

**PRINCETON
MERCER COUNTY
NEW JERSEY**

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY DATA
AND INFORMATION**

**FOR THE YEAR
ENDED DECEMBER 31, 2013**

HODULIK & MORRISON, P.A.

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS
HIGHLAND PARK, N.J.

**PRINCETON
MERCER COUNTY, NEW JERSEY**

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INTRODUCTION SECTION



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The Honorable Mayor and Council
Princeton
400 Witherspoon Street
Princeton, New Jersey 08540

The Comprehensive Annual Financial Report of Princeton for the year ended December 31, 2013 is hereby submitted as mandated by state statute. New Jersey State statutes require that Princeton annually issue a report on its financial position and activity and that this report be audited by an independent Registered Municipal Accountant. The responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of Princeton. To the best of our knowledge and belief, the enclosed data is accurate in all material respects. All disclosures necessary to enable the reader to gain an understanding of Princeton's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four (4) sections: introductory, financial, statistical, and general comments and recommendations. The introductory section, which is unaudited, includes this letter of transmittal. The financial section includes general purpose financial statements and individual fund and account group financial statements and schedules, as well as the independent auditor's report on these financial statements and schedules. The statistical section, which is unaudited, includes selected financial and demographic information.

General Information

Following an extensive consolidation and shared services study over the course of two years, the Borough of Princeton and the Township of Princeton conducted a referendum on November 8, 2011, which allowed residents to vote on consolidating the Borough and the Township into one municipality. The referendum was successful, and beginning January 1, 2013, the Borough and the Township become one municipality known as Princeton.

Princeton is a suburban community with a population of 28,572 (2010 census) covering an area of 18.5 square miles in the heart of central New Jersey. It is bounded on the southeast by West Windsor Township, on the southwest by Lawrence Township, on the northwest by Hopewell Township, on the north by Montgomery Township (Somerset County), on the northeast by Franklin Township (Somerset County) and South Brunswick Township (Middlesex County) and on the east by Plainsboro Township (Middlesex County).

While no major travel arteries directly touch Princeton, it is dissected by United States Highway Route No. 206 and has ready access to United States Highway Route No. 1, Interstate Highway Routes I-95, I-295,

and I-195, the New Jersey Turnpike, and the Garden State Parkway and Amtrak and New Jersey Transit which provide direct rail service to Philadelphia and New York City as well as the rest of the northeast corridor. This area, known as the Route 1 corridor, is one of the fastest growing parts of the state.

In general, Princeton is an open, semi-wooded community of substantial homes and is an example of sound suburban development. There is also a vibrant downtown located here. Together they are a community with a diverse socio-economic background. There is no heavy industry in Princeton nor will any be permitted under present or reasonably foreseeable land use regulations.

Planning Board

In 1970, the planning boards of the Township and the Borough of Princeton were merged to form the Regional Planning Board of Princeton. The action was taken to recognize the fact that each municipality has a joint and common interest in a master plan for the development of the region and to formalize and to strengthen their cooperative endeavors in municipal planning. After a thorough review of the existing master plans of the Township and the Borough of Princeton, a single comprehensive Master Plan for the Princeton Community was developed and adopted by the Regional Planning Board in 1980. The Master Plan includes elements on land use, housing, circulation, utility, service, community facilities, open space and recreation and conservation. Since May, 1980, both the Township and the Borough of Princeton have implemented the Master Plan in part by passage of appropriate ordinances. A new Master Plan was adopted on December 12, 1996. The Master Plan is constantly undergoing revision, with the latest revision being adopted on December 4, 2008 which included an update to the housing element and Fair Share plan. Since consolidation of the two municipalities, the Planning Board is no longer a Regional board, and continues to serve the entire Princeton Community. Work is currently being done to revise and consolidate municipal land use ordinances, and to update their Master Plan.

Open Space

Based on the recommendation of the consolidation commission, in 2012 the voters approved the establishment of a Municipal Open Space Tax for the consolidated municipality of Princeton. The open space tax was levied at the rate of \$.017 per \$100.00 of assessed value of real property located in Princeton

The levy so raised may be spent for the following purposes:

- (a) Acquisition of lands for recreation and conservation purposes;
- (b) Development of lands acquired for recreation and conservation purposes
- (c) Maintenance of lands acquired for recreation and conservation purposes;
- (d) Acquisition of farmland for farmland preservation purposes;
- (e) Historic preservation of historic properties, structures, facilities, sites, areas, or objects, and the acquisition of such properties, structures, facilities, sites, areas, or objects for historic preservation purposes; or
- (f) Payment of debt service on indebtedness issued or incurred by a municipality for any of the purposes set forth in paragraphs (a), (b), (d), or (e) hereinabove.

Appropriations for the expenditures of Open Space Tax funds may be authorized by the governing body after appropriate public hearings thereon.

Princeton Public Library

In 1960 the Township of Princeton and the Borough of Princeton established the Joint Free Public Library of Princeton. In 2001 the two municipalities and the Trustees of the Joint Free Public Library of Princeton entered into an agreement to build a new library facility on the site of the then existing library in the Borough of Princeton. In 2002 the existing library building was demolished and the library moved into temporary rented space in the Princeton Shopping Center, located in the Township. The financing for the construction of the new library facility is as follows:

Township of Princeton share	(68%)	\$4,080,000	
Borough of Princeton share	(32%)	<u>1,920,000</u>	
Total Municipal share			\$6,000,000
Contributions to be raised from a Private fund raising campaign			<u>12,000,000</u>
Total cost of a new library facility			<u>\$18,000,000</u>

In order to have the finances available to issue contracts for the construction of the new library facility, the municipalities have authorized the appropriation of the total \$18,000,000 in the following amounts:

Township of Princeton share	(68%)	\$12,240,000	
Borough of Princeton share	(32%)	<u>5,760,000</u>	
Total Municipal share			<u>\$18,000,000</u>

As cash contributions are received by the library, the municipal shares authorized will be reduced proportionately.

Interlocal Service Agreements

1. Funding Provided to the Princeton Public Library
2. With the Princeton School District:
Joint fueling facility
3. With Mercer County Improvement Authority
Curbside Recycling Program
4. With Stony Brook Regional Sewerage Authority
Wastewater collection and treatment

Water

Princeton does not provide water service. Most properties are serviced by New Jersey American Water Company (formerly known as Elizabethtown Water Company), a private company. Other properties are serviced by private wells.

Sewer

A majority of Princeton is serviced by municipal sewers.

Princeton is a member of the Stony Brook Regional Sewerage Authority. The Authority was created in 1971 to construct and operate a wastewater collection and treatment system to serve six municipalities in the Stony Brook watershed area of Mercer and Middlesex Counties, New Jersey. The Authority has entered into a service contract with its member municipalities, obligating each participating municipality to the Authority for its proportionate share of the Authority's operating expenses, debt service and required reserve additions to the extent not met by other sources. The other members of the authority are Hopewell Borough, Pennington Borough, West Windsor Township, and South Brunswick Township.

Bond Rating


In 2013 Princeton requested a review of its bond ratings and met with both Moody's Investors Service and Standard & Poor's with the following results:

	<u>2013 Rating</u>
Moody's Investors Service	Aaa
Standard & Poor's	AAA

Tax Collection Rate

In 2013 Princeton's tax collection rate was 99.03%.

Respectfully submitted,



Sandra Webb, CMFO / CTC
Chief Financial Officer

PRINCETON
MERCER COUNTY, NEW JERSEY

ROSTER OF OFFICIALS
DECEMBER 31, 2013

Members of Princeton Council

Elizabeth Lember	Mayor
Bernard P. Miller	Council President
Jo Butler	Council Member
Jenny Crumiller	Council Member
Heather Howard	Council Member
Lance Liverman	Council Member
Patrick Simon	Council Member

Other Officials

Robert W. Bruschi	Administrator
Kathryn Monzo	Deputy Administrator/Director of Finance
Linda S. McDermott	Township Clerk and Improvement Search Officer
Neal Snyder	Tax Assessor
Sandra Webb	Chief Financial Officer
Tammie Tisdale	Tax Collector, Tax Search Officer
Robert V. Kiser	Township Engineer
John McCarthy	Municipal Judge
Susan Shapiro	Court Administrator
Corinne Sliker-Monda	Deputy Court Administrator

**PRINCETON
CONSULTANTS AND ADVISORS**

AUDIT FIRM

Hodulik and Morrison, P.A.
1102 Raritan Avenue
Highland Park, N.J. 08904

ATTORNEY

Mason, Griffin & Pierson
Counsellors at Law
101 Poor Farm Road
Princeton, NJ 08542

BOND COUNSEL

McManimon, Scotland and Baumann L.L.C.
75 Livingston Avenue, 2nd. Floor
Roseland, NJ 07068

OFFICIAL DEPOSITORIES

Bank of America
PO Box 100289
Columbia, SC 29202

PNC Bank
8800 Tinicum Blvd.
Philadelphia, PA 19153

TD Bank
2059 Springdale Rd.
Cherry Hill, NJ 08003

First Choice Bank
183 Bayard Lane
Princeton, NJ 08540

Bank of Princeton
21 Chambers St.
Princeton, NJ 08542

NJ Cash Management Fund
3435 Stezer Rd.
Columbus, OH 43218

FINANCIAL SECTION

PRINCETON
MERCER COUNTY, NEW JERSEY

PART I
INDEPENDENT AUDITOR'S REPORT
FINANCIAL STATEMENTS
SUPPLEMENTARY INFORMATION

REGISTERED MUNICIPAL ACCOUNTANTS
PUBLIC SCHOOL ACCOUNTANTS
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HIGHLAND PARK, NJ 08904
(732) 393-1000
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ANDREW G. HODULIK, CPA, RMA, PSA
ROBERT S. MORRISON, CPA, RMA, PSA

JO ANN BOOS, CPA, PSA

MEMBERS OF:
AMERICAN INSTITUTE OF CPA'S
NEW JERSEY SOCIETY OF CPA'S
REGISTERED MUNICIPAL ACCOUNTANTS OF NJ

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Princeton Council
Municipality of Princeton
Mercer County, New Jersey

Report on the Financial Statements

We have audited the accompanying combined statement of assets, liabilities, reserves and fund balance – regulatory basis of the various funds and general fixed asset account group of Princeton, County of Mercer, New Jersey, as of and for the years ended December 31, 2013, the combined statements of revenues, expenditures and changes in fund balance of the current fund, animal control and utility funds – regulatory basis for the year then ended, the balance sheets– regulatory basis, and statements of revenues, expenditures and changes in fund balance – regulatory basis, of the various funds, as of and for the year ending December 31, 2013, and the related notes to the financial statements, which collectively comprise the municipality'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 the reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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 the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

As described in Note 2, these financial statements were prepared in conformity with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, United States of America, that demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. These prescribed principles 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. Accordingly, the accompanying financial statements – regulatory basis are not intended to present financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. The effect on the financial statements of the differences between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matters discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial positions of Princeton, County of Mercer, New Jersey, as of December 31, 2013, the changes in its financial position, and, where applicable, its cash flows for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and fixed asset account group of Princeton, County of Mercer, New Jersey as of December 31, 2013, and the results of its operations and changes in fund balance – regulatory basis for the years then ended, on the basis of accounting described in Note 2.

Other Matters

Required Supplementary Information

Audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey require the budgetary comparison schedules, as listed in the table of contents, to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the aforementioned regulatory authority as an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. The budgetary comparison schedules were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The budgetary comparison schedules have been subjected to 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 financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in our opinion, the budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements – regulatory basis taken as a whole.

Other Information

Our audit was made for the purpose of forming an opinion on the financial statements that collectively comprise Princeton, County of Mercer, New Jersey’s basic financial statements. The introductory section, supplemental schedules, and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal awards and state awards are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and New Jersey OMB Circular 04-04, respectively, and are also not a required part of the basic financial statements.

The supplemental schedules and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to auditing procedures applied in the audit of the basic

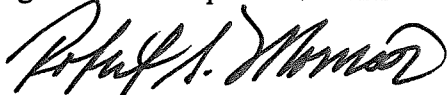
themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements – regulatory basis taken as a whole. The introductory and statistical sections have 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 them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated August 4, 2014 on our consideration of Princeton's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 Princeton's internal control over financial reporting and compliance.

Hodulik & Morrison, P.A.

HODULIK & MORRISON, P.A.
Certified Public Accountants
Registered Municipal Accountants



Robert S. Morrison
Registered Municipal Accountant
No. 412

Highland Park, New Jersey
August 4, 2014

BASIC FINANCIAL STATEMENTS

Entity-Wide Financial Statements

PRINCETON
COUNTY OF MERCER
COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - ALL FUND TYPES AND ACCOUNT GROUP
REGULATORY BASIS
DECEMBER 31, 2013

Exh. A - 1
Page 1 of 2

	CURRENT FUND	GENERAL CAPITAL FUND	TRUST FUNDS	AFFORDABLE HOUSING UTILITY OPERATING FUND	AFFORDABLE HOUSING UTILITY CAPITAL FUND	PARKING UTILITY OPERATING FUND	PARKING UTILITY CAPITAL FUND	PUBLIC ASSISTANCE FUND	FIXED ASSET ACCOUNT GROUP	TOTAL DEC. 31, 2013
<u>ASSETS</u>										
Cash and Investments	\$ 23,028,848.27	\$ 304,335.37	\$ 15,398,343.43	\$ 2,467,542.77	\$	\$ 1,126,080.65	\$ 493,076.04	\$ 147,089.02	\$	\$ 42,965,315.55
Federal and State Grants Receivable	1,289,957.68	11,058,173.09								12,348,130.77
Receivables and Other Assets:										
Delinquent Property Taxes	1,195,427.21									1,195,427.21
Assessments Receivable			518,469.96							518,469.96
Tax Title and Assessment Liens Rec.	95,836.80									95,836.80
Other Accounts Receivable	208,471.38	1,831,491.80		403,032.50						2,242,995.68
Interfunds Receivable	3,151,279.12	330,000.00	284,745.25		118,969.04					3,884,993.41
Property Acquired for Taxes	330,100.00									330,100.00
Due from State of NJ Sr. Citz/Vet.	250.00									250.00
Prospective Assessments Funded		8,325.00	327,302.50							335,627.50
Deferred Charge to Future Taxation:										
Special Emergency Appropriation	1,934,064.00									1,934,064.00
Amount to be Raised for Assessment Bonds			51,249.45							51,249.45
Fixed Capital							13,675,611.66			13,675,611.66
Fixed Capital Authorized and Uncompleted					15,863.35		2,771,822.65			2,787,686.00
Deferred Charge to Future Taxation:										
Funded		90,007,499.75								90,007,499.75
Unfunded		37,150,744.20								37,150,744.20
Fixed Assets									86,125,232.19	86,125,232.19
	<u>\$ 31,234,234.46</u>	<u>\$ 140,490,569.21</u>	<u>\$ 16,580,110.59</u>	<u>\$ 2,870,575.27</u>	<u>\$ 134,832.39</u>	<u>\$ 1,126,080.65</u>	<u>\$ 16,940,510.35</u>	<u>\$ 147,089.02</u>	<u>\$ 86,125,232.19</u>	<u>\$ 295,649,234.13</u>

See Notes to Financial Statements

PRINCETON
COUNTY OF MERCER
COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - ALL FUND TYPES AND ACCOUNT GROUP
REGULATORY BASIS
DECEMBER 31, 2013

Exh. A - 1
Page 2 of 2

	CURRENT FUND	GENERAL CAPITAL FUND	TRUST FUNDS	AFFORDABLE HOUSING UTILITY OPERATING FUND	AFFORDABLE HOUSING UTILITY CAPITAL FUND	PARKING UTILITY OPERATING FUND	PARKING UTILITY CAPITAL FUND	PUBLIC ASSISTANCE FUND	FIXED ASSET ACCOUNT GROUP	TOTAL DEC. 31, 2013
LIABILITIES, RESERVES AND FUND BALANCE										
Overpayments	\$ 178,063.39	\$	\$		\$	\$	\$	\$	\$	\$ 178,063.39
Appropriation Reserves	4,348,797.89					16,420.93				4,365,218.82
Prepaid Taxes and Utility Charges	1,237,640.93									1,237,640.93
Federal and State Grants:										
Appropriated Reserves	1,634,021.38									1,634,021.38
Unappropriated Reserves	84,529.99									84,529.99
Encumbrances	6,681.05									6,681.05
Other Liabilities and Reserves:										
Due to State of New Jersey	35,361.20									35,361.20
Reserve for Future Debt Service	1,646,246.15	1,927,747.68					375,000.00			3,948,993.83
Premium on Tax Sale Certificates	548,300.00									548,300.00
Capital Improvement Fund		959,937.18								959,937.18
Other Reserves	2,173,470.63	147,108.35	14,770,180.83	2,066,969.94		4,166.66		112,769.06		19,274,665.47
Improvement Authorizations		33,154,600.32			67,702.05		2,021,567.15			35,243,869.52
Reserve for Encumbrances	546,744.83	1,116,370.63	42,966.13	29,548.58		29,019.01	94,230.00			1,858,879.18
Prospective Assessments Funded		8,325.00	327,302.50							335,627.50
Interfunds Payable	199,596.17	3,075,409.53	452,293.67	117,694.04						3,844,993.41
Serial Bonds Payable		72,763,656.30	226,343.90				10,795,000.00			83,785,000.20
Bond Anticipation Notes		6,500,000.00								6,500,000.00
Green Trust Loan Payable		1,621,692.45								1,621,692.45
Environmental Infrastructure Loans		15,622,151.00								15,622,151.00
Reserve for Receivables	4,981,114.51			403,032.50						5,384,147.01
Deferred Reserve for Amortization							3,626,434.77			3,626,434.77
Other Payables	487,756.06					188,077.52				675,833.58
Investment in Fixed Assets									86,125,232.19	86,125,232.19
Fund Balance	13,125,910.28	3,593,570.77	761,023.56	253,330.21	67,130.34	888,396.53	28,278.43	34,319.96		18,751,960.08
	<u>\$ 31,234,234.46</u>	<u>\$ 140,490,569.21</u>	<u>\$ 16,580,110.59</u>	<u>\$ 2,870,575.27</u>	<u>\$ 134,832.39</u>	<u>\$ 1,126,080.65</u>	<u>\$ 16,940,510.35</u>	<u>\$ 147,089.02</u>	<u>\$ 86,125,232.19</u>	<u>\$ 295,649,234.13</u>

See Notes to Financial Statements

PRINCETON
COUNTY OF MERCER
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - REGULATORY BASIS
CURRENT AND UTILITY OPERATING FUNDS
FOR THE YEAR ENDED DEC. 31, 2013

	CURRENT FUND	AFFORDABLE HOUSING UTILITY OPERATING FUND	PARKING UTILITY OPERATING FUND	GENERAL CAPITAL FUND	AFFORDABLE HOUSING CAPITAL FUND	PARKING CAPITAL FUND	PUBLIC ASSISTANCE FUND	TOTAL DEC. 31, 2013
Revenues:								
Fund Balance Appropriated	\$ 5,800,000.00	\$	\$ 110,000.00					\$ 5,800,000.00
Miscellaneous Revenue	23,954,681.66	250,124.50	3,930,499.45					28,135,305.61
Receipts from Delinquent Taxes	1,654,150.70							1,654,150.70
Amount to be Raised by Taxes for Support of Municipal Budget:								
Local Tax for Municipal Purposes	32,987,140.23							32,987,140.23
Total Budget Revenue	64,395,972.59	250,124.50	4,040,499.45					68,686,596.54
Other Credits to Income	4,683,568.24	66,091.58	75,423.64	2,896,763.94			474,898.82	8,196,746.22
Total Revenues	69,079,540.83	316,216.08	4,115,923.09	2,896,763.94			474,898.82	76,883,342.76
Expenditures:								
General Government	6,003,018.81	220,975.36	1,219,989.00					7,443,983.17
Land Use Administration	645,623.00							645,623.00
Public Safety	9,506,649.90							9,506,649.90
Public Works	3,824,666.00							3,824,666.00
Health & Human Services	1,141,725.00							1,141,725.00
Parks and Recreation	887,039.00							887,039.00
Unclassified	9,879,653.00							9,879,653.00
Deferred Charges and Statutory Expenditures	3,766,447.00							3,766,447.00
Current Fund Excluded From CAPS:								
General Government	8,186,619.00							8,186,619.00
Public and Private Programs	575,068.02							575,068.02
Capital Improvements	250,000.00							250,000.00
Debt Service	10,918,273.07		945,824.75					11,864,097.82
Deferred Charges	1,205,118.00		226,362.00					1,431,480.00
Surplus - General Budget			1,400,000.00					1,400,000.00
Reserve for Uncollected Taxes	3,483,205.17							3,483,205.17
Total Budget Expenditures	60,273,104.97	220,975.36	3,792,175.75					64,286,256.08
Other Charges	1,524,378.04			1,500,000.00	63.50		387,592.81	3,412,034.35
Total Expenditures	61,797,483.01	220,975.36	3,792,175.75	1,500,000.00	63.50		387,592.81	67,698,290.43

PRINCETON
COUNTY OF MERCER
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - REGULATORY BASIS
CURRENT AND UTILITY OPERATING FUNDS
FOR THE YEAR ENDED DEC. 31, 2013

	CURRENT FUND	AFFORDABLE HOUSING UTILITY OPERATING FUNDS	PARKING UTILITY OPERATING FUNDS	GENERAL CAPITAL FUND	AFFORDABLE HOUSING CAPITAL FUND	PARKING CAPITAL FUND	PUBLIC ASSISTANCE FUND	TOTAL DEC. 31, 2013
Statutory Excess to Fund Balance	7,282,057.82	95,240.72	323,747.34	1,396,763.94	(63.50)		87,306.01	9,185,052.33
Fund Balance Jan. 1, 2013	<u>11,643,852.46</u>	<u>158,089.49</u>	<u>674,649.19</u>	<u>2,196,806.83</u>	<u>67,193.84</u>	<u>28,278.43</u>	<u>59,783.01</u>	<u>14,828,653.25</u>
	18,925,910.28	253,330.21	998,396.53	3,593,570.77	67,130.34	28,278.43	147,089.02	24,013,705.58
Decreased by: Utilized in Budget	<u>5,800,000.00</u>		<u>110,000.00</u>					<u>5,910,000.00</u>
Fund Balance Dec. 31, 2013	<u>\$ 13,125,910.28</u>	<u>\$ 253,330.21</u>	<u>\$ 888,396.53</u>	<u>\$ 3,593,570.77</u>	<u>\$ 67,130.34</u>	<u>\$ 28,278.43</u>	<u>\$ 147,089.02</u>	<u>\$ 18,103,705.58</u>

Fund Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

Exhibit - B-1

CURRENT FUND
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2013

<u>ASSETS</u>	<u>BALANCE DEC. 31.2013</u>	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>BALANCE DEC. 31.2013</u>
Cash and Investments - Treasurer Change Fund	\$ 22,552,058.53 1,515.00	Liabilities:	\$ 4,348,797.89
Due from State of N.J. Per Chap. 73, P.L. 1976	250.00	Appropriation Reserves	546,744.83
	<u>22,553,823.53</u>	Reserve for Encumbrances	176,971.18
		Tax Overpayments	1,092.21
		Sewer Overpayments	199,596.17
Receivables and Other Assets With		Due to Trust Other Fund	487,756.06
Full Reserves:		Accounts Payable	31,740.00
Taxes Receivable	1,195,427.21	Due to State of NJ BOCA Fees	3,621.20
Tax Title Liens Receivable	95,836.80	Due to County	145,337.25
Sewer Charges Receivable	62,057.25	Due to Lien Holder	306,452.11
Delinquent Interest & Penalty	37,701.87	Prepaid Taxes	1,203,067.84
Property Acquired for Taxes at		Prepaid Sewer	34,573.09
Assessed Value	330,100.00	Premium on Tax Sale Certificates	548,300.00
Revenue Accounts Receivable	108,712.26	Miscellaneous Reserves	1,681,681.27
Interfunds Receivable	3,151,279.12	Reserve for Debt Service - Green Trust	<u>1,646,246.15</u>
	<u>4,981,114.51</u>		11,361,977.25
Deferred Charges:			
Emergency Appropriation	1,934,064.00	Reserve for Receivables	4,981,114.51
	<u>1,934,064.00</u>	Fund Balance	<u>13,125,910.28</u>
Total Current Fund	<u>29,469,002.04</u>	Total Current Fund	<u>29,469,002.04</u>
Grant Fund:		Grant Fund:	
Cash and Investments - Treasurer	475,274.74	Reserve for Encumbrances	6,681.05
State & Federal Grants Receivable	<u>1,304,717.68</u>	Due To Current Fund	40,000.00
		Reserve for State & Federal Grants:	
		Appropriated	1,634,021.38
		Unappropriated	<u>99,289.99</u>
Total Grant Fund	<u>1,779,992.42</u>	Total Grant Fund	<u>1,779,992.42</u>
	<u>\$ 31,248,994.46</u>		<u>\$ 31,248,994.46</u>

Note: See Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF OPERATIONS AND CHANGE IN
FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

<u>REVENUE AND OTHER INCOME</u>	<u>YEAR 2013</u>
Fund Balance Utilized	\$ 5,800,000.00
Miscellaneous Revenues Anticipated	23,128,540.42
Receipts from Delinquent Taxes	1,654,150.70
Receipts from Current Taxes	142,639,709.94
Non-Budget Revenue	826,141.24
Other Credits to Income:	
Unexpended Balance of Approp.	
Reserves Lapsed	4,655,945.42
Adjustment to Correct Senior Citizens/Vet. Balance	<u>27,622.82</u>
	<u>178,732,110.54</u>
<u>EXPENDITURES</u>	
Budget Appropriations:	
Operations:	
Salaries and Wages	16,113,662.47
Other Expenses	24,536,399.26
Deferred Charges and Statutory	
Expenditures	4,971,565.00
Capital Improvements	250,000.00
Municipal Debt Service	10,918,273.07
County Taxes	42,866,889.96
Local District School Taxes	69,123,431.92
Municipal Open Space Tax	1,145,453.00
Prior Year Senior Citizens Vet Deductions Allowed	2,678.00
Interfund Loans Advanced (Net)	<u>1,521,700.04</u>
Total Expenditures	<u>171,450,052.72</u>
Statutory Excess to Fund Balance	7,282,057.82
<u>FUND BALANCE</u>	
Balance - January 1 (Restated)	<u>11,643,852.46</u>
	18,925,910.28
Decreased by:	
Utilized as Anticipated Revenue	<u>5,800,000.00</u>
Balance - December 31	<u>\$ 13,125,910.28</u>

PRINCETON
MERCER COUNTY, NEW JERSEY

Exhibit - B - 3
Page 1 of 2

TRUST FUND
BALANCE SHEET - REGULATORY BASIS
FOR YEAR ENDED DECEMBER 31, 2013

<u>ASSETS</u>	<u>BALANCE DEC. 31, 2013</u>	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>BALANCE DEC. 31, 2013</u>
Assessment Fund:		Assessment Fund:	
Cash and Investments	\$ 931,402.82	Prospective Assessments Funded	\$ 327,302.50
Due from Current Fund		Due to Current Fund	5,719.55
Prospective Assessments Funded	327,302.50	Res. for Assessments, Liens and	
Amount to be Raised by Taxation Assmt. Bonds	51,249.45	Interest and Costs	508,035.22
Assessments & Assmt. Liens Receivable	<u>518,469.96</u>	Assessment Serial Bonds	226,343.90
		Fund Balance	<u>761,023.56</u>
Total Assessment Fund	<u>1,828,424.73</u>	Total Assessment Fund	<u>1,828,424.73</u>
Animal Control Fund:		Animal Control Fund:	
Cash and Investments	<u>63,370.96</u>	Due to Current Fund	31,394.58
		Reserve for Animal Control	<u>31,976.38</u>
Total Animal Control Fund	<u>63,370.96</u>	Total Animal Control Fund	<u>63,370.96</u>
Open Space Trust Fund:		Open Space Trust Fund:	
Cash and Investments	<u>1,625,455.19</u>	Due to Trust Other Fund	52,825.33
		Reserve for Encumbrances	4,284.00
		Due to General Capital Fund	330,000.00
Total Open Space Trust Fund	<u>1,625,455.19</u>	Reserve for Open Space	<u>1,238,345.86</u>
		Total Open Space Trust Fund	<u>1,625,455.19</u>
Unemployment Fund:		Unemployment Fund:	
Cash and Investments	299,355.11	Reserve for Expenditures	<u>331,248.86</u>
Due from Payroll Fund	<u>31,893.75</u>		
Total Unemployment Fund	<u>331,248.86</u>	Total Unemployment Fund	<u>331,248.86</u>
Escrow Trust Fund:		Escrow Trust Fund:	
Cash and Investments	<u>7,527,613.76</u>	Due to Current Fund	30.46
		Professional Fees	448,474.50
		C.O.	311,233.70
		Performance Bonds	3,491,781.90
		Zoning Escrows	1,856,310.59
		Inspection Fees	<u>1,419,782.61</u>
Total Escrow Trust Fund	<u>7,527,613.76</u>	Total Escrow Trust Fund	<u>7,527,613.76</u>

TRUST FUND
BALANCE SHEET - REGULATORY BASIS
FOR YEAR ENDED DECEMBER 31, 2013

Exhibit - B - 3
Page 2 of 2

<u>ASSETS</u>	<u>BALANCE DEC. 31, 2013</u>	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>BALANCE DEC. 31, 2013</u>
Payroll Fund:		Payroll Fund:	
Cash and Investments	<u>170,954.27</u>	Due to Unemployment Trust Fund	31,893.75
		Payroll Expenditures	<u>139,060.52</u>
Total Payroll Fund	<u>170,954.27</u>	Total Payroll Fund	<u>170,954.27</u>
Other Trust Funds:		Other Trust Funds:	
Cash and Investments	4,727,215.86	Reserve for Encumbrances	38,682.13
Due from Open Space Trust	52,825.33	Various Reserves and Deposits	<u>4,941,385.23</u>
Due from Law Enforcement Trust Fund	430.00		
Due from Current Fund	<u>199,596.17</u>		
Total Other Trust Funds	<u>4,980,067.36</u>	Total Other Trust Funds	<u>4,980,067.36</u>
Flexible Spending Trust		Flexible Spending Trust	
Cash and Investments	<u>9,399.69</u>	Reserve for Flexible Spending	<u>9,399.69</u>
Total Flexible Spending Account	<u>9,399.69</u>	Total Flexible Spending Account	<u>9,399.69</u>
Landfill Closure Fund		Landfill Closure Fund	
Cash and Investments	<u>23,635.43</u>	Reserve for Landfill Closure	<u>23,635.43</u>
Total Landfill Account	<u>23,635.43</u>	Total Landfill Account	<u>23,635.43</u>
Law Enforcement Trust Fund		Law Enforcement Trust Fund	
Cash and Investments	<u>19,940.34</u>	Due to Trust Other Fund	430.00
Total Law Enforcement Account	<u>19,940.34</u>	Reserve for Landfill Closure	<u>19,510.34</u>
		Total Law Enforcement Account	<u>19,940.34</u>
Grand Total All Trust Funds	<u>\$ 16,580,110.59</u>	Grand Total All Trust Funds	<u>\$ 16,580,110.59</u>

Note: See Notes to Financial Statements

TRUST FUND
STATEMENT OF OPERATIONS AND CHANGE IN
FUND BALANCE - REGULATORY BASIS
ANIMAL CONTROL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

REVENUE AND OTHER INCOMEYEAR 2013

License Fees	\$ 12,495.70
Miscellaneous Fees	1,534.70
Principal/Interest	<u>15,930.31</u>
	<u>29,960.71</u>

EXPENDITURES

Excess Fund Balance Transferred to Current Fund	<u>32,197.85</u>
	32,197.85
Statutory Excess/(Deficit) to Fund Balance	(2,237.14)

FUND BALANCE

Balance - January 1, 2013	<u>34,213.52</u>
Balance - December 31, 2013	<u>\$ 31,976.38</u>

License Fees Collected:

2011	\$ 16,977.73
2012	<u>14,998.65</u>
	<u>\$ \$ 31,976.38</u>

Note: R.S. 4:19-15.11

... there shall be transferred from such special account to the general funds of the municipality any amount then in such special account which is in excess of the total amount paid into such special account during the last two fiscal years preceding."

Note: See Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2013

<u>ASSETS</u>	<u>BALANCE</u> <u>DECEMBER 31, 2013</u>
Cash and Investments - Treasurer	\$ 304,335.37
Prospective Assessments	8,325.00
State Aid Receivable	863,823.09
Infrastructure Loan Receivable	10,194,350.00
Due from Current Fund	
Due from Affordable Housing Capital Fund	
Due from Open Space Trust Fund	330,000.00
Due from Mercer County	1,347,660.00
Due from Other Municipalities	
Due from Princeton Borough	8,831.80
Other Receivables - Recreation Commission	275,000.00
Deferred Charges to Future Taxation:	
Funded	90,007,499.75
Unfunded	37,150,744.20
	<u>\$ 140,490,569.21</u>
 <u>LIABILITIES, RESERVES</u> <u>AND FUND BALANCE</u>	
General Serial Bonds	\$ 72,763,656.30
Bond Anticipation Notes Payable	6,500,000.00
Infrastructure Loan Payable	15,622,151.00
Green Trust Project Loan Payable	1,621,692.45
Due to Current Fund	3,074,134.53
Due to Affordable Housing Utility Capital Fund	1,275.00
Reserve for Miscellaneous	
Reserve for Encumbrances	1,116,370.63
Improvement Authorizations:	
Funded	6,344,114.65
Unfunded	26,810,485.67
Reserve For:	
Capital Improvement Fund	959,937.18
Future Debt Service Costs	1,927,747.68
Preliminary Costs - Flood Mitigation	1,385.31
Infrastructure Trust Loans	23,596.32
Wastewater Trust Loan	3,626.53
Reserve for Roads	95,000.00
FEMA	23,500.19
Prospective Assessments	8,325.00
Fund Balance	<u>3,593,570.77</u>
	<u>\$ 140,490,569.21</u>

At December 31, 2013 here were Bonds and Notes Authorized but not Issued in the amount of \$30,650,744.20.

Note: See Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
 STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

<u>REVENUE AND OTHER INCOME</u>	<u>YEAR 2013</u>
Cancellation of Improvement Authorizations	\$ <u>2,896,763.94</u>
	<u>2,896,763.94</u>
<u>EXPENDITURES</u>	
Utilized as Current Fund Revenue	<u>1,500,000.00</u>
	<u>1,500,000.00</u>
Statutory Excess to Fund Balance	1,396,763.94
<u>FUND BALANCE</u>	
Balance - January 1	<u>2,196,806.83</u>
Balance - December 31	\$ <u><u>3,593,570.77</u></u>

Note: See Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

AFFORDABLE HOUSING UTILITY FUND
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2013

<u>ASSETS</u>	<u>BALANCE DEC. 31, 2013</u>	<u>LIABILITIES, RESERVES AND FUND BALANCES</u>	<u>BALANCE DEC. 31, 2013</u>
Operating Fund:		Operating Fund:	
Cash and Investments - Treasurer	\$ 2,467,542.77	Liabilities:	
	<u>2,467,542.77</u>	Reserve for Encumbrances	\$ 29,548.58
		Due to Affordable Housing Capital Fund	117,694.04
		Reserves:	
Receivables and Inventory With		Affordable Housing	370,602.60
Full Reserves:		Rehabilitation Program	148,591.55
Accounts Receivables-Wash Oaks	28,000.00	Unit Repurchases	1,004,994.01
Accounts Receivable 234 Brickhouse	30,764.86	Affordability Assistance	123,360.46
Down Payment Assistance Program Rec.	70,676.41	Affordable Housing-Sect. 10B340	<u>419,421.32</u>
Morning Star Church Tax Lien	9,357.04		2,214,212.56
Rehabilitation Mortgage Receivable	<u>264,234.19</u>		
	<u>403,032.50</u>	Reserve for Receivables	403,032.50
		Fund Balance	<u>253,330.21</u>
Total Operating Fund	<u>2,870,575.27</u>	Total Operating Fund	<u>2,870,575.27</u>
Capital Fund:		Capital Fund:	
Fixed Capital Authorized and Uncompleted	15,863.35	Improvement Authorizations:	
Due from Affordable Housing Utility Fund	117,694.04	Unfunded	67,702.05
Due from General Capital Fund	<u>1,275.00</u>	Fund Balance	<u>67,130.34</u>
Total Capital Fund	<u>134,832.39</u>		134,832.39
	<u>\$ 3,005,407.66</u>	Total Capital Fund	<u>\$ 3,005,407.66</u>

There were Bonds and Notes Authorized but not Issued at December 31, 2013 in the amount of \$15,863.35.

