

**PRINCETON
MERCER COUNTY
NEW JERSEY**

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY DATA
AND INFORMATION**

**FOR THE YEAR
ENDED DECEMBER 31, 2014**

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



Sandra Webb
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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, 2014 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
5. With Princeton Public Library and Princeton School District
Network Engineer

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 2014 Princeton's tax collection rate was 99.30%

Respectfully submitted,



Sandra Webb, CMFO / CTC
Chief Financial Officer

PRINCETON
MERCER COUNTY, NEW JERSEY

ROSTER OF OFFICIALS
DECEMBER 31, 2014

Members of Princeton Council

Elizabeth Lempert	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 (to 10/31/14)
Marc Dashield	Administrator (from 10/31/14)
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

FINANCIAL SECTION

**PRINCETON
MERCER COUNTY, NEW JERSEY**

**PART I
INDEPENDENT AUDITOR'S REPORT
FINANCIAL STATEMENTS
SUPPLEMENTARY INFORMATION**

REGISTERED MUNICIPAL ACCOUNTANTS
PUBLIC SCHOOL ACCOUNTANTS
1102 RARITAN AVENUE, P.O. BOX 1450
HIGHLAND PARK, NJ 08904
(732) 393-1000
(732) 393-1196 (FAX)

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 N.J.

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, 2014, 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, 2014, 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.

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

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, 2014, 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, 2014, 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.

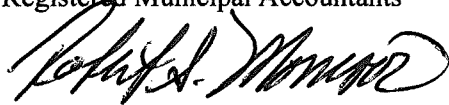
The supplemental schedules and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to auditing procedures applied in the audit of the basic 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary 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 June 8, 2015 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
June 8, 2015

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, 2014

Exh. A - 1
Page 1 of 2

	CURRENT FUND	TRUST FUNDS	GENERAL CAPITAL FUND	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, 2014
<u>ASSETS</u>										
Cash and Investments	\$ 21,944,479.97	\$ 17,620,383.37	\$ 2,005,671.92	\$ 3,460,057.83	\$	\$ 1,216,843.47	\$ 744,058.04	\$ 171,454.92	\$	\$ 47,162,949.52
Federal and State Grants Receivable	1,265,724.85		1,165,566.09							2,431,290.94
Receivables and Other Assets:										
Delinquent Property Taxes	841,534.95									841,534.95
Assessments Receivable		546,216.10								546,216.10
Tax Title and Assessment Liens Rec.	95,843.32									95,843.32
Other Accounts Receivable	163,748.26		7,228,487.00	384,047.17						7,776,282.43
Interfunds Receivable	789,825.92	4,102.69	700,000.00		118,969.04	50,000.46				1,662,898.11
Property Acquired for Taxes	317,400.00									317,400.00
Prospective Assessments Funded		327,302.50								327,302.50
Deferred Charge to Future Taxation:										
Special Emergency Appropriation	1,450,548.00									1,450,548.00
Amount to be Raised for Assessment Bonds		51,249.45								51,249.45
Fixed Capital					15,863.35		13,675,611.66			13,691,475.01
Fixed Capital Authorized and Uncompleted							2,866,822.65			2,866,822.65
Deferred Charge to Future Taxation:										
Funded			91,114,222.09							91,114,222.09
Unfunded			34,159,256.98							34,159,256.98
Fixed Assets									195,702,908.00	195,702,908.00
	<u>\$ 26,869,105.27</u>	<u>\$ 18,549,254.11</u>	<u>\$ 136,373,204.08</u>	<u>\$ 3,844,105.00</u>	<u>\$ 134,832.39</u>	<u>\$ 1,266,843.93</u>	<u>\$ 17,286,492.35</u>	<u>\$ 171,454.92</u>	<u>\$ 195,702,908.00</u>	<u>\$ 400,198,200.05</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, 2014

Exh. A - 1
Page 2 of 2

LIABILITIES, RESERVES AND FUND BALANCE	CURRENT FUND	TRUST FUNDS	GENERAL CAPITAL FUND	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, 2014
Overpayments	\$ 220,864.94	\$	\$	\$	\$	\$	\$	\$	\$	\$ 220,864.94
Appropriation Reserves	3,322,350.13			23,814.88		22,987.68				3,369,152.69
Prepaid Taxes and Utility Charges	1,164,211.97									1,164,211.97
Federal and State Grants:										
Appropriated Reserves	1,658,225.74									1,658,225.74
Unappropriated Reserves	148,396.89									148,396.89
Encumbrances	17,297.00									17,297.00
Other Liabilities and Reserves:										
Due to State of New Jersey	5,988.70									5,988.70
Reserve for Future Debt Service	339,256.15		4,388,757.92							4,728,014.07
Premium on Tax Sale Certificates	257,900.00									257,900.00
Capital Improvement Fund			706,368.49							706,368.49
Other Reserves	457,083.13	15,220,175.69	95,000.00	3,001,326.35	67,702.05	4,166.66	375,000.00	135,125.32		19,355,579.20
Improvement Authorizations			35,908,267.30				2,065,172.15			37,973,439.45
Reserve for Encumbrances	805,466.68	76,553.60	817,209.07	14,083.44		27,460.69	145,607.00			1,886,380.48
Prospective Assessments Funded		327,302.50								327,302.50
Interfunds Payable	4,102.69	1,489,825.92		118,969.04			50,000.46			1,662,898.11
Serial Bonds Payable		192,731.80	75,187,268.40				10,270,000.00			85,650,000.20
Green Trust Loan Payable			1,193,016.34							1,193,016.34
Environmental Infrastructure Loans			14,733,937.35							14,733,937.35
Reserve for Receivables	2,208,352.45	539,614.37		384,047.17						3,132,013.99
Reserve for Amortization							4,352,434.31			4,352,434.31
Other Payables	918,753.01					162,342.71		1,238.31		1,082,334.03
Investment in Fixed Assets									195,702,908.00	195,702,908.00
Fund Balance	15,340,855.79	703,050.23	3,343,379.21	301,864.12	67,130.34	1,049,886.19	28,278.43	35,091.29		20,869,535.60
	<u>\$ 26,869,105.27</u>	<u>\$ 18,549,254.11</u>	<u>\$ 136,373,204.08</u>	<u>\$ 3,844,105.00</u>	<u>\$ 134,832.39</u>	<u>\$ 1,266,843.93</u>	<u>\$ 17,286,492.35</u>	<u>\$ 171,454.92</u>	<u>\$ 195,702,908.00</u>	<u>\$ 400,198,200.05</u>

See Notes to Financial Statements

PRINCETON
COUNTY OF MERCER
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DEC. 31, 2014

	CURRENT FUND	GENERAL CAPITAL FUND	AFFORDABLE HOUSING UTILITY OPERATING FUND	AFFORDABLE HOUSING CAPITAL FUND	PARKING UTILITY OPERATING FUND	PARKING CAPITAL FUND	PUBLIC ASSISTANCE FUND	TOTAL DEC. 31, 2014
Revenues:								
Fund Balance Appropriated	\$ 5,800,000.00		\$		\$ 168,450.00			\$ 5,968,450.00
Miscellaneous Revenue	20,766,945.01		250,311.00		3,788,994.21			24,806,250.22
Receipts from Delinquent Taxes	1,191,722.11							1,191,722.11
Amount to be Raised by Taxes for Support of Municipal Budget:								
Local Tax for Municipal Purposes	30,713,844.31							30,713,844.31
Library Tax	2,409,609.00							2,409,609.00
Total Budget Revenue	60,882,120.43		250,311.00		3,957,444.21			65,089,875.64
Other Credits to Income	6,309,286.34	701,220.38	48,533.91		221,974.41		837.57	7,281,852.61
Total Revenues	67,191,406.77	701,220.38	298,844.91		4,179,418.62		837.57	72,371,728.25
Expenditures:								
General Government	5,929,924.60		250,311.00		1,298,069.00			7,478,304.60
Land Use Administration	545,078.00							545,078.00
Public Safety	9,592,915.93							9,592,915.93
Public Works	3,804,905.00							3,804,905.00
Health & Human Services	1,310,189.00							1,310,189.00
Parks and Recreation	906,523.00							906,523.00
Unclassified	9,748,438.00							9,748,438.00
Deferred Charges and Statutory Expenditures	3,822,957.00							3,822,957.00
Current Fund Excluded From CAPS:								
General Government	8,005,533.00							8,005,533.00
Public and Private Programs	764,936.99							764,936.99
Capital Improvements	250,000.00							250,000.00
Debt Service	10,770,108.60				950,410.42			11,720,519.02
Deferred Charges	758,516.00				200,999.54			959,515.54
Surplus - General Budget					1,400,000.00			1,400,000.00
Reserve for Uncollected Taxes	2,918,820.75							2,918,820.75
Total Budget Expenditures	59,128,845.87		250,311.00		3,849,478.96			63,228,635.83
Other Charges	47,615.39	951,411.94						999,027.33
Total Expenditures	59,176,461.26	951,411.94	250,311.00		3,849,478.96			64,227,663.16

PRINCETON
COUNTY OF MERCER
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DEC. 31, 2014

	CURRENT FUND	GENERAL CAPITAL FUND	AFFORDABLE HOUSING UTILITY OPERATING FUNDS	AFFORDABLE HOUSING CAPITAL FUND	PARKING UTILITY OPERATING FUNDS	PARKING CAPITAL FUND	PUBLIC ASSISTANCE FUND	TOTAL DEC. 31, 2014
Statutory Excess to Fund Balance	8,014,945.51	(250,191.56)	48,533.91		329,939.66		837.57	8,144,065.09
Fund Balance Jan. 1, 2014	<u>13,125,910.28</u>	<u>3,593,570.77</u>	<u>253,330.21</u>	<u>67,130.34</u>	<u>888,396.53</u>	<u>28,278.43</u>	<u>34,253.72</u>	<u>17,990,870.28</u>
	21,140,855.79	3,343,379.21	301,864.12	67,130.34	1,218,336.19	28,278.43	35,091.29	26,134,935.37
Decreased by: Utilized in Budget	<u>5,800,000.00</u>				<u>168,450.00</u>			<u>5,968,450.00</u>
Fund Balance Dec. 31, 2014	<u>\$ 15,340,855.79</u>	<u>\$ 3,343,379.21</u>	<u>\$ 301,864.12</u>	<u>\$ 67,130.34</u>	<u>\$ 1,049,886.19</u>	<u>\$ 28,278.43</u>	<u>\$ 35,091.29</u>	<u>\$ 20,166,485.37</u>

Fund Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

Exhibit - B-1

CURRENT FUND
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2014

<u>ASSETS</u>	<u>BALANCE DEC. 31, 2014</u>	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>BALANCE DEC. 31, 2014</u>
Cash and Investments - Treasurer Change Fund	\$ 21,384,770.19 <u>1,515.00</u> 21,386,285.19	Liabilities:	
		Appropriation Reserves	\$ 3,322,350.13
		Reserve for Encumbrances	805,466.68
		Tax Overpayments	215,186.43
		Sewer Overpayments	5,678.51
		Due State of NJ Senior Cit./Veterans Deductions	5,988.70
		Accounts Payable	222,947.50
		Due to State of NJ BOCA Fees	39,840.00
		Due to County	160,221.19
		Due to Lien Holder	123,117.36
		Prepaid Taxes	1,131,465.99
		Prepaid Sewer	32,745.98
		Various Payables	114,726.96
		Premium on Tax Sale Certificates	257,900.00
		Interfund Payable	4,102.69
		Miscellaneous Reserves	714,983.13
		Reserve for Debt Service	<u>339,256.15</u>
			7,495,977.40
Receivables and Other Assets With Full Reserves:		Reserve for Receivables	2,208,352.45
Taxes Receivable	841,534.95	Fund Balance	<u>15,340,855.79</u>
Tax Title Liens Receivable	95,843.32		
Sewer Charges Receivable	34,527.06		
Delinquent Interest & Penalty	20,508.94		
Property Acquired for Taxes at Assessed Value	317,400.00		
Revenue Accounts Receivable	108,712.26		
Interfunds Receivable	<u>789,825.92</u> 2,208,352.45		
Deferred Charges:			
Emergency Appropriation	<u>1,450,548.00</u> 1,450,548.00		
Total Current Fund	<u>25,045,185.64</u>	Total Current Fund	<u>25,045,185.64</u>
Grant Fund:		Grant Fund:	
Cash and Investments - Treasurer	558,194.78	Reserve for Encumbrances	17,297.00
State & Federal Grants Receivable	<u>1,265,724.85</u>	Reserve for State & Federal Grants:	
		Appropriated	1,658,225.74
		Unappropriated	<u>148,396.89</u>
Total Grant Fund	<u>1,823,919.63</u>	Total Grant Fund	<u>1,823,919.63</u>
	\$ <u>26,869,105.27</u>		\$ <u>26,869,105.27</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, 2014

<u>REVENUE AND OTHER INCOME</u>	<u>YEAR 2014</u>
Fund Balance Utilized	\$ 5,800,000.00
Miscellaneous Revenues Anticipated	20,766,945.01
Receipts from Delinquent Taxes	1,191,722.11
Receipts from Current Taxes	147,727,667.01
Non-Budget Revenue	832,948.45
Other Credits to Income:	
Unexpended Balance of Approp.	
Reserves Lapsed	2,979,173.50
Accounts Payable Cancelled	102,643.72
Cancelled Reserves	32,801.25
Interfund Loans Returned (Net)	2,361,719.42
	<u>181,795,620.47</u>
<u>EXPENDITURES</u>	
Budget Appropriations:	
Operations:	
Salaries and Wages	16,810,466.00
Other Expenses	23,789,977.52
Deferred Charges and Statutory	
Expenditures	4,314,473.00
Capital Improvements	525,000.00
Municipal Debt Service	10,770,108.60
County Taxes	45,391,885.76
Local District School Taxes	70,974,744.00
Municipal Open Space Tax	1,156,404.69
Refund of Prior Years Revenues:	
Disbursed	47,615.39
	<u>173,780,674.96</u>
Total Expenditures	
	<u>8,014,945.51</u>
Statutory Excess to Fund Balance	
<u>FUND BALANCE</u>	
Balance - January 1	<u>13,125,910.28</u>
	21,140,855.79
Decreased by:	
Utilized as Anticipated Revenue	<u>5,800,000.00</u>
Balance - December 31	<u>\$ 15,340,855.79</u>

Note: See Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

Exhibit - B - 3
Page 1 of 2

TRUST FUND
BALANCE SHEET - REGULATORY BASIS
FOR YEAR ENDED DECEMBER 31, 2014

<u>ASSETS</u>	<u>BALANCE DEC. 31, 2014</u>	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>BALANCE DEC. 31, 2014</u>
Assessment Fund:		Assessment Fund:	
Cash and Investments	\$ 837,930.85	Prospective Assessments Funded	\$ 327,302.50
Assessments & Assmt. Liens Receivable	546,216.10	Res. for Assessments, Liens and	
Amount to be Raised by Taxation Assmt. Bonds	51,249.45	Interest and Costs	539,614.37
Prospective Assessments Funded	<u>327,302.50</u>	Assessment Serial Bonds	192,731.98
		Fund Balance	<u>703,050.05</u>
Total Assessment Fund	<u>1,762,698.90</u>	Total Assessment Fund	<u>1,762,698.90</u>
Animal Control Fund:		Animal Control Fund:	
Cash and Investments	<u>28,965.98</u>	Reserve for Animal Control	<u>28,965.98</u>
Total Animal Control Fund	<u>28,965.98</u>	Total Animal Control Fund	<u>28,965.98</u>
Open Space Trust Fund:		Open Space Trust Fund:	
Cash and Investments	2,138,116.91	Reserve for Encumbrances	37,701.02
Due from Current Fund	<u>4,102.69</u>	Due To General Capital Fund	700,000.00
Total Open Space Trust Fund	<u>2,142,219.60</u>	Reserve for Open Space	<u>1,404,518.58</u>
		Total Open Space Trust Fund	<u>2,142,219.60</u>
Unemployment Fund:		Unemployment Fund:	
Cash and Investments	<u>356,116.49</u>	Reserve for Unemployment Claims	<u>356,116.49</u>
Total Unemployment Fund	<u>356,116.49</u>	Total Unemployment Fund	<u>356,116.49</u>
Escrow Trust Fund:		Escrow Trust Fund:	
Cash and Investments	<u>7,244,475.81</u>	Due to Current Fund	266.22
		Reserve for Encumbrances	27,377.01
		Various Escrow Reserves	<u>7,216,832.58</u>
Total Escrow Trust Fund	<u>7,244,475.81</u>	Total Escrow Trust Fund	<u>7,244,475.81</u>

TRUST FUND
BALANCE SHEET - REGULATORY BASIS
FOR YEAR ENDED DECEMBER 31, 2014

Exhibit - B - 3
Page 2 of 2

<u>ASSETS</u>	<u>BALANCE DEC. 31, 2014</u>	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>BALANCE DEC. 31, 2014</u>
Payroll Fund:		Payroll Fund:	
Cash and Investments	<u>789,559.70</u>	Due to Current Fund	<u>789,559.70</u>
Total Payroll Fund	<u>789,559.70</u>	Total Payroll Fund	<u>789,559.70</u>
Other Trust Funds:		Other Trust Funds:	
Cash and Investments	<u>6,171,800.76</u>	Reserve for Encumbrances	4,915.57
		Various Reserves and Deposits	<u>6,166,885.19</u>
Total Other Trust Funds	<u>6,171,800.76</u>	Total Other Trust Funds	<u>6,171,800.76</u>
Flexible Spending Trust		Flexible Spending Trust	
Cash and Investments	<u>4,182.58</u>	Reserve for Flexible Spending	<u>4,182.58</u>
Total Flexible Spending Account	<u>4,182.58</u>	Total Flexible Spending Account	<u>4,182.58</u>
Landfill Closure Fund		Landfill Closure Fund	
Cash and Investments	<u>23,654.24</u>	Reserve for Landfill Closure	<u>23,654.24</u>
Total Landfill Account	<u>23,654.24</u>	Total Landfill Account	<u>23,654.24</u>
Law Enforcement Trust Fund		Law Enforcement Trust Fund	
Cash and Investments	<u>25,580.05</u>	Reserve for Encumbrances	6,560.00
		Reserve for Landfill Closure	<u>19,020.05</u>
Total Law Enforcement Account	<u>25,580.05</u>	Total Law Enforcement Account	<u>25,580.05</u>
Grand Total All Trust Funds	<u>\$ 18,549,254.11</u>	Grand Total All Trust Funds	<u>\$ 18,549,254.11</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

<u>REVENUE AND OTHER INCOME</u>	<u>YEAR 2014</u>
License Fees	\$ 12,043.40
Miscellaneous Fees	1,750.00
Principal/Interest	<u>20,374.50</u>
	<u>34,167.90</u>
 <u>EXPENDITURES AND OTHER CHARGES</u>	
Animal Control Expenditures	16,025.00
Other Charges:	
Excess Fund Balance Transferred to Current Fund	<u>21,153.30</u>
	37,178.30
Statutory Excess/(Deficit) to Fund Balance	(3,010.40)
 <u>FUND BALANCE</u>	
Balance - January 1, 2014	<u>31,976.38</u>
Balance - December 31, 2014	\$ <u><u>28,965.98</u></u>

License Fees Collected:

2012	\$ 14,935.58
2013	<u>14,030.40</u>
	\$ \$ <u><u>28,965.98</u></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, 2014

<u>ASSETS</u>	<u>BALANCE</u> <u>DECEMBER 31, 2014</u>
Cash and Investments - Treasurer	\$ 2,005,671.92
State Aid Receivable	1,165,566.09
Infrastructure Loan Receivable	6,728,487.00
Due from Mercer County	500,000.00
Due from Open Space Trust Fund	700,000.00
Deferred Charges to Future Taxation:	
Funded	91,114,222.09
Unfunded	<u>34,159,256.98</u>
	\$ <u><u>136,373,204.08</u></u>
<u>LIABILITIES, RESERVES</u> <u>AND FUND BALANCE</u>	
General Serial Bonds	\$ 75,187,268.40
Infrastructure Loan Payable	14,733,937.35
Green Trust Project Loan Payable	1,193,016.34
Reserve for Encumbrances	817,209.07
Improvement Authorizations:	
Funded	6,359,248.36
Unfunded	29,549,018.94
Reserve For:	
Capital Improvement Fund	706,368.49
Future Debt Service Costs	4,388,757.92
Reserve for Roads	95,000.00
Fund Balance	<u>3,343,379.21</u>
	\$ <u><u>136,373,204.08</u></u>

At December 31, 2014 there were Bonds and Notes Authorized but not Issued in the amount of \$34,159,256.98.

