

**TOWNSHIP OF PRINCETON  
MERCER COUNTY  
NEW JERSEY**

**FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY DATA  
AND INFORMATION**

**FOR THE YEAR  
ENDED DECEMBER 31, 2011**

***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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**TOWNSHIP OF PRINCETON**  
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## **INTRODUCTORY SECTION**



***Township of Princeton***

*400 Witherspoon Street*

*Princeton, NJ 08540*

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***Office of the Township Administrator, Kathryn Monzo***

*Telephone: (609) 924-5176*

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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, 2011 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 16,265 (2010 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 on December 4, 2008 which included an update to the housing element and Fair Share plan.

### **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. 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, 2011 the balance in the Open Space Fund is \$793,947.61.

#### **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 Fire Department (Volunteer) Fire Facilities Health Sewer Operating Committee Solid Waste Suzanne Paterson Center (Senior Resource Center)

In addition the two municipalities jointly fund the following:

Princeton 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:

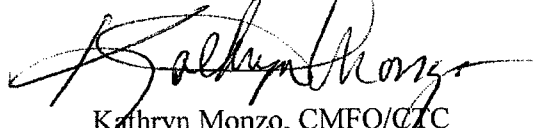
	<u>2001 Rating</u>
Moody's Investors Service	Aaa
Standard & Poor's	AAA

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, then again in 2008 with the Township's 8,000,000 Bond Issue, in 2009 General Improvement Refunding Bond issue, in 2010 two separate refunding issues, and in 2011 two General Improvement Bond issues.

#### **Tax Collection Rate**

In 2011 the Township's tax collection rate was 99.17%, and has been above 99% for six of seven years prior.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Kathryn Monzo', written over a horizontal line.

Kathryn Monzo, CMFO/CTC  
Administrator/Chief Financial Officer

**FINANCIAL SECTION**

**HODULIK & MORRISON, P.A.**  
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NEW JERSEY SOCIETY OF CPA'S  
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– regulatory basis, the combined statement of revenues, expenses and changes in fund balance – regulatory basis- current and affordable housing utility operating fund, the schedules of assets, liabilities and fund balance – regulatory basis and the related schedules of revenues - regulatory basis and schedules of expenditures - regulatory basis of the various funds of the Township of Princeton, County of Mercer, New Jersey as of December 31, 2011, which collectively comprise the Township's financial statements – regulatory 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-regulatory basis 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. The effect on the financial statements between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because the prescribed regulatory 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, 2011 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 – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds of the Township of Princeton, County of Mercer, New Jersey as of December 31, 2011 and the results of operations and changes in fund balance – regulatory basis of such funds for the year then ended and the statement of revenues – regulatory basis and statement of expenditures – regulatory basis of the various funds for the year ended December 31, 2011, on the basis of accounting described in Note 2.

In accordance with Government Auditing Standards, we have also issued a report dated August 27, 2012 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 conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Township of Princeton, County of Mercer, New Jersey financial statements as a whole. The fund financial statements, supplemental schedules and supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Hodulik & Morrison, P.A.*

HODULIK & MORRISON, P.A.

Certified Public Accountants

Registered Municipal Accountants

*Robert S. Morrison*

Robert S. Morrison

Registered Municipal Accountant

No. 412

Highland Park, New Jersey

August 27, 2012

**HODULIK & MORRISON, P.A.**  
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NEW JERSEY SOCIETY OF CPA'S  
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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 year ended December 31, 2011, and have issued our report thereon dated August 27, 2012. The Township of Princeton prepares its financial statements in conformity with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our report expressed an unqualified opinion on the conformity of the financial statements with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our report also expressed a modified opinion on the conformity of the financial statements to accounting principles generally accepted in the United States of America, due to differences between those principles and the prescribed regulatory basis, which is more fully described 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.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of 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 over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We

did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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.

We noted certain matters, including matters of control deficiencies, which we reported to the Township in the General Comments section of this report.

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.  
Certified Public Accountants  
Registered Municipal Accountants

Highland Park, New Jersey  
August 27, 2012



## **FINANCIAL STATEMENTS**

TOWNSHIP OF PRINCETON  
COUNTY OF MERCER  
COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - ALL FUND TYPES AND ACCOUNT GROUP  
REGULATORY BASIS  
DECEMBER 31, 2011

Page 1 of 2

	CURRENT FUND	GENERAL CAPITAL FUND	TRUST FUNDS	UTILITY OPERATING FUND	UTILITY CAPITAL FUND	PUBLIC ASSISTANCE FUND	FIXED ASSET ACCOUNT GROUP	TOTAL DEC. 31, 2011
<u>ASSETS</u>								
Cash and Investments	\$ 16,119,939.42	\$ 2,077,575.24	\$ 7,001,528.71	\$ 957,899.63	\$ 11,094.57		\$	26,168,037.57
Federal and State Grants Receivable	1,188,351.74	1,363,182.38						2,551,534.12
Receivables and Other Assets:								
Delinquent Property Taxes	800,044.15							800,044.15
Other Receivables	56,537.94	6,826,186.14						6,882,724.08
Assessments Receivable			395,122.16					395,122.16
Tax Title and Assessment Liens Rec.	149,852.36		8,478.76					158,331.12
Other Accounts Receivable	3,277.74			453,352.79				456,630.53
Interfunds Receivable		511,692.00						511,692.00
Property Acquired for Taxes	510,000.00							510,000.00
Prospective Assessments Funded		8,325.00	359,305.64					367,630.64
Expenditure without Appropriation Grant Fund								
Deferred Charge to Future Taxation:								
Emergency Appropriation	342,390.50							342,390.50
Deferred Charge to Future Taxation:								
Funded		68,907,856.68						68,907,856.68
Unfunded		25,052,042.75						25,052,042.75
Fixed Assets							55,653,154.79	55,653,154.79
	<u>\$ 19,170,393.85</u>	<u>\$ 104,746,860.19</u>	<u>\$ 7,764,435.27</u>	<u>\$ 1,411,252.42</u>	<u>\$ 11,094.57</u>	<u>\$ -</u>	<u>\$ 55,653,154.79</u>	<u>\$ 188,757,191.09</u>

TOWNSHIP OF PRINCETON  
COUNTY OF MERCER  
COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - ALL FUND TYPES AND ACCOUNT GROUP  
REGULATORY BASIS  
DECEMBER 31, 2011

	CURRENT FUND	GENERAL CAPITAL FUND	TRUST FUNDS	UTILITY OPERATING FUND	UTILITY CAPITAL FUND	PUBLIC ASSISTANCE FUND	FIXED ASSET ACCOUNT GROUP	TOTAL DEC. 31, 2011
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>								
Overpayments	\$ 1,360.38	\$	\$		\$	\$	\$	\$ 1,360.38
Appropriation Reserves	3,168,771.60							\$3,168,771.60
Prepaid Taxes and Utility Charges	1,012,756.23							1,012,756.23
Federal and State Grants:								
Appropriated Reserves	1,129,143.53							1,129,143.53
Unappropriated Reserves	93,002.90							93,002.90
Encumbrances	236.23							236.23
Other Liabilities and Reserves:								
Due to State of New Jersey	21,397.50							21,397.50
Reserve for Future Debt Service	2,299,453.31	2,026,150.24			11,094.57			4,336,698.12
Premium on Tax Sale Certificates								
Capital Improvement Fund		325,675.18						325,675.18
Preliminary Costs		1,385.31						1,385.31
Other Reserves	861,470.26	7,044,709.32	7,006,502.84	896,577.72				15,809,260.14
Improvement Authorizations		26,305,031.31						26,305,031.31
Reserve for Encumbrances	220,932.97		86,558.85	3,129.44				310,621.26
Prospective Assessments Funded		8,325.00	359,305.64					367,630.64
Interfunds Payable	511,692.00							511,692.00
Serial Bonds Payable		58,830,000.00						58,830,000.00
Bond Anticipation Notes								
Green Trust Loan Payable		2,453,871.27						2,453,871.27
Environmental Infrastructure Loans		7,623,985.41						7,623,985.41
Reserve for Receivables	1,519,712.19			453,352.79				1,973,064.98
Other Payables	731,461.73							731,461.73
Investment in Fixed Assets							55,653,154.79	55,653,154.79
Fund Balance	7,599,003.02	127,727.15	312,067.94	58,192.47				8,096,990.58
	<u>\$ 19,170,393.85</u>	<u>\$ 104,746,860.19</u>	<u>\$ 7,764,435.27</u>	<u>\$ 1,411,252.42</u>	<u>\$ 11,094.57</u>	<u>\$ -</u>	<u>\$ 55,653,154.79</u>	<u>\$ 188,757,191.09</u>

See Notes to Financial Statements

TOWNSHIP OF PRINCETON  
COUNTY OF MERCER  
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - REGULATORY BASIS  
CURRENT AND UTILITY OPERATING FUNDS  
FOR THE YEAR ENDED DEC. 31, 2011

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	CURRENT FUND	UTILITY OPERATING FUNDS	TOTAL DEC. 31, 2010
Revenues:			
Fund Balance Appropriated	\$ 4,125,000.00	\$ 122,000.00	\$ 4,247,000.00
Miscellaneous Revenue	9,664,459.65	468,770.00	10,133,229.65
Receipts from Delinquent Taxes	908,992.20		908,992.20
Amount to be Raised by Taxes for Support of Municipal Budget:			
Local Tax for Municipal Purposes	<u>23,557,527.19</u>		<u>23,557,527.19</u>
Total Budget Revenue	<u>38,255,979.04</u>	<u>590,770.00</u>	<u>38,846,749.04</u>
Other Credits to Income	<u>2,934,361.73</u>	<u>24,193.08</u>	<u>2,958,554.81</u>
Total Revenues	<u>41,190,340.77</u>	<u>614,963.08</u>	<u>41,805,303.85</u>
Expenditures:			
Current Fund Within CAPS:			
General Government	5,067,902.50	176,572.74	5,244,475.24
Land Use Administration	428,228.00		428,228.00
Public Safety	5,208,896.00		5,208,896.00
Public Works	2,115,426.00		2,115,426.00
Health & Human Services	687,463.50		687,463.50
Parks and Recreation	747,129.00		747,129.00
Unclassified	4,362,406.00		4,362,406.00
Deferred Charges and Statutory Expenditures	2,015,641.00		2,015,641.00
Current Fund Excluded From CAPS:			
General Government	5,939,106.50		5,939,106.50
Public and Private Programs	918,795.96		918,795.96
Capital Improvements	300,000.00		300,000.00
Debt Service	6,440,960.16	388,866.68	6,829,826.84
Deferred Charges	110,000.00		110,000.00
Reserve for Uncollected Taxes	<u>2,561,262.27</u>		<u>2,561,262.27</u>
Total Budget Expenditures	<u>36,903,216.89</u>	<u>565,439.42</u>	<u>37,468,656.31</u>
Other Charges	<u>2,000.00</u>		<u>2,000.00</u>
Total Expenditures	<u>36,905,216.89</u>	<u>565,439.42</u>	<u>37,470,656.31</u>

TOWNSHIP OF PRINCETON  
COUNTY OF MERCER  
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - REGULATORY BASIS  
CURRENT AND UTILITY OPERATING FUNDS  
FOR THE YEAR ENDED DEC. 31, 2011

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	<u>CURRENT FUND</u>	<u>UTILITY OPERATING FUNDS</u>	<u>TOTAL DEC. 31, 2010</u>
Excess (Deficit) in Revenues	4,285,123.88	49,523.66	4,334,647.54
Adjustment to Income Before Fund Balance:			
Expenditures included above which are by Statute			
Deferred Charges to Budget of Succeeding Years	<u>122,390.50</u>	<u>                    </u>	<u>122,390.50</u>
Statutory Excess to Fund Balance	4,407,514.38	49,523.66	4,457,038.04
Fund Balance Jan. 1, 2011	<u>7,316,488.64</u>	<u>130,668.81</u>	<u>7,447,157.45</u>
	11,724,003.02	180,192.47	11,904,195.49
Decreased by: Utilized in Budget	<u>4,125,000.00</u>	<u>122,000.00</u>	<u>4,247,000.00</u>
Fund Balance Dec. 31, 2011	<u>\$ 7,599,003.02</u>	<u>\$ 58,192.47</u>	<u>\$ 7,657,195.49</u>

See Notes to Financial Statements

TOWNSHIP OF PRINCETON  
COUNTY OF MERCER  
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - REGULATORY BASIS  
BUDGET AND ACTUAL - CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget as <u>Modified</u>	2010 <u>Actual</u>	<u>Variance</u>
Revenues:			
Fund Balance Appropriated	\$ 4,125,000.00	\$ 4,125,000.00	\$
Miscellaneous Revenue	9,983,165.46	9,664,459.65	(318,705.81)
Receipts from Delinquent Taxes	961,000.00	908,992.20	(52,007.80)
Amount to be Raised by Taxes for Support of Municipal Budget:			
Local Tax for Municipal Purposes	<u>21,717,066.77</u>	<u>23,557,527.19</u>	<u>1,840,460.42</u>
Total Budget Revenue	<u>36,786,232.23</u>	<u>38,255,979.04</u>	<u>1,469,746.81</u>
Other Credits to Income		<u>2,934,361.73</u>	<u>2,934,361.73</u>
Total Revenues	<u>36,786,232.23</u>	<u>41,190,340.77</u>	<u>4,404,108.54</u>
Expenditures:			
Current Fund Within CAPS:			
General Government	5,067,902.50	5,067,902.50	
Land Use Administration	428,228.00	428,228.00	
Public Safety	5,208,896.00	5,208,896.00	
Public Works	2,115,426.00	2,115,426.00	
Health & Human Services	687,463.50	687,463.50	
Parks and Recreation	747,129.00	747,129.00	
Unclassified Purposes	4,362,406.00	4,362,406.00	
Deferred Charges and Statutory Expenditures	2,015,641.00	2,015,641.00	
Current Fund Excluded From CAPS:			
General Government	5,939,106.50	5,939,106.50	
Public and Private Programs	918,795.96	918,795.96	
Capital Improvements	300,000.00	300,000.00	
Debt Service	6,446,355.00	6,440,960.16	5,394.84
Deferred Charges and statutory Expenditures	110,000.00	110,000.00	
Reserve for Uncollected Taxes	<u>2,561,262.27</u>	<u>2,561,262.27</u>	
Total Budget Expenditures	<u>36,908,611.73</u>	<u>36,903,216.89</u>	<u>5,394.84</u>
Other Charges		<u>2,000.00</u>	<u>(2,000.00)</u>
Total Expenditures	<u>36,908,611.73</u>	<u>36,905,216.89</u>	<u>3,394.84</u>
Adjustment to Income Before Fund Balance:			
Expenditures included above which are by Statute			
Deferred Charges to Budget of Succeeding Years		<u>122,390.50</u>	<u>(122,390.50)</u>
Statutory Excess to Fund Balance		4,407,514.38	
Fund Balance January 1, 2011		<u>7,316,488.64</u>	
Decreased by: Utilized in Budget		<u>4,125,000.00</u>	
Fund Balance December 31, 2011		<u><u>\$ 7,599,003.02</u></u>	

See Notes to Financial Statements

TOWNSHIP OF PRINCETON  
COUNTY OF MERCER  
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - REGULATORY BASIS  
BUDGET AND ACTUAL - UTILITY OPERATING FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget as <u>Modified</u>	2011 <u>Actual</u>	<u>Variance</u>
Revenues:			
Fund Balance Appropriated	\$ 122,000.00	\$ 122,000.00	
Affordable Housing Fees	268,770.00	268,770.00	
Township Contribution	200,000.00	200,000.00	
Prior Years Encumbrances Cancelled		6,913.18	6,913.18
	<u>590,770.00</u>	<u>597,683.18</u>	<u>6,913.18</u>
Total Budget Revenue			
	<u>590,770.00</u>	<u>597,683.18</u>	<u>6,913.18</u>
Other Credits to Income		17,279.90	17,279.90
	<u>590,770.00</u>	<u>614,963.08</u>	<u>24,193.08</u>
Total Revenues			
	<u>590,770.00</u>	<u>614,963.08</u>	<u>24,193.08</u>
Expenditures:			
Operating Expenses	197,470.00	176,572.74	20,897.26
Debt Service	393,300.00	388,866.68	4,433.32
	<u>590,770.00</u>	<u>565,439.42</u>	<u>25,330.58</u>
Total Expenditures			
	<u>590,770.00</u>	<u>565,439.42</u>	<u>25,330.58</u>
Excess (Deficit) in Revenues		49,523.66	49,523.66
	<u>590,770.00</u>	<u>49,523.66</u>	<u>49,523.66</u>
Statutory Excess to Fund Balance		49,523.66	49,523.66
	<u>590,770.00</u>	<u>130,668.81</u>	<u>49,523.66</u>
Fund Balance January 1, 2011		130,668.81	
	<u>590,770.00</u>	<u>130,668.81</u>	<u>49,523.66</u>
Decreased by: Utilized in Budget	122,000.00	122,000.00	
	<u>122,000.00</u>	<u>122,000.00</u>	<u>49,523.66</u>
Fund Balance December 31, 2011		<u>\$ 58,192.47</u>	<u>49,523.66</u>

See Notes to Financial Statements

TOWNSHIP OF PRINCETON  
MERCER COUNTY, NEW JERSEY

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CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
	2011 BUDGET	N.J.S.A. 40A:4-87		
Surplus Anticipated	\$ 4,125,000.00	\$	\$ 4,125,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverage	15,300.00		15,390.00	90.00
Other	1,100.00		980.00	(120.00)
Fees and Permits:				
Other	85,400.00		78,318.54	(7,081.46)
Fines and Costs:				
Municipal Court	347,600.00		304,174.52	(43,425.48)
Interest and Costs on Taxes	301,300.00		277,688.44	(23,611.56)
Interest on Investments and Deposits	32,300.00		108,656.30	76,356.30
Sewer Rentals	3,500,000.00		3,157,579.80	(342,420.20)
Reserve for Wastewater Treatment Fund				
Reserve for Debt Service - Other	262,339.00		262,339.00	
Reserve for Debt Service-Institute Woods	7,000.00		7,000.00	
Reserve for Fire Protection Fund	54,323.00		54,323.00	
Trust Surplus - Improvement Assessments	100,000.00		100,000.00	
Reserve for Sewer Expenses	300,000.00		300,000.00	
Reserve for Debt Service - Bond Premium	350,000.00		350,000.00	
Energy Receipts Tax	1,440,694.00		1,440,694.00	
Municipal Property Tax Relief Aid	22,772.00		22,772.00	
Garden State Trust Fund	4,855.00		4,855.00	
Pilot- Institute for Advanced Study	250,000.00		250,000.00	
Pilot-Princeton Community Village	263,000.00		283,693.25	20,693.25
Pilot-Tenacre Foundation	502,000.00		502,790.84	790.84
Princeton University Fair Share	500,000.00		500,000.00	
Special Items:				
DEP Grant Recreational Trails	15,000.00		15,000.00	
Corner House Foundation	313,810.00		313,810.00	
Over the Limit Under Arrest		2,950.00	2,950.00	



TOWNSHIP OF PRINCETON  
MERCER COUNTY, NEW JERSEY

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CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	ANTICIPATED			
	2011	N.J.S.A.		EXCESS OR
	BUDGET	40A:4-87	REALIZED	(DEFICIT)
Miscellaneous Revenues (Cont'd.):				
Motivation 180	55,332.00		55,332.00	
State of NJ National Inst. Drug	144,160.00		144,160.00	
Mercer County PYP	20,000.00		20,000.00	
Mercer County Regional Drug Treatment Program	25,198.00		25,198.00	
Princeton Regional - NJMSPLI	1,000.00		1,000.00	
Princeton Regional Star Program	6,500.00		6,500.00	
Princeton Regional Academic Success	10,000.00		10,000.00	
Cranbury Drug Intervention Program	10,080.00		10,080.00	
State of NJ Vicinage Program	40,000.00		40,000.00	
Open Space Assistance		150,000.00	150,000.00	
Recycling Tonnage Grant	36,734.49		36,734.49	
Municipal Alliance on Alcoholism and Drug Abuse	28,020.00		28,020.00	
DWI Court Fund	2,111.47		2,111.47	
Princeton Boro:				
Sustainable Princeton-Boro Share	15,000.00		15,000.00	
Consolidation Commission-Boro Share	41,250.00		41,250.00	
Regional Planning	112,728.00		112,728.00	
Joint Drug Abuse	125,583.50		125,584.00	0.50
Joint Environmental	2,178.00		2,211.00	33.00
Human Services Commission	70,230.00		70,230.00	
Joint Recreation Board	415,306.00		415,306.00	
Total Miscellaneous Revenues	9,830,204.46	152,950.00	9,664,459.65	(318,694.81)
Receipts from Delinquent Taxes	961,000.00		908,992.20	(52,007.80)
Amount to be Raised by Taxation for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	21,717,066.77		23,557,527.19	1,840,460.42
Budget Totals	36,633,271.23	152,950.00	38,255,979.04	1,469,757.81
Non-Budget Revenues			464,176.36	
	\$ 36,633,271.23	\$ 152,950.00	\$ 38,720,155.40	

See Notes to Financial Statements

TOWNSHIP OF PRINCETON  
MERCER COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

	2011 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
<u>Operations Within "CAPS"</u>						
<u>GENERAL GOVERNMENT:</u>						
General Administration						
Salaries and Wages	\$ 180,506.00	\$ 180,506.04	\$ 180,506.04			\$
Other Expenses	2,960.00	2,960.00	2,869.10		90.90	
Information Technology						
Salaries and Wages	86,259.00	86,259.00	86,259.00			
Other Expenses	284,812.00	284,812.00	228,083.59	30,475.84	26,252.57	
Human Resources (Personnel)						
Other Expenses	81,700.00	81,700.00	77,169.40	2,220.92	2,309.68	
Township Committee						
Salaries and Wages	54,066.00	54,066.00	53,673.39		392.61	
Other Expenses	2,327,913.00	2,137,793.46	280,440.38	25.00	1,857,328.08	
Municipal Clerk						
Salaries and Wages	159,870.00	160,080.00	160,079.21		0.79	
Other Expenses	18,475.00	18,475.00	12,360.43	584.11	5,530.46	
Elections						
Other Expenses	8,450.00	8,450.00	7,495.67		954.33	
Financial Administration (Treasury)						
Salaries and Wages	394,382.00	394,382.00	394,327.87		54.13	
Other Expenses	15,025.00	15,025.00	13,257.80	507.60	1,259.60	
Audit Services						
Other Expenses	33,000.00	33,000.00	33,000.00			
Revenue Administration (Tax Collection)						
Salaries and Wages	151,976.00	154,976.00	154,406.84		569.16	
Other Expenses	9,425.00	9,425.00	8,983.84	82.61	358.55	
Tax Assessment Administration						
Salaries and Wages	129,252.00	145,252.00	144,823.17		428.83	
Other Expenses	21,500.00	21,500.00	20,136.77	150.00	1,213.23	
Legal Services						
Other Expenses	400,000.00	400,000.00	320,500.24		79,499.76	
Engineering Services						
Salaries and Wages	774,460.00	820,460.00	802,650.12		17,809.88	
Other Expenses	41,500.00	41,500.00	38,691.77	2,519.39	288.84	
Historical Site Office						
Salaries and Wages	881.00	881.00	516.78		364.22	
Other Expenses	16,400.00	16,400.00	4,233.59		12,166.41	

TOWNSHIP OF PRINCETON  
MERCER COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

	2011	BUDGET AFTER	EXPENDED			UNEXPENDED
	BUDGET	MODIFICATION	PAID OR	ENCUMBERED	RESERVED	BALANCE
			CHARGED			CANCELLED
<u>LAND USE ADMINISTRATION:</u>						
Regional Planning Board						
Salaries and Wages	\$ 142,892.00	142,892.00	\$ 115,159.13	\$	27,732.87	\$
Other Expenses	85,980.00	85,980.00	50,245.35	23,205.80	12,528.85	
Zoning Board of Adjustment		\$				
Salaries and Wages	175,891.00	175,891.00	161,825.98		14,065.02	
Other Expenses	23,465.00	23,465.00	3,307.99	67.16	20,089.85	
<u>PUBLIC SAFETY FUNCTIONS:</u>						
Police						
Salaries and Wages	3,612,210.00	3,612,210.00	3,325,264.74		286,945.26	
Other Expenses	295,080.00	295,080.00	135,251.23	48,209.46	111,619.31	
Police Dispatch/911						
Salaries and Wages	414,075.00	442,575.00	442,554.53		20.47	
Other Expenses	3,950.00	3,950.00	295.03	3,517.47	137.50	
Office of Emergency Management						
Other Expenses	2,000.00	2,000.00	389.01	3.13	1,607.86	
Princeton Borough-Contractual: Fire Companies						
Other Expenses	165,194.00	165,194.00	139,094.00		26,100.00	
Princeton Borough-Contractual: Fire Facilities						
Other Expenses	70,064.00	70,064.00	70,064.00			
Aid to First Aid Org.-Contribution						
Fire Prevention						
Salaries and Wages	49,873.00	49,873.00	47,396.22		2,476.78	
Other Expenses	4,450.00	4,450.00	2,093.20	236.62	2,120.18	
Fire Hydrant Service	525,000.00	525,000.00	463,650.00		61,350.00	
Municipal Prosecutor's Office						
Other Expenses	38,500.00	38,500.00	27,500.00		11,000.00	

