

BOROUGH OF PRINCETON

COUNTY OF MERCER

REPORT OF AUDIT

DECEMBER 31, 2010

WILLIAM E. ANTONIDES AND COMPANY
Certified Public Accountants

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BOROUGH OF PRINCETON - COUNTY OF MERCER

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BOROUGH OF PRINCETON

COUNTY OF MERCER

PART I

AUDITOR'S REPORT OF THE BOROUGH'S FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010

William E. Antonides and Company

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying balance sheets - regulatory basis of the various funds and account groups of the Borough of Princeton (the "Borough"), as of December 31, 2010 and 2009, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statements of revenues - regulatory basis and statements of expenditures - regulatory basis of the various funds for the year ended December 31, 2010. These financial statements are the responsibility of the Borough's management. Our responsibility is to express opinions 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 in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described more fully in Note 1, the Borough prepares its financial statements on a regulatory basis of accounting prescribed by the Division, as required by state statute, that demonstrates compliance with a modified accrual basis of accounting, 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. The effects on the financial statements of the variances 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.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred above to do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2010 and 2009, the changes in financial position, or, where applicable, its cash flows for the years then ended. Further, the Borough has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

However, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position - regulatory basis of the various funds and account groups of the Borough, as of December 31, 2010 and 2009 and the results of operations and changes in fund balance - regulatory basis of such funds for the years then ended and the statements of revenues - regulatory basis and statements of expenditures - regulatory basis of the various funds for the year ended December 31, 2010 on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2011, on our consideration of the Borough's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements of the Borough taken as a whole. The accompanying supplementary schedules, the Schedule of Expenditures of Federal Awards, as required by U.S. Office of Management and Budget Circular Letter A-133, *Audits of States, Local Government and Non-Profit Organizations*, and the comments and recommendations section are presented for purposes of additional analysis and are not a required part of the financial statements, but is required by the Division. The Schedule of Federal Awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the 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 taken as a whole, on the basis of accounting described in Note 1.

William E. Antonides and Company

Independent Auditors



**William E. Antonides
Certified Public Accountant
Registered Municipal Accountant
R.M.A. Number 14**

September 30, 2011

BOROUGH OF PRINCETON - COUNTY OF MERCER

BALANCE SHEET - CURRENT FUND

Exhibit A

REGULATORY BASIS

Sheet 1 of 2

DECEMBER 31, 2010 AND 2009

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>Assets</u>			
Cash and Cash Equivalents	A-4	\$ 5,913,165.62	\$ 5,139,371.93
Change Funds		940.00	940.00
		<u>5,914,105.62</u>	<u>5,140,311.93</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	573,496.54	367,021.86
Tax Title Lien	A-7	4,785.30	4,171.42
Sewer Charges Receivable	A-8	292,270.23	
Interfunds:			
Assessment Trust Fund	A-14	734.61	
Parking Utility Operating Fund	A-14		300,000.00
Animal Control Trust Fund	A-14	1,132.64	2,035.90
		<u>872,419.32</u>	<u>673,229.18</u>
Deferred Charges:			
Special Emergency Authorizations (40A:4-55)	A-3	184,806.00	246,408.00
		<u>6,971,330.94</u>	<u>6,059,949.11</u>
Federal and State Grant Fund:			
Cash	A-4	574,369.47	614,970.98
Grants Receivable	A-16	75,840.14	73,056.68
		<u>650,209.61</u>	<u>688,027.66</u>
		<u>\$ 7,621,540.55</u>	<u>\$ 6,747,976.77</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PRINCETON - COUNTY OF MERCER**BALANCE SHEET - CURRENT FUND****Exhibit A****REGULATORY BASIS****Sheet 2 of 2****DECEMBER 31, 2010 AND 2009**

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Liabilities:			
Appropriation Reserves	A-3,10	\$ 1,177,415.38	\$ 1,290,046.79
Reserve for Encumbrances	A-3,10	248,012.36	286,557.97
Accounts Payable	A-4,10	260,136.52	111,468.24
Due to State of New Jersey:			
Senior Citizen and Veteran Deductions	A-4,6	6,842.57	6,362.57
Various Fees			1,016.00
Reserve for:			
Historic Buffer Grant		12,000.00	12,000.00
Due to Township of Princeton	A-4	165,202.66	130,859.04
Payroll Deductions	A-4	38,940.13	52,503.45
Sale of Municipal Assets	A-9	1,345.49	10,345.49
Revaluation		75,541.81	78,681.81
Tax Overpayments	A-5,6	843,012.99	1,282.15
Prepaid Taxes	A-5,6	304,892.92	414,445.79
County Taxes Payable	A-11	16,682.89	90,040.15
Interfunds:			
Parking Utility Operating Fund	A-14	123,082.09	
General Capital Fund	A-14		55,038.24
		<u>3,273,107.81</u>	<u>2,540,647.69</u>
Reserve for Receivables and Other Assets		872,419.32	673,229.18
Fund Balance	A-1	<u>2,825,803.81</u>	<u>2,846,072.24</u>
		<u>6,971,330.94</u>	<u>6,059,949.11</u>
Federal and State Grant Fund:			
Appropriated Reserves	A-17	632,876.96	654,210.68
Reserve for Encumbrances	A-17	7,481.00	33,816.98
Unappropriated Reserves	A-18	9,851.65	
		<u>650,209.61</u>	<u>688,027.66</u>
		<u>\$ 7,621,540.55</u>	<u>\$ 6,747,976.77</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PRINCETON - COUNTY OF MERCER**CURRENT FUND****Exhibit A-1****STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE****REGULATORY BASIS**

	<u>Ref.</u>	<u>Year 2010</u>	<u>Year 2009</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	A-2	\$ 799,808.00	\$ 799,807.96
Miscellaneous Revenue Anticipated	A-2	12,963,715.58	13,664,256.19
Receipts from Delinquent Taxes	A-2	356,619.40	378,828.25
Receipts from Current Taxes	A-2	44,265,967.53	43,208,101.06
Non-Budget Revenues	A-2	287,533.09	520,334.89
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-10	475,838.32	662,952.51
Revenue Reserve Cancelled			4,701.00
Interfunds Liquidated	A-14	300,168.65	
Statutory Excess - Animal Control	A-14	1,132.64	2,035.90
Total Income		<u>59,450,783.21</u>	<u>59,241,017.76</u>
<u>Expenditures</u>			
Budget:			
Appropriations within Caps:			
Operations:			
Salaries and Wages		6,680,043.55	6,880,990.58
Other Expenses		6,132,985.75	6,102,382.00
Deferred Charges and Statutory Expenditures		1,693,250.40	1,635,769.43
Appropriations excluded from Caps:			
Operations:			
Salaries and Wages		1,288,894.20	1,395,670.27
Other Expenses		4,390,514.71	4,348,567.05
Capital Improvements		9,327.60	9,327.60
Municipal Debt Service		3,807,846.02	3,673,357.74
Deferred Charges		61,602.00	61,602.00
	A-3	<u>24,064,464.23</u>	<u>24,107,666.67</u>
County Taxes	A-11	13,139,289.89	12,393,982.91
Regional District School Taxes	A-12	21,234,550.02	20,506,165.10
Municipal Open Space Taxes	A-13	221,323.42	100,959.28
Interfund Advances			188,872.24
Prior Year Senior Citizens Deductions Disallowed			41.10
Refunding of Prior Year Revenues	A-4	11,616.08	
Total Expenditures		<u>58,671,243.64</u>	<u>57,297,687.30</u>
Statutory Excess to Fund Balance		779,539.57	1,943,330.46
Fund Balance January 1	A	<u>2,846,072.24</u>	<u>1,702,549.74</u>
		<u>3,625,611.81</u>	<u>3,645,880.20</u>
Decreased by:			
Utilization as Anticipated Revenue	A-2	<u>799,808.00</u>	<u>799,807.96</u>
Fund Balance December 31	A	<u>\$ 2,825,803.81</u>	<u>\$ 2,846,072.24</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-2

STATEMENT OF REVENUES - REGULATORY BASIS

Sheet 1 of 4

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	Special N.J.S. 40A:4-87		
	A-1	\$ 799,808.00	\$	\$ 799,808.00	\$
Fund Balance Anticipated					
<u>Miscellaneous Revenues</u>					
Licenses:					
Alcoholic Beverages	A-9	47,000.00		47,051.50	51.50
Other	A-9	21,800.00		22,384.80	584.80
Fees and Permits:					
Other	A-9	171,300.00		160,255.62	(11,044.38)
Fines and Costs:					
Municipal Court	A-9	1,139,280.00		1,134,161.39	(5,118.61)
Interest and Costs on Taxes	A-5	117,000.00		107,526.73	(9,473.27)
Interest on Investments and Deposits	A-9	149,000.00		156,164.61	7,164.61
Anticipated Utility Operating Surplus	A-9	1,493,790.00		1,370,707.91	(123,082.09)
Sewer Service Charges	A-5	3,299,891.22		3,110,805.06	(189,086.16)
Princeton University Donation	A-9	1,180,495.74		1,180,495.74	
Street Opening Inspection Fees	A-9	15,500.00		10,006.00	(5,494.00)
Life Hazard Use Fees	A-9	47,551.14		53,108.68	5,557.54
Fire and Housing Inspection Fees	A-9	200,400.00		234,360.00	33,960.00
Passport Fees	A-9	13,900.00		15,000.00	1,100.00
State Aid:					
Consolidated Municipal Property Tax Relief	A-9	91,429.00		91,429.00	
Energy Receipts Taxes	A-9	897,526.00		897,526.00	
Garden State Trust Fund		5.00			(5.00)
Uniform Construction Code Fees	A-9	700,000.00		722,157.00	22,157.00

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-2

STATEMENT OF REVENUES - REGULATORY BASIS

Sheet 2 of 4

	Ref.	Anticipated		Excess or (Deficit)
		Budget	Special N.J.S. 40A:4-87	
Miscellaneous Revenues (Continued)				
Special Items:				
State and Federal Programs Offset with Appropriations :				
Public Health Priority Funding	A-15	\$	\$ 3,359.00	\$ 3,359.00
Clean Communities Program	A-15		13,733.76	13,733.76
Alcohol Education and Rehabilitation Fund	A-15		6,736.59	6,736.59
Safe and Secure Communities Program - P.L. 1994, Chapter 220	A-15	29,676.00		29,676.00
Princeton University - Prospect Avenue Street Lighting	A-15	7,654.00		7,654.00
Princeton University - Fire Equipment	A-15	20,000.00		20,000.00
Princeton University - Donation to Board of Health	A-15		700.00	700.00
Bonner Foundation	A-15	21,500.00		21,500.00
Division of Highway Traffic Safety - Over the Limit	A-15		9,400.00	9,400.00
Body Armor Grant	A-15		4,195.62	4,195.62
Cops-in-Shops	A-15		7,051.71	7,051.71
Princeton University - Fire Inspector	A-15		50,000.00	50,000.00
Other:				
Interlocal Service Agreements:				
Princeton Township Joint Services:				
Solid Waste Management	A-9	114,723.00		114,723.00
Maintenance of Sewer Facilities	A-9	690,062.00		690,062.00
Animal Control	A-9	59,518.00		59,518.00
Health Services	A-9	284,483.00		284,483.00
Fire Services	A-9	108,780.00		108,780.00
Fire Facilities	A-9	50,662.00		50,662.00
Senior Citizen Program	A-9	92,555.00		92,555.00
LOSAP Alternative	A-9	24,750.00		24,750.00
Flu Program	A-9	7,370.00		7,370.00

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-2

STATEMENT OF REVENUES - REGULATORY BASIS

Sheet 3 of 4

	Ref.	Anticipated		Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
		Budget				
<u>Miscellaneous Revenues (Continued)</u>						
Special Items (Continued):						
Other (Continued):						
Princeton Theological Seminary	A-9	\$ 209,000.00	\$		\$ 206,998.00	\$ (2,002.00)
Payment in Lieu of Taxes - Elm Court PILOT	A-9	70,841.00			74,207.00	3,366.00
Chamber Street Land Lease	A-9	101,540.00			102,000.00	460.00
Stony Brook Sewer Industrial User Fees	A-9	50,000.00			24,343.06	(25,656.94)
Assessment Trust Fund - Fund Balance	A-9	25,000.00			25,000.00	
Engineering Developer Fees	A-9	23,000.00			23,000.00	
Open Space Trust	A-9	201,000.00			201,000.00	
Sale of Municipal Assets	A-9	9,000.00			9,000.00	
Hotel/Motel Tax	A-9	241,500.00			239,254.81	(2,245.19)
General Capital Fund - Fund Balance	A-9	1,138,862.99			1,138,862.99	
	A-1	<u>13,167,345.09</u>		<u>95,176.68</u>	<u>12,963,715.58</u>	<u>(298,806.19)</u>
Receipts from Delinquent Taxes	A-1,6	<u>351,000.00</u>			<u>356,619.40</u>	<u>5,619.40</u>
Amount to be Raised by Taxes for Support of Municipal Budget:						
Local Tax for Municipal Purposes	A-2	<u>10,398,805.85</u>			<u>10,385,804.21</u>	<u>(13,001.64)</u>
Budget Totals						
Non-Budget Revenues	A-1,2	<u>24,716,958.94</u>		<u>95,176.68</u>	<u>24,505,947.19</u>	<u>(306,188.43)</u>
		<u>\$ 24,716,958.94</u>	\$	<u>95,176.68</u>	<u>24,793,480.28</u>	<u>\$ (18,655.34)</u>
Ref.		A-3		A-3		

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-2

STATEMENT OF REVENUES - REGULATORY BASIS

Sheet 4 of 4

	<u>Ref.</u>	
<u>Analysis of Realized Revenues</u>		
<u>Allocation of Current Tax Collection</u>		
Revenue from Collections	A-1,6	\$ 44,265,967.53
Allocated to Regional School, County and Municipal Open Space Taxes	A-,11,12, 13	34,595,163.33
Balance for Support of Municipal Budget Appropriations		<u>9,670,804.20</u>
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>715,000.01</u>
Amount for Support of Municipal Appropriations	A-2	<u><u>\$ 10,385,804.21</u></u>
<u>Analysis of Non-Budget Revenue</u>		
Miscellaneous Revenue not Anticipated:		
JIF Refund		\$ 41,567.40
In Lieu of Taxes		62,462.77
Miscellaneous		60,497.69
Police		7,054.95
Township Clerk		4,758.90
NJ Motor Vehicle Fines		6,955.00
Reimbursements		<u>104,236.38</u>
	A-2,4	<u><u>\$ 287,533.09</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 1 of 8

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
OPERATIONS WITHIN CAPS					
Mayor and Council					
Salaries and Wages	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$	\$
Other Expenses	49,890.00	49,890.00	47,774.62	2,115.38	
Administrative and Executive					
Salaries and Wages	278,763.00	278,763.00	273,757.51	5,005.49	
Other Expenses	67,415.00	67,415.00	64,239.19	3,175.81	
Other Expenses-Flu Program	3,630.00	3,630.00	1,107.58	2,522.42	
Municipal Clerk					
Salaries and Wages	232,036.33	232,036.33	230,644.98	1,391.35	
Other Expenses	52,594.00	52,594.00	38,536.75	14,057.25	
Elections					
Salaries and Wages	3,600.00	3,600.00	1,872.74	1,727.26	
Other Expenses	5,700.00	5,700.00	5,200.32	499.68	
Financial Administration					
Salaries and Wages	170,773.00	170,773.00	167,391.55	3,381.45	
Miscellaneous Other Expenses	22,115.00	22,115.00	18,125.67	3,989.33	
Audit	34,900.00	34,900.00	34,900.00		
Collection of Taxes					
Salaries and Wages	88,762.00	88,762.00	65,456.46	23,305.54	
Other Expenses	13,250.00	13,250.00	12,112.45	1,137.55	
Assessment of Taxes					
Salaries and Wages	34,737.00	39,737.00	38,847.98	889.02	
Other Expenses:	11,475.00	11,475.00	10,522.72	952.28	
Legal Services and Costs					
Other Expenses	171,000.00	226,000.00	225,888.00	112.00	
Defense of Tax Appeals	25,000.00	25,000.00	25,000.00		
Engineering Services and Costs					
Salaries and Wages	236,090.67	236,090.67	236,090.67		
Other Expenses	56,564.00	56,564.00	29,251.50	27,312.50	

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 2 of 8

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Municipal Prosecutor	\$ 37,200.00	\$ 37,200.00	\$ 34,750.00	\$ 2,450.00	\$
Other Expenses					
Municipal Court	310,455.00	310,455.00	302,343.09	8,111.91	
Salaries and Wages	25,521.75	25,521.75	20,992.08	4,529.67	
Other Expenses					
Public Defender	37,200.00	37,200.00	37,200.00		
Other Expenses					
Public Buildings and Grounds					
Salaries and Wages	454,560.61	454,560.61	441,428.29	13,132.32	
Other Expenses	89,697.00	89,697.00	82,858.52	6,838.48	
Planning Board (JOINT)					
Other Expenses	123,084.00	123,084.00	121,932.00	1,152.00	
Environmental Commission					
Other Expenses	2,274.00	2,274.00	2,274.00		
Shade Tree Commission					
Salaries and Wages	112,213.00	115,213.00	111,715.05	3,497.95	
Other Expenses	14,250.00	14,250.00	8,933.14	5,316.86	
Insurance					
General Liability	302,861.00	302,861.00	302,861.00		
Workers Compensation	253,549.00	253,549.00	253,549.00		
Employee Group Health	1,975,980.00	1,887,980.00	1,746,958.49	141,021.51	
Fire					
Salaries and Wages	10,000.00	10,000.00	10,000.00		
Other Expenses:					
Fire Hydrant Service	143,000.00	143,000.00	118,302.80	24,697.20	
Miscellaneous Other Expenses	49,578.00	74,578.00	51,887.13	22,690.87	
Fire Facilities	43,156.00	51,156.00	45,006.74	6,149.26	
LOSAP Alternative	700.00	700.00		700.00	

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 3 of 8

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Modification	Paid or Charged	Reserved	
Police	\$ 3,345,981.65	\$ 3,345,981.65	\$ 3,175,739.44	\$ 170,242.21	\$
Salaries and Wages	186,250.00	186,250.00	178,034.59	8,215.41	
Miscellaneous Other Expenses					
Fire Inspectors					
Salaries and Wages	281,913.00	281,913.00	280,117.72	1,795.28	
Other Expenses	16,040.00	16,040.00	12,140.54	3,899.46	
First Aid Organization					
Contribution	26,591.00	26,591.00	26,591.00		
Emergency Management Services					
Other Expenses	8,700.00	8,700.00	49.80	8,650.20	
Road Repair and Maintenance					
Salaries and Wages	585,113.00	585,113.00	566,728.79	18,384.21	
Other Expenses	93,299.00	93,299.00	45,951.68	47,347.32	
Street Lighting					
Other Expenses	118,000.00	118,000.00	88,589.73	29,410.27	
Mechanics					
Salaries and Wages	130,211.00	132,211.00	129,307.01	2,903.99	
Other Expenses	79,510.00	79,510.00	73,789.78	5,720.22	
Maintenance of Sewerage Facilities					
Salaries and Wages	10,000.00	10,000.00		10,000.00	
Other Expenses	26,134.00	26,134.00	26,044.64	89.36	
Garbage and Trash Removal					
Other Expenses	559,428.00	559,428.00	506,583.73	52,844.27	
Solid Waste Disposal					
Salaries and Wages	10,000.00	10,000.00		10,000.00	
Other Expenses	105,003.00	105,003.00	55,188.14	49,814.86	
NJ PEOSHA					
Other Expenses	1,000.00	1,000.00	1,000.00		
Board of Health					
Salaries and Wages	10,000.00	10,000.00	5,076.81	4,923.19	
Other Expenses	43,868.00	43,868.00	33,781.96	10,086.04	

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 4 of 8

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Animal Control	\$ 1.00	\$ 1.00	\$	\$ 1.00	\$
Salaries and Wages	683.00	683.00	660.95	22.05	
Other Expenses					
Save Boarding Costs and Animal Care					
Other Expenses	5,510.00	5,510.00	2,164.08	3,345.92	
Drug Abuse Program (Corner House)					
Other Expenses	133,599.00	133,599.00	125,584.00	8,015.00	
Joint Recreation Board- Borough's Share					
Other Expenses	423,898.00	423,898.00	417,036.00	6,862.00	
Senior Citizens Program					
Other Expenses	92,555.00	92,555.00	81,699.92	10,855.08	
Department of Human Services					
Other Expenses	71,209.00	71,209.00	70,306.00	903.00	
Celebration of Public Events					
Other Expenses	7,125.00	7,125.00		7,125.00	
Uniform Construction Code- Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)					
Construction Official					
Salaries and Wages	301,616.00	301,616.00	272,193.78	29,422.22	
Other Expenses	59,100.00	59,100.00	47,526.22	11,573.78	
Unclassified:					
Salary and Wage Adjustment	23,217.29	3,217.29		3,217.29	
Condo Services Reimbursement	7,900.00	7,900.00	1,482.56	6,417.44	
Accumulated Leave Compensation	165,000.00	165,000.00	29,785.22	135,214.78	
Utilities					
Gasoline	80,000.00	90,000.00	85,892.40	4,107.60	
Telephone	73,000.00	73,000.00	54,313.61	18,686.39	
Electricity and Natural Gas	120,000.00	120,000.00	112,346.00	7,654.00	
Water	8,000.00	8,000.00	6,939.98	1,060.02	
Total Operations within Caps	<u>12,813,029.30</u>	<u>12,813,029.30</u>	<u>11,792,358.10</u>	<u>1,020,671.20</u>	

