

NEW ISSUE

RATING: Moody's: "MIG 1"
(See "RATING" herein)

In the opinion of Malamut & Associates, Cherry Hill, 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 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 Notes and any gain from the sale thereof are not included in the gross income of owners thereof under the New Jersey Gross Income Tax Act, as presently executed and construed. See "TAX MATTERS" herein.

\$23,189,000
TOWNSHIP OF EVESHAM
County of Burlington, New Jersey
BOND ANTICIPATION NOTES, SERIES 2025
Consisting of:
\$16,517,000 General Capital Notes
\$2,125,000 Open Space Notes
\$4,547,000 Golf Utility Notes
(BOOK-ENTRY ONLY) (NON-CALLABLE)

COUPON: ____% YIELD: ____% CUSIP*: _____

Dated: Date of Delivery

Due: September 14, 2026

The \$23,189,000 Bond Anticipation Notes, Series 2025 ("Notes"), are general obligations of the Township of Evesham, County of Burlington, New Jersey ("Township"), ultimately payable from *ad valorem* taxes levied upon all the taxable property within the Township without limitation as to rate or amount, as more fully described herein. The Notes consist of: (i) \$16,517,000 principal amount of General Capital Notes; (ii) \$2,125,000 principal amount of Open Space Notes and (iii) \$4,547,000 principal amount of Golf Utility Notes.

The Notes will be issued as fully registered notes in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, Brooklyn, New York ("DTC"), which will maintain a book-entry system for recording ownership interests of DTC Participants. Individual purchases of beneficial ownership interests in the Notes may be made in book-entry form only on the records of DTC and its Participants and only in the principal amount of \$5,000, or any integral multiple of \$1,000 in excess thereof, or in such amount necessary to issue the principal amount of the Notes. Beneficial Owners of the Notes will not receive certificates representing their interests in the Notes. As long as Cede & Co. is the registered owner, as nominee of DTC, references in this Official Statement to the registered owners shall mean Cede & Co., and not the Beneficial Owners of the Notes.

Principal of and interest on the Notes will be payable by the Township or a duly designated paying agent at the date of maturity. The Notes will bear interest at the rate per annum indicated above, commencing from their date of delivery. While DTC is acting as securities depository for the Notes, the principal of and interest on the Notes will be payable by wire transfer to DTC or its nominee, which is obligated to remit such principal and interest payments to DTC Participants. DTC Participants and Indirect Participants will be responsible for remitting such principal and interest payments to the Beneficial Owners of the Notes. The Notes are not subject to redemption prior to their stated maturity date.

The Notes 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 28-07-21, 13-06-22, 14-08-23, 15-08-23, 16-08-23, 15-07-24, 16-07-24, 17-07-24, 12-05-25, 13-05-25, 14-05-25 and 18-08-25 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 __, 2025.

The Notes are being issued by the Township to provide funds which, along with other available funds of the Township, will be used to: (i) repay a portion of the Township's Bond Anticipation Notes of 2024, Series A, dated September 17, 2024, and maturing on September 16, 2025; (ii) temporarily finance the costs of various capital improvements and 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 Notes.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire official statement to obtain information essential to the making of an informed investment decision.

The Notes are offered when, as and if issued and subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by the law firm of Malamut & Associates, Cherry Hill, 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, Robert Wright, Esquire, of the law firm of Malamut & Associates, Cherry Hill, New Jersey. Acacia Financial Group, Inc., Mount Laurel, New Jersey has served as Municipal Advisor to the Township in connection with the Notes. The Notes are expected to be available for delivery in definitive form through DTC in Brooklyn, New York on or about September 15, 2025.

BID PROPOSALS FOR THE NOTES WILL BE RECEIVED BY THE TOWNSHIP ON THURSDAY, SEPTEMBER 4, 2025, UNTIL 10:45 AM BY EMAIL: ADICIURCIO@ACACIAFIN.COM OR ELECTRONICALLY VIA THE PARITY ELECTRONIC BID SUBMISSION SYSTEM. FOR MORE DETAILS ON HOW TO BID PLEASE VIEW THE NOTICE OF SALE POSTED AT WWW.GOVDEBT.NET.

* Registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP number listed above is being provided solely for the convenience of noteholders only at the time of issuance of the Notes and the Township does not make any representation with respect to such number or undertake any responsibility for its accuracy now or at any time in the future. The CUSIP number is subject to being changed after the issuance of the Notes as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Notes.

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

<u>Name</u>	<u>Title</u>
Jaclyn Veasy	Mayor
Dr. Krystal Hunter	Deputy Mayor
Heather Cooper	Council Member
Joseph Fisicaro, Jr.	Council Member
Christian Smith	Council Member

Township Manager
Walter Miller

Chief Financial Officer
Amy Sauls

Township Clerk
Rebecca Andrews

Solicitor
Robert Wright, Esq.
Malamut & Associates
Cherry Hill, New Jersey

Auditor
Bowman & Company LLP
Voorhees, New Jersey

Bond Counsel
Malamut & Associates
Cherry Hill, New Jersey

Municipal Advisor
Acacia Financial Group, Inc.
Mount Laurel, New Jersey

No broker, dealer, salesperson or other person has been authorized by the Township to give any information or to make any representations with respect to 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 foregoing. 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 the Underwriter or, as to information from sources other than itself, by the Township. The information and the expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder under any circumstances shall create any implication that there has been no change in any of the information herein since the date hereof or since the date as of which such information is given, if earlier.

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

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 Notes in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale. No dealer, broker, salesperson 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 the Underwriter.

Upon issuance, 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 UNDERWRITER AND/OR PURCHASER MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF 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
Relating to
\$23,189,000
TOWNSHIP OF EVESHAM
County of Burlington, New Jersey
BOND ANTICIPATION NOTES, SERIES 2025
Consisting of:
\$16,517,000 General Capital Notes
\$2,125,000 Open Space Notes
\$4,547,000 Golf Utility Notes
(BOOK-ENTRY ONLY) (NON-CALLABLE)

INTRODUCTION

This Official Statement, which includes the cover page and the appendices attached hereto, has been prepared by the Township of Evesham, County of Burlington, New Jersey ("Township"), in connection with the sale and the issuance of its \$23,189,000 Bond Anticipation Notes, Series 2025 ("Notes"). This Official Statement has been executed by and on behalf of the Township by the Chief Financial Officer and may be distributed in connection with the sale of the Notes. The Notes consist of: (i) \$16,517,000 principal amount of General Capital Notes; (ii) \$2,125,000 principal amount of Open Space Notes; and (iii) \$4,547,000 principal amount of Golf Utility Notes.

DESCRIPTION OF THE NOTES

The Notes shall be dated and shall bear interest from their date of delivery and shall mature on the date and in the amount shown on the front cover page hereof. The Notes shall bear interest, payable at maturity, at the rate shown on the 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. The Notes are not subject to redemption prior to maturity.

The Notes will be issued as fully registered notes in book-entry only form, if applicable, and when issued, will be registered in the name of and held by Cede & Co., as nominee of DTC. DTC will act as securities depository for the Notes. Principal of and interest on the Notes will be payable by the Township or a duly designated paying agent on the date of maturity by wire transfer of immediately available funds to DTC or its nominee. Purchases of beneficial interests in the Notes will be made in book-entry only form, without certificates, in denominations of \$5,000, or any integral multiple of \$1,000 in excess thereof, or in such amount necessary to issue the principal amount of the Notes, through book entries made on the books and records of DTC and its participants. Under certain circumstances, such beneficial interests in the Notes are exchangeable for one or more fully registered Note certificates in authorized denominations.

The Note certificates will be on deposit with DTC, if applicable. DTC will be responsible for maintaining a book-entry system for recording the interests of its participants and transfers of the interests among its participants. The participants will be responsible for maintaining records regarding the beneficial ownership interests in the Notes on behalf of the individual purchasers. Individual purchasers of the Notes will not receive certificates representing their beneficial ownership interests in the Notes, but each book-entry owner will receive a credit balance on the books of its nominee, and this credit balance will be confirmed by an initial transaction statement stating the details of the Notes purchased. So long as DTC or its nominee, Cede & Co., is the registered owner of the Notes, payments of the principal of and interest on

the Notes will be made by the Township or a duly designated paying agent directly to DTC or its nominee, Cede & Co., which will in turn remit such payments to DTC Participants, which will in turn remit such payments to the beneficial owners of the Notes. See “BOOK-ENTRY ONLY SYSTEM” herein.

AUTHORIZATION AND PURPOSE OF THE NOTES

The Notes 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 28-07-21, 13-06-22, 14-08-23, 15-08-23, 16-08-23, 15-07-24, 16-07-24, 17-07-24, 12-05-25, 13-05-25, 14-05-25 and 18-08-25 (collectively, the “Bond 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 __, 2025.

The Notes are being issued by the Township to provide funds which, along with other available funds of the Township, will be used to: (i) repay a portion of the Township’s Bond Anticipation Notes of 2024, Series A, dated September 17, 2024, and maturing on September 16, 2025; (ii) temporarily finance the costs of various capital improvements and 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 Notes.

The following table sets forth certain information with respect to the Bond Ordinances authorizing the Notes.

General Capital Ordinances

Ordinance Number	Purpose	Amount Authorized	Prior Notes Outstanding	Available Funds	Notes to be Issued
14-08-23	Completion of Capital Improvements and the Acquisition of Capital Equipment	\$4,750,000	\$4,750,000	\$0	\$4,750,000
16-08-23	Completion of Various Improvements to Various Township Facilities	127,407	127,407	0	127,407
15-07-24	Completion of Capital Improvements and the Acquisition of Capital Equipment	4,750,000	999,593	0	4,399,593
12-05-25	Various Capital Improvements	5,107,200	0	0	2,500,000
14-05-25	Recreational Complexes Facility Improvements	10,450,000	0	0	4,000,000
18-08-25	Supplemental Ordinance (Pickleball)	859,232	0	0	740,000
TOTAL		\$26,043,839	\$5,877,000	\$0	\$16,517,000

Open Space Ordinances

Ordinance Number	Purpose	Amount Authorized	Prior Notes Outstanding	Available Funds	Notes to be Issued
17-07-24	Open Space and Recreational Improvements	\$2,125,572	\$2,000,000	\$0	\$2,125,000
TOTAL		\$2,125,572	\$2,000,000	\$0	\$2,125,000

Golf Utility Ordinances

Ordinance Number	Purpose	Amount Authorized	Prior Notes Outstanding	Available Funds	Notes to be Issued
28-07-21	Golf Course Facilities Improvements and Equipment Acquisition	\$379,100	\$379,100	\$9,000	\$370,100
13-06-22	Golf Course Facilities Improvements and Equipment Acquisition	985,000	985,000	14,000	971,000
15-08-23	Golf Course Facilities Improvements and Equipment Acquisition	750,000	735,900	0	735,900
16-07-24	Golf Course Facilities Improvements and Equipment Acquisition	1,745,000	1,000,000	0	1,745,000
13-05-25	Golf Course Facilities Improvements and Equipment Acquisition	725,000	0	0	725,000
TOTAL		\$4,584,100	\$3,100,000	\$23,000	\$4,547,000

BOOK-ENTRY ONLY SYSTEM

General

The description which follows of the procedures and recordkeeping with respect to beneficial ownership interest in the Notes, payment of principal and interest and other payments on the Notes to DTC Participants or Beneficial Owners (as such terms are defined or used herein), confirmation and transfer of beneficial ownership interests in 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 concerning these matters.

DTC will act as securities depository for the Notes. 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 certificate will be issued for each maturity of the Notes, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest 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 and www.dtc.org.

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

To facilitate subsequent transfers, all Notes deposited by 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 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 Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such 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. Beneficial Owners of the Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. Beneficial Owners of the Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners, or in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Notes 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 Notes, unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Township as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Notes 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 agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, agent, or the Township, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Township or agent, disbursement of such payments to Direct Participants is 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 Notes at any time by giving reasonable notice to the Township or the agent. Under such circumstances, in the event that a successor depository is not obtained, Note certificates are required to be printed and delivered.

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

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

Discontinuation of Book-Entry Only System

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

In the event that the book-entry only system for the Notes is discontinued, the Township has provided that upon receipt of the Note certificates from DTC and the Participant information, the Township will authenticate (or cause to be authenticated) and deliver definitive Notes to the holders thereof, and the principal of and interest on the Notes will be payable and the Notes may thereafter be transferred or exchanged in the manner described in the Note certificates so provided.

SECURITY AND SOURCE OF PAYMENT

The Notes are valid and legally binding general obligations of the Township and the Township has pledged its full faith and credit for the payment of the principal of and the interest on the Notes. Unless paid from other sources, the Notes are payable from *ad valorem* taxes to be levied upon all the taxable real property within the Township without limitation as to rate or amount. However, the enforceability of rights or remedies with respect to such Notes may be limited by bankruptcy, moratorium or similar laws relating to the enforcement of creditors' rights or to the application of general principles of equity by a court of competent jurisdiction.

The Township may pledge only its own credit and taxing power in respect of the Notes, and has no power to pledge the credit or taxing power of the State of New Jersey ("State") or any other political subdivision thereof, nor shall 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 Notes.

