

**BOROUGH OF PRINCETON**

**COUNTY OF MERCER**

**REPORT OF AUDIT**

**DECEMBER 31, 2008**

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

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**BOROUGH OF PRINCETON**

**COUNTY OF MERCER**

**PART I**

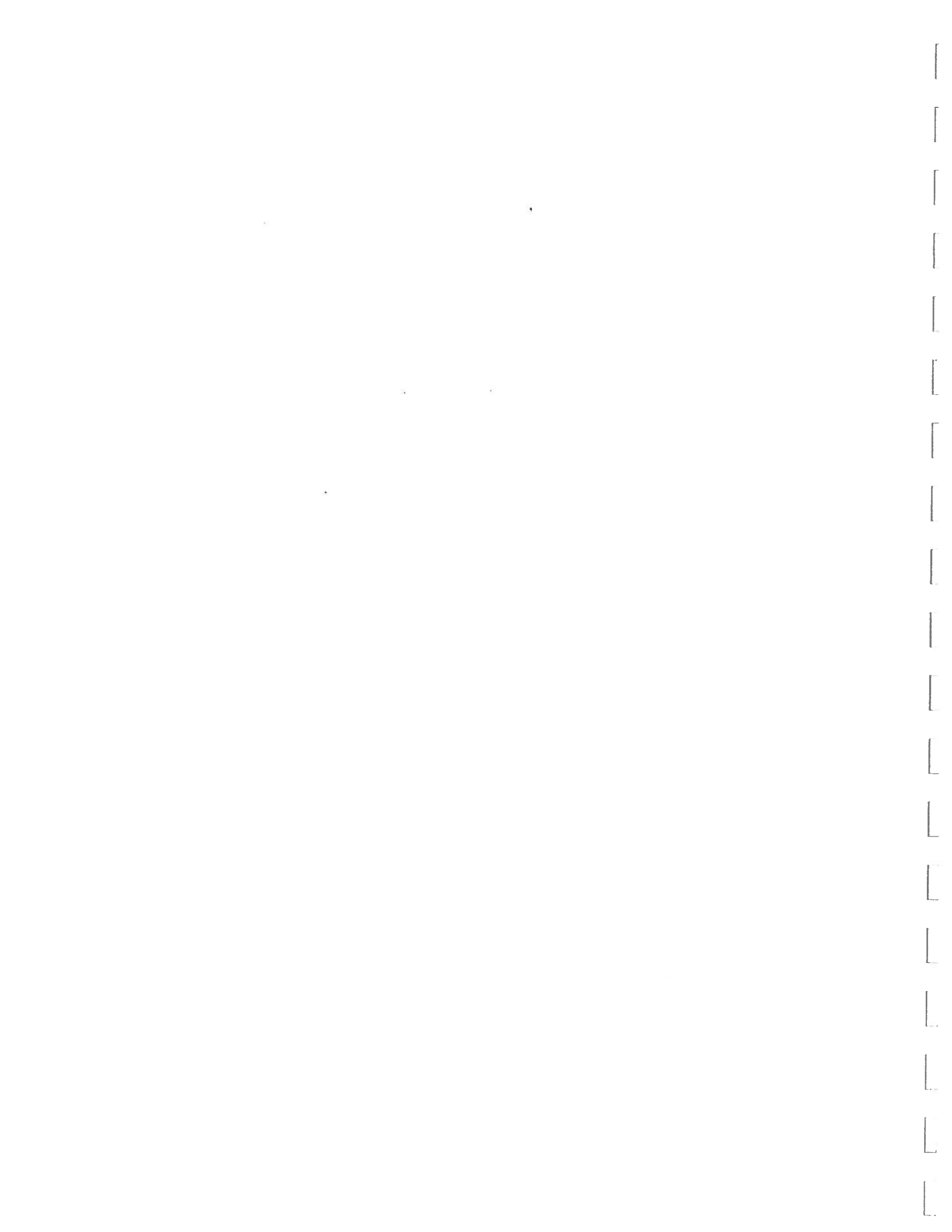
**AUDITOR'S REPORT OF THE BOROUGH'S FINANCIAL STATEMENTS**

**FINANCIAL STATEMENTS**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2008**





# 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, 2008 and 2007, 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, 2008. 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 basis of accounting prescribed by the Division 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.

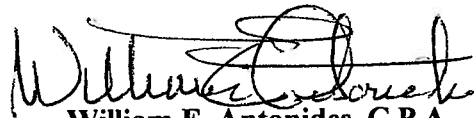
In our opinion, because of the Borough's statutory requirement to prepare its financial statements on the basis of accounting discussed in the preceding paragraph of this report, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2008 and 2007, or changes in financial position for the years then ended.

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, 2008 and 2007 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 and statements of expenditures - regulatory basis of the various funds for the year ended December 31, 2008 on a modified accrual basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2009, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for 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 Schedule of Expenditures of Federal Awards, is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations". The accompanying supplementary schedules and the comments and recommendations section are presented for purposes of additional analysis and are not a required part of the financial statements, but are required by the Division. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

*William E. Antonides and Company*  
**Independent Auditors**

  
**William E. Antonides, C.P.A.**  
**Registered Municipal Accountant**  
**R.M.A. Number 14**

June 15, 2009

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**BALANCE SHEET - CURRENT FUND**

**Exhibit A**

**REGULATORY BASIS**

**Sheet 1 of 2**

**DECEMBER 31, 2008 AND 2007**

	<b><u>Ref.</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	A-4	\$ 4,499,622.00	\$ 8,153,063.26
Change Funds		540.00	540.00
		<u>4,500,162.00</u>	<u>8,153,603.26</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	390,886.87	518,063.10
Tax Title Lien	A-7	37.55	
Sewer Charges Receivable	A-7	50,299.13	48,311.78
Interfunds:			
Assessment Trust Fund	A-14	7,797.26	
Payroll Fund	A-14		600,000.00
Parking Utility Operating Fund	A-14	100,000.00	
Animal Control Trust Fund	A-14	5,366.40	1,541.12
		<u>554,387.21</u>	<u>1,167,916.00</u>
Deferred Charges:			
Special Emergency Authorizations (40A:4-55)		308,010.00	
	A-3	<u>5,362,559.21</u>	<u>9,321,519.26</u>
Federal and State Grant Fund:			
Cash	A-4	494,701.93	112,058.73
Interfund - Current Fund	A-15		86,665.27
Grants Receivable	A-16	43,330.19	305,210.00
		<u>538,032.12</u>	<u>503,934.00</u>
		<u>\$ 5,900,591.33</u>	<u>\$ 9,825,453.26</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, 2008 AND 2007**

	<b><u>Ref.</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
Liabilities:			
Accounts Payable	A-10	\$ 16,070.36	\$
Appropriation Reserves	A-10	1,483,865.02	1,131,131.61
Reserve for Encumbrances	A-10	181,091.88	238,235.14
Due to State of New Jersey:			
Senior Citizen and Veteran Deductions	A-4,6	5,911.47	5,961.47
Various Fees		9,517.00	1,456.00
Reserve for:			
Historic Buffer Grant		12,000.00	12,000.00
Reserve for Consolidated Municipal Property Relief	A-4	4,701.00	
Due to Township of Princeton	A-4	382,409.14	203,651.98
Payroll Deductions	A-4	6,301.10	5,343.85
Sale of Municipal Assets	A-4	19,345.49	9,736.29
Revaluation		308,010.00	
Prepaid Taxes	A-5,6	499,228.16	477,461.39
Tax Overpayments	A-6		1,054.10
County Taxes Payable	A-11	76,499.81	64,068.77
Interfunds:			
Other Trust Fund	A-14	100,671.83	96,811.42
General Capital Fund	A-14		3,781,457.24
Assessment Trust Fund	A-14		116.72
Parking Utility Operating Fund	A-14		50,482.84
Grant Fund	A-15		86,665.27
		<u>3,105,622.26</u>	<u>6,165,634.09</u>
Reserve for Receivables and Other Assets		554,387.21	1,167,916.00
Fund Balance	A-1	<u>1,702,549.74</u>	<u>1,987,969.17</u>
		<u>5,362,559.21</u>	<u>9,321,519.26</u>
Federal and State Grant Fund:			
Appropriated Reserves	A-17	503,560.01	438,897.10
Reserve for Encumbrances	A-17	30,443.33	49,165.89
Unappropriated Reserves	A-18	4,028.78	15,871.01
		<u>538,032.12</u>	<u>503,934.00</u>
		<u>\$ 5,900,591.33</u>	<u>\$ 9,825,453.26</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**      Sheet 1 of 2

**REGULATORY BASIS**

	<u>Ref.</u>	<u>Year 2008</u>	<u>Year 2007</u>
<b><u>Revenue and Other Income Realized</u></b>			
Fund Balance Utilized	A-2	\$ 1,726,812.88	\$ 1,784,979.94
Miscellaneous Revenue Anticipated	A-2	12,337,470.34	12,234,203.44
Receipts from Delinquent Taxes	A-2	509,870.35	429,078.12
Receipts from Current Taxes	A-2	41,773,378.88	38,895,640.38
Non-Budget Revenues	A-2	345,854.28	229,606.97
Other Credits to Income:			
Accounts Payable Cancelled			1,717.49
Unexpended Balance of Appropriation Reserves	A-10	684,764.82	604,260.31
Grant Balances Cancelled			
Interfunds Liquidated		488,377.46	
Statutory Excess - Animal Control	A-14	5,366.40	1,541.12
Total Income		<u>57,871,895.41</u>	<u>54,181,027.77</u>
<b><u>Expenditures</u></b>			
Budget:			
Appropriations within Caps:			
Operations:			
Salaries and Wages		6,947,007.86	6,761,006.18
Other Expenses		6,653,216.56	6,019,687.91
Deferred Charges and Statutory Expenditures		498,735.82	489,100.12
Appropriations excluded from Caps:			
Operations:			
Salaries and Wages		1,433,955.67	1,436,996.88
Other Expenses		5,246,003.81	4,465,178.34
Capital Improvements		9,327.60	159,327.60
Municipal Debt Service		4,014,394.81	4,167,759.68
Deferred Charges		954.94	1,863.00
	A-3	<u>24,803,597.07</u>	<u>23,500,919.71</u>
Refunding of Revenues	A-4	11,350.44	
Prior Year Senior Citizens Deductions Disallowed			375.00
County Taxes	A-11	11,770,470.99	10,635,903.20
Regional District School Taxes	A-12	19,726,774.57	18,708,413.54
Municipal Open Space Taxes	A-13	100,671.83	99,950.67
Interfund Advances			600,037.98
Total Expenditures		<u>56,412,864.90</u>	<u>53,545,600.10</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**    **Sheet 2 of 2**

**REGULATORY BASIS**

	<b><u>Ref.</u></b>	<b><u>Year 2008</u></b>	<b><u>Year 2007</u></b>
<b><u>Expenditures (Continued)</u></b>			
Excess in Revenue		\$ 1,459,030.51	\$ 635,427.67
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by			
Statute Deferred Charges to Budget of			
Succeeding Year	A-3	308,010.00	
Statutory Excess to Fund Balance		<u>1,767,040.51</u>	<u>635,427.67</u>
Fund Balance January 1	A	<u>1,987,969.17</u>	<u>3,137,521.44</u>
		<u>3,755,009.68</u>	<u>3,772,949.11</u>
Decreased by:			
Utilization as Anticipated Revenue	A-1	1,726,812.88	1,784,979.94
Liquidation of Interfund Realized as			
Anticipated Revenue	A-2	325,647.06	
		<u>2,052,459.94</u>	<u>1,784,979.94</u>
Fund Balance December 31	A	\$ <u><u>1,702,549.74</u></u>	\$ <u><u>1,987,969.17</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-2

**STATEMENT OF REVENUES - REGULATORY BASIS**

Sheet 1 of 4

	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
	<u>Ref.</u>	<u>Budget</u>		
	<u>A-1</u>	<u>\$ 1,726,812.88</u>	<u>\$ 1,726,812.88</u>	<u>\$</u>
Fund Balance Anticipated				
<b><u>Miscellaneous Revenues</u></b>				
Licenses:				
Alcoholic Beverages	A-9	47,870.00	47,002.00	(868.00)
Other	A-9	24,100.00	23,648.23	(451.77)
Fees and Permits:				
Other	A-9	109,000.00	151,103.28	42,103.28
Fines and Costs:				
Municipal Court	A-9	1,072,705.00	1,022,067.59	(50,637.41)
Interest and Costs on Taxes	A-5	150,195.00	192,969.11	42,774.11
Interest on Investments and Deposits	A-9	461,862.00	278,265.50	(183,596.50)
Anticipated Utility Operating Surplus	A-9	1,100,000.00	1,100,000.00	
Sewer Service Charges	A-5	3,500,000.00	3,259,115.93	(240,884.07)
Princeton University Donation	A-9	1,092,600.00	1,176,730.20	84,130.20
Street Opening Inspection Fees	A-9	4,450.00	9,175.00	4,725.00
Life Hazard Use Fes	A-9	47,965.32	74,799.14	26,833.82
Fire and Housing Inspection Fees	A-9	127,115.00	123,070.00	(4,045.00)
Passport Fees	A-9	21,060.00	14,220.00	(6,840.00)
State Aid:				
Consolidated Municipal Property Tax Relief	A-9	279,967.00	279,967.00	
Energy Receipts Taxes	A-9	1,024,975.00	1,024,975.00	
Garden State Trust Fund	A-9	3.40	5.34	1.94
Uniform Construction Code Fees	A-9	441,768.00	798,055.60	356,287.60
Special Items:				
State and Federal Programs Offset with Appropriations:				
Alcohol Education and Rehabilitation Fund	A-16		10,280.74	
Body Armor Fund	A-16		6,956.24	
Bonner Foundation	A-16	21,500.00	7,385.61	
Clean Communities Grant	A-16	10,227.03	10,227.03	

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



	Ref.	Budget	Anticipated Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
<b>Miscellaneous Revenues (Continued)</b>					
Special Items (Continued):					
State and Federal Programs Offset with Appropriations (Continued):					
Public Health Priority Funding	A-16	\$	\$ 4,220.00	\$ 4,220.00	\$
Drunk Driving Enforcement Fund	A-16		19,900.91	19,900.91	
Division of Highway Traffic Safety - Click It or Ticket	A-16		4,000.00	4,000.00	
Division of Highway Traffic Safety - Over the Limit	A-16	4,987.50	5,000.00	9,987.50	
Infrastructure Preparedness and Emergency Response	A-16		1,500.00	1,500.00	
Cops-in-Shops	A-16	2,400.00	2,400.00	4,800.00	
Pandemic Influenza Preparedness Grant-Reserve	A-16		950.00	950.00	
Pandemic Influenza Preparedness Grant	A-16		6,778.00	6,778.00	
Princeton University - Fire Equipment	A-16	20,000.00		20,000.00	
Princeton University - Prospect Avenue Lighting	A-16	7,654.00		7,654.00	
Princeton University - Donation to Board of Health	A-16	700.00	700.00	1,400.00	
Recycling Tonnage Grant	A-16		9,672.10	9,672.10	
Safe and Secure Communities Program	A-16	29,676.00		29,676.00	
Other:					
Interlocal Service Agreements:					
Princeton Township Joint Services:					
Solid Waste Management	A-9	136,001.00		130,214.00	(5,787.00)
Maintenance of Sewer Facilities	A-9	779,958.00		709,053.00	(70,905.00)
Animal Control	A-9	55,644.00		55,644.00	
Health Services	A-9	300,957.00		300,957.00	
Fire Services	A-9	106,359.00		106,359.00	
Fire Facilities	A-9	51,594.00		51,594.00	
Senior Citizen Program	A-9	55,780.00		55,780.00	
LOSAP Alternative	A-9	24,750.00		24,750.00	
Flu Program	A-9	7,480.00		7,480.00	
Princeton Theological Seminary	A-9	211,765.00		211,765.00	

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

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**CURRENT FUND**

**STATEMENT OF REVENUES - REGULATORY BASIS**

Exhibit A-2

Sheet 3 of 4

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	Special N.J.S. 40A:4-87		
<b><u>Miscellaneous Revenues (Continued)</u></b>					
Special Items (Continued):					
Other (Continued):					
Liquidation of Interfund - Payroll Fund	A-9	\$ 325,647.06	\$	\$ 325,647.06	\$
Payment in Lieu of Taxes:					
Elm Court PILOT	A-9	66,198.00		66,198.00	
Chamber Street Land Lease	A-9	100,200.00		99,740.00	(460.00)
Stony Brook Sewer Industrial User Fees	A-9	35,490.00		17,445.07	(18,044.93)
Assessment Trust Fund - Fund Balance	A-9	75,000.00		75,000.00	
Engineering Developer Fees	A-9	23,000.00		23,000.00	
Open Space Trust	A-9	104,000.00		104,000.00	
Sale of Municipal Assets	A-9	9,000.00		8,999.00	(1.00)
Hotel/Motel Tax	A-9	376,415.00		2,953.16	(373,461.84)
General Capital Fund - Fund Balance	A-9	22,000.00		22,000.00	
Reserve for Payment of Debt Service	A-9	186,835.00		186,835.00	
	A-1	<u>12,656,853.31</u>	<u>79,743.60</u>	<u>12,337,470.34</u>	<u>(399,126.57)</u>
Receipts from Delinquent Taxes	A-1,6	510,000.00		509,870.35	(129.65)
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2	10,370,547.36		10,825,461.49	454,914.13
Budget Totals		<u>25,264,213.55</u>	<u>79,743.60</u>	<u>25,399,615.06</u>	<u>55,657.91</u>
Non-Budget Revenues	A-1,2			345,854.28	345,854.28
		<u>\$ 25,264,213.55</u>	<u>\$ 79,743.60</u>	<u>\$ 25,745,469.34</u>	<u>\$ 401,512.19</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>	
<b><u>Analysis of Realized Revenues</u></b>		
<b><u>Allocation of Current Tax Collection</u></b>		
Revenue from Collections	A-1,6	\$ 41,773,378.88
Allocated to Regional School, County and Municipal		
Open Space Taxes	A-11,12,13	31,597,917.39
Balance for Support of Municipal Budget Appropriations		<u>10,175,461.49</u>
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>650,000.00</u>
Amount for Support of Municipal Appropriations	A-2	<u>\$ 10,825,461.49</u>
<b><u>Analysis of Non-Budget Revenue</u></b>		
Miscellaneous Revenue not Anticipated:		
Refunds		\$ 60,326.39
In Lieu of Taxes		83,959.19
Finance		20,369.96
Police		11,734.40
Township Clerk		4,572.12
Chamber Parking Lease		24,600.00
Engineering		1,702.25
Stoney Brook Regional 2007 Refund		25,158.00
Prior Year Health Department Revenue		16,052.72
JIF		36,863.00
Prior Year LOSAP-Princeton Township		25,200.00
NJ Motor Vehicle Fines		10,808.25
Flu Reimbursements		<u>24,508.00</u>
	A-2	<u>\$ 345,854.28</u>
Treasurer Collections:		
Receipts		\$ 344,982.77
Interfunds		<u>871.51</u>
	A-2	<u>\$ 345,854.28</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 9

