

TOWNSHIP OF EAST WINDSOR

COUNTY OF MERCER

REPORT OF AUDIT

2017

*NISIVOCCIA LLP
CERTIFIED PUBLIC ACCOUNTANTS*

TOWNSHIP OF EAST WINDSOR
COUNTY OF MERCER
REPORT OF AUDIT
2017

TOWNSHIP OF EAST WINDSOR
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TOWNSHIP OF EAST WINDSOR

PART I

FINANCIAL STATEMENTS AND

SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2017

Independent Auditors' Report

The Honorable Mayor and Members
of the Township Council
Township of East Windsor
East Windsor, New Jersey

Report on the Financial Statements

We have audited the financial statements – *regulatory basis* – of the various funds of the Township of East Windsor in the County of Mercer (the "Township") as of, and for the years ended December 31, 2017 and 2016, and the related notes to financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey; this includes 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' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

The Honorable Mayor and Members
of the Township Council
Township of East Windsor
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Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by the Township on the basis of accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for the Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above, do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund and account group of the Township as of December 31, 2017 and 2016, and the changes in financial position or, where applicable, cash flows thereof for the years then ended.

Basis for Qualified Opinion

The Township's general fixed assets account group is stated at historical cost or estimated historical cost in the accompanying financial statements. We were unable to obtain sufficient evidence to support the cost of the fixed assets of the general fixed assets account group. As more fully described in Note 1, due to the length of time over which these fixed assets were acquired, it is not practical to determine their actual costs. Therefore, based upon the underlying accounting records, we have not audited the general fixed assets account group.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects on the December 31, 2017 and 2016 financial statements of the matter described in the *Basis for Qualified Opinion* paragraph, the financial statements referred to above, present fairly, in all material respects, the financial position of the various funds of the Township of East Windsor as of December 31, 2017 and 2016, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended on the basis of the accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds that collectively comprise the Township's financial statements. The supplementary data schedules listed in the table of contents and the schedules of expenditures of federal and state awards, as required by the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the financial statements.

The Honorable Mayor and Members
of the Township Council
Township of East Windsor
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The supplementary data schedules and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the various fund financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the various fund financial statements or to the various fund financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary data schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2018 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
May 30, 2018


NISIVOCCIA LLP



Francis J. Jones, Jr.
Registered Municipal Accountant No. 442
Certified Public Accountant

TOWNSHIP OF EAST WINDSOR
COUNTY OF MERCER
2017
CURRENT FUND

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2017	2016
<u>ASSETS</u>			
Regular Fund:			
Cash and Cash Equivalents	A-4	\$ 15,274,962.57	\$ 9,099,080.50
Change Fund		285.00	285.00
Petty Cash		750.00	750.00
		<u>15,275,997.57</u>	<u>9,100,115.50</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	463,881.70	563,843.02
Tax Title Liens Receivable	A-8	230,690.89	241,543.84
Property Acquired for Taxes at Assessed Valuation		153,934.18	132,325.00
Revenue Accounts Receivable	A-9	30,842.37	35,844.11
Due Federal and State Grant Fund	A		28,250.00
Due Animal Control Fund	B	892.20	
Total Receivables and Other Assets with Full Reserves		<u>880,241.34</u>	<u>1,001,805.97</u>
Total Regular Fund		<u>16,156,238.91</u>	<u>10,101,921.47</u>
Federal and State Grant Fund:			
Cash and Cash Equivalents	A-6	175,477.04	247,326.92
Grants Receivable	A-10	234,620.51	271,931.76
Total Federal and State Grant Fund		<u>410,097.55</u>	<u>519,258.68</u>
TOTAL ASSETS		<u>\$ 16,566,336.46</u>	<u>\$ 10,621,180.15</u>

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(Continued)

		December 31,	
	Ref.	2017	2016
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Appropriation Reserves:			
Encumbered	A-3;A-11	\$ 484,910.20	\$ 623,572.75
Unencumbered	A-3;A-11	1,816,968.91	1,300,722.82
		2,301,879.11	1,924,295.57
Accounts Payable - Vendors		62,427.96	41,735.63
Due Other Trust Funds	B		2,000.00
Due General Capital Fund	C		60,000.00
Due State of New Jersey:			
Senior Citizens' and Veterans' Deductions		2,082.21	3,518.50
Marriage License Fees		1,525.00	1,275.00
DCA Training Fees		24,255.00	44,216.00
Domestic Partnership Fees		575.00	575.00
County Added and Omitted Taxes Payable		311,322.22	133,907.55
Prepaid Taxes		5,257,277.99	1,102,508.57
Tax Overpayments			1,433.07
Reserve for:			
Sale of Municipal Assets		16,000.00	16,000.00
Sale of Municipal Assets - NJ Turnpike Authority		342,620.35	318,420.35
Insurance Proceeds		4,112.47	4,112.47
Sign 571/Lanning Boulevard		2,270.00	2,270.00
Ambulance		18,500.00	18,500.00
Superstorm Sandy:			
Insurance Proceeds		6,960.00	6,960.00
Federal Emergency Management Agency		1,936.17	1,936.17
Hurricane Irene:			
Insurance Proceeds		3,455.00	3,455.00
Federal Emergency Management Agency		4,648.30	4,648.30
		8,361,846.78	3,691,767.18
Reserve for Receivables and Other Assets	A	880,241.34	1,001,805.97
Fund Balance	A-1	6,914,150.79	5,408,348.32
		16,156,238.91	10,101,921.47
Total Regular Fund			
Federal and State Grant Fund:			
Appropriated Reserves:			
Unencumbered	A-13	330,290.93	401,308.11
Encumbered		46,331.64	50,969.57
Unappropriated Reserves	A-14	33,474.98	38,731.00
Due Current Fund	A		28,250.00
		410,097.55	519,258.68
Total Federal and State Grant Fund		410,097.55	519,258.68
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		\$ 16,566,336.46	\$ 10,621,180.15

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN
FUND BALANCE - REGULATORY BASIS

	Ref.	<u>Year Ended December 31,</u>	
		<u>2017</u>	<u>2016</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 2,910,000.00	\$ 2,582,000.00
Miscellaneous Revenue Anticipated		7,772,336.79	7,975,774.54
Receipts from:			
Delinquent Taxes		590,865.28	507,034.22
Current Taxes		91,362,878.41	88,541,368.79
Nonbudget Revenue		461,491.52	316,041.61
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		1,003,096.74	1,110,959.87
Prior Year Senior Citizens' and Veterans' Deductions Allowed			250.00
Cancellations:			
Federal and State Grant Fund:			
Appropriated Reserves		30,200.22	197,466.43
Unappropriated Reserves		38,731.00	
Reserve for Judgment			
Accounts Payable		4,066.52	31,359.73
Interfunds Returned			13,031.50
		<hr/>	<hr/>
Total Income		104,173,666.48	101,275,286.69
 <u>Expenditures</u>			
Budget and Emergency Appropriations:			
Municipal Purposes		20,782,814.45	20,698,328.93
County Taxes		19,060,709.81	18,190,760.19
Regional School District Taxes		57,655,272.00	56,613,647.00
Special Garbage District Taxes		2,211,284.00	2,185,326.09
Federal and State Grant Fund Receivables Canceled		43,707.73	169,216.43
Prior Year Senior Citizens' and Veterans' Deductions Disallowed		4,076.02	3,750.00
Refund of Prior Year Revenue:			
Taxes			158,471.45
Other			360.00
		<hr/>	<hr/>
Total Expenditures		99,757,864.01	98,019,860.09

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN
FUND BALANCE - REGULATORY BASIS
(Continued)

	Ref.	<u>Year Ended December 31,</u>	
		<u>2017</u>	<u>2016</u>
Excess in Revenue/Statutory Excess to Fund Balance		\$ 4,415,802.47	\$ 3,255,426.60
 <u>Fund Balance</u>			
Balance January 1		<u>5,408,348.32</u>	<u>4,734,921.72</u>
		9,824,150.79	7,990,348.32
Decreased by:			
Utilized as Anticipated Revenue		<u>2,910,000.00</u>	<u>2,582,000.00</u>
Balance December 31	A	<u><u>\$ 6,914,150.79</u></u>	<u><u>\$ 5,408,348.32</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit *
Fund Balance Anticipated	\$ 2,910,000.00		\$ 2,910,000.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	32,440.00		33,602.00	\$ 1,162.00
Other	36,769.00		52,874.00	16,105.00
Fees and Permits - Other	481,538.00		592,849.87	111,311.87
Municipal Court:				
Fines and Costs	463,000.00		506,639.84	43,639.84
Interest and Costs on Taxes	126,978.00		165,686.65	38,708.65
Interest on Investments and Deposits	56,000.00		172,509.24	116,509.24
Energy Receipts Tax	3,517,385.00		3,517,385.00	
Uniform Construction Code Fees	375,572.00		770,549.00	394,977.00
Shared Service Agreements - Animal Control	17,000.00		33,036.00	16,036.00
Shared Service Agreements - Senior Center	34,196.00		42,678.89	8,482.89
Shared Service Agreements - Dispatching	171,430.00		171,430.00	
Municipal Alliance on Alcoholism and Drug Abuse		\$ 22,104.00	22,104.00	
Drunk Driving Enforcement Fund		11,084.68	11,084.68	
Clean Communities Grant		50,078.26	50,078.26	
Drive Sober or Get Pulled Over		11,000.00	11,000.00	
Click It or Ticket		5,500.00	5,500.00	
NJ Transit Operating Bus Shuttle		150,000.00	150,000.00	
Recycling Tonnage Grant		24,741.43	24,741.43	
Child Passenger Safety Grant		6,000.00	6,000.00	
Driving Distracted Crackdown		5,500.00	5,500.00	
Bullet Proof Vest Partnership Grant		2,046.51	2,046.51	
Body Armor Replacement Fund		4,035.18	4,035.18	
Bus Grant - Matching Share:				
Mercer County	10,400.00		10,400.00	
Hightstown	2,180.00		2,180.00	
Saint James Village Senior Citizen Complex	91,575.00		135,337.00	43,762.00
Wheaton Pointe - In Lieu of Taxes	26,358.00		25,282.11	1,075.89 *
Reserve for Open Space Trust	55,000.00		55,000.00	
Developers' Detention Basin	130,000.00		130,000.00	
Life Hazard Use Payments	46,957.00		60,862.70	13,905.70
Interfund - Federal and State Grant Fund	28,250.00		28,250.00	
General Capital Fund Surplus	397,642.00		397,642.00	
Hotel Tax	210,000.00		261,975.74	51,975.74
Farm Leases	2,000.00		9,076.69	7,076.69
Reserve for Sale of Municipal Assets	260,000.00		260,000.00	
Reserve to Pay Debt Service	45,000.00		45,000.00	
	<u>6,617,670.00</u>	<u>292,090.06</u>	<u>7,772,336.79</u>	<u>862,576.73</u>
Receipt from Delinquent Taxes	515,004.00		590,865.28	75,861.28
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	11,972,691.11		13,345,011.71	1,372,320.60
Budget Totals	<u>22,015,365.11</u>	<u>292,090.06</u>	<u>24,618,213.78</u>	<u>\$ 2,310,758.61</u>
Nonbudget Revenue			461,491.52	
	<u>\$ 22,015,365.11</u>	<u>\$ 292,090.06</u>	<u>\$ 25,079,705.30</u>	

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017
(Continued)

Allocation of Current Tax Collections:

Revenue from Collection of Current Taxes	\$ 91,362,878.41
Allocated to County, Regional School District and Special Garbage District Taxes	78,927,265.81
Balance for Support of Municipal Budget	12,435,612.60
Add: Appropriation "Reserve for Uncollected Taxes"	909,399.11
Realized for Support of Municipal Budget	\$ 13,345,011.71

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 568,303.69
Tax Title Lien Collections	22,561.59
	\$ 590,865.28

Analysis of Fees and Permits - Other:

<u>Treasurer:</u>	
Cable Television Franchise Fees	\$ 352,276.01
Fire Inspector	105,969.00
Housing Inspection	44,450.00
Municipal Clerk	29,964.00
Police Special Duty Administration and Vehicle Fees	7,702.86
Senior Center Classes	36,005.00
Board of Health/Registrar of Vital Statistics	2,650.00
Planning and Zoning Board of Adjustment	5,356.00
Engineering	2,355.00
Elevator Inspection Administration Fees	3,600.00
Police	769.00
Etra Park Permits	610.00
Rent Control Fees	543.00
	\$ 592,249.87
Tax Collector - Tax Search Fees	600.00
	\$ 592,849.87

Analysis of Uniform Construction Code Fees:

Collections	\$ 770,549.00
	\$ 770,549.00

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017
(Continued)

Analysis of Farm Leases:

Collections	\$ 10,376.69
Less: Refunds	1,300.00
	\$ 9,076.69

Analysis of Nonbudget Revenue:

Miscellaneous Revenue Not Anticipated:

Treasurer:

Municipal Clerk	\$ 196,742.76	
Payment In Lieu of Taxes	83,300.00	
Tax Assessor	10,673.45	
Prior Year Reimbursements	5,100.00	
Municipal Registrar	6,320.00	
Police	5,898.05	
Federal Emergency Management Agency Reimbursements	102,610.67	
Tax Sale Premiums Canceled	32,900.00	
Senior Citizens' and Veterans' Deductions - Administrative Costs	1,814.75	
Outdoor Advertising	3,000.00	
Homestead Rebate - Administrative Costs	926.40	
Code Enforcement	35.00	
Engineering	39.00	
Other Miscellaneous	12,131.44	
	\$ 461,491.52	

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
GENERAL GOVERNMENT:					
Manager's Office:					
Salaries & Wages	\$ 220,015.00	\$ 220,015.00	\$ 149,211.24	\$ 45,803.76	\$ 25,000.00
Other Expenses	48,485.00	48,485.00	23,161.35	25,323.65	
Human Resources:					
Other Expenses	20,000.00	20,000.00	12,523.00	7,477.00	
Township Council:					
Salaries & Wages	81,130.00	83,790.00	83,782.79	7.21	
Other Expenses	7,980.00	7,980.00	6,461.31	1,518.69	
Municipal Clerk:					
Salaries & Wages	117,000.00	117,000.00	85,176.42	6,823.58	25,000.00
Other Expenses	20,700.00	20,700.00	13,215.42	7,484.58	
Elections:					
Salaries & Wages	1,000.00	1,000.00		1,000.00	
Other Expenses	10,000.00	10,000.00	8,125.00	1,875.00	
Financial Administration:					
Salaries & Wages	172,699.00	172,699.00	155,635.00	7,064.00	10,000.00
Other Expenses	11,300.00	11,300.00	10,905.25	394.75	
Annual Audit	33,000.00	33,000.00	33,000.00		
Data Processing:					
Other Expenses	60,000.00	60,000.00	52,088.98	7,911.02	
Tax Collection (Revenue Administration):					
Salaries & Wages	153,074.00	157,394.00	122,384.83	9.17	35,000.00
Other Expenses	8,237.00	8,237.00	5,853.87	2,383.13	
Assessment of Taxes:					
Salaries & Wages	141,254.00	143,234.00	143,233.05	20.95	
Other Expenses	7,715.00	7,715.00	7,508.28	206.72	
Legal Services and Costs:					
Salaries & Wages	27,500.00	27,500.00	27,500.00		
Other Expenses	65,000.00	65,000.00	36,696.00	28,304.00	

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
GENERAL GOVERNMENT (Cont'd):					
Engineering Services and Costs:					
Salaries & Wages	\$ 59,913.00	\$ 61,063.00	\$ 61,056.07	\$ 6.93	
Other Expenses	5,435.00	5,435.00	2,445.29	2,989.71	
Economic Development:					
Other Expenses	4,925.00	4,925.00	245.00	4,680.00	
Transportation Commission:					
Other Expenses	500.00	500.00		500.00	
Land Use Administration:					
Planning Board:					
Salaries & Wages	37,500.00	42,000.00	41,999.96	0.04	
Other Expenses	11,855.00	11,855.00	854.74	11,000.26	
Board of Adjustment:					
Other Expenses	5,082.00	5,082.00	435.88	4,646.12	
Insurance:					
Liability Insurance	206,909.00	206,909.00	206,845.56	63.44	
Worker's Compensation Insurance	103,100.00	103,100.00	103,100.00		
Employee Group Insurance	4,105,000.00	4,078,315.00	3,476,223.63	348,461.37	\$ 253,630.00
PUBLIC SAFETY:					
Police:					
Salaries & Wages	5,635,513.00	5,625,069.13	5,118,539.44	371,529.69	135,000.00
Other Expense - Uniform Service	204,192.00	204,192.00	188,052.32	16,139.68	
Other Expense - Investigative Service	20,445.00	20,445.00	13,421.35	7,023.65	
Other Expense - Crime Prevention	1,635.00	1,635.00	1,605.53	29.47	
Other Expense - General Administration	62,680.00	62,680.00	41,377.96	21,302.04	
Other Expense - Support Service	22,541.00	22,541.00	16,934.61	5,606.39	
Other Expense - Training	153,771.00	153,771.00	69,795.75	38,975.25	45,000.00
Police Communications:					
Other Expense	589,020.00	589,020.00	585,935.11	3,084.89	