MARKET PROTECTION

The Township does not anticipate issuing any bonds within the next ninety (90) days. The Township may issue additional bond anticipation notes, as necessary, during the balance of calendar year 2025.

GENERAL INFORMATION REGARDING THE TOWNSHIP

General

The Township is located in the County of Burlington, New Jersey ("County"). 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, 2024, 2023, 2022, 2021 and 2020. The financial data was provided by Bowman & Company LLP, Voorhees, New Jersey ("Auditor"), and is included herein in reliance upon the authority of such firm. The Auditor has consented to the inclusion of its report in this Official Statement. Copies of the complete reports of audit may be obtained upon request at 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 Notes, 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 State Department of Community Affairs, Division of Local Government Services, Local Finance Board (“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 Accountancy. 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, 2024 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.

The 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 his 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 Notes.

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.

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 Notes.

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 Director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit." Such determination may be made by the governing body and the Chief Financial Officer in any year during which the municipality 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:

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

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 (3) 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 (5) 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 (2) 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.

Operations of Utilities

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

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.

Rights and Remedies of Owners of Bonds

The State Municipal Finance Commission Act, Chapter 27 of Title 52 of the State Statutes, as amended and supplemented (“Act”), provides that when it has been established, by court proceedings, that a municipality has defaulted for over sixty days in the payment of the principal of or interest on any of its outstanding bonds or notes, the Local Finance Board (which, pursuant to the Act, is constituted the Municipal Finance Commission and shall hereinafter be referred to as the “Commission”) shall take control of the fiscal affairs of the defaulting municipality.

The Act provides that the Commission shall remain in control of the municipality until all bonds or notes of the municipality that have fallen due and all bonds or notes that will fall due within one year, and the interest thereon, have been paid, funded or refunded, or the payment thereof in cash shall have been adequately provided for by a cash reserve.

The Act empowers the Commission to direct the municipality to provide for the funding or refunding of notes or bonds of the municipality and the interest thereon, which the Commission shall have found to be outstanding and unpaid and to be due or become due. The Act further authorizes the Commission to bring and maintain an appropriate proceeding for the assessment, levy or collection of taxes by the municipality for the payment of principal of or interest on such indebtedness.

Under Article 6 of the Act, while the Commission functions in the municipality, no judgment, levy, or execution against the municipality or its property for the recovery of the amount due on any bonds, notes or other obligations of the municipality in the payment of which it has defaulted, shall be enforced unless otherwise directed by Court Order. However, Article 6 of the Act also provides that upon application of any creditor made upon notice to the municipality and the Commission, a court may vacate, modify or restrict any such statutory stay contained therein.

Limitation of Remedies Under Federal Bankruptcy Code

The rights and remedies of the registered owners of 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 municipality’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.

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.

TAXATION

Procedure for Assessment and Collection of Taxes

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of maintaining new assessments on a like basis with established comparable properties for newly assessed or purchased properties resulting in a decrease of the assessment ratio to its present level of 66.37%. This method assures equitable treatment to like property owners. Because of the escalation of property resale values, annual adjustments could not keep pace with rising values. The last complete revaluation of property within the Township was for the year 2009.

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

Tax bills are due quarterly on February 1, May 1, August 1 and November 1. Installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amounts in excess of \$1,500.00. These interest penalties are the maximum permitted under State Statutes. Additionally, a 6% penalty is charged on any delinquencies in excess of \$10,000.00 if not paid by the end of each year. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with State Statutes. Tax liens retained by the Township are periodically assigned to the Solicitor for "in rem foreclosures" in order to acquire title to these properties.

Tax Appeals

The State statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. The taxpayer has a right to petition the State Board of Taxation ("Tax Board") on or before the first day of April of the current tax year for review. The Tax Board has the authority, after a hearing, to decrease, increase or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the Tax Board, appeal may be made to the State Tax Court. State Tax Court appeals tend to take several years prior to settlement and any losses in tax collection from prior years are charged directly to operations.

LITIGATION

To the knowledge of the Township's Solicitor, Robert Wright, Esquire, Cherry Hill, New Jersey ("Solicitor"), there is no litigation of any nature now pending or threatened, restraining or enjoining the issuance or the delivery of the Notes, or the levy or the collection of any taxes to pay the principal of or the interest on the Notes, or in any manner questioning the authority or the proceedings for the issuance of the Notes or for the levy or the collection of taxes, or contesting the corporate existence or the boundaries of the Township or the title of any of the present officers. Moreover, to the knowledge of the Solicitor, no litigation is presently pending or threatened that, in the opinion of the Solicitor, would have a material adverse impact on the financial condition of the Township if adversely decided.

TAX MATTERS

Federal

In the opinion of Malamut & Associates, Cherry Hill, 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 Notes 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.

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 its opinion, Bond Counsel has relied on the Township's covenants contained in the Certificate as to Non-Arbitrage and Other Tax Matters, that it will comply with the applicable requirements of the Code, 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. Bond Counsel has not undertaken to monitor compliance with such covenants or to advise any party as to changes in the law after the date of issuance of the Notes 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, controlled foreign corporations, property and casualty insurance companies, 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 the 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 will **not** designate the Notes as “qualified tax-exempt obligations” for the purposes of Section 265(b)(1) of the Code.

Owners of the Notes should consult their own tax advisors 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 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 enacted and construed.

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 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 Notes.

PROSPECTIVE PURCHASERS OF 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 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.

CONTINUING DISCLOSURE

In accordance with the requirements of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“Rule”), the Township has undertaken to file notice of certain enumerated events, pursuant to an Information Reporting Undertaking Agreement for the Notes, substantially in the form set forth in Appendix “D” hereto.

The Township appointed Acacia Financial Group, Inc., Mount Laurel, New Jersey in February 2024 to act as Continuing Disclosure Agent to assist in the filing of certain information on EMMA as required under its obligations.

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.

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 newly discovered strain of coronavirus. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level.

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 on March 12, 2021 and provided \$1.9 trillion in financial assistance to businesses, individuals and governmental entities. The Plan 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 Plan Funds was December 31, 2024 and to spend Plan Funds is December 31, 2026. Such Plan Funds were received in two (2) equal payments; one (1) received within 60 days of enactment of the Plan, and the balance received no earlier than 12 months from the initial payment.

While the effects of COVID-19 have abated significantly, 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.

Climate Change

The State is naturally susceptible to the effects of extreme weather events and natural disasters, 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 impact 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.

UNDERWRITING

The Notes have been purchased from the Township at a public sale by _____ (“Underwriter”) at a price of \$ _____ (“Purchase Price”). The Purchase Price reflects the principal amount of the Notes plus a bid premium of \$ _____.

The Underwriter intends to offer the Notes to the public initially at the offering yield set forth on the front cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the Notes to the public. The Underwriter may offer and sell the Notes to certain dealers (including dealers depositing the Notes into investment trusts) at yields higher than the public offering yield set forth on the front cover page of this Official Statement.

RATING

Moody’s Ratings (“Rating Agency”) has assigned a rating of "MIG 1" to the Notes based upon the creditworthiness of the Township. The rating reflects only the views of the Rating Agency and an explanation of the significance of such rating may only be obtained from the Rating Agency. The Township furnished to the Rating Agency certain information and materials concerning the Notes and the Township. There can be no assurance that the rating will be maintained for any given period of time or that it may not be raised, lowered or withdrawn entirely if, in the Rating Agency's judgment, circumstances so warrant. Any downward change in or withdrawal of such rating may have an adverse effect on the marketability or market price of the Notes.

MUNICIPAL ADVISOR

Acacia Financial Group, Inc., Mount Laurel, New Jersey has served as municipal advisor to the Township (“Municipal Advisor”) with respect to the issuance of the Notes. This Official Statement has

been prepared with the assistance of the Municipal Advisor. Certain information set forth herein has been obtained from the Township and other sources, which are deemed reliable, but no warranty, guaranty or other representation as to the accuracy or completeness is made as to such information contained herein. There is no assurance that any of the assumptions or estimates contained herein will be realized. The Municipal Advisor is a municipal advisory firm, and is not engaged in the business of underwriting, marketing or trading municipal securities or any other negotiable instrument.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters incident to the authorization, issuance, sale and delivery of the Notes are subject to the approval of Bond Counsel, whose approving legal opinion will be delivered with the Notes substantially in the form set forth in Appendix "C" hereto. Certain legal matters will be passed on for the Township by the 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 stated herein) and will express no opinion relating thereto.

The various legal opinions to be delivered concurrently with the delivery of 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.

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 of the Township, including the Notes, and such Notes are authorized security for any and all public deposits.

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 Notes by certificates signed by various officers and officials of the Township upon issuance and delivery of 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.

The Auditor compiled Appendix "A" from information obtained from various sources they consider to be reliable and makes no warranty, guaranty or other representation with respect to the

accuracy and completeness or fairness of the information contained herein and, accordingly, will express no opinion with respect thereto. The Auditor only takes responsibility for the audited financial statements appearing in Appendix “B” hereto.

The Municipal Advisor has participated in the preparation and review of this Official Statement; however, it has not verified the accuracy, completeness or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto.

Bond Counsel has not participated in the preparation of this Official Statement, nor has such firm verified the accuracy, completeness or fairness of the information contained herein (except under the heading “TAX MATTERS”) and, accordingly, will express no opinion with respect thereto.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to Amy Sauls, Chief Financial Officer, Township of Evesham, 984 Tuckerton Road, Marlton, New Jersey 08053, telephone (856) 983-2900, or the Municipal Advisor, Acacia Financial Group, Inc., 6000 Midlantic Drive, Suite 410 North, Mount Laurel, New Jersey 08054, telephone (856) 234-2266.

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 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 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.

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.

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

**By: _____
AMY SAULS, Chief Financial Officer**

Dated: September __, 2025

APPENDIX A

CERTAIN ECONOMIC, FINANCIAL AND DEMOGRAPHIC INFORMATION REGARDING THE TOWNSHIP OF EVESHAM

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 20,518 housing units within Evesham Township with a median household income of \$111,893 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, 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.

Recreation and Open Space

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 3008.40 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. For soccer, football, lacrosse and flag football, the Township uses Savich Field and Evesboro-Downs sports complex to host these activities.

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,			Restated
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Operating Revenues	\$18,544,862	\$18,698,008	\$18,750,422	\$26,211,563
Operating Expenses	<u>17,860,727</u>	<u>16,784,758</u>	<u>16,348,956</u>	<u>15,670,995</u>
Operating Income (Loss)	684,135	1,913,250	2,401,466	10,540,568
Net Non-Operating Revenue (Expenses)	746,970	36,944	(1,298,429)	(1,327,734)
Other	<u>744,111</u>	<u>294,003</u>	<u>594,468</u>	<u>149,997</u>
Change in Net Position	2,175,215	2,244,196	1,697,505	9,362,831
Prior Period Adjustments				4,003,087
Fiscal Year Beginning Net Position	<u>61,527,875</u>	<u>59,283,679</u>	<u>57,586,174</u>	<u>44,220,256</u>
Fiscal Year End Net Position	<u>\$63,703,091</u>	<u>\$61,527,875</u>	<u>\$59,283,679</u>	<u>\$57,586,174</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 2023 Data for the Township (1)

Median household income	\$116,745
Per capita income	\$61,324

Labor Force (2)

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Township					
Labor Force	27,075	26,965	26,375	25,708	24,952
Employment	26,159	26,064	25,597	24,437	23,108
Unemployment	916	901	778	1,271	1,844
Unemployment Rate	3.4%	3.3%	2.9%	4.9%	7.4%
County					
Labor Force	248,122	246,548	240,684	235,227	232,816
Employment	237,708	236,845	232,054	221,531	213,811
Unemployment	10,414	9,703	8,630	13,696	19,005
Unemployment Rate	4.2%	3.9%	3.6%	5.8%	8.2%

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

(2) Source: New Jersey Department of Labor.

Labor Force (Cont'd) (1)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
State					
Labor Force	4,898,008	4,867,113	4,756,002	4,654,243	4,643,700
Employment	4,676,064	4,659,779	4,572,879	4,342,075	4,204,301
Unemployment	221,944	207,334	183,123	312,168	439,399
Unemployment Rate	4.5%	4.3%	3.9%	6.7%	9.5%

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

The American Community Survey 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. In December 2022 an existing 10+/- acre existing office park was declared a new redevelopment area and in mid-2023 a new redevelopment plan was adopted for a former landfill to be converted to a solar energy use. 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

(1) Source: New Jersey Department of Labor.

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 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 Fil A; PDQ Chicken; Panda Express; Genesis Auto; Raising Cane's; Capitol Senior Housing (110 Beds); Cornerstone Apartments (66 Units); Evesham Senior (68 Units); Hawthorne (161 Beds); Barclay Chase I (271 Units with 6,100sf commercial); AMS Senior Luxury Living (124 Units); Harvest House (71 Units with 5,000sf commercial); McKenna (23 Units with Approx. 2,890sf commercial); Oakleigh (100 Beds); CareOne (41 bed expansion). 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 2024 Abstract of ratables data, the Township has a Total Taxable Value of Land and Improvements of approximately 5.303 billion dollars. Approximate Value of the following land classes are of note: Residential \$4.23 billion; Commercial \$746.2 million; Apartment \$251.7 million; Industrial \$28.6 million; and Vacant \$26.4 million.

