

BOROUGH OF PRINCETON

COUNTY OF MERCER

REPORT OF AUDIT

DECEMBER 31, 2009

WILLIAM E. ANTONIDES AND COMPANY
Certified Public Accountants

2807 Hurley Pond Road, Suite 200
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Wall, NJ 07719

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, 2009

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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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, 2009 and 2008, 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, 2009. These financial statements are the responsibility of the Borough's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described more fully in Note 1, the Borough prepares its financial statements on a regulatory basis of accounting prescribed by the Division, as required by state statute, that demonstrates compliance with a modified accrual basis of accounting, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2009 and 2008, the changes in financial position, or, where applicable, its cash flows for the years then ended. Further, the Borough has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

However, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position - regulatory basis of the various funds and account groups of the Borough, as of December 31, 2009 and 2008 and the results of operations and changes in fund balance - regulatory basis of such funds for the years then ended and the statements of revenues - regulatory basis and statements of expenditures - regulatory basis of the various funds for the year ended December 31, 2009 on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2010, 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 should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements of the Borough taken as a whole. The accompanying supplementary schedules, the Schedule of Expenditures of Federal Awards, as required by U.S. Office of Management and Budget Circular Letter A-133, *Audits of States, Local Government and Non-Profit Organizations*, and the comments and recommendations section are presented for purposes of additional analysis and are not a required part of the financial statements, but is required by the Division. The Schedule of Federal Awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole, on the basis of accounting described in Note 1.

William E. Antonides and Company
Independent Auditors



William E. Antonides

Certified Public Accountant
Registered Municipal Accountant
R.M.A. Number 14

June 21, 2010

BOROUGH OF PRINCETON - COUNTY OF MERCER

BALANCE SHEET - CURRENT FUND

Exhibit A

REGULATORY BASIS

Sheet 1 of 2

DECEMBER 31, 2009 AND 2008

| | <u>Ref.</u> | <u>2009</u> | <u>2008</u> |
|--|--------------------|------------------------|------------------------|
| <u>Assets</u> | | | |
| Cash and Cash Equivalents | A-4 | \$ 5,139,371.93 | \$ 4,499,622.00 |
| Change Funds | A-4 | 940.00 | 540.00 |
| | | <u>5,140,311.93</u> | <u>4,500,162.00</u> |
| Receivables and Other Assets with Full Reserves: | | | |
| Delinquent Property Taxes Receivable | A-6 | 367,021.86 | 390,886.87 |
| Tax Title Lien | A-7 | 4,171.42 | 37.55 |
| Sewer Charges Receivable | A-8 | | 50,299.13 |
| Interfunds: | | | |
| Assessment Trust Fund | A-14 | | 7,797.26 |
| Parking Utility Operating Fund | A-14 | 300,000.00 | 100,000.00 |
| Animal Control Trust Fund | A-14 | 2,035.90 | 5,366.40 |
| | | <u>673,229.18</u> | <u>554,387.21</u> |
| Deferred Charges: | | | |
| Special Emergency Authorizations (40A:4-55) | | 246,408.00 | 308,010.00 |
| | | <u>6,059,949.11</u> | <u>5,362,559.21</u> |
| Federal and State Grant Fund: | | | |
| Cash | A-4 | 614,970.98 | 494,701.93 |
| Grants Receivable | A-16 | 73,056.68 | 43,330.19 |
| | | <u>688,027.66</u> | <u>538,032.12</u> |
| | | <u>\$ 6,747,976.77</u> | <u>\$ 5,900,591.33</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, 2009 AND 2008**

| | <u>Ref.</u> | <u>2009</u> | <u>2008</u> |
|--|-------------|------------------------|------------------------|
| <u>Liabilities, Reserves and Fund Balance</u> | | | |
| Liabilities: | | | |
| Appropriation Reserves | A-3,10 | \$ 1,290,046.79 | \$ 1,483,865.02 |
| Reserve for Encumbrances | A-3,10 | 286,557.97 | 181,091.88 |
| Accounts Payable | A-4,10 | 111,468.24 | 16,070.36 |
| Due to State of New Jersey: | | | |
| Senior Citizen and Veteran Deductions | A-1,4,6 | 6,362.57 | 5,911.47 |
| Various Fees | | 1,016.00 | 9,517.00 |
| Reserve for: | | | |
| Historic Buffer Grant | | 12,000.00 | 12,000.00 |
| Reserve for Consolidated Municipal | | | |
| Property Relief | A-1 | | 4,701.00 |
| Due to Township of Princeton | A-4 | 130,859.04 | 382,409.14 |
| Payroll Deductions | A-4 | 52,503.45 | 6,301.10 |
| Sale of Municipal Assets | A-9 | 10,345.49 | 19,345.49 |
| Revaluation | | 78,681.81 | 308,010.00 |
| Tax Overpayments | A-5,6 | 1,282.15 | |
| Prepaid Taxes | A-5,6 | 414,445.79 | 499,228.16 |
| County Taxes Payable | A-11 | 90,040.15 | 76,499.81 |
| Interfunds: | | | |
| Other Trust Fund | A-14 | | 100,671.83 |
| General Capital Fund | A-14 | 55,038.24 | |
| | | <u>2,540,647.69</u> | <u>3,105,622.26</u> |
| Reserve for Receivables and Other Assets | | 673,229.18 | 554,387.21 |
| Fund Balance | A-1 | <u>2,846,072.24</u> | <u>1,702,549.74</u> |
| | | <u>6,059,949.11</u> | <u>5,362,559.21</u> |
| Federal and State Grant Fund: | | | |
| Appropriated Reserves | A-17 | 654,210.68 | 503,560.01 |
| Reserve for Encumbrances | A-17 | 33,816.98 | 30,443.33 |
| Unappropriated Reserves | A-18 | | 4,028.78 |
| | | <u>688,027.66</u> | <u>538,032.12</u> |
| | | <u>\$ 6,747,976.77</u> | <u>\$ 5,900,591.33</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 2009</u> | <u>Year 2008</u> |
|--|--------------------|-------------------------|-------------------------|
| <u>Revenue and Other Income Realized</u> | | | |
| Fund Balance Utilized | A-2 | \$ 799,807.96 | \$ 1,726,812.88 |
| Miscellaneous Revenue Anticipated | A-2 | 13,664,256.19 | 12,337,470.34 |
| Receipts from Delinquent Taxes | A-2 | 378,828.25 | 509,870.35 |
| Receipts from Current Taxes | A-2 | 43,208,101.06 | 41,773,378.88 |
| Non-Budget Revenues | A-2 | 520,334.89 | 345,854.28 |
| Other Credits to Income: | | | |
| Unexpended Balance of Appropriation Reserves | A-9 | 662,952.51 | 684,764.82 |
| Revenue Reserve Cancelled | A | 4,701.00 | |
| Interfunds Liquidated | | | 488,377.46 |
| Statutory Excess - Animal Control | B-7 | 2,035.90 | 5,366.40 |
| Total Income | | <u>59,241,017.76</u> | <u>57,871,895.41</u> |
| <u>Expenditures</u> | | | |
| Budget: | | | |
| Appropriations within Caps: | | | |
| Operations: | | | |
| Salaries and Wages | | 6,880,990.58 | 6,947,007.86 |
| Other Expenses | | 6,102,382.00 | 6,653,216.56 |
| Deferred Charges and Statutory Expenditures | | 1,635,769.43 | 498,735.82 |
| Appropriations excluded from Caps: | | | |
| Operations: | | | |
| Salaries and Wages | | 1,395,670.27 | 1,433,955.67 |
| Other Expenses | | 4,348,567.05 | 5,246,003.81 |
| Capital Improvements | | 9,327.60 | 9,327.60 |
| Municipal Debt Service | | 3,673,357.74 | 4,014,394.81 |
| Deferred Charges | | 61,602.00 | 954.94 |
| | A-3 | <u>24,107,666.67</u> | <u>24,803,597.07</u> |
| County Taxes | A-11 | 12,393,982.91 | 11,770,470.99 |
| Regional District School Taxes | A-12 | 20,506,165.10 | 19,726,774.57 |
| Municipal Open Space Taxes | A-13 | 100,959.28 | 100,671.83 |
| Interfund Advances | A-14 | 188,872.24 | |
| Prior Year Senior Citizens Deductions Disallowed | A | 41.10 | |
| Refunding of Revenues | | | 11,350.44 |
| Total Expenditures | | <u>57,297,687.30</u> | <u>56,412,864.90</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

| | <u>Ref.</u> | <u>Year 2009</u> | <u>Year 2008</u> |
|--|--------------------|-------------------------------|-------------------------------|
| <u>Expenditures (Continued)</u> | | | |
| Excess in Revenue | | \$ 1,943,330.46 | \$ 1,459,030.51 |
| Adjustments to Income Before Fund Balance: | | | |
| Expenditures Included Above Which are by | | | |
| Statute Deferred Charges to Budget of | | | |
| Succeeding Year | | | 308,010.00 |
| Statutory Excess to Fund Balance | | \$ 1,943,330.46 | \$ 1,767,040.51 |
| Fund Balance January 1 | A | 1,702,549.74 | 1,987,969.17 |
| | | <u>3,645,880.20</u> | <u>3,755,009.68</u> |
| Decreased by: | | | |
| Utilization as Anticipated Revenue | A-1 | 799,807.96 | 1,726,812.88 |
| Liquidation of Interfund Realized as | | | |
| Anticipated Revenue | | | 325,647.06 |
| | | <u>799,807.96</u> | <u>2,052,459.94</u> |
| Fund Balance December 31 | A | \$ <u><u>2,846,072.24</u></u> | \$ <u><u>1,702,549.74</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

| | Ref. | Anticipated | | Realized | Excess or (Deficit) |
|--|------|---------------|-------------------------------|---------------|------------------------|
| | | Budget | Special N.J.S. 40A:4-87 | | |
| | A-1 | \$ 799,807.96 | \$ | \$ 799,807.96 | \$ |
| Fund Balance Anticipated | | | | | |
| <u>Miscellaneous Revenues</u> | | | | | |
| Licenses: | | | | | |
| Alcoholic Beverages | A-9 | 47,002.00 | | 47,002.00 | |
| Other | A-9 | 23,500.00 | | 21,855.17 | (1,644.83) |
| Fees and Permits: | | | | | |
| Other | A-9 | 140,000.00 | | 171,394.81 | 31,394.81 |
| Fines and Costs: | | | | | |
| Municipal Court | A-9 | 1,152,000.00 | | 1,139,283.89 | (12,716.11) |
| Interest and Costs on Taxes | A-5 | 192,900.00 | | 117,374.08 | (75,525.92) |
| Interest on Investments and Deposits | A-9 | 274,100.00 | | 149,511.38 | (124,588.62) |
| Anticipated Utility Operating Surplus | A-9 | 1,493,790.00 | | 1,300,000.00 | (193,790.00) |
| Sewer Service Charges | A-5 | 3,259,115.93 | | 3,554,687.12 | 295,571.19 |
| Princeton University Donation | A-9 | 1,176,700.00 | | 1,180,495.74 | 3,795.74 |
| Street Opening Inspection Fees | A-9 | 9,000.00 | | 15,507.75 | 6,507.75 |
| Life Hazard Use Fees | A-9 | 47,709.67 | | 49,339.69 | 1,630.02 |
| Fire and Housing Inspection Fees | A-9 | 107,000.00 | | 217,707.00 | 110,707.00 |
| Passport Fees | A-9 | 14,220.00 | | 13,975.00 | (245.00) |
| State Aid: | | | | | |
| Consolidated Municipal Property Tax Relief | A-9 | 196,620.00 | | 196,620.00 | |
| Energy Receipts Taxes | A-9 | 1,070,459.00 | | 1,070,459.00 | |
| Garden State Trust Fund | A-9 | 5.00 | | 5.34 | .34 |
| Uniform Construction Code Fees | A-9 | 500,000.00 | | 758,888.00 | 258,888.00 |
| Special Items: | | | | | |
| State and Federal Programs Offset with Appropriations: | | | | | |
| Alcohol Education and Rehabilitation Fund | A-16 | | 9,189.09 | 9,189.09 | |
| Bonner Foundation | A-16 | 21,500.00 | | 21,500.00 | |
| Clean Communities Program | A-16 | 10,227.03 | 2,819.50 | 13,046.53 | |
| Cops-in-Shops | | 2,400.00 | 558.78 | 2,958.78 | |

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

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-2

STATEMENT OF REVENUES - REGULATORY BASIS

Sheet 2 of 4

| | Ref. | Anticipated | | Realized | Excess or (Deficit) |
|--|------|-------------|-------------------------------|--------------|------------------------|
| | | Budget | Special N.J.S. 40A:4-87 | | |
| <u>Miscellaneous Revenues (Continued)</u> | | | | | |
| Special Items (Continued): | | | | | |
| State and Federal Programs Offset with Appropriations (Continued): | | | | | |
| Division of Highway Traffic Safety - Over the Limit | A-16 | \$ 4,987.50 | \$ 6,012.50 | \$ 11,000.00 | \$ |
| Donations - Fire Director Salaries and Wages | A-16 | | 50,000.00 | 50,000.00 | |
| Drunk Driving Enforcement Fund | A-16 | | 18,514.92 | 18,514.92 | |
| Lead Investigation & Field Testing | A-16 | | 6,456.00 | 6,456.00 | |
| Mini Grant - H1N1 | A-16 | | 2,500.00 | 2,500.00 | |
| Princeton University - Donation to Board of Health | A-16 | 700.00 | | 700.00 | |
| Princeton University - Fire Equipment | A-16 | 20,000.00 | | 20,000.00 | |
| Princeton University - Prospect Avenue Street Lighting | A-16 | 7,654.00 | | 7,654.00 | |
| Public Health Priority Funding | A-16 | | 10,132.00 | 10,132.00 | |
| Recycling Tonnage Grant | A-16 | | 32,510.73 | 32,510.73 | |
| Safe and Secure Communities Program | A-16 | 29,676.00 | | 29,676.00 | |
| State Forestry Services - Green Communities | A-16 | | 3,000.00 | 3,000.00 | |
| State Health Services Grant - Influenza A - H1N1 Virus | A-16 | | 88,344.00 | 88,344.00 | |
| Other: | | | | | |
| Interlocal Service Agreements: | | | | | |
| Princeton Township Joint Services: | | | | | |
| Solid Waste Management | A-9 | 119,568.00 | | 119,568.00 | |
| Maintenance of Sewer Facilities | A-9 | 780,208.00 | | 780,208.00 | |
| Animal Control | A-9 | 56,949.00 | | 56,949.00 | |
| Health Services | A-9 | 280,832.00 | | 280,832.00 | |
| Fire Services | A-9 | 102,139.00 | | 102,139.00 | |
| Fire Facilities | A-9 | 48,124.00 | | 48,124.00 | |
| Senior Citizen Program | A-9 | 65,930.00 | | 65,930.00 | |
| Princeton Township Joint Services: | | | | | |
| LOSAP Alternative | A-9 | 24,750.00 | | 24,750.00 | |
| Flu Program | A-9 | 7,370.00 | | 7,370.00 | |
| Princeton Theological Seminary | A-9 | 206,800.00 | | 209,396.00 | 2,596.00 |

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

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-2

STATEMENT OF REVENUES - REGULATORY BASIS

Sheet 3 of 4

| | Ref. | Anticipated | | Realized | Excess or (Deficit) |
|---|-------|-------------------------|-------------------------------|-------------------------|------------------------|
| | | Budget | Special N.J.S. 40A:4-87 | | |
| <u>Miscellaneous Revenues (Continued)</u> | | | | | |
| Special Items (Continued): | | | | | |
| Other (Continued): | | | | | |
| Payment in Lieu of Taxes - Elm Court PILOT | A-9 | \$ 66,198.00 | \$ | \$ 70,841.00 | \$ 4,643.00 |
| Chamber Street Land Lease | A-9 | 99,740.00 | | 101,540.00 | 1,800.00 |
| Stony Brook Sewer Industrial User Fees | A-9 | 17,000.00 | | 62,801.96 | 45,801.96 |
| Assessment Trust Fund - Fund Balance | A-9 | 25,000.00 | | 25,000.00 | |
| Engineering Developer Fees | A-9 | 23,000.00 | | 23,000.00 | |
| Open Space Trust | A-9 | 104,000.00 | | 104,000.00 | |
| Sale of Municipal Assets | A-9 | 9,000.00 | | 9,000.00 | |
| Hotel/Motel Tax | A-9 | 220,000.00 | | 241,519.21 | 21,519.21 |
| General Capital Fund - Fund Balance | A-9 | 1,000,000.00 | | 1,000,000.00 | |
| | A-1 | <u>13,057,874.13</u> | <u>230,037.52</u> | <u>13,664,256.19</u> | <u>376,344.54</u> |
| Receipts from Delinquent Taxes | A-1,6 | <u>390,886.87</u> | | <u>378,828.25</u> | <u>(12,058.62)</u> |
| Amount to be Raised by Taxes for Support of Municipal Budget: | | | | | |
| Local Tax for Municipal Purposes | A-2 | <u>10,398,805.85</u> | | <u>10,906,993.77</u> | <u>508,187.92</u> |
| Budget Totals | | <u>24,647,374.81</u> | <u>230,037.52</u> | <u>25,749,886.17</u> | <u>872,473.84</u> |
| Non-Budget Revenues | A-1,2 | | | <u>520,334.89</u> | <u>520,334.89</u> |
| | | <u>\$ 24,647,374.81</u> | <u>\$ 230,037.52</u> | <u>\$ 26,270,221.06</u> | <u>\$ 1,392,808.73</u> |
| Ref. | | A-3 | A-3 | | |

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

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-2

STATEMENT OF REVENUES - REGULATORY BASIS

Sheet 4 of 4

| | <u>Ref.</u> | |
|--|--------------------|--------------------------------|
| <u>Analysis of Realized Revenues</u> | | |
| <u>Allocation of Current Tax Collection</u> | | |
| Revenue from Collections | A-1,6 | \$ 43,208,101.06 |
| Allocated to Regional School, County and Municipal | | |
| Open Space Taxes | A-,11,12, 13 | <u>33,001,107.29</u> |
| Balance for Support of Municipal Budget Appropriations | | <u>10,206,993.77</u> |
| Add: Appropriation "Reserve for Uncollected Taxes" | A-3 | <u>700,000.00</u> |
| Amount for Support of Municipal Appropriations | A-2 | <u><u>\$ 10,906,993.77</u></u> |
| <u>Analysis of Non-Budget Revenue</u> | | |
| Miscellaneous Revenue not Anticipated: | | |
| Stoney Brook Regional Refund | | \$ 369,784.00 |
| In Lieu of Taxes | | 82,573.49 |
| Miscellaneous | | 22,148.16 |
| Police | | 9,544.82 |
| Township Clerk | | 6,649.42 |
| NJ Motor Vehicle Fines | | 9,891.50 |
| Engineering | | 4,743.50 |
| Cancelled Reserve | | <u>15,000.00</u> |
| | A-2 | <u><u>\$ 520,334.89</u></u> |

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

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 1 of 8

| | Appropriated | | Budget After Modification | Expended | | Unexpended Balance Cancelled |
|--------------------------------------|--------------|----|------------------------------|--------------------|-----------|------------------------------------|
| | Budget | | | Paid or Charged | Reserved | |
| <u>OPERATIONS WITHIN CAPS</u> | | | | | | |
| Mayor and Council | | | | | | |
| Salaries and Wages | \$ 60,000.00 | \$ | 60,000.00 | \$ 60,000.00 | \$ | \$ |
| Other Expenses | 42,194.00 | | 42,194.00 | 41,952.42 | 241.58 | |
| Administrative and Executive | | | | | | |
| Salaries and Wages | 292,225.50 | | 302,225.50 | 298,451.54 | 3,773.96 | |
| Other Expenses | 74,001.00 | | 79,001.00 | 75,010.66 | 3,990.34 | |
| Other Expenses-Flu Program | 3,630.00 | | 3,630.00 | | 3,630.00 | |
| Municipal Clerk | | | | | | |
| Salaries and Wages | 228,716.00 | | 228,716.00 | 212,249.20 | 16,466.80 | |
| Other Expenses | 53,512.00 | | 53,512.00 | 36,459.46 | 17,052.54 | |
| Elections | | | | | | |
| Salaries and Wages | 3,600.00 | | 3,600.00 | 1,510.28 | 2,089.72 | |
| Other Expenses | 5,700.00 | | 5,700.00 | 5,108.13 | 591.87 | |
| Financial Administration | | | | | | |
| Salaries and Wages | 168,280.50 | | 168,280.50 | 166,145.34 | 2,135.16 | |
| Miscellaneous Other Expenses | 16,815.00 | | 16,815.00 | 16,073.97 | 741.03 | |
| Audit | 34,900.00 | | 34,900.00 | 34,900.00 | | |
| Collection of Taxes | | | | | | |
| Salaries and Wages | 95,018.00 | | 95,018.00 | 87,383.98 | 7,634.02 | |
| Other Expenses | 12,407.00 | | 12,407.00 | 12,407.00 | | |
| Assessment of Taxes | | | | | | |
| Salaries and Wages | 35,382.00 | | 35,382.00 | 35,382.00 | | |
| Other Expenses: | 11,234.00 | | 11,234.00 | 7,906.35 | 3,327.65 | |
| Legal Services and Costs | | | | | | |
| Other Expenses | 171,000.00 | | 201,000.00 | 181,000.00 | 20,000.00 | |
| Defense of Tax Appeals | 14,500.00 | | 14,500.00 | 14,500.00 | | |
| Engineering Services and Costs | | | | | | |
| Salaries and Wages | 282,398.07 | | 282,398.07 | 279,753.44 | 2,644.63 | |
| Other Expenses | 58,064.00 | | 58,064.00 | 58,061.82 | 2.18 | |

