

TOWNSHIP OF EAST WINDSOR

COUNTY OF MERCER

REPORT OF AUDIT

2018

*NISIVOCCIA LLP
CERTIFIED PUBLIC ACCOUNTANTS*

TOWNSHIP OF EAST WINDSOR
COUNTY OF MERCER
REPORT OF AUDIT
2018

TOWNSHIP OF EAST WINDSOR
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TOWNSHIP OF EAST WINDSOR

PART I

FINANCIAL STATEMENTS AND

SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2018

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, 2018 and 2017, 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, 2018 and 2017, and the changes in financial position or, where applicable, cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the various funds and account group of the Township as of December 31, 2018 and 2017, 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 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.

Emphasis of Matter

As discussed in Note 19 to the financial statements, the Township implemented Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, during the year ended December 31, 2018. Our opinions are not modified with respect to this matter.

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 July 15, 2019 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's 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
July 15, 2019


NISIVOCCIA LLP



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

TOWNSHIP OF EAST WINDSOR
COUNTY OF MERCER
2018
CURRENT FUND

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

	Ref.	December 31,	
		2018	2017
<u>ASSETS</u>			
Regular Fund:			
Cash and Cash Equivalents	A-4	\$ 12,778,697.65	\$ 15,274,962.57
Change Fund		285.00	285.00
Petty Cash		1,000.00	750.00
		<u>12,779,982.65</u>	<u>15,275,997.57</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	566,255.74	463,881.70
Tax Title Liens Receivable	A-8	236,953.82	230,690.89
Property Acquired for Taxes at Assessed Valuation		156,377.19	153,934.18
Revenue Accounts Receivable	A-9	41,289.74	30,842.37
Due Animal Control Fund	B	356.81	892.20
Total Receivables and Other Assets with Full Reserves		<u>1,001,233.30</u>	<u>880,241.34</u>
Total Regular Fund		<u>13,781,215.95</u>	<u>16,156,238.91</u>
Federal and State Grant Fund:			
Cash and Cash Equivalents	A-5	128,663.93	175,477.04
Grants Receivable	A-10	229,746.01	234,620.51
Total Federal and State Grant Fund		<u>358,409.94</u>	<u>410,097.55</u>
TOTAL ASSETS		<u><u>\$ 14,139,625.89</u></u>	<u><u>\$ 16,566,336.46</u></u>

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

		December 31,	
	Ref.	2018	2017
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Appropriation Reserves:			
Encumbered	A-3;A-11	\$ 925,540.38	\$ 484,910.20
Unencumbered	A-3;A-11	1,588,608.22	1,816,968.91
		2,514,148.60	2,301,879.11
Accounts Payable - Vendors		150,550.04	62,427.96
Due State of New Jersey:			
Senior Citizens' and Veterans' Deductions		3,452.75	2,082.21
Marriage License Fees		1,500.00	1,525.00
DCA Training Fees		10,109.00	24,255.00
Domestic Partnership Fees		575.00	575.00
County Added and Omitted Taxes Payable		312,790.57	311,322.22
Payment in Lieu of Taxes Due to County		28,652.09	
Prepaid Taxes		1,057,209.13	5,257,277.99
Tax Overpayments		4,576.01	
Reserve for:			
Sale of Municipal Assets		77,635.61	16,000.00
Sale of Municipal Assets - NJ Turnpike Authority		82,620.35	342,620.35
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		4,093.47	4,648.30
		4,285,146.26	8,361,846.78
Reserve for Receivables and Other Assets	A	1,001,233.30	880,241.34
Fund Balance	A-1	8,494,836.39	6,914,150.79
		13,781,215.95	16,156,238.91
Total Regular Fund			
Federal and State Grant Fund:			
Appropriated Reserves:			
Unencumbered	A-13	303,714.52	330,290.93
Encumbered	A-13	54,695.42	46,331.64
Unappropriated Reserves	A-14		33,474.98
		358,409.94	410,097.55
Total Federal and State Grant Fund		358,409.94	410,097.55
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		\$ 14,139,625.89	\$ 16,566,336.46

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

	<u>Ref.</u>	<u>Year Ended December 31,</u>	
		<u>2018</u>	<u>2017</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	\$	3,110,000.00	\$ 2,910,000.00
Miscellaneous Revenue Anticipated		7,527,158.87	7,772,336.79
Receipts from:			
Delinquent Taxes		478,810.37	590,865.28
Current Taxes		93,145,463.46	91,362,878.41
Nonbudget Revenue		821,041.08	461,491.52
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		1,403,084.89	1,003,096.74
Prior Year Senior Citizens' and Veterans' Deductions Allowed			
Cancellations:			
Federal and State Grant Fund:			
Appropriated Reserves		4,612.11	30,200.22
Unappropriated Reserves			38,731.00
Accounts Payable		36,175.57	4,066.52
Interfunds Returned		785.39	
		<u>106,527,131.74</u>	<u>104,173,666.48</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Municipal Purposes		21,196,309.44	20,782,814.45
County Taxes		19,641,550.60	19,060,709.81
Regional School District Taxes		58,674,334.00	57,655,272.00
Special Garbage District Taxes		2,320,493.88	2,211,284.00
Federal and State Grant Fund Receivables Canceled		895.90	43,707.73
Prior Year Senior Citizens' and Veterans' Deductions Disallowed		2,862.32	4,076.02
		<u>101,836,446.14</u>	<u>99,757,864.01</u>
Excess in Revenue/Statutory Excess to Fund Balance	\$	4,690,685.60	\$ 4,415,802.47
<u>Fund Balance</u>			
Balance January 1		<u>6,914,150.79</u>	<u>5,408,348.32</u>
		11,604,836.39	9,824,150.79
Decreased by:			
Utilized as Anticipated Revenue		<u>3,110,000.00</u>	<u>2,910,000.00</u>
Balance December 31	A	<u>\$ 8,494,836.39</u>	<u>\$ 6,914,150.79</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, 2018

	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit *
Fund Balance Anticipated	\$ 3,110,000.00		\$ 3,110,000.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	32,440.00		33,252.00	\$ 812.00
Other	36,769.00		36,259.00	510.00 *
Fees and Permits - Other	506,922.00		620,471.57	113,549.57
Municipal Court:				
Fines and Costs	463,000.00		516,351.69	53,351.69
Interest and Costs on Taxes	126,978.00		139,559.60	12,581.60
Interest on Investments and Deposits	76,000.00		227,865.69	151,865.69
Energy Receipts Tax	3,517,385.00		3,517,385.00	
Uniform Construction Code Fees	387,572.00		516,080.00	128,508.00
Shared Service Agreements - Animal Control	21,196.00		29,234.00	8,038.00
Shared Service Agreements - Senior Center	41,000.00		47,222.69	6,222.69
Shared Service Agreements - Dispatching	177,430.00		177,430.00	
Municipal Alliance on Alcoholism and Drug Abuse		\$ 22,104.00	22,104.00	
Drunk Driving Enforcement Fund		10,553.94	10,553.94	
Clean Communities Grant		48,152.94	48,152.94	
Drive Sober or Get Pulled Over		5,500.00	5,500.00	
Click It or Ticket		5,500.00	5,500.00	
NJ Transit Operating Bus Shuttle		150,000.00	150,000.00	
Recycling Tonnage Grant	33,474.98		33,474.98	
Target NNO Grant		1,000.00	1,000.00	
Child Passenger Safety Grant		7,000.00	7,000.00	
Driving Distracted Crackdown		6,600.00	6,600.00	
Bullet Proof Vest Partnership Grant		3,524.50	3,524.50	
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	92,653.00		116,748.00	24,095.00
Wheaton Pointe - In Lieu of Taxes	25,280.00		25,236.82	43.18 *
Reserve for Open Space Trust	36,000.00		36,000.00	
Reserve for Open Space Trust - General Capital	34,000.00		34,000.00	
Developers' Detention Basin	112,000.00		112,000.00	
Life Hazard Use Payments	46,957.00		76,293.84	29,336.84
General Capital Fund Surplus	419,587.47		419,587.47	
Hotel Tax	210,000.00		265,271.64	55,271.64
Farm Leases	2,000.00		14,919.50	12,919.50
Reserve for Sale of Municipal Assets	260,000.00		260,000.00	
	6,671,224.45	259,935.38	7,527,158.87	595,999.04
Receipt from Delinquent Taxes	460,000.00		478,810.37	18,810.37
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	12,204,285.55		13,436,084.98	1,231,799.43
Budget Totals	22,445,510.00	259,935.38	24,552,054.22	\$ 1,846,608.84
Nonbudget Revenue			821,041.08	
	\$ 22,445,510.00	\$ 259,935.38	\$ 25,373,095.30	

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018
(Continued)

Allocation of Current Tax Collections:

Revenue from Collection of Current Taxes	\$ 93,145,463.46
Allocated to County, Regional School District and Special Garbage District Taxes	80,636,378.48
Balance for Support of Municipal Budget	12,509,084.98
Add: Appropriation "Reserve for Uncollected Taxes"	927,000.00
Realized for Support of Municipal Budget	\$ 13,436,084.98

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 467,746.85
Tax Title Lien Collections	11,063.52
	\$ 478,810.37

Analysis of Fees and Permits - Other:

Treasurer:	
Cable Television Franchise Fees	\$ 357,660.51
Fire Inspector	131,632.00
Housing Inspection	45,950.00
Police	785.00
Municipal Clerk	42,188.00
Police Special Duty Administration and Vehicle Fees	9,200.00
Senior Center Classes	29,560.00
Board of Health/Registrar of Vital Statistics	28,009.00
Planning and Zoning Board of Adjustment	4,955.00
Engineering	1,856.06
Elevator Inspection Administration Fees	4,132.00
Park Permits	260.00
Rent Control Fees	543.00
	\$ 656,730.57

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018
(Continued)

Analysis of Farm Leases:

Collections	\$	16,219.50
Less: Refunds		1,300.00
		14,919.50
	\$	14,919.50

Analysis of Nonbudget Revenue:

Miscellaneous Revenue Not Anticipated:

Treasurer:

Municipal Clerk	\$	168,154.22
Payment In Lieu of Taxes		556,432.53
Payment In Lieu of Taxes - Due to County		28,652.09
Tax Assessor		10,927.50
Prior Year Reimbursements		26,033.00
Municipal Registrar		5,060.10
Police		6,238.00
Senior Citizens' and Veterans' Deductions - Administrative Costs		1,767.75
Outdoor Advertising		3,000.00
Homestead Rebate - Administrative Costs		883.80
Code Enforcement		2.00
Engineering		96.00
Other Miscellaneous		13,794.09
		13,794.09
	\$	821,041.08

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, 2018

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
GENERAL GOVERNMENT:					
Manager's Office:					
Salaries & Wages	\$ 104,161.00	\$ 104,161.00	\$ 59,115.10	\$ 15,045.90	\$ 30,000.00
Other Expenses	140,065.00	140,065.00	118,707.59	21,357.41	
Human Resources:					
Other Expenses	20,000.00	20,000.00	9,732.00	10,268.00	
Township Council:					
Salaries & Wages	85,463.00	85,463.00	85,455.72	7.28	
Other Expenses	8,222.00	8,222.00	7,499.66	722.34	
Municipal Clerk:					
Salaries & Wages	116,000.00	116,000.00	92,437.73	23,562.27	
Other Expenses	20,700.00	20,700.00	9,349.89	11,350.11	
Elections:					
Other Expenses	10,000.00	10,000.00	8,075.00	1,925.00	
Financial Administration:					
Salaries & Wages	184,650.00	184,650.00	183,943.61	706.39	
Other Expenses	11,300.00	11,300.00	9,960.41	1,339.59	
Annual Audit	33,000.00	33,000.00	33,000.00		
Data Processing:					
Other Expenses	60,000.00	60,000.00	50,238.01	9,761.99	
Tax Collection (Revenue Administration):					
Salaries & Wages	159,783.00	159,783.00	116,490.68	3,292.32	40,000.00
Other Expenses	8,187.00	8,187.00	6,176.36	2,010.64	
Assessment of Taxes:					
Salaries & Wages	150,634.00	150,634.00	150,632.82	1.18	
Other Expenses	7,645.00	7,645.00	6,869.92	775.08	
Legal Services and Costs:					
Salaries & Wages	30,000.00	30,000.00	27,500.04	2,499.96	
Other Expenses	65,000.00	65,000.00	16,113.00	48,887.00	

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEARENDED DECEMBER 31, 2018
(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	\$ 62,103.00	\$ 62,103.00	\$ 62,102.98	\$ 0.02	
Other Expenses	3,435.00	3,435.00	2,590.75	844.25	
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	42,840.00	42,840.00	41,953.80	886.20	
Other Expenses	13,855.00	13,855.00	12,278.90	1,576.10	
Board of Adjustment:					
Other Expenses	5,082.00	5,082.00	4,293.82	788.18	
Insurance:					
Liability Insurance	229,409.00	229,409.00	214,345.56	15,063.44	
Worker's Compensation Insurance	109,400.00	109,400.00	109,400.00		
Employee Group Insurance	3,902,327.00	3,902,327.00	3,406,685.17	230,641.83	\$ 265,000.00
PUBLIC SAFETY:					
Police:					
Salaries & Wages	5,649,488.00	5,649,788.00	5,148,237.93	362,550.07	130,000.00
Other Expense - Uniform Service	207,318.00	207,318.00	201,911.05	5,406.95	
Other Expense - Investigative Service	20,525.00	20,525.00	12,296.87	8,228.13	
Other Expense - Crime Prevention	4,410.00	4,410.00	4,410.00		
Other Expense - General Administration	59,521.00	59,521.00	46,721.98	12,799.02	
Other Expense - Support Service	47,028.00	47,028.00	44,177.27	2,850.73	
Other Expense - Training	153,815.00	153,815.00	73,704.65	35,110.35	45,000.00
Police Communications:					
Other Expense	582,893.00	582,893.00	580,983.26	1,909.74	

