

William E. Antonides and Company
CERTIFIED PUBLIC ACCOUNTANTS

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December 3, 2013

Linda McDermott, Municipal Clerk
Princeton
400 Witherspoon Street
Princeton, NJ 08542

Dear Ms. McDermott:

In compliance with N.J.S. 40A:5-4, the 2012 audit of the Borough books, accounts and financial transactions has been completed. Copies have been provided for distribution to the governing body and principal Borough officials. The Borough is responsible for filing two copies of the audit report with the Director of the Division of Local Government Services in accordance with N.J.S. 40A:5-6.

In accordance with N.J.S., 40A:5-7, a synopsis of the audit, with recommendations, has been provided and must be published by the Municipal Clerk at least once in the official newspaper of the Borough within thirty days of receipt of the report.

Also enclosed is the resolution affirming that the governing body has complied with the promulgation of the Local Finance Board of the State of New Jersey, dated July 30, 1968, and the Group Affidavit Form, Certification of Governing Body. This resolution and affidavit must be adopted and signed not later than forty-five (45) days after receipt of the annual audit and forwarded to the Director of Local Government Services.

A Corrective Action Plan should be adopted addressing any recommendations included in the audit report.

If you have any questions regarding the above, please contact me at your earliest convenience.

Sincerely yours,



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

WEAJr:ja
Encl.

STATE OF NEW JERSEY)
BOROUGH OF PRINCETON)
COUNTY OF MERCER)

We, members of the governing body of the Borough of Princeton, County of Mercer, of full age, being duly sworn according to law, upon our oath depose and say:

1. We are duly elected members of the governing body of the Borough of Princeton.

2. In the performance of our duties, and pursuant to the Local Finance Board Regulation, we have familiarized ourselves with the contents of the Annual Municipal Audit filed with the Clerk pursuant to N.J.S.A. 40A:5-6 for the year 2012.

3. We certify that we have personally reviewed and are familiar with, at a minimum, the sections of the Annual Report of Audit entitled:

GENERAL COMMENTS
RECOMMENDATIONS

(L.S.)

(L.S.)

(L.S.)

(L.S.)

(L.S.)

Sworn to and subscribed before me this
____ day of _____, 2013

Notary Public of New Jersey

The Municipal Clerk shall set forth the reason for the absence of signature of any member(s) of the governing body.

IMPORTANT: This certificate must be sent to the Division of Local Government Services, C.N. 803, Trenton, NJ 08625

**BOROUGH OF PRINCETON
COUNTY OF MERCER
RESOLUTION 13-**

WHEREAS, N.J.S.A. 40A:5-4 requires the governing body of every local unit to have made an annual audit of its books, accounts and financial transactions, and,

WHEREAS, the Annual Report of Audit for the year 2012 has been filed by a Registered Municipal Accountant with the Municipal Clerk as per the requirements of N.J.S. 40A:5-6, and a copy has been received by each member of the governing body, and,

WHEREAS, the Local Finance Board of the State of New Jersey is authorized to prescribe reports pertaining to the local fiscal affairs, as per R.S. 52:27BB-34, and,

WHEREAS, the Local Finance Board has promulgated a regulation requiring that the governing body of each municipality shall, by resolution, certify to the Local Finance Board of the State of New Jersey that all members of the governing body have reviewed, at a minimum, the sections of the annual audit entitled:

General Comments

Recommendations

and,

WHEREAS, the members of the governing body have personally reviewed at a minimum the Annual Report of Audit, and specifically the sections of the Annual Audit entitled:

General Comments

Recommendations

as evidenced by the group affidavit form of the governing body, and,

WHEREAS, such resolution of certification shall be adopted by the governing body no later than forty-five (45) days after receipt of the annual audit, as per the regulations of the Local Finance Board, and,

WHEREAS, all members of the governing body have received and have familiarized themselves with at least the minimum requirements of the Local Finance Board of the State of New Jersey, as stated aforesaid and have subscribed to the affidavit, as provided by the Local Finance Board, and,

WHEREAS, failure to comply with the promulgations of the Local Finance Board of the State of New Jersey may subject the members of the local governing body to the penalty provisions of R.S. 52:27BB-52 - to wit:

R.S. 52:27BB-52 - "A local officer or member of a local governing body who, after a date fixed for compliance, fails or refuses to obey an order of the Director (Director of Local Government Services), under the provisions of this Article, shall be guilty of a misdemeanor and, upon conviction, may be fined not more than one thousand dollars (\$1,000.00) or imprisoned for not more than one year, or both, in addition shall forfeit his office."

NOW, THEREFORE, BE IT RESOLVED, that the governing body of the Borough of Princeton, hereby states that it has complied with the promulgation of the Local Finance Board of the State of New Jersey dated July 30, 1968 and does hereby submit a certified copy of this resolution and the required affidavit to said Board to show evidence of said compliance.

I HEREBY CERTIFY THAT THIS IS A TRUE COPY OF A RESOLUTION PASSED AT A MEETING HELD ON _____, 2013.

Linda McDermott, Municipal Clerk

BOROUGH OF PRINCETON

COUNTY OF MERCER

SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION

Attention is directed to the fact that a summary or synopsis of the audit report, together with the recommendations, is the minimum required to be published pursuant to N.J.S. 40A:5-7.

Summary or Synopsis of 2012 Audit Report of the Borough of Princeton, County of Mercer as required by N.J.S. 40A:5-7.