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

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 2 of 8

| | Appropriated | | Expended | Unexpended Balance Cancelled |
|--|--------------|------------------------------|--------------------|------------------------------------|
| | Budget | Budget After Modification | Paid or Charged | Reserved |
| Municipal Prosecutor | \$ 37,200.00 | \$ 37,200.00 | \$ 37,200.00 | \$ |
| Other Expenses | | | | |
| Municipal Court | | | | |
| Salaries and Wages | 306,024.67 | 306,024.67 | 294,156.67 | 11,868.00 |
| Other Expenses | 29,585.00 | 29,585.00 | 29,175.56 | 409.44 |
| Public Defender | | | | |
| Other Expenses | 37,200.00 | 37,200.00 | 37,200.00 | |
| Public Buildings and Grounds | | | | |
| Salaries and Wages | 446,062.42 | 446,062.42 | 443,843.74 | 2,218.68 |
| Other Expenses | 106,397.00 | 106,397.00 | 74,403.39 | 31,993.61 |
| Municipal Land Use Law (N.J.S. 40:550-1) | | | | |
| Planning Board (JOINT) | | | | |
| Other Expenses | 117,332.00 | 117,332.00 | 117,332.00 | |
| Environmental Commission | | | | |
| Other Expenses | 2,274.00 | 2,274.00 | 2,274.00 | |
| Shade Tree Commission | | | | |
| Salaries and Wages | 112,213.00 | 112,213.00 | 108,436.41 | 3,776.59 |
| Other Expenses | 14,250.00 | 14,250.00 | 4,828.34 | 9,421.66 |
| Insurance | | | | |
| General Liability | 249,150.00 | 249,150.00 | 246,743.00 | 2,407.00 |
| Workers Compensation | 228,833.00 | 228,833.00 | 224,813.00 | 4,020.00 |
| Employee Group Health | 1,900,000.00 | 1,900,000.00 | 1,892,167.39 | 7,832.61 |
| Fire | | | | |
| Salaries and Wages | 10,000.00 | 10,000.00 | 10,000.00 | |
| Other Expenses: | | | | |
| Fire Hydrant Service | 152,070.00 | 152,070.00 | 118,561.80 | 33,508.20 |
| Miscellaneous Other Expenses | 46,539.00 | 46,539.00 | 43,958.30 | 2,580.70 |
| Fire Facilities | 40,994.00 | 40,994.00 | 40,913.57 | 80.43 |
| LOSAP Alternative | 250.00 | 250.00 | | 250.00 |

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 3 of 8

| | Appropriated | | Expended | | Unexpended Balance Cancelled |
|------------------------------------|-----------------|-----------------|--------------------|---------------|------------------------------------|
| | Budget | Modification | Paid or Charged | Reserved | |
| Police | \$ 3,456,208.05 | \$ 3,456,208.05 | \$ 3,196,165.52 | \$ 260,042.53 | \$ |
| Salaries and Wages | 172,377.00 | 172,377.00 | 153,346.86 | 19,030.14 | |
| Miscellaneous Other Expenses | 108,000.00 | 108,000.00 | | 108,000.00 | |
| Purchase of Police Cars | | | | | |
| Fire Inspectors | | | | | |
| Salaries and Wages | 261,122.20 | 261,122.20 | 261,122.20 | | |
| Other Expenses | 16,040.00 | 16,040.00 | 16,040.00 | | |
| First Aid Organization | | | | | |
| Contribution | 53,183.00 | 53,183.00 | 53,183.00 | | |
| Emergency Management Services | | | | | |
| Other Expenses | 11,210.00 | 11,210.00 | 7,500.00 | 3,710.00 | |
| Road Repair and Maintenance | | | | | |
| Salaries and Wages | 604,116.67 | 604,116.67 | 586,683.28 | 17,433.39 | |
| Other Expenses | 93,299.00 | 93,299.00 | 51,537.16 | 41,761.84 | |
| Street Lighting | | | | | |
| Other Expenses | 144,840.00 | 144,840.00 | 94,233.22 | 50,606.78 | |
| Mechanics | | | | | |
| Salaries and Wages | 128,785.50 | 128,785.50 | 125,022.33 | 3,763.17 | |
| Other Expenses | 79,135.00 | 79,135.00 | 73,786.74 | 5,348.26 | |
| Maintenance of Sewerage Facilities | | | | | |
| Salaries and Wages | 1.00 | 1.00 | | 1.00 | |
| Other Expenses | 1.00 | 1.00 | 1.00 | | |
| Garbage and Trash Removal | | | | | |
| Other Expenses | 575,428.00 | 575,428.00 | 531,950.60 | 43,477.40 | |
| Solid Waste Disposal | | | | | |
| Salaries and Wages | 10,000.00 | 10,000.00 | | 10,000.00 | |
| Other Expenses | 116,442.00 | 116,442.00 | 57,860.51 | 58,581.49 | |
| NJ PEOSHA | | | | | |
| Other Expenses | 1,000.00 | 1,000.00 | | 1,000.00 | |

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 4 of 8

| | Appropriated | | Expended | | Unexpended Balance Cancelled |
|--|--------------|------------------------------|--------------------|-----------|------------------------------------|
| | Budget | Budget After Modification | Paid or Charged | Reserved | |
| Board of Health | | | | | |
| Salaries and Wages | \$ 10,000.00 | \$ 10,000.00 | \$ 9,057.37 | \$ 942.63 | \$ |
| Other Expenses | 49,959.00 | 49,959.00 | 41,958.39 | 8,000.61 | |
| Animal Control | | | | | |
| Salaries and Wages | 1.00 | 1.00 | | 1.00 | |
| Other Expenses | 2,586.00 | 2,586.00 | 2,586.00 | | |
| Save Boarding Costs and Animal Care | | | | | |
| Other Expenses | 5,510.00 | 5,510.00 | 5,000.00 | 510.00 | |
| Drug Abuse Program (Corner House) | | | | | |
| Other Expenses | 149,287.00 | 149,287.00 | 149,287.00 | | |
| Joint Recreation Board- Borough's Share | | | | | |
| Other Expenses | 414,524.00 | 414,524.00 | 414,524.00 | | |
| Senior Citizens Program | | | | | |
| Other Expenses | 65,930.00 | 65,930.00 | 61,438.77 | 4,491.23 | |
| Department of Human Services | | | | | |
| Other Expenses | 85,796.00 | 85,796.00 | 85,796.00 | | |
| Celebration of Public Events | | | | | |
| Other Expenses | 7,125.00 | 7,125.00 | 2,968.00 | 4,157.00 | |
| Uniform Construction Code- Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17) | | | | | |
| Construction Official | | | | | |
| Salaries and Wages | 280,836.00 | 280,836.00 | 279,741.59 | 1,094.41 | |
| Other Expenses | 65,930.00 | 65,930.00 | 48,798.76 | 17,131.24 | |
| Unclassified: | | | | | |
| Salary and Wage Adjustment | 125,000.00 | 80,000.00 | 19,691.76 | 60,308.24 | |
| Condo Services Reimbursement | 4,150.00 | 4,150.00 | | 4,150.00 | |
| Accumulated Leave Compensation | 25,000.00 | 25,000.00 | | 25,000.00 | |

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

| | Appropriated | | Expended | | Unexpended Balance Cancelled |
|--|----------------------|------------------------------|----------------------|---------------------|------------------------------------|
| | Budget | Budget After Modification | Paid or Charged | Reserved | |
| Utilities | | | | | |
| Gasoline | \$ 124,000.00 | \$ 124,000.00 | \$ 67,461.76 | \$ 56,538.24 | \$ |
| Telephone | 84,705.00 | 84,705.00 | 67,844.93 | 16,860.07 | |
| Electricity and Natural Gas | 144,394.00 | 144,394.00 | 106,876.64 | 37,517.36 | |
| Water | 7,500.00 | 7,500.00 | 7,289.72 | 210.28 | |
| Total Operations within Caps | <u>12,983,372.58</u> | <u>12,983,372.58</u> | <u>11,929,015.87</u> | <u>1,054,356.71</u> | |
| Detail: | | | | | |
| Salaries and Wages | 6,915,990.58 | 6,880,990.58 | 6,474,796.65 | 406,193.93 | |
| Other Expenses | <u>6,067,382.00</u> | <u>6,102,382.00</u> | <u>5,454,219.22</u> | <u>648,162.78</u> | |
| <u>STATUTORY EXPENDITURES WITHIN CAPS</u> | | | | | |
| Contribution to: | | | | | |
| Public Employees Retirement System | 415,805.00 | 415,805.00 | 415,805.00 | | |
| Social Security System | 475,509.00 | 475,509.00 | 442,826.72 | 32,682.28 | |
| Consolidated Police and Firemen's Fund | 25,844.43 | 25,844.43 | 23,738.22 | 2,106.21 | |
| Police and Firemen's Retirement System of NJ | 718,611.00 | 718,611.00 | 718,611.00 | | |
| Total Statutory Expenditures within Caps | <u>1,635,769.43</u> | <u>1,635,769.43</u> | <u>1,600,980.94</u> | <u>34,788.49</u> | |
| Total Appropriations within Caps | <u>14,619,142.01</u> | <u>14,619,142.01</u> | <u>13,529,996.81</u> | <u>1,089,145.20</u> | |

OPERATIONS EXCLUDED FROM CAPS

Implementation and Maintenance of 811 Communication System Police

COYOT

Salaries and Wages

Other Expenses

Maintenance of Joint Free Public Library

Proportionate Share (R.S. 40-29.17)

Stony Brook Regional Sewerage Authority

Share of Costs

Stony Brook Sewer Industrial User Fee

Reserve for Tax Appeals

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

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 6 of 8

| | Appropriated | | Expended | | Unexpended Balance Cancelled |
|---|--------------|------------------------------|--------------------|--------------|------------------------------------|
| | Budget | Budget After Modification | Paid or Charged | Reserved | |
| Interlocal Service Agreements: | | | | | |
| Solid Waste | | | | | |
| Salaries and Wages | \$ 72,325.00 | \$ 72,325.00 | \$ 62,024.03 | \$ 10,300.97 | \$ |
| Other Expenses | 47,243.00 | 47,243.00 | 47,243.00 | | |
| Maintenance of Sewer Facilities | | | | | |
| Salaries and Wages | 632,645.00 | 632,645.00 | 514,033.17 | 118,611.83 | |
| Other Expenses | 147,563.00 | 147,563.00 | 147,563.00 | | |
| Fire | | | | | |
| Salaries and Wages | 25,986.00 | 25,986.00 | 25,986.00 | | |
| Other Expenses | 76,153.00 | 76,153.00 | 76,153.00 | | |
| Fire Facilities | 48,124.00 | 48,124.00 | 48,124.00 | | |
| LOSAP Alternative | 24,750.00 | 24,750.00 | 6,154.50 | 18,595.50 | |
| Health | | | | | |
| Salaries and Wages | 271,511.00 | 271,511.00 | 271,511.00 | | |
| Other Expenses | 9,321.00 | 9,321.00 | 9,321.00 | | |
| Flu Program | 7,370.00 | 7,370.00 | 4,727.40 | 2,642.60 | |
| Animal Control | | | | | |
| Salaries and Wages | 55,569.00 | 55,569.00 | 52,942.43 | 2,626.57 | |
| Other Expenses | 1,380.00 | 1,380.00 | 1,380.00 | | |
| Senior Citizens Program | | | | | |
| Other Expenses | 65,930.00 | 65,930.00 | 65,930.00 | | |
| Public and Private Programs Offset by Revenues: | | | | | |
| Alcohol Education and Rehabilitation Fund | | | | | |
| Bonner Foundation | 21,500.00 | 9,189.09 | 9,189.09 | | |
| Clean Communities Grant | 10,227.03 | 21,500.00 | 21,500.00 | | |
| Cops in Shops | 2,400.00 | 13,046.53 | 13,046.53 | | |
| Donations - Fire Director Salaries and Wages | | 2,958.78 | 2,958.78 | | |
| Drunk Driving Enforcement Fund | | 50,000.00 | 50,000.00 | | |
| Lead Investigation & Field Testing | | 18,514.92 | 18,514.92 | | |
| 2010 State Health Services Grant - Influenza A - H1N1 Virus | | 6,456.00 | 6,456.00 | | |
| Mini Grant - H1N1 | | 88,344.00 | 88,344.00 | | |
| | | 2,500.00 | 2,500.00 | | |

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 7 of 8

| | Appropriated | | Expended | | Unexpended Balance Cancelled |
|---|--------------|------------------------------|--------------------|------------|------------------------------------|
| | Budget | Budget After Modification | Paid or Charged | Reserved | |
| Public and Private Programs Offset by Revenues (Continued): | | | | | |
| Over the Limit, Under Arrest - 2009 Statewide Crackdown | \$ 4,987.50 | \$ 11,000.00 | \$ 11,000.00 | \$ | \$ |
| Princeton University Donation | 700.00 | 700.00 | 700.00 | | |
| 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 Health Priority Funding | | 10,132.00 | 10,132.00 | | |
| Recycling Tonnage Grant | | 32,510.73 | 32,510.73 | | |
| Safe and Secure Communities Program | 29,676.00 | 29,676.00 | 29,676.00 | | |
| State Forestry Services - Green Communities | | 3,000.00 | 3,000.00 | | |
| Total Operations Excluded from Caps | 5,514,199.80 | 5,744,237.32 | 5,543,335.73 | 200,901.59 | |
| Detail: | | | | | |
| Salaries and Wages | 1,395,670.27 | 1,395,670.27 | 1,243,229.13 | 152,441.14 | |
| Other Expenses | 4,118,529.53 | 4,348,567.05 | 4,300,106.60 | 48,460.45 | |
| <u>CAPITAL IMPROVEMENTS EXCLUDED FROM CAPS</u> | | | | | |
| Institute Lands Preservation | 9,330.00 | 9,330.00 | 9,327.60 | | 2.40 |
| <u>MUNICIPAL DEBT SERVICE EXCLUDED FROM CAPS</u> | | | | | |
| 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 | 50,000.00 | 50,000.00 | 10,000.00 | | 40,000.00 |
| Interest on Bonds | 859,000.00 | 859,000.00 | 841,920.03 | | 17,079.97 |
| Interest on Notes | 170,100.00 | 170,100.00 | 169,795.39 | | 304.61 |
| Environmental Infrastructure Loan Program | 304,000.00 | 304,000.00 | 299,523.01 | | 4,476.99 |
| Total Municipal Debt Service excluded from Caps | 3,735,220.00 | 3,735,220.00 | 3,673,357.74 | | 61,862.26 |
| <u>DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM CAPS</u> | | | | | |
| Special Emergency Authorizations | | | | | |
| 5 Years (N.J.S.A. 40A:4-55) | 61,602.00 | 61,602.00 | 61,602.00 | | 7,881.00 |
| Deficit Dedicated Assessment Fund | 7,881.00 | 7,881.00 | | | 7,881.00 |
| Total Deferred Charges excluded from Caps | 69,483.00 | 69,483.00 | 61,602.00 | | 69,745.66 |
| Total General Appropriations excluded from Caps | 9,328,232.80 | 9,558,270.32 | 9,287,623.07 | 200,901.59 | |

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 8 of 8

| | Appropriated | | Expended | | Unexpended Balance Cancelled |
|--|------------------|------------------------------|--------------------|-----------------|------------------------------------|
| | Budget | Budget After Modification | Paid or Charged | Reserved | |
| Subtotal General Appropriations | \$ 23,947,374.81 | \$ 24,177,412.33 | \$ 22,817,619.88 | \$ 1,290,046.79 | \$ 69,745.66 |
| Reserve for Uncollected Taxes | 700,000.00 | 700,000.00 | 700,000.00 | | |
| Total General Appropriations | \$ 24,647,374.81 | \$ 24,877,412.33 | \$ 23,517,619.88 | \$ 1,290,046.79 | \$ 69,745.66 |
| Ref. | | | A-3 | A | A-1 |
| Adopted Budget | | \$ 24,647,374.81 | | | |
| Appropriated by 40A.4-87 | | 230,037.52 | | | |
| | | \$ 24,877,412.33 | | | |
| Disbursed | | | \$ 22,142,277.86 | | |
| Reserve for: | | | | | |
| Encumbrances | | | 286,557.97 | | |
| Uncollected Taxes | | | 700,000.00 | | |
| Interfund - Current Fund | | | 327,182.05 | | |
| Deferred Charges Raised: | | | | | |
| Special Emergency Authorizations - 5 Years | | | 61,602.00 | | |
| | | | \$ 23,517,619.88 | | |

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, 2009 AND 2008**

| | <u>Ref.</u> | <u>2009</u> | <u>2008</u> |
|---|--------------------|------------------------|------------------------|
| <u>Assets</u> | | | |
| <u>Assessment Trust Fund</u> | | | |
| Cash | B-2 | \$ 450,551.84 | \$ 260,531.78 |
| Assessments Receivable | B-4 | 266,051.58 | 127,905.28 |
| | | <u>716,603.42</u> | <u>388,437.06</u> |
| <u>Animal Control Trust Fund</u> | | | |
| Interfund - Trust Other Fund | B-8 | <u>9,060.30</u> | <u>9,081.40</u> |
| <u>Trust - Other Fund</u> | | | |
| Cash | B-2 | 1,358,780.15 | 1,803,464.99 |
| Interfund - Current Fund | B-2 | <u>100,671.83</u> | <u>100,671.83</u> |
| | | <u>1,358,780.15</u> | <u>1,904,136.82</u> |
| | | <u>\$ 2,084,443.87</u> | <u>\$ 2,301,655.28</u> |
| <u>Liabilities and Reserves</u> | | | |
| <u>Assessment Trust Fund</u> | | | |
| Interfund - Current Fund | B-2 | \$ 7,797.26 | \$ 7,797.26 |
| Prepaid Assessments | | 1,645.10 | 2,510.60 |
| Reserve for Assessments | B-5 | 241,453.97 | 93,838.13 |
| Assessment Serial Bonds | B-6 | 127,179.98 | 135,060.67 |
| Fund Balance | B-1 | <u>346,324.37</u> | <u>149,230.40</u> |
| | | <u>716,603.42</u> | <u>388,437.06</u> |
| <u>Animal Control Trust Fund</u> | | | |
| Reserve for Animal Control Trust Fund | B-7 | 7,024.40 | 3,715.00 |
| Interfund - Current Fund | B-7,8 | <u>2,035.90</u> | <u>5,366.40</u> |
| | | <u>9,060.30</u> | <u>9,081.40</u> |
| <u>Trust - Other Fund</u> | | | |
| Interfund - Dog Trust Fund | B-8 | 9,060.30 | 9,081.40 |
| Reserve for: | | | |
| Miscellaneous Reserves | B-9 | 1,242,718.20 | 1,785,138.96 |
| Open Space | B-10 | <u>107,001.65</u> | <u>109,916.46</u> |
| | | <u>1,358,780.15</u> | <u>1,904,136.82</u> |
| | | <u>\$ 2,084,443.87</u> | <u>\$ 2,301,655.28</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

| | | |
|-------------------------------------|--------------------|-----------------------------|
| | <u>Ref.</u> | |
| Balance December 31, 2008 | B | \$ 149,230.40 |
| Increased by: | | |
| Collection of Unpledged Assessments | B-5 | <u>222,093.97</u> |
| | | 371,324.37 |
| Decreased by: | | |
| Utilized as Current Fund Revenue | B-2 | <u>25,000.00</u> |
| Balance December 31, 2009 | B | \$ <u><u>346,324.37</u></u> |

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

BOROUGH OF PRINCETON - COUNTY OF MERCER**BALANCE SHEET - GENERAL CAPITAL FUND****Exhibit C****REGULATORY BASIS****DECEMBER 31, 2009 AND 2008**

| | <u>Ref.</u> | <u>2009</u> | <u>2008</u> |
|--|--------------------|-------------------------|-------------------------|
| <u>Assets</u> | | | |
| Cash and Cash Equivalents | C-2 | \$ 11,880,613.87 | \$ 6,861,223.81 |
| Deferred Charges to Future Taxation: | | | |
| General Improvements: | | | |
| Funded | C-4 | 23,423,980.49 | 23,889,493.78 |
| Unfunded | C-5 | 19,664,960.00 | 17,079,797.00 |
| Interfunds: | | | |
| Affordable Housing Utility Capital Fund | C-6 | | 7,111.79 |
| Current Fund | C-6 | 55,038.24 | |
| Accounts Receivable: | | | |
| NJ Environmental Infrastructure Trust Loan | C-10 | 2,634,818.00 | 3,125,501.00 |
| Due from Township of Princeton | Note 13 | 100,270.94 | 3,686,830.28 |
| | | <u>\$ 57,759,681.54</u> | <u>\$ 54,649,957.66</u> |
| <u>Liabilities, Reserves and Fund Balance</u> | | | |
| Interfund - Affordable Housing Utility Capital | C-6 | \$ 3,535.00 | \$ |
| Capital Improvement Fund | C-7 | 18,605.86 | 18,605.86 |
| Reserve for: | | | |
| Receivable | | 100,270.94 | 3,686,830.28 |
| Payment of Debt | | 84.65 | 84.65 |
| Encumbrances | C-8 | 2,059,960.39 | 1,550,985.16 |
| Improvement Authorizations: | | | |
| Funded | C-8 | 7,356,301.48 | 4,670,329.09 |
| Unfunded | C-8 | 11,695,084.17 | 11,785,408.83 |
| Serial Bonds Payable | C-9 | 18,140,820.02 | 20,492,939.33 |
| NJ Environmental Infrastructure Trust Loan Payable | C-11 | 5,283,160.47 | 3,396,554.45 |
| Bond Anticipation Notes | C-12 | 10,488,160.00 | 7,561,000.00 |
| Fund Balance | C-1 | 2,613,698.56 | 1,487,220.01 |
| | | <u>\$ 57,759,681.54</u> | <u>\$ 54,649,957.66</u> |

There were bonds and notes authorized but not issued on December 31, 2009 of in the amount of \$9,176,800 (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, 2008 | <u>Ref.</u> C | \$ 1,487,220.01 |
| Increased by: | | |
| Township of Princeton Reimbursements From Fully Funded Improvements (Net) | \$ 991,476.69 | |
| Grant Proceeds | | |
| Deposits | 981,750.00 | |
| Interfund-Current Fund | 54,540.00 | |
| Premium on Sale of Bond Anticipation Notes | <u>98,711.86</u> | |
| | | <u>2,126,478.55</u> |
| | | 3,613,698.56 |
| Decreased by: | | |
| Utilized in Current Fund as Anticipated Revenue | C-2 | <u>1,000,000.00</u> |
| Balance December 31, 2009 | C | <u><u>\$ 2,613,698.56</u></u> |