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018
(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	40,800.00	40,800.00	\$ 40,800.00		
Aid to Volunteer Fire Companies:					
Other Expenses	76,370.00	76,370.00	76,240.36	129.64	
Aid to Volunteer Ambulance Companies:					
Other Expenses - Contributions	97,416.00	97,416.00	97,323.53	92.47	
Other Expenses - Miscellaneous					
Fire Prevention:					
Salaries & Wages	89,375.00	89,375.00	89,236.89	138.11	
Other Expenses	13,800.00	13,800.00	13,493.97	306.03	
Fire:					
Other Expenses	134,850.00	134,850.00	134,818.56	31.44	
Other Expenses - SFSP					
Municipal Court:					
Salaries & Wages	340,147.00	340,147.00	290,552.71	1,324.29	\$ 48,270.00
Other Expenses	35,400.00	42,485.00	25,881.41	16,603.59	
Public Defender:					
Salaries & Wages	4,500.00	4,500.00		4,500.00	
Municipal Prosecutor:					
Salaries & Wages	36,845.00	29,760.00	29,759.31	0.69	
Juvenile Conference Bureau:					
Salaries & Wages	4,060.00	4,060.00	2,994.46	1,065.54	
Other Expenses	325.00	325.00		325.00	
PUBLIC WORKS FUNCTIONS:					
Road Repairs and Maintenance:					
Salaries & Wages	278,055.00	278,055.00	215,434.54	62,620.46	
Other Expenses	140,090.00	140,090.00	131,087.49	4,002.51	5,000.00

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
PUBLIC WORKS FUNCTIONS (Cont'd):					
Detection Basin Maintenance:					
Salaries & Wages	\$ 112,000.00	\$ 112,000.00	\$ 112,000.00		
Public Works Administration:					
Salaries & Wages	36,610.00	36,610.00	25,143.16	\$ 11,466.84	
Other Expenses	8,860.00	8,860.00	3,176.40	5,683.60	
Snow Operating Expenses	30,000.00	30,000.00	17,654.73	12,345.27	
Public Building and Grounds - Ward Street:					
Other Expenses	12,000.00	12,000.00	11,992.40	7.60	
Municipal Complex:					
Salaries & Wages	500.00	500.00	95.63	404.37	
Other Expenses	34,705.00	34,705.00	24,569.21	10,135.79	
Police Building:					
Salaries & Wages	94,989.00	94,989.00	92,564.48	2,424.52	
Other Expenses	35,160.00	35,160.00	19,258.84	15,901.16	
Senior Center:					
Salaries & Wages	16,588.00	16,588.00	334.69	16,253.31	
Other Expenses	25,105.00	25,105.00	12,052.04	13,052.96	
Vehicle Maintenance:					
Salaries & Wages	120,109.00	120,109.00	95,969.43	14,139.57	\$ 10,000.00
Other Expenses - Police Vehicles	97,800.00	97,800.00	49,312.43	48,487.57	
Other Expenses - Administrative Vehicles	18,925.00	18,925.00	5,832.95	13,092.05	
Other Expenses - Public Works Vehicles	74,800.00	74,800.00	74,670.91	129.09	
Condominium Community Costs:					
Other Expenses	51,393.00	51,393.00	51,393.00		
HEALTH AND HUMAN SERVICES:					
Board of Health:					
Salaries & Wages - Regular	287,552.00	287,552.00	279,120.59	8,431.41	
Other Expenses	33,480.00	33,480.00	29,107.76	4,372.24	

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018
(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	20,850.00	20,850.00	\$ 15,245.43	5,604.57	
Other Expenses - Communicable Diseases	9,000.00	9,000.00	6,000.00	3,000.00	
Other Expenses - Environmental Services	550.00	550.00	479.00	71.00	
Environmental Commission (N.J.S. 40:56A-1 et seq):					
Other Expenses	2,000.00	2,000.00	1,913.84	86.16	
Animal Control:					
Salaries & Wages	68,198.00	68,198.00	68,198.00		
Other Expenses	4,300.00	4,300.00	1,954.87	2,345.13	
Administration of Public Assistance:					
Salaries & Wages	32,602.00	32,602.00	32,601.58	0.42	
Other Expenses	625.00	625.00		625.00	
Contributions to Social Services Agencies:					
Other Expenses	32,250.00	32,250.00	22,750.00	9,500.00	
PARK AND RECREATION FUNCTIONS:					
Recreation Department:					
Salaries & Wages	66,300.00	75,000.00	73,162.32	1,837.68	
Commission on Aging:					
Other Expenses	1,300.00	1,300.00	825.00	475.00	
Senior Center :					
Salaries & Wages	68,309.00	68,309.00	58,585.90	2,223.10	\$ 7,500.00
Other Expenses	23,910.00	23,910.00	23,069.23	840.77	
Maintenance of Parks:					
Salaries & Wages	146,817.00	146,817.00	107,067.63	39,749.37	
Other Expenses	48,280.00	48,280.00	13,060.66	35,219.34	
UNIFORM CONSTRUCTION CODE:					
Construction Code Official:					
Salaries & Wages	337,580.00	337,580.00	309,241.42	28,338.58	
Other Expenses	8,200.00	8,200.00	7,058.29	1,141.71	

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
UNCLASSIFIED:					
Health Benefit Waiver	\$ 85,000.00	\$ 85,000.00	\$ 69,989.82	\$ 15,010.18	
Sick Leave Trust	170,000.00	170,000.00	170,000.00		
Utilities:					
Electricity	167,000.00	167,000.00	166,827.81	172.19	
Street Lighting	88,500.00	88,500.00	67,617.31	20,882.69	
Telephone	95,500.00	95,500.00	89,521.62	5,978.38	
Gas	63,000.00	63,000.00	39,613.00	23,387.00	
Fuel Oil	4,500.00	4,500.00	1,632.05	2,867.95	
Gasoline	165,750.00	165,750.00	128,117.68	37,632.32	
Total Operations Within "CAPS"	16,407,639.00	16,407,639.00	14,483,795.87	1,343,073.13	\$ 580,770.00
Detail:					
Salaries & Wages	8,726,258.00	8,719,173.00	7,849,933.15	603,469.85	265,770.00
Other Expenses	7,681,381.00	7,688,466.00	6,633,862.72	739,603.28	315,000.00
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS":					
Statutory Expenditures:					
Contribution to:					
Public Employees Retirement System of NJ (P.L., 2003, C.108)	416,350.00	416,350.00	405,321.38	11,028.62	
Social Security System (O.A.S.I.)	730,000.00	730,000.00	622,504.86	107,495.14	
Police and Firemen's Retirement System of NJ (P.L., 2003, C.108)	1,260,500.00	1,260,500.00	1,229,338.00	31,162.00	
Defined Contribution Retirement Plan	5,000.00	5,000.00	2,559.37	2,440.63	
New Jersey Unemployment Insurance	35,000.00	35,000.00	22,906.22	12,093.78	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	2,446,850.00	2,446,850.00	2,282,629.83	164,220.17	
Total General Appropriations for Municipal Purposes Within "CAPS"	18,854,489.00	18,854,489.00	16,766,425.70	1,507,293.30	580,770.00

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018
(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	24,400.00	24,400.00	24,388.00	12.00	
Animal Control - Salaries & Wages	10,000.00	10,000.00	7,197.08	2,802.92	
Dispatching	177,430.00	177,430.00	177,430.00		
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 +\$48,152.94)		48,152.94	48,152.94		
Highistown 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	33,475.00	33,475.00	33,474.98		\$ 0.02
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 +\$3,524.50)		3,524.50	3,524.50		
Drunk Driving Enforcement Fund (N.J.S.A. 40A:4-87 +\$10,553.94)		10,553.94	10,553.94		
Driving Distracted Crackdown (N.J.S.A. 40A:4-87 +\$6,600.00)		6,600.00	6,600.00		
Drive Sober or Get Pulled Over (N.J.S.A. 40A:4-87 +\$5,500.00)		5,500.00	5,500.00		
Target National Night Out (NNO) Grant (N.J.S.A. 40A:4-87 +\$1,000.00)		1,000.00	1,000.00		
Child Passenger Safety Grant (N.J.S.A. 40A:4-87 +\$7,000.00)		7,000.00	7,000.00		
Matching Funds for Grants	3,500.00	3,500.00		3,500.00	
Total Operations Excluded from "CAPS"	369,635.00	629,570.38	548,255.44	81,314.92	0.02
Detail:					
Salaries & Wages	10,000.00	10,000.00	7,197.08	2,802.92	
Other Expenses	359,635.00	619,570.38	541,058.36	78,512.00	0.02

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018
(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	1,155,000.00	1,155,000.00	1,155,000.00		
Payment of Bond Anticipation Notes	350,000.00	350,000.00	350,000.00		
Interest on Bonds	357,100.00	357,100.00	357,082.50		\$ 17.50
Interest on Notes	247,876.00	247,876.00	247,874.99		1.01
Green Trust Loan Program: Loan Repayments for Principal and Interest	67,190.00	67,190.00	67,188.94		1.06
NJ Environmental Infrastructure Trust: Loan Repayments for Principal and Interest	57,220.00	57,220.00	55,873.65		1,346.35
Total Municipal Debt Service - Excluded from "CAPS"	2,234,386.00	2,234,386.00	2,233,020.08		1,365.92
Total General Appropriations - Excluded from "CAPS"	2,664,021.00	2,923,956.38	2,841,275.52	\$ 81,314.92	1,365.94
Subtotal General Appropriations	21,518,510.00	21,778,445.38	19,607,701.22	1,588,608.22	582,135.94
Reserve for Uncollected Taxes	927,000.00	927,000.00	927,000.00		
Total General Appropriations	\$ 22,445,510.00	\$ 22,705,445.38	\$ 20,534,701.22	\$ 1,588,608.22	\$ 582,135.94

Ref.

A

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018
(Continued)

	<u>Ref.</u>	<u>Analysis of</u>	
		<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget		\$ 22,445,510.00	
Added by N.J.S.A. 40A:4-87		<u>259,935.38</u>	
		<u>\$ 22,705,445.38</u>	
Reserve for Uncollected Taxes			\$ 927,000.00
Reserve for Encumbrances	A		925,540.38
Due Federal and State Grant Fund			333,990.36
Cash Disbursed			<u>19,461,813.55</u>
			21,648,344.29
Less: Appropriation Refunds			<u>1,113,643.07</u>
			<u>\$ 20,534,701.22</u>

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

TOWNSHIP OF EAST WINDSOR
COUNTY OF MERCER
2018
TRUST FUNDS

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

		December 31,	
	Ref.	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>			
Assessment Trust Fund:			
Prospective Assessments Funded		\$ 759,000.00	\$ 759,000.00
Animal Control Fund:			
Cash and Cash Equivalents	B-4	<u>24,955.41</u>	<u>26,834.20</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	<u>15,404,876.28</u>	<u>14,199,494.31</u>
TOTAL ASSETS		<u>\$ 16,188,831.69</u>	<u>\$ 14,985,328.51</u>

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

		December 31,	
	Ref.	2018	2017
<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		252.60	
Due to Current Fund - Statutory Excess	A	356.81	892.20
Reserve for Animal Control Expenditures	B-6	24,346.00	25,942.00
		24,955.41	26,834.20
Other Trust Funds:			
Tax Sale Premiums		257,500.00	330,100.00
Third Party Lien Redemption		45,862.20	123,796.51
Escrow Funds		2,582,733.05	2,961,426.72
Reserve for:			
Special Duty Police Services		13,399.02	12,858.02
Affordable Housing - Revolving Loan Program		64,003.76	64,003.76
Drug Alliance Committee		945.00	945.00
Elevator Inspections		3,671.00	1.00
Forfeited Property Fund		15,159.76	13,935.23
Giving Tree Seniors		4,498.72	4,498.72
Mayor's Trust		12,005.33	14,540.33
Memorial Tree Grove Program		25.00	25.00
Community Garden Deposits		800.00	800.00
Donated Property Funds		25,000.00	25,000.00
Open Space Contribution		296,851.57	274,651.57
Parking Offense Adjudication Act		846.08	774.08
Public Defender Fees		5,733.78	4,189.84
Recreation Commission		201,935.58	157,672.98
Recreation Donations		293.00	293.00
Seniors' Program		1,962.18	7,342.18
Sick Leave		108,178.40	73,201.79
Tree Escrow		357,642.00	357,642.00
Affordable Housing		5,071,449.02	3,958,865.32
Administration & Vehicle Fees		690.77	431.26
Street Opening		3,000.00	3,000.00
Uniform Fire Safety Act Penalties		14,250.00	12,150.00
Tree Assessment		513.00	513.00
Off-Tract Improvements		6,315,928.06	5,796,837.00
		15,404,876.28	14,199,494.31
TOTAL LIABILITIES AND RESERVES		\$ 16,188,831.69	\$ 14,985,328.51

