

**PRINCETON
MERCER COUNTY
NEW JERSEY**

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY DATA
AND INFORMATION**

**FOR THE YEAR
ENDED DECEMBER 31, 2015**

HODULIK & MORRISON, P.A.

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

**PRINCETON
MERCER COUNTY, NEW JERSEY**

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INTRODUCTION SECTION



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

The Comprehensive Annual Financial Report of Princeton for the year ended December 31, 2015 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.

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.

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 (now five) 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 2014 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>2014 Rating</u>
Moody's Investors Service	Aaa
Standard & Poor's	AAA

Tax Collection Rate

In 2015 Princeton's tax collection rate was 99.42%

Respectfully submitted,

Sandra Webb

Sandra Webb, CMFO / CTC
Chief Financial Officer

PRINCETON
MERCER COUNTY, NEW JERSEY

ROSTER OF OFFICIALS
DECEMBER 31, 2015

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

Marc Dashield	Administrator
Kathryn Monzo	Deputy Administrator/Director of Finance
Linda S. McDermott	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

PRINCETON
MERCER COUNTY, NEW JERSEY

PART I
INDEPENDENT AUDITOR'S REPORT
FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS

HODULIK & MORRISON, P.A.
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REGISTERED MUNICIPAL ACCOUNTANTS
PUBLIC SCHOOL ACCOUNTANTS
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ANDREW G. HODULIK, CPA, RMA, PSA
ROBERT S. MORRISON, CPA, RMA, PSA

MEMBERS OF:
AMERICAN INSTITUTE OF CPA'S
NEW JERSEY SOCIETY OF CPA'S
REGISTERED MUNICIPAL ACCOUNTANTS OF N.J.

JO ANN BOOS, CPA, PSA

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 entity-wide financial statements, consisting of the combined statement of assets, liabilities, reserves and fund balance – regulatory basis and the combined statement of revenues, expenditures and changes in fund balance – regulatory basis, and the accompanying individual fund and account group financial statements, consisting of the balance sheets – regulatory basis, statements of operations and changes in fund balance – regulatory basis, statements of revenues – regulatory basis and statements of expenditures – regulatory basis and the statement of general fixed assets of the various funds and fixed asset account group of Princeton, County of Mercer, New Jersey, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise Princeton'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, as described in Note 2. 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, 2015, 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 governmental fixed assets of Princeton, County of Mercer, New Jersey as of December 31, 2015, and the results of its operations and changes in fund balance – regulatory basis of such funds for the year then ended and the revenues- regulatory basis and statement of expenditures – regulatory basis of the various funds for the year ended December 31, 2015, on the basis of accounting described in Note 2.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was made for the purpose of forming an opinion on the financial statements of Princeton, County of Mercer, New Jersey. The information included in Part IV – Supplementary Schedules and Part V – Supplementary Data, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements of Princeton, County of Mercer, New Jersey. The information included in Part II – the accompanying schedule of expenditures of federal awards are presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, cost Principles, and Audit Requirements for Federal Awards* and are also not a required part of the financial statements. The Part III – schedule of expenditures of federal awards and the Part IV - Supplementary Schedules are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to auditing procedures applied in the audit of the 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 information is fairly stated, in all material respects, in relation to the financial statements – regulatory basis taken as a whole. The schedules and information contained in Part V – Supplementary Data 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 April 29, 2016 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
April 29, 2016

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, 2015

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, 2015
ASSETS										
Cash and Investments	\$ 23,327,028.04	\$ 17,150,691.65	\$ 5,213,817.58	\$ 3,420,495.87	\$ 118,969.04	\$ 1,217,413.83	\$ 483,348.48	\$ 133,436.17	\$	\$ 51,065,200.66
Federal and State Grants Receivable	1,008,936.67		1,002,323.09							2,011,259.76
Receivables and Other Assets:										-
Delinquent Property Taxes	1,115,778.80									1,115,778.80
Assessments Receivable		513,618.48								513,618.48
Tax Title and Assessment Liens Rec.	105,354.92									105,354.92
Other Accounts Receivable	207,359.82		2,907,818.18	374,284.55						3,489,462.55
Interfunds Receivable	4,824.16		107,171.46							111,995.62
Property Acquired for Taxes	278,400.00									278,400.00
Prospective Assessments Funded		556,786.50								556,786.50
Deferred Charge to Future Taxation:										-
Special Emergency Appropriation	967,032.00									967,032.00
Amount to be Raised for Assessment Bonds		51,249.45								51,249.45
Fixed Capital							13,675,611.66			13,675,611.66
Fixed Capital Authorized and Uncompleted					15,863.35		3,186,822.65			3,202,686.00
Deferred Charge to Future Taxation:										-
Funded			78,590,291.50							78,590,291.50
Unfunded			31,006,998.61							31,006,998.61
Fixed Assets									197,600,931.12	197,600,931.12
	<u>\$ 27,014,714.41</u>	<u>\$ 18,272,346.08</u>	<u>\$ 118,828,420.42</u>	<u>\$ 3,794,780.42</u>	<u>\$ 134,832.39</u>	<u>\$ 1,217,413.83</u>	<u>\$ 17,345,782.79</u>	<u>\$ 133,436.17</u>	<u>\$ 197,600,931.12</u>	<u>\$ 384,342,657.63</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, 2015

Page 2 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, 2015
LIABILITIES, RESERVES AND FUND BALANCE										
Overpayments	\$ 300,218.92	\$	\$	\$	\$					\$ 300,218.92
Appropriation Reserves	3,767,045.41			17,430.92		87,560.15				3,872,036.48
Prepaid Taxes and Utility Charges	1,464,263.73									1,464,263.73
Federal and State Grants:										
Appropriated Reserves	1,783,129.32									1,783,129.32
Unappropriated Reserves	57,481.05									57,481.05
Encumbrances	4,643.95									4,643.95
Other Liabilities and Reserves:										
Due to State of New Jersey	3,997.60									3,997.60
Reserve for Future Debt Service	243,575.66									243,575.66
Premium on Tax Sale Certificates	115,300.00									115,300.00
Capital Improvement Fund			387,217.49							387,217.49
Other Reserves	496,928.11	16,761,867.37	3,650,415.66	3,053,083.07		4,166.66	5,262,434.31	133,436.17		29,362,331.35
Improvement Authorizations			20,408,869.73		67,702.05		2,172,032.01			22,648,603.79
Reserve for Encumbrances	1,204,706.63	136,173.32	3,723,112.64	3,267.42		38,752.33	148,038.04			5,254,050.38
Prospective Assessments Funded		556,786.50								556,786.50
Interfunds Payable		111,995.62								111,995.62
Serial Bonds Payable		159,119.88	67,185,880.50				9,735,000.00			77,080,000.38
Bond Anticipation Notes			9,000,000.00							9,000,000.00
Green Trust Loan Payable			755,723.84							755,723.84
Environmental Infrastructure Loans			10,648,687.16							10,648,687.16
Reserve for Receivables	1,711,717.70			374,284.55						2,086,002.25
Reserve for Amortization										
Other Payables	372,451.64	120,329.59				156,323.96				649,105.19
Investment in Fixed Assets									197,600,931.12	197,600,931.12
Fund Balance	15,489,254.69	426,073.80	3,068,513.40	346,714.46	67,130.34	930,610.73	28,278.43			20,356,575.85
	<u>\$ 27,014,714.41</u>	<u>\$ 18,272,346.08</u>	<u>\$ 118,828,420.42</u>	<u>\$ 3,794,780.42</u>	<u>\$ 134,832.39</u>	<u>\$ 1,217,413.83</u>	<u>\$ 17,345,782.79</u>	<u>\$ 133,436.17</u>	<u>\$ 197,600,931.12</u>	<u>\$ 384,342,657.63</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, 2015

	CURRENT FUND	TRUST FUNDS	GENERAL CAPITAL FUND	AFFORDABLE HOUSING UTILITY OPERATING FUND	AFFORDABLE HOUSING CAPITAL FUND	PARKING UTILITY OPERATING FUND	PARKING CAPITAL FUND	TOTAL DEC. 31, 2015
Revenues:								
Fund Balance Appropriated	\$ 6,100,000.00		\$	\$	\$	\$ 307,829.00	\$	\$ 6,407,829.00
Miscellaneous Revenue	21,990,755.70			253,461.00		3,936,156.63		26,180,373.33
Receipts from Delinquent Taxes	1,043,752.96							1,043,752.96
Amount to be Raised by Taxes for Support of Municipal Budget:								
Local Tax for Municipal Purposes	32,414,255.01							32,414,255.01
Library Tax	2,476,336.69							2,476,336.69
Total Budget Revenue	64,025,100.36			253,461.00		4,243,985.63		68,522,546.99
Other Credits to Income	3,505,406.76	128,503.57	225,134.19	44,850.34		19,187.16		3,923,082.02
Total Revenues	67,530,507.12	128,503.57	225,134.19	298,311.34		4,263,172.79		72,445,629.01
Expenditures:								
General Government	5,933,719.77			253,461.00		1,551,113.00		7,738,293.77
Land Use Administration	550,429.00							550,429.00
Public Safety	9,955,293.00							9,955,293.00
Public Works	4,238,073.00							4,238,073.00
Health & Human Services	1,370,107.00							1,370,107.00
Parks and Recreation	928,375.00							928,375.00
Unclassified	10,209,045.00							10,209,045.00
Deferred Charges and Statutory Expenditures	3,771,814.05							3,771,814.05
Current Fund Excluded From CAPS:								
General Government	8,037,205.00							8,037,205.00
Public and Private Programs	1,082,807.74							1,082,807.74
Capital Improvements	150,000.00							150,000.00
Debt Service	11,197,773.59					948,506.25		12,146,279.84
Deferred Charges	683,516.00					175,000.00		858,516.00
Surplus - General Budget		400,000.00				1,400,000.00		1,800,000.00
Reserve for Uncollected Taxes	2,914,901.52							2,914,901.52
Total Budget Expenditures	61,023,059.67	400,000.00		253,461.00		4,074,619.25		65,351,139.92
Other Charges	259,048.55	34,445.98	500,000.00					793,494.53
Total Expenditures	61,282,108.22	434,445.98	500,000.00	253,461.00		4,074,619.25		66,544,634.45

PRINCETON
COUNTY OF MERCER
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DEC. 31, 2015

	CURRENT FUND		GENERAL CAPITAL FUND	AFFORDABLE HOUSING UTILITY OPERATING FUNDS	AFFORDABLE HOUSING CAPITAL FUND	PARKING UTILITY OPERATING FUNDS	PARKING CAPITAL FUND	TOTAL DEC. 31, 2015
Statutory Excess to Fund Balance	6,248,398.90	(305,942.41)	(274,865.81)	44,850.34		188,553.54		5,900,994.56
Fund Balance Jan. 1, 2015	<u>15,340,855.79</u>	<u>732,016.21</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>20,863,410.29</u>
	21,589,254.69	426,073.80	3,068,513.40	346,714.46	67,130.34	1,238,439.73	28,278.43	26,764,404.85
Decreased by: Utilized in Budget	<u>6,100,000.00</u>					<u>307,829.00</u>		<u>6,407,829.00</u>
Fund Balance Dec. 31, 2015	<u>\$ 15,489,254.69</u>	<u>\$ 426,073.80</u>	<u>\$ 3,068,513.40</u>	<u>\$ 346,714.46</u>	<u>\$ 67,130.34</u>	<u>\$ 930,610.73</u>	<u>\$ 28,278.43</u>	<u>\$ 20,356,575.85</u>

FUND FINANCIAL STATEMENTS

PRINCETON
MERCER COUNTY, NEW JERSEY

Exhibit - A

CURRENT FUND
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2015

<u>ASSETS</u>	<u>BALANCE DEC. 31, 2015</u>	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>BALANCE DEC. 31, 2015</u>
Cash and Investments - Treasurer Change Fund	\$ 22,489,095.39 <u>1,615.00</u> 22,490,710.39	Liabilities: Appropriation Reserves Reserve for Encumbrances Tax Overpayments Sewer Overpayments Due State of NJ Senior Cit./Veterans Deductions Accounts Payable Due to State of NJ BOCA Fees Due to County Prepaid Taxes Prepaid Sewer Various Payables Premium on Tax Sale Certificates Miscellaneous Reserves Reserve for Debt Service	\$ 3,767,045.41 1,204,706.63 293,867.31 6,351.61 3,997.60 72,605.26 29,931.00 77,619.54 1,419,082.98 45,180.75 192,295.84 115,300.00 708,254.11 <u>32,249.66</u>
Receivables and Other Assets With Full Reserves:			7,968,487.70
Taxes Receivable	1,115,778.80		
Tax Title Liens Receivable	105,354.32		
Sewer Charges Receivable	66,246.23		
Delinquent Interest & Penalty	32,401.33		
Property Acquired for Taxes at Assessed Value	278,400.00		
Revenue Accounts Receivable	108,712.26		
Interfunds Receivable	<u>4,824.16</u>		
	1,711,717.10		1,711,717.10
Deferred Charges:		Reserve for Receivables	
Emergency Appropriation	<u>967,032.00</u>	Fund Balance	<u>15,489,254.69</u>
	967,032.00		
Total Current Fund	<u>25,169,459.49</u>	Total Current Fund	<u>25,169,459.49</u>
Grant Fund:		Grant Fund:	
Cash and Investments - Treasurer	836,317.65	Reserve for Encumbrances	4,643.95
State & Federal Grants Receivable	<u>1,008,936.67</u>	Reserve for State & Federal Grants:	
		Appropriated	1,783,129.32
		Unappropriated	<u>57,481.05</u>
Total Grant Fund	<u>1,845,254.32</u>	Total Grant Fund	<u>1,845,254.32</u>
	\$ <u>27,014,713.81</u>		\$ <u>27,014,713.81</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, 2015

<u>REVENUE AND OTHER INCOME</u>	<u>YEAR 2015</u>
Fund Balance Utilized	\$ 6,100,000.00
Miscellaneous Revenues Anticipated	21,990,755.70
Receipts from Delinquent Taxes	1,043,752.96
Receipts from Current Taxes	153,194,675.40
Non-Budget Revenue	570,834.95
Other Credits to Income:	
Unexpended Balance of Approp.	
Reserves Lapsed	2,648,525.61
Cancelled Reserves	231,085.41
Interfund Loans Returned (Net)	<u>789,585.02</u>
	<u>186,569,215.05</u>
<u>EXPENDITURES</u>	
Budget Appropriations:	
Operations:	
Salaries and Wages	17,094,788.00
Other Expenses	25,210,266.51
Deferred Charges and Statutory	
Expenditures	4,455,330.05
Capital Improvements	150,000.00
Municipal Debt Service	11,197,773.59
County Taxes	45,270,934.96
Local District School Taxes	75,521,000.00
Municipal Open Space Tax	1,161,674.49
Cancellation of Grant Balances	<u>259,048.55</u>
Total Expenditures	<u>180,320,816.15</u>
Statutory Excess to Fund Balance	6,248,398.90
<u>FUND BALANCE</u>	
Balance - January 1	<u>15,340,855.79</u>
	21,589,254.69
Decreased by:	
Utilized as Anticipated Revenue	<u>6,100,000.00</u>
Balance - December 31	<u>\$ 15,489,254.69</u>

Note: See Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

Exh. A - 2
Page 1 of 3

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
	2015 BUDGET	N.J.S.A. 40A:4-87		
Surplus Anticipated	\$ 6,100,000.00		\$ 6,100,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverage	62,200.00		62,192.00	(8.00)
Other	57,900.00		84,408.00	26,508.00
Fees and Permits:				
Other	345,700.00		390,170.47	44,470.47
Fines and Costs:				
Municipal Court	1,300,000.00		1,219,646.53	(80,353.47)
Interest and Costs on Taxes	396,600.00		348,726.59	(47,873.41)
Interest on Investments and Deposits	186,100.00		200,534.41	14,434.41
Anticipated Utility Operating Surplus	1,400,000.00		1,400,000.00	
Sewer Rentals	6,715,700.00		6,617,832.88	(97,867.12)
Passport Fees			3,520.00	3,520.00
Life Hazard Use Fees	87,500.00		89,459.94	1,959.94
Fire and Housing Inspection Fees	242,600.00		242,439.00	(161.00)
Energy Receipts Tax	2,452,421.00		2,452,421.00	
Consolidated Municipal Property Tax Relief Aid	4,855.00		4,855.00	
Pilot- Institute for Advanced Study	250,000.00		250,000.00	
Pilot-Princeton Community Village	323,800.00		342,515.25	18,715.25
Pilot-Tenacre Foundation	500,000.00		500,000.00	
Princeton University Fair Share	2,860,000.00		2,860,000.00	
UCC Administrative Fee	201,534.00		201,534.00	
Special Items:				
Sustainable New Jersey	35,000.00	500.00	35,500.00	
Corner House Foundation	250,000.00		160,000.00	(90,000.00)
Princeton University Prospect St. Lighting	7,654.00		7,654.00	
Princeton University Fire Equipment	20,000.00		20,000.00	
Bonner Foundation	21,500.00		21,500.00	
Body Armor Grant	4,801.92	4,878.10	9,680.02	
Mercer County - Youth Advocacy grant	367.00		367.00	
Recycling Tonnage Grant	59,245.84		59,245.84	
Alcohol Education Rehabilitation Fund	5,435.37	1,473.33	6,908.70	

PRINCETON
MERCER COUNTY, NEW JERSEY

Ex . A - 2
Page 2 of 3

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
	2015 BUDGET	N.J.S.A. 40A:4-87		
Miscellaneous Revenues (Cont'd.):				
Adolescent Mercer County	38,497.00		38,497.00	
Mercer County PYP	27,304.00		27,304.00	
Firemen Funds		7,352.00	7,352.00	
Drive Sober or get pulled over		7,000.00	7,000.00	
NJ Health Officer		1,800.00	1,800.00	
Safer Grant		133,466.00	133,466.00	
Clean Communities	51,046.76	62,030.42	113,077.18	
Trail Grant	24,700.00		24,700.00	
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	
Cops in Shop	2,800.00	3,200.00	6,000.00	
Municipal Alliance on Alcoholism and Drug Abuse	28,056.00		28,056.00	
Theological Seminary	195,000.00		193,010.00	(1,990.00)
PILOT - Elm Court	77,000.00		78,982.50	1,982.50
Chamber St. Land Lease	141,600.00		141,630.00	30.00
Reserve for Debt Service Institute Woods	246,793.00		246,792.84	(0.16)
Reserve for Debt Service - Other	1,500,000.00		1,500,000.00	
Trust Surplus - Improvement Assessments	400,000.00		400,000.00	
Cable TV	155,000.00		155,000.00	
Shared Service Agreement - Library / School District	70,000.00		70,167.18	167.18
Stony Brook Industrial User Fees	20,000.00		20,446.90	446.90
Engineering Developer Fees	23,000.00		23,000.00	
Hotel/Motel Tax	306,900.00		308,663.47	1,763.47
Reserve fo Premium on Bonds	100,000.00		100,000.00	
General Capital Fund - Fund Balance	500,000.00		500,000.00	
Total Miscellaneous Revenues	21,973,310.89	221,699.85	21,990,755.70	(204,255.04)
Receipts from Delinquent Taxes	937,378.00		1,043,752.96	106,374.96
Amount to be Raised by Taxation for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including				
Reserve for Uncollected Taxes	29,499,353.49		31,764,729.26	2,265,375.77
Minimum Library Tax	2,476,336.69		2,476,336.69	
	31,975,690.18		34,241,065.95	2,265,375.77
Budget Totals	60,986,379.07	221,699.85	63,375,574.61	\$ 2,167,495.69
Non-Budget Revenues			570,834.95	
	\$ 60,986,379.07	\$ 221,699.85	\$ 63,946,409.56	

Note: See Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES-REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

<u>ANALYSIS OF REALIZED REVENUES</u>	<u>REF.</u>	
<u>Allocation of Current Tax Collections:</u>		
2015 Collections	A-6	149,063,189.05
Prepaid Taxes Applied	A-6	1,131,465.99
State Share of Sr. Citizen's and Veteran's Deductions Allowed	A-6	<u>85,118.84</u>
	A-1	\$ 150,279,773.88
Allocated to:		
Regional School Tax	A-11	72,521,000.00
County Taxes	A-11	45,193,315.50
Added County Taxes	A-11	77,619.46
Local Open Space Tax	A-1	<u>1,161,674.49</u>
		<u>118,953,609.45</u>
		31,326,164.43
Add: Reserve for Uncollected Taxes	A-3	<u>2,914,901.52</u>
Amount for Support of Municipal Budget	A-2	<u>\$ 34,241,065.95</u>
<u>Allocation of Delinquent Tax Collections:</u>		
Collections	A-6	<u>\$ 1,043,752.96</u>
	A-2	<u>\$ 1,043,752.96</u>

Note: See Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

Exh. A - 3

CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

	2015	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"</u>						
<u>GENERAL GOVERNMENT:</u>						
General Administration						
Salaries and Wages	\$ 211,995.00	\$ 211,995.00	\$ 211,788.77	\$	206.23	\$
Other Expenses	74,000.00	74,000.00	39,217.72	3,150.00	31,632.28	
Information Technology						
Salaries and Wages	326,657.00	326,657.00	324,065.05		2,591.95	
Other Expenses	513,550.00	513,550.00	345,764.05	97,019.44	70,766.51	
Human Resources (Personnel)						
Other Expenses	285,525.00	285,525.00	199,118.29	12,192.82	74,213.89	
Mayor and Council						
Salaries and Wages	80,000.00	80,000.00	79,999.80		0.20	
Other Expenses	1,427,180.77	1,232,680.77	297,935.28	71,522.73	863,222.76	
Municipal Clerk						
Salaries and Wages	308,977.00	308,977.00	306,322.76		2,654.24	
Other Expenses	43,500.00	43,500.00	28,451.37	6,681.26	8,367.37	
Elections						
Salaries and Wages	3,600.00	3,600.00	3,600.00			
Other Expenses	12,700.00	12,700.00	8,675.20		4,024.80	
Financial Administration (Treasury)						
Salaries and Wages	660,129.00	660,129.00	651,689.00		8,440.00	
Other Expenses	30,350.00	30,350.00	17,230.69	1,737.01	11,382.30	
Audit Services	50,000.00	50,000.00		50,000.00		
Revenue Administration (Tax Collection)						
Salaries and Wages	161,783.00	161,783.00	146,786.75		14,996.25	
Other Expenses	14,725.00	14,725.00	7,459.40	262.01	7,003.59	
Tax Assessment Administration						
Salaries and Wages	160,982.00	160,982.00	160,660.96		321.04	
Other Expenses	84,000.00	84,000.00	60,297.51	10,586.50	13,115.99	
Legal Services						
Other Expenses	444,000.00	444,000.00	286,386.17	27,973.03	129,640.80	
Defense of Tax Appeals	30,000.00	30,000.00			30,000.00	
Call Center						
Salaries and Wages	139,403.00	139,403.00	139,039.62		363.38	
Other Expenses	16,250.00	16,250.00	8,151.26	795.00	7,303.74	
Engineering Services						
Salaries and Wages	968,528.00	968,528.00	895,537.18		72,990.82	
Other Expenses	47,350.00	47,350.00	38,794.14	2,481.51	6,074.35	
Historical Site Office						
Salaries and Wages	2,000.00	2,000.00	1,424.24		575.76	
Other Expenses	31,035.00	31,035.00	6,975.53	14.53	24,044.94	

