses	65,000.00	65,000.00	64,308.27	-	691.73	-	-
Land Use Administration:							
Municipal Land Use Law (NJSA 40:55D-1):							
Salaries and Wages	242,100.00	249,100.00	248,108.51	-	991.49	-	-
Other Expenses	26,500.00	16,500.00	8,977.50	8.36	7,514.14	-	-
Code Enforcement:							
Salaries and Wages	92,000.00	92,000.00	73,722.98	-	18,277.02	-	-
Other Expenses	2,250.00	2,250.00	-	-	2,250.00	-	-
Insurance:							
Liability Insurance	700,000.00	700,000.00	698,816.94	-	1,183.06	-	-
Worker's Compensation	925,000.00	925,000.00	902,383.16	-	22,616.84	-	-
Employee Group Health	5,980,000.00	6,636,000.00	6,249,777.16	596.31	385,626.53	-	-
Health Benefit Waiver	136,000.00	136,000.00	127,671.58	-	8,328.42	-	-
Municipal Court:							
Municipal Court:							
Salaries and Wages	296,000.00	296,000.00	250,756.11	-	45,243.89	-	-
Other Expenses	33,450.00	33,450.00	22,571.28	245.52	10,633.20	-	-
Public Defender:							
Salaries and Wages	21,601.00	21,601.00	21,599.92	-	1.08	-	-
Public Safety Functions:							
Police:							
Salaries and Wages	8,518,013.00	8,368,013.00	8,216,603.65	-	151,409.35	-	-
Salaries and Wages - American Rescue Funds	1,015,987.00	1,015,987.00	1,015,987.00	-	-	-	-
Other Expenses	477,000.00	459,000.00	311,981.81	42,783.34	104,234.85	-	-
Office of Emergency Management:							
Salaries and Wages	3,000.00	3,000.00	3,000.00	-	-	-	-
Other Expenses	8,000.00	8,000.00	6,844.54	-	1,155.46	-	-
Municipal Prosecutor:							
Other Expenses	34,801.00	34,801.00	34,800.03	-	0.97	-	-

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

**TOWNSHIP OF WASHINGTON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	APPROPRIATIONS		EXPENDED			OVER-	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	EXPENDITURE	CANCELLED
Public Works Functions:							
Division of Streets:							
Other Expenses	417,500.00	212,500.00	55,032.60	15,852.44	141,614.96	-	-
Division of Public Works:							
Salaries and Wages	3,676,000.00	3,676,000.00	3,435,338.34	-	240,661.66	-	-
Salaries and Wages - American Rescue Funds	250,000.00	250,000.00	250,000.00	-	-	-	-
Other Expenses	42,300.00	42,300.00	40,481.86	1,512.05	306.09	-	-
Division of Trash:							
Other Expenses	3,800,000.00	3,695,000.00	3,694,483.00	-	517.00	-	-
Division of Public Buildings:							
Other Expenses	115,900.00	115,900.00	80,685.84	31,796.96	3,417.20	-	-
Abandoned Property Maintenance	30,000.00	-	-	-	-	-	-
Division of Vehicle Maintenance:							
Other Expenses	299,750.00	299,750.00	217,195.03	19,758.96	62,796.01	-	-
Health and Welfare:							
Environmental Commission:							
Other Expenses	4,000.00	4,000.00	2,712.35	1,070.00	217.65	-	-
Sustainable Washington Township:							
Other Expenses	2,825.00	2,825.00	2,257.05	3.89	564.06	-	-
Senior Citizen Advisory Council:							
Other Expenses	500.00	500.00	-	-	500.00	-	-
Parks and Recreation:							
Youth Services:							
Other Expenses	4,300.00	4,300.00	-	-	4,300.00	-	-
Veterans Affairs Advisory Council:							
Other Expenses	3,600.00	3,600.00	1,520.78	242.00	1,837.22	-	-
Utilities:							
Gasoline & Diesel	480,000.00	480,000.00	329,632.78	33,140.37	117,226.85	-	-
Electricity	435,000.00	455,000.00	417,526.16	-	37,473.84	-	-
Telephone	158,000.00	158,000.00	79,039.54	4,799.00	74,161.46	-	-
Heating Oil	60,000.00	60,000.00	49,200.15	-	10,799.85	-	-
Street Lighting	700,000.00	750,000.00	682,441.98	2,968.00	64,590.02	-	-
Water and Sewer	22,500.00	22,500.00	20,366.60	-	2,133.40	-	-
Landfill/Solid Waste Disposal Costs:							
Other Expenses	2,399,000.00	2,399,000.00	2,120,621.55	178,155.42	100,223.03	-	-
Offset by Dedicated Revenues							
State Uniform Construction Code							
Construction Official:							
Salaries and Wages	713,000.00	707,000.00	678,512.44	-	28,487.56	-	-
Other Expenses	42,400.00	23,900.00	16,326.49	2,807.04	4,766.47	-	-
Unclassified:							
Celebration of Public Events	133,000.00	130,000.00	113,801.56	1,446.17	14,752.27	-	-
Accumulated Leave Compensation	50,000.00	50,000.00	50,000.00	-	-	-	-
Total Operations Within "CAPS"							
Including Contingent	34,983,753.00	34,983,753.00	32,744,114.67	349,351.86	1,890,898.88	612.41	-
Detail:							
Salaries and Wages	16,779,502.00	16,668,002.00	16,160,308.67	-	507,693.33	-	-
Other Expenses	18,204,251.00	18,315,751.00	16,583,806.00	349,351.86	1,382,593.14	612.41	-

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

**TOWNSHIP OF WASHINGTON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	APPROPRIATIONS		EXPENDED			OVER-	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	EXPENDITURE	CANCELLED
Deferred Charges & Statutory Expenditures							
Municipal Within "CAPS":							
Statutory Expenditures:							
Contributions to:							
Public Employees' Retirement System	1,024,053.25	1,024,053.25	1,024,053.25	-	-	-	-
Social Security System (O.A.S.I.)	735,000.00	735,000.00	695,340.69	-	39,659.31	-	-
Police & Fireman's Retirement							
System of New Jersey	2,528,310.99	2,528,310.99	2,528,310.99	-	-	-	-
Defined Contribution Retirement Program	20,000.00	20,000.00	14,342.14	-	5,657.86	-	-
Total Deferred Charges & Statutory Expenditures Within "CAPS"	4,307,364.24	4,307,364.24	4,262,047.07	-	45,317.17	-	-
Total General Appropriations for Municipal Purposes Within "CAPS"	39,291,117.24	39,291,117.24	37,006,161.74	349,351.86	1,936,216.05	612.41	-
Education Functions:							
Maintenance of Free Public Library	2,004,377.39	2,004,377.39	2,004,377.39	-	-	-	-
Recycling Tax	72,000.00	72,000.00	57,293.60	4,942.44	9,763.96	-	-
Group Insurance for Employees	195,000.00	195,000.00	195,000.00	-	-	-	-
Public Employees Retirement System	75,422.00	75,422.00	75,422.00	-	-	-	-
Police & Fire Retirement System of NJ	294,930.00	294,930.00	294,930.00	-	-	-	-
Total Other Operations - Excluded from "CAPS"	2,641,729.39	2,641,729.39	2,627,022.99	4,942.44	9,763.96	-	-
Shared Service Agreements:							
SFSP Fire District Payment	16,419.00	16,419.00	16,419.00	-	-	-	-
Total Interlocal Muni. Service Agreements	16,419.00	16,419.00	16,419.00	-	-	-	-
Public & Private Programs Offset by Revenues:							
Safe and Secure Communities Grant	32,400.00	32,400.00	32,400.00	-	-	-	-
Community Development Block Grant	150,000.00	150,000.00	150,000.00	-	-	-	-
Municipal Alliance Against Alcoholism	6,000.00	6,000.00	6,000.00	-	-	-	-
Municipal Alliance Against Alcoholism - Match	2,000.00	2,000.00	2,000.00	-	-	-	-
Recycling Tonnage Grant	1,500.00	74,232.40	74,232.40	-	-	-	-
Body Armor Replacement Fund	4,904.81	4,904.81	4,904.81	-	-	-	-
NJDOT - Municipal Aid Program	261,100.00	261,100.00	261,100.00	-	-	-	-
Drunk Driving Enforcement Fund	-	11,200.00	11,200.00	-	-	-	-
Historical Preservation Grant	100.00	100.00	100.00	-	-	-	-
Records System Improvements for Traffic Data Coll	-	12,877.00	12,877.00	-	-	-	-
Distracted Driving	12,250.00	12,250.00	12,250.00	-	-	-	-
Drugged Driving Initiative	31,920.00	31,920.00	31,920.00	-	-	-	-
Click It or Ticket	-	7,000.00	7,000.00	-	-	-	-
CDBG - White Birch Road Improvements	-	113,600.00	113,600.00	-	-	-	-
NJDEP Stormwater Assistance Grant	-	25,000.00	25,000.00	-	-	-	-
Clean Communities Program	-	108,349.04	108,349.04	-	-	-	-
AKC Reunited - Adopt a K-9 Grant	-	10,000.00	10,000.00	-	-	-	-
Community Engagement Grant - First Responders C	-	3,350.00	3,350.00	-	-	-	-
NJ Historical Commission - Old Stone House	-	1,400.00	1,400.00	-	-	-	-
NJ Historical Commission - Art	-	1,250.00	1,250.00	-	-	-	-
Shop With a Cop	-	4,000.00	4,000.00	-	-	-	-
Drive Sober or Get Pulled Over	-	8,680.00	8,680.00	-	-	-	-
Bullet Proof Vest Partnership	-	10,317.42	10,317.42	-	-	-	-
American Rescue Plan - Engineering/Stormwater	-	577,046.48	577,046.48	-	-	-	-
Emergency Management Assitance Grant	10,000.00	10,000.00	10,000.00	-	-	-	-
Total Operations Excluded from "CAPS"	3,170,323.20	4,137,125.54	4,122,419.14	4,942.44	9,763.96	-	-
Detail:							
Salaries and Wages	44,650.00	55,850.00	55,850.00	-	-	-	-
Other Expenses	3,125,673.20	4,081,275.54	4,066,569.14	4,942.44	9,763.96	-	-

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

**TOWNSHIP OF WASHINGTON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	APPROPRIATIONS		EXPENDED			OVER-	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	EXPENDITURE	CANCELLED
Capital Improvements-Excluded from "CAPS":							
Capital Improvement Fund	300,000.00	300,000.00	300,000.00	-	-	-	-
Reserve for Computers and Servers	10,000.00	10,000.00	6,823.93	-	3,176.07	-	-
Total Capital Improvements Excluded from "CAPS"	310,000.00	310,000.00	306,823.93	-	3,176.07	-	-
Municipal Debt Service - Excluded From "CAPS":							
Payment of Bond Principal	2,465,000.00	2,465,000.00	2,465,000.00	-	-	-	-
Interest on Bonds	908,100.00	908,100.00	908,087.52	-	-	-	12.48
Interest on Notes	216,000.00	216,000.00	287,117.12	-	-	71,117.12	-
Loan Repayment for Principal and Interest	9,328.61	9,328.61	9,328.61	-	-	-	-
Total Municipal Debt Service Excluded from "CAPS"	3,598,428.61	3,598,428.61	3,669,533.25	-	-	71,117.12	12.48
Subtotal General Appropriations	46,369,869.05	47,336,671.39	45,104,938.06	354,294.30	1,949,156.08	71,729.53	12.48
Reserve For Uncollected Taxes	1,185,898.71	1,185,898.71	1,185,898.71	-	-	-	-
Total General Appropriations	<u>\$ 47,555,767.76</u>	<u>\$ 48,522,570.10</u>	<u>\$ 46,290,836.77</u>	<u>\$ 354,294.30</u>	<u>\$ 1,949,156.08</u>	<u>\$ 71,729.53</u>	<u>\$ 12.48</u>
Appropriation by 40A:4-87		\$ 966,802.34					
Original Budget		<u>47,555,767.76</u>					
Total		<u>\$ 48,522,570.10</u>					
Reserve for Federal & State Grants - Appropriated			\$ 1,478,977.15				
Reserve for Uncollected Taxes			1,185,898.71				
Reimbursements			(3,433,812.42)				
Paid by General Capital			287,117.22				
Cash Disbursements			<u>46,772,656.11</u>				
Total			<u>\$ 46,290,836.77</u>				

**TOWNSHIP OF WASHINGTON
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

ASSETS	REFERENCE	2023	2022
Animal Control Fund:			
Cash	B-3	\$ 47,825.02	\$ 53,268.82
Total Animal Control Fund		<u>47,825.02</u>	<u>53,268.82</u>
Open Space Trust Fund:			
Cash	B-3	<u>2,065,757.90</u>	<u>2,246,407.03</u>
Total Open Space Trust Fund		<u>2,065,757.90</u>	<u>2,246,407.03</u>
Other Trust Funds:			
Cash - Treasurer	B-3	3,717,818.77	2,912,258.41
Cash - Collector	B-4	650,033.94	2,089,686.42
Cash - Change Fund	B	<u>300.00</u>	<u>300.00</u>
Total Other Trust Funds:		<u>4,368,152.71</u>	<u>5,002,244.83</u>
Total - All Funds		<u>\$ 6,481,735.63</u>	<u>\$ 7,301,920.68</u>
LIABILITIES & RESERVES			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-7	\$ 38,029.20	\$ 34,739.80
Due to State of New Jersey	B-5	7.20	18.00
Due Current Fund	B-6	<u>9,788.62</u>	<u>18,511.02</u>
Total Animal Control Fund		<u>47,825.02</u>	<u>53,268.82</u>
Open Space Trust Fund:			
Reserve for Open Space	B-9	1,906,528.62	2,011,774.03
Due to Current Fund	B-8	<u>159,229.28</u>	<u>234,633.00</u>
Total Open Space Trust Fund		<u>2,065,757.90</u>	<u>2,246,407.03</u>
Other Trust Funds:			
Due to Current Fund	B-10	-	327.34
Miscellaneous Trust Reserves:			
Youth Services	B-11	50,130.46	50,130.46
Escrow	B-11	676,893.74	558,331.95
Cash Bonds	B-11	285,857.41	179,387.51
Unemployment	B-11	63,752.47	84,321.16
Parks and Recreation Trust	B-11	910,794.69	828,546.87
Off-Duty Police	B-11	-	-
Affordable Housing	B-11	1,276,167.77	818,263.53
Forfeited Funds	B-11	28,833.91	44,141.07
Self Insurance Claims	B-11	-	1,054.35
Clean Up Day Donations	B-11	3,067.13	3,067.13
POAA Fees	B-11	1,034.59	1,016.59
Technology and Communications	B-11	128.00	128.00
Sidwalk Fund	B-11	58,763.18	58,763.18
Speedhumps	B-11	593.53	593.53
Historical Properties	B-11	13,174.48	6,863.63
Police Donations	B-11	29,252.42	17,619.89
K-9 Unit Donations	B-11	38,616.10	19,102.87
Storm Recovery	B-11	156,459.40	156,459.40
Earth Day Donations	B-11	459.31	634.31
Veterans Wall	B-11	6,357.07	6,665.05
4th of July Festival	B-11	19,691.04	18,791.04
Public Defender	B-11	27,644.31	25,494.31
Super Saturday	B-11	5,652.59	6,407.59
Accumulated Absences	B-11	64,795.17	26,774.99
Miscellaneous Trust Escrow Reserves:			
Tax Sale Premiums	B-12	628,800.00	1,917,700.00
Redemption of Tax Title Liens	B-12	<u>21,233.94</u>	<u>171,659.08</u>
Total Other Funds		<u>4,368,152.71</u>	<u>5,002,244.83</u>
Total - All Funds		<u>\$ 6,481,735.63</u>	<u>\$ 7,301,920.68</u>

**TOWNSHIP OF WASHINGTON
TRUST - MUNICIPAL OPEN SPACE FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	ANTICIPATED BUDGET	REALIZED	EXCESS OR (DEFICIT)
Amount to be Raised by Taxation	\$ 472,769.51	\$ 473,351.77	\$ (582.26)
Interest Income	32,000.00	61,267.87	29,267.87
Rentals	5,825.00	-	(5,825.00)
Reserve for Future Use	311,405.49	311,405.49	-
Total Revenues	\$ 822,000.00	\$ 846,025.13	\$ 22,860.61

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

TOWNSHIP OF WASHINGTON
TRUST - MUNICIPAL OPEN SPACE FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

	APPROPRIATIONS		PAID OR CHARGED		
	ORIGINAL BUDGET	BUDGET AFTER MODIFICATION	EXPENDED	ENCUMBERED	RESERVED
Maintenance of Lands for Recreation & Conservation:					
Salaries & Wages	\$ 7,000.00	\$ 7,000.00	\$ 10,000.12	\$ -	\$ (3,000.12)
Other Expenses	380,000.00	380,000.00	629,864.93	48,534.44	(298,399.37)
Total	387,000.00	387,000.00	639,865.05	48,534.44	(301,399.49)
Capital Improvements:					
Acquisition of Lands for Recreation and Conservation	435,000.00	435,000.00	-	-	435,000.00
Total	435,000.00	435,000.00	-	-	435,000.00
Total Statement of Expenditures	\$ 822,000.00	\$ 822,000.00	\$ 639,865.05	\$ 48,534.44	\$ 133,600.51

