

This is a Preliminary Official Statement "deemed final" within the meaning of and with the exception of certain information permitted to be omitted by Rule 15c2-12 of the Securities and Exchange Commission. The Township will deliver a final Official Statement in compliance with Rule 15c2-12. This Preliminary 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 and the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale prior to registration, qualification or exemption under the securities laws of any such jurisdiction.

NEW ISSUE – Book-Entry-Only

RATINGS: Moody's: "Aa2" (Bonds)
Moody's: "MIG1" (Notes)
(See "RATINGS" herein)

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 30, 2023

In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel, assuming continuing compliance by the Township (as hereinafter defined) with certain tax covenants described herein, under existing law, interest on the Bonds and the Notes (as hereinafter defined) is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Internal Revenue Code of 1986, as amended ("Code"), and will not constitute a tax preference item for purposes of the alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on such corporations. In addition, interest on the Bonds and the Notes and any gain from the sale thereof are not included in the gross income of the owners thereof under the New Jersey Gross Income Tax Act as presently executed and construed. See "TAX MATTERS" herein.

\$14,191,000*
TOWNSHIP OF EVESHAM
County of Burlington, New Jersey
GENERAL OBLIGATION BONDS, SERIES 2023
Consisting of:
\$11,823,500* General Capital Bonds
\$2,367,500* Open Space Bonds
(Callable)

\$6,377,407
TOWNSHIP OF EVESHAM
County of Burlington, New Jersey
BOND ANTICIPATION NOTES OF 2023, SERIES A
Consisting of:
\$3,877,407 General Capital Notes
\$1,000,000 Open Space Notes
\$1,500,000 Golf Utility Notes
(Non-Callable)

Dated: Date of Delivery

Bonds Due: September 15, as shown on inside front cover
Notes Due: September 18, 2024

The Township of Evesham, County of Burlington, New Jersey ("Township") is offering (i) \$14,191,000* aggregate principal amount of its General Obligation Bonds, Series 2023 ("Bonds"); and (ii) \$6,377,407 principal amount of its Bond Anticipation Notes of 2023, Series A ("Notes"). The Bonds and the Notes shall each be issued in fully registered book-entry-only form without coupons. The Bonds consist of: (i) \$11,823,500* aggregate principal amount of General Capital Bonds; and (ii) \$2,367,500* aggregate principal amount of Open Space Bonds. The Notes consist of: (i) \$3,877,407 aggregate principal amount of General Capital Notes; (ii) \$1,000,000 aggregate principal amount of Open Space Notes; and (iii) \$1,500,000 aggregate principal amount of Golf Utility Notes.

The principal of the Bonds and the Notes shall be paid on the respective maturity dates thereof upon presentation and surrender of the Bonds and the Notes in the offices of the Chief Financial Officer or the Township's hereafter designated paying agent, if any. Interest on the Bonds is payable semi-annually on March 15 and September 15 ("Interest Payment Dates"), commencing March 15, 2024 in each year until maturity or earlier redemption. Interest on the Notes will be payable at maturity. The Bonds are subject to redemption prior to their stated maturity dates on the terms and conditions set forth herein. The Notes are not subject to redemption prior to the stated maturity date thereof.

Upon initial issuance, the Bonds and the Notes will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds and the Notes. So long as Cede & Co. is the registered owner of the Bonds and the Notes, payments of principal of and interest on the Bonds and the Notes will be made by the Township or its hereafter designated paying agent, if any, directly to DTC or its nominee, Cede & Co., which will remit such payments to the Direct Participants (as hereinafter defined) which will, in turn, remit such payments to the Beneficial Owners (as hereinafter defined) of the Bonds and the Notes. Purchasers will not receive certificates representing their ownership interest in the Bonds or the Notes purchased. For so long as any purchaser is a Beneficial Owner of a Bond or Note, such purchaser must maintain an account with a broker or dealer who is, or acts through, a Direct Participant to receive payment of the principal of and interest on such Bond or Note.

The Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) bond ordinances 15-09-19, 12-12-20, 19-03-21, 27-07-21, and 12-06-22 (collectively, the "Bond Ordinances"), each duly and finally adopted by the Township Council of the Township and published in accordance with the requirements of the Local Bond Law; (iii) a resolution adopted by the Township Council on August 9, 2023; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on September __, 2023.

The Notes are authorized to be issued pursuant to: (i) the Local Bond Law; (ii) bond ordinances 19-03-21, 28-07-21, 13-06-22, 14-08-23, 15-08-23 and 16-08-23 (collectively, the "Note Ordinances"), each duly and finally adopted by the Township Council and published in accordance with the requirements of the Local Bond Law; and (iii) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on September __, 2023.

The Bonds are being issued by the Township to provide funds, along with other available monies, which will be used to: (i) permanently finance the costs of various capital improvements and equipment authorized by the Bond Ordinances by the repayment at maturity of a portion of certain bond anticipation notes heretofore issued by the Township; (ii) permanently finance the costs of various capital improvements and the acquisition of various capital equipment, for which obligations have been authorized, but not yet issued; and (iii) pay certain costs and expenses incidental to the issuance and delivery of the Bonds.

The Notes are being issued by the Township to provide funds which will be used to: (i) temporarily finance the costs of various capital improvements and the acquisition of various capital equipment by the repayment at maturity of the principal of certain bond anticipation notes heretofore issued by the Township; (ii) temporarily finance the costs of various capital improvements and equipment authorized by the Note Ordinances for which obligations have been authorized but not issued; and (iii) pay certain costs and expenses incidental to the issuance and delivery of the Notes.

The full faith and credit of the Township are irrevocably pledged for the payment of the principal of and interest on the Bonds and the Notes. The Bonds are general obligations of the Township payable as to principal and interest from *ad valorem* taxes that shall be levied upon all taxable real property within the Township without limitation as to rate or amount. The Notes are general obligations of the Township and are issued in anticipation of the issuance of bonds and, if not paid from the proceeds of such bonds or other funds, are payable ultimately from *ad valorem* taxes that shall be levied upon all taxable real property within the Township without limitation as to rate or amount.

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

The Bonds and the Notes are offered when, as and if issued, subject to the prior approval of legality by the law firm of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Township, and certain other conditions described herein. Certain legal matters will be passed upon for the Township by its Solicitor, Christopher A. Orlando, Esquire, of the law firm of Parker McCay P.A., Mount Laurel, New Jersey. NW Financial Group, LLC, Hoboken, New Jersey, has acted as Municipal Advisor to the Township in connection with the issuance of the Bonds and the Notes. It is anticipated that the Bonds and the Notes in definitive form will be available for delivery, in immediately available funds, through DTC in New York, New York on or about September 19, 2023.

* Preliminary, Subject to Change

MATURITY SCHEDULES

\$14,191,000*
GENERAL OBLIGATION BONDS, SERIES 2023
Consisting of:
\$11,823,500* General Capital Bonds
\$2,367,500* Open Space Bonds
(Callable)

<u>Year</u> <u>(September 15)</u>	<u>General Capital</u>	<u>Open Space</u>	<u>Total</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP**</u>
2024	\$453,500	\$82,500	\$536,000	%	%	
2025	470,000	85,000	555,000			
2026	605,000	90,000	695,000			
2027	600,000	90,000	690,000			
2028	645,000	95,000	740,000			
2029	665,000	95,000	760,000			
2030	690,000	100,000	790,000			
2031	715,000	105,000	820,000			
2032	845,000	110,000	955,000			
2033	775,000	115,000	890,000			
2034	875,000	120,000	995,000			
2035	880,000	120,000	1,000,000			
2036	890,000	125,000	1,015,000			
2037	905,000	130,000	1,035,000			
2038	905,000	135,000	1,040,000			
2039	905,000	145,000	1,050,000			
2040	0	150,000	150,000			
2041	0	155,000	155,000			
2042	0	160,000	160,000			
2043	0	160,000	160,000			

\$6,377,407
BOND ANTICIPATION NOTES OF 2023, SERIES A
Consisting of:
\$3,877,407 General Capital Notes
\$1,000,000 Open Space Notes
\$1,500,000 Golf Utility Notes
(Non-Callable)

<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Maturity Date</u>	<u>CUSIP*</u>
\$6,377,407	%	%	September 18, 2024	

* Preliminary, Subject to Change

** CUSIP™ is a registered trademark of the American Bankers Association. CUSIP numbers are provided by CUSIP Global Services Bureau, which is managed on behalf of American Bankers Association by S&P Global Market Intelligence. The CUSIP numbers listed above for the Bonds and Notes are being provided solely for the convenience of holders of the Bonds and Notes only at the time of issuance of the Bonds and the Notes. The Township makes no representations with respect to such CUSIP numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for the specified maturities of the Bonds and Notes are subject to being changed after the issuance of the Bonds and Notes 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 and Notes.

**TOWNSHIP OF EVESHAM
COUNTY OF BURLINGTON, NEW JERSEY**

<u>Name</u>	<u>Title</u>
Jaclyn Veasy	Mayor
Eddie Freeman III	Deputy Mayor
Heather Cooper	Councilwoman
Patricia Hansen	Councilwoman
Ginamarie Espinoza	Councilwoman

Township Manager

Robert Corrales

Chief Financial Officer

Alex P. Davidson

Township Clerk

Mary Lou Bergh

Solicitor

Christopher A. Orlando, Esq.
Parker McCay P.A.
Mount Laurel, New Jersey

Auditor

Bowman & Company LLP
Voorhees, New Jersey

Bond Counsel

Parker McCay P.A.
Mount Laurel, New Jersey

Municipal Advisor

NW Financial Group, LLC
Hoboken, New Jersey

No broker, dealer, salesperson or other person has been authorized by the Township to give any information or to make any representations with respect to the Bonds and the Notes other than those contained in this Official Statement and, if given or made, such information or representations must not be relied upon as having been authorized by the Township. The information contained herein has been provided by the Township and other sources deemed reliable; however, no representation or warranty is made as to its accuracy or completeness and such information is not to be construed as a representation or warranty by any underwriter or, as to information from sources other than itself, by the Township. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale 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, bond ordinances, agreements, reports and other 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 office of the Clerk of the Township during normal business hours.

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 or the Notes in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than as contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by the Township or any underwriter.

Upon issuance, the Bonds and the Notes will not be registered under the Securities Act of 1933, as amended, will not be listed on any stock or other securities exchange and neither the Securities and Exchange Commission nor any other federal, State, municipal or other governmental entity will have passed upon the accuracy or adequacy of this Official Statement.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AND THE NOTES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT PRIOR NOTICE.

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

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OFFICIAL STATEMENT

\$14,191,000*
TOWNSHIP OF EVESHAM
County of Burlington, New Jersey
GENERAL OBLIGATION BONDS, SERIES 2023
Consisting of:
\$11,823,500* General Capital Bonds
\$2,367,500* Open Space Bonds
(Callable)

\$6,377,407
TOWNSHIP OF EVESHAM
County of Burlington, New Jersey
BOND ANTICIPATION NOTES OF 2023, SERIES A
Consisting of:
\$3,877,407 General Capital Notes
\$1,000,000 Open Space Notes
\$1,500,000 Golf Utility Notes
(Non-Callable)

INTRODUCTION

This Official Statement, including the cover page and Appendices hereto, is to provide certain information relating to the issuance by the Township of Evesham, County of Burlington, New Jersey ("Township") of its: (i) \$14,191,000* aggregate principal amount of its General Obligation Bonds, Series 2023 ("Bonds"); and (ii) \$6,377,407 principal amount of its Bond Anticipation Notes of 2023, Series A ("Notes"). The Bonds consist of: (i) \$11,823,500* aggregate principal amount of General Capital Bonds; and (ii) \$2,367,500* aggregate principal amount of Open Space Bonds. The Notes consist of: (i) \$3,877,407 aggregate principal amount of General Capital Notes; (ii) \$1,000,000 aggregate principal amount of Open Space Notes; and (iii) \$1,500,000 aggregate principal amount of Golf Utility Notes.

AUTHORIZATION FOR THE BONDS AND THE NOTES

The Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) Bond Ordinances 15-09-19, 12-12-20, 19-03-21, 27-07-21, and 12-06-22 (collectively, the "Bond Ordinances"), each duly and finally adopted by the Township Council of the Township and published in accordance with the requirements of the Local Bond Law; (iii) a resolution adopted by the Township Council on August 9, 2023; and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on September __, 2023.

* Preliminary, Subject to Change

The Notes are authorized to be issued pursuant to: (i) the Local Bond Law; (ii) bond ordinances 19-03-21, 28-07-21, 13-06-22, 14-08-23, 15-08-23, and 16-08-23 (collectively, the "Note Ordinances"), each duly and finally adopted by the Township Council and published in accordance with the requirements of the Local Bond Law; and (iii) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on September __, 2023.

PURPOSE OF THE ISSUE

The Bonds are being issued by the Township to provide funds which will be used to: (i) permanently finance the costs of various capital improvements and equipment authorized by the Bond Ordinances by the repayment at maturity of a portion of certain bond anticipation notes heretofore issued by the Township, all as more particularly described in Table I below; (ii) permanently finance the costs of various capital improvements and the acquisition of various capital equipment, for which obligations have been authorized, but not yet issued; and (iii) pay certain costs and expenses incidental to the issuance and delivery of the Bonds.

The Notes are being issued to: (i) temporarily finance the costs of various capital improvements and the acquisition of various capital equipment by the repayment at maturity of the principal of certain bond anticipation notes heretofore issued by the Township; (ii) temporarily finance the costs of various capital improvements and equipment authorized by the Note Ordinances for which obligations have been authorized but not issued, all as more particularly described in Table II below; and (iii) pay certain costs and expenses incidental to the issuance and delivery of the Notes.

The improvements to be permanently financed with the proceeds of the Bonds and to be temporarily financed with the proceeds of the Notes include the following:

**TABLE I
General Capital Bonds**

Ordinance Number	Purpose	Bonds/Notes Authorized	Notes Outstanding	Bonds to be Issued
15-09-19	Repair and Reconstruction of Union Mill Dam	\$1,462,000	\$49,000	\$49,000
12-12-20	Various Capital Improvements	1,809,160	1,635,000	1,681,000
27-07-21	Various Capital Improvements	5,343,500	5,343,500	5,343,500
12-06-22	Various Capital Improvements	4,750,000	3,500,000	4,750,000
TOTAL		\$13,364,660	\$10,527,500	\$11,823,500

Open Space Bonds

Ordinance Number	Purpose	Bonds/Notes Authorized	Notes Outstanding	Bonds to be Issued
19-03-21	Acquisition of Land	\$4,987,500	\$4,867,500	\$2,367,500
TOTAL		\$4,987,500	\$4,867,500	\$2,367,500

Total

	Bonds/Notes Authorized	Notes Outstanding	Bonds to be Issued
TOTAL	\$18,352,160	\$15,395,000	\$14,191,000

**TABLE II
Notes
General Capital Ordinances**

Ordinance Number	Purpose	Amount Authorized	Prior Notes Outstanding	Notes to be Issued
14-08-23	Completion of Capital Improvements and the Acquisition of Capital Equipment	\$4,750,000	\$0	\$3,750,000
16-08-23*	Completion of Various Improvements to Various Township Facilities	127,407	0	127,407
TOTAL		\$4,877,407	\$0	\$3,877,407

Open Space Ordinances

Ordinance Number	Purpose	Amount Authorized	Prior Notes Outstanding	Notes to be Issued
19-03-21	Acquisition of Land	\$4,987,500	\$4,867,500	\$1,000,000
TOTAL		\$4,987,500	\$4,867,500	\$1,000,000

* Cancellation-Reappropriation ordinance cancelling unfunded balance from bond ordinance 12-12-2020, Section 3(VI) in the amount of \$127,407.30.

Golf Utility Ordinances

Ordinance Number	Purpose	Amount Authorized	Prior Notes Outstanding	Notes to be Issued
28-07-21	Golf Course Facilities Improvements and Equipment Acquisition	\$379,100	\$250,000	\$379,100
13-06-22	Golf Course Facilities Improvements and Equipment Acquisition	985,000	250,000	985,000
15-08-23	Golf Course Facilities Improvements and Equipment Acquisition	750,000	0	135,900
TOTAL		\$2,114,100	\$500,000	\$1,500,000

DESCRIPTION OF THE BONDS AND THE NOTES

General

Bonds

The Bonds will be issued in the aggregate principal amount of \$14,191,000*. The Bonds will be dated their date of delivery and bear interest from that date at the interest rates set forth on the inside front cover hereof. Interest on the Bonds is payable semi-annually on March 15 and September 15 (each an "Interest Payment Date" and collectively, "Interest Payment Dates"), commencing March 15, 2024, in each year until maturity or earlier redemption. Individual purchases of the Bonds may be made in the principal amount of \$5,000, or integral multiples thereof, and in integral multiples of \$1,000 in excess thereof, or in such amount necessary to issue the principal amount of the Bonds, through book-entries made on the books and the records of DTC (as hereinafter defined) and its participants. See "DESCRIPTION OF THE BONDS AND THE NOTES--Book-Entry-Only System" below. The Bonds will mature on September 15 in the years and in the principal amounts, all as shown on the inside front cover page of this Official Statement.

The Bonds will be issued in fully registered book-entry only form without coupons. The principal of the Bonds will be payable to the registered owners at maturity upon presentation and surrender of the Bonds at the offices of the Chief Financial Officer of the Township or the Township's hereafter designated paying agent, if any. Interest on each Bond shall be payable on each Interest Payment Date of such Bond to the registered owner of record thereof appearing on the registration books kept by the Township for such purpose at the offices of the Chief Financial Officer of the Township, or the Township's hereafter designated paying agent, if any, as of the close of business on the first (1st) day of the calendar month containing an Interest Payment Date (each a "Record Date").

* Preliminary, Subject to Change

Notes

The Notes will be issued in the principal amount of \$6,377,407 in fully registered book-entry-only form in denominations of \$5,000 or integral multiples thereof, and in integral multiples of \$1,000 in excess thereof, or in such amount necessary to issue the principal amount of the Notes. The Notes shall bear interest, payable at maturity, at the rate shown on the inside front cover page hereof. Interest on the Notes shall be calculated on the basis of twelve (12) thirty (30) day months in a three hundred sixty (360) day year . Payment of the principal of and interest on the Notes will be paid at maturity.

So long as The Depository Trust Company, New York, New York ("DTC") or its nominee, Cede & Co., is the registered owner of the Bonds or the Notes, payments of the principal of and interest on the Bonds and the Notes will be made directly to Cede & Co., as nominee of DTC. Disbursements of such payments to the participants of DTC ("DTC Participants") is the responsibility of DTC and disbursements of such payments to the Beneficial Owners (as hereinafter defined) of the Bonds and the Notes is the responsibility of the DTC Participants and not the Township or its hereafter designated paying agent, if any.

Redemption Provisions

Bonds

The Bonds maturing on and after September 15, 2032, are subject to redemption prior to their stated maturity dates at the option of the Township, upon notice as set forth below, as a whole or in part (and, if in part, such maturities as the Township shall determine and within any such maturity by lot) on any date on or after September 15, 2031, at a redemption price equal to 100% of the principal amount of Bonds to be redeemed, plus accrued interest to the redemption date.

Notice of redemption shall be given by mailing first class mail in a sealed envelope with postage pre-paid not less than thirty (30) days nor more than sixty (60) days prior to the redemption date to the owner of every Bond of which all or a portion is to be redeemed at his or her last address, if any, appearing on the registration books of the Township or its hereafter designated Paying Agent, if any. So long as the Bonds are issued in book-entry-only form, all notices of redemption will be sent only to DTC or any successor, and will not be sent to the beneficial owners of the Bonds. Failure of an owner of the Bonds to receive such notice or of DTC to advise any participant or any failure of a participant to notify any beneficial owner of the Bonds shall not affect the validity of any proceedings for the redemption of Bonds. Such notice shall specify: (i) the series and maturity of the Bonds to be redeemed; (ii) the redemption date and the place or places where amounts that are due and payable upon such redemption will be payable; (iii) if less than all of the Bonds are to be redeemed, the letters and numbers or other distinguishing marks of the Bonds to be redeemed; (iv) in the case of a Bond to be redeemed in part only, the portion of the principal amount thereof to be redeemed; (v) that on the redemption date there shall become due and payable with respect to each Bond or portion thereof to be redeemed the redemption price; and (vi) that from and after the redemption date interest on such Bond or portion thereof to be redeemed shall cease to accrue and be payable.

Notes

The Notes are **not** subject to redemption prior to their stated maturity date.

Book-Entry-Only System¹

The description which follows of the procedures and record keeping with respect to beneficial ownership interests in the Bonds and the Notes, payment of principal and interest, and other payments on the Bonds and the Notes to DTC Participants or Beneficial Owners (as each such term is hereinafter defined), confirmation and transfer of beneficial ownership interests in the Bonds and the Notes and other related transactions by and between DTC, DTC 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.

The DTC will act as securities depository for the Bonds and the Notes. The Bonds and the Notes will be issued as fully-registered securities 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 issue, and will be deposited with DTC. One fully-registered Note certificate will be issued in the principal amount of the Notes, 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.

¹ Source: The Depository Trust Company

Purchases of the Bonds and the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds and the Notes on DTC's records. The ownership interest of each actual purchaser of each Bond and the Notes ("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 and the Notes 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 and the Notes, except in the event that use of the book-entry system for the Bonds and the Notes is discontinued.

To facilitate subsequent transfers, all the Bonds and the Notes 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 the Bonds and the Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds and the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds and Notes 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.

Redemption notices, if any, shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

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

Redemption proceeds and distributions on the Bonds and the Notes, if any, 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 its hereafter designated paying agent 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, the Township or its hereafter designated paying agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Township or its hereafter designated paying agent, 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 and the Notes at any time by giving reasonable notice to the Township or its hereafter designated Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond and Note certificates are required to be printed and delivered.

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

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 neither the Township nor the Underwriters (as hereinafter defined) take any responsibility for the accuracy thereof.

NEITHER THE TOWNSHIP NOR ITS HEREAFTER DESIGNATED PAYING AGENT, IF ANY, WILL HAVE THE RESPONSIBILITY OR OBLIGATION TO THE DIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR PROVIDING OF NOTICE FOR THE DIRECT PARTICIPANTS, OR THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS.

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

Discontinuance of Book-Entry-Only System

In the event that the book-entry-only system is discontinued and the Beneficial Owners become registered owners of the Bonds and the Notes, the following provisions would apply: (i) the Bonds and the Notes may be exchanged for an equal principal amount of Bonds and Notes in other authorized denominations and of the same maturity, upon surrender thereof at the offices of the Township or any hereinafter designated paying agent; (ii) the transfer of the Bonds and the Notes may be registered on the books maintained by the Township, or any hereinafter designated paying agent, for such purposes only upon the surrender thereof to the Township, or any hereinafter designated paying agent, together with the duly executed assignment in form satisfactory to the Township, or any hereinafter designated paying agent; and (iii) for every

exchange or registration of transfer of the Bonds and the Notes, the Township, or any hereinafter designated paying agent, may make a charge sufficient to reimburse for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer of the Bonds and the Notes. In such event, interest on the Bonds will be payable by check or draft, mailed on each Interest Payment Date, to the registered owners thereof as of the close of business on the Record Date, whether or not a business day. Interest on the Notes will be payable by check or draft, mailed on the maturity date of the Notes, to the registered owners thereof as of the close of business on the maturity date of the Notes.

SECURITY FOR THE BONDS AND THE NOTES

The full faith and credit of the Township are irrevocably pledged for the payment of the principal of and interest on the Bonds and Notes. The Bonds and Notes will be legal, valid and binding general obligations of the Township payable as to principal and interest from *ad valorem* taxes to be levied upon all the taxable real property within the Township without limitation as to rate or amount.

The Township may pledge only its own credit and taxing power in respect of the Bonds and the Notes, and has no power to pledge the credit or taxing power of the State or any other political subdivision thereof, nor shall the Bonds and the Notes be deemed to be obligations of said State or any other political subdivision thereof, nor shall said State or any other political subdivision thereof be liable for the payment of principal of or interest on the Bonds and the Notes.

