

**PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 2, 2025**

**NEW ISSUE**

**NOT RATED**

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

**TOWNSHIP OF EAST WINDSOR,  
IN THE COUNTY OF MERCER, NEW JERSEY  
\$7,218,451 BOND ANTICIPATION NOTES, SERIES 2025  
(Book-Entry-Only) (Non-Callable) (Bank-Qualified)**

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

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

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

**Dated: Date of Delivery**

**Due: September 17, 2026**

The \$7,218,451 Bond Anticipation Notes, Series 2025 (the "Notes"), are being issued by the Township of East Windsor, in the County of Mercer, New Jersey (the "Township"), and will be issued in the form of one certificate for the aggregate principal amount of the Notes and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, Brooklyn, New York ("DTC"), which will act as securities depository. Interest on the Notes will be credited to the participants of DTC as listed on the records of DTC as of one business day prior to the maturity date set forth above. See "BOOK-ENTRY-ONLY SYSTEM" herein. The principal of and interest on the Notes will be paid on the maturity date to DTC by the Township or its designated paying agent. Interest on the Notes shall be calculated on the basis of a 360-day year consisting of twelve 30-day calendar months. The Notes are not subject to redemption prior to their stated maturity.

The Notes are valid and legally binding obligations of the Township, payable in the first instance from the proceeds of the sale of bonds in anticipation of which the Notes are issued, but, if not so paid, payable ultimately from *ad valorem* taxes that may be levied upon all the taxable property within the Township without limitation as to rate or amount.

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

*The Notes will be offered when, as and if issued and delivered to the Underwriter (as defined herein), subject to prior sale, to withdrawal or modification of the offer without notice and to the approval of legality by the law firm of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, and certain other conditions described herein. Certain legal matters will be passed upon for the Township by David E. Orron, Esq., Cranbury, New Jersey, Township Attorney. Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey, has served as Municipal Advisor to the Township in connection with the issuance of the Notes. It is expected that the Notes will be available for delivery through DTC in Brooklyn, New York, on or about September 18, 2025.*

**BIDS FOR THE NOTES WILL BE RECEIVED IN ACCORDANCE WITH THE NOTICE OF SALE  
ON TUESDAY, SEPTEMBER 9, 2025. FOR MORE DETAILS ON HOW TO BID,  
VIEW THE NOTICE OF SALE POSTED AT WWW.MUNIHUB.COM.**

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

**TOWNSHIP OF EAST WINDSOR,  
IN THE COUNTY OF MERCER, NEW JERSEY**

**MAYOR**

Janice S. Mironov

**TOWNSHIP COUNCIL MEMBERS**

David Russell, Deputy Mayor  
Anthony Katawick  
Marc Lippman  
Joseph Miczak  
Johnnie Whittington  
John Zoller

**CHIEF FINANCIAL OFFICER**

Scott Fruch

**TOWNSHIP ATTORNEY**

David E. Orron, Esquire  
Huff, Moran & Orron  
Cranbury, New Jersey

**AUDITOR**

Samuel Klein and Company, LLC  
Freehold, New Jersey

**BOND COUNSEL**

McManimon, Scotland & Baumann, LLC  
Roseland, New Jersey

**MUNICIPAL ADVISOR**

Phoenix Advisors,  
a division of First Security Municipal Advisors, Inc.  
Hamilton, New Jersey

No broker, dealer, salesperson or other person has been authorized by the Township to give any information or to make any representations with respect to the Notes other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the foregoing. The information contained herein has been provided by the Township and other sources deemed reliable; however, no representation or warranty is made as to its accuracy or completeness and such information is not to be construed as a representation or warranty by the Underwriter or, as to information from sources other than itself, by the Township. The information and the expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder under any circumstances shall create any implication that there has been no change in any of the information herein since the date hereof or since the date as of which such information is given, if earlier. This Official Statement is submitted in connection with the sale of the Notes referred to herein and may not be used, in whole or in part, for any other purpose.

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

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

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE NOTES IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

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

## TABLE OF CONTENTS

INTRODUCTION .....	1
THE NOTES .....	1
General Description .....	1
Redemption .....	1
BOOK-ENTRY-ONLY SYSTEM .....	2
Discontinuation of Book-Entry-Only System .....	4
AUTHORIZATION AND PURPOSE .....	4
SECURITY AND SOURCE OF PAYMENT .....	5
CERTAIN RISK FACTORS .....	5
Recent Healthcare Developments .....	5
Cybersecurity .....	5
Climate Change .....	6
MUNICIPAL FINANCE - FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES .....	6
Local Bond Law (N.J.S.A. 40A:2-1 <u>et seq.</u> ) .....	6
Local Budget Law (N.J.S.A. 40A:4-1 <u>et seq.</u> ) .....	7
Tax Assessment and Collection Procedure .....	9
Tax Appeals .....	10
Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 <u>et seq.</u> ) .....	10
FINANCIAL STATEMENTS .....	10
LITIGATION .....	11
TAX MATTERS .....	11
Exclusion of Interest on the Notes From Gross Income for Federal Tax Purposes .....	11
Original Issue Premium .....	12
Bank-Qualification .....	12
Additional Federal Income Tax Consequences of Holding the Notes .....	12
Changes in Federal Tax Law Regarding the Notes .....	13
State Taxation .....	13
SECONDARY MARKET DISCLOSURE .....	13
MUNICIPAL BANKRUPTCY .....	15
APPROVAL OF LEGAL PROCEEDINGS .....	15
UNDERWRITING .....	15
RATING .....	16
MUNICIPAL ADVISOR .....	16
PREPARATION OF OFFICIAL STATEMENT .....	16
ADDITIONAL INFORMATION .....	16
MISCELLANEOUS .....	17

CERTAIN ECONOMIC AND DEMOGRAPHIC INFORMATION ABOUT THE TOWNSHIP OF EAST WINDSOR, IN THE COUNTY OF MERCER, NEW JERSEY .....	Appendix A
---	------------

EXCERPTS FROM FINANCIAL STATEMENTS OF THE TOWNSHIP OF EAST WINDSOR, IN THE COUNTY OF MERCER, NEW JERSEY .....	Appendix B
--	------------

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL .....	Appendix C
---	------------

**OFFICIAL STATEMENT  
OF THE  
TOWNSHIP OF EAST WINDSOR,  
IN THE COUNTY OF MERCER, NEW JERSEY**

**RELATING TO THE**

**\$7,218,451 BOND ANTICIPATION NOTES, SERIES 2025**

**INTRODUCTION**

This Official Statement, which includes the cover page and the appendices attached hereto, has been prepared by the Township of East Windsor (the “Township”), in the County of Mercer (the “County”), State of New Jersey (the “State”), in connection with the sale and issuance of \$7,218,451 Bond Anticipation Notes, Series 2025 (the “Notes”). This Official Statement has been executed by and on behalf of the Township by its Chief Financial Officer and may be distributed in connection with the sale of the Notes described herein.

This Official Statement contains specific information relating to the Notes including their general description, certain matters affecting the financing, certain legal matters, historical financial information and other information pertinent to this issue. This Official Statement should be read in its entirety. All financial and other information presented herein has been provided by the Township from its records, except for information expressly attributed to other sources. This Official Statement is “deemed final,” as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission.

**THE NOTES**

**General Description**

The Notes are dated, will mature on the date and in the amount and will bear interest payable at the interest rate as set forth on the cover page hereof. Interest shall be computed on the basis of a 30-day month/360-day year. The Notes will be issued in the form of one certificate for the aggregate principal amount of the Notes and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, Brooklyn, New York (“DTC”), which will act as securities depository. The Notes may be purchased in book-entry-only form in the principal amount of \$5,000 or any integral multiple of \$1,000 in excess thereof (except for any necessary odd denomination) through book-entries made on the books and records of DTC and its participants. The Notes are issuable as fully registered book-entry securities. Interest on the Notes will be credited to the participants of DTC as listed on the records of DTC as of one business day prior to maturity.

**Redemption**

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

## **BOOK-ENTRY-ONLY SYSTEM\***

The description which follows of the procedures and recordkeeping with respect to beneficial ownership interest in the Notes, payment of principal and interest and other payments on the Notes to Direct and Indirect Participants (each as defined below) or Beneficial Owners, confirmation and transfer of beneficial ownership interests in the Notes and other related transactions by and between DTC, Direct Participants and Beneficial Owners, is based on certain information furnished by DTC to the Township. DTC will act as securities depository for the Notes. The Notes will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Note certificate will be issued for the Notes in the aggregate principal amount and will be deposited with DTC.

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

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co., or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants

---

\* Source: The Depository Trust Company.

to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

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

Redemption proceeds, if any, and principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Township or the paying agent, if any, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and shall be the responsibility of such Participant and not of DTC or its nominee, the paying agent, if any, or the Township, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, if any, and principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Township or the paying agent, if any, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

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

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

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

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

THE TOWNSHIP WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO NOTE HOLDERS; (III) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST

DUE ON THE NOTES; OR (IV) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY CEDE & CO., AS NOMINEE FOR DTC AND THE REGISTERED OWNER OF THE NOTES. THE RULES APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION AND THE PROCEDURES OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE NOTES, AS NOMINEE FOR DTC, REFERENCES HEREIN TO THE HOLDERS OR REGISTERED OWNERS OF THE NOTES (OTHER THAN UNDER THE CAPTIONS “TAX MATTERS” AND “SECONDARY MARKET DISCLOSURE”) SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE NOTES.

#### **Discontinuation of Book-Entry-Only System**

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

#### **AUTHORIZATION AND PURPOSE**

The Notes have been authorized by and are being issued pursuant to the laws of the State, including the Local Bond Law (constituting Chapter 2 of Title 40A of the State statutes, as amended) (the “Local Bond Law”), and the bond ordinances adopted by the Township referred to in the charts below. Proceeds from the sale and issuance of the Notes will be used to: (i) refund, on a current basis, the Township’s \$7,218,451 Bond Anticipation Notes, Series 2024, dated September 20, 2024 and maturing on September 19, 2025 (the “Prior Notes”); and (ii) provide funds for the costs incurred in connection with the authorization, sale and issuance of the Notes.

<b>Bond Ordinance Number</b>	<b>Description of Improvement and Date of Adoption of Bond Ordinance</b>	<b>Amount of Prior Notes Being Refunded</b>
2020-07	Various capital improvements, finally adopted June 16, 2020.	\$2,328,640.80
2020-09	Senior Center Expansion Project, finally adopted July 21, 2020.	1,500,000.00
2022-03	Senior Center Expansion Project, finally adopted April 5, 2022.	541,893.07
2022-08	Various capital improvements, finally adopted August 9, 2022.	1,676,373.41



<b>Bond Ordinance Number</b>	<b>Description of Improvement and Date of Adoption of Bond Ordinance</b>	<b>Amount of Prior Notes Being Refunded</b>
2023-11	Various capital improvements, finally adopted October 3, 2023.	<u>1,171,543.72</u>
	<b>TOTAL NOTE:</b>	<b><u>\$7,218,451</u></b>

## **SECURITY AND SOURCE OF PAYMENT**

The Notes are valid and legally binding obligations of the Township, payable in the first instance from the proceeds of the sale of bonds in anticipation of which the Notes are issued, but, if not so paid, payable ultimately from *ad valorem* taxes that may be levied upon all the taxable property within the Township without limitation as to rate or amount.

## **CERTAIN RISK FACTORS**

### **Recent Healthcare Developments**

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

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

The Plan, signed into law on March 12, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. The Township has received \$2,856,195.52 from the Plan. The deadline to obligate the funds was December 31, 2024, and such funds can only be spent on certain allowable uses as set forth in the Plan.

### **Cybersecurity**

The Township relies upon a large and complex technology environment to conduct its various operations. As a result, the Township faces certain cybersecurity threats at various times, including, but not

limited to, hacking, phishing, viruses, malware and other attacks on its computing and digital networks and systems. To mitigate the risks of business operations impact and/or damage from cybersecurity incidents or cyberattacks, the Township has invested in multiple forms of cybersecurity and operational safeguards. In addition, the Township maintains certain insurance coverage for cyberattacks and related events. However, there can be no assurance that any existing safety or security measures will provide adequate protection in safeguarding against cybersecurity threats and attacks. Cybersecurity breaches of the Township could cause material disruption of the Township's finances and operations.

## **Climate Change**

The State is naturally susceptible to the effects of extreme weather events and natural disasters, including floods and hurricanes, which could result in negative economic impacts on communities. Such effects can be exacerbated by a longer-term shift in the climate over several decades (commonly referred to as "climate change"), including increasing global temperatures and rising sea levels. The occurrence of such extreme weather events could damage local infrastructure that provides essential services to the Township as well as resulting in economic impacts such as loss of *ad valorem* tax revenue, interruption of municipal services and escalated recovery costs. The Township has an Office of Emergency Management and also engages with the County Office of Emergency Management to plan for and respond to emergencies, including weather-related emergencies. No assurance can be given as to whether future extreme weather events will occur that could materially adversely affect the financial condition of the Township.

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

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

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

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

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

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

The Township may exceed its debt limit with the approval of the Local Finance Board, a State regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the Township may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the Township or substantially reduce the ability of the Township to meet its obligations or to

provide essential public improvements and services, or if it makes certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued by the Township to fund certain notes, to provide for self-liquidating purposes, and, in each fiscal year, to provide for purposes in an amount not exceeding 2/3 of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

The Township may sell short-term “bond anticipation notes” to temporarily finance a capital improvement or project in anticipation of the issuance of bonds if the bond ordinance or a subsequent resolution so provides. Bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount specified in the ordinance creating such capital expenditure, as it may be amended and supplemented. A local unit’s bond anticipation notes may be issued for periods not greater than one year. Generally, bond anticipation notes may not be outstanding for longer than ten years. An additional period may be available following the tenth anniversary date equal to the period from the notes’ maturity to the end of the tenth fiscal year in which the notes mature plus 4 months (May 1) in the next following fiscal year from the date of original issuance. Beginning in the third year, the amount of notes that may be issued is decreased by the minimum amount required for the first year’s principal payment for a bond issue.

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

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

The local unit is authorized to issue Emergency Notes and Special Emergency Notes pursuant to the Local Budget Law.

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

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

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

The Local Budget Law (N.J.S.A. 40A:4-26) provides that no miscellaneous revenues from any source may be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director determines that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and certifies that determination to the local unit.

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

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

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

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

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

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

A provision of law known as the New Jersey “Cap Law” (N.J.S.A. 40A:4-45.1 et seq.) imposes limitations on increases in municipal appropriations subject to various exceptions. The payment of debt service is an exception from this limitation. The Cap formula is somewhat complex, but basically it permits a municipality to increase its overall appropriations by the lesser of 2.5% or the “Index Rate” if the Index Rate is greater than 2.5%. The “Index Rate” is the rate of annual percentage increase, rounded to the nearest one-half percent, in the Implicit Price Deflator for State and Local Government purchases of goods and services computed by the U.S. Department of Commerce. Exceptions to the limitations imposed by the Cap Law also

exist for other things including capital expenditures; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law. Counties are also prohibited from increasing their tax levies by more than the lesser of 2.5% or the Index Rate subject to certain exceptions. Municipalities by ordinance approved by a majority of the full membership of the governing body may increase appropriations up to 3.5% over the prior year's appropriation, and counties by resolution approved by a majority of the full membership of the governing body may increase the tax levy up to 3.5% over the prior year's tax levy in years when the Index Rate is 2.5% or less.

Additionally, legislation constituting P.L. 2010, c. 44, approved July 13, 2010, limits tax levy increases for those local units to 2% with exceptions only for capital expenditures including debt service, increases in pension contributions and accrued liability for pension contributions in excess of 2%, certain healthcare increases, extraordinary costs directly related to a declared emergency and amounts approved by a simple majority of voters voting at a special election.

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

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

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

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the result of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners, but it often results in a divergence of the assessment ratio to true value. Because of the changes in property resale values, annual adjustments could not keep pace with the changing values.

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

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

Tax installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00, and if a

delinquency (including interest) is in excess of \$10,000.00 and remains in arrears after December 31, an additional flat penalty of 6% shall be charged against the delinquency. These interest rates and penalties are the highest permitted under State statutes. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with State statutes.

### **Tax Appeals**

The State statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. Prior to February 1 in each year, the Township must mail to each property owner a notice of the current assessment and taxes on the property. The taxpayer has a right to petition the County Board of Taxation on or before April 1 for review. The County Board of Taxation has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the County Board of Taxation, appeal may be made to the Tax Court of New Jersey for further hearing. Some State Tax Court appeals may take several years prior to settlement and any losses in tax collections from prior years are charged directly to operations. The Township maintains a reserve for tax appeals to fund, in full or in part, such appeals.

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

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

An independent examination of each local unit's accounts must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division of Local Government Services' "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the Director. A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended December 31, 2023 for the Township is available on the Township's website and is also on file with the Township Clerk and is available for review during business hours.

## **FINANCIAL STATEMENTS**

Certain unaudited financial data of the Township for the Township's year ending December 31, 2024 and the audited financial statements of the Township for the Township's year ending December 31, 2023 are presented in Appendix "B" to this Official Statement (the "Financial Statements"). The Financial Statements have been prepared by Samuel Klein and Company, LLC, Freehold, New Jersey (the "Auditor"), an independent auditor, as stated in its report appearing in Appendix "B" to this Official Statement. The Auditor has not participated in the preparation of this Official Statement, nor has such firm verified the accuracy, completeness or fairness of the information contained herein (except for the audited financial statements appearing in Appendix "B" hereto) and, accordingly, will express no opinion with respect thereto. See "APPENDIX B – EXCERPTS FROM FINANCIAL STATEMENTS OF THE TOWNSHIP OF EAST WINDSOR, IN THE COUNTY OF MERCER, NEW JERSEY" herein.

## **LITIGATION**

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

## **TAX MATTERS**

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

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

Assuming the Township observes its covenants with respect to compliance with the Code, McManimon, Scotland & Baumann, LLC ("Bond Counsel") is of the opinion that, under existing law, interest on the Notes is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, and interest on the Notes is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax; however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to alternative minimum tax under Section 55 of the Code.

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

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

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

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

### **Original Issue Premium**

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

### **Bank-Qualification**

The Notes will be designated as qualified under Section 265 of the Code by the Township for an exemption from the denial of deduction for interest paid by financial institutions to purchase or to carry tax-exempt obligations.

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

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

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



Bond Counsel expresses no opinion regarding any federal tax consequences other than its opinion with regard to the exclusion of interest on the Notes from gross income pursuant to Section 103 of the Code and interest on the Notes not constituting an item of tax preference under Section 57 of the Code. Prospective purchasers of the Notes should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the Notes.

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

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

### **State Taxation**

Bond Counsel is of the opinion that, based upon existing law, interest on the Notes and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act.

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

### **SECONDARY MARKET DISCLOSURE**

Solely for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the “Rule”), and provided that the Notes are not exempt from the Rule and provided that the Notes are not exempt from the following requirements in accordance with paragraph (d) of the Rule, for so long as the Notes remain outstanding (unless the Notes have been wholly defeased), the Township shall provide for the benefit of the holders of the Notes and the beneficial owners thereof, in a timely manner not in excess of ten business days after the occurrence of the event, to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (“EMMA”) dataport, notice of any of the following events with respect to the Notes:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;

- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes;
- (7) Modifications to the rights of holders of the Notes, if material;
- (8) Note calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property securing repayment of the Notes, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Township;
- (13) The consummation of a merger, consolidation or acquisition involving the Township or the sale of all or substantially all of the assets of the Township, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the Township, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the Township, any of which affect holders of the Notes, if material; and
- (16) Default, event of acceleration, termination event, modification of terms or other similar events under a Financial Obligation of the Township, if any such event reflects financial difficulties.

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

If all or any part of the Rule ceases to be in effect for any reason, then the information required to be provided under this undertaking, insofar as the provision of the Rule no longer in effect required the provision of such information, shall no longer be required to be provided.

The Chief Financial Officer shall determine, in consultation with Bond Counsel, the application of the Rule or the exemption from the Rule for each issue of obligations of the Township prior to their offering. Such officer is authorized to enter into additional written contracts or undertakings to implement the Rule and to amend such contracts or undertakings or the undertakings set forth herein, provided such amendment is, in the opinion of Bond Counsel, in compliance with the Rule.

In the event that the Township fails to comply with the Rule requirements or the written contracts or undertakings specified in this undertaking, the Township shall not be liable for monetary damages, remedy being specifically limited to specific performance of the Rule requirements or the written contracts or undertakings therefor.

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

## **MUNICIPAL BANKRUPTCY**

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

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

## **APPROVAL OF LEGAL PROCEEDINGS**

All legal matters incident to the authorization, issuance, sale and delivery of the Notes are subject to the approval of Bond Counsel to the Township, whose approving legal opinion will be delivered with the Notes substantially in the form as set forth in Appendix "C". Certain legal matters will be passed on for the Township by the Township Attorney.

## **UNDERWRITING**

The Notes have been purchased from the Township at a public sale by \_\_\_\_\_ (the "Underwriter") at a price of \$ \_\_\_\_\_ (consisting of the par amount of the Notes plus original issue premium in the amount of \$ \_\_\_\_\_ less Underwriter's discount in the amount of \$ \_\_\_\_\_). The Underwriter has purchased the Notes in accordance with the Notice of Sale.

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

## **RATING**

The Notes have not been rated.

## **MUNICIPAL ADVISOR**

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

## **PREPARATION OF OFFICIAL STATEMENT**

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

The Municipal Advisor has participated in the preparation and review of the information contained in this Official Statement, including the collection of financial, statistical and demographic information; however, it has not verified the accuracy, completeness or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto. Certain information set forth herein has been obtained from the Township and other sources, which are deemed reliable, but no warranty, guaranty or other representation as to the accuracy or completeness is made as to such information contained herein. There is no assurance that any of the assumptions or estimates contained herein will be realized.

Bond Counsel has neither participated in the preparation of the financial or statistical information contained in this Official Statement, nor has it verified the accuracy, completeness or fairness thereof and, accordingly, expresses no opinion with respect thereto.

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

## **ADDITIONAL INFORMATION**

Inquiries regarding this Official Statement, including any information additional to that contained herein, may be directed to Scott Frueh, Chief Financial Officer, Township of East Windsor, 16 Lanning Boulevard, East Windsor, New Jersey 08520-1999, (609) 443-4000, or to the Municipal Advisor, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 2000 Waterview Drive, Suite 101, Hamilton, New Jersey 08691, telephone (609) 291-0130.