Note: See Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

AFFORDABLE HOUSING UTILITY OPERATING FUND
 STATEMENT OF OPERATIONS AND
 CHANGE IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

<u>REVENUE AND OTHER INCOME</u>	<u>2013</u>
Miscellaneous Revenues Anticipated	\$ 250,124.50
Non-Budget Revenue	40,445.59
Other Credits to Income:	
Prior Year Encumbrances Cancelled	<u>25,645.99</u>
Total Revenues	<u>316,216.08</u>
 <u>EXPENDITURES</u>	
Budget Expenditures:	
Salaries and Wages	77,818.25
Other Expenses	<u>143,157.11</u>
Total Expenditures	<u>220,975.36</u>
Excess in Revenues	95,240.72
 <u>FUND BALANCE</u>	
Balance - January 1	<u>158,089.49</u>
Balance -December 31	<u>\$ 253,330.21</u>

Note: See Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

AFFORDABLE HOUSING CAPITAL FUND
STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

YEAR 2013

EXPENDITURES

Due to Affordable Housing Operating	<u>63.50</u>
	<u>63.50</u>
Statutory Excess/(Deficit) to Fund Balance	(63.50)

FUND BALANCE

Balance - January 1	<u>67,193.84</u>
Balance - December 31	\$ <u><u>67,130.34</u></u>

Note: See Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY
PARKING UTILITY FUND
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2013

<u>ASSETS</u>	<u>BALANCE DEC. 31, 2013</u>	<u>LIABILITIES, RESERVES AND FUND BALANCES</u>	<u>BALANCE DEC. 31, 2013</u>
Operating Fund:		Operating Fund:	
Cash and Investments - Treasurer	<u>\$ 1,126,080.65</u>	Liabilities:	
		Reserve for Encumbrances	\$ 29,019.01
		Appropriation Reserves	16,420.93
		Accounts Payable	20,870.23
		Accrued Interest on Bonds	167,207.29
		Reserve for Security Deposit Hinkson	4,166.66
		Fund Balance	<u>888,396.53</u>
Total Operating Fund	<u>1,126,080.65</u>	Total Operating Fund	<u>1,126,080.65</u>
Capital Fund:		Capital Fund:	
Cash and Investments - Treasurer	493,076.04	Serial Bonds Payable	10,795,000.00
Fixed Capital Authorized & Uncompleted	2,771,822.65	Improvement Authorizations	
Fixed Capital	<u>13,675,611.66</u>	Funded	195,674.15
		Unfunded	1,825,893.00
		Reserve for Encumbrances	94,230.00
		Reserve for:	
		Debt Service	375,000.00
		Deferred Amortization	3,626,434.77
		Fund Balance	<u>28,278.43</u>
Total Capital Fund	<u>16,940,510.35</u>	Total Capital Fund	<u>16,940,510.35</u>
	<u>\$ 18,066,591.00</u>		<u>\$18,066,591.00</u>

There were Bonds and Notes Authorized but not Issued at December 31, 2013 in the amount of \$2,025,999.54.

Note: See Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

Exhibit - B-11

PARKING UTILITY OPERATING FUND
STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

REVENUE AND OTHER INCOME

2013

Operating Fund Balance	\$ 110,000.00
Miscellaneous Revenues Anticipated	3,930,499.45
Non-Budget Revenue	22,654.51
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	49,791.63
Refund of Prior Years Expenditures	<u>2,977.50</u>
Total Revenues	<u>4,115,923.09</u>

EXPENDITURES

Budget Expenditures:	
Salaries and Wages	590,614.00
Other Expenses	629,375.00
Debt Service	945,824.75
Deferred Charges	226,362.00
Surplus - General Budget	<u>1,400,000.00</u>
Total Expenditures	<u>3,792,175.75</u>

Excess in Revenues	323,747.34
--------------------	------------

FUND BALANCE

Balance - January 1	<u>674,649.19</u>
	998,396.53
Decreased by:	
Utilized as Anticipated Revenue	<u>110,000.00</u>
Balance -December 31	<u>\$ 888,396.53</u>

Note: See Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

PARKING UTILITY CAPITAL FUND
STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

YEAR 2013

FUND BALANCE

Balance - January 1	<u>28,278.43</u>
Balance - December 31	\$ <u><u>28,278.43</u></u>

Note: See Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

PUBLIC ASSISTANCE FUND
 COMPARATIVE BALANCE SHEET - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>BALANCE DEC 31, 2013</u>
<u>ASSETS</u>	
Cash:	
Treasurer	\$ <u>147,089.02</u>
	\$ <u><u>147,089.02</u></u>
 <u>LIABILITIES AND RESERVES</u>	
SSI Due to Clients	\$ 1,238.31
Reserve for Public Assistance	76,010.35
Advanced State Aid	<u>69,840.36</u>
	\$ <u><u>147,089.02</u></u>

Note: See Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

PUBLIC ASSISTANCE FUND
 STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

<u>REVENUE AND OTHER INCOME</u>	<u>YEAR 2013</u>
Client Refunds	\$ 340,047.06
State Aid for Public Assistance	10,397.50
Interest Earned	620.48
Miscellaneous	<u>123,833.78</u>
	<u>474,898.82</u>
 <u>EXPENDITURES</u>	
Payments for Public Assistance	296,454.09
Miscellaneous	<u>91,138.72</u>
	<u>387,592.81</u>
 Statutory Excess to Fund Balance	87,306.01
 <u>FUND BALANCE</u>	
Balance - January 1	<u>59,783.01</u>
Balance - December 31	\$ <u><u>147,089.02</u></u>

Note: See Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
THE YEAR ENDED DECEMBER 31, 2013

Note 1: FORM OF GOVERNMENT

On January 1, 2013 the Township of Princeton and the Borough of Princeton consolidated to become one municipality, Princeton. Princeton operates under the legislative authority of N.J.S.A. 40A:60-1 et seq., which provides for the election of a mayor to serve a term of four years, and a council of six members serving three-year terms. The mayor is the head of the executive branch of municipal government and the council is the legislative body. Princeton has adopted an administrative code, which provides in part for the delegation of a portion of executive responsibilities to an administrator and for the organization of the council into standing committees to oversee various municipal activities.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Except as noted below, the financial statements of Princeton include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by Princeton, as required by N.J.S.A. 40A: 5-5. Accordingly, the financial statements of Princeton do not include the operations of the municipal library, the board of education, recreation commission, first aid organizations, volunteer fire companies or fire districts.

B. Description of Funds

The accounting policies of Princeton 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. 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, Princeton accounts for its financial transactions through the following separate funds:

Current Fund - resources and expenditures for governmental operations of a general nature, including Federal and State grant funds, except as otherwise noted.

Trust Fund - receipts, custodianship and disbursement of funds in accordance with the purposes for which each reserve was created. Pursuant to the provisions of N.J.S.A. 40A: 4-39, the financial transactions of the following funds and accounts are also reported within the Trust Fund:

Assessment Trust Fund	Board of Health Flu Shot Fees
Animal Control Trust Fund	Municipal Public Defender Fees
Unemployment Compensation	Disposal of Forfeited Property
Insurance Trust Fund	Dedicated Donations (Parks, Public Safety,
Developer's Escrow Fund	Shade Trees, etc.)
Open Space Trust Fund	Uniform Fire Safety Act Penalties
Payroll & Payroll Agency Fund	Electronic Receipts Fees
Police Off-Duty Pay	Snow Removal Trust Fund
Mountain Lakes Nature Preserve	Accumulated Absences Fund
Donations	Construction Code Fees
Parking Adjudication Act	

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

B. Description of Funds (Cont'd.)

General Capital Fund - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes authorized for said purposes.

Affordable Housing Utility Fund - resources and expenditures relating to the maintenance and expansion of affordable housing units within the municipality.

Parking Utility Operating Fund - revenues and expenditures for the operations and acquisition of capital facilities of the municipally-owned parking utility.

Parking Utility Capital Fund - resources, including federal and state grants in aid of construction, and expenditures for the acquisition of parking utility capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes authorized for said purposes.

Public Assistance Fund - receipt and disbursement of funds that provide assistance to certain residents of Princeton pursuant to Title 44 of New Jersey Statutes.

General Fixed Assets - The General Fixed Asset Account Group is used to account for fixed assets used in municipal operations, for control purposes. Infrastructure assets such as roads, sidewalks, wastewater collection and transmission systems, etc. are not capitalized. General fixed assets acquired prior to 1985 are valued at historical cost or estimated historical cost if actual historical cost was not available. Assets acquired or constructed subsequent to 1985 are valued at historical cost. Contributed capital is valued at the estimated fair market value of the asset at the date of the contribution. No depreciation is recorded on general fixed assets.

The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting principles. GASB's Codification of Governmental Accounting and Financial Reporting Standards and subsequent GASB pronouncements are recognized as U.S. generally accepted accounting principles (GAAP) for state and local governments. GAAP provides for the issuance of entity-wide financial statements along with the presentation of separate fund financial statements that differ from the organization of funds prescribed under the regulatory basis of accounting utilized by Princeton. The resultant presentation of financial position and results of operations in the form of financial statements is not intended to present the basic financial statement presentation required by GAAP.

C. Basis of Accounting and Measurement Focus

The basis of accounting as prescribed by the Division of Local Government Services for its operating funds is generally a modified cash basis for revenue recognition and a modified accrual basis for expenditures. The operating funds utilize a "current financial resources" measurement focus. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. The most significant is the GAAP basis reporting of consolidated entity-wide financial statements on a full accrual basis, which are not presented in the accounting principles prescribed by the Division. The other more significant differences are as follows:

Revenues - Revenues are recorded as received in cash except for statutory reimbursements and grant funds that are due from other governmental units. State and Federal grants, entitlements and shared revenues received for operating purposes are realized as revenues when anticipated in the budget. Receivables for property taxes and affordable housing charges and parking fees are recorded with offsetting reserves within the Current Fund, Affordable Housing Utility Fund, and Parking Utility Fund respectively. Other amounts that are due to Princeton, which are susceptible to accrual are recorded as receivables with offsetting reserves. These reserves are liquidated and revenues are recorded as realized upon receipt of cash. GAAP requires the recognition of revenues for general operations in the accounting period in which they become available and measurable.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

C. Basis of Accounting and Measurement Focus (Cont'd.)

Expenditures - For purposes of financial reporting, expenditures are recorded as "paid or charged" or "appropriation reserves". Paid or charged refers to Princeton's "budgetary" basis of accounting. Generally, these expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Reserves for un-liquidated encumbrances at the close of the year are reported as a cash liability. Encumbrances do not constitute expenditures under GAAP. Appropriation reserves refer to unexpended appropriation balances at the close of the year. Appropriation reserves are automatically created and recorded as a cash liability, except for amounts which may be cancelled by the governing body. Appropriation reserves are available until lapsed at the close of the succeeding year to meet specific claims, commitments or contracts incurred and not recorded in the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Generally, unexpended balances of budget appropriations are not recorded as expenditures under GAAP. Expenditures for the costs of post-employment benefits other than pensions (other post-employment benefits or "OPEB") are recorded in the accounting period in which the payments are made. GAAP requires recognition of the actuarially determined estimated OPEB cost during the employment period of each employee, during which any OPEB benefit is earned. See Note 10 for OPEB disclosure required by GASB 45.

For the purpose of calculating the results of Current Fund operations, the regulatory basis of accounting utilized by Princeton requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories of over-expenditures and emergency appropriations. Over-expenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Over-expenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the Current Fund balance sheet. GAAP does not permit the deferral of over-expenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance.

The Local Budget Law (N.J.S.A. 40A:4-1 et seq.) requires that certain operating transfers between funds, transfers of anticipated operating surpluses among the Current Fund, Affordable Housing Utility and Parking Utility Fund transfers from utility operating funds to capital funds (to finance capital projects) and transfers from the Current Fund to the Trust Funds or General Capital Fund are required to be included in Princeton's annual budgets as budget appropriations. Expenditures are recorded upon the adoption of the budget for legally required transfers, and upon the determination of availability of funds for any discretionary transfers. Under GAAP, operating transfers are not recognized as expenditures.

New Jersey statutes require municipalities to provide annual funding to Free Public Libraries through the Current Fund Budget. Amounts paid on behalf of the Free Public Library or transferred to the custody of the Library's management are recorded as budgetary expenditures of Princeton, notwithstanding the fact that the Library is recognized as a separate entity for financial reporting purposes. Under GAAP, the Library would be recognized, as a "component unit" of Princeton, and discrete reporting of the Library's financial position and operating results would be incorporated in Princeton's financial statements.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

C. Basis of Accounting and Measurement Focus (Cont'd.)

Compensated Absences - Princeton records expenditures for payments of earned and unused vacation and sick leave in the accounting period in which the payments are made. GAAP requires that expenditures be recorded in the governmental (Current) fund in an amount that would normally be liquidated with available financial resources, and that expenditures be recorded in the enterprise (Affordable Housing Utility and Parking Utility Fund) fund on a full accrual basis. New Jersey statutes permit the establishment of a dedicated trust fund to accumulate resources for future payments of earned and unused sick and vacation pay. The use of this funding vehicle is discretionary. Note 13 provides additional disclosures relating to accrued and unrecorded compensated absence liabilities and current reserve funding status.

Other Post Employment Benefits (OPEB) - The Local Finance Board has promulgated rules for minimum financial statement disclosures for OPEB that follow the requirements of GASB Statement No 45. The requirements include: 1) A tracking of the Net OPEB Obligation, including the annual Required Contribution (ARC) less any contributions made; 2) The Actuarial Accrued Liability (AAL), the Unfunded Actuarial Accrued Liability (UAAL), and UAAL as a percentage of current period payrolls for employees eligible to receive benefits upon attaining the requisite age and service requirements; and 3) A summary of the significant actuarial assumptions, including the discount rate used. Princeton implemented this new disclosure standard for December 31, 2009. As this reporting standard does not require the recognition of an expenditure and/or liability on the face of the financial statements, the disclosures included in Note 12 do not impact the amounts reported in the accompanying financial statements.

Property Acquired for Taxes - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the general fixed asset account group at the lower of cost or fair market value.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the accounting period the receivables are liquidated. GAAP does not require the establishment of an offsetting reserve. Interfund receivables in the other funds are not offset by reserves.

Sale of Municipal Assets - Cash proceeds from the sale of Princeton owned property may be realized as revenue or reserved until utilized as an item of revenue in a subsequent year budget. Year-end balances of reserved proceeds are reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period that the terms of the sales contracts become legally enforceable.

General Fixed Assets - Property and equipment purchased by the Current and the General Capital Funds are recorded within the respective funds as expenditures at the time of purchase and are not capitalized. Contributions in aid of construction are not capitalized within the various funds of the municipality. Depreciation on general fixed assets is not recorded as an operating expense within the funds or in the combined financial statements. GAAP does not require recognition of depreciation of these assets as an operating expense of the funds, but does require the recognition of depreciation of governmental fixed assets as a governmental operating expense in the entity-wide financial statements. New Jersey Administrative Code 5:30-5.6 established a mandate for fixed asset accounting by municipalities, effective December 31, 1985. All non-infrastructure fixed assets acquired by Princeton are recorded at cost, if available or by other acceptable methods when historical cost data was not available.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

C. Basis of Accounting and Measurement Focus (Cont'd.)

Utility Fixed Assets - Property and equipment purchased by Parking Utility Fund are recorded as expenditures and are also capitalized within the utility capital fund at cost with an offsetting reserve for amortization, and are adjusted for disposition and abandonment. The amounts shown as utility fixed capital do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the costs of acquisitions of property, equipment and improvements. GAAP does not require the establishment of a reserve for amortization for utility fixed assets, but does require the recognition of depreciation of these assets as an operating expense of the utility. The provisions of New Jersey Administrative Code 5:30-5.6 also established a mandate for utility fund fixed asset accounting by municipalities. All non-infrastructure utility fixed assets acquired or constructed with utility financial resources are recorded at cost, if available or by other acceptable methods when historical cost data was not available.

Disclosures About Fair Value of Financial Instruments - The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and cash equivalents and short-term investments - The carrying amount approximates fair value because of the short maturity of those instruments.

Long-term debt - The Princeton's long-term debt is stated at face value. The debt is not traded and it is not practicable to determine its fair value without incurring excessive cost. Additional information pertinent to Princeton's long-term debt is disclosed in Note 3 to the financial statements.

Recent Accounting Standards

GASB issued Statement No. 65, "Items Previously Reported as Assets and Liabilities" in March 2012. The 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 issued Statement No. 66, "Technical Corrections – 2012, an amendment of GASB Statements No. 10 and No. 62" in March 2012. The objective of the Statement is to improve accounting and financial reporting by state and local governmental entities by resolving conflicting guidance from the issuance of two pronouncements – Statements No. 54 and No. 62.

GASB issued Statement No. 67, "Financial Reporting for Pension Plans", and amendment to GASB Statement No. 25 in June 2012. The objective of this Statement is to improve the usefulness of pension information included in the general purpose external financial reports of state and local governmental pension plans for making decisions and assess accountability.

GASB issued Statement NO 68, "Accounting and Financial Reporting for Pensions: which amends GASB Statement No. 27. The objective of the Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities.

GASB issued Statement No. 69, "Government Combinations and Disposals of Government Operations in January 2013. This Statement establishes account and financial reporting standards related to government combinations and disposals of government operations.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

C. Basis of Accounting and Measurement Focus (Cont'd.)

GASB issued Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees" in April 2013. This statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee.

Princeton does not prepare its financial statements in accordance with generally accepted accounting principles in the United States of America. A statistical section, which incorporates much of the reporting required by GASB 44, accompanies the Princeton's financial statements. Princeton has not adopted the provisions of any of the GASB statements listed above. The effect of the adoption of the GASB standards cannot be determined.

Use of Estimates – The preparation of the financial statements requires management of Princeton 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. Accordingly, actual results could differ from those estimates.

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

Calculation of "Self-Liquidating Purpose"

Affordable Housing Utility Per N.J.S.A. 40A: 2-45

The calculation of "Self-Liquidating Purpose" for the Affordable Housing Utility, per N.J.S.A. 40A: 2-45 is as follows:

	<u>2013</u>
Cash Receipts from Fees, Rents or Other Charges for Year	\$290,570.09
Deductions:	
Operating and Maintenance Costs	220,975.36
Debt Service	<u>0.00</u>
Total Deductions	<u>220,975.36</u>
Excess in Revenues	<u>\$69,594.73</u>

NOTES TO FINANCIAL STATEMENTS

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

Deduction of Self-Liquidating Utility Debt for Statutory Net Debt – Affordable Housing Utility per N.J.S.A. 40A: 2-45

The differences between the excess in revenues for debt statement purposes and the statutory cash basis for the Affordable Housing Utility Fund is as follows:

	<u>2013</u>
Excess in Revenues - Cash Basis (D-1)	<u>\$69,594.73</u>
Excess in Revenue	<u>\$69,594.73</u>

Calculation of "Self-Liquidating Purpose" Parking Utility Per N.J.S.A. 40A: 2-45

The calculation of "Self-Liquidating Purpose" for the Parking Utility, per N.J.S.A. 40A: 2-45 is as follows:

	<u>2013</u>
Cash Receipts from Fees, Rents or Other Charges for Year	\$4,063,153.96
Deductions:	
Operating and Maintenance Costs	1,219,989.00
Debt Service	<u>945,824.75</u>
Total Deductions	<u>2,165,813.75</u>
Excess in Revenues	<u>\$1,897,340.21</u>

Deduction of Self-Liquidating Utility Debt for Statutory Net Debt – Parking Utility per N.J.S.A. 40A: 2-45

The differences between the excess in revenues for debt statement purposes and the statutory cash basis for the Parking Utility Fund is as follows:

	<u>2013</u>
Excess in Revenues - Cash Basis (D-1)	\$323,747.34
Add: Capital Improvements	226,362.00
Other Debits to Income	<u>1,400,000.00</u>
	1,905,109.34
Less : Other Credits to Income	<u>52,769.13</u>
Excess in Revenue	<u>\$1,897,340.21</u>

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

D. Loan Agreements1. Department of Environmental Protection
Green Trust Program Loans

Princeton has contracted with the State of New Jersey, Department of Environmental Protection to fund a portion of the costs incurred in the acquisition of the Larson Tract, Institute Woods, Poe Property and the Weller Property. Information relating to these loans is as follows:

	<u>Loan #1</u>	<u>Loan #2</u>	<u>Loan #3</u>
Drawn down Date	7/8/97	4/24/97	1/16/99
Loan Amount	\$1,406,200.00	\$631,050.00	\$1,125,000.00
Interest Rates	2.00%	2.00%	2.00%
Due Dates	Jan. 8 & July 8	Apr. 24 & Oct. 24	Jan. 16 & Jul. 16
Number of Payments	39	39	39
Final Payment Date	January 1, 2017	October 24, 2016	July 16, 2018
Semi-Annual Payments	\$43,720.80	\$19,620.35	\$34,978.04

Debt service on the outstanding balance of Green Trust Program Loans at December 31, 2013 is as follows:

<u>Year</u>	<u>Principle</u>	<u>Interest</u>
2014	\$428,682.77	\$30,301.66
2015	437,299.12	21,685.34
2016	446,088.92	12,895.53
2017	240,693.64	4,125.59
2018	68,928.00	1,036.00
Totals	<u>\$1,621,692.45</u>	<u>\$70,044.12</u>

2. Department of Environmental Protection
Environmental Infrastructure Loans

Princeton, during 2007 entered into a loan agreement with the State of New Jersey, Department of Environmental Protection, pursuant to the 2006 New Jersey Environmental Infrastructure Trust Financing Program. The loan consists of two agreements, a Trust Loan Agreement of \$1,810,000 to be repaid over a twenty-year period at interest rates ranging from 4.00% to 5.00%, and a Fund Loan Agreement of 1,778,284 to be repaid over a twenty-year period at no interest.

Debt service on the outstanding balance of the 2006 NJ Environmental Infrastructure Trust Loan at December 31, 2013 is as follows:

<u>Year</u>	<u>Principle</u>	<u>Interest</u>
2014	\$80,000	\$60,650
2015	90,000	56,650
2016	90,000	52,150
2017	90,000	47,650
2018	100,000	44,050
2019-2023	550,000	157,438
2024-2026	<u>390,000</u>	<u>34,902</u>
Totals	<u>\$1,390,000</u>	<u>\$453,490</u>

NOTES TO FINANCIAL STATEMENTS

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

D. Loan Agreements (cont'd)

2. Department of Environmental Protection Environmental Infrastructure Loans (cont'd)

Debt service on the outstanding balance of the 2006 NJ Environmental Infrastructure Fund Loan at December 31, 2013 is as follows:

<u>Year</u>	<u>Principle</u>
2014	\$90,494
2015	94,354
2016	91,460
2017	88,564
2018	92,682
2019-2023	455,164
2024-2026	<u>273,380</u>
Totals	<u>\$1,186,098</u>

In addition Princeton, during 2007 entered into a loan agreement with the State of New Jersey, Department of Environmental Protection, pursuant to the 2007 New Jersey Environmental Infrastructure Trust Financing Program. The loan consists of two agreements, a Trust Loan Agreement of \$1,740,000 to be repaid over a twenty year period at interest rates ranging from 3.40% to 5.00% and a zero interest Fund Loan Agreement in the amount of \$1,696,442 to be repaid over a twenty year period. The proceeds of this loan are to refurbish the sewer system.

Debt service on the outstanding balance of the 2007 NJ Environmental Infrastructure Trust Loan at December 31, 2013 is as follows:

<u>Year</u>	<u>Principle</u>	<u>Interest</u>
2014	\$70,000	\$63,470
2015	80,000	60,950
2016	80,000	56,950
2017	80,000	52,950
2018	90,000	48,950
2019-2023	510,000	181,350
2024-2026	<u>500,000</u>	<u>55,854</u>
Totals	<u>\$1,410,000</u>	<u>\$520,474</u>

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

D. Loan Agreements (cont'd)

2. Department of Environmental Protection
Environmental Infrastructure Loans (cont'd)

Debt service on the outstanding balance of the 2007 NJ Environmental Infrastructure Fund Loan at December 31, 2013 is as follows:

<u>Year</u>	<u>Principle</u>
2014	\$84,510
2015	89,228
2016	86,704
2017	84,182
2018	87,966
2019-2023	437,056
2024-2026	<u>356,634</u>
Totals	<u>\$1,226,280</u>

Princeton entered into a loan agreement in November 2008 with the State of New Jersey, Department of Environmental Protection, pursuant to the 2008 New Jersey Environmental Infrastructure Trust Financing Program. The loan consists of two agreements, a Trust Loan Agreement of \$2,070,000 to be repaid over a twenty year period at interest rates ranging from 5.00% to 5.50%, and a zero interest Fund Loan Agreement of \$2,068,454 to be repaid over a twenty year period.

Debt service on the outstanding balance of the 2008 NJ Environmental Infrastructure Trust Loan at December 31, 2013 is as follows:

<u>Year</u>	<u>Principle</u>	<u>Interest</u>
2014	\$80,000	\$90,325
2015	90,000	86,325
2016	90,000	81,825
2017	90,000	77,325
2018	100,000	72,825
2019-2023	580,000	282,400
2024-2028	<u>750,000</u>	<u>115,250</u>
Totals	<u>\$1,780,000</u>	<u>\$806,275</u>

Debt service on the outstanding balance of the 2008 NJ Environmental Infrastructure Fund Loan at December 31, 2013 is as follows:

<u>Year</u>	<u>Principle</u>
2014	\$105,102
2015	108,776
2016	106,020
2017	103,266
2018	106,634
2019-2023	530,748
2024-2028	<u>529,952</u>
Totals	<u>\$1,590,498</u>

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

D. Loan Agreements (cont'd)2. Department of Environmental Protection
Environmental Infrastructure Loans (cont'd)

Princeton entered into a loan agreement in 2010 with the State of New Jersey, Department of Environmental Protection, pursuant to the 2010 New Jersey Environmental Infrastructure Trust Financing Program. The loan consists of two agreements, a Trust Loan Agreement of \$1,400,000 to be repaid over a twenty year period at interest rates ranging from 3.00% to 5.50%, and a zero interest Fund Loan Agreement of \$4,293,898 to be repaid over a twenty year period.

Debt service on the outstanding balance of the 2010 NJ Environmental Infrastructure Trust Loan at December 31, 2013 is as follows:

<u>Year</u>	<u>Principle</u>	<u>Interest</u>
2014	\$55,000	\$52,775
2015	55,000	50,025
2016	60,000	47,275
2017	65,000	44,275
2018	65,000	41,025
2019-2023	380,000	158,925
2024-2029	<u>570,000</u>	<u>81,725</u>
Totals	<u>\$1,250,000</u>	<u>\$476,025</u>

Debt service on the outstanding balance of the 2010 NJ Environmental Infrastructure Fund Loan at December 31, 2013 is as follows:

<u>Year</u>	<u>Principle</u>
2014	\$218,334
2015	218,334
2016	218,334
2017	218,334
2018	218,334
2019-2023	1,091,670
2024-2029	<u>1,310,004</u>
Totals	<u>\$3,493,344</u>

Princeton entered into a loan agreement in 2012 with the State of New Jersey, Department of Environmental Protection, pursuant to the 2012 New Jersey Environmental Infrastructure Trust Financing Program. The loan consists of two agreements, a Trust Loan Agreement of \$1,170,000 to be repaid over a twenty year period at interest rates ranging from 3.00% to 5.50%, and a zero interest Fund Loan Agreement of \$1,273,893 to be repaid over a twenty year period.

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

D. Loan Agreements (cont'd)2. Department of Environmental Protection
Environmental Infrastructure Loans (cont'd)

Debt service on the outstanding balance of the 2012 NJ Environmental Infrastructure Trust Loan at December 31, 2013 is as follows:

<u>Year</u>	<u>Principle</u>	<u>Interest</u>
2014	40,000	\$53,120
2015	45,000	51,920
2016	45,000	48,216
2017	49,999	44,063
2018	50,000	41,563
2019-2023	285,000	168,564
2024-2028	365,000	90,809
2029-2031	<u>250,000</u>	21,269
Totals	<u>\$1,129,999</u>	<u>\$519,524</u>

Debt service on the outstanding balance of the 2012 NJ Environmental Infrastructure Fund Loan at December 31, 2013 is as follows:

<u>Year</u>	<u>Principle</u>
2014	\$64,774
2015	64,774
2016	64,774
2017	64,774
2018	64,773
2019-2023	323,866
2024-2028	323,872
2029-2031	<u>194,323</u>
Totals	<u>\$1,165,930</u>

Pursuant to the provisions of N.J.S.A. 40A: 2-1 et seq. the combined outstanding principle of these loans has been included in the calculation of Princeton's statutory debt condition.

General Obligation Refunding Bonds, Series 2013

Princeton issued \$19,195,000 in General Obligation Refunding Bonds, Series 2013, dated November 14, 2013, bearing interest at annual rates of 1.00% to 3.00%. The Bonds were issued to refund \$17,659,000 of General Improvement Bonds, Series 2006 with maturities from 2014 through 2026. The interest rates on the refunded bonds ranged from 4.25% to 4.65%. The plan of refunding and restructuring was to reduce total debt service costs and to equalize debt service in future years to the extent possible.

The Refunding transaction will allow Princeton to realize a total of \$1,006,184 in debt savings for general improvement bonds through 2026. The debt service savings is equal to 5.264% of the refunded principal.

NOTES TO FINANCIAL STATEMENTS

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONT'D.)

General Obligation Refunding Bonds, Series 2013 (Cont'd)

The outstanding debt service with respect to Princeton's Series 2013 Refunding Bonds Issued and Outstanding at December 31, 2013 is as follows:

<u>YEAR</u>	<u>PRINCIPLE</u>	<u>INTEREST</u>
2014	\$1,000,000.00	\$246,063.62
2015	785,000.00	408,425.00
2016	785,000.00	400,575.00
2017	1,935,000.00	382,137.50
2018	1,895,000.00	353,412.50
2019	1,440,000.00	324,800.00
2020	1,495,000.00	295,450.00
2021	1,530,000.00	265,200.00
2022	1,570,000.00	226,350.00
2023	1,620,000.00	178,500.00
2024	1,670,000.00	129,150.00
2025	1,710,000.00	78,450.00
2026	<u>1,760,000.00</u>	<u>26,400.00</u>
TOTAL	<u>\$19,195,000.00</u>	<u>\$3,314,913.62</u>

Note 4: FUND BALANCES APPROPRIATED

Fund balances at December 31, which were appropriated and included as anticipated revenue in their own respective funds for the succeeding years were as follows:

	<u>Balance December 31, 2013</u>	<u>Utilized in 2014 Budget</u>
Current Fund	\$13,125,910.28	\$5,800,000.00
Affordable Housing Operating Fund	253,330.21	0.00
Parking Operating Fund	888,396.53	168,450.00

Note 5: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2013, the following deferred charges are shown on the balance sheets of the various funds.

	<u>Balance Dec. 31, 2012</u>	<u>Raised in 2013 Budget</u>	<u>Balance Dec. 31, 2013</u>	<u>Balance to Succeeding Budgets</u>
Current Fund:				
Special Emer.	\$2,589,182.00	\$655,118.00	\$1,934,064.00	\$1,934,064.00
Approp				
Emergency Approp.	<u>550,000.00</u>	<u>550,000.00</u>	<u>0.00</u>	<u>0.00</u>
Total	<u>\$3,139,182.00</u>	<u>\$1,205,118.00</u>	<u>\$1,934,064.00</u>	<u>\$1,934,064.00</u>

\$483,516 of the special emergency appropriation was raised in the 2014 budget.

Note 6: GENERAL FIXED ASSETS

Changes in the carrying values of Princeton's general fixed assets for the year ended December 31, 2013 were as follows:

	<u>Balance December 31, 2012</u>	<u>Increases</u>	<u>Balance December 31, 2013</u>
Land/Buildings	\$70,047,735.95		\$70,047,735.95
Equipment	6,035,893.57	338,898.62	6,374,792.19
Vehicles	<u>9,702,704.05</u>	<u>0.00</u>	<u>9,702,704.05</u>
	<u>\$85,786,333.57</u>	<u>\$338,898.62</u>	<u>\$86,125,232.19</u>

The General Fixed Asset Account Group is used to account for fixed assets used in municipal operations for control purposes. Infrastructure assets such as roads, sidewalks, wastewater collection and transmission systems, etc. are not capitalized. General fixed assets acquired prior to 1985 are valued at historical cost or estimated historical cost if actual historical cost was not available. Assets acquired or constructed subsequent to 1985 are valued at historical cost. Contributed capital is valued at the estimated fair market value of the asset at the date of the contribution. No depreciation is recorded on general fixed assets.

Note 7: UTILITY FIXED ASSETS

Changes in the carrying values of Princeton's Parking Utility fixed assets for the year ended December 31, 2013 were as follows:

	<u>Balance</u> <u>December 31, 2012</u>	<u>Increases</u>	<u>Balance</u> <u>December 31, 2013</u>
Land/Buildings	\$0.00	\$13,475,611.66	\$13,475,611.66
Equipment	200,000.00		200,000.00
Vehicles	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	<u>\$200,000.00</u>	<u>\$13,475,611.66</u>	<u>\$13,675,611.66</u>

Parking Utility assets acquired or constructed are valued at cost. The amounts shown as utility fixed capital do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. No depreciation is recorded on general fixed assets.

Note 8: CORRECTION OF ERRORS IN JANUARY 1, 2013 ACCOUNT BALANCES

A. Current Fund

During the merger process, it was determined that amounts reported in the financial statements of the Borough of Princeton as of December 31, 2012 were not supported by the underlying financial records and have were restated as part of the consolidation. The net downward correction of \$9,531.20 and its impact on the consolidated Current Fund balance at December 31, 2012 was as follows:

	<u>Current Fund</u>
Overstatement of Third Party Liens Payable	\$34,768.80
Understatement of Tax Sale Premiums	<u>(44,300.00)</u>
Net Correction	<u>(9,531.20)</u>
Fund Balance Originally Reported	<u>5,857,421.20</u>
Restated Borough Fund Balance	5,847,890.00
Township Fund Balance at Dec. 31, 2012	<u>5,795,962.46</u>
Restated Consolidated Balance at Dec. 31, 2012	<u>\$11,643,852.46</u>

Note 8: CORRECTION OF ERRORS IN JANUARY 1, 2013 ACCOUNT BALANCES (CONT'D)

B. Parking Utility Capital Fund:

During the merger process, it was determined that amounts reported in the financial statements of the Borough of Princeton as of December 31, 2012 did not reflect the completion of Parking Utility capital projects. Equal and offsetting adjustments to the Fixed Capital and Fixed Capital Authorized and Not Completed accounts in the parking Utility Fund were made during consolidation to reflect the completed status of these projects, as follows:

Overstatement of Fixed Capital Authorized And Not Completed	\$(13,475,611.66)
Balance Originally Reported	<u>16,166,434.31</u>
Restated Balance at December 31, 2012	<u>\$2,690,822.65</u>
Understatement of Fixed Capital	\$13,475,611.66
Balance Originally Reported	<u>200,000.00</u>
Restated Balance at December 31, 2012	<u>\$13,675,611.66</u>

Note 9: DEPOSITS AND INVESTMENTS

State statutes set forth deposit requirements and investments that may be purchased by local units and Princeton deposits and invests its funds pursuant to its policies and an adopted cash management plan.

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund. New Jersey statutes require public depositories to maintain collateral for deposit of public funds that exceed insurance limits to protect deposits from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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 Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five (5) percent of the average daily balance of collected 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, to secure the deposits of governmental units.