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, 2014

<u>REVENUE AND OTHER INCOME</u>	<u>YEAR 2014</u>
Cancellation of Improvement Authorizations	\$ <u>512,428.76</u>
	<u>512,428.76</u>
 <u>EXPENDITURES</u>	
Cancellation of Prior Year Receivables	262,620.32
Utilized as Current Fund Revenue	<u>500,000.00</u>
	<u>762,620.32</u>
Statutory Excess to Fund Balance	(250,191.56)
 <u>FUND BALANCE</u>	
Balance - January 1	<u>3,593,570.77</u>
Balance - December 31	\$ <u><u>3,343,379.21</u></u>

Note: See Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

AFFORDABLE HOUSING UTILITY FUND
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2014

<u>ASSETS</u>	<u>BALANCE DEC. 31, 2014</u>	<u>LIABILITIES, RESERVES AND FUND BALANCES</u>	<u>BALANCE DEC. 31, 2014</u>
Operating Fund:		Operating Fund:	
Cash and Investments - Treasurer	\$ 3,460,057.83	Liabilities:	
	<u>3,460,057.83</u>	Reserve for Encumbrances	\$ 14,083.44
		Appropriation Reserves	23,814.88
		Due to Affordable Housing Capital Fund	118,969.04
		Reserves:	
		Affordable Housing	408,780.23
		Rehabilitation Program	140,249.55
		Unit Repurchases	1,000,994.54
		Affordability Assistance	139,651.71
		Affordable Housing-Sect. 10B340	<u>1,311,650.32</u>
Receivables and Inventory With			3,158,193.71
Full Reserves:			
Accounts Receivable 234 Brickhouse	28,507.22		
Down Payment Assistance Program Rec.	75,676.41		
Morning Star Church Tax Lien	7,289.04		
Rehabilitation Mortgage Receivable	<u>272,574.50</u>		
	<u>384,047.17</u>	Reserve for Receivables	384,047.17
		Fund Balance	<u>301,864.12</u>
Total Operating Fund	<u>3,844,105.00</u>	Total Operating Fund	<u>3,844,105.00</u>
Capital Fund:		Capital Fund:	
Fixed Capital Authorized and Uncompleted	15,863.35	Improvement Authorizations:	
Due from Affordable Housing Utility Fund	<u>118,969.04</u>	Unfunded	67,702.05
		Fund Balance	<u>67,130.34</u>
Total Capital Fund	<u>134,832.39</u>		<u>134,832.39</u>
	<u>\$ 3,978,937.39</u>	Total Capital Fund	<u>\$ 3,978,937.39</u>

There were Bonds and Notes Authorized but not Issued at December 31, 2014 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, 2014

<u>REVENUE AND OTHER INCOME</u>	<u>2014</u>
Miscellaneous Revenues Anticipated	\$ 250,311.00
Non-Budget Revenue	18,985.33
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	<u>29,548.58</u>
Total Revenues	<u>298,844.91</u>
<u>EXPENDITURES</u>	
Budget Expenditures:	
Salaries and Wages	96,375.00
Other Expenses	<u>153,936.00</u>
Total Expenditures	<u>250,311.00</u>
Excess in Revenues	48,533.91
<u>FUND BALANCE</u>	
Balance - January 1	<u>253,330.21</u>
Balance -December 31	<u>\$ 301,864.12</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, 2014

YEAR 2014

FUND BALANCE

Balance - January 1	<u>67,130.34</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, 2014

<u>ASSETS</u>	<u>BALANCE DEC. 31, 2014</u>	<u>LIABILITIES, RESERVES AND FUND BALANCES</u>	<u>BALANCE DEC. 31, 2014</u>
Operating Fund:		Operating Fund:	
Cash and Investments - Treasurer	\$ 1,216,843.47	Liabilities:	
Due from Parking Capital Fund	<u>50,000.46</u>	Reserve for Encumbrances	\$ 27,460.69
		Appropriation Reserves	22,987.68
		Accrued Interest on Bonds	162,342.71
		Reserve for Security Deposit Hinkson	4,166.66
		Fund Balance	<u>1,049,886.19</u>
Total Operating Fund	<u>1,266,843.93</u>	Total Operating Fund	<u>1,266,843.93</u>
Capital Fund:		Capital Fund:	
Cash and Investments - Treasurer	744,058.04	Serial Bonds Payable	10,270,000.00
Fixed Capital Authorized & Uncompleted	2,866,822.65	Due to Parking Operating Fund	50,000.46
Fixed Capital	<u>13,675,611.66</u>	Improvement Authorizations	
		Funded	196,591.15
		Unfunded	1,868,581.00
		Reserve for Encumbrances	145,607.00
		Reserve for:	
		Debt Service	375,000.00
		Amortization	4,352,434.31
		Fund Balance	<u>28,278.43</u>
Total Capital Fund	<u>17,286,492.35</u>	Total Capital Fund	<u>17,286,492.35</u>
	<u>\$ 18,553,336.28</u>		<u>\$18,553,336.28</u>

There were Bonds and Notes Authorized but not Issued at December 31, 2014 in the amount of \$1,920,000.00.

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, 2014

<u>REVENUE AND OTHER INCOME</u>	<u>2014</u>
Operating Fund Balance	\$ 168,450.00
Miscellaneous Revenues Anticipated	3,788,994.21
Non-Budget Revenue	204,260.26
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	<u>17,714.15</u>
 Total Revenues	 <u>4,179,418.62</u>
 <u>EXPENDITURES</u>	
Budget Expenditures:	
Salaries and Wages	597,048.00
Other Expenses	701,021.00
Debt Service	950,410.42
Deferred Charges	245,999.54
Surplus - General Budget	<u>1,400,000.00</u>
 Total Expenditures	 <u>3,894,478.96</u>
 Excess in Revenues	 284,939.66
 <u>FUND BALANCE</u>	
Balance - January 1	<u>888,396.53</u>
	1,173,336.19
Decreased by:	
Utilized as Anticipated Revenue	<u>168,450.00</u>
 Balance -December 31	 <u><u>\$ 1,004,886.19</u></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, 2014

YEAR 2014

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, 2014

	<u>BALANCE DEC 31, 2014</u>
<u>ASSETS</u>	
Cash:	
Treasurer	\$ <u>171,454.92</u>
	\$ <u><u>171,454.92</u></u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>	
<u>LIABILITIES AND RESERVES</u>	
SSI Due to Clients	\$ 1,238.31
Reserve for Public Assistance	65,284.96
Advanced State Aid	<u>69,840.36</u>
	136,363.63
 <u>FUND BALANCE</u>	
Fund Balance	<u>35,091.29</u>
	\$ <u><u>171,454.92</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, 2014

<u>REVENUE AND OTHER INCOME</u>	<u>YEAR 2014</u>
Interest Earned	<u>837.57</u>
	<u>837.57</u>
Statutory Excess to Fund Balance	837.57
<u>FUND BALANCE</u>	
Balance - January 1	<u>34,253.72</u>
Balance - December 31	\$ <u><u>35,091.29</u></u>

Note: See Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
THE YEAR ENDED DECEMBER 31, 2014

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 or volunteer fire companies.

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	Construction Code 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	
Parking Adjudication Act	

NOTES TO FINANCIAL STATEMENTS

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 - 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. 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.

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.

GASB issued Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68" in November 2013. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined pension plan after the measurement date of the government's beginning net pension liability.

GASB issued Statement No. 72, "Fair Value Measurement and Application" in February 2015. This statement provides guidance for determining the fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value instruments.

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 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.

NOTES TO FINANCIAL STATEMENTS

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

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

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

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>2014</u>
Cash Receipts from Fees, Rents or Other Charges for Year	\$269,296.33
Deductions:	
Operating and Maintenance Costs	<u>250,311.00</u>
Total Deductions	<u>250,311.00</u>
Excess in Revenues	<u>\$18,985.33</u>

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>2014</u>
Excess in Revenues - Cash Basis (D-1)	\$48,533.91
Less: Other Credits To Income	<u>29,548.58</u>
Excess in Revenue	<u>\$18,985.33</u>

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION

The Local Bond Law, Chapter 40A:2 et seq, governs the issuance of bonds to finance municipal capital expenditures. Princeton's debt is summarized as follows:

A. Summary of Municipal Debt for Capital Projects

	<u>2014</u>
<u>Issued:</u>	
General:	
Bonds and Notes	\$75,187,268.40
Green Trust Program Loans	1,193,016.34
Infrastructure Loan	14,733,937.35
Assessment Fund:	
Bonds and Notes	192,731.80
Parking Utility Fund:	
Bonds and Notes	<u>10,270,000.00</u>
Total Issued	<u>101,576,953.89</u>
 <u>Authorized But Not Issued:</u>	
General:	
Bonds and Notes	33,444,016.46
Affordable Housing Fund	
Bonds and Notes	15,863.35
Parking Utility:	
Bonds and Notes	<u>1,869,999.54</u>
Total Authorized But Not Issued	<u>35,329,879.35</u>
Total Bonds and Notes Issued and Authorized but not Issued	<u><u>136,906,833.24</u></u>

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

B. Summary of Statutory Debt Condition - Annual Debt Statement

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

<u>2014</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District Debt	\$40,495,000.00	\$40,495,000.00	
Parking Utility Debt	12,139,999.54	12,139,999.54	
Affordable Housing Utility Debt	15,863.35	15,863.35	
General Debt	<u>124,750,970.35</u>	<u>2,227,981.47</u>	<u>122,522,988.88</u>
	<u>\$177,401,833.24</u>	<u>\$54,878,844.36</u>	<u>\$122,522,988.88</u>

Net Debt \$122,522,988.88 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended $\$7,199,606,579.30 = \underline{\underline{1.70\%}}$

Princeton's Borrowing Power Under N.J.S.A. 40A:2-6 as Amended, at December 31, was as follows:

	<u>2014</u>
3 1/2% of Equalized Valuation Basis Municipal	\$254,377,155.07
Net Debt	<u>122,522,988.88</u>
Remaining Borrowing Power	<u>\$131,854,166.19</u>

NOTES TO FINANCIAL STATEMENTS

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

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

SFY Year	<u>GENERAL*</u>		<u>PARKING UTILITY</u>		<u>TOTAL</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2015	8,034,999.38	2,382,086.25	535,000.00	419,525.00	8,569,999.38	2,801,611.25
2016	8,255,000.00	2,113,220.63	555,000.00	403,475.00	8,810,000.00	2,516,695.63
2017	8,495,000.00	1,829,205.02	580,000.00	381,275.00	9,075,000.00	2,210,480.02
2018	8,000,000.00	1,545,482.03	605,000.00	358,075.00	8,605,000.00	1,903,557.03
2019	7,736,000.82	1,271,247.52	625,000.00	333,875.00	8,361,000.82	1,605,122.52
	40,521,000.20	9,141,241.45	2,900,000.00	1,896,225.00	43,421,000.20	11,037,466.45
2020	5,365,000.00	1,035,677.50	725,000.00	305,975.00	6,090,000.00	1,341,652.50
2021	5,405,000.00	868,727.50	720,000.00	275,475.00	6,125,000.00	1,144,202.50
2022	5,470,000.00	700,527.50	770,000.00	241,875.00	6,240,000.00	942,402.50
2023	4,870,000.00	520,627.50	825,000.00	203,375.00	5,695,000.00	724,002.50
2024	4,940,000.00	388,815.00	875,000.00	162,125.00	5,815,000.00	550,940.00
	26,050,000.00	3,514,375.00	3,915,000.00	1,188,825.00	29,965,000.00	4,703,200.00
2025	4,380,000.00	228,640.00	860,000.00	133,875.00	5,240,000.00	362,515.00
2026	4,429,000.00	92,107.50	865,000.00	99,475.00	5,294,000.00	191,582.50
2027			865,000.00	64,875.00	865,000.00	64,875.00
2028			865,000.00	30,275.00	865,000.00	30,275.00
	8,809,000.00	320,747.50	3,455,000.00	328,500.00	12,264,000.00	649,247.50
TOTAL	<u>\$75,380,000.20</u>	<u>\$12,976,363.95</u>	<u>\$10,270,000.00</u>	<u>\$3,413,550.00</u>	<u>\$85,650,000.20</u>	<u>\$16,389,913.95</u>

*The general debt includes the debt of the trust assessment fund.

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

A. Summary of Municipal Debt for Capital Projects (Cont'd.)

Summarized below are Princeton's individual bond and loan issues which were outstanding at December 31, 2014:

	<u>2014</u>
<u>General Debt:</u>	
\$23,775,000, General Improvement Bonds Series 2006, due in annual installments of \$270,000 to \$1,820,000 through January 1, 2026, interest at 4.125% to 4.500%	\$2,235,000.00
\$8,000,000, General Improvement Bonds Series 2009, due in annual installments of \$300,000 to \$600,000 through January 1, 2024, interest at 2.50% to 4.555%	5,950,000.00
\$8,500,000, General Improvement Refunding Bonds Series 2009, due in annual installments of \$750,000 to \$1,495,000 through September 1 2019, interest at 4.00%	3,500,000.00
\$6,185,000, General Improvement Refunding Bonds Series 2010, due in annual installments of \$785,000 to \$950,000 through May 1, 2019, interest at 2.00% to 4.00%	2,845,000.00
\$5,230,000, General Improvement Refunding Bonds Series 2010, due in annual installments of \$15,000 to \$770,000 through May 1, 2019, interest at 2.00% to 4.00%	3,815,000.00
\$6,600,000, General Improvement Bonds Series 2011, due in annual installments of \$450,000 to \$650,000 through September 2022, interest at 3.00% to 4.00%	4,925,000.00
\$8,000,000, General Improvement Bonds Series 2011, due in annual installments of \$325,000 to \$650,000 through December 2026, interest at 3.00% to 4.00%	6,990,000.00
\$9,833,059, General Improvement Bonds Series 2007, due in annual installments of \$788,537.18 to \$1,060,582.50 through June 2019, interest at 4.00%	5,003,268.40
\$12,589,000, General Improvement Bonds Series 2010, due in annual installments of \$600,000 to \$1,019,000 through June 2026, interest at 3.00% to 5.00%.	10,259,000.00

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

A. Summary of Municipal Debt for Capital Projects (Cont'd.)

2014

General Debt (cont'd.):

\$1,910,000, General Improvement Refunding Bonds Series 2011, due in annual installments of \$380,000 to \$375,000 through June 2018, interest at 3.00% to 4.00%.	1,520,000.00
\$19,195,000, General Improvement Refunding Bonds Series 2013, due in annual installments of \$785,000 to \$1,935,000 through June 2018, interest at 1.00% to 3.00%.	18,195,000.00
\$9,950,000, General Improvemen Bonds Series 2014, due in annual installments of \$5005,000 to \$1,000,000 throughSeptember 2026, interest at 1.00% to 3.00%.	9,950,000.00
Program Loans:	
\$631,500, Poe Property, due in semi-annual installments of \$19,620.35 through Oct. 24, 2016, interest at 2.00%	76,557.92
\$1,125,000, Weller Property, due in semi-annual installments of \$34,978.05 through July 16, 2018, interest at 2.00%	267,640.74
\$5,625,000.00, Institute Woods, due in semi-annual installments of \$174,890.21 through Jan. 8, 2017, interest at 2.00%	848,817.68
\$1,810,000, Infrastructure Water Loan, due in annual installments of \$80,000 to \$140,000 through Nov. 1, 2027, interest at 4.25% to 5.00%	1,310,000.00
\$1,778,284, Infrastructure Water Loan - Principal Only, due in semi-annual installments of \$90,000 to 94,000 through Oct. 23, 2026	1,095,604.00
\$1,740,000, Infrastructure Water Loan, due in annual installments of \$70,000 to \$130,000 through Aug. 1, 2027, interest at 4.25% to 5.00%	1,340,000.00
\$1,696,442, Infrastructure Water Loan - Principal Only, due in semi-annual installments of \$84,510 to 91,490 through Aug. 1, 2027	1,141,770.00
\$2,070,000, Infrastructure Water Loan, due in annual installments of \$80,000 to \$160,000 through Aug. 1, 2028, interest at 5.00%	1,700,000.00

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

A. Summary of Municipal Debt for Capital Projects (Cont'd.)

	<u>2014</u>
\$2,068,454, Infrastructure Water Loan - Principal Only, due in semi-annual installments of \$105,102 to 160,000 through Aug. 1, 2028	1,485,396.00
\$1,400,000, Infrastructure Water Loan - annual installments of \$55,000 to \$105,000 through Aug. 1, 2028, interest from 3.00% to 5.00%	1,195,000.00
\$4,293,898, Infrastructure Water Loan - Principal Only, due in semi-annual installments of \$218,334 through Aug. 1, 2029	3,275,010.00
\$1,170,000, Infrastructure Water Loan - due in semi-annual installments of \$40,000 to 85,000 through Aug. 1, 2031	1,089,999.00
\$1,273,893, Infrastructure Water Loan - Principal Only, due in semi-annual installments of \$64,774 through Aug. 1, 2031	<u>1,101,158.35</u>
Total General Debt	<u>91,114,222.09</u>
Assessment Trust Debt	
\$142,941.36, Assessment Bonds Series 2007, due in annual installments of \$11,462.82 to \$15,417.89 through June 1, 2019, interest at 4.00%	72,731.80
\$212,000, Assessment Bonds Series 2010, due in annual installments of \$20,000.00 through June 1, 2020, interest at 4.00%	<u>120,000.00</u>
Total Assessment Debt	<u>192,731.80</u>
<u>Parking Utility Debt</u>	
\$10,905,000, Parking Utility Refunding Bonds Series 2011, due in annual installments of \$20,000 to \$865,000 through August 1, 2028, interest at 2.00% to 5.00%	<u>10,270,000.00</u>
Total Parking Utility Debt	<u>10,270,000.00</u>
Total Debt Issued and Outstanding	<u><u>\$ 101,576,953.89</u></u>

NOTES TO FINANCIAL STATEMENTS

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

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>2014</u>
Cash Receipts from Fees, Rents or Other Charges for Year	\$4,161,704.47
Deductions:	
Operating and Maintenance Costs	2,944,068.54
Debt Service	<u>950,410.42</u>
Total Deductions	<u>3,894,478.96</u>
Excess in Revenues	<u>\$267,225.51</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>2014</u>
Excess in Revenues - Cash Basis (D-1)	\$284,939.66
Less : Other Credits to Income	<u>17,714.15</u>
Excess in Revenue	<u>\$267,225.51</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, 2014 is as follows:

<u>Year</u>	<u>Principle</u>	<u>Interest</u>
2015	\$437,299.12	\$21,685.34
2016	446,088.84	12,895.53
2017	240,728.64	4,125.59
2018	<u>68,899.74</u>	<u>1,036.00</u>
Totals	<u>\$1,193,016.34</u>	<u>\$39,742.46</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, 2014 is as follows:

<u>Year</u>	<u>Principle</u>	<u>Interest</u>
2015	\$90,000	\$56,650
2016	90,000	52,150
2017	90,000	47,650
2018	100,000	44,050
2019	100,000	40,050
2020-2024	570,000	134,864
2025-2026	<u>270,000</u>	<u>17,462</u>
Totals	<u>\$1,310,000</u>	<u>\$392,840</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 2006 NJ Environmental Infrastructure Fund Loan at December 31, 2014 is as follows:

<u>Year</u>	<u>Principle</u>
2015	\$94,354
2016	91,460
2017	88,564
2018	92,682
2019	90,108
2020-2024	453,508
2025-2026	<u>184,928</u>
Totals	<u>\$1,095,604</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, 2014 is as follows:

<u>Year</u>	<u>Principle</u>	<u>Interest</u>
2015	\$80,000	\$60,950
2016	80,000	56,950
2017	80,000	52,950
2018	90,000	48,950
2019	90,000	44,450
2020-2024	540,000	159,076
2025-2027	<u>380,000</u>	<u>33,678</u>
Totals	<u>\$1,340,000</u>	<u>\$457,004</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, 2014 is as follows:

<u>Year</u>	<u>Principle</u>
2015	\$89,228
2016	86,704
2017	84,182
2018	87,966
2019	85,128
2020-2024	441,614
2025-2027	<u>266,948</u>
Totals	<u>\$1,141,770</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, 2014 is as follows:

<u>Year</u>	<u>Principle</u>	<u>Interest</u>
2015	\$90,000	\$86,325
2016	90,000	81,825
2017	90,000	77,325
2018	100,000	72,825
2019	100,000	67,825
2020-2024	620,000	252,075
2025-2028	<u>610,000</u>	<u>77,750</u>
Totals	<u>\$1,700,000</u>	<u>\$715,950</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 2008 NJ Environmental Infrastructure Fund Loan at December 31, 2014 is as follows:

<u>Year</u>	<u>Principle</u>
2015	\$108,776
2016	106,020
2017	103,266
2018	106,634
2019	103,572
2020-2024	535,860
2025-2028	<u>421,268</u>
Totals	<u>\$1,485,396</u>

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, 2014 is as follows:

<u>Year</u>	<u>Principle</u>	<u>Interest</u>
2015	\$55,000	\$50,025
2016	60,000	47,275
2017	65,000	44,275
2018	65,000	41,025
2019	70,000	37,775
2020-2024	395,000	143,725
2025-2029	<u>485,000</u>	<u>59,150</u>
Totals	<u>\$1,195,000</u>	<u>\$423,250</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 2010 NJ Environmental Infrastructure Fund Loan at December 31, 2014 is as follows:

<u>Year</u>	<u>Principle</u>
2015	218,334
2016	218,334
2017	218,334
2018	218,334
2019	218,334
2019-2023	1,091,670
2024-2029	<u>1,091,670</u>
Totals	<u>\$3,275,010</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.

Debt service on the outstanding balance of the 2012 NJ Environmental Infrastructure Trust Loan at December 31, 2014 is as follows:

<u>Year</u>	<u>Principle</u>	<u>Interest</u>
2015	\$45,000	\$51,920
2016	45,000	48,216
2017	49,999	44,063
2018	50,000	41,563
2019	50,000	39,063
2020-2024	300,000	154,312
2025-2029	380,000	75,661
2030-2031	<u>170,000</u>	<u>11,606</u>
Totals	<u>\$1,089,999</u>	<u>\$466,404</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 2012 NJ Environmental Infrastructure Fund Loan at December 31, 2014 is as follows:

<u>Year</u>	<u>Principle</u>
2015	64,774
2016	64,774
2017	64,774
2018	64,773
2019	64,773
2020-2024	323,868
2025-2029	323,873
2030-2031	<u>129,549</u>
Totals	<u>\$1,101,158</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.

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, 2014</u>	<u>Utilized in 2015 Budget</u>
Current Fund	\$15,340,855.79	\$6,100,000.00
Affordable Housing		
Operating Fund	301,864.12	0.00
Parking Operating Fund	999,885.73	307,829.00

NOTES TO FINANCIAL STATEMENTS

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</u> <u>Dec. 31, 2013</u>	<u>Raised in</u> <u>2014 Budget</u>	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Balance to</u> <u>Succeeding Budgets</u>
Current Fund:				
Special Emer. Approp	\$1,934,064.00	483,516.00	\$1,450,548.00	\$1,450,548.00
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 2015 budget.

Note 6: GENERAL FIXED ASSETS

Changes in the carrying values of Princeton's general fixed assets for the year ended December 31, 2014 were as follows:

	<u>Balance</u> <u>December 31, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>December 31, 2014</u>
Land/Buildings	\$70,047,735.95	109,193,464.05		\$179,241,200.00
Equipment	6,374,792.19		213,921.19	6,160,871.00
Vehicles	9,702,704.05	598,132.95	0.00	10,300,837.00
	<u>\$86,125,232.19</u>	<u>\$109,791,597.00</u>	<u>\$213,921.19</u>	<u>\$195,702,908.00</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.

During 2014 an inventory was performed for all land, building, vehicles and equipment owned by Princeton. The vehicles and equipment were valued at historical cost where available. Land and buildings were valued at the assessed value for 2014.

Note 7: UTILITY FIXED ASSETS

Changes in the carrying values of Princeton's Parking Utility fixed assets for the year ended December 31, 2014 were as follows:

	Balance December 31, 2013	Balance December 31, 2014
Land/Buildings	\$13,475,611.66	\$13,475,611.66
Equipment	<u>200,000.00</u>	<u>200,000.00</u>
	<u>\$13,675,611.66</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: 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 8: DEPOSITS AND INVESTMENTS (CONT'D)

At December 31, 2014, the cash and cash equivalents and investments of Princeton on deposit and on-hand consisted of the following:

	<u>2014</u>
Cash (Demand Accts.)	\$46,404,570.52
Certificate of Deposits	928,362.44
Change Fund (On-Hand)	<u>1,715.00</u>
	<u>\$47,334,647.96</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 \$47,148,427.97 and the bank balance was \$47,332,932.96. Of the bank balance, \$1,500,000.00 was covered by Federal depository insurance and \$45,832,932.96 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-governments 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 8: 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, 2014, 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, 2014, Princeton had \$0.00 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 9: 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 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 10: 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 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.

Funding Policy: Employees enrolled in the PERS systems were required to contribute 6.92% of covered payroll during the first half of 2014, then 7.06 of covered payroll through year-end. Additional annual increases of .14% per annum will continue until the contribution rate reaches 7.5%. Employees enrolled in the PFRS system were required to contribute 10% of covered payroll during 2014.