Paid by Open Space \$ 74,215.08
Paid by Current Fund 565,649.97

Total \$ 639,865.05

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

**TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

ASSETS	REFERENCE	2023	2022
Cash	C-2	\$ 10,592,343.02	\$ 9,829,346.25
Due from Current Fund	A	2,163.55	-
Deferred Charges to Future Taxation:			
Unfunded	C-5	14,407,273.00	9,597,233.00
Funded	C-4	32,099,670.85	34,572,587.10
Total		<u>\$ 57,101,450.42</u>	<u>\$ 53,999,166.35</u>

LIABILITIES, RESERVES & FUND BALANCE

General Serial Bonds	C-9	\$ 32,035,000.00	\$ 34,500,000.00
Loan Payable - Green Trust	C-10	64,670.85	72,587.10
Bond Anticipation Notes	C-8	14,407,273.00	9,597,233.00
Improvement Authorizations:			
Unfunded	C-7	5,942,261.32	3,821,681.65
Funded	C-7	1,301,729.48	3,252,140.81
Encumbrances Payable	C-7	2,464,494.98	1,565,426.68
Capital Improvement Fund	C-6	204,176.15	157,336.15
Due to Current Fund	A	-	28,413.93
Fund Balance	C-1	681,844.64	1,004,347.03
		<u>\$ 57,101,450.42</u>	<u>\$ 53,999,166.35</u>

There were bonds and notes authorized but not issued on December 31, 2023 of \$0.00
and on December 31, 2022 of \$0.00

GENERAL CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

Balance December 31, 2022	\$ 1,004,347.03
Increased by:	
Premium on Sale of Bond Anticipation Notes	\$ 177,497.61
Improvement Authorizations Cancelled	- 177,497.61
Subtotal	1,181,844.64
Decreased by:	
Anticipated in Current Year Budget	500,000.00
Balance December 31, 2023	<u><u>\$ 681,844.64</u></u>

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

**GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

ASSETS	<u>2023</u>	<u>2022</u>
Land, Buildings and Improvements	\$ 11,544,451.12	\$ 11,544,451.12
Machinery and Equipment	2,600,209.56	2,587,281.56
Vehicles	<u>7,743,395.56</u>	<u>7,486,950.79</u>
Total	<u><u>\$ 21,888,056.24</u></u>	<u><u>\$ 21,618,683.47</u></u>
FUND BALANCE		
Investment in General Fixed Assets	<u><u>\$ 21,888,056.24</u></u>	<u><u>\$ 21,618,683.47</u></u>

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

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**TOWNSHIP OF WASHINGTON
COUNTY OF GLOUCESTER**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 1. Summary of Significant Accounting Policies

Description of Financial Reporting

The Township of Washington, County of Gloucester, New Jersey (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 population according to the 2020 census is 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 unit of the Township of Washington are not presented in accordance with Governmental Accounting Standards Board Statement No. 14, as amended by GASB Statements No. 39, 61, 80 and 90. If the provisions of GASBS No. 14, as amended by GASB Statements No. 39, 61, 80 and 90, had been complied with, the financial statements of the following component unit 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 office of this component unit during regular business hours.

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

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

Current Fund – This fund accounts for revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 1. Summary of Significant Accounting Policies (continued):

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

General Capital Fund – This 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 Account Group – The Fixed Asset Account Group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other funds of the Township.

Budgets and Budgetary Accounting - The Township must adopt an annual budget for its Current and Utility 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 10th of each year. At introduction, the governing body must 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 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. Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

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. Under GAAP, investments are reported at fair value but under regulatory basis of accounting, 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 utilities 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, 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.

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 1. Summary of Significant Accounting Policies (continued):

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.

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

General Fixed Assets – Accounting for governmental fixed assets, as required by *N.J.A.C.5:30-5.6*, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000, the maximum amount allowed by the Circular. 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. In some instances, assets are valued at the assessed valuation of the property at the time of acquisition, which approximates fair value. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their 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 assets, reflecting the activity for the year, must be included in the Township's basic financial statements.

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

Foreclosed property – Foreclosed Property or "Property Acquired for Taxes" 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 Township to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason, the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 1. Summary of Significant Accounting Policies (continued):

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.

Fund Balance – Fund Balance included in the Current and Utility Operating Funds represents the amount available for anticipation as revenue in future year's budgets, with certain restrictions.

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

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

County Taxes – The municipality is responsible for levying, collecting and remitting County taxes for the County of Gloucester. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10th 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 10th of the current year and due to be paid to the County by February 15th of the following year.

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

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 school taxes for the Margaret E. Heggan Free Public Library. The amount of the library tax is a separate local tax levy 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.

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 1. Summary of Significant Accounting Policies (continued):

Expenditures – are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When an expenditure is paid, the amount encumbered is simultaneously liquidated in its original amount.

Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for 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 cancelled by the governing body. Appropriation reserves and reserve for encumbrances at current year end are available until December 31st of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding year. Any unspent balances at this time are lapsed appropriation reserves and recorded as income.

Long-Term Debt - Long-Term Debt relative to the acquisition of capital assets, is recorded as a liability in the General and Utility 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 – Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences.

Recent Accounting Pronouncements – The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB adopts accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP). The municipalities in the State of New Jersey do not prepare their financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The following GASB pronouncement effective for the current year did have a significant impact on the Township’s financial statements.

Recently Adopted Accounting Pronouncements

The following GASB Statements became effective for the year ended December 31, 2023:

Statement No. 96, Subscription-Based IT Arrangements (SBITA), addresses accounting and financial reports for subscription-based information technology arrangements. The standard requires governments to recognize the subscription-based IT arrangement as an intangible asset and to amortize the intangible asset over the subscription term. Statement No. 96 is effective for reporting periods beginning after June 15, 2022. The Township has implemented this standard as of December 31, 2023.

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 1. Summary of Significant Accounting Policies (continued)

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 101, Compensated Absences, updates the recognition and measurement guidance to better meet the information needs of the financial statement users for compensated absences. The standard requires that liabilities for compensated absences be recognized for leave that hasn't been used and leave that has been used but not paid yet. Statement No. 101 is effective for reporting periods beginning after December 15, 2023. Management has not yet determined the potential impact on the Township's financial statements.

Statement No. 102, Certain Risk Disclosures, requires a government to disclose information about concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. The standard will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. Statement No. 102 is effective for reporting periods beginning after June 15, 2024. Management has not yet determined the potential impact on the Township's financial statements.

Note 2. Deposits and Investments

The Township is governed by the deposit and investment limitations of New Jersey state law.

Deposits

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned. Although the Township does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Township in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the Township relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2023, the Township's bank balance of \$27,959,009.76 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$ 23,878,090.73
Uninsured and Uncollateralized	<u>4,080,919.03</u>
	<u>\$ 27,959,009.76</u>

Investments

The Township had no investments as of December 31, 2023.

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 3. Property Taxes

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

Comparison Schedule of Tax Rates (Excludes Fire District Tax Rates)

	<u>2023</u>	<u>2021</u>	<u>2020</u>
Tax Rate	<u>\$ 3.419</u>	<u>\$ 3.318</u>	<u>\$ 3.286</u>
Apportionment of Tax Rate:			
Municipal	0.697	0.651	0.648
County	0.715	0.711	0.718
Local School	2.007	1.956	1.920

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2023	\$ 4,722,105,100.00
2021	4,738,268,675.00
2020	4,725,112,369.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
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

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
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%

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 3. Property Taxes (continued)

Number of Tax Title Liens

<u>Year</u>	<u>Number</u>
2023	38
2022	44
2021	55

The last tax sale was held on December 12, 2023.

Note 4: Property Acquired By Tax Title Lien Liquidation

The value of properties acquired by liquidation of tax title liens based on the last assessed valuation of such properties as of December 31, 2023 was as follows:

<u>Year</u>	<u>Amount</u>
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 two previous years and the amounts utilized in the subsequent year's budgets:

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
Current Fund:			
2023	\$ 4,806,952.47	*	N/A
2022	6,350,047.61	5,000,000.00	78.74%
2021	7,108,241.61	6,000,000.00	84.41%

* Not available at time of audit

Note 6. Disaggregated Receivable and Payable Balances

There are no significant components of receivable and payable balances reported in the financial statements.

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 7. Interfund Receivables, Payables and Transfers

The following interfund balances were recorded in the various statements of assets liabilities, reserves and fund balances at December 31, 2023:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 169,017.90	\$ 1,318,516.93
State and Federal Grant Fund	1,316,353.38	-
Animal Control Trust	-	9,788.62
Open Space Trust Fund	-	159,229.28
Capital Fund	2,163.55	-
	<u>\$ 1,487,534.83</u>	<u>\$ 1,487,534.83</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

A summary of interfund transfers is as follows:

Fund	Transfers In	Transfers Out
Current Fund	\$1,714,778.65	\$ 1,985,866.09
State and Federal Grant Fund	1,204,746.09	1,076,525.00
Animal Control Trust	-	18,511.02
Trust Other Fund	-	327.34
Open Space Trust Fund	781,120.00	332,298.08
Capital Fund	-	287,117.21
	<u>\$ 3,700,644.74</u>	<u>\$ 3,700,644.74</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them (i.e. interest earning), (2) provide cash flow to other funds to temporary finance expenditures that are on a reimbursable basis (i.e. grants), (3) when no bank account exists for a fund, and (4) utilizing surplus or fund balance from one fund as budgeted revenue in another.

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 8. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2023.

	Balance December 31, <u>2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustment</u>	Balance December 31, <u>2023</u>
Land, Buildings & Improvements	\$ 11,544,451.12	\$ -	\$ -		\$ 11,544,451.12
Machinery & Equipment	2,587,281.56	12,928.00	-		2,600,209.56
Vehicles	7,486,950.79	325,873.64	266,601.00	197,172.13	7,743,395.56
	<u>\$ 21,618,683.47</u>	<u>\$ 338,801.64</u>	<u>\$ 266,601.00</u>	<u>\$ 197,172.13</u>	<u>\$ 21,888,056.24</u>

Note 9. Pension Obligations

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

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is 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 or more years 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.

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 9. Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

Basis of Presentation - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2022, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2022, the Township's contractually required contribution to PERS plan was \$1,065,174.

Components of Net Pension Liability - At December 31, 2022, the Township's proportionate share of the PERS net pension liability was \$12,747,288. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2021. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The Township's proportion measured as of June 30, 2022, was 0.084467% which was a decrease of 0.000018% from its proportion measured as of June 30, 2021.

Balances at December 31, 2022 and December 31, 2021

	<u>12/31/2022</u>	<u>12/31/2021</u>
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Deferred Outflows of Resources	\$ 1,954,367	\$ 2,228,735
Deferred Inflows of Resources	2,059,478	6,393,307
Net Pension Liability	12,747,288	10,008,570
Township's portion of the Plan's total Net Pension Liability	0.084467%	0.084485%

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 9. Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2022, the Township's proportionate share of the PERS expense/(benefit), calculated by the plan as of the June 30, 2022 measurement date is \$(221,270). This expense/(benefit) is not recognized by the Township because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Township contributed \$1,065,174 to the plan in 2022.

At December 31, 2022, the Township reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 92,004	\$ 81,135
Changes of Assumptions	39,495	1,908,774
Net Difference between Projected and Actual Earnings on Pension Plan Investments	527,599	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	<u>1,295,269</u>	<u>69,569</u>
	<u>\$ 1,954,367</u>	<u>\$ 2,059,478</u>

The Township will amortize the above sources of deferred outflows and inflows related to PERS over the following number of years:

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 9. Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	5.16	-
June 30, 2021	5.13	-
June 30, 2022	-	5.04
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
June 30, 2022	-	5.04
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	5.00	-
June 30, 2022	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16
June 30, 2021	5.13	5.13
June 30, 2022	5.04	5.04

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 9. Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

Year Ending		<u>Amount</u>
<u>Dec 31,</u>		
2022	\$	(86,364)
2023		(43,999)
2024		(21,458)
2025		46,812
2026		(102)
	\$	<u>(105,111)</u>

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75 - 6.55% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	
PERS	Pub-2010 General Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2018 - June 30, 2021

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

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 9. Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) 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's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be 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 projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments to determine the total pension liability.

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 9. Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Township's Proportionate Share of the Net Pension Liability	<u>\$ 16,515,223</u>	<u>\$ 12,747,288</u>	<u>\$ 9,740,455</u>

Special Funding Situation – Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the 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 the legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to the 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 pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

The State's proportionate share of the PERS net pension liability associated with the special funding situation is \$-0- as of December 31, 2022. The State's proportionate share of the contribution associated with the special funding situation was \$26,821 as of December 31, 2022. These are based on measurements as of June 30, 2022.

B. Police and Firemen's Retirement System (PFRS)

Plan Description – The State of New Jersey, Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PFRS, please refer to the Division's Annual Comprehensive Financial Report (ACFR) which can be found at <http://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 9. Pension Obligations (continued)

B. Police and Firemen's Retirement System (PFRS) (continued)

The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
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, as defined, 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 if 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.

Basis of Presentation - The schedule of employer and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PFRS, its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PFRS, the participating employers, or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PFRS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. 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. For fiscal year 2021, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2022, the Township's contractually required contributions to PFRS plan was \$2,822,402.

Net Pension Liability and Pension Expense - At December 31, 2022 the Township's proportionate share of the PFRS net pension liability was \$24,840,364. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2021, to the measurement date of June 30, 2022. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 9. Pension Obligations (continued)

B. Police and Firemen's Retirement System (PFRS) (continued)

employers' contributions for the year ended June 30, 2022. The Township's proportion measured as of June 30, 2022, was 0.21702%, which was an increase of 0.00741% from its proportion measured as of June 30, 2021.

Balances at December 31, 2022 and December 31, 2021

	<u>12/31/2022</u>	<u>12/31/2021</u>
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Deferred Outflows of Resources	\$ 5,539,313	\$ 1,976,203
Deferred Inflows of Resources	5,112,984	14,014,013
Net Pension Liability	24,840,364	15,319,981
Township's portion of the Plan's total net pension Liability	0.21702%	0.20960%

Pension Expense and Deferred Outflows/Inflows of Resources – At December 31, 2022, the Township's proportionate share of the PFRS expense/(benefit), calculated by the plan as of the June 30, 2022 measurement date was \$(119,989). This expense/(benefit) is not recognized by the Township because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Township contributed \$2,822,402 to the plan in 2022.

At December 31, 2022, the Township had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 1,124,341	\$ 1,521,810
Changes of Assumptions	68,078	3,126,911
Net Difference between Projected and Actual Earnings on Pension Plan Investments	2,274,647	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	<u>2,072,247</u>	<u>464,263</u>
	<u>\$ 5,539,313</u>	<u>\$ 5,112,984</u>

The Township will amortize the above sources of deferred outflows and inflows related to PFRS over the following number of years:

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 9. Pension Obligations (continued)

B. Police and Firemen's Retirement System (PFRS) (continued)

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2017	5.59	-
June 30, 2018	5.73	-
June 30, 2019	-	5.92
June 30, 2020	5.90	-
June 30, 2021	-	6.17
June 30, 2022	6.22	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2017	-	5.59
June 30, 2018	-	5.73
June 30, 2019	-	5.92
June 30, 2020	-	5.90
June 30, 2021	6.17	-
June 30, 2022	-	6.22
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	5.00	-
June 30, 2022	5.00	-

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 9. Pension Obligations (continued)

B. Police and Firemen's Retirement System (PFRS) (continued)

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PFRS that will be recognized in future periods:

Year Ending		
<u>Dec 31,</u>	<u>Amount</u>	
2022	\$	448,498
2023		286,618
2024		273,035
2025		(570,328)
2026		(5,496)
Thereafter		<u>(5,998)</u>
	\$	<u>426,329</u>

Special Funding Situation – 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 non-employer 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 to report in the financial statements of the local participating employers related to this legislation.

Additionally, the State's proportionate share of the PFRS net pension liability attributable to the Township is \$4,420,857 as of December 31, 2022. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2021, to the measurement date of June 30, 2022. The State's proportion of the net pension liability associated with the Township was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2022 was 0.21702%, which was a increase of 0.00741% from its proportion measured as of June 30, 2021, which is the same proportion as the Township's. At December 31, 2022, the Township's and the State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$ 24,840,364
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>4,420,857</u>
	<u>\$ 29,261,221</u>

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 9. Pension Obligations (continued)

B. Police and Firemen's Retirement System (PFRS) (continued)

At December 31, 2022, the State's proportionate share of the PFRS expense, associated with the Township, calculated by the plan as of the June 30, 2022 measurement date was \$510,050.

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all future years	3.25 - 15.65%
	Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	
PFRS	Pub-2010 Safety Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2018 - June 30, 2021

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 9. Pension Obligations (continued)

B. Police and Firemen's Retirement System (PFRS) (continued)

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) 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 PFRS's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	4.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	7.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	4.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments to determine the total pension liability.

Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 9. Pension Obligations (continued)

B. Police and Firemen's Retirement System (PFRS) (continued)

	1% Decrease (<u>6.00%</u>)	Current Discount Rate (<u>7.00%</u>)	1% Increase (<u>8.0%</u>)
Township's Proportionate Share of the Net Pension Liability	\$ 34,083,662	\$ 24,840,364	\$ 17,145,273
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	<u>6,065,893</u>	<u>4,420,857</u>	<u>3,051,356</u>
	<u>\$ 40,149,555</u>	<u>\$ 29,261,221</u>	<u>\$ 20,196,629</u>

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

*Note that the information presented above is in accordance with N.J.A.C 5:30, which differs from the requirements of *GASB Statement No. 68, Accounting and Financial Reporting for Pensions*.

