



**PRINCETON
COUNTY OF MERCER
NEW JERSEY**

**REGULATORY BASIS FINANCIAL STATEMENTS
AND
SUPPLEMENTARY DATA AND INFORMATION**

**FOR THE YEARS ENDED
DECEMBER 31, 2025 AND 2024**

WITH REPORT OF INDEPENDENT AUDITORS'

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PRINCETON
MERCER COUNTY, NEW JERSEY

PART I

REPORT ON AUDIT OF THE REGULATORY BASIS FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 and 2024



INDEPENDENT AUDITORS' REPORT

**Honorable Mayor and Members
of the Princeton Council
Municipality of Princeton
Princeton, New Jersey**

Report on the Audit of the Regulatory Basis Financial Statements

Opinions on Regulatory Basis Financial Statements

We have audited the regulatory basis financial statements of the various funds and the governmental fixed assets of the Municipality of Princeton, County of Mercer, New Jersey, (the "Municipality") which comprise the balance sheets as of December 31, 2025 and 2024, and the related statements of operations and changes in fund balance for the years then ended, the statements of changes in fund balance, the statements of revenues and statements of expenditures for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying regulatory basis financial statements present fairly, in all material respects, the regulatory basis balance sheets of the Municipality as of December 31, 2025 and 2024, and the regulatory basis revenues, expenditures, and changes in fund balances for the years then ended, the statements of changes in fund balance, the statements of revenue and statements of expenditures for the year ended December 31, 2025 and the related notes to the financial statements, in accordance with the financial reporting provisions of the Department of Community Affairs, Division of Local Government Services, State of New Jersey ("Division") described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Municipality as of December 31, 2025 and 2024, or its revenues, expenditures and changes in fund balance thereof for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"), 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Municipality, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

PKF O'CONNOR DAVIES, LLP
20 Commerce Drive, Suite 301, Cranford, NJ 07016 | Tel: 908.272.6200 | Fax: 908.272.2416 | www.pkfod.com

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Municipality of Princeton**

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Municipality on the basis of the financial reporting provisions of the Division (regulatory basis), which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions of 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.

In preparing the financial statements management is required to evaluate whether there are conditions or events considered in the aggregate, that raise substantial doubt about the Municipality's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, requirements prescribed by the Division, and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, requirements prescribed by the Division, and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Municipality's internal control. Accordingly, no such opinion is expressed.

**Honorable Mayor and Members
of the Princeton Council
Municipality of Princeton**

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- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Municipality's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Supplementary Information Required by the Division in Accordance with the Regulatory Basis of Accounting

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Municipality's basic financial statements. The information included in Part II – Supplementary Information Required by the Division, Part IV – Supplementary Data, and Part V – General Comments and Recommendations, as listed in the table of contents, is presented for purposes of additional analysis as required by the Division and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Report on Supplementary Information as Required by NJ OMB Circular 25-12

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Municipality's basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by the audit requirements of NJ OMB Circular 25-12 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and related notes to the schedule of expenditures of state financial assistance are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of state financial assistance, and related notes are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to 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 schedule of expenditures of state financial assistance, and related notes are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Honorable Mayor and Members
of the Princeton Council
Municipality of Princeton**

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Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 2, 2026 on our consideration of the Municipality's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Municipality's 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 Municipality's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Cranford, New Jersey
July 2, 2026

David J. Gannon

David J. Gannon, CPA
Registered Municipal Accountant, No. 520

CURRENT FUND

PRINCETON
MERCER COUNTY, NEW JERSEY

CURRENT AND GRANT FUNDS
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2025 AND 2024