## **MISCELLANEOUS**

This Official Statement is not to be construed as a contract or agreement among the Township, the Underwriter and the holders of any of the Notes. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Notes made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs (financial or otherwise) of the Township since the date hereof. The information contained in this Official Statement is not guaranteed as to accuracy or completeness.

### **TOWNSHIP OF EAST WINDSOR, IN THE COUNTY MERCER, NEW JERSEY**

By: \_\_\_\_\_

Scott Frueh  
Chief Financial Officer

Dated: September \_\_, 2025

[ THIS PAGE INTENTIONALLY LEFT BLANK ]

**APPENDIX A**

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

[ THIS PAGE INTENTIONALLY LEFT BLANK ]



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

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

### **General Information**

The Township was incorporated in 1797. The Township is 15.6 square miles in size and situated in the northeastern portion of the County seven miles east of Princeton, New Jersey. It borders both Monmouth and Middlesex Counties and approximately halfway between New York and Philadelphia. The Township is a growing residential, commercial and light industrial suburban community located at Exit 8 on the New Jersey Turnpike. A variety of housing, recreational and educational opportunities as well as attractive surroundings make the Township a prime area in which to locate.

Though primarily a residential community with vast expanses of open space and farmland, the Township has portions zoned for business and commercial uses; moreover, the Township is crossed by the New Jersey Turnpike, U.S. Highway 130 and New Jersey Highway 33 and has easy access to air and rail services. The Township provides an excellent road system. The State’s Route 133 highway provides a four lane, limited access route to link the N.J. Turnpike Exit 8 area with the Township’s corporate office corridor along Route 571 (Princeton-Hightstown Road) and the booming Route 130 retail corridor in the Township.

The Township has a vibrant, significant and diversified commercial base and is home to corporate offices for global giants as QTS, Aurobindo Pharma, Getinge, LG Electronics, Hovione and Shiseido America. The Township has been a magnet attracting clusters of high-tech pharmaceutical-related and R&D companies.

### **Transportation**

Area commercial and industrial establishments are served by the three primary roads mentioned above, plus County Road 571 (Princeton-Hightstown Road). These arteries go directly through the Township, with Exit 8 of the New Jersey Turnpike providing access for residents and to various business parks throughout the Township.

Commuters can take the Princeton Junction Shuttle bus to the mainline rail system at Princeton Junction, located only four miles from the Township with service to both New York and Philadelphia. There is also a daily commuter bus with service to New York and surrounding areas.

Area roadways lead quickly to most popular deep-water ports with extensive terminals and warehouses. Within 50 miles are the ports of New York, Philadelphia, Newark and Elizabeth with the world’s largest containerization facilities.

---

<sup>1</sup> Source: The Township, unless otherwise indicated.

Newark and Philadelphia Airports are both within one hour of the Township. Kennedy and LaGuardia Airports are only ninety minutes away. In addition, Trenton-Mercer Airport, a major regional facility, is twenty minutes from the Township and provides private and corporate aviation services.

## **Education**

### *Higher Education*

Situated in central New Jersey, the Township has the advantage of having the following universities and colleges located within close proximity:

Princeton University  
Rutgers University  
Rider University  
The College of New Jersey  
Mercer County Community College

### *Public and Private Schools*

The Township and the Borough of Hightstown comprise the East Windsor Regional School District. The School District is a kindergarten through high school system. The East Windsor School District operates 4 elementary schools, one middle school and one high school. Mercer County operates Mercer County Vocational Technical School.

In addition to its public facilities, the following private schools are within close proximity:

Peddie School  
Princeton Day School  
Lawrenceville School

## **Recreation**

The Township has a full-time recreation director and provides a variety of recreational programs throughout the year. In addition to full 8-week Summer Camp program and Counselor in training program (CIT). The Township offers After School Programs, Taekwondo, Jr Chef and Bricks4kids, Several Acoustic Nights, a Summer Concert Series, Fireworks around the Fourth of July, Family Night, and other family fun events throughout the year such as an annual Egg Hunt and a large Halloween event.

The Township offers a full program of community recreation for all ages. Activities include children and adult sports leagues. The Township has over 400 acres of dedicated parklands located within its borders. The parks range in size from small neighborhood parks to sprawling 165 acre, Etra Lake Park. Neighborhood parks all feature tot-lot playground areas. Three of the parks offer tennis courts and four offer basketball courts.

Etra Lake Park, the Township's largest park, offers basketball, soccer and football in designated areas. It also includes multiple picnic areas with grills and picnic tables and a full tot-lot for younger children. Etra Lake Park also has a large open area with a bandstand where special events such as fireworks displays, live band concerts and movie nights are held. The park also contains a Township Environmental Center and Pavilion with restroom facilities.

Part of Etra Lake Park is Etra Lake, where fishing and boating activities are possible along the shores of the lake at the boat launch facility. The park also has a mile and a half walking trail that loops around native tree arboretum where visitors can take pathways through the trees, identified by markers at various points. The park also has an approximate one-mile bike/walking path from New Jersey's largest and first planned community, Twin Rivers (located in East Windsor), to the park.

Several parks in the Township including Etra Lake Park and Rocky Brook Park offer walking trails with heart healthy fitness stations. Nearly a mile of walking paths joins Wiltshire Park and Anker Park as well as the Hickory Corner Library. This path runs along the Bear Brook and a small pond where benches and tables are available for picnics.

In addition to the many parks and recreation facilities operated by the Township, the Township also hosts two other sports complexes. The East Windsor Police Athletic League complex has seven soccer lacrosse fields and eight baseball/softball fields for the P.A.L. youth programs. A second complex owned by the Hightstown-East Windsor Youth Baseball League provides additional baseball fields.

East Windsor Senior Center, owned and operated by the Township, offers a wide variety of activities and services for seniors in a 10,564 square foot facility opened in September 2003 and expanded in 2022 to 15,642 square feet. The center features a large partitionable multi-purpose room and rooms for specialized activities such as arts and crafts, computers, health screening, TV lounge, reading room, and a game room with pool table. A portion of the multi-purpose room is used for group presentations, exercise, parties, movies, and meetings. The room is also used by the Mercer County Nutritional Program. A Community Bus, also operated by the Township, provides transportation to the center and Monday through Thursday assist seniors with transportation for grocery shopping, local doctors, hair appointments, and banking. A weekly trip is offered on Fridays to various points of interest including dinner theaters, malls, museums, restaurants and sporting events.

## **Public Safety**

The Township is served by a Police Department that has been recognized for law enforcement performance. The Police Department is composed of a force of officers and Civilian personnel. There are 2 Fire Companies within the Township which are volunteer agencies offering free service to the community. The Township contracts Capital Health Systems, Inc., which also provides the County services, for advanced life service ambulance vehicles which provide 24-hour seven days a week emergency medical services to the Township.

## **Public Library**

Residents of the Township enjoy the service of the Mercer County Library System at two locations. Moreover, two additional branches of the County Library are within five minutes of East Windsor. The Main County Library is located in Lawrence and the State Library is located in Trenton, both are available to Township residents.

## **Local Government**

The Township is organized under the Council-Manager (Faulkner Act) form of government adopted by referendum in 1970. The seven-member Council elects a Mayor and Deputy Mayor from among its members for a two-year term. Council members are elected at large by the voters every four years. Municipal elections are conducted every two years.

Under this form of government, the executive officer of the Municipality is a professional manager appointed by Council. The Manager is a full-time employee for carrying out the policies established by Council and oversees daily Municipal operations. Administration of the Township and execution of policies are solely within the hands of the professional manager and staff. (See Organizational Chart contained herein.) The manager is assisted by a professionally trained staff. The Finance Director, Clerk, Health Officer, Code Enforcement Officer, Tax Collector and Assessor possess required state certifications along with higher degrees. The Township employs approximately 165 full and part time employees.

## **Utility Information**

### *Water and Sewer Services*

Water and sewer services are provided by the East Windsor Municipal Utilities Authority, an autonomous agency established pursuant to N.J.S. 40:14B-1 et seq. The members of this agency are appointed by the Township Council, but once appointed have full authority and responsibility for providing sewer and water service in the Township. There is a high degree of coordination between the Authority and the Township in planning policies and executing projects.

### *Water Services*

The current design capacity of the water system is approximately 7.2 million gallons per day. Current usage averages 3.2 million gallons per day.

### *Sewer Services*

The current design capacity of the sewer treatment system is 4.65 million gallons per day. Current usage averages 2.8 million gallons per day.

### *Other Services*

Electricity is provided by Jersey Central Power & Light Company.

Natural gas is provided by the Public Service Electric and Gas Company.

## **Pension and Retirement Systems**

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

The Public Employees' Retirement System ("PERS") is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. Membership is mandatory for substantially all full-time employees of the State or any county, municipality, school district or public agency, provided the employee is not required to be a member of another State-administered retirement system or other State pension fund or local jurisdiction's pension fund.

The Police and Firemen's Retirement System ("PFRS") is a cost-sharing multiple-employer defined benefit pension plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A, to provide retirement, death, disability and medical benefits to certain qualified members. Membership is mandatory for substantially all full-time county and municipal police and firemen or officer employees with police powers appointed after June 30, 1944.

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

### **Employment and Unemployment Comparisons**

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

	<b><u>Total Labor Force</u></b>	<b><u>Employed Labor Force</u></b>	<b><u>Total Unemployed</u></b>	<b><u>Unemployment Rate</u></b>
<b><u>Township</u></b>				
2024	16,633	16,041	592	3.6%
2023	16,520	16,016	504	3.1%
2022	16,309	15,869	440	2.7%
2021	16,043	15,288	755	4.7%
2020	15,879	14,801	1,078	6.8%
<b><u>County</u></b>				
2024	199,583	190,833	8,750	4.4%
2023	198,699	190,533	8,166	4.1%
2022	195,425	188,302	7,123	3.6%
2021	192,685	180,980	11,705	6.1%
2020	192,510	177,193	15,317	8.0%
<b><u>State</u></b>				
2024	4,898,008	4,676,064	221,944	4.5%
2023	4,867,113	4,659,779	207,334	4.3%
2022	4,756,002	4,572,879	183,123	3.9%
2021	4,654,243	4,342,075	312,168	6.7%
2020	4,643,700	4,204,301	439,399	9.5%

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

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

	<b><u>Township</u></b>	<b><u>County</u></b>	<b><u>State</u></b>
Median Household Income	\$103,656	\$96,333	\$101,050
Median Family Income	133,767	124,699	123,892
Per Capita Income	51,864	52,101	53,118

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

## **Population**

The following tables summarize population increases and the decreases for the Township, the County, and the State.

<b><u>Year</u></b>	<b><u>Township</u></b>		<b><u>County</u></b>		<b><u>State</u></b>	
	<b><u>Population</u></b>	<b><u>% Change</u></b>	<b><u>Population</u></b>	<b><u>% Change</u></b>	<b><u>Population</u></b>	<b><u>% Change</u></b>
2024 est.	30,436	1.30%	392,138	1.24%	9,500,851	2.28%
2020	30,045	10.50	387,340	5.68	9,288,994	5.65
2010	27,190	9.11	366,513	4.49	8,791,894	4.49
2000	24,919	11.48	350,761	7.65	8,414,350	8.85
1990	22,353	6.24	325,824	5.83	7,730,188	4.96

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

## **Largest Taxpayers**

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

<b><u>Taxpayers</u></b>	<b><u>2024 Assessed Valuation</u></b>	<b><u>% of Total Assessed Valuation</u></b>
Aurobindo Pharma	\$62,286,300	2.17%
Hilton Management	58,271,100	2.03%
Presbyterian Homes of NJ	34,015,800	1.18%
USCLP NJ Milford, NJ	33,500,000	1.17%
QTS Investment Properties	30,028,200	1.05%
Gateway Twin Rivers	27,546,000	0.96%
Northgate Tenants Corp	27,500,000	0.96%
KIR East Windsor	26,500,000	0.92%
Levcom EW Associates	24,452,200	0.85%
Shiseido America	<u>22,848,300</u>	<u>0.80%</u>
<b>Total</b>	<b><u>\$346,947,900</u></b>	<b><u>12.08%</u></b>

Source: Municipal Tax Assessor

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

<b><u>Year</u></b>	<b><u>Tax Levy</u></b>	<b><u>Current Year Collection</u></b>	<b><u>Current Year % of Collection</u></b>
2024U	\$106,900,880	\$106,340,627	99.48%
2023	100,198,054	99,354,902	99.16%
2022	96,839,312	96,492,988	99.64%
2021	96,199,856	95,762,440	99.13%
2020	95,434,559	94,952,785	99.34%

U: Unaudited

Source: Annual Audit Reports of the Township and 2024 Annual Financial Statement

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

<b><u>Year</u></b>	<b><u>Amount of Tax Title Liens</u></b>	<b><u>Amount of Delinquent Tax</u></b>	<b><u>Total Delinquent</u></b>	<b><u>% of Tax Levy</u></b>
2024U	\$341,205	\$549,850	\$891,055	0.83%
2023	349,983	821,258	1,171,241	1.17%
2022	322,853	525,344	848,196	0.88%
2021	280,356	405,614	805,387	0.84%
2020	275,990	481,934	710,929	0.74%

U: Unaudited

Source: Annual Audit Reports of the Township and 2024 Annual Financial Statement

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

<b><u>Year</u></b>	<b><u>Amount</u></b>
2024U	\$156,377
2023	156,377
2022	156,377
2021	156,377
2020	156,377

U: Unaudited

Source: Annual Audit Reports of the Township and 2024 Annual Financial Statement



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

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

<u>Year</u>	<u>Municipal</u>	<u>Regional School</u>	<u>County</u>	<u>Special District</u>	<u>Total</u>
2025	\$0.465	\$2.234	\$0.795	\$0.124	\$3.618
2024	0.460	2.259	0.784	0.124	3.627
2023	0.433	2.194	0.771	0.124	3.522
2022	0.433	2.164	0.710	0.124	3.431
2021	0.433	2.155	0.694	0.124	3.406

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

## **Valuation of Property**

<u>Year</u>	<u>Aggregate Assessed Valuation of Real Property</u>	<u>Aggregate True Value of Real Property</u>	<u>Ratio of Assessed to True Value</u>	<u>Assessed Value of Personal Property</u>	<u>Equalized Valuation</u>
2024	\$2,869,074,400	\$4,435,112,691	64.69%	\$3,501,400	\$4,438,614,091
2023	2,859,050,300	4,136,956,012	69.11	3,918,700	4,140,874,712
2022	2,853,297,800	3,571,086,108	79.90	4,289,845	3,575,375,953
2021	2,826,872,000	3,157,457,835	89.53	4,542,658	3,162,000,493
2020	2,816,664,350	2,961,792,166	95.10	4,443,653	2,966,235,819

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

## **Classification of Ratables**

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

<u>Year</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>	<u>Total</u>
2024	\$45,436,100	\$2,023,007,300	\$11,687,500	\$389,108,300	\$227,443,700	\$172,391,500	\$2,869,074,400
2023	36,809,100	2,022,456,800	11,420,500	401,873,300	214,099,100	172,391,500	2,859,050,300
2022	35,998,700	2,019,600,600	11,332,000	400,361,500	213,613,500	172,391,500	2,853,297,800
2021	35,117,100	2,019,677,100	11,323,500	400,481,800	188,851,700	171,420,800	2,826,872,000
2020	29,514,800	2,016,561,800	12,088,700	401,985,050	186,547,700	169,966,300	2,816,664,350

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

## **Financial Operations**

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

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

<b><u>Anticipated Revenues</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>
Fund Balance Utilized	\$3,323,000	\$3,323,000	\$3,681,080	\$4,095,080	\$4,358,900
Miscellaneous Revenues	7,029,596	7,945,546	6,918,800	7,642,540	6,877,839
Receipts from Delinquent Taxes	500,000	400,000	470,000	600,000	530,000
Amount to be Raised by Taxation	<u>12,266,728</u>	<u>12,380,020</u>	<u>12,386,357</u>	<u>13,220,518</u>	<u>13,582,731</u>
Total Revenue:	<u>\$23,119,324</u>	<u>\$24,048,566</u>	<u>\$23,456,238</u>	<u>\$25,558,137</u>	<u>\$25,349,470</u>
<b><u>Appropriations</u></b>					
General Appropriations	\$19,295,270	\$18,776,517	\$19,617,804	\$21,702,319	\$22,115,160
Operations (Excluded from CAPS)	400,414	1,787,522	348,660	368,739	354,163
Deferred Charges and Statutory Expenditures	0	0	0	0	0
Judgments	0	0	0	0	0
Capital Improvement Fund	75,000	150,000	150,000	150,000	100,000
Municipal Debt Service	2,393,640	2,379,527	2,384,774	2,382,079	1,825,147
Reserve for Uncollected Taxes	<u>955,000</u>	<u>955,000</u>	<u>955,000</u>	<u>955,000</u>	<u>955,000</u>
Total Appropriations:	<u>\$23,119,324</u>	<u>\$24,048,566</u>	<u>\$23,456,238</u>	<u>\$25,558,137</u>	<u>\$25,349,470</u>

Source: Annual Adopted Budgets of the Township

## **Fund Balance**

### **Current Fund**

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

<b><u>Year</u></b>	<b><u>Fund Balance - Current Fund</u></b>	
	<b><u>Balance</u></b>	<b><u>Utilized in Budget</u></b>
	<b><u>12/31</u></b>	<b><u>of Succeeding Year</u></b>
2024U	\$14,583,596	\$4,358,900
2023	6,366,618	4,095,000
2022	10,263,301	3,681,080
2021	11,140,360	3,323,000
2020	9,154,872	3,323,000

U: Unaudited

\* If the interfund was returned in 2022, the 2023 fund balance would have been \$11,810,838. This has been adjusted in 2024.

Source: Annual Audit Reports of the Township and 2024 Annual Financial Statement

Special Garbage District Fund

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

<b><u>Fund Balance - Special Garbage District</u></b>		
<b><u>Operating Fund</u></b>		
	<b>Balance</b>	<b>Utilized in Budget</b>
<b><u>Year</u></b>	<b><u>12/31</u></b>	<b><u>of Succeeding Year</u></b>
2024U	\$935,299	\$260,000
2023	1,002,276	260,000
2022	1,063,010	219,000
2021	1,026,987	126,000
2020	935,068	153,000

U: Unaudited

Source: Annual Audit Reports of the Township and 2024 Annual Financial Statement

*[Remainder of Page Intentionally Left Blank]*

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

### **General Purpose Debt**

Serial Bonds	\$8,910,000
Bond Anticipation Notes	7,218,451
Bonds and Notes Authorized but Not Issued	4,250,926
Other Bonds, Notes and Loans	43,617
Total:	<u>\$20,422,994</u>

### **Regional School District Debt**

Serial Bonds	\$9,159,339
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
Total:	<u>\$9,159,339</u>

### **Self-Liquidating Debt**

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

### **TOTAL GROSS DEBT**

**\$29,582,333**

Less: Statutory Deductions	
General Purpose Debt	\$0
Regional School District Debt	9,159,339
Self-Liquidating Debt	0
Total:	<u>\$9,159,339</u>

### **TOTAL NET DEBT**

**\$20,422,994**

Source: Annual Debt Statement of the Township

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

<b><u>Name of Related Entity</u></b>	<b><u>Related Entity Debt Outstanding</u></b>	<b><u>Township Percentage</u></b>	<b><u>Township Share</u></b>
Regional School District	\$10,495,000	87.27%	\$9,159,339
East Windsor MUA (2023)	312,178	100.00%	312,178
Mercer County Improvement Authority (2023)	123,664,040	6.53%	8,072,170
County	635,709,173	5.40%	<u>34,297,771</u>
Net Indirect Debt			\$51,841,458
Net Direct Debt			<u>20,422,994</u>
Total Net Direct and Indirect Debt			<u><u>\$72,264,452</u></u>

**Debt Limit (as of December 31, 2024)**

Average Equalized Valuation Basis (2022, 2023, 2024)	\$4,047,718,270
Permitted Debt Limitation (3 1/2%)	141,670,139
Less: Net Debt	<u>20,422,994</u>
Remaining Borrowing Power	<u><u>\$121,247,145</u></u>
Percentage of Net Debt to Average Equalized Valuation	0.505%
 Gross Debt Per Capita based on 2024 population of 30,436	 \$972
Net Debt Per Capita based on 2024 population of 30,436	\$671

---

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

[ THIS PAGE INTENTIONALLY LEFT BLANK ]

**APPENDIX B**

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

[ THIS PAGE INTENTIONALLY LEFT BLANK ]



**TOWNSHIP OF EAST WINDSOR  
COUNTY OF MERCER, NEW JERSEY**

# **REPORT ON THE FINANCIAL STATEMENTS COMPILATION**

**FOR THE YEAR ENDED DECEMBER 31, 2024**

**Report on Financial Statements**  
**Compilation**

The Honorable Mayor and Members  
of the Township Council  
Township of East Windsor  
County of Mercer  
State of New Jersey

Management is responsible for the accompanying financial statements of Township of East Windsor, County of Mercer, New Jersey, which comprise the financial statements – regulatory basis of the various funds and account groups of the Township of East Windsor, County of Mercer, State of New Jersey as of December 31, 2024, and the related statement of operations and change in fund balance – regulatory basis for the year then ended, the related statement of revenues – regulatory basis, and statement of expenditures – regulatory basis.

We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements. The financial statements are prepared by the Township on a basis of the financial reporting provisions of the regulatory basis of the accounting and budget laws of the Division of Local Government Services, Department of Community Affairs, State of New Jersey which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

Management has elected to omit all the disclosures required by accounting principles generally accepted in the United States of America, including the *Notes to Financial Statement* and *Notes to Supplementary Information*. If such omitted items and disclosures were included in the financial statements, they might influence the user's conclusions about the Township's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.