GENERAL INFORMATION REGARDING THE TOWNSHIP

General

General information concerning the Township, including economic, financial, demographic and other relevant data, is set forth in Appendix "A" to this Official Statement.

Financial

Appendix "B" to this Official Statement contains audited financial statements of the Township for the years ended December 31, 2022, 2021, 2020, 2019 and 2018, which was provided by Bowman & Company LLP, Voorhees, New Jersey, and is included herein in reliance upon the authority of such firm. Copies of the complete reports of audit may be obtained upon request to the office of the Chief Financial Officer of the Township.

CERTAIN PROVISIONS OF THE LAWS OF THE STATE OF NEW JERSEY AND THE UNITED STATES RELATING TO GENERAL OBLIGATION DEBT

Local Bond Law

General – The Local Bond Law governs the issuance of bonds and notes by counties and municipalities for the financing of capital improvements. Among its provisions are the

following: (i) the power and obligation to pay any and all bonds and notes issued pursuant to the Local Bond Law shall be unlimited; (ii) the county or municipality shall levy *ad valorem* taxes upon all taxable property therein for the payment of the principal of and interest on such bonds and notes without limitation as to rate or amount; (iii) generally, a down payment that is not less than five percent (5%) of the amount of debt obligations authorized must be appropriated in addition to the amount of debt obligations authorized; (iv) all non- special-assessment bonds shall mature within the period of usefulness or average period of usefulness of the improvements being financed; and (v) after issuance, all bonds and notes shall be conclusively presumed to be fully authorized and issued by all of the laws of the State, and all persons shall be estopped from questioning their sale, execution or delivery.

Debt Limits – The authorized bonded indebtedness of the Township is limited by statute, subject to the exceptions noted below, to an amount equal to three and one-half percent (3.5%) of its equalized valuation basis. The equalized valuation basis of the Township is set by statute as the average for the last three years of the equalized value of all taxable real property and improvements as annually determined by the State Board of Taxation. Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

Bonds, notes and long-term loans are included in the computation of debt for the statutory debt limit. The Township, including the issuance of the Bonds, will not exceed its three and one-half percent (3.5%) debt limit.

Exceptions to Debt Limits - Extensions of Credit – The Township may exceed its debt limit with the approval of the Local Finance Board, a State regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the Township may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a 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 public improvements and services, or make certain other statutory determinations, approval may be granted.

In addition, debt in excess of the statutory limit may be issued by the Township to fund certain notes, to provide for purposes in an amount not exceeding two-thirds (2/3) of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

Short-Term Financing – When approved by bond ordinance, the Township may issue bond anticipation notes to temporarily finance capital improvements. Such notes may not be issued in an aggregate amount exceeding that specified by the ordinance. The notes may not be issued for periods of more than one year, renewable with the final maturity occurring no later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original note. After the third year, the amount of the notes that may be renewed annually must be decreased by the minimum amount required for the first year's principal payment for the bond issue in anticipation of which the notes are issued.

Refunding Bonds – 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 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.

Local Fiscal Affairs Law

The Local Fiscal Affairs Law, Chapter 5 of Title 40A of the State Statutes, as amended and supplemented (“Local Fiscal Affairs Law”), governs audits, auditors, public moneys and financial statements of local governmental units, including the Township.

Each municipality is required to cause an annual audit of its books, accounts and financial transactions to be made and completed within six months after the close of its fiscal year by either a Registered Municipal Accountant or, by agreement with the Director (“Director”) of the Division of Local Government Services (“Division”) in the Department of Community Affairs, by qualified employees of the Division.

An independent examination of the Township’s books, accounts and financial transactions must be performed annually by a Registered Municipal Accountant who is licensed by the State Board of Public Accountants. The audit, conforming to the Division’s “Requirements of Audit”, includes recommendations for improvement of the municipality’s financial procedures and must be filed with the report, together with all recommendations made. A Summary of Audit, together with recommendations, must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended December 31, 2022 is on file with the Chief Financial Officer and is available for review during business hours.

The Local Fiscal Affairs Law also requires that the chief financial officer of the municipality file annually with the Director a verified statement of the financial condition of the municipality as of the close of the fiscal year to be made not later than February 10 for December 31 fiscal year end municipalities and August 10 for June 30 fiscal year end municipalities, unless otherwise extended by the Director.

Local Budget Law

The Local Budget Law, Chapter 4 of Title 40A of the State, as amended and supplemented (“Local Budget Law”), governs the budgeting and appropriation of funds by local governmental units.

The Local Budget Law requires local governmental units to adopt a “cash basis” budget in such form that there will be sufficient cash collected to meet all debt service requirements, necessary operations of the local governmental units for the fiscal year and any mandatory payments required to be met during the fiscal year.

No budget shall be adopted unless the Director shall have previously certified their approval thereof.

Each local governmental unit must include in its budget an appropriation for the payment of debt service. The Director is required to examine such appropriation to determine whether it is properly set forth, in addition to determining whether all estimates of revenue contained in the budget are reasonable, accurate and correctly stated.

A statute passed in 1976, as amended (N.J.S.A. 40A:4-45.1 et seq.), commonly known as the “Cap Law”, imposed limitations on increases in municipal appropriations subject to various exceptions. On August 20, 1990, the Governor signed into law P.L. 1990, c. 89, which revised and made permanent the “Cap Law”. Since its inception, the “Cap Law” has been amended and modified several times, most recently on July 13, 2010. While the revised “Cap Law” is more restrictive on the ability of a municipality to increase its overall appropriations, it does not limit the obligation of the Township to levy *ad valorem* taxes upon all taxable real property within the Township to pay debt service on the Bonds. The Cap Law provides that a municipality shall limit any increase of its budget to 2.5% or the index rate, whichever is less, over the previous year’s final appropriations subject to certain exceptions. The “index rate” is the rate of annual percentage increase in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services computed by the United States, Department of Commerce. Among the exceptions to the limitations imposed by the Cap Law are capital expenditures; debt service; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law.

Additionally, legislation constituting P.L. 2010, c. 44, was adopted on July 13, 2010, which, among other things, imposes a two percent (2%) cap on the tax levy that municipalities, counties, fire districts and solid waste collection districts may impose, with very limited exceptions and subject to certain adjustments.

Exclusions from the two percent (2%) tax levy cap include: (i) increases required to be raised by taxation for capital expenditures, including debt service as defined by law; (ii) increases in pension contributions and accrued liability for pension contributions in excess of 2.0%; (iii) increases in health care costs equal to that portion of the actual increase in total health care costs for the budget year that is in excess of 2.0% of the total health care costs in the prior year, but is not in excess of the product of the total health care costs in the prior year and the average percentage increase of the State Health Benefits Program, P.L.1961, c.49 (C.52:14-17.25 et seq.), as annually determined by the Division of Pensions and Benefits in the Department of the Treasury; and (iv) and extraordinary costs incurred by a local unit directly related to a declared emergency, as defined by regulation promulgated by the Commissioner of the Department of Community Affairs, in consultation with the Commissioner of Education, as appropriate. The amendments to the tax levy sections of the “Cap Law” (specifically, N.J.S.A. 40A:4-45-46) in 2010 no longer permit municipalities, counties, fire districts and solid waste collection districts to request approval from the Local Finance Board for a waiver to increase the amount to be raised by taxation in excess of the two percent (2%) cap. However, counties, municipalities, fire districts and solid waste collection districts may request, through a public question submitted to the voters, an increase in the amount to be raised by taxes above the two percent (2%) tax levy cap. Such approval must be achieved by an affirmative vote in excess of fifty percent (50%) of those voting on such public question.

In response to the outbreak of the Coronavirus (as defined and described under the heading “CERTAIN RISK FACTORS – Recent Healthcare Developments” below), the State Legislature enacted P.L. 2020, c. 74 (A3971), under which a local unit may adopt an emergency appropriation to fund certain deficits and expenditures resulting from Coronavirus with approval of the Director and may either fund it as a deferred charge or issue special emergency notes to fund it payable by 1/5 each year beginning in the year after the year in which the deferred charge appears in the financial statements so it is paid off no later than the last day of the sixth fiscal year following the end of the fiscal year in which the application is made. If there is a showing of fiscal distress, that may be extended to ten (10) years. Such emergency appropriation must be approved by 2/3 vote of the governing body of the local unit and be accompanied by a certification of the Chief Financial Officer stating that the resolution covers deficits and expenses incurred during the emergency response to the Coronavirus. Moreover, to the extent that such Coronavirus-related emergency appropriations exceed the cost of providing similar services under non-emergency conditions, the deferred charge to be raised in the following year’s budget is an eligible exception to both the levy cap and the appropriations cap. The Director may also promulgate guidelines modifying the standard for anticipated revenues when the amount realized in cash from the same source during the next preceding fiscal year experienced reductions due to Coronavirus. The Township has made no appropriations for Coronavirus related deficits or expenses under this statutory provision.

Neither the tax levy limitation nor the “Cap Law” limits the obligation of the Township to levy *ad valorem* taxes upon all taxable real property within the Township to pay debt service on its bonds or notes, including the Bonds.

Miscellaneous Revenues

N.J.S.A. 40A:4-26 provides that: "No 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 [D]irector 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." Such determination may be made by the governing body and the chief financial officer in any year during which the local unit is subject to local examination.

No budget or amendment shall be adopted unless the Director has previously certified the approval of such anticipated revenues.

Real Estate Taxes

Receipts from Delinquent Taxes – Revenues are permitted by *N.J.S.A.* 40A:4-29 to be anticipated in the annual budget for collection of delinquent taxes of prior years. The maximum amount permitted to be anticipated is determined by applying the collection rate of the prior year’s delinquent taxes to the total amount of delinquent taxes outstanding at the beginning of the current year.

Current Year Tax Levy and Reserve for Uncollected Taxes – The current year’s taxes to be levied are determined by adding the sums of the cash required from taxes to support

the municipal, school, county and special district budgets, if any, together with the amount of an appropriation required to be included in the annual municipal budget entitled “Reserve for Uncollected Taxes”, less the total of anticipated revenues. The inclusion of the “Reserve for Uncollected Taxes” appropriation in the current year’s budget protects the municipality from taxes currently unpaid. The “Reserve for Uncollected Taxes” is required to be, at a minimum, an amount sufficient to provide for the same percentage of uncollected taxes in the current year as was experienced in the immediately preceding year, the average of the previous three years in accordance with P.L. 2000, c. 126, or the previous year collection percentage after reducing the previous year levy by tax appeal judgments of the county tax board pursuant to R.S.54:3-21 et seq., or the State tax court pursuant to R.S.54:48-1 et seq. in accordance with Chapter 56 of P.L. 2010.

N.J.S.A. 40A:4-41 provides with regard to current taxes that: “Receipts 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 such preceding fiscal year.”

Another provision requires that an additional amount (the “reserve for uncollected taxes”) be added to the tax levy required for all current budget appropriations and school and county taxes of the current fiscal year. The reserve requirement is calculated as follows:

$$\frac{\text{Levy Required for Current Budget, School and County Taxes}}{\text{Prior Year's Percentage of Current Tax Collections (or Lesser \%)}} = \text{Total Taxes to be Levied}$$

Deferral of Current Expenses

Emergency appropriations (i.e., those made after the adoption of the budget and determination of the tax rate for an unforeseen event or purpose) may be authorized by the governing body of the local governmental units. With minor exceptions, however, such appropriations must be included in full in the following year's budget. When such appropriations exceed three percent (3%) of the adopted operating budget, consent of the Director of Local Government Services must be obtained.

The exceptions are certain enumerated projects to cover the cost of the extraordinary expense for the repair, or reconstruction of streets, roads or bridges, or other public property damaged by snow, ice, frost or flood, where such expense was not foreseen at the time of the adoption of the budget, which may be amortized over three years; and tax map preparations, revision of ordinances, revaluations, master plan preparation, studies and planning necessary for the installation and construction of a sanitary sewer system, and payments of accumulated sick and vacation time which may be amortized over five years.

Budget Transfers

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between major appropriation accounts are prohibited until the last two months of the

year and, although subaccounts within an appropriation are not subject to the same year-end transfer restriction, they are subject to internal review and approval.

Capital Budget

In accordance with the Local Budget Law, each local unit shall prepare and adopt a capital budget, in conjunction with its annual operating budget, for any year in which it proposes to undertake a capital project. Every local unit which adopts a capital budget must also adopt a three (3) year capital program unless the local unit's population exceeds 10,000 where a six (6) year capital program is required.

Related Constitutional and Statutory Provisions

In the general election of January 2, 1976, as amended by the general election of January 6, 1984, the following Article 8, Section 1, Paragraph 7, with respect to a state income tax, was added to the State Constitution:

No tax shall be levied on personal incomes of individuals, estates and trusts of this State unless the entire net receipts therefrom shall be received into the treasury, placed in a perpetual fund and be annually appropriated, pursuant to formulas established from time to time by the Legislature, to the several counties, municipalities and school districts of this State exclusively for the purpose of reducing or offsetting property taxes. In no event, however, shall a tax so levied on personal income be levied on payments received under the Federal Social Security Act, the Federal Railroad Retirement Act, or any federal law which substantially reenacts the provisions of either of those laws.

A progressive state income tax is currently in effect in the State.

The State Constitution may only be amended after: (i) approval of a proposed amendment by three-fifths (3/5) of all of the members of each house of the State Legislature and approval by a majority vote in a statewide referendum; or (ii) approval in two successive legislative years by a majority of all of the members of each house and approval by a majority vote in a statewide referendum. Amendments failing to receive voter approval may not be resubmitted for voter approval before the third succeeding general election after such disaffirmance.

The Municipal Finance Commission

The Municipal Finance Commission ("Commission") was created in 1931 to assist in the financial rehabilitation of municipalities, which had defaulted in their obligations. The powers of the Commission are exercised today by the Local Finance Board. The previously discussed elements of the local finance system are intended to prevent default on obligations or occurrence of severe fiscal difficulties in any local unit. Should extreme economic conditions adversely affect any local unit, the "Municipal Finance Commission Statutes" are available to assist in restoring the stability of the local unit.

Any holder of bonds or notes which are in default for over sixty (60) days (for payment of principal or interest) may bring action against such municipality in the State's Superior Court. Any municipality may declare itself unable to meet its obligations and bring action in such court. In either case, the court's determination that the municipality is in default or unable to meet its obligations causes the Commission to become operative in that municipality.

The Commission exercises direct supervision over the finances and accounts of any local unit under its jurisdiction. The Commission is authorized to appoint an auditor to examine and approve all claims against the municipality and to serve as comptroller for that community. The Commission is also directed to supervise tax collections and assessments, to approve the funding of municipal school district indebtedness, the adjustment or composition of the claims of creditors and the readjustment of debts under the Federal Municipal Bankruptcy Act. Such Act permits municipalities to have access to bankruptcy court for protection against suits by bondholders and creditors.

The Local Finance Board also serves as the "Funding Commission" to exercise supervision over the funding or refunding of local government debt. Any county or municipality seeking to adjust its debt service must apply to and receive the approval of such Funding Commission for the proposed reorganization of its debt.

Limitation of Remedies Under Federal Bankruptcy Code

The rights and remedies of the registered owners of the Bonds and the Notes are subject to the provisions of Chapter 9 of the Federal Bankruptcy Code of the United States ("Bankruptcy Code"). In general, Chapter 9 permits, under prescribed circumstances, but only after an authorization by the applicable state legislature or by a governmental officer or organization empowered by state law to give such authorization, a political subdivision of a state to file a petition for relief in a bankruptcy court of the United States if it is insolvent or unable to meet its debts as they mature and desires to effect a plan to adjust its debts.

The State has authorized the political subdivisions thereof to file such petitions for relief under the Bankruptcy Code pursuant to and subject to Article 8 of the Act. The Act provides that such petitions may not be filed without the prior approval of the Commission and that no plan of readjustment of the local unit's debts may be filed or accepted by the petitioner without express authority from the Commission to do so.

THE ABOVE REFERENCES TO THE BANKRUPTCY CODE ARE NOT TO BE CONSTRUED AS AN INDICATION THAT THE TOWNSHIP EXPECTS TO RESORT TO THE PROVISIONS OF SUCH BANKRUPTCY CODE OR THAT, IF IT DID, SUCH ACTION WOULD BE APPROVED BY THE COMMISSION, OR THAT ANY PROPOSED PLAN WOULD INCLUDE A DILUTION OF THE SOURCE OF PAYMENT OF AND SECURITY OF THE BONDS AND THE NOTES.

THE SUMMARIES OF AND REFERENCES TO THE STATE CONSTITUTION AND OTHER STATUTORY PROVISIONS ABOVE ARE NOT AND SHOULD NOT BE CONSTRUED AS 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.

CERTAIN RISK FACTORS

Recent Healthcare Developments

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 new strain of coronavirus ("Coronavirus" or "COVID-19"). A national emergency was declared by the President of the United States ("President") (which has since been terminated), to provide federal intervention for the mitigation of the Coronavirus as a public health emergency and to unlock federal funds and assistance to help states and local governments manage the pandemic. On March 9, 2020, the Governor of the State of New Jersey ("Governor") issued Executive Order 103, pursuant to which the Governor declared a State of Emergency and a Public Health Emergency, thereby allowing State agencies and departments to utilize State resources to assist affected communities in response to the COVID-19 outbreak.

The federal Public Health Emergency was terminated on May 11, 2023, but the State of Emergency for the State remains in effect as of the date hereof. Other Executive Orders (some of which have since been modified or rescinded) limited various activities and undertook measures in an attempt to slow the spread of COVID-19 throughout the State. These measures, which impacted the behavior of businesses and individuals, have had any may continue to have impacts on regional, state, and local economies. *See* <https://covid19.nj.gov> for further detail regarding the impact of COVID-19 on the State and the Governor's various executive orders.

In an effort to provide relief to entities impacted by the COVID-19 pandemic, the American Rescue Plan Act of 2021, H.R. 1319 ("Plan") was signed into law by the President on March 12, 2021, and provided \$1.9 trillion in financial assistance to businesses, individuals and governmental entities. The Plan included different forms of financial relief, including a direct stimulus payment to certain individuals and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The Plan also provided funding for state and local governments to recoup and offset costs related to COVID-19 and to encourage and re-establish economic development and certain infrastructure improvements.

Pursuant to the funding methodology under the Plan, the Township received \$4,729,762.64 in funding ("Plan Funds"). The deadline to obligate the funds is December 31, 2024 and to spend funds is December 31, 2026. Such funds were received in two (2) equal payments; one (1) received within 60 days of enactment of the Plan, and the balance was received no earlier than 12 months from the initial payment. Pursuant to the Plan (codified as Section 603(c) of the Social Security Act (42 U.S.C. 603(c)), Plan Funds may be utilized to: (i) respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality; (ii) respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible

workers of the Township that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work; (iii) provide government services to the extent of the reduction in revenue due to the public health emergency relative to revenues collected in the most recent full fiscal year of the Township prior to the emergency; and (iv) make necessary investments in water, sewer or broadband infrastructure. Plan Funds may not, however, be utilized for debt service, legal settlements or judgments or financial reserves.

While the effects of COVID-19 have abated significantly in the State, the Township cannot predict, and does not predict, whether or if the Coronavirus or any similar viral disease (including any variants or sub-variants thereof) may reemerge in the future and, if such reemergence occurs, what the effects thereof may have upon global, State-wide and local economies and operations, including that of the Township.

Cyber Security

The Township relies on a large and 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. To mitigate the risks of business operations impact and/or damage from cybersecurity incidents or cyber-attacks, the Township has invested in multiple forms of cybersecurity and operational safeguards. Specifically, the Township has an extensive security system in place, including network firewalls and established administrative rights and restrictions, with varying level of approvals, implemented entity-wide, for access to network drives and applications that are reviewed regularly to ensure proper internal control and protections and provide relevant employees and staff with cyberattack training. The Township participates in a yearly comprehensive cyber awareness training program including phishing simulated emails administered by the Township and Joint Insurance Fund, developed by KnowBe4 and D2 Cybersecurity. The Township is also an active member of the Multi-State Information Sharing and Analysis Center, MS-ISAC, which provides early warning threat intelligence alerts, risk assessments, and cyber security controls. The municipality also participates in an annual cyber audit conducted by Secure Data Consulting Services as part of the Joint Insurance Fund's Cyber Risk Management Program. In addition, the Township maintains insurance coverage for cyberattacks and related events.

Climate Change

The State of New Jersey 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.

TAX MATTERS

Federal

In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Township, assuming continuing compliance by the Township with the tax covenants described below, under existing law, interest on the Bonds and the Notes will not be includible for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Internal Revenue Code of 1986, as amended ("Code"), and will not constitute a tax preference item for purposes of the alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on such corporations.

Section 884 of the Code imposes on certain foreign corporations a branch profits tax equal to thirty percent (30%) of the "dividend equivalent amount" for the taxable year. Interest on the Bonds and the Notes received or accrued by a foreign corporation subject to the branch profits tax will be included in computing the "dividend equivalent amount" of such corporation.

In addition, passive investment income, including interest on the Bonds and the Notes, may be subject to federal income taxation under Section 1375 of the Code for any S corporation that has Subchapter C earnings and profits at the close of the taxable year if more than twenty-five percent (25%) of the gross receipts of such S corporation is passive investment income.

In rendering this opinion, we have assumed continuing compliance by the Township with the applicable requirements of the Code, including requirements relating to, inter alia, the use and investment of proceeds of the Bonds and the Notes and rebate to the United States Treasury of specified arbitrage earnings, if any, under Section 148(f) of the Code. Failure of the Township to comply with such covenants could result in the interest on the Bonds and the Notes being subject to federal income tax from the date of issue. We have not undertaken to monitor compliance with such covenants or to advise any party as to changes in the law after the date hereof that affect the tax-exempt status of the interest on the Bonds and the Notes.

Ownership of the Bonds and the Notes may result in collateral federal income tax consequences to certain taxpayers including, without limitation, certain holders of an interest in a financial asset securitization investment trust, property and casualty insurance companies, controlled foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, individuals who otherwise qualify for the earned income credit, and to individuals and families that qualify for a premium assistance credit amount under Section 36B of the Code. The Code denies the earned income credit to an individual who is otherwise eligible if the aggregate amount of disqualified income of the taxpayer for the taxable year exceeds certain limits set forth in Sections 32(i) and (j) of the Code. Interest on the Bonds and the Notes will constitute disqualified income for this purpose. The Code also provides that the earned income credit is phased out if the modified adjusted gross income of the taxpayer exceeds certain amounts. Interest on the Bonds and the Notes is included in determining the modified adjusted gross income of the taxpayer. Section 36B of the Code provides that the amount of the premium assistance credit amount is in part determined by household income. Section 36B(d) of the Code

provides that household income consists of the "modified adjusted gross income" of the taxpayer and certain other individuals. "Modified adjusted gross income" means adjusted gross income increased by certain amounts, including interest received or accrued by the taxpayer which is exempt from tax, such as the interest on the Bonds and the Notes.

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code. The Township has *not* designated the Bonds or the Notes as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Owners of the Bonds and the Notes should consult their own tax advisers as to the applicability and effect on their federal income taxes of the alternative minimum tax, the branch profits tax and the tax on passive investment income of S corporations, as well as the applicability and effect of any other collateral federal income tax consequences.

New Jersey

Bond Counsel is also of the opinion that interest on the Bonds and the Notes and any gain from the sale thereof are not included in the gross income of the owners thereof under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the United States Congress and in the states that, if enacted, could alter or amend the Federal and State tax matters referred to above or adversely affect the market value of the Bonds and the Notes. It cannot be predicted whether or in what form any such proposals might be enacted or whether, if enacted, it would apply to bonds or notes issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds and the Notes.

PROSPECTIVE PURCHASERS OF THE BONDS AND THE NOTES SHOULD CONSULT WITH THEIR OWN TAX ADVISORS REGARDING ANY FEDERAL AND STATE INCOME TAX LEGISLATION, WHETHER CURRENTLY PENDING OR PROPOSED, REGULATORY INITIATIVES OR LITIGATION. THE OPINIONS EXPRESSED BY BOND COUNSEL ARE BASED UPON EXISTING LEGISLATION AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL AND REGULATORY AUTHORITIES AS OF THE DATE OF ISSUANCE AND DELIVERY OF THE BONDS AND THE NOTES AND BOND COUNSEL HAS EXPRESSED NO OPINION AS OF ANY DATE SUBSEQUENT THERETO OR WITH RESPECT TO ANY PENDING LEGISLATION, REGULATORY INITIATIVES OR LITIGATION.