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. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

Note 9: DEPOSITS AND INVESTMENTS (CONT'D)

At December 31, 2013, the cash and cash equivalents and investments of Princeton on deposit and on-hand consisted of the following:

	<u>2013</u>
Cash (Demand Accts.)	\$42,845,966.29
Cash Management Fund	663,681.53
Certificate of Deposits	931,352.31
Petty Cash (On-Hand)	<u>1,715.00</u>
	<u>\$44,442,715.13</u>

Based upon GASB criteria, Princeton considers change funds, cash in banks, investments in short-term certificates of deposit and State of New Jersey Cash Management Fund as cash and cash equivalents. At year-end, the carrying amount of Princeton's deposits was \$42,950,594.00 and the bank balance was \$43,777,318.60. Of the bank balance, \$1,500,000.00 was covered by Federal depository insurance and \$41,613,637.07 was covered under the provisions of NJGUDPA.

At December 31, 2013, Princeton has implemented the disclosure requirements of Governmental Accounting Standards Board Statement No. 40 "Deposits and Investment Risk Disclosures" (GASB 40) and accordingly Princeton has assessed the Custodial Risk, the Concentration of Credit Risk and Interest Rate Risk of its cash and investments.

- (a) Custodial Credit Risk – Princeton's deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are: uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name. The deposit risk is that, in the event of the failure of a depository financial institution, Princeton will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. Princeton's investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of Princeton and are held by either: the counterparty or the counterparty's trust department or agent but not in Princeton's name. The investment risk is that, in the event of the failure of the counterparty to a transaction, Princeton will not be able to recover the value of the investment or collateral securities that are in possession of an outside party.
- (b) Concentration of Credit Risk – This is the risk associated with the amount of investments that Princeton has with any one issuer that exceeds 5 percent or more of its total investments. Investment issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.
- (c) Credit Risk – GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In general, Princeton does not have an investment policy regarding Credit Risk except to the extent outlined under Princeton's investment policy. The New Jersey Cash Management Fund is not rated.

Note 9: DEPOSITS AND INVESTMENTS (CONT'D).

- (d) Interest Rate Risk - This is the risk that changes in interest rates will adversely affect the fair value of an investment. Princeton does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate fluctuations.

As of December 31, 2013, based upon the insured balances provided by the FDIC and NJGUDPA coverage, no amounts of Princeton's bank balance was considered exposed to custodial credit risk.

Investments

New Jersey statutes establish the following securities as eligible for the investment Princeton's funds:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States;
2. Government money market mutual funds;
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided such obligation bear a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of Princeton or bonds or other obligations of school districts of which Princeton is a part and within which the school district is located;
5. Bonds or other obligations having a maturity date of not more than 397 days from the date of purchase that are approved by the Division of Investment of the Department of Treasury for investment by local units;
6. Local government investment pools;
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1997, c. 281 (C.52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities, if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3);
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is more than 30 days; and
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.19:9-41) and for which a master repurchase agreement providing for the custody and security of the collateral is executed.

New Jersey Cash Management Fund – All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other Than State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. As of December 31, 2013, Princeton had \$663,681.53 on deposit with the New Jersey Cash Management Fund. Based upon the existing deposit and investment practices, Princeton is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments nor is it exposed to foreign currency risks for its deposits and investments.

Note 10: ASSESSMENT AND COLLECTION OF PROPERTY TAXES

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

Tax bills are prepared and mailed by the Collector of Taxes of Princeton annually and set forth the final tax for the tax year. The bills contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1st and November 1st of the tax year. In addition, the property owner receives a preliminary bill for the succeeding year based on one half of the prior year's tax. The preliminary payments are due and payable on February 1st and May 1st. The New Jersey statutes allow a grace period of 10 days for each payment period and Princeton granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% to 18% of the amount delinquent, 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% may be charged against the delinquency. If taxes are delinquent on or after April 1st of the succeeding year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1st of the current tax year even though the amount due is not known.

Note 11: PENSION AND RETIREMENT PLANS

Employees of Princeton are enrolled in one of two cost sharing multiple-employer public employee retirement systems: the Public Employees Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS). The Division of Pensions in the Department of Treasury, State of New Jersey, administers the PERS and PFRS plans. The plans are funded annually based on the projected benefit method with aggregate level normal cost and frozen initial unfunded accrued liability. The plans, which cover public employees throughout the state, do not maintain separate records for each reporting unit and, accordingly, the actuarial data for the employees of Princeton who are members of the plans are not available. The contributions for the years ended December 31, 2013, exclusive of contributions from employees were \$1,272,601 for PERS and \$1,508,845 for PFRS. The required contributions for PERS and PFRS for 2014 are \$1,197,651 and \$1,456,262 respectively.

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 for PERS and PFRS. These 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, NJ 08625-0295.

Defined Contribution Retirement Program (DCRP)

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. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax sheltered, defined 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 the office or position. The 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 and 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.

Note 11: PENSION AND RETIREMENT PLANS

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

1. All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an office held prior to that date without a break in service may remain in the Public Employee's Retirement System (PERS).
2. 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.
3. 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 administrator 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 the 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% employer contribution. Contributions for 2013 were made in the amount to \$3,103.75.

Note 12: POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS – HEALTH CARE BENEFITS

Plan Description

Princeton contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. On September 10, 2012 Princeton authorized participation in the SHBP's post-retirement benefit program through a resolution approved by the Council. Princeton adopted Chapter 88, P.L. 1974 that provides medical benefits to any employee who has over 25 years of pension service credit.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operations of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. The report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, N.J. 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf.

Funding Policy

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Currently there is no cost-sharing requirement for 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.

Note 12: POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS – HEALTH CARE BENEFITS (CONT'D):

Contributions to pay for health premiums of participating retirees in the SHBP are billed to Princeton on a monthly basis. Princeton's total contributions to SHBP for the year ended December 31, 2013 was \$4,005,410.63 and includes premiums for current employees and their eligible dependents as well as eligible retirees and their eligible dependents.

Retiree Health Valuation

Princeton provides health benefits through its group insurance plan to certain retirees and their dependents for those retired from the Township as of December 31, 2012, as follows:

The former employer assumes the cost if the retired employee meets certain requirements. The Plan Sponsor has agreed to pay retiree coverage if:

1. he or she has 25 or more years of continuous service with Princeton; or
2. Princeton Police Officers qualify with 20 years of service if he or she has 25 years or more in PFRS.

At December 31, 2013, approximately 39 retirees were receiving non-contributory health coverage benefits at an estimated annual cost to Princeton of \$283,132.31 respectively.

This is the first year Princeton is disclosing its postemployment healthcare plan benefit costs based upon the implementation requirements of GASB Statement 45.

The contribution requirements of plan members and the participating agencies are established and may be amended through the collective bargaining process or by action of the Mayor and/or Council. Princeton's annual postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of Princeton's annual OPEB cost for the year, any amounts contributed to the plan and the Princeton's net OPEB obligation.

	<u>2013 Total</u>
Net OPEB Obligation – beginning of year	\$0
Annual required contribution (ARC)	250,000
Interest on Net OPEB Obligation	0
Adjustment to the ARC	<u>0</u>
Annual OPEB Cost	250,000
Less: Contributions	<u>280,000</u>
Net OPEB obligation – end of year	<u><u>\$(30,000)</u></u>

Under the regulatory basis of accounting utilized by Princeton's financial statement recognition of the ARC and Net OPEB obligation is not required and these amounts are not reflected in the reported expenditures and liabilities at December 31, 2013.

Note 12: POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS – HEALTH CARE BENEFITS (CONT'D):

The funded status of the plan for Princeton as of January 1, 2013, is as follows:

	<u>Total</u>
Actuarial accrued liability (AAL)	\$2,650,000
Actuarial value of plan assets	<u>- 0 -</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$2,650,000</u>
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	N/A
UAAL as a percentage of covered payroll	N/A

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health-care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presented as required supplementary information following the notes to the financial statements, presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan and includes the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2013 actuarial valuation, the projected unit credit method was used. A rate of 4.50% was utilized as the discount rate and the amount of increase in the normal cost amount. The unfunded accrued liability is being amortized as a level dollar amount using an open period of thirty (30) years.

Note 13: ACCRUED SICK AND VACATION BENEFITS

Princeton has adopted a written Policy and Procedure Manual that sets forth the terms under which an employee may accumulate unused benefits. General Policy is as follows:

Sick Leave – Sick leave for full-time permanent employees accumulates one sick day for each month of work completed. Any paid sick days advanced during the four-month probationary period must be reimbursed if the employee leaves Princeton service. All regular part-time employees will be credited with paid sick leave on a pro-rated basis. A part-time employee's sick leave may be recalculated in the event of a schedule change. Unused portions of this annually renewed paid sick leave will not be carried over into subsequent calendar years. No additional days will be credited.

Sick Leave for former Borough employees who retire on or before January 1, 2015:

After a minimum of five years of service with the Borough, an employee, upon retirement in good standing, will receive terminal leave or pay based upon unused sick leave, up to a maximum of 180 days of such credit, up to a maximum of \$11,000.00.

Terminal Leave pay and Sick pay payments will no longer be in effect for retirements after January 1, 2015.

Note 13: ACCRUED SICK AND VACATION BENEFITS

Vacations – Vacation pay for permanent employees is accumulated in accordance with the approved schedules for their respective units. Ordinarily, vacation leave shall be used during the year in which it accrues. However, under extraordinary circumstances employees may accrue unused vacation leave toward the next calendar year upon approval of the Administrator. On December 31 of any calendar year, the aggregate of such unused leave accruing from all previous years shall not exceed five (5) days in the case of nonexempt employees, or thirty (30) days in the case of exempt employees. Accrued time in excess of such limits shall be forfeited. An exempt employee may benefit from no more than ten (10) days of such accumulated leave in any calendar year. However, during the calendar year in which retirement occurs, all accrued vacation may be taken.

The total balance of unused vacation and terminal leave time benefits for 2013 was \$966,900.55 and \$1,082,674.45 respectively. Princeton had funded \$313,974.41 of those amounts.

Note 14: LEASES

Princeton has entered into an operating lease with Neopost Inc. on June 29, 2010 for a postage machine. The lease is for forty-eight (48) months with a monthly payment of \$690.00 for the first twelve (12) months and \$770.00 for the remaining thirty-six (6) months. The operating lease expenditures are charged to the current fund budget. The total charges for each year is as follows:

<u>Year</u>	<u>Amount</u>
2014	\$9,240
2015	<u>4,620</u>
	<u>\$13,860</u>

Note 15: RISK MANAGEMENT

Princeton, together with other governmental units, is a member of the Mid Jersey Joint Insurance Fund (the Fund). The Fund, which is organized and operated pursuant to the regulatory authority of the Department of Insurance and Community Affairs, State of New Jersey, provides for a pooling of risks, subject to established limits and deductibles. Payments to the Fund are calculated by the Fund's governing board based upon actuarial and budgetary requirements. Each participant in the Fund is jointly and severally obligated for any deficiency in the amount available to pay all claims. The Joint Insurance Fund insures against property damage, general liability, auto liability, equipment liability, public official liability, law enforcement liability and workers compensation. While additional assessments or premiums can be levied by the Fund to assure payment of the Fund's obligations, no such additional premiums have been necessary as of December 31, 2013. The Fund will be self-sustaining through member premiums, reported as an expenditure in the Princeton's financial statements. The Fund contracts for excess liability insurance for property damage, general liability, auto liability, equipment liability, public official liability, law enforcement liability and worker's compensation. Princeton continues to carry commercial insurance for other risks of loss, principally employee health insurance.

The Mid Jersey Joint Insurance Fund (the Fund) issues publicly available financial reports that include the financial statements and required supplementary information for insurance coverage for participants in the Fund. These financial reports may be obtained by writing Mid Jersey Municipal JIF, c/o Risk and Loss Managers, 51 Everett Drive, Suite B-40, West Windsor, NJ 08550-5374.

Note 15: RISK MANAGEMENT (CONT'D):

New Jersey Unemployment Compensation Insurance – Princeton has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, Princeton is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. Princeton is billed quarterly for amounts due to the State. Following is a summary of Princeton’s appropriations, interest earning and remittances to the State for the current and prior year:

<u>Year</u>	<u>Employee Contribution</u>	<u>Budget Contribution</u>	<u>Interest Earnings</u>	<u>Ending Balance</u>
2013	\$36,589.85	\$57,782.88	\$161.81	\$321,974.60

Note 16: DEFERRED COMPENSATION

Princeton has instituted a Deferred Compensation Plan pursuant to section 457 of the Internal Revenue Code and P.L. 1977, C. 381; P.L. 1978, C. 39; P.L. 1980, C. 78; and P.L. 1997, C. 116 of the Statutes of New Jersey. The plan, available to all employees, permits them to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, disability or severe financial hardship.

Princeton, by resolution, amended its program for deferred compensation for sponsored employees. The assets of the plan shall be held in trust under the beneficial ownership of the trustee, with the members of Princeton council serving as trustee, for the exclusive benefit of the plan participants and their beneficiaries, and the assets shall not be diverted to any other purposes.

All investments for the plans are administered by the Lincoln National Life Insurance Company.

The plan administrator shall invest in one or more of the eligible investments under N.J.A.C. 5:37-9.2, which are as follows:

1. Interest-and dividend-bearing securities in which savings banks of New Jersey are authorized to invest their funds;
2. Interest-bearing accounts;
3. State of New Jersey Cash Management Fund;
4. Individual or group annuity programs, whether fixed or variable;
5. Mutual funds; and/or
6. Life insurance contracts, whether fixed or variable.

Note 17: INTERFUNDS

The following interfund balances remained on the balance sheet at December 31, 2013:

Fund:	Interfund Receivables	Interfund Payables
Current Fund	\$3,151,279.12	\$199,596.17
Grant Fund		40,000.00
Assessment Trust Fund		5,719.55
Escrow Trust Fund		30.46
Other Trust Fund	252,851.50	
Payroll Fund		31,893.75
Unemployment Trust Fund	31,893.75	
General Capital Fund	330,000.00	3,075,409.53
Open Space Trust Fund		382,825.33
Affordable Housing Operating		117,694.04
Affordable Housing Capital	118,969.04	
Animal Control Fund		31,394.58
Law Enforcement Trust	<u>0.00</u>	<u>430.00</u>
Total	<u>\$3,884,993.41</u>	<u>\$3,884,993.41</u>

These interfund balances are not an indication that the respective fund cannot meet its obligation. The interfund amounts are reflective of year-end closing journals and adjustments. The balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Transfers are used to (1) move revenues from the funds New Jersey Statute or budget requires to collect to fund the appropriation and the statute or budget to expend them.

Note 18: COMMITMENTS AND CONTINGENCIES

Princeton participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2013 Princeton does not believe that any material liabilities will result from such audits.

As of the date of this report, Princeton was not involved in any pending or threatened litigation nor any unasserted claims or assessments that would be of a material nature.

Note 19: SUBSEQUENT EVENTS

A. The following bond ordinances were authorized:

<u>Description</u>	<u>Bonds/Notes Authorized</u>
Sewer System & Road Reconstruction	\$1,439,250
Parking Utility Repairs & Garage Emerg. Power System	95,000
Various Capital Improvements	7,176,367
Road Improvements	836,000

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedules

PRINCETON
COUNTY OF MERCER
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - REGULATORY BASIS
BUDGET AND ACTUAL - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

Exh. C - 1

	Budget as <u>Modified</u>	2013 <u>Actual</u>	<u>Variance</u>
Revenues:			
Fund Balance Appropriated	\$ 5,800,000.00	\$ 5,800,000.00	\$
Miscellaneous Revenue	22,551,446.02	23,954,681.66	1,403,235.64
Receipts from Delinquent Taxes	1,553,000.00	1,654,150.70	101,150.70
Amount to be Raised by Taxes for Support of Municipal Budget:			
Local Tax for Municipal Purposes	<u>30,514,020.88</u>	<u>32,987,140.23</u>	<u>2,473,119.35</u>
Total Budget Revenue	<u>60,418,466.90</u>	<u>64,395,972.59</u>	<u>3,977,505.69</u>
Other Credits to Income		<u>4,683,568.24</u>	<u>4,683,568.24</u>
Total Revenues	<u>60,418,466.90</u>	<u>69,079,540.83</u>	<u>8,661,073.93</u>
Expenditures:			
Current Fund Within CAPS:			
General Government	6,003,018.81	6,003,018.81	
Land Use Administration	645,623.00	645,623.00	
Public Safety	9,506,649.00	9,506,649.00	
Public Works	3,824,666.00	3,824,666.00	
Health & Human Services	1,141,725.00	1,141,725.00	
Parks and Recreation	887,039.00	887,039.00	
Unclassified Purposes	9,879,653.90	9,879,653.90	
Deferred Charges and Statutory Expenditures	3,766,447.00	3,766,447.00	
Current Fund Excluded From CAPS:			
General Government	8,186,619.00	8,186,619.00	
Public and Private Programs	575,068.02	575,068.02	
Capital Improvements	250,000.00	250,000.00	
Debt Service	11,063,635.00	10,918,273.07	145,361.93
Deferred Charges and statutory Expenditures	1,205,118.00	1,205,118.00	
Reserve for Uncollected Taxes	<u>3,483,205.17</u>	<u>3,483,205.17</u>	
Total Budget Expenditures	<u>60,418,466.90</u>	<u>60,273,104.97</u>	<u>145,361.93</u>
Other Charges		<u>1,524,378.04</u>	<u>(1,524,378.04)</u>
Total Expenditures	<u>60,418,466.90</u>	<u>61,797,483.01</u>	<u>(1,379,016.11)</u>
Statutory Excess to Fund Balance		7,282,057.82	
Fund Balance January 1, 2013 (Restated)		<u>11,643,852.46</u>	
Decreased by: Utilized in Budget		<u>5,800,000.00</u>	
Fund Balance December 31, 2013		<u>\$ 13,125,910.28</u>	

PRINCETON
MERCER COUNTY, NEW JERSEY

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CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>ANTICIPATED</u> 2013 <u>BUDGET</u>	<u>REALIZED</u>	EXCESS OR (DEFICIT)
Surplus Anticipated	\$ 5,800,000.00	\$ 5,800,000.00	
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverage	62,500.00	62,232.00	(268.00)
Other	23,000.00	73,424.00	50,424.00
Fees and Permits:			
Other	284,000.00	376,911.17	92,911.17
Fines and Costs:			
Municipal Court	1,440,000.00	1,309,833.24	(130,166.76)
Interest and Costs on Taxes	374,000.00	598,790.60	224,790.60
Interest on Investments and Deposits	232,000.00	174,715.84	(57,284.16)
Anticipated Utility Operating Surplus	1,400,000.00	1,400,000.00	
Sewer Rentals	6,697,000.00	7,111,048.55	414,048.55
Passport Fees	11,850.00	4,225.00	(7,625.00)
Street Opening Inspection Fees	5,000.00	5,000.00	
Life Hazard Use Fees	88,000.00	89,383.32	1,383.32
Fire and Housing Inspection Fees	198,000.00	177,635.00	(20,365.00)
Consolidation Act - State Reimbursement for costs	464,000.00	350,000.00	(114,000.00)
Energy Receipts Tax	2,433,767.00	2,433,767.00	
Consolidated Municipal Property Tax Relief Aid	18,654.00	18,654.00	
Garden State Trust Fund	4,855.00		(4,855.00)
Pilot- Institute for Advanced Study	250,000.00	250,000.00	
Pilot-Princeton Community Village	303,000.00	320,721.00	17,721.00
Pilot-Tenacre Foundation	502,000.00	502,790.84	790.84
Princeton University Fair Share	2,475,000.00	2,475,000.00	
UCC Administrative Fee	120,000.00	120,000.00	
Special Items:			
Sustainable Princeton			
Corner House Foundation	239,730.00	175,000.00	(64,730.00)
Princeton University Prospect St. Lighting	7,654.00	7,654.00	
Princeton University Fire Equipment	20,000.00	20,000.00	
Bonner Foundation	21,500.00	21,500.00	

PRINCETON
MERCER COUNTY, NEW JERSEY

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CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>ANTICIPATED</u> 2013 <u>BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR</u> <u>(DEFICIT)</u>
Miscellaneous Revenues (Cont'd.):			
Motivation 180	55,322.00	55,322.00	
State of NJ National Inst. Drug	144,160.00	144,160.00	
Mercer County PYP	20,000.00	20,000.00	
Mercer County Regional Drug Treatment Program	35,709.00	35,709.00	
Princeton Regional - NJMSPLI	1,000.00	1,000.00	
Princeton Regional Star Program	6,500.00	6,500.00	
Princeton Regional Academic Success	10,000.00	10,000.00	
Cranbury Drug Intervention Program	10,080.00	10,080.00	
State of NJ Vicinage Program	53,000.00	53,000.00	
Mercer County Youth Advocacy Grant	97,770.00	97,770.00	
Princeton University Fire Safety Director Donation	40,000.00	40,000.00	
Clean Communities	54,353.02	54,353.02	
Municipal Alliance on Alcoholism and Drug Abuse	28,020.00	28,020.00	
Theological Seminary	174,022.00	174,022.00	
PILOT - Elm Court	74,000.00	76,257.00	2,257.00
Chamber St. Land Lease	102,000.00	141,630.00	39,630.00
Reserve for Debt Service Institute Woods	254,000.00	251,459.04	(2,540.96)
Reserve for Debt Service - Other	1,160,000.00	1,160,000.00	
Trust Surplus - Improvement Assessments	200,000.00	200,000.00	
Reserve for Sewer Expenses	300,000.00	300,000.00	
Reserve for Storm Expense (FEMA)	300,000.00	370,967.85	70,967.85
Stony Brook Industrial User Fees	25,000.00	17,404.84	(7,595.16)
Engineering Developer Fees	23,000.00	23,000.00	
Hotel/Motel Tax	208,000.00	279,600.11	71,600.11
General Capital Fund - Fund Balance	<u>1,500,000.00</u>	<u>1,500,000.00</u>	
Total Miscellaneous Revenues	<u>22,551,446.02</u>	<u>23,128,540.42</u>	<u>577,094.40</u>
Receipts from Delinquent Taxes	1,553,000.00	1,654,150.70	101,150.70
Amount to be Raised by Taxation for Support of Municipal Budget:			
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	28,115,758.33	30,588,877.68	2,473,119.35
Minimum Library Tax	<u>2,398,262.55</u>	<u>2,398,262.55</u>	
	<u>30,514,020.88</u>	<u>32,987,140.23</u>	<u>2,473,119.35</u>
Budget Totals	60,418,466.90	63,569,831.35	\$ <u>3,151,364.45</u>
Non-Budget Revenues		<u>826,141.24</u>	
	<u>\$ 60,418,466.90</u>	<u>\$ 64,395,972.59</u>	

PRINCETON
MERCER COUNTY, NEW JERSEY

Exh. C - 3

CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

	2013	BUDGET AFTER	PAID OR	EXPENDED		UNEXPENDED
	BUDGET	MODIFICATION	CHARGED	ENCUMBERED	RESERVED	BALANCE CANCELLED
Operations Within "CAPS"						
GENERAL GOVERNMENT:						
General Administration						
Salaries and Wages	\$ 212,656.00	\$ 217,056.00	\$ 216,947.66		108.34	\$
Other Expenses	74,019.00	74,019.00	27,231.01	10,806.54	35,981.45	
Information Technology						
Salaries and Wages	198,670.00	199,870.00	199,661.93		208.07	
Other Expenses	322,650.00	392,650.00	343,894.35	16,328.73	32,426.92	
Human Resources (Personnel)						
Other Expenses	254,736.84	254,736.84	125,133.65	12,957.95	116,645.24	
Mayor and Council						
Salaries and Wages	79,750.00	79,750.00	60,000.00		19,750.00	
Other Expenses	2,394,700.47	1,787,200.47	224,086.46	65,556.25	1,497,557.76	
Municipal Clerk						
Salaries and Wages	270,460.00	274,460.00	274,317.78		142.22	
Other Expenses	45,500.00	45,500.00	25,807.76	8,544.85	11,147.39	
Elections						
Salaries and Wages	3,600.00	5,700.00	5,664.39		35.61	
Other Expenses	12,200.00	12,200.00	9,291.42		2,908.58	
Financial Administration (Treasury)						
Salaries and Wages	620,311.00	653,311.00	652,002.00		1,309.00	
Other Expenses	24,760.00	24,760.00	17,815.18	15.32	6,929.50	
Audit Services	60,000.00	125,000.00	68,500.00		56,500.00	
Revenue Administration (Tax Collection)						
Salaries and Wages	153,432.00	153,432.00	146,718.33		6,713.67	
Other Expenses	14,575.00	14,575.00	11,035.80	66.83	3,472.37	
Tax Assessment Administration						
Salaries and Wages	152,670.00	159,170.00	159,064.17		105.83	
Other Expenses	22,750.00	22,750.00	19,267.22	899.10	2,583.68	
Legal Services						
Other Expenses	544,000.00	544,000.00	436,918.03	38,230.50	68,851.47	
Defense of Tax Appeals	30,000.00	65,000.00	52,049.70	7,950.30	5,000.00	
Engineering Services						
Salaries and Wages	805,193.50	805,193.50	750,111.80		55,081.70	
Other Expenses	59,350.00	59,350.00	23,059.83	1,647.75	34,642.42	
Historical Site Office						
Salaries and Wages	1,000.00	2,300.00	2,287.64		12.36	
Other Expenses	31,035.00	31,035.00	9,319.49	27.44	21,688.07	

PRINCETON
MERCER COUNTY, NEW JERSEY

Exh. C - 3

CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

	2013 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
<u>LAND USE ADMINISTRATION:</u>						
Regional Planning Board						
Salaries and Wages	\$ 215,531.00	215,531.00	\$ 208,582.77		6,948.23	\$
Other Expenses	42,350.00	176,850.00	91,093.62	49,374.05	36,382.33	
Zoning Board of Adjustment		\$				
Salaries and Wages	213,972.00	228,472.00	228,459.53		12.47	
Other Expenses	24,770.00	24,770.00	9,754.22	6,119.60	8,896.18	
<u>PUBLIC SAFETY FUNCTIONS:</u>						
Police						
Salaries and Wages	6,747,733.97	6,892,733.97	6,892,471.17		262.80	
Other Expenses	307,866.93	307,866.93	140,961.66	25,088.46	141,816.81	
Police Dispatch/911						
Salaries and Wages	599,271.00	599,271.00	594,547.85		4,723.15	
Other Expenses	7,575.00	7,575.00			7,575.00	
Office of Emergency Management						
Salaries and Wages	145,000.00	145,000.00	86,709.22		58,290.78	
Other Expenses	8,700.00	8,700.00	1,330.73		7,369.27	
Fire Department						
Salaries and Wages	10,000.00	10,000.00	10,000.00			
Other Expenses	227,400.00	227,400.00	139,311.51	30,891.86	57,196.63	
LOSAP Alternative	45,000.00	45,000.00	14,710.00	1,074.50	29,215.50	
Other Expenses - Fire Facilities	123,300.00	123,300.00	94,664.72		28,635.28	
Fire Prevention						
Salaries and Wages	365,843.00	387,843.00	386,784.94		1,058.06	
Other Expenses	6,960.00	6,960.00	4,467.99		2,492.01	
Fire Hydrant Service	675,000.00	675,000.00	615,048.80		59,951.20	
Municipal Prosecutor's Office						
Other Expenses	70,000.00	70,000.00	52,499.99	17,500.01		

PRINCETON
MERCER COUNTY, NEW JERSEY

Exh. C - 3

CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

	2013	BUDGET AFTER	EXPENDED			UNEXPENDED
	<u>BUDGET</u>	<u>MODIFICATION</u>	<u>PAID OR</u>	<u>ENCUMBERED</u>	<u>RESERVED</u>	<u>BALANCE</u>
			<u>CHARGED</u>			<u>CANCELLED</u>
<u>Operations Within "CAPS" (Cont'd.)</u>						
<u>PUBLIC WORKS FUNCTIONS:</u>						
Streets and Roads Maintenance						
Salaries and Wages	\$ 1,753,763.00	1,753,763.00	\$ 1,639,067.78	\$	\$ 114,695.22	\$
Other Expenses	262,600.00	262,600.00	157,868.30	48,021.21	56,710.49	
Sustainable Princeton	30,000.00	30,000.00	6,515.00		23,485.00	
Buildings and Grounds						
Salaries and Wages	581,708.00	581,708.00	553,888.54		27,819.46	
Other Expenses	390,850.00	390,850.00	287,924.76	51,220.15	51,705.09	
Vehicle Maintenance (Including Police Vehicles)						
Salaries and Wages	284,445.00	290,745.00	290,716.46		28.54	
Other Expenses	215,000.00	265,000.00	205,329.29	31,253.71	28,417.00	
Community Service Act						
(Condominium Community Costs)						
Other Expenses	250,000.00	250,000.00	27,032.09		222,967.91	
<u>HEALTH & HUMAN SERVICES FUNCTIONS:</u>						
Regional Health Commission-Proportionate Share						
Salaries and Wages	306,562.00	306,562.00	281,108.14		25,453.86	
Other Expenses	53,045.00	\$ 81,045.00	46,770.41	28,473.55	5,801.04	
Flu Program	19,000.00	19,000.00	7,297.35	411.55	11,291.10	
Worker and Community Right to Know Act	1,000.00	1,000.00			1,000.00	
Joint Environmental Commission						
Salaries and Wages	3,600.00	3,600.00	1,792.50		1,807.50	
Other Expenses	3,000.00	3,000.00	2,789.29		210.71	
Animal Control						
Salaries and Wages	57,136.00	58,936.00	58,440.36		495.64	
Other Expenses	12,126.00	12,126.00	8,230.39	1,000.00	2,895.61	
Deer Management Program						
Salaries and Wages	20,000.00	20,000.00	15,883.18		4,116.82	
Other Expenses	58,700.00	58,700.00	34,435.12	51.00	24,213.88	
Human Services Commission						
Salaries and Wages	91,263.00	91,263.00	89,261.09		2,001.91	
Other Expenses	8,950.00	8,950.00	6,013.02		2,936.98	
Joint Drug Abuse Prevention Program						
Salaries and Wages	113,401.00	113,401.00	83,163.29		30,237.71	
Other Expenses	155,000.00	155,000.00	133,024.22	18,490.75	3,485.03	
Contribution to Senior Resource Center						
Salaries and Wages	10,000.00	10,000.00	10,000.00			
Other Expenses	199,142.00	199,142.00	145,417.15	10,850.90	42,873.95	

PRINCETON
MERCER COUNTY, NEW JERSEY

Exh. C - 3

CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

	2013	BUDGET AFTER	EXPENDED			UNEXPENDED
	BUDGET	MODIFICATION	PAID OR	ENCUMBERED	RESERVED	BALANCE
			CHARGED			CANCELLED
Operations Within "CAPS" (Cont'd.)						
<u>PARKS & RECREATION FUNCTIONS:</u>						
Joint Recreation Board						
Salaries and Wages	\$ 716,394.00	716,394.00	\$ 691,158.06	\$	25,235.94	\$
Other Expenses	142,145.00	142,145.00	101,166.19	6,865.17	34,113.64	
Maintenance of Parks and Playgrounds						
Other Expenses	21,000.00	21,000.00	20,210.14		789.86	
Celebration of Public Events	7,500.00	7,500.00	442.70		7,057.30	
<u>UTILITY EXPENSES & BULK PURCHASES:</u>						
Electricity	344,000.00	344,000.00	333,774.27		10,225.73	
Telephone (excluding equipment)	115,540.00	175,540.00	162,235.86	100.00	13,204.14	
Water	21,100.00	21,100.00	8,213.10		12,886.90	
Gas (natural or propane)	75,000.00	75,000.00	75,000.00			
Fuel Oil	301,800.00	326,800.00	290,727.61	11,072.39	25,000.00	
Street Lighting	290,000.00	290,000.00	171,209.02		118,790.98	
Sewer System						
Salaries and Wages	564,142.00	564,142.00	431,115.18		133,026.82	
Other Expenses	174,000.00	174,000.00	157,519.81	59.22	16,420.97	
Landfill/Solid Waste Disposal Costs						
Salaries and Wages	32,176.00	32,176.00	32,176.00			
Other Expenses	148,900.00	148,900.00	77,287.11	11,665.68	59,947.21	
Garbage and Trash Removal						
Other Expenses	1,550,500.00	1,550,500.00	1,170,673.67	18,637.05	361,189.28	
Municipal Court						
Salaries and Wages	386,079.00	388,879.00	388,574.39		304.61	
Other Expenses	26,780.00	26,780.00	19,893.60	3,101.80	3,784.60	
Public Defender						
Other Expenses	55,000.00	55,000.00	50,416.74	4,583.26		
Matching Funds for Grants						
Other Expenses						
Salary and Wage Adjustment	325,000.00	80,100.00			80,100.00	
Accumulated Leave Compensation	100,000.00	100,000.00	80,531.77		19,468.23	
Consolidation Commission - SW	1,000.00	1,000.00	127.50		872.50	
Consolidation Commission - OE	1,000.00	1,000.00	375.95		624.05	
Liability Insurance	630,000.00	630,000.00	590,155.33		39,844.67	
Workers Compensation Insurance	467,006.00	467,006.00	467,006.00			
Group Insurance	3,893,000.00	4,033,000.00	3,894,477.83	515.00	138,007.17	
Health Benefit Waiver	95,000.00	95,000.00	95,000.00			
Transportation of Local Pupils by Board of Education (NJSA18A:39-1.2)						
Other Expenses	213,000.00	213,000.00	187,507.77		25,492.23	
Total Operations Within "CAPS"	31,801,644.71	31,801,644.71	27,020,527.65	539,452.43	4,241,664.63	
DETAIL:						
Salaries and Wages	15,715,762.47	15,960,662.47	15,440,676.15		519,986.32	
Other Expenses (Including Contingent)	16,085,882.24	15,840,982.24	11,579,851.50	539,452.43	3,721,678.31	

PRINCETON
MERCER COUNTY, NEW JERSEY

Exh. C - 3

CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

	2013 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED ENCUMBERED	RESERVED	UNEXPENDED BALANCE CANCELLED
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"						
<u>STATUTORY EXPENDITURES:</u>						
Contribution to:						
Public Employees' Retirement System	\$ 1,272,602.00	1,272,602.00	\$ 1,272,601.11	\$	0.89	\$
Social Security System (O.A.S.I.)	850,000.00	850,000.00	834,352.88		15,647.12	
Consolidated Police & Firemen's Pension Fund	30,000.00	30,000.00	19,404.24		10,595.76	
Defined Contribution Retirement Program	5,000.00	5,000.00	3,103.75		1,896.25	
Unemployment Insurance	100,000.00	100,000.00	44,733.10		55,266.90	
Police and Firemen's Retirement System of N.J.	<u>1,508,845.00</u>	<u>1,508,845.00</u>	<u>1,508,845.00</u>			
Total Deferred Charges and Statutory Expend. Municipal Within "CAPS"	<u>3,766,447.00</u>	<u>3,766,447.00</u>	<u>3,683,040.08</u>		<u>83,406.92</u>	
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>35,568,091.71</u>	<u>35,568,091.71</u>	<u>30,703,567.73</u>	<u>539,452.43</u>	<u>4,325,071.55</u>	
<u>Operations Excluded from "CAPS"</u>						
Affordable Housing Agency Other Expenses	100,000.00	100,000.00	100,000.00			
Maintenance of Joint Public Library	3,983,619.00	3,983,619.00	3,983,619.00			
<u>INTERLOCAL SERVICE AGREEMENTS:</u>						
Stonybrook Regional Sewerage Authority Other Expenses	3,925,000.00	3,925,000.00	3,921,227.40		3,772.60	
Industrial User Fee	25,000.00	25,000.00	16,576.02		8,423.98	