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

BOROUGH OF PRINCETON - COUNTY OF MERCER**BALANCE SHEET - PARKING UTILITY FUND****Exhibit D****REGULATORY BASIS****DECEMBER 31, 2009 AND 2008**

| | <u>Ref.</u> | <u>2009</u> | <u>2008</u> |
|--|--------------------|-------------------------|-------------------------|
| <u>Assets</u> | | | |
| <u>Operating Fund</u> | | | |
| Cash | D-5 | \$ 824,357.90 | \$ 780,628.55 |
| <u>Capital Fund</u> | | | |
| Cash | D-5 | 406,573.04 | 403,185.93 |
| Accounts Receivable | D-7 | 82,851.23 | 82,851.23 |
| Fixed Capital | D-8 | 200,000.00 | 200,000.00 |
| Fixed Capital Authorized and Uncompleted | D-9 | 14,056,576.00 | 13,830,576.00 |
| Interfund - Parking Operating Fund | D-10 | | 23,988.45 |
| Total Capital Fund | | <u>14,746,000.27</u> | <u>14,540,601.61</u> |
| | | <u>\$ 15,570,358.17</u> | <u>\$ 15,321,230.16</u> |
| <u>Liabilities, Reserves and Fund Balance</u> | | | |
| <u>Operating Fund</u> | | | |
| Encumbrances Payable | D-4,11 | \$ 30,090.57 | \$ 29,546.01 |
| Appropriation Reserves | D-4,11 | 4,564.71 | 45,305.91 |
| Accounts Payable | D-5 | 20,870.23 | 29,091.63 |
| Interfunds: | | | |
| Parking Capital Fund | D-10 | | 23,988.45 |
| Current Fund | D-10 | 300,000.00 | 100,000.00 |
| Accrued Interest on Bonds and Notes | D-12 | 215,890.66 | 221,866.41 |
| Reserve for Security Deposit Hinkson | | 4,166.66 | 4,166.66 |
| | | <u>575,582.83</u> | <u>453,965.07</u> |
| Fund Balance | D-1 | <u>248,775.07</u> | <u>326,663.48</u> |
| Total Operating Fund | | <u>824,357.90</u> | <u>780,628.55</u> |
| <u>Capital Fund</u> | | | |
| Improvement Authorizations: | | | |
| Funded | D-13 | 322,284.97 | 343,312.31 |
| Unfunded | D-13 | 265,835.88 | 71,109.88 |
| Reserve for: | | | |
| Debt Service | D-6 | 375,000.00 | 375,000.00 |
| Deferred Amortization | D-14 | 1,165,700.00 | 759,000.00 |
| Serial Bonds Payable | D-15 | 12,605,000.00 | 12,980,000.00 |
| Fund Balance | D-2 | 12,179.42 | 12,179.42 |
| Total Capital Fund | | <u>14,746,000.27</u> | <u>14,540,601.61</u> |
| | | <u>\$ 15,570,358.17</u> | <u>\$ 15,321,230.16</u> |

There were bonds and notes authorized but not issued on December 31, 2009 of \$485,876.00 (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 2009</u> | <u>Year 2008</u> |
|---|--------------------|-------------------------|-------------------------|
| <u>Revenue and Other Income Realized</u> | | | |
| Fund Balance Anticipated | D-3 | \$ 100,000.00 | \$ |
| Parking Fees | D-3 | 2,980,992.60 | 2,956,243.27 |
| Interest on Investments | D-3 | 2,678.08 | 15,293.43 |
| Non-Budget Revenue | D-5 | 315,695.01 | 233,667.13 |
| Other Credits to Income: | | | |
| Unexpended Balance of Appropriation Reserves | D-11 | 3,593.90 | 20,077.96 |
| Total Income | | <u>3,402,959.59</u> | <u>3,225,281.79</u> |
| <u>Expenditures</u> | | | |
| Operating | | 1,088,480.00 | 1,117,154.00 |
| Debt Service | | 960,668.00 | 790,299.05 |
| Deferred Charges and Statutory Expenditures | | 31,700.00 | 24,000.00 |
| Surplus (General Budget) | | 1,300,000.00 | 1,100,000.00 |
| Total Expenditures | D-4 | <u>3,380,848.00</u> | <u>3,031,453.05</u> |
| Statutory Excess to Fund Balance | | 22,111.59 | 193,828.74 |
| Fund Balance January 1 | D | <u>326,663.48</u> | <u>132,834.74</u> |
| | | 348,775.07 | 326,663.48 |
| Less: Fund Balance Anticipated | D-1 | <u>100,000.00</u> | |
| Fund Balance December 31 | D | <u>\$ 248,775.07</u> | <u>\$ 326,663.48</u> |

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

STATEMENT OF FUND BALANCE - REGULATORY BASIS

Exhibit D-2

| | <u>Ref.</u> | |
|------------------------------------|--------------------|---------------------|
| Balance December 31, 2009 and 2008 | D | \$ <u>12,179.42</u> |

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

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

| | <u>Ref.</u> | <u>Anticipated Budget</u> | <u>Realized</u> | <u>Excess or (Deficit)</u> |
|-------------------------|--------------------|--------------------------------------|------------------------|---------------------------------------|
| Surplus Anticipated | D-1 | \$ <u>100,000.00</u> | \$ <u>100,000.00</u> | \$ <u> </u> |
| Parking Fees | D-1 | \$ 2,836,000.00 | \$ 2,836,000.00 | \$ |
| Increased Parking Fees | D-1 | 629,364.00 | 144,992.60 | (484,371.40) |
| Interest on Investments | D-1 | 9,274.00 | 2,678.08 | (6,595.92) |
| | | <u>3,474,638.00</u> | <u>2,983,670.68</u> | <u>(490,967.32)</u> |
| | D-3 | \$ <u>3,574,638.00</u> | \$ <u>3,083,670.68</u> | \$ <u>(490,967.32)</u> |
| | <u>Ref.</u> | D-4 | | |
| Fund Balance Utilized | D-1 | | \$ 100,000.00 | |
| Receipts | D-5 | | \$ <u>2,983,670.68</u> | |
| | D-3 | | \$ <u>3,083,670.68</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 | \$ 548,423.00 | \$ 570,423.00 | \$ 565,858.29 | \$ 4,564.71 | \$ |
| Other Expenses | 540,057.00 | 518,057.00 | 518,057.00 | | |
| Debt Service | | | | | |
| Payment of Bond Principal | 375,000.00 | 375,000.00 | 375,000.00 | | |
| Interest on Bonds | 585,668.00 | 585,668.00 | 585,668.00 | | |
| Deferred Charges | 31,700.00 | 31,700.00 | 31,700.00 | | |
| Ordinance 08-25 | 1,493,790.00 | 1,493,790.00 | 1,300,000.00 | | 193,790.00 |
| Surplus (General Budget) | | | | | |
| Total Parking Utility Appropriations | <u>\$ 3,574,638.00</u> | <u>\$ 3,574,638.00</u> | <u>\$ 3,376,283.29</u> | <u>\$ 4,564.71</u> | <u>\$ 193,790.00</u> |
| Ref. | D-3 | D-1 | | D | D-1 |
| Cash Disbursed | | | \$ 2,460,524.72 | | |
| Encumbrances Payable | | | 30,090.57 | | |
| Interfund - Current Fund | | | 300,000.00 | | |
| Accrued Interest on Bonds | | | 585,668.00 | | |
| | | | <u>\$ 3,376,283.29</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, 2009 AND 2008

| | <u>Ref.</u> | <u>2009</u> | <u>2008</u> |
|--|--------------------|----------------------|----------------------|
| <u>Assets</u> | | | |
| Cash: | | | |
| Treasurer | E-1 | \$ 123,336.78 | \$ 98,159.11 |
| Petty Cash | E-1 | <u>1,501.42</u> | <u>4,425.14</u> |
| | | <u>\$ 124,838.20</u> | <u>\$ 102,584.25</u> |
| <u>Liabilities and Reserves</u> | | | |
| Prepaid State Aid | E-2 | \$ 90,759.67 | \$ 68,939.54 |
| Supplemental Security Income Due To Client | | 1,238.31 | 1,238.31 |
| Reserve for: | | | |
| Public Assistance | E-3 | <u>32,840.22</u> | <u>32,406.40</u> |
| | | <u>\$ 124,838.20</u> | <u>\$ 102,584.25</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, 2009 AND 2008

| | <u>2009</u> | <u>2008</u> |
|------------------------------------|-------------------------|-------------------------|
| <u>Assets</u> | | |
| General Fixed Assets: | | |
| Land | \$ 12,298,100.00 | \$ 12,298,100.00 |
| Building | 7,023,480.00 | 7,023,480.00 |
| Furniture, Fixtures and Equipment | <u>9,972,828.00</u> | <u>10,520,166.00</u> |
| | <u>\$ 29,294,408.00</u> | <u>\$ 29,841,746.00</u> |
| <u>Liabilities</u> | | |
| Investment in General Fixed Assets | <u>\$ 29,294,408.00</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, 2009 AND 2008

| | <u>Ref.</u> | <u>2009</u> | <u>2008</u> |
|--|-------------|------------------------|------------------------|
| <u>Assets</u> | | | |
| <u>Operating Fund</u> | | | |
| Cash | S-5 | \$ 1,368,079.43 | \$ 1,359,378.85 |
| Due from Small Cities C.D.B.G. | | | 43,490.00 |
| Total Operating Fund | | <u>1,368,079.43</u> | <u>1,402,868.85</u> |
| <u>Capital Fund</u> | | | |
| Fixed Capital | | | |
| Fixed Capital Authorized and Uncompleted | S-8 | 211,150.00 | 211,150.00 |
| Interfunds: | | | |
| Affordable Housing Operating Fund | S-9 | 114,222.54 | 121,334.33 |
| General Capital Fund | S-9 | 3,535.00 | |
| Total Capital Fund | | <u>328,907.54</u> | <u>332,484.33</u> |
| | | <u>\$ 1,696,986.97</u> | <u>\$ 1,735,353.18</u> |
| <u>Liabilities, Reserves and Fund Balance</u> | | | |
| <u>Operating Fund</u> | | | |
| Reserve for: | | | |
| Payment of Debt | | \$ 3,882.00 | \$ 3,819.95 |
| Housing Trust | S-6 | 47,559.30 | 90,547.50 |
| Developer Fees | S-6 | 609,590.40 | 598,193.49 |
| Growth Share | S-6 | 592,825.19 | 588,973.58 |
| Interfund - Affordable Housing Utility Capital Fund | S-9 | 114,222.54 | 121,334.33 |
| Total Operating Fund | | <u>1,368,079.43</u> | <u>1,402,868.85</u> |
| <u>Capital Fund</u> | | | |
| Interfund - General Capital Fund | S-9 | | 7,111.79 |
| Improvement Authorizations: | | | |
| Funded | S-10 | 67,702.05 | 67,702.05 |
| Unfunded | S-10 | 194,011.65 | 190,476.65 |
| Fund Balance | S-2 | 67,193.84 | 67,193.84 |
| Total Capital Fund | | <u>328,907.54</u> | <u>332,484.33</u> |
| | | <u>\$ 1,696,986.97</u> | <u>\$ 1,735,353.18</u> |

There were bonds and notes authorized but not issued on December 31, 2009 of \$ 211,150.00 (Schedule S-11).

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

BOROUGH OF PRINCETON - COUNTY OF MERCER

AFFORDABLE HOUSING UTILITY OPERATING FUND

Exhibit S-1

STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

REGULATORY BASIS

| | <u>Ref.</u> | <u>2009</u> | <u>2008</u> |
|---|--------------------|----------------------|----------------------|
| <u>Revenue and Other Income Realized</u> | | | |
| Developer Revenue Reserves: | | | |
| Prior Revenues Reserved | S-3 | \$ 384,265.00 | \$ 40,000.00 |
| Developer Fees | S-3 | 31,646.00 | 72,124.00 |
| Housing Trust Reserves: | | | |
| Prior Revenues Reserved | S-3 | 89,500.00 | 89,810.00 |
| Rents | | | 4,145.75 |
| Interest Received | S-3 | 222.38 | 13,954.22 |
| Total Income | | <u>505,633.38</u> | <u>220,033.97</u> |
| <u>Expenditures</u> | | | |
| Operating | S-4 | <u>69,050.58</u> | <u>74,095.14</u> |
| Excess in Revenues | | <u>436,582.80</u> | <u>145,938.83</u> |
| Less: Transfers to Revenue Reserves: | | | |
| Developer Fees | S-6 | 391,646.00 | 88,574.00 |
| Housing | S-6 | <u>44,936.80</u> | <u>57,364.83</u> |
| | | <u>\$ 436,582.80</u> | <u>\$ 145,938.83</u> |

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

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

Exhibit S-2

| | | | |
|------------------------------------|--------------------|--|---------------------|
| | <u>Ref.</u> | | |
| Balance December 31, 2009 and 2008 | S | | \$ <u>67,193.84</u> |

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

AFFORDABLE HOUSING UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS

Exhibit S-3

| | <u>Ref.</u> | <u>Anticipated Budget</u> | <u>Realized</u> | <u>Excess or (Deficit)</u> |
|--------------------------------|--------------------|--------------------------------------|------------------------|---------------------------------------|
| Developer Escrow Reserves | | | | |
| Prior Revenues Reserved | S-1 | \$ 384,265.00 | \$ 384,265.00 | \$ |
| Developer Fees | S-1 | 20,000.00 | 31,646.00 | 11,646.00 |
| Housing Trust Reserves | | | | |
| Prior Revenues Reserved | S-1 | 89,500.00 | 89,500.00 | |
| Interest Earned on Investments | S-1 | 400.00 | 222.38 | (177.62) |
| | | <u>\$ 494,165.00</u> | <u>\$ 505,633.38</u> | <u>\$ 11,468.38</u> |
| | <u>Ref.</u> | S-4 | | |
| Housing Trust Reserve | S-1 | | \$ 89,500.00 | |
| Developer Reserve | S-1 | | 384,265.00 | |
| Cash Received | S-5 | | <u>31,868.38</u> | |
| | | | <u>\$ 505,633.38</u> | |

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

BOROUGH OF PRINCETON - COUNTY OF MERCER

AFFORDABLE HOUSING UTILITY OPERATING FUND

Exhibit S-4

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 | \$ 24,265.00 | \$ 24,265.00 | \$ 24,265.00 | \$ |
| Other Expenses | 469,900.00 | 469,900.00 | 44,785.58 | 425,114.42 |
| | <u>494,165.00</u> | <u>494,165.00</u> | <u>69,050.58</u> | <u>425,114.42</u> |
| Total Affordable Housing Utility Appropriations | | | | |
| | Ref. | S-1,3 | S-1 | 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, 2009

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 2009.

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, 2009 is set forth in Note 9.

Compensated Absences - expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount which would normally be liquidated with expendable available financial resources be recorded as an expenditure in the Current Fund and the remaining obligations be recorded as a long-term obligation. The expenditures in the Water Utility Operating Fund would be on a full accrual basis. The compensated absence liability at December 31, 2009 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 2009 the following changes occurred in the fixed assets of the Borough:

| | <u>Balance</u> <u>Jan. 1, 2009</u> | <u>Additions/</u> <u>Deletions</u> | <u>Balance</u> <u>Dec. 31, 2009</u> |
|--|---|---|--|
| 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 | (547,338) | 9,972,828 |
| 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>13,830,576</u> | <u>226,000</u> | <u>14,056,576</u> |
| | \$ <u>44,083,472</u> | \$ <u>(321,338)</u> | \$ <u>43,762,134</u> |

In 2009 the Borough contracted with a third party to update and tag inventory items. The net decrease in furniture, fixtures and equipment was a result of this update.

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 \$20,623,617 and the bank balance amount was \$20,647,777. 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 \$19,397,777.

B. Investments

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

- (1) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (2) Government money market mutual funds.
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- (4) Bonds or other obligations of the Borough, or bonds or other obligations of school districts of which the Borough is a part or within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investments, New Jersey Department of the Treasury.
- (6) Municipal investment pools.
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c. 281; or

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

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

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

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

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

At year-end, the carrying value of the Borough's investment and the investment balance was \$1,795,737 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>2009</u> | <u>2008</u> |
| Insured: | | |
| FDIC | \$ 1,250,000 | \$ 1,250,000 |
| GUDPA | 19,397,777 | 15,835,949 |
| Uninsured | <u>1,795,737</u> | <u>2,803,423</u> |
| | \$ <u>22,443,514</u> | \$ <u>19,889,372</u> |

Custodial Credit Risk - Deposits

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

State law limits investments as noted above.

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

NOTE 3. DEBT

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

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

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

General Capital Fund

| | |
|---|----------------------|
| 3.90% to 4.10% General Improvement Bonds issued November 1, 1998 for \$7,055,000, installment maturities to November 1, 2010 | \$ 855,000 |
| 2.875% to 4.50% General Improvement Bonds, Series A issued August 15, 2003 for \$5,553,000, installment maturities to August 15, 2018 | 3,458,000 |
| 2.875% to 4.50% General Improvement Bonds, Series B issued August 15, 2003 for \$8,214,000, installment maturities to August 15, 2018 | 5,079,000 |
| 4% General Improvement Bonds issued June 1, 2007 for \$9,833,059, installment maturities to June 1, 2019 | <u>8,748,820</u> |
| | <u>\$ 18,140,820</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> |
|-------------|----------------------|---------------------|
| 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 | 1,886,388 | 423,408 |
| 2015-19 | <u>8,790,269</u> | <u>922,694</u> |
| | <u>\$ 18,140,820</u> | <u>\$ 3,789,028</u> |

Assessment Trust Fund

| | |
|--|-------------------|
| 4% General Improvement Bonds issued June 1, 2007 for \$142,941, installment maturities to June 1, 2019 | \$ <u>127,180</u> |
|--|-------------------|

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> |
|-------------|-------------------|------------------|
| 2010 | \$ 9,314 | \$ 4,901 |
| 2011 | 9,314 | 4,528 |
| 2012 | 10,746 | 4,127 |
| 2013 | 11,463 | 3,683 |
| 2014 | 13,612 | 3,182 |
| 2015-19 | <u>72,731</u> | <u>7,446</u> |
| | <u>\$ 127,180</u> | <u>\$ 27,867</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 \$ 12,605,000

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> |
|-------------|----------------------|---------------------|
| 2010 | \$ 400,000 | \$ 575,706 |
| 2011 | 425,000 | 558,706 |
| 2012 | 450,000 | 540,644 |
| 2013 | 475,000 | 521,519 |
| 2014 | 500,000 | 501,331 |
| 2015-19 | 2,875,000 | 2,163,756 |
| 2020-24 | 3,925,000 | 1,419,906 |
| 2025-28 | <u>3,555,000</u> | <u>424,175</u> |
| | \$ <u>12,605,000</u> | \$ <u>6,705,743</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> |
|-------------|-------------------|-------------------|
| 2010 | \$ 35,000 | \$ 37,225 |
| 2011 | 35,000 | 35,825 |
| 2012 | 35,000 | 34,075 |
| 2013 | 40,000 | 32,325 |
| 2014 | 40,000 | 30,325 |
| 2015-2019 | 235,000 | 120,275 |
| 2020-2024 | 285,000 | 67,431 |
| 2025-2026 | <u>135,000</u> | <u>8,713</u> |
| | \$ <u>840,000</u> | \$ <u>366,194</u> |

NOTE 3. DEBT (CONTINUED)**A. Long-Term Debt (Continued)****2006 Wastewater Treatment Fund Loan Schedule**

| <u>Year</u> | <u>Principal</u> |
|-------------|-------------------|
| 2010 | \$ 46,469 |
| 2011 | 45,569 |
| 2012 | 44,443 |
| 2013 | 46,534 |
| 2014 | 45,247 |
| 2015-2019 | 228,583 |
| 2020-2024 | 226,753 |
| 2025-2026 | <u>92,465</u> |
| | \$ <u>776,063</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> |
|-------------|-------------------|-------------------|
| 2010 | \$ 30,000 | \$ 37,650 |
| 2011 | 35,000 | 36,150 |
| 2012 | 35,000 | 34,400 |
| 2013 | 35,000 | 33,210 |
| 2014 | 35,000 | 31,985 |
| 2015-2019 | 210,000 | 133,375 |
| 2020-2024 | 270,000 | 80,038 |
| 2025-2027 | <u>190,000</u> | <u>16,837</u> |
| | \$ <u>840,000</u> | \$ <u>403,645</u> |

NOTE 3. DEBT (CONTINUED)

A. Long-Term Debt (Continued)

2007 Wastewater Treatment Fund Loan Schedule

| <u>Year</u> | <u>Principal</u> |
|-------------|-------------------|
| 2010 | \$ 42,674 |
| 2011 | 44,882 |
| 2012 | 43,778 |
| 2013 | 43,027 |
| 2014 | 42,255 |
| 2015-2019 | 216,604 |
| 2020-2024 | 220,806 |
| 2025-2027 | <u>130,475</u> |
| | \$ <u>784,501</u> |

Also, the Borough entered into another loan agreement November 2008 with the State of New Jersey, Department of Environmental Protection, pursuant to the 2008 New Jersey Environmental Infrastructure Trust Financing Program. The loan consists of two agreements, a Trust Loan Agreement of \$1,035,000 to be repaid over a twenty year period at interest rates ranging from 5.00% to 5.50%, and a zero interest Fund Loan Agreement at \$1,034,227 to be repaid over a twenty year period.