LITIGATION

Various claims of a routine nature have been asserted against the Township. The Township and Township Solicitor believe that such claims will not have a material adverse effect on the financial condition of the Township.

Upon delivery of the Bonds and the Notes, the Township shall furnish opinions of its Township Solicitor, dated the date of delivery of the Bonds and the Notes, to the effect that there is no litigation of any nature pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Bonds or the Notes, or in any way contesting or affecting the validity of the Bonds or the Notes or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Bonds or the Notes. In addition, such opinions shall state that there is no litigation of any nature now pending or threatened by or against the Township wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the Township or adversely affect the power of the Township to levy, collect and enforce the collection of taxes or other revenues for the payment of its bonds and notes, including the Bonds and the Notes, which has not been disclosed in this Official Statement.

RATINGS

Moody's Investors Service ("Rating Agency") has assigned a rating of "Aa2" to the Bonds and a rating of "MIG1" to the Notes.

Any explanation of the significance of such ratings may only be obtained from the Rating Agency furnishing the same. Certain information and materials not included in this Official Statement were furnished to the Rating Agency. Generally, rating agencies base their ratings on such information and materials, and on investigations, studies and assumptions made by the rating agencies themselves. There is no assurance that the ratings mentioned above will remain in effect for any given period of time, or that they might not be lowered or withdrawn entirely by the Rating Agency, if in its judgment circumstances so warrant. Neither the Underwriters (as hereinafter defined), nor the Township has undertaken any responsibility either to bring to the attention of the holders of the Bonds or the Notes any proposed change in or withdrawal of a rating of the Bonds or the Notes or to oppose any such proposed change or withdrawal. Any such downward change in or withdrawal of a rating might have an adverse effect on the market price or marketability of the Bonds and the Notes.

PREPARATION OF OFFICIAL STATEMENT

The Township hereby states that the descriptions and statements herein and in the Appendices attached hereto, including financial and statistical statements, are true and correct in all material respects, and it will confirm the same to the purchasers of the Bonds and the Notes by certificates signed by various officers and officials of the Township upon issuance and delivery of the Bonds and the Notes.

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

Bond Counsel has not verified the accuracy, completeness or fairness of the information contained herein (except under the heading "TAX MATTERS") and, accordingly, assumes no responsibility therefore and will express no opinion with respect thereto.

UNDERWRITING

Bonds

The Bonds have been purchased from the Township at a public sale by _____ ("Bonds Underwriter"). The Bonds Underwriter has purchased the Bonds in accordance with the Notice of Sale and the Official Form of Proposal. The Bonds are being offered for sale at the yields or prices set forth on the inside front cover page of this Official Statement. The Bonds Underwriter is obligated to purchase all of the Bonds if any of the Bonds are purchased.

The Bonds Underwriter intends to offer the Bonds to the public initially at the offering yields set forth on the inside front cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Bonds Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at yields higher or prices lower than the public offering yield or prices set forth on the inside front cover page of this Official Statement, and such public offering yields or prices may be changed, from time to time, by the Bonds Underwriter without prior notice.

Notes

The Notes have been purchased from the Township at a public sale by _____ ("Notes Underwriter", and together with the Bonds Underwriter, the "Underwriters"). The Notes Underwriter has purchased the Notes in accordance with the Notice of Sale and the Official Form of Proposal. The Notes are being offered for sale at the yield or price set forth on the inside front cover page of this Official Statement. The Notes Underwriter is obligated to purchase all of the Notes if any of the Notes are purchased.

The Notes Underwriter intends to offer the Notes to the public initially at the offering yield or prices set forth on the inside front cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Notes Underwriter may offer and sell the Notes to certain dealers (including dealers depositing Notes into investment trusts) at a yield higher or prices lower than the public offering yield or price set forth on the inside front cover page of this Official Statement, and such public offering yield or price may be changed, from time to time, by the Notes Underwriter without prior notice.

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, money or other funds belonging to them or within their control in any bonds and notes of the Township, including the Bonds and the Notes, and such bonds and notes are authorized security for any and all public deposits.

NO DEFAULT

There is no record of default in the payment of the principal of or interest on the bonds or notes of the Township.

MUNICIPAL ADVISOR

NW Financial Group, LLC, Hoboken, New Jersey, has served as Municipal Advisor to the Township with respect to the issuance of the Bonds and the Notes ("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 firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

CONTINUING DISCLOSURE

In accordance with the provisions of Rule 15c2-12 ("Rule"), as amended, promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, the Township will, prior to the issuance of the Bonds and the Notes, enter into separate agreements substantially in the forms set forth in Appendix "D" hereto, to provide certain ongoing disclosures as required by the Rule.

The Township has previously entered into continuing disclosure undertakings under the Rule in respect to its own obligations and obligations of the Burlington County Bridge Commission for which the Township is an obligated person. The Township failed to timely file its 2022 and 2018 budgets. The Township appointed NW Financial Group, LLC, Hoboken, New Jersey in February 2023 to act as Continuing Disclosure Agent to assist in the filing of certain information on EMMA as required under its obligations.

LEGAL MATTERS

The legality of the Bonds and the Notes will be subject to the approving legal opinions of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Township ("Bond Counsel"). Such opinions will be printed on or accompany the Bonds and the Notes and provide, *inter alia*, that the Bonds and the Notes are valid and binding obligations of the Township, and the County has the power and is obligated to levy *ad valorem* taxes upon all the taxable property within the Township without limitation as to rate or amount for the payment of the Bonds and the Notes and interest thereon. The enforceability of rights or remedies with respect to the

Bonds and the Notes may be limited by bankruptcy, insolvency, or other law affecting creditors' rights or remedies heretofore or hereinafter enacted. Certain legal matters will be passed upon for the Township by Christopher A. Orlando, Esquire, Township Solicitor.

Bond Counsel has not verified the accuracy, completeness or fairness of the statements contained in this Official Statement (except to the extent, if any, as specifically stated herein) and will express no opinion relating thereto.

The various legal opinions to be delivered concurrently with the delivery of the Bonds and the Notes express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to Alex P. Davison, Chief Financial Officer, Township of Evesham, at 856-985-6013 or to the Municipal Advisor, NW Financial Group, LLC, at 201-656-0115.

So far as any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth merely as opinions and not as representations of fact, and no representation is made that any such statements will be realized. Neither this Official Statement nor any statement, which may have been made verbally or in writing, is to be construed as a contract with, or a covenant for the benefit of, the holders of the Bonds or the Notes. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of the Bonds or the Notes made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Township since the date hereof. The information contained in the Official Statement is not guaranteed as to accuracy or completeness.

All quotations from and summaries and explanations of provisions of laws of the State herein do not purport to be complete and are qualified in their entirety by reference to the official compilation thereof.

This Official Statement has been duly executed and delivered by the Chief Financial Officer of the Township for and on behalf of the Township.

THE TOWNSHIP OF EVESHAM IN THE COUNTY OF BURLINGTON, NEW JERSEY

By: _____
ALEX P. DAVIDSON
Chief Financial Officer

Dated: September __, 2023

APPENDIX A

CERTAIN INFORMATION REGARDING THE TOWNSHIP

GENERAL INFORMATION REGARDING THE TOWNSHIP OF EVESHAM

General Information

The Township of Evesham, New Jersey ("Township"), was incorporated in 1692 as one of the 13 original municipalities in Burlington County. The community had a gristmill, glass factory, a blacksmith and three saw mills. Residents used Burlington or Moorestown post offices until 1845 when the largest town of the Township, Marlton, opened its own post office. In the next 30 years the modern-day Township was established after Medford, Shamong, Lumberton, Mount Laurel and Hainesport were carved from parts of Evesham.

The Township is located in the extreme western section of Burlington County, bordering Camden County. The surrounding Townships are Mount Laurel, Medford, Cherry Hill, Voorhees and Berlin. The overall area of the Township is 29.65 square miles located approximately fifteen (15) miles east of Philadelphia, Pennsylvania and forty (40) miles south of Trenton, New Jersey.

Residents of the Township are within ten (10) miles from the PATCO Hi-Speed Line, which runs from Lindenwold to Philadelphia, Pennsylvania stopping at major shopping centers and business areas along the way. This is one of the area's most popular means of transportation for residents working in Philadelphia. Also available to residents is the New Jersey Transit Bus Route stopping at major business areas and linking at some points with the Hi-Speed Line.

Two major State Highways, Route 73 and Route 70, link in the Township. Route 73 runs north to the Tacony-Palmyra Bridge leading into Pennsylvania and south to Winslow Township, New Jersey, where it connects with the Atlantic City Expressway leading to the southern shoreline of the State. Route 70 runs west to Camden County, leading into Pennsylvania and east to the central shoreline of Seaside Heights and Long Beach Island.

Approximately 16.35 square miles (55%) of Evesham Township is within the Pinelands Area. Largely as a result of the Pinelands Area designation, the Township has developed a suburban/urban character to the northern and western portions – particularly along the Route 73 and Route 70 corridors – while the southern and eastern portions have a more rural character. According to available Census data, the Township population increased from approximately 42,000 in 2000 to approximately 47,000 in 2020. According to the 2020 Census, there are 19,413 housing units within Evesham Township with a median household income of \$107,154 as per the 2020 Census estimates. This is considerably higher than the \$89,703 median household income in New Jersey at the same time.

Form of Government

The Township's form of government is a Council-Manager form of government known as the Council-Manager Plan B under the Faulkner Act. Five members, elected at large on a partisan basis for four-year overlapping terms, make up the Township Council. Of these five members, the Mayor is elected at large for a four-year term. The Mayor and Council appoint the Township Manager to administer their directives and conduct municipal affairs. This form of government provides a stable government with professional administration for all municipal services.

Library

The Friends of the Evesham Township Public Library ("Library") moved into the Marlton School on August 24, 1863 and the Library was incorporated on January 30, 1963. The Library grew out of the Marlton School into the new Municipal Building on May 17, 1967 and later relocated to the newly built Municipal Complex in 1998. The present facility is approximately 24,000 square feet and contains 13,000 linear feet of shelving for over 85,000 books and periodicals. The Library is staffed by four full-time librarians, one part-time librarian and fifteen other staff members. The Library became one of five branches of the Burlington County Library system in April 1975. Today, it maintains its position and

makes programs such as mail service, summer reading programs and adult book discussion groups available to residents. Other programs include story-time for kids, arts and crafts and special group programs. The Library offers a meeting room for outside groups, videos, CD's, films, art prints and magazines for its residents' pleasure. Fifteen computers with Internet access are available for public use.

Police and Fire Protection

The Township has a full-time Police Department ("Department") consisting of a Chief, Deputy Chief, Captains, Lieutenants, Corporals, Sergeants, Detectives, Patrolmen and K-9 dogs. The Department is linked to the Burlington County Central Communications System on a 24-hour basis. Both fire protection and first aid services are provided by one fire district consisting of paid and full-time personnel and volunteers located at three fire stations logistically located throughout the Township. The fire district has its own budget, taxing power and owns and maintains its own building and equipment. The administrative offices of the district are located in the Municipal Complex.

Public Works

The Department of Public Works ("Works Department") is headed by a superintendent and is responsible for weekly trash collection, leaf collection, snow removal, storm-water drainage maintenance and maintenance of street signs. The Township participates in a county-wide recycling program and provides its residents with containers for recyclables. The Township implemented an Automated Trash Collection program in 1998. The Works Department is also responsible for approximately 175 miles of street and road maintenance including street sweeping. Independent contractors are also used for major projects under the Township's Capital Improvement Program.

Parks and Recreation

The Township offers a variety of recreational programs and facilities to its residents. The programs are offered each season of the year and are organized by the Recreation Department located in the Gibson house. Programs for the 17-month-old to the senior citizen range from arts and crafts, dance, creative movement, aerobics, painting and drawing, tennis and over 35 other programs. The Township offers full-day and half-day summer camps to children 4 years old and up. Over 500 children participate in our summer camps every year. The Township maintains 2,654 acres of open space, ball fields, parks and picnic areas.

The Township provides a major recreation and sports complex known as "Memorial Field" encompassing 118 acres of land and consists of various multi-purpose fields and a playground area. The complex also includes an indoor sports facility, the Blue Barn, consisting of basketball and volleyball courts, as well as aerobic and exercise rooms. For outdoor baseball/softball activity, there's the Diamonds at Evesham. The Diamonds are a four-field complex with a concession area to serve many different organizations during the spring, summer and fall months.

The Township organizes activities such as Evesham Day, Summer Evening Concerts, Juneteenth Celebration, Fourth of July Fireworks, a Fall Festival and a Winter-fest. The Township also owns and maintains an 18-hole golf course known as the Indian Spring Golf Club, which is open to the public and also has a separate driving range facility.

Evesham Township Municipal Utilities Authority

The Evesham Township Municipal Utilities Authority ("Authority") has been in continuous existence since it was established on March 3, 1959 by ordinances of the Township Council pursuant to the Municipal Utilities Authorities Law, P.L. 1957, c.183. The Authority, consisting of five members appointed by resolution of the Township Council for five year terms, owns and operates certain water supply distribution facilities and sanitary sewerage collection, treatment and disposal facilities currently

providing water supply and sanitary sewerage service in all except the extreme southern part of the Township.

The following is a summary of the financial operations of the Authority for the last four years:

	Fiscal Year, June 30,			
	<u>2022</u>	<u>2021</u> Restated	<u>2020</u>	<u>2019</u>
Operating Revenues	\$18,750,422	\$26,211,563	\$18,245,240	\$19,154,641
Operating Expenses	<u>16,348,956</u>	<u>15,670,995</u>	<u>23,280,656</u>	<u>16,400,820</u>
Operating Income (Loss)	2,401,466	10,540,568	(5,035,416)	2,753,821
Net Non-Operating Revenue (Expenses)	(1,298,429)	(1,327,734)	(754,781)	111,687
Other	<u>594,468</u>	<u>149,997</u>	<u>712,415</u>	<u> </u>
Change in Net Position	1,697,505	9,362,831	(5,077,783)	2,642,134
Fiscal Year Beginning Net Position	<u>57,586,174</u>	<u>48,223,344</u>	<u>49,298,039</u>	<u>46,655,905</u>
Fiscal Year End Net Position	<u>\$59,283,679</u>	<u>\$57,586,174</u>	<u>\$44,220,256</u>	<u>\$49,298,039</u>

Township Population(2)

<u>Year</u>	<u>Township Population</u>	<u>County Population</u>	<u>State Population</u>
2020 Federal Census	46,826	461,860	9,288,994
2010 Federal Census	45,538	448,734	8,791,894
2000 Federal Census	42,275	423,394	8,414,350
1990 Federal Census	35,309	395,066	7,730,188
1980 Federal Census	21,659	362,542	7,365,011

Selected Census 2021 Data for the Township (1)

Median household income	\$107,154
Per capita income	\$53,605

Labor Force(2)

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Township					
Labor Force	27,800	27,092	26,726	25,783	25,468
Employment	27,064	25,914	24,880	25,125	24,703
Unemployment	736	1,178	1,846	683	765
Unemployment Rate	2.6%	4.3%	6.9%	2.6%	3.0%
County					
Labor Force	247,859	242,242	239,256	230,067	227,445
Employment	239,613	229,429	220,269	222,575	218,877
Unemployment	8,246	12,813	18,987	7,525	8,568
Unemployment Rate	3.3%	5.3%	7.9%	3.3%	3.8%

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

(2) Source: New Jersey Department of Labor.

Labor Force (Cont'd)(1)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
State					
Labor Force	4,739,800	4,666,100	4,650,300	4,686,300	4,604,800
Employment	4,564,100	4,357,200	4,212,400	4,524,300	4,420,700
Unemployment	175,700	308,900	437,900	162,000	184,100
Unemployment Rate	3.7%	6.6%	9.4%	3.5%	4.0%

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 adopted the Municipal Land Use Law in 1975. The Municipal Land Use Law gave the Township Planning Board and the Township Zoning Board of Adjustment authority to regulate most land use other than single-family residential use. Accordingly, the Township is able to guide the approximate use or development of land to promote the public health, safety and general welfare.

Business and Industry

ACS 2020 Census estimates show approximately 70% of residents age 16 and over are considered to be in the labor force. This means they are either currently employed or actively seeking employment. Of those in the labor force, the estimated unemployment rate was just 3.5 percent. Census data tracks employment statistics based on both occupation and industry. Evesham Township residents hold a diverse array of jobs in many fields of employment. The largest percentage of residents are employed in management, business, science and the arts with many working in the education and healthcare industry. Relatively few residents of Evesham are currently working in the agricultural or forestry industry.

The US Census Bureau's "On the Map" database indicates that there are a total of just over 26,400 jobs in Evesham Township as of 2020 estimates. These jobs are concentrated primarily in the Marlton area in the northern end of the Township along Route 70 and 73. Data also shows that for residents of Evesham, their top places of employment are in the City of Philadelphia first, and second is within the Marlton area of the Township. Other primary destinations of employment include nearby Ramblewood in Mount Laurel Township, the City of Camden, and the City of Trenton.

As the municipality is approaching buildout, opportunities remain for both infill and redevelopment projects. At the end of 2021, the Township completed its periodic reexamination of the Master Plan. Consistent with the recommendations of the report, the Township in 2022 initiated research and investigations on whether certain areas in town met the criteria for redevelopment. The Township utilized proactive and strategic planning and economic development efforts combined with thoughtful land use regulations and the power to zone to continue to create opportunities for stakeholders in Evesham while recognizing New Jersey as the most densely populated state in the country.

New Jersey recently enabled municipalities the option of allowing cannabis businesses to operate within their borders. Evesham Township is one of the few municipalities in the State that developed and adopted land use ordinances to support this new industry and conditionally allow them to operate within the Township. It is anticipated that facilitating this new industry will provide both job and economic development opportunities that will benefit stakeholders, residents and the Township. The Township will be licensing up to five retail cannabis locations along with an unlimited amount of

(1) Source: New Jersey Department of Labor.

wholesaler locations. Both license types have the maximum municipal tax levied upon their businesses as permitted by New Jersey State Law.

Infill and redevelopment projects that represent ongoing investment within the Township can be observed in both the mixed used historic downtown area where new apartment buildings are beginning to be occupied and within the State Highway corridors of Route 70 and Route 73 where both new commercial development and residential apartments are integrated. Examples of these projects include but are not limited to the following: Renaissance Sq (Commercial 137,600+/-SF with residential 338 Units); Sammy’s Car Wash; Wawa Rt.73 (approved); Urban Edge pad sites; Olgas and Chick FilA; PDQ Chicken; Panda Express (under construction); Genesis (under construction); Raising Cane’s (pending approval); Capitol Senior Housing (110 Beds under construction); Cornerstone Apartments (66 Units); Evesham Senior (68 Units); Hawthorne (161 Beds approved); Barclay Chase I (271 Units with 6,100sf commercial); AMS Senior Luxury Living (124 Units approved); Harvest House (71 Units with 5,000sf commercial); McKenna (23 Units with Approx. 2,890sf commercial); Oakleigh (100 Beds approved); CareOne (41 bed expansion under construction). The 2020 Census found that the median monthly rent paid by tenants of renter occupied housing was approximately \$1,520 which at the time was higher than the state median monthly gross rent of \$1,334.

According to the NJ State Treasury 2022 Abstract of ratables data, the Township has a Total Taxable Value of Land and Improvements of approximately 5.297 billion dollars. Approximate Value of the following land classes are of note: Residential \$4.23 billion; Commercial \$730.3 million; Apartment \$241.6 million; Industrial \$28.6 million; and Vacant \$32 million.

Building Permits (1)

<u>Year</u>	<u>Number of Permits Issued</u>	<u>Value of Construction</u>
2023(2)	892	\$27,022,243
2022	2,366	52,218,060
2021	2,763	105,482,996
2020	2,436	48,850,633
2019	2,707	82,965,778
2018	2,329	67,170,057

TEN LARGEST EMPLOYERS (3)

<u>Company</u>	<u>Nature of Business</u>	<u>Number of Employees</u>
Virtua Hospital	Hospital	965
Freedom Mortgage	Retailer	425
Burns Honda/GMC	Automobile Dealership	300
Care One	Senior Care Facility	275
Whole Foods	Supermarket	265
Shop Rite	Supermarket	235
Davis Enterprises	Retailer	200
Wal Mart	Retailer	200
Rastelli's	Supermarket	191
Kohl's	Retailer	130

(1) Source: Building Department
 (2) As of May 31, 2023
 (3) Source: Township officials

GENERAL INFORMATION ON THE SCHOOL DISTRICT (1)

General

The Board of Education of the Township of Evesham, in the County of Burlington, New Jersey ("School District"), is a Type II school district whose boundaries are coterminous with the Township of Evesham, New Jersey ("Township"). The School District functions independently through the school board ("Board"), which consists of nine members elected by the voters for alternate three year terms. The School District operates a K-8 district with students housed in six elementary schools, one combined elementary/middle school and one middle school. Most students in grades 9-12 attend Cherokee High School. Cherokee High School is part of the Lenape Regional High School District which also includes students from the Townships of Mount Laurel, Medford Lakes, Medford, Shamong, Southampton, Tabernacle and Woodland. Special education students are mainstreamed into the public school system.

The Board is organized annually in January following the annual school election. Each member of the Board is a resident of the School District.

School District Enrollments (1)

<u>Grade</u>	<u>2022</u>	<u>2021</u>	<u>October 15, 2020</u>	<u>2019</u>	<u>2018</u>
PK	---	---	---	---	---
K	336	344	236	398	364
1	405	389	424	414	369
2	383	417	392	378	395
3	418	377	378	396	402
4	373	376	381	412	380
5	377	385	410	379	411
6	377	398	356	427	409
7	402	369	417	412	422
8	371	420	406	419	442
Sp. Education	831	784	780	748	756
Preschool Handicapped	<u>100</u>	<u>89</u>	<u>41</u>	<u>79</u>	<u>59</u>
In District Total	4,373	4,348	4,221	4,462	4,409
Net Send/Received	<u>(3)</u>	<u>(4)</u>	<u>(7)</u>	<u>(9)</u>	<u>(1)</u>
Total (2)	<u>4,376</u>	<u>4,344</u>	<u>4,214</u>	<u>4,453</u>	<u>4,408</u>

Present School Facilities, Enrollment and Capacity (1)

<u>Facilities</u>	<u>Date Constructed</u>	<u>Renovations/ Additions</u>	<u>Grades</u>	<u>Enrollment 10/15/22</u>	<u>Functional Capacity</u>
H.L. Beeler School	1962	1989/2001	K-5	514	649
R.B. Jaggard School	1972	2001	K-5	438	667
J.H. Van Zant School	1968	1989/2001	K-5	614	613
Marlton Middle	1976	1996	6-8	762	1,014
Richard L. Rice	1990	2001	K-5	504	632
Frances DeMasi	1993	---	K-8	1,022	1,097
Marlton Elementary	2000	---	K-5	<u>519</u>	<u>577</u>
				<u>4,373</u>	<u>5,249</u>

(1) School District officials

(2) Includes out of district students

Lenape Regional High School District (1)(2)

	<u>2022</u>	<u>2021</u>	<u>October 15,</u> <u>2020</u>	<u>2019</u>	<u>2018</u>
Totals	<u>2,208</u>	<u>2,197</u>	<u>2,216</u>	<u>2,225</u>	<u>2,179</u>

(1) Township students only

(2) Source: Regional District officials

HIGHER EDUCATION FACILITIES

Rowan College at Burlington County (Formerly Burlington County College)

Rowan College at Burlington County (formerly Burlington County College) (“RCBC” or “County College”) is a comprehensive, publicly supported, coeducational, two-year institution developed by the County and the State and accredited by the Middle States Association of Colleges and Schools. The County College was founded in October 1965 and opened in September 1969. The 225-acre main campus is located on Pemberton-Browns Mills Road in Pemberton Township, while the Mount Laurel campus opened in July 1995. The Board of County Commissioners (formally Board of Chosen Freeholders) sponsors the County College, appointing nine of the twelve Trustees.