SAMUEL KLEIN AND COMPANY, LLP

Freehold, New Jersey  
August 25, 2025

**TOWNSHIP OF EAST WINDSOR**  
**CURRENT FUND**  
**STATEMENT OF ASSETS, LIABILITIES, RESERVES**  
**AND FUND BALANCE - REGULATORY BASIS**  
**AS OF DECEMBER 31, 2024**  
*[UNAUDITED]*

Balance  
December 31,  
2024

**ASSETS**

Regular Fund:	
Cash and Cash Equivalents	\$ 19,599,317.12
Change Fund	285.00
Petty Cash	<u>1,250.00</u>
	<u>19,600,852.12</u>
Receivables and Other Assets with Full Reserves:	
Delinquent Property Taxes Receivable	549,850.35
Tax Title Liens Receivable	341,205.01
Property Acquired for Taxes - Assessed Valuation	156,377.19
Revenue Accounts Receivable	18,288.89
Interfunds Receivable:	
Animal Control Fund	<u>2,000.00</u>
	<u>1,067,721.44</u>
Deferred Charges:	
Overexpenditure of 2023 Appropriation	
Overexpenditure of 2023 Appropriation Reserves	<u>15,289.44</u>
	<u>15,289.44</u>
Total Regular Fund	\$ <u>20,683,863.00</u>
Grant Fund:	
Cash and Cash Equivalents	\$ 37,713.51
Grants Receivable	1,400,262.59
Interfunds Receivable:	
Payroll Fund	<u>500.00</u>
Total Grant Fund	\$ <u>1,438,476.10</u>
TOTAL ASSETS	\$ <u><u>22,122,339.10</u></u>

**TOWNSHIP OF EAST WINDSOR**  
**CURRENT FUND**  
**STATEMENT OF ASSETS, LIABILITIES, RESERVES**  
**AND FUND BALANCE - REGULATORY BASIS**  
**AS OF DECEMBER 31, 2024**  
*[UNAUDITED]*

Balance  
December 31,  
2024

**LIABILITIES, RESERVES AND FUND BALANCE**

Regular Fund:	
Appropriation Reserves	\$ 2,367,657.18
Reserve for Encumbrances	624,982.85
Accounts Payable	718,831.60
Due to State of New Jersey Chapter 20	269.54
Due to State of New Jersey	32,304.00
Taxes Payable	294,794.77
Payment in Lieu of Taxes Due to County	248,997.71
Interfund Payable:	
Special Garbage District Fund	33,098.33
Prepaid Taxes	697,576.54
Tax Overpayments	2,935.25
Various Reserves	<u>43,102.47</u>
	5,064,550.24
Reserve for Receivables and Other Assets	1,067,721.44
Fund Balance	<u>14,551,591.32</u>
	<u>\$ 20,683,863.00</u>
Grant Fund:	
Appropriated Reserves:	
Unencumbered	\$ 1,207,173.39
Encumbered	41,300.89
Unappropriated Reserves	122,894.14
Various Reserves	<u>67,107.68</u>
	<u>\$ 1,438,476.10</u>
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>	<b><u><u>\$ 22,122,339.10</u></u></b>

Notes to Financial Statements have been omitted.

**TOWNSHIP OF EAST WINDSOR**  
**CURRENT FUND**  
**STATEMENT OF OPERATIONS AND CHANGE IN**  
**FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
[UNAUDITED]

2024

Revenues and Other Income Realized:	
Fund Balance Utilized	\$ 4,095,080.00
Miscellaneous Revenues Anticipated	11,182,538.19
Receipts from:	
Delinquent Taxes	830,251.16
Current Taxes	106,325,810.41
Nonbudget Revenue	192,235.41
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	2,166,926.10
Current Appropriations - Cancelled	84,305.03
Interfunds Liquidated	5,446,569.10
	<hr/>
Total Income	\$ 130,323,715.40
Expenditures:	
Budget Appropriations:	
Municipal Purposes	\$ 25,247,632.09
County Taxes	26,431,447.28
Regional School District Taxes	63,945,399.00
Special Garbage District Taxes	2,375,223.33
Prior Year Senior Citizens' & Veterans' Deductions Disallowed	2,500.00
Refund of Prior Year Revenue	39,460.43
Interfunds Advanced	2,000.00
	<hr/>
Total Expenditures	\$ 118,043,662.13
Excess in Revenue over Expenditures	\$ 12,280,053.27
Fund Balance, January 1	6,366,618.05
	<hr/>
	\$ 18,646,671.32
Decreased by:	
Utilized as Anticipated Revenue	4,095,080.00
	<hr/>
Fund Balance, December 31	\$ 14,551,591.32
	<hr/>

Notes to financial statements have been omitted.

**TOWNSHIP OF EAST WINDSOR**  
**TRUST FUND**  
**STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND**  
**FUND BALANCE - REGULATORY BASIS**  
**DECEMBER 31, 2024**  
**[UNAUDITED]**

	Balance December 31, <u>2024</u>
<b><u>ASSETS</u></b>	
Assessment Trust Fund:	
Prospective Assessments Funded	<u>\$ 759,000.00</u>
Animal Control Trust Fund:	
Cash and Cash Equivalents	594.75
Deficit in Reserve for Animal Control Expenditures	<u>2,244.25</u>
	<u>2,839.00</u>
Other Trust Funds:	
Cash and Cash Equivalents	15,648,739.25
Due from Municipal Court	<u>824.00</u>
	<u>15,649,563.25</u>
Payroll Agency Fund:	
Cash and Cash Equivalents	<u>389,659.04</u>
Builders Escrow Fund:	
Cash and Cash Equivalents	<u>2,439,415.57</u>
Length of Service Awards Program Fund:	
LOSAP [Unaudited] :	
Funds Held by Trustee	<u>1,579,655.34</u>
Total Assets	<u><u>\$ 20,820,132.20</u></u>
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>	
Assessment Trust Fund:	
Prospective Assessments Funded	<u>\$ 759,000.00</u>
Animal Control Trust Fund:	
Interfunds Payable - Current Fund	2,000.00
Due to State of New Jersey	<u>839.00</u>
	<u>2,839.00</u>
Other Funds:	
Miscellaneous Reserves	<u>\$ 15,649,563.25</u>
Payroll Agency Fund:	
Payroll Deductions Payable	367,090.57
Interfunds Payable:	
Grant Fund	500.00
Special Garbage District Fund	<u>22,068.47</u>
	<u>389,659.04</u>
Builder's Escrow Fund:	
Builder's Escrow	<u>2,439,415.57</u>
Length of Service Awards Program (LOSAP) Fund	
Reserve for LOSAP [Unaudited]	<u>1,579,655.34</u>
Total Liabilities, Reserves & Fund Balance	<u><u>\$ 20,820,132.20</u></u>

Notes to the financial statements have been omitted.

**TOWNSHIP OF EAST WINDSOR**  
**BALANCE SHEET - REGULATORY BASIS**  
**GENERAL CAPITAL FUND**  
DECEMBER 31, 2024  
 [UNAUDITED]

	Balance December 31, <u>2024</u>
<b><u>ASSETS</u></b>	
Cash and Cash Equivalents	\$ 1,280,488.57
Grants Receivable	3,029,673.04
Prospective Assessments Raised by Taxation	20,472.00
Deferred Charges to Future Taxation:	
Funded	8,953,617.38
Unfunded	<u>11,469,377.07</u>
 TOTAL ASSETS	 <u><u>\$ 24,753,628.06</u></u>
 <b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>	
Serial Bonds Payable	\$ 8,910,000.00
NJ Environmental Infrastructure Trust Loan Payable	43,617.38
Bond Anticipation Notes	7,218,451.00
Improvement Authorizations:	
Funded	2,280,993.32
Unfunded	4,686,213.62
Capital Improvement Fund	229,056.93
Various Reserves	152,219.78
Prospective Assessments Raised by Taxation	20,472.00
Reserve for Encumbrances	1,106,486.78
Fund Balance	<u>106,117.25</u>
 TOTAL LIABILITIES, RESERVES AND FUND BALANCE	 \$ <u><u>24,753,628.06</u></u>

Notes to Financial Statements have been omitted.

**TOWNSHIP OF EAST WINDSOR**  
**GENERAL CAPITAL FUND**  
**STATEMENT OF FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
*[UNAUDITED]*

BALANCE, DECEMBER 31, 2023 \$ 535,951.64

DECREASED BY:

Transferred to Current Fund -

2024 Miscellaneous Anticipated Revenue:

General Capital Surplus \$ 100,000.00

Capital Fund Surplus>NNLPASE 1 329,834.39

429,834.39

BALANCE, DECEMBER 31, 2024 \$ 106,117.25

Notes to Financial Statements have been omitted.



**TOWNSHIP OF EAST WINDSOR**  
**PUBLIC ASSISTANCE FUND**  
**BALANCE SHEET - REGULATORY BASIS**  
*[UNAUDITED]*

	Balance December 31, <u>Year 2024</u>
 <b><u>ASSETS</u></b>	
Cash and Cash Equivalents	\$ <u><u>41,561.28</u></u>
 <b><u>LIABILITIES AND RESERVES</u></b>	
Prepaid State Aid	\$ 23,439.42
Reserve for Public Assistance Expenditures	<u>18,121.86</u>
	\$ <u><u>41,561.28</u></u>

Notes to Financial Statements have been omitted.

**TOWNSHIP OF EAST WINDSOR**  
**SPECIAL GARBAGE DISTRICT FUND**  
**BALANCE SHEET - REGULATORY BASIS**  
*[UNAUDITED]*

	Balance December 31, <u>2024</u>
<b><u>ASSETS</u></b>	
Cash and Cash Equivalent	\$ 1,190,172.82
Interfunds Receivable:	
Current Fund	33,098.33
Payroll Fund	<u>22,068.47</u>
Total Assets	<u>\$ 1,245,339.62</u>
 <b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>	
Appropriation Reserves	\$ 235,165.08
Reserve for Encumbrances	1,606.68
Accounts Payable	<u>40,170.55</u>
	<u>276,942.31</u>
Fund Balance	<u>968,397.31</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 1,245,339.62</u>

Notes to Financial Statements have been omitted.

**TOWNSHIP OF EAST WINDSOR**  
**SPECIAL GARBAGE DISTRICT FUND**  
**STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE -**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
*[UNAUDITED]*

	<u>2024</u>
<u>Revenues and Other Income Realized</u>	
Fund Balance Anticipated	\$ 260,000.00
District Tax Levy	2,342,125.00
Nonbudget Revenue	50,364.85
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	<u>175,756.56</u>
Total Income	\$ <u>2,828,246.41</u>
<u>Expenditures</u>	
Budget Expenditures:	
Operating	\$ 2,517,590.00
Deferred Charges and Statutory Expenditures	<u>84,534.91</u>
Total Expenditures	\$ <u>2,602,124.91</u>
Excess in Revenue over Expenditures	\$ 226,121.50
Fund Balance, January 1	<u>1,002,275.81</u>
	1,228,397.31
Decreased by:	
Utilized as Anticipated Revenue	<u>260,000.00</u>
Fund Balance, December 31	\$ <u><u>968,397.31</u></u>

Notes to Financial Statements have been omitted.

**TOWNSHIP OF EAST WINDSOR**  
**GENERAL CAPITAL ASSETS ACCOUNT GROUP**  
**BALANCE SHEET - REGULATORY BASIS**  
*[UNAUDITED]*

	<u>Year 2024</u>
<b><u>ASSETS</u></b>	
Land	\$ 1,092,084.00
Buildings and Improvements	6,184,430.00
Vehicles	6,290,137.73
Machinery and Equipment	<u>3,918,196.02</u>
Total Assets	<u>\$ 17,484,847.75</u>
<b><u>RESERVES</u></b>	
Reserve for Fixed Assets	<u>\$ 17,484,847.75</u>
Total Reserves	<u>\$ 17,484,847.75</u>

Notes to Financial Statements have been omitted.

**TOWNSHIP OF EAST WINDSOR  
COUNTY OF MERCER, NEW JERSEY**

# **ANNUAL AUDIT REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

**SAMUEL KLEIN AND COMPANY, LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11<sup>TH</sup> FLOOR  
NEWARK, N.J. 07102-9969  
PHONE (973) 624-6100  
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303  
FREEHOLD, N.J. 07728-2291  
PHONE (732) 780-2600  
FAX (732) 780-1030

**INDEPENDENT AUDITORS' REPORT**

The Honorable Mayor and Members  
of the Township Council  
Township of East Windsor  
County of Mercer  
State of New Jersey

To the Honorable Mayor and Members of the Township Council:

**Report on the Financial Statements**

**Opinions**

We have audited the financial statements – regulatory basis of the various funds and account groups of the Township of East Windsor, County of Mercer, State of New Jersey as of December 31, 2023, and the related statement of operations and change in fund balance – regulatory basis for the year then ended, the related statement of revenues – regulatory basis, statement of expenditures – regulatory basis, and the related notes to the financial statements for the year then ended.

In our opinion, because of the significance of the matters discussed in the “Basis for Adverse Opinion on the United States 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 of the Township of East Windsor, County of Mercer, State of New Jersey as of December 31, 2023, and change in financial position thereof for the year then ended.

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

As described in Note 2 of the financial statements – regulatory basis, the financial statements are prepared by the Township on a basis of the financial reporting provisions of the regulatory basis of the accounting and budget laws of the Division of Local Government Services, Department of Community Affairs, State of New Jersey which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

The effects on the financial statements – regulatory basis, the financial statements are prepared by the Township on a basis of the financial reporting provisions of the regulatory basis of the accounting and budget laws of the Division of Local Government Services, Department of Community Affairs, State of New Jersey which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

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

### **Disclaimer of Opinion on Length of Service Award Program Fund ("LOSAP")**

Due to the fact that we were not required by the Division to audit nor were we engaged to audit the LOSAP financial statements as part of our audit of the Township's financial statements, we do not express an opinion of the LOSAP financial statements.

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

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP financial statements – regulatory basis been audited, the financial statements referred to above present fairly, in all material respects the financial statements – regulatory basis of the various funds and account groups of the Township of East Windsor, County of Mercer, State of New Jersey, as of December 31, 2023 and December 31, 2022, and the results of its operations and change in fund balance of such funds – regulatory basis for the years then ended, and the revenues, regulatory basis, expenditures – regulatory basis of the various funds and account groups for the years ended December 31, 2023 and December 31, 2022 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

### **Basis for Disclaimer of Opinion on Length of Service Award Program Fund ("LOSAP")**

As discussed in Note 1, the financial statements of the Length of Service Award Program Fund ("LOSAP") have not been audited, and we were not required by the Division to audit nor were we engaged to audit the LOSAP financial statements as part of our audit of the Township's financial statements. The LOSAP financial activities are included in the Township's Trust Fund and represent 7.23% and 6.96% of the assets and liabilities of the Township's Trust Funds as of December 31, 2023 and December 31, 2022, respectively.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements – regulatory basis, in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State 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.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements (Continued)**

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

### **Other Matters**

Accounting principles generally accepted in the United States of America require that pension plan information, including the Notes thereto, (Required Supplementary Information – RSI Schedules), as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Information**

Our audit was performed for the purpose of forming an opinion on the financial statements of the Township of East Windsor, County of Mercer, New Jersey. The information included Combining and Individual Funds and Account Statements as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements of the Township of East Windsor, County of Mercer, New Jersey. The information included in the Combining and Individual Funds and Account Statements are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements.



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

The information has been subjected to auditing procedures applied in the audit of the financial statements – regulatory basis and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements – regulatory basis taken as a whole.

The information contained in the Statistical Section have not been subjected to auditing procedures applied in the audit of the financial statements – regulatory basis and, accordingly, we do not express an opinion, or provide any assurance on them.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2024, on our consideration of the Township of East Windsor's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 of East Windsor's internal control over financial reporting and compliance.



Gerard Stankiewicz  
Certified Public Accountant  
Registered Municipal Accountant #431



SAMUEL KLEIN AND COMPANY, LLP

Freehold, New Jersey  
July 31, 2024

**SAMUEL KLEIN AND COMPANY, LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11<sup>TH</sup> FLOOR  
NEWARK, N.J. 07102-9969  
PHONE (973) 624-6100  
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303  
FREEHOLD, N.J. 07728-2291  
PHONE (732) 780-2600  
FAX (732) 780-1030

**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**

The Honorable Mayor and Members  
of the Township Council  
Township of East Windsor  
County of Mercer  
State of New Jersey

To the Honorable Mayor and Members of the Township Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("the Division"), the financial statements – regulatory basis of the Township of East Windsor (herein referred to as "the Township"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Township's financial statements – regulatory basis, and have issued our report thereon dated July 31, 2024. Our report expressed a qualified opinion on the financial statements in conformity with this regulatory basis because we did not audit the unaudited Length of Service Program (LOSAP). Our report also expressed a modified opinion because of the departure from accounting principles generally accepted in the United States of America as disclosed in Note 2.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements – regulatory basis, 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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.

**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 (CONTINUED)**

Our consideration of 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.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township's financial statements - regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*. However, we noted no instances of material non-compliance that we are required to report to the management of the Township in the "General Comments and Recommendations" section of this report.

We also noted other matters involving compliance and internal control over financial reporting that we have reported to the management of the Township of East Windsor in the General Comments section of the Report of Audit.

**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.



Gerard Stankiewicz  
Certified Public Accountant  
Registered Municipal Accountant #431



SAMUEL KLEIN AND COMPANY, LLP

Freehold, New Jersey  
July 31, 2024

## **FINANCIAL STATEMENTS**

## **CURRENT FUND**

**TOWNSHIP OF EAST WINDSOR**  
**CURRENT FUND**  
**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES**  
**AND FUND BALANCE - REGULATORY BASIS**  
**AS OF DECEMBER 31, 2023 AND 2022**

	Balance December 31, <u>2023</u>	Balance December 31, <u>2022</u>
<u>ASSETS</u>		
Regular Fund:		
Cash and Cash Equivalents	\$ 12,210,826.88	\$ 14,522,920.60
Change Fund	285.00	285.00
Petty Cash	<u>1,250.00</u>	<u>1,250.00</u>
	<u>12,212,361.88</u>	<u>14,524,455.60</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	821,257.56	525,343.48
Tax Title Liens Receivable	349,983.03	322,852.78
Property Acquired for Taxes - Assessed Valuation	156,377.19	156,377.19
Revenue Accounts Receivable	14,235.38	10,898.22
Interfunds Receivable:		
Due from Animal Control Fund	1,379.00	379.00
Due from Other Trust Fund	969.76	969.76
Due from General Capital Fund	4,300,000.00	1,709,975.37
Due from Grant Fund	<u>1,144,220.34</u>	<u>                    </u>
	<u>6,788,422.26</u>	<u>2,726,795.80</u>
Deferred Charges:		
Overexpenditure of 2023 Budget Appropriation	<u>5,844.85</u>	<u>                    </u>
Total Regular Fund	\$ <u>19,006,628.99</u>	\$ <u>17,251,251.40</u>
Grant Fund:		
Cash and Cash Equivalents	\$ 486,780.81	\$ 620,873.63
Grants Receivable	2,266,641.51	1,919,876.25
Interfunds Receivable:		
Due from Current Fund		28,000.00
Due from General Capital Fund		90,024.63
Due from Payroll Fund	<u>500.00</u>	<u>500.00</u>
Total Grant Fund	\$ <u>2,753,922.32</u>	\$ <u>2,659,274.51</u>
TOTAL ASSETS	\$ <u><u>21,760,551.31</u></u>	\$ <u><u>19,910,525.91</u></u>

**TOWNSHIP OF EAST WINDSOR**  
**CURRENT FUND**  
**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES**  
**AND FUND BALANCE - REGULATORY BASIS**  
**AS OF DECEMBER 31, 2023 AND 2022**

	Balance December 31, <u>2023</u>	Balance December 31, <u>2022</u>
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>		
Regular Fund:		
Appropriation Reserves	\$ 2,439,007.85	\$ 2,207,080.70
Reserve for Encumbrances	467,818.70	528,238.09
Accounts Payable	976,287.19	222,126.51
Due to State of New Jersey Chapter 20	709.96	2,893.52
Due to State of New Jersey	36,414.00	36,001.00
Taxes Payable	217,364.29	114,005.10
Payment in Lieu of Taxes Due to County	173,095.84	151,700.32
Interfund Payable:		
Due to Grant Fund		28,000.00
Prepaid Taxes	918,441.06	735,297.97
Tax Overpayments		11,004.12
Various Reserves	<u>622,449.79</u>	<u>224,807.57</u>
	5,851,588.68	4,261,154.90
Reserve for Receivables and Other Assets	6,788,422.26	2,726,795.80
Fund Balance	<u>6,366,618.05</u>	<u>10,263,300.70</u>
	<u>\$ 19,006,628.99</u>	<u>\$ 17,251,251.40</u>
Grant Fund:		
Appropriated Reserves:		
Unencumbered	\$ 1,441,613.86	\$ 2,018,020.26
Encumbered	88,652.69	629,709.40
Unappropriated Reserves	73,858.38	11,544.85
Interfund Payable:		
Due to Current Fund	1,144,220.34	
Various Reserves	<u>5,577.05</u>	
	<u>\$ 2,753,922.32</u>	<u>\$ 2,659,274.51</u>
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>	<u><u>\$ 21,760,551.31</u></u>	<u><u>\$ 19,910,525.91</u></u>

See accompanying notes to financial statement

**TOWNSHIP OF EAST WINDSOR**  
**CURRENT FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN**  
**FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
Revenues and Other Income Realized:		
Fund Balance Utilized	\$ 3,681,080.00	\$ 3,323,000.00
Miscellaneous Revenues Anticipated	8,958,362.67	9,119,841.91
Receipts from:		
Delinquent Taxes	514,085.94	408,143.13
Current Taxes	99,354,902.12	96,492,988.25
Nonbudget Revenue	248,663.14	92,747.21
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	1,369,969.16	2,746,843.57
Current Appropriations - Cancelled	361,550.14	300,514.94
Interfunds Liquidated		6,050.98
Cancellation of Grant Receivable/Reserve, Net	<u>923.05</u>	
Total Income	\$ <u>114,489,536.22</u>	\$ <u>112,490,129.99</u>
Expenditures:		
Budget Appropriations:		
Municipal Purposes	\$ 23,593,579.91	\$ 23,849,798.37
County Taxes	22,203,994.03	20,316,502.16
Regional School District Taxes	62,822,281.00	61,827,096.00
Special Garbage District Taxes	2,345,052.11	2,326,847.67
Prior Year Senior Citizens' & Veterans' Deductions Disallowed		3,697.95
Refund of Prior Year Revenue	4,986.85	9,301.88
Interfunds Advanced	<u>3,735,244.97</u>	<u>1,710,945.13</u>
Total Expenditures	\$ <u>114,705,138.87</u>	\$ <u>110,044,189.16</u>
Excess in Revenue over Expenditures	\$ (215,602.65)	\$ 2,445,940.83
Fund Balance, January 1	<u>10,263,300.70</u>	<u>11,140,359.87</u>
	\$ <u>10,047,698.05</u>	\$ <u>13,586,300.70</u>
Decreased by:		
Utilized as Anticipated Revenue	<u>3,681,080.00</u>	<u>3,323,000.00</u>
Fund Balance, December 31	\$ <u><u>6,366,618.05</u></u>	\$ <u><u>10,263,300.70</u></u>

