

**TOWNSHIP OF PRINCETON
MERCER COUNTY
NEW JERSEY**

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY DATA
AND INFORMATION**

**FOR THE YEAR
ENDED DECEMBER 31, 2007**

HODULIK & MORRISON, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS
HIGHLAND PARK, N.J.

TOWNSHIP OF PRINCETON
MERCER COUNTY, NEW JERSEY

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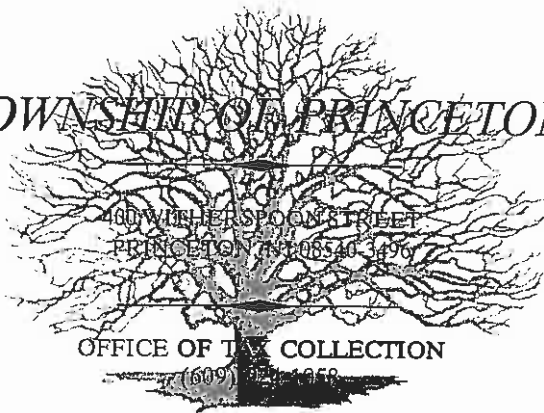
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INTRODUCTION SECTION

TOWNSHIP OF PRINCETON



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KATHRYN MONZO

CHIEF FINANCIAL OFFICER
TAX COLLECTOR

The Honorable Mayor and
Township Committee
Township of Princeton
400 Witherspoon Street
Princeton, New Jersey 08540

The Comprehensive Annual Financial Report of the Township of Princeton for the year ended December 31, 2007 is hereby submitted as mandated by state statute. New Jersey State statutes require that Princeton Township annually issue a report on its financial position and activity and that this report be audited by an independent Registered Municipal Accountant. The responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of Princeton Township. To the best of our knowledge and belief, the enclosed data is accurate in all material respects. All disclosures necessary to enable the reader to gain an understanding of the Township of Princeton's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four (4) sections: introductory, financial, statistical, and general comments and recommendations. The introductory section, which is unaudited, includes this letter of transmittal. The financial section includes general purpose financial statements and individual fund and account group financial statements and schedules, as well as the independent auditor's report on these financial statements and schedules. The statistical section, which is unaudited, includes selected financial and demographic information.

General Information

Princeton Township ("the Township"), incorporated in 1838, is a suburban community with a population of 16,027 (2000 census) covering an area of 16.5 square miles in the heart of central New Jersey. It surrounds the 1.85 square mile area of the

Borough of Princeton and is bounded on the southeast by West Windsor Township, on the southwest by Lawrence Township, on the northwest by Hopewell Township, on the north by Montgomery Township (Somerset County), on the northeast by Franklin Township (Somerset county) and South Brunswick Township (Middlesex County) and on the east by Plainsboro Township (Middlesex County).

While no major travel arteries directly touch the Township, it is dissected by United States Highway route No. 206 and has ready access to United States Highway route No. 1, Interstate Highway Routes I-95, I-295, and I-195, the New Jersey Turnpike, and the Garden State Parkway and Amtrak and New Jersey Transit which provide direct rail service to Philadelphia and New York City as well as the rest of the northeast corridor. This area, known as the route 1 corridor, is one of the fastest growing parts of the state.

In general, the Township is an open, semi-wooded community of substantial homes and is an example of sound suburban development. There is no heavy industry in the Township nor will any be permitted under present or reasonably foreseeable land use regulations.

Planning Board

In 1970, the planning boards of the Township and the Borough of Princeton were merged to form the Regional Planning Board of Princeton. The action was taken to recognize the fact that each municipality has a joint and common interest in a master plan for the development of the region and to formalize and to strengthen their cooperative endeavors in municipal planning. After a thorough review of the existing master plans of the Township and the Borough of Princeton, a single comprehensive Master Plan for the Princeton Community was developed and adopted by the Regional Planning Board in 1980. The Master Plan includes elements on land use, housing, circulation, utility, service, community facilities, open space and recreation and conservation. Since May, 1980, both the Township and the Borough of Princeton have implemented the Master Plan in part by passage of appropriate ordinances. A new Master Plan was adopted on December 12, 1996. The Master Plan is constantly undergoing revision, with the latest revision being adopted May 6, 1999.

Open Space

On November 4, 1997, Township voters approved the establishment of a Municipal Open Space Tax. The Open Space Tax was levied at the rate of \$.01 per \$100.00 of assessed value of real property located in the Township. In the year 2000 the voters approved an increase in the Open Space Tax Rate to a rate of \$.02 per \$100 of assessed value of real property, effective in 2001.

The levy so raised may be spent for the following purposes:

- (a) Acquisition of lands for recreation and conservation purposes;
- (b) Development of lands acquired for recreation and conservation purposes;
- (c) Maintenance of lands acquired for recreation and conservation purposes;
- (d) Acquisition of farmland for farmland preservation purposes;
- (e) Historic preservation of historic properties, structures, facilities, sites, areas, or objects, and the acquisition of such properties, structures, facilities, sites, areas, or objects for historic preservation purposes; or
- (f) Payment of debt service on indebtedness issued or incurred by a municipality for any of the purposes set forth in paragraphs (a), (b), (d), or (e) hereinabove.

Appropriations for the expenditures of Open Space Tax funds may be authorized by the governing body after appropriate public hearings thereon.

The Township has appointed an "Open Space Advisory Committee" to prepare recommendations for the use of the Township's Open Space Tax Funds. The Committee held two public hearings and numerous work sessions to insure that all interested parties were afforded an opportunity to participate in this task. A final report was issued in the year 2000.

Gulick Farm

In 2001 the township authorized the amount of \$2,775,000 for the purchase of a portion of the Gulick Farm. \$138,750 in down payment money was paid from the township's Open Space Fund. In 2002, \$2,600,000 in short-term Bond anticipation Notes were issued. The purchase was completed in April, 2002. It is anticipated that the township will receive grants and loans from the State of New Jersey for this purchase. At this time the final amount of such grants and loans is not known. The proceeds of such grants and loans will be used to pay down the debt service associated with this open space purchase.

As of December 31, 2007 the balance in the Open Space Fund is \$481,057.01.

Princeton Public Library

In 1960 the Township of Princeton and the Borough of Princeton established the Joint Free Public Library of Princeton. In 2001 the two municipalities and the Trustees of the Joint Free Public Library of Princeton entered in to an agreement to build a new library facility on the site of the then existing library in the Borough of Princeton. In 2002 the existing library building was demolished and the library moved into temporary rented space in the Princeton Shopping Center, located in the Township. The financing for the construction of the new library facility is as follows:

Township of Princeton share	(68%)	\$4,080,000	
Borough of Princeton share	(32%)	<u>1,920,000</u>	
Total Municipal share			\$6,000,000

Contributions to be raised from a			
Private fund raising campaign			<u>12,000,000</u>
Total cost of a new library facility			<u>\$18,000,000</u>

In order to have the finances available to issue contracts for the construction of the new library facility, the municipalities have authorized the appropriation of the total \$18,000,000 in the following amounts:

Township of Princeton share	(68%)	\$12,240,000	
Borough of Princeton share	(32%)	<u>5,760,000</u>	
Total Municipal share			<u>\$18,000,000</u>

As cash contributions are received by the library, the municipal shares authorized will be reduced proportionately.

Interlocal Service Agreements

With the Borough of Princeton:

The Township and the Borough of Princeton have several departments which serve both municipalities. The "host" municipality receives reimbursement from the other municipality for their share of the department's costs.

Host Municipality:

Township of Princeton	Drug Treatment Program (Corner House)
	Joint Environmental Commission
	Joint Human Services Commission
	Joint Regional Planning Board
	Joint Recreation Board

Borough of Princeton	Small Animal Control
	Cable Television
	Fire Department (Volunteer)
	Fire Facilities
	Health
	Sewer Operating Committee
	Solid Waste
	Suzanne Paterson Center (Senior Citizen)

In addition the two municipalities jointly fund the following:

Joint Free Public Library
Princeton First Aid & Rescue Squad

With the Princeton Regional School District:

Joint fueling facility

With Mercer County Improvement Authority

Curbside Recycling Program

With Stony Brook Regional Sewerage Authority

Wastewater collection and treatment

Water

The Township does not provide water service. Most properties are serviced by New Jersey American Water Company (formerly known as Elizabethtown Water Company), a private company. Other properties are serviced by private wells.

Sewer

A majority of the Township is serviced by municipal sewers.

The Township is a member of the Stony Brook Regional Sewerage Authority. The Authority was created in 1971 to construct and operate a wastewater collection and treatment system to serve six municipalities in the Stony Brook watershed area of Mercer and Middlesex Counties, New Jersey. The Authority has entered into a service contract with its member municipalities, obligating each participating municipality to the Authority for its proportionate share of the Authority's operating expenses, debt service and required reserve additions to the extent not met by other sources. The other members of the authority are Princeton Borough, Hopewell Borough, Pennington Borough, West Windsor Township, and South Brunswick Township.

Bond Rating

In 2001 the Township requested a review of its bond ratings and met with both Moody's Investors Service and Standard & Poor's with the following results:

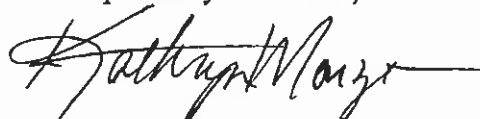
	<u>2001 Rating</u>
Moody's Investors Service	Aaa
Standard & Poor's	AAA

The Aaa rating was reaffirmed again in March, 2006 by both Moody's Investors Service and Standard and Poor's in conjunction with the Township's \$23,775,000 Bond Issue.

Tax Collection Rate

In 2007 the Township's tax collection rate was above 99%, and has been above 98% for eleven consecutive years.

Respectfully submitted,



Kathryn Monzo, CMFO/CTC
Chief Financial Officer

FINANCIAL SECTION

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REGISTERED MUNICIPAL ACCOUNTANTS OF N.J.

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Committee
Township of Princeton
County of Mercer, New Jersey

We have audited the accompanying combined statement of assets, liabilities, reserves and fund balance – all funds and account group– statutory basis, the combined statement of revenues, expenses and changes in fund balance – statutory basis- current and affordable housing utility operating fund, the schedules of assets, liabilities and fund balance – statutory basis and the related schedules of revenues - statutory basis and schedules of expenditures - statutory basis of the various funds of the Township of Princeton, County of Mercer, New Jersey as of December 31, 2007 and 2006, which collectively comprise the district's financial statements – statutory basis, as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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 opinion.

As described in Note 2, these financial statements were prepared in conformity with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. These prescribed principles are designed primarily for determining compliance with legal provisions and budgetary restrictions, and as a means of reporting on the stewardship of public officials with respect to public funds. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in accordance with accounting principles generally accepted in the United States of America.

In our opinion, because the prescribed statutory basis of accounting as described in the preceding paragraph is utilized by the Township of Princeton, County of Mercer, New Jersey for the purpose of financial statement preparation, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Princeton, County of Mercer, New Jersey as of December 31, 2007 or the results of its operations, or cash flows of its proprietary fund type for the years then ended.

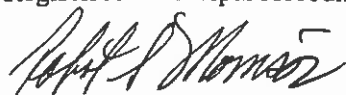
However, in our opinion, the financial statements – statutory basis referred to above present fairly, in all material respects, the financial position – statutory basis of the various funds of the Township of Princeton, County of Mercer, New Jersey as of December 31, 2007 and the results of operations and changes in fund balance – statutory basis of such funds for the years then ended and the statement of revenues – statutory basis and statement of expenditures – statutory basis of the various funds for the year ended December 31, 2007, on the basis of accounting described in Note 2.

In accordance with Government Auditing Standards, we have also issued a report dated June 24, 2008 on our consideration of the Township of Princeton's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and 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 Accounting Standards and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements of the Township of Princeton, County of Mercer, New Jersey taken as a whole. The information included in the supplementary data and schedules listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements of the Township of Princeton, County of Mercer, New Jersey. Such information contained in the Supplementary Data and Supplementary Schedules has been subjected to auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly state in all material respects to the financial statements taken as a whole.

Hodulik & Morrison, P.A.

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



Robert S. Morrison
Registered Municipal Accountant
No. 412

Highland Park, New Jersey
June 24, 2008

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

Honorable Mayor and Members
of the Township Committee
Township of Princeton
County of Mercer, New Jersey

We have audited the financial statements of the Township of Princeton as of and for the years ended December 31, 2007, and have issued our report thereon dated June 24, 2008. Our report was qualified because of the departure from accounting principles generally accepted in the United States of America as disclosed in Note 2. 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 audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township of Princeton's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Township of Princeton's financial statements that is more than inconsequential will not be prevented or detected by the Township of Princeton's internal control.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Princeton's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

This report is intended solely for the information and use of the Mayor and Township Committee, management, Division of Local Government Services and state awarding agencies and is not intended to be, and should not be, used by anyone other than these specified parties.

Hodulik & Morrison, P.A.

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

Highland Park, New Jersey
June 24, 2008

FINANCIAL STATEMENTS

TOWNSHIP OF PRINCETON
COUNTY OF MERCER
COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE
STATUTORY BASIS
DECEMBER 31, 2007

ASSETS	CURRENT FUND	GENERAL CAPITAL FUND	TRUST FUNDS	UTILITY OPERATING FUND	UTILITY CAPITAL FUND	PUBLIC ASSISTANCE FUND	GOVERNMENTAL FIXED ASSETS	TOTAL DEC. 31, 2007
Cash and Investments	\$ 9,889,582.34	\$ 4,560,409.41	\$ 10,250,817.35	\$ 2,098,609.76	\$ 11,071.96	\$ 88,590.48		26,899,081.30
Federal and State Grants Receivable	866,814.56	3,624,251.00						4,491,065.56
Receivables and Other Assets:								
Delinquent Property Taxes	672,993.50							672,993.50
Other Receivables	42,817.26	1,255,994.98	79,885.55					1,298,812.24
Assessments Receivable			8,478.76					79,885.55
Tax Title and Assessment Liens Rec.	60,893.74							60,893.74
Other Accounts Receivable	57,829.21			511,715.93				569,545.14
Interfunds Receivable	25,000.00	228,167.00						253,167.00
Property Acquired for Taxes	70,000.00							70,000.00
Prospective Assessments Funded		8,325.00	8,325.00					16,650.00
Overexpenditure of Improv. Authorization		2,390.08			1,595,000.00			2,390.08
Deferred Charge to Future Taxation:								
Funded		58,616,978.88						58,616,978.88
Unfunded		23,901,020.36						23,901,020.36
Fixed Assets							55,793,117.79	55,793,117.79
	\$ 11,685,930.61	\$ 92,197,536.71	\$ 10,347,506.66	\$ 2,610,325.69	\$ 1,606,071.96	\$ 88,590.48	\$ 55,793,117.79	\$ 174,329,079.90

TOWNSHIP OF PRINCETON
COUNTY OF MERCER
COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE
STATUTORY BASIS
DECEMBER 31, 2007

	CURRENT FUND	GENERAL CAPITAL FUND	TRUST FUNDS	UTILITY OPERATING FUND	UTILITY CAPITAL FUND	PUBLIC ASSISTANCE FUND	GOVERNMENTAL FIXED ASSETS	TOTAL DEC. 31, 2007
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>								
Overpayments	\$ 47,006.93	\$	\$	\$	\$	\$	\$	\$ 47,006.93
Appropriation Reserves	1,674,404.78							1,674,404.78
Prepaid Taxes and Utility Charges	769,525.17							769,525.17
Federal and State Grants:								
Appropriated Reserves	924,144.35							924,144.35
Unappropriated Reserves	9,825.78							9,825.78
Encumbrances	11,459.52							11,459.52
Other Liabilities and Reserves:								
Due to State of New Jersey	10,491.92							10,491.92
Reserve for Future Debt Service	559,751.05	714,447.74			11,071.96			1,285,270.75
Premium on Tax Sale Certificates	106,300.00							106,300.00
Capital Improvement Fund		157,164.18						157,164.18
Preliminary Costs		1,385.31						1,385.31
Other Reserves	36,413.23	429,638.13	10,017,723.85	1,845,177.87		88,590.48		12,417,543.56
Improvement Authorizations		23,708,105.46						23,708,105.46
Reserve for Encumbrances	211,687.91	2,235,727.27	175,332.89	2,973.56				2,625,721.63
Prospective Assessments Funded		8,325.00	8,325.00					16,650.00
Interfunds Payable	228,167.00		25,000.00		1,595,000.00			253,167.00
Serial Bonds Payable		50,740,000.00						52,335,000.00
Bond Anticipation Notes		6,000,000.00						6,000,000.00
Wastewater Treatment Loans Payable		350,058.88						350,058.88
Green Trust Loan Payable		4,035,340.67						4,035,340.67
Environmental Infrastructure Loans		3,491,579.63						3,491,579.63
Reserve for Receivables	929,533.71			511,715.93				1,441,249.64
Other Payables	743,214.69							743,214.69
Investment in Fixed Assets							55,793,177.79	55,793,177.79
Fund Balance	5,424,004.57	325,764.44	121,124.92	250,458.33				6,121,352.26
	<u>\$ 11,685,930.61</u>	<u>\$ 92,197,536.71</u>	<u>\$ 10,347,506.66</u>	<u>\$ 2,610,325.69</u>	<u>\$ 1,606,071.96</u>	<u>\$ 88,590.48</u>	<u>\$ 55,793,177.79</u>	<u>\$ 174,329,139.90</u>

See Notes to Financial Statements

TOWNSHIP OF PRINCETON
COUNTY OF MERCER
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - STATUTORY BASIS
BUDGET AND ACTUAL - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	Budget as <u>Modified</u>	2007 <u>Actual</u>	<u>Variance</u>
Revenues:			
Fund Balance Appropriated	\$ 3,000,000.00	\$ 3,000,000.00	
Miscellaneous Revenue	10,477,210.48	10,394,193.96	(83,016.52)
Receipts from Delinquent Taxes	589,066.39	582,910.83	(6,155.56)
Amount to be Raised by Taxes for Support of Municipal Budget:			
Local Tax for Municipal Purposes	<u>19,399,578.05</u>	<u>21,776,411.64</u>	<u>2,376,833.59</u>
Total Budget Revenue	<u>33,465,854.92</u>	<u>35,753,516.43</u>	<u>2,287,661.51</u>
Other Credits to Income		<u>1,659,663.22</u>	<u>1,659,663.22</u>
Total Revenues	<u>33,465,854.92</u>	<u>37,413,179.65</u>	<u>3,947,324.73</u>
Expenditures:			
Current Fund Within CAPS:			
General Government	3,827,873.82	3,827,873.82	
Land Use Administration	400,955.00	400,955.00	
Public Safety	5,015,813.00	5,015,813.00	
Public Works	1,977,496.42	1,977,496.42	
Health & Human Services	777,414.00	777,414.00	
Parks and Recreation	780,801.00	780,801.00	
Unclassified Purposes	2,325,862.00	2,325,862.00	
Deferred Charges and Statutory Expenditures	392,000.00	392,000.00	
Current Fund Excluded From CAPS:			
General Government	8,010,309.40	8,010,309.40	
Public and Private Programs	1,455,684.48	1,455,684.48	
Capital Improvements	300,000.00	300,000.00	
Debt Service	5,674,417.00	5,631,465.63	42,951.37
Reserve for Uncollected Taxes	<u>2,527,228.80</u>	<u>2,527,228.80</u>	
Total Budget Expenditures	<u>33,465,854.92</u>	<u>33,422,903.55</u>	<u>42,951.37</u>
Other Charges		<u>123,044.02</u>	<u>(123,044.02)</u>
Total Expenditures	<u>33,465,854.92</u>	<u>33,545,947.57</u>	<u>(80,092.65)</u>
Statutory Excess to Fund Balance		3,867,232.08	
Fund Balance January 1, 2007		<u>4,556,772.49</u>	
Decreased by: Utilized in Budget		<u>3,000,000.00</u>	
Fund Balance December 31, 2007		<u>\$ 5,424,004.57</u>	

See Notes to Financial Statements

TOWNSHIP OF PRINCETON
COUNTY OF MERCER
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - STATUTORY BASIS
CURRENT AND UTILITY OPERATING FUNDS
FOR THE YEAR ENDED DEC. 31, 2007

Page 1 of 2

	<u>CURRENT FUND</u>	<u>UTILITY OPERATING FUNDS</u>
Revenues:		
Fund Balance Appropriated	\$ 3,000,000.00	\$ 230,000.00
Miscellaneous Revenue	10,394,193.96	666,375.29
Receipts from Delinquent Taxes	582,910.83	
Amount to be Raised by Taxes for Support of Municipal Budget:		
Local Tax for Municipal Purposes	<u>83,695,487.11</u>	
Total Budget Revenue	<u>97,672,591.90</u>	<u>896,375.29</u>
Other Credits to Income	<u>1,659,663.21</u>	
Total Revenues	<u>99,332,255.11</u>	<u>896,375.29</u>
Expenditures:		
Current Fund Within CAPS:		
General Government	3,827,873.82	181,392.31
Land Use Administration	400,955.00	
Public Safety	5,015,813.00	
Public Works	1,977,496.42	
Health & Human Services	777,414.00	
Parks and Recreation	780,801.00	
Unclassified	2,325,862.00	
Deferred Charges and Statutory Expenditures	392,000.00	
Current Fund Excluded From CAPS:		
General Government	8,010,309.40	
Public and Private Programs	1,455,684.48	
Capital Improvements	300,000.00	
Debt Service	<u>5,631,465.63</u>	<u>493,968.75</u>
Total Budget Expenditures	<u>30,895,674.75</u>	<u>675,361.06</u>
Other Charges	<u>64,569,348.28</u>	
Total Expenditures	<u>95,465,023.03</u>	<u>675,361.06</u>

TOWNSHIP OF PRINCETON
COUNTY OF MERCER
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - STATUTORY BASIS
CURRENT AND UTILITY OPERATING FUNDS
FOR THE YEAR ENDED DEC. 31, 2007

Page 2 of 2

	<u>CURRENT FUND</u>	<u>UTILITY OPERATING FUNDS</u>
Statutory Excess to Fund Balance	3,867,232.08	221,014.23
Fund Balance Jan. 1, 2007	<u>4,556,772.49</u>	<u>259,444.10</u>
	8,424,004.57	480,458.33
Decreased by: Utilized in Budget	<u>3,000,000.00</u>	<u>230,000.00</u>
Fund Balance Dec. 31, 2007	<u><u>\$ 5,424,004.57</u></u>	<u><u>\$ 250,458.33</u></u>

See Notes to Financial Statements

TOWNSHIP OF PRINCETON
COUNTY OF MERCER
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - STATUTORY BASIS
BUDGET AND ACTUAL - UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budget as Modified</u>	<u>2007 Actual</u>	<u>Variance</u>
Revenues:			
Fund Balance Appropriated	\$ 230,000.00	\$ 230,000.00	
Affordable Housing Fees	341,788.00	341,788.00	
Township Contribution	200,000.00	200,000.00	
Miscellaneous		<u>124,587.29</u>	<u>124,587.29</u>
Total Budget Revenue	<u>771,788.00</u>	<u>896,375.29</u>	<u>124,587.29</u>
Other Credits to Income			
Total Revenues	<u>771,788.00</u>	<u>896,375.29</u>	<u>124,587.29</u>
Expenditures:			
Operating Expenses	274,193.00	181,392.31	92,800.69
Debt Service	<u>497,595.00</u>	<u>493,968.75</u>	<u>3,626.25</u>
Total Expenditures	<u>771,788.00</u>	<u>675,361.06</u>	<u>96,426.94</u>
Excess (Deficit) in Revenues		<u>221,014.23</u>	<u>221,014.23</u>
Statutory Excess to Fund Balance		<u>221,014.23</u>	<u>221,014.23</u>
Fund Balance January 1, 2007		<u>259,444.10</u>	
Decreased by: Utilized in Budget	<u>230,000.00</u>	<u>230,000.00</u>	
Fund Balance December 31, 2007		<u><u>\$ 250,458.33</u></u>	

See Notes to Financial Statements

TOWNSHIP OF PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
THE YEAR ENDED DECEMBER 31, 2007 and 2006

Note 1: FORM OF GOVERNMENT

Princeton Township, incorporated in 1838, is a suburban community with a population of 16,027 covering an area of 16.5 square miles in the heart of Central Jersey. The governing body is a Committee form of government chartered by the State of New Jersey under N.J.S.A. 40A:63-1. Five Committee members are elected at-large in partisan elections to serve staggered three-year terms. The Mayor is elected by the Committee and serves a one-year term as does the Deputy Mayor. All legislative powers are assigned to the Committee. An Administrator is also empowered by ordinance to serve in an executive capacity and direct the day to day operations of the Township.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Except as noted below, the financial statements of the Township of Princeton include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Princeton, as required by N.J.S.A. 40A: 5-5. Accordingly, the financial statements of the Township of Princeton do not include the operations of the municipal library, the board of education, recreation commission, first aid organizations, volunteer fire companies or fire districts.