PRINCETON
MERCER COUNTY, NEW JERSEY

Exh. C - 3

CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

	2013 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED PAID OR CHARGED	ENCUMBERED	RESERVED	UNEXPENDED BALANCE CANCELLED
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES:						
Corner House Foundation-Mercer Reg.Drug Treatment Program						
Salaries and Wages	153,000.00	153,000.00	153,000.00			
Other Expenses	86,730.00	86,730.00	85,200.24		1,529.76	
Drug Program-Cranbury Intervention Program	10,080.00	10,080.00	10,080.00			
Regional Municipal Alliance Program	28,020.00	28,020.00	28,020.00			
Drug Program-State of NJ Grant	144,160.00	144,160.00	144,160.00			
Drug Program-Mercer County	35,709.00	35,709.00	35,709.00			
Mercer Cty. Motivation 180	55,322.00	55,322.00	55,322.00			
Academic Success Today	10,000.00	10,000.00	10,000.00			
Mercer County PYP Program	20,000.00	20,000.00	20,000.00			
Mercer County Youth Advocacy	97,770.00	97,770.00	97,770.00			
Bonner Foundation	21,500.00	21,500.00	21,500.00			
Princeton University Fire Equipment	20,000.00	20,000.00	20,000.00			
Princeton University Prospect Ave. St. Lighting	7,654.00	7,654.00	7,654.00			
Drug Program NJMSPLI	1,000.00	1,000.00	1,000.00			
Drug Program STAR	6,500.00	6,500.00	6,500.00			
State of NJ Vicinage Program	53,000.00	53,000.00	53,000.00			
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES (Cont'd.):						
DDEF	\$	\$	\$	\$		
NJ DEP Grants						
DEP Green Communities						
Recycling Tonnage						
Clean Communities	54,353.02	54,353.02	54,353.02			
Matching Funds for Grants	10,000.00	10,000.00			10,000.00	
Total Operations - Excluded from "CAPS"	8,848,417.02	8,848,417.02	8,824,690.68		23,726.34	
DETAIL:						
Salaries and Wages	153,000.00	153,000.00	153,000.00			
Other Expenses	8,695,417.02		8,671,690.68		23,726.34	

PRINCETON
MERCER COUNTY, NEW JERSEY

Exh. C - 3

CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

	2013 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
<u>Capital Improvements - Excluded from "CAPS"</u>						
Capital Improvement Fund	250,000.00	250,000.00	250,000.00			
Total Capital Improvements - Excluded from "CAPS"	<u>250,000.00</u>	<u>250,000.00</u>	<u>250,000.00</u>			
<u>Municipal Debt Service - Excluded from "CAPS"</u>						
Payment of Bond Principal	\$ 6,683,738.00	6,683,738.00	6,652,275.00	\$	\$	\$ 31,463.00
Interest on Bonds	2,737,764.00	2,737,764.00	2,737,764.00			
Interest on Notes	60,000.00	60,000.00	60,000.00			
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	253,011.00	253,011.00	253,011.00			
NJ Environmental Infrastructure Loan	<u>1,329,122.00</u>	<u>1,329,122.00</u>	<u>1,215,223.07</u>			<u>113,898.93</u>
Total Municipal Debt Service - Excluded from "CAPS"	<u>11,063,635.00</u>	<u>11,063,635.00</u>	<u>10,918,273.07</u>			<u>145,361.93</u>
<u>Deferred Charges - Municipal - Excluded from "CAPS"</u>						
Deferred Charges:						
Emergency Authorizations	550,000.00	550,000.00	550,000.00			
Special Emergency Authorizations - 5 Years (N.J.S.A. 40A:4-55)	<u>655,118.00</u>	<u>655,118.00</u>	<u>655,118.00</u>			
Total Deferred Charges - Municipal - Excluded from "CAPS"	<u>1,205,118.00</u>	<u>1,205,118.00</u>	<u>1,205,118.00</u>			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>21,367,170.02</u>	<u>21,367,170.02</u>	<u>21,198,081.75</u>		<u>23,726.34</u>	<u>145,361.93</u>
Subtotal General Appropriations	56,935,261.73	56,935,261.73	51,901,649.48	539,452.43	4,348,797.89	145,361.93
Reserve for Uncollected Taxes	<u>3,483,205.17</u>	<u>3,483,205.17</u>	<u>3,483,205.17</u>			
Total General Appropriations	<u>\$ 60,418,466.90</u>	<u>\$ 60,418,466.90</u>	<u>\$ 55,384,854.65</u>	<u>\$ 539,452.43</u>	<u>\$ 4,348,797.89</u>	<u>\$ 145,361.93</u>
Disbursed			\$ 50,131,463.46			
Deferred Charges			1,205,118.00			
State and Federal Grants Appropriated			565,068.02			
Reserve for Uncollected Taxes			<u>3,483,205.17</u>			
			<u>\$ 55,384,854.65</u>			

PRINCETON
COUNTY OF MERCER
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - REGULATORY BASIS
BUDGET AND ACTUAL - AFFORDABLE HOUSING UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

Exh. C - 4

	Budget as <u>Modified</u>	2013 <u>Actual</u>	<u>Variance</u>
Revenues:			
Affordable Housing Fees	\$149,553.00	\$149,553.00	\$
Township Contribution	<u>100,000.00</u>	<u>100,571.50</u>	<u>571.50</u>
Total Budget Revenue	<u>249,553.00</u>	<u>250,124.50</u>	<u>571.50</u>
Other Credits to Income		<u>66,091.58</u>	<u>66,091.58</u>
Total Revenues	<u>249,553.00</u>	<u>316,216.08</u>	<u>66,663.08</u>
Expenditures:			
Operating Expenses	<u>249,553.00</u>	<u>220,975.36</u>	<u>28,577.64</u>
Total Expenditures	<u>249,553.00</u>	<u>220,975.36</u>	<u>28,577.64</u>
Excess (Deficit) in Revenues		<u>95,240.72</u>	<u>95,240.72</u>
Statutory Excess to Fund Balance		<u>95,240.72</u>	<u>95,240.72</u>
Fund Balance January 1, 2013		<u>158,089.49</u>	
Fund Balance December 31, 2013		<u><u>\$ 253,330.21</u></u>	

PRINCETON
MERCER COUNTY, NEW JERSEY

AFFORDABLE HOUSING UTILITY OPERATING FUND
 STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

	2013 <u>BUDGET</u>	<u>REALIZED</u>	EXCESS OR (DEFICIT)
Affordable Housing Fees	\$ 149,553.00	\$ 149,553.00	\$
Township Contribution	100,000.00	100,571.50	571.50
Non-Budget Revenue	<u> </u>	<u>40,445.59</u>	<u>40,445.59</u>
	<u>\$ 249,553.00</u>	<u>\$ 290,570.09</u>	<u>\$ 41,017.09</u>

PRINCETON
MERCER COUNTY, NEW JERSEY

AFFORDABLE HOUSING UTILITY OPERATING FUND
 STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

	2013 <u>BUDGET</u>	BUDGET AFTER <u>MODIFICATION</u>	<u>EXPENDED</u>		UNEXPENDED BALANCE <u>CANCELLED</u>
			<u>PAID OR CHARGED</u>	<u>ENCUMBERED</u>	
Operating:					
Salaries and Wages	\$ 94,823.00	\$ 94,823.00	\$ 77,818.25	\$	\$ 17,004.75
Other Expenses	<u>154,730.00</u>	<u>154,730.00</u>	<u>113,608.53</u>	<u>29,548.58</u>	<u>11,572.89</u>
	<u>\$ 249,553.00</u>	<u>\$ 249,553.00</u>	<u>\$ 191,426.78</u>	<u>\$ 29,548.58</u>	<u>\$ 28,577.64</u>

PRINCETON
COUNTY OF MERCER
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - REGULATORY BASIS
BUDGET AND ACTUAL - PARKING UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget as <u>Modified</u>	2013 <u>Actual</u>	<u>Variance</u>
Revenues:			
Fund Balance Appropriated	\$ 110,000.00	\$ 110,000.00	\$
Parking Fees	3,094,898.00	3,140,188.14	45,290.14
Service Charges	354,132.00	373,067.20	18,935.20
Lease Agreements	229,593.00	406,724.49	177,131.49
Interest	<u>3,791.00</u>	<u>10,519.62</u>	<u>6,728.62</u>
Total Budget Revenue	<u>3,792,414.00</u>	<u>4,040,499.45</u>	<u>248,085.45</u>
Other Credits to Income		<u>75,423.64</u>	<u>75,423.64</u>
Total Revenues	<u>3,792,414.00</u>	<u>4,115,923.09</u>	<u>323,509.09</u>
Expenditures:			
Operating Expenses	1,219,989.00	1,219,989.00	
Debt Service	946,063.00	945,824.75	238.25
Deferred Charges	226,362.00	226,362.00	
Surplus - General Budger	<u>1,400,000.00</u>	<u>1,400,000.00</u>	
Total Expenditures	<u>3,792,414.00</u>	<u>3,792,175.75</u>	<u>238.25</u>
Excess (Deficit) in Revenues		<u>323,747.34</u>	<u>323,747.34</u>
Statutory Excess to Fund Balance		<u>323,747.34</u>	<u>323,747.34</u>
Fund Balance January 1, 2013	<u>674,649.19</u>	<u>674,649.19</u>	
Decreased by: Utilized in Budget	<u>110,000.00</u>	<u>110,000.00</u>	
Fund Balance December 31, 2013	<u>\$ 564,649.19</u>	<u>\$ 888,396.53</u>	

PRINCETON
MERCER COUNTY, NEW JERSEY

PARKING UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

	2013 <u>BUDGET</u>	<u>REALIZED</u>	EXCESS OR (DEFICIT)
Fund Balance Utilized	\$ 110,000.00	\$ 110,000.00	\$
Parking Fees	3,094,898.00	3,140,188.14	(45,290.14)
Service Charge	354,132.00	373,067.20	(18,935.20)
Lease Agreements	229,593.00	406,724.49	(177,131.49)
Interest	<u>3,791.00</u>	<u>10,519.62</u>	<u>6,728.62</u>
	<u>\$ 3,792,414.00</u>	<u>\$ 4,040,499.45</u>	<u>\$ (234,628.21)</u>

PRINCETON
MERCER COUNTY, NEW JERSEY

PARKING UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

	2013 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED		RESERVED	UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED		
Operating:						
Salaries and Wages	\$ 590,614.00	\$ 590,614.00	\$ 577,972.20		\$ 12,641.80	\$
Other Expenses	629,375.00	629,375.00	596,576.86	29,019.01	3,779.13	29,019.01
Debt Service:						
Payment of Bond Principal	495,000.00	495,000.00	495,000.00			
Interest on Bonds	451,063.00	451,063.00	450,824.75			238.25
Deferred Charges:						
Ord. 03-41	23,857.19	23,857.19	23,857.19			
Ord. 04-12	9,100.00	9,100.00	9,100.00			
Ord. 06-14	376.00	376.00	376.00			
Ord. 07-21	2,028.35	2,028.35	2,028.35			
Ord. 09-27	76,000.00	76,000.00	76,000.00			
Ord. 10-4	115,000.46	115,000.46	115,000.46			
Surplus - General Budget	<u>1,400,000.00</u>	<u>1,400,000.00</u>	<u>1,400,000.00</u>			
	<u>\$ 3,792,414.00</u>	<u>\$ 3,792,414.00</u>	<u>\$ 3,746,735.81</u>	<u>\$ 29,019.01</u>	<u>\$ 16,420.93</u>	<u>\$ 29,257.26</u>
Disbursed			\$ 3,295,911.06			
Accrued Interest on Bonds			<u>450,824.75</u>			
			<u>\$ 3,746,735.81</u>			

OTHER SUPPLEMENTARY INFORMATION

Single Audit Section

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and Members
of the Council
Municipality of Princeton
Mercer County, New Jersey

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 financial statements – regulatory basis of Princeton, County of Mercer, New Jersey as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise Princeton's basic financial statements and have issued our report thereon dated August 4, 2014. Our report on the other comprehensive basis of accounting utilized by Princeton for financial reporting purposes was unmodified. However, our report was modified to reflect the departures 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, we considered Princeton'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Princeton's internal control. Accordingly, we do not express an opinion on the effectiveness of Princeton's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

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 Princeton's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. However, we noted certain immaterial instances of noncompliance that we have reported to the management of Princeton in the General Comments section of the Report of Audit.

We also noted other matters involving compliance and internal control over financial reporting that we have reported to management of Princeton 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



HODULIK & MORRISON, P.A.
Certified Public Accountants
Registered Municipal Accountants

Highland Park, New Jersey
August 4, 2014

HODULIK & MORRISON, P.A.
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY
OMB CIRCULAR A-133 AND NJ OMB CIRCULAR 04-04**

Honorable Mayor and Members
of the Council
Municipality of Princeton
Mercer County, New Jersey

Report on Compliance for Each Major Federal and State Programs

We have audited Princeton, County of Mercer, New Jersey compliance with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" and the New Jersey Compliance Manual "State Grant Compliance Supplement" that could have a direct and material effect on each of Princeton's major federal and state programs for the year ended December 31, 2013. Princeton's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirement of laws, regulations, contracts and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Princeton's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with 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; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations", and New Jersey OMB Circular 04-04.. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about Princeton's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of Princeton's compliance.

Opinion on Each Major Federal and State Program

In our opinion, Princeton, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2013.

Report on Internal Control Over Compliance

Management of Princeton is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Princeton's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJOMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Princeton's internal control over compliance.

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

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

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and NJOMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.



HODULIK & MORRISON, P.A.
Certified Public Accountants
Registered Municipal Accountants

Highland Park, New Jersey
August 4, 2014

Schedules Of Expenditures Of Federal And State Awards

Princeton
County of Mercer
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2013

Schedule A

Federal Funding Department	CFDA Number	Total Award	Pass Through Account No.	Grant Period	Cash Receipts	Expenditures	Cumulative at December 31, 2013
Indirect Awards:							
Department of Human Services							
Pass Through State of New Jersey							
Substance Abuse Block Grants Cluster							
NJ NIDA Program	93.959	144,160.00	054-7555-100-004-13	2013	\$102,721.50	\$144,160.00	144,160.00
NJ Vicinage Program	93.959	53,000.00	054-7550-100-012-08	2013	17,211.50	53,000.00	53,000.00
Total Substance Abuse Block Grants Cluster					119,933.00	197,160.00	
Department of Environmental Protection							
Environmental Infrastructure Loan	66.458	1,737,363.00	042-4860-510-046-2009	2009		6,571.60	1,725,883.30
Environmental Infrastructure Loan	66.458	1,392,219.00	042-4860-510-046-2010	2010		1,163.30	295,894.26
Environmental Infrastructure Loan	66.458	688,656.00	042-4860-510-046-2012	2012		147,222.58	182,186.47
Total Department of Environmental Protection					-	154,957.48	
Direct Awards:							
Department of Homeland Security:							
Disaster Grants - Public Assistance - Hurricane Sandy	97.036	(1) 650,382.08	N/A	2012	370,967.85	650,382.08	650,382.08
Total Expenditures of Federal Awards					\$119,933.00	\$1,002,499.56	

Footnotes:

Grant Award/Amount Reflects Current Year Awards

NOTE: See accompanying Notes to Schedules of Expenditures of Federal Awards.

Princeton's federal grants are presented within the overall financial statements on the cash basis of accounting which differs with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles.

N/A - Not Applicable

(1) Represents 90% of amount requested - \$722,646.74

Princeton
County of Mercer
Schedule of Expenditures of State Awards
Year ended December 31, 2013

Schedule B
Page 1 of 2

State Funding Department or Division	Program	Total Award	State Account No.	Grant Year	2013		Cumulative at December 31, 2013
					Cash Receipts	Expenditures	
<u>Department of Environmental Protection</u>							
	Recycling Tonnage Grant	41,210.77	4900-752-002-009	2009		4,330.00	23,489.43
	Recycling Tonnage Grant	15,907.75	4900-752-002-012	2012		5,575.75	5,575.75
	Environmental Infrastructure Loan	2,177,448.00	042-4860-510-030-08	2008		17,767.66	2,195,117.75
	Environmental Infrastructure Loan	2,500,000.00	042-4860-510-030-10	2010		3,145.23	1,115,325.37
	Environmental Infrastructure Loan	688,656.00	042-4860-510-030-12	2012		147,222.58	182,186.47
	Stormwater Regulation Grant	12,029.00	042-4855-100-118-08	2008			12,029.00
	State Park Services Grant	2,190.00		2012		2,080.53	2,080.53
	Livable Communities	78,000.00	N/A	2009		612.56	76,580.92
	Clean Community Grant	26,117.00	042-4900-765-004-09	2009		5,281.63	26,117.00
	Clean Community Grant	41,685.57	042-4900-765-004-10	2010		41,685.57	41,685.57
	Clean Community Grant	67,846.99	042-4900-765-004-12	2012		26,621.30	26,621.30
	Clean Community Grant	54,353.02	042-4900-765-004-13	2013	54,353.02		
	Total Department of Environmental Protection				54,353.02	254,322.81	3,729,001.09
<u>Department of Human Services</u>							
Passed thru County of Mercer							
	Mercer Regional Drug Program	35,709.00	2011-42	2013	35,709.00		25,198.00
	Public Health Priority Funding			2012		157.56	157.56
	Payments to Municipalities for Cost of General Assistance PATF #2	122,300.00	7550-100-121-158-013	2013	340,047.06	296,454.09	296,454.09
	Drug Program - NJMSPLI	1,000.00	2011-12222	2013	1,000.00	1,000.00	1,000.00
	Drug Program -STAR	6,500.00	N/A	2012		542.94	6,500.00
	Drug Program -STAR	6,500.00	N/A	2013	6,500.00	6,500.00	6,500.00
	Garden State Historic Trust	50,000.00	N/A	2009		13,720.00	29,617.89
	Mercer County Motivation 180	55,332.00	2011-164	2013	46,464.00	55,332.00	55,332.00
	Mercer County Princeton Youth	20,000.00	2009-329	2013	20,000.00	20,000.00	20,000.00
	Cranbury Schools	10,080.00	R05-10-005	2013		10,080.00	10,080.00
	Advocay for Youth	97,770.00		2013	73,212.00	97,770.00	97,770.00
	Total Department of Human Services				449,720.06	501,556.59	559,109.54
<u>Department of Community Affairs</u>							
	Academic Success Today	10,000.00	022-8049-542-002-13	2013	10,000.00	10,000.00	10,000.00
	Sustainable Communities	45,000.00	042-4875-353-VVVV-6020	2012		12,901.24	12,901.24
Passed thru County of Mercer:							
	Municipal Alliance	28,020.00	082-2000-100-044-11	2013	3,358.27	28,020.00	28,020.00
	Municipal Alliance	28,020.00	082-2000-100-044-10	2012	6,517.92	6,517.92	28,020.00
	Total Department of Community Affairs				19,876.19	57,439.16	178,933.93

Princeton
County of Mercer
Schedule of Expenditures of State Awards
Year ended December 31, 2013

Schedule B
Page 2 of 2

State Funding Department or Division	Program	Total Award	State Account No.	Grant Year	2013		Cumulative at December 31, 2013
					Cash Receipts	Expenditures	
Department of Law and Public Safety							
	Drunk Driving Enforcement Grant	11,686.07	066-6400-100-078-09	2012		5,152.30	5,491.12
	Alcohol Education & Rehabilitation	24,686.40		2012		250.00	250.00
	Body Armor Replacement Fund	32,135.54	N/A	2008	3,139.28	6,184.75	16,611.25
	Total Department of Law and Public Safety				3,139.28	11,587.05	22,352.37
<u>Department of Transportation</u>							
Pass Through State of New Jersey							
Highway Planning & Construction Cluster							
	Highway Planning & Construction - Stony Brook Bridge	690,000.00	078-6320-480-AJP-09	2009		5,417.56	685,724.66
	Highway Planning & Construction - Hilltop Drive	150,000.00	078-6320-480-AJP-09	2009	37,500.00	26,187.42	79,800.99
	Highway Planning & Construction	300,000.00	078-6320-480-AJP-09	2011	300,000.00	18,607.34	112,054.16
	Highway Planning & Construction	220,000.00	078-6320-480-AK8-13	2013		51,746.73	51,746.73
	Highway Planning & Construction	261,676.00	078-6320-480-AK8-13	2013		9,085.23	9,085.23
	Highway Planning & Construction	290,000.00	078-6320-480-AK8-13		217,500.00		
	Highway Planning & Construction - Sycamore Rd.	200,000.00	078-6320-480-AJP-07	2007			145,993.50
	Highway Planning & Construction - Wilson Rd.	200,000.00	078-6320-480-AJP-08	2008		4,735.31	21,873.94
	Total Department of Transportation Cluster				555,000.00	115,779.59	1,106,279.21
Grand Total					1,082,088.55	940,685.20	5,595,676.14

Footnotes:

Grant Award/Amount Reflects Current Year Awards

NOTE: See accompanying Notes to Schedules of Federal Awards and State Financial Assistance.

Princeton's state grants are presented within the overall financial statements on the cash basis of accounting which differs with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles.

N/A - Not Available or Not Applicable

PRINCETON
COUNTY OF MERCER, NEW JERSEY

NOTES TO SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE FINANCIAL ASSISTANCE
DECEMBER 31, 2013

NOTE 1: GENERAL

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of Princeton. Princeton is defined in Note 1(A) to the financial statements. Federal and State financial assistance passed through other government agencies in is included on the schedules of federal and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal and state financial assistance is presented using the cash basis of accounting.

NOTE 3: RELATIONSHIP TO GENERAL FINANCIAL STATEMENTS

Pursuant to the revised DHS A-133 Compliance Supplement issued in March 2014, the inclusion of DHS Stafford Act costs related to Hurricane Sandy on the Schedule of Expenditures of Federals ("SEFA") is based upon the approval of project award worksheets and the obligation of FEMA funds to the recipient. The amounts reported as expenditures on the SEFA for the DHS-Disaster Grants-Public Assistance-Hurricane Sandy include all eligible costs incurred from the date of the event (October 29, 2012) through December 31, 2013. Accordingly, the amount reported in the accompanying SEFA for this program does not agree with amounts reported in Princeton's financial statements for the period under audit. A reconciliation follows:

Amounts Recorded in Financial Statements:

2012 Federal Expenditures (90% of costs)	\$643,432.75
2013 Federal Expenditures (90% of costs)	<u>6,949.33</u>
2013 SEFA Expended	<u>\$650,382.08</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Unless specifically required, the amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports, where required.

NOTE 5: DISASTER GRANTS – PUBLIC ASSISTANCE – HURRICANE SANDY

Amounts reported as eligible reimbursable expenditures for Hurricane Sandy related costs are subject to additional audits by the DHS Office of the Inspector General and State auditors. Furthermore, amounts deemed eligible for reimbursement based upon these audits will be reduced by any insurance recoveries received by Princeton. The amounts, if any, of potential insurance recoveries has not been determined. Based on the OMB Circular A-133 grant compliance supplement issued in March 2014, entities must record expenditures on the SEFA when FEMA has approved the entity's Project Worksheet (PW) and the entity has incurred the eligible expenditures. Princeton's PW and eligible expenditures were approved during 2013.

PRINCETON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013

Sch. C

Section 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified (OCBOA)

Internal Control over financial reporting:

1) Material weakness(es) identified? _____ Yes X No

2) Control Deficiencies identified that are not considered to be substantial? _____ Yes X No

Noncompliance material to basic financial statements noted? _____ Yes X No

Federal Awards

Dollar threshold used to distinguish between Type A and B programs: \$300,000.00

Auditee qualified as low-risk auditee? _____ Yes X No

Type of auditor's report issued on compliance for major programs: Unmodified

Internal Control over major programs:

1) Material weakness(es) identified? _____ Yes X No

2) Control Deficiencies identified that are not considered to be substantial? _____ Yes X No

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04 _____ Yes X No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
<u>97.036</u>	<u>Disaster Grants - Hurricane Sandy</u>
<u>66.458</u>	<u>Environmental Infrastructure Loans</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

PRINCETON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013

Sch. C

State Awards

Dollar threshold used to distinguish between Type A and B programs: \$300,000.00

Auditee qualified as low-risk auditee? _____ Yes X No

Type of auditor's report issued on compliance for
major programs: Unmodified

Internal Control over major programs:

1) Material weakness(es) identified? _____ Yes X No

2) Control Deficiencies identified that
are not considered to be substantial? _____ Yes X No

Any audit findings disclosed that are required to be reported
in accordance with NJOMB Circular Letter 04-04 _____ Yes X No

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>042-4860-510-030-08</u>	<u>Environmental Infrastructure Loans</u>
<u>7550-100-121-158-010</u>	<u>Public Assistance</u>
<u>078-6320-480</u>	<u>DOT Highway Planning & Const.</u>
_____	_____

PRINCETON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013

Sch. C

Section II - Financial Statement Findings

This section identifies significant deficiencies, material weaknesses, and instances of noncompliance related to the general-purpose financial statements that are required to be reported in accordance with chapter 5.18 of *Government Auditing Standards*.

Significant Deficiency(ies)/Material Weaknesses

None noted.

Noncompliances

None noted.

Section III - Federal and State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's circular 04-04.

Federal and State Award Programs:

Significant Deficiency(ies)/Material Weaknesses:

None noted.

Noncompliance:

None noted.

PRINCETON
COUNTY OF MERCER, NEW JERSEY
SUMMARY SCHEDULE OF PRIOR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2013

Section 1 – Summary of Prior Year Federal and State Findings

SUMMARY OF PRIOR YEAR FINDINGS

None

PRINCETON
MERCER COUNTY, NEW JERSEY

PART II
SUPPLEMENTARY SCHEDULES

Supplemental Schedules

SCHEDULE OF TAXES RECEIVABLE AND
ANALYSIS OF PROPERTY TAX LEVY
CURRENT FUND

Exhibit - S-1

<u>YEAR</u>	<u>BALANCE DEC. 31, 2012</u>	<u>2013 LEVY</u>	<u>COLLECTIONS 2012</u>	<u>BY CASH 2013</u>	<u>SR. CITIZENS AND VETERANS DEDUCTION REIMBURSEMENT</u>	<u>TRANSFER TO TAX TITLE LIEN</u>	<u>REMITTED AND CANCELLED</u>	<u>OVERPAYMENTS APPLIED</u>	<u>BALANCE DEC. 31, 2013</u>
2008	\$7,395.30	\$	\$	\$7,395.30	\$	\$	\$	\$	\$
2009	24,917.10			24,917.10					
2010	24,125.34			24,125.34					
2011	24,474.08			8,082.71	(250.00)		16,641.37		
2012	1,580,975.24			1,492,994.95	(2,428.00)		90,408.29		
	1,661,887.06			1,557,515.40	(2,678.00)		107,049.66		
2013		144,030,580.66	1,428,091.36	141,110,217.45	97,875.00	9,163.30	186,280.21	3,526.13	1,195,427.21
	<u>\$1,661,887.06</u>	<u>\$144,030,580.66</u>	<u>\$1,428,091.36</u>	<u>\$142,667,732.85</u>	<u>\$95,197.00</u>	<u>\$9,163.30</u>	<u>\$293,329.87</u>	<u>\$3,526.13</u>	<u>\$1,195,427.21</u>

Analysis of 2013 Property Tax Levy:

Ref.

Tax Yield:

General Purpose

\$143,538,056.89

Omitted/Added Taxes (N.J.S.A. 54:4-63.1 et seq.)

492,523.77

\$144,030,580.66

Tax Levy:

Local District School Tax

(Abstract)

69,123,431.92

County Tax (Abstract)

42,721,552.71

Local Tax for Municipal Purposes

28,115,758.33

Local Library Tax

2,398,262.55

Local Open Space Tax

1,145,453.00

Add: Additional Tax for Mun. Purposes

526,122.15

\$144,030,580.66

SCHEDULE OF DUE TO/FROM STATE OF NEW JERSEY
SENIOR CITIZENS AND VETERANS DEDUCTIONS
PER CHAPTER 73, P.L. 1976
CURRENT FUND

Balance - Dec. 31, 2012 (Due to State of NJ)	\$21,061.61
Increased by:	
Payment Received from State of NJ	101,508.21
Prior Years Deductions Disallowed by Collector	<u>2,678.00</u>
	<u>104,186.21</u>
	125,247.82
Decreased by:	
Deductions Allowed Per Tax Billings	97,750.00
2013 Deductions Allowed by Collector	125.00
Adjustment to Correct Balance	<u>27,622.82</u>
	<u>125,497.82</u>
Balance - December 31, 2013 (Due from State of NJ)	<u><u>(\$250.00)</u></u>
Analysis of Senior Cit., Vets. and Disability <u>Deductions Allowed by Collector</u>	
Deductions Allowed Per Tax Billings	\$97,750.00
2013 Deductions Allowed by Collector	<u>125.00</u>
Realized as Revenue - 2013	<u><u>\$97,875.00</u></u>

Exhibit - S-3

SCHEDULE OF TAX TITLE LIENS
CURRENT FUND

Balance - December 31, 2012		\$183,308.80
Increased by:		
Transfer from Taxes Receivable	<u>9,163.30</u>	<u>9,163.30</u>
		192,472.10
Decreased by:		
Collections		<u>96,635.30</u>
Balance - December 31, 2013		<u><u>\$95,836.80</u></u>

Exhibit - S-4

SCHEDULE OF SEWER CHARGES RECEIVABLE
CURRENT FUND

Balance - December 31, 2012		\$227,976.10
Increased by:		
2013 Billings		<u>6,945,130.00</u>
		7,173,106.10
Decreased by:		
Collections - 2013	7,090,058.37	
Prepaid Sewer Rents	<u>20,990.48</u>	<u>7,111,048.85</u>
Balance - December 31, 2013		<u><u>\$62,057.25</u></u>

CURRENT FUND
SCHEDULE OF TAXES PAYABLE

	01/01/13	Taxes Levied	Cash Disbursements	12/31/13
County - General	\$ -	\$ 41,292,894.28	\$ (41,292,894.28)	\$ -
County - Open Space	-	1,428,658.43	(1,428,658.43)	-
County - Added & Omitted	241,548.05	145,337.25	(241,548.05)	145,337.25
Local School District Taxes		69,123,431.92	(69,123,431.92)	-
Local Open Space.....	-	1,145,453.00	(1,145,453.00)	-
Total	<u>\$ 241,548.05</u>	<u>\$ 113,135,774.88</u>	<u>\$ (113,231,985.68)</u>	<u>\$ 145,337.25</u>

SCHEDULE OF 2012 APPROPRIATION RESERVES
CURRENT FUND

Exhibit - S-6
Page 1 of 4

	BALANCE DEC. 31 <u>2012</u>	ENCUMBERED <u>DEC. 31, 2012</u>	BALANCE AFTER <u>MODIFICATION</u>	PAID OR <u>CHARGED</u>	ENCUMBERED <u>DEC. 31, 2013</u>	BALANCE <u>LAPSED</u>
Operations Within "CAPS"						
Salaries and Wages:						
Administrative and Executive	5,122.83		5,122.83			\$5,122.83
Information Technology	5,798.91		5,798.91			5,798.91
Township Committee	348.59		348.59			348.59
Municipal Clerk	16,611.10		16,611.10			16,611.10
Elections	2,201.31		2,201.31			2,201.31
Financial Administration	5,072.80		5,072.80			5,072.80
Revenue Administration(Tax Collection)	37,449.15		37,449.15			37,449.15
Tax Assessment Administration	1,176.28		1,176.28			1,176.28
Historic Sites Commission	86.06		86.06			86.06
Regional Planning Board	11,302.57		11,302.57			11,302.57
Zoning Board	50,956.79		50,956.79			50,956.79
Municipal Court	21,824.78		21,824.78			21,824.78
Police Department	130,332.57		130,332.57			130,332.57
Police Dispatch/911	98,514.94		98,514.94			98,514.94
Fire	99.63		99.63			99.63
Fire Inspectors	403.96		403.96			403.96
Streets & Road Maintenance	155,726.71		155,726.71			155,726.71
Shade Tree Commission	70.48		70.48			70.48
Buildings and Grounds	38,233.04		38,233.04			38,233.04
Vehicle Maintenance	17,894.47		17,894.47			17,894.47
Solid Waste	13,387.37		13,387.37			13,387.37
Board of Health	599.08		599.08			599.08
Joint Environmental Commission	723.75		723.75			723.75
Animal Control	346.38		346.38			346.38
Uniform Construction Code	58,490.83		58,490.83			58,490.83
Joint Drug Abuse Prevention Program	16,892.58		16,892.58			16,892.58
Joint Recreation Board	83,170.74		83,170.74			83,170.74
Maintenance of Sewer Facilities	128,390.51		128,390.51			128,390.51
Other Expenses:						
General Administration	235,409.34	73,009.61	308,418.95	265,873.30	12,529.72	30,015.93
Information Technology	4,556.89	3,205.95	7,762.84	7,534.43		228.41
Human Resources	12,286.27	556.60	12,842.87	4,319.50		8,523.37
Mayor and Council	2,405,612.94	2,544.00	2,408,156.94	219,338.50	50,000.00	2,138,818.44
Consolidation Costs	996,397.02	408,245.81	1,404,642.83	1,327,616.83	77,026.00	
Municipal Clerk	9,119.74	1,360.52	10,480.26	6,163.34		4,316.92
Elections	8,205.13		8,205.13			8,205.13

SCHEDULE OF 2012 APPROPRIATION RESERVES
CURRENT FUND

Exhibit - S-6
Page 2 of 4

	BALANCE DEC. 31, 2012	ENCUMBERED DEC. 31, 2012	BALANCE AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED DEC. 31, 2013	BALANCE LAPSED
Other Expenses (cont'd.)						
Financial Administration	14,131.45	413.27	14,544.72	1,678.98		12,865.74
Audit	300.00	34,900.00	35,200.00	34,900.00		300.00
Revenue Administration(Tax Collection)	4,476.66		4,476.66	447.52		4,029.14
Tax Assessment Administration	1,428.75	10.89	1,439.64	53.98		1,385.66
Legal Services & Costs	142,993.92	1,008.95	144,002.87	93,148.27	149.06	50,705.54
Defense of Tax Appeals	5,144.50	9,485.96	14,630.46	8,412.00		6,218.46
Engineering Services and Costs	\$92,159.62	\$20,344.61	\$112,504.23	\$16,551.35	11,500.00	84,452.88
Historic Sites Commission	55.34	12,326.93	12,382.27	7,150.40		5,231.87
Regional Planning Board	30,220.26	8,416.45	38,636.71	6,119.75		32,516.96
Zoning Board	15,669.12	2,225.69	17,894.81	10,319.10		7,575.71
Municipal Court	9,360.34	4,041.14	13,401.48	5,180.39		8,221.09
Public Defender	3,000.08	12,400.00	15,400.08	9,300.00		6,100.08
Police Department	193,977.30	99,413.44	293,390.74	113,610.48		179,780.26
Police Dispatch/911	380.00	3,570.00	3,950.00	570.00		3,380.00
Emergency Management	7,113.66	1,828.68	8,942.34	1,828.68		7,113.66
Fire Inspectors	606.03	3,271.60	3,877.63	(1,602.07)		5,479.70
Fire	60,827.68	20,974.28	81,801.96	37,177.61		44,624.35
Fire Facilities	7,298.18	35,473.96	42,772.14	16,216.15		26,555.99
Fire Hydrant Service	53,576.64	41,925.00	95,501.64	54,747.04		40,754.60
Municipal Prosecutor	8,500.00	3,700.00	12,200.00	9,000.00		3,200.00
Sustainable Princeton	2,138.70		2,138.70	1,338.01		800.69
Streets & Road Maintenance	132,814.08	19,025.89	151,839.97	110,687.62		41,152.35
Shade Tree Commission	7,105.72		7,105.72	7,101.79		3.93
Public Buildings and Grounds	26,211.66	68,408.61	94,620.27	59,150.70	743.43	34,726.14
Vehicle Maintenance	17,403.26	18,114.76	35,518.02	34,729.26		788.76
Maintenance of Sewerage Facilities	541.12	6,857.56	7,398.68	4,525.04		2,873.64
Garbage and Trash Removal	84,034.59	8,781.21	92,815.80			92,815.80
Solid Waste Disposal	71,423.11	12,977.93	84,401.04	48,449.73		35,951.31
NJ PEOSHA	1,000.00		1,000.00			1,000.00
Board of Health	3,662.97	15,786.96	19,449.93	6,654.93	35.00	12,760.00
SAVE Boarding Costs & Animal Care	510.00	5,000.00	5,510.00	3,870.00		1,640.00
Joint Environmental Commission	962.29	1,500.00	2,462.29			2,462.29
Human Services Commission	10,008.22	95.38	10,103.60	3,627.00		6,476.60
Uniform Construction Code	28,385.42	223.30	28,608.72	223.30		28,385.42
Worker & Comm. Right to Know Act	1,000.00		1,000.00			1,000.00
Joint Drug Abuse Prevention	532.88	313.00	845.88	650.89		194.99
Joint Recreation Board	33,671.07	10,251.19	43,922.26	5,949.15		37,973.11