See accompanying notes to financial statement



**EAST WINDSOR TOWNSHIP**  
**CURRENT FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	ANTICIPATED 2023 BUDGET	Added by NJSA 40A:4-87	TOTAL 2023 BUDGET	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$ 3,681,080.00		\$ 3,681,080.00	\$ 3,681,080.00	-
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	\$ 32,950.00		\$ 32,950.00	\$ 33,252.00	\$ 302.00
Other	32,797.00		32,797.00	52,505.00	19,708.00
Fees and Permits	471,215.89		471,215.89	470,125.89	(1,090.00)
Fines and Costs:					
Municipal Court	179,253.00		179,253.00	191,876.91	12,623.91
Interest and Costs on Taxes	120,000.00		120,000.00	137,340.83	17,340.83
Interest on Investments and Deposits	96,763.00		96,763.00	472,175.25	375,412.25
Hotel Tax	195,664.00		195,664.00	259,135.42	63,471.42
	<u>\$ 1,128,642.89</u>	<u>-</u>	<u>\$ 1,128,642.89</u>	<u>\$ 1,616,411.30</u>	<u>\$ 487,768.41</u>
Energy Receipts Taxes	\$ 3,541,698.00		\$ 3,541,698.00	\$ 3,541,698.40	\$ 0.40
Municipal Relief Aid Fund	183,480.46		183,480.46	183,480.46	
	<u>\$ 3,725,178.46</u>	<u>-</u>	<u>\$ 3,725,178.46</u>	<u>\$ 3,725,178.86</u>	<u>\$ 0.40</u>
Dedicated Uniform Construction Code Fees Offset with Appropriations (N.J.S.A. 40A:4-36 and N.J.S.A. 5:23-4.17):					
Uniform Construction Code Fees	\$ 387,572.00		\$ 387,572.00	\$ 651,797.29	\$ 264,225.29
Special Items of General Revenue Anticipated with Prior Written consent to the Director of Local Government Services Shared Agreement Offset with Appropriations:					
Interlocal Service Agreements:					
Animal Control	\$ 41,000.00		\$ 41,000.00	\$ 47,159.00	\$ 6,159.00
Senior Center	21,196.00		21,196.00	45,446.00	24,250.00
Dispatcher	202,066.38		202,066.38	202,066.38	
Hankins Road - Robbinsville Interlocal 2019-2023	20,000.00		20,000.00	20,000.00	
	<u>\$ 284,262.38</u>	<u>-</u>	<u>\$ 284,262.38</u>	<u>\$ 314,671.38</u>	<u>\$ 30,409.00</u>

**EAST WINDSOR TOWNSHIP**  
**CURRENT FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	ANTICIPATED 2023 BUDGET	Added by NJSA 40A:4-87	TOTAL 2023 BUDGET	REALIZED	EXCESS OR (DEFICIT)
Miscellaneous Revenues: (Continued)					
Public and Private Revenues Offset with Approps.:					
Body Armor Grant	\$ 2,863.56		\$ 2,863.56	\$ 2,863.56	
Mecer County Bus Match	10,400.00		10,400.00	10,400.00	
Hightstown Bus Match	2,180.00		2,180.00	2,180.00	
Strength Local Public Health Capacity Grant		\$ 406,046.00	406,046.00	406,046.00	
COVID-19 Vaccine Supplement Fund Program		20,000.00	20,000.00	20,000.00	
SFY2023 NJ Transit Corp - Community Bus		150,000.00	150,000.00	150,000.00	
SFY2024 NJ Transit Corp - Community Bus		150,000.00	150,000.00	150,000.00	
Mercer County SLFRF Senior Citizens Funds		74,000.00	74,000.00	74,000.00	
Stormwater Assistance grant		25,000.00	25,000.00	25,000.00	
Union Transportation Trail Extension Project Grant		46,870.00	46,870.00	46,870.00	
2021 Bulletproof Vest Partnership Grant		6,677.70	6,677.70	6,677.70	
2022 Bulletproof Vest Partnership Grant		6,549.73	6,549.73	6,549.73	
CentraState Healthcare System- National Night Out		250.00	250.00	250.00	
LSC Mechanical- National Night Out		500.00	500.00	500.00	
Aurobindo Pharma - National Night Out		5,000.00	5,000.00	5,000.00	
Hovione, LLC - National Night Out		500.00	500.00	500.00	
2022 American Rescue Plan - Firefighter Grant - FC #1		29,000.00	29,000.00	29,000.00	
2022 American Rescue Plan - Firefighter Grant - FC #2		29,000.00	29,000.00	29,000.00	
2022 Local Recreational Improvement Grant		75,000.00	75,000.00	75,000.00	
2023 Clean Communities Program		60,948.92	60,948.92	60,948.92	
2023 Click it or Ticket - Seat Belt Mobilization Grant		7,000.00	7,000.00	7,000.00	
	<u>\$ 15,443.56</u>	<u>\$ 1,092,342.35</u>	<u>\$ 1,107,785.91</u>	<u>\$ 1,107,785.91</u>	<u>-</u>
Other Special Items:					
Saint James Village Senior Center Complex	\$ 92,653.00		\$ 92,653.00	\$ 145,440.97	\$ 52,787.97
Wheston Pointe - In Lieu of Taxes	24,743.00		24,743.00	33,966.13	9,223.13
Exeter - In Lieu of Taxes	775,000.00		775,000.00	834,166.48	59,166.48
General Capital Surplus	178,000.00		178,000.00	178,000.00	
Turnpike Project Reserve Fund	100,000.00		100,000.00	100,000.00	
Life Hazard Use Payments	46,957.00		46,957.00	80,668.67	33,711.67
Reserve for Street Lighting	26,714.32		26,714.32	26,714.32	
Reserve for AH Thompson	259.82		259.82	259.82	
Reserve for AH Blackpoint	861.04		861.04	861.04	
Capital Fund Surplus - NNL Phase 1	100,000.00		100,000.00	100,000.00	
Reserve for Tree Assessment	513.00		513.00	513.00	
Farm Lease	2,000.00		2,000.00	11,927.50	9,927.50
NJEIT Loan - Open Space Portion	30,000.00		30,000.00	30,000.00	
	<u>\$ 1,377,701.18</u>	<u>-</u>	<u>\$ 1,377,701.18</u>	<u>\$ 1,542,517.93</u>	<u>\$ 164,816.75</u>

**EAST WINDSOR TOWNSHIP**  
**CURRENT FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>ANTICIPATED</u> <u>2023 BUDGET</u>	<u>Added by</u> <u>NJSA 40A:4-87</u>	<u>TOTAL 2023</u> <u>BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR</u> <u>(DEFICIT)</u>
Total Miscellaneous Revenues	\$ <u>6,918,800.47</u>	\$ <u>1,092,342.35</u>	\$ <u>8,011,142.82</u>	\$ <u>8,958,362.67</u>	\$ <u>947,219.85</u>
Receipts from Delinquent Taxes	<u>470,000.00</u>		<u>470,000.00</u>	<u>514,085.94</u>	<u>44,085.94</u>
Subtotal General Revenues	\$ <u>11,069,880.47</u>	\$ <u>1,092,342.35</u>	\$ <u>12,162,222.82</u>	\$ <u>13,153,528.61</u>	\$ <u>991,305.79</u>
Amount to be Raised by Taxes for Support of Municipal Budget: Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	\$ <u>12,386,357.09</u>		\$ <u>12,386,357.09</u>	<u>12,978,574.98</u>	\$ <u>592,217.89</u>
Budget Totals	\$ <u>23,456,237.56</u>	\$ <u>1,092,342.35</u>	\$ <u>24,548,579.91</u>	\$ <u>26,132,103.59</u>	\$ <u>1,583,523.68</u>
Nonbudget Revenue				<u>248,683.14</u>	
	\$ <u>23,456,237.56</u>	\$ <u>1,092,342.35</u>	\$ <u>24,548,579.91</u>	\$ <u>26,380,786.73</u>	
Adopted Budget			\$ <u>23,456,237.56</u>		
Appropriated By N.J.S.A. 40A:4-87			<u>1,092,342.35</u>		
			\$ <u>24,548,579.91</u>		
Revenue Accounts Receivable					
Treasurer				\$ <u>6,699,662.35</u>	
Collector				<u>1,150,914.41</u>	
Grants				<u>1,107,785.91</u>	
Total Miscellaneous Revenue				\$ <u>8,958,362.67</u>	

See Notes to Financial Statements.

**TOWNSHIP OF EAST WINDSOR**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2023**

	Appropriation			Expended by		Unexpended
	Budget	Budget after Modification	Paid or Charged	Reserves for Encumbrances	Reserved	Balance Canceled
GENERAL GOVERNMENT:						
Manager's Office:						
Salaries & Wages	\$ 152,474.00	\$ 151,354.53	\$ 94,397.09		\$ 56,957.44	
Other Expenses	47,000.00	42,176.73	21,246.83	\$ 6,072.15	14,857.75	
Human Resources:						
Other Expenses	40,000.00	40,000.00	38,865.16		1,134.84	
Township Council:						
Salaries & Wages	94,348.00	94,348.00	88,955.06		5,392.94	
Other Expenses	8,220.00	8,220.00	6,836.00	150.00	1,234.00	
Municipal Clerk:						
Salaries & Wages	143,640.00	143,640.00	145,785.08		(2,145.08)	
Other Expenses	20,700.00	20,700.00	13,246.27	711.18	6,742.55	
Elections:						
Other Expenses	13,500.00	15,071.87	15,071.87			
Financial Administration:						
Salaries & Wages	156,970.00	156,970.00	120,103.59		36,866.41	
Other Expenses	10,300.00	10,300.00	850.00	5,573.34	3,876.66	
Annual Audit:						
Other Expenses	38,000.00	38,000.00		38,000.00		
Data Processing:						
Other Expenses	61,506.00	61,506.00	25,687.57	6,824.88	28,993.55	
Tax Collection (Revenue Administration):						
Salaries & Wages	119,268.00	119,268.00	53,000.05		31,267.95	\$ 35,000.00
Other Expenses	7,985.00	7,970.38	3,870.50	869.04	3,230.84	
Tax Assessment Administration:						
Salaries & Wages	166,312.00	167,431.47	167,431.47			
Other Expenses	7,955.00	7,969.62	7,969.62			
Legal Services and Costs:						
Salaries & Wages	29,767.00	29,767.00	29,766.84		0.16	
Other Expenses	55,000.00	55,000.00	14,474.69	536.50	39,988.81	
Engineering Services and Costs:						
Salaries & Wages	69,865.00	69,865.00	71,516.56		(1,651.56)	
Other Expenses	2,985.00	2,985.00	791.52	47.00	2,146.48	
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	53,040.00	53,040.00	51,806.94		1,233.06	
Other Expenses	15,345.00	15,345.00	3,264.58	116.25	11,964.17	
Board of Adjustment:						
Other Expenses	5,000.00	5,000.00	215.00		4,785.00	

**TOWNSHIP OF EAST WINDSOR**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2023**

	Appropriation		Expended by			Unexpended
	Budget	Budget after Modification	Paid or Charged	Reserves for Encumbrances	Reserved	Balance Canceled
GENERAL GOVERNMENT: (CONTINUED)						
INSURANCE:						
Liability Insurance	\$ 309,480.00	\$ 309,480.00	\$ 307,983.00		\$ 1,497.00	
Worker's Compensation Insurance	114,268.00	114,268.00	114,266.00		2.00	
Employee Group Insurance	4,818,441.00	4,818,441.00	3,812,114.83	\$ 185,206.68	581,119.49	\$ 240,000.00
Health Benefit Waiver	85,000.00	85,000.00	8,634.09		76,365.91	
PUBLIC SAFETY:						
Police:						
Salaries & Wages	4,915,511.00	4,892,022.56	4,452,396.54		399,626.02	40,000.00
Other Expense - Uniform Service	28,055.00	28,055.00	18,690.66	5,856.78	3,507.56	
Other Expense - Investigative Service	20,525.00	20,525.00	13,107.81	2,664.62	4,752.57	
Other Expense - Crime Prevention	5,410.00	5,410.00	5,398.11		11.89	
Other Expense - General Administration	70,326.00	70,326.00	51,112.75	14,922.53	4,290.72	
Other Expense - Support Service	60,357.00	60,357.00	49,389.44	3,916.83	7,050.73	
Other Expense - Training	139,315.00	139,315.00	12,556.59	8,698.51	73,059.90	45,000.00
Police Communications:						
Other Expenses	614,736.00	614,736.00	613,968.16	173.76	594.08	
Office of Emergency Management:						
Other Expenses	625.00	625.00			625.00	
Daytime EMS Services:						
Other Expenses	110,000.00	110,000.00			110,000.00	
Aid to Volunteer Ambulance Companies:						
Other Expenses	75,116.00	75,116.00	41,054.68	4,544.77	29,516.55	
Fire Prevention:						
Salaries & Wages	130,092.00	130,092.00	125,466.37		4,625.63	
Other Expenses	14,000.00	14,000.00	9,356.78	3,830.39	812.83	
Fire:						
Other Expenses	264,860.00	264,860.00	190,333.38	12,749.84	61,776.78	
Municipal Court:						
Salaries & Wages	333,126.00	333,126.00	332,091.12		1,034.88	
Other Expenses	33,000.00	33,000.00	17,217.86	7,204.43	8,577.71	
Public Defender:						
Other Expenses	32,000.00	32,000.00	22,000.00		10,000.00	
Municipal Prosecutor:						
Other Expenses	51,000.00	51,000.00	45,000.00		6,000.00	
Juvenile Conference Bureau:						
Salaries & Wages	5,000.00	5,000.00			5,000.00	
Other Expenses	300.00	300.00			300.00	
PUBLIC WORKS FUNCTION:						
Road Repairs and Maintenance:						
Salaries & Wages	403,976.00	403,976.00	240,911.18		163,064.82	
Other Expenses	134,090.00	134,090.00	52,164.50	1,346.78	80,578.72	

**TOWNSHIP OF EAST WINDSOR**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2023**

	Appropriation		Paid or Charged	Expended by		Unexpended Balance Canceled
	Budget	Budget after Modification		Reserves for Encumbrances	Reserved	
PUBLIC WORKS FUNCTION: (CONTINUED)						
Public Works Administration:						
Salaries & Wages	\$ 31,360.00	\$ 27,513.17	\$ 3,720.96		\$ 23,792.21	
Other Expenses	9,075.00	9,075.00	2,189.59	\$ 963.83	5,921.58	
Snow Operating Expenses	30,000.00	30,000.00	30,000.00			
Public Building and Grounds - Ward Street:						
Other Expenses	13,740.00	17,586.83	17,573.83	13.00		
Municipal Complex:						
Salaries & Wages	500.00	500.00			500.00	
Other Expenses	34,140.00	37,391.40	37,189.65	201.75		
Police Building:						
Salaries & Wages	56,040.00	56,040.00	56,861.52		(821.52)	
Other Expenses	39,460.00	51,300.72	50,862.72	438.00		
Senior Center:						
Salaries & Wages	16,800.00	16,800.00			16,800.00	
Other Expenses	25,105.00	36,100.79	36,087.79	13.00		
Vehicle Maintenance:						
Salaries & Wages	131,779.00	131,779.00	105,031.28		26,747.72	
Other Expenses - Police Vehicles	87,300.00	87,300.00	48,263.99	181.22	38,854.79	
Other Expenses - Administrative Vehicles	19,325.00	19,325.00	11,508.78	9.00	7,807.22	
Other Expenses - Public Works Services	69,750.00	69,750.00	54,408.18	81.00	15,260.82	
Condominium Community Costs:						
Other Expenses	56,406.00	56,406.00	56,405.28		0.72	
HEALTH AND HUMAN SERVICES:						
Board of Health:						
Salaries & Wages - Regular	239,083.00	239,083.00	217,420.65		21,662.35	
Other Expenses	11,330.00	11,330.00	6,254.52	1,147.34	3,928.14	
Other Expenses - Education	1,000.00	1,000.00	917.04	74.12	8.84	
Other Expenses - Public Health Nurse	21,250.00	21,250.00	270.43	11,014.00	9,965.57	
Other Expenses - Communicable Diseases	5,000.00	5,000.00	200.00	200.00	4,600.00	
Other Expenses - Environmental Services	1,200.00	1,200.00	524.68	395.40	279.92	
Environmental Commission:						
Other Expenses	2,000.00	2,000.00	1,337.84		662.16	
Animal Control:						
Salaries & Wages	82,041.00	93,555.30	93,770.32		(215.02)	
Other Expenses	4,300.00	4,300.00	2,207.11	984.48	1,108.41	
Contributions to Social Services Agencies:						
Other Expenses	32,250.00	32,250.00			32,250.00	

**TOWNSHIP OF EAST WINDSOR**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2023**

	Appropriation		Expended by		Unexpended
	Budget	Budget after Modification	Paid or Charged	Reserves for Encumbrances	Balance Canceled
<b>PARK AND RECREATION FUNCTIONS:</b>					
Recreation Department:					
Salaries & Wages	\$ 94,701.00	\$ 83,705.21	\$ 76,177.22		\$ 7,527.99
Commission on Aging:					
Other Expenses	2,500.00	2,500.00	229.98	\$ 2,250.00	20.02
Senior Center:					
Salaries & Wages	82,420.00	82,420.00	82,419.98		0.02
Other Expenses	58,784.00	58,784.00	59,510.57	93.93	(820.50)
Maintenance of Park:					
Salaries & Wages	77,938.00	77,938.00	29,838.62		48,099.38
Other Expenses	24,805.00	24,805.00	(3,829.23)	469.97	28,164.26
<b>UNIFORM CONSTRUCTION CODE:</b>					
State Uniform Construction Code:					
Salaries & Wages	444,421.00	444,421.00	437,165.18		7,255.82
Other Expenses	16,195.00	16,195.00	10,159.35	2,653.22	3,382.43
<b>UNCLASSIFIED:</b>					
Sick Leave Trust	139,000.00	139,000.00	139,000.00		
Utilities:					
Electricity	175,500.00	175,500.00	137,261.37		38,238.63
Street Lighting	92,000.00	92,000.00	78,061.78		13,938.22
Telephone	97,250.00	97,250.00	82,488.34	137.66	14,624.00
Gas	53,000.00	53,000.00	52,609.01		390.99
Fuel Oil	3,500.00	3,500.00	2,303.21		1,196.79
Gasoline	180,000.00	180,000.00	151,352.01		28,647.99
<b>Total Operations within "CAPS"</b>	<b>\$ 16,655,462.00</b>	<b>\$ 16,655,328.58</b>	<b>\$ 13,678,119.69</b>	<b>\$ 331,337.18</b>	<b>\$ 2,285,871.71</b>
<b>Detail:</b>					
Salaries & Wages	\$ 7,332,360.00	\$ 8,003,655.24	\$ 7,076,033.62		\$ 852,621.62
Other Expenses	9,323,102.00	8,651,673.34	6,602,086.07	\$ 331,337.18	1,433,250.09
<b>Deferred Charges and Statutory Expenditures - Municipal within "CAPS"</b>					
Statutory Expenditures:					
Contributions to:					
Public Employees' Retirement System	\$ 544,989.00	\$ 544,989.00	\$ 544,989.00		\$
Social Security System (O.A.S.I.)	700,000.00	700,000.00	653,189.65		46,810.35
Police and Firemen's Retirement System	1,686,353.00	1,686,353.00	1,651,353.00		35,000.00
Defined Contribution Retirement Plan	6,000.00	6,000.00	3,867.24		2,132.76
NJ Unemployment Insurance	25,000.00	25,000.00	24,704.50	\$ 295.50	
<b>Total Deferred Charges and Statutory Expenditures - Municipal within "CAPS"</b>	<b>\$ 2,962,342.00</b>	<b>\$ 2,962,342.00</b>	<b>\$ 2,878,103.39</b>	<b>\$ 295.50</b>	<b>\$ 83,943.11</b>

**TOWNSHIP OF EAST WINDSOR**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2023**

	Appropriation		Expended by		Unexpended
	Budget	Budget after Modification	Paid or Charged	Reserves for Encumbrances	Balance Canceled
Total General Appropriations for Municipal Purposes within "CAPS"	\$ 19,617,804.00	\$ 19,617,670.58	\$ 16,556,223.08	\$ 331,632.68	\$ 2,369,814.82
Operations Excluded from "CAPS"					
Length of Service Award Program					
Other Expenses	\$ 60,000.00	\$ 60,000.00			\$ 60,000.00
NJPDES Stormwater Permit (NJSA 40A:4.45(cc))					
Municipal Stormwater	5,250.00	5,250.00	\$ 5,250.00		
	\$ 65,250.00	\$ 65,250.00	\$ 5,250.00		\$ 60,000.00
SHARED SERVICE AGREEMENTS:					
Senior Center:					
Other Expenses	\$ 24,400.00	\$ 24,400.00	\$ 24,360.63	\$ 0.02	\$ 39.35
Animal Control:					
Salaries & Wages	10,000.00	10,133.42	10,324.59		(191.17)
Dispatching	202,066.00	202,066.00	65,880.00	136,186.00	
	\$ 236,466.00	\$ 236,599.42	\$ 100,565.22	\$ 136,186.02	\$ (151.82)
Public and Private Programs Offset by Revenues:					
Federal Transit Admin Section 5311 Grant -					
Local Matching Shares	\$ 28,000.00	\$ 28,000.00	\$ 28,000.00		
2023 NJ Transit Corp- Community Bus	150,000.00	150,000.00	150,000.00		
2024 NJ Transit Corp- Community Bus	150,000.00	150,000.00	150,000.00		
Clean Communities Program	60,948.92	60,948.92	60,948.92		
Mercer County SLFRF Senior Citizens Funds	74,000.00	74,000.00	74,000.00		
Mercer County - Transportation Bus Grant	10,400.00	10,400.00	10,400.00		
Hightstown Share Bus Service	2,180.00	2,180.00	2,180.00		
Stormwater Assistance Grant	25,000.00	25,000.00	25,000.00		
Union Transportation Trail Extension Project Grant	46,870.00	46,870.00	46,870.00		
2021 Bulletproof Vest Partnership Grant	6,677.70	6,677.70	6,677.70		
2022 Bulletproof Vest Partnership Grant	6,549.73	6,549.73	6,549.73		
2022 Local Recreational Improvement Grant	75,000.00	75,000.00	75,000.00		
2023 Click it or Ticket - Seat Belt Mobilization Grant	7,000.00	7,000.00	7,000.00		
2022 American Rescue Plan - Firefighter Grant - FC #1	29,000.00	29,000.00	29,000.00		
2022 American Rescue Plan - Firefighter Grant - FC #2	29,000.00	29,000.00	29,000.00		
Covid-19 Vaccination Supp. Funding Program	20,000.00	20,000.00	20,000.00		
Program -Operations: 2023	406,046.00	406,046.00	406,046.00		
Aurobindo Pharma, USA-NNO	5,000.00	5,000.00	5,000.00		
Hovione, LLC- National Night Out	500.00	500.00	500.00		