B. Description of Funds

The accounting policies of the Township of Princeton conform to the accounting principles applicable to municipalities that have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township of Princeton accounts for its financial transactions through the following separate funds:

Current Fund - resources and expenditures for governmental operations of a general nature, including Federal and State grant funds, except as otherwise noted.

Trust Fund - receipts, custodianship and disbursement of funds in accordance with the purposes for which each reserve was created. Pursuant to the provisions of N.J.S.A. 40A: 4-39, the financial transactions of the following funds and accounts are also reported within the Trust Fund:

- Assessment Trust Fund
- Animal Control Trust Fund
- Unemployment Compensation Insurance Trust Fund
- Developer's Escrow Fund
- Open Space Trust Fund
- Payroll & Payroll Agency Fund
- Mountain Lakes Nature Preserve Donations
- Parking Adjudication Act
- Construction Code Fees
- Accumulated Absences
- Snow Removal Trust Fund

NOTES TO FINANCIAL STATEMENTS

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

B. Description of Funds (Cont'd.)

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

Affordable Housing Utility Fund - resources and expenditures for the construction and sale of affordable housing.

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

Governmental Fixed Assets - the Governmental Fixed Asset System is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available or any other reasonable basis, provided such basis is adequately disclosed in the financial statements. Donated fixed assets are valued at their estimated fair value on the date of donation. No depreciation is recorded on general fixed assets.

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

NOTES TO FINANCIAL STATEMENTS

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

C. Basis of Accounting and Measurement Focus

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

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

Expenditures - For purposes of financial reporting, expenditures are recorded as "paid or charged" or "appropriation reserves". Paid or charged refers to the Township "budgetary" basis of accounting. Generally, these expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Reserves for un-liquidated encumbrances at the close of the year are reported as a cash liability. Encumbrances do not constitute expenditures under GAAP. Appropriation reserves refer to unexpended appropriation balances at the close of the year. Appropriation reserves are automatically created and recorded as a cash liability, except for amounts, which may be cancelled by the governing body. Appropriation reserves are available until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred and not recorded in the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Generally, unexpended balances of budget appropriations are not recorded as expenditures under GAAP.

For the purpose of calculating the results of Current Fund operations, the regulatory basis of accounting utilized by the Township requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories of over-expenditures and emergency appropriations. Over-expenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Over-expenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the Current Fund balance sheet. GAAP does not permit the deferral of over-expenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance.

NOTES TO FINANCIAL STATEMENTS

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

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

New Jersey statutes require municipalities to provide annual funding to Free Public Libraries through the Current Fund Budget. Amounts paid on behalf of the Free Public Library or transferred to the custody of the Library's management are recorded as budgetary expenditures of the Township, notwithstanding the fact that the Library is recognized as a separate entity for financial reporting purposes. Under GAAP, the Library would be recognized, as a "component unit" of the Township, and discrete reporting of the Library's financial position and operating results would be incorporated in the Township's financial statements.

Compensated Absences - The Township records expenditures for payments of earned and unused vacation and sick leave in the accounting period in which the payments are made. GAAP requires that expenditures be recorded in the governmental (Current) fund in an amount that would normally be liquidated with available financial resources, and that expenditures be recorded in the enterprise (Affordable Housing Utility) fund on a full accrual basis.

Property Acquired for Taxes - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the general fixed asset account group at the lower of cost or fair market value.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the accounting period the receivables are liquidated. GAAP does not require the establishment of an offsetting reserve. Interfund receivables in the other funds are not offset by reserves.

Sale of Municipal Assets - Cash proceeds from the sale of Township owned property may be realized as revenue or reserved until utilized as an item of revenue in a subsequent year budget. Year-end balances of reserved proceeds are reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period that the terms of the sales contracts become legally enforceable.

Governmental Fixed Assets - Property and equipment purchased by the Current and the General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized. Contributions in aid of construction are not capitalized. GAAP does not require the establishment of a reserve for amortization for utility fixed assets, but does require the recognition of depreciation of these assets as an operating expense of the utility.

Governmental Fixed Assets - New Jersey Administrative Code 5:30-5.6 established a mandate for fixed asset accounting by municipalities, effective December 31, 1985. All governmental fixed assets acquired by the Township are recorded at cost. The general fixed asset records were updated during fiscal year 2007.

Disclosures About Fair Value of Financial Instruments - The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Cash and cash equivalents and short-term investments - The carrying amount approximates fair value because of the short maturity of those instruments.

NOTES TO FINANCIAL STATEMENTS

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

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

Long-term debt - The Township's long-term debt is stated at face value. The debt is not traded and it is not practicable to determine its fair value without incurring excessive cost. Additional information pertinent to the Township's long-term debt is disclosed in Note 3 to the financial statements.

Recent Accounting Standards

GASB issued Statement No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues" in September 2006. The statement establishes accounting and financial reporting standards for transaction in which a government receives, or is entitled to, resources in exchange for future cash flows generated by collecting specific receivables or specific future revenues.

GASB issued Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations" in November 2006. The statement establishes standards for accounting and financial reporting for pollution remediation obligations. It is used to enhance the usefulness and comparability of pollution remediation obligation information reported by state and local governments by setting uniform standards requiring more timely and complete reporting of those obligations.

GASB issued Statement No. 50, "Pension Disclosures" in May 2007. The statement amends Statements 25 and 27 to conform with applicable changes adopted in Statement 43 "Financial Reporting for Postemployment Benefit Plans Other than Pension Plans", and Statement 45 "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pension Plans. The intention of this Statement is to improve the transparency and decision usefulness of reported information about pensions by the state and local government plans and employers.

GASB issued Statement No. 51, "Accounting and Financial Reporting for Intangible Assets", in July 2007. The Statement provides needed guidance regarding how to identify, account for, and report intangible assets.

GASB issued Statement No. 52, "Land and Other Real Estate Held as Investments by Endowments" in November 2007. The statement improves the quality of financial reporting by requiring endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income.

The Township does not prepare its financial statements in accordance with generally accepted accounting principles in the United States of America. The Township has adopted the reporting for GASB 44. They have not adopted the use of any other of the GASB's listed above. The adoption of these new standards will not adversely effect the reporting on the Township's financial condition.

Use of Estimates – The preparation of the financial statements requires management of the Township to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION

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

A. Summary of Municipal Debt for Capital Projects

	<u>2007</u>	<u>2006</u>
<u>Issued:</u>		
General:		
Bonds and Notes	56,740,000.00	53,755,000.00
Green Trust Program Loans	4,035,340.67	4,416,894.85
Wastwater Treatment Loan	350,058.88	755,176.64
Infrastructure Loan	3,491,579.63	1,794,142.00
Affordable Housing Utility:		
Bonds and Notes	<u>1,595,000.00</u>	<u>2,030,000.00</u>
Total Issued	<u>66,211,979.18</u>	<u>62,751,213.49</u>
<u>Authorized But Not Issued:</u>		
General:		
Bonds and Notes	<u>17,901,020.36</u>	<u>24,674,451.91</u>
Total Authorized But Not Issued	<u>17,901,020.36</u>	<u>24,674,451.91</u>
Total Bonds and Notes Issued and Authorized but not Issued	<u>84,112,999.54</u>	<u>87,425,665.40</u>

NOTES TO FINANCIAL STATEMENTS

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

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

	<u>2007</u>	<u>2006</u>
<u>General Debt (cont'd.):</u>		
\$1,125,000, Weller Property, due in semi-annual installments of \$34,978.05 through July 16, 2018, interest at 2.00%	687,681.63	743,052.15
\$5,625,000.00, Institute Woods, due in semi-annual installments of \$174,890.21 through Jan. 8, 2017, interest at 2.00%	3,012,660.48	3,297,901.99
\$905,000, Infrastructure Water Loan, due in annual installments of \$30,000 to \$70,000 through Nov. 1, 2027, interest at 4.25% to 5.00%	905,000.00	905,000.00
\$889,142, Infrastructure Water Loan - Principal Only, due in semi-annual installments of \$20,783.37 to 45,995.14 through Oct. 23, 2026	868,358.63	889,142.00
\$870,000, Infrastructure Water Loan, due in annual installments of \$30,000 to \$65,000 through Aug. 1, 2027, interest at 4.25% to 5.00%	870,000.00	
\$848,221, Infrastructure Water Loan - Principal Only, due in semi-annual installments of \$20,099.89 to 41,874.02 through Aug. 1, 2027	848,221.00	
\$2,935,000, Wastewater Trust Loan due in annual installments of \$90,000 to 275,000 through Apr.. 15, 2008, interest at 3.25%	275,000.00	530,000.00
\$2,702,120, Wastewater Trust Loan due in semi-annual installments of \$75,058.89 through Apr. 15, 2008, interest free.	<u>75,058.88</u>	<u>225,176.64</u>
Total General Debt	<u>58,616,979.18</u>	<u>56,335,259.35</u>
Total Debt Issued and Outstanding	<u><u>\$58,616,979.18</u></u>	<u><u>\$56,335,259.35</u></u>

NOTES TO FINANCIAL STATEMENTS

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

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

Summarized below are the Township's individual bond and loan issues which were outstanding at December 31, 2006:

	<u>2007</u>	<u>2006</u>
<u>General Debt:</u>		
\$9,150,000, General Improvement Bonds Series 1999, due in annual installments of \$1,000,000 to \$1,555,000 through July 1, 2010, interest at 4.60%.	\$3,000,000.00	\$4,000,000.00
\$10,700,000, General Improvement Bonds Series 2001, due in annual installments of \$500,000 to \$800,000 through September 1, 2019, interest at 4.10% to 4.625%	8,000,000.00	8,500,000.00
\$10,685,000, General Improvement Bonds Series 2002, due in annual installments of \$500,000 to \$1,000,000 through September 1, 2017, interest at 3.125% to 3.750%	8,185,000.00	8,685,000.00
\$9,250,000, General Improvement Bonds Series 2004, due in annual installments of \$400,000 to \$800,000 through May 1, 2019, interest at 4.125% to 4.500%	8,050,000.00	8,450,000.00
\$23,775,000, General Improvement Bonds Series 2006, due in annual installments of \$270,000 to \$1,820,000 through January 1, 2026, interest at 4.125% to 4.500%	23,505,000.00	23,775,000.00
<u>Program Loans:</u>		
\$145,000.00, Larson Tract, due in semi-annual installments of \$4,508.28 through Apr. 12, 2009, interest at 2.00%	13,258.77	21,880.62
\$631,500, Poe Property, due in semi-annual installments of \$19,620.35 through Oct. 24, 2016, interest at 2.00%	321,739.79	354,060.09

NOTES TO FINANCIAL STATEMENTS

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONTD.)

B. Summary of Statutory Debt Condition - Annual Debt Statement

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

<u>2007</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$35,557,290.08	\$35,557,290.08	
Affordable Housing Utility Debt	1,595,000.00	1,595,000.00	
General Debt	<u>82,522,999.54</u>	<u>297,637.99</u>	<u>82,225,361.55</u>
	<u>\$119,675,289.62</u>	<u>\$37,449,928.07</u>	<u>\$82,225,361.55</u>

Net Debt \$82,225,361.55 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended $\$4,777,884,598.00 = \underline{\underline{1.72\%}}$

The Township's Borrowing Power Under N.J.S.A. 40A:2-6 as Amended, at June 30, was as follows:

<u>2007</u>	
3 1/2% of Equalized Valuation Basis Municipal Net Debt	<u>\$167,225,960.93</u> <u>82,225,361.55</u>
Remaining Borrowing Power	<u>\$85,000,599.38</u>

The Township's Borrowing Power Under N.J.S.A. 40A:2-6 as Amended, at June 30, was as follows:

<u>2006</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$37,934,656.25	\$37,934,656.25	
Affordable Housing Utility Debt	2,030,000.00	2,030,000.00	
General Debt	<u>85,257,564.82</u>	<u>551,474.82</u>	<u>84,706,090.00</u>
	<u>\$125,222,221.07</u>	<u>\$40,516,131.07</u>	<u>\$84,706,090.00</u>

Net Debt \$84,706,090.00 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended $\$4,413,248,879.00 = \underline{\underline{1.92\%}}$

The Township's Borrowing Power Under N.J.S.A. 40A:2-6 as Amended, at June 30, was as follows:

<u>2006</u>	
3 1/2% of Equalized Valuation Basis Municipal Net Debt	<u>\$154,463,710.77</u> <u>84,706,090.00</u>
Remaining Borrowing Power	<u>\$69,757,620.77</u>

NOTES TO FINANCIAL STATEMENTS

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

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

SFY Year	<u>GENERAL</u>		<u>AFFORDABLE HOUSING UTILITY</u>		<u>TOTAL</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2008	\$3,959,308.18	\$2,290,450.00	\$420,000.00	\$51,718.75	\$4,379,308.18	\$2,342,168.75
2009	3,828,529.53	2,148,368.25	405,000.00	39,118.75	4,233,529.53	2,187,487.00
2010	3,905,019.57	2,002,986.75	390,000.00	26,462.50	4,295,019.57	2,029,449.25
2011	3,749,283.63	1,840,772.50	380,000.00	13,300.00	4,129,283.63	1,854,072.50
2012	3,845,170.78	1,703,586.75			3,845,170.78	1,703,586.75
2013	3,934,791.16	1,562,129.25			3,934,791.16	1,562,129.25
2014	4,066,178.62	1,414,120.75			4,066,178.62	1,414,120.75
2015	4,164,084.03	1,261,206.25			4,164,084.03	1,261,206.25
2016	4,205,164.77	1,099,157.88			4,205,164.77	1,099,157.88
2017	4,102,094.52	932,572.25			4,102,094.52	932,572.25
2018	3,099,234.81	767,416.63			3,099,234.81	767,416.63
2019	3,087,617.70	633,549.38			3,087,617.70	633,549.38
2020	1,571,566.47	515,608.75			1,571,566.47	515,608.75
2021	1,633,889.38	448,415.00			1,633,889.38	448,415.00
2022	1,704,006.69	377,383.76			1,704,006.69	377,383.76
2023	1,784,029.25	302,557.50			1,784,029.25	302,557.50
2024	1,869,068.11	223,545.00			1,869,068.11	223,545.00
2025	1,953,651.72	139,210.00			1,953,651.72	139,210.00
2026	2,046,542.39	50,977.50			2,046,542.39	50,977.50
2027	107,745.32	2,762.50			107,745.32	2,762.50
					0.00	
TOTAL	<u>\$58,616,976.63</u>	<u>\$19,716,776.65</u>	<u>\$1,595,000.00</u>	<u>\$130,600.00</u>	<u>\$60,211,976.63</u>	<u>\$19,847,376.65</u>

NOTES TO FINANCIAL STATEMENTS

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONTD.)

Calculation of "Self-Liquidating Purpose"

Affordable Housing Utility Per N.J.S.A. 40A: 2-45

The calculation of "Self-Liquidating Purpose" for the Affordable Housing Utility, per N.J.S.A. 40A: 2-45 is as follows:

	<u>2007</u>	<u>2006</u>
Cash Receipts from Fees, Rents or Other Charges for Year	\$896,375.29	\$ 983,288.51
Deductions:		
Operating and Maintenance Costs	181,392.31	180,936.61
Debt Service	<u>493,968.75</u>	<u>522,156.26</u>
Total Deductions	<u>675,361.06</u>	<u>703,092.87</u>
Excess in Revenues	<u>\$221,014.23</u>	<u>\$280,195.64</u>

Deduction of Self-Liquidating Utility Debt for

Statutory Net Debt – Affordable Housing Utility per N.J.S.A. 40A: 2-45

The differences between the excess in revenues for debt statement purposes and the statutory cash basis for the Affordable Housing Utility Fund is as follows:

	<u>2007</u>	<u>2006</u>
Excess in Revenues - Cash Basis (D-1)	\$221,014.23	\$159,871.04
Add: Other Deductions to Operations	<u>0.00</u>	<u>120,324.60</u>
Excess in Revenue	<u>\$221,014.23</u>	<u>\$280,195.64</u>

NOTES TO FINANCIAL STATEMENTS

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONTD.)

D. Loan Agreements

1. Department of Environmental Protection Green Trust Program Loans

The Township has contracted with the State of New Jersey, Department of Environmental Protection to fund a portion of the costs incurred in the acquisition of the Larson Tract, Institute Woods, Poe Property and the Weller Property. Information relating to these loans is as follows:

	<u>Loan #1</u>	<u>Loan #2</u>	<u>Loan #3</u>	<u>Loan #4</u>
Drawn down Date	10/12/89	7/8/97	4/24/97	1/16/99
Loan Amount	\$145,000.00	\$1,406,200.00	\$631,050.00	\$1,125,000.00
Interest Rates	2.00%	2.00%	2.00%	2.00%
Due Dates	Apr. 12 & Oct. 28	Jan. 8 & July 8	Apr. 24 & Oct. 24	Jan. 16 & Jul. 16
Number of Payments	39	39	39	39
Final Payment Date	April 12, 2009	January 1, 2017	October 24, 2016	July 16, 2018
Semi-Annual Payments	\$4,508.28	\$43,720.80	\$19,620.35	\$34,978.04

2. Department of Environmental Projection Water Supply Loans

The Township has contracted with the State of New Jersey, Department of Environmental Protection to fund a portion of the costs incurred for the Water Main Cleaning. Information relating to these loans is as follows:

	<u>Loan #1</u>
Drawn down Date	12/1/88
Loan Amount	\$2,702,120.00
Interest Rates	Various Rates
Due Dates	Apr. 25 & Oct. 15
Number of Payments	36
Final Payment Date	April 15, 2008
Semi-Annual Payments	\$75,058.89

Pursuant to the provisions of N.J.S.A. 40A: 2-1 et seq. the combined outstanding principle of these loans has been included in the calculation of the Township's statutory debt condition.

3. Department of Environmental Protection Environmental Infrastructure Loans

The Township has contracted with the State of New Jersey, Department of Environmental Protection to fund a portion of the costs incurred for the Sewer Reconstruction and Repair Project. Information relating to these loans is as follows:

	<u>Loan #1</u>	<u>Loan #2</u>
Drawn down Date	8/28/06	8/28/06
Loan Amount	\$905,000.00	\$889,142.00
Interest Rates	Various	Various
Due Dates	Aug. 1 & Feb. 1	Aug. 1 & Feb. 1
Number of Payments	20	20
Final Payment Date	August 1, 2026	August 1, 2026

NOTES TO FINANCIAL STATEMENTS

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

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

The Township has contracted with the State of New Jersey, Department of Environmental Protection to fund a portion of the costs incurred for the Sewer Reconstruction and Repair Project. Information relating to these loans is as follows:

	<u>Loan #1</u>	<u>Loan #2</u>
Drawn down Date	11/8/07	11/8/07
Loan Amount	\$870,000.00	\$848,221.00
Interest Rates	Various	Various
Due Dates	Aug. 1 & Feb. 1	Aug. 1 & Feb. 1
Number of Payments	20	20
Final Payment Date	August 1, 2027	August 1, 2027

Pursuant to the provisions of N.J.S.A. 40A: 2-1 et seq. the combined outstanding principle of these loans has been included in the calculation of the Township's statutory debt condition.

Note 4: FUND BALANCES APPROPRIATED

Fund balances at December 31, which were appropriated and included as anticipated revenue in their own respective funds for the succeeding years were as follows:

	<u>2007</u>	<u>2006</u>
Current Fund	\$3,000,000.00	\$3,150,000.00
Affordable Housing Utility Operating Fund	230,000.00	261,723.26

Note 5: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2007, the following deferred charges are shown on the balance sheets of the various funds.

	Balance Dec. 31, 2006	Balance Dec. 31, 2007	Balance to Succeeding Budgets
General Capital Fund:			
Overexpenditure of			
Improvement Authorization	<u>\$2,390.08</u>	<u>\$2,390.08</u>	<u>\$2,390.08</u>
Total	<u>\$2,390.08</u>	<u>\$2,390.08</u>	<u>\$2,390.08</u>

NOTES TO FINANCIAL STATEMENTS

Note 6: DEPOSITS AND INVESTMENTS

State statutes set forth deposit requirements and investments that may be purchased by local units and the Township deposits and invests its funds pursuant to its policies and an adopted cash management plan.

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund. New Jersey statutes require public depositories to maintain collateral for deposit of public funds that exceed insurance limits to protect deposits from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five (5) percent of the average daily balance of collected public funds; or if the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent, to secure the deposits of governmental units.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

At December 31, 2007 and 2006, the cash and cash equivalents and investments of the Township on deposit and on-hand consisted of the following:

	<u>2007</u>	<u>2006</u>
Cash (Demand Accts.)	\$27,302,413.76	\$23,190,598.86
Cash Management Fund	210,473.77	
Petty Cash (On-Hand)	<u>575.00</u>	<u>575.00</u>
	<u>\$27,513,462.53</u>	<u>\$23,191,173.86</u>

Based upon GASB criteria, the Township considers change funds, cash in banks, investments in certificates of deposit and State of New Jersey Cash Management Fund as cash and cash equivalents. At year-end, the carrying amount of the Township's deposits was \$26,796,909.27 and the bank balance was \$27,512,887.53. Of the bank balance, \$690,761.31 was covered by Federal depository insurance and \$26,822,126.22 was covered under the provisions of NJGUDPA.

NOTES TO FINANCIAL STATEMENTS

Note 6: DEPOSITS AND INVESTMENTS (CONT'D.)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned. The government does not have a specific deposit policy for custodial risk other than those policies that adhere to the requirements of statute. As of December 31, 2007, based upon the insured balances provided by the FDIC and NJGUDPA coverage, no amount of the Township's bank balance was exposed to custodial risk.

<u>Depository Account</u>	<u>Bank Balance</u>
Insured FDIC	\$690,761.31
Insured – NJGUDPA (N.J.S.A. 17:941)	<u>26,822,126.22</u>
Total	<u>\$27,512,887.53</u>

Investments

New Jersey statutes establish the following securities as eligible for the investment of Township funds:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States;
2. Government money market mutual funds;
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided such obligation bear a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Township or bonds or other obligations of school districts of which the Township is a part and within which the school district is located;
5. Bonds or other obligations having a maturity date of not more than 397 days from the date of purchase that are approved by the Division of Investment of the Department of Treasury for investment by local units;
6. Local government investment pools;
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1997, c. 281 (C.52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities, if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3);
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is more than 30 days; and
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.19:9-41) and for which a master repurchase agreement providing for the custody and security of the collateral is executed.

Note 6: DEPOSITS AND INVESTMENTS (CONT'D.)

New Jersey Cash Management Fund – All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other Than State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. As of December 31, 2007, the Township had \$210,473.77 on deposit with the New Jersey Cash Management Fund. Based upon the existing deposit and investment practices, the Township is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments nor is it exposed to foreign currency risks for its deposits and investments.

Note 7: ASSESSMENT AND COLLECTION OF PROPERTY TAXES

New Jersey statutes require that taxable valuation of real property be prepared by the Township Tax Assessor as of October 1 in each year and filed with the County Board of Taxation by January 10 of the following year. Upon the filing of certified adopted budgets by the Township, 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 Township Tax Collector on or before May 13th.

Tax bills are prepared and mailed by the Collector of Taxes of the Township annually and set forth the final tax for the tax year. The bills contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1st and November 1st of the tax year. In addition, the property owner receives a preliminary bill for the succeeding year based on one half of the prior year's tax. The preliminary payments are due and payable on February 1st and May 1st. The New Jersey statutes allow a grace period of 10 days for each payment period and the Township granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% to 18% of the amount delinquent, and if a delinquency (including interest) is in excess of \$10,000.00 and remains in arrears after December 31, an additional flat penalty of 6% may be charged against the delinquency. If taxes are delinquent on or after April 1st of the succeeding year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1st of the current tax year even though the amount dues is not known.

Note 8: PENSION AND RETIREMENT PLANS

Employees of the Township of Princeton are enrolled in one of two cost sharing multiple-employer public employee retirement systems: the Public Employees Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS). The Division of Pensions in the Department of Treasury, State of New Jersey, administers the PERS and PFRS plans. The plans are funded annually based on the projected benefit method with aggregate level normal cost and frozen initial unfunded accrued liability. The plans, which cover public employees throughout the state, do not maintain separate records for each reporting unit and, accordingly, the actuarial data for the employees of the Township who are members of the plan are not available. The contributions in 2007 and 2006 were \$306,858.47 and \$288,056.25 for PERS and \$254,131.87 and \$273,503.28 for PFRS, respectively, which includes normal pension contributions from the employees that are remitted on a quarterly basis.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits issues publicly available financial reports that include the financial statements and required supplementary information for PERS and PFRS. These financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

NOTES TO FINANCIAL STATEMENTS

Note 9: POST-RETIREMENT HEALTH CARE BENEFITS

In addition to the pension and retirement plans described in Note 8, the Township provides post-retirement health care benefits, in accordance with State statutes, to all employees who retire from the Township with at least 25 years of continuous service regardless of age, or retirement after 20 years of continuous Township service upon attaining age 60. At December 31, 2007 and 2006 Twenty-six (26) were receiving post retirement health care benefits at an annual cost to the Township of approximately \$113,222.01 for 2007 and \$115,851.24 for 2006.