2008 Wastewater Treatment Trust Loan Schedule

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> |
|-------------|---------------------|-------------------|
| 2010 | \$ 35,000 | \$ 53,075 |
| 2011 | 35,000 | 51,325 |
| 2012 | 35,000 | 49,575 |
| 2013 | 40,000 | 47,825 |
| 2014 | 40,000 | 45,825 |
| 2015-2019 | 235,000 | 196,375 |
| 2020-2024 | 310,000 | 127,575 |
| 2025-2028 | <u>305,000</u> | <u>39,000</u> |
| | \$ <u>1,035,000</u> | \$ <u>610,575</u> |

NOTE 3. DEBT (CONTINUED)**A. Long-Term Debt (Continued)****2008 Wastewater Treatment Fund Loan Schedule**

| <u>Year</u> | <u>Principal</u> |
|-------------|---------------------|
| 2010 | \$ 53,929 |
| 2011 | 52,857 |
| 2012 | 51,786 |
| 2013 | 53,776 |
| 2014 | 52,551 |
| 2015-2019 | 264,134 |
| 2020-2024 | 320,129 |
| 2025-2028 | <u>158,435</u> |
| | \$ <u>1,007,597</u> |

B. Short-Term Debt

On December 31, 2009 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> |
|-----------------------------|--|----------------------|--------------------------|
| 05-19 | Improvements to Sewer System | \$ 357,000 | 1.50% |
| 06-15 | Various Capital Improvements | 1,657,000 | 1.50% |
| 06-16 | Various Capital Improvements | 1,286,000 | 1.50% |
| 07-14 | Reconstruction of Cleveland Lane and Lafayette Road | 1,603,000 | 1.50% |
| 07-19 | Various Capital Improvements | 726,000 | 1.50% |
| 07-20 | Various Capital Improvements | 935,000 | 1.50% |
| 08-02 | Sidewalk Improvements | 126,350 | 1.50% |
| 08-22 | Renovations to Public Works Garage | 261,250 | 1.50% |
| 08-23 | Various Capital Improvements | 2,270,560 | 1.50% |
| 08-24 | Various Capital Improvements | <u>1,266,000</u> | 1.50% |
| | | \$ <u>10,488,160</u> | |

C. Bonds and Notes Authorized but not Issued

At December 31, 2009, the Borough had authorized but not issued bonds and notes as follows:

| | |
|---|---------------------|
| General Capital | \$ 9,176,800 |
| Affordable Housing Utility Capital Fund | 211,150 |
| Parking Utility Capital Fund | <u>485,876</u> |
| | \$ <u>9,873,826</u> |

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, 2009 was 1.71%. The Borough's remaining borrowing power is 1.79%.

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 2009 the following changes occurred in the outstanding debt of the Borough:

| | <u>Balance</u> <u>Jan. 1, 2009</u> | <u>Issued</u> | <u>Retired</u> | <u>Balance</u> <u>Dec. 31, 2009</u> |
|-------------------------------|---------------------------------------|---------------------|---------------------|--|
| General Capital: | | | | |
| Serial Bonds | \$ 20,492,940 | \$ | \$ 2,352,120 | \$ 18,140,820 |
| Bond Anticipation Notes | 7,561,000 | 3,924,160 | 997,000 | 10,488,160 |
| Loans Payable | 3,396,555 | 2,069,227 | 182,621 | 5,283,161 |
| Assessment Trust Fund: | | | | |
| Serial Bonds | 135,060 | | 7,880 | 127,180 |
| Parking Utility Capital Fund: | | | | |
| Serial Bonds | <u>12,980,000</u> | <u> </u> | <u>375,000</u> | <u>12,605,000</u> |
| | <u>\$ 44,565,555</u> | <u>\$ 5,993,387</u> | <u>\$ 3,914,621</u> | <u>\$ 46,644,321</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 \$830,542 and \$755,199 at December 31, 2009 and 2008, respectively. A reserve is maintained in the Other Trust Fund and has a balance of \$50,713 at December 31, 2009. 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, 2009 which are intended to be appropriated and included as anticipated revenue in the introduced budget for the year ending December 31, 2010 are as follows:

| | |
|-----------------|------------|
| Current Fund | \$ 799,808 |
| Parking Utility | 200,000 |

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>2009</u> | <u>2008</u> |
| Prepaid Taxes | \$ 414,446 | \$ 499,228 |

NOTE 7. ASSESSMENT AND COLLECTION OF PROPERTY TAXES

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

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

NOTE 8. DEFERRED CHARGES TO FUTURE TAXATION FUNDED AND UNFUNDED

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

NOTE 9. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

As noted in Note 1, certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2009, the following deferred charge is shown on the balance sheet of the Current Fund:

| | <u>Balance</u> <u>Dec. 31, 2009</u> | <u>2010 Budget</u> <u>Appropriation</u> | <u>Balance to</u> <u>Succeeding</u> <u>Budgets</u> |
|---|--|--|---|
| Current Fund: | | | |
| Special Emergency Authorizations (N.J.S. 40A:4-55) | | | |
| Revaluation | \$ <u>308,010</u> | \$ <u>61,602</u> | \$ <u>246,408</u> |

NOTE 10. PENSION PLANS

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

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

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

| <u>Year</u> | <u>PERS</u> | <u>PFRS</u> |
|--------------------|--------------------|--------------------|
| 2009 | \$ 415,805 | \$ 718,611 |
| 2008 | 322,166 | 654,767 |
| 2007 | 179,513 | 454,748 |

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS

Plan Description

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

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 2004, the Borough authorized participation in the SHBP’s post-retirement benefit program through Resolution Number 2004-894. The Borough adopted the provisions of Chapter 88, P.L. 1974 that provides medical benefits to any employee who has over 25 years of pension service credit.

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

Funding Policy

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

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

The Borough contributions to SHBP for the years ended December 31, 2009, 2008 and 2007 were \$367,088, \$333,461, and \$309,446, respectively, which equaled the required contributions for each year. There were approximately 32, 31, and 28 retired participants eligible at December 31, 2009, 2008 and 2007, respectively.

NOTE 12. RISK MANAGEMENT

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

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

NOTE 13. CONTINGENT LIABILITIES

State and Federal Financial Assistance

The Borough receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the financial assistance agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2009, the Borough estimates that no material liabilities will result from such audits.

Major Tax Assessments

Taxpayers in 2009 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 | 8.38% |
| Palmer Sq Ltd. Properties | 18,830,000 | 1.86% |
| PSN Partners | 16,610,000 | 1.64% |
| Nassau Inn Ltd. Partnership | 13,552,000 | 1.34% |

Pending Litigation

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

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

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

NOTE 14. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheets at December 31, 2009:

| | <u>Interfund Receivable</u> | <u>Interfund Payable</u> |
|---|--|-------------------------------------|
| Current Fund | \$ 302,036 | \$ 55,038 |
| Animal Control Trust Fund | 9,060 | 2,036 |
| Other Trust Fund | | 9,060 |
| General Capital Fund | 55,038 | 3,535 |
| Affordable Housing Utility Capital Fund | 117,758 | |
| Affordable Housing Utility Operating Fund | | 114,223 |
| Parking Utility Operating Fund | <u> </u> | <u>300,000</u> |
| | \$ <u>483,892</u> | \$ <u>483,892</u> |

NOTE 15. GENERAL CAPITAL FUND - ACCOUNTS RECEIVABLE

In 2009 the Borough and Princeton Township (the "Township") continued to jointly participate in several capital projects. At December 31, 2009 the Borough has estimated that the Township's share of unreimbursed costs is \$100,271 that has been set up as a receivable in the General Capital Fund with an offsetting reserve.

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

BOROUGH OF PRINCETON

COUNTY OF MERCER

PART II

SUPPLEMENTARY DATA

SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2009

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

| | <u>2009</u> | <u>2008</u> | <u>2007</u> |
|---------------------------|--------------------|--------------------|--------------------|
| Tax Rate | \$ <u>4.29</u> | \$ <u>4.16</u> | \$ <u>3.92</u> |
| Apportionment of Tax Rate | | | |
| Municipal | 1.04 | 1.04 | .99 |
| County | 1.22 | 1.16 | 1.06 |
| Regional School District | 2.03 | 1.96 | 1.87 |
| Assessed Valuation | | | |
| 2009 | \$ 1,009,592,800 | | |
| 2008 | | \$ 1,006,718,313 | |
| 2007 | | | \$ 999,506,688 |

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>Percentage of Collection</u> |
|--------------------|------------------------|-----------------------------------|--|
| | | <u>Cash Collection</u> | |
| 2009 | \$ 43,629,202 | \$ 43,208,101 | 99.03% |
| 2008 | 42,174,617 | 41,773,379 | 99.04% |
| 2007 | 39,434,302 | 38,895,640 | 98.63% |

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> |
|--|---|--|------------------------------------|--|
| 2009 | \$ 4,171 | \$ 367,022 | \$ 371,193 | 0.85% |
| 2008 | 38 | 390,887 | 390,925 | 0.93% |
| 2007 | -0- | 518,063 | 518,063 | 1.31% |

COMPARISON OF SEWER RENTS

| <u>Year</u> | <u>Levy</u> | <u>Delinquent</u> | <u>Cash Collection</u> |
|--------------------|--------------------|--------------------------|-----------------------------------|
| 2009 | \$ 3,054,388 | \$ 50,299 | \$ 3,554,687 |
| 2008 | 3,261,103 | 48,312 | 3,259,116 |
| 2007 | 3,551,053 | 37,430 | 3,540,172 |

COMPARATIVE SCHEDULE OF FUND BALANCES

| <u>Year</u> | <u>Balance</u> | <u>Utilized in</u> |
|---------------------|--------------------|------------------------|
| <u>Current Fund</u> | <u>December 31</u> | <u>Budget of</u> |
| | | <u>Succeeding Year</u> |
| 2009 | \$ 2,846,072 | \$ 799,808 |
| 2008 | 1,702,550 | 799,808 |
| 2007 | 1,987,969 | 1,726,813 |
| 2006 | 3,137,521 | 1,784,980 |
| 2005 | 1,921,353 | 1,213,578 |

Parking Utility Operating Fund

| | | |
|------|------------|------------|
| 2009 | \$ 248,775 | \$ 200,000 |
| 2008 | 326,663 | 100,000 |
| 2007 | 132,835 | -0- |
| 2006 | 147,835 | 15,000 |
| 2005 | 30,529 | -0- |

SUMMARY OF MUNICIPAL DEBT

| | <u>Year 2009</u> | <u>Year 2008</u> | <u>Year 2007</u> |
|---|----------------------|----------------------|----------------------|
| <u>Issued</u> | | | |
| General: | | | |
| Bonds, Notes and Loans | \$ 34,039,320 | \$ 31,585,554 | \$ 30,996,698 |
| Parking Utility: | | | |
| Bonds, Notes and Loans | <u>12,605,000</u> | <u>12,980,000</u> | <u>13,175,000</u> |
| Total Issued | <u>46,644,320</u> | <u>44,565,554</u> | <u>44,171,698</u> |
| Less: | | | |
| Funds on Hand to Pay Bonds and Notes: | | | |
| Assessment Trust Fund | 102,582 | 100,994 | |
| Parking Utility | <u>375,000</u> | <u>375,000</u> | <u>375,000</u> |
| Total Deductions | <u>477,582</u> | <u>475,994</u> | <u>375,000</u> |
| Net Debt Issued | <u>46,166,738</u> | <u>44,089,560</u> | <u>43,796,698</u> |
| <u>Authorized but not Issued</u> | | | |
| General: | | | |
| Bonds, Notes and Loans | 9,176,800 | 9,518,797 | 8,858,637 |
| Affordable Housing Utility: | | | |
| Bonds, Notes and Loans | 211,150 | 211,150 | 211,150 |
| Parking Utility: | | | |
| Bonds, Notes and Loans | <u>485,876</u> | <u>291,576</u> | <u>283,876</u> |
| Total Authorized but not Issued | <u>9,873,826</u> | <u>10,021,523</u> | <u>9,353,663</u> |
| Net Bonds and Notes Issued and | | | |
| Authorized but not Issued | \$ <u>56,040,564</u> | \$ <u>54,111,083</u> | \$ <u>53,150,361</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 1.71%.

| | <u>Gross Debt</u> | <u>Deductions</u> | <u>Net Debt</u> |
|-------------------------------|--------------------------|--------------------------|------------------------|
| Regional School District Debt | \$ 15,166,277 | \$ 15,166,277 | \$ -0- |
| Parking Utility Debt | 13,090,876 | 13,090,876 | -0- |
| General Debt | 43,216,120 | 102,582 | 43,113,538 |
| Affordable Housing Utility | <u>211,150</u> | <u>211,150</u> | <u>-0-</u> |
| | \$ <u>71,684,423</u> | \$ <u>28,570,885</u> | \$ <u>43,113,538</u> |

Net Debt \$43,113,538 divided by Equalized Valuation basis per N.J.S.A. 40A:2-6 as amended \$2,524,982,305 = 1.71%.

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

| | |
|-----------------------------------|----------------------|
| 3.5% of Equalized Valuation Basis | \$ 88,374,381 |
| Net Debt | <u>43,113,538</u> |
| Remaining Borrowing Power | \$ <u>45,260,843</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 | \$ 3,399,366 |
| Deductions: | |
| Operating and Maintenance Cost | \$ 1,120,180 |
| Debt Service | <u>960,668</u> |
| Total Deductions | <u>2,080,848</u> |
| Excess in Revenue | \$ <u>1,318,518</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 | \$ 505,633 |
| Deductions: | |
| Operating and Maintenance Cost | <u>69,051</u> |
| Excess in Revenue | \$ <u>436,582</u> |

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

* * * * *

BOROUGH OF PRINCETON

COUNTY OF MERCER

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2009:

| <u>Name</u> | <u>Position</u> | <u>Amount of Bond</u> |
|-----------------------|--|----------------------------------|
| Mildred T. Trotman | Mayor | * |
| Margaret Karcher | Council President | * |
| 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 | * |
| Kevin Wilkes | Member of Common Council | * |
| Karen L. Cayci | Attorney | * |
| Robert W. Bruschi | Administrator | * |
| Sandra Webb | Chief Financial Officer, Tax Collector | * |
| Andrea Lea Quinty | Borough Clerk | |
| Bonnie L. Goldman | Municipal Court Judge | |
| Susan F. Shapiro | Court Administrator, Deputy Violations Clerk | |
| Janice Mooney | Deputy Court Administrator, Deputy Violations Clerk | |
| Christopher Budzinski | Plumbing Subcode Official, Engineer, Construction Code Official | * |
| Neal Snyder | Assessor | |
| William Drake | Fire Official | * |
| Robert A. Hough | Manager of Sewer Operating Committee | * |
| Martin Vogt | Building Subcode Official, Fire Subcode Official | |
| Michael T. Barrett | Public Defender | * |

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

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

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-4

SCHEDULE OF CASH - TREASURER

| | <u>Current Fund</u> | <u>Grant Fund</u> |
|--|----------------------------|--------------------------|
| Balance December 31, 2008 | \$ 4,499,622.00 | \$ 494,701.93 |
| Increased by Receipts: | | |
| Collector | \$ 47,210,162.74 | |
| Revenue Accounts Receivable | 9,356,012.94 | |
| State of New Jersey (P.L. 1971, C. 20) | 33,660.00 | |
| Township of Princeton Share of Revenue | 133,456.42 | |
| Miscellaneous Revenue not Anticipated | 520,334.89 | |
| State of New Jersey Fees | 64,091.80 | |
| Interfund - Other Funds | 8,300,867.83 | |
| Reserve For Payroll Deductions (net) | 46,202.35 | |
| Grants Receivable | | 293,426.78 |
| | | <u>293,426.78</u> |
| | 65,664,788.97 | 293,426.78 |
| | <u>70,164,410.97</u> | <u>788,128.71</u> |
| Decreased by Disbursements: | | |
| Appropriations | 22,142,277.86 | |
| Appropriation Reserves | 905,391.51 | |
| County Taxes | 12,380,442.57 | |
| Regional School District Taxes | 20,506,165.10 | |
| Tax Overpayment Refunds | 67,922.45 | |
| Change Fund | 400.00 | |
| Township of Princeton Share of Revenue | 385,006.52 | |
| Interfund - Other Funds | 8,334,297.04 | |
| State of New Jersey Fees | 72,592.80 | |
| Accounts Payable | 1,215.00 | |
| Reserve for Revaluation | 229,328.19 | |
| Appropriated Reserves | | 173,157.73 |
| | | <u>173,157.73</u> |
| | 65,025,039.04 | 173,157.73 |
| | <u>65,025,039.04</u> | |
| Balance December 31, 2009 | \$ 5,139,371.93 | \$ 614,970.98 |

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-5

SCHEDULE OF CASH - COLLECTOR

Increased by Receipts:

Taxes:

| | |
|--------------------|---------------------|
| Receivable | \$ 43,054,330.36 |
| Prepaid | 414,445.79 |
| Overpayments | 69,204.60 |
| Interest and Costs | 117,374.08 |
| Tax Title Liens | 120.79 |
| Sewer Charges: | |
| Receivable | <u>3,554,687.12</u> |

\$ 47,210,162.74

Decreased by:

 Payment to Treasurer

\$ 47,210,162.74

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-6

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

| Year | Balance Dec. 31, 2008 | 2009 Levy | Added Taxes | Collected | | Due From State of New Jersey | Cancelled | Transfer to Tax Title Lien | Balance Dec. 31, 2009 |
|------|--------------------------|------------------|----------------|------------------|---------------|------------------------------------|--------------|----------------------------------|--------------------------|
| | | | | 2009 | 2008 | | | | |
| 2008 | \$ 390,886.87 | \$ | 41.10 | \$ 378,707.46 | \$ | \$ | \$ 12,137.27 | 83.24 | \$ |
| 2009 | | 43,629,202.41 | | 42,675,622.90 | 499,228.16 | 33,250.00 | 49,908.07 | 4,171.42 | 367,021.86 |
| | \$ 390,886.87 | \$ 43,629,202.41 | \$ 41.10 | \$ 43,054,330.36 | \$ 499,228.16 | \$ 33,250.00 | \$ 62,045.34 | \$ 4,254.66 | \$ 367,021.86 |

Analysis of 2009 Property Tax Levy

Tax Yield:

General Purpose Tax

Added and Omitted Taxes

\$ 43,311,531.12
317,671.29

\$ 43,629,202.41

58

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

\$ 11,536,056.60
767,886.16
90,040.15

12,393,982.91

Local Tax for Municipal Purposes

Add: Additional Tax Levied

10,398,805.85
229,289.27

10,628,095.12

\$ 43,629,202.41

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-7

SCHEDULE OF TAX TITLE LIENS

| | | |
|---------------------------------|----|------------------------|
| Balance December 31, 2008 | \$ | 37.55 |
| Increased by: | | |
| Transfers from Taxes Receivable | | <u>4,254.66</u> |
| | | 4,292.21 |
| Decreased by: | | |
| Receipts | | <u>120.79</u> |
| Balance December 31, 2009 | \$ | <u><u>4,171.42</u></u> |

SCHEDULE OF SEWER CHARGES RECEIVABLE

Exhibit A-8

| | | |
|---------------------------|----|----------------------------|
| Balance December 31, 2008 | \$ | 50,299.13 |
| Increased by: | | |
| 2009 Charges (Net) | | <u>3,504,387.99</u> |
| | | 3,554,687.12 |
| Decreased by: | | |
| Collections | \$ | <u><u>3,554,687.12</u></u> |

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

| | <u>Accrued in 2009</u> | <u>Collected by</u> | |
|--|----------------------------|------------------------|------------------------|
| | | <u>Collector</u> | <u>Treasurer</u> |
| Licenses: | | | |
| Alcoholic Beverages | \$ 47,002.00 | \$ | \$ 47,002.00 |
| Other | 21,855.17 | | 21,855.17 |
| Fees and Permits | 171,394.81 | | 171,394.81 |
| Municipal Court | | | |
| Fines and Costs | 1,139,283.89 | | 1,139,283.89 |
| Interest and Costs on Taxes | 117,374.08 | 117,374.08 | |
| Interest on Investments and Deposits | 149,511.38 | | 149,511.38 |
| Anticipated Utility Operating Surplus | 1,300,000.00 | | 1,300,000.00 |
| Sewer Service Charges | 3,554,687.12 | 3,554,687.12 | |
| Princeton University Donation | 1,180,495.74 | | 1,180,495.74 |
| Street Opening Inspection Fees | 15,507.75 | | 15,507.75 |
| Life Hazard Use Fees | 49,339.69 | | 49,339.69 |
| Fire and Housing Inspection Fees | 217,707.00 | | 217,707.00 |
| Passport Fees | 13,975.00 | | 13,975.00 |
| State Aid: | | | |
| Consolidated Municipal Property Tax Relief | 196,620.00 | | 196,620.00 |
| Energy Receipts Taxes | 1,070,459.00 | | 1,070,459.00 |
| Hotel Motel Tax | 241,519.21 | | 241,519.21 |
| Garden State Trust Fund | 5.34 | | 5.34 |
| Uniform Construction Code Fees | 758,888.00 | | 758,888.00 |
| Interlocal Service Agreements: | | | |
| Princeton Township Joint Services: | | | |
| Solid Waste Management | 119,568.00 | | 119,568.00 |
| Maintenance of Sewer Facilities | 780,208.00 | | 780,208.00 |
| Animal Control | 56,949.00 | | 56,949.00 |
| Health Services | 280,832.00 | | 280,832.00 |
| Fire Services | 102,139.00 | | 102,139.00 |
| Fire Facilities | 48,124.00 | | 48,124.00 |
| Senior Citizen Program | 65,930.00 | | 65,930.00 |
| LOSAP Alternative | 24,750.00 | | 24,750.00 |
| Flu Program | 7,370.00 | | 7,370.00 |
| Payment in Lieu of Taxes: | | | |
| Princeton Theological Seminary | 209,396.00 | | 209,396.00 |
| Elm Court PILOT | 70,841.00 | | 70,841.00 |
| Chamber Street Land Lease | 101,540.00 | | 101,540.00 |
| Stony Brook Sewer Industrial User Fees | 62,801.96 | | 62,801.96 |
| Assessment Trust Fund - Fund Balance | 25,000.00 | | 25,000.00 |
| Engineering Developer Fees | 23,000.00 | | 23,000.00 |
| Open Space Trust | 104,000.00 | | 104,000.00 |
| Sale of Municipal Assets | 9,000.00 | | 9,000.00 |
| General Capital Fund - Fund Balance | 1,000,000.00 | | 1,000,000.00 |
| | <u>\$ 13,337,074.14</u> | <u>\$ 3,672,061.20</u> | <u>\$ 9,665,012.94</u> |
| Receipts | | | \$ 9,356,012.94 |
| Reserve for Sale of Municipal Assets | | | 9,000.00 |
| Interfund - Other Funds | | | <u>300,000.00</u> |
| | | | <u>\$ 9,665,012.94</u> |

