

**PRELIMINARY OFFICIAL STATEMENT DATED DECEMBER 4, 2025**

**NEW ISSUE**

**RATING: S&P “SP-1+”**

*In the opinion of McManimon, Scotland & Baumann, LLC, Bond Counsel, assuming compliance by the Township (as defined herein) with certain tax covenants described herein, under existing law, interest on the Notes (as defined herein) is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and interest on the Notes is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax; however, interest on the Notes is included in the “adjusted financial statement income” of certain corporations that are subject to alternative minimum tax under Section 55 of the Code. 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. See “TAX MATTERS” herein.*

**TOWNSHIP OF EWING,  
IN THE COUNTY OF MERCER, NEW JERSEY**

**\$36,870,000  
BOND ANTICIPATION NOTES  
(Book-Entry-Only) (Non-Callable)**

**Interest Rate: \_\_\_\_%**

**Reoffer Yield: \_\_\_\_%**

**CUSIP: \_\_\_\_\_**

**Dated: Dated of Delivery**

**Due: December 22, 2026**

The \$36,870,000 Bond Anticipation Notes (the “Notes”) of the Township of Ewing, in the County of Mercer, New Jersey (the “Township”), will be issued in the form of one certificate for the aggregate principal amount of the Notes and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, Brooklyn, New York (“DTC”), which will act as securities depository. Interest on the Notes will be credited to the participants of DTC, as listed on its records, as of one business day prior to maturity. See “BOOK-ENTRY-ONLY SYSTEM” herein. Interest on the Notes shall be calculated on the basis of a 360-day year consisting of twelve 30-day calendar months.

The principal of and interest on the Notes will be paid on the maturity date to DTC by the Township or its designated paying agent. The Notes are not subject to redemption prior to their stated maturity.

The Notes are valid and legally binding obligations of the Township and, unless paid from other sources, are payable from *ad valorem* taxes levied upon all the taxable property within the Township for the payment of the principal thereof and interest thereon without limitation as to rate or amount.

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

The Notes will be offered when, as and if issued and delivered to the Purchaser (as defined herein), subject to prior sale, to withdrawal or modification of the offer without notice and to the approval of legality by the law firm of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, and certain other conditions described herein. Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey, has served as Municipal Advisor to the Township in connection with the issuance of the Notes. Delivery is anticipated to be via DTC in Brooklyn, New York, on or about December 23, 2025.

**BIDS FOR THE NOTES WILL BE RECEIVED IN ACCORDANCE WITH THE NOTICE OF SALE UNTIL 11:00 A.M. ON THURSDAY, DECEMBER 11, 2025, VIA EMAIL: [STRACEY@MUNIADVISORS.COM](mailto:STRACEY@MUNIADVISORS.COM) OR PARITY. FOR MORE DETAILS ON HOW TO BID, VIEW THE NOTICE OF SALE POSTED AT [WWW.MUNIADVISORS.COM](http://WWW.MUNIADVISORS.COM).**

**TOWNSHIP OF EWING,  
IN THE COUNTY OF MERCER, NEW JERSEY**

**Mayor**

Bert H. Steinmann

**TOWNSHIP COUNCIL**

Jennifer Keyes-Maloney, Council President

David Schroth, Council Vice President

Kevin Baxter

Kathleen Wollert

Sarah Steward

**TOWNSHIP ADMINISTRATOR**

Aaron Watson

**CHIEF FINANCIAL OFFICER**

Joanna K. Mustafa

**TOWNSHIP CLERK**

Kim J. Macellaro

**TOWNSHIP ATTORNEY**

Maeve Cannon, Esq.

Stevens & Lee

Lawrenceville, New Jersey

**AUDITOR**

Mercadien, P.C.

Hamilton, New Jersey

**BOND COUNSEL**

McManimon, Scotland & Baumann, LLC

Roseland, New Jersey

**MUNICIPAL ADVISOR**

Phoenix Advisors,

a division of First Security Municipal Advisors, Inc.

Hamilton, 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 Purchaser 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 made 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.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended by the Township from time to time (collectively, the "Official Statement"), may be treated as a "Final Official Statement" with respect to the Notes described herein that is deemed final as of the date hereof (or of any such supplement or amendment) by the Township.

"CUSIP" is a registered trademark of the American Bankers Association. CUSIP numbers 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 on the cover page hereof 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 representations with respect to such number or undertake any responsibility for its accuracy now or at any time in the future. The CUSIP number for the Notes is subject to being changed after the issuance of the Notes as a result of various subsequent actions, including, but not limited to, the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to the Notes.

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. This Official Statement is submitted in connection with the sale of the Notes referred to herein and may not be used, in whole or in part, for any other purpose.

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. THE OFFERING OF THE NOTES IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

McManimon, Scotland & Baumann, LLC has not participated in the preparation of the financial or statistical information contained in this Official Statement nor has it verified the accuracy or completeness thereof and, accordingly, expresses no opinion with respect thereto.

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**OFFICIAL STATEMENT**  
**Relating to**  
**TOWNSHIP OF EWING,**  
**IN THE COUNTY OF MERCER, NEW JERSEY**  
**\$36,870,000**  
**BOND ANTICIPATION NOTES**

**INTRODUCTION**

This Official Statement, which includes the cover page and the appendices attached hereto, has been prepared by the Township of Ewing (the “Township”), in the County of Mercer (the “County”), New Jersey (the “State”), in connection with the sale and issuance of the \$36,870,000 Bond Anticipation Notes (the “Notes”). This Official Statement has been executed by and on behalf of the Township by its Chief Financial Officer and may be distributed in connection with the sale of the Notes described herein.

This Official Statement contains specific information relating to the Notes including their general description, certain matters affecting the financing, certain legal matters, historical financial information and other information pertinent to this issue. This Official Statement should be read in its entirety. All financial and other information presented herein has been provided by the Township from its records, except for information expressly attributed to other sources.

This Official Statement is “deemed final,” as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission.

**THE NOTES**

**General Description**

The Notes may be purchased in book-entry-only form in the amount of \$5,000 or any integral multiple of \$1,000 in excess thereof through book-entries made on the books and records of The Depository Trust Company, Brooklyn, New York (“DTC”), and its participants. The Notes are dated, will mature on the due date and in the amount and will bear interest payable at the interest rate, as set forth on the cover page hereof. So long as DTC or its nominee, Cede & Co. (or any successor or assignee), is the registered owner of the Notes, payment of the principal of and interest on the Notes will be made by the Township (or its designated paying agent) directly to Cede & Co. (or any successor or assign), as nominee for DTC. Interest on the Notes will be credited to the participants of DTC as listed on the records of DTC as of one business day prior to maturity. Interest on the Notes shall be calculated on the basis of a 360-day year consisting of twelve 30-day calendar months.

**Redemption**

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

**BOOK-ENTRY-ONLY SYSTEM**

The description that 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 Direct and Indirect

Participants (each as defined below) or Beneficial Owners (defined below), confirmation and transfer of beneficial ownership interests in the Notes and other related transactions by and between DTC, Direct Participants and Beneficial Owners, is based on certain information furnished by DTC to the Township. Accordingly, the Township does not make any representations as to the completeness or accuracy of such information.

DTC will act as securities depository for the Notes. The Notes will be issued as fully registered securities 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 note certificate will be issued for the Notes, in the aggregate principal amount of the Notes, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of the 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 Note 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 securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Notes with DTC and their registration in the name of Cede & Co., or such other DTC nominee do not affect 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.

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

Redemption proceeds, if applicable, and distributions 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 the paying agent, if any, 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 shall be the responsibility of such Participant and not of DTC or its nominee, the paying agent, if any, or the Township, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, if applicable, and distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Township or the paying agent, if any, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

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

The Township may decide to discontinue use of the system of book-entry-only 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.

THE INFORMATION CONTAINED IN THIS SECTION "BOOK-ENTRY-ONLY SYSTEM" HAS BEEN PROVIDED BY DTC. THE TOWNSHIP MAKES NO REPRESENTATIONS AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

THE TOWNSHIP WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO HOLDERS OF THE NOTES; (III) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST DUE ON THE NOTES; OR (IV) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY CEDE & CO., AS NOMINEE FOR DTC AND THE REGISTERED OWNER OF THE NOTES. THE RULES APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION AND THE PROCEDURES OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

## 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 a 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.

## AUTHORIZATION AND PURPOSE OF THE NOTES

The Notes have been authorized by and are being issued pursuant to the laws of the State, including the Local Bond Law (constituting Chapter 2 of Title 40A of the New Jersey Statutes, as amended) (the “Local Bond Law”), and the bond ordinances adopted by the Township Council referred to in the chart below.

Proceeds of the Notes will be used to: (i) provide \$36,870,000 in new money to temporarily finance various acquisitions and capital improvements in and by the Township; and (ii) pay for the costs incurred in connection with the authorization, sale and issuance of the Notes.

<b>Bond Ordinance Number</b>	<b>Description of Improvement and Date of Adoption of Bond Ordinance</b>	<b>Amount of Notes to be Issued</b>
2022-21	Acquisition of cameras for the Police Department, finally adopted October 11, 2022.	\$396,910
2022-23	Acquisition of a vacant land parcel, finally adopted October 25, 2022.	475,000
2022-24	Various capital improvements, finally adopted October 25, 2022.	285,000
2023-11	Various capital improvements, finally adopted May 23, 2023.	1,900,000
2024-08	Rebuilding of Ewing Senior Community Center, finally adopted April 23, 2024.	24,000,000
2024-14	Various capital improvements, finally adopted June 11, 2024.	4,115,080
2025-20	Various capital improvements, finally adopted June 24, 2025.	<u>5,698,010</u>
	<b>TOTAL:</b>	<b><u>\$36,870,000</u></b>



## **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.

## **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. On March 13, 2020, the President of the United States declared a national public health emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. The Governor of the State declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to, among other things, provide relief to state and local governments, including the American Rescue Plan Act of 2021 (the "Plan"). The pandemic and certain mitigation measures, which altered the behavior of businesses and people, have had and may continue to have negative impacts on regional, State and local economies. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level.

To date, the overall finances and operations of the Township have not been materially adversely affected by the COVID-19 pandemic. Nonetheless, there can be no assurance regarding the extent to which the COVID-19 pandemic, or any other national health crisis or pandemic, may impact the national, State or local economies in the future, nor how any such event may materially adversely impact municipalities, including the Township. The Township cannot quantify any such impacts at this time.

The Plan, signed into law on March 12, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. The Township received \$6,326,402 from the Plan. The deadline to obligate the funds was December 31, 2024, and such funds can only be spent on certain allowable uses as set forth in the Plan.

### **Cybersecurity**

The Township relies on a complex technology environment to conduct its various operations. As a result, the Township faces certain cybersecurity 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 cyberattacks, 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, including floods and hurricanes, which could result in negative economic impacts on communities. Such effects can be exacerbated by a longer-term shift in the climate over several decades (commonly referred to as climate change), including increasing global temperatures and rising sea levels. The occurrence of such extreme weather events could damage local infrastructure that provides essential services to the Township, as well as resulting in economic impacts such as loss of *ad valorem* tax revenue, interruption of municipal services and escalated

recovery costs. No assurance can be given as to whether future extreme weather events will occur that could materially adversely affect the financial condition of the Township.

## **SECURITY AND SOURCE OF PAYMENT**

The Notes are valid and legally binding 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. The Township is required by law to levy *ad valorem* taxes upon all the taxable property within the Township for the payment of the principal of and the interest on the Notes without limitation as to rate or amount.

## **MUNICIPAL FINANCE - FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES**

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

The Local Bond Law governs the issuance of bonds and notes to finance certain general municipal and utility capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in serial installments. A 5% cash down payment is generally required toward the financing of expenditures for municipal purposes subject to a number of exceptions. All bonds and notes issued by the Township are general full faith and credit obligations.

The authorized bonded indebtedness of the Township for municipal purposes is limited by statute, subject to the exceptions noted below, to an amount equal to 3.5% of its average equalized valuation basis. The average for the last three years of the equalized value of all taxable real property and improvements and certain Class II railroad property within the boundaries of the Township, as annually determined by the State Director of Taxation, is shown in Appendix A.

Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit, including school bonds that do not exceed the school bond borrowing margin and certain debt that may be deemed self-liquidating.