Note 10: ACCRUED SICK AND VACATION BENEFITS

The Township of Princeton has adopted a written Policy and Procedure Manual which sets forth the terms under which an employee may accumulate unused benefits. General Policy is as follows:

Sick Leave – Sick leave for full-time permanent employees accumulates one sick day for each month of work completed. Any paid sick days advanced during the four-month probationary period must be reimbursed if the employee leaves Township service. All regular part-time employees will be credited with paid sick leave on a pro-rated basis. A part-time employee's sick leave may be recalculated in the event of a schedule change. Unused portions of this annually renewed paid sick leave will not be carried over into subsequent calendar years. No additional days will be credited.

Vacations – Vacation pay for permanent employees is accumulated in accordance with the approved schedules for their respective units. Ordinarily, vacation leave shall be used during the year in which it accrues. However, under extraordinary circumstances employees may accrue unused vacation leave toward the next calendar year upon approval of the Administrator. On December 31 of any calendar year, the aggregate of such unused leave accruing from all previous years shall not exceed five (5) days in the case of nonexempt employees, or thirty (30) days in the case of exempt employees. Accrued time in excess of such limits shall be forfeited. An exempt employee may benefit from no more than ten (10) days of such accumulated leave in any calendar year. However, during the calendar year in which retirement occurs, all accrued vacation may be taken.

The total balance of unused vacation and terminal leave time benefits amounts to approximately \$1,059,463.11 as of December 31, 2007.

Note 11: LEASES

The Township of Princeton has entered into an operating lease with Pitney Bowes on September 30, 2005 for a postage machine. The lease is for fifty-four (54) months with a monthly payment of \$898.00. The operating lease expenditures are charged to the current fund budget. The total charges for each year is \$10,776.00.

NOTES TO FINANCIAL STATEMENTS

Note 12: RISK MANAGEMENT

The Township, together with other governmental units, is a member of the Mid Jersey Joint Insurance Fund (the Fund). The Fund, which is organized and operated pursuant to the regulatory authority of the Department of Insurance and Community Affairs, State of New Jersey, provides for a pooling of risks, subject to established limits and deductibles. Payments to the Fund are calculated by the Fund's governing board based upon actuarial and budgetary requirements. Each participant in the Fund is jointly and severally obligated for any deficiency in the amount available to pay all claims. The Joint Insurance Fund insures against property damage, general liability, auto liability, equipment liability, public official liability, law enforcement liability and workers compensation. While additional assessments or premiums can be levied by the Fund to assure payment of the Fund's obligations, no such additional premiums have been necessary as of December 31, 2006. The Fund will be self-sustaining through member premiums, reported as an expenditure in the Township's financial statements. The Fund contracts for excess liability insurance for property damage, general liability, auto liability, equipment liability, public official liability, law enforcement liability and worker's compensation. The Township continues to carry commercial insurance for other risks of loss, principally employee health insurance.

New Jersey Unemployment Compensation Insurance – The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. Following is a summary of Township appropriations, interest earning and remittances to the State for the current and prior year:

<u>Year</u>	<u>Employee Contribution</u>	<u>Interest Earnings</u>	<u>Amounts Reimbursed</u>	<u>Ending Balance</u>
2007	\$2,021.88	\$506.69	\$12,962.13	\$67,951.21
2006	2,051.84	4,342.76	49,783.46	28,384.77

Note 13: COMMITMENTS AND CONTINGENCIES

The Township participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2007, the Township does not believe that any material liabilities will result from such audits.

As of the date of this report, the Township was not involved in any pending or threatened litigation nor any unasserted claims or assessments that would be of a material nature.

NOTES TO FINANCIAL STATEMENTS

Note 14: DEFERRED COMPENSATION

The Township has instituted a Deferred Compensation Plan pursuant to section 457 of the Internal Revenue Code and P.L. 1977, C. 381; P.L. 1978, C. 39; P.L. 1980, C. 78; and P.L. 1997, C. 116 of the Statutes of New Jersey. The plan, available to all Township employees, permits them to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, disability or severe financial hardship.

The Township, by resolution, amended its program for deferred compensation for sponsored employees. The assets of the plan shall be held in trust under the beneficial ownership of the trustee, with the members of the Township committee serving as trustee, for the exclusive benefit of the plan participants and their beneficiaries, and the assets shall not be diverted to any other purposes.

All investments for the plans are administered by the Lincoln National Life Insurance Company.

The plan administrator shall invest in one or more of the eligible investments under N.J.A.C. 5:37-9.2, which are as follows:

1. Interest-and dividend-bearing securities in which savings banks of New Jersey are authorized to invest their funds;
2. Interest-bearing accounts;
3. State of New Jersey Cash Management Fund;
4. Individual or group annuity programs, whether fixed or variable;
5. Mutual funds; and/or
6. Life insurance contracts, whether fixed or variable.

Note 15: INTERFUNDS

The following interfund balances remained on the balance sheet at December 31, 2007:

Fund:	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Current Fund	\$25,000.00	
Grant Fund		228,167.00
General Capital Fund	228,167.00	
Payroll Trust	<u>0.00</u>	<u>25,000.00</u>
Total	<u>\$253,167.00</u>	<u>\$253,167.00</u>

These interfund balances are not an indication that the respective fund cannot meet its obligation. The interfund amounts are reflective of year-end closing journals and adjustments. The balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Transfers are used to (1) move revenues from the funds New Jersey Statute or budget requires to collect to fund the appropriation and the statute or budget to expend them.

NOTES TO FINANCIAL STATEMENTS

Note 18: SUBSEQUENT EVENTS

During the period subsequent to the balance date, through the date of the auditor's report, the Township has authorized capital improvement projects, which provide for the issuance of bonds and notes to finance the costs thereof, as follows:

<u>Project</u>	<u>Bonds/ Notes Authorized</u>
Sidewalks along Ewing Street	\$36,760.00
Various Road Improvements	3,350,000.00
Sidewalks along Braeburn Dr. and Meadowbrook Drive	12,825.00
Sidewalks along Battle Road	3,600.00
Sidewalks along Franklin Avenue	19,000.00
Sidewalks along Ober Road	13,800.00

FUND FINANCIAL STATEMENTS

TOWNSHIP OF PRINCETON
MERCER COUNTY, NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS
DECEMBER 31, 2007 AND 2006

ASSETS	BALANCE JUNE 30, 2007	BALANCE JUNE 30, 2006	LIABILITIES, RESERVES AND FUND BALANCE	BALANCE JUNE 30, 2007	BALANCE JUNE 30, 2006
Cash and Investments - Treasurer	\$ 9,582,225.25	\$ 8,434,440.23	Liabilities:	\$	\$
Petty Cash	575.00	575.00	Due to Joint Recreation Board	1,674,404.78	271.55
			Appropriation Reserves	211,687.91	1,462,294.26
			Reserve for Encumbrances		297,822.02
			Due from State of N.J. Per Chap. 73, P.L. 1976		
			Accounts Payable	2,473.92	4,871.92
Receivables and Other Assets With			Tax Overpayments	396,480.96	396,440.26
Full Reserves:			Sewer Overpayments	46,547.70	43,052.45
Taxes Receivable	672,993.50	582,910.83	Due to State of NJ BOCA Fees	459.23	173.65
Tax Title Liens Receivable	60,893.74	52,332.94	Due to State of NJ BOCA Fees	8,018.00	
Sewer Charges Receivable	24,716.95	36,169.95	Due to County	141,757.94	150,028.15
Delinquent Interest & Penalty	18,100.31	14,789.35	Prepaid Taxes	751,005.23	770,312.94
Property Acquired for Taxes at			Prepaid Sewer	18,519.94	20,623.04
Assessed Value	70,000.00	70,000.00	Premium on Tax Sale Certificates	106,300.00	281,800.00
Revenue Accounts Receivable	57,829.21	57,829.21	Due to Boro of Princeton	204,975.79	133,817.39
Prepaid School Tax		0.94	Miscellaneous Reserves	36,413.23	17,649.50
DTF Payroll Fund	25,000.00	25,000.00	Reserve for Debt Service - Green Trust	559,751.05	299,085.61
Other Accounts Receivable		1,012.77			
				4,158,795.68	3,878,242.74
Total Current Fund	929,533.71	840,045.99	Reserve for Receivables	929,533.71	840,045.99
			Fund Balance	5,424,004.57	4,556,772.49
	10,512,333.96	9,275,061.22	Total Current Fund	10,512,333.96	9,275,061.22
Grant Fund:			Grant Fund:		
Cash and Investments - Treasurer	306,782.09	14,636.81	Reserve for Encumbrances	11,459.52	7,443.09
State & Federal Grants Receivable	866,814.56	512,988.38	Due to General Capital	228,167.00	
			Reserve for State & Federal Grants:		
			Appropriated	924,144.35	482,311.67
Total Grant Fund	1,173,596.65	527,625.19	Unappropriated	9,825.78	37,870.43
			Total Grant Fund	1,173,596.65	527,625.19
	\$ 11,685,930.61	\$ 9,802,686.41			
				\$ 11,685,930.61	\$ 9,802,686.41

TOWNSHIP OF PRINCETON
MERCER COUNTY, NEW JERSEY

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN
FUND BALANCE - STATUTORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

<u>REVENUE AND OTHER INCOME</u>	<u>YEAR 2007</u>	<u>YEAR 2006</u>
Fund Balance Utilized	\$ 3,000,000.00	\$ 3,150,000.00
Miscellaneous Revenues Anticipated	10,394,193.96	12,095,256.01
Receipts from Delinquent Taxes	582,910.83	661,199.41
Receipts from Current Taxes	83,695,487.11	79,877,053.97
Non-Budget Revenue	532,654.02	268,949.94
Other Credits to Income:		
Unexpended Balance of Approp.		
Reserves Lapsed	1,125,996.42	819,612.61
Interfund Loans Returned (Net)	<u>1,012.77</u>	<u>10,873.32</u>
	<u>99,332,255.11</u>	<u>96,882,945.26</u>
<u>EXPENDITURES</u>		
Budget Appropriations:		
Operations:		
Salaries and Wages	9,508,354.42	9,189,109.00
Other Expenses	15,063,854.70	15,918,385.13
Deferred Charges and Statutory		
Expenditures	392,000.00	364,605.00
Capital Improvements	300,000.00	300,000.00
Municipal Debt Service	5,631,465.63	5,132,722.52
County Taxes	22,761,538.31	23,147,417.82
Local District School Taxes	41,199,630.96	38,848,785.90
Municipal Open Space Tax	485,134.99	482,343.16
Grant Receivable Cancelled		9,160.00
Cancel Prior Year Expenditure	<u>123,044.02</u>	<u>584.76</u>
Total Expenditures	<u>95,465,023.03</u>	<u>93,393,113.29</u>

TOWNSHIP OF PRINCETON
MERCER COUNTY, NEW JERSEY

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN
FUND BALANCE - STATUTORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	<u>YEAR 2007</u>	<u>YEAR 2006</u>
Statutory Excess to Fund Balance	\$ 3,867,232.08	\$ 3,489,831.97
 <u>FUND BALANCE</u>		
Balance - January 1	<u>4,556,772.49</u>	<u>4,216,940.52</u>
	8,424,004.57	7,706,772.49
Decreased by:		
Utilized as Anticipated Revenue	<u>3,000,000.00</u>	<u>3,150,000.00</u>
Balance - December 31	\$ <u><u>5,424,004.57</u></u>	\$ <u><u>4,556,772.49</u></u>

TOWNSHIP OF PRINCETON
MERCER COUNTY, NEW JERSEY

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CURRENT FUND

STATEMENT OF REVENUES - STATUTORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
	2007 BUDGET	N.J.S.A. 40A:4-87		
Surplus Anticipated	\$ 3,000,000.00	\$	3,000,000.00	\$
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverage	15,200.00		15,152.00	(48.00)
Other	1,500.00		2,806.00	1,306.00
Fees and Permits:				
Other	77,100.00		72,563.01	(4,536.99)
Fines and Costs:				
Municipal Court	300,000.00		289,950.71	(10,049.29)
Interest and Costs on Taxes	236,000.00		215,712.69	(20,287.31)
Interest on Investments and Deposits	443,000.00		424,747.17	(18,252.83)
Sewer Rentals	3,350,000.00		3,285,943.70	(64,056.30)
Reserve for Wastewater Treatment Fund	300,000.00		300,000.00	
Reserve For Debt Service - Other	400,000.00		5,118.80	5,118.80
Reserve for Debt Service	134,000.00		400,000.00	
Reserve for Fire Protection Fund	14,400.00		100,000.00	
Trust Surplus - Improvement Assessments	14,400.00		14,400.00	
CMPTRA	334,568.00		334,568.00	
Legislative Municipal Block Grant	62,842.00		62,842.00	
Energy Receipts Tax	1,589,919.00		1,589,919.00	
Sup. Energy Receipts Tax	72,890.00		72,890.00	
Municipal Property Tax Assessment	40,097.00		40,097.00	
Garden State Trust Fund	6,500.00		5,937.84	(562.16)
Homeland Security Assistance	70,000.00		70,000.00	
Pilot- Institute for Advanced Study	210,000.00		210,000.00	
Pilot-Princeton Community Village	226,175.00		245,692.98	19,517.98
Pilot-Tenacre Foundation	411,111.00		450,000.00	38,889.00
Special Items:		8,148.89		
Recycling Tonnage Grant		8,148.89	8,148.89	
Municipal Alliance	29,270.00		29,270.00	
Mercer at Play Recreation Grant	190,667.00		190,667.00	
Body Armor Replacement Fund	3,104.44		3,104.44	
DDEF	2,214.91		2,214.91	
Fire Prevention and Safety Grant	21,820.00		21,820.00	
Over the Limit Under Arrest		5,000.00		
County of Mercer - PYP	13,000.00		13,000.00	
NJ DOT Pedestrian Safety	190,000.00		190,000.00	
Corner House - Drug Treatment Program	278,730.00		278,730.00	

TOWNSHIP OF PRINCETON
MERCER COUNTY, NEW JERSEY

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CURRENT FUND

STATEMENT OF REVENUES - STATUTORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
	2007 BUDGET	N.J.S.A. 40A:4-87		
Miscellaneous Revenues (Cont'd.):				
DAS - Strengthening Families	21,000.00		21,000.00	
Corner House Adolescent Treatment		47,495.00	47,495.00	
State of NJ National Inst. Drug	150,000.00		150,000.00	
Mercer County IOP	18,576.00		18,576.00	
Mercer County In/Outpatient Services	30,000.00		30,000.00	
Mercer County Regional Drug Treatment Program	25,198.00		25,198.00	
DEP Stony Brook Trail		21,692.00	21,692.00	
Princeton Regional - NUMSPLI	1,000.00		1,000.00	
Princeton Regional Star Program	6,500.00		6,500.00	
Princeton Regional Academic Success	10,000.00		10,000.00	
Princeton HS Intervention Program	6,293.00		6,293.00	
Cranbury Drug Intervention Program	6,720.00		6,720.00	
State of NJ Vicinage Program	30,000.00		30,000.00	
NJ Transportation Trust Fund		200,000.00	200,000.00	
DEP Green Communities		2,000.00	2,000.00	
DEP Smarth Growth		6,250.00	6,250.00	
NJ Stormwater Management	50,000.00		50,000.00	
Drug Program - Juvenile Court	46,444.00		46,444.00	
Corner House Foundation	11,950.76		11,950.76	
Clean Communities	22,610.48		22,610.48	
Princeton Boro:				
Regional Planning	99,201.00		99,344.33	143.33
Joint Drug Abuse	144,284.50		148,085.25	3,800.75
Joint Environmental	2,181.00		2,181.00	
Human Services Commission	114,487.50		114,488.00	0.50
Joint Recreation Board	366,070.00		366,070.00	
Total Miscellaneous Revenues	10,186,624.59	290,585.89	10,394,193.96	(83,016.52)
Receipts from Delinquent Taxes	589,066.39		582,910.83	(6,155.56)
Amount to be Raised by Taxation for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	19,399,578.05		21,776,411.64	2,376,833.59
Budget Totals	33,175,269.03	290,585.89	35,753,516.43	2,287,661.51
Non-Budget Revenues			532,654.02	
	\$ 33,175,269.03	\$ 290,585.89	\$ 36,286,170.45	

TOWNSHIP OF PRINCETON
MERCER COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES - STATUTORY BASIS
FOR THE YEAR ENDED DEC. 31, 2007

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collection:

Revenue from Collection:

Collections by Cash:

SFY Year 2007	82,826,026.17
SFY Year 2006	770,312.94
Sr. Cit. & Vet. Deduction	
Reimbursement	<u>99,148.00</u>

Allocated to:

School, County and Special

District Taxes

Municipal Open Space Tax

\$ 83,695,487.11

63,961,169.28

485,134.99

19,249,182.84

Add: Reserve for Uncollected Taxes

2,527,228.80

\$ 21,776,411.64

Receipts from Delinquent Taxes:

Delinquent Tax Collection

\$ 582,910.83

\$ 582,910.83

TOWNSHIP OF PRINCETON
MERCER COUNTY, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES-STATUTORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

	2007 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED ENCUMBERED	RESERVED	UNEXPENDED BALANCE CANCELLED
Operations Within "CAPS"						
GENERAL GOVERNMENT:						
General Administration						
Salaries and Wages	\$ 241,224.00	\$ 246,224.00	\$ 246,083.03	\$	\$ 140.97	\$
Other Expenses	2,995.00	2,995.00	1,916.75		1,078.25	
Information Technology						
Salaries and Wages	75,750.00	75,750.00	74,909.33		840.67	
Other Expenses	83,800.00	83,800.00	35,669.42	16,922.65	31,207.93	
Human Resources (Personnel)						
Other Expenses	127,800.00	127,800.00	117,055.89	1,294.00	9,450.11	
Township Committee						
Salaries and Wages	50,586.00	51,436.00	51,418.32		17.68	
Other Expenses	1,359,802.22	1,120,751.82	246,959.46	3,519.56	870,272.80	
Municipal Clerk						
Salaries and Wages	140,215.00	151,215.00	149,512.84		1,702.16	
Other Expenses	18,504.00	18,504.00	11,493.54	262.70	6,747.76	
Elections						
Other Expenses	8,450.00	8,450.00	5,911.87	1,156.32	1,381.81	
Financial Administration (Treasury)						
Salaries and Wages	308,438.00	308,438.00	299,012.15		9,425.85	
Other Expenses	23,080.00	23,080.00	14,783.02	2,090.92	6,206.06	
Audit Services						
Other Expenses	34,000.00	34,000.00	32,000.00		2,000.00	
Revenue Administration (Tax Collection)						
Salaries and Wages	135,419.00	135,419.00	132,821.18		2,597.82	
Other Expenses	14,350.00	15,350.00	14,133.55	448.25	768.20	
Tax Assessment Administration						
Salaries and Wages	124,126.00	124,126.00	122,913.46		1,212.54	
Other Expenses	12,800.00	14,500.00	13,867.24	570.00	62.76	
Legal Services						
Salaries and Wages	93,270.00	93,270.00	93,269.98		0.02	
Other Expenses	285,500.00	285,500.00	277,868.04	5,899.64	1,732.32	
Engineering Services						
Salaries and Wages	785,391.00	843,391.00	833,049.23		10,341.77	
Other Expenses	39,825.00	44,825.00	40,712.74	2,935.75	1,176.51	
Historical Site Office						
Salaries and Wages	881.00	881.00	485.23		395.77	
Other Expenses	18,168.00	18,168.00	11,230.76	334.85	6,602.39	

LAND USE ADMINISTRATION:
Regional Planning Board

TOWNSHIP OF PRINCETON
MERCER COUNTY, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES-STATUTORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

	2007 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED	UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED
Salaries and Wages	133,139.00	134,139.00	133,960.31		178.69
Other Expenses	98,330.00	97,330.00	62,570.99	22,355.35	12,403.66
Operations Within "CAPS" (Cont'd.)					
Zoning Board of Adjustment					
Salaries and Wages	153,460.00	153,460.00	131,975.12		21,484.88
Other Expenses	14,026.00	16,026.00	8,700.49	5,187.50	2,138.01
PUBLIC SAFETY FUNCTIONS:					
Police					
Salaries and Wages	3,361,853.00	3,361,853.00	3,325,994.71		35,858.29
Other Expenses	326,170.00	326,170.00	151,786.46	42,932.70	131,450.84
Police Dispatch/911					
Salaries and Wages	377,817.00	406,817.00	401,206.85		5,610.15
Other Expenses	3,950.00	3,950.00	1,277.04	2,555.00	117.96
Office of Emergency Management					
Other Expenses	2,000.00	2,000.00	39.42		1,960.58
Princeton Borough-Contractual: Fire Companies					
Other Expenses	96,982.00	96,982.00	96,982.00		
Princeton Borough-Contractual: Fire Facilities					
Other Expenses	53,471.00	53,471.00	53,471.00		
Aid to First Aid Org.-Contribution	117,054.00	117,054.00	117,054.00		
Fire Prevention					
Salaries and Wages	83,666.00	83,666.00	82,836.05		829.95
Other Expenses	7,950.00	7,950.00	4,312.12	2,228.88	1,409.00
Fire Hydrant Service	525,000.00	525,000.00	471,441.48		53,558.52
Municipal Prosecutor's Office					
Salaries and Wages	30,900.00	30,900.00	29,280.97		1,619.03
PUBLIC WORKS FUNCTIONS:					
Streets and Roads Maintenance					
Salaries and Wages	1,098,067.42	1,113,067.42	1,108,268.73		4,798.69
Other Expenses	143,820.00	147,820.00	122,974.01	22,707.93	2,138.06
Shade Tree Commission					
Salaries and Wages	46,380.00	47,380.00	47,119.80		260.20
Other Expenses	15,675.00	16,175.00	15,800.84		374.16
Buildings and Grounds					
Salaries and Wages	62,000.00	63,000.00	62,929.94		70.06
Other Expenses	231,150.00	231,150.00	203,981.94	22,586.92	4,581.14
Vehicle Maintenance (Including Police Vehicles)					
Salaries and Wages	154,404.00	154,404.00	145,550.94		8,853.06
Other Expenses	129,500.00	174,500.00	150,112.18	19,672.13	4,715.69
Community Service Act					
(Condominium Community Costs)					
Other Expenses	30,000.00	30,000.00	18,127.59		11,872.41

TOWNSHIP OF PRINCETON
MERCER COUNTY, NEW JERSEY

Exhibit - A-3

CURRENT FUND

STATEMENT OF EXPENDITURES-STATUTORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

	2007 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED ENCUMBERED	RESERVED	UNEXPENDED BALANCE CANCELLED
\$	\$	\$	\$	\$	\$	\$
Operations Within "CAPS" (Cont'd.)						
HEALTH & HUMAN SERVICES FUNCTIONS:						
Regional Health Commission-Proportionate Share						
Other Expenses	287,887.00	287,887.00	287,887.00			
Worker and Community Right to Know Act	1,000.00	1,000.00			1,000.00	
Joint Environmental Commission						
Salaries and Wages	2,484.00	2,484.00	2,034.00		450.00	
Other Expenses	2,369.00	2,369.00	1,128.49		440.51	
Animal Control-Proportionate Share	54,122.00	54,122.00	54,122.00	800.00		
Deer Management Program						
Salaries and Wages	15,000.00	15,000.00			15,000.00	
Other Expenses	100,000.00	100,000.00	15,368.70		84,631.30	
Human Services Commission						
Salaries and Wages	68,999.50	68,999.50	62,622.17		6,377.33	
Other Expenses	45,488.00	45,488.00	40,733.41		4,754.59	
Joint Drug Abuse Prevention Program						
Salaries and Wages	76,707.50	76,707.50	54,184.55		22,522.95	
Other Expenses	67,577.00	67,577.00	61,211.63	290.44	6,074.93	
Contribution to Senior Resource Center						
Other Expenses	55,780.00	55,780.00	55,780.00			
PARKS & RECREATION FUNCTIONS:						
Joint Recreation Board						
Salaries and Wages	485,497.00	485,497.00	476,055.70		9,441.30	
Other Expenses	254,304.00	254,304.00	232,790.12	10,888.90	10,624.98	
Maintenance of Parks and Playgrounds						
Salaries and Wages	20,000.00	20,000.00	20,000.00			
Other Expenses	21,000.00	21,000.00	9,870.77	0.69	11,128.54	
UTILITY EXPENSES & BULK PURCHASES:						
Electricity	197,000.00	207,000.00	203,423.96		3,576.04	
Street Lighting	137,000.00	137,000.00	127,185.61		9,814.39	
Telephone	50,000.00	50,000.00	35,102.76		14,897.24	
Water	10,000.00	10,000.00	6,057.83		3,942.17	
Gas	81,000.00	81,000.00	32,241.94		48,758.06	
Fuel Oil	128,000.00	128,000.00	96,333.96		31,666.04	
Sewer System						
Proportionate Share of Costs-Borough	772,621.00	772,621.00	772,621.00			
Township Sewer Other Expenses	19,100.00	19,100.00	13,802.32		5,297.68	