Note 10. Municipal Debt

The following schedule represents the Township's summary of debt, as filed in the Township's Annual Debt Statement required by the Local Bond Law of New Jersey for the current and two previous years:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 46,506,943.85	\$ 44,169,820.09	\$ 36,892,660.87
Total Debt Issued	<u>46,506,943.85</u>	<u>44,169,820.09</u>	<u>36,892,660.87</u>
Authorized but not issued:			
General:			
Bonds, Notes and Loans	<u>-</u>	<u>-</u>	<u>4,868,133.00</u>
Total Authorized But Not Issued	<u>-</u>	<u>-</u>	<u>4,868,133.00</u>
Total Gross Debt	<u>\$ 46,506,943.85</u>	<u>\$ 44,169,820.09</u>	<u>\$ 41,760,793.87</u>
Total Net Debt	<u>\$ 46,506,943.85</u>	<u>\$ 44,169,820.09</u>	<u>\$ 41,760,793.87</u>

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 10. Municipal Debt (continued):

Summary of Statutory Debt Condition - Annual Debt Statement

The following schedule is a summary of the previous schedule and is prepared in accordance with the required method of setting up the Annual Debt Statement:

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Debt	\$ 7,445,000.00	\$ 7,445,000.00	\$ -
General Debt	46,506,943.85	-	46,506,943.85
	<u>\$ 53,951,943.85</u>	<u>\$ 7,445,000.00</u>	<u>\$ 46,506,943.85</u>

Net Debt \$46,506,943.85 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$5,916,327,436.67, equals 0.786%. New Jersey statute 40A:2-6, as amended, limits the debt of a Municipality to 3.5% of the last three preceding year's average equalized valuations of real estate, including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2023 is calculated as follows:

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 207,071,460.28
Net Debt	<u>46,506,943.85</u>
Remaining Borrowing Power	<u>\$ 160,564,516.43</u>

General Debt

A. Serial Bonds Payable

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 of 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 of general obligation bonds, with interest rates ranging from 0.5% to 3.0%. The purpose of the bonds is to fund capital ordinances 07-2017, 15-2018, 18-2019 and 05-2020. The final maturity of the bonds is May 15, 2035.

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 10. Municipal Debt (continued):

Principal and interest due on the outstanding bonds is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 2,480,000.00	\$ 842,637.52	\$ 3,322,637.52
2025	2,515,000.00	769,537.52	3,284,537.52
2026	2,555,000.00	695,262.52	3,250,262.52
2027	2,590,000.00	619,512.52	3,209,512.52
2028	2,625,000.00	542,462.52	3,167,462.52
2029-2033	12,725,000.00	1,613,681.32	14,338,681.32
2034-2037	6,545,000.00	280,040.65	6,825,040.65
	<u>\$ 32,035,000.00</u>	<u>\$ 5,363,134.57</u>	<u>\$ 37,398,134.57</u>

B. Bond Anticipation Notes Payable – Short Term Debt

The Township had the following bond anticipation notes outstanding in the General Capital Fund at December 31, 2023:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance December 31, 2023</u>
Series 2023	9/6/2023	9/5/2024	5.00%	<u>\$ 14,407,273.00</u>
				<u>\$ 14,407,273.00</u>

C. New Jersey Green Acres Loans

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:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 8,075.37	\$ 1,253.24	\$ 9,328.61
2025	8,237.68	1,090.92	9,328.60
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
2029-2031	22,637.90	683.65	23,321.55
	<u>\$ 64,670.85</u>	<u>\$ 5,293.75</u>	<u>\$ 69,964.60</u>

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 10. Municipal Debt (continued):

D. Bonds and Notes Authorized But Not Issued

As of December 31, 2023, the Township had no General Capital bonds and notes authorized but not issued.

Summary of Principal Debt

A summary of the changes in long-term and short-term debt of the Township is as follows:

	Balance December 31, <u>2022</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2023</u>	Balance Due Within <u>One Year</u>
General Capital:					
General Bonds	\$ 34,500,000.00	\$ -	\$ 2,465,000.00	\$ 32,035,000.00	\$ 2,480,000.00
Bond Anticipation Notes	9,597,233.00	14,407,273.00	9,597,233.00	14,407,273.00	14,407,273.00
Green Acres Loan	72,587.10	-	7,916.25	64,670.85	8,075.37
	<u>\$ 44,169,820.10</u>	<u>\$ 14,407,273.00</u>	<u>\$ 12,070,149.25</u>	<u>\$ 46,506,943.85</u>	<u>\$ 16,895,348.37</u>

Note 11. Disclosure for Municipal Open Space Trust Fund

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 of Washington authorized the establishment of the Township of Washington 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 centers 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 Ordinance 29-2017 to amend the funding for the Open Space Trust Fund. Effective January 1, 2018, and every year thereafter, the Open Space Trust Fun shall be funded through the dedication to the fund in the amount of \$.01 per \$100 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 of Washington 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 12. Concentrations

The Township depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the Township is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 13. Accrued Sick, Vacation and Compensation Time

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

Superior Officers are entitled to 36 to 49 accumulated leave days per year based on years of service. Such days can be carried forward until retirement or termination. Existing Captains and Lieutenants (as of August 15, 2017) are permitted to accumulate up to 100 leave days which may either be used as terminal leave upon retirement, “cashed in” during last five years of retirement, or be “paid out” upon retirement. Lieutenants promoted after August 15, 2017 may accumulate up to a maximum of 80 days.

Police Sergeants are entitled to 28 to 48 accumulated leave days per year based on years of service. Employees retiring on either age and service or disability pension shall be paid a lump sum payment for each full day of earned and unused accumulated leave which is credited to him/her on the effective date of his/her retirement. The amount to be paid shall be computed at the rate of 100% of the daily rate of pay for each day earned and unused accumulated leave, not to exceed 100 days based on the average annual compensation received during the last twelve months of employment prior to the effective date of his/her retirement divided by 1,872 hours. All employees must request compensation for earned and accumulated leave days to be paid beginning in the 21st year of his/her employment, and continuing in years 22, 23, 24, and 25. The yearly payments shall be for one-fifth of the employee’s unused and accumulated leave fixed until retirement as of the date of the initial request. Accumulated and unused leave time may also be used as “terminal leave”, or any combination thereof.

Patrol Officers are entitled to 10 to 25 vacation days per year based on years of service. An employee who terminates his employment with the Township, or whose employment is terminated by the Township, shall be entitled to vacation time and/or vacation pay on a pro-rata basis. Sick leave accrues for regular full-time employees at the rate of one and one-quarter working days per month in every calendar year of employment and shall accumulate from year to year, up to 100 days. Employees retiring on either regular or disability pension shall be paid for all accumulated holidays, vacations, and accumulated sick leave which is credited to him on the effective date of his retirement. The payment shall be computed at the rate of 100% of the daily rate of pay for each day earned and unused, based upon the average annual compensation received during the last year of his employment prior to the effective date of his retirement.

Full time Public Works union employees are entitled to sick leave with full pay on a basis of 6 hours and 45 minutes for each completed month of service. For employees hired before July 1, 2006, accumulation of sick time is limited to 90 days. For employees hired after July 1, 2006, accumulation of sick time shall be capped at a maximum of \$15,000.00. All employees must request compensation for earned and accumulated leave days to be paid beginning in the 21st year of his/her employment and continuing in years 22, 23, 24, and 25. The yearly payments shall be for one-fifth of the employee’s unused and accumulated leave fixed until retirement as of the date of the initial request. Full time Public Works union employees are also entitled between 5 to 30 days of vacation per year based on their years of service and up to one week of vacation can be carried forward subject to the approval of the Business Administrator. At termination or retirement they would be paid for 100% of their accumulated vacation pay. Public Works employees also have the option of taking vacation pay in lieu of vacation days at the end of the year.

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 13. Accrued Sick, Vacation and Compensation Time (continued)

Municipal Services Supervisors and Coordinators earn between 5 and 25 vacation leave days per year. Employees may carry up to 10 days into the next calendar year. An employee who terminates his employment with the Township, or whose employment is terminated by the Township, shall be entitled to vacation time and/or vacation pay on a pro-rata basis. Said payment shall also include any vacation time accrued and not used from a previous year (carried over). Employees shall receive 3 personal days per year. Unused personal days may not be carried over from one calendar year to the next and employees who terminate their employment shall be reimbursed for any unused personal days on a prorated basis.

Municipal Services Supervisors and Coordinators (Cont'd) - Employees are entitled to 15 sick days per year and those employed before January 1, 1995 are entitled to sell back up to 20% of accumulated sick time annually. Employees employed after January 1, 1995 and have a minimum of 400 sick hours in their bank are entitled to sell back up to 15 sick days annually. In the event of retirement, resignation, layoff or termination of employment an employee shall receive a lump sum payment at 100% of their hourly rate for all accumulated sick time.

Clerical union employees earn between 62 and 214 vacation leave hours per year. Employees may carry up to 5 days into the next calendar year. Upon retirement or termination or resignation of employment, employees shall be paid for all vacation leave not used at their then hourly rate of pay. Employees shall receive 24 personal hours per year. Unused personal hours may not be carried over from one calendar year to the next and employees who terminate their employment shall be reimbursed for any unused personal hours on a prorated basis. Employees are entitled to a total of 90 sick hours per year. Upon retirement or termination, they would receive a lump sum payment at their then hourly rate of pay for 100% up to \$15,000.00 of accumulated sick time. All employees must request compensation for earned and accumulated leave days to be paid beginning in the 21st year of his/her employment and continuing in years 22, 23, 24, and 25.

Other full-time nonunion employees earn one hour of sick leave for every 30 hours worked and earn between 32 and 208 vacation hours per year. Personal days are accrued as follows: all full-time nonunion employees will receive 3 personal days per year; four day per week employees and five day, forty hour per week employees will be entitled to 24 hours per year and five day, thirty-two hour per week employees will be entitled to 18 hours per year. Unused sick leave may be accumulated and carried forward to the subsequent year and up to 12 days may be sold back to the Township. Up to one week of vacation can be carried forward to the next year. Upon termination or retirement any employee having worked longer than one year is entitled to be paid for all unused sick, vacation, and personal days.

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, 2023, the balance of the fund was \$64,795.17. It is estimated that, at December 31, 2023, accrued benefits for compensated absences are valued at \$4,651,846.65.

Note 14. 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.

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 14. Deferred Compensation Salary Account (continued)

Amounts deferred under Section 47 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Township of 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 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.

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

The following is a summary of Township contributions, reimbursements to the State for benefits paid and the ending balance of the Township's trust fund for the current and previous two years:

<u>Year</u>	<u>Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2023	\$ -	\$ 26,831.88	\$ 1,530.63	\$ 48,931.20	\$ 63,752.47
2022		25,493.15	603.57	7,907.81	84,321.16
2021	-	23,327.21	298.59	8,776.02	66,132.25

Joint Insurance Pool – The Township of Washington 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
Automobile Liability
General Liability including Police Professional and Employee Benefit Liability
Blanket Crime including Public Employee Dishonesty
Cyber Liability
Property including Boiler and Machinery
Volunteer Directors and Officers Liability
Public Officials and Employment Practices Liability

The following overages 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	Excess Auto Liability
Fidelity and Performance (Blanket)	Excess Property including Boiler and Machinery
Crime including Excess Public Employee and Public Official Coverage	

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 15. Risk Management (continued)

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 Pool provides that the Pool 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. Contingencies

Grantor Agencies

The Township receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2023, the Township estimates that no material liabilities will result from such audits.

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 17. 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 of Washington, 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.

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 17. Tax Abatements (continued)

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.

For the year ended December 31, 2023, the Township received \$97,222.67 in payment in lieu of taxes; and the total property taxes abated amounted to \$49,352.58 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:

<u>Business Name</u>	<u>Purpose</u>	<u>Percent Abated</u>	<u>Amount Abated</u>
Provco Sicklerville, LLC	Retail Stores	40%	\$ 10,578.38
AJD Property Investments	Hair Salon	60%	\$ 2,625.78
Gefen Self Storage NJ I LLC	Self Storage Facility	80%	\$ 32,305.46
J Trail Holdings Co. LLC	Animal Hospital	40%	\$ 3,842.96

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 as supplemented, N.J.S.A. 40A:20-1, et seq. (Long Term Tax Exemption Law). For the year ended December 31, 2022, the Township abated property taxes of approximately \$705,000.00. 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 the annual service charge component and any portion of payment paid to the County of Gloucester.

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 18. Postemployment Benefits Other Than Pensions

A. Local Plan

Plan Description and Benefits Provided

The Township provides postretirement dental benefits and reimbursement of Medicare Part B and health insurance premiums to certain retirees. The Township provides a single employer post-employment dental plan, which 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 after the age of 55 or older with at least twenty (20) years of service or having retired under disability pension from a New Jersey administered pension plan; and non-uniformed employees retiring after the age of 62 or older with at least twenty (20) year of service. Coverage is provided for the retirees and their spouse. The Plan is administered by the Township; therefore, premium payments are made directly to the insurance carriers. Plan members receiving benefits are not required to make any contributions. The Township also provides a single employer post-employment Medicare Part B and health insurance premium reimbursement plan, which 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: all Medicare-eligible retirees and their eligible dependents for the full premium cost of Medicare Part B medical coverage and retired police officers with 20 years of service for health insurance premiums. The Plan is administered by the Township and the premium reimbursements are paid directly to the retirees.

Employees Covered by Benefit Terms

As of January 1, 2023, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	155
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	-
Active Employees	191
	<u>346</u>

Total OPEB Liability

The Township's total OPEB liability of \$23,848,362.00 was measured as of December 31, 2023 and was determined by an actuarial valuation as of January 1, 2023.

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	4.31%
Healthcare Cost Trend Rates	8.00% Decreasing to 5.00% Ultimate
Retirees' Share of Benefit Related Costs	None

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 18. Postemployment Benefits Other Than Pensions (continued):

The Discount Rate was based on the S&P 20 AA Municipal Bond Index.

Mortality rates were based on the PUB-2010 Mortality Table with MP-2021 Projection.

An experience study was not performed on the actuarial assumptions used in the January 1, 2023 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 the 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, 2022		\$ 21,985,186.00
Service Cost	\$ 475,521.00	
Interest Cost	934,852.00	
Benefit Payments	(589,765.00)	
Changes in Assumptions	1,577,615.00	
Difference Between Expected and Actual Experience	<u>(535,047.00)</u>	
Net Changes		<u>1,863,176.00</u>
Balance at December 31, 2023		<u><u>\$ 23,848,362.00</u></u>

Changes of benefit terms reflect no increase in the retirees' share of health insurance premiums.

Changes of assumptions and other inputs reflect a change in the discount rate from 4.31% at December 31, 2022 to 4.00% at December 31, 2023.

Sensitivity of Total OPEB Liability to Changes in Discount Rate

The following presents the total OPEB liability of the Township, as well as what the Township'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:

	<u>December 31, 2023</u>		
	1.00% Decrease <u>(3.00%)</u>	Current Discount Rate <u>(4.00%)</u>	1.00% Increase <u>(5.00%)</u>
Total OPEB Liability	<u>\$ 29,319,978.00</u>	<u>\$ 23,848,362.00</u>	<u>\$ 19,686,273.00</u>

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 18. Postemployment Benefits Other Than Pensions (continued):

Sensitivity of Total OPEB Liability to Changes in Health Cost Trend Rate

The following presents the total OPEB liability of the Township, as well as what the Township'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:

	December 31, 2023		
	<u>1.00% Decrease</u>	<u>Health Cost Trend Rates</u>	<u>1.00% Increase</u>
Total OPEB Liability	<u>\$ 19,515,183.00</u>	<u>\$ 23,848,362.00</u>	<u>\$ 29,617,926.00</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2023, the Township recognized OPEB expense of \$1,021,875.00. As of December 31, 2023, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change of Assumptions	\$ 4,305,619.00	\$ 10,003,425.00
Difference Between Expected and Actual Experience	<u>4,622,914.00</u>	<u>500,283.00</u>
	<u><u>\$ 8,928,533.00</u></u>	<u><u>\$ 10,503,708.00</u></u>

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

Year Ending	
Dec. 31, 2024	\$ (388,497.00)
Dec. 31, 2025	(364,305.00)
Dec. 31, 2026	(539,081.00)
Dec. 31, 2027	(539,084.00)
Dec. 31, 2028	255,792.00
Thereafter	<u>-</u>
	<u><u>\$ (1,575,175.00)</u></u>

Supplementary OPEB Information

In accordance with GASB No. 75, the following information is also presented for the Township's OPEB Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 18. Postemployment Benefits Other Than Pensions (continued):

	Plan Measurement Date December 31,					
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability						
Service Cost	\$ 475,521.00	\$ 720,221.00	\$ 702,785.00	\$ 357,589.00	\$ 309,973.00	\$ 283,858.00
Interest Cost	934,852.00	707,990.00	578,997.00	700,923.00	713,503.00	695,608.00
Benefit Payments	(589,765.00)	(555,217.00)	(388,157.00)	(363,580.00)	(332,242.00)	(304,781.00)
Changes in Assumptions	1,577,615.00	(13,700,425.00)	(1,391,694.00)	5,222,342.00	1,329,190.00	-
Difference Between Expected and Actual Experience	(535,047.00)	3,068,773.00	2,047,980.00	2,594,159.00	(105,770.00)	(169,336.00)
Net Change in Total OPEB Liability	1,863,176.00	(9,758,658.00)	1,549,911.00	8,511,433.00	1,914,654.00	505,349.00
Total OPEB Liability - Beginning of Year	21,985,186.00	31,743,844.00	30,193,933.00	21,682,500.00	19,767,846.00	19,262,497.00
Total OPEB Liability - End of Year	<u>\$ 23,848,362.00</u>	<u>\$ 21,985,186.00</u>	<u>\$ 31,743,844.00</u>	<u>\$ 30,193,933.00</u>	<u>\$ 21,682,500.00</u>	<u>\$ 19,767,846.00</u>
Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A

B. State Plan

General Information about the OPEB Plan

The State Health Benefit Local Government Retired Employees Plan (the Plan) 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. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Annual Comprehensive Financial Report (ACFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug 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.