Building Permits (1)

<u>Year</u>	<u>Number of Permits Issued</u>	<u>Value of Construction</u>
2025(2)	1,327	\$38,009,537
2024	2,514	62,700,627
2023	2,395	90,812,640
2022	2,366	52,218,060
2021	2,763	105,482,996
2020	2,436	48,850,633

TEN LARGEST EMPLOYERS (3)

<u>Business Name</u>	<u>Employees</u>
Virtua Marlton Hospital	683
Cherokee High School	300
Samaritan Center For Grief	300
Securitas Security Svc USA	300
Walmart	300
Whole Foods Market	300
Liberty Mutual	250
Premier Prizm Solutions	240
Merit Service Solutions	200
Shoprite Of Marlton	200

(1) Source: Building Department, NJ Construction Reporter

(2) As of August 1, 2025

(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 five 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>2024</u>	<u>2023</u>	<u>October 15,</u> <u>2022</u>	<u>2021</u>	<u>2020</u>
PK	---	---	---	---	---
K	413	380	336	344	236
1	426	372	405	389	424
2	362	390	383	417	392
3	407	395	418	377	378
4	387	407	373	376	381
5	414	382	377	385	410
6	390	349	377	398	356
7	365	367	402	369	417
8	377	396	371	420	406
Sp. Education	825	900	831	784	780
Preschool Handicapped	<u>148</u>	<u>121</u>	<u>100</u>	<u>89</u>	<u>41</u>
In District Total	4,514	4,459	4,373	4,348	4,221
Net Send/Received	<u>(1)</u>	<u>(1)</u>	<u>(3)</u>	<u>(4)</u>	<u>(7)</u>
Total (2)	<u>4,513</u>	<u>4,458</u>	<u>4,370</u>	<u>4,344</u>	<u>4,214</u>

Present School Facilities, Enrollment and Capacity (1)

<u>Facilities</u>	<u>Date</u> <u>Constructed</u>	<u>Renovations/</u> <u>Additions</u>	<u>Grades</u>	<u>Enrollment</u> <u>10/15/24</u>	<u>Functional</u> <u>Capacity</u>
H.L. Beeler School	1962	1989/2001	K-5	557	649
R.B. Jaggard School	1972	2001	K-5	483	667
J.H. Van Zant School	1968	1989/2001	K-5	619	613
Marlton Middle	1976	1996	6-8	744	1,014
Richard L. Rice	1990	2001	K-5	491	632
Frances DeMasi	1993	---	K-8	1,052	1,097
Marlton Elementary	2000	---	K-5	<u>568</u>	<u>577</u>
				<u>4,514</u>	<u>5,249</u>

(1) School District officials

(2) Includes out of district students

Lenape Regional High School District (1)(2)

	<u>2024</u>	<u>2023</u>	<u>October 15,</u> <u>2022</u>	<u>2021</u>	<u>2020</u>
Totals	<u>2,111</u>	<u>2,139</u>	<u>2,208</u>	<u>2,197</u>	<u>2,216</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 will feature a one-stop shop 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 2024 enrollment in academic courses was 6,620 students. In addition, the County College serves thousands of other County residents each semester through youth programs, Learning is 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 academic year 2023-2024 was 2,070 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 Services 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 2023-2024 academic year was 461 students.

TEN LARGEST REAL PROPERTY TAXPAYERS (1)

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>2025 Assessed Valuation</u>
Davis & Associates	Apartment and Commercial	\$ 100,296,300
Marlton Plaza Associates	Shopping Center	39,532,400
Davis Enterprises	Apartment and Commercial	36,240,000
Hunters Chase Association 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>
2024	\$ 181,726,087	\$ 1,170,831	0.64%	\$ 180,395,623	99.26%
2023	170,676,899	1,009,709	0.59%	169,465,060	99.29%
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%

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>			
2024	\$ 1,040,687	\$ 8,074	\$ 1,002,724	95.61%	\$ -	\$ 2,527	\$ 43,510
2023	1,097,534	7,812	930,517	84.18%	-	143,851	30,978
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

TAX TITLE LIENS (1)

<u>Year</u>	<u>Balance</u>		<u>Added by</u>		<u>Cancellations/ Foreclosures</u>	<u>Balance Dec. 31</u>
	<u>Jan. 1</u>		<u>Sales and Transfers</u>	<u>Collected</u>		
2024	\$ 416,158	\$	29,101	\$ -	\$ -	\$ 445,259
2023	393,675		22,483	-	-	416,158
2022	371,885		21,790	-	-	393,675
2021	350,869		21,016	-	-	371,885
2020	336,944		21,166	-	7,241	350,869

(1) Source: Annual Report of Audit

FORECLOSED PROPERTY (1)(2)

<u>Year</u>	<u>Balance</u> <u>Jan. 1</u>	<u>Added By</u> <u>Transfer</u>	<u>Adjustment</u> <u>for Assessed</u> <u>Valuation</u>	<u>Sale of</u> <u>Properties/</u> <u>Adjustments</u>	<u>Balance</u> <u>Dec. 31</u>
2024	\$ 783,382	\$ -	\$ 5,229	\$ 42,829	\$ 745,782
2023	1,012,207	-	-	228,825	783,382
2022	1,012,207	-	-	-	1,012,207
2021	1,116,707	-	-	104,500	1,012,207
2020	1,116,707	-	-	-	1,116,707

NET ASSESSED VALUATIONS AND ANNUAL TAX RATES (3)

<u>Year</u>	<u>Net</u> <u>Valuation</u> <u>Taxable</u>	<u>Tax Rate (4)</u>						
		<u>Total</u> <u>Rate</u>	<u>County</u>	<u>Local</u> <u>School</u>	<u>Regional</u> <u>High</u> <u>School</u>	<u>Municipal</u>	<u>Municipal</u> <u>Open</u> <u>Space</u>	<u>Fire</u> <u>District</u>
2025	\$ 5,315,766,122	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2024	5,303,217,056	\$ 3.415	\$ 0.475	\$ 1.331	\$ 0.811	\$ 0.511	\$ 0.060	\$ 0.227
2023	5,291,683,807	3.213	0.438	1.238	0.780	0.501	0.060	0.196
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

(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 (2)</u>
2025	\$	5,315,559,256	66.37%	\$	8,008,978,840	\$ 171,037
2024		5,303,217,056	74.39%		7,128,938,105	152,243
2023		5,291,683,726	81.39%		6,501,638,685	138,847
2022		5,279,859,681	88.95%		5,935,761,305	126,762
2021		5,267,655,957	94.30%		5,586,061,460	119,294

REAL PROPERTY CLASSIFICATION (3)

<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>
2025	\$ 5,315,559,256	\$ 22,655,700	\$ 4,240,077,496	\$ 743,863,860	\$ 28,674,700	\$ 266,026,900	\$ 14,260,600
2024	5,303,217,056	26,454,700	4,236,898,486	746,234,400	28,674,700	251,730,200	13,224,570
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

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

(2) Based on 2020 Census of 46,826

(3) 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, 2024, 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 \$58,406,365 represents 0.812% of the average of equalized valuations for the Township for the last three years, of \$7,196,976,022, which is within the 3.5% limit imposed by N.J.S.A. 40A:2-6.

	Debt Issued		Debt Auth. But Not Issued	Gross Debt	Deductions			Net Debt
	Bonds/Loans	Notes			School District	Funds on Hand	Self Liquidating	
General	\$ 46,610,902	\$ 7,877,000	\$ 4,031,612	\$ 58,519,514		\$ 113,150		\$ 58,406,365
Regional School District	25,076,684			25,076,684	\$ 25,076,684			
Golf Course Utility	2,020,000	3,100,000	759,100	5,879,100			\$ 5,879,100	
	<u>\$ 73,707,586</u>	<u>\$ 10,977,000</u>	<u>\$ 4,790,712</u>	<u>\$ 89,475,298</u>	<u>\$ 25,076,684</u>	<u>\$ 113,150</u>	<u>\$ 5,879,100</u>	<u>\$ 58,406,365</u>

(1) As of December 31, 2024
Source: Township Auditor

DEBT RATIOS AND VALUATIONS (1)

Average of Equalized Valuations of Real Property with Improvements for 2022, 2023 and 2024	\$ 7,196,976,022
Statutory Net debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2022, 2023 and 2024	0.812%
2025 Net Valuation Taxable	\$ 5,315,766,122
2025 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	\$ 8,008,978,906
Gross Debt (2)	
As a Percentage of 2025 Net Valuation Taxable	1.68%
As a Percentage of 2025 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	1.12%
Net Debt (2)	
As a Percentage of 2025 Net Valuation Taxable	1.10%
As a Percentage of 2025 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	0.73%
Gross Debt per Capita (3)	\$ 1,911
Net Debt per Capita (3)	\$ 1,247

(1) As of December 31, 2024

(2) Excluding overlapping debt

(3) Based on Census 2020 of 46,826

TOWNSHIP BORROWING CAPACITY(1)

3.5% of Average (2022-24) Equalized Valuation of Real Property with Improvements and Second Class Railroad Property (\$7,196,976,022)	\$	251,894,161
Net Debt		<u>(58,406,365)</u>
Remaining Borrowing Capacity	\$	<u>193,487,796</u>

LOCAL SCHOOL BORROWING CAPACITY(1)

3% of Average (2022-24) Equalized Valuation of Real Property with Improvements and Second Class Railroad Property (\$7,196,976,022)	\$	215,909,281
Local School Debt		<u>-</u>
Remaining Borrowing Capacity	\$	<u>215,909,281</u>

REGIONAL HIGH SCHOOL DISTRICT(1)

3% of Averaged (2022-24) Equalized Valuation of Real Property Including Improvements (\$24,426,460,525.67)	\$	732,793,816
Regional High School Debt (2)		<u>(85,110,000)</u>
Remaining Borrowing Capacity	\$	<u>647,683,816</u>

(1) As of December 31, 2024

(2) Debt portion allocated to the Township is \$25,076,684.00

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

	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	\$ 129,015,000	\$ 17,421,051 (1)	\$ 111,593,949	\$ 12,389,955 (2)	
Notes				(2)	\$ 58,025,107
Loans	3,457,864		3,457,864	383,917 (2)	
Bonds Issued by Other Public Bodies					
Guaranteed by the County	361,231,900	361,231,900 (3)			
Solid Waste Utility	22,565,000	22,565,000			37,394,130
Evesham Township MUA	22,595,466		22,595,466	22,595,466	
	<u>\$ 538,865,230</u>	<u>\$ 401,217,951</u>	<u>\$ 137,647,279</u>	<u>\$ 35,369,338</u>	<u>\$ 95,419,237</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 2024 Net Valuations on which County taxes are apportioned, which is 11.10% .

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

**TOWNSHIP OF EVESHAM
SCHEDULE OF DEBT SERVICE
AS OF DECEMBER 31, 2024**

Existing Debt(1)							
Year	General			Golf Course Utility			Grand Total
	Principal	Interest	Total	Principal	Interest	Total	
2025	\$ 4,316,949	\$ 1,474,740	\$ 5,791,689	\$ 274,000	\$ 56,330	\$ 330,330	\$ 6,122,019
2026	3,898,295	1,309,350	5,207,645	231,000	46,038	277,038	5,484,683
2027	3,994,667	1,166,872	5,161,539	215,000	36,743	251,743	5,413,282
2028	4,106,068	1,037,621	5,143,689	220,000	29,525	249,525	5,393,214
2029	4,217,496	910,451	5,127,947	175,000	24,323	199,323	5,327,269
2030	4,308,953	778,536	5,087,489	175,000	19,885	194,885	5,282,374
2031	4,395,440	647,177	5,042,617	170,000	15,773	185,773	5,228,389
2032	2,946,956	540,503	3,487,459	175,000	11,738	186,738	3,674,197
2033	2,913,503	451,085	3,364,588	170,000	7,559	177,559	3,542,148
2034	2,045,081	377,089	2,422,170	170,000	3,263	173,263	2,595,433
2035	2,051,691	312,492	2,364,183	45,000	534	45,534	2,409,717
2036	2,048,332	246,402	2,294,734				2,294,734
2037	1,410,007	187,467	1,597,474				1,597,474
2038	1,416,716	136,192	1,552,908				1,552,908
2039	1,423,459	84,599	1,508,058				1,508,058
2040	570,237	32,687	602,924				602,924
2041	242,052	19,964	262,016				262,016
2042	150,000	12,581	162,581				162,581
2043	155,000	6,394	161,394				161,394
	<u>\$ 46,610,902</u>	<u>\$ 9,732,202</u>	<u>\$ 56,343,104</u>	<u>\$ 2,020,000</u>	<u>\$ 251,709</u>	<u>\$ 2,271,709</u>	<u>\$ 58,614,813</u>

(1) As of December 31, 2024

TOWNSHIP OF EVESHAM
2025 MUNICIPAL BUDGET (1)