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, 2018

NOT APPLICABLE

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

TOWNSHIP OF EAST WINDSOR
ASSESSMENT TRUST FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

NOT APPLICABLE

ASSESSMENT TRUST FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

NOT APPLICABLE

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

TOWNSHIP OF EAST WINDSOR
COUNTY OF MERCER
2018
GENERAL CAPITAL FUND

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

	Ref.	December 31,	
		2018	2017
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 2,023,704.14	\$ 2,583,349.19
Grants Receivable		1,488,236.00	2,578,800.00
Prospective Assessments Raised by Taxation		20,472.00	20,472.00
Deferred Charges to Future Taxation:			
Funded		8,368,139.93	9,639,252.94
Unfunded	C-4	19,038,756.40	19,657,756.40
TOTAL ASSETS		<u>\$ 30,939,308.47</u>	<u>\$ 34,479,630.53</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-8	\$ 7,933,000.00	\$ 9,088,000.00
Green Trust Loans Payable	C-9	104,595.15	168,728.58
NJ Environmental Infrastructure Trust Loan Payable	C-9A	330,544.78	382,524.36
Bond Anticipation Notes Payable	C-7	10,200,000.00	9,915,000.00
Improvement Authorizations:			
Funded	C-5	378,807.50	888,857.50
Unfunded	C-5	10,171,917.02	12,001,454.63
Capital Improvement Fund	C-6	108,920.93	48,920.93
Reserve for:			
Purchase of Open Space		88.49	34,088.49
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		1,182,144.08	1,425,988.05
Payment of Debt Service		4,130.17	4,130.17
Fund Balance	C-1	422,810.00	419,587.47
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 30,939,308.47</u>	<u>\$ 34,479,630.53</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, 2017	C	\$ 419,587.47
Increased by:		
Premium on Sale of Notes		\$ 122,810.00
Improvement Authorizations Canceled		<u>300,000.00</u>
		<u>422,810.00</u>
		842,397.47
Decreased by:		
Appropriated as 2018 Budget Revenue - Current Fund		<u>419,587.47</u>
		<u>419,587.47</u>
Balance December 31, 2018	C	<u><u>\$ 422,810.00</u></u>

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

TOWNSHIP OF EAST WINDSOR
COUNTY OF MERCER
2018
WATER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF EAST WINDSOR
COUNTY OF MERCER
2018
SEWER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF EAST WINDSOR
COUNTY OF MERCER
2018
PUBLIC ASSISTANCE FUND

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

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2018</u>	<u>2017</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	F-1	\$ 54,970.28	\$ 68,428.28
TOTAL ASSETS		<u>\$ 54,970.28</u>	<u>\$ 68,428.28</u>
 <u>LIABILITIES AND RESERVES</u>			
Prepaid State Aid		\$ 36,848.42	\$ 50,306.42
Reserve for Public Assistance Expenditures		<u>18,121.86</u>	<u>18,121.86</u>
TOTAL LIABILITIES AND RESERVES		<u>\$ 54,970.28</u>	<u>\$ 68,428.28</u>

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

TOWNSHIP OF EAST WINDSOR
COUNTY OF MERCER
2018
SPECIAL GARBAGE DISTRICT FUND

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

	Ref.	December 31,	
		<u>2018</u>	<u>2017</u>
<u>ASSETS</u>			
Cash and Cash Equivalents:	G-4	\$ 1,553,976.10	\$ 1,570,502.45
TOTAL ASSETS		<u>\$ 1,553,976.10</u>	<u>\$ 1,570,502.45</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Appropriation Reserves:			
Unencumbered	G-3;G-6	\$ 370,374.88	\$ 379,415.38
Encumbered	G-3;G-6	74,666.12	27,442.10
		<u>445,041.00</u>	<u>406,857.48</u>
Accounts Payable - Vendors		7,495.22	15,100.00
Fund Balance	G-1	<u>1,101,439.88</u>	<u>1,148,544.97</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 1,553,976.10</u>	<u>\$ 1,570,502.45</u>

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,	
		2018	2017
<u>Revenue and Other Income Realized</u>			
Fund Balance Anticipated		\$ 395,000.00	\$ 274,020.00
District Tax		2,320,493.88	2,211,284.00
Nonbudget Revenue		7,744.69	8,126.39
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		296,313.34	311,103.17
		<u>3,019,551.91</u>	<u>2,804,533.56</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		2,608,657.00	2,422,304.00
Statutory Expenditures		63,000.00	63,000.00
		<u>2,671,657.00</u>	<u>2,485,304.00</u>
Excess in Revenues/Statutory Excess to Fund Balance		347,894.91	319,229.56
<u>Fund Balance</u>			
Balance January 1		1,148,544.97	1,103,335.41
		<u>1,496,439.88</u>	<u>1,422,564.97</u>
Decreased by:			
Utilized as Anticipated Revenue:		395,000.00	274,020.00
Balance December 31	G	<u>\$ 1,101,439.88</u>	<u>\$ 1,148,544.97</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, 2018

	<u>Budget</u>	<u>Realized</u>	<u>Excess</u>
Fund Balance Anticipated	\$ 395,000.00	\$ 395,000.00	
Special District Tax	2,276,657.00	2,320,493.88	\$ 43,836.88
Budget Totals	2,671,657.00	2,715,493.88	43,836.88
Nonbudget Revenue		7,744.69	7,744.69
	<u>\$ 2,671,657.00</u>	<u>\$ 2,723,238.57</u>	<u>\$ 51,581.57</u>

Analysis of Nonbudget Revenue

Interest on Investments and Deposits	\$ 4,358.97	
Sale of Recyclables	3,385.72	
		<u>\$ 7,744.69</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, 2018

	Appropriation		Expended By	
	Budget	Budget After Modification	Paid or Charged	Reserved
Operating:				
Salaries and Wages	\$ 983,607.00	\$ 983,607.00	\$ 926,632.55	\$ 56,974.45
Other Expenses	562,550.00	562,550.00	504,173.89	58,376.11
Contractual Services	95,000.00	111,000.00	105,104.52	5,895.48
Disposal Fees	771,000.00	755,000.00	517,968.71	237,031.29
Recycling Tax	18,000.00	18,000.00	12,509.30	5,490.70
Employee Group Insurance	178,500.00	178,500.00	178,500.00	
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	58,500.00	58,500.00	51,893.15	6,606.85
Unemployment Compensation Insurance	4,500.00	4,500.00	4,500.00	
	<u>\$ 2,671,657.00</u>	<u>\$ 2,671,657.00</u>	<u>\$ 2,301,282.12</u>	<u>\$ 370,374.88</u>
				G
Cash Disbursed			\$ 2,232,628.43	
Encumbrances	G		74,666.12	
			<u>2,307,294.55</u>	
Less: Appropriation Refunds			6,012.43	
			<u>\$ 2,301,282.12</u>	

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

TOWNSHIP OF EAST WINDSOR
COUNTY OF MERCER
2018
GENERAL FIXED ASSETS ACCOUNT GROUP

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

	December 31,	
	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
Land	\$ 1,092,084.00	\$ 1,092,084.00
Buildings and Improvements	6,184,430.00	6,244,612.00
Vehicles	5,208,037.00	5,481,536.00
Machinery and Equipment	3,515,179.00	3,634,120.00
TOTAL ASSETS	<u>\$ 15,999,730.00</u>	<u>\$ 16,452,352.00</u>
 <u>RESERVES</u>		
Reserve for Fixed Assets	<u>\$ 15,999,730.00</u>	<u>\$ 16,452,352.00</u>
TOTAL RESERVES	<u>\$ 15,999,730.00</u>	<u>\$ 16,452,352.00</u>

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, 2018

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, 2018
(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 – 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, 2018
(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 OPEB liability and net pension liability and related deferred inflows and outflows, where applicable, 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, 2018
(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 – 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, 2018
(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,		
	2018	2017	2016
<u>Issued:</u>			
General:			
Bonds, Notes and Loans	\$ 18,568,140	\$ 19,554,253	\$ 16,869,294
Total Issued	<u>18,568,140</u>	<u>19,554,253</u>	<u>16,869,294</u>
Less:			
Bonds and Notes Authorized but not Issued	6,900,000	6,900,000	
Funds Temporarily Held to Pay Debt Service	4,130	4,130	49,130
Net Debt Issued	<u>11,664,010</u>	<u>19,550,123</u>	<u>16,820,164</u>
<u>Authorized but not Issued:</u>			
General:			
Bonds and Notes	8,907,221	9,811,221	5,562,556
Total Authorized but not Issued	<u>8,907,221</u>	<u>9,811,221</u>	<u>5,562,556</u>
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u>\$ 20,571,231</u>	<u>\$ 29,361,344</u>	<u>\$ 22,382,720</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 .725%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District Debt	\$ 27,660,258	\$ 27,660,258	
General Debt	<u>27,475,361</u>	<u>6,904,130</u>	<u>\$ 20,571,231</u>
	<u>\$ 55,135,620</u>	<u>\$ 34,564,389</u>	<u>\$ 20,571,231</u>

Net Debt: \$20,571,231 divided by Average Equalized Valuations of \$2,837,282,931.67 of Real Property = .725%.

TOWNSHIP OF EAST WINDSOR
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2018
 (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	\$ 99,304,903
Net Debt	20,571,231
Remaining Borrowing Power	\$ 78,733,671

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

	Balance 12/31/2017	Additions	Retirements	Balance 12/31/2018
Serial Bonds:				
General Capital Fund	\$ 9,088,000		\$ 1,155,000	\$ 7,933,000
Bond Anticipation Notes:				
General Capital Fund	9,915,000	\$ 10,200,000	9,915,000	10,200,000
Loans Payable:				
General Capital Fund:				
Green Trust	168,728		64,133	104,595
NJEIT	382,525		51,980	330,545
Total	\$ 19,554,253	\$ 10,200,000	\$ 11,186,113	\$ 18,568,140

	Balance 12/31/2016	Additions	Retirements	Balance 12/31/2017
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	\$ 16,869,294	\$ 9,915,000	\$ 7,230,041	\$ 19,554,253

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

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

The Township's debt issued and outstanding on December 31, 2018 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, 2018</u>
General Obligation	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>\$ 7,933,000</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, 2018</u>
Capital Improvements	12/08/18	12/06/19	3.500%	<u>\$ 10,200,000</u>
 <u>General Capital Green Acres Trust Loans</u> 				
<u>Purpose</u>	<u>Issue Date</u>	<u>Final</u>	<u>Interest</u>	<u>Balance</u>
		<u>Maturity Date</u>	<u>Rate</u>	<u>Dec. 31, 2018</u>
East Windsor Open Space	12/25/02	06/25/22	2.00%	<u>\$ 104,595</u>
 <u>General Capital NJ Environmental Infrastructure Trust Loan</u> 				
<u>Purpose</u>	<u>Issue Date</u>	<u>Final</u>	<u>Interest</u>	<u>Balance</u>
		<u>Maturity Date</u>	<u>Rate</u>	<u>Dec. 31, 2018</u>
Acquisition of Land	08/01/06	08/01/25	4-4.375%	<u>\$ 330,545</u>
Total Debt Issued and Outstanding				<u>\$ 18,568,140</u>

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(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

<u>Calendar Year</u>	<u>General</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
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
2023	1,446,016	116,489	1,562,505
Thereafter:			
2024-2025	1,551,435	60,488	1,611,923
Total	<u>\$ 8,368,140</u>	<u>\$ 1,151,652</u>	<u>\$ 9,519,792</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, 2018 was \$104,595. 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, 2018, the Township had borrowed or "drawn down" \$853,055 for this project and the balance of the loans was \$330,545. 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, 2018
(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, 2018 was calculated to be \$9,007,498. The State of New Jersey Police and Firemen's Retirement System's (PFRS) net pension liability was calculated to be \$18,292,489 at June 30, 2018. See Note 6 for further information on the PERS and PFRS.

Net OPEB Liability

The Township's Net OPEB liability related to the State Health Benefit Local Government Retired Employees Plan at June 30, 2017 was calculated to be \$28,799,328. Additionally, the State's proportionate share of the net OPEB liability attributable to the Township at June 30, 2017 was \$13,120,422. See Note 19 for further information on these net OPEB liabilities.

Note 3: Fund Balances Appropriated

Fund balances at December 31, 2018 which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2019 are as follows:

Current Fund	\$ 3,110,000
Special Garbage District Fund	395,000
General Capital Fund Balance Anticipated in Current Fund Budget	75,000

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, 2018, 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).

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 6: Pension Plans (Cont'd)

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.state.nj.us/treasury/pensions/financial-reports.shtml.

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and 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.

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 6: Pension Plans (Cont'd)

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

Contributions (Cont'd)

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 is being paid by the employer in level annual payments over a period of 15 years, which began with the payments due in the fiscal year ended June 30, 2012 and are adjusted by the rate of return on the actuarial value of assets.

Township contributions to PERS amounted to \$405,321 for 2018.

The employee contribution rate was 7.34% effective July 1, 2017 and increased to 7.50% effective July 1, 2018. Subsequent increases after October 1, 2011 were 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, 2018, the Township's liability was \$9,007,498 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. 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, 2018, the Township's proportion was 0.0457%, which was a decrease of 0.007% from its proportion measured as of June 30, 2017.

For the year ended December 31, 2017, the Township recognized actual pension expense in the amount of \$405,321.

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. 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 Conduent modified 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.

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 6: Pension Plans (Cont'd)

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

Actuarial Assumptions (Cont'd)

In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. 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).