COMBINED BALANCE SHEET - REGULATORY BASIS

Changes from Original	<u>December 31</u> <u>Year 2012</u>	<u>December 31</u> <u>Year 2011</u>
<u>Assets</u>		
Cash and Cash Equivalents	\$ 16,994,205.96	\$ 20,713,794.69
Funds Held By Trustee		
Taxes, Liens and Utility Charges Receivable	1,070,351.01	1,087,155.55
Prospective Assessments Funded		
Accounts Receivable	4,527,236.36	3,448,909.12
Fixed Capital Authorized and Uncompleted - Utility	16,378,584.31	16,378,584.31
Fixed Capital - Utility	200,000.00	200,000.00
Deferred Charges to Future Taxation - General Capital	41,946,800.26	42,531,576.26
Deferred Charges to Revenue of Succeeding Years	237,851.45	174,453.45
General Fixed Assets	<u>30,354,724.26</u>	<u>29,993,212.26</u>
Total Assets	\$ <u>111,709,753.61</u>	\$ <u>114,527,685.64</u>
<u>Liabilities, Reserves and Fund Balance</u>		
Bonds, Loans and Notes Payable	\$ 43,335,804.96	\$ 45,433,582.96
Improvement Authorizations	15,698,844.41	16,872,393.38
Other Liabilities and Special Funds	9,572,551.25	9,899,460.21
Amortization of Debt for Fixed Capital Acquired or Authorized	2,905,072.77	2,140,700.00
Reserve for Certain Assets Receivable	1,210,073.51	1,216,979.66
Investments in General Fixed Assets	30,354,724.26	29,993,212.26
Fund Balance	<u>8,632,682.45</u>	<u>8,971,357.17</u>
Total Liabilities, Reserves and Fund Balance	\$ <u>111,709,753.61</u>	\$ <u>114,527,685.64</u>

STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

CURRENT FUND - REGULATORY BASIS

	<u>Year 2012</u>	<u>Year 2011</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance January 1	\$ 4,267,036.79	\$ 2,825,803.81
Miscellaneous from Other Than Local Property Tax Levies	16,709,093.40	16,473,039.46
Collection of Delinquent Taxes and Tax Title Liens	703,657.73	544,068.31
Collection of Current Tax Levy	45,472,363.65	44,542,641.03
Total Revenue and Fund Balance	<u>67,152,151.57</u>	<u>64,385,552.61</u>
<u>Expenditures</u>		
Budget Expenditures:		
Municipal Purposes	25,589,239.78	25,393,570.99
County Taxes	13,225,350.32	12,534,514.70
Regional School Taxes	22,380,495.14	21,970,881.83
Municipal Open Space Taxes	218,685.54	219,664.92
Other Expenditures		1,579.00
Interfund Advances	5,959.59	298,304.38
Total Expenditures	<u>61,419,730.37</u>	<u>60,418,515.82</u>
Adjustments to Income Before Fund Balance:		
Expenditures Included Above Which are by Statute		
Deferred Charges to Budget of Succeeding Years	<u>125,000.00</u>	<u>300,000.00</u>
Fund Balance December 31	<u>\$ 5,857,421.20</u>	<u>\$ 4,267,036.79</u>

STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

PARKING UTILITY FUND - REGULATORY BASIS

	<u>Year 2012</u>	<u>Year 2011</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance January 1	\$ 609,267.11	\$ 48,775.07
Collection of Parking Fees	3,146,800.65	3,628,125.74
Miscellaneous - From other than Parking Fees	905,125.43	548,892.71
Total Revenue and Fund Balance	<u>4,661,193.19</u>	<u>4,225,793.52</u>
<u>Expenditures</u>		
Budget 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 (Fund Balance) - General Budget	1,493,790.00	1,493,790.00
Total Expenditures	<u>3,986,544.00</u>	<u>3,616,526.41</u>
Fund Balance December 31	<u>\$ 674,649.19</u>	<u>\$ 609,267.11</u>

STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

AFFORDABLE HOUSING UTILITY FUND - REGULATORY BASIS

	<u>Year 2012</u>	<u>Year 2011</u>
<u>Revenue and Other Income Realized</u>		
Affordable Housing Fees	\$ 766,648.91	\$ 328,185.12
Miscellaneous - From other than Affordable Housing Fees	14,111.36	200.82
Total Revenue	<u>780,760.27</u>	<u>328,385.94</u>
<u>Expenditures</u>		
Budget Expenditures:		
Operating	564,076.45	127,227.77
Transfer to Revenue Reserves	216,683.82	201,158.17
Total Expenditures	<u>780,760.27</u>	<u>328,385.94</u>
Fund Balance December 31	\$ <u>-0-</u>	\$ <u>-0-</u>

RECOMMENDATIONS

None

A Corrective Action Plan, which will outline actions the Borough of Princeton will take to correct any findings listed above, will be prepared in accordance with federal and state requirements. A copy of it will be placed on file and made available for public inspection in the Office of the Borough Clerk within forty-five (45) days of this notice.

The above summary or synopsis was prepared from the report of audit of the Borough of Princeton, County of Mercer for the calendar year 2012. This report of audit, submitted by William E. Antonides, Jr., of William E. Antonides and Company, Registered Municipal Accountants, is on file at the Borough Clerk's office and may be inspected by any interested persons.

Linda McDermott, Municipal Clerk