BOROUGH OF PRINCETON

COUNTY OF MERCER

REPORT OF AUDIT

DECEMBER 31, 2012

William E. Antonides and Company
Certified Public Accountants

2807 Hurley Pond Road
Wall, NJ 07719

BOROUGH OF PRINCETON - COUNTY OF MERCER

TABLE OF CONTENTS

Exhibit		Page
	PART I	
	Independent Auditor's Report	1-3
	CURRENT FUND	
A	Balance Sheet - Regulatory Basis as at December 31, 2012 and 2011	4-5
A-1	Statement of Operations and Change in Fund Balance - Regulatory Basis	6-7
A-2	Statement of Revenues - Regulatory Basis	8-11
A-3	Statement of Expenditures - Regulatory Basis	12-19
	TRUST FUND	
B	Balance Sheet - Regulatory Basis as at December 31, 2012 and 2011	20
B-1	Statement of Fund Balance - Regulatory Basis - Assessment Trust Fund	21
	GENERAL CAPITAL FUND	
C	Balance Sheet - Regulatory Basis as at December 31, 2012 and 2011	22
C-1	Statement of Fund Balance - Regulatory Basis	23
	PARKING UTILITY FUND	
D	Balance Sheet - Regulatory Basis as at December 31, 2012 and 2011	24
D-1	Statement of Operations and Change in Fund Balance - Regulatory Basis	25
D-2	Statement of Fund Balance - Regulatory Basis	25
D-3	Statement of Revenues - Regulatory Basis	26
D-4	Statement of Expenditures - Regulatory Basis	27
	PUBLIC ASSISTANCE TRUST FUND	
E	Balance Sheet - Regulatory Basis as at December 31, 2012 and 2011	28

BOROUGH OF PRINCETON - COUNTY OF MERCER

TABLE OF CONTENTS

Exhibit		Page
	PAYROLL FUND	
G	Balance Sheet - Regulatory Basis as at December 31, 2012	29
	GENERAL FIXED ASSETS ACCOUNT GROUP	
H	Balance Sheet - Regulatory Basis as at December 31, 2012 and 2011	30
	AFFORDABLE HOUSING UTILITY FIND	
S	Balance Sheet - Regulatory Basis as at December 31, 2012 and 2011	31
S-1	Statement of Operations and Change in Fund Balance - Regulatory Basis	32
S-2	Statement of Fund Balance - Regulatory Basis	33
S-3	Statement of Revenues - Regulatory Basis	33
S-4	Statement of Expenditures - Regulatory Basis	34
	Notes to Financial Statements	35-55
	PART II	
	Supplementary Data	56-58
	Officials in Office and Surety Bonds	59
	CURRENT FUND	
A-4	Schedule of Cash - Treasurer	60
A-5	Schedule of Cash - Collector	61
A-6	Schedule of Taxes Receivable and Analysis of Property Tax Levy	62
A-7	Schedule of Tax Title Liens	63
A-8	Schedule of Sewer Charges Receivable	63
A-9	Schedule of Revenue Accounts Receivable	64
A-10	Schedule of Appropriation Reserves	65-69

BOROUGH OF PRINCETON - COUNTY OF MERCER

TABLE OF CONTENTS

Exhibit		Page
	CURRENT FUND	
A-11	Schedule of County Taxes Payable	70
A-12	Schedule of Regional School District Tax	70
A-13	Schedule of Municipal Open Space Tax	70
A-14	Schedule of Interfunds	71
A-15	Grant Fund - Schedule of Interfund	72
A-16	Grant Fund - Schedule of Grants Receivable	73
A-17	Grant Fund - Schedule of Appropriated Reserves	74
A-18	Grant Fund - Schedule of Unappropriated Reserves	75
	TRUST FUND	
B-2	Schedule of Cash - Treasurer	76
B-3	Analysis of Cash	77
B-4	Schedule of Assessments Receivable - Assessment Trust Fund	78
B-5	Schedule of Reserve for Assessments - Assessment Trust Fund	79
B-6	Schedule of Serial Bonds Payable - Assessment Trust Fund	80
B-7	Schedule of Reserve for Animal Control - Animal Control Trust Fund	81
B-8	Schedule of Interfund - Trust-Other Fund - Current Fund	81
B-9	Schedule of Miscellaneous Reserves	82
B-10	Schedule of Reserve for Open Space	83

BOROUGH OF PRINCETON - COUNTY OF MERCER

TABLE OF CONTENTS

Exhibit		Page
	GENERAL CAPITAL FUND	
C-2	Schedule of Cash - Treasurer	84
C-3	Analysis of Cash	85-86
C-4	Schedule of Deferred Charges to Future Taxation - Funded	87
C-5	Schedule of Deferred Charges to Future Taxation - Unfunded	88
C-6	Schedule of Interfunds	89
C-7	Schedule of Capital Improvement Fund	89
C-8	Schedule of Improvement Authorizations	90-91
C-9	Schedule of General Serial Bonds	92
C-10	Schedule of New Jersey Environmental Infrastructure Trust Loans Receivable	93
C-11	Schedule of New Jersey Environmental Infrastructure Trust Loans Payable	94
C-12	Schedule of Bonds and Notes Authorized but not Issued	95
	PARKING UTILITY FUND	
D-5	Schedule of Parking Utility Fund - Cash	96
D-6	Analysis of Parking Utility Capital Cash	97
D-7	Schedule of Fixed Capital	97
D-8	Schedule of Fixed Capital Authorized and Uncompleted	98
D-9	Schedule of Appropriation Reserves	99
D-10	Schedule of Accrued Interest on Bonds	100
D-11	Schedule of Improvement Authorizations	101
D-12	Schedule of Reserve for Deferred Amortization	102
D-13	Schedule of Serial Bonds Payable	103
D-14	Schedule of Bonds and Notes Authorized but not Issued	104

BOROUGH OF PRINCETON - COUNTY OF MERCER

TABLE OF CONTENTS

Exhibit		Page
	PUBLIC ASSISTANCE TRUST FUND	
E-1	Schedule of Cash - Treasurer and Petty Cash	105
E-2	Schedule of Prepaid State Aid	105
E-3	Schedule of Reserve for Public Assistance	106
	AFFORDABLE HOUSING UTILITY FUND	
S-5	Schedule of Cash - Collector-Treasurer	107
S-6	Schedule of Interfunds - Operating Fund	107
S-7	Schedule of Reserve for Affordable Housing	108
S-8	Analysis of Affordable Housing Utility Capital Cash	108
S-9	Schedule of Fixed Capital Authorized and Uncompleted	109
S-10	Schedule of Interfunds - Capital Fund	110
S-11	Schedule of Improvement Authorizations	111
S-12	Schedule of Bonds and Notes Authorized but not Issued	112
	PART III	
	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 - Independent Auditor's Report	113-114

BOROUGH OF PRINCETON - COUNTY OF MERCER

TABLE OF CONTENTS

Schedule		Page
	PART IV	
	Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133 - Independent Auditor's Report	115-117
1	Schedule of Expenditures of Federal Awards	118
	Notes to Schedule of Expenditures of Federal Awards	119-120
	Schedule of Findings and Questioned Costs	121-123
	PART V	
	Scope of Audit	124
	General Comments	124-126
	Follow-up of Prior Year Findings	127
	Findings/Recommendations	127
	Acknowledgement	127

BOROUGH OF PRINCETON

COUNTY OF MERCER

PART I

AUDITOR'S REPORT OF THE BOROUGH'S FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

William E. Antonides and Company
CERTIFIED PUBLIC ACCOUNTANTS

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

EDWARD J. SIMONE, C.P.A., R.M.A., P.S.A.

DOROTHY S. GALLAGHER, C.P.A., R.M.A., P.S.A.
DONALD F. HILL, C.P.A., P.S.A.
CHI-LING LAI, C.P.A., P.S.A.
WAYNE M. SIBILIA, C.P.A., P.S.A.

Telecopier:
732-681-4033

e-mail:
antonidescpa@monmouth.com

Monmouth County Office:
2807 Hurley Pond Road
Suite 200
P.O. Box 1137
Wall, New Jersey 07719-1137
732-681-0980

Ocean County Office:
506 Hooper Avenue, Suite B
Toms River, New Jersey 08753-7704
732-914-0004

INDEPENDENT AUDITOR'S REPORT

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

and to the former

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

Report on Financial Statements

We have audited the financial statements - regulatory basis of the various funds of the Borough of Princeton (the "Borough"), in the County of Mercer, State of New Jersey, as of and for the years ended December 31, 2012 and 2011, and the related notes to financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the Unites States of America, audit requirements prescribed by the Division and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Auditor's Responsibility (Continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, these financial statements have been prepared in conformity with accounting principles prescribe the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with statutory and regulatory requirements of the State of New Jersey. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for the Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to in the first paragraph, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2012 and 2011, and the results of it operations for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements - regulatory basis referred to above, present fairly, in all material respects, the financial position of the various funds of the Borough as of December 31, 2012 and 2011, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended in accordance with accounting principles on the basis of financial reporting provisions prescribed by the Division, as described in Note 1.

Other Matters

Other Information

As discussed in Note 15 to the financial statements the Borough of Princeton and the Township of Princeton merged effective January 1, 2013. Our opinion is not modified with respect to this matter.

Other Matters (Continued)

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The supplementary financial schedules listed in the table of contents are required by the Division and are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular Letter A-133, *Audits of States, Local Government and Non-Profit Organizations*, and is also not a required part of the financial statements.

The supplementary financial schedules and the schedule of expenditures of federal awards, referred to in the preceding paragraph, are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary financial schedules and the schedule of federal awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2013, on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control over financial reporting and compliance.

William E. Antonides and Company

Independent Auditors

William E. Antonides, Jr.
Registered Municipal Accountant
Certified Public Accountant

Wall Township, New Jersey
October 15, 2013

BOROUGH OF PRINCETON - COUNTY OF MERCER

BALANCE SHEET - CURRENT FUND

Exhibit A

REGULATORY BASIS

Sheet 1 of 2

DECEMBER 31, 2012 AND 2011

	Ref.	2012	2011
Assets			
Cash and Cash Equivalents	A-4	$ 9,036,848.18	$ 6,983,480.57
Change Funds		940.00	940.00
		9,037,788.18	6,984,420.57
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	697,505.09	906,813.62
Tax Title Lien	A-7	9,366.05	9,994.41
Sewer Charges Receivable	A-8	197,071.15	
Interfunds:			
Payroll Fund	A-14	300,000.00	
General Capital Fund	A-14		300,000.00
Other Trust Fund	A-14	165.99	171.63
Animal Control Trust Fund	A-14	5,965.23	
		1,210,073.51	1,216,979.66
Deferred Charges:			
Special Emergency Authorizations (40A:4-55)	A-3	186,602.00	123,204.00
		10,434,463.69	8,324,604.23
Grant Fund:			
Cash	A-4	366,974.41	654,926.58
Grants Receivable	A-16	67,498.36	75,463.89
		434,472.77	730,390.47
		$ 10,868,936.46	$ 9,054,994.70

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

BOROUGH OF PRINCETON - COUNTY OF MERCER

BALANCE SHEET - CURRENT FUND **Exhibit A**

REGULATORY BASIS **Sheet 2 of 2**

DECEMBER 31, 2012 AND 2011

	Ref.	2012	2011
Liabilities, Reserves and Fund Balance			
Liabilities:			
Appropriation Reserves	A-3,10	$ 1,805,922.66	$ 1,588,644.61
Reserve for Encumbrances	A-3,10	350,041.41	319,248.51
Accounts Payable	A-4	32,998.60	38,758.60
Due to State of New Jersey:			
Various Fees	A-4	1,336.20	
Senior Citizen and Veteran Deductions	A-4,6	9,098.09	8,676.17
Reserve for:			
Due to Township of Princeton	A-1		160,742.76
Preparation of Tax Map	A-3	125,000.00	
Payroll Deductions	A-4	73,649.30	61,222.32
Due to Lien Holder	A-5	72,379.11	
Historic Buffer Grant		12,000.00	12,000.00
Sale of Municipal Assets	A-4	36,124.18	36,546.67
Revaluation	A-4	53,191.01	57,391.01
Tax Overpayments	A-1,4		8,311.23
Sewer Overpayments	A-5	56,441.56	
Prepaid Taxes	A-5,6	438,119.56	364,220.54
County Taxes Payable	A-11	64,921.30	184,821.76
Interfunds:			
Animal Control Trust Fund	A-14		3.60
Assessment Trust Fund	A-14	3,000.00	
General Capital Fund	A-14	232,746.00	
		3,366,968.98	2,840,587.78
Reserve for Receivables and Other Assets		1,210,073.51	1,216,979.66
Fund Balance	A-1	5,857,421.20	4,267,036.79
		10,434,463.69	8,324,604.23
Grant Fund:			
Appropriated Reserves	A-17	407,045.85	713,238.66
Reserve for Encumbrances	A-17	15,575.27	7,300.16
Unappropriated Reserves	A-18	11,851.65	9,851.65
		434,472.77	730,390.47
		$ 10,868,936.46	$ 9,054,994.70

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

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-1

STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

Sheet 1 of 2

REGULATORY BASIS

	Ref.	Year 2012	Year 2011
Revenue and Other Income Realized			
Fund Balance Utilized	A-2	$ 800,000.00	$ 800,000.00
Miscellaneous Revenue Anticipated	A-2	15,205,040.77	15,381,782.41
Receipts from Delinquent Taxes	A-2	703,657.73	544,068.31
Receipts from Current Taxes	A-2	45,472,363.65	44,542,641.03
Non-Budget Revenues	A-2	399,369.81	538,678.10
Other Credits to Income:			
Prior Year Reserve Due to Princeton Township - Cancelled	A	160,742.76	
Princeton Township Revenue Allocation - Cancelled	A-4	52,444.38	
Unexpended Balance of Appropriation Reserves	A-10	881,348.23	552,578.95
Statutory Excess - Animal Control Trust Fund	A-14	5,996.43	
Prior Period Tax Overpayments Cancelled		4,181.02	
Total Income		63,685,144.78	62,359,748.80
Expenditures			
Budget:			
Appropriations within Caps:			
Operations:			
Salaries and Wages		7,096,810.35	7,061,779.84
Other Expenses		6,900,822.75	6,196,463.75
Deferred Charges and Statutory Expenditures		1,830,182.78	1,998,690.00
Appropriations excluded from Caps:			
Operations:			
Salaries and Wages		1,427,825.75	1,403,566.60
Other Expenses		4,149,927.60	4,502,296.23
Capital Improvements		299,330.00	299,327.60
Municipal Debt Service		3,822,738.55	3,868,294.97
Deferred Charges		61,602.00	63,152.00
	A-3	25,589,239.78	25,393,570.99
County Taxes	A-11	13,225,350.32	12,534,514.70
Regional District School Taxes	A-12	22,380,495.14	21,970,881.83
Municipal Open Space Taxes	A-13	218,685.54	219,664.92
Interfund Advances		5,959.59	298,304.38
Prior Year Senior Citizens Deductions Disallowed			500.00
Refund of Prior Year Revenue			1,079.00
Total Expenditures		61,419,730.37	60,418,515.82

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

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-1

STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

Sheet 2 of 2

REGULATORY BASIS

	Ref.	Year 2012	Year 2011
Excess in Revenue		$ 2,265,384.41	$ 1,941,232.98
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year		125,000.00	300,000.00
Statutory Excess to Fund Balance		2,390,384.41	2,241,232.98
Fund Balance January 1	A	4,267,036.79	2,825,803.81
		6,657,421.20	5,067,036.79
Decreased by:			
Utilization as Anticipated Revenue	A-2	800,000.00	800,000.00
Fund Balance December 31	A	$ 5,857,421.20	$ 4,267,036.79

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

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

Exhibit A-2

Sheet 1 of 4

	Ref.	Anticipated Budget	Anticipated Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	$ 800,000.00	$	$ 800,000.00	$
Miscellaneous Revenues					
Licenses:					
Alcoholic Beverages	A-9	47,000.00		47,252.00	252.00
Other	A-9	16,200.00		22,214.22	6,014.22
Fees and Permits:					
Other	A-9	133,400.00		206,093.38	72,693.38
Fines and Costs:					
Municipal Court	A-9	1,176,714.00		1,172,774.52	(3,939.48)
Interest and Costs on Taxes	A-9	92,905.00		110,854.96	17,949.96
Interest on Investments and Deposits	A-9	71,700.00		93,636.61	21,936.61
Anticipated Utility Operating Surplus	A-9	1,493,790.00		1,493,790.00	
Sewer Service Charges	A-8	3,420,337.69		3,594,479.03	174,141.34
Princeton University Donation	A-9	1,700,000.00		1,700,000.00	
Street Opening Inspection Fees	A-9	2,600.00		5,134.00	2,534.00
Life Hazard Use Fees	A-9	42,900.00		88,414.94	45,514.94
Fire and Housing Inspection Fees	A-9	208,000.00		198,713.00	(9,287.00)
Passport Fees	A-9	11,600.00		11,850.00	250.00
State Aid:					
Consolidated Municipal Property Tax Relief	A-9	38,219.00		38,219.00	
Energy Receipts Taxes	A-9	950,736.00		950,736.00	
Uniform Construction Code Fees	A-9	672,400.00		955,010.00	282,610.00
Special Items:					
State and Federal Programs Offset with Appropriations :					
Clean Communities Program	A-16		12,670.39	12,670.39	
Alcohol Education and Rehabilitation Fund	A-16		6,583.49	6,583.49	

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

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-2

STATEMENT OF REVENUES - REGULATORY BASIS

Sheet 2 of 4

	Ref.	Anticipated Budget	Anticipated Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Miscellaneous Revenues (Continued)					
Special Items (Continued):					
State and Federal Programs Offset with Appropriations (Continued):					
Princeton University - Fire Director - Salaries and Wages	A-16	$	$ 20,000.00	$ 20,000.00	$
Princeton University - Fire Equipment	A-16	20,000.00		20,000.00	
Princeton University - Prospect Avenue Street Lighting	A-16	7,654.00		7,654.00	
Bonner Foundation	A-16	21,500.00		21,500.00	
Division of Highway Traffic Safety - Over the Limit	A-16		5,000.00	5,000.00	
Body Armor Grant	A-16		3,126.97	3,126.97	
Recycling Tonnage Grant	A-16		15,907.75	15,907.75	
Other:					
Interlocal Service Agreements:					
Princeton Township Joint Services:					
Solid Waste Management	A-9	108,576.00		108,576.00	
Maintenance of Sewer Facilities	A-9	775,036.00		775,036.00	
Animal Control	A-9	63,967.00		63,967.00	
Health Services	A-9	294,621.00		294,621.00	
Fire Services	A-9	141,012.00		141,012.00	
Fire Facilities	A-9	71,272.00		71,272.00	
Senior Citizen Program	A-9	98,134.00		97,162.00	(972.00)
LOSAP Alternative		26,550.00			(26,550.00)
Flu Program	A-9	7,260.00		7,260.00	
Princeton Theological Seminary		204,000.00			(204,000.00)
Payment in Lieu of Taxes - Elm Court PILOT	A-9	74,000.00		76,109.00	2,109.00
Chamber Street Land Lease	A-9	102,000.00		115,380.00	13,380.00
Stony Brook Sewer Industrial User Fees	A-9	25,000.00		25,395.00	395.00
Assessment Trust Fund - Fund Balance	A-9	25,000.00		25,000.00	
Engineering Developer Fees	A-9	23,000.00		23,000.00	