Required employer contributions for 2014 were 10.92% and 23.25% of Plan Year 2011-12 covered wages. Princeton's contributions in 2013 and 2014 were \$1,272,601 and \$1,197,651 respectively for PERS and \$1,508,845 and \$1,456,262 respectively for PFRS.

Note 10: PENSION AND RETIREMENT PLANS (CONT'D):

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.

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 2014 were made in the amount to \$3,329.07.

Note 11: 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.

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.

NOTES TO FINANCIAL STATEMENTS

Note 11: POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS – HEALTH CARE BENEFITS (CONT'D):

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.

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><u>\$2,650,000</u></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.

Note 11: POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS – HEALTH CARE BENEFITS (CONT'D):

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 12: 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.

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 2014 was \$569,645.54 and \$257,636.11 respectively. Princeton had funded \$243,014.30 of those amounts.

Note 13: 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>
2015	<u>\$4,620</u>
	<u>\$4,620</u>

Note 14: 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, 2014. The Fund will be self-sustaining through member premiums, reported as an expenditure in 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.

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>
2014	\$24,848.85	\$47,407.69	\$18.78	\$356,116.49
2013	36,589.85	57,782.88	161.81	321,974.60

Note 15: 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 16: INTERFUNDS

The following interfund balances remained on the balance sheet at December 31, 2014:

Fund:	Interfund Receivables	Interfund Payables
Current Fund	\$789,825.92	\$4,102.69
Payroll Fund		789,825.92
Open Space Trust Fund	4,102.69	700,000.00
General Capital Fund	700,000.00	
Affordable Housing Operating		118,969.04
Parking Utility Operating	50,000.46	
Parking Utility Capital		50,000.46
Affordable Housing Capital	<u>118,969.04</u>	<u>0.00</u>
Total	<u>\$1,662,898.11</u>	<u>\$1,662,898.11</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.

NOTES TO FINANCIAL STATEMENTS

Note 17: 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, 2014 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 18: SUBSEQUENT EVENTS

A. The following bond ordinances were authorized:

<u>Description</u>	<u>Bonds/Notes</u> <u>Authorized</u>
Repair & Replacement of Sidewalks-Hamilton Ave.	\$16,150
Repair & Replacement of Sidewalks-Prospect Ave.	16,150
Improvements to Parking Utility	495,000
Various Capital Improvements	8,472,007

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, 2014

Exh. C - 1

	Budget as <u>Modified</u>	2014 <u>Actual</u>	<u>Variance</u>
Revenues:			
Fund Balance Appropriated	\$ 5,800,000.00	\$ 5,800,000.00	\$
Miscellaneous Revenue	21,567,977.83	20,766,945.01	(801,032.82)
Receipts from Delinquent Taxes	1,221,945.00	1,191,722.11	(30,222.89)
Amount to be Raised by Taxes for Support of Municipal Budget:			
Local Tax for Municipal Purposes	28,297,248.28	30,713,844.31	2,416,596.03
Library Tax	<u>2,409,609.00</u>	<u>2,409,609.00</u>	
Total Budget Revenue	<u>59,296,780.11</u>	<u>60,882,120.43</u>	<u>1,585,340.32</u>
Other Credits to Income		<u>6,309,286.34</u>	<u>6,309,286.34</u>
Total Revenues	<u>59,296,780.11</u>	<u>67,191,406.77</u>	<u>7,894,626.66</u>
Expenditures:			
Current Fund Within CAPS:			
General Government	5,929,924.60	5,929,924.60	
Land Use Administration	545,078.00	545,078.00	
Public Safety	9,592,915.93	9,592,915.93	
Public Works	3,804,905.00	3,804,905.00	
Health & Human Services	1,310,189.00	1,310,189.00	
Parks and Recreation	906,523.00	906,523.00	
Unclassified Purposes	9,748,438.00	9,748,438.00	
Deferred Charges and Statutory Expenditures	3,822,957.00	3,822,957.00	
Current Fund Excluded From CAPS:			
General Government	8,005,533.00	8,005,533.00	
Public and Private Programs	764,936.99	764,936.99	
Capital Improvements	250,000.00	250,000.00	
Debt Service	10,938,042.84	10,770,108.60	167,934.24
Deferred Charges and statutory Expenditures	758,516.00	758,516.00	
Reserve for Uncollected Taxes	<u>2,918,820.75</u>	<u>2,918,820.75</u>	
Total Budget Expenditures	<u>59,296,780.11</u>	<u>59,128,845.87</u>	<u>167,934.24</u>
Other Charges		<u>47,615.39</u>	<u>(47,615.39)</u>
Total Expenditures	<u>59,296,780.11</u>	<u>59,176,461.26</u>	<u>120,318.85</u>
Statutory Excess to Fund Balance		8,014,945.51	
Fund Balance January 1, 2014		<u>13,125,910.28</u>	
Decreased by: Utilized in Budget		<u>5,800,000.00</u>	
Fund Balance December 31, 2014		<u>\$ 15,340,855.79</u>	

PRINCETON
MERCER COUNTY, NEW JERSEY

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CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>ANTICIPATED</u> 2014 <u>BUDGET</u>	<u>REALIZED</u>	EXCESS OR (DEFICIT)
Surplus Anticipated	\$ 5,800,000.00	\$ 5,800,000.00	
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverage	62,200.00	62,254.00	54.00
Other	73,400.00	57,914.00	(15,486.00)
Fees and Permits:			
Other	375,000.00	345,734.18	(29,265.82)
Fines and Costs:			
Municipal Court	1,300,000.00	936,480.23	(363,519.77)
Interest and Costs on Taxes	598,000.00	396,625.29	(201,374.71)
Interest on Investments and Deposits	162,000.00	186,137.59	24,137.59
Anticipated Utility Operating Surplus	1,400,000.00	1,400,000.00	
Sewer Rentals	6,972,000.00	6,679,172.15	(292,827.85)
Passport Fees	4,000.00		(4,000.00)
Street Opening Inspection Fees	5,000.00		(5,000.00)
Life Hazard Use Fees	89,300.00	87,532.23	(1,767.77)
Fire and Housing Inspection Fees	177,600.00	242,625.00	65,025.00
Energy Receipts Tax	2,445,985.00	2,445,985.00	
Consolidated Municipal Property Tax Relief Aid	6,436.00	6,436.00	
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	320,000.00	323,833.25	3,833.25
Pilot-Tenacre Foundation	502,000.00	500,000.00	(2,000.00)
Princeton University Fair Share	2,750,000.00	2,750,000.00	
UCC Administrative Fee	157,000.00	157,000.00	
Special Items:			
Sustainable Princeton			
Corner House Foundation	250,000.00	218,644.30	(31,355.70)
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	
Body Armor Grant	3,525.63	3,525.63	
Recycling Tonnage Grant	55,252.28	55,252.28	
Alcohol Education Rehabilitation Fund	3,641.46	3,641.46	

PRINCETON
MERCER COUNTY, NEW JERSEY

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CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>ANTICIPATED</u> 2014 <u>BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR</u> <u>(DEFICIT)</u>
Miscellaneous Revenues (Cont'd.):			
Adolescent Mercer County	38,497.00	38,497.00	
Mercer County PYP	30,000.00	30,000.00	
Mercer County Drug Treatment	4,244.00	4,244.00	
Mercer County Regional Drug Treatment Program	42,000.00	42,000.00	
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	80,000.00	80,000.00	
NJ Division of Addiction Services	125,120.00	125,120.00	
DDEF	6,014.97	6,014.97	
Cops in Shop	2,000.00	2,000.00	
Infrastructure Preparedness	9,851.65	9,851.65	
Municipal Alliance on Alcoholism and Drug Abuse	28,056.00	28,056.00	
Theological Seminary	174,022.00	195,292.00	21,270.00
PILOT - Elm Court	76,250.00	77,179.50	929.50
Chamber St. Land Lease	141,600.00	141,630.00	30.00
Reserve for Debt Service Institute Woods	246,792.84	246,792.84	
Reserve for Debt Service - Other	1,500,000.00	1,500,000.00	
Trust Surplus - Improvement Assessments	200,000.00	200,000.00	
Stony Brook Industrial User Fees	17,000.00	19,906.59	2,906.59
Engineering Developer Fees	23,000.00	23,000.00	
Hotel/Motel Tax	279,600.00	306,978.87	27,378.87
General Capital Fund - Fund Balance	500,000.00	500,000.00	
Total Miscellaneous Revenues	<u>21,567,977.83</u>	<u>20,766,945.01</u>	<u>(801,032.82)</u>
Receipts from Delinquent Taxes	1,221,945.00	1,191,722.11	(30,222.89)
Amount to be Raised by Taxation for Support of Municipal Budget:			
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	28,297,248.28	30,713,844.31	2,416,596.03
Minimum Library Tax	<u>2,409,609.00</u>	<u>2,409,609.00</u>	
	<u>30,706,857.28</u>	<u>33,123,453.31</u>	<u>2,416,596.03</u>
Budget Totals	59,296,780.11	60,882,120.43	\$ <u><u>1,585,340.32</u></u>
Non-Budget Revenues		<u>832,948.45</u>	
	<u>\$ 59,296,780.11</u>	<u>\$ 61,715,068.88</u>	

PRINCETON
MERCER COUNTY, NEW JERSEY

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CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

	2014 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
<u>Operations Within "CAPS"</u>						
<u>GENERAL GOVERNMENT:</u>						
General Administration						
Salaries and Wages	\$ 225,590.00	\$ 228,590.00	\$ 227,849.04	\$ 740.96	\$	
Other Expenses	74,019.00	74,019.00	48,441.59	5,398.50	20,178.91	
Information Technology						
Salaries and Wages	208,530.00	242,530.00	218,925.77		23,604.23	
Other Expenses	425,350.00	425,350.00	405,225.96	9,151.95	10,972.09	
Human Resources (Personnel)						
Other Expenses	277,720.00	277,720.00	176,757.99	22,273.84	78,688.17	
Mayor and Council						
Salaries and Wages	79,750.00	80,000.00	79,999.95		0.05	
Other Expenses	1,425,296.60	1,282,296.60	239,086.41	87,648.43	955,561.76	
Municipal Clerk						
Salaries and Wages	289,401.00	299,401.00	299,051.46		349.54	
Other Expenses	45,500.00	45,500.00	24,989.55	1,108.23	19,402.22	
Elections						
Salaries and Wages	3,600.00	3,600.00	3,269.90		330.10	
Other Expenses	12,200.00	12,200.00	11,907.10		292.90	
Financial Administration (Treasury)						
Salaries and Wages	641,674.00	652,674.00	651,789.30		884.70	
Other Expenses	25,550.00	25,550.00	13,883.32	9,691.32	1,975.36	
Audit Services	50,000.00	50,000.00		50,000.00		
Revenue Administration (Tax Collection)						
Salaries and Wages	159,837.00	159,837.00	138,736.02		21,100.98	
Other Expenses	14,575.00	14,575.00	12,020.58	176.82	2,377.60	
Tax Assessment Administration						
Salaries and Wages	155,341.00	158,341.00	158,057.46		283.54	
Other Expenses	84,000.00	84,000.00	39,343.00	8,630.50	36,026.50	
Legal Services						
Other Expenses	544,000.00	544,000.00	330,385.54	23,330.22	190,284.24	
Defense of Tax Appeals	30,000.00	30,000.00	29,187.50		812.50	
Engineering Services						
Salaries and Wages	1,076,606.00	1,095,606.00	893,106.91		202,499.09	
Other Expenses	48,350.00	48,350.00	32,645.19	1,378.62	14,326.19	
Historical Site Office						
Salaries and Wages	2,000.00	2,000.00	2,000.00			
Other Expenses	31,035.00	31,035.00	2,183.04	302.40	28,549.56	

PRINCETON
MERCER COUNTY, NEW JERSEY

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CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

	2014	BUDGET AFTER	EXPENDED			UNEXPENDED
	BUDGET	MODIFICATION	PAID OR	ENCUMBERED	RESERVED	BALANCE
			CHARGED			CANCELLED
<u>LAND USE ADMINISTRATION:</u>						
Regional Planning Board						
Salaries and Wages	\$ 221,874.00	\$ 235,874.00	\$ 231,233.36	\$	4,640.64	\$
Other Expenses	79,450.00	79,450.00	8,087.60	29,657.62	41,704.78	
Zoning Board of Adjustment						
Salaries and Wages	218,984.00	239,984.00	234,841.09		5,142.91	
Other Expenses	24,770.00	24,770.00	7,833.54	8,384.50	8,551.96	
<u>PUBLIC SAFETY FUNCTIONS:</u>						
Police						
Salaries and Wages	6,954,990.00	7,014,740.00	6,969,942.77		44,797.23	
Other Expenses	307,866.93	307,866.93	155,020.36	113,451.58	39,394.99	
Police Dispatch/911						
Salaries and Wages	597,700.00	682,700.00	671,351.26		11,348.74	
Other Expenses	7,575.00	7,575.00			7,575.00	
Office of Emergency Management						
Salaries and Wages	144,575.00	166,575.00	151,962.39		14,612.61	
Other Expenses	11,000.00	11,000.00	2,435.60	5,694.60	2,869.80	
Fire Department						
Salaries and Wages	10,000.00	10,000.00	10,000.00			
Other Expenses	264,400.00	264,400.00	180,404.82	15,916.28	68,078.90	
LOSAP Alternative	45,000.00	45,000.00	16,068.50	1,839.00	27,092.50	
Other Expenses - Fire Facilities	126,500.00	126,500.00	86,957.13	3,486.46	36,056.41	
Fire Prevention						
Salaries and Wages	374,159.00	384,159.00	378,916.82		5,242.18	
Other Expenses	4,150.00	4,150.00	2,906.07		1,243.93	
Fire Hydrant Service	675,000.00	675,000.00	602,914.77	54,817.88	17,267.35	
Municipal Prosecutor's Office						
Other Expenses	70,000.00	70,000.00	52,499.98	17,500.02		

PRINCETON
MERCER COUNTY, NEW JERSEY

Exh. C - 3

CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

	2014	BUDGET AFTER	EXPENDED			UNEXPENDED
	BUDGET	MODIFICATION	PAID OR	ENCUMBERED	RESERVED	BALANCE
			CHARGED			CANCELLED
<u>Operations Within "CAPS" (Cont'd.)</u>						
<u>PUBLIC WORKS FUNCTIONS:</u>						
Streets and Roads Maintenance	\$ 1,680,712.00	\$ 1,687,712.00	\$ 1,584,037.14	\$ 46,336.51	\$ 103,674.86	\$
Salaries and Wages	362,600.00	377,600.00	288,706.21		42,557.28	
Other Expenses	30,000.00	30,000.00	7,274.74		22,725.26	
Sustainable Princeton						
Buildings and Grounds	544,302.00	582,302.00	552,599.13		29,702.87	
Salaries and Wages	390,850.00	415,850.00	382,575.81	22,276.96	10,997.23	
Other Expenses						
Vehicle Maintenance (Including Police Vehicles)						
Salaries and Wages	296,441.00	314,441.00	310,680.49		3,760.51	
Other Expenses	250,000.00	265,000.00	229,702.65	26,750.94	8,546.41	
Community Service Act						
(Condominium Community Costs)						
Other Expenses	250,000.00	250,000.00			250,000.00	
<u>HEALTH & HUMAN SERVICES FUNCTIONS:</u>						
Regional Health Commission-Proportionate Share						
Salaries and Wages	330,383.00	330,383.00	289,205.69		41,177.31	
Other Expenses	90,045.00	90,045.00	66,232.31	16,219.00	7,593.69	
Flu Program	19,000.00	19,000.00	4,084.00	253.48	14,662.52	
Suzanne Patterson Center						
Salaries and Wages	10,000.00	10,000.00	10,000.00			
Other Expenses	202,780.00	202,780.00	151,591.75	6,367.50	44,820.75	
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	2,643.75		956.25	
Other Expenses	3,000.00	3,000.00	2,759.65		240.35	
Animal Control						
Salaries and Wages	59,258.00	59,258.00	55,423.88		3,834.12	
Other Expenses	12,126.00	7,126.00	4,628.32	2,299.12	198.56	
Save Boarding		5,000.00	3,280.00	1,720.00		
Deer Management Program						
Salaries and Wages	20,000.00	20,000.00	20,000.00			
Other Expenses	75,000.00	75,000.00	73,691.35	1,300.00	8.65	
Human Services Commission						
Salaries and Wages	99,244.00	102,744.00	101,029.97		1,714.03	
Other Expenses	46,225.00	46,225.00	33,529.41	4,522.70	8,172.89	
Joint Drug Abuse Prevention Program						
Salaries and Wages	183,528.00	193,028.00	186,044.81		6,983.19	
Other Expenses	155,000.00	155,000.00	140,280.74	681.97	14,037.29	

PRINCETON
MERCER COUNTY, NEW JERSEY

Exh. C - 3

CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

	2014	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>PARKS & RECREATION FUNCTIONS:</u>						
Joint Recreation Board						
Salaries and Wages	\$ 724,318.00	\$ 731,318.00	\$ 726,135.63	\$	\$ 5,182.37	\$
Other Expenses	71,300.00	71,300.00	60,480.87	6,986.58	3,832.55	
Maintenance of Parks and Playgrounds						
Other Expenses	103,405.00	103,405.00	98,540.00	4,671.62	193.38	
Celebration of Public Events	7,500.00	7,500.00	3,714.59	1,513.44	2,271.97	
<u>UTILITY EXPENSES & BULK PURCHASES:</u>						
Electricity	400,000.00	400,000.00	314,562.58	21,598.76	63,838.66	
Telephone (excluding equipment)	198,000.00	198,000.00	185,993.79	6,090.99	5,915.22	
Water	21,100.00	21,100.00	9,936.18	676.04	10,487.78	
Gas (natural or propane)	75,000.00	75,000.00	75,000.00			
Fuel Oil	350,000.00	390,000.00	273,489.37	50,946.25	65,564.38	
Street Lighting	290,000.00	290,000.00	276,232.79	13,000.00	767.21	
Sewer System						
Salaries and Wages	594,115.00	594,115.00	488,056.02		106,058.98	
Other Expenses	174,000.00	174,000.00	163,523.98	10,376.10	99.92	
Landfill/Solid Waste Disposal Costs						
Salaries and Wages						
Other Expenses	148,900.00	148,900.00	147,116.99	681.08	1,101.93	
Garbage and Trash Removal						
Other Expenses	1,300,000.00	1,300,000.00	1,184,289.29	56,724.43	58,986.28	
Municipal Court						
Salaries and Wages	381,954.00	381,954.00	353,633.67		28,320.33	
Other Expenses	27,780.00	27,780.00	11,557.65	3,320.21	12,902.14	
Public Defender						
Other Expenses	57,500.00	57,500.00	45,832.76	11,667.24		
Salary and Wage Adjustment	375,000.00					
Accumulated Leave Compensation	100,000.00	100,000.00	100,000.00			
Consolidation Commission - SW						
Consolidation Commission - OE						
Liability Insurance	636,265.00	636,265.00	603,969.36		32,295.64	
Workers Compensation Insurance	469,524.00	469,524.00	448,967.00		20,557.00	
Group Insurance	3,851,300.00	3,891,300.00	3,845,588.81	1,264.99	44,446.20	
Health Benefit Waiver	85,000.00	85,000.00	83,141.10		1,858.90	
Transportation of Local Pupils by Board of Education (NJSA18A:39-1.2)						
Other Expenses	213,000.00	213,000.00	182,323.03		30,676.97	
Total Operations Within "CAPS"	<u>31,837,973.53</u>	<u>31,829,973.53</u>	<u>27,984,305.90</u>	<u>788,084.68</u>	<u>3,057,582.95</u>	
<u>DETAIL:</u>						
Salaries and Wages	16,282,466.00	16,657,466.00	15,990,523.68		666,942.32	
Other Expenses (Including Contingent)	15,555,507.53	15,172,507.53	11,993,782.22	788,084.68	2,390,640.63	

PRINCETON
MERCER COUNTY, NEW JERSEY

Exh. C - 3

CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

	2014 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"						
<u>STATUTORY EXPENDITURES:</u>						
Contribution to:						
Public Employees' Retirement System	\$ 1,309,567.00	\$ 1,309,567.00	\$ 1,197,651.00		\$ 111,916.00	\$
Social Security System (O.A.S.I.)	875,000.00	883,000.00	883,000.00			
Consolidated Police & Firemen's Pension Fund	30,000.00	30,000.00	19,461.66		10,538.34	
Defined Contribution Retirement Program	5,000.00	5,000.00	4,494.22		505.78	
Unemployment Insurance	100,000.00	100,000.00	47,407.69		52,592.31	
Police and Firemen's Retirement System of N.J.	<u>1,503,390.00</u>	<u>1,503,390.00</u>	<u>1,456,262.00</u>		<u>47,128.00</u>	
Total Deferred Charges and Statutory Expend. Municipal Within "CAPS"	<u>3,822,957.00</u>	<u>3,830,957.00</u>	<u>3,608,276.57</u>		<u>222,680.43</u>	
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>35,660,930.53</u>	<u>35,660,930.53</u>	<u>31,592,582.47</u>	<u>788,084.68</u>	<u>3,280,263.38</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	4,015,533.00	4,015,533.00	4,015,533.00			
<u>INTERLOCAL SERVICE AGREEMENTS:</u>						
Stonybrook Regional Sewerage Authority						
Other Expenses	3,870,000.00	3,870,000.00	3,859,350.46		10,649.54	
Industrial User Fee	20,000.00	20,000.00	14,804.71		5,195.29	

PRINCETON
MERCER COUNTY, NEW JERSEY

Exh. C - 3

CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

	2014	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>
PUBLIC AND PRIVATE PROGRAMS						
<u>OFFSET BY REVENUES:</u>						
Corner House Foundation-Mercer Reg. Drug						
Treatment Program						
Salaries and Wages	\$ 153,000.00	\$ 153,000.00	\$ 153,000.00		\$	
Other Expenses	97,000.00	97,000.00	63,376.08	17,382.00	16,241.92	
Drug Program-Cranbury Intervention Program	10,080.00	10,080.00	10,080.00			
Regional Municipal Alliance Program	28,056.00	28,056.00	28,056.00			
Drug Program-State of NJ Grant	125,120.00	125,120.00	125,120.00			
Drug Program-Mercer County	46,244.00	46,244.00	46,244.00			
Infrastructure Preparedness	9,851.65	9,851.65	9,851.65			
Alcohol Education Rehabilitation	3,641.46	3,641.46	3,641.46			
Academic Success Today	10,000.00	10,000.00	10,000.00			
Mercer County PYP Program	30,000.00	30,000.00	30,000.00			
Mercer County Adolescent	38,497.00	38,497.00	38,497.00			
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	80,000.00	80,000.00	80,000.00			
PUBLIC AND PRIVATE PROGRAMS						
<u>OFFSET BY REVENUES (Cont'd.):</u>						
Cops in Shops	2,000.00	2,000.00	2,000.00			
Drunk Driving Enforcement	6,014.97	6,014.97	6,014.97			
Body Armor	3,525.63	3,525.63	3,525.63			
Recycling Tonnage	55,252.28	55,252.28	55,252.28			
Clean Communities						
Matching Funds for Grants	10,000.00	10,000.00			10,000.00	
Total Operations - Excluded from "CAPS"	8,770,469.99	8,770,469.99	8,711,001.24	17,382.00	42,086.75	
DETAIL:						
Salaries and Wages	153,000.00	153,000.00	153,000.00			
Other Expenses	8,617,469.99	8,617,469.99	8,558,001.24	17,382.00	42,086.75	