PRINCETON
MERCER COUNTY, NEW JERSEY

Exh. A - 3

CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

	2015	BUDGET AFTER	EXPENDED			UNEXPENDED
	BUDGET	MODIFICATION	PAID OR	ENCUMBERED	RESERVED	BALANCE
			CHARGED			CANCELLED
<u>LAND USE ADMINISTRATION:</u>						
Regional Planning Board						
Salaries and Wages	\$ 230,518.00	\$ 230,518.00	\$ 226,422.80		\$ 4,095.20	\$
Other Expenses	79,300.00	79,300.00	17,986.23	28,868.06	32,445.71	
Zoning Board of Adjustment						
Salaries and Wages	201,811.00	215,811.00	215,698.63		112.37	
Other Expenses	24,800.00	24,800.00	12,231.52	12,568.48		
<u>PUBLIC SAFETY FUNCTIONS:</u>						
Police						
Salaries and Wages	7,105,492.00	7,167,492.00	7,124,712.41		42,779.59	
Other Expenses	332,916.00	332,916.00	283,722.32	23,751.32	25,442.36	
Police Dispatch/911						
Salaries and Wages	810,762.00	810,762.00	737,659.60		73,102.40	
Office of Emergency Management						
Salaries and Wages	148,557.00	148,557.00	148,132.35		424.65	
Other Expenses	11,000.00	11,000.00	9,062.18	1,501.00	436.82	
Fire Department						
Salaries and Wages	10,000.00	10,000.00	10,000.00			
Other Expenses	309,250.00	264,250.00	179,305.48	84,859.84	84.68	
LOSAP Alternative		45,000.00	17,591.00		27,409.00	
Other Expenses - Fire Facilities	126,500.00	126,500.00	77,771.46	12,511.35	36,217.19	
Fire Prevention						
Salaries and Wages	286,616.00	286,616.00	274,752.72		11,863.28	
Other Expenses	7,200.00	7,200.00	2,533.79	665.00	4,001.21	
Fire Hydrant Service	675,000.00	675,000.00	598,496.68	54,367.88	22,135.44	
Municipal Prosecutor's Office						
Other Expenses	70,000.00	70,000.00	52,500.00	17,500.00		
<u>PUBLIC WORKS FUNCTIONS:</u>						
Streets and Roads Maintenance						
Other Expenses	\$ 1,744,115.00	\$ 1,744,115.00	\$ 1,547,684.84		\$ 196,430.16	\$
Other Expenses	421,900.00	471,900.00	388,967.43	28,030.54	54,902.03	
Sustainable Princeton	30,000.00	30,000.00	28,357.00		1,643.00	
Buildings and Grounds						
Salaries and Wages	613,582.00	613,582.00	577,655.91		35,926.09	
Other Expenses	469,050.00	469,050.00	408,433.74	24,545.45	36,070.81	
Vehicle Maintenance (Including Police Vehicles)						
Salaries and Wages	334,426.00	334,426.00	289,650.50		44,775.50	
Other Expenses	300,000.00	325,000.00	287,645.51	10,515.17	26,839.32	
Community Service Act (Condominium Community Costs)						
Other Expenses	250,000.00	250,000.00			250,000.00	

PRINCETON
MERCER COUNTY, NEW JERSEY

Exh. A - 3

CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

	2015	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>HEALTH & HUMAN SERVICES FUNCTIONS:</u>						
Regional Health Commission-Proportionate Share						
Salaries and Wages	326,914.00	330,414.00	330,395.35		18.65	
Other Expenses	94,220.00	75,220.00	43,158.75	30,986.16	1,075.09	
Flu Program		19,000.00	36.17	3,765.00	15,198.83	
Suzanne Patterson Center						
Salaries and Wages	10,000.00	10,000.00	10,000.00			
Other Expenses	210,000.00	210,000.00	162,623.85	11,827.65	35,548.50	
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	2,867.50		732.50	
Other Expenses	3,000.00	3,000.00	382.95	2,300.00	317.05	
Animal Control						
Salaries and Wages	60,172.00	60,172.00	43,640.13		16,531.87	
Other Expenses	12,125.00	7,125.00	2,468.81	198.74	4,457.45	
Save Boarding		5,000.00	165.00		4,835.00	
Deer Management Program						
Salaries and Wages	20,000.00	20,000.00			20,000.00	
Other Expenses	93,800.00	93,800.00	84,587.35	5,670.00	3,542.65	
Human Services Commission						
Salaries and Wages	103,300.00	133,300.00	132,380.45		919.55	
Other Expenses	28,550.00	13,550.00	8,423.00	3,095.41	2,031.59	
Joint Drug Abuse Prevention Program						
Salaries and Wages	229,926.00	229,926.00	212,486.71		17,439.29	
Other Expenses	155,000.00	155,000.00	102,816.38	4,156.09	48,027.53	
<u>PARKS & RECREATION FUNCTIONS:</u>						
Joint Recreation Board						
Salaries and Wages	\$ 747,305.00	\$ 747,305.00	\$ 701,114.07	\$	46,190.93	\$
Other Expenses	65,850.00	65,850.00	54,340.66	10,201.49	1,307.85	
Maintenance of Parks and Playgrounds						
Other Expenses	107,720.00	107,720.00	102,757.39	4,509.45	453.16	
Celebration of Public Events	7,500.00	7,500.00	2,659.64		4,840.36	

PRINCETON
MERCER COUNTY, NEW JERSEY

Exh. A - 3

CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

	2015	BUDGET AFTER	EXPENDED			UNEXPENDED
	<u>BUDGET</u>	<u>MODIFICATION</u>	<u>PAID OR</u>	<u>ENCUMBERED</u>	<u>RESERVED</u>	<u>BALANCE</u>
<u>Operations Within "CAPS" (Cont'd.)</u>			<u>CHARGED</u>			<u>CANCELLED</u>
<u>UTILITY EXPENSES & BULK PURCHASES:</u>						
Electricity	400,000.00	400,000.00	223,807.12	48,577.43	127,615.45	
Telephone (excluding equipment)	198,000.00	223,000.00	191,764.95	4,052.52	27,182.53	
Water	21,000.00	21,000.00	11,669.17	702.80	8,628.03	
Gas (natural or propane)	100,000.00	100,000.00	99,607.04		392.96	
Fuel Oil	330,100.00	330,100.00	219,420.95	9,385.45	101,293.60	
Street Lighting	285,000.00	285,000.00	255,520.63	23,048.19	6,431.18	
Sewer System						
Salaries and Wages	628,930.00	628,930.00	532,734.00		96,196.00	
Other Expenses	326,100.00	326,100.00	226,750.87	84,325.03	15,024.10	
Garbage and Trash Removal						
Other Expenses	1,491,500.00	1,491,500.00	1,315,150.39	94,321.40	82,028.21	
Municipal Court						
Salaries and Wages	341,611.00	341,611.00	332,472.91		9,138.09	
Other Expenses	27,780.00	27,780.00	19,061.79	3,035.83	5,682.38	
Public Defender						
Other Expenses	57,500.00	57,500.00	41,249.34	11,667.40	4,583.26	
Rental Housing						
Salaries and Wages	181,461.00	181,461.00	180,724.84		736.16	
Accumulated Leave Compensation	50,000.00	50,000.00	20,286.59		29,713.41	
Liability Insurance	746,939.00	746,939.00	716,272.11		30,666.89	
Workers Compensation Insurance	428,413.00	428,413.00	422,636.00		5,777.00	
Group Insurance	4,251,711.00	4,251,711.00	3,836,039.85	11,316.23	404,354.92	
Health Benefit Waiver	105,000.00	105,000.00	104,999.99		0.01	
Transportation of Local Pupils by Board of Education (NJSAA18A:39-1.2)						
Other Expenses	213,000.00	213,000.00	170,061.75		42,938.25	
Total Operations Within "CAPS"	<u>33,185,041.77</u>	<u>33,185,041.77</u>	<u>28,699,879.29</u>	<u>951,242.20</u>	<u>3,533,920.28</u>	
DETAIL:						
Salaries and Wages	15,419,037.00	15,528,537.00	15,004,415.01		524,121.99	
Other Expenses (Including Contingent)	17,766,004.77	17,656,504.77	13,695,464.28	951,242.20	3,009,798.29	

PRINCETON
MERCER COUNTY, NEW JERSEY

Exh. A - 3

CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

	2015	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>
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"						
<u>STATUTORY EXPENDITURES:</u>						
Contribution to:						
Public Employees' Retirement System	\$ 1,241,000.00	\$ 1,241,000.00	\$ 1,241,000.00		\$	\$
Social Security System (O.A.S.I.)	973,714.05	973,714.05	855,697.21		118,016.84	
Consolidated Police & Firemen's Pension Fund	21,000.00	21,000.00	19,810.06		1,189.94	
Defined Contribution Retirement Program	5,100.00	5,100.00	4,868.97		231.03	
Unemployment Insurance	90,000.00	90,000.00	30,617.44		59,382.56	
Police and Firemen's Retirement System of N.J.	<u>1,441,000.00</u>	<u>1,441,000.00</u>	<u>1,440,953.00</u>		<u>47.00</u>	
Total Deferred Charges and Statutory Expend. Municipal Within "CAPS"	<u>3,771,814.05</u>	<u>3,771,814.05</u>	<u>3,592,946.68</u>		<u>178,867.37</u>	
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>36,956,855.82</u>	<u>36,956,855.82</u>	<u>32,292,825.97</u>	<u>951,242.20</u>	<u>3,712,787.65</u>	
<u>Operations Excluded from "CAPS"</u>						
Affordable Housing Agency						
Salaries and Wages	100,000.00	100,000.00	100,000.00			
Maintenance of Joint Public Library	4,087,205.00	4,087,205.00	4,087,205.00			
<u>INTERLOCAL SERVICE AGREEMENTS:</u>						
Stonybrook Regional Sewerage Authority						
Other Expenses	3,830,000.00	3,830,000.00	3,798,142.61		31,857.39	
Industrial User Fee	20,000.00	20,000.00	15,065.82		4,934.18	

PRINCETON
MERCER COUNTY, NEW JERSEY

Exh. A - 3

CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

	2015	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	69,504.73	20,029.08	7,466.19	
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	42,000.00	42,000.00	42,000.00			
Alcohol Education Rehabilitation	5,435.37	6,908.70	6,908.70			
Academic Success Today	10,000.00	10,000.00	10,000.00			
Mercer County PYP Program	27,304.00	27,304.00	27,304.00			
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 Youth Advocacy	367.00	367.00	367.00			
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			
Sustainable Jersey	35,000.00	35,000.00	35,000.00			
DEP - Trail Grants	24,700.00	24,700.00	24,700.00			
Cops in Shops	2,800.00	6,000.00	6,000.00			
Drunk Driving Enforcement		7,000.00	7,000.00			
Body Armor	4,801.92	9,680.02	9,680.02			
Firemen's Fund Other Expense		7,352.00	7,352.00			
NJ Health Officer's Association		1,800.00	1,800.00			
Safer Grant		133,466.00	133,466.00			
Recycling Tonnage	59,245.84	59,245.84	59,245.84			
Clean Communities	51,046.76	113,077.18	113,077.18			
Matching Funds for Grants	10,000.00	10,000.00			10,000.00	
Total Operations - Excluded from "CAPS"	8,898,312.89	9,120,012.74	9,045,725.90	20,029.08	54,257.76	
DETAIL:						
Salaries and Wages	153,000.00	153,000.00	153,000.00			
Other Expenses	8,745,312.89	8,967,012.74	8,892,725.90	20,029.08	54,257.76	

PRINCETON
MERCER COUNTY, NEW JERSEY

Exh. A - 3

CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

	2015 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED ENCUMBERED	RESERVED	UNEXPENDED BALANCE CANCELLED
<u>Capital Improvements - Excluded from "CAPS"</u>						
Capital Improvement Fund	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00			
Total Capital Improvements - Excluded from "CAPS"	150,000.00	150,000.00	150,000.00			
<u>Municipal Debt Service - Excluded from "CAPS"</u>						
Payment of Bond Principal	7,710,000.00	7,710,000.00	7,710,000.00			
Interest on Bonds	2,176,000.00	2,176,000.00	1,990,980.75			185,019.25
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	246,792.84	246,792.84	246,792.84			
NJ Environmental Infrastructure Loan	1,250,000.00	1,250,000.00	1,250,000.00			
Total Municipal Debt Service - Excluded from "CAPS"	11,382,792.84	11,382,792.84	11,197,773.59			185,019.25
<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			
Special Emergency Authorizations - 3 Years (N.J.S.A. 40A:4-55 & 4-55.13)	200,000.00	200,000.00	200,000.00			
Total Deferred Charges - Municipal - Excluded from "CAPS"	683,516.00	683,516.00	683,516.00			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	21,114,621.73	21,336,321.58	21,077,015.49	20,029.08	54,257.76	185,019.25
Subtotal General Appropriations	58,071,477.55	58,293,177.40	53,369,841.46	971,271.28	3,767,045.41	185,019.25
Reserve for Uncollected Taxes	2,914,901.52	2,914,901.52	2,914,901.52			
Total General Appropriations	\$ 60,986,379.07	\$ 61,208,078.92	\$ 56,284,742.98	\$ 971,271.28	\$ 3,767,045.41	\$ 185,019.25
Disbursed			\$ 51,863,517.72			
Deferred Charges			683,516.00			
State and Federal Grants Appropriated			822,807.74			
Reserve for Uncollected Taxes			2,914,901.52			
			\$ 56,284,742.98			

Note: See Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

Exhibit - B
Page 1 of 2

TRUST FUND
BALANCE SHEET - REGULATORY BASIS
FOR YEAR ENDED DECEMBER 31, 2015

<u>ASSETS</u>	<u>BALANCE DEC. 31, 2015</u>	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>BALANCE DEC. 31, 2015</u>
Assessment Fund:		Assessment Fund:	
Cash and Investments	\$ 612,761.03	Prospective Assessments Funded	\$ 556,786.50
Amount to be Raised by Taxation Assmt. Bonds	51,249.45	Due to General Capital Fund	107,171.46
Assessments & Assmt. Liens Receivable	513,618.48	Res. for Assessments, Liens and	
Prospective Assessments Funded	<u>556,786.50</u>	Interest and Costs	511,337.62
		Assessment Serial Bonds	159,119.88
		Fund Balance	<u>400,000.00</u>
Total Assessment Fund	<u>1,734,415.46</u>	Total Assessment Fund	<u>1,734,415.46</u>
Animal Control Fund:		Animal Control Fund:	
Cash and Investments	<u>26,073.80</u>	Fund Balance	<u>26,073.80</u>
Total Animal Control Fund	<u>26,073.80</u>	Total Animal Control Fund	<u>26,073.80</u>
Open Space Trust Fund:		Open Space Trust Fund:	
Cash and Investments	<u>1,424,323.82</u>	Reserve for Encumbrances	3,525.06
		Reserve for Open Space	<u>1,420,798.76</u>
Total Open Space Trust Fund	<u>1,424,323.82</u>	Total Open Space Trust Fund	<u>1,424,323.82</u>
Unemployment Fund:		Unemployment Fund:	
Cash and Investments	<u>418,643.80</u>	Reserve for Unemployment Claims	<u>418,643.80</u>
Total Unemployment Fund	<u>418,643.80</u>	Total Unemployment Fund	<u>418,643.80</u>
Escrow Trust Fund:		Escrow Trust Fund:	
Cash and Investments	<u>7,313,909.41</u>	Due to Current Fund	240.90
		Reserve for Encumbrances	29,755.61
		Various Escrow Reserves	<u>7,283,912.90</u>
Total Escrow Trust Fund	<u>7,313,909.41</u>	Total Escrow Trust Fund	<u>7,313,909.41</u>

TRUST FUND
BALANCE SHEET - REGULATORY BASIS
FOR YEAR ENDED DECEMBER 31, 2015

Exhibit - B
Page 2 of 2

<u>ASSETS</u>	<u>BALANCE DEC. 31, 2015</u>	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>BALANCE DEC. 31, 2015</u>
Payroll Fund:		Payroll Fund:	
Cash and Investments	<u>146,403.39</u>	Accounts Payable	<u>146,403.39</u>
Total Payroll Fund	<u>146,403.39</u>	Total Payroll Fund	<u>146,403.39</u>
Other Trust Funds:		Other Trust Funds:	
Cash and Investments	<u>7,140,738.11</u>	Due to Current Fund	4,583.26
		Reserve for Encumbrances	102,892.65
		Various Reserves and Deposits	<u>7,033,262.20</u>
Total Other Trust Funds	<u>7,140,738.11</u>	Total Other Trust Funds	<u>7,140,738.11</u>
Flexible Spending Trust		Flexible Spending Trust	
Cash and Investments	<u>5,164.47</u>	Reserve for Flexible Spending	<u>5,164.47</u>
Total Flexible Spending Account	<u>5,164.47</u>	Total Flexible Spending Account	<u>5,164.47</u>
Landfill Closure Fund		Landfill Closure Fund	
Cash and Investments	<u>23,662.97</u>	Reserve for Landfill Closure	<u>23,662.97</u>
Total Landfill Account	<u>23,662.97</u>	Total Landfill Account	<u>23,662.97</u>
Law Enforcement Trust Fund		Law Enforcement Trust Fund	
Cash and Investments	<u>39,010.85</u>	Reserve for Law Enforcement Trust	<u>39,010.85</u>
Total Law Enforcement Account	<u>39,010.85</u>	Total Law Enforcement Account	<u>39,010.85</u>
 Grand Total All Trust Funds	 \$ <u><u>18,272,346.08</u></u>	 Grand Total All Trust Funds	 \$ <u><u>18,272,346.08</u></u>

Note: See Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

TRUST ASSESSMENT FUND
STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

<u>REVENUE AND OTHER INCOME</u>	<u>YEAR 2015</u>
Assessment Receivables Pledged to Surplus	\$ <u>96,949.77</u>
	<u>96,949.77</u>
 <u>EXPENDITURES</u>	
Utilized as Current Fund Revenue	<u>400,000.00</u>
	<u>400,000.00</u>
Statutory Excess/(Deficit) to Fund Balance	(303,050.23)
 <u>FUND BALANCE</u>	
Balance - January 1	<u>703,050.23</u>
Balance - December 31	\$ <u><u>400,000.00</u></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, 2015

<u>REVENUE AND OTHER INCOME</u>	<u>YEAR 2015</u>
License Fees	\$ 11,426.80
Miscellaneous Fees	500.00
Principal/Interest	<u>19,627.00</u>
	<u>31,553.80</u>
 <u>EXPENDITURES AND OTHER CHARGES</u>	
Animal Control Expenditures	5,299.64
Other Charges:	
Excess Fund Balance Transferred to Current Fund	<u>29,146.34</u>
	34,445.98
Statutory Excess/(Deficit) to Fund Balance	(2,892.18)
 <u>FUND BALANCE</u>	
Balance - January 1, 2015	<u>28,965.98</u>
Balance - December 31, 2015	\$ <u><u>26,073.80</u></u>
 License Fees Collected:	
2013	\$ 14,030.40
2014	<u>12,043.40</u>
	\$ <u><u>26,073.80</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, 2015

<u>ASSETS</u>	<u>BALANCE</u> <u>DECEMBER 31, 2015</u>
Cash and Investments - Treasurer	\$ 5,213,817.58
State Aid Receivable	1,002,323.09
Infrastructure Loan Receivable	2,791,648.18
Due from Mercer County	116,170.00
Due from Trust Assessment Fund	107,171.46
Deferred Charges to Future Taxation:	
Funded	78,590,291.50
Unfunded	31,006,998.61
	<u>118,828,420.42</u>
	\$ <u>118,828,420.42</u>
 <u>LIABILITIES, RESERVES</u> <u>AND FUND BALANCE</u>	
General Serial Bonds	\$ 67,185,880.50
Bond Anticipation Notes Payable	9,000,000.00
Infrastructure Loan Payable	10,648,687.16
Green Trust Project Loan Payable	755,723.84
Reserve for Encumbrances	3,723,112.64
Improvement Authorizations:	
Funded	1,754,376.50
Unfunded	18,654,493.23
Reserve For:	
Capital Improvement Fund	387,217.49
Future Debt Service Costs	3,055,415.66
Reserve for Roads	595,000.00
Fund Balance	3,068,513.40
	<u>118,828,420.42</u>
	\$ <u>118,828,420.42</u>

At December 31, 2015 here were Bonds and Notes Authorized but not Issued
 in the amount of \$22,038,613.61

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 YEAR ENDED DECEMBER 31, 2015

<u>REVENUE AND OTHER INCOME</u>	<u>YEAR 2015</u>
Cancellation of Improvement Authorizations	\$ <u>225,134.19</u>
	<u>225,134.19</u>
<u>EXPENDITURES</u>	
Utilized as Current Fund Revenue	<u>500,000.00</u>
	<u>500,000.00</u>
Statutory Excess/(Deficit) to Fund Balance	(274,865.81)
<u>FUND BALANCE</u>	
Balance - January 1	<u>3,343,379.21</u>
Balance - December 31	\$ <u><u>3,068,513.40</u></u>

Note: See Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

AFFORDABLE HOUSING UTILITY FUND
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2015

<u>ASSETS</u>	<u>BALANCE DEC. 31, 2015</u>	<u>LIABILITIES, RESERVES AND FUND BALANCES</u>	<u>BALANCE DEC. 31, 2015</u>
Operating Fund:		Operating Fund:	
Cash and Investments - Treasurer	\$ 3,420,495.87	Liabilities:	
	<u>3,420,495.87</u>	Reserve for Encumbrances	\$ 3,267.42
		Appropriation Reserves	17,430.92
		Reserves:	
		Affordable Housing	435,295.28
		Rehabilitation Program	185,458.96
		Unit Repurchases	675,697.83
		Affordability Assistance	94,615.68
		Affordable Housing-Sect. 10B340	<u>1,662,015.32</u>
Receivables and Inventory With			3,073,781.41
Full Reserves:			
Accounts Receivable 234 Brickhouse	26,297.73		
Down Payment Assistance Program Rec.	84,453.16		
Morning Star Church Tax Lien	5,409.04		
Rehabilitation Mortgage Receivable	<u>258,124.62</u>		
	<u>374,284.55</u>	Reserve for Receivables	374,284.55
		Fund Balance	<u>346,714.46</u>
Total Operating Fund	<u>3,794,780.42</u>	Total Operating Fund	<u>3,794,780.42</u>
Capital Fund:		Capital Fund:	
Cash	118,969.04	Improvement Authorizations:	
Fixed Capital Authorized and Uncompleted	<u>15,863.35</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>\$ 3,929,612.81</u>	Total Capital Fund	<u>\$ 3,929,612.81</u>

There were Bonds and Notes Authorized but not Issued at December 31, 2015 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, 2015

<u>REVENUE AND OTHER INCOME</u>	<u>2015</u>
Miscellaneous Revenues Anticipated	\$ 253,461.00
Non-Budget Revenue	12,599.16
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	<u>32,251.18</u>
Total Revenues	<u>298,311.34</u>
 <u>EXPENDITURES</u>	
Budget Expenditures:	
Salaries and Wages	98,931.00
Other Expenses	<u>154,530.00</u>
Total Expenditures	<u>253,461.00</u>
Excess in Revenues	44,850.34
 <u>FUND BALANCE</u>	
Balance - January 1	<u>301,864.12</u>
Balance -December 31	<u>\$ 346,714.46</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 YEAR ENDED DECEMBER 31, 2015

YEAR 2015

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

AFFORDABLE HOUSING UTILITY OPERATING FUND
 STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

	2015 <u>BUDGET</u>	<u>REALIZED</u>	EXCESS OR (<u>DEFICIT</u>)
Affordable Housing Fees	\$ 153,461.00	\$ 153,461.00	\$
Township Contribution	<u>100,000.00</u>	<u>100,000.00</u>	<u>-</u>
	<u><u>\$ 253,461.00</u></u>	<u><u>\$ 253,461.00</u></u>	<u><u>\$ -</u></u>

Note: See Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

AFFORDABLE HOUSING UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

	2015	BUDGET AFTER	<u>EXPENDED</u>		
	<u>BUDGET</u>	<u>MODIFICATION</u>	<u>PAID OR</u>	<u>ENCUMBERED</u>	<u>RESERVED</u>
			<u>CHARGED</u>		
Operating:					
Salaries and Wages	\$ 98,931.00	\$ 98,931.00	\$ 84,712.48	\$	\$ 14,218.52
Other Expenses	<u>154,530.00</u>	<u>154,530.00</u>	<u>148,050.18</u>	<u>3,267.42</u>	<u>3,212.40</u>
	<u>\$ 253,461.00</u>	<u>\$ 253,461.00</u>	<u>\$ 232,762.66</u>	<u>\$ 3,267.42</u>	<u>\$ 17,430.92</u>

