

**EAST WINDSOR MUNICIPAL UTILITIES AUTHORITY
(A COMPONENT UNIT OF THE
TOWNSHIP OF EAST WINDSOR)**

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

NOVEMBER 30, 2013

**EAST WINDSOR MUNICIPAL UTILITIES AUTHORITY
(A COMPONENT UNIT OF THE TOWNSHIP OF EAST WINDSOR)**

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INDEPENDENT AUDITORS' REPORT

To the Honorable Board Members of
East Windsor Municipal Utilities Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the East Windsor Municipal Utilities Authority (the "Authority"), a component unit of the Township of East Windsor, as of and for the years ended November 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority, as of November 30, 2013 and 2012, and the respective changes in financial position and its cash flows, for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note L to the financial statements, in 2013 the Authority adopted new accounting guidance GASB Statement No. 65 - Items Previously Reported as Assets and Liabilities. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages six through eleven 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 consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The budgetary comparison schedule, schedule of water and sewer revenue bonds, and the roster of officials are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information, except for the part marked "unaudited," has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic 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. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it. In our opinion, except for that portion marked "unaudited," the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our reports dated June 20, 2014 and June 12, 2013, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. These reports are an integral part of our audits performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Warren A. Broudy, CPA, CGFM, PSA, CGMA
Registered Municipal Accountant
License No. 554

MERCADIEN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

June 20, 2014

**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**

To the Honorable Board Members of
East Windsor Municipal Utilities Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the East Windsor Municipal Utilities Authority (the "Authority"), as of and for the years ended November 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 20, 2014.

Internal Control Over Financial Reporting

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

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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)

Internal Control Over Financial Reporting (continued)

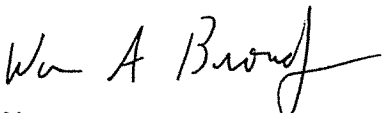
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Warren A. Broudy, CPA, CGFM, PSA, CGMA
Registered Municipal Accountant
License No. 554

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

June 20, 2014

**EAST WINDSOR MUNICIPAL UTILITIES AUTHORITY
(A COMPONENT UNIT OF THE TOWNSHIP OF EAST WINDSOR)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
UNAUDITED**

This section of the annual report presents management's analysis of the East Windsor Municipal Utilities Authority's (the "Authority") financial condition and activities for the year. This information should be read in conjunction with the Authority's financial statements.

Financial Highlights

Total assets were \$85,389,948 and total liabilities were \$27,063,720 resulting in net position of \$58,326,228 at November 30, 2013. Net position increased by \$2,567,174 over November 30, 2012.

The Authority's unrestricted net position decreased by \$455,879 for the year ended November 30, 2013.

Operating income was \$196,315 for the year ended November 30, 2013. This was an increase of \$415,168 when compared to the November 30, 2012, operating loss of \$218,854.

The increase in operating income resulted in large part from a water rate increase that was effective on December 1, 2012. This resulted in an increase of \$769,553 (37.3%) in water user revenues for the year ended November 30, 2013.

Total revenues from user charges increased by \$786,313 (12.8%) compared to fiscal year ended November 30, 2012.

Income from new connections decreased by \$381,900 (76.2%) compared to fiscal year ended November 30, 2012.

Investment income decreased by \$20,442 (41.4%) compared to fiscal year ended November 30, 2012.

Miscellaneous income \$296,228 (includes \$176,968 in cell tower rental fees) increased by \$68,032 (29.8%) compared to November 30, 2012.

Operating expenses increased by \$57,718 when compared to November 30, 2012. Employee wages and benefits, contracted services, utilities, repairs and maintenance and insurance increased by \$86,767 while materials and supplies and miscellaneous expenses decreased by \$26,834. Depreciation expense decreased by \$3,480.

The Authority's outstanding debt at November 30, 2013, was \$24,510,400, a decrease of \$2,070,598, when compared to November 30, 2012.

Overview of Annual Financial Report

Management's Discussion and Analysis ("MD&A") serves as an introduction to, and should be read in conjunction with, the basic audited financial statements and supplemental information. The MD&A represents management's examination and analysis of the Authority's financial condition and performance. Summary financial statement data, key financial and operational indicators used in the Authority's capital plan, budget, and other management tools were used for this analysis.

**EAST WINDSOR MUNICIPAL UTILITIES AUTHORITY
(A COMPONENT UNIT OF THE TOWNSHIP OF EAST WINDSOR)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
UNAUDITED**

Overview of Annual Financial Report (Continued)

The financial statements report information about the Authority using full accrual accounting methods as utilized by similar business activities in the private sector. The financial statements include a statement of net position; a statement of revenues, expenses and changes in net position; a statement of cash flows; and notes to the financial statements.

The statement of net position presents the financial position of the Authority on a full accrual historical cost basis. The statement presents the Authority's assets and liabilities, with the difference reported as net position. Net position increases and decreases over time, is one indicator of improving or deteriorating financial position of the Authority.

The statement of revenues, expenses and changes in net position presents the results of the business activities over the fiscal year and information as to how net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. This statement also provides information about the Authority's ability to recover its costs through user fees and other charges.

The statement of cash flows presents changes in cash and cash equivalents resulting from operating activities, investing, capital and non-capital activities. The statement presents cash receipts and disbursements without consideration of the earnings event. This statement shows what sources provided cash, what cash was used for and what the change in cash balance was for the reporting period.

The notes to the financial statements provide required disclosures and other information essential to a complete understanding of information provided in the financial statements. The notes contain information about the Authority's accounting policies, significant account balances and changes, material risks, obligations, commitments, contingencies and subsequent events.

Financial Analysis of the Authority

The following tables and other information are provided as key financial data used by management for monitoring and planning purposes.

EAST WINDSOR MUNICIPAL UTILITIES AUTHORITY
(A COMPONENT UNIT OF THE TOWNSHIP OF EAST WINDSOR)

MANAGEMENT'S DISCUSSION AND ANALYSIS
UNAUDITED

Financial Analysis of the Authority (Continued)

Net Position – Table 1 summarizes the changes in net position between November 30, 2013 and 2012:

Table 1
Condensed Summary of Net Position

	2013	November 30, 2012	2011	2012-2013 Change
Assets:				
Current Assets - Unrestricted	\$ 9,679,624	\$ 10,481,922	\$ 12,080,756	\$ (802,298)
Restricted Assets	10,603,208	10,947,189	10,223,128	(343,981)
Capital Assets (Net of Depreciation)	65,107,116	63,349,645	64,775,254	1,757,471
Other Assets			778,809	
Total Assets	<u>\$ 85,389,948</u>	<u>\$ 84,778,756</u>	<u>\$ 87,857,947</u>	<u>\$ 611,192</u>
Liabilities:				
Current Liabilities:				
Payable from Unrestricted:				
Current Assets	\$ 441,373	\$ 583,287	\$ 587,143	\$ (141,914)
Restricted Assets	3,359,313	3,025,057	2,774,191	334,256
Non-Current Liabilities	23,263,034	25,411,358	27,561,481	(2,148,324)
Total Liabilities	<u>\$ 27,063,720</u>	<u>\$ 29,019,702</u>	<u>\$ 30,922,815</u>	<u>\$ (1,955,982)</u>
Net Position:				
Invested in Capital Fixed Assets, Net of				
Revenue Bonds Payable	\$ 46,366,380	\$ 43,878,629	\$ 44,621,459	\$ 2,487,751
Restricted for:				
Capital Improvements	1,999,349	2,771,576	2,561,790	(772,227)
Future Debt Service	1,619,894	312,365		1,307,529
Unrestricted	8,340,605	8,796,484	9,751,883	(455,879)
Total Net Position	<u>\$ 58,326,228</u>	<u>\$ 55,759,054</u>	<u>\$ 56,935,132</u>	<u>\$ 2,567,174</u>

As previously noted, net position may over time serve as a useful measure of an entity's financial position. In the Authority's case, assets exceeded liabilities by \$58,326,228 at November 30, 2013, an increase of \$2,567,174 for the fiscal year ended November 30, 2013.

The largest portion of the Authority's net position (\$46,366,380 or 79.5% at November 30, 2013) is reflected in its investment in capital assets, as shown on Table 1. These assets are used by the Authority to pump, treat and deliver potable water and for the collection and treatment of wastewater and thus are not available for future spending.