The actuarial assumptions used in the July 1, 2017 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, 2018) 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, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Management Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
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 Equity	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, 2018
(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 5.66% as of June 30, 2018. 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 3.87% as of June 30, 2018 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 June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046, 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 December 31, 2018 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, 2018		
	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
Township's proportionate share of the Net Pension Liability	\$ 11,325,891	\$ 9,007,498	\$ 7,062,515

Pension Plan Fiduciary Net Position

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.state.nj.us/treasury/pensions/financial-reports.shtml.

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
 (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
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year 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 the retirement system, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability is being paid by the employer in level annual amounts over a period of 15 years, which began with the payments due in the fiscal year ended June 30, 2012 and are adjusted by the rate of return on the actuarial value of the assets.

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.

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 6: Pension Plans (Cont'd)

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

Special Funding Situation (Cont'd)

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, 2018 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, 2018 is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2018. The pension expense is deemed to be a State administrative expense due to the special funding situation.

Township contributions to PFRS amounted to \$1,229,338 for the year ended December 31, 2018. During the fiscal year ended June 30, 2018, the State of New Jersey contributed \$147,156 to the PFRS for normal pension benefits on behalf of the Township, which is less than the contractually required contribution of \$294,313.

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

Pension Liabilities and Pension Expense

At June 30, 2018 the Township's liability for its proportionate share of the net pension liability was \$18,292,489. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. 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, 2018, the Township's proportion was 0.1352%, which was a decrease of 0.0037% from its proportion measured as of June 30, 2017.

Additionally, the State's proportionate share of the net pension liability attributable to the Township is \$2,484,732 as of June 30, 2018. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. 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, 2018, the State's proportion was 0.1352%, which was a decrease of 0.0037% from its proportion measured as of June 30, 2017 which is the same proportion as the Township's.

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 6: Pension Plans (Cont'd)

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

Pension Liabilities and Pension Expense (Cont'd)

Township's Proportionate Share of the Net Pension Liability	\$ 18,292,489
State's Proportionate Share of the Net Pension Liability Associated with the Township	2,484,732
Total Net Pension Liability	\$ 20,777,221

For the year ended December 31, 2018, the Township recognized total pension expense of \$1,229,338.

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. 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 Combined Healthy mortality tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scale thereafter. For pre-retirement accidental mortality, a custom table with representative rates was used and there is no mortality improvement assumed. Post-retirement mortality rates for male service retirements—are based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis using Projection Scale AA from base year of 2012 to 2013 and the Conduent modified 2014 projection scale thereafter. Post-retirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scales thereafter. Disability retirement rates were based on a custom table with representative rates and no mortality improvement assumed.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 6: Pension Plans (Cont'd)

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

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, 2018) 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Management Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
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 Equity	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, 2018
(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 6.51% as of June 30, 2018. 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 3.87% as of June 30, 2018 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 50% 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 June 30, 2062. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through June 30, 2062, 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, 2018 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, 2018		
	1% Decrease (5.51%)	Current Discount Rate (6.51%)	1% Increase (7.51%)
Township's proportionate share of Net Pension Liability and the State's proportionate share of the Net Pension Liability associated with the Township	\$ 27,807,732	\$ 20,777,221	\$ 14,978,330

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, 2018

(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 \$2,559 for 2018. Employee contributions to DCRP were \$5,000 for 2018.

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 \$1,168,904. 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 \$108,178 on the Trust Fund balance sheet at December 31, 2018.

Note 8: 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 9: 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.

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 9: Selected Tax Information (Cont'd)

Comparative Schedule of Tax Rate Information

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.

	2018	2017	2016
<u>Tax Rate</u>	\$ 3.335	\$ 3.332	\$ 3.285

Apportionment of Tax Rate

Municipal	0.434	0.434	0.433
County	0.690	0.683	0.662
Regional School	2.087	2.091	2.066
Special District	0.124	0.124	0.124

Assessed Valuations

2018	\$ 2,811,058,486		
2016		\$ 2,757,172,885	
2015			\$ 2,740,673,616

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>
2018	\$ 93,785,647	\$ 93,145,463	99.32%
2017	91,911,810	91,362,878	99.40%
2016	89,210,917	88,541,369	99.24%

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 10: 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, 2018
(Continued)

Note 10: 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, 2018
(Continued)

Note 10: 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, 2018
(Continued)

Note 10: Cash and Cash Equivalents and Investments (Cont'd)

Investments: (Cont'd)

As of December 31, 2018, 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	\$ 12,778,698	\$ 12,779,733
Federal and State Grant		128,664	128,664
Animal Control		24,955	24,955
Other Trust		15,404,876	15,404,876
General Capital		2,023,704	2,023,704
Public Assistance		54,970	54,970
Special Garbage District		1,553,976	1,553,976
	<u>\$ 1,035</u>	<u>\$ 31,969,843</u>	<u>\$ 31,970,878</u>

During the period ended December 31, 2018, the Township did not hold any investments. The carrying amount of the Township's cash and cash equivalents at December 31, 2018, was \$31,970,878 and the bank balance was \$31,833,804.

Note 11: Interfund Receivables and Payables

The following interfund balances remain on the balance sheet at December 31, 2018:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 357	
Animal Control Fund		\$ 357
	<u>\$ 357</u>	<u>\$ 357</u>

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

Note 12: 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.

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 12: Risk Management (Cont'd)

Property and Liability (Cont'd)

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.

The December 31, 2018, 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	\$ 34,178,795
Net Position	\$ (1,224,017)
Total Revenue	\$ 19,135,208
Total Expenses	\$ 17,993,143
Member Dividends	\$ 246,821
Change in Net Position	\$ 895,244

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 13: Open Space Trust Fund

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

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 14: 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.

Note 15: Fixed Assets

The following schedule is a summarization of general fixed assets for the years ended December 31, 2018 and 2017:

	Balance Dec. 31, 2017	Additions	Disposals	Balance Dec. 31, 2018
Land	\$ 1,092,084			\$ 1,092,084
Buildings and Improvements	6,244,612	\$ 10,999	\$ 71,181.00	6,184,430
Vehicles	5,481,536	203,772	477,271	5,208,037
Machinery and Equipment	3,634,120	91,398	210,339	3,515,179
	<u>\$ 16,452,352</u>	<u>\$ 306,169</u>	<u>\$ 758,791</u>	<u>\$ 15,999,730</u>
	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>

Note 16: 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, 2018
(Continued)

Note 17: 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>2018</u>	<u>2017</u>
Transportation Improvements	\$ 6,082,333.11	\$ 5,451,242.05
Detention Basins	112,897.38	224,897.38
Sidewalks	14,911.98	14,911.98
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>\$ 6,315,928.06</u>	<u>\$ 5,796,837.00</u>

Note 18: 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, 2018, the Township provides a tax abatement to a nonprofit housing corporation for its senior citizen housing development in the Township pursuant to the Township contained in Section 18 of the Limited Dividend Law (N.J.S.A. 55:16-18), Section 30 of the HFA Law (N.J.S.A. 55:14J-30) and a resolution of the Mayor and Township Council and with the approval of the New Jersey Housing Finance Agency (NJHFA) as provided under Section 30(b) of the NJHFA law. In consideration

of the full abatement of taxes, the nonprofit housing corporation is required to pay to the Township an annual service charge for municipal services in an amount not exceeding the tax on the property on which the abatement is received. The tax abatement per the agreement became effective upon the date that a first mortgage upon the development is first executed and shall continue for a period of not more than fifty years therefrom nor less than the term of the related NJHFA mortgage. The annual service charge made by the nonprofit housing corporation will be in an amount not exceeding 6.28% of the annual gross revenues of the housing development as detailed in the tax abatement 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 well tend to accomplish the purposes of the Limited-Dividend Laws and the HFA Law.

The Township recognized revenue in the amount of \$698,417 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 2018 without the abatements would have been \$555,448 of which \$72,283 would have been for the local municipal tax.

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 19: Postemployment Benefits Other Than Pension (OPEB)

State Health Benefit Local Government Retired Employees Plan

General Information about the OPEB Plan

Plan Description

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

Benefits Provided

The Plan provides medical and prescription drug coverage to retirees and their dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 19: Postemployment Benefits Other Than Pension (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

Contributions

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Special Funding Situation

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

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. For New Jersey local governments who report under the regulatory basis of accounting, the net OPEB liability and related deferred inflows are not recorded in the financial statements and there is only note disclosure of this information. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer.

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective inflows of resources, and collective OPEB expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2016 through June 30, 2017. Employer and nonemployer allocation percentages were rounded for presentation purposes.

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

(Continued)

Note 19: Postemployment Benefits Other Than Pension (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

OPEB Expense

The total OPEB liability as of June 30, 2018 was not available from the State of New Jersey Division of Pensions and Benefits as of the date of this report. The total OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017.

At June 30, 2017, the Township had a liability of \$28,799,328 for its proportionate share of the net OPEB liability. At June 30, 2017, the Township's proportion was .150889% which was a decrease of .013772% from its proportion measured as of June 30, 2016. Additionally, the State's proportionate share of the net OPEB liability attributable to the Township at June 30, 2017 was \$13,120,422. At June 30, 2017, the State's proportion related to the Township was .141064%. This is the percentage of the total State Share of the net OPEB liability of the Plan.

For the year ended June 30, 2017 the Township's OPEB expense as determined by the State of New Jersey Division of Pensions and Benefits was \$1,596,799. Additionally, during the year ended June 30, 2017, the State of New Jersey's OPEB expense related to the Township was \$938,977.

The Township's actual post retirement payments in 2018 for 2 retiree employees were \$36,945.

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases*:	
Through 2026	1.65% - 8.98%
Thereafter	2.65% to 9.98%

* - Salary increases are based on the defined benefit plan that the member is enrolled in and his or her age.

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Certain actuarial assumptions used in the June 30, 2016 valuation were based on the results of the pension plans' experience studies for which the members are eligible for coverage under this Plan – the Police and Firemen Retirement System (PFRS) and the Public Employees' Retirement System (PERS). The PFRS and PERS experience studies were prepared for the periods July 1, 2010 to June 30, 2013 and July 1, 2011 – June 30, 2014, respectively.

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 19: Postemployment Benefits Other Than Pension (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long term trend rate after nine years. For self-insured post 65 PPO medical benefits and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate

The discount rate for June 30, 2017 was 3.58%. The discount rate for June 30, 2016 was 2.85%. This represents the municipal bond rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

The following presents the net OPEB Liability of the Township as of June 30, 2017, calculated using the discount rate as disclosed in this note, as well as what the net OPEB Liability of the Township 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		
	At 1% Decrease (2.58%)	At Discount Rate (3.58%)	At 1% Increase (4.58%)
Net OPEB Liability Attributable to the Township	\$ 33,969,666	\$ 28,799,328	\$ 24,696,752

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

The following presents the net OPEB Liability of the Township as of June 30, 2017, calculated using the healthcare trend rate as disclosed in this note, as well as what the net OPEB Liability of the Township would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

TOWNSHIP OF EAST WINDSOR
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
 (Continued)

Note 19: Postemployment Benefits Other Than Pension (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

Sensitivity of the Net OPEB Liability Attributable to the Township to Changes in the Healthcare Trend Rate (Cont'd)

	June 30, 2017		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability Attributable to the Township	\$ 23,933,083	\$ 28,799,328	\$ 35,135,743

TOWNSHIP OF EAST WINDSOR

SUPPLEMENTARY DATA

TOWNSHIP OF EAST WINDSOR
OFFICIALS IN OFFICE AND SURETY BONDS
FOR THE YEAR ENDED DECEMBER 31, 2018

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

Name	Title	Amount of Bond
Janice S. Mironov	Mayor	
John H. Zoller	Deputy Mayor	
Denise A. Daniels	Councilwoman	
Marc Lippman	Councilman	
Peter V. Yeager	Councilman	
Alan Rosenberg	Councilman	
Perry M. Shapiro	Councilman	
James P. Brady	Township Manager (to 01/31/18)	(B)
Richard Brand	Township Manager (from 02/01/18)	(B)
Laurie Finger	Chief Financial Officer	(A)
Anne M. Blake	Tax Collector	(A)
David Levy	Tax Assessor	(B)
Kelly Lettera	Acting Township Clerk (to 04/17/18)	(B)
Kelly Lettera	Township Clerk (from 04/18/18)	
Roman J. Petruniak	Director of Inspections/ Construction Official (to 01/31/18)	(B)
David Larkin	Director of Inspections/ Construction Official (from 02/01/18)	(B)
David E. Orron	Township Attorney	
Jeffrey Rubin	Township Prosecutor (to 10/6/18)	
Robert Janzekovich	Township Prosecutor (from 10/7/18)	
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
2018
CURRENT FUND