Note: See Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

PARKING UTILITY FUND
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2015

<u>ASSETS</u>	<u>BALANCE DEC. 31, 2015</u>	<u>LIABILITIES, RESERVES AND FUND BALANCES</u>	<u>BALANCE DEC. 31, 2015</u>
Operating Fund:		Operating Fund:	
Cash and Investments - Treasurer	<u>\$ 1,217,413.83</u>	Liabilities:	
		Reserve for Encumbrances	\$ 38,752.33
		Appropriation Reserves	87,560.15
		Accrued Interest on Bonds	156,323.96
		Reserve for Security Deposit Hinkson	4,166.66
		Fund Balance	<u>930,610.73</u>
Total Operating Fund	<u>1,217,413.83</u>	Total Operating Fund	<u>1,217,413.83</u>
Capital Fund:		Capital Fund:	
Cash and Investments - Treasurer	483,348.48	Serial Bonds Payable	9,735,000.00
Fixed Capital	13,675,611.66	Improvement Authorizations	
Fixed Capital Authorized & Uncompleted	<u>3,186,822.65</u>	Funded	248,481.27
		Unfunded	1,923,550.74
		Reserve for Encumbrances	148,038.04
		Reserve for:	
		Debt Service	375,000.00
		Amortization	4,887,434.31
		Fund Balance	<u>28,278.43</u>
Total Capital Fund	<u>17,345,782.79</u>	Total Capital Fund	<u>17,345,782.79</u>
	<u>\$ 18,563,196.62</u>		<u>\$18,563,196.62</u>

There were Bonds and Notes Authorized but not Issued at December 31, 2015 in the amount of \$2,240,000.00

Note: See Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

Exhibit - E-1

PARKING UTILITY OPERATING FUND
STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

REVENUE AND OTHER INCOME

2015

Operating Fund Balance	\$ 307,829.00
Miscellaneous Revenues Anticipated	3,936,156.63
Non-Budget Revenue	11,603.04
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	<u>7,584.12</u>
Total Revenues	<u>4,263,172.79</u>

EXPENDITURES

Budget Expenditures:	
Salaries and Wages	662,238.00
Other Expenses	888,875.00
Debt Service	948,506.25
Deferred Charges	175,000.00
Surplus - General Budget	<u>1,400,000.00</u>
Total Expenditures	<u>4,074,619.25</u>

Excess in Revenues	188,553.54
--------------------	------------

FUND BALANCE

Balance - January 1	<u>1,049,886.19</u>
	1,238,439.73
Decreased by:	
Utilized as Anticipated Revenue	<u>307,829.00</u>
Balance -December 31	<u>\$ 930,610.73</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 YEAR ENDED DECEMBER 31, 2015

YEAR 2015

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
 PARKING UTILITY OPERATING FUND
 STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

	2015 <u>BUDGET</u>	<u>REALIZED</u>	EXCESS OR (DEFICIT)
Fund Balance Utilized	\$ 307,829.00	\$ 307,829.00	\$
Parking Fees	3,287,136.00	3,446,071.82	158,935.82
Service Charge	125,247.00	127,559.30	2,312.30
Lease Agreements	352,628.00	353,280.95	652.95
Interest	<u>7,798.00</u>	<u>9,244.56</u>	<u>1,446.56</u>
	<u>\$ 4,080,638.00</u>	<u>\$ 4,243,985.63</u>	<u>\$ 163,347.63</u>

Note: See Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

PARKING UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

	2015	BUDGET AFTER	EXPENDED		RESERVED	UNEXPENDED
	BUDGET	MODIFICATION	PAID OR	ENCUMBERED		BALANCE
			CHARGED			CANCELLED
Operating:						
Salaries and Wages	\$ 722,238.00	\$ 662,238.00	\$ 634,137.88	\$	28,100.12	\$
Other Expenses	828,875.00	888,875.00	790,662.64	38,752.33	59,460.03	
Debt Service:						
Payment of Bond Principal	535,000.00	535,000.00	535,000.00			
Interest on Bonds	419,525.00	419,525.00	413,506.25			6,018.75
Deferred Charges:						
Ord. 13-20	80,000.00	80,000.00	80,000.00			
Ord. 14-34	95,000.00	95,000.00	95,000.00			
Surplus - General Budget	<u>1,400,000.00</u>	<u>1,400,000.00</u>	<u>1,400,000.00</u>			
	<u>\$ 4,080,638.00</u>	<u>\$ 4,080,638.00</u>	<u>\$ 3,948,306.77</u>	<u>\$ 38,752.33</u>	<u>\$ 87,560.15</u>	<u>\$ 6,018.75</u>
Disbursed			\$ 3,534,800.52			
Accrued Interest on Bonds			<u>413,506.25</u>			
			<u>\$ 3,948,306.77</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, 2015

	<u>BALANCE</u> <u>DEC 31, 2015</u>
<u>ASSETS</u>	
Cash:	
Treasurer	\$ <u>133,436.17</u>
	\$ <u><u>133,436.17</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	104,564.49
Advanced State Aid	<u>27,633.37</u>
	\$ <u><u>133,436.17</u></u>

Note: See Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
THE YEAR ENDED DECEMBER 31, 2015

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, Shade Trees, etc.)
Developer's Escrow Fund	Uniform Fire Safety Act Penalties
Open Space Trust Fund	Electronic Receipts Fees
Payroll & Payroll Agency Fund	Snow Removal Trust Fund
Police Off-Duty Pay	Accumulated Absences Fund
Mountain Lakes Nature Preserve	
Donations	
Parking Adjudication Act	

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

B. Description of Funds (Cont'd.)

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

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

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

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

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

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

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

C. Basis of Accounting and Measurement Focus

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

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

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

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

Expenditures - For purposes of financial reporting, expenditures are recorded as "paid or charged" or "appropriation reserves". Paid or charged refers to Princeton's "budgetary" basis of accounting. Generally, these expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Reserves for un-liquidated encumbrances at the close of the year are reported as a cash liability. Encumbrances do not constitute expenditures under GAAP. Appropriation reserves refer to unexpended appropriation balances at the close of the year. Appropriation reserves are automatically created and recorded as a cash liability, except for amounts which may be cancelled by the governing body. Appropriation reserves are available until lapsed at the close of the succeeding year to meet specific claims, commitments or contracts incurred and not recorded in the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Generally, unexpended balances of budget appropriations are not recorded as expenditures under GAAP. Expenditures for the costs of post-employment benefits other than pensions (other post-employment benefits or "OPEB") are recorded in the accounting period in which the payments are made. GAAP requires recognition of the actuarially determined estimated OPEB cost during the employment period of each employee, during which any OPEB benefit is earned. See Note 11 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 11 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.

Governmental 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 Pension Liabilities – Princeton has included information relating to its allocated shares of net pension liabilities of the state sponsored, cost-sharing, multiple employer defined benefit pension plans in which it participates in Note 10 and the accompanying required supplementary information. As Princeton does present entity-wide financial statements, it does not present on the face of its financial statements its proportionate share of the net pension liability of the defined benefit plans in which its employees are enrolled. It is excluded based upon the regulatory basis followed by the municipality. GAAP requires the recognition of the net pension liability and associated deferred inflows and deferred outflows of financial resources in the entity-wide financial statements.

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. 73, "Accounting and Financial Reporting for Pensions and Related Assets that are not within the scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements 67 and 68" in June 2015. The objective of this statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.

GASB issued Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other than Pension Plans" in June 2015. The statement is to improve the usefulness of information about post employment benefits other than pensions included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.

GASB issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits other Than Pensions" in June 2015. The objective of this statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions.

GASB issued Statement No. 76, "the Hierarchy of Generally Accepted Accounting Principles for State and Local Governments" in June 2015. The objective is to identify – in context of the current governmental financial reporting environment- the hierarchy of generally accepted accounting principles (GAAP). This Statement supersedes GASB Statement No. 55.

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

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

Recent Accounting Standards (cont'd):

GASB issued Statement No. 77, "Tax Abatement Disclosures" in August 2015. Financial statements prepared by state and local governments in conformity with generally accepted accounting principles provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts and others with information they need to evaluate the financial health of governments, make decisions and assess accountability.

GASB issued Statement No. 78, "Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans" in December 2015. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to the state or local governmental employers whose employees are provided with such pensions.

GASB issued Statement No. 79, "Certain External Investment Pools and Pool Participants" in December 2015. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. It establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes.

GASB issued Statement No. 80, "Blending Requirements for Certain Component Units – an Amendment of GASB Statement No. 14" in January 2016. The objective of this statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units.

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.

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

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>2015</u>
<u>Issued:</u>	
General:	
Bonds and Notes	\$76,215,880.50
Green Trust Program Loans	755,723.84
Infrastructure Loan	10,648,687.16
Assessment Fund:	
Bonds and Notes	159,119.88
Parking Utility Fund:	
Bonds and Notes	<u>9,735,000.00</u>
Total Issued	<u>97,514,411.38</u>
 <u>Authorized But Not Issued:</u>	
General:	
Bonds and Notes	22,145,785.07
Affordable Housing Fund	
Bonds and Notes	15,863.35
Parking Utility:	
Bonds and Notes	<u>2,240,000.00</u>
Total Authorized But Not Issued	<u>24,401,648.42</u>
Total Bonds and Notes Issued and Authorized but not Issued	<u><u>121,916,059.80</u></u>

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, 2015:

	<u>2015</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%	\$1,135,000.00
\$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%	5,400,000.00
\$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%	2,830,000.00
\$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%	1,900,000.00
\$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%	3,065,000.00
\$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%	4,450,000.00
\$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%	6,615,000.00
\$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%	4,096,880.50
\$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%.	9,729,000.00

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

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

2015

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%.	1,135,000.00
\$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%.	17,410,000.00
\$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%.	9,450,000.00
Program Loans:	
\$631,500, Poe Property, due in semi-annual installments of \$19,620.35 through Oct. 24, 2016, interest at 2.00%	38,659.92
\$1,125,000, Weller Property, due in semi-annual installments of \$34,978.05 through July 16, 2018, interest at 2.00%	202,707.74
\$5,625,000.00, Institute Woods, due in semi-annual installments of \$174,890.21 through Jan. 8, 2017, interest at 2.00%	514,356.18
\$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%	1,220,000.00
\$1,778,284, Infrastructure Water Loan - Principal Only, due in semi-annual installments of \$90,000 to 94,000 through Oct. 23, 2026	674,964.20
\$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%	1,260,000.00
\$1,696,442, Infrastructure Water Loan - Principal Only, due in semi-annual installments of \$84,510 to 91,490 through Aug. 1, 2027	546,047.56
\$2,070,000, Infrastructure Water Loan, due in annual installments of \$80,000 to \$160,000 through Aug. 1, 2028, interest at 5.00%	1,610,000.00

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

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

	<u>2015</u>
\$2,068,454, Infrastructure Water Loan - Principal Only, due in semi-annual installments of \$105,102 to 160,000 through Aug. 1, 2028	419,040.58
\$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%	1,140,000.00
\$4,293,898, Infrastructure Water Loan - Principal Only, due in semi-annual installments of \$218,334 through Aug. 1, 2029	1,697,251.82
\$1,170,000, Infrastructure Water Loan - due in semi-annual installments of \$40,000 to 85,000 through Aug. 1, 2031	1,044,999.00
\$1,273,893, Infrastructure Water Loan - Principal Only, due in semi-annual installments of \$64,774 through Aug. 1, 2031	1,036,384.00
\$9,000,000, Bond Anticipation Notes issued December 28, 2015, due Dec. 28, 2016 at interest of 0.529%. The notes were originally issued on December 28, 2015	<u>9,000,000.00</u>
Total General Debt	<u>87,620,291.50</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%	59,119.88
\$212,000, Assessment Bonds Series 2010, due in annual installments of \$20,000.00 through June 1, 2020, interest at 4.00%	<u>100,000.00</u>
Total Assessment Debt	<u>159,119.88</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>9,735,000.00</u>
Total Parking Utility Debt	<u>9,735,000.00</u>
Total Debt Issued and Outstanding	<u>\$ 97,514,411.38</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>2015</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District Debt	\$36,130,000.00	\$36,130,000.00	
Parking Utility Debt	11,975,000.00	11,975,000.00	
Affordable Housing Utility Debt	15,863.35	15,863.35	
General Debt	<u>109,925,196.42</u>	<u>3,055,415.66</u>	<u>106,869,780.76</u>
	<u>\$158,046,059.77</u>	<u>\$51,176,279.01</u>	<u>\$106,869,780.76</u>

Net Debt \$106,869,780.76 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended $\$7,414,104,580.67 = \underline{\underline{1.44\%}}$

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

	<u>2015</u>
3 1/2% of Equalized Valuation Basis Municipal	\$259,493,660.32
Net Debt	<u>106,869,780.76</u>
Remaining Borrowing Power	<u>\$152,623,879.56</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>2015</u>
Cash Receipts from Fees, Rents or Other Charges for Year	\$4,255,588.67
Deductions:	
Operating and Maintenance Costs	2,951,113.00
Debt Service	<u>948,506.25</u>
Total Deductions	<u>3,899,619.25</u>
Excess in Revenues	<u>\$355,969.42</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>2015</u>
Excess in Revenues - Cash Basis (D-1)	\$188,553.54
Add: Deferred Charges	175,000.00
Less : Other Credits to Income	<u>7,584.12</u>
Excess in Revenue	<u>\$355,969.42</u>

NOTES TO FINANCIAL STATEMENTS

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>2015</u>
Cash Receipts from Fees, Rents or Other Charges for Year	\$266,060.16
Deductions:	
Operating and Maintenance Costs	<u>253,461.00</u>
Total Deductions	<u>253,461.00</u>
Excess in Revenues	<u>\$12,599.16</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>2015</u>
Excess in Revenues - Cash Basis (D-1)	\$44,850.34
Less: Other Credits To Income	<u>32,251.18</u>
Excess in Revenue	<u>\$12,599.16</u>

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

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

SFY Year	GENERAL*		PARKING UTILITY		TOTAL	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
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	7,736,000.38	1,271,247.52	625,000.00	333,875.00	8,361,000.38	1,605,122.52
2020	5,365,000.00	1,035,677.50	725,000.00	305,975.00	6,090,000.00	1,341,652.50
	<u>37,851,000.38</u>	<u>7,794,832.70</u>	<u>3,090,000.00</u>	<u>1,782,675.00</u>	<u>40,941,000.38</u>	<u>9,577,507.70</u>
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
2025	4,410,000.00	228,640.00	860,000.00	133,875.00	5,270,000.00	362,515.00
	<u>25,095,000.00</u>	<u>2,707,337.50</u>	<u>4,050,000.00</u>	<u>1,016,725.00</u>	<u>29,145,000.00</u>	<u>3,724,062.50</u>
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
	<u>4,429,000.00</u>	<u>92,107.50</u>	<u>2,595,000.00</u>	<u>194,625.00</u>	<u>7,024,000.00</u>	<u>286,732.50</u>
TOTAL	<u>\$67,375,000.38</u>	<u>\$10,594,277.70</u>	<u>\$9,735,000.00</u>	<u>\$2,994,025.00</u>	<u>\$77,110,000.38</u>	<u>\$13,588,302.70</u>

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

NOTES TO FINANCIAL STATEMENTS

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

D. Loan Agreements

1. 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, 2015 is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2016	\$446,088.84	\$12,895.53
2017	240,728.64	4,125.59
2018	<u>68,906.36</u>	<u>1,036.00</u>
Totals	<u>\$755,723.84</u>	<u>\$18,057.12</u>

2. Department of Environmental Protection Environmental Infrastructure Loans

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

Debt service on the outstanding balance of the 2006 NJ Environmental Infrastructure Trust Loan at December 31, 2015 is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2016	\$90,000	\$52,150
2017	90,000	47,650
2018	90,000	44,050
2019	100,000	40,050
2020	100,000	36,050
2021-2023	<u>750,000</u>	<u>116,240</u>
Totals	<u>\$1,220,000</u>	<u>\$336,190</u>

NOTES TO FINANCIAL STATEMENTS

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

D. Loan Agreements (cont'd)

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

Debt service on the outstanding balance of the 2006 NJ Environmental Infrastructure Fund Loan at December 31, 2015 is as follows:

<u>Year</u>	<u>Principal</u>
2016	\$91,460
2017	88,564
2018	92,682
2019	90,108
2020	93,968
2021-2023	<u>218,182</u>
Totals	<u>\$674,964</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, 2015 is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2016	\$80,000	\$56,950
2017	80,000	52,950
2018	90,000	48,950
2019	90,000	44,450
2020	100,000	40,850
2021-2025	560,000	135,002
2026-2027	<u>260,000</u>	<u>16,902</u>
Totals	<u>\$1,260,000</u>	<u>\$396,054</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 2007 NJ Environmental Infrastructure Fund Loan at December 31, 2015 is as follows:

<u>Year</u>	<u>Principal</u>
2016	\$86,704
2017	84,182
2018	87,966
2019	85,128
2020	89,165
2021-2025	<u>112,903</u>
Totals	<u>\$546,048</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, 2015 is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2016	\$90,000	\$81,825
2017	90,000	77,325
2018	100,000	72,825
2019	100,000	67,825
2020	110,000	62,700
2021-2025	655,000	219,875
2026-2028	<u>465,000</u>	<u>47,250</u>
Totals	<u>\$1,610,000</u>	<u>\$629,625</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, 2015 is as follows:

<u>Year</u>	<u>Principal</u>
2016	\$106,020
2017	103,266
2018	106,634
2019	<u>103,121</u>
Totals	<u>\$419,041</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, 2015 is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2016	\$60,000	\$47,275
2017	65,000	44,275
2018	65,000	41,025
2019	70,000	37,775
2020	75,000	34,975
2021-2025	410,000	127,925
2026-2029	<u>395,000</u>	<u>39,975</u>
Totals	<u>\$1,140,000</u>	<u>\$373,225</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, 2015 is as follows:

<u>Year</u>	<u>Principal</u>
2016	218,334
2017	218,334
2018	218,334
2019	218,334
2020	218,334
2021-2024	<u>605,582</u>
Totals	<u>\$1,697,252</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, 2015 is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2016	\$45,000	\$48,216
2017	49,999	44,063
2018	50,000	41,563
2019	50,000	39,063
2020	55,000	36,563
2021-2025	315,000	139,310
2026-2030	395,000	61,263
2031	<u>85,000</u>	<u>4,443</u>
Totals	<u>\$1,044,999</u>	<u>\$414,484</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, 2015 is as follows:

<u>Year</u>	<u>Principal</u>
2016	64,774
2017	64,774
2018	64,774
2019	64,773
2020	64,775
2021-2025	323,869
2026-2030	323,871
2031	<u>64,774</u>
Totals	<u>\$1,036,384</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, 2015</u>	<u>Utilized in 2016 Budget</u>
Current Fund	\$15,489,254.69	\$6,100,000
Affordable Housing Operating Fund	346,714.46	0.00
Parking Operating Fund	930,610.73	191,069

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, 2015, the following deferred charges are shown on the balance sheets of the various funds.

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Raised in</u> <u>2015 Budget</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Balance to</u> <u>Succeeding Budgets</u>
Current Fund:				
Special Emer. Approp	\$1,450,548.00	483,516.00	\$967,032.00	\$967,032.00
Total	<u>\$1,450,548.00</u>	<u>\$483,516.00</u>	<u>\$967,032.00</u>	<u>\$967,032.00</u>

\$483,516 of the special emergency appropriation was raised in the 2016 budget.

Note 6: GENERAL FIXED ASSETS

Changes in the carrying values of Princeton's general fixed assets for the year ended December 31, 2015 were as follows:

	<u>Balance</u> <u>December 31, 2014</u>	<u>Increases</u>	<u>Balance</u> <u>December 31, 2015</u>
Land/Buildings	\$179,241,200.00		\$179,241,200.00
Equipment	6,160,871.00	1,518,871.77	7,679,742.77
Vehicles	<u>10,300,837.00</u>	<u>379,151.35</u>	<u>10,679,988.35</u>
	<u>\$195,702,908.00</u>	<u>\$1,898,023.12</u>	<u>\$197,600,931.12</u>

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

Note 7: UTILITY FIXED ASSETS

Changes in the carrying values of Princeton's Parking Utility fixed assets for the year ended December 31, 2015 were as follows:

	<u>Balance</u> <u>December 31, 2014</u>	<u>Balance</u> <u>December 31, 2015</u>
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.

At December 31, 2015, the cash and cash equivalents and investments of Princeton on deposit and on-hand consisted of the following:

	<u>2015</u>
Cash (Demand Accts.)	\$49,508,429.99
Certificate of Deposits	931,362.44
Change Fund (On-Hand)	<u>2,015.00</u>
	<u>\$50,441,807.43</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 \$50,439,792.43 and the book balance was \$52,512,334.11. Of the bank balance, \$1,250,000.00 was covered by Federal depository insurance and \$49,189,792.43 was covered under the provisions of NJGUDPA.

Note 8: DEPOSITS AND INVESTMENTS (CONT'D).

At December 31, 2015, 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.
- (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, 2015, 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;

Note 8: DEPOSITS AND INVESTMENTS (CONT'D).

Investments (cont'd)

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, 2015, 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, County and School District, 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

Description of Plans – The State of New Jersey, Division of Pension and Benefits (the Division) was created and exists pursuant to N.J.S.A. 52:18A to oversee and administer the pension trust and other postemployment benefit plans sponsored by the State of New Jersey (the State). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the plans terminate. Each defined benefit pension plan's designated purpose is to provide retirement, death and disability benefits to its members. The authority to amend the provision of plan rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for the public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS), once a Target Funded Ratio (TFR) is met, that will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation or final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committee will also have the authority to reactivate the cost of living adjustment (COLA) on pensions.

However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30 year projection period. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for each of the plans. This report may be accessed via the Division of Pensions and Benefits website, at www.state.nj.us/treasury/pensions, or may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

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

The Public Employee Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PERS Plan are as follows:

Plan Membership and Contributing Employers- Substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency are enrolled in PERS, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or other jurisdiction's pension fund. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2015:

Inactive plan members or beneficiaries currently receiving benefits	166,637
Inactive plan members entitled to but not yet receiving benefits	703
Active plan members	<u>259,161</u>
Total	<u>426,501</u>

Contributing Employers – 1,710

Significant Legislation – For State of New Jersey contributions to PERS, Chapter 1, P.L. 2010, effective May 21, 2010, required the State to resume making actuarially recommended contributions to the pension plan on a phased-in basis over a seven year period beginning in the fiscal year ended June 30, 2012. For State fiscal year 2015, the State was required to make a minimum contribution representing 4/7th of the actuarially determined contribution amount based on the July 1, 2013 actuarial valuation.

Chapter 19, P.L. 2009, effective March 17, 2009, provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State Fiscal Year 2009. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of PERS, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PERS.

For the year ended December 31, 2015 the Princeton's total payroll for all employees was \$19,687,768.38. Total PERS covered payroll was \$10,444,741. Due to payroll system limitations, covered payroll refers to pensionable compensation, rather than total compensation, paid by Princeton to active employees covered by the Plan.

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

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A. 43:15 and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 6.78% in State fiscal year 2014 and increased to 6.92 for State fiscal year 2015, commencing July 1, 2015. The phase-in of the additional incremental member contribution rate will take place in July of each subsequent State fiscal year. Employer contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Princeton's cash basis contributions to the Plan for the years ended December 31, 2014 and 2015 were \$1,197,651 and \$1,190,584, respectively. Princeton's contributions are due and payable on April 1st in the second fiscal period subsequent to plan year for which the contributions requirements were calculated. Princeton's payments to PERS for the years ending December 31, 2014 and 2015 consisted of the following:

	<u>2014</u>	<u>2015</u>
Normal Cost	\$ 218,215	\$ 198,206
Amortization of Accrued Liability	<u>959,408</u>	<u>916,855</u>
Total Pension	1,177,623	1,115,061
NCGI Premiums	<u>20,028</u>	<u>75,523</u>
Total Regular Billing	<u>1,197,651</u>	<u>1,190,584</u>
Total PERS Payment	<u>\$1,197,651</u>	<u>\$1,190,584</u>

Princeton recognizes liabilities to PERS and records expenditures for same in the fiscal period that bills become due.