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
<b>OPERATIONS WITHIN CAPS</b>					
Mayor and Council					
Salaries and Wages	\$ 57,500.00	\$ 60,000.00	\$ 60,000.00	\$	\$
Other Expenses	44,415.00	44,415.00	38,582.07	5,832.93	
Administrative and Executive					
Salaries and Wages	329,913.00	329,913.00	322,130.43	7,782.57	
Other Expenses	77,973.00	77,973.00	59,323.60	18,649.40	
Other Expenses - Flu Program	3,520.00	3,520.00		3,520.00	
Municipal Clerk					
Salaries and Wages	211,054.00	211,054.00	206,830.38	4,223.62	
Other Expenses	56,328.00	56,328.00	49,162.71	7,165.29	
Elections					
Salaries and Wages	3,600.00	3,600.00	797.94	2,802.06	
Other Expenses	6,000.00	6,000.00	5,629.19	370.81	
Financial Administration					
Salaries and Wages	168,361.10	168,361.10	162,904.44	5,456.66	
Miscellaneous Other Expenses	17,700.00	17,700.00	15,083.02	2,616.98	
Audit	34,900.00	34,900.00	34,900.00		
Collection of Taxes					
Salaries and Wages	85,148.40	85,148.40	84,110.34	1,038.06	
Other Expenses	13,060.00	13,060.00	11,008.23	2,051.77	
Assessment of Taxes					
Salaries and Wages	45,200.00	45,200.00	43,586.97	1,613.03	
Other Expenses:	11,825.00	11,825.00	9,204.89	2,620.11	
Legal Services and Costs					
Other Expenses	180,000.00	180,000.00	180,000.00		
Defense of Tax Appeals	10,000.00	10,000.00	7,000.00	3,000.00	
Revaluation of Real Property					
Other Expenses		308,010.00	308,010.00		

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 2 of 9

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Engineering Services and Costs					
Salaries and Wages	\$ 353,675.59	\$ 353,675.59	\$ 353,303.87	\$ 371.72	\$
Other Expenses	61,120.00	61,120.00	40,375.98	20,744.02	
Municipal Prosecutor					
Salaries and Wages	300.00	300.00	286.15	13.85	
Other Expenses	37,200.00	37,200.00	37,200.00		
Municipal Court					
Salaries and Wages	290,719.00	290,719.00	282,718.95	8,000.05	
Other Expenses	31,142.00	31,142.00	26,859.09	4,282.91	
Public Defender					
Salaries and Wages	23,994.00	23,994.00	23,994.00		
Public Buildings and Grounds					
Salaries and Wages	416,178.84	416,178.84	411,847.12	4,331.72	
Other Expenses	112,050.00	112,050.00	87,596.27	24,453.73	
Municipal Land Use Law (N.J.S. 40:550-1)					
Planning Board (JOINT)					
Other Expenses	110,314.00	110,314.00	110,314.00		
Environmental Commission					
Other Expenses	2,251.00	2,251.00	2,251.00		
Shade Tree Commission					
Salaries and Wages	108,338.00	108,338.00	104,017.03	4,320.97	
Other Expenses	15,000.00	15,000.00	3,085.64	11,914.36	
Insurance					
General Liability	274,667.00	274,667.00	270,292.00	4,375.00	
Workers Compensation	212,949.00	212,949.00	205,639.00	7,310.00	
Employee Group Health	2,006,033.00	2,006,033.00	1,939,965.94	66,067.06	
Fire					
Salaries and Wages	10,000.00	10,000.00	9,566.63	433.37	
Other Expenses:					
Fire Hydrant Service	158,627.57	158,627.57	120,080.30	38,547.27	
Miscellaneous Other Expenses	48,842.00	58,842.00	53,565.18	5,276.82	

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 9

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Modification	Paid or Charged	Reserved	
Fire					
Other Expenses:					
Fire Facilities	\$ 42,214.00	\$ 42,214.00	\$ 41,162.02	\$ 1,051.98	\$
LOSAP Alternative	250.00	250.00		250.00	
Police					
Salaries and Wages	3,357,886.08	3,357,886.08	3,314,386.33	43,499.75	
Miscellaneous Other Expenses	181,450.00	181,450.00	158,447.86	23,002.14	
Purchase of Police Cars	80,000.00	80,000.00	80,000.00		
Fire Inspectors					
Salaries and Wages	251,440.80	251,440.80	230,881.42	20,559.38	
Other Expenses	17,315.00	17,315.00	17,227.61	87.39	
First Aid Organization					
Contribution	54,286.00	54,286.00	54,286.00		
Emergency Management Services					
Other Expenses	11,800.00	11,800.00		11,800.00	
Road Repair and Maintenance					
Salaries and Wages	661,895.00	658,895.00	594,767.80	64,127.20	
Other Expenses	98,210.00	98,210.00	73,629.42	24,580.58	
Park Maintenance					
Other Expenses	15,000.00	15,000.00	6,967.41	8,032.59	
Street Lighting					
Other Expenses	144,840.00	144,840.00	97,499.73	47,340.27	
Mechanics					
Salaries and Wages	124,147.00	124,147.00	123,120.21	1,026.79	
Other Expenses	83,300.00	83,300.00	61,248.84	22,051.16	
Maintenance of Sewerage Facilities					
Salaries and Wages	43,145.00	43,145.00		43,145.00	
Other Expenses	1.00	1.00		1.00	
Garbage and Trash Removal					
Other Expenses	673,908.00	673,908.00	499,818.12	174,089.88	

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 9

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Solid Waste Disposal	\$ 10,000.00	\$ 10,000.00	\$	10,000.00	\$
Salaries and Wages	111,077.00	111,077.00	35,149.60	75,927.40	
Other Expenses					
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		10,000.00	
Other Expenses	41,552.00	41,552.00	32,492.93	9,059.07	
Animal Control					
Salaries and Wages	1.00	1.00		1.00	
Other Expenses	2,529.00	2,529.00	2,523.70	5.30	
Save Boarding Costs and Animal Care					
Other Expenses	5,800.00	5,800.00	5,000.00	800.00	
Drug Abuse Program (Corner House)					
Other Expenses	148,047.00	148,047.00	148,047.00		
Joint Recreation Board- Borough's Share					
Other Expenses	396,374.00	396,374.00	396,374.00		
Senior Citizens Program					
Other Expenses	55,780.00	55,780.00	55,780.00		
Department of Human Services					
Other Expenses	117,800.00	117,800.00	117,800.00		
Celebration of Public Events					
Other Expenses	7,500.00	7,500.00	1,489.00	6,011.00	
Uniform Construction Code - Appropriations Offset					
by Dedicated Revenues (N.J.A.C. 5:23-4.17)					
Construction Official					
Salaries and Wages	272,511.05	282,511.05	282,221.72	289.33	
Other Expenses	69,400.00	69,400.00	61,035.41	8,364.59	

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 9

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Unclassified:					
Salary and Wage Adjustment	\$ 125,000.00	\$ 102,500.00	\$ 645.00	\$ 101,855.00	\$
Condo Services Reimbursement	2,000.00	2,000.00		2,000.00	
Accumulated Leave Compensation	75,000.00	75,000.00		75,000.00	
Utilities					
Gasoline	124,147.49	124,147.49	106,721.83	17,425.66	
Telephone	94,705.60	94,705.60	54,999.80	39,705.80	
Electricity and Natural Gas	144,394.00	144,394.00	119,017.49	25,376.51	
Water	6,609.90	9,609.90	6,561.95	3,047.95	
Total Operations within Caps	<u>13,292,214.42</u>	<u>13,600,224.42</u>	<u>12,460,524.56</u>	<u>1,139,699.86</u>	
Detail:					
Salaries and Wages	6,960,007.86	6,947,007.86	6,612,116.73	334,891.13	
Other Expenses	<u>6,332,206.56</u>	<u>6,653,216.56</u>	<u>5,848,407.83</u>	<u>804,808.73</u>	

**STATUTORY EXPENDITURES WITHIN CAPS**

Contribution to:					
Social Security System	476,276.00	476,276.00	435,730.12	40,545.88	
Consolidated Police and Firemen's Fund	22,459.82	22,459.82	22,459.82		
Total Statutory Expenditures within Caps	<u>498,735.82</u>	<u>498,735.82</u>	<u>458,189.94</u>	<u>40,545.88</u>	
Total Appropriations within Caps	<u>13,790,950.24</u>	<u>14,098,960.24</u>	<u>12,918,714.50</u>	<u>1,180,245.74</u>	

**OPERATIONS EXCLUDED FROM CAPS**

Contribution to:					
Public Employees Retirement System	322,166.40	322,166.40	322,166.40		
Police and Firemen's Retirement System of NJ	654,767.00	654,767.00	654,767.00		
Implementation and Maintenance of 911 Communication System					
Police					
Salaries and Wages	374,391.67	374,391.67	351,182.30	23,209.37	
Other Expenses	87,714.32	87,714.32	87,714.32		
Maintenance of Joint Free Public Library					
Proportionate Share (R.S. 40-29.17)	1,215,200.96	1,215,200.96	1,183,201.00	31,999.96	

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



# BOROUGH OF PRINCETON - COUNTY OF MERCER

## CURRENT FUND

### STATEMENT OF EXPENDITURES - REGULATORY BASIS

Exhibit A-3

Sheet 6 of 9

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Stony Brook Regional Sewerage Authority					
Share of Costs	\$ 2,275,308.00	\$ 2,275,308.00	\$ 2,193,789.52	\$ 81,518.48	\$
Stony Brook Sewer Industrial User Fee	50,000.00	50,000.00	9,729.76	40,270.24	
Reserve for Tax Appeals	5,000.00	5,000.00		5,000.00	
Interlocal Service Agreements:					
Solid Waste					
Salaries and Wages	74,778.00	74,778.00	71,840.37	2,937.63	
Other Expenses	61,223.00	61,223.00			
Maintenance of Sewer Facilities					
Salaries and Wages	624,628.00	624,628.00	556,700.01	67,927.99	
Other Expenses	155,330.00	155,330.00	132,500.52	22,829.48	
Fire					
Salaries and Wages	26,051.00	26,051.00	26,051.00		
Other Expenses	80,308.00	80,308.00	80,308.00		
Fire Facilities	51,594.00	51,594.00	51,594.00		
LOSAP Alternative	24,750.00	24,750.00	5,681.00	19,069.00	
Interlocal Service Agreements:					
Health					
Salaries and Wages	280,109.00	280,109.00	273,979.44	6,129.56	
Other Expenses	20,848.00	20,848.00	20,848.00		
Flu Program	7,480.00	7,480.00	7,480.00		
Interlocal Service Agreements:					
Animal Control					
Salaries and Wages	53,998.00	53,998.00	51,270.43	2,727.57	
Other Expenses	1,646.00	1,646.00	1,646.00		
Senior Citizens Program					
Other Expenses	55,780.00	55,780.00	55,780.00		

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 9

	Appropriated		Paid or	Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification		Charged	Reserved	
Public and Private Programs Offset by Revenues:						
Alcohol Education and Rehabilitation Fund	\$ 10,280.74	\$ 10,280.74	\$	10,280.74	\$	\$
Body Armor Fund	6,956.24	6,956.24		6,956.24		
Bonner Foundation	28,885.61	28,885.61		28,885.61		
Clean Communities Grant	10,227.03	10,227.03		10,227.03		
Click It . Ticket	4,000.00	4,000.00		4,000.00		
Cops in Shops	4,800.00	4,800.00		4,800.00		
Drunk Driving Enforcement Fund	19,900.91	19,900.91		19,900.91		
Infrastructure Preparedness	1,500.00	1,500.00		1,500.00		
Over the Limit, Under Arrest 2007 Impaired Driving Grant	9,987.50	9,987.50		9,987.50		
Pandemic Influenza Preparedness	7,728.00	7,728.00		7,728.00		
Princeton University Donation	1,400.00	1,400.00		1,400.00		
Princeton University Fire Equipment	20,000.00	20,000.00		20,000.00		
Princeton University Prospect Avenue Lighting	7,654.00	7,654.00		7,654.00		
Public and Private Programs Offset by Revenues:						
Public Health Priority Funding	4,220.00	4,220.00		4,220.00		
Recycling Tonnage Grant	9,672.10	9,672.10		9,672.10		
Safe and Secure Communities Program	29,676.00	29,676.00		29,676.00		
Total Operations Excluded from Caps	<u>6,679,959.48</u>	<u>6,679,959.48</u>		<u>6,376,340.20</u>	<u>303,619.28</u>	
Detail:						
Salaries and Wages	1,433,955.67	1,433,955.67		1,331,023.55	102,932.12	
Other Expenses	5,246,003.81	5,246,003.81		5,045,316.65	200,687.16	
<b><u>CAPITAL IMPROVEMENTS EXCLUDED FROM CAPS</u></b>						
Institute Lands Preservation	9,330.00	9,330.00		9,327.60		2.40

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 9

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
<b><u>MUNICIPAL DEBT SERVICE EXCLUDED FROM CAPS</u></b>					
Payment of Bond Principal	\$ 2,352,120.00	\$ 2,352,120.00	\$ 2,352,119.31	\$	\$ .69
Payment of Bond Anticipation Note and Capital Notes	13,000.00	13,000.00	13,000.00		
Interest on Bonds	1,117,000.00	1,126,350.00	1,126,340.14		9.86
Interest on Notes	112,400.00	112,400.00	109,293.53		3,106.47
Waste Water Treatment Plant					
State Loan Payment	150,120.00	150,120.00	13,294.88		136,825.12
Trust Loan Payment	293,125.00	283,775.00	237,772.87		46,002.13
Environmental Infrastructure Loan Program	168,071.43	168,071.43	162,574.08		5,497.35
Total Municipal Debt Service excluded from Caps	<u>4,205,836.43</u>	<u>4,205,836.43</u>	<u>4,014,394.81</u>		<u>191,441.62</u>
<b><u>DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM CAPS</u></b>					
Deficit Dedicated Assessment Fund	7,881.00	7,881.00	954.94		6,926.06
Total General Appropriations excluded from Caps	<u>10,903,006.91</u>	<u>10,903,006.91</u>	<u>10,401,017.55</u>	<u>303,619.28</u>	<u>198,370.08</u>
Subtotal General Appropriations	24,693,957.15	25,001,967.15	23,319,732.05	1,483,865.02	198,370.08
Reserve for Uncollected Taxes	<u>650,000.00</u>	<u>650,000.00</u>	<u>650,000.00</u>		
Total General Appropriations	<u>\$ 25,343,957.15</u>	<u>\$ 25,651,967.15</u>	<u>\$ 23,969,732.05</u>	<u>\$ 1,483,865.02</u>	<u>\$ 198,370.08</u>
Ref.		A-1,3	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 9 of 9**

	<b><u>Ref.</u></b>	<b><u>Budget After Modification</u></b>
Adopted Budget	A-2	\$ 25,264,213.55
Appropriated by 40A:4-87	A-2	79,743.60
Special Emergency Authorization - 5 Years	A, A-1	<u>308,010.00</u>
	A-3	<u><u>\$ 25,651,967.15</u></u>
		<b><u>Paid or Charged</u></b>
Disbursements		\$ 22,652,787.10
Reserve for:		
Encumbrances		181,091.88
Uncollected Taxes		650,000.00
Interfund - Grant Fund		176,888.13
Reserve for Revaluation		308,010.00
Deferred Charges Raised:		
Deficit Dedicated Assessment Fund		<u>954.94</u>
	A-3	<u><u>\$ 23,969,732.05</u></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, 2008 AND 2007**

	<b><u>Ref.</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
<b><u>Assets</u></b>			
<b><u>Assessment Trust Fund</u></b>			
Cash	B-2	\$ 260,531.78	\$ 184,716.08
Interfund - Current Fund	B-3		116.72
Assessments Receivable	B-4	127,905.28	97,826.43
Amount to be Raised for Cancelled Assessments	B-10		954.94
		<u>388,437.06</u>	<u>283,614.17</u>
<b><u>Animal Control Trust Fund</u></b>			
Interfund - Trust Other Fund	B-8	<u>9,081.40</u>	<u>5,557.12</u>
<b><u>Trust - Other Fund</u></b>			
Cash	B-2	1,803,464.99	1,872,527.02
Interfund - Current Fund	B-12	100,671.83	96,811.42
		<u>1,904,136.82</u>	<u>1,969,338.44</u>
		<u>\$ 2,301,655.28</u>	<u>\$ 2,258,509.73</u>
<b><u>Liabilities and Reserves</u></b>			
<b><u>Assessment Trust Fund</u></b>			
Prepaid Assessments	B-1,2	\$ 2,510.60	\$ 3,115.20
Interfund - Current Fund	B-2,6	7,797.26	
Reserve for Assessments	B-5	93,838.13	56,655.87
Assessment Serial Bonds	B-6	135,060.67	142,941.36
Fund Balance	B-1	149,230.40	80,901.74
		<u>388,437.06</u>	<u>283,614.17</u>
<b><u>Animal Control Trust Fund</u></b>			
Reserve for Animal Control Trust Fund	B-7	3,715.00	4,016.00
Interfund - Current Fund	B-7,8	5,366.40	1,541.12
		<u>9,081.40</u>	<u>5,557.12</u>
<b><u>Trust - Other Fund</u></b>			
Interfunds:			
Dog Trust Fund	B-8	9,081.40	5,557.12
Reserve for:			
Miscellaneous Reserves	B-9	1,785,138.96	1,850,873.77
Open Space	B-11	109,916.46	112,907.55
		<u>1,904,136.82</u>	<u>1,969,338.44</u>
		<u>\$ 2,301,655.28</u>	<u>\$ 2,258,509.73</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, 2007	<u>Ref.</u> B	\$ 80,901.74
Increased by:		
Collection of Unpledged Assessments	B-3	<u>143,328.66</u>
		224,230.40
Decreased by:		
Utilized as Current Fund Revenue	B-2	<u>75,000.00</u>
Balance December 31, 2008	B	<u>\$ 149,230.40</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, 2008 AND 2007**