Net position increased by \$2,567,174 and unrestricted net position decreased by \$455,879 in 2013.

**EAST WINDSOR MUNICIPAL UTILITIES AUTHORITY
(A COMPONENT UNIT OF THE TOWNSHIP OF EAST WINDSOR)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
UNAUDITED**

Operating Activities

Table 2 summarizes the changes in revenues, expenses and net position between fiscal years November 30, 2013 and 2012.

Table 2
Condensed Summary of Revenues, Expenses and Changes in Net Position

	2013	November 30, 2012	2011	2012-2013 Change
<u>Revenues</u>				
Operating Revenues:				
User Charges	\$ 6,931,942	\$ 6,145,630	\$ 6,076,920	\$ 786,312
Connection Fees	119,045	500,945	665,481	(381,900)
Other	334,367	265,892	285,774	68,475
Total Operating Revenues	<u>7,385,354</u>	<u>6,912,467</u>	<u>7,028,175</u>	<u>472,887</u>
Non-Operating Revenues				
Interest Income	28,898	49,341	90,655	(20,443)
Capital Contribution - Developers	3,069,157	203,736	196,240	2,865,421
Federal Aid		346,970		(346,970)
Total Non-Operating Revenue	<u>3,098,055</u>	<u>600,047</u>	<u>286,895</u>	<u>2,498,008</u>
Total Revenues	<u>10,483,409</u>	<u>7,512,514</u>	<u>7,315,070</u>	<u>2,970,895</u>
<u>Expenses</u>				
Operating Expenses:				
Cost of Providing Services	4,126,544	4,066,610	4,197,748	59,934
General and Administrative	806,683	805,418	819,323	1,265
Depreciation	2,255,812	2,259,293	2,118,231	(3,481)
Total Operating Expenses	<u>7,189,039</u>	<u>7,131,321</u>	<u>7,135,302</u>	<u>57,718</u>
Non-Operating Expenses				
Interest Expense	727,196	778,462	401,415	(51,266)
Amortization			45,465	
Loss from Abandonment of Property, Plant and Equipment			432,662	
Total Non-Operating Expenses	<u>727,196</u>	<u>778,462</u>	<u>879,542</u>	<u>(51,266)</u>
Total Expenses	<u>7,916,235</u>	<u>7,909,783</u>	<u>8,014,844</u>	<u>6,452</u>
Change in Net Position	<u>2,567,174</u>	<u>(397,269)</u>	<u>(699,774)</u>	<u>2,964,443</u>
Net Position, Beginning of Year As Previously Reported	55,759,054	56,935,132	57,634,906	(1,176,078)
Prior Period Adjustment		(778,809)		778,809
Net Position, Beginning Year As Restated	<u>55,759,054</u>	<u>56,156,323</u>	<u>57,634,906</u>	<u>(397,269)</u>
Net Position, End of the Year	<u>\$ 58,326,228</u>	<u>\$ 55,759,054</u>	<u>\$ 56,935,132</u>	<u>\$ 2,567,174</u>

The summary of revenues, expenses and changes in net position provides information as to the nature and source of changes in financial position. Table 2 shows that total revenues in 2013 increased by \$2,970,895 (39.5%) and total expenses increased by \$6,452 (less than 1%) over 2012.

**EAST WINDSOR MUNICIPAL UTILITIES AUTHORITY
(A COMPONENT UNIT OF THE TOWNSHIP OF EAST WINDSOR)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
UNAUDITED**

Operating Activities (Continued)

The items which were responsible for the major changes in net position for the year ended November 30, 2013, included:

User charges increased \$786,312 (12.8%) when compared to 2012.

Connection fees charged to new customers decreased by \$381,900 (76.2%), when compared to 2012.

Interest expense decreased \$51,266. This was a decrease of 6.6% for the year ended November 30, 2013, when compared to November 30, 2012.

Interest earned on invested funds decreased by \$20,442 when compared to 2012.

Federal emergency assistance decreased by \$346,970 for the year ended November 30, 2013. Federal Emergency Assistance Aid was awarded in 2012 as a result of damages and expenditures incurred during Hurricane Irene in 2011 and Superstorm Sandy in 2012.

Capital Assets and Debt Administration

Capital Assets

Table 3 summarizes the changes in capital assets at November 30, 2013 and 2012.

Table 3
Capital Assets - Net of Depreciation

	November 30,			2012-2013
	2013	2012	2011	Change
Land, Land Rights and Improvements	\$ 5,036,704	\$ 5,042,944	\$ 4,878,447	\$ (6,240)
Buildings and Improvements	21,787,236	20,957,514	17,749,678	829,722
Machinery and Equipment	75,702,595	72,603,864	72,035,710	3,098,731
Construction in Progress	236,252	699,892	3,806,696	(463,640)
	102,762,787	99,304,214	98,470,531	3,458,573
Less: Accumulated Depreciation	37,655,671	35,954,569	33,695,276	1,701,102
Total Capital Assets, Net of Depreciation	<u>\$ 65,107,116</u>	<u>\$ 63,349,645</u>	<u>\$ 64,775,255</u>	<u>\$ 1,757,471</u>

At November 30, 2013, the Authority's investment in capital assets was \$102,762,787, an increase of \$3,458,573 when compared to 2012.

**EAST WINDSOR MUNICIPAL UTILITIES AUTHORITY
(A COMPONENT UNIT OF THE TOWNSHIP OF EAST WINDSOR)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
UNAUDITED**

Debt Outstanding

Table 4 summarizes the changes in debt payable at November 30, 2013 and 2012.

	Table 4 Debt Outstanding			
	November 30,			2012-2013 Change
	2013	2012	2011	
Bonds Payable	<u>\$ 24,510,400</u>	<u>\$ 26,580,999</u>	<u>\$ 28,593,942</u>	<u>\$ (2,070,599)</u>

The Authority's bonded debt was \$24,510,400 at November 30, 2013, a decrease of \$2,070,598 when compared to 2012. Interest on these bonds is paid semi-annually with interest rates ranging from 2.8% to 5.5%. Principal payments on the outstanding debt are due annually with final maturity on August 1, 2029. Additional information on the Authority's long-term debt can be found in Note F in the financial statements.

Next Year's Budget and User Rates

The Authority adopted a \$5,383,725, 2014 operating and maintenance budget, an increase of \$215,850 or 4.2%, compared to 2013. Total user fees are budgeted to decrease \$164,269 or 2.3% in 2014.

The Authority increased water rates effective December 1, 2013.

The Authority's user rates for water and wastewater will remain the same for the fiscal year November 30, 2014.

The Authority adopted a six year capital program, with their 2014 budget. The capital program includes future projects totaling \$19,325,000. The six year capital program anticipates the use of \$3,225,000 from unrestricted net position to provide funding for anticipated projects.

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have any questions about this report or need any additional information, contact the Authority at 7 Wiltshire Drive, East Windsor, New Jersey 08520 or by telephone at 609-443-6000.

BASIC FINANCIAL STATEMENTS

**EAST WINDSOR MUNICIPAL UTILITIES AUTHORITY
(A COMPONENT UNIT OF THE TOWNSHIP OF EAST WINDSOR)**

**Exhibit A
(Page 1 of 2)**

STATEMENT OF NET POSITION

<u>ASSETS</u>		
	November 30,	
	2013	2012
Current Assets:		
Cash and Cash Equivalents	\$ 2,383,142.44	\$ 2,687,501.86
Investments	5,752,088.29	5,732,566.77
User Charges Receivable (Net of Allowance for Uncollectible Accounts of None in 2013 and None in 2012)	1,348,445.71	1,507,953.07
Other Receivables	38,700.85	43,481.98
Federal Emergency Assistance Aid Receivable	150,596.41	301,192.84
Interest Receivable	6,650.52	8,031.79
Restricted Assets:		
Cash and Cash Equivalents		201,193.75
Total Current Assets	<u>9,679,624.22</u>	<u>10,481,922.06</u>
Non Current Assets:		
Restricted Assets:		
Cash and Cash Equivalents	4,834,520.78	5,178,501.16
Funds Held by Trustee	5,768,687.37	5,768,687.37
Total Restricted Assets	<u>10,603,208.15</u>	<u>10,947,188.53</u>
Capital Assets:		
Land and Land Improvements	5,036,704.32	5,042,944.32
Buildings and Improvements	21,787,235.96	20,957,514.23
Machinery and Equipment	75,702,595.23	72,603,863.79
Construction in Progress	236,252.10	699,892.06
	<u>102,762,787.61</u>	<u>99,304,214.40</u>
Less: Accumulated Depreciation	37,655,671.83	35,954,569.16
Capital Assets (Net)	<u>65,107,115.78</u>	<u>63,349,645.24</u>
Total Assets	<u>\$ 85,389,948.15</u>	<u>\$ 84,778,755.83</u>