The vesting and benefit provisions are set by N.J.S.A. 43:15. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007.
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

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

Service retirement benefit of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, to tier 3 and 4 members before age 62 and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age of his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – The regulatory basis of accounting which is basis for the preparation of Princeton's basic financial statements does not require or permit the inclusion of entity-wide, full accrual basis financial statements. Accordingly, Princeton does not recognize pension liabilities for any current or prior period until the fiscal period in which such payments will become due and payable.

At June 30, 2014, the PERS reported a net pension liability of \$18,722,735,003 for its Non-State Employer Member Group. Princeton's proportionate share of the net pension liability for the Non-State Employer Member Group that is attributable to Princeton was \$27,039,518 or 0.001444207%. At June 30, 2015, the PERS reported a net pension liability of \$22,447,996,119 for its Non-State Employer Member Group. The proportionate share of the State of New Jersey's the net pension liability for the Non-State Employer Member Group that is attributable to Princeton was \$31,328,379 or 0.00139558%.

Actuarial Assumptions- The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.04%
Salary Increases (2012-2021)	2.15-4.40% Based on age
Thereafter	3.15-5.40% Based on age
Investment rate of return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for male and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years or males and setback 1 year for females) are used to value disable retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experiences will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

Discount Rate – The discount rate used to measure the pension liabilities of PERS was 4.90%

Sensitivity of Net Pension Liability – the following presents the net pension liability of PERS calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

	<u>At 1% Decrease</u>	<u>At current discount rate</u>	<u>At 1% increase</u>
PERS	\$55,702,235,475	\$46,170,131,655	\$38,191,749,890

Plan Fiduciary Net Position – The plan fiduciary net position for PERS, including the State of New Jersey, at June 30, 2015 was \$28,553,566,906. Information regarding the portion of the Plan Fiduciary Net Position that was allocable to the Local (Non-State) Group was not available.

NOTE 10. PENSION PLANS (CONT'D.):B. POLICE AND FIREMEN'S RETIREMENT SYSTEM

The Police and Firemen's Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PFRS Plan are as follows:

Plan Membership and Contributing Employers- Substantially all full-time county and municipal police and firemen and state firemen or officer employees with police powers appointed after June 30, 1944 are enrolled in PFRS Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2015:

Inactive plan members or beneficiaries currently receiving benefits	44,252
Inactive plan members entitled to but not yet receiving benefits	51
Active plan members	<u>40,359</u>
Total	<u>84,662</u>

Contributing Employers – 585

Significant Legislation – For State of New Jersey contributions to PFRS, Chapter 1, P.L. 2010, effective May 21, 2010, required the State to resume making actuarially recommended contributions to the pension plan on a phased-in basis over a seven year period beginning in the fiscal year ended June 30, 2012. For State fiscal year 2015, the State was required to make a minimum contribution representing 4/7th of the actuarially determined contribution amount based on the July 1, 2012 actuarial valuation.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PFRS.

For the year ended December 31, 2015 Princeton's total payroll for all employees was \$19,687,768.38. Total PFRS covered payroll was \$6,122,628. Due to payroll system limitations, covered payroll refers to pensionable compensation, rather than total compensation, paid by Princeton to active employees covered by the Plan.

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contributions rate increased from 8.5% of annual compensation to 10.0% in October 2011. Employer contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. Princeton's cash basis contributions to the Plan for the years ended December 31, 2014 and 2015 were \$1,456,262 and \$1,440,953, respectively. Princeton's contributions are due and payable on April 1st in the second fiscal period subsequent to plan year for which the contributions requirements were calculated. Princeton's payments to PFRS made in the years ending December 31, 2014 and 2015 consisted of the following:

NOTE 10. PENSION PLANS (CONT'D.):

B. POLICE AND FIREMEN'S RETIREMENT SYSTEM (CONT'D.)

	<u>2014</u>	<u>2015</u>
Normal Cost	\$530,099	\$ 494,281
Amortization of Accrued Liability	<u>872,629</u>	<u>882,036</u>
Total Pension	1,402,728	1,376,317
NCGI Premiums	<u>53,534</u>	<u>64,636</u>
Total Regular Billing	<u>1,456,262</u>	<u>1,440,953</u>
Total PFRS Payment	<u>\$1,456,262</u>	<u>\$1,440,953</u>

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service.

The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – The regulatory basis of accounting which is basis for the preparation of Princeton's basic financial statements does not require or permit the inclusion of entity-wide, full accrual basis financial statements. Accordingly, Princeton does not recognize pension liabilities for any current or prior period until the fiscal period in which such payments will become due and payable.

At June 30, 2014, the PFRS reported a net pension liability of \$12,579,072,492 for its Non-State, Non-Special Funding Situation Employer Member Group. Princeton's proportionate share of the net pension liability for the Non-State Non-Special Funding Situation Employer Member Group was \$23,599,248, or 0.0018760%. At June 30, 2015, the PFRS reported a net pension liability of \$16,656,514,197 for its Non-State, Non-Special Funding Situation Employer Member Group. Princeton's proportionate share of the net pension liability for the Non-State Non-Special Funding Situation Employer Member Group was \$32,334,936, or 0.0019412%.

NOTE 10. PENSION PLANS (CONT'D.):B. POLICE AND FIREMEN'S RETIREMENT SYSTEM (CONT'D.)

Actuarial Assumptions- The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.04%
Salary Increases (2012-2021)	2.60-9.48% based on age
Thereafter	3.60-10.48% based on age
Investment rate of return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for male and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experiences will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
US Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

NOTE 10. PENSION PLANS (CONT'D.):

Discount Rate – The discount rate used to measure the pension liabilities of PFRS was 5.7%

Sensitivity of Net Pension Liability – the following presents the net pension liability of PFRS calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

	<u>At 1% Decrease</u>	<u>At current discount rate</u>	<u>At 1% increase</u>
PFRS	\$29,053,805,391	\$22,410,906,984	\$16,996,545,615

Plan Fiduciary Net Position – The plan fiduciary net position for PFRS at June 30, 2015 was \$25,106,858,921.

C: DEFINED CONTRIBUTION RETIREMENT PLAN

The Defined Contribution Retirement Plan (DCRP) is a multiple employer defined contribution plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the DCRP are as follows:

Plan Membership and Contributing Employers- Enrollment in the DCRP is required for state or local officials, elected or appointed on or after July 1, 2007; employees enrolled in PFRS or PERS on or after July 1, 2007, who earn salary in excess of established “maximum compensation” limits; employees otherwise eligible to enroll in PFRS or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000 annually; and employees otherwise eligible to enroll in PFRS or PERS after May 21, 2010, who do not work the minimum number of hours per week required for tier 4 or tier 5 enrollment, but who earn salary of at least \$5,000 annually. At June 30, 2015, the membership in the DCRP, based on the information within the Division’s database, was 36,808.

Contribution Requirement and Benefit Provisions - State and local government employers contribute 3% of the employees base salary. Active members contribute 5.5% of base salary.

Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant’s interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non forfeitable. A participant’s interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

For the year ended December 31, 2015 Princeton’s total payroll for all employees was \$19,687,768. Total DCRP covered payroll was \$157,482. Covered payroll refers to all compensation paid by Princeton to active employees covered by the Plan. Employee contributions to the DCRP for the year ended December 31, 2015 were \$4,868.97.

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. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994.

Cost sharing requirements for retirees are as follows:

1. Any eligible employee who was retired as of June 28, 2011 (the effective date of Ch. 78, P.L. 2011) is not required to contribute to the cost of benefits.
2. Active employees who had accrued 25 years of service at June 28, 2011 will not be required to contribute to the costs of benefits upon retirement.
3. Active employees who had accrued 20 years of service at June 28, 2011 will be required to contribute 1.5% of their retirement benefit towards the cost of post-retirement health benefits.
4. Active employees who had not accrued 20 years of service at June 28, 2011 will, upon retirement continue to pay the applicable percentage of health care costs as set forth in the law. However, retiree contributions will be based upon the retirement benefit rather than the final active salary.

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.

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

Note 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 2015 was \$732,788.85. There was an increase in the amount of unused vacation and terminal leave time benefits from 2014 to 2015 in the amount of \$163,143.31 Princeton had funded \$227,978.19 of those amounts in 2015.

Note 13: 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, 2015. 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>
2015	\$23,344.26	\$36,551.44	\$2,631.21	\$418,643.80
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 14: 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 15: INTERFUNDS

The following interfund balances remained on the balance sheet at December 31, 2015:

Fund:	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Current Fund	\$4,824.16	\$0.00
General Capital Fund	107,171.46	
Trust Assessment Fund		107,171.46
Escrow Trust		240.90
Other Trust Funds	<u>0.00</u>	<u>4,583.26</u>
Total	<u>\$111,995.62</u>	<u>\$111,995.62</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 16: 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, 2015 Princeton does not believe that any material liabilities will result from such audits.

As of April 29, 2016 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 17: SUBSEQUENT EVENTS

A. The following bond ordinances were authorized:

<u>Description</u>	<u>Bonds/Notes Authorized</u>
Various Capital Improvements	\$8,866,063
Parking Utility Facility Repairs & Acquisition of A Vehicle	203,000
Installation of Public Sanitary Sewers	736,250
Installation of Curbing – Pardoe Road	23,750
Sanitary Sewer System and Road Improvements	1,515,000

PRINCETON
MERCER COUNTY, NEW JERSEY

PART II
REQUIRED SUPPLEMENTARY INFORMATION

PRINCETON
 SCHEDULE OF PRINCETON'S SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM (Local Group)

Last 10 Fiscal Years*

	<u>2013</u>	<u>2014</u>	<u>2015</u>
Princeton's Proportion of the Net Pension Liability	0.001589494	0.001444208	0.001395598
Princeton's Proportionate Share of the Net Pension Liability	\$30,378,382	\$27,039,518	\$ 31,328,379
Princeton's Covered-Employee Payroll	\$9,957,578	\$10,129,784	\$ 10,464,653
Princeton's Proportionate Share of the Net Pension Liability as a percentage of the Covered-Employee Payroll	305.08%	266.93%	299.37%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	48.72%	52.08%	58.09%

* Amounts presented for each fiscal year were determined as of June 30.

PRINCETON
SCHEDULE OF PRINCETON'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM (Local Group)

Last 10 Fiscal Years*

	<u>2014</u>	<u>2015</u>
Contractually Required Contribution	\$ 1,197,651	\$ 1,190,584
Contribution in Relation to Contractually Required Contribution	<u>\$ (1,197,651)</u>	<u>\$ (1,190,584)</u>
Contribution deficiency (excess)	\$ -	\$ -
Princeton's Proportionate Share of the Payroll	\$ 10,129,784	\$ 10,464,653
Contributions as a percentage of Covered Employee Payroll	11.82%	11.38%

* Amounts presented for each fiscal year were determined as of June 30.

Note: Due to limitations within the system, payroll for Covered Employees as reported reflects "Pensionable Salaries" only. Specifically not included are overtime pay and special duty pay funded by third parties.

PRINCETON
 SCHEDULE OF THE PRINCETON'S SHARE OF THE NET PENSION LIABILITY
POLICE AND FIREMENS RETIREMENT SYSTEM (Non-State, Non Special Funding Employer Group)

	<u>Last 10 Fiscal Years*</u>		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
Proportion of the Non-State Employer Group Net Pension Liability attributable to the District	0.00199603	0.00187607	0.00257053
Share of the Liability of the State of New Jersey for the Net Pension Liability of the Non-State Employer Group	\$26,535,471	\$23,599,248	\$32,334,936
District's Covered-Employee Payroll	\$5,718,535	\$5,938,949	\$6,122,628
Share of the Liability of the State of New Jersey for the Net Pension Liability of the Non-State Employer Group as a percentage of the District's Covered-Employee Payroll	464.03%	397.36%	528.12%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability (See Note Below)	55.71%	58.86%	58.09%

* Amounts presented for each fiscal year were determined as of June 30.

Note: Due to limitations within the system, payroll for Covered Employees as reported reflects "Pensionable Salaries" only. Specifically not included are overtime pay and special duty pay funded by third parties.

PRINCETON
 SCHEDULE OF THE PRINCETON'S CONTRIBUTIONS
POLICE AND FIREMENS RETIREMENT SYSTEM (Non-State, Non Special Funding Employer Group)

Last 10 Fiscal Years*

	<u>2014</u>	<u>2015</u>
Contractually Required Contribution	\$ 1,456,262	\$ 1,440,953
Contribution in Relation to Contractually Required Contribution	<u>\$ (1,456,262)</u>	<u>\$ (1,440,953)</u>
Contribution deficiency (excess)	\$ -	\$ -
Borough's Proportionate Share of the Payroll	\$ 5,938,949	\$ 6,122,628
Contributions as a percentage of Covered Employee Payroll	24.52%	23.53%

* Amounts presented for each fiscal year were determined as of June 30.

Note: Due to limitations within the system, payroll for Covered Employees as reported reflects "Pensionable Salaries" only. Specifically not included are overtime pay and special duty pay funded by third parties.

Note: Contractually required contributions include mandated annual payments resulting from Princeton's participation in authorized ERI and pension deferral programs.
See Note 10.

**PRINCETON
COUNTY OF MERCER, NEW JERSEY**

**NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION
DECEMBER 31, 2015**

NOTE 1. CHANGES IN ASSUMPTIONS

Changes in Assumptions were applicable for current fiscal year.

PRINCETON
MERCER COUNTY, NEW JERSEY

PART III
SINGLE AUDIT SECTION

HODULIK & MORRISON, P.A.
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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, 2015, and the related notes to the financial statements, which collectively comprise Princeton's basic financial statements and have issued our report thereon dated April 29, 2016. Our report was modified due to the departure from accounting principles generally accepted in the United States of America, as disclosed in Note 2, that are embodied in the Other Comprehensive Basis of Accounting Utilized for financial statements presentations and was unmodified based upon that Other Comprehensive Basis of Accounting.

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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our 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
April 29, 2016

HODULIK & MORRISON, P.A.
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**REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE
INDEPENDENT AUDITOR'S REPORT**

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

Report on Compliance for Each Major Federal Programs

We have audited Princeton, County of Mercer, New Jersey compliance with the types of compliance requirements described in the "*OMB Compliance Supplement*" that could have a direct and material effect on each of Princeton's major federal programs for the year ended December 31, 2015. Princeton's major federal 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Princeton's major federal 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; and the audit requirements of Title 2 U. S. Code of *Federal Regulations Part 200, Uniform Administrative Requirements, cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and, *The Uniform Guidance*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Princeton's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Princeton, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.

Report on Internal Control Over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal 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. Accordingly, this report is not suitable for any other purpose.



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

Highland Park, New Jersey
April 29, 2016

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Princeton
County of Mercer
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2015

Schedule A

Federal Funding Department	CFDA Number	Total Award	Pass Through Account No.	Grant Period	Cash Receipts	Expenditures	Cumulative at December 31, 2015	Note
Indirect Awards:								
Department of Human Services								
Pass Through State of New Jersey								
Substance Abuse Block Grants Cluster								
NJ NIDA Program	93.959	125,120.00	054-7555-100-004-14	2015	\$85,012.00	\$125,120.00	125,120.00	
NJ Vicinage Program	93.959	80,000.00	054-7550-100-012-14	2015	14,411.00	80,000.00	80,000.00	
Total Substance Abuse Block Grants Cluster					99,423.00	205,120.00		
Department of Environmental Protection								
Environmental Infrastructure Loan	66.458	1,737,363.00	042-4860-510-046-2009	2009	188,537.56	188,537.56	1,737,363.00	
Environmental Infrastructure Loan	66.458	688,656.00	042-4860-510-046-2012	2012	6,927.07	6,927.07	189,113.54	
Environmental Infrastructure Loan	66.458	9,392,315.00	042-4860-510-046-2012	2013	597,595.37	483,672.39	549,959.08	
Total Department of Environmental Protection					793,060.00	679,137.02		5
Division of Highway Safety Cluster								
Over the Limit Under Arrest	20.601	15,000.00	066-1160-100-057-10	2010		13,000.99	13,000.99	
Over the Limit Under Arrest	20.601	10,600.00	066-1160-100-057-09	2009		1,465.43	10,600.00	
Total Highway Safety Cluster					-	14,466.42		
Total Expenditures of Federal Awards					\$892,483.00	\$898,723.44		

Footnotes:

Grant Award/Amount Reflects Current Year Awards

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

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

N/A - Not Applicable

PRINCETON
COUNTY OF MERCER, NEW JERSEY

NOTES TO SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS
DECEMBER 31, 2015

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards 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 FINANCIAL REPORTS

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

NOTE 5: The environmental infrastructure loans listed subsequently are administered by Princeton and balances and transactions relating to this program are included in Princeton's basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding at December 31, 2015 consist of:

CFDA Number	Program Name	Outstanding Balance at December 31, 2015
66.458	Environmental Infrastructure Loan	\$10,648,687.16

Sch. C

PRINCETON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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 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 programs, as required by Title 2 U.S. Code of Federal Regulations Part 200.

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, 2015

Section 1 – Summary of Prior Year Federal Findings

SUMMARY OF PRIOR YEAR FINDINGS

None

PRINCETON
MERCER COUNTY, NEW JERSEY

PART IV
SUPPLEMENTARY SCHEDULES

Current Fund

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

Exhibit - A - 4

<u>YEAR</u>	<u>BALANCE DEC. 31, 2014</u>	<u>2015 LEVY</u>	<u>COLLECTIONS 2014</u>	<u>BY CASH 2015</u>	<u>SR. CITIZENS AND VETERANS DEDUCTION REIMBURSEMENT</u>	<u>TRANSFER TO TAX TITLE LIEN</u>	<u>REMITTED AND CANCELLED</u>	<u>BALANCE DEC. 31, 2015</u>
2014	841,534.95			1,043,752.96			202,218.01	
	841,534.95			1,043,752.96			202,218.01	
2015		151,153,749.03	1,131,465.99	149,063,189.05	85,118.84	9,511.00	251,314.65	1,115,778.80
	<u>\$841,534.95</u>	<u>\$151,153,749.03</u>	<u>\$1,131,465.99</u>	<u>\$150,106,942.01</u>	<u>\$85,118.84</u>	<u>\$9,511.00</u>	<u>\$453,532.66</u>	<u>\$1,115,778.80</u>

Analysis of 2015 Property Tax Levy:

Tax Yield:

General Purpose	\$150,894,828.47
Omitted/Added Taxes (N.J.S.A. 54:4-63.1 et seq.)	<u>258,920.56</u>

\$151,153,749.03

Tax Levy:

Regional School Tax (Abstract)	72,521,000.00
County Tax (Abstract)	45,193,315.50
County Added and Omitted Taxes	77,619.46

Local Tax for Municipal Purposes	29,499,353.49
Local Library Tax	2,476,336.69
Local Open Space Tax	1,161,674.49
Add: Additional Tax for Mun. Purposes	<u>224,449.40</u>

\$151,153,749.03

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

Balance - December 31, 2014		\$5,988.70
Increased by:		
Payment Received from State of NJ	83,127.74	
2015 Deductions Allowed by Collector	<u>506.16</u>	
		<u>83,633.90</u>
		89,622.60
Decreased by:		
Deductions Allowed Per Tax Billings	81,875.00	
2015 Deductions Allowed by Collector	<u>3,750.00</u>	
		<u>85,625.00</u>
Balance - December 31, 2015		<u><u>\$3,997.60</u></u>
Analysis of Senior Cit., Vets. and Disability <u>Deductions Allowed by Collector</u>		
Deductions Allowed Per Tax Billings		\$81,875.00
2015 Deductions Allowed by Collector		<u>3,750.00</u>
		85,625.00
2015 Deductions Disallowed by Collector		<u>506.16</u>
Realized as Revenue - 2015		<u><u>\$85,118.84</u></u>

Exhibit - A - 6

SCHEDULE OF TAX TITLE LIENS
CURRENT FUND

Balance - December 31, 2014		\$95,843.32
Increased by:		
Transfer from Taxes Receivable	<u>9,511.00</u>	<u>9,511.00</u>
Balance - December 31, 2015		<u><u>\$105,354.32</u></u>

Exhibit - A - 7

SCHEDULE OF SEWER CHARGES RECEIVABLE
CURRENT FUND

Balance - December 31, 2014		\$34,527.06
Increased by:		
2015 Billings		<u>6,616,262.78</u>
		6,650,789.84
Decreased by:		
Collections - 2015	6,551,797.63	
Prepaid Sewer Rents	<u>32,745.98</u>	<u>6,584,543.61</u>
Balance - December 31, 2015		<u><u>\$66,246.23</u></u>

CURRENT FUND
SCHEDULE OF TAXES PAYABLE

	01/01/15	Taxes Levied	Cash Disbursements	12/31/15
County - General	\$ -	\$ 43,325,963.56	\$ (43,325,963.56)	\$ -
County - Open Space	-	1,867,351.94	(1,867,351.94)	-
County - Added & Omitted	160,221.19	77,619.54	(160,221.19)	77,619.54
Local School District Taxes		72,521,000.00	(72,521,000.00)	-
Local Open Space	4,102.69	1,161,674.49	(1,165,777.18)	-
Total	<u>\$ 164,323.88</u>	<u>\$ 118,953,609.53</u>	<u>\$ (119,040,313.87)</u>	<u>\$ 77,619.54</u>

SCHEDULE OF 2014 APPROPRIATION RESERVES
CURRENT FUND

Exhibit - A - 9
Page 1 of 4

	BALANCE DEC. 31 <u>2014</u>	ENCUMBERED DEC. 31, 2014	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Operations Within "CAPS"					
Salaries and Wages:					
General Administration	\$ 740.96	\$	\$ 740.96	\$	\$ 740.96
Information Technology	23,604.23		23,604.23		23,604.23
Mayor and Council	0.05		0.05		0.05
Municipal Clerk	349.54		349.54		349.54
Elections	330.10		330.10		330.10
Financial Administration	884.70		884.70		884.70
Revenue Administration(Tax Collection)	21,100.98		21,100.98		21,100.98
Tax Assessment Administration	283.54		283.54		283.54
Engineering Services	202,499.09		202,499.09		202,499.09
Regional Planning Board	4,640.64		4,640.64		4,640.64
Zoning Board of Adjustment	5,142.91		5,142.91		5,142.91
Police	44,797.23		44,797.23	5,920.25	38,876.98
Police Dispatch/911	11,348.74		11,348.74		11,348.74
Office of Emergency Management	14,612.61		14,612.61		14,612.61
Fire Prevention	5,242.18		5,242.18		5,242.18
Streets and Roads Maintenance	103,674.86		103,674.86		103,674.86
Buildings and Grounds	29,702.87		29,702.87		29,702.87
Vehicle Maintenance	3,760.51		3,760.51		3,760.51
Regional Health Commission	41,177.31		41,177.31		41,177.31
Joint Environmental Commission	956.25		956.25		956.25
Animal Control	3,834.12		3,834.12		3,834.12
Human Services Commission	1,714.03		1,714.03		1,714.03
Joint Drug Abuse Prevention Program	6,983.19		6,983.19		6,983.19
Joint Recreation Board	5,182.37		5,182.37		5,182.37
Sewer System	106,058.98		106,058.98		106,058.98
Municipal Court	28,320.33		28,320.33		28,320.33
Other Expenses:					
General Administration	20,178.91	5,398.50	25,577.41	5,398.50	20,178.91
Information Technology	10,972.09	9,151.95	80,124.04	65,927.36	14,196.68
Human Resources	78,688.17	22,273.84	100,962.01	19,281.48	81,680.53
Mayor and Council	955,561.76	87,648.43	912,210.19	179,195.32	733,014.87
Municipal Clerk	19,402.22	1,108.23	20,510.45	1,866.71	18,643.74
Elections	292.90		292.90		292.90