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
PUBLIC SAFETY (Cont'd):					
Office of Emergency Management:					
Other Expenses	\$ 625.00	\$ 625.00	\$	\$ 625.00	
Daytime EMS Services:					
Other Expenses	20,400.00	20,400.00	\$ 20,400.00		
Aid to Volunteer Fire Companies:					
Other Expenses	65,000.00	65,000.00	65,000.00		
Aid to Volunteer Ambulance Companies:					
Other Expenses - Contributions	55,124.00	55,124.00	46,124.00	9,000.00	
Other Expenses - Miscellaneous	62,692.00	62,692.00	37,251.29	15,440.71	\$ 10,000.00
Fire Prevention:					
Salaries & Wages	78,130.00	80,330.00	79,711.06	618.94	
Other Expenses	12,550.00	12,550.00	12,413.18	136.82	
Fire:					
Other Expenses	134,850.00	134,850.00	132,102.08	2,747.92	
Other Expenses - SFSP	11,370.00	11,370.00	11,370.00		
Municipal Court:					
Salaries & Wages	331,675.00	331,675.00	282,024.81	1,380.19	48,270.00
Other Expenses	35,800.00	35,800.00	26,831.56	8,968.44	
Public Defender:					
Salaries & Wages	4,500.00	4,500.00		4,500.00	
Municipal Prosecutor:					
Salaries & Wages	34,977.00	36,127.00	36,126.40	0.60	
Juvenile Conference Bureau:					
Salaries & Wages	4,060.00	4,060.00	2,557.93	1,502.07	
Other Expenses	1,225.00	1,225.00	97.62	1,127.38	
PUBLIC WORKS FUNCTIONS:					
Road Repairs and Maintenance:					
Salaries & Wages	257,436.00	257,436.00	187,295.72	70,140.28	
Other Expenses	140,590.00	140,590.00	82,471.21	58,118.79	

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
PUBLIC WORKS FUNCTIONS (Cont'd):					
Detention Basin Maintenance:					
Salaries & Wages	\$ 130,000.00	\$ 130,000.00	\$ 130,000.00		
Public Works Administration:					
Salaries & Wages	41,612.00	41,612.00	31,402.93	\$ 10,209.07	
Other Expenses	8,960.00	8,960.00	4,377.40	4,582.60	
Snow Operating Expenses	30,000.00	30,000.00		30,000.00	
Public Building and Grounds - Ward Street:					
Other Expenses	12,000.00	12,000.00	11,830.35	169.65	
Municipal Complex:					
Salaries & Wages	500.00	500.00		500.00	
Other Expenses	36,655.00	36,655.00	25,469.13	11,185.87	
Police Building:					
Salaries & Wages	89,243.00	89,243.00	89,242.30	0.70	
Other Expenses	37,160.00	37,160.00	25,703.08	11,456.92	
Senior Center:					
Salaries & Wages	16,588.00	16,588.00	14,640.49	1,947.51	
Other Expenses	25,005.00	25,005.00	14,943.58	10,061.42	
Vehicle Maintenance:					
Salaries & Wages	113,816.00	113,816.00	103,012.34	10,803.66	
Other Expenses - Police Vehicles	102,300.00	102,300.00	42,887.26	59,412.74	
Other Expenses - Administrative Vehicles	20,125.00	20,125.00	9,356.86	10,768.14	
Other Expenses - Public Works Vehicles	72,300.00	72,300.00	65,036.69	7,263.31	
Condominium Community Costs:					
Other Expenses	60,616.00	60,616.00	60,614.40	1.60	
HEALTH AND HUMAN SERVICES:					
Board of Health:					
Salaries & Wages - Regular	305,695.00	304,895.00	265,423.57	19,471.43	\$ 20,000.00
Other Expenses	33,480.00	33,480.00	30,336.04	3,143.96	

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
HEALTH AND HUMAN SERVICES (Cont'd):					
Board of Health (Cont'd):					
Other Expenses - Education	\$ 400.00	\$ 400.00	\$ 400.00		
Other Expenses - Public Health Nurse	17,850.00	18,650.00	17,840.24	\$ 809.76	
Other Expenses - Communicable Diseases	6,578.00	6,578.00	453.16	6,124.84	
Other Expenses - Environmental Services	550.00	550.00	74.00	476.00	
Environmental Commission (N.J.S. 40:56A-1 et seq):					
Other Expenses	2,000.00	2,000.00	984.00	1,016.00	
Animal Control:					
Salaries & Wages	64,842.00	64,842.00	64,839.95	2.05	
Other Expenses	4,300.00	4,300.00	2,101.06	2,198.94	
Administration of Public Assistance:					
Salaries & Wages	31,075.00	32,015.00	32,011.45	3.55	
Other Expenses	625.00	625.00		625.00	
Contributions to Social Services Agencies:					
Other Expenses	32,250.00	32,250.00	32,250.00		
PARK AND RECREATION FUNCTIONS:					
Recreation Department:					
Salaries & Wages	89,500.00	90,650.00	90,630.26	19.74	
Commission on Aging:					
Other Expenses	1,300.00	1,300.00	1,210.67	89.33	
Senior Center :					
Salaries & Wages	27,205.00	33,820.00	33,814.06	5.94	
Other Expenses	51,510.00	51,510.00	40,183.30	3,826.70	\$ 7,500.00
Maintenance of Parks:					
Salaries & Wages	133,729.00	133,729.00	70,956.57	62,772.43	
Other Expenses	51,000.00	51,000.00	21,921.90	29,078.10	
UNIFORM CONSTRUCTION CODE:					
Construction Code Official:					
Salaries & Wages	312,866.00	312,866.00	308,847.86	4,018.14	
Other Expenses	7,515.00	7,515.00	7,055.37	459.63	

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
UNCLASSIFIED:					
Health Benefit Waiver	\$ 90,000.00	\$ 90,000.00	\$ 77,349.93	\$ 12,650.07	
Sick Leave Trust	195,000.00	195,000.00	195,000.00		
Utilities:					
Electricity	162,000.00	162,000.00	150,547.95	11,452.05	
Street Lighting	88,000.00	88,000.00	73,990.05	14,009.95	
Telephone	97,500.00	97,500.00	82,510.77	14,989.23	
Gas	60,500.00	60,500.00	35,483.27	25,016.73	
Fuel Oil	4,500.00	4,500.00	490.90	4,009.10	
Gasoline	165,000.00	165,000.00	88,843.91	76,156.09	
Total Operations Within "CAPS"	16,520,759.00	16,510,315.13	14,281,173.90	1,614,741.23	\$ 614,400.00
Detail:					
Salaries & Wages	8,714,047.00	8,729,488.13	7,811,056.50	620,161.63	298,270.00
Other Expenses	7,806,712.00	7,780,827.00	6,470,117.40	994,579.60	316,130.00
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS":					
Statutory Expenditures:					
Contribution to:					
Public Employees Retirement System of NJ (P.L., 2003, C.108)	414,537.00	414,537.00	404,932.12	9,604.88	
Social Security System (O.A.S.I.)	710,000.00	710,000.00	616,978.55	93,021.45	
Police and Firemen's Retirement System of NJ (P.L., 2003, C.108)	1,121,602.00	1,132,045.87	1,121,601.57	10,444.30	
Defined Contribution Retirement Plan	2,000.00	2,000.00	2,000.00		
New Jersey Unemployment Insurance	35,000.00	35,000.00	24,364.89	10,635.11	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	2,283,139.00	2,293,582.87	2,169,877.13	123,705.74	
Total General Appropriations for Municipal Purposes Within "CAPS"	18,803,898.00	18,803,898.00	16,451,051.03	1,738,446.97	614,400.00

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Excluded from "CAPS":					
Length of Service Award Program:					
Other Expenses	\$ 75,000.00	\$ 75,000.00		\$ 75,000.00	
NJPDES Stormwater Permit (N.J.S.A. 40A:4.45(cc)):					
Municipal Stormwater	5,250.00	5,250.00	\$ 5,250.00		
SHARED SERVICE AGREEMENTS:					
Senior Center - Other Expenses	24,393.00	24,393.00	24,390.35	2.65	
Animal Control - Salaries & Wages	10,000.00	10,000.00	9,980.71	19.29	
Dispatching	171,430.00	171,430.00	171,430.00		
Public and Private Programs Offset by Revenues:					
Federal Transit Administration Section 5307 Grant - Local Matching Share	28,000.00	28,000.00	28,000.00		
NJ Transit Operating Bus Shuttle (N.J.S.A. 40A:4-87 +\$150,000.00)		150,000.00	150,000.00		
Municipal Alliance On Alcoholism and Drug Abuse (N.J.S.A. 40A:4-87 +\$22,104.00)		22,104.00	22,104.00		
Clean Communities Program (N.J.S.A. 40A:4-87 +\$50,078.26)		50,078.26	50,078.26		
Hightstown Share Bus Service	2,180.00	2,180.00	2,180.00		
Mercer County - Transportation Bus Grant	10,400.00	10,400.00	10,400.00		
Recycling Tonnage Grant (N.J.S.A. 40A:4-87 +\$24,741.43)		24,741.43	24,741.43		
Click It or Ticket (N.J.S.A. 40A:4-87 +\$5,500.00)		5,500.00	5,500.00		
Bullet Proof Vest Partnership Grant (N.J.S.A. 40A:4-87 +\$2,046.51)		2,046.51	2,046.51		
Drunk Driving Enforcement Fund (N.J.S.A. 40A:4-87 +\$11,084.68)		11,084.68	11,084.68		
Driving Distracted Crackdown (N.J.S.A. 40A:4-87 +\$5,500.00)		5,500.00	5,500.00		
Drive Sober or Get Pulled Over (N.J.S.A. 40A:4-87 +\$11,000.00)		11,000.00	11,000.00		
Body Armor Replacement Fund (N.J.S.A. 40A:4-87 +\$4,035.18)		4,035.18	4,035.18		
Child Passenger Safety Grant (N.J.S.A. 40A:4-87 +\$6,000.00)		6,000.00	6,000.00		
Matching Funds for Grants	3,500.00	3,500.00		3,500.00	
Total Operations Excluded from "CAPS"	330,153.00	622,243.06	543,721.12	78,521.94	
Detail:					
Salaries & Wages	10,000.00	10,000.00	9,980.71	19.29	
Other Expenses	320,153.00	612,243.06	533,740.41	78,502.65	

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Capital Improvements - Excluded from "CAPS": Capital Improvement Fund	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00		
Total Capital Improvements - Excluded from "CAPS"	60,000.00	60,000.00	60,000.00		
Municipal Debt Service - Excluded from "CAPS": Payment of Bond Principal	1,120,000.00	1,120,000.00	1,120,000.00		
Payment of Bond Anticipation Notes	205,000.00	205,000.00	205,000.00		
Interest on Bonds	401,900.00	401,900.00	401,882.50		\$ 17.50
Interest on Notes	73,610.00	73,610.00	73,605.35		4.65
Green Trust Loan Program: Loan Repayments for Principal and Interest	67,195.00	67,195.00	67,188.94		6.06
NJ Environmental Infrastructure Trust: Loan Repayments for Principal and Interest	44,210.00	44,210.00	43,396.60		813.40
Total Municipal Debt Service - Excluded from "CAPS"	1,911,915.00	1,911,915.00	1,911,073.39		841.61
Total General Appropriations - Excluded from "CAPS"	2,302,068.00	2,594,158.06	2,514,794.51	\$ 78,521.94	841.61
Subtotal General Appropriations	21,105,966.00	21,398,056.06	18,965,845.54	1,816,968.91	615,241.61
Reserve for Uncollected Taxes	909,399.11	909,399.11	909,399.11		
Total General Appropriations	\$ 22,015,365.11	\$ 22,307,455.17	\$ 19,875,244.65	\$ 1,816,968.91	\$ 615,241.61

Ref.

A

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017
(Continued)

	<u>Ref.</u>	Analysis of	
		Budget After Modification	Paid or Charged
Adopted Budget		\$ 22,015,365.11	
Added by N.J.S.A. 40A:4-87		292,090.06	
		\$ 22,307,455.17	
Reserve for Uncollected Taxes			\$ 909,399.11
Reserve for Encumbrances	A		484,910.20
Due Federal and State Grant Fund			332,670.06
Cash Disbursed			18,789,205.99
			20,516,185.36
Less: Appropriation Refunds			640,940.71
			\$ 19,875,244.65

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF EAST WINDSOR
COUNTY OF MERCER
2017
TRUST FUNDS

TOWNSHIP OF EAST WINDSOR
TRUST FUNDS
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
	<u>Ref.</u>	2017	2016
<u>ASSETS</u>			
Assessment Trust Fund:			
Prospective Assessments Funded		\$ 759,000.00	\$ 759,000.00
Animal Control Fund:			
Cash and Cash Equivalents	B-4	26,834.20	23,869.35
Other Trust Funds:			
Cash and Cash Equivalents	B-4	14,199,494.31	13,705,483.13
Due Current Fund	A		2,000.00
		14,199,494.31	13,707,483.13
TOTAL ASSETS		\$ 14,985,328.51	\$ 14,490,352.48

TOWNSHIP OF EAST WINDSOR
TRUST FUNDS
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(Continued)

	Ref.	December 31,	
		2017	2016
<u>LIABILITIES AND RESERVES</u>			
Assessment Trust Fund:			
Reserve for Assessments and Liens		\$ 759,000.00	\$ 759,000.00
Animal Control Fund:			
Due State of New Jersey			4.20
Due to Current Fund - Statutory Excess	A	892.20	
Reserve for Animal Control Expenditures	B-6	25,942.00	23,865.15
		<u>26,834.20</u>	<u>23,869.35</u>
Other Trust Funds:			
Tax Sale Premiums		330,100.00	373,900.00
Third Party Lien Redemption		123,796.51	
Escrow Funds		2,961,426.72	3,050,676.19
Reserve for:			
Special Duty Police Services		12,858.02	21,148.78
Affordable Housing - Revolving Loan Program		64,003.76	64,003.76
Drug Alliance Committee		945.00	945.00
Elevator Inspections		1.00	2,724.00
Forfeited Property Fund		13,935.23	49,729.80
Giving Tree Seniors		4,498.72	4,498.72
Mayor's Trust		14,540.33	15,303.05
Memorial Tree Grove Program		25.00	820.00
Community Garden Deposits		800.00	800.00
Donated Property Funds		25,000.00	25,000.00
Open Space Contribution		274,651.57	129,001.57
Parking Offense Adjudication Act		774.08	708.08
Public Defender Fees		4,189.84	3,622.89
Recreation Commission		157,672.98	110,842.27
Recreation Donations		293.00	293.00
Seniors' Program		7,342.18	4,132.95
Sick Leave		73,201.79	47,519.34
Tree Escrow		357,642.00	357,642.00
Affordable Housing		3,958,865.32	3,630,746.28
Administration & Vehicle Fees		431.26	891.32
Street Opening		3,000.00	3,000.00
Uniform Fire Safety Act Penalties		12,150.00	8,650.00
Tree Assessment		513.00	4,400.00
Off-Tract Improvements		5,796,837.00	5,796,484.13
		<u>14,199,494.31</u>	<u>13,707,483.13</u>
TOTAL LIABILITIES AND RESERVES		<u>\$ 14,985,328.51</u>	<u>\$ 14,490,352.48</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF EAST WINDSOR
ASSESSMENT TRUST FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

NOT APPLICABLE

TOWNSHIP OF EAST WINDSOR
ASSESSMENT TRUST FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

NOT APPLICABLE

ASSESSMENT TRUST FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

NOT APPLICABLE

TOWNSHIP OF EAST WINDSOR
COUNTY OF MERCER
2017
GENERAL CAPITAL FUND

TOWNSHIP OF EAST WINDSOR
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2017	2016
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 2,583,349.19	\$ 1,091,809.47
Due Current Fund	A		60,000.00
Grants Receivable		2,578,800.00	3,464,360.32
NJ Environmental Infrastructure Trust Loan Receivable			2,160.23
Prospective Assessments Raised by Taxation		20,472.00	20,472.00
Deferred Charges to Future Taxation:			
Funded		9,639,252.94	10,860,694.19
Unfunded	C-4	19,657,756.40	11,571,156.40
TOTAL ASSETS		<u>\$ 34,479,630.53</u>	<u>\$ 27,070,652.61</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-8	\$ 9,088,000.00	\$ 10,208,000.00
Green Trust Loans Payable	C-9	168,728.58	231,598.34
NJ Environmental Infrastructure Trust Loan Payable	C-9A	382,524.36	421,095.85
Bond Anticipation Notes Payable	C-7	9,915,000.00	6,008,600.00
Improvement Authorizations:			
Funded	C-5	888,857.50	2,013,886.92
Unfunded	C-5	12,001,454.63	6,134,893.56
Capital Improvement Fund	C-6	48,920.93	76,320.93
Reserve for:			
Purchase of Open Space		34,088.49	89,088.49
Sale of Assets		10,580.00	10,580.00
Ward Street Building		64,427.75	64,427.75
Installation of Traffic Light		6,050.00	6,050.00
Road Repair - Twin Rivers Drive North		820.60	820.60
Prospective Assessments Raised by Taxation		20,472.00	20,472.00
Encumbrances		1,425,988.05	1,686,521.23
Payment of Debt Service		4,130.17	49,130.17
Fund Balance	C-1	419,587.47	49,166.77
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 34,479,630.53</u>	<u>\$ 27,070,652.61</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF EAST WINDSOR
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2016	C	\$ 49,166.77
Increased by:		
Premium on Sale of Bonds		\$ 91,121.00
Improvement Authorizations Canceled		<u>867,962.25</u>
		959,083.25
		<u>1,008,250.02</u>
Decreased by:		
Grant Receivables Cancelled		191,020.55
Appropriated as 2017 Budget Revenue - Current Fund		<u>397,642.00</u>
		588,662.55
Balance December 31, 2017	C	<u><u>\$ 419,587.47</u></u>