**EAST WINDSOR MUNICIPAL UTILITIES AUTHORITY
(A COMPONENT UNIT OF THE TOWNSHIP OF EAST WINDSOR)**

**Exhibit A
(Page 2 of 2)**

STATEMENT OF NET POSITION

LIABILITIES AND NET POSITION

	November 30,	
	2013	2012
Current Liabilities:		
Accounts Payable and Accrued Expenses	\$ 254,789.82	\$ 312,162.77
Accounts Payable - Debt Issue Costs	2,196.13	4,392.26
Customer Meter Deposits	2,002.47	3,111.55
Unearned Revenues	182,385.00	263,620.00
Total Current Liabilities	441,373.42	583,286.58
Current Liabilities Payable from Restricted Assets:		
Bonds Payable - New Jersey Environmental Infrastructural Trust	2,131,794.79	2,070,598.48
Accounts Payable - Construction	775,000.00	465,000.00
Accrued Interest Payable	187,818.75	201,193.75
Escrow Deposits - Review Fees	264,699.24	288,265.17
Total Current Liabilities Payable from Restricted Assets	3,359,312.78	3,025,057.40
Total Current Liabilities	3,800,686.20	3,608,343.98
Long-Term Liabilities:		
Accounts Payable - Debt Issue Costs		2,196.13
Bonds Payable - New Jersey Environmental Infrastructural Trust	22,378,605.71	24,510,400.50
Compensated Absences Payable	247,918.88	198,048.10
Premium on Bonds	636,509.30	700,713.18
Total Long-Term Liabilities	23,263,033.89	25,411,357.91
Total Liabilities	27,063,720.09	29,019,701.89
Net Position:		
Invested in Capital Assets, Net of Related Bonds Payable	46,366,380.22	43,878,629.11
Restricted for Capital Improvements	1,999,348.53	2,771,575.60
Restricted for Future Debt Service	1,619,894.03	312,364.91
Unrestricted	8,340,605.28	8,796,484.32
Total Net Position	\$ 58,326,228.06	\$ 55,759,053.94

See notes to financial statements.

**EAST WINDSOR MUNICIPAL UTILITIES AUTHORITY
(A COMPONENT UNIT OF THE TOWNSHIP OF EAST WINDSOR)**

Exhibit B

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Years Ended November 30,	
	2013	2012
Operating Revenues:		
User Charges	\$ 6,931,942.41	\$ 6,145,629.78
Delinquent Penalties	28,083.69	26,581.06
Connection Fees	119,045.00	500,945.00
Laboratory Fees	10,055.00	11,115.00
Other Income	296,227.62	228,196.43
Total Operating Revenues	<u>7,385,353.72</u>	<u>6,912,467.27</u>
Operating Expenses:		
Salaries, Wages and Benefits	2,560,920.02	2,516,336.12
Contracted Services	559,803.97	546,188.05
Other Operating Expenses	1,812,502.54	1,809,503.96
Depreciation	2,255,812.45	2,259,292.80
Total Operating Expenses	<u>7,189,038.98</u>	<u>7,131,320.93</u>
Operating Income (Loss)	<u>196,314.74</u>	<u>(218,853.66)</u>
Non-Operating Revenues (Expenses), Net:		
Interest Income	28,898.41	49,340.87
Interest Expense	(727,196.12)	(778,462.35)
Federal Emergency Assistance	-	346,969.87
Total Non-Operating Expenses, Net	<u>(698,297.71)</u>	<u>(382,151.61)</u>
Net Loss Before Capital Contributions	<u>(501,982.97)</u>	<u>(601,005.27)</u>
Capital Contributions:		
Developer Impact Fees		203,736.50
Contribution of Property, Plant and Equipment	3,069,157.09	
Total Capital Contributions	<u>3,069,157.09</u>	<u>203,736.50</u>
Net Income (Loss)	<u>2,567,174.12</u>	<u>(397,268.77)</u>
Net Position, Beginning of Year, as Previously Reported	<u>55,759,053.94</u>	<u>56,935,131.80</u>
Prior Period Adjustment		<u>(778,809.09)</u>
Net Position, Beginning of Year, as Restated	<u>55,759,053.94</u>	<u>56,156,322.71</u>
Net Position, End of Year	<u>\$ 58,326,228.06</u>	<u>\$ 55,759,053.94</u>

**EAST WINDSOR MUNICIPAL UTILITIES AUTHORITY
(A COMPONENT UNIT OF THE TOWNSHIP OF EAST WINDSOR)**

Exhibit C

STATEMENT OF CASH FLOWS

	Years Ended November 30,	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipt from Customers	\$ 7,468,407.21	\$ 6,637,085.94
Payments to Suppliers	(3,227,167.65)	(3,087,403.90)
Payments to Employees	(1,713,561.05)	(1,664,344.55)
Customers Meter Deposits	(1,109.08)	(1,963.45)
Net Cash Provided by Operating Activities	<u>2,526,569.43</u>	<u>1,883,374.04</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Transferred from Funds Held by Trustee		451,322.00
Purchase of Property, Plant and Equipment	(634,125.90)	(617,219.36)
Principal Payments on Bonds	(2,070,598.48)	(2,012,943.37)
Contributed Capital		203,736.50
Interest Paid on Bonds	(804,775.00)	(855,525.00)
Escrow (Disbursements) Deposits	(23,565.93)	(10,565.57)
Payment of Debt Issue Costs	(4,392.26)	(4,392.26)
Federal Emergency Assistance Aid Received	150,596.43	45,777.03
Net Cash Used for Capital and Related Financing Activities	<u>(3,386,861.14)</u>	<u>(2,799,810.03)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Investments	(6,500,189.76)	(8,768,573.01)
Proceeds from Sale of Investments	6,480,668.24	10,175,581.72
Interest Received	30,279.68	72,451.72
Net Cash Provided by Investing Activities	<u>10,758.16</u>	<u>1,479,460.43</u>
Net (Decrease) Increase in Cash and Cash Equivalents	(849,533.55)	563,024.44
Cash and Cash Equivalents, Beginning of Year	8,067,196.77	7,504,172.33
Cash and Cash Equivalents, End of Year	<u>\$ 7,217,663.22</u>	<u>\$ 8,067,196.77</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Operating Income (Loss)	\$ 196,314.74	\$ (218,853.66)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation	2,255,812.45	2,259,292.80
Decrease/(Increase) in User Charges Receivable	159,507.36	(246,325.73)
Decrease in Other Receivables	4,781.13	103,874.40
Decrease in Unearned Revenues	(81,235.00)	(132,930.00)
(Decrease)/Increase in Accounts Payable and Accrued Expenses	(57,372.95)	131,036.84
Increase/(Decrease) in Compensated Absences Payables	49,870.78	(10,757.16)
Decrease in Customer Meter Deposits	(1,109.08)	(1,963.45)
Total Adjustments	<u>2,330,254.69</u>	<u>2,102,227.70</u>
Net Cash Provided by Operating Activities	<u>\$ 2,526,569.43</u>	<u>\$ 1,883,374.04</u>

See notes to financial statements.

**EAST WINDSOR MUNICIPAL UTILITIES AUTHORITY
(A COMPONENT UNIT OF THE TOWNSHIP OF EAST WINDSOR)**

NOTES TO FINANCIAL STATEMENTS

A. DESCRIPTION OF ENTITY

The East Windsor Municipal Utilities Authority (the "Authority") was created in 1965 by an ordinance of the Township of East Windsor, (the "Township") Mercer County, New Jersey, and is a public body politic and corporate of the State of New Jersey organized and existing pursuant to the Municipal Utilities Authority Law, constituting Chapter 183 of the Laws of 1957, of the State of New Jersey, as amended and supplemented.