PRINCETON
MERCER COUNTY, NEW JERSEY

Exh. C - 3

CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

	2014 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED PAID OR CHARGED	ENCUMBERED	RESERVED	UNEXPENDED BALANCE CANCELLED
<u>Capital Improvements - Excluded from "CAPS"</u>						
Capital Improvement Fund	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00			
Ordinance	275,000.00	275,000.00	275,000.00			
Total Capital Improvements - Excluded from "CAPS"	525,000.00	525,000.00	525,000.00			
<u>Municipal Debt Service - Excluded from "CAPS"</u>						
Payment of Bond Principal	7,300,000.00	7,300,000.00	7,210,125.90			89,874.10
Interest on Bonds	2,100,000.00	2,100,000.00	2,038,209.47			61,790.53
Interest on Notes	81,250.00	81,250.00	81,249.99			0.01
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	246,792.84	246,792.84	246,792.84			
NJ Environmental Infrastructure Loan	1,210,000.00	1,210,000.00	1,193,730.40			16,269.60
Total Municipal Debt Service - Excluded from "CAPS"	10,938,042.84	10,938,042.84	10,770,108.60			167,934.24
<u>Deferred Charges - Municipal - Excluded from "CAPS"</u>						
Deferred Charges:						
Special Emergency Authorizations - 5 Years (N.J.S.A. 40A:4-55)	483,516.00	483,516.00	483,516.00			
Total Deferred Charges - Municipal - Excluded from "CAPS"	483,516.00	483,516.00	483,516.00			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	20,717,028.83	20,717,028.83	20,489,625.84	17,382.00	42,086.75	167,934.24
Subtotal General Appropriations	56,377,959.36	56,377,959.36	52,082,208.31	805,466.68	3,322,350.13	167,934.24
Reserve for Uncollected Taxes	2,918,820.75	2,918,820.75	2,918,820.75			
Total General Appropriations	\$ 59,296,780.11	\$ 59,296,780.11	\$ 55,001,029.06	\$ 805,466.68	\$ 3,322,350.13	\$ 167,934.24
Disbursed			\$ 51,093,755.32			
Deferred Charges			483,516.00			
State and Federal Grants Appropriated			504,936.99			
Reserve for Uncollected Taxes			2,918,820.75			
			\$ 55,001,029.06			

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, 2014

Exh. C - 4

	Budget as <u>Modified</u>	2014 <u>Actual</u>	<u>Variance</u>
Revenues:			
Affordable Housing Fees	\$150,311.00	\$150,311.00	\$
Township Contribution	<u>100,000.00</u>	<u>100,000.00</u>	
Total Budget Revenue	<u>250,311.00</u>	<u>250,311.00</u>	
Other Credits to Income		48,533.91	48,533.91
Total Revenues	<u>250,311.00</u>	<u>298,844.91</u>	<u>48,533.91</u>
Expenditures:			
Operating Expenses	<u>250,311.00</u>	<u>250,311.00</u>	
Total Expenditures	<u>250,311.00</u>	<u>250,311.00</u>	
Excess (Deficit) in Revenues		<u>48,533.91</u>	<u>48,533.91</u>
Statutory Excess to Fund Balance		<u>48,533.91</u>	<u>48,533.91</u>
Fund Balance January 1, 2013		<u>253,330.21</u>	
Fund Balance December 31, 2014		<u><u>\$ 301,864.12</u></u>	

PRINCETON
MERCER COUNTY, NEW JERSEY

AFFORDABLE HOUSING UTILITY OPERATING FUND
 STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014 <u>BUDGET</u>	<u>REALIZED</u>	EXCESS OR (DEFICIT)
Affordable Housing Fees	\$ 150,311.00	\$ 149,553.00	\$
Township Contribution	100,000.00	100,000.00	-
Non-Budget Revenue		<u>18,985.33</u>	<u>18,985.33</u>
	<u>\$ 250,311.00</u>	<u>\$ 268,538.33</u>	<u>\$ 18,985.33</u>

PRINCETON
MERCER COUNTY, NEW JERSEY

AFFORDABLE HOUSING UTILITY OPERATING FUND
 STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014 <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	\$ 96,375.00	\$ 96,375.00	\$ 76,124.60		\$ 20,250.40
Other Expenses	<u>153,936.00</u>	<u>153,936.00</u>	<u>136,288.08</u>	<u>14,083.44</u>	<u>3,564.48</u>
	<u>\$ 250,311.00</u>	<u>\$ 250,311.00</u>	<u>\$ 212,412.68</u>	<u>\$ 14,083.44</u>	<u>\$ 23,814.88</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, 2014

	Budget as <u>Modified</u>	2014 <u>Actual</u>	<u>Variance</u>
Revenues:			
Fund Balance Appropriated	\$ 168,450.00	\$ 168,450.00	\$
Parking Fees	3,273,679.00	3,303,320.23	29,641.23
Service Charges	122,528.00	125,247.69	2,719.69
Lease Agreements	329,167.00	352,628.07	23,461.07
Interest	<u>10,520.00</u>	<u>7,798.22</u>	<u>(2,721.78)</u>
Total Budget Revenue	<u>3,904,344.00</u>	<u>3,957,444.21</u>	<u>53,100.21</u>
Other Credits to Income		<u>221,974.41</u>	<u>221,974.41</u>
Total Revenues	<u>3,904,344.00</u>	<u>4,179,418.62</u>	<u>275,074.62</u>
Expenditures:			
Operating Expenses	1,298,069.00	1,298,069.00	
Debt Service	955,275.00	950,410.42	4,864.58
Deferred Charges	251,000.00	200,999.54	50,000.46
Surplus - General Budger	<u>1,400,000.00</u>	<u>1,400,000.00</u>	
Total Expenditures	<u>3,904,344.00</u>	<u>3,849,478.96</u>	<u>54,865.04</u>
Excess (Deficit) in Revenues		<u>329,939.66</u>	<u>329,939.66</u>
Statutory Excess to Fund Balance		<u>329,939.66</u>	<u>329,939.66</u>
Fund Balance January 1, 2013	<u>888,396.53</u>	<u>888,396.53</u>	
Decreased by: Utilized in Budget	<u>168,450.00</u>	<u>168,450.00</u>	
Fund Balance December 31, 2014	<u>\$ 719,946.53</u>	<u>\$ 1,049,886.19</u>	

PRINCETON
MERCER COUNTY, NEW JERSEY

PARKING UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014 <u>BUDGET</u>	<u>REALIZED</u>	EXCESS OR (DEFICIT)
Fund Balance Utilized	\$ 168,450.00	\$ 168,450.00	\$
Parking Fees	3,273,679.00	3,303,320.23	(29,641.23)
Service Charge	122,528.00	125,247.69	(2,719.69)
Lease Agreements	329,167.00	352,628.07	(23,461.07)
Interest	<u>10,520.00</u>	<u>7,798.22</u>	<u>2,721.78</u>
	<u>\$ 3,904,344.00</u>	<u>\$ 3,957,444.21</u>	<u>\$ (53,100.21)</u>

PRINCETON
MERCER COUNTY, NEW JERSEY

PARKING UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014	BUDGET AFTER	EXPENDED		RESERVED	UNEXPENDED
	BUDGET	MODIFICATION	PAID OR CHARGED	ENCUMBERED		BALANCE CANCELLED
Operating:						
Salaries and Wages	\$ 597,048.00	\$ 597,048.00	\$ 597,048.00		\$	\$
Other Expenses	701,021.00	701,021.00	650,572.63	27,460.69	22,987.68	
Debt Service:						
Payment of Bond Principal	525,000.00	525,000.00	525,000.00			
Interest on Bonds	430,275.00	430,275.00	425,410.42			4,864.58
Deferred Charges:						
Ord. 10-4	135,000.00	135,000.00	134,999.54			0.46
Ord. 10-13	50,000.00	50,000.00				50,000.00
Ord. 11-20	66,000.00	66,000.00	66,000.00			
Surplus - General Budget	<u>1,400,000.00</u>	<u>1,400,000.00</u>	<u>1,400,000.00</u>			
	<u>\$ 3,904,344.00</u>	<u>\$ 3,904,344.00</u>	<u>\$ 3,799,030.59</u>	<u>\$ 27,460.69</u>	<u>\$ 22,987.68</u>	<u>\$ 54,865.04</u>
Disbursed			\$ 3,373,620.17			
Accrued Interest on Bonds			<u>425,410.42</u>			
			<u>\$ 3,799,030.59</u>			

OTHER SUPPLEMENTARY INFORMATION

Single Audit Section

HODULIK & MORRISON, P.A.
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REGISTERED MUNICIPAL ACCOUNTANTS
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1102 RARITAN AVENUE, P.O. BOX 1450
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MEMBERS OF:
AMERICAN INSTITUTE OF CPA'S
NEW JERSEY SOCIETY OF CPA'S
REGISTERED MUNICIPAL ACCOUNTANTS OF N.J.

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

INDEPENDENT AUDITOR'S REPORT

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, 2014, and the related notes to the financial statements, which collectively comprise Princeton's basic financial statements and have issued our report thereon dated June 8, 2015. 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
June 8, 2015

HODULIK & MORRISON, P.A.
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**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**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major 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 state programs for the year ended December 31, 2014. Princeton's major 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 state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Princeton's major 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 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 state program. However, our audit does not provide a legal determination of Princeton's compliance.

Opinion on Each Major 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 state programs for the year ended December 31, 2014.

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 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 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 state 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 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 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.

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
June 8, 2015

Schedule of Expenditures of State Awards

Princeton
County of Mercer
Schedule of Expenditures of State Awards
Year ended December 31, 2014

Schedule B
Page 1 of 2

State Funding Department or Division	Program	Total Award	State Account No.	Grant Year	2014		Cumulative at December 31, 2014	
					Cash Receipts	Expenditures		
<u>Department of Environmental Protection</u>								
	Recycling Tonnage Grant	41,210.77	4900-752-002-009	2009		14,289.91	37,779.34	
	Environmental Infrastructure Loan	2,177,448.00	042-4860-510-030-08	2008			2,177,448.00	
	Environmental Infrastructure Loan	2,500,000.00	042-4860-510-030-10	2010			1,132,995.12	
	Environmental Infrastructure Loan	688,656.00	042-4860-510-030-12	2012		14,784.88	196,971.35	
	Environmental Infrastructure Loan	9,392,315.00	042-4860-510-030-14	2013		179,219.57	179,219.57	
	State Park Services Grant	2,190.00	N/A	2012			2,080.53	
	Livable Communities	78,000.00	N/A	2009			76,580.92	
	Clean Community Grant	67,846.99	042-4900-765-004-12	2012		41,225.69	67,846.99	
	Clean Community Grant	54,353.02	042-4900-765-004-13	2013		9,567.29	9,567.29	
	Total Department of Environmental Protection					-	259,087.34	3,908,256.86
<u>Department of Human Services</u>								
	Passed thru County of Mercer							
	Mercer Regional Drug Program	35,709.00	2011-42	2013		10,511.00	35,709.00	
	Mercer Regional Drug Program	4,244.00	2014-42	2014	4,244.00	4,244.00	4,244.00	
	Mercer Regional Drug Program	42,000.00	2014-42	2014	35,709.00	42,000.00	42,000.00	
	Payments to Municipalities for Cost of General Assistance PATF #2	122,300.00	7550-100-121-158-013	2013		237,071.00	237,071.00	
	Drug Program - NJMSPLI	1,000.00	2011-12222	2014	1,000.00	1,000.00	1,000.00	
	Drug Program -STAR	6,500.00	N/A	2014	6,500.00	2,638.97	2,638.97	
	Garden State Historic Trust	50,000.00	N/A	2009		10,130.61	39,748.50	
	Mercer County Motivation 180	55,332.00	2011-164	2013	35,312.00			
	Mercer County Motivation 180	38,497.00	2014-329	2014		38,497.00	38,497.00	
	Mercer County Princeton Youth	30,000.00	2014-329	2014		30,000.00	30,000.00	
	Cranbury Schools	10,080.00	R05-10-005	2014		10,080.00	10,080.00	
	Total Department of Human Services				82,765.00	386,172.58	440,988.47	
<u>Department of Community Affairs</u>								
	Academic Success Today	10,000.00	022-8049-542-002-13	2014	10,000.00	5,321.88	5,321.88	
	Passed thru County of Mercer:							
	Municipal Alliance	28,056.00	082-2000-100-044-14	2014	19,088.96	28,056.00	28,056.00	
	Total Department of Community Affairs				29,088.96	33,377.88	146,271.81	

Princeton
County of Mercer
Schedule of Expenditures of State Awards
Year ended December 31, 2014

Schedule B
Page 2 of 2

State Funding Department or Division	Program	Total Award	State Account No.	Grant Year	2014		Cumulative at December 31, 2014	
					Cash Receipts	Expenditures		
Department of Law and Public Safety								
	Drunk Driving Enforcement Grant	11,686.07	066-6400-100-078-09	2012		5,958.08	11,449.20	
	Alcohol Education & Rehabilitation	24,686.40	9735-760-098-001-6020	2012			250.00	
	Body Armor Replacement Fund	32,135.54	N/A	2008		3,929.75	20,541.00	
	Total Department of Law and Public Safety					-	9,887.83	32,240.20
<u>Department of Transportation</u>								
	Pass Through State of New Jersey							
	Highway Planning & Construction Cluster							
	Highway Planning & Construction	300,000.00	078-6320-480-AJP-09	2011		18,883.99	130,938.15	
	Highway Planning & Construction	261,676.00	078-6320-480-AK8-13	2013		51,201.19	60,286.42	
	Total Department of Transportation Cluster					-	70,085.18	242,971.30
Grand Total						111,853.96	758,610.81	4,770,728.64

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
STATE FINANCIAL ASSISTANCE
DECEMBER 31, 2014

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. State financial assistance passed through other government agencies in is included on the schedules of state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

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

NOTE 3: RELATIONSHIP TO GENERAL FINANCIAL STATEMENTS

Unless specifically noted, the amounts reported in the accompanying schedules agree with amounts reported in the Princeton's financial statements.

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.

Sch. C

PRINCETON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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.

Noncompliance's

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, 2014

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. 31.2013</u>	<u>2014 LEVY</u>	<u>COLLECTIONS 2013</u>	<u>BY CASH 2014</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. 31.2014</u>
2013	<u>1,195,427.21</u>			<u>1,189,782.79</u>	<u>-750.00</u>		<u>3,705.10</u>	<u>2,689.32</u>	
	1,195,427.21			1,189,782.79	-750.00		3,705.10	2,689.32	
2014		<u>148,621,930.22</u>	<u>1,203,067.84</u>	<u>146,436,236.84</u>	<u>88,362.33</u>	<u>9,395.50</u>	<u>43,332.76</u>		<u>841,534.95</u>
	<u>\$1,195,427.21</u>	<u>\$148,621,930.22</u>	<u>\$1,203,067.84</u>	<u>\$147,626,019.63</u>	<u>\$87,612.33</u>	<u>\$9,395.50</u>	<u>\$47,037.86</u>	<u>\$2,689.32</u>	<u>\$841,534.95</u>

Analysis of 2014 Property Tax Levy:

Ref.

Tax Yield:

General Purpose

\$148,096,632.73

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

525,297.49

\$148,621,930.22

Tax Levy:

Regional School Tax
(Abstract)

70,974,744.00

County Tax (Abstract)

45,231,664.57

County Added and Omitted Taxes

160,221.19

Local Tax for Municipal Purposes

28,297,248.28

Local Library Tax

2,409,609.00

Local Open Space Tax

1,156,404.69

Add: Additional Tax for Mun. Purposes

392,038.49

\$148,621,930.22

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

Balance - December 31, 2013 (Due from State of NJ)		\$250.00
Increased by:		
Deductions Allowed Per Tax Billings	93,750.00	
Prior Years Deductions Disallowed by Collector	<u>500.00</u>	
		<u>94,250.00</u>
		94,500.00
Decreased by:		
Payment Received from State of NJ	93,851.03	
2014 Deductions Allowed by Collector	5,387.67	
Prior Years Deductions Allowed by Collector	<u>1,250.00</u>	
		<u>100,488.70</u>
Balance - December 31, 2014 (Due to State of NJ)		<u><u>\$5,988.70</u></u>
Analysis of Senior Cit., Vets. and Disability <u>Deductions Allowed by Collector</u>		
Deductions Allowed Per Tax Billings		\$93,750.00
2014 Deductions Disallowed by Collector		<u>5,387.67</u>
Realized as Revenue - 2014		<u><u>\$88,362.33</u></u>

Exhibit -S-3

SCHEDULE OF TAX TITLE LIENS
CURRENT FUND

Balance - December 31, 2013		\$95,836.80
Increased by:		
Transfer from Taxes Receivable	<u>9,395.50</u>	<u>9,395.50</u>
		105,232.30
Decreased by:		
Cancelled		<u>9,388.98</u>
Balance - December 31, 2014		<u><u>\$95,843.32</u></u>

Exhibit - S-4

SCHEDULE OF SEWER CHARGES RECEIVABLE
CURRENT FUND

Balance - December 31, 2013		\$62,057.25
Increased by:		
2014 Billings		<u>6,651,641.96</u>
		6,713,699.21
Decreased by:		
Collections - 2014	6,644,599.06	
Prepaid Sewer Rents	<u>34,573.09</u>	<u>6,679,172.15</u>
Balance - December 31, 2014		<u><u>\$34,527.06</u></u>

CURRENT FUND
SCHEDULE OF TAXES PAYABLE

	01/01/14	Taxes Levied	Cash Disbursements	12/31/14
County - General	\$ -	\$ 43,413,683.74	\$ (43,413,683.74)	\$ -
County - Open Space	-	1,817,980.83	(1,817,980.83)	-
County - Added & Omitted	145,337.25	160,221.19	(145,337.25)	160,221.19
Local School District Taxes		70,974,744.00	(70,974,744.00)	-
Local Open Space	-	1,156,404.69	(1,152,302.00)	4,102.69
Total	\$ 145,337.25	\$ 117,523,034.45	\$ (117,504,047.82)	\$ 164,323.88

SCHEDULE OF 2013 APPROPRIATION RESERVES
CURRENT FUND

Exhibit - S-6
Page 1 of 4

	BALANCE DEC. 31 2013	ENCUMBERED DEC. 31, 2013	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Operations Within "CAPS"					
Salaries and Wages:					
General Administration	\$ 108.34	\$	\$ 108.34	\$	\$ 108.34
Information Technology	208.07		208.07		208.07
Mayor and Council	19,750.00		19,750.00		19,750.00
Municipal Clerk	142.22		142.22		142.22
Elections	35.61		35.61		35.61
Financial Administration	1,309.00		1,309.00		1,309.00
Revenue Administration(Tax Collection)	6,713.67		6,713.67		6,713.67
Tax Assessment Administration	105.83		105.83		105.83
Engineering Services	55,081.70		55,081.70		55,081.70
Historical Site Office	12.36		12.36		12.36
Regional Planning Board	6,948.23		6,948.23		6,948.23
Zoning Board of Adjustment	12.47		12.47		12.47
Police	262.80		262.80		262.80
Police Dispatch/911	4,723.15		4,723.15	4,723.15	
Office of Emergency Management	58,290.78		58,290.78		58,290.78
Fire Prevention	1,058.06		1,058.06		1,058.06
Streets and Roads Maintenance	114,695.22		114,695.22	15,818.08	98,877.14
Buildings and Grounds	27,819.46		27,819.46	7,170.74	20,648.72
Vehicle Maintenance	28.54		28.54		28.54
Regional Health Commission	25,453.86		25,453.86		25,453.86
Joint Environmental Commission	1,807.50		1,807.50		1,807.50
Animal Control	495.64		495.64		495.64
Deer Management Program	4,116.82		4,116.82		4,116.82
Human Services Commission	2,001.91		2,001.91		2,001.91
Joint Drug Abuse Prevention Program	30,237.71		30,237.71		30,237.71
Joint Recreation Board	25,235.94		25,235.94		25,235.94
Sewer System	133,026.82		133,026.82	4,484.02	128,542.80
Municipal Court	304.61		304.61		304.61
Consolidation Commission	872.50		872.50		872.50
Other Expenses:					
General Administration	35,981.45	10,806.54	46,787.99	11,482.37	35,305.62
Information Technology	32,426.92	16,328.73	48,755.65	16,137.79	32,617.86
Human Resources	116,645.24	12,957.95	129,603.19	26,116.69	103,486.50
Mayor and Council	1,497,557.76	65,556.25	1,563,114.01	461,796.15	1,101,317.86
Municipal Clerk	11,147.39	8,544.85	19,692.24	3,260.47	16,431.77
Elections	2,908.58		2,908.58		2,908.58