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 5 of 8

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
\$ 6,690,043.55	\$ 6,680,043.55	\$ 6,368,711.87	\$ 311,331.68		
6,122,985.75	6,132,985.75	5,423,646.23	709,339.52		

Detail:

Salaries and Wages
Other Expenses

STATUTORY EXPENDITURES WITHIN CAPS

Contribution to:

Public Employees Retirement System
Social Security System
Consolidated Police and Firemen's Fund
Police and Firemen's Retirement System of NJ
Unemployment
Total Statutory Expenditures within Caps
Total Appropriations within Caps

OPERATIONS EXCLUDED FROM CAPS

Implementation and Maintenance of 911 Communication System

Police

Salaries and Wages
Other Expenses

Maintenance of Joint Free Public Library
Proportionate Share (R.S. 40-29.17)
Stony Brook Regional Sewerage Authority

Share of Costs

Stony Brook Sewer Industrial User Fee
Reserve for Tax Appeals

Public Employees Retirement System

Employee Group Health

Interlocal Service Agreements:

Solid Waste

Salaries and Wages
Other Expenses

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 6 of 8

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Interlocal Service Agreements (Continued):					
Maintenance of Sewer Facilities					
Salaries and Wages	\$ 568,632.00	\$ 568,632.00	\$ 536,545.68	\$ 32,086.32	\$
Other Expenses	121,430.00	121,430.00	121,430.00		
Fire					
Salaries and Wages	10,204.00	10,204.00	10,204.00		
Other Expenses	98,672.00	98,672.00	98,672.00		
Fire Facilities	50,662.00	50,662.00	50,662.00		
LOSAP Alternative	24,300.00	24,300.00	14,432.75	9,867.25	
Health					
Salaries and Wages	269,071.00	269,071.00	269,071.00		
Other Expenses	15,412.00	15,412.00	15,412.00		
Flu Program	7,370.00	7,370.00	7,370.00		
Animal Control					
Salaries and Wages	56,235.00	56,235.00	54,018.31	2,216.69	
Other Expenses	3,283.00	3,283.00	3,283.00		
Senior Citizens Program					
Other Expenses	92,555.00	92,555.00	92,555.00		
Public and Private Programs Offset by Revenues:					
Alcohol Education and Rehabilitation Fund					
Bonner Foundation	6,736.59	6,736.59	6,736.59		
Body Armor	21,500.00	21,500.00	21,500.00		
Clean Communities Grant	4,195.62	4,195.62	4,195.62		
Cops in Shops	13,733.76	13,733.76	13,733.76		
Over the Limit, Under Arrest - 2009 Statewide Crackdown	7,051.71	7,051.71	7,051.71		
Princeton University - Donation Department of Health	9,400.00	9,400.00	9,400.00		
Princeton University - Fire Director	700.00	700.00	700.00		
Princeton University - Fire Equipment	50,000.00	50,000.00	50,000.00		
Princeton University - Prospect Avenue Street Lighting	20,000.00	20,000.00	20,000.00		
	7,654.00	7,654.00	7,654.00		

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 7 of 8

	Appropriated		Expended		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Cancelled
Public and Private Programs Offset by Revenues (Continued):					
Public Health Priority Funding	\$ 3,359.00	\$ 3,359.00	\$ 3,359.00	\$	\$
Safe and Secure Communities Program	29,676.00	29,676.00	29,676.00		
Total Operations Excluded from Caps	<u>5,679,408.91</u>	<u>5,679,408.91</u>	<u>5,591,051.61</u>	<u>88,357.30</u>	
Detail:					
Salaries and Wages	1,288,894.20	1,288,894.20	1,229,243.58	59,650.62	
Other Expenses	<u>4,390,514.71</u>	<u>4,390,514.71</u>	<u>4,361,808.03</u>	<u>28,706.68</u>	
CAPITAL IMPROVEMENTS EXCLUDED FROM CAPS					
Institute Lands Preservation	<u>9,330.00</u>	<u>9,330.00</u>	<u>9,327.60</u>		<u>2.40</u>
MUNICIPAL DEBT SERVICE EXCLUDED FROM CAPS					
Payment of Bond Principal	2,445,690.00	2,445,690.00	2,445,686.46		3.54
Interest on Bonds	757,186.00	757,186.00	743,145.00		14,041.00
Interest on Notes	172,325.00	172,325.00	169,602.15		2,722.85
Environmental Infrastructure Loan Program	456,000.00	456,000.00	449,412.41		6,587.59
Total Municipal Debt Service excluded from Caps	<u>3,831,201.00</u>	<u>3,831,201.00</u>	<u>3,807,846.02</u>		<u>23,354.98</u>
DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM CAPS					
Special Emergency Authorizations					
5 Years (N.J.S.A. 40A:4-55)	61,602.00	61,602.00	61,602.00		9,314.00
Deficit Dedicated Assessment Fund	9,314.00	9,314.00			9,314.00
Total Deferred Charges excluded from Caps	<u>70,916.00</u>	<u>70,916.00</u>	<u>61,602.00</u>		<u>32,671.38</u>
Total General Appropriations excluded from Caps	<u>9,590,855.91</u>	<u>9,590,855.91</u>	<u>9,469,827.23</u>	<u>88,357.30</u>	
Subtotal General Appropriations	24,097,135.61	24,097,135.61	22,887,048.85	1,177,415.38	32,671.38
Reserve for Uncollected Taxes	<u>715,000.01</u>	<u>715,000.01</u>	<u>715,000.01</u>		
Total General Appropriations	<u>\$ 24,812,135.62</u>	<u>\$ 24,812,135.62</u>	<u>\$ 23,602,048.86</u>	<u>\$ 1,177,415.38</u>	<u>\$ 32,671.38</u>
Ref.			A-3	A	A-1

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 8 of 8

	<u>Ref.</u>	<u>Budget After Modification</u>
Adopted Budget	A-2	\$ 24,716,958.94
Appropriated by 40A:4-87	A-2	<u>95,176.68</u>
	A-3	<u>\$ 24,812,135.62</u>
		<u>Paid or Charged</u>
Disbursements	A-4	\$ 22,403,427.81
Reserve for:		
Encumbrances	A	248,012.36
Uncollected Taxes	A-1	715,000.01
Interfund - Grant Fund	A-15	174,006.68
Deferred Charges Raised:		
Special Emergency Authorization - 5 Years	A	<u>61,602.00</u>
	A-3	<u>\$ 23,602,048.86</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PRINCETON - COUNTY OF MERCER**BALANCE SHEET - TRUST FUND****Exhibit B****REGULATORY BASIS****DECEMBER 31, 2010 AND 2009**

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>Assets</u>			
<u>Assessment Trust Fund</u>			
Cash	B-2	\$ 771,017.84	\$ 450,551.84
Assessments Receivable	B-4	225,245.05	266,051.58
Amount to Be Raised by Taxation-Assessment Bonds	B-6	51,249.45	
		<u>1,047,512.34</u>	<u>716,603.42</u>
<u>Animal Control Trust Fund</u>			
Cash	B-2	15,482.04	
Interfund - Trust Other Fund			9,060.30
		<u>15,482.04</u>	<u>9,060.30</u>
<u>Trust - Other Fund</u>			
Cash	B-2	1,508,114.63	1,358,780.15
		<u>\$ 2,571,109.01</u>	<u>\$ 2,084,443.87</u>
<u>Liabilities and Reserves</u>			
<u>Assessment Trust Fund</u>			
Interfunds:			
General Capital Fund	B-2	\$ 212,000.00	\$
Current Fund	B-2	734.61	
Prepaid Assessments	B-2		1,645.10
Assessment Serial Bonds	B-6	329,866.44	127,179.98
Reserve for Assessments		168,329.65	241,453.97
Fund Balance	B-1	336,581.64	346,324.37
		<u>1,047,512.34</u>	<u>716,603.42</u>
<u>Animal Control Trust Fund</u>			
Reserve for Animal Control Trust Fund	B-7	14,349.40	7,024.40
Interfund - Current Fund	B-7	1,132.64	2,035.90
		<u>15,482.04</u>	<u>9,060.30</u>
<u>Trust - Other Fund</u>			
Interfund - Dog Trust Fund	B-8		9,060.30
Reserve for:			
Miscellaneous Reserves	B-9	1,380,510.56	1,242,718.20
Open Space	B-10	127,604.07	107,001.65
		<u>1,508,114.63</u>	<u>1,358,780.15</u>
		<u>\$ 2,571,109.01</u>	<u>\$ 2,084,443.87</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PRINCETON - COUNTY OF MERCER

TRUST FUND

Exhibit B-1

STATEMENT OF FUND BALANCE - REGULATORY BASIS

ASSESSMENT TRUST FUND

Balance December 31, 2009	<u>Ref.</u> B		\$ 346,324.37
Increased by:			
Collection of Unpledged Assessments	B-5		<u>83,188.26</u>
			429,512.63
Decreased by:			
Pledged to Assessment Bonds	B-3,6	\$ 67,930.99	
Utilized as Current Fund Revenue	B-2	<u>25,000.00</u>	
			<u>92,930.99</u>
Balance December 31, 2010	B		<u><u>\$ 336,581.64</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PRINCETON - COUNTY OF MERCER**BALANCE SHEET - GENERAL CAPITAL FUND****Exhibit C****REGULATORY BASIS****DECEMBER 31, 2010 AND 2009**

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>Assets</u>			
Cash and Cash Equivalents	C-2	\$ 8,440,979.79	\$ 11,880,613.87
Deferred Charges to Future Taxation:			
General Improvements:			
Funded	C-4	35,898,291.34	23,423,980.49
Unfunded	C-5	3,802,111.20	19,664,960.00
Interfunds:			
Affordable Housing Utility Capital Fund	C-6	4,605.00	
Assessment Trust Fund	C-6	212,000.00	
Current Fund	C-6		55,038.24
Accounts Receivable:			
NJ Environmental Infrastructure Trust Loan	C-10	4,786,962.00	2,634,818.00
Due from Township of Princeton	Note 15	601,906.62	100,270.94
		<u>\$ 53,746,855.95</u>	<u>\$ 57,759,681.54</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Interfund - Affordable Housing Utility Capital	C-6	\$	\$ 3,535.00
Capital Improvement Fund	C-7		18,605.86
Reserve for:			
Receivable		601,906.62	100,270.94
Payment of Debt		84.65	84.65
Encumbrances	C-8	1,333,956.56	2,059,960.39
Improvement Authorizations:			
Funded	C-8	8,052,534.58	7,356,301.48
Unfunded	C-8	3,191,442.22	11,695,084.17
Serial Bonds Payable	C-9	28,284,133.56	18,140,820.02
NJ Environmental Infrastructure Trust Loan Payable	C-11	7,614,157.78	5,283,160.47
Bond Anticipation Notes	C-12		10,488,160.00
Fund Balance	C-1	4,668,639.98	2,613,698.56
		<u>\$ 53,746,855.95</u>	<u>\$ 57,759,681.54</u>

There were bonds and notes authorized but not issued on December 31, 2010 of in the amount of \$3,802,111.20 (See Exhibit C-13).

The accompanying Notes to Financial statements are an integral part of this statement.

BOROUGH OF PRINCETON - COUNTY OF MERCER

GENERAL CAPITAL FUND

Exhibit C-1

STATEMENT OF FUND BALANCE - REGULATORY BASIS

Balance December 31, 2009	<u>Ref.</u> C		\$ 2,613,698.56
Increased by:			
Township of Princeton Reimbursements From			
Fully Funded Improvements	C-2	\$ 31,620.16	
Grant Proceeds	C-2	250,000.00	
Funded Improvement Authorizations - Cancelled		2,419,146.28	
Premium on Sale of Serial Bonds	C-2	<u>585,172.11</u>	
			<u>3,285,938.55</u>
			<u>5,899,637.11</u>
Decreased by:			
Capital Improvement Fund	C-7	92,134.14	
Utilized in Current Fund as Anticipated Revenue	C-2	<u>1,138,862.99</u>	
			<u>1,230,997.13</u>
Balance December 31, 2010	C		<u><u>\$ 4,668,639.98</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PRINCETON - COUNTY OF MERCER**BALANCE SHEET - PARKING UTILITY FUND****Exhibit D****REGULATORY BASIS****DECEMBER 31, 2010 AND 2009**

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>Assets</u>			
<u>Operating Fund</u>			
Cash	D-5	\$ 312,660.04	\$ 824,357.90
Interfunds:			
Current Fund	D-10	123,082.09	
Parking Capital Fund	D-10	789.71	
Total Operating Section		<u>436,531.84</u>	<u>824,357.90</u>
<u>Capital Fund</u>			
Cash	D-5	183,108.01	406,573.04
Accounts Receivable	D-7	82,851.23	82,851.23
Fixed Capital	D-8	200,000.00	200,000.00
Fixed Capital Authorized and Uncompleted	D-9	16,101,434.31	14,056,576.00
Total Capital Fund		<u>16,567,393.55</u>	<u>14,746,000.27</u>
		<u>\$ 17,003,925.39</u>	<u>\$ 15,570,358.17</u>
<u>Liabilities, Reserves and Fund Balance</u>			
<u>Operating Fund</u>			
Encumbrances Payable	D-4,11	\$ 20,837.54	\$ 30,090.57
Appropriation Reserves	D-4,11	132,366.96	4,564.71
Accounts Payable		20,870.23	20,870.23
Interfund - Current Fund	D-10		300,000.00
Accrued Interest on Bonds and Notes	D-12	209,515.38	215,890.66
Reserve for Security Deposit Hinkson		4,166.66	4,166.66
		<u>387,756.77</u>	<u>575,582.83</u>
Fund Balance	D-1	48,775.07	248,775.07
Total Operating Fund		<u>436,531.84</u>	<u>824,357.90</u>
<u>Capital Fund</u>			
Interfund - Parking Operating Fund	D-5	789.71	
Improvement Authorizations:			
Funded	D-13	304,315.23	322,284.97
Unfunded	D-13	2,004,409.19	265,835.88
Reserve for:			
Debt Service	D-6	375,000.00	375,000.00
Deferred Amortization	D-14	1,665,700.00	1,165,700.00
Serial Bonds Payable	D-15	12,205,000.00	12,605,000.00
Fund Balance	D-2	12,179.42	12,179.42
Total Capital Fund		<u>16,567,393.55</u>	<u>14,746,000.27</u>
		<u>\$ 17,003,925.39</u>	<u>\$ 15,570,358.17</u>

There were bonds and notes authorized but not issued on December 31, 2010 of \$2,430,734.31 (Schedule D-16).

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PRINCETON - COUNTY OF MERCER

PARKING UTILITY OPERATING FUND

Exhibit D-1

STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

REGULATORY BASIS

	<u>Ref.</u>	<u>Year 2010</u>	<u>Year 2009</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Anticipated	D-3	\$ 200,000.00	\$ 100,000.00
Parking Fees	D-3	3,257,827.84	2,980,992.60
Interest on Investments	D-3	2,845.65	2,678.08
Non-Budget Revenue	D-5	120,019.88	315,695.01
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-11	2,049.54	3,593.90
Total Income		<u>3,582,742.91</u>	<u>3,402,959.59</u>
<u>Expenditures</u>			
Operating		1,142,704.00	1,088,480.00
Debt Service		969,331.00	960,668.00
Deferred Charges and Statutory Expenditures		100,000.00	31,700.00
Surplus (General Budget)		1,370,707.91	1,300,000.00
Total Expenditures	D-4	<u>3,582,742.91</u>	<u>3,380,848.00</u>
Statutory Excess to Fund Balance		22,111.59	
Fund Balance January 1	D	248,775.07	326,663.48
		<u>248,775.07</u>	<u>348,775.07</u>
Less: Fund Balance Anticipated	D-1	<u>200,000.00</u>	<u>100,000.00</u>
Fund Balance December 31	D	\$ <u>48,775.07</u>	\$ <u>248,775.07</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

STATEMENT OF FUND BALANCE - REGULATORY BASIS

Exhibit D-2

	<u>Ref.</u>	
Balance December 31, 2010 and 2009	D	\$ <u>12,179.42</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PRINCETON - COUNTY OF MERCER**PARKING UTILITY OPERATING FUND****Exhibit D-3****STATEMENT OF REVENUES - REGULATORY BASIS**

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	D-1	\$ <u>200,000.00</u>	\$ <u>200,000.00</u>	\$ _____
Parking Fees	D-1	\$ 2,980,992.60	\$ 2,948,551.96	\$ (32,440.64)
Increased Parking Fees		166,094.40		(166,094.40)
Land Leases	D-1	141,400.00	121,219.68	(20,180.32)
Annual Service Charges	D-1	214,660.00	188,056.20	(26,603.80)
Interest on Investments	D-1	2,678.00	2,845.65	167.65
		<u>3,505,825.00</u>	<u>3,260,673.49</u>	<u>(245,151.51)</u>
	D-4	\$ <u>3,705,825.00</u>	\$ <u>3,460,673.49</u>	\$ <u>(245,151.51)</u>
	<u>Ref.</u>	D-4		
Fund Balance Utilized	D-1		\$ 200,000.00	
Interfund - Parking Capital Fund	D-10		789.71	
Receipts	D-5		\$ <u>3,259,883.78</u>	
	D-3		\$ <u>3,460,673.49</u>	

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PRINCETON - COUNTY OF MERCER

Exhibit D-4

PARKING UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriated		Expended	Reserved	Cancelled
	Budget	Budget After Modification	Paid or Charged		
Operating					
Salaries and Wages	\$ 565,029.00	\$ 565,029.00	\$ 529,886.13	\$ 35,142.87	\$
Other Expenses	577,675.00	577,675.00	480,450.91	97,224.09	
Debt Service					
Payment of Bond Principal	400,000.00	400,000.00	400,000.00		
Interest on Bonds	569,331.00	569,331.00	569,331.00		
Deferred Charges	100,000.00	100,000.00	100,000.00		123,082.09
Ordinance 09-27	1,493,790.00	1,493,790.00	1,370,707.91		
Surplus (General Budget)					
Total Parking Utility Appropriations	\$ 3,705,825.00	\$ 3,705,825.00	\$ 3,450,375.95	\$ 132,366.96	\$ 123,082.09
Ref.	D-3	D-1		D	D-1
Cash Disbursed			\$ 2,860,207.41		
Encumbrances Payable			20,837.54		
Accrued Interest on Bonds			569,331.00		
			\$ 3,450,375.95		

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PRINCETON - COUNTY OF MERCER
BALANCE SHEET - PUBLIC ASSISTANCE TRUST FUND

REGULATORY BASIS

Exhibit E

DECEMBER 31, 2010 AND 2009

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>Assets</u>			
Cash:			
Treasurer	E-1	\$ 81,682.17	\$ 123,336.78
Petty Cash	E-1	<u>11,593.64</u>	<u>1,501.42</u>
		<u>\$ 93,275.81</u>	<u>\$ 124,838.20</u>
<u>Liabilities and Reserves</u>			
Prepaid State Aid	E-2	\$ 58,919.17	\$ 90,759.67
Supplemental Security Income Due To Client		1,238.31	1,238.31
Reserve for:			
Public Assistance	E-3	<u>33,118.33</u>	<u>32,840.22</u>
		<u>\$ 93,275.81</u>	<u>\$ 124,838.20</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF -PRINCETON - COUNTY OF MERCER

BALANCE SHEET - GENERAL FIXED ASSETS ACCOUNT GROUP

Exhibit H

REGULATORY BASIS

DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>Assets</u>		
General Fixed Assets:		
Land	\$ 12,298,100.00	\$ 12,298,100.00
Building	7,023,480.00	7,023,480.00
Furniture, Fixtures and Equipment	<u>10,070,569.00</u>	<u>9,972,828.00</u>
	<u>\$ 29,392,149.00</u>	<u>\$ 29,294,408.00</u>
<u>Liabilities</u>		
Investment in General Fixed Assets	<u>\$ 29,392,149.00</u>	<u>\$ 29,294,408.00</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PRINCETON - COUNTY OF MERCER
BALANCE SHEET - AFFORDABLE HOUSING UTILITY FUND

Exhibit S

REGULATORY BASIS

DECEMBER 31, 2010 AND 2009

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>Assets</u>			
<u>Operating Fund</u>			
Cash	S-5	\$ 861,946.41	\$ 1,368,079.43
<u>Capital Fund</u>			
Fixed Capital Authorized and Uncompleted	S-8	211,150.00	211,150.00
Interfunds:			
Affordable Housing Operating Fund	S-9	117,757.54	114,222.54
General Capital Fund	S-9	3,535.00	3,535.00
Total Capital Fund		<u>328,907.54</u>	<u>328,907.54</u>
		<u>\$ 1,190,853.95</u>	<u>\$ 1,696,986.97</u>
<u>Liabilities, Reserves and Fund Balance</u>			
<u>Operating Fund</u>			
Reserve for:			
Payment of Debt		\$ 3,889.07	\$ 3,882.00
Housing Trust	S-6	24,821.29	47,559.30
Developer Fees	S-6	249,371.43	609,590.40
Growth Share	S-6	445,961.38	592,825.19
Reserve for Encumbrances	S-4	20,145.70	
Interfund - Affordable Housing Utility Capital Fund	S-9	117,757.54	114,222.54
Total Operating Fund		<u>861,946.41</u>	<u>1,368,079.43</u>
<u>Capital Fund</u>			
Interfund - General Capital Fund	S-9	4,605.00	
Improvement Authorizations:			
Funded	S-10	67,702.05	67,702.05
Unfunded	S-10	189,406.65	194,011.65
Fund Balance	S-2	67,193.84	67,193.84
Total Capital Fund		<u>328,907.54</u>	<u>328,907.54</u>
		<u>\$ 1,190,853.95</u>	<u>\$ 1,696,986.97</u>

There were bonds and notes authorized but not issued on December 31, 2010 of \$ 211,150.00 (Schedule S-11).