The purposes for which the Authority was created include the acquisition and/or construction of plants and distribution systems to provide an adequate supply of water and the acquisition and/or construction of sewer facilities incident to the collection and treatment of sewerage for the relief of waters from pollution.

As a public body under existing statute, the Authority is exempt from both federal and state taxes.

The Governmental Accounting Standards Board ("GASB") Statement 14 requires that disclosure be made in the financial statements regarding the financial reporting entity of governmental units.

The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the primary government is not accountable but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body, and either the primary government is able to impose its will on the organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

The Authority is a component unit of the primary government, the Township of East Windsor. The board of the Authority is appointed by the committee of the Township and under the agreement entered into by the Authority and the Township, the Township will provide for deficits resulting from failure or inability of the Authority to derive adequate revenues from operating the systems.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Accounting

The Authority's financial statements are presented on the full accrual basis in accordance with accounting principles generally accepted in the United States of America. In its accounting and financial reporting, the Authority follows the pronouncements of the GASB and other entities that promulgate accounting principles. Per GASB Statement 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, priority is established as to which source of accounting principles to utilize in determining proper accounting treatment. The hierarchy is as follows: GASB Statements and Interpretations; GASB Technical Bulletins; American Institute of Certified Public Accountants ("AICPA")

**EAST WINDSOR MUNICIPAL UTILITIES AUTHORITY
(A COMPONENT UNIT OF THE TOWNSHIP OF EAST WINDSOR)**

NOTES TO FINANCIAL STATEMENTS

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation and Accounting (Continued)

Industry Audit and Accounting Guides and AICPA Statements of Position, if applicable, and cleared by GASB; AICPA Practice Bulletins, if applicable, and cleared by GASB; Implementation Guides published by the GASB; AICPA pronouncements that are not specifically applicable to state and governmental entities; Financial Accounting Standards Board ("FASB") Statements and Interpretations; and Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee of Accounting Procedure issued on or before November 30 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

All activities of the Authority are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are: (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The accounting and financial reporting treatment applied to the Authority is determined by its measurement focus. The transactions of the Authority are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the statement of net position. Net position (*i.e., total assets net of total liabilities*) is segregated into "invested in capital assets, net of related bonds payable"; "restricted for capital improvements, for future debt service;" and "unrestricted" components. Water and Sewer revenues are recognized based on usage, and connection fees are recognized upon issuance of permits. Expenses are recorded when incurred.

Cash Equivalents and Deposits

Cash and cash equivalents, for purposes of the statement of cash flows, include restricted and unrestricted cash on hand or on deposit, certificates of deposit, and investments with a original maturity of three months or less.

Restricted Assets

Restricted assets represent cash and cash equivalents, investments and interest receivable maintained in accordance with bond resolutions, loan agreements and other resolutions and formal actions of the Authority or by agreement for the purpose of funding certain debt service payments, depreciation and contingency activities, and improvements and extensions to the utility systems.

Receivables

Customer receivables represent service fees earned, but not yet collected. User charges receivable as of November 30, 2013 and 2012, were \$1,348,445.71 and \$1,507,953.07, respectively.

**EAST WINDSOR MUNICIPAL UTILITIES AUTHORITY
(A COMPONENT UNIT OF THE TOWNSHIP OF EAST WINDSOR)**

NOTES TO FINANCIAL STATEMENTS

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables (Continued)

As of November 30, 2013 and 2012, the Authority also has a receivable of \$150,596.41 and \$301,192.84 from Federal Emergency Management Assistance for costs incurred due to Superstorm Sandy and Hurricane Irene.

Allowance for Doubtful Accounts

Management considers all user charges receivable to be fully collectible; thus no allowance for doubtful accounts is required, if amounts become uncollectible, they will be charged to operations when that determination is made.

Funds Held by Trustee

The net proceeds from the series 2009 subordinated revenue bonds, received on November 6, 2008, and the series 2010 subordinated revenue bonds, received March 10, 2010, were placed with the Bank of New York. These funds are being held by the trustee and will be released to the Authority upon requisitions for the payment of expenditures and capitalized interest on the projects for which the loans were authorized.

At November 30, 2013, the Authority had \$5,768,687.37 funds held by the trustee for projects which were provided for by the 2009 and 2010 New Jersey Environmental Infrastructure Trust and Loan program. All projects have been completed and all payments have been made to contractors and the Authority is waiting for final close out of these projects by the New Jersey Environmental Infrastructure Trust to determine the final disposition of these funds.

Developer Contributions

Developer contributions received are recorded in the period received. Developer financed construction is recorded in the period in which applicable costs are incurred. Donated assets are recorded at fair market value at time of the contribution.

Capital Assets

Property, Plant and Equipment are stated at cost, which includes direct costs and other expenditures related to their acquisition.

System construction costs are charged to construction in progress until such time as given segments of the system are completed and put in operation.

Depreciation is determined on a straight-line basis for all property, plant and equipment. Depreciation is provided over the following estimated useful lives:

Building and Improvements	10-75 Years
Land Improvements	5-40 Years
Machinery and Equipment	
Water and Sewer Mains and Interceptors	5-75 Years
Water Wells and Pump Stations	5-50 Years
Other Equipment	5-40 Years
Office Furniture and Equipment	5-15 Years
Vehicles	5-10 Years

The Authority capitalizes any of the above with cost over \$5,000.

**EAST WINDSOR MUNICIPAL UTILITIES AUTHORITY
(A COMPONENT UNIT OF THE TOWNSHIP OF EAST WINDSOR)**

NOTES TO FINANCIAL STATEMENTS

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Bond Premium

Bond premium is amortized based on pro-rata basis of the principal payments made, which approximates the effective interest method. Bond premium as of November 30, 2013 and 2012, was \$636,509.30 and \$700,713.18, respectively.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Budgets

Budgets, which are required by state statute, are adopted in accordance with regulations promulgated by the Department of Community Affairs ("DCA"). An annual appropriated budget is adopted for the operations of the Authority, subject to approval by the DCA. A capital program adopted by the Authority is management's six year plan for financing the estimated cost of addition or replacement of major fixed assets used in the Authority's operation.

Net Position

Equity is classified as net position and displayed in three components:

- 1) Net Investment in Capital Assets - consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any debt that are attributable to the acquisition, construction, or improvement of those assets.
- 2) Restricted - when constraints placed on net position are either a) externally imposed by creditors (such as the bond resolution), grantors, or laws or regulations of other governments, or b) imposed by law.

Presently, the Authority has two items of restricted net position which is required by the bond resolution. These restrictions are for capital improvements and future debt services.

- 3) Unrestricted - any other net position that does not meet the definition of "restricted" or "net investment in capital assets."

Interest Expense

The Authority capitalizes the interest costs of restricted tax-exempt borrowings during the construction/acquisition period of certain qualifying assets as required by Financial Accounting Standards Board (FASB) Statement No. 34, "Capitalization of Interest Costs." The amount of interest expense is reduced by interest earned on the investment of the borrowed funds in accordance with FASB Statement No. 62, "Capitalization of Interest Costs in Situations Involving Certain Tax Exempt Borrowings and Certain Gifts and Grants."

**EAST WINDSOR MUNICIPAL UTILITIES AUTHORITY
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NOTES TO FINANCIAL STATEMENTS

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences Payable

The Authority allows employees to earn vacation time based on the employee's length of service and time worked during the preceding year. No more than five unused vacation days may be carried forward to the following calendar year.

Unused sick leave may be carried forward into subsequent calendar years. Upon retirement, accumulated sick leave may be converted to a cash payment at a rate of not more than 50% of the employee's current hourly salary up to a maximum of \$15,000. If the employee leaves for reason other than retirement, unused sick pay is forfeited.

It is estimated that the costs of unpaid vacation time and sick time as of November 30, 2013 are \$61,283.87 and \$186,635.01, respectively, and as of November 30, 2012, are \$29,957.28 and \$168,090.82, respectively.

Income Taxes

No provision for income taxes has been made, as the Authority is exempt from federal and state income taxes.

Unearned Revenue

Revenues received by the Authority before the earnings process has been completed are recorded as unearned revenue. Unearned revenue as of November 30, 2013 and 2012, was \$182,385.00 and \$263,620.00, respectively.