TOWNSHIP OF PRINCETON
MERCER COUNTY, NEW JERSEY

Exhibit - A-3

CURRENT FUND

STATEMENT OF EXPENDITURES-STATUTORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

	2007 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED ENCUMBERED	RESERVED	UNEXPENDED BALANCE CANCELLED
Operations Within "CAPS" (Cont'd.)						
Landfill/Solid Waste Disposal Costs						
Other Expenses						
Municipal Court						
Salaries and Wages	138,144.00	138,144.00	138,144.00			\$
Other Expenses	162,960.00	162,960.00	159,779.94		3,180.06	
Public Defender	17,325.00	17,325.00	7,669.43	609.98	9,045.59	
Other Expenses	22,712.00	22,712.00	16,666.60		6,045.40	
Matching Funds for Grants						
Other Expenses	10,000.00	10,000.00	6,464.00		3,536.00	
Accumulated Leave Compensation	75,000.00	75,000.00	75,000.00			
Liability Insurance	240,000.00	240,000.00	229,968.31		10,031.69	
Workers Compensation Insurance	125,000.00	125,000.00	115,154.00		9,846.00	
Transportation of Local Pupils by Board of Education (NSA 18A:39-1.2)						
Other Expenses	130,000.00	130,000.00	120,752.79		9,247.21	
Total Operations Within "CAPS"	15,155,215.64	15,106,215.24	13,304,985.00	188,251.06	1,612,975.18	
DETAIL:						
Salaries and Wages	8,363,634.42	8,346,734.42	8,184,435.26		162,299.16	
Other Expenses (Including Contingent)	6,791,581.22	6,759,480.82	5,120,553.74	188,251.06	1,450,676.02	
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"						
STATUTORY EXPENDITURES:						
Contribution to:						
Social Security System (O.A.S.I.)	360,000.00	392,000.00	384,774.46		7,225.54	
Total Deferred Charges and Statutory Expend. Municipal Within "CAPS"	360,000.00	392,000.00	384,774.46		7,225.54	
Total General Appropriations for Municipal Purposes Within "CAPS"	15,515,215.64	15,498,215.24	13,689,763.46	188,251.06	1,620,200.72	
Operations Excluded from "CAPS"						
Insurance (P.L. 2003,c.92,S.-906)						
General Liability						
Workers Compensation						
Employee Group Health	1,593,845.00	1,610,845.00	1,604,232.72	535.80	6,076.48	
Workers Compensation						
Affordable Housing Agency						
Other Expenses	200,000.00	200,000.00	200,000.00			

TOWNSHIP OF PRINCETON
MERCER COUNTY, NEW JERSEY

Exhibit - A-3

CURRENT FUND

STATEMENT OF EXPENDITURES-STATUTORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

	2007 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED ENCUMBERED	RESERVED	UNEXPENDED BALANCE CANCELLED
<u>Operations Excluded from "CAPS" (Cont'd.)</u>						
Maintenance of Joint Public Library						
Proportionate Share						
Other Expenses						
Pension Contributions:						
Public Employees Retirement System	\$ 2,499,193.00	\$ 2,499,193.00	\$ 2,499,192.99	\$	\$ 0.01	\$
Police & Fire retirement System	182,527.00	182,527.20	182,527.20			
	476,887.00	476,887.20	476,887.20			
 INTERLOCAL SERVICE AGREEMENTS:						
Mercer County Improvement Authority						
Curbside Recycling Program						
Other Expenses	201,216.00	201,216.00	176,194.94		25,021.06	
Stonybrook Regional Sewerage Authority						
Proportionate Share of Costs	2,113,418.00	2,113,418.00	2,113,418.00			
Borough of Princeton:						
Regional Planning Board						
Salaries and Wages	57,059.00	57,059.00	57,059.00			
Other Expenses	42,141.00	42,141.00	42,141.00			
Joint Recreation Board						
Salaries and Wages	218,122.00	218,122.00	218,122.00			
Other Expenses	147,948.00	147,948.00	147,948.00			
Joint Environmental Commission						
Salaries and Wages	1,116.00	1,116.00	1,116.00			
Other Expenses	1,065.00	1,065.00	1,065.00			
Joint Drug Abuse Prevention Program						
Salaries and Wages	76,707.50	76,707.50	76,707.50			
Other Expenses	67,577.00	67,577.00	67,577.00			
Human Services Commission						
Salaries and Wages	68,999.50	68,999.50	68,999.50			
Other Expenses	45,488.00	45,488.00	45,488.00			

TOWNSHIP OF PRINCETON
MERCER COUNTY, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES-STATUTORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

	2007 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES:						
Body Armor Replacement Fund	\$	\$	\$	\$	\$	\$
Other Expenses	3,104.44	3,104.44	3,104.44			
Corner House Foundation-Mercer Reg Drug Treatment Program						
Salaries and Wages	174,730.00	174,730.00	174,730.00			
Other Expenses	104,000.00	104,000.00	80,893.49		23,106.51	
Drug Program-Cranbury Intervention Program						
Salaries and Wages	6,720.00	6,720.00	6,720.00			
Clean Communities Program						
Other Expenses	22,610.48	22,610.48	22,610.48			
Regional Municipal Alliance Program						
Salaries and Wages	18,270.00	18,270.00	18,270.00			
Other Expenses	11,000.00	11,000.00	11,000.00			
Drug Program-State of NJ Grant						
Salaries and Wages	138,500.00	138,500.00	138,500.00			
Other Expenses	11,500.00	11,500.00	11,500.00			
Drug Program-Mercer County						
Salaries and Wages	25,198.00	62,483.00	62,483.00			
Other Expenses		10,210.00	10,210.00			
Mercer Cty. Intensive Outpatient Program						
Salaries and Wages	30,000.00	30,000.00	30,000.00			
Academic Success Today						
Salaries and Wages	5,000.00	5,000.00	5,000.00			
Other Expenses	5,000.00	5,000.00	5,000.00			
Mercer County PYP Program						
Salaries and Wages	13,000.00	13,000.00	13,000.00			
Fire Prevention and Safety Grant						
Salaries and Wages	6,120.00	6,120.00	6,120.00			
Other Expenses	15,700.00	15,700.00	15,700.00			
DOT Grant Ewing St	190,000.00	190,000.00	190,000.00			
Mercer at Play Recreation Grant	190,667.00	190,667.00	190,667.00			
DAS Strengthening Families						
Salaries and Wages	11,000.00	11,000.00	11,000.00			
Other Expenses	10,000.00	10,000.00	10,000.00			
Transportation Fund						
NJ DEP Grant		200,000.00	200,000.00			
NJ DEP Stonybrook ADA		6,250.00	6,250.00			
Drug Program-NIMSPLI		21,692.00	21,692.00			
Other Expenses	1,000.00	1,000.00	1,000.00			
Drug Program-STAR						
Other Expenses	6,500.00	6,500.00	6,500.00			
Drug Program-St. of NJ-Vicinage Program						
Salaries and Wages	30,000.00	30,000.00	30,000.00			

TOWNSHIP OF PRINCETON
MERCER COUNTY, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES-STATUTORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

	2007 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED ENCUMBERED	RESERVED	UNEXPENDED BALANCE CANCELLED
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES (Cont'd.):						
Drug Program-Regional School Dist.-Title IV	\$ 6,293.00	\$ 6,293.00	\$ 6,293.00			
Salaries and Wages						
Juvenile Drug Court	37,500.00	37,500.00	37,500.00			
Salaries and Wages	8,944.00	8,944.00	8,944.00			
Other Expenses	50,000.00	52,000.00	52,000.00			
Garden State Historic Trust		8,148.89	8,148.89			
Recycling Tonnage Grant						
Unappropriated Reserves	11,950.76	11,950.76	11,950.76			
Corrct House Foundation	18,576.00	18,576.00	18,576.00			
Mercer Cty. IOP	2,214.91	7,214.91	7,214.91			
Drunk Driving Enforcement						
Total Operations - Excluded from "CAPS"	9,158,407.59	9,465,993.88	9,411,254.02	535.80	54,204.06	
DETAIL:						
Salaries and Wages	924,335.00	1,161,620.00	1,144,500.00			
Other Expenses	8,234,072.59	8,304,373.88	8,266,754.02	535.80	54,204.06	
Capital Improvements - Excluded from "CAPS"						
Capital Improvement Fund	300,000.00	300,000.00	300,000.00			
Total Capital Improvements - Excluded from "CAPS"	300,000.00	300,000.00	300,000.00			
Municipal Debt Service - Excluded from "CAPS"						
Payment of Bond Principal	\$ 2,644,000.00	\$ 2,644,000.00	\$ 2,644,000.00	\$	\$	\$ 0.83
Interest on Bonds	2,070,115.00	2,070,115.00	2,070,114.17			
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	468,000.00	468,000.00	467,993.81			6.19
NJ Environmental Infrastructure Loan	53,600.00	53,600.00	53,085.87			514.13
Wastewater Treatment Trust Loan Program	438,702.00	438,702.00	396,271.78			42,430.22
Total Municipal Debt Service - Excluded from "CAPS"	5,674,417.00	5,674,417.00	5,631,465.63			42,951.37
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	15,132,824.59	15,440,410.88	15,342,719.65	535.80	54,204.06	42,951.37
Subtotal General Appropriations	30,648,040.23	30,938,626.12	29,032,483.11	188,786.86	1,674,404.78	42,951.37
Reserve for Uncollected Taxes	2,527,228.80	2,527,228.80	2,527,228.80			
Total General Appropriations	\$ 33,175,269.03	\$ 33,465,854.92	\$ 31,559,711.91	\$ 188,786.86	\$ 1,674,404.78	\$ 42,951.37
Ref:			A-1	A-1, A-16	A, A-1	
Adopted Budget	\$	\$ 33,175,269.03				
Approp. by N.J.S.A. 40A:4-87		290,585.89				
	\$	<u>33,465,854.92</u>				

TOWNSHIP OF PRINCETON
COUNTY OF MERCER, NEW JERSEY
TRUST FUNDS
STATEMENT OF ASSETS, LIABILITIES AND RESERVES - STATUTORY BASIS
FOR YEAR ENDED DECEMBER 31, 2007 AND 2006

	Assessment Trust		Animal Control Fund		Open Space Trust Fund		Unemployment Fund		Totals	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
ASSETS:										
Cash and Investments	\$ 121,124.92	\$ 14,479.34	\$ 12,084.50	\$ 12,355.50	\$ 481,057.01	\$ 620,729.84	\$ 67,951.21	\$ 28,384.77	\$ 682,217.64	\$ 675,949.45
Prospective Assessments Funded	8,325.00	8,325.00							8,325.00	8,325.00
Assessments & Assessment Liens Receivable	88,364.31	45,209.09							88,364.31	45,209.09
Police Off-Duty Receivables										
Other Accounts Receivable										
	<u>\$ 217,814.23</u>	<u>\$ 68,013.43</u>	<u>\$ 12,084.50</u>	<u>\$ 12,355.50</u>	<u>\$ 481,057.01</u>	<u>\$ 620,729.84</u>	<u>\$ 67,951.21</u>	<u>\$ 28,384.77</u>	<u>\$ 778,906.95</u>	<u>\$ 729,483.54</u>
LIABILITIES, RESERVES AND FUND BALANCE										
Fund Balance										
Reserves:										
Open Space									\$121,124.92	\$14,479.34
Assessments Receivable									481,057.01	620,729.84
Prospective Assessments Funded	88,364.31	45,209.09			481,057.01	620,729.84			88,364.31	45,209.09
Encumbrances	8,325.00	8,325.00							8,325.00	8,325.00
Animal Control Fund			12,084.50	11,727.50					12,084.50	11,727.50
Unemployment Trust Fund							67,951.21	28,384.77	67,951.21	28,384.77
	<u>\$ 217,814.23</u>	<u>\$ 68,013.43</u>	<u>\$ 12,084.50</u>	<u>\$ 12,355.50</u>	<u>\$ 481,057.01</u>	<u>\$ 620,729.84</u>	<u>\$ 67,951.21</u>	<u>\$ 28,384.77</u>	<u>\$ 778,906.95</u>	<u>\$ 729,483.54</u>

TOWNSHIP OF PRINCETON
COUNTY OF MERCER, NEW JERSEY
TRUST FUNDS
STATEMENT OF ASSETS, LIABILITIES AND RESERVES - STATUTORY BASIS
FOR YEAR ENDED DECEMBER 31, 2007 AND 2006

	Escrow Trust Fund		Payroll Fund		Other Trust Funds		Totals
	2007	2006	2007	2006	2007	2006	2006
ASSETS:							
Cash and Investments							
Police Off-Duty Receivables	\$ 6,944,064.01	\$ 5,160,289.15	\$ 97,997.94	\$ 97,645.97	\$ 2,526,537.76	\$ 2,233,403.73	\$ 7,491,338.85
Other Accounts Receivable		391.95				4,616.18	4,616.18
	<u>\$ 6,944,064.01</u>	<u>\$ 5,160,681.10</u>	<u>\$ 97,997.94</u>	<u>\$ 97,645.97</u>	<u>\$ 2,526,537.76</u>	<u>\$ 2,238,019.91</u>	<u>\$ 7,496,346.98</u>
LIABILITIES, RESERVES AND FUND BALANCE							
Reserves:							
Encumbrances	167,467.73	194,704.54			7,865.16	2,681.14	175,332.89
Unemployment Trust Fund					26.85	26.85	26.85
Accumulated Leave					311,985.97	253,233.04	253,233.04
Fire Prevention					24,804.24	27,259.22	27,259.22
Electrical Permit					11,533.30	11,533.30	11,533.30
Plumbing Permit					18,133.70	18,133.70	18,133.70
POAA					13,784.00	13,266.00	13,266.00
Construction Official					895,759.34	825,068.26	825,068.26
Fire Prevention Penalty Fees					2,459.88	1,209.88	1,209.88
Fire Prevention Penalty - Dedicated					1,144.40	394.40	394.40
Interfund Payable			25,000.00	25,000.00			25,000.00
Payroll Expenditures			72,997.94	72,645.97			72,645.97
Professional Fees	365,449.02	155,334.39					365,449.02
C.O.	279,558.36	273,519.14					273,519.14
Performance Bonds	4,665,550.22	3,428,468.07					4,665,550.22
Miscellaneous Deposits					1,223,540.63	1,069,954.13	3,428,468.07
Inspection Fees							1,223,540.63
Police Fitness Fund	1,466,038.68	1,108,654.96					1,466,038.68
Forfeiture Fund					11,396.13	14,897.86	1,108,654.96
Off-Duty Police Employment - Rider					362.68	362.13	14,897.86
					3,741.48		362.13
							3,741.48
	<u>\$ 6,944,064.01</u>	<u>\$ 5,160,681.10</u>	<u>\$ 97,997.94</u>	<u>\$ 97,645.97</u>	<u>\$ 2,526,537.76</u>	<u>\$ 2,238,019.91</u>	<u>\$ 7,496,346.98</u>

TOWNSHIP OF PRINCETON
MERCER COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS
DECEMBER 31, 2007 AND 2006

<u>ASSETS</u>	<u>BALANCE</u> <u>DECEMBER 31, 2007</u>	<u>BALANCE</u> <u>DECEMBER 31, 2006</u>
Cash and Investments - Treasurer	\$ 4,560,409.41	\$ 4,154,870.34
Prospective Assessments	8,325.00	8,325.00
State Aid Receivable	498,750.00	298,750.00
Infrastructure Loan Receivable	3,125,501.00	1,794,142.00
Developers Contribution Receivable	972,163.18	972,163.18
Due from Grant Fund	228,167.00	
Due from Princeton Borough	8,831.80	8,831.80
Other Receivables - Recreation Commission	275,000.00	
Overexpenditure of Improvement Authorization	2,390.08	2,390.08
Deferred Charges to Future Taxation:		
Funded	58,616,978.88	60,721,213.49
Unfunded	23,901,020.36	22,880,309.91
	<u>\$ 92,197,536.71</u>	<u>\$ 90,840,995.80</u>
 <u>LIABILITIES, RESERVES</u> <u>AND FUND BALANCE</u>		
General Serial Bonds	\$ 50,740,000.00	\$ 53,755,000.00
Wastewater Treatment Loan Payable	350,058.88	755,176.64
Infrastructure Loan Payable	3,491,579.63	1,794,142.00
Green Trust Project Loan Payable	4,035,340.67	4,416,894.85
Bond Anticipation Notes Payable	6,000,000.00	
Reserve for Encumbrances	2,235,727.27	2,399,218.75
Improvement Authorizations:		
Funded	7,109,718.41	7,039,751.87
Unfunded	16,598,387.05	18,743,222.30
Reserve For:		
Capital Improvement Fund	157,164.18	103,291.18
Future Debt Service Costs	714,447.74	843,034.68
Preliminary Costs - Flood Mitigation	1,385.31	1,385.31
Mt. Lakes Dam Rehab	37,000.00	37,000.00
Cul De Sac White Oak	30,000.00	30,000.00
Wastewater Trust Loan	289,272.74	551,474.82
Poor Farm Road	15,000.00	15,000.00
Miscellaneous	8,364.95	
Reserve for Roads	50,000.00	50,000.00
Prospective Assessments	8,325.00	8,325.00
Fund Balance	<u>325,764.88</u>	<u>298,078.40</u>
	<u>\$ 92,197,536.71</u>	<u>\$ 90,840,995.80</u>

There were Bonds and Notes Authorized but not Issued
in the amount of \$17,901,020.36.

TOWNSHIP OF PRINCETON
MERCER COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
STATEMENT OF CHANGE IN FUND BALANCE - STATUTORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2006

Balance - Dec. 31, 2006	\$	298,078.40
Increased by:		
Improvement Authorizations Cancelled		<u>27,686.48</u>
Balance - Dec. 31, 2007	\$	<u><u>325,764.88</u></u>

Note: See Accompanying Notes to Financial Statements

TOWNSHIP OF PRINCETON
MERCER COUNTY, NEW JERSEY

AFFORDABLE HOUSING UTILITY FUND
COMPARATIVE BALANCE SHEET - STATUTORY BASIS
DECEMBER 31, 2007 AND 2006

ASSETS	REF.	BALANCE DEC. 31, 2007	BALANCE DEC. 31, 2006	LIABILITIES, RESERVES AND FUND BALANCES	REF.	BALANCE DEC. 31, 2007	BALANCE DEC. 31, 2006
Operating Fund:							
Cash and Investments - Treasurer		\$ 2,098,609.76	\$ 2,398,142.45	Operating Fund:		\$ 2,973.56	\$ 4,275.32
		<u>2,098,609.76</u>	<u>2,398,142.45</u>	Liabilities:			
				Reserve for Encumbrances			
				Reserves:			
				Accrued Interest		17,239.58	20,864.58
Receivables and Inventory With				Rehabilitation Program		453,262.77	386,553.57
Full Reserves:				Unit Repurchases		716,731.33	843,910.33
Down Payment Assistance Program Rec.		76,068.53	79,960.61	Affordability Assistance		423,490.09	527,198.00
Rehabilitation Mortgage Receivable		<u>435,647.40</u>	<u>512,190.51</u>	Affordable Housing-Sect. 108340		<u>234,454.10</u>	<u>355,896.55</u>
						1,848,151.43	2,138,698.35
						511,715.93	592,151.12
						<u>250,458.33</u>	<u>259,441.10</u>
Total Operating Fund		<u>2,610,325.69</u>	<u>2,990,293.57</u>	Reserve for Receivables			
				Fund Balance			
				Total Operating Fund		<u>2,610,325.69</u>	<u>2,990,290.57</u>
Capital Fund:							
Cash and Investments - Treasurer				Capital Fund:			
Deferred Charges		11,071.96	10,662.96	Refunding Bonds Payable		1,595,000.00	2,030,000.00
		<u>1,595,000.00</u>	<u>2,030,000.00</u>	Reserve for Debt Service		<u>11,071.96</u>	<u>10,662.96</u>
				Total Capital Fund		<u>1,606,071.96</u>	<u>2,040,662.96</u>
Total Capital Fund		<u>1,606,071.96</u>	<u>2,040,662.96</u>				
						\$ 4,216,397.65	\$ 5,030,953.53

There were no Bonds and Notes Authorized but not Issued at December 31, 2007.

Note: See Notes to Financial Statements

TOWNSHIP OF PRINCETON
MERCER COUNTY, NEW JERSEY

AFFORDABLE HOUSING UTILITY OPERATING FUND
 COMPARATIVE STATEMENT OF OPERATIONS AND
 CHANGE IN FUND BALANCE - STATUTORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006

<u>REVENUE AND OTHER INCOME</u>	<u>2007</u>	<u>2006</u>
Operating Fund Balance	\$ 230,000.00	\$ 261,723.26
Miscellaneous Revenues Anticipated	541,788.00	509,500.00
Non-Budget Revenue	<u>124,587.29</u>	<u>212,065.25</u>
Total Revenues	<u>896,375.29</u>	<u>983,288.51</u>
<u>EXPENDITURES</u>		
Budget Expenditures:		
Salaries and Wages	75,437.95	84,067.00
Other Expenses	599,923.11	619,025.87
Miscellaneous	<u>-</u>	<u>120,324.60</u>
Total Expenditures	<u>675,361.06</u>	<u>823,417.47</u>
Excess in Revenues	221,014.23	159,871.04
<u>FUND BALANCE</u>		
Balance - January 1	<u>259,444.10</u>	<u>361,296.32</u>
	480,458.33	521,167.36
Decreased by:		
Utilized as Anticipated Revenue	<u>230,000.00</u>	<u>261,723.26</u>
Balance -December 30	<u>\$ 250,458.33</u>	<u>\$ 259,444.10</u>

Note: See Notes to Financial Statements

TOWNSHIP OF PRINCETON
MERCER COUNTY, NEW JERSEY

AFFORDABLE HOUSING UTILITY OPERATING FUND
 STATEMENT OF REVENUES - STATUTORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>2007 BUDGET</u>	<u>REALIZED</u>	EXCESS OR (DEFICIT)
Fund Balance Utilized	230,000.00	230,000.00	-
Affordable Housing Fees	341,788.00	341,788.00	-
Township Contribution	200,000.00	200,000.00	-
Miscellaneous	<u> </u>	<u>124,587.29</u>	<u>124,587.29</u>
	<u><u>771,788.00</u></u>	<u><u>896,375.29</u></u>	<u><u>124,587.29</u></u>

Note: See Notes to Financial Statements

TOWNSHIP OF PRINCETON
MERCER COUNTY, NEW JERSEY

AFFORDABLE HOUSING UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

	2007 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED ENCUMBERED	RESERVED	UNEXPENDED BALANCE CANCELLED
Operating:						
Salaries and Wages	\$ 85,079.00	\$ 85,079.00	\$ 75,437.95	\$ 2,962.56	\$	\$ 9,641.05
Other Expenses	189,114.00	189,114.00	102,991.80			83,159.64
Debt Service:						
Payment of Bond Principal	435,000.00	435,000.00	435,000.00			3,626.25
Interest on Bonds	62,595.00	62,595.00	58,968.75			
	<u>\$ 771,788.00</u>	<u>\$ 771,788.00</u>	<u>\$ 672,398.50</u>	<u>\$ 2,962.56</u>	<u>\$</u>	<u>\$ 96,426.94</u>

TOWNSHIP OF PRINCETON
MERCER COUNTY, NEW JERSEY

PUBLIC ASSISTANCE FUND
 COMPARATIVE BALANCE SHEET - STATUTORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	<u>REF.</u>	<u>BALANCE</u> <u>DEC 31, 2007</u>	<u>BALANCE</u> <u>DEC 31, 2006</u>
<u>ASSETS</u>			
Cash - Treasurer	E - 1	\$ <u>88,590.48</u>	\$ <u>28,186.20</u>
<u>LIABILITIES AND RESERVES</u>			
Advanced State Aid	E - 1	\$ <u>88,590.48</u>	<u>28,186.20</u>
	E - 1	\$ <u>88,590.48</u>	\$ <u>28,186.20</u>

SCHEDULE OF RESERVE FOR PUBLIC ASSISTANCE

	<u>REF.</u>	
Balance - December 31, 2006		
Advanced State Aid	E	<u>28,186.20</u>
		\$28,186.20
Increased by:		
State Aid for Public Assistance	E- 2	185,755.00
Interest Earned	E- 2	<u>1,851.12</u>
		<u>187,606.12</u>
		215,792.32
Decreased by:		
Disbursed to Clients	E- 2	<u>127,201.84</u>
		<u>127,201.84</u>
Balance - December 31, 2007	E- 1	<u><u>\$88,590.48</u></u>
<u>Analysis of Balance - December 31, 2007:</u>		
Advanced State Aid	E	<u>88,590.48</u>
	E- 1	<u><u>\$88,590.48</u></u>