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PRINCETON - COUNTY OF MERCER

AFFORDABLE HOUSING UTILITY OPERATING FUND

Exhibit S-1

STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

REGULATORY BASIS

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>Revenue and Other Income Realized</u>			
Developer Revenue Reserves:			
Prior Revenues Reserved	S-3	\$ 43,550.00	\$ 384,265.00
Developer Fees	S-3	62,863.49	31,646.00
Housing Trust Reserves:			
Prior Revenues Reserved	S-3	47,550.00	89,500.00
Interest Received	S-3		222.38
Borough's Affordable Housing Trust -			
Growth Share and Developer's Escrow	S-3	549,453.65	
Miscellaneous	S-5	19,438.00	
Total Income		<u>722,855.14</u>	<u>505,633.38</u>
<u>Expenditures</u>			
Operating	S-4	621,144.66	69,050.58
Excess in Revenues		<u>101,710.48</u>	<u>436,582.80</u>
Less: Transfers to Revenue Reserves:			
Developer Fees	S-6	82,863.49	391,646.00
Housing	S-6	18,846.99	44,936.80
		<u>\$ 101,710.48</u>	<u>\$ 436,582.80</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PRINCETON - COUNTY OF MERCER
AFFORDABLE HOUSING UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

Exhibit S-2

	<u>Ref.</u>	
Balance December 31, 2010 and 2009	S	\$ <u>67,193.84</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

AFFORDABLE HOUSING UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS

Exhibit S-3

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Developer Escrow Reserves				
Prior Revenues Reserved	S-1	\$ 43,550.00	\$ 43,550.00	
Developer Fees	S-1	20,000.00	62,863.49	42,863.49
Housing Trust Reserves				
Prior Revenues Reserved	S-1	47,550.00	47,550.00	
Interest Earned on Investments	S-1	200.00		(200.00)
Borough's Affordable Housing Trust - Growth Share and Developer's Escrow	S-1	<u>800,000.00</u>	<u>549,453.65</u>	<u>(250,546.35)</u>
		<u>\$ 911,300.00</u>	<u>\$ 703,417.14</u>	<u>\$ (207,882.86)</u>
	<u>Ref.</u>	S-4		
Cash Received	S-5		\$ 62,863.49	
Reserves				
Housing	S-6		47,550.00	
Growth Share	S-6		148,396.50	
Developer Escrow	S-6		<u>444,607.15</u>	
			<u>\$ 703,417.14</u>	

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PRINCETON - COUNTY OF MERCER

AFFORDABLE HOUSING UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Exhibit S-4

	<u>Appropriated</u>		<u>Paid or</u>	<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Charged</u>	
Operating				
Salaries and Wages	\$ 23,550.00	\$ 23,550.00	\$ 23,550.00	\$
Other Expenses	887,750.00	887,750.00	597,594.66	290,155.34
Total Affordable Housing Utility Appropriations	\$ 911,300.00	\$ 911,300.00	\$ 621,144.66	\$ 290,155.34
			S-1	S-1
Encumbrances Payable			\$ 20,145.70	
Adopted Budget		\$ 111,300.00		
Appropriated by 40A:4-87		800,000.00	600,998.96	
Cash Disbursed				
			\$ 621,144.66	
	Ref.	S-3		
	S-1			
	S-3			
	S-3			
	S-5			

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PRINCETON - COUNTY OF MERCER

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The financial statements of the Borough of Princeton, County of Mercer, New Jersey (the "Borough"), include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Borough as required by N.J.S. 40A:5-5. The financial statements of the Borough do not include the operations of the Board of Education, first aid organization or volunteer fire companies which are subject to separate audits.

The Governmental Accounting Standards Board ("GASB") Statement 14 established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The criteria differ from the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") requirements where certain boards, commissions, and agencies of the Borough, by statute or other directive, report separately on their financial statements. The Borough had no component units in 2010.

B. Descriptions of Funds

The GASB is the recognized standard-setting body for establishing governmental generally accepted accounting and financial reporting principles.

The accounting policies of the Borough conform to the accounting principles applicable to municipalities which have been prescribed by the Division. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the following separate funds which differs from the fund structure required by generally accepted accounting principles ("GAAP"):

Current Fund - revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

Animal Control Trust Fund - animal control license revenues and expenditures.

Other Trust Fund - sundry deposits held for satisfactory completion of specific work; receipts and disbursements for dedicated purposes.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

Affordable Housing Utility Operating Fund - revenues and expenditures necessary to operate a municipally-owned affordable housing utility.

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

Assessment Trust Fund - used to account for the financing of local improvements deemed to benefit the properties against which assessments are levied.

Parking Utility Operating Fund - revenues and expenditures necessary to operate a municipally-owned parking utility from user fees.

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 Trust Fund - receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes.

Payroll Fund - receipt and disbursement for payroll costs and payroll taxes.

General Fixed Assets Account Group - used to account for fixed assets used in general government operations.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from GAAP applicable to local governmental units. The more significant differences are as follows:

A modified cash basis of accounting is followed with minor exceptions.

Property Taxes and Other Revenues - property taxes and other revenues are recognized on a cash basis. Receivables for property taxes and other items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Grant Revenues - Federal and State grants, entitlement or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. Federal and State grant revenues received for purposes of capital projects financed by capital ordinances are recognized when received. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures - unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - contractual orders at December 31, are reported as expenditures through the establishment of a reserve for encumbrances. Encumbrances do not constitute expenditures under GAAP.

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

Deferred Charges - the regulatory basis of accounting utilized by the Borough 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, overexpenditures and emergency appropriations. Overexpenditures 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. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the respective balance sheets. GAAP does not permit the deferral of overexpenditures 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 status of deferred charges at December 31, 2010 is set forth in Note 9.

Compensated Absences - expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount which would normally be liquidated with expendable available financial resources be recorded as an expenditure in the Current Fund and the remaining obligations be recorded as a long-term obligation. The expenditures in the Water Utility Operating Fund would be on a full accrual basis. The compensated absence liability at December 31, 2010 is set forth in Note 4.

Property Acquired for Taxes - is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded at its market value.

Sale of Municipal Assets - Cash proceeds from the sale of Borough owned property may be reserved until utilized as an item of anticipated revenue in a subsequent year budget. Year end balances of such 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 sales contracts become legally enforceable.

Interfunds - advances in the Current Fund are reported as interfund receivables with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. GAAP does not require the establishment of an offsetting reserve.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires that the cost of inventories be reflected on the balance sheet until utilized and expended.

General Fixed Assets - In accordance with the New Jersey Administrative Code the Borough is in the process of developing a perpetual fixed assets accounting and reporting system.

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

Depreciation is not recorded in the General Fixed Assets Account Group.

GAAP does not require utilization of a general fixed asset account group.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

Expenditures for construction in progress are required to be recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

Utility Fixed Assets - Accounting for utility funds "fixed capital" remains unchanged.

Property and equipment purchased by the Affordable Housing and Parking Utility Funds are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown 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.

Property and equipment of the Affordable Housing and Parking Utility Funds are not depreciated. Principal payments for utility debt are recorded as expenditures in the Affordable Housing and Parking Utility Operating Funds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**C. Basis of Accounting (Continued)**

During 2010 the following changes occurred in the fixed assets of the Borough:

	<u>Balance</u> <u>Jan. 1, 2010</u>	<u>Additions</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
General Fixed Assets Account Group:			
Land	\$ 12,298,100	\$	\$ 12,298,100
Buildings	7,023,480		7,023,480
Furniture, Fixtures and Equipment	9,972,828	97,741	10,070,569
Affordable Housing Utility Fund:			
Fixed Capital Authorized and Uncompleted	211,150		211,150
Parking Utility Fund:			
Fixed Capital	200,000		200,000
Fixed Capital Authorized and Uncompleted	<u>14,056,576</u>	<u>2,044,858</u>	<u>16,101,434</u>
	<u>\$ 43,762,134</u>	<u>\$ 2,142,599</u>	<u>\$ 45,904,733</u>

D. Financial Statements

The GASB Codification requires the financial statements of a governmental unit to be presented in accordance with GAAP. The Borough presents its financial statements in accordance with another comprehensive basis of accounting as promulgated by the Division which differs from the financial statements required by GAAP. In addition, the Division requires the financial statements to be referenced to the supplementary schedules. This practice differs from GAAP.

E. Budgets and Budgetary Accounting

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the Division in accordance with applicable statutes.

NOTE 2. CASH AND CASH EQUIVALENTS**A. 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 insure deposits or the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

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

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

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

At year-end the carrying amount of the Borough's deposits was \$18,957,978 and the bank balance amount was \$19,019,470. Of this amount \$750,000 was covered by federal depository insurance, \$1,093,006 was in the State of New Jersey's Cash Management Fund and a collateral pool under New Jersey's Governmental Unit Deposit Protection Act covered the remaining \$17,176,464.

B. Investments

a. When authorized by a cash management plan approved pursuant to N.J.S. 40A:5-14, the Borough may use available funds for the purchase of the following types of securities which, if suitable for registry, may be registered in the name of the Borough:

- (1) Bonds or other obligations of the United States 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 that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- (4) Bonds or other obligations of the Borough, or bonds or other obligations of school districts of which the Borough is a part or within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investments, New Jersey Department of the Treasury.
- (6) Municipal investment pools.
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c. 281; or

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

- a. (8) Agreements for the repurchase of fully collateralized securities, if:
- (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this section;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41);
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

b. Any investment instruments in which the security is not physically held by the Borough shall be covered by a third party custodial agreement, which shall provide for the designation of such investments in the name of the Borough and prevent unauthorized use of such investments.

- c. Investments are further regulated and restricted in accordance with N.J.S. 40A:5-15.1.

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature within one year. Collateralization of Fund investments is generally not required. "Other Than State" participants contribute up to one twentieth of one percent per year of the value of the aggregate units owned by them to establish a Reserve Fund, which is supplemented by the proportional interest of "Other Than State" participants in gains on investment transactions realized. The Reserve Fund is available to cover losses of "Other Than State" participants occasioned by the bankruptcy of an issuer of an investment held by the Fund and losses on sales of securities.

At year-end, the carrying value of the Borough's investment and the investment balance was \$1,093,006 all of which is on deposit in the aforementioned New Jersey Cash Management Fund.

C. Cash Management Plan

In accordance with N.J.S. 40A:5-14, every municipality shall adopt a cash management plan and shall deposit and invest its funds pursuant to that plan. The plan shall be approved annually by majority vote of the governing body and may be modified from time to time in order to reflect changes in federal or state law or regulations. The chief financial officer shall be charged with administering the plan.

When an investment in bonds maturing in more than one year is authorized, the maturity of those bonds shall approximate the prospective use of the funds invested.

The plan also requires a monthly report to the governing body summarizing all investments made or redeemed since the previous report and shall include, at a minimum, the specific detailed information as set forth in the statute.

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

D. Credit Risk Categories

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following categories described below:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2010</u>	<u>2009</u>
Insured:		
FDIC	\$ 750,000	\$ 1,250,000
GUDPA	17,176,464	19,397,777
Uninsured	<u>1,093,006</u>	<u>1,795,737</u>
	\$ <u>19,019,470</u>	\$ <u>22,443,514</u>

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk.

State law limits investments as noted above.

During the year, the Borough had none of its idle funds invested in repurchase agreements collateralized by eligible securities. At the close of the year, no such investments were held by the Borough.

NOTE 3. DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes are issued to temporarily finance capital projects, prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

NOTE 3. DEBT (CONTINUED)

A. Long-Term Debt

The Borough's long-term debt is summarized as follows:

General Capital Fund

2.875% to 4.50% General Improvement Bonds, Series A issued August 15, 2003 for \$5,553,000, installment maturities to August 15, 2018	\$ 3,078,000
2.875% to 4.50% General Improvement Bonds, Series B issued August 15, 2003 for \$8,214,000, installment maturities to August 15, 2018	4,509,000
4% General Improvement Bonds issued June 1, 2007 for \$9,833,059, installment maturities to June 1, 2019	8,108,134
3% to 5% General Improvement Bonds issued June 2, 2010 for \$12,589,000 installment maturities to February 1, 2011 to 2026	<u>12,589,000</u>
	\$ <u>28,284,134</u>

The bonds mature serially in installments to the year 2026. Debt service requirements during the next five fiscal years and thereafter are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 2,190,686	\$ 1,161,079
2012	2,289,254	998,978
2013	2,338,537	910,047
2014	2,416,388	818,223
2015	2,426,388	724,493
2016-2020	10,563,881	2,122,691
2021-2025	5,040,000	635,625
2026	<u>1,019,000</u>	<u>17,833</u>
	\$ <u>28,284,134</u>	\$ <u>7,388,969</u>

Assessment Trust Fund

4% General Improvement Bonds issued June 1, 2007 for \$142,941, installment maturities to June 1, 2019	\$ 117,866
3% to 5% Sidewalk Assessment Bonds issued June 2, 2010 for \$212,000 installment maturities to February 1, 2011 to 2020	<u>212,000</u>
	\$ <u>329,866</u>

NOTE 3. DEBT (CONTINUED)**A. Long-Term Debt (Continued)****Assessment Trust Fund (Continued)**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 36,314	\$ 12,943
2012	35,746	10,502
2013	31,463	9,383
2014	33,612	8,282
2015	33,612	7,137
2016-20	<u>159,119</u>	<u>16,309</u>
	\$ <u>329,866</u>	\$ <u>64,556</u>

Parking Utility

2.875% to 4.75% Construction of Parking Garage issued August 15,
2003 for \$13,700,000, installment maturities to August 15, 2028 \$ 12,205,000

The bonds mature serially in installments to the year 2028. Debt service requirements during the next five fiscal years and thereafter are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 425,000	\$ 558,706
2012	450,000	540,644
2013	475,000	521,519
2014	500,000	501,331
2015	525,000	480,081
2016-20	3,075,000	2,037,163
2021-25	4,075,000	1,235,281
2026-28	<u>2,680,000</u>	<u>255,312</u>
	\$ <u>12,205,000</u>	\$ <u>6,130,037</u>

Wastewater Treatment Trust Loan - State

The Borough, 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 \$905,000 to be repaid over a twenty year period at interest rates ranging from 4.00% to 5.00%, and a Fund Loan Agreement at \$889,142 to be repaid over a twenty year period at no interest.

The proceeds of this loan, which are in the process of being utilized, are to fund the refurbishment of the sewer system jointly between the Township of Princeton and the Borough.

NOTE 3. DEBT (CONTINUED)

A. Long-Term Debt (Continued)

2006 Wastewater Treatment Trust Loan Schedule

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 35,000	\$ 35,825
2012	35,000	34,075
2013	40,000	32,325
2014	40,000	30,325
2015	45,000	28,325
2016-2020	245,000	109,975
2021-2025	295,000	55,144
2026	<u>70,000</u>	<u>2,975</u>
	\$ <u>805,000</u>	\$ <u>328,969</u>

2006 Wastewater Treatment Fund Loan Schedule

<u>Year</u>	<u>Principal</u>
2011	\$ 45,569
2012	44,443
2013	46,534
2014	45,247
2015	47,177
2016-2020	228,390
2021-2025	225,282
2026	<u>46,952</u>
	\$ <u>729,594</u>

In addition, the Borough, during 2007 entered into another 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 \$870,000 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 at \$848,221 to be repaid over a twenty year period.

The proceeds of this loan, which are in the process of being utilized, are to fund the refurbishment of the sewer system jointly between the Township of Princeton and the Borough.

NOTE 3. DEBT (CONTINUED)**A. Long-Term Debt (Continued)****2007 Wastewater Treatment Trust Loan Schedule**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 35,000	\$ 36,150
2012	35,000	34,400
2013	35,000	33,210
2014	35,000	31,985
2015	40,000	30,725
2016-2020	220,000	123,325
2021-2025	280,000	67,750
2026-2027	<u>130,000</u>	<u>8,450</u>
	\$ <u>810,000</u>	\$ <u>365,995</u>

2007 Wastewater Treatment Fund Loan Schedule

<u>Year</u>	<u>Principal</u>
2011	\$ 44,882
2012	43,778
2013	43,027
2014	42,255
2015	44,614
2016-2020	216,572
2021-2025	219,363
2026-2027	<u>87,336</u>
	\$ <u>741,827</u>

Also, the Borough entered into another loan agreement 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 \$1,035,000 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 at \$1,034,227 to be repaid over a twenty year period.

2008 Wastewater Treatment Trust Loan Schedule

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 35,000	\$ 51,325
2012	35,000	49,575
2013	40,000	47,825
2014	40,000	45,825
2015	45,000	43,825
2016-2020	245,000	184,500
2021-2025	325,000	110,875
2026-2028	<u>235,000</u>	<u>23,750</u>
	\$ <u>1,000,000</u>	\$ <u>557,500</u>

NOTE 3. DEBT (CONTINUED)

A. Long-Term Debt (Continued)

2008 Wastewater Treatment Fund Loan Schedule

<u>Year</u>	<u>Principal</u>
2011	\$ 52,857
2012	51,786
2013	53,776
2014	52,551
2015	54,388
2016-2020	262,986
2021-2025	266,889
2026-2028	<u>158,435</u>
	\$ <u>953,668</u>

Also, the Borough entered into another loan agreement for 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 \$650,000 to be repaid over a twenty year period at interest rates ranging from 3.00% to 5.00%, and a zero interest Fund Loan Agreement at \$1,991,581 to be repaid over a twenty year period.

2010 Wastewater Treatment Trust Loan Schedule

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 20,000	\$ 27,675
2012	25,000	26,875
2013	25,000	25,625
2014	25,000	24,375
2015	25,000	23,125
2016-2020	155,000	94,675
2021-2025	190,000	58,925
2026-2029	<u>185,000</u>	<u>18,575</u>
	\$ <u>650,000</u>	\$ <u>299,850</u>

NOTE 3. DEBT (CONTINUED)

A. Long-Term Debt (Continued)

2010 Wastewater Treatment Fund Loan Schedule

<u>Year</u>	<u>Principal</u>
2011	\$ 101,267
2012	101,267
2013	101,267
2014	101,267
2015	101,267
2016-2020	506,334
2021-2025	506,334
2026-2029	<u>405,067</u>
	\$ <u>1,924,070</u>

B. Short-Term Debt

On December 31, 2010 the Borough had no bond anticipation notes outstanding.

C. Bonds and Notes Authorized but not Issued

At December 31, 2010, the Borough had authorized but not issued bonds and notes as follows:

General Capital	\$ 3,802,111
Affordable Housing Utility Capital Fund	211,150
Parking Utility Capital Fund	<u>2,430,734</u>
	\$ <u>6,443,995</u>

D. Borrowing Power

New Jersey statutes limit the debt of a municipality to 3.5% of the average of the last three preceding years equalized valuations of the taxable real estate and improvements. The Borough's statutory net debt at December 31, 2010 was 1.58%. The Borough's remaining borrowing power is 1.92%.