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

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

Exhibit A-2

Sheet 3 of 4

	Ref.	Anticipated Budget	Anticipated Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Miscellaneous Revenues (Continued)					
Special Items (Continued):					
Other (Continued):					
Open Space Trust	A-9	$ 201,000.00	$	$ 201,000.00	$
Hotel/Motel Tax	A-9	208,000.00		214,436.55	6,436.55
General Capital Fund - Fund Balance	A-9	2,164,199.96		2,164,199.96	
	A-1	14,740,283.65	63,288.60	15,205,040.77	401,468.52
Receipts from Delinquent Taxes	A-1,6	694,703.00		703,657.73	8,954.73
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2	10,256,351.90		10,678,700.57	422,348.67
Budget Totals		26,491,338.55	63,288.60	27,387,399.07	832,771.92
Non-Budget Revenues	A-1,2			399,369.81	399,369.81
		$ 26,491,338.55	$ 63,288.60	$ 27,786,768.88	$ 1,232,141.73
	Ref.	A-3	A-3		

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

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-2

STATEMENT OF REVENUES - REGULATORY BASIS

Sheet 4 of 4

	Ref.	
Analysis of Realized Revenues		
Allocation of Current Tax Collection		
Revenue from Collections	A-1,6	$ 45,472,363.65
Allocated to Regional School, County and Municipal Open Space Taxes	A-11,12,13	35,824,531.00
Balance for Support of Municipal Budget Appropriations		9,647,832.65
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	1,030,867.92
Amount for Support of Municipal Appropriations	A-2	$ 10,678,700.57
Analysis of Non-Budget Revenue		
Miscellaneous Revenue not Anticipated:		
JIF Refund		$ 5,615.98
In Lieu of Taxes		246,717.66
Miscellaneous		40,217.48
NJ Motor Vehicle Fines		3,994.00
Reimbursements		12,959.00
Special Duty Administrative Fees		38,326.00
Stoney Brook Industrial User Fees		39,193.98
FEMA Reimbursement		12,345.71
	A-2,4	$ 399,369.81

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

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 1 of 8

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
OPERATIONS WITHIN CAPS					
Mayor and Council					
Salaries and Wages	$ 60,000.00	$ 60,000.00	$ 60,000.00	$	$
Other Expenses	61,644.00	61,644.00	46,655.92	14,988.08	
Administrative and Executive					
Salaries and Wages	280,314.00	280,314.00	275,191.17	5,122.83	
Other Expenses	122,119.00	122,119.00	81,903.76	40,215.24	
Municipal Clerk					
Salaries and Wages	155,383.00	155,383.00	138,773.61	16,609.39	
Other Expenses	52,594.00	52,594.00	51,164.65	1,429.35	
Elections					
Salaries and Wages	3,600.00	3,600.00	1,398.69	2,201.31	
Other Expenses	5,700.00	5,700.00	155.37	5,544.63	
Financial Administration					
Salaries and Wages	174,146.00	174,146.00	170,121.68	4,024.32	
Miscellaneous Other Expenses	22,115.00	22,115.00	11,516.46	10,598.54	
Audit	34,900.00	34,900.00	34,900.00		
Collection of Taxes					
Salaries and Wages	86,911.00	66,711.00	38,753.73	27,957.27	
Other Expenses	13,250.00	13,250.00	13,227.63	22.37	
Assessment of Taxes					
Preparation of an Approved Tax Map		125,000.00	125,000.00		
Legal Services and Costs					
Other Expenses	236,905.00	236,905.00	182,257.49	54,647.51	
Defense of Tax Appeals	40,000.00	40,000.00	34,855.50	5,144.50	
Engineering Services and Costs					
Salaries and Wages	223,059.75	223,059.75	223,059.75		
Other Expenses	116,564.00	116,564.00	25,404.20	91,159.80	
Municipal Prosecutor					
Other Expenses	37,200.00	37,200.00	37,200.00		

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

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 2 of 8

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Municipal Court					
Salaries and Wages	$ 315,562.00	$ 315,562.00	$ 294,709.09	$ 20,852.91	$
Other Expenses	25,521.75	25,521.75	25,521.75		
Public Defender					
Other Expenses	37,200.00	37,200.00	37,200.00		
Public Buildings and Grounds					
Salaries and Wages	507,498.00	507,498.00	469,264.96	38,233.04	
Other Expenses	104,697.00	104,697.00	98,505.17	6,191.83	
Municipal Land Use Law (N.J.S .40:550-1)					
Planning Board (JOINT)					
Other Expenses	116,912.00	116,912.00	116,912.00		
Environmental Commission					
Other Expenses	2,243.00	2,243.00	2,243.00		
Shade Tree Commission					
Salaries and Wages	119,953.00	119,953.00	119,882.52	70.48	
Other Expenses	14,250.00	14,250.00	7,145.00	7,105.00	
Insurance					
General Liability	289,453.00	289,453.00	289,453.00		
Workers Compensation	292,727.00	292,727.00	130,047.00	162,680.00	
Employee Group Health	2,301,516.00	2,301,516.00	2,181,041.78	120,474.22	
Fire					
Salaries and Wages	10,000.00	10,000.00	9,900.37	99.63	
Other Expenses:					
Fire Hydrant Service	150,000.00	150,000.00	115,398.36	34,601.64	
Miscellaneous Other Expenses	57,523.00	57,523.00		57,523.00	
Fire Facilities	49,528.00	49,528.00	42,229.82	7,298.18	
Police					
Salaries and Wages	3,757,322.60	3,757,322.60	3,754,712.37	2,610.23	
Miscellaneous Other Expenses	201,650.00	201,650.00	178,356.26	23,293.74	
Fire Inspectors					
Salaries and Wages	365,871.00	367,971.00	367,567.04	403.96	
Other Expenses	18,240.00	18,240.00	17,633.97	606.03	

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

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 3 of 8

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Modification	Paid or Charged	Reserved	
Emergency Management Services					
Other Expenses	$ 8,700.00	$ 8,700.00	$ 3,544.84	$ 5,155.16	$
Road Repair and Maintenance					
Salaries and Wages	567,534.00	567,534.00	496,147.89	71,386.11	
Other Expenses	93,299.00	93,299.00	28,111.71	65,187.29	
Street Lighting					
Other Expenses	135,000.00	135,000.00	92,453.91	42,546.09	
Mechanics					
Salaries and Wages	137,113.00	137,113.00	133,209.00	3,904.00	
Other Expenses	88,010.00	98,010.00	89,117.27	8,892.73	
Maintenance of Sewerage Facilities					
Salaries and Wages	500.00	500.00		500.00	
Other Expenses	54,889.00	54,889.00	54,347.88	541.12	
Garbage and Trash Removal					
Other Expenses	552,400.00	552,400.00	468,365.41	84,034.59	
Solid Waste Disposal					
Salaries and Wages	10,000.00	10,000.00		10,000.00	
Other Expenses	111,951.00	111,951.00	40,527.89	71,423.11	
NJ PEOSHA					
Other Expenses	1,000.00	1,000.00		1,000.00	
Board of Health					
Salaries and Wages	10,000.00	37,000.00	36,400.92	599.08	
Other Expenses	39,234.00	39,234.00	35,571.03	3,662.97	
Flu Program	3,740.00	3,740.00		3,740.00	
Animal Control					
Salaries and Wages	1.00	1,101.00	754.62	346.38	
Other Expenses	1.00	1.00		1.00	
Save Boarding Costs and Animal Care					
Other Expenses	5,510.00	5,510.00	5,000.00	510.00	
Drug Abuse Program (Corner House)					
Other Expenses	125,924.00	125,924.00	125,923.50	.50	

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

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 4 of 8

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Joint Recreation Board- Borough's Share					
Other Expenses	$ 425,496.00	$ 425,496.00	$ 425,496.00	$	$
Senior Citizens Program					
Other Expenses	98,134.00	98,134.00	55,221.59	42,912.41	
Department of Human Services					
Other Expenses	70,983.00	70,983.00	70,982.50	.50	
Celebration of Public Events					
Other Expenses	7,000.00	7,000.00		7,000.00	
Uniform Construction Code- Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)					
Construction Official					
Salaries and Wages	302,042.00	302,042.00	243,551.17	58,490.83	
Other Expenses	59,100.00	59,100.00	30,714.58	28,385.42	
Unclassified:					
Salary and Wage Adjustment	30,000.00				
Condo Services Reimbursement	8,000.00	8,000.00		8,000.00	
Accumulated Leave Compensation	100,000.00	100,000.00	84,556.28	15,443.72	
Utilities:					
Gasoline	140,000.00	140,000.00	100,073.56	39,926.44	
Telephone	73,000.00	83,000.00	79,783.44	3,216.56	
Electricity and Natural Gas	140,000.00	140,000.00	94,505.59	45,494.41	
Water	10,000.00	10,000.00	7,369.06	2,630.94	
Total Operations within Caps	13,872,633.10	13,997,633.10	12,610,992.71	1,386,640.39	
Detail:					
Salaries and Wages	7,116,810.35	7,096,810.35	6,833,398.58	263,411.77	
Other Expenses	6,755,822.75	6,900,822.75	5,777,594.13	1,123,228.62	

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

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 5 of 8

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
STATUTORY EXPENDITURES WITHIN CAPS					
Contribution to:					
Public Employees Retirement System	$ 586,735.00	$ 586,735.00	$ 586,735.00	$	$
Social Security System	458,496.00	458,496.00	420,419.51	38,076.49	
Consolidated Police and Firemen's Fund	21,000.00	21,000.00	20,987.62	12.38	
Police and Firemen's Retirement System of NJ	713,951.78	713,951.78	713,951.78		
Unemployment	50,000.00	50,000.00	7,134.16	42,865.84	
Total Statutory Expenditures within Caps	1,830,182.78	1,830,182.78	1,749,228.07	80,954.71	
Total Appropriations within Caps	15,702,815.88	15,827,815.88	14,360,220.78	1,467,595.10	
OPERATIONS EXCLUDED FROM CAPS					
Implementation and Maintenance of 911 Communication System					
Police					
Salaries and Wages	347,126.75	347,126.75	248,814.29	98,312.46	
Other Expenses	110,916.00	110,916.00	110,916.00		
Maintenance of Joint Free Public Library					
Proportionate Share (R.S. 40-29.17)	1,360,883.00	1,360,883.00	1,348,711.67	12,171.33	
Stony Brook Regional Sewerage Authority					
Stony Brook Sewer Main Stabilization Other Expenses	1,870,710.00	1,870,710.00	1,835,709.82	35,000.18	
Share of Costs					
Stony Brook Sewer Industrial User Fee	50,000.00	50,000.00	15,880.49	34,119.51	
Reserve for Tax Appeals	5,000.00	5,000.00		5,000.00	
Employee Group Health	134,247.00	134,247.00	134,247.00		
Interlocal Service Agreements:					
Solid Waste					
Salaries and Wages	56,842.00	56,842.00	53,454.63	3,387.37	
Other Expenses	51,734.00	51,734.00	51,734.00		
Maintenance of Sewer Facilities					
Salaries and Wages	681,861.00	681,861.00	553,970.49	127,890.51	
Other Expenses	93,175.00	93,175.00	93,175.00		

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

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 6 of 8

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Interlocal Service Agreements (Continued):					
Fire					
Salaries and Wages	$ 10,285.00	$ 10,285.00	$ 10,285.00	$	$
Other Expenses	130,727.00	130,727.00	127,422.32	3,304.68	
Fire Facilities	71,272.00	71,272.00	71,272.00		
LOSAP Alternative	26,550.00	26,550.00	15,133.50	11,416.50	
Health					
Salaries and Wages	274,575.00	274,575.00	274,575.00		
Other Expenses	20,046.00	20,046.00	20,046.00		
Flu Program	7,260.00	7,260.00		7,260.00	
Animal Control					
Salaries and Wages	57,136.00	57,136.00	57,136.00		
Other Expenses	6,831.00	6,831.00	6,365.98	465.02	
Senior Citizens Program					
Other Expenses	98,134.00	98,134.00	98,134.00		
Public and Private Programs Offset by Revenues:					
Alcohol Education and Rehabilitation Fund		6,583.49	6,583.49		
Bonner Foundation	21,500.00	21,500.00	21,500.00		
Body Armor		3,126.97	3,126.97		
Clean Communities Grant		12,670.39	12,670.39		
Over the Limit, Under Arrest - 2011 Statewide Crackdown		5,000.00	5,000.00		
Princeton University - Fire Director		20,000.00	20,000.00		
Princeton University - Fire Equipment	20,000.00	20,000.00	20,000.00		
Princeton University - Prospect Avenue Lighting	7,654.00	7,654.00	7,654.00		
Recycling Tonnage Grant		15,907.75	15,907.75		
Total Operations excluded from Caps	5,514,464.75	5,577,753.35	5,239,425.79	338,327.56	
Detail:					
Salaries and Wages	1,427,825.75	1,427,825.75	1,198,235.41	229,590.34	
Other Expenses	4,086,639.00	4,149,927.60	4,041,190.38	108,737.22	

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

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 7 of 8

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
CAPITAL IMPROVEMENTS EXCLUDED FROM CAPS					
Capital Improvement Fund	$ 290,000.00	$ 290,000.00	$ 290,000.00	$	$
Institute Lands Preservation	9,330.00	9,330.00	9,330.00		
Total Capital Improvements excluded from Caps	299,330.00	299,330.00	299,330.00		
MUNICIPAL DEBT SERVICE EXCLUDED FROM CAPS					
Payment of Bond Principal	2,299,254.00	2,299,254.00	2,299,254.00		
Interest on Bonds	983,536.00	983,536.00	983,535.42		.58
Environmental Infrastructure Loan Program	599,468.00	599,468.00	539,949.13		59,518.87
Total Municipal Debt Service excluded from Caps	3,882,258.00	3,882,258.00	3,822,738.55		59,519.45
DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM CAPS					
Special Emergency Authorizations 5 Years (N.J.S.A. 40A:4-55)	61,602.00	61,602.00	61,602.00		
Total General Appropriations excluded from Caps	9,757,654.75	9,820,943.35	9,423,096.34	338,327.56	59,519.45
Subtotal General Appropriations	25,460,470.63	25,648,759.23	23,783,317.12	1,805,922.66	59,519.45
Reserve for Uncollected Taxes	1,030,867.92	1,030,867.92	1,030,867.92		
Total General Appropriations	$ 26,491,338.55	$ 26,679,627.15	$ 24,814,185.04	$ 1,805,922.66	$ 59,519.45
		A-1,3	A-3	A	A-1

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

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 8 of 8

	Ref.	
Adopted Budget	A-2	$ 26,491,338.55
Special Emergency Authorization	A	125,000.00
Appropriated by 40A:4-87	A-2	63,288.60
	A-3	$ 26,679,627.15
Disbursed	A-4	$ 22,847,235.11
Reserve for:		
Encumbrances	A	344,037.41
Uncollected Taxes	A-2	1,030,867.92
Interfunds:		
General Capital Fund	A-14	290,000.00
Assessment Trust Fund	A-14	3,000.00
Grant Fund	A-17	112,442.60
Reserve for Preparation of Tax Map	A	125,000.00
Deferred Charges Raised:		
Special Emergency Authorizations - 5 Years	A	61,602.00
	A-3	$ 24,814,185.04

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

BOROUGH OF PRINCETON - COUNTY OF MERCER

BALANCE SHEET - TRUST FUND

Exhibit B

REGULATORY BASIS

DECEMBER 31, 2012 AND 2011

	Ref.	2012	2011
Assets			
Assessment Trust Fund			
Cash	B-2	$ 616,061.92	$ 551,867.22
Interfund - Current Fund	B-2	3,000.00	
Assessments Receivable	B-4	166,408.72	170,347.52
Amount to Be Raised by Taxation - Assessment Bonds		51,249.45	51,249.45
		836,720.09	773,464.19
Animal Control Trust Fund			
Cash	B-2	20,271.57	15,889.22
Interfund - Current Fund			3.60
		20,271.57	15,892.82
Trust - Other Fund			
Cash	B-2	3,868,451.64	2,557,200.67
		3,868,451.64	2,557,200.67
		$ 4,725,443.30	$ 3,346,557.68
Liabilities and Reserves			
Assessment Trust Fund			
Reserve for Assessments	B-5	$ 137,484.98	$ 128,562.96
Assessment Serial Bonds	B-6	257,806.90	293,552.90
Fund Balance	B-1	441,428.21	351,348.33
		836,720.09	773,464.19
Animal Control Trust Fund			
Reserve for Animal Control Trust Fund	B-7	14,305.14	15,889.22
Due State of New Jersey		1.20	3.60
Interfund - Current Fund		5,965.23	
		20,271.57	15,892.82
Trust - Other Fund			
Interfund:			
Affordable Housing Utility Operating Fund	B-2	441,151.89	
Current Fund	B-8	165.99	171.63
Reserve for:			
Miscellaneous Reserves	B-9	3,262,968.83	2,410,621.63
Open Space	B-10	164,164.93	146,407.41
		3,868,451.64	2,557,200.67
		$ 4,725,443.30	$ 3,346,557.68

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

BOROUGH OF PRINCETON - COUNTY OF MERCER

TRUST FUND

Exhibit B-1

STATEMENT OF FUND BALANCE - REGULATORY BASIS

ASSESSMENT TRUST FUND

	Ref.	
Balance December 31, 2011	B	$ 351,348.33
Increased by:		
Collection of Unpledged Assessments	B-5	115,079.88
		466,428.21
Decreased by:		
Utilized as Current Fund Revenue	B-2	25,000.00
Balance December 31, 2012	B	$ 441,428.21

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

BOROUGH OF PRINCETON - COUNTY OF MERCER

BALANCE SHEET - GENERAL CAPITAL FUND

Exhibit C

REGULATORY BASIS

DECEMBER 31, 2012 AND 2011

	Ref.	2012	2011
Assets			
Cash and Cash Equivalents	C-2	$ 1,414,531.27	$ 7,813,202.61
Deferred Charges to Future Taxation:			
General Improvements:			
Funded	C-4	31,787,998.06	33,310,030.06
Unfunded	C-5	10,158,802.20	9,221,546.20
Interfunds:			
Affordable Housing Utility Capital Fund	C-6		1,560.00
Current Fund	C-6	232,746.00	
Accounts Receivable:			
NJ Environmental Infrastructure Trust Loans	C-10	4,459,738.00	3,290,594.00
		$ 48,053,815.53	$ 53,636,932.87
Liabilities, Reserves and Fund Balance			
Reserve for Payment of Debt		$ 84.65	$ 84.65
Interfunds:			
Current Fund	C-6		300,000.00
Affordable Housing Utility Capital Fund	C-6	1,275.00	
Capital Improvement Fund	C-7	289,085.00	4,685.00
Improvement Authorizations:			
Funded	C-8	5,979,244.12	7,691,808.34
Unfunded	C-8	7,515,020.44	6,815,097.48
Encumbrances	C-8	917,396.68	1,850,895.66
Serial Bonds Payable	C-9	23,766,193.48	26,065,447.10
NJ Environmental Infrastructure Trust Loans Payable	C-11	8,021,804.58	7,244,582.96
Fund Balance	C-1	1,563,711.58	3,664,331.68
		$ 48,053,815.53	$ 53,636,932.87

There were bonds and notes authorized but not issued on December 31, 2012 of in the amount of $10,158,802.20 (See Exhibit C-12).