SCHEDULE OF 2012 APPROPRIATION RESERVES
CURRENT FUND

Exhibit - S-6
Page 3 of 4

	BALANCE DEC. 31 2012	ENCUMBERED DEC. 31, 2012	BALANCE AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED DEC. 31, 2013	BALANCE LAPSED
Senior Citizen Program	42,912.41	198.10	43,110.51	22,594.56		20,515.95
Celebration of Public Events	7,000.00		7,000.00			7,000.00
Parks and Playgrounds	1,782.99	3,182.57	4,965.56	2,877.46		2,088.10
Electricity	72,595.12		72,595.12	15,544.43		57,050.69
Street Lighting	52,344.41		52,344.41	20,103.13		32,241.28
Telecommunications	9,168.77	3,325.85	12,494.62	11,320.63		1,173.99
Water	3,599.13		3,599.13	964.18		2,634.95
Gas(Natural or Propane)	6,928.85		6,928.85	6,928.85		
Gasoline	52,356.10	18,972.55	71,328.65	40,881.56		30,447.09
Sewer System:Prop. Share of Costs:						
Township Sewer	8,192.09		8,192.09			8,192.09
Condo Services Reimbursement	8,000.00		8,000.00	3,878.02		4,121.98
Accumulated Leave Compensation	15,443.72		15,443.72	15,443.72		
Matching Fund For Grants	10,000.00		10,000.00			10,000.00
Consolidation Commission	1,570.00		1,570.00			1,570.00
Liability Insurance	22,183.65		22,183.65			22,183.65
Group Insurance	152,518.72	2,028.00	154,546.72	40,639.29		113,907.43
Workers Compensation Insurance	162,941.00		162,941.00			162,941.00
Health Benefit Waiver	710.86		710.86			710.86
Stony Brook Sewer Industrial User Fee	34,119.51		34,119.51	20,086.81		14,032.70
Reserve for Tax Appeals	5,000.00		5,000.00			5,000.00
Transportation of Local Pupils by Board of Education	141.34		141.34			141.34
Public Employees Retirement System	3.00		3.00			3.00
Defined Contribution Ret. Prog.	250.63		250.63			250.63
Police & Firemen's Retirement System	1.00		1.00			1.00
Consolidated Police & Fire Fund	12.38		12.38			12.38
Unemployment	42,865.84		42,865.84	42,865.84		
Social Security	54,009.51		54,009.51			54,009.51
Total Operations Within "CAPS"	\$6,245,627.91	\$953,877.13	\$7,192,370.21	\$2,786,741.43	\$151,983.21	\$4,467,939.92

SCHEDULE OF 2012 APPROPRIATION RESERVES
CURRENT FUND

Exhibit - S-6
Page 4 of 4

	BALANCE DEC. 31 <u>2012</u>	ENCUMBERED <u>DEC. 31, 2012</u>	BALANCE AFTER <u>MODIFICATION</u>	PAID OR <u>CHARGED</u>	ENCUMBERED <u>DEC. 31, 2013</u>	BALANCE <u>LAPSED</u>
Operations Excluded from "CAPS"						
Other Expenses:						
Interlocal Services Agreements:						
LOSAP Alternative	37,516.50	220.00	37,736.50	9,325.00		28,411.50
Flu Program	11,000.00	146.49	11,146.49	11,146.49		
Animal Control	466.02	741.84	1,207.86	785.84		422.02
Green Trust Institute Lands		4,666.20	4,666.20	4,666.20		
Maintenance of Free Public Library	95,121.43		95,121.43			95,121.43
Curbside Recycling Program	76.92		76.92			76.92
Corner House Foundation	9.30	723.76	733.06	723.76		9.30
Stonybrook Regional Sewerage Authority	48,841.50		48,841.50			48,841.50
NJ Vicinage Program	10,000.00		10,000.00			10,000.00
Total Operations Excluded from "CAPS"	<u>203,031.67</u>	<u>6,498.29</u>	<u>209,529.96</u>	<u>26,647.29</u>		<u>182,882.67</u>
Total Appropriation Reserves	<u>\$6,448,659.58</u>	<u>\$ 960,375.42</u>	<u>\$7,401,900.17</u>	<u>\$ 2,813,388.72</u>	<u>\$ 151,983.21</u>	<u>\$4,650,822.59</u>

SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE

<u>Grant</u>	<u>Balance Dec. 31, 2012</u>	<u>2013 Budget Revenue</u>	<u>Receipts</u>	<u>Balance Dec. 31, 2013</u>
Academic Success Today	\$ 4,500.00	\$ 10,000.00	\$ 10,000.00	\$4,500.00
Cranbury Drug Intervention Program	11,880.00	10,080.00	14,760.00	7,200.00
Domestic Preparedness	30,254.28			30,254.28
Over the Limit Under Arrest	1,975.00			1,975.00
NJ Vicinage Program	4,564.05	53,000.00	17,211.50	40,352.55
Princeton Charter School	11,420.00			11,420.00
Princeton High School Drug Program	34,546.31			34,546.31
Princeton Regional Municipal Alliance Program	6,785.28	28,020.00	9,876.19	24,929.09
Princeton Regional Schools - NJMSPLI	3,900.00	1,000.00	1,000.00	3,900.00
Princeton University - Prospect Avenue Street Lighting		7,654.00	7,654.00	
Princeton University - Fire		20,000.00	20,000.00	
Mercer County Outpatient Services	11,507.00			11,507.00
of Drug Abuse	40,316.00	144,160.00	102,721.50	81,754.50
Mercer County PYP	12,465.00	20,000.00	20,361.00	12,104.00
Mercer County Advocacy for Youth Program		97,770.00	73,212.00	24,558.00
Mercer Drug Treatment		35,709.00	35,709.00	
STAR Grant		6,500.00	6,500.00	
Click It or Ticket Grant	23.22			23.22
Adolescent Treatment (Motivation 180)	66,865.25	55,322.00	46,464.00	75,723.25
Body Armor Replacement	3,139.28		3,139.28	
NJ Juvenile Drug Court	25,432.00			25,432.00
Clean Communities Grant		54,353.02	54,353.02	
DAS Strengthening Families	23,236.00			23,236.00
Livable Communities-Sustainable Princeton	10,010.00			10,010.00
Garden State Preservation Trust	800,000.00			800,000.00
Bonner Foundatioin	4,612.81	21,500.00	22,465.88	3,646.93
Comprehensive Tobacco Control	80.00			80.00
Cops-In-Shops	2,370.00			2,370.00
Health Services Grant - Influenza	27,439.55			27,439.55
Safe and Secure Communities Program	27,892.00			27,892.00
Stormwater Management	5,104.00			5,104.00
	<u>\$ 1,170,317.03</u>	<u>\$ 565,068.02</u>	<u>\$ 445,427.37</u>	<u>\$1,289,957.68</u>

SCHEDULE OF STATE AND FEDERAL GRANTS APPROPRIATED

<u>Grant</u>	<u>Balance Dec. 31, 2012</u>	<u>Encumbrances 12/31/12</u>	<u>2013 Budget</u>	<u>Paid</u>	<u>Encumbrances 12/31/13</u>	<u>Balance Dec. 31, 2013</u>
Academic Success Today	\$	\$	\$ 10,000.00	10,000.00	\$	\$
Body Armor Replacement Fund	41,256.67	2,860.00		6,184.75		37,931.92
County of Mercer - Mercer Regional Drug Treatment Program			35,709.00			35,709.00
Clean Community Grant	157,254.27		54,353.02	73,588.50	2,551.50	135,467.29
Drug Program - NJMSPLI	0.08		1,000.00	1,000.00		0.08
Drug Program - STAR	542.94		6,500.00	7,042.94		0.00
Mercer County - Motivation 180			55,322.00	55,322.00		
Drunk Driving Enforcement	10,864.61			5,152.30		5,712.31
Emergency Services Protective Masks	478.00					478.00
Mercer County Neighborhood Pres. Grant	46,500.00					46,500.00
NJ Child Passenger Safety	55.56					55.56
NJ Recycling Tonnage Grant	123,170.33	80.00		4,330.00		118,920.33
State of NJ Grant from National Institute of Drug Abuse			144,160.00	144,160.00		
Princeton Regional Municipal Alliance	6,517.92		28,020.00	34,537.92		
Cranbury Schools			10,080.00	10,080.00		
Click It or Ticket Grant	23.22					23.22
NJ Domestic Preparedness Grant	25,262.97					25,262.97
DWI Court	8,119.85					8,119.85
State of NJ Vicinage			53,000.00	53,000.00		
Alcohol Education Rehab	24,686.40	250.00		250.00	300.00	24,386.40
Balance Housing Program	7.31					7.31
Garden State Preservation Trust	800,000.00					800,000.00
TCNJ Sustainable Communities	45,087.78			12,901.24		32,186.54
Bullet Proof Vest	7,250.62					7,250.62
Share Grant	2,419.76					2,419.76
Garden State Historic Trust	27,007.56	7,094.55		13,720.00	2,374.55	18,007.56
Mercer County Princeton Youth(PYP)			20,000.00	20,000.00		
Mercer County Advocacy for Youth Program			97,770.00	97,770.00		
Over the Limit Under Arrest	17,645.27					17,645.27
DEP Stony Brook Trail	4,339.00					4,339.00
Green Communities Grant	14,562.50	1,008.00				15,570.50
Bonner Foundation	39,273.45	5,203.47	21,500.00	41,005.47		24,971.45
Click It or Ticket Grant	4,158.86					4,158.86
Comprehensive Tobacco Control	725.00					725.00
Cops In Shops	3,251.27					3,251.27
Edward Byrne Mem. Just. Assist. Grant (JAG)	11,180.00					11,180.00
Fire Fighter Grant Program	1,000.00				855.00	145.00

SCHEDULE OF STATE AND FEDERAL GRANTS APPROPRIATED

<u>Grant</u>	<u>Balance Dec. 31, 2012</u>	<u>Encumbrances 12/31/12</u>	<u>2013 Budget</u>	<u>Paid</u>	<u>Encumbrances 12/31/13</u>	<u>Balance Dec. 31, 2013</u>
Green Communities Grant	3,000.00					3,000.00
Health Service Grant - Influenza	15,484.91					15,484.91
Infrastructure Preparedness	1,560.31					1,560.31
NJ Contingency Fund - Special Purpose	5,125.00					5,125.00
NJ Lead Investigation & Field Testing	6.30					6.30
Princeton University - Donation to Bd. Of Health	1,126.64			500.00		626.64
Princeton University Donations Fire Director- Salaries and Wages	48,582.62			1,875.00		46,707.62
Princeton University Fire Equipment	51,834.57	6,825.00	20,000.00	25,424.50		53,235.07
Princeton University Prospect Ave. St. Lighting	7,654.00		7,654.00			15,308.00
Public Health Priority Funding	2,162.60	436.80		157.56		2,441.84
Recycling Tonnage Grant	109,951.45			5,575.75		104,375.70
State and Local All Hazard Emergency Plan	2,405.72					2,405.72
State Park Services Grant	2,190.00			2,080.53		109.47
Stormwater Management	2,056.62				600.00	1,456.62
Tobacco Age of Sale	1,753.11					1,753.11
	<u>\$1,677,535.05</u>	<u>\$ 23,757.82</u>	<u>\$ 565,068.02</u>	<u>\$ 625,658.46</u>	<u>\$ 6,681.05</u>	<u>\$ 1,634,021.38</u>

SCHEDULE OF STATE AND FEDERAL GRANTS UNAPPROPRIATED

<u>Grant</u>	<u>Balance Dec. 31, 2012</u>	<u>Receipts</u>	<u>Balance Dec. 31, 2013</u>
Body Armor Replacement	\$	\$ 3,525.63	\$ 3,525.63
Recycling Tonnage Grant		55,252.28	55,252.28
Mercer Drug Treatment		4,244.00	4,244.00
Alcohol Education Rehabilitation Fund		3,641.46	3,641.46
DDEF	6,014.97		6,014.97
Infrastructure Preparedness	9,851.65		9,851.65
Cops In Shops	2,000.00		2,000.00
	<u>\$ 17,866.62</u>	<u>\$ 66,663.37</u>	<u>\$ 84,529.99</u>

ANALYSIS OF TRUST ASSESSMENT CASH AND INVESTMENTS

	<u>BALANCE</u>	<u>RECEIPTS</u>	<u>DISBURSEMENTS</u>	<u>BALANCE</u>
	<u>Dec. 2012</u>	<u>MISCELLA- NEOUS</u>	<u>MISCELLA- NEOUS</u>	<u>Dec. 2013</u>
Trust Surplus	\$720,816.76	\$240,206.80	\$200,000.00	\$761,023.56
Assessment Serial Bonds:				
Ord. 03-10 Sidewalk Improvements	26,232.50	1,264.36	2,714.30	24,782.56
Ord. 03-16 Sidewalk Improvements	65,178.66	3,936.93	6,744.09	62,371.50
Ord. 08-02 Sidewalk Improvements	47,370.51	7,238.33	12,089.20	42,519.64
Ord. 09-18 Sidewalk Improvements	7,813.59	620.72	1,994.25	6,440.06
Ord. 09-21 Sidewalk Improvements	31,038.45	5,428.66	7,921.16	28,545.95
Due to/from Current Fund	<u>(3,000.00)</u>	<u>12,427.61</u>	<u>3,708.06</u>	<u>5,719.55</u>
	<u>\$895,450.47</u>	<u>\$271,123.41</u>	<u>\$235,171.06</u>	<u>\$931,402.82</u>

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SCHEDULE OF ASSESSMENTS RECEIVABLE

<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTIONS</u>	<u>DATE OF CONFIRMATION</u>	<u>BALANCE 12/31/12</u>	<u>ASSESSMENTS CONFIRMED</u>	<u>COLLECTIONS</u>	<u>BALANCE 12/31/13</u>	<u>BALANCE PLEDGED TO ASSESSMENT BONDS</u>	<u>RESERVE</u>
04-06	Walnut Sidewalks	3/19/07	1,552.80		482.39	1,070.41		1,070.41
04-17	Walnut Lane Curbing	3/19/07	930.34		234.36	695.98		695.98
05-23	Oakland St Sidewalks	6/11/07	124.33		31.58	92.75		92.75
06-25	Evergreen Circle Curbing	6/11/07	1,760.11		1,294.20	465.91		465.91
05-07	Camahan Place Sidewalks	6/11/07	512.02		129.81	382.21		382.21
05-15	Tee-Ar Sidewalks	6/25/07	210.06		53.06	157.00		157.00
05-31	Clearview Ave Sidewalks	6/25/07	182.12		45.60	136.52		136.52
05-32	Grover Ave Sidewalks	6/25/07	427.58		106.93	320.65		320.65
05-10	Dorann Ave Curbing	6/25/07	2,517.60		1,273.32	1,244.28		1,244.28
05-16	Littlebrook Rd Pathway	7/16/07	1,046.90		448.04	598.86		598.86
07-15	Clover Lane Curbing	6/9/08	3,542.75		710.61	2,832.14		2,832.14
06-13	Riverside Sidewalks	5/5/08	574.14		114.83	459.31		459.31
06-27	Abernathy Sidewalks	6/9/08	862.91		174.30	688.61		688.61
06-15	Overbrook Sidewalks	6/9/08	1,246.18		585.62	660.56		660.56
07-16	Witherspoon St. Sidewalks	6/23/08	82.49		82.49	-		-
07-10	Linwood/Leabrook La S/W Improvements	6/23/08	2,541.16		796.83	1,744.33		1,744.33
07-22	Herrontown Circle Curbing	6/23/08	2,997.99		1,630.05	1,367.94		1,367.94
03-19	Lake/Longview/Knoll Sewer Lat. Repairs	12/1/08	358.70		221.81	136.89		136.89
03-17	Sewer Lat. Repairs- Clearview, Dorann...	12/1/08	19,079.55		5,724.97	13,354.58		13,354.58
05-30	Sycamore Road Sewer Laterals	12/1/08	265.54		58.30	207.24		207.24
04-05	Arreton Road Sewer & Water Main Ext.	12/1/08	48,820.48		3,296.66	45,523.82		45,523.82
03-10	Princeton/Kingston Road Sewer	12/1/08	200,679.48		12,189.21	188,490.27		188,490.27
02-14	Mountain Ave. Sewer Extension	12/1/08	2,710.15		542.04	2,168.11		2,168.11
07-18	Philip,Hemlock,Woodside Sidewalk	4/6/09	6,545.07		2,320.90	4,224.17		4,224.17
08-03	Ewing St. Near Guyot Sidewalk	4/6/09	3,097.95		1,033.96	2,063.99		2,063.99
08-21	Wilson Road Curbing	6/28/10	5,840.24		891.93	4,948.31		4,948.31
08-09	Franklin Avenue Sidewalk	6/28/10	107.59		15.56	92.03		92.03
08-19	Ewing Street Sidewalk	6/28/10	469.74		274.00	195.74		195.74
09-01	Edgarstoune & Winant Rd. Sewer	4/27/12	44,237.55		32,862.72	11,374.83		11,374.83
08-02	Magnolia Lane Sidewalks	9/10/12	4,510.40		1,527.70	2,982.70		2,982.70
08-12	Ober Rd. Sidewalks	10/1/12	1,827.60		1,827.60	-		-
08-07	Braeburn Dr. /Meadowbrook Sidewalks	9/10/12	985.48		985.48	-		-
10-19	Ober Rd. Curbing	10/1/12	18,610.30		6,050.77	12,559.53		12,559.53
09-03	Cedar Lane Sidewalks	10/1/12	4,732.74		3,668.64	1,064.10		1,064.10
09-02	Cedar, Southern & Western Way	12/17/12	90,711.54		54,199.53	36,512.01		36,512.01
09-08	Quarry Lane Sewers	12/17/12	32,931.92		6,590.29	26,341.63		26,341.63
10-27	Hilltop Mansgrove Sewers	12/17/12	26,518.03		15,822.76	10,695.27		10,695.27
00-19	Various Sidewalk Improvements	10/1/02	184.06		184.06	0.00		0.00
03-10	Sidewalk Improvements	1/24/06	2,458.81		1,264.36	1,194.45	1,194.45	-
03-12	Installation of Lighting/Drain.	7/31/03	210.92		210.92	-		-
03-16	Water,Sewer & Sidewalk Improv.	6/28/06	6,275.13		5,074.37	1,200.76		1,200.76
02-14,02-16	Sidewalk Improvements	8/5/08	4,397.27		3,868.31	528.96		528.96
03-15	Sidewalk Improvements	3/25/08	4,098.01		1,084.39	3,013.62		3,013.62
05-12	Sidewalk Improvements	4/1/08	6,753.73		2,872.83	3,880.90		3,880.90
05-18	Sidewalk Improvements	2/24/09	11,543.84		3,581.72	7,962.12		7,962.12
05-19	Improvements to Sewer System	2/24/09	58,895.73		14,141.25	44,754.48		44,754.48
08-02	Sidewalk Improvements	3/10/09	13,056.41		7,238.33	5,818.08	5,818.08	-
09-18	Sidewalk Improvements	4/6/10	1,268.36		620.72	647.64	647.64	-

SCHEDULE OF ASSESSMENTS RECEIVABLE

<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTIONS</u>	<u>DATE OF CONFIRMATION</u>	<u>BALANCE 12/31/12</u>	<u>ASSESSMENTS CONFIRMED</u>	<u>COLLECTIONS</u>	<u>BALANCE 12/31/13</u>	<u>BALANCE PLEDGED TO ASSESSMENT BONDS</u>	<u>RESERVE</u>
09-21	Sidewalk Improvements	4/6/10	8,203.23		5,428.66	2,774.57	2,774.57	-
10-16	Sideawalk & Sanitary Improvements	2/14/12	19,477.58		6,839.30	12,638.28		12,638.28
10-01	Sewer, Sidewalk & Curb Improv.	4/14/12	7,804.02		3,708.62	4,095.40		4,095.40
11-22	Sewer, Sidewalk & Curb Improv.	10/23/12	21,781.62		14,818.63	6,962.99		6,962.99
12-15	White Pine Lane Curbing	6/24/13		25,105.36	7,425.38	17,679.98		17,679.98
12-12	Grover Ave Sidewalks	6/24/13		20,127.04	10,747.71	9,379.33		9,379.33
11-10	Hillside Ave. Sidewalks	6/24/13		8,143.07	4,535.17	3,607.90		3,607.90
12-13	Roper Rd. Sidewalks	6/24/13		14,751.28	6,752.22	7,999.06		7,999.06
			700,560.25	68,126.75	258,695.80	509,991.20	10,434.74	499,556.46
Assessment Lien Receivable Prior Years			<u>8,478.76</u>			<u>8,478.76</u>		<u>8,478.76</u>
Total			<u>\$709,039.01</u>	<u>\$68,126.75</u>	<u>\$258,695.80</u>	<u>\$518,469.96</u>	<u>\$10,434.74</u>	<u>\$508,035.22</u>

SCHEDULE OF RESERVE FOR ASSESSMENTS AND LIENS

<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>Balance 12/31/12</u>	<u>Assessments Confirmed</u>	<u>Collections to Surplus</u>	<u>Balance 12/31/13</u>
Assessments Receivable:					
04-06	Walnut Sidewalks	1,552.80		482.39	1,070.41
04-17	Walnut Lane Curbing	930.34		234.36	695.98
05-23	Oakland St Sidewalks	124.33		31.58	92.75
06-25	Evergreen Circle Curbing	1,760.11		1,294.20	465.91
05-07	Carnahan Place Sidewalks	512.02		129.81	382.21
05-15	Tee-Ar Sidewalks	210.06		53.06	157.00
05-31	Clearview Ave Sidewalks	182.12		45.60	136.52
05-32	Grove Ave Sidewalks	427.58		106.93	320.65
05-10	Dorann Ave Curbing	2,517.60		1,273.32	1,244.28
05-16	Littlebrook Rd Pathway	1,046.90		448.04	598.86
07-15	Clover Lane Curbing	3,542.75		710.61	2,832.14
06-13	Riverside Sidewalks	574.14		114.83	459.31
06-27	Abernathy Sidewalks	862.91		174.30	688.61
06-15	Overbrook Sidewalks	1,246.18		585.62	660.56
07-06	Witherspoon St. Sidewalks	82.49		82.49	
07-10	Linwood/Leabrook Lane Improvements	2,541.16		796.83	1,744.33
07-22	Herrontown Circle Curbing	2,997.99		1,630.05	1,367.94
03-19	Lake/Longview/Knoll Sewer Repairs	358.70		221.81	136.89
03-17	Sewer Lat. Repairs-Clearview, Dorann	19,079.55		5,724.97	13,354.58
05-30	Sycamore Road Laterals	265.54		58.30	207.24
04-05	Arreton Rd. Sewer & Water Main	48,820.48		3,296.66	45,523.82
03-10	Princeton/Kingston Rd. Sewer	200,679.48		12,189.21	188,490.27
02-14	Mountain Ave. Sewer Extension	2,710.15		542.04	2,168.11
07-18	Philip, Hemlock, Woodside Sidewalk	6,545.07		2,320.90	4,224.17
08-03	Ewing St. Near Guyot Sidewalk	3,097.95		1,033.96	2,063.99
08-21	Wilson Road Curbing	5,840.24		891.93	4,948.31
08-09	Franklin Avenue Sidewalk	107.59		15.56	92.03
08-19	Ewing Street Sidewalk	469.74		274.00	195.74
09-01	Edgarstoune & Winant Rd. Sewer	44,237.55		32,862.72	11,374.83
08-20	Magnolia Lane Sidewalks	4,510.40		1,527.70	2,982.70
08-12	Ober Rd. Sidewalks	1,827.60		1,827.60	
08-07	Braeburn Dr. /Meadowbrook Sidewalks	985.48		985.48	
10-19	Ober Rd. Curbing	18,610.30		6,050.77	12,559.53
09-03	Cedar Lane Sidewalks	4,732.74		3,668.64	1,064.10
09-02	Cedar, Southern & Western Way	90,711.54		54,199.53	36,512.01
09-08	Quarry Lane Sewers	32,931.92		6,590.29	26,341.63
10-27	Hilltop Mansgrove Sewers	26,518.03		15,822.76	10,695.27
00-19	Various Sidewalk Improvements	184.06		184.06	
02-16	Sidewalk Improvements	171.45		171.45	
03-16	Water, Sewer & Sidewalk Improv.	2,338.20		1,137.44	1,200.76
02-14, 02-16	Sidewalk Improvements	4,397.27		3,868.31	528.96
03-12	Install. Of Lighting & Drain. Improv.	210.92		210.92	
03-15	Sidewalk Improvements	4,098.01		1,084.39	3,013.62
05-12	Sidewalk Improvements	6,753.73		2,872.83	3,880.90
05-18	Sidewalk Improvements	11,543.84		3,581.72	7,962.12
05-19	Sidewalk Improvements	58,895.73		14,141.25	44,754.48
10-16	Sidewalk & Sanitary Improv.	19,477.58		6,839.30	12,638.28
10-01	Sewer, Sidewalk & Curb Improv.	7,804.02		3,708.62	4,095.40
11-22	Sewer, Sidewalk & Curb Improv.	21,781.62		14,818.63	6,962.99
12-15	White Pine Lane Curbing		25,105.36	7,425.38	17,679.98
12-12	Grover Ave Sidewalks		20,127.04	10,747.71	9,379.33
11-10	Hillside Ave. Sidewalks		8,143.07	4,535.17	3,607.90
12-13	Roper Rd. Sidewalks		14,751.28	6,752.22	7,999.06
		<u>671,807.96</u>	<u>68,126.75</u>	<u>240,378.25</u>	<u>499,556.46</u>
Prior Year - T. Sheenen		<u>8,478.76</u>			<u>8,478.76</u>
		<u>\$ 680,286.72</u>	<u>\$ 68,126.75</u>	<u>\$ 240,378.25</u>	<u>\$ 508,035.22</u>

SCHEDULE OF GENERAL SERIAL BONDS

Exhibit -S - 13

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS		INTEREST RATE	BALANCE DEC. 31, 2012	DECREASED	BALANCE DEC. 31, 2013
			OUTSTANDING - DEC. 31, 2013					
			DATE	AMOUNT				
General Improvement Bonds	6/1/07	142,941.36	6/1/13	11,462.82	4.00%	97,806.90	11,463.00	86,343.90
			6/1/14	13,612.10	4.00%			
			6/1/15	13,612.10	4.00%			
			6/1/16	14,328.52	4.00%			
			6/1/17	14,328.52	4.00%			
			6/1/18	15,044.95	4.00%			
			6/1/19	15,417.89	4.00%			
Sidewalk Assessment Bonds	6/1/10	212,000.00	2/1/13	20,000.00	3.00%	160,000.00	20,000.00	140,000.00
			2/1/14	20,000.00	3.00%			
			2/1/15	20,000.00	3.00%			
			2/1/16	20,000.00	3.00%			
			2/1/17	20,000.00	4.00%			
			2/1/18	20,000.00	4.00%			
			2/1/19	20,000.00	5.00%			
			2/1/20	20,000.00	5.00%			
						\$257,806.90	\$31,463.00	\$226,343.90

SCHEDULE OF RESERVE FOR OPEN SPACE TRUST FUND

Balance - December 31, 2012		\$ 1,437,141.91
Increased by:		
Amount Raised by Taxation	1,145,453.00	
Interest Earned	<u>10,382.84</u>	
		<u>1,155,835.84</u>
		2,592,977.75
Decreased by:		
Disbursements	1,229,631.89	
Due to General Capital Fund	<u>125,000.00</u>	
		<u>1,354,631.89</u>
Balance - December 31, 2013		<u>\$ 1,238,345.86</u>

TRUST FUND
SCHEDULE OF OTHER RESERVES AND SPECIAL DEPOSITS
YEAR ENDED DECEMBER 31, 2013

	Balance December 31, 2012	Increases	Decreases	12/31/13 Encumbrances	Balance December 31, 2013
Bulletproof Vest	\$ 26.85	\$	\$	\$	\$ 26.85
Police Welfare Fund	6,522.39	2,323.01	7,628.77	610.80	605.83
Accumulated Sick Leave	335,168.44		27,163.79		308,004.65
Fire Prevention	53,839.02	964.84			54,803.86
Electrical Permit	11,533.30				11,533.30
Plumbing Permit	18,133.70				18,133.70
Off Duty Police	10,018.82				10,018.82
POAA	16,490.00				16,490.00
Construction Official	1,272,028.76	2,434,559.27	1,266,051.82		2,440,536.21
Fire Prevention Penalty Fees	1,028.36				1,028.36
Fire Prevention Penalty-Dedicated	3,244.40	934.31	934.31		3,244.40
Police Fitness Foundation	6,860.81	600.00			7,460.81
Forfeiture Fund	425.84	0.97	426.81		0.00
Snow Removal	15,892.95	78,719.02			94,611.97
Due to POSC	9,000.00				9,000.00
Police: CPER	3,802.83				3,802.83
Miscellaneous Deposits	151,259.81	36,269.37	102,663.51	19,950.23	64,915.44
Cable TV		337,316.76	244,709.61		92,607.15
Shade Tree Trust	18,562.62	17,797.80	16,998.88	2,070.00	17,291.54
Fire Prevention Trust	7,772.68				7,772.68
Type I Penalty Fire	4,692.00	3,050.00			7,742.00
Tax Sale Premium	3,000.00		3,000.00		
Off Tract Contributions		29,776.00			29,776.00
Bird Sanctuary		1,500.00			1,500.00
Police Gym Donation	4,834.08				4,834.08
Adopt a Park Program	3,940.00				3,940.00
Bench Donations	5,395.00	944.40	1,029.40		5,310.00
Latin American Task Force	1,446.29				1,446.29
POAA Trust	3,058.51	13,648.00	11,219.65		5,486.86
Public Defender	56,349.90	5,552.00			61,901.90
Restitution/Graffiti Trust	9,384.85	1,938.00			11,322.85
Homeless Housing	2,793.00				2,793.00
Postage Trust Fund	10,091.95	1,131.00			11,222.95
Accumulated Sick Leave	61,760.76		55,791.00		5,969.76
Fire Equipment Donations	30,020.40	15,550.00	18,312.50	15,000.00	12,257.90
Builder Escrow	1,000.00				1,000.00
Special Duty	123,765.60	577,879.19	582,343.26	1,051.10	118,250.43
Miscellaneous	1,874.46				1,874.46
Princeton University Donation	5.52				5.52
Tax Collector Card Fees	10,374.65		9,136.52		1,238.13
Sewer Trust	751,013.99	754,785.32	14,174.61		1,491,624.70
	<u>\$ 3,026,412.54</u>	<u>\$ 4,315,239.26</u>	<u>\$ 2,361,584.44</u>	<u>\$ 38,682.13</u>	<u>\$ 4,941,385.23</u>

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

Exhibit - S - 16

Page 1 of 4

	<u>BALANCE</u> <u>DEC. 31, 2012</u>	<u>BALANCE</u> <u>DEC. 31, 2013</u>
Fund Balance	\$2,196,806.83	\$3,593,570.77
Capital Improvement Fund	871,480.18	959,937.18
Reserves for:		
Wastewater Trust Loan	3,626.53	3,626.53
Encumbrances	3,321,429.48	1,116,370.63
Debt Service	1,819,272.24	497,127.24
Roads	95,000.00	95,000.00
Infrastructure Loans	23,596.32	23,596.32
Payment of Debt Service	84.65	84.65
Miscellaneous	1,466,494.88	1,454,035.98
Preliminary Costs - Flood Mitigation	1,385.31	1,385.31
Due from Other Townships	(601,331.80)	(8,831.80)
Due to/from Aff. Housing Utility Capital Fund	1,275.00	1,275.00
Excess Bond Anticipation Notes		188,791.62
Due to/ from Open Space Trust	(205,000.00)	(330,000.00)
Due to/from Current Fund	1,059,306.98	3,074,134.53
Other receivables	(275,000.00)	(275,000.00)
Due from Mercer County	(847,660.00)	(1,347,660.00)
Infrastructure Loan Receivable	(10,194,350.00)	(10,194,350.00)
State Grant Receivable	(1,087,147.09)	(863,823.09)
Developer Contributions Receivable		

ORD.