As shown in Appendix A, the Township has not exceeded its statutory debt limit.

The Township may exceed its debt limit with the approval of the Local Finance Board, a State regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the Township may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the Township or substantially reduce the ability of the Township to meet its obligations or to provide essential public improvements and services, or if it makes certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued by the Township to fund certain notes, to provide for self-liquidating purposes, and, in each fiscal year, to provide for purposes in an amount not exceeding 2/3 of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

The Township may sell short-term “bond anticipation notes” to temporarily finance a capital improvement or project in anticipation of the issuance of bonds if the bond ordinance or a subsequent resolution so provides. Bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount specified in the bond ordinance creating such capital expenditure, as it may be amended and supplemented. A local unit’s bond anticipation notes may be issued for periods not greater than one year. Generally, bond anticipation notes may not be outstanding for longer than ten years. An additional period may

be available following the tenth anniversary date equal to the period from the bond anticipation notes' maturity to the end of the tenth fiscal year in which the bond anticipation notes mature plus 4 months (May 1) in the next following fiscal year from the date of original issuance. Beginning in the third year, the amount of bond anticipation notes that may be issued is decreased by the minimum amount required for the first year's principal payment for a bond issue.

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

The foundation of the State local finance system is the annual cash basis budget. Every local unit must adopt a budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Certain items of revenue and appropriation are regulated by law and the proposed budget must be certified by the Director of the Division (the "Director") prior to final adoption. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service, and the Director is required to review the adequacy of such appropriations.

The local unit is authorized to issue "emergency notes" and "special emergency notes" pursuant to the Local Budget Law.

"Tax anticipation notes" are limited in amount by law and must be paid off in full within 120 days of the close of the fiscal year.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the review functions focusing on anticipated revenues serve to protect the solvency of all local units.

The cash basis budgets of local units must be in balance, i.e., the total of anticipated revenues must equal the total of appropriations (N.J.S.A. 40A:4-22). If in any year a local unit's expenditures exceed its realized revenues for that year, then such excess must be raised in the succeeding year's budget.

The Local Budget Law (N.J.S.A. 40A:4-26) provides that no miscellaneous revenues from any source may 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 determines that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and certifies that determination to the local unit.

No budget or budget amendment may be adopted unless the Director shall have previously certified his or her approval of such anticipated revenues except that categorical grants-in-aid contracts may be included for their face amount with an offsetting appropriation. The fiscal years for such grants rarely coincide with the municipality's calendar year. However, grant revenue is generally not realized until received in cash.

The same general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. The maximum amount of delinquent taxes that may be anticipated is limited by a statutory formula, which allows the local unit to anticipate collection at the same rate realized for the collection of delinquent taxes in the previous year. Also, the local unit is required to make an appropriation for a "reserve for uncollected taxes" in accordance with a statutory formula to provide for a tax collection in an amount that does not exceed the percentage of taxes levied and payable in the preceding fiscal year that was received in cash by December 31 of that year. The budget also must provide for any cash deficits of the prior year.

Emergency appropriations (those made after the adoption of the budget and the determination of the tax rate) may be authorized by the governing body of a local unit. However, with minor exceptions, such appropriations must be included in full in the following year's budget.

The exceptions are certain enumerated quasi-capital projects (“special emergencies”) such as ice, snow and flood damage to streets, roads and bridges, which may be amortized over three years, and tax map preparation, revaluation programs, revision and codification of ordinances, master plan preparation, payment of compensated absences and drainage map preparation for flood control purposes, which may be amortized over five years. Of course, emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project.

Under legislation enacted to address the COVID-19 pandemic, P.L. 2020, c. 60 (A4175), a local unit may adopt an emergency appropriation to fund certain deficits resulting from COVID-19 with approval of the Director and may either fund it as a deferred charge or issue special emergency notes to fund it payable by 1/5 each year beginning in the year after the year in which the deferred charge appears in the financial statements so it is paid off no later than the last day of the sixth fiscal year following the end of the fiscal year in which the application is made. If there is a showing of fiscal distress, that may be extended to ten years. The Director may also promulgate guidelines modifying the standard for anticipated revenues when the amount realized in cash from the same source during the next preceding fiscal year experienced reductions due to COVID-19. Also, local units may be able to issue refunding bonds with Local Finance Board approval to repay a Federal Emergency Management Agency Community Disaster Loan for which it executed a promissory note in 2013.

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between appropriation accounts may be made only during the last two months of the fiscal year. Appropriation reserves may also be transferred during the first three months of the fiscal year to the previous year’s budget. Both types of transfers require a 2/3 vote of the full membership of the governing body; however, transfers cannot be made from either the down payment account or the capital improvement fund. Transfers may be made between sub-account line items within the same account at any time during the year, subject to internal review and approval. In a “CAP” budget, no transfers may be made from excluded from “CAP” appropriations to within “CAP” appropriations nor can transfers be made between excluded from “CAP” appropriations, except those transfers may be made between debt service principal and interest.

A provision of law known as the New Jersey “Cap Law” (N.J.S.A. 40A:4-45.1 et seq.) imposes limitations on increases in municipal appropriations subject to various exceptions. The payment of debt service is an exception from this limitation. The Cap formula is somewhat complex, but basically it permits a municipality to increase its overall appropriations by the lesser of 2.5% or the “Index Rate” if the Index Rate is greater than 2.5%. The “Index Rate” is the rate of annual percentage increase, rounded to the nearest one-half percent, in the Implicit Price Deflator for State and Local Government purchases of goods and services computed by the U.S. Department of Commerce. Exceptions to the limitations imposed by the Cap Law also exist for other things including capital expenditures; 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. Counties are also prohibited from increasing their tax levies by more than the lesser of 2.5% or the Index Rate subject to certain exceptions. Municipalities by ordinance approved by a majority of the full membership of the governing body may increase appropriations up to 3.5% over the prior year’s appropriation, and counties by resolution approved by a majority of the full membership of the governing body may increase the tax levy up to 3.5% over the prior year’s tax levy in years when the Index Rate is 2.5% or less.

Additionally, legislation constituting P.L. 2010, c. 44, limits tax levy increases for those local units to 2% with exceptions only for capital expenditures including debt service, increases in pension contributions and accrued liability for pension contributions in excess of 2%, certain healthcare increases, extraordinary costs directly related to a declared emergency and amounts approved by a simple majority of voters voting at a special election.

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

In accordance with the Local Budget Law, each local unit must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period not greater than over the next ensuing six years as a general improvement program. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures which the local unit may contemplate over the next six years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the terms were detailed.

### **Tax Assessment and Collection Procedure**

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 result of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners, but it often results in a divergence of the assessment ratio to true value. Because of the changes in property resale values, annual adjustments could not keep pace with the changing values.

Upon the filing of certified adopted budgets by the Township’s local school district and the County, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, the 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 districts.

Tax bills are typically mailed annually in June or following the adoption of the State budget, at which time State aid is certified, by the Township's Tax Collector. The taxes are due August 1 and November 1, respectively, and are adjusted to reflect the current calendar year’s total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding year are based upon one-half of the current year’s total tax.

By State statute, tax 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 amount in excess of \$1,500.00, and if a delinquency (including interest) is in excess of \$10,000.00 and remains in arrears after December 31, an additional flat penalty of 6% shall be charged against the delinquency. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with State statutes. A table detailing tax title liens is included in Appendix “A”. The Township has not taken action to reduce the interest penalty rate.

### **Tax Appeals**

State statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. Prior to February 1 in each year, the Township must mail to each property owner a notice of the current assessment and taxes on the property. The taxpayer has a right to petition the County Board of Taxation on or before April 1 for review. The County Board of Taxation has the authority after a hearing to decrease 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 County Board of Taxation, appeal may be made to the Tax Court of New Jersey for further hearing. Some State Tax Court appeals may take several years prior to settlement and any losses in tax collections from prior years are charged directly to operations.

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

This law regulates the non-budgetary financial activities of local governments. The chief financial officer of every local unit must file annually, with the Director, a verified statement of the financial condition of the local unit and all constituent boards, agencies or commissions.

An independent examination of each local unit's accounts must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division of Local Government Services' "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the Director. A synopsis of the audit report, together with all recommendations made, 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 for the Township is on file with the Township Clerk and is available for review during business hours.

## **TAX MATTERS**

### **Exclusion of Interest on the Notes From Gross Income for Federal Tax Purposes**

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met on a continuing basis subsequent to the issuance of the Notes in order to assure that interest on the Notes will be excluded from gross income for federal income tax purposes under Section 103 of the Code. Failure of the Township to comply with such requirements may cause interest on the Notes to lose the exclusion from gross income for federal income tax purposes, retroactive to the date of issuance of the Notes. The Township will make certain representations in its Arbitrage and Tax Certificate, which will be executed on the date of issuance of the Notes, as to various tax requirements. The Township has covenanted to comply with the provisions of the Code applicable to the Notes and has covenanted not to take any action or fail to take any action that would cause interest on the Notes to lose the exclusion from gross income under Section 103 of the Code. Bond Counsel (as defined herein) will rely upon the representations made in the Arbitrage and Tax Certificate and will assume continuing compliance by the Township with the above covenants in rendering its federal income tax opinions with respect to the exclusion of interest on the Notes from gross income for federal income tax purposes and with respect to the treatment of interest on the Notes for the purposes of alternative minimum tax.

Assuming the Township observes its covenants with respect to compliance with the Code, McManimon, Scotland & Baumann, LLC ("Bond Counsel") is of the 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, and interest on the Notes is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax; however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to alternative minimum tax under Section 55 of the Code.

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

Bond Counsel's engagement with respect to the Notes ends with the issuance of the Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the Township or the owners of the Notes regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income

tax purposes. If the IRS does audit the Notes, under current IRS procedures, the IRS will treat the Township as the taxpayer and the beneficial owners of the Notes will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including, but not limited to, selection of the Notes for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Notes.

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

### **Original Issue Premium**

The Notes may be sold at an initial offering price in excess of the amount payable at the maturity date. The excess, if any, of the tax basis of the Notes to a purchaser (other than a purchaser who holds the Notes as inventory, as stock-in-trade or for sale to customers in the ordinary course of business) over the amount payable at maturity is amortizable premium, which is not deductible from gross income for federal income tax purposes. Amortizable premium, as it amortizes, will reduce the owner's tax cost of the Notes used to determine, for federal income tax purposes, the amount of gain or loss upon the sale, redemption at maturity or other disposition of the Notes. Accordingly, an owner of the Notes may have taxable gain from the disposition of the Notes, even though the Notes are sold, or disposed of, for a price equal to the owner's original cost of acquiring the Notes. Premium amortizes over the term of the Notes under the "constant yield method" described in regulations interpreting Section 1272 of the Code. Owners of the Notes should consult their own tax advisors with respect to the calculation of the amount of premium that will be treated for federal income tax purposes as having amortized for any taxable year (or portion thereof) of the owner and with respect to other federal, state and local tax consequences of owning and disposing of the Notes.

### **Bank-Qualification**

The Notes **will not** be designated as qualified under Section 265 of the Code by the Township for an exemption from the denial of deduction for interest paid by financial institutions to purchase or to carry tax-exempt obligations.

The Code denies the interest deduction for certain indebtedness incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations. The denial to such institutions of one hundred percent (100%) of the deduction for interest paid on funds allocable to tax-exempt obligations applies to those tax-exempt obligations acquired by such institutions after August 7, 1986. For certain issues that are eligible to be designated and that are designated by the issuer as qualified under Section 265 of the Code, eighty percent (80%) of such interest may be deducted as a business expense by such institutions.

### **Additional Federal Income Tax Consequences of Holding the Notes**

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

Bond Counsel expresses no opinion regarding any federal tax consequences other than its opinion with regard to the exclusion of interest on the Notes from gross income pursuant to Section 103 of the Code and interest on the Notes not constituting an item of tax preference under Section 57 of the Code. Prospective

purchasers of the Notes should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the Notes.

### **Changes in Federal Tax Law Regarding the Notes**

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Notes will not have an adverse effect on the tax status of interest on the Notes or the market value or marketability of the Notes. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax) or repeal (or reduction in the benefit) of the exclusion of interest on the Notes from gross income for federal or state income tax purposes for all or certain taxpayers.