The summary of municipal debt for the last three years and the calculation of statutory net debt is presented in the Supplementary Data section of this report.

NOTE 3. DEBT (CONTINUED)**E. Summary of Debt Service**

During 2010 the following changes occurred in the outstanding debt of the Borough:

	<u>Balance Jan. 1, 2010</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance Dec. 31, 2010</u>
General Capital:				
Serial Bonds	\$ 18,140,820	\$ 12,589,000	\$ 2,445,686	\$ 28,284,134
Bond Anticipation Notes	10,488,160		10,488,160	
Loans Payable	5,283,161	2,641,581	310,584	7,614,158
Assessment Trust Fund:				
Serial Bonds	127,180	212,000	9,314	329,866
Parking Utility Capital Fund:				
Serial Bonds	<u>12,605,000</u>	<u> </u>	<u>400,000</u>	<u>12,205,000</u>
	<u>\$ 46,644,321</u>	<u>\$ 15,442,581</u>	<u>\$ 13,653,744</u>	<u>\$ 48,433,158</u>

NOTE 4. ACCRUED SICK AND VACATION BENEFITS

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Borough's liability related to unused vacation and sick pay. The Borough permits certain employees within limits to accumulate unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current cost of such unpaid compensation approximates \$827,800 and \$830,542 at December 31, 2010 and 2009, respectively. A reserve is maintained in the Other Trust Fund and has a balance of \$62,738 at December 31, 2010. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

NOTE 5. FUND BALANCES APPROPRIATED

The proposed fund balances at December 31, 2010 which are intended to be appropriated and included as anticipated revenue anticipated in the budget for the year ending December 31, 2011 are as follows:

Current Fund	\$ 800,000
Parking Utility	24,372

NOTE 6. TAXES COLLECTED IN ADVANCE

Taxes collected in advance set forth as cash liabilities in the financial statements, are as follows:

	<u>Balance December 31</u>	
	<u>2010</u>	<u>2009</u>
Prepaid Taxes	\$ 304,893	\$ 414,446

NOTE 7. ASSESSMENT AND COLLECTION OF PROPERTY TAXES

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

Tax bills are prepared then mailed by the Collector of the Borough annually and set forth the final tax for the tax year. The bill 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 N.J. Statutes allow a grace period of 10 days for each payment period and the Borough granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% or 18% of the amount delinquent. 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 8. DEFERRED CHARGES TO FUTURE TAXATION FUNDED AND UNFUNDED

Upon the authorization of capital projects, the Borough establishes deferred charges for the cost of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to the New Jersey Statutes Annotated 40A:2-4, the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for the particular year in the current budget. As funds are raised, the deferred charges are reduced.

NOTE 9. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

As noted in Note 1, certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2010, the following deferred charge is shown on the balance sheet of the Current Fund:

	<u>Balance Dec. 31, 2010</u>	<u>2011 Budget Appropriation</u>	<u>Balance to Succeeding Budgets</u>
Current Fund:			
Special Emergency Authorizations (N.J.S. 40A:4-55)			
Revaluation	\$ 184,806	\$ 61,602	\$ 123,204

NOTE 10. PENSION PLANS

The Borough contributes to two cost-sharing multiple-employer defined benefit pension plans, the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. These plans provide retirement, disability, annual cost-of-living adjustments and death benefits to plan members and their beneficiaries. Each plan has a Board of Trustees that implement benefit provisions which are established and amended by State statute. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

The contribution requirements of plan members are determined by State statute. Plan members enrolled in the PERS are required to contribute 5.5% of their annual covered salary. Plan members enrolled in the PFRS are required to contribute 8.5% of their annual covered salary. The Borough's contributions to the various plans, equal to the required contributions for each year, were as follows:

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>
2010	\$ 503,884	\$ 738,289
2009	415,805	718,611
2008	322,166	654,767

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS**Plan Description**

The Borough contributes to the State Health Benefits Program ("SHBP"), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions. 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. In 2004, the Borough authorized participation in the SHBP's post-retirement benefit program through Resolution Number 2004-894. The Borough adopted the provisions of 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 operation 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. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions.

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS

Funding Policy

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for health premiums of participating retirees in the SHBP are billed to the Borough on a monthly basis.

The Borough contributions to SHBP for the years ended December 31, 2010, 2009 and 2008 were \$390,892, \$367,088, and \$333,461, respectively, which equaled the required contributions for each year. There were approximately 31, 32, and 31 retired participants eligible at December 31, 2010, 2009 and 2008, respectively.

NOTE 12. RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough is a member of the Mid-Jersey Municipal Joint Insurance Fund, and the Municipal Excess Liability Fund, public entity risk pools currently operating as a common risk management and insurance programs for municipalities within the state. The Borough pays an actuarially determined annual assessment to Mid-Jersey Joint Insurance Fund for its insurance coverage and that of the Municipal Excess Liability Fund. Supplemental assessments may be levied to supplement the funds. The Borough has not been notified on any supplemental assessments.

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

NOTE 13. CONTINGENT LIABILITIES

State and Federal Financial Assistance

The Borough receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the financial assistance agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2010, the Borough estimates that no material liabilities will result from such audits.

NOTE 13. CONTINGENT LIABILITIES**Major Tax Assessments**

Taxpayers in 2010 with assessments in excess of 1% of the total assessed valuation were as follows:

<u>Owner</u>	<u>Assessed Value</u>	<u>% of Value</u>
Trustees of Princeton University	\$ 173,087,000	7.79%
PSN Partners	59,236,600	2.66%
Palmer Sq Ltd. Properties	39,824,500	1.79%
Nassau Inn Ltd. Partnership	31,800,000	1.43%

Pending Litigation

There are actions which have been instituted against the Borough which are either in the discovery stage or whose final outcome cannot be determined at the present time. In the opinion of the administration, the amount of ultimate liability with respect to these actions will not materially affect the financial position of the Borough.

It is the opinion of the Borough officials that there is no litigation threatened or pending that would materially affect the financial position of the Borough or adversely affect the Borough's ability to levy, collect and enforce the collection of taxes or other revenue for the payment of its bonds or other obligations.

The Borough officials believe that negligence and other types of liability suits, of which the Borough is aware, appear to be within the stated policy limits and would be deferred by the respective carriers.

NOTE 14. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheets at December 31, 2010:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 1,867	\$ 123,082
Animal Control Trust Fund		1,133
General Capital Fund	216,605	
Affordable Housing Utility Capital Fund	117,758	4,605
Affordable Housing Utility Operating Fund		117,757
Parking Utility Operating Fund	123,872	
Parking Utility Capital Fund		790
Assessment Trust Fund		212,735
	<u>\$ 460,102</u>	<u>\$ 460,102</u>

NOTE 15. GENERAL CAPITAL FUND - ACCOUNTS RECEIVABLE

In 2010 the Borough and Princeton Township (the “Township”) continued to jointly participate in several capital projects. At December 31, 2010 the Borough has estimated that the Township’s share of unreimbursed costs is \$601,907 that has been set up as a receivable in the General Capital Fund with an offsetting reserve.

Borough records do not reflect encumbrances/accounts payable for the Borough’s share of Township capital expenditures.

BOROUGH OF PRINCETON

COUNTY OF MERCER

PART II

SUPPLEMENTARY DATA

SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2010

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2010 *</u>	<u>2009</u>	<u>2008</u>
Tax Rate	\$ <u>2.026</u>	\$ <u>4.29</u>	\$ <u>4.16</u>
Apportionment of Tax Rate			
Municipal	.478	1.04	1.04
County	.592	1.22	1.16
Regional School District	.956	2.03	1.96
Assessed Valuation			
2010	\$ 2,220,526,988 *		
2009		\$ 1,009,592,800	
2008			\$ 1,006,718,313

* Revaluation

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 levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Cash</u> <u>Collection</u>	<u>Currently</u> <u>Percentage</u> <u>of Collection</u>
2010	\$ 45,045,123	\$ 44,265,968	98.27%
2009	43,629,202	43,208,101	99.03%
2008	42,174,617	41,773,379	99.04%

DELINQUENT TAXES AND TAX TITLE LIENS

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 Ended</u> <u>December 31</u>	<u>Amount</u> <u>of Tax</u> <u>Title Liens</u>	<u>Amount of</u> <u>Delinquent</u> <u>Taxes</u>	<u>Total</u> <u>Delinquent</u>	<u>Percentage</u> <u>of Tax Levy</u>
2010	\$ 4,785	\$ 573,497	\$ 578,282	1.28%
2009	4,171	367,022	371,193	0.85%
2008	38	390,887	390,925	0.93%

COMPARISON OF SEWER RENTS

<u>Year</u>	<u>Levy</u>	<u>Delinquent</u>	<u>Cash</u> <u>Collection</u>
2010	\$ 3,403,075	\$ 292,270	\$ 3,110,805
2009	3,054,388	50,299	3,554,687
2008	3,261,103	48,312	3,259,116

COMPARATIVE SCHEDULE OF FUND BALANCES

<u>Year</u>	<u>Balance</u>	<u>Utilized in</u>
<u>Current Fund</u>	<u>December 31</u>	<u>Budget of</u>
		<u>Succeeding Year</u>
2010	\$ 2,825,804	\$ 800,000
2009	2,846,072	799,808
2008	1,702,550	799,808
2007	1,987,969	1,726,813
2006	3,137,521	1,784,980

Parking Utility Operating Fund

2010	\$ 48,775	\$ 24,372
2009	248,775	200,000
2008	326,663	100,000
2007	132,835	-0-
2006	147,835	15,000

SUMMARY OF MUNICIPAL DEBT

	<u>Year 2010</u>	<u>Year 2009</u>	<u>Year 2008</u>
<u>Issued</u>			
General:			
Bonds, Notes and Loans	\$ 36,228,157	\$ 34,039,320	\$ 31,585,554
Parking Utility:			
Bonds, Notes and Loans	<u>12,205,000</u>	<u>12,605,000</u>	<u>12,980,000</u>
Total Issued	<u>48,433,157</u>	<u>46,644,320</u>	<u>44,565,554</u>
Less:			
Funds on Hand to Pay Bonds and Notes:			
Assessment Trust Fund	221,702	102,582	100,994
Parking Utility	<u>375,000</u>	<u>375,000</u>	<u>375,000</u>
Total Deductions	<u>596,702</u>	<u>477,582</u>	<u>475,994</u>
Net Debt Issued	<u>47,836,455</u>	<u>46,166,738</u>	<u>44,089,560</u>
 <u>Authorized but not Issued</u>			
General:			
Bonds, Notes and Loans	3,802,111	9,176,800	9,518,797
Affordable Housing Utility:			
Bonds, Notes and Loans	211,150	211,150	211,150
Parking Utility:			
Bonds, Notes and Loans	<u>2,430,734</u>	<u>485,876</u>	<u>291,576</u>
Total Authorized but not Issued	<u>6,443,995</u>	<u>9,873,826</u>	<u>10,021,523</u>
 Net Bonds and Notes Issued and Authorized but not Issued	 \$ <u>54,280,450</u>	 \$ <u>56,040,564</u>	 \$ <u>54,111,083</u>

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 1.58%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District Debt	\$ 14,334,120	\$ 14,334,120	\$ -0-
Parking Utility Debt	14,635,734	14,635,734	-0-
General Debt	40,030,268	221,702	39,808,566
Affordable Housing Utility	<u>211,150</u>	<u>211,150</u>	<u>-0-</u>
	\$ <u>69,211,272</u>	\$ <u>29,402,706</u>	\$ <u>39,808,566</u>

Net Debt \$39,808,566 divided by Equalized Valuation basis per N.J.S.A. 40A:2-6 as amended \$2,520,605,360 = 1.58%.

BORROWING POWER UNDER N.J.S.A. 40A:2-6

3.5% of Equalized Valuation Basis	\$ 88,221,187
Net Debt	<u>39,808,566</u>
Remaining Borrowing Power	\$ <u>48,412,621</u>

CALCULATION OF "SELF-LIQUIDATING PURPOSE" PARKING UTILITY OPERATING FUND PER N.J.S. 40A:2-45

Cash Receipts from Fees or Other Charges for Year	\$ 3,580,693
Deductions:	
Operating and Maintenance Cost	\$ 1,242,704
Debt Service	<u>969,331</u>
Total Deductions	<u>2,212,035</u>
Excess in Revenue	\$ <u>1,368,658</u>

CALCULATION OF "SELF-LIQUIDATING PURPOSE" AFFORDABLE HOUSING UTILITY OPERATING FUND PER N.J.S. 40A:2-45

Cash Receipts from Fees or Other Charges for Year	\$ 722,855
Deductions:	
Operating and Maintenance Cost	<u>621,145</u>
Excess in Revenue	\$ <u>101,710</u>

The foregoing debt information is in agreement with a revised Annual Debt Statement filed by the Chief Financial Officer.

* * * * *

BOROUGH OF PRINCETON

COUNTY OF MERCER

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2010:

<u>Name</u>	<u>Position</u>	<u>Amount of Bond</u>
Mildred T. Trotman	Mayor	*
Kevin Wilkes	Council President	*
Jo Butler	Member of Common Council	*
Jenny Crumiller	Member of Common Council	*
David A. Goldfarb	Member of Common Council	*
Roger C. Martindell	Member of Common Council	*
Barbara Trelstad	Member of Common Council	*
Maeve Cannon	Attorney	*
Robert W. Bruschi	Administrator	*
Sandra Webb	Chief Financial Officer, Tax Collector	*
Andrea Lea Quinty	Borough Clerk	
Bonnie L. Goldman	Municipal Court Judge	
Susan F. Shapiro	Court Administrator, Deputy Violations Clerk	
Janice Mooney	Deputy Court Administrator, Deputy Violations Clerk	
John West	Plumbing Subcode Official, Engineer, Construction Code Official	*
Neal Snyder	Assessor	*
William Drake	Fire Official	*
Robert A. Hough	Manager of Sewer Operating Committee	
Thomas Moffat	Building Subcode Official, Fire Subcode Official	
Michael T. Barrett	Public Defender	*

* \$2,000,000 Faithful Performance Blanket Position Bond coverage with Mercer County Joint Insurance Fund.

All of the bonds were examined and appear to be properly executed.

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-4

SCHEDULE OF CASH - TREASURER

	<u>Current Fund</u>	<u>Grant Fund</u>
Balance December 31, 2009	\$ 5,139,371.93	\$ 614,970.98
Increased by Receipts:		
Collector	\$ 48,541,987.08	
Revenue Accounts Receivable	9,562,377.11	
State of New Jersey (P.L. 1971, C. 20)	30,855.00	
Township of Princeton Share of Revenue	123,159.58	
Miscellaneous Revenue not Anticipated	287,533.09	
State of New Jersey Fees	57,502.00	
Interfund - Other Funds	425,117.99	
Grants Receivable		171,223.22
Unappropriated Reserves		<u>9,851.65</u>
		<u>181,074.87</u>
		<u>796,045.85</u>
Decreased by Disbursements:		
Appropriations	22,403,427.81	
Appropriation Reserves	779,270.99	
County Taxes	13,212,647.15	
Regional School District Taxes	21,234,550.02	
Municipal Open Space Levy	221,323.42	
Township of Princeton Share of Revenue	187,827.41	
Interfund - Other Funds	55,038.24	
Reserve For Payroll Deductions (net)	13,563.32	
Refund of Prior Year Revenue	11,616.08	
State of New Jersey Fees	58,518.00	
Accounts Payable	73,815.72	
Reserve for Revaluation	3,140.00	
Appropriated Reserves		<u>221,676.38</u>
	<u>58,254,738.16</u>	<u>221,676.38</u>
Balance December 31, 2010	<u>\$ 5,913,165.62</u>	<u>\$ 574,369.47</u>

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-5

SCHEDULE OF CASH - COLLECTOR

Increased by Receipts:

Taxes:

Receivable

\$ 44,176,483.99

Prepaid

304,892.92

Overpayments

843,012.99

Interest and Costs

106,792.12

Sewer Charges:

Receivable

3,110,805.06

\$ 48,541,987.08

Decreased by:

Payment to Treasurer

\$ 48,541,987.08

BOROUGH OF PRINCETON - COUNTY OF MERCER

Exhibit A-6

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance Dec. 31, 2009	2010 Levy	Collected		Due From State of New Jersey	Cancelled	Transfer to Tax Title Lien	Balance Dec. 31, 2010
			2010	2009				
2009	\$ 367,021.86	\$	\$ 355,337.25	\$ 1,282.15	\$	\$ 10,402.46		\$
2010		45,045,122.74	43,821,146.74	414,445.79	30,375.00	205,044.79	613.88	573,496.54
	\$ 367,021.86	\$ 45,045,122.74	\$ 44,176,483.99	\$ 415,727.94	\$ 30,375.00	\$ 215,447.25	\$ 613.88	\$ 573,496.54

Analysis of 2010 Property Tax Levy

Tax Yield:	
General Purpose Tax	\$ 44,987,876.72
Added and Omitted Taxes	57,246.02
	<u>\$ 45,045,122.74</u>

Tax Levy:

Regional School Tax (Abstract)	\$ 21,234,550.02
Municipal Open Space Tax	221,323.42
County Taxes:	
County Tax (Abstract)	\$ 12,604,236.64
County Open Space Tax (Abstract)	518,370.36
Amount Due County for Added and Omitted Taxes	<u>16,682.89</u>
	13,139,289.89
Local Tax for Municipal Purposes	
Add: Additional Tax Levied	<u>10,449,959.41</u>
	<u>\$ 45,045,122.74</u>

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-7

SCHEDULE OF TAX TITLE LIENS

Balance December 31, 2009	\$ 4,171.42
Increased by:	
Transfers from Taxes Receivable	<u>613.88</u>
Balance December 31, 2010	\$ <u><u>4,785.30</u></u>

SCHEDULE OF SEWER CHARGES RECEIVABLE

Exhibit A-8

Increased by:	
2010 Charges (Net)	\$ 3,403,075.29
Decreased by:	
Collections	<u>3,110,805.06</u>
Balance December 31, 2010	\$ <u><u>292,270.23</u></u>

BOROUGH OF PRINCETON - COUNTY OF MERCER**CURRENT FUND**

Exhibit A-9

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Accrued in 2010</u>	<u>Collected by</u>	
		<u>Collector</u>	<u>Treasurer</u>
Licenses:			
Alcoholic Beverages	\$ 47,051.50	\$ 47,051.50	\$
Other	22,384.80	22,384.80	
Fees and Permits	160,255.62	160,255.62	
Municipal Court			
Fines and Costs	1,134,161.39	1,134,161.39	
Interest and Costs on Taxes	107,526.73		107,526.73
Interest on Investments and Deposits	156,164.61	156,164.61	
Anticipated Utility Operating Surplus	1,370,707.91	1,370,707.91	
Sewer Service Charges	3,110,805.06		3,110,805.06
Princeton University Donation	1,180,495.74	1,180,495.74	
Street Opening Inspection Fees	10,006.00	10,006.00	
Life Hazard Use Fees	53,108.68	53,108.68	
Fire and Housing Inspection Fees	234,360.00	234,360.00	
Passport Fees	15,000.00	15,000.00	
State Aid:			
Consolidated Municipal Property Tax Relief	91,429.00	91,429.00	
Energy Receipts Taxes	897,526.00	897,526.00	
Hotel Motel Tax	239,254.81	239,254.81	
Uniform Construction Code Fees	722,157.00	722,157.00	
Interlocal Service Agreements:			
Princeton Township Joint Services:			
Solid Waste Management	114,723.00	114,723.00	
Maintenance of Sewer Facilities	690,062.00	690,062.00	
Animal Control	59,518.00	59,518.00	
Health Services	284,483.00	284,483.00	
Fire Services	108,780.00	108,780.00	
Fire Facilities	50,662.00	50,662.00	
Senior Citizen Program	92,555.00	92,555.00	
LOSAP Alternative	24,750.00	24,750.00	
Flu Program	7,370.00	7,370.00	
Payment in Lieu of Taxes:			
Princeton Theological Seminary	206,998.00	206,998.00	
Elm Court PILOT	74,207.00	74,207.00	
Chamber Street Land Lease	102,000.00	102,000.00	
Stony Brook Sewer Industrial User Fees	24,343.06	24,343.06	
Assessment Trust Fund - Fund Balance	25,000.00	25,000.00	
Engineering Developer Fees	23,000.00	23,000.00	
Open Space Trust	201,000.00	201,000.00	
Sale of Municipal Assets	9,000.00	9,000.00	
General Capital Fund - Fund Balance	1,138,862.99	1,138,862.99	
	<u>\$ 12,789,708.90</u>	<u>\$ 9,571,377.11</u>	<u>\$ 3,218,331.79</u>
Receipts		\$ 9,562,377.11	\$ 3,217,597.18
Reserve for Sale of Municipal Assets		9,000.00	
Interfund - Other Funds			734.61
		<u>\$ 9,571,377.11</u>	<u>\$ 3,218,331.79</u>