	<b><u>Ref.</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	C-2	\$ 6,861,223.81	\$ 2,724,268.08
Deferred Charges to Future Taxation:			
General Improvements:			
Funded	C-4	23,889,493.78	26,686,697.15
Unfunded	C-5	17,079,797.00	13,168,637.00
Interfunds:			
Affordable Housing Utility Capital Fund	C-2	7,111.79	10,716.79
Current Fund	C-6		3,781,457.24
Accounts Receivable:			
NJ Environmental Infrastructure Trust Loan	Note 3	3,125,501.00	3,125,501.00
Due from Township of Princeton	Note 13	3,686,830.28	3,717,595.22
		<b><u>\$ 54,649,957.66</u></b>	<b><u>\$ 53,214,872.48</u></b>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
Reserve for:			
Receivable	Note 13	\$ 3,686,830.28	\$ 3,226,161.28
Payment of Debt		84.65	84.65
Encumbrances	C-8	1,550,985.16	3,308,308.49
Capital Improvement Fund	C-7	18,605.86	18,605.86
Improvement Authorizations:			
Funded	C-8	4,670,329.09	5,576,548.69
Unfunded	C-8	11,785,408.83	9,879,079.12
Serial Bonds Payable	C-9	20,492,939.33	22,845,058.64
Wastewater Treatment Trust Loan	C-10		350,058.88
NJ Environmental Infrastructure Trust Loan Payable	C-11	3,396,554.45	3,491,579.63
Bond Anticipation Notes	C-12	7,561,000.00	4,310,000.00
Fund Balance	C-1	1,487,220.01	209,387.24
		<b><u>\$ 54,649,957.66</u></b>	<b><u>\$ 53,214,872.48</u></b>

There were bonds and notes authorized but not issued on December 31, 2008 of in the amount of \$9,518,797.00 (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, 2007	<u>Ref.</u> C		\$ 209,387.24
Increased by:			
Township of Princeton Reimbursements From			
Fully Funded Improvements		\$ 994,691.53	
Grant Proceeds from Fully Funded Improvements		284,442.00	
Reimbursements from Fully Funded Ordinances		197,924.12	
Premium on Sale of Bond Anticipation Notes		<u>25,610.12</u>	
	C-2		<u>1,502,667.77</u>
			<u>1,712,055.01</u>
Decreased by:			
Appropriation to Finance Improvement			
Authorization	C-8	16,000.00	
Utilized in Current Fund as Anticipated Revenue	C-2	<u>208,835.00</u>	
			<u>224,835.00</u>
Balance December 31, 2008	C		<u>\$ 1,487,220.01</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****Sheet 1 of 2****DECEMBER 31, 2008 AND 2007**

	<u>Ref.</u>	<u>2008</u>	<u>2007</u>
<b><u>Assets</u></b>			
<b><u>Operating Fund</u></b>			
Cash	D-5	\$ 780,628.55	\$ 428,789.62
Interfund - Current Fund	D-10		50,482.84
Total Operating Section		<u>780,628.55</u>	<u>479,272.46</u>
<b><u>Capital Fund</u></b>			
Cash	D-5	403,185.93	387,474.13
Accounts Receivable	D-7	82,851.23	207,851.23
Fixed Capital	D-8	200,000.00	200,000.00
Fixed Capital Authorized and Uncompleted	D-9	13,830,576.00	13,798,876.00
Interfund - Parking Operating Fund	D-10	23,988.45	8,381.42
Total Capital Fund		<u>14,540,601.61</u>	<u>14,602,582.78</u>
		<u>\$ 15,321,230.16</u>	<u>\$ 15,081,855.24</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
<b><u>Operating Fund</u></b>			
Encumbrances Payable	D-4,11	\$ 29,546.01	\$ 74,712.17
Appropriation Reserves	D-4,11	45,305.91	34,603.70
Interfund:			
Parking Capital Fund	D-10	23,988.45	8,381.42
Current Fund	D-10	100,000.00	
Accounts Payable	D-11	29,091.63	512.66
Accrued Interest on Bonds and Notes	D-12	221,866.41	224,061.11
Reserve for Security Deposit Hinkson		4,166.66	4,166.66
		<u>453,965.07</u>	<u>346,437.72</u>
Fund Balance	D-1	326,663.48	132,834.74
Total Operating Fund		<u>780,628.55</u>	<u>479,272.46</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**

**Sheet 2 of 2**

**DECEMBER 31, 2008 AND 2007**

	<b><u>Ref.</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
<b><u>Capital Fund</u></b>			
Improvement Authorizations:			
Funded	D-13	\$ 343,312.31	\$ 413,228.46
Unfunded	D-13	71,109.88	87,174.90
Reserve for:			
Debt Service	D-6	375,000.00	375,000.00
Deferred Amortization	D-14	759,000.00	540,000.00
Serial Bonds Payable	D-15	12,980,000.00	13,175,000.00
Fund Balance	D-2	12,179.42	12,179.42
Total Capital Fund		<u>14,540,601.61</u>	<u>14,602,582.78</u>
		<u>\$ 15,321,230.16</u>	<u>\$ 15,081,855.24</u>

There were bonds and notes authorized but not issued on December 31, 2008 of \$ 291,576.00 (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 2008</u>	<u>Year 2007</u>
<b><u>Revenue and Other Income Realized</u></b>			
Fund Balance Anticipated		\$	\$ 15,000.00
Parking Fees	D-3	2,956,243.27	2,636,903.28
Interest on Investments	D-3	15,293.43	19,834.61
Non-Budget Revenue	D-5	233,667.13	239,797.27
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-11	20,077.96	
Total Income		<u>3,225,281.79</u>	<u>2,911,535.16</u>
<b><u>Expenditures</u></b>			
Operating		1,117,154.00	1,121,379.00
Debt Service		790,299.05	775,639.00
Deferred Charges and Statutory Expenditures		24,000.00	15,000.00
Surplus (General Budget)		1,100,000.00	999,517.16
Total Expenditures	D-4	<u>3,031,453.05</u>	<u>2,911,535.16</u>
Statutory Excess to Fund Balance		193,828.74	
Fund Balance January 1	D	<u>132,834.74</u>	<u>147,834.74</u>
		326,663.48	147,834.74
Less: Fund Balance Anticipated	D-1		15,000.00
Fund Balance December 31	D	<u>\$ 326,663.48</u>	<u>\$ 132,834.74</u>

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

**PARKING UTILITY CAPITAL FUND****STATEMENT OF FUND BALANCE - REGULATORY BASIS****Exhibit D-2**

	<u>Ref.</u>	
Balance December 31, 2008 and 2007	<u>D</u>	\$ <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>
Parking Fees	D-1	\$ 3,026,654.00	\$ 2,956,243.27	\$ (70,410.73)
Interest on Investments	D-1	19,800.00	15,293.43	(4,506.57)
		<u>3,046,454.00</u>	<u>2,971,536.70</u>	<u>(74,917.30)</u>
		\$ <u>3,046,454.00</u>	\$ <u>2,971,536.70</u>	\$ <u>(74,917.30)</u>
	<u>Ref.</u>	<u>D-4</u>		
Receipts	D-5		\$ 2,971,525.15	
Interfund - Parking Capital Fund	D-10		<u>11.55</u>	
	D-3		\$ <u>2,971,536.70</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-4

### STATEMENT OF EXPENDITURES - REGULATORY BASIS

	<u>Appropriated</u>		<u>Expended</u>	<u>Reserved</u>	<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>		
Operating					
Salaries and Wages	\$ 557,304.00	\$ 591,304.00	\$ 591,304.00	\$	\$
Other Expenses	559,850.00	525,850.00	480,544.09	45,305.91	
Debt Service					
Payment of Bond Principal	195,000.00	195,000.00	195,000.00		
Interest on Bonds	595,300.00	595,300.00	595,299.05		.95
Deficit in Operations in Prior Years	15,000.00	15,000.00			15,000.00
Deferred Charges					
Ordinance 07-21	24,000.00	24,000.00	24,000.00		
Surplus ( General Budget)	1,100,000.00	1,100,000.00	1,100,000.00		
Total Parking Utility Appropriations	<u>\$ 3,046,454.00</u>	<u>\$ 3,046,454.00</u>	<u>\$ 2,986,147.14</u>	<u>\$ 45,305.91</u>	<u>\$ 15,000.95</u>
Ref.	D-1,3			D	D-1
Cash Disbursed			\$ 2,237,302.08		
Encumbrances Payable			29,546.01		
Interfund					
Current Fund			100,000.00		
Parking Utility Capital Fund			24,000.00		
Accrued Interest on Bonds			595,299.05		
			<u>\$ 2,986,147.14</u>		

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, 2008 AND 2007**

	<b><u>Ref.</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
<b><u>Assets</u></b>			
Cash:			
Treasurer	E-1	\$ 98,159.11	\$ 89,910.78
Petty Cash	E-1	<u>4,425.14</u>	<u>13,426.47</u>
		<u>\$ 102,584.25</u>	<u>\$ 103,337.25</u>
<b><u>Liabilities and Reserves</u></b>			
Supplemental Security Income Due To Client	E-1	\$ 1,238.31	\$
Prepaid State Aid	E-2	68,939.54	72,055.52
Reserve for Public Assistance	E-3	<u>32,406.40</u>	<u>31,281.73</u>
		<u>\$ 102,584.25</u>	<u>\$ 103,337.25</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, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
<b><u>Assets</u></b>		
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>10,520,166.00</u>	<u>10,520,166.00</u>
	<u>\$ 29,841,746.00</u>	<u>\$ 29,841,746.00</u>
<b><u>Liabilities</u></b>		
Investment in General Fixed Assets	<u>\$ 29,841,746.00</u>	<u>\$ 29,841,746.00</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, 2008 AND 2007**

	<b><u>Ref.</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
<b><u>Assets</u></b>			
<b><u>Operating Fund</u></b>			
Cash	S-5	\$ 1,359,378.85	\$ 1,165,017.40
Due from Small Cities C.D.B.G.		43,490.00	43,490.00
Total Operating Fund		<u>1,402,868.85</u>	<u>1,208,507.40</u>
<b><u>Capital Fund</u></b>			
Fixed Capital			
Fixed Capital Authorized and Uncompleted	S-8	211,150.00	211,150.00
Interfund - Affordable Housing Operating Fund	S-9	121,334.33	121,334.33
Total Capital Fund		<u>332,484.33</u>	<u>332,484.33</u>
		<u>\$ 1,735,353.18</u>	<u>\$ 1,540,991.73</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
<b><u>Operating Fund</u></b>			
Reserve for:			
Payment of Debt		\$ 3,819.95	\$ 3,819.95
Housing Trust	S-6	90,547.50	108,882.92
Developer Fees	S-6	598,193.49	537,646.12
Growth Share	S-6	588,973.58	436,824.08
Interfund - Affordable Housing Utility Capital Fund	S-9	121,334.33	121,334.33
Total Operating Fund		<u>1,402,868.85</u>	<u>1,208,507.40</u>
<b><u>Capital Fund</u></b>			
Interfund - General Capital Fund	S-9	7,111.79	10,716.79
Improvement Authorizations:			
Funded	S-10	67,702.05	67,702.05
Unfunded	S-10	190,476.65	186,871.65
Fund Balance	S-2	67,193.84	67,193.84
Total Capital Fund		<u>332,484.33</u>	<u>332,484.33</u>
		<u>\$ 1,735,353.18</u>	<u>\$ 1,540,991.73</u>

There were bonds and notes authorized but not issued on December 31, 2008 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**

	<b><u>Ref.</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
<b><u>Revenue and Other Income Realized</u></b>			
Developer Revenue Reserves:			
Prior Revenues Reserved	S-3	\$ 40,000.00	\$
Developer Fees	S-3	72,124.00	124,245.00
Housing Trust Reserves:			
Prior Revenues Reserved	S-3	89,810.00	48,915.22
Rents	S-3	4,145.75	9,612.31
Interest Received	S-3	13,954.22	362.64
Total Income		<u>220,033.97</u>	<u>183,135.17</u>
<b><u>Expenditures</u></b>			
Operating	S-4	74,095.14	48,246.08
Excess in Revenues		<u>145,938.83</u>	<u>134,889.09</u>
Less: Transfers to Revenue Reserves:			
Developer Fees	S-6	88,574.00	105,860.32
Housing	S-6	<u>57,364.83</u>	<u>29,028.77</u>
		<u>\$ 145,938.83</u>	<u>\$ 134,889.09</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

Balance December 31, 2008 and 2007	<u>Ref.</u> S	\$ <u>67,193.84</u>
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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	\$ 40,000.00	\$ 40,000.00	\$
Developer Fees	S-1	23,550.00	72,124.00	48,574.00
Housing Trust Reserves				
Prior Revenues Reserved	S-1	89,810.00	89,810.00	
Rents	S-1	3,000.00	4,145.75	1,145.75
Interest	S-1	300.00	13,954.22	13,654.22
		<u>\$ 156,660.00</u>	<u>\$ 220,033.97</u>	<u>\$ 63,373.97</u>
	<u>Ref.</u>	S-4		
Cash Received	S-5		\$ 90,223.97	
Housing Trust Reserve	S-6		89,810.00	
Developer Reserve	S-6		40,000.00	
			<u>\$ 220,033.97</u>	

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

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

Exhibit S-4

**AFFORDABLE HOUSING UTILITY OPERATING FUND**

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

	<u>Appropriated</u>		<u>Expended Paid or Charged</u>	<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>		
Operating				
Salaries and Wages	\$ 23,550.00	\$ 23,550.00	\$ 23,550.00	\$
Other Expenses	133,110.00	133,110.00	50,545.14	82,564.86
Total Affordable Housing Utility Appropriations	<u>\$ 156,660.00</u>	<u>\$ 156,660.00</u>	<u>\$ 74,095.14</u>	<u>\$ 82,564.86</u>
	Ref. S-1,3		S-5	S-1

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, 2008**

**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 2008.

**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, 2008 is set forth in Note 8.

**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, 2008 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 in the general fixed assets account group 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 under the Requirements of Technical Accounting Directive No. 85-2.

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 2008 the following changes occurred in the fixed assets of the Borough:

	<b><u>Balance</u></b> <b><u>Jan. 1, 2008</u></b>	<b><u>Additions</u></b>	<b><u>Balance</u></b> <b><u>Dec. 31, 2008</u></b>
General Fixed Assets Account Group:			
Land	\$ 12,298,100	\$	\$ 12,298,100
Buildings	7,023,480		7,023,480
Furniture, Fixtures and Equipment	10,520,166		10,520,166
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>13,798,876</u>	<u>31,700</u>	<u>13,830,576</u>
	<u>\$ 44,051,772</u>	<u>\$ 31,700</u>	<u>\$ 44,083,472</u>

During the 2008 year the Borough did not update their fixed asset inventory for additions or deletions.

**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 \$13,978,709 and the bank balance amount was \$17,085,949. Of this amount \$1,250,000 was covered by federal depository insurance and a collateral pool under New Jersey's Governmental Unit Deposit Protection Act covered the remaining \$15,835,949.

**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 \$2,803,423 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>2008</u>	<u>2007</u>
Insured:		
FDIC	\$ 1,250,000	\$ 400,000
GUDPA	15,835,949	9,692,901
Uninsured	<u>2,803,423</u>	<u>7,054,510</u>
	\$ <u>19,889,372</u>	\$ <u>17,147,411</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. Tax anticipation notes issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Tax 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 are 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**

3.90% to 4.10% General Improvement Bonds issued November 1, 1998 for \$7,055,000, installment maturities to November 1, 2010	\$ 1,715,000
2.875% to 4.50% General Improvement Bonds, Series A issued August 15, 2003 for \$5,553,000, installment maturities to August 15, 2018	3,838,000
2.875% to 4.50% General Improvement Bonds, Series B issued August 15, 2003 for \$8,214,000, installment maturities to August 15, 2018	5,649,000
4% General Improvement Bonds issued June 1, 2007 for \$9,833,059, installment maturities to June 1, 2019	<u>9,290,939</u>
	\$ <u>20,492,939</u>

The bonds mature serially in installments to the year 2019. Debt service requirements during the next five fiscal years and thereafter are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 2,352,119	\$ 831,925
2010	2,445,686	738,244
2011	1,590,686	637,187
2012	1,689,254	569,213
2013	1,738,537	498,282
2014-18	9,616,073	1,324,890
2019	<u>1,060,584</u>	<u>21,212</u>
	\$ <u>20,492,939</u>	\$ <u>4,620,953</u>

**Assessment Trust Fund**

4% General Improvement Bonds issued June 1, 2007 for \$142,941, installment maturities to June 1, 2019	\$ <u>142,941</u>
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<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 7,881	\$ 5,245
2010	9,314	4,901
2011	9,314	4,528
2012	10,746	4,127
2013	11,463	3,683
2014-18	70,926	10,319
2019	<u>15,417</u>	<u>309</u>
	\$ <u>135,061</u>	\$ <u>33,112</u>

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

\$ 12,980,000

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>
2009	\$ 375,000	\$ 591,644
2010	400,000	575,706
2011	425,000	558,706
2012	450,000	540,644
2013	475,000	521,519
2014-18	2,750,000	2,282,694
2019-23	3,675,000	1,591,875
2024-28	<u>4,430,000</u>	<u>634,600</u>
	<u>\$ 12,980,000</u>	<u>\$ 7,297,388</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.