<u>Assets</u>	<u>REF</u>	<u>2025</u>	<u>2024</u>	<u>Liabilities, Reserves, and Fund Balance</u>	<u>REF</u>	<u>2025</u>	<u>2024</u>
Current Fund:				Current Fund:			
Cash and Equivalents - Treasurer	A-4	\$ 42,152,717.21	\$ 37,527,201.21	Appropriation Reserves	A-3, A-13	\$ 5,744,237.16	\$ 6,252,065.33
Change Fund	A	1,515.00	1,515.00	Reserve for Encumbrances	A-14	1,807,187.57	1,648,161.37
NJ Senior Cit./Veterans Deductions	A-6	1,085.61	1,085.61	Accounts Payable	A-15	121,477.26	144,492.85
		<u>42,155,317.82</u>	<u>37,529,801.82</u>	Due to State of NJ - Various Fees	A-23	35,009.00	45,425.00
				Due to County - PILOT			38,873.00
Receivables and Other Assets with				County Taxes Payable	A-16	298,006.76	288,525.06
Full Reserves:				Special Improvement District Taxes Payable	A-17	223,161.00	203,681.50
Taxes Receivable	A-5	1,454,324.39	1,593,581.58	Tax/Sewer Overpayments	A-22	11,325.55	3,875.44
Tax Title Liens Receivable	A-7	219,406.05	206,533.60	Prepaid Taxes/Sewer Charges	A-19	1,953,586.36	1,730,169.75
Sewer Charges Receivable	A-8	112,327.09	103,115.22	Miscellaneous Accounts Payable	A-20	2,272.89	
Delinquent Interest and Penalty	A-10	67,495.51	77,031.25	Premium on Tax Sale Certificates	A-21	642,100.00	731,000.00
Property Acquired for Taxes at				Other Reserves	A-18	1,367,571.75	1,190,452.78
Assessed Value	A-11	634,400.00	634,400.00			12,205,935.30	12,276,722.08
Interfund Receivables	A-12	1,028.54	1,403.05	Reserve for Receivables/Other Assets	Reserve	2,488,981.58	2,616,064.70
		<u>2,488,981.58</u>	<u>2,616,064.70</u>	Fund Balance	A-1	29,949,382.52	25,253,079.74
Total Current Fund		<u>44,644,299.40</u>	<u>40,145,866.52</u>	Total Current Fund		<u>44,644,299.40</u>	<u>40,145,866.52</u>
Grant Fund:				Grant Fund:			
Cash and Investments - Treasurer	A-4	1,781,750.04	2,281,573.34	Reserve for Encumbrances	A-14	383,097.39	738,998.16
State & Federal Grants Receivable	A-24	1,632,584.78	1,285,588.07	Reserve for State & Federal Grants:			
				Appropriated	A-25	3,013,258.74	2,817,570.62
				Unappropriated	A-26	17,978.69	10,592.63
Total Grant Fund		<u>3,414,334.82</u>	<u>3,567,161.41</u>	Total Grant Fund		<u>3,414,334.82</u>	<u>3,567,161.41</u>
		<u>\$ 48,058,634.22</u>	<u>\$ 43,713,027.93</u>			<u>\$ 48,058,634.22</u>	<u>\$ 43,713,027.93</u>

See Accompanying Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

CURRENT FUND
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN
FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