CURRENT FUND

Anticipated Revenues:

Fund Balance	\$ 5,500,000
Miscellaneous Revenues:	
Local Revenues	3,295,000
State Aid without Offsetting Appropriations	3,202,430
Dedicated Uniform Construction Code Fees	1,200,000
Shared Service Agreements	440,252
Public and Private Programs Offset with Appropriations	980,056
Other Special Items of Revenue	4,269,072
Receipts from Delinquent Taxes	800,000
Amount to be Raised by Taxation for Municipal Purposes	<u>28,439,190</u>
 Total Anticipated Revenues	 <u><u>\$ 48,126,000</u></u>

Appropriations:

Within CAPS:

Operations	\$ 33,120,631
Deferred Charges and Statutory Expenditures	5,292,048

Excluded from CAPS:

Other Operations	302,299
Shared Service Agreements	440,252
Public and Private Programs	995,056
Capital Improvements	418,800
Debt Service	5,467,119
Reserve for Uncollected Taxes	<u>2,089,795</u>

Total Appropriations	<u><u>\$ 48,126,000</u></u>
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GOLF COURSE UTILITY

Anticipated Revenues:

Fund Balance	\$ 1,252,820
Golf Course Fees	1,152,180
Golf Cart Fees	130,000
Golf Course Concessions	250,000
Interest on Investments	95,000
Driving Range Sales	450,000
Pro-Shop Sales	<u>70,000</u>
 Total Anticipated Revenues	 <u><u>\$ 3,400,000</u></u>

Appropriations:

Operating	\$ 1,704,620
Debt Service	485,380
Deferred Charges and Statutory Expenditures	110,000
Surplus (General Budget)	<u>1,100,000</u>
 Total Appropriations	 <u><u>\$ 3,400,000</u></u>

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

	<u>Estimated Total Cost</u>	<u>Capital Improvement Fund</u>	<u>Bonds and Notes</u>	
			<u>General</u>	<u>Self Liquidating</u>
General Capital:				
Road Improvement Program	\$20,500,000	\$ 1,025,000	\$ 19,475,000	
Facility Improvements	3,505,000	175,250	3,329,750	
Vehicles & Equipment	6,371,000	318,550	6,052,450	
Total--General Capital	30,376,000	1,518,800	28,857,200	-
Open Space:				
Facility Improvements	18,500,000	925,000	17,575,000	
Total--Open Space	18,500,000	925,000	17,575,000	-
Golf Course Utility:				
Vehicles & Equipment	980,000			\$ 980,000
Facility Improvements	1,245,000			1,245,000
Total--Golf Course Utility	2,225,000	-	-	2,225,000
Totals--All Projects	\$51,101,000	\$ 2,443,800	\$46,432,200	\$2,225,000

(1) Source: 2025 Adopted 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, 2024, 2023, 2022, 2021 and 2020, and the related statements of operations and changes in reserve for future use and 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.

Qualified and Unmodified Opinions on Regulatory Basis of Accounting

Qualified Opinion on Note Disclosure for Pension Plans

In our opinion, as a result of the effects of the matter described in the *Basis for Qualified and Unmodified Opinions on Regulatory Basis of Accounting* paragraph, the disclosure for pension plans (note 7) is not presented fairly, in all material respects, of the Township of Evesham, in the County of Burlington, State of New Jersey, for the year ended December 31, 2024, 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.

Unmodified Opinions on the Various Funds and all Other Note Disclosures

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, 2024, 2023, 2022, 2021 and 2020, and the results of its operations and changes in reserve for future use and 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.

Basis for Qualified and Unmodified Opinions on Regulatory Basis of Accounting

Matter Giving Rise to the Qualified Opinion on the Note Disclosure for Pension Plans

An incorrect adjustment of the Township's proportionate share of net pension liability was used in the actuary report provided to the New Jersey Division of Pensions and Benefits for the measurement date June 30, 2023. As a result, the balance of deferred inflows of resources as of December 31, 2024 is misstated. The amount by which this misstatement affects the deferred inflows of resources, although not reasonably determinable, are presumed to be material. As a result of the regulatory basis of accounting, described in note 1 to the financial statements, this misstatement only impacted the pension plans disclosure in the notes to financial statements.

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 qualified and unmodified audit opinions.

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, 2024, 2023, 2022, 2021 and 2020, or the results of its operations and changes in reserve for future use and fund balance for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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, 2024, the Township adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. The adoption of this new accounting principle resulted in an updated measurement of compensated absences in accordance with the Statement (note 9). As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of this Statement only impacted financial statement disclosures. Our opinions are not modified with respect to this matter.

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.

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.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael P. Cragin Jr.
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
August 12, 2025

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

	As of December 31,				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
ASSETS					
Cash	\$ 17,484,947	\$ 17,978,509	\$ 16,254,581	\$ 17,921,662	\$ 18,131,418
Federal and State Grants Receivable	2,476,378	2,455,968	1,973,710	1,689,907	1,218,623
Receivables with Full Reserves:					
Delinquent Property Taxes Receivable	1,214,341	1,040,688	1,097,534	834,766	842,928
Tax Title Liens Receivable	445,259	416,158	393,675	371,885	350,869
Property Acquired for Taxes--Assessed Valuation	745,782	783,382	1,012,207	1,012,207	1,116,707
Revenue Accounts Receivable	37,303	29,721	35,285	27,452	25,627
Interfunds Receivable	45,404	659	3,852	1,877,010	
Accounts Receivable--Other	83,995	40,757	50,299	241,491	607,743
Prepaid Local School Taxes		2	1	2	2
	<u>\$ 22,533,409</u>	<u>\$ 22,745,844</u>	<u>\$ 20,821,144</u>	<u>\$ 23,976,382</u>	<u>\$ 22,293,917</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Appropriation Reserves	\$ 1,970,532	\$ 2,834,603	\$ 1,739,437	\$ 2,652,307	\$ 2,422,756
Accounts Payable	172,161	166,293	122,755	122,755	158,195
Reserve for Encumbrances	1,559,745	1,405,104	1,491,272	990,625	2,066,506
County Taxes Payable	84,569	87,392	85,307	48,401	50,054
Local School District Taxes Payable	1				
Regional School Taxes Payable	5,590,790	4,734,607	4,039,456	3,520,066	3,473,088
Prepaid Revenues	1,192,337	1,051,969	1,019,579	1,448,821	1,488,458
Tax Overpayments	55,093	266,795	3,055	978	476
Interfunds Payable	39,277	239,824		1,864,881	
Other Liabilities and Special Funds	312,357	314,597	588,053	320,472	208,673
Reserve for Receivables and Other Assets	2,511,258	2,311,367	2,592,853	2,499,932	2,943,876
Reserve for Federal and State Grants	3,022,911	2,507,406	1,769,942	4,051,283	758,566
Fund Balance	6,022,378	6,825,887	7,369,436	6,455,861	8,723,269
	<u>\$ 22,533,409</u>	<u>\$ 22,745,844</u>	<u>\$ 20,821,144</u>	<u>\$ 23,976,382</u>	<u>\$ 22,293,917</u>

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

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

	For the Years Ended December 31,				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Revenue Realized:					
Current Tax Collections	\$ 180,395,623	\$ 169,465,060	\$ 161,965,094	\$ 157,846,186	\$ 155,648,738
Delinquent Tax Collections	1,002,724	930,517	817,561	836,049	928,494
Total Taxes	181,398,347	170,395,577	162,782,655	158,682,235	156,577,232
Miscellaneous Revenues Anticipated	12,100,233	13,332,203	15,058,196	11,502,240	9,865,299
Other Income	3,158,315	2,723,260	4,787,602	3,717,473	4,234,147
Fund Balance Utilized	6,000,000	6,000,000	5,000,000	6,675,000	6,025,000
Total Income	202,656,895	192,451,040	187,628,453	180,576,948	176,701,678
Expenditures:					
Operating	32,221,389	32,158,120	30,948,752	29,882,410	28,043,034
Capital Improvements	250,000	250,000	200,000	300,000	150,000
Debt Service	5,437,913	5,524,091	5,312,827	5,224,278	5,039,210
Deferred Charges and Statutory Expenditures	5,439,461	5,450,950	4,899,802	4,559,570	4,282,844
County Taxes	25,251,575	23,253,929	22,530,262	21,968,217	22,312,050
Local District School Purposes	70,606,577	65,492,629	64,208,460	63,623,091	62,569,305
Regional High School Tax	43,016,916	41,304,549	39,914,248	38,875,467	38,781,511
Fire District Taxes	12,007,261	10,366,694	10,366,695	9,995,124	8,673,781
Municipal Open Space Tax	3,192,639	3,187,017	3,188,788	1,589,152	1,589,017
Other Expenditures	36,673	6,610	145,044	152,047	891,445
Total Expenditures and Encumbrances	197,460,404	186,994,589	181,714,879	176,169,356	172,332,197
Statutory Excess to Fund Balance	5,196,491	5,456,451	5,913,574	4,407,592	4,369,481
Fund Balance Beginning of Year	6,825,887	7,369,436	6,455,861	8,723,269	10,378,788
	12,022,378	12,825,887	12,369,436	13,130,861	14,748,269
Decreased by:					
Utilized as Revenue	6,000,000	6,000,000	5,000,000	6,675,000	6,025,000
Fund Balance Ending of Year	<u>\$ 6,022,378</u>	<u>\$ 6,825,887</u>	<u>\$ 7,369,436</u>	<u>\$ 6,455,861</u>	<u>\$ 8,723,269</u>

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

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

	As of December 31,				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
ASSETS					
Cash	\$ 8,160,069	\$ 8,395,213	\$ 6,687,523	\$ 11,488,850	\$ 4,041,437
Deferred Charges to Future Taxation:					
Funded	46,610,902	50,786,532	41,391,869	45,593,561	48,277,555
Unfunded	11,908,613	6,033,040	16,979,040	12,663,980	3,840,040
Interfunds Receivable	113,150				
	<u>\$ 66,792,734</u>	<u>\$ 65,214,785</u>	<u>\$ 65,058,432</u>	<u>\$ 69,746,391</u>	<u>\$ 56,159,032</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Bond Anticipation Notes	\$ 7,877,000	\$ 4,877,407	\$ 15,395,000	\$ 9,987,500	
General Serial Bonds	44,785,000	48,430,000	37,630,000	40,360,000	\$ 42,999,000
Loans Payable	1,825,902	2,356,532	3,761,869	5,233,560	5,278,555
Improvement Authorizations:					
Funded	1,710,132	1,875,540	944,812	1,523,479	2,143,515
Unfunded	7,610,974	4,734,329	4,390,004	9,134,207	2,159,464
Reserve for Encumbrances	2,686,873	2,764,535	2,671,293	3,199,542	2,610,908
Capital Improvement Fund	30,213	30,213	30,213	80,213	54,631
Reserve for Payment of Debt Service	113,150				
Other Liabilities and Special Funds	91,844	50,000	50,000	50,000	41,671
Fund Balance	61,646	96,229	185,241	177,890	871,288
	<u>\$ 66,792,734</u>	<u>\$ 65,214,785</u>	<u>\$ 65,058,432</u>	<u>\$ 69,746,391</u>	<u>\$ 56,159,032</u>

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

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

	As of December 31,				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
ASSETS					
Operating Fund:					
Cash and Investments	\$ 1,881,640	\$ 1,810,105	\$ 1,545,668	\$ 1,210,571	\$ 850,205
Accounts Receivable	20,233	36,836	12,219	2,750	1,300
Inventory	48,939	29,642	20,475	6,904	17,631
Deferred Charges:					
Emergency Appropriations				60,000	
Total Operating Fund	1,950,812	1,876,583	1,578,362	1,280,225	869,136
Capital Fund:					
Cash	3,090,046	1,745,766	1,094,332	751,859	804,684
Fixed Capital	14,743,547	14,743,547	14,743,547	14,493,766	12,564,428
Fixed Capital Authorized and Uncompleted	5,609,061	3,764,061	3,014,061	1,779,061	3,329,300
Interfunds Receivable	2,258	2,258			
Total Capital Fund	23,444,912	20,255,632	18,851,940	17,024,686	16,698,412
Total Assets	\$ 25,395,724	\$ 22,132,215	\$ 20,430,302	\$ 18,304,911	\$ 17,567,548
LIABILITIES, RESERVES AND FUND BALANCE					
Operating Fund:					
Appropriation Reserves	\$ 89,154	\$ 108,866	\$ 148,905	\$ 44,995	\$ 22,135
Reserve for Encumbrances	65,583	70,253	58,600	12,992	25,395
Accounts Payable	9,401	13,186			
Accrued Interest on Bonds and Notes	48,170	41,115	32,374	33,830	40,417
NJ Sales Tax Payable	2,720	2,824	3,202	1,520	
Interfunds Payable	2,258	2,258			
Other Liabilities	48,939	29,643	20,475	6,904	17,630
Fund Balance	1,684,587	1,608,438	1,314,806	1,179,984	763,559
Total Operating Fund	1,950,812	1,876,583	1,578,362	1,280,225	869,136
Capital Fund:					
Serial Bonds	1,980,000	2,750,000	3,485,000	4,200,000	4,886,000
Loans Payable	40,000	60,000	79,000	97,000	114,000
Bond Anticipation Notes	3,100,000	1,500,000	500,000		
Reserve for Encumbrances	3,484,050	135,879	345,297	82,614	85,471
Improvement Authorizations:					
Funded	100,375	174,494	279,774	127,008	129,682
Unfunded	217,481	1,926,030	1,228,317	321,805	
Capital Improvement Fund	10,614	10,614	10,614	10,614	614
Reserve for Amortization	13,867,103	13,077,103	12,320,845	10,869,577	9,889,457
Reserve for Deferred Amortization	606,405	506,405	506,405	70,096	347,216
Fund Balance	38,884	115,107	96,687	1,245,972	1,245,972
Total Capital Fund	23,444,912	20,255,632	18,851,940	17,024,686	16,698,412
Total Liabilities, Reserves and Fund Balance	\$ 25,395,724	\$ 22,132,215	\$ 20,430,302	\$ 18,304,911	\$ 17,567,548