SUPPLEMENTAL SCHEDULES

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

YEAR	BALANCE DEC. 31, 2006	2007 LEVY	COLLECTIONS 2006	BY CASH 2007	SR. CITIZENS AND VETERANS DEDUCTION REIMBURSEMENT	TRANSFER TO TAX TITLE LIEN	REMITTED AND CANCELLED	BALANCE DEC. 31, 2007
2006	582,910.83			582,910.83				
	582,910.83			582,910.83				
2007		84,378,718.00	770,312.94	82,826,026.17	99,148.00	8,560.80	1,676.59	672,993.50
	582,910.83	84,378,718.00	770,312.94	83,408,937.00	99,148.00	8,560.80	1,676.59	672,993.50

Analysis of 2006 Property Tax Levy:

	Ref.
Tax Yield:	
General Purpose	\$84,233,948.06
Omitted/Added Taxes (N.J.S.A. 54:4-63.1 et seq.)	144,769.94
	<u>\$84,378,718.00</u>
Tax Levy:	
Local District School Tax	
(Abstract)	41,199,630.96
County Tax (Abstract)	22,619,780.37
Local Tax for Municipal Purposes	19,399,578.05
Local Open Space Tax	485,137.99
Add: Additional Tax for Mun. Purposes	674,590.63
	<u>\$83,893,580.01</u>

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

Balance - Dec. 31, 2006		\$4,871.92
Increased by:		
Payment Received from State of NJ	96,750.00	
2007 Deductions Disallowed by Collector	<u>102.00</u>	
		<u>96,852.00</u>
		101,723.92
Decreased by:		
Deductions Allowed Per Tax Billings	98,750.00	
2007 Deductions Allowed by Collector	<u>500.00</u>	
		<u>99,250.00</u>
Balance - December 31, 2006		<u><u>\$2,473.92</u></u>
Analysis of Senior Cit., Vets. and Disability <u>Deductions Allowed by Collector</u>		
Deductions Allowed Per Tax Billings		\$98,750.00
2007 Deductions Allowed by Collector		<u>500.00</u>
		99,250.00
2007 Deductions Disallowed by Collector		<u>102.00</u>
Realized as Revenue - 2007		<u><u>\$99,148.00</u></u>

SCHEDULE OF TAX TITLE LIENS
CURRENT FUND

Balance - December 31, 2006		\$52,332.94
Increased by:		
Transfer from Taxes Receivable	<u>8,560.80</u>	<u>8,560.80</u>
Balance - December 31, 2007		<u><u>\$60,893.74</u></u>

SCHEDULE OF SEWER CHARGES RECEIVABLE
CURRENT FUND

Balance - December 31, 2006	\$36,169.95
Increased by:	
2007 Billings	<u>3,760,745.01</u>
	3,796,914.96
Decreased by:	
Collections	<u>3,772,198.01</u>
Balance - December 31, 2007	<u><u>\$24,716.95</u></u>

CURRENT FUND
SCHEDULE OF TAXES PAYABLE

	01/01/07	Taxes Levied	Cash Disbursements	12/31/07
County - General	\$ -	\$ 21,168,144.95	\$ (21,168,144.95)	\$ -
County - Open Space	-	1,451,635.42	(1,451,635.42)	-
County - Added & Omitted	150,028.15	141,757.94	(150,028.15)	141,757.94
Local School District Taxes	(0.94)	41,199,630.96	(41,199,630.02)	-
Total	\$ 150,027.21	\$ 63,961,169.27	\$ (63,969,438.54)	\$ 141,757.94

SCHEDULE OF 2006 APPROPRIATION RESERVES
CURRENT FUND

Exhibit - A-9
Page 1 of 3

	<u>BALANCE</u> <u>DEC. 31</u> <u>2006</u>	<u>ENCUMBERED</u> <u>DEC. 31, 2006</u>	<u>BALANCE AFTER</u> <u>MODIFICATION</u>	<u>PAID OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
Operations Within "CAPS"					
Salaries and Wages:					
Township Administrator	\$9.86		9.86		\$9.86
Township Committee	380.27		380.27		380.27
Township Clerk	1,137.31		1,137.31		1,137.31
Financial Administration	4,605.05		4,605.05		4,605.05
Tax Collection	2,594.79		2,594.79		2,594.79
Assessment of Taxes	105.48		105.48		105.48
Legal Services & Costs	4.98		4.98		4.98
Engineering Services and Costs	2,539.44		2,539.44		
Historic Sites Commission	245.47		245.47		245.47
Regional Planning Board	10,086.47		10,086.47		10,086.47
Zoning Board	12,441.17		12,441.17		12,441.17
Municipal Court	4,498.40		4,498.40		4,498.40
Police Department	1.37		1.37		1.37
Police Dispatch/911	3.35		3.35		3.35
Fire Prevention	26,298.99		26,298.99		26,298.99
Municipal Prosecutor	1,572.07		1,572.07		1,572.07
Road Repair & Maintenance	7,772.91	725.95	8,498.86	725.95	7,772.91
Shade Tree Commission	3,905.58		3,905.58		3,905.58
Buildings and Grounds	1,923.04		1,923.04		1,923.04
Vehicle Maintenance	17,231.12		17,231.12		17,231.12
Joint Environmental Commission	150.00		150.00		150.00
Human Services Commission	19,623.47		19,623.47		19,623.47
Joint Drug Abuse Prevention Program	34,461.90		34,461.90		34,461.90
Joint Recreation Board	4,273.85	18,630.00	22,903.85	18,630.00	4,273.85
Other Expenses:					
Township Administrator	1,175.74		1,175.74		1,138.86
Personnel	11,088.39		12,734.03	36.88	8,053.71
Township Committee	457,040.44	1,645.64	462,830.61	4,680.32	369,674.12
Township Clerk	1,858.24	5,790.17	2,607.32	93,156.49	1,557.20
Elections	3,187.06	749.08	3,187.06	1,050.12	3,187.06
Financial Administration	5,638.61		5,638.61		4,500.58
Tax Collection	1,482.94	118.00	1,600.94	1,138.03	915.36
Assessment of Taxes	148.76	75.00	223.76	685.58	39.76
Legal Services & Costs	8,839.54	33,080.55	41,920.09	184.00	12,259.28
				29,660.81	

SCHEDULE OF 2006 APPROPRIATION RESERVES
CURRENT FUND

Exhibit - A-9
Page 2 of 3

	BALANCE DEC. 31, 2006	ENCUMBERED DEC. 31, 2006	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Other Expenses (cont'd.)					
Engineering Services and Costs	7,141.52	1,263.05	8,404.57	8,404.57	
Historic Sites Commission	150.53	10,000.00	10,150.53	10,000.00	150.53
Regional Planning Board	12,295.71	21,253.98	33,549.69	3,883.82	29,665.87
Zoning Board	22.74	4,254.29	4,277.03	629.29	3,647.74
Municipal Court	55,102.02	81.00	55,183.02	210.51	54,972.51
Public Defender	2,050.08	1,666.66	3,716.74	1,666.66	2,050.08
Police Department	19,857.20	23,045.06	42,902.26	23,576.56	19,325.70
Police Dispatch/911	64.41	674.80	739.21	255.57	483.64
Office of Emergency Management	8,851.41		8,851.41	6,900.00	1,951.41
Fire Prevention	4,756.28	928.91	5,685.19	876.69	4,808.50
Fire Hydrant Service	52,321.86		52,321.86	41,075.45	11,246.41
Road Repair and Maintenance	556.88	18,133.47	18,690.35	18,596.78	93.57
Shade Tree Commission	7,718.44	2,250.00	9,968.44	2,525.00	7,443.44
Public Buildings and Grounds	99,414.35	29,111.11	128,525.46	66,077.33	62,448.13
Vehicle Maintenance	3,507.32	20,284.85	23,792.17	21,063.40	2,728.77
Community Services Act	4,875.17		4,875.17		4,875.17
Joint Environmental Commission	2,212.69		2,212.69		2,212.69
Deer Management Program	49,423.50		49,423.50	44,840.00	4,583.50
Human Services Commission	8,642.71		12,902.81	5,202.70	7,700.11
Worker & Comm. Right to Know Act	1,000.00	4,260.10	1,000.00		1,000.00
Joint Recreation Board	24,235.68	5,549.65	29,785.33	17,119.45	12,665.88
Parks and Playgrounds	16,642.34	1,500.00	18,142.34	2,215.18	15,927.16
Electricity	24,984.52	25,608.08	50,592.60	1,976.02	48,616.58
Street Lighting	9,950.80	11,352.03	21,302.83		21,302.83
Telecommunications	24,049.08		24,049.08	2,484.16	21,564.92
Water	8,139.88		8,139.88		8,139.88
Gas(Natural or Propane)	922.31	9,413.00	10,335.31		10,335.31
Fuel Oil	60,550.73		60,550.73	36,264.70	24,286.03
Sewer System: Prop. Share of Costs:					
Township Sewer	192.62	962.95	1,155.57		1,155.57
Matching Fund For Grants	10,000.00		10,000.00		10,000.00
Transportation of Local Pupils by Board of Education	130,000.00		130,000.00	114,799.11	15,200.89
Social Security	375.60		375.60		375.60
Total Operations Within "CAPS"	1,296,334.44	252,407.38	1,548,741.82	583,130.57	965,611.25

SCHEDULE OF 2006 APPROPRIATION RESERVES
CURRENT FUND

Exhibit - A-9
Page 3 of 3

	BALANCE DEC. 31 2006	ENCUMBERED DEC. 31, 2006	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Other Expenses:					
General Liability Insurance	24.33		24.33		24.33
Workers Compensation	2,760.00		2,760.00	2,214.54	545.46
Employee Group Health Insurance	133,239.73		133,239.73	3,360.11	129,879.62
Public Employees Retirement System	0.20		0.20		0.20
Police & Fire Retirement System	0.60		0.60		0.60
MCIA Recycling Program	29,934.96		29,934.96		29,934.96
Total Operations Excluded from "CAPS"	165,959.82		165,959.82	5,574.65	160,385.17
Total Appropriation Reserves	\$ 1,462,294.26	\$ 252,407.38	1,714,701.64	\$ 588,705.22	1,125,996.42

SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE

Grant	Balance Dec. 31, 2006	2007 Budget Revenue	Chapter 159's	Receipts	Transferred from Unappropriated Grants	Cancelled	Balance Dec. 31, 2007
Academic Success Today	\$ 4,500.00	\$ 10,000.00		\$ 10,000.00	\$		\$ 4,500.00
County of Mercer - Mercer Regional							
Drug Treatment Program	17,613.19	25,198.00		30,763.00			12,048.19
Cranbury Drug Intervention Program	3,000.00	6,720.00		5,640.00			4,080.00
Domestic Preparedness	30,254.28						30,254.28
NJ Child Passenger Safety Grant	12,767.07			6,735.04		6,032.03	
Over the Limit Under Arrest			5,000.00	3,275.00		1,725.00	
NJ Transportation Trust Fund			200,000.00	150,000.00			
NJ Vignage Program	36,250.00	30,000.00		30,731.75			86,250.00
Princeton Charter School	56,755.00						56,023.25
Princeton High School Drug Program	11,420.00						11,420.00
Princeton Regional Municipal Alliance Program	36,973.62			26,608.00			36,973.62
Princeton Regional Schools - NIMSPLI	18,095.00	29,270.00		1,000.00			20,757.00
Princeton Regional Schools - STAR Program	3,900.00	1,000.00		6,500.00			3,900.00
Princeton Regional Schools - Title IV		6,293.00		6,293.00			
Mercer County IOP		18,576.00			18,576.00		
Corner House Foundation		11,950.76			11,950.76		
Mercer County Outpatient Services		30,000.00		15,840.00			14,160.00
DEP Stony Brook Trail			21,692.00				21,692.00
State of NJ Grant from National Institute							
of Drug Abuse							
State of NJ Stormwater Management	35,320.00	150,000.00		155,203.00			30,117.00
DEP Green Communities	3,007.00	50,000.00		40,000.00		3,007.00	10,000.00
DEP Smart Growth			2,000.00	2,000.00			
Click It or Ticket Grant	23.22		6,250.00				6,250.00
Adolescent Treatment			47,495.00	18,688.00			23.22
Body Armor Replacement		3,104.44			3,104.44		
NJ Juvenile Drug Court	4,312.00	46,444.00		23,880.00	1,444.00		25,432.00
Recycling Tonnage Grant			8,148.89	8,148.89			
Clean Communities		22,610.48		22,610.48			
DDEF		2,214.91		2,214.91			
DAS Strengthening Families	25,308.00	21,000.00		10,689.00			35,619.00
Livable Communities	60,000.00						60,000.00
Drink, Drive, Lose	5,000.00			4,750.00		250.00	25,000.00
NJ DOT Road Grants (Rosendale, Guyot)	50,000.00			25,000.00			98,490.00
Balanced Housing Grant	98,490.00	190,000.00		150,000.00			40,000.00
NJ DOT Pedestrian Safety		190,667.00					190,667.00
Mercer A1 Play Recreation		21,820.00		15,780.00			6,040.00
Fire Prevention and Safety		13,000.00		4,689.00			8,311.00
Mercer-Princeton Youth Project							
	<u>\$ 512,988.38</u>	<u>\$ 886,368.59</u>	<u>\$ 290,585.89</u>	<u>\$ 777,039.07</u>	<u>\$ 35,075.20</u>	<u>\$ 11,014.03</u>	<u>\$ 866,814.56</u>

Grant	Balance Dec. 31, 2006	Encumbrances 12/31/06	2007 Budget	Chapter 159	Paid	Encumbrances 12/31/07	Cancelled	Balance Dec. 31, 2007
Academic Success Today	\$ 801.91		\$ 10,000.00		10,801.91			\$ -
Body Armor Replacement Fund	22,691.02		3,104.44					25,795.46
Coner House Foundation - Contribution								
to Drug Treatment Program	24.75	1,559.28					1,584.03	
County of Mercer - Mercer Regional Drug								
Treatment Program	1.02		25,198.00	47,495.00	68,270.28			4,423.74
Clean Community Grant	25,895.63		22,610.48		17,894.80			30,611.31
Drug Program - NJMSPLI	65.00		1,000.00					1,065.00
Drug Program - STAR	2,966.88		6,500.00		9,466.88			0.00
Drug Program - State of NJ NIDA	6,758.43		150,000.00		156,758.43			
Drunk Driving Enforcement	127.46		2,214.91		2,139.15			
Drug Court - Juvenile	1,792.58		46,444.00		48,236.58			203.22
Emergency Services Protective Masks	1,000.00							1,000.00
Eagleton Program - Drug Program	45.60							45.60
Mercer County Neighborhood Pres. Grant	57,000.00				6,735.04			57,000.00
NJ Child Passenger Safety	12,822.63				17,520.76		6,032.03	55.56
NJ Recycling Tonnage Grant	68,256.56			8,148.89		2,284.80		56,599.89
NJ Transportation Trust Fund								
Princeton Regional Municipal Alliance	14.59	2,453.04	29,270.00		20,464.27	8,820.32	2,453.04	30.09
Princeton Regional Schools - Title IV	30.09	999.91	6,293.00		6,293.00		999.91	23.22
Click It or Ticket Grant	23.22							25,262.97
NJ Domestic Preparedness Grant	25,262.97							236,250.00
Transportation Trust Fund	36,250.00			200,000.00	11,950.76			2,398.00
Coner House Foundation - Contribution								
DWI Court	2,398.00		11,950.76					
Granbury Schools								
Mercer County IOP	113.80		6,720.00		6,720.00			
Pedestrian Safety Program	50,000.00		48,576.00		48,689.80			240,000.00
Mercer County Princeton Youth Project			190,000.00					
NJ DAS Strengthening Families	284.54		13,000.00		13,000.00			
Alcohol Education Rehab	6,262.23		21,000.00		21,284.54		2,430.86	6,262.23
Balance Housing Program	99,163.75	2,430.86					(11.96)	99,175.71
Mercer County Open Space Acquisition								
DEP Green Acres Open Space	58,471.40							
ITC/NJ Sustainable Communities			21,820.00		12,916.35	\$9.00		45,496.05
Fire Prevention and Safety			190,667.00		15,779.70			6,040.30
Mercer at Play Recreation			50,000.00		190,667.00			
Garden State Historic Trust			30,000.00		30,000.00			50,000.00
NJ Vinyage Program					5,000.00			
Over the Limit Under Arrest					5,000.00			
DEP Stony Brook Trail			26,031.00					26,031.00
DEP Green Communities			2,000.00					2,000.00
DEP ANJEC Smart Growth			8,375.00					8,375.00
You Drink, You Drive, You Lose					2,062.61		1,725.00	
	3,787.61							
	\$ 482,311.67	\$ 7,443.09	\$ 886,368.59	\$ 297,049.89	\$ 722,651.86	\$ 11,164.12	\$ 15,212.91	\$ 924,144.35
Disbursed								
Due to General Capital Fund					\$ 531,984.86			
					190,667.00			
					\$ 722,651.86			

SCHEDULE OF STATE AND FEDERAL GRANTS UNAPPROPRIATED

<u>Grant</u>	<u>Balance Dec. 31, 2006</u>	<u>Receipts</u>	<u>Transferred to Grants Receivable</u>	<u>Balance Dec. 31, 2007</u>
Corner House Foundation	\$11,950.76	\$	\$11,950.76	\$
DDEF		3,162.24		3,162.24
DWI Court	707.42	789.33		1,496.75
NJ Bulletproof Vests	2,087.81			2,087.81
Mercer County Outpatient	18,576.00		18,576.00	
NJ Body Armor Fund	3,104.44	3,078.98	3,104.44	3,078.98
NJ Juvenile Drug Court	1,444.00		1,444.00	
	<u>\$ 37,870.43</u>	<u>\$ 7,030.55</u>	<u>\$ 35,075.20</u>	<u>\$ 9,825.78</u>

SCHEDULE OF ASSESSMENTS RECEIVABLE

<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTIONS</u>	<u>DATE OF CONFIRMATION</u>	<u>DUE DATES</u>	<u>BALANCE 12/31/06</u>	<u>ASSESSMENTS CONFIRMED</u>	<u>COLLECTIONS</u>	<u>BALANCE 12/31/07</u>	<u>BALANCE PLEDGED TO RESERVE</u>
90-29	Harrison St. Sidewalk Replacement	3/2/98	5/4	\$ 62.16		\$ 62.16	\$ -	\$ -
95-10	Shady Brook Lane Sidewalk Imp.	4/13/98	6/1	41.14		41.14		
97-05	Hartley Ave. Sidewalk Replacement	9/10/99	2/22	104.88		67.82	37.06	37.06
97-14	Leabrook Lane Sidewalk	9/11/00	9/11					
97-15	Dodds Lane Sidewalk	9/11/00	9/11	3,230.93		1,823.48	1,407.45	1,407.45
98-10	Jefferson Road Sidewalk	9/11/00	9/11	410.26		276.54	133.72	133.72
98-24	Laurel/Jefferson/Red Hill/Mansgrove SW	9/11/00	9/11	1,205.21		456.44	748.77	748.77
98-23	Random Road Sewers	11/27/00	11/27	6,000.00		6,000.00		
00-08	Bertrand/Caldwell Sidewalk	12/10/02	2/25	6,875.21		2,558.37	4,316.84	4,316.84
00-09	Dempsey Curbing	12/10/02	2/25	1,759.31		353.19	1,406.12	1,406.12
00-19	Moore Street/Henry Ave.	12/10/02	3/25	4,881.83		985.20	3,896.63	3,896.63
02-09	Poe Road	9/10/03	2/10	6,508.97		2,656.83	3,852.14	3,852.14
	Rollingmead	9/10/03	2/10	5,650.43		1,467.68	4,182.75	4,182.75
	Walnut Sidewalks	3/19/07	6/1		8,650.14	4,757.58	3,892.56	3,892.56
	Newlin Sidewalks	3/19/07	6/1		27,971.21	22,178.86	5,792.35	5,792.35
	Walnut Lane Curbing	3/19/07	6/1		8,043.16	5,933.94	2,109.22	2,109.22
	Oakland St Sidewalks	6/11/07	8/1		6,000.01	5,147.38	852.63	852.63
	Snowden Lane Sidewalks	6/11/07	8/1		7,616.70	2,018.90	5,597.80	5,597.80
	Evergreen Circle Curbing	6/11/07	8/1		13,338.00	6,670.93	6,667.07	6,667.07
	Carnahan Place Sidewalks	6/11/07	8/1		7,940.71	3,206.06	4,734.65	4,734.65
	Tee-Ar Sidewalks	6/25/07	8/1		6,898.84	4,510.74	2,388.10	2,388.10
	Clearview Ave Sidewalks	6/25/07	8/1		13,680.30	11,582.65	2,097.65	2,097.65
	Grove Ave Sidewalks	6/25/07	8/1		11,237.93	7,636.89	3,601.04	3,601.04
	Dorann Ave Curbing	6/25/07	8/1		25,235.72	12,181.22	13,054.50	13,054.50
	Littlebrook Rd Pathway	7/16/07	8/31		11,047.96	6,528.33	4,519.63	4,519.63
02-16	Springdale Rd Sidewalk	9/10/07	10/15		16,541.91	11,945.04	4,596.87	4,596.87
				<u>\$ 36,730.33</u>	<u>\$ 164,202.59</u>	<u>121,047.37</u>	<u>\$ 79,885.55</u>	<u>\$ 79,885.55</u>

SCHEDULE OF RESERVE FOR ASSESSMENTS AND LIENS

ORD. NO.	IMPROVEMENT DESCRIPTION	Balance 12/31/06	Costs Raised Prior To Assessment	Assessments Confirmed	Collections to Surplus	Municipal Share of Assessments	Transfers		Balance 12/31/07
							From	To	
Assessments Receivable:									
90-29	Harrison Street Sidewalk Replacement	\$ 62.16	\$		\$ 62.16	\$	\$	\$	-
95-10	Shady Brook Lane Sidewalk Improv.	41.14			41.14				
97-05	Replacement Sidewalks Hartley Ave.	104.88			67.82				37.06
97-14	Leabrook Lane Sidewalk								
97-15	Dodds Lane Sidewalk	3,230.93			1,823.48				1,407.45
98-10	Jefferson Road Sidewalk	410.26			276.54				133.72
98-24	Laurel/Jefferson/RedHill/Mansgrove SW	1,205.21			456.44				748.77
98-23	Random Road Sewers	6,000.00			6,000.00				
00-08	Bertrand/Caldwell Sidewalk	6,875.21			2,558.37				4,316.84
00-09	Dempsey Curbing	1,759.31			353.19				1,406.12
00-19	Moore St./Henry Ave.	4,881.83			985.20				3,896.63
02-09	Poe Road Sidewalks	6,508.97			2,656.83				3,852.14
02-16	Rollingmead Sidewalks			8,650.14	1,467.68				4,182.75
04-06	Walnut Sidewalks	5,650.43		27,971.21	4,757.58				3,892.56
01-03	Newlin Sidewalks			8,043.16	22,178.86				5,792.35
04-17	Walnut Lane Curbing			6,000.01	5,933.94				2,109.22
05-23	Oakland St Sidewalks			7,616.70	5,147.38				852.63
04-20	Snowden Lane Sidewalks			13,338.00	2,018.90				5,597.80
06-25	Evergreen Circle Curbing			7,940.71	6,670.93				6,667.07
05-07	Camahan Place Sidewalks			6,898.84	3,206.06				4,734.65
05-15	Tee-Ar Sidewalks			13,680.30	4,510.74				2,388.10
05-31	Clearview Ave Sidewalks			11,582.65	11,582.65				2,097.65
05-32	Grove Ave Sidewalks			11,237.93	7,636.89				3,601.04
05-10	Dorann Ave Curbing			25,235.72	12,181.22				13,054.50
05-16	Littlebrook Rd Pathway			11,047.96	6,528.33				4,519.63
05-26	Springdale Rd Sidewalk			16,541.91	11,945.04				4,596.87
		36,730.33		164,202.59	121,047.37				79,885.55
Prospective Assessments Funded:									
99-07	Replacement Sidewalks Various Streets	1,100.00							1,100.00
00-08	Bertrand Dr. and Caldwell Dr.	2,175.00							2,175.00
00-09	Dempsey Ave.	1,000.00							1,000.00
00-19	Moore St./Henry St.	4,050.00							4,050.00
		8,325.00							8,325.00
Assessment Liens:									
Prior Year - T. Sheenen									
		8,478.76							8,478.76
		\$ 53,534.09	\$ -	\$ 164,202.59	\$ 121,047.37	\$ -	\$ -	\$ -	\$ 96,689.31

SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES

Balance - December 31, 2006		\$ 12,355.50
Increased by:		
Fees Collected	6,741.00	
Principal/Interest	22,433.13	
Boarding and Miscellaneous Fees	1,893.00	
Interest Earned on Jaynes Trust	<u>837.46</u>	
		<u>31,904.59</u>
		44,260.09
Decreased by:		
Due to Current Fund		23,253.64
Expenditures		<u>8,921.95</u>
Balance - December 31, 2007		<u><u>\$ 12,084.50</u></u>
License Fees Collected:		
2005	\$ 6,127.50	
2006	<u>5,957.00</u>	
		<u><u>\$ 12,084.50</u></u>

Note: R.S. 4:19-15.11

... there shall be transferred from such special account to the general funds of the municipality any amount then in such special account which is in excess of the total amount paid into such special account during the last two fiscal years preceeding."