TOWNSHIP OF EAST WINDSOR
COUNTY OF MERCER
2017
WATER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF EAST WINDSOR
COUNTY OF MERCER
2017
SEWER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF EAST WINDSOR
COUNTY OF MERCER
2017
PUBLIC ASSISTANCE FUND

TOWNSHIP OF EAST WINDSOR
PUBLIC ASSISTANCE FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2017	2016
<u>ASSETS</u>			
Cash and Cash Equivalents	F-1	\$ 68,428.28	\$ 97,892.28
TOTAL ASSETS		\$ 68,428.28	\$ 97,892.28
<u>LIABILITIES AND RESERVES</u>			
Prepaid State Aid		\$ 50,306.42	\$ 79,770.42
Reserve for Public Assistance Expenditures		18,121.86	18,121.86
TOTAL LIABILITIES AND RESERVES		\$ 68,428.28	\$ 97,892.28

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF EAST WINDSOR
COUNTY OF MERCER
2017
SPECIAL GARBAGE DISTRICT FUND

TOWNSHIP OF EAST WINDSOR
SPECIAL GARBAGE DISTRICT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
	Ref.	2017	2016
<u>ASSETS</u>			
Cash and Cash Equivalents:	G-4	\$ 1,570,502.45	\$ 1,517,240.09
TOTAL ASSETS		\$ 1,570,502.45	\$ 1,517,240.09
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Appropriation Reserves:			
Unencumbered	G-3;G-6	\$ 379,415.38	\$ 392,552.41
Encumbered	G-3;G-6	27,442.10	19,352.27
		406,857.48	411,904.68
Accounts Payable - Vendors		15,100.00	2,000.00
Fund Balance	G-1	1,148,544.97	1,103,335.41
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		\$ 1,570,502.45	\$ 1,517,240.09

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF EAST WINDSOR
SPECIAL GARBAGE DISTRICT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN
FUND BALANCE - REGULATORY BASIS

	Ref.	Year Ended December 31,	
		2017	2016
<u>Revenue and Other Income Realized</u>			
Fund Balance Anticipated		\$ 274,020.00	\$ 189,120.00
District Tax		2,211,284.00	2,185,326.09
Nonbudget Revenue		8,126.39	8,548.83
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		311,103.17	330,810.58
		<u>2,804,533.56</u>	<u>2,713,805.50</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		2,422,304.00	2,315,446.09
Statutory Expenditures		63,000.00	59,000.00
		<u>2,485,304.00</u>	<u>2,374,446.09</u>
Excess in Revenues/Statutory Excess to Fund Balance		319,229.56	339,359.41
<u>Fund Balance</u>			
Balance January 1		1,103,335.41	953,096.00
		<u>1,422,564.97</u>	<u>1,292,455.41</u>
Decreased by:			
Utilized as Anticipated Revenue:		274,020.00	189,120.00
		<u>274,020.00</u>	<u>189,120.00</u>
Balance December 31	G	<u>\$ 1,148,544.97</u>	<u>\$ 1,103,335.41</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF EAST WINDSOR
SPECIAL GARBAGE DISTRICT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

	<u>Budget</u>	<u>Realized</u>	<u>Excess</u>
Fund Balance Anticipated	\$ 274,020.00	\$ 274,020.00	
Special District Tax	2,211,284.00	2,211,284.00	
	<u>2,485,304.00</u>	<u>2,485,304.00</u>	<u>\$ -0-</u>
Budget Totals			
	2,485,304.00	2,485,304.00	\$ -0-
Nonbudget Revenue		8,126.39	8,126.39
	<u>\$ 2,485,304.00</u>	<u>\$ 2,493,430.39</u>	<u>\$ 8,126.39</u>

Analysis of Nonbudget Revenue

Interest on Investments and Deposits	\$ 5,341.14		
Sale of Recyclables	2,785.25		
	<u> </u>	<u>\$ 8,126.39</u>	

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF EAST WINDSOR
SPECIAL GARBAGE DISTRICT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

	<u>Appropriation</u>		<u>Expended By</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Operating:				
Salaries and Wages	\$ 959,924.00	\$ 959,924.00	\$ 910,569.94	\$ 49,354.06
Other Expenses	403,680.00	403,680.00	306,981.78	96,698.22
Contractual Services	85,000.00	85,000.00	66,225.62	18,774.38
Disposal Fees	771,000.00	771,000.00	583,157.52	187,842.48
Recycling Tax	18,000.00	18,000.00	14,700.90	3,299.10
Employee Group Insurance	184,700.00	184,700.00	170,000.00	14,700.00
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	58,500.00	58,500.00	51,177.18	7,322.82
Unemployment Compensation Insurance	4,500.00	4,500.00	3,075.68	1,424.32
	<u>\$2,485,304.00</u>	<u>\$2,485,304.00</u>	<u>\$2,105,888.62</u>	<u>\$ 379,415.38</u>
				G
Cash Disbursed			\$2,091,700.28	
Encumbrances	G		27,442.10	
			<u>2,119,142.38</u>	
Less: Appropriation Refunds			13,253.76	
			<u>\$2,105,888.62</u>	

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF EAST WINDSOR
COUNTY OF MERCER
2017
GENERAL FIXED ASSETS ACCOUNT GROUP
(Unaudited)

TOWNSHIP OF EAST WINDSOR
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(Unaudited)

	December 31,	
	2017	2016
<u>ASSETS</u>		
Land	\$ 1,092,084.00	\$ 889,084.00
Buildings and Improvements	6,244,612.00	5,613,883.00
Vehicles	5,481,536.00	4,202,009.00
Machinery and Equipment	3,634,120.00	3,498,882.00
	\$ 16,452,352.00	\$ 14,203,858.00
TOTAL ASSETS	\$ 16,452,352.00	\$ 14,203,858.00
 <u>RESERVES</u>		
Reserve for Fixed Assets	\$ 16,452,352.00	\$ 14,203,858.00
TOTAL RESERVES	\$ 16,452,352.00	\$ 14,203,858.00

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

Except as noted below, the financial statements of the Township of East Windsor include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of East Windsor, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Township of East Windsor do not include the operations of the volunteer fire and first aid squads.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of GASB Codification Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America.

B. Description of Funds

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

Current Fund – Resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

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

General Capital Fund – Receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

B. Description of Funds (Cont'd)

Public Assistance Fund – Receipt and disbursement of funds that provide assistance to certain residents of the municipality pursuant to Title 44 of New Jersey Statutes.

Special Garbage District Fund – Collection of special district taxes for the cost of providing garbage collection.

General Fixed Assets Account Group (Unaudited) – These accounts were established with assessed value of land, replacement value of buildings and cost of certain fixed assets of the Township as discussed in Note 1E “Other significant accounting policies”.

C. Basis of Accounting

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The following is a summary of the significant accounting policies.

Revenue is recorded when received in cash except for certain amounts which may be due from the State of New Jersey. Grant revenue is realized in the operating funds when it is budgeted and in the capital funds when improvements are authorized. The amounts recorded as property taxes and consumer accounts receivable have not been included in revenue. Amounts that are due to the municipality, which are susceptible of accrual, are recorded as receivables with offsetting reserves in the Current Fund.

Expenditures are charged to operations generally based on budgeted amounts. Exceptions to this general rule include:

1. Accumulated unpaid vacation, sick pay and other employee amounts are not accrued.
2. Prepaid expenses, such as insurance premiums applicable to subsequent periods, are charged to current budget appropriations in total.
3. Principal and interest on long-term debt are recognized when due.

Expenditures, if any, in excess of appropriations, appropriation reserves or ordinances become deferred charges which must be raised by future taxes. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be cancelled 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 fiscal year. Lapsed appropriation reserves are recorded as income.

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

C. Basis of Accounting (Cont'd)

Had the Township's financial statements been prepared under accounting principles generally accepted in the United States of America, encumbrances would not be considered as expenditures; appropriation reserves would not be recorded; revenue susceptible to accrual would have been reflected without offsetting reserves; Federal and State grants and assistance would be recognized when earned, not when budgeted in the Current Fund or when improvements are authorized in the Capital Fund; inventories would not be reflected as expenditures at the time of purchase; investments would generally be stated at fair value and the Township's net pension liability and related deferred inflows and outflows would be recorded.

The cash basis of accounting is followed in the Trust Funds.

- D. Deferred Charges to Future Taxation – The Capital Fund balance sheet includes both funded and unfunded deferred charges. Funded deferred charges represent improvement authorizations where permanent financing has been obtained. Unfunded deferred charges represent improvement authorizations where no or temporary financing has been obtained. A municipality can permanently finance unfunded deferred charges through budget appropriation, grant funds, or by issuing bonds, loans or capital lease purchase agreements.

E. Other significant accounting policies include:

Management Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – Amounts include petty cash, change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

Investments – Investments are stated at cost.

Grants Receivable – Grants receivable represent total grant awards less amounts collected to date. Because the amount of grants funds to be collected are dependent on the total costs eligible for reimbursement, the actual amount collected may be less than the total amount awarded.

Allowance for Uncollectible Accounts – No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

Compensated Absences – Expenditures relating to unused vested accumulated vacation and sick pay are not recorded until paid.

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

E. Other significant accounting policies include: (Cont'd)

Foreclosed Property – Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired, and is fully reserved.

Interfunds – Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies – The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories are not included on the various balance sheets.

Fixed Assets – Property and equipment purchased by the Current and General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized.

General Fixed Assets (Unaudited) – Property and equipment purchased by the Current and General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized.

General fixed assets are recorded at cost, except for land and buildings, which are recorded at estimated historical cost. Infrastructure assets are not included in general fixed assets, as per state directive. Major renewals and betterments are charged to the asset accounts: maintenance and minor repairs and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. The total value recorded for general fixed assets is offset by a “Reserve for Fixed Assets.” When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly. Assets recorded in the General Fixed Assets Account Group may also be recorded in the Current and General Capital Funds. The values recorded in the General Fixed Assets Account Group and the Current and General Capital Funds may not always agree due to differences in valuation methods, timing of recognition of assets, and the recognition of infrastructures. Fixed assets are reviewed for impairment.

- F. Budget/Budgetary Control – Annual appropriated budgets are usually prepared in the first quarter for Current operating and Special Garbage District Funds. The budgets are submitted to the governing body and the Division of Local Government Services. Budgets are prepared using the cash basis of accounting. The legal level of budgetary control is established at the line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the flexible chart of accounts referenced in N.J.S.A. 40A. All budget amendments/transfers must be approved by the Township during the year.

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 2: Long-Term Debt

The Local Bond Law governs the issuance of bonds to finance general Township capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. All bonds issued by the Township are general obligation bonds. The Township's full faith and credit and taxing power has been pledged to the payment of the general obligation debt principal and interest.

Summary of Municipal Debt

	December 31,		
	2017	2016	2015
<u>Issued:</u>			
General:			
Bonds, Notes and Loans	\$ 19,554,253	\$ 16,869,294	\$ 17,445,560
Total Issued	<u>19,554,253</u>	<u>16,869,294</u>	<u>17,445,560</u>
Less:			
Bonds and Notes Authorized but not Issued held to pay existing bonded debt	6,900,000		
Funds Temporarily Held to Pay Debt Service	4,130	49,130	94,130
Net Debt Issued	<u>12,650,123</u>	<u>16,820,164</u>	<u>17,351,430</u>
<u>Authorized but not Issued:</u>			
General:			
Bonds and Notes	9,811,221	5,562,556	3,970,186
Total Authorized but not Issued	<u>9,811,221</u>	<u>5,562,556</u>	<u>3,970,186</u>
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u>\$ 22,461,344</u>	<u>\$ 22,382,720</u>	<u>\$ 21,321,616</u>

Summary of Statutory Debt Condition – Annual Debt Statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .82%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District Debt	\$ 22,560,876	\$ 22,560,876	
General Debt	29,365,474	6,904,130	\$ 22,461,344
	<u>\$ 51,926,350</u>	<u>\$ 29,465,006</u>	<u>\$ 22,461,344</u>

Net Debt: \$22,461,344 divided by Average Equalized Valuations of \$2,755,155,673.67 of Real Property = .82%.

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 2: Long-Term Debt (Cont'd)

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

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

3-1/2% Average Equalized Valuation of Real Property	\$ 96,430,449
Net Debt	<u>22,461,344</u>
Remaining Borrowing Power	<u><u>\$ 73,969,105</u></u>

The foregoing debt information is in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

Summary of Municipal Debt Issued and Outstanding

	<u>Balance</u> <u>12/31/2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/2017</u>
Serial Bonds:				
General Capital Fund	\$ 10,208,000		\$ 1,120,000	\$ 9,088,000
Bond Anticipation Notes:				
General Capital Fund	6,008,600	\$ 9,915,000	6,008,600	9,915,000
Loans Payable:				
General Capital Fund:				
Green Trust	231,598		62,870	168,728
NJEIT	421,096		38,571	382,525
Total	<u>\$ 16,869,294</u>	<u>\$ 9,915,000</u>	<u>\$ 7,230,041</u>	<u>\$ 19,554,253</u>

	<u>Balance</u> <u>12/31/2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/2016</u>
Serial Bonds:				
General Capital Fund	\$ 11,293,000		\$ 1,085,000	\$ 10,208,000
Bond Anticipation Notes:				
General Capital Fund	5,398,931	\$ 814,669	205,000	6,008,600
Loans Payable:				
General Capital Fund:				
Green Trust	293,229		61,631	231,598
NJEIT	460,400		39,304	421,096
Total	<u>\$ 17,445,560</u>	<u>\$ 814,669</u>	<u>\$ 1,390,935</u>	<u>\$ 16,869,294</u>

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 2: Long-Term Debt (Cont'd)

The Township's debt issued and outstanding on December 31, 2017 is described as follows:

<u>General Capital Serial Bonds</u>				
<u>Purpose</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest</u>	<u>Balance</u>
	<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Dec. 31, 2017</u>
General Obligation	7/1/2018	\$ 1,155,000	4.00%	
	7/1/2019	1,195,000	4.25%	
	7/1/2020	1,240,000	3.50%	
	7/1/2021	1,290,000	3.75%	
	7/1/2022	1,345,000	4.00%	
	7/1/2023	1,400,000	4.00%	
	7/1/2024	1,463,000	4.00%	<u>\$ 9,088,000</u>
<u>General Capital Bond Anticipation Notes</u>				
<u>Purpose</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest</u>	<u>Balance</u>
			<u>Rate</u>	<u>Dec. 31, 2017</u>
Capital Improvements	12/08/16	12/08/17	1.225%	<u>\$ 9,915,000</u>
<u>General Capital Green Acres Trust Loans</u>				
<u>Purpose</u>	<u>Issue Date</u>	<u>Final</u> <u>Maturity Date</u>	<u>Interest</u>	<u>Balance</u>
			<u>Rate</u>	<u>Dec. 31, 2017</u>
Bear Brook Acquisition	06/12/99	12/12/18	2.00%	\$ 35,563
East Windsor Open Space	12/25/02	06/25/22	2.00%	133,165
				<u>\$ 168,728</u>
<u>General Capital NJ Environmental Infrastructure Trust Loan</u>				
<u>Purpose</u>	<u>Issue Date</u>	<u>Final</u> <u>Maturity Date</u>	<u>Interest</u>	<u>Balance</u>
			<u>Rate</u>	<u>Dec. 31, 2017</u>
Acquisition of Land	08/01/06	08/01/25	4-4.375%	<u>\$ 382,525</u>
Total Debt Issued and Outstanding				<u>\$ 19,554,253</u>

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 2: Long-Term Debt (Cont'd)

Schedule of Annual Debt Service for Principal and Interest for the Next Five Years and
Thereafter for Bonded Debt and Loans Issued and Outstanding

Calendar Year	General		Total
	Principal	Interest	
2018	\$ 1,271,113	\$ 365,369	\$ 1,636,482
2019	1,274,959	317,424	1,592,383
2020	1,319,379	265,412	1,584,791
2021	1,368,743	220,740	1,589,483
2022	1,407,608	171,099	1,578,707
Thereafter:			
2023-2025	2,997,450	176,978	3,174,428
Total	<u>\$ 9,639,252</u>	<u>\$ 1,517,022</u>	<u>\$ 11,156,274</u>

Green Trust Loans

The Township entered into two loan agreements with the NJ Department of Environmental Protection's Green Trust Loan Program. The Bear Brook Acquisition Loan in the amount of \$580,500 was finalized in June 1999 and the East Windsor Open Space Loan for \$500,000 was finalized in December 2002. The balance of the loans at December 31, 2017 was \$168,728. Payments of principal and interest on the loans commenced December 12, 1999 and June 25, 2003, respectively, and are to continue on a semi-annual basis over a period of 20 years. Interest on the loans is at the rate of 2% annually on the outstanding balance.