**2006 Wastewater Treatment Trust Loan Schedule**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 35,000	\$ 73,625
2010	35,000	72,225
2011	35,000	70,825
2012	35,000	69,075
2012	40,000	72,325
2014-2018	225,000	355,575
2019-2023	275,000	353,719
2024-2026	<u>195,000</u>	<u>212,450</u>
	<u>\$ 875,000</u>	<u>\$ 1,279,819</u>

**NOTE 3. DEBT (CONTINUED)**

**A. Long-Term Debt (Continued)**

**2006 Wastewater Treatment Fund Loan Schedule**

<u>Year</u>	<u>Principal</u>
2009	\$ 47,370
2010	46,469
2011	45,569
2012	44,443
2013	46,534
2014-2018	228,776
2019-2023	227,582
2024-2026	<u>136,690</u>
	\$ <u>823,433</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.

**2007 Wastewater Treatment Trust Loan Schedule**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 30,000	\$ 69,150
2010	30,000	67,650
2011	35,000	71,150
2012	35,000	69,400
2013	35,000	68,210
2014-2018	200,000	342,885
2019-2023	255,000	346,425
2024-2027	<u>250,000</u>	<u>277,925</u>
	\$ <u>870,000</u>	\$ <u>1,312,795</u>



**NOTE 3. DEBT (CONTINUED)**

**A. Long-Term Debt (Continued)**

**2007 Wastewater Treatment Fund Loan Schedule**

<u>Year</u>	<u>Principal</u>
2009	\$ 43,620
2010	42,674
2011	44,882
2012	43,778
2013	43,027
2014-2018	216,294
2019-2022	218,527
2024-2027	<u>175,319</u>
	\$ <u>828,121</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.

During 2008 the Borough did not incur or claim expenditures nor receive any proceeds relating to this loan. Consequently, this loan is not reflected on the Borough's financial statements at year-end.

**2008 Wastewater Treatment Trust Loan Schedule**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 35,000	\$ 43,492
2010	35,000	88,075
2011	35,000	86,325
2012	35,000	84,575
2013	40,000	87,825
2014-2018	225,000	432,625
2019-2023	290,000	433,400
2024-2028	<u>375,000</u>	<u>432,750</u>
	\$ <u>1,035,000</u>	\$ <u>1,689,067</u>

**NOTE 3. DEBT (CONTINUED)**

**A. Long-Term Debt (Continued)**

**2008 Wastewater Treatment Fund Loan Schedule**

<u>Year</u>	<u>Principal</u>
2009	\$ 26,630
2010	53,929
2011	52,857
2012	51,786
2013	53,776
2014-2018	264,899
2019-2023	265,374
2024-2028	<u>264,976</u>
	<b>\$ <u>1,034,227</u></b>

**B. Short-Term Debt**

On December 31, 2008 the Borough's outstanding bond anticipation notes were as follows:

**General Capital Fund**

<u>Ordinance Number</u>	<u>Description</u>	<u>Amount</u>	<u>Interest Rate</u>
05-14	Rehabilitation of Sewer System	\$ 987,000	2.50%
05-19	Improvements to Sewer System	367,000	2.50%
06-15	Various Capital Improvements	1,657,000	2.50%
06-16	Various Capital Improvements	1,286,000	2.50%
07-14	Reconstruction of Cleveland Lane and Lafayette Road	1,603,000	1.92%
07-19	Various Capital Improvements	726,000	1.92%
07-20	Various Capital Improvements	<u>935,000</u>	1.92%
		<b>\$ <u>7,561,000</u></b>	

**C. Bonds and Notes Authorized but not Issued**

At December 31, 2008, the Borough had authorized but not issued bonds and notes as follows:

General Capital	\$ 9,518,797
Affordable Housing Utility Capital Fund	211,150
Parking Utility Capital Fund	291,576

**NOTE 3. DEBT (CONTINUED)****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, 2008 was 1.69%. The Borough's remaining borrowing power is 1.81%.

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.

**E. Summary of Debt Service**

During 2008 the following changes occurred in the outstanding debt of the Borough:

	<u>Balance</u> <u>Jan. 1, 2008</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
General Capital:				
Serial Bonds	\$ 22,845,059	\$	\$ 2,352,119	\$ 20,492,940
Bond Anticipation Notes	4,310,000	3,264,000	13,000	7,561,000
Loans Payable	3,841,639		445,084	3,396,555
Assessment Trust Fund:				
Serial Bonds	142,941		7,881	135,060
Parking Utility Capital Fund:				
Serial Bonds	<u>13,175,000</u>	<u>          </u>	<u>195,000</u>	<u>12,980,000</u>
	<u>\$ 44,314,639</u>	<u>\$ 3,264,000</u>	<u>\$ 3,013,084</u>	<u>\$ 44,565,555</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 \$755,199 and \$825,849 at December 31, 2008 and 2007, respectively. A reserve is maintained in the Other Trust Fund and has a balance of \$30,106 at December 31, 2008. 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, 2008 which are intended to be appropriated and included as anticipated revenue in the introduced budget for the year ending December 31, 2009 are as follows:

Current Fund	\$ 799,808
Parking Utility	100,000

**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>2008</u>	<u>2007</u>
Prepaid Taxes	\$ 499,228	\$ 477,461

**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. 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:

**NOTE 9.      PENSION PLANS (CONTINUED)**

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% of their annual covered salary. Effective July 1, 2008 the pension contribution rate was increased to 5.5%. 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>
2008	\$ 322,166	\$ 654,767
2007	179,513	454,748
2006	95,317	263,161

**NOTE 10.    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 11.    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, 2008, the Borough estimates that no material liabilities will result from such audits.

**NOTE 11. CONTINGENT LIABILITIES (CONTINUED)****Major Tax Assessments**

Taxpayers in 2008 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	\$ 84,639,800	8.41%
Palmer Sq Ltd. Properties	18,830,000	1.87%
PSN Partners	16,610,000	1.65%
Nassau Inn Ltd. Partnership	13,552,000	1.35%

**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 12. INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheets at December 31, 2008:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 113,163	\$ 100,672
Animal Control Trust Fund	9,081	5,366
Other Trust Fund	100,672	9,081
General Capital Fund	7,112	
Affordable Housing Utility Capital Fund	121,334	7,112
Affordable Housing Utility Operating Fund		121,334
Assessment Trust Fund		7,797
Parking Utility Operating Fund		123,988
Parking Utility Operating Fund	<u>23,988</u>	
	<u>\$ 375,350</u>	<u>\$ 375,350</u>

**NOTE 13.     GENERAL CAPITAL FUND - ACCOUNTS RECEIVABLE**

In 2008 the Borough and Princeton Township (the "Township") continued to jointly participate in several capital projects. At December 31, 2008 the Borough has estimated that the Township's share of unreimbursed costs is \$3,686,830 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.

The Borough's share of estimated costs due to the Township has not been finalized, however, a partial settlement of \$258,107 was paid in 2008.

**NOTE 14.     AFFORDABLE HOUSING FEE REDUCTION**

One instance was noted where a certain type of affordable housing fee charged was reduced from the amount prescribed by Borough ordinance. It was further noted this was done upon the advisement of the Borough's legal counsel.

**NOTE 15.     PARKING UTILITY REVENUE REPORTS**

During the 2008 audit year the Borough's parking reporting system was upgraded to include use of an automated cash register and other upgrades. Through inquire it was noted that the department supervisor thought there were backups made of first half activity, however it appears there are no year-to-date report available.

Consequently we were unable to compare year-to-date parking garage software generated reports to actual monies deposited. However, it was noted that the "hard" copies of daily system activity were retained for audit examination.

**BOROUGH OF PRINCETON**

**COUNTY OF MERCER**

**PART II**

**SUPPLEMENTARY DATA**

**SUPPLEMENTARY SCHEDULES**

**YEAR ENDED DECEMBER 31, 2008**



[illegible]

## COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Tax Rate	\$ <u>4.16</u>	\$ <u>3.92</u>	\$ <u>3.69</u>
Apportionment of Tax Rate			
Municipal	1.04	.99	.95
County	1.16	1.06	1.01
Regional School District	1.96	1.87	1.73
Assessed Valuation			
2008	\$ 1,006,718,313		
2007		\$ 999,506,688	
2006			\$ 1,002,656,507

## 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>Currently</u>	
		<u>Cash Collection</u>	<u>Percentage of Collection</u>
2008	\$ 42,174,617	\$ 41,773,379	99.05%
2007	39,434,302	38,895,640	98.63%
2006	37,205,934	36,776,306	98.85%

## 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 December 31</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2008	\$ 38	\$ 390,887	\$ 390,925	0.93%
2007	-0-	518,063	518,063	1.31%
2006	-0-	428,703	428,703	1.15%

## COMPARISON OF SEWER RENTS

<u>Year</u>	<u>Levy</u>	<u>Delinquent</u>	<u>Cash Collection</u>
2008	\$ 3,261,103	\$ 48,312	\$ 3,259,116
2007	3,551,053	37,430	3,540,172
2006	3,549,871	43,054	3,555,495

## COMPARATIVE SCHEDULE OF FUND BALANCES

<u>Year</u>	<u>Balance</u> <u>December 31</u>	<u>Utilized in</u> <u>Budget of</u> <u>Succeeding Year</u>
<b><u>Current Fund</u></b>		
2008	\$ 1,702,550	\$ 799,808
2007	1,987,969	1,726,813
2006	3,137,521	1,784,980
2005	1,921,353	1,213,578
2004	1,869,436	1,213,578

### **Parking Utility Operating Fund**

2008	\$ 326,663	\$ 100,000
2007	132,835	-0-
2006	147,835	15,000
2005	30,529	-0-

## **SUMMARY OF MUNICIPAL DEBT**

	<u>Year 2008</u>	<u>Year 2007</u>	<u>Year 2006</u>
<b><u>Issued</u></b>			
General:			
Bonds, Notes and Loans	\$ 31,585,554	\$ 30,996,698	\$ 27,688,402
Affordable Housing Utility:			
Bonds, Notes and Loans			142,941
Parking Utility:			
Bonds, Notes and Loans	<u>12,980,000</u>	<u>13,175,000</u>	<u>13,350,000</u>
Total Issued	<u>44,565,554</u>	<u>44,171,698</u>	<u>41,181,343</u>
Less:			
Funds on Hand to Pay Bonds and Notes:			
Assessment Trust Fund	100,994		
General Capital			2,785
Parking Utility	<u>375,000</u>	<u>375,000</u>	<u>80,405</u>
Total Deductions	<u>475,994</u>	<u>375,000</u>	<u>83,190</u>
Net Debt Issued	<u>44,089,560</u>	<u>43,796,698</u>	<u>41,098,153</u>
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds, Notes and Loans	9,518,797	8,858,637	12,099,447
Affordable Housing Utility:			
Bonds, Notes and Loans	211,150	211,150	211,150
Parking Utility:			
Bonds, Notes and Loans	<u>291,576</u>	<u>283,876</u>	<u>259,876</u>
Total Authorized but not Issued	<u>10,021,523</u>	<u>9,353,663</u>	<u>12,570,473</u>
Net Bonds and Notes Issued and Authorized but not Issued	\$ <u>54,111,083</u>	\$ <u>53,150,361</u>	\$ <u>53,668,626</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 1.69%.

	<b><u>Gross Debt</u></b>	<b><u>Deductions</u></b>	<b><u>Net Debt</u></b>
Regional School District Debt	\$ 15,992,592	\$ 15,992,592	\$ -0-
Parking Utility Debt	13,271,576	13,271,576	-0-
General Debt	41,104,351	100,994	41,003,357
Affordable Housing Utility	<u>211,150</u>	<u>211,150</u>	<u>-0-</u>
	\$ <u>70,579,669</u>	\$ <u>29,576,312</u>	\$ <u>41,003,357</u>

Net Debt \$41,003,357 divided by Equalized Valuation basis per N.J.S.A. 40A:2-6 as amended \$2,422,478,554 = 1.69%.

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

3.5% of Equalized Valuation Basis	\$ 84,786,749
Net Debt	<u>41,003,357</u>
Remaining Borrowing Power	\$ <u>43,783,392</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	\$ 3,205,204
Deductions:	
Operating and Maintenance Cost	\$ 1,117,154
Debt Service	<u>790,299</u>
Total Deductions	<u>1,907,453</u>
Excess in Revenue	\$ <u>1,297,751</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	\$ 220,034
Deductions:	
Operating and Maintenance Cost	<u>74,095</u>
Excess in Revenue	\$ <u>145,939</u>

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

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**BOROUGH OF PRINCETON**

**COUNTY OF MERCER**

**OFFICIALS IN OFFICE AND SURETY BONDS**

The following officials were in office at December 31, 2008:

<u>Name</u>	<u>Position</u>	<u>Amount of Bond</u>	<u>Name of Corporate Surety</u>
Mildred T. Trotman	Mayor	*	
Margaret Karcher	Council President	*	
Kevin Wilkes	Member of Common Council (appointed 4/18/08)	*	
David A. Goldfarb	Member of Common Council	*	
Andrew Koontz	Member of Common Council	*	
Roger C. Martindell	Member of Common Council	*	
Barbara Trelstad	Member of Common Council	*	
Karen L. Cayci	Attorney	*	
Robert W. Bruschi	Administrator	*	
Sandra Webb	Chief Financial Officer (appointed 2/12/08)	*	
Decimus Marsh	Chief Financial Officer and Tax Collector (to 2/12/08)	\$ 1,000,000	Mid-Jersey Municipal Joint Insurance Fund
Carol Coe	Tax Collector (appointed 2/12/08)	*	
Andrea Lea Quinty	Borough Clerk		
Russell W. Annich, Jr.	Municipal Court Judge		
Susan F. Shapiro	Court Administrator, Deputy Violations Clerk		
Janice Mooney	Deputy Court Administrator, Deputy Violations Clerk		
Christopher Budzinski	Plumbing Subcode Official, Engineer, Construction Code Official	*	
Neal Snyder	Assessor	*	
William Drake	Fire Official	*	
Donald Mayer-Brown	Manager of Sewer Operating Committee	*	
Martin Vogt	Building Subcode Official/Fire Subcode Official		
Edward J. Bergman	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, 2007	\$ 8,153,063.26	\$ 112,058.73
Increased by Receipts:		
Collector	\$ 45,720,296.94	
Revenue Accounts Receivable	8,282,850.11	
State of New Jersey (P.L. 1971, C. 20)	35,700.00	
Township of Princeton Share of Revenue	178,757.16	
Miscellaneous Revenue not Anticipated	344,982.77	
Reserve for Consolidated Municipal Property Relief	4,701.00	
State of New Jersey Fees	65,876.40	86,665.27
Interfund - Other Funds	601,541.12	
Reserve For Payroll Deductions	957.25	
Reserve For Sale of Municipal Assets	9,609.20	422,896.93
Grants Receivable		4,028.78
Unappropriated Reserves		<u>513,590.98</u>
	<u>55,245,271.95</u>	<u>625,649.71</u>
	63,398,335.21	
Decreased by Disbursements:		
Appropriations	22,652,787.10	
Appropriation Reserves	668,531.57	
County Taxes	11,758,039.95	
Regional School District Taxes	19,726,774.57	
Revenue Refunds	11,350.44	
Interfunds:		
Grant Fund	86,665.27	
Other Funds	3,936,748.91	
State of New Jersey Fees	57,815.40	
Appropriated Reserves		<u>130,947.78</u>
	<u>58,898,713.21</u>	<u>130,947.78</u>
	58,898,713.21	
Balance December 31, 2008	\$ 4,499,622.00	\$ 494,701.93

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**CURRENT FUND**

**Exhibit A-5**

**SCHEDULE OF CASH - COLLECTOR**

Increased by Receipts:

Taxes:

Receivable

\$ 41,768,983.74

Prepaid

499,228.16

Interest and Costs

192,969.11

Sewer Charges:

Receivable

3,259,115.93

\$ 45,720,296.94

Decreased by:

Payment to Treasurer

\$ 45,720,296.94

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**CURRENT FUND**

Exhibit A-6

**SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

Balance		Collected		Apply Overpaid	Due From State of New Jersey	Cancelled	Transfer to Tax Title Liens	Balance Dec. 31, 2008
Year	Dec. 31, 2007	2008	2007					
2007	\$ 518,063.10	\$ 508,816.25	\$	\$ 1,054.10	\$	\$ 8,172.00	20.75	\$
2008		41,260,167.49	477,461.39		35,750.00	10,350.88		390,886.87
	\$ 518,063.10	\$ 41,768,983.74	\$ 477,461.39	\$ 1,054.10	\$ 35,750.00	\$ 18,522.88	\$ 20.75	\$ 390,886.87
<b><u>Analysis of 2008 Property Tax Levy</u></b>								
Tax Yield:								
General Purpose Tax								
Added and Omitted Taxes								
\$ 42,174,616.63								
Tax Levy:								
Regional School Tax (Abstract)								
Municipal Open Space Tax								
County Taxes:								
County Tax (Abstract)								
County Open Space Tax (Abstract)								
Amount Due County for Added and Omitted Taxes								
11,770,470.99								
Local Tax for Municipal Purposes								
Add: Additional Tax Levied								
10,576,699.24								
\$ 42,174,616.63								



**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**CURRENT FUND**

**Exhibit A-7**

**SCHEDULE OF TAX TITLE LIENS**

Increased by:		
Transfers from Taxes Receivable	\$ 20.75	
Interest and Costs Accrued at Tax Sale	<u>16.80</u>	
Balance December 31, 2008		\$ <u><u>37.55</u></u>

**SCHEDULE OF SEWER CHARGES RECEIVABLE**

**Exhibit A-8**

Balance December 31, 2007	\$ 48,311.78	
Increased by:		
2008 Charges (Net)	<u>3,261,103.28</u>	
	<u>3,309,415.06</u>	
Decreased by:		
Collections	<u>3,259,115.93</u>	
	\$ <u><u>50,299.13</u></u>	
Balance December 31, 2008		