SCHEDULE OF 2013 APPROPRIATION RESERVES
CURRENT FUND

Exhibit - S-6
Page 2 of 4

	BALANCE DEC. 31, 2013	ENCUMBERED DEC. 31, 2013	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Other Expenses (cont'd.)					
Financial Administration	\$ 6,929.50	\$ 15.32	\$ 6,944.82	\$ 6,589.57	\$ 355.25
Audit	56,500.00		56,500.00	55,575.00	925.00
Revenue Administration(Tax Collection)	3,472.37	66.83	3,539.20	666.53	2,872.67
Tax Assessment Administration	2,583.68	899.10	3,482.78	1,422.10	2,060.68
Legal Services & Costs	68,851.47	38,230.50	107,081.97	50,425.61	56,656.36
Defense of Tax Appeals	5,000.00	7,950.30	12,950.30	7,950.30	5,000.00
Engineering Services and Costs	34,642.42	1,647.75	36,290.17	1,339.71	34,950.46
Historic Sites Commission	21,688.07	27.44	21,715.51	285.64	21,429.87
Regional Planning Board	36,382.33	49,374.05	85,756.38	53,414.61	32,341.77
Zoning Board	8,896.18	6,119.60	15,015.78	1,646.40	13,369.38
Police Department	141,816.81	25,088.46	166,905.27	152,590.28	14,314.99
Police Dispatch/911	7,575.00		7,575.00		7,575.00
Emergency Management	7,369.27		7,369.27	285.00	7,084.27
Fire Department OE	57,196.63	30,891.86	88,088.49	38,876.34	49,212.15
LOSAP Alternative	29,215.50	1,074.50	30,290.00	16,630.50	13,659.50
Fire Facilities	28,635.28		28,635.28	1,947.08	26,688.20
Fire Prevention	2,492.01		2,492.01	1,323.62	1,168.39
Fire Hydrant Service	59,951.20		59,951.20	54,747.04	5,204.16
Municipal Prosecutor		17,500.01	17,500.01	17,500.00	0.01
Streets & Road Maintenance	56,710.49	48,021.21	104,731.70	48,717.96	56,013.74
Sustainable Princeton	23,485.00		23,485.00	16,606.06	6,878.94
Public Buildings and Grounds	51,705.09	51,220.15	102,925.24	60,905.93	42,019.31
Vehicle Maintenance	28,417.00	31,253.71	59,670.71	43,221.06	16,449.65
Community Services Act	222,967.91		222,967.91	131,140.76	91,827.15
Board of Health	5,801.04	28,473.55	34,274.59	16,907.56	17,367.03
Flu Program	11,291.10	411.55	11,702.65	4,655.55	7,047.10
Worker and Community Right to Know	1,000.00		1,000.00		1,000.00
Joint Environmental Commission	210.71		210.71	29.40	181.31
Animal Control	2,895.61	1,000.00	3,895.61	1,477.43	2,418.18
Deer Management Program	24,213.88	51.00	24,264.88	1,480.88	22,784.00
Human Services Commission	2,936.98		2,936.98	1,138.85	1,798.13

SCHEDULE OF 2013 APPROPRIATION RESERVES
CURRENT FUND

Exhibit - S-6
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	BALANCE DEC. 31 2013	ENCUMBERED DEC. 31, 2013	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Joint Drug Abuse Prevention Program	\$ 3,485.03	\$ 18,490.75	\$ 21,975.78	\$ 15,421.37	\$ 6,554.41
Contributions to Senior Resource Center	42,873.95	10,850.90	53,724.85	3,862.95	49,861.90
Joint Recreation Board	34,113.64	6,865.17	40,978.81	5,977.83	35,000.98
Maintenance of Parks and Playgrounds	789.86		789.86		789.86
Celebration of Public Events	7,057.30		7,057.30		7,057.30
Electricity	10,225.73		10,225.73		10,225.73
Telephone	13,204.14	100.00	13,304.14	13,251.29	52.85
Water	12,886.90		12,886.90	1,719.29	11,167.61
Fuel Oil	25,000.00	11,072.39	36,072.39	33,404.76	2,667.63
Street Lighting	118,790.98		118,790.98	111,103.06	7,687.92
Sewer System	16,420.97	59.22	16,480.19	14,766.91	1,713.28
Landfill/Solid Waste Disposal Costs	59,947.21	11,665.68	71,612.89	55,167.87	16,445.02
Garbage and Trash Removal	361,189.28	18,637.05	379,826.33	151,385.00	228,441.33
Municipal Court	3,784.60	3,101.80	6,886.40	3,300.70	3,585.70
Public Defender		4,583.26	4,583.26	4,583.26	
Salary and Wage Adjustment	80,100.00		80,100.00	66,473.68	13,626.32
Accumulated Leave Compensation	19,468.23		19,468.23	19,468.23	
Consolidation Commission	624.05		624.05		624.05
Liability Insurance	39,844.67		39,844.67	51.55	39,793.12
Group Insurance	138,007.17	515.00	138,522.17	37,498.26	101,023.91
Transportation of Local Pupils by Board of Education	25,492.23		25,492.23		25,492.23
Public Employees Retirement System	0.89		0.89		0.89
Defined Contribution Ret. Prog.	1,896.25		1,896.25	1,401.78	494.47
Consolidated Police & Fire Fund	10,595.76		10,595.76		10,595.76
Unemployment	55,266.90		55,266.90	9,951.75	45,315.15
Social Security	15,647.12		15,647.12	15,647.12	
Total Operations Within "CAPS"	\$4,325,071.55	\$539,452.43	\$4,864,523.98	\$1,904,922.89	\$2,959,601.09

SCHEDULE OF 2013 APPROPRIATION RESERVES
CURRENT FUND

Exhibit - S-6
Page 4 of 4

	BALANCE DEC. 31 2013	ENCUMBERED DEC. 31, 2013	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Operations Excluded from "CAPS"					
Other Expenses:					
Stonybrook Regional Sewerage Authority:					
Other Expenses	\$ 3,772.60	\$	\$ 3,772.60	\$	\$ 3,772.60
Industrial User Fee	8,423.98		8,423.98	4,153.93	4,270.05
Corner House	1,529.76		1,529.76		1,529.76
Matching Funds for Grants	10,000.00		10,000.00		10,000.00
Total Operations Excluded from "CAPS"	23,726.34		23,726.34	4,153.93	19,572.41
Total Appropriation Reserves	\$4,348,797.89	\$ 539,452.43	\$4,888,250.32	\$ 1,909,076.82	\$2,979,173.50

SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE

<u>Grant</u>	<u>Balance Dec. 31, 2013</u>	<u>2014 Budget Revenue</u>	<u>Receipts</u>	<u>Transferred from Unappropriated Grants</u>	<u>Balance Dec. 31, 2014</u>
Academic Success Today	\$ 4,500.00	\$ 10,000.00	\$ 10,000.00		\$4,500.00
Cranbury Drug Intervention Program	7,200.00	10,080.00			17,280.00
Domestic Preparedness	30,254.28				30,254.28
Over the Limit Under Arrest	1,975.00				1,975.00
NJ Vicinage Program	40,352.55	80,000.00	41,708.50		78,644.05
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	24,929.09	28,056.00	44,018.05		8,967.04
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
Drunk Driving Enforcement Grant		6,014.97		6,014.97	
State of NJ Grant from National Institute of Drug Abuse	81,754.50	125,120.00	173,509.00		33,365.50
Mercer County PYP	12,104.00	30,000.00	11,531.43		30,572.57
Mercer County Advocacy for Youth Program	24,558.00		24,558.00		
Mercer Drug Treatment		42,000.00	35,709.00		6,291.00
STAR Grant		6,500.00	6,500.00		
Click It or Ticket Grant	23.22				23.22
Adolescent Treatment (Motivation 180)	75,723.25	38,497.00	35,312.00		78,908.25
Body Armor Replacement		3,525.63		3,525.63	
Mercer County Drug Treatment		4,244.00		4,244.00	
NJ Juvenile Drug Court	25,432.00				25,432.00
Infrastructure Preparedness		9,851.65		9,851.65	
Alcohol Education & Rehab.		3,641.46		3,641.46	
Recycling Tonnage Grant		55,252.28		55,252.28	
DAS Strengthening Families	23,236.00				23,236.00
Livable Communities-Sustainable Princeton	10,010.00		10,000.00		10.00
Garden State Preservation Trust	800,000.00				800,000.00
Bonner Foundation	3,646.93	21,500.00	23,139.85		2,007.08
Comprehensive Tobacco Control	80.00				80.00
Cops-In-Shops	2,370.00	2,000.00		2,000.00	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>\$ 1,289,957.68</u>	<u>\$ 504,936.99</u>	<u>\$ 444,639.83</u>	<u>\$ 84,529.99</u>	<u>\$1,265,724.85</u>

SCHEDULE OF STATE AND FEDERAL GRANTS APPROPRIATED

<u>Grant</u>	<u>Balance Dec. 31, 2013</u>	<u>Encumbrances 12/31/13</u>	<u>2014 Budget</u>	<u>Paid</u>	<u>Encumbrances 12/31/14</u>	<u>Balance Dec. 31, 2014</u>
Academic Success Today	\$	\$	\$ 10,000.00	\$ 5,321.88	\$	\$ 4,678.12
Body Armor Replacement Fund	37,931.92		3,525.63	3,929.75	7,000.00	30,527.80
County of Mercer - Mercer Regional Drug Treatment Program	35,709.00		42,000.00	42,000.00		35,709.00
Clean Community Grant	135,467.29	2,551.50		50,792.98	560.00	86,665.81
Drug Program - NJMSPLI	0.08		1,000.00	1,000.08		
Drug Program - STAR			6,500.00	2,638.97		3,861.03
Mercer County -Adolescent Program			38,497.00	38,497.00		
Drunk Driving Enforcement	5,712.31		6,014.97	5,958.08		5,769.20
Mercer County Drug Program			4,244.00	4,244.00		
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	223,296.03		55,252.28	14,289.91		264,258.40
NJ Division of Addiction Services			125,120.00	125,120.00		
Princeton Regional Municipal Alliance			28,056.00	28,056.00		
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			80,000.00	80,000.00		
Alcohol Education Rehab	24,386.40	300.00	3,641.46			28,327.86
Balance Housing Program	7.31					7.31
Garden State Preservation Trust	800,000.00					800,000.00
TCNJ Sustainable Communities	32,186.54					32,186.54
Bullet Proof Vest	7,250.62					7,250.62
Share Grant	2,419.76					2,419.76
Garden State Historic Trust	18,007.56	2,374.55		10,130.61		10,251.50
Mercer County Princeton Youth(PYP)			30,000.00	30,000.00		
Over the Limit Under Arrest	17,645.27					17,645.27
DEP Stony Brook Trail	4,339.00					4,339.00
Green Communities Grant	15,570.50					15,570.50
Bonner Foundation	24,971.45		21,500.00	3,750.00	9,737.00	32,984.45
Click It or Ticket Grant	4,158.86					4,158.86
Comprehensive Tobacco Control	725.00					725.00
Cops In Shops	3,251.27		2,000.00	3,550.92		1,700.35
Edward Byrne Mem. Just. Assist. Grant (JAG)	11,180.00					11,180.00
Fire Fighter Grant Program	145.00	855.00				1,000.00

SCHEDULE OF STATE AND FEDERAL GRANTS APPROPRIATED

<u>Grant</u>	<u>Balance Dec. 31, 2013</u>	<u>Encumbrances 12/31/13</u>	<u>2014 Budget</u>	<u>Paid</u>	<u>Encumbrances 12/31/14</u>	<u>Balance Dec. 31, 2014</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		9,851.65			11,411.96
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	626.64					626.64
Princeton University Donations Fire Director- Salaries and Wages	46,707.62					46,707.62
Princeton University Fire Equipment	53,235.07		20,000.00	10,756.50		62,478.57
Princeton University Prospect Ave. St. Lighting	15,308.00		7,654.00			22,962.00
Public Health Priority Funding	2,441.84					2,441.84
State and Local All Hazard Emergency Plan	2,405.72					2,405.72
State Park Services Grant	109.47					109.47
Stormwater Management	1,456.62	600.00				2,056.62
Tobacco Age of Sale	1,753.11					1,753.11
	<u>\$1,634,021.38</u>	<u>\$ 6,681.05</u>	<u>\$ 504,936.99</u>	<u>\$ 470,116.68</u>	<u>\$ 17,297.00</u>	<u>\$ 1,658,225.74</u>

SCHEDULE OF STATE AND FEDERAL GRANTS UNAPPROPRIATED

<u>Grant</u>	<u>Balance Dec. 31, 2013</u>	<u>Receipts</u>	<u>Transferred to Grants Receivable</u>	<u>Balance Dec. 31, 2014</u>
Body Armor Replacement	3,525.63	\$ 4,801.92	3,525.63	\$ 4,801.92
Recycling Tonnage Grant	55,252.28	59,245.84	55,252.28	59,245.84
Mercer Drug Treatment	4,244.00		4,244.00	
Alcohol Education Rehabilitation Fund	3,641.46	5,435.37	3,641.46	5,435.37
DDEF	6,014.97		6,014.97	
Infrastructure Preparedness	9,851.65		9,851.65	
Cops In Shops	2,000.00	2,800.00	2,000.00	2,800.00
Clean Communities		51,046.76		51,046.76
DEP Trails Grant		24,700.00		24,700.00
Mercer County Youth Advocacy		367.00		367.00
	<u>\$ 17,866.62</u>	<u>\$ 148,396.89</u>	<u>\$ 17,866.62</u>	<u>\$ 148,396.89</u>

ANALYSIS OF TRUST ASSESSMENT CASH AND INVESTMENTS

	BALANCE Dec. 2013	RECEIPTS MISCELLA- NEOUS	DISBURSEMENTS MISCELLA- NEOUS	TRANSFERS FROM	TO	BALANCE Dec. 2014
Trust Surplus	\$761,023.56	\$142,881.25	\$200,542.41	\$312.17		\$703,050.23
Assessment Serial Bonds:						
Ord. 03-10 Sidewalk Improvements	24,782.56	922.82	3,947.51			21,757.87
Ord. 03-16 Sidewalk Improvements	62,371.50		9,664.59			52,706.91
Ord. 08-02 Sidewalk Improvements	42,519.64	1,133.06	11,800.00		207.86	32,060.56
Ord. 09-18 Sidewalk Improvements	6,440.06	71.96	1,800.00			4,712.02
Ord. 09-21 Sidewalk Improvements	28,545.95	1,393.00	6,400.00		104.31	23,643.26
Due to/from Current Fund	5,719.55		5,719.55			
	<u>\$931,402.82</u>	<u>\$146,402.09</u>	<u>\$239,874.06</u>	<u>\$312.17</u>	<u>\$312.17</u>	<u>\$837,930.85</u>

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SCHEDULE OF ASSESSMENTS RECEIVABLE

<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTIONS</u>	<u>DATE OF CONFIRMATION</u>	<u>BALANCE 12/31/13</u>	<u>ASSESSMENTS</u>		<u>CANCELLED TO RESERVE</u>	<u>BALANCE 12/31/14</u>	<u>BALANCE PLEDGED TO</u>	
				<u>CONFIRMED</u>	<u>COLLECTIONS</u>			<u>ASSESSMENT BONDS</u>	<u>RESERVE</u>
04-06	Walnut Sidewalks	3/19/07	1,070.41		558.92		511.49		511.49
04-17	Walnut Lane Curbing	3/19/07	695.98		234.36		461.62		461.62
05-23	Oakland St Sidewalks	6/11/07	92.75		31.58		61.17		61.17
06-25	Evergreen Circle Curbing	6/11/07	465.91	0.02	176.86		289.07		289.07
05-07	Carnahan Place Sidewalks	6/11/07	382.21		130.76		251.45		251.45
05-15	Tee-Ar Sidewalks	6/25/07	157.00		53.24		103.76		103.76
05-31	Clearview Ave Sidewalks	6/25/07	136.52		45.60		90.92		90.92
05-32	Grover Ave Sidewalks	6/25/07	320.65		219.71		100.94		100.94
05-10	Dorann Ave Curbing	6/25/07	1,244.28		609.00		635.28		635.28
05-16	Littlebrook Rd Pathway	7/16/07	598.86		400.21		198.65		198.65
07-15	Clover Lane Curbing	6/9/08	2,832.14		1,416.19		1,415.95		1,415.95
06-13	Riverside Sidewalks	5/5/08	459.31		357.28		102.03		102.03
06-27	Abernathy Sidewalks	6/9/08	688.61		174.79		513.82		513.82
06-15	Overbrook Sidewalks	6/9/08	660.56		167.23		493.33		493.33
07-10	Linwood/Leabrook La S/W Improvements	6/23/08	1,744.33		970.69		773.64		773.64
07-22	Herrontown Circle Curbing	6/23/08	1,367.94		1,367.94		-		-
03-19	Lake/Longview/Knoll Sewer Lat. Repairs	12/1/08	136.89		69.04		67.85		67.85
03-17	Sewer Lat. Repairs- Clearview, Dorann...	12/1/08	13,354.58		5,026.83		8,327.75		8,327.75
05-30	Sycamore Road Sewer Laterals	12/1/08	207.24		58.30		148.94		148.94
04-05	Arreton Road Sewer & Water Main Ext.	12/1/08	45,523.82		3,284.33		42,239.49		42,239.49
03-10	Princeton/Kingston Road Sewer	12/1/08	188,490.27		32,224.06		156,266.21		156,266.21
02-14	Mountain Ave. Sewer Extension	12/1/08	2,168.11		542.04		1,626.07		1,626.07
07-18	Philip, Hemlock, Woodside Sidewalk	4/6/09	4,224.17		1,487.35		2,736.82		2,736.82
08-03	Ewing St. Near Guyot Sidewalk	4/6/09	2,063.99		798.49		1,265.50		1,265.50
08-21	Wilson Road Curbing	6/28/10	4,948.31		887.16		4,061.15		4,061.15
08-09	Franklin Avenue Sidewalk	6/28/10	92.03		15.56		76.47		76.47
08-19	Ewing Street Sidewalk	6/28/10	195.74		33.55		162.19		162.19
09-01	Edgarstoune & Winant Rd. Sewer	4/27/12	11,374.83		1,781.40		9,593.43		9,593.43
08-02	Magnolia Lane Sidewalks	9/10/12	2,982.70		424.22		2,558.48		2,558.48
10-19	Ober Rd. Curbing	10/1/12	12,559.53		3,756.01		8,803.52		8,803.52
09-03	Cedar Lane Sidewalks	10/1/12	1,064.10		681.86		382.24		382.24
09-02	Cedar, Southern & Western Way	12/17/12	36,512.01		4,524.28		31,987.73		31,987.73
09-08	Quarry Lane Sewers	12/17/12	26,341.63		3,293.18		23,048.45		23,048.45
10-27	Hilltop Mansgrove Sewers	12/17/12	10,695.27		2,766.50		7,928.77		7,928.77
03-10	Sidewalk Improvements	1/24/06	1,194.45		922.82		271.63	271.63	-
03-16	Water, Sewer & Sidewalk Improv.	6/28/06	1,200.76	2,327.61	2,366.49		1,161.88		1,161.88
02-14, 02-16	Sidewalk Improvements	8/5/08	528.96		293.76		235.20		235.20
03-15	Sidewalk Improvements	3/25/08	3,013.62		2,110.01		903.61		903.61
05-12	Sidewalk Improvements	4/1/08	3,880.90	159.51	1,054.96		2,985.45		2,985.45
05-18	Sidewalk Improvements	2/24/09	7,962.12	465.12	2,510.51		5,916.73		5,916.73
05-19	Improvements to Sewer System	2/24/09	44,754.48	(464.94)	14,920.25		29,369.29		29,369.29
08-02	Sidewalk Improvements	3/10/09	5,818.08	(207.86)	1,133.06		4,477.16	4,477.16	-
09-18	Sidewalk Improvements	4/6/10	647.64		71.96		575.68	575.68	-

<u>SCHEDULE OF ASSESSMENTS RECEIVABLE</u>									
<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTIONS</u>	<u>DATE OF CONFIRMATION</u>	<u>BALANCE 12/31/13</u>	<u>ASSESSMENTS CONFIRMED</u>	<u>COLLECTIONS</u>	<u>CANCELLED TO RESERVE</u>	<u>BALANCE 12/31/14</u>	<u>BALANCE PLEDGED TO ASSESSMENT BONDS</u>	<u>RESERVE</u>
09-21	Sidewalk Improvements	4/6/10	2,774.57	(104.31)	1,393.00		1,277.26	1,277.26	-
10-16	Sideawalk & Sanitary Improvements	2/14/12	12,638.28	(4,942.36)	841.59		6,854.33		6,854.33
10-01	Sewer, Sidewalk & Curb Improv.	4/14/12	4,095.40	766.42	1,065.81		3,796.01		3,796.01
11-22	Sewer, Sidewalk & Curb Improv.	10/23/12	6,962.99	(1,023.05)	2,218.91		3,721.03		3,721.03
12-15	White Pine Lane Curbing	6/24/13	17,679.98		4,964.42		12,715.56		12,715.56
12-12	Grover Ave Sidewalks	6/24/13	9,379.33	80.66	4,198.34		5,261.65		5,261.65
11-10	Hillside Ave. Sidewalks	6/24/13	3,607.90		667.71		2,940.19		2,940.19
12-13	Roper Rd. Sidewalks	6/24/13	7,999.06		1,913.93		6,085.13		6,085.13
12-14	Andrews Lane & Foulet Dr. Curbing	6/24/14		114,355.90	22,871.18		91,484.72		91,484.72
13-10	Harrison Street Sidewalks	11/10/14		4,230.69	2,999.01		1,231.68		1,231.68
12-19	Ewing Street West Side	11/10/14		21,890.19	8,436.74		13,453.45		13,453.45
11-8	Westerly Road Curbing	12/8/14		45,093.39	879.11		44,214.28		44,214.28
			509,991.20	182,626.99	146,402.09		546,216.10	6,601.73	539,614.37
Assessment Lien Receivable Prior Years			<u>8,478.76</u>			<u>8,478.76</u>			-
Total			<u>\$518,469.96</u>	<u>\$182,626.99</u>	<u>\$146,402.09</u>	<u>\$8,478.76</u>	<u>\$546,216.10</u>	<u>\$6,601.73</u>	<u>\$539,614.37</u>