### **State Taxation**

Bond Counsel is of the opinion that, 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.

THE OPINIONS EXPRESSED BY BOND COUNSEL WITH RESPECT TO THE NOTES ARE BASED UPON EXISTING LAWS AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL DECISIONS AND REGULATORY CHANGES AS OF THE DATE OF ISSUANCE OF THE NOTES, AND BOND COUNSEL HAS EXPRESSED NO OPINION WITH RESPECT TO ANY LEGISLATION, REGULATORY CHANGES OR LITIGATION ENACTED, ADOPTED OR DECIDED SUBSEQUENT THERETO. PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE POTENTIAL IMPACT OF ANY PENDING OR PROPOSED FEDERAL OR STATE TAX LEGISLATION, REGULATIONS OR LITIGATION.

## **FINANCIAL STATEMENTS**

Excerpts from the audited financial statements of the Township for the Township's year ending December 31, 2024 are presented in Appendix "B" to this Official Statement (the "Financial Statements"). The Financial Statements have been prepared by Mercadien, P.C., Hamilton, New Jersey (the "Auditor"), an independent auditor, as stated in its report appearing in Appendix "B" to this Official Statement. The Auditor has not participated in the preparation of this Official Statement, nor has such firm verified the accuracy, completeness or fairness of the information contained herein (except for the audited financial statements appearing in Appendix "B" hereto) and, accordingly, will express no opinion with respect thereto. See "APPENDIX B – EXCERPTS FROM FINANCIAL STATEMENTS OF THE TOWNSHIP OF EWING IN THE COUNTY OF MERCER, NEW JERSEY" herein.

## **LITIGATION**

To the knowledge of the Township Attorney, Maeve Cannon, Esquire, Stevens & Lee, Lawrenceville, New Jersey, 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 Township Attorney, no litigation is



presently pending or threatened that, in the opinion of the Township Attorney, would have a material adverse impact on the financial condition of the Township if adversely decided.

## SECONDARY MARKET DISCLOSURE

The Township has covenanted for the benefit of the holders and beneficial owners of the Notes to provide certain secondary market disclosure information pursuant to the Securities and Exchange Commission Rule 15c2-12 (the “Rule”). Specifically, for so long as the Notes remain outstanding (unless the Notes have been wholly defeased), the Township will provide in a timely manner not in excess of ten business days after the occurrence of the event, to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system (“EMMA”), notice of any of the following events with respect to the Notes:

- (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 Notes, or other material events affecting the tax status of the Notes;
- (7) Modifications to rights of holders of the Notes, if material;
- (8) Note calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property securing repayment of the 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 of the Township, any of which affect holders of the Notes, 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.

The term “Financial Obligation” as used in subparagraphs (15) and (16) above means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation or (iii) guarantee of (i) or (ii); *provided, however*, that the term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

The continuing disclosure undertaking may be amended by the Township from time to time, without the consent of the holders or beneficial owners of the Notes, in order to make modifications required in connection

with a change in legal requirements or change in law, which in the opinion of nationally recognized bond counsel complies with the Rule.

In the event that the Township fails to comply with the above-described undertaking and covenants, the Township shall not be liable for any monetary damages, remedy of the beneficial owners of the Notes being specifically limited in the undertaking to specific performance of the covenants.

The Township has previously entered into secondary market disclosure undertakings in accordance with the Rule. The Township appointed Phoenix Advisors, Hamilton, New Jersey, to serve as continuing disclosure agent to assist in the filing of certain information on EMMA as required under its prior secondary market disclosure undertakings.

## **MUNICIPAL BANKRUPTCY**

The undertakings of the Township should be considered with reference to Chapter IX of the Bankruptcy Act, 11 U.S.C. Section 901 et seq., as amended by Public Law 94-260, approved April 8, 1976, and as further amended on November 6, 1978 by the Bankruptcy Reform Act of 1978, effective October 1, 1979, as further amended by Public Law 100-597, effective November 3, 1988, and as further amended and other bankruptcy laws affecting creditor's rights and municipalities in general. The amendments of P.L. 94-260 replace former Chapter IX and permit the State or any political subdivision, public agency or instrumentality that is insolvent or unable to meet its debts to file a petition in a court of bankruptcy for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of petitioner's creditors; provides that a petition filed under said chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants priority to debt owed for services or material actually provided within three months of the filing of the petition; directs a petitioner to file a plan for the adjustment of its debts; and provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount or more than one-half in number of the listed creditors. The 1976 Amendments were incorporated into the Bankruptcy Reform Act of 1978 with only minor changes.

Reference should also be made to N.J.S.A. 52:27-40 et seq., which provides that a municipality has the power to file a petition in bankruptcy provided the approval of the Municipal Finance Commission has been obtained. The powers of the Municipal Finance Commission have been vested in the Local Finance Board. The Bankruptcy Act specifically provides that Chapter IX does not limit or impair the power of a state to control, by legislation or otherwise, the procedures that a municipality must follow in order to take advantage of the provisions of the Bankruptcy Act.

## **APPROVAL OF LEGAL PROCEEDINGS**

All 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 as Appendix "C". Certain legal matters will be passed on for the Township by the Township Attorney.

## **UNDERWRITING**

The Notes have been purchased from the Township, pursuant to the terms of the Township's notice of sale, by \_\_\_\_\_ (the "Purchaser") at a purchase price of \_\_\_\_\_ (the "Purchase Price"). The Purchase

Price reflects the par amount of the Notes of \_\_\_\_\_, plus original issue premium in the amount of \_\_\_\_\_, less underwriter's discount in the amount of \$ \_\_\_\_\_.

The Purchaser intends to offer the Notes to the public initially at the offering yield set forth on the cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Purchaser reserves the right to join with dealers and other underwriters in offering the Notes to the public. The Purchaser may offer and sell the Notes to certain dealers (including dealers depositing the Notes into investments trusts) at a yield higher than the public offering yield set forth on the cover page of this Official Statement, and such yield may be changed, from time to time, by the Purchaser without prior notice.

## **RATING**

S&P Global Ratings, a division of Standard and Poor's Financial Services LLC (the "Rating Agency"), has assigned a short-term rating of "SP-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**

Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey, has served as Municipal Advisor to the Township in connection with the issuance of the Notes (the "Municipal Advisor") and has assisted in matters related to the planning, structuring and terms of the Notes. The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement and the Appendices hereto. The Municipal Advisor is an Independent Registered Municipal Advisor pursuant to the Dodd-Frank Act and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

## **PREPARATION OF OFFICIAL STATEMENT**

The Township hereby states that the descriptions and statements herein, including financial statements, are true and correct in all material respects, and it will confirm to the Purchaser by a certificate signed by the Mayor and the Chief Financial Officer of the Township that, to their knowledge, such descriptions and statements, as of the date of this Official Statement, are true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading.

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

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

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

#### **ADDITIONAL INFORMATION**

Inquiries regarding this Official Statement, including any information additional to that contained herein, may be directed to Joanna K. Mustafa, Chief Financial Officer, Township of Ewing, 2 Jake Garzio Drive, Ewing, NJ 08628, (609) 538-7601, or to its Municipal Advisor, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 2000 Waterview Drive, Suite 101, Hamilton, New Jersey 08691, telephone (609) 291-0130.

#### **MISCELLANEOUS**

This Official Statement is not to be construed as a contract or agreement among the Township, the Purchaser and the holders of any of the Notes. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion 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 (financial or otherwise) of the Township since the date hereof. The information contained in this Official Statement is not guaranteed as to accuracy or completeness.

#### **TOWNSHIP OF EWING, IN THE COUNTY OF MERCER, NEW JERSEY**

By: \_\_\_\_\_  
Joanna K. Mustafa,  
Chief Financial Officer

**Dated:** December \_\_, 2025

**APPENDIX A**

**CERTAIN ECONOMIC AND DEMOGRAPHIC INFORMATION ABOUT  
THE TOWNSHIP OF EWING,  
IN THE COUNTY OF MERCER, NEW JERSEY**

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## **INFORMATION REGARDING THE TOWNSHIP<sup>1</sup>**

The following material presents certain economic and demographic information of the Township of Ewing (the “Township”), in the County of Mercer (the “County”), New Jersey (the “State”).

### **General Information**

The Township covers an area of 15.7 square miles. The Township was formed by an Act of New Jersey State Legislature of February 22, 1834, coinciding with the founding of the County. The Township was named in honor of Charles Ewing, late Chief Justice of New Jersey. The Township is predominantly a residential community. The open land which separated the several communities until after World War II is now almost totally filled with homes, large apartment complexes, State offices, The College of New Jersey, businesses, professional establishments, industries, and hotels.

### **Local Government**

The Township is governed by a Mayor-Council form of government authorized under Plan E of the Faulkner Act of 1950. This form of government provides for, among other things, the direct election of the Mayor and Council, the separation of legislative power from administrative functions, and the employment of full-time professional personnel in the various departments of the Township.

### **Police Department**

The Police Department is located in the Municipal Complex at 2 Jake Garzio Drive. The department is divided into three (3) functional divisions: administration, uniform services, and investigative/support services. The department consists of a Chief of Police, two (2) captains, six (6) lieutenants, seven (7) sergeants, seven (7) detectives, 50 patrol officers, and 13 dispatchers.

### **Fire Department**

Fire protection in the Township is provided by two (2) volunteer fire companies: West Trenton and Prospect Heights, and one (1) paid fire company: Station 30. The volunteer fire companies are supported by fundraising efforts by the fire companies and budget allocations by the Township. Both volunteer fire companies serve around the clock, 365 days-a-year in conjunction with the career firefighting staff based out of Station 30. Station 30 is staffed by five (5) fire captains and 18 firefighters who staff the three (3) fire stations during their work shifts. The firefighters of Station 30 provide fire suppression, rescue operations, emergency medical services, service-type assignments as well as fire prevention activities, assist residents with smoke detectors and equipment maintenance.

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<sup>1</sup> Source: The Township (unless otherwise indicated)

## **Transportation**

Interstate I-295 bisects the Township, providing direct access to New York City and Philadelphia. It also connects directly with I-95 and I-195 providing access to the New Jersey Shore.

Trenton-Mercer Airport also serves Ewing's transportation needs. The airport is a modern facility with a concrete runway and control tower.

## **Public Utilities**

Electric and Gas are supplied by Public Service Electric and Gas Company and telephone service by the ATX Communications and Verizon. The City of Trenton supplies the Township with water.

## **Sanitation**

The Township has privatized trash collection under a publicly bid contract for five (5) years. Refuse is collected once per week at private homes, apartments, as well as at a percentage of the light industrial and commercial waste in the Township. The Township participates in the county wide recycling program run by the Mercer County Improvement Authority.

## **Ewing-Lawrence Sewerage Authority**

In 1947, Ewing and Lawrence Townships each passed ordinances fanning the Ewing-Lawrence Sewerage Authority ("ELSA" or the "Authority"). The Authority is directed by a six-member board, consisting of three members appointed by the governing bodies of each Township. An executive director licensed by the State supervises its operations. In 1953, the treatment plant, located at 600 Whitehead Road in Lawrence Township, went into operation. It now serves approximately 95% percent of the combined population of the two (2) Townships. At present, a separate sewer rental tax is assessed of those using the system by the two (2) respective governments. ELSA makes no direct charges to private users, but assesses the two governments according to their proportion of total sewer mileage and average flow for jointly used facilities. Currently, Ewing Township makes an approximately 59% proportional payment to ELSA for its share of operating and debt service costs. Separate charges are assessed to each Township for facilities for its own use.

## **Recreation**

The Mayor appoints the Recreation Commission acts as an advisory board to the Recreation Department. Federal and State grants are obtained to assist the Recreation Department in the development of facilities and making additional land purchases.

There are 13 parks in Ewing. The five (5) major parks are Moody Park, Armstrong Memorial Park, John Watson Park, Banchoff Park and Municipal Field Complex which operate on a year-round basis with organized activities and sports.



## **Hotels**

The Township has three hotels: Ewing Courtyard by Marriott, The Element Hotel and The Marriott Suites.