**BOROUGH OF PRINCETON - COUNTY OF MERCER****CURRENT FUND****Exhibit A-9****SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE****Sheet 1 of 2**

	<b>Accrued in 2008</b>	<b>Collected by</b>	
		<b>Collector</b>	<b>Treasurer</b>
Licenses:			
Alcoholic Beverages	\$ 47,002.00	\$	\$ 47,002.00
Other	23,648.23		23,648.23
Fees and Permits	151,103.28		151,103.28
Municipal Court			
Fines and Costs	1,022,067.59		1,022,067.59
Interest and Costs on Taxes	192,969.11	192,969.11	
Interest on Investments and Deposits	278,265.50		278,265.50
Anticipated Utility Operating Surplus	1,100,000.00		1,100,000.00
Sewer Service Charges	3,259,115.93	3,259,115.93	
Princeton University Donation	1,176,730.20		1,176,730.20
Street Opening Inspection Fees	9,175.00		9,175.00
Life Hazard Use Fes	74,799.14		74,799.14
Fire and Housing Inspection Fees	123,070.00		123,070.00
Passport Fees	14,220.00		14,220.00
State Aid:			
Consolidated Municipal Property Tax Relief	279,967.00		279,967.00
Energy Receipts Taxes	1,024,975.00		1,024,975.00
Garden State Trust Fund	5.34		5.34
Uniform Construction Code Fees	798,055.60		798,055.60
Interlocal Service Agreements:			
Princeton Township Joint Services:			
Solid Waste Management	130,214.00		130,214.00
Maintenance of Sewer Facilities	709,053.00		709,053.00
Animal Control	55,644.00		55,644.00
Health Services	300,957.00		300,957.00
Fire Services	106,359.00		106,359.00
Fire Facilities	51,594.00		51,594.00
Senior Citizen Program	55,780.00		55,780.00
LOSAP Alternative	24,750.00		24,750.00
Flu Program	7,480.00		7,480.00
Princeton Theological Seminary	211,765.00		211,765.00
Liquidation of Interfund - Payroll Fund	325,647.06		325,647.06
Payment in Lieu of Taxes:			
Elm Court PILOT	66,198.00		66,198.00
Chamber Street Land Lease	99,740.00		99,740.00
Stony Brook Sewer Industrial User Fees	17,445.07		17,445.07
Assessment Trust Fund - Fund Balance	75,000.00		75,000.00
Engineering Developer Fees	23,000.00		23,000.00

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**CURRENT FUND**

**Exhibit A-9**

**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

**Sheet 2 of 2**

	Accrued in 2008	Collected by	
		Collector	Treasurer
Open Space Trust	\$ 104,000.00	\$	\$ 104,000.00
Sale of Municipal Assets	8,999.00		8,999.00
Hotel/Motel Tax	2,953.16		2,953.16
General Capital Fund - Fund Balance	22,000.00		22,000.00
Reserve for Payment of Debt Service	186,835.00		186,835.00
	<u>\$ 12,160,582.21</u>	<u>\$ 3,452,085.04</u>	<u>\$ 8,708,497.17</u>
Receipts			\$ 8,282,850.11
Operations - Liquidation of Interfund			
Anticipated as Revenue Liquidation			325,647.06
Interfund - Other Funds			<u>100,000.00</u>
			<u>\$ 8,708,497.17</u>

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**CURRENT FUND**

**Exhibit A-10**

**SCHEDULE OF APPROPRIATION RESERVES**

**Sheet 1 of 5**

**APPROPRIATIONS INCLUDED WITHIN CAPS**

	<b><u>Balance Dec. 31, 2007</u></b>	<b><u>Reserve for Encumbrances</u></b>	<b><u>Balance After Transfers</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Balance Lapsed</u></b>
Mayor and Council	\$	\$	\$	\$	\$
Other Expenses	168.98	669.85	838.83	825.23	13.60
Administrative and Executive					
Salaries and Wages	6,629.57		6,629.57	6,629.57	
Other Expenses	20,250.11	1,137.80	21,387.91	21,387.91	
Other Expenses-Flu Program	3,410.00		3,410.00		3,410.00
Municipal Clerk					
Salaries and Wages	5,271.90		5,271.90		5,271.90
Other Expenses	15,243.74	287.47	15,531.21	15,531.21	
Elections					
Salaries and Wages	1,880.72		1,880.72		1,880.72
Other Expenses	1,017.36		1,017.36	407.50	609.86
Financial Administration					
Salaries and Wages	1,180.12		1,180.12		1,180.12
Miscellaneous Other Expenses	2,673.96	383.69	3,057.65	2,184.91	872.74
Collection of Taxes					
Salaries and Wages	3,149.90		3,149.90		3,149.90
Other Expenses	3,511.47	434.61	3,946.08	3,289.84	656.24
Assessment of Taxes					
Salaries and Wages	226.71		226.71		226.71
Other Expenses	2,156.00	1,065.56	3,221.56	2,076.98	1,144.58
Legal Services and Costs					
Other Expenses	1,494.73	15,398.03	16,892.76	16,892.76	
Defense of Tax Appeals		1,924.25	1,924.25	1,603.20	321.05
Engineering Services and Costs					
Other Expenses	10,231.98	3,139.85	13,371.83	9,651.05	3,720.78

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**CURRENT FUND**

Exhibit A-10

**SCHEDULE OF APPROPRIATION RESERVES**

Sheet 2 of 5

	<u>Balance Dec. 31, 2007</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Municipal Court					
Salaries and Wages	\$ 6,514.46	\$	\$ 6,514.46	\$	\$ 6,514.46
Other Expenses	3,028.14	527.49	3,555.63	2,799.81	755.82
Public Buildings and Ground					
Salaries and Wages	5,790.37	2,475.00	8,265.37	2,475.00	5,790.37
Other Expenses	9,923.30	4,701.19	14,624.49	12,827.28	1,797.21
Shade Tree Commission					
Salaries and Wages	1,006.61	915.00	1,921.61	1,921.61	
Other Expenses	5,318.73	8,647.62	13,966.35	13,966.35	
Insurance					
General Liability	60,610.20		60,610.20	3,505.58	57,104.62
Workers Compensation	6,645.00		6,645.00		6,645.00
Employee Group Health	142,406.93	684.00	143,090.93	3,653.64	139,437.29
Juvenile Conference Committee					
Other Expenses	500.00		500.00		500.00
Fire					
Fire Hydrant Services	10,034.41	11,828.61	21,863.02	21,863.02	
Miscellaneous Other Expenses	328.19		328.19	328.19	
Fire Facilities	119.31		119.31		119.31
Police					
Salaries and Wages	111,458.01		111,458.01	45,681.30	65,776.71
Other Expenses	16,798.42	18,618.65	35,417.07	35,417.07	
Purchase of Police Cars	698.80		698.80		698.80
Fire Inspectors					
Salaries and Wages	23,352.16		23,352.16		23,352.16
Other Expenses	1,160.46	2,005.16	3,165.62	2,958.87	206.75
Emergency Management Services					
Other Expenses	1,233.88	10,566.12	11,800.00	10,565.97	1,234.03

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**CURRENT FUND**

Exhibit A-10

**SCHEDULE OF APPROPRIATION RESERVES**

Sheet 3 of 5

	Balance Dec. 31, 2007	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Road Repair and Maintenance					
Salaries and Wages	\$ 11,611.27	\$ 4,040.00	\$ 15,651.27	\$ 4,040.00	\$ 11,611.27
Other Expenses	38,675.53	9,495.35	48,170.88	21,214.46	26,956.42
Park Maintenance					
Other Expenses	11,100.00		11,100.00	10,955.05	144.95
Street Lighting					
Other Expenses	27,724.42	9,006.47	36,730.89	18,314.17	18,416.72
Mechanics					
Salaries and Wages	630.88	620.00	1,250.88	620.00	630.88
Other Expenses	11,279.60	6,817.46	18,097.06	9,841.56	8,255.50
Maintenance of Sewerage Facilities					
Salaries and Wages	40,000.00		40,000.00		40,000.00
Other Expenses	153.16		153.16		153.16
Garbage and Trash Removal					
Other Expenses	122,785.78	29,042.10	151,827.88	92,170.00	59,657.88
Solid Waste Disposal					
Salaries and Wages	8,595.71		8,595.71		8,595.71
Other Expenses	55,484.84		55,484.84	2,749.34	52,735.50
Board of Health					
Salaries and Wages	2,807.93		2,807.93		2,807.93
Other Expenses	5,711.42		5,711.42	782.50	4,928.92
Animal Control					
Salaries and Wages	1.00		1.00		1.00
Other Expenses	1.06		1.06		1.06
Save Boarding Cost and Animal Care					
Other Expenses	700.00	4,205.00	4,905.00	2,685.00	2,220.00
Senior Citizens Program					
Other Expenses	5,385.90		5,385.90	4,704.90	681.00

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**CURRENT FUND**

Exhibit A-10

**SCHEDULE OF APPROPRIATION RESERVES**

Sheet 4 of 5

	<b><u>Balance Dec. 31, 2007</u></b>	<b><u>Reserve for Encumbrances</u></b>	<b><u>Balance After Transfers</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Balance Lapsed</u></b>
	\$	\$	\$	\$	\$
Celebration of Public Events	7,500.00		7,500.00		7,500.00
Other Expenses					
Construction Official					
Salaries and Wages	22.39		22.39		22.39
Other Expenses	3,193.48	5,671.90	8,865.38	7,236.67	1,628.71
Salary and Wage Adjustment	19,700.00		19,700.00		19,700.00
Condo Service Reimbursement	2,000.00		2,000.00	2,000.00	
Utilities					
Gasoline	6,900.89	4,312.59	11,213.48	9,633.52	1,579.96
Telephone	5,757.18	5,301.10	11,058.28	7,283.48	3,774.80
Electricity and Natural Gas	11,934.89	7,366.04	19,300.93	19,300.93	
Water		5,130.61	5,130.61	5,130.61	
Accumulated Leave Compensation	75,000.00		75,000.00	75,000.00	
Contribution to:					
Social Security System (O.A.S.I.)	5,339.27	1,148.65	6,487.92	1,548.19	4,939.73
Total Appropriations within Caps	<u>965,421.23</u>	<u>177,567.22</u>	<u>1,142,988.45</u>	<u>533,654.23</u>	<u>609,334.22</u>

**APPROPRIATIONS EXCLUDED FROM CAPS**

Reserve for Tax Appeals	5,000.00	5,000.00			5,000.00
Stony Brook Regional Sewerage Authority					
Share of Costs	81,518.48		81,518.48	81,518.48	
Stony Brook Sewer Industrial User Free	21,298.78		21,298.78	9,853.63	11,445.15
Implementation and Maintenance of 911					
Communication System					
Police					
Salaries and Wages	7,029.39		7,029.39		7,029.39

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**CURRENT FUND**

Exhibit A-10

**SCHEDULE OF APPROPRIATION RESERVES**

Sheet 5 of 5

	<u>Balance Dec. 31, 2007</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Princeton Township Joint Services					
Solid Waste	\$	\$	\$	\$	\$
Salaries and Wages		113.50	113.50	113.50	
Other Expenses		14,071.89	14,071.89	14,071.89	
Maintenance of Sewer Facilities					
Salaries and Wages	47,297.40	3,481.50	50,778.90	3,481.50	47,297.40
Other Expenses		7,738.81	7,738.81	7,035.58	703.23
Princeton Township Joint Services					
Fire					
Other Expenses		10,238.94	10,238.94	10,238.94	
Fire Facilities		8,048.32	8,048.32	7,898.32	150.00
LOSAP Alternative	185.64		185.64	185.64	
Health					
Salaries and Wages		16,974.96	16,974.96	16,550.22	424.74
Animal Control					
Salaries and Wages	3,380.69		3,380.69		3,380.69
Total General Appropriations excluded from Caps	<u>165,710.38</u>	<u>60,667.92</u>	<u>226,378.30</u>	<u>150,947.70</u>	<u>75,430.60</u>
Total General Appropriations	\$ <u>1,131,131.61</u>	\$ <u>238,235.14</u>	\$ <u>1,369,366.75</u>	\$ <u>684,601.93</u>	\$ <u>684,764.82</u>
Disbursed				\$ 668,531.57	
Accounts Payable				<u>16,070.36</u>	
				\$ <u>684,601.93</u>	



**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**CURRENT FUND**

**Exhibit A-11**

**SCHEDULE OF COUNTY TAXES PAYABLE**

Balance December 31, 2007		\$ 64,068.77
Increased by:		
2008 Tax Levy:		
County Tax	\$ 10,942,859.25	
County Open Space Tax	751,111.93	
County Share of Added and Omitted Taxes	<u>76,499.81</u>	
		<u>11,770,470.99</u>
		11,834,539.76
Decreased by:		
Payments		<u>11,758,039.95</u>
Balance December 31, 2008		\$ <u><u>76,499.81</u></u>

**SCHEDULE OF REGIONAL SCHOOL DISTRICT TAX**

**Exhibit A-12**

Increased by:		
Levy - Calendar Year 2008		\$ 19,726,774.57
Decreased by:		
Payments		<u>\$ 19,726,774.57</u>

**SCHEDULE OF MUNICIPAL OPEN SPACE TAX**

**Exhibit A-13**

Increased by:		
Levy - Calendar Year 2008		\$ 100,671.83
Decreased by:		
Interfund-Trust Other		<u>\$ 100,671.83</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	Payroll Fund	Other Trust Fund	General Capital Fund	Parking Operating Utility Fund
Balance December 31, 2007 - (Due From)/Due To	\$ 3,327,327.10	\$ 116.72	\$ (1,541.12)	\$ (600,000.00)	\$ 96,811.42	\$ 3,781,457.24	\$ 50,482.84
Increased by:							
Receipts:							
Miscellaneous	601,541.12		1,541.12	600,000.00			
Budget Appropriations							
Deferred Charges Raised in Budget	954.94	954.94					
2008 Municipal Open Space Tax Levy	100,671.83				100,671.83		
Total Increases	703,167.89	954.94	1,541.12	600,000.00	100,671.83		
Total Increases and Balances	4,030,494.99	1,071.66			197,483.25	3,781,457.24	50,482.84
Decreased by:							
Disbursements:							
Miscellaneous	3,936,748.91	7,997.41			96,811.42	3,781,457.24	50,482.84
Miscellaneous Revenue Not Anticipated	871.51	871.51					
Statutory Excess	5,366.40		5,366.40				
Revenue Accounts Receivable	100,000.00						100,000.00
Total Decreases	4,042,986.82	8,868.92	5,366.40		96,811.42	3,781,457.24	150,482.84
Balance December 31, 2008 - (Due From)/Due To	\$ (12,491.83)	\$ (7,797.26)	\$ (5,366.40)	\$	\$ 100,671.83	\$	\$ (100,000.00)

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**CURRENT FUND**

**Exhibit A-15**

**SCHEDULE OF INTERFUND**

**FEDERAL AND STATE GRANT FUND**

Balance December 31, 2007 - Due To		\$ 86,665.27
Increased by:		
Anticipated as 2008 Revenue		<u>176,888.13</u>
		263,553.40
Decreased by:		
2008 Budget Appropriations	\$ 176,888.13	
Disbursements	<u>86,665.27</u>	
		<u>\$ 263,553.40</u>

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**CURRENT FUND**

Exhibit A-16

**SCHEDULE OF GRANTS RECEIVABLE**

**FEDERAL AND STATE GRANT FUND**

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2007</u> \$	<u>2008</u> <u>Budget</u> <u>Revenue</u> \$	<u>Realized</u> \$	<u>Balance</u> <u>Dec. 31, 2008</u> \$
Alcohol Education and Rehabilitation Fund		\$ 10,280.74	\$ 10,280.74	
Body Armor Fund		6,956.24	6,956.24	
Bonner Foundation		28,885.61	22,065.42	6,820.19
Clean Communities Grant		10,227.03	10,227.03	
Cops-in-Shops		4,800.00	4,800.00	
Click It or Ticket		4,000.00	4,000.00	
Comprehensive Tobacco Control	780.00	700.00	700.00	80.00
Drunk Driving Enforcement Fund		19,900.91	19,900.91	
Infrastructure Preparedness	950.00	1,500.00	1,500.00	950.00
Over the Limit, Under Arrest		9,987.50	9,987.50	
Pandemic Influenza Preparedness		7,728.00	7,728.00	
Princeton Gas Works Redevelopment	270,000.00	270,000.00	270,000.00	
Princeton University - Donation to Board of Health		700.00	700.00	700.00
Princeton University Fire Equipment		20,000.00	20,000.00	
Princeton University Prospect Avenue Lighting	15,308.00	7,654.00	22,962.00	
Public Health Priority Funding		4,220.00	4,220.00	
Recycling Tonnage Grant		9,672.10	9,672.10	
Safe and Secure Communities Program	13,068.00	29,676.00	13,068.00	29,676.00
Stormwater Management	5,104.00			5,104.00
	<u>\$ 305,210.00</u>	<u>\$ 176,888.13</u>	<u>\$ 438,767.94</u>	<u>\$ 43,330.19</u>
Deposits			\$ 422,896.93	
Unappropriated Reserves			15,871.01	
			<u>\$ 438,767.94</u>	