New Jersey Environmental Infrastructure Trust Loans

On November 10, 2005 the Township of East Windsor entered into two loan agreements with the State of New Jersey, acting by and through a NJ Department of Environmental Protection Fund (the "Fund"), and the NJ Environmental Infrastructure Trust (the "Trust"), in the aggregate amount of \$853,055, which represents direct obligations of the Township. The loan agreements were obtained to finance a portion of the cost of the acquisition of land for open space.

At December 31, 2017, the Township had borrowed or "drawn down" \$853,055 for this project and the balance of the loans was \$382,524. Principal payments to the Fund commenced on August 1, 2006, and will continue on a semiannual basis over 20 years at zero interest. Principal payments to the Trust commenced on February 1, 2007 and will continue on an annual basis over 19 years. It is expected that the interest will be paid from trust bond proceeds on deposit in the capitalized interest account (as defined in the bond resolution), and earnings on the debt service reserve fund (as defined in the bond resolution) will be transferred to such capitalized interest account. The Township will nonetheless be responsible for all such interest payments to the extent such trust bond proceeds and interest earnings are not available from the capitalized interest account.

Also, an annual administrative fee of fifteen one hundredths of one percent (.15%) of the initial principal amount of the loan or such lesser amount, if any, as the Trust may approve from time to time is payable on these loans.

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
 (Continued)

Note 2: Long-Term Debt (Cont'd)

Net Pension Liability

The State of New Jersey Public Employees' Retirement System's (PERS) net pension liability at June 30, 2017 was calculated to be \$12,280,050. The State of New Jersey Police and Firemen's Retirement System's (PFRS) net pension liability was calculated to be \$21,444,301 at June 30, 2017. See Note 6 for further information on the PERS and PFRS.

Note 3: Fund Balances Appropriated

Fund balances at December 31, 2017 which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2018 are as follows:

Current Fund	\$ 2,910,000
Special Garbage District Fund	274,020
General Capital Fund Balance Anticipated in Current Fund Budget	40,000

Note 4: Deferred Charges to be Raised in Succeeding Years

Certain expenditures are required to be deferred to budgets of the succeeding years. At December 31, 2017, the Township had no deferred charges.

Note 5: Local School District Taxes

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Township of East Windsor has elected not to defer school taxes.

Note 6: Pension Plans

Township employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employee's Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees' Retirement System (PERS)

Plan Description

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

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 6: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Benefits Provided

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, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

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

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Township contributions to PERS amounted to \$404,932 for 2017.

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 6: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Contributions (Cont'd)

The employee contribution rate was 7.20% effective July 1, 2016 and increased to 7.34% effective July 1, 2017. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

Pension Liabilities and Pension Expense

At June 30, 2017, the Township's liability was \$12,280,050 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. 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, actuarially determined. At June 30, 2017, the Township's proportion was 0.0527%, which was an increase of 0.0002% from its proportion measured as of June 30, 2016.

For the year ended December 31, 2017, the Township recognized actual pension expense in the amount of \$404,932.

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65% - 4.15% based on age
Thereafter	2.65% - 5.15% based on age
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 6: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Actuarial Assumptions (Cont'd)

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equit	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 6: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Discount Rate

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer GO 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the contribution rate in the most recent fiscal year. The local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the Township's proportionate share of the collective net pension liability as of June 30, 2017 calculated using the discount rate as disclosed below, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2017		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	(4.00%)	(5.00%)	(6.00%)
Township's proportionate share of the Net Pension Liability	\$ 15,234,235	\$ 12,280,050	\$ 9,818,847
<u>Pension Plan Fiduciary Net Position</u>			

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

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

Plan Description

The State of New Jersey, State of New Jersey Police and Firemen's Retirement System (PFRS), is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey Division of Pensions and Benefits (the Division).

For additional information about the PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.nj.gov/treasury/pensions/financial-reports.shtml.

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
 (Continued)

Note 6: Pension Plans (Cont'd)

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

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. The 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 4 years of service.

The following represents the membership tiers for PFRS:

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

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

Contributions

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

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 6: Pension Plans (Cont'd)

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

Special Funding Situation

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specified financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. However, the notes to financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. The June 30, 2017 State special funding situation net pension liability amount is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense for the fiscal year ended June 30, 2017 is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2017. The pension expense is deemed to be a State administrative expense due to the special funding situation.

Township contributions to PFRS amounted to \$1,121,602 for 2017. During the fiscal year ended June 30, 2017, the State of New Jersey contributed \$120,107 to the PFRS for normal pension benefits on behalf of the Township, which is less than the contractually required contribution of \$293,812.

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

Pension Liabilities and Pension Expense

At June 30, 2017, the Township's liability for its proportionate share of the net pension liability was \$21,444,301. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. 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, actuarially determined. At June 30, 2017, the Township's proportion was 0.1389%, which was an increase of 0.0050% from its proportion measured as of June 30, 2016.

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 6: Pension Plans (Cont'd)

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

Pension Liabilities and Pension Expense (Cont'd)

Additionally, the State's proportionate share of the net pension liability attributable to the Township is \$2,401,942 as of June 30, 2017. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. The State's proportionate share of the net pension liability associated with the Township was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2017, the State's proportion was 0.1389%, which was an increase of 0.0050% from its proportion measured as of June 30, 2016 which is the same proportion as the Township's.

Township's Proportionate Share of the Net Pension Liability	\$ 21,444,301
State's Proportionate Share of the Net Pension Liability Associated with the Township	<u>2,401,942</u>
Total Net Pension Liability	<u>\$ 23,846,243</u>

For the year ended December 31, 2017, the Township recognized total pension expense of \$1,121,602.

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	2.25%
Salary Increases:	
Through 2026	2.10% - 8.98% based on age
Thereafter	3.10% - 9.98% based on age
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the RP-2000 Pre-retirement mortality tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for male service retirements and beneficiaries are based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and three years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then three years using the plan actuary's modified 2014 projection scales and further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability retirement rates were based on the special mortality tables used for the period after disability retirement.

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 6: Pension Plans (Cont'd)

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

Actuarial Assumptions (Cont'd)

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS' target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equit	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 6: Pension Plans (Cont'd)

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

Discount Rate – PFRS

The discount rate used to measure the total pension liability was 6.14% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer GO 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Total Net Pension Liability (including the State's proportionate share of the net pension liability attributable to the Township) to Changes in the Discount Rate

The following presents the total net pension liability (including the State's proportionate share of the net pension liability attributable to the Township) as of June 30, 2017 calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2017		
	1% Decrease (5.14%)	Current Discount Rate (6.14%)	1% Increase (7.14%)
Township's proportionate share of Net Pension Liability and the State's proportionate share of the Net Pension Liability associated with the Township	\$ 31,419,389	\$ 23,846,243	\$ 17,624,043

Pension Plan Fiduciary Net Position - PFRS

Detailed information about the PFRS's fiduciary net position is available in the separately issued PFRS financial statements.

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 6: Pension Plans (Cont'd)

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the Township recognized pension expense of \$2,000 for 2017. Employee contributions to DCRP were \$4,400 for 2017.

Note 7: Accrued Sick and Vacation Time

The Township policy allows employees to accrue sick and vacation time. The current cost of such unpaid compensation upon termination or separation from the Township would approximate \$1,273,268. This amount is not reported either as an expenditure or a liability. However, it is expected that the cost of such unpaid compensation would be included in the Township's budget operating expenditure in the year in which it is used. This amount is partially reserved in the Reserve for Sick Leave of \$47,519 on the Trust Fund balance sheet at December 31, 2017.

Note 8: Post-Retirement Medical Benefits

The Township provides post-employment benefits, as follows below and on the following page, to employees who meet the following criteria:

- 1) They were hired prior to October 30, 2009, and
- 2) They have retired on a disability pension after August 4, 1998 in accordance with Ordinance 1998-12, or
- 3) They have worked for the Township for at least twenty years and have twenty-five years or more of service credit in a State or Locally administered retirement system, or
- 4) They have worked for the Township for at least twenty years and have reached the age of 62 years or older.

Employees hired on or after October 30, 2009 are not eligible for post-retirement benefits.

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 8: Post-Retirement Medical Benefits (Cont'd)

Medical Benefits

Post-employment medical benefits, including prescription drugs, are provided to eligible retired employees and their eligible dependents. Coverage terminates upon death of the retired employee.

All employees who elected a waiver of coverage prior to June 1, 2010 are entitled to receive reimbursement of 40% of the adjusted annual premium (premium less required contribution). Beginning June 1, 2010, the reimbursement percentage became 25%. Employees having a spouse in the State Health Benefits Program (SHBP) are not eligible to receive compensation for electing a waiver of coverage.

Dental

Dental insurance is provided to retired employees and their spouses. Retirees are required to contribute 50% of the premiums.

Vision

A yearly vision reimbursement is provided to retired employees in accordance with the contract at the time of their retirement.

Life Insurance

\$10,000 of life insurance is provided to retired employees who were not police officers. \$20,000 of life insurance is provided to retired police officers.

The Township contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP.

Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, and mental health/substance abuse coverages, and Medicare Part B reimbursement to retirees and their covered dependents.

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 8: Post-Retirement Medical Benefits (Cont'd)

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to:

State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township on a monthly basis. The Township's portion of post-retirement benefits is funded on a pay-as-you-go basis from the Current Fund operating budget.

The Township paid premiums of approximately \$1,506,648, \$1,323,634 and \$1,495,736 for 2017, 2016 and 2015, respectively, for 80, 72 and 73 eligible retired employees, respectively.

Note 9: Deferred Compensation Plan

The Township offers its employees deferred compensation plans (the "plans") created in accordance with Section 457 of the Internal Revenue Code. The plans, which are administered by ICMA-RC Corporation, are available to all Township employees and permit participants to defer a portion of their salary. The deferred compensation is not available to employees until termination, retirement, unforeseeable emergency or upon death to their beneficiaries.

Note 10: Selected Tax Information

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and the imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current year may be placed in lien at a tax sale held after December 10.

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 10: Selected Tax Information (Cont'd)

Comparative Schedule of Tax Rate Information

	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Tax Rate</u>	\$ 3.332	\$ 3.285	\$ 3.221

Apportionment of Tax Rate

Municipal	0.434	0.433	0.431
County	0.683	0.662	0.653
Regional School	2.091	2.066	2.014
Special District	0.124	0.124	0.123

Assessed Valuations

2017	<u>\$ 2,757,172,885</u>		
2016		<u>\$ 2,740,673,616</u>	
2015			<u>\$ 2,753,402,622</u>

Comparison of Tax Levies and Collections Currently

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2017	\$ 91,911,810	\$ 91,362,878	99.40%
2016	89,210,917	88,541,369	99.24%
2015	87,747,650	87,169,086	99.34%

Also, increases in future tax levies can also be warranted if revenue sources outside of those directly generated by the municipality, such as federal or state aid, should decline without corresponding decreases in budgeted expenditures.

Note 11: Cash and Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, amounts in deposits, money market accounts, and short-term investments with original maturities of three months or less. Investments are stated at cost. The Township classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 11: Cash and Cash Equivalents and Investments (Cont'd)

GASB requires disclosure of the level of custodial credit risk assumed by the Township in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the Township ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Township limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed below.

Custodial Credit Risk – The Township's policy with respect to custodial credit risk requires that the Township ensures that Township funds are only deposited in financial institutions in which New Jersey municipalities are permitted to invest their funds.

Deposits:

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5% of the average daily balance of public funds on deposit, and

In addition to the above collateral requirement, if public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments

New Jersey statutes permit the Township to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 11: Cash and Cash Equivalents and Investments (Cont'd)

Investments: (Cont'd)

New Jersey statutes permit the Township to purchase the following types of securities: (Cont'd)

- (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law" P.L. 1983, c. 313 (C.40A:5A-1 et seq.) Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983 c.313 (C.40A:5A-1 et seq.);
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 11: Cash and Cash Equivalents and Investments (Cont'd)

Investments: (Cont'd)

As of December 31, 2017, cash and cash equivalents of the Township of East Windsor consisted of the following:

<u>Fund</u>	<u>Cash on Hand</u>	<u>Checking Accounts</u>	<u>Total</u>
Current	\$ 1,035	\$ 15,274,963	\$ 15,275,998
Federal and State Grant		175,477	175,477
Animal Control		26,834	26,834
Other Trust		14,199,494	14,199,494
General Capital		2,583,349	2,583,349
Public Assistance		68,428	68,428
Special Garbage District		1,570,502	1,570,502
	<u>\$ 1,035</u>	<u>\$ 33,899,047</u>	<u>\$ 33,900,082</u>

During the period ended December 31, 2017, the Township did not hold any investments. The carrying amount of the Township's cash and cash equivalents at December 31, 2017, was \$33,900,082 and the bank balance was \$33,916,853.

Note 12: Interfund Receivables and Payables

The following interfund balances remain on the balance sheet at December 31, 2017:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 892	
Animal Control Fund		\$ 892
	<u>\$ 892</u>	<u>\$ 892</u>

The Current Fund interfund receivable is due from the Animal Control Fund and represents the statutory excess in the reserve.

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 13: Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Health benefits are provided to employees through the State of New Jersey Health Benefits Plan.

Property and Liability

The Township of East Windsor is a member of the Middlesex County Municipal Joint Insurance Fund (the "Fund"). The Fund is both an insured and self-administered group of municipalities established for the purpose of insuring against general liability, property and workers' compensation in order to keep local property taxes at a minimum.

As a member of the Fund, the Township could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities.

The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Governmental Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 13: Risk Management (Cont'd)

Property and Liability (Cont'd)

The December 31, 2017, 2016, 2015, 2014 and 2013 audit reports of the Middlesex County Municipal Joint Insurance Fund are not available as of the date of this audit. Selected financial information for the Fund as of December 31, 2012 is as follows:

Total Assets	<u>\$ 34,178,795</u>
Net Position	<u>\$ (1,224,017)</u>
Total Revenue	<u>\$ 19,135,208</u>
Total Expenses	<u>\$ 17,993,143</u>
Member Dividends	<u>\$ 246,821</u>
Change in Net Position	<u>\$ 895,244</u>

Financial statements for the Fund are available at the Office of the Executive Director:

Middlesex County Municipal Joint Insurance Fund
1 Jocama Boulevard, Suite 2B
Old Bridge, New Jersey 08857-3513
(732) 970-1001

New Jersey Unemployment Compensation Insurance

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method". Under this plan, the Township is required to remit employee withholdings to the State on a quarterly basis. All of the Township's claims are paid by the State.

Note 14: Open Space Trust Fund

The Open Space Trust Fund is comprised of donations for the acquisition of open space.

Note 15: Economic Dependency

The Township receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Township's programs and activities.

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 16: Fixed Assets (Unaudited)

The following schedule is a summarization of general fixed assets for the years ended December 31, 2017 and 2016:

	Balance Dec. 31, 2016	Additions	Disposals	Balance Dec. 31, 2017
Land	\$ 889,084	\$ 203,000		\$ 1,092,084
Buildings and Improvements	5,613,883	630,729		6,244,612
Vehicles	4,202,009	1,279,527		5,481,536
Machinery and Equipment	3,498,882	135,238		3,634,120
	<u>\$ 14,203,858</u>	<u>\$ 2,248,494</u>	<u>\$ -0-</u>	<u>\$ 16,452,352</u>

	Balance Dec. 31, 2015	Additions	Disposals	Balance Dec. 31, 2016
Land	\$ 889,084			\$ 889,084
Buildings and Improvements	5,613,883			5,613,883
Vehicles	4,040,667	\$ 161,342		4,202,009
Machinery and Equipment	2,912,504	586,378		3,498,882
	<u>\$ 13,456,138</u>	<u>\$ 747,720</u>	<u>\$ -0-</u>	<u>\$ 14,203,858</u>

Note 17: Contingencies

The Township is periodically involved in various lawsuits arising in the normal course of business, including claims for property damage, personal injury, and various contract disputes. The Township vigorously contests these lawsuits and believes the ultimate resolution would not have a material adverse effect on their financial position.

Amounts received or receivable from grantors, principally the federal and state governments are subject to regulatory requirements and adjustments by the agencies. Any disallowed claims, including amounts previously recognized by the Township as revenue would constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although Township officials expect such amounts, if any, to be immaterial.