SCHEDULE OF RESERVE FOR OPEN SPACE TRUST FUND

Balance - December 31, 2006	\$ 620,729.84
Increased by:	
Amount Raised by Taxation	485,134.99
Municipal Open Space Added Taxes	
Interest Earned	<u>21,564.18</u>
	<u>506,699.17</u>
	1,127,429.01
Decreased by:	
Disbursements	<u>646,372.00</u>
Balance - December 31, 2007	<u><u>\$ 481,057.01</u></u>

TOWNSHIP OF PRINCETON
COUNTY OF MERCER
SCHEDULE OF OTHER RESERVES AND SPECIAL DEPOSITS
YEAR ENDED DECEMBER 31, 2007

	<u>Balance</u> <u>December 31, 2006</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>December 31, 2007</u>
Bulletproof Vest	\$ 26.85			\$ 26.85
Accumulated Sick Leave	253,233.04	75,000.00	16,247.07	311,985.97
Fire Prevention	27,259.22	105,211.80	107,666.78	24,804.24
Electrical Permit	11,533.30			11,533.30
Plumbing Permit	18,133.70			18,133.70
Off Duty Police	(4,616.18)	115,722.49	107,364.83	3,741.48
POAA	13,266.00	518.00		13,784.00
Construction Official	825,068.26	732,598.59	661,907.51	895,759.34
Fire Prevention Penalty Fees	1,209.88	1,250.00		2,459.88
Fire Prevention Penalty-Dedicated	394.40	750.00		1,144.40
Professional Fees	155,334.39	516,378.21	306,263.58	365,449.02
C.O.	273,519.14	41,226.50	35,187.28	279,558.36
Performance Bond	3,428,468.07	1,430,968.68	193,886.53	4,665,550.22
Inspection Fee Escrow	1,108,654.96	408,029.39	50,645.67	1,466,038.68
Police Fitness Foundation	14,897.86	550.00	4,051.73	11,396.13
Forfeiture Fund	362.13	0.55		362.68
Miscellaneous Deposits	1,069,954.13	172,199.00	18,612.50	1,223,540.63
	<u>\$ 7,196,699.15</u>	<u>\$ 3,600,403.21</u>	<u>\$ 1,501,833.48</u>	<u>\$ 9,295,268.88</u>

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

Exhibit - C-2

Page 1 of 2

	BALANCE DEC. 31, 2006	BALANCE DEC. 31, 2007
Fund Balance	\$298,078.40	\$325,764.88
Capital Improvement Fund	103,291.18	157,164.18
Reserves for:		
Various Improvements	67,000.00	67,000.00
Wastewater Trust Loan	551,474.82	289,272.74
Open Space Acquisition		
Encumbrances	2,399,218.75	2,235,727.27
Debt Service	843,034.68	714,447.74
Poor Farm Road/Commodit	15,000.00	15,000.00
Roads	50,000.00	50,000.00
Miscellaneous		8,365.25
Preliminary Costs - Flood Mitigation	1,385.31	1,385.31
Due from Borough of Princeton	(8,831.80)	(8,831.80)
Due from Grant Fund		(228,167.00)
Other receivables		(277,390.08)
Due from Mercer County		
Infrastructure Loan Receivable	(1,794,142.00)	(3,125,501.00)
DOT Grant Receivable	(298,750.00)	(498,750.00)
Developer Contributions Receivable	(972,163.18)	(972,163.18)

ORD.

NO. IMPROVEMENT AUTHORIZATIONSGeneral Improvements

86-22,87-16	Acquisition of Mountain lakes Property	(2,390.08)	1,639.13
90-17	Various Capital Improvements	1,594.26	1,594.26
94-21	Various Capital Improvements	9,154.01	3,294.81
94-26,98-26	Construction of New Municipal Building	35,301.94	18,272.74
95-12	Various Capital Improvements	863.59	863.59
96-10	Various Capital Improvements	25,500.44	25,500.44
97-06	Various Capital Improvements	106,955.16	103,171.67
98-03	Mercer Road Pedestrian Bridge	116,292.49	116,292.49
98-09	Brookstone Drive Etc. - Supplemental	247.58	247.58
98-22	Various Capital Improvements	178,572.80	146,621.39
98-28	Rosedale Road Pump Station	62.04	
98-29	Recreation Building Relocation	46,299.75	46,299.75
99-11	Various Capital Improvements	(63,640.69)	(63,640.69)
99-21	Engineering Study-Harry's Brook Pedestrian Bridge	306.50	
00-03	Various Capital Improvements (Twp. Only)	1,372,967.63	1,305,081.72
00-06	Bunn Drive Construction	86.83	
00-13	Various Capital Improvements (Jt. Agency)	294,926.97	294,926.97
00-21	Park Development Design Svcs. For RW Estate	3,360.48	3,360.48
01-03	Olden Lane, Newlin Road, Springdale Road Sidewalks	7,552.37	775.18
01-05	Smoyer Park Recreation Facilities	543.85	0.00
01-06	Russell Road Construction	10,959.58	10,959.58
01-07	Van Dyke Road, Great Road Bikepaths	17,772.56	17,772.56
01-11	Olden Lane, Newlin Rd., Mountain Ave. Reconstruction	2,757.07	2,087.87
01-13	Reconstruction at cherry Valley Road @ Pulte	10,921.95	10,921.95
01-15	Various Capital Improvements	501,519.96	447,188.93
01-18	Acquisition of Gulick Farm		
01-21	Construction, Equiping & Furnishing Library	55,954.56	55,954.56
01-23	Rosedale Road Pump Station Supplemental	189,492.18	187,254.68
02-01	High Density Storage Units	2,089.87	2,089.87
02-14	Mountain Ave. Sewer Extension	16,611.00	446.00
02-15	Various Capital Improvements	(1,248,782.69)	(575,542.32)
03-04	Recreation Improvements	2,307.36	2,307.36
03-09	Road Improvements - Princeton-Kingston Rd.	2,255.92	2,255.92
03-10	Sewer Improvements -Princeton-Kingston Rd.	8,775.90	8,775.90
03-13	Various Capital Improvements	564,585.91	290,271.30
03-17	Sewer Lateral Repairs	17,936.83	17,936.83
03-19	Sewer Lateral Repairs - Lake/Longview/Knoll Drives	102,225.24	102,225.24
04-02	Eng. Design:Clearview/Dorann/Tee-Ar/Grover	1,544.76	1,544.76
04-04	Sewer Lateral Repairs - Harris/Hillside/Loomis/Oakland	91,832.55	91,832.55
04-05	Ext. of Sanitary Sewer Main and Water Main Arretton Rd.	47,523.24	47,523.24
04-06	Install./Repair Sidewalks on Walnut Lane	3,216.48	3,216.48

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

Exhibit - C-2
Page 2 of 2

		<u>BALANCE</u> <u>DEC. 31, 2006</u>	<u>BALANCE</u> <u>DEC. 31, 2007</u>
04-07	Repair and Reconstruction Var. Roadways	92,701.45	86,591.99
04-13	Various Capital Improvements	(247,664.74)	(57,398.32)
04-17	Walnut Lane Curbing	(233.00)	(233.00)
04-20	Snowden Lane Sidewalks (West Side)	794.66	794.66
05-02	Snowden Lane Reconstruction	500.52	500.52
05-03	Various Griggs Farm Improvements	232,795.98	6,901.50
05-05	Various Township Road Projects	19,141.67	9,996.87
05-07	Camahan Sidewalks	2,348.62	2,348.62
05-08	Snowden Lane Pathway	2,181.40	2,181.40
05-09	Grover Sidewalks		
05-10	Dorann Avenue Curbing	773.96	773.96
05-11	Clearview Sidewalks		
05-12	Littlebrook Sewers	11,550.90	11,550.90
05-15	Tee-Ar Place Sidewalks	23,016.17	23,016.17
05-16	Littlebrook Road Pathway	904.08	904.08
05-23	Oakland Street Sidewalks	(11,238.00)	(1,238.00)
05-24	Various Capital Improvements	729,446.45	680,836.31
05-25	Littlebrook Road/Tyson Lane Sewer	2,350.00	2,350.00
05-26	Springdale Road Sidewalks	1,932.50	1,932.50
05-28	Joint Sewer System Rehab.	1,783,316.65	2,491,505.95
05-29	Sycamore Road Sidewalks	1,064.25	1,064.25
05-30	Sycamore Road Sewer Laterals	(1,285.75)	(1,285.75)
05-31	Clearview Avenue Sidewalks B	(25,610.41)	(610.41)
05-32	Grover Avenue Sidewalks B	1,500.00	1,500.00
05-33	Ewing Street Sidewalks	2,005.00	2,005.00
05-36	Recreation Improvements - Supplement	5,680.00	5,680.00
06-01	Recreation Supplemental	(12,130.31)	(12,130.31)
06-02	Road Construction and Repair	(2,021,624.22)	(150,642.89)
06-03	Tusculum	(87,534.11)	(98,167.84)
06-13	Riverside Sidewalks	1,675.00	1,675.00
06-14	Hemlock Sidewalks	475.00	(1,625.00)
06-15	Overbrook Sidewalks	(34,200.00)	(4,200.00)
06-21	Vernon Circle and Castle Howard	850.00	850.00
06-22	Multi Purpose Ordinance	(274,152.69)	(94,703.81)
06-25	Evergreen Circle Curbs	667.00	667.00
06-27	Abernathy Sidewalks	610.00	610.00
06-32	Interconnector Road	186,800.00	
06-33	Rosedale Supplemental	82,199.00	82,199.00
06-34	Abernathy Sewer Laterals	(32,971.00)	(2,971.00)
06-36	Audubon Lane Sewer Laterals	1,600.00	1,425.00
06-37	Sewer Laterals : 206 & Laurel Circle	(76,020.00)	(6,020.00)
07-02	Various Road Improvement Projects		(23,644.44)
07-03	Various Road Improvement Projects		(200,727.89)
07-10	Linwood Cir./Route 206 Sewer Laterals		1,945.00
07-13	Maclean Circle Sidewalks		1,408.75
07-14	Clover Lane Sewer Laterals		5,302.00
07-15	Clover Lane Belgium Block		1,970.92
07-16	Witherspoon Street Sidewalks		500.00
07-18	Philip Dr./Hemlock Cir. /Woodside		(7,851.64)
07-19	Multi Purpose Ordinance		305,402.69
07-22	Herrontown Circle Curbing		670.59
07-23	Griggs Farm Supplemental		2,000.00
07-25	Herrontown Circle Curbing - Additional		150.00
		<u>\$4,154,870.34</u>	<u>\$4,560,409.41</u>

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SCHEDULE OF DEFERRED CHARGES TO
FUTURE TAXATION - UNFUNDED

Exhibit - C-3

ORD. NO.	DATE	IMPROVEMENT DESCRIPTION	BALANCE	2007	IMPROV.	OTHER	BALANCE	BOND	ANALYSIS OF BALANCE - JUNE 30, 2007	
			DEC. 31, 2006	AUTHOR.	AUTHOR. CANCELLED	FUNDING	DEC. 31, 2007	ANTICIPATION NOTES	EXPENDITURES	UNEXPENDED BALANCE OF IMPROV. AUTH.
<u>General Improvements</u>										
95-12		Various Capital Improvements	\$6,166.77	\$	5,000.00	\$	\$1,166.77	\$		\$1,166.77
96-10		Various Capital Improvements	36,647.04				36,647.04			36,647.04
99-11		Various Capital Improvements	395,955.34				395,955.34		63,640.69	332,314.65
00-03		Various Capital Improvements(Twp. Only)	2,283,804.27				2,283,804.27			2,283,804.27
00-13		Various Capital Improvements(It. Agency)	1,015,215.00				1,015,215.00			1,015,215.00
01-13		Reconst. Of Cherry Valley Road	28,207.78				28,207.78			28,207.78
01-15		Various Capital Improvements	859,645.71				859,645.71			859,645.71
01-21		Const., Equip. Furnishing Library	100,000.00		27,500.00		100,000.00			100,000.00
02-01		High Density Storage Units	27,500.00		2,000.15			935,000.00	575,542.32	460,578.93
02-15		Various Capital Improvements	1,973,121.40		13,550.86		1,960,599.14			1,960,599.14
03-13		Various Capital Improvements	1,974,150.00				116,000.00			116,000.00
03-17		Sewer Lateral Repairs	116,000.00				151,500.00			151,500.00
04-04		Sewer Lateral Repairs Var. Roads	151,500.00				42,600.00			42,600.00
04-05		Ext. of Sanitary Sewer and Water Mains	42,600.00				250.00			250.00
04-06		Install./Repair of Sidewalks Walnut Lane	250.00				802,604.50	300,000.00	57,398.32	445,206.18
04-13		Various Capital Improvements	802,604.50				233.00		233.00	
04-17		Walnut Lane Curbing	233.00				233.00			
05-23		Oakland Street Sidewalks	11,400.00		162.00		11,238.00	10,000.00	1,238.00	
05-24		Various Capital Improvements	438,010.10				438,010.10			438,010.10
05-25		Littlebrook Road/Tyson Lane Sewer	42,200.00				42,200.00			42,200.00
05-26		Springdale Road Sidewalks	41,800.00				41,800.00			41,800.00
05-28		Joint Sewer System Rehab	4,925,838.00			1,718,221.00	3,207,637.00			3,207,637.00
05-29		Sycamore Road Sidewalks	23,750.00				23,750.00			23,750.00
05-30		Sycamore Road Sewer Laterals	24,865.00				24,865.00		1,285.75	23,579.25
05-31		Clearview Ave. Sidewalks B	33,250.00		6,995.54		26,254.46	25,000.00	610.41	644.05
05-32		Grover Ave. Sidewalks B	31,940.00				31,940.00			31,940.00
05-33		Ewing Street Sidewalks	41,325.00				41,325.00			41,325.00
05-36		Recreation Improvements Supplement	106,000.00				106,000.00			106,000.00
06-01		Recreation Supplemental	13,300.00				13,300.00		12,130.31	1,169.69
06-02		Road Construction and Repair	2,208,750.00		2,500,000.00		2,208,750.00	2,000,000.00	150,642.89	58,107.11
06-03		Tusculum	2,850,000.00				350,000.00		98,167.84	251,832.16
06-13		Riverside Sidewalks	35,150.00				35,150.00			35,150.00
06-14		Hemlock Sidewalks	12,350.00				12,350.00	10,000.00	1,625.00	15,900.00
06-15		Overbrook Sidewalks	34,200.00				34,200.00	30,000.00	4,200.00	1,277,296.19
06-21		Vernon Circle and Castle Howr	15,900.00				15,900.00			12,671.00
06-22		Multi-purpose Ordinance	1,972,000.00				1,972,000.00	600,000.00	94,703.81	11,590.00
06-25		Evergreen Circle Curbs	12,671.00				12,671.00			12,671.00
06-27		Abenathy Sidewalks	11,590.00				11,590.00			11,590.00
06-34		Abenathy Sewer Laterals	65,450.00				65,450.00	30,000.00	2,971.00	32,479.00
06-37		Sewer Laterals:206 & Laurel Circle	84,550.00				84,550.00	70,000.00	6,020.00	8,530.00
06-36		Audubon Lane Sewer Laterals	30,400.00				30,400.00			30,400.00
07-02		Various Road Improvements	846,450.00				846,450.00	600,000.00	23,644.44	222,805.56
07-03		Various Road Improvements	2,510,000.00				2,510,000.00	1,320,000.00	200,727.89	989,272.11
07-10		Linwood Circle & Lealbrook Lane	40,375.00				40,375.00			40,375.00
07-13		Maclean Circle Sidewalks	30,400.00				30,400.00			30,400.00
07-14		Clover Lane Sewer Laterals	104,500.00				104,500.00			104,500.00
07-15		Clover Lane Belgium Block	43,700.00				43,700.00			43,700.00
07-16		Witherspoon St. Sidewalks	9,225.00				9,225.00			9,225.00
07-18		Philip Dr./Hemlock Cir./Woodside Dr.	87,875.00				87,875.00	70,000.00	7,851.64	10,023.36
07-19		Multi-purpose Ordinance	1,745,665.00		182,000.00		1,563,665.00			1,563,665.00
07-22		Herrontown Circle Curbing	17,100.00				17,100.00			17,100.00
07-23		Griggs Farm Supplemental	38,000.00				38,000.00			38,000.00
07-25		Herrontown Circle Curbing - Additional	2,850.00				2,850.00			2850
			\$22,860,309.91	\$5,476,140.00	\$2,737,208.55	\$1,718,221.00	\$23,901,020.36	\$6,000,000.00	\$1,302,633.31	\$16,598,387.05

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

Exhibit - C-4

SCHEDULE OF DEVELOPERS CONTRIBUTION RECEIVABLE

Balance - Dec. 31, 2006	\$972,163.18
Balance - Dec. 31, 2007	<u>\$972,163.18</u>

Exhibit - C-5

SCHEDULE OF STATE AID RECEIVABLE

Balance - Dec. 31, 2006	\$298,750.00
Increased by:	
Grants Receivable	<u>200,000.00</u>
Balance - Dec. 31, 2007	<u>\$498,750.00</u>

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Exhibit - C-6
Page 1 of 2

ORD. NO.	IMPROVEMENT DESCRIPTION	BALANCE - DECEMBER 31, 2006				2007 AUTHORIZATIONS				PAID OR CHARGED 12/31/07	ENCUMBERED 12/31/07	AUTHORIZATIONS CANCELLED	BALANCE - DEC. 31, 2007	
		FUNDED	UNFUNDED	ENCUMBERED 12/31/06	OTHER FUNDING	UNFUNDED	IMP. FUND	CAPITAL	OTHER FUNDING				FUNDED	UNFUNDED
86-22,87-16	Acquisition of Mountain Lake Prop.	(\$2,390.08)		3,066.20						(2,390.08)	3,066.20	(1,639.13)	1,639.13	
90-17	Various Capital Improvements	1,594.26											1,594.26	
94-21	Various Capital Improvements	9,154.01											3,294.81	
94-26,98-26	Construction of New Mun. Bldg.	35,301.94											18,272.74	
95-12	Various Capital Improvements	863.59	6,166.77										863.59	1,166.77
96-10	Various Capital Improvements	25,500.44	36,647.04										25,500.44	36,647.04
97-06	Various Capital Improvements	106,955.16		255.92						4,039.41			103,171.67	
98-03	Mercer Road Pedestrian Bridge	116,292.49											116,292.49	
98-09	Brookstone Drive Bld. Supplemental	247.58											247.58	
98-22	Various Capital Improvements	178,572.80								24,757.01	7,194.40	62.04	146,621.39	
98-28	Rosedale Road Pump Station	62.04												
98-29	Recreation Building Relocation	46,299.75											46,299.75	
99-11	Various Capital Improvements		332,314.65											332,314.65
99-21	Engineering Study-Harry's Brook	306.50												
00-01	Various Capital Improvements	1,372,967.63		288,139.08						312,886.91	43,138.08	306.50	1,305,081.72	2,283,804.27
00-06	Burn Drive Construction	86.83		26,100.00						26,100.00		86.83	0.00	
00-13	Various Capital Improvements	294,926.97	1,015,215.00										294,926.97	1,015,215.00
00-21	Design Studies Johnson Estate	3,360.48											3,360.48	
01-03	Olden Lane, Newlin Road, Mount Ave.	7,552.37											7,552.37	
01-05	Smoyer Park Recreation Facilities	543.85								475.00		6,777.19	775.18	
01-06	Russell Road Reconstruction	10,959.58		104,638.64						104,638.64		68.85	0.00	
01-07	VanDyke Road, Great Road Bikeway	17,772.56		11,362.50						669.20	11,362.50		10,959.58	
01-11	Olden Lane, Newlin Road, Mount Ave.	2,757.07											17,772.56	
01-13	Reconstruction Cherry Valley Road	10,921.95	28,207.78										2,087.87	28,207.78
01-15	Various Capital Improvements	501,519.96	859,645.71	128,351.60						182,682.63			10,921.95	859,645.71
01-18	Acquisition of Gulick Farm												447,188.93	
01-21	Coned. Equipping New Public Library	55,954.56	100,000.00							2,237.50			55,954.56	100,000.00
01-23	Rosedale Road Pump Station	189,492.18											187,234.68	
02-01	High Density Storage Units	2,089.87	27,500.00									27,500.00	2,089.87	
02-14	Mountain Ave. Sewer Extension	16,611.00											446.00	
02-15	Various Capital Improvements		724,338.71	1,121,847.12						1,294,280.10	89,326.65	2,000.15	0.00	460,578.93
03-04	Recreation Improvements	2,307.36		730.00							730.00		2,307.36	
03-09	Rd. Improv. Princeton-Kingston Rd.	2,255.92											2,255.92	
03-10	Sewer Improv. Princeton-Kingston Rd.	8,775.90											8,775.90	
03-13	Various Capital Improvements	564,585.91	1,974,150.00	286,202.17						275,826.90	284,689.88	13,550.86	290,271.30	1,960,599.14
03-17	Sewer Lateral Repairs	17,936.83	116,000.00										17,936.83	116,000.00
04-02	Sewer Lateral Rep. Lake/Lonsview/Kno	102,225.24											102,225.24	
04-02	Eng. Design - Clearview/Dorran, Tee-Ar	1,544.76											1,544.76	
04-04	Sewer Lateral Repairs, Var. Streets	91,832.55	151,500.00										91,832.55	151,500.00
04-05	Etc. of San. Sewer Main	47,523.24	42,600.00										47,523.24	42,600.00
04-06	Install/Repair Sidewalks Walnut Lane	3,216.48	250.00							4,740.09	1,369.37		3,216.48	250.00
04-07	Repair/Reconstruction Var. Roadways	92,701.45		78,060.48						184,568.68	3,225.38		86,391.99	445,206.18
04-13	Various Capital Improvements		554,939.76											
04-17	Walnut Lane Curbing													
04-20	Snowden Lane Sidewalks (West Side)	794.66											794.66	
05-02	Snowden Lane Reconstruction	500.52											500.52	
05-03	Various Griggs Farm Improvements	232,795.98		12,910.00						232,812.48	5,992.00		6,901.50	
05-05	Various Township Road Projects	19,141.67								9,144.80			9,996.87	
05-07	Camahan Sidewalks	2,348.62											2,348.62	
05-08	Snowden Lane Pathway	2,181.40											2,181.40	
05-09	Grover Sidewalks													
05-10	Dorran Ave. Curbing	773.96											773.96	
05-11	Clearview Sidewalks													