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

BOROUGH OF PRINCETON - COUNTY OF MERCER

GENERAL CAPITAL FUND

Exhibit C-1

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	Ref.		
Balance December 31, 2011	C		$ 3,664,331.68
Increased by:			
Grant Proceeds - Fully Funded Ordinance	C-2	$ 60,760.12	
Escrow Agent Refund	C-2	2,819.74	
			63,579.86
			3,727,911.54
Decreased by:			
Utilized in Current Fund as Anticipated Revenue	C-2		2,164,199.96
Balance December 31, 2012	C		$ 1,563,711.58

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

BOROUGH OF PRINCETON - COUNTY OF MERCER

BALANCE SHEET - PARKING UTILITY FUND

Exhibit D

REGULATORY BASIS

DECEMBER 31, 2012 AND 2011

	Ref.	2012	2011
Assets			
Operating Fund			
Cash	D-5	$ 989,141.78	$ 921,795.63
Capital Fund			
Cash	D-5	266,738.04	181,646.62
Accounts Receivable	D-5		82,851.23
Fixed Capital	D-7	200,000.00	200,000.00
Fixed Capital Authorized and Uncompleted	D-8	16,167,434.31	16,167,434.31
Total Capital Fund		16,634,172.35	16,631,932.16
		$ 17,623,314.13	$ 17,553,727.79
Liabilities, Reserves and Fund Balance			
Operating Fund			
Encumbrances Payable	D-4,9	$ 46,879.13	$ 40,335.18
Appropriation Reserves	D-4,9	75,131.53	121,310.66
Accounts Payable		20,870.23	20,870.23
Accrued Interest on Bonds	D-10	167,445.04	125,845.79
Reserve for Security Deposit Hinkson		4,166.66	4,166.66
		314,492.59	312,528.52
Fund Balance	D-1	674,649.19	609,267.11
Total Operating Fund		989,141.78	921,795.63
Capital Fund			
Improvement Authorizations			
Funded	D-11	73,422.22	224,373.67
Unfunded	D-11	1,868,168.93	1,880,960.19
Encumbrances	D-11	94,230.00	168,718.88
Reserve for:			
Debt Service		375,000.00	375,000.00
Deferred Amortization	D-12	2,905,072.77	2,140,700.00
Serial Bonds Payable	D-13	11,290,000.00	11,830,000.00
Fund Balance	D-2	28,278.43	12,179.42
Total Capital Fund		16,634,172.35	16,631,932.16
		$ 17,623,314.13	$ 17,553,727.79

There were bonds and notes authorized but not issued on December 31, 2012 of $2,172,361.54 (Schedule D-14).

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

BOROUGH OF PRINCETON - COUNTY OF MERCER

PARKING UTILITY OPERATING FUND

Exhibit D-1

STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

REGULATORY BASIS

	Ref.	Year 2012	Year 2011
Revenue and Other Income Realized			
Fund Balance Anticipated	D-3	$ 111,037.00	$ 24,372.00
Parking Fees	D-3	3,146,800.65	3,321,898.26
Land Leases	D-3	219,067.92	244,150.27
Annual Service Charges	D-3	377,148.56	306,227.48
Interest on Investments	D-3	4,395.88	3,232.36
Non-Budget Revenue	D-5	201,865.65	217,040.34
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-9	102,647.42	84,469.74
Total Income		4,162,963.08	4,201,390.45
Expenditures			
Operating		1,197,989.00	1,172,700.00
Debt Service		987,541.00	900,036.41
Deferred Charges and Statutory Expenditures		307,224.00	50,000.00
Surplus (General Budget)		1,493,790.00	1,493,790.00
Total Expenditures	D-4	3,986,544.00	3,616,526.41
Statutory Excess to Fund Balance		176,419.08	584,864.04
Fund Balance January 1	D	609,267.11	48,775.07
		785,686.19	633,639.11
Less: Fund Balance Anticipated	D-1	111,037.00	24,372.00
Fund Balance December 31	D	$ 674,649.19	$ 609,267.11

PARKING UTILITY CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

Exhibit D-2

	Ref.	
Balance December 31, 2011	D	$ 12,179.42
Increased by Receipts		
Refunding Bond Refund	D-5	16,099.01
Balance December 31, 2012	D	$ 28,278.43

The accompanying Notes to Financial Statements are an integral part of these statements.

BOROUGH OF PRINCETON - COUNTY OF MERCER

PARKING UTILITY OPERATING FUND

Exhibit D-3

STATEMENT OF REVENUES - REGULATORY BASIS

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	D-1	$ 111,037.00	$ 111,037.00	$
Parking Fees	D-1	3,321,898.00	3,146,800.65	(175,097.35)
Interest on Investments	D-1	3,232.00	4,395.88	1,163.88
Land Leases	D-1	244,150.00	219,067.92	(25,082.08)
Annual Service Charges	D-1	306,227.00	377,148.56	70,921.56
		3,875,507.00	3,747,413.01	(128,093.99)
		$ 3,986,544.00	$ 3,858,450.01	$ (128,093.99)

	Ref.		
		D-4	
Fund Balance Utilized	D-1		$ 111,037.00
Receipts	D-5		3,747,413.01
	D-3		$ 3,858,450.01

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

BOROUGH OF PRINCETON - COUNTY OF MERCER

PARKING UTILITY OPERATING FUND

Exhibit D-4

STATEMENT OF EXPENDITURES - REGULATORY BASIS

		Appropriated		Expended	
		Budget	Budget After Modification	Paid or Charged	Reserved
Operating:					
Salaries and Wages		$ 578,614.00	$ 578,614.00	$ 578,087.15	$ 526.85
Other Expenses		619,375.00	619,375.00	544,770.32	74,604.68
Debt Service:					
Payment of Bond Principal		540,000.00	540,000.00	540,000.00	
Interest on Bonds		447,541.00	447,541.00	447,541.00	
Deferred Charges:					
Accounts Receivable		82,851.23	82,851.23	82,851.23	
Ordinance Number:					
03-41		26,011.91	26,011.91	26,011.91	
04-12		185,389.21	185,389.21	185,389.21	
07-21		12,971.65	12,971.65	12,971.65	
Surplus (General Budget)		1,493,790.00	1,493,790.00	1,493,790.00	
Total Parking Utility Appropriations		$ 3,986,544.00	$ 3,986,544.00	$ 3,911,412.47	$ 75,131.53
	Ref.	D-3	D-1		D
Encumbrances Payable	D			$ 46,879.13	
Cash Disbursed	D-5			3,416,992.34	
Accrued Interest on Bonds	D-12			447,541.00	
				$ 3,911,412.47	

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

BOROUGH OF PRINCETON - COUNTY OF MERCER

BALANCE SHEET - PUBLIC ASSISTANCE TRUST FUND

REGULATORY BASIS

Exhibit E

DECEMBER 31, 2012 AND 2011

	Ref.	2012	2011
Assets			
Cash:			
Treasurer	E-1	$ 56,145.18	$ 102,807.33
Petty Cash	E-1	10.31	10.31
		$ 56,155.49	$ 102,817.64
Liabilities and Reserves			
Prepaid State Aid	E-2	$ 21,211.55	$ 68,192.37
Supplemental Security Income Due to Client		1,238.31	1,238.31
Reserve for Public Assistance	E-3	33,705.63	33,386.96
		$ 56,155.49	$ 102,817.64

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

BOROUGH OF -PRINCETON - COUNTY OF MERCER

BALANCE SHEET - PAYROLL FUND

Exhibit G

REGULATORY BASIS

DECEMBER 31, 2012

	2012
Assets	
Cash	$ 335,392.16
Liabilities	
Flexible Spending Reserve	$ 35,392.16
Interfund - Current Fund	300,000.00
	$ 335,392.16

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

BOROUGH OF -PRINCETON - COUNTY OF MERCER

BALANCE SHEET - GENERAL FIXED ASSETS ACCOUNT GROUP

Exhibit H

REGULATORY BASIS

DECEMBER 31, 2012 AND 2011

	2012	2011
Assets		
General Fixed Assets:		
Land	$ 12,298,100.00	$ 12,298,100.00
Building	7,023,480.00	7,023,480.00
Furniture, Fixtures and Equipment	11,033,144.26	10,417,762.26
	$ 30,354,724.26	$ 29,739,342.26
Liabilities		
Investment in General Fixed Assets	$ 30,354,724.26	$ 29,739,342.26

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

BOROUGH OF PRINCETON - COUNTY OF MERCER

BALANCE SHEET - AFFORDABLE HOUSING UTILITY FUND

Exhibit S

REGULATORY BASIS

DECEMBER 31, 2012 AND 2011

	Ref.	2012	2011
Assets			
Operating Fund			
Cash	S-5	$ 22,699.50	$ 930,027.93
Interfund - Other Trust Funds	S-6	441,151.89	
Total Operating Fund		463,851.39	930,027.93
Capital Fund			
Fixed Capital Authorized and Uncompleted	S-9	211,150.00	211,150.00
Interfunds:			
Affordable Housing Utility Operating Fund	S-10	117,757.54	117,757.54
General Capital Fund	S-10	1,275.00	
Total Capital Fund		330,182.54	328,907.54
		$ 794,033.93	$ 1,258,935.47
Liabilities, Reserves and Fund Balance			
Operating Fund			
Reserve for:			
Encumbrances	S-1,4	$ 24,031.00	$ 14,111.36
Affordable Housing	S-7	322,062.85	798,159.03
Interfund - Affordable Housing Utility Capital Fund	S-6	117,757.54	117,757.54
Total Operating Fund		463,851.39	930,027.93
Capital Fund			
Interfund - General Capital Fund	S-10		1,560.00
Improvement Authorizations:			
Funded	S-11	67,702.05	67,702.05
Unfunded	S-11	195,286.65	192,451.65
Fund Balance	S-2	67,193.84	67,193.84
Total Capital Fund		330,182.54	328,907.54
		$ 794,033.93	$ 1,258,935.47

There were bonds and notes authorized but not issued on December 31, 2012 of $ 211,150.00 (Schedule S-12).

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

BOROUGH OF PRINCETON - COUNTY OF MERCER

AFFORDABLE HOUSING UTILITY OPERATING FUND

Exhibit S-1

STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

REGULATORY BASIS

	Ref.	2012	2011
Revenue and Other Income Realized			
Developer Revenue Reserves:			
Prior Revenues Reserved	S-3	$ 657,580.00	$ 165,069.40
Developer Fees	S-3	44,784.00	87,672.00
246 John Street Sale			50,643.72
Housing Trust Reserves:			
Prior Revenues Reserved	S-3	35,200.00	24,800.00
Miscellaneous	S-3	29,084.91	200.82
Prior Year Encumbrances Cancelled	S	14,111.36	
Total Income		780,760.27	328,385.94
Expenditures			
Operating	S-4	564,076.45	127,227.77
Excess in Revenues - Transferred to Reserve for Affordable Housing	S-7	$ 216,683.82	$ 201,158.17

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

BOROUGH OF PRINCETON - COUNTY OF MERCER

AFFORDABLE HOUSING UTILITY CAPITAL FUND

Exhibit S-2

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	Ref.	
Balance December 31, 2012 and 2011	S	$ 67,193.84

AFFORDABLE HOUSING UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY BASIS

Exhibit S-3

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
Developer Escrow Reserves:				
Prior Revenues Reserved	S-1	$ 657,580.00	$ 657,580.00	$
Developer Fees	S-1	20,000.00	44,784.00	24,784.00
Housing Trust Reserves:				
Prior Revenues Reserved	S-1	35,200.00	35,200.00	
		712,780.00	737,564.00	24,784.00
Miscellaneous	S-1		29,084.91	29,084.91
		$ 712,780.00	$ 766,648.91	$ 53,868.91

	Ref.	
Cash Received	S-5	$ 73,868.91
Reserves	S-7	692,780.00
		$ 766,648.91

The accompanying Notes to Financial Statements are an integral part of these statements.

BOROUGH OF PRINCETON - COUNTY OF MERCER

AFFORDABLE HOUSING UTILITY OPERATING FUND

Exhibit S-4

STATEMENT OF EXPENDITURES - REGULATORY BASIS

		Appropriated			
		Budget	Budget After Modification	Paid or Charged	Cancelled
Operating:					
Salaries and Wages		$ 17,580.00	$ 17,580.00	$ 17,580.00	$
Other Expenses		695,200.00	695,200.00	546,496.45	148,703.55
Total Affordable Housing Utility Appropriations		$ 712,780.00	$ 712,780.00	$ 564,076.45	$ 148,703.55
	Ref.	S-3			
Encumbrances Payable	S			$ 24,031.00	
Disbursements	S-5			371,295.45	
Interfund	S-6			168,750.00	
	S-1			$ 564,076.45	

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

The Governmental Accounting Standards Board ("GASB") Statement 14 established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The criteria differ from the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") requirements where certain boards, commissions, and agencies of the Borough, by statute or other directive, report separately on their financial statements. The Borough had no component units in 2012.

B. Descriptions of Funds

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

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

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

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

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

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

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

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

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

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

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

C. Basis of Accounting

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

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

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

Deferred Charges - the regulatory basis of accounting utilized by the Borough requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the respective balance sheets. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance. The status of deferred charges at December 31, 2012 is set forth in Note 9.

Compensated Absences - expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount which would normally be liquidated with expendable available financial resources be recorded as an expenditure in the Current Fund and the remaining obligations be recorded as a long-term obligation. The expenditures in the Water Utility Operating Fund would be on a full accrual basis. The compensated absence liability at December 31, 2012 is set forth in Note 4.

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

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

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

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

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

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

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

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

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

Property and equipment purchased by the Affordable Housing and Parking Utility Funds are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the costs of acquisitions of property, equipment and improvements.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

During 2012 and 2011 the following changes occurred in the fixed assets of the Borough:

	Balance Jan. 1, 2012	Additions	Balance Dec. 31, 2012
General Fixed Assets Account Group:			
Land	$ 12,298,100	$	$ 12,298,100
Buildings	7,023,480		7,023,480
Furniture, Fixtures and Equipment	10,417,762	615,382	11,033,144
Affordable Housing Utility Fund:			
Fixed Capital Authorized and Uncompleted	211,150		211,150
Parking Utility Fund:			
Fixed Capital	200,000		200,000
Fixed Capital Authorized and Uncompleted	16,167,434		16,167,434
	$ 46,317,926	$ 615,382	$ 46,933,308

	Balance Jan. 1, 2011	Additions	Balance Dec. 31, 2011
General Fixed Assets Account Group:			
Land	$ 12,298,100	$	$ 12,298,100
Buildings	7,023,480		7,023,480
Furniture, Fixtures and Equipment	10,070,569	347,193	10,417,762
Affordable Housing Utility Fund:			
Fixed Capital Authorized and Uncompleted	211,150		211,150
Parking Utility Fund:			
Fixed Capital	200,000		200,000
Fixed Capital Authorized and Uncompleted	16,101,434	66,000	16,167,434
	$ 45,904,733	$ 413,193	$ 46,317,926

D. Financial Statements

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

E. Budgets and Budgetary Accounting

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

NOTE 2. CASH AND CASH EQUIVALENTS

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation ("FDIC"), or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

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

> The market value of the collateral must equal five percent of the average daily balance of public funds; or
>
> If the public funds deposited exceed 75 percent of the funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

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

At year-end the carrying amount of the Borough's deposits was $17,135,328 and the bank balance amount was $17,314,835. Of this amount $750,000 was covered by federal depository insurance, $445,343 was in the State of New Jersey's Cash Management Fund and a collateral pool under New Jersey's Governmental Unit Deposit Protection Act covered $14,115,895. An amount of $2,003,597 was on deposit in the name of various developers for escrow and is insured by federal depository insurance or uninsured depending on the deposits of the individual developer in the depository.

B. Investments

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

(1) Bonds or other obligations of the United States or obligations guaranteed by the United States.

(2) Government money market mutual funds.

(3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.

(4) Bonds or other obligations of the Borough, or bonds or other obligations of school districts of which the Borough is a part or within which the school district is located.

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED

B. Investments (Continued)

a. (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investments, New Jersey Department of the Treasury.

(6) Municipal investment pools.

(7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c. 281; or

(8) Agreements for the repurchase of fully collateralized securities, if:

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

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

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

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

At year-end, the carrying value of the Borough's investment and the investment balance was $445,343 all of which is on deposit in the aforementioned New Jersey Cash Management Fund.

C. Cash Management Plan

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

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED

C. Cash Management Plan (Continued)

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

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

D. Credit Risk Categories

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

	Bank Balance	
	2012	2011
Depository Account		
Insured:		
FDIC	$ 750,000	$ 750,000
GUDPA	14,115,895	19,205,900
Uninsured	445,343	1,074,186
Escrow	2,003,597	
	$ 17,314,835	$ 21,030,086

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

State law limits investments as noted above.

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

NOTE 3. DEBT

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

NOTE 3. DEBT (CONTINUED)

A. Long-Term Debt

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

General Capital Fund

2.875% to 4.50% General Improvement Bonds, Series A issued August 15, 2003 for $5,553,000, installment maturities to August 15, 2018	$ 380,000
2.875% to 4.50% General Improvement Bonds, Series B issued August 15, 2003 for $8,214,000, installment maturities to August 15, 2018	3,369,000
4% General Improvement Bonds issued June 1, 2007 for $9,833,059, installment maturities to June 1, 2019	6,728,193
3% to 5% General Improvement Bonds issued June 2, 2010 for $12,589,000 installment maturities to February 1, 2011 to 2026	11,389,000
3% to 4% General Improvement Refunding Bonds issued September 14, 2011 fo4 $1,910,000, installment maturities to August 15, 2018	1,900,000
	$ 23,766,193

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

Year	Principal	Interest
2013	$ 2,338,537	$ 894,672
2014	2,416,388	791,448
2015	2,421,388	702,318
2016	2,465,671	608,552
2017	2,515,671	509,865
2018-2022	7,549,538	1,302,989
2023-2026	4,059,000	297,253
	$ 23,766,193	$ 5,107,097

Assessment Trust Fund

4% General Improvement Bonds issued June 1, 2007 for $142,941, installment maturities to June 1, 2019	$ 97,807
3% to 5% Sidewalk Assessment Bonds issued June 2, 2010 for $212,000 installment maturities to February 1, 2011 to 2020	160,000
	$ 257,807

NOTE 3. DEBT (CONTINUED)

A. Long-Term Debt (Continued)

Assessment Trust Fund (Continued)

The bonds mature serially in installments to the year 2020. Debt service requirements during the next five fiscal years and thereafter are as follows:

Year	Principal	Interest
2013	$ 31,463	$ 9,383
2014	33,612	8,282
2015	33,612	7,137
2016	34,329	5,978
2017	34,329	4,705
2018-20	90,462	5,626
	$ 257,807	$ 41,111

Parking Utility

2.875% to 4.75% Construction of Parking Garage issued August 15, 2003 for $13,700,000, installment maturities to August 15, 2028	$ 475,000
2% to 5% Parking Utility Improvement Refunding Bonds Issued October 12, 2011 for $10,905,000, installment maturities to August 15, 2020	10,815,000
	$ 11,290,000

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

Year	Principal	Interest
2013	$ 495,000	$ 512,563
2014	525,000	486,775
2015	535,000	481,025
2016	555,000	464,975
2017	580,000	442,775
2018-22	3,445,000	1,802,775
2023-27	4,290,000	673,850
2028	865,000	30,275
	$ 11,290,000	$ 4,895,013

NOTE 3. DEBT (CONTINUED)

A. Long-Term Debt (Continued)

Wastewater Treatment Trust Loan - State

The Borough, during 2007 entered into a loan agreement with the State of New Jersey, Department of Environmental Protection, pursuant to the 2006 New Jersey Environmental Infrastructure Trust Financing Program. The loan consists of two agreements, a Trust Loan Agreement of $905,000 to be repaid over a twenty year period at interest rates ranging from 4.00% to 5.00%, and a Fund Loan Agreement at $889,142 to be repaid over a twenty year period at no interest.