BOROUGH OF PRINCETON - COUNTY OF MERCER

Exhibit A-10

CURRENT FUND

Sheet 1 of 5

SCHEDULE OF APPROPRIATION RESERVES

APPROPRIATIONS INCLUDED WITHIN CAPS

	<u>Balance Dec. 31, 2009</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Mayor and Council	\$ 241.58	\$ 111.83	\$ 353.41	\$ 228.11	\$ 125.30
Other Expenses					
Administrative and Executive					
Salaries and Wages	3,773.96		3,773.96		3,773.96
Other Expenses	3,990.34	5,140.49	9,130.83	7,897.44	1,233.39
Other Expenses - Flu Program	3,630.00		3,630.00	3,630.00	
Municipal Clerk					
Salaries and Wages	16,466.80		16,466.80		16,466.80
Other Expenses	17,052.54	5,328.26	22,380.80	18,339.55	4,041.25
Elections					
Salaries and Wages	2,089.72		2,089.72		2,089.72
Other Expenses	591.87		591.87		591.87
Financial Administration					
Salaries and Wages	2,135.16		2,135.16		2,135.16
Miscellaneous Other Expenses	741.03	254.93	995.96	135.05	860.91
Collection of Taxes					
Salaries and Wages	7,634.02		7,634.02		7,634.02
Other Expenses		277.43	277.43	277.43	
Assessment of Taxes					
Other Expenses	3,327.65	1,735.45	5,063.10	3,810.35	1,252.75
Legal Services and Costs					
Other Expenses	20,000.00	17,238.79	37,238.79	32,839.52	4,399.27
Defense of Tax Appeals		4,558.10	4,558.10	1,224.50	3,333.60
Municipal Prosecutor					
Other Expenses		12,400.00	12,400.00	12,400.00	
Engineering Services and Costs					
Salaries and Wages	2,644.63		2,644.63		2,644.63
Other Expenses	2.18	19,145.63	19,147.81	13,089.80	6,058.01

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-10

Sheet 2 of 5

SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance Dec. 31, 2009</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Municipal Court	\$ 11,868.00	\$	\$ 11,868.00	\$	\$ 11,868.00
Salaries and Wages	409.44	3,565.44	3,974.88	3,565.44	409.44
Other Expenses					
Public Defender		6,200.00	6,200.00	6,200.00	
Other Expenses					
Public Buildings and Ground	2,218.68		2,218.68		2,218.68
Salaries and Wages	31,993.61	10,323.96	42,317.57	14,425.37	27,892.20
Other Expenses					
Shade Tree Commission	3,776.59		3,776.59	3,776.59	
Salaries and Wages	9,421.66		9,421.66	9,421.66	
Other Expenses					
Insurance					
General Liability	2,407.00		2,407.00	2,407.00	
Workers Compensation	4,020.00		4,020.00	4,020.00	
Employee Group Health	7,832.61	11,780.55	19,613.16	19,613.16	
Fire					
Fire Hydrant Services	33,508.20	11,830.28	45,338.48	35,727.74	9,610.74
Miscellaneous Other Expenses	2,580.70		11,580.70	11,125.30	455.40
Fire Facilities	80.43		4,780.43	4,196.38	584.05
LOSAP Alternative	250.00		250.00		250.00
Police					
Salaries and Wages	260,042.53		260,042.53	260,000.00	42.53
Other Expenses	19,030.14	15,515.84	34,545.98	28,113.59	6,432.39
Purchase of Police Cars	108,000.00		108,000.00	78,995.92	29,004.08
Fire Inspectors		507.77	507.77	507.77	
Other Expenses					
Emergency Management Services					
Other Expenses	3,710.00		3,710.00		3,710.00
Road Repair and Maintenance					
Salaries and Wages	17,433.39		17,433.39		17,433.39
Other Expenses	41,761.84	17,747.15	59,508.99	51,398.97	8,110.02

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-10

SCHEDULE OF APPROPRIATION RESERVES

Sheet 3 of 5

	<u>Balance Dec. 31, 2009</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Street Lighting	\$ 50,606.78	\$	\$ 20,606.78	\$ 13,390.55	\$ 7,216.23
Other Expenses					
Mechanics	3,763.17		3,763.17		3,763.17
Salaries and Wages	5,348.26	9,018.12	14,366.38	11,029.18	3,337.20
Other Expenses					
Maintenance of Sewerage Facilities	1.00		1.00		1.00
Salaries and Wages					
Garbage and Trash Removal	43,477.40	59,149.89	102,627.29	102,627.29	
Other Expenses					
Solid Waste Disposal	10,000.00		10,000.00		10,000.00
Salaries and Wages	58,581.49		58,581.49	24,703.78	33,877.71
Other Expenses					
NJ PEOSHA	1,000.00		1,000.00		1,000.00
Other Expenses					
Board of Health	942.63		942.63	631.56	311.07
Salaries and Wages	8,000.61		8,000.61	5,273.86	2,726.75
Other Expenses					
Animal Control	1.00		1.00		1.00
Salaries and Wages					
Save Boarding Cost and Animal Care	510.00	170.00	680.00	635.00	45.00
Other Expenses					
Senior Citizens Program	4,491.23		7,511.23	7,508.00	3.23
Other Expenses					
Celebration of Public Events	4,157.00		4,157.00		4,157.00
Other Expenses					
Construction Official	1,094.41		1,094.41		1,094.41
Salaries and Wages	17,131.24	1,346.23	18,477.47	8,468.28	10,009.19
Other Expenses	4,150.00		4,150.00	4,150.00	
Condo Service Reimbursement	60,308.24		43,588.24		43,588.24
Salary and Wage Adjustment					

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-10

Sheet 4 of 5

SCHEDULE OF APPROPRIATION RESERVES

	Balance Dec. 31, 2009	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Utilities	\$	\$	\$	\$	\$
Gasoline	56,538.24	9,095.93	65,634.17	14,788.13	50,846.04
Telephone	16,860.07	4,873.28	21,733.35	7,562.91	14,170.44
Electricity and Natural Gas	37,517.36		21,017.36	21,017.36	
Water	210.28	516.36	726.64	561.36	165.28
Accumulated Leave Compensation	25,000.00		25,000.00	25,000.00	
Contribution to:					
Social Security System (O.A.S.I.)	32,682.28		32,682.28		32,682.28
Consolidated Police and Firemen's Fund	2,106.21		2,106.21		2,106.21
Total Appropriations within Caps	<u>1,089,145.20</u>	<u>227,831.71</u>	<u>1,270,476.91</u>	<u>874,713.90</u>	<u>395,763.01</u>

APPROPRIATIONS EXCLUDED FROM CAPS

Reserve for Tax Appeals	5,000.00		5,000.00		5,000.00
Maintenance of Joint Free Public Library					
Proportionate Share (R.S. 40-29.17)	17,808.70		17,808.70	5,923.09	11,885.61
Stony Brook Regional Sewerage Authority					
Share of Costs	4,413.65		46,500.00	46,457.00	43.00
Stony Brood Sewer Industrial User Free			4,413.65	4,413.65	
Implementation and Maintenance of 911					
Communication System					
Police					
Salaries and Wages	20,901.77		20,901.77		20,901.77
Princeton Township Joint Services					
Solid Waste					
Salaries and Wages	10,300.97		10,300.97	8,729.42	1,571.55
Other Expenses		20,333.45	20,333.45	20,333.45	
Maintenance of Sewer Facilities					
Salaries and Wages	118,611.83		118,611.83	79,553.74	39,058.09
Other Expenses		2,997.41	2,997.41	2,825.42	171.99

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-10

Sheet 5 of 5

SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance Dec. 31, 2009</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Princeton Township Joint Services (Continued)					
Fire	\$	\$	\$	\$	\$
Other Expenses		5,394.51	5,394.51	5,394.51	
Fire Facilities		1,608.02	1,608.02	1,608.02	
LOSAP Alternative	18,595.50	875.00	19,470.50	19,038.50	432.00
Health					
Other Expenses		15,992.65	15,992.65	15,992.65	
Flu Program	2,642.60	6,361.42	9,004.02	9,004.02	
Animal Control					
Salaries and Wages	2,626.57		2,626.57	1,760.47	866.10
Other Expenses		500.00	500.00	354.80	145.20
<u>CAPITAL IMPROVEMENTS EXCLUDED</u>					
<u>FROM CAPS</u>					
Institute Lands Preservation		4,663.80	4,663.80	4,663.80	
Total General Appropriations excluded from Caps	<u>200,901.59</u>	<u>58,726.26</u>	<u>306,127.85</u>	<u>226,052.54</u>	<u>80,075.31</u>
Total General Appropriations	<u>\$ 1,290,046.79</u>	<u>\$ 286,557.97</u>	<u>\$ 1,576,604.76</u>	<u>\$ 1,100,766.44</u>	<u>\$ 475,838.32</u>
Disbursed				\$ 779,270.99	
Due to Princeton Township				99,011.45	
Accounts Payable				<u>222,484.00</u>	
				<u>\$ 1,100,766.44</u>	

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-11

SCHEDULE OF COUNTY TAXES PAYABLE

Balance December 31, 2009		\$	90,040.15
Increased by:			
2010 Tax Levy:			
County Tax	\$ 12,604,236.64		
County Open Space Tax	518,370.36		
County Share of Added and Omitted Taxes	<u>16,682.89</u>		
			<u>13,139,289.89</u>
			13,229,330.04
Decreased by:			
Payments			<u>13,212,647.15</u>
Balance December 31, 2010		\$	<u><u>16,682.89</u></u>

SCHEDULE OF REGIONAL SCHOOL DISTRICT TAX

Exhibit A-12

Increased by:			
Levy - Calendar Year 2010		\$	21,234,550.02
Decreased by:			
Payments		\$	<u><u>21,234,550.02</u></u>

SCHEDULE OF MUNICIPAL OPEN SPACE TAX

Exhibit A-13

Increased by:			
Levy - Calendar Year 2010		\$	221,323.42
Decreased by:			
Disbursements		\$	<u><u>221,323.42</u></u>

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-14

SCHEDULE OF INTERFUNDS

	Total (Memo Only)	Assessment Trust Fund	Animal Control Trust Fund	General Capital Fund	Parking Operating Utility Fund
Balance December 31, 2009 - (Due From)/Due To	\$ (246,997.66)	\$	\$ (2,035.90)	\$ 55,038.24	\$ (300,000.00)
Increased by:					
Disbursements	55,038.24			55,038.24	
Statutory Excess	1,132.64		1,132.64		
Revenue Accounts Receivable	734.61	734.61			
Total Increases	56,905.49	734.61	1,132.64	55,038.24	
Total Increases and Balances	(303,903.15)	(734.61)	(3,168.54)	(300,000.00)	
Decreased by:					
Receipts	425,117.99		2,035.90		423,082.09
Balance December 31, 2010 - (Due From)/Due To	\$ 121,214.84	\$ (734.61)	\$ (1,132.64)	\$	\$ 123,082.09

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-15

SCHEDULE OF INTERFUND

FEDERAL AND STATE GRANT FUND

Increased by:
2010 Budget Appropriations

\$ 174,006.68

Decreased by:
Anticipated Revenues

\$ 174,006.68

BOROUGH OF PRINCETON - COUNTY OF MERCER

Exhibit A-16

CURRENT FUND

SCHEDULE OF GRANTS RECEIVABLE

FEDERAL AND STATE GRANT FUND

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2009</u> \$	<u>2010</u> <u>Budget</u> <u>Revenue</u> \$	<u>Realized</u> \$	<u>Balance</u> <u>Dec. 31, 2010</u> \$
Alcohol Education Rehabilitation Fund		\$ 6,736.59	\$ 6,736.59	
Body Armor Fund		4,195.62	4,195.62	
Bonner Foundation	3,219.68	21,500.00	20,119.09	4,600.59
Clean Communities Grant	80.00	13,733.76	13,733.76	
Comprehensive Tobacco Control	2,370.00			80.00
Cops-in-Shops	54,552.00	7,051.71	7,051.71	2,370.00
Health Services Grant - Influenza	950.00		27,112.45	27,439.55
Infrastructure Preparedness			950.00	
Over the Limit, Under Arrest	700.00	9,400.00	9,400.00	
Princeton University - Donation to Board of Health		700.00	700.00	700.00
Princeton University - Donations				
Fire Director - Salaries and Wages		50,000.00	50,000.00	
Princeton University - Fire Equipment		20,000.00	20,000.00	
Princeton University - Prospect Avenue Street Lighting		7,654.00		7,654.00
Public Health Priority Funding		3,359.00	3,359.00	
Safe and Secure Communities Program	6,081.00	29,676.00	7,865.00	27,892.00
Stormwater Management	5,104.00			5,104.00
	\$ 73,056.68	\$ 174,006.68	\$ 171,223.22	\$ 75,840.14

BOROUGH OF PRINCETON - COUNTY OF MERCER

Exhibit A-17

CURRENT FUND

SCHEDULE OF APPROPRIATED RESERVES

FEDERAL AND STATE GRANT FUND

<u>Grant</u>	<u>Balance Dec. 31, 2009</u>	<u>Transfer from 2010 Budget Appropriations</u>	<u>Prior Year Encumbrances</u>	<u>Expended</u>	<u>Balance Dec. 31, 2010</u>
Current Year Grants:					
Alcohol Education Rehabilitation Fund	\$ 11,311.01	\$ 6,736.59	\$	\$ 5,950.00	\$ 12,097.60
Body Armor Fund	2,270.08	4,195.62		2,270.08	4,195.62
Bonner Foundation	32,389.70	21,500.00	3,390.00	(4,574.71)	61,854.41
Clean Communities Grant	24,043.00	13,733.76		761.41	37,015.35
Click It or Ticket	4,158.86				4,158.86
Comprehensive Tobacco Control	725.00				725.00
Cops in Shops	3,935.93	7,051.71		3,764.89	7,222.75
Drunk Driving Enforcement Fund	21,736.12			8,149.69	13,586.43
Green Communities	3,000.00				3,000.00
Health Services Grant - Influenza	57,548.17		20,376.98	61,249.44	16,675.71
Infrastructure Preparedness	457.26			(1,103.05)	1,560.31
NJ Contingency Fund - Special Purpose	2,500.00		5,125.00	5,125.00	6.30
NJ Health Officers Association - Mini Grant				2,500.00	10,641.64
NJ Lead Investigation and Field Testing	12,699.85		4,810.52	4,804.22	270,000.00
Over the Limit, Under Arrest	270,000.00	9,400.00		11,458.21	
Princeton Gas Works Redevelopment	760.02			(817.12)	2,391.62
Princeton University - Donation to Board of Health		700.00	114.48		
Princeton University - Donations	50,000.00			98,910.48	1,089.52
Fire Director - Salaries and Wages	15,308.00	50,000.00		7,654.00	15,308.00
Princeton University - Prospect Avenue Street Lighting	33,150.92	7,654.00		(14,592.30)	67,743.22
Princeton University Fire Equipment	13,666.16	20,000.00		3,506.00	13,519.16
Public Health Priority Funding	56,469.15	3,359.00		4,465.14	52,004.01
Recycling Tonnage Grant	29,676.00	29,676.00		29,676.00	29,676.00
Safe and Secure Communities Program	2,405.72				2,405.72
State and Local All. Hazard Emergency Plan	2,190.00				2,190.00
State Park Services Grant	2,056.62				2,056.62
Stormwater Management	1,753.11				1,753.11
Tobacco Age of Sale					
	\$ 654,210.68	\$ 174,006.68	\$ 33,816.98	\$ 229,157.38	\$ 632,876.96
Disbursements					
Reserve for Encumbrances				\$ 221,676.38	
				7,481.00	
				\$ 229,157.38	

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-18

SCHEDULE OF UNAPPROPRIATED RESERVES

FEDERAL AND STATE GRANT FUND

	<u>Grant</u>	<u>Receipts</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
Infrastructure Preparedness		\$ <u>9,851.65</u>	\$ <u>9,851.65</u>

BOROUGH OF PRINCETON - COUNTY OF MERCER

Exhibit B-2

TRUST FUND

SCHEDULE OF CASH - TREASURER

	<u>Assessment Trust Fund</u>	<u>Animal Control Trust Fund</u>	<u>Trust - Other Fund</u>
Balance December 31, 2009	\$ 450,551.84	\$	\$ 1,358,780.15
Increased by Receipts:			
Assessment Collections	\$ 143,690.03	\$	\$
Animal Control License Fees		8,872.79	2,401,910.59
Miscellaneous Reserves			221,602.42
Reserve for Open Space			
Interfunds:			
Trust-Other Fund		9,060.30	
Current Fund	734.61		
General Capital Fund	212,000.00		
	<u>356,424.64</u>	<u>17,933.09</u>	<u>2,623,513.01</u>
	806,976.48	17,933.09	3,982,293.16
Decreased by Disbursements:			
Utilized as Current Fund Revenue	25,000.00		
Serial Bonds	9,313.54		
Refunds	1,645.10		
Miscellaneous Reserves			2,264,118.23
Reserve for Open Space		415.15	201,000.00
Expenditures Under R.S. 4:19-15.11			
Interfunds:			
Dog Trust Fund		2,035.90	9,060.30
Current Fund			
	<u>35,958.64</u>	<u>2,451.05</u>	<u>2,474,178.53</u>
	\$ 771,017.84	\$ 15,482.04	\$ 1,508,114.63
Balance December 31, 2010			

BOROUGH OF PRINCETON - COUNTY OF MERCER

Exhibit B-3

ASSESSMENT TRUST FUND

ANALYSIS OF CASH

	Balance Dec. 31, 2009	Receipts		Utilized as Current Fund Revenue	Disbursements		Balance Dec. 31, 2010
		Assessments	Miscellaneous		Miscellaneous	Transfers From To	
Fund Balance	\$ 346,324.37	\$ 83,188.26	\$	\$ 25,000.00	\$	\$ 67,930.99	\$ 336,581.64
Assessment Serial Bonds							
Ordinance Number:							
03-10 - Sidewalk Improvements	32,103.82	810.05			2,726.22		30,187.65
03-16 - Sidewalk Improvements	70,478.55	7,512.36			6,587.32		71,403.59
08-02 - Sidewalk Improvements		2,475.33				67,930.99	70,406.32
09-18 - Sidewalk Improvements		10,271.03					10,271.03
09-21 - Sidewalk Improvements	1,645.10	39,433.00			1,645.10		39,433.00
Prepaid Assessments							
Interfunds:							
Current Fund			212,000.00				212,000.00
General Capital Fund			734.61				734.61
	\$ 450,551.84	\$ 143,690.03	\$ 212,734.61	\$ 25,000.00	\$ 10,958.64	\$ 67,930.99	\$ 771,017.84

BOROUGH OF PRINCETON - COUNTY OF MERCER

TRUST FUND

Exhibit B-4

SCHEDULE OF ASSESSMENTS RECEIVABLE

ASSESSMENT TRUST FUND

Ordinance Number	Improvement Description	Balance Dec. 31, 2009 \$	Assessments Confirmed in 2010 \$	Collected \$	Balance Dec. 31, 2010 \$	Balance Pledged To	
						Assessment Bonds \$	Reserve for Assessments \$
94-06	Road, Curb Sidewalk and Drainage Improvements	562.07		562.07			
94-08	Road, Curb Sidewalk and Drainage Improvements	301.43		301.43	98.77		98.77
95-08B	Road, Curb Sidewalk and Drainage Improvements	933.33		834.56	81.18		81.18
95-08C	Road, Curb Sidewalk and Drainage Improvements	411.52		330.34			
96-25, 96-27,							
99-10	Various Sidewalk Improvements	639.74		397.26	242.48		242.48
95-22	Sewer and Water Improvements on John Street	5,537.48		3,334.45	2,203.03		2,203.03
00-19	Various Sidewalk Improvements	1,949.33		882.66	1,066.67		1,066.67
02-16	Sidewalk Improvements	394.08			394.08		394.08
03-10	Sidewalk Improvements	5,123.74		810.05	4,313.69		
03-12	Installation of Lighting and Drainage Improvements	9,953.04		9,322.12	630.92		630.92
03-16	Water, Sewer and Sidewalk Improvements	21,812.07		7,512.36	14,299.71		2,338.20
00-7, 01-15							
02-14, 02-16	Sidewalk Improvements	8,593.84		573.27	8,020.57		8,020.57
03-15	Sidewalk Improvements	12,461.35		868.21	11,593.14		11,593.14
05-12	Sidewalk Improvements	16,754.07		4,045.53	12,708.54		12,708.54
05-18	Sidewalk Improvements	26,999.73		5,814.54	21,185.19		21,185.19
05-19	Sidewalk Improvements	124,839.50		22,991.00	101,848.50		101,848.50
05-19	Improvements to Sewer System		32,342.00	26,423.62	5,918.38		5,918.38
07-18	Sewer Improvements			2,475.33	19,802.73	19,802.73	
08-02	Sidewalk Improvements	22,278.06		6,507.20			
08-26	Curbing Improvements	6,507.20					
09-18	Sidewalk Improvements		13,767.29	10,271.03	3,496.26	3,496.26	
09-21	Sidewalk Improvements		56,774.21	39,433.00	17,341.21	17,341.21	
		\$ 266,051.58	\$ 102,883.50	\$ 143,690.03	\$ 225,245.05	\$ 56,915.40	\$ 168,329.65