<u>REVENUE AND OTHER INCOME</u>		<u>2025</u>	<u>2024</u>
	<u>REF</u>		
Fund Balance Utilized	A-2	\$ 11,750,000.00	\$ 10,750,000.00
Miscellaneous Revenues Anticipated	A-2	30,062,536.24	27,151,789.52
Receipts from Delinquent Taxes	A-2	2,059,912.01	1,570,011.73
Receipts from Current Taxes	A-2	196,689,165.71	190,036,157.90
Non-Budget Revenue	A-2	1,512,860.99	1,103,551.76
Other Credits to Operations:			
Unexpended Balance of Approp. Lapsed	A-13	5,309,988.50	5,804,967.24
Interfund Loan Returned	A-12	1,403.05	2,272.40
Cancellation of Grants Receivable (Net)	A-12	272,660.46	
Canceled Prior Year Tax/Sewer Overpayments			14,571.45
Canceled Sewer Reserve	A-8	194.90	173.84
Canceled Accounts Payable	A-15	18,704.75	27,956.65
Canceled Payable	A-23	24.72	
		<hr/>	<hr/>
Total Revenues and Other Income		247,677,451.33	236,461,452.49
		<hr/>	<hr/>
<u>EXPENDITURES AND OTHER CHARGES</u>			
Budget Appropriations:			
Operations:			
Salaries and Wages	A-3	21,639,296.00	20,955,272.00
Other Expenses	A-3	35,002,434.75	32,572,859.26
Deferred Charges and Statutory Expenditures	A-3	6,103,000.00	6,230,000.00
Capital Improvements	A-3	750,000.00	1,000,000.00
Municipal Debt Service	A-3	12,115,193.62	10,844,210.71
County Taxes	A-2,A-16	59,481,385.64	58,970,023.81
Local District School Taxes	A-2,A-16	94,470,953.00	90,175,525.00
Municipal Open Space Tax	A-2,A-16	1,221,535.00	1,214,081.00
Special Improvement District Taxes	A-2,A-17	446,322.00	407,363.00
Other Charges to Operations:			
Interfund Loans Advanced	A-12	1,028.54	1,403.05
Cancellation of Grants Receivable (Net)			24,511.48
Taxes Payable Adjustment			0.01
Prior Year Expenditures			41,528.68
		<hr/>	<hr/>
Total Expenditures and Other Charges		231,231,148.55	222,436,778.00
		<hr/>	<hr/>
Excess in Revenues Over Expenditures/ Statutory Excess to Fund Balance		16,446,302.78	14,024,674.49
<u>FUND BALANCE</u>			
Balance - January 1	A	<hr/> 25,253,079.74	<hr/> 21,978,405.25
		41,699,382.52	36,003,079.74
Decreased by:			
Utilized as Anticipated Revenue	A-2	<hr/> 11,750,000.00	<hr/> 10,750,000.00
Balance - December 31	A	<hr/> <hr/> \$ 29,949,382.52	<hr/> <hr/> \$ 25,253,079.74