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.

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 18. Postemployment Benefits Other Than Pensions (continued)

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.

Basis of Presentation

The schedule of employer and nonemployer allocations and the schedule of OPEB amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the participating employers or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the Plan to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB (benefit) expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2022 were \$3,361,552,823 and \$12,729,372,231, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2021 through June 30, 2022. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

Net OPEB Liability

The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 18. Postemployment Benefits Other Than Pensions (continued)

Salary Increases*:

Public Employees' Retirement System (PERS)

Initial Fiscal Year Applied

Rate through 2027	5.75% to 6.55%
Rate thereafter	2.75% to 4.75%

Police and Firemen's Retirement System (PFRS)

Rate for all future years	3.25% to 16.25%
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Mortality:

PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021
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PERS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021
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* - Salary Increases are based on the defined benefit plan that the member is enrolled in and his or her age.

OPEB Obligation and OPEB (benefit) Expense - The State's proportionate share of the total Other Post-Employment Benefits Obligations, attributable to the Township's as of June 30, 2022 was \$50,764,477. The Township's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2022, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The State's proportionate share of the OPEB Obligation associated with the Township was based on projection of the State's long-term contributions to the OPEB plan associated with the Township relative to the projected contributions by the State associated with all participating Municipalities, actuarially determined. At June 30, 2022, the State proportionate share of the OPEB Obligation attributable to the Township was 0.31433%, which was an increase of 0.00358% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2022, the State of New Jersey recognized an OPEB (benefit)/expense in the amount of \$864,024 for the State's proportionate share of the OPEB (benefit) expense attributable to the Township. This OPEB (benefit)/expense was based on the OPEB plans June 30, 2021 measurement date.

Actuarial assumptions used in the July 1, 2021 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 18. Postemployment Benefits Other Than Pensions (continued)

Discount Rate

The discount rate for June 30, 2022 was 3.54%. 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.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the collective net OPEB liability of the participating employers as of June 30, 2022, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
State of New Jersey's Proportionate Share of Total OPEB Obligation Associated with the Township	\$ 66,584,198	\$ 50,764,477	\$ 48,652,054
State of New Jersey's Total Nonemployer OPEB Liability	21,182,289,882	16,149,595,478	15,477,574,697

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate:

The following presents the net OPEB liability as of June 30, 2022, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the Township	\$ 47,207,053	\$ 50,764,477	\$ 68,811,302
State of New Jersey's Total Nonemployer OPEB Liability	15,017,879,689	16,149,595,478	21,890,793,528

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 18. Postemployment Benefits Other Than Pensions (continued)

Additional Information – The following is a summary of the collective balances of the local group at June 30, 2022:

Collective Balances at December 31, 2022 and December 31, 2021

	<u>12/31/2022</u>	<u>12/31/2021</u>
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Collective Deferred Outflows of Resources	\$ 7,897,070,518	\$ 8,536,291,345
Collective Deferred Inflows of Resources	13,408,600,309	12,481,961,743
Collective Net OPEB Liability	16,149,595,478	17,999,781,235
 Township's Portion	 0.31434%	 0.31076%

The collective amounts reported as a deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:

2023	\$ (1,463,380,541)
2024	(1,464,672,406)
2025	(1,156,630,075)
2026	(516,557,746)
2027	(115,810,526)
Thereafter	<u>(794,478,497)</u>
	 <u>\$ (5,511,529,791)</u>

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflow of resources related to the changes in proportion. These amounts should be recognized (amortized) by each employer over the average remaining service lives of all plan members, which is 7.82, 7.87, 8.05, 8.14 and 8.04 years for the 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

Plan Membership

At June 30, 2021, the Program membership consisted of the following:

	<u>June 30, 2021</u>
Active Plan Members	65,360
Retirees Currently Receiving Benefits	<u>33,684</u>
 Total Plan Members	 <u>99,044</u>

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 18. Postemployment Benefits Other Than Pensions (continued)

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2022 (measurement date June 30, 2021) is as follows:

Service Cost	\$ 796,654,029
Interest on the Total OPEB Liability	401,372,615
Change of Benefit Terms	402,474,416
Differences Between Expected and Actual Experience	572,046,963
Changes of Assumptions	(3,599,550,175)
Contributions From the Employer	(389,490,003)
Contributions From Non-Employer Contributing Entity	(45,792,081)
Net Investment Income	(235,962)
Administrative Expense	12,334,441
Net Change in Total OPEB Liability	(1,850,185,757)
Total OPEB Liability (Beginning)	17,999,781,235
Total OPEB Liability (Ending)	\$ 16,149,595,478

*Note that the information presented above is in accordance with N.J.A.C 5:30, which differs from the requirements of *GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Special Funding Situation

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

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred 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 allocations included in the supplemental schedule of employer special funding allocations and the supplemental schedule of special funding amounts by employer for each employer are provided as each employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the OPEB expense allocated to the State of New

**TOWNSHIP OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 18. Postemployment Benefits Other Than Pensions (continued):

Jersey under the special funding situation and include their proportionate share of the collective net OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

Additionally, the State's proportionate share of the OPEB liability attributable to the Township is \$205,229 as of December 31, 2022. The OPEB liability was measured as of June 30, 2022. The total OPEB liability used to calculate the OPEB liability was determined using update procedures to roll forward the total OPEB liability from an actuarial valuation as of July 1, 2021, to the measurement date of June 30, 2022. The State's proportion of the OPEB liability associated with the Township was based on a projection of the Township's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2022 was 0.00608%, which was a decrease of 0.00007% from its proportion measured as of June 30, 2021, which is the same proportion as the Township's. At December 31, 2022, the Township's and the State of New Jersey's proportionate share of the OPEB liability were as follows:

State of New Jersey's		
Proportionate Share of OPEB Liability		
Associated with the Township	\$	205,229.00

At December 31, 2022, the State's proportionate share of the OPEB expense, associated with the Township, calculated by the plan as of the June 30, 2022 measurement date was (\$33.662).

*Note that the information presented above is in accordance with N.J.A.C 5:30, which differs from the requirements of *GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Note 19. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2023 and June 12, 2024, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements. Other than the following, no items have come to the attention of the Township that would require disclosure.

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SUPPLEMENTARY EXHIBITS

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CURRENT FUND

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**TOWNSHIP OF WASHINGTON
CURRENT FUND
SCHEDULE OF CURRENT CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>CURRENT</u>	
Balance December 31, 2022	\$ 13,154,425.05	
Taxes Receivable	\$ 168,115,040.87	
Tax Title Lien Receivable	11,280.71	
Prepaid Taxes	1,293,357.96	
Due from State - Senior Citizens & Vets	327,751.45	
Miscellaneous Revenue Not Anticipated	297,329.60	
Revenue Accounts Receivable	8,603,883.54	
Budget Appropriation Refunds	3,433,812.42	
Reserve Budget Appropriation Refunds	171,066.98	
Washington Square PILOT Due to Other Entities	420,044.04	
Due to Library	1,006,295.55	
Due to State - Marriage & Burial Fees	3,055.00	
DCA Inspections Fees	75,469.00	
Due from Trust Other	327.34	
Due from Animal Control Trust	18,511.02	
Due from Municipal Open Space Trust	332,298.08	
Payroll Funds	18,831,231.50	
Reserve for Municipal Aid Relief	333,927.20	
Federal & State Grants Unappropriated	6,122.03	
Federal & State Grants Receivable	1,070,402.97	204,351,207.26
		<u>204,351,207.26</u>
Subtotal		<u>217,505,632.31</u>
Decreased by Disbursements:		
2023 Appropriations	46,772,656.11	
2022 Appropriation Reserves	628,759.24	
County Taxes	33,738,439.54	
Due County for Added & Omitted Taxes	51,628.06	
Fire District Tax	8,268,069.00	
Local District School Tax	94,760,664.00	
Tax Overpayments	278,961.48	
Payroll Funds	18,833,733.34	
Accounts Payable	-	
Due to State - Marriage & Burial Fees	1,605.00	
DCA Inspections Fees	50,898.00	
Due to Library	1,006,120.48	
Washington Square PILOT Due to Other Entities	420,044.04	
Municipal Open Space Trust Fund Activity	781,120.00	
Reserve for Federal & State Grant		
Funds Appropriated	1,204,746.09	<u>206,797,444.38</u>
Total Disbursements		<u>206,797,444.38</u>
Balance December 31, 2023		<u><u>\$ 10,708,187.93</u></u>

**TOWNSHIP OF WASHINGTON
CURRENT FUND
SCHEDULE OF CHANGE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Office:

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
Total	<u><u>\$ 2,385.00</u></u>

**TOWNSHIP OF WASHINGTON
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2023**

YEAR	BALANCE DECEMBER 31, 2022	2023 LEVY	ADDED TAXES	COLLECTED		DUE FROM STATE OF NEW JERSEY	(REMITTED/ CANCELLED	OVERPAYMENTS APPLIED	OVERPAYMENTS CREATED	TRANSFER TO	
				2022	2023					TITLE LIENS	BALANCE DECEMBER 31, 2023
2019	\$ 0.03	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.03
2020	17.40	-	-	-	-	-	-	-	-	-	17.40
2022	22,910.08	-	-	-	33,653.83	(5,351.29)	262,673.05	38,490.41	306,569.99	-	14.07
Total	22,927.51	-	-	-	33,653.83	(5,351.29)	262,673.05	38,490.41	306,569.99	-	31.50
2023	-	169,690,839.73	189,268.26	1,331,141.28	168,081,387.04	333,408.35	489,118.88	-	522,615.45	149,680.08	17,987.81
Total	\$ 22,927.51	\$ 169,690,839.73	\$ 189,268.26	\$ 1,331,141.28	\$ 168,115,040.87	\$ 328,057.06	\$ 751,791.93	\$ 38,490.41	\$ 829,185.44	\$ 149,680.08	\$ 18,019.31

ANALYSIS OF 2022 PROPERTY TAX LEVY

General Purpose Tax	\$ 169,690,839.73
Added & Omitted Taxes	189,268.26
Total	<u>\$ 169,880,107.99</u>
TAX LEVY:	
Local District School Tax	\$ 94,760,664.00
Fire District Taxes	8,268,069.00
County Taxes:	
General County Tax	\$31,770,774.99
County Open Space	1,967,664.55
Due County for Added & Omitted Taxes	37,833.38
Municipal Open Space	33,776,272.92
Municipal Open Space Added & Omitted	472,769.51
Municipal Library	582.26
Local Tax for Municipal Purposes	2,004,379.37
Add: Additional Tax Levied	30,444,959.27
Total	<u>152,411.66</u>
	<u>30,597,370.93</u>
Total	<u>\$ 169,880,107.99</u>

**TOWNSHIP OF WASHINGTON
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022			\$ 1,657,604.77
Increased by:			
Transfers from Taxes Receivable			<u>149,680.08</u>
Subtotal			1,807,284.85
Decreased by:			
Adjustment	\$ 18,274.02		
Lien Payments Received	<u>11,280.71</u>	<u>29,554.73</u>	
Balance December 31, 2023			<u><u>\$ 1,777,730.12</u></u>

**SCHEDULE OF DUE FROM STATE OF NJ
VETERAN AND SENIOR CITIZEN DEDUCTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022			\$ 67,531.89
Increased by:			
Senior Citizen & Veterans Deductions Per Tax Billings	\$ 326,250.00		
Deductions Allowed by Tax Collector - Current Year Taxes	7,750.00		
Deductions Allowed by Tax Collector - Prior Year Taxes	<u>2,000.00</u>	<u>336,000.00</u>	
Subtotal			403,531.89
Decreased by:			
Cash Receipts	\$ 327,751.45		
Deductions Disallowed by Tax Collector - Current Year Taxes	591.65		
Deductions Disallowed by Tax Collector - Prior Year Taxes	<u>7,351.29</u>	<u>335,694.39</u>	
Balance December 31, 2023			<u><u>\$ 67,837.50</u></u>

**TOWNSHIP OF WASHINGTON
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2023**

	BALANCE DECEMBER 31, 2022	ACCRUED IN 2023	REALIZED	BALANCE DECEMBER 31, 2023
Licenses:				
Alcoholic Beverages	\$ -	\$ 33,840.00	\$ 33,840.00	\$ -
Fees and Permits	-	620,983.20	620,983.20	-
Fines & Costs:				
Municipal Court	9,062.55	142,715.05	138,908.24	12,869.36
Interest & Costs on Taxes	-	224,526.10	224,526.10	-
Interest on Deposits	-	526,003.70	526,003.70	-
Library Pension Reimbursement	-	117,324.00	117,324.00	-
Hotel and Motel Occupancy Fees	-	78,740.46	78,740.46	-
Energy Receipts Tax	-	3,223,558.00	3,223,558.00	-
Uniform Construction Code				
Fees & Permits	-	913,143.00	913,143.00	-
Other Special Items of Revenues:				
Franchise Fees - Cable TV	-	303,394.48	303,394.48	-
Payment in Lieu of Taxes - NJ Transit	-	10,680.00	10,680.00	-
Payment in Lieu of Taxes - County House	-	278,623.68	278,623.68	-
Payment in Lieu of Taxes - Gloucester City Public Ho	-	44,084.00	44,084.00	-
Payment in Lieu of Taxes - Mill Stream	-	70,756.00	70,756.00	-
Payment in Lieu of Taxes - Abatements	-	3,993.74	3,993.74	-
Payment in Lieu of Taxes - Washington Square	-	477,485.96	477,485.96	-
Payment in Lieu of Taxes - Kennedy	-	32,722.68	32,722.68	-
Housing Inspection Fees	-	353,245.00	353,245.00	-
Reimbursement - School Resource Officer	-	121,010.00	121,010.00	-
School SLEO Reimbursement	-	406,026.97	406,026.97	-
Business Registration Fees	-	52,880.00	52,880.00	-
Administrative Fee - Off Duty Police	-	65,082.80	65,082.80	-
Capital Fund Surplus	-	500,000.00	500,000.00	-
Recycling Fees	-	6,871.53	6,871.53	-
Reserve for Municipal Relief Aid	-	166,998.98	166,998.98	-
Total Miscellaneous Revenues	\$ 9,062.55	\$ 8,774,689.33	\$ 8,770,882.52	\$ 12,869.36

Cash Receipts	\$ 8,603,883.54
Transfer from Current Fund Reserve	166,998.98
	<u>\$ 8,770,882.52</u>

**TOWNSHIP OF WASHINGTON
CURRENT FUND
ANALYSIS OF FORECLOSED PROPERTY
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2023 and 2022

\$ 1,494,500.00

**TOWNSHIP OF WASHINGTON
CURRENT FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2023**

OPERATIONS	BALANCE		BUDGET AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
	DECEMBER 31, 2022				
	RESERVED	ENCUMBERED			
General Government Functions:					
Office of Township Mayor					
Salaries and Wages	\$ 0.93	\$ -	\$ 0.93	\$ -	\$ 0.93
Other Expenses	91.87	-	91.87	70.00	21.87
Township Council					
Salaries and Wages	0.90	-	0.90	-	0.90
Other Expenses	987.71	2,347.29	3,335.00	2,729.29	605.71
Annual Audit	3,100.00	-	3,100.00	-	3,100.00
Office of Township Clerk:					
Salaries and Wages	9,829.40	-	9,829.40	-	9,829.40
Other Expenses	10,939.49	1,384.00	12,323.49	2,231.14	10,092.35
Office of Business Administrator:					
Salaries and Wages	5,981.89	-	5,981.89	-	5,981.89
Other Expenses	2,970.66	496.63	3,467.29	17,815.55	(14,348.26)
Human Resources					
Salaries and Wages	3,472.14	-	3,472.14	-	3,472.14
Other Expenses	6,280.49	700.00	6,980.49	700.00	6,280.49
Division of Treasury					
Salaries and Wages	881.85	-	881.85	-	881.85
Other Expenses	17,324.90	-	17,324.90	-	17,324.90
Divison of Tax Collector					
Salaries and Wages	2,833.94	-	2,833.94	-	2,833.94
Other Expenses	5,284.71	263.30	5,548.01	342.51	5,205.50
Office of Township Attorney					
Salaries and Wages	3,900.10	-	3,900.10	-	3,900.10
Other Expenses	72,014.60	-	72,014.60	2,047.10	69,967.50
Division of Engineering					
Other Expenses	24,463.40	-	24,463.40	-	24,463.40
Advisory Board Economic Development					
Other Expenses	1,621.75	42.75	1,664.50	122.75	1,541.75
Land Use Administration:					
Planning Board:					
Salaries and Wages	5,286.01	-	5,286.01	-	5,286.01
Other Expenses	5,617.66	1,164.48	6,782.14	1,233.78	5,548.36
Code Enforcement and Administration:					
Code Enforcement:					
Salaries and Wages	17,194.26	-	17,194.26	-	17,194.26
Other Expenses	250.00	-	250.00	-	250.00
Insurance:					
Liability Insurance	77,421.37	-	77,421.37	81.01	77,340.36
Workers Compensation	111,161.15	-	111,161.15	-	111,161.15
Group Insurance for Employees	244,699.23	612.81	245,312.04	24,176.57	221,135.47
Health Insurance Opt-Out Payment	12,497.64	-	12,497.64	-	12,497.64
Municipal Court:					
Municipal Court:					
Salaries and Wages	46,666.32	-	46,666.32	-	46,666.32
Other Expenses	10,066.03	222.45	10,288.48	343.15	9,945.33
Public Defender:					
Salaries and Wages	100.24	-	100.24	-	100.24
Public Safety Functions:					
Police:					
Salaries and Wages	264,929.96	-	249,929.96	39,983.43	209,946.53
Other Expenses	33,732.05	34,383.70	68,115.75	43,203.27	24,912.48
Office of Emergency Management:					
Salaries and Wages	16,019.18	-	16,019.18	-	16,019.18
Other Expenses	642.00	-	642.00	-	642.00
Municipal Prosecutor's Office:					
Salaries and Wages	32.77	-	32.77	-	32.77