In June 2015, the Rowan University Board of Trustees approved a resolution to partner with the County College thereby allowing students to obtain a bachelor's degree from Rowan University on the County College's Mount Laurel Campus. The unique partnership provides students the opportunity to seamlessly transition from the community college to the university. RCBC is the first community college in the region to offer junior-level courses as part of the “3+1” program in which students complete 75 percent of a Rowan University degree with the community college before completing their senior year at the university.

In July 2015, RCBC announced a transition from its original Pemberton Campus to the more accessible and modern Mount Laurel Campus. Located at the intersection of Route 38 and I-295, the 100-acre Mount Laurel campus is already home to the Technology and Engineering Center. Joining it as part of the transformed Mount Laurel campus is a new Health Sciences Center as well as a new Student Success Center – a 78,000 square foot, \$25.4 million state-of-the-art building that features a one-stop for student services from enrollment to academic planning, knowledge commons library, bookstore, dining area and state-of-the-art technology. This building serves as the gateway to the newly transformed Mount Laurel campus with a total investment of \$55 million and renovation of 240,000 square feet.

RCBC's fall 2022 enrollment in academic courses was 6,180 students. In addition, the County College serves thousands of other County residents each semester through youth programs, Learning for Everyone, workforce development, theatrical productions, guest speakers, and art exhibitions.

The Board of Trustees governs the County College and certain fiscal matters are subject to review by the Board of School Estimate. The County College is not permitted to borrow for capital expenditures. Instead, the Board of Trustees and the Board of School Estimate certify the need for funding to the Board, which either currently appropriates the amount certified or authorizes the issuance of County Debt, generally in accordance with the provisions of the Local Bond Law except that no down payment is required.

Burlington County Institute of Technology

The Burlington County Board of Vocational Education was created by the Board in 1962 after a favorable referendum. The enrollment for the two campuses, Westampton and Medford, for the academic year 2021-2022 was 2,122 students.

The Burlington County Institute of Technology (“BCIT”) is governed by a consolidated Board of Education of the Special Services School District and the Vocational School District of the County of Burlington and certain fiscal matters are subject to the review of the Board of School Estimate. BCIT is not permitted to borrow for capital expenditures. Instead, the Board of Education and the Board of School Estimate certify the need for funding to the Board which either currently appropriates the amount certified or authorizes the issuance of County debt, generally in accordance with the provisions of the Local Bond Law except that no down payment is required.

BCIT contributes to the County workforce each year an average of 462 high school seniors certified in one of thirty-three career and technical programs and, through its Adult School Division, approximately 760 adults who have completed either a certification or licensing program in one of the thirty-five career programs offered. The Superintendent of BCIT is the liaison between the education community of the County and business and industry.

Burlington County Special Services School District

The Burlington County Special Services School District (“Special Services School District”) was created by the Board in June, 1972. The Special Services School District is comprised of state-of-the-art facilities located in the Townships of Westampton, Lumberton and Mount Laurel which provide comprehensive educational and therapeutic programs for preschool and school-age students, ranging in age from three to eighteen, as well as young adults, ranging in age from eighteen to twenty-one. Students at the Special Service School District have access to the following programs: Sensory, Autism, Multiple Disabilities, Behavior Disabilities, Preschool Disabilities, Auditory Impaired, Career and Technical Education, and Transitions, a program designed to prepare students to be a self-sufficient, productive member of the community. The enrollment for the Special Services School District for the 2021-2022 academic year was 526 students.

The current enrollment for the B.C.S.S.S.D. is 590 students.

TEN LARGEST REAL PROPERTY TAXPAYERS(1)

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>2023 Assessed Valuation</u>
Davis & Associates	Apartment and Commercial	\$ 112,545,300
Marlton Plaza Associates	Shopping Center	39,532,400
Davis Enterprises	Apartment and Commercial	36,240,000
Hunters Chase Assoc LLC	Apartment Property	33,000,000
East Coast Woodview at Marlton, LLC	Apartment Property	32,000,000
M3 Real Estate Holdings LLC	Office and Restaurant	23,594,000
Marlton VF LLC	Shopping Center	21,500,000
WRV Apartments Association LLC	Apartment	20,500,000
TRPF Marlton Square LLC	Shopping Center	19,000,000
Greentree Square Affiliates	Shopping Center	17,952,800

(1) Source: Township Tax Assessor

CURRENT TAX COLLECTIONS(1)

<u>Year</u>	<u>Total Levy</u>	<u>Outstanding Dec. 31</u>		<u>Collected in Year of Levy</u>	
		<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2022	\$ 163,134,517	\$ 1,067,102	0.65%	\$ 161,965,094	99.28%
2021	158,734,183	825,815	0.52%	157,846,186	99.44%
2020	156,681,907	840,042	0.54%	155,648,737	99.34%
2019	155,229,416	913,430	0.59%	154,069,421	99.25%
2018	152,545,230	1,134,155	0.74%	151,184,727	99.11%

DELINQUENT TAXES(1)

<u>Year</u>	<u>Outstanding</u>		<u>Collected</u>		<u>Transferred to Liens</u>	<u>Other Credits</u>	<u>Outstanding Dec. 31</u>
	<u>Jan. 1</u>	<u>Added</u>	<u>Amount</u>	<u>Percentage</u>			
2022	\$ 834,766	\$ 18,704	\$ 817,561	95.79%	\$ 224	\$ 5,252	\$ 30,432
2021	842,928	6,191	836,049	98.46%	104	4,014	8,952
2020	921,342	11,749	928,494	99.51%	223	1,488	2,886
2019	1,152,322	4,666	1,131,858	97.83%	-	17,218	7,912
2018	1,022,075	16,131	993,954	95.74%	3,367	22,718	18,167

TAX TITLE LIENS(1)

<u>Year</u>	<u>Balance Jan. 1</u>	<u>Added by</u>		<u>Cancellations/ Foreclosures</u>	<u>Balance Dec. 31</u>
		<u>Sales and Transfers</u>	<u>Collected</u>		
2022	\$ 371,885	\$ 21,790	\$ -	\$ -	\$ 393,675
2021	350,869	21,016	-	-	371,885
2020	336,944	21,166	-	7,241	350,869
2019	358,291	25,722	1,937	45,132	336,944
2018	350,479	38,253	12,199	18,242	358,291

(1) Source: Annual Report of Audit

FORECLOSED PROPERTY (1)(2)

<u>Year</u>	<u>Balance</u>	<u>Added By</u>	<u>Adjustment</u>		<u>Balance</u>
	<u>Jan. 1</u>		<u>Transfer</u>	<u>to Assessed</u>	
			<u>Valuation</u>		<u>Dec. 31</u>
2022	\$ 1,012,207	\$ -	\$ -	\$ -	\$ 1,012,207
2021	1,116,707	-	-	104,500	1,012,207
2020	1,116,707	-	-	-	1,116,707
2019	943,007	38,419	135,281	-	1,116,707
2018	788,207	28,418	126,382	-	943,007

NET ASSESSED VALUATIONS AND ANNUAL TAX RATES (3)

<u>Year</u>	<u>Net</u>	<u>Tax Rate (4)</u>						
		<u>Valuation</u>	<u>Total</u>	<u>Regional</u>			<u>Municipal</u>	
	<u>Taxable</u>	<u>Rate</u>	<u>County</u>	<u>Local</u>	<u>High</u>	<u>Municipal</u>	<u>Open</u>	<u>Fire</u>
				<u>School</u>	<u>School</u>		<u>Space</u>	<u>District</u>
2022	\$ 5,297,081,668	\$ 3.069	\$ 0.424	\$ 1.212	\$ 0.754	\$ 0.423	\$ 0.060	\$ 0.196
2021	5,285,568,270	2.997	0.417	1.203	0.735	0.422	0.030	0.190
2020	5,284,891,663	2.958	0.423	1.184	0.733	0.423	0.030	0.165
2019	5,266,523,659	2.934	0.425	1.179	0.724	0.423	0.030	0.153
2018	5,246,691,953	2.893	0.416	1.178	0.705	0.427	0.030	0.137

(1) Source: Annual Report of Audit

(2) 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.

(3) Source: Township Tax Collector

(4) Per \$100 of assessed valuation

**RATIO OF ASSESSED VALUATION TO TRUE VALUE
AND TRUE VALUE PER CAPITA (1)**

<u>Year</u>	<u>Real Property Assessed Valuation</u>	<u>Percentage of True Value</u>	<u>True Value</u>	<u>True Value per Capita</u>
2023	\$ 5,291,683,726	81.39%	\$ 6,501,638,685	\$ 138,847 (2)
2022	5,279,859,681	88.95%	5,935,761,305	126,762 (2)
2021	5,267,655,957	94.30%	5,586,061,460	119,294 (2)
2020	5,267,668,070	93.62%	5,626,648,227	120,161 (3)
2019	5,249,913,122	93.97%	5,586,796,980	122,684 (3)

REAL PROPERTY CLASSIFICATION (4)

<u>Year</u>	<u>Assessed Value of Land and Improvements</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>	<u>Farmland</u>
2023	\$ 5,291,683,726	\$ 26,718,900	\$ 4,238,623,486	\$ 739,900,440	\$ 28,674,700	\$ 245,230,200	\$ 12,536,000
2022	5,279,859,681	32,067,000	4,233,744,266	730,333,815	28,674,700	241,643,000	13,396,900
2021	5,267,655,957	29,304,800	4,220,910,482	734,018,575	28,618,800	241,643,000	13,160,300
2020	5,267,668,070	32,054,000	4,212,366,482	740,472,375	28,618,800	241,643,000	12,513,413
2019	5,249,913,122	34,671,800	4,214,260,702	726,767,575	28,834,700	234,843,000	10,535,345

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

(2) Based on 2020 Census of 46,826

(3) Based on 2010 Census of 45,538

(4) Source: Township Tax Assessor

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

The following table summarizes the direct debt of the Township as of December 31, 2022, in accordance with the requirements of the Local Bond Law. The gross debt comprises short and long-term debt issued and debt authorized but not issued, including General, Golf Course Utility and Debt of the Regional School District. Deductions from gross debt to arrive at net debt include regional school district debt and debt considered to be self-liquidating. The resulting net debt of \$58,370,910 represents 0.973% of the average of equalized valuations for the Township for the last three years, of \$5,998,408,967, which is within the 3.5% limit imposed by N.J.S.A. 40A:2-6.

	Debt Issued	Debt Auth.	Gross	Deductions		Net
	Bonds/Loans	But Not Issued		School District	Self Liquidating	
General	\$ 56,786,869	\$ 1,584,040	\$ 58,370,910			\$ 58,370,910
Regional School District	28,633,068		28,633,068	\$ 28,633,068		
Golf Course Utility	4,064,000	866,358	4,930,358		\$ 4,930,358	
	<u>\$ 89,483,937</u>	<u>\$ 2,450,398</u>	<u>\$ 91,934,335</u>	<u>\$ 28,633,068</u>	<u>\$ 4,930,358</u>	<u>\$ 58,370,910</u>

(1) As of December 31, 2022
Source: Township Auditor

DEBT RATIOS AND VALUATIONS (1)

Average of Equalized Valuations of Real Property with Improvements for 2020, 2021 and 2022	\$	5,998,408,967
Statutory Net debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2020, 2021 and 2022		0.973%
2022 Net Valuation Taxable	\$	5,297,081,668
2022 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	\$	5,952,983,292
Gross Debt (2)		
As a Percentage of 2022 Net Valuation Taxable		1.74%
As a Percentage of 2022 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications		1.54%
Net Debt (2)		
As a Percentage of 2022 Net Valuation Taxable		1.10%
As a Percentage of 2022 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications		0.98%
Gross Debt per Capita (3)	\$	1,963
Net Debt per Capita (3)	\$	1,247

-
- (1) As of December 31, 2022
(2) Excluding overlapping debt
(3) Based on Census 2020 of 46,826

TOWNSHIP BORROWING CAPACITY(1)

3.5% of Average (2020-22) Equalized Valuation of Real Property with Improvements and Second Class Railroad Property (\$5,998,408,967)	\$	209,944,314
Net Debt		<u>(58,370,910)</u>
Remaining Borrowing Capacity	\$	<u><u>151,573,404</u></u>

LOCAL SCHOOL BORROWING CAPACITY(1)

3% of Average (2020-22) Equalized Valuation of Real Property with Improvements and Second Class Railroad Property (\$5,998,408,967)	\$	179,952,269
Local School Debt		<u>-</u>
Remaining Borrowing Capacity	\$	<u><u>179,952,269</u></u>

REGIONAL HIGH SCHOOL DISTRICT(1)

3% of Averaged (2020-22) Equalized Valuation of Real Property Including Improvements (\$20,337,099,394)	\$	610,112,982
Regional High School Debt (2)		<u>(97,078,000)</u>
Remaining Borrowing Capacity	\$	<u><u>513,034,982</u></u>

(1) As of December 31, 2022

(2) Debt portion allocated to the Township is \$28,633,068

**TOWNSHIP OF EVESHAM
OVERLAPPING DEBT
AS OF DECEMBER 31, 2022**

	DEBT ISSUED				Debt Auth. but not Issued
	<u>Debt Outstanding</u>	<u>Deductions</u>	<u>Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to the Issuer</u>	
County of Burlington:					
General					
Bonds	\$ 153,750,000	\$ 16,336,626 (1)	\$ 137,413,374	\$ 15,568,009 (2)	
Notes				(2)	\$ 18,781,707
Loans	5,161,340		5,161,340	584,745 (2)	
Bonds Issued by Other Public Bodies					
Guaranteed by the County	362,025,500	362,025,500 (3)			
Solid Waste Utility	25,425,000	25,425,000			10,304,193
Evesham Township MUA	25,761,176		25,761,176	25,761,176	
Evesham Township Fire District	500,000		500,000	500,000	
	<u>\$ 572,623,016</u>	<u>\$ 403,787,126</u>	<u>\$ 168,835,890</u>	<u>\$ 42,413,930</u>	<u>\$ 29,085,900</u>

(1) Includes cash on hand, accounts receivable and County College Bonds paid with State Aid.

(2) Such debt is allocated as a proportion of the Issuer's share of the total 2022 Net Valuations on which County taxes are apportioned, which is 11.33% .

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

**TOWNSHIP OF EVESHAM
SCHEDULE OF DEBT SERVICE
(BONDED DEBT ONLY)**

Existing Debt(1)							
Year	General			Golf Course Utility			Grand Total
	Principal	Interest	Total	Principal	Interest	Total	
2023	\$ 4,220,337	\$ 1,281,651	\$ 5,501,988	\$ 754,000	\$ 104,577	\$ 858,577	\$ 6,360,565
2024	3,665,630	1,097,863	4,763,493	790,000	81,095	871,095	5,634,587
2025	3,801,949	950,159	4,752,108	274,000	56,330	330,330	5,082,438
2026	3,238,295	805,369	4,043,664	231,000	46,038	277,038	4,320,702
2027	3,329,667	689,291	4,018,958	215,000	36,743	251,743	4,270,700
2028	3,416,068	586,640	4,002,708	220,000	29,525	249,525	4,252,233
2029	3,477,496	487,069	3,964,565	175,000	24,323	199,323	4,163,888
2030	3,553,953	384,755	3,938,708	175,000	19,885	194,885	4,133,593
2031	3,605,440	283,595	3,889,035	170,000	15,773	185,773	4,074,808
2032	2,021,956	208,522	2,230,478	175,000	11,738	186,738	2,417,215
2033	2,053,503	156,104	2,209,607	170,000	7,559	177,559	2,387,167
2034	1,085,081	116,508	1,201,589	170,000	3,263	173,263	1,374,852
2035	1,076,691	90,311	1,167,002	45,000	534	45,534	1,212,536
2036	1,063,332	63,221	1,126,553				1,126,553
2037	420,007	43,686	463,693				463,693
2038	421,716	32,011	453,727				453,727
2039	423,459	20,218	443,677				443,677
2040	425,237	8,306	433,543				433,543
2041	92,052	1,383	93,435				93,435
	<u>\$ 41,391,869</u>	<u>\$ 7,306,659</u>	<u>\$ 48,698,528</u>	<u>\$ 3,564,000</u>	<u>\$ 437,380</u>	<u>\$ 4,001,380</u>	<u>\$ 52,699,908</u>

(1) As of December 31, 2022

TOWNSHIP OF EVESHAM
2023 MUNICIPAL BUDGET (1)

CURRENT FUND

Anticipated Revenues:	
Fund Balance	\$ 6,000,000
Miscellaneous Revenues:	
Local Revenues	1,580,000
State Aid without Offsetting Appropriations	3,681,816
Dedicated Uniform Construction Code Fees	1,050,000
Shared Service Agreements	580,420
Public and Private Programs Offset with Appropriations	1,454,174
Other Special Items of Revenue	3,745,700
Receipts from Delinquent Taxes	700,000
Amount to be Raised by Taxation for Municipal Purposes	<u>26,490,379</u>
 Total Anticipated Revenues	 <u><u>\$ 45,282,488</u></u>

Appropriations:	
Within CAPS:	
Operations	\$ 30,083,526
Deferred Charges and Statutory Expenditures	5,370,950
Excluded from CAPS:	
Other Operations	105,001
Shared Service Agreements	580,420
Public and Private Programs	1,464,174
Capital Improvements	250,000
Debt Service	5,529,150
Deferred Charges	5,000
Reserve for Uncollected Taxes	<u>1,894,268</u>
 Total Appropriations	 <u><u>\$ 45,282,488</u></u>

GOLF COURSE UTILITY

Anticipated Revenues:	
Fund Balance	\$ 1,046,648
Golf Course Fees	800,000
Golf Cart Fees	110,000
Golf Course Concessions	200,000
Interest on Investments	20,000
Driving Range Sales	450,000
Pro-Shop Sales	<u>50,000</u>
 Total Anticipated Revenues	 <u><u>\$ 2,676,648</u></u>

Appropriations:	
Operating	\$ 1,420,390
Debt Service	884,000
Deferred Charges and Statutory Expenditures	122,258
Surplus (General Budget)	<u>250,000</u>
 Total Appropriations	 <u><u>\$ 2,676,648</u></u>

**TOWNSHIP OF EVESHAM
CAPITAL PROGRAM
PROJECTS SCHEDULED FOR THE YEARS 2023 - 2028 (1)**

	<u>Estimated Total Cost</u>	<u>Capital Improvement Fund</u>	<u>Budget Appropriation</u>	<u>Bonds and Notes</u>	
				<u>General</u>	<u>Self Liquidating</u>
General Capital:					
Acquisition of Land (Open Space)	\$ 385,689		\$ 385,689		
Acquisition of Equipment	6,092,100	\$ 54,605		\$ 6,037,495	
Road Improvement Program	20,322,900	141,145		20,181,755	
Facility Improvements	3,585,000	54,250		3,530,750	
Recreational Improvements (Open Space)	9,425,000		1,925,000	7,500,000	
Total--General Capital	39,810,689	250,000	2,310,689	37,250,000	-
Golf Course Utility:					
Driving Range Improvements	1,500,000				\$ 1,500,000
Facility Improvements	876,000				876,000
Acquisition of Equipment	874,000				874,000
Total--Golf Course Utility	3,250,000	-	-	-	3,250,000
Totals--All Projects	\$ 43,060,689	\$ 250,000	\$ 2,310,689	\$ 37,250,000	\$ 3,250,000

(1) Source: 2023 Introduced Budget

APPENDIX B

FINANCIAL STATEMENTS OF THE TOWNSHIP OF EVESHAM



INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Council
Township of Evesham
Marlton, New Jersey 08053

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 of the Township of Evesham, in the County of Burlington, State of New Jersey, as of December 31, 2022, 2021, 2020 and 2019 and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Evesham, in the County of Burlington, State of New Jersey, as of December 31, 2022, 2021, 2020 and 2019, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, 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 *Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America* section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the Township of Evesham, in the County of Burlington, State of New Jersey, as of December 31, 2022, 2021, 2020 and 2019, or the results of its operations and changes in fund balance for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions on Regulatory Basis of Accounting

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the 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 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in note 1 to the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division 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 and pervasive.

Emphasis of Matter

Change in Accounting Principle

As discussed in note 1 to the financial statements, during the year ended December 31, 2022, the Township adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The adoption of this new accounting principle resulted in material note disclosure. As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of this Statement only required financial statement disclosures. Our opinions are not modified with respect to this matter.

Consistency of Financial Statements

Because of the implementation of GASB Statement No. 87, the Township has determined that lease agreements in which they are the lessor are now disclosed in accordance with the Statement (note 5). In addition, the Township has also determined that capital leases entered into in the prior year are now disclosed as financed purchase obligations (note 12), and that lease agreements entered into in the prior year, formerly operating leases, are now disclosed in accordance with the Statement (note 13).