New Accounting Standard Adopted

Statement No. 65, Items Previously Reported as Assets and Liabilities

Issued in March 2012, this Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

Concepts Statement No. 4, Elements of Financial Statements, introduced and defined the elements included in financial statements, including deferred outflows of resources and deferred inflows of resources. In addition, Concepts Statement No. 4 provides that reporting a deferred outflow of resources or a deferred inflow of resources should be limited to those instances identified by the Board in authoritative pronouncements that are established after applicable due process. Prior to the issuance of this Statement, only two such pronouncements have been issued. Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, requires the reporting of a deferred outflow of resources or a deferred inflow of resources for the changes in fair value of hedging derivative instruments, and Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements, requires a deferred inflow of resources to be reported by a transferor government in a qualifying service concession arrangement. This Statement amends the financial statement element classification of certain items previously reported as assets and liabilities to be consistent with the definitions in Concepts Statement No. 4.

**EAST WINDSOR MUNICIPAL UTILITIES AUTHORITY
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NOTES TO FINANCIAL STATEMENTS

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Standard Adopted (Continued)

This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations.

Implementation of this statement materially affected the classification of certain balances. See Note L.

C. ROUNDING

Some amounts in the financial statements may have dollar differences due to rounding.

D. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, cash in banks, and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost which approximates fair value. U.S. Treasury and agency obligations and certificates of deposit with maturities of 90 days or less when purchased are stated at cost which approximate fair value. All other investments are stated at fair value.

Deposits

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

New Jersey authorities are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey authorities. In addition, other state statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include state or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured.

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

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NOTES TO FINANCIAL STATEMENTS

D. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Deposits (Continued)

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

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

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

Investments

N.J.S.A. 40A:5-15.1 provides that public funds may be invested in the following types of securities when authorized by resolution adopted by a majority vote of all its members:

- a. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America.
- b. Government Money Market Mutual Funds.
- c. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an Act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- d. Bonds or other obligations of the Township, or bonds or other obligations of the school districts of which the Township is a part or within which the school district is located.
- e. Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, that are approved by the New Jersey Department of Treasury, Division of Investments.

**EAST WINDSOR MUNICIPAL UTILITIES AUTHORITY
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NOTES TO FINANCIAL STATEMENTS

D. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

- f. Local Government Investment Pools.
- g. Deposits with the State of New Jersey Cash Management Fund established pursuant to Section 1 of P.L. 1977, C. 281 (C.52:18A:90.4).
- h. Agreements for the repurchase of fully collateralized securities if certain requirements apply.

N.J.S.A.52:18A-90.4 provides that the Director of the Division of Investment may, subject to the approval of the State Investments Council and the State Treasurer, establish, maintain and operate a common trust fund to be known as the State of New Jersey Cash Management Fund in which may be deposited the surplus public moneys of the state, its counties, municipalities and school districts and the agencies or authorities created by any of these entities. This fund shall be considered a legal depositor for public moneys.

Certificates of deposit with original maturities in excess of 90 days are included in investments.

The Authority's investments carried at fair value as of November 30, 2013, were:

Investment Type	Fair Value	Years	
		Less Than 1	1-5
Certificate of Deposits	\$ 5,752,088.29	\$ 1,361,708.00	\$ 4,390,380.29
Total Investments	5,752,088.29	\$ 1,361,708.00	\$ 4,390,380.29

Bank	Carrying Amount
The Bank	3,810,724.67
BONY	3,380,316.01
Wells Fargo	120,506.72
Cash on Hand	225.00
Total Cash and Cash Equivalents	7,311,772.40
Total Cash and Cash Equivalents and Investments	\$ 13,063,860.69

The Authority's investments carried at fair value as of November 30, 2012, were:

Investment Type	Fair Value	Years	
		Less Than 1	1-5
Certificate of Deposits	\$ 5,732,567.00	\$ -	\$ 5,732,567.00
Total Investments	5,732,567.00	\$ -	\$ 5,732,567.00

Bank	Carrying Amount
The Bank	6,476,969.00
BONY	1,428,774.00
Wells Fargo	161,228.65
Cash on Hand	225.00
Total Cash and Cash Equivalents	8,067,196.65
Total Cash and Cash Equivalents and Investments	\$ 13,799,763.65

EAST WINDSOR MUNICIPAL UTILITIES AUTHORITY
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NOTES TO FINANCIAL STATEMENTS

D. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk Related to Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. Although the Authority does not have a formal policy for custodial credit risk, other than those policies that adhere to the requirements of statute, NJSA 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the FDIC. Public funds owned by the Authority in excess of FDIC insured amounts are protected by GUDPA.

However, GUDPA does not protect intermingled trust fund such as salary withholdings and funds that may pass to the authority relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

At November 30, 2013 and 2012, the Authority's bank balances of \$13,063,860.00 and \$13,799,764.00, respectively, were insured and collateralized as follows:

	November 30,	
	2013	2012
Insured and Collateralized	\$ 602,507.00	\$ 661,229.00
Uninsured and Collateralized	12,461,353.69	13,138,535.00
	<u>\$ 13,063,860.69</u>	<u>\$ 13,799,764.00</u>

E. PROPERTY, PLANT AND EQUIPMENT

	Balance November 30, 2012	Additions	Deletions	Balance November 30, 2013
Land and Land Improvements	\$ 5,042,944.32	\$ -	\$ 6,240.00	\$ 5,036,704.32
Buildings and Improvements	20,957,514.23	857,297.10	27,575.37	21,787,235.96
Machinery and Equipment	72,603,863.79	3,619,625.85	520,894.41	75,702,595.23
Construction in Progress	699,892.06	90,550.68	554,190.64	236,252.10
	99,304,214.40	4,567,473.63	1,108,900.42	102,762,787.61
Less: Accumulated Depreciation	35,954,569.16	2,255,812.45	554,709.78	37,655,671.83
	<u>\$ 63,349,645.24</u>	<u>\$ 2,311,661.18</u>	<u>\$ 554,190.64</u>	<u>\$ 65,107,115.78</u>

	Balance November 30, 2011	Additions	Deletions	Balance November 30, 2012
Land and Land Improvements	\$ 4,878,446.59	\$ 164,497.73	\$ -	\$ 5,042,944.32
Buildings and Improvements	17,749,678.05	3,207,836.18		20,957,514.23
Machinery and Equipment	72,035,710.46	568,153.33		72,603,863.79
Construction in Progress	3,806,695.79	685,220.96	3,792,024.69	699,892.06
	98,470,530.89	4,625,708.20	3,792,024.69	99,304,214.40
Less: Accumulated Depreciation	33,695,276.36	2,259,292.80	-	35,954,569.16
	<u>\$ 64,775,254.53</u>	<u>\$ 2,366,415.40</u>	<u>\$ 3,792,024.69</u>	<u>\$ 63,349,645.24</u>

**EAST WINDSOR MUNICIPAL UTILITIES AUTHORITY
(A COMPONENT UNIT OF THE TOWNSHIP OF EAST WINDSOR)**

NOTES TO FINANCIAL STATEMENTS

E. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Included in property, plant and equipment balance at November 30, 2012, is \$775,000.00, the estimated amount due to the New Jersey Turnpike Authority for the construction associated with the installation of a water main. The New Jersey Turnpike Authority and the Authority entered into an agreement and the Authority adopted a resolution on June 16, 2011, wherein they agreed to be responsible for the payment of the entire cost of the water main including the engineering design and construction management costs a sum not to exceed one million one hundred thousand (\$1,100,000.00) dollars. A construction contract was awarded by the New Jersey Turnpike Authority in July 2011 in the amount of \$775,000.00. The construction of the water main was completed November 30, 2013, and the amount of \$775,000.00 and \$465,000.00 has been recorded as account payable - construction at November 30, 2013 and 2012, respectively.

During the fiscal year ended November 30, 2013, two residential developments were completed including water and wastewater improvements in the amount of \$972,340.62.

In addition, various improvements to the water and wastewater systems were made by the New Jersey Turnpike Authority as part of their turnpike widening project to replace equipment and underground infrastructure taken during the widening project. These improvements totaled \$2,096,816.47.

These improvements were contributed to the East Windsor Municipal Utilities Authority and are included in capital assets at fair market value at time of contribution.