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-10

SCHEDULE OF APPROPRIATION RESERVES

Sheet 1 of 5

APPROPRIATIONS INCLUDED WITHIN CAPS

| | <u>Balance Dec. 31, 2008</u> | <u>Reserve for Encumbrances</u> | <u>Balance After Transfers</u> | <u>Paid or Charged</u> | <u>Balance Lapsed</u> |
|--------------------------------|----------------------------------|-------------------------------------|--|----------------------------|---------------------------|
| Mayor and Council | \$ 5,832.93 | \$ 164.00 | \$ 5,996.93 | \$ 118.52 | \$ 5,878.41 |
| Other Expenses | | | | | |
| Administrative and Executive | | | | | |
| Salaries and Wages | 7,782.57 | | 7,782.57 | | 7,782.57 |
| Other Expenses | 18,649.40 | 2,889.32 | 21,538.72 | 21,232.86 | 305.86 |
| Other Expenses - Flu Program | 3,520.00 | 497.92 | 4,017.92 | 497.92 | 3,520.00 |
| Municipal Clerk | | | | | |
| Salaries and Wages | 4,223.62 | | 4,223.62 | | 4,223.62 |
| Other Expenses | 7,165.29 | 4,532.26 | 11,697.55 | 6,248.09 | 5,449.46 |
| Elections | | | | | |
| Salaries and Wages | 2,802.06 | | 2,802.06 | | 2,802.06 |
| Other Expenses | 370.81 | | 370.81 | | 370.81 |
| Financial Administration | | | | | |
| Salaries and Wages | 5,456.66 | | 5,456.66 | | 5,456.66 |
| Miscellaneous Other Expenses | 2,616.98 | 557.22 | 3,174.20 | 934.22 | 2,239.98 |
| Collection of Taxes | | | | | |
| Salaries and Wages | 1,038.06 | | 1,038.06 | | 1,038.06 |
| Other Expenses | 2,051.77 | 296.33 | 2,348.10 | 1,016.23 | 1,331.87 |
| Assessment of Taxes | | | | | |
| Salaries and Wages | 1,613.03 | | 1,613.03 | | 1,613.03 |
| Other Expenses | 2,620.11 | 123.46 | 2,743.57 | 1,240.88 | 1,502.69 |
| Legal Services and Costs | | | | | |
| Other Expenses | | | | | |
| Defense of Tax Appeals | 3,000.00 | 55,629.38 | 55,629.38 | 55,629.38 | 3,000.00 |
| Municipal Prosecutor | | 2,861.40 | 5,861.40 | 2,861.40 | |
| Salaries and Wages | 13.85 | 6,190.54 | 6,204.39 | 6,190.54 | 13.85 |
| Engineering Services and Costs | | | | | |
| Salaries and Wages | 371.72 | | 371.72 | | 371.72 |
| Other Expenses | 20,744.02 | 1,323.62 | 22,067.64 | 22,064.75 | 2.89 |

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-10

SCHEDULE OF APPROPRIATION RESERVES

Sheet 2 of 5

| | <u>Balance Dec. 31, 2008</u> | <u>Reserve for Encumbrances</u> | <u>Balance After Transfers</u> | <u>Paid or Charged</u> | <u>Balance Lapsed</u> |
|-------------------------------|---|--|---|-----------------------------------|----------------------------------|
| Municipal Court | \$ 8,000.05 | \$ | \$ 8,000.05 | \$ | \$ 8,000.05 |
| Salaries and Wages | 4,282.91 | 679.63 | 4,962.54 | 4,962.54 | |
| Other Expenses | | | | | |
| Public Buildings and Ground | | | | | |
| Salaries and Wages | 4,331.72 | | 4,331.72 | 4,254.00 | 77.72 |
| Other Expenses | 24,453.73 | 2,080.24 | 26,533.97 | 15,074.67 | 11,459.30 |
| Shade Tree Commission | | | | | |
| Salaries and Wages | 4,320.97 | | 4,320.97 | 4,320.97 | |
| Other Expenses | 11,914.36 | | 11,914.36 | 11,914.36 | |
| Insurance | | | | | |
| General Liability | 4,375.00 | | 4,375.00 | 3,899.19 | 475.81 |
| Workers Compensation | 7,310.00 | | 7,310.00 | | 7,310.00 |
| Employee Group Health | 66,067.06 | 9,763.00 | 75,830.06 | 57,150.27 | 18,679.79 |
| Fire | | | | | |
| Salaries and Wages | 433.37 | | 433.37 | | 433.37 |
| Fire Hydrant Services | 38,547.27 | | 38,547.27 | 23,659.33 | 14,887.94 |
| Miscellaneous Other Expenses | 5,276.82 | 9,775.35 | 15,052.17 | 14,180.10 | 872.07 |
| Fire Facilities | 1,051.98 | 3,479.04 | 4,531.02 | 4,460.81 | 70.21 |
| LOSAP Alternative | 250.00 | | 250.00 | | 250.00 |
| Police | | | | | |
| Salaries and Wages | 43,499.75 | | 185,354.75 | 114,994.00 | 70,360.75 |
| Other Expenses | 23,002.14 | 13,854.72 | 36,856.86 | 35,405.78 | 1,451.08 |
| Fire Inspectors | | | | | |
| Salaries and Wages | 20,559.38 | | 20,559.38 | | 20,559.38 |
| Other Expenses | 87.39 | 82.72 | 170.11 | 166.35 | 3.76 |
| Emergency Management Services | | | | | |
| Other Expenses | 11,800.00 | | 11,800.00 | 11,245.32 | 554.68 |
| Road Repair and Maintenance | | | | | |
| Salaries and Wages | 64,127.20 | | 24,127.20 | 9,402.00 | 14,725.20 |
| Other Expenses | 24,580.58 | 9,098.37 | 33,678.95 | 28,428.95 | 5,250.00 |

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-10

SCHEDULE OF APPROPRIATION RESERVES

Sheet 3 of 5

| | <u>Balance Dec. 31, 2008</u> | <u>Reserve for Encumbrances</u> | <u>Balance After Transfers</u> | <u>Paid or Charged</u> | <u>Balance Lapsed</u> |
|------------------------------------|---|--|---|-----------------------------------|----------------------------------|
| Park Maintenance | \$ 8,032.59 | \$ | \$ 8,032.59 | \$ 6,918.22 | \$ 1,114.37 |
| Other Expenses | | | | | |
| Street Lighting | | | | | |
| Other Expenses | 47,340.27 | | 47,340.27 | | 47,340.27 |
| Mechanics | | | | | |
| Salaries and Wages | 1,026.79 | | 1,026.79 | 635.00 | 391.79 |
| Other Expenses | 22,051.16 | 11,895.83 | 33,946.99 | 18,884.77 | 15,062.22 |
| Maintenance of Sewerage Facilities | | | | | |
| Salaries and Wages | 43,145.00 | | 43,145.00 | 2,802.71 | 40,342.29 |
| Other Expenses | 1.00 | | 1.00 | | 1.00 |
| Garbage and Trash Removal | | | | | |
| Other Expenses | 174,089.88 | 150.00 | 174,239.88 | 150,199.98 | 24,039.90 |
| Solid Waste Disposal | | | | | |
| Salaries and Wages | 10,000.00 | | 10,000.00 | | 10,000.00 |
| Other Expenses | 75,927.40 | 21,428.66 | 97,356.06 | 18,771.94 | 78,584.12 |
| 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 | 9,059.07 | 11,694.66 | 20,753.73 | 17,684.43 | 3,069.30 |
| Animal Control | | | | | |
| Salaries and Wages | 1.00 | | 1.00 | | 1.00 |
| Other Expenses | 5.30 | | 5.30 | | 5.30 |
| Save Boarding Cost and Animal Care | | | | | |
| Other Expenses | 800.00 | 2,100.00 | 2,900.00 | 2,100.00 | 800.00 |
| Celebration of Public Events | | | | | |
| Other Expenses | 6,011.00 | 1,489.00 | 7,500.00 | 1,391.59 | 6,108.41 |
| Construction Official | | | | | |
| Salaries and Wages | 289.33 | | 289.33 | 162.50 | 126.83 |
| Other Expenses | 8,364.59 | 2,867.50 | 11,232.09 | 8,383.77 | 2,848.32 |
| Condo Service Reimbursement | 2,000.00 | | 2,000.00 | 1,615.53 | 384.47 |

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

Exhibit A-10

Sheet 4 of 5

| | <u>Balance Dec. 31, 2008</u> | <u>Reserve for Encumbrances</u> | <u>Balance After Transfers</u> | <u>Paid or Charged</u> | <u>Balance Lapsed</u> |
|---|---|--|---|-----------------------------------|----------------------------------|
| Utilities | \$ | \$ | \$ | \$ | \$ |
| Gasoline | 17,425.66 | 34.47 | 17,460.13 | 11,622.45 | 5,837.68 |
| Telephone | 39,705.80 | 2,429.89 | 42,135.69 | 22,173.53 | 19,962.16 |
| Electricity and Natural Gas | 25,376.51 | | 25,376.51 | 20,427.35 | 4,949.16 |
| Water | 3,047.95 | 956.55 | 4,004.50 | 1,252.84 | 2,751.66 |
| Accumulated Leave Compensation | 75,000.00 | | 75,000.00 | 75,000.00 | |
| Contribution to: | | | | | |
| Social Security System (O.A.S.I.) | 40,545.88 | | 40,545.88 | 3,351.00 | 37,194.88 |
| Total Appropriations within Caps | <u>1,180,245.74</u> | <u>178,925.08</u> | <u>1,359,170.82</u> | <u>834,931.04</u> | <u>524,239.78</u> |
| <u>APPROPRIATIONS EXCLUDED FROM CAPS</u> | | | | | |
| Reserve for Tax Appeals | 5,000.00 | | 5,000.00 | | 5,000.00 |
| Maintenance of Joint Free Public Library | | | | | |
| Proportionate Share (R.S. 40-29.17) | 31,999.96 | | 31,999.96 | 11,895.28 | 20,104.68 |
| Stony Brook Regional Sewerage Authority | | | | | |
| Share of Costs | 81,518.48 | | 81,518.48 | 7,904.44 | 73,614.04 |
| Stony Brook Sewer Industrial User Free | 40,270.24 | | 40,270.24 | 40,270.24 | |
| Implementation and Maintenance of 911 | | | | | |
| Communication System | | | | | |
| Police | | | | | |
| Salaries and Wages | 23,209.37 | | 23,209.37 | | 23,209.37 |
| Princeton Township Joint Services | | | | | |
| Solid Waste | | | | | |
| Salaries and Wages | 2,937.63 | | 2,937.63 | 244.30 | 2,693.33 |
| Maintenance of Sewer Facilities | | | | | |
| Salaries and Wages | 67,927.99 | | 67,927.99 | 67,927.99 | |
| Other Expenses | 22,829.48 | 2,166.80 | 24,996.28 | 18,907.41 | 6,088.87 |
| LOSAP Alternative | 19,069.00 | | 19,069.00 | 18,092.00 | 977.00 |

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-10

SCHEDULE OF APPROPRIATION RESERVES

Sheet 5 of 5

| | <u>Balance Dec. 31, 2008</u> | <u>Reserve for Encumbrances</u> | <u>Balance After Transfers</u> | <u>Paid or Charged</u> | <u>Balance Lapsed</u> |
|---|---|--|---|-----------------------------------|----------------------------------|
| Princeton Township Joint Services | | | | | |
| Health | \$ 6,129.56 | \$ | \$ 6,129.56 | \$ | \$ 6,129.56 |
| Salaries and Wages | | | | | |
| Animal Control | 2,727.57 | | 2,727.57 | 1,831.69 | 895.88 |
| Salaries and Wages | <u>303,619.28</u> | <u>2,166.80</u> | <u>305,786.08</u> | <u>167,073.35</u> | <u>138,712.73</u> |
| Total General Appropriations excluded from Caps | | | | | |
| Total General Appropriations | <u>\$ 1,483,865.02</u> | <u>\$ 181,091.88</u> | <u>\$ 1,664,956.90</u> | <u>\$ 1,002,004.39</u> | <u>\$ 662,952.51</u> |
| Disbursed | | | | \$ 905,391.51 | |
| Accounts Payable | | | | <u>96,612.88</u> | |
| | | | | <u>\$ 1,002,004.39</u> | |

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-11

SCHEDULE OF COUNTY TAXES PAYABLE

| | | | |
|---|------------------|----|----------------------|
| Balance December 31, 2008 | | \$ | 76,499.81 |
| Increased by: | | | |
| 2009 Tax Levy: | | | |
| County Tax | \$ 11,536,056.60 | | |
| County Open Space Tax | 767,886.16 | | |
| County Share of Added and Omitted Taxes | 90,040.15 | | |
| | | | <u>12,393,982.91</u> |
| | | | 12,470,482.72 |
| Decreased by: | | | |
| Payments | | | <u>12,380,442.57</u> |
| Balance December 31, 2009 | | \$ | <u>90,040.15</u> |

SCHEDULE OF REGIONAL SCHOOL DISTRICT TAX

Exhibit A-12

| | | | |
|---------------------------|--|----|----------------------|
| Increased by: | | | |
| Levy - Calendar Year 2009 | | \$ | 20,506,165.10 |
| Decreased by: | | | |
| Payments | | \$ | <u>20,506,165.10</u> |

SCHEDULE OF MUNICIPAL OPEN SPACE TAX

Exhibit A-13

| | | | |
|---------------------------|--|----|-------------------|
| Increased by: | | | |
| Levy - Calendar Year 2009 | | \$ | 100,959.28 |
| Decreased by: | | | |
| Interfund - Trust Other | | \$ | <u>100,959.28</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 | Other Trust Fund | General Capital Fund | Parking Operating Utility Fund |
|---|----------------------|-----------------------------|---------------------------------|------------------------|----------------------------|---|
| Balance December 31, 2008 - (Due From)/Due To | \$ (12,491.83) | \$ (7,797.26) | \$ (5,366.40) | \$ 100,671.83 | \$ | \$ (100,000.00) |
| Increased by: | | | | | | |
| Disbursements | 8,334,297.04 | | | | 6,302,154.00 | |
| Statutory Excess | 2,035.90 | | 2,035.90 | 2,032,143.04 | | |
| Revenue Accounts Receivable | 300,000.00 | | | | | 300,000.00 |
| Total Increases | 8,636,332.94 | | 2,035.90 | 2,032,143.04 | 6,302,154.00 | 300,000.00 |
| Total Increases and Balances | (8,648,824.77) | (7,797.26) | (7,402.30) | (1,931,471.21) | (6,302,154.00) | (400,000.00) |
| Decreased by: | | | | | | |
| Receipts | 8,300,867.83 | 7,797.26 | 5,366.40 | 1,830,511.93 | 6,357,192.24 | 100,000.00 |
| Open Space Tax Levy | 100,959.28 | | | 100,959.28 | | |
| Total Decreases | 8,401,827.11 | 7,797.26 | 5,366.40 | 1,931,471.21 | 6,357,192.24 | 100,000.00 |
| Balance December 31, 2009 - (Due From)/Due To | \$ (246,997.66) | \$ | \$ (2,035.90) | \$ | \$ 55,038.24 | \$ (300,000.00) |

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-15

SCHEDULE OF INTERFUND

FEDERAL AND STATE GRANT FUND

| | |
|-----------------------------|----------------------|
| Increased by: | |
| Anticipated as 2009 Revenue | \$ 327,182.05 |
| Decreased by: | |
| 2009 Budget Appropriations | \$ <u>327,182.05</u> |

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-16

SCHEDULE OF GRANTS RECEIVABLE

FEDERAL AND STATE GRANT FUND

| | 2009 | | |
|--|---------------|---------------|---------------|
| | Balance | Budget | Balance |
| | Dec. 31, 2008 | Revenue | Dec. 31, 2009 |
| | \$ | \$ | \$ |
| Grant | | | |
| Alcohol Education and Rehabilitation Fund | | 9,189.09 | |
| Bonner Foundation | 6,820.19 | 21,500.00 | 3,219.68 |
| Clean Communities Grant | | 13,046.53 | |
| Comprehensive Tobacco Control | 80.00 | | 80.00 |
| Cops-in-Shops | | 2,958.78 | |
| Drunk Driving Enforcement Fund | | 18,514.92 | 2,370.00 |
| Green Communities | | 3,000.00 | |
| Health Services Grant-Influenza | | 88,344.00 | 54,552.00 |
| Infrastructure Preparedness | 950.00 | | 950.00 |
| NJ Health Officers Assoc. - Mini Grant | | 2,500.00 | |
| NJ Lead Investigation and Field Testing | | 6,456.00 | |
| Over the Limit, Under Arrest | | 11,000.00 | |
| Princeton University Donation to Board of Health | 700.00 | 700.00 | 700.00 |
| Princeton University Donations | | | |
| Fire Director Salaries and Wages | | 50,000.00 | |
| Princeton University Fire Equipment | | 20,000.00 | |
| Princeton University Prospect Avenue Lighting | | 7,654.00 | |
| Public Health Priority Funding | | 10,132.00 | |
| Recycling Tonnage Grant | | 32,510.73 | 6,081.00 |
| Safe and Secure Communities Program | 29,676.00 | 53,271.00 | 5,104.00 |
| Stormwater Management | 5,104.00 | | |
| | \$ 43,330.19 | \$ 297,455.56 | \$ 73,056.68 |
| Deposits | | | |
| Unappropriated Reserves | | \$ 293,426.78 | |
| | | 4,028.78 | |
| | | \$ 297,455.56 | |

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, 2008</u> | <u>Transfer from 2009 Budget Appropriations</u> | <u>Prior Year Encumbrances</u> | <u>Expended</u> | <u>Balance Dec. 31, 2009</u> |
|---|----------------------------------|---|------------------------------------|----------------------|----------------------------------|
| Current Year Grants: | | | | | |
| Alcohol Education Rehabilitation Fund | \$ 9,471.92 | \$ 9,189.09 | \$ 1,250.00 | \$ 8,600.00 | \$ 11,311.01 |
| Body Armor Fund | 7,298.88 | | | 5,028.80 | 2,270.08 |
| Bonner Foundation | 34,261.94 | 21,500.00 | 1,265.00 | 24,637.24 | 32,389.70 |
| Clean Communities Grant | 10,996.47 | 13,046.53 | | | 24,043.00 |
| Click It or Ticket | 4,158.86 | | | | 4,158.86 |
| Comprehensive Tobacco Control | 725.00 | | | | 725.00 |
| Cops in Shops | 4,588.81 | 2,958.78 | | 3,611.66 | 3,935.93 |
| Drunk Driving Enforcement Fund | 16,796.01 | 18,514.92 | | 13,574.81 | 21,736.12 |
| Green Communities | | 3,000.00 | | | 3,000.00 |
| Health Services Grant-Influenza | | 88,344.00 | | 30,795.83 | 57,548.17 |
| Infrastructure Preparedness | 1,500.00 | | | 1,042.74 | 457.26 |
| NJ Contingency Fund - Special Purpose | | | 25,867.33 | 25,867.33 | |
| NJ Health Officers Association - Mini Grant | | 2,500.00 | | | 2,500.00 |
| NJ Lead Investigation and Field Testing | | 6,456.00 | | 6,456.00 | |
| Over the Limit, Under Arrest | 12,540.73 | 11,000.00 | | 10,840.88 | 12,699.85 |
| Princeton Gas Works Redevelopment | 270,000.00 | | | | 270,000.00 |
| Princeton University Donation | 1,400.00 | 700.00 | | 1,339.98 | 760.02 |
| Princeton University Donations | | | | | |
| Fire Director - Salaries and Wages | | 50,000.00 | | | 50,000.00 |
| Princeton University Fire Equipment | 36,754.36 | 20,000.00 | | 23,603.44 | 33,150.92 |
| Princeton University Prospect Avenue Lighting | 12,808.00 | 7,654.00 | | 5,154.00 | 15,308.00 |
| Public Health Priority Funding | 6,219.16 | 10,132.00 | 2,061.00 | 4,746.00 | 13,666.16 |
| Recycling Tonnage Grant | 23,958.42 | 32,510.73 | | | 56,469.15 |
| Safe and Secure Communities Program | 29,676.00 | 29,676.00 | | 29,676.00 | 29,676.00 |
| State and Local All Hazards Emergency Plan | 2,405.72 | | | | 2,405.72 |
| State Park Services Grant | 2,190.00 | | | | 2,190.00 |
| Stormwater Management | 14,056.62 | | | 12,000.00 | 2,056.62 |
| Tobacco Age of Sale | 1,753.11 | | | | 1,753.11 |
| | <u>\$ 503,560.01</u> | <u>\$ 327,182.05</u> | <u>\$ 30,443.33</u> | <u>\$ 206,974.71</u> | <u>\$ 654,210.68</u> |
| Disbursements | | | | \$ 173,157.73 | |
| Reserve for Encumbrances | | | | <u>33,816.98</u> | |
| | | | | <u>\$ 206,974.71</u> | |

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-18

SCHEDULE OF UNAPPROPRIATED RESERVES

FEDERAL AND STATE GRANT FUND

| | <u>Grant</u> | Balance Dec. 31, 2008 | Realized as Anticipated Revenue |
|--------------------------------|---------------------|----------------------------------|--|
| Cops in Shops | | \$ 588.78 | \$ 588.78 |
| Public Health Priority Funding | | 3,440.00 | 3,440.00 |
| | | <u>\$ 4,028.78</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, 2008 | \$ 260,531.78 | \$ 1,803,464.99 |
| Increased by Receipts: | | |
| Assessment Collections | \$ 230,698.01 | \$ |
| Miscellaneous Reserves | | 914,306.42 |
| Reserve For Open Space | | 101,085.19 |
| Interfunds: | | |
| Current Fund | 13,095.97 | 100,671.83 |
| Dog Trust Fund | | 9,125.00 |
| | <u>243,793.98</u> | <u>1,125,188.44</u> |
| | 504,325.76 | 2,928,653.43 |
| Decreased by Disbursements: | | |
| Utilized as Current Fund Revenue | | |
| Serial Bonds | 25,000.00 | |
| Miscellaneous Reserves | 7,880.69 | 1,456,727.18 |
| Reserve For Open Space | | 104,000.00 |
| Interfunds: | | |
| Dog Trust Fund | | 9,146.10 |
| Current Fund | <u>20,893.23</u> | |
| | 53,773.92 | 1,569,873.28 |
| Balance December 31, 2009 | <u>\$ 450,551.84</u> | <u>\$ 1,358,780.15</u> |