BOROUGH OF PRINCETON - COUNTY OF MERCER

TRUST FUND

Exhibit B-5

SCHEDULE OF RESERVE FOR ASSESSMENTS

ASSESSMENT TRUST FUND

Ordinance Number	Improvement Description	Balance Dec. 31, 2009	Unpledged Assessments	Collections to Surplus	Pledged To Serial Bonds	Balance Dec. 31, 2010
	Assessments Receivable:					
	Road, Curb Sidewalk and Drainage Improvements	\$ 562.07	\$	\$ 562.07	\$	\$
94-06	Road, Curb Sidewalk and Drainage Improvements	301.43		301.43		
94-08	Road, Curb Sidewalk and Drainage Improvements	933.33		834.56		98.77
95-08B	Road, Curb Sidewalk and Drainage Improvements	411.52		330.34		81.18
95-08C	Road, Curb Sidewalk and Drainage Improvements					
96-25, 96-27, 99-10	Various Sidewalk Improvements	639.74		397.26		242.48
95-22	Sewer and Water Improvements on John Street	5,537.48		3,334.45		2,203.03
00-19	Various Sidewalk Improvements	1,949.33		882.66		1,066.67
02-16	Sidewalk Improvements	394.08				394.08
03-16	Water, Sewer and Sidewalk Improvements	2,338.20				2,338.20
02-14, 02-16	Sidewalk Improvements	8,593.84		573.27		8,020.57
03-12	Installation of Lighting and Drainage Improvements	9,953.04		9,322.12		630.92
03-15	Sidewalk Improvements	12,461.35		868.21		11,593.14
05-12	Sidewalk Improvements	16,754.07		4,045.53		12,708.54
05-18	Sidewalk Improvements	26,999.73		5,814.54		21,185.19
05-19	Improvements to Sewer System	124,839.50		22,991.00	22,278.06	101,848.50
08-02	Sidewalk Improvements	22,278.06				
08-26	Curbing Improvements	6,507.20	32,342.00	6,507.20		5,918.38
07-18	Sewer Improvements			26,423.62		
		\$ 241,453.97	\$ 32,342.00	\$ 83,188.26	\$ 22,278.06	\$ 168,329.65

BOROUGH OF PRINCETON - COUNTY OF MERCER

Exhibit B-6

TRUST FUND

SCHEDULE OF SERIAL BONDS PAYABLE

ASSESSMENT TRUST FUND

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2009	Increased	Decreased	Balance Dec. 31, 2010
			Outstanding Date	Amount					
General Improvement Bonds	06/01/07	\$ 142,941.36	06/01/11	\$ 9,313.54	4.00%	\$ 127,179.98	\$	\$ 9,313.54	\$ 117,866.44
			06/01/12	10,746.39	4.00%				
			06/01/13	11,462.82	4.00%				
			06/01/14-15	13,612.10	4.00%				
			06/01/16-17	14,328.52	4.00%				
			06/01/18	15,044.95	4.00%				
			06/01/19	15,417.49	4.00%				
Sidewalk Assessment Bonds	06/01/10	212,000.00	02/01/11	27,000.00	3.00%		212,000.00		212,000.00
			02/01/12	25,000.00	3.00%				
			02/01/13-16	20,000.00	3.00%				
			02/01/17-18	20,000.00	4.00%				
			02/01/19-20	20,000.00	5.00%				
						\$ 127,179.98	\$ 212,000.00	\$ 9,313.54	\$ 329,866.44
Assessments Receivable Amount to Be Raised by Taxation Fund Balance									
							92,819.56		
							51,249.45		
							67,930.99		
							\$ 212,000.00		\$ 212,000.00

BOROUGH OF PRINCETON - COUNTY OF MERCER

TRUST FUND

Exhibit B-7

SCHEDULE OF RESERVE FOR ANIMAL CONTROL

ANIMAL CONTROL TRUST FUND

Balance December 31, 2009			\$ 7,024.40
Increased by:			
Animal Control License Fees Collected			<u>8,872.79</u>
			15,897.19
Decreased by:			
Interfund - Trust-Other Fund:			
Expenditures Under R.S. 4:19-15.11	\$ 415.15		
Statutory Excess Due to Current Fund	<u>1,132.64</u>		
			<u>1,547.79</u>
Balance December 31, 2010			<u>\$ 14,349.40</u>

License and Penalty Fees Collected

<u>Year</u>	<u>Amount</u>
2008	\$ <u>5,224.40</u>
2009	<u>9,125.00</u>
	<u>\$ 14,349.40</u>

SCHEDULE OF INTERFUND - TRUST-OTHER FUND

ANIMAL CONTROL TRUST FUND

Exhibit B-8

Balance December 31, 2009 - Due From	\$ 9,060.30
Decreased by:	
Deposits	<u>\$ 9,060.30</u>

BOROUGH OF PRINCETON - COUNTY OF MERCER

TRUST FUND

Exhibit B-9

SCHEDULE OF MISCELLANEOUS RESERVES

Balance December 31, 2009	\$ 1,242,718.20
Increased by:	
Receipts	<u>2,401,910.59</u>
	3,644,628.79
Decreased by:	
Disbursements	<u>2,264,118.23</u>
Balance December 31, 2010	<u><u>\$ 1,380,510.56</u></u>

Analysis of Balance

Reserve for:	\$ 62,738.33
Accumulated Sick Leave	2,940.00
Adopt A Park Program	1,000.00
Builders Escrow	23,495.76
Fire Equipment Donation	6,456.68
Fire Protection Trust	6,116.53
Graffiti Removal Trust	2,793.00
Homeless Trust	23,535.47
Landfill Closure Escrow	1,846.29
Latin American Task Force	17,215.29
Law Enforcement Trust	
Marquand Park/Charles Street	2,195.00
Bench Donations	1,874.46
Miscellaneous	244,744.73
Nassau HKT Performance Bond	120,875.04
Off Duty Police	6,871.18
POAA	6,504.26
Police Athletic Fund	5,872.22
Postage Trust Fund	5.52
Princeton University Park Donation	39,957.90
Public Defender Fees	365,148.59
Sewer Operating Committee Fees	19,788.53
Shade Trees	45,800.00
Tax Sale Premiums	2,040.77
Tax Collector Credit Card Fees	52,337.72
Unemployment Benefits	318,357.29
Zoning Escrow Fees	
	<u><u>\$ 1,380,510.56</u></u>

BOROUGH OF PRINCETON - COUNTY OF MERCER

TRUST FUND

Exhibit B-10

SCHEDULE OF RESERVE FOR OPEN SPACE

Balance December 31, 2009			\$ 107,001.65
Increased by:			
2010 Tax Levy	\$ 221,323.42		
Interest on Deposits	<u>279.00</u>		
		221,602.42	
		<u>328,604.07</u>	
Decreased by:			
Utilized as Anticipated Revenue		<u>201,000.00</u>	
Balance December 31, 2010			\$ <u><u>127,604.07</u></u>

BOROUGH OF PRINCETON - COUNTY OF MERCER

GENERAL CAPITAL FUND

Exhibit C-2

SCHEDULE OF CASH - TREASURER

Balance December 31, 2009			\$ 11,880,613.87
Increased by Receipts:			
NJ Environmental Infrastructure Trust Loan Proceeds	\$	489,437.00	
General Serial Bond Proceeds		12,589,000.00	
Deferred Charges Unfunded:			
Assessment Bonds Proceeds		212,000.00	
Capital Fund Balance		866,792.27	
Interfunds		775,038.24	
			<u>14,932,267.51</u>
			26,812,881.38
Decreased by Disbursements:			
Improvement Authorizations		6,521,833.57	
General Capital Fund Balance		1,138,862.99	
Bond Anticipation Notes		10,488,160.00	
Interfunds		223,045.03	
			<u>18,371,901.59</u>
Balance December 31, 2010			\$ <u><u>8,440,979.79</u></u>

BOROUGH OF PRINCETON - COUNTY OF MERCER

Exhibit C-3

Sheet 1 of 2

GENERAL CAPITAL CASH

ANALYSIS OF CASH

	Receipts			Disbursements			Balance Dec. 31, 2010 \$ 4,668,639.98 (4,786,962.00)
	Balance Dec. 31, 2009 \$ 2,613,698.56 18,605.86 (2,634,818.00)	Serial Bonds and Loans		Improvement Authorizations	Bond		
		Miscellaneous			Anticipation Notes		
Fund Balance							
Capital Improvement Fund							
NJ Environmental Infrastructure Trust Loan Receivable							
Interfund:							
Current Fund		489,437.00					
Trust-Other Fund							
Affordable Housing Utility Capital Fund			55,038.24				
Assessment Trust Fund			720,000.00				
Reserve for:							
Payment of Debt Service	84.65						84.65
Encumbrances	2,059,960.39					1,333,956.56	1,333,956.56
Improvement Authorizations							
General Improvements:				42,882.41			120,017.01
Acquisition and Construction of Recreational Facilities	162,899.42						
Various Capital Improvements	20.00					20.00	
Various Capital Improvements	14,403.68					14,403.68	
Various Capital Improvements	4,234.11					4,234.11	
Various Capital Improvements	42,088.60						
Various Capital Improvements	14.69					14.69	
Borough Hall Renovations	1,023.27					1,023.27	
Various Capital Improvements	10,387.60						
Various Capital Improvements	5,887.06			151.62		3,218.41	10,387.60
Various Capital Improvements	227,795.59			24.80		21,265.45	2,517.03
Various Capital Improvements	34,001.26			145.00		8,545.64	206,505.34
Various Capital Improvements	251,403.31					251,403.31	46,189.96
New Public Library	485.98					485.98	
Sewer Rehabilitation	7,059.53			40,201.68		97,738.72	14,374.76
Various Capital Improvements	57,655.93			5,000.00		38,281.17	72,272.56
Various Capital Improvements	303,499.75			736.89		246,132.27	381,775.64
Various Capital Improvements	419,333.77			23,908.37		13,649.76	
Various Capital Improvements	9,700.98			453.93		9,700.98	
Sidewalk Improvements	78,466.51					84,469.82	
Sidewalk Improvements	14,872.14					14,872.14	
Water, Sewer and Sidewalk Improvements	3,076.43					3,076.43	
Water and Sewer Improvements	21,800.94					21,800.94	
Sewer System Improvements	68,865.20					68,865.20	
Reconstruction of Various Streets	145,482.08						145,482.08
Sewer Rehabilitation	794,292.54			12.29		631,186.52	163,106.02
Various Capital Improvements	202,510.96			5,762.94		157,588.16	40,654.24
Various Capital Improvements	6,717.93					6,717.93	
Improvements to the Sewer System	1,329.64					1,329.64	
Sewer Rehabilitation	194,775.79					17,762.16	194,775.79
Improvements to the Sewer System at Park Place							
Improvements to Intersection at Witherspoon and							
Wiggins Streets	29,956.37						29,956.37
Sewer Improvements at Alexander Street, University	17,746.29					17,746.29	17,684.76
Place and Edwards Place	32,678.82			14,905.29		92.91	49,076.49
Various Capital Improvements	95,491.02			398.99		95,734.36	
Various Capital Improvements							

BOROUGH OF PRINCETON - COUNTY OF MERCER

Exhibit C-3

Sheet 2 of 2

GENERAL CAPITAL CASH

ANALYSIS OF CASH

	Balance Dec. 31, 2009	Receipts Bonds, Notes and Loans	Receipts Miscellaneous	Improvement Authorizations	Disbursements Bond Anticipation Notes	Miscellaneous	Transfers		Balance Dec. 31, 2010
							From	To	
General Improvements (Continued):									
Various Capital Improvements	\$ 23,718.42	\$	\$	\$	\$	\$	\$ 3,181.40	\$ 11,113.56	\$ 20,537.02
Various Capital Improvements	75,192.95						86,306.51		
Construction of Roads and Related Improvements to									
Sanitary Sewers and Drainage	245,734.26			8,346.80			245,734.26	8,346.80	
Sidewalk Improvements	39,929.76			3,350,639.41			368,526.39	3,397,988.19	2,422,544.74
Rehabilitation of Sewer System	2,743,722.35			(3,029.11)			22,961.60	19,606.57	81,232.00
Various Capital Improvements	81,557.92						6,738.25		
Sidewalk Improvements	6,738.25								
Improvements to Sewer System	241,408.89			1,274.00	357,000.00		240,134.89		306,648.57
Various Capital Improvements	359,257.35			25,928.78	1,657,000.00		68,197.87		169,996.52
Various Capital Improvements	191,666.00			241,089.51	1,286,000.00		37,397.52		55,244.29
Reconstruction of Cleveland Lane and Lafayette Road	61,877.17			6,632.88	1,603,000.00				53,763.88
Various Sewer Projects	140,750.98			116,143.36			26,053.02		228,953.56
Various Capital Improvements	240,360.54			20,112.34	726,000.00		2,705.79		11,411.15
Various Capital Improvements	372,506.84			54,506.91	935,000.00		15,475.09		308,457.11
Sidewalk Improvements	121,365.04			1,811.57	126,350.00				119,203.47
Renovations to the Public Works Garage	29,810.04			1,077.00	261,250.00				28,483.04
Various Capital Improvements	965,142.78			374,018.92	2,270,560.00		115,800.51	190,374.87	665,198.22
Various Capital Improvements	802,933.53			364,473.48	1,266,000.00		58,789.20	103,275.37	482,946.22
Curbing Improvements	15,526.40						15,526.40		
Improvements to Harriet Drive	(246,751.59)			39,000.68				25,293.14	24,540.87
Sidewalk Improvements	(16,184.50)			1,067.00				1,000.00	2,748.50
Sidewalk Improvements	3,473.00			65,808.10			3,397.83		1,267.07
Various Capital Improvements	(515,934.47)			765,764.35			24,113.41	308,401.02	388,828.79
Various Capital Improvements	(89,173.45)			93,701.10			66,027.95	22,402.54	330,200.04
Rehabilitation of the Sewer System	720,000.00			345,555.75			66,687.83		307,756.42
Sewer, Curbs and Sidewalk Improvements				80,379.85			27,439.65	5,750.00	(102,069.50)
Various Capital Improvements				16,340.88			18,570.00	33,275.00	(1,635.88)
Sewer Improvements				85,167.73			117,712.27	720,000.00	517,120.00
Sidewalk and Sewer Improvements				48,042.44			14,767.56	3,500.00	(59,310.00)
Various Capital Improvements				283,395.63			232,472.97	68,215.00	(447,653.60)
	\$ 11,880,613.87	\$ 13,290,437.00	\$ 1,641,830.51	\$ 6,521,833.57	\$ 10,488,160.00	\$ 1,361,908.02	\$ 9,380,423.40	\$ 9,380,423.40	\$ 8,440,979.79

BOROUGH OF PRINCETON - COUNTY OF MERCER

GENERAL CAPITAL FUND

Exhibit C-4

SCHEDULE OF DEFERRED CHARGES TO FUTURE

TAXATION - FUNDED

Balance December 31, 2009			\$ 23,423,980.49
Increased by Issued:			
General Improvement Bonds	\$ 12,589,000.00		
NJ Environmental Infrastructure Trust Loans Payable	<u>2,641,581.00</u>		
		15,230,581.00	
		<u>38,654,561.49</u>	
Decreased by:			
2010 Budget Appropriations:			
Serial Bonds	2,445,686.46		
Environmental Infrastructure Trust Loan	<u>310,583.69</u>		
		<u>2,756,270.15</u>	
Balance December 31, 2010			\$ <u><u>35,898,291.34</u></u>

BOROUGH OF PRINCETON - COUNTY OF MERCER

Exhibit C-5

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ordinance Number	Improvement Description	Balance Dec. 31, 2009	2010 Authorizations	Cancelled	Permanent Debt Issued	Analysis of Balance		
						Balance Dec. 31, 2010	Expenditures	Unexpended Improvement Authorizations
	General Improvements:	\$ 3,387,000.00	\$	\$ 3,387,000.00	\$	\$ 833,829.00	\$	\$ 833,829.00
01-13	New Public Library	3,475,410.00			2,641,581.00			
05-14	Rehabilitation of Sewer System	357,000.00			357,000.00			
05-19	Improvements to Sewer System	1,657,000.00			1,657,000.00			
06-15	Various Capital Improvements	1,286,000.00			1,286,000.00			
06-16	Various Capital Improvements	1,603,000.00			1,603,000.00			
07-14	Reconstruction of Cleveland Lane and Lafayette Road	726,000.00			726,000.00			
07-19	Various Capital Improvements	935,000.00			935,000.00			
07-20	Various Capital Improvements	126,350.00			126,000.00	350.00		350.00
08-02	Sidewalk Improvements	261,250.00			261,000.00	250.00		250.00
08-22	Renovations to Public Works Garage	2,270,560.00		327.80	2,270,060.00	172.20		172.20
08-23	Various Capital Improvements	1,266,000.00			1,266,000.00			
08-24	Various Capital Improvements	285,000.00			285,000.00			
09-16	Improvements to Harriet Drive	19,000.00			19,000.00	450.00		450.00
09-18	Sidewalk Improvements	67,450.00			67,000.00			
09-21	Sidewalk Improvements	1,386,240.00			1,386,240.00			
09-24	Various Capital Improvements	556,700.00			556,700.00			
09-25	Various Capital Improvements		109,250.00			109,250.00	102,069.50	7,180.50
10-01	Sewer, sidewalk and Curb Improvements		632,225.00			632,225.00	1,635.88	630,589.12
10-08	Various Capital Improvements		1,296,085.00			1,296,085.00	447,653.60	848,431.40
10-17	Various Capital Improvements		863,000.00			863,000.00		863,000.00
10-14	Refunding Bond Ordinance		66,500.00			66,500.00	59,310.00	7,190.00
10-16	Sidewalk and Sewer Improvements							
		\$ 19,664,960.00	\$ 2,967,060.00	\$ 3,387,327.80	\$ 15,442,581.00	\$ 3,802,111.20	\$ 610,668.98	\$ 3,191,442.22
	General Serial Bonds				\$ 12,589,000.00			
	Assessment Serial Bonds				212,000.00			
	Loans Payable				2,641,581.00			
					\$ 15,442,581.00			

BOROUGH OF PRINCETON - COUNTY OF MERCER

Exhibit C-6

GENERAL CAPITAL FUND

SCHEDULE OF INTERFUNDS

	Total (Memo Only)	Affordable Housing Utility Capital Fund	Current Fund	Trust-Other Fund	Assessment Trust Fund
Balance December 31, 2009 - (Due From)/Due To	\$ (51,503.24)	\$ 3,535.00	\$ (55,038.24)	\$	\$
Increased by:					
Disbursements	223,045.03	8,140.00		2,905.03	212,000.00
Sewer Connection Fees	720,000.00			720,000.00	
Total Increases	943,045.03	8,140.00		722,905.03	212,000.00
Total Increases and Balances	994,548.27	4,605.00	(55,038.24)	722,905.03	212,000.00
Decreased by:					
Receipts	775,038.24		55,038.24	720,000.00	
Cancelled Improvement Authorizations Funded by Sewer Connection Fees				2,905.03	
Total Decreases	777,943.27		55,038.24	722,905.03	
Balance December 31, 2010 - (Due From)/Due To	\$ (216,605.00)	\$ (4,605.00)	\$	\$	\$ (212,000.00)

BOROUGH OF PRINCETON - COUNTY OF MERCER

GENERAL CAPITAL FUND

Exhibit C-7

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance December 31, 2009	\$ 18,605.86
Increased by:	
Capital Surplus	<u>92,134.14</u>
	110,740.00
Decreased by:	
Utilized to Finance Improvement Authorizations	\$ <u><u>110,740.00</u></u>