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
SCHEDULE OF CASH-TREASURER

	<u>Ref.</u>	
Balance December 31, 2017	A	\$ 15,274,962.57
Increased by Receipts:		
Tax Collector	\$	89,719,667.17
Revenue Accounts Receivable		6,451,758.40
Miscellaneous Revenue Not Anticipated		821,041.08
Petty Cash Returned		275.00
Interest on Investments and Deposits		227,865.69
Due State of New Jersey:		
Senior Citizens' and Veterans' Deductions		88,387.68
Marriage License Fees		4,200.00
DCA Training Fees		50,499.00
Domestic Partnership		25.00
Reserve for:		
Sale of Municipal Assets		61,635.61
Appropriation Refunds		1,113,643.07
Appropriation Reserve Refunds		7,229.10
		98,546,226.80
		113,821,189.37
Decreased by Disbursements:		
2018 Appropriation Expenditures		19,461,813.55
2017 Appropriation Reserve Expenditures		765,519.18
Change Fund Advanced		275.00
Regional High School Taxes		58,674,334.00
County Taxes		19,640,082.25
Special Garbage District Taxes		2,320,493.88
Accounts Payable		16,206.49
Due Federal and State Grant Fund:		
Interfund - Budget Appropriation		28,000.00
Due State of New Jersey:		
Marriage License Fees		4,225.00
DCA Training Fees		64,645.00
Domestic Partnership		25.00
Reserve for Hurricane Irene:		
Federal Emergency Management Agency		554.83
Refund of:		
Tax Overpayments		66,317.54
		101,042,491.72
Balance December 31, 2018	A	\$ 12,778,697.65

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2018

Increased by Receipts:

Taxes Receivable	\$ 88,266,052.86	
Tax Title Liens	11,063.52	
Interest and Costs on Taxes	139,559.60	
2019 Prepaid Taxes	1,057,209.13	
Tax Overpayments	70,893.55	
Payment in Lieu of Taxes:		
Saint James Village Senior Citizen Complex	116,748.00	
Wheaton Pointe	25,236.82	
Miscellaneous Revenue Not Anticipated	<u>32,903.69</u>	
		\$ 89,719,667.17
Tax Sale Premiums	69,400.00	
Outside Liens	<u>500,190.86</u>	
		<u>569,590.86</u>
		<u>90,289,258.03</u>
Decreased by:		
Payments to Municipal Treasurer	89,719,667.17	
Payments to Other Trust Fund	<u>569,590.86</u>	
		<u>\$ 90,289,258.03</u>

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

	<u>Ref.</u>		
Balance December 31, 2017	A		\$ 175,477.04
Increased by Receipts:			
Grants Receivable		\$ 276,494.00	
Due Current Fund:			
Interfund - Budget Appropriations		28,000.00	
Appropriation Refunds		5,856.89	
		<hr/>	310,350.89
			<hr/>
			485,827.93
Decreased by Disbursements:			
Current Year Expenditures		307,116.15	
Prior Year Encumbrances		46,331.64	
Due Current Fund:			
Grant Balances Cancelled, Net		3,716.21	
		<hr/>	357,164.00
			<hr/>
Balance December 31, 2018	A		<u><u>\$ 128,663.93</u></u>

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

Year	Balance Dec. 31, 2017	2018 Levy	Added Taxes	Collections		State of NJ Senior Citizens' and Veterans' Deductions	Canceled	Transferred to Tax Title Liens	Balance Dec. 31, 2018
				2017	2018				
2017	\$ 463,881.70		\$ 4,292.38	\$	\$ 467,746.85	\$ (2,862.32)	\$ 0.01	\$ 3,289.54	
2018		\$ 93,785,647.40		\$ 5,257,277.99	\$ 87,798,306.01	\$ 89,879.46	\$ 57,686.75	\$ 16,241.45	\$ 566,255.74
	\$ 463,881.70	\$ 93,785,647.40	\$ 4,292.38	\$ 5,257,277.99	\$ 88,266,052.86	\$ 87,017.14	\$ 57,686.76	\$ 19,530.99	\$ 566,255.74

Ref. A

Analysis of 2018 Property Tax Levy

Tax Yield:

General Purpose Tax	\$ 92,384,410.68
Business Personal Property Taxes	153,114.39
Added and Omitted Taxes	1,248,122.33
	<u>\$ 93,785,647.40</u>

Tax Levy:

Regional School District Taxes	
Special Garbage District Taxes	\$ 58,674,334.00
County Taxes:	2,320,493.88
General Tax	\$ 16,953,344.78
Library Tax	1,714,919.92
Open Space Tax	715,107.06
Due County for Added and Omitted Taxes	258,178.84
	<u>19,641,550.60</u>
	80,636,378.48

Local Tax for Municipal Purposes Levied

Add: Additional Tax Levied	12,204,285.55
	<u>944,983.37</u>
	13,149,268.92
	<u>\$ 93,785,647.40</u>

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>	
Balance December 31, 2017	A	\$ 230,690.89
Increased by:		
Transfer from Taxes Receivable		\$ 19,530.99
Interest and Costs Accrued at Tax Sale		238.47
		<hr style="width: 100%; border: 0.5px solid black;"/>
		19,769.46
		<hr style="width: 100%; border: 0.5px solid black;"/>
		250,460.35
Decreased by:		
Cash Collections		11,063.52
Transferred to Foreclosed Property		2,443.01
		<hr style="width: 100%; border: 0.5px solid black;"/>
		13,506.53
		<hr style="width: 100%; border: 0.5px solid black;"/>
Balance December 31, 2018	A	<u><u>\$ 236,953.82</u></u>

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2017	Accrued in 2018	Collected by		Balance Dec. 31, 2018
			Collector	Treasurer	
Licenses:					
Alcoholic Beverages		\$ 33,252.00		\$ 33,252.00	
Other		36,259.00		36,259.00	
Fees and Permits - Other		620,471.57		620,471.57	
Municipal Court:					
Fines and Costs	\$ 30,842.37	526,799.06		516,351.69	\$ 41,289.74
Consolidated Municipal Property Tax Relief Aid					
Energy Receipts Tax		3,517,385.00		3,517,385.00	
Garden State Preservation Trust Fund					
Uniform Construction Code Fees		516,080.00		516,080.00	
Shared Service Agreements - Animal Control		29,234.00		29,234.00	
Shared Service Agreements - Senior Center		47,222.69		47,222.69	
Shared Service Agreements - Dispatching		177,430.00		177,430.00	
Saint James Village Senior Citizen Complex		116,748.00	\$ 116,748.00		
Wheaton Pointe - In Lieu of Taxes		25,236.82	25,236.82		
Reserve for Open Space Trust		36,000.00		36,000.00	
Turnpike Project Reserve Fund		34,000.00		34,000.00	
Developers' Detention Basin		112,000.00		112,000.00	
Life Hazard Use Payments		76,293.84		76,293.84	
General Capital Fund Surplus		419,587.47		419,587.47	
Hotel Tax		265,271.64		265,271.64	
Farm Leases		14,919.50		14,919.50	
Reserve for Sale of Municipal Assets		260,000.00		260,000.00	
	<u>\$ 30,842.37</u>	<u>\$ 6,864,190.59</u>	<u>\$ 141,984.82</u>	<u>\$ 6,711,758.40</u>	<u>\$ 41,289.74</u>

Ref. A A

Cash Receipts	\$ 6,451,758.40
Reserve for Sale of Municipal Assets	260,000.00
	<u>\$ 6,711,758.40</u>

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

Grant Description	Balance Dec. 31, 2017	Accrued in 2018	Received	Canceled to Current Fund Operations	Balance Dec. 31, 2018
Drunk Driving Enforcement Fund		\$ 10,553.94	\$ 10,553.94		
Municipal Alliance on Alcoholism and Drug Abuse	\$ 21,844.00	22,104.00	22,072.00	\$ 32.00	\$ 21,844.00
Clean Communities Grant		48,152.94	48,152.94		
New Jersey Transit Operating Bus Shuttle	150,000.00	150,000.00	149,185.73	814.27	150,000.00
Target NNO Grant		1,000.00	1,000.00		
Bullet Proof Vest Partnership Grant	2,046.51	3,524.50	2,014.00		3,557.01
Drive Sober or Get Pulled Over	5,500.00	5,500.00	5,500.00		5,500.00
Bus Grant Matching Share:					
Mercer County	10,400.00	10,400.00	10,400.00		10,400.00
Hightstown		2,180.00	2,180.00		
Small Cities Grant	44,830.00		6,385.00		38,445.00
Click It or Ticket		5,500.00	5,500.00		
Distracted Driving Crackdown		6,600.00	6,600.00		
Child Passenger Safety Grant		7,000.00	6,950.39	49.61	
	<u>\$ 234,620.51</u>	<u>\$ 272,515.38</u>	<u>\$ 276,494.00</u>	<u>\$ 895.88</u>	<u>\$ 229,746.01</u>

Ref.

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TOWNSHIP OF EAST WINDSOR
CURRENT FUND
SCHEDULE OF 2017 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2018

	Balance Dec. 31, 2017	Balance After Modification	Paid or Charged	Balance Lapsed
GENERAL GOVERNMENT:				
Manager's Office:				
Salaries & Wages	\$ 45,803.76	\$ 45,803.76	\$ 3,659.34	\$ 42,144.42
Other Expenses	26,322.44	26,322.44	1,500.07	24,822.37
Human Resources:				
Other Expenses	8,179.00	8,179.00	702.00	7,477.00
Township Council:				
Salaries & Wages	7.21	7.21		7.21
Other Expenses	1,518.69	1,518.69		1,518.69
Municipal Clerk:				
Salaries & Wages	6,823.58	6,823.58		6,823.58
Other Expenses	11,479.10	11,479.10	7,560.74	3,918.36
Elections:				
Salaries & Wages	1,000.00	1,000.00		1,000.00
Other Expenses	1,875.00	1,875.00		1,875.00
Financial Administration:				
Salaries & Wages	7,064.00	7,064.00		7,064.00
Other Expenses	4,550.07	4,550.07	4,155.32	394.75
Annual Audit	33,000.00	33,000.00	33,000.00	
Data Processing:				
Other Expenses	23,911.90	23,911.90	18,879.64	5,032.26
Tax Collection (Revenue Administration):				
Salaries & Wages	9.17	9.17		9.17
Other Expenses	3,582.42	3,582.42	1,554.29	2,028.13
Tax Assessment Administration:				
Salaries & Wages	20.95	20.95		20.95
Other Expenses	215.55	215.55	8.83	206.72
Legal Services and Costs:				
Other Expenses	36,405.50	36,405.50	16,835.73	19,569.77
Engineering Services and Costs:				
Salaries & Wages	6.93	6.93		6.93
Other Expenses	2,991.71	2,991.71		2,991.71
Economic Development:				
Other Expenses	4,680.00	4,680.00		4,680.00
Transportation Commission:				
Other Expenses	500.00	500.00		500.00
Land Use Administration:				
Planning Board:				
Salaries & Wages	0.04	0.04		0.04
Other Expenses	11,306.25	11,306.25	4,839.99	6,466.26
Board of Adjustment:				
Other Expenses	4,646.12	4,646.12		4,646.12
Insurance:				
Liability Insurance	63.44	63.44		63.44
Employee Group Insurance	455,255.57	455,255.57	250,748.85	204,506.72

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
SCHEDULE OF 2017 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2018
(Continued)

	Balance Dec. 31, 2017	Balance After Modification	Paid or Charged	Balance Lapsed
PUBLIC SAFETY:				
Police:				
Salaries & Wages	\$ 371,529.69	\$ 371,529.69	\$ 16,890.09	\$ 354,639.60
Other Expense - Uniform Service	186,755.89	186,755.89	184,009.95	2,745.94
Other Expense - Investigative Service	8,995.84	8,995.84	2,180.31	6,815.53
Other Expense - Crime Prevention	29.47	29.47		29.47
Other Expense - General Administration	26,561.34	26,561.34	21,277.61	5,283.73
Other Expense - Support Service	5,606.39	5,606.39	1,070.55	4,535.84
Other Expense - Training	43,345.95	43,345.95	16,749.70	26,596.25
Police Communications:				
Other Expense	3,084.89	3,084.89	267.48	2,817.41
Office of Emergency Management:				
Other Expenses	625.00	625.00		625.00
Daytime EMS Services:				
Other Expenses	5,100.00	5,100.00	5,100.00	
Aid to Volunteer Ambulance Companies:				
Other Expenses - Contributions	14,100.00	14,100.00	5,100.00	9,000.00
Other Expenses - Miscellaneous	18,410.82	18,410.82	6,751.46	11,659.36
Fire Prevention:				
Salaries & Wages	618.94	618.94		618.94
Other Expenses	5,076.49	5,076.49	4,939.17	137.32
Fire:				
Other Expenses	3,287.90	3,287.90	2,592.55	695.35
Other Expenses - SFSP	5,685.00	5,685.00	5,685.00	
Municipal Court:				
Salaries & Wages	1,380.19	1,380.19	172.61	1,207.58
Other Expenses	9,860.28	9,860.28	1,011.25	8,849.03
Public Defender:				
Salaries & Wages	4,500.00	4,500.00	4,500.00	
Municipal Prosecutor:				
Salaries & Wages	0.60	0.60		0.60
Juvenile Conference Bureau:				
Salaries & Wages	1,502.07	1,502.07	281.54	1,220.53
Other Expenses	1,225.00	1,225.00		1,225.00
PUBLIC WORKS FUNCTIONS:				
Road Repairs and Maintenance:				
Salaries & Wages	70,140.28	70,140.28	17,553.73	52,586.55
Other Expenses	83,203.72	83,203.72	27,479.13	55,724.59
Public Works Administration:				
Salaries & Wages	10,209.07	10,209.07		10,209.07
Other Expenses	6,172.41	6,172.41	1,403.81	4,768.60
Snow Operating Expenses	30,000.00	30,000.00		30,000.00
Public Building and Grounds - Ward Street:				
Other Expenses	917.10	917.10	60.43	856.67
Municipal Complex:				
Salaries & Wages	500.00	500.00		500.00
Other Expenses	11,189.87	11,189.87	3,700.22	7,489.65