TOWNSHIP OF PRINCETON  
MERCER COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

	2011 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED ENCUMBERED	RESERVED	UNEXPENDED BALANCE CANCELLED
Operations Within "CAPS" (Cont'd.)						
<u>PUBLIC WORKS FUNCTIONS:</u>						
Streets and Roads Maintenance						
Salaries and Wages	\$ 1,181,824.00	1,181,824.00	\$ 1,146,100.42	\$ 5,654.56	\$ 30,069.02	\$
Other Expenses	187,070.00	187,070.00	110,889.28	51,787.50	24,393.22	
Shade Tree Commission						
Salaries and Wages						
Other Expenses	10,600.00	10,600.00	9,117.47		1,482.53	
Sustainable Princeton	15,000.00	15,650.00	15,649.71		0.29	
Buildings and Grounds						
Salaries and Wages						
Other Expenses	284,950.00	324,950.00	295,798.60	5,620.31	23,531.09	
Vehicle Maintenance (Including Police Vehicles)						
Salaries and Wages	157,332.00	168,532.00	168,523.74		8.26	
Other Expenses	133,500.00	196,800.00	188,048.15	8,704.85	47.00	
Community Service Act (Condominium Community Costs)						
Other Expenses	30,000.00	30,000.00	28,770.76		1,229.24	
<u>HEALTH &amp; HUMAN SERVICES FUNCTIONS:</u>						
Regional Health Commission-Proportionate Share						
Other Expenses	288,596.00	288,596.00	288,596.00			
Worker and Community Right to Know Act	1,000.00	1,000.00			1,000.00	
Joint Environmental Commission						
Salaries and Wages	2,412.00	2,412.00	1,553.25		858.75	
Other Expenses	2,010.00	2,010.00	121.44		1,888.56	
Animal Control-Proportionate Share	61,470.00	61,470.00	61,470.00			
Deer Management Program						
Salaries and Wages	20,000.00	20,000.00	20,000.00			
Other Expenses	20,000.00	20,000.00	12,831.95		7,168.05	
Human Services Commission						
Salaries and Wages	44,878.50	44,878.50	44,738.05		140.45	
Other Expenses	25,351.50	25,351.50	12,797.71	119.93	12,433.86	
Joint Drug Abuse Prevention Program						
Salaries and Wages	56,561.00	45,261.00	(1,459.37)		46,720.37	
Other Expenses	69,022.50	79,322.50	78,923.38	373.92	25.20	
Contribution to Senior Resource Center						
Other Expenses	97,162.00	97,162.00	97,162.00			

TOWNSHIP OF PRINCETON  
MERCER COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

	2011 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
<u>Operations Within "CAPS" (Cont'd.)</u>						
<u>PARKS &amp; RECREATION FUNCTIONS:</u>						
Joint Recreation Board						
Salaries and Wages	\$ 453,041.00	453,041.00	\$ 452,272.25	\$	768.75	\$
Other Expenses	273,088.00	273,088.00	237,889.45	19,836.53	15,362.02	
Maintenance of Parks and Playgrounds						
Salaries and Wages						
Other Expenses	21,000.00	21,000.00	6,389.12	12,884.00	1,726.88	
<u>UTILITY EXPENSES &amp; BULK PURCHASES:</u>						
Electricity	215,000.00	215,000.00	164,936.70		50,063.30	
Street Lighting	140,000.00	154,000.00	153,732.20		267.80	
Telephone	45,000.00	45,000.00	32,123.89	3,022.65	9,853.46	
Water	12,500.00	12,500.00	10,382.00		2,118.00	
Gas	65,000.00	76,000.00	75,975.21		24.79	
Fuel Oil	158,500.00	159,000.00	153,385.03		5,614.97	
Sewer System						
Proportionate Share of Costs-Borough	810,328.00	810,328.00	810,328.00			
Township Sewer Other Expenses	19,100.00	19,100.00	12,642.48		6,457.52	
Landfill/Solid Waste Disposal Costs						
Other Expenses	107,475.00	107,475.00	107,475.00			
Municipal Court						
Salaries and Wages	132,520.00	132,520.00	132,221.00		299.00	
Other Expenses	17,925.00	17,925.00	6,326.01	260.50	11,338.49	
Public Defender						
Other Expenses	23,000.00	23,000.00	22,899.92		100.08	
Matching Funds for Grants						
Other Expenses	10,000.00	10,000.00			10,000.00	
Consolidation Commission	41,250.00	41,250.00	(18,113.23)		59,363.23	
Liability Insurance	257,125.00	257,125.00	233,695.41		23,429.59	
Workers Compensation Insurance	189,708.00	189,708.00	189,490.24		217.76	
Group Insurance	1,890,475.00	1,890,475.00	1,873,899.27		16,575.73	
Health Benefit Waiver	70,000.00	70,000.00	66,955.72		3,044.28	
Transportation of Local Pupils by Board of Education (NJSA18A:39-1.2)						
Other Expenses	132,000.00	132,000.00	131,767.90		232.10	
Total Operations Within "CAPS"	18,574,210.50	18,617,451.00	15,444,861.52	220,069.86	2,952,519.62	
<u>DETAIL:</u>						
Salaries and Wages	8,416,411.50	8,510,021.54	8,015,279.13	5,654.56	489,087.85	
Other Expenses (Including Contingent)	10,157,799.00	10,107,429.46	7,429,582.39	214,415.30	2,463,431.77	

TOWNSHIP OF PRINCETON  
MERCER COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

	2011 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED ENCUMBERED	RESERVED	UNEXPENDED BALANCE CANCELLED
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"						
<u>STATUTORY EXPENDITURES:</u>						
Contribution to:						
Public Employees' Retirement System	\$ 671,656.00	671,656.00	\$ 671,656.00		\$	\$
Social Security System (O.A.S.I.)	400,000.00	400,000.00	391,339.22		8,660.78	
Defined Contribution Retirement Program	1,000.00	1,000.00	720.45		279.55	
Police and Firemen's Retirement System of N.J.	942,985.00	942,985.00	942,985.00			
Total Deferred Charges and Statutory Expend. Municipal Within "CAPS"	2,015,641.00	2,015,641.00	2,006,700.67		8,940.33	
Total General Appropriations for Municipal Purposes Within "CAPS"	20,589,851.50	20,633,092.00	17,451,562.19	220,069.86	2,961,459.95	
<u>Operations Excluded from "CAPS"</u>						
Affordable Housing Agency Other Expenses	200,000.00	200,000.00	200,000.00			
Maintenance of Joint Public Library	2,555,581.00	2,631,581.00	2,597,612.00		33,969.00	
<u>INTERLOCAL SERVICE AGREEMENTS:</u>						
Mercer County Improvement Authority Curbside Recycling Program Other Expenses	130,000.00	131,500.00	131,414.88		85.12	
Stonybrook Regional Sewerage Authority Proportionate Share of Costs	2,250,000.00	2,250,000.00	2,077,036.60		172,963.40	
Borough of Princeton: Regional Planning Board Salaries and Wages Other Expenses	70,380.00 42,348.00	70,380.00 42,348.00	70,380.00 42,348.00			
Joint Recreation Board Salaries and Wages Other Expenses	233,384.00 181,922.00	233,384.00 181,922.00	233,384.00 181,922.00			
Joint Environmental Commission Salaries and Wages Other Expenses	1,188.00 990.00	1,188.00 990.00	1,188.00 990.00			
Joint Drug Abuse Prevention Program Salaries and Wages Other Expenses	56,561.00 69,022.50	56,561.00 69,022.50	56,561.00 69,022.50			
Human Services Commission Salaries and Wages Other Expenses	44,878.50 25,351.50	44,878.50 25,351.50	44,878.50 25,351.50			

TOWNSHIP OF PRINCETON  
MERCER COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

	2011 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED ENCUMBERED	RESERVED	UNEXPENDED BALANCE CANCELLED
PUBLIC AND PRIVATE PROGRAMS						
<u>OFFSET BY REVENUES:</u>						
Consolidation Commission - Boro Share	\$ 41,250.00	\$ 41,250.00	\$ 41,250.00		\$	\$
Sustainable Princeton - Boro Share	15,000.00	15,650.00	15,649.71		0.29	
Corner House Foundation-Mercer Reg. Drug Treatment Program						
Salaries and Wages	227,080.00	227,080.00	227,080.00			
Other Expenses	86,730.00	87,730.00	86,573.05	863.11	293.84	
Drug Program-Cranbury Intervention Program	10,080.00	10,080.00	10,080.00			
Regional Municipal Alliance Program	28,020.00	28,020.00	28,020.00			
Drug Program-State of NJ Grant	144,160.00	144,160.00	144,160.00			
Drug Program-Mercer County	25,198.00	25,198.00	25,198.00			
Mercer Cty. Motivation 180	55,332.00	55,332.00	55,332.00			
Academic Success Today	10,000.00	10,000.00	10,000.00			
Mercer County PYP Program	20,000.00	20,000.00	20,000.00			
Open Space Assistance		150,000.00	150,000.00			
NJ DEP Grant	15,000.00	15,000.00	15,000.00			
Drug Program-NJMSPLI	1,000.00	1,000.00	1,000.00			
Drug Program-STAR	6,500.00	6,500.00	6,500.00			
Drug Program-St. of NJ-Vicinage Program	40,000.00	40,000.00	40,000.00			
Over the Limit Under Arrest		2,950.00	2,950.00			

TOWNSHIP OF PRINCETON  
MERCER COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

	2011 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES (Cont'd.):						
Recycling Tonnage Grant	36,734.49	36,734.49	36,734.49			
Unappropriated Reserves:						
DWI Court	2,111.47	2,111.47	2,111.47			
Total Operations - Excluded from "CAPS"	6,625,802.46	6,857,902.46	6,649,727.70	863.11	207,311.65	
DETAIL:						
Salaries and Wages						
Other Expenses	6,625,802.46	6,857,902.46	6,649,727.70	863.11	207,311.65	
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	\$ 3,625,000.00	3,625,000.00	3,625,000.00			
Interest on Bonds	1,798,640.00	1,798,640.00	1,793,245.16			5,394.84
Interest on Notes	18,150.00	18,150.00	18,150.00			
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	458,990.00	458,990.00	458,990.00			
NJ Environmental Infrastructure Loan	545,575.00	545,575.00	545,575.00			
Total Municipal Debt Service - Excluded from "CAPS"	6,446,355.00	6,446,355.00	6,440,960.16			5,394.84



TOWNSHIP OF PRINCETON  
MERCER COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

	2011 <u>BUDGET</u>	BUDGET AFTER <u>MODIFICATION</u>	EXPENDED <u>PAID OR CHARGED</u>	<u>ENCUMBERED</u>	<u>RESERVED</u>	UNEXPENDED BALANCE <u>CANCELLED</u>
Deferred Charges - Municipal - Excluded from "CAPS"						
Deferred Charges:						
Special Emergency Authorizations - 5 Years (N.J.S.A. 40A:4-55)	<u>110,000.00</u>	<u>110,000.00</u>	<u>110,000.00</u>			
Total Deferred Charges - Municipal - Excluded from "CAPS"	<u>110,000.00</u>	<u>110,000.00</u>	<u>110,000.00</u>			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>13,482,157.46</u>	<u>13,714,257.46</u>	<u>13,500,687.86</u>	<u>863.11</u>	<u>207,311.65</u>	<u>5,394.84</u>
Subtotal General Appropriations	<u>34,072,008.96</u>	<u>34,347,349.46</u>	<u>30,952,250.05</u>	<u>220,932.97</u>	<u>3,168,771.60</u>	<u>5,394.84</u>
Reserve for Uncollected Taxes	<u>2,561,262.27</u>	<u>2,561,262.27</u>	<u>2,561,262.27</u>			
Total General Appropriations	<u>\$ 36,633,271.23</u>	<u>\$ 36,908,611.73</u>	<u>\$ 33,513,512.32</u>	<u>\$ 220,932.97</u>	<u>\$ 3,168,771.60</u>	<u>\$ 5,394.84</u>
Adopted Budget		\$ 36,633,271.23				
Emergency Appropriation		122,390.50				
Approp. by N.J.S.A. 40A:4-87		<u>152,950.00</u>				
		<u>\$ 36,908,611.73</u>				

See Notes to Financial Statements

TOWNSHIP OF PRINCETON  
MERCER COUNTY, NEW JERSEY

AFFORDABLE HOUSING UTILITY OPERATING FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	2011 <u>BUDGET</u>	<u>REALIZED</u>	EXCESS OR (DEFICIT)
Fund Balance Utilized	122,000.00	122,000.00	-
Affordable Housing Fees	268,770.00	268,770.00	-
Township Contribution	200,000.00	200,000.00	-
Non-Budget Revenue	<u>                    </u>	<u>17,279.90</u>	<u>17,279.90</u>
	<u>\$ 590,770.00</u>	<u>\$ 608,049.90</u>	<u>\$ 17,279.90</u>

See Notes to Financial Statements

TOWNSHIP OF PRINCETON  
MERCER COUNTY, NEW JERSEY

AFFORDABLE HOUSING UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	2011	BUDGET AFTER	EXPENDED		UNEXPENDED
	<u>BUDGET</u>	<u>MODIFICATION</u>	<u>PAID OR</u>	<u>ENCUMBERED</u>	<u>BALANCE</u>
			<u>CHARGED</u>		<u>CANCELLED</u>
Operating:					
Salaries and Wages	\$ 91,293.00	\$ 91,293.00	\$ 80,770.72	\$	\$ 10,522.28
Other Expenses	106,177.00	106,177.00	92,672.58	3,129.44	10,374.98
Debt Service:					
Payment of Bond Principal	380,000.00	380,000.00	380,000.00		
Interest on Bonds	<u>13,300.00</u>	<u>13,300.00</u>	<u>8,866.68</u>		<u>4,433.32</u>
	<u>\$ 590,770.00</u>	<u>\$ 590,770.00</u>	<u>\$ 562,309.98</u>	<u>\$ 3,129.44</u>	<u>\$ 25,330.58</u>

TOWNSHIP OF PRINCETON  
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS  
THE YEAR ENDED DECEMBER 31, 2011 and 2010

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.

#### 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.

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

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

Expenditures - For purposes of financial reporting, expenditures are recorded as "paid or charged" or "appropriation reserves". Paid or charged refers to 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. Expenditures for the costs of post-employment benefits other than pensions (other post-employment benefits or "OPEB") are recorded in the accounting period in which the payments are made. GAAP requires recognition of the actuarially determined estimated OPEB cost during the employment period of each employee, during which any OPEB benefit is earned. See Note 9 for OPEB disclosure required by GASB 45.

For the purpose of calculating the results of Current Fund operations, the regulatory basis of accounting utilized by 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.

The Local Budget Law (N.J.S.A. 40A:4-1 et seq.) requires that certain operating transfers between funds, transfers of anticipated operating surpluses among the Current Fund and Affordable Housing Utility, transfers from utility operating funds to capital funds (to finance capital projects) and transfers from the Current Fund to the Trust Funds or General Capital Fund are required to be included in the Township's annual budgets as budget appropriations. Expenditures are recorded upon the adoption of the budget for legally required transfers, and upon the determination of availability of funds for any discretionary transfers. Under GAAP, operating transfers are not recognized as expenditures.

New Jersey statutes require municipalities to provide annual funding to Free Public Libraries through the Current Fund Budget. Amounts paid on behalf of the Free Public Library or transferred to the custody of the Library's management are recorded as budgetary expenditures of 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.

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

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

Other Post Employment Benefits (OPEB) – The Local Finance Board has promulgated rules for minimum financial statement disclosures for OPEB that follow the requirements of GASB Statement No 45. The requirements include: 1) A tracking of the Net OPEB Obligation, including the annual Required Contribution (ARC) less any contributions made; 2) The Actuarial Accrued Liability (AAL), the Unfunded Actuarial Accrued Liability (UAAL), and UAAL as a percentage of current period payrolls for employees eligible to receive benefits upon attaining the requisite age and service requirements; and 3) A summary of the significant actuarial assumptions, including the discount rate used. The Township implemented this new disclosure standard for December 31, 2009. As this reporting standard does not require the recognition of an expenditure and/or liability on the face of the financial statements, the disclosures included in Note 9 do not impact the amounts reported in the accompanying financial statements.

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

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

Sale of Municipal Assets - Cash proceeds from the sale of 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 2011.

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. 59, "Financial Instruments Omnibus" in June 2010. The objective of the Statement is to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice.

GASB issued Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements" in November 2010. The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership.

GASB issued Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements" in December 2010. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, Accounting Research Bulletins of the American Institute of Certified Public Accountants (AICPA) Committee on Accounting Procedure.

GASB issued Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" in June 2011. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, Elements of Financial Statements, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively.

GASB issued Statement No. 64, "Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53" in June 2011. The Statement is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied.

GASB issued Statement No. 65, "Items Previously Reported as Assets and Liabilities" in March 2012. The statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

The Township does not prepare its financial statements in accordance with generally accepted accounting principles in the United States of America. A statistical section, which incorporates much of the reporting required by GASB 44, accompanies the Township's financial statements. The Township has not adopted the provisions of any of the GASB statements listed above. The effect of the adoption of the GASB standards cannot be determined.

Use of Estimates – The preparation of the financial statements requires management of 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.



## 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>2011</u>	<u>2010</u>
<u>Issued:</u>		
General:		
Bonds and Notes	\$58,830,000.00	\$54,680,000.00
Green Trust Program Loans	2,453,871.27	2,857,703.56
Infrastructure Loan	7,623,985.41	8,014,360.36
Affordable Housing Utility:		
Bonds and Notes		<u>380,000.00</u>
Total Issued	<u>68,907,856.68</u>	<u>65,932,063.92</u>
 <u>Authorized But Not Issued:</u>		
General:		
Bonds and Notes	<u>32,052,042.75</u>	<u>27,229,803.75</u>
Total Authorized But Not Issued	<u>32,052,042.75</u>	<u>27,229,803.75</u>
Total Bonds and Notes Issued and Authorized but not Issued	<u>100,959,899.43</u>	<u>93,161,867.67</u>

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

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

Summarized below are the Township's individual bond and loan issues which were outstanding at December 31, 2011:

	<u>2011</u>	<u>2010</u>
<u>General Debt:</u>		
\$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%	\$600,000.00	\$1,200,000.00
\$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%	20,585,000.00	21,770,000.00
\$6,600,000.00 Bond Anticipation Notes - issued Dec. 22, 2010, due April 1, 2011 interest rate 2.90%.		6,600,000.00
\$8,000,000, General Improvement Bonds Series 2009, due in annual installments of \$300,000 to \$600,000 through January 1, 2024, interest at 2.50% to 4.555%	7,350,000.00	7,700,000.00
\$8,500,000, General Improvement Refunding Bonds Series 2009, due in annual installments of \$750,000 to \$1,495,000 through September 1 2019, interest at 4.00%	5,420,000.00	5,995,000.00
\$6,185,000, General Improvement Refunding Bonds Series 2010, due in annual installments of \$785,000 to \$950,000 through May 1, 2019, interest at 2.00% to 4.00%	5,400,000.00	6,185,000.00
\$5,230,000, General Improvement Refunding Bonds Series 2010, due in annual installments of \$15,000 to \$770,000 through May 1, 2019, interest at 2.00% to 4.00%	5,200,000.00	5,230,000.00
\$6,600,000, General Improvement Bonds Series 2011, due in annual installments of \$450,000 to \$650,000 through September 2022, interest at 3.00% to 4.00%	6,275,000.00	
\$8,000,000, General Improvement Bonds Series 2011, due in annual installments of \$325,000 to \$650,000 through December 2026, interest at 3.00% to 4.00%	8,000,000.00	
Program Loans:		
\$631,500, Poe Property, due in semi-annual installments of \$19,620.35 through Oct. 24, 2016, interest at 2.00%	185,830.32	220,828.58

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

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

	<u>2011</u>	<u>2010</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%	454,844.11	514,802.46
\$5,625,000.00, Institute Woods, due in semi-annual installments of \$174,890.21 through Jan. 8, 2017, interest at 2.00%	1,813,196.84	2,122,072.52
\$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%	770,000.00	805,000.00
\$889,142, Infrastructure Water Loan - Principal Only, due in semi-annual installments of \$20,783.37 to 45,995.14 through Oct. 23, 2026	684,025.02	729,593.70
\$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%	775,000.00	810,000.00
\$848,221, Infrastructure Water Loan - Principal Only, due in semi-annual installments of \$20,099.89 to 41,874.02 through Aug. 1, 2027	696,944.70	741,826.65
\$1,035,000, Infrastructure Water Loan, due in annual installments of \$35,000 to \$80,000 through Aug. 1, 2028, interest at 5.00%	965,000.00	1,000,000.00
\$1,034,227, Infrastructure Water Loan - Principal Only, due in semi-annual installments of \$16,249.08 to 50,209.20 through Aug. 1, 2028	900,810.29	953,667.65
\$750,000, Infrastructure Water Loan - due in semi-annual installments of \$16,249.08 to 50,209.20 through Aug. 1, 2028	725,000.00	750,000.00
\$2,302,317, Infrastructure Water Loan - Principal Only, due in semi-annual installments of \$16,249.08 to 50,209.20 through Aug. 1, 2028	<u>2,107,205.40</u>	<u>2,224,272.36</u>
Total General Debt	<u>68,907,856.68</u>	<u>65,552,063.92</u>
Utility Debt:		
\$2,990,000, Refunding Bonds Series 2004, due in annual installments of \$380,000 to \$450,000 through Sept. 1, 2011, interest at 4.60%.		<u>380,000.00</u>
Total Utility Debt		<u>380,000.00</u>
Total Debt Issued and Outstanding	<u>\$68,907,856.68</u>	<u>\$65,932,063.92</u>

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

B. Summary of Statutory Debt Condition - Annual Debt Statement

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

<u>2011</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$26,664,334.00	\$26,664,334.00	
General Debt	<u>96,034,667.00</u>	<u>5,276,129.00</u>	<u>90,758,538.00</u>
	<u>\$122,699,001.00</u>	<u>\$31,940,463.00</u>	<u>\$90,758,538.00</u>

Net Debt \$90,758,538.00 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended  $\$4,941,902,553.00 = \underline{\underline{1.84\%}}$

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

	<u>2011</u>
3 1/2% of Equalized Valuation Basis Municipal Net Debt	<u>\$172,966,589.36</u> <u>90,758,538.00</u>
Remaining Borrowing Power	<u>\$82,208,051.36</u>

<u>2010</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$28,610,880.04	\$28,610,880.04	
Affordable Housing Utility Debt	380,000.00	380,000.00	
General Debt	<u>92,781,867.67</u>	<u>24,939.87</u>	<u>92,756,927.80</u>
	<u>\$121,772,747.71</u>	<u>\$29,015,819.91</u>	<u>\$92,756,927.80</u>

Net Debt \$86,277,027.27 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended  $\$5,079,127,967.00 = \underline{\underline{1.83\%}}$

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

	<u>2010</u>
3 1/2% of Equalized Valuation Basis Municipal Net Debt	<u>\$176,089,346.37</u> <u>92,756,927.80</u>
Remaining Borrowing Power	<u>\$83,332,418.57</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	GENERAL		TOTAL	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2012	4,465,000.00	2,140,191.40	4,465,000.00	2,140,191.40
2013	4,565,000.00	1,994,608.75	4,565,000.00	1,994,608.75
2014	4,680,000.00	1,844,621.25	4,680,000.00	1,844,621.25
2015	4,865,000.00	1,682,283.75	4,865,000.00	1,682,283.75
2016	5,040,000.00	1,498,318.13	5,040,000.00	1,498,318.13
2017	5,245,000.00	1,302,157.75	5,245,000.00	1,302,157.75
2018	4,625,000.00	1,095,093.13	4,625,000.00	1,095,093.13
2019	4,725,000.00	916,211.88	4,725,000.00	916,211.88
2020	3,275,000.00	754,871.25	3,275,000.00	754,871.25
2021	3,340,000.00	634,327.50	3,340,000.00	634,327.50
2022	3,405,000.00	509,615.00	3,405,000.00	509,615.00
2023	2,830,000.00	380,907.50	2,830,000.00	380,907.50
2024	2,910,000.00	266,120.00	2,910,000.00	266,120.00
2025	2,390,000.00	159,210.00	2,390,000.00	159,210.00
2026	2,470,000.00	60,190.00	2,470,000.00	60,190.00
TOTAL	<u>\$58,830,000.00</u>	<u>\$15,238,727.29</u>	<u>\$58,830,000.00</u>	<u>\$15,238,727.29</u>

## NOTES TO FINANCIAL STATEMENTS

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

#### 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>2011</u>	<u>2010</u>
Cash Receipts from Fees, Rents or Other Charges for Year	\$608,049.90	\$ 663,543.40
Deductions:		
Operating and Maintenance Costs	176,572.74	148,032.75
Debt Service	<u>388,866.68</u>	<u>412,075.00</u>
Total Deductions	<u>565,439.42</u>	<u>560,107.75</u>
Excess in Revenues	<u>\$42,610.48</u>	<u>\$103,435.65</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>2011</u>	<u>2010</u>
Excess in Revenues - Cash Basis (D-1)	\$42,610.48	\$103,435.65
Add: Other Deductions to Operations	<u>0.00</u>	<u>0.00</u>
Excess in Revenue	<u>\$42,610.48</u>	<u>\$103,435.65</u>

# NOTES TO FINANCIAL STATEMENTS

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

### D. Loan Agreements

#### 1. Department of Environmental Protection Green Trust Program Loans

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

#### 2. 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

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

2. 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 #3</u>	<u>Loan #4</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.