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORD NO.	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2006			2007 AUTHORIZATIONS			PAID OR CHARGED	ENCUMBERED 12/31/07	AUTHORIZATIONS CANCELLED	BALANCE - DEC 31, 2007	
		FUNDED	UNFUNDED	ENCUMBERED 12/31/06	UNFUNDED	CAPITAL IMP FUND	OTHER FUNDING				FUNDED	UNFUNDED
05-12	Littlebrook Sewers	11,550.90									11,550.90	
05-15	Two-At Plaza Sidewalks	23,016.17									23,016.17	
05-06	Littlebrook Road Pathway	904.08									904.08	
05-23	Oakland Street Sidewalks		162.00							162.00		
05-24	Various Capital Improvements	729,446.45	438,010.10	46,952.23				92,562.37	3,000.00		680,836.31	438,010.10
05-25	Littlebrook Rd./Tyson Lane Sewer	2,350.00	42,200.00								2,350.00	42,200.00
05-26	Springdale Road Sidewalks	1,932.50	41,800.00								1,932.50	41,800.00
05-28	Joint Sewer System Rehab.	1,783,316.65	4,925,858.00						1,010,031.70		2,491,505.95	3,207,637.00
05-29	Sycamore Road Sidewalks	1,064.25	23,750.00								1,064.25	23,750.00
05-30	Sycamore Road Sewer Laterals		23,579.25									23,579.25
05-31	Cleaveston Ave. Sidewalks B		7,639.59							6,995.54		644.05
05-32	Grover Ave. Sidewalks B	1,500.00	31,940.00								1,500.00	31,940.00
05-33	Living St. Sidewalks	2,005.00	41,325.00								2,005.00	41,325.00
05-36	Recreation Improv. Supplement	5,680.00	106,000.00								5,680.00	106,000.00
06-01	Recreation Supplemental		1,169.69		(730.00)				(730.00)			1,169.69
06-02	Road Reconstruction and Repair		187,125.78	214,309.48				177,575.10	165,753.05	2,500,000.00	0.00	58,107.11
06-03	Purchase of Open Space - Tusculum		2,762,465.89	4,639.00				15,272.73				251,832.16
06-13	Riverside Ave. Sidewalks	1,675.00	35,150.00						12,100.00		1,675.00	35,150.00
06-14	Hemlock Circle Sidewalks	475.00	12,350.00	36,000.00				36,000.00				725.00
06-15	Overbrook Sidewalks											
06-21	Vernon Circle & Castle Howard Sidewalk	850.00	15,900.00								850.00	15,900.00
06-22	2006 Multipurpose Ordinance		1,697,847.31	36,384.33				429,991.14	26,944.31			1,277,296.19
06-25	Evergreen Circle Curb	667.00	12,671.00								667.00	12,671.00
06-27	Abernathy Sidewalks	610.00	11,590.00								610.00	11,590.00
06-32	Interconnector Road	186,800.00						186,800.00				
06-33	Roadside Supplemental	82,199.00										
06-34	Abernathy Sewer Laterals											
06-36	Audobon Lane Sewer Laterals	1,600.00	30,400.00									
06-37	Rt. 206 & Laurel Circle Sewer Laterals		8,530.00								82,199.00	32,479.00
07-02	Various Road Improvement Projects		846,450.00					175.00			1,425.00	30,400.00
07-03	Various Road Improvement Projects		2,510,000.00									8,530.00
07-10	Linwood Cr./Route 206 Sewer Laterals		40,375.00				200,000.00	507,831.52	160,362.92		(0.00)	222,805.56
07-13	Madison Circle Sidewalks		30,400.00					1,521,261.66	289,466.23		0.00	989,272.11
07-14	Madison Circle Sidewalks		1,600.00					180.00			1,945.00	40,375.00
07-14	Glover Lane Sewer Laterals		104,500.00					191.25			1,408.75	30,400.00
07-14	Glover Lane Sewer Laterals		2,300.00					198.00			5,302.00	104,500.00
07-15	Glover Lane Belgium Block		43,700.00					329.08			1,970.92	43,700.00
07-16	Witherspoon Street Sidewalks		9,225.00								500.00	9,225.00
07-18	Philip Dr./Hemlock Cir/Woodside		87,875.00					2,014.34	80,462.30			10,023.36
07-19	Multi-Purpose Ordinance		1,745,665.00					213,899.01	38,242.30	182,000.00	305,402.69	1,563,665.00
07-22	Herrontown Circle Curbings		17,100.00					229.41			670.59	17,100.00
07-23	Griggs Farm Supplemental		38,000.00								2,000.00	38,000.00
07-25	Herrontown Circle Curbings-Additional		2,850.00								150.00	2,850.00
		\$7,037,361.79	\$18,743,222.30	\$2,399,218.75	\$5,476,140.00	\$746,127.00	\$655,667.00	\$5,559,009.08	\$2,235,727.27	\$2,764,895.03	\$7,109,718.41	\$16,598,387.05

Deferred Charges Unfunded
Fund Balance

\$2,737,208.55
27,686.48
\$2,764,895.03

SCHEDULE OF GENERAL SERIAL BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING - DEC. 31, 2007</u>	<u>INTEREST RATE</u>	<u>BALANCE DEC. 31, 2006</u>	<u>DECREASED</u>	<u>BALANCE DEC. 31, 2007</u>
General Improvement Bonds	7/1/93	\$ 4,105,000.00	7/1/07	4.625%	\$ 345,000.00	\$ 345,000.00	\$ -
General Improvement Bonds	7/1/99	9,150,000.00	7/1/07-10	4.600%	4,000,000.00	1,000,000.00	3,000,000.00
General Improvement Bonds	9/1/01	10,700,000.00	9/01/2007 9/1/08-09 9/1/10 9/1/11 9/1/12 9/1/13 9/1/14 9/1/15 9/1/16 9/1/17 9/1/18 9/1/19	4.100% 4.100% 4.100% 4.125% 4.125% 4.200% 4.250% 4.375% 4.400% 4.500% 4.600% 4.625%	500,000.00 550,000.00 600,000.00 600,000.00 650,000.00 700,000.00 700,000.00 700,000.00 800,000.00 800,000.00	1,000,000.00 8,500,000.00	3,000,000.00 8,000,000.00
General Improvement Bonds	9/1/02	10,685,000.00	9/1/07-08 9/1/09 9/1/10 9/1/11 9/1/12 9/1/13 9/1/14 9/1/15 9/1/2016-17	3.125% 3.125% 3.125% 3.200% 3.250% 3.400% 3.500% 3.625% 3.750%	500,000.00 600,000.00 625,000.00 800,000.00 835,000.00 900,000.00 925,000.00 1,000,000.00 1,000,000.00	8,685,000.00	8,185,000.00
General Improvement Bonds	5/1/04	9,250,000.00	5/1/07 5/1/08 5/1/09-10 5/1/11-13 5/1/14 5/1/15 5/1/16 5/1/17-19	4.125% 4.125% 4.125% 4.125% 4.200% 4.250% 4.375% 4.500%	400,000.00 500,000.00 550,000.00 600,000.00 750,000.00 750,000.00 800,000.00	400,000.00	8,050,000.00

SCHEDULE OF GENERAL SERIAL BONDS

Exhibit - C-7
Page 2 of 2

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING - DEC. 31, 2007		INTEREST RATE	BALANCE DEC. 31, 2006	DECREASED	BALANCE DEC. 31, 2007
			DATE	AMOUNT				
General Improvement Bonds	6/20/06	23,775,000.00	1/1/07	270,000.00	4.250%	23,775,000.00	270,000.00	23,505,000.00
			1/1/08	575,000.00	4.250%			
			1/1/09	580,000.00	4.250%			
			1/1/10	580,000.00	4.250%			
			1/1/11	1,185,000.00	4.250%			
			1/1/12	1,190,000.00	4.250%			
			1/1/13	1,200,000.00	4.375%			
			1/1/14	1,100,000.00	4.375%			
			1/1/15	1,100,000.00	4.375%			
			1/1/16	1,135,000.00	4.375%			
			1/1/17	1,190,000.00	4.375%			
			1/1/18	1,245,000.00	4.375%			
			1/1/19	1,305,000.00	4.375%			
			1/1/20	1,375,000.00	4.450%			
			1/1/21	1,440,000.00	4.500%			
			1/1/22	1,505,000.00	4.500%			
			1/1/23	1,580,000.00	4.550%			
		1/1/24	1,660,000.00	4.600%				
		1/1/25	1,740,000.00	4.650%				
		1/1/26	1,820,000.00	4.650%				
						\$53,755,000.00	\$3,015,000.00	\$50,740,000.00

SCHEDULE OF LOAN PAYABLE
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

PROJECT DESCRIPTION	DRAWDOWN DATE	AMOUNT OF LOAN	INTEREST RATE	MATURITIES OF LOANS		BALANCE JUNE 30, 2006	INCREASED	DECREASED	BALANCE DEC. 31, 2007
				DATE	AMOUNT				
Infrastructure Water Loan	10/23/06	\$ 905,000.00	4.00%	8/1/08	30,000.00	\$ 905,000.00			905,000.00
			4.00%	8/1/09	35,000.00				
			4.00%	8/1/10	35,000.00				
			5.00%	8/1/11	35,000.00				
			5.00%	8/1/12	35,000.00				
			5.00%	8/1/13	40,000.00				
			5.00%	8/1/14	40,000.00				
			5.00%	8/1/15	45,000.00				
			5.00%	8/1/16	45,000.00				
			4.00%	8/1/17	45,000.00				
			4.000%	8/1/18	50,000.00				
			4.000%	8/1/19	50,000.00				
			4.000%	8/1/20	55,000.00				
			4.125%	8/1/21	55,000.00				
			4.125%	8/1/22	55,000.00				
			4.250%	8/1/23	60,000.00				
			5.000%	8/1/24	60,000.00				
			4.250%	8/1/25	65,000.00				
			4.250%	8/1/26	70,000.00				
SEMI-ANNUAL PRINCIPAL									
YEAR									
Infrastructure Water Loan - Principal Only	10/23/06	\$ 889,142	2007	1-Feb	1-Aug	889,142.00	20,783.37	20,783.37	868,358.63
			2008	12,811.67	32,113.62				
			2009	12,425.63	34,944.57				
			2010	11,975.25	34,494.19				
			2011	11,524.87	34,043.81				
			2012	10,961.90	33,480.84				
			2013	10,398.92	36,134.86				
			2014	9,755.52	35,491.46				
			2015	9,112.12	38,065.05				
			2016	8,388.30	37,341.23				
			2017	7,664.48	36,617.41				
			2018	7,085.42	39,255.34				
			2019	6,442.02	38,611.94				
			2020	5,798.62	41,185.53				
			2021	5,090.88	40,477.80				
			2022	4,361.03	39,747.94				
			2023	3,631.17	42,235.08				
			2024	2,810.84	41,414.75				
			2025	1,845.74	43,666.64				
2026	957.05	45,995.14							

SCHEDULE OF LOAN PAYABLE
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

PROJECT DESCRIPTION	DRAWDOWN DATE	AMOUNT OF LOAN	INTEREST RATE	MATURITIES OF LOANS		BALANCE JUNE 30, 2006	INCREASED	DECREASED	BALANCE DEC. 31, 2007
				DATE	AMOUNT				
Infrastructure Water Loan	11/8/07	\$ 870,000.00	5.00%	8/1/09	30,000.00	870,000.00	870,000.00		870,000.00
			5.00%	8/1/10	30,000.00				
			5.00%	8/1/11	35,000.00				
			3.40%	8/1/12	35,000.00				
			3.50%	8/1/13	35,000.00				
			3.60%	8/1/14	35,000.00				
			5.00%	8/1/15	40,000.00				
			5.00%	8/1/16	40,000.00				
			5.00%	8/1/17	40,000.00				
			5.00%	8/1/18	45,000.00				
			4.00%	8/1/19	45,000.00				
			4.00%	8/1/20	50,000.00				
			5.00%	8/1/21	50,000.00				
			5.00%	8/1/22	55,000.00				
			4.250%	8/1/23	55,000.00				
			4.50%	8/1/24	60,000.00				
			4.50%	8/1/25	60,000.00				
			4.50%	8/1/26	65,000.00				
			4.250%	8/1/27	65,000.00				
				SEMI-ANNUAL PRINCIPAL					
				1-Feb	1-Aug				
Infrastructure Water Loan - Principal Only	11/8/07	\$ 848,221	2008	12,348.05	20,099.89	848,221.00	848,221.00		848,221.00
			2009	11,874.95	31,272.28				
			2010	11,401.84	30,799.18				
			2011	11,401.84	33,480.11				
			2012	10,849.89	32,928.15				
			2013	10,474.56	32,552.82				
			2014	10,088.19	32,166.45				
			2015	9,690.78	34,923.08				
			2016	9,059.97	34,292.27				
			2017	8,429.16	33,661.47				
			2018	7,798.35	36,184.70				
			2019	7,088.70	35,475.04				
			2020	6,520.97	38,061.35				
			2021	5,890.16	37,430.54				
			2022	5,101.65	39,796.07				
			2023	4,234.29	38,928.71				
			2024	3,497.03	41,345.49				
			2025	2,645.44	40,493.90				
			2026	1,793.85	42,796.35				
2027	871.30	41,874.02							
						\$ 1,794,142.00	\$ 1,718,221.00	\$ 20,783.37	\$ 3,491,579.63

Exhibit - C-9

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

Balance - Dec. 31, 2006	\$ 4,416,894.85
Decreased by:	
Payments	<u>381,554.18</u>
Balance - Dec. 31, 2007	<u>\$ 4,035,340.67</u>

Loan Principal Repayment Schedule

<u>Year</u>	<u>Principal</u>
2008	\$389,224.00
2009	392,539.00
2010	395,876.00
2011	403,833.00
2012	411,950.00
2013	420,230.00
2014	428,677.00
2015	437,293.00
2016	446,083.00
2017	240,722.00
2018	<u>68,913.67</u>
	<u>\$ 4,035,340.67</u>

Exhibit - C-10

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance - Dec. 31, 2006	\$103,291.18
Increased by:	
Budget Appropriation	<u>300,000.00</u>
	403,291.18
Decreased by:	
Approp. To Finance Improv. Autho.	<u>246,127.00</u>
Balance - Dec. 31, 2007	<u>\$157,164.18</u>

SCHEDULE OF WASTEWATER TRUST LOAN

Balance - Dec. 31, 2006	\$ 755,176.64
Decreased by:	
Payments	<u>405,117.76</u>
Balance - Dec. 31, 2007	<u><u>\$ 350,058.88</u></u>

Loan Principal Repayment Schedule

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2008	<u>\$ 35,058.88</u>	<u>\$ 9,969.00</u>
	<u><u>\$ 35,058.88</u></u>	<u><u>\$ 9,969.00</u></u>

SCHEDULE OF BOND ANTICIPATION NOTES

ORD NO.	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>B.A.N.S ISSUED</u>	<u>BALANCE DEC. 31, 2007</u>
	<u>General Improvements:</u>						
04-13	Various Capital Improvements	12/28/07	12/28/07	1/10/08	3.35%	\$300,000.00	\$300,000.00
02-15	Various Capital Improvements	12/28/07	12/28/07	1/10/08	3.35%	935,000.00	935,000.00
05-23	Oakland Street Sidewalks	12/28/07	12/28/07	1/10/08	3.35%	10,000.00	10,000.00
05-31	Clearview Ave. Sidewalks	12/28/07	12/28/07	1/10/08	3.35%	25,000.00	25,000.00
06-02	Road Construction and Repair	12/28/07	12/28/07	1/10/08	3.35%	2,000,000.00	2,000,000.00
06-14	Henlock Sidewalks	12/28/07	12/28/07	1/10/08	3.35%	10,000.00	10,000.00
06-15	Overbrook Sidewalks	12/28/07	12/28/07	1/10/08	3.35%	30,000.00	30,000.00
06-22	Multi-Purpose Ordinance	12/28/07	12/28/07	1/10/08	3.35%	600,000.00	600,000.00
06-34	Abemathy Sewer Laterals	12/28/07	12/28/07	1/10/08	3.35%	30,000.00	30,000.00
06-37	Sewer Laterals: 206 and Laurel Circle	12/28/07	12/28/07	1/10/08	3.35%	70,000.00	70,000.00
07-02	Various Road Improvements	12/28/07	12/28/07	1/10/08	3.35%	600,000.00	600,000.00
07-03	Various Road Improvements	12/28/07	12/28/07	1/10/08	3.35%	1,320,000.00	1,320,000.00
07-18	Philip Drive/Henlock Circle/Woodside	12/28/07	12/28/07	1/10/08	3.35%	70,000.00	70,000.00
						<u>\$6,000,000.00</u>	<u>\$6,000,000.00</u>

SCHEDULE OF BONDS AND NOTES
AUTHORIZED BUT NOT ISSUED

ORD. NO.	IMPROVEMENT DESCRIPTION	BALANCE DEC. 31, 2006	AUTHORIZED 2007	BANS ISSUED	AUTHORIZATIONS CANCELLED	OTHER FUNDING	BALANCE DEC. 31, 2007
<u>General Improvements</u>							
95-12	Various Capital Improvements	\$6,166.77	\$		\$5,000.00		\$1,166.77
96-10	Various Capital Improvements	36,647.04					36,647.04
99-11	Various Capital Improvements	395,955.34					395,955.34
00-03	Various Capital Improvements	2,283,804.27					2,283,804.27
00-13	Various Capital Improvements	1,015,215.00					1,015,215.00
01-13	Reconstruction Cherry Valley Rd.	28,207.78					28,207.78
01-15	Various Capital Improvements	859,645.71					859,645.71
01-21	Construction of New Library	100,000.00					100,000.00
02-01	High Density Storage Units	27,500.00			27,500.00		
02-15	Various Capital Improvements	1,973,121.40		935,000.00	2,000.15		1,036,121.25
03-13	Various Capital Improvements	1,974,150.00			13,550.86		1,960,599.14
03-17	Sewer Lateral Repairs	116,000.00					116,000.00
04-04	Sewer Latera Repairs Various Rd.	151,500.00					151,500.00
04-05	Ext. of Sanitary Sewer and Water Main	42,600.00					42,600.00
04-06	Install. Repr. Sidewalks Walnut Lane	250.00					250.00
04-13	Various Capital Improvements	802,604.50		300,000.00			502,604.50
04-17	Walnut Lane Curbing	233.00					233.00
05-23	Oakland Street Sidewalks	11,400.00			162.00		1,238.00
05-24	Various Capital Improvements	438,010.10					438,010.10
05-25	Littlebrook Rd./Tyson Lane Sewer	42,200.00					42,200.00
05-26	Springdale Road Sidewalks	41,800.00					41,800.00
05-28	Joint Sewer System Rehab	4,925,858.00				1,718,221.00	3,207,637.00
05-29	Sycamore Road Sidewalks	23,750.00					23,750.00
05-30	Sycamore Road Sewer Laterals	24,865.00					24,865.00
05-31	Clearview Ave. Sidewalks B	33,250.00		25,000.00	6,995.54		1,254.46
05-32	Grover Ave. Sidewalks B	31,940.00					31,940.00
05-33	Ewing St. Sidewalks	41,325.00					41,325.00
05-36	Recreation Improvements - Supplemental	106,000.00					106,000.00
06-01	Recreation Supplemental	13,300.00					13,300.00
06-02	Road Construction and repair	2,208,750.00					2,208,750.00
06-03	Tusculum	2,850,000.00		2,000,000.00	2,500,000.00		350,000.00
06-13	Riverside Sidewalks	35,150.00					35,150.00
06-14	Hemlock Sidewalks	12,350.00		10,000.00			2,350.00
06-15	Overbrook Sidewalks	34,200.00		30,000.00			4,200.00
06-21	Vernon Circle and Cstle Howard Ct.	15,900.00					15,900.00
06-22	Multi-Purpose Ordinance	1,972,000.00		600,000.00			1,372,000.00
06-25	Evergreen Circle Curbs	12,671.00					12,671.00
06-27	Abernathy Sidewalks	11,590.00					11,590.00
06-34	Abernathy Sewer Laterals	65,450.00		30,000.00			35,450.00
06-36	Sewer Lateral:206 & Laurel Circle	84,550.00		70,000.00			14,550.00
06-37	Audobon Lane Sewer Laterals	30,400.00					30,400.00
07-02	Various Road Improvements	846,450.00		600,000.00			246,450.00
07-03	Various Road Improvements	2,510,000.00		1,320,000.00			1,190,000.00
07-10	Linwood Cr./Route 206 Laterals	40,375.00					40,375.00
07-13	Maelean Circle Sidewalks	30,400.00					30,400.00
07-14	Clover Lane Sewer Laterals	104,500.00					104,500.00
07-15	Clover Lane Belgium Block	43,700.00					43,700.00
07-16	Witherspoon Street Sidewalks	9,225.00					9,225.00
07-18	Philip Dr./Hemlock Cir./Woodside	87,875.00		70,000.00			17,875.00
07-19	Multi-Purpose Ordinance	1,563,665.00					1,563,665.00
07-22	Herrontown Circle Curbing	17,100.00					17,100.00
07-23	Griggs Farm Supplemental	38,000.00					38,000.00
07-25	Herrontown Cr. Curbing Additional	2,850.00					2,850.00
		\$22,880,309.91	\$5,294,140.00	\$6,000,000.00	\$2,555,208.55	\$1,718,221.00	\$17,901,020.36

SCHEDULE OF AFFORDABLE HOUSING UTILITY CAPITAL SERIAL BONDS

<u>DESCRIPTION</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS DATE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>BALANCE DEC. 31, 2006</u>	<u>DECREASED</u>	<u>BALANCE DEC. 31, 2007</u>
Refunding Bonds	9/1/04	2,990,000.00	9/1/08	420,000.00	3.000%			
			9/1/09	405,000.00	3.125%			
			9/1/10	390,000.00	3.375%			
			9/1/11	380,000.00	3.500%			
						2,030,000.00	435,000.00	1,595,000.00
						<u>\$ 2,030,000.00</u>	<u>\$ 435,000.00</u>	<u>\$ 1,595,000.00</u>

SCHEDULE OF ACCRUED INTEREST ON
BONDS AND NOTES AND ANALYSIS OF BALANCE
AFFORDABLE HOUSING UTILITY OPERATING FUND

Balance - December 31, 2006	\$20,864.58
Increased by:	
Charged to 2007 Budget Approp.	<u>58,968.76</u>
	79,833.34
Decreased by:	
Payment	<u>62,593.76</u>
Balance - December 31, 2007	<u><u>\$17,239.58</u></u>

Analysis of Balance -December 31, 2006:

<u>Principal Outstanding Dec. 31, 2007</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
<u>Serial Bonds</u>					
420,000.00	3.000%	09/01/06	12/31/06	4 mos.	4,200.00
405,000.00	3.125%	09/01/06	12/31/06	4 mos.	4,218.75
390,000.00	3.375%	09/01/06	12/31/06	4 mos.	4,387.50
380,000.00	3.500%	09/01/06	12/31/06	4 mos.	<u>4,433.33</u>
					<u><u>\$17,239.58</u></u>

SCHEDULE OF PUBLIC ASSISTANCE CASH - TREASURER

	<u>REF.</u>	<u>P.A.T.F. ACCT. #1</u>
Balance December 31, 2006	E,E-3	\$28,186.20
Increased by Receipts:		
State Aid for Public Assistance	E-1	185,755.00
Interest Earned	E-1	<u>1,851.12</u>
	E-3,E-4,E-5	<u>187,606.12</u>
		215,792.32
Decreased by Disbursements:		
Disbursed for Public Assistance	E-1,E-3,E-4	<u>127,201.84</u>
Balance- December 31, 2007	E,E-3,E-4	<u><u>\$88,590.48</u></u>

SCHEDULE OF PUBLIC ASSISTANCE CASH AND RECONCILIATION

	<u>REF.</u>	
Balance - December 31, 2006	E- 1	\$28,186.20
Increased by:		
Cash Receipts Record	E- 2	<u>187,606.12</u>
		215,792.32
Decreased by:		
Cash Disbursements Record:		
FY 2007 Assistance		<u>127,201.88</u>
Balance - December 31, 2007	E-2,E-3	<u><u>\$88,590.44</u></u>
<u>Reconciliation - December 31, 2007:</u>		
	<u>P.A.T.F.</u>	
	<u>ACCT #1</u>	<u>TOTAL</u>
Balance on Deposit per Statement of:		
Bank of America, Princeton, N.J.		
- Government Agency Account	\$92,921.39	
Reconciling Items	<u>(4,330.91)</u>	
Balance - December 31, 2007		<u><u>\$88,590.48</u></u>
<u>Ref.</u>		E- 2

SCHEDULE OF PUBLIC ASSISTANCE REVENUES

	P.A.T.F. ACCT. #1
State Aid:	
State Aid for Public Assistance	185,755.00
Interest Earned	
Supplemental Security Income:	
Municipal Refund	<u>1,851.12</u>
Total Receipts/Revenues (PATF)	<u>\$187,606.12</u>
<u>Ref.</u>	E- 2

SCHEDULE OF PUBLIC ASSISTANCE EXPENDITURES

	P.A.T.F. ACCT. #1
Payments for Current Year	
Assistance (Reported):	
Maintenance Payments	\$42,731.69
Nursing Home Care	50,872.00
Other:	
Temporary Rent Assistance	17,457.48
Emergency Assistance	9,986.37
Transportation	<u>6,154.30</u>
Total Reported	<u>127,201.84</u>
Total Disbursements (PATF)	<u>\$127,201.84</u>
<u>Ref.</u>	E- 2

SUPPLEMENTARY INFORMATION

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2007</u>	<u>2006</u>	<u>2005</u>
<u>Tax Rate:</u>	<u>3.48</u>	<u>3.34</u>	<u>3.20</u>
<u>Apportionment of Tax Rate:</u>			
Municipal:	<u>0.83</u>	<u>0.76</u>	<u>0.70</u>
County:	<u>0.94</u>	<u>0.96</u>	<u>0.96</u>
Regional School:	<u>1.71</u>	<u>1.62</u>	<u>1.54</u>
<u>Assessed Valuation:</u>			
2007	<u>\$241,059,981.00</u>		
2006		<u>\$2,398,732,212.00</u>	
2005			<u>\$2,379,755,105.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>CURRENTLY</u>			
<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2007	\$84,378,718.00	\$83,695,487.11	99.19%
2006	80,608,373.27	79,877,053.97	99.09%
2005	76,674,922.86	76,003,663.16	99.12%

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</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2007	\$60,893.74	\$672,993.50	\$733,887.24	0.87%
2006	52,332.94	582,910.83	635,243.77	0.79%
2005	50,169.21	663,218.20	713,387.41	0.93%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title lines on December 31, the basis of the last assessed valuation of such properties was as follows:

<u>Year</u>	<u>Amount</u>
2007	\$70,000.00
2006	70,000.00

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the period under audit in 2007:

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>
Phyllis L. Marchand	Mayor	
Bernard P. Miller	Deputy Mayor	
Victoria Bergman	Committeeperson	
Lance Liverman	Committeeperson	
Chad Goerner	Committeeperson	
James J. Pascale	Administrator	
Linda S. McDermott	Township Clerk and Improvement Search Officer	
Neal Snyder	Tax Assessor	
Kathryn Monzo	Tax Collector, Tax Search Officer, Treasurer and Chief Financial Officer	\$1,000,000.00
Edwin W. Schmierer	Municipal Attorney	
Robert V. Kiser	Township Engineer	1,000,000.00
Russell W. Annich, Jr.	Municipal Judge	1,000,000.00
Caroline B. Sapio	Court Administrator	1,000,000.00
Corinne Sliker	Deputy Court Administrator	

All other employees were covered under a Public Employees Blanket Bond issued by the Joint Insurance Fund.