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
SCHEDULE OF 2017 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2018
(Continued)

	Balance Dec. 31, 2017	Balance After Modification		Balance Lapsed
PUBLIC WORKS FUNCTIONS (Cont'd):				
Police Building:				
Salaries & Wages	\$ 0.70	\$ 0.70		\$ 0.70
Other Expenses	23,296.33	23,296.33	\$ 2,928.73	20,367.60
Senior Center:				
Salaries & Wages	1,947.51	1,947.51	1,735.25	212.26
Other Expenses	11,900.95	11,900.95	1,837.53	10,063.42
STREETS AND ROADS:				
Vehicle Maintenance:				
Salaries & Wages	10,803.66	10,803.66	3,384.74	7,418.92
Other Expenses - Police Vehicles	66,375.78	66,375.78	16,139.95	50,235.83
Other Expenses - Administrative Vehicles	10,768.14	10,768.14		10,768.14
Other Expenses - Public Works Vehicles	10,812.50	10,812.50	2,008.54	8,803.96
Condominium Community Costs:				
Other Expenses	1.60	1.60		1.60
HEALTH AND HUMAN SERVICES:				
Board of Health:				
Salaries & Wages - Regular	19,471.43	19,471.43		19,471.43
Other Expenses	5,499.55	5,499.55	2,414.43	3,085.12
Other Expenses - Education	400.00	400.00	400.00	
Other Expenses - Public Health Nurse	8,380.87	8,380.87	2,530.86	5,850.01
Other Expenses - Communicable Diseases	6,124.84	6,124.84	650.00	5,474.84
Other Expenses - Environmental Services	476.00	476.00		476.00
Environmental Commission (N.J.S. 40:56A-1 et seq):				
Other Expenses	1,016.00	1,016.00		1,016.00
Animal Control:				
Salaries & Wages	2.05	2.05		2.05
Other Expenses	2,673.94	2,673.94	596.22	2,077.72
Administration of Public Assistance:				
Salaries & Wages	3.55	3.55		3.55
Other Expenses	625.00	625.00		625.00
PARK AND RECREATION FUNCTIONS:				
Recreation Department:				
Salaries & Wages	19.74	19.74		19.74
Commission on Aging:				
Other Expenses	419.02	419.02	332.13	86.89
Senior Center:				
Salaries & Wages	5.94	5.94		5.94
Other Expenses	7,732.45	7,732.45	4,142.79	3,589.66
Maintenance of Parks:				
Salaries & Wages	62,772.43	62,772.43		62,772.43
Other Expenses	35,625.10	35,625.10	7,194.37	28,430.73
UNIFORM CONSTRUCTION CODE:				
State Uniform Construction Code:				
Salaries & Wages	4,018.14	4,018.14	3,989.96	28.18
Other Expenses	909.66	909.66	450.15	459.51

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
SCHEDULE OF 2017 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2018

(Continued)

	Balance Dec. 31, 2017	Balance After Modification	Paid or Charged	Balance Lapsed
UNCLASSIFIED:				
Health Benefit Waiver	\$ 12,650.07	\$ 12,650.07	\$ 1,710.69	\$ 10,939.38
Utilities:				
Electricity	11,452.05	11,452.05	10,533.27	918.78
Street Lighting	19,843.72	19,843.72	6,841.21	13,002.51
Telephone	15,979.85	15,979.85	2,818.69	13,161.16
Gas	25,016.73	25,016.73	7,120.44	17,896.29
Fuel Oil	4,010.10	4,010.10	287.45	3,722.65
Gasoline	76,158.09	76,158.09	45,929.02	30,229.07
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS":				
Statutory Expenditures:				
Contributions to:				
Public Employees' Retirement System	31,000.00	31,000.00	30,995.12	4.88
Social Security System (O.A.S.I.)	93,021.45	93,021.45	7,517.36	85,504.09
Police and Firemen's Retirement System	10,444.30	10,444.30	10,443.87	0.43
NJ Unemployment Insurance	10,635.11	10,635.11	1,040.06	9,595.05
Operations Excluded from "CAPS":				
Length of Service Award Program:				
Other Expenses	75,000.00	75,000.00	50,600.00	24,400.00
SHARED SERVICE AGREEMENTS:				
Senior Center:				
Other Expenses	232.87	232.87		232.87
Animal Control:				
Salaries and Wages	19.29	19.29		19.29
Public and Private Programs Offset by Revenues:				
Matching Funds for Grants	3,500.00	3,500.00		3,500.00
	<u>\$ 2,301,879.11</u>	<u>\$ 2,301,879.11</u>	<u>\$ 898,794.22</u>	<u>\$ 1,403,084.89</u>

Analysis of Balance December 31, 2017:

	<u>Ref.</u>	
Unencumbered	A	\$ 1,816,968.91
Encumbered	A	<u>484,910.20</u>
		<u>\$ 2,301,879.11</u>

Cash Disbursed	\$ 765,519.18
Accounts Payable	140,504.14
	<u>906,023.32</u>
Less: Refunds	<u>7,229.10</u>
	<u>\$ 898,794.22</u>

TOWNSHIP OF EAST WINDSOR
CURRENT FUND
SCHEDULE OF REGIONAL SCHOOL DISTRICT TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2018

Increased by:

Levy - Calendar Year 2018	\$ 58,674,334.00
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Decreased by:

Payments to Regional School District	<u>\$ 58,674,334.00</u>
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TOWNSHIP OF EAST WINDSOR
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

Grant Description	Balance Dec. 31, 2017	Transferred from 2018 Budget Appropriations	Expended	Canceled to Current Fund Operations	Balance Dec. 31, 2018
Drunk Driving Enforcement Fund	\$ 13,826.82	\$ 10,553.94	\$ 2,568.27		\$ 21,812.49
Municipal Alliance on Alcoholism and Drug Abuse	19,522.00	22,104.00	30,190.00	\$ 32.00	11,404.00
Clean Communities Grant	65,369.07	48,152.94	49,976.00		63,546.01
NJ Transit Operating Bus Shuttle:					
Grant Funds	88,252.59	150,000.00	170,985.53	4,530.48	62,736.58
Matching Funds	32,613.92	28,000.00	28,183.88		32,430.04
Recycling Tonnage Grant		33,474.98	33,474.98		
Target NNO Grant		1,000.00			1,000.00
Bullet Proof Vest Partnership Grant	23,397.18	3,524.50			26,921.68
Drive Sober or Get Pulled Over	2,647.58	5,500.00	5,164.41		2,983.17
Body Armor Replacement Fund	8,279.92		7,049.00		1,230.92
Bus Grant Matching Share:					
Mercer County	19,814.86	10,400.00	8,956.53		21,258.33
Hightstown	2,627.36	2,180.00	355.69		4,451.67
Small Cities Grant	38,445.00				38,445.00
Stormwater Management Grant	5,494.63				5,494.63
Click It or Ticket		5,500.00	5,500.00		
Distracted Driving Crackdown		6,600.00	6,600.00		
Child Passenger Safety Grant		7,000.00	6,950.39	49.61	
Transportation Bus Grant - Mercer County	10,000.00				10,000.00
	<u>\$ 330,290.93</u>	<u>\$ 333,990.36</u>	<u>\$ 355,954.68</u>	<u>\$ 4,612.09</u>	<u>\$ 303,714.52</u>

Ref.

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Original Budget
Added by NJSA 40A:4-87

\$ 46,054.98
259,935.38
305,990.36

Due from Current Fund - Matching Funds

28,000.00

\$ 333,990.36

Cash Disbursed
Encumbrances Payable

\$ 307,116.15
54,695.42
361,811.57

Less: Appropriation Refunds

5,856.89

\$ 355,954.68

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

Grant Description	Balance Dec. 31, 2017	Transferred to 2018 Budget Revenue
Recycling Tonnage Grant	33,474.98	\$ 33,474.98
	<u>\$ 33,474.98</u>	<u>\$ 33,474.98</u>

Ref. A

TOWNSHIP OF EAST WINDSOR
COUNTY OF MERCER
2018
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, 2017	B	\$ 26,834.20	\$ 14,199,494.31
Increased by Receipts:			
Animal Control License Fees:			
Dog License Fees		\$ 10,668.00	
State Dog License Fees		1,154.40	
Late, Impound and Boarding Fees		355.00	
Due Current Fund:			
Interest Income		165.10	\$ 1,317.82
Interfund			40.00
Municipal Escrow Interest			10,956.07
Deposits and Interest:			
Special Duty Police Services:			
Prepaid			62,027.06
Administration & Vehicle Fees			18,241.05
Escrow Funds			507,329.62
Elevator Inspections			10,645.00
Forfeited Property Fund			1,224.53
Mayor's Trust			1,465.00
Open Space Contribution			58,200.00
Municipal Court:			
Parking Offense Adjudication Act			72.00
Public Defender Fees			20,506.00
Tax Sale Premiums			69,400.00
Third Party Lien Redemption			514,597.58
Recreation Commission			532,505.79
Senior's Program			270.00
Sick Leave			170,000.00
Uniform Fire Safety Act Penalties			2,100.00
Affordable Housing			1,968,832.60
Off-Tract Improvements:			
Transportation Improvements			733,820.41
		12,342.50	4,683,550.53
		39,176.70	18,883,044.84

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	\$ 12,262.19	
Due to State of New Jersey	901.80	
Due Current Fund:		
Interest Income	165.10	\$ 1,317.82
Interfund Returned	892.20	40.00
Municipal Escrow Interest		11,100.00
Refunds, Charges and Withdrawals:		
Special Duty Police Services:		
Prepaid		61,486.06
Administration & Vehicle Fees		17,981.54
Escrow Funds		885,879.36
Elevator Inspections		6,975.00
Mayor's Trust		4,000.00
Open Space Contribution		36,000.00
Municipal Court:		
Public Defender Fees		18,962.06
Tax Sale Premiums		142,000.00
Third Party Lien Redemption		592,531.89
Recreation Commission		488,243.19
Senior's Program		5,650.00
Sick Leave		135,023.39
Affordable Housing		856,248.90
Off-Tract Improvements:		
Detention Basins		112,000.00
Transportation Improvements		102,729.35
	\$ 14,221.29	\$ 3,478,168.56
Balance December 31, 2018	B	\$ 15,404,876.28
	\$ 24,955.41	\$ 15,404,876.28

TOWNSHIP OF EAST WINDSOR
ASSESSMENT TRUST FUND
ANALYSIS OF CASH
YEAR ENDED DECEMBER 31, 2018

NOT APPLICABLE

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

	<u>Ref.</u>	
Balance December 31, 2017	B	\$ 25,942.00
Increased by:		
Animal Control Fees:		
Dog Licenses		\$ 10,668.00
Late, Impound and Boarding Fees		<u>355.00</u>
		<u>11,023.00</u>
		<u>36,965.00</u>
Decreased by:		
Animal Control Expenditures		12,262.19
Statutory Excess Due to Current Fund		<u>356.81</u>
		<u>12,619.00</u>
Balance December 31, 2018	B	<u><u>\$ 24,346.00</u></u>

License Fees Collected:

<u>Year</u>	
2016	\$ 12,488.00
2017	<u>11,858.00</u>
Maximum Allowable Reserve	<u><u>\$ 24,346.00</u></u>

TOWNSHIP OF EAST WINDSOR
COUNTY OF MERCER
2018
GENERAL CAPITAL FUND

TOWNSHIP OF EAST WINDSOR
GENERAL CAPITAL FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2017	C	\$ 2,583,349.19
Increased by Receipts:		
Grants Receivable		\$ 881,575.00
Budget Appropriation - Capital Improvement Fund		60,000.00
Bond Anticipation Note Proceeds		10,200,000.00
Capital Fund Balance - Premium on Sale of Bond Anticipation Notes		122,810.00
		11,264,385.00
		13,847,734.19
Decreased by Disbursements:		
Improvement Authorization Expenditures		1,503,444.10
Prior Year Encumbrances		301,998.48
Bond Anticipation Notes Redeemed		9,565,000.00
Anticipated in Current Fund:		
Capital Fund Balance		419,587.47
Reserve for Purchase of Open Space		34,000.00
		11,824,030.05
Balance December 31, 2018	C	\$ 2,023,704.14

TOWNSHIP OF EAST WINDSOR
GENERAL CAPITAL FUND
ANALYSIS OF CASH

Ord. Date	Improvement Authorizations	Receipts			Disbursements			Transfers		Balance/ (Deficit) Dec. 31, 2018
		Bond Anticipation Notes	Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To		
	Fund Balance	\$ 419,587.47		\$ 122,810.00		\$ 419,587.47		\$ 300,000.00	\$ 422,810.00	
	Capital Improvement Fund	48,920.93	\$ 60,000.00						108,920.93	
	Grants Receivable	(2,578,800.00)		881,575.00				208,989.00	(1,488,236.00)	
	Reserve for:									
	Purchase of Open Space	34,088.49				34,000.00			88.49	
	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	
	Encumbrances	1,425,988.05							1,182,144.08	
	Payment of Debt Service	4,130.17				301,998.48	\$ 722,571.83	780,726.34	4,130.17	