SCHEDULE OF 2014 APPROPRIATION RESERVES
CURRENT FUND

Exhibit - A - 9
Page 2 of 4

	BALANCE DEC. 31, <u>2014</u>	ENCUMBERED <u>DEC. 31, 2014</u>	BALANCE AFTER <u>MODIFICATION</u>	PAID OR <u>CHARGED</u>	BALANCE <u>LAPSED</u>
Other Expenses (cont'd.)	\$ 1,975.36	\$ 9,691.32	\$ 11,666.68	\$ 10,673.30	\$ 993.38
Financial Administration		50,000.00	50,000.00	50,000.00	
Audit	2,377.60	176.82	2,554.42	258.80	2,295.62
Revenue Administration(Tax Collection)	36,026.50	8,630.50	44,657.00	8,630.50	36,026.50
Tax Assessment Administration	190,284.24	23,330.22	213,614.46	26,357.43	187,257.03
Legal Services & Costs	812.50		812.50		812.50
Defense of Tax Appeals	14,326.19	1,378.62	15,704.81	13,724.98	1,979.83
Engineering Services and Costs	28,549.56	302.40	28,851.96	299.95	28,552.01
Historic Sites Commission	41,704.78	29,657.62	71,362.40	967.19	70,395.21
Regional Planning Board	8,551.96	8,384.50	16,936.46	2,061.74	14,874.72
Zoning Board	39,394.99	113,451.58	152,846.57	116,000.88	36,845.69
Police Department	7,575.00		7,575.00		7,575.00
Police Dispatch/911	2,869.80	5,694.60	8,564.40	5,694.60	2,869.80
Emergency Management	68,078.90	15,916.28	83,995.18	39,023.66	44,971.52
Fire Department OE	27,092.50	1,839.00	28,931.50	26,377.50	2,554.00
LOSAP Alternative	36,056.41	3,486.46	39,542.87	11,204.00	28,338.87
Fire Facilities	1,243.93		1,243.93	28.00	1,215.93
Fire Prevention	17,267.35	54,817.88	72,085.23	54,817.88	17,267.35
Fire Hydrant Service		17,500.02	17,500.02	17,500.00	0.02
Municipal Prosecutor	42,557.28	46,336.51	88,893.79	69,088.50	19,805.29
Streets & Road Maintenance	22,725.26		22,725.26	20,534.00	2,191.26
Sustainable Princeton	10,997.23	22,276.96	46,274.19	41,100.91	5,173.28
Public Buildings and Grounds	8,546.41	26,750.94	45,297.35	26,169.83	19,127.52
Vehicle Maintenance	250,000.00		250,000.00	201,764.72	48,235.28
Community Services Act	7,593.69	16,219.00	23,812.69	6,828.45	16,984.24
Board of Health	14,662.52	253.48	14,916.00	253.48	14,662.52
Flu Program	44,820.75	6,367.50	51,188.25	9,268.25	41,920.00
Suzanne Patterson Center	1,000.00		1,000.00		1,000.00
Worker and Community Right to Know	240.35		240.35		240.35
Joint Environmental Commission	198.56	2,299.12	2,497.68	1,700.00	797.68
Animal Control		1,720.00	1,720.00	750.00	970.00
SAVE Boarding	8.65	1,300.00	1,308.65	1,300.00	8.65
Deer Management Program	8,172.89	4,522.70	12,695.59	2,070.00	10,625.59
Human Services Commission					

SCHEDULE OF 2014 APPROPRIATION RESERVES
CURRENT FUND

Exhibit - A - 9
Page 3 of 4

	BALANCE DEC. 31 <u>2014</u>	ENCUMBERED DEC. 31, 2014	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Joint Drug Abuse Prevention Program	\$ 14,037.29	\$ 681.97	\$ 14,719.26	\$ 2,126.27	\$ 12,592.99
Contributions to Senior Resource Center					
Joint Recreation Board	3,832.55	6,986.58	10,819.13	6,358.35	4,460.78
Maintenance of Parks and Playgrounds	193.38	4,671.62	4,865.00	950.04	3,914.96
Celebration of Public Events	2,271.97	1,513.44	3,785.41	1,160.64	2,624.77
Electricity	63,838.66	21,598.76	85,437.42	43,960.69	41,476.73
Telephone	5,915.22	6,090.99	12,006.21	8,842.62	3,163.59
Water	10,487.78	676.04	11,163.82	695.28	10,468.54
Fuel Oil	65,564.38	50,946.25	116,510.63	24,637.12	91,873.51
Street Lighting	767.21	13,000.00	13,767.21	9,799.41	3,967.80
Sewer System	99.92	10,376.10	33,476.02	22,382.49	11,093.53
Landfill/Solid Waste Disposal Costs	1,101.93	681.08	1,783.01	999.08	783.93
Garbage and Trash Removal	58,986.28	56,724.43	115,710.71	58,941.77	56,768.94
Municipal Court	12,902.14	3,320.21	16,222.35	886.21	15,336.14
Public Defender		11,667.24	11,667.24	9,166.52	2,500.72
Liability Insurance	32,295.64		32,295.64	32,295.64	
Workers Compensation Insurance	20,557.00		20,557.00	2,555.92	18,001.08
Group Insurance	44,446.20	1,264.99	70,711.19	-9,438.81	80,150.00
Health Benefits Waiver	1,858.90		1,858.90	433.44	1,425.46
Transportation of Local Pupils by Board of Education	30,676.97		30,676.97		30,676.97
Public Employees Retirement System	111,916.00		111,916.00	111,916.00	
Defined Contribution Ret. Prog.	505.78		505.78		505.78
Consolidated Police & Fire Fund	10,538.34		10,538.34		10,538.34
Unemployment	52,592.31		52,592.31	52,592.31	
Social Security	47,128.00		47,128.00	47,128.00	
Total Operations Within "CAPS"	<u>\$3,280,263.38</u>	<u>\$788,084.68</u>	<u>\$4,068,348.06</u>	<u>\$1,470,427.16</u>	<u>\$2,597,920.90</u>

SCHEDULE OF 2014 APPROPRIATION RESERVES
CURRENT FUND

Exhibit - A - 9
 Page 4 of 4

	BALANCE DEC. 31 <u>2014</u>	ENCUMBERED <u>DEC. 31, 2014</u>	BALANCE AFTER <u>MODIFICATION</u>	PAID OR <u>CHARGED</u>	BALANCE <u>LAPSED</u>
Operations Excluded from "CAPS"					
Other Expenses:					
Stonybrook Regional Sewerage Authority:					
Other Expenses	\$ 10,649.54	\$	\$ 10,649.54	\$	10,649.54
Industrial User Fee	5,195.29		5,195.29	4,407.40	787.89
Corner House	16,241.92	17,382.00	33,623.92	4,456.64	29,167.28
Matching Funds for Grants	<u>10,000.00</u>		<u>10,000.00</u>		<u>10,000.00</u>
Total Operations Excluded from "CAPS"	<u>42,086.75</u>	<u>17,382.00</u>	<u>59,468.75</u>	<u>8,864.04</u>	<u>50,604.71</u>
Total Appropriation Reserves	<u>\$3,322,350.13</u>	<u>\$ 805,466.68</u>	<u>\$4,127,816.81</u>	<u>\$ 1,479,291.20</u>	<u>\$2,648,525.61</u>

SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE

Grant	Balance Dec. 31, 2014	2015 Budget Revenue	Receipts	Transferred from Unappropriated Grants	Grants Cancelled	Balance Dec. 31, 2015
Academic Success Today	\$ 4,500.00	\$ 10,000.00	\$ 10,000.00		4,500.00	
Cranbury Drug Intervention Program	17,280.00	10,080.00	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	78,644.05	80,000.00	14,411.00		78,644.05	65,589.00
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	8,967.04	28,056.00	18,979.88			18,043.16
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 of Drug Abuse	11,507.00				11,507.00	
Mercer County PYP	33,365.50	125,120.00	85,012.00		33,365.50	40,108.00
Mercer Drug Treatment	30,572.57	27,304.00	14,187.24		30,572.57	13,116.76
STAR Grant	6,291.00	42,000.00	23,377.25			24,913.75
		6,500.00	6,500.00			
Click It or Ticket Grant	23.22				23.22	
Adolescent Treatment (Motivation 180)	78,908.25	38,497.00	27,880.00		78,908.25	10,617.00
Body Armor Replacement		9,680.02	4,878.10	4,801.92		
Clean Communities		113,077.18	62,030.42	51,046.76		
Recycling Tonnage Grant		59,245.84		59,245.84		
NJ Juvenile Drug Court	25,432.00				25,432.00	
Firemans Fund Heritage Grant		7,352.00	7,352.00			
Drive Sober or Get Pulled Over		7,000.00	7,000.00			
NJ Health Officers Assoc.		1,800.00	1,800.00			
Safer Grant - FEMA		133,466.00	133,466.00			
DEP Trails		24,700.00		24,700.00		
Alcohol Education & Rehab.		6,908.70	1,473.33	5,435.37		
Mercer County Advocacy for Youth Program		367.00		367.00		
DAS Strengthening Families	23,236.00				4,187.00	19,049.00
Livable Communities-Sustainable Princeton	10.00	35,500.00	18,000.00		10.00	17,500.00
Garden State Preservation Trust	800,000.00					800,000.00
Bonner Foundation	2,007.08	21,500.00	21,500.00		2,007.08	
Comprehensive Tobacco Control	80.00				80.00	
Cops-In-Shops	2,370.00	6,000.00	3,200.00	2,800.00	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>\$ 1,265,724.85</u>	<u>\$ 822,807.74</u>	<u>\$ 499,781.22</u>	<u>\$ 148,396.89</u>	<u>\$ 431,417.81</u>	<u>\$1,008,936.67</u>

SCHEDULE OF STATE AND FEDERAL GRANTS APPROPRIATED

<u>Grant</u>	<u>Balance Dec. 31, 2014</u>	<u>Encumbrances 12/31/14</u>	<u>2015 Budget</u>	<u>Paid</u>	<u>Encumbrances 12/31/15</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2015</u>
Academic Success Today	\$ 4,678.12	\$	\$ 10,000.00	\$ 5,000.00	\$	\$ 4,500.00	\$ 5,178.12
Body Armor Replacement Fund	30,527.80	7,000.00	9,680.02	19,060.19	2,357.85		25,789.78
County of Mercer - Mercer Regional Drug Treatment Program	35,709.00		42,000.00	42,000.00		35,709.00	-
Clean Community Grant	86,665.81	560.00	113,077.18	37,837.67	286.10		162,179.22
Drug Program - NJMSPLI			1,000.00				1,000.00
Drug Program - STAR	3,861.03		6,500.00			3,861.03	6,500.00
Mercer County -Advocacy Grant			367.00	20.00			347.00
Drunk Driving Enforcement	5,769.20						5,769.20
NJ Division of Addiction Services			125,120.00	125,120.00			-
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	264,258.40		59,245.84	33,751.13	2,000.00		287,753.11
Mercer County Adolescent Program			38,497.00	33,497.00			5,000.00
Princeton Regional Municipal Alliance			28,056.00	17,056.00			11,000.00
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			7,987.85			132.00
State of NJ Vicinage			80,000.00	80,000.00			-
Alcohol Education Rehab	28,327.86		6,908.70	4,450.00			30,786.56
Balance Housing Program	7.31					7.31	-
Garden State Preservation Trust	800,000.00						800,000.00
TCNJ Sustainable Communities	32,186.54		35,500.00	18,031.95		10.00	49,644.59
Bullet Proof Vest	7,250.62						7,250.62
Share Grant	2,419.76					2,419.76	-
Garden State Historic Trust	10,251.50						10,251.50
Mercer County Princeton Youth(PYP)			27,304.00	27,304.00			-
Over the Limit Under Arrest	17,645.27			14,466.42		1,975.00	1,203.85
DEP Stony Brook Trail	4,339.00						4,339.00
Green Communities Grant	15,570.50						15,570.50
Bonner Foundation	32,984.45	9,737.00	21,500.00	14,318.00		2,007.08	47,896.37
Click It or Ticket Grant	4,158.86						4,158.86
Comprehensive Tobacco Control	725.00					80.00	645.00
Cops In Shops	1,700.35		6,000.00	3,735.44		1,700.35	2,264.56
Edward Byrne Mem. Just. Assist. Grant (JAG)	11,180.00					11,180.00	-
Fire Fighter Grant Program	1,000.00						1,000.00

SCHEDULE OF STATE AND FEDERAL GRANTS APPROPRIATED

<u>Grant</u>	<u>Balance Dec. 31, 2014</u>	<u>Encumbrances 12/31/14</u>	<u>2015 Budget</u>	<u>Paid</u>	<u>Encumbrances 12/31/15</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2015</u>
Green Communities Grant	3,000.00						3,000.00
Health Service Grant - Influenza	15,484.91					15,484.91	-
Infrastructure Preparedness	11,411.96					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						-
Princeton University Fire Equipment	62,478.57		20,000.00	43,141.00			46,707.62
Princeton University Prospect Ave. St. Lighting	22,962.00		7,654.00				39,337.57
Public Health Priority Funding	2,441.84			1,270.35			30,616.00
State and Local All Hazard Emergency Plan	2,405.72					2,405.72	1,171.49
State Park Services Grant	109.47					109.47	-
Stormwater Management	2,056.62					2,056.62	-
Tobacco Age of Sale	1,753.11			60.95			-
NJ DEP Trails Grant			24,700.00				1,692.16
Firemans Fund Heritage Grant			7,352.00				24,700.00
Drive Sober or Get Pulled Over			7,000.00				7,352.00
Health Officers Association Grant			1,800.00				7,000.00
Safer Grant FEMA			133,466.00				1,800.00
							133,466.00
	<u>\$ 1,658,225.74</u>	<u>\$ 17,297.00</u>	<u>\$ 822,807.74</u>	<u>\$ 538,187.95</u>	<u>\$ 4,643.95</u>	<u>\$ 172,369.26</u>	<u>\$ 1,783,129.32</u>

SCHEDULE OF STATE AND FEDERAL GRANTS UNAPPROPRIATED

<u>Grant</u>	<u>Balance Dec. 31, 2014</u>	<u>Receipts</u>	<u>Transferred to Grants Receivable</u>	<u>Balance Dec. 31, 2015</u>
Body Armor Replacement	4,801.92		4,801.92	\$ -
Recycling Tonnage Grant	59,245.84	55,146.93	59,245.84	55,146.93
Bonner Foundation		2,334.12		2,334.12
Alcohol Education Rehabilitation Fund	5,435.37		5,435.37	
Cops In Shops	2,800.00		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>\$ 78,913.76</u>	<u>\$ 57,481.05</u>	<u>\$ 78,913.76</u>	<u>\$ 57,481.05</u>

Trust Fund

ANALYSIS OF TRUST ASSESSMENT CASH AND INVESTMENTS

	<u>BALANCE</u> <u>Dec. 2014</u>	<u>RECEIPTS</u> <u>MISCELLA-</u> <u>NEOUS</u>	<u>DISBURSEMENTS</u> <u>MISCELLA-</u> <u>NEOUS</u>	<u>BALANCE</u> <u>Dec. 2015</u>
Trust Surplus	\$703,050.23	\$96,949.77	\$400,000.00	\$400,000.00
Assessment Serial Bonds:				
Ord. 03-10 Sidewalk Improvements	21,757.87	179.21	1,098.65	20,838.43
Ord. 03-16 Sidewalk Improvements	52,706.91		7,122.93	45,583.98
Ord. 08-02 Sidewalk Improvements	32,060.56	2,845.39	17,442.61	17,463.34
Ord. 09-18 Sidewalk Improvements	4,712.02	575.68	4,418.69	869.01
Ord. 09-21 Sidewalk Improvements	23,643.26	720.77	3,529.22	20,834.81
Due to/from General Capital Fund		107,171.46		107,171.46
	<u>\$837,930.85</u>	<u>\$208,442.28</u>	<u>\$433,612.10</u>	<u>\$612,761.03</u>

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SCHEDULE OF ASSESSMENTS RECEIVABLE

ORD. NO.	IMPROVEMENT DESCRIPTIONS	DATE OF CONFIRMATION	BALANCE 12/31/14	ASSESSMENTS CONFIRMED	COLLECTIONS	BALANCE 12/31/15	BALANCE PLEDGED TO		
							ASSESSMENT BONDS	GENERAL CAPITAL	RESERVE
04-06	Walnut Sidewalks	3/19/07	511.49		256.03	255.46			255.46
04-17	Walnut Lane Curbing	3/19/07	461.62		327.37	134.25			134.25
05-23	Oakland St Sidewalks	6/11/07	61.17		31.58	29.59		29.59	-
06-25	Evergreen Circle Curbing	6/11/07	289.07		148.20	140.87			140.87
05-07	Carnahan Place Sidewalks	6/11/07	251.45		130.28	121.17			121.17
05-15	Tec-Ar Sidewalks	6/25/07	103.76		53.06	50.70			50.70
05-31	Clearview Ave Sidewalks	6/25/07	90.92		45.60	45.32		45.32	-
05-32	Grover Ave Sidewalks	6/25/07	100.94		50.48	50.46			50.46
05-10	Dorann Ave Curbing	6/25/07	635.28		425.56	209.72			209.72
05-16	Littlebrook Rd Pathway	7/16/07	198.65		100.43	98.22			98.22
07-15	Clover Lane Curbing	6/9/08	1,415.95		942.51	473.44		473.44	-
06-13	Riverside Sidewalks	5/5/08	102.03		34.11	67.92			67.92
06-27	Abernathy Sidewalks	6/9/08	513.82		174.30	339.52			339.52
06-15	Overbrook Sidewalks	6/9/08	493.33		166.40	326.93		326.93	-
07-10	Linwood/Leabrook La S/W Improvements	6/23/08	773.64		272.76	500.88			500.88
03-19	Lake/Longview/Knoll Sewer Lat. Repairs	12/1/08	67.85		67.85	-			-
03-17	Sewer Lat. Repairs- Clearview, Dorann...	12/1/08	8,327.75		5,434.44	2,893.31			2,893.31
05-30	Sycamore Road Sewer Laterals	12/1/08	148.94		58.30	90.64		90.64	-
04-05	Arretton Road Sewer & Water Main Ext.	12/1/08	42,239.49		3,299.26	38,940.23			38,940.23
03-10	Princeton/Kingston Road Sewer	12/1/08	156,266.21		15,735.23	140,530.98			140,530.98
02-14	Mountain Ave. Sewer Extension	12/1/08	1,626.07		542.04	1,084.03			1,084.03
07-18	Philip,Hemlock,Woodside Sidewalk	4/6/09	2,736.82		692.14	2,044.68		2,044.68	-
08-03	Ewing St. Near Guyot Sidewalk	4/6/09	1,265.50		876.99	388.51			388.51
08-21	Wilson Road Curbing	6/28/10	4,061.15		1,829.59	2,231.56			2,231.56
08-09	Franklin Avenue Sidewalk	6/28/10	76.47		15.56	60.91		60.91	-
08-19	Ewing Street Sidewalk	6/28/10	162.19		162.19	-			-
09-01	Edgarstoune & Winant Rd. Sewer	4/27/12	9,593.43		3,571.64	6,021.79			6,021.79
08-02	Magnolia Lane Sidewalks	9/10/12	2,558.48		1,150.98	1,407.50			1,407.50
10-19	Ober Rd. Curbing	10/1/12	8,803.52		1,695.51	7,108.01		7,108.01	-
09-03	Cedar Lane Sidewalks	10/1/12	382.24		54.69	327.55		327.55	-
09-02	Cedar, Southern & Western Way	12/17/12	31,987.73		7,310.50	24,677.23		24,677.23	-
09-08	Quarry Lane Sewers	12/17/12	23,048.45		3,296.75	19,751.70			19,751.70
10-27	Hilltop Mansgrove Sewers	12/17/12	7,928.77		3,298.00	4,630.77		4,630.77	-
03-10	Sidewalk Improvements	1/24/06	271.63		179.21	92.42	92.42		-
03-16	Water,Sewer & Sidewalk Improv.	6/28/06	1,161.88		1,161.88	-			-
02-14,02-16	Sidewalk Improvements	8/5/08	235.20		235.20	-			-
03-15	Sidewalk Improvements	3/25/08	903.61		301.22	602.39			602.39
05-12	Sidewalk Improvements	4/1/08	2,985.45		1,316.87	1,668.58			1,668.58
05-18	Sidewalk Improvements	2/24/09	5,916.73		1,645.65	4,271.08			4,271.08
05-19	Improvements to Sewer System	2/24/09	29,369.29		7,319.00	22,050.29			22,050.29
08-02	Sidewalk Improvements	3/10/09	4,477.16		2,845.21	1,631.95	1,631.95		(0.00)
09-18	Sidewalk Improvements	4/6/10	575.68		575.68	-			-

SCHEDULE OF ASSESSMENTS RECEIVABLE

<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTIONS</u>	<u>DATE OF CONFIRMATION</u>	<u>BALANCE 12/31/14</u>	<u>ASSESSMENTS CONFIRMED</u>	<u>COLLECTIONS</u>	<u>BALANCE 12/31/15</u>	<u>BALANCE PLEDGED TO</u>		
							<u>ASSESSMENT BONDS</u>	<u>GENERAL CAPITAL</u>	<u>RESERVE</u>
09-21	Sidewalk Improvements	4/6/10	1,277.26		720.77	556.49	556.49		-
10-16	Sidewalk & Sanitary Improvements	2/14/12	6,854.33		834.36	6,019.97		6,019.97	-
10-01	Sewer, Sidewalk & Curb Improv.	4/14/12	3,796.01		2,020.01	1,776.00		1,776.00	-
11-22	Sewer, Sidewalk & Curb Improv.	10/23/12	3,721.03		1,836.87	1,884.16		1,884.16	-
12-15	White Pine Lane Curbing	6/24/13	12,715.56		3,398.83	9,316.73			9,316.73
12-12	Grover Ave Sidewalks	6/24/13	5,261.65		1,443.28	3,818.37			3,818.37
11-10	Hillside Ave. Sidewalks	6/24/13	2,940.19		1,093.67	1,846.52			1,846.52
12-13	Roper Rd. Sidewalks	6/24/13	6,085.13		1,833.95	4,251.18			4,251.18
12-14	Andrews Lane & Foulet Dr. Curbing	6/24/14	91,484.72		11,435.59	80,049.13			80,049.13
13-10	Harrison Street Sidewalks	11/10/14	1,231.68		1,231.68	-			-
12-19	Ewing Street West Side	11/10/14	13,453.45		9,007.61	4,445.84			4,445.84
11-8	Westerly Road Curbing	12/8/14	44,214.28		22,384.40	21,829.88		21,829.88	-
05-12	Littlebrook Rd. Sewer Extension			45,928.16	32,408.11	13,520.05			13,520.05
04-4	Sewer Laterals Harris			48,616.50	20,777.90	27,838.60			27,838.60
02-25	Littlebrook & Tyson Sewer			16,540.00	6,945.00	9,595.00			9,595.00
06-34	Overbrook/Abernathy			15,600.00	5,955.00	9,645.00			9,645.00
07-14	Clover, Deer Path Sewer			49,160.00	17,285.00	31,875.00		26,573.00	5,302.00
Total			<u>\$546,216.10</u>	<u>\$175,844.66</u>	<u>\$208,442.28</u>	<u>\$513,618.48</u>	<u>\$2,280.86</u>	<u>\$97,898.08</u>	<u>\$413,439.54</u>