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division 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's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

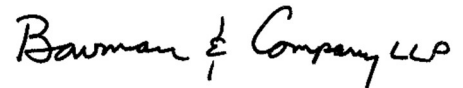
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining,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

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

Prior Period Financial Statements

The financial statements of the Township of Evesham, in the County of Burlington, State of New Jersey, as of and for the year ended December 31, 2018, were audited by other auditors whose report dated June 27, 2019, expressed an adverse opinion under accounting principles generally accepted in the United States of America and an unmodified opinion under the regulatory basis of accounting.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Robert P. Nehila, Jr.
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 20, 2023

TOWNSHIP OF EVESHAM
CURRENT FUND
Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis

	As of December 31,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018 (1)</u>
ASSETS					
Cash	\$ 16,254,581	\$ 17,921,662	\$ 18,131,418	\$ 20,229,472	\$ 18,747,472
Federal and State Grants Receivable	1,973,710	1,689,907	1,218,623	828,128	490,165
Receivables with Full Reserves:					
Delinquent Property Taxes Receivable	1,097,534	834,766	842,928	921,343	1,152,323
Tax Title Liens Receivable	393,675	371,885	350,869	336,944	358,291
Property Acquired for Taxes--Assessed Valuation	1,012,207	1,012,207	1,116,707	1,116,707	943,007
Revenue Accounts Receivable	35,285	27,452	25,627	60,545	68,459
Interfunds Receivable	3,852	1,877,010			
Accounts Receivable--Other	50,299	241,491	607,743	56,815	50,268
Prepaid Local School Taxes	1	2	2	2	2
	<u>\$ 20,821,144</u>	<u>\$ 23,976,382</u>	<u>\$ 22,293,917</u>	<u>\$ 23,549,956</u>	<u>\$ 21,809,987</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Appropriation Reserves	\$ 1,739,437	\$ 2,652,307	\$ 2,422,756	\$ 2,840,918	\$ 3,166,973
Accounts Payable	122,755	122,755	158,195	110,519	115,043
Reserve for Encumbrances	1,491,272	990,625	2,066,506	1,392,220	1,091,203
County Taxes Payable	85,307	48,401	50,054	101,043	107,379
Regional School Taxes Payable	4,039,456	3,520,066	3,473,088	3,153,509	2,598,293
Prepaid Revenues	1,019,579	1,448,821	1,488,458	995,909	1,101,125
Tax Overpayments	3,055	978	476	1,203	
Interfunds Payable		1,864,881			
Other Liabilities and Special Funds	588,053	320,472	208,673	824,790	211,868
Reserve for Receivables and Other Assets	2,592,853	2,499,932	2,943,876	2,492,356	2,572,350
Reserve for Federal and State Grants	1,769,942	4,051,283	758,566	1,258,701	367,385
Fund Balance	7,369,436	6,455,861	8,723,269	10,378,788	10,478,368
	<u>\$ 20,821,144</u>	<u>\$ 23,976,382</u>	<u>\$ 22,293,917</u>	<u>\$ 23,549,956</u>	<u>\$ 21,809,987</u>

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

(1) Restated

TOWNSHIP OF EVESHAM
CURRENT FUND
Statements of Operations and Changes in Fund Balance--Regulatory Basis

	For the Years Ended December 31,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Revenue Realized:					
Current Tax Collections	\$ 161,965,094	\$ 157,846,186	\$ 155,648,738	\$ 154,069,421	\$ 151,184,727
Delinquent Tax Collections	817,561	836,049	928,494	1,133,795	1,003,031
Total Taxes	162,782,655	158,682,235	156,577,232	155,203,216	152,187,758
Miscellaneous Revenues Anticipated	15,058,196	11,502,240	9,865,299	11,963,314	11,357,554
Other Income	4,787,602	3,717,473	4,234,147	3,553,176	4,486,656
Fund Balance Utilized	5,000,000	6,675,000	6,025,000	6,025,000	4,150,000
Total Income	187,628,453	180,576,948	176,701,678	176,744,706	172,181,968
Expenditures:					
Operating	30,948,752	29,882,410	28,043,034	29,334,773	27,996,051
Capital Improvements	200,000	300,000	150,000	250,000	265,000
Debt Service	5,312,827	5,224,278	5,039,210	4,689,900	4,438,627
Deferred Charges and Statutory Expenditures	4,899,802	4,559,570	4,282,844	4,124,306	3,647,000
County Taxes	22,530,262	21,968,217	22,312,050	22,401,959	21,868,976
Local District School Purposes	64,208,460	63,623,091	62,569,305	62,097,113	61,816,236
Regional High School Tax	39,914,248	38,875,467	38,781,511	38,142,353	37,031,922
Fire District Taxes	10,366,695	9,995,124	8,673,781	8,019,556	7,176,605
Municipal Open Space Tax	3,188,788	1,589,152	1,589,017	1,587,107	1,581,756
Other Expenditures	145,044	152,047	891,445	172,219	31,940
Total Expenditures and Encumbrances	181,714,879	176,169,356	172,332,197	170,819,286	165,854,113
Statutory Excess to Fund Balance	5,913,574	4,407,592	4,369,481	5,925,420	6,327,855
Fund Balance Beginning of Year	6,455,861	8,723,269	10,378,788	10,478,368	8,300,513
	12,369,436	13,130,861	14,748,269	16,403,788	14,628,368
Decreased by:					
Utilized as Revenue	5,000,000	6,675,000	6,025,000	6,025,000	4,150,000
Fund Balance Ending of Year	\$ 7,369,436	\$ 6,455,861	\$ 8,723,269	\$ 10,378,788	\$ 10,478,368

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

TOWNSHIP OF EVESHAM
GENERAL CAPITAL FUND
Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis

	As of December 31,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
ASSETS					
Cash	\$ 6,687,523	\$ 11,488,850	\$ 4,041,437	\$ 10,133,207	\$ 10,030,679
Deferred Charges to Future Taxation:					
Funded	41,391,869	45,593,561	48,277,555	36,491,129	39,931,486
Unfunded	16,979,040	12,663,980	3,840,040	18,087,681	11,310,381
Interfunds Receivable					153,542
	<u>\$ 65,058,432</u>	<u>\$ 69,746,391</u>	<u>\$ 56,159,032</u>	<u>\$ 64,712,017</u>	<u>\$ 61,426,088</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Bond Anticipation Notes	\$ 15,395,000	\$ 9,987,500		\$ 16,056,800	\$ 11,141,500
General Serial Bonds	37,630,000	40,360,000	\$ 42,999,000	29,705,000	31,715,000
Loans Payable	3,761,869	5,233,560	5,278,555	6,786,129	8,216,486
Improvement Authorizations:					
Funded	944,812	1,523,479	2,143,515	2,546,673	2,761,462
Unfunded	4,390,004	9,134,207	2,159,464	6,979,787	1,937,455
Reserve for Encumbrances	2,671,293	3,199,542	2,610,908	1,686,586	3,551,626
Capital Improvement Fund	30,213	80,213	54,631	31	98,431
Other Liabilities and Special Funds	50,000	50,000	41,671	41,671	41,671
Fund Balance	185,241	177,890	871,288	909,340	1,962,457
	<u>\$ 65,058,432</u>	<u>\$ 69,746,391</u>	<u>\$ 56,159,032</u>	<u>\$ 64,712,017</u>	<u>\$ 61,426,088</u>

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

TOWNSHIP OF EVESHAM
GOLF COURSE UTILITY
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis

	As of December 31,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
ASSETS					
Operating Fund:					
Cash and Investments	\$ 1,545,668	\$ 1,210,571	\$ 850,205	\$ 615,113	\$ 345,838
Accounts Receivable	12,219	2,750	1,300		1,207
Inventory	20,475	6,904	17,631	28,792	24,587
Deferred Charges:					
Emergency Appropriations		60,000			
Total Operating Fund	1,578,362	1,280,225	869,136	643,905	371,632
Capital Fund:					
Cash	1,094,332	751,859	804,684	833,677	741,775
Fixed Capital	14,743,547	14,493,766	12,564,428	12,564,428	12,564,428
Fixed Capital Authorized and Uncompleted	3,014,061	1,779,061	3,329,300	3,329,300	3,329,300
Total Capital Fund	18,851,940	17,024,686	16,698,412	16,727,405	16,635,503
Total Assets	\$ 20,430,302	\$ 18,304,911	\$ 17,567,548	\$ 17,371,310	\$ 17,007,135
LIABILITIES, RESERVES AND FUND BALANCE					
Operating Fund:					
Appropriation Reserves	\$ 148,905	\$ 44,995	\$ 22,135	\$ 44,047	\$ 63,997
Reserve for Encumbrances	58,600	12,992	25,395	33,151	19,085
Accrued Interest on Bonds and Notes	32,374	33,830	40,417	77,884	75,779
NJ Sales Tax Payable	3,202	1,520		2,446	2,689
Other Liabilities	20,475	6,904	17,630	29,342	24,587
Fund Balance	1,314,806	1,179,984	763,559	457,035	185,495
Total Operating Fund	1,578,362	1,280,225	869,136	643,905	371,632
Capital Fund:					
Serial Bonds	3,485,000	4,200,000	4,886,000	3,225,000	3,865,000
Loans Payable	79,000	97,000	114,000	130,000	145,000
Bond Anticipation Notes	500,000			2,398,052	2,110,352
Reserve for Encumbrances	345,297	82,614	85,471	35,964	80,999
Improvement Authorizations:					
Funded	279,774	127,008	129,682	52,603	58,047
Unfunded	1,228,317	321,805		763,290	813,838
Capital Improvement Fund	10,614	10,614	614	614	614
Interfunds Payable					153,543
Reserve for Amortization	12,320,845	10,869,577	9,889,457	9,136,405	8,429,104
Reserve for Deferred Amortization	506,405	70,096	347,216	347,216	347,216
Fund Balance	96,687	1,245,972	1,245,972	638,261	631,790
Total Capital Fund	18,851,940	17,024,686	16,698,412	16,727,405	16,635,503
Total Liabilities, Reserves and Fund Balance	\$ 20,430,302	\$ 18,304,911	\$ 17,567,548	\$ 17,371,310	\$ 17,007,135

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

TOWNSHIP OF EVESHAM
GOLF COURSE UTILITY
Statements of Operations and Changes in Fund Balance--Regulatory Basis

	For the Years Ended December 31,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Revenue Realized:					
Miscellaneous Revenues not Anticipated	\$ 130,631	\$ 109,736	\$ 15,950	\$ 134,903	\$ 200,132
Golf Course Fees	1,242,667	1,148,621	754,257	741,161	648,795
Golf Cart Fees	177,028	277,043	183,785	147,372	144,096
Golf Course Concession	271,999	204,019	86,600	255,000	255,000
Interest on Investments	34,519	27,751	22,298	23,371	16,697
Driving Range Sales	501,437	530,177	385,105	284,068	265,524
Pro Shop Sales	104,697	100,442	59,073	101,079	82,451
Golf Capital Fund Balance	654,578				
Dedicated Open Space / Recreation					
Trust Fund Anticipated			635,584	623,840	408,400
Other Credits to Income	53,659	26,201	52,677	50,886	29,839
Fund Balance	828,000	590,228	420,000	100,000	200,000
Total Income	3,999,216	3,014,218	2,615,329	2,461,680	2,250,934
Expenditures and Encumbrances:					
Operating	1,348,290	1,116,000	957,684	1,109,040	1,213,900
Capital Improvements		10,000			20,000
Debt Service	858,526	845,099	832,206	882,385	843,574
Deferred Charges and Statutory Expenditures	829,578	96,466	95,000	96,000	85,900
Refund of Prior Year Revenue			3,915	2,715	
Total Expenditures and Encumbrances	3,036,394	2,067,565	1,888,805	2,090,140	2,163,374
Excess in Revenues	962,822	946,653	726,524	371,540	87,560
Adjustments to Income before Fund Balance:					
Expenditures included above which are by Statute					
Deferred Charges to Budget of Succeeding Year		60,000			
Statutory Excess to Fund Balance	962,822	1,006,653	726,524	371,540	87,560
Fund Balance Beginning of Year	1,179,984	763,559	457,035	185,495	297,935
	2,142,806	1,770,212	1,183,559	557,035	385,495
Decreased by:					
Utilized as Revenue	828,000	590,228	420,000	100,000	200,000
Fund Balance End of Year	\$ 1,314,806	\$ 1,179,984	\$ 763,559	\$ 457,035	\$ 185,495

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

TOWNSHIP OF EVESHAM
TRUST FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis

	As of December 31,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
ASSETS					
Cash and Investments	\$ 9,388,019	\$ 7,411,872	\$ 8,841,754	\$ 10,299,697	\$ 10,228,610
	\$ 9,388,019	\$ 7,411,872	\$ 8,841,754	\$ 10,299,697	\$ 10,228,610
 LIABILITIES, RESERVES AND FUND BALANCE					
Interfund Loans Payable	\$ 3,852	\$ 12,128			
Other Accounts Payable	37				\$ 34
Reserve for Liabilities and Special Funds	9,384,130	7,399,744	\$ 8,841,754	\$ 10,299,697	10,228,576
	\$ 9,388,019	\$ 7,411,872	\$ 8,841,754	\$ 10,299,697	\$ 10,228,610

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

TOWNSHIP OF EVESHAM
PUBLIC ASSISTANCE FUND
 Statements of Assets, Liabilities and Reserves--Regulatory Basis

	As of December 31,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
ASSETS					
Cash	\$ -	\$ -	\$ 21,557	\$ 21,557	\$ 21,557
LIABILITIES AND RESERVES					
Reserve for Public Assistance	\$ -	\$ -	\$ 21,557	\$ 21,557	\$ 21,557

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

TOWNSHIP OF EVESHAM
Notes to Financial Statements
For the Year Ended December 31, 2022

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Evesham (hereafter referred to as the "Township") was incorporated in 1692. The Township, located in Burlington County, New Jersey, is located approximately fifteen miles from the City of Philadelphia. The Township borders Mount Laurel, Cherry Hill, Voorhees, Berlin, Waterford, and Medford. According to the 2020 census, the population is 46,826.

The Township has a Council - Manager form of government known as the Council - Manager Plan B under the Optional Municipal Charter Law of 1960, popularly known as the Faulkner Act. There are four Township Council Members who are elected to four-year terms. The Mayor is elected at large to a four-year term. Administrative responsibilities fall under the Township Manager, who is appointed by Council. Executive responsibilities rest with the Township Council.

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:

Township of Evesham Municipal Utilities Authority
100 Sharp Road
Marlton, New Jersey 08053

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 and state grant funds.

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

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

Golf Course Utility Operating and Capital Funds - The golf course utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned golf course operations.

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, municipal open space, and golf course 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 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.

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

Cash, Cash Equivalents and Investments (Cont'd) - 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 of Supplies - The costs of inventories of supplies for all funds, except the golf course utility operating fund, 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. For the golf course utility operating fund, the costs of inventories are based on the units average cost and are reported on the 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* (Part 200, §200.12), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$2,000.00. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset 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.

Utility Fixed Assets - Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment, improvements, and contributed capital.

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.

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

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.

Fund Balance - Fund balances included in the current fund and golf course utility operating 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 Burlington, the Township of Evesham School District, the Lenape Regional High School District, and the Township of Evesham 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 Evesham School District and the Lenape Regional High 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. For the regional high school district, operations is charged for the Township's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2021 and decreased by the amount deferred at December 31, 2022.

County Taxes - The municipality is responsible for levying, collecting, and remitting county taxes for the County of Burlington. 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 Evesham 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.

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.

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

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

Appropriations for principal payments on outstanding general capital and golf course utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on golf course utility indebtedness is on the accrual 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 and golf course capital funds. Where an improvement is a "local Improvement", i.e., assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the trust fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

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

Impact of Recently Issued Accounting Principles**Recently Issued and Adopted Accounting Pronouncements**

The Township implemented the following GASB Statement for the year ended December 31, 2022:

Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to measure and disclose a lease liability and a lessor is required to measure and disclose a lease receivable; thereby enhancing the relevance and consistency of information about governments' leasing activities. As a result of the regulatory basis of accounting previously described in note 1, the implementation of this Statement only required financial statement disclosures. There exists no impact on the financial statements of the Township.

Because of the implementation of GASB Statement No. 87, the Township has determined that lease agreements in which they are the lessor are now disclosed in accordance with the Statement (note 5). In addition, the Township has also determined that capital leases entered into in the prior year are now disclosed as financed purchase obligations (note 12), and that lease agreements entered into in the prior year, formerly operating leases, are now disclosed in accordance with the Statement (note 13).

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Principles (Cont'd)****Recently Issued Accounting Pronouncements**

The Governmental Accounting Standards Board (GASB) has issued the following statements that have effective dates that may affect future financial presentations:

Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The Statement will become effective for the Township's year ending December 31, 2023. As a result of the regulatory basis of accounting previously described in note 1, this Statement will have no impact on the financial statements of the Township, however management is currently evaluating whether or not this Statement will have an impact on the financial statement disclosures of the Township.

Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the Township in the year ending December 31, 2024. As a result of the regulatory basis of accounting previously described in note 1, this Statement will have no impact on the financial statements of the Township, however management is currently evaluating whether or not this Statement will have an impact on the financial statement disclosures of the Township.

Note 2: CASH AND CASH EQUIVALENTS

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

As of December 31, 2022, the Township's bank balances of \$34,895,460.59 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 32,132,317.20
Uninsured and Uncollateralized	<u>2,763,143.39</u>
Total	<u><u>\$ 34,895,460.59</u></u>

Note 3: PROPERTY TAXES

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

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Tax Rate	<u>\$ 3.069</u>	<u>\$ 2.997</u>	<u>\$ 2.958</u>	<u>\$ 2.934</u>	<u>\$ 2.893</u>
Apportionment of Tax Rate:					
Municipal	\$.423	\$.422	\$.423	\$.423	\$.427
County	.424	.417	.423	.425	.416
Local School	1.212	1.203	1.184	1.179	1.178
Regional School	.754	.735	.733	.724	.705
Fire District	.196	.190	.165	.153	.137
Municipal Open Space	.060	.030	.030	.030	.030

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2022	\$ 5,297,081,668.00
2021	5,285,568,270.00
2020	5,284,891,663.00
2019	5,266,523,659.00
2018	5,246,691,953.00

Note 3: PROPERTY TAXES (CONT'D)

Five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years (cont'd):

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2022	\$ 163,134,517.41	\$ 161,965,093.89	99.28%
2021	158,734,183.44	157,846,185.84	99.44%
2020	156,681,907.27	155,648,737.78	99.34%
2019	155,229,416.18	154,069,421.00	99.25%
2018	152,545,230.38	151,184,727.22	99.11%

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>
2022	\$ 393,674.96	\$ 1,097,534.34	\$ 1,491,209.30	0.91%
2021	371,884.58	834,766.35	1,206,650.93	0.76%
2020	350,868.55	842,928.28	1,193,796.83	0.76%
2019	336,944.27	921,342.52	1,258,286.79	0.81%
2018	358,290.92	1,152,322.43	1,510,613.35	0.99%

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

<u>Year</u>	<u>Number</u>
2022	5
2021	4
2020	3
2019	22
2018	60

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2022	\$ 1,012,207.00
2021	1,012,207.00
2020	1,116,707.00
2019	1,116,707.00
2018	(Restated) 943,007.00

Note 5: LEASES RECEIVABLE

The Township, as lessor, has entered into the following leases which meet the requirements of GASB 87:

Golf Course Caterer - On January 1, 2013, the Township entered into a ten and a half-year lease agreement with a company for the lease of the Township's Golf Course Catering, including use of its Golf Course Club House building, with an incremental borrowing rate of 3.50%. Based on this agreement, the Township is receiving payments through June 30, 2023 at \$21,666.00 a month. As required by the Local Public Contracts Law, in anticipation of the end date of this agreement, the Township did go out for formal bids and has awarded the new contract to the same company, however, at the time of the release of the audit the final agreement has not been finalized.

Office Space and Yard Leases – The Township has three leases with separate entities renting office space and outdoor yard space at its Public Works Facility building on Sharp Road.

Agreement 1 – On January 1, 2021, the Township entered into a three-year lease agreement with an entity for the lease of office space with an incremental borrowing rate of 3.55%. Based on this agreement, the Township is receiving payments through December 31, 2023 with monthly rents of \$5,231.63. The Township estimates that it will extend this lease for another three years ending December 31, 2026, with rents escalating a certain percentage each year.

Agreement 2 – On January 1, 2017, the Township entered into a ten-year lease agreement with an entity for the lease of office space with an incremental borrowing rate of 4.61%. Based on this agreement, the Township is receiving payments through December 31, 2026 with monthly rents of \$2,280.83. At the present time it is unknown if the Township will extend this lease with this entity.

Agreement 3 – On January 1, 2017, the Township entered into a ten-year lease agreement with an entity for the lease of office space and yard space with an incremental borrowing rate of 4.61%. Based on this agreement, the Township is receiving payments through December 31, 2026 with monthly rents of \$16,016.00. At the present time it is unknown if the Township will extend this lease with this entity.

Under the provisions of GASB 87, as of December 31, 2022, the total balance of the lease's receivable is \$1,169,987.19. As a result of the regulatory basis of accounting previously described in note 1, such balance is not recorded on the Statements of Assets, Liabilities, Reserves and Fund Balance – Regulatory Basis of the current fund or golf course utility operating fund.

The following is a summary of the total leases as of December 31, 2022:

<u>Lease Description</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
Golf Course Caterer	\$ 128,679.27	\$ 95,203.99	\$ 1,316.79
Office Lease #1	240,678.11	227,703.93	18,074.62
Office Lease #2	99,804.21	144,625.02	9,675.61
Office/Yard Lease #3	700,825.60	617,360.11	67,942.39
	<u>\$ 1,169,987.19</u>	<u>\$ 1,084,893.05</u>	<u>\$ 97,009.41</u>

Under the provisions of GASB 87, for the year ended December 31, 2022, the Township would have recognized a total of \$480,504.68 in a reduction of lease receivable and a total of \$60,213.42 in interest revenue related to the leases. In addition, a total of \$437,830.08 would have been recognized as both lease revenue and a reduction in deferred inflows of resources related to leases.

As a result of the regulatory basis of accounting previously described in note 1, the total rental payments collected of \$540,718.40 were reported as revenue in the current fund and golf course utility operating fund.

Note 6: FUND BALANCES APPROPRIATED

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

Current Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2022	\$ 7,369,435.80	(1)	n/a
2021	6,455,861.48	5,000,000.00	77.45%
2020	8,723,269.13	6,675,000.00	76.52%
2019	10,378,787.60	6,025,000.00	58.05%
2018	10,478,368.47	6,025,000.00	57.50%

Golf Course Utility Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2022	\$ 1,314,805.88	(1)	n/a
2021	1,179,984.44	828,000.00	70.17%
2020	763,558.38	590,227.52	77.30%
2019	457,034.79	420,000.00	91.90%
2018	185,495.20	100,000.00	53.91%

(1) At the date of the audit, the 2023 budget has not been adopted.

Note 7: PENSION PLANS

In May of 2023, the New Jersey Division of Local Government Services issued Local Finance Notice 2023-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASB 68. As of the date of this report the information for the period ended June 30, 2022 was not available, therefore the information dated June 30, 2021 is disclosed below.

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

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

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans****Plan Descriptions**

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

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

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

Vesting and Benefit Provisions

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

The following represents the membership tiers for PERS:

Tier Definition

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

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Public Employees' Retirement System (Cont'd) – 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 years or more of service credit before age 62, and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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

The following represents the membership tiers for PFRS:

Tier Definition

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

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

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

Contributions

Public Employees' Retirement System – The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 7.50% of base salary, effective July 1, 2018. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) is 10.0%. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Public Employees' Retirement System (Cont'd) – The Township's contractually required contribution rate for the year ended December 31, 2021 was 16.45% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2021, the Township's contractually required contribution to the pension plan for the year ended December 31, 2021 is \$890,990.00, and is payable by April 1, 2022. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2020, the Township's contractually required contribution to the pension plan for the year ended December 31, 2020 was \$783,618.00, which was paid on April 1, 2021.

Employee contributions to the Plan for the year ended December 31, 2021 were \$417,793.73.

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

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

The Township's contractually required contribution rate for the year ended December 31, 2021 was 33.97% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2021, the Township's contractually required contribution to the pension plan for the year ended December 31, 2021 is \$2,765,393.00, and is payable by April 1, 2022. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2020, the Township's contractually required contribution to the pension plan for the year ended December 31, 2020 was \$2,558,901.00, which was paid on April 1, 2021.

Employee contributions to the Plan for the year ended December 31, 2021 were \$823,624.45.

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Police and Firemen's Retirement System Cont'd – The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Township, for the year ended December 31, 2021 was 5.21% of the Township's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2021 the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2021 was \$423,724.00, and is payable by April 1, 2022. For the prior year measurement date of June 30, 2020, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2020 was \$353,447.00, which was paid on April 1, 2021.

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

For the year ended December 31, 2022, employee contributions totaled \$2,314.02, and the Township's contributions were \$1,703.94. There were no forfeitures during the year.

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**Public Employees' Retirement System**

Pension Liability – As of December 31, 2021, the Township's proportionate share of the PERS net pension liability was \$9,012,863.00. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. The Township's proportion of the net pension liability 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 employers, actuarially determined. For the June 30, 2021 measurement date, the Township's proportion was .0760803927%, which was an increase of .0044484246% from its proportion measured as of June 30, 2020.

Pension (Benefit) Expense – For the year ended December 31, 2021, the Township's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2021 measurement date was (\$714,179.00). This (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, the Township's contractually required contribution to the pension plan for the year ended December 31, 2021 is \$783,618.00 and was paid by April 1, 2021.

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Police and Firemen's Retirement System**

Pension Liability – As of December 31, 2021, the Township's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$ 17,343,023.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>4,877,722.00</u>
	<u>\$ 22,220,745.00</u>

Pension Liability – The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. The Township's proportion of the net pension liability 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 employers and the State of New Jersey, actuarially determined. For the June 30, 2021 measurement date, the Township's proportion was .2372781905%, which was an increase of .0082263277% from its proportion measured as of June 30, 2020. Likewise, at June 30, 2021, the State of New Jersey's proportion, on-behalf of the Township, was .2372781505%, which was an increase of .0082263277% from its proportion, on-behalf of the Township, measured as of June 30, 2020.

Pension (Benefit) Expense – For the year ended December 31, 2021, the Township's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2021 measurement date was (\$1,778,601.00). This (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, the Township's contractually required contribution to the pension plan for the year ended December 31, 2021 is \$2,558,901.00 and was paid by April 1, 2021.

For the year ended December 31, 2021, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Township, calculated by the Plan as of the June 30, 2021 measurement date, was \$543,236.00. This on-behalf (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources – As of December 31, 2021, the Township had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 142,144.00	\$ 197,863.00	\$ 340,007.00	\$ 64,522.00	\$ 2,077,515.00	\$ 2,142,037.00
Changes of Assumptions	46,939.00	92,284.00	139,223.00	3,208,638.00	5,197,625.00	8,406,263.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	2,374,225.00	7,390,427.00	9,764,652.00
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	1,406,466.00	2,385,367.00	3,791,833.00	504,856.00	528,880.00	1,033,736.00
Township Contributions Subsequent to the Measurement Date	445,495.00	1,382,697.00	1,828,192.00	-	-	-
	<u>\$ 2,041,044.00</u>	<u>\$ 4,058,211.00</u>	<u>\$ 6,099,255.00</u>	<u>\$ 6,152,241.00</u>	<u>\$ 15,194,447.00</u>	<u>\$ 21,346,688.00</u>

Deferred outflows of resources in the amounts of \$445,495.00 and \$1,382,697.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2022. These amounts were based on an estimated April 1, 2023 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2021 to the Township's year end of December 31, 2021.