**TOWNSHIP OF EAST WINDSOR**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2023**

	Appropriation		Expended by		Unexpended
	Budget	Budget after Modification	Paid or Charged	Reserves for Encumbrances	Balance Canceled
Public and Private Programs Offset by Revenues: (Continued)					
CentraState Health Care System- National Night Out	\$ 250.00	\$ 250.00	\$ 250.00		
LSC Mechanical - National Night Out	500.00	500.00	500.00		
Body Armor Replacement Fund	2,863.56	2,863.56	2,863.56		
Matching Funds for Grants	<u>3,500.00</u>	<u>3,500.00</u>		\$ 3,500.00	
Total Public & Private Program Offset by Revenues	<u>\$ 1,139,285.91</u>	<u>\$ 1,139,285.91</u>	<u>\$ 1,135,785.91</u>	<u>\$ 3,500.00</u>	
Total Operations Excluded from "CAPS"	<u>\$ 1,441,001.91</u>	<u>\$ 1,441,135.33</u>	<u>\$ 1,241,601.13</u>	<u>\$ 136,186.02</u>	<u>\$ 63,348.18</u>
Detail:					
Salaries & Wages	\$ 10,000.00	\$ 10,133.42	\$ 10,324.59		\$ (191.17)
Other Expenses	<u>1,431,001.91</u>	<u>1,431,001.91</u>	<u>1,231,276.54</u>	<u>\$ 136,186.02</u>	<u>63,539.35</u>
Capital Improvements - Excluded from "CAPS"					
Capital Improvement Fund	<u>\$ 150,000.00</u>	<u>\$ 150,000.00</u>	<u>\$ 150,000.00</u>		
Municipal Debt Service - Excluded from "CAPS"					
Payment of Bond Principal	\$ 2,010,000.00	2,010,000.00	2,010,000.00		
Interest on Bonds	326,100.00	326,100.00	326,100.00		
NJ Environmental Infrastructure Trust:					
Loan Repayments for Principal and Interest	<u>48,674.00</u>	<u>48,674.00</u>	<u>47,123.86</u>		<u>1,550.14</u>
Total Municipal Debt Service - Excluded from "CAPS"	<u>\$ 2,384,774.00</u>	<u>\$ 2,384,774.00</u>	<u>\$ 2,383,223.86</u>		<u>\$ 1,550.14</u>
Total General Appropriations - Excluded from "CAPS"	<u>\$ 3,975,775.91</u>	<u>\$ 3,975,909.33</u>	<u>\$ 3,774,824.99</u>	<u>\$ 136,186.02</u>	<u>\$ 63,348.18</u>
Subtotal General Appropriations	\$ 23,593,579.91	\$ 23,593,579.91	\$ 20,331,048.07	\$ 467,818.70	\$ 2,433,163.00
Reserve for Uncollected Taxes	<u>955,000.00</u>	<u>955,000.00</u>	<u>955,000.00</u>		
Total General Appropriations	<u><u>\$ 24,548,579.91</u></u>	<u><u>\$ 24,548,579.91</u></u>	<u><u>\$ 21,286,048.07</u></u>	<u><u>\$ 467,818.70</u></u>	<u><u>\$ 2,433,163.00</u></u>
Budget:					
Original		\$ 23,456,237.56		Overexpended	\$ (5,844.85)
Added by NJSA 40A:4-87		<u>1,092,342.35</u>		Appropriation Reserve	<u>2,439,007.85</u>
		<u><u>\$ 24,548,579.91</u></u>			<u><u>\$ 2,433,163.00</u></u>
Cash Disbursed		\$ 21,682,414.36			
Less: Contra Receipts		<u>2,459,152.20</u>	\$ 19,223,262.16		
Transferred to Grant Fund			1,107,785.91		
Reserve for Uncollected Taxes			<u>955,000.00</u>		
			<u><u>\$ 21,286,048.07</u></u>		

## **TRUST FUND**

**TOWNSHIP OF EAST WINDSOR**  
**TRUST FUND**  
**STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND**  
**FUND BALANCE - REGULATORY BASIS**  
**DECEMBER 31, 2023 AND 2022**

<u>ASSETS</u>	Balance December 31, <u>2023</u>	Balance December 31, <u>2022</u>
Assessment Trust Fund:		
Prospective Assessments Funded	\$ 759,000.00	\$ 759,000.00
Animal Control Trust Fund:		
Cash and Cash Equivalents	-	4,231.56
Deferred Charge: Deficit in Reserve	1,655.64	
	<u>1,655.64</u>	<u>4,231.56</u>
Other Trust Funds:		
Cash and Cash Equivalents	15,267,718.55	13,618,291.58
Payroll Agency Fund:		
Cash and Cash Equivalents	194,425.92	180,770.61
Builders Escrow Fund:		
Cash and Cash Equivalents	2,131,457.56	2,099,680.42
Length of Service Awards Program Fund:		
LOSAP [ <i>Unaudited</i> ] :		
Funds Held by Trustee	1,431,217.98	1,247,079.26
Total Assets	<u>\$ 19,785,475.65</u>	<u>\$ 17,909,053.43</u>
 <u>LIABILITIES, RESERVES AND</u> <u>FUND BALANCE</u>		
Assessment Trust Fund:		
Prospective Assessments Funded	\$ 759,000.00	\$ 759,000.00
Animal Control Trust Fund:		
Cash and Cash Equivalents - Overdraft	190.84	
Reserve for Animal Control Expenditures		2,990.36
Interfunds Payable - Due to Current Fund	1,379.00	379.00
Due to State of New Jersey	85.80	862.20
	<u>1,655.64</u>	<u>4,231.56</u>

See Accompanying Notes to the Financial Statements

**TOWNSHIP OF EAST WINDSOR**  
**TRUST FUND**  
**STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND**  
**FUND BALANCE - REGULATORY BASIS**  
**DECEMBER 31, 2023 AND 2022**

	Balance December 31, <u>2023</u>	Balance December 31, <u>2022</u>
<b><u>LIABILITIES, RESERVES AND</u></b> <b><u>FUND BALANCE (CONTINUED)</u></b>		
Other Funds:		
Miscellaneous Reserves	<u>\$ 15,267,718.55</u>	<u>\$ 13,618,291.58</u>
Payroll Agency Fund:		
Payroll Deductions Payable	171,857.45	180,770.61
Interfunds Payable:		
Due to Grant Fund	500.00	
Due to Special Garbage District Fund	<u>22,068.47</u>	
	<u>194,425.92</u>	<u>180,770.61</u>
Builder's Escrow Fund:		
Builder's Escrow	2,130,487.80	2,098,710.00
Interfund Payable:		
Due to Current Fund	<u>969.76</u>	<u>969.76</u>
	<u>2,131,457.56</u>	<u>2,099,679.76</u>
Length of Service Awards Program (LOSAP) Fund		
Reserve for LOSAP [ <i>Unaudited</i> ]	<u>1,431,217.98</u>	<u>1,247,079.26</u>
Total Liabilities, Reserves & Fund Balance	<u><u>\$ 19,785,475.65</u></u>	<u><u>\$ 17,909,052.77</u></u>

See Accompanying Notes to the Financial Statements

**TOWNSHIP OF EAST WINDSOR**  
**TRUST FUND**  
**STATEMENT OF TRUST CASH**  
**PER N.J.S.40A:5-5-TREASURER**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	ANIMAL CONTROL TRUST FUND	OTHER FUNDS	BUILDERS ESCROW	PAYROLL
<u>BALANCE DECEMBER 31, 2022</u>	\$ 4,231.56	\$ 13,618,291.58	\$ 2,099,680.42	\$ 180,770.61
<u>INCREASED BY:</u>				
Reserve for Animal Control Fund Expenditures	\$ 7,194.00			
Due to Current Fund	1,000.00			
Due to Grant Fund		-		\$ 500.00
Due to Special Grabage District Fund				20,068.47
Due to State of New Jersey	728.40	2,855,939.90		
Reserve for Builders Escrow			\$ 530,152.52	
Reserve for Payroll				13,142,692.69
Interest Earned - Due Current Fund	90.97	154,088.13	18,236.72	6,240.84
Interest Earned - Retained		126,701.95	22,843.28	
Total Receipts	<u>9,013.37</u>	<u>3,136,729.98</u>	<u>571,232.52</u>	<u>13,169,502.00</u>
	<u>\$ 13,244.93</u>	<u>\$ 16,755,021.56</u>	<u>\$ 2,670,912.94</u>	<u>\$ 13,350,272.61</u>
<u>DECREASED BY:</u>				
Due to State of New Jersey	\$ 1,504.80			
Reserve for Expenditures	11,840.00	\$ 1,333,214.88		
Reserve for Builders Escrow			\$ 521,883.46	
Reserve for Payroll				\$ 7,043,596.53
Net Pay				6,108,009.32
Interest Transferred to Current Fund	90.97	154,088.13	18,236.72	6,240.84
Total Disbursements	<u>13,435.77</u>	<u>1,487,303.01</u>	<u>540,120.18</u>	<u>13,157,846.69</u>
<u>DECEMBER DECEMBER 31, 2023/(OVERDRAFT)</u>	<u>\$ (190.84)</u>	<u>\$ 15,267,718.55</u>	<u>\$ 2,130,792.76</u>	<u>\$ 192,425.92</u>

## **GENERAL CAPITAL FUND**

**TOWNSHIP OF EAST WINDSOR**  
**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**  
**GENERAL CAPITAL FUND**  
**DECEMBER 31, 2023 AND 2022**

<u>ASSETS</u>	Balance December 31, <u>2023</u>	Balance December 31, <u>2022</u>
Cash and Cash Equivalents		\$ 48,010.83
Grants Receivable	\$ 4,268,343.75	1,184,483.75
Prospective Assessments Raised by Taxation	20,472.00	20,472.00
Deferred Charges to Future Taxation:		
Funded	11,068,434.09	13,124,450.33
Unfunded	<u>11,469,377.07</u>	<u>8,895,784.07</u>
 TOTAL ASSETS	 <u>\$ 26,826,626.91</u>	 <u>\$ 23,273,200.98</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Cash and Cash Equivalent - Overdraft	\$ 242,231.19	
Serial Bonds Payable	10,980,000.00	\$ 12,990,000.00
NJ Environmental Infrastructure Trust Loan Payable	88,434.09	134,450.33
Improvement Authorizations:		
Funded	4,067,620.57	977,135.51
Unfunded	5,695,734.88	4,775,622.39
Capital Improvement Fund	79,056.93	64,509.93
Various Reserves	71,386.84	71,386.84
Interfunds Payable:		
Due to Current Fund	4,300,000.00	1,709,975.37
Due to Grant Fund		90,024.63
Prospective Assessments Raised by Taxation	20,472.00	20,472.00
Reserve for Encumbrances	745,738.77	1,525,672.34
Fund Balance	<u>535,951.64</u>	<u>913,951.64</u>
 TOTAL LIABILITIES, RESERVES AND FUND BALANCE	 <u>\$ 26,826,626.91</u>	 <u>\$ 23,273,200.98</u>

There were Bonds and Notes Authorized but not Issued at December 31, 2023 and December 31, 2022 in the amount of \$11,469,377.07 and \$8,895,784.07, respectively.

See Notes to Financial Statements

**TOWNSHIP OF EAST WINDSOR**  
**GENERAL CAPITAL FUND**  
**STATEMENT OF FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

<u>BALANCE, DECEMBER 31, 2022</u>	\$ 913,951.64
<u>DECREASED BY:</u>	
Transferred to Current Fund - 2023 Miscellaneous Anticipated Revenue	<u>378,000.00</u>
<u>BALANCE, DECEMBER 31, 2023</u>	<u>\$ <u>535,951.64</u></u>

See Notes to Financial Statements



## **PUBLIC ASSISTANCE FUND**

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

	Balance December 31, <u>Year 2023</u>	Balance December 31, <u>Year 2022</u>
<b><u>ASSETS</u></b>		
Cash and Cash Equivalents	\$ <u>41,561.28</u>	\$ <u>41,561.28</u>
	\$ <u><u>41,561.28</u></u>	\$ <u><u>41,561.28</u></u>
 <b><u>LIABILITIES AND RESERVES</u></b>		
Prepaid State Aid	\$ 23,439.62	\$ 23,439.42
Reserve for Public Assistance Expenditures	<u>18,121.66</u>	<u>18,121.86</u>
	\$ <u><u>41,561.28</u></u>	\$ <u><u>41,561.28</u></u>

See Accompanying Notes to Financial Statement

## **SPECIAL GARBAGE DISTRICT FUND**

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

	Balance December 31, <u>Year 2023</u>	Balance December 31, <u>Year 2022</u>
<b><u>ASSETS</u></b>		
Cash and Cash Equivalent	\$ 1,231,364.98	\$ 1,278,993.07
Due from Current Fund - Added & Omitted Tax	41,429.41	
Interfund Receivable:		
Due from Payroll Fund	22,068.47	22,068.47
Deferred Charges:		
Overexpenditure of 2023 Appropriation	<u>17,034.91</u>	<u>                    </u>
Total Assets	<u>\$ 1,311,897.77</u>	<u>\$ 1,301,061.54</u>
 <b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>		
Appropriation Reserves	\$ 260,710.98	\$ 169,002.96
Reserve for Encumbrances	6,290.43	31,265.13
Accounts Payable	<u>42,620.55</u>	<u>37,783.94</u>
	<u>309,621.96</u>	<u>238,052.03</u>
Fund Balance	<u>1,002,275.81</u>	<u>1,063,009.51</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 1,311,897.77</u>	<u>\$ 1,301,061.54</u>

See Accompanying Notes to Financial Statement

**TOWNSHIP OF EAST WINDSOR**  
**SPECIAL GARBAGE DISTRICT FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE -**  
**REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<u>Revenues and Other Income Realized</u>		
Fund Balance Anticipated	\$ 219,000.00	\$ 126,000.00
District Tax Levy	2,324,795.00	2,322,140.00
Nonbudget Revenue	57,279.97	11,058.81
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	<u>100,986.33</u>	<u>150,963.58</u>
Total Income	<u>\$ 2,702,061.30</u>	<u>\$ 2,610,162.39</u>
<u>Expenditures</u>		
Budget Expenditures:		
Operating	\$ 2,476,295.00	\$ 2,380,640.00
Statutory Expenditures	<u>67,500.00</u>	<u>67,500.00</u>
Total Expenditures	<u>\$ 2,543,795.00</u>	<u>\$ 2,448,140.00</u>
Excess in Revenue over Expenditures	\$ 158,266.30	\$ 162,022.39
Fund Balance, January 1	<u>1,063,009.51</u>	<u>1,026,987.12</u>
	1,221,275.81	1,189,009.51
Decreased by:		
Utilized as Anticipated Revenue	<u>219,000.00</u>	<u>126,000.00</u>
Fund Balance, December 31	<u>\$ 1,002,275.81</u>	<u>\$ 1,063,009.51</u>

See Accompanying Notes to Financial Statement

**TOWNSHIP OF EAST WINDSOR**  
**SPECIAL GARBAGE DISTRICT FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2023**

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Fund Balance Anticipated	\$ 219,000.00	\$ 219,000.00	-
District Tax Levy	<u>2,324,795.00</u>	<u>2,324,795.00</u>	
	\$ 2,543,795.00	\$ 2,543,795.00	
Nonbudget Revenue	<u>-</u>	<u>57,279.97</u>	\$ <u>57,279.97</u>
	<u>\$ 2,543,795.00</u>	<u>\$ 2,601,074.97</u>	<u>\$ 57,279.97</u>

ANALYSIS OF NONBUDGET REVENUE

Interest Earned	\$ 14,386.97
Other Miscellaneous	1,463.59
Added & Omitted Taxes:	
Current Year	20,257.11
Prior Year	<u>21,172.30</u>
	<u>\$ 57,279.97</u>

See Accompanying Notes to Financial Statement

**TOWNSHIP OF EAST WINDSOR**  
**SPECIAL GARBAGE DISTRICT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Appropriations</u>		<u>Expended by</u>			
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Cash Disbursed</u>	<u>Reserves for Encumbrances</u>	<u>Reserved</u>	<u>Over- expended</u>
Operating:						
Salaries and Wages	\$ 1,013,150.00	\$ 1,013,150.00	\$ 1,030,184.91			\$ 17,034.91
Other Expenses	447,850.00	447,850.00	396,755.33	\$ 6,290.43	\$ 44,804.24	
Contractual Services	246,295.00	246,295.00	246,294.14		0.86	
Disposal Fees	751,000.00	751,000.00	546,340.41		204,659.59	
Recycling Tax	18,000.00	18,000.00	16,037.00		1,963.00	
Statutory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)	60,000.00	60,000.00	58,216.71		1,783.29	
Unemployment Compensation Insurance	7,500.00	7,500.00			7,500.00	
	<u>\$ 2,543,795.00</u>	<u>\$ 2,543,795.00</u>	<u>\$ 2,293,828.50</u>	<u>\$ 6,290.43</u>	<u>\$ 260,710.98</u>	<u>\$ 17,034.91</u>

See Accompanying Notes to Financial Statement

## **GENERAL FIXED ASSETS**



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

	<u>Year 2023</u>	<u>Year 2022</u>
<u>ASSETS</u>		
Land	\$ 1,092,084.00	\$ 1,092,084.00
Buildings and Improvements	6,184,430.00	6,184,430.00
Vehicles	6,290,137.73	5,171,058.16
Machinery and Equipment	<u>3,918,196.02</u>	<u>3,671,414.00</u>
Total Assets	<u>\$ 17,484,847.75</u>	<u>\$ 16,118,986.16</u>
<u>RESERVES</u>		
Reserve for Fixed Assets	<u>\$ 17,484,847.75</u>	<u>16,118,986.16</u>
Total Reserves	<u>\$ 17,484,847.75</u>	<u>\$ 16,118,986.16</u>

See Accompanying Notes to Financial Statement

## **NOTES TO FINANCIAL STATEMENTS**

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**

Note 1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- A. Reporting Entity - The Township of East Windsor is located in Mercer County, State of New Jersey, approximately 65 miles north of Philadelphia and approximately 45 miles south of New York City and 10 miles east of City of Trenton, NJ (State capital). The population, according to the 2020 census, is 30,045.

The Township of East Windsor operates under the Township Council-Manager Plan "E" form of government. The governing body consists of a Mayor and six (6) Council members. All action is passed by a majority or when required a 2/3 vote of governing body. The seven (7) council members, one of whom is elected as Mayor from among its members and one of whom is elected as Deputy Mayor from among its members. The selection of Mayor and Deputy Mayor is required to be done every two years, at the annual reorganization meeting following a municipal election.

The financial statements do not include the operations of the Volunteer Fire Company, Emergency Medical Services, Board of Education and Municipal Utility Authority, which are separate entities subject to separate reporting requirements.

- B. Description of Funds - The Governmental Accounting Standards Board (GASB) is the recognized standard setting body for establishing governmental accounting and financial reporting principles. However, the accounting policies of the Township conform to the accounting principles applicable to municipalities that have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. These principles are on the regulatory basis which differs from accounting principles generally accepted in the United States of America ("GAAP") for governmental entities. Such principles and 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 accounts for its financial transactions through the following separate funds and an account which differs from GAAP.

Current Fund - Encompasses resources and expenditures for basic governmental operations. Fiscal activity of Federal, State, County and Local grant programs are reflected in a segregated section of the Current Fund.

Trust Fund - The records of receipts, disbursement and custodianship of monies in accordance with the purpose for which each reserve was created are maintained in Trust Funds. These include the Animal Control Trust Fund, Trust Other Fund, , Tax Title Lien Premiums/Redemption, Unemployment, Developer Escrow, Affordable Housing Reserves and Builder's Escrow, the Length of Service Awards Plan ("LOSAP") and other required funds.

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

General Capital Fund - The receipts and expenditure records for the acquisition of general infrastructure and other capital facilities, other than those acquired in the Current Fund, are maintained in this Fund, as well as related long-term debt accounts.

Payroll Trust Fund - Net salaries, certain payroll deductions and social security contributions of municipal and utility operations are deposited into bank accounts of the Payroll Fund. Other deductions are retained by the operating funds and paid directly there from. A Payroll Fund does not exist under GAAP.

Capital Asset Accounts - These accounts reflect estimated valuations of land, buildings and certain moveable fixed assets of the Township as discussed under the caption of "Basis of Accounting".

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

- C. Basis of Accounting - The accounting principles and practices prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, differ in certain respects from GAAP. The accounting system is maintained on the modified accrual basis with certain exceptions. Significant accounting policies in New Jersey are summarized as follows:

Property Taxes and Other Revenue - Property Taxes and other revenue are realized when collected in cash or approved by regulation for accrual from certain sources of the State of New Jersey and the Federal Government. Accruals of taxes and other revenue are otherwise deferred as to realization by the establishment of offsetting reserve accounts. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Grant Revenue – Federal, State, County and Local grants, entitlements or shared revenue received for purposes normally financed through the Current Fund are recognized when anticipated in the Township of East Windsor's budget. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual.

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures - Expenditures for general and utility operations are generally recorded on the accrual basis. Unexpended appropriation balances, except for amounts that may have been canceled by the governing body or by statutory regulation, are automatically recorded as liabilities at December 31<sup>st</sup> of each year, under the title of "Appropriation Reserves".

Grant appropriations are charged upon budget adoption to create spending reserves.