BOROUGH OF PRINCETON - COUNTY OF MERCER

ASSESSMENT TRUST FUND

Exhibit B-3

ANALYSIS OF CASH

| | Balance Dec. 31, 2008 | Assessments | Receipts Miscellaneous | Utilized as Current Fund Revenue | Disbursements Miscellaneous | Transfers From To | Balance Dec. 31, 2009 |
|-------------------------------|--------------------------|---------------|---------------------------|--|--------------------------------|----------------------|--------------------------|
| Fund Balance | \$ 149,230.40 | \$ 221,228.47 | \$ | \$ 25,000.00 | \$ | \$ 865.50 | \$ 346,324.37 |
| Assessment Serial Bonds | | | | | | | |
| Ordinance Number: | | | | | | | |
| 03-10 - Sidewalk Improvements | 33,146.95 | 1,263.67 | | | 2,306.80 | | 32,103.82 |
| 03-16 - Sidewalk Improvements | 67,846.57 | 8,205.87 | | | 5,573.89 | | 70,478.55 |
| Prepaid Assessments | 2,510.60 | | | | | 865.50 | 1,645.10 |
| Interfunds: | | | | | | | |
| Current Fund | 7,797.26 | | 13,095.97 | | 20,893.23 | | |
| | \$ 260,531.78 | \$ 230,698.01 | \$ 13,095.97 | \$ 25,000.00 | \$ 28,773.92 | \$ 865.50 | \$ 450,551.84 |

BOROUGH OF PRINCETON - COUNTY OF MERCER

TRUST FUND

Exhibit B-4

SCHEDULE OF ASSESSMENTS RECEIVABLE

ASSESSMENT TRUST FUND

| Ordinance Number | Improvement Description | Balance | Assessments | Balance Dec. 31, 2009 | Balance Pledged To | |
|------------------------|--|---------------|----------------------|--------------------------|---------------------|----------------------------|
| | | Dec. 31, 2008 | Confirmed in 2009 | | Assessment Bonds | Reserve for Assessments |
| | | \$ | \$ | \$ | \$ | \$ |
| 94-06 | Road, Curb Sidewalk and Drainage Improvements | 1,081.11 | | 519.04 | | 562.07 |
| 94-08 | Road, Curb Sidewalk and Drainage Improvements | 684.47 | | 383.04 | | 301.43 |
| 95-08B | Road, Curb Sidewalk and Drainage Improvements | 1,866.67 | | 933.34 | | 933.33 |
| 95-08C | Road, Curb Sidewalk and Drainage Improvements | 1,055.20 | | 643.68 | | 411.52 |
| 96-25, 96-27, 99-10 | Various Sidewalk Improvements | 1,413.63 | | 773.89 | | 639.74 |
| 95-22 | Sewer and Water Improvements on John Street | 7,740.51 | | 2,203.03 | | 5,537.48 |
| 00-19 | Various Sidewalk Improvements | 2,647.78 | | 698.45 | | 1,949.33 |
| 02-16 | Sidewalk Improvements | 468.29 | | 74.21 | | 394.08 |
| 03-10 | Sidewalk Improvements | 6,387.41 | | 1,263.67 | 5,123.74 | 9,953.04 |
| 03-12 | Installation of Lighting and Drainage Improvements | 19,275.27 | | 9,322.23 | | 2,338.20 |
| 03-16 | Water, Sewer and Sidewalk Improvements | 30,017.94 | | 8,205.87 | 19,473.87 | |
| 00-7, 01-15 | | | | | | |
| 02-14, 02-16 | Sidewalk Improvements | 16,068.59 | | 7,474.75 | | 8,593.84 |
| 03-15 | Sidewalk Improvements | 14,234.59 | | 1,773.24 | | 12,461.35 |
| 05-12 | Sidewalk Improvements | 24,963.82 | | 8,209.75 | | 16,754.07 |
| 05-18 | Sidewalk Improvements | | 79,251.73 | 52,252.00 | | 26,999.73 |
| 05-19 | Improvements to Sewer System | | 185,590.00 | 60,750.50 | | 124,839.50 |
| 08-02 | Sidewalk Improvements | | 90,209.05 | 67,930.99 | | 22,278.06 |
| 08-26 | Curbing Improvements | | 14,659.03 | 8,151.83 | | 6,507.20 |
| | | \$ 127,905.28 | \$ 369,709.81 | \$ 231,563.51 | \$ 24,597.61 | \$ 241,453.97 |
| | Receipts | | | | | |
| | Prepaid Applied | | | \$ 230,698.01 | | |
| | | | | 865.50 | | |
| | | | | \$ 231,563.51 | | |

BOROUGH OF PRINCETON - COUNTY OF MERCER

TRUST FUND

Exhibit B-5

SCHEDULE OF RESERVE FOR ASSESSMENTS

ASSESSMENT TRUST FUND

| <u>Ordinance Number</u> | <u>Improvement Description</u> | <u>Balance Dec. 31, 2008</u> | <u>Unpledged Assessments</u> | <u>Collections to Surplus</u> | <u>Balance Dec. 31, 2009</u> |
|------------------------------------|--|---|---|--|---|
| | Assessments Receivable: | | | | |
| 94-06 | Road, Curb Sidewalk and Drainage Improvements | \$ 1,081.11 | \$ | \$ 519.04 | \$ 562.07 |
| 94-08 | Road, Curb Sidewalk and Drainage Improvements | 684.47 | | 383.04 | 301.43 |
| 95-08B | Road, Curb Sidewalk and Drainage Improvements | 1,866.67 | | 933.34 | 933.33 |
| 95-08C | Road, Curb Sidewalk and Drainage Improvements | 1,055.20 | | 643.68 | 411.52 |
| 96-25, 96-27, | | | | | |
| 99-10 | Various Sidewalk Improvements | 1,413.63 | | 773.89 | 639.74 |
| 95-22 | Sewer and Water Improvements on John Street | 7,740.51 | | 2,203.03 | 5,537.48 |
| 00-19 | Various Sidewalk Improvements | 2,647.78 | | 698.45 | 1,949.33 |
| 02-16 | Sidewalk Improvements | 468.29 | | 74.21 | 394.08 |
| 03-16 | Water, Sewer and Sidewalk Improvements | 2,338.20 | | | 2,338.20 |
| 02-14, 02-16 | Sidewalk Improvements | 16,068.59 | | 7,474.75 | 8,593.84 |
| 03-12 | Installation of Lighting and Drainage Improvements | 19,275.27 | | 9,322.23 | 9,953.04 |
| 03-15 | Sidewalk Improvements | 14,234.59 | | 1,773.24 | 12,461.35 |
| 05-12 | Sidewalk Improvements | 24,963.82 | | 8,209.75 | 16,754.07 |
| 05-18 | Sidewalk Improvements | | 79,251.73 | 52,252.00 | 26,999.73 |
| 05-19 | Improvements to Sewer System | | 185,590.00 | 60,750.50 | 124,839.50 |
| 08-02 | Sidewalk Improvements | | 90,209.05 | 67,930.99 | 22,278.06 |
| 08-26 | Curbing Improvements | | 14,659.03 | 8,151.83 | 6,507.20 |
| | | | | | |
| | | \$ 93,838.13 | \$ 369,709.81 | \$ 222,093.97 | \$ 241,453.97 |

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, 2008 | Paid by Budget Appropriation | Balance Dec. 31, 2009 |
|---------------------------|------------------|-------------------|---------------------|-------------------------|------------------|--------------------------|------------------------------------|--------------------------|
| | | | Outstanding Date | Dec. 31, 2009 Amount | | | | |
| General Improvement Bonds | 06/01/07 | \$ 142,941.36 | 06/01/10-11 | \$ 9,313.54 | 4.00% | \$ 135,060.67 | \$ 7,880.69 | \$ 127,179.98 |
| | | | 06/01/12 | 10,746.39 | 4.00% | | | |
| | | | 06/01/13 | 11,462.82 | 4.00% | | | |
| | | | 06/01/14-15 | 13,612.10 | 4.00% | | | |
| | | | 06/01/16-17 | 14,328.52 | 4.00% | | | |
| | | | 06/01/18 | 15,044.95 | 4.00% | | | |
| | | | 06/01/19 | 15,417.49 | 4.00% | | | |
| | | | | | | \$ 135,060.67 | \$ 7,880.69 | \$ 127,179.98 |

BOROUGH OF PRINCETON - COUNTY OF MERCER

TRUST FUND

Exhibit B-7

SCHEDULE OF RESERVE FOR ANIMAL CONTROL

ANIMAL CONTROL TRUST FUND

| | | | |
|---------------------------------------|-----------------|--|---------------------------|
| Balance December 31, 2008 | | | \$ 3,715.00 |
| Increased by: | | | |
| Interfund - Trust-Other Fund: | | | |
| Animal Control License Fees Collected | | | <u>9,125.00</u> |
| | | | 12,840.00 |
| Decreased by: | | | |
| Interfund - Trust-Other Fund: | | | |
| Expenditures Under R.S. 4:19-15.11 | \$ 3,779.70 | | |
| Statutory Excess Due to Current Fund | <u>2,035.90</u> | | |
| | | | <u>5,815.60</u> |
| Balance December 31, 2009 | | | <u><u>\$ 7,024.40</u></u> |

License and Penalty Fees Collected

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------------------|
| 2008 | \$ <u>5,224.40</u> |
| 2007 | <u>1,800.00</u> |
| | <u><u>\$ 7,024.40</u></u> |

SCHEDULE OF INTERFUND - TRUST-OTHER FUND

ANIMAL CONTROL TRUST FUND

Exhibit B-8

| | | | |
|--------------------------------------|-----------------|--|---------------------------|
| Balance December 31, 2008 - Due From | | | \$ 9,081.40 |
| Increased by: | | | |
| Fees Deposited in Trust-Other Fund | | | <u>9,125.00</u> |
| | | | 18,206.40 |
| Decreased by: | | | |
| Expenditures Under R.S. 4:19-15.11 | \$ 3,779.70 | | |
| Interfund - Current Fund | <u>5,366.40</u> | | |
| | | | <u>9,146.10</u> |
| Balance December 31, 2009 - Due From | | | <u><u>\$ 9,060.30</u></u> |

BOROUGH OF PRINCETON - COUNTY OF MERCER

TRUST FUND

Exhibit B-9

SCHEDULE OF MISCELLANEOUS RESERVES

| | |
|---------------------------|------------------------|
| Balance December 31, 2008 | \$ 1,785,138.96 |
| Increased by: | |
| Receipts | 914,306.42 |
| | <u>2,699,445.38</u> |
| Decreased by: | |
| Disbursements | 1,456,727.18 |
| | <u>1,456,727.18</u> |
| Balance December 31, 2009 | \$ <u>1,242,718.20</u> |

Analysis of Balance

Reserve for:

| | |
|--|------------------------|
| Accumulated Sick Leave | \$ 50,713.33 |
| Adopt A Park Program | 2,940.00 |
| Builders Escrow | 1,000.00 |
| Fire Equipment Donation | 18,400.25 |
| Fire Protection Trust | 5,556.68 |
| Graffiti Removal Trust | 250.00 |
| Homeless Trust | 2,793.00 |
| Landfill Closure Escrow | 23,478.72 |
| Latin American Task Force | 1,846.29 |
| Law Enforcement Trust | 17,317.82 |
| Marquand Park/Charles Street Bench Donations | 1,195.00 |
| Miscellaneous | 1,874.46 |
| Nassau HKT Performance Bond | 243,662.43 |
| Off Duty Police | 79,420.15 |
| POAA | 3,623.03 |
| Police Athletic Fund | 5,254.26 |
| Postage Trust Fund | 3,795.79 |
| Princeton University Park Donation | 5.52 |
| Public Defender Fees | 31,349.40 |
| Sewer Operating Committee Fees | 516,042.03 |
| Shade Trees | 19,111.28 |
| Tax Sale Premiums | 25,600.00 |
| Unemployment Benefits | 51,793.30 |
| Zoning Escrow Fees | 135,695.46 |
| | <u>135,695.46</u> |
| | \$ <u>1,242,718.20</u> |

BOROUGH OF PRINCETON - COUNTY OF MERCER

TRUST FUND

Exhibit B-10

SCHEDULE OF RESERVE FOR OPEN SPACE

| | | |
|---------------------------------|---------------|-----------------------------|
| Balance December 31, 2008 | | \$ 109,916.46 |
| Increased by: | | |
| 2009 Tax Levy - Open Space | \$ 100,959.28 | |
| Interest on Deposits | <u>125.91</u> | |
| | | <u>101,085.19</u> |
| | | 211,001.65 |
| Decreased by: | | |
| Utilized as Anticipated Revenue | | <u>104,000.00</u> |
| Balance December 31, 2009 | | \$ <u><u>107,001.65</u></u> |

BOROUGH OF PRINCETON - COUNTY OF MERCER

GENERAL CAPITAL FUND

Exhibit C-2

SCHEDULE OF CASH - TREASURER

| | | |
|---|---------------------|--------------------------------|
| Balance December 31, 2008 | | \$ 6,861,223.81 |
| Increased by Receipts: | | |
| Bond Anticipation Notes | \$ 3,924,160.00 | |
| NJ Environmental Infrastructure Trust Loan Proceeds | 2,559,910.00 | |
| Sewer Connection Fees Utilized | 720,000.00 | |
| Capital Improvement Fund | 121,810.00 | |
| Capital Fund Balance | 2,071,938.55 | |
| Interfunds | 10,646.79 | |
| Due from Township of Princeton: | | |
| Reimbursement-Joint Sewer Projects | <u>1,841,652.45</u> | |
| | | <u>11,250,117.79</u> |
| | | 18,111,341.60 |
| Decreased by Disbursements: | | |
| Improvement Authorizations | 4,243,229.49 | |
| General Capital Fund Balance | 1,000,000.00 | |
| Bond Anticipation Notes | 987,000.00 | |
| Interfunds | <u>498.24</u> | |
| | | <u>6,230,727.73</u> |
| Balance December 31, 2009 | | \$ <u><u>11,880,613.87</u></u> |

BOROUGH OF PRINCETON - COUNTY OF MERCER

GENERAL CAPITAL CASH

Exhibit C-3

ANALYSIS OF CASH

Sheet 1 of 2

| | Balance Dec. 31, 2008 \$ | Receipts | | Disbursements | | Transfers | | Balance Dec. 31, 2009 \$ |
|---|--------------------------------|---------------------------------|---------------------|-------------------------------------|---------------------|--------------|--------------|--------------------------------|
| | | Bonds, Notes and Loans \$ | Miscellaneous \$ | Improvement Authorizations \$ | Miscellaneous \$ | From | To | |
| | | | | | | \$ | \$ | |
| Fund Balance | \$ 1,487,220.01 | | | | | | | |
| Capital Improvement Fund | 18,605.86 | | 2,071,938.55 | | | 121,810.00 | 54,540.00 | 18,605.86 |
| NJ Environmental Infrastructure Trust Loan Receivable | (3,125,501.00) | 2,559,910.00 | | | | 2,069,227.00 | | (2,634,818.00) |
| Interfunds: | | | | | | | | |
| Current Fund | | | | | 498.24 | 54,540.00 | | (55,038.24) |
| Affordable Housing Utility Capital Fund | (7,111.79) | | 10,646.79 | | | | | 3,535.00 |
| Reserve for: | | | | | | | | |
| Payment of Debt Service | 84.65 | | | | | | | 84.65 |
| Encumbrances | 1,550,985.16 | | | | | 1,550,985.16 | 2,059,960.39 | 2,059,960.39 |
| Improvement Authorizations | | | | | | | | |
| General Improvements: | | | | | | | 1,799.32 | |
| Various Capital Improvements - Public Works | 218,420.21 | | | 1,799.32 | | | | 162,899.42 |
| Acquisition and Construction of Recreational Facilities | 20.00 | | | 55,520.79 | | | | 20.00 |
| 1999 Road Improvement Program | 16,161.28 | | | | | | | 16,161.28 |
| Various Capital Improvements | 4,289.08 | | | 1,757.60 | | | | 2,531.48 |
| Various Capital Improvements | 42,088.60 | | | 54.97 | | | | 42,033.63 |
| Borough Hall Renovations | 14.69 | | | | | | | 14.69 |
| Various Capital Improvements | 1,052.02 | | | | | | | 1,052.02 |
| Various Capital Improvements | 3,720.58 | | | 28.75 | | | | 3,691.83 |
| Various Capital Improvements | 16,113.21 | | | 3,720.58 | | | | 12,392.63 |
| Various Capital Improvements | 5,887.06 | | | 5,725.61 | | | | 161.45 |
| Various Capital Improvements | 238,292.69 | | | 11,247.10 | | | 750.00 | 227,795.59 |
| Various Capital Improvements | 76,437.16 | | | 37,632.39 | | 20,879.34 | 16,075.83 | 34,001.26 |
| New Public Library | 251,403.31 | | | | | | | 251,403.31 |
| Sewer Rehabilitation | 485.98 | | | | | | | 485.98 |
| Various Capital Improvements | 166,785.84 | | | 44,345.44 | | 130,880.87 | 15,500.00 | 7,059.53 |
| Various Capital Improvements | 82,681.52 | | | 25,177.21 | | | 151.62 | 57,655.93 |
| Various Capital Improvements | 315,885.02 | | | 6,766.50 | | 15,641.97 | 10,023.20 | 303,499.75 |
| Various Capital Improvements | 429,223.01 | | | 9,889.24 | | | | 419,333.77 |
| Sidewalk Improvements | 9,700.98 | | | | | | | 9,700.98 |
| Sidewalk Improvements | 78,466.51 | | | | | 6,457.24 | 6,457.24 | 78,466.51 |
| 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 | 68,865.20 | | | | | | | 68,865.20 |
| Sewer Rehabilitation | 145,482.08 | | | | | | | 145,482.08 |
| Various Capital Improvements | 805,134.13 | | | 10,829.30 | | 12.29 | | 794,292.54 |
| Various Capital Improvements | 217,284.47 | | | 27,599.79 | | 1,494.38 | 14,320.66 | 202,510.99 |

BOROUGH OF PRINCETON - COUNTY OF MERCER

GENERAL CAPITAL CASH

Exhibit C-3

ANALYSIS OF CASH

Sheet 2 of 2

| <u>Improvement Authorizations</u> | <u>Balance Dec. 31, 2008</u> | <u>Receipts Bonds, Notes and Loans</u> | <u>Receipts Miscellaneous</u> | <u>Disbursements</u> | | <u>Transfers</u> | <u>Balance Dec. 31, 2009</u> |
|--|----------------------------------|--|-----------------------------------|---------------------------------------|----------------------|--------------------------|----------------------------------|
| | | | | <u>Improvement Authorizations</u> | <u>Miscellaneous</u> | <u>From</u> <u>To</u> | |
| General Improvements (Continued): | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 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 | | | | | 17,762.16 | 194,775.79 |
| Improvements to Intersection at Witherspoon and Wiggins Streets | 29,956.37 | | | | | | 29,956.37 |
| Sewer Improvements at Alexander Street, University Place and Edwards Place | 17,746.29 | | | | | | 17,746.29 |
| Various Capital Improvements | 33,502.71 | | | 819.75 | | 4.14 | 32,678.82 |
| Various Capital Improvements | 109,011.26 | | | 14,388.24 | | 49,718.82 | 95,491.02 |
| Various Capital Improvements | 25,609.62 | | | 1,891.20 | | | 23,718.42 |
| Various Capital Improvements | 75,192.95 | | | | | 11,113.56 | 75,192.95 |
| Construction of Roads and Related Improvements to Sanitary Sewers and Drainage | 252,880.40 | | | 7,146.14 | | | 245,734.26 |
| Sidewalk Improvements | 48,276.56 | | | 47,259.42 | | 8,346.80 | 39,929.76 |
| Rehabilitation of Sewer System | 453,383.53 | | | 492,204.64 | 987,000.00 | 756,407.19 | 2,743,722.35 |
| Various Capital Improvements | 85,232.94 | | 1,841,652.45 | 9,530.02 | | 19,606.57 | 81,557.92 |
| Sidewalk Improvements | 6,738.25 | | | | | | 6,738.25 |
| Improvements to Sewer System | 241,626.89 | | | 218.00 | | | 241,408.89 |
| Various Capital Improvements | 396,655.10 | | | 146,756.22 | | 41,517.87 | 359,257.35 |
| Various Capital Improvements | 469,870.77 | | | 249,101.13 | | 256,817.55 | 191,666.00 |
| Reconstruction of Cleveland Lane and Lafayette Road | 104,754.07 | | | 116,065.99 | | 73,189.09 | 61,877.17 |
| Various Sewer Projects | 418,503.91 | | | 231,477.87 | | 55,209.28 | 140,750.98 |
| Various Capital Improvements | 299,351.44 | | | 81,886.67 | | 11,411.15 | 240,360.54 |
| Various Capital Improvements | 449,896.51 | | | 80,362.69 | | 5,932.27 | 372,506.84 |
| Sidewalk Improvements | 2,532.16 | 126,350.00 | | 7,517.12 | | | 121,365.04 |
| Renovations to the Public Works Garage | (148,926.48) | 261,250.00 | | 243,556.04 | | 161,042.56 | 29,810.04 |
| Various Capital Improvements | 108,804.97 | 2,270,560.00 | | 1,228,604.75 | | 190,374.87 | 965,142.78 |
| Various Capital Improvements | 4,273.20 | 1,266,000.00 | | 412,991.10 | | 103,275.37 | 802,933.53 |
| Curbing Improvements | 15,600.00 | | | 73.60 | | | 15,526.40 |
| Improvements to Harriet Drive | | | | 236,458.45 | | 25,293.14 | (246,751.59) |
| Sidewalk Improvements | | | | 16,184.50 | | 1,000.00 | (16,184.50) |
| Sidewalk Improvements | | | | 77.00 | | 3,550.00 | 3,473.00 |
| Various Capital Improvements | | | | 280,493.45 | | 308,401.02 | (515,934.47) |
| Various Capital Improvements | | | | 96,070.91 | | 22,402.54 | (89,173.45) |
| Rehabilitation of the Sewer System | | | 720,000.00 | | | | 720,000.00 |
| | \$ 6,861,223.81 | \$ 6,484,070.00 | \$ 4,766,047.79 | \$ 4,243,229.49 | \$ 1,987,498.24 | \$ 5,856,522.55 | \$ 11,880,613.87 |