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

2006 Wastewater Treatment Trust Loan Schedule

Year	Principal	Interest
2013	$ 40,000	$ 32,325
2014	40,000	30,325
2015	45,000	28,325
2016	45,000	26,075
2017	45,000	23,825
2018-2022	265,000	89,456
2023-2026	255,000	28,738
	$ 735,000	$ 259,069

2006 Wastewater Treatment Fund Loan Schedule

Year	Principal
2013	$ 46,534
2014	45,247
2015	47,177
2016	45,730
2017	44,282
2018-2022	228,057
2023-2026	182,555
	$ 639,582

In addition, the Borough, during 2007 entered into another loan agreement with the State of New Jersey, Department of Environmental Protection, pursuant to the 2007 New Jersey Environmental Infrastructure Trust Financing Program. The loan consists of two agreements, a Trust Loan Agreement of $870,000 to be repaid over a twenty year period at interest rates ranging from 3.40% to 5.00%, and a zero interest Fund Loan Agreement at $848,221 to be repaid over a twenty year period.

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

NOTE 3. DEBT (CONTINUED)

A. Long-Term Debt (Continued)

2007 Wastewater Treatment Trust Loan Schedule

Year	Principal	Interest
2013	$ 35,000	$ 33,210
2014	35,000	31,985
2015	40,000	30,725
2016	40,000	28,725
2017	40,000	26,725
2018-2022	245,000	102,725
2023-2027	305,000	41,350
	$ 740,000	$ 295,445

2007 Wastewater Treatment Fund Loan Schedule

Year	Principal
2013	$ 43,027
2014	42,255
2015	44,614
2016	43,352
2017	42,091
2018-2022	219,348
2023-2027	218,480
	$ 653,167

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

2008 Wastewater Treatment Trust Loan Schedule

Year	Principal	Interest
2013	$ 40,000	$ 47,825
2014	40,000	45,825
2015	45,000	43,825
2016	45,000	41,575
2017	45,000	39,325
2018-2022	275,000	158,150
2023-2027	360,000	76,075
2028	80,000	4,000
	$ 930,000	$ 456,600

NOTE 3. DEBT (CONTINUED)

A. Long-Term Debt (Continued)

2008 Wastewater Treatment Fund Loan Schedule

Year	Principal
2013	$ 53,776
2014	52,551
2015	54,388
2016	53,010
2017	51,633
2018-2022	265,221
2023-2027	267,012
2028	51,433
	$ 849,024

Also, the Borough entered into another loan agreement for 2010 with the State of New Jersey, Department of Environmental Protection, pursuant to the 2010 New Jersey Environmental Infrastructure Trust Financing Program. The loan consists of two agreements, a Trust Loan Agreement of $650,000 to be repaid over a twenty year period at interest rates ranging from 3.00% to 5.00%, and a zero interest Fund Loan Agreement at $1,991,581 to be repaid over a twenty year period.

2010 Wastewater Treatment Trust Loan Schedule

Year	Principal	Interest
2013	$ 25,000	$ 25,625
2014	25,000	24,375
2015	25,000	23,125
2016	30,000	21,875
2017	30,000	20,375
2018-2022	165,000	80,225
2023-2027	210,000	43,900
2028	95,000	5,800
	$ 605,000	$ 245,300

2010 Wastewater Treatment Fund Loan Schedule

Year	Principal
2013	$ 101,267
2014	101,267
2015	101,267
2016	101,267
2017	101,267
2018-2022	506,334
2023-2027	506,334
2028	202,533
	$ 1,721,536

NOTE 3. DEBT (CONTINUED)

A. Long-Term Debt (Continued)

Also, the Borough entered into another loan agreement for 2012 with the State of New Jersey, Department of Environmental Protection, pursuant to the 2012 New Jersey Environmental Infrastructure Trust Financing Program. The loan consists of two agreements, a Trust Loan Agreement of $560,000 to be repaid over a twenty year period at interest rates ranging from 2.00% to 5.00% and a zero interest Fund Loan Agreement of $609,144 to be repaid over a twenty year period.

2012 Wastewater Treatment Trust Loan Schedule

Year	Principal	Interest
2013	$ 20,000	$ 23,130
2014	20,000	22,730
2015	20,000	22,130
2016	20,000	21,330
2017	25,000	20,330
2018-2022	130,000	82,900
2023-2027	165,000	47,150
2028-2031	160,000	12,740
	$ 560,000	$ 252,440

2012 Wastewater Treatment Fund Loan Schedule

Year	Principal
2013	$ 30,973
2014	30,973
2015	30,973
2016	30,973
2017	30,973
2018-2022	154,867
2023-2027	154,867
2028-2031	123,896
	$ 588,495

B. Short-Term Debt

On December 31, 2012 the Borough had no bond anticipation notes outstanding.

C. Bonds and Notes Authorized but not Issued

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

	2012	2011
General Capital Fund	$ 10,158,802	$ 9,221,546
Affordable Housing Utility Capital Fund	211,150	211,150
Parking Utility Capital Fund	2,172,362	2,396,734

NOTE 3. DEBT (CONTINUED)

D. Borrowing Power

New Jersey statutes limit the debt of a municipality to 3.5% of the average of the last three preceding years equalized valuations of the taxable real estate and improvements. The Borough's statutory net debt at December 31, 2012 was 1.74%. The Borough's remaining borrowing power is 1.76%.

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

E. Summary of Debt Service

During 2012 and 2011 the following changes occurred in the outstanding debt of the Borough:

	Balance Jan. 1, 2012	Issued	Retired	Balance Dec. 31, 2012
General Capital:				
Serial Bonds	$ 26,065,447	$	$ 2,299,254	$ 23,766,193
Loans Payable	7,244,583	1,169,144	391,922	8,021,805
Assessment Trust Fund:				
Serial Bonds	293,553		35,746	257,807
Parking Utility Capital Fund:				
Serial Bonds	11,830,000		540,000	11,290,000
	$ 45,433,583	$ 1,169,144	$ 3,266,922	$ 43,335,805

	Balance Jan. 1, 2011	Issued	Retired	Balance Dec. 31, 2011
General Capital:				
Serial Bonds	$ 28,284,134	$ 1,910,000	$ 4,128,687	$ 26,065,447
Loans Payable	7,614,158		369,575	7,244,583
Assessment Trust Fund:				
Serial Bonds	329,866		36,313	293,553
Parking Utility Capital Fund:				
Serial Bonds	12,205,000	10,905,000	11,280,000	11,830,000
	$ 48,433,158	$ 12,815,000	$ 15,814,575	$ 45,433,583

NOTE 4. ACCRUED SICK AND VACATION BENEFITS

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Borough's liability related to unused vacation and sick pay. The Borough permits certain employees within limits to accumulate unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current cost of such unpaid compensation approximates $792,460 and $792,925 at December 31, 2012 and 2011, respectively. A reserve is maintained in the Other Trust Fund and has a balance of $61,761 at December 31, 2012. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

NOTE 5. FUND BALANCES APPROPRIATED

The fund balances at December 31 which have been appropriated and included as anticipated revenue in the municipal budget for the year ending December 31 of the succeeding years are as follows:

	2012	2011
Current Fund	$ N/A	$ 800,000
Parking Utility Fund	N/A	111,037

NOTE 6. TAXES COLLECTED IN ADVANCE

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

	Balance December 31	
	2012	2011
Prepaid Taxes	$ 438,120	$ 364,221

NOTE 7. ASSESSMENT AND COLLECTION OF PROPERTY TAXES

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

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

NOTE 8. DEFERRED CHARGES TO FUTURE TAXATION FUNDED AND UNFUNDED

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

NOTE 9. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

As noted in Note 1, certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2012, the following deferred charge is shown on the balance sheet of the Current Fund:

	Balance Dec. 31, 2012
Current Fund:	
Special Emergency Authorizations (N.J.S. 40A:4-55)	
Revaluation	$ 61,602
Tax Map	125,000
	$ 186,602

NOTE 10. PENSION PLANS

Substantially all of the Borough's employees participate in one of the following pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits ("the Division"): the Police and Firemen's Retirement System ("the PFRS"), the Public Employees' Retirement System ("the PERS") or the Defined Contribution Retirement Program ("the DCRP"). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

Public Employees' Retirement System (PERS)

The PERS was established in 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was increased to 6.5% plus an additional 1.0% phased-in over seven years beginning in the first year. The phase-in of the additional incremental member contribution amount will take place in July of each subsequent year. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Borough is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions are detailed below.

NOTE 10. PENSION PLANS (Continued)

Police and Firemen's Retirement System (PFRS)

The PFRS was established in 1944. The PFRS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:16A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 204, P.L. 1989, plan members enrolled in the PFRS are required to contribute 8.5% of their annual covered salary. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was increased to 10% in October 2011. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Borough is billed annually for its normal contributions plus any accrued liability. These contributions, equal to the required contributions are detailed below.

Defined Contribution Retirement Program (DCRP)

The DCRP was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The DCRP Board oversees the DCRP, which is administered by Prudential Financial on behalf of the Division. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq.

The contribution requirements of plan members are determined by State statute. Plan members are required to contribute 5.5% of their annual covered salary and the Township is required to contribute 3% of the annual salary. The employee contributions along with the Township's contribution for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

There were no Borough employees enrolled it the DCRP for the years ended December 31, 2012, 2011 and 2010.

Other Information

The Borough's contributions, equal to the required contribution for each fiscal year, were as follows:

	2012		2011		2010	
	PERS	PFRS	PERS	PFRS	PERS	PFRS
Normal Contribution	$ 183,864	$ 294,780	$ 214,436	$ 470,830	$ 193,672	$ 410,276
Accrued Liability	367,728	331,753	341,689	377,530	248,845	292,294
Total Regular Pension Contribution	551,592	626,533	556,125	848,360	442,517	702,570
Non-Contributory Group Life Insurance	35,143	22,949	42,237	36,901	61,367	35,719
Total Due	$ 586,735	$ 649,482	$ 598,362	$ 885,261	$ 503,884	$ 738,289

The Division does not invest in securities issued by the Borough.

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS

Plan Description

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

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

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

Funding Policy

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

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

The Borough contributions to SHBP for the years ended December 31, 2012, 2011 and 2010 were $526,474, $447,855, and $390,892, respectively, which equaled the required contributions for each year. There were approximately 35, 33, and 31 retired participants eligible at December 31, 2012, 2011 and 2010, respectively.

NOTE 12. RISK MANAGEMENT

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

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

NOTE 13. CONTINGENT LIABILITIES

State and Federal Financial Assistance

The Borough receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the financial assistance agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2012, the Borough estimates that no material liabilities will result from such audits.

Major Tax Assessments

Taxpayers in 2012 with assessments in excess of 1% of the total assessed valuation were as follows:

Owner	Assessed Value	% of Value
Trustees of Princeton University	$ 188,256,900	8.61%
PSN Partners	33,800,000	1.55%
Palmer Sq Ltd. Properties	33,310,000	1.52%
Nassau Inn Ltd. Partnership	26,000,000	1.19%
Nassau Street LLC	24,733,900	1.13%

Pending Litigation

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

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

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

NOTE 14. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheets at December 31, 2012:

	Interfund Receivable	Interfund Payable
Current Fund	$ 306,131	$ 235,746
Animal Control Trust Fund		5,965
Other Trust Fund		441,318
General Capital Fund	232,746	1,275
Affordable Housing Utility Capital Fund	119,033	
Affordable Housing Utility Operating Fund	441,152	117,758
Assessment Trust Fund	3,000	
Payroll Fund		300,000
	$ 1,102,062	$ 1,102,062

NOTE 15. CONSOLIDATION

On November 8, 2011 the residents of Princeton Borough and Princeton Township voted to consolidate their Municipalities. The merger took effect January 1, 2013 and the newly consolidated entity is named Princeton. All financial matters for the consolidated entities were assumed by Princeton.

BOROUGH OF PRINCETON

COUNTY OF MERCER

PART II

SUPPLEMENTARY DATA

SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2012

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	2012	2011	2010 *
Tax Rate	$ 2.105	$ 2.041	$ 2.026
Apportionment of Tax Rate			
Municipal	.480	.479	.478
County	.602	.562	.592
Regional School District	1.023	1.000	.956
Assessed Valuation			
2012	$ 2,186,674,516		
2011		$ 2,196,649,214	
2010			$ 2,220,526,988 *

* Revaluation

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

		Currently	
Year	Tax Levy	Cash Collection	Percentage of Collection
2012	$ 46,272,974	$ 45,472,364	98.26%
2011	45,503,366	44,542,641	97.88%
2010	45,045,123	44,265,968	98.27%

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.

Year Ended December 31	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2012	$ 9,366	$ 697,505	$ 706,871	1.53%
2011	9,994	906,814	916,808	2.01%
2010	4,785	573,497	578,282	1.27%

COMPARISON OF SEWER RENTS

Year	Levy	Delinquent	Cash Collection
2012	$ 3,791,505	$ 197,071	$ 3,594,497
2011	4,006,296	-	4,298,566
2010	3,403,075	292,270	3,110,805

COMPARATIVE SCHEDULE OF FUND BALANCES

Year	Balance December 31	Utilized in Budget of Succeeding Year
Current Fund		
2012	$ 5,853,706	$ N/A
2011	4,267,037	800,000
2010	2,825,804	800,000
2009	2,846,072	799,808
2008	1,702,550	799,808
Parking Utility Operating Fund		
2012	$ 674,649	$ N/A
2011	609,267	111,037
2010	48,775	24,372
2009	248,775	200,000
2008	326,663	100,000
2007	132,835	-0-

SUMMARY OF MUNICIPAL DEBT

	Year 2012	Year 2011	Year 2010
Issued			
General:			
Bonds, Notes and Loans	$ 32,045,805	$ 33,603,583	$ 36,228,157
Parking Utility:			
Bonds, Notes and Loans	11,290,000	11,830,000	12,205,000
Total Issued	43,335,805	45,433,583	48,433,157
Less:			
Funds on Hand to Pay Bonds and Notes:			
Assessment Trust Fund	177,634	200,519	221,702
Parking Utility	375,000	375,000	375,000
Total Deductions	552,634	575,519	596,702
Net Debt Issued	42,783,171	44,858,064	47,836,455
Authorized but not Issued			
General:			
Bonds, Notes and Loans	10,158,802	9,221,546	3,802,111
Affordable Housing Utility:			
Bonds, Notes and Loans	211,150	211,150	211,150
Parking Utility:			
Bonds, Notes and Loans	2,172,362	2,396,734	2,430,734
Total Authorized but not Issued	12,542,314	11,829,430	6,443,995
Net Bonds and Notes Issued and Authorized but not Issued	$ 55,325,485	$ 56,687,494	$ 54,280,450

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a Statutory Net Debt of 1.74%.

	Gross Debt	Deductions	Net Debt
Regional School District Debt	$ 15,895,304	$ 15,895,304	$ -0-
Parking Utility Debt	13,462,362	13,462,362	-0-
General Debt	42,204,607	177,634	42,026,973
Affordable Housing Utility	211,150	211,150	-0-
	$ 71,773,423	$ 29,746,450	$ 42,026,973

Net Debt $42,026,973 divided by Equalized Valuation basis per N.J.S.A. 40A:2-6 as amended $2,410,078,553 = 1.74%.