SCHEDULE OF RESERVE FOR ASSESSMENTS AND LIENS

<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>Balance 12/31/13</u>	<u>Assessments Confirmed</u>	<u>Collections to Surplus</u>	<u>Cancelled</u>	<u>Balance 12/31/14</u>
Assessments Receivable:						
04-06	Walnut Sidewalks	1,070.41		558.92		511.49
04-17	Walnut Lane Curbing	695.98		234.36		461.62
05-23	Oakland St Sidewalks	92.75		31.58		61.17
06-25	Evergreen Circle Curbing	465.91	0.02	176.86		289.07
05-07	Carnahan Place Sidewalks	382.21		130.76		251.45
05-15	Tee-Ar Sidewalks	157.00		53.25		103.75
05-31	Clearview Ave Sidewalks	136.52		45.60		90.92
05-32	Grove Ave Sidewalks	320.65		219.71		100.94
05-10	Dorann Ave Curbing	1,244.28		609.00		635.28
05-16	Littlebrook Rd Pathway	598.86		400.21		198.65
07-15	Clover Lane Curbing	2,832.14		1,416.19		1,415.95
06-13	Riverside Sidewalks	459.31		357.28		102.03
06-27	Abernathy Sidewalks	688.61		174.79		513.82
06-15	Overbrook Sidewalks	660.56		167.23		493.33
07-10	Linwood/Leabrook Lane Improvements	1,744.33		970.69		773.64
07-22	Herrontown Circle Curbing	1,367.94		1,367.94		
03-19	Lake/Longview/Knoll Sewer Repairs	136.89		69.04		67.85
03-17	Sewer Lat. Repairs-Clearview, Dorann	13,354.58		5,026.83		8,327.75
05-30	Sycamore Road Laterals	207.24		58.30		148.94
04-05	Arretton Rd. Sewer & Water Main	45,523.82		3,284.33		42,239.49
03-10	Princeton/Kingston Rd. Sewer	188,490.27		32,224.06		156,266.21
02-14	Mountain Ave. Sewer Extension	2,168.11		542.04		1,626.07
07-18	Philip, Hemlock, Woodside Sidewalk	4,224.17		1,487.35		2,736.82
08-03	Ewing St. Near Guyot Sidewalk	2,063.99		798.49		1,265.50
08-21	Wilson Road Curbing	4,948.31		887.16		4,061.15
08-09	Franklin Avenue Sidewalk	92.03		15.56		76.47
08-19	Ewing Street Sidewalk	195.74		33.55		162.19
09-01	Edgarstoune & Winant Rd. Sewer	11,374.83		1,781.40		9,593.43
08-20	Magnolia Lane Sidewalks	2,982.70		424.22		2,558.48
10-19	Ober Rd. Curbing	12,559.53		3,756.01		8,803.52
09-03	Cedar Lane Sidewalks	1,064.10		681.86		382.24
09-02	Cedar, Southern & Western Way	36,512.01		4,524.28		31,987.73
09-08	Quarry Lane Sewers	26,341.63		3,293.18		23,048.45
10-27	Hilltop Mansgrove Sewers	10,695.27		2,766.50		7,928.77
03-16	Water, Sewer & Sidewalk Improv.	1,200.76	2,327.61	2,366.49		1,161.88
02-14, 02-16	Sidewalk Improvements	528.96		293.76		235.20
03-15	Sidewalk Improvements	3,013.62		2,110.01		903.61
05-12	Sidewalk Improvements	3,880.90	159.51	1,054.95		2,985.46
05-18	Sidewalk Improvements	7,962.12	465.12	2,510.51		5,916.73
05-19	Sidewalk Improvements	44,754.48	(464.94)	14,920.25		29,369.29
10-16	Sidewalk & Sanitary Improv.	12,638.28	(4,942.36)	841.59		6,854.33
10-01	Sewer, Sidewalk & Curb Improv.	4,095.40	766.42	1,065.81		3,796.01
11-22	Sewer, Sidewalk & Curb Improv.	6,962.99	(1,023.05)	2,218.91		3,721.03
12-15	White Pine Lane Curbing	17,679.98		4,964.42		12,715.56
12-12	Grover Ave Sidewalks	9,379.33	80.66	4,198.34		5,261.65
11-10	Hillside Ave. Sidewalks	3,607.90		667.71		2,940.19
12-13	Roper Rd. Sidewalks	7,999.06		1,913.93		6,085.13
12-14	Andrews Lane & Foulet Dr. Curbing		114,355.90	22,871.18		91,484.72
13-10	Harrison Street Sidewalks		4,230.69	2,999.01		1,231.68
12-19	Ewing Street West Side		21,890.19	8,436.74		13,453.45
11-8	Westerly Road Curbing		45,093.39	879.11		44,214.28
		<u>499,556.46</u>	<u>182,939.16</u>	<u>142,881.25</u>		<u>539,614.37</u>
Prior Year - T. Sheenen		<u>8,478.76</u>			<u>8,478.76</u>	
		<u>\$ 508,035.22</u>	<u>\$ 182,939.16</u>	<u>\$ 142,881.25</u>	<u>\$ 8,478.76</u>	<u>\$ 539,614.37</u>

SCHEDULE OF ASSESMENT SERIAL BONDS

Exhibit -S - 13

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS		INTEREST RATE	BALANCE DEC. 31, 2013	DECREASED	BALANCE DEC. 31, 2014
			OUTSTANDING - DEC. 31, 2014	DATE				
Assessment Bonds	6/1/07	142,941.36	6/1/13	11,462.82	4.00%	86,343.90	13,611.92	72,731.98
			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//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%	140,000.00	20,000.00	120,000.00
			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%			
						\$226,343.90	\$33,611.92	\$192,731.98

SCHEDULE OF RESERVE FOR OPEN SPACE TRUST FUND

Balance - December 31, 2013		\$ 1,238,345.86
Increased by:		
Amount Raised by Taxation	1,156,404.69	
Grant Monies for 59 Meadowbrook	661,294.80	
Friends of Open Space for Tusculum	25,000.00	
Interest Earned	<u>8,849.34</u>	
		<u>1,851,548.83</u>
		3,089,894.69
Decreased by:		
Expenditures	<u>1,685,376.11</u>	
		<u>1,685,376.11</u>
Balance - December 31, 2014		<u><u>\$ 1,404,518.58</u></u>

TRUST FUND
SCHEDULE OF OTHER RESERVES AND SPECIAL DEPOSITS
YEAR ENDED DECEMBER 31, 2014

	Balance December 31, 2013	12/31/13 Encumbrances	Increases	Decreases	12/31/14 Encumbrances	Balance December 31, 2014
Bulletproof Vest	\$ 26.85		\$	\$	\$	\$ 26.85
Police Welfare Fund	605.83	610.80	3,208.01	3,324.86		1,099.78
Accumulated Sick Leave	313,974.41			70,960.11		243,014.30
Fire Prevention	62,576.54					62,576.54
Electrical Permit	11,533.30					11,533.30
Plumbing Permit	18,133.70					18,133.70
Off Duty Police	128,269.25	1,051.10	371,598.30	293,187.87		207,730.78
POAA	21,976.86		9,215.00			31,191.86
Construction Official	2,440,536.21		1,810,405.92	1,311,602.87		2,939,339.26
Fire Prevention Penalty Fees	1,028.36					1,028.36
Fire Prevention Penalty-Dedicated	3,244.40			2,744.89		499.51
Police Fitness Foundation	12,294.89		650.00			12,944.89
Snow Removal	94,611.97					94,611.97
Due to POSC	9,000.00					9,000.00
Police: CPER	3,802.83			3,802.83		0.00
Miscellaneous Deposits	69,533.55	19,950.23	13,467.81	17,479.66	3,345.57	82,126.36
Cable TV	92,607.15		351,212.23	185,843.02		257,976.36
Shade Tree Trust	17,291.54	2,070.00	5,000.00		1,570.00	22,791.54
Type I Penalty Fire	7,742.00		2,700.00			10,442.00
Off Tract Contributions	29,776.00					29,776.00
Adopt a Park Program	3,940.00					3,940.00
Bench Donations	5,310.00		1,850.00			7,160.00
Latin American Task Force	1,446.29					1,446.29
Public Defender	61,901.90		5,712.00			67,613.90
Restitution/Graffiti Trust	11,322.85			4,199.60		7,123.25
Homeless Housing	2,793.00					2,793.00
Postage Trust Fund	11,222.95					11,222.95
Fire Equipment Donations	12,257.90	15,000.00	16,007.50	22,560.00		20,705.40
Builder Escrow	1,000.00					1,000.00
Sewer Trust	1,491,624.70		516,412.34			2,008,037.04
	<u>\$ 4,941,385.23</u>	<u>\$ 38,682.13</u>	<u>\$ 3,107,439.11</u>	<u>\$ 1,915,705.71</u>	<u>\$ 4,915.57</u>	<u>\$ 6,166,885.19</u>

ESCROW TRUST FUND
SCHEDULE OF DEPOSITS
YEAR ENDED DECEMBER 31, 2014

	Balance December 31, 2013	12/31/13 Encumbrances	Increases	Decreases	12/31/14 Encumbrances	Balance December 31, 2014
Professional Fees	448,474.50		\$ 328,020.21	\$ 411,506.91	\$ 23,777.01	341,210.79
Certificates of Occupancy	311,233.70		207.96	25,835.38		285,606.28
Performance Bonds	3,491,781.90		721,658.10	827,569.72		3,385,870.28
Zoning Escrows	1,856,310.59		35,244.53	88,504.10	3,600.00	1,799,451.02
Inspection Fees	1,419,782.61		123,872.22	138,960.62		1,404,694.21
	<u>\$ 7,527,583.30</u>	<u>\$ -</u>	<u>\$ 1,209,003.02</u>	<u>\$ 1,492,376.73</u>	<u>\$ 27,377.01</u>	<u>\$ 7,216,832.58</u>

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

Exhibit - S - 17

Page 1 of 3

	<u>BALANCE</u> <u>DEC. 31, 2013</u>	<u>BALANCE</u> <u>DEC. 31, 2014</u>
Fund Balance	\$3,593,570.77	\$3,343,379.21
Capital Improvement Fund	959,937.18	706,368.49
Reserves for:		
Wastewater Trust Loan	3,626.53	
Encumbrances	1,116,370.63	817,209.07
Debt Service	497,211.89	4,388,757.92
Roads	95,000.00	95,000.00
Infrastructure Loans	23,596.32	
Community Pool		
Miscellaneous	1,454,035.98	
Preliminary Costs - Flood Mitigation	1,385.31	
Due from Other Townships	(8,831.80)	
Due to/from Aff. Housing Utility Capital Fund	1,275.00	
Excess Bond Anticipation Notes	188,791.62	
Due to/ from Open Space Trust	(330,000.00)	(700,000.00)
Due to/from Current Fund	3,074,134.53	
Other receivables	(275,000.00)	
Due from Mercer County	(1,347,660.00)	(500,000.00)
Infrastructure Loan Receivable	(10,194,350.00)	(6,728,487.00)
State Grant Receivable	(863,823.09)	(1,165,566.09)
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)	203,491.15	33,600.00
00-13	Various Capital Improvements (Jt. Agency)	(1,283.13)	(1,283.13)
01-15	Various Capital Improvements	(133,479.04)	(133,479.04)
02-15	Various Capital Improvements	(46,406.26)	(46,406.26)
03-13	Various Capital Improvements	(107,205.55)	(109,629.17)
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	(362.18)	(362.18)
05-25	Littlebrook Road/Tyson Lane Sewer	2,350.00	2,350.00
05-28	Joint Sewer System Rehab.	1,410,873.40	1,390,620.14
05-30	Sycamore Road Sewer Laterals	(1,285.75)	(1,285.75)
05-31	Clearview Avenue Sidewalks B	(649.91)	(649.91)
05-36	Recreation Improvements - Supplement	(7,606.53)	(7,606.53)
06-01	Recreation Supplemental	(12,855.31)	(12,855.31)
06-02	Road Construction and Repair	43,142.54	(8,750.00)
06-03	Tusculum	(106,247.27)	(106,247.27)
06-14	Hemlock Sidewalks	(1,670.16)	(1,670.16)
06-15	Overbrook Sidewalks	(4,200.00)	(4,200.00)
06-22	Multi Purpose Ordinance	(25,572.14)	(5,660.79)

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

Exhibit - S - 17

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		<u>BALANCE</u> <u>DEC. 31,2013</u>	<u>BALANCE</u> <u>DEC. 31, 2014</u>
06-34	Abernathy Sewer Laterals	(3,004.87)	(3,004.87)
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)	(1,321.26)
07-14	Clover Lane Sewer Laterals	5,302.00	5,302.00
07-15	Clover Lane Belgium Block	(42,102.16)	(42,102.16)
07-18	Philip Dr./Hemlock Cir. /Woodside	(8,982.40)	(8,982.40)
07-19	Multi Purpose Ordinance	(109,893.77)	(10,835.22)
07-23	Griggs Farm Supplemental	(1,431.42)	(1,431.42)
08-06	Various Road Improvement Projects	51,331.79	0.00
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	(65,649.13)	(848,995.81)
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)	
09-01	Edgerstone & Winant Sewer Laterals	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)
09-05	DPW Road	(1,199.19)	(1,199.19)
09-08	Quarry Lane Sewer Line	(30,581.92)	(30,581.92)
09-16	Sewer Infrastructure Trust Supplement	492.77	
09-19	2009 Multipurpose Ordinance	82,378.22	27,518.15
09-21	Culvert & Sewer Replac. On Braeburn	(6,698.06)	(1,682.22)
10-02	Sewer Lateral Gallup Hillside	15,000.00	15,000.00
10-06	Ewing St. Sewer	(55,495.14)	(57,620.14)
10-07	Sewer Laterals Ewing St.	(55,842.46)	(136,598.39)
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	(59,957.26)	(14,630.15)
10-27	Sewer Lateral Repairs Hilltop Mansgrove	(58,911.01)	(58,911.01)
10-34	Pool Complex	(30,724.32)	(752.32)
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)	(150,580.45)	(27,841.36)
11-4	Hillside Ave. Sidewalks	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.	(51,467.80)	(57,587.95)
11-10	Constr. Ord Hillside Sidewalks	(20,920.00)	(20,920.00)
11-13	Various Capital Improvements	(48,419.41)	(6,673.37)
11-15	Supplemental - Pool Complex	(32,500.29)	(4,981.74)
12-3	Grover Avenue Sidewalks	5,720.00	5,720.00
12-4	Roper Ave. Sidewalks	3,720.00	3,720.00
12-5	Grover and Roper Sewer Laterals	6,100.00	6,100.00
12-6	Rehab of Sewer System Supplemental	(702,055.17)	(672,828.51)
12-8	Battle Rd./ Battle Rd. Circle Sewer Laterals	(41,445.50)	(41,445.50)
12-10	Quaker Rd. Pathway	67,000.00	14,402.96
12-12	Grover Ave. Sidewalks	1,802.50	1,802.50
12-13	Roper Road Sidewalks	75.04	75.04

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

Exhibit - S - 17
Page 3 of 3

		<u>BALANCE</u> <u>DEC. 31,2013</u>	<u>BALANCE</u> <u>DEC. 31, 2014</u>
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	(158,195.50)	(158,195.50)
12-19	Ewing St. Sidewalks	(27,448.83)	(27,448.83)
96-18	Acquisition & Constr. Recreational Facilities	2,561.93	18,523.93
00-17,00-22	Various Capital Improvements	155,882.71	
05-14	Rehabilitation of Sewer System	1,263,366.88	1,146,013.92
12-1	Rehabilitation of Sewer System	1,558,277.35	1,558,277.35
05-17	Various Capital Improvements	863.54	
06-15	Various Capital Improvements	4,271.27	
07-18	Various Sewer Projects	56,765.42	56,765.42
07-20	Various Capital Improvements	99,929.21	
08-24	Various Capital Improvements	19,945.96	
09-24	Various Capital Improvements	1,273.17	
09-25	Various Capital Improvements	46,423.60	26,949.43
09-26	Rehabilitation of Sewer System	60,564.37	60,564.37
10-01	Sewer, Curbs & Sidewalk Improvements	(109,008.91)	(109,008.91)
10-08	Various Capital Improvements	(210,559.58)	67,758.27
11-21,10-15	Sewer Improvements	386,554.46	216,635.77
10-16	Sidewalk & Sewer Improvements	(64,199.50)	(64,199.50)
10-17	Various Capital Improvements	(36,508.78)	291,318.41
11-01,11-25	Installation of New Pool	(150,736.69)	(139,431.82)
11-11	Improvements to Sanitary Sewer System	1,438.00	1,438.00
11-16	Various Capital Improvements	(161,350.11)	(158,901.30)
11-17	Various Capital Improvements	(151,369.25)	82,372.55
11-18	Various Capital Improvements	56,532.97	56,532.97
11-19	Various Sewer Projects	183,605.49	189,225.49
11-22	Sidewalk & Sewer Improvements	(59,341.76)	(59,341.76)
	Stabilization of Stony Brook Sewer Main	(285,000.00)	(285,000.00)
12-09	Sidewalk & Other Sanitary Sewer Improvements	(34,385.44)	(34,385.44)
13-10	Sidewalks on North Harrison St.	423.00	423.00
13-21	Various Capital Improvements	473,601.45	(274,921.63)
13-23	Sidewalks Moore Park/ Willow	1,755.00	(31,675.00)
13-24	Sewers Moore/Willow	11,820.00	(215,110.00)
13-29	Acquisition of Property	125,000.00	125,000.00
13-31	Various Capital Improvements	47,550.00	(55,387.80)
14-05	Road Improvements to Various Streets		77,689.22
14-24	Sanitary Sewer & Rd. Reconstruction		164,452.00
14-25	Various Capital Improvements		701,987.47
14-28	Reconstruction of Sidewalks Edgehill Rd.		4,000.00
14-40	Construction of Sidewalks Along Poe Rd.		3,500.00
		<u>\$304,335.37</u>	<u>\$2,005,671.92</u>

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

Exhibit - S - 18
Page 1 of 2

ORD. NO.	DATE	IMPROVEMENT DESCRIPTION	BALANCE	2014 AUTHOR.	TRANSFERRED	OTHER FUNDING	IMPROVEMENT	ANALYSIS OF BALANCE - DEC. 31, 2014		
			DEC. 31, 2013		TO DEF. TAX. FUNDED		AUTHORIZATIONS CANCELLED	BALANCE DEC. 31, 2014	EXPENDITURES	UNEXPENDED BALANCE OF IMPROV. AUTH.
General Improvements										
99-11		Various Capital Improvements	40,459.63					40,459.63	40,459.63	
00-13		Various Capital Improvements(Jt. Agency)	111,551.48				110,268.35	1,283.13	1,283.13	
01-15		Various Capital Improvements	248,921.24				115,442.20	133,479.04	133,479.04	
02-15		Various Capital Improvements	46,406.26					46,406.26	46,406.26	
03-13		Various Capital Improvements	818,879.33		400,000.00		296,207.80	122,671.53	109,629.17	13,042.36
04-13		Various Capital Improvements	2,355.60					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	186,868.77				186,506.59	362.18	362.18	
05-25		Littlebrook Road/Tyson Lane Sewer	42,200.00					42,200.00		42,200.00
05-30		Sycamore Road Sewer Laterals	1,285.75					1,285.75	1,285.75	
05-31		Clearview Ave. Sidewalks B	649.91					649.91	649.91	
05-36		Recreation Improvements Supplement	7,606.53					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		200,000.00			8,750.00	8,750.00	
06-03		Tusculum	106,247.27					106,247.27	106,247.27	
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	
06-22		Multi-purpose Ordinance	261,710.89		20,000.00		200,000.00	41,710.89	5,660.79	36,050.10
06-34		Abernathy Sewer Laterals	3,004.87					3,004.87	3,004.87	
06-37		Sewer Laterals:206 & Laurel Circle	6,517.70					6,517.70	6,517.70	
07-02		Various Road Improvements	26,131.76				24,417.21	1,714.55	1,714.55	
07-03		Various Road Improvements	379,490.90		40,000.00		338,169.64	1,321.26	1,321.26	
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	
07-18		Philip Dr./Hemlock Cir./Woodside Dr.	8,982.40					8,982.40	8,982.40	
07-19		Multi-purpose Ordinance	246,708.42		200,000.00		35,033.00	11,675.42	10,835.22	840.20
07-23		Griggs Farm Supplemental	1,431.42					1,431.42	1,431.42	
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	113,602.98		105,000.00	(847,660.00)	7,267.17	848,995.81	848,995.81	
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				
09-01		Edgerstone & Winnant Sewer Lateral	305,950.00				305,950.00			
09-02		Cedar Lane Sewer Laterals	106,530.59					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		40,000.00			1,199.19	1,199.19	
09-08		Quarry Lane Sewer Line	30,581.92					30,581.92	30,581.92	
09-19		2009 Multipurpose Ordinance	101,208.38		101,208.38					
09-21		Culvert & Sewer Replac. On Braeburn	211,000.00				204,301.94	6,698.06	1,682.22	5,015.84
10-02		Sewer Laterals - Gallup Hillside	285,000.00					285,000.00		285,000.00
10-06		Ewing St. Sidewalks	105,450.00				47,829.86	57,620.14	57,620.14	
10-07		Sewer Laterals - Ewing St.	223,635.00				87,036.61	136,598.39	136,598.39	
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	31,956.94	
10-21		Various Capital Improvements	751,796.60		340,000.00		297,166.45	114,630.15	14,630.15	100,000.00
10-27		Sewer Lateral Reparis Hilltop	203,091.00				144,179.99	58,911.01	58,911.01	
10-34		Pool Complex	82,650.00		80,000.00		1,897.68	752.32	752.32	
10-38		Land Acquisition	100,000.00				97,099.22	2,900.78	2,900.78	

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

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ORD. NO.	DATE	IMPROVEMENT DESCRIPTION	BALANCE DEC. 31, 2013	2014 AUTHOR	TRANSFERRED TO DEF. TAX. FUNDED	OTHER FUNDING	IMPROVEMENT AUTHORIZATIONS CANCELLED	ANALYSIS OF BALANCE - DEC. 31, 2014		
								BALANCE DEC. 31, 2014	EXPENDITURES	UNEXPENDED BALANCE OF IMPROV. AUTH.
11-2		Supplemental - Pool Complex	1,325.00					1,325.00	1,325.00	
11-3		Var. Rd. & DPW Proj.(300,000 dot grant)	1,809,163.37		1,040,000.00			769,163.37	27,841.36	741,322.01
11-4		Hillside Ave. Sidewalks	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				26,487.05	57,587.95	57,587.95	
11-10		Constr. Ord Hillside Sidewalks	20,920.00					20,920.00	20,920.00	
11-13		Various Capital Improvements	1,071,156.12		310,000.00			761,156.12	6,673.37	754,482.75
11-15		Supplemental - Pool Complex	848,543.00		430,000.00			418,543.00	4,981.74	413,561.26
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
12-6		Rehab of Sewr System - Supp	1,861,344.00					1,861,344.00	672,828.51	1,188,515.49
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				241.09	109,008.91	109,008.91	
10-08		Various Capital Improvements	2,674,225.00		2,400,000.00		1,149.01	273,075.99	0.00	273,075.99
10-14		Refunding Bond Ordinance	863,000.00					863,000.00		863,000.00
10-16		Sidewalk & Sewer Improvements	66,500.00				2,300.50	64,199.50	64,199.50	
10-17		Various Capital Improvements	1,296,085.00		1,150,000.00		146,085.00			
11-01		Installation of New Pool	1,933,999.00					1,933,999.00	139,431.82	1,794,567.18
11-25		Installation of New Pool Supplemental	339,826.00					339,826.00		339,826.00
11-11		Improv. To Sanitary Sewer System	28,025.00					28,025.00		28,025.00
11-16		Various Capital Improvements	1,622,335.00		1,300,000.00			322,335.00	158,901.30	163,433.70
11-17		Various Capital Improvements	892,050.00		375,000.00			517,050.00		517,050.00
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	6,305,000.00					6,305,000.00		6,305,000.00
13-21		Various Capital Improvements	2,838,229.00		500,000.00			2,338,229.00	274,921.63	2,063,307.37
13-23		Sidewalks Moore Park/Willow	33,345.00					33,345.00	31,675.00	1,670.00
13-24		Sewers Moore/Willow	224,580.00					224,580.00	215,110.00	9,470.00
13-31		Various Capital Improvements	903,450.00		80,000.00			823,450.00	55,387.80	768,062.20
14-05		Road Improvements to Various Streets		836,000.00	650,000.00	186,000.00				
14-24		Sanitary Sewer & Rd. Reconstruction Projects		1,439,250.00				1,439,250.00		1,439,250.00
14-25		Various Capital Improvements		7,176,367.00		587,000.00		6,589,367.00		6,589,367.00
14-28		Reconstruction of Sidewalks Edgehill Rd.		61,000.00				61,000.00		61,000.00
14-40		Cons. Of Sidewalks along Poe Rd.		35,000.00				35,000.00		35,000.00
			<u>\$33,886,807.21</u>	<u>\$9,547,617.00</u>	<u>\$8,895,000.00</u>	<u>\$773,000.00</u>	<u>\$1,492,374.44</u>	<u>\$34,159,256.98</u>	<u>\$4,610,238.04</u>	<u>\$29,549,018.94</u>