BOROUGH OF PRINCETON - COUNTY OF MERCER

GENERAL CAPITAL FUND

Exhibit C-4

SCHEDULE OF DEFERRED CHARGES TO FUTURE

TAXATION - FUNDED

| | | |
|---|-------------------|-------------------------|
| Balance December 31, 2008 | | \$ 23,889,493.78 |
| Increased by Issued: | | |
| NJ Environmental Infrastructure Trust Loans Payable | | <u>2,069,227.00</u> |
| | | 25,958,720.78 |
| Decreased by: | | |
| 2009 Budget Appropriations: | | |
| Serial Bonds | \$ 2,352,119.31 | |
| Environmental Infrastructure Trust Loan | <u>182,620.98</u> | |
| | | <u>2,534,740.29</u> |
| Balance December 31, 2009 | | <u>\$ 23,423,980.49</u> |

BOROUGH OF PRINCETON - COUNTY OF MERCER

GENERAL CAPITAL FUND

Exhibit C-6

SCHEDULE OF INTERFUNDS

| | Total (Memo Only) | Affordable Housing Utility Capital Fund | Current Fund |
|---|------------------------------|--|-------------------------|
| Balance December 31, 2008 - (Due From)/Due To | \$ (7,111.79) | \$ (7,111.79) | \$ |
| Increased by: | | | |
| Disbursements | 498.24 | | 498.24 |
| Grant Proceeds Deposited in Current Fund | 54,540.00 | | 54,540.00 |
| Total Increases | <u>55,038.24</u> | | <u>55,038.24</u> |
| Total Increases and Balances | <u>62,150.03</u> | <u>7,111.79</u> | <u>55,038.24</u> |
| Decreased by: | | | |
| Receipts | <u>10,646.79</u> | <u>10,646.79</u> | |
| Balance December 31, 2009 - (Due From)/Due To | \$ <u>(51,503.24)</u> | \$ <u>3,535.00</u> | \$ <u>(55,038.24)</u> |

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Exhibit C-7

| | |
|---|--|
| Balance December 31, 2008 | \$ 18,605.86 |
| Increased by: | |
| Township Proceeds from Fully Funded Improvements | <u>121,810.00</u> <u>140,415.86</u> |
| Decreased by: | |
| Utilized to Finance Improvement Authorizations | <u>121,810.00</u> |
| Balance December 31, 2009 | \$ <u>18,605.86</u> |

BOROUGH OF PRINCETON - COUNTY OF MERCER

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Exhibit C-8

Sheet 1 of 2

| Ordinance Number | Improvement Description | Ordinance | | Balance Dec. 31, 2008 | | 2009 Authorizations | Prior-Year Encumbrances | Decreases | Balance Dec. 31, 2009 | |
|------------------|--|-----------|--------------|-----------------------|--------------|---------------------|-------------------------|--------------|-----------------------|--------------|
| | | Date | Amount | Funded | Unfunded | | | | Funded | Unfunded |
| 87-22 | General Improvements | | | | | | | | | |
| | Various Improvements Pertaining to Closure of the Landfill | 06/23/87 | \$ 92,000.00 | \$ | \$ | | | | | |
| 91-21 | Various Capital Improvements - Public Works | 08/08/91 | 102,000.00 | | | | 1,799.32 | | | \$ |
| 94-22 | Fire Department Improvements | 09/27/94 | 78,645.00 | | | | | | | |
| 96-18 | Acquisition and Construction of Recreational Facilities | 08/13/96 | 480,000.00 | 218,420.21 | | | 55,520.79 | | 162,899.42 | |
| 96-27 | 1999 Road Improvement Program | 10/22/96 | 1,277,000.00 | | | | | | | |
| 97-10 | Various Capital Improvements | 05/13/97 | 160,709.00 | | | | | | 20.00 | |
| 98-02 | Various Capital Improvements | 02/10/98 | 185,678.00 | 16,161.28 | | | 1,757.60 | | 14,403.68 | |
| 98-07 | Various Capital Improvements | 04/28/98 | 1,361,000.00 | 4,289.08 | | | 54.97 | | 4,234.11 | |
| 99-02 | Borough Hall Renovations | 02/09/99 | 150,000.00 | 42,088.60 | | | | | 42,088.60 | |
| 99-09 | Various Capital Improvements | 07/06/99 | 209,500.00 | 14.69 | | | | | 14.69 | |
| 99-10 | Various Capital Improvements | 07/13/99 | 1,450,000.00 | 1,052.02 | | | 28.75 | | 1,023.27 | |
| 99-17 | Various Capital Improvements | 10/05/99 | 459,000.00 | 3,720.58 | | | 3,720.58 | | 3,720.58 | |
| 00-16 | Various Capital Improvements | 08/08/00 | 421,478.00 | 16,113.21 | | | 5,725.61 | | 10,387.60 | |
| 00-17, | | | | 5,887.06 | | | | | 5,887.06 | |
| 00-22 | Various Capital Improvements | 09/12/00 | 2,827,413.00 | 238,292.69 | | | | | 227,795.59 | |
| 01-08 | Various Capital Improvements | 08/14/01 | 722,947.00 | 76,437.16 | | | 11,247.10 | | 34,001.26 | |
| 01-13 | New Public Library | 10/02/01 | 5,760,000.00 | 251,403.31 | | | 58,511.73 | | 251,403.31 | |
| 01-14 | Sewer Rehabilitation | 10/23/01 | 1,500,000.00 | 485.98 | 3,387,000.00 | | | | 485.98 | 3,387,000.00 |
| 01-15 | Various Capital Improvements | 11/30/01 | 1,674,488.00 | 166,785.84 | | | 175,226.31 | | 7,059.53 | |
| 01-16 | Various Capital Improvements | 11/16/01 | 268,070.00 | 82,681.52 | | | 25,177.21 | | 57,655.93 | |
| 02-14 | Various Capital Improvements | 08/20/02 | 2,232,281.00 | 315,885.02 | | | 22,408.47 | | 303,499.75 | |
| 02-15 | Various Capital Improvements | 08/20/02 | 777,833.00 | 429,223.01 | | | 9,889.24 | | 419,333.77 | |
| 03-10 | Sidewalk Improvements | 04/08/03 | 114,500.00 | 9,700.98 | | | | | 9,700.98 | |
| 03-15 | Sidewalk Improvements | 06/10/03 | 520,002.00 | 78,466.51 | | | 6,457.24 | | 78,466.51 | |
| 03-16 | Water, Sewer and Sidewalk Improvements | 06/10/03 | 123,417.00 | 14,872.14 | | | | | 14,872.14 | |
| 03-17 | Water and Sewer Improvements | 06/10/03 | 26,057.00 | 3,076.43 | | | | | 3,076.43 | |
| 03-19 | Sewer System Improvements | 07/22/03 | 27,685.00 | 21,800.94 | | | | | 21,800.94 | |
| 03-22 | Reconstruction of Various Streets | 07/22/03 | 775,000.00 | 68,865.20 | | | | | 68,865.20 | |
| 03-31 | Sewer Rehabilitation | 09/09/03 | 850,000.00 | 145,482.08 | | | | | 145,482.08 | |
| 03-40 | Various Capital Improvements | 12/02/03 | 2,046,050.00 | 805,134.13 | | | 10,841.59 | | 794,292.54 | |
| 03-42 | Various Capital Improvements | 12/02/03 | 930,397.00 | 217,284.47 | | | 29,094.17 | | 202,510.96 | |
| 04-01 | Improvements to the Sewer System | 03/12/04 | 16,000.00 | 6,717.93 | | | | | 6,717.93 | |
| 04-04 | Sewer Rehabilitation | 06/01/04 | 530,000.00 | 1,329.64 | | | | | 1,329.64 | |
| 04-13 | Improvements to the Sewer System at Park Place | 08/31/04 | 262,500.00 | 194,775.79 | | | 17,762.16 | | 194,775.79 | |
| 04-14 | Improvements to Intersection at Witherspoon and Wiggins Streets | | | 29,956.37 | | | | | 29,956.37 | |
| 04-15 | Sewer Improvements at Alexander Street, University Place and Edwards Place | 08/31/04 | 319,000.00 | | | | | | | |
| 04-19 | Various Capital Improvements | 11/30/04 | 420,000.00 | 17,746.29 | | | | | 17,746.29 | |
| 04-20 | Various Capital Improvements | 11/30/04 | 94,115.00 | 33,502.71 | | | 823.89 | | 32,678.82 | |
| 05-05 | Various Capital Improvements | 11/30/04 | 379,040.00 | 109,011.26 | | | 64,107.06 | | 95,491.02 | |
| 05-06 | Various Capital Improvements | 03/22/05 | 1,107,573.00 | 25,609.62 | | | 1,891.20 | | 23,718.42 | |
| 05-11 | Construction of Roads and Related Improvements to Sanitary Sewers and Drainage | 03/22/05 | 1,333,380.00 | 75,192.95 | | | 11,113.56 | | 75,192.95 | |
| 05-12 | Sidewalk Improvements | 05/03/05 | 1,738,000.00 | 252,880.40 | | | 7,146.14 | | 245,734.26 | |
| 05-14 | Rehabilitation of Sewer System | 05/03/05 | 481,000.00 | 48,276.56 | | | 47,259.42 | | 55,606.22 | |
| 05-17 | Various Capital Improvements | 06/14/05 | 6,720,000.00 | | 2,661,020.53 | 2,350,000.00 | 615,071.20 | (593,040.62) | 2,743,722.35 | 3,475,410.00 |
| 05-18 | Sidewalk Improvements | 08/09/05 | 523,300.00 | 85,232.94 | | | 25,461.57 | | 81,557.92 | |
| 05-19 | Improvements to Sewer System | 08/09/05 | 162,955.00 | 6,738.25 | | | | | 6,738.25 | |
| 06-15 | Various Capital Improvements | 08/09/05 | 38,700.00 | | 241,626.89 | | 218.00 | | | 241,408.89 |
| 07-09 | Various Capital Improvements | 07/25/06 | 1,744,263.00 | 396,655.10 | | | 188,274.09 | | 359,257.35 | |
| 07-14 | Reconstruction of Cleveland Lane and Lafayette Road | 07/25/06 | 1,354,366.00 | 469,870.77 | | | 505,918.68 | | 191,666.00 | |
| 07-18 | Various Sewer Projects | 07/10/07 | 1,687,400.00 | 104,754.07 | | | 116,065.99 | | 61,877.17 | |
| 07-19 | Various Capital Improvements | 09/11/07 | 500,000.00 | 418,503.91 | | | 8,934.22 | | 140,750.98 | |
| 07-20 | Various Capital Improvements | 09/11/07 | 763,694.00 | 299,351.44 | | | 93,297.82 | | 240,360.54 | |
| | | 09/11/07 | 984,214.00 | 449,896.51 | | | 8,905.29 | | 372,506.84 | |

BOROUGH OF PRINCETON - COUNTY OF MERCER

GENERAL CAPITAL FUND

Exhibit C-9

SCHEDULE OF GENERAL SERIAL BONDS

| Improvement Description | Date of Issue | Original Issue | Maturities of Bonds | | Interest Rate | Balance Dec. 31, 2008 | Decreased | Balance Dec. 31, 2009 |
|---------------------------------------|---------------|---------------------------|---------------------|---------------|---------------|--------------------------|-----------------|--------------------------|
| | | | Outstanding | Dec. 31, 2009 | | | | |
| | | | Date | Amount | | | | |
| General Improvement Bonds Series A | 11/01/98 | \$ 7,055,000 5,553,000 | 11/01/10 | \$ 855,000 | 4.10% | \$ 1,715,000.00 | \$ 860,000.00 | \$ 855,000.00 |
| | | | 08/15/10-14 | 380,000 | 4.25% | | | |
| | | | 08/15/15 | 390,000 | 4.25% | | | |
| | | | 08/15/16-17 | 390,000 | 4.30% | | | |
| Series B | | 8,214,000 | 08/15/18 | 388,000 | 4.50% | 3,838,000.00 | 380,000.00 | 3,458,000.00 |
| | | | 08/15/10-15 | 570,000 | 4.25% | | | |
| | | | 08/15/16-17 | 570,000 | 4.30% | | | |
| | | | 08/15/18 | 519,000 | 4.50% | 5,649,000.00 | 570,000.00 | 5,079,000.00 |
| General Improvement Bonds | 06/01/07 | 9,833,059 | 06/01/10-11 | 640,686.46 | 4.00% | | | |
| | | | 06/01/12 | 739,253.62 | 4.00% | | | |
| | | | 06/01/13 | 788,537.18 | 4.00% | | | |
| | | | 06/01/14-15 | 936,387.90 | 4.00% | | | |
| | | | 6/01/16-17 | 985,671.48 | 4.00% | | | |
| | | | 06/01/18 | 1,034,955.05 | 4.00% | | | |
| | | | 06/01/19 | 1,060,582.50 | 4.00% | 9,290,939.33 | 542,119.31 | 8,748,820.02 |
| | | | | | | \$ 20,492,939.33 | \$ 2,352,119.31 | \$ 18,140,820.02 |

BOROUGH OF PRINCETON - COUNTY OF MERCER

GENERAL CAPITAL FUND

Exhibit C-10

SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE

TRUST LOANS RECEIVABLE

| | |
|---|-------------------------------|
| Balance December 31, 2008 | \$ 3,125,501.00 |
| Increased by Issued: | |
| NJ Environmental Infrastructure Trust Loans Payable | <u>2,069,227.00</u> |
| | 5,194,728.00 |
| Decreased by: | |
| Loan Proceeds | <u>2,559,910.00</u> |
| Balance December 31, 2009 | \$ <u><u>2,634,818.00</u></u> |

BOROUGH OF PRINCETON - COUNTY OF MERCER

GENERAL CAPITAL FUND

Exhibit C-11

SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS PAYABLE

| Issue | Date of Issue | Original Issue | Interest Rate | Balance Dec. 31, 2008 | Increase | Decrease | Balance Dec. 31, 2009 |
|---|--------------------------|---------------------------|--------------------------|----------------------------------|------------------------|----------------------|----------------------------------|
| Wastewater Treatment Trust Loan - Trust | 11/09/06 | \$ 905,000.00 | 4.00% to 5.00% | \$ 875,000.00 | \$ | \$ 35,000.00 | \$ 840,000.00 |
| Wastewater Treatment Trust Loan - State | 11/09/06 | 889,142.00 | 0.00% | 823,433.34 | | 47,370.20 | 776,063.14 |
| Wastewater Treatment Trust Loan - Trust | 11/08/07 | 870,000.00 | 3.40% To 5.00% | 870,000.00 | | 30,000.00 | 840,000.00 |
| Wastewater Treatment Trust Loan - State | 11/08/07 | 848,221.00 | 0.00% | 828,121.11 | | 43,620.33 | 784,500.78 |
| Wastewater Treatment Trust Loan - Trust | 11/06/08 | 1,035,000.00 | 5.00% To 5.50% | | 1,035,000.00 | | 1,035,000.00 |
| Wastewater Treatment Trust Loan - State | 11/06/08 | 1,034,227.00 | 0.00% | | 1,034,227.00 | 26,630.45 | 1,007,596.55 |
| | | | | <u>\$ 3,396,554.45</u> | <u>\$ 2,069,227.00</u> | <u>\$ 182,620.98</u> | <u>\$ 5,283,160.47</u> |

BOROUGH OF PRINCETON - COUNTY OF MERCER

GENERAL CAPITAL FUND

Exhibit C-12

SCHEDULE OF BOND ANTICIPATION NOTES

| Ordinance Number | Improvement Description | Date of Issue of Original Note | Date of Maturity | Interest Rate | Balance Dec. 31, 2008 | Issued | Decreases | Balance Dec. 31, 2009 |
|---------------------------|---|---|---------------------|------------------|--------------------------|-----------------|---------------|--------------------------|
| 05-14 | Rehabilitation of Sewer System | 03/19/09 | 03/19/10 | | \$ 987,000.00 | \$ | \$ 987,000.00 | \$ |
| 05-19 | Improvements to Sewer System | 03/19/09 | 03/19/10 | 1.50% | 367,000.00 | | 10,000.00 | 357,000.00 |
| 06-15 | Various Capital Improvements | 03/19/09 | 03/19/10 | 1.50% | 1,657,000.00 | | | 1,657,000.00 |
| 06-16 | Various Capital Improvements | 03/19/09 | 03/19/10 | 1.50% | 1,286,000.00 | | | 1,286,000.00 |
| 07-14 | Reconstruction of Cleveland Lane and Lafayette Road | 03/19/09 | 03/19/10 | 1.50% | 1,603,000.00 | | | 1,603,000.00 |
| 07-19 | Various Capital Improvements | 03/19/09 | 03/19/10 | 1.50% | 726,000.00 | | | 726,000.00 |
| 07-20 | Various Capital Improvements | 03/19/09 | 03/19/10 | 1.50% | 935,000.00 | | | 935,000.00 |
| 08-02 | Sidewalk Improvements | 03/19/09 | 03/19/10 | 1.50% | | 126,350.00 | | 126,350.00 |
| 08-22 | Renovations to the Public Works Garage | 03/19/09 | 03/19/10 | 1.50% | | 261,250.00 | | 261,250.00 |
| 08-23 | Various Capital Improvements | 03/19/09 | 03/19/10 | 1.50% | | 2,270,560.00 | | 2,270,560.00 |
| 08-24 | Various Capital Improvements | 03/19/09 | 03/19/10 | 1.50% | | 1,266,000.00 | | 1,266,000.00 |
| | | | | | \$ 7,561,000.00 | \$ 3,924,160.00 | \$ 997,000.00 | \$ 10,488,160.00 |
| Disbursed | | | | | | | | |
| 2009 Budget Appropriation | | | | | | | | |
| | | | | | | | \$ 987,000.00 | |
| | | | | | | | 10,000.00 | |
| | | | | | | | \$ 997,000.00 | |

BOROUGH OF PRINCETON - COUNTY OF MERCER

GENERAL CAPITAL FUND

Exhibit C-13

SCHEDULE OF BONDS AND NOTES AUTHORIZED

BUT NOT ISSUED

| <u>Ordinance Number</u> | <u>Improvement Description</u> | <u>Balance Dec. 31, 2009</u> |
|------------------------------------|---------------------------------------|---|
| | General Improvements: | |
| 01-13 | New Public Library | \$ 3,387,000.00 |
| 05-14 | Rehabilitation of Sewer System | 3,475,410.00 |
| 09-16 | Improvements to Harriet Drive | 285,000.00 |
| 09-18 | Sidewalk Improvements | 19,000.00 |
| 09-21 | Sidewalk Improvements | 67,450.00 |
| 09-24 | Various Capital Improvements | 1,386,240.00 |
| 09-25 | Various Capital Improvements | 556,700.00 |
| | | <u>\$ 9,176,800.00</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, 2008 | \$ 780,628.55 | \$ 403,185.93 |
| Increased by Receipts: | | |
| Anticipated Revenues | \$ 2,983,670.68 | |
| Non-Budget Revenue | 315,695.01 | |
| Interfunds | | |
| Parking Operating Fund | | 23,988.45 |
| Deferred Charge Raised in 2009 Budget | | <u>31,700.00</u> |
| | | 55,688.45 |
| | | <u>458,874.38</u> |
| Decreased by Disbursements: | | |
| Budget Appropriations | 2,460,524.72 | |
| Appropriation Reserves | 71,258.02 | |
| Accounts Payable | 8,221.40 | |
| Improvement Authorization | | 52,301.34 |
| Interfunds | | |
| Parking Capital Fund | 23,988.45 | |
| Current Fund | 100,000.00 | |
| Accrued Interest Payable | <u>591,643.75</u> | |
| | 3,255,636.34 | <u>52,301.34</u> |
| Balance December 31, 2009 | \$ <u>824,357.90</u> | \$ <u>406,573.04</u> |

BOROUGH OF PRINCETON - COUNTY OF MERCER

PARKING UTILITY CAPITAL FUND

Exhibit D-6

ANALYSIS OF PARKING UTILITY CAPITAL CASH

| | <u>Balance Dec. 31, 2009</u> | <u>Balance Dec. 31, 2008</u> |
|---|---|---|
| Fund Balance | \$ 12,179.42 | \$ 12,179.42 |
| Accounts Receivable | (82,851.23) | (82,851.23) |
| Due to Parking Utility Operating Fund | | (23,988.45) |
| Reserve for Debt Service - County of Mercer Open Space | 375,000.00 | 375,000.00 |
| Improvement Authorizations: | | |
| Ordinance Number: | | |
| 02-22 | 278,325.97 | 330,453.31 |
| 03-41 | (26,011.91) | (26,011.91) |
| 04-12 | (185,389.21) | (185,389.21) |
| 06-14 | 12,859.00 | 12,859.00 |
| 07-21 | (8,465.00) | (8,465.00) |
| 08-25 | 31,100.00 | (600.00) |
| 09-27 | (174.00) | |
| | <u>\$ 406,573.04</u> | <u>\$ 403,185.93</u> |