## **Pension and Retirement Systems**

Substantially all eligible employees participate in the Public Employees' Retirement System, the Police and Firemen's Retirement System or the Defined Contribution Retirement Program, which have been established by State statute and are administered by the New Jersey Division of Pensions and Benefits (the "Division"). Benefits, contributions, means of funding and the manner of administration are established pursuant to State statute. The Division annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial calculations and the employees contribute a portion of the cost. Each Plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes the financial statements and required supplementary information. This report may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or is available online at [www.nj.gov/treasury/pensions/financial-reports.shtml](http://www.nj.gov/treasury/pensions/financial-reports.shtml).

The Public Employees' Retirement System ("PERS") 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, to provide retirement, death, disability and medical benefits to certain qualified members. Membership is mandatory for substantially all full-time employees of the State or any county, municipality, school district or public agency, provided the employee is not required to be a member of another State-administered retirement system or other State pension fund or local jurisdiction's pension fund.

The Police and Firemen's Retirement System ("PFRS") 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, to provide retirement, death, disability and medical benefits to certain qualified members. Membership is mandatory for substantially all full-time county and municipal police and firemen or officer employees with police powers appointed after June 30, 1944.

The Defined Contribution Retirement Program ("DCRP") is a multiple-employer defined contribution pension fund which was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

## **Employment and Unemployment Comparisons**

For the following years, the New Jersey Department of Labor reported the following annual average employment information for the Township, the County, and the State:

	<b><u>Total Labor Force</u></b>	<b><u>Employed Labor Force</u></b>	<b><u>Total Unemployed</u></b>	<b><u>Unemployment Rate</u></b>
<b><u>Township</u></b>				
2024	18,351	17,460	891	4.9%
2023	18,286	17,432	854	4.7%
2022	17,976	17,224	752	4.2%
2021	17,650	16,511	1,139	6.5%
2020	18,676	17,161	1,515	8.1%
<b><u>County</u></b>				
2024	199,583	190,833	8,750	4.4%
2023	198,699	190,533	8,166	4.1%
2022	195,425	188,302	7,123	3.6%
2021	192,685	180,980	11,705	6.1%
2020	192,510	177,193	15,317	8.0%
<b><u>State</u></b>				
2024	4,898,008	4,676,064	221,944	4.5%
2023	4,867,113	4,659,779	207,334	4.3%
2022	4,756,002	4,572,879	183,123	3.9%
2021	4,654,243	4,342,075	312,168	6.7%
2020	4,643,700	4,204,301	439,399	9.5%

Source: New Jersey Department of Labor, Office of Research and Planning, Division of Labor Market and Demographic Research, Bureau of Labor Force Statistics, Local Area Unemployment Statistics

## **Income (as of 2023)**

	<b><u>Township</u></b>	<b><u>County</u></b>	<b><u>State</u></b>
Median Household Income	\$87,125	\$96,333	\$101,050
Median Family Income	117,342	124,699	123,892
Per Capita Income	41,648	52,101	53,118

Source: US Bureau of the Census, 2023 American Community Survey 5-Year Estimates

## **Population**

The following table summarizes the population increases and the decreases for the Township, the County, and the State.

	<b><u>Township</u></b>		<b><u>County</u></b>		<b><u>State</u></b>	
<b><u>Year</u></b>	<b><u>Population</u></b>	<b><u>% Change</u></b>	<b><u>Population</u></b>	<b><u>% Change</u></b>	<b><u>Population</u></b>	<b><u>% Change</u></b>
2024 est.	35,858	-3.77%	392,138	1.24%	9,500,851	2.28%
2020	37,264	4.12	387,340	5.68	9,288,994	5.65
2010	35,790	0.23	366,513	4.49	8,791,894	4.49
2000	35,707	4.45	350,761	7.65	8,414,350	8.85
1990	34,185	-1.89	325,824	5.83	7,730,188	4.96

Source: United States Department of Commerce, Bureau of the Census

## **Largest Taxpayers**

The ten largest taxpayers in the Township and their assessed valuations are listed below:

<b><u>Taxpayers</u></b>	<b><u>2025 Assessed Valuation</u></b>	<b><u>% of Total Assessed Valuation</u></b>
New Jersey Manufacturers Insurance	\$70,550,200	2.11%
Ewing Properties LLC	66,271,200	1.98%
Ewing Boulevard LLC	55,000,000	1.65%
American Properties	31,503,400	0.94%
Levin Properties	31,218,100	0.93%
Pfizer Inc.	28,402,900	0.85%
US Bank NA	25,157,700	0.75%
Riverlinks, LLC	24,968,400	0.75%
Halston Builders Associates	22,234,000	0.67%
County of Mercer Rental Properties	<u>21,000,000</u>	<u>0.63%</u>
<b>Total</b>	<b><u>\$376,305,900</u></b>	<b><u>11.26%</u></b>

Source: School District Annual Comprehensive Financial Report and Municipal Officials

### **Comparison of Tax Levies and Collections**

<b><u>Year</u></b>	<b><u>Tax Levy</u></b>	<b><u>Current Year Collection</u></b>	<b><u>Current Year % of Collection</u></b>
2024	\$132,626,511	\$132,343,480	99.79%
2023	123,400,409	123,004,363	99.68%
2022	118,246,121	119,002,626	100.64%
2021	115,839,090	115,800,627	99.97%
2020	113,959,147	113,957,337	100.00%

Source: Annual Audit Reports of the Township

### **Delinquent Taxes and Tax Title Liens**

<b><u>Year</u></b>	<b><u>Amount of Tax Title Liens</u></b>	<b><u>Amount of Delinquent Tax</u></b>	<b><u>Total Delinquent</u></b>	<b><u>% of Tax Levy</u></b>
2024	\$287,506	\$124,851	\$412,357	0.31%
2023	249,854	225,444	475,298	0.39%
2022	248,698	56,847	305,545	0.26%
2021	388,389	78,088	466,477	0.40%
2020	450,075	26,786	476,861	0.42%

Source: Annual Audit Reports of the Township

### **Property Acquired by Tax Lien Liquidation**

<b><u>Year</u></b>	<b><u>Amount</u></b>
2024	\$1,605,315
2023	1,605,315
2022	1,605,315
2021	1,605,315
2020	1,531,729

Source: Annual Audit Reports of the Township

### **Tax Rates per \$100 of Net Valuations Taxable and Allocations**

The table below lists the tax rates for the past five (5) years.

<u>Year</u>	<u>Municipal</u>	<u>Local School</u>	<u>County</u>	<u>Total</u>
2025	\$1.057	\$2.100	\$0.894	\$4.051
2024	1.035	2.011	0.887	3.933
2023	1.018	1.954	0.725	3.697
2022	0.994	1.937	0.666	3.597
2021	0.952	1.899	0.658	3.509

Source: Abstract of Ratables and State of New Jersey – Property Taxes

### **Valuation of Property**

<u>Year</u>	<u>Aggregate Assessed Valuation of Real Property</u>	<u>Aggregate True Value of Real Property</u>	<u>Ratio of Assessed to True Value</u>	<u>Assessed Value of Personal Property</u>	<u>Equalized Valuation</u>
2025	\$3,332,184,100	\$5,272,443,196	63.20%	\$10,428,740	\$5,282,871,936
2024	3,333,910,200	4,979,701,568	66.95	10,534,475	4,990,236,043
2023	3,313,095,280	4,663,047,544	71.05	16,981,880	4,680,029,424
2022	3,270,431,275	3,814,358,847	85.74	14,976,422	3,453,993,249
2021	3,285,292,775	3,439,016,827	95.53	14,976,422	3,257,870,207

Source: Abstract of Ratables and State of New Jersey – Table of Equalized Valuations

### **Classification of Ratables**

The table below lists the comparative assessed valuation for each classification of real property within the Township for past five (5) years.

<u>Year</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>	<u>Total</u>
2025	\$23,520,700	\$2,207,821,300	\$0	\$765,610,400	\$58,734,700	\$276,497,000	\$3,332,184,100
2024	23,450,900	2,199,557,600	0	811,051,400	33,486,700	266,363,600	3,333,910,200
2023	22,017,300	2,194,555,005	0	832,387,675	33,535,900	230,599,400	3,313,095,280
2022	23,357,300	2,164,291,600	0	819,853,875	33,535,900	229,392,600	3,270,431,275
2021	23,816,600	2,165,689,400	0	832,155,675	33,535,900	230,095,200	3,285,292,775

Source: Abstract of Ratables and State of New Jersey – Property Value Classification

## **Financial Operations**

The following table summarizes the Township's Current Fund budget for the past five (5) fiscal years ending December 31. The following summary should be used in conjunction with the tables in the sourced documents from which it is derived.

### **Summary of Current Fund Budget**

<b><u>Anticipated Revenues</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>
Fund Balance Utilized	\$500,000	\$435,000	\$740,000	\$3,000,000	\$4,100,000
Miscellaneous Revenues	16,213,930	16,928,169	21,869,292	25,418,509	19,808,372
Receipts from Delinquent Taxes	27,753	25,700	113,000	223,000	158,000
Amount to be Raised by Taxation	<u>31,410,815</u>	<u>32,651,201</u>	<u>33,900,307</u>	<u>34,621,978</u>	<u>35,326,316</u>
Total Revenue:	<u>\$48,152,499</u>	<u>\$50,040,070</u>	<u>\$56,622,600</u>	<u>\$63,263,487</u>	<u>\$59,392,688</u>
<b><u>Appropriations</u></b>					
General Appropriations	\$41,318,016	\$42,596,463	\$44,454,426	\$47,823,556	\$49,827,156
Operations (Excluded from CAPS)	2,148,637	2,336,476	6,103,554	9,102,135	3,222,550
Deferred Charges and Statutory Expenditures	0	0	0	0	0
Capital Improvement Fund	222,000	290,000	100,000	250,000	339,811
Municipal Debt Service	4,452,106	4,735,475	5,856,710	5,825,040	5,829,196
Reserve for Uncollected Taxes	<u>11,741</u>	<u>81,656</u>	<u>107,910</u>	<u>262,756</u>	<u>173,974</u>
Total Appropriations:	<u>\$48,152,499</u>	<u>\$50,040,070</u>	<u>\$56,622,600</u>	<u>\$63,263,487</u>	<u>\$59,392,688</u>

Source: Annual Adopted Budgets of the Township

## **Fund Balance**

### **Current Fund**

The following table lists the Township's fund balance and the amount utilized in the succeeding year's budget for the Current Fund for the past five (5) fiscal years ending December 31.

### **Fund Balance - Current Fund**

	<b>Balance</b>	<b>Utilized in Budget</b>
<b><u>Year</u></b>	<b><u>12/31</u></b>	<b><u>of Succeeding Year</u></b>
2024	\$9,785,932	\$4,100,000
2023	9,760,920	3,000,000
2022	7,003,423	740,000
2021	5,466,330	435,000
2020	3,807,803	500,000

Source: Annual Audit Reports of the Township

Sewer Utility Operating Fund

The following table lists the Township's fund balance and the amount utilized in the succeeding year's budget for the Sewer Utility Operating Fund for the past five (5) fiscal years ending December 31.