All surety bonds in effect were examined or verified.

STATISTICAL SECTION

Table 1

TOWNSHIP OF PRINCETON
COUNTY OF MERCER
CURRENT FUND EXPENDITURES BY FUNCTION
LAST FIVE FISCAL YEARS
UNAUDITED

Year	General Government	Public Safety	Public Works	Health and Welfare	Recreation	Public Library	Unclassified
2007	\$ 6,742,039.60	\$ 5,015,813.00	\$ 1,977,496.42	\$ 777,414.00	\$ 780,801.00	\$ 2,499,192.99	\$ 2,325,862.00
2006	6,074,450.58	5,053,589.00	1,963,740.00	769,957.00	738,938.00	2,341,841.00	1,964,632.00
2005	6,171,941.67	5,057,308.00	1,935,865.00	3,615,524.00	720,475.00	2,131,244.00	236,027.00
2004	5,982,217.87	4,771,144.00	1,777,914.00	3,445,297.00	650,184.00	2,149,141.00	243,403.12
2003	5,786,690.84	4,509,130.00	1,797,045.89	3,111,307.00	630,319.00	1,816,639.00	225,617.60

Year	Deferred Charges & Statutory Expenditures	State and Federal Grants	Interlocal Agreements With Princeton Borough	Capital Improvements	Debt Service	Reserve for Uncollected Taxes	Total
2007	\$ 392,000.00	\$ 1,455,684.48	\$ 3,040,857.00	\$ 300,000.00	\$ 5,631,465.63	\$ 2,527,228.80	\$ 33,465,854.92
2006	364,605.00	3,197,976.03	3,042,564.00	300,000.00	5,132,722.52	2,399,578.51	33,344,593.64
2005	375,915.00	665,967.45	675,833.00	576,969.00	5,268,982.00	2,255,438.11	29,687,489.23
2004	327,600.00	678,162.80	632,185.00	261,450.00	7,772,430.75	1,740,944.51	30,432,074.05
2003	312,000.00	3,154,961.12	637,172.00	229,025.00	5,785,942.00	1,965,437.55	29,961,287.00

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

Table 2

TOWNSHIP OF PRINCETON
COUNTY OF MERCER
CURRENT FUND REVENUES BY SOURCE
LAST FIVE FISCAL YEARS
UNAUDITED

<u>Year</u>	<u>Taxes (1)</u>	<u>Delinquent Taxes</u>	<u>Fees, Permits, Fines and Licenses</u>	<u>State Aid</u>	<u>State and Federal Grants</u>	<u>From Other Funds</u>	<u>Surplus Anticipated</u>
2007	\$21,776,411.64	\$582,910.83	\$380,471.72	\$3,081,946.82	\$1,455,684.48	\$719,518.80	\$3,000,000.00
2006	19,798,085.60	661,199.41	399,497.14	2,974,845.61	3,197,976.03	641,314.00	3,150,000.00
2005	16,196,613.00	605,000.00	355,990.00	2,208,528.00	655,967.42	224,400.00	3,515,000.00
2004	14,485,402.26	619,700.00	310,260.00	2,068,969.39	668,162.80	274,439.00	3,515,000.00
2003	13,325,618.78	756,102.00	282,890.00	2,022,786.00	3,154,961.12	54,450.00	3,550,000.00
<u>Year</u>	<u>Interlocal (Princeton Borough) Revenues</u>	<u>Sewer Revenue</u>	<u>Other Budget Revenues</u>	<u>Total</u>			
2007	\$730,168.58	\$3,285,943.70	\$740,459.86	\$35,753,516.43			
2006	717,672.54	3,353,421.07	810,529.62	35,704,541.02			
2005	676,332.00	3,023,903.00	2,225,755.78	29,687,489.20			
2004	632,185.00	3,026,400.00	4,634,586.85	30,235,105.30			
2003	637,172.00	3,021,200.00	3,156,107.10	29,961,287.00			

(1) Excludes taxes allocated to county and school

Table 3

TOWNSHIP OF PRINCETON
COUNTY OF MERCER
ASSESSED VALUE AND ESTIMATE OF TOTAL VALUE
LAST FIVE FISCAL YEARS
UNAUDITED

<u>Year</u>	<u>Net Assessed Valuation Taxable</u>	<u>Market Valuation</u>	<u>Percentage of Net Assessed To Market Value</u>
2007	\$2,410,599,981	\$4,832,798,679	49.88%
2006	2,397,171,510	4,487,404,548	53.42%
2005	2,377,758,510	4,032,149,415	58.97%
2004	2,348,804,510	3,624,139,037	64.81%
2003	2,333,841,600	3,282,939,373	71.09%

Table 4

TOWNSHIP OF PRINCETON
COUNTY OF MERCER
SCHEDULE OF TEN LARGEST TAXPAYERS - 2007
UNAUDITED

<u>Taxpayer</u>	<u>2007 Assessed Valuation</u>	<u>As a Percent of Total Net Assessed Taxable Valuation</u>
Trustees of Princeton University	\$ 115,949,800	4.81%
Princeton Shopping Center	17,694,800	0.73%
Jasna Polana	17,643,700	0.73%
Church & Dwight	8,893,000	0.37%
Institute for Advanced Study	7,612,500	0.32%
Health Horizons	7,606,600	0.32%
Thanet Road Associates LLC	7,500,000	0.31%
Princeton Prof. PK LLC	7,283,900	0.30%
Goldman Sachs	6,545,900	0.27%
The Medical Center @ Princeton	<u>6,522,200</u>	<u>0.27%</u>
	\$ 203,252,400	8.43%
Total Assessed Valuation Taxable in 2007	\$2,410,599,981.00	

Table 5

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

<u>Year</u>	<u>Population (1)</u>	<u>Average Equalized Valuation</u>	<u>Gross Debt Debt</u>	<u>Ratio of Net Debt to Equalized Valuation</u>	<u>Gross Debt per Capita</u>	<u>Net Debt</u>	<u>Ratio of Net Debt to Equalized Valuation</u>	<u>Net Debt per Capita</u>
2007	16,027	4,839,194,544	119,675,290	2.473%	7,467.10	82,225,362	1.699%	5,130.43
2006	16,027	4,413,248,879	125,222,221	2.837%	7,813.20	84,706,090	1.919%	5,285.21
2005	16,027	4,041,625,363	122,779,564	3.038%	7,660.80	79,458,768	1.966%	4,957.81
2004	16,027	3,633,570,630	115,685,183	3.184%	7,218.14	69,663,562	1.917%	4,346.64
2003	16,027	3,234,662,242	122,883,659	3.799%	7,667.29	72,014,680	2.226%	4,493.33

(1) Per 2000 Census

**SOURCE: Annual Debt Statement
Net Debt - page 1**

**Bonded Debt:
Net Debt - page 1
Less: Sewer Auth not issued - page 4
Less: General Auth not issued - page 7 & 8A**

Table 6

TOWNSHIP OF PRINCETON
COUNTY OF MERCER
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES (GROSS) - CURRENT FUND
LAST FIVE FISCAL YEARS
UNAUDITED

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Gross Debt Service</u>	<u>Total Current Fund Governmental Expenditures</u>	<u>Ratio of Debt Service to Current Fund Expenditures</u>
2007	\$3,822,456.37	\$1,806,009.26	\$5,628,465.63	\$33,465,854.92	17%
2006	3,111,653.00	2,286,507.00	5,398,160.00	33,344,593.64	16%
2005	3,519,284.00	1,713,774.00	5,233,058.00	29,687,489.20	18%
2004	6,229,559.00	1,304,401.00	7,533,960.00	30,228,605.00	25%
2003	4,345,481.00	1,440,461.00	5,785,942.00	27,459,283.85	21%

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES (NET) - CURRENT FUND
LAST FOUR FISCAL YEARS
UNAUDITED

<u>Year</u>	<u>Total Gross Debt Service</u>	<u>Less Cash Reductions</u>	<u>Total Net Debt Service</u>	<u>Total Current Fund Governmental Expenditures</u>	<u>Ratio of Debt Service to Current Fund Expenditures</u>
2007	\$5,628,465.63	\$1,274,198.00	\$4,354,267.63	\$32,191,656.92	14%
2006	5,398,160.00	1,214,397.00	4,183,763.00	32,130,196.64	13%
2005	5,233,058.00	1,231,609.00	4,001,449.00	28,455,880.20	14%
2004	7,533,960.00	3,423,170.00	4,110,790.00	26,805,435.00	15%
2003	5,785,942.00	1,891,031.21	3,894,910.79	25,568,252.64	15%

Table 7

TOWNSHIP OF PRINCETON
COUNTY OF MERCER
DEMOGRAPHIC STATISTICS
UNAUDITED

Population Growth

2000 Census	16,027
1990 Census	13,198
1980 Census	13,680
1970 Census	13,651
1960 Census	10,411
1950 Census	5,407

Bulding Permits

<u>Year</u>	<u>New Construction</u>	<u>Improvements</u>	<u>Total</u>
1984	120	232	352
1985	97	246	343
1986	88	329	417
1987	44	375	419
1988	255	1,280	1,535
1989	95	980	1,075
1990	97	1,163	1,260
1991	39	909	948
1992	376	1,126	1,502
1993	153	997	1,150
1994	107	851	958
1995	172	422	594
1996	252	768	1,020
1997	318	496	814
1998	368	1,119	1,487
1999	84	1,415	1,499
2000	321	1,088	1,409
2001	129	1,772	1,901
2002	276	1,107	1,383
2003	154	1,736	1,890
2004	114	1,752	1,866
2005	112	1,334	1,446
2006	151	1,355	1,506
2007	137	1,403	1,540

Source: Township Construction Official

Table 8
TOWNSHIP OF PRINCETON
COUNTY OF MERCER
LABOR STATISTICS
UNAUDITED

Table 8

<u>Township of Princeton</u>	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployed</u>	<u>Unemployment Rate</u>
2007	9,620	9,532	88	0.91%
2006	7,170	7,116	54	0.75%
2005	9,448	9,391	57	0.60%
2004	7,596	7,375	221	2.91%
2003	7,575	7,421	154	2.03%
2002	7,516	7,253	263	3.50%
2001	7,407	7,012	395	5.33%
2000	7,223	6,884	339	4.69%
1999	6,906	6,720	186	2.69%
1998	6,700	6,509	191	2.85%
<u>County of Mercer</u>	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployed</u>	<u>Unemployment Rate</u>
2007	196,345	188,844	7,501	3.82%
2006	201,847	193,463	8,384	4.15%
2005	194,658	187,239	7,419	3.81%
2004	189,019	181,027	7,992	4.23%
2003	191,314	182,156	9,158	4.79%
2002	187,520	178,041	9,479	5.05%
2001	183,800	177,601	6,199	3.37%
2000	179,030	173,633	5,397	3.01%
1999	171,660	164,960	6,700	3.90%
1998	166,650	159,779	6,871	4.12%
<u>State of New Jersey</u>	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployed</u>	<u>Unemployment Rate</u>
2007	4,466,300	4,276,600	189,700	4.25%
2006	4,528,800	4,354,400	174,400	3.85%
2005	4,430,400	4,235,900	194,500	4.39%
2004	4,388,042	4,176,230	211,812	4.83%
2003	4,375,000	4,118,000	257,000	5.87%
2002	4,367,800	4,112,800	255,000	5.84%
2001	4,179,500	4,003,800	175,700	4.20%
2000	4,187,900	4,030,500	157,400	3.76%
1999	4,205,500	4,012,200	193,300	4.60%
1998	4,144,300	3,953,000	191,300	4.62%

Source: New Jersey Department of Labor, Division of Planning & Research, Office of Demographic and Economic Analysis: Bureau of Labor Force Statistics

Table 9

TOWNSHIP OF PRINCETON
COUNTY OF MERCER
NET ASSESSED VALUATION OF REAL PROPERTY BY CLASS
PERCENTAGE OF LINE ITEM (2007)
UNAUDITED

Number of Line Items in Each Property <u>Classification</u>	<u>Real Property Classification</u>	Assessed Valuation <u>2007</u>	As a Percent of Total Net Assessed Valuation <u>Taxable</u>
377	Vacant Land	\$ 45,850,100	1.90%
4899	Residential (4 family or less)	2,085,805,700	86.58%
17	Farm (Regular)	17,752,700	0.74%
44	Farm (qualified)	345,410	0.01%
114	Commercial	175,647,000	7.29%
2	Industrial	5,180,100	0.22%
7	Apartment	78,435,100	3.26%

**TOWNSHIP OF PRINCETON
COUNTY OF MERCER, NEW JERSEY
FOR YEAR ENDED DECEMBER 31, 2007**

GENERAL COMMENTS

An audit of the financial accounts and transactions of the Township of Princeton, County of Mercer, New Jersey, for the year ended December 31, 2007, has been completed. The General Comments are herewith set forth:

Scope of Audit

The audit covered the financial transactions of the Finance Department and the other various offices and departments collecting fees within the Township of Princeton, County of Mercer, New Jersey.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. These details were necessarily covered by the internal review and control before approval of such claims by the Governing Body. Cash on hand was counted and cash and investment balances were reconciled with independent certifications obtained directly from the depositories. Revenues and receipts were established and verified as to source and amount insofar as the records permitted.

CONTROL DEFICIENCIES

A. Inadequate Documentation of Components of Internal Control

We noted that the various components of internal control are not fully documented. Statements on Auditing Standards No. 112 ("SAS 112"), issued by the Auditing Standards Board in May 2006, changed the circumstances which would trigger required communication between the auditors and clients for audits performed in accordance with standards generally accepted in the United States of America. Under this new auditing standard, the absence of documentation of existing internal controls is considered a control deficiency. Prior to the implementation of SAS 112, the absence of documentation of internal control components was not considered, of itself, to be indicative of a deficiency.

The Township has established numerous informal control policies and procedures in response to perceived risks to the assumed objectives of fairness in financial reporting, effectiveness and efficiency of operations, and compliance with laws and regulations. Our consideration of the Township's internal control over financial reporting did not indicate to us that the lack of documentation was a significant deficiency in internal control. A significant deficiency is a control deficiency that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably such that there is a more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected.

The Township's management exhibits a consciousness of the importance of internal control, and the informal policies and procedures that have been established to govern the authorization, processing and recording of transactions and other financial data appear to have been designed properly based upon the size of the workforce and the complexity the transactions and financial information being processed.

GENERAL COMMENTS

CONTROL DEFICIENCIES (CONT'D):

The issue thus distills into a determination of cost versus benefit. Clearly, a formal review of control risks relating to each of the functions performed by each office and official, which was then utilized to develop a formal set of internal control policies and procedures to mitigate those risks, would satisfy the requirements of SAS 112. If such a process identified risks that management was not previously cognizant of, or identified existing controls that were either ineffective or not operating as designed, the costs of the undertaking could be justified based upon the improved control structure that would result. At present, and in the absence of a perception that the lack of documentation increases the risk that controls may be intentionally or unintentionally ignored or overridden, we suggest that an emphasis be placed upon managerial monitoring to assess the design and effectiveness of internal controls over time.

B. Segregation of Duties

Conditions exist whereby the same person may collect, record and deposit cash receipts in the following offices – Municipal Clerk, Municipal Court, Engineering, Police Records Clerk, Corner House, Planning, Zoning and Construction Code.

The deficiency in internal control was not considered by us to be a significant deficiency. While basic internal control design objectives include the limiting of any individual's control over a transaction from start to finish, the volume of transactions in the various offices does not justify the hiring of additional staff solely to improve internal control. Instead, we suggest that monitoring controls, including analytical procedures and intra-period comparisons, be utilized to identify unexpected changes in transactional levels for further review.

OTHER MATTERS

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

N.J.S.A. 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3, of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$17,500.00 except by contract or agreement."

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will be the bid threshold within the fiscal year. The bid threshold is \$29,000.00 if the purchasing agent is qualified pursuant to subsection b of section 9 of P.L. 1971, c. 198(C.40A:11-9). The bid threshold for a non-qualified purchasing agent is \$21,000.00. Where a question arises as to whether any contract or agreement might result in violation of the statute, the Township Counsel's opinion should be sought before a commitment is made.

GENERAL COMMENTS

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

The minutes indicate that bids were requested by public advertising for the following items:

Materials and Supplies:

Crushed stone; public works clothing; bituminous materials; rental of uniforms; tack oil

Equipment:

Police vehicles; wheel loader; pick-up truck; hybrid vehicle

Contracts:

Various Road Projects; security camera system; deer management program; custodial services

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

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

Any interpretation as to possible violation of N.J.S.A. 40A:11-4 and N.J.A.C. 5:30-14 would be in the province of the municipal solicitor.

Collection of Interest on Delinquent Taxes and Assessments

The statutes provide the method for authorizing interest and the maximum rates to be charged for the underpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body adopted a resolution pursuant to the provisions of R.S. 54:4-67, fixing the rate delinquent taxes or assessments at 8% per annum on the first \$1,500 of the delinquency and 18% per annum to be charged on any amount in excess of \$1,500. In addition, any delinquent taxes outstanding related to a previous calendar year in excess of \$10,000.00 incurs a 6% surcharge.

An examination of the Collector's records indicated that interest on delinquent accounts was calculated in accordance with the foregoing resolution.

GENERAL COMMENTS

Interfund Balances

The following interfunds appear on the various balance sheets and should be cleared by cash transfers where practicable:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Current Fund	\$25,000.00	
Grant Fund		228,167.00
General Capital Fund	228,167.00	
Payroll Trust	<u>0.00</u>	<u>\$25,000.00</u>
Total	<u>\$253,167.00</u>	<u>\$253,167.00</u>

Transactions invariably occur in one fund, which require a corresponding entry to be made in another fund, thus creating interfund balances. Reference to the various balance sheets shows the interfund balances remaining at year-end. As a general rule all interfund balances should be closed at the end of the year. However, our examination of the interfund balances at year end indicated that the balances exist as a matter of convenience for transactional processing, and do not indicate any underlying problems relating to cash flows or operating results.

Investment of Funds

The chief financial officer had most of the funds of the Township invested in the interest-bearing investments or accounts from January 1, 2007 to December 31, 2007. Earnings from the investments are shown as revenue in the various accounts of the Township as of December 31, 2006. The investment program instituted by the financial officer was complete with minimal balances remaining on demand accounts. This policy complied with N.J.S.A. 40A:5-14 in all respects.

Payment of Claims

Claims were examined on a test basis for the year under review and they were found to be in generally good order, with only minor exceptions noted relating to missing certifications and approval signatures.

Purchase Order and Encumbrance System

The Township utilized a purchase order system for its expenditures in connection with its budgetary accounting system during the year under review. The accounting is processed on a data processing system for budgetary control. Transactions are approved based on availability of funds. During our review it was noted that confirming orders were processed. This was due to a new computer system being implemented during 2006. Training of staff was completed during 2006 on the proper procedures for processing purchase orders. The incidences of confirming orders being issued decreased by the end of 2006 and this trend has continued into 2007.

Test of Salaries

As part of our audit we tested salaries paid by the Township for compliance with salary ordinances approved by the governing body and collective bargaining agreements where applicable. Salary payments were generally in accordance with the governing documents.

GENERAL COMMENTS

Municipal Court

The financial records maintained by the Municipal Court during the period under review were found to be in good condition. The examination of the general account indicated that deposits were properly recorded and spread by receipt category, cash was reconciled monthly and disbursements were made to the appropriate agencies on a timely basis. The examination of the bail account's financial and supporting records maintained by the Municipal Court was found to be in good condition.

The processing of traffic and criminal cases entered on the State's on-line computer system was found to be good.

Administration and Accounting for State & Federal Grants

The Township operated various programs during 2007, which were funded in whole or in part by State or Federal grant assistance. These programs often vary as to the application and approval process; matching funds requirements, grant periods, required approvals for modification of budgets and the timing and frequency of financial reporting. A separate grant fund was maintained to allow for the separate recording of grant activity. The examination of these grant programs indicated that the Township had expended grant funds during 2007 for the purpose authorized and monitoring procedures appeared adequate to assure that grant objectives were met.

Budget and Appropriation Transfers

Audit test indicated several instances wherein the normal processing of purchase orders created overcommitments of available appropriation balances. Prior to the payment of these bills and claims appropriation transfer resolutions were approved by the Township Committee, and no overexpenditures resulted from this practice.

Public Assistance Trust Fund

The financial records maintained by the Public Assistance Administrator for the Public Assistance Trust Fund during the period under review were found to be in good condition. The examination of the account indicated that deposits were properly recorded, cash was reconciled monthly and disbursements were made to the appropriate client on a timely basis.

GENERAL COMMENTS

Condition of Records - Tax Office

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

Surety Bonds

The "List of Officials", included as part of the Supplementary Data section of this report, discloses the status of surety bond coverage's in effect at December 31, 2007 and during the year then ended.

During July 1998 the Local Finance Board completed a readopting of the Board's general rules in the New Jersey Administrative Code. Based upon the new provisions of N.J.A.C. 5:30-8.3 and 8.4, local units are encouraged to utilize new recommended amounts in lieu of the minimum amounts in order to provide a higher level of security of public funds. We suggest the Township review these revised regulations and determine their applicability.

Trust Assessment Fund

Prospective Assessments funded and unconfirmed amounted to \$8,325.00 at December 31, 2007. However, as bonds were sold as general improvement bonds rather than assessment bonds, the Township's ability to confirm and collect assessments on these projects should be reviewed with bond counsel.

Affordable Housing Fund

The results of operation for the Affordable Housing Utility Fund is set forth in Exhibit – D-1 of this report. Realized revenues amounted to \$896,375.29 and expenditures amounted to \$675,361.06 resulting in excess revenues of \$221,014.23. The calculation for "Self-Liquidating Purpose" utility operations per N.J.S.A. 40A:2-45 resulted in statutory excess for debt statement purposes of \$221,014.23, which allows for the total deduction of Affordable Housing Utility Debt in the calculation of the statutory net debt of the Township at December 31, 2007. A reconciliation of the excess revenues from operations (D-1) and the excess of revenues for debt statement purposes is included in Note 3 to the financial statements.

GENERAL COMMENTS

Compliance with N.J.A.C 5:30

The Local Finance Board, State of New Jersey, adopted the following requirements, previously identified as “technical accounting directives”, as codified in the New Jersey Administration Code as follows:

N.J.A.C. 5:30 – 5.2 - Encumbrance Accounting: This directive requires the development and implementation of accounting systems which can reflect the commitment of funds at the point of commitment. Findings are disclosed under the Reportable Conditions section of the General Comments under Internal Control Over Financial Reporting Matters, part B. Encumbrance Accounting System.

N.J.A.C. 5:30 – 5.6 - Fixed Asset Accounting: This directive requires the development and implementation of accounting systems which assign values to covered assets and can track additions, retirements and transfers of inventoried assets. The Township is in compliance with this directive.

N.J.A.C. 5:30 – 5.7 - General Ledger Accounting System: This directive requires the establishment and maintenance of a general ledger for, as least, the Current Fund. The Township is in compliance with this directive.

Compliance with Local Finance Notices

Local Finance Notice (LFN) No. 92-15 requires that the Township prepare and file a corrective action plan in accordance with the approved schedule. The corrective action plan was prepared and filed on a timely basis.

In accordance with Local Finance Notice No. CFO-10, Uniform Construction Code, expenditure records were tested for compliance with N.J.A.C. 5:23.17(c)2, and no exceptions were noted.

RECOMMENDATIONS

None

* * * * *

ACKNOWLEDGMENT

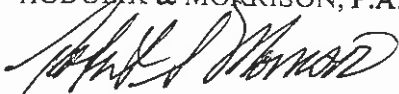
The problems and weaknesses noted in our audit were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to our comments or recommendations or should you desire assistance in implementing our recommendations, please do not hesitate to contact us.

During the course of our engagement we received the complete cooperation of the various officials of the Township, and the courtesies extended to us were greatly appreciated.

Respectfully submitted,

HODULIK & MORRISON, P.A.



Robert S. Morrison
Registered Municipal Accountant
No. 412