**TOWNSHIP OF WASHINGTON
CURRENT FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2023**

OPERATIONS	BALANCE DECEMBER 31, 2022		BUDGET AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
	RESERVED	ENCUMBERED			
Public Works Functions:					
Division of Public Works:					
Salaries and Wages	286,234.39	-	286,234.39	-	286,234.39
Other Expenses	2,754.73	885.20	3,639.93	712.95	2,926.98
Division of Trash Collection:					
Other Expenses	76,143.44	-	76,143.44	-	76,143.44
Division of Streets:					
Other Expenses	42,398.94	9,700.00	52,098.94	11,069.60	41,029.34
Division of Public Buildings:					
Other Expenses	40,914.05	13,160.32	54,074.37	16,515.73	37,558.64
Other Expenses - Abandoned Property Maintenance	80.35	-	80.35	-	80.35
Division of Vehicle Maintenance:					
Other Expenses	25,486.63	35,006.80	60,493.43	17,578.96	42,914.47
Health and Welfare:					
Sustainable Washington Township:					
Other Expenses	38.76	274.00	312.76	246.88	65.88
Environmental Commission:					
Other Expenses	79.89	233.85	313.74	233.85	79.89
Senior Citizen Advisory Council:					
Other Expenses	500.00	-	500.00	-	500.00
Parks and Recreation:					
Youth Services:					
Other Expenses	4,300.00	-	4,300.00	-	4,300.00
Veterans Affairs Advisory Council:					
Other Expenses	811.75	-	811.75	-	811.75
Unclassified:					
Celebration of Public Events:					
Other Expenses	31,961.73	265.72	32,227.45	265.72	31,961.73
Utilities:					
Gasoline	4,416.60	20,000.00	39,416.60	-	39,416.60
Electriciity	68,620.81	-	56,620.81	44,585.59	12,035.22
Telephone	31,303.74	6,921.16	38,224.90	10,003.90	28,221.00
Heating Oil	18,359.21	-	18,359.21	15,562.59	2,796.62
Street Lighting	98,010.84	1,048.00	111,058.84	107,862.22	3,196.62
Water and Sewer	962.15	-	962.15	-	962.15
Landfill and Solid Waste Disposal Costs:					
Trash Disposal:					
Other Expenses	220,640.23	208,184.57	428,824.80	92,721.17	336,103.63
Department of Licenses and Inspection:					
State Uniform Construction Code					
Construction Code Official					
Salaries and Wages	1,218.72	-	1,218.72	-	1,218.72
Other Expenses	10,090.19	191.03	10,281.22	2,493.46	7,787.76
Total General Appropriations for					
Municipal Purposes Within "CAPS"	1,983,623.75	337,488.06	2,321,111.81	454,932.17	1,866,179.64
Deferred Charges & Statutory Expenditures					
Municipal Within "CAPS":					
Statutory Expenditures:					
Contributions to:					
Social Security System (O.A.S.I.)	50,723.40	-	50,723.40	(65.91)	50,789.31
DCRP	6,272.71	-	6,272.71	(0.01)	6,272.72
Total Deferred Charges & Statutory					
Expenditures Within "CAPS"	56,996.11	-	56,996.11	(65.92)	57,062.03

**TOWNSHIP OF WASHINGTON
CURRENT FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2023**

OPERATIONS	BALANCE DECEMBER 31, 2022		BUDGET AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
	RESERVED	ENCUMBERED			
Operations Excluded From "CAPS":					
Recycling Tax	7,759.00	5,397.86	13,156.86	5,394.48	7,762.38
Total Operations Excluded from "CAPS"	7,759.00	5,397.86	13,156.86	5,394.48	7,762.38
Grand Total All Appropriations	<u>\$ 2,048,378.86</u>	<u>\$ 342,885.92</u>	<u>\$ 2,391,264.78</u>	<u>\$ 460,260.73</u>	<u>\$ 1,931,004.05</u>
Cash Disbursements				\$ 628,759.24	
Accounts Payable				2,568.47	
Reimbursements				<u>(171,066.98)</u>	
Total				<u>\$ 460,260.73</u>	

**TOWNSHIP OF WASHINGTON
CURRENT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022	\$ 342,885.92
Increased by:	
2023 Appropriations	<u>354,294.30</u>
	697,180.22
Decreased by:	
Transferred to 2022 Appropriations Reserves	<u>342,885.92</u>
Balance December 31, 2023	<u><u>\$ 354,294.30</u></u>

**SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022 (2023 Taxes)	\$ 1,331,141.28
Increased by:	
Collections - 2024 Taxes	<u>1,293,357.96</u>
	2,624,499.24
Decreased by:	
Application to 2023 Taxes Receivable	<u>1,331,141.28</u>
Balance, December 31, 2023 (2024 Taxes)	<u><u>\$ 1,293,357.96</u></u>

**SCHEDULE OF TAX OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022	\$ 46,187.93
Increased by:	
Overpayments Created	<u>829,185.44</u>
Subtotal	875,373.37
Decreased by:	
Overpayments Applied to Taxes	\$ 38,490.41
Refunded	<u>278,961.48</u>
	317,451.89
Balance December 31, 2023	<u><u>\$ 557,921.48</u></u>

**TOWNSHIP OF WASHINGTON
SCHEDULE OF LOCAL SCHOOL DISTRICT TAX
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022	\$ -
Increased by:	
Levy - School Year July 1, 2022 - June 30, 2023	<u>94,760,664.00</u>
Subtotal	94,760,664.00
Decreased by:	
Disbursements	<u>94,760,664.00</u>
Balance December 31, 2023	<u><u>\$ -</u></u>

**TOWNSHIP OF WASHINGTON
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022		\$	-
Increased by:			
County Tax	\$ 31,770,774.99		
County Open Space Tax	1,967,664.55	33,738,439.54	
Subtotal			33,738,439.54
Decreased by:			
Disbursements		33,738,439.54	
Balance December 31, 2023		\$	-

**SCHEDULE OF DUE COUNTY FOR ADDED AND OMITTED TAXES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022		\$	51,628.06
Increased by:			
County Share of Added Taxes		37,833.38	
Subtotal			89,461.44
Decreased by:			
Disbursements		51,628.06	
Balance December 31, 2023		\$	37,833.38

**TOWNSHIP OF WASHINGTON
CURRENT FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY
MARRIAGE LICENSE AND BURIAL FEES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022	\$ 5.00
Increased by:	
Cash Receipts	<u>3,055.00</u>
Subtotal	3,060.00
Decreased by:	
Cash Disbursements	<u>1,605.00</u>
Balance December 31, 2023	<u><u>\$ 1,455.00</u></u>

**SCHEDULE OF DUE TO STATE OF NEW JERSEY
DCA INSPECTION FEES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022	\$ 12,558.00
Increased by:	
Cash Receipts	<u>75,469.00</u>
Subtotal	88,027.00
Decreased by:	
Cash Disbursements	<u>50,898.00</u>
Balance December 31, 2023	<u><u>\$ 37,129.00</u></u>

**TOWNSHIP OF WASHINGTON
CURRENT FUND
SCHEDULE OF WASHINGTON SQUARE PILOT DUE TO OTHER ENTITIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022	\$ -
Increased by:	
Cash Receipts	<u>420,044.04</u>
	420,044.04
Decreased by:	
Cash Disbursements	<u>420,044.04</u>
Balance December 31, 2023	<u><u>\$ -</u></u>

**SCHEDULE OF DUE TO LIBRARY
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022	\$ 33,835.48
Increased by:	
2023 Tax Levy	\$ 2,004,379.37
Expenditure Reimbursements from Library	<u>1,006,295.55</u> 3,010,674.92
	3,044,510.40
Decreased by:	
Township Contributions	2,004,379.37
Disbursements on behalf of Library	<u>1,006,120.48</u> 3,010,499.85
Balance December 31, 2023	<u><u>\$ 34,010.55</u></u>

**SCHEDULE OF DUE TO FIRE DISTRICTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022	\$ -
Increased by:	
Levy - Calendar Year	<u>8,268,069.00</u>
Subtotal	8,268,069.00
Decreased by:	
Cash Disbursements	<u>8,268,069.00</u>
Balance December 31, 2023	<u><u>\$ -</u></u>

**TOWNSHIP OF WASHINGTON
FEDERAL AND STATE GRANTS FUND
SCHEDULE OF FEDERAL, STATE AND OTHER GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2023**

	BALANCE DECEMBER 31, 2022	ACCRUED	RECEIVED	CANCELLED	BALANCE DECEMBER 31, 2023
State Grants:					
Municipal Alliance on Alcoholism and Drug Abuse	\$ 65,552.26	\$ 6,000.00	\$ 13,400.00	\$ -	\$ 58,152.26
2019 ANJEC Poplar Trail	500.00	-	-	-	500.00
NJ Historical Commission - Old Stone House	550.00	1,400.00	1,950.00	-	-
NJ Historical Commission - Morgan House	19,587.00	-	-	-	19,587.00
NJ Historical Commission - Art	-	1,250.00	937.50	-	312.50
NJ Historical Commission	50.00	-	-	-	50.00
Sustainable New Jersey - Green House Refurbishment	2,500.00	-	-	-	2,500.00
Drunk Driving Enforcement Fund	-	11,200.00	11,200.00	-	-
NJ Body Armor	-	4,904.81	4,904.81	-	-
Body Worn Camera	42,798.00	-	-	-	42,798.00
Drugged Driving Initiative	-	31,920.00	19,600.00	-	12,320.00
Historical Preservation Grant	-	100.00	100.00	-	-
Safe and Secure Communities	9,630.00	32,400.00	32,400.00	-	9,630.00
NJDEP Stormwater Assistance	-	25,000.00	15,000.00	-	10,000.00
Recycling Tonnage Grant	-	74,232.40	74,232.40	-	-
Clean Communities Program	-	108,349.04	108,349.04	-	-
Records System Improvements for Traffic Stop Data (	-	12,877.00	-	-	12,877.00
New Jersey Transportation Trust Fund					
NJDOT - Bells Lake Road	250,000.00	-	187,500.00	-	62,500.00
NJDOT - Bells Lake Road Phase 2	218,500.00	-	163,875.00	-	54,625.00
NJDOT - Reconstruction of Stagecoach Road	12,626.95	-	-	-	12,626.95
NJDOT - Stagecoach Road	43,750.00	-	-	-	43,750.00
NJDOT - Hurville Road	18,926.89	-	-	-	18,926.89
NJDOT - Municipal Aid Program	226,000.00	261,100.00	169,500.00	-	317,600.00
NJDOT - Johnson Road	445,000.00	-	-	-	445,000.00
Federal Grants:					
American Rescue Plan - Engineering/Stormwater	-	577,046.48	577,046.48	-	-
Community Development Block Grant	51,949.48	-	-	-	51,949.48
CDBG - White Birch Drive	117,227.00	-	96,026.43	-	21,200.57
CDBG - White Birch Road Improvements	-	113,600.00	-	-	113,600.00
CDBG FY22	116,845.00	-	110,906.24	-	5,938.76
CDBG FY23	-	150,000.00	-	-	150,000.00
Click It or Ticket	-	7,000.00	7,000.00	-	-
Shop with a Cop	-	4,000.00	4,000.00	-	-
Distracted Driving	-	12,250.00	11,760.00	490.00	-
Emergency Management Assistance Grant	-	10,000.00	10,000.00	-	-
Drive Sober or Get Pulled Over	-	8,680.00	18,760.00	-	420.00
Bullet Proof Vest	10,500.00	-	-	-	10,500.00
Green Acres - Washington Lake Park Phase 2	12,956.71	10,317.42	2,156.36	-	21,117.77
NJ DEP Recreation Trails	315,000.00	-	-	-	315,000.00
NJ DEP Recreation Trails	7,485.50	-	-	-	7,485.50
Local Grants:					
Community Engagement Grant - First Responders	-	3,350.00	3,350.00	-	-
AKC Reunited - Adopt a K-9 Grant	-	10,000.00	10,000.00	-	-
	\$ 1,987,934.79	\$ 1,476,977.15	\$ 1,653,954.26	\$ 490.00	\$ 1,810,467.68

Cash Receipts	\$ 1,070,402.97
Transfer from Current Fund Reserve	577,046.48
Unappropriated Reserves	6,504.81
Total	\$ 1,653,954.26

**TOWNSHIP OF WASHINGTON
FEDERAL AND STATE GRANTS FUND
SCHEDULE OF RESERVES FOR GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2023**

	BALANCE DECEMBER 31, 2022	TRANSFER FROM 2023 BUDGET APPROPRIATION	TRANSFER FROM 2022 ENCUMBRANCES	EXPENDED	CANCELLED	ENCUMBERED	BALANCE DECEMBER 31, 2023
State Grants:							
NJDOT - Bells Lake Road	\$ -	\$ -	\$ 250,000.00	\$ 84,832.63	\$ -	\$ 165,167.37	\$ -
NJDOT - Bells Lake Road Phase 2	218,500.00	-	-	180,452.04	-	38,047.96	-
NJDOT - Municipal Aid Program FY23	-	261,100.00	-	-	-	261,100.00	-
NJDOT - Stagcoach Road	87,755.79	-	-	-	-	-	87,755.79
NJDOT - Hurfville Road	18,926.89	-	-	-	-	-	18,926.89
NJDOT - Municipal Aid Program	-	-	226,000.00	182,130.14	-	-	43,869.86
NJDOT - Johnson Road	445,000.00	-	-	-	-	-	445,000.00
Body Worn Camera Grant	-	-	12,486.00	-	-	12,486.00	-
Body Armor	4,088.62	4,904.81	2,292.76	1,855.97	-	9,430.22	-
Municipal Court Alcohol Education	6,040.37	-	-	526.00	-	-	5,514.37
Safe and Secure	32,400.00	32,400.00	-	-	-	-	64,800.00
Park & Recreation Grant	-	-	22,766.34	-	-	22,766.34	-
Clean Communities Program	136,234.31	108,349.04	-	11,944.56	-	1,249.37	231,389.42
Drugged Driving Initiative	-	31,920.00	-	31,360.00	-	-	560.00
Municipal Alliance	117,314.79	6,000.00	-	12,290.36	-	-	111,024.43
Drunk Driving Enforcement Fund	34.25	11,200.00	367.00	11,504.50	-	-	96.75
NJDEP Goodwin Tract Deer Fence	1,800.00	-	-	-	-	-	1,800.00
NJDEP Stormwater Assistance	-	25,000.00	-	-	-	-	25,000.00
Sustainable New Jersey - Green House Refurbishme	4,350.00	-	-	4,288.89	-	61.11	(0.00)
NJ Historical Commission - Old Stone House	44.28	1,400.00	150.00	359.73	-	-	1,234.55
NJ Historical Commission - Morgan House	20,487.00	-	-	1,922.00	-	16,047.00	2,518.00
NJ Historical Commission - Art	41.49	1,250.00	-	-	-	-	1,291.49
2019 ANJEC - Poplar Trail	475.00	-	455.00	250.00	-	455.00	225.00
Recycling Tonnage Grant	115,898.41	74,232.40	10,169.00	44,564.16	-	-	155,735.65
Records System Improvements for Traffic Data Coll	-	12,877.00	-	-	-	12,877.00	-
Historical Preservation Grant	-	100.00	-	-	-	-	100.00
Federal Grants:							
FY21 Emergency Management Performance Grant	1,513.65	-	-	-	-	-	1,513.65
FY22 Emergency Management Performance Grant	10,000.00	-	-	9,000.04	-	-	999.96
FY23 Emergency Management Performance Grant	-	10,000.00	-	-	-	-	10,000.00
American Rescue Plan:							
Stormwater Equipment & Cybersecurity	34,244.90	-	42,703.72	45,104.03	-	-	31,844.59
Cybersecurity Modernization	25,011.53	-	-	-	-	-	25,011.53
Cameras Software and Stormwater Machinery	1,603.69	-	-	1,603.69	-	-	-
Engineering/Stormwater	-	577,046.48	-	195,163.33	-	381,883.15	-
Click It or Ticket	-	7,000.00	-	7,000.00	-	-	-
Shop With a Cop	-	4,000.00	-	4,000.00	-	-	-
Road to Recovery	2,400.00	-	-	-	-	-	2,400.00
Drive Sober or Get Pulled Over	10,500.00	8,680.00	-	18,760.00	-	-	420.00
Distracted Driving	12,040.00	12,250.00	-	11,760.00	490.00	-	12,040.00
Community Development Block Grant	117,820.28	-	-	-	-	-	117,820.28
CDBG - Parke Place Blvd	12,403.12	-	92,845.00	101,655.64	-	3,590.52	1.96
CDBG - Grenloch Park Pathway Improvement	-	150,000.00	-	44,736.22	-	100,600.00	4,663.78
CDBG - CY17 - Senior Center Generator	3,406.02	-	-	-	-	-	3,406.02
CDBG - White Birch Road Improvements	-	113,600.00	-	84,202.16	-	27,573.05	1,824.79
CDBG - White Birch Drive	13,089.84	-	93,227.00	103,620.19	-	-	2,696.65
Bullet Proof Vest	15,061.30	10,317.42	-	5,022.31	-	15,770.89	4,585.52
NJDEP 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
Washington Lake Park Phase 2	315,000.00	-	-	-	-	-	315,000.00
Local Grants:							
AKC Reunited - Adopt a K-9 Grant	-	10,000.00	-	-	-	-	10,000.00
First Responder's Children's Foundation	-	3,350.00	-	2,516.00	-	-	834.00
Sustainable Jersey Small Grants Program	357.67	-	11.99	221.50	-	-	148.16
Municipal Alliance - Cash Match	31,177.92	2,000.00	-	2,100.00	-	-	31,077.92
NJ Historical Commission Match	12,400.00	-	-	-	-	12,400.00	-
Donations - Concerts	500.00	-	-	-	-	-	500.00
Total All Grants	\$ 1,834,800.16	\$ 1,478,977.15	\$ 753,473.81	\$ 1,204,746.09	\$ 490.00	\$ 1,081,504.98	\$ 1,780,510.05