SCHEDULE OF ACCOUNTS RECEIVABLE

Exhibit D-7

| | |
|------------------------------------|----------------------------|
| Balance December 31, 2009 and 2008 | <u>\$ 82,851.23</u> |
| Troast Reimbursement - Nassau HKT | \$ 62,909.43 |
| Princeton Public Library | <u>19,941.80</u> |
| | <u>\$ 82,851.23</u> |

SCHEDULE OF FIXED CAPITAL

Exhibit D-8

| | |
|----------------------|--|
| | <u>Balance Dec. 31, 2009 and 2008</u> |
| 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

| Ordinance Number | Improvement Description | Ordinance | | Balance Dec. 31, 2008 | Increase | Balance Dec. 31, 2009 |
|-----------------------------|---|------------------|------------------|----------------------------------|----------------------|----------------------------------|
| | | Date | Amount | | | |
| 02-22 | Development and Construction of a Parking Facility and Related Park Plaza | 12/17/02 | \$ 13,500,000.00 | \$ 13,500,000.00 | | \$ 13,500,000.00 |
| 03-41 | Acquisition of Equipment | 12/02/03 | 50,000.00 | 50,000.00 | | 50,000.00 |
| 04-12 | Technology Improvements | 08/31/04 | 194,500.00 | 194,500.00 | | 194,500.00 |
| 06-14 | Various Capital Improvements | 08/08/06 | 15,376.00 | 15,376.00 | | 15,376.00 |
| 07-21 | Acquisition of Equipment | 09/11/07 | 39,000.00 | 39,000.00 | | 39,000.00 |
| 08-25 | Improvements to Parking Garage | 10/28/08 | 31,700.00 | 31,700.00 | | 31,700.00 |
| 09-27 | Various Capital Improvements | 09/29/09 | 226,000.00 | | 226,000.00 | 226,000.00 |
| | | | | \$ 13,830,576.00 | \$ 226,000.00 | \$ 14,056,576.00 |

BOROUGH OF PRINCETON - COUNTY OF MERCER

PARKING UTILITY OPERATING FUND

Exhibit D-10

SCHEDULE OF INTERFUNDS

| | Total (Memo Only) | Current Fund | Parking Utility Capital Fund |
|---|------------------------------|-------------------------|---|
| Balance December 31, 2008 - (Due From)/Due To | \$ 123,988.45 | \$ 100,000.00 | \$ 23,988.45 |
| Increased by: | | | |
| Disbursements | 123,988.45 | 100,000.00 | \$ 23,988.45 |
| Total Balances and Increases | | | |
| Decreased by: | | | |
| Utilized as Current Fund Revenue | 300,000.00 | 300,000.00 | |
| Balance December 31, 2009 - (Due From)/Due To | \$ 300,000.00 | \$ 300,000.00 | \$ |

BOROUGH OF PRINCETON - COUNTY OF MERCER

PARKING UTILITY OPERATING FUND

Exhibit D-11

SCHEDULE OF APPROPRIATION RESERVES

| | <u>Balance December 31, 2008</u> | | | | |
|----------------|--|--|--|---|-----------------------------------|
| | <u>Appropriation Reserves</u> | <u>Reserve for Encumbrances</u> | | <u>Budget After Modification</u> | <u>Paid or Charged</u> |
| Other Expenses | \$ 45,305.91 | \$ 29,546.01 | | \$ 74,851.92 | \$ 71,258.02 |
| | | | | | <u>Balance Lapsed</u> |
| | | | | | <u>\$ 3,593.90</u> |

BOROUGH OF PRINCETON - COUNTY OF MERCER

PARKING UTILITY OPERATING FUND

Exhibit D-12

SCHEDULE OF ACCRUED INTEREST ON BONDS

| | |
|---------------------------|-----------------------------|
| Balance December 31, 2008 | \$ 221,866.41 |
| Increased by: | |
| Budget Appropriation | <u>585,668.00</u> |
| | 807,534.41 |
| Decreased by: | |
| Disbursements | <u>591,643.75</u> |
| Balance December 31, 2009 | \$ <u><u>215,890.66</u></u> |

BOROUGH OF PRINCETON - COUNTY OF MERCER

Exhibit D-13

PARKING UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

| Ordinance Number | Improvement Description | Ordinance | | Balance Dec. 31, 2008 | | 2009 Authorizations | Paid or Charged | Balance Dec. 31, 2009 | |
|---------------------|---|-----------|------------------|-----------------------|---------------------|------------------------|---------------------|-----------------------|----------------------|
| | | 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 | \$ 330,453.31 | \$ 23,988.09 | \$ | \$ 52,127.34 | \$ 278,325.97 | \$ 23,988.09 |
| 03-41 | Acquisition of Equipment | 12/02/03 | 50,000.00 | | 9,110.79 | | | | 9,110.79 |
| 04-12 | Technology Improvements | 08/31/04 | 194,500.00 | | 376.00 | | | | 376.00 |
| 06-14 | Various Capital Improvements | 08/08/06 | 15,376.00 | 12,859.00 | 6,535.00 | | | 12,859.00 | 6,535.00 |
| 07-21 | Acquisition of Equipment | 09/11/07 | 39,000.00 | | 31,100.00 | | | | |
| 08-25 | Improvements to Parking Garage | 10/28/08 | 31,700.00 | | | | | 31,100.00 | |
| 09-27 | Various Capital Improvements | 09/29/09 | 226,000.00 | | | 226,000.00 | 174.00 | | 225,826.00 |
| | | | | <u>\$ 343,312.31</u> | <u>\$ 71,109.88</u> | <u>\$ 226,000.00</u> | <u>\$ 52,301.34</u> | <u>\$ 322,284.97</u> | <u>\$ 265,835.88</u> |

BOROUGH OF PRINCETON - COUNTY OF MERCER

PARKING UTILITY CAPITAL FUND

Exhibit D-14

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

| | | | |
|------------------------------------|------------------|-------------------|-------------------------------|
| Balance December 31, 2008 | | | \$ 759,000.00 |
| Increased by: | | | |
| Paid by Budget Appropriation: | | | |
| Serial Bonds Payable | \$ 375,000.00 | | |
| Deferred Charges - Ordinance 08-25 | <u>31,700.00</u> | | |
| | | <u>406,700.00</u> | |
| Balance December 31, 2009 | | | \$ <u><u>1,165,700.00</u></u> |

BOROUGH OF PRINCETON - COUNTY OF MERCER

Exhibit D-15

PARKING UTILITY CAPITAL FUND

SCHEDULE OF SERIAL BONDS PAYABLE

| Purpose | Date of Issue | Original Issue | Maturities of Bonds | | Interest Rate | Balance Dec. 31, 2008 | Paid by Budget Appropriation | Balance Dec. 31, 2009 |
|-----------------------------------|--------------------------|---------------------------|----------------------------|----------------------|--------------------------|----------------------------------|---|----------------------------------|
| | | | Outstanding | Dec. 31, 2009 | | | | |
| Parking Utility Improvement Bonds | 08/15/03 | \$ 13,700,000.00 | Date | Amount | | | | |
| | | | 08/15/10 | \$ 400,000.00 | 4.25% | | | |
| | | | 08/15/11 | 425,000.00 | 4.25% | | | |
| | | | 08/15/12 | 450,000.00 | 4.25% | | | |
| | | | 08/15/13 | 475,000.00 | 4.25% | | | |
| | | | 08/15/14 | 500,000.00 | 4.25% | | | |
| | | | 08/15/15 | 525,000.00 | 4.25% | | | |
| | | | 08/15/16 | 550,000.00 | 4.30% | | | |
| | | | 08/15/17 | 575,000.00 | 4.30% | | | |
| | | | 08/15/18 | 600,000.00 | 4.50% | | | |
| | | | 08/15/19 | 625,000.00 | 4.625% | | | |
| | | | 08/15/20-21 | 725,000.00 | 4.625% | | | |
| | | | 08/15/22 | 775,000.00 | 4.75% | | | |
| | | | 08/15/23 | 825,000.00 | 4.75% | | | |
| | | | 08/15/24-25 | 875,000.00 | 4.75% | | | |
| | | | 08/15/26 | 885,000.00 | 4.75% | | | |
| | | | 08/15/27 | 895,000.00 | 4.75% | | | |
| | | | 08/15/28 | 900,000.00 | 4.75% | | | |
| | | | | | | \$ 12,980,000.00 | \$ 375,000.00 | \$ 12,605,000.00 |

BOROUGH OF PRINCETON - COUNTY OF MERCER

PARKING UTILITY CAPITAL FUND

Exhibit D-16

SCHEDULE OF BONDS AND NOTES AUTHORIZED BU NOT ISSUED

| Ordinance Number | Ordinance Date | Improvement Description | Balance Dec. 31, 2008 | Authorized | Raised in 2009 Budget | Balance Dec. 31, 2009 |
|-----------------------------|---------------------------|--------------------------------|----------------------------------|-------------------|--------------------------------------|----------------------------------|
| 03-41 | 12/02/03 | Acquisition of Equipment | \$ 50,000.00 | \$ | \$ | \$ 50,000.00 |
| 04-12 | 08/31/04 | Technology Improvements | 194,500.00 | | | 194,500.00 |
| 06-14 | 08/08/06 | Various Capital Improvements | 376.00 | | | 376.00 |
| 07-21 | 09/11/07 | Acquisition of Equipment | 15,000.00 | | | 15,000.00 |
| 08-25 | 10/28/08 | Improvements to Parking Garage | 31,700.00 | | 31,700.00 | |
| 09-27 | 09/29/09 | Various Capital Improvements | | 226,000.00 | | 226,000.00 |
| | | | \$ 291,576.00 | \$ 226,000.00 | \$ 31,700.00 | \$ 485,876.00 |

BOROUGH OF PRINCETON - COUNTY OF MERCER

PUBLIC ASSISTANCE TRUST FUND

Exhibit E-1

SCHEDULE OF CASH - TREASURER AND PETTY CASH

| | | |
|--------------------------------|---------------|----------------------|
| Balance December 31, 2008 | | \$ 102,584.25 |
| Increased by Receipts: | | |
| State Aid | \$ 157,900.00 | |
| Interest on Deposits | 433.82 | |
| Reimbursements: | | |
| Supplemental Security Income | 26,854.16 | |
| Other | 3,091.95 | |
| | | <u>188,279.93</u> |
| | | 290,864.18 |
| Decreased by Disbursements: | | |
| Public Assistance Expenditures | | |
| State Eligible Match | | <u>166,025.98</u> |
| Balance December 31, 2009 | | <u>\$ 124,838.20</u> |

SCHEDULE OF PREPAID STATE AID

Exhibit E-2

| | | |
|--------------------------------------|---------------|---------------------|
| Balance December 31, 2008 | | \$ 68,939.54 |
| Increased by: | | |
| State Aid Payments Received | \$ 157,900.00 | |
| SSI Reimbursement | 26,854.16 | |
| Other Reimbursements | 3,091.95 | |
| | | <u>187,846.11</u> |
| | | 256,785.65 |
| Decreased by: | | |
| Expenditures for Public Assistance - | | |
| State Eligible Match | | <u>166,025.98</u> |
| Balance December 31, 2009 | | <u>\$ 90,759.67</u> |

BOROUGH OF PRINCETON - COUNTY OF MERCER

PUBLIC ASSISTANCE TRUST FUND

Exhibit E-3

SCHEDULE OF RESERVE FOR PUBLIC ASSISTANCE

| | |
|---------------------------|----------------------------|
| Balance December 31, 2008 | \$ 32,406.40 |
| Increased by: | |
| Interest on Deposits | <u>433.82</u> |
| Balance December 31, 2009 | <u><u>\$ 32,840.22</u></u> |

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

Exhibit S-5

| | | |
|--------------------------------|-------------|-------------------------------|
| Balance December 31, 2008 | | \$ 1,359,378.85 |
| Increased by Receipts: | | |
| Reserves: | | |
| Housing Trust | \$ 1,575.00 | |
| Developer Fees | 4,015.91 | |
| Growth Share | 3,851.61 | |
| Debt Service | 62.05 | |
| Anticipated Revenues | 31,868.38 | |
| Due from Small Cities C.D.B.G. | 43,490.00 | |
| | | <u>84,862.95</u> |
| | | 1,444,241.80 |
| Decreased by Disbursements: | | |
| Budget Appropriations | 69,050.58 | |
| Interfunds | 7,111.79 | |
| | | <u>76,162.37</u> |
| Balance December 31, 2009 | | \$ <u><u>1,368,079.43</u></u> |

BOROUGH OF PRINCETON - COUNTY OF MERCER

AFFORDABLE HOUSING UTILITY OPERATING FUND

Exhibit S-6

SCHEDULE OF RESERVES

| | Total (Memo Only) | Housing Trust | Developer Fees | Growth Share |
|--|------------------------------|--------------------------|---------------------------|-------------------------|
| Balance December 31, 2008 | <u>\$ 1,277,714.57</u> | <u>\$ 90,547.50</u> | <u>\$ 598,193.49</u> | <u>\$ 588,973.58</u> |
| Increased by: | | | | |
| Transfer from Operations (Net) | 436,582.80 | 44,936.80 | 391,646.00 | |
| Interest on Deposits | 7,867.52 | | 4,015.91 | 3,851.61 |
| Miscellaneous | <u>1,575.00</u> | <u>1,575.00</u> | | |
| Total Increases | <u>446,025.32</u> | <u>46,511.80</u> | <u>395,661.91</u> | <u>3,851.61</u> |
| Total Balances and Increases | <u>1,723,739.89</u> | <u>137,059.30</u> | <u>993,855.40</u> | <u>592,825.19</u> |
| Decreased by: | | | | |
| Anticipated as Utility Operating Revenue | <u>473,765.00</u> | <u>89,500.00</u> | <u>384,265.00</u> | |
| Balance December 31, 2009 | <u>\$ 1,249,974.89</u> | <u>\$ 47,559.30</u> | <u>\$ 609,590.40</u> | <u>\$ 592,825.19</u> |

BOROUGH OF PRINCETON - COUNTY OF MERCER

AFFORDABLE HOUSING UTILITY CAPITAL FUND

Exhibit S-7

ANALYSIS OF AFFORDABLE HOUSING UTILITY CAPITAL CASH

| | <u>Balance Dec. 31, 2009</u> | <u>Balance Dec. 31, 2008</u> |
|------------------------------------|---|---|
| Fund Balance | \$ 67,193.84 | \$ 67,193.84 |
| Due (From)/To General Capital Fund | (3,535.00) | 7,111.79 |
| Due (From)/To Operating Fund | (114,222.54) | (121,334.33) |
| Improvement Authorizations: | | |
| Ordinance Number: | | |
| 89-37 | 67,702.05 | 67,702.05 |
| 06-13 | <u>(17,138.35)</u> | <u>(20,673.35)</u> |
| | <u>\$ -0-</u> | <u>\$ -0-</u> |

BOROUGH OF PRINCETON - COUNTY OF MERCER

AFFORDABLE HOUSING UTILITY CAPITAL FUND

Exhibit S-8

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

| Ordinance Number | Improvement Description | Ordinance | | Balance Dec. 31, 2009 |
|-----------------------------|---|------------------|---------------|----------------------------------|
| | | Date | Amount | |
| 06-13 | Improvements and Renovations to Housing Authority | 08/08/06 | \$ 211,150.00 | \$ 211,150.00 |

BOROUGH OF PRINCETON - COUNTY OF MERCER

AFFORDABLE HOUSING UTILITY CAPITAL FUND

Exhibit S-9

SCHEDULE OF INTERFUNDS

| | Total (Memo Only) | Affordable Housing Operating Fund | General Capital Fund |
|--|------------------------------|--|-------------------------------------|
| Balance December 31, 2008 - (Due From)/Due To | \$ <u>(114,222.54)</u> | \$ <u>(121,334.33)</u> | \$ <u>7,111.79</u> |
| Increased by: | | | |
| Paid by Affordable Housing Operating Fund | 7,111.79 | | 7,111.79 |
| Affordable Housing Deposits in General Capital Fund | <u>3,535.00</u> | <u> </u> | <u>3,535.00</u> |
| Total Increases | <u>10,646.79</u> | <u> </u> | <u>10,646.79</u> |
| Total Balances and Increases | <u>124,869.33</u> | <u>121,334.33</u> | <u>3,535.00</u> |
| Decreased by: | | | |
| Settlement of General Capital Fund - Interfund | <u>7,111.79</u> | <u>7,111.79</u> | <u> </u> |
| Balance December 31, 2009 - (Due From)/Due To | \$ <u>(117,757.54)</u> | \$ <u>(114,222.54)</u> | \$ <u>(3,535.00)</u> |

BOROUGH OF PRINCETON - COUNTY OF MERCER

AFFORDABLE HOUSING UTILITY CAPITAL FUND

Exhibit S-10

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

| Ordinance Number | Improvement Description | Ordinance | | Balance Dec. 31, 2008 | | Reimbursement | | Balance Dec. 31, 2009 | |
|-----------------------------|---|------------------|-----------------|------------------------------|-----------------|----------------------|-----------------|------------------------------|-----------------|
| | | Date | Amount | Funded | Unfunded | Funded | Unfunded | Funded | Unfunded |
| 89-37 | Financing of Affordable Housing Program | 10/04/89 | \$ 5,891,938.00 | \$ 67,702.05 | \$ | \$ | | \$ 67,702.05 | \$ |
| 06-13 | Improvements and Renovations to Housing Authority | 08/08/06 | 211,150.00 | | 190,476.65 | | 3,535.00 | | 194,011.65 |
| | | | | \$ 67,702.05 | 190,476.65 | \$ | 3,535.00 | \$ 67,702.05 | \$ 194,011.65 |

BOROUGH OF PRINCETON - COUNTY OF MERCER

AFFORDABLE HOUSING UTILITY CAPITAL FUND

Exhibit S-11

SCHEDULE OF BONDS AND NOTES AUTHORIZED

BUT NOT ISSUED

| <u>Ordinance Number</u> | <u>Ordinance Date</u> | <u>Improvement Description</u> | <u>Balance Dec. 31,2009</u> |
|------------------------------------|----------------------------------|--|--|
| 06-13 | 08/08/06 | Improvements and Renovations to Housing Authority | \$ <u>211,150.00</u> |

BOROUGH OF PRINCETON

COUNTY OF MERCER

PART III

REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING

AND ON COMPLIANCE AND OTHER MATTERS

YEAR ENDED DECEMBER 31, 2009

William E. Antonides and Company

CERTIFIED PUBLIC ACCOUNTANTS

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

EDWARD J. SIMONE, C.P.A., R.M.A., P.S.A.
BRIAN K. LOGAN, C.P.A., R.M.A., P.S.A.
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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, 2009. The Borough's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Borough's management. Our responsibility is to express an opinion on the Borough's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Borough's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Borough's compliance with those requirements.

In our opinion, the Borough complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

Internal Control Over Compliance

The management of the Borough is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Borough's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over compliance.

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

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

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

William E. Antonides and Company
Independent Auditors

June 21, 2010

BOROUGH OF PRINCETON

COUNTY OF MERCER

PART IV

SINGLE AUDIT SECTION

FEDERAL AND STATE AWARDS

YEAR ENDED DECEMBER 31, 2009

William E. Antonides and Company

CERTIFIED PUBLIC ACCOUNTANTS

WILLIAM E. ANTONIDES, C.P.A., R.M.A., P.S.A.
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732-914-0004

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, 2009. The Borough's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Borough's management. Our responsibility is to express an opinion on the Borough's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Borough's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Borough's compliance with those requirements.

In our opinion, the Borough complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

Internal Control Over Compliance

The management of the Borough is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Borough's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over compliance.

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

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

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

William E. Antonides and Company
Independent Auditors

June 21, 2010

BOROUGH OF PRINCETON - COUNTY OF MERCER**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**

Schedule 1

FOR THE YEAR ENDED DECEMBER 31, 2009

| <u>Grantor/Program Title</u> | <u>Federal C.F.D.A. Number</u> | <u>Grant Period From To</u> | <u>Program or Award Amount</u> | <u>Receipts</u> | <u>Expenditures</u> |
|--|---|--|---|--|--|
| Office of Water, Environmental Protection Agency Pass-Through: New Jersey Department of Environmental Protection Public Wastewater Facilities Capitalization Grants for States (Loan) Cooperative Forestry Assistance | 66.458 10.664 | 2009 FY and prior 2009 FY | \$ 5,581,590.00 3,000.00 | \$ 2,559,910.00 3,000.00 <u>2,562,910.00</u> | \$ 777,823.19 <u>777,823.19</u> |
| Federal Highway Administration: Pass-Through: New Jersey Department of Transportation: Highway Planning And Construction Alcohol Traffic Safety and Drunk Driving Prevention Incentive | 20.205 20.601 | 2009 FY and prior 2009 FY | 1,231,750.00 11,000.00 | 981,750.00 11,000.00 <u>992,750.00</u> | 250,000.00 10,840.88 <u>260,840.88</u> |
| Community Development Grant Program - States Program Public Health Emergency Preparedness | 14.228 93.069 | Prior to 2007 FY 2009 FY | 98,030.00 88,344.00 | 98,030.00 33,792.00 <u>131,822.00</u> | 30,795.83 30,795.83 <u>30,795.83</u> |
| | | | \$ 3,687,482.00 | <u><u>\$ 3,687,482.00</u></u> | <u><u>\$ 1,069,459.90</u></u> |

TOWNSHIP OF PRINCETON - COUNTY OF MERCER

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2009

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, \$202,758 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, 2009

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)

BOROUGH OF PRINCETON - COUNTY OF MERCER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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, 2009

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, 2009

An audit of the financial accounts and transactions of the Borough of Princeton, in the County of Mercer, for the year ended December 31, 2009, 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 8, 2009 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> |
|--------------------|-----------------------------------|
| 2009 | 1 |
| 2008 | 1 |
| 2007 | 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:

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

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

Public Assistance

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

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

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

Miscellaneous

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

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

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

Individual payments of the Regional School District Tax by the municipality were confirmed as received by the Secretary of the Board of Education for the year 2009.

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. All prior year findings were addressed in 2009.

FINDINGS/RECOMMENDATIONS

None

ACKNOWLEDGEMENT

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

The foregoing comments are not of sufficient materiality whereby they would affect our ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to our comments, please contact us at your earliest opportunity.

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