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

3.5% of Equalized Valuation Basis	$ 84,352,749
Net Debt	42,026,973
Remaining Borrowing Power	$ 42,325,776

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

Cash Receipts from Fees or Other Charges for Year		$ 4,060,316
Deductions:		
Operating and Maintenance Cost	$ 1,505,213	
Debt Service	987,541	
Total Deductions		2,492,754
Excess in Revenue		$ 1,567,562

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

Cash Receipts from Fees or Other Charges for Year	$ 766,649
Deductions:	
Operating and Maintenance Cost	564,076
Excess in Revenue	$ 202,573

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

* * * * * * * * * * * * * * *

BOROUGH OF PRINCETON

COUNTY OF MERCER

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2012:

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

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

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

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-4

SCHEDULE OF CASH - TREASURER

	Current Fund		Grant Fund	
Balance December 31, 2011		$ 6,983,480.57		$ 654,926.58
Increased by Receipts:				
Collector	$ 50,056,446.98		$	
Revenue Accounts Receivable	11,387,264.18			
State of New Jersey (P.L. 1971, C. 20)	28,050.00			
Township of Princeton Share of Revenue	52,444.38			
Payroll Deductions (Net)	12,426.98			
Miscellaneous Revenue not Anticipated	399,369.81			
Interfund - Other Funds	5.64			
Due to State of New Jersey - Other	1,336.20			
Grants Receivable			120,408.13	
Unappropriated Reserves			2,000.00	
		61,937,344.17		122,408.13
		68,920,824.74		777,334.71
Decreased by Disbursements:				
Appropriations	22,847,235.11			
Appropriation Reserves	777,794.89			
County Taxes	13,345,250.78			
Regional School District Taxes	22,380,495.14			
Municipal Open Space Levy	218,685.54			
Interfund - Other Funds	300,002.40			
Refund of Overpayments	4,130.21			
Accounts Payable	5,760.00			
Reserve for Sale of Municipal Assets	422.49			
Reserve for Revaluation	4,200.00			
Appropriated Reserves			410,360.30	
		59,883,976.56		410,360.30
Balance December 31, 2012		$ 9,036,848.18		$ 366,974.41

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-5

SCHEDULE OF CASH - COLLECTOR

Increased by Receipts:		
Taxes:		
Receivable	$ 45,783,228.65	
Prepaid	438,119.56	
Tax Title Liens	944.11	
Due to Lien Holder	72,379.11	
Interest and Costs	110,854.96	
Sewer Charges:		
Overpayments	56,441.56	
Receivable	3,594,479.03	
		$ 50,056,446.98
Decreased by:		
Payment to Treasurer		$ 50,056,446.98

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-6

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance Dec. 31, 2011	2012 Levy	Collected 2012	Collected 2011	Due From State of New Jersey	Cancelled	Transfer to Tax Title Lien	Balance Dec. 31, 2012
2010	$ 4,883.02	$	$ 4,883.02	$	$	$	$	$
2011	901,930.60		697,830.60			204,100.00		
	906,813.62		702,713.62			204,100.00		
2012		46,272,973.72	45,080,515.03	364,220.54	27,628.08	102,789.23	315.75	697,505.09
	$ 906,813.62	$ 46,272,973.72	$ 45,783,228.65	$ 364,220.54	$ 27,628.08	$ 306,889.23	$ 315.75	$ 697,505.09

Analysis of 2012 Property Tax Levy

Tax Yield:			
General Purpose Tax		$ 46,029,504.42	
Added and Omitted Taxes		243,469.30	
			$ 46,272,973.72
Tax Levy:			
Regional School Tax (Abstract)		$ 22,380,495.14	
Municipal Open Space Tax		218,685.54	
County Taxes:			
County Tax (Abstract)	$ 12,677,375.53		
County Open Space Tax (Abstract)	478,472.66		
Amount Due County for Added and Omitted Taxes	69,502.13		
		13,225,350.32	
Local Tax for Municipal Purposes	10,256,351.90		
Add: Additional Tax Levied	192,090.82		
		10,448,442.72	
			$ 46,272,973.72

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-7

SCHEDULE OF TAX TITLE LIENS

Balance December 31, 2011	$ 9,994.41
Increased by:	
Transfers from Taxes Receivable	315.75
	10,310.16
Decreased by:	
Receipts	944.11
Balance December 31, 2012	$ 9,366.05

SCHEDULE OF SEWER CHARGES RECEIVABLE

Exhibit A-8

Increased by:	
2012 Charges (Net)	$ 3,791,550.18
Decreased by:	
Collections	3,594,479.03
Balance December 31, 2012	$ 197,071.15

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-9

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Accrued in 2012	Collected by Collector	Collected by Treasurer
Licenses:			
Alcoholic Beverages	$ 47,252.00	$	$ 47,252.00
Other	22,214.22		22,214.22
Fees and Permits:			
Other	206,093.38		206,093.38
Fines and Costs:			
Municipal Court	1,172,774.52		1,172,774.52
Interest and Costs on Taxes	110,854.96	110,854.96	
Interest on Investments and Deposits	93,636.61		93,636.61
Anticipated Utility Operating Surplus	1,493,790.00		1,493,790.00
Princeton University Donation	1,700,000.00		1,700,000.00
Street Opening Inspection Fees	5,134.00		5,134.00
Life Hazard Use Fees	88,414.94		88,414.94
Fire and Housing Inspection Fees	198,713.00		198,713.00
Passport Fees	11,850.00		11,850.00
State Aid:			
Consolidated Municipal Property Tax Relief	38,219.00		38,219.00
Energy Receipts Taxes	950,736.00		950,736.00
Uniform Construction Code Fees	955,010.00		955,010.00
Interlocal Service Agreements:			
Princeton Township Joint Services:			
Solid Waste Management	108,576.00		108,576.00
Maintenance of Sewer Facilities	775,036.00		775,036.00
Animal Control	63,967.00		63,967.00
Health Services	294,621.00		294,621.00
Fire Services	141,012.00		141,012.00
Fire Facilities	71,272.00		71,272.00
Senior Citizen Program	97,162.00		97,162.00
Flu Program	7,260.00		7,260.00
Other:			
Payment in Lieu of Taxes - Elm Court PILOT	76,109.00		76,109.00
Chamber Street Land Lease	115,380.00		115,380.00
Stony Brook Sewer Industrial User Fees	25,395.00		25,395.00
Assessment Trust Fund - Fund Balance	25,000.00		25,000.00
Engineering Developer Fees	23,000.00		23,000.00
Open Space Trust	201,000.00		201,000.00
Hotel/Motel Tax	214,436.55		214,436.55
General Capital Fund - Fund Balance	2,164,199.96		2,164,199.96
	$ 11,498,119.14	$ 110,854.96	$ 11,387,264.18

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-10

SCHEDULE OF APPROPRIATION RESERVES

Sheet 1 of 5

APPROPRIATIONS INCLUDED WITHIN CAPS	Balance Dec. 31, 2011	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Mayor and Council					
Other Expenses	$ 4,232.83	$ 193.68	$ 4,426.51	$ 500.47	$ 3,926.04
Administrative and Executive					
Salaries and Wages	8,015.75		8,015.75		8,015.75
Other Expenses	19,753.24	2,560.18	22,313.42	12,283.74	10,029.68
Municipal Clerk					
Salaries and Wages	7,106.29		7,106.29		7,106.29
Other Expenses	225.64	2,495.97	2,721.61	1,859.08	862.53
Elections					
Salaries and Wages	2,080.26		2,080.26		2,080.26
Other Expenses	409.54		409.54		409.54
Financial Administration					
Salaries and Wages	5,508.44		5,508.44		5,508.44
Miscellaneous Other Expenses	8,996.29	83.00	9,079.29	2,397.61	6,681.68
Audit		16,000.00	16,000.00	16,000.00	
Collection of Taxes					
Salaries and Wages	20,179.82		9,179.82		9,179.82
Other Expenses	3,515.79	860.00	4,375.79	320.60	4,055.19
Assessment of Taxes					
Salaries and Wages	14,941.18		14,941.18		14,941.18
Other Expenses	6,545.21		6,545.21	1.49	6,543.72
Legal Services and Costs					
Other Expenses	20,642.25	25,757.51	46,399.76	46,198.57	201.19
Defense of Tax Appeals		14,716.20	17,016.20	16,949.30	66.90
Municipal Prosecutor					
Other Expenses		16,200.00	16,200.00	15,000.00	1,200.00
Engineering Services and Costs					
Salaries and Wages	1,143.82		1,143.82		1,143.82
Other Expenses	7,664.24	8,533.41	16,197.65	5,892.00	10,305.65

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-10

SCHEDULE OF APPROPRIATION RESERVES

Sheet 2 of 5

	Balance Dec. 31, 2011	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Municipal Court					
Salaries and Wages	$ 13,482.75	$	$ 13,482.75	$	$ 13,482.75
Other Expenses	5,994.97	72.10	6,067.07	1,874.02	4,193.05
Public Defender					
Other Expenses		6,200.00	6,200.00	6,200.00	
Public Buildings and Ground					
Salaries and Wages	39,794.86		39,794.86		39,794.86
Other Expenses	17,866.24	4,685.19	22,551.43	14,545.64	8,005.79
Municipal Land Use Law (N.J.S .40:550-1)					
Planning Board (JOINT)					
Other Expenses	3,960.00		3,960.00		3,960.00
Shade Tree Commission					
Salaries and Wages	1,488.10		1,488.10		1,488.10
Other Expenses	11,519.70	1,415.76	12,935.46	1,415.76	11,519.70
Insurance					
Employee Group Health	31,929.04		31,929.04	31,929.04	
Fire					
Fire Hydrant Services	31,719.54		31,719.54	23,660.56	8,058.98
Miscellaneous Other Expenses	17,636.55		17,636.55	681.64	16,954.91
Fire Facilities	28,769.73		28,769.73	11,038.78	17,730.95
Police					
Salaries and Wages	164,202.33		164,202.33	102,639.55	61,562.78
Other Expenses	14,691.08	21,503.92	36,195.00	27,172.30	9,022.70
Fire Inspectors					
Salaries and Wages	460.78		460.78		460.78
Other Expenses	276.54	955.38	2,431.92	2,318.09	113.83
Emergency Management Services					
Other Expenses	8,210.58		8,210.58		8,210.58
Road Repair and Maintenance					
Salaries and Wages	51,014.35		37,514.35		37,514.35
Other Expenses	26,415.90	24,297.57	50,713.47	27,859.74	22,853.73

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

Exhibit A-10

Sheet 3 of 5

	Balance Dec. 31, 2011	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Mechanics					
Salaries and Wages	$ 5,665.84	$	$ 5,665.84	$	$ 5,665.84
Other Expenses	1,813.60	4,952.34	6,765.94	4,950.27	1,815.67
Garbage and Trash Removal					
Other Expenses	97,975.52	61,814.60	159,790.12	128,775.06	31,015.06
Solid Waste Disposal					
Salaries and Wages	10,000.00		10,000.00		10,000.00
Other Expenses	42,847.62		42,847.62	23,567.77	19,279.85
NJ PEOSHA					
Other Expenses	1,000.00		1,000.00		1,000.00
Board of Health					
Salaries and Wages	6,498.11		6,498.11		6,498.11
Other Expenses	7,597.65		7,597.65		7,597.65
Flu Program	3,630.00		3,630.00		3,630.00
Save Boarding Cost and Animal Care					
Other Expenses	510.00	1,200.00	1,710.00	300.00	1,410.00
Senior Citizens Program					
Other Expenses	4,544.10		4,544.10		4,544.10
Drug Abuse Program (Corner House)					
Other Expenses	666.00		666.00		666.00
Celebration of Public Events					
Other Expenses	7,000.00		7,000.00		7,000.00
Construction Official					
Salaries and Wages	6,315.81		15.81		15.81
Other Expenses			7,300.00	6,616.60	683.40
Condo Service Reimbursement	8,000.00		8,000.00	6,533.24	1,466.76
Salary and Wage Adjustment	30,000.00		30,000.00		30,000.00

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-10

SCHEDULE OF APPROPRIATION RESERVES

Sheet 4 of 5

	Balance Dec. 31, 2011	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Utilities:					
Gasoline	$ 993.17	$ 6,403.41	$ 27,396.58	$ 27,078.76	$ 317.82
Telephone	924.33	2,647.39	3,571.72	3,276.66	295.06
Electricity and Natural Gas	26,420.14	12.79	26,432.93	14,919.67	11,513.26
Water	4,003.17		4,003.17	415.94	3,587.23
Accumulated Leave Compensation	33,576.92		33,576.92	33,576.92	
Contribution to:					
Social Security System (O.A.S.I.)	40,840.19		40,840.19		40,840.19
Unemployment	45,930.76		45,930.76		45,930.76
Consolidated Police and Firemen's Fund	191.63		191.63		191.63
Total Appropriations within Caps	987,338.19	223,560.40	1,210,898.59	618,748.87	592,149.72
APPROPRIATIONS EXCLUDED FROM CAPS					
Reserve for Tax Appeals	5,000.00		5,000.00		5,000.00
Maintenance of Joint Free Public Library					
Proportionate Share (R.S. 40-29.17)	13,289.47		13,289.47	12,098.79	1,190.68
Stony Brook Regional Sewerage Authority					
Stony Brook Sewer Main Stabilization Other Expenses	300,000.00		300,000.00	248,750.00	51,250.00
Share of Costs	1,624.68		1,624.68		1,624.68
Stony Brood Sewer Industrial User Free	30,385.80		30,385.80	30,385.80	
Employee Group Health		3,065.00	3,065.00	3,065.00	
Implementation and Maintenance of 911					
Communication System					
Police					
Salaries and Wages	76,025.33		76,025.33	41,793.03	34,232.30
Princeton Township Joint Services:					
Solid Waste					
Salaries and Wages	2,506.79		2,506.79		2,506.79
Other Expenses		17,413.66	17,413.66	17,413.66	

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-10

SCHEDULE OF APPROPRIATION RESERVES

Sheet 5 of 5

	Balance Dec. 31, 2011	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Princeton Township Joint Services (Continued):					
Maintenance of Sewer Facilities					
Salaries and Wages	$ 140,050.08	$	$ 140,050.08	$	$ 140,050.08
Other Expenses	1,406.68	3,001.12	4,407.80	1,757.80	2,650.00
Fire					
Other Expenses		27,128.80	27,128.80	27,128.80	
Fire Facilities		3,007.55	3,007.55	3,007.55	
LOSAP Alternative	18,736.93	472.50	19,209.43	14,855.00	4,354.43
Health					
Other Expenses		10,965.77	10,965.77	6,451.84	4,513.93
Flu Program	5,832.30	1,537.70	7,370.00	(3,982.39)	11,352.39
Animal Control					
Salaries and Wages	5,320.71		5,320.71		5,320.71
Other Expenses	1,127.65	122.61	1,250.26	211.74	1,038.52
Senior Citizens Program					
Other Expenses		28,973.40	28,973.40	4,859.40	24,114.00
Total General Appropriations excluded from Caps	601,306.42	95,688.11	696,994.53	407,796.02	289,198.51
Total General Appropriations	$ 1,588,644.61	$ 319,248.51	$ 1,907,893.12	$ 1,026,544.89	$ 881,348.23

Disbursed	$ 777,794.89
Interfund - General Capital Fund	242,746.00
Reserve for Encumbrances	6,004.00
	$ 1,026,544.89

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-11

SCHEDULE OF COUNTY TAXES PAYABLE

Balance December 31, 2011		$ 184,821.76
Increased by:		
2012 Tax Levy:		
County Tax	$ 12,677,375.53	
County Open Space Tax	478,472.66	
County Share of Added and Omitted Taxes	69,502.13	
		13,225,350.32
		13,410,172.08
Decreased by:		
Payments		13,345,250.78
Balance December 31, 2012		$ 64,921.30

SCHEDULE OF REGIONAL SCHOOL DISTRICT TAX

Exhibit A-12

Increased by:	
Levy - Calendar Year 2012	$ 22,380,495.14
Decreased by:	
Payments	$ 22,380,495.14

SCHEDULE OF MUNICIPAL OPEN SPACE TAX

Exhibit A-13

Increased by:	
Levy - Calendar Year 2012	$ 218,685.54
Decreased by:	
Payments	$ 218,685.54

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-14

SCHEDULE OF INTERFUNDS

	Total (Memo Only)	Payroll Fund	Animal Control Trust Fund	Assessment Trust Fund	Other Trust Fund	General Capital Fund
Balance December 31, 2011 - (Due From)/Due To	$ (300,168.03)	$	$ 3.60	$	$ (171.63)	$ (300,000.00)
Increased by:						
Disbursements	300,002.40	300,000.00	2.40			
Statutory Excess	5,966.43		5,966.43			
Total Increases	305,968.83	300,000.00	5,968.83			
Total Increases and Balances	(606,136.86)	(300,000.00)	(5,965.23)	3.60	(171.63)	(300,000.00)
Decreased by:						
Receipts	5.64				5.64	
Current Fund Budget Expenditures Paid in Other Funds:						
2012 Budget	3,000.00			3,000.00		
2011 Budget	242,746.00					242,746.00
2012 Budget Appropriation - Capital Improvement Fund	290,000.00					290,000.00
Total Decreases	535,751.64			3,000.00	5.64	532,746.00
Balance December 31, 2012 - (Due From)/Due To	$ (70,385.22)	$ (300,000.00)	$ (5,965.23)	$ 3.000.00	$ (165.99)	$ 232,746.00

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND **Exhibit A-15**

SCHEDULE OF INTERFUND

GRANT FUND

Increased by:	
2012 Budget Appropriations	$ 112,442.36
Decreased by:	
Anticipated Revenues	$ 112,442.60

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-16

SCHEDULE OF GRANTS RECEIVABLE

GRANT FUND

Grant	Balance Dec. 31, 2011	2012 Budget Revenue	Realized	Balance Dec. 31, 2012
Alcohol Education Rehabilitation Fund	$	$ 6,583.49	$ 6,583.49	$
Body Armor Fund		3,126.97	3,126.97	
Bonner Foundation	4,924.34	21,500.00	21,811.53	4,612.81
Clean Communities Program		12,670.39	12,670.39	
Comprehensive Tobacco Control	80.00			80.00
Cops-in-Shops	2,370.00			2,370.00
Health Services Grant - Influenza	27,439.55			27,439.55
Over the Limit, Under Arrest		5,000.00	5,000.00	
Princeton University - Fire Director - Salaries and Wages		20,000.00	20,000.00	
Princeton University - Fire Equipment		20,000.00	20,000.00	
Princeton University - Prospect Avenue Street Lighting	7,654.00	7,654.00	15,308.00	
Recycling Tonnage Grant		15,907.75	15,907.75	
Safe and Secure Communities Program	27,892.00			27,892.00
Stormwater Management	5,104.00			5,104.00
	$ 75,463.89	$ 112,442.60	$ 120,408.13	$ 67,498.36

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-17

SCHEDULE OF APPROPRIATED RESERVES

GRANT FUND

Grant	Balance Dec. 31, 2011	Transfer from 2012 Budget Appropriations	Prior Year Encumbrances	Expended	Balance Dec. 31, 2012
Current Year Grants:					
Alcohol Education Rehabilitation Fund	$ 15,932.72	$ 6,583.49	$	$ 3,400.00	$ 19,116.21
Body Armor Fund	3,061.94	3,126.97		2,860.00	3,328.91
Bonner Foundation	81,956.41	21,500.00	2,125.00	66,307.96	39,273.45
Clean Communities Grant	46,897.55	12,670.39		1,728.00	57,839.94
Click It or Ticket	4,158.86				4,158.86
Comprehensive Tobacco Control	725.00				725.00
Cops in Shops	6,183.97			2,932.70	3,251.27
Drunk Driving Enforcement Fund	1,553.23			1,553.23	
Edward Byrne Memorial Justice Assistance Grant (JAG)	11,180.00				11,180.00
Fire Fighter Grant Program	1,000.00				1,000.00
Green Communities	3,000.00				3,000.00
Health Services Grant - Influenza	15,484.91				15,484.91
Infrastructure Preparedness	1,560.31				1,560.31
NJ Contingency Fund - Special Purpose			5,125.00		5,125.00
NJ Lead Investigation and Field Testing	6.30				6.30
Over the Limit, Under Arrest	12,481.38	5,000.00		5,203.02	12,278.36
Princeton Gas Works Redevelopment	270,000.00			270,000.00	
Princeton University - Donation to Board of Health	1,126.64				1,126.64
Princeton University - Donations					
Fire Director - Salaries and Wages	41,104.37	20,000.00		12,521.75	48,582.62
Princeton University - Fire Equipment	85,563.22	20,000.00		53,728.65	51,834.57
Princeton University - Prospect Avenue Street Lighting		7,654.00			7,654.00
Public Health Priority Funding	7,812.70		50.16	5,700.26	2,162.60
Recycling Tonnage Grant	94,043.70	15,907.75			109,951.45
State and Local All. Hazard Emergency Plan	2,405.72				2,405.72
State Park Services Grant	2,190.00				2,190.00
Stormwater Management	2,056.62				2,056.62
Tobacco Age of Sale	1,753.11				1,753.11
	$ 713,238.66	$ 112,442.60	$ 7,300.16	$ 425,935.57	$ 407,045.85

Disbursements	$ 410,360.30
Reserve for Encumbrances	15,575.27
	$ 425,935.57

BOROUGH OF PRINCETON - COUNTY OF MERCER

CURRENT FUND

Exhibit A-18

SCHEDULE OF UNAPPROPRIATED RESERVES

GRANT FUND

Grant	Balance Dec. 31, 2011	Receipts	Balance Dec. 31, 2012
Cops in Shops	$	$ 2,000.00	$ 2,000.00
Infrastructure Preparedness	9,851.65		9,851.65
	$ 9,851.65	$ 2,000.00	$ 11,851.65