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**CURRENT FUND**

Exhibit A-17

**SCHEDULE OF APPROPRIATED RESERVES**

**FEDERAL AND STATE GRANT FUND**

<u>Grant</u>	<u>Balance Dec. 31, 2007</u>	<u>Transfer from 2008 Budget Appropriations</u>	<u>Prior Year Encumbrances</u>	<u>Expended</u>	<u>Balance Dec. 31, 2008</u>
Current Year Grants:					
Alcohol Education and Rehabilitation Fund	\$ 6,241.18	\$ 10,280.74	\$	\$ 7,050.00	\$ 9,471.92
Body Armor Fund	342.64	6,956.24			7,298.88
Bonner Foundation	15,816.07	28,885.61	7,540.40	17,980.14	34,261.94
Clean Communities Grant	10,921.27	10,227.03	125.49	10,277.32	10,996.47
Click It or Ticket	4,000.00	4,000.00		3,841.14	4,158.86
Comprehensive Tobacco Control	780.00			55.00	725.00
Cops in Shops	2,777.59	4,800.00		2,988.78	4,588.81
Drunk Driving Enforcement Fund	16,041.79	19,900.91		19,146.69	16,796.01
Infrastructure Preparedness		1,500.00			1,500.00
Over the Limit, Under Arrest	5,000.00	9,987.50		2,446.77	12,540.73
Pandemic Influenza Preparedness		7,728.00		7,728.00	
Princeton Gas Works Redevelopment	270,000.00				270,000.00
Princeton University Fire Equipment	30,149.22	20,000.00		13,394.86	36,754.36
Princeton University Prospect Avenue Lighting	7,654.00	7,654.00		2,500.00	12,808.00
Princeton University Donation		1,400.00			1,400.00
Public Health Priority Funding	8,168.00	4,220.00		6,168.84	6,219.16
Recycling Tonnage Grant	14,286.32	9,672.10			23,958.42
Robert Wood Johnson Foundation	5,000.00			5,000.00	
Safe and Secure Communities Program		29,676.00			29,676.00
State and Local All. Hazard Emergency Planning	2,405.72				2,405.72
State Contingency Fund - Special Purpose	21,313.57		41,500.00	62,813.57	
State Park Services Grant	2,190.00				2,190.00
Stormwater Management	14,056.62				14,056.62
Tobacco Age of Sale	1,753.11				1,753.11
	<u>\$ 438,897.10</u>	<u>\$ 176,888.13</u>	<u>\$ 49,165.89</u>	<u>\$ 161,391.11</u>	<u>\$ 503,560.01</u>
Disbursements					
Reserve for Encumbrances				\$ 130,947.78	
Interfund - Current Fund				30,443.33	
				<u>\$ 161,391.11</u>	

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**CURRENT FUND**

Exhibit A-18

**SCHEDULE OF UNAPPROPRIATED RESERVES**

**FEDERAL AND STATE GRANT FUND**

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2007</u>	<u>Receipts</u>	<u>Realized as</u> <u>Anticipated</u> <u>Revenue</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
	\$ 3,655.40	\$	\$ 3,655.40	\$
Body Armor Fund	7,385.61		7,385.61	
Bonner Foundation	2,400.00	588.78	2,400.00	588.78
Cops in Shops	950.00		950.00	
Pandemic Influenza Preparedness	700.00		700.00	
Princeton University Board of Health Donation	780.00	3,440.00	780.00	3,440.00
Public Health Priority Funding				
	<u>\$ 15,871.01</u>	<u>\$ 4,028.78</u>	<u>\$ 15,871.01</u>	<u>\$ 4,028.78</u>

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**TRUST FUND**

Exhibit B-2

**SCHEDULE OF CASH - TREASURER**

	<u>Assessment Trust Fund</u>	<u>Trust - Other Fund</u>
Balance December 31, 2007	\$ 184,716.08	\$ 1,872,527.02
Increased by Receipts:		
Assessment Collections	\$ 149,885.32	\$
Miscellaneous Reserves		666,009.78
Reserve For Open Space		337.08
Interfunds:		
Current Fund	13,826.73	96,811.42
Dog Trust Fund		5,356.00
		<u>768,514.28</u>
		2,641,041.30
Decreased by Disbursements:		
Utilized as Current Fund Revenue	75,000.00	104,000.00
Animal Control Trust Fund Expenditures		
Overpayment Refunds	57.85	731,744.59
Miscellaneous Reserves		
Interfunds:		
Dog Trust Fund		1,831.72
Current Fund	<u>12,838.50</u>	
	87,896.35	<u>837,576.31</u>
Balance December 31, 2008	<u>\$ 260,531.78</u>	<u>\$ 1,803,464.99</u>

## Exhibit B-3

## ANALYSIS OF CASH

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**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**TRUST FUND**

Exhibit B-4

**SCHEDULE OF ASSESSMENTS RECEIVABLE**

**ASSESSMENT TRUST FUND**

Ordinance Number	Improvement Description	Balance	Reserve For	Collected	Balance	Balance Pledged To	
		Dec. 31, 2007	Assessments		Dec. 31, 2008	Assessment Bonds	Reserve for Assessments
		\$ 248.98		\$ 248.98	\$	\$	\$
92-15	Improvements to Clay, Maple and Spruce Streets						
93-20, 93-21,							
03-12	Installation of Lighting and Drainage Improvements	28,590.68		9,315.41	19,275.27		19,275.27
94-06	Road, Curb Sidewalk and Drainage Improvements	1,621.68		540.57	1,081.11		1,081.11
94-08	Road, Curb Sidewalk and Drainage Improvements	1,227.38		542.91	684.47		684.47
95-08	Various Sidewalk Improvements	925.90		925.90			
95-08B	Road, Curb Sidewalk and Drainage Improvements	2,800.01		933.34	1,866.67		1,866.67
95-08C	Road, Curb Sidewalk and Drainage Improvements	1,703.16		647.96	1,055.20		1,055.20
96-25, 96-27,							
99-10	Various Sidewalk Improvements	1,861.13		447.50	1,413.63		1,413.63
95-22	Sewer and Water Improvements on John Street	10,697.72		2,957.21	7,740.51		7,740.51
00-19	Various Sidewalk Improvements	4,115.49		1,467.71	2,647.78		2,647.78
02-16	Sidewalk Improvements	525.54		57.25	468.29		468.29
03-10	Sidewalk Improvements	7,123.82		736.41	6,387.41	6,387.41	
03-16	Water, Sewer and Sidewalk Improvements	36,384.94		6,367.00	30,017.94	27,679.74	2,338.20
00-7, 01-15							
02-14, 02-16	Sidewalk Improvements		61,830.75	45,762.16	16,068.59		16,068.59
03-15	Sidewalk Improvements		25,104.00	10,869.41	14,234.59		14,234.59
05-12	Sidewalk Improvements		93,576.17	68,612.35	24,963.82		24,963.82
		\$ 97,826.43	\$ 180,510.92	\$ 150,432.07	\$ 127,905.28	\$ 34,067.15	\$ 93,838.13
	Receipts			\$ 149,885.32			
	Prepaid Applied			546.75			
				\$ 150,432.07			

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**TRUST FUND**

Exhibit B-5

**SCHEDULE OF RESERVE FOR ASSESSMENTS**

**ASSESSMENT TRUST FUND**

<b><u>Ordinance Number</u></b>	<b><u>Improvement Description</u></b>	<b><u>Balance Dec. 31, 2007</u></b>	<b><u>Unpledged Assessments</u></b>	<b><u>Collections to Surplus</u></b>	<b><u>Balance Dec. 31, 2008</u></b>
	Assessments Receivable:				
92-15	Improvements to Clay, Maple and Spruce Streets	\$ 248.98	\$	\$ 248.98	\$
03-12	Installation of Lighting and Drainage Improvements	28,590.68		9,315.41	19,275.27
94-06	Road, Curb Sidewalk and Drainage Improvements	1,621.68		540.57	1,081.11
94-08	Road, Curb Sidewalk and Drainage Improvements	1,227.38		542.91	684.47
95-08	Various Sidewalk Improvements	925.90		925.90	0.00
95-08B	Road, Curb Sidewalk and Drainage Improvements	2,800.01		933.34	1,866.67
95-08C	Road, Curb Sidewalk and Drainage Improvements	1,703.16		647.96	1,055.20
96-25, 96-27,					
99-10	Various Sidewalk Improvements	1,861.13		447.50	1,413.63
95-22	Sewer and Water Improvements on John Street	10,697.72		2,957.21	7,740.51
00-19	Various Sidewalk Improvements	4,115.49		1,467.71	2,647.78
02-16	Sidewalk Improvements	525.54		57.25	468.29
03-16	Water, Sewer and Sidewalk Improvements	2,338.20			2,338.20
02-14, 02-16	Sidewalk Improvements		61,830.75	45,762.16	16,068.59
03-15	Sidewalk Improvements		25,104.00	10,869.41	14,234.59
05-12	Sidewalk Improvements		93,576.17	68,612.35	24,963.82
		<u>\$ 56,655.87</u>	<u>\$ 180,510.92</u>	<u>\$ 143,328.66</u>	<u>\$ 93,838.13</u>

BOROUGH OF PRINCETON - COUNTY OF MERCER

TRUST FUND

Exhibit B-6

SCHEDULE OF SERIAL BONDS PAYABLE

ASSESSMENT TRUST FUND

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2007	Paid by Budget Appropriation	Balance Dec. 31, 2008
			Outstanding	Dec. 31, 2008				
			Date	Amount				
General Improvement Bonds	6/01/07	\$ 142,941.36	6/01/09	\$ 7,880.69	4.00%	\$ 142,941.36	\$ 7,880.69	\$ 135,060.67
			6/01/10/11	9,313.54	4.00%			
			6/01/12	10,746.39	4.00%			
			6/01/13	11,462.82	4.00%			
			6/01/14-15	13,612.10	4.00%			
			6/01/16-17	14,328.52	4.00%			
			6/01/18	15,044.95	4.00%			
			6/01/19	15,417.49	4.00%			
						\$ 142,941.36	\$ 7,880.69	\$ 135,060.67

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**TRUST FUND**

**Exhibit B-7**

**SCHEDULE OF RESERVE FOR ANIMAL CONTROL**

**ANIMAL CONTROL TRUST FUND**

Balance December 31, 2007		\$ 4,016.00
Increased by:		
Interfund - Trust-Other Fund:		
Animal Control License Fees Collected		<u>5,224.40</u>
		9,240.40
Decreased by:		
Interfund - Trust-Other Fund:		
Expenditures Under R.S. 4:19-15.11	\$ 159.00	
Statutory Excess Due to Current Fund	<u>5,366.40</u>	
		<u>5,525.40</u>
Balance December 31, 2008		<u>\$ 3,715.00</u>

**License and Penalty Fees Collected**

<u>Year</u>	<u>Amount</u>
2006	\$ <u>1,915.00</u>
2007	<u>1,800.00</u>
	<u>\$ 3,715.00</u>

**SCHEDULE OF INTERFUND - TRUST-OTHER FUND**

**ANIMAL CONTROL TRUST FUND**

**Exhibit B-8**

Balance December 31, 2007 - (Due From)		\$ 5,557.12
Increased by:		
Fees Deposited in Trust-Other Fund		<u>5,224.40</u>
		10,781.52
Decreased by:		
Expenditures Under R.S. 4:19-15.11	\$ 159.00	
Interfund - Current Fund	<u>1,541.12</u>	
		<u>1,700.12</u>
Balance December 31, 2008 - (Due From)		<u>\$ 9,081.40</u>

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**TRUST FUND**

**Exhibit B-9**

**SCHEDULE OF MISCELLANEOUS RESERVES**

Balance December 31, 2007	\$ 1,850,873.77
Increased by:	
Receipts	666,009.78
	<u>2,516,883.55</u>
Decreased by:	
Disbursements	731,744.59
	<u>731,744.59</u>
Balance December 31, 2008	\$ <u>1,785,138.96</u>
<b><u>Analysis of Balance</u></b>	
Reserve for:	
Accumulated Sick Leave	\$ 30,105.67
Adopt A Park Program	2,940.00
Builders Escrow	1,000.00
Fire Equipment Donation	23,971.75
Fire Protection Trust	5,589.68
Homeless Trust	2,793.00
Landfill Closure Escrow	23,190.51
Latin American Task Force	1,846.29
Law Enforcement Trust	14,177.86
Miscellaneous	1,874.46
Nassau HKT Performance Bond	283,797.11
Off Duty Police	51,475.25
POAA	1,751.63
Police Athletic Fund	4,714.06
Postage Trust Fund	16,930.79
Princeton University Park Donation	22,062.52
Public Defender Fees	23,770.90
Sewer Operating Committee Fees	908,957.99
Shade Trees	5,793.45
Bradford Trust Fund	4,300.00
Tax Sale Premiums	107,800.00
Unemployment Benefits	93,514.81
Zoning Escrow Fees	<u>152,781.23</u>
	\$ <u>1,785,138.96</u>

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**TRUST FUND**

Exhibit B-10

**SCHEDULE OF AMOUNT TO BE RAISED FOR**

**CANCELLED ASSESSMENTS**

**ASSESSMENT TRUST FUND**

<b><u>Ordinance Number</u></b>	<b><u>Improvement Description</u></b>	<b><u>Balance Dec. 31, 2007</u></b>	<b><u>Raised by Budget Appropriation</u></b>
03-10	Sidewalk Improvements	\$ 341.25	\$ 341.25
03-16	Water, Sewer and Sidewalk Improvements	613.69	613.69
		<u>\$ 954.94</u>	<u>\$ 954.94</u>

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**TRUST FUND**

**Exhibit B-11**

**SCHEDULE OF RESERVE FOR OPEN SPACE**

Balance December 31, 2007		\$ 112,907.55
Increased by:		
2008 Tax Levy - Open Space	\$ 100,671.83	
Interest on Deposits	<u>337.08</u>	
		<u>101,008.91</u>
		213,916.46
Decreased by:		
Utilized as Anticipated Revenue		<u>104,000.00</u>
Balance December 31, 2008		\$ <u>109,916.46</u>

**SCHEDULE OF INTERFUND - CURRENT FUND**

**Exhibit B-12**

Balance December 31, 2007 - Due From		\$ 96,811.42
Increased by:		
2008 Tax Levy-Open Space	<u>100,671.83</u>	
		<u>197,483.25</u>
Decreased by:		
Settlement		<u>96,811.42</u>
Balance December 31, 2008 - Due From		\$ <u>100,671.83</u>

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**GENERAL CAPITAL FUND**

**Exhibit C-2**

**SCHEDULE OF CASH - TREASURER**

Balance December 31, 2007		\$ 2,724,268.08
Increased by Receipts:		
Bond Anticipation Notes	\$ 3,264,000.00	
Interfunds:		
Current Fund (Net)	3,781,457.24	
Affordable Housing Utility Capital Fund	3,605.00	
Capital Improvement Fund	200,400.00	
Capital Fund Balance	1,502,667.77	
Due from Township of Princeton	491,433.94	
		<u>9,243,563.95</u>
		11,967,832.03
Decreased by Disbursements:		
Improvement Authorizations	4,897,773.22	
General Capital Fund Balance	208,835.00	
		<u>5,106,608.22</u>
Balance December 31, 2008		<u>\$ 6,861,223.81</u>



# **BOROUGH OF PRINCETON - COUNTY OF MERCER**

## **GENERAL CAPITAL CASH**

### **ANALYSIS OF CASH**

Exhibit C-3

Sheet 1 of 2

	Receipts				Disbursements		Transfers		Balance Dec. 31, 2008 \$	
	Balance Dec. 31, 2007 \$	Bonds, Notes and Loans		Miscellaneous \$	Improvement Authorizations \$	Miscellaneous \$	From \$			To \$
Fund Balance	209,387.24									
Capital Improvement Fund	18,605.86									
Due From Township of Princeton	(491,433.94)									
NJ Environmental Infrastructure Trust Loan Receivable	(3,125,501.00)									
Interfunds:										
Current Fund	(3,781,457.24)									
Affordable Housing Utility Capital Fund	(10,716.79)									
Reserve for:										
Payment of Debt Service	84.65									
Encumbrances	3,308,308.49									
<u>Improvement Authorizations</u>										
General Improvements:										
Various Improvements Pertaining to Closure of the Landfill										
Various Capital Improvements - Public Works	8,230.76									
Fire Department Improvements										
Acquisition and Construction of Recreational Facilities	218,420.21									
1999 Road Improvement Program	33,407.00									
Various Capital Improvements	16,161.28									
Various Capital Improvements	4,869.08									
Various Capital Improvements	42,088.60									
Borough Hall Renovations	14.69									
Various Capital Improvements	4,175.84									
Various Capital Improvements	41,777.91									
Various Capital Improvements	10,387.60									
Various Capital Improvements	8,543.67									
Various Capital Improvements	250,152.77									
Various Capital Improvements	88,193.60									
New Public Library	251,403.31									
Sewer Rehabilitation	485.98									
Various Capital Improvements	242,027.37									
Various Capital Improvements	128,303.04									
Various Capital Improvements	339,987.89									
Various Capital Improvements	538,270.06									
Sidewalk Improvements	9,700.98									
Sidewalk Improvements	125,307.13									