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 18: Other Trust Fund – Reserve for Off-Tract Improvements

The following schedule is a summarization of the Other Trust Fund Reserve for Off-Tract Improvements:

Reserve for:	<u>2017</u>	<u>2016</u>
Transportation Improvements	\$ 5,451,242.05	\$ 5,335,372.18
Detention Basins	224,897.38	338,117.38
Sidewalks	14,911.98	17,208.98
Tree Assessments	38,664.93	38,664.93
Street Lighting	26,714.32	26,714.32
Traffic Signals	40,406.34	40,406.34
	<u>\$ 5,796,837.00</u>	<u>\$ 5,796,484.13</u>

Note 19: Tax Abatements

Governmental Accounting Standards Board requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

As of December 31, 2016, the Township provides a tax abatement to a nonprofit housing corporation for its senior citizen housing development in the Township pursuant to N.J.S.A 55:14K-1 et seq., the HMFA Law, a resolution of the governing body dated September 29, 2015, and an agreement dated November 17, 2015. In consideration of the full abatement of taxes, the nonprofit housing corporation is required to pay to the Township an annual service charge. The annual service charge made by the nonprofit corporation will be equal to 7% of the annual gross rents derived from such housing project as detailed in the tax abatement agreement. The tax abatement provided under the agreement shall remain in effect until May 10, 2033 which date shall be fifty years from the date of the original agreement. In the event that a breach of the agreement by either the Township or the nonprofit housing corporation, or a dispute arises between the two parties, either party may apply to the Superior Court, Chancery Division to settle and resolve said dispute in such fashion as will tend to accomplish the purposes of the Limited-Dividend Laws and the HFA Law.

As of December 31, 2016, the Township provides a tax abatement to a nonprofit corporation for its 85 residential apartment unit property in the Township pursuant to N.J.S.A 40A:20-1 et seq., the Long Term Tax Exemption Law, and a financial agreement between the Township and the nonprofit corporation dated May 13, 1997. The tax abatement shall continue for a period of forty years. In consideration of the Township granting the redeveloper this tax abatement the redeveloper will be required to pay to the Township an annual service charge in an amount equal to 15% of the annual gross revenues from each unit of the housing development as detailed in the tax abatement agreement. In the event that a dispute between the Township and the nonprofit corporation arises, matters will be resolved by arbitration in accordance with procedures established and required by HUD.

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 19: Tax Abatements (Cont'd)

The Township recognized revenue in the amount of \$117,934 from these annual service charges or payments in lieu of taxes which is recorded as a miscellaneous revenue anticipated in the Current Fund. The taxes which would have been paid on these properties for 2017 without the abatements would have been \$505,760 of which \$69,280 would have been for the local municipal tax.

TOWNSHIP OF EAST WINDSOR

SUPPLEMENTARY DATA

TOWNSHIP OF EAST WINDSOR
OFFICIALS IN OFFICE AND SURETY BONDS
FOR THE YEAR ENDED DECEMBER 31, 2017

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

Name	Title	Amount of Bond
Janice S. Mironov	Mayor	
Perry M. Shapiro	Deputy Mayor	
Denise A. Daniels	Councilwoman	
Marc Lippman	Councilman	
Peter V. Yeager	Councilman	
Alan Rosenberg	Councilman	
John H. Zoller	Councilman	
James P. Brady	Township Manager	(B)
Laurie Finger	Chief Financial Officer	(A)
Anne M. Blake	Tax Collector	(A)
David Levy	Tax Assessor	(B)
Gretchen McCarthy	Township Clerk - (1/1/17 to 3/1/17)	(B)
Kelly Lettera	Acting Township Clerk - (4/18/17 to 12/31/17)	(B)
Roman J. Petruniak	Director of Inspections/ Construction Official	(B)
David E. Orron	Township Attorney	
Jeffrey Rubin	Township Prosecutor	
Edward H. Herman	Magistrate	(B)
Kelli Hand	Court Administrator	(B)
Jennifer Cortes	Deputy Court Administrator	(B)

(A) Surety bond coverage is provided as follows:

Municipal Excess Liability Joint Insurance Fund - \$1,000,000

(B) All employees, who are not specifically bonded, are covered under \$50,000 and \$950,000 Faithful Performance Bonds provided by Middlesex County Municipal Joint Insurance Fund and the Municipal Excess Liability Joint Insurance Fund, respectively.

TOWNSHIP OF EAST WINDSOR

COUNTY OF MERCER

2017

CURRENT FUND

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2016	A	\$ 9,099,080.50
Increased by Receipts:		
Tax Collector		\$ 96,338,568.87
Revenue Accounts Receivable		6,708,851.73
Miscellaneous Revenue Not Anticipated		461,491.52
Petty Cash Returned		275.00
Interest on Investments and Deposits		172,509.24
Due Federal and State Grant Fund:		
Interfund Returned		25,223.49
Due State of New Jersey:		
Senior Citizens' and Veterans' Deductions		90,737.69
Marriage License Fees		4,575.00
DCA Training Fees		106,140.00
Domestic Partnership		150.00
Reserve for:		
NJ Turnpike Authority		284,200.00
Appropriation Refunds		640,940.71
Appropriation Reserve Refunds		1,599.10
		104,835,262.35
		113,934,342.85
Decreased by Disbursements:		
2017 Appropriation Expenditures		18,789,205.99
2016 Appropriation Reserve Expenditures		862,451.68
Change Fund Advanced		275.00
Regional High School Taxes		57,655,272.00
County Taxes		18,883,295.14
Special Garbage District Taxes		2,211,284.00
Accounts Payable		35,587.40
Due Federal and State Grant Fund:		
Interfund - 2017 Budget Appropriations		28,000.00
Due Other Trust Funds - Interfund Returned		2,000.00
Due General Capital Fund - Interfund Returned		
Interfund Advanced		60,000.00
Due State of New Jersey:		
Marriage License Fees		4,325.00
DCA Training Fees		126,101.00
Domestic Partnership		150.00
Refund of:		
Tax Overpayments		1,433.07
		98,659,380.28
Balance December 31, 2017	A	\$ 15,274,962.57

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2017

Increased by Receipts:

Taxes Receivable	\$ 90,732,423.53
Tax Title Liens	22,561.59
Interest and Costs on Taxes	165,686.65
2018 Prepaid Taxes	5,257,277.99
Payment in Lieu of Taxes:	
Saint James Village Senior Citizen Complex	135,337.00
Wheaton Pointe	25,282.11
Tax Sale Premiums	<u>146,000.00</u>
Outside Liens	<u>410,568.58</u>

96,895,137.45

Decreased by:

Payments to Municipal Treasurer	96,338,568.87
Payments to Other Trust Fund	<u>556,568.58</u>

\$ 96,895,137.45

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
SCHEDULE OF CASH - GRANT FUNDS

	<u>Ref.</u>	
Balance December 31, 2016	A	\$ 247,326.92
Increased by Receipts:		
Grants Receivable		\$ 298,273.58
Unappropriated Grant Funds Received		33,474.98
Due Current Fund:		
Interfund - 2017 Budget Appropriations		28,000.00
Appropriation Refunds		5,902.56
		365,651.12
		612,978.04
Decreased by Disbursements:		
Current Year Expenditures		333,990.23
Prior Year Encumbrances		50,037.28
Due Current Fund:		
Interfund Returned		28,250.00
Grant Balances Cancelled, Net		25,223.49
		437,501.00
Balance December 31, 2017	A	\$ 175,477.04

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance Dec. 31, 2016	2017 Levy	Added Taxes	Collections		State of NJ Senior Citizens' and Veterans' Deductions	Canceled	Transferred to Tax Title Liens	Balance Dec. 31, 2017
				2016	2017				
2016	\$ 563,843.02		\$ 6,736.11	\$ 568,303.69	\$ 1,407.53	\$ (4,076.02)	\$ 1,407.53	\$ 4,943.93	
2017	\$ 91,911,809.71	\$ 91,911,809.71	\$ 6,736.11	\$ 1,102,508.57	\$ 90,164,119.84	\$ 96,250.00	\$ 57,804.64	\$ 27,244.96	\$ 463,881.70
	\$ 563,843.02	\$ 91,911,809.71	\$ 6,736.11	\$ 90,732,423.53	\$ 92,173.98	\$ 59,212.17	\$ 32,188.89	\$ 463,881.70	

Ref. A

Analysis of 2017 Property Tax Levy

Tax Yield:

General Purpose Tax \$ 90,502,010.19
 Business Personal Property Taxes 155,925.54
 Added and Omitted Taxes 1,253,873.98

\$ 91,911,809.71

A

Tax Levy:

Regional School District Taxes \$ 57,655,272.00
 Special Garbage District Taxes 2,211,284.00

County Taxes:

General Tax \$ 16,495,620.48
 Library Tax 1,609,609.24
 Open Space Tax 698,769.60
 Due County for Added and Omitted Taxes 256,710.49

19,060,709.81
78,927,265.81

Local Tax for Municipal Purposes Levied 11,972,691.11
 Add: Additional Tax Levied 1,011,852.79

12,984,543.90
\$ 91,911,809.71

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>	
Balance December 31, 2016	A	\$ 241,543.84
Increased by:		
Transfer from Taxes Receivable		\$ 32,188.89
Interest and Costs Accrued at Tax Sale		1,128.93
		<u>33,317.82</u>
		274,861.66
Decreased by:		
Cash Collections		22,561.59
Transferred to Foreclosed Property		21,609.18
		<u>44,170.77</u>
Balance December 31, 2017	A	<u>\$ 230,690.89</u>

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance	Accrued in	Collected by		Balance
	Dec. 31, 2016	2017	Collector	Treasurer	Dec. 31, 2017
Licenses:					
Alcoholic Beverages	\$	33,602.00		\$ 33,602.00	
Other		52,874.00		52,874.00	
Fees and Permits - Other		592,849.87		592,849.87	
Municipal Court:					
Fines and Costs	\$ 35,844.11	501,638.10		506,639.84	\$ 30,842.37
Energy Receipts Tax		3,517,385.00		3,517,385.00	
Uniform Construction Code Fees		770,549.00		770,549.00	
Shared Service Agreements - Animal Control		33,036.00		33,036.00	
Shared Service Agreements - Senior Center		42,678.89		42,678.89	
Shared Service Agreements - Dispatching		171,430.00		171,430.00	
Saint James Village Senior Citizen Complex		135,337.00	\$ 135,337.00		
Wheaton Pointe - In Lieu of Taxes		25,282.11	25,282.11		
Reserve for Open Space Trust		55,000.00		55,000.00	
Developers' Detention Basin		130,000.00		130,000.00	
Life Hazard Use Payments		60,862.70		60,862.70	
General Capital Fund Surplus		397,642.00		397,642.00	
Hotel Tax		261,975.74		261,975.74	
Federal and State Grant Interfund		28,250.00		28,250.00	
Farm Leases		9,076.69		9,076.69	
Reserve for Sale of Municipal Assets		260,000.00		260,000.00	
Reserve to Pay Debt Service		45,000.00		45,000.00	
	<u>\$ 35,844.11</u>	<u>\$ 7,124,469.10</u>	<u>\$ 160,619.11</u>	<u>\$ 6,968,851.73</u>	<u>\$ 30,842.37</u>

Ref. A A

Cash Receipts \$ 6,708,851.73
Reserve for Sale of Municipal Assets -
NJ Turnpike Authority 260,000.00
\$ 6,968,851.73

TOWNSHIP OF EAST WINDSOR
FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

Grant Description	Balance Dec. 31, 2016	Accrued in 2017	Received	Canceled to Current Fund Operations	Balance Dec. 31, 2017
Drunk Driving Enforcement Fund		\$ 11,084.68	\$ 11,084.68		
Municipal Alliance on Alcoholism and Drug Abuse	\$ 20,104.00	22,104.00	20,364.00		\$ 21,844.00
Clean Communities Grant		50,078.26	50,078.26		
Green Communities Grant	3,000.00		3,000.00		
New Jersey Transit Operating Bus Shuttle	116,247.66	150,000.00	111,312.20	\$ 4,935.46	150,000.00
Recycling Tonnage Grant		24,741.43	24,741.43		
Bullet Proof Vest Partnership Grant	6,902.10	2,046.51	4,612.50	2,289.60	2,046.51
Drive Sober or Get Pulled Over	5,000.00	11,000.00	10,500.00		5,500.00
Body Armor Replacement Fund		4,035.18	4,035.18		
Bus Grant Matching Share:					
Mercer County	36,433.00	10,400.00		36,433.00	10,400.00
Hightstown		2,180.00	2,180.00		
Small Cities Grant	84,245.00		39,415.00		44,830.00
Click It or Ticket		5,500.00	5,500.00		
Distracted Driving Crackdown		5,500.00	5,500.00		
Child Passenger Safety Grant		6,000.00	5,950.33	49.67	
	<u>\$ 271,931.76</u>	<u>\$ 304,670.06</u>	<u>\$ 298,273.58</u>	<u>\$ 43,707.73</u>	<u>\$ 234,620.51</u>

Ref.

A

A

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2017

	Balance Dec. 31, 2016	Balance After Modification	Paid or Charged	Balance Lapsed
GENERAL GOVERNMENT:				
Manager's Office:				
Salaries & Wages	\$ 7,856.34	\$ 7,856.34	\$ 2,816.49	\$ 5,039.85
Other Expenses	9,147.45	9,147.45	475.64	8,671.81
Human Resources:				
Other Expenses	20,000.00	20,000.00	5,472.00	14,528.00
Township Council:				
Salaries & Wages	3.64	3.64		3.64
Other Expenses	1,167.70	1,167.70	70.00	1,097.70
Municipal Clerk:				
Other Expenses	8,767.10	8,767.10	4,943.46	3,823.64
Elections:				
Salaries & Wages	1,000.00	1,000.00		1,000.00
Other Expenses	1,070.00	1,070.00	21.40	1,048.60
Financial Administration:				
Salaries & Wages	9,246.46	9,246.46	5,502.83	3,743.63
Other Expenses	6,316.91	6,316.91	851.73	5,465.18
Annual Audit	17,482.00	34,800.00	34,800.00	
Data Processing:				
Other Expenses	23,129.25	23,129.25	11,569.04	11,560.21
Tax Collection (Revenue Administration):				
Salaries & Wages	0.82	0.82		0.82
Other Expenses	2,726.12	2,726.12		2,726.12
Tax Assessment Administration:				
Salaries & Wages	5,487.88	5,487.88	5,487.88	
Other Expenses	1,099.78	1,099.78	153.99	945.79
Legal Services and Costs:				
Salaries & Wages	499.96	499.96		499.96
Other Expenses	19,306.38	19,306.38		19,306.38
Engineering Services and Costs:				
Salaries & Wages	1,485.92	1,485.92	855.30	630.62
Other Expenses	2,040.15	2,040.15	9.97	2,030.18
Economic Development:				
Other Expenses	4,925.00	4,925.00		4,925.00
Transportation Commission:				
Other Expenses	500.00	500.00		500.00
Land Use Administration:				
Planning Board:				
Salaries & Wages	1,499.88	1,499.88	540.00	959.88
Other Expenses	11,111.73	11,111.73	48.00	11,063.73
Board of Adjustment:				
Other Expenses	3,771.19	3,771.19		3,771.19
Insurance:				
Liability Insurance	63.44	13,263.44	12,500.02	763.42
Employee Group Insurance	312,430.11	239,672.11	168,582.73	71,089.38

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2017
(Continued)

	Balance Dec. 31, 2016	Balance After Modification	Paid or Charged	Balance Lapsed
PUBLIC SAFETY:				
Police:				
Salaries & Wages	\$ 238,150.42	\$ 238,150.42	\$ 11,772.26	\$ 226,378.16
Other Expense - Uniform Service	175,045.34	175,045.34	172,199.75	2,845.59
Other Expense - Investigative Service	10,176.70	10,176.70	2,341.33	7,835.37
Other Expense - Crime Prevention	226.36	226.36		226.36
Other Expense - General Administration	40,835.61	40,835.61	22,875.53	17,960.08
Other Expense - Support Service	3,201.89	3,201.89	333.49	2,868.40
Other Expense - Training	63,678.15	63,678.15	26,131.31	37,546.84
Police Communications:				
Salaries & Wages	0.99	0.99		0.99
Other Expense	31.48	31.48	5.30	26.18
Office of Emergency Management:				
Other Expenses	525.00	525.00		525.00
Aid to Volunteer Ambulance Companies:				
Other Expenses - Contributions	10,700.00	10,700.00		10,700.00
Other Expenses - Miscellaneous	41,332.00	41,332.00	4,998.00	36,334.00
Fire Prevention:				
Salaries & Wages	3,510.21	3,510.21	1,087.31	2,422.90
Other Expenses	2,828.32	2,828.32	2,277.57	550.75
Fire:				
Other Expenses	46,189.61	46,189.61	32,043.53	14,146.08
Municipal Court:				
Salaries & Wages	12,654.64	12,654.64	4,010.75	8,643.89
Other Expenses	10,787.14	10,787.14	977.43	9,809.71
Public Defender:				
Salaries & Wages	4,500.00	4,500.00	4,500.00	
Juvenile Conference Bureau:				
Salaries & Wages	1,086.33	1,086.33	502.80	583.53
Other Expenses	1,225.00	1,225.00		1,225.00
PUBLIC WORKS FUNCTIONS:				
Road Repairs and Maintenance:				
Salaries & Wages	38,202.63	38,202.63	12,727.93	25,474.70
Other Expenses	62,902.18	62,902.18	12,854.60	50,047.58
Public Works Administration:				
Salaries & Wages	562.09	562.09	562.09	
Other Expenses	5,368.35	5,368.35	560.00	4,808.35
Snow Operating Expenses	30,000.00	30,000.00	30,000.00	
Public Building and Grounds - Ward Street:				
Other Expenses	5,900.03	5,900.03	1,886.37	4,013.66
Municipal Complex:				
Other Expenses	3,226.50	3,226.50	301.39	2,925.11