NO. IMPROVEMENT AUTHORIZATIONS

General Improvements

99-11	Various Capital Improvements	(40,459.63)	(40,459.63)
03-03	Various Capital Improvements (Twp. Only)	878,880.29	203,491.15
00-13	Various Capital Improvements (Jt. Agency)	(1,283.13)	(1,283.13)
01-15	Various Capital Improvements	(32,136.58)	(133,479.04)
01-23	Rosedale Road Pump Station Supplemental	120,673.34	
02-15	Various Capital Improvements	(46,406.26)	(46,406.26)
03-13	Various Capital Improvements	(89,946.78)	(107,205.55)
03-17	Sewer Lateral Repairs	17,936.83	
03-19	Sewer Lateral Repairs - Lake/Longview/Knoll Drives	102,225.24	
04-04	Sewer Lateral Repairs - Harris/Hillside/Loomis/Oakland	26,741.55	
04-05	Ext. of Sanitary Sewer Main and Water Main Arreton Rd.	47,523.24	
04-07	Repair and Reconstruction Var. Roadways	86,596.47	
04-13	Various Capital Improvements	(2,355.60)	(2,355.60)
04-17	Walnut Lane Curbing	(233.00)	(233.00)
05-23	Oakland Street Sidewalks	(1,238.00)	(1,238.00)
05-24	Various Capital Improvements	102,535.01	(362.18)
05-25	Littlebrook Road/Tyson Lane Sewer	2,350.00	2,350.00

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

Exhibit - S - 16

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		<u>BALANCE</u> <u>DEC. 31,2012</u>	<u>BALANCE</u> <u>DEC. 31, 2013</u>
05-26	Springdale Road Sidewalks	1,932.50	
05-28	Joint Sewer System Rehab.	1,435,212.66	1,410,873.40
05-29	Sycamore Road Sidewalks	1,064.25	
05-30	Sycamore Road Sewer Laterals	(1,285.75)	(1,285.75)
05-31	Clearview Avenue Sidewalks B	(649.91)	(649.91)
05-32	Grover Avenue Sidewalks B	1,500.00	
05-33	Ewing Street Sidewalks	2,005.00	
05-36	Recreation Improvements - Supplement	(206.53)	(7,606.53)
06-01	Recreation Supplemental	(12,855.31)	(12,855.31)
06-02	Road Construction and Repair	1,925.36	43,142.54
06-03	Tusculum	(106,247.27)	(106,247.27)
06-13	Riverside Sidewalks	1,675.00	
06-14	Hemlock Sidewalks	(1,670.16)	(1,670.16)
06-15	Overbrook Sidewalks	(4,200.00)	(4,200.00)
06-21	Vernon Circle and Castle Howard	850.00	
06-22	Multi Purpose Ordinance	(15,722.14)	(25,572.14)
06-25	Evergreen Circle Curbs	667.00	
06-27	Abernathy Sidewalks	610.00	
06-33	Rosedale Supplemental	77,304.63	
06-34	Abernathy Sewer Laterals	(3,004.87)	(3,004.87)
06-36	Audubon Lane Sewer Laterals	1,215.25	
06-37	Sewer Laterals : 206 & Laurel Circle	(6,517.70)	(6,517.70)
07-02	Various Road Improvement Projects	(1,714.55)	(1,714.55)
07-03	Various Road Improvement Projects	(41,143.98)	(41,143.98)
07-10	Linwood Cir./Route 206 Sewer Laterals	1,945.00	
07-13	Maclean Circle Sidewalks	1,408.75	
07-14	Clover Lane Sewer Laterals	5,302.00	5,302.00
07-15	Clover Lane Belgium Block	(42,102.16)	(42,102.16)
07-16	Witherspoon Street Sidewalks	308.75	
07-18	Philip Dr./Hemlock Cir. /Woodside	(8,529.34)	(8,982.40)
07-19	Multi Purpose Ordinance	(62,505.15)	(109,893.77)
07-22	Herrontown Circle Curbing	670.59	
07-23	Griggs Farm Supplemental	(1,431.42)	(1,431.42)
07-25	Herrontown Circle Curbing - Additional	150.00	
08-03	Ewing St. Sidewalks	898.50	
08-06	Various Road Improvement Projects	101,002.60	51,331.79
08-07	Braeburn/Meadowbrook Sidewalks	(9,116.30)	(9,116.30)
08-08	Battle Road Sidewalks	(3,060.86)	(3,060.86)
08-09	Franklin Avenue Sidewalks	(18,174.97)	(18,174.97)
08-12	Ober Road Sidewalks	(8,530.83)	(8,530.83)
08-16	Various Capital Improvements	(66,040.84)	(65,649.13)
08-19	Ewing St. Sidewalks	875.00	
08-20	Magnolia Lane and Boradriple Sw	(13,689.51)	(13,689.51)
08-21	Belgium Curb 9 Prop. Wilson Rd.	(16,670.20)	(16,670.20)
08-23	Watermain Quaker Rd. to Mercer Rd.	(132,419.48)	(132,419.48)
09-01	Edgerstone & Winant Sewer Laterals	5,940.22	5,940.22
09-02	Cedar Lane Sewer Laterals	(106,530.59)	(106,530.59)
09-03	Cedar Lane Sidewalks	(7,000.00)	(7,000.00)
09-04	Stony Brook Pedestrian Bridge	768.62	
09-05	DPW Road	(41,199.19)	(1,199.19)
09-08	Quarry Lane Sewer Line	(30,581.92)	(30,581.92)
09-16	Sewer Infrastructure Trust Supplement	6,465.73	492.77
09-19	2009 Multipurpose Ordinance	(174,100.24)	82,378.22
09-21	Culvert & Sewer Replac. On Braeburn	(6,698.06)	(6,698.06)
09-05	DPW Road	(41,199.19)	(1,199.19)
09-08	Quarry Lane Sewer Line	(30,581.92)	(30,581.92)
09-16	Sewer Infrastructure Trust Supplement	6,465.73	492.77
09-19	2009 Multipurpose Ordinance	(174,100.24)	82,378.22
09-21	Culvert & Sewer Replac. On Braeburn	(6,698.06)	(6,698.06)

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

Exhibit - S - 16

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		<u>BALANCE</u> <u>DEC. 31,2012</u>	<u>BALANCE</u> <u>DEC. 31, 2013</u>
10-02	Sewer Lateral Gallup Hillside	15,000.00	15,000.00
10-06	Ewing St. Sewer	5,550.00	(55,495.14)
10-07	Sewer Laterals Ewing St.	(25,379.32)	(55,842.46)
10-08	Various Road Improvement Projects	(180,679.29)	(47,911.38)
10-14	Mountain Lakes House Roof	(104,500.00)	(104,500.00)
10-19	Belgium Curbing Ober Road	(31,956.94)	(31,956.94)
10-21	Various Capital Improvements	(52,811.81)	(59,957.26)
10-27	Sewer Lateral Repairs Hilltop Mansgrove	(58,911.01)	(58,911.01)
10-34	Pool Complex	(26,189.24)	(30,724.32)
10-38	Land Acquisition	(2,900.78)	(2,900.78)
11-2	Supplemental - Pool Complex	(1,325.00)	(1,325.00)
11-3	Var. Rd. & DPW Proj.(300,000 dot grant)	32,030.08	(150,580.45)
11-4	Hillside Ave. Sidewalks	2,900.00	2,900.00
11-5	Mountain Lakes House Roof-Suppl.	(28,500.00)	(28,500.00)
11-8	Belgium Block Curbing Westerly Rd.	2,500.00	2,500.00
11-9	Sewer Laterals Westerly Rd.	(37,379.48)	(51,467.80)
11-10	Constr. Ord Hillside Sidewalks	(20,920.00)	(20,920.00)
11-13	Various Capital Improvements	(101,256.04)	(48,419.41)
11-15	Supplemental - Pool Complex	(53,590.44)	(32,500.29)
12-3	Grover Avenue Sidewalks	5,750.00	5,720.00
12-4	Roper Ave. Sidewalks	3,850.00	3,720.00
12-5	Grover and Roper Sewer Laterals	6,100.00	6,100.00
12-6	Rehab of Sewer System Supplemental	(701,565.67)	(702,055.17)
12-8	Battle Rd./ Battle Rd. Circle Sewer Laterals	(41,445.50)	(41,445.50)
12-10	Quaker Rd. Pathway	72,500.00	67,000.00
12-12	Grover Ave. Sidewalks	1,802.50	1,802.50
12-13	Roper Road Sidewalks	1,130.00	75.04
12-14	Andrews-Foulet Curbing	(101,743.68)	(101,743.68)
12-15	White Pine Curbing	1,110.00	1,110.00
12-18	Traffic Signal Improve. Washington	8,555.00	(158,195.50)
12-19	Ewing St. Sidewalks	(21,816.75)	(27,448.83)
96-18	Acquisition & Constr. Recreational Facilities	18,667.93	2,561.93
00-16	Various Capital Improvements	2,517.03	
00-17,00-22	Various Capital Improvements	199,800.36	155,882.71
01-08	Various Capital Improvements	25,455.62	
01-16	Various Capital Improvements	5,494.76	
02-14	Various Capital Improvements	67,629.02	
03-15	Sidewalk Improvements	6,457.24	
03-31	Sewer Rehabilitation	145,482.08	
03-40	Various Capital Improvements	11,675.08	
03-42	Various Capital Improvements	24,872.95	
04-13	Improv. To Sewer System Park Place	212,377.95	
04-19	Various Capital Improvements	10,404.25	
04-20	Various Capital Improvements	22,749.60	
05-05	Various Capital Improvements	3.00	
05-14	Rehabilitation of Sewer System	2,494,842.67	2,821,644.23
05-17	Various Capital Improvements	63,588.25	863.54
06-15	Various Capital Improvements	282,033.36	4,271.27
07-09,06-16	Various Capital Improvements	25,641.83	
07-14	Reconst. Of Cleveland Lane & Lafayette Rd.	55,244.29	
07-18	Various Sewer Projects	52,674.28	56,765.42
07-19	Various Capital Improvements	90,048.48	

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

Exhibit - S - 16

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		BALANCE DEC. 31, 2012	BALANCE DEC. 31, 2013
07-20	Various Capital Improvements	252,823.53	99,929.21
08-22	Renovations to Public Works Garage	28,733.04	
08-23	Various Capital Improvements	518,316.01	
08-24	Various Capital Improvements	304,066.43	19,945.96
09-16	Improvements to Harriet Drive	24,540.87	
09-18	Sidewalk Improvements	2,748.50	
09-21	Sidewalk Improvements	2,558.41	
09-24	Various Capital Improvements	184,265.13	1,273.17
09-25	Various Capital Improvements	78,295.67	46,423.60
09-26	Rehabilitation of Sewer System	32,557.54	60,564.37
10-01	Sewer, Curbs & Sidewalk Improvements	(109,008.91)	(109,008.91)
10-08	Various Capital Improvements	(324,578.32)	(162,648.20)
11-21, 10-15	Sewer Improvements	381,413.48	386,554.46
10-16	Sidewalk & Sewer Improvements	(64,199.50)	(64,199.50)
10-17	Various Capital Improvements	(790,399.47)	(36,508.78)
11-01, 11-25	Installation of New Pool	83,681.54	(150,736.69)
11-11	Improvements to Sanitary Sewer System	1,438.00	1,438.00
11-16	Various Capital Improvements	(863,273.48)	(161,350.11)
11-17	Various Capital Improvements	(132,529.66)	(151,369.25)
11-18	Various Capital Improvements	56,532.97	56,532.97
11-19	Various Sewer Projects	209,612.97	183,605.49
11-22	Sidewalk & Sewer Improvements	(58,991.91)	(59,341.76)
	Stabilization of Stony Brook Sewer Main	(285,000.00)	(285,000.00)
12-09	Sidewalk & Other Sanitary Sewer Improvements	(15,800.51)	(34,385.44)
13-10	Sidewalks on North Harrison St.		423.00
13-21	Various Capital Improvements		473,601.45
13-23	Sidewalks Moore Park/ Willow		1,755.00
13-24	Sewers Moore/Willow		11,820.00
13-29	Acquisition of Property		125,000.00
13-31	Various Capital Improvements		47,550.00
		<u>\$1,184,025.99</u>	<u>\$348,727.19</u>

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

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					ANALYSIS OF BALANCE - DEC. 31, 2013				
ORD. NO.		BALANCE DEC. 31, 2012	2013 AUTHOR.	IMPROVEMENT AUTHORIZATIONS CANCELLED	OTHER FUNDING	BALANCE DEC. 31, 2013	BOND ANTICIPATION NOTES	EXPENDITURES	UNEXPENDED BALANCE OF IMPROV. AUTH.
	DATE								
General Improvements									
99-11	Various Capital Improvements	40,459.63				40,459.63		40,459.63	
03-03	Various Capital Improvements(Twp. Only)	2,283,724.27		2,283,724.27					
00-13	Various Capital Improvements(Jt. Agency)	812,879.99		701,328.51		111,551.48		1,283.13	110,268.35
01-15	Various Capital Improvements	658,755.71		409,834.47		248,921.24		133,479.04	115,442.20
02-15	Various Capital Improvements	46,406.26				46,406.26		46,406.26	
03-13	Various Capital Improvements	1,305,088.97		486,209.64		818,879.33	400,000.00	107,205.55	311,673.78
03-17	Sewer Lateral Repairs	116,000.00		116,000.00					
04-04	Sewer Lateral Repairs Var. Roads	151,500.00		151,500.00					
04-05	Ext. of Sanitary Sewer and Water Mains	42,600.00		42,600.00					
04-13	Various Capital Improvements	75,058.55		72,702.95		2,355.60		2,355.60	
04-17	Walnut Lane Curbing	233.00				233.00		233.00	
05-23	Oakland Street Sidewalks	1,238.00				1,238.00		1,238.00	
05-24	Various Capital Improvements	437,960.85		251,092.08		186,868.77		362.18	186,506.59
05-25	Littlebrook Road/Tyson Lane Sewer	42,200.00				42,200.00			42,200.00
05-26	Springdale Road Sidewalks	41,800.00		41,800.00					
05-29	Sycamore Road Sidewalks	23,750.00		23,750.00					
05-30	Sycamore Road Sewer Laterals	24,865.00		23,579.25		1,285.75		1,285.75	
05-31	Clearview Ave. Sidewalks B	649.91				649.91		649.91	
05-32	Grover Ave. Sidewalks B	31,940.00		31,940.00					
05-33	Ewing Street Sidewalks	41,325.00		41,325.00					
05-36	Recreation Improvements Supplement	84,000.00		76,393.47		7,606.53		7,606.53	
06-01	Recreation Supplemental	12,855.31				12,855.31		12,855.31	
06-02	Road Construction and Repair	208,750.00				208,750.00	150,000.00		58,750.00
06-03	Tusculum	106,247.27				106,247.27		106,247.27	
06-13	Riverside Sidewalks	35,150.00		35,150.00					
06-14	Hemlock Sidewalks	1,670.16				1,670.16		1,670.16	
06-15	Overbrook Sidewalks	4,200.00				4,200.00		4,200.00	
06-21	Vernon Circle and Castle Howar	15,900.00		15,900.00					
06-22	Multi-purpose Ordinance	350,507.56		88,796.67		261,710.89		25,572.14	236,138.75
06-25	Evergreen Circle Curbs	12,671.00		12,671.00					
06-27	Abernathy Sidewalks	11,590.00		11,590.00					
06-34	Abernathy Sewer Laterals	35,450.00		32,445.13		3,004.87		3,004.87	
06-37	Sewer Laterals:206 & Laurel Circle	14,550.00		8,032.30		6,517.70		6,517.70	
06-36	Audubon Lane Sewer Laterals	30,400.00		30,400.00					
07-02	Various Road Improvements	180,850.00		154,718.24		26,131.76		1,714.55	24,417.21
07-03	Various Road Improvements	786,700.00		407,209.10		379,490.90		41,143.98	338,346.92
07-10	Linwood Circle & Leabrook Lane	40,375.00		40,375.00					
07-13	Maclean Circle Sidewalks	30,400.00		30,400.00					
07-14	Clover Lane Sewer Laterals	104,500.00				104,500.00			104,500.00
07-15	Clover Lane Belgium Block	42,102.16				42,102.16		42,102.16	
07-16	Witherspoon St. Sidewalks	9,225.00		9,225.00					

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

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ORD. NO.	DATE	IMPROVEMENT DESCRIPTION	BALANCE DEC. 31, 2012	2013 AUTHOR.	IMPROVEMENT AUTHORIZATIONS CANCELLED	OTHER FUNDING	BALANCE DEC. 31, 2013	ANALYSIS OF BALANCE - DEC. 31, 2013		
								BOND ANTICIPATION NOTES	EXPENDITURES	UNEXPENDED BALANCE OF IMPROV. AUTH.
07-18	Philip Dr./Hemlock Cir./Woodside Dr.		17,875.00		8,892.60		8,892.40		8,982.40	
07-19	Multi-purpose Ordinance		1,125,670.23		878,961.81		246,708.42	100,000.00	109,893.77	36,814.65
07-22	Herrontown Circle Curbing		17,100.00		17,100.00					
07-23	Griggs Farm Supplemental		38,000.00		36,568.58		1,431.42		1,431.42	
07-25	Herrontown Circle Curbing - Additional		2,850.00		2,850.00					
08-03	Ewing St. Sidewalks		36,760.00		36,760.00					
08-06	Various Road Improvement Projects		906,000.00		906,000.00					
08-07	Braeburn/Meadowbrook Sidewalks		9,116.30				9,116.30		9,116.30	
08-08	Battle Road Sidewalks		3,060.86				3,060.86		3,060.86	
08-09	Franklin Avenue Sidewalks		18,174.97				18,174.97		18,174.97	
08-12	Ober Road Sidewalks		8,530.83				8,530.83		8,530.83	
08-16	Various Capital Improvements		1,324,247.29		1,210,644.31		113,602.98	40,000.00	65,649.13	7,953.85
08-19	Ewing St. Sidewalks		16,625.00		16,625.00					
08-20	Magnolia Lane and Boradripple Sw		13,689.51				13,689.51		13,689.51	
08-21	Belgium Curb 9 Prop. Wilson Rd.		16,670.20				16,670.20		16,670.20	
08-23	Watermain Quaker Rd. to Mercer Rd.		132,419.48				132,419.48		132,419.48	
09-01	Edgerstone & Winnant Sewer Lateral		305,950.00				305,950.00			305,950.00
09-02	Cedar Lane Sewer Laterals		219,250.00		112,719.41		106,530.59		106,530.59	
09-03	Cedar Lane Sidewalks		7,000.00				7,000.00		7,000.00	
09-05	DPW Roads		41,199.19				41,199.19	40,000.00	1,199.19	
09-08	Quarry Lane Sewer Line		30,581.92				30,581.92		30,581.92	
09-19	2009 Multipurpose Ordinance		1,974,264.38		1,583,056.00	290,000.00	101,208.38	18,830.16	(0.00)	82,378.22
09-21	Culvert & Sewer Replac. On Braeburn		211,000.00				211,000.00		6,698.06	204,301.94
10-02	Sewer Laterals - Gallup Hillside		285,000.00				285,000.00			285,000.00
10-06	Ewing St. Sidewalks		105,450.00				105,450.00		55,495.14	49,954.86
10-07	Sewer Laterals - Ewing St.		223,635.00				223,635.00		55,842.46	167,792.54
10-08	Various Road Improvement Projects		2,042,000.00				2,042,000.00	1,900,000.00	47,911.38	94,088.62
10-14	Mountain Lakes House Roof		104,500.00				104,500.00		104,500.00	
10-19	Belgium Block Curbing - Ober Rd.		31,956.94				31,956.94			
10-21	Various Capital Improvements		751,796.60				751,796.60	230,000.00	59,957.26	461,839.34
10-27	Sewer Lateral Reparis Hilltop		203,091.00				203,091.00		58,911.01	144,179.99
10-30	2010B Refunding Bonds									
10-34	Pool Complex		82,650.00				82,650.00	50,000.00	30,724.32	1,925.68
10-38	Land Acquisition		100,000.00				100,000.00		2,900.78	97,099.22
11-2	Supplemental - Pool Complex		1,325.00				1,325.00		1,325.00	
11-3	Var. Rd. & DPW Proj.(300,000 dot grant)		1,689,200.00			(119,963.37)	1,809,163.37	740,000.00	150,580.45	918,582.92
11-4	Hillside Ave. Sidewalks		45,100.00				45,100.00			45,100.00
11-5	Mountain Lakes House Roof-Suppl.		28,500.00				28,500.00		28,500.00	
11-8	Belgium Block Curbing Westerly Rd.		47,500.00				47,500.00			47,500.00
11-9	Sewer Laterals Westerly Rd.		84,075.00				84,075.00		51,467.80	32,607.20
11-10	Constr. Ord Hillside Sidewalks		20,920.00				20,920.00		20,920.00	
11-13	Various Capital Improvements		1,071,156.12				1,071,156.12	210,000.00	48,419.41	812,736.71
11-15	Supplemental - Pool Complex		848,543.00				848,543.00	400,000.00	32,500.29	416,042.71
12-3	Grover Ave. Sidewalks		109,250.00				109,250.00			109,250.00
12-4	Roper Ave. Sidewalks		73,150.00				73,150.00			73,150.00
12-5	Grover and Roper Sewer Laterals		114,650.00				114,650.00			114,650.00

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

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						ANALYSIS OF BALANCE - DEC. 31, 2013				
ORD. NO.	DATE	IMPROVEMENT DESCRIPTION	BALANCE DEC. 31, 2012	2013 AUTHOR.	IMPROVEMENT AUTHORIZATIONS CANCELLED	OTHER FUNDING	BALANCE DEC. 31, 2013	BOND ANTICIPATION NOTES	EXPENDITURES	UNEXPENDED BALANCE OF IMPROV. AUTH.
12-6	Rehab of Sewr System - Supp		1,861,344.00				1,861,344.00		702,055.17	1,159,288.83
12-8	Battle Rd. /Battle Rd. Circle Sewer Lateral		92,650.00				92,650.00		41,445.50	51,204.50
12-12	Grover Ave. Sidewalks		41,800.00				41,800.00			41,800.00
12-13	Roper Road Sidewalks		28,975.00				28,975.00			28,975.00
12-14	Adreus-Foulet Curbing		112,600.00				112,600.00		101,743.68	10,856.32
12-15	White Pine Curbing		24,795.00				24,795.00			24,795.00
12-18	Traffic Signal Imp Washington		166,250.00				166,250.00		158,195.50	8,054.50
12-19	Ewing Street Sidewalks		53,200.00				53,200.00		27,448.83	25,751.17
05-14,09-14										
12-01	Rehabilitation of Sewer System		1,664,357.20				1,664,357.20			1,664,357.20
10-01	Sewer, Sidewalk & Curb Improvements		109,250.00				109,250.00		109,008.91	241.09
10-08	Various Capital Improvements		632,225.00				632,225.00	200,000.00	162,648.20	269,576.80
10-14	Refunding Bond Ordinance		863,000.00				863,000.00			863,000.00
10-16	Sidewalk & Sewer Improvements		66,500.00				66,500.00		64,199.50	2,300.50
10-17	Various Capital Improvements		1,296,085.00				1,296,085.00	750,000.00	36,508.78	509,576.22
11-01,25	Installation of New Pool		2,273,825.00				2,273,825.00		150,736.69	2,123,088.31
11-11	Improv. To Sanitary Sewer System		28,025.00				28,025.00			28,025.00
11-16	Various Capital Improvements		1,842,335.00			220,000.00	1,622,335.00	900,000.00	161,350.11	560,984.89
11-17	Various Capital Improvements		892,050.00				892,050.00	100,000.00	151,369.25	640,680.75
11-22	Sidewalk & Sewer Improvements		99,750.00				99,750.00		59,341.76	40,408.24
11-26	Stabilization of Stony Brook Sewer Main		285,000.00				285,000.00		285,000.00	
12-09	Sidewalk & Sewer Improvements		106,400.00				106,400.00		34,385.44	72,014.56
13-09	Refunding Bond Ordinance			2,292,580.00			2,292,580.00			2,292,580.00
13-10	Sidewalks on North Harrison St.			8,038.00			8,038.00			8,038.00
13-12	Refunding Bond Ordinance			25,500,000.00		19,195,000.00	6,305,000.00			6,305,000.00
13-21	Various Capital Improvements			2,838,229.00			2,838,229.00			2,838,229.00
13-23	Sidewalks Moore Park/Willow			33,345.00			33,345.00			33,345.00
13-24	Sewers Moore/Willow			224,580.00			224,580.00			224,580.00
13-31	Various Capital Improvements			903,450.00			903,450.00			903,450.00
			<u>\$35,376,428.62</u>	<u>\$31,800,222.00</u>	<u>\$10,440,869.79</u>	<u>\$19,585,036.63</u>	<u>\$37,150,744.20</u>	<u>\$6,228,830.16</u>	<u>\$4,154,570.91</u>	<u>\$26,767,343.13</u>
Unexpended Balances of Unfunded Improvement Authorizations										\$26,810,485.67
Less: Unexpended Proceeds of Bond Anticipation Notes										(43,142.54)
										<u>\$26,767,343.13</u>

GENERAL CAPITAL FUND
SCHEDULE OF STATE AID RECEIVABLE

December 31, 2012		\$1,087,147.09
Increased by:		
Grants Receivable		<u>771,676.00</u>
		1,858,823.09
Decreased by:		
Transferred from Reserve for Debt Service	225,000.00	
Receipts	<u>770,000.00</u>	
		<u>995,000.00</u>
December 31, 2013		<u><u>\$863,823.09</u></u>
Detail of Balance at 12/31/13:		
Ord. No. 09-04		164,647.09
Ord. No. 09-19		72,500.00
Ord. No. 10-08		10,000.00
Ord. No. 10-38		300,000.00
Ord. No. 13-21		261,676.00
Ord. No. 11-16		<u>55,000.00</u>
		<u><u>\$863,823.09</u></u>

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

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ORD. NO.	IMPROVEMENT DESCRIPTION	BALANCE - DEC. 31, 2012		ENCUMBERED 12/31/12	2013 AUTHORIZATIONS			PAID OR CHARGED	ENCUMBERED 12/31/13	AUTHORIZATIONS CANCELLED	BALANCE - DEC. 31, 2013	
		FUNDED	UNFUNDED		UNFUNDED	CAPITAL IMP. FUND	OTHER FUNDING				FUNDED	UNFUNDED
		<u>General Improvements:</u>										
00-13	Various Capital Improvements		811,596.86							701,328.51		110,268.35
01-15	Various Capital Improvements		626,619.13					50,671.23	50,671.23	409,834.47		115,442.20
01-23	Rosedale Road Pump Station	120,673.34								120,673.34		
03-03	Various Capital Improvements	878,880.29	2,283,724.27	171,789.00				155,566.72	53,723.04	2,921,612.65	203,491.15	
03-13	Various Capital Improvements		815,142.19	28,837.36				27,080.53	19,015.60	486,209.64		311,673.78
03-17	Sewer Lateral Repairs	17,936.83	116,000.00							133,936.83		
03-19	Sewer Lateral Rep. Lake/Longview/Knoi	102,225.24							747.36	101,477.88		
04-04	Sewer Lateral Repairs. Var. Streets	26,741.55	151,500.00							178,241.55		
04-05	Ext. of San. Sewer Main	47,523.24	42,600.00							90,123.24		
04-07	Repair/Reconstruction Var. Roadways	86,596.47								86,596.47		
04-13	Various Capital Improvements		72,702.95							72,702.95		
05-24	Various Capital Improvements	102,535.01	437,960.85					104.43	257.75	353,627.09		186,506.59
05-25	Littlebrook Rd./Tyson Lane Sewer	2,350.00	42,200.00								2,350.00	42,200.00
05-26	Springdale Road Sidewalks	1,932.50	41,800.00							43,732.50		
05-28	Joint Sewer System Rehab.	1,435,212.66						24,339.26			1,410,873.40	
05-29	Sycamore Road Sidewalks	1,064.25	23,750.00							24,814.25		
05-30	Sycamore Road Sewer Laterals		23,579.25							23,579.25		
05-32	Grover Ave. Sidewalks B	1,500.00	31,940.00							33,440.00		
05-33	Ewing St. Sidewalks	2,005.00	41,325.00							43,330.00		
05-36	Recreation Improv. Supplement		83,793.47					7,400.00		76,393.47		
06-02	Road Reconstruction and Repair	1,925.36	208,750.00					108,782.82				101,892.54
06-13	Riverside Ave. Sidewalks	1,675.00	35,150.00							36,825.00		
06-21	Vernon Circle & Castle Howard Sidewalk	850.00	15,900.00							16,750.00		
06-22	2006 Multipurpose Ordinance		334,785.42						9,850.00	88,796.67		236,138.75
06-25	Evergreen Circle Curbs	667.00	12,671.00							13,338.00		
06-27	Abernathy Sidewalks	610.00	11,590.00							12,200.00		
06-33	Rosedale Supplemental	77,304.63								77,304.63		
06-34	Abernathy Sewer Laterals		32,445.13							32,445.13		
06-36	Audobon Lane Sewer Laterals	1,215.25	30,400.00							31,615.25		
06-37	Rt. 206 & Laurel Circle Sewer Laterals		8,032.30							8,032.30		
07-02	Various Road Improvement Projects		179,135.45							154,718.24		24,417.21
07-03	Various Road Improvement Projects		745,556.02							407,209.10		338,346.92
07-10	Linwood Cr./ Route 206 Sewer Laterals	1,945.00	40,375.00							42,320.00		
07-13	Maclean Circle Sidewalks	1,408.75	30,400.00							31,808.75		
07-14	Clover Lane Sewer Laterals	5,302.00	104,500.00								5,302.00	104,500.00
07-16	Witherspoon Street Sidewalks	308.75	9,225.00							9,533.75		
07-18	Philip Dr./Hemlock Cir./Woodside		9,345.66					453.06		8,892.60		
07-19	Multi-Purpose Ordinance		963,165.08	3,807.10				51,195.72		878,961.81		36,814.65
07-22	Herrontown Circle Curbing	670.59	17,100.00							17,770.59		
07-23	Griggs Farm Supplemental		36,568.58							36,568.58		
07-25	Herrontown Circle Curbing-Additional	150.00	2,850.00							3,000.00		
08-03	Ewing St. Sidewalks	898.50	36,760.00							37,658.50		
08-06	Var. Road Improv. Projects(200,000 dot)	101,002.60	906,000.00	107,582.73				96,141.36	7,405.71	959,706.47	51,331.79	
08-16	Various Capital Improvements		1,258,206.45	52,477.45				92,085.74		1,210,644.31		7,953.85
08-19	Ewing St. Sidewalks	875.00	16,625.00							17,500.00		
09-01	Edgerstone & Winant Sewer Lateral	5,940.22	305,950.00								5,940.22	305,950.00
09-02	Cedar Lane Sewer Laterals		112,719.41							112,719.41		
09-04	Stony Brook Pedestrian Bridge	768.62		6,200.00				6,200.00		768.62		
09-16	Sewer Infrastructure Trust Supplement	6,465.73		12,886.57				5,627.65	6,766.15	6,465.73	492.77	
09-19	2009 Multipurpose Ordinance		1,600,164.14	296,928.32				227,165.97	4,492.27	1,583,056.00		82,378.22

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

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ORD. NO.	IMPROVEMENT DESCRIPTION	BALANCE - DEC. 31, 2012		ENCUMBERED 12/31/12	2013 AUTHORIZATIONS			PAID OR CHARGED	ENCUMBERED 12/31/13	AUTHORIZATIONS CANCELLED	BALANCE - DEC. 31, 2013	
		FUNDED	UNFUNDED		UNFUNDED	CAPITAL IMP. FUND	OTHER FUNDING				FUNDED	UNFUNDED
09-21	Culvert & Sewer Replac. On Braeburn		204,301.94	5,015.84					5,015.84			204,301.94
10-02	Sewer Lateral Gallup Hillside	15,000.00	285,000.00								15,000.00	285,000.00
10-06	Ewing St. Sewer	5,550.00	105,450.00					61,045.14				49,954.86
10-07	Sewer Laterals Ewing St.		198,255.68	37,154.32				57,111.03	10,506.43			167,792.54
10-08	Various Road Improvement Projects		111,320.71	52,237.09				62,171.72	7,297.46			94,088.62
10-21	Various Capital Improvements		548,984.79	7,651.00				42,090.52	52,705.93			461,839.34
10-27	Sewer Lateral Repairs Hilltop Mansgrove		144,179.99									144,179.99
10-34	Pool Complex		6,460.76	32,561.81				37,096.89				1,925.68
10-38	Land Acquisition		97,099.22									97,099.22
11-2	Supplemental - Pool Complex			97.12				97.12				
11-3	Var. Rd. & DPW Proj.(300,000 dot grant)		821,230.08	232,115.05				127,367.26	7,394.95			918,582.92
11-4	Hillside Ave. Sidewalks	2,900.00	45,100.00								2,900.00	45,100.00
11-8	Belgium Block Curbing Westerly Rd.	2,500.00	47,500.00								2,500.00	47,500.00
11-9	Sewer Laterals Westerly Rd.		46,695.52	41,804.48				55,892.80				32,607.20
11-13	Various Capital Improvements		919,900.08	26,299.71				106,743.51	26,719.57			812,736.71
11-15	Supplemental - Pool Complex		394,952.56	83,836.20				16,071.05	46,675.00			416,042.71
12-3	Grover Ave. Sidewalks	5,750.00	109,250.00					30.00			5,720.00	109,250.00
12-4	Roper Ave. Sidewalks	3,850.00	73,150.00					130.00			3,720.00	73,150.00
12-5	Grover and Roper Sewer Laterals	6,100.00	114,650.00								6,100.00	114,650.00
12-6	Rehab of Sewr System - Supp		1,159,778.33	1,131,288.58				1,090,290.60	41,487.48			1,159,288.83
12-8	Battle Rd. /Battle Rd. Circle Sewer Lateral		51,204.50	3,126.31					3,126.31			51,204.50
12-10	Qauker Rd. Pathway	72,500.00		11,000.00				5,500.00	11,000.00		67,000.00	
12-12	Grover Ave. Sidewalks	1,802.50	41,800.00								1,802.50	41,800.00
12-13	Roper Road Sidewalks	1,130.00	28,975.00					1,054.96			75.04	28,975.00
12-14	Adreus-Foulet Curbing		10,856.32									10,856.32
12-15	White Pine Curbing	1,110.00	24,795.00								1,110.00	24,795.00
12-18	Traffic Signal Imp Washington	8,555.00	166,250.00					160,709.17	6,041.33			8,054.50
12-19	Ewing Street Sidewalks		31,383.25	24,616.75				30,248.83				25,751.17
96-18	Acquis. & Constr. Of Recreational Fac.	18,667.93						16,106.00			2,561.93	
00-16	Various Capital Improvements	2,517.03								2,517.03		
00-17,00-22	Various Capital Improvements	199,800.36						42,839.00			155,882.71	
01-08	Various Capital Improvements	25,455.62								1,078.65		
01-16	Various Capital Improvements	5,494.76								25,455.62		
02-14	Various Capital Improvements	67,629.02		912.74						5,494.76		
03-15	Sidewalk Improvements	6,457.24								68,541.76		
03-31	Sewer Rehabilitation	145,482.08								6,457.24		
03-40	Various Capital Improvements	11,675.08						7,689.54		145,482.08		
03-42	Various Capital Improvements	24,872.95		11,325.00				4,700.00	6,625.00	3,985.54		
04-13	Various Capital Improvements	212,377.95						212,377.95		24,872.95		
04-19	Various Capital Improvements	10,404.25								10,404.25		
04-20	Various Capital Improvements	22,749.60								22,749.60		
05-05	Various Capital Improvements	3.00								3.00		
05-06	Sewer Road Project			11,113.56				11,113.56				
05-14,12-1,9-14	Rehab of Sewr System	2,494,842.67	1,664,357.20	565,114.89				(88,784.12)	327,097.45		2,821,644.23	1,664,357.20
05-17	Various Capital Improvements	63,588.25		13,320.00				12,956.46		63,088.25		863.54
06-15	Various Capital Improvements	282,033.36		4,271.27				272,049.32		9,984.04		4,271.27
07-09,06-16	Various Capital Improvements	25,641.83		19,578.84				9,252.11	2,557.00	33,411.56		
07-14	Recons. Of Cleveland Lane & Lafayette	55,244.29								55,244.29		
07-18	Various Sewer Projects	52,674.28		13,436.80						9,345.66	56,765.42	
07-19	Various Capital Improvements	90,048.48								90,048.48		
07-20	Various Capital Improvements	252,823.53		10,000.00				28,500.00		134,394.32	99,929.21	

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Exhibit - S - 19
Page 3 of 3

ORD. NO.	IMPROVEMENT DESCRIPTION	BALANCE - DEC. 31, 2012		ENCUMBERED 12/31/12	2013 AUTHORIZATIONS			PAID OR CHARGED	ENCUMBERED 12/31/13	AUTHORIZATIONS CANCELLED	BALANCE - DEC. 31, 2013	
		FUNDED	UNFUNDED		UNFUNDED	CAPITAL IMP. FUND	OTHER FUNDING				FUNDED	UNFUNDED
08-22	Renovations to PW Garage	28,733.04						3,804.75		24,928.29		
08-23	Various Capital Improvements	518,316.01		6,254.81				20,680.18	6,039.25	497,851.39		
08-24	Various Capital Improvements	304,066.43		55,614.03				186,394.62	6,364.32	146,975.56	19,945.96	
09-16	Improve. To Harriet Drive	24,540.87								24,540.87		
09-18	Sidewalk Improvements	2,748.50								2,748.50		
09-21	Sidewalk Improvements	2,558.41								2,558.41		
09-24	Various Capital Improvements	184,265.13		4,436.82				14,826.93	3,918.80	168,683.05	1,273.17	
09-25	Various Capital Improvements	78,295.67		9,509.55				26,831.62		14,550.00	46,423.60	
09-26	Rehab. Of Sewer System	32,557.54		42,921.42				14,914.59			60,564.37	
10-01	Sewer,Curbs & Sidewalk Improve.		241.09									241.09
10-08	Various Capital Improvements		307,646.68	3,936.58				3,936.58	38,069.88			269,576.80
10-14	Refunding Ordinance		863,000.00									863,000.00
11-21,10-15	Sewer Improvements	381,413.48		22,138.72				16,997.74			386,554.46	
10-16	Sidewalk & Sewer Improvements		2,300.50									2,300.50
10-17	Various Capital Improvements		505,685.53	47,880.94				38,022.87	5,967.38			509,576.22
11-01,11-25	Installation of New Pool	83,681.54	2,273,825.00					198,113.36	36,304.87			2,123,088.31
11-11	Improv. To Sewer System	1,438.00	28,025.00								1,438.00	28,025.00
11-16	Various Capital Improvements		979,061.52	47,744.31				456,147.40	9,673.54			560,984.89
11-17	Various Capital Improvements		759,520.34	23,790.00				105,007.17	37,622.42			640,680.75
11-18	Various Capital Improvements	56,532.97									56,532.97	
11-19	Various Sewer Projects	209,612.97		4,096.40				24,483.88	5,620.00		183,605.49	
11-22	Sidewalk & Sewer Improvements		40,758.09					349.85				40,408.24
12-09	Sidewalk & Sewer Improvements		90,599.49					18,584.93				72,014.56
13-09	Refunding Bond Ordinance				2,292,580.00							2,292,580.00
13-10	Sidewalks on North Harrison St.				8,038.00	423.00					423.00	8,038.00
13-12	Refunding Bond Ordinance				25,500,000.00			19,195,000.00				6,305,000.00
13-21	Various Capital Imp.(DOT grant 261,676)				2,838,229.00	99,995.00	761,676.00	128,458.24	259,611.31		473,601.45	2,838,229.00
13-23	Sidewalks Moore Park/Willow				33,345.00	1,755.00					1,755.00	33,345.00
13-24	Sewers Moore/Willow				224,580.00	11,820.00					11,820.00	224,580.00
13-29	Acquisition of Property						125,000.00				125,000.00	
13-31	Various Capital Improvements				903,450.00	47,550.00					47,550.00	903,450.00
		<u>\$ 9,143,151.00</u>	<u>\$ 26,014,147.78</u>	<u>\$ 3,286,709.47</u>	<u>\$ 31,800,222.00</u>	<u>\$ 161,543.00</u>	<u>\$ 886,676.00</u>	<u>\$ 23,687,819.62</u>	<u>\$ 1,116,370.63</u>	<u>\$ 13,333,658.68</u>	<u>\$ 6,344,114.65</u>	<u>\$ 26,810,485.67</u>