Ord. Date	Improvement Authorizations	Balance/ (Deficit) Dec. 31, 2017	Balance/ (Deficit) Dec. 31, 2018
11/01/94	Various Capital Improvements and Purchases	25,090.03	25,090.03
05/05/98	Various Capital Improvements and Purchases	8,500.00	8,500.00
06/27/00;	Acquisition of the Millstone and Bear Brook Site for Open Space	(0.65)	(0.65)
08/06/02			
03/06/01;			
03/12/02	Various Capital Improvements	(0.61)	(0.61)
11/07/01	Various Capital Improvements	2,550.00	
06/05/02	Various Capital Improvements	94,533.00	94,533.00
05/18/04	Acquisition of Land for Use as Open Space	(0.73)	(0.73)
12/07/04	Various Capital Improvements	33,332.97	33,332.97
02/07/06	Various Capital Improvements	0.25	0.25
04/10/07	Various Capital Improvements	73,821.50	73,821.50
09/11/07	Repair Bear Brook Pathway		
02/12/08	Various Capital Improvements	3,530.00	3,530.00
09/02/09	Various Capital Improvements	5,000.00	5,000.00
07/26/11	Various Capital Improvements	189,638.73	189,638.73
03/07/12;			
02/19/13	Various Capital Improvements	40,931.06	40,931.06
05/01/12	Acquisition of Open Space	135,000.00	135,000.00

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

Ord. Date	Improvement Authorizations	Balance/ (Deficit) Dec. 31, 2017	Receipts			Disbursements			Transfers		Balance/ (Deficit) Dec. 31, 2018
			Bond Anticipation Notes	Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To		
06/11/13	Various Capital Improvements	\$ 480,972.46				\$ 5,579.36			579.26		\$ 474,813.84
12/17/13	Various Capital Improvements	143,424.15							22,061.03		121,363.12
11/11/14	Various Capital Improvements	587,793.09	\$ 15,499.00			4,500.00			535,999.00		62,793.09
03/17/15	Parks and Playground Equipment	0.53	9,292.00			2,044.28			10,958.00	\$ 3,709.83	0.08
06/02/15	Various Road Improvements	30,001.00	11,295.00								41,296.00
10/13/15	HVAC Improvements	65,288.53									65,288.53
10/13/16	Various Capital Improvements	677,772.39	91,143.00			815,196.29			530,508.47	713,908.00	137,118.63
02/14/17	Various Capital Improvements	42,878.03	312,993.00			306,265.56			27,140.37	4,954.00	27,419.10
12/05/17	Various Road Improvements	507,500.00	194,778.00			369,858.61			159,919.21		172,500.18
		\$ 2,583,349.19	\$ 635,000.00	\$ 60,000.00	\$ 1,004,385.00	\$ 1,503,444.10	\$ 755,585.95	\$ 2,012,287.17	\$ 2,012,287.17	\$ 2,012,287.17	\$ 2,023,704.14

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

Ordinance Date	Improvement Description	Analysis of Balance December 31, 2018						Unexpended Improvement Authorizations	
		Balance Dec. 31, 2017	Notes Paid by Budget Appropriation	Improvement Authorizations Canceled	Balance Dec. 31, 2018	Financed by Bond Anticipation Notes	Expended		
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	Bear Brook Site for Open Space								
03/06/01;	Various Capital Improvements	610,150.61			610,150.61	610,150.00		0.61	
03/12/02	Acquisition of Land for Use as Open Space								
05/18/04	Various Capital Improvements	108,788.73			108,788.73	108,788.00		0.73	
02/07/06	Various Capital Improvements	66,849.77			66,849.77	64,015.00		0.75	
11/28/06	Acquisition of Land	127,600.00	\$ 1,700.00		125,900.00	125,900.00			
09/11/07	Repair Bear Brook Pathway	44,400.00	1,750.00		42,650.00	42,650.00			
09/07/10	Various Capital Improvements	422,600.00	23,200.00		399,400.00	399,400.00			
07/26/11	Various Capital Improvements	992,265.64	105,625.00		886,640.64	864,252.00		22,388.64	
03/07/12;									
02/19/13	Various Capital Improvements	1,059,900.00	79,250.00		980,650.00	1,010,001.00		(29,351.00)	
05/01/12	Acquisition of Open Space	1,076,000.00		\$ 269,000.00	807,000.00	807,000.00		807,000.00	
06/11/13	Various Capital Improvements	522,625.00	29,995.00		492,630.00	492,630.00			
12/17/13	Various Capital Improvements	1,113,250.00	42,400.00		1,070,850.00	1,109,964.00		(39,114.00)	
11/11/14	Various Capital Improvements	959,975.00	52,600.00		907,375.00	834,507.00		72,868.00	
03/17/15	Parks and Playground Equipment	100,000.00			100,000.00	77,921.00		22,079.00	
06/02/15	Various Road Improvements	570,000.00	13,480.00		556,520.00	474,016.00		82,504.00	
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	2,462,334.00		363,705.00	
02/14/17	Various Capital Improvements	948,100.00			948,100.00	831,982.00		116,118.00	
12/05/17	Refunding 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	194,778.00		517,722.00	
		<u>\$ 19,657,756.40</u>	<u>\$ 350,000.00</u>	<u>\$ 269,000.00</u>	<u>\$ 19,038,756.40</u>	<u>\$ 10,200,000.00</u>	<u>\$</u>	<u>2.74</u>	<u>\$ 8,838,753.66</u>

Ref. C

Improvement Authorizations - Unfunded

Less: Unexpended Proceeds of Bond Anticipation Notes Issued:

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	474,813.84
Ordinance Dated 12/17/13 - Various Capital Improvements	121,363.12
Ordinance Dated 11/11/14 - Various Capital Improvements	62,794.09
Ordinance Dated 03/17/15 - Parks and Playground Equipment	0.08
Ordinance Dated 06/02/15 - Various Road Improvements	41,296.00
Ordinance Dated 10/13/15 - HVAC Improvements	65,288.53
Ordinance Dated 10/13/16 - Various Capital Improvements	137,118.63
Ordinance Dated 2/14/17 - Various Capital Improvements	27,419.10
Ordinance Dated 12/05/17 - Various Road Improvements	172,500.18
	<u>1,333,163.36</u>
	<u>\$ 8,838,753.66</u>

\$ 10,171,917.02

TOWNSHIP OF EAST WINDSOR
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2017		Improvement Authorizations Canceled	Encumbrances Payable Canceled	Paid or Charged	Balance Dec. 31, 2018	
				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	2,550.00			\$ 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	3,530.00					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		212,027.37					212,027.37
12-03;		03/07/12;	1,416,860.00							
13-02	Various Capital Improvements	02/19/13			11,580.06					11,580.06
12-06	Acquisition of Open Space	05/01/12	2,825,000.00	135,000.00	1,076,000.00	\$ 269,000.00			135,000.00	807,000.00
13-04	Various Capital Improvements	06/11/13	1,262,000.00		480,972.46			6,158.62		474,813.84
13-09	Various Capital Improvements	12/17/13	1,235,000.00		104,310.15			22,061.03		82,249.12
14-08	Various Capital Improvements	11/11/14	1,985,500.00		676,161.09			540,499.00		135,662.09
15-02	Parks and Playground Equipment	03/17/15	100,000.00		31,371.53		\$ 3,709.83	13,002.28		22,079.08
15-06	Various Road Improvements	06/02/15	900,000.00		123,800.00					123,800.00

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

Ord. No.	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2017		Improvement Authorizations Canceled	Encumbrances Payable Canceled	Paid or Charged	Balance Dec. 31, 2018	
				Funded	Unfunded				Funded	Unfunded
15-09	HVAC Improvements	10/13/15	\$ 380,000.00	\$ 65,288.53					\$ 65,288.53	
16-08	Various Capital Improvements	07/19/16	5,276,277.00	1,132,620.39	\$ 508,989.00	\$ 713,908.00	\$ 836,715.76		500,823.63	
17-02	Various Capital Improvements	02/14/17	998,000.00	471,989.03		4,954.00	333,405.93		143,537.10	
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	\$ 507,500.00			529,777.82		690,222.18	
				<u>\$ 888,857.50</u>	<u>\$ 12,001,454.63</u>	<u>\$ 777,989.00</u>	<u>\$ 722,571.83</u>	<u>\$ 2,284,170.44</u>	<u>\$ 378,807.50</u>	<u>\$ 10,171,917.02</u>
				Ref.	C	C			C	C
	Capital Fund Balance					\$ 300,000.00				
	Grants Receivable					208,989.00				
	Deferred Charges to Future Taxation - Unfunded					269,000.00				
						<u>\$ 777,989.00</u>				
	Cash Disbursed							\$ 1,503,444.10		
	Encumbrances							780,726.34		
								<u>\$ 2,284,170.44</u>		

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

	<u>Ref.</u>	
Balance December 31, 2017	C	\$ 48,920.93
Increased by:		
2018 Budget Appropriation		<u>60,000.00</u>
Balance December 31, 2018	C	<u>\$ 108,920.93</u>

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

Ord. No.	Improvement Authorization	Issue of Original Note	Date of			Interest Rate	Balance Dec. 31, 2017	Issued	Matured	Balance Dec. 31, 2018
			Issue	Maturity						
02-02	Various Capital Improvements	12/07/17	12/07/17	12/07/18	2.500%	\$ 610,150.00	\$ 610,150.00	\$ 610,150.00	\$ 610,150.00	
		12/06/18	12/06/19	3.500%						
02-09	Acquisition of Millstone, Bear Brook, Old York Road and Conover Sites for Open Space	12/07/17	12/07/18	2.500%	135,712.00		135,712.00		135,712.00	
		12/06/18	12/06/19	3.500%						
04-08	Acquisition of Land for Open Space	12/07/17	12/07/18	2.500%	108,788.00		108,788.00		108,788.00	
		12/06/18	12/06/19	3.500%						
06-01	Various Capital Improvements	12/07/17	12/07/18	2.500%	64,016.00		64,016.00		64,016.00	
		12/06/18	12/06/19	3.500%						
06-15	Acquisition of Land	12/11/12	12/07/18	2.500%	127,600.00		127,600.00		125,900.00	
		12/06/18	12/06/19	3.500%						
07-08	Repair Bear Brook Pathway	12/11/12	12/07/18	2.500%	7,200.00		7,200.00		5,450.00	
		12/06/18	12/06/19	3.500%						
		12/07/17	12/07/18	2.500%	37,200.00		37,200.00		37,200.00	
		12/06/18	12/06/19	3.500%						
10-08	Various Capital Improvements	12/11/12	12/07/18	2.500%	422,600.00		422,600.00		399,400.00	
		12/06/18	12/06/19	3.500%						
11-17	Various Capital Improvements	12/11/12	12/07/18	2.500%	947,800.00		947,800.00		842,175.00	
		12/06/18	12/06/19	3.500%						
		12/07/17	12/07/18	2.500%	3,608.00		3,608.00		3,608.00	
		12/06/18	12/06/19	3.500%						
		12/07/17	12/07/18	2.500%	18,469.00		18,469.00		18,469.00	
		12/06/18	12/06/19	3.500%						
12-03;		12/11/12	12/07/18	2.500%	1,044,500.00		1,044,500.00		965,250.00	
13-02	Various Capital Improvements	12/06/18	12/06/19	3.500%						
		12/07/17	12/07/18	2.500%	7,188.00		7,188.00		7,188.00	
		12/06/18	12/06/19	3.500%						
		12/07/17	12/07/18	2.500%	37,563.00		37,563.00		37,563.00	
		12/06/18	12/06/19	3.500%						

**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		Matured	Balance Dec. 31, 2018
			Issue	Maturity		Dec. 31, 2017	Issued		
13-04	Various Capital Improvements	12/11/13	12/07/17	12/07/18	2.500%	\$ 98,419.00	\$ 98,419.00	\$ 98,419.00	\$ 68,424.00
		12/09/15	12/06/18	12/06/19	3.500%	413,777.00	413,777.00	413,777.00	413,777.00
		12/08/16	12/07/17	12/07/18	2.500%	10,429.00	10,429.00	10,429.00	10,429.00
		12/09/15	12/07/17	12/07/18	2.500%	877,585.00	877,585.00	877,585.00	835,185.00
14-08	Various Capital Improvements	12/08/16	12/07/17	12/07/18	2.500%	2,458.00	2,458.00	2,458.00	2,458.00
		12/07/17	12/07/17	12/07/18	2.500%	272,321.00	272,321.00	272,321.00	272,321.00
		12/09/15	12/07/17	12/07/18	2.500%	793,330.00	793,330.00	793,330.00	740,731.00
		12/08/16	12/07/17	12/07/18	2.500%	45,600.00	45,600.00	45,600.00	45,600.00
15-02	Parks and Playground Equipment	12/07/17	12/07/17	12/07/18	2.500%	32,677.00	32,677.00	32,677.00	32,677.00
		12/06/18	12/06/18	12/06/19	3.500%	15,499.00	15,499.00	15,499.00	15,499.00
		12/08/16	12/07/17	12/07/18	2.500%	68,629.00	68,629.00	68,629.00	68,629.00
		12/06/18	12/06/18	12/06/19	3.500%	9,292.00	9,292.00	9,292.00	9,292.00
15-06	Various Road Improvements	12/09/15	12/07/17	12/07/18	2.500%	256,120.00	256,120.00	256,120.00	242,640.00
		12/08/16	12/07/17	12/07/18	2.500%	214,541.00	214,541.00	214,541.00	214,541.00
		12/07/17	12/07/17	12/07/18	2.500%	5,540.00	5,540.00	5,540.00	5,540.00
		12/06/18	12/06/18	12/06/19	3.500%	11,295.00	11,295.00	11,295.00	11,295.00
15-09	HVAC Improvements	12/08/16	12/07/17	12/07/18	2.500%	361,000.00	361,000.00	361,000.00	361,000.00
		12/06/18	12/06/18	12/06/19	3.500%				
16-08	Various Capital Improvements	12/07/17	12/07/17	12/07/18	2.500%	2,371,191.00	2,371,191.00	2,371,191.00	2,371,191.00
		12/06/18	12/06/18	12/06/19	3.500%	91,143.00	91,143.00	91,143.00	91,143.00