**TOWNSHIP OF WASHINGTON
FEDERAL AND STATE GRANTS FUND
SCHEDULE OF RESERVES FOR GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2023**

	BALANCE DECEMBER 31, 2022	CASH RECEIPTS	REALIZED AS REVENUE IN 2023 BUDGET	CANCELLED	BALANCE DECEMBER 31, 2023
<u>Federal Grants</u>					
American Rescue Plan	\$ 1,524,671.00	\$ -	\$ 1,265,987.00	\$ -	\$ 258,684.00
Body Armor Grant	4,904.81	5,747.03	4,904.81	-	5,747.03
Recycling Tonnage	1,500.00	-	1,500.00	-	-
Historical Commission	100.00	375.00	100.00	-	375.00
Total All Grant	\$ 1,531,175.81	\$ 6,122.03	\$ 1,272,491.81	\$ -	\$ 264,806.03

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TRUST FUND

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**TOWNSHIP OF WASHINGTON
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Open Space	Animal Control	Trust Other
Balance December 31, 2022	\$ 2,246,407.03	\$ 53,268.82	\$ 2,912,258.41
Increased by Receipts:			
Due to Current Fund - Interest Earned	\$ -	\$ -	\$ -
Reserve for Animal Control	-	16,663.80	-
Due to State of N.J. - Dog License Fees	-	3,484.20	-
Transfers from Current Fund	164,596.16	-	-
Reserve for Open Space	61,267.87	-	-
Reserver for:			
Escrow	-	-	605,270.02
Cash Bonds	-	-	111,844.90
Unemployment Claims	-	-	28,362.51
Parks and Recreation Trust	-	-	1,207,973.94
Off-Duty Police	-	-	651,259.60
Affordable Housing	-	-	467,644.24
Forfeited Funds	-	-	5,895.54
Self Insurance	-	-	26,805.69
POAA Fees	-	-	18.00
Historical Properties	-	-	11,818.08
Police Donations	-	-	43,650.00
K-9 Unit Donations	-	-	40,505.00
4th of July Festival	-	-	900.00
Public Defender	-	-	2,150.00
Super Saturday	-	-	5,500.00
Accumulated Absences	-	-	50,000.00
Total Increases	<u>225,864.03</u>	<u>20,148.00</u>	<u>3,259,597.52</u>
Total Increases & Balances	<u>2,472,271.06</u>	<u>73,416.82</u>	<u>6,171,855.93</u>
Dog Registration Fees - Due State of New Jersey	-	3,495.00	-
Statutory Expenditures	-	3,585.78	-
Transfers to Current Fund	332,298.08	18,511.02	-
Reserve for Open Space	74,215.08	-	-
Reserve for:			
Escrow	-	-	486,708.23
Cash Bonds	-	-	5,375.00
Unemployment Claims	-	-	48,931.20
Parks and Recreation Trust	-	-	1,125,726.12
Off-Duty Police	-	-	651,259.60
Affordable Housing	-	-	9,740.00
Forfeited Funds	-	-	21,202.70
Self Insurance	-	-	27,860.04
Historical Properties	-	-	5,507.23
Police Donations	-	-	32,017.47
K-9 Unit Donations	-	-	20,991.77
Earth Day Donations	-	-	175.00
Veterans Wall	-	-	307.98
Super Saturday	-	-	6,255.00
Accumulated Absences	-	-	11,979.82
Total Disbursements	<u>406,513.16</u>	<u>25,591.80</u>	<u>2,454,037.16</u>
Balance December 31, 2023	<u><u>\$ 2,065,757.90</u></u>	<u><u>\$ 47,825.02</u></u>	<u><u>\$ 3,717,818.77</u></u>

**TOWNSHIP OF WASHINGTON
TRUST OTHER FUND
SCHEDULE OF CASH - COLLECTOR
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022		\$	2,089,686.42
Increased by Receipts:			
Redemption of Liens	\$	1,604,930.98	
Premiums on Sales		172,700.00	
Due to Current Fund		-	1,777,630.98
Subtotal			3,867,317.40
Decreased by Disbursements:			
Redemption of Liens	\$	1,755,356.12	
Premiums on Sales		1,461,600.00	
Due to Current Fund		327.34	3,217,283.46
Balance December 31, 2023		\$	<u><u>650,033.94</u></u>

**ANIMAL CONTROL FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY - DEPARTMENT OF HEALTH
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022		\$	18.00
Increased by:			
Cash Receipts			<u>3,484.20</u>
Subtotal			3,502.20
Decreased by Disbursements:			
Cash Disbursements			<u>3,495.00</u>
Balance December 31, 2023		\$	<u><u>7.20</u></u>

**TOWNSHIP OF WASHINGTON
ANIMAL CONTROL FUND
SCHEDULE OF DUE TO CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022	\$ 18,511.02
Increased by:	
Statutory Excess Due to Current Fund	<u>9,788.62</u>
	28,299.64
Decreased by:	
Disbursements	<u>18,511.02</u>
Balance December 31, 2023	<u><u>\$ 9,788.62</u></u>

**ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022	\$ 34,739.80
Increased by:	
Receipts:	
Dog License Fees	<u>16,663.80</u>
Subtotal	51,403.60
Decreased by:	
Dog License Expenses	\$ 3,585.78
Statutory Excess Due to Current Fund	<u>9,788.62</u> 13,374.40
Balance December 31, 2023	<u><u>\$ 38,029.20</u></u>

LICENSE FEES COLLECTED

YEAR	AMOUNT
2022	\$ 21,060.00
2021	<u>16,969.20</u>
Total	<u><u>\$ 38,029.20</u></u>

**TOWNSHIP OF WASHINGTON
OPEN SPACE TRUST FUND
SCHEDULE OF DUE TO CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022			\$ 234,633.00
Increased by:			
Received from Current Fund	\$	164,596.16	
Disbursements made by Current Fund on-behalf of Open Space:			
Salaries and Wages		10,000.12	
Other		555,649.85	730,246.13
			964,879.13
Decreased by:			
Disbursed to Current Fund		332,298.08	
Tax Levy		472,769.51	
Added & Omitted Taxes		582.26	805,649.85
Balance December 31, 2023			<u><u>\$ 159,229.28</u></u>

OPEN SPACE TRUST FUND
SCHEDULE OF RESERVE FOR OPEN SPACE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

Balance December 31, 2022		\$	2,011,774.03
Increased by:			
Interest Earned	\$	61,267.87	
Tax Levy - Due from Current		472,769.51	
Added & Omitted Taxes - Due from Current		582.26	534,619.64
			2,546,393.67
Decreased by:			
2023 Open Space Budget Appropriations		74,215.08	
Disbursements made by Current Fund		565,649.97	639,865.05
Balance December 31, 2023		\$	<u><u>1,906,528.62</u></u>

**TOWNSHIP OF WASHINGTON
TRUST FUND OTHER
SCHEDULE OF DUE TO CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022		\$	327.34
Decreased by:			
Transfer to Current Fund - Tax Collector	327.34		
Transfer to Current Fund - Treasurer	-		327.34
Balance December 31, 2023		\$	<u><u>-</u></u>

TOWNSHIP OF WASHINGTON
TRUST OTHER FUND
SCHEDULE OF MISCELLANEOUS TRUST FUND RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2023

PURPOSE	BALANCE DECEMBER 31, 2022	RECEIPTS	DISBURSEMENTS	BALANCE DECEMBER 31, 2023
Reserve for:				
Youth Services	\$ 50,130.46	\$ -	\$ -	\$ 50,130.46
Escrow	558,331.95	605,270.02	486,708.23	676,893.74
Cash Bonds	179,387.51	111,844.90	5,375.00	285,857.41
Unemployment Claims	84,321.16	28,362.51	48,931.20	63,752.47
Parks and Recreation Trust	828,546.87	1,207,973.94	1,125,726.12	910,794.69
Off-Duty Police	-	651,259.60	651,259.60	-
Affordable Housing	818,263.53	467,644.24	9,740.00	1,276,167.77
Forfeited Funds	44,141.07	5,895.54	21,202.70	28,833.91
Self Insurance Claims	1,054.35	26,805.69	27,860.04	-
Clean Up Day Donations	3,067.13	-	-	3,067.13
POAA Fees	1,016.59	18.00	-	1,034.59
Technology and Communications	128.00	-	-	128.00
Sidewalk Fund	58,763.18	-	-	58,763.18
Speedhumps	593.53	-	-	593.53
Historical Properties	6,863.63	11,818.08	5,507.23	13,174.48
Police Donations	17,619.89	43,650.00	32,017.47	29,252.42
K-9 Unit Donation	19,102.87	40,505.00	20,991.77	38,616.10
Storm Recovery	156,459.40	-	-	156,459.40
Earth Day Donations	634.31	-	175.00	459.31
Veterans Wall	6,665.05	-	307.98	6,357.07
4th of July Festival	18,791.04	900.00	-	19,691.04
Public Defender	25,494.31	2,150.00	-	27,644.31
Super Saturday	6,407.59	5,500.00	6,255.00	5,652.59
Accumulated Absences	26,774.99	50,000.00	11,979.82	64,795.17
Total	\$ 2,912,558.41	\$ 3,259,597.52	\$ 2,454,037.16	\$ 3,718,118.77

**TOWNSHIP OF WASHINGTON
TRUST OTHER FUND
SCHEDULE OF MISCELLANEOUS TRUST FUND ESCROWS
FOR THE YEAR ENDED DECEMBER 31, 2023**

PURPOSE	BALANCE DECEMBER 31, 2022	RECEIPTS	DISBURSEMENTS	BALANCE DECEMBER 31, 2023
Reserve for:				
Tax Sale Premiums	\$ 1,917,700.00	\$ 172,700.00	\$ 1,461,600.00	\$ 628,800.00
Tax Title Liens	171,659.08	1,604,930.98	1,755,356.12	21,233.94
Total	\$ 2,089,359.08	\$ 1,777,630.98	\$ 3,216,956.12	\$ 650,033.94

GENERAL CAPITAL FUND

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**TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL CAPITAL CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022			\$ 9,829,346.25
Increased by Receipts:			
Bond Anticipation Notes	\$ 4,810,040.00		
Interest Due to Current Fund	256,539.73		
Premium on BANs	177,497.61		
Capital Improvement Fund	300,000.00	5,544,077.34	
Subtotal			15,373,423.59
Decreased by Disbursements:			
Fund Balance Anticipated in Current Budget	500,000.00		
Interest Paid On-Behalf of Current Fund	287,117.21		
Improvement Authorizations	3,993,963.36	4,781,080.57	
Balance December 31, 2023			<u><u>\$ 10,592,343.02</u></u>

**TOWNSHIP WASHINGTON
GENERAL CAPITAL FUND
SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH
YEAR ENDED DECEMBER 31, 2023**

	BALANCE DECEMBER 31, 2022	BOND NOTES	RECEIPTS		DISBURSEMENTS		TRANSFERS		BALANCE DECEMBER 31, 2023
			MISCELLANEOUS	IMPROVEMENT	MISCELLANEOUS	IMPROVEMENT	FROM	TO	
Fund Balance	\$ 1,004,347.03	\$ -	\$ 177,497.61	\$ -	\$ 500,000.00	\$ -	\$ -	\$ -	\$ 681,844.64
Capital Improvement Fund	157,336.15	-	300,000.00	-	-	-	253,160.00	-	204,176.15
Due from Current Fund	28,413.93	-	256,539.73	-	287,117.21	-	-	-	(2,163.55)
Reserve for Encumbrances	1,565,426.68	-	-	-	-	-	1,565,426.68	2,464,494.98	2,464,494.98
ORDINANCE IMPROVEMENT AUTHORIZATIONS									
10-2004 Various Capital Improvements	9,364.90	-	-	4,965.03	-	-	-	-	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	42,399.67	-	-	6,450.00	-	-	10,995.16	-	24,954.51
12-2016/19-2016 Various Capital Improvements	449,651.17	-	-	200,224.64	-	-	45,413.51	0.01	204,013.03
07-2017 Various Capital Improvements	331,570.92	-	-	90,111.03	-	-	64,186.52	145,293.81	322,567.18
15-2018 Various Capital Improvements	474,224.34	-	-	34,798.44	-	-	371,761.37	21,378.29	89,042.82
18-2019 Various Capital Improvements	378,532.74	-	-	26,812.40	-	-	171,494.65	10,785.40	191,011.09
03-2020 Acquisition of Various Police Traffic Related Equipment Improvements	6,506.23	-	-	-	-	-	-	-	6,506.23
05-2020 Various Capital Improvements	1,555,745.32	-	-	1,037,995.03	-	-	186,301.16	123,640.10	455,089.23
09-2021 Various Capital Improvements and Acquisition of Various Capital Equipment	728,311.93	-	-	292,624.00	-	-	59,488.24	149,976.65	526,176.34
09-2022 Various Capital Improvements and Acquisition of Various Capital Equipment	3,093,369.72	-	-	2,137,009.24	-	-	302,476.00	1,114,352.42	1,768,236.90
10-2023 Various Capital Improvements and Acquisition of Various Capital Equipment	-	4,810,040.00	-	162,973.55	-	-	1,252,378.37	253,160.00	3,647,848.08
Total	\$ 9,829,346.25	\$ 4,810,040.00	\$ 734,037.34	\$ 3,993,963.36	\$ 787,117.21	\$ 4,283,081.66	\$ 4,283,081.66	\$ 10,592,343.02	

**TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022			\$ 34,572,587.10
Decreased by:			
2023 Budget Appropriations:			
Serial Bonds Payable	\$ 2,465,000.00		
Green Trust Loan	7,916.25	2,472,916.25	
			<u>2,472,916.25</u>
Balance December 31, 2023			<u>\$ 32,099,670.85</u>

**TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2023**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2022	2023 AUTHORIZATIONS	BALANCE DECEMBER 31, 2023	ANALYSIS OF BALANCE DECEMBER 31, 2023		
					BAN'S OUTSTANDING	UNEXPENDED BALANCE	
09-2021	Various Improvements, Vehicles & Equipment	\$ 4,868,133.00	\$ -	\$ 4,868,133.00	\$ 4,868,133.00	\$ -	
09-2022	Various Improvements, Vehicles & Equipment	4,729,100.00	-	4,729,100.00	4,729,100.00	-	
10-2023	Various Improvements, Vehicles & Equipment	-	4,810,040.00	4,810,040.00	4,810,040.00		
Total		\$ 9,597,233.00	\$ 4,810,040.00	\$ 14,407,273.00	\$ 14,407,273.00	\$ -	
Improvement Authorizations Unfunded \$ 5,942,261.32 Less: Unexpended Proceeds of BANs: Ordinance 09-2021 (526,176.34) Ordinance 09-2022 (1,768,236.90) Ordinance 10-2023 (3,647,848.08)							
							\$ -

**TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022	\$ 157,336.15
Increased by:	
Receipts - 2023 Budget Appropriation	<u>300,000.00</u>
	457,336.15
Decreased by:	
Down Payment for Improvement Authorizations	<u>253,160.00</u>
Balance December 31, 2023	<u><u>\$ 204,176.15</u></u>

**TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE AMOUNT		BALANCE DECEMBER 31, 2022		2023 AUTHORIZATIONS	PRIOR YEAR ENCUMBRANCES	EXPENDED	CURRENT YEAR ENCUMBRANCES	BALANCE DECEMBER 31, 2023	
		DATE		FUNDED	UNFUNDED					FUNDED	UNFUNDED
10-2004	Various Capital Improvements	05/26/04	\$ 4,467,155.00	\$ 9,364.90	\$ -	\$ -	\$ -	\$ 4,965.03	\$ -	\$ 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	05/23/12 09/12/18	7,000,000.00	188.02	-	-	-	-	-	188.02	-
03-2015	Various Capital Improvements	02/25/15	5,300,000.00	42,399.67	-	-	-	6,450.00	10,995.16	24,954.51	-
12-2016/ 19-2016	Various Capital Improvements	06/22/16 09/14/16	6,200,000.00	449,651.17	-	-	0.01	200,224.64	45,413.51	204,013.03	-
07-2017	Various Capital Improvements	05/10/17	5,828,900.00	331,570.92	-	-	145,293.81	90,111.03	64,186.52	322,567.18	-
15-2018	Various Capital Improvements	07/25/18	5,412,800.00	474,224.34	-	-	21,378.29	34,798.44	371,761.37	89,042.82	-
18-2019	Various Capital Improvements	06/05/19	6,000,000.00	378,532.74	-	-	10,785.40	26,812.40	171,494.65	191,011.09	-
03-2020	Acquisition of Various Police 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	1,555,745.32	-	-	123,640.10	1,037,995.03	186,301.16	455,089.23	-
09-2021	Various Capital Improvements and Acquisition of Various Capital Equipment	05/12/21	5,124,350.00	-	728,311.93	-	149,976.65	292,624.00	59,488.24	-	526,176.34
09-2022	Various Capital Improvements and Acquisition of Various Capital Equipment	07/21/22	4,978,000.00	-	3,093,369.72	-	1,114,352.42	2,137,009.24	302,476.00	-	1,768,236.90
10-2023	Various Capital Improvements and Acquisition of Various Capital Equipment	6/14/23	5,063,200.00	-	-	5,063,200.00	-	162,973.55	1,252,378.37	-	3,647,848.08
Total			\$ 3,252,140.81	\$ 3,821,681.65	\$ 5,063,200.00	\$ 1,565,426.68	\$ 3,993,963.36	\$ 2,464,494.98	\$ 1,301,729.48	\$ 5,942,261.32	

**TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2023**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL ISSUE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2022	INCREASE	DECREASE	BALANCE DECEMBER 31, 2023
09-2021	Various Capital Improvements and Acquisition of Various Capital Equipment	09/08/22	09/08/22	09/07/23 09/05/24	3.00% 5.00%	\$ 4,868,133.00 -	\$ - 4,868,133.00	\$ 4,868,133.00 -	\$ - 4,868,133.00
09-2022	Various Capital Improvements and Acquisition of Various Capital Equipment	09/08/22	09/08/22	09/07/23 09/05/24	3.00% 5.00%	4,729,100.00 -	- 4,729,100.00	4,729,100.00 -	- 4,729,100.00
10-2023	Various Capital Improvements and Acquisition of Various Capital Equipment	09/06/23	09/06/23	09/05/24	5.00%	-	4,810,040.00	-	4,810,040.00
						<u>\$ 9,597,233.00</u>	<u>\$ 14,407,273.00</u>	<u>\$ 9,597,233.00</u>	<u>\$ 14,407,273.00</u>
						Paydown of BANs	\$ -	\$ -	
						New Issuance	4,810,040.00	-	
						BANs Rolled Over	<u>\$ 9,597,233.00</u>	<u>\$ 9,597,233.00</u>	
							<u>\$ 14,407,273.00</u>	<u>\$ 9,597,233.00</u>	

**TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2023		INTEREST RATE	BALANCE DECEMBER 31, 2022	ISSUED	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2023
			DATE	AMOUNT					
General Obligation Bonds, Series 2012	12/13/12	\$ 8,530,000.00	11/15/24-25	515,000.00	3.000%	\$ 4,705,000.00	\$ -	\$ 525,000.00	\$ 4,180,000.00
			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%				
General Obligation Bonds, Series 2017	04/20/17	\$ 13,410,000	02/01/24	590,000.00	5.000%	10,815,000.00	-	575,000.00	10,240,000.00
			02/01/25	610,000.00	5.000%				
			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%				
General Obligation Bonds, Series 2021	06/18/21	\$ 20,210,000	05/15/24	1,375,000.00	2.000%	18,980,000.00	-	1,365,000.00	17,615,000.00
			05/15/25	1,390,000.00	2.000%				
			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%				
Total						\$ 34,500,000.00	\$ -	\$ 2,465,000.00	\$ 32,035,000.00

**TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
SCHEDULE OF LOAN PAYABLE - GREEN TRUST
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022	\$ 72,587.10
Decreased by:	
Payments	<u>7,916.25</u>
Balance December 31, 2023	<u><u>\$ 64,670.85</u></u>

**TOWNSHIP OF WASHINGTON
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2023**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2022	2023 AUTHORIZATIONS	BOND ANTICIPATION NOTES ISSUED	BALANCE DECEMBER 31, 2023
10-2023	Various Capital Improvements and Acquisition of Various Capital Equipment	\$ -	\$ 4,810,040.00	\$ 4,810,040.00	\$ -
	Total	\$ -	\$ 4,810,040.00	\$ 4,810,040.00	\$ -

**TOWNSHIP OF WASHINGTON
COUNTY OF GLOUCESTER**

PART II

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2023

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SINGLE AUDIT SECTION

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Township of Washington, County of Gloucester, State of New Jersey's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Township's major federal programs for the year ended December 31, 2023. The Township's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Township of Washington, County of Gloucester, State of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance); and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Township and to meet our ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Township's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Township's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Township's compliance based on our audit. 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Uniform Guidance; and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individual or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Township's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted accounting standards, *Government Auditing Standards*, and Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Township's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Township's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Township's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC
Certified Public Accountants & Advisors

Michael Holt
Certified Public Accountant
Registered Municipal Accountant
RMA No. 473

Medford, New Jersey
June 12, 2024

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TOWNSHIP OF WASHINGTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR YEAR ENDED DECEMBER 31, 2023

STATE FUNDING DEPARTMENT	FEDERAL ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	GRANT AWARD AMOUNT	GRANT PERIOD	BALANCE DECEMBER 31, 2022	CASH RECEIVED	EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	ADJUSTMENTS	BALANCE DECEMBER 31, 2023	CUMULATIVE EXPENDITURES DECEMBER 31, 2023
Current Fund											
U.S. Department of Treasury:											
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	100-022-8030-687	\$ 3,051,671.00	3/3/2021-12/31/2026	\$ 687,316.48	-	\$ 1,265,987.00	-	\$ 688,940.52	\$ 110,270.00	\$ 2,531,974.00
Subtotal					687,316.48	-	1,265,987.00	-	688,940.52	110,270.00	2,531,974.00
Municipal Relief Fund											
Subtotal			166,998.98	unavailable	-	166,998.98	166,998.98	-	-	-	166,998.98
Total U.S. Department of Treasury					687,316.48	166,998.98	1,432,985.98	-	688,940.52	110,270.00	2,698,972.98
U.S. Department of Transportation											
Impaired Driving Countermeasure	20.616	100-066-1160-157	41,440.00	1/1/2023-12/31/2023	-	41,440.00	41,440.00	-	-	-	41,440.00
Subtotal					-	41,440.00	41,440.00	-	-	-	41,440.00
Total U.S. Department of Transportation					-	41,440.00	41,440.00	-	-	-	41,440.00
Total Current Fund					687,316.48	208,438.98	1,474,425.98	-	688,940.52	110,270.00	2,740,412.98
Federal and State Grant Fund											
U.S. Department of Justice											
Bulletproof Vest Partnership Program	16.607	unavailable	8,579.56	1/1/2023-12/31/2023	-	5,022.31	5,022.31	-	-	-	5,022.31
Subtotal					-	5,022.31	5,022.31	-	-	-	5,022.31
Total U.S. Department of Justice					-	5,022.31	5,022.31	-	-	-	5,022.31
U.S. Department of Homeland Security											
Emergency Management Performance Grant	97.042	unavailable	unavailable	until completion	-	10,000.00	9,000.04	-	-	999.96	9,000.04
Subtotal					-	10,000.00	9,000.04	-	-	999.96	9,000.04
Total U.S. Department of Homeland Security					-	10,000.00	9,000.04	-	-	999.96	9,000.04
U.S. Department of Housing and Urban Development											
Community Development Block Grants	14.218	unavailable	unavailable	until completion	-	334,214.21	334,214.21	-	-	-	334,214.21
Subtotal					-	334,214.21	334,214.21	-	-	-	334,214.21
Total U.S. Department of Housing and Urban Development					-	334,214.21	334,214.21	-	-	-	334,214.21
U.S. Department of Transportation											
Highway Safety Cluster:											
State and Community Highway Safety (Click It or Ticket)	20.600	100-066-1160-119	7,000.00	1/1/2023-12/31/2023	-	7,000.00	7,000.00	-	-	-	7,000.00
Distracted Driving	20.616	100-066-1160-157	11,760.00	1/1/2023-12/31/2023	-	11,760.00	11,760.00	-	-	-	11,760.00
Shop with a Cop	20.616	100-066-1160-157	4,000.00	1/1/2023-12/31/2023	-	4,000.00	4,000.00	-	-	-	4,000.00
National Priority Safety Programs (Drive Sober or Get Pulled Over)	20.616	100-066-1160-157	18,760.00	1/1/2023-12/31/2023	-	18,760.00	18,760.00	-	-	-	18,760.00
Subtotal					-	41,520.00	41,520.00	-	-	-	41,520.00
Total U.S. Department of Transportation					-	41,520.00	41,520.00	-	-	-	41,520.00
U.S. Department of Treasury:											
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	100-022-8030-687	483,000.00	3/3/2021-12/31/2026	1,628,234.84	-	241,871.05	-	(688,940.52)	697,423.27	621,307.21
Subtotal					1,628,234.84	-	241,871.05	-	(688,940.52)	697,423.27	621,307.21
Total U.S. Department of Treasury					1,628,234.84	-	241,871.05	-	(688,940.52)	697,423.27	621,307.21
Total Federal and State Grant Fund					1,628,234.84	390,756.52	631,627.61	-	(688,940.52)	698,423.23	1,011,063.77
Total Federal Assistance					\$ 2,315,551.32	\$ 599,195.50	\$ 2,106,053.59	\$ -	\$ -	\$ 808,693.23	\$ 3,751,476.75

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**TOWNSHIP OF WASHINGTON
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal financial awards present the activity of all federal award programs of the Township of Washington. The Township is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of *Title 2 U.S Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies is included on the schedule of expenditures of federal awards.

Note 2. Summary of Significant Accounting Policies

The accompanying schedules of state financial assistance are presented using the modified accrual basis of accounting as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, which is described in the Notes to the Financial Statements, Note 1.

The amounts shown as current year expenditures represent only the state grant portion of the program costs. Such expenditures are recognized following the cost principles contained in *Title 2 U.S Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Township did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

Note 3. Relationship to Basic Financial Statements

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

	Federal	Total
Current Fund	\$ 1,474,425.98	\$ 1,474,425.98
State & Federal Grant Fund	<u>631,627.61</u>	<u>631,627.61</u>
Total	<u>\$ 2,106,053.59</u>	<u>\$ 2,106,053.59</u>

Note 4. Relationship to State Financial Reports

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal financial reports.

**TOWNSHIP OF WASHINGTON
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 5. Loans Outstanding

The Township had no loan balances outstanding at December 31, 2023.

Note 6. Contingencies

Each of the grantor agencies reserves the right to conduct additional audits of the Township's grant program for economy, efficiency and program results. However, the Township administration does not believe such audits would result in material amounts of disallowed costs.

Note 7. Major Programs

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

**TOWNSHIP OF WASHINGTON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Adverse - GAAP; <u>Unmodified - Regulatory Basis</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	<u> </u> yes <u> X </u> no
2) Significant deficiency(ies) identified?	<u> </u> yes <u> X </u> none reported
Noncompliance material to financial statements noted?	<u> X </u> yes <u> </u> no

Federal Awards

Internal control over major programs:	
1) Material weakness(es) identified?	<u> </u> yes <u> X </u> no
2) Significant deficiency(ies) identified?	<u> </u> yes <u> X </u> none reported
Type of auditor's report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of Uniform Guidance?	
	<u> </u> yes <u> X </u> no
Identification of major programs:	

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.027	Covid-19 State and Local Fiscal Recovery Funds

Dollar threshold used to determine Type A programs	<u>\$750,000</u>
Auditee qualified as low-risk auditee?	<u> </u> yes <u> X </u> no

**TOWNSHIP OF WASHINGTON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Section I - Summary of Auditor's Results (continued)

State Financial Assistance - SECTION NOT APPLICABLE

Dollar threshold used to determine Type A programs _____

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

Internal control over major programs:

1) Material weakness(es) identified? _____ yes _____ no

2) Significant deficiency(ies) identified? _____ yes _____ no

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

Any audit findings disclosed that are required to be reported
in accordance with New Jersey OMB's Circular 15-08? _____ yes _____ no

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

**TOWNSHIP OF WASHINGTON
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

Finding 2023-001:

Criteria or specific requirement:

An analysis of compensated absences balances held be properly maintained by the township.

Condition:

During our audit we noted that the compensated absence balances for employees was not being accurately maintained and limits of these balances were exceeding the allowable limit as approved by the township.

Cause:

Failure to follow internal control procedures for the maintenance and reconciliation of compensated absences held by the township.

Effect or potential effect:

Potential financial statement misstatement.

Recommendation:

That the township properly maintain and reconcile compensated absences for all employees in accordance with internal control procedures.

Finding 2023-002:

Criteria or specific requirement:

That the Township maintain an accurate and updated lien register.

Condition:

The computerized lien register is not being properly maintained or updated.

Cause:

Due to the large number of tax title liens held by the municipality and lack of oversight from the previous tax collector.

Effect or potential effect:

The balance of municipal tax title liens in the accounting system does not accurately reflect the actual balance.

Recommendation:

That the lien register be reviewed to ensure that liens are properly coded and that current activity and open balances are included in the register totals.

**TOWNSHIP OF WASHINGTON
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

Finding 2023-003:

Criteria of Specific Requirement:

N.J.S.A. 40A:4-57 states that no officer, board, body or commission shall, during any fiscal year, expend any money, incur any liability, or enter into any contract which by its terms involves the expenditure of money for any purpose for which no appropriation is provided, or in excess of the amount appropriated for such service.

Condition:

The Township's Current Fund incurred an over-expenditure during the year due to new bond anticipation notes that were issued with interest not being accounted for in the budget.

Cause:

The Township issued bond anticipation notes during 2023 that were not anticipated when preparing the budget in the prior year.

Effect or Potential Effect:

Non-compliance with N.J.S.A. 40A:4-57

Recommendation:

That the Township should only expend funds as appropriated (N.J.S.A. 40A:4-57)

Management Response:

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**TOWNSHIP OF WASHINGTON
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Federal Awards & State Financial Assistance Findings & Questioned Costs

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08.

FEDERAL AWARDS

None

STATE FINANCIAL ASSISTANCE

N/A – State single audit not required

**TOWNSHIP OF WASHINGTON
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE YEAR ENDED DECEMBER 31, 2023**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings

No Prior Year Findings.

FEDERAL AWARDS

No Prior Year Findings.

STATE FINANCIAL ASSISTANCE

N/A – No State Single Audit in prior year.

TOWNSHIP OF WASHINGTON

PART III

LETTER OF COMMENTS AND RECOMMENDATIONS – REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2023

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OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2023:

<u>Name</u>	<u>Title</u>
Laurie Burns	Mayor December 2023 - Current
Joann Gattinelli	Mayor January 2023- November 2023
Anthony DellaPia	Council President
Richard Bennett	Council Vice President
Peter Del Borrello, III	Council Member
Donald Brown, Jr.	Council Member
Johnson "Jack" Yerkes, III	Council Member
Joseph Russo	Business Administrator
Colette Bachich	Chief Financial Officer
Sheila Batten	Tax Collector
Christine Ciallella	Township Clerk/Registrar
Craig Black	Tax Assessor - County of Gloucester
Hon. Martin W. Whitcraft	Municipal Court Judge
Alissa Moser	Court Administrator
Remington & Vernick	Enginner
Stuart Platt, Esq	Township Attorney

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

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year ended December 31, 2023.

GENERAL COMMENTS:

Contracts and Agreements required to be advertised by (N.J.S.A.40A:11-4)

N.J.S.A.40A:11-4 states every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the Governing Body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the bid threshold, except by contract or agreement.

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$44,000 through year end of December 31, 2023.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

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

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

Collection of Interest on Delinquent Taxes and Assessments

N.J.S.54:4-67, provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 3, 2023 adopted the following resolution authorizing interest to be charged on delinquent taxes:

NOW THEREFORE, BE IT RESOLVED, that if said taxes are deemed to be delinquent for non-payment of taxes, the Tax Collector shall charge eight (8%) percent per annum on the first \$1,500.00 of the delinquency, and eighteen (18%) percent per annum on any amount in excess of \$1,500.00; and

BE IT FURTHER RESOLVED, by the Council of the Township, that the Tax Collector shall allow that no interest will be charged on payments received and made by the tenth calendar day following the date upon which the same became payable; and

BE IT FURTHER RESOLVED, by the Council of the Township, that the Tax Collector shall charge, in addition to the interest for delinquent taxes, as noted above, a penalty of six (6%) percent of the amount of the delinquency in taxes in excess of \$10,000.00 to a taxpayer who fails to pay the delinquency prior to the end of the calendar year.

It appears from an examination of the Collector's record that interest was collected in accordance with the foregoing resolution.

OTHER COMMENTS (FINDINGS):

2023-001 (Financial Statement Finding 2023-001): During our audit we noted that the compensated absence balances for employees was not being accurately maintained and limits of these balances were exceeding the allowable limit as approved by the township.

2023-002 (Financial Statement Finding 2023-002): The computerized lien register is not being properly maintained or updated.

2023-003 (Financial Statement Finding 2023-003): The Township's Current Fund incurred an over-expenditure during the year due to new bond anticipation notes that were issued with interest not being accounted for in the budget.