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

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

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

	PERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2016	5.57	-	-	5.58
June 30, 2017	5.48	-	5.59	-
June 30, 2018	-	5.63	5.73	-
June 30, 2019	5.21	-	-	5.92
June 30, 2020	5.16	-	5.90	-
June 30, 2021	-	5.13	-	6.17
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2016	5.57	-	5.58	-
June 30, 2017	-	5.48	-	5.59
June 30, 2018	-	5.63	-	5.73
June 30, 2019	-	5.21	-	5.92
June 30, 2020	-	5.16	-	5.90
June 30, 2021	5.13	-	6.17	-
Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2017	-	5.00	-	5.00
June 30, 2018	-	5.00	-	5.00
June 30, 2019	-	5.00	-	5.00
June 30, 2020	-	5.00	-	5.00
June 30, 2021	-	5.00	-	5.00
Changes in Proportion				
Year of Pension Plan Deferral:				
June 30, 2016	5.57	5.57	5.58	5.58
June 30, 2017	5.48	5.48	5.59	5.59
June 30, 2018	5.63	5.63	5.73	5.73
June 30, 2019	5.21	5.21	5.92	5.92
June 30, 2020	5.16	5.16	5.90	5.90
June 30, 2021	5.13	5.13	6.17	6.17

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

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

Year Ending Dec 31,	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2022	\$ (1,751,168.00)	\$ (4,148,690.00)	\$ (5,899,858.00)
2023	(1,222,222.00)	(2,949,862.00)	(4,172,084.00)
2024	(985,868.00)	(2,627,033.00)	(3,612,901.00)
2025	(621,335.00)	(2,714,510.00)	(3,335,845.00)
2026	23,901.00	(67,383.00)	(43,482.00)
Thereafter	-	(11,455.00)	(11,455.00)
	<u>\$ (4,556,692.00)</u>	<u>\$ (12,518,933.00)</u>	<u>\$ (17,075,625.00)</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>	<u>PFRS</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases: ⁽¹⁾		
Through 2026	2.00% - 6.00%	
Thereafter	3.00% - 7.00%	
Through All Future Years		3.25% - 15.25%
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018	July 1, 2013 - June 30, 2018

⁽¹⁾ based on years of service

Note 7: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Public Employees' Retirement System**

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.

Police and Firemen's Retirement System

Pre-retirement mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

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

<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-US Developed Markets Equity	13.50%	8.71%
Emerging Market 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	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	<u>100.00%</u>	

Note 7: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Discount Rate –

Public Employees’ Retirement System – The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.16% as of the June 30, 2021 measurement date based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

Police and Firemen’s Retirement System – The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.16% as of June 30, 2021 measurement date based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

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

Public Employees’ Retirement System (PERS) – The following presents the Township’s proportionate share of the net pension liability as of the June 30, 2021 measurement date, calculated using a discount rate of 7.00%, 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% lower or 1% higher than the current rates used:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Township’s Proportionate Share of the Net Pension Liability	<u>\$ 12,273,692.00</u>	<u>\$ 9,012,863.00</u>	<u>\$ 6,245,588.00</u>

Note 7: PENSION PLANS (CONT'D)**Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)**

Police and Firemen's Retirement System (PFRS) – As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Township's annual required contribution. As such, the net pension liability as of the June 30, 2021 measurement date, for the Township and the State of New Jersey, calculated using a discount rate of 7.00%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Township's Proportionate Share of the Net Pension Liability	\$ 26,334,839.00	\$ 17,343,024.00	\$ 9,858,309.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	<u>7,406,668.00</u>	<u>4,877,722.00</u>	<u>2,772,647.00</u>
	<u>\$ 33,741,507.00</u>	<u>\$ 22,220,746.00</u>	<u>\$ 12,630,956.00</u>

Pension Plan Fiduciary Net Position

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

Note 7: PENSION PLANS (CONT'D)**Supplementary Pension Information**

In accordance with GASBS 68, the following information is also presented for the PERS and PFRS pension plans. 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.

Schedule of the Proportionate Share of the Net Pension Liability – Public Employees' Retirement System (PERS) (Last Nine Plan Years)

	<u>Measurement Date Ended June 30,</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net Pension Liability	0.0760803927%	0.0716319681%	0.0751731141%	0.0727878557%	0.0662567209%
Township's Proportionate Share of the Net Pension Liability	\$ 9,012,863.00	\$ 11,681,301.00	\$ 13,545,054.00	\$ 14,331,562.00	\$ 15,423,506.00
Township's Covered Payroll (Plan Measurement Period)	\$ 5,545,068.00	\$ 5,212,328.00	\$ 5,292,984.00	\$ 5,046,956.00	\$ 4,688,112.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	162.54%	224.11%	255.91%	283.96%	328.99%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.33%	58.32%	56.27%	53.60%	48.10%
	<u>Measurement Date Ended June 30,</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	
Township's Proportion of the Net Pension Liability	0.0671747165%	0.0593309119%	0.0635333228%	0.0657139632%	
Township's Proportionate Share of the Net Pension Liability	\$ 19,895,224.00	\$ 13,318,600.00	\$ 11,895,176.00	\$ 12,559,244.00	
Township's Covered Payroll (Plan Measurement Period)	\$ 4,708,052.00	\$ 4,109,132.00	\$ 4,252,212.00	\$ 4,403,740.00	
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	422.58%	324.12%	279.74%	285.19%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%	

Note 7: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of Contributions – Public Employees' Retirement System (PERS) (Last Nine Years)***

	<u>Year Ended December 31,</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Contractually Required Contribution	\$ 890,990.00	\$ 783,618.00	\$ 731,213.00	\$ 724,004.00	\$ 613,798.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(890,990.00)</u>	<u>(783,618.00)</u>	<u>(731,213.00)</u>	<u>(724,004.00)</u>	<u>(613,798.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 5,417,228.00	\$ 5,316,676.00	\$ 5,269,076.00	\$ 5,271,383.00	\$ 5,096,762.00
Township's Contributions as a Percentage of Covered Payroll	16.45%	14.74%	13.88%	13.73%	12.04%
	<u>Year Ended December 31,</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	
Township's Contractually Required Contribution	\$ 596,771.00	\$ 510,087.00	\$ 523,760.00	\$ 495,141.00	
Township's Contribution in Relation to the Contractually Required Contribution	<u>(596,771.00)</u>	<u>(510,087.00)</u>	<u>(523,760.00)</u>	<u>(495,141.00)</u>	
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Township's Covered Payroll (Calendar Year)	\$ 4,713,047.00	\$ 4,699,685.00	\$ 4,258,075.00	\$ 4,227,722.00	
Township's Contributions as a Percentage of Covered Payroll	12.66%	10.85%	12.30%	11.71%	

Note 7: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of Proportionate Share of the Net Pension Liability – Police and Firemen's Retirement System (PFRS) (Last Nine Plan Years)***

	<u>Measurement Date Ended June 30,</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net Pension Liability	0.2372781905%	0.2290518628%	0.2265135845%	0.2208666795%	0.2131265818%
Township's Proportionate Share of the Net Pension Liability	\$ 17,343,023.00	\$ 29,596,521.00	\$ 27,720,322.00	\$ 29,886,903.00	\$ 32,902,624.00
State's Proportionate Share of the Net Pension Liability associated with the Township	<u>4,877,722.00</u>	<u>4,593,245.00</u>	<u>4,377,092.00</u>	<u>4,059,641.00</u>	<u>3,685,371.00</u>
Total	<u>\$ 22,220,745.00</u>	<u>\$ 34,189,766.00</u>	<u>\$ 32,097,414.00</u>	<u>\$ 33,946,544.00</u>	<u>\$ 36,587,995.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 8,191,472.00	\$ 7,891,488.00	\$ 7,665,552.00	\$ 7,247,708.00	\$ 6,756,584.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	211.72%	375.04%	361.62%	412.36%	486.97%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.26%	63.52%	65.00%	62.48%	58.60%
	<u>Measurement Date Ended June 30,</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	
Township's Proportion of the Net Pension Liability	0.2198849928%	0.2087106709%	0.2235087647%	0.2197160737%	
Township's Proportionate Share of the Net Pension Liability	\$ 42,003,658.00	\$ 34,763,923.00	\$ 28,115,330.00	\$ 29,209,270.00	
State's Proportionate Share of the Net Pension Liability associated with the Township	<u>3,527,266.00</u>	<u>3,048,680.00</u>	<u>3,027,548.00</u>	<u>2,722,659.00</u>	
Total	<u>\$ 45,530,924.00</u>	<u>\$ 37,812,603.00</u>	<u>\$ 31,142,878.00</u>	<u>\$ 31,931,929.00</u>	
Township's Covered Payroll (Plan Measurement Period)	\$ 6,818,104.00	\$ 6,451,000.00	\$ 6,869,784.00	\$ 6,699,096.00	
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	616.06%	538.89%	409.26%	436.02%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.01%	56.31%	62.41%	58.70%	

Note 7: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of Contributions – Police and Firemen's Retirement System (PFRS) (Last Nine Years)***

	<u>Year Ended December 31,</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Contractually Required Contribution	\$ 2,765,393.00	\$ 2,558,901.00	\$ 2,288,038.00	\$ 2,159,297.00	\$ 1,886,210.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(2,765,393.00)</u>	<u>(2,558,901.00)</u>	<u>(2,288,038.00)</u>	<u>(2,159,297.00)</u>	<u>(1,886,210.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 8,140,479.00	\$ 8,064,414.00	\$ 7,863,199.00	\$ 7,634,184.00	\$ 7,208,793.00
Township's Contributions as a Percentage of Covered Payroll	33.97%	31.73%	29.10%	28.28%	26.17%
	<u>Year Ended December 31,</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	
Township's Contractually Required Contribution	\$ 1,792,812.00	\$ 1,696,506.00	\$ 1,716,702.00	\$ 1,603,000.00	
Township's Contribution in Relation to the Contractually Required Contribution	<u>(1,792,812.00)</u>	<u>(1,696,506.00)</u>	<u>(1,716,702.00)</u>	<u>(1,603,000.00)</u>	
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Township's Covered Payroll (Calendar Year)	\$ 6,796,216.00	\$ 6,692,824.00	\$ 6,451,735.00	\$ 6,761,162.00	
Township's Contributions as a Percentage of Covered Payroll	26.38%	25.35%	26.61%	23.71%	

Note 7: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***Changes in Benefit Terms

The June 30, 2021 measurement date included one change to the plan provisions. Chapter 140, P.L. 2021 reopened the Worker's Compensation Judges (WCJ) Part of PERS and transferred WCJs from the defined contribution retirement program (DCRP) and regular part of PERS into the WCJ Part of PERS.

Changes in Assumptions

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	7.00%	2017	5.00%
2020	7.00%	2016	3.98%
2019	6.28%	2015	4.90%
2018	5.66%	2014	5.39%

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	7.00%	2017	7.00%
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%

The mortality assumption was updated upon direction from the Division of Pensions and Benefits.

Police and Firemen's Retirement System (PFRS)Changes in Benefit Terms

None

Changes in Assumptions

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	7.00%	2017	6.14%
2020	7.00%	2016	5.55%
2019	6.85%	2015	5.79%
2018	6.51%	2014	6.32%

Note 7: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information (Cont'd)*****Police and Firemen's Retirement System (PFRS) (Cont'd)*****Changes in Assumptions (Cont'd)**

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	7.00%	2017	7.00%
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%

The mortality assumption was updated upon direction from the Division of Pensions and Benefits.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

A. TOWNSHIP OF EVESHAM POSTEMPLOYMENT BENEFIT PLAN

Plan Description and Benefits Provided – The Township provides postretirement health care benefits through a health plan for retirees, which includes a medical, dental, vision, and prescription plan. The Township’s plan provides a single-employer post-employment healthcare plan which covers the following retiree population:

Non-union individuals may receive \$5,000.00 payment to apply towards health benefits with a carrier of their choice. In order to receive this benefit these individuals must reach 15 years of service with the Township in the Public Employees Retirement System and have reached 62 years of age.

Civilian union members may be provided coverage upon retirement if they have saved a required amount of sick leave. Covered members must have a minimum of 20 years’ service with the Township. New Hires are not eligible for this benefit. Coverage ends upon members reaching the eligibility age for Medicare.

Employees Covered by Benefit Terms – As of December 31, 2022, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	21
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	-
Active Employees	64
	85

Total OPEB Liability

The Township’s total OPEB liability of \$3,703,305.00 was measured as of December 31, 2022 and was determined by an actuarial valuation as of this same date.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. TOWNSHIP OF EVESHAM POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Total OPEB Liability (Cont'd)**

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

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	3.72%
Retirees' Share of Benefit-Related Costs	None
Mortality	PUB 2010 General Classifications Headcount Weighted Mortality with Generational Improvements Using Scale MP-2021
Turnover	NJ State Pensions Ultimate Withdrawal Rates - Prior to Benefit Eligibility
Assumed Retirement Age	Bargained Members - Age 55 with 20 Years of Service. Non-Bargained Members - Age 62 with 15 Years of Service
Healthcare Cost Trend Rates	<u>Medical</u> : 5.30% in 2022, Reducing by .20% per Annum, Leveling at 4.50% per Annum in 2026
	<u>Drug</u> : 6.50% in 2022, reducing by .50% per Annum, Leveling at 4.50% per Annum in 2026
	<u>Medicare Advantage</u> : 4.50% per Annum
	<u>Dental and Vision</u> : 3.50% per Annum
Medical Cost Aging Factor	NJ SHBP Medical Morbidity Rates

The discount rate was based on the Bond Buyer 20 Index as of December 31, 2022.

An experience study was not performed on the actuarial assumptions used in the December 31, 2022 valuation since the Plan had insufficient data to produce a study with credible results. Mortality rates, termination rates and retirement rates were based on standard tables issued by Society of Actuaries. The actuary has used their professional judgement in applying these assumptions to this Plan.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. TOWNSHIP OF EVESHAM POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Total OPEB Liability (Cont'd)****Changes in Total OPEB Liability**

Balance at December 31, 2021		\$ 3,745,888.00
Changes for the Year:		
Service Cost	\$ 120,687.00	
Interest Cost	78,134.00	
Difference Between Expected and Actual Experience	360,480.00	
Changes in Assumptions	(454,601.00)	
Benefit Payments	<u>(147,283.00)</u>	
Net Changes		<u>(42,583.00)</u>
Balance at December 31, 2022		<u>\$ 3,703,305.00</u>

There were no changes in benefit terms.

Changes of assumptions reflect a change in the discount rate from 2.06% at December 31, 2021 to 3.72% at December 31, 2022.

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, 2022</u>		
	1.00% Decrease <u>(2.72%)</u>	Current Discount Rate <u>(3.72%)</u>	1.00% Increase <u>(4.72%)</u>
Total OPEB Liability	<u>\$ 3,973,744.00</u>	<u>\$ 3,703,305.00</u>	<u>\$ 3,480,831.00</u>

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:

	<u>December 31, 2022</u>		
	1.00% Decrease	Healthcare Cost Trend Rates	1.00% Increase
Total OPEB Liability	<u>\$ 3,521,949.00</u>	<u>\$ 3,703,305.00</u>	<u>\$ 3,899,667.00</u>

Note8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

A. TOWNSHIP OF EVESHAM POSTEMPLOYMENT BENEFIT PLAN (CONT'D)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended December 31, 2022, the Township recognized OPEB expense of \$64,070.00. As of December 31, 2022, 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>
Difference Between Expected and Actual Experience	\$ 329,245.00	\$ 800,774.00
Changes of Assumptions	<u>81,116.00</u>	<u>608,253.00</u>
	<u>\$ 410,361.00</u>	<u>\$ 1,409,027.00</u>

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

<u>Year Ending Dec 31,</u>	
2023	\$ (134,751.00)
2024	(134,751.00)
2025	(134,751.00)
2026	(134,751.00)
2027	(134,751.00)
Thereafter	<u>(324,911.00)</u>
	<u>\$ (998,666.00)</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.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. TOWNSHIP OF EVESHAM POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Supplementary OPEB Information (Cont'd)*****Schedule of Changes in the Township's Total OPEB Liability and Related Ratios (Last Five Years)***

	Plan Measurement Date December 31,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service Cost	\$ 120,687.00	\$ 107,656.00	\$ 107,656.00	\$ 170,066.00	\$ 170,066.00
Interest Cost	78,134.00	83,899.00	132,700.00	189,758.00	181,026.00
Difference Between Expected and Actual Experience	360,480.00	-	(1,136,108.00)	-	-
Changes in Assumptions	(454,601.00)	(245,498.00)	100,593.00	16,266.00	-
Benefit Payments	(147,283.00)	(100,019.00)	(80,808.00)	(116,883.00)	(159,391.00)
Net Change in Total OPEB Liability	(42,583.00)	(153,962.00)	(875,967.00)	259,207.00	191,701.00
Total OPEB Liability - Beginning of Year	3,745,888.00	3,899,850.00	4,775,817.00	4,516,610.00	4,324,909.00
Total OPEB Liability - End of Year	<u>\$ 3,703,305.00</u>	<u>\$ 3,745,888.00</u>	<u>\$ 3,899,850.00</u>	<u>\$ 4,775,817.00</u>	<u>\$ 4,516,610.00</u>
Covered-Employee Payroll	\$ 3,858,000.00	\$ 6,015,000.00	\$ 5,712,000.00	\$ 5,120,000.00	\$ 4,533,000.00
Total OPEB Liability as a Percentage of Covered Payroll	95.99%	62.28%	68.27%	93.28%	99.64%

Other Notes to Supplementary OPEB Information**Changes in Benefit Terms**

None

Changes in Assumptions

The discount rate used as of the December 31 measurement dates are as follows:

2022 – 3.72%
2021 – 2.06%
2020 – 2.12%
2019 – 2.74%
2018 – 4.10%

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**B. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN**

In May of 2023, the New Jersey Division of Local Government Services issued Local Finance Notice 2023-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASB 75. As of the date of this report the information for the period ended June 30, 2022 was not available, therefore the information dated June 30, 2021 is disclosed below.

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

Plan Description and Benefits Provided – In addition to the Township's own Single Employer OPEB Plan previously described, the State of New Jersey (the "State") provides the following benefits to certain Township retirees and their dependents under a special funding situation as described below.

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

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.

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.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**B. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****General Information about the State Health Benefit Local Government Retired Employees Plan (Cont'd)**

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

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

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

The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the Township, is not known; however, under the special funding situation, the State's OPEB (benefit) expense, on-behalf of the Township, is (\$3,519,561.00) for the year ended December 31, 2021, representing (43.24%) of the Township's covered payroll.

OPEB Liability

At December 31, 2021, the State's proportionate share of the net OPEB liability associated with the Township was \$25,793,060.00. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021.

The State's proportion of the net OPEB liability, associated with the Township, was based on the ratio of the Plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2020 through June 30, 2021. For the June 30, 2021 measurement date, the State's proportion on-behalf of the Township was .667979%, which was an increase of .210706% from its proportion measured as of the June 30, 2020 measurement date.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**B. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****Actuarial Assumptions**

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021, used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases *	
PFRS:	
Rate for all Future Years	3.25% to 15.25%

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

PFRS mortality rates were based on Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021.

Actuarial assumptions used in the valuation were based on the results of the PFRS experience study prepared for July 1, 2013 to June 30, 2018.

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

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

Discount Rate – The discount rate used to measure the OPEB liability at June 30, 2021 was 2.16%. 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.

The health care trend assumptions used is as follows:

Fiscal Year Ending	Annual Rate of Increase			
	Medical Trend			Prescription Drug Trend
	Pre-65	PPO Post-65	HMP Post-65	
2021	5.65%	13.08%	13.76%	6.75%
2022	5.55%	3.34%	3.22%	6.50%
2023	5.45%	0.52%	0.17%	6.25%
2024	5.35%	7.56%	7.79%	6.00%
2025	5.20%	14.43%	15.23%	5.50%
2026	5.00%	12.55%	13.19%	5.00%
2027	4.75%	8.95%	9.29%	4.75%
2028	4.50%	5.92%	6.04%	4.50%
2029	4.50%	5.38%	5.46%	4.50%
2030	4.50%	4.86%	4.89%	4.50%
2031	4.50%	4.55%	4.56%	4.50%
2032 and Later	4.50%	4.50%	4.50%	4.50%

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

B. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)

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

The net OPEB liability, calculated using a discount rate of 2.16%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	1% Decrease <u>(1.16%)</u>	Current Discount Rate <u>(2.16%)</u>	1% Increase <u>(3.16%)</u>
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	<u>\$ 30,353,484.00</u>	<u>\$ 25,793,060.00</u>	<u>\$ 22,178,826.00</u>

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

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

	1% Decrease <u> </u>	Healthcare Cost Trend Rate <u> </u>	1% Increase <u> </u>
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	<u>\$ 21,520,099.00</u>	<u>\$ 25,793,060.00</u>	<u>\$ 31,368,745.00</u>

OPEB Plan Fiduciary Net Position

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

Supplementary OPEB Information

In accordance with GASBS No. 75, the following information is also presented for the State Health Benefits Local Government Retired Employees 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.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**B. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****Supplementary OPEB Information (Cont'd)****Schedule of the State's Proportionate Share of the Net OPEB Liability Associated with the Township (Last Five Plan Years)**

	Measurement Date Ended June 30,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability Associated with the Township	100.00%	100.00%	100.00%	100.00%	100.00%
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Township's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Township	25,793,060.00	24,977,637.00	20,299,753.00	22,823,012.00	31,051,694.00
Total	<u>\$ 25,793,060.00</u>	<u>\$ 24,977,637.00</u>	<u>\$ 20,299,753.00</u>	<u>\$ 22,823,012.00</u>	<u>\$ 31,051,694.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 8,167,253.00	\$ 8,007,434.00	\$ 7,747,171.00	\$ 7,395,325.00	\$ 7,063,953.00
Township's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	315.81%	311.93%	262.03%	308.61%	439.58%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.28%	0.91%	1.98%	1.97%	1.03%

Other Notes to Supplementary OPEB Information

Changes in Benefit Terms – The actuarial valuation as of June 30, 2020 included changes due to employers adopting and/or changing Chapter 48 provisions.

Changes in Assumptions – The discount rate used as of the June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	2.16%	2018	3.87%
2020	2.21%	2017	3.58%
2019	3.50%		

The expected investment rate of return is based on guidance provided by the State. These expected rates of return are the same as the discount rates listed above.

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included changes in the trend and updated mortality improvement assumptions.

In October 2021, the Society of Actuaries (SOA) released an updated set of life expectancy mortality improvement assumptions, Scale MP-2021. The MP-2021 scale reflects more recent mortality data for the U.S. population.

Note 9: COMPENSATED ABSENCES

Township employees are granted vacation and sick leave in varying amounts under the Township's personnel policies.

Upon termination, an employee in good standing may take the unused portion of their annual vacation leave or may request payment for the same at their current rate of pay. An employee who terminates Township employment before they have been employed for a continuous period of six months shall not be entitled to such payment. No payment for unused vacation leave will be made to any employee who is dismissed.

Upon termination, and for employees retiring with fewer than fifteen (15) years of service, the Township will reimburse a non-union employee for ½ of their accrued sick leave, with a limit of 60 days. Non-union employees who retire with 15 – 24 years of service will be paid for 50% of all unused sick leave. Non-union employees who retire with 25 or more years of service will be paid for 75% of all unused sick leave. No payment for unused sick leave will be made for employees who are dismissed.