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 #5</u>	<u>Loan #6</u>
Drawn down Date	8/1/08	8/1/08
Loan Amount	\$1,035,000.00	\$1,034,227.00
Interest Rates	Various	Various
Due Dates	Aug. 1 & Feb. 1	Aug. 1 & Feb. 1
Number of Payments	20	20
Final Payment Date	August 1, 2028	August 1, 2028

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.

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 #7</u>	<u>Loan #8</u>
Drawn down Date	3/10/10	3/10/10
Loan Amount	\$750,000.00	\$2,302,317
Interest Rates	Various	Various
Due Dates	Aug. 1 & Feb. 1	Aug. 1 & Feb. 1
Number of Payments	19	19
Final Payment Date	August 1, 2029	August 1, 2029

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>Balance December 31, 2011</u>	<u>Utilized in 2012 Budget</u>	<u>Balance December 31, 2010</u>	<u>Utilized in 2011 Budget</u>
Current Fund	\$7,599,03.02	\$5,000,000.00	\$7,312,446.47	\$4,125,000.00
Affordable Housing Operating Fund	58,192.47	0.00	130,668.81	122,000.00

## 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, 2011, the following deferred charges are shown on the balance sheets of the various funds.

	<u>Balance Dec. 31, 2010</u>	<u>Resulting In 2011</u>	<u>Raised in 2011 Budget</u>	<u>Balance Dec. 31, 2011</u>	<u>Balance to Succeeding Budgets</u>
Current Fund:					
Special Emer. Approp	\$330,000.00		\$110,000.00	\$220,000.00	\$220,000.00
Emergency Approp.	<u>0.00</u>	<u>122,390.50</u>	<u>0.00</u>	<u>122,390.50</u>	<u>122,390.50</u>
Total	<u>\$330,000.00</u>	<u>\$122,390.50</u>	<u>\$110,000.00</u>	<u>\$342,390.50</u>	<u>\$342,390.50</u>

## Note 6: GOVERNMENTAL FIXED ASSETS

Capital asset activity for the year ended December 31, 2011 was as follows:

	<u>Balance December 31, 2010</u>	<u>Balance December 31, 2011</u>
Land/Buildings	\$50,726,155.95	\$50,726,155.95
Equipment	1,163,722.79	1,163,722.79
Vehicles	<u>3,763,276.05</u>	<u>3,763,276.05</u>
	<u>\$55,653,154.79</u>	<u>\$55,653,154.79</u>

The Governmental Fixed Asset Account Group is used to account for fixed assets used in governmental fund type operations for control purposes. Infrastructure assets such as roads, sidewalks, etc. are not capitalized. All governmental 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. No depreciation is recorded on governmental fixed assets.

During 2011 there were no new fixed assets purchased during 2011 to be reported on the governmental fixed asset listing.

## NOTES TO FINANCIAL STATEMENTS

### Note 7: 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, 2011 and 2010, the cash and cash equivalents and investments of the Township on deposit and on-hand consisted of the following:

	<u>2011</u>	<u>2010</u>
Cash (Demand Accts.)	\$27,008,907.21	\$26,062,126.44
Cash Management Fund	217,855.18	217,619.16
Petty Cash (On-Hand)	<u>575.00</u>	<u>575.00</u>
	<u>\$27,227,337.39</u>	<u>\$26,280,320.60</u>

Based upon GASB criteria, the Township considers change funds, cash in banks, investments in short-term certificates of deposit and State of New Jersey Cash Management Fund as cash and cash equivalents. At year-end, the carrying amount of the Township's deposits was \$26,234,869.81 and the bank balance was \$27,226,762.39. Of the bank balance, \$1,085,297.10 was covered by Federal depository insurance and \$25,923,610.11 was covered under the provisions of NJGUDPA.

Note 7: DEPOSITS AND INVESTMENTS (CONT'D.)

At December 31, 2011, the Township has implemented the disclosure requirements of Governmental Accounting Standards Board Statement No. 40 "Deposits and Investment Risk Disclosures" (GASB 40) and accordingly the Township has assessed the Custodial Risk, the Concentration of Credit Risk and Interest Rate Risk of its cash and investments.

- (a) Custodial Credit Risk – The Township's deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are: uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-governments name. The deposit risk is that, in the event of the failure of a depository financial institution, the Township will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The Township's investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Township and are held by either: the counterparty or the counterparty's trust department or agent but not in the Township's name. The investment risk is that, in the event of the failure of the counterparty to a transaction, the Township will not be able to recover the value of the investment or collateral securities that in possession of an outside party.
- (b) Concentration of Credit Risk – This is the risk associated with the amount of investments that Township has with any one issuer that exceeds 5 percent or more of its total investments. Investment issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.
- (c) Credit Risk – GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In general, the Township does not have an investment policy regarding Credit Risk except to the extent outlined under the Township's investment policy. The New Jersey Cash Management Fund is not rated.
- (d) Interest Rate Risk - This is the risk that changes in interest rates will adversely affect the fair value of an investment. The Township does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate fluctuations.

As of December 31, 2011, based upon the insured balances provided by the FDIC and NJGUDPA coverage, no amounts of the Township's bank balance was considered exposed to custodial credit risk.

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;

Note 7: DEPOSITS AND INVESTMENTS (CONT'D).

5. Bonds or other obligations having a maturity date of not more than 397 days from the date of purchase that are approved by the Division of Investment of the Department of Treasury for investment by local units;
6. Local government investment pools;
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1997, c. 281 (C.52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities, if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3);
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is more than 30 days; and
  - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.19:9-41) and for which a master repurchase agreement providing for the custody and security of the collateral is executed.

New Jersey Cash Management Fund – All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other Than State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. As of December 31, 2011, the Township had \$217,855.18 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 8: 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 13<sup>th</sup>.

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 1<sup>st</sup> and November 1<sup>st</sup> 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 1<sup>st</sup> and May 1<sup>st</sup>. 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 1<sup>st</sup> 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 1<sup>st</sup> of the current tax year even though the amount dues is not known.

## Note 9: 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 plans are not available. The contributions for the years ended December 31, 2011 and 2010, exclusive of contributions from employees were \$671,656.00 and \$533,368, respectively for PERS and \$942,985.0 and \$775,21.0 respectively for PFRS. The contributions for PERS and PFRS for 2012 are \$689,752.00 and \$761,544.00 respectively.

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.

## Note 10: POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS – HEALTH CARE BENEFITS

The Township provides health benefits through its group insurance plan to certain retirees and their dependents, as follows:

The former employer assumes the cost if the retired employee meets certain requirements. The Plan Sponsor has agreed to pay retiree coverage if:

1. he or she has 25 or more years of continuous service with the Township of Princeton; or
2. Township Police Officers qualify with 20 years of Township service if he or she has 25 years or more in PFRS.

At December 31, 2010 and 2009, approximately 29 retirees were receiving non-contributory health coverage benefits at an estimated annual cost to the Township of approximately \$750,000 and \$740,000, respectively.

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

The contribution requirements of plan members and the participating agencies are established and may be amended by the through the collective bargaining process or by action of the Mayor and/or Township Council. The Township's annual postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the Township's annual OPEB cost for the year, any amounts contributed to the plan and the Township's net OPEB obligation. For 2011, 2010 and 2009, the Township's annual OPEB cost (expense) (GAAP Basis) of \$780,000, \$750,000 and \$740,000 respectively was equal to the ARC.

# NOTES TO FINANCIAL STATEMENTS

## Note 10: POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS – HEALTH CARE BENEFITS (CONT'D.)

	<u>2011 Total</u>	<u>2010 Total</u>	<u>2009 Total</u>
Net OPEB Obligation – beginning of year	\$1,150,000	\$580,000	\$0
Annual required contribution (ARC)	780,000	750,000	740,000
Interest on Net OPEB Obligation	50,000	30,000	<u>0</u>
Adjustment to the ARC	<u>(70,000)</u>	<u>(30,000)</u>	<u>0</u>
Annual OPEB Cost	760,000	750,000	740,000
Less: Contributions	<u>210,000</u>	<u>180,000</u>	<u>160,000</u>
Net OPEB obligation – end of year	<u>\$1,700,000</u>	<u>\$1,150,000</u>	<u>\$580,000</u>

Under the regulatory basis of accounting utilized by the Township financial statement recognition of the ARC and Net OPEB obligation is not required and these amounts are not reflected in the reported expenditures and liabilities at December 31, 2011, 2010 and 2009.

The funded status of the plan for the Township as of January 1, 2011, is as follows:

	<u>Total</u>
Actuarial accrued liability (AAL)	\$6,940,000
Actuarial value of plan assets	<u>- 0 -</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$6,940,000</u>
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$7,510,000
UAAL as a percentage of covered payroll	92%

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

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

In the December 31, 2011 actuarial valuation, the projected unit credit method was used. A rate of 4.50% was utilized as the discount rate and the amount of increase in the normal cost amount. The unfunded accrued liability is being amortized as a level dollar amount using an open period of thirty (30) years.

## Note 11: 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 for 2011 and 2010 was \$1,082,674.45 and \$1,039,692.17 respectively. On those dates, the Township had funded \$387,519.30 and \$387,519.30 of those amounts, respectively.

## Note 12: LEASES

The Township of Princeton has entered into an operating lease with Neopost Inc. on June 29, 2010 for a postage machine. The lease is for forty-eight (48) months with a monthly payment of \$690.00 for the first twelve (12) months and \$770.00 for the remaining thirty-six (6) months. The operating lease expenditures are charged to the current fund budget. The total charges for each year is as follows:

<u>Year</u>	<u>Amount</u>
2012	\$8,760
2013	9,240
2014	9,240
2015	<u>4,620</u>
	<u>\$31,860</u>

## Note 13: 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 severably 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, 2011. 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.

The Mid Jersey Joint Insurance Fund (the Fund) issues publicly available financial reports that include the financial statements and required supplementary information for insurance coverage for participants in the Fund. These financial reports may be obtained by writing Mid Jersey Municipal JIF, c/o Risk and Loss Managers, 51 Everett Drive, Suite B-40, West Windsor, NJ 08550-5374.

New Jersey Unemployment Compensation Insurance – 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 Township 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>Budget Contribution</u>	<u>Interest Earnings</u>	<u>Amounts Reimbursed</u>	<u>Ending Balance</u>
2011	\$16,745.39	\$75,000.00	\$391.93	\$32,822.79	\$83,221.59
2010	2,394.29	25,000.00	125.25	54,908.20	23,907.06
2009	2,476.90		302.01	59,786.06	51,295.72

## Note 14: 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, 2011, 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.



## Note 15: 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 16: INTERFUNDS

The following interfund balances remained on the balance sheet at December 31, 2011:

Fund:	Interfund <u>Receivables</u>	Interfund <u>Payables</u>
Grant Fund	\$0.00	\$511,692.00
General Capital Fund	<u>511,692.00</u>	<u>0.00</u>
Total	<u>\$511,692.00</u>	<u>\$511,692.00</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.

## Note 17: 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>
Construction of Sidewalks Grover Ave.	\$109,250.00
Construction of Sidewalks Roper Road	73,150.00
Sewer Laterals Grover/Roper	114,650.00
Rehabilitation of Sewer System	2,550,00.00
Sewer Laterals Battle Road	92,650.00
Construction of Sidewalks Grover/ West Side	41,800.00
Construction of Sidewalks Roper Rd./South	28,975.00
Curbing Andrews Lane/Foulet Drive	112,600.00
Curbing White Pine Lane	24,795.00

## Note 18: MERGER

In December 2009 the Township of Princeton received approval from the State of New Jersey, Department of Community Affairs, Division of Local Government Services, Local Finance Board for the consolidation of the Township of Princeton and the Borough of Princeton. On November 8, 2011 the question of consolidation was put to the voters of both the Township of Princeton and the Borough of Princeton and was passed. A Commission was formed and charged with providing a final report of its findings and recommendations regarding the consolidation to the governing bodies of the Township and Borough.

On the Commissions final report dated June 22, 2011 they recommended that the consolidated Princeton is to be governed under the Borough form of government, with a separately elected Mayor and six(6) Council members to be elected at large with partisan elections and staggered terms of office.

The bond outstanding at the beginning of the consolidation, which is January 1, 2013, will transfer to the new Princeton.

## **FUND FINANCIAL STATEMENTS**

TOWNSHIP OF PRINCETON  
MERCER COUNTY, NEW JERSEY

Exhibit - A

CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
DECEMBER 31, 2011 AND 2010

<u>ASSETS</u>	<u>BALANCE DEC. 31,2011</u>	<u>BALANCE DEC. 31,2010</u>	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>BALANCE DEC. 31,2011</u>	<u>BALANCE DEC. 31,2010</u>
Cash and Investments - Treasurer Change Fund	\$ 15,573,641.50 575.00 <u>15,574,216.50</u>	\$ 15,948,660.67 575.00 <u>15,949,235.67</u>	Liabilities: Appropriation Reserves Reserve for Encumbrances Due from State of N.J. Per Chap. 73, P.L. 1976 Tax Overpayments Due to Borough of Princeton Third Party Liens Payable State Library Aid Payable Accounts Payable Due to State of NJ BOCA Fees Due to County Prepaid Taxes Prepaid Sewer Premium on Tax Sale Certificates Miscellaneous Reserves Reserve for Debt Service - Green Trust	\$ 3,168,771.60 220,932.97 8,482.50 1,360.38 116,408.00 83,296.75 7,495.00 447,983.65 12,915.00 76,278.33 992,069.07 20,687.16 315,200.00 546,270.26 <u>2,299,453.31</u> 8,317,603.98	\$ 3,082,228.06 161,432.82 7,355.79 27,925.77 421,055.94 142,340.31 7,605.00 455,266.41 9,137.00 93,475.91 1,707,317.40 50,462.57 249,000.00 70,365.43 <u>2,477,778.62</u> 8,962,747.03
Receivables and Other Assets With Full Reserves:					
Taxes Receivable	800,044.15	1,002,615.99			
Tax Title Liens Receivable	149,852.36	128,753.17			
Sewer Charges Receivable	28,695.30	45,902.18			
Delinquent Interest & Penalty	27,842.64	34,607.62			
Property Acquired for Taxes at Assessed Value	510,000.00	430,800.00			
Revenue Accounts Receivable	3,277.74	3,277.74			
Interfunds Receivable		7,801.24			
DTF Payroll Fund		25,000.00			
	<u>1,519,712.19</u>	<u>1,678,757.94</u>			
Deferred Charges:					
Emergency Appropriation	342,390.50	330,000.00	Reserve for Receivables Fund Balance	1,519,712.19 <u>7,599,003.02</u>	1,678,757.94 <u>7,316,488.64</u>
	<u>342,390.50</u>	<u>330,000.00</u>			
Total Current Fund	<u>17,436,319.19</u>	<u>17,957,993.61</u>	Total Current Fund	<u>17,436,319.19</u>	<u>17,957,993.61</u>
Grant Fund:			Grant Fund:		
Cash and Investments - Treasurer	545,722.92	532,391.43	Reserve for Encumbrances	236.23	7,334.18
State & Federal Grants Receivable	<u>1,188,351.74</u>	<u>1,219,406.66</u>	Due to General Capital	511,692.00	511,692.00
			Reserve for State & Federal Grants: Appropriated Unappropriated	1,129,143.53 93,002.90 <u></u>	1,189,965.83 42,806.08 <u></u>
Total Grant Fund	<u>1,734,074.66</u>	<u>1,751,798.09</u>	Total Grant Fund	<u>1,734,074.66</u>	<u>1,751,798.09</u>
	<u>\$ 19,170,393.85</u>	<u>\$ 19,709,791.70</u>		<u>\$ 19,170,393.85</u>	<u>\$ 19,709,791.70</u>

TOWNSHIP OF PRINCETON  
MERCER COUNTY, NEW JERSEY

CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN  
FUND BALANCE - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

<u>REVENUE AND OTHER INCOME</u>	<u>YEAR 2011</u>	<u>YEAR 2010</u>
Fund Balance Utilized	\$ 4,125,000.00	\$ 4,125,000.00
Miscellaneous Revenues Anticipated	9,664,459.65	9,153,328.37
Receipts from Delinquent Taxes	908,992.20	830,930.01
Receipts from Current Taxes	90,070,653.27	89,927,273.72
Non-Budget Revenue	460,614.48	778,173.15
Other Credits to Income:		
Unexpended Balance of Approp.		
Reserves Lapsed	2,440,705.40	2,106,300.13
Cancellation of Escrow Balance	240.61	
Prior Years Voided Checks		36,458.98
Interfund Loans Returned (Net)	<u>32,801.24</u>	<u>2,557,595.90</u>
	<u>107,703,466.85</u>	<u>109,515,060.26</u>
<u>EXPENDITURES</u>		
Budget Appropriations:		
Operations:		
Salaries and Wages	9,102,243.04	9,546,603.47
Other Expenses	16,483,110.42	15,693,492.34
Deferred Charges and Statutory		
Expenditures	2,015,641.00	1,819,578.00
Capital Improvements	300,000.00	300,000.00
Municipal Debt Service	6,440,960.16	6,113,061.09
County Taxes	24,430,647.98	25,923,164.87
Local District School Taxes	43,717,296.67	42,256,437.47
Municipal Open Space Tax	926,443.70	943,452.44
Prior Year Senior Citizens Vet Deductions Allowed	<u>2,000.00</u>	<u>1,000.00</u>
Total Expenditures	<u>103,418,342.97</u>	<u>102,596,789.68</u>

TOWNSHIP OF PRINCETON  
MERCER COUNTY, NEW JERSEY

CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN  
FUND BALANCE - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>YEAR 2011</u>	<u>YEAR 2010</u>
Statutory Excess to Fund Balance	\$ 4,285,123.88	\$ 6,918,270.58
Adjustments to Income before Fund Balance:		
Expenditures Included Above Which are by		
Statute Deferred Charges to Budget of		
Succeeding Year	<u>122,390.50</u>	<u>                    </u>
Statutory Excess to Fund Balance	4,407,514.38	6,918,270.58
<u>FUND BALANCE</u>		
Balance - January 1	<u>7,316,488.64</u>	<u>4,523,218.06</u>
	11,724,003.02	11,441,488.64
Decreased by:		
Utilized as Anticipated Revenue	<u>4,125,000.00</u>	<u>4,125,000.00</u>
Balance - December 31	\$ <u><u>7,599,003.02</u></u>	\$ <u><u>7,316,488.64</u></u>

TOWNSHIP OF PRINCETON  
MERCER COUNTY, NEW JERSEY

Exhibit A-2  
Page 1 of 3

CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	ANTICIPATED			
	2011	N.J.S.A.		EXCESS OR
	BUDGET	40A:4-87	REALIZED	(DEFICIT)
Surplus Anticipated	\$ 4,125,000.00	\$	\$ 4,125,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverage	15,300.00		15,390.00	90.00
Other	1,100.00		980.00	(120.00)
Fees and Permits:				
Other	85,400.00		78,318.54	(7,081.46)
Fines and Costs:				
Municipal Court	347,600.00		304,174.52	(43,425.48)
Interest and Costs on Taxes	301,300.00		277,688.44	(23,611.56)
Interest on Investments and Deposits	32,300.00		108,656.30	76,356.30
Sewer Rentals	3,500,000.00		3,157,579.80	(342,420.20)
Reserve for Wastewater Treatment Fund				
Reserve for Debt Service - Other	262,339.00		262,339.00	
Reserve for Debt Service-Institute Woods	7,000.00		7,000.00	
Reserve for Fire Protection Fund	54,323.00		54,323.00	
Trust Surplus - Improvement Assessments	100,000.00		100,000.00	
Reserve for Sewer Expenses	300,000.00		300,000.00	
Reserve for Debt Service - Bond Premium	350,000.00		350,000.00	
Energy Receipts Tax	1,440,694.00		1,440,694.00	
Municipal Property Tax Relief Aid	22,772.00		22,772.00	
Garden State Trust Fund	4,855.00		4,855.00	
Pilot- Institute for Advanced Study	250,000.00		250,000.00	
Pilot-Princeton Community Village	263,000.00		283,693.25	20,693.25
Pilot-Tenacre Foundation	502,000.00		502,790.84	790.84
Princeton University Fair Share	500,000.00		500,000.00	
Special Items:				
DEP Grant Recreational Trails	15,000.00		15,000.00	
Corner House Foundation	313,810.00		313,810.00	
Over the Limit Under Arrest		2,950.00	2,950.00	

TOWNSHIP OF PRINCETON  
MERCER COUNTY, NEW JERSEY

Exhibit A-2  
Page 2 of 3

CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
	2011 BUDGET	N.J.S.A. 40A:4-87		
Miscellaneous Revenues (Cont'd.):				
Motivation 180	55,332.00		55,332.00	
State of NJ National Inst. Drug	144,160.00		144,160.00	
Mercer County PYP	20,000.00		20,000.00	
Mercer County Regional Drug Treatment Program	25,198.00		25,198.00	
Princeton Regional - NJMSPLI	1,000.00		1,000.00	
Princeton Regional Star Program	6,500.00		6,500.00	
Princeton Regional Academic Success	10,000.00		10,000.00	
Cranbury Drug Intervention Program	10,080.00		10,080.00	
State of NJ Vicinage Program	40,000.00		40,000.00	
Open Space Assistance		150,000.00	150,000.00	
Recycling Tonnage Grant	36,734.49		36,734.49	
Municipal Alliance on Alcoholism and Drug Abuse	28,020.00		28,020.00	
DWI Court Fund	2,111.47		2,111.47	
Princeton Boro:				
Sustainable Princeton-Boro Share	15,000.00		15,000.00	
Consolidation Commission-Boro Share	41,250.00		41,250.00	
Regional Planning	112,728.00		112,728.00	
Joint Drug Abuse	125,583.50		125,584.00	0.50
Joint Environmental	2,178.00		2,211.00	33.00
Human Services Commission	70,230.00		70,230.00	
Joint Recreation Board	415,306.00		415,306.00	
Total Miscellaneous Revenues	9,830,204.46	152,950.00	9,664,459.65	(318,694.81)
Receipts from Delinquent Taxes	961,000.00		908,992.20	(52,007.80)
Amount to be Raised by Taxation for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	21,717,066.77		23,557,527.19	1,840,460.42
Budget Totals	36,633,271.23	152,950.00	38,255,979.04	1,469,757.81
Non-Budget Revenues			460,618.48	
	\$ 36,633,271.23	\$ 152,950.00	\$ 38,716,597.52	



TOWNSHIP OF PRINCETON  
MERCER COUNTY, NEW JERSEY

CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DEC. 31, 2011

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collection:

Revenue from Collection:

Collections by Cash:

Year 2011 88,279,712.58

Year 2010 1,707,317.40

Sr. Cit. & Vet. Deduction

Reimbursement 83,623.29

\$ 90,070,653.27

Allocated to:

School, County and Special

District Taxes 68,147,944.65

Municipal Open Space Tax 926,443.70

20,996,264.92

Add: Reserve for Uncollected Taxes

2,561,262.27

\$ 23,557,527.19

Receipts from Delinquent Taxes:

Delinquent Tax Collection \$ 908,992.20

\$ 908,992.20

TOWNSHIP OF PRINCETON  
MERCER COUNTY, NEW JERSEY

Exhibit A-3

CURRENT FUND  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

	2011 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED ENCUMBERED	RESERVED	UNEXPENDED BALANCE CANCELLED
<u>Operations Within "CAPS"</u>						
<u>GENERAL GOVERNMENT:</u>						
General Administration						
Salaries and Wages	\$ 180,506.00	\$ 180,506.04	\$ 180,506.04			\$
Other Expenses	2,960.00	2,960.00	2,869.10		90.90	
Information Technology						
Salaries and Wages	86,259.00	86,259.00	86,259.00			
Other Expenses	284,812.00	284,812.00	228,083.59	30,475.84	26,252.57	
Human Resources (Personnel)						
Other Expenses	81,700.00	81,700.00	77,169.40	2,220.92	2,309.68	
Township Committee						
Salaries and Wages	54,066.00	54,066.00	53,673.39		392.61	
Other Expenses	2,327,913.00	2,137,793.46	280,440.38	25.00	1,857,328.08	
Municipal Clerk						
Salaries and Wages	159,870.00	160,080.00	160,079.21		0.79	
Other Expenses	18,475.00	18,475.00	12,360.43	584.11	5,530.46	
Elections						
Other Expenses	8,450.00	8,450.00	7,495.67		954.33	
Financial Administration (Treasury)						
Salaries and Wages	394,382.00	394,382.00	394,327.87		54.13	
Other Expenses	15,025.00	15,025.00	13,257.80	507.60	1,259.60	
Audit Services						
Other Expenses	33,000.00	33,000.00	33,000.00			
Revenue Administration (Tax Collection)						
Salaries and Wages	151,976.00	154,976.00	154,406.84		569.16	
Other Expenses	9,425.00	9,425.00	8,983.84	82.61	358.55	
Tax Assessment Administration						
Salaries and Wages	129,252.00	145,252.00	144,823.17		428.83	
Other Expenses	21,500.00	21,500.00	20,136.77	150.00	1,213.23	
Legal Services						
Other Expenses	400,000.00	400,000.00	320,500.24		79,499.76	
Engineering Services						
Salaries and Wages	774,460.00	820,460.00	802,650.12		17,809.88	
Other Expenses	41,500.00	41,500.00	38,691.77	2,519.39	288.84	
Historical Site Office						
Salaries and Wages	881.00	881.00	516.78		364.22	
Other Expenses	16,400.00	16,400.00	4,233.59		12,166.41	