SCHEDULE OF RESERVE FOR ASSESSMENTS AND LIENS

<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>Balance 12/31/14</u>	<u>Assessments Confirmed</u>	<u>Collections</u>	<u>Balance 12/31/15</u>
Assessments Receivable:					
04-06	Walnut Sidewalks	511.49		256.03	255.46
04-17	Walnut Lane Curbing	461.62		327.37	134.25
05-23	Oakland St Sidewalks	61.17		31.58	29.59
06-25	Evergreen Circle Curbing	289.07		148.20	140.87
05-07	Carnahan Place Sidewalks	251.45		130.28	121.17
05-15	Tee-Ar Sidewalks	103.75		53.06	50.69
05-31	Clearview Ave Sidewalks	90.92		45.60	45.32
05-32	Grove Ave Sidewalks	100.94		50.48	50.46
05-10	Dorann Ave Curbing	635.28		425.56	209.72
05-16	Littlebrook Rd Pathway	198.65		100.43	98.22
07-15	Clover Lane Curbing	1,415.95		942.51	473.44
06-13	Riverside Sidewalks	102.03		34.11	67.92
06-27	Abernathy Sidewalks	513.82		174.30	339.52
06-15	Overbrook Sidewalks	493.33		166.40	326.93
07-10	Linwood/Leabrook Lane Improvements	773.64		272.76	500.88
03-19	Lake/Longview/Knoll Sewer Repairs	67.85		67.85	
03-17	Sewer Lat. Repairs-Clearview, Dorann	8,327.75		5,434.44	2,893.31
05-30	Sycamore Road Laterals	148.94		58.30	90.64
04-05	Arreton Rd. Sewer & Water Main	42,239.49		3,299.26	38,940.23
03-10	Princeton/Kingston Rd. Sewer	156,266.21		15,735.23	140,530.98
02-14	Mountain Ave. Sewer Extension	1,626.07		542.04	1,084.03
07-18	Philip, Hemlock, Woodside Sidewalk	2,736.82		692.14	2,044.68
08-03	Ewing St. Near Guyot Sidewalk	1,265.50		876.99	388.51
08-21	Wilson Road Curbing	4,061.15		1,829.59	2,231.56
08-09	Franklin Avenue Sidewalk	76.47		15.56	60.91
08-19	Ewing Street Sidewalk	162.19		162.19	
09-01	Edgarstoune & Winant Rd. Sewer	9,593.43		3,571.64	6,021.79
08-20	Magnolia Lane Sidewalks	2,558.48		1,150.98	1,407.50
10-19	Ober Rd. Curbing	8,803.52		1,695.51	7,108.01
09-03	Cedar Lane Sidewalks	382.24		54.69	327.55
09-02	Cedar, Southern & Western Way	31,987.73		7,310.50	24,677.23
09-08	Quarry Lane Sewers	23,048.45		3,296.75	19,751.70
10-27	Hilltop Mansgrove Sewers	7,928.77		3,298.00	4,630.77
03-16	Water, Sewer & Sidewalk Improv.	1,161.88		1,161.88	
02-14, 02-16	Sidewalk Improvements	235.20		235.20	
03-15	Sidewalk Improvements	903.61		301.22	602.39
05-12	Sidewalk Improvements	2,985.46		1,316.87	1,668.59
05-18	Sidewalk Improvements	5,916.73		1,645.65	4,271.08
05-19	Sidewalk Improvements	29,369.29		7,319.00	22,050.29
10-16	Sidewalk & Sanitary Improv.	6,854.33		834.36	6,019.97
10-01	Sewer, Sidewalk & Curb Improv.	3,796.01		2,020.01	1,776.00
11-22	Sewer, Sidewalk & Curb Improv.	3,721.03		1,836.87	1,884.16
12-15	White Pine Lane Curbing	12,715.56		3,398.83	9,316.73
12-12	Grover Ave Sidewalks	5,261.65		1,443.28	3,818.37
11-10	Hillside Ave. Sidewalks	2,940.19		1,093.67	1,846.52
12-13	Roper Rd. Sidewalks	6,085.13		1,833.95	4,251.18
12-14	Andrews Lane & Foulet Dr. Curbing	91,484.72		11,435.59	80,049.13
13-10	Harrison Street Sidewalks	1,231.68		1,231.68	
12-19	Ewing Street West Side	13,453.45		9,007.61	4,445.84
11-8	Westerly Road Curbing	44,214.28		22,384.40	21,829.88
05-12	Littlebrook Rd. Sewer Extension		45,928.16	32,408.11	13,520.05
04-04	Sewer Laterals Harris		48,616.50	20,777.90	27,838.60
02-25	Littlebrook & Tyson Sewer		16,540.00	6,945.00	9,595.00
06-34	Overbrook/Abernathy		15,600.00	5,955.00	9,645.00
07-14	Clover, Deer Path Sewer		49,160.00	17,285.00	31,875.00
		<u>\$ 539,614.37</u>	<u>\$ 175,844.66</u>	<u>\$ 204,121.41</u>	<u>\$ 511,337.62</u>

SCHEDULE OF ASSESMENT SERIAL BONDS

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING - DEC. 31, 2015		INTEREST RATE	BALANCE DEC. 31, 2014	DECREASED	BALANCE DEC. 31, 2015
			DATE	AMOUNT				
Assessment Bonds	6/1/07	142,941.36	6/1/16	14,328.52	4.00%	72,731.98	13,612.10	59,119.88
			6/1/17	14,328.52	4.00%			
			6/1/18	15,044.95	4.00%			
			6/1/19	15,417.89	4.00%			
Sidewalk Assessment Bonds	6/1/10	212,000.00	2/1/16	20,000.00	3.00%	120,000.00	20,000.00	100,000.00
			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%			
						\$192,731.98	\$33,612.10	\$159,119.88

SCHEDULE OF RESERVE FOR OPEN SPACE TRUST FUND

Balance - December 31, 2014		\$ 1,404,518.58
Increased by:		
Amount Raised by Taxation	1,159,680.00	
Interest Earned	<u>11,034.06</u>	
		<u>1,170,714.06</u>
		2,575,232.64
Decreased by:		
Expenditures	<u>1,154,433.88</u>	
		<u>1,154,433.88</u>
Balance - December 31, 2015		<u>\$ 1,420,798.76</u>

TRUST FUND
SCHEDULE OF OTHER RESERVES AND SPECIAL DEPOSITS
YEAR ENDED DECEMBER 31, 2015

	Balance December 31, 2014	12/31/14 Encumbrances	Increases	Decreases	12/31/15 Encumbrances	Balance December 31, 2015
Bulletproof Vest	\$ 26.85		\$	\$	\$	\$ 26.85
Police Welfare Fund	1,099.78					1,099.78
Accumulated Sick Leave	243,014.30			15,036.11		227,978.19
Fire Prevention	62,576.54			23,352.69	27,783.00	11,440.85
Electrical Permit	11,533.30					11,533.30
Plumbing Permit	18,133.70					18,133.70
Off Duty Police	207,730.78		801,357.48	598,692.49		410,395.77
POAA	31,191.86		11,406.00		4,156.00	38,441.86
Construction Official	2,939,339.26		2,368,978.48	1,269,032.59	1,061.57	4,038,223.58
Fire Prevention Penalty Fees	1,028.36					1,028.36
Fire Prevention Penalty-Dedicated	499.51					499.51
Police Fitness Foundation	12,944.89		25.00	11,092.27		1,877.62
Snow Removal	94,611.97					94,611.97
Due to POSC	9,000.00					9,000.00
Miscellaneous Deposits	82,126.36	3,345.57	1,295.68	2,530.09	822.08	83,415.44
Cable TV	257,976.36		364,442.54	414,130.73		208,288.17
Shade Tree Trust	22,791.54	1,570.00	28,389.43	15,370.00	1,570.00	35,810.97
Type I Penalty Fire	10,442.00		1,400.00			11,842.00
Off Tract Contributions	29,776.00					29,776.00
Adopt a Park Program	3,940.00					3,940.00
Bench Donations	7,160.00					7,160.00
Latin American Task Force	1,446.29					1,446.29
Public Defender	67,613.90		5,536.50	4,583.26		68,567.14
Restitution/Graffiti Trust	7,123.25					7,123.25
Homeless Housing	2,793.00					2,793.00
Postage Trust Fund	11,222.95		522.20			11,745.15
Fire Equipment Donations	20,705.40		11,050.00	17,786.80		13,968.60
Human Services Spec. Asst.			2,000.00			2,000.00
Reserve for Solar Panels			100,000.00	15,911.71	67,500.00	16,588.29
Builder Escrow	1,000.00					1,000.00
Sewer Trust	2,008,037.04		143,469.52	488,000.00		1,663,506.56
	<u>\$ 6,166,885.19</u>	<u>\$ 4,915.57</u>	<u>\$ 3,839,872.83</u>	<u>\$ 2,875,518.74</u>	<u>\$ 102,892.65</u>	<u>\$ 7,033,262.20</u>

ESCROW TRUST FUND
SCHEDULE OF DEPOSITS
YEAR ENDED DECEMBER 31, 2015

	Balance December 31, 2014	12/31/14 Encumbrances	Increases	Decreases	12/31/15 Encumbrances	Balance December 31, 2015
Professional Fees	341,210.79	23,777.01	\$ 314,838.50	\$ 277,984.43	\$ 27,855.61	\$ 373,986.26
Certificates of Occupancy	285,606.28		191.30	28,783.50		257,014.08
Performance Bonds	3,385,870.28		1,082,788.14	1,014,399.97		3,454,258.45
Zoning Escrows	1,799,451.02	3,600.00	7,395.65	68,517.67	1,900.00	1,740,029.00
Inspection Fees	1,404,694.21		300,923.63	246,992.73		1,458,625.11
	<u>\$ 7,216,832.58</u>	<u>\$ 27,377.01</u>	<u>\$ 1,706,137.22</u>	<u>\$ 1,636,678.30</u>	<u>\$ 29,755.61</u>	<u>\$ 7,283,912.90</u>

General Capital Fund

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

Exhibit - C - 2

Page 1 of 3

	<u>BALANCE</u> <u>DEC. 31, 2014</u>	<u>BALANCE</u> <u>DEC. 31, 2015</u>
Fund Balance	\$3,343,379.21	\$3,068,513.40
Capital Improvement Fund	706,368.49	387,217.49
Reserves for:		
Encumbrances	817,209.07	3,723,112.64
Debt Service	4,388,757.92	3,055,415.66
Roads	95,000.00	95,000.00
Roads - Transco Pipeline		500,000.00
Excess Bond Anticipation Notes		31,615.00
Due to/ from Open Space Trust	(700,000.00)	
Due to/from Sewer Trust		
Due to/from General Capital Fund		(107,171.46)
Due from Mercer County	(500,000.00)	(116,170.00)
Infrastructure Loan Receivable	(6,728,487.00)	(2,791,648.18)
State Grant Receivable	(1,165,566.09)	(1,002,323.09)

ORD.

NO. IMPROVEMENT AUTHORIZATIONS

General Improvements

99-11	Various Capital Improvements	(40,459.63)	(40,459.63)
03-03	Various Capital Improvements (Twp. Only)	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	(109,629.17)	(103,793.92)
04-13	Various Capital Improvements	(2,355.60)	(2,355.60)
04-17	Walnut Lane Curbing	(233.00)	
05-23	Oakland Street Sidewalks	(1,238.00)	(29.59)
05-24	Various Capital Improvements	(362.18)	(362.18)
05-25	Littlebrook Road/Tyson Lane Sewer	2,350.00	(14,190.00)
05-28	Joint Sewer System Rehab.	1,390,620.14	(0.00)
05-30	Sycamore Road Sewer Laterals	(1,285.75)	(90.64)
05-31	Clearview Avenue Sidewalks B	(649.91)	(45.32)
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	(8,750.00)	(8,750.00)
06-03	Tusculum	(106,247.27)	(106,247.27)
06-14	Hemlock Sidewalks	(1,670.16)	
06-15	Overbrook Sidewalks	(4,200.00)	(326.93)
06-22	Multi Purpose Ordinance	(5,660.79)	(5,686.92)

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

Exhibit - C - 2

Page 2 of 3

	<u>BALANCE</u> <u>DEC. 31,2014</u>	<u>BALANCE</u> <u>DEC. 31, 2015</u>
06-34 Abernathy Sewer Laterals	(3,004.87)	
06-37 Sewer Laterals : 206 & Laurel Circle	(6,517.70)	
07-02 Various Road Improvement Projects	(1,714.55)	(1,714.55)
07-03 Various Road Improvement Projects	(1,321.26)	
07-14 Clover Lane Sewer Laterals	5,302.00	(26,573.00)
07-15 Clover Lane Belgium Block	(42,102.16)	(15,790.99)
07-18 Philip Dr./Hemlock Cir. /Woodside	(8,982.40)	(8,290.26)
07-19 Multi Purpose Ordinance	(10,835.22)	(11,148.79)
07-23 Griggs Farm Supplemental	(1,431.42)	(1,431.42)
08-06 Various Road Improvement Projects		7,405.71
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)	(18,159.41)
08-12 Ober Road Sidewalks	(8,530.83)	(8,530.83)
08-16 Various Capital Improvements	(848,995.81)	(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)	(14,840.61)
09-02 Cedar Lane Sewer Laterals	(106,530.59)	(99,220.09)
09-03 Cedar Lane Sidewalks	(7,000.00)	(6,945.31)
09-05 DPW Road	(1,199.19)	(1,199.19)
09-08 Quarry Lane Sewer Line	(30,581.92)	(27,285.17)
09-19 2009 Multipurpose Ordinance	27,518.15	0.00
09-21 Culvert & Sewer Replac. On Braeburn	(1,682.22)	(1,682.22)
10-02 Sewer Lateral Gallup Hillside	15,000.00	15,000.00
10-06 Ewing St. Sewer	(57,620.14)	(57,620.14)
10-07 Sewer Laterals Ewing St.	(136,598.39)	(136,598.39)
10-14 Mountain Lakes House Roof	(104,500.00)	
10-19 Belgium Curbing Ober Road	(31,956.94)	(30,261.43)
10-21 Various Capital Improvements	(14,630.15)	(5,483.80)
10-27 Sewer Lateral Repairs Hilltop Mansgrove	(58,911.01)	(55,613.01)
10-34 Pool Complex	(752.32)	(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)	(27,841.36)	(75,603.40)
11-5 Mountain Lakes House Roof-Suppl.	(28,500.00)	
11-8 Belgium Block Curbing Westerly Rd.	2,500.00	24,884.40
11-9 Sewer Laterals Westerly Rd.	(57,587.95)	(57,587.95)
11-10 Constr. Ord Hillside Sidewalks	(20,920.00)	(20,920.00)
11-13 Various Capital Improvements	(6,673.37)	(11,116.90)
11-15 Supplemental - Pool Complex	(4,981.74)	0.00
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	(672,828.51)	(686,217.69)
12-8 Battle Rd./ Battle Rd. Circle Sewer Laterals	(41,445.50)	(38,319.19)
12-10 Quaker Rd. Pathway	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 - C - 2

Page 3 of 3

		<u>BALANCE</u> <u>DEC. 31, 2014</u>	<u>BALANCE</u> <u>DEC. 31, 2015</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)	(160,933.95)
12-19	Ewing St. Sidewalks	(27,448.83)	(32,295.74)
96-18	Acquisition & Constr. Recreational Facilities	18,523.93	12,068.53
05-14,12-1	Rehabilitation of Sewer System	2,704,291.27	207,091.77
07-18	Various Sewer Projects	56,765.42	56,765.42
09-25	Various Capital Improvements	26,949.43	0.00
09-26	Rehabilitation of Sewer System	60,564.37	60,564.37
10-01	Sewer, Curbs & Sidewalk Improvements	(109,008.91)	(106,988.90)
10-08	Various Capital Improvements	67,758.27	177,875.17
11-21,10-15	Sewer Improvements	216,635.77	216,635.77
10-16	Sidewalk & Sewer Improvements	(64,199.50)	(63,365.14)
10-17	Various Capital Improvements	291,318.41	
11-01,11-25	Installation of New Pool	(139,431.82)	(139,431.82)
11-11	Improvements to Sanitary Sewer System	1,438.00	1,438.00
11-16	Various Capital Improvements	(158,901.30)	(10,973.74)
11-17	Various Capital Improvements	82,372.55	244,406.04
11-18	Various Capital Improvements	56,532.97	19,128.97
11-19	Various Sewer Projects	189,225.49	189,225.49
11-22	Sidewalk & Sewer Improvements	(59,341.76)	(57,504.89)
11-26	Stabilization of Stony Brook Sewer Main	(285,000.00)	(29,000.00)
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	(274,921.63)	(276,393.34)
13-23	Sidewalks Moore Park/ Willow	(31,675.00)	(31,675.00)
13-24	Sewers Moore/Willow	(215,110.00)	(215,110.00)
13-29	Acquisition of Property	125,000.00	144,550.00
13-31	Various Capital Improvements	(55,387.80)	(6,292.68)
14-05	Road Improvements to Various Streets	77,689.22	52,064.08
14-24	Sanitary Sewer & Rd. Reconstruction	164,452.00	75,452.00
14-25	Various Capital Improvements	701,987.47	(57,045.88)
14-28	Reconstruction of Sidewalks Edgehill Rd.	4,000.00	4,000.00
14-40	Construction of Sidewalks Along Poe Rd.	3,500.00	3,455.00
15-07	Various Capital Improvements		553,982.41
15-09	Various Sewer Projects		369,530.24
15-10	Hamilton St. Sidewalks		850.00
15-11	Prospect Ave Sidewalks		850.00
15-15	Sidewalk Repairs		2,535.00
15-35	Valley/Jeff/Ewing/N. Harrison St. Laterals		16,650.00
		<u>\$2,005,671.92</u>	<u>\$5,213,817.58</u>

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

Exhibit - C - 3
Page 1 of 2

ORD. NO.	DATE	IMPROVEMENT DESCRIPTION	BALANCE DEC. 31, 2014	2015 AUTHOR.	IMPROVEMENT AUTHORIZATIONS CANCELLED	OTHER FUNDING	BALANCE DEC. 31, 2015	ANALYSIS OF BALANCE - DEC. 31, 2015		UNEXPENDED BALANCE OF IMPROV. AUTH.
								BOND ANTICIPATION NOTES	EXPENDITURES	
General Improvements										
99-11	Various Capital Improvements		40,459.63							
00-13	Various Capital Improvements(Jt. Agency)		1,283.13				40,459.63		40,459.63	
01-15	Various Capital Improvements		133,479.04				1,283.13		1,283.13	
02-15	Various Capital Improvements		46,406.26				133,479.04		133,479.04	
03-13	Various Capital Improvements		122,671.53		18,877.61		46,406.26		46,406.26	
04-13	Various Capital Improvements		2,355.60				103,793.92		103,793.92	
04-17	Walnut Lane Curbing		233.00				2,355.60		2,355.60	
05-23	Oakland Street Sidewalks		1,238.00			233.00				
05-24	Various Capital Improvements		362.18			1,208.41	29.59		29.59	
05-25	Littlebrook Road/Tyson Lane Sewer		42,200.00		28,010.00		362.18		362.18	
05-30	Sycamore Road Sewer Laterals		1,285.75				14,190.00		14,190.00	
05-31	Clearview Ave. Sidewalks B		649.91			1,195.11	90.64		90.64	
05-36	Recreation Improvements Supplement		7,606.53			604.59	45.32		45.32	
06-01	Recreation Supplemental		12,855.31				7,606.53		7,606.53	
06-02	Road Construction and Repair		8,750.00				12,855.31		12,855.31	
06-03	Tusculum		106,247.27				8,750.00		8,750.00	
06-14	Hemlock Sidewalks		1,670.16			1,670.16	106,247.27		106,247.27	
06-15	Overbrook Sidewalks		4,200.00			3,873.07				
06-22	Multi-purpose Ordinance		41,710.89		36,023.97		326.93		326.93	
06-34	Abernathy Sewer Laterals		3,004.87			3,004.87	5,686.92		5,686.92	
06-37	Sewer Laterals:206 & Laurel Circle		6,517.70			6,517.70				
07-02	Various Road Improvements		1,714.55							
07-03	Various Road Improvements		1,321.26		1,321.26		1,714.55		1,714.55	
07-14	Clover Lane Sewer Laterals		104,500.00		60,642.00	17,285.00	26,573.00		26,573.00	
07-15	Clover Lane Belgium Block		42,102.16			26,311.17	15,790.99		15,790.99	
07-18	Philip Dr./Hemlock Cir./Woodside Dr.		8,982.40			692.14	8,290.26		8,290.26	
07-19	Multi-purpose Ordinance		11,675.42		526.63		11,148.79		11,148.79	
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			15.56	18,159.41		18,159.41	
08-12	Ober Road Sidewalks		8,530.83				8,530.83		8,530.83	
08-16	Various Capital Improvements		848,995.81				848,995.81		848,995.81	
08-20	Magnolia Lane and Boradripping Sw		13,689.51				13,689.51		13,689.51	
08-21	Belgium Curb 9 Prop. Wilson Rd.		16,670.20			1,829.59	14,840.61		14,840.61	
09-02	Cedar Lane Sewer Laterals		106,530.59			7,310.50	99,220.09		99,220.09	
09-03	Cedar Lane Sidewalks		7,000.00			54.69	6,945.31		6,945.31	
09-05	DPW Roads		1,199.19				1,199.19		1,199.19	
09-08	Quarry Lane Sewer Line		30,581.92			3,296.75	27,285.17		27,285.17	
09-21	Culvert & Sewer Replac. On Braeburn		6,698.06		5,015.84		1,682.22		1,682.22	
10-02	Sewer Laterals - Gallup Hillside		285,000.00				285,000.00			285,000.00
10-06	Ewing St. Sidewalks		57,620.14				57,620.14		57,620.14	
10-07	Sewer Laterals - Ewing St.		136,598.39				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			1,695.51	30,261.43		30,261.43	
10-21	Various Capital Improvements		114,630.15		61,989.91		52,640.24	17,500.00	5,483.80	29,656.44
10-27	Sewer Lateral Repairs Hilltop		58,911.01			3,298.00	55,613.01		55,613.01	
10-34	Pool Complex		752.32				752.32		752.32	
10-38	Land Acquisition		2,900.78				2,900.78		2,900.78	

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

Exhibit - C - 3
Page 2 of 2

ORD. NO.	DATE	IMPROVEMENT DESCRIPTION	BALANCE DEC. 31, 2014	2015 AUTHOR	IMPROVEMENT AUTHORIZATIONS CANCELLED	OTHER FUNDING	BALANCE DEC. 31, 2015	ANALYSIS OF BALANCE - DEC. 31, 2015		
								BOND ANTICIPATION NOTES	EXPENDITURES	UNEXPENDED BALANCE OF IMPROV. AUTH.
11-2		Supplemental - Pool Complex	1,325.00				1,325.00			
11-3		Var. Rd. & DPW Proj.(300,000 dot grant)	769,163.37		19.45		769,143.92		1,325.00	
11-5		Mountain Lakes House Roof-Suppl.	28,500.00				28,500.00	465,000.00	75,603.40	228,540.52
11-8		Belgium Block Curbing Westerly Rd.	47,500.00			22,384.40	25,115.60	28,500.00		
11-9		Sewer Laterals Westerly Rd.	57,587.95				57,587.95			25,115.60
11-10		Constr. Ord Hillside Sidewalks	20,920.00				20,920.00		57,587.95	
11-13		Various Capital Improvements	761,156.12				761,156.12		20,920.00	
11-15		Supplemental - Pool Complex	418,543.00		418,543.00			106,000.00	11,116.90	644,039.22
12-3		Grover Ave. Sidewalks	109,250.00				109,250.00			
12-4		Roper Ave. Sidewalks	73,150.00				73,150.00			109,250.00
12-5		Grover and Roper Sewer Laterals	114,650.00				114,650.00			73,150.00
12-6		Rehab of Sewr System - Supp	1,861,344.00				1,861,344.00			114,650.00
12-8		Battle Rd. /Battle Rd. Circle Sewer Lateral	92,650.00				92,650.00		686,217.69	1,175,126.31
12-12		Grover Ave. Sidewalks	41,800.00				41,800.00		38,319.19	54,330.81
12-13		Roper Road Sidewalks	28,975.00				28,975.00			41,800.00
12-14		Adreus-Foulet Curbing	112,600.00				112,600.00			28,975.00
12-15		White Pine Curbing	24,795.00				24,795.00		101,743.68	10,856.32
12-18		Traffic Signal Imp Washington	166,250.00				166,250.00			24,795.00
12-19		Ewing Street Sidewalks	53,200.00				53,200.00		160,933.95	5,316.05
05-14,09-14									32,295.74	20,904.26
12-01		Rehabilitation of Sewer System	1,664,357.20				1,664,357.20			1,664,357.20
10-01		Sewer, Sidewalk & Curb Improvements	109,008.91			2,020.01	106,988.90		106,988.90	
10-08		Various Capital Improvements	273,075.99		31,690.99		241,385.00	241,385.00		
10-14		Refunding Bond Ordinance	863,000.00		863,000.00					
10-16		Sidewalk & Sewer Improvements	64,199.50			834.36	63,365.14			
11-01/11-25		Installation of New Pool	2,273,825.00		2,080,645.01		193,179.99		63,365.14	
11-11		Improv. To Sanitary Sewer System	28,025.00				28,025.00		139,431.82	53,748.17
11-16		Various Capital Improvements	322,335.00				322,335.00			28,025.00
11-17		Various Capital Improvements	517,050.00				517,050.00	96,000.00	10,973.74	215,361.26
11-22		Sidewalk & Sewer Improvements	99,750.00		40,408.24	1,836.87	57,504.89	167,000.00		350,050.00
11-26		Stabilization of Stony Brook Sewer Main	285,000.00				285,000.00		57,504.89	
12-09		Sidewalk & Sewer Improvements	106,400.00				106,400.00	256,000.00	29,000.00	
13-09		Refunding Bond Ordinance	2,292,580.00		2,292,580.00				34,385.44	72,014.56
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					
13-21		Various Capital Improvements	2,338,229.00				2,338,229.00	729,500.00	276,393.34	1,332,335.66
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	823,450.00				823,450.00	238,000.00	6,292.68	579,157.32
14-24		Sanitary Sewer & Rd. Reconstruction Projects	1,439,250.00				1,439,250.00			1,439,250.00
14-25		Various Capital Improvements	6,589,367.00				6,589,367.00	4,117,000.00	57,045.88	2,415,321.12
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
15-07		Various Capital Improvements		8,472,007.00		200,000.00	8,272,007.00	1,874,750.00		6,397,257.00
15-10		Hamilton Ave. Sidewalks		16,150.00			16,150.00			16,150.00
15-11		Prospect Ave. Sidewalks		16,150.00			16,150.00			16,150.00
15-15		Sidewalk Repairs		48,450.00			48,450.00			48,450.00
15-22		31-33 Lytle St. Acquisition		527,250.00			527,250.00	527,250.00		
15-35		Valley/Jeff/Ewing/N. Harrison St. Sewer Laterals		319,200.00			319,200.00			319,200.00
			<u>\$34,159,256.98</u>	<u>\$9,399,207.00</u>	<u>\$12,244,293.91</u>	<u>307,171.46</u>	<u>\$31,006,998.61</u>	<u>\$8,968,385.00</u>	<u>\$4,105,102.79</u>	<u>\$17,933,510.82</u>