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2017
(Continued)

	Balance Dec. 31, 2016	Balance After Modification	Paid or Charged	Balance Lapsed
PUBLIC WORKS FUNCTIONS (Cont'd):				
Police Building:				
Salaries & Wages	\$ 725.58	\$ 725.58		\$ 725.58
Other Expenses	20,141.21	20,141.21	\$ 11,008.36	9,132.85
Senior Center:				
Salaries & Wages	46.73	46.73		46.73
Other Expenses	13,498.34	13,498.34		13,498.34
STREETS AND ROADS:				
Vehicle Maintenance:				
Salaries & Wages	5,285.55	5,285.55	1,080.64	4,204.91
Other Expenses - Police Vehicles	39,294.29	39,294.29	21,619.90	17,674.39
Other Expenses - Administrative Vehicles	3,280.71	3,280.71	848.05	2,432.66
Other Expenses - Public Works Vehicles	3,291.14	3,291.14	992.33	2,298.81
Condominium Community Costs:				
Other Expenses	6,561.09	6,561.09	3,724.77	2,836.32
HEALTH AND HUMAN SERVICES:				
Board of Health:				
Salaries & Wages - Regular	3,234.53	3,234.53	3,234.53	
Other Expenses	21,130.14	21,130.14	16,414.68	4,715.46
Other Expenses - Education	400.00	400.00	347.88	52.12
Other Expenses - Public Health Nurse	15,021.00	15,021.00	9,223.38	5,797.62
Other Expenses - Communicable Diseases	2,250.00	2,250.00	175.00	2,075.00
Other Expenses - Environmental Services	550.00	550.00		550.00
Environmental Commission (N.J.S. 40:56A-1 et seq):				
Other Expenses	985.00	985.00		985.00
Animal Control:				
Salaries & Wages	804.16	804.16		804.16
Other Expenses	2,288.06	2,288.06	898.95	1,389.11
Administration of Public Assistance:				
Other Expenses	625.00	625.00		625.00
Contributions to Social Services Agencies:				
Other Expenses	9,500.00	9,500.00	9,500.00	
PARK AND RECREATION FUNCTIONS:				
Commission on Aging:				
Other Expenses	1,300.00	1,300.00		1,300.00
Senior Center:				
Other Expenses	292.18	292.18		292.18
Maintenance of Parks:				
Salaries & Wages	20,002.08	20,002.08	1,158.53	18,843.55
Other Expenses	25,239.42	25,239.42	5,276.12	19,963.30
UNIFORM CONSTRUCTION CODE:				
State Uniform Construction Code:				
Salaries & Wages	5,568.10	5,568.10	5,568.10	
Other Expenses	1,440.89	1,440.89		1,440.89

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2017

(Continued)

	Balance Dec. 31, 2016	Balance After Modification	Paid or Charged	Balance Lapsed
UNCLASSIFIED:				
Health Benefit Waiver	\$ 4,675.53	\$ 4,675.53		\$ 4,675.53
Utilities:				
Electricity	43,308.92	43,308.92	\$ 13,053.85	30,255.07
Street Lighting	23,412.69	23,412.69	12,240.66	11,172.03
Telephone	8,722.28	8,722.28	644.55	8,077.73
Gas	28,563.76	28,563.76		28,563.76
Fuel Oil	7,662.87	7,662.87	722.85	6,940.02
Gasoline	76,409.79	76,409.79	9,682.72	66,727.07
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS":				
Statutory Expenditures:				
Contributions to:				
Public Employees' Retirement System	7,840.37	50,080.37	50,078.63	1.74
Social Security System (O.A.S.I.)	71,726.09	71,726.09	6,861.52	64,864.57
Police and Firemen's Retirement System	81,258.66	81,258.66	81,258.26	0.40
Defined Contribution Retirement Plan	97.04	97.04		97.04
NJ Unemployment Insurance	4,191.82	4,191.82	1,732.05	2,459.77
Operations Excluded from "CAPS":				
Implementation of 911 System:				
Salaries & Wages	0.42	0.42		0.42
Other Expenses	100.00	100.00		100.00
Length of Service Award Program:				
Other Expenses	75,000.00	75,000.00	52,900.00	22,100.00
SHARED SERVICE AGREEMENTS:				
Senior Center:				
Other Expenses	447.48	447.48	280.48	167.00
Animal Control:				
Salaries and Wages	3,140.47	3,140.47	1,022.82	2,117.65
	<u>\$ 1,924,295.57</u>	<u>\$ 1,924,295.57</u>	<u>\$ 921,198.83</u>	<u>\$ 1,003,096.74</u>

Analysis of Balance December 31, 2016:

	Ref.		
Unencumbered	A	\$	1,300,722.82
Encumbered	A		623,572.75
		<u>\$</u>	<u>1,924,295.57</u>

Cash Disbursed	\$	862,451.68
Accounts Payable		60,346.25
		922,797.93
Less: Refunds		1,599.10
	<u>\$</u>	<u>921,198.83</u>

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
SCHEDULE OF REGIONAL SCHOOL DISTRICT TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2017

Increased by:		
Levy - Calendar Year 2017	\$	57,655,272.00
Decreased by:		
Payments to Regional School District	\$	<u>57,655,272.00</u>

**TOWNSHIP OF EAST WINDSOR
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES**

Grant Description	Balance Dec. 31, 2016	Transferred from 2017 Budget Appropriations	Expended	Prior Year Encumbrances Canceled	Canceled to Current Fund Operations	Balance Dec. 31, 2017
Drunk Driving Enforcement Fund	\$ 13,050.48	\$ 11,084.68	\$ 10,308.34			\$ 13,826.82
Municipal Alliance on Alcoholism and Drug Abuse	22,729.28	22,104.00	14,686.00		\$ 10,625.28	19,522.00
Clean Communities Grant	61,927.35	50,078.26	46,736.54	\$ 100.00		65,369.07
NJ Transit Operating Bus Shuttle:						
Grant Funds	67,108.15	150,000.00	120,132.80		8,722.76	88,252.59
Matching Funds	56,595.37	28,000.00	51,981.45			32,613.92
Recycling Tonnage Grant	0.67	24,741.43	24,742.10			
Bullet Proof Vest Partnership Grant	23,640.27	2,046.51			2,289.60	23,397.18
Drive Sober or Get Pulled Over	1,803.70	11,000.00	10,156.12			2,647.58
Body Armor Replacement Fund	12,444.74	4,035.18	8,200.00			8,279.92
Bus Grant Matching Share:						
Mercer County	22,043.81	10,400.00	12,628.95			19,814.86
Hightstown	2,936.75	2,180.00	2,489.39			2,627.36
Small Cities Grant	84,245.00		45,800.00			38,445.00
East Windsor Senior Center	5,000.00		5,000.00			
Stormwater Management Grant	5,494.63					5,494.63
Click It or Ticket		5,500.00	5,500.00			
Distracted Driving Crackdown		5,500.00	5,500.00			
Child Passenger Safety Grant		6,000.00	5,950.33		49.67	
Bicycle Safety Grant:						
Matching Funds	7,200.00				7,200.00	
Transportation Bus Grant - Mercer County	10,000.00					10,000.00
Delaware Valley Regional Planning Commission:						
Transportation and Community Development Initiative	1,312.91				1,312.91	
Police Donations:						
Police Safety and Education	1,275.00		1,275.00			
National Auto Dealers - DARE Program	1,500.00		1,500.00			
Allstate - Hands in the Community Program	1,000.00		1,000.00			
	<u>\$ 401,308.11</u>	<u>\$ 332,670.06</u>	<u>\$ 373,587.02</u>	<u>\$ 100.00</u>	<u>\$ 30,200.22</u>	<u>\$ 330,290.93</u>

Ref. A

A

Original Budget	\$ 12,580.00
Added by NJSA 40A:4-87	292,090.06
	<u>304,670.06</u>
Due from Current Fund - Matching Funds	28,000.00
	<u>\$ 332,670.06</u>
Cash Disbursed	\$ 333,990.23
Encumbrances Payable	45,499.35
	<u>379,489.58</u>
Less: Appropriation Refunds	5,902.56
	<u>\$ 373,587.02</u>

TOWNSHIP OF EAST WINDSOR
FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES

<u>Grant Description</u>	<u>Balance Dec. 31, 2016</u>	<u>Received</u>	<u>Canceled to Current Fund Operations</u>	<u>Balance Dec. 31, 2017</u>
Small Cities Grant	\$ 38,731.00		\$ 38,731.00	
Recycling Tonnage Grant		\$ 33,474.98		\$ 33,474.98
	<u>\$ 38,731.00</u>	<u>\$ 33,474.98</u>	<u>\$ 38,731.00</u>	<u>\$ 33,474.98</u>
<u>Ref.</u>	A			A

TOWNSHIP OF EAST WINDSOR
COUNTY OF MERCER
2017
TRUST FUNDS

TOWNSHIP OF EAST WINDSOR
TRUST FUNDS
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Balance December 31, 2016	B	\$ 23,869.35	\$ 13,705,483.13
Increased by Receipts:			
Animal Control License Fees:			
Dog License Fees		\$ 11,858.00	
State Dog License Fees		1,283.40	
Late, Impound and Boarding Fees		496.00	
Due Current Fund:			
Interest Income		155.72	\$ 1,585.06
Interfund			2,000.00
Deposits and Interest:			
Special Duty Police Services:			
Prepaid			52,697.79
Administration & Vehicle Fees			15,187.58
Escrow Funds			1,228,300.73
Elevator Inspections			12,405.00
Forfeited Property Fund			1,194.15
Mayor's Trust			1,460.00
Open Space Contribution			145,650.00
Municipal Court:			
Parking Offense Adjudication Act			66.00
Public Defender Fees			19,427.00
Tax Sale Premiums			146,000.00
Third Party Lien Redemption			473,830.39
Recreation Commission			510,993.89
Senior's Program			4,675.00
Sick Leave			195,000.00
Uniform Fire Safety Act Penalties			3,500.00
Affordable Housing			510,134.92
Off-Tract Improvements:			
Detention Basins			16,780.00
Transportation Improvements			404,781.78
		13,793.12	3,745,669.29
		37,662.47	17,451,152.42

TOWNSHIP OF EAST WINDSOR
TRUST FUNDS
SCHEDULE OF CASH - TREASURER
(Continued)

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Decreased by Disbursements:			
Administrative Expenses	\$	9,384.95	
Due to State of New Jersey		1,287.60	
Due Current Fund:			
Interest Income		155.72	\$ 1,585.06
Escrow Balances Canceled			29,523.63
Refunds, Charges and Withdrawals:			
Special Duty Police Services:			
Prepaid			60,988.55
Administration & Vehicle Fees			15,647.64
Escrow Funds			1,288,026.57
Elevator Inspections			15,128.00
Forfeited Property Fund			36,988.72
Mayor's Trust			2,222.72
Memorial Tree Grove Program			795.00
Municipal Court:			
Public Defender Fees			18,860.05
Tax Sale Premiums			189,800.00
Third Party Lien Redemption			350,033.88
Recreation Commission			464,163.18
Senior's Program			1,465.77
Sick Leave			169,317.55
Tree Assessment			3,887.00
Affordable Housing			182,015.88
Off-Tract Improvements:			
Detention Basins			130,000.00
Sidewalks			2,297.00
Transportation Improvements			288,911.91
		\$ 10,828.27	\$ 3,251,658.11
Balance December 31, 2017	B	\$ 26,834.20	\$ 14,199,494.31

TOWNSHIP OF EAST WINDSOR
ASSESSMENT TRUST FUND
ANALYSIS OF CASH
YEAR ENDED DECEMBER 31, 2017

NOT APPLICABLE

TOWNSHIP OF EAST WINDSOR
ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>	
Balance December 31, 2016	B	\$ 23,865.15
Increased by:		
Animal Control Fees:		
Dog Licenses		\$ 11,858.00
Late, Impound and Boarding Fees		496.00
		12,354.00
		36,219.15
Decreased by:		
Animal Control Expenditures		9,384.95
Statutory Excess Due to Current Fund		892.20
		10,277.15
Balance December 31, 2017	B	\$ 25,942.00

License Fees Collected:

<u>Year</u>	
2015	\$ 13,454.00
2016	12,488.00
	\$ 25,942.00
Maximum Allowable Reserve	\$ 25,942.00

TOWNSHIP OF EAST WINDSOR
COUNTY OF MERCER
2017
GENERAL CAPITAL FUND

TOWNSHIP OF EAST WINDSOR
GENERAL CAPITAL FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2016	C	\$ 1,091,809.47
Increased by Receipts:		
Grants Receivable		\$ 1,166,700.00
Budget Appropriation - Capital Improvement Fund		60,000.00
Bond Anticipation Note Proceeds		4,111,400.00
Capital Fund Balance - Premium on Sale of Bond Anticipation Notes		91,121.00
Due Current Fund:		
Interfund Returned		60,000.00
		5,489,221.00
		6,581,030.47
Decreased by Disbursements:		
Improvement Authorization Expenditures		2,354,854.13
Prior Year Encumbrances		1,145,185.15
Anticipated in Current Fund:		
Capital Fund Balance		397,642.00
Reserve for Purchase of Open Space		55,000.00
Reserve for Payment of Debt Service		45,000.00
		3,997,681.28
Balance December 31, 2017	C	\$ 2,583,349.19

TOWNSHIP OF EAST WINDSOR
GENERAL CAPITAL FUND
ANALYSIS OF CASH
(Continued)

Ord. Date	Improvement Authorizations	Balance/ (Deficit) Dec. 31, 2016	Receipts			Disbursements			Transfers		Balance/ (Deficit) Dec. 31, 2017
			Bond Anticipation Notes	Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To		
06/11/13	Various Capital Improvements	\$ 467,964.74				\$ 6,697.21			\$ 4,070.07	\$ 23,775.00	\$ 480,972.46
12/17/13	Various Capital Improvements	134,389.45	\$ 272,321.00			214,287.27			48,999.03		143,424.15
11/11/14	Various Capital Improvements	576,249.85	32,677.00			21,133.76					587,793.09
03/17/15	Parks and Playground Equipment	0.53									0.53
06/02/15	Various Road Improvements	30,001.00	5,540.00						5,540.00		30,001.00
10/13/15	HVAC Improvements	9,400.00							3,788.97	59,677.50	65,288.53
10/13/16	Various Capital Improvements	760,216.14	2,371,191.00			1,674,719.32			778,915.43		671,772.39
02/14/17	Various Capital Improvements		518,989.00			402,789.40			123,221.57	49,900.00	42,878.03
12/05/17	Various Road Improvements									507,500.00	507,500.00
		\$ 1,091,809.47	\$ 4,111,400.00	\$ 60,000.00	\$ 1,317,821.00	\$ 2,354,854.13	\$ 1,642,827.15	\$ 2,702,715.77	\$ 2,702,715.77	\$ 2,702,715.77	\$ 2,583,349.19

**TOWNSHIP OF EAST WINDSOR
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Ordinance Date	Improvement Description	Analysis of Balance December 31, 2017						Unexpended Improvement Authorizations
		Balance Dec. 31, 2016	2017 Improvement Authorizations	Notes Paid by Budget Appropriation	Improvement Authorizations Canceled	Balance Dec. 31, 2017	Financed by Bond Anticipation Notes	
06/13/95	Various Capital Improvements							
06/27/00	Acquisition of the Millstone and Bear Brook Site for Open Space	\$ 135,712.65				\$ 135,712.65	\$ 135,712.00	\$ 0.65
08/06/02								
03/06/01								
03/12/02	Various Capital Improvements	610,150.61				610,150.61	610,150.00	0.61
05/18/04	Acquisition of Land for Use as Open Space							
02/07/06	Various Capital Improvements	108,788.73				108,788.73	108,788.00	0.73
11/28/06	Acquisition of Land	66,849.77				66,849.77	64,016.00	
09/11/07	Repair Bear Brook Pathway	55,800.00		\$ 1,700.00		127,600.00	127,600.00	
09/07/10	Various Capital Improvements	445,800.00		23,200.00		44,400.00	44,400.00	
07/26/11	Various Capital Improvements	1,075,365.64		83,100.00		422,600.00	422,600.00	
03/07/12						992,265.64	969,877.00	22,388.64
02/19/13	Various Capital Improvements	1,139,150.00		79,250.00		1,059,900.00	1,089,251.00	(29,351.00)
05/01/12	Acquisition of Open Space	1,345,000.00			\$ 269,000.00	1,076,000.00	1,076,000.00	
06/11/13	Various Capital Improvements	528,975.00		6,350.00		522,625.00	522,625.00	
12/17/13	Various Capital Improvements	1,113,250.00				1,113,250.00	1,152,364.00	(39,114.00)
11/11/14	Various Capital Improvements	959,975.00				959,975.00	871,607.00	88,368.00
03/17/15	Parks and Playground Equipment	100,000.00				100,000.00	68,629.00	31,371.00
06/02/15	Various Road Improvements	570,000.00				570,000.00	476,201.00	93,799.00
10/13/15	HVAC Improvements	361,000.00				361,000.00	361,000.00	
07/19/16	Various Capital Improvements	2,826,039.00				2,826,039.00	2,371,191.00	454,848.00
02/14/17	Various Capital Improvements		\$ 948,100.00			948,100.00	518,989.00	429,111.00
12/05/17	Bond Ordinance		6,900,000.00			6,900,000.00		6,900,000.00
12/05/17	Various Road Improvements		712,500.00			712,500.00		712,500.00
		\$ 11,571,156.40	\$ 8,560,600.00	\$ 205,000.00	\$ 269,000.00	\$ 19,657,756.40	\$ 9,915,000.00	\$ 9,742,754.41

Ref.