TOWNSHIP OF PRINCETON  
MERCER COUNTY, NEW JERSEY

Exhibit A-3

CURRENT FUND  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

	2011 BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELLED
			PAID OR CHARGED	ENCUMBERED	RESERVED	
<u>LAND USE ADMINISTRATION:</u>						
Regional Planning Board						
Salaries and Wages	\$ 142,892.00	142,892.00	\$ 115,159.13	\$	27,732.87	\$
Other Expenses	85,980.00	85,980.00	50,245.35	23,205.80	12,528.85	
Zoning Board of Adjustment		\$				
Salaries and Wages	175,891.00	175,891.00	161,825.98		14,065.02	
Other Expenses	23,465.00	23,465.00	3,307.99	67.16	20,089.85	
<u>PUBLIC SAFETY FUNCTIONS:</u>						
Police						
Salaries and Wages	3,612,210.00	3,612,210.00	3,325,264.74		286,945.26	
Other Expenses	295,080.00	295,080.00	135,251.23	48,209.46	111,619.31	
Police Dispatch/911						
Salaries and Wages	414,075.00	442,575.00	442,554.53		20.47	
Other Expenses	3,950.00	3,950.00	295.03	3,517.47	137.50	
Office of Emergency Management						
Other Expenses	2,000.00	2,000.00	389.01	3.13	1,607.86	
Princeton Borough-Contractual: Fire Companies						
Other Expenses	165,194.00	165,194.00	139,094.00		26,100.00	
Princeton Borough-Contractual: Fire Facilities						
Other Expenses	70,064.00	70,064.00	70,064.00			
Aid to First Aid Org.-Contribution						
Fire Prevention						
Salaries and Wages	49,873.00	49,873.00	47,396.22		2,476.78	
Other Expenses	4,450.00	4,450.00	2,093.20	236.62	2,120.18	
Fire Hydrant Service	525,000.00	525,000.00	463,650.00		61,350.00	
Municipal Prosecutor's Office						
Other Expenses	38,500.00	38,500.00	27,500.00		11,000.00	

TOWNSHIP OF PRINCETON  
MERCER COUNTY, NEW JERSEY

Exhibit A-3

CURRENT FUND  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

	2011 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED ENCUMBERED	RESERVED	UNEXPENDED BALANCE CANCELLED
<u>Operations Within "CAPS" (Cont'd.)</u>						
<u>PUBLIC WORKS FUNCTIONS:</u>						
Streets and Roads Maintenance						
Salaries and Wages	\$ 1,181,824.00	1,181,824.00	\$ 1,146,100.42	\$ 5,654.56	\$ 30,069.02	\$
Other Expenses	187,070.00	187,070.00	110,889.28	51,787.50	24,393.22	
Shade Tree Commission						
Salaries and Wages						
Other Expenses	10,600.00	10,600.00	9,117.47		1,482.53	
Sustainable Princeton	15,000.00	15,650.00	15,649.71		0.29	
Buildings and Grounds						
Other Expenses	284,950.00	324,950.00	295,798.60	5,620.31	23,531.09	
Vehicle Maintenance (Including Police Vehicles)						
Salaries and Wages	157,332.00	168,532.00	168,523.74		8.26	
Other Expenses	133,500.00	196,800.00	188,048.15	8,704.85	47.00	
Community Service Act (Condominium Community Costs)						
Other Expenses	30,000.00	30,000.00	28,770.76		1,229.24	
<u>HEALTH &amp; HUMAN SERVICES FUNCTIONS:</u>						
Regional Health Commission-Proportionate Share						
Other Expenses	288,596.00	\$ 288,596.00	288,596.00			
Worker and Community Right to Know Act	1,000.00	1,000.00			1,000.00	
Joint Environmental Commission						
Salaries and Wages	2,412.00	2,412.00	1,553.25		858.75	
Other Expenses	2,010.00	2,010.00	121.44		1,888.56	
Animal Control-Proportionate Share	61,470.00	61,470.00	61,470.00			
Deer Management Program						
Salaries and Wages	20,000.00	20,000.00	20,000.00			
Other Expenses	20,000.00	20,000.00	12,831.95		7,168.05	
Human Services Commission						
Salaries and Wages	44,878.50	44,878.50	44,738.05		140.45	
Other Expenses	25,351.50	25,351.50	12,797.71	119.93	12,433.86	
Joint Drug Abuse Prevention Program						
Salaries and Wages	56,561.00	45,261.00	(1,459.37)		46,720.37	
Other Expenses	69,022.50	79,322.50	78,923.38	373.92	25.20	
Contribution to Senior Resource Center						
Other Expenses	97,162.00	97,162.00	97,162.00			

TOWNSHIP OF PRINCETON  
MERCER COUNTY, NEW JERSEY

Exhibit A-3

CURRENT FUND  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

	2011 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
Operations Within "CAPS" (Cont'd.)						
<u>PARKS &amp; RECREATION FUNCTIONS:</u>						
Joint Recreation Board						
Salaries and Wages	\$ 453,041.00	453,041.00	\$ 452,272.25	\$	768.75	\$
Other Expenses	273,088.00	273,088.00	237,889.45	19,836.53	15,362.02	
Maintenance of Parks and Playgrounds						
Other Expenses	21,000.00	21,000.00	6,389.12	12,884.00	1,726.88	
<u>UTILITY EXPENSES &amp; BULK PURCHASES:</u>						
Electricity	215,000.00	215,000.00	164,936.70		50,063.30	
Street Lighting	140,000.00	154,000.00	153,732.20		267.80	
Telephone	45,000.00	45,000.00	32,123.89	3,022.65	9,853.46	
Water	12,500.00	12,500.00	10,382.00		2,118.00	
Gas	65,000.00	76,000.00	75,975.21		24.79	
Fuel Oil	158,500.00	159,000.00	153,385.03		5,614.97	
Sewer System						
Proportionate Share of Costs-Borough	810,328.00	810,328.00	810,328.00			
Township Sewer Other Expenses	19,100.00	19,100.00	12,642.48		6,457.52	
Landfill/Solid Waste Disposal Costs						
Other Expenses	107,475.00	107,475.00	107,475.00			
Municipal Court						
Salaries and Wages	132,520.00	132,520.00	132,221.00		299.00	
Other Expenses	17,925.00	17,925.00	6,326.01	260.50	11,338.49	
Public Defender						
Other Expenses	23,000.00	23,000.00	22,899.92		100.08	
Matching Funds for Grants						
Other Expenses	10,000.00	10,000.00			10,000.00	
Consolidation Commission	41,250.00	41,250.00	(18,113.23)		59,363.23	
Liability Insurance	257,125.00	257,125.00	233,695.41		23,429.59	
Workers Compensation Insurance	189,708.00	189,708.00	189,490.24		217.76	
Group Insurance	1,890,475.00	1,890,475.00	1,873,899.27		16,575.73	
Health Benefit Waiver	70,000.00	70,000.00	66,955.72		3,044.28	
Transportation of Local Pupils by Board of Education (NJSA18A:39-1.2)						
Other Expenses	132,000.00	132,000.00	131,767.90		232.10	
Total Operations Within "CAPS"	18,574,210.50	18,617,451.00	15,444,861.52	220,069.86	2,952,519.62	
<u>DETAIL:</u>						
Salaries and Wages	8,416,411.50	8,468,771.54	8,015,279.13	5,654.56	489,087.85	
Other Expenses (Including Contingent)	10,157,799.00	10,148,679.46	7,429,582.39	214,415.30	2,463,431.77	

TOWNSHIP OF PRINCETON  
MERCER COUNTY, NEW JERSEY

Exhibit A-3

CURRENT FUND  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

	2011 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"						
<u>STATUTORY EXPENDITURES:</u>						
Contribution to:						
Public Employees' Retirement System	\$ 671,656.00	671,656.00	\$ 671,656.00		\$	\$
Social Security System (O.A.S.I.)	400,000.00	400,000.00	391,339.22		8,660.78	
Defined Contribution Retirement Program	1,000.00	1,000.00	720.45		279.55	
Police and Firemen's Retirement System of N.J.	942,985.00	942,985.00	942,985.00			
Total Deferred Charges and Statutory Expend. Municipal Within "CAPS"	2,015,641.00	2,015,641.00	2,006,700.67		8,940.33	
Total General Appropriations for Municipal Purposes Within "CAPS"	20,589,851.50	20,633,092.00	17,451,562.19	220,069.86	2,961,459.95	
<u>Operations Excluded from "CAPS"</u>						
Affordable Housing Agency						
Other Expenses	200,000.00	200,000.00	200,000.00			
Maintenance of Joint Public Library	2,555,581.00	2,631,581.00	2,597,612.00		33,969.00	
<u>INTERLOCAL SERVICE AGREEMENTS:</u>						
Mercer County Improvement Authority						
Curbside Recycling Program						
Other Expenses	130,000.00	131,500.00	131,414.88		85.12	
Stonybrook Regional Sewerage Authority						
Proportionate Share of Costs	2,250,000.00	2,250,000.00	2,077,036.60		172,963.40	
Borough of Princeton:						
Regional Planning Board						
Salaries and Wages	70,380.00	70,380.00	70,380.00			
Other Expenses	42,348.00	42,348.00	42,348.00			
Joint Recreation Board						
Salaries and Wages	233,384.00	233,384.00	233,384.00			
Other Expenses	181,922.00	181,922.00	181,922.00			
Joint Environmental Commission						
Salaries and Wages	1,188.00	1,188.00	1,188.00			
Other Expenses	990.00	990.00	990.00			
Joint Drug Abuse Prevention Program						
Salaries and Wages	56,561.00	56,561.00	56,561.00			
Other Expenses	69,022.50	69,022.50	69,022.50			
Human Services Commission						
Salaries and Wages	44,878.50	44,878.50	44,878.50			
Other Expenses	25,351.50	25,351.50	25,351.50			

TOWNSHIP OF PRINCETON  
MERCER COUNTY, NEW JERSEY

Exhibit A-3

CURRENT FUND  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

	2011 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES:						
Consolidation Commission - Boro Share	\$ 41,250.00	\$ 41,250.00	\$ 41,250.00		\$	\$
Sustainable Princeton - Boro Share	15,000.00	15,650.00	15,649.71		0.29	
Corner House Foundation-Mercer Reg. Drug Treatment Program						
Salaries and Wages	227,080.00	227,080.00	227,080.00			
Other Expenses	86,730.00	87,730.00	86,573.05	863.11	293.84	
Drug Program-Cranbury Intervention Program	10,080.00	10,080.00	10,080.00			
Regional Municipal Alliance Program	28,020.00	28,020.00	28,020.00			
Drug Program-State of NJ Grant	144,160.00	144,160.00	144,160.00			
Drug Program-Mercer County	25,198.00	25,198.00	25,198.00			
Mercer Cty. Motivation 180	55,332.00	55,332.00	55,332.00			
Academic Success Today	10,000.00	10,000.00	10,000.00			
Mercer County PYP Program	20,000.00	20,000.00	20,000.00			
Open Space Assistance		150,000.00	150,000.00			
NJ DEP Grant	15,000.00	15,000.00	15,000.00			
Drug Program-NJMSPLI	1,000.00	1,000.00	1,000.00			
Drug Program-STAR	6,500.00	6,500.00	6,500.00			
Drug Program-St. of NJ-Vicinage Program	40,000.00	40,000.00	40,000.00			
Over the Limit Under Arrest		2,950.00	2,950.00			

TOWNSHIP OF PRINCETON  
MERCER COUNTY, NEW JERSEY

Exhibit A-3

CURRENT FUND  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

	2011 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES (Cont'd.):						
Recycling Tonnage Grant	36,734.49	36,734.49	36,734.49			
Unappropriated Reserves: DWI Court	2,111.47	2,111.47	2,111.47			
Total Operations - Excluded from "CAPS"	6,625,802.46	6,857,902.46	6,649,727.70	863.11	207,311.65	
DETAIL:						
Salaries and Wages	227,080.00	633,471.50	227,080.00			
Other Expenses	6,398,722.46	6,224,430.96	6,422,647.70	863.11	207,311.65	
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	\$ 3,625,000.00	3,625,000.00	3,625,000.00	\$	\$	\$
Interest on Bonds	1,798,640.00	1,798,640.00	1,793,245.16			5,394.84
Interest on Notes	18,150.00	18,150.00	18,150.00			
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	458,990.00	458,990.00	458,990.00			
NJ Environmental Infrastructure Loan	545,575.00	545,575.00	545,575.00			
Total Municipal Debt Service - Excluded from "CAPS"	6,446,355.00	6,446,355.00	6,440,960.16			5,394.84



TOWNSHIP OF PRINCETON  
MERCER COUNTY, NEW JERSEY

Exhibit A-3

CURRENT FUND  
STATEMENT OF EXPENDITURES-REGULATORY BASIS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

	2011 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELLED
				ENCUMBERED	RESERVED	
Deferred Charges - Municipal - Excluded from "CAPS"						
Deferred Charges:						
Special Emergency Authorizations - 5 Years (N.J.S.A. 40A:4-55)	110,000.00	110,000.00	110,000.00			
Total Deferred Charges - Municipal - Excluded from "CAPS"	110,000.00	110,000.00	110,000.00			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	13,482,157.46	13,714,257.46	13,500,687.86	863.11	207,311.65	5,394.84
Subtotal General Appropriations	34,072,008.96	34,347,349.46	30,952,250.05	220,932.97	3,168,771.60	5,394.84
Reserve for Uncollected Taxes	2,561,262.27	2,561,262.27	2,561,262.27			
Total General Appropriations	\$ 36,633,271.23	\$ 36,908,611.73	\$ 33,513,512.32	\$ 220,932.97	\$ 3,168,771.60	\$ 5,394.84
Adopted Budget		\$ 36,633,271.23				
Emergency Appropriation		122,390.50				
Approp. by N.J.S.A. 40A:4-87		152,950.00				
		\$ 36,908,611.73				

TOWNSHIP OF PRINCETON  
MERCER COUNTY, NEW JERSEY

Exhibit - B  
Page 1 of 2

TRUST FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
FOR YEARS ENDED DECEMBER 31, 2011 AND 2010

<u>ASSETS</u>	<u>BALANCE DEC. 31, 2011</u>	<u>BALANCE DEC. 31, 2010</u>	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>BALANCE DEC. 31, 2011</u>	<u>BALANCE DEC. 31, 2010</u>
Assessment Fund:			Assessment Fund:		
Cash and Investments	\$ 312,067.94	\$ 305,972.72	Prospective Assessments Funded	\$ 359,305.64	8,325.00
Prospective Assessments Funded	359,305.64	8,325.00	Res. for Assessments, Liens and		
Assessments & Assmt. Liens Receivable	<u>403,600.97</u>	<u>509,696.19</u>	Interest and Costs	403,600.97	509,696.19
			Fund Balance	<u>312,067.94</u>	<u>305,972.72</u>
Total Assessment Fund	<u>1,074,974.55</u>	<u>823,993.91</u>	Total Assessment Fund	<u>1,074,974.55</u>	<u>823,993.91</u>
Animal Control Fund:			Animal Control Fund:		
Cash and Investments	<u>17,891.50</u>	<u>19,114.00</u>	Reserve for Animal Control	<u>17,891.50</u>	<u>19,114.00</u>
Total Animal Control Fund	<u>17,891.50</u>	<u>19,114.00</u>	Total Animal Control Fund	<u>17,891.50</u>	<u>19,114.00</u>
Open Space Trust Fund:			Open Space Trust Fund:		
Cash and Investments	<u>793,947.61</u>	<u>622,001.39</u>	Due to General Capital Fund		226,000.00
			Reserve for Open Space	<u>793,947.61</u>	<u>396,001.39</u>
Total Trust-Other Fund	<u>793,947.61</u>	<u>622,001.39</u>	Total Trust-Other Fund	<u>793,947.61</u>	<u>622,001.39</u>
Unemployment Fund:			Unemployment Fund:		
Cash and Investments	<u>83,221.59</u>	<u>23,907.06</u>	Reserve for Expenditures	<u>83,221.59</u>	<u>23,907.06</u>
Total Unemployment Fund	<u>83,221.59</u>	<u>23,907.06</u>	Total Unemployment Fund	<u>83,221.59</u>	<u>23,907.06</u>

TOWNSHIP OF PRINCETON  
MERCER COUNTY, NEW JERSEY

TRUST FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
FOR YEARS ENDED DECEMBER 31, 2011 AND 2010

<u>ASSETS</u>	<u>BALANCE DEC. 31, 2011</u>	<u>BALANCE DEC. 31, 2010</u>	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>BALANCE DEC. 31, 2011</u>	<u>BALANCE DEC. 31, 2010</u>
Escrow Trust Fund:			Escrow Trust Fund:		
Cash and Investments	\$ <u>3,401,709.13</u>	\$ <u>4,533,568.26</u>	Reserve for Encumbrances	\$ 85,512.57	\$ 188,315.01
			Professional Fees	471,746.59	303,096.52
			C.O.	341,952.07	361,432.95
			Performance Bonds	1,812,976.22	2,843,045.81
			Inspection Fees	<u>689,521.68</u>	<u>837,677.97</u>
Total Escrow Trust Fund	<u>3,401,709.13</u>	<u>4,533,568.26</u>	Total Escrow Trust Fund	<u>3,401,709.13</u>	<u>4,533,568.26</u>
Payroll Fund:			Payroll Fund:		
Cash and Investments	<u>8,975.67</u>	<u>121,209.91</u>	Interfunds Payable		25,000.00
			Payroll Expenditures	<u>8,975.67</u>	<u>96,209.91</u>
Total Payroll Fund	<u>8,975.67</u>	<u>121,209.91</u>	Total Payroll Fund	<u>8,975.67</u>	<u>121,209.91</u>
Other Trust Funds:			Other Trust Funds:		
Cash and Investments	<u>2,383,715.27</u>	<u>2,726,785.04</u>	Reserve for Encumbrances	1,046.28	18,954.09
			Interfund Payable		257,755.94
			Various Reserves and Deposits	<u>2,382,668.99</u>	<u>2,450,075.01</u>
Total Other Trust Funds	<u>2,383,715.27</u>	<u>2,726,785.04</u>	Total Other Trust Funds	<u>2,383,715.27</u>	<u>2,726,785.04</u>
Grand Total All Trust Funds	\$ <u><u>7,764,435.32</u></u>	\$ <u><u>8,870,579.57</u></u>		\$ <u><u>7,764,435.32</u></u>	\$ <u><u>8,870,579.57</u></u>

SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES

Balance - December 31, 2010	\$ 19,114.00
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## Increased by:

Fees Collected	11,545.38
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Principal/Interest	13,523.60
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Boarding and Miscellaneous Fees	
---------------------------------	--

	<u>25,068.98</u>
--	------------------

	44,182.98
--	-----------

## Decreased by:

Excess Fund Balance Transferred to Current Fund	19,255.77
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Expenditures	<u>7,035.71</u>
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Balance - December 31, 2011	<u><u>\$ 17,891.50</u></u>
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## License Fees Collected:

2009	\$ 9,528.50
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2010	<u>8,363.00</u>
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	<u><u>\$ 17,891.50</u></u>
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Note: R.S. 4:19-15.11

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

TOWNSHIP OF PRINCETON  
MERCER COUNTY, NEW JERSEY

GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
DECEMBER 31, 2011 AND 2010

<u>ASSETS</u>	BALANCE DECEMBER 31, 2011	BALANCE DECEMBER 31, 2010
Cash and Investments - Treasurer	\$ 2,077,575.24	\$ 820,588.74
Prospective Assessments	8,325.00	8,325.00
State Aid Receivable	1,363,182.38	1,479,500.00
Infrastructure Loan Receivable	4,459,863.00	5,311,306.00
Developers Contribution Receivable	642,331.34	642,331.34
Due from Grant Fund	511,692.00	511,692.00
Due From Trust Other Fund		250,000.00
Due from Open Space Trust Fund		226,000.00
Due from Mercer County	847,660.00	847,660.00
Due from Other Municipalities	601,331.80	464,079.87
Other Receivables - Recreation Commission	275,000.00	275,000.00
Deferred Charges to Future Taxation:		
Funded	68,907,856.68	58,952,063.92
Unfunded	25,052,042.75	33,829,803.75
	<u>\$ 104,746,860.19</u>	<u>\$ 103,618,350.62</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
General Serial Bonds	\$ 58,830,000.00	\$ 48,080,000.00
Infrastructure Loan Payable	7,623,985.41	8,014,360.36
Green Trust Project Loan Payable	2,453,871.27	2,857,703.56
Bond Anticipation Notes Payable		6,600,000.00
Reserve for Miscellaneous	1,590,419.95	179,770.00
Reserve for Encumbrances	5,378,160.02	3,422,517.27
Improvement Authorizations:		
Funded	4,548,220.10	5,842,422.71
Unfunded	21,756,811.21	25,543,882.02
Reserve For:		
Capital Improvement Fund	325,675.18	346,636.18
Purchase of Open Space		1,006,000.00
Future Debt Service Costs	2,026,150.24	1,512,681.19
Preliminary Costs - Flood Mitigation	1,385.31	1,385.31
Infrastructure Trust Loans	23,596.32	23,596.32
Wastewater Trust Loan	2,533.03	1,343.55
Reserve for Roads	50,000.00	50,000.00
Prospective Assessments	8,325.00	8,325.00
Fund Balance	<u>127,727.15</u>	<u>127,727.15</u>
	<u>\$ 104,746,860.19</u>	<u>\$ 103,618,350.62</u>

At December 31, 2011 here were Bonds and Notes Authorized but not Issued  
in the amount of \$32,052,042.75.

TOWNSHIP OF PRINCETON  
MERCER COUNTY, NEW JERSEY

GENERAL CAPITAL FUND  
STATEMENT OF CHANGE IN FUND BALANCE - REGULATORY BASIS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

Balance - Dec. 31, 2010	\$	127,727.15
Balance - Dec. 31, 2011	\$	<u>127,727.15</u>

TOWNSHIP OF PRINCETON  
MERCER COUNTY, NEW JERSEY

AFFORDABLE HOUSING UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
DECEMBER 31, 2011 AND 2010

ASSETS	REF.	BALANCE DEC. 31, 2011	BALANCE DEC. 31, 2010	LIABILITIES, RESERVES AND FUND BALANCES	REF.	BALANCE DEC. 31, 2011	BALANCE DEC. 31, 2010
Operating Fund:				Operating Fund:			
Cash and Investments - Treasurer		\$ 957,899.63	\$ 1,136,290.84	Liabilities:			
		<u>957,899.63</u>	<u>1,136,290.84</u>	Reserve for Encumbrances	\$ 3,129.44	\$ 6,913.18	
				Due to Current Fund		45.30	
				Reserves:			
Receivables and Inventory With				Accrued Interest		4,433.32	
Full Reserves:				Rehabilitation Program	86,074.05	18,757.84	
Accounts Receivables-Wash Oaks		42,000.00	56,000.00	Unit Repurchases	648,015.69	739,417.11	
Down Payment Assistance Program Rec.		84,601.10	74,463.37	Affordability Assistance	90,283.71	119,943.75	
Rehabilitation Mortgage Receivable		<u>326,751.69</u>	<u>394,142.90</u>	Affordable Housing-Sect. 10B340	<u>72,204.27</u>	<u>116,111.53</u>	
		<u>453,352.79</u>	<u>524,606.27</u>		899,707.16	1,005,622.03	
				Reserve for Receivables	453,352.79	524,606.27	
				Fund Balance	<u>58,192.47</u>	<u>130,668.81</u>	
Total Operating Fund		<u>1,411,252.42</u>	<u>1,660,897.11</u>	Total Operating Fund	<u>1,411,252.42</u>	<u>1,660,897.11</u>	
Capital Fund:				Capital Fund:			
Cash and Investments - Treasurer		11,094.57	11,094.57	Refunding Bonds Payable		380,000.00	
Deferred Charges		<u>11,094.57</u>	<u>380,000.00</u>	Reserve for Debt Service	<u>11,094.57</u>	<u>11,094.57</u>	
Total Capital Fund		<u>11,094.57</u>	<u>391,094.57</u>	Total Capital Fund	<u>11,094.57</u>	<u>391,094.57</u>	
		<u>\$ 1,422,346.99</u>	<u>\$ 2,051,991.68</u>		<u>\$ 1,422,346.99</u>	<u>\$ 2,051,991.68</u>	

There were no Bonds and Notes Authorized but not Issued at December 31, 2011.