Unexpended Balances of Unfunded Improvement Authorizations
Less: Unexpended Proceeds of Bond Anticipation Notes

\$18,654,493.23
(720,982.41)
\$17,933,510.82

GENERAL CAPITAL FUND
SCHEDULE OF STATE AID RECEIVABLE

December 31, 2014	\$1,165,566.09
Increased by:	
Grants Receivable	<u>283,507.00</u>
	1,449,073.09
Decreased by:	
Receipts	<u>446,750.00</u>
December 31, 2015	<u><u>\$1,002,323.09</u></u>

Detail of Balance at 12/31/15:

Ord. No. 09-04	164,647.09
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	123,750.00
Ord. No. 15-07	<u>283,507.00</u>
	<u><u>\$1,002,323.09</u></u>

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONSExhibit - C - 5
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ORD. NO.	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE - DEC. 31, 2014		ENCUMBERED	2015	PAID OR	ENCUMBERED	AUTHORIZATIONS	BALANCE - DEC. 31, 2015	
		DATE	AMOUNT	FUNDED	UNFUNDED	12/31/14	AUTHORIZATIONS	CHARGED	12/31/15	CANCELLED	FUNDED	UNFUNDED
General Improvements:												
03-03	Various Capital Improvements	6/9/03	5,585,279.00	33,600.00		4,188.00						
03-13	Various Capital Improvements	7/5/03	500,000.00		13,042.36	10,596.67				37,788.00		
04-07	Various Capital Improvements							4,761.42			18,877.61	
05-25	Littlebrook Rd./Tyson Lane Sewer	6/27/05	44,500.00	2,350.00	42,200.00			(16,540.00)			16,540.00	
05-28	Joint Sewer System Rehab.	6/27/05	6,720,000.00	1,390,620.14				16,540.00			28,010.00	
06-22	2006 Multipurpose Ordinance	6/26/06	2,075,350.00		36,050.10			168,284.30		1,222,335.84		
07-03	Various Capital Improvements							26.13			36,023.97	
07-14	Clover Lane Sewer Laterals	6/25/07	110,000.00	5,302.00	104,500.00			(49,160.00)			49,160.00	
07-19	Multi-Purpose Ordinance	7/16/07	2,303,209.00		840.20			49,160.00			60,642.00	
08-06	Various Road Improvements							313.57		526.63		
08-23	Various Capital Improvements					7,405.71					7,405.71	
09-16	Sewer System Improvements					3,591.80		3,591.80				
09-19	2009 Multipurpose Ordinance	9/14/09	3,816,834.00	27,518.15		6,766.15				6,766.15		
09-21	Culvert & Sewer Replac. On Braeburn	10/5/09	500,000.00		5,015.84	3,400.00		1,374.12			29,544.03	
10-02	Sewer Lateral Gallup Hillside	2/8/10	300,000.00	15,000.00	285,000.00						5,015.84	
10-21	Various Capital Improvements	6/28/10	1,265,400.00		100,000.00						15,000.00	285,000.00
11-3	Var. Rd. & DPW Proj.(300,000 dot grant)	4/11/11	3,166,000.00		741,322.01	29,189.94		32,181.05	5,362.54	61,989.91		29,656.44
11-8	Belgium Block Curbing Westerly Rd.	6/27/11	50,000.00	2,500.00	47,500.00	7,394.95		402,150.42	118,006.57	19.45		228,540.52
11-13	Various Capital Improvements	9/19/11	1,127,575.00		754,482.75	11,935.76					24,884.40	25,115.60
11-15	Supplemental - Pool Complex	9/19/11	1,461,625.00		413,561.26	40,862.00		103,685.75	18,693.54			644,039.22
12-3	Grover Ave. Sidewalks	2/27/12	115,000.00	5,720.00	109,250.00			666.33		453,756.93		
12-4	Roper Ave. Sidewalks	2/27/12	77,000.00	3,720.00	73,150.00						5,720.00	109,250.00
12-5	Grover and Roper Sewer Laterals	2/27/12	120,750.00	6,100.00	114,650.00						3,720.00	73,150.00
12-6	Rehab of Sewr System - Supp	2/27/12	2,550,000.00		1,188,515.49	12,260.82					6,100.00	114,650.00
12-8	Battle Rd./Battle Rd. Circle Sewer Later	4/9/12	97,650.00		51,204.50			25,650.00				1,175,126.31
12-10	Qauker Rd. Pathway	4/23/12	90,000.00	14,402.96		3,126.31						54,330.81
12-12	Grover Ave. Sidewalks	5/21/12	44,000.00	1,802.50	41,800.00			1,775.85		29,624.57		
12-13	Roper Road Sidewalks	6/11/12	30,500.00	75.04	28,975.00						1,802.50	41,800.00
12-14	Adreus-Foulet Curbing	6/11/12	118,600.00		10,856.32						75.04	28,975.00
12-15	White Pine Curbing	6/25/12	26,100.00	1,110.00	24,795.00							10,856.32
12-18	Traffic Signal Imp Washington	9/10/12	175,000.00		8,054.50	2,761.55					1,110.00	24,795.00
12-19	Ewing Street Sidewalks	9/10/12	56,000.00		25,751.17				5,500.00			5,316.05
96-18	Acquis. & Constr. Of Recreational Fac.	8/13/96	480,000.00	18,523.93				4,846.91				20,904.26
05-14,9-14	Rehab of Sewr System							5,049.10	1,406.30		12,068.53	
12-1	Rehab of Sewr System	6/14/05	3,360,000.00	2,704,291.27	1,664,357.20	104,343.45		631,755.99	55,110.13	1,914,676.83	207,091.77	1,664,357.20
07-18	Various Sewer Projects	9/11/07	500,000.00	56,765.42							56,765.42	
09-25	Various Capital Improvements	9/29/09	586,000.00	26,949.43								
09-26	Rehab. Of Sewer System	9/29/09	720,000.00	60,564.37				26,428.00		521.43		
10-08	Various Capital Improvements	6/22/10	665,500.00	67,758.27	273,075.99	19,797.46					60,564.37	
10-14	Refunding Ordinance	9/14/10	863,000.00		863,000.00			139,150.37	11,915.19	31,690.99	177,875.17	
11-21,10-15	Sewer Improvements	10/26/10	720,000.00	216,635.77						863,000.00		
10-17	Various Capital Improvements	10/26/10	1,364,300.00	291,318.41				50,124.24	213,130.68	28,063.49	216,635.77	
11-01,11-25	Installation of New Pool	2/22/11	2,053,500.00		2,134,393.18							
11-11	Improv. To Sewer System	8/2/11	29,500.00	1,438.00	28,025.00					2,080,645.01		53,748.17
11-16	Various Capital Improvements	8/2/11	1,939,300.00		163,433.70	31,348.27					1,438.00	28,025.00
11-17	Various Capital Improvements	8/2/11	939,000.00	82,372.55	517,050.00	11,064.00		(37,088.67)	16,509.38			215,361.26
11-26	Various Capital Improvements	8/2/11	82,301.16	56,532.97				16,030.51			77,406.04	517,050.00
11-19	Various Sewer Projects	8/2/11	240,000.00	189,225.49				27,904.00	9,500.00		19,128.97	
11-22	Sidewalk & Sewer Improvements	10/4/11	105,000.00		40,408.24							
12-09	Sidewalk & Sewer Improvements	6/12/12	112,000.00		72,014.56					40,408.24		
13-09	Refunding Bond Ordinance	4/22/13	2,292,580.00		2,292,580.00					2,292,580.00		72,014.56
13-10	Sidewalks on North Harrison St.	4/22/13	8,461.00	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	423.00	8,038.00
13-21	Various Capital Imp.(DOT grant 261,676	7/22/13	3,699,900.00		2,063,307.37	194,029.47		643,242.34	281,758.84			1,332,335.66
13-23	Sidewalks Moore Park/Willow	8/26/13	35,100.00		1,670.00							1,670.00
13-24	Sewers Moore/Willow	8/26/13	236,400.00		9,470.00	90,843.29		90,843.28	0.01			9,470.00
13-29	Acquisition of Property	11/12/13	125,000.00	125,000.00				(19,550.00)			144,550.00	
13-31	Various Capital Improvements	12/9/13	951,000.00		768,062.20	35,413.40		115,876.46	108,441.82			579,157.32

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONSExhibit - C - 5
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ORD. NO.	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE - DEC. 31, 2014		ENCUMBERED 12/31/14	2015 AUTHORIZATIONS	PAID OR CHARGED	ENCUMBERED 12/31/15	AUTHORIZATIONS CANCELLED	BALANCE - DEC. 31, 2015	
		DATE	AMOUNT	FUNDED	UNFUNDED						FUNDED	UNFUNDED
14-05	Road Improvements to Various Streets	4/28/14	880,000.00	77,689.22		69,309.01						
14-24	Sanitary Sewer & Rd. Reconst. Project	7/14/14	1,515,000.00	75,452.00	1,439,250.00			94,934.15			52,064.08	
14-25	Various Capital Improvements	7/14/14	7,554,071.00	790,987.47	6,589,367.00	100,583.60					75,452.00	1,439,250.00
14-28	Reconstruction of Sidewalks Edgehill Rd.	7/28/14	65,000.00	4,000.00	61,000.00			3,829,132.35	1,236,484.60		2,415,321.12	
14-40	Cons. Of Sidewalks along Poe Rd.	10/27/14	38,500.00	3,500.00	35,000.00						4,000.00	61,000.00
15-07	Var. Capital Imp.(DOT 283,507)	4/27/15	9,175,865.00					45.00			3,455.00	35,000.00
15-09	Various Sewer Improvements	4/27/15	488,000.00				9,175,865.00	670,879.05	1,553,746.54			6,951,239.41
15-10	Hamilton Ave. Sidewalks	4/27/15	17,000.00				488,000.00	31,355.76	87,114.00		369,530.24	
15-11	Prospect Ave. Sidewalks	4/27/15	17,000.00				17,000.00				850.00	16,150.00
15-15	Sidewalk Repairs	4/27/15	51,000.00				17,000.00				850.00	16,150.00
15-22	31-33 Lytle Street Acquisition	7/27/15	555,000.00				51,000.00	15.00			2,535.00	48,450.00
15-35	Valley/Jeff/Ewing/N. Harrison Sewer Lat	12/7/15	336,000.00				555,000.00	554,567.50	432.50			
							336,000.00	150.00			16,650.00	319,200.00
				<u>\$ 6,359,248.36</u>	<u>\$ 29,549,018.94</u>	<u>\$ 817,209.07</u>	<u>\$ 10,639,865.00</u>	<u>\$ 7,620,152.08</u>	<u>\$ 3,723,112.64</u>	<u>\$ 15,613,206.92</u>	<u>\$ 1,754,376.50</u>	<u>\$ 18,654,493.23</u>
	Deferred Charges Unfunded											
	Capital Improvement Fund						\$ 9,399,207.00					
	DOT Grants						469,151.00					
	Due from Sewer Trust Fund						283,507.00					
							<u>488,000.00</u>					
							<u>\$ 10,639,865.00</u>					

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS

Exhibit - C - 6
Page 1 of 2

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING - DEC. 31, 2015</u>		<u>INTEREST RATE</u>	<u>BALANCE DEC. 31, 2014</u>	<u>DECREASED</u>	<u>BALANCE DEC. 31, 2015</u>
General Improvement Bonds	6/20/06	23,775,000.00	1/1/16	1,135,000.00	4.375%	\$ 2,235,000.00	\$ 1,100,000.00	\$ 1,135,000.00
General Improvement Bonds	1/1/09	8,000,000.00	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%	5,950,000.00	550,000.00	5,400,000.00
General Improvement Refunding Bonds	9/1/09	8,500,000.00	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%	3,500,000.00	670,000.00	2,830,000.00
General Improvement Refunding Bonds	3/9/10	6,185,000.00	9/15/16	950,000.00	4.00%	2,845,000.00	945,000.00	1,900,000.00
			9/15/17	950,000.00	4.00%			
General Improvement Refunding Bonds	11/1/10	5,230,000.00	5/1/16	740,000.00	3.00%	3,815,000.00	750,000.00	3,065,000.00
			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	9/1/16	550,000.00	4.00%	4,925,000.00	475,000.00	4,450,000.00
			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	12/15/16	400,000.00	2.00%	6,990,000.00	375,000.00	6,615,000.00
			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 - C - 6
Page 2 of 2

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING - DEC. 31, 2015		INTEREST RATE	BALANCE DEC. 31, 2014	DECREASED	BALANCE DEC. 31, 2015						
			DATE	AMOUNT										
General Improvement Bonds	6/1/07	9,833,059.00	6/1/16-17	985,671.48	4.00%	5,003,268.40	936,387.90	4,066,880.50						
			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	2/1/16	530,000.00	3.00%	10,259,000.00	530,000.00	9,729,000.00						
			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				8/15/16	380,000.00	4.00%	1,520,000.00	385,000.00	1,135,000.00
									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				1/1/16	785,000.00	1.00%	18,195,000.00	785,000.00	17,410,000.00			
			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	9/15/16	500,000.00	4.00%				9,950,000.00	500,000.00	9,450,000.00
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%												
						\$75,187,268.40	\$8,001,387.90	\$67,185,880.50						

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

Balance - Dec. 31, 2014		\$ 14,733,937.35
Decreased by:		
Payments	941,471.37	
Deobligated	<u>3,143,778.82</u>	
		<u>4,085,250.19</u>
Balance - Dec. 31, 2015		<u>\$ 10,648,687.16</u>

Loan Principal Repayment Schedule

<u>Year</u>	<u>Principal</u>
2016	\$ 932,292.42
2017	934,117.54
2018	975,387.80
2019	971,463.42
2020	916,241.94
2021	920,885.76
2022	872,587.14
2023	738,288.16
2024	639,000.98
2025	619,776.00
2026	649,774.00
2027	524,775.00
2028	404,774.00
2029	249,774.00
2030	149,774.00
2031	<u>149,775.00</u>
	<u>\$ 10,648,687.16</u>

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

Balance - Dec. 31, 2014	\$ 1,193,016.34
Decreased by:	
Payments	<u>437,292.50</u>
Balance - Dec. 31, 2015	<u><u>\$ 755,723.84</u></u>

Loan Principal Repayment Schedule

<u>Year</u>	<u>Principal</u>
2016	\$ 446,083.00
2017	240,723.88
2018	<u>68,916.96</u>
	<u><u>\$ 755,723.84</u></u>

GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance - Dec. 31, 2014	\$706,368.49
Increased by:	
Budget Appropriation	<u>150,000.00</u>
	856,368.49
Decreased by:	
Approp. To Finance Improv. Autho.	<u>469,151.00</u>
Balance - Dec. 31, 2015	<u><u>\$387,217.49</u></u>

GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

Exhibit - C - 10

ORD NO.	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL ISSUE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	B.A.N.S ISSUED	BALANCE DEC. 31, 2015
<u>General Improvements:</u>							
10-14	Mountain Lakes House Roof	12/28/15	12/28/15	12/28/16	0.529%	\$104,500.00	\$104,500.00
10-21	Various Capital Improvements	12/28/15	12/28/15	12/28/16	0.529%	17,500.00	17,500.00
11-3	Vr. Rd and DPW Projects	12/28/15	12/28/15	12/28/16	0.529%	465,000.00	465,000.00
11-5	Mountain Lakes House Roof Supplemental	12/28/15	12/28/15	12/28/16	0.529%	28,500.00	28,500.00
11-13	Various Capital Improvements	12/28/15	12/28/15	12/28/16	0.529%	106,000.00	106,000.00
10-08	Various Capital Improvements	12/28/15	12/28/15	12/28/16	0.529%	273,000.00	273,000.00
11-16	Various Capital Improvements	12/28/15	12/28/15	12/28/16	0.529%	96,000.00	96,000.00
11-17	Various Capital Improvements	12/28/15	12/28/15	12/28/16	0.529%	167,000.00	167,000.00
11-26	Stabilization of Stony Brook Sewer Main	12/28/15	12/28/15	12/28/16	0.529%	256,000.00	256,000.00
13-21	Various Capital Improvements	12/28/15	12/28/15	12/28/16	0.529%	729,500.00	729,500.00
13-31	Various Capital Improvements	12/28/15	12/28/15	12/28/16	0.529%	238,000.00	238,000.00
14-25	Various Capital Improvements	12/28/15	12/28/15	12/28/16	0.529%	4,117,000.00	4,117,000.00
15-07	Various Capital Improvements	12/28/15	12/28/15	12/28/16	0.529%	1,874,750.00	1,874,750.00
15-22	31-33 Lytle St. Acquisition	12/28/15	12/28/15	12/28/16	0.529%	527,250.00	527,250.00
						<u>\$9,000,000.00</u>	<u>\$9,000,000.00</u>

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

Exhibit - C - 11
Page 1 of 2

ORD. NO.	IMPROVEMENT DESCRIPTION	BALANCE DEC. 31, 2014	AUTHORIZED 2015	BANS ISSUED	OTHER FUNDING	AUTHORIZATIONS CANCELLED	BALANCE DEC. 31, 2015
<u>General Improvements</u>							
99-11	Various Capital Improvements	40,459.63					40,459.63
00-13	Various Capital Improvements	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	122,671.53				18,877.61	103,793.92
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			1,208.41		29.59
05-24	Various Capital Improvements	362.18					362.18
05-25	Littlebrook Rd./Tyson Lane Sewer	42,200.00				28,010.00	14,190.00
05-30	Sycamore Road Sewer Laterals	1,285.75			1,195.11		90.64
05-31	Clearview Ave. Sidewalks B	649.91			604.59		45.32
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	8,750.00					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			3,873.07		326.93
06-22	Multi-Purpose Ordinance	41,710.89				36,023.97	5,686.92
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	1,714.55					1,714.55
07-03	Various Road Improvements	1,321.26				1,321.26	
07-14	Clover Lane Sewer Laterals	104,500.00			17,285.00	60,642.00	26,573.00
07-15	Clover Lane Belgium Block	42,102.16			26,311.17		15,790.99
07-18	Philip Dr./Hemlock Cir./Woodside	8,982.40			692.14		8,290.26
07-19	Multi-Purpose Ordinance	11,675.42				526.63	11,148.79
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			15.56		18,159.41
08-12	Ober Road Sidewalks	8,530.83					8,530.83
08-16	Various Capital Improvements	848,995.81					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			1,829.59		14,840.61
09-02	Cedar Lane Sewer Laterals	106,530.59			7,310.50		99,220.09
09-03	Cedar Lane Sidewalks	7,000.00			54.69		6,945.31
09-05	DPW Roads	1,199.19					1,199.19
09-08	Quarry Lane Sewer Line	30,581.92			3,296.75		27,285.17
09-21	Culvert & Sewer Repl. Braeburn	6,698.06				5,015.84	1,682.22
10-02	Sewer Laterals - Gallup Hillside	285,000.00					285,000.00
10-06	Ewing St. Sidewalks	57,620.14					57,620.14
10-07	Sewer Laterals - Ewing St.	136,598.39					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			1,695.51		30,261.43
10-21	Various Capital Improvements	114,630.15		17,500.00		61,989.91	35,140.24
10-27	Sewer Lateral Repairs Hilltop	58,911.01			3,298.00		55,613.01
10-34	Pool Complex	752.32					752.32

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

Exhibit - C - 11
Page 2 of 2

ORD. NO.	IMPROVEMENT DESCRIPTION	BALANCE DEC. 31, 2014	AUTHORIZED 2015	BANS ISSUED	OTHER FUNDING	AUTHORIZATIONS CANCELLED	BALANCE DEC. 31, 2015
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)	769,163.37		465,000.00		19.45	304,143.92
11-5	Mountain Lakes House Roof-Suppl.	28,500.00		28,500.00			
11-8	Belgium Block Curbing Westerly Rd.	47,500.00			22,384.40		25,115.60
11-9	Sewer Laterals Westerly Rd.	57,587.95					57,587.95
11-10	Constr. Ord Hillside Sidewalks	20,920.00					20,920.00
11-13	Various Capital Improvements	761,156.12		106,000.00			655,156.12
11-15	Supplemental - Pool Complex	418,543.00				418,543.00	
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	Adreus-Foulet Curbing	112,600.00					112,600.00
12-15	White Pine Curbing	24,795.00					24,795.00
12-18	Traffic Signal Imp Washington	166,250.00					166,250.00
12-19	Ewing Street Sidewalks	53,200.00					53,200.00
05-14	Rehabilitation of Sewer System	1,664,357.20					1,664,357.20
10-01	Sewer,Curbs & Sidewalk Improv.	109,008.91			2,020.01		106,988.90
10-08	Various Capital Improvements	273,075.99		241,385.00		31,690.99	
10-14	Refunding Ordinance	863,000.00				863,000.00	
10-16	Sidewalk & Sewer Improvements	64,199.50			834.36		63,365.14
11-01	Installation of New Pool	1,933,999.00				1,757,645.01	176,353.99
11-25	Installation of New Pool	339,826.00				323,000.00	16,826.00
11-11	Improvements to Sanitary Sewer	28,025.00					28,025.00
11-16	Various Capital Improvements	322,335.00		96,000.00			226,335.00
11-17	Various Capital Improvements	517,050.00		167,000.00			350,050.00
11-22	Sidewalk & Sewer Improvements	99,750.00			1,836.87	40,408.24	57,504.89
11-26	Stabilization of Stony Brook Sewer Main	285,000.00		256,000.00			29,000.00
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	2,338,229.00		729,500.00			1,608,729.00
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	823,450.00		238,000.00			585,450.00
14-24	Sanitary Sewer & Rd. Reconst. Project	1,439,250.00					1,439,250.00
14-25	Various Capital Improvements	6,589,367.00		4,117,000.00			2,472,367.00
14-28	Reconstruction of Sidwalks Edgehill Rd.	61,000.00					61,000.00
14-40	Cons. Of Sidewalks along Poe Rd.	35,000.00					35,000.00
15-07	Various Capital Improvements		8,472,007.00	1,874,750.00	200,000.00		6,397,257.00
15-10	Hamilton St. Sidewalks		16,150.00				16,150.00
15-11	Prospect Ave. Sidewalks		16,150.00				16,150.00
15-15	Sidewalk Repairs		48,450.00				48,450.00
15-22	31-33 Lytle Street Acquisitions		527,250.00	527,250.00			
15-35	Valley/Jeff/Ewing/N. Harrison St.		319,200.00				319,200.00
		<u>\$34,159,256.98</u>	<u>\$9,399,207.00</u>	<u>\$8,968,385.00</u>	<u>\$307,171.46</u>	<u>\$12,244,293.91</u>	<u>\$22,038,613.61</u>