Budgeted transfers to the Capital Improvement Fund are recorded as expenditures to the extent permitted by law.

Expenditures from Trust and Capital Funds are recorded upon occurrence and charged to accounts statutorily established for specific purposes.

Budget Appropriations for interest on General Capital Long-Term Debt is raised on the cash basis and is not accrued on the records; interest on Utility Debt is raised on the accrual basis and so recorded.

GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - As of January 1, 1986 all local units were required by Technical Accounting Directive No. 85-1, as promulgated by the Division of Local Government Services, to maintain an encumbrance accounting system. The directive states that contractual orders outstanding at December 31 are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves - Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated sick, vacation and compensatory pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Property Acquired for Taxes - Property Acquired for Taxes (Foreclosed Property) is recorded in the Current Fund at the assessed valuation during the year when such property was acquired by deed or foreclosure and is offset by a corresponding reserve account. GAAP requires such property to be recorded in the general fixed assets account group at market value on the date of acquisition.

Interfund Accounts Receivable - Interfund Accounts Receivable in the Current Fund are generally recorded with offsetting reserves that are established by charges to operations. Collections are recognized as income in the year that the receivables are realized. Interfund Accounts Receivable of all other funds are recorded as accrued and are not offset with reserve accounts. Interfund Accounts Receivable of one fund are offset with Interfund Accounts Payable of the opposite fund. GAAP does not require the establishment of an offsetting reserve.

Inventories of Supplies - Materials and supplies purchased by all funds are recorded as expenditures.

An annual inventory of materials and supplies for the utilities is required by regulation to be prepared by Township personnel for inclusion on the Fund balance sheets. Annual changes in valuations, offset with a Reserve Account, are not considered as affecting results of operations. Materials and supplies of other funds are not inventoried nor included on their respective balance sheets.

Fixed Assets

General - In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from GAAP, the Township of East Windsor has developed a fixed asset accounting and reporting system.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available. Depreciation on utility fixed assets should also be recorded.

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

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Fixed Assets (Continued)

Acquisition of land, buildings, machinery, equipment and other capital assets are recorded on a perpetual fixed asset record.

Vehicles, furniture, equipment and other items are reflected at replacement values at time of inventory preparation. Additions to the established fixed assets are valued at cost.

Depreciation of assets is not recorded as an operating expense of the Township.

Fixed Capital of the Utilities are offset by accumulations in Amortization Reserve Accounts. The accumulations represent costs of fixed assets purchased with budgeted funds or acquired by gift as well as grants, developer contributions or liquidations of related bonded debt and other liabilities incurred upon fixed asset acquisition.

The Fixed Capital Accounts reflected herein are recorded in the records of the municipality and do not necessarily reflect the true condition of such Fixed Capital. The records consist of a control account only. Detailed records are not maintained.

Volunteer Length of Service Award Plan (LOSAP)

The Township has established a volunteer Length of Service Award Plan ("LOSAP") ("Plan") to ensure retention of the Township's volunteer fire department and EMS. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a "Length of service award plan under section 457(e)11 of the Internal Revenue Code". The LOSAP financial statements have not been nor are they required to be audited.

Supplementary Data – Total Columns on Combined Statements

Total columns are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

D. Basic Financial Statements - The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Township presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

E. Other Accounting Standards

The Township is currently reviewing the following for applicability and potential impact on the financial statements:

- *GASB Statement 100. Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62.* The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting charges and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes.

Effective Date: The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023 and all reporting periods thereafter. Earlier application is encouraged.

- *GASB Statement 101. Compensated Absences.* The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after December 15, 2023 and all reporting periods thereafter. Earlier application is encouraged.



**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Other Accounting Standards (Continued)

- *GASB Statement No. 102. Certain Risk Disclosures.* State and local governments face a variety of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. Although governments are required to disclose information about their exposure to some of those risks, essential information about other risks that are prevalent among state and local governments is not routinely disclosed because it is not explicitly required. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

- *GASB Statement No. 103. Financial Reporting Model Improvements.* The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues – Management's Discussion and Analysis, Unusual or Infrequent Items, Presentation of the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position, Major Component Unit Information, and Budgetary Comparison Information.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

F. Subsequent Events

Management has reviewed and evaluated all events and transactions from December 31, 2023 through July 31, 2024, the date that the financial statements are issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the Township that would require disclosure.

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 2. **CASH, CASH EQUIVALENTS AND INVESTMENTS**

A. **Cash and Cash Equivalents**

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 any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund.

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities that mature or are redeemed within one year. Twenty-five percent of the Fund may be invested in eligible securities that mature within two years provided, however, the arbitrage maturity of all investments in the Fund shall not exceed one year. Collateralization of Fund investments is generally not required.

In addition, by regulation of the Division of Local Government Services, municipalities are allowed to deposit funds in the Municipal Bond Insurance Association (MBIA) through their investment management company, the Municipal Investors Service Corporation.

In accordance with the provisions of the Governmental Unit Deposit Protection Act of New Jersey, public depositories are required to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal five percent of the average daily balance of public funds or

If the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

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 \$25,000,000.00.

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 2. CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

B. Investments

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

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the local unit or school districts of which the local unit is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments.
- Local government investment pools, such as New Jersey CLASS and the New Jersey Arbitrage Rebate Management Program.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

In addition, a variety of State laws permit local governments to invest in a wide range of obligations issued by State governments and its agencies.

C. Risk

As of December 31, 2023, the Township had funds on deposit in checking and statement savings accounts. The carrying amount of the Township's Cash and Cash Equivalents as of December 31, 2023 was \$31,170,240.55. The funds were covered by the Government Unit Deposit Protection Act "GUDPA". These funds constitute "deposits with financial institutions" as defined by GASB Statement #3 as amended by GASB Statement No. 40. There were no securities that the Township held that could be categorized as investments.

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 3. **TAXES AND TAX TITLE LIENS RECEIVABLE**

Property assessments are determined on true values and taxes are assessed based upon these values. The residential tax bill includes the levies for the Township, County and School purposes. Certified adopted budgets are submitted to the County Board of Taxation by each taxing district. The tax rate is determined by the Board upon the filing of these budgets.

The tax bills are mailed by the Tax Collector annually in June and are payable in four quarterly installments due the first of August and November of the current year and a preliminary billing due the first of February and May of the subsequent year. The August and November billings represent the third and fourth quarter installments and are calculated by taking the total year tax levy less the preliminary first and second quarter installments due February and May. The preliminary levy is based on one-half of the current year's total tax.

Tax installments not paid by the above due dates are subject to interest penalties determined by a resolution of the governing body. The rate of interest in accordance with the aforementioned resolution is 8% per annum on the first \$1,500.00 of delinquency and 18% on any delinquency in excess of \$1,500.00. The governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000.00 who fails to pay that delinquency as billed prior to the end of the fiscal year. The penalty so fixed shall not exceed 6% of the amount of the delinquency with respect to each most recent fiscal year only. The resolution also sets a grace period of ten days before interest is calculated.

Taxes unpaid on the 11th day of the eleventh month in the fiscal year when the taxes became in arrears are subject to the tax sale provisions of the New Jersey statutes. The municipality may institute in rem foreclosure proceedings after six months from the date of the sale if the lien has not been redeemed. The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four years.

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
General Tax Rate:	\$ 3.398	\$ 3.307	\$ 3.282	\$ 3.286	\$ 3.255
Tax Rate Apportionment:					
Municipal	0.433	0.433	0.433	0.433	0.433
County:					
Regular	0.670	0.618	0.605	0.624	0.620
Open Space	0.031	0.028	0.027	0.027	0.026
Library	0.07	0.064	0.062	0.063	0.062
Regional School	2.194	2.164	2.155	2.139	2.114
Special Tax Rate:					
Garbage (Solid Waste)	0.124	0.124	0.124	0.124	0.124

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 3. **TAXES AND TAX TITLE LIENS RECEIVABLE (CONTINUED)**

Assessed Valuation

2023	\$	2,862,969,000
2022		2,857,587,645
2021		2,831,414,658
2020		2,821,108,003
2019		2,816,006,710

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2023	\$ 100,198,054	\$ 99,354,902	99.16%
2022	96,839,312	96,492,988	99.64%
2021	96,199,856	95,762,440	99.55%
2020	95,434,559	94,952,785	99.50%
2019	94,090,205	93,469,807	99.34%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2023	\$ 349,983.03	\$ 821,257.56	\$ 1,171,240.59	1.17%
2022	322,852.78	525,343.58	848,196.36	0.88%
2021	280,356.11	405,613.65	685,969.76	0.10%
2020	275,990.12	481,934.23	757,924.35	0.80%
2019	256,323.79	565,303.02	821,626.81	0.87%

Note 4. **PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

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

<u>Year</u>	<u>Amount</u>
2023	\$ 156,377.19
2022	156,377.19
2021	156,377.19
2020	156,377.19
2019	156,377.19

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 5. SPECIAL GARBAGE DISTRICT FUND

The Township operates a special garbage district for the benefit of its residents.

<u>Year</u>		<u>Levy</u>		<u>Collected</u>
2023	\$	2,324,795.00	\$	2,324,795.00
2022		2,322,140.00		2,322,140.00
2021		2,290,640.00		2,290,640.00
2020		2,287,132.40		2,301,152.77
2019		2,286,117.00		2,289,083.81

Note 6. CAPITAL (GENERAL FIXED) ASSETS

During 2023 the following changes occurred in the capital assets of the Township:

	<u>Dec 31, 2022</u>	<u>Increased by</u>	<u>Decreased by</u>	<u>Dec 31, 2023</u>
Land	\$ 1,092,084.00			\$ 1,092,084.00
Buildings	6,184,430.00			6,184,430.00
Vehicles	5,171,058.13	\$ 1,119,079.60		6,290,137.73
Equipment	3,671,414.00	246,782.02	-	3,918,196.02
	<u>\$ 16,118,986.13</u>	<u>\$ 1,365,861.62</u>	<u>\$ -</u>	<u>\$ 17,484,847.75</u>

Note 7. DEFERRED CHARGES

The Deferred Charges are being raised in the 2024 budget as follows:

	<u>Balance</u> <u>December 31, 2023</u>	<u>Raised in</u> <u>2024 Budget</u>
Current Fund:		
Overexpenditure of		
2023 Appropriations	\$ 5,844.85	\$ 5,844.85
Animal Control Fund:		
Deficit in Reserve	1,655.64	1,655.64
Garbage District Fund:		
Overexpenditure of		
2023 Appropriation	<u>17,034.94</u>	<u>17,034.94</u>
	<u>\$ 24,535.43</u>	<u>\$ 24,535.43</u>

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 8. **FUND BALANCES APPROPRIATED**

The following schedule details the amount of fund balances available at the end of each year and the amounts utilized in the subsequent year's budget.

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Current Fund</u>			
2023	\$ 6,366,618.05	\$ 4,095,000.00	64.32%
2022	10,263,300.70	3,681,080.00	35.87%
2021	11,140,359.87	3,323,000.00	29.83%
2020	9,154,872.21	3,323,000.00	36.30%
2019	8,995,746.26	3,210,000.00	35.68%
<u>Garbage District Fund</u>			
2023	\$ 1,002,275.81	260,000.00	25.94%
2022	1,063,009.51	219,000.00	20.60%
2021	1,026,987.12	126,000.00	12.27%
2020	935,068.12	153,000.00	16.36%
2019	946,970.34	283,020.00	29.89%

Note 9. **MUNICIPAL DEBT**

The Local Bond Law governs the issuance of bonds and notes to finance general capital expenditures. All bonds are retired in serial installments with the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or retired by the issuance of bonds. During 2023 the following changes occurred in the debt of the Township:

	<u>Balance Dec 31, 2022</u>	<u>Decreased by</u>	<u>Balance Dec 31, 2023</u>
<u>General Capital Fund:</u>			
Serial Bonds	\$ 12,990,000.00	\$ 2,010,000.00	\$ 10,980,000.00
NJIBank Loan	134,450.33	54,016.20	80,434.13
	<u>\$ 13,124,450.33</u>	<u>\$ 2,064,016.20</u>	<u>\$ 11,060,434.13</u>
<u>Garbage District Fund:</u>			
Serial Bonds	\$ None	\$ None	\$ None
Bond Anticipation Notes	\$ None	\$ None	\$ None

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 9. MUNICIPAL DEBT (CONTINUED)

Summary of Municipal Debt (Excluding Current and Operating Debt)

	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>
Issued:			
General:			
Bonds, Loans and Notes	\$ 11,060,434.09	\$ 13,124,450.33	\$ 15,132,037.97
Garbage District:			
Bonds and Notes	<u>None</u>	<u>None</u>	<u>None</u>
Total Issued	<u>\$ 11,060,434.09</u>	<u>\$ 13,124,450.33</u>	<u>\$ 15,132,037.97</u>
Authorized But Not Issued:			
General:			
Bonds, Loans and Notes	\$ 11,469,377.07	\$ 8,895,784.07	\$ 4,783,284.07
Garbage District:			
Bonds and Notes	<u>None</u>	<u>None</u>	<u>\$ None</u>
Total Authorized But Not Issued	<u>\$ 11,469,377.07</u>	<u>\$ 8,895,784.07</u>	<u>\$ 4,783,284.07</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u><u>\$ 22,529,811.16</u></u>	<u><u>\$ 22,020,234.40</u></u>	<u><u>\$ 19,915,322.04</u></u>

Summary of Statutory Debt Condition, Annual Debt Statement

The summarized statement of debt condition that follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicated a statutory net debt of .68%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District Debt	\$ 13,589,627.43	\$ 13,589,627.43	\$ None
Garbage District	None	None	None
General Debt	<u>22,529,811.16</u>	<u>None</u>	<u>22,529,811.16</u>
	<u><u>\$ 36,119,438.59</u></u>	<u><u>\$ 13,589,627.43</u></u>	<u><u>\$ 22,529,811.16</u></u>

Net debt as of December 31, 2023 of \$22,529,811.16 Net Debt divided by Average Equalized Valuation basis per N.J.S. 40A:2-2 As Amended, \$3,621,833,318 equals .622%. The 2023 Annual Debt Statement has been filed.



**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 9. MUNICIPAL DEBT (CONTINUED)

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

3.5% of Average Equalized Valuation Basis (Municipal)	\$ 126,764,166.13
Net Debt	<u>22,529,811.16</u>
Remaining Borrowing Power	\$ <u><u>104,234,354.97</u></u>

School Debt Deduction

School debt is deductible up to the extent of 4.0% of the Average Equalized Assessed Valuation of real property for the Local School District.

Long-Term Debt

General Capital Fund:

\$6,585,000 General Improvement Refunding Bonds,  
Series 2019 final annual maturity of \$1,395,000 on  
December 1, 2024 at interest rate of 4.00%. \$ 1,395,000.00 \*

\$11,550,000 General Improvement Bonds, Series 2020,  
annual maturities of \$675,000 to \$1,280,000 through  
December 1, 2031 at interest rates ranging from 1.0%  
to 4.0%. 9,585,000.00 \*\*

\$ 10,980,000.00

\* The \$6,585,000.00 Bonds Series 2019 are not subject to redemption prior to the stated maturities.

\*\* The \$11,550,000.00 General Improvement Bonds, Series 2020 – the Bonds maturing prior to December 1, 2027 are not subject to redemption prior to their stated maturities. The Bonds maturing on or after December 1, 2028 shall be subject to redemption at the option of the Township, in whole or in part, on any date on or after December 1, 2027 at a price of 100% of the principal amount being redeemed, plus accrued interest to the date fixed for redemption.

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 9. MUNICIPAL DEBT (CONTINUED)

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding

Serial Bonds:

<u>Year</u>	<u>2019 General Improvement Refunding Bonds</u>		<u>2020 General Improvement Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,395,000	\$ 55,800	\$ 675,000	\$ 210,150
2025			1,270,000	203,400
2026			1,270,000	178,000
2027			1,270,000	127,200
2028			1,270,000	76,400
	<u>1,395,000</u>	<u>55,800</u>	<u>5,755,000</u>	<u>795,150</u>
2029			1,270,000	51,000
2030			1,280,000	25,600
2031			1,280,000	12,800
	<u>-</u>	<u>-</u>	<u>3,830,000</u>	<u>89,400</u>
	<u>\$ 1,395,000</u>	<u>\$ 55,800</u>	<u>\$ 9,585,000</u>	<u>\$ 884,550</u>

<u>Year</u>	<u>Total for All Funds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 2,070,000	\$ 265,950	\$ 2,335,950
2025	1,270,000	203,400	1,473,400
2026	1,270,000	178,000	1,448,000
2027	1,270,000	127,200	1,397,200
2028	1,270,000	76,400	1,346,400
	<u>7,150,000</u>	<u>850,950</u>	<u>8,000,950</u>
2029	1,270,000	51,000	1,321,000
2030	1,280,000	25,600	1,305,600
2031	1,280,000	12,800	1,292,800
	<u>3,830,000</u>	<u>89,400</u>	<u>3,919,400</u>
	<u>\$ 10,980,000</u>	<u>\$ 940,350</u>	<u>\$ 11,920,350</u>

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 9. MUNICIPAL DEBT (CONTINUED)

New Jersey Infrastructure Bank Loans "NJIBank" (formerly New Jersey Environmental Infrastructure Trust Loans "NJEIT")

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 and the NJ Environmental Infrastructure 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.

<u>Due</u>	<u>Trust</u>		<u>Fund</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>
2/1/2024		\$ 656.25	\$ 1,199.52
8/1/2024	\$ 15,000.00	656.25	28,617.19
2/1/2025		328.13	599.76
8/1/2025	15,000.00	328.13	28,017.62
	<u>\$ 30,000.00</u>	<u>\$ 1,968.76</u>	<u>\$ 58,434.09</u>

Bonds and Notes Authorized But Not Issued

The Township had authorized but not issued bonds and notes as follows:

	<u>Dec. 31, 2023</u>
General Capital Fund	\$ 11,469,377.07
Garbage District Fund	None
	<u>\$ 11,469,377.07</u>

Subsequent Event

Subsequent to December 31, 2023, the Township adopted a bond ordinance authorizing bonds and notes of \$2,728,947 for the acquisition of open space.

Continuing Disclosure Requirement

As a result of the General Obligation Bond Series 2020, the Township is required to comply with the Securities and Exchange Commission Rule 15c2-12, which is related to the Annual Continuing Disclosure Requirement. The Township complied with the requirement.

Note 10. REGIONAL SCHOOL DISTRICT TAXES

The Regional School District Tax was raised on school year basis and the liability for calendar year 2023 has been paid.

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 11. PENSION PLANS

Description of Systems

Substantially all of the Township's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Public Employees' Retirement System (PERS) or the Police and Firemen's Pension Fund (PFRS). These systems are sponsored and administered by the New Jersey Division of Pensions and Benefits. The Public Employees' Retirement System and the Police and Firemen's Retirement System are considered cost sharing multiple-employer plans.

The PERS and PFRS issue a publicly available financial report that includes financial statements and required supplementary information and separate actuarial valuations. Those reports are available by visiting their website at:

[www.state.nj.us/treasury/pensions/gasb-notices.shtml](http://www.state.nj.us/treasury/pensions/gasb-notices.shtml).

Public Employees' Retirement System

The Public Employees' Retirement System (PERS) was established January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full-time employees and all that qualify of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after eight to ten years of service and twenty-five years for health care coverage. 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

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 11. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

Service retirement benefits of 1/55<sup>th</sup> 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 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 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 Required to be Made – PERS

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 an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Employee contributions for 2023 were 7.50% for PERS of the employee's base wages. Employer's contributions are actuarially determined annually by the Division of Pensions. The Township's contributions to the plan for the past three (3) years are as follows:

	PERS		
	2023	2022	2021
Covered Payroll	\$ 3,583,462	\$ 3,405,567	\$ 4,411,053
Actuarial Contribution Requirements	544,989	523,289	529,763
Total Contributions Employer Share	544,989	523,289	529,763
Percent of Covered Payroll	15.21 %	15.37 %	12.01 %
Employee's Share	268,755	270,177	330,829
Percent of Covered Payroll	7.50 %	7.50 %	7.50 %

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 11. PENSION PLANS (CONTINUED)

Pension (PERS) Accrual

The Township is required to report on its financial statements on an "Other Comprehensive Basis of Accounting" (OCBOA) Regulatory Basis, which does not require an accrual for its obligations inclusive of pension. If the Township were required to reflect the obligation under Generally Accepted Accounting Principles (GAAP) then an accrual for the PERS obligations would be needed in the amount of \$7,092,528 since the obligation relates to the period December 31, 2023 and prior. The accrual (under GAAP) would affect the fund balance at yearend.

The information for PERS was abstracted from State of New Jersey Public Employees' Retirement System Schedules of Employer Allocations and Schedules of Pension Amounts by Employer as of June 30, 2023 and June 30, 2022 Independent Auditor's Report dated May 24, 2024 and May 18, 2023, respectively.

The Township's reported liability of \$6,622,210 and \$6,522,063 for its proportionate share of the net pension liability at December 31, 2023 (*measurement date of June 30, 2023*) and December 31, 2022 (*measurement date of June 30, 2022*), respectively. The net pension liability was measured as of June 30, 2023 and June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of July 1, 2023 and July 1, 2022, which were rolled forward. 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 entities, actuarially determined.

	June 30, ( <i>Measurement Date</i> )	
	<u>2023</u>	<u>2022</u>
Local Group Share	\$ 14,606,489,066	\$ 15,219,184,920
Township Proportionate Percentage	0.0457196811 %	0.0432171488 %
Difference - Increase/(Decrease)	0.0025025323 %	

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 11. PENSION PLANS (CONTINUED)

Pension (PERS) Accrual (Continued)

For the year ended December 31, 2023, the Township's recognizable (under GAAP) pension benefit was \$870,526. At December 31, 2023, the Township reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 14,548	\$ 401,334
Net difference between expected and actual experience	63,317	27,069
Net difference between projected and actual investment earnings on pension plan investments	30,496	
Changes in proportion	360,011	510,287
Township contributions made subsequent to yearend	<u>611,056</u>	
Total	<u>\$ 1,079,428</u>	<u>\$ 938,690</u>

The \$611,056 reported as deferred outflows of resources related to pensions resulting from entities contributions subsequent to the measurement date (i.e. for the Township year ending December 31, 2023, the plan measurement date is June 30, 2023) would be recognized (under GAAP) as a reduction of the net pension liability in the Township year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense based on local share is as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2024	\$ (513,794)
2025	(286,780)
2026	400,756
2027	(71,720)
2028	1,220

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 11. PENSION PLANS (CONTINUED)

Additional Information – PERS

Collective (local employers) balances at June 30, 2023 and June 30, 2022 are as follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Collective deferred outflows of resources	\$ 1,080,204,730	\$ 1,660,772,008
Collective deferred inflows of resources	1,780,216,457	3,236,303,935
Collective net pension liability	14,606,489,066	15,219,184,920
Collective pension expenses/benefits	79,181,803	(1,032,778,934)
Township's proportion (of Local Group)	0.0457198611 %	0.0432171488 %

Actuarial Assumptions – PERS

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which rolled forward to June 30, 2023. This actuarial valuation used the following assumptions:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75 – 6.55% (based on years of service)
Investment Rate of Return:	7.00%

Mortality Rates – PERS

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.