<b>Fund Balance</b>		
<b><u>Sewer Utility Operating Fund</u></b>		
<b><u>Year</u></b>	<b><u>Balance</u></b>	<b><u>Utilized in Budget</u></b>
	<b><u>12/31</u></b>	<b><u>of Succeeding Year</u></b>
2024	\$356,474	\$375,000
2023	1,048,474	0
2022	559,453	207,000
2021	559,453	0
2020	1,030,076	0

Source: Annual Audit Reports of the Township

*[Remainder of page intentionally left blank]*

## **Township Indebtedness as of December 31, 2024**

### **General Purpose Debt**

Serial Bonds	\$26,336,000
Bond Anticipation Notes	0
Bonds and Notes Authorized but Not Issued	34,171,990
Other Bonds, Notes and Loans	393,292
Total:	<u>\$60,901,282</u>

### **Local School District Debt**

Serial Bonds	\$48,140,000
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
Total:	<u>\$48,140,000</u>

### **Self-Liquidating Debt**

Serial Bonds	\$0
Bond Anticipation Notes	0
Bonds and Notes Authorized but Not Issued	0
Other Bonds, Notes and Loans	0
Total:	<u>\$0</u>

### **TOTAL GROSS DEBT**

**\$109,041,282**

Less: Statutory Deductions	
General Purpose Debt	\$0
Local School District Debt	48,140,000
Regional School District Debt	0
Self-Liquidating Debt	0
Total:	<u>\$48,140,000</u>

### **TOTAL NET DEBT**

**\$60,901,282**

Source: Annual Audit Reports of the Township

*[Remainder of page intentionally left blank]*



**Overlapping Debt<sup>2</sup> (as of December 31, 2024)**

<b><u>Name of Related Entity</u></b>	<b><u>Related Entity Debt Outstanding</u></b>	<b><u>Township Percentage</u></b>	<b><u>Township Share</u></b>
Local School District	\$48,140,000	100.00%	\$48,140,000
County	635,709,173	7.77%	<u>49,380,224</u>
Net Indirect Debt			\$97,520,224
Net Direct Debt			<u>60,901,282</u>
Total Net Direct and Indirect Debt			<b><u>\$158,421,506</u></b>

**Debt Limit**

Average Equalized Valuation Basis (2022, 2023, 2024)	\$4,485,702,653
Permitted Debt Limitation (3 1/2%)	156,999,593
Less: Net Debt	<u>60,901,282</u>
Remaining Borrowing Power	<u>\$96,098,311</u>
Percentage of Net Debt to Average Equalized Valuation	1.358%
Gross Debt Per Capita based on 2020 population of 37,264	\$2,926
Net Debt Per Capita based on 2020 population of 37,264	\$1,634

Source: Annual Audit Reports of the Township

**Litigation**

The status of pending litigation is included in the Notes to Financial Statements of the Township's annual audit report.

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<sup>2</sup> Township percentage based on the Township's share of total equalized valuation in the County.

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**APPENDIX B**

**EXCERPTS FROM FINANCIAL STATEMENTS OF  
THE TOWNSHIP OF EWING,  
IN THE COUNTY OF MERCER, NEW JERSEY**

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**TOWNSHIP OF EWING  
COUNTY OF MERCER,  
STATE OF NEW JERSEY**

**FINANCIAL STATEMENTS**

December 31, 2024

**TOWNSHIP OF EWING  
COUNTY OF MERCER, STATE OF NEW JERSEY**

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## **INDEPENDENT AUDITORS' REPORT**

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## **INDEPENDENT AUDITORS' REPORT**

To the Honorable Mayor and Council Members of  
the Township of Ewing, County of Mercer, State of New Jersey

### ***Report on the Audit of the Financial Statements***

#### **Opinions**

We have audited the financial statements – regulatory basis of the various funds and account group of the Township of Ewing, County of Mercer, State of New Jersey (“Township”), as of December 31, 2024, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Township’s basic financial statements, as listed in the table of contents.

#### ***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective regulatory basis financial position of the Township as of December 31, 2024, and the respective regulatory basis revenues, expenditures, and changes in financial position for the year then ended in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in Note A.

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2024, or the changes in financial position for the year then ended.

#### **Basis for Opinions**

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

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

As described in Note A of 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 A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, and requirements of audit prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 GAAS, and requirements of audit issued by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, 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.

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **Report on Summarized Comparative Information**

We have previously audited the Township's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 11, 2024, in accordance with the financial reporting provisions described in Note A. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Digesh B. Patel, CPA, RMA, MBA, CGMA, PSA  
Registered Municipal Accountant  
License No. 578

**MERCADIEN, P.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

November 26, 2025

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## **BASIC FINANCIAL STATEMENTS – REGULATORY BASIS**

**TOWNSHIP OF EWING**  
**COUNTY OF MERCER, STATE OF NEW JERSEY**

**COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE –**  
**ALL FUND TYPES AND ACCOUNT GROUP**  
December 31, 2024  
(With Comparative Totals for 2023)

	Current & Grant Funds	General Capital Fund	Trust Funds	Sewer Operating Fund	Fixed Asset Account Group	Totals	
						December 31, 2024	December 31, 2023
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 14,269,080.59	\$ 860,406.05	\$ 9,543,138.77	\$ 146,289.95	\$ -	\$ 24,818,915.36	\$ 34,119,397.16
Federal and State Grants Receivable	6,656,882.66	6,455,000.00	-	-	-	13,111,882.66	5,268,513.10
Other Receivables and Other Assets							
Delinquent Property Taxes	124,851.39	-	-	-	-	124,851.39	225,444.35
Delinquent Sewer Fees	-	-	-	620,778.85	-	620,778.85	645,249.58
Tax Title Liens Receivable	287,505.78	-	-	-	-	287,505.78	249,853.59
Property Acquired for Taxes	1,605,315.32	-	-	-	-	1,605,315.32	1,605,315.32
Interfunds Receivable	892,714.62	495,709.00	11,393.85	79,999.43	-	1,479,816.90	1,002,206.50
Other Receivables	1.46	186,125.00	-	-	-	186,126.46	213,457.94
Deferred Charges	-	60,901,282.00	-	136,523.61	-	61,037,805.61	34,563,090.65
Fixed Assets	-	-	-	-	45,465,404.00	45,465,404.00	43,897,888.00
	<u>\$ 23,836,351.82</u>	<u>\$ 68,898,522.05</u>	<u>\$ 9,554,532.62</u>	<u>\$ 983,591.84</u>	<u>\$ 45,465,404.00</u>	<u>\$ 148,738,402.33</u>	<u>\$ 121,790,416.19</u>

**TOWNSHIP OF EWING**  
**COUNTY OF MERCER, STATE OF NEW JERSEY**

COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE –  
ALL FUND TYPES AND ACCOUNT GROUP (CONTINUED)  
December 31, 2024  
(With Comparative Totals for 2023)

	Current & Grant Funds	General Capital Fund	Trust Funds	Sewer Operating Fund	Fixed Asset Account Group	Totals	
						December 31, 2024	December 31, 2023
LIABILITIES, RESERVES AND FUND BALANCE							
Appropriation Reserves	\$ 1,259,254.44	\$ -	\$ -	\$ 5,438.59	\$ -	\$ 1,264,693.03	\$ 1,392,637.66
Encumbrances Payable	263,683.79	4,515,952.05	1,826,934.11	900.00	-	6,607,469.95	7,503,775.82
Federal, State and Other Grants							
Appropriated Reserves	6,268,308.60	-	-	-	-	6,268,308.60	4,333,544.65
Unappropriated Reserves	78,580.60	-	-	-	-	78,580.60	687,778.95
Other Liabilities and Reserves	1,739,204.82	-	7,439,797.13	-	-	9,179,001.95	12,996,022.64
Improvements Authorizations	-	36,962,874.34	-	-	-	36,962,874.34	3,803,942.91
Due to State of New Jersey	5,244.00	-	114.00	-	-	5,358.00	5,052.80
Interfund Payable	1,147,539.23	44,590.29	287,687.38	-	-	1,479,816.90	1,002,206.50
County Tax Payable	378,215.30	-	-	-	-	378,215.30	442,546.40
Serial Bonds	-	26,336,000.00	-	-	-	26,336,000.00	31,101,000.00
Green Trust Loan Payable	-	393,292.00	-	-	-	393,292.00	-
Reserve for Receivables and Other Assets	2,910,388.57	-	-	620,778.85	-	3,531,167.42	2,852,048.28
Investment in General Fixed Assets	-	-	-	-	45,465,404.00	45,465,404.00	43,897,888.00
Capital Improvement Fund	-	41,233.85	-	-	-	41,233.85	7,816.85
Fund Balance	9,785,932.47	604,579.52	-	356,474.40	-	10,746,986.39	11,764,154.73
	<u>\$ 23,836,351.82</u>	<u>\$ 68,898,522.05</u>	<u>\$ 9,554,532.62</u>	<u>\$ 983,591.84</u>	<u>\$ 45,465,404.00</u>	<u>\$ 148,738,402.33</u>	<u>\$ 121,790,416.19</u>

There were Bonds and Notes Authorized but not Issued at December 31, 2024 and 2023, in the amount of \$34,171,990.00 and \$3,462,090.65, respectively (C-9).

**TOWNSHIP OF EWING**  
**COUNTY OF MERCER, STATE OF NEW JERSEY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –**  
**BUDGET TO ACTUAL – CURRENT FUND**  
**Year Ended December 31, 2024**

	Budget as Modified	Actual	Variance
<b>REVENUES</b>			
Fund Balance Anticipated	\$ 2,361,880.00	\$ 2,361,880.00	\$ -
Miscellaneous Revenues	2,800,300.00	3,069,433.50	269,133.50
State Aid Without Offsetting Appropriations	10,343,009.00	10,391,958.04	48,949.04
Special Items with Offsetting Appropriations	11,823,733.38	11,823,733.38	-
Special Items with Consent of the Director	5,466,339.75	7,134,305.91	1,667,966.16
Receipts from Delinquent Taxes	223,000.00	181,261.83	(41,738.17)
Amount to be Raised by Taxes for Support of Municipal Budget	34,621,977.78	35,872,091.00	1,250,113.22
Total Budget Revenues	67,640,239.91	70,834,663.66	3,194,423.75
Other Credits to Income	-	97,329,895.22	97,329,895.22
Total Revenues	67,640,239.91	168,164,558.88	100,524,318.97
<b>EXPENDITURES</b>			
Budget and Emergency Appropriations			
Appropriations Within "CAPS" Operations			
Salaries and Wages	21,798,130.85	21,798,130.85	-
Other Expenses	19,362,673.50	19,362,673.50	-
Deferred Charges and Statutory Expenditures - Municipal			
Expenditures - Municipal Within "CAPS"	6,019,765.36	6,019,765.36	-
Appropriations Excluded from "CAPS" Operations			
Other Expenses	14,121,874.05	14,121,874.05	-
Capital Improvements	250,000.00	250,000.00	-
Municipal Debt Service	5,825,040.00	5,825,040.00	-
Reserve for Uncollected Taxes	262,756.15	262,756.15	-
Total Budget Expenditures	67,640,239.91	67,640,239.91	-
Other Expenses and Charges to Income			
Other Expenses	-	98,137,426.66	(98,137,426.66)
Total Expenditures	67,640,239.91	165,777,666.57	(98,137,426.66)
Excess of Revenues over Expenditures	\$ -	2,386,892.31	\$ 2,386,892.31
Statutory Excess to Fund Balance		2,386,892.31	
Fund Balance - Beginning of the Year		9,760,920.16	
		12,147,812.47	
Decreased by: Utilization in Current Year Budget		2,361,880.00	
Fund Balance - End of the Year		\$ 9,785,932.47	



**TOWNSHIP OF EWING**  
**COUNTY OF MERCER, STATE OF NEW JERSEY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**CURRENT AND SEWER OPERATING FUNDS**  
Year Ended December 31, 2024

	Current	Sewer
<b>REVENUES</b>		
Fund Balance Anticipated	\$ 2,361,880.00	\$ -
Miscellaneous Revenues	3,069,433.50	-
State Aid Without Offsetting Appropriations	10,391,958.04	-
Special Items with Offsetting Appropriations	11,823,733.38	-
Special Items with Consent of the Director	7,134,305.91	-
Receipts from Delinquent Taxes	181,261.83	-
Sewer Charges	-	9,305,999.41
Amount to be Raised by Taxes for Support of Municipal Budget	35,872,091.00	-
Total Budget Revenues	70,834,663.66	9,305,999.41
Other Credits to Income	97,329,895.22	-
Total Revenues	168,164,558.88	9,305,999.41
<b>EXPENDITURES</b>		
Budget and Emergency Appropriations		
Appropriations Within "CAPS" Operations		
Salaries and Wages	21,798,130.85	62,171.46
Other Expenses	19,362,673.50	-
Deferred Charges and Statutory Expenditures - Municipal		
Expenditures within "CAPS"	6,019,765.36	-
Appropriations Excluded from "CAPS" Operations		
Other Expenses	14,121,874.05	-
Capital Improvements	250,000.00	-
Municipal Debt Service	5,825,040.00	-
Reserve for Uncollected Taxes	262,756.15	-
ELSA Charges	-	9,380,351.56
Total Budget Expenditures	67,640,239.91	9,442,523.02
Other Expenses and Charges to Income	98,137,426.66	692,000.00
Total Expenditures	165,777,666.57	10,134,523.02
Excess (Deficit) of Revenues over Expenditures	2,386,892.31	(828,523.61)
Adjustment to Surplus Before Fund Balance		
Expenditures Included Above Which are by Statute Deferred Charges		
to Budget of Succeeding Years	-	136,523.61
Statutory Excess (Deficit) to Fund Balance	2,386,892.31	(692,000.00)
Fund Balance - Beginning of the Year	9,760,920.16	1,048,474.40
	12,147,812.47	356,474.40
Decreased by		
Utilization in Current Year Budget	2,361,880.00	-
Fund Balance - End of the Year	\$ 9,785,932.47	\$ 356,474.40

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## **NOTES TO FINANCIAL STATEMENTS**

**TOWNSHIP OF EWING  
COUNTY OF MERCER, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

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**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The financial statements of the Township of Ewing (the "Township") include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township, as required by N.J.S.A. 40A:5-5. However, the operations of the Municipal Library, Board of Education, first aid organizations, and volunteer fire companies or fire districts are not included in the Township's financial statements.