# **BOROUGH OF PRINCETON - COUNTY OF MERCER**

## **GENERAL CAPITAL CASH**

**Exhibit C-3**

### **ANALYSIS OF CASH**

**Sheet 2 of 2**

Improvement Authorizations	Balance Dec. 31, 2007	Receipts Bonds, Notes and Loans	Receipts Miscellaneous	Disbursements		Transfers	Balance Dec. 31, 2008
				Improvement Authorizations	Miscellaneous	From	To
General Improvements (Continued):							
Water, Sewer and Sidewalk Improvements	\$ 14,872.14	\$	\$	\$	\$	\$	\$ 14,872.14
Water and Sewer Improvements	3,076.43						3,076.43
Sewer System Improvements	21,800.94						21,800.94
Reconstruction of Various Streets	68,050.40			8,055.60			8,870.40
Sewer Rehabilitation	145,482.08			5,324.14			5,324.14
Various Capital Improvements	866,304.52			61,796.52			626.13
Various Capital Improvements	288,606.64			65,271.71		14,320.66	8,270.20
Improvements to the Sewer System	6,717.93						6,717.93
Sewer Rehabilitation	1,329.64						1,329.64
Improvements to the Sewer System at Park Place	194,775.79			14,693.92		17,762.16	32,456.08
Improvements to Intersection at Witherspoon and Wiggins Streets	40,806.37			10,850.00			29,956.37
Sewer Improvements at Alexander Street, University Place and Edwards Place	17,746.29						17,746.29
Various Capital Improvements	36,651.05			3,148.34			33,502.71
Various Capital Improvements	145,902.69			49,762.51		50,586.82	109,011.26
Various Capital Improvements	25,715.14			105.52			25,609.62
Various Capital Improvements	67,250.52			1,195.49		11,113.56	75,192.95
Construction of Roads and Related Improvements to Sanitary Sewers and Drainage	224,969.86			(27,748.51)			252,880.40
Sidewalk Improvements	39,929.76			42,054.41		47,259.42	48,276.56
Rehabilitation of Sewer System	1,368,090.00			1,190,324.92		615,071.20	453,383.53
Various Capital Improvements	130,423.48			32,961.16		25,461.57	85,232.94
Sidewalk Improvements	6,738.25						6,738.25
Improvements to Sewer System	241,918.15			291.26			241,626.89
Various Capital Improvements	674,942.10			261,107.00		150,876.34	396,655.10
Various Capital Improvements	720,635.88			239,887.04		227,713.91	469,870.77
Reconstruction of Cleveland Lane and Lafayette Road	(1,465,035.20)	1,603,000.00		1,394,608.24		73,189.09	104,754.07
Various Sewer Projects	499,400.00			71,961.87		8,934.22	418,503.91
Various Capital Improvements	(95,368.49)	726,000.00		421,451.55		34,306.92	299,351.44
Various Capital Improvements	(56,650.32)	935,000.00		478,609.65		8,905.29	449,896.51
Sidewalk Improvements				4,117.84			2,532.16
Renovations to the Public Works Garage				1,633.92		161,042.56	(148,926.48)
Various Capital Improvements				1,437.60		4,757.43	108,804.97
Various Capital Improvements				11,800.00		48,926.80	4,273.20
Curbing Improvements				400.00			15,600.00
	\$ 2,724,268.08	\$ 3,264,000.00	\$ 5,979,563.95	\$ 4,897,773.22	\$ 208,835.00	\$ 5,075,693.65	\$ 6,861,223.81

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**GENERAL CAPITAL FUND**

**Exhibit C-4**

**SCHEDULE OF DEFERRED CHARGES TO FUTURE**

**TAXATION - FUNDED**

Balance December 31, 2007		\$ 26,686,697.15
Decreased by:		
2008 Budget Appropriations:		
Serial Bonds	\$ 2,352,119.31	
Wastewater Treatment Trust Loans	350,058.88	
Environmental Infrastructure Trust Loan	95,025.18	
		<u>2,797,203.37</u>
Balance December 31, 2008		<u><u>\$ 23,889,493.78</u></u>

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**GENERAL CAPITAL FUND**

Exhibit C-5

**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Ordinance Number	Improvement Description	Analysis of Balance December 31, 2008						
		Balance Dec. 31, 2007	2008 Authorizations	Budget Appropriations	Balance Dec. 31, 2008	Bond Anticipation Notes	Unexpended Improvement Authorizations	
General Improvements:								
01-13	New Public Library	\$ 3,387,000.00	\$		\$ 3,387,000.00	\$	\$ 3,387,000.00	
05-14	Rehabilitation of Sewer System	3,207,637.00		13,000.00	3,194,637.00	987,000.00	2,207,637.00	
05-19	Improvements to Sewer System	367,000.00			367,000.00	367,000.00		
06-15	Various Capital Improvements	1,657,000.00			1,657,000.00	1,657,000.00		
06-16	Various Capital Improvements	1,286,000.00			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	1,603,000.00		
07-19	Various Capital Improvements	726,000.00			726,000.00	726,000.00		
07-20	Various Capital Improvements	935,000.00			935,000.00	935,000.00		
08-02	Sidewalk Improvements		126,350.00		126,350.00		126,350.00	
08-22	Renovations to Public Works Garage		261,250.00		261,250.00		112,323.52	
08-23	Various Capital Improvements		2,270,560.00		2,270,560.00		2,270,560.00	
08-24	Various Capital Improvements		1,266,000.00		1,266,000.00		1,266,000.00	
		<u>\$ 13,168,637.00</u>	<u>\$ 3,924,160.00</u>	<u>\$ 13,000.00</u>	<u>\$ 17,079,797.00</u>	<u>\$ 7,561,000.00</u>	<u>\$ 9,369,870.52</u>	
Improvement Authorizations Unfunded							\$ 11,785,408.83	
Less: Unfunded Proceeds of Bond Anticipation Notes								
Ordinance Number	Improvement Description							
	05-14	Improvements to Sewer System						\$ 453,383.53
	05-19	Improvements to Sewer System						241,626.89
	06-15	Various Capital Improvements						396,655.10
	06-16	Various Capital Improvements						469,870.77
	07-14	Reconstruction of Cleveland Lane and Lafayette Road						104,754.07
	07-19	Various Capital Improvements						299,351.44
07-20	Various Capital Improvements						449,896.51	
								<u>2,415,538.31</u>
								<u>\$ 9,369,870.52</u>

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**GENERAL CAPITAL FUND**

**Exhibit C-6**

**SCHEDULE OF INTERFUND - CURRENT FUND**

Balance December 31, 2007 - Due From/(Due To)	\$ 3,781,457.24
Decreased by:	
Receipts	\$ <u>3,781,457.24</u>

**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

**Exhibit C-7**

Balance December 31, 2007	\$ 18,605.86
Increased by:	
Township Proceeds from Fully Funded Improvements	<u>200,400.00</u>
	219,005.86
Decreased by:	
Utilized to Finance Improvement Authorizations	<u>200,400.00</u>
Balance December 31, 2008	\$ <u>18,605.86</u>

**GENERAL CAPITAL FUND**

Exhibit C-8  
Sheet 1 of 289

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**GENERAL CAPITAL FUND**

**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Exhibit C-8  
Sheet 2 of 2

Ordinance Number	Improvement Description (Continued)	Ordinance		Balance Dec. 31, 2007		2008 Authorizations	Prior-Year Encumbrances	Decreases	Balance Dec. 31, 2008	
		Date	Amount	Funded	Unfunded				Funded	Unfunded
07-09, 06-16	General Improvements (Continued):									
07-14	Various Capital Improvements	7/25/06	\$ 1,354,366.00	\$	\$ 720,635.88	\$	\$ 216,835.84	\$ 467,600.95	\$	\$ 469,870.77
07-18	Reconstruction of Cleveland Lane and Lafayette Road	7/1/07	1,687,400.00		137,964.80		1,434,586.60	1,467,797.33		104,754.07
07-19	Various Sewer Projects	9/11/07	500,000.00	499,400.00				80,896.09	418,503.91	
07-20	Various Capital Improvements	9/11/07	763,694.00		630,631.51		124,478.40	455,758.47		299,351.44
08-02	Various Capital Improvements	9/11/07	984,214.00		878,349.68		59,061.77	487,514.94		449,896.51
08-22	Sidewalk Improvements					133,000.00		4,117.84	2,532.16	
08-23	Renovations to the Public Works Garage					275,000.00		162,676.48		126,350.00
08-24	Various Capital Improvements					2,385,560.00		6,195.03	108,804.97	2,270,560.00
08-26	Various Capital Improvements					1,331,000.00		60,726.80	4,273.20	1,266,000.00
	Curbing Improvements					16,000.00		400.00	15,600.00	
	Total General Improvements			\$ 5,576,548.69	\$ 9,879,079.12	\$ 4,140,560.00	\$ 3,308,308.49	\$ 6,448,758.38	\$ 4,670,329.09	\$ 11,785,408.83
	Disbursed									
	Reserve for Encumbrances							\$ 4,897,773.22		
	Deferred Charges - Unfunded					\$ 3,924,160.00		1,550,985.16		
	General Capital Fund Balance					16,000.00				
	Capital Improvement Fund					200,400.00				
						\$ 4,140,560.00		\$ 6,448,758.38		

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**GENERAL CAPITAL FUND**

Exhibit C-9

**SCHEDULE OF GENERAL SERIAL BONDS**

Improvement Description General Improvement Bonds	Date of Issue 11/01/98	Original Issue 7,055,000	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2007	Decreased	Balance Dec. 31, 2008
			Outstanding Date	Amount Dec. 31, 2008				
Series A			11/01/09	\$ 860,000	4.00%	\$ 2,575,000.00	\$ 860,000.00	\$ 1,715,000.00
			11/01/10	855,000	4.10%			
			8/15/09-14	380,000	4.25%			
			8/15/15	390,000	4.25%			
			8/15/16-17	390,000	4.30%			
Series B			8/15/18	388,000	4.50%	4,218,000.00	380,000.00	3,838,000.00
			8/15/09-15	570,000	4.25%			
			8/15/16-17	570,000	4.30%			
			8/15/18	519,000	4.50%	6,219,000.00	570,000.00	5,649,000.00
General Improvement Bonds	6/01/07	9,833,059	6/01/09	542,119.31	4.00%			
			6/01/10-11	640,686.46	4.00%			
			6/01/12	739,253.61	4.00%			
			6/01/13	788,537.18	4.00%			
			6/01/14-15	936,387.90	4.00%			
			6/01/16-17	985,671.48	4.00%			
			6/01/18	1,034,955.05	4.00%			
			6/01/19	1,060,582.50	4.00%	9,833,058.64	542,119.31	9,290,939.33
						<u>\$ 22,845,058.64</u>	<u>\$ 2,352,119.31</u>	<u>\$ 20,492,939.33</u>



BOROUGH OF PRINCETON - COUNTY OF MERCER

GENERAL CAPITAL FUND

Exhibit C-10

SCHEDULE OF WASTEWATER TREATMENT TRUST LOANS PAYABLE

<u>Issue</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2007</u>	<u>Paid by Budget Appropriation</u>
Wastewater Treatment Trust Loan - Trust	11/01/88	\$ 2,935,000.00	7.25%	\$ 275,000.00	\$ 275,000.00
Wastewater Treatment Trust Loan - State	11/01/88	2,702,120.00	0.00%	75,058.88	75,058.88
				\$ 350,058.88	\$ 350,058.88

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**GENERAL CAPITAL FUND**

Exhibit C-11

**SCHEDULE OF NEW JERSEY ENVIRONMENTAL**

**INFRASTRUCTURE TRUST LOANS PAYABLE**

<u>Issue</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2007</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2008</u>
Wastewater Treatment Trust Loan - Trust	11/09/06	\$ 905,000.00	4.00% to 5.00%	\$ 905,000.00	\$ 30,000.00	\$ 875,000.00
Wastewater Treatment Trust Loan - State	11/09/06	889,142.00	0.00%	868,358.63	44,925.29	823,433.34
Wastewater Treatment Trust Loan - Trust	11/08/07	870,000.00	3.40% To 5.00%	870,000.00		870,000.00
Wastewater Treatment Trust Loan - State	11/08/07	848,221.00	0.00%	848,221.00	20,099.89	828,121.11
				<u>\$ 3,491,579.63</u>	<u>\$ 95,025.18</u>	<u>\$ 3,396,554.45</u>

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**GENERAL CAPITAL FUND**

Exhibit C-12

**SCHEDULE OF BOND ANTICIPATION NOTES**

<b>Ordinance Number</b>	<b>Improvement Description</b>	<b>Date of Issue of Original Note</b>	<b>Date of Maturity</b>	<b>Interest Rate</b>	<b>Balance Dec. 31, 2007</b>	<b>Issued</b>	<b>Funded By Budget</b>	<b>Balance Dec. 31, 2008</b>
05-14	Rehabilitation of Sewer System	7/28/05	6/12/09	2.50%	\$ 1,000,000.00	\$	\$ 13,000.00	\$ 987,000.00
05-19	Improvements to Sewer System	12/14/06	6/12/09	2.50%	367,000.00			367,000.00
06-15	Various Capital Improvements	12/07/07	6/12/09	2.50%	1,657,000.00			1,657,000.00
06-16	Various Capital Improvements	12/07/07	6/12/09	2.50%	1,286,000.00			1,286,000.00
07-14	Reconstruction of Cleveland Lane and Lafayette Road	3/20/08	3/20/09	1.92%		1,603,000.00		1,603,000.00
07-19	Various Capital Improvements	3/20/08	3/20/09	1.92%		726,000.00		726,000.00
07-20	Various Capital Improvements	3/20/08	3/20/09	1.92%		935,000.00		935,000.00
					<b>\$ 4,310,000.00</b>	<b>\$ 3,264,000.00</b>	<b>\$ 13,000.00</b>	<b>\$ 7,561,000.00</b>

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**GENERAL CAPITAL FUND**

**Exhibit C-13**

**SCHEDULE OF BONDS AND NOTES AUTHORIZED**

**BUT NOT ISSUED**

<b><u>Ordinance Number</u></b>	<b><u>Improvement Description</u></b>	<b><u>Balance Dec. 31, 2008</u></b>
	General Improvements:	
01-13	New Public Library	\$ 3,387,000.00
05-14	Rehabilitation of Sewer System	2,207,637.00
08-02	Sidewalk Improvements	126,350.00
08-22	Renovations to PW Garage	261,250.00
08-23	Various Capital Improvements	2,270,560.00
08-24	Various Capital Improvements	<u>1,266,000.00</u>
		<u>\$ 9,518,797.00</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, 2007	\$ 428,789.62	\$ 387,474.13
Increased by Receipts:		
Anticipated Revenues	\$ 2,971,525.15	
Non-Budget Revenue	233,667.13	
Interfunds:		
Parking Operating Fund		8,392.97
Current Fund	50,482.84	
Accounts Receivable		<u>125,000.00</u>
		<u>133,392.97</u>
Decreased by Disbursements:		<u>520,867.10</u>
Budget Appropriations	2,237,302.08	
Appropriation Reserves	60,658.94	
Improvement Authorization		117,681.17
Interfund - Parking Capital Fund	8,381.42	
Accrued Interest Payable	<u>597,493.75</u>	
	<u>2,903,836.19</u>	<u>117,681.17</u>
Balance December 31, 2008	\$ <u>780,628.55</u>	\$ <u>403,185.93</u>

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**PARKING UTILITY CAPITAL FUND**

**Exhibit D-6**

**ANALYSIS OF PARKING UTILITY CAPITAL CASH**

	<b><u>Balance</u></b> <b><u>Dec. 31, 2008</u></b>	<b><u>Balance</u></b> <b><u>Dec. 31, 2007</u></b>
Fund Balance	\$ 12,179.42	\$ 12,179.42
Accounts Receivable	(82,851.23)	(207,851.23)
Due to Parking Utility Operating Fund	(23,988.45)	(8,381.42)
Reserve for Debt Service - County of Mercer Open Space	375,000.00	375,000.00
Improvement Authorizations:		
Ordinance Number:		
02-22	330,453.31	398,604.46
03-41	(26,011.91)	(11,311.89)
04-12	(185,389.21)	(185,389.21)
06-14	12,859.00	14,624.00
07-21	(8,465.00)	
08-25	(600.00)	
	<u>\$ 403,185.93</u>	<u>\$ 387,474.13</u>

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**SCHEDULE OF ACCOUNTS RECEIVABLE**

**Exhibit D-7**

Balance December 31, 2007	\$ 207,851.23
Decreased by:	
Collections	<u>125,000.00</u>
Balance December 31, 2008	<u>\$ 82,851.23</u>
Troast Reimbursement - Nassau HKT	\$ 62,909.43
Princeton Public Library	<u>19,941.80</u>
Balance December 31, 2008	<u>\$ 82,851.23</u>

**SCHEDULE OF FIXED CAPITAL**

**Exhibit D-8**

	<b>Balance Dec. 31, 2008 and 2007</b>
Parking Utility 2002	<u>\$ 200,000.00</u>

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**PARKING UTILITY CAPITAL FUND**

Exhibit D-9

**SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**

<b>Ordinance Number</b>	<b>Improvement Description</b>	<b>Ordinance</b>		<b>Balance Dec. 31, 2007</b>	<b>Increase</b>	<b>Balance Dec. 31, 2008</b>
		<b>Date</b>	<b>Amount</b>			
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		50,000.00
04-12	Technology Improvements	8/31/04	194,500.00	194,500.00		194,500.00
06-14	Various Capital Improvements	8/08/06	15,376.00	15,376.00		15,376.00
07-21	Acquisition of Equipment	9/11/07	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
				<b>\$ 13,798,876.00</b>	<b>\$ 31,700.00</b>	<b>\$ 13,830,576.00</b>



**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**PARKING UTILITY OPERATING FUND**

Exhibit D-10

**SCHEDULE OF INTERFUNDS**

	<b>Total (Memo Only)</b>	<b>Current Fund</b>	<b>Parking Utility Capital Fund</b>
Balance December 31, 2007 - (Due From)/Due To	\$ <u>(42,101.42)</u>	\$ <u>(50,482.84)</u>	\$ <u>8,381.42</u>
Increased by:			
Cash Disbursed	8,381.42		8,381.42
Interest Earned	<u>11.55</u>		<u>11.55</u>
Total Increases	<u>8,392.97</u>		<u>8,392.97</u>
Total Balances and Increases	<u>(50,494.39)</u>	<u>(50,482.84)</u>	<u>(11.55)</u>
Decreased by:			
Utilized as Current Fund Revenue	100,000.00	100,000.00	
Settlement	<u>50,482.84</u>	<u>50,482.84</u>	
Budget Appropriation:			
Ordinance #07-21	<u>24,000.00</u>		<u>24,000.00</u>
Total Decreases	<u>174,482.84</u>	<u>150,482.84</u>	<u>24,000.00</u>
Balance December 31, 2008 - (Due From)/Due To	\$ <u><u>123,988.45</u></u>	\$ <u><u>100,000.00</u></u>	\$ <u><u>23,988.45</u></u>

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**PARKING UTILITY OPERATING FUND**

**Exhibit D-11**

**SCHEDULE OF APPROPRIATION RESERVES**

	<b>Balance December 31, 2007</b>		<b>Budget After Modification</b>	<b>Paid or Charged</b>	<b>Balance Lapsed</b>
	<b>Appropriation Reserves</b>	<b>Reserve for Encumbrances</b>			
Salaries and Wages	\$ 821.69	\$ 2,730.00	\$ 3,551.69	\$ 2,730.00	\$ 821.69
Other Expenses	33,782.01	71,982.17	105,764.18	86,507.91	19,256.27
	<u>\$ 34,603.70</u>	<u>\$ 74,712.17</u>	<u>\$ 109,315.87</u>	<u>\$ 89,237.91</u>	<u>\$ 20,077.96</u>
Disbursed				\$ 60,658.94	
Accounts Payable				<u>28,578.97</u>	
				<u>\$ 89,237.91</u>	