Upon termination, the Township will reimburse union employees for unused sick leave in accordance with the various union contracts.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2022, accrued benefits for compensated absences are valued at \$1,989,835.03. The Township has established a Compensated Absences Trust Fund to set aside funds for future payments of compensated absences. At December 31, 2022, the balance of the fund was \$105,051.39.

Note 10: DEFERRED COMPENSATION SALARY ACCOUNT

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

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

Note 11: SANITARY LANDFILL ESCROW CLOSURE FUND

The Township previously operated a municipal landfill located in the Township. The Sanitary Landfill Facility Closure and Contingency Fund Act of 1981 was enacted to provide funding, during the life of the landfill, of costs associated with the closure of sanitary landfills. The Act requires the owner or operator of every sanitary landfill to establish an escrow account for closure and deposit, on a monthly basis, an amount equal to \$1.00 per ton of solid waste accepted for disposal. No withdrawals may be made from the fund without written approval from the State Department of Environmental Protection and Energy.

Under the provisions of N.J.S.A.13:1E-1 et seq., known as the Solid Waste Management Act, approval was granted on November 2, 1995 by the State of New Jersey, Department of Environmental Protection (NJDEP) for a closure and post closure plan. On February 24, 2000, the NJDEP accepted the Township's As-Built Documents for the closure of the landfill as complete.

The Township presently holds funds in escrow in accordance with the post closure financial plan approved by the NJDEP on November 2, 1995.

Note 12: FINANCED PURCHASE OBLIGATIONS

The Township had the following financed purchase obligations as of the year ended December 31, 2022 related to the current fund:

Parking Lot - The parking lot is on an adjacent property next to the Municipal Building and has a total cost of \$684,402.68. The agreement is for a term of eleven (11) years with an implied interest rate of 1.00% based on the Township's estimated incremental borrowing rate, and annual payments range from \$12,000.00 to \$84,000.00, per year. The final maturity of the financed purchase obligation is August 1, 2031, at which time the Township intends to purchase the parking lot for \$1.00 from the lessor.

The following is an analysis of the financed purchase obligation liability:

<u>Description</u>	<u>Balance at December 31,</u>	
	<u>2022</u>	<u>2021</u>
Parking Lot	<u>\$ 667,126.71</u>	<u>\$ 672,402.68</u>

The following schedule represents the remaining future minimum payments under the financed purchase obligation, and the present value of the net minimum payments as of December 31, 2022:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 65,328.73	\$ 6,671.27	\$ 72,000.00
2024	65,982.02	6,017.98	72,000.00
2025	66,641.84	5,358.16	72,000.00
2026	73,308.26	4,691.74	78,000.00
2027	74,041.34	3,958.66	78,000.00
2028-2032	<u>321,824.52</u>	<u>8,175.49</u>	<u>330,000.01</u>
Total	<u>\$ 667,126.71</u>	<u>\$ 34,873.30</u>	<u>\$ 702,000.01</u>

Under the provisions of GASB 87, for the year ended December 31, 2022, the Township would have reported an asset in the amount of \$684,402.68 and a financed purchase obligation in the amount of \$667,126.71. In addition, for the year ended December 31, 2022, the Township would have recognized a reduction of the financed purchase obligation of \$5,275.97 and interest expense of \$6,724.03.

As a result of the regulatory basis of accounting previously described in note 1, the above noted cost of the asset, along with the financed purchase obligation liability, have not been recorded on the Statements of Assets, Liabilities, Reserves and Fund Balance – Regulatory Basis of the current fund, instead, the annual payment of the financed purchase obligation of \$12,000.00 were budgeted and paid from the current fund.

Note 13: LEASE LIABILITY AND LEASE ASSET

The Township, as lessee, has entered into the following leases which meet the requirements of GASB 87:

Postage Machine - The Township is leasing a postage machine with a total lease liability of \$11,674.36. The lease began on January 1, 2019 for a term of five years. The implied interest rate is based on the Township's estimated incremental borrowing rate of 3.00%. The lease is not expected to be renewed at the expiration of the lease agreement. Based on this lease, the Township is making payments which are due at the beginning of each month, through December 31, 2023. The Township paid \$2,511.00 of lease payments during the year ended December 31, 2022 which were budgeted and paid from the current fund.

Copiers - The Township has three separate lease agreements for copiers as detailed below:

Copier Lease #1 - The Township is leasing eight (8) Ricoh copiers for use in various departments within the Township with a total lease liability of \$72,313.98. The lease began on July 1, 2021 for a term of four years. The implied interest rate is based on the Township's estimated incremental borrowing rate of 1.00%. The lease is not expected to be renewed at the expiration of the lease agreement. Based on this lease, the Township is making payments which are due at the beginning of each month, through June 30, 2025. The Township paid \$18,434.64 of lease payments during the year ended December 31, 2022 which were budgeted and paid from the current fund.

Copier Lease #2 - The Township is leasing one (1) Ricoh copier for a specific department within the Township with a total lease liability of \$5,250.62. The lease began on April 1, 2022 for a term of four years. The implied interest rate is based on the Township's estimated incremental borrowing rate of 4.00%. The lease is not expected to be renewed at the expiration of the lease agreement. Based on this lease, the Township is making payments which are due at the beginning of each month, through March 31, 2026. The Township paid \$1,063.44 of lease payments during the year ended December 31, 2022 which were budgeted and paid from the current fund.

Copier Lease #3 - The Township is leasing one additional (1) Ricoh copier for a specific department within the Township with a total lease liability of \$5,250.62. The lease began on April 1, 2022 for a term of four years. The implied interest rate is based on the Township's estimated incremental borrowing rate of 4.00%. The lease is not expected to be renewed at the expiration of the lease agreement. Based on this lease, the Township is making payments which are due at the beginning of each month, through March 31, 2026. The Township paid \$1,063.44 of lease payments during the year ended December 31, 2022 which were budgeted and paid from the current fund.

Under the provisions of GASB 87, as of December 31, 2022, the total balance of the lease liability is \$56,596.31, and the total balance of the related right to use leased assets are \$56,063.48. The leases are summarized as follows:

<u>Description</u>	<u>Balance at December 31,</u>			
	<u>2022</u>		<u>2021</u>	
	<u>Lease Liability</u>	<u>Lease Asset</u>	<u>Lease Liability</u>	<u>Lease Asset</u>
Postage Machine	\$ 2,470.65	\$ 2,335.00	\$ 4,868.39	\$ 4,669.84
8 Copiers	45,496.58	45,196.26	63,379.25	63,274.74
1 Copier	4,314.54	4,266.11	-	-
1 Copier	4,314.54	4,266.11	-	-
	<u>\$ 56,596.31</u>	<u>56,063.48</u>	<u>\$ 68,247.64</u>	<u>67,944.58</u>

As a result of the regulatory basis of accounting previously described in note 1, the Township has not reported a lease liability or right to use leased assets in the current fund or golf course utility fund.

Note 13: LEASE LIABILITY AND LEASE ASSET (CONT'D)

Under the provision of GASB 87, annual requirements to amortize the total lease obligations and related interest are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 23,069.80	\$ 711.67	\$ 23,781.47
2024	20,883.97	386.51	21,270.48
2025	11,938.26	114.90	12,053.16
2026	<u>704.28</u>	<u>4.68</u>	<u>708.96</u>
Total	<u>\$ 56,596.31</u>	<u>\$ 1,217.76</u>	<u>\$ 57,814.07</u>

Under the provision of GASB 87, for the year ended December 31, 2022, the Township would have recognized \$22,152.57 in amortization of total lease liability and \$919.95 in total interest on leases.

As a result of the regulatory basis of accounting previously described in note 1, for the year ended December 31, 2022, rental payments of \$23,072.52 were budgeted and paid from the current fund and golf course utility operating fund.

Note 14: CAPITAL DEBT**General Improvement Bonds**

General Obligation Bonds, Series 2010 - On July 27, 2010, the Township issued \$2,570,000.00 of General Obligation Bonds, with interest rates ranging from 2.0% to 3.5%. The purpose of the bonds is to fund various capital improvements. The final maturity of the bonds is February 15, 2025.

General Obligation Bonds, Series 2014 - On October 2, 2014, the Township issued \$12,085,000.00 of General Obligation Bonds, with interest rates ranging from 2.5% to 4.0%. The purpose of the bonds was to fund the various capital improvements. The final maturity of the bonds is June 1, 2031.

General Obligation Bonds, Series 2016 - On May 17, 2016, the Township issued \$5,375,000.00 of General Obligation Bonds, with interest rates ranging from 2.0% to 4.0%. The purpose of the bonds was to fund the open space improvements. The final maturity of the bonds is May 1, 2031.

Open Space Bonds, Series 2016 - On May 17, 2016, the Township issued \$4,490,000.00 of Open Space Bonds, with interest rates ranging from 2.0% to 4.0%. The purpose of the bonds was to fund the various open space improvements. The final maturity of the bonds is May 1, 2031.

General Obligation Bonds, Series 2017 - On May 15, 2017, the Township issued \$12,070,000.00 of General Obligation Bonds, with interest rates ranging from 3.0% to 5.0%. The purpose of the bonds was to fund the various capital and open space improvements. The final maturity of the bonds is February 1, 2033.

General Obligation Bonds (Tax-Exempt), Series 2020 - On May 5, 2020, the Township issued \$9,224,000.00 of Tax-Exempt General Obligation Bonds, with interest rates ranging from 1.25% to 4.00%. The purpose of the bonds was to fund the various capital and open space improvements. The final maturity of the bonds is May 1, 2036.

General Obligation Bonds (Taxable), Series 2020 - On May 5, 2020, the Township issued \$6,135,000.00 of Taxable General Obligation Bonds, with interest rates ranging from 2.10% to 4.00%. The purpose of the bonds was to fund the various capital improvements. The final maturity of the bonds is May 1, 2040.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 2,815,000.00	\$ 1,156,463.76	\$ 3,971,463.76
2024	3,135,000.00	1,032,058.76	4,167,058.76
2025	3,250,000.00	904,273.76	4,154,273.76
2026	3,170,000.00	780,230.01	3,950,230.01
2027	3,260,000.00	665,523.76	3,925,523.76
2028-2032	15,705,000.00	1,853,323.80	17,558,323.80
2033-2037	5,290,000.00	411,274.38	5,701,274.38
2038-2040	1,005,000.00	45,643.75	1,050,643.75
Totals	<u>\$ 37,630,000.00</u>	<u>\$ 6,848,791.98</u>	<u>\$ 44,478,791.98</u>

Note 14: CAPITAL DEBT (CONT'D)**General Debt - Loans Payable**

On February 28, 2013, the Township entered into a loan agreement with the Burlington County Bridge Commission to provide \$3,735,000.00 at 5.0% interest. The proceeds were used to refund prior year debt issues. The final maturity of the loan is December 1, 2023.

On March 28, 2017, the Township entered into a loan agreement with the Burlington County Bridge Commission to provide \$2,858,000.00 with interest rates ranging from 3.0% to 4.0%. The proceeds were used to refund prior year debt issues. The final maturity of the loan is August 15, 2023.

On March 28, 2017, the Township entered into a loan agreement with the Burlington County Bridge Commission to provide \$2,674,000.00 with interest rates ranging from 3.0% to 4.0%. The proceeds were used to refund prior year debt issues. The final maturity of the loan is August 15, 2025.

On December 14, 2021, the Township entered into a loan agreement with the New Jersey Department of Environmental Protection Agency to provide \$1,502,560.00 with an interest rate of 2.0%. The proceeds were used to finance the restoration Union Mill Dam. The final maturity of the loans is September 19, 2041.

The following schedule represents the remaining debt service, through maturity of the loans:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,405,336.68	\$ 125,187.29	\$ 1,530,523.97
2024	530,629.85	65,804.12	596,433.97
2025	551,949.02	45,884.96	597,833.98
2026	68,294.69	25,139.29	93,433.98
2027	69,667.41	23,766.56	93,433.97
2028-2032	369,913.26	97,256.60	467,169.86
2033-2037	408,614.36	58,555.50	467,169.86
2038-2041	357,463.84	16,272.56	373,736.40
Totals	<u>\$ 3,761,869.11</u>	<u>\$ 457,866.88</u>	<u>\$ 4,219,735.99</u>

Golf Course Utility Debt - Improvement Bonds

General Obligation Refunding Bonds, Series 2013 - On February 28, 2013, the Township issued \$2,370,000.00 of General Obligation Refunding Bonds with interest an interest rate of 3.18%, to advance refund \$1,760,000.00 General Obligation Refunding Bonds Series 2004 and \$360,000.00 in General Obligation Refunding Bonds Series 2011. The final maturity of the bonds is August 15, 2024.

General Obligation Refunding Bonds, Series 2014 - On June 4, 2014, the Township issued \$3,735,000.00 of General Obligation Refunding Bonds, with an interest rate of 2.365% to advance refund \$3,620,000.00 of General Obligation Refunding Bonds, Series 2004. The final maturity of the bonds is August 15, 2024.

General Obligation Bonds, Series 2014 - On October 2, 2014, the Township issued \$450,000.00 of General Obligation Bonds, with interest rates ranging from 2.5% to 4.0%. The purpose of the bonds was to fund various improvements to the golf course. The final maturity of the bonds is June 1, 2025.

Note 14: CAPITAL DEBT (CONT'D)**Golf Course Utility Debt - Improvement Bonds (Cont'd)**

General Obligation Bonds, Series 2017 - On May 15, 2017, the Township issued \$355,000.00 of General Obligation Bonds, with interest rates ranging from 3.0% to 5.0%. The purpose of the bonds was to fund various improvements to the golf course. The final maturity of the bonds is February 1, 2028.

General Obligation Bonds (Tax-Exempt), Series 2020 - On May 5, 2020, the Township issued \$606,000.00 of Tax-Exempt General Obligation Bonds, with interest rates ranging from 2.00% to 4.00%. The purpose of the bonds was to fund the various golf course improvements. The final maturity of the bonds is May 1, 2035.

General Obligation Bonds (Taxable), Series 2020 - On May 5, 2020, the Township issued \$1,645,000.00 of Taxable General Obligation Bonds, with interest rates ranging from 2.10% to 4.00%. The purpose of the bonds was to fund the various golf course improvements. The final maturity of the bonds is May 1, 2034.

The following schedule represents the remaining debt service, through maturity, for the golf course utility improvement bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 735,000.00	\$ 101,416.76	\$ 836,416.76
2024	770,000.00	78,694.50	848,694.50
2025	255,000.00	54,730.00	309,730.00
2026	210,000.00	45,417.50	255,417.50
2027	215,000.00	36,742.50	251,742.50
2028-2032	915,000.00	101,242.50	1,016,242.50
2033-2035	385,000.00	11,356.27	396,356.27
Totals	<u>\$ 3,485,000.00</u>	<u>\$ 429,600.03</u>	<u>\$ 3,914,600.03</u>

Golf Course Debt - Loans Payable

On March 28, 2017, the Township entered into a loan agreement with the Burlington County Bridge Commission to provide \$131,000.00 at 4.0% interest. The proceeds were used to refund prior debt issued. The final maturity of the loan is August 15, 2026.

The following schedule represents the remaining debt service, through maturity, for the loans:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 19,000.00	\$ 3,160.00	\$ 22,160.00
2024	20,000.00	2,400.00	22,400.00
2025	19,000.00	1,600.00	20,600.00
2026	21,000.00	620.00	21,620.00
Totals	<u>\$ 79,000.00</u>	<u>\$ 7,780.00</u>	<u>\$ 86,780.00</u>

Note 14: CAPITAL DEBT (CONT'D)

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

	<u>2021</u>	<u>2021</u>	<u>2020</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 56,786,869.11	\$ 55,581,060.50	\$ 48,277,554.84
Golf Course Utility			
Bonds, Loans and Notes	4,064,000.00	4,297,000.00	5,000,000.00
Total Issued	<u>60,850,869.11</u>	<u>59,878,060.50</u>	<u>53,277,554.84</u>
<u>Authorized but not Issued</u>			
General:			
Bonds, Loans and Notes	1,584,040.44	2,676,480.44	3,840,040.44
Golf Course Utility			
Bonds, Loans and Notes	866,357.90	1,036,155.59	657,055.59
Total Authorized but not Issued	<u>2,450,398.34</u>	<u>3,712,636.03</u>	<u>4,497,096.03</u>
Total Issued and Authorized but not Issued	<u>63,301,267.45</u>	<u>63,590,696.53</u>	<u>57,774,650.87</u>
<u>Deductions</u>			
Golf Course Utility:			
Self-Liquidating	4,930,357.90	5,333,155.59	5,657,055.59
Total Deductions	<u>4,930,357.90</u>	<u>5,333,155.59</u>	<u>5,657,055.59</u>
Net Debt	<u>\$ 58,370,909.55</u>	<u>\$ 58,257,540.94</u>	<u>\$ 52,117,595.28</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of .973%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Purposes	\$ -	\$ -	\$ -
Regional School Purposes	97,078,000.00	97,078,000.00	
Self-Liquidating	4,930,357.90	4,930,357.90	
General	58,370,909.55		58,370,909.55
	<u>\$ 160,379,267.45</u>	<u>\$ 102,008,357.90</u>	<u>\$ 58,370,909.55</u>

Net debt \$58,370,909.55 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$5,998,408,966.67, equals .973%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 209,944,313.83
Less: Net Debt	<u>58,370,909.55</u>
Remaining Borrowing Power	<u>\$ 151,573,404.28</u>

Note 14: CAPITAL DEBT (CONT'D)**Calculation of "Self-Liquidating Purpose,"
Golf Course Utility Per N.J.S.A. 40:2-45**

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year		\$ 3,945,556.78
Deductions:		
Operating and Maintenance Costs	\$ 1,463,290.00	
Debt Service	858,526.79	
Total Deductions		2,321,816.79
Excess in Revenue		\$ 1,623,739.99

Note 15: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2022:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 3,851.94	
Trust - Animal Control		\$ 659.46
Trust - Other		3,192.48
Totals	\$ 3,851.94	\$ 3,851.94

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2023, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 16: ARBITRAGE REBATE

The Tax Reform Act of 1986 placed restriction on investments of the proceeds of certain tax-exempt bonds issued after December 31, 1986. Specifically, investment earnings which are above arbitrage bond yield are required to be rebated to the United States Treasury Department within sixty days of the end of the fifth bond year. A bond year is defined, at the option of the issuing entity, as either the date of the first anniversary of bond settlement or the issuing entity's year end.

The Township has the following bond issues outstanding that require a rebate calculation:

<u>Issue Date</u>	<u>Settlement Date</u>	<u>Amount</u>	<u>Liability</u>
10/24/14	10/02/14	\$ 12,535,000.00	(1)
05/07/16	05/17/16	9,865,000.00	(1)
05/15/17	05/15/17	12,425,000.00	(1)
04/21/20	05/05/20	17,610,000.00	(1)

- (1) The rebate calculations on these bonds are required to be made at least once every five years. However, the Township has not prepared the rebate calculation for purposes of determining any contingent liability for rebate. It is anticipated that when such calculation is made, the liability, if any, will be appropriated in that year's general budget.

Note 17: SCHOOL TAXES

Lenape Regional High School tax has been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the current fund liabilities as follows:

	<u>Balance December 31,</u>	
	<u>2022</u>	<u>2021</u>
Balance of Tax	\$ 19,957,250.67	\$ 19,437,860.19
Deferred	<u>15,917,794.50</u>	<u>15,917,794.50</u>
Taxes Payable	<u>\$ 4,039,456.17</u>	<u>\$ 3,520,065.69</u>

Note 18: 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 - On January 1, 2013, the Township was granted approval from the State to switch the funding of its New Jersey Unemployment Compensation Insurance from the Benefit Reimbursement Method to the Contributory Method. Under this plan, the Township remits quarterly contributions to the Unemployment Compensation Fund under a consolidated rate established annually by all governmental contributory members.

Note 19: DEBT SERVICE AGREEMENT (FINANCIAL GUARANTEE)

On August 18, 2010, the Township entered into a debt service agreement to guarantee a NJEIT loan issuance of \$879,453.13 for the Marlton Civics Association. The loan matures annually through September 13, 2031, with semiannual interest payments. In the event that the Association is unable to make a payment, the Township is required to make that payment. The balance of the Loan at December 31, 2022 is \$458,048.69.

Note 20: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST

On November 3, 1999, November 2, 2000, and November 2, 2021, pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of the Township authorized the establishment of the Township of Evesham Open Space, Recreation and Farmland Preservation Trust Fund effective January 1, 2000, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. Overall, as a result of the three referendums, the Township levies a tax not to exceed six cents per one hundred dollars of equalized 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. All revenue received is accounted for in a trust fund dedicated by rider (N.J.S.A. 40A:4-39) for the purposed stated. Interest earned on the investment of these funds is credited to the Township of Evesham Open Space, Recreation and Farmland Preservation Trust Funds.

Note 21: CONTINGENCIES

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

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

Note 22: 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.

Note 23: SUBSEQUENT EVENTS**Leases**

On February 1, 2023, the Township entered into a four-year lease for seventy-five (75) golf carts. Yearly lease payments are \$73,395.00 and the lease term will expire on December 1, 2026.

On March 1, 2023, the Township entered into a four-year lease for four (4) Ricoh copiers. Yearly lease payments are \$12,950.28 and the lease term will expire on February 28, 2027.

APPENDIX C

FORMS OF BOND COUNSEL OPINION



September 19, 2023

Mayor and Township Council
of the Township of Evesham
984 Tuckerton Road
Marlton, New Jersey

**RE: \$14,191,000 TOWNSHIP OF EVESHAM, COUNTY OF BURLINGTON,
NEW JERSEY, GENERAL OBLIGATION BONDS, SERIES 2023**

Mayor and Township Council Members:

We have served as Bond Counsel to the Township of Evesham, County of Burlington, New Jersey ("Township") in connection with the authorization, issuance, sale and delivery of the above-referenced obligations ("Bonds"). The Bonds consist of: (i) \$11,823,500 aggregate principal amount of General Capital Bonds; and (ii) \$2,367,500 aggregate principal amount of Open Space Bonds.

The Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, constituting Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) the bond ordinances set forth in the Resolution (hereinafter defined), each duly and finally adopted by the Township Council and published in accordance with applicable law (collectively, the "Bond Ordinances"); (iii) a resolution adopted by the Township Council on August 9, 2023 ("Resolution"); and (iv) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on September 7, 2023 ("Award Certificate").

The Bonds are dated their date of delivery, mature on September 15 in each of the years and in the respective principal amounts set opposite each such year in the table below and bear interest at the interest rates per annum below, payable semi-annually on March 15 and September 15, commencing March 15, 2024, in each year until maturity or earlier redemption.

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2024	\$536,000	%	2034	\$995,000	%
2025	555,000		2035	1,000,000	
2026	695,000		2036	1,015,000	
2027	690,000		2037	1,035,000	
2028	740,000		2038	1,040,000	
2029	760,000		2039	1,050,000	
2030	790,000		2040	150,000	
2031	820,000		2041	155,000	
2032	955,000		2042	160,000	
2033	890,000		2043	160,000	

COUNSEL WHEN IT MATTERS.SM



The Bonds are issued in fully registered book-entry-only form without coupons, and are subject to redemption prior to their stated maturity dates.

The Bonds are being issued to provide funds which will be used to: (i) permanently finance the costs of various capital improvements and the acquisition of various capital equipment by the repayment, at maturity, of a portion of the principal of certain bond anticipation notes heretofore issued by the Township; (ii) permanently finance the costs of various capital improvements and the acquisition of various capital equipment, for which obligations have been authorized, but not issued; and (iii) pay certain costs and expenses incidental to the issuance and delivery of the Bonds.

As the basis for the opinion set forth below, we have examined such matters of law as we have deemed necessary including, *inter alia*, the Constitution of the State of New Jersey, the Internal Revenue Code of 1986, as amended ("Code"), and the Local Bond Law. We have also examined such documents, certifications and instruments as we have deemed necessary including, without limitation, the Bond Ordinances, the Resolution, the Award Certificate, the representations and covenants of the Township given pursuant to the Code as set forth in the Certificate as to Nonarbitrage and Other Tax Matters ("Nonarbitrage Certificate"), and the other certifications, opinions and instruments listed in the closing agenda prepared in connection with the settlement for the Bonds.