**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 11. PENSION PLANS (CONTINUED)

Long-Term Rate of Return – PERS

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
U.S. Equity	28.00 %	8.98 %
Non-U.S. Developed Markets Equity	12.75	9.22
International Small Cap Equity	1.25	9.22
Emerging Market Equity	5.50	11.13
Private Equity	13.00	12.50
Real Estate	8.00	8.58
Real Assets	3.00	8.40
High Yield	4.50	6.97
Private Credit	8.00	9.20
Investment Grade Credit	7.00	5.19
Cash Equivalents	2.00	3.31
U.S. Treasuries	4.00	3.31
Risk Mitigation Strategies	3.00	6.21
	<u>100.00 %</u>	

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 11. PENSION PLANS (CONTINUED)

Discount Rate – PERS

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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 100% of the actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of (*measurement dates*) June 30, 2023 and June 30, 2022, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

December 31, 2023			
<u>[Measurement Date June 30, 2023]</u>			
	1% Decrease	At Current	1% Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Township's proportionate share of the pension liability	\$ 8,620,708	\$ 6,622,210	\$ 4,921,224
December 31, 2022			
<u>[Measurement Date June 30, 2022]</u>			
	1% Decrease	At Current	1% Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Township's proportionate share of the pension liability	\$ 8,738,389	\$ 6,522,063	\$ 4,941,461

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 11. PENSION PLANS (CONTINUED)

Special Funding Situation – PERS

A special funding situation exists for certain Local employers of the Public Employees' Retirement System. The State, as a nonemployer, is required to pay the additional costs incurred by local employers under Chapter 133, P.L.2001 and Chapter 133, P.L.2001. The June 30, 2023 State special funding situation net position liability amount of \$122.1 million is the accumulated determined State obligation under the special funding situation and the actual State contribution through the valuation date. The special funding situation for Chapter 133, P.L.2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2023, there is no net pension liability associated with this special funding situation there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense of \$55.7 million, for the fiscal year ending June 30, 2023, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2023. The pension expense is deemed to be a State administrative expense due to the special funding situation.

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

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 11. PENSION PLANS (CONTINUED)

Special Funding Situation – PERS (Continued)

The Township has the following attributed to it related to the Special Funding Situation:

<u>December 31,</u>	<u># of</u>	<u>Percent of</u>	<u>Employer's Pension Expense</u>	
	<u>Employees</u>	<u>Total State</u>	<u>and Related Revenues</u>	
		<u>Liability</u>	<u>State Total</u>	<u>Township Share</u>
2023	1	0.045893265 %	\$ 45,000,471	\$ 20,652
2022	1	0.043389808	31,626,530	13,726
2021		- NOT AVAILABLE -		

Pension Plan Fiduciary Net Position – PERS

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS).

Police and Firemen's Retirement System (PFRS)

The Police and Firemen's Retirement System (PFRS) was established July 1, 1944 under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after June 30, 1944. 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

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 11. PENSION PLANS (CONTINUED)

Police and Firemen's Retirement System (PFRS) (Continued)

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.

In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Contributions Required to be Made – PFRS

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 an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

	PFRS		
	2023	2022	2021
Covered Payroll	\$ 4,251,193	\$ 4,492,882	\$ 4,463,644
Actuarial Contribution Requirements	1,651,352	1,331,420	1,390,417
Total Contributions Employer Share	1,651,352	1,331,420	1,390,417
Percent of Covered Payroll	38.84 %	29.63 %	31.15 %
Employee's Share	425,119	454,729	448,568
Percent of Covered Payroll	10.00 %	10.00 %	10.00 %

All contributions were equal to the required contributions for each of the three (3) years, respectively.

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 11. PENSION PLANS (CONTINUED)

Pension (PFRS) Accrual

The Township is required to report on its financial statements on an "Other Comprehensive Basis of Accounting" (OCBOA) Regulatory Basis, which does not require an accrual for its obligations inclusive of pension. If the Township were required to reflect the obligation under Generally Accepted Accounting Principles (GAAP) then an accrual for the PFRS obligations would be needed in the amount of \$4,407,738 since the obligation relates to the period December 31, 2023 and prior. The accrual (under GAAP) would affect the fund balance at yearend.

The information for PFRS was abstracted from State of New Jersey Public Employees' Retirement System Schedules of Employer Allocations and Schedules of Pension Amounts by Employer as of June 30, 2023 and June 30, 2022 Independent Auditor's Report dated May 24, 2024 and July 25, 2023, respectively.

The Township's reported liability of \$13,845,221 and \$14,533,786 for its proportionate share of the net pension liability at December 31, 2023 (*measurement date of June 30, 2023*) and December 31, 2022 (*measurement date of June 30, 2021*), respectively. The net pension liability was measured as of June 30, 2022 and June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of July 1, 2022, which were rolled forward. 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 entities, actuarially determined.

	<u>June 30, (Measurement Date)</u>	
	<u>2023</u>	<u>2022</u>
Local Group Share	\$ 13,084,649,602	\$ 13,483,472,009
Township Proportionate Percentage	0.1253099200 %	0.1269730300 %
Difference - Increase	(0.0016631100)	

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 11. PENSION PLANS (CONTINUED)

Pension (PFRS) Accrual (Continued)

For the year ended December 31, 2023, the Township's recognizable (under GAAP) pension benefit was \$1,292,046. At December 31, 2023, the Township reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources were based on experience study for the period July 1, 2018 to June 30, 2021:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 79,883	\$ 934,884
Net difference between expected and actual experience	592,825	660,294
Net difference between projected and actual investment earnings on pension plan investment	705,111	
Changes in proportion	1,154,853	1,449,991
Borough contributions made subsequent to measurement date	<u>1,668,127</u>	
Total	<u>\$ 4,200,799</u>	<u>\$ 3,045,169</u>

The \$1,668,127 reported as deferred outflows of resources related to pensions resulting from entities contributions subsequent to the measurement date (i.e. for the Township year ending December 31, 2023, the plan measurement date is June 30, 2023) would be recognized (under GAAP) as a reduction of the net pension liability in the Township year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense/benefits based on local share is as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2024	\$ (1,133,594)
2025	(1,087,884)
2026	1,750,295
2027	(150,539)
2028	53,731
Thereafter	5,494

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 11. PENSION PLANS (CONTINUED)

Additional Information – PFRS

Collective (local employers) balances at June 30, 2023 and June 30, 2022 are as follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Collective deferred outflows of resources	\$ 1,753,080,638	\$ 2,163,793,985
Collective deferred inflows of resources	1,966,439,601	2,805,919,493
Collective pension expense/(benefit)	844,810,693	165,943,124
Collective net pension liability		
Local Group	13,084,649,602	13,483,472,009
Less: Special Funding Situation (1)	<u>2,035,866,759</u>	<u>2,037,115,833</u>
	<u>\$ 11,048,782,843</u>	<u>\$ 11,446,356,176</u>
Township's proportion (of Local Group)	0.1253099200 %	0.1269730300 %

Actuarial Assumptions – PFRS

The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which rolled forward to June 30, 2023. This actuarial valuation used the following assumptions.

Inflation rate:

Price 2.75%

Wage 3.25%

Salaries Increase:

Through all Future Years 3.25 – 16.25% (based on years of service)

Investment Rate of Return 7.00%

Mortality Rates – PFRS

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.



**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 11. PENSION PLANS (CONTINUED)

Long-Term Rate of Return – PFRS

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
U.S. Equity	28.00 %	8.98 %
Non-U.S. Developed Markets Equity	12.75	9.22
International Small Cap Equity	1.25	9.22
Emerging Market Equity	5.50	11.13
Private Equity	13.00	12.50
Real Estate	8.00	8.58
Real Assets	3.00	8.40
High Yield	4.50	6.97
Private Credit	8.00	9.20
Investment Grade Credit	7.00	5.19
Cash Equivalents	2.00	3.31
U.S. Treasuries	4.00	3.31
Risk Mitigation Strategies	3.00	6.21
	<u>100.00 %</u>	

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 11. PENSION PLANS (CONTINUED)

Discount Rate – PFRS

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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 100% of the actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of (*measurement dates*) June 30, 2023 and June 30, 2022, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

December 31, 2023			
<u>[Measurement Date June 30, 2023]</u>			
	1% Decrease	At Current	1% Increase
	<u>6.00%</u>	Discount Rate	<u>8.00%</u>
		<u>7.00%</u>	
Township's proportionate share of the pension liability	\$ 19,290,891	\$ 13,845,221	\$ 9,310,279

  

December 31, 2022			
<u>[Measurement Date June 30, 2022]</u>			
	1% Decrease	At Current	1% Increase
	<u>6.00%</u>	Discount Rate	<u>8.00%</u>
		<u>7.00%</u>	
Township's proportionate share of the pension liability	\$ 19,941,910	\$ 14,533,786	\$ 10,031,478

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 11. PENSION PLANS (CONTINUED)

Special Funding Situation – PFRS

A special funding situation exists for the Local employers of the Police and Fire Retirement System of New Jersey. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by Local employers under 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 State special funding situation net pension liability amount of \$2,035,866,759 and \$2,037,115,833 as of June 30, 2023 and June 30, 2022, respectively, are the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation.

Under N.J.S.A.43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is as follows: Chapter 8, P.L.2000, Chapter 318, P.L.2001, Chapter 86, P.L.2001, Chapter 511, P.L.1991, Chapter 109, P.L.1979, Chapter 247, P.L.1993 and Chapter 201, P.L.2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 11. PENSION PLANS (CONTINUED)

Special Funding Situation – PFRS (Continued)

The Township has the following attributed to the special funding situation:

	Township's Proportionate Share		State Proportionate Share of Net Pension Liability Attributable to Township		Employer's Pension Expense and Related Revenues	
					<u>State Total</u>	<u>Township Share</u>
June 30, 2023	0.12530971	%	\$ 2,035,866,759	\$	2,551,143	\$ 290,187
June 30, 2022	0.12697320		2,037,115,833		2,586,588	298,424
June 30, 2021	0.11423924		2,055,697,552		2,348,418	261,545

Pension Plan Fiduciary Net Position – PFRS

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS).

Note 12. OTHER POST EMPLOYMENT BENEFITS

Township Health Benefits

Plan Description – NJSHBP

As of the date of this report the State of New Jersey Department of Treasury, Division of Pension and Benefits has not yet released the GASB#75 Other Post-Employment Benefits Allocation by Employer Report, which would have been as of June 30, 2023. The State of New Jersey Local Finance Board has permitted that the data need not be included for those local government entities that do not report the financial statement under the GASB/GAAP method. In the past the data was included merely for disclosure (*informational purposes*) in the Notes to Financial Statements. The lack of data does not District the fund balances of the various funds as presented in the report under the regulation (OCBOA) basis.

The NJSHBP as of July 1, 2021 had statewide for the local employee groups of 84,057 active and 16,440 retired for a total of 100,497 members. The Township at December 31, 2023 had 178 active and approximately 99 retired employees for a total participation of 277.

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 12. OTHER POST EMPLOYMENT BENEFITS

Township Health Benefits (Continued)

Plan Description – NJSHBP (Continued)

Funding Policy – The contribution requirements of plan members are established and may be amended by the state legislature. Participating local government units are contractually required to contribute at a rate assessed each year by the NJSHBP. The NJSHB Commission sets the employer contribution rate based on the annual required contribution of the employers (ARC) as established in an annual rate recommendation report.

The NJSHBP issues a publicly available financial report that includes financial statements and required supplementary information for the NJSHBP and the actuarial valuation. Those reports may be obtained by writing to the State of New Jersey Department of Treasury, Division of Pension and Benefits, 50 West State Street, Trenton, NJ 08625-0299 or on the State of New Jersey website.

Funding Policy

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. The NJSHB Commission sets the employer contribution rate based on the annual required contribution (ARC) of the employers as established in an annual rate recommendation report.

Contributions to pay for the health premiums of participating retirees in the NJSHBP are billed to the Township on a monthly basis. The number of employees covered and approximate cost for the past three years were as follows:

<u>Fiscal Year</u>	<u># of Employees</u>	<u>Employer's Cost</u>
2023	99	\$ 1,915,319.00
2022	92	1,489,631.00
2021	90	1,119,548.00

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 12. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Township Health Benefits (Continued)

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. For additional information about the Plan, refer to the State of New Jersey, Division of Pensions and Benefits' (the Division) Annual Comprehensive Financial Report (ACFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The information presented was abstracted from the State of New Jersey State Health Benefits Local Government Retired Employees Plan for June 30, 2022 and June 30, 2021 measurement date from the Independent Auditor's Reports dated July 31, 2023 and December 5, 2022.

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission, Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees.

Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: (1) retired on a disability pension; or (2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or (3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or (4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

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.

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 12. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Township Health Benefits (Continued)

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 deferred inflows of resources and collective OPEB expense. 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, 2018 through June 30, 2019. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

The portion of the OPEB Liability that was associated with the Township recognized is as follows:

<i>[Measurement Date]</i>	
June 30,	
<u>2022</u>	<u>2021</u>
\$ 30,093,964	\$ 32,913,320

The proportion of the PERS Net OPEB Liability associated with the Township's liability is as follows:

<i>[Measurement Date]</i>	
June 30,	
<u>2022</u>	<u>2021</u>
0.186345 %	0.182854 %

Total Nonemployer OPEB Liability

The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in.

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 12. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Total Nonemployer OPEB Liability (Continued)

This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Salary increases \*:

Public Employees' Retirement System (PERS)

Rate for all future years 2.75% to 6.55% based on years of service

Police & Firemen's Retirement System (PFRS)

Rate for all future years 3.25% to 16.25% based on years of service

Mortality:

PERS Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

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

\* Salary increases are based on years of service within the respective plan.

Actuarial assumptions used in the July 1, 2021 valuation were based on the results of the PERS and PFRS experience studies prepared for July 1, 2018 to June 30, 2021. 100% of active members are considered to participate in the Plan upon retirement.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven (7) years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal years 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after eleven (11) years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after eleven (11) years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven (7) years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

The discount rate for June 30, 2022 and June 30, 2021 was 3.54% and 2.16% respectively. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.



**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 12. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of Total Nonemployer OPEB Liability to Changes in the Discount Rate

The following presents the collective net OPEB liability as of June 30, 2022, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

June 30, 2022 [ <i>Measurement Date</i> ]		
At 1% Decrease	At Discount Rate	At 1% Increase
2.54%	3.54%	4.54%
\$ 34,884,963	\$ 30,093,964	\$ 26,239,157

  

June 30, 2021 [ <i>Measurement Date</i> ]		
At 1% Decrease	At Discount Rate	At 1% Increase
1.11%	2.11%	3.11%
\$ 38,732,664	\$ 32,913,320	\$ 28,301,364

Sensitivity of Total Nonemployer OPEB Liability to Changes in the Healthcare Trend Rate

The following represents the total nonemployer OPEB liability as of June 30, 2022, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

Healthcare Cost		
June 30, 2022 [ <i>Measurement Date</i> ]		
1% Decrease	Trend Rate	1% Increase
\$ 25,529,615	\$ 30,093,964	\$ 35,939,609

  

June 30, 2021 [ <i>Measurement Date</i> ]		
1% Decrease	Trend Rate	1% Increase
\$ 27,460,794	\$ 32,913,320	\$ 40,028,192

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018.

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 12. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the Township recognized OPEB benefit of \$186,392 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

The following table illustrates the Deferred Inflows and Outflows as of June 30, 2021 under GASB 75 prior to any reduction due to the fiscal year 2022 amortizations.

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Net Difference between Expected and Actual Earnings on OPEB Plan Investments	\$ 15,737	
Difference between Expected and Actual Expenses	738,536	\$ 6,885,953
Changes in Assumptions	4,734,679	5,817,816
Changes in Proportion	<u>8,825,248</u>	<u>2,003,180</u>
	<u>\$ 14,314,200</u>	<u>\$ 14,706,949</u>

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

Measurement Period Ending June 30,

2023	(2,726,936)
2024	(2,729,343)
2025	(2,155,322)
2026	(962,580)
2027	(215,807)
Total Thereafter	(1,480,471)

Pension Plan Fiduciary Net Position

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

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 12. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Additional Information

Collective balances of the Local Retirement Group are as follows:

	<u>Dec 31, 2022</u>	<u>Dec 31, 2021</u>
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Collective Deferred Outflows of Resources	\$ 7,897,070,518	\$ 8,536,291,345
Collective Deferred Inflows of Resources	13,408,600,309	12,481,961,743
Collective Net OPEB Liability	16,149,595,478	17,999,781,235
Collective Expenses	150,955,720	197,015,566.00
Township's Portion	0.040469%	0.036950%

At June 30, 2022, the Program membership consisted of the following:

Active Plan Members	84,057
Retirees Currently Receiving Benefits	<u>16,440</u>
Total Plan Members	<u><u>100,497</u></u>

Shown below are details regarding the Total OPEB Liability for the measurement period:

	<u>[Measurement Date]</u>	
	<u>2022</u>	<u>2021</u>
	<u>Total OPEB Liability</u>	
Balance as of June 30, 2021	\$ 18,050,052,887	\$ 18,111,475,228
Changes Recognized for the Fiscal Year:		
Service Cost	796,654,029	\$ 846,075,674
Interest on the Total OPEB Liability	401,372,615	413,837,061
Changes of Assumptions	(3,599,550,175)	339,165,715
Change in Benefit Terms	402,474,416	2,029,119
Difference between Expected and Actual Experience	572,046,963	(1,196,197,410)
Gross Benefit Payments	(585,291,951)	(509,642,373)
Contributions from the Member	<u>53,166,360</u>	<u>43,309,873</u>
Net Changes	(1,959,127,743)	\$ (61,422,341)
Balance as of June 30, 2022	<u><u>\$ 16,090,925,144</u></u>	<u><u>\$ 18,050,052,887</u></u>

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 12. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Additional Information (Continued)

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% in 2020 to 3.50% in 2021. The component of the Net OPEB Liability is as follows:

	<i>Measurement Date</i>	
	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Total OPEB Liability	\$ 16,090,925,144	\$ 18,050,052,887
Plan Fiduciary Net Position	<u>58,670,334</u>	<u>50,271,652</u>
Net OPEB Liability	<u>\$ 16,032,254,810</u>	<u>\$ 17,999,781,235</u>
Net Position		
as a Percentage of OPEB Liability	3.60%	2.79%
OPEB Expense	\$ 150,955,720	\$ 197,015,566
Special Funding Situation	3,361,552,823	3,861,357,890
Nonspecial Funding Situation	<u>12,729,372,321</u>	<u>14,138,423,345</u>
	<u>\$ 16,090,925,144</u>	<u>\$ 17,999,781,235</u>

Other

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the Township. The reporting of these benefits are the responsibility of the individual local Township. The Township provides Chapter 88 Reimbursement to certain retirees for the share of Medicare premiums that are withheld from the social security benefits. Detail for the prior three years is as follow:

<u>Year</u>	<u>Number of Employees</u>	<u>Amount</u>
	<i>[Approximate]</i>	
2023	90	\$ 182,597.50
2022	90	165,855.42
2021	90	150,008.40

All other employees will become eligible when they attain Social Security retirement age will also receive the benefits.

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 12. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Special Funding Situation – PFRS

As of the date of this report the State of New Jersey Department of Treasury, Division of Pension and Benefits has not yet released the GASB#75 Other Post-Employment Benefits Allocation by Employer Report, which would have been as of June 30, 2023. The State of New Jersey Local Finance Board has permitted that the data need not be included for those local government entities that do not report the financial statement under the GASB/GAAP method. In the past the data was included merely for disclosure (*informational purposes*) in the Notes to Financial Statements. The lack of data does not Distinct the fund balances of the various funds as presented in the report under the regulation (OCBOA) basis.

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. Since the local participating employers do not contribute under this legislation directly contribute 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.

The Township has the following attributed to it related to the Special Funding Situation:

<u>December 31,</u>	<u># of</u>	<u>Percent of</u>	<u>State</u>	<u>Expense/(Benefit) &amp;</u>
	<u>Employees</u>	<u>Total State</u>	<u>Proportionate</u>	<u>Related Revenue</u>
		<u>Liability</u>	<u>Share of Net</u>	<u>Attributed</u>
			<u>OPEB Liability</u>	<u>to Township</u>
2023	1	----- Not Available -----		
2022	1	0.006083 %	\$ 205,229	\$ (33,662)
2021	1	0.006154	237,628	(32,425)

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 12. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Special Funding Situation – PFRS (Continued)

The State of New Jersey's total for special funding situation was as follows:

	<u>State Total</u>	
	<u>Net OPEB Liability</u>	<u>Employer OPEB Expense/(Benefit) and Related Revenue</u>
2023	<i>Not Available</i>	<i>Not Available</i>
2022	\$ 3,373,809,587	\$ (553,375,659)
2021	3,861,357,890	(526,896,727)

NOTE 13. DEFINED CONTRIBUTION RETIREMENT PROGRAM

Description of System

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If an eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee and employer and adjusted for membership earnings or losses. It is a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment options provided by the employer.

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

NOTE 13. DEFINED CONTRIBUTION RETIREMENT PROGRAM

Description of System (Continued)

The law requires that three classes of employees enroll in the DCRP, detailed as follows:

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employee's Retirement System (PERS).
- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.
- Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured chief administrative officer such as the Business Administrator, County Administrator or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.
- Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain in PERS.