BOROUGH OF PRINCETON - COUNTY OF MERCER

Exhibit C-8

GENERAL CAPITAL FUND

Sheet 1 of 2

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2009		2010 Authorizations	Prior-Year Encumbrances	Decreases	Cancelled	Balance Dec. 31, 2010	
				Funded	Unfunded					Funded	Unfunded
96-18	General Improvements:	08/13/96	\$ 480,000.00	\$ 162,899.42	\$	\$	\$	\$ 42,882.41	\$	\$ 120,017.01	\$
96-27	Acquisition and Construction of Recreational Facilities	10/22/96	1,277,000.00	20.00					20.00		
97-10	Various Capital Improvements	05/13/97	160,709.00	14,403.68				14,403.68	14,403.68		
98-02	Various Capital Improvements	04/28/98	1,361,000.00	4,234.11				4,234.11	4,234.11	42,088.60	
98-07	Various Capital Improvements	02/09/99	150,000.00	42,088.60					14.69		
99-02	Borough Hall Renovations	07/06/99	209,500.00	14.69					1,023.27		
99-09	Various Capital Improvements	07/13/99	1,450,000.00	1,023.27					3,218.41	10,387.60	
99-17	Various Capital Improvements	08/08/00	421,478.00	10,387.60				151.62	3,218.41	2,517.03	
00-16	Various Capital Improvements	09/12/00	2,827,413.00	5,887.06				24.80	21,265.45	206,505.34	
00-17,00-22	Various Capital Improvements	08/14/01	722,947.00	227,795.59			20,879.34	145.00	8,545.64	46,189.96	
01-08	Various Capital Improvements	10/02/01	5,760,000.00	34,001.26					3,638,403.31		
01-13	New Public Library	10/23/01	1,500,000.00	251,403.31					485.98		
01-14	Sewer Rehabilitation	11/30/01	1,674,488.00	485.98					97,738.72		
01-15	Various Capital Improvements	11/30/01	268,070.00	7,059.53			130,880.87	40,201.68	38,281.17	14,374.76	
01-16	Various Capital Improvements	11/16/01	2,232,281.00	57,655.93			15,641.97	5,000.00	243,099.53	72,272.56	
02-14	Various Capital Improvements	08/20/02	777,833.00	303,499.75				3,769.63	13,649.76	381,775.64	
02-15	Various Capital Improvements	08/20/02	114,500.00	419,333.77				23,908.37	9,700.98		
03-10	Sidewalk Improvements	04/08/03	520,002.00	9,700.98			6,457.24	6,911.17	78,012.58		
03-15	Water, Sewer and Sidewalk Improvements	06/10/03	123,417.00	78,466.51					14,872.14		
03-16	Water, Sewer and Sidewalk Improvements	06/10/03	26,057.00	14,872.14					3,076.43		
03-17	Water and Sewer Improvements	06/10/03	27,685.00	3,076.43					21,800.94		
03-19	Sewer System Improvements	07/22/03	775,000.00	68,865.20					68,865.20		
03-22	Reconstruction of Various Streets	07/22/03	850,000.00	145,482.08					631,186.52	145,482.08	
03-31	Sewer Rehabilitation	09/09/03	2,046,050.00	794,292.54			12.29	12.29	157,365.71	163,106.02	
03-40	Various Capital Improvements	12/02/03	930,397.00	202,510.96			1,494.38	5,985.39	6,717.93	40,654.24	
03-42	Improvements to the Sewer System	03/12/04	16,000.00	6,717.93					1,329.64		
04-01	Sewer Rehabilitation	06/01/04	530,000.00	1,329.64			17,762.16	17,762.16		194,775.79	
04-04	Improvements to the Sewer System at Park Place	08/31/04	262,500.00	194,775.79					29,956.37		
04-13	Improvements to Intersection at Witherspoon and Wiggins Streets	08/31/04	319,000.00	29,956.37							
04-14	Sewer Improvements at Alexander Street, University Place and Edwards Place	08/31/04	420,000.00	17,746.29					17,746.29		
04-15	Various Capital Improvements	11/30/04	94,115.00	32,678.82			4.14	14,905.29	92.91	17,684.76	
04-19	Various Capital Improvements	11/30/04	379,040.00	95,491.02			49,718.82	50,183.70	45,949.65	49,076.49	
04-20	Various Capital Improvements	03/22/05	1,107,573.00	23,718.42				3,181.40		20,537.02	
05-05	Various Capital Improvements	03/22/05	1,333,380.00	75,192.95			11,113.56	11,113.56	75,192.95		
05-06	Construction of Roads and Related Improvements	05/03/05	1,738,000.00	245,734.26					245,734.26		
05-11	Sanitary Sewers and Drainage	05/03/05	481,000.00	39,929.76				8,346.80	39,929.76		
05-12	Sidewalk Improvements	06/14/05	6,720,000.00	2,743,722.35				3,719,165.80		2,422,544.74	833,825.00
09-14, 05-14	Rehabilitation of Sewer System	08/09/05	523,300.00	81,557.92			19,606.57	19,924.49	8.00	81,232.00	
05-17	Various Capital Improvements	08/09/05	162,955.00	6,738.25					6,738.25		
05-18	Sidewalk Improvements	08/09/05	38,700.00						240,134.89	306,648.57	
05-19	Improvements to Sewer System	07/25/06	1,744,263.00	359,257.35			41,517.87	56,256.29	37,870.36	169,996.52	
06-15	Various Capital Improvements	07/10/07	1,687,400.00	61,877.17			256,817.55	6,632.88	142.79	55,244.29	
07-09, 06-16	Reconstruction of Cleveland Lane and Lafayette Road	09/11/07	500,000.00	140,750.98			55,209.28	142,196.38		53,763.88	
07-14	Various Sewer Projects	09/11/07	763,694.00				11,411.15	22,818.13	5,773.60	228,953.56	
07-18	Various Capital Improvements	02/26/08	133,000.00				5,932.27	64,208.40		308,457.11	
07-19	Sidewalk Improvements	09/02/08	275,000.00					1,811.57		119,203.47	
08-02	Renovations to the Public Works Garage	10/28/08	2,385,560.00				1,077.00	1,077.00		28,483.04	
08-22	Various Capital Improvements	11/05/08	1,331,000.00				190,374.87	489,819.43	327.80	665,198.22	
08-23	Curbing Improvements		16,000.00	15,526.40			103,275.37	422,363.27	899.41	482,946.22	
08-26									15,526.40		

BOROUGH OF PRINCETON - COUNTY OF MERCER

Exhibit C-8
Sheet 2 of 2

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Ordinance Amount		Balance Dec. 31, 2009		2010 Authorizations	Prior-Year Encumbrances	Decreases	Cancelled	Balance Dec. 31, 2010	
		Date		Funded	Unfunded					Funded	Unfunded
09-16	General Improvements (Continued)	06/09/09	\$		\$		\$			\$	
09-18	Improvements to Harriet Drive	06/09/09	\$		38,248.41		\$	39,000.68		24,540.87	
09-21	Sidewalk Improvements	08/04/09			2,815.50			1,067.00		2,748.50	
09-24	Sidewalk Improvements	09/29/09		3,473.00	67,430.00			69,205.93		1,267.07	450.00
09-25	Various Capital Improvements	09/29/09			870,305.53		308,401.02	789,877.76		388,828.79	
09-26	Rehabilitation of the Sewer System	09/29/09			467,526.55		22,402.54	159,729.05		330,200.04	
10-01	Sewer, Curbs and Sidewalk Improvements	03/02/10		720,000.00				412,243.58		307,756.42	
10-08	Various Capital Improvements	06/22/10				115,000.00		107,819.50			7,180.50
10-15	Sewer Improvements	10/26/10				665,500.00		34,910.88		517,120.00	630,589.12
10-16	Sidewalk and Sewer Improvements	10/26/10				720,000.00		202,880.00			7,190.00
10-17	Various Capital Improvements	10/26/10				70,000.00		62,810.00			848,431.40
10-14	Refunding Ordinance	09/14/10				1,364,300.00		515,868.60			863,000.00
						863,000.00					
	Total General Improvements		\$	7,356,301.48	\$ 11,695,084.17	\$ 3,797,800.00	\$ 2,059,960.39	\$ 7,855,790.13	\$ 5,809,379.11	\$ 8,052,534.58	\$ 3,191,442.22
						\$		\$ 6,521,833.57			
	Disbursed							1,333,956.56			
	Reserve for Encumbrances								2,419,146.28		
	General Capital Fund Balance					2,967,060.00			3,387,327.80		
	Deferred Charges - Unfunded					720,000.00			2,905.03		
	Sewer Connection Fees					110,740.00					
	Capital Improvement Fund					\$ 3,797,800.00			\$ 5,809,379.11		
								\$ 7,855,790.13			

BOROUGH OF PRINCETON - COUNTY OF MERCER

Exhibit C-9

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

Improvement Description	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2009	Issued for Cash	Decreased	Balance Dec. 31, 2010
			Outstanding	Amount					
General Improvement Bonds Series A	11/01/98	\$ 7,055,000	08/15/11-14	\$ 380,000	4.25%				
		5,553,000	08/15/15	390,000	4.25%				
			08/15/16-17	390,000	4.30%				
			08/15/18	388,000	4.50%	3,458,000.00		380,000.00	3,078,000.00
Series B		8,214,000	08/15/11-15	570,000	4.25%				
			08/15/16-17	570,000	4.30%				
			08/15/18	519,000	4.50%	5,079,000.00		570,000.00	4,509,000.00
			06/01/11	640,686.46	4.00%				
General Improvement Bonds	06/01/07	9,833,059	06/01/12	739,253.62	4.00%				
			06/01/13	788,537.18	4.00%				
			06/01/14-15	936,387.90	4.00%				
			06/01/16-17	985,671.48	4.00%				
General Improvement Bonds			06/01/18	1,034,955.05	4.00%	8,748,820.02		640,686.46	8,108,133.56
			06/01/19	1,060,582.50	4.00%				
			02/01/11-13	600,000.00	3.00%				
		12,589,000	02/01/14-16	530,000.00	3.00%				
			02/01/17-18	580,000.00	4.00%				
			02/01/19	980,000.00	5.00%				
			02/01/20	1,000,000.00	5.00%				
			02/01/21	1,000,000.00	3.13%				
			02/01/22	1,000,000.00	3.25%				
			02/01/23	1,000,000.00	3.38%				
			02/01/24	1,020,000.00	3.50%				
			02/01/25	1,020,000.00	4.00%				
		02/01/26	1,019,000.00	3.50%					
						\$ 855,000.00	\$	\$ 855,000.00	\$

BOROUGH OF PRINCETON - COUNTY OF MERCER

GENERAL CAPITAL FUND

Exhibit C-10

SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE

TRUST LOANS RECEIVABLE

Balance December 31, 2009	\$ 2,634,818.00
Increased by Issued:	
NJ Environmental Infrastructure Trust Loans Payable	2,641,581.00
Trust Loans Payable	<u>5,276,399.00</u>
Decreased by:	
Loan Proceeds	<u>489,437.00</u>
Balance December 31, 2010	\$ <u><u>4,786,962.00</u></u>

BOROUGH OF PRINCETON - COUNTY OF MERCER

Exhibit C-11

GENERAL CAPITAL FUND

SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS PAYABLE

Issue	Date of Issue	Original Issue	Interest Rate	Balance Dec. 31, 2009	Increases	Decreases	Balance Dec. 31, 2010
		\$		\$	\$	\$	\$
Wastewater Treatment Trust Loan - Trust	11/09/06	905,000.00	4.00% to 5.00%	840,000.00		35,000.00	805,000.00
Wastewater Treatment Trust Loan - State	11/09/06	889,142.00	0.00%	776,063.14		46,469.44	729,593.70
Wastewater Treatment Trust Loan - Trust	11/08/07	870,000.00	3.40% To 5.00%	840,000.00		30,000.00	810,000.00
Wastewater Treatment Trust Loan - State	11/08/07	848,221.00	0.00%	784,500.78		42,674.13	741,826.65
Wastewater Treatment Trust Loan - Trust	11/06/08	1,035,000.00	5.00% To 5.50%	1,035,000.00		35,000.00	1,000,000.00
Wastewater Treatment Trust Loan - State	11/06/08	1,034,227.00	0.00%	1,007,596.55		53,928.90	953,667.65
Wastewater Treatment Trust Loan - Trust	2010	650,000.00	3.00% To 5.00%		650,000.00		650,000.00
Wastewater Treatment Trust Loan - State	2010	1,991,581.00	0.00%		1,991,581.00	67,511.22	1,924,069.78
				<u>\$ 5,283,160.47</u>	<u>\$ 2,641,581.00</u>	<u>\$ 310,583.69</u>	<u>\$ 7,614,157.78</u>

BOROUGH OF PRINCETON - COUNTY OF MERCER**GENERAL CAPITAL FUND****Exhibit C-12****SCHEDULE OF BOND ANTICIPATION NOTES**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2009</u>	<u>Decreases</u>
05-19	Improvements to Sewer System	\$ 357,000.00	\$ 357,000.00
06-15	Various Capital Improvements	1,657,000.00	1,657,000.00
06-16	Various Capital Improvements	1,286,000.00	1,286,000.00
07-14	Reconstruction of Cleveland Lane and Lafayette Road	1,603,000.00	1,603,000.00
07-19	Various Capital Improvements	726,000.00	726,000.00
07-20	Various Capital Improvements	935,000.00	935,000.00
08-02	Sidewalk Improvements	126,350.00	126,350.00
08-22	Renovations to the Public Works Garage	261,250.00	261,250.00
08-23	Various Capital Improvements	2,270,560.00	2,270,560.00
08-24	Various Capital Improvements	1,266,000.00	1,266,000.00
		<u>\$ 10,488,160.00</u>	<u>\$ 10,488,160.00</u>
	Paid by General Serial Bond Proceeds		\$ 10,361,060.00
	Paid by Assessment Bond Proceeds		126,000.00
	Disbursed		<u>1,100.00</u>
			<u>\$ 10,488,160.00</u>

BOROUGH OF PRINCETON - COUNTY OF MERCER

GENERAL CAPITAL FUND

Exhibit C-13

SCHEDULE OF BONDS AND NOTES AUTHORIZED

BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2010</u>
	General Improvements:	
05-14	Rehabilitation of Sewer System	\$ 833,829.00
08-02	Sidewalk Improvements	350.00
08-22	Renovations to PW Garage	250.00
08-23	Various Capital Improvements	172.20
09-21	Sidewalk Improvements	450.00
10-01	Sewer, Curbs, Sidewalk Improvements	109,250.00
10-08	Various Capital Improvements	632,225.00
10-17	Various Capital Improvements	1,296,085.00
10-14	Refunding Bond Ordinance	863,000.00
10-16	Sewer, Curbs, Sidewalk Improvements	<u>66,500.00</u>
		<u>\$ 3,802,111.20</u>

BOROUGH OF PRINCETON - COUNTY OF MERCER

PARKING UTILITY FUND

Exhibit D-5

SCHEDULE OF PARKING UTILITY FUND - CASH

	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2009	\$ 824,357.90	\$ 406,573.04
Increased by Receipts:		
Anticipated Revenues	\$ 3,259,883.78	
Non-Budget Revenue	120,019.88	
Interfunds		
Parking Operating Fund		789.71
Deferred Charge Raised in 2010 Budget		100,000.00
	<u>3,379,903.66</u>	<u>100,789.71</u>
	4,204,261.56	507,362.75
Decreased by Disbursements:		
Budget Appropriations	2,860,207.41	
Appropriation Reserves	32,605.74	
Improvement Authorization		324,254.74
Interfunds		
Current Fund	423,082.09	
Accrued Interest Payable	<u>575,706.28</u>	
	<u>3,891,601.52</u>	<u>324,254.74</u>
Balance December 31, 2010	\$ <u>312,660.04</u>	\$ <u>183,108.01</u>

BOROUGH OF PRINCETON - COUNTY OF MERCER**PARKING UTILITY CAPITAL FUND****Exhibit D-6****ANALYSIS OF PARKING UTILITY CAPITAL CASH**

	Balance Dec. 31, 2010	Balance Dec. 31, 2009
Fund Balance	\$ 12,179.42	\$ 12,179.42
Accounts Receivable	(82,851.23)	(82,851.23)
Due to Parking Utility Operating Fund	789.71	
Reserve for Debt Service - County of Mercer Open Space	375,000.00	375,000.00
Improvement Authorizations:		
Ordinance Number:		
02-22	238,040.23	278,325.97
03-41	(26,011.91)	(26,011.91)
04-12	(185,389.21)	(185,389.21)
06-14	7,359.00	12,859.00
07-21	(13,465.00)	(8,465.00)
08-25	31,100.00	31,100.00
09-27	27,816.00	(174.00)
10-04	(201,459.00)	
	<u>\$ 183,108.01</u>	<u>\$ 406,573.04</u>

SCHEDULE OF ACCOUNTS RECEIVABLE**Exhibit D-7**

Balance December 31, 2010 and 2009	\$ 82,851.23
Troast Reimbursement - Nassau HKT	\$ 62,909.43
Princeton Public Library	19,941.80
	<u>\$ 82,851.23</u>

SCHEDULE OF FIXED CAPITAL**Exhibit D-8**

	Balance Dec. 31, 2010 and 2009
Parking Utility 2002	<u>\$ 200,000.00</u>

BOROUGH OF PRINCETON - COUNTY OF MERCER

Exhibit D-9

PARKING UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2009	Increases	Decreases	Balance Dec. 31, 2010
		Date	Amount				
02-22	Development and Construction of a Parking Facility and Related Park Plaza	12/17/02	\$ 13,500,000.00	\$ 13,500,000.00	\$	\$	\$ 13,500,000.00
03-41	Acquisition of Equipment	12/02/03	50,000.00	50,000.00		130.90	49,869.10
04-12	Technology Improvements	08/31/04	194,500.00	194,500.00		10.79	194,489.21
06-14	Various Capital Improvements	08/08/06	15,376.00	15,376.00			15,376.00
07-21	Acquisition of Equipment	09/11/07	39,000.00	39,000.00			39,000.00
08-25	Improvements to Parking Garage	10/28/08	31,700.00	31,700.00			31,700.00
09-27	Various Capital Improvements	09/29/09	226,000.00	226,000.00	250,000.00		226,000.00
10-04	Various Improvements	04/13/10	250,000.00	250,000.00	1,795,000.00		250,000.00
10-13	Refunding Bond Ordinance	09/14/10	1,795,000.00				1,795,000.00
				<u>\$ 14,056,576.00</u>	<u>\$ 2,045,000.00</u>	<u>\$ 141.69</u>	<u>\$ 16,101,434.31</u>

BOROUGH OF PRINCETON - COUNTY OF MERCER

PARKING UTILITY OPERATING FUND

Exhibit D-10

SCHEDULE OF INTERFUNDS

	<u>Total (Memo Only)</u>	<u>Current Fund</u>	<u>Parking Utility Capital Fund</u>
Balance December 31, 2009 - (Due From)/Due To	\$ <u>300,000.00</u>	\$ <u>300,000.00</u>	\$ <u> </u>
Decreased by:			
Disbursements	423,082.09	423,082.09	789.71
Interest Earned On Deposits	<u>789.71</u>	<u> </u>	<u>789.71</u>
Total Decreases	<u>423,871.80</u>	<u>423,082.09</u>	<u>789.71</u>
Balance December 31, 2010 - (Due From)/Due To	\$ <u><u>(123,871.80)</u></u>	\$ <u><u>(123,082.09)</u></u>	\$ <u><u>(789.71)</u></u>

BOROUGH OF PRINCETON - COUNTY OF MERCER

Exhibit D-11

PARKING UTILITY OPERATING FUND

SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance December 31, 2009</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Balance</u>
	<u>Appropriation</u>	<u>Modification</u>	<u>Charged</u>	<u>Lapsed</u>
	<u>Reserves</u>			
Salaries and Wages	\$ 4,564.71	\$ 4,564.71	\$ 2,515.17	\$ 2,049.54
Other Expenses		30,090.57	30,090.57	
	<u>\$ 4,564.71</u>	<u>\$ 34,655.28</u>	<u>\$ 32,605.74</u>	<u>\$ 2,049.54</u>

BOROUGH OF PRINCETON - COUNTY OF MERCER

PARKING UTILITY OPERATING FUND

Exhibit D-12

SCHEDULE OF ACCRUED INTEREST ON BONDS

Balance December 31, 2009	\$ 215,890.66
Increased by:	
Budget Appropriation	<u>569,331.00</u>
	785,221.66
Decreased by:	
Disbursements	<u>575,706.28</u>
Balance December 31, 2010	\$ <u><u>209,515.38</u></u>