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

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

	For the Years Ended December 31,				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Revenue Realized:					
Miscellaneous Revenues not Anticipated	\$ 314,872	\$ 259,073	\$ 130,631	\$ 109,736	\$ 15,950
Golf Course Fees	1,414,377	1,322,554	1,242,667	1,148,621	754,257
Golf Cart Fees	141,530	185,547	177,028	277,043	183,785
Golf Course Concession	264,996	274,494	271,999	204,019	86,600
Interest on Investments	129,749	83,377	34,519	27,751	22,298
Driving Range Sales	663,349	580,033	501,437	530,177	385,105
Pro Shop Sales	80,307	113,070	104,697	100,442	59,073
Golf Capital Fund Balance			654,578		
Dedicated Open Space / Recreation					
Trust Fund Anticipated					635,584
Other Credits to Income	157,537	151,726	53,659	26,201	52,677
Fund Balance	998,818	1,046,648	828,000	590,228	420,000
Total Income	4,165,535	4,016,522	3,999,216	3,014,218	2,615,329
Expenditures and Encumbrances:					
Operating	1,510,926	1,416,665	1,348,290	1,116,000	957,684
Capital Improvements				10,000	
Debt Service	952,980	887,319	858,526	845,099	832,206
Deferred Charges and Statutory Expenditures	124,912	122,258	829,578	96,466	95,000
Surplus (Current Fund Budget)	500,000	250,000			
Refund of Prior Year Revenue	1,750				3,915
Total Expenditures and Encumbrances	3,090,568	2,676,242	3,036,394	2,067,565	1,888,805
Excess in Revenues	1,074,967	1,340,280	962,822	946,653	726,524
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	1,074,967	1,340,280	962,822	1,006,653	726,524
Fund Balance Beginning of Year	1,608,438	1,314,806	1,179,984	763,559	457,035
	2,683,405	2,655,086	2,142,806	1,770,212	1,183,559
Decreased by:					
Utilized as Revenue	998,818	1,046,648	828,000	590,228	420,000
Fund Balance End of Year	\$ 1,684,587	\$ 1,608,438	\$ 1,314,806	\$ 1,179,984	\$ 763,559

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

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

	As of December 31,				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
ASSETS					
Cash and Investments	\$ 10,528,525	\$ 9,129,198	\$ 9,388,019	\$ 7,411,872	\$ 8,841,754
Interfunds Receivable	39,277	239,825			
	<u>\$ 10,567,802</u>	<u>\$ 9,369,023</u>	<u>\$ 9,388,019</u>	<u>\$ 7,411,872</u>	<u>\$ 8,841,754</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Interfunds Payable	\$ 29,186	\$ 659	\$ 3,852	\$ 12,128	
Other Accounts Payable			37		
Reserve for Liabilities and Special Funds	10,538,616	9,368,364	9,384,130	7,399,744	\$ 8,841,754
	<u>\$ 10,567,802</u>	<u>\$ 9,369,023</u>	<u>\$ 9,388,019</u>	<u>\$ 7,411,872</u>	<u>\$ 8,841,754</u>

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

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

	As of December 31,				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
ASSETS					
Cash	\$ -	\$ -	\$ -	\$ -	\$ 21,557
LIABILITIES AND RESERVES					
Reserve for Public Assistance	\$ -	\$ -	\$ -	\$ -	\$ 21,557

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

TOWNSHIP OF EVESHAM
Notes to Financial Statements
For the Year Ended December 31, 2024

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.

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

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

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

Inventories of Supplies - The costs of inventories of supplies for all funds, 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* (2 CFR Part 225), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$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, 2023 and decreased by the amount deferred at December 31, 2024.

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

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, 2024:

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. As a result of the regulatory basis of accounting previously described in note 1, the implementation of this Statement only impacted financial statement disclosures. There exists no impact on the financial statements of the Township.

Because of the implementation of GASB Statement No. 101, the Township has updated the measurement of compensated absences in accordance with the Statement (note 9).

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, 2024, the Township's bank balances of \$41,068,099.25 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 37,987,881.54
Uninsured and Uncollateralized	<u>3,080,217.71</u>
Total	<u>\$ 41,068,099.25</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>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Apportionment of General Tax Rate:					
Municipal	\$.511	\$.501	\$.423	\$.422	\$.423
County	.475	.438	.424	.417	.423
Local School	1.331	1.238	1.212	1.203	1.184
Regional School	.811	.780	.754	.735	.733
Municipal Open Space	<u>.060</u>	<u>.060</u>	<u>.060</u>	<u>.030</u>	<u>.030</u>
General Tax Rate	<u>\$ 3.188</u>	<u>\$ 3.017</u>	<u>\$ 2.873</u>	<u>\$ 2.807</u>	<u>\$ 2.793</u>

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2024	\$ 5,303,217,137.00
2023	5,291,683,807.00
2022	5,297,081,668.00
2021	5,285,568,270.00
2020	5,284,891,663.00

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>
2024	\$ 181,704,219.28	\$ 180,395,622.61	99.28%
2023	170,676,898.61	169,465,059.66	99.29%
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%

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>
2024	\$ 445,259.13	\$ 1,214,340.65	\$ 1,659,599.78	0.91%
2023	416,158.26	1,040,687.49	1,456,845.75	0.85%
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%

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>
2024	10
2023	5
2022	5
2021	4

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>
2024	\$ 745,782.00
2023	783,382.00
2022	1,012,207.00
2021	1,012,207.00
2020	1,116,707.00

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 June 6, 2023, the Township entered into a five-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 6.00%. Based on this agreement, the Township is receiving monthly payments through June 30, 2028 ranging from \$22,083.33 to \$24,383.33 per month over the life of the lease.

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 3, 2024, the Township entered into a three-year lease agreement with an entity for the lease of office space with an incremental borrowing rate of 6.00%. Based on this agreement, the Township is receiving payments through December 31, 2026 with monthly rents of ranging between \$3,302.75 and \$3,436.18. At the present time it is unknown if the Township will extend this lease with this entity.

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, 2024, the total balance of the lease's receivable is \$1,510,854.75. 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, 2024:

<u>Lease Description</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
Golf Course Caterer	\$ 990,071.00	\$ 842,627.94	\$ 100,102.07
Office Lease #1	81,659.83	74,144.16	4,912.60
Office Lease #2	54,739.92	72,312.48	2,543.35
Office/Yard Lease #3	384,384.00	308,680.32	17,859.48
	<u>\$ 1,510,854.75</u>	<u>\$ 1,297,764.90</u>	<u>\$ 125,417.50</u>

Under the provisions of GASB 87, for the year ended December 31, 2024, the Township would have recognized a total of \$439,829.83 in a reduction of lease receivable and a total of \$89,665.13 in interest revenue related to the leases. In addition, a total of \$468,319.32 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 \$270,300.00 and \$259,194.96, were reported as revenue in the current fund and golf course utility operating fund, respectively.

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>
2024	\$ 6,022,378.42	\$ 5,500,000.00	91.33%
2023	6,825,886.53	6,000,000.00	87.90%
2022	7,369,435.80	6,000,000.00	81.42%
2021	6,455,861.48	5,000,000.00	77.45%
2020	8,723,269.13	6,675,000.00	76.52%

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>
2024	\$ 1,684,586.81	\$ 1,252,820.00	74.37%
2023	1,608,437.98	988,818.00	61.48%
2022	1,314,805.88	1,046,647.90	79.60%
2021	1,179,984.44	828,000.00	70.17%
2020	763,558.68	590,227.52	77.30%

Note 7: PENSION PLANS

Effective July 1, 2022, the Fire District located in the Township of Evesham obtained their own employer number through the New Jersey Division of Pensions and Benefits. Prior to this, the Fire District's employees were reported under the Township's employer number. Our report on the financial statements included a qualified opinion on the balance of deferred inflows of resources and pension expense as a result of an incorrect amortization of deferred inflows of resources in the actuary report provided by the New Jersey Division of Pensions and Benefits measured as of June 30, 2024.

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. This Plan is administered by Empower for the New Jersey Division of Pensions and Benefits. Each Plan has a Board of Trustees that is primarily responsible for its administration. As a local participation employer of these pension plans, the Township is referred to as "Employer" throughout this note. The Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS and PFRS plans' fiduciary net position which can be obtained by writing to 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, and disability benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Employer, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

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

Vesting and Benefit Provisions

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

The following represents the membership tiers for PERS:

Tier Definition

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

Service retirement benefits of 1/55th of final average salary for each year of service credit 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.

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

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.

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.

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

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

The Employer's contractually required contribution rate for the year ended December 31, 2024 was 16.80% of the Employer's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

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

Public Employees' Retirement System (Cont'd) - Based on the most recent PERS measurement date of June 30, 2024, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2024 is \$975,965.00, and is payable by April 1, 2025. 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, 2023, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2023 was \$1,098,245.00, which was paid on April 1, 2024.

Employee contributions to the Plan for the year ended December 31, 2024 were \$448,179.00.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer, under Chapter 133, P.L. 2001, for the year ended December 31, 2024 .54% of the Employer's covered payroll.

Based on the most recent PERS measurement date of June 30, 2024, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Employer, to the pension plan for the year ended December 31, 2024 was \$31,421.00. For the prior year measurement date of June 30, 2023, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Employer, to the pension plan for the year ended December 31, 2023 was \$37,118.00.

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

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

The Employer's contractually required contribution rate for the year ended December 31, 2024 was 33.22% of the Employer's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2024, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2024 is \$2,990,112.00, and is payable by April 1, 2025. 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, 2023, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2023 was \$3,046,127.00, which was paid on April 1, 2024.

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) - Employee contributions to the Plan for the year ended December 31, 2024 were \$904,767.08.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer, for the year ended December 31, 2024 was 5.62% of the Employer's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2024, the State's contractually required contribution, on-behalf of the Employer, to the pension plan for the year ended December 31, 2024 was \$506,286.00, and is payable by April 1, 2025. For the prior year measurement date of June 30, 2023, the State's contractually required contribution, on-behalf of the Employer, to the pension plan for the year ended December 31, 2023 was \$532,762.00, which was paid on April 1, 2024.

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, 2024, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The Employer's proportionate share of the PERS net pension liability was \$9,745,908.00. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. 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, 2024. The Employer's proportion of the net pension liability was based on a projection of the Employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2024 measurement date, the Employer's proportion was .0717241359%, which was a decrease of .0104474018% from its proportion measured as of June 30, 2023.

Pension (Benefit) Expense For the year ended December 31, 2024, the Employer's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2024 measurement date was \$29,018.00. This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2024, the Employer's contribution to PERS was \$1,098,245.00, and was paid on April 1, 2024.

For the year ended December 31, 2024, the State's proportionate share of the PERS pension (benefit) expense, associated with the Employer, under Chapter 133, P.L. 2001, calculated by the Plan as of the June 30, 2024 measurement date, was \$31,421.00. This on-behalf (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1.

Note 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, 2024, the Employer's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Proportionate Share of Net Pension Liability	\$ 22,322,737.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Employer	4,400,880.00
	<u>\$ 26,723,617.00</u>

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. 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, 2024. The Employer's proportion of the net pension liability was based on a projection of the Employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2024 measurement date, the Employer's proportion was .2161673500%, which was a decrease of .0126581100% from its proportion measured as of June 30, 2023. Likewise, at June 30, 2024, the State of New Jersey's proportion, on-behalf of the Employer, was .2161675400%, which was a decrease of .0126578100% from its proportion, on-behalf of the Employer, measured as of June 30, 2023.

Pension (Benefit) Expense - For the year ended December 31, 2024, the Employer's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2024 measurement date was \$(707,325.00). This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2024, the Employer's contribution to PFRS was \$3,046,127.00, and was paid on April 1, 2024.

For the year ended December 31, 2024, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Employer, calculated by the Plan as of the June 30, 2024 measurement date, was \$506,286.00. This on-behalf (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1.