GENERAL CAPITAL FUND
SCHEDULE OF STATE AID RECEIVABLE

December 31, 2013 \$863,823.09

Increased by:
Grants Receivable 498,000.00

1,361,823.09

Decreased by:
Receipts 196,257.00
196,257.00

December 31, 2014 \$1,165,566.09

Detail of Balance at 12/31/14:

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	65,419.00
Ord. No. 11-16	55,000.00
Ord. No. 14-25	<u>498,000.00</u>
	<u><u>\$1,165,566.09</u></u>

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONSExhibit - S - 20
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ORD. NO.	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE - DEC. 31, 2013		ENCUMBERED 12/31/13	2014 AUTHORIZATIONS		PAID OR CHARGED	ENCUMBERED 12/31/14	AUTHORIZATIONS CANCELLED	BALANCE - DEC. 31, 2014	
		DATE	AMOUNT	FUNDED	UNFUNDED		UNFUNDED	CAPITAL IMP. FUND				FUNDED	UNFUNDED
General Improvements:													
00-13	Various Capital Improvements	9/11/00	2,786,700.00		110,268.35						110,268.35		
01-15	Various Capital Improvements	7/16/01	6,005,007.00		115,442.20	50,671.23					115,442.20		
03-03	Various Capital Improvements	6/9/03	5,585,279.00	203,491.15		53,723.04			50,671.23				
03-13	Various Capital Improvements	7/5/03	500,000.00		311,673.78	19,015.60			11,316.24	4,188.00		33,600.00	
03-19	Sewer Lateral Rep. Lake/Longview/Kno	10/13/03	120,000.00			747.36			10,842.55	10,596.67	296,207.80	0.00	13,042.36
05-24	Various Capital Improvements	6/27/05	3,155,915.00		186,506.59	257.75							
05-25	Littlebrook Rd./Tyson Lane Sewer	6/27/05	44,500.00	2,350.00	42,200.00						186,506.59		
05-28	Joint Sewer System Rehab.	6/27/05	6,720,000.00	1,410,873.40								2,350.00	42,200.00
06-02	Road Reconstruction and Repair	2/6/06	2,325,000.00		101,892.54				20,253.26			1,390,620.14	
06-22	2006 Multipurpose Ordinance	6/26/06	2,075,350.00		236,138.75	9,850.00			101,892.54				
07-02	Various Road Improvement Projects	3/26/07	891,000.00		24,417.21				9,938.65		200,000.00		36,050.10
07-03	Various Road Improvement Projects	3/26/07	2,800,000.00		338,346.92						24,417.21		
07-14	Clover Lane Sewer Laterals	6/25/07	110,000.00	5,302.00	104,500.00				177.28		338,169.64		
07-19	Multi-Purpose Ordinance	7/16/07	2,303,209.00		36,814.65							5,302.00	104,500.00
08-06	Var. Road Improv. Projects(200,000 dot)	3/24/08	3,975,000.00	51,331.79		7,405.71			941.45		35,033.00		840.20
08-16	Various Capital Improvements	9/8/08	2,249,995.00		7,953.85				4,843.22	7,405.71	46,488.57		
09-01	Edgerstone & Winant Sewer Lateral	2/23/09	322,100.00	5,940.22	305,950.00				686.68		7,267.17		
09-16	Sewer Infrastructure Trust Supplement	6/22/09	2,500,000.00	492.77		6,766.15					311,890.22		
09-19	2009 Multipurpose Ordinance	9/14/09	3,816,834.00		82,378.22	4,492.27					492.77		
09-21	Culvert & Sewer Replac. On Braeburn	10/5/09	500,000.00		204,301.94	5,015.84			55,952.34	3,400.00		27,518.15	
10-02	Sewer Lateral Gallup Hillside	2/8/10	300,000.00	15,000.00	285,000.00							15,000.00	285,000.00
10-06	Ewing St. Sewer	3/8/10	111,000.00		49,954.86				2,125.00		47,829.86		
10-07	Sewer Laterals Ewing St.	3/8/10	235,410.00		167,792.54	10,506.43			91,262.36		87,036.61		
10-21	Various Capital Improvements	6/28/10	1,265,400.00		461,839.34	52,705.93			88,188.88	29,189.94	297,166.45		100,000.00
10-27	Sewer Lateral Repairs Hilltop Mansgrove	9/20/10	213,780.00		144,179.99						144,179.99		
10-34	Pool Complex	11/8/10	4,087,000.00		1,925.68				28.00		1,897.68		
10-38	Land Acquisition	11/22/10	3,605,000.00		97,099.22						97,099.22		
11-3	Var. Rd. & DPW Proj.(300,000 dot grant)	4/11/11	3,166,000.00		918,582.92	7,394.95			177,260.91	7,394.95			741,322.01
11-4	Hillside Ave. Sidewalks	4/25/11	48,000.00	2,900.00	45,100.00								
11-8	Belgium Block Curbing Westerly Rd.	6/27/11	50,000.00	2,500.00	47,500.00						48,000.00	2,500.00	47,500.00
11-9	Sewer Laterals Westerly Rd.	6/27/11	88,500.00		32,607.20				6,120.15		26,487.05		
11-13	Various Capital Improvements	9/19/11	1,127,575.00		812,736.71	26,719.57			73,037.77	11,935.76			754,482.75
11-15	Supplemental - Pool Complex	9/19/11	1,461,625.00		416,042.71	46,675.00			8,294.45	40,862.00			413,561.26
12-3	Grover Ave. Sidewalks	2/27/12	115,000.00	5,720.00	109,250.00							5,720.00	109,250.00
12-4	Roper Ave. Sidewalks	2/27/12	77,000.00	3,720.00	73,150.00							3,720.00	73,150.00
12-5	Grover and Roper Sewer Laterals	2/27/12	120,750.00	6,100.00	114,650.00							6,100.00	114,650.00
12-6	Rehab of Sewr System - Supp	2/27/12	2,550,000.00		1,159,288.83	41,487.48				12,260.82			1,188,515.49
12-8	Battle Rd./Battle Rd. Circle Sewer Later.	4/9/12	97,650.00		51,204.50	3,126.31				3,126.31			51,204.50
12-10	Quaker Rd. Pathway	4/23/12	90,000.00	67,000.00		11,000.00			46,599.58	16,997.46		14,402.96	
12-12	Grover Ave. Sidewalks	5/21/12	44,000.00	1,802.50	41,800.00							1,802.50	41,800.00
12-13	Roper Road Sidewalks	6/11/12	30,500.00	75.04	28,975.00							75.04	28,975.00
12-14	Adreus-Foulet Curbing	6/11/12	118,600.00		10,856.32								10,856.32
12-15	White Pine Curbing	6/25/12	26,100.00	1,110.00	24,795.00							1,110.00	24,795.00
12-18	Traffic Signal Imp Washington	9/10/12	175,000.00		8,054.50	6,041.33			3,279.78	2,761.55			8,054.50
12-19	Ewing Street Sidewalks	9/10/12	56,000.00		25,751.17								25,751.17
96-18	Acquis. & Constr. Of Recreational Fac.	8/13/96	480,000.00	2,561.93					(15,962.00)			18,523.93	
00-17,00-22	Various Capital Improvements	9/12/00	2,827,413.00	155,882.71					(28,110.94)		183,993.65		
03-42	Various Capital Improvements	12/2/03	930,397.00			6,625.00			6,625.00				
05-14, 9-14	Rehab of Sewr System	6/14/05	3,360,000.00	1,263,366.88	1,664,357.20	327,097.45			340,106.96	104,343.45		1,146,013.92	1,664,357.20
12-1	Rehab of Sewr System	6/14/05	3,360,000.00	1,558,277.35								1,558,277.35	
05-17	Various Capital Improvements	8/9/05	523,300.00	863.54					863.54				
06-15	Various Capital Improvements	7/25/06	1,744,263.00	4,271.27							4,271.27		
07-09,06-16	Various Capital Improvements	7/25/06	1,354,366.00			2,557.00			2,557.00				
07-18	Various Sewer Projects	9/11/07	500,000.00	56,765.42								56,765.42	
07-20	Various Capital Improvements	9/11/07	984,214.00	99,929.21					89,929.21		10,000.00		

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONSExhibit - S - 20
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ORD. NO.	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE - DEC. 31, 2013		ENCUMBERED 12/31/13	2014 AUTHORIZATIONS		PAID OR CHARGED	ENCUMBERED 12/31/14	AUTHORIZATIONS CANCELLED	BALANCE - DEC. 31, 2014	
		DATE	AMOUNT	FUNDED	UNFUNDED		UNFUNDED	CAPITAL IMP. FUND				FUNDED	UNFUNDED
08-23	Various Capital Improvements	10/28/08	2,385,560.00			6,039.25			2,447.45	3,591.80			
08-24	Various Capital Improvements	10/28/08	1,331,000.00	19,945.96		6,364.32			9,739.70		16,570.58		
09-24	Various Capital Improvements	9/29/09	1,459,200.00	1,273.17		3,918.80			4,307.97		884.00		
09-25	Various Capital Improvements	9/29/09	586,000.00	46,423.60					19,474.17			26,949.43	
09-26	Rehab. Of Sewer System	9/29/09	720,000.00	60,564.37								60,564.37	
10-01	Sewer, Curbs & Sidewalk Improve.	3/2/10	115,000.00		241.09						241.09		
10-08	Various Capital Improvements	6/22/10	665,500.00		363,665.42	45,367.34			47,252.03	19,797.46	1,149.01	67,758.27	273,075.99
10-14	Refunding Ordinance	9/14/10	863,000.00		863,000.00								863,000.00
11-21,10-15	Sewer Improvements	10/26/10	720,000.00	386,554.46					169,918.69			216,635.77	
10-16	Sidewalk & Sewer Improvements	10/26/10	70,000.00		2,300.50						2,300.50		
10-17	Various Capital Improvements	10/26/10	1,364,300.00		509,576.22	5,967.38			45,362.44		178,862.75	291,318.41	
11-01	Installation of New Pool	2/22/11	2,053,500.00		1,783,262.31	36,304.87			25,000.00			0.00	1,794,567.18
11-25	Installation of New Pool Supplemental	2/22/11	2,053,500.00		339,826.00								339,826.00
11-11	Improv. To Sewer System	8/2/11	29,500.00	1,438.00	28,025.00							1,438.00	28,025.00
11-16	Various Capital Improvements	8/2/11	1,939,300.00		560,984.89	9,673.54			375,876.46	31,348.27			163,433.70
11-17	Various Capital Improvements	8/2/11	939,000.00		640,680.75	37,622.42			67,816.62	11,064.00		82,372.55	517,050.00
11-18	Various Capital Improvements	8/2/11	82,301.16	56,532.97								56,532.97	
11-19	Various Sewer Projects	8/2/11	240,000.00	183,605.49		5,620.00						189,225.49	
11-22	Sidewalk & Sewer Improvements	10/4/11	105,000.00		40,408.24								40,408.24
12-09	Sidewalk & Sewer Improvements	6/12/12	112,000.00		72,014.56								72,014.56
13-09	Refunding Bond Ordinance	4/22/13	2,292,580.00		2,292,580.00								2,292,580.00
13-10	Sidewalks on North Harrison St.	4/22/13	8,461.00	423.00	8,038.00							423.00	8,038.00
13-12	Refunding Bond Ordinance	5/28/13	25,500,000.00		6,305,000.00								6,305,000.00
13-21	Various Capital Imp.(DOT grant 261,676	7/22/13	3,699,900.00	473,601.45	2,838,229.00	259,611.31			1,314,104.92	194,029.47			2,063,307.37
13-23	Sidewalks Moore Park/Willow	8/26/13	35,100.00	1,755.00	33,345.00				33,430.00				1,670.00
13-24	Sewers Moore/Willow	8/26/13	236,400.00	11,820.00	224,580.00				136,086.71	90,843.29			9,470.00
13-29	Acquisition of Property	11/12/13	125,000.00	125,000.00								125,000.00	
13-31	Various Capital Improvements	12/9/13	951,000.00	47,550.00	903,450.00				147,524.40	35,413.40			768,062.20
14-05	Road Improvements to Various Streets	4/28/14	880,000.00				836,000.00	44,000.00	733,001.77	69,309.01		77,689.22	
14-24	Sanitary Sewer & Rd. Reconst. Project	7/14/14	1,515,000.00				1,439,250.00	75,750.00	298.00			75,452.00	1,439,250.00
14-25	Various Capital Improvements	7/14/14	7,554,071.00				7,176,367.00	377,704.00	73,132.93	100,583.60		790,987.47	6,589,367.00
14-28	Reconstruction of Sidewalks Edgehill Rd.	7/28/14	65,000.00				61,000.00	4,000.00				4,000.00	61,000.00
14-40	Cons. Of Sidewalks along Poe Rd.	10/27/14	38,500.00				35,000.00	3,500.00				3,500.00	35,000.00
				\$ 6,344,114.65	\$ 26,810,485.67	\$ 1,116,370.63	\$ 9,547,617.00	\$ 504,954.00	\$ 4,365,500.46	\$ 817,209.07	\$ 3,232,565.12	\$ 6,359,248.36	\$ 29,549,018.94

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS

Exhibit - S - 21
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, 2014</u>		<u>INTEREST RATE</u>	<u>BALANCE DEC. 31, 2013</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DEC. 31, 2014</u>
			<u>DATE</u>	<u>AMOUNT</u>					
General Improvement Bonds	6/20/06	23,775,000.00	1/1/14	1,100,000.00	4.375%	3,335,000.00		1,100,000.00	2,235,000.00
			1/1/15	1,100,000.00	4.375%				
			1/1/16	1,135,000.00	4.375%				
General Improvement Bonds	1/1/09	8,000,000.00	1/1/10	300,000.00	2.50%				
			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%				
						6,425,000.00		475,000.00	5,950,000.00
General Improvement Refunding Bonds	9/1/09	8,500,000.00	9/1/09	1,010,000.00	4.00%				
			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%				
						4,170,000.00		670,000.00	3,500,000.00

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS

Exhibit - S - 21
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%	3,725,000.00		880,000.00	2,845,000.00
			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%	4,570,000.00		755,000.00	3,815,000.00
			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	9/1/11	6,600,000.00	9/1/12	450,000.00	3.00%	5,375,000.00		450,000.00	4,925,000.00
			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	12/15/11	8,000,000.00	12/15/12	325,000.00	2.00%	7,340,000.00		350,000.00	6,990,000.00
			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 - 21
Page 3 of 3

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING - DEC. 31, 2014		INTEREST RATE	BALANCE DEC. 31, 2013	INCREASED	DECREASED	BALANCE DEC. 31, 2014
			DATE	AMOUNT					
General Improvement Bonds	6/1/07	9,833,059.00	6/1/13	788,537.18	4.00%	5,939,656.30		936,387.90	5,003,268.40
			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%	10,789,000.00		530,000.00	10,259,000.00
			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				
8/15/15	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		1,000,000.00	18,195,000.00
			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%				
General Improvement Bonds	9/15/14	9,950,000.00	9/15/15	500,000.00	2.00%				
			9/15/16	500,000.00	4.00%				
			9/15/17	525,000.00	4.00%				
			9/15/18	700,000.00	4.00%				
			9/15/19	800,000.00	4.00%				
			9/15/20	950,000.00	4.00%				
			9/15/21	975,000.00	4.00%				
			9/15/22	1,000,000.00	4.00%				
			9/15/23	1,000,000.00	3.00%				
			9/15/24	1,000,000.00	2.00%				
			9/15/25	1,000,000.00	3.00%				
			9/15/26	1,000,000.00	3.00%				
						9,950,000.00			9,950,000.00
						\$72,763,656.30	\$9,950,000.00	\$7,526,387.90	\$75,187,268.40

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

Balance - Dec. 31, 2013	\$ 15,622,151.00
Decreased by:	
Payments	<u>888,213.65</u>
Balance - Dec. 31, 2014	<u><u>\$ 14,733,937.35</u></u>

Loan Principal Repayment Schedule

<u>Year</u>	<u>Principal</u>
2015	935,466.35
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>\$ 14,733,937.35</u></u>

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

Balance - Dec. 31, 2013	\$ 1,621,692.45
Decreased by:	
Payments	<u>428,676.11</u>
Balance - Dec. 31, 2014	<u><u>\$ 1,193,016.34</u></u>

Loan Principal Repayment Schedule

<u>Year</u>	<u>Principal</u>
2015	437,294.38
2016	446,083.00
2017	240,722.00
2018	<u>68,916.96</u>
	<u><u>\$ 1,193,016.34</u></u>

GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance - Dec. 31, 2013	\$959,937.18
Increased by:	
Budget Appropriation	<u>250,000.00</u>
	1,209,937.18
Decreased by:	
Approp. To Finance Improv. Autho.	<u>504,954.00</u>
Balance - Dec. 31, 2014	<u><u>\$704,983.18</u></u>

GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

Exhibit - S - 25

ORD NO.	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL ISSUE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DEC. 31, 2012	DECREASED
<u>General Improvements:</u>							
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>\$6,500,000.00</u>	<u>\$6,500,000.00</u>

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

Exhibit - S - 26
Page 1 of 2

ORD. NO.	IMPROVEMENT DESCRIPTION	BALANCE DEC. 31, 2013	AUTHORIZED 2014	BANS REDEEMED	BONDS ISSUED	OTHER FUNDING	AUTHORIZATIONS CANCELLED	BALANCE DEC. 31, 2014
<u>General Improvements</u>								
99-11	Various Capital Improvements	40,459.63						40,459.63
00-13	Various Capital Improvements	111,551.48					110,268.35	1,283.13
01-15	Various Capital Improvements	248,921.24					115,442.20	133,479.04
02-15	Various Capital Improvements	46,406.26						46,406.26
03-13	Various Capital Improvements	418,879.33		400,000.00	400,000.00		296,207.80	122,671.53
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	186,868.77					186,506.59	362.18
05-25	Littlebrook Rd./Tyson Lane Sewer	42,200.00						42,200.00
05-30	Sycamore Road Sewer Laterals	1,285.75						1,285.75
05-31	Clearview Ave. Sidewalks B	649.91						649.91
05-36	Recreation Improvements - Supplemental	7,606.53						7,606.53
06-01	Recreation Supplemental	12,855.31						12,855.31
06-02	Road Construction and repair	58,750.00		150,000.00	200,000.00			8,750.00
06-03	Tusculum	106,247.27						106,247.27
06-14	Hemlock Sidewalks	1,670.16						1,670.16
06-15	Overbrook Sidewalks	4,200.00						4,200.00
06-22	Multi-Purpose Ordinance	261,710.89			20,000.00		200,000.00	41,710.89
06-34	Abernathy Sewer Laterals	3,004.87						3,004.87
06-36	Sewer Lateral:206 & Laurel Circle	6,517.70						6,517.70
07-02	Various Road Improvements	26,131.76					24,417.21	1,714.55
07-03	Various Road Improvements	379,490.90			40,000.00		338,169.64	1,321.26
07-14	Clover Lane Sewer Laterals	104,500.00						104,500.00
07-15	Clover Lane Belgium Block	42,102.16						42,102.16
07-18	Philip Dr./Hemlock Cir./Woodside	8,982.40						8,982.40
07-19	Multi-Purpose Ordinance	146,708.42		100,000.00	200,000.00		35,033.00	11,675.42
07-23	Griggs Farm Supplemental	1,431.42						1,431.42
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	73,602.98		40,000.00	105,000.00	(847,660.00)	7,267.17	848,995.81
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	106,530.59						106,530.59
09-03	Cedar Lane Sidewalks	7,000.00						7,000.00
09-05	DPW Roads	1,199.19		40,000.00	40,000.00			1,199.19
09-08	Quarry Lane Sewer Line	30,581.92						30,581.92
09-19	2009 Multipurpose Ordinance	-188,791.62		290,000.00	101,208.38			
09-21	Culvert & Sewer Repl. Braeburn	211,000.00					204,301.94	6,698.06
10-02	Sewer Laterals - Gallup Hillside	285,000.00						285,000.00
10-06	Ewing St. Sidewalks	105,450.00					47,829.86	57,620.14
10-07	Sewer Laterals - Ewing St.	223,635.00					87,036.61	136,598.39
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	521,796.60		230,000.00	340,000.00		297,166.45	114,630.15
10-27	Sewer Lateral Repairs Hilltop	203,091.00					144,179.99	58,911.01
10-34	Pool Complex	32,650.00		50,000.00	80,000.00		1,897.68	752.32

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

Exhibit - S - 26
Page 2 of 2

ORD. NO.	IMPROVEMENT DESCRIPTION	BALANCE DEC. 31, 2013	AUTHORIZED 2014	BANS REDEEMED	BONDS ISSUED	OTHER FUNDING	AUTHORIZATIONS CANCELLED	BALANCE DEC. 31, 2014
10-38	Land Acquisition	100,000.00					97,099.22	2,900.78
11-2	Supplemental - Pool Complex	1,325.00						1,325.00
11-3	Var. Rd. & DPW Proj.(300,000 dot grant)	1,069,163.37		740,000.00	1,040,000.00			769,163.37
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					26,487.05	57,587.95
11-10	Constr. Ord Hillside Sidewalks	20,920.00						20,920.00
11-13	Various Capital Improvements	861,196.00		210,000.00	310,000.00			761,196.00
11-15	Supplemental - Pool Complex	448,503.12		400,000.00	430,000.00			418,503.12
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	1,861,344.00						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	Adrews-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
05-14	Rehabilitation of Sewer System	1,664,357.20						1,664,357.20
10-01	Sewer,Curbs & Sidewalk Improv.	109,250.00					241.09	109,008.91
10-08	Various Capital Improvements	574,225.00		2,100,000.00	2,400,000.00		1,149.01	273,075.99
10-14	Refunding Ordinance	863,000.00						863,000.00
10-16	Sidewalk & Sewer Improvements	66,500.00					2,300.50	64,199.50
10-17	Various Capital Improvements	546,085.00		750,000.00	1,150,000.00		146,085.00	
11-01	Installation of New Pool	1,933,999.00						1,933,999.00
11-25	Installation of New Pool	339,826.00						339,826.00
11-11	Improvements to Sanitary Sewer	28,025.00						28,025.00
11-16	Various Capital Improvements	722,335.00		900,000.00	1,300,000.00			322,335.00
11-17	Various Capital Improvements	792,050.00		100,000.00	375,000.00			517,050.00
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	6,305,000.00						6,305,000.00
13-21	Various Capital Improvements	2,838,229.00			500,000.00			2,338,229.00
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			80,000.00			823,450.00
14-05	Road Improvements to Various Streets		836,000.00		650,000.00	186,000.00		
14-24	Sanitary Sewer & Rd. Reconst. Project		1,439,250.00					1,439,250.00
14-25	Various Capital Improvements		7,176,367.00			587,000.00		6,589,367.00
14-28	Reconstruction of Sidwalks Edgehill Rd.		61,000.00					61,000.00
14-40	Cons. Of Sidwalks along Poe Rd.		35,000.00					35,000.00
		<u>\$30,650,744.20</u>	<u>\$9,547,617.00</u>	<u>\$6,500,000.00</u>	<u>\$9,761,208.38</u>	<u>\$57,759.48</u>	<u>\$2,720,136.36</u>	<u>\$34,159,256.98</u>

ANALYSIS OF AFFORDABLE HOUSING CAPITAL CASH AND INVESTMENTS

	<u>BALANCE</u> <u>DEC. 31, 2013</u>	<u>BALANCE</u> <u>DEC. 31, 2014</u>
Fund Balance	\$67,130.34	\$67,130.34
Due to/from General Capital Fund	(1,275.00)	
Due to/ from Affordable Housing Operating Fund	(117,694.04)	(118,969.04)

ORD.