Affordable Housing Fund

ANALYSIS OF AFFORDABLE HOUSING CAPITAL CASH AND INVESTMENTS

		<u>BALANCE</u> <u>DEC. 31, 2014</u>	<u>BALANCE</u> <u>DEC. 31, 2015</u>
Fund Balance		\$67,130.34	\$67,130.34
Due to/ from Affordable Housing Operating Fund		(118,969.04)	
ORD.			
<u>NO.</u>	<u>IMPROVEMENT AUTHORIZATIONS</u>		
	<u>General Improvements</u>		
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>
		<u> </u>	<u>\$118,969.04</u>

() Denotes Deficit

AFFORDABLE HOUSING UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORD. NO.	<u>IMPROVEMENT DESCRIPTION</u>	<u>ORDINANCE</u>		<u>BALANCE-</u>	<u>BALANCE-</u>
		<u>DATE</u>	<u>AMOUNT</u>	<u>DEC. 31, 2014</u>	<u>DEC. 31, 2015</u>
				<u>FUNDED</u>	<u>FUNDED</u>
	<u>General Improvements:</u>				
89-37	Financing of Affordable Housing Program	10/4/89	<u>5,891,938.00</u>	<u>67,702.05</u>	<u>67,702.05</u>
			<u>\$6,103,088.00</u>	<u>\$ 67,702.05</u>	<u>\$ 67,702.05</u>

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

ORD. NO.	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DEC. 31, 2014</u>	<u>BALANCE DEC. 31, 2015</u>
	<u>Affordable Housing Improvements</u>		
06-13	Improvements and Renovations to <u>Housing Authority</u>	<u>\$15,863.35</u>	<u>\$15,863.35</u>
		<u>\$15,863.35</u>	<u>\$15,863.35</u>

Parking Utility Fund

ANALYSIS OF PARKING UTILITY CAPITAL CASH AND INVESTMENTS

		<u>BALANCE</u> <u>DEC. 31, 2014</u>	<u>BALANCE</u> <u>DEC. 31, 2015</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		145,607.00	148,038.04
ORD.			
<u>NO.</u>	<u>IMPROVEMENT AUTHORIZATIONS</u>		
02-22	Dev. & Construcction of a Parking Facility	24,388.34	
03-41	Acquisition of Equipment	11,609.19	
04-12	Technology Improvements	9,100.00	
06-14	Various Capital Improvements	5,735.00	7,735.00
07-21	Acquisition of Equipment	1,535.00	1,535.00
08-25	Improvements to Parking Garage	15,100.00	27,600.00
09-27	Various Capital Improvements	104,574.88	88,314.94
10-04	Various Capital Improvements	23,631.74	23,631.74
11-20	Improvements to Pay Stations	917.00	917.00
13-20	Facility Repairs/Acq. Of a Van	(51,401.00)	14,099.00
14-34	Facility Repairs & Generator	(18.00)	84,648.59
15-08	Various Capital Improvements		(316,449.26)
		<u>\$744,058.04</u>	<u>\$483,348.48</u>

() Denotes Deficit

PARKING UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON SERIAL BONDS

Balance - December 31, 2014	\$ 162,342.71
Increased by:	
2015 Budget Charges	<u>413,506.25</u>
	575,848.96
Decreased by:	
Interest Paid	<u>419,525.00</u>
Balance - December 31, 2015	<u><u>\$ 156,323.96</u></u>

Analysis of Balance

	Principal Balance <u>Dec. 31, 2015</u>	Interest Rate	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
	<u>Bonds</u>					
\$	555,000.00	4.000%	08/15/15	12/31/15	4.5 Mos.	\$ 8,325.00
	580,000.00	4.000%	08/15/15	12/31/15	4.5 Mos.	8,700.00
	605,000.00	4.000%	08/15/15	12/31/15	4.5 Mos.	9,075.00
	335,000.00	4.000%	08/15/15	12/31/15	4.5 Mos.	6,141.67
	290,000.00	5.000%	08/15/15	12/31/15	4.5 Mos.	5,437.50
	575,000.00	4.000%	08/15/15	12/31/15	4.5 Mos.	10,541.67
	150,000.00	5.000%	08/15/15	12/31/15	4.5 Mos.	2,812.50
	120,000.00	3.000%	08/15/15	12/31/15	4.5 Mos.	1,650.00
	600,000.00	5.000%	08/15/15	12/31/15	4.5 Mos.	11,250.00
	770,000.00	5.000%	08/15/15	12/31/15	4.5 Mos.	14,437.50
	825,000.00	5.000%	08/15/15	12/31/15	4.5 Mos.	15,468.75
	675,000.00	3.000%	08/15/15	12/31/15	4.5 Mos.	9,281.25
	200,000.00	4.000%	08/15/15	12/31/15	4.5 Mos.	3,000.00
	860,000.00	4.000%	08/15/15	12/31/15	4.5 Mos.	12,900.00
	865,000.00	4.000%	08/15/15	12/31/15	4.5 Mos.	12,975.00
	865,000.00	4.000%	08/15/15	12/31/15	4.5 Mos.	12,975.00
	<u>865,000.00</u>	3.500%	08/15/15	12/31/15	4.5 Mos.	<u>11,353.12</u>
\$	<u>9,735,000.00</u>					<u><u>\$ 156,323.96</u></u>

- PARKING UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORD. NO.	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE - DEC. 31, 2014		ENCUMBERED 12/31/14	2015 AUTHOR UNFUNDED	PAID OR CHARGED	ENCUMBERED 12/31/15	BALANCE - DEC. 31, 2015	
		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							
03-41	Acquisition of Equipment	12/02/03	50,000.00	11,609.19				24,388.34			
04-12	Technology Improvements	08/31/04	194,500.00	9,100.00				4,766.66	6,842.53		
06-14	Various Capital Improvements	08/08/06	15,376.00	5,735.00		2,000.00			9,100.00		
07-21	Acquisition of Equipment	09/11/07	39,000.00	1,535.00							7,735.00
08-25	Improvements to Parking Garage	10/28/08	31,700.00	15,100.00		12,500.00					1,535.00
09-27	Various Capital Improvements	09/29/09	226,000.00	104,574.88		3,230.00					27,600.00
10-04	Various Improvements	04/13/10	250,000.00	23,631.74					19,489.94		88,314.94
10-13	Refunding Bond Ordinance	09/14/10	1,745,000.00		1,745,000.00	11,500.00		11,355.36	144.64		23,631.74
11-20	Improvements to Pay Stations	08/02/11	66,000.00	917.00							1,745,000.00
13-20	Facility Repairs and The Acquisition of a Van	07/22/13	80,000.00		28,599.00	65,000.00			65,000.00		917.00
14-34	Facility Repairs & Generator	07/14/14	95,000.00		94,982.00	51,377.00		58,797.00	7,080.00		14,099.00
15-08	Various Improvements	04/27/15	495,000.00					2,990.52	7,342.89		84,648.59
							495,000.00	283,411.22	33,038.04		178,550.74
				\$ 196,591.15	\$ 1,868,581.00	\$ 145,607.00	\$ 495,000.00	\$ 385,709.10	\$ 148,038.04	\$ 248,481.27	\$ 1,923,550.74

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, 2015</u>		<u>INTEREST RATE</u>	<u>BALANCE</u>	<u>DECREASED</u>	<u>BALANCE</u>
			<u>DATE</u>	<u>AMOUNT</u>		<u>DEC. 31, 2014</u>		<u>DEC. 31, 2015</u>
Parking Utility Refunding Bonds	10/12/11	10,905,000.00	8/15/16	555,000.00	4.00%	10,270,000.00	535,000.00	9,735,000.00
			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>\$10,270,000.00</u>	<u>\$535,000.00</u>	<u>\$9,735,000.00</u>

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

<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DEC. 31, 2014</u>	<u>AUTHORIZED 2015</u>	<u>OTHER FUNDING</u>	<u>BALANCE DEC. 31, 2015</u>
<u>General Improvements</u>					
10-13	Refunding Bond Ordinance	\$1,745,000.00	\$	\$	\$1,745,000.00
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	-
15-08	Various Capital Improvements		495,000.00		495,000.00
		<u>\$1,920,000.00</u>	<u>\$495,000.00</u>	<u>\$80,000.00</u>	<u>\$2,240,000.00</u>

Public Assistance Fund

SCHEDULE OF PUBLIC ASSISTANCE CASH - TREASURER

		<u>P.A.T.F. II ACCT. #1</u>
Balance - December 31, 2014	\$	<u>171,454.92</u>
Increased by Receipts:		
State Aid for Public Assistance		117,300.00
Interest Earned		978.36
Prior Year Void Checks		<u>3,210.86</u>
		121,489.22
		292,944.14
Decreased by Disbursements:		
Disbursed for Public Assistance		<u>159,507.97</u>
		<u>159,507.97</u>
Balance - December 31, 2015	\$	<u><u>133,436.17</u></u>

SCHEDULE OF PUBLIC ASSISTANCE CASH AND RECONCILIATION

Balance - December 31, 2014	\$	171,454.92
Increased by:		
Cash Receipts Record		<u>121,489.22</u>
		292,944.14
Decreased by:		
Cash Disbursements Record:		
2015 Assistance	<u>159,507.97</u>	<u>159,507.97</u>
Balance - December 31, 2015	\$	<u><u>133,436.17</u></u>
<u>Reconciliation - December 31, 2015:</u>		
	<u>P.A.T.F. II</u>	<u>TOTAL</u>
	<u>ACCT #1</u>	
Balance on Deposit per Statement of:		
The Bank of Princeton		
- Government Agency Account	\$	140,844.22
Bank Of America		816.00
OS Checks	<u>(8,224.05)</u>	
Balance - December 31, 2015	\$	<u><u>133,436.17</u></u>

SCHEDULE OF PUBLIC ASSISTANCE REVENUES

	P.A.T.F. <u>ACCT. #1</u>
State Aid Payments	\$ <u>117,300.00</u>
State Aid for Public Assistance	117,300.00
Interest Earned	978.36
Prior Year Checks Voided	<u>3,210.86</u>
Total Receipts/Revenues (PATF)	\$ <u><u>121,489.22</u></u>

SCHEDULE OF PUBLIC ASSISTANCE EXPENDITURES

	P.A.T.F. <u>ACCT. #1</u>
Payments for Current Year Assistance (Reported):	
Maintenance Payments	\$ 63,589.74
Nursing Home Care	50,212.20
Temporary Rental Assistance	25,076.75
Other:	
Utilities	2,384.28
Rent/Security Deposit	1,875.00
Citizen Application Fee	220.00
Emergency Assistance	303.00
Esst. House Furnish	580.00
Transportation	<u>15,267.00</u>
Total Reported	159,507.97
Total Disbursements (PATF)	\$ <u><u>159,507.97</u></u>

SCHEDULE OF RESERVE FOR PUBLIC ASSISTANCE

Balance - December 31, 2014		
SSI Due to Clients	\$	1,238.31
Reserve for Public Assistance		100,376.25
Advanced State Aid		<u>69,840.36</u>
		171,454.92
Increased by:		
Client Refunds		
State Aid for Public Assistance		117,300.00
Interest Earned		978.36
Prior Year Checks Voided		<u>3,210.86</u>
		<u>121,489.22</u>
		292,944.14
Decreased by:		
Payments for Public Assistance		<u>159,507.97</u>
		<u>159,507.97</u>
Balance - December 31, 2015	\$	<u><u>133,436.17</u></u>
<u>Analysis of Balance - December 31, 2015:</u>		
SSI Due to Clients	\$	1,238.31
Reserve for Public Assistance		104,564.49
Advanced State Aid		<u>27,633.37</u>
	\$	<u><u>133,436.17</u></u>

PRINCETON
MERCER COUNTY, NEW JERSEY

PART V
SUPPLEMENTARY DATA

STATISTICAL SECTION

Table 1

PRINCETON
COUNTY OF MERCER
CURRENT FUND EXPENDITURES BY FUNCTION
THREE 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
2015	6,484,148.77	9,955,293.00	4,238,073.00	1,370,107.00	928,375.00	4,087,205.00	15,102,561.00

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
2015	3,771,814.05	822,807.74	150,000.00	11,197,773.59	2,914,901.52	61,023,059.67

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

Table 2

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

<u>Year</u>	<u>Taxes (1)</u>	<u>Delinquent Taxes</u>	<u>Fees, Permits, Fines and Licenses</u>	<u>State Aid</u>	<u>State and Federal Grants</u>	<u>From Other Funds</u>	<u>Surplus Anticipated</u>
2013	\$32,987,140.23	\$1,654,150.70	\$1,822,400.41	\$2,802,421.00	\$565,068.02	\$1,700,000.00	\$5,800,000.00
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
2015	34,241,065.95	1,043,752.96	2,305,678.00	2,457,276.00	822,807.74	2,300,000.00	6,100,000.00

<u>Year</u>	<u>Sewer Revenue</u>	<u>Other Budget Revenues</u>	<u>Total</u>
2013	\$7,111,048.55	\$9,127,602.44	\$63,569,831.35
2014	6,679,172.15	7,314,284.58	60,882,120.43
2015	6,617,832.88	7,487,161.08	63,375,574.61

(1) Excludes taxes allocated to county and school

Table 3

PRINCETON
 COUNTY OF MERCER
 ASSESSED VALUE AND ESTIMATE OF TOTAL VALUE
 THREE 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%
2015	6,821,646,871	7,492,973,879	91.04%

Table 4

PRINCETON
COUNTY OF MERCER
SCHEDULE OF TEN LARGEST TAXPAYERS - 2015
UNAUDITED

<u>Taxpayer</u>	2015 Assessed Valuation	As a Percent of Total Net Assessed Taxable Valuation
Trustees of Princeton University	\$ 396,491,100	5.81%
PSN, Palmer Sq LTD, Palmer Residence	56,459,300	0.83%
PSN Partners	33,800,000	0.50%
Palmer Square LTD Partners	33,310,000	0.49%
Jasna Polna Golf Club	31,500,000	0.46%
Princeton (Edens) LLC	30,741,400	0.45%
Avalon Properties LLC	26,818,600	0.39%
Nassau Inn Partnership	26,030,000	0.38%
Institute for Advanced Study	22,736,900	0.33%
Princeton Theological Seminary	19,432,500	0.28%
	<u>\$ 677,319,800</u>	<u>9.93%</u>
Total Assessed Valuation Taxable in 2015	<u>6,821,646,871</u>	

Table 5

PRINCETON
COUNTY OF MERCER
RATIO OF BONDED DEBT, BOND ANTICIPATION NOTES, AND LOANS TO EQUALIZED VALUE
AND DEBT PER CAPITAL
THREE 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
2015	28,572	7,492,973,879	157,856,940	2.107%	5,524.88	106,680,661	1.424%	3,733.75

(1) 2013 Per 2010 Census

SOURCE: Annual Debt Statement
Net Debt - page 1

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

Table 6

PRINCETON
COUNTY OF MERCER
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES (GROSS) - CURRENT FUND
THREE 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%
2015	9,374,152.40	2,702,504.55	12,076,656.95	61,023,059.67	20%

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES (NET) - CURRENT FUND
LAST THREE 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%
2015	12,076,656.95	243,575.66	11,833,081.29	60,779,484.01	19%

Table 7

PRINCETON
COUNTY OF MERCER
DEMOGRAPHIC STATISTICS
UNAUDITED

Population Growth

2010 Census	28,572
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Bulding Permits

<u>Year*</u>	<u>New Construction</u>	<u>Improvements</u>	<u>Total</u>
2015	72	1,128	1,200
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%
2015	14,987	14,431	556	3.70%

<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%
2015	194,539	183,413	11,126	5.70%

<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%
2015	4,518,714	4,218,435	300,279	6.65%

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 (2015)
UNAUDITED

Number of Line Items in Each Property Classification	Real Property Classification	Assessed Valuation 2015	As a Percent of Total Net Assessed Valuation Taxable
540	Vacant Land	\$ 92,656,100	1.36%
7059	Residential (4 family or less)	5,619,263,400	82.37%
23	Farm (Regular)	49,064,500	0.72%
41	Farm (Qualified)	338,910	0.00%
384	Commercial	772,598,550	11.33%
2	Industrial	8,981,700	0.13%
206	Apartment	270,198,500	3.96%

PRINCETON
COUNTY OF MERCER
SURETY BOND COVERAGE

<u>Position</u>	<u>Minimum Requirement</u>	<u>Suggested Requirement</u>
Tax Collector	\$ <u>467,683.93</u>	\$ <u>897,367.86</u>
Amount of Surety Bond Coverage		\$ <u>1,000,000.00</u>
Municipal Judge & Court Administrator	\$ 62,809.65	\$ 105,524.13
Amount of Surety Bond Coverage		\$ <u>1,000,000.00</u>

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

Table 11

	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Tax Rate:</u>	<u>2.131</u>	<u>2.185</u>	<u>2.212</u>
<u>Apportionment of Tax Rate:</u>			
Municipal:	<u>0.471</u>	<u>0.470</u>	<u>0.486</u>
County:	<u>0.634</u>	<u>0.668</u>	<u>0.664</u>
Regional School:	<u>1.026</u>	<u>1.047</u>	<u>1.063</u>

Assessed Valuation: (Taxable)

Table 12

2013	<u>\$6,735,785,526.00</u>	
2014		<u>\$6,778,248,629.00</u>
2015		<u>\$6,821,646,871.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>Year</u>	<u>Tax Levy</u>	<u>CURRENTLY</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2013	\$144,030,580.66	\$142,636,183.81	99.03%
2014	148,621,930.22	147,727,667.01	99.40%
2015	151,153,749.03	150,279,773.88	99.42%

Table 13

DELINQUENT TAXES AND TAX TITLE LIENS

Table 14

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%
2015	105,354.32	1,115,778.80	\$1,221,133.12	0.81%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

Table 15

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
2015	278,400.00

PRINCETON
MERCER COUNTY, NEW JERSEY

PART VI
GENERAL COMMENTS AND RECOMMENDATIONS

**PRINCETON
COUNTY OF MERCER, NEW JERSEY
FOR YEAR ENDED DECEMBER 31, 2015**

GENERAL COMMENTS

An audit of the financial accounts and transactions of Princeton, County of Mercer, New Jersey, for the year ended December 31, 2015, 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, 2015, 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

2015-1. 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 September 28, 2015, the Local Public Contracts Law was amended, effective for periods beginning on July 1, 2015. The amendment addresses the bid threshold (Section 7, N.J.S.A. 40A:11-3), thereby increasing the amount to \$36,000.00 to \$40,000.00 under which a contract may be awarded without public advertising for those municipalities that have appointed a Qualified Purchasing Agent. The maximum bid threshold remains at \$17,500.00 for those municipalities that do not have a Qualified Purchasing Agent. As of December 31, 2015 Princeton does have a qualified purchasing agent.

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.

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.

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.

GENERAL COMMENTS

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

Pay-to-Play Requirements (cont'd.)

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 disclosed no instances of noncompliance with the pay to play laws.

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 of 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	\$4,824.16	\$0.00
General Capital Fund	107,171.46	0.00
Trust Assessment Fund	0.00	107,171.46
Escrow Trust Fund	0.00	240.90
Other Trust Funds	<u>0.00</u>	<u>4,583.26</u>
Total	<u>\$111,995.62</u>	<u>\$111,995.62</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, 2015 to December 31, 2015. Earnings from the investments are shown as revenue in the various accounts of as of December 31, 2015. 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.

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.

GENERAL COMMENTS

Purchase Order and Encumbrance System (cont'd.)

One objective of an encumbrance accounting system is to assure that sufficient funds are available to pay for goods or services prior to the authorization to acquire the goods or have the services performed. During the audit testing, we noted one contract, containing both a fixed price component and a unit price component that included an estimated usage, where only the fixed price component was encumbered timely. In instances where unit price contracts are awarded, there are two options which will satisfy the rules relating to the timely encumbrance of funds:

1) Encumber the estimated maximum costs as set forth in the contract, or 2) Require the timely filing and approvals of individual requisitions prior to authorizing specific goods or services as the need for same arises. In most instances, the former option would appear preferable, as it permits the tracking of the contractual maximums while reducing the administrative time required to prepare, review and approve multiple requisitions.

It is recommended that available appropriation balances be encumbered at the time that the procurement of goods or the provision of services is authorized, in all instances.

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.

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 to 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.

Administration and Accounting for State & Federal Grants

Princeton operated various programs during 2015, 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 2015 for the purpose authorized and monitoring procedures appeared adequate to assure that grant objectives were met.

GENERAL COMMENTS

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

During 2015 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. The appropriate cancellations were made to either the grant receivable or grant appropriation for amounts that were no longer collectible or able to be spent.

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 – Finance Office

We noted that the record of general fixed assets, required by N.J.A.C. 5:30-5.6, was not maintained currently during the period under audit. We were presented with a fixed asset listing as of December 31, 2014. The finance office prepared a manual listing of assets acquired during 2015, which we were able to trace to the expenditure records. We were also given a listing of items disposed of during 2015 which we traced back to the 2014 fixed assets. To fully comply with the governing regulations, the list of asset acquired during 2015 should be consolidated into the 2014 fixed asset listing.

It is recommended that the fixed asset records be maintained in accordance with N.J.A.C. 5:30-5.6.

Condition of Records - Tax Office

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

Surety Bonds

The "List of Officials", included as part of the Supplementary Data section of this report, discloses the status of surety bond coverage's in effect at December 31, 2015 and during the year then ended. The minimum and suggested surety bond requirements for both the Tax Collector and Municipal Court for 2015.

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 \$556,786.50 at December 31, 2015. Bonds were sold as general improvement bonds rather than assessment bonds in 2006 and 2008. During 2015 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 2016 are \$400,000.

Affordable Housing Fund

The results of operation for the Affordable Housing Utility Fund is set forth in Exhibit – D-1 of this report. Realized revenues amounted to \$298,311.34 and expenditures amounted to \$253,461.00 resulting in excess revenues of \$44,850.34. The calculation for “Self-Liquidating Purpose” utility operations per N.J.S.A. 40A:2-45 resulted in statutory excess for debt statement purposes of \$12,599.16, which allows for the total deduction of Affordable Housing Utility Debt in the calculation of the statutory net debt of Princeton at December 31, 2015. A reconciliation of the excess revenues from operations (D-1) and the excess of revenues for debt statement purposes is included in Note 3 to the financial statements.

Parking Utility Fund

The results of operation for the Parking Utility Fund is set forth in Exhibit – E-1 of this report. Realized revenues amounted to \$4,263,172.79 and expenditures amounted to \$4,074,619.25 resulting in excess revenues of \$188,553.54. 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 \$355,969.42, which allows for the total deduction of Affordable Housing Utility Debt in the calculation of the statutory net debt of Princeton at December 31, 2015. 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 that a procurement transaction is authorized. While Princeton has made significant improvement in the timely encumbrance of funds, a finding relating to unit price contract utilization is included under “Purchase Order and Encumbrance 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. A finding relating to fixed asset accounting is 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 available appropriation balances be encumbered at the time that the procurement of goods or the provision of services is authorized, in all instances.

That the fixed asset records be maintained in accordance with N.J.A.C. 5:30-5.6.

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.

* * * * *

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