BOROUGH OF PRINCETON - COUNTY OF MERCER

Exhibit D-13

PARKING UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2009		2010 Authorizations	Decreases		Balance Dec. 31, 2010	
		Date	Amount	Funded	Unfunded				Funded	Unfunded
02-22	Development and Construction of a Parking Facility and Related Park Plaza	12/17/02	\$ 13,500,000.00	\$ 278,325.97	\$ 23,988.09	\$	\$ 40,285.74	\$	\$ 238,040.23	\$ 23,857.19
03-41	Acquisition of Equipment	12/02/03	50,000.00		9,110.79		130.90			9,100.00
04-12	Technology Improvements	08/31/04	194,500.00		376.00		10.79			376.00
06-14	Various Capital Improvements	08/08/06	15,376.00	12,859.00	6,535.00		5,500.00		7,359.00	1,535.00
07-21	Acquisition of Equipment	09/11/07	39,000.00				5,000.00		31,100.00	
08-25	Improvements to Parking Garage	10/28/08	31,700.00	31,100.00	225,826.00		72,010.00		27,816.00	126,000.00
09-27	Various Capital Improvements	09/29/09	226,000.00			250,000.00	201,459.00			48,541.00
10-04	Various Improvements	04/13/10	250,000.00			1,795,000.00				1,795,000.00
10-13	Refunding Bond Ordinance	09/14/10	1,795,000.00							
				<u>\$ 322,284.97</u>	<u>\$ 265,835.88</u>	<u>\$ 2,045,000.00</u>	<u>\$ 324,396.43</u>		<u>\$ 304,315.23</u>	<u>\$ 2,004,409.19</u>
							<u>\$ 324,254.74</u>			
							<u>141.69</u>			
							<u>\$ 324,396.43</u>			

Disbursements
Cancelled by Resolution

BOROUGH OF PRINCETON - COUNTY OF MERCER

PARKING UTILITY CAPITAL FUND

Exhibit D-14

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Balance December 31, 2009			\$ 1,165,700.00
Increased by:			
Paid by Budget Appropriation:			
Serial Bonds Payable	\$ 400,000.00		
Deferred Charges - Ordinance 09-27	<u>100,000.00</u>		
		<u>500,000.00</u>	
Balance December 31, 2010			<u><u>\$ 1,665,700.00</u></u>

BOROUGH OF PRINCETON - COUNTY OF MERCER

Exhibit D-15

PARKING UTILITY CAPITAL FUND

SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2009	Paid by Budget Appropriation	Balance Dec. 31, 2010
			Outstanding Date	Amount Dec. 31, 2010				
Parking Utility Improvement Bonds	08/15/03	\$ 13,700,000.00	08/15/11	\$ 425,000.00	4.25%			
			08/15/12	450,000.00	4.25%			
			08/15/13	475,000.00	4.25%			
			08/15/14	500,000.00	4.25%			
			08/15/15	525,000.00	4.25%			
			08/15/16	550,000.00	4.30%			
			08/15/17	575,000.00	4.30%			
			08/15/18	600,000.00	4.50%			
			08/15/19	625,000.00	4.625%			
			08/15/20-21	725,000.00	4.75%			
			08/15/22	775,000.00	4.75%			
			08/15/23	825,000.00	4.75%			
			08/15/24-25	875,000.00	4.75%			
			08/15/26	885,000.00	4.75%			
			08/15/27	895,000.00	4.75%			
			08/15/28	900,000.00	4.75%			
						\$ 12,605,000.00	\$ 400,000.00	\$ 12,205,000.00

BOROUGH OF PRINCETON - COUNTY OF MERCER

Exhibit D-16

PARKING UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Ordinance Date	Improvement Description	Balance Dec. 31, 2009	Authorized	Decreases	Balance Dec. 31, 2010
03-41	12/02/03	Acquisition of Equipment	\$ 50,000.00	\$	\$ 130.90	\$ 49,869.10
04-12	08/31/04	Technology Improvements	194,500.00		10.79	194,489.21
06-14	08/08/06	Various Capital Improvements	376.00			376.00
07-21	09/11/07	Acquisition of Equipment	15,000.00			15,000.00
08-25	10/28/08	Improvements to Parking Garage				
09-27	09/29/09	Various Capital Improvements	226,000.00		100,000.00	126,000.00
10-04				250,000.00		250,000.00
10-13				1,795,000.00		1,795,000.00
			\$ 485,876.00	\$ 2,045,000.00	\$ 100,141.69	\$ 2,430,734.31

BOROUGH OF PRINCETON - COUNTY OF MERCER

PUBLIC ASSISTANCE TRUST FUND

Exhibit E-1

SCHEDULE OF CASH - TREASURER AND PETTY CASH

Balance December 31, 2009			\$ 124,838.20
Increased by Receipts:			
State Aid	\$ 54,900.00		
Interest on Deposits	278.11		
Reimbursements:			
Supplemental Security Income	21,510.92		
Other	1,910.25		
			<u>78,599.28</u>
			203,437.48
Decreased by Disbursements:			
Public Assistance Expenditures -			
State Eligible Match			<u>110,161.67</u>
Balance December 31, 2010			\$ <u><u>93,275.81</u></u>

SCHEDULE OF PREPAID STATE AID

Exhibit E-2

Balance December 31, 2009			\$ 90,759.67
Increased by:			
State Aid Payments Received	\$ 54,900.00		
SSI Reimbursement	21,510.92		
Canceled Checks	1,910.25		
			<u>78,321.17</u>
			169,080.84
Decreased by:			
Expenditures for Public Assistance -			
State Eligible Match			<u>110,161.67</u>
Balance December 31, 2010			\$ <u><u>58,919.17</u></u>

BOROUGH OF PRINCETON - COUNTY OF MERCER
PUBLIC ASSISTANCE TRUST FUND
SCHEDULE OF RESERVE FOR PUBLIC ASSISTANCE

Exhibit E-3

Balance December 31, 2009	\$ 32,840.22
Increased by:	
Interest on Deposits	<u>278.11</u>
Balance December 31, 2010	<u><u>\$ 33,118.33</u></u>

BOROUGH OF PRINCETON - COUNTY OF MERCER
AFFORDABLE HOUSING OPERATING UTILITY FUND
SCHEDULE OF CASH - COLLECTOR-TREASURER

Exhibit S-5

Balance December 31, 2009			\$ 1,368,079.43
Increased by Receipts:			
Reserves:			
Housing Trust	\$	5,965.00	
Developer Fees		1,524.69	
Growth Share		1,532.69	
Payment of Debt		7.07	
Interfunds		3,535.00	
Anticipated Revenues		62,863.49	
Miscellaneous		<u>19,438.00</u>	
			94,865.94
			<u>1,462,945.37</u>
Decreased by Disbursements:			
Budget Appropriations			<u>600,998.96</u>
Balance December 31, 2010			\$ <u><u>861,946.41</u></u>

BOROUGH OF PRINCETON - COUNTY OF MERCER
AFFORDABLE HOUSING UTILITY OPERATING FUND

Exhibit S-6

SCHEDULE OF RESERVES

	Total (Memo Only)	Housing Trust	Developer Fees	Growth Share	Payment of Debt
Balance December 31, 2009	\$ 1,253,856.89	\$ 47,559.30	\$ 609,590.40	\$ 592,825.19	\$ 3,882.00
Increased by:					
Transfer from Operations (Net)	101,710.48	18,846.99	82,863.49	1,532.69	7.07
Interest on Deposits	3,064.45		1,524.69		
Miscellaneous	5,965.00	5,965.00			
Total Increases	110,739.93	24,811.99	84,388.18	1,532.69	7.07
Total Balances and Increases	1,364,596.82	72,371.29	693,978.58	594,357.88	3,889.07
Decreased by:					
Anticipated as Utility Operating Revenue	640,553.65	47,550.00	444,607.15	148,396.50	
Balance December 31, 2010	\$ 724,043.17	\$ 24,821.29	\$ 249,371.43	\$ 445,961.38	\$ 3,889.07

BOROUGH OF PRINCETON - COUNTY OF MERCER

AFFORDABLE HOUSING UTILITY CAPITAL FUND

Exhibit S-7

ANALYSIS OF AFFORDABLE HOUSING UTILITY CAPITAL CASH

	<u>Balance Dec. 31, 2010</u>	<u>Balance Dec. 31, 2009</u>
Fund Balance	\$ 67,193.84	\$ 67,193.84
Due (From)/To General Capital Fund	4,605.00	(3,535.00)
Due (From)/To Operating Fund	(117,757.54)	(114,222.54)
Improvement Authorizations:		
Ordinance Number:		
89-37	67,702.05	67,702.05
06-13	<u>(21,743.35)</u>	<u>(17,138.35)</u>
	<u>\$ -0-</u>	<u>\$ -0-</u>

BOROUGH OF PRINCETON - COUNTY OF MERCER

AFFORDABLE HOUSING UTILITY CAPITAL FUND

Exhibit S-8

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance</u>		<u>Balance Dec. 31, 2010</u>
		<u>Date</u>	<u>Amount</u>	
06-13	Improvements and Renovations to Housing Authority	08/08/06	\$ 211,150.00	\$ 211,150.00

BOROUGH OF PRINCETON - COUNTY OF MERCER
AFFORDABLE HOUSING UTILITY CAPITAL FUND
SCHEDULE OF INTERFUNDS

Exhibit S-9

	<u>Total (Memo Only)</u>	<u>Affordable Housing Operating Fund</u>	<u>General Capital Fund</u>
Balance December 31, 2009 - (Due From)/Due To	\$ (117,757.54)	\$ (114,222.54)	\$ (3,535.00)
Increased by:			
Deposits in Affordable Housing Operating Fund	3,535.00	3,535.00	
Total Balances and Increases	<u>121,292.54</u>	<u>117,757.54</u>	<u>3,535.00</u>
Decreased by:			
Settlement of General Capital Fund	3,535.00		3,535.00
Disbursements in General Capital Fund	4,605.00		4,605.00
Total Decreases	<u>8,140.00</u>		<u>8,140.00</u>
Balance December 31, 2010 - (Due From)/Due To	\$ <u>(113,152.54)</u>	\$ <u>(117,757.54)</u>	\$ <u>4,605.00</u>

BOROUGH OF PRINCETON - COUNTY OF MERCER

AFFORDABLE HOUSING UTILITY CAPITAL FUND

Exhibit S-10

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2009		Balance Dec. 31, 2010	
		Date	Amount	Funded	Unfunded	Funded	Unfunded
89-37	Financing of Affordable Housing Program	10/04/89	\$ 5,891,938.00	\$ 67,702.05	\$	\$ 67,702.05	\$
06-13	Improvements and Renovations to Housing Authority	08/08/06	211,150.00		194,011.65	4,605.00	189,406.65
				\$ 67,702.05	194,011.65	\$ 4,605.00	\$ 189,406.65

BOROUGH OF PRINCETON - COUNTY OF MERCER
AFFORDABLE HOUSING UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED
BUT NOT ISSUED

Exhibit S-11

<u>Ordinance Number</u>	<u>Ordinance Date</u>	<u>Improvement Description</u>	<u>Balance Dec. 31,2010</u>
06-13	08/08/06	Improvements and Renovations to Housing Authority	\$ <u>211,150.00</u>

BOROUGH OF PRINCETON

COUNTY OF MERCER

PART III

REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING

AND ON COMPLIANCE AND OTHER MATTERS

YEAR ENDED DECEMBER 31, 2010

William E. Antonides and Company

CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited the financial statements of the Borough of Princeton (the "Borough"), as of and for the year ended December 31, 2010, and have issued our report thereon dated September 30, 2011. Our report disclosed that, as described in Note 1 to the regulatory basis financial statements, the Borough prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. 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 in accordance with audit requirements prescribed by the Division.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Borough's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over financial reporting.

Internal Control Over Financial Reporting (Continued)

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.

Our consideration of internal control over financial reporting was for the limited purposes described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division. We noted certain matters that we reported to management of the Borough in a separate letter dated September 30, 2011.

This report is intended solely for the information and use of the Borough's management, the Borough Council, others within the organization, the Division, and federal and state awarding agencies and pass through entities, and is not intended to be and should not be used by anyone other than these specified parties.

William E. Antonides and Company
Independent Auditors

September 30, 2011

BOROUGH OF PRINCETON

COUNTY OF MERCER

PART IV

SINGLE AUDIT SECTION

FEDERAL AND STATE AWARDS

YEAR ENDED DECEMBER 31, 2010

William E. Antonides and Company

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of the Borough of Princeton (the "Borough"), with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2010. The Borough's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Borough's management. Our responsibility is to express an opinion on the Borough's compliance based on our audit.

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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 the Borough'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. Our audit does not provide a legal determination of the Borough's compliance with those requirements.

In our opinion, the Borough complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2010.

Internal Control Over Compliance

The management of the Borough is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Borough's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 the Borough'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 material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of 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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Borough's management, others within the organization, the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

William E. Antonides and Company
Independent Auditors

September 30, 2011

BOROUGH OF PRINCETON - COUNTY OF MERCER

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

Schedule 1

FOR THE YEAR ENDED DECEMBER 31, 2010

<u>Grantor/Program Title</u>	<u>Federal C.F.D.A. Number</u>	<u>Grant Period From To</u>	<u>Program or Award Amount</u>	<u>Receipts</u>	<u>Expenditures</u>
Office of Water, Environmental Protection Agency Pass-Through: New Jersey Department of Environmental Protection Public Wastewater Facilities Capitalization Grants for States (Loan)	66.458	2010 FY and prior	\$ 4,359,802.00	\$ 489,437.00	\$ 1,795,903.09
Federal Highway Administration Pass-Through: New Jersey Department of Transportation Highway Planning And Construction	20.205	2010 FY and prior	250,000.00	250,000.00	
Pass-Through: New Jersey Department of Law and Public Safety Alcohol Traffic Safety and Drunk Driving Prevention Incentive Cops in Shops Program (ABC/OHTS)	20.601 20.601	2010 FY 2010 FY	12,839.78 7,051.71	12,839.78 7,051.71	11,458.21 3,764.89
				<u>269,891.49</u>	<u>15,223.10</u>
Department of Homeland Security (DHS) Pass-Through: New Jersey Department of Law and Public Safety DR1897PA Storms Floods 03/12/10	97.036	2010 FY	95,391.31	95,391.31	
Department of Health and Human Services Pass-Through: New Jersey Department of Health Public Health Emergency Preparedness	93.069	2010 FY	88,344.00	37,914.10	61,249.44
				<u>\$ 892,633.90</u>	<u>\$ 1,872,375.63</u>

TOWNSHIP OF PRINCETON - COUNTY OF MERCER

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2010

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes grant activity of the Borough of Princeton and is presented on the regulatory basis of accounting (as described in note 1C. of the financial statements). The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements as noted below:

Expenditures, as reported on the accompanying Schedule of Expenditures of Federal Awards, reflects cash disbursements and outstanding encumbrances charged directly to a grant program, expenditures incurred on behalf of the Borough of Princeton (as described in Note 2 below).

NOTE 2. PUBLIC WASTEWATER FACILITIES CAPITALIZATION GRANTS FOR STATES LOANS

The Borough of Princeton (the Borough) and the Township of Princeton (the Township) share jointly in the funding of capital sewer projects for the Public Wastewater Facilities Capitalization Grants for States Loans.

Therefore, there were projects awarded and expended by the Borough as well as the Township. Consequently, \$71,500 was the Borough's share of loan expenditures paid by the Township which is included on the accompanying schedule of expenditures of federal awards.

Expenditures relating to the Borough's loan were based on estimates calculated by the engineer for the joint sewer projects.

Due to the uncertainty of origination of funds through the pass-through entity (State of New Jersey) all expenditures and receipts are being reflected as federal activity.

NOTE 3. CONTINGENCIES

Each of the cognizant agencies reserves the right to conduct additional audits of the Borough's grant programs. Management does not believe such audits would result in material amounts of disallowed costs.

BOROUGH OF PRINCETON - COUNTY OF MERCER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Part I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

1) Material weakness(es) identified?

_____ Yes X No

2) Reportable condition(s) identified that are not considered to material weaknesses?

 X Yes _____ None

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Dollar threshold used to determine Type A and B programs:

\$300,000

Auditee qualified as low-risk auditee?

 X Yes _____ No

Internal Control over major programs"

1) Material weakness(es) identified?

_____ Yes X No

2) Reportable condition(s) identified that are not considered to be material weaknesses?

_____ Yes X None

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

Unqualified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular Letter A-133?

_____ Yes X No

Identification of major programs:

**Federal Grant/
CFDA Number(s)**

Name of State Program

66.458

Public Wastewater Facilities Capitalization
Grants for States (Loan)

BOROUGH OF PRINCETON - COUNTY OF MERCER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Part II - Schedule of Financial Statement Findings

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the financial statements - statutory basis that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

BOROUGH OF PRINCETON - COUNTY OF MERCER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Part III - Schedule of Federal Award Findings and Questioned Costs

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal programs, as required by OMB Circular A-133.

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

BOROUGH OF PRINCETON

COUNTY OF MERCER

PART V

GENERAL COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2010

An audit of the financial accounts and transactions of the Borough of Princeton, in the County of Mercer, for the year ended December 31, 2010, has recently been completed. The results of the audit are herewith set forth.

SCOPE OF AUDIT

The audit covered the financial transactions of the Chief Financial Officer, Tax Collector, the activities of the Mayor and Borough Council, and the records of the various outside departments.

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 balances were reconciled with independent certifications obtained directly from the depositories.

The accrued and realized revenues for the various Borough Departments as shown on the Statement of Revenues and Schedule of Revenue Accounts Receivable are presented as recorded in the Borough records.

GENERAL COMMENTS

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

N.J.S. 40A:11-4a 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 bidding therefor, except as is provided otherwise in this act or specifically by any other law." The amount set forth pursuant to the above statute was \$21,000 through June 30, 2010 and \$26,000 thereafter.

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the above statutory limitation within the fiscal year. Where questions arise as to whether any contract or agreement might result in violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

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

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

The compliance review of expenditures did not reveal any individual payments or contracts in excess of the statutory limit other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-4.

Contracts or Agreements not Required to be Advertised per N.J.S. 40A:11-6.1

N.J.S. 40A:11-6.1 states "For all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount... the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable."

We conducted a compliance review of the procedures and policies for securing quotations for purchases referred to above which indicated that the procedures were implemented to ensure statutory compliance and that quotes had been solicited as required by the statute.

Collection of Interest on Delinquent Taxes and Assessments

N.J.S. 54:4-67, as amended, provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on March 27, 1980 adopted a resolution, pursuant to the provisions of R.S. 54:4-67, fixing the interest rate on 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 incurs a 6% surcharge.

It appears from an examination of the collector's records that interest was generally collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The last tax and utility lien sale was held on December 13, 2010 and was complete.

Inspection of tax sale certificates on file revealed that all certificates were available for audit.

The following comparison is made of the number of tax title liens receivable on December 31 of the last three years:

<u>Year</u>	<u>Number of Liens</u>
2010	1
2009	1
2008	1

Verification of Delinquent Taxes

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices as follows:

<u>Type</u>	<u>Number Mailed</u>
Delinquent Taxes	10

For those confirmation notices which were not returned by taxpayers, we examined subsequent cash collections as an alternative procedure where possible.

Public Assistance

The Director of Public Assistance maintains a petty cash bank account used for all General Assistance disbursements.

A separate Public Assistance Trust bank account was maintained by the Borough Treasurer, into which receipts were deposited. Disbursements were made from this account to reimburse the Petty Cash bank account.

An audit of the Public Assistance Fund was performed and the required report was filed with the Department of Human Services, Division of Family Development.

Miscellaneous

All sums of outstanding checks, reflected in cash reconciliations herein, are in agreement with the records of the Treasurer, as well as with independent lists made part of this audit.

A report summarizing collections of Animal License Fees and remittances of State Registration Fees has been prepared and filed with the New Jersey Department of Health and the Division of Local Government Services.

A statutory report on the operations of the Municipal Court has been prepared and copies filed with the New Jersey Administrative Office of the Courts, the Division of Local Government Services, the Municipal Court and the Borough Clerk.

Individual payments of the Regional School District Tax by the municipality were confirmed as received by the Secretary of the Board of Education for the year 2010.

In our verification of expenditures, no attempt was made to establish proof of rendition, character or extent of services nor quantities, nature, propriety of prices or receipt of materials, these elements being left necessarily to internal review in connection with approval of claims.

The propriety of deductions from individual employee salaries for pensions, withholding tax, social security and other purposes was not verified as part of this examination. Remittances to authorized agencies, however, were ascertained.

A summary or synopsis of this report was prepared for publication and filed with the Borough Clerk.

FOLLOW-UP OF PRIOR YEAR FINDINGS

In accordance with Government Auditing Standards our procedures included a review of all prior year findings. There were no prior year findings that needed to be addressed in 2010.

FINDINGS/RECOMMENDATIONS

None

ACKNOWLEDGEMENT

We desire to express our appreciation for the assistance and courtesies rendered by the Borough officials and employees during the course of the audit.

The foregoing comments are not of sufficient materiality whereby 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, please contact us at your earliest opportunity.

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