**Description of Funds**

The accounting policies of the Township conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgeting restrictions, and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township accounts for its financial transactions through the following separate governmental funds:

**Current and Grant Funds** – The Current and Grant Funds are used for resources and expenditures for governmental operations of a general nature, including federal and state grant funds, except as otherwise noted.

**Trust Funds** – The Trust Funds are used for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created, pursuant to the provisions of N.J.S.A. 40A:4-39.

**General Capital Fund** – The General Capital Fund is used for the receipt and disbursement of funds for acquisition of general capital facilities, including federal and state grants in aid of construction, other than those acquired in the Current Fund, including the status of bonds and notes authorized for said purposes.

**Sewer Operating Fund** – Receipt of sewer fees and disbursement of funds for the operation of Ewing-Lawrence Sewerage Authority.

**Basis of Accounting**

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units.

The Governmental Accounting Standards Board ("GASB") is the accepted standards-setting body for establishing government accounting and financial reporting principles. GASB's Codification of Governmental Accounting and Financial Reporting Standards recognizes three fund categories and two account groups as appropriate for the accounting and reporting of the financial position and results of operations in accordance with generally accepted accounting principles ("GAAP"). This structure of funds and account groups differs from the organization of funds prescribed under the regulatory basis of accounting utilized by the Township. The resultant presentation of financial position and results of operations in the form of financial statements is not intended to present the general-purpose financial statements required by GAAP.

**TOWNSHIP OF EWING  
COUNTY OF MERCER, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

---

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting (Continued)**

A modified accrual basis of accounting is followed with minor exceptions. Modifications from the accrual basis are as follows:

- Revenues are recorded when received in cash, except for certain amounts that are due from other governmental units. Receipts from federal and state grants are realized as revenue when anticipated in the Township budget. Receivables for property taxes are recorded with offsetting reserves on the schedule 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 which are due to the Township are also recorded as receivables with offsetting reserves and are recorded as revenue when received.
- Reserve for Uncollected Taxes represents an appropriation made to allow total current tax billings to be levied at an amount greater than the appropriations needed. Reserve for Uncollected Taxes is not recognized under GAAP.
- Cash equivalents are carried at cost. Purchases are limited by New Jersey Statute 40A:5-15.1 to bonds or obligations of the federal government guaranteed by said government and bonds or other obligations of federal or local units having a maturity date no more than 397 days from the date of purchase.
- Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Township's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at the end of each year and are 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. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis, and interest on general capital indebtedness is on the cash basis. Expenditures for compensated absences are recorded in the accounting period in which the payments are made to the dedicated trust fund established for this purpose.
- Pension and Other Post-Employment Benefits ("OPEB") expenses are recorded on a cash basis as billed by the State of New Jersey. Thus, net pension, OPEB liability and related deferred inflows and outflows are not recorded on the combined statement of assets, liabilities, reserves and fund balance.

Foreclosed Property – Foreclosed property is recorded in the Current Fund at the assessed valuation at the time such property was acquired. The balance of foreclosed property is fully reserved.

**TOWNSHIP OF EWING  
COUNTY OF MERCER, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

---

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting (Continued)**

Interfund Receivables and Payables - Interfund receivables in the Current Fund are recorded with offsetting reserves; interfund payables are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in other funds are not offset by reserves.

Inventories of Supplies - The cost of inventories of supplies for all funds is recorded as an expenditure at the time individual items are purchased. The cost of inventories is not included in the current fund statement of assets, liabilities, reserves and fund balance.

General Fixed Assets – In accordance with New Jersey Administrative Code 5:305-6, *Accounting for Government Fixed Assets*, as promulgated by the Division of Local Government Services, which differs in certain respects from GAAP, the Township is required to have and maintain a fixed asset and reporting system for non-expendable personal property with an acquisition cost of \$5,000 or more per unit and a useful life of more than one year.

Fixed assets used in governmental operations ("general fixed assets") are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks, and drainage systems, are not capitalized.

For the classification of land, buildings and other improvements, actual cost was used. With respect to machinery and equipment, actual cost was used whenever possible. However, a significant number of items were valued at their estimated or replacement costs, since the original costs were not available. No depreciation is provided for in the financial statements.

Expenditures for construction in progress are recorded in the General Capital Fund until such time as the construction is completed and the related asset is placed in operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

It is the policy of the Township not to capitalize interest cost on fixed assets constructed.

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

**Total Columns – Memorandum Only**

Total columns are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with accounting principles generally accepted in the United States of America, nor are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**TOWNSHIP OF EWING**  
**COUNTY OF MERCER, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

---

**B. CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash and cash equivalents include amounts on deposit, petty cash, change funds and short-term investments with original maturities of ninety days or less.

Deposits were with contracted depository banks in interest-bearing accounts that were insured under the New Jersey Governmental Unit Deposit Protection Act ("NJGUDPA"). All such deposits are held in the Township's name.

NJGUDPA permits the deposit of public funds in the State of New Jersey Cash Management Fund or in institutions located in New Jersey that are insured by the Federal Deposit Insurance Corporation ("FDIC") or by any other agencies of the United States that insure deposits. NJGUDPA requires public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

Each depository participating in the GUDPA system must pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million. The minimum 5% pledge applies to institutions that are categorized as "well capitalized" by federal banking standards. The percentage of the required pledge will increase for institutions that are less than "well capitalized."

No collateral is required for amounts covered by FDIC or National Credit Union Share Insurance Fund ("NCUSIF") insurance. The collateral which may be pledged to support these deposits includes obligations of state and federal governments, insured securities and other collateral approved by the Department of Banking and Insurance. When the capital position of the depository deteriorates or the depository takes an unusually large amount of public deposits, the Department of Banking and Insurance requires additional collateral to be pledged.

If a governmental depository fails and the FDIC or NCUSIF insurance does not insure or pay out the full amount of public deposits, the collateral pledged to protect these funds would first be liquidated and paid out. If this amount is insufficient, other institutions holding public funds would be assessed pro rata up to 4% of their uninsured public funds. Although these protections do not constitute a 100% guarantee of the safety of all funds, no governmental unit under GUDPA has ever lost protected deposits.

As of December 31, 2024, the Township's bank balances were exposed to risk as follows:

Insured and Collateralized	\$ 250,000.00
Uninsured and Collateralized	19,361,186.40
Uninsured and Uncollateralized	<u>1,837,969.39</u>
Total	<u>\$ 21,449,155.79</u>

**TOWNSHIP OF EWING**  
**COUNTY OF MERCER, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

**B. CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Deposits**

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Township's deposits may not be returned or the Township will not be able to recover collateral securities in the possession of an outside party. The Township policy requires deposits to be secured by collateral valued at market or par, whichever is lower, less the amount covered by the FDIC. The Township Council approves and designates the authorized depository institution based on an evaluation of solicited responses and certifications provided by financial institutions.

Concentration of Credit Risk – This is the risk associated with the amount of investments the Township has with any one issuer that exceeds five percent or more of its total investments. Investments issued or explicitly guaranteed by the U.S. government and the New Jersey Cash Management Fund are excluded from this requirement. None of the investments held by the Township are exposed to concentration of credit risk.

Credit Risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In general, the Township does not have an investment policy regarding credit risk, however, the Township had no investments that were subject to credit risks as of December 31, 2024.

Interest Rate Risk – This is the risk that changes in interest rates will adversely affect the fair value of an investment. The Township does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate fluctuations. However, its practice is to hold investments to maturity.

**C. LONG-TERM DEBT**

**Summary of Municipal Debt**

	December 31,		
	2024	2023	2022
General - Bonds and Notes			
General Improvement Bonds, due September 1, 2026, at interest rates ranging from 2.00% to 4.00% per annum	\$ 4,586,000.00	\$ 6,826,000.00	\$ 9,021,000.00
General Improvement Bonds, due August 1, 2029, at interest rates ranging from 2.00% to 4.00% per annum	8,750,000.00	10,500,000.00	12,250,000.00
General Improvement Bonds, due November 1, 2034, at an interest rate of 4.00% per annum	13,000,000.00	13,775,000.00	14,483,000.00
Green Trust Loans			
ESCC Pool Area Improvements - due July 2, 2044, at an interest rate of 2.0% per annum	393,292.00	-	-
Total Issued	26,729,292.00	31,101,000.00	35,754,000.00
General Bonds and Notes Authorized but not Issued	34,171,990.00	3,462,090.65	1,157,090.65
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 60,901,282.00</u>	<u>\$ 34,563,090.65</u>	<u>\$ 36,911,090.65</u>



**TOWNSHIP OF EWING**  
**COUNTY OF MERCER, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

**C. LONG-TERM DEBT (CONTINUED)**

**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 indicates a statutory net debt of 1.358%:

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 48,140,000.00	\$ 48,140,000.00	\$ -
Other Bonds and Notes	60,901,282.00	-	60,901,282.00
	<u>\$ 109,041,282.00</u>	<u>\$ 48,140,000.00</u>	<u>\$ 60,901,282.00</u>

Borrowing power under N.J.S.A. 40A:2-6 as amended

3-1/2% of equalized valuation basis (municipal)	\$ 156,999,592.86
Net debt	<u>60,901,282.00</u>
Remaining borrowing power	<u>\$ 96,098,310.86</u>

Net debt of \$60,901,282.00 divided by average equalized valuation basis per N.J.S.A. 40A:2-2 of \$4,485,702,653.00 equals 1.358%. A revised annual debt statement must be filed by the Chief Financial Officer. The following is a schedule of annual debt service for principal and interest on general bonded debt issued and outstanding to maturity:

Year	Principal	Interest	Total
2025	\$ 4,906,673.27	\$ 922,522.89	\$ 5,829,196.16
2026	5,013,008.40	749,367.76	5,762,376.16
2027	3,167,350.26	595,105.88	3,762,456.14
2028	3,167,699.00	486,257.15	3,653,956.15
2029	3,168,054.75	377,401.40	3,545,456.15
2030-2034	7,095,865.38	866,415.37	7,962,280.75
2035-2039	105,895.02	16,385.72	122,280.74
2040-2044	104,745.92	5,306.78	110,052.70
	<u>\$ 26,729,292.00</u>	<u>\$ 4,018,762.95</u>	<u>\$ 30,748,054.95</u>

**D. BOND ANTICIPATION NOTES**

The Township issues bond anticipation notes to temporarily finance various capital projects prior to the issuance of serial bonds. The terms of the notes cannot exceed one year, but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid not later than the tenth anniversary of the original note. The State of New Jersey also prescribes that, on or before the third anniversary of the date of the original note, a payment of at least equal to the first legally payable installment of the bonds, in anticipation of which such notes were issued, be paid or retired. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary of the date of the original issue. At December 31, 2024, the Township had \$0 bond anticipation notes payable outstanding.