Note 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, 2024, the Employer had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 195,228.00	\$ 1,406,315.00	\$ 1,601,543.00	\$ 25,946.00	\$ 764,206.00	\$ 790,152.00
Changes of Assumptions	12,107.00	35,288.00	47,395.00	110,886.00	655,582.00	766,468.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	451,891.00	174,716.00	626,607.00
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	424,506.00	1,438,054.00	1,862,560.00	1,300,015.00	10,595,998.00	11,896,013.00
Contributions Subsequent to the Measurement Date	487,983.00	1,495,056.00	1,983,039.00	-	-	-
	<u>\$ 1,119,824.00</u>	<u>\$ 4,374,713.00</u>	<u>\$ 5,494,537.00</u>	<u>\$ 1,888,738.00</u>	<u>\$ 12,190,502.00</u>	<u>\$ 14,079,240.00</u>

Deferred outflows of resources in the amounts of \$487,983.00 and \$1,495,056.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2025. These amounts were based on an estimated April 1, 2026 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2024 to the Employer's year end of December 31, 2024.

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 - The Employer will amortize the other deferred outflows of resources and deferred inflows of resources related to pensions over the following number of years:

	PERS		PFRS	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2019	5.21	-	-	5.92
June 30, 2020	5.16	-	5.90	-
June 30, 2021	-	5.13	-	6.17
June 30, 2022	-	5.04	6.22	-
June 30, 2023	5.08	-	6.16	-
June 30, 2024	5.08	-	6.09	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2019	-	5.21	-	5.92
June 30, 2020	-	5.16	-	5.90
June 30, 2021	5.13	-	6.17	-
June 30, 2022	-	5.04	-	6.22
Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2020	5.00	-	5.00	-
June 30, 2021	-	5.00	-	5.00
June 30, 2022	5.00	-	5.00	-
June 30, 2023	-	5.00	-	5.00
June 30, 2024	-	5.00	-	5.00
Changes in Proportion				
Year of Pension Plan Deferral:				
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
June 30, 2022	5.04	5.04	6.22	6.22
June 30, 2023	5.08	5.08	6.16	6.16
June 30, 2024	5.08	5.08	6.09	6.09

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:

<u>Year Ending Dec 31,</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2025	\$ (489,717.00)	\$ (3,131,012.00)	\$ (3,620,729.00)
2026	110,941.00	(711,152.00)	(600,211.00)
2027	(441,590.00)	(2,519,819.00)	(2,961,409.00)
2028	(414,315.00)	(2,480,322.00)	(2,894,637.00)
2029	(22,216.00)	(457,321.00)	(479,537.00)
Thereafter	-	(11,219.00)	(11,219.00)
	<u>\$ (1,256,897.00)</u>	<u>\$ (9,310,845.00)</u>	<u>\$ (10,567,742.00)</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. 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, 2024. 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:	2.75% - 6.55%	3.25% - 16.25%
	Based on Years of Service	Based on Years of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2018 - June 30, 2021	July 1, 2018 - June 30, 2021

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

Employee mortality rates were based on the Pub-2010 Safety Employee amount-weighted mortality table (sex-specific) projected generationally from 2010 with Scale MP-2021 mortality projection. For healthy annuitants, mortality rates were based on the Pub-2010 Safety Retiree Below Median amount-weighted mortality table (sex-specific), projected generationally from 2010 with Scale MP-2021 mortality projection. Disability rates were 144% of the Pub-2010 Safety Disabled Retiree amount-weighted mortality table for males and 100% of the Pub-2010 Safety Disabled Retiree amount-weighted mortality table for females, projected generationally from 2010 with Scale MP-2021 mortality projection.

For both PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2024) 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, 2024 are summarized in the table that follows:

<u>PERS</u>			<u>PFRS</u>		
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.63%	U.S. Large-Cap Equity	24.00%	6.90%
Non-US Developed Markets Equity	12.75%	8.85%	U.S. Small/Mid Cap Equity	4.00%	7.40%
International Small Cap Equity	1.25%	8.85%	Non-U.S. Developed Large-Cap Equity	9.50%	6.70%
Emerging Market Equity	5.50%	10.66%	Non-U.S. Developed Small-Cap Equity	2.00%	7.50%
Private Equity	13.00%	12.40%	Emerging Markets Large-Cap Equity	6.00%	9.60%
Real Estate	8.00%	10.95%	Emerging Markets Small-Cap Equity	1.50%	9.60%
Real Assets	3.00%	8.20%	U.S. Treasury Bond	7.00%	4.10%
High Yield	4.50%	6.74%	U.S. Corporate Bond	5.00%	5.90%
Private Credit	8.00%	8.90%	U.S. Mortgage-Backed Securities	5.00%	4.40%
Investment Grade Credit	7.00%	5.37%	Global Multisector Fixed Income	6.00%	6.50%
Cash Equivalents	2.00%	3.57%	Cash	2.00%	3.40%
U.S. Treasuries	4.00%	3.57%	Real Estate Core	3.00%	5.10%
Risk Mitigation Strategies	3.00%	7.10%	Real Estate Non-Core	4.00%	6.50%
			Infrastructure	3.00%	7.00%
			Private Debt/Credit	8.00%	9.10%
			Private Equity	10.00%	10.10%
	<u>100.00%</u>			<u>100.00%</u>	

Note 7: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Discount Rate -**

For both PERS and PFRS, the discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

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

Public Employees' Retirement System (PERS) - The following presents the Employer's proportionate share of the net pension liability as of the June 30, 2024 measurement date, calculated using a discount rate of 7.00%, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	\$ 12,949,916.00	\$ 9,745,908.00	\$ 7,019,315.00

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PERS has a special funding situation, under Chapter 366, P.L. 2001, where the State of New Jersey pays a portion of the Employer's annual required contribution. As such, the net pension liability as of the June 30, 2024 measurement date, for the Employer and the State of New Jersey, calculated using a discount rate of 7.00%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	\$ 31,894,224.00	\$ 22,322,737.00	\$ 14,351,785.00
State of New Jersey's Proportionate Share of Net Pension Liability	6,287,878.00	4,400,880.00	2,829,424.00
	<u>\$ 38,182,102.00</u>	<u>\$ 26,723,617.00</u>	<u>\$ 17,181,209.00</u>

Note 7: PENSION PLANS (CONT'D)**Pension Plan Fiduciary Net Position**

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

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.

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

	Measurement Date Ended June 30,				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Proportion of the Net Pension Liability	0.0717241359%	0.0821715377%	0.0762721025%	0.0760803927%	0.0716319681%
Proportionate Share of the Net Pension Liability	\$ 9,745,908.00	\$ 11,902,033.00	\$ 11,510,510.00	\$ 9,012,863.00	\$ 11,681,301.00
Covered Payroll (Plan Measurement Period)	\$ 5,874,292.00	\$ 6,176,564.00	\$ 5,281,928.00	\$ 5,545,068.00	\$ 5,212,328.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	165.91%	192.70%	217.92%	162.54%	224.11%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.22%	65.23%	62.91%	70.33%	58.32%
	Measurement Date Ended June 30,				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the Net Pension Liability	0.0751731141%	0.0727878557%	0.0662567209%	0.0671747165%	0.0593309119%
Proportionate Share of the Net Pension Liability	\$ 13,545,054.00	\$ 14,331,562.00	\$ 15,423,506.00	\$ 19,895,224.00	\$ 13,318,600.00
Covered Payroll (Plan Measurement Period)	\$ 5,292,984.00	\$ 5,046,956.00	\$ 4,688,112.00	\$ 4,708,052.00	\$ 4,109,132.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	255.91%	283.96%	328.99%	422.58%	324.12%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.27%	53.60%	48.10%	40.14%	47.93%

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

	Year Ended December 31,				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually Required Contribution	\$ 975,965.00	\$ 1,098,245.00	\$ 961,828.00	\$ 890,990.00	\$ 783,618.00
Contribution in Relation to the Contractually Required Contribution	(975,965.00)	(1,098,245.00)	(961,828.00)	(890,990.00)	(783,618.00)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll (Calendar Year)	\$ 5,810,079.00	\$ 5,803,767.00	\$ 6,000,202.00	\$ 5,417,228.00	\$ 5,316,676.00
Contributions as a Percentage of Covered Payroll	16.80%	18.92%	16.03%	16.45%	14.74%
	Year Ended December 31,				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 731,213.00	\$ 724,004.00	\$ 613,798.00	\$ 596,771.00	\$ 510,087.00
Contribution in Relation to the Contractually Required Contribution	(731,213.00)	(724,004.00)	(613,798.00)	(596,771.00)	(510,087.00)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll (Calendar Year)	\$ 5,269,076.00	\$ 5,271,383.00	\$ 5,096,762.00	\$ 4,713,047.00	\$ 4,699,685.00
Contributions as a Percentage of Covered Payroll	13.88%	13.73%	12.04%	12.66%	10.85%

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 Ten Plan Years)***

	Measurement Date Ended June 30,				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Proportion of the Net Pension Liability	0.2161673500%	0.2288254600%	0.2343182863%	0.2372781905%	0.2290518628%
Proportionate Share of the Net Pension Liability	\$ 22,322,737.00	\$ 25,282,428.00	\$ 26,820,906.00	\$ 17,343,023.00	\$ 29,596,521.00
State's Proportionate Share of the Net Pension Liability	4,400,880.00	4,658,581.00	4,773,335.00	4,877,722.00	4,593,245.00
Total	\$ 26,723,617.00	\$ 29,941,009.00	\$ 31,594,241.00	\$ 22,220,745.00	\$ 34,189,766.00
Covered Payroll (Plan Measurement Period)	\$ 8,080,968.00	\$ 7,847,008.00	\$ 8,318,192.00	\$ 8,191,472.00	\$ 7,891,488.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	276.24%	322.19%	322.44%	211.72%	375.04%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.66%	70.16%	68.33%	77.26%	63.52%
	Measurement Date Ended June 30,				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the Net Pension Liability	0.2265135845%	0.2208666795%	0.2131265818%	0.2198849928%	0.2087106709%
Proportionate Share of the Net Pension Liability	\$ 27,720,322.00	\$ 29,886,903.00	\$ 32,902,624.00	\$ 42,003,658.00	\$ 34,763,923.00
State's Proportionate Share of the Net Pension Liability	4,377,092.00	4,059,641.00	3,685,371.00	3,527,266.00	3,048,680.00
Total	\$ 32,097,414.00	\$ 33,946,544.00	\$ 36,587,995.00	\$ 45,530,924.00	\$ 37,812,603.00
Covered Payroll (Plan Measurement Period)	\$ 7,665,552.00	\$ 7,247,708.00	\$ 6,756,584.00	\$ 6,818,104.00	\$ 6,451,000.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	361.62%	412.36%	486.97%	616.06%	538.89%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.00%	62.48%	58.60%	52.01%	56.31%

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

	Year Ended December 31,				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually Required Contribution	\$ 2,990,112.00	\$ 3,046,127.00	\$ 3,047,434.00	\$ 2,765,393.00	\$ 2,558,901.00
Contribution in Relation to the Contractually Required Contribution	(2,990,112.00)	(3,046,127.00)	(3,047,434.00)	(2,765,393.00)	(2,558,901.00)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 9,001,714.00	\$ 8,181,981.00	\$ 7,870,296.00	\$ 8,140,479.00	\$ 8,064,414.00
Contributions as a Percentage of Covered Payroll	33.22%	37.23%	38.72%	33.97%	31.73%
	Year Ended December 31,				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 2,288,038.00	\$ 2,159,297.00	\$ 1,886,210.00	\$ 1,792,812.00	\$ 1,696,506.00
Contribution in Relation to the Contractually Required Contribution	(2,288,038.00)	(2,159,297.00)	(1,886,210.00)	(1,792,812.00)	(1,696,506.00)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 7,863,199.00	\$ 7,634,184.00	\$ 7,208,793.00	\$ 6,796,216.00	\$ 6,692,824.00
Contributions as a Percentage of Covered Payroll	29.10%	28.28%	26.17%	26.38%	25.35%

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**

Chapter 249, P.L. 2023 extends provisions of Chapter 498, P.L. 2021 for calendar years 2023 or 2024 to allow for a temporary return to employment by a former employee of the Legislature after retirement from PERS.

Changes in Assumptions

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

<u>Discount Rate</u>				<u>Long-term Expected Rate of Return</u>			
<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2024	7.00%	2019	6.28%	2024	7.00%	2019	7.00%
2023	7.00%	2018	5.66%	2023	7.00%	2018	7.00%
2022	7.00%	2017	5.00%	2022	7.00%	2017	7.00%
2021	7.00%	2016	3.98%	2021	7.00%	2016	7.65%
2020	7.00%	2015	4.90%	2020	7.00%	2015	7.90%

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

None.