Contributions Required and Made

Contributions made by employees for DCRP are currently 5.5% of their base wages. Member contributions are matched by a 3.0% employer contribution. There were employer and employee contributions to the plan as follows:

<u>Year</u>	<u>Employee</u>	<u>Employer</u>
2023	\$ 7,945.11	\$ 3,867.24
2022	6,192.00	3,168.00
2021	4,282.00	2,845.00

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 14. **INTERFUNDS RECEIVABLE AND PAYABLE**

Interfund receivable and payable balances at December 31, 2023 were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 5,446,569.10	
Grant Fund	500.00	\$ 1,144,220.34
Trust Other Fund		969.76
Animal Control Fund		1,379.00
Payroll Fund		22,568.47
General Capital Fund		4,300,000.00
Garbage District Fund	<u>22,068.47</u>	
	<u>\$ 5,469,137.57</u>	<u>\$ 5,469,137.57</u>

Note 15. **RISK MANAGEMENT**

**Property and Liability Insurance**

The Township together with other governmental units are members of the Middlesex Municipal Joint Insurance Fund (the "Fund"). The Fund, which is organized and operated pursuant to the regulatory authority of the Departments of Insurance and Community Affairs, State of New Jersey, provides for a pooling of risks, subject to established limits and deductibles. In addition, the Fund has obtained cost effective reinsurance and excess liability coverages for participant local units.

For the year ended December 31, 2023, the Fund provided coverage for Property, Boiler and Machinery, Automobile Liability, General Liability, Workmen's Compensation, Public Employee Blanket Bond and public officials surety bond coverage. The coverage is subject to certain policy limits and deductible amounts. The coverage is designed to minimize the impact of any potential losses to the Township for matters that may have been caused or related to the Township or its employees.



**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 15. RISK MANAGEMENT (CONTINUED)

Mid-Jersey Municipal Joint Insurance Fund (MIDMJIF)

The Township entered into an agreement with the Mid-Jersey Municipal Joint Insurance Fund (MIDMJIF) effective January 1, 2023.

At December 31, 2023, the MIDMJIF reported for all years combined, total assets of \$23,143,832 liabilities and reserves of \$13,789,266, which includes loss reserves of \$10,743,503 and an unrestricted net position of \$9,354,566.

The information was abstracted from the Annual Independent Financial Audit of the MIDMJIC as of December 31, 2023 whose opinion dated May 1, 2024 was unmodified.

Middlesex County Joint Insurance Fund (JIF) – Former Member

At December 31, 2021, the Fund reported for all years combined, total assets and deferred outflows of \$8,123,180 liabilities, reserves and deferred inflows of \$36,405,427, which includes loss reserves of \$31,326,944 and an unrestricted net position deficit balance of \$28,282,247.

The information was abstracted from the Annual Independent Financial Audit of the JIF as of December 31, 2021 as restated on May 19, 2023 whose opinion was unmodified. The audit for the period December 31, 2022 is in progress.

In 2021 the JIF billed the Township \$1,398,648.91 for what is their pro rata share of an accumulated deficit of the JIF. The Township has not commenced repayment in accordance with the eight (8) year repayment terms that have been offered until such time when it is a deemed bona fide obligation. The original balance owed is subject to review and adjustment on an annual basis until a determination has been made as to whether an obligation exists.

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 16 **DEFERRED COMPENSATION PLAN**

The Township of East Windsor offers its employees a Deferred Compensation Plan created in accordance with the provisions of N.J.S. 43:15B-1 et seq., and the Internal Revenue Code, Section 457. The Plan, available to all municipal employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

Statutory and regulatory requirements governing the establishment and operation of Deferred Compensation Plans have been codified in the New Jersey Administrative Code under the reference N.J.A.C. 5:37.

The "Small Business Job Protective Act of 1996" modified several provisions of Section 457 of the Internal Revenue Code. The most significant change in the law related to the ownership of the fund.

The Township of East Windsor authorized such modifications to their plan by resolution of the Township Council adopted September 10, 1997. The Deferred Compensation Plan is administered by the American Insurance General (AIG).

Note 17. **LENGTH OF SERVICE AWARDS PROGRAM**

On August 7, 2001, the Township by ordinance authorized a referendum which was approved by the voters on November 6, 2001 providing for the establishment of a Length of Service Awards Program (LOSAP). The annual maximum appropriation of \$85,000.00 is subject to a per member contribution of \$1,150.00. The LOSAP will provide tax-deferred income benefits to the active volunteer fire fighters and first aid members who are eligible to participate.

The LOSAP funds are administered independently and distinct from the Township and are subjected to a review in accordance with the American Institute of Certified Public Accounts Standards for Accounting and Review Services. A separate report as of December 31, 2023 revealed net assets available for benefits of \$1,431,237.98. The Township's contribution for December 31, 2023 in 2024 is not determined. Contributions for the past three (3) years are as follows:

	<u>Total</u>	<u>Per Member</u>
2023	<i>Not Available</i>	\$ 1,150.00
2022	\$ 52,900.00	1,150.00
2021	57,750.00	1,150.00

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 18. CONTINGENT LIABILITIES

A. Accrued Sick Pay

The Township's collective bargaining agreements provide for payment to employees upon retirement for unused sick days. There are three (3) collective bargain units and one (2) ordinance for non-union employees agreements, which provide for amounts of payments based on the individual agreements. The noncollective bargaining employees are subject to a limits \$15,000.00 based on the statute. The total liability, based upon the above data and limitations is on file in the Finance Office and the detail is as follows:

	<u>Amount</u>	<u>Reserve</u>
2023	\$ 1,802,819.00	\$ 139,452.00
2022	1,625,274.00	106,833.00
2021	1,200,990.00	73,247.00

B. Litigation

The Township is a party to various legal proceedings. These legal proceedings are not likely to have an adverse financial impact on the Township, based on inquiry of management and the various attorneys.

C. Grants

The Township of East Windsor participates in federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The Township is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Note 19: INTERLOCAL AGREEMENTS/SHARED SERVICES – LEAD AGENCY

Animal Control

The Township provides Animal Control Services for three (3) neighboring municipalities. The bi-annual contracts are on a calendar year basis. The fees are based on actual hourly rates; however, with a minimum annual fee for 2023 of \$6,000.00 to 2024 of \$6,300.00 for each municipality.

**TOWNSHIP OF EAST WINDSOR**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

Note 19: **INTERLOCAL AGREEMENTS/SHARED SERVICES – LEAD AGENCY**  
**(CONTINUED)**

**Senior Center**

The Township has an agreement with a neighboring municipality for use of its' Senior Center. The agreement is for the period January 1, 2023 through December 31, 2023. The fee for 2023 was \$45,446.00.

**Dispatching**

The Township provides Dispatching Services for a neighboring municipality. The agreement is for the period May 16, 2021 through May 15, 2026. The annual fee for the base year of 2021 is \$196,630.00 and increase 2% for year 2 through 5.

Note 20. **TAX ABATEMENT**

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.

The Township recognized revenue in the amount of \$1,013,573.58 from these annual service charges or payments in lieu of taxes which is recorded as a miscellaneous anticipated revenue in the Current Fund. The taxes which would have been paid on these properties for 2023 without the abatements would have been as follows:

<u>Project Name</u>	<u>Type of Project</u>	<u>PILOT Billing</u>	<u>Assessed Value</u>	<u>Taxes if Billed in Full 2023 Total Tax Rate</u>
St. James Village	Aff. Houseing	\$ 145,441	\$ 9,230,000	\$ 325,080
Wheaton Pointe	Aff. Housing	33,966	7,050,000	248,301
Exeter	Comm./Indust.	1,048,406	45,382,400	1,598,368
Total Long-Term Exemptions		<u>\$ 1,227,813</u>	<u>\$ 61,662,400</u>	<u>\$ 2,171,749</u>

All of the PILOT agreements are on file in the Township office. There are remedies in the event of the default.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**TOWNSHIP OF EAST WINDSOR**  
**SCHEDULE OF THE TOWNSHIP'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)**  
**LAST TEN (10) FISCAL YEARS**

<u>Year</u>	<u>Township's proportion of the net pension liability (asset)</u>	<u>Township's proportionate share of the net pension liability (asset)</u>	<u>Township's covered- employee payroll</u>	<u>Township's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2023	0.0457196811	\$ 6,622,210	\$ 3,583,462	184.80%	65.22%
2022	0.0432171488	6,522,063	3,405,567	191.51%	62.91%
2021	0.0446829263	5,293,362	4,411,053	120.00%	70.34%
2020	0.0484266385	7,897,118	3,817,480	206.87%	58.32%
2019	0.0484880605	8,736,813	N/A	N/A	56.27%
2018	0.0457477188	9,007,498	N/A	N/A	53.60%
2017	0.0527529778	12,280,050	N/A	N/A	48.69%
2016	0.0525361891	15,559,712	N/A	N/A	47.92%
2015	0.0497731965	11,173,085	N/A	N/A	47.92%
2014	0.0502602194	9,410,088	N/A	N/A	52.08%

**Notes to Required Supplementary Information:**

Benefit Changes - There were none.

Changes of Assumptions - The discount rate was 7.00% as of June 30, 2022 and 7.00% as of June 30, 2023.

**TOWNSHIP OF EAST WINDSOR**  
**SCHEDULE OF TOWNSHIP CONTRIBUTIONS**  
**PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)**  
**LAST TEN (10) FISCAL YEARS**

<u>Year</u>	<u>Contractually required contribution</u>	<u>Contributions in relation to the contractually required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Township's covered- employee payroll</u>	<u>Contributions as a percentage of covered-employee payroll</u>
2023	\$ 544,989	\$ 544,989	None	\$ 3,583,462	15.21%
2022	523,289	523,289	None	3,405,567	15.37%
2021	529,763	529,763	None	4,411,053	12.01%
2020	471,646	471,646	None	3,817,480	12.35%
2019	455,042	455,042	None	N/A	N/A
2018	488,700	488,700	None	N/A	N/A
2017	466,724	466,724	None	N/A	N/A
2016	427,916	427,916	None	N/A	N/A
2015	414,338	414,338	None	N/A	N/A
2014	389,429	389,429	None	N/A	N/A

**Notes to Required Supplementary Information:**

Benefit Changes - There were none.

Changes of Assumptions - The discount rate was 7.00% as of June 30, 2022 and 7.00% as of June 30, 2023.

**TOWNSHIP OF EAST WINDSOR**  
**SCHEDULE OF THE TOWNSHIP PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**POLICE & FIREMEN'S RETIREMENT SYSTEM (PFRS)**  
**LAST TEN (10) FISCAL YEARS**

<u>Year</u>	<u>Township's Proportion of Net Pension Liability</u>	<u>Township's Proportionate Share of Net Pension Liability (asset)</u>	<u>Township's Covered Payroll</u>	<u>Township's Proportionate Share of Net Pension Liability (asset) as Percentage of Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as Percentage of Total Pension Liability</u>
2023	0.1253099200 %	\$ 13,845,221	\$ 4,251,193	325.68 %	70.16 %
2022	0.1269730300	14,533,786	4,492,882	323.48	68.33
2021	0.1142394481	8,349,935	4,463,644	187.07	77.26
2020	0.1244587607	16,081,713	4,092,318	392.97	63.52
2019	0.1321408770	16,171,161	N/A	N/A	64.99
2018	0.1351830006	18,292,489	N/A	N/A	62.48
2017	0.1389053515	21,444,301	N/A	N/A	58.61
2016	0.1339285704	25,583,783	N/A	N/A	47.99
2015	0.1385410384	23,076,108	N/A	N/A	52.01
2014	0.1450422947	19,088,618	N/A	N/A	62.41

**Notes to Required Supplementary Information:**

Benefit Changes - there were none.

Changes of Assumptions - the discount rate was 7.00% as of June 30, 2022 and 7.00% as of June 30, 2023.



**TOWNSHIP OF EAST WINDSOR**  
**SCHEDULE OF THE TOWNSHIP'S CONTRIBUTIONS**  
**POLICE & FIREMEN'S RETIREMENT SYSTEM (PFRS)**  
**LAST TEN (10) FISCAL YEARS**

<u>Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (excess)</u>	<u>Township's Covered Payroll</u>	<u>Contributions as Percentage of Covered-Payroll</u>
2023	\$ 1,668,352	\$ 1,668,352	None	\$ 4,251,193	39.24 %
2022	1,331,420	1,331,420	None	4,492,882	15.71
2021	1,390,417	1,390,417	None	4,463,644	15.73
2020	1,334,769	1,334,769	None	4,092,318	15.49
2019	1,321,613	1,321,613	None	N/A	N/A
2018	1,229,338	1,229,338	None	N/A	N/A
2017	1,091,974	1,091,974	None	N/A	N/A
2016	1,126,132	1,126,132	None	N/A	N/A
2015	1,114,025	1,114,025	None	N/A	N/A
2014	1,047,380	1,047,380	None	N/A	N/A

**Notes to Required Supplementary Information:**

Benefit Changes - there were none.

Changes of Assumptions - The discount rate was 7.00% as of June 30, 2022 and 7.00% as of June 30, 2023.

## OTHER SUPPLEMENTARY DATA

**TOWNSHIP OF EAST WINDSOR**  
**MERCER COUNTY, NEW JERSEY**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE**  
**CURRENT FUND**

	Balance December 31, <u>2023</u>	<u>Percent</u>	Balance December 31, <u>2022</u>	<u>Percent</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 3,681,080.00	3.22%	\$ 3,323,000.00	2.95%
Miscellaneous - from other than Local	8,958,362.67	7.82%	9,119,841.91	8.11%
Nonbudget Revenue	248,663.14	0.22%	92,747.21	0.08%
Collection of Current Taxes	99,354,902.12	86.78%	96,492,988.25	85.78%
Collection of Delinquent Taxes	514,085.94	0.45%	408,143.13	0.36%
Unexpected Balance of Appropriation Reserves	1,369,969.16	1.20%	2,746,843.57	2.44%
Current Appropriations - Cancelled	361,550.14	0.32%	300,514.94	0.27%
Interfunds Liquidated			6,050.98	0.01%
Cancellation of Grant Receivable/Reserve, Net	<u>923.05</u>			
Total Income	\$ <u>114,489,536.22</u>	<u>100.00%</u>	\$ <u>112,490,129.99</u>	<u>100.00%</u>
<u>Expenditures</u>				
Budget Expenditures - Municipal Purposes	\$ 23,593,579.91	20.56%	\$ 23,849,798.37	21.66%
County Taxes	22,203,994.03	19.36%	20,316,502.16	18.46%
Local School Taxes	62,822,281.00	54.77%	61,827,096.00	56.18%
Special Garbage District Tax	2,345,052.11	2.04%	2,326,847.67	2.11%
Other Expenditures	4,986.85	0.00%	12,999.83	0.01%
Interfunds Advanced	<u>3,735,244.97</u>	<u>3.26%</u>	<u>1,710,945.13</u>	<u>1.55%</u>
Total Expenditures	\$ <u>114,705,138.87</u>	<u>100.00%</u>	\$ <u>110,044,189.16</u>	<u>100.00%</u>
Excess of Revenue over Expenditures	\$ (215,602.65)		\$ 2,445,940.83	
Fund Balance, January 1	<u>10,263,300.70</u>		<u>11,140,359.87</u>	
	\$ 10,047,698.05		\$ 13,586,300.70	
Less: Utilized as Anticipated Revenue	<u>3,681,080.00</u>		<u>3,323,000.00</u>	
Fund Balance, December 31	\$ <u>6,366,618.05</u>		\$ <u>10,263,300.70</u>	

**TOWNSHIP OF EAST WINDSOR**  
**MERCER COUNTY, NEW JERSEY**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE**  
**GARBAGE DISTRICT FUND**

	Balance December 31, <u>2023</u>	<u>Percent</u>	Balance December 31, <u>2022</u>	<u>Percent</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 219,000.00	8.10%	\$ 126,000.00	4.83%
Tax Levy	2,324,795.00	86.04%	2,322,140.00	88.97%
Nonbudget Revenue	57,279.97	2.12%	11,058.81	0.42%
Other Credits to Income	<u>100,986.33</u>	<u>3.74%</u>	<u>150,963.58</u>	<u>5.78%</u>
Total Income	<u>\$ 2,702,061.30</u>	<u>100.00%</u>	<u>\$ 2,610,162.39</u>	<u>100.00%</u>
<u>Expenditures</u>				
Budget Expenditures - Municipal Purposes	<u>\$ 2,543,795.00</u>	<u>100.00%</u>	<u>\$ 2,448,140.00</u>	<u>100.00%</u>
Total Expenditures	<u>\$ 2,543,795.00</u>	<u>100.00%</u>	<u>\$ 2,448,140.00</u>	<u>100.00%</u>
Excess of Revenue over Expenditures	\$ 158,266.30		\$ 162,022.39	
Fund Balance, January 1	<u>1,063,009.51</u>		<u>1,026,987.12</u>	
	1,221,275.81		1,189,009.51	
Less: Utilized as Anticipated Revenue	<u>219,000.00</u>		<u>126,000.00</u>	
Fund Balance, December 31	<u>\$ 1,002,275.81</u>		<u>\$ 1,063,009.51</u>	

**TOWNSHIP OF EAST WINDSOR**  
**MERCER COUNTY, NEW JERSEY**  
**COMBINED BALANCE SHEET ALL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Current Fund	Trust Fund	General Capital Fund	Special Garage District Fund	Public Assistance Fund	Governmental Capital Assets Account	Memo only	
							<u>2023</u>	<u>2022</u>
<b><u>ASSETS</u></b>								
Cash	\$ 12,699,142.69	\$ 17,593,411.19	\$ (242,231.19)	\$ 1,231,364.98	\$ 41,561.28		\$ 31,323,248.95	\$ 32,416,868.58
Cash Held by Plan Administrator (LOSAP)		1,431,217.98					1,431,217.98	1,247,079.26
Accounts Receivable:								
Revenue	14,235.38						14,235.38	10,898.22
Grants	2,266,641.51		4,268,343.75				6,534,985.26	3,104,360.00
Prospective Assessments		759,000.00	20,472.00				779,472.00	779,472.00
Taxes and Liens	1,171,240.59						1,171,240.59	848,196.26
Interfund Loans	5,447,069.10			22,068.47			5,469,137.57	1,829,348.76
Foreclosed Property	156,377.19						156,377.19	156,377.19
Other Accounts Receivable				41,429.41			41,429.41	22,568.47
Deferred Charges:								
General Capital			22,537,811.16				22,537,811.16	22,020,234.40
Overexpenditures	5,844.85	1,655.64		17,034.91			24,535.40	
Capital Assets						\$ 17,484,847.75	17,484,847.75	16,118,946.16
	<u>\$ 21,760,551.31</u>	<u>\$ 19,785,284.81</u>	<u>\$ 26,584,395.72</u>	<u>\$ 1,311,897.77</u>	<u>\$ 41,561.28</u>	<u>\$ 17,484,847.75</u>	<u>\$ 86,968,538.64</u>	<u>\$ 78,554,349.30</u>

**TOWNSHIP OF EAST WINDSOR**  
**MERCER COUNTY, NEW JERSEY**  
**COMBINED BALANCE SHEET ALL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Current <u>Fund</u>	Trust <u>Fund</u>	General <u>Capital Fund</u>	Special Garage <u>District Fund</u>	Public Assistance <u>Fund</u>	Governmental Capital Assets <u>Account</u>	<u>Memo only</u>	
							<u>2023</u>	<u>2022</u>
<b><u>LIABILITIES, RESERVES</u></b>								
<b><u>AND FUND BALANCE</u></b>								
Bonds and Notes Payable			\$ 11,068,434.09				\$ 11,068,434.09	\$ 13,124,450.33
Prepaid Taxes	\$ 918,441.06						918,441.06	735,297.97
Due to County for Added and Omitted Taxes	175,934.88						175,934.88	114,005.10
Accounts Payable	976,287.19			\$ 42,620.55			1,018,907.74	259,910.45
Appropriation Reserves	2,439,007.85			260,710.98			2,699,718.83	2,376,083.66
Payroll Deductions Payable		\$ 171,857.45					171,857.45	180,770.61
Amounts Pledged to Specific Purposes (LOSAP)		1,431,217.98					1,431,217.98	1,247,079.26
Reserve for Encumbrances	556,471.39		745,738.77	6,290.43			1,308,500.59	2,085,175.56
Developers Deposits and Escrow Funds		2,130,487.80					2,130,487.80	2,098,710.66
Improvement Authorizations			9,763,355.45				9,763,355.45	5,752,757.90
Capital Improvement Fund			79,056.93				79,056.93	64,509.93
Interfund Payable	1,144,220.34	24,917.23	4,300,000.00				5,469,137.57	1,829,348.76
Various Reserves	628,026.84	15,267,718.55	71,386.84		\$ 41,561.28		16,008,693.51	13,959,037.63
Due to State of New Jersey	37,123.96	85.80					37,209.76	39,756.72
Other Payables	214,525.25						214,525.25	151,700.32
Tax Overpayments								11,004.12
Reserve for Grants	1,515,472.24						1,515,472.24	2,659,274.51
Prospective Assessment		759,000.00	20,472.00				779,472.00	779,472.00
Reserve for Certain Assets Receivable	6,788,422.26						6,788,422.26	2,726,795.80
Investment in Governmental Capital Assets						\$ 17,484,847.75	17,484,847.75	16,118,946.16
Fund Balance	6,366,618.05		535,951.64	1,002,275.81			7,904,845.50	12,240,261.85
Total Liabilities, Reserves and Fund Balance	\$ <u>21,760,551.31</u>	\$ <u>19,785,284.81</u>	\$ <u>26,584,395.72</u>	\$ <u>1,311,897.77</u>	\$ <u>41,561.28</u>	\$ <u>17,484,847.75</u>	\$ <u>86,968,538.64</u>	\$ <u>78,554,349.30</u>

## **APPENDIX C**

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

[ THIS PAGE INTENTIONALLY LEFT BLANK ]



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

Township Council of the  
Township of East Windsor, in the  
County of Mercer, New Jersey

Dear Council Members:

We have acted as bond counsel to the Township of East Windsor, in the County of Mercer, New Jersey (the "Township"), in connection with the issuance by the Township of its \$7,218,451 Bond Anticipation Note, Series 2025 (the "Note"), dated the date hereof. In order to render the opinions herein, we have examined laws, documents and records of proceedings, or copies thereof, certified or otherwise identified to our satisfaction and have undertaken such research and analyses as we have deemed necessary.

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

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

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

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

Very truly yours,

[ THIS PAGE INTENTIONALLY LEFT BLANK ]