C

Improvement Authorizations - Unfunded

Less: Unexpended Proceeds of Bond Anticipation Notes Issued:

Ordinance Dated 02/07/06 - Various Capital Improvements	\$ 0.25
Ordinance Dated 07/26/11 - Various Capital Improvements	189,638.73
Ordinance Dated 03/07/12; 02/19/13 - Various Capital Improvements	40,931.06
Ordinance Dated 06/11/13 - Various Capital Improvements	480,972.46
Ordinance Dated 12/17/13 - Various Capital Improvements	143,424.15
Ordinance Dated 11/11/14 - Various Capital Improvements	587,793.09
Ordinance Dated 03/17/15 - Parks and Playground Equipment	0.53
Ordinance Dated 06/02/15 - Various Road Improvements	30,001.00
Ordinance Dated 10/13/15 - HVAC Improvements	65,288.53
Ordinance Dated 2/14/17 - Various Capital Improvements	677,772.39
Ordinance Dated 12/05/17 - Various Road Improvements	42,878.03

2,258,700.22

\$ 9,742,754.41

**TOWNSHIP OF EAST WINDSOR
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord. No.	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2016		Capital Improvement Fund	Deferred Charges to Future Taxation - Unfunded	Other Sources	Improvement Authorizations Canceled	Encumbrances Payable Canceled	Paid or Charged	Balance Dec. 31, 2017	
				Funded	Unfunded							Funded	Unfunded
94-30	Various Capital Improvements and Purchases	11/01/94	\$ 1,360,800.00	\$	25,090.03						\$	25,090.03	
98-10	Various Capital Improvements and Purchases	05/05/98	983,722.00		8,500.00							8,500.00	
01-12	Various Capital Improvements	11/07/01	2,273,363.00		3,140.00				\$	14,360.00	\$	2,550.00	
02-08	Various Capital Improvements	06/05/02	1,300,662.00		94,533.00							94,533.00	
04-19	Various Capital Improvements	12/07/04	1,419,505.00		33,332.97							33,332.97	
06-01	Various Capital Improvements	02/07/06	1,543,615.90	\$	2,834.02								\$ 2,834.02
07-02	Various Capital Improvements	04/10/07	2,662,015.00		73,821.50							73,821.50	
08-03	Various Capital Improvements	02/12/08	1,672,300.00		7,291.03						3,761.03	3,530.00	
09-08	Various Capital Improvements	09/02/09	901,100.00		5,000.00							5,000.00	
11-17	Various Capital Improvements	07/26/11	1,308,100.00		228,303.51						16,276.14		212,027.37
12-03; 13-02	Various Capital Improvements	03/07/12; 02/19/13	1,416,860.00		29,749.46								11,580.06
12-05	Various Capital Improvements	04/17/12	2,052,620.00		867,962.25				\$	867,962.25			
12-06	Acquisition of Open Space	05/01/12	2,825,000.00		135,000.00					269,000.00		135,000.00	1,076,000.00
13-04	Various Capital Improvements	06/11/13	1,262,000.00		467,964.74					23,775.00		10,767.28	480,972.46
13-09	Various Capital Improvements	12/17/13	1,235,000.00		367,596.45							263,286.30	104,310.15
14-08	Various Capital Improvements	11/11/14	1,985,500.00		697,294.85							21,133.76	676,161.09
15-02	Parks and Playground Equipment	03/17/15	100,000.00		31,371.53								31,371.53
15-06	Various Road Improvements	06/02/15	900,000.00		129,340.00						5,540.00		123,800.00

TOWNSHIP OF EAST WINDSOR
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
(Continued)

Ord. No.	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2016		Capital Improvement Fund	Other Sources	Improvement Authorizations Canceled	Encumbrances Payable Canceled	Paid or Charged	Balance Dec. 31, 2017	
				Funded	Unfunded						Funded	Unfunded
15-09	HVAC Improvements	10/13/15	\$ 380,000.00	\$ 9,400.00					\$ 59,677.50	\$ 3,788.97	\$ 65,288.53	
16-08	Various Capital Improvements	07/19/16	5,276,277.00	2,826,039.00						2,453,634.75	1,132,620.39	
17-02	Various Capital Improvements	02/14/17	998,000.00		\$ 49,900.00	\$ 948,100.00				526,010.97	471,989.03	
17-13	Bond Refunding	12/05/17	6,900,000.00			6,900,000.00					6,900,000.00	
17-15	Various Road Improvements	12/05/17	1,220,000.00		37,500.00	712,500.00	\$ 470,000.00				\$ 507,500.00	712,500.00
					\$ 2,013,886.92	\$ 6,134,893.56	\$ 470,000.00	\$ 1,136,962.25	\$ 100,840.50	\$ 3,340,346.60	\$ 888,857.50	\$ 12,001,454.63

2017 Authorizations
Deferred Charges to Future Taxation - Unfunded
\$ 470,000.00

Grants Receivable
\$ 470,000.00

Capital Fund Balance
Deferred Charges to Future Taxation - Unfunded
\$ 867,962.25
269,000.00
1,136,962.25

Cash Disbursed Encumbrances
\$ 2,354,854.13
985,492.47
\$ 3,340,346.60

Ref.

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TOWNSHIP OF EAST WINDSOR
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2016	C	\$ 76,320.93
Increased by:		
2017 Budget Appropriation		<u>\$ 60,000.00</u>
		<u>60,000.00</u>
		136,320.93
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>87,400.00</u>
Balance December 31, 2017	C	<u><u>\$ 48,920.93</u></u>

TOWNSHIP OF EAST WINDSOR
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ord. No.	Improvement Authorization	Date of				Interest Rate	Balance Dec. 31, 2016	Issued	Matured	Balance Dec. 31, 2017
		Issue of Original Note	Issue	Maturity						
02-02	Various Capital Improvements	12/07/17	12/07/17	12/07/18	2.500%	\$	\$ 610,150.00		\$ 610,150.00	
02-09	Acquisition of Millstone, Bear Brook, Old York Road and Conover Sites for Open Space	12/07/17	12/07/17	12/07/18	2.500%		135,712.00		135,712.00	
04-08	Acquisition of Land for Open Space	12/07/17	12/07/17	12/07/18	2.500%		108,788.00		108,788.00	
06-01	Various Capital Improvements	12/08/16	12/08/16	12/08/17	1.225%	\$	64,016.00	\$ 64,016.00	64,016.00	
06-15	Acquisition of Land	12/11/12	12/08/16	12/08/17	1.225%		129,300.00	129,300.00	127,600.00	
07-08	Repair Bear Brook Pathway	12/11/12	12/08/16	12/08/17	1.225%		18,600.00	18,600.00	7,200.00	
10-08	Various Capital Improvements	12/11/12	12/08/16	12/08/17	1.225%		445,800.00	445,800.00	37,200.00	
11-17	Various Capital Improvements	12/11/12	12/08/16	12/08/17	1.225%		1,030,900.00	1,030,900.00	422,600.00	
12-03;		12/08/16	12/07/17	12/07/18	2.500%		3,608.00	3,608.00	947,800.00	
13-02	Various Capital Improvements	12/07/17	12/07/17	12/07/18	2.500%		18,469.00	18,469.00	3,608.00	
		12/11/12	12/08/16	12/08/17	1.225%		1,123,750.00	1,123,750.00	18,469.00	
		12/08/16	12/07/17	12/07/18	2.500%		7,188.00	7,188.00	1,044,500.00	
		12/07/17	12/07/17	12/07/18	2.500%		37,563.00	37,563.00	7,188.00	
									37,563.00	

TOWNSHIP OF EAST WINDSOR
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
(Continued)

Ord. No.	Improvement Authorization	Issue of Original Note	Date of			Interest Rate	Balance Dec. 31, 2016	Issued	Matured	Balance Dec. 31, 2017
			Issue	Maturity						
13-04	Various Capital Improvements	12/11/13	12/08/16	12/08/17	1.225%	\$ 104,769.00	\$ 98,419.00	104,769.00	\$ 98,419.00	
		12/09/15	12/07/17	12/07/18	2.500%					
		12/08/16	12/08/16	12/08/17	1.225%	413,777.00	413,777.00	413,777.00	413,777.00	
		12/07/17	12/07/17	12/07/18	2.500%					
		12/08/16	12/08/16	12/08/17	1.225%	10,429.00	10,429.00	10,429.00	10,429.00	
		12/07/17	12/07/17	12/07/18	2.500%					
13-09	Various Capital Improvements	12/09/15	12/08/16	12/08/17	1.225%	877,585.00	877,585.00	877,585.00	877,585.00	
		12/08/16	12/07/17	12/07/18	2.500%					
		12/08/16	12/08/16	12/08/17	1.225%	2,458.00	2,458.00	2,458.00	2,458.00	
		12/07/17	12/07/17	12/07/18	2.500%					
		12/07/17	12/07/17	12/07/18	2.500%					
14-08	Various Capital Improvements	12/09/15	12/08/16	12/08/17	1.225%	793,330.00	793,330.00	793,330.00	793,330.00	
		12/08/16	12/07/17	12/07/18	2.500%					
		12/08/16	12/08/16	12/08/17	1.225%	45,600.00	45,600.00	45,600.00	45,600.00	
		12/07/17	12/07/17	12/07/18	2.500%					
		12/07/17	12/07/17	12/07/18	2.500%					
15-02	Parks and Playground Equipment	12/08/16	12/08/16	12/08/17	1.225%	68,629.00	68,629.00	68,629.00	68,629.00	
		12/07/17	12/07/17	12/07/18	2.500%					
15-06	Various Road Improvements	12/09/15	12/08/16	12/08/17	1.225%	256,120.00	256,120.00	256,120.00	256,120.00	
		12/08/16	12/07/17	12/07/18	2.500%					
		12/08/16	12/08/16	12/08/17	1.225%	214,541.00	214,541.00	214,541.00	214,541.00	
		12/07/17	12/07/17	12/07/18	2.500%					
15-09	HVAC Improvements	12/08/16	12/08/16	12/08/17	1.225%	361,000.00	361,000.00	361,000.00	361,000.00	
		12/08/16	12/07/17	12/07/18	2.500%					
16-08	Various Capital Improvements	12/07/17	12/07/17	12/07/18	2.500%		2,371,191.00		2,371,191.00	

TOWNSHIP OF EAST WINDSOR
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2016	Matured	Balance Dec. 31, 2017
			Outstanding Date	Amount Dec. 31, 2017				
General Improvement Bonds	11/15/09	\$ 14,278,000	7/1/18	\$ 1,155,000	4.00%			
			7/1/19	1,195,000	4.25%			
			7/1/20	1,240,000	3.50%			
			7/1/21	1,290,000	3.75%			
			7/1/22	1,345,000	4.00%			
			7/1/23	1,400,000	4.00%			
			7/1/24	1,463,000	4.00%	\$ 10,208,000.00	\$ 1,120,000.00	\$ 9,088,000.00
						<u>\$ 10,208,000.00</u>	<u>\$ 1,120,000.00</u>	<u>\$ 9,088,000.00</u>

Ref. C C

TOWNSHIP OF EAST WINDSOR
GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOANS PAYABLE

	<u>Ref.</u>	
Balance December 31, 2016	C	\$ 231,598.34
Decreased by:		
Principal Matured		<u>62,869.76</u>
Balance December 31, 2017	C	<u><u>\$ 168,728.58</u></u>

Schedule of Principal and Interest Payments Outstanding December 31, 2017 - Loan #1

<u>Payment Number</u>	<u>Due</u>	<u>Interest</u>	<u>Principal</u>	<u>Loan Balance</u>
				\$ 133,165.57
31	06/25/18	\$ 1,331.66	\$ 14,214.14	118,951.43
32	12/25/18	1,189.51	14,356.28	104,595.15
33	06/25/19	1,045.95	14,499.85	90,095.30
34	12/25/19	900.95	14,644.84	75,450.46
35	06/25/20	754.50	14,791.29	60,659.17
36	12/25/20	606.59	14,939.21	45,719.96
37	06/25/21	457.20	15,088.60	30,631.36
38	12/25/21	306.31	15,239.48	15,391.88
39	06/25/22	153.92	15,391.88	
		<u>\$ 6,746.59</u>	<u>\$ 133,165.57</u>	

Schedule of Principal and Interest Payments Outstanding December 31, 2017 - Loan #2

<u>Payment Number</u>	<u>Due</u>	<u>Interest</u>	<u>Principal</u>	<u>Loan Balance</u>
				\$ 35,563.01
38	06/12/18	\$ 355.63	\$ 17,693.04	17,869.97
39	12/12/18	178.70	17,869.97	
		<u>\$ 534.33</u>	<u>\$ 35,563.01</u>	

TOWNSHIP OF EAST WINDSOR
GENERAL CAPITAL FUND
SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE

	<u>Ref.</u>	
Balance December 31, 2016	C	\$ 421,095.85
Decreased by:		
Principal Matured		38,571.49
Balance December 31, 2017	C	\$ 382,524.36

Schedule of Principal and Interest Payments Outstanding December 31, 2017

<u>Payment Number</u>	<u>Due</u>	<u>Trust</u>		<u>Fund</u>	<u>Loan Balance</u>
		<u>Interest</u>	<u>Principal</u>	<u>Principal</u>	
					\$ 382,524.36
24	2/1/2018	\$ 2,615.63		\$ 4,780.95	377,743.41
25	8/1/2018	2,615.63	\$ 15,000.00	32,198.63	330,544.78
26	2/1/2019	2,296.88		4,198.33	326,346.45
27	8/1/2019	2,296.88	15,000.00	31,616.00	279,730.45
28	2/1/2020	1,978.13		3,615.70	276,114.75
29	8/1/2020	1,978.13	15,000.00	31,033.38	230,081.37
30	2/1/2021	1,640.63		2,998.80	227,082.57
31	8/1/2021	1,640.63	15,000.00	30,416.48	181,666.09
32	2/1/2022	1,312.50		2,399.04	179,267.05
33	8/1/2022	1,312.50	15,000.00	29,816.72	134,450.33
34	2/1/2023	984.38		1,799.28	132,651.05
35	8/1/2023	984.38	15,000.00	29,216.96	88,434.09
36	2/1/2024	656.25		1,199.52	87,234.57
37	8/1/2024	656.25	15,000.00	28,617.19	43,617.38
38	2/1/2025	328.13		599.76	43,017.62
39	8/1/2025	328.13	15,000.00	28,017.62	
		\$ 23,625.06	\$ 120,000.00	\$ 262,524.36	

TOWNSHIP OF EAST WINDSOR
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance No.	Improvement Description	Balance Dec. 31, 2016	2017 Authorizations	Bond Anticipation Notes Issued	Improvement Authorizations Canceled	To Reserve for Payment of Debt Service	Balance Dec. 31, 2017
00-17; 02-09 01-04;	Acquisition of the Millstone and Bear Brook Site for Open Space	\$ 135,712.65		\$ 135,712.00			\$ 0.65
02-02 04-08	Various Capital Improvements Acquisition of Land for Use as Open Space	610,150.61 108,788.73		610,150.00 108,788.00			0.61 0.73
06-01 07-08	Various Capital Improvements Repair Bear Brook Pathway	2,833.77					2,833.77
11-17 12-03;	Various Capital Improvements Various Capital Improvements	40,857.64 8,212.00		18,469.00 37,563.00		\$ 29,351.00	22,388.64
12-06 13-04	Acquisition of Open Space Various Capital Improvements	1,345,000.00			\$ 269,000.00		1,076,000.00
13-09 14-08	Various Capital Improvements Various Capital Improvements	233,207.00 121,045.00		272,321.00 32,677.00		39,114.00	88,368.00
15-02 15-06	Parks and Playground Equipment Various Road Improvements	31,371.00 99,339.00		5,540.00			31,371.00 93,799.00
16-08 17-02	Various Capital Improvements Various Capital Improvements	2,826,039.00	\$ 948,100.00	2,371,191.00 518,989.00			454,848.00 429,111.00
17-13 17-15	Bond Refunding Various Road Improvements		6,900,000.00 712,500.00				6,900,000.00 712,500.00
		<u>\$ 5,562,556.40</u>	<u>\$ 8,560,600.00</u>	<u>\$ 4,111,400.00</u>	<u>\$ 269,000.00</u>	<u>\$ 68,465.00</u>	<u>\$ 9,811,221.40</u>