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

Ord. No.	Improvement Authorization	Date of		Interest Rate	Balance Dec. 31, 2017	Issued	Matured	Balance Dec. 31, 2018
		Issue	Maturity					
17-02	Various Capital Improvements	12/07/17	12/07/18	2.500%	\$ 518,989.00	\$ 518,989.00	\$ 518,989.00	\$ 518,989.00
		12/06/18	12/06/19	3.500%		\$ 518,989.00		\$ 518,989.00
		12/06/18	12/06/19	3.500%		312,993.00		312,993.00
17-05	Various Capital Improvements	12/06/18	12/06/19	3.500%		194,778.00		194,778.00
					<u>\$ 9,915,000.00</u>	<u>\$ 10,200,000.00</u>	<u>\$ 9,915,000.00</u>	<u>\$ 10,200,000.00</u>
<u>Ref.</u> C C								
		Renewals				\$ 9,565,000.00	\$ 9,565,000.00	
		Issued for Cash				635,000.00		
		Paid by Budget Appropriation					350,000.00	
					<u>\$ 10,200,000.00</u>	<u>\$ 9,915,000.00</u>	<u>\$ 9,915,000.00</u>	<u>\$ 10,200,000.00</u>

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, 2017	Balance Dec. 31, 2018
			Outstanding Dec. 31, 2018	Amount			
General Improvement Bonds	11/15/09	\$ 14,278,000	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%	\$ 9,088,000.00	\$ 7,933,000.00
						<u>\$ 9,088,000.00</u>	<u>\$ 7,933,000.00</u>

Ref. C C

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

	<u>Ref.</u>	
Balance December 31, 2017	C	\$ 168,728.58
Decreased by:		
Principal Matured		64,133.43
Balance December 31, 2018	C	\$ 104,595.15

Schedule of Principal and Interest Payments Outstanding December 31, 2018

Payment Number	Due	Interest	Principal	Loan Balance
				\$ 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	
		\$ 4,225.42	\$ 104,595.15	

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

	<u>Ref.</u>	
Balance December 31, 2017	C	\$ 382,524.36
Decreased by:		
Principal Matured		51,979.58
Balance December 31, 2018	C	\$ 330,544.78

Schedule of Principal and Interest Payments Outstanding December 31, 2018

Payment Number	Due	Trust		Fund	Loan Balance
		Interest	Principal	Principal	
					\$ 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	
		\$ 18,393.80	\$ 105,000.00	\$ 225,544.78	

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

Ordinance No.	Improvement Description	Balance Dec. 31, 2017	Bond Anticipation Notes Issued	Improvement Authorizations Canceled	Balance Dec. 31, 2018
00-17;	Acquisition of the Millstone and Bear				
02-09	Brook Site for Open Space	\$ 0.65			\$ 0.65
01-04;					
02-02	Various Capital Improvements	0.61			0.61
04-08	Acquisition of Land for Use as Open Space	0.73			0.73
06-01	Various Capital Improvements	2,833.77			2,833.77
07-08	Repair Bear Brook Pathway				
11-17	Various Capital Improvements	22,388.64			22,388.64
12-06	Acquisition of Open Space	1,076,000.00		\$ 269,000.00	807,000.00
14-08	Various Capital Improvements	88,368.00	\$ 15,499.00		72,869.00
15-02	Parks and Playground Equipment	31,371.00	9,292.00		22,079.00
15-06	Various Road Improvements	93,799.00	11,295.00		82,504.00
16-08	Various Capital Improvements	454,848.00	91,143.00		363,705.00
17-02	Various Capital Improvements	429,111.00	312,993.00		116,118.00
17-13	Bond Refunding	6,900,000.00			6,900,000.00
17-15	Various Road Improvements	712,500.00	194,778.00		517,722.00
		<u>\$ 9,811,221.40</u>	<u>\$ 635,000.00</u>	<u>\$ 269,000.00</u>	<u>\$ 8,907,221.40</u>

TOWNSHIP OF EAST WINDSOR
COUNTY OF MERCER
2018
WATER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF EAST WINDSOR
COUNTY OF MERCER
2018
SEWER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF EAST WINDSOR
COUNTY OF MERCER
2018
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, 2017	F	\$ 68,428.28	\$ 18,121.86	\$ 18,125.58	\$ 32,180.84
Increased by Receipts:					
Miscellaneous Reimbursements		5,490.00			5,490.00
Due Current Fund - Interest Earned		293.85	90.42	39.24	164.19
Intrafund		15,299.00			15,299.00
		<u>21,082.85</u>	<u>90.42</u>	<u>39.24</u>	<u>20,953.19</u>
Decreased by Disbursements:					
Current Year Assistance (Reported):					
Maintenance		15,579.00			15,579.00
Temporary Rental Assistance		3,369.00			3,369.00
Due Current Fund - Interest Earned		293.85	90.42	39.24	164.19
Intrafund		15,299.00		15,299.00	
		<u>34,540.85</u>	<u>90.42</u>	<u>15,338.24</u>	<u>19,112.19</u>
Balance December 31, 2018	F	<u>\$ 54,970.28</u>	<u>\$ 18,121.86</u>	<u>\$ 2,826.58</u>	<u>\$ 34,021.84</u>

TOWNSHIP OF EAST WINDSOR
COUNTY OF MERCER
2018
SPECIAL GARBAGE DISTRICT FUND

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

	<u>Ref.</u>	
Balance December 31, 2017	G	\$ 1,570,502.45
Increased by Receipts:		
Due Current Fund:		
District Taxes		\$ 2,320,493.88
Miscellaneous Revenue		7,744.69
Appropriation Refunds		6,012.43
		<hr style="width: 100%;"/>
		2,334,251.00
		<hr style="width: 100%;"/>
		3,904,753.45
Decreased by Disbursements:		
Accounts Payable		7,604.78
2018 Appropriation Expenditures		2,232,628.43
2017 Appropriation Reserve Expenditures		110,544.14
		<hr style="width: 100%;"/>
		2,350,777.35
		<hr style="width: 100%;"/>
Balance December 31, 2018	G	<u><u>\$ 1,553,976.10</u></u>

TOWNSHIP OF EAST WINDSOR
SPECIAL GARBAGE DISTRICT FUND
SCHEDULE OF DISTRICT TAXES RECEIVABLE
YEAR ENDED DECEMBER 31, 2018

Increased by:	
2018 Tax Levy	\$ 2,320,493.88
Decreased by:	
Received from Current Fund	<u>\$ 2,320,493.88</u>

TOWNSHIP OF EAST WINDSOR
SPECIAL GARBAGE DISTRICT FUND
SCHEDULE OF 2017 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2018

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 49,354.06	\$ 49,354.06	\$ 23,224.96	\$ 26,129.10
Other Expenses	108,139.32	108,139.32	20,906.39	87,232.93
Contractual Services	18,775.38	18,775.38	6,020.42	12,754.96
Disposal Fees	203,842.48	203,842.48	57,428.91	146,413.57
Recycling Tax	3,299.10	3,299.10	1,091.13	2,207.97
Employee Group Insurance	14,700.00	14,700.00	65.04	14,634.96
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	7,322.82	7,322.82	1,776.72	5,546.10
Unemployment Compensation Insurance	1,424.32	1,424.32	30.57	1,393.75
	<u>\$ 406,857.48</u>	<u>\$ 406,857.48</u>	<u>\$ 110,544.14</u>	<u>\$ 296,313.34</u>

Ref.

Analysis of Balance December 31, 2017:

Appropriation Reserves:		
Unencumbered	G	\$ 379,415.38
Encumbered	G	27,442.10
		<u>\$ 406,857.48</u>

Cash Disbursed \$ 110,544.14

TOWNSHIP OF EAST WINDSOR

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2018

TOWNSHIP OF EAST WINDSOR
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2018

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	01/01/18	12/31/19	\$ 3,524.50	\$ 2,014.00				
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	01/01/16	12/31/18	100,000.00	6,385.00				
Total US Department of Housing and Urban Development											
Passed through NJ Department of Law and Public Safety	Distracted Driving Crackdown	20.616	066-1160-100-158-031030	01/01/18	12/31/18	6,600.00	6,600.00	6,600.00			
	Child Passenger Safety Grant	20.600	N/A	01/01/18	12/31/18	7,000.00	6,950.39	6,950.39			
	Drive Sober or Get Pulled Over	20.601	N/A	01/01/17	12/31/18	11,000.00	5,000.00	2,647.58	11,000.00		
				01/01/17	12/31/18	5,500.00	5,500.00	2,516.83	2,516.83		
							10,500.00	5,164.41	13,516.83		
Passed through NJ Department of Transportation	Click It or Ticket	20.614	100-066-1160-116-6120	01/01/18	12/31/18	5,500.00	5,500.00	5,500.00			
Total US Department of Transportation											
TOTAL FEDERAL AWARDS							\$ 37,949.39	\$ 24,214.80	\$ 32,567.22	\$ -0-	

N/A - Not Available / Not Applicable.
 * - Expended in Prior Years.

TOWNSHIP OF EAST WINDSOR
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018

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	07/01/16 07/01/17 07/01/18	06/30/18 06/30/18 06/30/19	\$ 22,104.00 22,104.00 22,104.00	\$ 21,812.00 260.00 22,072.00	\$ 7,418.00 12,072.00 10,700.00	\$ 22,104.00 22,072.00 10,700.00
Total Department of the Treasury								
Department of Environmental Protection	Clean Communities Program	765-042-4900- 004-V42Y-6020	01/01/16 01/01/17 01/01/18	12/31/18 12/31/18 12/31/19	58,945.92 50,078.26 48,152.94	48,152.94 48,152.94	15,290.81 34,685.19	58,945.92 34,685.19
	Recycling Tonnage Grant	752-042-4900- 004-178840	01/01/18	12/31/19	33,474.98	-0-	33,474.98	33,474.98
Total Department of Environmental Protection								
Department of Law and Public Safety	Drunk Driving Enforcement Fund	100-078-6400- 260-YYYY	01/01/16 01/01/17 01/01/18	12/31/18 12/31/18 12/31/19	9,375.29 11,084.68 10,553.94	10,553.94 10,553.94	2,568.27	9,201.42
	Body Armor Replacement Fund	718-066-1020- 001-YCJS-6120	01/01/15 01/01/16 01/01/17	12/31/17 12/31/17 12/31/18	4,204.54 4,028.74 4,035.18	-0-	216.00 4,028.74 2,804.26	4,204.54 4,028.74 2,804.26
Total Department of Law and Public Safety								
						10,553.94	5,372.53	12,005.68
TOTAL STATE AWARDS						\$ 80,778.88	\$ 111,595.51	\$ 171,883.77

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, 2018

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, 2018. 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, 2018:

General Capital Fund:

NJ Green Trust Loan Program	\$ 104,595
NJ Environmental Infrastructure Loan	330,545

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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 Mt. Arlington, NJ 07856
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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, 2018 and 2017, and the related notes to the financial statements and have issued our report thereon dated July 15, 2019. 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.

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
July 15, 2019


NISIVOCIA LLP



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

TOWNSHIP OF EAST WINDSOR
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2018

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified 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.
- 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 2018 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, 2018

The Township had no prior year audit findings.

TOWNSHIP OF EAST WINDSOR

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2018

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, 2018, 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 2018 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, 2018.

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, 2018 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
2018	12
2017	12
2016	14

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, 2018.

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

<u>AGENCY</u>	<u>Balance</u> <u>12/31/2017</u>	<u>Cash</u> <u>Received</u>	<u>Cash</u> <u>Disbursed</u>	<u>Balance</u> <u>12/31/2018</u>
State of New Jersey	\$ 38,071.82	\$ 449,837.14	\$ 458,023.42	\$ 29,885.54
County of Mercer	10,590.50	205,052.24	199,264.22	16,378.52
Township of East Windsor:				
Fines and Costs	30,842.37	526,799.06	516,351.69	41,289.74
Parking Offense Adjudication				
Act - Fines	4.00	70.00	72.00	2.00
Public Defender	1,429.50	15,032.00	16,006.50	455.00
Transcript Fees		100.00	100.00	
Interest:				
Regular Account	40.95	461.74	461.94	40.75
Bail Account	9.86	117.68	121.81	5.73
Fish and Game		540.00	540.00	
Weights and Measures	550.00	21,000.00	21,550.00	
Conditional Discharge		3,328.00	3,230.00	98.00
Conditional Dismissal		688.81	688.81	
Restitution	1,228.81	7,138.51	7,828.12	539.20
Bail	21,274.00	172,190.02	182,440.02	11,024.00
TOTAL	\$ 104,041.81	\$ 1,402,355.20	\$ 1,406,678.53	\$ 99,718.48

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

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 had no prior year audit findings.

TOWNSHIP OF EAST WINDSOR
SUMMARY OF RECOMMENDATIONS

None