TOWNSHIP OF PRINCETON  
MERCER COUNTY, NEW JERSEY

AFFORDABLE HOUSING UTILITY OPERATING FUND  
 COMPARATIVE STATEMENT OF OPERATIONS AND  
 CHANGE IN FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2011 AND 2010

<u>REVENUE AND OTHER INCOME</u>	<u>2011</u>	<u>2010</u>
Operating Fund Balance	\$ 122,000.00	\$ 124,759.50
Miscellaneous Revenues Anticipated	468,770.00	500,000.00
Non-Budget Revenue	17,279.90	38,783.90
Other Credits to Income:		
Prior Year Encumbrances Cancelled	<u>6,913.18</u>	<u></u>
Total Revenues	<u>614,963.08</u>	<u>663,543.40</u>
<u>EXPENDITURES</u>		
Budget Expenditures:		
Salaries and Wages	80,770.72	80,493.18
Other Expenses	95,802.02	67,539.57
Debt Service	<u>388,866.68</u>	<u>412,075.00</u>
Total Expenditures	<u>565,439.42</u>	<u>560,107.75</u>
Excess in Revenues	49,523.66	103,435.65
<u>FUND BALANCE</u>		
Balance - January 1	<u>130,668.81</u>	<u>151,992.66</u>
	180,192.47	255,428.31
Decreased by:		
Utilized as Anticipated Revenue	<u>122,000.00</u>	<u>124,759.50</u>
Balance -December 31	<u>\$ 58,192.47</u>	<u>\$ 130,668.81</u>



TOWNSHIP OF PRINCETON  
MERCER COUNTY, NEW JERSEY

AFFORDABLE HOUSING UTILITY OPERATING FUND  
 STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	2011 <u>BUDGET</u>	<u>REALIZED</u>	EXCESS OR ( <u>DEFICIT</u> )
Fund Balance Utilized	122,000.00	122,000.00	-
Affordable Housing Fees	268,770.00	268,770.00	-
Township Contribution	200,000.00	200,000.00	-
Non-Budget Revenue		<u>17,279.90</u>	<u>17,279.90</u>
	<u>\$ 590,770.00</u>	<u>\$ 608,049.90</u>	<u>\$ 17,279.90</u>

TOWNSHIP OF PRINCETON  
MERCER COUNTY, NEW JERSEY

AFFORDABLE HOUSING UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	2011	BUDGET AFTER	EXPENDED		UNEXPENDED
	<u>BUDGET</u>	<u>MODIFICATION</u>	<u>PAID OR</u>	<u>ENCUMBERED</u>	<u>BALANCE</u>
			<u>CHARGED</u>		<u>CANCELLED</u>
Operating:					
Salaries and Wages	\$ 91,293.00	\$ 91,293.00	\$ 80,770.72	\$	\$ 10,522.28
Other Expenses	106,177.00	106,177.00	92,672.58	3,129.44	10,374.98
Debt Service:					
Payment of Bond Principal	380,000.00	380,000.00	380,000.00		
Interest on Bonds	<u>13,300.00</u>	<u>13,300.00</u>	<u>8,866.68</u>		<u>4,433.32</u>
	<u>\$ 590,770.00</u>	<u>\$ 590,770.00</u>	<u>\$ 562,309.98</u>	<u>\$ 3,129.44</u>	<u>\$ 25,330.58</u>

TOWNSHIP OF PRINCETON  
MERCER COUNTY, NEW JERSEY

PUBLIC ASSISTANCE FUND  
 COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
 FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>REF.</u>	<u>BALANCE</u> <u>DEC 31, 2011</u>	<u>BALANCE</u> <u>DEC 31, 2010</u>
<u>ASSETS</u>			
Cash - Treasurer	E -1	\$ <u>80,413.79</u>	\$ <u>65,105.68</u>
 <u>LIABILITIES AND RESERVES</u>			
Advanced State Aid	E -5	\$ <u>80,413.79</u>	\$ <u>65,105.68</u>
	E - 1	\$ <u>80,413.79</u>	\$ <u>65,105.68</u>

**SUPPLEMENTAL SCHEDULES**

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

Exhibit - A-4

<u>YEAR</u>	<u>BALANCE DEC. 31,2010</u>	<u>2011 LEVY</u>	<u>COLLECTIONS 2010</u>	<u>BY CASH 2011</u>	<u>SR. CITIZENS AND VETERANS DEDUCTION REIMBURSEMENT</u>	<u>TRANSFER TO TAX TITLE LIEN</u>	<u>REMITTED AND CANCELLED</u>	<u>BALANCE DEC. 31,2011</u>
2008	7,395.30							7,395.30
2009	31,031.26			914.22				30,117.04
2010	964,189.43			908,077.98	1,250.00		30,736.11	24,125.34
	1,002,615.99			908,992.20	1,250.00		30,736.11	61,637.68
2011		91,022,927.78	1,707,317.40	88,279,712.58	83,623.29	20,318.10	193,549.94	738,406.47
	<u>\$1,002,615.99</u>	<u>\$91,022,927.78</u>	<u>\$1,707,317.40</u>	<u>\$89,188,704.78</u>	<u>\$84,873.29</u>	<u>\$20,318.10</u>	<u>\$224,286.05</u>	<u>\$800,044.15</u>

Analysis of 2011 Property Tax Levy:

	<u>Ref.</u>	
Tax Yield:		
General Purpose		\$90,739,809.89
Omitted/Added Taxes (N.J.S.A. 54:4-63.1 et seq.)		<u>283,117.89</u>
		<u>\$91,022,927.78</u>
Tax Levy:		
Local District School Tax		
(Abstract)		43,717,296.67
County Tax (Abstract)		24,430,647.98
Local Tax for Municipal Purposes		20,070,599.75
Local Library Tax		1,646,467.02
Local Open Space Tax		926,443.70
Add: Additional Tax for Mun. Purposes		<u>231,472.66</u>
		<u>\$91,022,927.78</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, 2010		\$7,355.79
Increased by:		
Payment Received from State of NJ	86,000.00	
2011 Deductions Disallowed by Collector	2,626.71	
Prior Years Deductions Disallowed by Collector	<u>750.00</u>	
		<u>89,376.71</u>
		96,732.50
Decreased by:		
Deductions Allowed Per Tax Billings	85,000.00	
2011 Deductions Allowed by Collector	1,250.00	
Prior Year Deductions Allowed by Collector	<u>2,000.00</u>	
		<u>88,250.00</u>
Balance - December 31, 2011		<u><u>\$8,482.50</u></u>
Analysis of Senior Cit., Vets. and Disability <u>Deductions Allowed by Collector</u>		
Deductions Allowed Per Tax Billings		\$85,000.00
2011 Deductions Allowed by Collector		<u>1,250.00</u>
		86,250.00
2011 Deductions Disallowed by Collector		<u>2,626.71</u>
Realized as Revenue - 2011		<u><u>\$83,623.29</u></u>

Exhibit - A-6

SCHEDULE OF TAX TITLE LIENS  
CURRENT FUND

Balance - December 31, 2010		\$128,753.17
Increased by:		
Transfer from Taxes Receivable	20,318.10	
Interest and Costs	<u>781.09</u>	
		<u>21,099.19</u>
Balance - December 31, 2011		<u><u>\$149,852.36</u></u>

Exhibit - A-7

SCHEDULE OF SEWER CHARGES RECEIVABLE  
CURRENT FUND

Balance - December 31, 2010		\$45,902.18
Increased by:		
2011 Billings		<u>3,140,372.92</u>
		3,186,275.10
Decreased by:		
Collections - 2011	3,107,117.23	
Prepaid Sewer Rents	<u>50,462.57</u>	
		<u>3,157,579.80</u>
Balance - December 31, 2011		<u><u>\$28,695.30</u></u>

CURRENT FUND  
SCHEDULE OF TAXES PAYABLE

	01/01/11	Taxes Levied	Cash Disbursements	12/31/11
County - General	\$ -	\$ 23,391,316.94	\$ (23,391,316.94)	\$ -
County - Open Space	-	963,052.71	(963,052.71)	-
County - Added & Omitted	93,475.91	76,278.33	(93,475.91)	76,278.33
Local School District Taxes		43,717,296.67	(43,717,296.67)	-
Local Open Space.....	-	926,443.70	(926,443.70)	-
Total	<u>\$ 93,475.91</u>	<u>\$ 69,074,388.35</u>	<u>\$ (69,091,585.93)</u>	<u>\$ 76,278.33</u>



SCHEDULE OF 2010 APPROPRIATION RESERVES  
CURRENT FUND

Exhibit - A-9  
Page 1 of 3

	BALANCE DEC. 31 <u>2010</u>	ENCUMBERED DEC. 31, 2010	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Operations Within "CAPS"					
Salaries and Wages:					
Township Administrator	\$183.59		183.59		\$183.59
Township Clerk	63.55		63.55		63.55
Financial Administration	17,976.38		17,976.38		17,976.38
Tax Collection	1,623.69		1,623.69		1,623.69
Engineering Services and Costs	32,558.66		32,558.66		32,558.66
Historic Sites Commission	457.50		457.50		457.50
Regional Planning Board	6,558.50		6,558.50		6,558.50
Zoning Board	255.20		255.20		255.20
Municipal Court	2,185.67		2,185.67		2,185.67
Police Department	68.21		68.21		68.21
Police Dispatch/911	4.90		4.90		4.90
Fire Prevention	5,171.53		5,171.53		5,171.53
Road Repair & Maintenance	80,110.17		80,110.17	18,711.13	61,399.04
Shade Tree Commission	186.26		186.26		186.26
Vehicle Maintenance	19,912.01		19,912.01		19,912.01
Joint Environmental Commission	840.00		840.00		840.00
Deer Management Program	8,847.39		8,847.39		8,847.39
Joint Drug Abuse Prevention Program	9,750.54		9,750.54		9,750.54
Joint Recreation Board	9,564.31		64.31		64.31
Other Expenses:					
Township Administrator	180.14	277.73	457.87	277.73	180.14
Information Technology	110,066.45	7,695.80	117,762.25	22,408.30	95,353.95
Personnel	52,968.34	6,284.79	59,253.13	11,011.29	48,241.84
Township Committee	1,873,383.86	117.00	1,856,500.86	143,330.67	1,713,170.19
Township Clerk	490.16	679.91	1,170.07	218.21	951.86
Elections	9.00		9.00		9.00
Financial Administration	1,203.99	2,328.22	3,532.21	(\$22,621.94)	26,154.15
Tax Collection	1,732.06	912.06	2,644.12	912.06	1,732.06
Assessment of Taxes	3,350.57	25.00	3,375.57	3,375.00	0.57
Legal Services & Costs	76,614.94	1,248.12	77,863.06	45,055.19	32,807.87

SCHEDULE OF 2010 APPROPRIATION RESERVES  
CURRENT FUND

Exhibit - A-9  
Page 2 of 3

	BALANCE DEC. 31, <u>2010</u>	ENCUMBERED <u>DEC. 31, 2010</u>	BALANCE AFTER <u>MODIFICATION</u>	PAID OR <u>CHARGED</u>	BALANCE <u>LAPSED</u>
Other Expenses (cont'd.)					
Engineering Services and Costs	\$538.09	\$782.27	\$1,320.36	\$692.27	\$628.09
Historic Sites Commission	585.13	12,373.40	12,958.53	11,638.40	1,320.13
Regional Planning Board	21,310.98	27,080.29	48,391.27	18,037.52	30,353.75
Zoning Board	12,193.45	2,128.79	14,322.24	1,134.41	13,187.83
Municipal Court	10,772.70	49.29	10,821.99	50.01	10,771.98
Public Defender	3,000.08	1,666.66	4,666.74	2,066.66	2,600.08
Police Department	125,999.65	13,663.45	139,663.10	47,240.49	92,422.61
Police Dispatch/911	140.42	683.50	823.92	683.50	140.42
Office of Emergency Management	1,535.17		1,535.17		1,535.17
Fire Prevention	1,944.33	91.00	2,035.33	50.01	1,985.32
First Aid Contribution	54,000.00		54,000.00		54,000.00
Fire Facilities	18,166.00		18,166.00		18,166.00
Fire Hydrant Service	62,150.00		62,150.00	42,150.00	20,000.00
Municipal Prosecutor	8,500.00	2,500.00	11,000.00	2,500.00	8,500.00
Road Repair and Maintenance	17,597.91	27,433.29	45,031.20	35,532.64	9,498.56
Shade Tree Commission	22.90	4,000.00	4,022.90	4,000.00	22.90
Public Buildings and Grounds	1,003.48	1,713.07	2,716.55	2,115.72	600.83
Vehicle Maintenance	2,548.46	15,012.46	17,560.92	17,413.39	147.53
Community Services Act	24,506.38		24,506.38	24,506.38	
Joint Environmental Commission	160.88	25.00	185.88	25.00	160.88
Deer Management Program	15,373.30		15,373.30		15,373.30
Human Services Commission	19,946.92	283.82	20,230.74	363.34	19,867.40
Worker & Comm. Right to Know Act	1,000.00		1,000.00	373.75	626.25
Joint Drug Abuse Prevention	205.48	1,584.84	1,790.32	1,789.99	0.33
Joint Recreation Board	89.70	15,768.60	25,358.30	15,881.38	9,476.92
Parks and Playgrounds	986.69	10,173.45	11,160.14	9,925.45	1,234.69
Electricity	2,095.05		2,095.05		2,095.05
Street Lighting	1,840.43		1,840.43		1,840.43
Telecommunications	14,817.19	3,494.01	18,311.20	3,123.60	15,187.60
Water	5,726.12		5,726.12		5,726.12
Gas(Natural or Propane)	15,122.86		15,122.86		15,122.86
Fuel Oil	45,899.54		45,899.54	28,409.02	17,490.52
Township Sewer Other Expenses	5,005.66		5,005.66		5,005.66
Matching Fund For Grants	10,000.00		10,000.00		10,000.00
Liability Insurance	8,763.75		8,763.75	2,251.25	6,512.50
Group Insurance	53,199.00		53,199.00	110,069.79	-56,870.79
Workers Compensation Insurance	1.00		1.00		1.00
Transportation of Local Pupils by Board of Education	10,130.22		10,130.22	10,130.22	
Defined Contribution Ret. Prog.	444.52		444.52	401.47	43.05
Social Security	15,737.86		15,737.86		15,737.86
Total Operations Within "CAPS"	<u>\$2,909,378.87</u>	<u>\$160,075.82</u>	<u>\$3,052,454.69</u>	<u>\$615,233.30</u>	<u>\$2,437,221.39</u>

SCHEDULE OF 2010 APPROPRIATION RESERVES  
CURRENT FUND

Exhibit - A-9  
Page 3 of 3

	BALANCE DEC. 31 <u>2010</u>	ENCUMBERED DEC. 31, 2010	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Other Expenses:					
Maintenance of Free Public Library	5,853.58		22,853.58	20,427.66	2,425.92
Public Employees Retirement System	1.00		1.00		1.00
Police & Fire Retirement System	1.00		1.00		1.00
Corner House Foundation	0.41		0.41		0.41
Stonybrook Regional Sewerage Authority	165,937.52		165,937.52	165,937.52	
MCIA Recycling Program	1,055.68		1,055.68		1,055.68
Total Operations Excluded from "CAPS"	<u>172,849.19</u>		<u>189,849.19</u>	<u>186,365.18</u>	<u>3,484.01</u>
Total Appropriation Reserves	<u>\$3,082,228.06</u>	<u>\$ 160,075.82</u>	<u>\$3,242,303.88</u>	<u>\$ 801,598.48</u>	<u>\$2,440,705.40</u>

SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE

<u>Grant</u>	<u>Balance Dec. 31, 2010</u>	<u>2011 Budget Revenue</u>	<u>Chapter 159's</u>	<u>Receipts</u>	<u>Transferred from Unappropriated Grants</u>	<u>Balance Dec. 31, 2011</u>
Academic Success Today	\$ 4,500.00	\$ 10,000.00		\$ 10,000.00		\$4,500.00
Cranbury Drug Intervention Program	12,360.00	10,080.00		10,840.00		11,600.00
Domestic Preparedness	30,254.28					30,254.28
Over the Limit Under Arrest	1,975.00		2,950.00	2,950.00		1,975.00
NJ Vicinage Program	15,485.55	40,000.00		48,298.50		7,187.05
Princeton Charter School	11,420.00					11,420.00
Princeton High School Drug Program	34,546.31	6,500.00		6,500.00		34,546.31
Princeton Regional Municipal Alliance Proj	11,277.00	28,020.00		32,122.40		7,174.60
Princeton Regional Schools - NJMSPLI	3,900.00	1,000.00		1,000.00		3,900.00
Mercer County Outpatient Services	13,080.00			1,573.00		11,507.00
Community Forestry Grant	7,000.00					7,000.00
Recreation Trails		15,000.00		15,000.00		
State of NJ Grant from National Institute of Drug Abuse	84,075.00	144,160.00		122,890.00		105,345.00
Mercer County PYP	10,584.00	20,000.00		18,713.00		11,871.00
Mercer Drug Treatment		25,198.00		25,198.00		
Alcohol Ed and Rehab		2,111.47			2,111.47	
Click It or Ticket Grant	23.22					23.22
Adolescent Treatment	83,638.00	55,332.00		53,739.00		85,231.00
Body Armor Replacement	6,110.30			2,971.02		3,139.28
Mercer County Open Space Assistance			150,000.00	150,000.00		
NJ Juvenile Drug Court	25,432.00					25,432.00
DCA Share Grant	37,500.00			37,500.00		
Green Communities	3,000.00					3,000.00
Recycling Tonnage Grant		36,734.49			36,734.49	
DAS Strengthening Families	23,236.00					23,236.00
Livable Communities	10.00					10.00
Garden State Preservation Trust	800,000.00					800,000.00
	<u>\$1,219,406.66</u>	<u>\$ 394,135.96</u>	<u>\$ 152,950.00</u>	<u>\$ 539,294.92</u>	<u>\$ 38,845.96</u>	<u>\$ 1,188,351.74</u>

## SCHEDULE OF STATE AND FEDERAL GRANTS APPROPRIATED

Grant	Balance Dec. 31, 2010	Encumbrances 12/31/10	2011 Budget	Chapter 159	Paid	Encumbrances 12/31/11	Balance Dec. 31, 2011
Academic Success Today			\$ 10,000.00		10,000.00		\$ -
Body Armor Replacement Fund	35,151.05						35,151.05
County of Mercer - Mercer Regional Drug Treatment Program			25,198.00		25,198.00		
Clean Community Grant	84,262.92	3,400.00			30,284.66		57,378.26
Drug Program - NJMSPLI	79.32		1,000.00		1,079.32		
Drug Program - STAR	235.00		6,500.00		6,735.00		
Mercer County - Motivation 180	1,874.15	634.18	55,332.00		57,840.33		
Drunk Driving Enforcement	49.38				(68.95)	68.95	49.38
Drug Program - NJ NIDA			144,160.00	F	144,160.00		
Emergency Services Protective Masks	1,000.00				522.00		478.00
Eagleton Program - Drug Program	31.69				31.69		
Mercer County Neighborhood Pres. Grant	46,500.00						46,500.00
NJ Child Passenger Safety	55.56						55.56
NJ Recycling Tonnage Grant	58,423.32		36,734.49		42,418.88		52,738.93
Princeton Regional Municipal Alliance	698.45	3,300.00	28,020.00		31,849.62	167.28	1.55
Cranbury Schools			10,080.00		10,080.00		
Click It or Ticket Grant	23.22						23.22
NJ Domestic Preparedness Grant	25,262.97						25,262.97
DWI Court	3,419.01		2,111.47				5,530.48
Stormwater Regulation	3,929.00				3,929.00		
State of NJ Vicinage			40,000.00		40,000.00		
Alcohol Education Rehab	8,829.89				3,259.70		5,570.19
Balance Housing Program	7.31						7.31
DEP Recreation Trails			15,000.00				15,000.00
Garden State Preservation Trust	800,000.00						800,000.00
TCNJ Sustainable Communities	87.78						87.78
Bullet Proof Vest	7,250.62						7,250.62
Open Space Assistance				150,000.00	150,000.00		
Share Grant	37,500.00				35,080.24		2,419.76
Garden State Historic Trust	45,814.28				256.72		45,557.56
Mercer County Princeton Youth(PYP)			20,000.00		20,000.00		
Over the Limit Under Arrest	4,766.91			2,950.00	2,350.00		5,366.91
DEP Stony Brook Trail	4,339.00						4,339.00
Community Forestry Grant	12,000.00						12,000.00
DEP ANJEC Smart Growth	8,375.00						8,375.00
	<u>\$1,189,965.83</u>	<u>\$ 7,334.18</u>	<u>\$ 394,135.96</u>	<u>\$ 152,950.00</u>	<u>\$ 615,006.21</u>	<u>\$ 236.23</u>	<u>\$ 1,129,143.53</u>

SCHEDULE OF STATE AND FEDERAL GRANTS UNAPPROPRIATED

<u>Grant</u>	<u>Balance Dec. 31, 2010</u>	<u>Receipts</u>	<u>Transferred to Grants Receivable</u>	<u>Balance Dec. 31, 2011</u>
DDEF	3,960.12	3,943.28		7,903.40
DWI Court	2,111.47	1,618.04	2,111.47	1,618.04
Recycling Tonnage Grant	36,734.49	34,258.18	36,734.49	34,258.18
Clean Communities		34,223.28		34,223.28
Concordia Foundation-Sustainable Princeton		15,000.00		15,000.00
	<u>\$ 42,806.08</u>	<u>\$ 89,042.78</u>	<u>\$ 38,845.96</u>	<u>\$ 93,002.90</u>

SCHEDULE OF ASSESSMENTS RECEIVABLE

<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTIONS</u>	<u>DATE OF CONFIRMATION</u>	<u>BALANCE 12/31/10</u>	<u>COLLECTIONS</u>	<u>BALANCE 12/31/11</u>	<u>BALANCE PLEDGED TO RESERVE</u>
00-08	Bertrand/Caldwell Sidewalk	12/10/02	334.17	334.17	-	-
00-19	Moore Street/Henry Ave.	12/10/02	384.59	384.59	-	-
02-09	Poe Road	9/10/03	909.50	451.66	457.84	457.84
02-16	Rollingmead	9/10/03	1,556.22	1,361.64	194.58	194.58
04-06	Walnut Sidewalks	3/19/07	2,582.37	510.32	2,072.05	2,072.05
01-03	Newlin Sidewalks	3/19/07	907.96	151.09	756.87	756.87
04-17	Walnut Lane Curbing	3/19/07	1,399.75	234.36	1,165.39	1,165.39
05-23	Oakland St Sidewalks	6/11/07	187.49	31.58	155.91	155.91
04-20	Snowden Lane Sidewalks	6/11/07	1,713.93		1,713.93	1,713.93
06-25	Evergreen Circle Curbing	6/11/07	3,541.40	592.80	2,948.60	2,948.60
05-07	Carnahan Place Sidewalks	6/11/07	1,163.55	198.07	965.48	965.48
05-15	Tee-Ar Sidewalks	6/25/07	316.87	53.06	263.81	263.81
05-31	Clearview Ave Sidewalks	6/25/07	1,185.24	727.40	457.84	457.84
05-32	Grover Ave Sidewalks	6/25/07	1,617.73	679.41	938.32	938.32
05-10	Dorann Ave Curbing	6/25/07	5,872.48	1,502.34	4,370.14	4,370.14
05-16	Littlebrook Rd Pathway	7/16/07	1,803.32	374.06	1,429.26	1,429.26
07-15	Clover Lane Curbing	6/9/08	8,485.39	4,231.40	4,253.99	4,253.99
06-13	Riverside Sidewalks	5/5/08	1,608.97	920.00	688.97	688.97
06-27	Abernathy Sidewalks	6/9/08	1,214.51	176.01	1,038.50	1,038.50
07-13	Maclean Circle S/W Improvements	5/5/08	750.26	750.26	-	-
06-15	Overbrook Sidewalks	6/9/08	2,329.84	834.06	1,495.78	1,495.78
07-16	Witherspoon St. Sidewalks	6/23/08	115.47	16.49	98.98	98.98
07-10	Linwood/Leabrook La S/W Improvements	6/23/08	4,566.46	653.74	3,912.72	3,912.72
07-22	Herrontown Circle Curbing	6/23/08	5,404.94	1,805.13	3,599.81	3,599.81
03-19	Lake/Longview/Knoll Sewer Lat. Repairs	12/1/08	489.05	59.82	429.23	429.23
03-17	Sewer Lat. Repairs- Clearview, Dorann...	12/1/08	37,141.60	12,339.23	24,802.37	24,802.37
05-30	Sycamore Road Sewer Laterals	12/1/08	440.44	116.60	323.84	323.84
04-05	Arreton Road Sewer & Water Main Ext.	12/1/08	132,640.38	34,428.40	98,211.98	98,211.98
03-10	Princeton/Kingston Road Sewer	12/1/08	248,532.75	34,461.87	214,070.88	214,070.88
02-14	Mountain Ave. Sewer Extension	12/1/08	3,794.23	542.04	3,252.19	3,252.19
07-18	Philip, Hemlock, Woodside Sidewalk	4/6/09	9,673.81	1,527.71	8,146.10	8,146.10
08-03	Ewing St. Near Guyot Sidewalk	4/6/09	5,055.89	542.76	4,513.13	4,513.13
08-21	Wilson Road Curbing	6/28/10	7,987.46	1,128.86	6,858.60	6,858.60
08-09	Franklin Avenue Sidewalk	6/28/10	3,873.63	3,750.21	123.42	123.42
08-19	Ewing Street Sidewalk	6/28/10	1,635.78	224.08	1,411.70	1,411.70
			501,217.43	106,095.22	395,122.21	395,122.21
Assessment Lien Receivable						
Prior Years			8,478.76		8,478.76	8,478.76
Total			<u>\$509,696.19</u>	<u>\$106,095.22</u>	<u>\$403,600.97</u>	<u>\$403,600.97</u>