**TOWNSHIP OF EWING**  
**COUNTY OF MERCER, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

**E. FUND BALANCE APPROPRIATED**

Current fund balances were appropriated and included as anticipated revenue in the succeeding years' budgets for the past five years as follows:

Year Ended	Balance	Utilized in Budget of Succeeding Year
December 31, 2024	\$ 9,785,932.47	\$ 4,100,000.00
December 31, 2023	9,760,920.16	2,361,880.00
December 31, 2022	7,003,423.18	740,000.00
December 31, 2021	5,466,326.55	435,000.00
December 31, 2020	3,807,803.38	500,000.00

General capital fund balances were appropriated and included as anticipated revenue in the succeeding years' Current Fund Budgets as follows:

Year Ended	Balance	Utilized in Budget of Succeeding Year
December 31, 2024	\$ 604,579.52	\$ 350,000.00
December 31, 2023	954,760.17	350,000.00
December 31, 2022	1,304,760.17	350,000.00
December 31, 2021	1,190,560.82	250,000.00
December 31, 2020	1,422,574.68	-

Sewer operating fund balances were appropriated and included as anticipated revenue in the succeeding years' Sewer Operating Fund Budgets as follows:

Year Ended	Balance	Utilized in Budget of Succeeding Year
December 31, 2024	\$ 356,474.40	\$ 375,000.00
December 31, 2023	1,048,474.40	-
December 31, 2022	559,452.94	207,000.00
December 31, 2021	559,452.94	-
December 31, 2020	1,030,075.79	-

**TOWNSHIP OF EWING  
COUNTY OF MERCER, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

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**F. PROPERTY TAXES & SEWER USAGE CHARGES**

**Assessment of Tax**

New Jersey statutes require that taxable valuation of real property be prepared by the Township Tax Assessor as of October 1 in each year and filed with the County Board of Taxation by January 10 of the following year. Upon the filing of certified adopted budgets by the Township, Local School District, and County, the tax rate is struck by the board based on the certified amounts in each of the taxing districts. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the Township Tax Collector on or before May 13.

**Collection of Tax**

Taxes become a lien on property as of January 1. The tax bills are prepared and mailed by the Collector of Taxes of the Township semi-annually in January and July. The January tax bill, which is payable in equal installments on February 1 and May 1, is an estimated bill based on amounts due to the various taxing districts during the first six months of the calendar year. The municipal portion of the tax is based on the municipal rate for the current fiscal year.

The July tax bill, which is due in equal installments on August 1 and November 1, represents the actual total tax for the year less the amount billed in January. A complete breakdown of the tax levy for each taxing district is included on the July bill.

Taxes become delinquent if not paid on the installment dates or within the ten-day grace period and become subject to interest penalties of 8% to 18% of the amount delinquent. If taxes are delinquent on or after April 1 of the succeeding year, the delinquent amount is subject to "Tax Sale," which places a tax lien on the property, allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1 of the current tax year even though the amount due is not known.

The Township issues separate bills for sewer usage charges. The sewer usage charges are based on the prior year water consumed or the sewer flow discharged into the sewer system as measured by the meter on the user's premises and reported to the Township by the Trenton Water Works and Ewing-Lawrence Sewerage Authority. An additional uniform flat rate fee for each sewer account to fund the operation, maintenance and replacement costs of the Ewing-Lawrence Sewerage Authority and the sewer system is also charged. The bills are due on April 1 and October 1.

**Tax Abatements & PILOT Programs**

The Township has entered into eight property tax abatement and payment in lieu of tax agreements in order to provide incentives to redevelop areas that are in need for improvement or to create economic growth. These agreements are authorized under various New Jersey state statutes. Collections of PILOT payments totaled \$2,029,447.47 and roughly matched the total amounts billed to the property owners and the amounts to be billed per the active agreements in force during the current year.

**TOWNSHIP OF EWING  
COUNTY OF MERCER, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

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**G. SCHOOL AND COUNTY TAXES**

The local school district tax levy for the year 2024 was \$67,265,369.00. The tax levy for 2024 county taxes, including library, open space and added and omitted taxes was \$30,739,164.06. All amounts billed to the Township, except for added and omitted tax amounts, were paid in the current year. Added and omitted tax payments due totaling \$1,089,779.15 are reflected in the current fund liabilities at December 31, 2024.

**H. PENSIONS**

A substantial number of the Township's employees participate in the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and Police and Firemen's Retirement System ("PFRS"), which are administered and/or regulated by the New Jersey Division of Pensions and Benefits (the "Division"). Both plans have a board of trustees that is primarily responsible for their administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey Division of Pensions and Benefits.

**Plan Description**

PERS is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955. The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

PFRS is a cost-sharing multiple-employer defined benefit pension plan administered by the Division. The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits, which vest after four years of service.

For additional information about PERS or PFRS, please refer to the Division's Annual Comprehensive Financial Report ("ACFR") which can be found at:  
<https://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

The Township also participates in the Defined Contribution Retirement Program ("DCRP"). The DCRP is a multiple-employer defined contribution pension fund established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.) and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code ("IRC") 401(a) et seq. and is a governmental plan within the meaning of IRC 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn a salary in excess of established "maximum compensation" limits; employees enrolled in PFRS after May 21, 2010, who earn a salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn a salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010, who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn a salary of at least \$5,000.00 annually. Total contributions to the DCRP were \$3,616.29 as of the year ended December 31, 2024.

**TOWNSHIP OF EWING  
COUNTY OF MERCER, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

**H. PENSIONS (CONTINUED)**

**Benefits Provided**

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

The following represents the membership tiers for PERS:

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 1/55<sup>th</sup> of final average salary for each year of service credit are available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit are available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, 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 their respective tier.

For PFRS, vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except for 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 of each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving 10 years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

**TOWNSHIP OF EWING  
COUNTY OF MERCER, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

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**H. PENSIONS (CONTINUED)**

**Benefits Provided (Continued)**

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

**Contributions**

**PERS**

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. The local employers contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers were credited with the full payment and any such amounts were not included in their unfunded liability. The actuaries have determined the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability is being paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012, and is adjusted by the rate of return on the actuarial value of assets.

**PFRS**

The contribution policy for PFRS is set by N.J.S.A 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. The employers in the Local Group contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for employers in the Local Group of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers were credited with the full payment and any such amounts were not be included in their unfunded liability. The actuaries have determined the unfunded liability by employer for the reduced normal and accrued liability contributions provided under this law. This unfunded liability is being paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012, and is adjusted by the rate of return on the actuarial value of assets.

**TOWNSHIP OF EWING  
COUNTY OF MERCER, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

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**H. PENSIONS (CONTINUED)**

**Contributions (Continued)**

The Township is billed annually for its normal contribution plus any accrued liability. Contribution to PERS and PFRS from the Township was \$1,386,794.32 and \$3,547,971.04, respectively, for the year ended December 31, 2024. Covered payroll totaled \$9,095,079.00 and \$10,070,437.00 for PERS and PFRS, respectively.

**Special Funding Situation**

Under N.J.S.A. 43:15A-15, PERS local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. Under N.J.S.A. 43:16A-15, PFRS local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, 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 amount contributed on behalf of the local participating employers under both the PERS and PFRS related legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under the legislation directly to the plan (except for employer-specific financed amounts), there is no net pension liability, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

As of plan year ended June 30, 2024, the State's non-employer contribution in relation to the Township's PERS contractually required contribution was \$44,677 associated with this special funding situation. As of plan year ended June 30, 2024, the State's non-employer contribution in relation to the Township's PFRS contractually required contribution was \$585,105 associated with this special funding situation.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At plan year ended June 30, 2024, the Township had a liability of \$13,857,461.00 for its proportionate share of the net pension liability in PERS. 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 that date. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members of the plan, actuarial determined. At plan year ended June 30, 2024, the Township's proportion was 0.1019827% for PERS.

**TOWNSHIP OF EWING**  
**COUNTY OF MERCER, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

**H. PENSIONS (CONTINUED)**

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

The percentage reflected an increase of .001096% from the PERS proportion measured as of June 30, 2023. The portion of the non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the Township is \$0 for PERS and the State's proportion of the Township net pension liability is 0.1024539% for PERS.

At plan year ended June 30, 2024, the Township had a liability of \$25,797,980.00 for its proportionate share of the net pension liability in PFRS. 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 that date. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members of the plan, actuarial determined. At plan year ended June 30, 2024, the Township's proportion was 0.24982067% for PFRS. The percentage reflected a decrease of 0.00607% from the PFRS proportion measured as of June 30, 2023. The portion of the non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the Township is \$5,086,017.00 for PFRS and the State's proportion of the Township net pension liability is 0.24982067% for PFRS.

The components of the collective net pension liability of the Township as a participating employer as of plan year ended June 30, 2024 are as follows:

	PFRS	PFRS
Total pension liability	\$ 43,853,715.00	\$ 112,943,929.00
Plan fiduciary net position	29,996,254.00	82,059,932.00
State's pension liability	-	5,086,017.00
Township Net pension liability	<u>\$ 13,857,461.00</u>	<u>\$ 25,797,980.00</u>

The following presents a summary of the collective deferred outflows of resources and deferred inflows of resources:

	2024		2024	
	PERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 277,590.00	\$ 36,892.00	\$ 1,625,253.00	\$ 883,179.00
Changes in assumptions	17,215.00	157,666.00	40,782.00	757,644.00
Net difference between projected and actual investment earnings on pension plan investments	-	642,533.00	-	201,916.00
Changes in proportion	213,964.00	817,313.00	104,505.00	2,091,138.00
	<u>\$ 508,769.00</u>	<u>\$ 1,654,404.00</u>	<u>\$ 1,770,540.00</u>	<u>\$ 3,933,877.00</u>



**TOWNSHIP OF EWING  
COUNTY OF MERCER, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

**H. PENSIONS (CONTINUED)**

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

PERS - 2024		PFRS - 2024	
2025	\$ (588,353.98)	2025	\$ (1,249,595.06)
2026	455,250.72	2026	1,439,826.54
2027	(261,915.53)	2027	(361,379.17)
2028	(151,201.63)	2028	(167,815.12)
2029	3,935.25	2029	149,290.86
Thereafter	-	Thereafter	12,967.60
	<u>\$ (542,285.17)</u>		<u>\$ (176,704.35)</u>

The previous amounts do not include employer-specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.08, 5.08, 5.04, 5.13, 5.16 and 5.21 years for the 2024, 2023, 2022, 2021, 2020 and 2019, respectively, for PERS and 6.09, 6.16, 6.22, 6.17, 5.90 and 5.92 years for the 2024, 2023, 2022, 2021, 2020 and 2019 amounts, respectively, for PFRS.

**Collective Net Pension Liability and Actuarial Assumptions**

The collective total pension liability in the June 30, 2024, measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions:

	PERS-2024	PFRS-2024
Inflation: Price	2.75%	2.75%
Inflation: Wage	3.25%	3.25%
Salary Increases: (based on years of service)	2.75 - 6.55%	3.25 - 16.25%
Investment rate of return	7.00%	7.00%

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

**TOWNSHIP OF EWING**  
**COUNTY OF MERCER, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

**H. PENSIONS (CONTINUED)**

**Collective Net Pension Liability and Actuarial Assumptions (Continued)**

For PFRS, 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, the actuarial assumptions used in the July 1, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

In accordance with state statute, the long-term expected rate of return on plan investments for both plans (7.00% at plan year ended June 30, 2024), is determined by the State Treasurer after consultation with the directors of the Division of Investments and the 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 rates 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 real rates of return for each major asset class included in PERS's and PFRS's target asset allocation as of plan year ended June 30, 2024, respectively, are summarized in the following table:

PERS - 2024			PFRS - 2024		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equity	28.00%	8.63%	Cash	2.00%	3.40%
Non-U.S. developed markets equity	12.75%	8.85%	Emerging markets Large-Cap Equity	6.00%	9.60%
International Small Cap Equity	1.25%	8.85%	Emerging markets Small-Cap Equity	1.50%	9.60%
Emerging markets equity	5.50%	10.66%	Global Multisector-Backed Securities	6.00%	6.50%
Private equity	13.00%	12.40%	Infrastructure	3.00%	7.00%
Real estate	8.00%	10.95%	Non-U.S. developed Large-Cap equity	9.50%	6.70%
Real assets	3.00%	8.20%	Non-U.S. developed Small Cap equity	2.00%	7.50%
High yield	4.50%	6.74%	Private Debt/Credit	8.00%	9.10%
Private credit	8.00%	8.90%	Private equity	10.00%	10.10%
Investment grade credit	7.00%	5.37%	Real Estate Core	3.00%	5.10%
Cash equivalents	2.00%	3.57%	Real Estate Non-Core	4.00%	6.50%
U.S. Treasuries	4.00%	3.57%	U.S. Corporate Bond	5.00%	5.90%
Risk mitigation strategies	3.00%	7.10%	U.S. Large-Cap Equity	24.00%	6.90%
	<u>100.00%</u>		U.S. Mortgage-Backed Securities	5.00%	4.40%
			U.S. Small/Mid Cap Equity	4.00%	7.40%
			U.S. Treasury Bond	7.00%	4.10%
				<u>100.00%</u>	

**TOWNSHIP OF EWING  
COUNTY OF MERCER, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

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**H. PENSIONS (CONTINUED)**

**Collective Net Pension Liability and Actuarial Assumptions (Continued)**

For both PERS and PFRS, the discount rate used to measure the total pension liability was 7.00% as of plan year ended 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 non-employer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate**

The following presents the collective net pension liability of the participating employers as of plan year ended June 30, 2024, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
PERS - 2024	<u>\$ 18,653,938.99</u>	<u>\$ 13,857,461.00</u>	<u>\$ 10,111,098.83</u>
PFRS - 2024	<u>\$ 44,126,359.76</u>	<u>\$ 30,883,997.00</u>	<u>\$ 19,856,009.74</u>

**I. SELF INSURANCE TRUST**

The Township maintains a self-insurance plan for unemployment compensation insurance, workers' compensation insurance, and managing insurance proceeds and related expenditures for the Ewing Senior and Community Center fire. The Township is a member of the Garden State Municipal Joint Insurance Fund ("GSMJIF") who assists with managing insurance claims. For workers compensation insurance, the annual current fund appropriation is made to the trust, and related claims are paid from the trust. Interest earned is also added to the trust. As of the year ended December 31, 2024, a reserve for workers' compensation of \$258,775.41 was included in the total self-insurance trust fund reserve of \$3,656,274.53. After budget transfers, the 2024 appropriation and payment to the trust was \$0.00. Claim payments made from the trust to the GSMJIF and related repair vendors totaled \$269,076.82 during the year ended December 31, 2024.