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS

Exhibit - S - 20
Page 1 of 3

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING - DEC. 31, 2013</u>		<u>INTEREST RATE</u>	<u>BALANCE DEC. 31, 2012</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DEC. 31, 2013</u>
			<u>DATE</u>	<u>AMOUNT</u>					
General Improvement Bonds	6/20/06	23,775,000.00	1/1/07	270,000.00	4.25%	19,395,000.00		16,060,000.00	3,335,000.00
			1/1/08	575,000.00	4.25%				
			1/1/09	580,000.00	4.25%				
			1/1/10	580,000.00	4.25%				
			1/1/11	1,185,000.00	4.25%				
			1/1/12	1,190,000.00	4.25%				
			1/1/13	1,200,000.00	4.375%				
			1/1/14	1,100,000.00	4.375%				
			1/1/15	1,100,000.00	4.375%				
			1/1/16	1,135,000.00	4.375%				
			1/1/17	1,190,000.00	4.375%				
			1/1/18	1,245,000.00	4.375%				
			1/1/19	1,305,000.00	4.375%				
			1/1/20	1,375,000.00	4.45%				
			1/1/21	1,440,000.00	4.50%				
			1/1/22	1,505,000.00	4.50%				
			1/1/23	1,580,000.00	4.55%				
			1/1/24	1,660,000.00	4.60%				
			1/1/25	1,740,000.00	4.65%				
			1/1/26	1,820,000.00	4.65%				
General Improvement Bonds	1/1/09	8,000,000.00	1/1/10	300,000.00	2.50%	6,900,000.00		475,000.00	6,425,000.00
			1/1/11	350,000.00	2.50%				
			1/1/12	450,000.00	2.50%				
			1/1/13	475,000.00	3.50%				
			1/1/14	475,000.00	3.50%				
			1/1/15	550,000.00	3.50%				
			1/1/16	600,000.00	4.00%				
			1/1/17	600,000.00	4.00%				
			1/1/18	600,000.00	4.00%				
			1/1/19	600,000.00	4.00%				
			1/1/20	600,000.00	4.10%				
			1/1/21	600,000.00	4.25%				
			1/1/22	600,000.00	4.40%				
			1/1/23	600,000.00	4.40%				
			1/1/24	600,000.00	4.55%				
General Improvement Refunding Bonds	9/1/09	8,500,000.00	9/1/09	1,010,000.00	4.00%	4,795,000.00		625,000.00	4,170,000.00
			9/1/10	1,495,000.00	4.00%				
			9/1/11	575,000.00	4.00%				
			9/1/12	625,000.00	4.00%				
			9/1/13	625,000.00	4.00%				
			9/1/14	670,000.00	4.00%				
			9/1/15	670,000.00	4.00%				
			9/1/16	665,000.00	4.00%				
			9/1/17	660,000.00	4.00%				
			9/1/18	755,000.00	4.00%				
			9/1/19	750,000.00	4.00%				

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS

Exhibit - S - 20
Page 2 of 3

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING - DEC. 31, 2013</u>		<u>INTEREST RATE</u>	<u>BALANCE DEC. 31, 2012</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DEC. 31, 2013</u>
			<u>DATE</u>	<u>AMOUNT</u>					
General Improvement Refunding Bonds	3/9/10	6,185,000.00	9/15/11	785,000.00	2.00%	4,590,000.00		865,000.00	3,725,000.00
			9/15/12	810,000.00	2.00%				
			9/15/13	865,000.00	2.00%				
			9/15/14	880,000.00	3.00%				
			9/15/15	945,000.00	4.00%				
			9/15/16	950,000.00	4.00%				
			9/15/17	950,000.00	4.00%				
General Improvement Refunding Bonds	11/1/10	5,230,000.00	5/1/11	30,000.00	2.00%	5,185,000.00		615,000.00	4,570,000.00
			5/1/12	15,000.00	2.00%				
			5/1/13	615,000.00	3.00%				
			5/1/14	755,000.00	3.00%				
			5/1/15	750,000.00	3.00%				
			5/1/16	740,000.00	3.00%				
			5/1/17	780,000.00	4.00%				
			5/1/18	775,000.00	4.00%				
			5/1/19	770,000.00	4.00%				
General Improvement Bonds		6,600,000.00	9/1/12	450,000.00	3.00%	5,825,000.00		450,000.00	5,375,000.00
			9/1/13	450,000.00	3.00%				
			9/1/14	450,000.00	3.00%				
			9/1/15	475,000.00	4.00%				
			9/1/16	550,000.00	4.00%				
			9/1/17	650,000.00	4.00%				
			9/1/18	650,000.00	4.00%				
			9/1/19	650,000.00	3.00%				
			9/1/20	650,000.00	3.00%				
			9/1/21	650,000.00	3.00%				
			9/1/22	650,000.00	3.00%				
General Improvement Bonds		8,000,000.00	12/15/12	325,000.00	2.00%	7,675,000.00		335,000.00	7,340,000.00
			12/15/13	335,000.00	2.00%				
			12/15/14	350,000.00	2.00%				
			12/15/15	375,000.00	2.00%				
			12/15/16	400,000.00	2.00%				
			12/15/17	415,000.00	2.00%				
			12/15/18	600,000.00	2.00%				
			12/15/19	650,000.00	2.00%				
			12/15/20	650,000.00	2.00%				
			12/15/21	650,000.00	2.00%				
			12/15/22	650,000.00	2.00%				
			12/15/23	650,000.00	2.125%				
			12/15/24	650,000.00	2.25%				
			12/15/25	650,000.00	2.50%				
			12/15/26	650,000.00	2.75%				

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS

Exhibit - S - 20
Page 3 of 3

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING - DEC. 31, 2013		INTEREST RATE	BALANCE DEC. 31, 2012	INCREASED	DECREASED	BALANCE DEC. 31, 2013							
			DATE	AMOUNT												
General Improvement Bonds Series A	11/1/98	5,553,000.00	8/15/13	380,000.00	4.25%	380,000.00		380,000.00								
Series B	11/1/98	8,214,000.00	8/15/13-15	570,000.00	4.25%	3,369,000.00		3,369,000.00								
			8/15/16-17	570,000.00	4.30%											
			5/15/18	519,000.00	4.50%											
General Improvement Bonds	6/1/07	9,833,059.00	6/1/13	788,537.18	4.00%	6,728,193.48		788,537.18	5,939,656.30							
			6/1/14-15	936,387.90	4.00%											
			6/1/16-17	985,671.48	4.00%											
			6/1/18	1,034,955.05	4.00%											
			6/1/19	1,060,582.50	4.00%											
General Improvement Bonds	6/1/10	12,589,000.00	2/1/13	600,000.00	3.00%	11,389,000.00		600,000.00	10,789,000.00							
			2/1/14-16	530,000.00	3.00%											
			2/1/17-18	580,000.00	4.00%											
			2/1/19	980,000.00	5.00%											
			2/1/20	1,000,000.00	5.00%											
			2/1/21	1,000,000.00	3.13%											
			2/1/22	1,000,000.00	3.25%											
			2/1/23	1,000,000.00	3.38%											
			2/1/24	1,020,000.00	3.50%											
			2/1/25	1,020,000.00	4.00%											
			2/1/26	1,019,000.00	3.50%											
			Refunding Bonds Series 2011	9/14/11	1,910,000.00					8/15/14	380,000.00	3.00%	1,900,000.00			1,900,000.00
										8/15/15	385,000.00	3.00%				
8/15/16	380,000.00	4.00%														
8/15/17	380,000.00	4.00%														
8/15/18	375,000.00	4.00%														
Refunding Bonds Series 2013	11/14/13	19,195,000.00	1/1/14	1,000,000.00	1.00%	19,195,000.00			19,195,000.00							
			1/1/15	785,000.00	1.00%											
			1/1/16	785,000.00	1.00%											
			1/1/17	1,935,000.00	1.50%											
			1/1/18	1,895,000.00	1.50%											
			1/1/19	1,440,000.00	2.00%											
			1/1/20	1,495,000.00	2.00%											
			1/1/21	1,530,000.00	2.00%											
			1/1/22	1,570,000.00	3.00%											
			1/1/23	1,620,000.00	3.00%											
			1/1/24	1,670,000.00	3.00%											
			1/1/25	1,710,000.00	3.00%											
			1/1/26	1,760,000.00	3.00%											
										19,195,000.00						
										<u>\$78,131,193.48</u>	<u>\$19,195,000.00</u>	<u>\$24,562,537.18</u>	<u>\$72,763,656.30</u>			
												\$6,903,537.18				
								<u>17,659,000.00</u>								
								<u>\$24,562,537.18</u>								

Disbursed
Refunded

GENERAL CAPITAL FUND
SCHEDULE OF LOANS PAYABLE
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOANS

Balance - Dec. 31, 2012 \$ 16,510,924.42

Decreased by:
Payments 888,773.42

Balance - Dec. 31, 2013 \$ 15,622,151.00

Loan Principal Repayment Schedule

<u>Year</u>	<u>Principal</u>
2014	\$888,214.00
2015	935,466.00
2016	932,292.00
2017	934,119.00
2018	975,389.00
2019	971,915.00
2020	1,022,721.00
2021	1,029,785.00
2022	1,040,979.00
2023	1,078,106.00
2024	1,099,929.00
2025	1,119,810.00
2026	1,157,428.00
2027	942,365.00
2028	725,976.00
2029	468,108.00
2030	149,774.00
2031	<u>149,775.00</u>
	 <u><u>\$ 15,622,151.00</u></u>

GENERAL CAPITAL FUND
 SCHEDULE OF PROJECT LOANS PAYABLE
 NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION
GREEN TRUST PROGRAM

Balance - Dec. 31, 2012	\$ 2,041,921.96
Decreased by:	
Payments	<u>420,229.51</u>
Balance - Dec. 31, 2013	<u><u>\$ 1,621,692.45</u></u>

Loan Principal Repayment Schedule

<u>Year</u>	<u>Principal</u>
2014	428,677.49
2015	437,293.00
2016	446,083.00
2017	240,722.00
2018	<u>68,916.96</u>
	<u><u>\$ 1,621,692.45</u></u>

GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance - Dec. 31, 2012	\$871,480.18
Increased by:	
Budget Appropriation	<u>250,000.00</u>
	1,121,480.18
Decreased by:	
Approp. To Finance Improv. Autho.	<u>161,543.00</u>
Balance - Dec. 31, 2013	<u><u>\$959,937.18</u></u>

GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

Exhibit - S - 24

ORD NO.	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL ISSUE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DEC. 31, 2012	B.A.N.S ISSUED	DECREASED	BALANCE DEC. 31, 2013
<u>General Improvements:</u>									
03-13	Various Capital Improvements	11/01/12	11/01/12	11/1/13	1.50%	\$400,000.00		\$400,000.00	
07-19	Various Capital Improvements	11/01/12	11/01/12	11/1/13	1.50%	100,000.00		100,000.00	
09-19	Various Road Improvements	11/01/12	11/01/12	11/1/13	1.50%	200,000.00		200,000.00	
10-08	Various Capital Improvements	11/01/12	11/01/12	11/1/13	1.50%	1,750,000.00		1,750,000.00	
10-21	Various Capital Improvements	11/01/12	11/01/12	11/1/13	1.50%	150,000.00		150,000.00	
10-34	Installation of New Pool	11/01/12	11/01/12	11/1/13	1.50%	50,000.00		50,000.00	
11-03	Various Capital Improvements	11/01/12	11/01/12	11/1/13	1.50%	900,000.00		900,000.00	
11-13	Various Capital Improvements	11/01/12	11/01/12	11/1/13	1.50%	50,000.00		50,000.00	
11-15	Supplemental Approp. New Pool	11/01/12	11/01/12	11/1/13	1.50%	400,000.00		400,000.00	
03-13	Various Capital Improvements	10/31/13	10/31/13	10/31/14	1.25%		400,000.00		400,000.00
06-02	Road Construction and Repair	10/31/13	10/31/13	10/31/14	1.25%		150,000.00		150,000.00
07-19	Various Capital Improvements	10/31/13	10/31/13	10/31/14	1.25%		100,000.00		100,000.00
08-16	Various Capital Improvements	10/31/13	10/31/13	10/31/14	1.25%		40,000.00		40,000.00
09-05	DPW Roads	10/31/13	10/31/13	10/31/14	1.25%		40,000.00		40,000.00
09-19	Various Road Improvements	10/31/13	10/31/13	10/31/14	1.25%		290,000.00		290,000.00
10-08	Various Capital Improvements	10/31/13	10/31/13	10/31/14	1.25%		1,900,000.00		1,900,000.00
10-21	Various Capital Improvements	10/31/13	10/31/13	10/31/14	1.25%		230,000.00		230,000.00
10-34	Installation of New Pool	10/31/13	10/31/13	10/31/14	1.25%		50,000.00		50,000.00
11-03	Various Capital Improvements	10/31/13	10/31/13	10/31/14	1.25%		740,000.00		740,000.00
11-13	Various Capital Improvements	10/31/13	10/31/13	10/31/14	1.25%		210,000.00		210,000.00
11-15	Supplemental Approp. New Pool	10/31/13	10/31/13	10/31/14	1.25%		400,000.00		400,000.00
10-08	Various Capital Improvements	10/31/13	10/31/13	10/31/14	1.25%		200,000.00		200,000.00
10-17	Various Capital Improvements	10/31/13	10/31/13	10/31/14	1.25%		750,000.00		750,000.00
11-16	Various Capital Improvements	10/31/13	10/31/13	10/31/14	1.25%		900,000.00		900,000.00
11-17	Various Capital Improvements	10/31/13	10/31/13	10/31/14	1.25%		100,000.00		100,000.00
						<u>\$4,000,000.00</u>	<u>\$6,500,000.00</u>	<u>\$4,000,000.00</u>	<u>\$6,500,000.00</u>

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

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ORD. NO.	IMPROVEMENT DESCRIPTION	BALANCE DEC. 31, 2012	AUTHORIZED 2013	BANS REDEEMED	BONDS ISSUED	BANS ISSUED	OTHER FUNDING	AUTHORIZATIONS CANCELLED	BALANCE DEC. 31, 2013
<u>General Improvements</u>									
99-11	Various Capital Improvements	40,459.63							40,459.63
00-03	Various Capital Improvements	2,283,724.27						2,283,724.27	
00-13	Various Capital Improvements	812,879.99						701,328.51	111,551.48
01-15	Various Capital Improvements	658,755.71						409,834.47	248,921.24
02-15	Various Capital Improvements	46,406.26							46,406.26
03-13	Various Capital Improvements	905,088.97		400,000.00		400,000.00		486,209.64	418,879.33
03-17	Sewer Lateral Repairs	116,000.00						116,000.00	
04-04	Sewer Laterals Repairs Various Rd.	151,500.00						151,500.00	
04-05	Ext. of Sanitary Sewer and Water Main	42,600.00						42,600.00	
04-13	Various Capital Improvements	75,058.55						72,702.95	2,355.60
04-17	Walnut Lane Curbing	233.00							233.00
05-23	Oakland Street Sidewalks	1,238.00							1,238.00
05-24	Various Capital Improvements	437,960.85						251,092.08	186,868.77
05-25	Littlebrook Rd./Tyson Lane Sewer	42,200.00							42,200.00
05-26	Springdale Road Sidewalks	41,800.00						41,800.00	
05-29	Sycamore Road Sidewalks	23,750.00						23,750.00	
05-30	Sycamore Road Sewer Laterals	24,865.00						23,579.25	1,285.75
05-31	Clearview Ave. Sidewalks B	649.91							649.91
05-32	Grover Ave. Sidewalks B	31,940.00						31,940.00	
05-33	Ewing St. Sidewalks	41,325.00						41,325.00	
05-36	Recreation Improvements - Supplemental	84,000.00						76,393.47	7,606.53
06-01	Recreation Supplemental	12,855.31							12,855.31
06-02	Road Construction and repair	208,750.00				150,000.00			58,750.00
06-03	Tusculum	106,247.27							106,247.27
06-13	Riverside Sidewalks	35,150.00						35,150.00	
06-14	Hemlock Sidewalks	1,670.16							1,670.16
06-15	Overbrook Sidewalks	4,200.00							4,200.00
06-21	Vernon Circle and Castle Howard Ct.	15,900.00						15,900.00	
06-22	Multi-Purpose Ordinance	350,507.56						88,796.67	261,710.89
06-25	Evergreen Circle Curbs	12,671.00						12,671.00	
06-27	Abernathy Sidewalks	11,590.00						11,590.00	
06-34	Abernathy Sewer Laterals	35,450.00						32,445.13	3,004.87
06-36	Sewer Lateral: 206 & Laurel Circle	14,550.00						8,032.30	6,517.70
06-37	Audobon Lane Sewer Laterals	30,400.00						30,400.00	
07-02	Various Road Improvements	180,850.00						154,718.24	26,131.76
07-03	Various Road Improvements	786,700.00						407,209.10	379,490.90
07-10	Linwood Cr./Route 206 Laterals	40,375.00						40,375.00	
07-13	Maclean Circle Sidewalks	30,400.00						30,400.00	
07-14	Clover Lane Sewer Laterals	104,500.00							104,500.00
07-15	Clover Lane Belgium Block	42,102.16							42,102.16
07-16	Witherspoon Street Sidewalks	9,225.00						9,225.00	
07-18	Phillip Dr./Hemlock Cir./Woodside	17,875.00						8,892.60	8,982.40
07-19	Multi-Purpose Ordinance	1,025,670.23		100,000.00		100,000.00		878,961.81	146,708.42
07-22	Herrontown Circle Curbing	17,100.00						17,100.00	
07-23	Griggs Farm Supplemental	38,000.00						36,568.58	1,431.42
07-25	Herrontown Cr. Curbing Additional	2,850.00						2,850.00	

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

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ORD. NO.	IMPROVEMENT DESCRIPTION	BALANCE DEC. 31, 2012	AUTHORIZED 2013	BANS REDEEMED	BANS ISSUED	OTHER FUNDING	AUTHORIZATIONS CANCELLED	BALANCE DEC. 31, 2013
08-03	Ewing St. Sidewalks	36,760.00					36,760.00	
08-06	Various Road Improvement Projects	906,000.00					906,000.00	
08-07	Braeburn/Meadowbrook Sidewalks	9,116.30						9,116.30
08-08	Battle Road Sidewalks	3,060.86						3,060.86
08-09	Franklin Avenue Sidewalks	18,174.97						18,174.97
08-12	Ober Road Sidewalks	8,530.83						8,530.83
08-16	Various Capital Improvements	1,324,247.29			40,000.00		1,210,644.31	73,602.98
08-19	Ewing St. Sidewalks	16,625.00					16,625.00	
08-20	Magnolia Lane and Boradripple Sw	13,689.51						13,689.51
08-21	Belgium Curb 9 Prop. Wilson Rd.	16,670.20						16,670.20
08-23	Watermain Quaker Rd. to Mercer Rd.	132,419.48						132,419.48
09-01	Edgerstone & Winnant Sewer Lateral	305,950.00						305,950.00
09-02	Cedar Lane Sewer Laterals	219,250.00					112,719.41	106,530.59
09-03	Cedar Lane Sidewalks	7,000.00						7,000.00
09-05	DPW Roads	41,199.19			40,000.00			1,199.19
09-08	Quarry Lane Sewer Line	30,581.92						30,581.92
9-16	Sewer Insfrastructure Supple.	586,093.00				586,093.00		
09-19	2009 Multipurpose Ordinance	1,774,264.38		200,000.00	290,000.00	290,000.00	1,583,056.00	-188,791.62
09-21	Culvert & Sewer Repl. Braeburn	211,000.00						211,000.00
10-02	Sewer Laterals - Gallup Hillside	285,000.00						285,000.00
10-06	Ewing St. Sidewalks	105,450.00						105,450.00
10-07	Sewer Laterals - Ewing St.	223,635.00						223,635.00
10-08	Various Road Improvement Projects	292,000.00		1,750,000.00	1,900,000.00			142,000.00
10-14	Mountain Lakes House Roof	104,500.00						104,500.00
10-19	Belgium Block Curbing - Ober Rd.	31,956.94						31,956.94
10-21	Various Capital Improvements	601,796.60		150,000.00	230,000.00			521,796.60
10-27	Sewer Lateral Repairs Hilltop	203,091.00						203,091.00
10-34	Pool Complex	32,650.00		50,000.00	50,000.00			32,650.00
10-38	Land Acquisition	100,000.00						100,000.00
11-2	Supplemental - Pool Complex	1,325.00						1,325.00
11-3	Var. Rd. & DPW Proj.(300,000 dot grant)	789,200.00		900,000.00	740,000.00	(119,963.37)		1,069,163.37
11-4	Hillside Ave. Sidewalks	45,100.00						45,100.00
11-5	Mountain Lakes House Roof-Suppl.	28,500.00						28,500.00
11-8	Belgium Block Curbing Westerly Rd.	47,500.00						47,500.00
11-9	Sewer Laterals Westerly Rd.	84,075.00						84,075.00
11-10	Constr. Ord Hillside Sidewalks	20,920.00						20,920.00
11-13	Various Capital Improvements	1,021,196.00		50,000.00	210,000.00			861,196.00
11-15	Supplemental - Pool Complex	448,503.12		400,000.00	400,000.00			448,503.12
12-03	Grover Ave. Sidewalks	109,250.00						109,250.00
12-04	Roper Ave. Sidewalks	73,150.00						73,150.00
12-05	Grover and Roper Sewer Laterals	114,650.00						114,650.00
12-06	Rehab of Sewr System - Supp	1,275,251.00				-586,093.00		1,861,344.00
12-08	Battle Rd. /Battle Rd. Circle Sewer Lateral	92,650.00						92,650.00
12-12	Grover Ave. Sidewalks	41,800.00						41,800.00
12-13	Roper Road Sidewalks	28,975.00						28,975.00
12-14	Adreus-Foulet Curbing	112,600.00						112,600.00
12-15	White Pine Curbing	24,795.00						24,795.00
12-18	Traffic Signal Imp Washington	166,250.00						166,250.00
12-19	Ewing Street Sidewalks	53,200.00						53,200.00

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

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ORD. NO.	IMPROVEMENT DESCRIPTION	BALANCE DEC. 31, 2012	AUTHORIZED 2013	BANS REDEEMED	BONDS ISSUED	BANS ISSUED	OTHER FUNDING	AUTHORIZATIONS CANCELLED	BALANCE DEC. 31, 2013
05-14	Rehabilitation of Sewer System	1,664,357.20							1,664,357.20
10-01	Sewer, Curbs & Sidewalk Improv.	109,250.00							109,250.00
10-08	Various Capital Improvements	632,225.00				200,000.00			432,225.00
10-14	Refunding Ordinance	863,000.00							863,000.00
10-16	Sidewalk & Sewer Improvements	66,500.00							66,500.00
10-17	Various Capital Improvements	1,296,085.00				750,000.00			546,085.00
11-01,25	Installation of New Pool	2,273,825.00							2,273,825.00
11-11	Improvements to Sanitary Sewer	28,025.00							28,025.00
11-16	Various Capital Improvements	1,842,335.00				900,000.00	220,000.00		722,335.00
11-17	Various Capital Improvements	892,050.00				100,000.00			792,050.00
11-22	Sidewalk & Sewer Improvements	99,750.00							99,750.00
11-26	Stabilization of Stony Brook Sewer Main	285,000.00							285,000.00
12-09	Sidewalk & Sewer Improvements	106,400.00							106,400.00
13-09	Refunding Bond Ordinance		2,292,580.00						2,292,580.00
13-10	Sidewalks on North Harrison St.		8,038.00						8,038.00
13-12	Refunding Bond Ordinance		25,500,000.00		19,195,000.00				6,305,000.00
13-21	Various Capital Improvements		2,838,229.00						2,838,229.00
13-23	Sidewalks Moore Park/Willow		33,345.00						33,345.00
13-24	Sewers Moore/Willow		224,580.00						224,580.00
13-31	Various Capital Improvements		903,450.00						903,450.00
		<u>\$31,376,428.62</u>	<u>\$31,800,222.00</u>	<u>\$4,000,000.00</u>	<u>\$19,195,000.00</u>	<u>\$6,500,000.00</u>	<u>\$390,036.63</u>	<u>\$10,440,869.79</u>	<u>\$30,650,744.20</u>

ANALYSIS OF AFFORDABLE HOUSING CAPITAL CASH AND INVESTMENTS

	BALANCE DEC. 31, 2012	DISBURSEMENTS MISCEL- LANEOUS	TRANSFERS		BALANCE DEC. 31, 2013
			FROM	TO	
Fund Balance	\$67,193.84		\$63.50		\$67,130.34
Reserves for:					
Debt Service	11,094.57	11,094.57			
Due to/from General Capital Fund	1,560.00				1,560.00
Due to/ from Affordable Housing Operating Fund	(117,757.54)			63.50	(117,694.04)
ORD. NO.	<u>IMPROVEMENT AUTHORIZATIONS</u>				
	<u>General Improvements</u>				
89-37	Various Capital Improvements	67,702.05			67,702.05
06-13	Various Capital Improvements	(18,698.35)			(18,698.35)
		<u>\$11,094.57</u>	<u>\$11,094.57</u>	<u>\$63.50</u>	<u>\$63.50</u>

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AFFORDABLE HOUSING UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORD. NO.	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE - DEC. 31, 2012		AUTHORIZATIONS CANCELLED	BALANCE - DEC. 31, 2013	
		DATE	AMOUNT	FUNDED	UNFUNDED		FUNDED	UNFUNDED
<u>General Improvements:</u>								
89-37	Financing of Affordable Housing Program	10/4/89	5,891,938.00	67,702.05			67,702.05	
06-13	Improvements & Renovations to Housing Authority	8/8/06	211,150.00		195,286.65	195,286.65		
			\$6,103,088.00	\$ 67,702.05	\$ 195,286.65	\$ 195,286.65	\$ 67,702.05	\$ -

AFFORDABLE HOUSING UTILITY CAPITAL FUND
 SCHEDULE OF BONDS AND NOTES
AUTHORIZED BUT NOT ISSUED

ORD. NO.	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE</u> <u>DEC. 31, 2012</u>	<u>AUTHORIZATIONS</u> <u>CANCELLED</u>	<u>BALANCE</u> <u>DEC. 31, 2013</u>
	<u>Affordable Housing Improvements</u>			
06-13	Improvements and Renovations to <u>Housing Authority</u>	<u>\$211,150.00</u>	<u>\$195,286.60</u>	<u>\$15,863.40</u>
		<u>\$211,150.00</u>	<u>\$195,286.60</u>	<u>\$15,863.40</u>

ANALYSIS OF PARKING UTILITY CAPITAL CASH AND INVESTMENTS

		BALANCE DEC. 31, 2012	RECEIPTS MISCEL- LANEOUS	DSIBURSEMENTS IMPROV. AUTHOR.	BALANCE DEC. 31, 2013
Fund Balance		\$28,278.43			\$28,278.43
Reserves for:					
Debt Service		375,000.00			375,000.00
Encumbrances		94,230.00			94,230.00
ORD.					
NO.	<u>IMPROVEMENT AUTHORIZATIONS</u>				
02-22	Dev. & Construcction of a Parking Facility	24,388.34			24,388.34
03-41	Acquisition of Equipment	(12,248.00)	23,857.19		11,609.19
04-12	Technology Improvements		9,100.00		9,100.00
06-14	Various Capital Improvements	5,359.00	376.00		5,735.00
07-21	Acquisition of Equipment	(493.35)	2,028.35		1,535.00
08-25	Improvements to Parking Garage	15,100.00			15,100.00
09-27	Various Capital Improvements	28,574.88	76,000.00		104,574.88
10-04	Various Capital Improvements	(226,368.26)	115,000.46		(111,367.80)
11-20	Improvements to Pay Stations	(65,083.00)			(65,083.00)
13-20	Facility Repairs/Acq. Of a Van			24.00	(24.00)
		<u>\$266,738.04</u>	<u>\$226,362.00</u>	<u>\$24.00</u>	<u>\$493,076.04</u>

() Denotes Deficit

PARKING UTILITY CAPITAL FUND
SCHEDULE OF ACCRUED INTEREST ON SERIAL BONDS

	<u>REF.</u>	
Balance - December 31, 2012	D	\$ 167,445.04
Increased by:		
2013 Budget Charges	D-4	<u>450,824.75</u>
		618,269.79
Decreased by:		
Interest Paid	D-5	<u>451,062.50</u>
Balance - December 31, 2013	D	<u>\$ 167,207.29</u>

Analysis of Balance

Principal Balance Dec. 31, 2013	Interest Rate	From	To	Period	Amount
<u>Bonds</u>					
\$ 500,000.00	2.000%	08/15/13	12/31/13	4.5 Mos.	\$ 4,583.33
25,000.00	3.000%	08/15/13	12/31/13	4.5 Mos.	281.25
535,000.00	3.000%	08/15/13	12/31/13	4.5 Mos.	6,018.75
555,000.00	4.000%	08/15/13	12/31/13	4.5 Mos.	8,325.00
580,000.00	4.000%	08/15/13	12/31/13	4.5 Mos.	8,700.00
605,000.00	4.000%	08/15/13	12/31/13	4.5 Mos.	9,075.00
335,000.00	4.000%	08/15/13	12/31/13	4.5 Mos.	6,141.67
290,000.00	5.000%	08/15/13	12/31/13	4.5 Mos.	5,437.50
575,000.00	4.000%	08/15/13	12/31/13	4.5 Mos.	10,541.67
150,000.00	5.000%	08/15/13	12/31/13	4.5 Mos.	2,812.50
120,000.00	3.000%	08/15/13	12/31/13	4.5 Mos.	1,650.00
600,000.00	5.000%	08/15/13	12/31/13	4.5 Mos.	11,250.00
770,000.00	5.000%	08/15/13	12/31/13	4.5 Mos.	14,437.50
825,000.00	5.000%	08/15/13	12/31/13	4.5 Mos.	15,468.75
675,000.00	3.000%	08/15/13	12/31/13	4.5 Mos.	9,281.25
200,000.00	4.000%	08/15/13	12/31/13	4.5 Mos.	3,000.00
860,000.00	4.000%	08/15/13	12/31/13	4.5 Mos.	12,900.00
865,000.00	4.000%	08/15/13	12/31/13	4.5 Mos.	12,975.00
865,000.00	4.000%	08/15/13	12/31/13	4.5 Mos.	12,975.00
865,000.00	3.500%	08/15/13	12/31/13	4.5 Mos.	<u>11,353.12</u>
<u>10,795,000.00</u>					<u>\$ 167,207.29</u>

PARKING UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORD. NO.	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE - DEC. 31, 2012		ENCUMBERED 12/31/12	2013 AUTHOR. UNFUNDED	PAID OR CHARGED	ENCUMBERED 12/31/13	BALANCE - DEC. 31, 2013	
		DATE	AMOUNT	FUNDED	UNFUNDED					FUNDED	UNFUNDED
General Improvements:											
02-22	Development & Consruction of a Parking Facility & Rel. Park Plaza	12/17/02	13,500,000.00	24,388.34						24,388.34	
03-41	Acquisition of Equipment	12/02/03	50,000.00		11,609.19					11,609.19	
04-12	Technology Improvements	08/31/04	194,500.00		9,100.00					9,100.00	
06-14	Various Capital Improvements	08/08/06	15,376.00	5,359.00	376.00	2,000.00			2,000.00	5,735.00	
07-21	Acquisition of Equipment	09/11/07	39,000.00		1,535.00					1,535.00	
08-25	Improvements to Parking Garage	10/28/08	31,700.00	15,100.00		12,500.00			12,500.00	15,100.00	
09-27	Various Capital Improvements	09/29/09	226,000.00	28,574.88	76,000.00	3,230.00			3,230.00	104,574.88	
10-04	Various Improvements	04/13/10	250,000.00		23,631.74	11,500.00			11,500.00	23,631.74	
10-13	Refunding Bond Ordinance	09/14/10	1,745,000.00		1,745,000.00						1,745,000.00
11-20	Improvements to Pay Stations	08/02/11	66,000.00		917.00	65,000.00			65,000.00		917.00
13-20	Facility Repairs and The Acquisition of a Van	07/22/13	80,000.00				80,000.00	24.00			79,976.00
				\$ 73,422.22	\$ 1,868,168.93	\$ 94,230.00	\$ 80,000.00	\$ 24.00	\$ 94,230.00	\$ 195,674.15	\$ 1,825,893.00

PARKING UTILITY CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS

- 141 -

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING - DEC. 31, 2013</u>		<u>INTEREST RATE</u>	<u>BALANCE</u>	<u>DECREASED</u>	<u>BALANCE</u>
			<u>DATE</u>	<u>AMOUNT</u>		<u>DEC. 31, 2012</u>		<u>DEC. 31, 2013</u>
Parking Utility Improvement Bonds	8/15/03	13,700,000.00	8/15/13	475,000.00	4.25%	475,000.00	475,000.00	
Parking Utility Refunding Bonds	10/12/11	10,905,000.00	8/15/13	20,000.00	3.00%	10,815,000.00	20,000.00	10,795,000.00
			2/15/14	500,000.00	2.00%			
			8/15/14	25,000.00	3.00%			
			8/15/15	535,000.00	3.00%			
			8/15/16	555,000.00	4.00%			
			8/15/17	580,000.00	4.00%			
			8/15/18	605,000.00	4.00%			
			2/15/19	335,000.00	4.00%			
			8/15/19	290,000.00	5.00%			
			2/15/20	575,000.00	4.00%			
			8/15/20	150,000.00	5.00%			
			2/15/21	120,000.00	3.00%			
			8/15/21	600,000.00	5.00%			
			8/15/22	770,000.00	5.00%			
			8/15/23	825,000.00	5.00%			
			2/15/24	675,000.00	3.000%			
			8/15/24	200,000.00	4.00%			
			8/15/25	860,000.00	4.00%			
			8/15/26	865,000.00	4.00%			
			8/15/27	865,000.00	4.00%			
			8/15/28	865,000.00	3.50%			
						<u>\$11,290,000.00</u>	<u>\$495,000.00</u>	<u>\$10,795,000.00</u>

PARKING UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES
AUTHORIZED BUT NOT ISSUED

ORD. NO.	IMPROVEMENT DESCRIPTION	BALANCE DEC. 31, 2012	AUTHORIZED 2013	OTHER FUNDING	BALANCE DEC. 31, 2013
	<u>General Improvements</u>				
03-41	Acquisition of Equipment	23,857.19		23,857.19	
04-12	Technology Improvements	9,100.00		9,100.00	
06-14	Various Capital Improvements	376.00		376.00	
07-21	Acquisition of Equipment	2,028.35		2,028.35	
09-27	Various Capital Improvements	76,000.00		76,000.00	
10-04	Various Improvements	250,000.00		115,000.46	134,999.54
10-13	Refunding Bond Ordinance	1,745,000.00			1,745,000.00
11-20	Improvements to Pay Stations	66,000.00			66,000.00
13-20	Facility Repairs and The Acquisition of a Van		80,000.00		80,000.00
		<u>\$2,172,361.54</u>	<u>\$80,000.00</u>	<u>\$226,362.00</u>	<u>\$2,025,999.54</u>

SCHEDULE OF PUBLIC ASSISTANCE CASH - TREASURER

		<u>P.A.T.F. II ACCT. #1</u>
Balance - December 31, 2012	\$	<u>60,433.01</u>
Increased by Receipts:		
State Aid for Public Assistance		340,047.06
S.S.I. Reimbursements		10,397.50
Interest Earned		620.48
Miscellaneous		<u>123,183.78</u>
		474,248.82
		534,681.83
Decreased by Disbursements:		
Disbursed for Public Assistance		296,454.09
Misc		<u>91,138.72</u>
		<u>387,592.81</u>
Balance - December 31, 2013	\$	<u><u>147,089.02</u></u>

SCHEDULE OF PUBLIC ASSISTANCE CASH AND RECONCILIATION

Balance - December 31, 2012	\$ 60,433.01
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Increased by:

Cash Receipts Record	<u>474,248.82</u>
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	534,681.83
--	------------

Decreased by:

Cash Disbursements Record:

2012 Assistance	296,454.09	
Due to Princeton	<u>91,138.72</u>	
		<u>387,592.81</u>

Balance - December 31, 2013	\$ <u><u>147,089.02</u></u>
-----------------------------	-----------------------------

Reconciliation - December 31, 2013:

P.A.T.F. II

ACCT #1TOTAL

Balance on Deposit per Statement of:

The Bank of Princeton

- Government Agency Account

NJCM

Bank Of America

OS Checks

Reconciling Items

\$ 155,943.44

19,906.47

816.00

(29,780.39)

203.50

Balance - December 31, 2013	\$ <u><u>147,089.02</u></u>
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SCHEDULE OF PUBLIC ASSISTANCE REVENUES

	P.A.T.F. <u>ACCT. #1</u>
State Aid Payments	\$ <u>340,047.06</u>
State Aid for Public Assistance	340,047.06
Interest Earned	620.48
Miscellaneous	123,183.78
Supplemental Security Income: Municipal Refund	<u>10,397.50</u>
Total Receipts/Revenues (PATF)	\$ <u><u>474,248.82</u></u>

SCHEDULE OF PUBLIC ASSISTANCE EXPENDITURES

	P.A.T.F. <u>ACCT. #1</u>
Payments for Current Year Assistance (Reported):	
Maintenance Payments	\$ 75,060.85
Burial	0.00
Nursing Home Care	104,668.17
Temporary Rental Assistance	89,255.62
Other:	
Utilities	3,324.16
Rent/Security Deposit	6,142.50
Storage Cost	308.44
Emergency Assistance	1,375.00
Esst. House Furnish	1,153.85
Transportation	15,006.00
Trasnient Assistance	58.50
Work-related Expenses	<u>101.00</u>
Total Reported	296,454.09
Total Disbursements (PATF)	\$ <u><u>296,454.09</u></u>

SCHEDULE OF RESERVE FOR PUBLIC ASSISTANCE

Balance - December 31, 2012

SSI Due to Clients	\$	1,238.31
Reserve for Public Assistance		33,705.63
Advanced State Aid		<u>26,077.38</u>

61,021.32

Increased by:

Client Refunds		
State Aid for Public Assistance		340,047.06
S.S.I. Reimbursements		10,397.50
Interest Earned		620.48
Miscellaneous		<u>123,183.78</u>

474,248.82

535,270.14

Decreased by:

Payments for Public Assistance		296,454.09
Misc		<u>91,138.72</u>

387,592.81

Balance - December 31, 2013

\$ 147,677.33Analysis of Balance - December 31, 2013:

SSI Due to Clients		1,238.31
Reserve for Public Assistance		76,010.35
Advanced State Aid	\$	<u>69,840.36</u>

147,089.02

PRINCETON
MERCER COUNTY, NEW JERSEY

PART III
STATISTICAL INFORMATION (Unaudited)

Table 1

PRINCETON
COUNTY OF MERCER
CURRENT FUND EXPENDITURES BY FUNCTION
FIRST FISCAL YEAR
UNAUDITED

<u>Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Health and Welfare</u>	<u>Recreation</u>	<u>Public Library</u>	<u>Unclassified</u>
2013	\$6,648,641.81	\$9,506,649.90	\$3,824,666.00	\$1,141,725.00	\$887,039.00	\$3,983,619.00	\$14,005,923.00
<u>Year</u>	<u>Deferred Charges & Statutory Expenditures</u>	<u>State and Federal Grants</u>	<u>Capital Improvements</u>	<u>Debt Service</u>	<u>Reserve for Uncollected Taxes</u>		<u>Total</u>
2013	\$4,971,565.00	\$651,798.02	\$250,000.00	\$11,063,635.00	\$3,483,205.17		\$60,418,466.90

(1) Appropriations divided between inside "CAPS" and outside "CAPS" have been combined.