SCHEDULE OF RESERVE FOR ASSESSMENTS AND LIENS

<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>Balance 12/31/10</u>	<u>Collections to Surplus</u>	<u>Balance 12/31/11</u>
Assessments Receivable:				
00-08	Bertrand/Caldwell Sidewalk	334.17	334.17	
00-19	Moore St./Henry Ave.	384.59	384.59	
02-09	Poe Road Sidewalks	909.50	451.66	457.84
02-16	Rollingmead Sidewalks	1,556.22	1,361.64	194.58
04-06	Walnut Sidewalks	2,582.37	510.32	2,072.05
01-03	Newlin Sidewalks	907.96	151.09	756.87
04-17	Walnut Lane Curbing	1,399.75	234.36	1,165.39
05-23	Oakland St Sidewalks	187.49	31.58	155.91
04-20	Snowden Lane Sidewalks	1,713.93		1,713.93
06-25	Evergreen Circle Curbing	3,541.40	592.80	2,948.60
05-07	Carnahan Place Sidewalks	1,163.55	198.07	965.48
05-15	Tee-Ar Sidewalks	316.87	53.06	263.81
05-31	Clearview Ave Sidewalks	1,185.24	727.40	457.84
05-32	Grove Ave Sidewalks	1,617.73	679.41	938.32
05-10	Dorann Ave Curbing	5,872.48	1,502.34	4,370.14
05-16	Littlebrook Rd Pathway	1,803.32	374.06	1,429.26
07-15	Clover Lane Curbing	8,485.39	4,231.40	4,253.99
06-13	Riverside Sidewalks	1,608.97	920.00	688.97
06-27	Abernathy Sidewalks	1,214.51	176.01	1,038.50
07-13	Maclean Circle S/W Improvements	750.26	750.26	
06-15	Overbrook Sidewalks	2,329.84	834.06	1,495.78
07-06	Witherspoon St. Sidewalks	115.47	16.49	98.98
07-10	Linwood/Leabrook Lane Improvements	4,566.46	653.74	3,912.72
07-22	Herrontown Circle Curbing	5,404.94	1,805.13	3,599.81
03-19	Lake/Longview/Knoll Sewer Repairs	489.05	59.82	429.23
03-17	Sewer Lat. Repairs-Clearview, Dorann	37,141.60	12,339.23	24,802.37
05-30	Sycamore Road Laterals	440.44	116.60	323.84
04-05	Arreton Rd. Sewer & Water Main	132,640.38	34,428.40	98,211.98
03-10	Princeton/Kingston Rd. Sewer	248,532.75	34,461.87	214,070.88
02-14	Mountain Ave. Sewer Extension	3,794.23	542.04	3,252.19
07-18	Philip,Hemlock,Woodside Sidewalk	9,673.81	1,527.71	8,146.10
08-03	Ewing St. Near Guyot Sidewalk	5,055.89	542.76	4,513.13
08-21	Wilson Road Curbing	7,987.46	1,128.86	6,858.60
08-09	Franklin Avenue Sidewalk	3,873.63	3,750.21	123.42
08-19	Ewing Street Sidewalk	1,635.78	224.08	1,411.70
		<u>501,217.43</u>	<u>106,095.22</u>	<u>395,122.21</u>
Prior Year - T. Sheenen		<u>8,478.76</u>		<u>8,478.76</u>
		<u>\$ 509,696.19</u>	<u>\$ 106,095.22</u>	<u>\$ 403,600.97</u>



SCHEDULE OF PROSPECTIVE ASSESSMENTS FUNDED

		Balance <u>12/31/10</u>	Balance <u>12/31/11</u>
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.	<u>4,050.00</u>	<u>4,050.00</u>
		<u>\$8,325.00</u>	<u>\$8,325.00</u>

SCHEDULE OF RESERVE FOR OPEN SPACE TRUST FUND

Balance - December 31, 2010		\$ 396,001.39
Increased by:		
Amount Raised by Taxation	926,443.70	
Interest Earned	<u>8,541.08</u>	
		<u>934,984.78</u>
		1,330,986.17
Decreased by:		
Disbursements	<u>537,038.56</u>	
		<u>537,038.56</u>
Balance - December 31, 2011		<u><u>\$ 793,947.61</u></u>

TOWNSHIP OF PRINCETON  
COUNTY OF MERCER  
SCHEDULE OF OTHER RESERVES AND SPECIAL DEPOSITS  
YEAR ENDED DECEMBER 31, 2011

	<u>Balance</u> <u>December 31, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>December 31, 2011</u>
Bulletproof Vest	\$ 26.85			\$ 26.85
Accumulated Sick Leave	387,519.30			387,519.30
Fire Prevention	37,730.62	78,010.48	61,902.08	53,839.02
Electrical Permit	11,533.30			11,533.30
Plumbing Permit	18,133.70			18,133.70
Off Duty Police	8,080.80	85,347.13	69,836.05	23,591.88
POAA	15,586.00	516.00		16,102.00
Construction Official	1,155,683.64	574,512.26	646,457.75	1,083,738.15
Fire Prevention Penalty Fees	1,737.59	25.00	734.23	1,028.36
Fire Prevention Penalty-Dedicated	3,219.40	25.00		3,244.40
Police Fitness Foundation	9,231.73			9,231.73
Forfeiture Fund	412.06	6.74		418.80
Snow Removal	75,892.94		59,999.99	15,892.95
Due to POSC	9,000.00			9,000.00
Police: CPER	268.11	3,534.72		3,802.83
Miscellaneous Deposits	716,018.97	30,253.71	706.96	745,565.72
	<u>\$ 2,450,075.01</u>	<u>\$ 772,231.04</u>	<u>\$ 839,637.06</u>	<u>\$ 2,382,668.99</u>

## ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

Exhibit - C-2  
Page 1 of 2

	BALANCE DEC. 31, 2010	BALANCE DEC. 31, 2011
Fund Balance	\$127,727.15	\$127,727.15
Capital Improvement Fund	346,636.18	325,675.18
Reserves for:		
Wastewater Trust Loan	1,343.55	2,533.03
Encumbrances	3,422,517.27	5,378,160.02
Debt Service	1,512,681.19	2,026,150.24
Roads	50,000.00	50,000.00
Infrastructure Loans	23,596.32	23,596.32
Purchase of Open Space	1,006,000.00	
Miscellaneous	179,770.00	1,590,419.95
Preliminary Costs - Flood Mitigation	1,385.31	1,385.31
Due from Other Townships	(464,079.87)	(601,331.80)
Due from Trust other Fund	(250,000.00)	
Due from Grant Fund	(511,692.00)	(511,692.00)
Due from Open Space Trust	(226,000.00)	
Other receivables	(275,000.00)	(275,000.00)
Due from Mercer County	(847,660.00)	(847,660.00)
Infrastructure Loan Receivable	(5,311,306.00)	(4,459,863.00)
State Grant Receivable	(1,479,500.00)	(1,363,182.38)
Developer Contributions Receivable	(642,331.34)	(642,331.34)

ORD.

NO. IMPROVEMENT AUTHORIZATIONS

General Improvements

86-22,87-16	Acquisition of Mountain lakes Property	4,376.71	4,376.71
94-21	Various Capital Improvements	3,294.81	3,294.81
94-26,98-26	Construction of New Municipal Building	18,272.74	15,803.06
95-12	Various Capital Improvements	863.59	863.59
96-10	Various Capital Improvements	14,640.44	14,640.44
97-06	Various Capital Improvements	46,545.15	46,545.15
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	100,430.13	100,465.67
98-29	Recreation Building Relocation	11,299.75	11,299.75
99-11	Various Capital Improvements	(219.40)	(40,459.63)
00-03	Various Capital Improvements (Twp. Only)	1,099,411.86	1,090,961.78
00-13	Various Capital Improvements (Jt. Agency)	(226.13)	(1,283.13)
00-21	Park Development Design Svcs. For RW Estate	3,360.48	3,360.48
01-03	Olden Lane, Newlin Road, Springdale Road Sidewalks	775.18	775.18
01-06	Russell Road Construction	10,959.58	10,959.58
01-07	Van Dyke Road, Great Road Bikepaths	29,135.06	29,135.06
01-11	Olden Lane, Newlin Rd., Mountain Ave. Reconstruction	2,087.87	2,087.87
01-13	Reconstruction at cherry Valley Road @ Pulte	10,921.95	10,921.95
01-15	Various Capital Improvements	(19,140.47)	(32,136.58)
01-21	Construction, Equipping & Furnishing Library	55,954.56	55,954.56
01-23	Rosedale Road Pump Station Supplemental	120,673.34	120,673.34
02-01	High Density Storage Units	2,089.87	2,089.87
02-14	Mountain Ave. Sewer Extension	446.00	446.00
02-15	Various Capital Improvements	(391.54)	(6,793.13)
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	(101,845.38)	(367,282.82)
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	26,741.55	26,741.55
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
04-07	Repair and Reconstruction Var. Roadways	86,596.47	86,596.47
04-13	Various Capital Improvements	248.00	(1,155.60)
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	6,901.50	6,901.50
05-05	Various Township Road Projects	9,996.87	9,428.07
05-07	Carnahan Sidewalks	1,656.62	1,656.62
05-08	Snowden Lane Pathway	2,181.40	2,181.40
05-10	Dorann Avenue Curbing	773.96	773.96
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	(1,238.00)	(1,238.00)
05-24	Various Capital Improvements	99,951.19	97,232.39
05-25	Littlebrook Road/Tyson Lane Sewer	2,350.00	2,350.00

	BALANCE DEC. 31, 2010	BALANCE DEC. 31, 2011
05-26 Springdale Road Sidewalks	1,932.50	1,932.50
05-28 Joint Sewer System Rehab.	1,281,630.55	1,454,476.75
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	(649.91)	(649.91)
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	(105.53)	(206.53)
06-01 Recreation Supplemental	(12,855.31)	(12,855.31)
06-02 Road Construction and Repair	(113,116.79)	1,925.36
06-03 Tusculum	(106,247.27)	(106,247.27)
06-13 Riverside Sidewalks	1,675.00	1,675.00
06-14 Hemlock Sidewalks	(1,670.16)	(1,670.16)
06-15 Overbrook Sidewalks	(4,200.00)	(4,200.00)
06-21 Vernon Circle and Castle Howard	850.00	850.00
06-22 Multi Purpose Ordinance	(1,138.14)	(15,722.14)
06-25 Evergreen Circle Curbs	667.00	667.00
06-27 Abernathy Sidewalks	610.00	610.00
06-33 Rosedale Supplemental	77,304.63	77,304.63
06-34 Abernathy Sewer Laterals	(3,004.87)	(3,004.87)
06-36 Audubon Lane Sewer Laterals	1,215.25	1,215.25
06-37 Sewer Laterals : 206 & Laurel Circle	(6,517.70)	(6,517.70)
07-02 Various Road Improvement Projects	(23,143.74)	(23,730.50)
07-03 Various Road Improvement Projects	(35,818.96)	(35,922.86)
07-10 Linwood Cir./Route 206 Sewer Laterals	1,945.00	1,945.00
07-13 Maclean Circle Sidewalks	1,408.75	1,408.75
07-14 Clover Lane Sewer Laterals	5,302.00	5,302.00
07-15 Clover Lane Belgium Block	(42,102.16)	(42,102.16)
07-16 Witherspoon Street Sidewalks	308.75	308.75
07-18 Philip Dr./Hemlock Cir. /Woodside	(8,529.34)	(8,529.34)
07-19 Multi Purpose Ordinance	(36,401.73)	(117,573.62)
07-22 Herrontown Circle Curbing	670.59	670.59
07-23 Griggs Farm Supplemental	(1,431.42)	(1,431.42)
07-25 Herrontown Circle Curbing - Additional	150.00	150.00
08-03 Ewing St. Sidewalks	(5,951.50)	1,088.50
08-06 Various Road Improvement Projects	5,459.17	185,402.08
08-07 Braeburn/Meadowbrook Sidewalks	675.00	(9,116.30)
08-08 Battle Road Sidewalks	200.00	(3,060.86)
08-09 Franklin Avenue Sidewalks	(18,174.97)	(18,174.97)
08-12 Ober Road Sidewalks	800.00	(8,530.83)
08-16 Various Capital Improvements	182,504.90	15,462.92
08-19 Ewing St. Sidewalks	875.00	875.00
08-20 Magnolia Lane and Boradripple Sw	1,050.00	(13,689.51)
08-21 Belgium Curb 9 Prop. Wilson Rd.	(16,670.20)	(16,670.20)
08-23 Watermain Quaker Rd. to Mercer Rd.	(132,229.68)	(132,229.48)
09-01 Edgerstone & Winant Sewer Laterals	(93,552.74)	(93,552.74)
09-02 Cedar Lane Sewer Laterals	(213,051.27)	(106,530.59)
09-03 Cedar Lane Sidewalks	(1,491.69)	(7,000.00)
09-04 Stony Brook Pedestrian Bridge		
09-05 DPW Road	(67,251.07)	(40,998.91)
09-08 Quarry Lane Sewer Line	(44,253.28)	(30,581.92)
09-16 Sewer Infrastructure Trust Supplement	1,912,626.00	607,171.75
09-19 2009 Multipurpose Ordinance	(129,601.09)	(60,684.07)
09-21 Culvert & Sewer Replac. On Braeburn	(24,630.10)	(22,183.32)
10-02 Sewer Lateral Gallup Hillside	15,000.00	15,000.00
10-06 Ewing St. Sewer	5,550.00	5,550.00
10-07 Sewer Laterals Ewing St.	11,775.00	11,775.00
10-08 Various Road Improvement Projects	(336,595.90)	(1,227,131.15)
10-14 Mountain Lakes House Roof	2,507.78	(104,500.00)
10-19 Belgium Curbing Ober Road	1,800.00	(31,956.94)
10-21 Various Capital Improvements	(19,045.22)	(123,910.48)
10-27 Sewer Lateral Repairs Hilltop Mansgrove	10,689.00	9,751.49
10-34 Pool Complex	204,350.00	(18,062.64)
10-38 Land Acquisition	(67,617.49)	(2,900.78)
11-2 Supplemental - Pool Complex		(1,325.00)
11-3 Var. Rd. & DPW Proj.(300,000 dot grant)		(68,721.75)
11-4 Hillside Ave. Sidewalks		2,900.00
11-5 Mountain Lakes House Roof-Suppl.		(28,500.00)
11-8 Belgium Block Curbing Westerly Rd.		2,500.00
11-9 Sewer Laterals Westerly Rd.		4,425.00
11-10 Constr. Ord Hillside Sidewalks		(20,920.00)
11-13 Various Capital Improvements		33,698.59
11-15 Supplemental - Pool Complex		(272,067.67)
	<u>\$820,588.74</u>	<u>\$2,077,575.24</u>

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SCHEDULE OF DEFERRED CHARGES TO  
FUTURE TAXATION - UNFUNDED

Exhibit - C-3  
Page 1 of 2

					TRANSFER TO	ANALYSIS OF BALANCE - DEC. 31, 2011			
ORD.			BALANCE		DEFERRED		BALANCE		UNEXPENDED
NO.	DATE	IMPROVEMENT DESCRIPTION	DEC 31,	2011	CHARGES	OTHER	DEC 31,	EXPENDITURES	BALANCE OF
			2010	AUTHOR.	FUNDED	FUNDING	2011		IMPROV AUTH.
General Improvements									
95-12	Various Capital Improvements		\$1,166.77	\$		\$	\$1,166.77	\$	\$1,166.77
96-10	Various Capital Improvements		26,273.65				26,273.65		26,273.65
99-11	Various Capital Improvements		395,955.34		140,000.00		255,955.34	40,459.63	215,495.71
00-03	Various Capital Improvements(Twp. Only)		2,283,724.27				2,283,724.27		2,283,724.27
00-13	Various Capital Improvements(Jt. Agency)		1,015,179.99		202,300.00		812,879.99	1,283.13	811,596.86
01-13	Reconst. Of Cherry Valley Road		28,207.78				28,207.78		28,207.78
01-15	Various Capital Improvements		859,355.71		200,600.00		658,755.71	32,136.58	626,619.13
01-21	Const., Equip. Furnishing Library		7,660.02				7,660.02		7,660.02
02-15	Various Capital Improvements		528,565.85		480,600.00		47,965.85	6,793.13	41,172.72
03-13	Various Capital Improvements		1,959,053.01		653,800.00		1,305,253.01	367,282.82	937,970.19
03-17	Sewer Lateral Repairs		116,000.00				116,000.00		116,000.00
04-04	Sewer Lateral Repairs Var. Roads		151,500.00				151,500.00		151,500.00
04-05	Ext. of Sanitary Sewer and Water Mains		42,600.00				42,600.00		42,600.00
04-06	Install./Repair of Sidewalks Walnut Lane		250.00				250.00		250.00
04-13	Various Capital Improvements		282,558.55		207,500.00		75,058.55	1,155.60	73,902.95
04-17	Walnut Lane Curbing		233.00				233.00	233.00	
05-23	Oakland Street Sidewalks		1,238.00				1,238.00	1,238.00	
05-24	Various Capital Improvements		437,960.85				437,960.85		437,960.85
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
05-29	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		1,254.46				1,254.46	649.91	604.55
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		22,000.00		84,000.00	206.53	83,793.47
06-01	Recreation Supplemental		13,300.00				13,300.00	12,855.31	444.69
06-02	Road Construction and Repair		208,750.00				208,750.00		208,750.00
06-03	Tusculum		150,000.00				150,000.00	106,247.27	43,752.73
06-13	Riverside Sidewalks		35,150.00				35,150.00		35,150.00
06-14	Hemlock Sidewalks		2,350.00				2,350.00	1,670.16	679.84
06-15	Overbrook Sidewalks		4,200.00				4,200.00	4,200.00	
06-21	Vernon Circle and Castle Howar		15,900.00				15,900.00		15,900.00
06-22	Multi-purpose Ordinance		1,271,755.90		918,000.00		353,755.90	15,722.14	338,033.76
06-25	Evergreen Circle Curbs		12,671.00				12,671.00		12,671.00
06-27	Abernathy Sidewalks		11,590.00				11,590.00		11,590.00
06-34	Abernathy Sewer Laterals		35,450.00				35,450.00	3,004.87	32,445.13
06-37	Sewer Laterals:206 & Laurel Circle		14,550.00				14,550.00	6,517.70	8,032.30
06-36	Audubon Lane Sewer Laterals		30,400.00				30,400.00		30,400.00
07-02	Various Road Improvements		246,450.00		65,600.00		180,850.00	23,730.50	157,119.50
07-03	Various Road Improvements		1,010,000.00		260,800.00		749,200.00	35,922.86	713,277.14
07-10	Linwood Circle & Leabrook 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	42,102.16	1,597.84
07-16	Witherspoon St. Sidewalks		9,225.00				9,225.00		9,225.00
07-18	Philip Dr./Hemlock Cir./Woodside Dr.		17,875.00				17,875.00	8,529.34	9,345.66
07-19	Multi-purpose Ordinance		1,563,650.60		436,000.00		1,127,650.60	117,573.62	1,010,076.98
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	1,431.42	36,568.58
07-25	Herrontown Circle Curbing - Additional		2,850.00				2,850.00		2,850.00
08-03	Ewing St. Sidesalks		36,760.00				36,760.00		36,760.00
08-06	Various Road Improvement Projects		2,150,000.00		1,244,000.00		906,000.00		906,000.00
08-07	Braeburn/Meadowbrook Sidewalks		12,825.00				12,825.00	9,116.30	3,708.70
08-08	Battle Road Sidewalks		3,600.00				3,600.00	3,060.86	539.14
08-09	Franklin Avenue Sidewalks		19,000.00				19,000.00	18,174.97	825.03
08-12	Ober Road Sidewalks		13,800.00				13,800.00	8,530.83	5,269.17
08-16	Various Capital Improvements		1,332,218.00				1,332,218.00		1,332,218.00
08-19	Ewing St. Sidesalks		16,625.00				16,625.00		16,625.00

SCHEDULE OF DEFERRED CHARGES TO  
FUTURE TAXATION - UNFUNDED

Exhibit - C-3  
Page 2 of 2

			BALANCE	TRANSFER TO	ANALYSIS OF BALANCE - DEC. 31, 2011			
ORD.			DEC 31,	2011	DEFERRED	OTHER	BALANCE	UNEXPENDED
NO.	DATE	IMPROVEMENT DESCRIPTION	2010	AUTHOR	CHARGES	FUNDING	DEC. 31,	BALANCE OF
					FUNDED		2011	IMPROV. AUTH.
General Improvements								
08-20		Magnolia Lane and Boradripple Sw	19,950.00				19,950.00	6,260.49
08-21		Belgium Curb 9 Prop. Wilson Rd.	17,575.00				17,575.00	904.80
08-23		Watermain Quaker Rd. to Mercer Rd.	285,000.00				285,000.00	152,770.52
08-26		Refunding Bonds Section 20 Costs						
09-01		Edgerstone & Winnant Sewer Lateral	305,950.00				305,950.00	212,397.26
09-02		Cedar Lane Sewer Laterals	219,250.00				219,250.00	112,719.41
09-03		Cedar Lane Sidewalks	7,000.00				7,000.00	
09-05		DPW Roads	285,000.00		243,800.00		41,200.00	201.09
09-08		Quarry Lane Sewer Line	44,270.00				44,270.00	13,688.08
09-16		Sewer Infrastructure Trust Supplement	586,093.00				586,093.00	586,093.00
09-19		2009 Multipurpose Ordinance	3,377,422.00		1,403,000.00		1,974,422.00	1,913,737.93
09-21		Culvert & Sewer Replac. On Braeburn	475,000.00		264,000.00		211,000.00	188,816.68
10-02		Sewer Laterals - Gallup Hillside	285,000.00				285,000.00	285,000.00
10-03		2010A Refunding Bonds	665,000.00				665,000.00	665,000.00
10-06		Ewing St. Sidewalks	105,450.00				105,450.00	105,450.00
10-07		Sewer Laterals - Ewing St.	223,635.00				223,635.00	223,635.00
10-08		Various Road Improvement Projects	2,660,000.00		618,000.00		2,042,000.00	814,868.85
10-14		Mountain Lakes House Roof	104,500.00				104,500.00	104,500.00
10-19		Belgium Block Curbing - Ober Rd.	34,200.00				34,200.00	2,243.06
10-21		Various Capital Improvements	1,202,130.00		450,000.00		752,130.00	628,219.52
10-27		Sewer Lateral Reparis Hilltop	203,091.00				203,091.00	203,091.00
10-30		2010B Refunding Bonds	770,000.00				770,000.00	770,000.00
10-34		Pool Complex	3,882,650.00		3,800,000.00		82,650.00	64,587.36
10-38		Land Acquisition	1,106,000.00			1,006,000.00	100,000.00	97,099.22
11-2		Supplemental - Pool Complex		1,951,325.00	1,950,000.00		1,325.00	1,325.00
11-3		Var. Rd. & DPW Proj (300,000 dot grant)		2,189,200.00	500,000.00		1,689,200.00	68,721.75
11-4		Hillside Ave. Sidewalks		45,100.00			45,100.00	45,100.00
11-5		Mountain Lakes House Roof-Suppl.		28,500.00			28,500.00	28,500.00
11-8		Belgium Block Curbing Westerly Rd.		47,500.00			47,500.00	47,500.00
11-9		Sewer Laterals Westerly Rd.		84,075.00			84,075.00	84,075.00
11-10		Constr. Ord Hillside Sidewalks		22,800.00			22,800.00	20,920.00
11-13		Various Capital Improvements		1,071,196.00			1,071,196.00	1,071,196.00
11-15		Supplemental - Pool Complex		1,388,543.00	540,000.00		848,543.00	576,475.33
			\$33,829,803.75	\$6,828,239.00	\$14,600,000.00	\$1,006,000.00	\$25,052,042.75	\$3,295,231.54
								\$21,756,811.21

Exhibit - C-4

SCHEDULE OF DEVELOPERS CONTRIBUTION RECEIVABLE

Balance - Dec. 31, 2010	\$642,331.34
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Balance - Dec. 31, 2011	<u>\$642,331.34</u>
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Exhibit - C-5

SCHEDULE OF STATE AID RECEIVABLE

Balance - Dec. 31, 2010	\$1,479,500.00
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Increased by:	
Grants Receivable	<u>300,000.00</u>

1,779,500.00

Decreased by:	
Receipts	<u>416,317.62</u>

Balance - Dec. 31, 2011	<u>\$1,363,182.38</u>
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Detail of Balance at 12/31/11:

Ord. No. 07-03	\$85,000.00
Ord. No. 09-04	198,182.38
Ord. No. 10-38	780,000.00
Ord. No. 11-3	<u>300,000.00</u>