Changes in Assumptions

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

<u>Discount Rate</u>				<u>Long-term Expected Rate of Return</u>			
<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2024	7.00%	2019	6.85%	2024	7.00%	2019	7.00%
2023	7.00%	2018	6.51%	2023	7.00%	2018	7.00%
2022	7.00%	2017	6.14%	2022	7.00%	2017	7.00%
2021	7.00%	2016	5.55%	2021	7.00%	2016	7.65%
2020	7.00%	2015	5.79%	2020	7.00%	2015	7.90%

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**A. TOWNSHIP OF EVESHAM POSTEMPLOYMENT BENEFIT PLAN**

Plan Description and Benefits Provided - The Township is referred to as "Employer" throughout this note. The Employer provides postretirement health care benefits through a health plan for retirees, which includes a medical, dental, vision, and prescription plan. The Employer'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 Employer 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 the required amount of sick leave. Covered members must have a minimum of 20 years' service with the Employer. 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, 2024, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	24
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	-
Active Employees	49
	<u>73</u>

Total OPEB Liability

The Employer's total OPEB liability of \$3,541,571.00 was measured as of December 31, 2024, and the was determined by an actuarial valuation as of December 31, 2024.

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

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	4.08%
Retirees' Share of Benefit-Related Costs	Those who had retired prior to passage of Chapter 78 and those employees that had more than 25 years of service on the date of passage are grandfathered. All others are subject to the contribution rates in effect when they retire, but not less than 1.5% of their annual retirement allowance from the Public Employees Retirement System.
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	Medical: 6.50% in 2024, Reducing by .25% per Annum, Leveling at 4.50% per Annum in 2032 Drug: 14.00% in 2024, 10% in 2025, and 7.5% in 2026, reducing by .75% per Annum, Leveling at 4.50% per Annum in 2030 Medicare Advantage: 4.50% per Annum Dental and Vision: 3.50% per Annum
Medical Cost Aging Factor	NJ SHBP Medical Morbidity Rates

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 (Cont'd) - The discount rate was based on the Bond Buyer 20 Index as of December 31, 2024.

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

Changes in Total OPEB Liability

Balance at December 31, 2023		\$ 3,721,512.00
Changes for the Year:		
Service Cost	\$ 128,624.00	
Interest Cost	122,286.00	
Difference Between Expected and Actual Experience	-	
Changes in Assumptions	(232,787.00)	
Benefit Payments	<u>(198,064.00)</u>	
Net Changes		<u>(179,941.00)</u>
Balance at December 31, 2024		<u>\$ 3,541,571.00</u>

There were no changes in benefit terms.

Changes of assumptions reflect a change in the discount rate from 3.26% at December 31, 2023, to 4.08% at December 31, 2024.

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

	<u>1.00% Decrease (3.08%)</u>	<u>Current Discount Rate (4.08%)</u>	<u>1.00% Increase (5.08%)</u>
Total OPEB Liability	<u>\$ 3,766,151.00</u>	<u>\$ 3,541,571.00</u>	<u>\$ 3,353,958.00</u>

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

	<u>1.00% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1.00% Increase</u>
Total OPEB Liability	<u>\$ 3,442,095.00</u>	<u>\$ 3,541,571.00</u>	<u>\$ 3,676,443.00</u>

Note 8: 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, 2024, the Employer recognized OPEB expense of \$78,265.00. As of December 31, 2024, the Employer 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	\$ 266,776.00	\$ 738,362.00
Changes of Assumptions	<u>58,296.00</u>	<u>610,657.00</u>
	<u><u>\$ 325,072.00</u></u>	<u><u>\$ 1,349,019.00</u></u>

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

<u>Year Ending Dec 31,</u>	
2025	\$ (172,645.00)
2026	(172,645.00)
2027	(172,645.00)
2028	(172,645.00)
2029	(173,022.00)
Thereafter	<u>(160,345.00)</u>
	<u><u>\$ (1,023,947.00)</u></u>

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. TOWNSHIP OF EVESHAM POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Supplementary OPEB Information**

In accordance with GASB No. 75, the following information is also presented for the Employer'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.

Schedule of Changes in the Township's Total OPEB Liability and Related Ratios (Last Six Years)

	Plan Measurement Date December 31,					
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB Liability						
Service Cost	\$ 128,624.00	\$ 120,687.00	\$ 120,687.00	\$ 107,656.00	\$ 107,656.00	\$ 170,066.00
Interest Cost	122,286.00	139,809.00	78,134.00	83,899.00	132,700.00	189,758.00
Difference Between Expected and Actual Experience			360,480.00		(1,136,108.00)	
Changes in Assumptions	(232,787.00)	(110,913.00)	(454,601.00)	(245,498.00)	100,593.00	16,266.00
Benefit Payments	(198,064.00)	(131,376.00)	(147,283.00)	(100,019.00)	(80,808.00)	(116,883.00)
Net Change in Total OPEB Liability	(179,941.00)	18,207.00	(42,583.00)	(153,962.00)	(875,967.00)	259,207.00
Total OPEB Liability - Beginning of Year	3,721,512.00	3,703,305.00	3,745,888.00	3,899,850.00	4,775,817.00	4,516,610.00
Total OPEB Liability - End of Year	<u>\$ 3,541,571.00</u>	<u>\$ 3,721,512.00</u>	<u>\$ 3,703,305.00</u>	<u>\$ 3,745,888.00</u>	<u>\$ 3,899,850.00</u>	<u>\$ 4,775,817.00</u>
Covered-Employee Payroll	\$ 3,443,000.00	4,172,000.00	\$ 3,858,000.00	\$ 3,858,000.00	\$ 6,015,000.00	\$ 5,712,000.00
Total OPEB Liability as a Percentage of Covered Payroll	102.86%	90.22%	97.09%	62.28%	68.27%	93.28%

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:

2024 – 4.08%
 2023 – 3.26%
 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**

N.J.A.C. 5:30-6.1 allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2024 was not available; therefore, the information from the measurement period June 30, 2023 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>. As a local participating employer of the Plan, the Township is referred to as "Employer" throughout this note.

The Plan provides medical and prescription drug 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 Employer, is not known; however, under the special funding situation, the State's OPEB (benefit) expense, on-behalf of the Employer, is (\$2,903,246.00) for the year ended December 31, 2023, representing -35.48% of the Employer's covered payroll.

OPEB Liability

OPEB Liability - At December 31, 2023, the Employer's and State's proportionate share of the net OPEB liability associated with the Employer was \$16,011,767.00. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023.

The State's proportion of the net OPEB liability, on-behalf of the Employer was based on the ratio of the Plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2022 through June 30, 2023. For the June 30, 2023 measurement date, the State's proportion on-behalf of the Employer was .458909%, which was a decrease of .091212% from its proportion measured as of the June 30, 2022 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, 2022, which was rolled forward to June 30, 2023, used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases:

PFRS - Rates for all future years	3.25% to 16.25% based on years of service
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Mortality:

PFRS - 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, 2018 to June 30, 2021.

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

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

Discount Rate - The discount rate used to measure the OPEB liability at June 30, 2023 was 3.65%. 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:

	Annual Rate of Increase					
	Medical Trend			Prescription Drug Trend		
Fiscal Year Ending	Pre-65	PPO Post-65	HMO Post-65	Pre-65	Post-65	EGWP
2024	6.50%	-5.63%	-6.04%	14.00%	9.50%	14.28%
2025	6.25%	8.22%	8.33%	10.00%	8.75%	11.21%
2026	6.00%	16.85%	17.28%	7.50%	7.50%	7.50%
2027	5.75%	14.31%	14.65%	6.75%	6.75%	6.75%
2028	5.50%	12.43%	12.71%	6.00%	6.00%	6.00%
2029	5.25%	11.02%	11.24%	5.25%	5.25%	5.25%
2030	5.00%	9.91%	10.09%	4.50%	4.50%	4.50%
2031	4.75%	8.98%	9.14%	4.50%	4.50%	4.50%
2032	4.50%	6.46%	6.53%	4.50%	4.50%	4.50%
2033 and Later	4.50%	4.50%	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 3.65%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>\$ 18,546,729.00</u>	<u>\$ 16,011,766.00</u>	<u>\$ 13,972,780.00</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	Healthcare Cost Trend Rate	1% Increase
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>\$ 13,608,117.00</u>	<u>\$ 16,011,766.00</u>	<u>\$ 19,089,171.00</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 Employer (Last Seven Plan Years):***

	Measurement Date Ended June 30,			
	<u>2023</u>	<u>2022</u>	<u>2021 (a)</u>	<u>2020</u>
Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	100.00%	100.00%	100.00%	100.00%
Total	100.00%	100.00%	100.00%	100.00%
Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	16,011,767.00	18,560,047.00	25,085,961.78	24,977,637.00
Total	\$ 16,011,767.00	\$ 18,560,047.00	\$ 25,085,961.78	\$ 24,977,637.00
Covered Payroll (Plan Measurement Period)	\$ 7,929,608.00	\$ 7,927,272.00	\$ 8,167,253.00	\$ 8,007,434.00
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	201.92%	234.13%	307.15%	311.93%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	-0.79%	-0.36%	0.28%	0.91%
	Measurement Date Ended June 30,			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	
Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%	
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	100.00%	100.00%	100.00%	
Total	100.00%	100.00%	100.00%	
Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	20,299,753.00	22,823,012.00	31,051,694.00	
Total	\$ 20,299,753.00	\$ 22,823,012.00	\$ 31,051,694.00	
Covered Payroll (Plan Measurement Period)	\$ 7,747,171.00	\$ 7,395,325.00	\$ 7,063,953.00	
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	
State's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	262.03%	308.61%	439.58%	
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.98%	1.97%	1.03%	

(a) The Proportionate Share of the June 30, 2021 Net OPEB Liability was adjusted within the June 30, 2022 Plan Audit.

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)****Other Notes to Supplementary OPEB Information**

Changes in Benefit Terms - The actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023, 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>
2023	3.65%	2019	3.50%
2022	3.54%	2018	3.87%
2021	2.16%	2017	3.58%
2020	2.21%		

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 update.

There were no changes to mortality projections.

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, 2024, accrued benefits for compensated absences are valued at \$5,093,682.00. The Township has established a Compensated Absences Trust Fund to set aside funds for future payments of compensated absences. At December 31, 2024, the balance of the fund was \$164,512.50.

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: 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.

Note 12: CAPITAL DEBT (CONT'D)**General Improvement Bonds (Cont'd)**

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.

General Obligation Bonds, Series 2023 - On September 19, 2023, the Township issued \$11,315,000.00 of General Obligation Bonds, with an interest rate of 4.0%. The purpose of the bonds was to fund the various capital improvements. The final maturity of the bonds is September 15, 2039.

Open Space Bonds, Series 2023 - On September 19, 2023, the Township issued \$2,300,000.00 of Open Space Bonds, with an interest rate of 4.0%. The purpose of the bonds was to fund the acquisition of land. The final maturity of the bonds is September 15, 2043.

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>
2025	\$ 3,765,000.00	\$ 1,428,855.02	\$ 5,193,855.02
2026	3,830,000.00	1,284,211.27	5,114,211.27
2027	3,925,000.00	1,143,105.02	5,068,105.02
2028	4,035,000.00	1,015,255.02	5,050,255.02
2029	4,145,000.00	889,512.52	5,034,512.52
2030-2034	16,225,000.00	2,712,153.21	18,937,153.21
2035-2039	7,925,000.00	925,187.55	8,850,187.55
2040-2043	935,000.00	67,046.29	1,002,046.29
Totals	<u>\$ 44,785,000.00</u>	<u>\$ 9,465,325.90</u>	<u>\$ 54,250,325.90</u>

General Debt - Loans Payable

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.

Note 12: CAPITAL DEBT (CONT'D)**General Debt - Loans Payable (Cont'd)**

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>
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	71,067.73	22,366.25	93,433.98
2029	72,496.18	20,937.78	93,433.96
2030-2034	384,933.22	82,236.64	467,169.86
2035-2039	425,205.75	41,964.12	467,169.87
2040-2041	182,288.08	4,579.87	186,867.95
Totals	<u>\$ 1,825,902.08</u>	<u>\$ 266,875.47</u>	<u>\$ 2,092,777.55</u>

Golf Course Utility Debt - Improvement Bonds

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.

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>
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	220,000.00	29,525.00	249,525.00
2029	175,000.00	24,322.50	199,322.50
2030-2034	860,000.00	58,216.89	918,216.89
2035	45,000.00	534.38	45,534.38
Totals	<u>\$ 1,980,000.00</u>	<u>\$ 249,488.77</u>	<u>\$ 2,229,488.77</u>

Note 12: CAPITAL DEBT (CONT'D)**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>
2025	19,000.00	1,600.00	20,600.00
2026	21,000.00	620.00	21,620.00
Totals	<u>\$ 40,000.00</u>	<u>\$ 2,220.00</u>	<u>\$ 42,220.00</u>

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 54,487,902.08	\$ 55,663,938.93	\$ 56,786,869.11
Golf Course Utility			
Bonds, Loans and Notes	5,120,000.00	4,310,000.00	4,064,000.00
Total Issued	<u>59,607,902.08</u>	<u>59,973,938.93</u>	<u>60,850,869.11</u>
<u>Authorized but not Issued</u>			
General:			
Bonds, Loans and Notes	4,031,612.44	1,155,633.44	1,584,040.44
Golf Course Utility			
Bonds, Loans and Notes	759,100.00	614,100.00	866,357.90
Total Authorized but not Issued	<u>4,790,712.44</u>	<u>1,769,733.44</u>	<u>2,450,398.34</u>
Total Issued and Authorized but not Issued	<u>64,398,614.52</u>	<u>61,743,672.37</u>	<u>63,301,267.45</u>
<u>Deductions</u>			
General:			
Reserve for Payment of Debt Service	113,150.00		
Golf Course Utility:			
Self-Liquidating	5,879,100.00	4,924,100.00	4,930,357.90
Total Deductions	<u>5,992,250.00</u>	<u>4,924,100.00</u>	<u>4,930,357.90</u>
Net Debt	<u>\$ 58,406,364.52</u>	<u>\$ 56,819,572.37</u>	<u>\$ 58,370,909.55</u>

Note 12: CAPITAL DEBT (CONT'D)**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 .812%.