BOROUGH OF PRINCETON - COUNTY OF MERCER

TRUST FUND

Exhibit B-2

SCHEDULE OF CASH - TREASURER

	Assessment Trust Fund		Animal Control Trust Fund		Trust - Other Fund	
Balance December 31, 2011		$ 551,867.22		$ 15,889.22		$ 2,557,200.67
Increased by Receipts:						
Assessment Collections	$ 127,940.70		$		$	
Animal Control License Fees			4,971.08			
Miscellaneous Reserves					2,706,132.28	
Reserve for Open Space					218,757.52	
Interfunds:						
Affordable Housing Utility Operating Fund					441,151.89	
Current Fund	8,491.33				3,377.70	
		136,432.03		4,971.08		3,369,419.39
		688,299.25		20,860.30		5,926,620.06
Decreased by Disbursements:						
Utilized as Current Fund Revenue	25,000.00					
Serial Bonds	35,746.00					
Miscellaneous Reserves					1,853,785.08	
Reserve for Open Space					201,000.00	
Expenditures Under R.S. 4:19-15.11			588.73			
Interfund - Current Fund	11,491.33				3,383.34	
		72,237.33		588.73		2,058,168.42
Balance December 31, 2012		$ 616,061.92		$ 20,271.57		$ 3,868,451.64

BOROUGH OF PRINCETON - COUNTY OF MERCER

ASSESSMENT TRUST FUND

Exhibit B-3

ANALYSIS OF CASH

	Balance Dec. 31, 2011	Receipts		Disbursements		Balance Dec. 31, 2012
		Assessments	Miscellaneous	Utilized as Current Fund Revenue	Miscellaneous	
Fund Balance	$ 351,348.33	$ 115,079.88	$	$ 25,000.00	$	$ 441,428.21
Assessment Serial Bonds						
Ordinance Number:						
03-10 - Sidewalk Improvements	28,506.26	810.05			3,083.81	26,232.50
03-16 - Sidewalk Improvements	67,735.17	5,105.68			7,662.19	65,178.66
08-02 - Sidewalk Improvements	58,171.53	2,933.94			13,734.96	47,370.51
09-18 - Sidewalk Improvements	10,012.28	66.84			2,265.53	7,813.59
09-21 - Sidewalk Improvements	36,093.65	3,944.31			8,999.51	31,038.45
Interfund - Current Fund			8,491.33		11,491.33	(3,000.00)
	$ 551,867.22	$ 127,940.70	$ 8,491.33	$ 25,000.00	$ 47,237.33	$ 616,061.92

BOROUGH OF PRINCETON - COUNTY OF MERCER

TRUST FUND

Exhibit B-4

SCHEDULE OF ASSESSMENTS RECEIVABLE

ASSESSMENT TRUST FUND

Ordinance Number	Improvement Description	Balance Dec. 31, 2011	Assessments Confirmed in 2012	Collected	Balance Dec. 31, 2012	Balance Pledged To Assessment Bonds	Balance Pledged To Reserve for Assessments
00-19	Various Sidewalk Improvements	$ 184.06	$	$	$ 184.06	$	$ 184.06
02-16	Sidewalk Improvements	171.45		171.45			
03-10	Sidewalk Improvements	3,268.86		810.05	2,458.81	2,458.81	
03-12	Installation of Lighting and Drainage Improvements	420.92		210.00	210.92		210.92
03-16	Water, Sewer and Sidewalk Improvements	11,380.81		5,105.68	6,275.13	3,936.93	2,338.20
02-14, 02-16	Sidewalk Improvements	4,691.90		294.63	4,397.27		4,397.27
03-15	Sidewalk Improvements	5,785.38		1,687.37	4,098.01		4,098.01
05-12	Sidewalk Improvements	9,007.75		2,254.02	6,753.73		6,753.73
05-18	Sidewalk Improvements	17,951.17		6,407.33	11,543.84		11,543.84
05-19	Improvements to Sewer System	88,012.13		29,116.40	58,895.73		58,895.73
07-18	Sewer Improvements						
08-02	Sidewalk Improvements	15,990.35		2,933.94	13,056.41	13,056.41	
09-18	Sidewalk Improvements	1,335.20		66.84	1,268.36	1,268.36	
09-21	Sidewalk Improvements	12,147.54		3,944.31	8,203.23	8,203.23	
10-16	Sidewalk and Sanitary Improvements		34,743.00	15,265.42	19,477.58		19,477.58
10-01	Sewer, Sidewalk and Curb Improvements		29,856.50	22,052.48	7,804.02		7,804.02
11-22	Sewer, Sidewalk and Curb Improvements		59,402.40	37,620.78	21,781.62		21,781.62
		$ 170,347.52	$ 124,001.90	$ 127,940.70	$ 166,408.72	$ 28,923.74	$ 137,484.98

BOROUGH OF PRINCETON - COUNTY OF MERCER

TRUST FUND

Exhibit B-5

SCHEDULE OF RESERVE FOR ASSESSMENTS

ASSESSMENT TRUST FUND

Ordinance Number	Improvement Description	Balance Dec. 31, 2011	Unpledged Assessments	Collections to Surplus	Balance Dec. 31, 2012
	Assessments Receivable:				
00-19	Various Sidewalk Improvements	$ 184.06	$	$	$ 184.06
02-16	Sidewalk Improvements	171.45			171.45
03-16	Water, Sewer and Sidewalk Improvements	2,338.20			2,338.20
02-14, 02-16	Sidewalk Improvements	4,691.90		466.08	4,225.82
03-12	Installation of Lighting and Drainage Improvements	420.92		210.00	210.92
03-15	Sidewalk Improvements	5,785.38		1,687.37	4,098.01
05-12	Sidewalk Improvements	9,007.75		2,254.02	6,753.73
05-18	Sidewalk Improvements	17,951.17		6,407.33	11,543.84
05-19	Improvements to Sewer System	88,012.13		29,116.40	58,895.73
10-16	Sidewalk and Sanitary Improvements		34,743.00	15,265.42	19,477.58
10-01	Sewer, Sidewalk and Curb Improvements		29,856.50	22,052.48	7,804.02
11-22	Sewer, Sidewalk and Curb Improvements		59,402.40	37,620.78	21,781.62
		$ 128,562.96	$ 124,001.90	$ 115,079.88	$ 137,484.98

BOROUGH OF PRINCETON - COUNTY OF MERCER

TRUST FUND

Exhibit B-6

SCHEDULE OF SERIAL BONDS PAYABLE

ASSESSMENT TRUST FUND

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2012 Date	Amount	Interest Rate	Balance Dec. 31, 2011	Decreased	Balance Dec. 31, 2012
General Improvement Bonds	6/01/2007	$ 142,941.36	6/01/2013	$ 11,462.82	4.00%			
			6/01/2014-15	13,612.10	4.00%			
			6/01/2016-17	14,328.52	4.00%			
			6/01/2018	15,044.95	4.00%			
			6/01/2019	15,417.89	4.00%	$ 108,552.90	$ 10,746.00	$ 97,806.90
Sidewalk Assessment Bonds	6/01/2010	212,000.00	2/01/2013-16	20,000.00	3.00%			
			2/01/2017-18	20,000.00	4.00%			
			2/01/2019-20	20,000.00	5.00%	185,000.00	25,000.00	160,000.00
						$ 293,552.90	$ 35,746.00	$ 257,806.90

BOROUGH OF PRINCETON - COUNTY OF MERCER

TRUST FUND

Exhibit B-7

SCHEDULE OF RESERVE FOR ANIMAL CONTROL

ANIMAL CONTROL TRUST FUND

Balance December 31, 2011		$ 15,889.22
Increased by:		
Animal Control License Fees Collected		4,971.08
		20,860.30
Decreased by:		
Expenditures Under R.S. 4:19-15.11	$ 588.73	
Statutory Excess Due to Current Fund	5,966.43	
		6,555.16
Balance December 31, 2012		$ 14,305.14

License and Penalty Fees Collected

Year	Amount
2010	$ 8,872.79
2011	5,432.35
	$ 14,305.14

SCHEDULE OF INTERFUND - TRUST-OTHER FUND

CURRENT FUND

Exhibit B-8

Balance December 31, 2011 - Due To	$ 171.63
Increased by:	
Interest Earned Due to Borough	3,377.70
	3,549.33
Decreased by:	
Disbursed	3,383.34
Balance December 31, 2012 - Due To	$ 165.99

BOROUGH OF PRINCETON - COUNTY OF MERCER

TRUST FUND

Exhibit B-9

SCHEDULE OF MISCELLANEOUS RESERVES

Balance December 31, 2011	$ 2,410,621.63
Increased by:	
Receipts	2,706,132.28
	5,116,753.91
Decreased by:	
Disbursements	1,853,785.08
Balance December 31, 2012	$ 3,262,968.83

Analysis of Balance

Reserve for:	
Accumulated Sick Leave	$ 61,760.76
Adopt A Park Program	3,940.00
Builders Escrow	1,000.00
Fire Equipment Donation	30,020.40
Fire Protection Trust	12,464.68
Graffiti Removal Trust	9,384.85
Homeless Trust	2,793.00
Landfill Closure Escrow	23,608.78
Latin American Task Force	1,446.29
Law Enforcement Trust	18,986.48
Marquand Park/Charles St. Bench Donations	5,395.00
Miscellaneous	1,874.46
Off Duty Police	123,765.60
POAA	3,058.51
Police Athletic Fund	4,834.08
Postage Trust Fund	10,091.95
Princeton University Park Donation	5.52
Public Defender Fees	56,349.90
Sewer Connection Fees	751,013.99
Shade Trees	18,562.62
Tax Collector Credit Card Fees	10,374.65
Tax Sale Premiums	3,000.00
Unemployment Benefits	85,069.47
Zoning Escrow Fees	2,024,167.84
	$ 3,262,968.83

BOROUGH OF PRINCETON - COUNTY OF MERCER

TRUST FUND

Exhibit B-10

SCHEDULE OF RESERVE FOR OPEN SPACE

Balance December 31, 2011		$ 146,407.41
Increased by:		
2012 Tax Levy	$ 218,685.54	
Interest on Deposits	71.98	
		218,757.52
		365,164.93
Decreased by:		
Utilized as Anticipated Revenue		201,000.00
Balance December 31, 2012		$ 164,164.93

BOROUGH OF PRINCETON - COUNTY OF MERCER

GENERAL CAPITAL FUND

Exhibit C-2

SCHEDULE OF CASH - TREASURER

Balance December 31, 2011		$ 7,813,202.61
Increased by Receipts:		
Capital Fund Balance	$ 63,579.86	
Interfund - Affordable Housing Utility Capital Fund	2,835.00	
		66,414.86
		7,879,617.47
Decreased by Disbursements:		
Improvement Authorizations	4,058,140.24	
General Capital Fund Balance	2,164,199.96	
Interfund - Current Fund	242,746.00	
		6,465,086.20
Balance December 31, 2012		$ 1,414,531.27

BOROUGH OF PRINCETON - COUNTY OF MERCER

GENERAL CAPITAL CASH

Exhibit C-3

ANALYSIS OF CASH

Sheet 1 of 2

	Balance Dec. 31, 2011	Receipts Miscellaneous	Disbursements Improvement Authorizations	Disbursements Miscellaneous	Transfers From	Transfers To	Balance Dec. 31, 2012
Fund Balance	$ 3,664,331.68	$ 63,579.86	$	$ 2,164,199.96	$	$	$ 1,563,711.58
Capital Improvement Fund	4,685.00				5,600.00	290,000.00	289,085.00
NJ Environmental Infrastructure Trust Loan Receivable	(3,290,594.00)				1,169,144.00		(4,459,738.00)
Interfunds:							
Current Fund	300,000.00			242,746.00	290,000.00		(232,746.00)
Affordable Housing Utility Capital Fund	(1,560.00)	2,835.00					1,275.00
Reserve for:							
Payment of Debt Service	84.65						84.65
Encumbrances	1,850,895.66				1,850,895.66	917,396.68	917,396.68
Improvement Authorizations							
General Improvements:							
Acquisition and Construction of Recreational Facilities	63,266.80		61,389.87			16,791.00	18,667.93
Various Capital Improvements	42,088.60		42,088.60				
Various Capital Improvements	10,387.60		10,387.60				
Various Capital Improvements	2,517.03						2,517.03
Various Capital Improvements	199,800.36						199,800.36
Various Capital Improvements	25,455.62						25,455.62
Various Capital Improvements	5,494.76						5,494.76
Various Capital Improvements	67,629.02		2,120.00		912.74	3,032.74	67,629.02
Various Capital Improvements	339,336.64		339,948.36			611.72	
Sidewalk Improvements	350.00		350.00			6,457.24	6,457.24
Sewer Rehabilitation	145,482.08						145,482.08
Various Capital Improvements	160,626.02		148,950.94				11,675.08
Various Capital Improvements	37,823.09		1,625.14		11,325.00		24,872.95
Improvements to the Sewer System at Park Place	194,615.79					17,762.16	212,377.95
Improvements to Intersection at Witherspoon and Wiggins Streets	29,956.37		29,956.37				
Various Capital Improvements	16,582.76		6,178.51				10,404.25
Various Capital Improvements	47,139.49		74,108.71			49,718.82	22,749.60
Various Capital Improvements	3.00						3.00
Various Capital Improvements					11,113.56	11,113.56	
Rehabilitation of Sewer System	3,031,334.42		1,424,300.20		565,114.89	1,452,923.34	2,494,842.67
Various Capital Improvements	81,680.48		22,472.23		13,320.00	17,700.00	63,588.25
Various Capital Improvements	285,759.37		14,698.28		4,271.27	15,243.54	282,033.36
Various Capital Improvements	93,306.66		85,068.16		19,578.84	36,982.17	25,641.83
Reconstruction of Cleveland Lane and Lafayette Road	55,244.29						55,244.29
Various Sewer Projects	53,580.40		5,817.30		13,436.80	18,347.98	52,674.28
Various Capital Improvements	199,200.58		113,086.54			3,934.44	90,048.48
Various Capital Improvements	285,962.20		29,255.17		10,000.00	6,116.50	252,823.53

BOROUGH OF PRINCETON - COUNTY OF MERCER

GENERAL CAPITAL CASH

Exhibit C-3

ANALYSIS OF CASH

Sheet 2 of 2

Improvement Authorizations	Balance Dec. 31, 2011	Receipts Miscellaneous	Disbursements Improvement Authorizations	Disbursements Miscellaneous	Transfers From	Transfers To	Balance Dec. 31, 2012
General Improvements (Continued):							
Sidewalk Improvements	$ 106,253.55	$	$ 106,253.55	$	$	$	$
Renovations to the Public Works Garage	28,733.04						28,733.04
Various Capital Improvements	569,033.21		169,886.22		6,254.81	125,423.83	518,316.01
Various Capital Improvements	314,632.45		(688.99)		55,614.03	44,359.02	304,066.43
Improvements to Harriet Drive	23,656.00					884.87	24,540.87
Sidewalk Improvements	2,748.50						2,748.50
Sidewalk Improvements	1,085.95					1,472.46	2,558.41
Various Capital Improvements	206,969.18		37,241.18		4,436.82	18,973.95	184,265.13
Various Capital Improvements	119,056.89		36,505.67		9,509.55	5,254.00	78,295.67
Rehabilitation of the Sewer System	11,597.10		25,798.87		42,921.42	89,680.73	32,557.54
Sewer, Curbs and Sidewalk Improvements	(82,783.25)		26,466.75			241.09	(109,008.91)
Various Capital Improvements	(272,595.86)		76,317.13		3,936.58	28,271.25	(324,578.32)
Sewer Improvements	421,474.34		26,812.74		22,138.72	8,890.60	381,413.48
Sidewalk and Sewer Improvements	(53,083.16)		11,116.84			.50	(64,199.50)
Various Capital Improvements	(689,880.26)		186,683.27		47,880.94	134,045.00	(790,399.47)
Installation of New Pool	83,855.54		174.00				83,681.54
Improvements to the Sanitary Sewer System	1,438.00						1,438.00
Various Capital Improvements	(982,584.37)		661,696.23		47,744.31	828,751.43	(863,273.48)
Various Capital Improvements	(40,521.82)		145,273.56		23,790.00	77,055.72	(132,529.66)
Various Capital Improvements	82,301.16		25,768.19				56,532.97
Various Sewer Projects	239,700.00		25,990.63		4,096.40		209,612.97
Sidewalk and Other Sanitary Sewer Improvements	4,650.00		63,641.91				(58,991.91)
Stabilization of the Stony Brook Sewer Main	(285,000.00)						(285,000.00)
Sidewalk and Other Sanitary Sewer Improvements			21,400.51			5,600.00	(15,800.51)
	$ 7,813,202.61	$ 66,414.86	$ 4,058,140.24	$ 2,406,945.96	$ 4,233,036.34	$ 4,233,036.34	$ 1,414,531.27

BOROUGH OF PRINCETON - COUNTY OF MERCER

GENERAL CAPITAL FUND

Exhibit C-4

SCHEDULE OF DEFERRED CHARGES TO FUTURE

TAXATION - FUNDED

Balance December 31, 2011		$ 33,310,030.06
Increased by Issued:		
NJ Environmental Infrastructure Trust Loans Payable		1,169,144.00
		34,479,174.06
Decreased by:		
2012 Budget Appropriations:		
Serial Bonds	$ 2,299,253.62	
Environmental Infrastructure Trust Loan	391,922.38	
		2,691,176.00
Balance December 31, 2012		$ 31,787,998.06

BOROUGH OF PRINCETON - COUNTY OF MERCER

GENERAL CAPITAL FUND

Exhibit C-5

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ordinance Number	Improvement Description	Balance Dec. 31, 2011	2012 Authorizations	Permanent Debt Issued	Balance Dec. 31, 2012	Analysis of Balance: Expenditures	Analysis of Balance: Unexpended Improvement Authorizations
	General Improvements:						
05-14,09-14, 12-01	Rehabilitation of Sewer System	$ 833,501.20	$ 2,000,000.00	$ 1,169,144.00	$ 1,664,357.20	$	$ 1,664,357.20
10-01	Sewer, Sidewalk and Curb Improvements	109,250.00			109,250.00	109,008.91	241.09
10-08	Various Capital Improvements	632,225.00			632,225.00	324,578.32	307,646.68
10-14	Refunding Bond Ordinance	863,000.00			863,000.00		863,000.00
10-16	Sidewalk and Sewer Improvements	66,500.00			66,500.00	64,199.50	2,300.50
10-17	Various Capital Improvements	1,296,085.00			1,296,085.00	790,399.47	505,685.53
11-01,25	Installation of New Pool	2,273,825.00			2,273,825.00		2,273,825.00
11-11	Improvements to the Sanitary Sewer System	28,025.00			28,025.00		28,025.00
11-16	Various Capital Improvements	1,842,335.00			1,842,335.00	863,273.48	979,061.52
11-17	Various Capital Improvements	892,050.00			892,050.00	132,529.66	759,520.34
11-22	Sidewalk and Other Sanitary Sewer Improvements	99,750.00			99,750.00	58,991.91	40,758.09
11-26	Stabilization of the Stony Brook Sewer Main	285,000.00			285,000.00	285,000.00	
12-09	Sidewalk and Other Sanitary Sewer Improvements		106,400.00		106,400.00	15,800.51	90,599.49
		$ 9,221,546.20	$ 2,106,400.00	$ 1,169,144.00	$ 10,158,802.20	$ 2,643,781.76	$ 7,515,020.44