Effective January 1, 1978, most municipal employees became eligible for unemployment compensation insurance (N.J.S.A. 43:21-3 et seq.). The Township had elected to provide a self-insured plan whereby the municipal cost and employee contributions are deposited in a trust fund from which claims are paid. Unemployment insurance contributions totaled \$54,526.61 and unemployment compensation claims totaled \$4,416.91 during the year ended December 31, 2024.

**TOWNSHIP OF EWING  
COUNTY OF MERCER, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

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**J. PENDING LITIGATION**

The Township has been named in several claims and lawsuits. In addition, there are several pending tax appeals. It is counsel's and management's opinion that any liability resulting from these matters would be covered by insurance and existing Township reserves.

**K. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS**

The Township participates in State Health Benefit Local Government Retired Employees Plan (the "OPEB Plan"), which is a cost sharing multiple-employer defined post-retirement benefit plan administered by the Division. The OPEB Plan provides continued health care benefits to employees retiring after twenty-five years of service. Benefits, contributions, funding and the manner of administration are determined by the State of New Jersey Legislature. The Division charges the Township for its contributions.

**General Information About the OPEB Plan**

The OPEB Plan covers employees of local government employers that have adopted a resolution to participate in the OPEB Plan. The OPEB plan has a special funding situation that is applicable to the Township. The Township adopted the OPEB plan through Township Council resolution. The OPEB 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 OPEB Plan, please refer to the Division's ACFR, which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>. The OPEB Plan's financial report may also be obtained by writing to the State of New Jersey, Department of Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

The OPEB Plan provides medical and prescription drug coverage to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide post-retirement 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. 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 post-retirement 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.

**TOWNSHIP OF EWING  
COUNTY OF MERCER, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

**K. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**General Information About the OPEB Plan (Continued)**

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 within 25 years of service or on a disability from an employer who does not provide post-retirement 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 post-retirement 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.

**Allocation Methodology**

GASB Statement No. 75 requires participating employers in the OPEB Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the OPEB Plan members of an individual employer to the total members of the OPEB Plan's nonspecial funding situation during the measurement period July 1, 2023 through June 30, 2024.

**Net OPEB Liability**

The components of the Township's net OPEB liability as of OPEB Plan year ended June 30, 2024, is as follows:

	Plan Year Ended June 30, 2024
Total OPEB liability	\$ 73,216,177
Plan Fiduciary Net Position	(648,441)
Net OPEB Liability	<u>\$ 73,864,618</u>
Plan Fiduciary Net Position as a % of total OPEB liability	-0.89%

**TOWNSHIP OF EWING  
COUNTY OF MERCER, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

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**K. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**Actuarial Assumptions**

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

Salary increases\*:

**PERS**

Rate for all future years	2.75 - 6.55%
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**PFRS**

Rate for all future years	3.25 - 16.25%
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\* Salary increases are based on years of service within the respective plan.

Pre-retirement mortality rates for PERS were based on the PUB-2010 General classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Preretirement mortality rates for PFRS were based on the PUB-2010 Safety classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Post-retirement mortality rates for Chapter 330 retirees were based on the PUB-2010 Safety classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Post-retirement mortality rates for other retirees is based on the PUB-2010 General classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Disabled retiree mortality rates for PERS future disabled retirees were based on the PUB-2010 General classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disabled retiree mortality rates for PFRS future disabled retirees were based on the PUB-2010 Safety classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disabled retiree mortality rates for Chapter 330 current retirees were based on the PUB-2010 Safety classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disabled retiree mortality rates for other current retirees were based on the PUB-2010 General classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Actuarial assumptions used in the July 1, 2023, valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

One-hundred percent of active members are considered to participate in the Plan upon retirement.

**TOWNSHIP OF EWING  
COUNTY OF MERCER, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

**K. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 7.5% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 22.62% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO, the trend is increasing to 23.58% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.75% and decreases to a 4.50% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**Discount Rate**

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

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

The following presents the collective net OPEB liability of the participating employers as of OPEB Plan year ended June 30, 2024, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

At Plan Year Ended June 30, 2024		
At 1% Decrease (2.65%)	At Current Discount Rate (3.93%)	At 1% Increase (4.65%)
<u>\$ 86,044,319</u>	<u>\$ 73,864,618</u>	<u>\$ 64,109,760</u>

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

The following presents the net OPEB liability as of OPEB Plan year ended June 30, 2024, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

At Plan Year Ended June 30, 2024		
At 1% Decrease	Healthcare Cost Trend Rate	At 1% Increase
<u>\$ 64,109,760</u>	<u>\$ 73,864,618</u>	<u>\$ 86,044,319</u>

**TOWNSHIP OF EWING**  
**COUNTY OF MERCER, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

**K. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**Deferred Outflows of Resources and Deferred Inflows of Resources**

The following presents a summary of the collective deferred outflows of resources and deferred inflows of resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,740,721.00	\$ 12,515,207.00
Changes in assumptions	12,348,766.00	12,261,060.00
Net difference between projected and actual investment earnings on pension plan investments	-	33,436.00
Changes in proportion	19,367,299.00	2,292,039.00
Total	<u>\$ 35,456,786.00</u>	<u>\$ 27,101,742.00</u>

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

<u>Years Ending December 31,</u>	<u>OPEB</u>
2025	\$ (4,636,693.00)
2026	(1,996,228.00)
2027	(343,041.00)
2028	(1,828,872.00)
2029	(1,165,171.00)
Thereafter	1,249,789.00
	<u>\$ (8,720,216.00)</u>

The previous amounts do not include employer-specific deferred outflows of resources and deferred inflow of resources related to the changes in proportion. These amounts will be recognized (amortized) by the Township over the average remaining service lives of all plan members, which is 7.89, 7.89, 7.82, 7.82, 7.87, 8.05, 8.14 and 8.04 years for the 2024, 2023, 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.



**TOWNSHIP OF EWING**  
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**NOTES TO FINANCIAL STATEMENTS**

**L. UNUSED SICK LEAVE, VACATION BENEFITS AND PERSONAL TIME**

The Township has permitted employees to accrue sick leave pay, which may be taken as time off or paid at a later date. Each year, a provision is made in the budget to cover the estimated annual cost of such payments.

The Township's policy with respect to unused vacation is to permit employees to carry over such vacation for one year unless approved otherwise by the council. The Township's policy with respect to personal time is to permit police officers to receive the value of all personal time earned but unused in the year of their retirement per their union contract.

The total balance of unused sick, vacation and personal time benefits amounted to approximately \$5,787,902.73 as of the year ended December 31, 2024. Factoring in the 2007 and 2010 labor law caps in payouts of unused sick and vacation time, the total capped balance was \$2,786,181.32 as of the year ended December 31, 2024. Such amounts are not included in accrued liabilities at December 31, 2024, in accordance with accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**M. COMMITMENTS**

The majority of the Township employees are represented through the following collective bargaining units:

Bargaining Unit	Contract Expiration Date
Police Benevolent Association, Local 111	December 31, 2028
Superior Officers Association	December 31, 2028
Communication Workers of America, Local 1032	December 31, 2028
Firefighters Mutual Benevolent Association - Fire, Local 93	December 31, 2025
Firefighters Mutual Benevolent Association - EMT, Local 393	December 31, 2028
AFSCME, Local 2472	December 31, 2027
IBEW Managers and Supervisors Union, Local 102	December 31, 2028

**N. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. As of the year ended December 31, 2024, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the various funds.

	Balance December 31, 2023	2024 Budget Appropriation	2024 Deficit	Balance December 31, 2024	Balance to Succeeding Budgets
Deferred Charge - Sewer Utility	\$ -	\$ -	\$ 136,523.61	\$ 136,523.61	\$ 136,523.61
	\$ -	\$ -	\$ 136,523.61	\$ 136,523.61	\$ 136,523.61

**TOWNSHIP OF EWING  
COUNTY OF MERCER, STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

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**O. SUBSEQUENT EVENTS**

Management has evaluated subsequent events occurring after the statement of assets, liabilities, reserves and fund balance date through November 26, 2025, which is the date the financial statements were available to be issued.

Ordinances were passed to amend UCC and dog license fees.

On June 24, 2025, the Township approved Ordinance 25-20 in the amount of \$5,997,503 and the issuance of \$5,698,625 in bonds or notes for various capital improvements, including integration of upgrades to the 911 system and acquisition of equipment, acquisition of a generator for Hollowbrook Community Center, 2025 road improvement program, acquisition of property, purchase of police patrol vehicles, purchase of a fire truck and multiple items for emergency services, public works and planning and zoning departments. The Township also appropriated \$318,500 from capital surplus for other various capital improvements

On September 9, 2025, the Township appropriated \$65,000 from the capital improvement fund for the acquisition of two 2023 Ford Escape SUVs.

**APPENDIX C**

**FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL**

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\_\_\_\_\_, 2025

Township Council of the  
Township of Ewing, in the  
County of Mercer, New Jersey

Dear Council Members:

We have acted as bond counsel to the Township of Ewing, in the County of Mercer, New Jersey (the "Township"), in connection with the issuance by the Township of its \$36,870,000 Bond Anticipation Note (the "Note"), dated the date hereof. In order to render the opinions herein, we have examined laws, documents and records of proceedings, or copies thereof, certified or otherwise identified to our satisfaction and have undertaken such research and analyses as we have deemed necessary.

The Note is issued pursuant to the Local Bond Law of the State of New Jersey and the bond ordinances of the Township listed in the Certificate of Determination and Award prepared in connection with this issue, each in all respects duly approved and published as required by law. The Note is a temporary obligation issued in anticipation of the issuance of bonds.

In our opinion, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws or application by a court of competent jurisdiction of legal or equitable principles relating to the enforcement of creditors' rights, the Note is a valid and legally binding obligation of the Township, payable in the first instance from the proceeds of the sale of the bonds in anticipation of which the Note is issued, but, if not so paid, payable ultimately from *ad valorem* taxes that may be levied upon all the taxable property within the Township without limitation as to rate or amount.

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 Note in order to preserve the tax-exempt status of the Note pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Pursuant to Section 103 of the Code, failure to comply with these requirements could cause interest on the Note to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Note. 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 Note is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, and interest on the Note is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax; however, interest on the Note is included in the "adjusted financial statement income" of certain corporations that are 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 Note. Further, in our opinion, based upon existing law, interest on the Note 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.

This opinion is issued as of the date hereof. We assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law or interpretations thereof that may occur after the date of this opinion or for any reason whatsoever.

Very truly yours,

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