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**PARKING UTILITY OPERATING FUND**

**Exhibit D-12**

**SCHEDULE OF ACCRUED INTEREST ON BONDS**

Balance December 31, 2007	\$ 224,061.11
Increased by:	
Budget Appropriation	<u>595,299.05</u>
	819,360.16
Decreased by:	
Disbursements	<u>597,493.75</u>
Balance December 31, 2008	\$ <u>221,866.41</u>

BOROUGH OF PRINCETON - COUNTY OF MERCERPARKING UTILITY CAPITAL FUNDSCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2007		2008 Authorizations	Paid or Charged	Balance Dec. 31, 2008	
		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	\$ 398,604.46	\$ 38,688.11	\$	\$ 68,151.15	\$ 330,453.31	\$ 23,988.09
03-41	Acquisition of Equipment	12/2/03	50,000.00		9,110.79		14,700.02		9,110.79
04-12	Technology Improvements	8/31/04	194,500.00						
06-14	Various Capital Improvements	8/08/06	15,376.00	14,624.00	376.00		1,765.00	12,859.00	376.00
07-21	Acquisition of Equipment	9/11/07	39,000.00		39,000.00		32,465.00		6,535.00
08-25	Improvements to Parking Garage	10/28/08	31,700.00			31,700.00	600.00		31,100.00
				\$ 413,228.46	\$ 87,174.90	\$ 31,700.00	\$ 117,681.17	\$ 343,312.31	\$ 71,109.88

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**PARKING UTILITY CAPITAL FUND**

**Exhibit D-14**

**SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION**

Balance December 31, 2007		\$ 540,000.00
Increased by:		
Paid by Budget Appropriation:		
Serial Bonds Payable	\$ 195,000.00	
Deferred Charges-Ordinance 07-21	<u>24,000.00</u>	
		<u>219,000.00</u>
Balance December 31, 2008		<u>\$ 759,000.00</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, 2007	Paid by Budget Appropriation	Balance Dec. 31, 2008
			Date	Outstanding Dec. 31, 2008 Amount				
Parking Utility Improvement Bonds	8/15/03	\$ 13,700,000.00	8/15/09	\$ 375,000.00	4.25%			
			8/15/10	400,000.00	4.25%			
			8/15/11	425,000.00	4.25%			
			8/15/12	450,000.00	4.25%			
			8/15/13	475,000.00	4.25%			
			8/15/14	500,000.00	4.25%			
			8/15/15	525,000.00	4.25%			
			8/15/16	550,000.00	4.30%			
			8/15/17	575,000.00	4.30%			
			8/15/18	600,000.00	4.50%			
			8/15/19	625,000.00	4.625%			
			8/15/20-21	725,000.00	4.625%			
			8/15/22	775,000.00	4.75%			
			8/15/23	825,000.00	4.75%			
			8/15/24-25	875,000.00	4.75%			
			8/15/26	885,000.00	4.75%			
			8/15/27	895,000.00	4.75%			
			8/15/28	900,000.00	4.75%			
						\$ 13,175,000.00	\$ 195,000.00	\$ 12,980,000.00

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

Exhibit D-16

**PARKING UTILITY CAPITAL FUND**

**SCHEDULE OF BONDS AND NOTES AUTHORIZED**

**BUT NOT ISSUED**

<u>Ordinance Number</u>	<u>Ordinance Date</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2007</u>	<u>Authorized</u>	<u>Raised in 2008 Budget</u>	<u>Balance Dec. 31, 2008</u>
03-41	12/02/03	Acquisition of Equipment	\$ 50,000.00	\$	\$	\$ 50,000.00
04-12	8/31/04	Technology Improvements	194,500.00			194,500.00
06-14	8/08/06	Various Capital Improvements	376.00			376.00
07-21	9/11/07	Acquisition of Equipment	39,000.00		24,000.00	15,000.00
08-25	10/28/08	Improvements to Parking Garage		31,700.00		31,700.00
			\$ 283,876.00	\$ 31,700.00	\$ 24,000.00	\$ 291,576.00

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**PUBLIC ASSISTANCE TRUST FUND**

**Exhibit E-1**

**SCHEDULE OF CASH - TREASURER AND PETTY CASH**

Balance December 31, 2007			\$ 103,337.25
Increased by Receipts:			
State Aid	\$ 123,800.00		
Interest on Deposits	1,189.67		
Reimbursements:			
Supplemental Security Income:			
Retained by Borough	9,828.19		
Due to Client	1,238.31		
Other	2,183.47		
			<u>138,239.64</u>
			241,576.89
Decreased by Disbursements:			
Public Assistance Expenditures			
State Eligible Match	138,927.64		
Ineligible for State Match	65.00		
			<u>138,992.64</u>
Balance December 31, 2008			\$ <u>102,584.25</u>

**SCHEDULE OF PREPAID STATE AID**

**Exhibit E-2**

Balance December 31, 2007			\$ 72,055.52
Increased by:			
State Aid Payments Received	\$ 123,800.00		
SSI Reimbursement	9,828.19		
Other Reimbursements	2,183.47		
			<u>135,811.66</u>
			207,867.18
Decreased by:			
Expenditures for Public Assistance - State Eligible Match			<u>138,927.64</u>
Balance December 31, 2008			\$ <u>68,939.54</u>



**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**PUBLIC ASSISTANCE TRUST FUND**

**Exhibit E-3**

**SCHEDULE OF RESERVE FOR PUBLIC ASSISTANCE**

Balance December 31, 2007

\$ 31,281.73

Increased by:

Interest on Deposits

1,189.67  
32,471.40

Decreased by:

Expenditures for Public Assistance -  
Ineligible for State Match

65.00

Balance December 31, 2008

\$ 32,406.40

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

Exhibit S-5

Balance December 31, 2007			\$ 1,165,017.40
Increased by Receipts:			
Reserves:			
Housing Trust	\$ 14,109.75		
Developer Fees	11,973.37		
Growth Share	152,149.50		
Anticipated Revenues	<u>90,223.97</u>		
		268,456.59	
		<u>1,433,473.99</u>	
Decreased by Disbursements:			
Budget Appropriations		<u>74,095.14</u>	
Balance December 31, 2008			<u><u>\$ 1,359,378.85</u></u>

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

Exhibit S-6

**SCHEDULE OF RESERVES**

	<b>Total (Memo Only)</b>	<b>Housing Trust</b>	<b>Developer Fees</b>	<b>Growth Share</b>
Balance December 31, 2007	\$ 1,083,353.12	\$ 108,882.92	\$ 537,646.12	\$ 436,824.08
Increased by:				
Transfer from Operations (Net)	145,938.83	57,364.83	88,574.00	152,149.50
Fees	152,149.50			
Proceeds from Sale of Units	12,625.00	12,625.00		
Interest on Deposits	12,795.83	822.46	11,973.37	
Insurance Reimbursement	662.29	662.29		
Total Increases	<u>324,171.45</u>	<u>71,474.58</u>	<u>100,547.37</u>	<u>152,149.50</u>
Total Balances and Increases	<u>1,407,524.57</u>	<u>180,357.50</u>	<u>638,193.49</u>	<u>588,973.58</u>
Decreased by:				
Anticipated as Utility Operating Revenue	<u>129,810.00</u>	<u>89,810.00</u>	<u>40,000.00</u>	
Balance December 31, 2008	\$ 1,277,714.57	\$ 90,547.50	\$ 598,193.49	\$ 588,973.58

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**AFFORDABLE HOUSING UTILITY CAPITAL FUND**

**Exhibit S-7**

**ANALYSIS OF AFFORDABLE HOUSING UTILITY CAPITAL CASH**

	<b><u>Balance Dec. 31, 2008</u></b>	<b><u>Balance Dec. 31, 2007</u></b>
Fund Balance	\$ 67,193.84	\$ 67,193.84
Due (From)/To General Capital Fund	7,111.79	10,716.79
Due (From)/To Operating Fund	(121,334.33)	(121,334.33)
Improvement Authorizations:		
Ordinance Number:		
89-37	67,702.05	67,702.05
06-13	<u>(20,673.35)</u>	<u>(24,278.35)</u>
	\$ <u>-0-</u>	\$ <u>-0-</u>

BOROUGH OF PRINCETON - COUNTY OF MERCER

AFFORDABLE HOUSING UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Exhibit S-8

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2008
		Date	Amount	
06-13	Improvements and Renovations to Housing Authority	8/08/06	\$ 211,150.00	\$ 211,150.00

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

**AFFORDABLE HOUSING UTILITY CAPITAL FUND**

**Exhibit S-9**

**SCHEDULE OF INTERFUNDS**

	<b><u>Total (Memo Only)</u></b>	<b><u>Affordable Housing Operating Fund</u></b>	<b><u>General Capital Fund</u></b>
Balance December 31, 2007 - (Due From)/Due To	\$ (110,617.54)	\$ (121,334.33)	\$ 10,716.79
Increased by: Affordable Housing Deposits in General Capital Fund	<u>3,605.00</u>	<u></u>	<u>3,605.00</u>
Balance December 31, 2008 - (Due From)/Due To	\$ <u>(114,222.54)</u>	\$ <u>(121,334.33)</u>	\$ <u>7,111.79</u>

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

Exhibit S-10

**AFFORDABLE HOUSING UTILITY CAPITAL FUND**

**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance</u>		<u>Balance Dec. 31, 2007</u>		<u>Paid or</u>		<u>Balance Dec. 31, 2008</u>	
		<u>Date</u>	<u>Amount</u>	<u>Funded</u>	<u>Unfunded</u>	<u>Charged</u>		<u>Funded</u>	<u>Unfunded</u>
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 Hous Authority	8/08/06	211,150.00		186,871.65	(3,605.00)			190,476.65
				\$ 67,702.05	186,871.65	\$ (3,605.00)		\$ 67,702.05	\$ 190,476.65

**BOROUGH OF PRINCETON - COUNTY OF MERCER**  
**AFFORDABLE HOUSING UTILITY CAPITAL FUND**  
**SCHEDULE OF BONDS AND NOTES AUTHORIZED**

Exhibit S-11

**BUT NOT ISSUED**

<b><u>Ordinance Number</u></b>	<b><u>Ordinance Date</u></b>	<b><u>Improvement Description</u></b>	<b><u>Authorized</u></b>	<b><u>Balance Dec. 31, 2008</u></b>
06-13	8/08/06	Improvements and Renovations to Housing Authority	\$ <u>211,150.00</u>	\$ <u>211,150.00</u>



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**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, 2008**



# William E. Antonides and Company

CERTIFIED PUBLIC ACCOUNTANTS

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WILLIAM E. ANTONIDES, JR., C.P.A., R.M.A., P.S.A.

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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, 2008, and have issued our report thereon dated June 15, 2009. 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 control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Borough's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the regulatory basis of accounting prescribed by the Division such that there is more than a remote likelihood that a misstatement of the Borough's financial statements that is more than inconsequential will not be prevented or detected by the Borough's internal control.

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

Our consideration of internal control over financial reporting was for the limited purposes described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 the comments and recommendations section of this report and in a separate letter dated June 15, 2009.

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**

June 15, 2009

**BOROUGH OF PRINCETON**

**COUNTY OF MERCER**

**PART IV**

**SINGLE AUDIT SECTION**

**FEDERAL AND STATE AWARDS**

**YEAR ENDED DECEMBER 31, 2008**



# William E. Antonides and Company

CERTIFIED PUBLIC ACCOUNTANTS

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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, 2008. 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; 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 of Princeton 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, 2008.



## **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, 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 control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency; or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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**

June 15, 2009

**BOROUGH OF PRINCETON - COUNTY OF MERCER**

Schedule 1

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE YEAR ENDED DECEMBER 31, 2008**

<b><u>Grantor/Program Title</u></b>	<b><u>Federal C.F.D.A. Number</u></b>	<b><u>Grant Period From                  To</u></b>	<b><u>Program or Award Amount</u></b>	<b><u>Receipts</u></b>	<b><u>Expenditures</u></b>
Office of Water, Environmental Protection Agency Pass-Through: New Jersey Department of Environmental Protection Public Wastewater Facilities Capitalization Grants for States (Loan)	66.458	2008 FY and Prior	\$ 3,512,363.00	\$	\$ 1,235,472.39
Federal Highway Administration: Pass-Through: New Jersey Department of Transportation: Highway Planning And Construction Alcohol Traffic Safety and Drunk Driving Prevention Incentive Motor Cycle Helmets and Safety Belt Incentive Grants	20.205 20.601 20.602	2008 FY and Prior 2008 FY 2008 FY	845,000.00 9,987.50 4,000.00	420,000.00 12,976.28 4,000.00 <u>436,976.28</u>	425,000.00 5,435.55 3,841.14 <u>434,276.69</u>
				\$ 436,976.28	\$ 1,669,749.08

**TOWNSHIP OF PRINCETON - COUNTY OF MERCER**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED DECEMBER 31, 2008**

**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, \$692,000 was estimated to be the Borough's share of loan expenditures paid by the Township but not billed to the Borough at year-end 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, 2008**

*Part 1 - 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:

\$500,000

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)

20.205

Highway Planning And Construction

**BOROUGH OF PRINCETON - COUNTY OF MERCER**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

*Part 2 - 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, 2008**

*Part 3 - 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

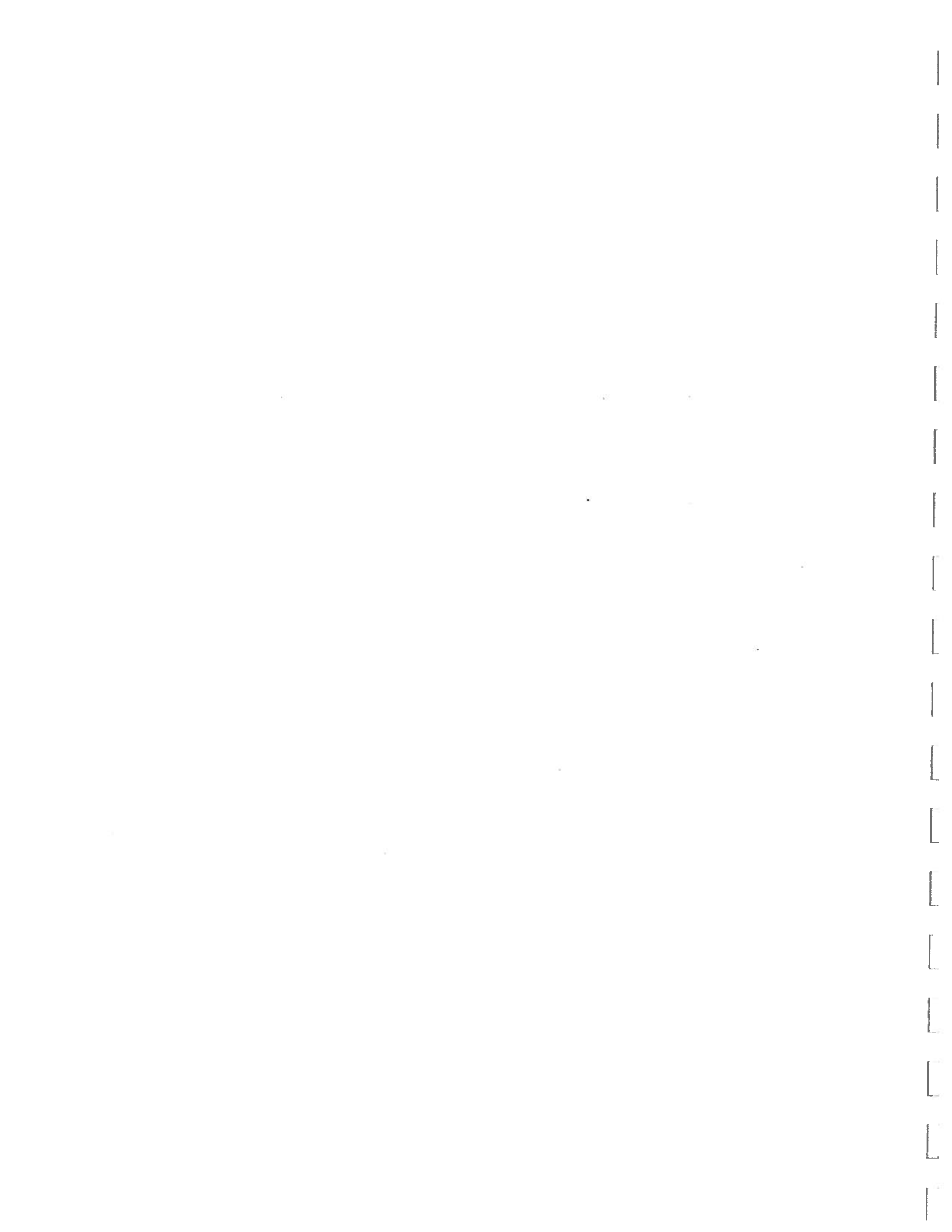
Condition: N/A

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, 2008**





An audit of the financial accounts and transactions of the Borough of Princeton, in the County of Mercer, for the year ended December 31, 2008, 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 for the period audited.

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 2, 2008 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>
2008	1
2007	0
2006	0

### **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:

<b><u>Type</u></b>	<b><u>Number Mailed</u></b>
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 2008.

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. Finding 07-01 regarding Health Department deposits, Finding 07-02 regarding "Dedication by Rider" approvals and Finding 07-04 regarding special assessment transactions were corrected. Finding 07-03 is repeated as Finding 08-01 in this report.

## **FINDINGS/RECOMMENDATIONS**

### **Interfunds**

**08-01 Finding** - There are a number of interfunds on the balance sheets as at December 31.

**Recommendation** - That an effort be made to liquidate all interfunds prior to December 31.

## **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 and resultant recommendation 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 or recommendation, or should you desire assistance in implementing our recommendation, please contact us at your earliest opportunity.

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