BOROUGH OF PRINCETON - COUNTY OF MERCER

GENERAL CAPITAL FUND

Exhibit C-6

SCHEDULE OF INTERFUNDS

	Total (Memo Only)	Affordable Housing Utility Capital Fund	Current Fund
Balance December 31, 2011 - (Due From)/Due To	$ 298,440.00	$ (1,560.00)	$ 300,000.00
Increased by:			
Receipts	2,835.00	2,835.00	
Total Increases and Balances	301,275.00	1,275.00	300,000.00
Decreased by:			
2012 Budget Appropriations - Capital Improvement Fund	290,000.00		290,000.00
Disbursements	242,746.00		242,746.00
Total Decreases	532,746.00		532,746.00
Balance December 31, 2012 - (Due From)/Due To	$ (231,471.00)	$ 1,275.00	$ (232,746.00)

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Exhibit C-7

Balance December 31, 2011	$ 4,685.00
Increased by:	
2012 Budget Appropriations	290,000.00
	294,685.00
Decreased by:	
Utilized to Finance Improvement Authorizations	5,600.00
Balance December 31, 2012	$ 289,085.00

BOROUGH OF PRINCETON - COUNTY OF MERCER

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Exhibit C-8

Sheet 1 of 2

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2011 Funded	Balance Dec. 31, 2011 Unfunded	2012 Authorizations	Prior Year Encumbrances	Decreases	Balance Dec. 31, 2012 Funded	Balance Dec. 31, 2012 Unfunded
	General Improvements:									
96-18	Acquisition and Construction of Recreational Facilities	8/13/1996	$ 480,000.00	$ 63,266.80	$	$	$ 16,791.00	$ 61,389.87	$ 18,667.93	$
98-07	Various Capital Improvements	2/09/1999	150,000.00	42,088.60				42,088.60		
99-17	Various Capital Improvements	7/13/1999	1,450,000.00	10,387.60				10,387.60		
00-16	Various Capital Improvements	8/08/2000	421,478.00	2,517.03					2,517.03	
00-17,00-22	Various Capital Improvements	9/12/2000	2,827,413.00	199,800.36					199,800.36	
01-08	Various Capital Improvements	8/14/2001	722,947.00	25,455.62					25,455.62	
01-16	Various Capital Improvements	11/16/2001	268,070.00	5,494.76					5,494.76	
02-14	Various Capital Improvements	8/20/2002	2,232,281.00	67,629.02			3,032.74	3,032.74	67,629.02	
02-15	Various Capital Improvements	8/20/2002	777,833.00	339,336.64			611.72	339,948.36		
03-15	Sidewalk Improvements	6/10/2003	520,002.00	350.00			6,457.24	350.00	6,457.24	
03-31	Sewer Rehabilitation	9/09/2003	850,000.00	145,482.08					145,482.08	
03-40	Various Capital Improvements	12/02/2003	2,046,050.00	160,626.02				148,950.94	11,675.08	
03-42	Various Capital Improvements	12/02/2003	930,397.00	37,823.09				12,950.14	24,872.95	
04-13	Improvements to the Sewer System at Park Place	8/31/2004	262,500.00	194,615.79			17,762.16		212,377.95	
04-14	Improvements to Intersection at Witherspoon and Wiggins Streets	8/31/2004	319,000.00	29,956.37				29,956.37		
04-19	Various Capital Improvements	11/30/2004	94,115.00	16,582.76				6,178.51	10,404.25	
04-20	Various Capital Improvements	11/30/2004	379,040.00	47,139.49			49,718.82	74,108.71	22,749.60	
05-05	Various Capital Improvements	3/22/2005	1,107,573.00	3.00					3.00	
05-06	Various Capital Improvements	3/22/2005	1,333,380.00				11,113.56	11,113.56		
12-01, 09-14, 05-14	Rehabilitation of Sewer System	6/14/2005	6,720,000.00	3,031,334.42	833,501.20	2,000,000.00	283,779.34	1,989,415.09	2,494,842.67	1,664,357.20
05-17	Various Capital Improvements	8/09/2005	523,300.00	81,680.48			17,700.00	35,792.23	63,588.25	
06-15	Various Capital Improvements	7/25/2006	1,744,263.00	285,759.37			15,243.54	18,969.55	282,033.36	
07-09, 06-16	Various Capital Improvements	7/25/2006	1,354,366.00	93,306.66			36,982.17	104,647.00	25,641.83	
07-14	Reconstruction of Cleveland Lane and Lafayette Road	7/10/2007	1,687,400.00	55,244.29					55,244.29	
07-18	Various Sewer Projects	9/11/2007	500,000.00	53,580.40			18,347.98	19,254.10	52,674.28	
07-19	Various Capital Improvements	9/11/2007	763,694.00	199,200.58			3,934.44	113,086.54	90,048.48	
07-20	Various Capital Improvements	9/11/2007	984,214.00	285,962.20			6,116.50	39,255.17	252,823.53	
08-02	Sidewalk Improvements	2/26/2008	133,000.00	106,253.55				106,253.55		
08-22	Renovations to the Public Works Garage	9/02/2008	275,000.00	28,733.04					28,733.04	
08-23	Various Capital Improvements	10/28/2008	2,385,560.00	569,033.21			125,423.83	176,141.03	518,316.01	
08-24	Various Capital Improvements	10/28/2008	1,331,000.00	314,632.45			44,359.02	54,925.04	304,066.43	
09-16	Improvements to Harriet Drive	6/09/2009	300,000.00	23,656.00			884.87		24,540.87	
09-18	Sidewalk Improvements	6/09/2009	20,000.00	2,748.50					2,748.50	
09-21	Sidewalk Improvements	8/04/2009	71,000.00	1,085.95			1,472.46		2,558.41	
09-24	Various Capital Improvements	9/29/2009	1,459,200.00	206,969.18			18,973.95	41,678.00	184,265.13	
09-25	Various Capital Improvements	9/29/2009	586,000.00	119,056.89			5,254.00	46,015.22	78,295.67	
09-26	Rehabilitation of the Sewer System	9/29/2009	720,000.00	11,597.10			89,680.73	68,720.29	32,557.54	
10-01	Sewer, Curbs and Sidewalk Improvements	3/02/2010	115,000.00		26,466.75		241.09	26,466.75		241.09
10-08	Various Capital Improvements	6/22/2010	665,500.00		359,629.14		28,271.25	80,253.71		307,646.68
10-14	Refunding Ordinance	9/14/2010	863,000.00		863,000.00					863,000.00
11-21, 10-15	Sewer Improvements	10/26/2010	720,000.00	421,474.34			8,890.60	48,951.46	381,413.48	
10-16	Sidewalk and Sewer Improvements	10/26/2010	70,000.00		13,416.84		.50	11,116.84		2,300.50
10-17	Various Capital Improvements	10/26/2010	1,364,300.00		606,204.74		134,045.00	234,564.21		505,685.53
11-01,11-25	Installation of New Pool	2/22/2011	2,053,500.00	83,855.54	2,273,825.00			174.00	83,681.54	2,273,825.00
11-11	Improvements to the Sanitary Sewer System	8/02/2011	29,500.00	1,438.00	28,025.00				1,438.00	28,025.00
11-16	Various Capital Improvements	8/02/2011	1,939,300.00		859,750.63		828,751.43	709,440.54		979,061.52
11-17	Various Capital Improvements	8/02/2011	939,000.00		851,528.18		77,055.72	169,063.56		759,520.34
11-18	Various Capital Improvements	8/02/2011	82,301.16	82,301.16				25,768.19	56,532.97	
11-19	Various Sewer Projects	8/02/2011	240,000.00	239,700.00				30,087.03	209,612.97	
11-22	Sidewalk and Other Sanitary Sewer Improvements	10/04/2011	105,000.00	4,650.00	99,750.00			63,641.91		40,758.09
12-09	Sidewalk and Other Sanitary Sewer Improvements	6/12/2012	112,000.00			112,000.00		21,400.51		90,599.49
	Total General Improvements			$ 7,691,808.34	$ 6,815,097.48	$ 2,112,000.00	$ 1,850,895.66	$ 4,975,536.92	$ 5,979,244.12	$ 7,515,020.44

BOROUGH OF PRINCETON - COUNTY OF MERCER

GENERAL CAPITAL FUND

Exhibit C-8

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Sheet 2 of 2

	2012 Authorizations
Deferred Charges - Unfunded	$ 2,106,400.00
Capital Improvement Fund	5,600.00
	$ 2,112,000.00

	Decreases
Disbursed	$ 4,058,140.24
Reserve for Encumbrances	917,396.68
	$ 4,975,536.92

BOROUGH OF PRINCETON - COUNTY OF MERCER

GENERAL CAPITAL FUND

Exhibit C-9

SCHEDULE OF GENERAL SERIAL BONDS

Improvement Description	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2012 Date	Amount	Interest Rate	Balance Dec. 31, 2011	Decreased	Balance Dec. 31, 2012
General Improvement Bonds								
Series A	11/01/1998	$ 5,553,000	8/15/2013	$ 380,000	4.25%	$ 760,000.00	$ 380,000.00	$ 380,000.00
Series B	11/01/1998	8,214,000	8/15/2013-15	570,000	4.25%			
			8/15/2016-17	570,000	4.30%			
			8/15/2018	519,000	4.50%	3,939,000.00	570,000.00	3,369,000.00
General Improvement Bonds	6/01/2007	9,833,059	6/01/2013	788,537.18	4.00%			
			6/01/2014-15	936,387.90	4.00%			
			6/01/2016-17	985,671.48	4.00%			
			6/01/2018	1,034,955.05	4.00%			
			6/01/2019	1,060,582.50	4.00%	7,467,447.10	739,253.62	6,728,193.48
General Improvement Bonds	6/01/2010	12,589,000	2/01/2013	600,000.00	3.00%			
			2/01/2014-16	530,000.00	3.00%			
			2/01/2017-18	580,000.00	4.00%			
			2/01/2019	980,000.00	5.00%			
			2/01/2020	1,000,000.00	5.00%			
			2/01/2021	1,000,000.00	3.13%			
			2/01/2022	1,000,000.00	3.25%			
			2/01/2023	1,000,000.00	3.38%			
			2/01/2024	1,020,000.00	3.50%			
			2/01/2025	1,020,000.00	4.00%			
			2/01/2026	1,019,000.00	3.50%	11,989,000.00	600,000.00	11,389,000.00
Refunding Bonds Series 2011	9/14/2011	1,910,000	8/15/2014	380,000.00	3.00%			
			8/15/2015	385,000.00	3.00%			
			8/15/2016	380,000.00	4.00%			
			8/15/2017	380,000.00	4.00%			
			8/15/2018	375,000.00	4.00%	1,910,000.00	10,000.00	1,900,000.00
						$ 26,065,447.10	$ 2,299,253.62	$ 23,766,193.48

BOROUGH OF PRINCETON - COUNTY OF MERCER

GENERAL CAPITAL FUND

Exhibit C-10

SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE

TRUST LOANS RECEIVABLE

Balance December 31, 2011	$ 3,290,594.00
Increased by Issued:	
NJ Environmental Infrastructure Trust Loans Payable	1,169,144.00
Balance December 31, 2012	$ 4,459,738.00

BOROUGH OF PRINCEtoN - COUNTY OF MERCER

GENERAL CAPITAL FUND

Exhibit C-11

SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS PAYABLE

Issue	Date of Issue	Original Issue	Interest Rate	Balance Dec. 31, 2011	Increases	Decreases	Balance Dec. 31, 2012
Wastewater Treatment Trust Loan - Trust	11/09/2006	$ 905,000.00	4.00% to 5.00%	$ 770,000.00	$	$ 35,000.00	$ 735,000.00
Wastewater Treatment Trust Loan - State	11/09/2006	889,142.00	0.00%	684,025.02		44,442.74	639,582.28
Wastewater Treatment Trust Loan - Trust	11/08/2007	870,000.00	3.40% to 5.00%	775,000.00		35,000.00	740,000.00
Wastewater Treatment Trust Loan - State	11/08/2007	848,221.00	0.00%	696,944.70		43,778.04	653,166.66
Wastewater Treatment Trust Loan - Trust	11/06/2008	1,035,000.00	5.00% to 5.50%	965,000.00		35,000.00	930,000.00
Wastewater Treatment Trust Loan - State	11/06/2008	1,034,227.00	0.00%	900,810.29		51,785.83	849,024.46
Wastewater Treatment Trust Loan - Trust	2010	650,000.00	3.00% to 5.00%	630,000.00		25,000.00	605,000.00
Wastewater Treatment Trust Loan - State	2010	1,991,581.00	0.00%	1,822,802.95		101,266.83	1,721,536.12
Wastewater Treatment Trust Loan - Trust	2011	560,000.00	2.00% to 5.00%		560,000.00		560,000.00
Wastewater Treatment Trust Loan - State	2011	609,144.00	0.00%		609,144.00	20,648.94	588,495.06
				$ 7,244,582.96	$ 1,169,144.00	$ 391,922.38	$ 8,021,804.58

BOROUGH OF PRINCETON - COUNTY OF MERCER

GENERAL CAPITAL FUND

Exhibit C-12

SCHEDULE OF BONDS AND NOTES AUTHORIZED

BUT NOT ISSUED

Ordinance Number	Improvement Description	Balance Dec. 31, 2012
	General Improvements:	
05-14	Rehabilitation of Sewer System	$ 1,664,357.20
10-01	Sewer, Curbs and Sidewalk Improvements	109,250.00
10-08	Various Capital Improvements	632,225.00
10-14	Refunding Ordinance	863,000.00
10-16	Sidewalk and Sewer Improvements	66,500.00
10-17	Various Capital Improvements	1,296,085.00
11-01,25	Installation of New Pool	2,273,825.00
11-11	Improvements to the Sanitary Sewer System	28,025.00
11-16	Various Capital Improvements	1,842,335.00
11-17	Various Capital Improvements	892,050.00
11-22	Sidewalk and Other Sanitary Sewer Improvements	99,750.00
11-26	Stabilization of the Stony Brook Sewer Main	285,000.00
12-09	Sidewalk and Sanitary Sewer Improvements	106,400.00
		$ 10,158,802.20

BOROUGH OF PRINCETON - COUNTY OF MERCER

PARKING UTILITY FUND

Exhibit D-5

SCHEDULE OF PARKING UTILITY FUND - CASH

	Operating		Capital	
Balance December 31, 2011		$ 921,795.63		$ 181,646.62
Increased by Receipts:				
Anticipated Revenues	$ 3,747,413.01		$	
Non-Budget Revenue	201,865.65			
Fund Balance - Refunding Bond Agent Refund			16,099.01	
Grant Receivable Deficit Raised in 2012 Budget			82,851.23	
Deferred Charge Raised in 2012 Budget			224,372.77	
		3,949,278.66		323,323.01
		4,871,074.29		504,969.63
Decreased by Disbursements:				
Budget Appropriations	3,416,992.34			
Appropriation Reserves	58,998.42			
Improvement Authorization			238,231.59	
Accrued Interest Payable	405,941.75			
		3,881,932.51		238,231.59
Balance December 31, 2012		$ 989,141.78		$ 266,738.04

BOROUGH OF PRINCETON - COUNTY OF MERCER

PARKING UTILITY CAPITAL FUND

Exhibit D-6

ANALYSIS OF PARKING UTILITY CAPITAL CASH

	Balance Dec. 31, 2012	Balance Dec. 31, 2011
Fund Balance	$ 28,278.43	$ 12,179.42
Accounts Receivable		(82,851.23)
Reserve for Debt Service - County of Mercer Open Space	375,000.00	375,000.00
Reserve for Encumbrances	94,230.00	
Improvement Authorizations:		
Ordinance Number:		
02-22	24,388.34	201,198.34
03-41	(12,248.00)	(26,011.91)
04-12		(185,389.21)
06-14	5,359.00	7,359.00
07-21	(493.35)	(13,465.00)
08-25	15,100.00	31,100.00
09-27	28,574.88	76,935.21
10-04	(226,368.26)	(214,325.00)
11-20	(65,083.00)	(83.00)
	$ 266,738.04	$ 181,646.62

SCHEDULE OF FIXED CAPITAL

Exhibit D-7

	Balance Dec. 31, 2012 and 2011
Parking Utility 2002	$ 200,000.00

BOROUGH OF PRINCETON - COUNTY OF MERCER

PARKING UTILITY CAPITAL FUND

Exhibit D-8

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2012 and 2011
02-22	Development and Construction of a Parking Facility and Related Park Plaza	12/17/2002	$ 13,500,000.00	$ 13,500,000.00
03-41	Acquisition of Equipment	12/02/2003	50,000.00	49,869.10
04-12	Technology Improvements	8/31/2004	194,500.00	194,489.21
06-14	Various Capital Improvements	8/08/2006	15,376.00	15,376.00
07-21	Acquisition of Equipment	9/11/2007	39,000.00	39,000.00
08-25	Improvements to Parking Garage	10/28/08	31,700.00	31,700.00
09-27	Various Capital Improvements	9/29/2009	226,000.00	226,000.00
10-04	Various Improvements	4/13/2010	250,000.00	250,000.00
10-13	Refunding Bond Ordinance	9/14/2010	1,795,000.00	1,795,000.00
11-20	Improvement to Pay Stations	8/02/2011	66,000.00	66,000.00
				$ 16,167,434.31

BOROUGH OF PRINCETON - COUNTY OF MERCER

PARKING UTILITY OPERATING FUND

Exhibit D-9

SCHEDULE OF APPROPRIATION RESERVES

	Balance December 31, 2011				
	Appropriation Reserves	Reserve for Encumbrances	Budget After Modification	Paid or Charged	Balance Lapsed
Salaries and Wages	$ 25,563.11	$	$ 25,563.11	$	$ 25,563.11
Other Expenses	95,747.55	40,335.18	136,082.73	58,998.42	77,084.31
	$ 121,310.66	$ 40,335.18	$ 161,645.84	$ 58,998.42	$ 102,647.42

BOROUGH OF PRINCETON - COUNTY OF MERCER

PARKING UTILITY OPERATING FUND

Exhibit D-10

SCHEDULE OF ACCRUED INTEREST ON BONDS

Balance December 31, 2011	$ 125,845.79
Increased by:	
Budget Appropriation	447,541.00
	573,386.79
Decreased by:	
Disbursements	405,941.75
Balance December 31, 2012	$ 167,445.04