Table 2

PRINCETON
COUNTY OF MERCER
CURRENT FUND REVENUES BY SOURCE
FIRST FISCAL YEAR
UNAUDITED

<u>Year</u>	<u>Taxes (1)</u>	<u>Delinquent Taxes</u>	<u>Fees, Permits, Fines and Licenses</u>	<u>State Aid</u>	<u>State and Federal Grants</u>	<u>From Other Funds</u>	<u>Surplus Anticipated</u>
2013	\$32,987,140.23	\$1,654,150.70	\$1,822,400.41	\$2,802,421.00	\$565,068.02	\$1,700,000.00	\$5,800,000.00

<u>Year</u>	<u>Sewer Revenue</u>	<u>Other Budget Revenues</u>	<u>Total</u>
2013	\$7,111,048.55	\$9,127,602.44	\$63,569,831.35

(1) Excludes taxes allocated to county and school

Table 3

PRINCETON
COUNTY OF MERCER
ASSESSED VALUE AND ESTIMATE OF TOTAL VALUE
FIRST FISCAL YEAR
UNAUDITED

<u>Year</u>	<u>Net Assessed Valuation Taxable</u>	<u>Market Valuation</u>	<u>Percentage of Net Assessed To Market Value</u>
2013	\$6,726,059,660	\$7,153,476,952	94.03%

Table 4

PRINCETON
COUNTY OF MERCER
SCHEDULE OF TEN LARGEST TAXPAYERS - 2013
UNAUDITED

<u>Taxpayer</u>	<u>2013 Assessed Valuation</u>	<u>As a Percent of Total Net Assessed Taxable Valuation</u>
Trustees of Princeton University	\$ 387,148,000	5.75%
PSN, Palmer Sq LTD, Palmer Residence	101,955,000	1.52%
Jasna Polana	34,780,900	0.52%
The Medical Center @ Princeton	34,136,400	0.51%
Princeton (Edens) LLC	30,741,400	0.46%
Nassau Inn Partnership	26,030,000	0.39%
Institute for Advanced Study	21,670,800	0.32%
Princeton Theological Seminary	21,120,600	0.31%
Princeton International Prop	15,828,400	0.24%
Church & Dwight	14,361,400	0.21%
	<u>\$ 687,772,900</u>	<u>10.22%</u>
Total Assessed Valuation Taxable in 2013	<u><u>6,727,808,660</u></u>	

Table 5

PRINCETON
COUNTY OF MERCER
RATIO OF BONDED DEBT, BOND ANTICIPATION NOTES, AND LOANS TO EQUALIZED VALUE
AND DEBT PER CAPITAL
FIRST FISCAL YEAR
UNAUDITED

<u>Year</u>	<u>Population (1)</u>	<u>Average Equalized Valuation</u>	<u>Gross Debt</u>	<u>Ratio of Net Debt to Equalized Valuation</u>	<u>Gross Debt per Capita</u>	<u>Net Debt</u>	<u>Ratio of Net Debt to Equalized Valuation</u>	<u>Net Debt per Capita</u>
2013	28,572	\$7,153,476,952	\$202,887,268	2.836%	7,100.91	127,916,605	1.788%	4,476.99

(1) 2013 Per 2010 Census

**SOURCE: Annual Debt Statement
Net Debt - page 1**

**Bonded Debt:
Net Debt - page 1
Less: Parking Auth not Issued - page 4
Less: General Auth not Issued - page 7 & 8A**

Table 6

PRINCETON
COUNTY OF MERCER
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES (GROSS) - CURRENT FUND
FIRST FISCAL YEAR
UNAUDITED

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Gross Debt Service</u>	<u>Total Current Fund Governmental Expenditures</u>	<u>Ratio of Debt Service to Current Fund Expenditures</u>
2013	\$7,232,035.65	\$3,686,537.42	\$10,918,573.07	\$40,562,273.61	27%

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES (NET) - CURRENT FUND
LAST NINE FISCAL YEARS
UNAUDITED

<u>Year</u>	<u>Total Gross Debt Service</u>	<u>Less Cash Reductions</u>	<u>Total Net Debt Service</u>	<u>Total Current Fund Governmental Expenditures</u>	<u>Ratio of Debt Service to Current Fund Expenditures</u>
2013	\$10,918,573.07	\$1,646,246.15	\$9,272,326.92	38,916,027.46	24%

Table 7

PRINCETON
COUNTY OF MERCER
DEMOGRAPHIC STATISTICS
UNAUDITED

Population Growth

2010 Census	28,572
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Bulding Permits

<u>Year*</u>	<u>New Construction</u>	<u>Improvements</u>	<u>Total</u>
2013	81	2,525	2,606

Source: Construction Official

Table 8

PRINCETON
COUNTY OF MERCER
LABOR STATISTICS
UNAUDITED

<u>Princeton</u>	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployed</u>	<u>Unemployment Rate</u>
2013	9,779	9,590	189	1.93%
<u>County of Mercer</u>	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployed</u>	<u>Unemployment Rate</u>
2013	210,019	193,547	16,472	7.84%
<u>State of New Jersey</u>	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployed</u>	<u>Unemployment Rate</u>
2013	4,595,460	4,159,286	436,174	9.49%

Source:

New Jersey Department of Labor, Division of Planning &
Research. Office of Demographic and Economic Analysis:
Bureau of Labor Force Statistics

Table 9

PRINCETON
COUNTY OF MERCER
NET ASSESSED VALUATION OF REAL PROPERTY BY CLASS
PERCENTAGE OF LINE ITEM (2013)
UNAUDITED

Number of Line Items in Each Property <u>Classification</u>	<u>Real Property Classification</u>	Assessed Valuation <u>2013</u>	As a Percent of Total Net Assessed Valuation <u>Taxable</u>
538	Vacant Land	\$ 97,017,800	1.44%
7038	Residential (4 family or less)	5,544,992,800	82.44%
25	Farm (Regular)	53,415,200	0.79%
44	Farm (Qualified)	341,610	0.01%
382	Commercial	810,871,450	12.06%
2	Industrial	8,981,700	0.13%
206	Apartment	210,439,100	3.13%

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

Table 10

	<u>2013</u>
<u>Tax Rate:</u>	<u>2.116</u>
<u>Apportionment of Tax Rate:</u>	
Municipal:	<u>0.456</u>
County:	<u>0.634</u>
Regional School:	<u>1.026</u>
<u>Assessed Valuation:</u>	
2013	<u>\$7,153,476,952.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

Table 11

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

<u>Year</u>	<u>Tax Levy</u>	<u>CURRENTLY</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2013	\$144,030,580.66	\$142,636,183.81	99.03%

DELINQUENT TAXES AND TAX TITLE LIENS

Table 12

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last three years.

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2013	\$95,813.87	\$1,195,427.21	\$1,291,241.08	0.90%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

Table 13

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

<u>Year</u>	<u>Amount</u>
2013	\$330,100.00

PRINCETON
COUNTY OF MERCER
SURETY BOND COVERAGE

<u>Position</u>	<u>Minimum Requirement</u>	<u>Suggested Requirement</u>
Tax Collector	<u>\$ 448,495.58</u>	<u>\$ 858,991.15</u>
Amount of Surety Bond Coverage		<u>\$ 1,000,000.00</u>
Municipal Judge & Court Administrator	\$ 68,805.22	\$ 110,860.45
Amount of Surety Bond Coverage		<u>\$ 1,000,000.00</u>

PRINCETON
MERCER COUNTY, NEW JERSEY

PART IV
GENERAL COMMENTS AND RECOMMENDATIONS

**PRINCETON
COUNTY OF MERCER, NEW JERSEY
FOR YEAR ENDED DECEMBER 31, 2013**

GENERAL COMMENTS

An audit of the financial accounts and transactions of Princeton, County of Mercer, New Jersey, for the year ended December 31, 2013, has been completed. The General Comments are herewith set forth:

Scope of Audit

The audit covered the financial transactions of the Finance Department and the other various offices and departments collecting fees within Princeton, County of Mercer, New Jersey.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. These details were necessarily covered by the internal review and control before approval of such claims by the Governing Body. Cash on hand was counted and cash and investment balances were reconciled with independent certifications obtained directly from the depositories. Revenues and receipts were established and verified as to source and amount insofar as the records permitted.

INTERNAL CONTROL MATTERS

In planning and performing our audit of the financial statements of Princeton, County of Mercer, New Jersey as of and for the fiscal year ended December 31, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered Princeton's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Princeton's internal control. Accordingly, we do not express an opinion on the effectiveness of Princeton's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

A control deficiency 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 misstatements on a timely basis.

A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

GENERAL COMMENTS

With respect to the reporting of internal control matters, standards require that only a significant deficiency and/or a material weakness need be reported in writing to management and those charged with governance.

The control deficiencies reported are not considered to be significant deficiencies nor material weaknesses. In addition, these control deficiencies are not required to be reported in writing, however, control deficiencies are presented to management and those charged with governance in this report as a means to present those matters identified in the review of Princeton's internal controls and as a means to inform management and those charged with governance as to the auditing standards requirements with respect to internal controls.

As indicated below, we identified certain deficiencies in internal control that we consider to be control deficiencies.

Control Deficiencies

2013-1. Segregation of Duties

Conditions exist whereby the same person may collect, record and deposit cash receipts in the following offices – Municipal Clerk, Municipal Court, Engineering, Police Records Clerk, Corner House, Planning, Zoning and Construction Code.

The deficiencies in internal control were not considered by us to be significant deficiencies. While basic internal control design objectives include the limiting of any individual's control over a transaction from start to finish, the volume of transactions in the various offices does not justify the hiring of additional staff solely to improve internal control. Instead, we suggest that monitoring controls, including analytical procedures and intra-period comparisons, be utilized to identify unexpected changes in transactional levels for further review.

OTHER MATTERS

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

N.J.S.A. 40A: 11-4 states "every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidder therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$21,000.00 except by contract or agreement."

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$21,000.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, Princeton Counsel's opinion should be sought before a commitment is made.

GENERAL COMMENTS

OTHER MATTERS

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

On June 9, 2010, the Local Public Contracts Law was amended, effective on January 1, 2011. The amendments address the bid threshold (Section 7, N.J.S.A. 40A:11-3), thereby increasing the amount from \$21,000.00 to \$26,000.00 under which a contract may be awarded without public advertising. Furthermore, if Princeton's Purchasing Agent is "Qualified" the Council may increase the bid threshold from \$29,000 to \$36,000. On May 5, 2011, a revised Local Finance Notice was issued which reduced the threshold for Non-QPA municipalities from \$26,000 to \$17,500.

The minutes indicate that bids were requested by public advertising for the following items:

Materials and Supplies:

Shrubs; Flowers; Trees; Road Materials; Office Supplies

Equipment:

Police Radio System; Truck Mounted Sewer Jet; Fire Gear;

Contracts:

Repairs to various roads; sanitary sewer project; Jitney Service, Armored Car Service; Deer Management Services

State Approved Contracts for the Following Purchases:

Storage Servers; Backup Servers; Network Support; Custodial Services

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed.

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

Any interpretation as to possible violation of N.J.S.A. 40A:11-4 and N.J.A.C. 5:30-14 would be in the province of the municipal solicitor.

GENERAL COMMENTS

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

Pay-to-Play Requirements

An anomaly exists in the "Pay-to-Play" statutes when they are matched with the LPCL requirements to determine compliance requirements. The threshold for Pay-to-Play is set at \$17,500, with no escalator provision. At the time c.271 was enacted, the bid threshold per the LPCL was also set at \$17,500. However, effective July 1, 2005, the bid threshold was increased to \$21,000. Subsequent adjustments by the Governor pursuant to the enabling statute have further widened the gap between the points where actions to assure compliance with the local public contracts law and the pay-to-play laws are required. This widening gap creates a dichotomy for compliance, as under c. 271, otherwise compliant contracts not awarded using a fair & open process and exceeding \$17,500 trigger the filing of additional documentation relating to ownership of the contracting entity and disclosure of political contributions. Since "Pay-to-Play" laws cover all contracts (not just professional services as some believe) any contract (or aggregation of purchases of similar goods or services) that does not meet "fair and open" standards requires Princeton to obtain the necessary c. 271 documents. The provisions of c. 271 became effective on January 1, 2006. Thus a violation would require the issuance of purchase orders exceeding \$17,500 without a "fair and open" process, and without obtaining the requisite disclosures. It should be noted that the pay-to-play laws do not supersede the provisions of the Local Public Contracts Law. Instead, they merely require the filing of additional documents by the vendor evidencing entity ownership and disclosing political contributions.

Audit testing identified four non-professional service vendors for whom aggregated 2013 purchase orders issued exceeded the pay-to-play threshold with no evidence bidding or another form of "fair and open" contracting, and for whom no evidence of compliance with the pay-to-play laws was made available to us during our audit.

It is recommended that the existing controls over the purchasing function be modified to include an additional procedure requiring a determination that, for any requisitions not requiring a "fair and open" process, the proposed vendor has not exceeded \$17,500 in aggregate purchase orders.

Business Registration Act

Our audit included testing of vendor registration certificates, required pursuant to the Business Registration Act (P.L. 2004, c.57). This statute requires that prior to making payment to any vendor, evidence of vendor registration with the New Jersey Department of Treasury, is provided. Our tests disclosed matters of noncompliance, particularly relating to vendors for whom a "fair and open" process was not required prior to the issuance of purchase orders. Noncompliance with this provision of law when "fair and open" contracting is required may expose Princeton to legal challenges from unsuccessful bidders, as the failure to provide a business registration certificate is considered to be an uncorrectable, fatal flaw in a bid submission. However, our tests indicated compliance with the provisions of this statute for vendors awarded contracts through public bidding.

It is recommended that requisition and purchase order approval procedures be expanded to include a request for the required business registration certificate at the time an order is placed and the delivery of said certificate prior to processing payment.

GENERAL COMMENTS

Collection of Interest on Delinquent Taxes and Assessments

The statutes provide the method for authorizing interest and the maximum rates to be charged for the underpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body adopted a resolution pursuant to the provisions of R.S. 54:4-67, fixing the rate delinquent taxes or assessments at 8% per annum on the first \$1,500 of the delinquency and 18% per annum to be charged on any amount in excess of \$1,500. In addition, any delinquent taxes outstanding related to a previous calendar year in excess of \$10,000.00 incurs a 6% surcharge.

An examination of the Collector's records indicated that interest on delinquent accounts was calculated in accordance with the foregoing resolution.

Interfund Balances

The following interfunds appear on the various balance sheets and should be cleared by cash transfers where practicable:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Current Fund	\$3,151,279.12	\$199,596.17
Grant Fund		40,000.00
Assessment Trust Fund		5,719.55
Escrow Trust Fund		30.46
Other Trust Fund	252,851.50	
Unemployment Fund	31,893.75	
Affordable Housing Operating		117,694.04
Payroll Fund		31,893.75
Affordable Housing Capital	118,969.04	
Animal Control Fund		31,394.58
Law Enforcement Trust		430.00
Open Space Trust Fund		382,825.33
General Capital Fund	<u>330,000.00</u>	<u>3,075,409.53</u>
Total	<u>\$3,884,993.41</u>	<u>\$3,884,993.41</u>

Transactions invariably occur in one fund, which require a corresponding entry to be made in another fund, thus creating interfund balances. Reference to the various balance sheets shows the interfund balances remaining at year-end. As a general rule all interfund balances should be closed at the end of the year. However, our examination of the interfund balances at year end indicated that the balances exist as a matter of convenience for transactional processing, and do not indicate any underlying problems relating to cash flows or operating results.

Investment of Funds

The chief financial officer had most of the funds of Princeton invested in the interest-bearing investments or accounts from January 1, 2013 to December 31, 2013. Earnings from the investments are shown as revenue in the various accounts of as of December 31, 2013. The investment program instituted by the financial officer was complete with minimal balances remaining on demand accounts. This policy complied with N.J.S.A. 40A:5-14 in all respects.

GENERAL COMMENTS

Payment of Claims

Claims were examined on a test basis for the year under review and they were found to be in generally good order, with only minor exceptions noted relating to missing certifications and approval signatures.

Budget Management

The audit included tests to determine that budget appropriations had not been overcommitted or overexpended prior to the submission of transfer requests to the Governing Body for approval. Our tests of the 2013 Current Appropriations Ledger revealed fourteen (14) instances where accounts balances in the appropriations ledger overexpended prior to the approval and posting of budget transfers. In five (5) of those instances, transfers were approved at the next meeting of the Governing Body. At year-end, all necessary transfers had been processed, or as discussed below, costs were properly reallocated, and no year-end overexpenditures or overcommitments were noted.

In some instances, the overexpenditure appearing in the appropriations ledger resulted from the posting of all expenditures of "split-charge" line-items to only the current fund appropriations. An example of this exception is Finance department salaries. Finance salaries are allocated in part to the Parking Utility budget to reflect the estimated time devoted to parking matters. However, individual payrolls are not split-coded for expenditure distribution. Instead, the full payroll is charged against the Current Fund budget and journal entries are made periodically to allocate a portion of the payrolls to the Parking Utility. At one or more points in time selected by us for testing, the cumulative charges against the Current Fund budget (prior to journal entries to reallocate) exceeded the appropriation amount. This apparent overexpenditure self-corrected when the journal entry to reallocate was posted.

We also reviewed the temporary budget and noted that there was one account that had charges but did not have a temporary budget amount. There were also eight accounts that were overexpended. Of these eight accounts two are generally allocated during the year to various other accounts.

We are satisfied that management has demonstrated sound budget management and an awareness of the compliance environment for municipal budgets. However, we are concerned that the systemic controls of the financial accounting software which preclude the posting of purchase orders issued or salary distributions to budget line items if those postings would result in an overcommitment of the appropriation amount are being overridden without evidence of management approvals and an audit trail of those approvals. This situation requires further administrative scrutiny to determine causality and to modify software privileges if needed to assure that only the CFO or other designated person can override system controls to post expenditures and commitments that would exceed the appropriation balances.

It is recommended that the financial accounting software budget modules data entry privileges be reviewed and modified as necessary to limit the ability to override systemic controls to authorized personnel.

GENERAL COMMENTS

Purchase Order and Encumbrance System

Princeton utilizes a purchase order system for its expenditures in connection with its budgetary accounting system during the year under review. The accounting is processed on a data processing system for budgetary control. Transactions are approved based on availability of funds. Purchase orders were available for all cash disbursement transactions selected by us for testing. Tests of the system disclosed that compliance was in generally good order during the year. It was noted that there was a large amount of confirming orders during the year. Confirming order is the term given to a procurement transaction when a commitment to purchase is made by an employee prior to the submission of a requisition, the formal approval of management to purchase, the determination that funds are available to pay for the contemplated purchase, and the determination that all requisite compliance requirements have been addressed prior to the commitment of funds. Confirming orders are often the root cause of a variety of compliance problems, and most significantly, can result in overexpenditures of appropriations. Management should meet with the departmental personnel in the departments that are most frequently circumventing established purchase order procedures to identify any conditions that are making compliance difficult and effect any necessary changes or educate the staff to assure proper planning and expected time lines.

It is recommended that the use of confirming orders for procurement cease.

Test of Salaries

As part of our audit we tested salaries paid by Princeton for compliance with salary ordinances approved by the governing body and collective bargaining agreements where applicable. Salary payments were in accordance with the governing documents for all items in the test population.

Municipal Court

The financial records maintained by the Municipal Court during the period under review were found to be in good condition. The examination of the general account indicated that deposits were properly recorded and spread by receipt category, cash was reconciled monthly and disbursements were made to the appropriate agencies on a timely basis. The examination of the bail account's financial and supporting records maintained by the Municipal Court was found to be in good condition.

The processing of traffic and criminal cases entered on the State's on-line computer system was found to be good.

GENERAL COMMENTS

Other Officials Collecting Fees

Our reviews of the records maintained for other officials collecting fees, which were designed to determine that minimum levels of internal controls and accountability were met, that cash receipts were deposited or turned over the Treasurer's account within a 48 hour period as required by N.J.S.A. 40A:5-15, that amounts charged were in accordance with the provision of Princeton's Code and that monthly financial reports are being submitted to the Finance Department in a timely manner, revealed the following exceptions:

The examination of the records maintained by various departments revealed exceptions relating to the timely (within 48 hours) remittance of fees collected to the Treasurer for the following:

Municipal Clerk
Engineering
Zoning
Police
Planning
Fire Prevention
Construction
Corner House

It was noted that the remittances were generally made within five business days. Every effort should be made to comply with the statute, and in any instance where receipts are not deposited or transferred on the date of receipt, funds should be held under lock and key in a secure location.

We were unable to determine the compliance with the 48-hour rule as it applies to the Department of Health. We noted that the dates that monies were received were often omitted on the the receipts report.

It is recommended:

That all officials collecting fees deposit or remit moneys collected to the Treasurer within 48 hours of receipt in accordance with N.J.S.A. 40A:5-15.

That the Health Department record the dates of receipts on the receipt report.

Administration and Accounting for State & Federal Grants

Princeton operated various programs during 2013, which were funded in whole or in part by State or Federal grant assistance. These programs often vary as to the application and approval process; matching funds requirements, grant periods, required approvals for modification of budgets and the timing and frequency of financial reporting. A separate grant fund was maintained to allow for the separate recording of grant activity. The examination of these grant programs indicated that Princeton had expended grant funds during 2013 for the purpose authorized and monitoring procedures appeared adequate to assure that grant objectives were met.

Public Assistance Trust Fund

The financial records maintained by the Public Assistance Administrator for the Public Assistance Trust Fund during the period under review were found to be in good condition. The examination of the account indicated that deposits were properly recorded, cash was reconciled monthly and disbursements were made to the appropriate client on a timely basis.

GENERAL COMMENTS

Payroll

During our review of the 2013 payroll records it was noted that there is no centralized record of payroll receipts and disbursements. A review of the payroll records determined that deposits made to the payroll account were in agreement with the amount of gross payroll and employer taxes.

Condition of Records – Finance Office

The consolidation of the two municipalities on January 1, 2013 created a significant stress on the finance office personnel. As a result of the merger, a systematic consolidation of two financial accounting databases, using two disparate software systems, was required. This consolidation process proved very time consuming, and often, the demands of staff training and the processing of the day-to-day transactions of the merged Princeton took precedence over the consolidation of the historical accounting records. As a result of these conditions, and not unexpectedly, our audit revealed several deficiencies in the accounting records for 2013.

Our audit indicated that a general ledger was maintained for each fund, with the exception of Payroll/Payroll Agency Fund. At December 31, 2013, we noted that general ledger account balances did not agree to the underlying subsidiary records and transactional reports. Adjusting entries were required to the general ledger accounting and reporting system to correct errors and omissions and reconcile balances to supporting documentation. Subsequent to the posting of these adjustments, the ledgers were deemed suitable as the basis for financial statement preparation and presentation.

We noted that the adopted budget for the Affordable Housing Operating Fund was not recorded in the general ledger record, although detailed appropriations from the adopted budget were posted to the appropriations subsidiary ledger. We also noted that two separate general ledger records were established for the Affordable Housing Operating Fund, one used to record cash receipts and one used to record cash disbursements. This situation precluded timely proofs of cash balances. However, when the two records were merged manually, the resulting balances were found to be in balance and in agreement with the year-end cash reconciliation.

Similar to the Affordable Housing Fund, the Trust Fund was established in the merged general ledger under three separate general ledger account records. Activity was recorded across funds, causing each individual fund to be out of balance. Once again, when the funds were combined they were then in balance.

We noted that detailed subsidiary records of the Grant Fund for grants receivable, grant appropriation balances and unappropriated balances did not agree with general ledger balances as presented for audit. Similarly, in the General Capital Fund, the detailed record of improvement authorization balances did not match the amount reported in the general ledger. As a significant amount of the subsidiary records were required to be hand entered to merge the records, these differences are likely attributable to uncorrected data entry errors during conversion. Accordingly, upon the posting of the reconciling adjustments, we are optimistic that similar circumstances will not reoccur at the close of 2014. We also noted that the adoption of General Capital Fund Ordinance No. 13-29, authorizing the Purchase of Open Space was not recorded in the general ledger or subsidiary improvement authorization ledger of the General Capital Fund during 2013.

As part of the consolidation process, it was noted that the costs of construction of the parking garage remained as part of the balance of Fixed Capital Authorized and Uncompleted at December 31, 2012, notwithstanding the fact that the garage was substantially completed in 2006. An adjustment to the beginning balances was made to correct this error.

GENERAL COMMENTS

Condition of Records – Finance Office (cont'd)

We also noted that the record of general fixed assets, required by N.J.A.C. 5:30 – 5.6, was not maintained current during the period under audit. Specifically, a detailed asset record for the Borough was prepared as of December 31, 2011. A listing of asset acquisitions from 2012, which agreed with amounts reported in the Borough's 2012 audit, was also presented. We also received a detailed asset record of Township general fixed assets as of December 31, 2012. The finance office also prepared a manual listing of assets acquired during 2013, which we were able to trace to the expenditure records. To fully comply with the governing regulations, the two records and lists of subsequent acquisitions should be consolidated into a single record, and current year acquisitions should be recorded as acquired. Finally, as the asset records do not show any deletions of fixed assets (damaged, traded-in, obsolete, etc.) in the last two years, we suggest that asset lists, by location, be produced and sent to the various departments to confirm that listed assets are currently at specified locations and in use.

It is recommended:

That a general ledger or an equivalent record that will permit the identification of any cash held by the payroll/payroll agency fund be maintained.

That the adopted budget for the Affordable Housing Operating Fund be recorded timely in the financial records.

That subsidiary account balances be reviewed for periodically and proved to the general ledger account control balances.

That all improvement authorization appropriations be recorded timely in the financial records.

That a record of general fixed assets be maintained in accordance with the provisions of N.J.A.C. 5:30 – 5.6.

Condition of Records - Tax Office

The records maintained by the Tax Collector were found to be in good condition. Computerized real estate tax billings and billing adjustments were found to be in good order. Cash collections were in proof with deposit totals as presented. Similarly, computerized records of utility billings and collections were found to be in good order.

Surety Bonds

The "List of Officials", included as part of the Supplementary Data section of this report, discloses the status of surety bond coverage's in effect at December 31, 2013 and during the year then ended. The minimum and suggested surety bond requirements for both the Tax Collector and Municipal Court for 2013.

During July 1998 the Local Finance Board completed a readopting of the Board's general rules in the New Jersey Administrative Code. Based upon the new provisions of N.J.A.C. 5:30-8.3 and 8.4, local units are encouraged to utilize new recommended amounts in lieu of the minimum amounts in order to provide a higher level of security of public funds.

GENERAL COMMENTS

Trust Assessment Fund

Prospective Assessments funded and unconfirmed amounted to \$327,302.50 at December 31, 2013. Bonds were sold as general improvement bonds rather than assessment bonds in 2006 and 2008. During 2013 assessments were confirmed for many of the projects that had been completed. The receipts from these confirmed assessments should be used to offset the amount of debt issued for completion of the projects. Amounts received are recorded as fund balance in the assessment trust fund and then realized as revenue in the following year. The amounts that will be realized as revenue in the current fund for the 2013 are \$200,000.

Affordable Housing Fund

The results of operation for the Affordable Housing Utility Fund is set forth in Exhibit – D-1 of this report. Realized revenues amounted to \$316,216.08 and expenditures amounted to \$220,975.36 resulting in excess revenues of \$95,240.72. The calculation for “Self-Liquidating Purpose” utility operations per N.J.S.A. 40A:2-45 resulted in statutory excess for debt statement purposes of \$69,594.73, which allows for the total deduction of Affordable Housing Utility Debt in the calculation of the statutory net debt of Princeton at December 31, 2013. A reconciliation of the excess revenues from operations (D-1) and the excess of revenues for debt statement purposes is included in Note 3 to the financial statements.

Parking Utility Fund

The results of operation for the Parking Utility Fund is set forth in Exhibit – E-1 of this report. Realized revenues amounted to \$4,115,923.09 and expenditures amounted to \$3,792,175.75 resulting in excess revenues of \$323,747.34. The calculation for “Self-Liquidating Purpose” utility operations per N.J.S.A. 40A:2-45 resulted in statutory excess for debt statement purposes of \$1,897,340.21, which allows for the total deduction of Affordable Housing Utility Debt in the calculation of the statutory net debt of Princeton at December 31, 2013. A reconciliation of the excess revenues from operations (D-1) and the excess of revenues for debt statement purposes is included in Note 3 to the financial statements.

During our review of the parking utility it was noted that reports from the credit card processors for the parking deck collection machines were not available. This situation has apparently existed prior to the municipal consolidation efforts are ongoing to obtain these reports. Reports with respect to the cash collected by the parking deck collection machines are currently being received.

It is recommended that reports of credit card payments of parking costs at the parking deck be obtained and verified to amounts paid by the card companies to assure that all parking revenues are received timely.

GENERAL COMMENTS

Compliance with N.J.A.C 5:30

The Local Finance Board, State of New Jersey, adopted the following requirements, previously identified as “technical accounting directives”, as codified in the New Jersey Administration Code as follows:

N.J.A.C. 5:30 – 5.2 - Encumbrance Accounting: This directive requires the development and implementation of accounting systems which can reflect the commitment of funds at the point of commitment. Findings are disclosed under the Reportable Conditions section of the General Comments under Internal Control Over Financial Reporting Matters, part B. Encumbrance Accounting System.

N.J.A.C. 5:30 – 5.6 - Fixed Asset Accounting: This directive requires the development and implementation of accounting systems which assign values to covered assets and can track additions, retirements and transfers of inventoried assets. Findings are disclosed under “Condition of Records – Finance Office”.

N.J.A.C. 5:30 – 5.7 - General Ledger Accounting System: This directive requires the establishment and maintenance of a general ledger for, as least, the Current Fund. Princeton is in compliance with this directive.

Compliance with Local Finance Notices

Local Finance Notice (LFN) No. 92-15 requires that Princeton prepare and file a corrective action plan in accordance with the approved schedule. The corrective action plan was prepared and filed on a timely basis.

In accordance with Local Finance Notice No. CFO-10, Uniform Construction Code, expenditure records were tested for compliance with N.J.A.C. 5:23.17(c)2, and no exceptions were noted.

RECOMMENDATIONS

That the existing controls over the purchasing function be modified to include an additional procedure requiring a determination that, for any requisitions not requiring a "fair and open" process, the proposed vendor has not exceeded \$17,500 in aggregate purchase orders.

That requisition and purchase order approval procedures be expanded to include a request for the required business registration certificate at the time an order is placed and the delivery of said certificate prior to processing payment.

That the financial accounting software budget module's data entry privileges be reviewed and modified as necessary to limit the ability to override systemic controls to authorized personnel.

That the use of confirming orders for procurement cease.

That all officials collecting fees deposit or remit moneys collected to the Treasurer within 48 hours of receipt in accordance with N.J.S.A. 40A:5-15.

That the Health Department record the dates of receipts on the receipt report.

That a general ledger or an equivalent record that will permit the identification of any cash held by the payroll/payroll agency fund be maintained.

That the adopted budget for the Affordable Housing Operating Fund be recorded timely in the financial records.

That subsidiary account balances be reviewed periodically and proved to the general ledger account control balances.

That all improvement authorization appropriations be recorded timely in the financial records.

That a record of general fixed assets be maintained in accordance with the provisions of N.J.A.C. 5:30 – 5.6.

That reports of credit card payments of parking costs at the parking deck be obtained and verified to amounts paid by the card companies to assure that all parking revenues are received timely.

ACKNOWLEDGMENT

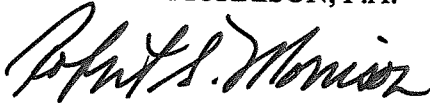
The problems and weaknesses noted in our audit were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to our comments or recommendations or should you desire assistance in implementing our recommendations, please do not hesitate to contact us.

During the course of our engagement we received the complete cooperation of the various officials of Princeton, and the courtesies extended to us were greatly appreciated.

Respectfully submitted,

HODULIK & MORRISON, P.A.

A handwritten signature in cursive script, appearing to read "Robert S. Morrison".

Robert S. Morrison
Registered Municipal Accountant
No. 412