Regional School Purposes	\$ 25,076,683.89	\$ 25,076,683.89	
Local School Purposes			
Self-Liquidating	5,879,100.00	5,879,100.00	
General	58,519,514.52	113,150.00	\$ 58,406,364.52
	<u>\$ 89,475,298.41</u>	<u>\$ 31,068,933.89</u>	<u>\$ 58,406,364.52</u>

Net debt \$58,406,364.52 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$7,196,976,022.33, equals .812%.

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 251,894,160.78
Less: Net Debt	<u>58,406,364.52</u>
Remaining Borrowing Power	<u>\$ 193,487,796.26</u>

Note 13: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfunds - The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2024:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$ 29,186.46	\$ 12,006.51
Federal and State Grant	16,217.50	27,270.76
Trust - Animal Control Fund		659.46
Trust - Other Fund		28,527.00
Trust - Municipal Open Space Fund	39,277.27	
General Capital Fund		16,217.50
Golf Course Utility Operating Fund		2,257.90
Golf Course Utility Capital Fund	2,257.90	
Totals	<u>\$ 86,939.13</u>	<u>\$ 86,939.13</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2025, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 13: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONT'D)**Transfers -**

	<u>Transfer In:</u>
	<u>Current Fund</u>
<u>Transfer Out:</u>	
General Capital Fund	\$ 95,000.00
Golf Course Utility Operating Fund	<u>500,000.00</u>
Total Transfers	<u><u>\$ 595,000.00</u></u>

The \$95,000.00 is a transfer from General Capital Fund Balance in support of the Current Fund Budget. The \$500,000.00 transfer represent anticipated Utility Operating surplus in support of the Current Fund Budget.

Note 14: 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	9,830,000.00	(1)
09/18/23	09/19/23	13,615,000.00	(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 15: 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>2023</u>
	<u>2024</u>	
Balance of Tax	\$ 21,508,584.69	\$ 20,652,401.19
Deferred	<u>15,917,794.50</u>	<u>15,917,794.50</u>
Taxes Payable	<u><u>\$ 5,590,790.19</u></u>	<u><u>\$ 4,734,606.69</u></u>

Note 16: 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.

Joint Insurance Pool - The Township of Evesham is a member of the Professional Municipal Management Joint Insurance Fund.

The Fund provides its members with the following coverage:

Public Employees Bond
Public Officials Bond
Business Automobile
Workers' Compensation and Employer's Liability
Harbor Marine
Automobile Physical Damage
Public Officials Liability
Environmental Liability
Property Damage other than Motor Vehicles

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

The Fund publishes its own financial report which can be obtained from:

Professional Municipal Management JIF
250 Pehle Avenue, Suite 701
Saddle Brook, New Jersey 07663

Self-Insurance Plan - In 2012, the Township adopted a plan of self-insurance for employee health insurance and prescriptions. A Reserve for Employee Health Benefit Self Insurance Program was established in the Trust Other Fund to account for and finance its related uninsured risks of loss up to \$75,000.00 per person, per year. Insurance Administrators of America acts as administrator of the plan. The Township purchases commercial insurance for claims in excess of the \$75,000.00.

The following is a summary of the claims liability of the Township's Trust Fund for self-insured employee health insurance and prescriptions for the current and previous year:

	<u>2024</u>	<u>2023</u>
Claims Liability Balance, January 1	\$ 276,982.88	\$ 208,634.64
Incurred Claims	599,205.49	2,605,026.90
Payment of Claims	<u>(380,671.36)</u>	<u>(2,536,678.66)</u>
Claims Liability Balance, December 31	<u>\$ 495,517.01</u>	<u>\$ 276,982.88</u>

Note 16: RISK MANAGEMENT (CONT'D)

Self-Insurance Plan (Cont'd) - At December 31, 2024, an estimate for the Incurred but Not Reported (IBNR) claims is \$22,221.69 as provided by the third party administrator. None of the pending claims have been recorded as accounts payable and charged to the reserve employee health benefit self-insurance program as of December 31, 2024. Any additional funding required for claims in excess of the aforementioned reserve will be paid and charged to future budgets.

On January 1, 2024, the Township entered the Southern New Jersey Regional Benefits Fund for employee health insurance and prescriptions. This is not a self-insured plan, it is an insurance policy for which the Township pays monthly premiums. The Self-Insurance plan terminated December 31, 2023, the only claims processed in 2024 are run-off. Run-off claims for the self-insured plan continue for a three-month period subsequent to December 31, 2023. It is management's estimate that there are sufficient funds in the Employee Health Benefit Self-Insurance Program Trust Fund Reserve to cover any run-off claims.

Note 17: 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, 2024 is \$363,229.15.

Note 18: 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 Fund.

Note 19: 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.

Note 20: 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 21: SUBSEQUENT EVENTS

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

<u>Purpose</u>	<u>Adoption</u>	<u>Authorization</u>
General Improvements:		
Various Capital Improvements	May 7th, 2025	\$ 5,107,200.00
Golf Course Capital Improvements:		
Improvements to the Township's Golf Course Grounds and Facilities and Acquisition of Equipment	May 7th, 2025	\$ 725,000.00
Open Space Improvements:		
Improvements to the Township's Recreational Complexes	May 7th, 2025	\$ 10,450,000.00
<u>Purpose</u>	<u>Introduction</u>	<u>Authorization</u>
General Improvements:		
Construction of Pickleball Courts	July 9th, 2025	\$ 859,232.00

APPENDIX C

BOND COUNSEL OPINION

MalamutLaw

September __, 2025

Mayor and Township Council
Township of Evesham, in the
County of Burlington, New Jersey

Re: Township of Evesham, in the County of Burlington, New Jersey
\$23,189,000 General Obligations Notes, Series 2025A, consisting of \$16,517,000
General Capital Notes, \$2,125,000 Open Space Notes and \$4,547,000 Golf Utility
Notes

Ladies and Gentlemen:

We have served as Bond Counsel in connection with the authorization, issuance, sale and delivery of the \$23,189,000 General Obligations Notes, Series 2025A, consisting of \$16,517,000 General Capital Notes, \$2,125,000 Open Space Notes and \$4,547,000 Golf Utility Notes (the "Notes") by the Township of Evesham (the "Township") in the County of Burlington, New Jersey (the "County"). The Notes are dated September 15, 2025, matures on September 14, 2026 and bears interest at a rate of ____% per annum payable at maturity, and are not subject to redemption prior to maturity.

The Notes 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"); and (ii) the bond ordinances 14-08-23, 16-08-23, 15-07-24, 12-05-25, 14-05-25 and 18-08-25 as to the General Capital Notes, 17-07-24 as to the Open Space Notes and 28-07-21, 13-06-22, 15-08-23, 16-07-24 and 13-05-25 as to the Golf Utility Notes (collectively, the "Bond Ordinances").

The Notes are being issued by the Township to provide funds which, along with other available funds of the Township, will be used to: (i) repay a portion of the Township's Bond Anticipation Notes of 2024, Series A, dated September 17, 2024, and maturing on September 16, 2025; (ii) temporarily finance the costs of various capital improvements and 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 Notes.

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

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www.MalamutLaw.com

limitation, the proceedings of the Township Council in connection with the adoption of the Ordinances and the Authorizing Resolution, and the other certifications, instruments, documents and opinions prepared in connection with the Notes.

In rendering the following opinion, we have relied upon the authenticity, truthfulness and completeness of all documents, instruments and certifications examined.

Based upon the foregoing, we are of the opinion that:

1. The Notes have been duly authorized, executed and delivered and constitute legal, valid and binding obligations of the Township enforceable in accordance with their terms.

2. The power and obligation of the Township to pay the Notes is unlimited, and, if not paid from other sources, the Township is required to levy ad valorem taxes upon all the taxable property within the Township for the payment of the principal of and interest on the Notes, without limitation as to rate or amount.

3. On the date hereof, the Township has covenanted in its Arbitrage and Tax Certificate (the "Certificate") to comply with certain continuing requirements that must be satisfied subsequent to the issuance of the Notes in order to preserve the tax-exempt status of the Notes pursuant to Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code"). Pursuant to Section 103(a) of the Code, failure to comply with these requirements could cause interest on the Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. In the event that the Township continuously complies with its covenants and in reliance on representations, certifications of fact and statements of reasonable expectations made by the Township in the Certificate, it is our opinion that, under existing law, interest on the Notes is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code. Interest on the Notes is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax ("AMT"), however, interest on the Notes is included in the "adjusted financial statement income" of "applicable corporations" subject to alternative minimum tax under Section 55 of the Code. We express no opinion regarding other federal tax consequences arising with respect to the Notes. Further, in our opinion, based upon existing law, interest on the Notes and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. These opinions are based on existing statutes, regulations, administrative pronouncements and judicial decisions.

For purposes of this opinion, the enforceability (but not the validity) of the documents mentioned herein may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws now or hereafter enacted by any state or by the federal government affecting the enforcement of creditors' rights generally, and by equitable principles, and the phrase "enforceable in accordance with their terms" shall not mean that specific performance would necessarily be available as a remedy in every situation.

Other than as set forth in Paragraphs 3 hereof, we express no opinion regarding other federal and state tax consequences arising with respect to the Notes.

We express no opinion herein as to the adequacy or accuracy of any official statement, private placement memorandum or other offering material pertaining to the offering of the Notes. This opinion is given as of the date hereof and we assume no obligation to update or supplement the opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

APPENDIX D
CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Township of Evesham in the County of Burlington, New Jersey (the "Issuer") in connection with the issuance by the Issuer of its \$23,189,000 Bond Anticipation Notes, Series 2025A (the "2025 Notes"). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Noteholders and Beneficial Owners of the 2025 Notes and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any 2025 Notes (including persons holding 2025 Notes through nominees, depositories or other intermediaries), or (b) is treated as the owner of any 2025 Notes for federal income tax purposes.

"Noteholder" shall mean any person who is the registered owner of any 2025 Note, including Beneficial Owners of the 2025 Notes.

"Dissemination Agent" shall mean the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer 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 Securities and Exchange Commission, dated December 5, 2008, pursuant to which issuers of tax-exempt and taxable bonds, including the 2025 Notes, 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.

"Financial Obligation" shall mean 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).

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

“MSRB” shall mean the Municipal Securities Rulemaking Board via the internet facilities of the Electronic Municipal Market Access System (EMMA).

“Noteholder” shall mean any person who is the registered owner of any 2025 Note, including Beneficial Owners of the 2025 Notes.

"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.

"Participating Underwriter" shall mean the original underwriter of the 2025 Notes required to comply with the Rule in connection with the offering of the 2025 Notes.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of New Jersey.

SECTION 3. Reporting of Significant Events.

(a) This Section 3 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 2025 Notes or other material events affecting the tax status of the 2025 Notes;
- (7) modifications to the rights of Noteholders, if material;
- (8) Calls on the 2025 Notes (excluding mandatory sinking fund redemptions), if material, or tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the 2025 Notes, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Township;

- (13) the consummation of a merger, consolidation, or acquisition involving the Township or the sale of all or substantially all of the assets of the Township, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a “financial obligation” of the Township, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a financial obligation, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms or other similar events under a financial obligation of the Township, if any such event reflects financial difficulties.

(b) The Township shall, promptly upon obtaining actual knowledge of the occurrence of any of the Listed Events which are material, notify the Dissemination Agent in writing to report the event pursuant to subsection (c) of this Section 3. In determining the materiality of any of the Listed Events specified in subsection (a) of this Section 3, the Township may, but shall not be required to, rely conclusively on an Opinion of Counsel. The Dissemination Agent shall have no obligation under this Disclosure Agreement to provide, or to monitor the Township's obligation to provide, notification of the occurrence of any of the Listed Events which are material.

(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 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 4. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the 2025 Notes. If such termination occurs prior to the final maturity of the 2025 Notes, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

SECTION 5. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Issuer.

SECTION 6. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the 2025 Notes, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the 2025 Notes, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Noteholders or Beneficial Owners of the 2025 Notes.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(b), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 7. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 8. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Noteholder or Beneficial Owner of the 2025 Notes may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default on the 2025 Notes, and the sole remedy under this Disclosure Certificate in the event

of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 9. 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 10. 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 11. 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 12. 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 13. Governing Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.

SECTION 14. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and the Noteholders and Beneficial Owners from time to time of the 2025 Notes and shall create no rights in any other person or entity.

Date September __, 2025

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

By: _____
Amy Sauls,
Chief Financial Officer