Exhibit D-11

BOROUGH OF PRINCETON - COUNTY OF MERCER

PARKING UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2011 Funded	Balance Dec. 31, 2011 Unfunded	Prior Year Encumbrances	Decreases	Balance Dec. 31, 2012 Funded	Balance Dec. 31, 2012 Unfunded
02-22	Development and Construction of a Parking Facility and Related Park Plaza	12/17/2002	$ 13,500,000.00	$ 201,198.34	$	$	$ 176,810.00	$ 24,388.34	$
03-41	Acquisition of Equipment	12/02/2003	50,000.00		23,857.19		12,248.00		11,609.19
04-12	Technology Improvements	8/31/2004	194,500.00		9,100.00		0.00		9,100.00
06-14	Various Capital Improvements	8/08/2006	15,376.00	5,359.00	376.00	2,000.00	2,000.00	5,359.00	376.00
07-21	Acquisition of Equipment	9/11/2007	39,000.00		1,535.00				1,535.00
08-25	Improvements to Parking Garage	10/28/2008	31,700.00	11,100.00		20,000.00	16,000.00	15,100.00	
09-27	Various Capital Improvements	9/29/2009	226,000.00	6,716.33	76,000.00	70,218.88	48,360.33	28,574.88	76,000.00
10-04	Various Improvements	4/13/2010	250,000.00		24,175.00	11,500.00	12,043.26		23,631.74
10-13	Refunding Bond Ordinance	9/14/2010	1,795,000.00		1,745,000.00		0.00		1,745,000.00
11-20	Improvement to the Pay Stations	8/02/2011	66,000.00		917.00	65,000.00	65,000.00		917.00
				$ 224,373.67	$ 1,880,960.19	168,718.88	$ 332,461.59	$ 73,422.22	$ 1,868,168.93

Disbursements	$ 238,231.59
Reserve for Encumbrances	94,230.00
	$ 332,461.59

BOROUGH OF PRINCETON - COUNTY OF MERCER

PARKING UTILITY CAPITAL FUND

Exhibit D-12

SCHEDULE OF RESERVE FOR DEFERRED AMORTIZATION

Balance December 31, 2011		$ 2,140,700.00
Increased by:		
Paid by Budget Appropriation:		
Serial Bonds Payable	$ 540,000.00	
Deferred Charges Raised	224,372.77	
		764,372.77
Balance December 31, 2012		$ 2,905,072.77

BOROUGH OF PRINCETON - COUNTY OF MERCER

PARKING UTILITY CAPITAL FUND

Exhibit D-13

SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2012 Date	Amount	Interest Rate	Balance Dec. 31, 2011	Decrease	Balance Dec. 31, 2012
Parking Utility Improvement Bonds	8/15/2003	$ 13,700,000.00	8/15/2013	$ 475,000.00	4.25%	$ 925,000.00	$ 450,000.00	$ 475,000.00
Parking Utility Refunding Bonds	10/12/2011	10,905,000.00	8/15/2013	20,000.00	3.00%			
			2/15/2014	500,000.00	2.00%			
			8/15/2014	25,000.00	3.00%			
			8/15/2015	535,000.00	3.00%			
			8/15/2016	555,000.00	4.00%			
			8/15/2017	580,000.00	4.00%			
			8/15/2018	605,000.00	4.00%			
			2/15/2019	335,000.00	4.00%			
			8/15/2019	290,000.00	5.00%			
			2/15/2020	575,000.00	4.00%			
			8/15/2020	150,000.00	5.00%			
			2/15/2021	120,000.00	3.00%			
			8/15/2021	600,000.00	5.00%			
			8/15/2022	770,000.00	5.00%			
			8/15/2023	825,000.00	5.00%			
			2/15/2024	675,000.00	3.00%			
			8/15/2024	200,000.00	4.00%			
			8/15/2025	860,000.00	4.00%			
			8/15/2026	865,000.00	4.00%			
			8/15/2027	865,000.00	4.00%			
			8/15/2028	865,000.00	3.50%	10,905,000.00	90,000.00	10,815,000.00
						$ 11,830,000.00	$ 540,000.00	$ 11,290,000.00

BOROUGH OF PRINCETON - COUNTY OF MERCER

PARKING UTILITY CAPITAL FUND

Exhibit D-14

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Ordinance Date	Improvement Description	Balance Dec. 31, 2011	Decreases	Balance Dec. 31, 2012
03-41	12/02/2003	Acquisition of Equipment	$ 49,869.10	$ 26,011.91	$ 23,857.19
04-12	8/31/2004	Technology Improvements	194,489.21	185,389.21	9,100.00
06-14	8/08/2006	Various Capital Improvements	376.00		376.00
07-21	9/11/2007	Acquisition of Equipment	15,000.00	12,971.65	2,028.35
09-27	9/29/2009	Various Capital Improvements	76,000.00		76,000.00
10-04	4/13/2010	Various Improvements	250,000.00		250,000.00
10-13	9/14/2010	Refunding Bond Ordinance	1,745,000.00		1,745,000.00
11-20	8/02/2011	Improvement to Pay Stations	66,000.00		66,000.00
			$ 2,396,734.31	$ 224,372.77	$ 2,172,361.54

BOROUGH OF PRINCETON - COUNTY OF MERCER

PUBLIC ASSISTANCE TRUST FUND

Exhibit E-1

SCHEDULE OF CASH - TREASURER AND PETTY CASH

Balance December 31, 2011		$ 102,817.64
Increased by Receipts:		
State Aid	$ 94,400.00	
Interest on Deposits	318.67	
Unidentified Refunds	147.00	
		94,865.67
		197,683.31
Decreased by Disbursements:		
Public Assistance Expenditures - State Eligible Match		141,527.82
Balance December 31, 2012		$ 56,155.49

SCHEDULE OF PREPAID STATE AID

Exhibit E-2

Balance December 31, 2011		$ 68,192.37
Increased by:		
State Aid Payments Received	$ 94,400.00	
Unidentified Refunds	147.00	
		94,547.00
		162,739.37
Decreased by:		
Expenditures for Public Assistance - State Eligible Match		141,527.82
Balance December 31, 2012		$ 21,211.55

BOROUGH OF PRINCETON - COUNTY OF MERCER

PUBLIC ASSISTANCE TRUST FUND

Exhibit E-3

SCHEDULE OF RESERVE FOR PUBLIC ASSISTANCE

Balance December 31, 2011	$ 33,386.96
Increased by:	
Interest on Deposits	318.67
Balance December 31, 2012	$ 33,705.63

BOROUGH OF PRINCETON - COUNTY OF MERCER

AFFORDABLE HOUSING UTILITY OPERATING FUND

SCHEDULE OF CASH - COLLECTOR-TREASURER

Exhibit S-5

Balance December 31, 2011		$ 930,027.93
Increased by Receipts:		
Revenues		73,868.91
		1,003,896.84
Decreased by Disbursements:		
Budget Appropriations	$ 371,295.45	
Interfunds	609,901.89	
		981,197.34
Balance December 31, 2012		$ 22,699.50

SCHEDULE OF INTERFUNDS

Exhibit S-6

	Total (Memo Only)	Affordable Housing Capital Fund	Other Trust Funds
Balance December 31, 2011 - (Due From)/Due To	$ 117,757.54	$ 117,757.54	$
Increased by:			
Affordable Housing Utility Operating Fund Expenditures Paid In Trust-Other Funds	168,750.00		168,750.00
Total Balances and Increases	286,507.54	117,757.54	168,750.00
Decreased by:			
Disbursements	609,901.89		609,901.89
Balance December 31, 2012 - (Due From)/Due To	$ (323,394.35)	$ 117,757.54	$ (441,151.89)

BOROUGH OF PRINCETON - COUNTY OF MERCER

AFFORDABLE HOUSING UTILITY OPERATING FUND

Exhibit S-7

SCHEDULE OF RESERVE FOR AFFORDABLE HOUSING

Balance December 31, 2011	$ 798,159.03
Increased by:	
Transfer from Operations (Net)	216,683.82
	1,014,842.85
Decreased by:	
Anticipated as Utility Operating Revenue	692,780.00
Balance December 31, 2012	$ 322,062.85

AFFORDABLE HOUSING UTILITY CAPITAL FUND

ANALYSIS OF AFFORDABLE HOUSING UTILITY CAPITAL CASH

Exhibit S-8

	Balance Dec. 31, 2012	Balance Dec. 31, 2011
Fund Balance	$ 67,193.84	$ 67,193.84
Due (From)/To General Capital Fund	(1,275.00)	1,560.00
Due (From)/To Operating Fund	(117,757.54)	(117,757.54)
Improvement Authorizations:		
Ordinance Number:		
89-37	67,702.05	67,702.05
06-13	(15,863.35)	(18,698.35)
	$ -0-	$ -0-

BOROUGH OF PRINCETON - COUNTY OF MERCER

AFFORDABLE HOUSING UTILITY CAPITAL FUND

Exhibit S-9

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2012
06-13	Improvements and Renovations to Housing Authority	8/08/2006	$ 211,150.00	$ 211,150.00

BOROUGH OF PRINCETON - COUNTY OF MERCER

AFFORDABLE HOUSING UTILITY CAPITAL FUND

Exhibit S-10

SCHEDULE OF INTERFUNDS

	Total (Memo Only)	Affordable Housing Operating Fund	General Capital Fund
Balance December 31, 2011 - (Due From)/Due To	$ (116,197.54)	$ (117,757.54)	$ 1,560.00
Increased by: Reimbursed	2,835.00		2,835.00
Balance December 31, 2012 - (Due From)/Due To	$ (119,032.54)	$ (117,757.54)	$ (1,275.00)

BOROUGH OF PRINCETON - COUNTY OF MERCER

AFFORDABLE HOUSING UTILITY CAPITAL FUND

Exhibit S-11

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2011 Funded	Balance Dec. 31, 2011 Unfunded	Reimbursed	Balance Dec. 31, 2012 Funded	Balance Dec. 31, 2012 Unfunded
89-37	Financing of Affordable Housing Program	10/04/1989	$ 5,891,938.00	$ 67,702.05	$	$	$ 67,702.05	$
06-13	Improvements and Renovations to Housing Authority	8/08/2006	211,150.00		192,451.65	(2,835.00)		195,286.65
				$ 67,702.05	$ 192,451.65	$ (2,835.00)	$ 67,702.05	$ 195,286.65

BOROUGH OF PRINCETON - COUNTY OF MERCER

AFFORDABLE HOUSING UTILITY CAPITAL FUND

Exhibit S-12

SCHEDULE OF BONDS AND NOTES AUTHORIZED

BUT NOT ISSUED

Ordinance Number	Ordinance Date	Improvement Description	Balance Dec. 31, 2012
06-13	8/08/2006	Improvements and Renovations to Housing Authority	$ 211,150.00

BOROUGH OF PRINCETON

COUNTY OF MERCER

PART III

REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING

AND ON COMPLIANCE AND OTHER MATTERS

YEAR ENDED DECEMBER 31, 2012

William E. Antonides and Company
CERTIFIED PUBLIC ACCOUNTANTS

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

EDWARD J. SIMONE, C.P.A., R.M.A., P.S.A.

DOROTHY S. GALLAGHER, C.P.A., R.M.A., P.S.A.
DONALD F. HILL, C.P.A., P.S.A.
CHI-LING LAI, C.P.A., P.S.A.
WAYNE M. SIBILIA, C.P.A., P.S.A.

Telecopier:
732-681-4033

e-mail:
antonidescpa@monmouth.com

Monmouth County Office:
2807 Hurley Pond Road
Suite 200
P.O. Box 1137
Wall, New Jersey 07719-1137
732-681-0980

Ocean County Office:
506 Hooper Avenue, Suite B
Toms River, New Jersey 08753-7704
732-914-0004

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*

INDEPENDENT AUDITOR'S REPORT

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

and to the former

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") and the standards applicable to financial statements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements - regulatory basis of the Borough of Princeton, (the "Borough"), in the County of Mercer, State of New Jersey, as of and for the years ended December 31, 2012 and 2011, as listed in the table of contents, and the related notes to the financial statements, which collectively comprise the Borough's financial statements, and have issued our report thereon dated October 15, 2013. These financial statements have been prepared in conformity with accounting principles prescribed by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstance for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control.

Internal Control Over Financial Reporting (Continued)

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe then a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identity all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

William E. Antonides and Company

Independent Auditors

Wall Township, New Jersey
October 15, 2013

BOROUGH OF PRINCETON

COUNTY OF MERCER

PART IV

SINGLE AUDIT SECTION

FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2012

BOROUGH OF PRINCETON

COUNTY OF MERCER

PART V

GENERAL COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2012

William E. Antonides and Company
CERTIFIED PUBLIC ACCOUNTANTS

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

EDWARD J. SIMONE, C.P.A., R.M.A., P.S.A.

DOROTHY S. GALLAGHER, C.P.A., R.M.A., P.S.A.
DONALD F. HILL, C.P.A., P.S.A.
CHI-LING LAI, C.P.A., P.S.A.
WAYNE M. SIBILIA, C.P.A., P.S.A.

Telecopier:
732-681-4033

e-mail:
antonidescpa@monmouth.com

Monmouth County Office:
2807 Hurley Pond Road
Suite 200
P.O. Box 1137
Wall, New Jersey 07719-1137
732-681-0980

Ocean County Office:
506 Hooper Avenue, Suite B
Toms River, New Jersey 08753-7704
732-914-0004

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

INDEPENDENT AUDITOR'S REPORT

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

and to the former

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

Report on Compliance for Each Major Federal Program

We have audited the Borough of Princeton's (the "Borough") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Borough's major federal programs for the year ended December 31, 2012. The Borough's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express opinions on compliance for each of the Borough's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the Unites States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB *Circular A-133* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Borough's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major program. However, our audit does not provide a legal determination of the Borough's compliance.

Opinion on Each Major Federal Program

In our opinion, the Borough, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

Report on Internal Control Over Compliance

Management of the Borough is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB *Circular A-133*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over compliance.

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

Report on Internal Control Over Compliance (Continued)

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB *Circular A-133*. Accordingly this report is not suitable for any other purpose.

William E. Antonides and Company
Independent Auditors

Wall Township, New Jersey
October 15, 2013

BOROUGH OF PRINCETON - COUNTY OF MERCER

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Schedule 1

FOR THE YEAR ENDED DECEMBER 31, 2012

Grantor/Program Title	Federal C.F.D.A. Number	Grant Period From	Grant Period To	Program or Award Amount	Receipts	Expenditures
Office of Water, Environmental Protection Agency:						
Pass-Through: New Jersey Department of Environmental Protection:						
Public Wastewater Facilities Capitalization Grants for States (Loan)	66.458	2012 FY and prior		$ 5,882,661.00	$	$ 786,765.77
Federal Highway Administration:						
Pass-Through: New Jersey Department of Transportation:						
Highway Planning And Construction	20.205	2012 FY and prior		278,260.12	60,760.12	278,260.12
Pass-Through: New Jersey Department of Law and Public Safety:						
Alcohol Traffic Safety and Drunk Driving Prevention Incentive	20.601	2012 FY and prior		5,000.00	5,000.00	5,203.02
Cops in Shops Program (ABC/OHTS)	20.601	2012 FY and prior		2,000.00	2,000.00	2,932.70
					67,760.12	286,395.84
Department of Homeland Security (DHS):						
Pass-Through: New Jersey Department of Law and Public Safety:						
Hurricane Irene	97.036	2012 FY		12,345.71	12,345.71	12,345.71
					$ 80,105.83	$ 1,085,507.32

TOWNSHIP OF PRINCETON - COUNTY OF MERCER

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2012

NOTE 1. BASIS OF PRESENTATION

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

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

Source	Amount
Current Fund	$ 12,345.71
Grant Fund	8,135.72
General Capital Fund	745,192.51
Township of Princeton	319,833.38
	$ 1,085,507.32

NOTE 2. PUBLIC WASTEWATER FACILITIES CAPITALIZATION GRANTS FOR STATES LOANS

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

Therefore, there were projects awarded and expended by the Borough as well as the Township. Consequently, $319,833 was the Borough's share of loan expenditures paid by the Township which is included on the accompanying schedule of expenditures of federal awards.

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

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

NOTE 3. CONTINGENCIES

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

BOROUGH OF PRINCETON - COUNTY OF MERCER

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2012

Part I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified	
Internal control over financial reporting:		
1) Material weakness(es) identified?	____ Yes	X No
2) Reportable condition(s) identified that are not considered to material weaknesses?	X Yes	____ None
Noncompliance material to financial statements noted?	____ Yes	X No

Federal Awards

Dollar threshold used to determine Type A and B programs:	$300,000	
Auditee qualified as low-risk auditee?	X Yes	____ No
Internal Control over major programs"		
1) Material weakness(es) identified?	____ Yes	X No
2) Reportable condition(s) identified that are not considered to be material weaknesses?	____ Yes	X None
Type of auditor's report on compliance for major programs:	Unqualified	
Any audit findings disclosed that are required to be reported in accordance with OMB Circular Letter A-133?	____ Yes	X No

Identification of major programs:

Federal Grant/ CFDA Number(s)	Name of State Program
66.458	Public Wastewater Facilities Capitalization Grants for States (Loan)

BOROUGH OF PRINCETON - COUNTY OF MERCER

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2012

Part II - Schedule of Financial Statement Findings

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

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

BOROUGH OF PRINCETON - COUNTY OF MERCER

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2012

Part III - Schedule of Expenditures of Federal Awards Findings and Questioned Costs

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

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

An audit of the financial accounts and transactions of the Borough of Princeton, in the County of Mercer, for the year ended December 31, 2012, has recently been completed. The results of the audit are herewith set forth.

SCOPE OF AUDIT

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

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. These details were necessarily covered by the internal review and control before approval of such claims by the governing body.

Cash on hand was counted and cash balances were reconciled with independent certifications obtained directly from the depositories.

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

GENERAL COMMENTS

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

N.J.S. 40A:11-4a states "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law." The amount set forth pursuant to the above statute was $17,500 for municipalities without a qualified purchasing agent (QPA) and $36,000 with a qualified purchasing agent. In 2011, it was noted that the Division of Local Government Services adopted a temporary rule that permits municipalities to increase their bid threshold to $26,000 for a person meeting certain eligibility requirements for the future anticipated QPA certification exam. The Borough's bid threshold was $26,000 for the year under audit.

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

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

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

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

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

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

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

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

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on March 27, 1980 adopted a resolution, pursuant to the provisions of R.S. 54:4-67, fixing the interest rate on delinquent taxes or assessments at 8% per annum on the first $1,500 of the delinquency and 18% per annum to be charged on any amount in excess of $1,500. In addition, any delinquent taxes outstanding related to a previous calendar year in excess of $10,000 incurs a 6% surcharge.

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

Delinquent Taxes and Tax Title Liens

The last tax and utility lien sale was held on December 7, 2012 and was not complete.

Finding - Certain special assessments subject to tax sale were omitted.

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

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

Year	Number of Liens
2012	1
2011	1
2010	1

Verification of Delinquent Taxes

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services using alternative procedures.

Public Assistance

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

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

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

Miscellaneous

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

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

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

Individual payments of the Regional School District Tax by the municipality were confirmed using alternative procedures for the year 2012.

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

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

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

FOLLOW-UP OF PRIOR YEAR FINDINGS

In accordance with Government Auditing Standards our procedures included a review of all prior year findings. There were no prior year findings that needed to be addressed in 2012.

FINDINGS/RECOMMENDATIONS

None

ACKNOWLEDGEMENT

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

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

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

* * * * * * * * * * * * * * *