A summary of the contributed additions to capital assets are provided below:

	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
Buildings	\$ -	\$ 857,297.10	\$ 857,297.10
Equipment	403,084.00	1,808,775.99	2,211,859.99
Total	<u>\$ 403,084.00</u>	<u>\$ 2,666,073.09</u>	<u>\$ 3,069,157.09</u>

F. LONG TERM DEBT

The Authority issues revenue bonds to provide funds for the acquisition and construction of capital facilities.

**EAST WINDSOR MUNICIPAL UTILITIES AUTHORITY
(A COMPONENT UNIT OF THE TOWNSHIP OF EAST WINDSOR)**

NOTES TO FINANCIAL STATEMENTS

F. LONG TERM DEBT (CONTINUED)

Revenue bonds currently outstanding are as follows:

	November 30,	
	2013	2012
Series 2009 Subordinated Revenue Bonds – On November 6, 2008, loan agreements were executed between the State of New Jersey, acting by and through the New Jersey Department of Environmental Protection and the New Jersey Environmental Infrastructure Trust whereby commitments were made for the Authority to have loans not to exceed \$29,666,220.00. The loan agreements contain provisions for repayment during the years 2011 through 2023. Provision has been made for the capitalization of interest for the first twenty-two months of all bonds issued. The interest rate for the New Jersey Environmental Trust portion of the loans (\$16,980,000.00) ranges between 5.0% and 5.50%, no interest is paid on the Fund portion of the loans (\$12,686,220.00).	\$23,728,926.18	\$25,760,995.03
Series 2010 Subordinated Revenue Bonds - On March 10, 2010, loan agreements were executed between the State of New Jersey, acting by and through the New Jersey Department of Environmental Protection and the New Jersey Environmental Infrastructure Trust whereby commitments were made for the Authority to have loans not to exceed \$889,220.00. In addition to the loan amounts, the Authority was awarded \$878,440.00 in a Federal Stimulus Grant under the American Recovery and Reinvestment Act of 2009. The funds will be used for improvements and upgrades to the Millstone Road Water Pollution Control Facility. The loan agreements contain provisions for repayment during the years 2011 through 2029. Provision has been made for the capitalization of interest for the first twenty-two months of all bonds issued. The interest rate for the New Jersey Environmental Trust portion of the loan, \$450,000.00, ranges between 3.00% to 5.0%, no interest is paid on the Fund portion of the loans totaling \$439,220.00.	781,474.32	820,003.95
	24,510,400.50	26,580,998.98
Less: Current Portion	2,131,794.79	2,070,598.48
Long Term Debt	<u>\$22,378,605.71</u>	<u>\$24,510,400.50</u>

A summary of maximum annual Debt Service for principal and interest for bonded debt issued and outstanding at November 30, 2013, is provided below (maximum debt service shall be reduced by allocable interest income credits from the various funds established in accordance with the New Jersey Wastewater Treatment Trust resolution):

EAST WINDSOR MUNICIPAL UTILITIES AUTHORITY
(A COMPONENT UNIT OF THE TOWNSHIP OF EAST WINDSOR)

NOTES TO FINANCIAL STATEMENTS

F. LONG TERM DEBT (CONTINUED)

<u>Year Ending</u>	<u>Amount</u>	<u>Principal</u>	<u>Interest</u>
November 30, 2014	\$ 2,883,069.79	\$ 2,131,794.79	\$ 751,275.00
November 30, 2015	2,881,307.35	2,186,532.35	694,775.00
November 30, 2016	2,875,336.14	2,239,811.14	635,525.00
November 30, 2017	2,873,087.07	2,299,562.07	573,525.00
November 30, 2018	2,873,550.67	2,365,025.67	508,525.00
November 30, 2019-2023	14,353,596.46	12,966,496.46	1,387,100.00
November 30, 2024-2028	286,998.15	262,648.15	24,650.00
November 30, 2029	59,929.87	58,529.87	1,400.00
	<u>\$29,086,875.50</u>	<u>\$24,510,400.50</u>	<u>\$4,576,475.00</u>

A summary of the activity in the Authority's principal portion of its debt is as follows:

	<u>Balance November 30, 2012</u>	<u>Principal Payments</u>	<u>Balance November 30, 2013</u>
Series 2009 Subordinated Revenue Bonds	\$25,760,995.03	\$2,032,068.85	\$23,728,926.18
Series 2010 Subordinated Revenue Bonds	<u>820,003.95</u>	<u>38,529.63</u>	<u>781,474.32</u>
	<u>\$26,580,998.98</u>	<u>\$2,070,598.48</u>	<u>\$24,510,400.50</u>
	<u>Balance November 30, 2011</u>	<u>Principal Payment</u>	<u>Balance November 30, 2012</u>
Series 2009 Subordinated Revenue Bonds	\$27,735,408.77	\$1,974,413.74	\$25,760,995.03
Series 2010 Subordinated Revenue Bonds	<u>858,533.58</u>	<u>38,529.63</u>	<u>820,003.95</u>
	<u>\$28,593,942.35</u>	<u>\$2,012,943.37</u>	<u>\$26,580,998.98</u>

See additional comments regarding long-term debt in Note M for Subsequent Events.

G. PENSION PLAN

Description of Plans

All eligible employees of the Authority are covered by the Public Employees' Retirement System which has been established by state statute and is administered by the New Jersey Division of Pension and Benefits (the "Division"). The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the PERS.

The following is a brief description of the above mentioned plan as taken from the June 30, 2010, comprehensive annual financial report of the State of New Jersey:

"Public Employees' Retirement System (PERS) - established in January 1955, under the provisions of N.J.S.A.43:15A to provide coverage, to substantially all full time employees 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 8 to 10 years of service for pension benefits."

EAST WINDSOR MUNICIPAL UTILITIES AUTHORITY
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NOTES TO FINANCIAL STATEMENTS

G. PENSION PLAN (CONTINUED)

Description of Plans (Continued)

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The state established and administers a Supplemental Annuity Collective Trust Fund ("SACT") which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local governmental employers do not appropriate funds to SACT.

The cost of living increase for PERS is funded directly by the respective system and is considered in the annual actuarial calculation of the required state contribution for the system.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above system, fund and trust. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625.

Significant Legislation

Chapter 108, P.L. 2003, effective July 1, 2003, provided that the State Treasurer shall reduce the normal and accrued liability contributions payable by employers other than the state, excluding the contribution payable from the benefit enhancement fund, to a percentage of the amount certified annually by the retirement system, which for PERS will be as follows: for payments due in the state fiscal year ending June 30, 2005, 20 percent; for payments due in the state fiscal year ending June 30, 2006, not more than 40 percent; for payments due in the state fiscal year ending June 30, 2007, not more than 60 percent; for payment due in the state fiscal year ending June 30, 2008, not more than 80 percent.

Contribution Requirement

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The various pension funds provide for employee contributions based on percentages ranging from 3.00 percent to 8.50 percent of employees' annual compensation as defined. Employers are required to contribute at an actuarially determined rate. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits.

During the year ended June 30, 2013, for PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension costs differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997.

Three-Year Trend Information for PERS		
Year Funding	Annual Pension Cost (APC)	Percentage of Covered Payroll
6/30/13	\$164,858.71	10.31%
6/30/12	169,432.00	11.39%
6/30/11	159,887.00	11.46%

**EAST WINDSOR MUNICIPAL UTILITIES AUTHORITY
(A COMPONENT UNIT OF THE TOWNSHIP OF EAST WINDSOR)**

NOTES TO FINANCIAL STATEMENTS

H. SERVICE CONTRACTS WITH EAST WINDSOR

In accordance with terms of the Service Contract dated June 1, 1965, as amended, between the Authority and the Township of East Windsor, the Township will pay service charges to the Authority of a sum equal to the excess (if any) of all expenditures of the water/sewer fund of the Authority over water/sewer fund receipts of the Authority for any fiscal year.

No amounts have been accrued or paid by the Township to the Authority under the terms of the service contract through the fiscal year ended November 30, 2013 and 2012.

I. DEVELOPERS' AGREEMENTS (WATER AND SEWER FACILITIES TRUST ACCOUNT)

The Authority has negotiated Capacity Allocation and Developer's On-Tract and Off-Tract Agreements and an Agreement for Payment in Lieu of Construction of a Satellite Treatment Plant with various developers. The Authority will receive a total of \$13,320,448 of cash and construction in kind, with respect to these agreements. As of November 30, 2013 and 2012, the Authority had received \$10,451, in cash and construction in kind. These funds are restricted for capital improvements. Cash restricted for capital improvements at November 30, 2013 and 2012, is \$2,761,131 and \$2,771,576, respectively.