NO. IMPROVEMENT AUTHORIZATIONSGeneral Improvements

89-37	Various Capital Improvements	67,702.05	67,702.05
06-13	Various Capital Improvements	<u>(15,863.35)</u>	<u>(15,863.35)</u>

() Denotes Deficit

AFFORDABLE HOUSING UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORD. NO.	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE - DEC. 31, 2013		BALANCE - DEC. 31, 2014	
		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	
			<u>\$6,103,088.00</u>	<u>\$ 67,702.05</u>	<u>\$ -</u>	<u>\$ 67,702.05</u>	<u>\$ -</u>

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

ORD. NO.	<u>IMPROVEMENT DESCRIPTION</u>	BALANCE <u>DEC. 31, 2013</u>	BALANCE <u>DEC. 31, 2014</u>
	<u>Affordable Housing Improvements</u>		
06-13	Improvements and Renovations to <u>Housing Authority</u>	<u>\$15,863.40</u>	<u>\$15,863.40</u>
		<u>\$15,863.40</u>	<u>\$15,863.40</u>

ANALYSIS OF PARKING UTILITY CAPITAL CASH AND INVESTMENTS

		<u>BALANCE</u> <u>DEC. 31,2013</u>	<u>BALANCE</u> <u>DEC. 31, 2014</u>
Fund Balance		\$28,278.43	\$28,278.43
Due to Parking Operating Fund			50,000.46
Reserves for:			
Debt Service		375,000.00	375,000.00
Encumbrances		94,230.00	145,607.00
ORD.			
<u>NO.</u>	<u>IMPROVEMENT AUTHORIZATIONS</u>		
02-22	Dev. & Construcction of a Parking Facility	24,388.34	24,388.34
03-41	Acquisition of Equipment	11,609.19	11,609.19
04-12	Technology Improvements	9,100.00	9,100.00
06-14	Various Capital Improvements	5,735.00	5,735.00
07-21	Acquisition of Equipment	1,535.00	1,535.00
08-25	Improvements to Parking Garage	15,100.00	15,100.00
09-27	Various Capital Improvements	104,574.88	104,574.88
10-04	Various Capital Improvements	(111,367.80)	23,631.74
11-20	Improvements to Pay Stations	(65,083.00)	917.00
13-20	Facility Repairs/Acq. Of a Van	(24.00)	(51,401.00)
14-34	Facility Repairs & Generator		(18.00)
		<u>\$493,076.04</u>	<u>\$744,058.04</u>

() Denotes Deficit

PARKING UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON SERIAL BONDS

	<u>REF.</u>	
Balance - December 31, 2013	D	\$ 167,207.29
Increased by:		
2014 Budget Charges	D-4	<u>425,410.42</u>
		592,617.71
Decreased by:		
Interest Paid	D-5	<u>430,275.00</u>
Balance - December 31, 2014	D	<u><u>\$ 162,342.71</u></u>

Analysis of Balance

Principal Balance Dec. 31, 2014	Interest Rate	From	To	Period	Amount
<u>Bonds</u>					
535,000.00	3.000%	08/15/14	12/31/14	4.5 Mos.	6,018.75
555,000.00	4.000%	08/15/14	12/31/14	4.5 Mos.	8,325.00
580,000.00	4.000%	08/15/14	12/31/14	4.5 Mos.	8,700.00
605,000.00	4.000%	08/15/14	12/31/14	4.5 Mos.	9,075.00
335,000.00	4.000%	08/15/14	12/31/14	4.5 Mos.	6,141.67
290,000.00	5.000%	08/15/14	12/31/14	4.5 Mos.	5,437.50
575,000.00	4.000%	08/15/14	12/31/14	4.5 Mos.	10,541.67
150,000.00	5.000%	08/15/14	12/31/14	4.5 Mos.	2,812.50
120,000.00	3.000%	08/15/14	12/31/14	4.5 Mos.	1,650.00
600,000.00	5.000%	08/15/14	12/31/14	4.5 Mos.	11,250.00
770,000.00	5.000%	08/15/14	12/31/14	4.5 Mos.	14,437.50
825,000.00	5.000%	08/15/14	12/31/14	4.5 Mos.	15,468.75
675,000.00	3.000%	08/15/14	12/31/14	4.5 Mos.	9,281.25
200,000.00	4.000%	08/15/14	12/31/14	4.5 Mos.	3,000.00
860,000.00	4.000%	08/15/14	12/31/14	4.5 Mos.	12,900.00
865,000.00	4.000%	08/15/14	12/31/14	4.5 Mos.	12,975.00
865,000.00	4.000%	08/15/14	12/31/14	4.5 Mos.	12,975.00
<u>865,000.00</u>	3.500%	08/15/14	12/31/14	4.5 Mos.	<u>11,353.12</u>
<u>10,270,000.00</u>					<u><u>\$ 162,342.71</u></u>

PARKING UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORD. NO.	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE - DEC. 31, 2013		ENCUMBERED 12/31/13	2014 AUTHOR. UNFUNDED	PAID OR CHARGED	ENCUMBERED 12/31/14	BALANCE - DEC. 31, 2014	
		DATE	AMOUNT	FUNDED	UNFUNDED					FUNDED	UNFUNDED
General Improvements:											
	Development & Consruction of a										
02-22	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	5,735.00		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	104,574.88		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		79,976.00				51,377.00		28,599.00
14-34	Facility Repairs & Generator	07/14/14	95,000.00				95,000.00	18.00			94,982.00
				\$ 195,674.15	\$ 1,825,893.00	\$ 94,230.00	\$ 95,000.00	\$ 18.00	\$ 145,607.00	\$ 196,591.15	\$ 1,868,581.00

PARKING UTILITY CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING - DEC. 31, 2014</u>		<u>INTEREST RATE</u>	<u>BALANCE</u>		<u>BALANCE</u>
			<u>DATE</u>	<u>AMOUNT</u>		<u>DEC. 31, 2013</u>	<u>DECREASED</u>	<u>DEC. 31, 2014</u>
Parking Utility Refunding Bonds	10/12/11	10,905,000.00	8/15/15	535,000.00	3.00%	10,795,000.00	525,000.00	10,270,000.00
			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>\$10,795,000.00</u>	<u>\$525,000.00</u>	<u>\$10,270,000.00</u>

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

ORD. NO.	IMPROVEMENT DESCRIPTION	BALANCE DEC. 31, 2013	AUTHORIZED 2014	OTHER FUNDING	BALANCE DEC. 31, 2014
	<u>General Improvements</u>				
10-04	Various Improvements	134,999.54		134,999.54	0.00
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
14-34	Facility Repairs and Emergency Power System		95,000.00		95,000.00
		<u>\$2,025,999.54</u>	<u>\$95,000.00</u>	<u>\$200,999.54</u>	<u>\$1,920,000.00</u>

SCHEDULE OF PUBLIC ASSISTANCE CASH - TREASURER

		P.A.T.F. II ACCT. #1
		<hr/>
Balance - December 31, 2013	\$	<u>147,089.02</u>
Increased by Receipts:		
State Aid for Public Assistance		260,600.00
Interest Earned		<u>837.57</u>
		261,437.57
		408,526.59
Decreased by Disbursements:		
Disbursed for Public Assistance		<u>237,071.67</u>
		<u>237,071.67</u>
Balance - December 31, 2014	\$	<u><u>171,454.92</u></u>

SCHEDULE OF PUBLIC ASSISTANCE CASH AND RECONCILIATION

Balance - December 31, 2013	\$	147,089.02
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Increased by:

Cash Receipts Record

261,437.57

408,526.59

Decreased by:

Cash Disbursements Record:

2014 Assistance

237,071.67

237,071.67

Balance - December 31, 2014

\$	171,454.92
----	------------

Reconciliation - December 31, 2014:

P.A.T.F. II

ACCT #1

TOTAL

Balance on Deposit per Statement of:

The Bank of Princeton

- Government Agency Account

\$	190,906.93
----	------------

Bank Of America

816.00

OS Checks

(20,268.01)

Balance - December 31, 2014

\$	171,454.92
----	------------

SCHEDULE OF PUBLIC ASSISTANCE REVENUES

	P.A.T.F. ACCT. #1
State Aid Payments	\$ <u>260,600.00</u>
State Aid for Public Assistance	260,600.00
Interest Earned	<u>837.57</u>
Total Receipts/Revenues (PATF)	\$ <u><u>261,437.57</u></u>

SCHEDULE OF PUBLIC ASSISTANCE EXPENDITURES

	P.A.T.F. ACCT. #1
Payments for Current Year Assistance (Reported):	
Maintenance Payments	\$ 74,327.00
Nursing Home Care	83,797.65
Temporary Rental Assistance	46,373.00
Other:	
Utilities	4,273.72
Rent/Security Deposit	9,221.87
Storage Cost	229.55
Emergency Assistance	405.00
Esst. House Furnish	705.00
Transportation	17,371.20
Emergency Clothing	30.00
Moving Cost	<u>337.68</u>
Total Reported	237,071.67
Total Disbursements (PATF)	\$ <u><u>237,071.67</u></u>

SCHEDULE OF RESERVE FOR PUBLIC ASSISTANCE

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
Increased by:			
State Aid for Public Assistance		260,600.00	
Interest Earned		<u>837.57</u>	
			<u>261,437.57</u>
			408,526.59
Decreased by:			
Payments for Public Assistance		<u>237,071.67</u>	
			<u>237,071.67</u>
Balance - December 31, 2014	\$	<u><u>171,454.92</u></u>	
<u>Analysis of Balance - December 31, 2014:</u>			
SSI Due to Clients		1,238.31	
Reserve for Public Assistance		65,284.96	
Advanced State Aid	\$	69,840.36	
Fund Balance		<u>35,091.29</u>	
			<u><u>171,454.92</u></u>

**PRINCETON
MERCER COUNTY, NEW JERSEY**

**PART III
STATISTICAL SECTION (Unaudited)**

Table 1

PRINCETON
COUNTY OF MERCER
CURRENT FUND EXPENDITURES BY FUNCTION
TWO FISCAL YEARS
UNAUDITED

Year	General Government	Public Safety	Public Works	Health and Welfare	Recreation	Public Library	Unclassified
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
2014	6,475,002.60	9,529,915.93	3,804,905.00	1,310,189.00	906,523.00	4,015,533.00	13,801,438.00

Year	Deferred Charges & Statutory Expenditures	State and Federal Grants	Capital Improvements	Debt Service	Reserve for Uncollected Taxes	Total
2013	\$4,971,565.00	\$651,798.02	\$250,000.00	\$11,063,635.00	\$3,483,205.17	\$60,418,466.90
2014	4,581,473.00	764,936.99	250,000.00	10,770,108.60	2,918,820.75	59,128,845.87

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

Table 2

PRINCETON
COUNTY OF MERCER
CURRENT FUND REVENUES BY SOURCE
TWO FISCAL YEARS
UNAUDITED

Year	Taxes (1)	Delinquent Taxes	Fees, Permits, Fines and Licenses	State Aid	State and Federal Grants	From Other Funds	Surplus Anticipated
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
2014	33,123,453.31	1,191,722.11	1,985,145.29	2,457,276.00	1,631,066.99	700,000.00	5,800,000.00

Year	Sewer Revenue	Other Budget Revenues	Total
2013	\$7,111,048.55	\$9,127,602.44	\$63,569,831.35
2014	6,679,172.15	7,314,284.58	60,882,120.43

(1) Excludes taxes allocated to county and school

Table 3

PRINCETON
COUNTY OF MERCER
ASSESSED VALUE AND ESTIMATE OF TOTAL VALUE
TWO FISCAL YEARS
UNAUDITED

Year	Net Assessed Valuation Taxable	Market Valuation	Percentage of Net Assessed To Market Value
2013	\$6,726,059,660	\$7,153,476,952	94.03%
2014	6,778,248,629	7,291,087,642	93.17%

Table 4

PRINCETON
COUNTY OF MERCER
SCHEDULE OF TEN LARGEST TAXPAYERS - 2014
UNAUDITED

<u>Taxpayer</u>	<u>2014 Assessed Valuation</u>	<u>As a Percent of Total Net Assessed Taxable Valuation</u>
Trustees of Princeton University	\$ 388,887,000	5.74%
PSN, Palmer Sq LTD, Palmer Residence	124,776,900	1.84%
Jasna Polana	31,500,000	0.47%
Princeton (Edens) LLC	30,741,400	0.45%
Nassau Inn Partnership	26,030,000	0.38%
Avalon Properties LLC	24,900,400	0.37%
Institute for Advanced Study	23,069,800	0.34%
Princeton Theological Seminary	20,380,100	0.30%
Princeton International Prop	15,745,800	0.23%
Church & Dwight	14,361,400	0.21%
	<u>\$ 700,392,800</u>	<u>10.35%</u>
Total Assessed Valuation Taxable in 2014	<u>6,769,628,760</u>	

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

Year	Population (1)	Average Equalized Valuation	Gross Debt	Ratio of Net Debt to Equalized Valuation	Gross Debt per Capita	Net Debt	Ratio of Net Debt to Equalized Valuation	Net Debt per Capita
2013	28,572	\$7,153,476,952	\$202,887,268	2.836%	7,100.91	127,916,605	1.788%	4,476.99
2014	28,572	7,291,087,642	165,248,970	2.266%	5,783.60	122,522,989	1.680%	4,288.22

(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**

PRINCETON
COUNTY OF MERCER
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES (GROSS) - CURRENT FUND
TWO FISCAL YEARS
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	\$60,273,104.97	18%
2014	7,210,125.90	3,559,982.70	10,770,108.60	59,128,845.87	18%

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	58,626,858.82	16%
2014	10,770,108.60	339,256.15	10,430,852.45	58,789,589.72	18%

Table 7

PRINCETON
COUNTY OF MERCER
DEMOGRAPHIC STATISTICS
UNAUDITED

Population Growth

2010 Census	28,572
-------------	--------

Bulding Permits

<u>Year*</u>	<u>New Construction</u>	<u>Improvements</u>	<u>Total</u>
2014	85	2,397	2,482
2013	81	2,525	2,606

Source: Construction Official

Table 8

PRINCETON
COUNTY OF MERCER
LABOR STATISTICS
TWO FISCAL YEARS
UNAUDITED

<u>Princeton</u>	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployed</u>	<u>Unemployment Rate</u>
2013	14,928	14,345	583	3.90%
2014	14,928	14,345	583	3.90%
<u>County of Mercer</u>	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployed</u>	<u>Unemployment Rate</u>
2013	208,494	194,564	13,930	6.70%
2014	208,203	192,143	16,060	7.70%
<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	4,537,800	4,166,000	371,800	8.20%
2014	4,547,000	4,131,800	379,000	8.30%

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 (2014)
UNAUDITED

Number of Line Items in Each Property Classification	Real Property Classification	Assessed Valuation 2014	As a Percent of Total Net Assessed Valuation Taxable
538	Vacant Land	\$ 90,710,900	1.35%
7038	Residential (4 family or less)	5,572,589,600	82.85%
25	Farm (Regular)	46,939,300	0.70%
44	Farm (Qualified)	341,110	0.01%
382	Commercial	788,160,750	11.72%
2	Industrial	8,981,700	0.13%
206	Apartment	261,905,400	3.89%

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

Table 10

	<u>2013</u>	<u>2014</u>
<u>Tax Rate:</u>	<u>2.131</u>	<u>2.185</u>
<u>Apportionment of Tax Rate:</u>		
Municipal:	<u>0.471</u>	<u>0.470</u>
County:	<u>0.634</u>	<u>0.668</u>
Regional School:	<u>1.026</u>	<u>1.047</u>
<u>Assessed Valuation (Taxable):</u>		
2013	<u>\$6,735,785,526.00</u>	
2014		<u>\$6,778,248,629.00</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>CURRENTLY</u>			
<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2013	\$144,030,580.66	\$142,636,183.81	99.03%
2014	148,621,930.22	147,727,667.01	99.40%

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%
2014	95,843.32	841,534.95	\$937,378.27	0.63%

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
2014	317,400.00

PRINCETON
COUNTY OF MERCER
SURETY BOND COVERAGE

<u>Position</u>	<u>Minimum Requirement</u>	<u>Suggested Requirement</u>
Tax Collector	<u>\$ 456,939.28</u>	<u>\$ 875,878.55</u>
Amount of Surety Bond Coverage		<u>\$ 1,000,000.00</u>
Municipal Judge & Court Administrator	\$ 71,500.68	\$ 127,251.71
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, 2014**

GENERAL COMMENTS

An audit of the financial accounts and transactions of Princeton, County of Mercer, New Jersey, for the year ended December 31, 2014, 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, 2014, 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

2014-1. 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:

Meter Collection Vehicle; Garbage Truck; Computer Equipment; Mobile Vision Cameras; Video Surveillance Cameras

Contracts:

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

State Approved Contracts for the Following Purchases:

Storage Servers; Backup Servers; Network Support

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. During the period under audit, management implemented procedures requiring periodic reviews of the vendor files to assure compliance with the provisions of c.271. Audit tests did not identify any noncompliance.

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 no 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. As part of management's efforts document Princeton's compliance with the provisions of this legislation, vendors were required to submit their certificates prior to the processing of any additional bill payments, and audit tests of the vendor files indicated that certificates had been obtained for all vendors tested.

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.

GENERAL COMMENTS

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	\$789,825.92	\$4,102.69
Escrow Trust Fund		266.22
Affordable Housing Operating		118,969.04
Payroll Fund		789,559.70
General Capital Fund	700,000.00	
Affordable Housing Capital	118,969.04	
Parking Utility Operating Fund	50,000.46	
Parking Utility Capital Fund		50,000.46
Open Space Trust Fund	<u>4,102.69</u>	<u>700,000.00</u>
Total	<u>\$1,662,898.11</u>	<u>\$1,662,898.11</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, 2014 to December 31, 2014. Earnings from the investments are shown as revenue in the various accounts of as of December 31, 2014. 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.

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.

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. In response to findings in our previous report, management met with departmental personnel to review both the minimum standards for encumbrance accounting established in the New Jersey Administrative Code and the functions of the accounting software that are intended to comply with those standards. While a decrease in the frequency of "confirming orders", i.e., procurement transactions wherein a commitment to purchase is made by an employee prior to the submission of a requisition and the completion of a multi-step administrative review and approval process was noted, we continued to note the existence of confirming orders throughout the year. Confirming orders are often the root cause of a variety of compliance problems, and most significantly, can result in overexpenditures of appropriations. Going forward, a remedial effort that focuses on the departments that are most frequently circumventing established purchase order procedures and the vendors that accept orders without the requisite purchase order would appear most appropriate.

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
Infrastructure and Operations
Construction
Corner House

Although there were still instances of departments not depositing funds within the required 48 hours it was noted that beginning in 2015 an armored car service has been collecting deposits from each department on a daily basis for deposit into the bank.

Administration and Accounting for State & Federal Grants

Princeton operated various programs during 2014, 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 2014 for the purpose authorized and monitoring procedures appeared adequate to assure that grant objectives were met.

A review of outstanding prior year grant receivable balances with little or no activity within the past 3 years indicated a net accounts receivable balance of \$238,656.42 at the end of 2014. Any grants that become uncollectible must be cancelled timely. Any cancelled receivable that is not offset by an unexpended grant appropriation balance must be funded by an appropriation in the next municipal budget. The raising of these uncollectible, expended receivables is subject to the limitations of both the appropriations and tax levy cap laws. Prior to cancellation, any receivable balance should be reviewed to determine that all requisite filings and collection efforts have been made to assure that the balances are truly uncollectible.

GENERAL COMMENTS

Administration and Accounting for State & Federal Grants (cont'd)

A similar review was conducted for unexpended grant appropriation balances to identify programs with unspent funds and little or no financial activity during the last three years. Grant balances meeting these criteria aggregated to \$489,559.81 at year end. For some programs, offsetting cancellations of the receivable and unexpended balances will clear the financial records of non-operational programs. Unexpended balances for which all grant proceeds have been received must then be reviewed to determine if eligible program costs were inadvertently charged to operating budgets. In these circumstances, cancellation of the reported grant balances will generate additional Current Fund surplus when the cancelled balances are transferred. True unexpended grant balances should be refunded to the grantor agencies.

Prior to the issuance of this report, management commenced a review of Princeton's grant balances to determine if accounts receivable have been earned and are collectible, and to identify any grant appropriation balances that are no longer operative or for which eligible costs had been incurred in prior periods.

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.

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 2014.

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, 2014. Bonds were sold as general improvement bonds rather than assessment bonds in 2006 and 2008. During 2014 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 2014 are \$200,000.

Affordable Housing Fund

The results of operation for the Affordable Housing Utility Fund is set forth in Exhibit – B-8 of this report. Realized revenues amounted to \$298,844.91 and expenditures amounted to \$250,311.00 resulting in excess revenues of \$48,533.91. 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 \$18,985.33, which allows for the total deduction of Affordable Housing Utility Debt in the calculation of the statutory net debt of Princeton at December 31, 2014. 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 – B-11 of this report. Realized revenues amounted to \$4,179,418.62 and expenditures amounted to \$3,894,478.96 resulting in excess revenues of \$284,939.66. 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 \$267,225.51, which allows for the total deduction of Affordable Housing Utility Debt in the calculation of the statutory net debt of Princeton at December 31, 2014. 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.

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.

GENERAL COMMENTS

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 use of confirming orders for procurement cease.

CORRECTIVE ACTIONS FOR PRIOR YEAR RECOMMENDATIONS

During the period under review, corrective actions were implemented to address each of the recommendations that appeared in our previous report. With the exception of the matter reported above, for which additional focused actions are required, the corrective actions taken were sufficient to address the reported conditions.

* * * * *

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.



Robert S. Morrison
Registered Municipal Accountant
No. 412