In rendering the following opinion, we have relied upon the authenticity, truthfulness and completeness of all documents, instruments and certifications examined including, without limiting the generality of the foregoing, the Nonarbitrage Certificate.

Based upon and subject to the foregoing, we are of the following opinion:

1. The Bonds are legal, valid and binding obligations of the Township enforceable in accordance with the terms thereof, except to the extent that enforcement thereof may be limited by bankruptcy, insolvency or other laws or equitable principles affecting the enforcement of creditors' rights generally ("Creditors' Rights Limitations").

2. For the payment of principal of and interest on the Bonds, the Township has the power and is obligated, to the extent payment is not otherwise provided, to levy *ad valorem* taxes upon all taxable real property within the Township without limitation as to rate or amount, except to the extent that enforcement thereof may be affected by Creditors' Rights Limitations.

3. Interest on the Bonds is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Code and will not constitute a tax preference item for purposes of the alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on such corporations.

Section 884 of the Code imposes on certain foreign corporations a branch profits tax equal to thirty percent (30%) of the "dividend equivalent amount" for the taxable year. Interest on the



Bonds received or accrued by a foreign corporation subject to the branch profits tax may be included in computing the "dividend equivalent amount" of such corporation.

In addition, passive investment income, including interest on the Bonds, may be subject to federal income taxation under Section 1375 of the Code for any S corporation that has Subchapter C earnings and profits at the close of the taxable year if more than twenty-five percent (25%) of the gross receipts of such S corporation is passive investment income.

In rendering this opinion, we have assumed continuing compliance by the Township with the applicable requirements of the Code, including requirements relating to, *inter alia*, the use and investment of proceeds of the Bonds and rebate to the United States Treasury of specified arbitrage earnings, if any, under Section 148(f) of the Code. Failure of the Township to comply with such covenants could result in the interest on the Bonds being subject to federal income tax from the date of issue. We have not undertaken to monitor compliance with such covenants or to advise any party as to changes in the law after the date hereof that may affect the tax-exempt status of the interest on the Bonds.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers including, without limitation, certain holders of an interest in a financial asset securitization investment trust, property and casualty insurance companies, controlled foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, individuals who otherwise qualify for the earned income credit, and to individuals and families that qualify for a premium assistance credit amount under Section 36B of the Code. The Code denies the earned income credit to an individual who is otherwise eligible if the aggregate amount of disqualified income of the taxpayer for the taxable year exceeds certain limits set forth in Sections 32(i) and (j) of the Code. Interest on the Bonds will constitute disqualified income for this purpose. The Code also provides that the earned income credit is phased out if the modified adjusted gross income of the taxpayer exceeds certain amounts. Interest on the Bonds is included in determining the modified adjusted gross income of the taxpayer. Section 36B of the Code provides that the amount of the premium assistance credit amount is in part determined by household income. Section 36B(d) of the Code provides that household income consists of the "modified adjusted gross income" of the taxpayer and certain other individuals. "Modified adjusted gross income" means adjusted gross income increased by certain amounts, including interest received or accrued by the taxpayer which is exempt from tax, such as the interest on the Bonds.

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code. The Township has **not** designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Owners of the Bonds should consult their own tax advisers as to the applicability and effect on their federal income taxes of the alternative minimum tax, the branch profits tax and the tax on



passive investment income of S corporations, as well as the applicability and effect of any other collateral federal income tax consequences.

4. Interest on the Bonds and any gain from the sale thereof are not included in the gross income of the owners thereof under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof.

We express no opinion as to any matter not set forth in the numbered paragraphs above including, without limitation, any financial or other information which has been or may be supplied to purchasers of the Bonds.

The opinions expressed in the numbered paragraphs 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 any changes in law or fact subsequent to the date hereof.

This is only an opinion letter and not a warranty or guaranty of the matters discussed above.

This letter is being provided solely for the benefit of the Township and may not be relied upon by any other person, party, firm or organization without our prior written consent.

Very truly yours,



September 19, 2023

Mayor and Township Council
of the Township of Evesham
984 Tuckerton Road
Marlton, New Jersey

RE: \$6,377,407 TOWNSHIP OF EVESHAM, COUNTY OF BURLINGTON, NEW JERSEY, BOND ANTICIPATION NOTES OF 2023, SERIES A

Mayor and Township Council Members:

We have served as Bond Counsel to the Township of Evesham, County of Burlington, New Jersey ("Township"), in connection with the authorization, issuance, sale and delivery of the above-referenced obligations ("Notes"). The Notes consist of: (i) \$3,877,407 aggregate principal amount of General Capital Notes; (ii) \$1,000,000 aggregate principal amount of Open Space Notes; and (iii) \$1,500,000 aggregate principal amount of Golf Utility Notes.

The Notes are issued pursuant to and in accordance with: (i) the Local Bond Law, constituting Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) bond ordinances 19-03-21, 28-07-21, 13-06-22, 14-08-23, 15-08-23, and 16-08-23, each duly and finally adopted by the Township Council (collectively, the "Bond Ordinances"), and published in accordance with the requirements of the Local Bond Law; and (iii) a Certificate of Determination and Award executed by the Chief Financial Officer of the Township on September 7, 2023 ("Award Certificate").

The Notes are issued to temporarily finance the costs of certain improvements described in the Bond Ordinances. The Notes are dated September 19, 2023 and mature on September 18, 2024. The Notes are issued in [registered book-entry only] [bearer] form without coupons and are not subject to redemption prior to their stated maturity date.

As the basis for the opinion set forth below, we have examined such matters of law as we have deemed necessary including, inter alia, the Constitution of the State of New Jersey, the Internal Revenue Code of 1986, as amended, ("Code"), and the Local Bond Law. We have also examined such documents, certifications and instruments as we have deemed necessary including, without limitation, the Bond Ordinances, the Award Certificate, the representations and covenants of the Township given pursuant to the Code as set forth in the Certificate as to Nonarbitrage and other Tax Matters ("Nonarbitrage Certificate"), and the other certifications, opinions and instruments listed in the closing agenda prepared in connection with the settlement for the Notes.



In rendering the following opinion, we have relied upon the authenticity, truthfulness and completeness of all documents, certifications, instruments and opinions examined including, without limiting the generality of the foregoing, the Nonarbitrage Certificate.

Based upon and subject to the foregoing, we are of the following opinion:

1. The Notes are legal, valid and binding obligations of the Township enforceable in accordance with the terms thereof, except to the extent that enforcement thereof may be limited by bankruptcy, insolvency, moratorium or other laws or equitable principles affecting the enforcement of creditors' rights generally ("Creditors' Rights Limitations").

2. For the payment of principal of and interest on the Notes, the Township has the power and is obligated, to the extent payment is not otherwise provided, to levy ad valorem taxes upon all taxable real property within the Township without limitation as to rate or amount, except to the extent that enforcement thereof may be affected by Creditors' Rights Limitations.

3. Interest on the Notes is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Code and does not constitute a tax preference item for purposes of the alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on such corporations.

Section 884 of the Code imposes on certain foreign corporations a branch profits tax equal to thirty percent (30%) of the "dividend equivalent amount" for the taxable year. Interest on the Notes received or accrued by a foreign corporation subject to the branch profits tax may be included in computing the "dividend equivalent amount" of such corporation.

In addition, passive "investment" income, including interest on the Notes, may be subject to federal income taxation under Section 1375 of the Code for any S corporation that has Subchapter C earnings and profits at the close of the taxable year if more than twenty-five percent (25%) of the gross receipts of such S corporation is passive investment income.

In rendering this opinion, we have assumed continuing compliance by the Township with the applicable requirements of the Code, including requirements relating to, inter alia, the use and investment of proceeds of the Notes and rebate to the United States Treasury of specified arbitrage earnings, if any, under Section 148(f) of the Code. Failure of the Township to comply with such covenants could result in the interest on the Notes being subject to federal income tax from the date of issue. We have not undertaken to monitor compliance with such covenants or to advise any party as to changes in the law after the date hereof that may affect the tax-exempt status of the interest on the Notes.

Ownership of the Notes may result in collateral federal income tax consequences to certain taxpayers including, without limitation, certain holders of an interest in a financial asset securitization investment trust, property and casualty insurance companies, controlled foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, individuals who otherwise qualify for the earned income credit



and to individuals and families that qualify for a premium assistance credit amount under Section 36B of the Code. The Code denies the earned income credit to an individual who is otherwise eligible if the aggregate amount of disqualified income of the taxpayer for the taxable year exceeds certain limits set forth in Sections 32(i) and (j) of the Code. Interest on the Notes will constitute disqualified income for this purpose. The Code also provides that the earned income credit is phased out if the modified adjusted gross income of the taxpayer exceeds certain amounts. Interest on the Notes is included in determining the modified adjusted gross income of the taxpayer. Section 36B of the Code provides that the amount of the premium assistance credit amount is in part determined by household income. Section 36B(d) of the Code provides that household income consists of the "modified adjusted gross income" of the taxpayer and certain other individuals. "Modified adjusted gross income" means adjusted gross income increased by certain amounts, including interest received or accrued by the taxpayer which is exempt from tax, such as the interest on the Notes.

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code. The Township has not designated the Notes as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Owners of the Notes should consult their own tax advisers as to the applicability and effect on their federal income taxes of the alternative minimum tax, the branch profits tax and the tax on passive investment income of S corporations, as well as the applicability and effect of any other collateral federal income tax consequences.

4. Interest on the Notes and any gain from the sale thereof are not included in the gross income of the owners thereof under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof.

We express no opinion as to any matter not set forth in the numbered paragraphs above including, without limitation, any financial or other information which has been or may be supplied to purchasers of the Notes.

The opinions expressed in the numbered paragraphs 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 any changes in law or fact subsequent to the date hereof.

This is only an opinion letter and not a warranty or guaranty of the matters discussed above.

This letter is being provided solely for the benefit of the Township and may not be relied upon by any other person, party, firm or organization without our prior written consent.

Very truly yours,

APPENDIX D

**FORM OF CONTINUING DISCLOSURE AGREEMENT AND
FORM OF INFORMATION REPORTING UNDERTAKING AGREEMENT**

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT ("Disclosure Agreement") is made on this ___th day of September, 2023 between the Township of Evesham, County of Burlington, New Jersey ("Township") and the Dissemination Agent (hereinafter defined). This Disclosure Agreement is entered into in connection with the issuance and sale by the Township of its General Obligation Bonds, Series 2023, in the principal amount of \$14,191,000 ("Bonds"). The Bonds consist of: (i) \$11,823,500 aggregate principal amount of General Capital Bonds; and (ii) \$2,367,500 aggregate principal amount of Open Space Bonds.

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered for the benefit of the holders and beneficial owners of the Bonds (collectively, the "Bondholders") and in compliance with the provisions of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission ("Commission") pursuant to the Securities Exchange Act of 1934, as it may be amended from time to time, including administrative or judicial interpretations thereof, as it applies to the Bonds ("Rule").

SECTION 2. Definitions. Capitalized terms, not otherwise defined herein, shall, for purposes of this Disclosure Agreement, have the following meanings:

"Annual Report" shall mean, the Township's Annual Report provided pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Commission" shall have the meaning set forth in Section 1 of this Disclosure Agreement

"Business Day" shall mean any day other than a Saturday, Sunday or a day on which the Township or the Dissemination Agent is authorized by law or contract to remain closed.

"Continuing Disclosure Information" shall mean: (i) the Annual Report; (ii) any notice required to be filed with the National Repository pursuant to Section 5 hereof; and (iii) any notice of an event required to be filed with the National Repository pursuant to Section 3(c) hereof.

"Dissemination Agent" shall mean NW Financial Group, Hoboken, New Jersey, or any successor Dissemination Agent designated in writing by the Township and which has filed with the Township a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access System, an internet based filing system created and maintained by the MSRB in accordance with Release No. 34-59062 of the Commission, dated December 5, 2008, pursuant to which issuers of tax-exempt bonds, including the Bonds, and other filers on behalf of such issuers shall upload Continuing Disclosure Information to assist underwriters in complying with the Rule and to provide the general public with access to such Continuing Disclosure Information.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"National Repository" shall mean the MSRB, through the internet facilities of EMMA, or any other public or private repository or entity that shall hereafter be designated by the Commission as a repository for purposes of the Rule.

"Official Statement" shall mean the Official Statement of the Township dated September __, 2023, relating to the Bonds.

"Opinion of Counsel" shall mean a written opinion of counsel expert in federal securities law acceptable to the Township.

"Rule" shall have the meaning set forth in Section 1 of this Disclosure Agreement.

SECTION 3. Provision of Annual Report.

(a) The Township shall not later than two hundred seventy (270) days after the end of its fiscal year (currently December 31) for each fiscal year until termination of the Township's reporting obligations under this Disclosure Agreement pursuant to the provisions of Section 6 hereof provide to the Dissemination Agent the Annual Report prepared for the preceding fiscal year of the Township (commencing for the fiscal year ending December 31, 2022). Each Annual Report provided to the Dissemination Agent by the Township shall comply with the requirements of Section 4 of this Disclosure Agreement but may be submitted as a single document or as separate documents comprising a package and may cross-reference other information submitted to the National Repository. Any and all items that must be included in the Annual Report may be incorporated by reference from other information that is available to the public on EMMA, or that has been filed with the Commission.

(b) The Dissemination Agent, promptly (within fifteen (15) Business Days) after receiving the Annual Report from the Township, shall submit each Annual Report received by it to the National Repository and thereafter shall file a written report with the Township certifying that the Annual Report has been provided pursuant to this Disclosure Agreement to the National Repository and stating the date it was provided to the National Repository.

(c) If the Township fails to provide the Annual Report to the Dissemination Agent by the date required in subsection (a) of this Section 3, the Dissemination Agent shall send a notice to the Township advising of such failure. Whether or not such notice is given or received, if the Township thereafter fails to submit the Annual Report to the Dissemination Agent within fifteen (15) Business Days after the Annual Report was due pursuant to the provisions of subsection (a) of this Section 3, the Dissemination Agent shall promptly send a notice (with a copy of said notice to the Township) to the National Repository in substantially the form attached as EXHIBIT "A" hereto.

SECTION 4. Contents of Annual Report. Annual Report shall mean: (i) the Township's annual financial statements, substantially in the form set forth in Appendix B to the Official Statement, audited by an independent certified public accountant, provided that the annual audited financial statements of the Township may be submitted separately from the balance of the Annual Report and later than the date required in Section 3(a) hereof for the filing of the Annual Report if the annual audited financial statements are not available by that date, but only if the unaudited financial statements of the Township are included in the Annual Report; and (ii) certain financial information and operating data of the Township consisting of Township indebtedness, property valuation information, and tax rate, levy and collection data. Each annual audited financial statements will conform to generally accepted accounting principles applicable to governmental units or will be prepared in accordance with the standards of the Governmental Accounting Standards Board and requirements of the Division of Local Government Services in the New Jersey Department of Community Affairs as such principles, standards and requirements exist at the time of the filing of the particular annual audited financial statements.

SECTION 5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following listed events ("Listed Events"):

- (1) principal and interest payment delinquencies;
- (2) non-payment 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 the rights of Bondholders, if material;
- (8) Bond calls (excluding mandatory sinking fund redemptions), if material, or tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the obligated person;
- (13) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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 or the change of name of a trustee, if material;
- (15) incurrence of a financial obligation¹ 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.

(b) The Township shall within seven (7) Business Days of the occurrence of any of the Listed Events, notify the Dissemination Agent in writing to report the event pursuant to subsection (c) of this Section 5. In determining the materiality of a Listed Event specified clauses (2), (7), (8),

¹ The term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with Rule 15c2-12.

(10), (13) (14) or (15) of subsection (a) of this Section 5, the Township may, but shall not be required to, rely conclusively on an Opinion of Counsel.

(c) If the Dissemination Agent has been instructed by the Township to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the National Repository within five (5) Business Days of the receipt of such instruction, with a copy of such notice provided by the Dissemination Agent to the Township.

SECTION 6. Termination of Reporting Obligations. The reporting obligations of the Township under this Disclosure Agreement 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) with respect to the Bonds.

SECTION 7. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Township may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an Opinion of Counsel to the effect that such amendment or waiver will not, in and of itself, cause the undertakings herein to violate the Rule. No amendment to this Disclosure Agreement shall change or modify the rights or obligations of the Dissemination Agent without its written assent thereto. The Township shall give notice of such amendment or waiver to this Disclosure Agreement to the Dissemination Agent and the Dissemination Agent shall file such notice with the National Repository.

SECTION 8. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Township from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement 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 Agreement. 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 Agreement, it shall not have any obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 9. Default and Remedies. In the event of a failure of the Township to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the request of the Bondholders of at least twenty-five percent (25%) in aggregate principal amount of the outstanding Bonds and provision of indemnity and security for expenses satisfactory to it, shall), 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 Agreement. A failure of the Township to comply with any provision of this Disclosure Agreement shall not be deemed to be a default under the Bonds. The sole remedy under this Disclosure Agreement in the event of any failure of the Township to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 10. Notices. All notices and other communications required or permitted under this Disclosure Agreement shall be in writing and shall be deemed to have been duly given, made and received only when delivered (personally, by recognized national or regional courier service, or by other messenger, for delivery to the intended addressee) or when deposited in the

United States mail, registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below:

(i) If to the Township:

Township of Evesham, County of Burlington, New Jersey
984 Tuckerton Road
Marlton, New Jersey 08053
Attention: Chief Financial Officer

(ii) If to the Dissemination Agent:

NW Financial Group
2 Hudson Place
Hoboken, New Jersey 07030

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provision of this Section 11 for the giving of notice.

SECTION 11. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Township, the Dissemination Agent and the Bondholders and nothing herein contained shall confer any right upon any other person.

SECTION 12. Submission of Information to MSRB. Any Continuing Disclosure Information filed with the MSRB in accordance with this Disclosure Agreement shall be in electronic format as shall be prescribed by the MSRB or such other format as the Rule may require or permit, and shall be accompanied by such identifying information as shall be prescribed by the MSRB or as may otherwise be required by the Rule.

SECTION 13. Compensation. The Township shall pay the Dissemination Agent from time to time reasonable compensation for all services rendered under this Disclosure Agreement, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties under this Disclosure Agreement.

SECTION 14. Successors and Assigns. All of the covenants, promises and agreements contained in this Disclosure Agreement by or on behalf of the Township or by or on behalf of the Dissemination Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 15. Headings for Convenience Only. The descriptive headings in this Disclosure Agreement are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

SECTION 16. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 17. Severability. If any provision of this Disclosure Agreement, or the application of any such provision in any jurisdiction or to any person or circumstance, shall be held invalid or unenforceable, the remaining provisions of this Disclosure Agreement, or the application of such provision as is held invalid or unenforceable in jurisdictions or to persons or circumstances other than those in or as to which it is held invalid or unenforceable, shall not be affected thereby.

SECTION 18. Governing Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Disclosure Agreement as of the date first above written.

TOWNSHIP OF EVESHAM, NEW JERSEY

By: _____
ALEX P. DAVIDSON, Chief Financial Officer

**NW FINANCIAL GROUP, LLC,
as Dissemination Agent**

By: _____
HEATHER LITZEBAUER, Managing Director

EXHIBIT A

NOTICE TO NATIONAL REPOSITORY OF FAILURE TO FILE AN ANNUAL REPORT

Name of Issuer: Township of Evesham, County of Burlington, New Jersey

Name of Bond Issues Affected: General Obligation Bonds, Series 2023

Date of Issuance of the Affected
Bond Issue: September __, 2023

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above named Bond issue as required by Section 3 of the Continuing Disclosure Agreement, dated September __, 2023, between the Township and the Dissemination Agent. [TO BE INCLUDED ONLY IF THE DISSEMINATION AGENT HAS BEEN ADVISED OF THE EXPECTED FILING DATE - The Issuer anticipates that such Annual Report will be filed by _____.]

Dated: _____

NW FINANCIAL GROUP, LLC,
as Dissemination Agent

cc: Township of Evesham, New Jersey

INFORMATION REPORTING UNDERTAKING AGREEMENT

ISSUER: Township of Evesham, County of Burlington, New Jersey ("Issuer")

ISSUE: \$6,377,407 Bond Anticipation Notes of 2023, Series A
(Non-Callable) ("Notes")

DATED: September 19, 2023

CUSIP:

This Information Reporting Undertaking Agreement ("Agreement") is executed and delivered by the Issuer as of the date set forth below for the purpose of providing continuing disclosure with respect to the Issuer in order to comply with the provisions of Rule 15c2-12 ("Rule"), promulgated by the Securities and Exchange Commission ("Commission") pursuant to the Securities Exchange Act of 1934, as it may be amended and supplemented from time to time.

Section 1. (a) The Issuer, as an obligated person for purposes of and as defined in the Rule ("Obligated Person"), hereby agrees, in accordance with the provisions of the Rule, so long as any of the Notes are outstanding to provide or cause to be provided to the Municipal Securities Rulemaking Board ("MSRB"), through the internet facilities of the Electronic Municipal Market Access System ("EMMA")¹, or any other public or private repository or entity that shall hereafter be designated by the Commission as a repository for purposes of the Rule (each a "National Repository") and any public or private repository or entity designated by the State of New Jersey as a state information repository for purpose of the Rule ("State Repository" and together with each National Repository, the "Repository" or "Repositories"), as applicable, notice of the occurrence of any of the following listed events (each a "Listed Event" or "Listed Events") with respect to the Notes:

- i. Principal and interest payment delinquencies;
- ii. Non-payment related defaults, if material
- iii. Unscheduled draws on debt service reserves reflecting financial difficulties;
- iv. Unscheduled draws on credit enhancements reflecting financial difficulties;
- v. Substitution of credit or liquidity providers, or their failure to perform;
- vi. 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 Notes, or other material events affecting the tax status of the Notes;

¹ An internet based filing system created and maintained by the MSRB in accordance with Release No. 34-59062, of the Commission, dated December 5, 2008, pursuant to which issuers of tax-exempt bonds, including the Notes, and other filers on behalf of such issuers shall upload certain information and notices to assist underwriters in complying with the Rule and to provide the general public with access thereto.

- vii. Modifications to the rights of Noteholders, if material;
- viii. Note calls (excluding mandatory sinking fund redemptions), if material, or tender offers;
- ix. Defeasances;
- x. Release, substitution, or sale of property securing repayment of the Notes, if material;
- xi. Rating changes;
- xii. Bankruptcy, insolvency, receivership or similar event of the Issuer;
- xiii. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the Issuer, 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;
- xiv. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- xv. 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
- xvi. 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.

(b) The Issuer shall, within ten (10) business days of the occurrence of any of the Listed Events, report the event to the MSRB, through the internet facilities of EMMA, or any other Repositories, as applicable, pursuant to the provisions of Section 1(a) hereof. In determining the materiality of a Listed Event specified in subsections (a)(ii), (vii), (viii), (x), (xiii), (xiv) and (xv) of this Section 1, the Issuer may, but shall not be required to, rely conclusively on a written opinion of counsel expert in federal securities law acceptable to the Issuer.

Section 2. The Issuer reserves the right to terminate its obligation to provide notices of Listed Events, if material, as set forth above, if and when the Issuer no longer remains an Obligated Person with respect to the Notes within the meaning of the Rule. The Issuer will provide notice of such termination to the MSRB via the internet facilities of EMMA and the State Repository, if any.

Section 3. The Issuer agrees that its undertaking pursuant to the Rule set forth in Section 1 of this Agreement is intended to be for the benefit of the holders of the Notes and shall be enforceable by such Noteholders; provided that, the Noteholder's right to enforce the

provisions of this undertaking shall be limited to a right to obtain specific enforcement of the Obligated Person's obligations hereunder.

Section 4. This Agreement shall be governed by the laws of the State of New Jersey.

IN WITNESS WHEREOF, the Issuer has executed and delivered this Agreement as of this 19th day of September, 2023.

ISSUER:

**TOWNSHIP OF EVESHAM, COUNTY OF
BURLINGTON, NEW JERSEY**

By: _____
ALEX P. DAVIDSON,
Chief Financial Officer