\$1,363,182.38



SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Exhibit - C-6  
Page 1 of 2

ORD. NO.	IMPROVEMENT DESCRIPTION	BALANCE - DEC. 31, 2010		ENCUMBERED 12/31/10	2011 AUTHORIZATIONS			PAID OR CHARGED	ENCUMBERED 12/31/11	BALANCE - DEC. 31, 2011		
		FUNDED	UNFUNDED		UNFUNDED	CAPITAL IMP. FUND	OTHER FUNDING			FUNDED	UNFUNDED	
		<u>General Improvements:</u>										
86-22,87-16	Acquisition of Mountain Lake Prop.	\$	4,376.71	\$		\$	\$			\$	4,376.71	\$
94-21	Various Capital Improvements		3,294.81								3,294.81	
94-26,98-26	Construction of New Mun. Bldg.		18,272.74					2,469.68			15,803.06	
95-12	Various Capital Improvements		863.59		1,166.77						863.59	1,166.77
96-10	Various Capital Improvements		14,640.44		26,273.65						14,640.44	26,273.65
97-06	Various Capital Improvements		46,545.15								46,545.15	
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		100,430.13		35.54						100,465.67	
98-29	Recreation Building Relocation		11,299.75								11,299.75	
99-11	Various Capital Improvements				255,735.94			40,240.23				215,495.71
00-03	Various Capital Improvements		1,099,411.86		2,283,724.27	29,795.54		32,525.37	5,720.25	1,090,961.78	2,283,724.27	
00-13	Various Capital Improvements				812,653.86			1,057.00				811,596.86
00-21	Design Studies Johnson Estate		3,360.48								3,360.48	
01-03	Olden Lane, Newlin Road, Mount. Ave.		775.18								775.18	
01-06	Russell Road Reconstruction		10,959.58								10,959.58	
01-07	VanDyke Road, Great Road Bikepath		29,135.06								29,135.06	
01-11	Olden Lane, Newlin Road, Mount. Ave.		2,087.87								2,087.87	
01-13	Reconstruction Cherry Valley Road		10,921.95		28,207.78						10,921.95	28,207.78
01-15	Various Capital Improvements				639,615.24	12,201.54		25,197.65				626,619.13
01-21	Const. Equipping New Public Library		55,954.56		7,660.02						55,954.56	7,660.02
01-23	Rosedale Road Pump Station		120,673.34								120,673.34	
02-01	High Density Storage Units		2,089.87								2,089.87	
02-14	Mountain Ave. Sewer Extension		446.00								446.00	
02-15	Various Capital Improvements				47,574.31			6,401.59				41,172.72
03-04	Recreation Improvements		2,307.36								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				1,203,407.63	21,145.04		283,263.77	3,318.71			937,970.19
03-17	Sewer Lateral Repairs		17,936.83		116,000.00						17,936.83	116,000.00
03-19	Sewer Lateral Rep. Lake/Longview/Knol		102,225.24								102,225.24	
04-02	Eng. Design - Clearview,Dorann,Tee-Ar		1,544.76								1,544.76	
04-04	Sewer Lateral Repairs. Var. Streets		26,741.55		151,500.00						26,741.55	151,500.00
04-05	Ext. 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						3,216.48	250.00
04-07	Repair/Reconstruction Var. Roadways		86,596.47								86,596.47	
04-13	Various Capital Improvements				75,306.55	25.60		1,429.20				73,902.95
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		6,901.50								6,901.50	
05-05	Various Township Road Projects		9,996.87					568.80			9,428.07	
05-07	Camahan Sidewalks		1,656.62								1,656.62	
05-08	Snowden Lane Pathway		2,181.40								2,181.40	
05-10	Doram Ave. Curbing		773.96								773.96	
05-12	Littlebrook Sewers		11,550.90								11,550.90	
05-15	Tee-Ar Place Sidewalks		23,016.17								23,016.17	
05-06	Littlebrook Road Pathway		904.08								904.08	
05-24	Various Capital Improvements		99,951.19		437,960.85	7,280.08		4,248.80	5,750.08	97,232.39	437,960.85	
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.		1,281,630.55			406,711.40		233,865.20		1,454,476.75		
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	Clearview Ave. Sidewalks B				604.55						604.55	
05-32	Grover Ave. Sidewalks B		1,500.00		31,940.00					1,500.00	31,940.00	
05-33	Ewing St. Sidesalks		2,005.00		41,325.00					2,005.00	41,325.00	
05-36	Recreation Improv. Supplement				83,894.47			101.00				83,793.47

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Exhibit - C-6

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ORD. NO.	IMPROVEMENT DESCRIPTION	BALANCE - DEC. 31, 2010		ENCUMBERED 12/31/10	2011 AUTHORIZATIONS			PAID OR CHARGED	ENCUMBERED 12/31/11	BALANCE - DEC. 31, 2011	
		FUNDED	UNFUNDED		UNFUNDED	CAPITAL IMP. FUND	OTHER FUNDING			FUNDED	UNFUNDED
06-01	Recreation Supplemental		444.69	725.00				725.00			444.69
06-02	Road Reconstruction and Repair		95,633.21	115,042.15						1,925.36	208,750.00
06-03	Purchase of Open Space - Tusculum		43,752.73								43,752.73
06-13	Riverside Ave. Sidewalks	1,675.00	35,150.00							1,675.00	35,150.00
06-14	Hemlock Circle Sidewalks		679.84								679.84
06-21	Vernon Circle & Castle Howard Sidewalk	850.00	15,900.00							850.00	15,900.00
06-22	2006 Multipurpose Ordinance		352,617.76					14,584.00		0.00	338,033.76
06-25	Evergreen Circle Curbs	667.00	12,671.00							667.00	12,671.00
06-27	Abernathy Sidewalks	610.00	11,590.00							610.00	11,590.00
06-33	Rosedale Supplemental	77,304.63								77,304.63	
06-34	Abernathy Sewer Laterals		32,445.13								32,445.13
06-36	Audobon Lane Sewer Laterals	1,215.25	30,400.00							1,215.25	30,400.00
06-37	Rt. 206 & Laurel Circle Sewer Laterals		8,032.30								8,032.30
07-02	Various Road Improvement Projects		157,706.26	22,864.95				586.76	22,864.95		157,119.50
07-03	Various Road Improvement Projects		713,381.04	33,799.46				1,363.00	32,540.36		713,277.14
07-10	Linwood Cr./Route 206 Sewer Laterals	1,945.00	40,375.00							1,945.00	40,375.00
07-13	Maclean Circle Sidewalks	1,408.75	30,400.00							1,408.75	30,400.00
07-14	Clover Lane Sewer Laterals	5,302.00	104,500.00							5,302.00	104,500.00
07-15	Clover Lane Belgium Block		1,597.84								1,597.84
07-16	Witherspoon Street Sidewalks	308.75	9,225.00							308.75	9,225.00
07-18	Philip Dr./Hemlock Cir./Woodside		9,345.66								9,345.66
07-19	Multi-Purpose Ordinance		1,091,248.87	23,096.88				101,188.77	3,080.00		1,010,076.98
07-22	Herrontown Circle Curbing	670.59	17,100.00							670.59	17,100.00
07-23	Griggs Farm Supplemental		36,568.58								36,568.58
07-25	Herrontown Circle Curbing-Additional	150.00	2,850.00							150.00	2,850.00
08-03	Ewing St. Sidesalks		30,808.50	7,040.00						1,088.50	36,760.00
08-06	Var. Road Improv. Projects(200,000 dot)		911,459.17	186,139.57				(175,118.55)	181,315.21	185,402.08	906,000.00
08-07	Braeburn/Meadowbrook Sidewalks	675.00	12,825.00					9,791.30			3,708.70
08-08	Battle Road Sidewalks	200.00	3,600.00					3,260.86			539.14
08-09	Franklin Avenue Sidewalks		825.03							0.00	825.03
08-12	Ober Road Sidewalks	800.00	13,800.00					9,330.83			5,269.17
08-16	Various Capital Improvements	182,504.90	1,332,218.00	24,916.69				187,573.07	4,385.60	15,462.92	1,332,218.00
08-19	Ewing St. Sidesalks	875.00	16,625.00							875.00	16,625.00
08-20	Magnolia Lane and Boradripple Sw	1,050.00	19,950.00					14,739.51			6,260.49
08-21	Belgium Curb 9 Prop. Wilson Rd.		904.80							0.00	904.80
08-23	Watermain Quaker Rd. to Mercer Rd.		152,770.32	0.20						0.00	152,770.52
09-01	Edgerstone & Winant Sewer Lateral		212,397.26	99,492.96					99,492.96		212,397.26
09-02	Cedar Lane Sewer Laterals		6,198.73	17,347.81				(89,172.87)			112,719.41
09-03	Cedar Lane Sidewalks		5,508.31					5,508.31			
09-04	Stony Brook Pedestrian Bridge			13,227.84				6,259.22	6,968.62		
09-05	DPW Roads		3,948.93	59,321.04				27,316.59	35,752.29		201.09
09-08	Quarry Lane Sewer Line		16.72	22,657.55				8,986.19			13,688.08
09-16	Sewer Infrastructure Trust Supplement	1,912,626.00	586,093.00					1,053,561.90	251,892.35	607,171.75	586,093.00
09-19	2009 Multipurpose Ordinance		2,444,820.91	378,876.01				794,658.06	115,300.93		1,913,737.93
09-21	Culvert & Sewer Replac. On Braeburn		186,369.90	24,925.88				1,978.00	20,501.10		188,816.68
10-02	Sewer Lateral Gallup Hillside	15,000.00	285,000.00							15,000.00	285,000.00
10-03	2010A Refunding Bond Issue		665,000.00								665,000.00
10-06	Ewing St. Sewer	5,550.00	105,450.00							5,550.00	105,450.00
10-07	Sewer Laterals Ewing St.	11,775.00	223,635.00							11,775.00	223,635.00
10-08	Various Road Improvement Projects		1,985,404.10	1,609,708.36				2,216,060.90	564,182.71	0.00	814,868.85
10-14	Mountain Lakes House Roof	2,507.78	104,500.00					107,007.78			
10-19	Belgium Curbing Ober Road	1,800.00	34,200.00					33,756.94			2,243.06
10-21	Various Capital Improvements		1,033,084.78	171,367.12				476,221.78	100,010.60		628,219.52
10-27	Sewer Lateral Repairs Hilltop Mansgrove	10,689.00	203,091.00					937.51		9,751.49	203,091.00
10-30	2010B Refunding Bonds		770,000.00								770,000.00
10-34	Pool Complex	204,350.00	3,882,650.00					2,903,934.11	1,118,478.53	0.00	64,587.36
10-38	Land Acquisition		1,038,382.51	134,773.06				1,076,056.35			97,099.22
11-2	Supplemental - Pool Complex				1,951,325.00	102,175.00					
11-3	Var. Rd. & DPW Proj.(300,000 dot grant)				2,189,200.00	76,800.00					1,620,478.25
11-4	Hillside Ave. Sidewalks		45,100.00			2,900.00				2,900.00	45,100.00
11-5	Mountain Lakes House Roof-Suppl.		28,500.00			1,500.00		30,000.00			
11-8	Belgium Block Curbing Westerly Rd.		47,500.00			2,500.00				2,500.00	47,500.00
11-9	Sewer Laterals Westerly Rd.		84,075.00			4,425.00				4,425.00	84,075.00
11-10	Constr. Ord Hillside Sidewalks		22,800.00			1,200.00			22,120.00		1,880.00
11-13	Various Capital Improvements		1,071,196.00			56,379.00		11,426.78	11,253.63	33,698.59	1,071,196.00
11-15	Supplemental - Pool Complex				1,388,543.00	73,082.00		156,928.85	728,220.82		576,475.33
		<u>\$ 5,842,422.71</u>	<u>\$ 25,543,882.02</u>	<u>\$ 3,422,517.27</u>	<u>\$ 6,828,239.00</u>	<u>\$ 320,961.00</u>	<u>\$ 900,000.00</u>	<u>\$ 11,174,830.67</u>	<u>\$ 5,378,160.02</u>	<u>\$ 4,548,220.10</u>	<u>\$ 21,756,811.21</u>

SCHEDULE OF GENERAL SERIAL BONDS

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<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING - DEC. 31, 2011</u>		<u>INTEREST RATE</u>	<u>BALANCE DEC. 31, 2010</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DEC. 31, 2011</u>
General Improvement Bonds	5/1/04	9,250,000.00	5/1/07	400,000.00	4.125%	1,200,000.00		600,000.00	600,000.00
			5/1/08	500,000.00	4.125%				
			5/1/09-10	550,000.00	4.125%				
			5/1/11-13	600,000.00	4.125%				
General Improvement Bonds	6/20/06	23,775,000.00	1/1/07	270,000.00	4.25%	21,770,000.00		1,185,000.00	20,585,000.00
			1/1/08	575,000.00	4.25%				
			1/1/09	580,000.00	4.25%				
			1/1/10	580,000.00	4.25%				
			1/1/11	1,185,000.00	4.25%				
			1/1/12	1,190,000.00	4.25%				
			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	4.45%				
			1/1/21	1,440,000.00	4.50%				
			1/1/22	1,505,000.00	4.50%				
			1/1/23	1,580,000.00	4.55%				
			1/1/24	1,660,000.00	4.60%				
			1/1/25	1,740,000.00	4.65%				
			1/1/26	1,820,000.00	4.65%				
General Improvement Bonds	1/1/09	8,000,000.00	1/1/10	300,000.00	2.50%	7,700,000.00		350,000.00	7,350,000.00
			1/1/11	350,000.00	2.50%				
			1/1/12	450,000.00	2.50%				
			1/1/13	475,000.00	3.50%				
			1/1/14	475,000.00	3.50%				
			1/1/15	550,000.00	3.50%				
			1/1/16	600,000.00	4.00%				
			1/1/17	600,000.00	4.00%				
			1/1/18	600,000.00	4.00%				
			1/1/19	600,000.00	4.00%				
			1/1/20	600,000.00	4.10%				
			1/1/21	600,000.00	4.25%				
			1/1/22	600,000.00	4.40%				
			1/1/23	600,000.00	4.40%				
			1/1/24	600,000.00	4.55%				
General Improvement Refunding Bonds	9/1/09	8,500,000.00	9/1/09	1,010,000.00	4.00%	5,995,000.00		575,000.00	5,420,000.00
			9/1/10	1,495,000.00	4.00%				
			9/1/11	575,000.00	4.00%				
			9/1/12	625,000.00	4.00%				
			9/1/13	625,000.00	4.00%				
			9/1/14	670,000.00	4.00%				
			9/1/15	670,000.00	4.00%				
			9/1/16	665,000.00	4.00%				
			9/1/17	660,000.00	4.00%				
			9/1/18	755,000.00	4.00%				
			9/1/19	750,000.00	4.00%				

SCHEDULE OF GENERAL SERIAL BONDS

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PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS		INTEREST RATE	BALANCE DEC. 31, 2010	INCREASED	DECREASED	BALANCE DEC. 31, 2011							
			OUTSTANDING - DEC. 31, 2011													
General Improvement Refunding Bonds	3/9/10	6,185,000.00	9/15/11	785,000.00	2.00%	6,185,000.00		785,000.00	5,400,000.00							
			9/15/12	810,000.00	2.00%											
			9/15/13	865,000.00	2.00%											
			9/15/14	880,000.00	3.00%											
			9/15/15	945,000.00	4.00%											
			9/15/16	950,000.00	4.00%											
			9/15/17	950,000.00	4.00%											
General Improvement Refunding Bonds	11/1/10	5,230,000.00	5/1/11	30,000.00	2.00%	5,230,000.00		30,000.00	5,200,000.00							
			5/1/12	15,000.00	2.00%											
			5/1/13	615,000.00	3.00%											
			5/1/14	755,000.00	3.00%											
			5/1/15	750,000.00	3.00%											
			5/1/16	740,000.00	3.00%											
			5/1/17	780,000.00	4.00%											
			5/1/18	775,000.00	4.00%											
			5/1/19	770,000.00	4.00%											
General Improvement Bonds		6,600,000.00	9/1/12	450,000.00	3.00%		6,600,000.00	325,000.00	6,275,000.00							
			9/1/13	450,000.00	3.00%											
			9/1/14	450,000.00	3.00%											
			9/1/15	475,000.00	4.00%											
			9/1/16	550,000.00	4.00%											
			9/1/17	650,000.00	4.00%											
			9/1/18	650,000.00	4.00%											
			9/1/19	650,000.00	3.00%											
			9/1/20	650,000.00	3.00%											
			9/1/21	650,000.00	3.00%											
			9/1/22	650,000.00	3.00%											
			General Improvement Bonds		8,000,000.00					12/15/12	325,000.00	2.00%		8,000,000.00		8,000,000.00
12/15/13	335,000.00	2.00%														
12/15/14	350,000.00	2.00%														
12/15/15	375,000.00	2.00%														
12/15/16	400,000.00	2.00%														
12/15/17	415,000.00	2.00%														
12/15/18	600,000.00	2.00%														
12/15/19	650,000.00	2.00%														
12/15/20	650,000.00	2.00%														
12/15/21	650,000.00	2.00%														
12/15/22	650,000.00	2.00%														
12/15/23	650,000.00	2.125%														
12/15/24	650,000.00	2.25%														
12/15/25	650,000.00	2.50%														
12/15/26	650,000.00	2.75%														
						\$48,080,000.00	\$14,600,000.00	\$3,850,000.00	\$58,830,000.00							

SCHEDULE OF LOAN PAYABLE  
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

Exhibit C-8  
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PROJECT DESCRIPTION	DRAWDOWN DATE	AMOUNT OF LOAN	INTEREST RATE	MATURITIES OF LOANS		BALANCE JUNE 30, 2010	DECREASED	BALANCE DEC. 31, 2011
				DATE	AMOUNT			
Infrastructure Water Loan	10/23/06	\$ 905,000.00	4.00%	8/1/08	30,000.00	\$ 805,000.00	\$ 35,000.00	770,000.00
			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			
			YEAR	SEMI-ANNUAL PRINCIPAL				
				1-Feb	1-Aug			
Infrastructure Water Loan - Principal Only	10/23/06	\$ 889,142	2007		20,783.37	729,593.70	45,568.68	684,025.02
			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

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PROJECT DESCRIPTION	DRAWDOWN DATE	AMOUNT OF LOAN	INTEREST RATE	MATURITIES OF LOANS		BALANCE JUNE 30, 2010	DECREASED	BALANCE DEC. 31, 2011
				DATE	AMOUNT			
Infrastructure Water Loan	11/8/07	\$ 1,035,000.00	5.00%	8/1/09	30,000.00	\$ 810,000.00	\$ 35,000.00	775,000.00
			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			
Infrastructure Water Loan - Principal Only	11/8/07	\$ 848,221	YEAR	SEMI-ANNUAL PRINCIPAL		741,826.65	44,881.95	696,944.70
				1-Feb	1-Aug			
			2008		20,099.89			
			2009	12,348.05	31,272.28			
			2010	11,874.95	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			

SCHEDULE OF LOAN PAYABLE  
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

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PROJECT DESCRIPTION	DRAWDOWN DATE	AMOUNT OF LOAN	INTEREST RATE	MATURITIES OF LOANS		BALANCE JUNE 30, 2010	DECREASED	BALANCE DEC. 31, 2011
				DATE	AMOUNT			
Infrastructure Water Loan	11/6/08	\$ 1,035,000.00	5.00%	8/1/10	35,000.00	\$ 1,000,000.00	\$ 35,000.00	965,000.00
			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%	8/1/19	45,000.00			
			5.00%	8/1/17	45,000.00			
			5.00%	8/1/18	50,000.00			
			5.00%	8/1/19	50,000.00			
			5.00%	8/1/20	55,000.00			
			5.00%	8/1/21	60,000.00			
			5.00%	8/1/22	60,000.00			
			5.00%	8/1/23	65,000.00			
			5.00%	8/1/24	70,000.00			
			5.00%	8/1/25	70,000.00			
			5.00%	8/1/26	75,000.00			
			5.00%	8/1/27	80,000.00			
			5.00%	8/1/28	80,000.00			
			YEAR	SEMI-ANNUAL PRINCIPAL				
				1-Feb	1-Aug			
Infrastructure Water Loan - Principal Only	11/6/08	\$ 1,034,227	2009		26,630.45	953,667.65	52,857.36	900,810.29
			2010	16,249.08	37,679.82			
			2011	15,713.31	37,144.05			
			2012	15,177.55	36,608.28			
			2013	14,641.78	39,134.05			
			2014	14,029.47	38,521.74			
			2015	13,417.16	40,970.97			
			2016	12,728.32	40,282.12			
			2017	12,039.47	39,593.28			
			2018	11,350.63	41,965.96			
			2019	10,585.25	41,200.58			
			2020	9,781.49	43,458.46			
			2021	8,855.48	45,593.88			
			2022	7,845.17	44,583.57			
			2023	6,834.87	46,634.93			
			2024	5,740.37	48,601.84			
			2025	4,668.83	47,530.30			
			2026	3,597.30	49,520.30			
			2027	2,449.22	51,433.76			
			2028	1,224.61	50,209.20			

SCHEDULE OF LOAN PAYABLE  
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

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PROJECT DESCRIPTION	DRAWDOWN DATE	AMOUNT OF LOAN	INTEREST RATE	MATURITIES OF LOANS		BALANCE		BALANCE						
				DATE	AMOUNT	DEC. 31, 2010	DECREASED	DEC. 31, 2011						
Infrastructure Water Loan	3/10/10	\$ 750,000.00	4.00%	8/1/11	25,000.00	750,000.00	25,000.00	725,000.00						
			5.00%	8/1/12	25,000.00									
			5.00%	8/1/13	30,000.00									
			5.00%	8/1/14	30,000.00									
			5.00%	8/1/15	30,000.00									
			5.00%	8/1/16	30,000.00									
			5.00%	8/1/17	35,000.00									
			5.00%	8/1/18	35,000.00									
			4.00%	8/1/19	40,000.00									
			5.00%	8/1/20	40,000.00									
			3.00%	8/1/21	40,000.00									
			4.00%	8/1/22	40,000.00									
			4.00%	8/1/23	45,000.00									
			4.00%	8/1/24	45,000.00									
			4.00%	8/1/25	50,000.00									
			4.00%	8/1/26	50,000.00									
			4.00%	8/1/27	50,000.00									
			4.00%	8/1/28	55,000.00									
			4.00%	8/1/29	55,000.00									
			<u>YEAR</u>	<u>SEMI-ANNUAL PRINCIPAL</u>										
				<u>1-Feb</u>	<u>1-Aug</u>									
Infrastructure Water Loan - Principal Only	3/10/10	\$ 2,302,317	2010		78,044.64	2,224,272.36	117,066.96	2,107,205.40						
			2011	39,022.32	78,044.64									
			2012	39,022.32	78,044.64									
			2013	39,022.32	78,044.64									
			2014	39,022.32	78,044.64									
			2015	39,022.32	78,044.64									
			2016	39,022.32	78,044.64									
			2017	39,022.32	78,044.64									
			2018	39,022.32	78,044.64									
			2019	39,022.32	78,044.64									
			2020	39,022.32	78,044.64									
			2021	39,022.32	78,044.64									
			2022	39,022.32	78,044.64									
			2023	39,022.32	78,044.64									
			2024	39,022.32	78,044.64									
			2025	39,022.32	78,044.64									
			2026	39,022.32	78,044.64									
			2027	39,022.32	78,044.64									
			2028	39,022.32	78,044.64									
			2029	39,022.32	78,044.76									
									<u>\$ 8,014,360.36</u>	<u>\$ 390,374.95</u>	<u>\$ 7,623,985.41</u>			



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

Balance - Dec. 31, 2010	\$ 2,857,703.56
Decreased by:	
Payments	<u>403,832.29</u>
Balance - Dec. 31, 2011	<u><u>\$ 2,453,871.27</u></u>

Loan Principal Repayment Schedule

<u>Year</u>	<u>Principal</u>
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>68,916.27</u>
	<u><u>\$ 2,453,871.27</u></u>

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance - Dec. 31, 2010	\$346,636.18
Increased by:	
Budget Appropriation	<u>300,000.00</u>
	646,636.18
Decreased by:	
Approp. To Finance Improv. Autho.	<u>320,961.00</u>
Balance - Dec. 31, 2011	<u><u>\$325,675.18</u></u>