J. RISK MANAGEMENT

The Authority is exposed to various risks of losses related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance for all risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There was no reduction in commercial coverage during the year.

K. LITIGATION

The Authority is a defendant in a matter under litigation. In the opinion of the Authority's management, this matter will not have a material adverse effect on the financial position of the Authority in the event of unfavorable or adverse outcome.

L. PRIOR PERIOD ADJUSTMENT

During fiscal year ended November 30, 2012, there was a change in accounting principle as a result of GASB Statement No. 65 Items Previously Reported as Assets and Liabilities. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. GASB Statement 65 is retroactive to the prior reporting period. The adjustment is detailed below.

EAST WINDSOR MUNICIPAL UTILITIES AUTHORITY
(A COMPONENT UNIT OF THE TOWNSHIP OF EAST WINDSOR)

NOTES TO FINANCIAL STATEMENTS

L. PRIOR PERIOD ADJUSTMENT (CONTINUED)

Summary Statement of Net Position
As of November 30, 2012

	Previously Reported	Prior Period Adjustment	Restated
Assets			
Cash, Cash Equivalents and Investments	\$ 19,568,450.91	\$ -	\$ 19,568,450.91
User Charges Receivable	1,507,953.07		1,507,953.07
Other Receivables	352,706.61		352,706.61
Capital Assets, Net of Accumulated Depreciation	63,349,645.24		63,349,645.24
Bond Issuance Costs	731,320.29	(731,320.29)	-
Total Assets	85,510,076.12	(731,320.29)	84,778,755.83
Liabilities			
Accounts Payable and Accrued Expenses	783,751.16		783,751.16
Other Liabilities	753,044.82		753,044.82
Accrued Interest Payable	201,193.75		201,193.75
Loans Payable	26,580,998.98		26,580,998.98
Premium on Bonds	700,713.18		700,713.18
Total liabilities	29,019,701.89	-	29,019,701.89
Net Position	56,490,374.23	(731,320.29)	55,759,053.94
Total Net Position	\$ 56,490,374.23	\$ (731,320.29)	\$ 55,759,053.94

Summary Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended November 30, 2012

	Previously Reported	Prior Period Adjustment	Restated
Revenues			
User Charges	\$ 6,145,629.78	\$ -	\$ 6,145,629.78
Connection Fees	500,945.00		500,945.00
Other Income	865,939.73		865,939.73
Total Revenues	7,512,514.51		7,512,514.51
Expenses			
Salaries, Wages and Benefits	2,516,336.12		2,516,336.12
Other Expenses	3,134,154.36		3,134,154.36
Depreciation and Amortization	2,306,781.60	(47,488.80)	2,259,292.80
Total Expenses	7,957,272.08	(47,488.80)	7,909,783.28
Change in Net Position	(444,757.57)	47,488.80	(397,268.77)
Net Position - November 30, 2011	56,935,131.80	(778,809.09)	56,156,322.71
Net Position - November 30, 2012	\$ 56,490,374.23	\$ (731,320.29)	\$ 55,759,053.94

**EAST WINDSOR MUNICIPAL UTILITIES AUTHORITY
(A COMPONENT UNIT OF THE TOWNSHIP OF EAST WINDSOR)**

NOTES TO FINANCIAL STATEMENTS

M. SUBSEQUENT EVENTS

Management has evaluated subsequent events that occurred after the statement of net position date but before the date the financial statements were available to be issued.

The State of New Jersey, Department of Environmental Protection Notified the Authority in a letter dated February 12, 2014, that \$2,650,076.00 of the "2009A - Drinking Water Fund Loan" dated November 6, 2009, will be de-obligated. The remaining balance of the funds held by Trustee will be used to pay off debt as part of the refunding of bonds by New Jersey Environmental Infrastructure Trust. This will reduce future debt payments in that amount. This loan which was scheduled for final maturity on August 1, 2023, will now have a final maturity date of August 1, 2019.

SUPPLEMENTARY INFORMATION

**EAST WINDSOR MUNICIPAL UTILITIES AUTHORITY
(A COMPONENT UNIT OF THE TOWNSHIP OF EAST WINDSOR)**

**Schedule 1
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BUDGETARY COMPARISON SCHEDULE

For the Year Ended November 30, 2013

With Comparative Actual Amounts for the Year Ended November 30, 2012

	2013 Water		2013 Sewer		2013 Combined		2012 Combined	
	Budget (Unaudited)	Actual	Budget (Unaudited)	Actual	Actual	Actual	Actual	Actual
Operating Revenues:								
Retained Earnings Appropriated	\$ 1,078,027.00	\$ 1,078,027.00	\$ 253,842.00	\$ 253,842.00	\$ 1,331,869.00	\$ 1,929,721.00		
User Charges	2,784,559.00	2,831,681.63	4,243,360.00	4,100,260.78	6,931,942.41	6,145,629.78		
Delinquent Penalties	12,685.00	10,807.15	27,585.00	17,276.54	28,083.69	26,581.06		
Connection Fees	396,500.00	31,195.00	486,682.00	87,850.00	119,045.00	500,945.00		
Laboratory Fees			12,000.00	10,055.00	10,055.00	11,115.00		
Interest Income	20,500.00	14,449.20	44,500.00	14,449.21	28,898.41	49,340.87		
Other Income	96,716.00	149,798.96	96,716.00	146,428.66	296,227.62	228,196.43		
Total Revenues	4,388,987.00	4,115,958.94	5,164,685.00	4,630,162.19	8,746,121.13	8,891,529.14		
Operating Expenses:								
Costs of Providing Services:								
Labor	526,500.00	506,891.86	804,550.00	826,669.04	1,333,560.90	1,329,124.87		
Employee Benefits	292,800.00	258,182.60	428,000.00	425,059.51	683,242.11	657,168.08		
Materials and Supplies	158,050.00	150,955.16	315,250.00	307,623.24	458,578.40	483,348.26		
Repairs and Maintenance	109,500.00	144,048.62	137,500.00	232,027.15	376,075.77	369,020.26		
Contracted Services	42,250.00	22,049.99	368,800.00	362,906.46	384,956.45	356,397.31		
Utilities	427,500.00	312,386.33	533,700.00	423,185.02	735,571.35	717,547.97		
Insurance	41,000.00	47,200.92	67,800.00	45,664.55	92,865.47	90,246.16		
Other	41,550.00	36,439.73	34,500.00	25,253.38	61,693.11	63,757.37		
Total Cost of Providing Services	1,639,150.00	1,478,155.21	2,690,100.00	2,648,388.35	4,126,543.56	4,066,610.28		
Administrative and General Expenses:								
Labor	176,450.00	189,746.01	176,450.00	189,746.02	379,492.03	361,120.65		
Employee Benefits	93,162.00	82,312.34	93,163.00	82,312.34	164,624.68	168,922.52		
Materials and Supplies	8,250.00	11,157.63	8,250.00	11,157.63	22,315.26	18,400.15		
Contracted Services	99,750.00	87,423.76	99,730.00	87,423.76	174,847.52	189,790.74		
Utilities	14,250.00	12,838.21	14,250.00	12,838.20	25,676.41	24,152.47		
Insurance	11,200.00	9,126.33	11,200.00	9,126.32	18,252.65	19,271.02		
Other	16,250.00	10,737.21	16,270.00	10,737.21	21,474.42	23,760.30		
Total Administrative and General Expenses:	\$ 419,312.00	\$ 403,341.49	\$ 419,313.00	\$ 403,341.48	\$ 806,682.97	\$ 805,417.85		