TOWNSHIP OF EAST WINDSOR
COUNTY OF MERCER
2017
WATER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF EAST WINDSOR
COUNTY OF MERCER
2017
SEWER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF EAST WINDSOR
COUNTY OF MERCER
2017
PUBLIC ASSISTANCE FUND

TOWNSHIP OF EAST WINDSOR
PUBLIC ASSISTANCE FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Total</u>	<u>P.A.T.F. I</u>	<u>P.A.T.F. II</u>	
				<u>Treasurer</u>	<u>Director</u>
Balance December 31, 2016	F	\$ 97,892.28	\$ 18,121.86	\$ 50,016.58	\$ 29,753.84
Increased by Receipts:					
Due Current Fund - Interest Earned		468.48	101.53	202.76	164.19
Intrafund		31,891.00			31,891.00
		<u>32,359.48</u>	<u>101.53</u>	<u>202.76</u>	<u>32,055.19</u>
Decreased by Disbursements:					
Current Year Assistance (Reported):					
Maintenance		19,034.00			19,034.00
Temporary Rental Assistance		10,268.00			10,268.00
Transportation		162.00			162.00
Due Current Fund - Interest Earned		468.48	101.53	202.76	164.19
Intrafund		31,891.00		31,891.00	
		<u>61,823.48</u>	<u>101.53</u>	<u>32,093.76</u>	<u>29,628.19</u>
Balance December 31, 2017	F	<u>\$ 68,428.28</u>	<u>\$ 18,121.86</u>	<u>\$ 18,125.58</u>	<u>\$ 32,180.84</u>

TOWNSHIP OF EAST WINDSOR
COUNTY OF MERCER
2017
SPECIAL GARBAGE DISTRICT FUND

TOWNSHIP OF EAST WINDSOR
SPECIAL GARBAGE DISTRICT FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	
Balance December 31, 2016	G	\$ 1,517,240.09
Increased by Receipts:		
Due Current Fund:		
District Taxes		\$ 2,211,284.00
Miscellaneous Revenue		8,126.39
Appropriation Refunds		13,253.76
		2,232,664.15
		3,749,904.24
Decreased by Disbursements:		
Accounts Payable		2,000.00
2017 Appropriation Expenditures		2,091,700.28
2016 Appropriation Reserve Expenditures		85,701.51
		2,179,401.79
Balance December 31, 2017	G	\$ 1,570,502.45

TOWNSHIP OF EAST WINDSOR
SPECIAL GARBAGE DISTRICT FUND
SCHEDULE OF DISTRICT TAXES RECEIVABLE
YEAR ENDED DECEMBER 31, 2017

Increased by:
2017 Tax Levy \$ 2,211,284.00

Decreased by:
Received from Current Fund \$ 2,211,284.00

TOWNSHIP OF EAST WINDSOR
SPECIAL GARBAGE DISTRICT FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2017

	<u>Balance Dec. 31, 2016</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Operating:				
Salaries and Wages	\$ 68,528.07	\$ 68,528.07	\$ 20,036.35	\$ 48,491.72
Other Expenses	117,483.30	117,483.30	23,613.64	93,869.66
Contractual Services	10,354.96	10,354.96		10,354.96
Disposal Fees	204,167.11	204,167.11	51,419.70	152,747.41
Recycling Tax	3,388.25	3,388.25	1,167.66	2,220.59
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	6,641.23	6,641.23	4,560.97	2,080.26
Unemployment Compensation Insurance	1,341.76	1,341.76	3.19	1,338.57
	<u>\$ 411,904.68</u>	<u>\$ 411,904.68</u>	<u>\$ 100,801.51</u>	<u>\$ 311,103.17</u>

Ref.

Analysis of Balance December 31, 2016:

Appropriation Reserves:		
Unencumbered	G	\$ 392,552.41
Encumbered	G	19,352.27
		<u>\$ 411,904.68</u>

Cash Disbursed	\$ 85,701.51
Accounts Payable	15,100.00
	<u>\$ 100,801.51</u>

TOWNSHIP OF EAST WINDSOR

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2017

TOWNSHIP OF EAST WINDSOR
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2017

Federal Funding Department/Cluster Title	Federal Program	CFDA Number	State Program Account Number	Grant Period		Grant Award Amount	Grant Receipts	Amount of Expenditures	Cumulative Expenditures	Amounts Provided to Subrecipients
				From	To					
US Department of Justice	Bulletproof Vest Partnership Grant	16.607	N/A	01/01/14	12/31/18	\$ 14,438.56	\$ 4,612.50	\$ -0-	\$ -0-	
Total US Department of Justice										
US Department of Housing and Urban Development:										
Passed through NJ Department of Community Affairs	Small Cities Community Development Block Grant	14.228	100-022-8020-078-6120	01/01/13	12/31/16	200,000.00	76,190.00	11,465.00	200,000.00	200,000.00
				01/01/16	12/31/17	100,000.00	15,755.00	15,755.00	15,755.00	15,755.00
Total US Department of Housing and Urban Development										
US Department of Transportation:										
Passed through NJ Transit Corporation	Federal Transit Administration Section 5307 Formula Grant	20.507	N/A	07/01/15	06/30/16	100,000.00	4,134.77	8,178.63	100,000.00	100,000.00
				07/01/16	06/30/17	100,000.00	35,280.23	37,621.37	77,813.22	77,813.22
							39,415.00	45,800.00	177,813.22	177,813.22
Passed through NJ Department of Law and Public Safety, Division of	Drive Sober or Get Pulled Over	20.601	N/A	01/01/16	12/31/17	5,000.00	5,000.00	1,803.70	5,000.00	5,000.00
				01/01/17	12/31/18	11,000.00	10,500.00	8,352.42	8,352.42	8,352.42
							15,500.00	10,156.12	13,352.42	13,352.42
Passed through NJ Department of Transportation	Click It or Ticket	20.614	100-066-1160-116-6120	01/01/17	12/31/17	5,500.00	5,500.00	5,500.00	5,500.00	5,500.00
Total US Department of Transportation										
US Department of Homeland Security:										
Disaster Grants - Public Assistance - F.E.M.A. Superstorm Sandy		97.036	N/A	01/01/12	12/31/13	671,334.81	102,610.67	102,610.67 *	671,334.81	671,334.81
Total US Department of Homeland Security										

N/A - Not Available / Not Applicable.

* - Expended in Prior Years.

TOWNSHIP OF EAST WINDSOR
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2017
 (Continued)

Federal Funding Department/Cluster Title	Federal Program	CFDA Number	State Program Account Number	Grant Period From	Grant Period To	Grant Award Amount	Grant Receipts	Amount of Expenditures	Cumulative Expenditures	Amounts Provided to Subrecipients
US Department of Agriculture: Passed through NJ Department of Environmental Protection	Green Communities	10.664	PFOS-089	01/01/15	12/31/16	\$ 3,000.00	\$ 3,000.00	\$ -0-	\$ -0-	\$ -0-
Total US Department of Agriculture							\$ 262,583.17	\$ 88,676.12	\$ 1,083,755.45	\$ -0-
TOTAL FEDERAL AWARDS										

SEE NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

TOWNSHIP OF EAST WINDSOR
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

New Jersey Agency or Department	Name of Program	State Grant Account or Award Number	Grant Period		Grant Award	Amount Received	Amount of Expenditures	Cumulative Expenditures
			From	To				
Department of the Treasury:								
Passed through Mercer County	Governor's Council on Alcoholism and Drug Abuse - Municipal Alliance Program	100-082-2000- 044-995120	07/01/15 07/01/17	06/30/17 06/30/18	\$ 22,104.00 22,104.00	\$ 9,478.72 10,885.28	\$ 1,478.72 13,207.28	\$ 11,478.72 10,000.00
Total Department of the Treasury						20,364.00	14,686.00	21,478.72
Department of Environmental Protection	Clean Communities Program	765-042-4900- 004-V42Y-6020	01/01/15 01/01/16	12/31/17 12/31/17	51,857.52 58,945.92		7,181.43 39,555.11	51,857.52 39,555.11
	Recycling Tonnage Grant	752-042-4900- 004-178840	01/01/14 01/01/17	12/31/17 12/31/18	26,498.96 24,741.43	24,741.43 24,741.43	0.67 24,741.43	26,498.96 24,741.43
Total Department of Environmental Protection						24,741.43	71,478.64	142,653.02
Department of Transportation	NJ Municipal Trust Fund Authority Act	480-078-6320- 156-601385	01/01/13	12/31/17	249,500.00		21,197.40	249,500.00
Total Department of Transportation						-0-	21,197.40	249,500.00
Department of Law and Public Safety	Drunk Driving Enforcement Fund	100-078-6400- 260-YYYY	01/01/15 01/01/16	12/31/17 12/31/17	9,717.48 9,375.29		3,675.19 6,633.15	6,042.29 6,633.15
	Body Armor Replacement Fund	718-066-1020- 001-YCJS-6120	01/01/16 01/01/17	12/31/17 12/31/18	4,028.74 4,035.18	4,035.18 4,035.18	4,028.74 4,035.18	4,028.74 4,035.18
Total Department of Law and Public Safety						15,119.86	14,343.52	16,710.62
TOTAL STATE AWARDS						\$ 60,225.29	\$ 121,705.56	\$ 430,342.36

SEE NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

TOWNSHIP OF EAST WINDSOR
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2017

A. BASIS OF PRESENTATION

The accompanying Schedules of Expenditures of Federal and State Awards (the "Schedules") include the federal and state grant activity of the Township of East Windsor under programs of the federal and state governments for the year ended December 31, 2017. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the Township of East Windsor, they are not intended to and do not present the financial position, changes in fund balance or cash flows of the Township of East Windsor.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying Schedules of Expenditures of Federal and State Awards are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through identifying numbers are presented where available. The Township has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

C. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

D. STATE LOANS OUTSTANDING

The Township of East Windsor has the following loans outstanding as of December 31, 2017:

General Capital Fund:

NJ Green Trust Loan Program	\$ 168,729
NJ Environmental Infrastructure Loan	382,525

Currently, the Township is in the process of repaying the loan balances. There were no loan receipts or expenditures in the current year and the projects which relate to the loans are complete.



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Report on Internal Control Over Financial Reporting and on
 Compliance and Other Matters Based on an Audit of Financial Statements
 Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

The Honorable Mayor and Members
 of the Township Council
 Township of East Windsor
 East Windsor, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements – *regulatory basis* - of the various funds of the Township of East Windsor, in the County of Mercer (the "Township") as of, and for the years ended, December 31, 2017 and 2016, and the related notes to the financial statements and have issued our report thereon dated May 30, 2018. These financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. That qualified report also indicated that we did not audit the general fixed assets account group.

Internal Control Over Financial Reporting

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

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

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

The Honorable Mayor and Members
of the Township Council
Township of East Windsor
Page 2

Compliance and Other Matters


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

Purpose of this Report

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

Mount Arlington, New Jersey
May 30, 2018


NISIVOCCIA LLP



Francis J. Jones, Jr.
Registered Municipal Accountant No. 442
Certified Public Accountant

TOWNSHIP OF EAST WINDSOR
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2017

Summary of Auditors' Results:

- The Independent Auditors' Report expresses a qualified opinion on the Township's financial statements, prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as the general fixed assets account group was not audited.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the Township which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- The Township was not subject to the single audit provisions of the Uniform Guidance and New Jersey's OMB Circular 15-08 for 2017 as both state and federal grant expenditures were less than the single audit thresholds of \$750,000 identified in the Uniform Guidance and NJOMB 15-08.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- Not Applicable since federal expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- Not Applicable since state expenditures were below the single audit threshold.

TOWNSHIP OF EAST WINDSOR
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2017

The Township had no prior year audit findings.

TOWNSHIP OF EAST WINDSOR

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2017

TOWNSHIP OF EAST WINDSOR
COMMENTS AND RECOMMENDATIONS

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4

N.J.S. 40A:11-3 states:

a. " When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, C.198 (N.J.S. 40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, C.198 (N.J.S. 40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, C.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, C.198 (N.J.S. 40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made."

N.J.S. 40A:11-4 states: "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

Effective July 1, 2015 and thereafter, the bid threshold in accordance with N.J.S. 40A:11-3 and 40A:11-4 (as amended) is \$17,500 and with a qualified purchasing agent the bid threshold may be up to \$40,000.

The governing body of the Township of East Windsor has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the year and where question arises as to whether any contract or agreement might result in violation of the statute, the Township Attorney's opinion should be sought before a commitment is made.

TOWNSHIP OF EAST WINDSOR
COMMENTS AND RECOMMENDATIONS
(Continued)

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4 (Cont'd)

The minutes indicated that bids were requested by public advertising per N.J.S. 40A:11-4. The minutes also indicated that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services," per N.J.S. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. None were noted.

Collection of Interest on Delinquent Taxes

The statute provides the method for authorizing interest and the maximum rate to be charged for the nonpayment of taxes on or before the date when they would become delinquent.

On January 1, 2017, the governing body adopted the following resolution authorizing interest to be charged on delinquent taxes:

BE IT RESOLVED by the Township Council of the Township of East Windsor, Mercer County, New Jersey, that the rate of interest to be paid upon delinquent taxes for the year 2017 shall be fixed at the rate of 8% per annum to \$1,500 and any amount in excess of \$1,500 shall be fixed at the rate of 18% per annum. However, interest shall not be collected upon taxes that are not delinquent over ten (10) days. After the tenth day of "grace period", interest reverts back to the due date. An additional penalty of 6% will be imposed on delinquencies in excess of \$10,000 at December 31, 2017.

It appears from an examination of the Collector's records that interest was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 2, 2017 and all eligible properties were transferred to lien.

The following comparison is made of the number of tax title liens receivable on December 31, of the last three years:

Year	Number of Liens
2017	12
2016	14
2015	13

As it is essential to good management, it is recommended that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a taxpaying basis.

TOWNSHIP OF EAST WINDSOR
COMMENTS AND RECOMMENDATIONS
(Continued)

Municipal Court

The report of the Municipal Court has been forwarded to the Division of Local Government Services and the Township's Magistrate under separate cover. Reflected below is a summary of receipts and disbursements for the year ended December 31, 2017.

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

<u>AGENCY</u>	<u>Balance</u> <u>12/31/2016</u>	<u>Cash</u> <u>Received</u>	<u>Cash</u> <u>Disbursed</u>	<u>Balance</u> <u>12/31/2017</u>
State of New Jersey	\$ 29,172.39	\$ 434,657.14	\$ 425,757.71	\$ 38,071.82
County of Mercer	13,529.50	187,229.08	190,168.08	10,590.50
Township of East Windsor:				
Fines and Costs	35,844.11	501,638.11	506,639.85	30,842.37
Parking Offense Adjudication				
Act - Fines		70.00	66.00	4.00
Public Defender	988.00	15,368.50	14,927.00	1,429.50
Interest:				
Regular Account	37.09	444.49	440.63	40.95
Bail Account	9.01	151.24	150.39	9.86
Weights and Measures	7,250.00	22,400.00	29,100.00	550.00
Restitution	205.00	4,907.55	3,883.74	1,228.81
Bail	21,555.00	214,838.56	215,119.56	21,274.00
TOTAL	<u>\$ 108,590.10</u>	<u>\$ 1,381,704.67</u>	<u>\$ 1,386,252.96</u>	<u>\$ 104,041.81</u>

New Jersey Administrative Code Accounting Requirements

The Division of Local Government Services has established three (3) accounting requirements which are prescribed in the New Jersey Administrative Code. They are as follows:

1. Maintenance of an encumbrance accounting system.
2. Fixed asset accounting and reporting system.
3. General ledger accounting system.

The Township is currently in compliance with the accounting requirements.

TOWNSHIP OF EAST WINDSOR
COMMENTS AND RECOMMENDATIONS
(Continued)

Management Suggestions

Governmental Accounting Standards Board Statements

The next Governmental Accounting Standards Board ("GASB") statement which will have a significant impact on the Township will be GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, will be effective for fiscal years ending December 31, 2018 and thereafter. This standard replaces GASB No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. It is similar to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* in that successful implementation of this standard will require the provision of certain key financial and non-financial information from the State of New Jersey.

Membership in Joint Insurance Fund

The Township has not received annual audited financial statements of the Middlesex County Municipal Joint Insurance Fund (the "JIF") for a number of years. As the Township is a member of the JIF and the financial position and results of operations of the JIF could affect the Township's financial position, we suggest that the Township obtain all previously issued financial statements of the JIF which the Township does not currently possess. In addition, we suggest that the Township develop a procedure to ensure receipt of future financial statements of the JIF.

Status of Prior Year Recommendations

The Township has initiated a corrective action plan to resolve comments and recommendations from the 2016 audit report. Prior year recommendations 1a with regards to grants receivable and unappropriated reserve balances from prior years be reviewed, 2a regarding monthly dog reports and State fee collections being remitted to the State Treasurer in a timely manner, 3a regarding future budgets including funding for ordinances over five years old with cash deficits, and 4a regarding assigned but not issued tickets and special complaints over six months old be collected from the respective officers and voided have been resolved.

TOWNSHIP OF EAST WINDSOR
SUMMARY OF RECOMMENDATIONS

None