SCHEDULE OF BOND ANTICIPATION NOTES

ORD NO.	<u>IMPROVEMENT DESCRIPTION</u>	DATE OF ORIGINAL ISSUE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DEC. 31, 2010	<u>DECREASED</u>
<u>General Improvements:</u>							
99-11	Various Capital Improvements	12/22/10	12/22/10	4/1/11	2.90%	140,000.00	140,000.00
00-13	Various Capital Improvements	12/22/10	12/22/10	4/1/11	2.90%	202,300.00	202,300.00
01-15	Various Capital Improvements	12/22/10	12/22/10	4/1/11	2.90%	200,600.00	200,600.00
02-15	Various Capital Improvements	12/22/10	12/22/10	4/1/11	2.90%	480,600.00	480,600.00
03-13	Various Capital Improvements	12/22/10	12/22/10	4/1/11	2.90%	653,800.00	653,800.00
04-13	Various Capital Improvements	12/22/10	12/22/10	4/1/11	2.90%	207,500.00	207,500.00
05-36	Recreation Improvements	12/22/10	12/22/10	4/1/11	2.90%	22,000.00	22,000.00
06-22	Multi-Purpose Ordinance	12/22/10	12/22/10	4/1/11	2.90%	918,000.00	918,000.00
07-02	Various Road Improvements	12/22/10	12/22/10	4/1/11	2.90%	65,600.00	65,600.00
07-03	Various Road Improvements	12/22/10	12/22/10	4/1/11	2.90%	260,800.00	260,800.00
07-19	Multi-Purpose Ordinance	12/22/10	12/22/10	4/1/11	2.90%	436,000.00	436,000.00
08-06	Various Road Improvements	12/22/10	12/22/10	4/1/11	2.90%	1,244,000.00	1,244,000.00
09-05	DPW Roads	12/22/10	12/22/10	4/1/11	2.90%	213,800.00	213,800.00
09-19	Multi-Purpose Ordinance	12/22/10	12/22/10	4/1/11	2.90%	803,000.00	803,000.00
09-21	Culvert Replacement	12/22/10	12/22/10	4/1/11	2.90%	264,000.00	264,000.00
10-08	Various Road Improvements	12/22/10	12/22/10	4/1/11	2.90%	338,000.00	338,000.00
10-21	Various Capital Improvements	12/22/10	12/22/10	4/1/11	2.90%	150,000.00	150,000.00
						<u>\$6,600,000.00</u>	<u>\$6,600,000.00</u>

SCHEDULE OF BONDS AND NOTES  
AUTHORIZED BUT NOT ISSUED

Exhibit - C-12  
Page 1 of 2

ORD. NO.	IMPROVEMENT DESCRIPTION	BALANCE DEC. 31, 2010	AUTHORIZED 2011	OTHER FUNDING	BALANCE DEC. 31, 2011
	<u>General Improvements</u>				
95-12	Various Capital Improvements	\$1,166.77	\$		\$1,166.77
96-10	Various Capital Improvements	26,273.65			26,273.65
99-11	Various Capital Improvements	255,955.34			255,955.34
00-03	Various Capital Improvements	2,283,724.27			2,283,724.27
00-13	Various Capital Improvements	812,879.99			812,879.99
01-13	Reconstruction Cherry Valley Rd.	28,207.78			28,207.78
01-15	Various Capital Improvements	658,755.71			658,755.71
01-21	Construction of New Library	7,660.02			7,660.02
02-15	Various Capital Improvements	47,965.85			47,965.85
03-13	Various Capital Improvements	1,305,253.01			1,305,253.01
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	75,058.55			75,058.55
04-17	Walnut Lane Curbing	233.00			233.00
05-23	Oakland Street Sidewalks	1,238.00			1,238.00
05-24	Various Capital Improvements	437,960.85			437,960.85
05-25	Littlebrook Rd./Tyson Lane Sewer	42,200.00			42,200.00
05-26	Springdale Road Sidewalks	41,800.00			41,800.00
05-29	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	1,254.46			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	84,000.00			84,000.00
06-01	Recreation Supplemental	13,300.00			13,300.00
06-02	Road Construction and repair	208,750.00			208,750.00
06-03	Tusculum	150,000.00			150,000.00
06-13	Riverside Sidewalks	35,150.00			35,150.00
06-14	Hemlock Sidewalks	2,350.00			2,350.00
06-15	Overbrook Sidewalks	4,200.00			4,200.00
06-21	Vernon Circle and Cstle Howard Ct.	15,900.00			15,900.00
06-22	Multi-Purpose Ordinance	353,755.90			353,755.90
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	35,450.00			35,450.00
06-36	Sewer Lateral:206 & Laurel Circle	14,550.00			14,550.00
06-37	Audobon Lane Sewer Laterals	30,400.00			30,400.00
07-02	Various Road Improvements	180,850.00			180,850.00
07-03	Various Road Improvements	749,200.00			749,200.00
07-10	Linwood Cr./Route 206 Laterals	40,375.00			40,375.00
07-13	Maclean 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	17,875.00			17,875.00
07-19	Multi-Purpose Ordinance	1,127,650.60			1,127,650.60
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

SCHEDULE OF BONDS AND NOTES  
AUTHORIZED BUT NOT ISSUED

Exhibit - C-12  
Page 2 of 2

ORD. NO.	IMPROVEMENT DESCRIPTION	BALANCE DEC. 31, 2010	AUTHORIZED 2011	OTHER FUNDING	BALANCE DEC. 31, 2011
08-03	Ewing St. Sidesalks	36,760.00			36,760.00
08-06	Various Road Improvement Projects	906,000.00			906,000.00
08-07	Braeburn/Meadowbrook Sidewalks	12,825.00			12,825.00
08-08	Battle Road Sidewalks	3,600.00			3,600.00
08-09	Franklin Avenue Sidewalks	19,000.00			19,000.00
08-12	Ober Road Sidewalks	13,800.00			13,800.00
08-16	Various Capital Improvements	1,332,218.00			1,332,218.00
08-19	Ewing St. Sidesalks	16,625.00			16,625.00
08-20	Magnolia Lane and Boradripple Sw	19,950.00			19,950.00
08-21	Belgium Curb 9 Prop. Wilson Rd.	17,575.00			17,575.00
08-23	Watermain Quaker Rd. to Mercer Rd.	285,000.00			285,000.00
09-01	Edgerstone & Winnant Sewer Lateral	305,950.00			305,950.00
09-02	Cedar Lane Sewer Laterals	219,250.00			219,250.00
09-03	Cedar Lane Sidewalks	7,000.00			7,000.00
09-05	DPW Roads	71,200.00			71,200.00
09-08	Quarry Lane Sewer Line	44,270.00			44,270.00
09-16	Sewer Infrastructure Trust Suppl.	586,093.00			586,093.00
09-19	2009 Multipurpose Ordinance	2,574,422.00			2,574,422.00
09-21	Culvert & Sewer Repl. Braeburn	211,000.00			211,000.00
10-02	Sewer Laterals - Gallup Hillside	285,000.00			285,000.00
10-03	2010 A Refunding Bonds	665,000.00			665,000.00
10-06	Ewing St. Sidewalks	105,450.00			105,450.00
10-07	Sewer Laterals - Ewing St.	223,635.00			223,635.00
10-08	Various Road Improvement Projects	2,322,000.00			2,322,000.00
10-14	Mountain Lakes House Roof	104,500.00			104,500.00
10-19	Belgium Block Curbing - Ober Rd.	34,200.00			34,200.00
10-21	Various Capital Improvements	1,052,130.00			1,052,130.00
10-27	Sewer Lateral Reparis Hilltop	203,091.00			203,091.00
10-30	2010B Refunding Bonds	770,000.00			770,000.00
10-34	Pool Complex	3,882,650.00			3,882,650.00
10-38	Land Acquisition	1,106,000.00		1,106,000.00	
11-2	Supplemental - Pool Complex		1,951,325.00		1,951,325.00
11-3	Var. Rd. & DPW Proj.(300,000 dot grant)		2,189,200.00		2,189,200.00
11-4	Hillside Ave. Sidewalks		45,100.00		45,100.00
11-5	Mountain Lakes House Roof-Suppl.		28,500.00		28,500.00
11-8	Belgium Block Curbing Westerly Rd.		47,500.00		47,500.00
11-9	Sewer Laterals Westerly Rd.		84,075.00		84,075.00
11-10	Constr. Ord Hillside Sidewalks		22,800.00		22,800.00
11-13	Various Capital Improvements		171,196.00		171,196.00
11-15	Supplemental - Pool Complex		1,388,543.00		1,388,543.00
		<u>\$27,229,803.75</u>	<u>\$5,928,239.00</u>	<u>\$1,106,000.00</u>	<u>\$32,052,042.75</u>

SCHEDULE OF AFFORDABLE HOUSING UTILITY CAPITAL SERIAL BONDS

Exhibit D-4

<u>DESCRIPTION</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS</u>		<u>INTEREST RATE</u>	<u>BALANCE</u>	
			<u>DATE</u>	<u>AMOUNT</u>		<u>DEC. 31, 2010</u>	<u>DECREASED</u>
Refunding Bonds	9/1/04	2,990,000.00	9/1/11	380,000.00	3.500%	<u>380,000.00</u>	<u>380,000.00</u>
						<u>\$ 380,000.00</u>	<u>\$ 380,000.00</u>

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

Balance - December 31, 2010	\$4,433.32
Increased by:	
Charged to 2011 Budget Approp.	<u>8,866.68</u>
	13,300.00
Decreased by:	
Payment	<u><u>\$13,300.00</u></u>

SCHEDULE OF PUBLIC ASSISTANCE CASH - TREASURER

	<u>REF.</u>	<u>P.A.T.F. II</u> <u>ACCT. #1</u>
Balance - December 31, 2010	E,E-2	\$ <u>65,105.68</u>
Increased by Receipts:		
State Aid for Public Assistance	E-5	201,600.00
S.S.I. Reimbursements	E-5	
Miscellaneous	E-5	<u>512.00</u>
	E-2,E-3,E-4	202,112.00
		267,217.68
Decreased by Disbursements:		
Disbursed for Public Assistance	E-2,E-3,E-5	<u>186,803.89</u>
Balance - December 31, 2011	E,E-2,E-3	\$ <u><u>80,413.79</u></u>

SCHEDULE OF PUBLIC ASSISTANCE CASH AND RECONCILIATION

	<u>REF.</u>		
Balance - December 31, 2010	E- 1	\$	65,108.68
Increased by:			
Cash Receipts Record	E- 1		<u>202,112.00</u>
			267,220.68
Decreased by:			
Cash Disbursements Record:			
2011 Assistance	E- 1		<u>186,803.89</u>
Balance - December 31, 2011	E-1,E-2	\$	<u><u>80,416.79</u></u>
<u>Reconciliation - December 31, 2010:</u>			
		<u>P.A.T.F. II</u>	
		<u>ACCT #1</u>	<u>TOTAL</u>
Balance on Deposit per Statement of:			
PNC Bank, Princeton, N.J.			
- Government Agency Account		\$	81,767.79
Reconciling Items			<u>(1,354.00)</u>
Balance - December 31, 2011		\$	<u><u>80,413.79</u></u>
<u>Ref.</u>			E- 2



SCHEDULE OF PUBLIC ASSISTANCE REVENUES

	P.A.T.F. ACCT. #1
State Aid Payments	\$ <u>201,600.00</u>
State Aid for Public Assistance	201,600.00
Miscellaneous	512.00
Supplemental Security Income: Municipal Refund	<u>                    </u>
Total Receipts/Revenues (PATF)	\$ <u><u>202,112.00</u></u>

Ref.

E- 1

Exhibit - E-4

SCHEDULE OF PUBLIC ASSISTANCE EXPENDITURES

	P.A.T.F. ACCT. #1
Payments for Current Year Assistance (Reported):	
Maintenance Payments	\$ 54,197.32
Burial	1,970.00
Nursing Home Care	53,792.34
Temporary Rental Assistance	47,483.55
Other:	
Utilities	2,486.48
Rent/Security Deposit	15,213.00
Storage Cost	145.70
Emergency Assistance	908.50
Esst. House Furnish	1,555.00
Transportation	8,756.00
Work-related Expenses	<u>296.00</u>
Total Reported	186,803.89
Total Disbursements (PATF)	\$ <u><u>186,803.89</u></u>

Ref.

E- 1

SCHEDULE OF RESERVE FOR PUBLIC ASSISTANCE

	<u>REF.</u>		
Balance - December 31, 2010			
Advanced State Aid	E	\$ <u>65,105.68</u>	
			65,105.68
Increased by:			
State Aid for Public Assistance	E- 1	201,600.00	
S.S.I. Reimbursements	E- 1		
Miscellaneous	E- 1	<u>512.00</u>	
			<u>202,112.00</u>
			267,217.68
Decreased by:			
Payments for Public Assistance	E- 1		
Disbursed to Clients	E- 1	<u>186,803.89</u>	
			<u>186,803.89</u>
Balance - December 31, 2011	E- 5	\$ <u><u>80,413.79</u></u>	
<u>Analysis of Balance - December 31, 2011:</u>			
Advanced State Aid	E	\$ <u>80,413.79</u>	
	E- 5	\$ <u><u>80,413.79</u></u>	

## **SUPPLEMENTARY INFORMATION**

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>Tax Rate:</u>	<u>1.965</u>	<u>1.939</u>	<u>3.628</u>
<u>Apportionment of Tax Rate:</u>			
Municipal:	<u>0.490</u>	<u>0.490</u>	<u>0.914</u>
County:	<u>0.528</u>	<u>0.549</u>	<u>1.010</u>
Regional School:	<u>0.947</u>	<u>0.900</u>	<u>1.704</u>
<u>Assessed Valuation:</u>			
2011	<u>\$4,616,779,281.00</u>		
2010		<u>\$4,709,037,436.00</u>	
2009			<u>\$2,438,623,271.00</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>
2011	\$91,022,927.78	\$90,070,653.27	98.95%
2010	91,571,655.09	89,927,273.72	98.20%
2009	88,824,374.11	87,777,918.83	98.82%

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>
2011	\$149,852.36	\$800,044.15	\$949,896.51	1.04%
2010	128,753.17	1,002,615.99	1,131,369.16	1.24%
2009	107,976.29	869,356.57	977,332.86	1.10%

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>
2011	\$510,000.00
2010	430,800.00
2009	137,000.00

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the period under audit in 2011:

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>
Chad Goerner	Mayor	
G. Susan Nemeth	Deputy Mayor	
Lance Liverman	Committeeperson	
Liz Lempert	Committeeperson	
Bernard P. Miller	Committeeperson	
James J. Pascale	Administrator	
Linda S. McDermott	Township Clerk and Improvement Search Officer	
Neal Snyder	Tax Assessor	
Kathryn Monzo	Chief Financial Officer	
Tammie Tisdale	Tax Collector, Tax Search Officer	\$1,000,000.00
Edwin W. Schmierer	Municipal Attorney	
Robert V. Kiser	Township Engineer	
Bonnie Goldman	Municipal Judge	1,000,000.00
Corinne Sliker-Monda	Court Administrator	1,000,000.00
Jaime Johnson	Deputy Court Administrator	1,000,000.00

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 NINE FISCAL YEARS  
UNAUDITED

Year	General Government	Public Safety	Public Works	Health and Welfare	Recreation	Public Library	Unclassified
2011	\$5,496,130.50	\$5,208,896.00	\$2,115,426.00	\$687,463.50	\$747,129.00	\$2,631,581.00	\$4,562,406.00
2010	5,402,669.22	5,335,561.00	2,163,401.47	728,060.00	812,708.00	2,474,077.70	4,221,405.00
2009	5,081,258.14	5,239,384.00	2,181,530.25	741,779.50	807,610.00	2,510,925.41	4,414,319.00
2008	6,444,919.66	5,169,232.40	2,092,873.92	775,010.00	808,295.00	2,514,302.00	4,110,825.04
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
2011	\$2,125,641.00	\$918,795.96	\$3,107,525.50	\$300,000.00	\$6,440,960.16	\$2,561,262.27	\$36,903,216.89
2010	1,819,578.00	775,082.42	3,327,131.00	300,000.00	6,113,061.09	2,533,895.25	36,006,630.15
2009	1,834,503.00	2,147,633.49	3,512,812.50	300,000.00	5,834,048.82	2,475,004.91	37,080,809.02
2008	390,890.08	1,925,839.63	3,257,386.37	300,000.00	5,577,121.58	2,414,185.08	35,780,880.76
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 NINE FISCAL YEARS  
UNAUDITED

Year	Taxes (1)	Delinquent Taxes	Fees, Permits, Fines and Licenses	State Aid	State and Federal Grants	From Other Funds	Surplus Anticipated
2011	\$23,557,527.19	\$908,992.20	\$398,863.06	\$1,463,466.00	\$550,895.96	\$750,000.00	\$4,125,000.00
2010	23,338,114.19	830,930.01	449,875.93	1,468,321.00	461,272.42	698,573.57	4,125,000.00
2009	23,628,374.26	774,422.89	471,537.41	1,798,996.00	2,147,633.49	850,000.00	3,200,000.00
2008	22,922,947.74	670,396.48	446,064.36	2,945,283.86	1,925,839.63	934,608.00	3,000,000.00
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
Year	Interlocal (Princeton Borough) Revenues	Sewer Revenue	Other Budget Revenues	Total			
2011	\$782,309.00	\$3,157,579.80	\$2,561,345.83	\$38,255,979.04			
2010	737,131.00	3,664,349.13	1,673,805.32	37,447,372.57			
2009	769,213.00	3,289,592.53	1,606,292.81	38,536,062.39			
2008	774,786.00	3,542,679.59	520,518.27	37,683,123.93			
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 EIGHT FISCAL YEARS  
UNAUDITED

Year	Net Assessed Valuation Taxable	Market Valuation	Percentage of Net Assessed To Market Value
2011	\$4,617,801,381	\$4,851,754,375	95.18%
2010	4,709,037,436	5,110,694,840	92.14%
2009	2,438,623,271	5,126,162,940	47.57%
2008	2,426,146,656	5,119,535,943	47.39%
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%

Table 4

TOWNSHIP OF PRINCETON  
COUNTY OF MERCER  
SCHEDULE OF TEN LARGEST TAXPAYERS - 2011  
UNAUDITED

Taxpayer	2011 Assessed Valuation	As a Percent of Total Net Assessed Taxable Valuation
Trustees of Princeton University	\$ 205,061,400	4.43%
Jasna Polana	34,780,900	0.75%
Princeton Shopping Center	30,741,400	0.66%
Thanet Road Associates LLC	13,563,000	0.29%
Church & Dwight	14,612,400	0.32%
Institute for Advanced Study	13,297,300	0.29%
Goldman Sachs	12,344,900	0.27%
Princeton Prof. PK LLC	11,261,700	0.24%
Health Horizons	10,212,900	0.22%
Qualtiy Assisted Living/Acorn	10,166,000	0.22%
	<u>\$ 356,041,900</u>	<u>7.69%</u>
Total Assessed Valuation Taxable in 2011	<u><u>\$4,632,219,596.00</u></u>	

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 SEVEN FISCAL YEARS  
UNAUDITED

Year	Population (1)	Average Equalized Valuation	Gross Debt	Ratio of Net Debt to Equalized Valuation	Gross Debt per Capita	Net Debt	Ratio of Net Debt to Equalized Valuation	Net Debt per Capita
2011	16,265	4,617,801,381	122,699,001	2.657%	7,543.74	90,758,538	1.965%	5,579.99
2010	16,265	4,709,037,436	121,772,748	2.586%	7,486.80	92,756,928	1.970%	5,702.85
2009	16,027	5,079,127,967	117,579,927	2.315%	7,336.37	86,277,027	1.699%	5,383.23
2008	16,027	4,991,013,241	118,182,880	2.368%	7,373.99	83,919,479	1.681%	5,236.13
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

(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**

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

Year	Principal	Interest	Total Gross Debt Service	Total Current Fund Governmental Expenditures	Ratio of Debt Service to Current Fund Expenditures
2011	\$4,083,990.00	\$2,356,970.16	6,440,960.16	\$36,903,216.89	17%
2010	3,787,587.80	2,325,473.29	6,113,061.09	36,006,630.15	17%
2009	3,642,188.56	2,191,860.26	5,834,048.82	37,080,809.02	16%
2008	3,959,308.06	1,617,813.52	5,577,121.58	35,780,880.76	16%
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%

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

Year	Total Gross Debt Service	Less Cash Reductions	Total Net Debt Service	Total Current Fund Governmental Expenditures	Ratio of Debt Service to Current Fund Expenditures
2011	\$6,440,960.16	\$2,299,453.31	4,141,506.85	34,603,763.58	12%
2010	6,113,061.09	2,477,778.62	3,635,282.47	33,528,851.53	11%
2009	5,834,048.82	2,865,873.85	2,968,174.97	34,214,935.17	9%
2008	5,577,121.58	1,028,484.92	4,548,636.66	34,752,395.84	13%
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%

Table 7

TOWNSHIP OF PRINCETON  
COUNTY OF MERCER  
DEMOGRAPHIC STATISTICS  
UNAUDITED

Population Growth

2010 Census	16,265
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>
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
2008	22	1,606	1,628
2009	22	1,470	1,492
2010	48	1,159	1,207
2011	72	1,128	1,200

Source: Township Construction Official

Table 8

TOWNSHIP OF PRINCETON  
COUNTY OF MERCER  
LABOR STATISTICS  
UNAUDITED

<u>Township of Princeton</u>	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployed</u>	<u>Unemployment Rate</u>
2011	9,712	9,541	171	1.80%
2010	9,682	9,509	174	1.80%
2009	9,677	9,502	175	1.80%
2008	9,743	9,644	99	1.00%
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%

<u>County of Mercer</u>	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployed</u>	<u>Unemployment Rate</u>
2011	208,203	192,143	16,060	7.70%
2010	203,947	188,013	15,934	7.81%
2009	203,551	187,710	15,841	7.80%
2008	200,226	190,470	9,756	4.90%
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%

<u>State of New Jersey</u>	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployed</u>	<u>Unemployment Rate</u>
2011	4,556,200	4,131,800	424,400	9.30%
2010	4,502,400	4,076,700	425,700	9.45%
2009	4,536,661	4,118,367	418,294	9.20%
2008	4,496,700	4,251,200	245,500	5.50%
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%

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 (2011)  
UNAUDITED

Number of Line Items in Each Property Classification	Real Property Classification	Assessed Valuation 2011	As a Percent of Total Net Assessed Valuation Taxable
357	Vacant Land	\$ 84,213,400	1.82%
4902	Residential (4 family or less)	4,028,443,799	87.24%
18	Farm (Regular)	38,603,900	84.00%
38	Farm (Qualified)	324,210	1.00%
134	Commercial	326,090,500	7.06%
2	Industrial	8,981,700	19.00%
135	Apartment	126,336,600	2.74%

**TOWNSHIP OF PRINCETON  
COUNTY OF MERCER, NEW JERSEY  
FOR YEAR ENDED DECEMBER 31, 2011**

**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, 2011, 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.

**INTERNAL CONTROL MATTERS**

In planning and performing our audit of the financial statements of the Township of Princeton, County of Mercer, New Jersey as of and for the fiscal year ended December 31, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the Township's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

With respect to the reporting of internal control matters, standards require that only a significant deficiency and/or a material weakness need be reported in writing to management and those charged with governance.



## GENERAL COMMENTS

The control deficiencies reported are not considered to be significant deficiencies nor material weaknesses. In addition, these control deficiencies are not required to be reported in writing, however, control deficiencies are presented to management and those charged with governance in this report as a means to present those matters identified in the review of the Township's internal controls and as a means to inform management and those charged with governance as to the auditing standards requirements with respect to internal controls.

As indicated below, we identified certain deficiencies in internal control that we consider to be control deficiencies.

### Control Deficiencies

#### 2011-1. Segregation of Duties

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

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

## OTHER MATTERS

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

N.J.S.A. 40A:11-4 states "Every contract 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 other wise 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 the bid threshold within the fiscal year. The bid threshold is \$36,000.00 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 \$17,500.00. Where 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:

Road materials; trees; shrubs

#### Equipment:

Wheel Loader

#### Contracts:

Deer Management; building cleaning, road improvements, culvert project, landscaping, new pool, solar feasibility study, dam rehabilitation

#### State Approved Contracts for the Following Purchases:

Office Furniture; Computers; oil

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>
Grant Fund	\$0.00	\$511,692.00
General Capital Fund	<u>511,692.00</u>	<u>0.00</u>
Total	<u>\$511,692.00</u>	<u>\$511,692.00</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, 2011 to December 31, 2011. Earnings from the investments are shown as revenue in the various accounts of the Township as of December 31, 2011. 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.

## GENERAL COMMENTS

### 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 in accordance with the governing documents for all items in the test population.

### Municipal Court

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

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

### Administration and Accounting for State & Federal Grants

The Township operated various programs during 2011, 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 2011 for the purpose authorized and monitoring procedures appeared adequate to assure that grant objectives were met.

### 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, 2011 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 \$39,305.64 at December 31, 2011. Bonds were sold as general improvement bonds rather than assessment bonds in 2006 and 2008. During 2010 assessments were confirmed for many of the projects that had been completed. The receipts from these confirmed assessments should be used to offset the amount of debt issued for completion of the projects. Amounts received are recorded as fund balance in the assessment trust fund and then realized as revenue in the following year. The amounts that will be realized as revenue in the current fund for the 2011 and 2012 are \$100,000 and \$150,000.

### Affordable Housing Fund

The results of operation for the Affordable Housing Utility Fund is set forth in Exhibit – D-1 of this report. Realized revenues amounted to \$608,049.90 and expenditures amounted to \$565,439.42 resulting in excess revenues of \$42,610.48. 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 \$42,610.48, 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, 2011. 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

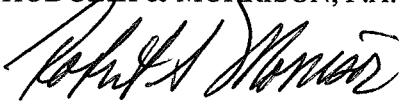
The problems and weaknesses noted in our audit were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

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.

A handwritten signature in black ink, appearing to read "Robert S. Morrison", is written over the printed name.

Robert S. Morrison  
Registered Municipal Accountant  
No. 412