**EAST WINDSOR MUNICIPAL UTILITIES AUTHORITY
(A COMPONENT UNIT OF THE TOWNSHIP OF EAST WINDSOR)**

**Schedule 1
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BUDGETARY COMPARISON SCHEDULE

For the Year Ended November 30, 2013

With Comparative Actual Amounts for the Year Ended November 30, 2012

	2013 Water		2013 Sewer		2013 Combined	2012 Combined
	Budget (Unaudited)	Actual	Budget (Unaudited)	Actual	Budget (Unaudited)	Actual
Interest Expense	\$ 388,205.00	\$ 388,204.34	\$ 338,992.00	\$ 338,991.78	\$ 727,197.00	\$ 727,196.12
Other Costs Funded by Revenues:						
Principal Maturity	1,163,820.00	1,163,819.57	906,780.00	906,778.91	2,070,600.00	2,070,598.48
Capital Outlay	778,500.00	206,517.48	809,500.00	427,608.42	1,588,000.00	634,125.90
Total Costs Funded by Revenues	4,388,987.00	3,640,038.09	5,164,685.00	4,725,108.94	9,553,672.00	8,365,147.03
Add: Excess Revenues Over Costs	-	475,920.85	-	(94,946.75)	-	380,974.10
	<u>\$ 4,388,987.00</u>	<u>\$ 4,115,958.94</u>	<u>\$ 5,164,685.00</u>	<u>\$ 4,630,162.19</u>	<u>\$ 9,553,672.00</u>	<u>\$ 8,746,121.13</u>
Reconciliation to Net Income:						
Excess from Above-Budgetary Basis						
				2013 Actual		2012 Actual
Adjustments to Budgetary Basis:						
Depreciation Expense					(2,255,812.45)	(2,259,292.80)
Federal Emergency Assistance Aid						346,969.87
Capital Outlay					634,125.90	282,328.80
Debt Service - Principal					2,070,598.48	2,012,943.37
Developer Contributions					3,069,157.09	203,736.50
Retained Earnings Appropriated					(1,331,869.00)	(1,929,721.00)
Increase (Decrease) in Net Position					<u>\$ 2,567,174.12</u>	<u>\$ (397,268.77)</u>

**EAST WINDSOR MUNICIPAL UTILITIES AUTHORITY
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**Schedule 2
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SCHEDULE OF WATER AND SEWER REVENUE BONDS - NOVEMBER 30, 2013

	Date of Issue	Amount of Original Issue	Interest Rates	Maturity Dates	Amount	Balance		Paid		Balance Nov. 30, 2013
						Dec. 1, 2012	Dec. 1, 2012 to Nov. 30, 2013	Dec. 1, 2012 to Nov. 30, 2013		
New Jersey Environmental Infrastructure Trust, Series 2009A - Clean Water Trust Loan	11/6/2009	\$ 7,715,000.00		8/1/2014	\$ 505,000.00					
				8/1/2015	530,000.00					
				8/1/2016	555,000.00					
				8/1/2017	580,000.00					
				8/1/2018	610,000.00					
				8/1/2019	640,000.00					
				8/1/2020	675,000.00					
				8/1/2021	710,000.00					
				8/1/2022	750,000.00					
				8/1/2023	790,000.00					
					\$ 6,825,000.00	\$ 480,000.00	\$ 6,345,000.00			
New Jersey Environmental Infrastructure Trust, Series 2009A - Clean Water Fund Loan	11/6/2009	5,036,636.00	None	2/1/2014	77,298.68					
				8/1/2014	311,414.19					
				2/1/2015	71,445.79					
				8/1/2015	317,151.18					
				2/1/2016	65,303.16					
				8/1/2016	322,598.42					
				2/1/2017	58,870.77					
				8/1/2017	327,755.92					
				2/1/2018	52,148.65					
				8/1/2018	334,941.64					
				2/1/2019	45,078.82					
				8/1/2019	341,779.67					
				2/1/2020	37,290.42					
				8/1/2020	350,217.10					
				2/1/2021	28,684.94					
				8/1/2021	357,837.45					

**EAST WINDSOR MUNICIPAL UTILITIES AUTHORITY
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**Schedule 2
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SCHEDULE OF WATER AND SEWER REVENUE BONDS - NOVEMBER 30, 2013

	Date of Issue	Amount of Original Issue	Interest Rates	Maturity Dates	Amount	Paid	
						Balance Dec. 1, 2012	Dec. 1, 2012 to Nov. 30, 2013
New Jersey Environmental Infrastructure Trust, Series 2009A - Clean Water Fund Loan (Continued)				2/1/2022	19,633.25		
				8/1/2022	367,329.55		
				2/1/2023	10,071.60		
				8/1/2023	376,311.86		
						4,261,412.34	388,249.28
							3,873,163.06
New Jersey Environmental Infrastructure Trust, Series 2009A - Drinking Water Trust Loan	11/6/2009	9,650,000.00	5.0%- 5.500%	8/1/2014	605,000.00		
				8/1/2015	635,000.00		
				8/1/2016	665,000.00		
				8/1/2017	700,000.00		
				8/1/2018	735,000.00		
				8/1/2019	770,000.00		
				8/1/2020	810,000.00		
				8/1/2021	855,000.00		
				8/1/2022	900,000.00		
				8/1/2023	950,000.00		
						8,200,000.00	575,000.00
							7,625,000.00
New Jersey Environmental Infrastructure Trust, Series 2009A - Drinking Water Fund Loan	11/6/2009	7,649,584.00	None	2/1/2014	117,456.16		
				8/1/2014	472,096.13		
				2/1/2015	108,590.17		
				8/1/2015	480,815.58		
				2/1/2016	99,284.53		
				8/1/2016	489,095.40		
				2/1/2017	89,539.26		

**EAST WINDSOR MUNICIPAL UTILITIES AUTHORITY
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**Schedule 2
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SCHEDULE OF WATER AND SEWER REVENUE BONDS - NOVEMBER 30, 2013

	Date of Issue	Amount of Original Issue	Interest Rates	Maturity Dates	Amount	Balance Dec. 1, 2012	Paid		Balance Nov. 30, 2013
							Dec. 1, 2012 to Nov. 30, 2013	Nov. 30, 2013	
New Jersey Environmental Infrastructure Trust, Series 2009A - Drinking Water Fund Loan (Continued)				8/1/2017	499,866.49				
				2/1/2018	79,281.08				
				8/1/2018	510,124.67				
				2/1/2019	68,509.99				
				8/1/2019	519,869.94				
				2/1/2020	56,661.79				
				8/1/2020	531,469.01				
				2/1/2021	43,604.59				
				8/1/2021	544,789.99				
				2/1/2022	29,821.99				
				8/1/2022	557,385.57				
New Jersey Environmental Infrastructure Trust, Series 2010A-CW ARRA Trust Loan 3/10/2010				2/1/2023	15,313.99				
				8/1/2023	572,186.79	6,474,582.69	588,819.57	5,885,763.12	
		450,000.00	3.0% - 5.0%	8-1-2014-18	20,000.00				
				8-1-2019-24	25,000.00				
New Jersey Environmental Infrastructure Trust, Series 2010A-CW ARRA Fund Loan 3/10/2010				8-1-2025-28	30,000.00				
				8/1/2029	35,000.00	420,000.00	15,000.00	405,000.00	
		439,220.00		8-1-2014-28	15,686.42				
				2-1-2014-29	7,843.21				
				8/1/2029	15,686.66	400,003.95	23,529.63	376,474.32	
						<u>\$ 26,580,998.98</u>	<u>\$ 2,070,598.48</u>	<u>\$ 24,510,400.50</u>	

**EAST WINDSOR MUNICIPAL UTILITIES AUTHORITY
(A COMPONENT UNIT OF THE TOWNSHIP OF EAST WINDSOR)**

**ROSTER OF OFFICIALS
At November 30, 2013**

Authority Members

Linda L. Moore
Marc Lippman
Steven A. Kurs
Leonard J. Millner
Marc Platizky
William P. Lawler
Michael Shifman

Position

Chairperson
Vice Chairperson
Secretary
Treasurer
Assistant Secretary-Treasurer
Alternate Member #1
Alternate Member #2

Other Officials

Richard Brand
Appleton Fryer
Clark Wolverton
Carlin P. Lovejoy, Jr.
Dolores Borosko
Ronald A. Ghrist
Maryann Hutchinson

Executive Director
General Manager/Development
Superintendent-Wastewater
Superintendent-Water
Administrative Assistant
Financial Officer
Purchasing Agent/Accounts
Payable Clerk
Accounts Receivable Clerk
Attorney

Karen L. Dinardo
Edwin W. Schmierer,
(Mason, Griffin & Pierson)
Hatch Mott MacDonald

Consulting Engineers