RECOMMENDATIONS:

2023-001: That the township properly maintain and reconcile compensated absences for all employees in accordance with internal control procedures.

2023-002: That the lien register be reviewed to ensure that liens are properly coded and that current activity and open balances are included in the register totals.

2023-003: That the Township should only expend funds as appropriated (N.J.S.A. 40A:4-57)

Appreciation

We express our appreciation for the assistance and courtesies extended to the members of the audit team.

Respectfully submitted,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

Michael Holt
Certified Public Accountant
Registered Municipal Accountant
RMA No. 473

Medford, New Jersey
June 12, 2024

APPENDIX C

FORM OF BOND COUNSEL OPINION



ARCHER & GREINER, P.C.
ATTORNEYS AT LAW
Riverview Plaza
10 Highway 35
Red Bank, NJ 07701-5902
732-268-8000
FAX 732-345-8420

August 28, 2025

Mayor and Township Council of the
Township of Washington
Sewell, New Jersey

Ladies and Gentlemen:

We have served as Bond Counsel in connection with the authorization, sale, issuance and delivery of \$21,860,000 aggregate principal amount of General Obligation Bonds, Series 2025 (the "Bonds"), of the Township of Washington, in the County of Gloucester (the "Township"), a body politic and corporate of the State of New Jersey (the "State").

The Bonds are authorized by, and are issued pursuant to, the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"), and are authorized by various bond ordinances duly adopted by the Township Council and published and approved as required by law, and by a resolution duly adopted by the Township Council on July 16, 2025.

The Bonds are being issued to: (i) permanently finance and currently refund a portion of prior Bond Anticipation Notes of the Township, issued on September 4, 2024 and maturing on September 3, 2025 in the principal amount of \$14,407,273; (ii) permanently finance and currently refund a portion of prior Bond Anticipation Notes of the Township, issued December 12, 2024 and maturing on September 3, 2025 in the principal amount of \$6,951,642; (iii) permanently finance various improvements in and for the Township; and (iv) finance the costs associated with the issuance and sale of the Bonds.

The Bonds are issued in fully registered form, without coupons, initially registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), an automated depository for securities and clearing house for securities transactions. One certificate shall be issued for the aggregate principal amount of the Bonds maturing in each year. Purchases of the Bonds will be made in book-entry only form, without certificates, in principal denominations of \$5,000 each or any integral multiple thereof. So long as DTC or its nominee is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by the Township as Paying Agent (or a duly appointed Paying Agent) directly to Cede & Co., as nominee for DTC. Disbursal of such payments to the DTC participants is the responsibility of DTC and disbursal of such payments to the beneficial owners of the Bonds is the responsibility of the DTC participants.

The Bonds are dated and shall bear interest from their date of delivery, which interest shall be payable semiannually on the fifteenth day of May and November (each an "Interest Payment Date"), commencing May 15, 2026, in each year until maturity or prior redemption, as applicable. The Bonds shall mature on May 15 in each of the years, in the principal amounts and at the interest rates as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Rate</u>
2026	\$1,255,000	4.00%	2032	\$1,865,000	4.00 %
2027	1,435,000	4.00	2033	2,080,000	4.00
2028	1,480,000	4.00	2034	2,150,000	4.00
2029	1,550,000	4.00	2035	2,205,000	4.00
2030	1,650,000	4.00	2036	2,205,000	4.00
2031	1,780,000	4.00	2037	2,205,000	4.00

The Bonds are subject to optional redemption prior to their stated maturities as set forth therein.

We have examined such matters of law, certified copies of the proceedings, including all authorization proceedings for the Bonds, and other documents and proofs relative to the issuance and sale of the Bonds as we have deemed necessary or appropriate for the purposes of the opinion rendered below. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents.

We are of the opinion that (i) such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to the New Jersey Statutes, (ii) the Bonds have been duly authorized, executed and delivered and constitute valid and legally binding obligations of the Township enforceable in accordance with their terms, and (iii) the Township has pledged its faith and credit for the payment of the principal of and interest on the Bonds, and, unless paid from other sources, all the taxable property within the Township is subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, for the payment of principal of and interest on the Bonds.

The Internal Revenue Code of 1986, as amended (the "Code"), sets forth certain requirements which must be met at the time of, and on a continuing basis subsequent to, the issuance and delivery of the Bonds in order for the interest thereon to be and remain excludable from gross income for Federal income tax purposes. Noncompliance with such requirements could cause interest on the Bonds to be included in gross income for Federal income tax purposes retroactive to the date of the issuance of the Bonds. The Township will represent in its tax certificate relating to the Bonds that it

expects and intends to comply, and will comply, to the extent permitted by law, with such requirements.

In our opinion, under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the Township with the requirements of the Code described in the preceding paragraph, interest on the Bonds is not includable for Federal income tax purposes in the gross income of the owner of the Bonds pursuant to section 103 of the Code and is not treated as a preference item under Section 57 of the Code for purposes of computing the Federal alternative minimum tax; however, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under the Code.

We are also of the opinion that, under existing laws of the State of New Jersey, interest on the Bonds and any gain on the sale thereof is not includable in gross income under the New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended and supplemented.

Except as stated in the preceding two (2) paragraphs, we express no opinion as to any Federal, state or local tax consequences of the ownership or disposition of the Bonds. Furthermore, we express no opinion as to any Federal, state or local tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof upon the advice or approval of other bond counsel.

This opinion is qualified to the extent that the enforceability of the rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights or remedies heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined one of each of the Bonds, as executed by the Township, and, in our opinion, the form of such Bond and its execution are regular and proper.

We express no opinion as to any matter not set forth above. The opinions expressed above are being rendered on the basis of federal law and the laws of the State of New Jersey as presently enacted and construed, and we assume no responsibility to advise any party as to changes in fact or law subsequent to the date hereof that may affect the opinions expressed above.

This is only an opinion letter and not a warranty or guaranty of the matters discussed herein.

Mayor and Township Council of the
Township of Washington
August 28, 2025
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This letter is being provided for your exclusive benefit pursuant to the requirements of the closing of the Bonds and may not be provided to (except in connection with the preparation of a closing transcript with respect to the Bonds) or relied upon by any other person, party, firm or organization without our prior written consent. Notwithstanding anything to the contrary herein, the undersigned acknowledges that this opinion is a governmental record subject to release under the New Jersey Open Public Records Act, N.J.S.A. 47:1A-1 *et seq.*, as amended and supplemented.

Very truly yours,

ARCHER & GREINER P.C.

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE FOR THE BONDS

This Continuing Disclosure Certificate dated as of August 28, 2025 (the "Disclosure Certificate") is executed and delivered by the Township of Washington, in the County of Gloucester, State of New Jersey (the "Township" or the "Issuer"), in connection with the issuance of its \$21,860,000 aggregate principal amount of General Obligation Bonds, Series 2025 (the "Bonds"), all such Bonds being dated August 28, 2025. The Bonds are being issued pursuant to various bond ordinances duly adopted by the Township Council and published as required by law, and a resolution (the "Bond Resolution") duly adopted by the Township Council on July 16, 2025. The Township covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Township for the benefit of the Beneficial Owners of the Bonds to assist the Underwriter(s) in complying with the Rule (as defined below). The Township acknowledges it is an "Obligated Person" under the Rule (as defined below).

SECTION 2. Definitions. In addition to the definitions set forth in the Bond Resolution which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Township pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for Federal income tax purposes.

"Dissemination Agent" shall mean, initially, the Township or any Dissemination Agent subsequently designated in writing by the Township which has filed with the Township a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access system, a website created by the MSRB and approved by the SEC to provide a central location where investors can obtain municipal bond information including disclosure documents. The Township or the Dissemination Agent shall submit disclosure documents to EMMA as a PDF file to www.emma.msrb.org.

"Financial Obligation" shall mean: (a) a debt obligation; (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of (a) or (b) listed hereinabove. The term "*Financial Obligation*" shall not include municipal securities as to which a final official statement has been provided to the MSRB (as defined below) consistent with the Rule (as defined below).

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" shall mean the United States Securities and Exchange Commission.

"State" shall mean the State of New Jersey.

"Underwriter(s)" shall mean the original underwriter(s) of the Bonds required to comply with the Rule in connection with the purchase of the Bonds.

SECTION 3. Provision of Annual Reports.

(a) The Township shall provide or cause to be provided to the Dissemination Agent not later than 270 days following the end of each year, commencing with the year ending December 31, 2025, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Each Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Township may be submitted separately from the balance of the Annual Report; and provided, further, that if the audited financial statements of the Township are not available by September 1 of each year, the Township shall include unaudited financial statements with its Annual Report and when such audited financial statements become available to the Township, the same shall be submitted to the Dissemination Agent no later than thirty (30) days after the receipt of the same by the Township.

(b) Not later than 285 days following the end of each year, commencing with the year ending December 31, 2025, the Dissemination Agent shall provide to EMMA a copy of the Annual Report received by the Dissemination Agent pursuant to subsection (a) hereof.

(c) If the Township does not provide or is unable to provide an Annual Report by the applicable date required in subsection (a) above, such that the Dissemination Agent cannot forward the Annual Report to EMMA in accordance with subsection (b) above, the Dissemination Agent shall send a notice of such event to EMMA in substantially the form attached hereto as Exhibit A, with copies to the Township (if the Dissemination Agent is not the Township).

(d) If the fiscal year of the Township changes, the Township shall give written notice of such change to the Dissemination Agent and the Dissemination Agent

shall, within five (5) business days after the receipt thereof from the Township, forward a notice of such change to EMMA in the manner provided in Section 5(e) hereof.

SECTION 4. Content of Annual Reports. (a) The Township's Annual Report shall contain or incorporate by reference the following:

1. The audited financial statements of the Township (as of December 31).

The audited financial statements are to be prepared in accordance with generally accepted auditing standards and audit requirements prescribed by the Division of Local Government Services, State Department of Community Affairs (the "Division") that demonstrate compliance with the modified accrual basis, with certain exceptions, which is a comprehensive basis of accounting other than generally accepted accounting principles (GAAP) and the budget laws of the State.

2. Certain financial information and operating data of the Township consisting of (i) the Township's indebtedness, (ii) the Township's most current adopted budget, (iii) the Township's property valuation information, and (iv) the Township's tax rate, levy and collection data, as applicable.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Township is an "Obligated Person" (as defined by the Rule), which have been filed with the MSRB, through the EMMA system, or the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Township shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Bonds, as applicable:

1. Principal and interest payment delinquencies;
2. Nonpayment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed

Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

7. Modifications to rights of Bondholders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances of the Bonds;
10. Release, substitution or sale of property securing repayment of the Bonds, if material;
11. Rating changes relating to the Bonds;
12. Bankruptcy, insolvency, receivership or similar event of the Township (Note to Section 5(a)(12): For the purposes of the event identified in Section 5(a) (12), the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for the Township in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Township, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Township.);
13. The consummation of a merger, consolidation, or acquisition involving the Township or the sale of all or substantially all of the assets of the Township, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee for the Bonds or the change of name of a trustee for the Bonds, if material;
15. Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

The Township shall, in a timely manner not in excess of ten (10) business days after the occurrence of any Listed Event, file a notice of the occurrence of such Listed Event with the MSRB, through the EMMA system, in accordance with the provisions of Section 5 of this Disclosure Certificate. In determining the materiality of any of the Listed Events specified in subsection (a) of this Section 5 that require a materiality determination, the Township may, but shall not be required to, rely conclusively on an opinion of counsel.

(b) Whenever the Township has or obtains knowledge of the occurrence of any of the Listed Events that require a materiality determination, the Township shall, as soon as possible, determine if such event would constitute information material, if applicable, to the Beneficial Owners of the Bonds.

(c) If the Township (i) has or obtains knowledge of the occurrence of any of the Listed Events not requiring a materiality determination, or (ii) determines that the occurrence of a Listed Event requiring a materiality determination would be material to the Beneficial Owners of the Bonds, the Township shall promptly notify the Dissemination Agent in writing (if the Township is not the Dissemination Agent) and the Township shall instruct the Dissemination Agent to report such Listed Event and the Dissemination Agent shall report the occurrence of such Listed Event pursuant to subsection (e) hereof.

(d) If the Township determines that the occurrence of a Listed Event requiring a materiality determination would not be material to the Beneficial Owners of the Bonds, the Township shall promptly notify the Dissemination Agent in writing (if the Dissemination Agent is not the Township) and the Dissemination Agent (if the Dissemination Agent is not the Township) shall be instructed by the Township not to report the occurrence.

(e) If the Dissemination Agent has been instructed in writing by the Township to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB, through the EMMA system, in a timely manner

not in excess of ten (10) business days after the occurrence thereof, with a copy to the Township (if the Dissemination Agent is not the Township). Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) hereof need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the Bondholders of the affected Bonds pursuant to the Bond Resolution.

SECTION 6. Termination of Reporting Obligation. The Township's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds or when the Township is no longer an "Obligated Person" (as defined in the Rule). The Township shall file a notice of the termination of its reporting obligations pursuant to the provisions hereof with the Dissemination Agent, which notice shall be filed with the MSRB, through the EMMA system, in accordance with the provisions of Section 5(e) hereof.

SECTION 7. Compliance with the Rule. Except for as specifically disclosed in the Official Statement, the Township has had no existing continuing disclosure obligations in the past 5 years.

SECTION 8. Dissemination Agent; Compensation. The Township may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the Township. The Township shall compensate the Dissemination Agent (which shall be appointed) for the performance of its obligations hereunder in accordance with an agreed upon fee structure.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Township may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived, if such amendment or waiver (supported by an opinion of counsel expert in Federal securities laws acceptable to the Township to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof) is (a) made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person, or type of business conducted; (b) the undertaking, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (c) the amendment or waiver does not materially impair the interests of holders, as determined either by parties unaffiliated with the Township, such determination being supported by an opinion of counsel expert in Federal securities laws, or by the approving vote of a majority of Beneficial Owners of the Bonds at the time of the amendment. The Township shall give notice of such amendment or waiver to this Disclosure Certificate to the Dissemination Agent, which notice shall be filed in accordance with the provisions of Section 5 hereof. Notwithstanding the above, the addition of or change in the Dissemination Agent shall not be construed to be an amendment under the provisions hereof.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Township shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Township. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements (i) notice of such change shall be given in the same manner as a Listed Event under Section 5 hereof, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Township from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Township chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Certificate, the Township shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the Township to comply with any provision of this Disclosure Certificate, the Holders of at least 25% aggregate principal amount of Outstanding Bonds or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Township to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default on the Bonds and the sole remedy under this Disclosure Certificate in the event of any failure of the Township to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 12. Duties, Immunities and Liabilities of the Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and, to the extent permitted by law, the Township agrees to indemnify and hold the Dissemination Agent (if the Dissemination Agent is not the Township) and its respective officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. To the extent permitted by law, the Township further releases the Dissemination Agent from any liability for the disclosure of any information required by the Rule and this Disclosure Certificate. The obligations of the Township under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Township, the Dissemination Agent, the Underwriter(s), and the Beneficial Owners of the Bonds, including Bondholders, and shall create no rights in any other person or entity.

SECTION 14. Notices. All notices and submissions required hereunder shall be given to the following, or their successors, by facsimile transmission (with written confirmation of receipt), followed by hard copy sent by certified or registered mail, personal delivery or recognized overnight delivery:

(a) If to the Township

Ms. Colette Bachich
Chief Financial Officer
Township of Washington
523 Egg Harbor Road
Sewell, New Jersey 08080

(b) Copies of all notices to the Dissemination Agent from
time to time with respect to the Bonds

Acacia Financial Group, Inc.
6000 Midlantic Drive, Suite 410 North
Mount Laurel, New Jersey
Attn: Jennifer Edwards, Managing Director

Each party shall give notice from time to time to the other parties, in the manner specified herein, of any change of the identity or address of anyone listed herein.

SECTION 15. Counterparts. This Disclosure Certificate may be executed in any number of counterparts which shall be executed by authorized signatories of the Township and the Dissemination Agent, as applicable, and all of which together shall be regarded for all purposes as one original and shall constitute and be but one and the same.

SECTION 16. Severability. If any one or more of the covenants or agreements in this Disclosure Certificate to be performed on the part of the Township and the Dissemination Agent should be contrary to law, then such covenant or covenants, agreement or agreements, shall be deemed severable from the remaining covenants and agreements and shall in no way affect the validity of the other provisions of this Disclosure Certificate.

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SECTION 17. Governing Law. This Disclosure Certificate shall be construed in accordance with and governed by the Laws of the United States of America and the State, as applicable.

TOWNSHIP OF WASHINGTON

COLETTE BACHICH,
Chief Financial Officer

Acknowledged and Accepted by:

ACACIA FINANCIAL GROUP, INC.,
as Dissemination Agent

JENNIFER EDWARDS,
Managing Director

EXHIBIT A

NOTICE TO MSRB VIA EMMA OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Township of Washington, in the County of Gloucester,
State of New Jersey

Name of Bond Issue: \$21,860,000 aggregate principal amount of General
Obligation Bonds, Series 2025 (the "Bonds")
Dated August 28, 2025
(CUSIP Number 940416MC1)

Date of Issuance: August 28, 2025

NOTICE IS HEREBY GIVEN that the above designated Township has not provided an Annual Report with respect to the above-named Bonds as required by the Bond Resolution and a Continuing Disclosure Certificate dated as of August 28, 2025 executed by the Township.

DATED: _____

DISSEMINATION AGENT
(on behalf of the Township)

cc: Township of Washington