See Accompanying Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	REF	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
		2025 BUDGET	N.J.S.A. 40A:4-87		
Surplus Anticipated	A-1	\$ 11,750,000.00		\$ 11,750,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverage	A-9	60,000.00		64,022.80	\$ 4,022.80
Other	A-9	85,000.00		98,172.00	13,172.00
Fees and Permits:					
Other	A-9	425,000.00		505,887.21	80,887.21
Fines and Costs:					
Municipal Court	A-9	625,000.00		912,829.49	287,829.49
Interest and Costs on Taxes	A-9	475,000.00		563,081.62	88,081.62
Interest on Investments and Deposits	A-9	998,876.00		2,470,384.51	1,471,508.51
Anticipated Utility Operating Surplus	A-12	1,800,000.00		1,800,000.00	
Sewer Rentals	A-8	7,000,000.00		9,209,937.26	2,209,937.26
PILOT-Institute for Advanced Study	A-9	250,000.00		250,000.00	
PILOT-Tenacre Foundation	A-9	500,000.00		500,000.00	
PILOT-Princeton Community Village	A-9	121,988.00		306,724.25	184,736.25
PILOT-Elm Court	A-9	100,000.00		121,458.00	21,458.00
PILOT-Avalon Bay	A-9	991,452.00		1,231,655.05	240,203.05
Princeton University Fair Share	A-9	5,608,000.00		5,608,000.00	
Life Hazard Use Fees	A-9	115,000.00		123,748.38	8,748.38
Fire and Housing Inspection Fees	A-9	190,000.00		261,367.00	71,367.00
Energy Receipts Tax	A-9	2,481,665.00		2,481,664.65	(0.35)
UCC Administrative Fee	A-9	200,000.00		215,512.86	15,512.86
Special Items:					
Princeton University Prospect St. Lighting	A-24	7,654.00		7,654.00	
Princeton University Fire Equipment	A-24	20,000.00		20,000.00	
Bonner Foundation	A-24	21,500.00		21,500.00	
Bonner Foundation-Unappropriated	A-24	1,823.56		1,823.56	
Body Armor Grant	A-24	4,057.46		4,057.46	
Clean Communities	A-24		\$ 78,839.80	78,839.80	
Community Development Block Grant	A-24		185,428.00	185,428.00	
National Opioid Settlement	A-24	4,711.61		21,788.88	26,500.49
NJ Association of County & City Health Officials	A-24		24,951.00	24,951.00	
NJ DCA DLGS Water-Sewer Stormwater Improvements	A-24		810,000.00	810,000.00	
NJ DEP Community Based Deer Management	A-24		11,750.00	11,750.00	
NJ DOH Strengthening Local Public Health	A-24		42,534.00	42,534.00	
NJ DOH Outbreak Preparedness	A-24		22,254.00	22,254.00	
NJS Food Insecurity Issues Grant	A-24		60,000.00	60,000.00	
NJS Body Worn Cameras	A-24		108,014.00	108,014.00	
Recycling Tonnage Grant	A-24		36,854.44	36,854.44	
Sustainable Jersey	A-24	5,000.00	10,000.00	15,000.00	
Open Space Pilot Aid	A-9, A-18	5,979.00		5,979.00	
Theological Seminary	A-9	217,572.00		217,572.00	
Chamber St. Land Lease	A-9	141,000.00		141,630.00	630.00
Reserve for Debt Service - Other	A-9	100,000.00		100,000.00	
Cable TV	A-9	250,000.00		250,000.00	
Stony Brook Industrial User Fees	A-9	34,000.00		23,688.22	(10,311.78)
Hotel/Motel Tax	A-9	460,000.00		722,061.19	262,061.19
Reserve for Premium on Bonds	A-9	200,000.00		200,000.00	
Assessment Trust Surplus	A-12	200,000.00		200,000.00	
Total Miscellaneous Revenues	A-1	23,700,278.63	1,412,414.12	30,062,536.24	4,949,843.49
Receipts from Delinquent Taxes	A-1	1,100,000.00		2,059,912.01	959,912.01
Amount to be Raised by Taxation for Support of Municipal Budget:					
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-2, A-5	37,853,634.96		40,680,567.03	2,826,932.07
Minimum Library Tax	A-2, A-5	3,578,503.51		3,578,503.51	
Total Municipal Tax		41,432,138.47	-	44,259,070.54	2,826,932.07
Budget Totals		77,982,417.10	1,412,414.12	88,131,518.79	8,736,687.57
Non-Budget Revenues	A-9			1,512,860.99	1,512,860.99
		\$ 77,982,417.10	\$ 1,412,414.12	\$ 89,644,379.78	\$ 10,249,548.56
	REF	A-3	A-3	A-1	

See Accompanying Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES-REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:

	<u>REF.</u>		
2025 Collections	A-1,A-5	\$ 195,006,014.09	
Prepaid Taxes Applied	A-1,A-5	1,643,401.62	
State Share of Sr. Citizen's and Veteran's Deductions Allowed	A-1,A-5	39,750.00	\$ 196,689,165.71
Allocated to:			
Local School Tax	A-1,A-16	94,470,953.00	
County Taxes	A-1,A-16	59,183,378.88	
Added County Taxes	A-1,A-16	298,006.76	
Local Open Space Tax	A-1,A-16	1,221,535.00	
Special Improvement District Tax	A-1,A-17	446,322.00	155,620,195.64
			41,068,970.07
Add: Reserve for Uncollected Taxes	A-3	3,190,100.47	
Amount for Support of Municipal Budget	A-2	\$ 44,259,070.54	
<u>Receipts from Delinquent Taxes:</u>			
Delinquent Tax Collections Realized	A-5	\$ 2,059,912.01	
Total Delinquent Tax Revenue	A-1, A-2	\$ 2,059,912.01	
<u>Miscellaneous Revenue Not Anticipated:</u>			
Revenue Realized	A-9	\$ 1,512,860.99	
	A-1	\$ 1,512,860.99	

See Accompanying Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELED
				ENCUMBERED	RESERVED	
<u>Operations Within "CAPS"</u>						
<u>GENERAL GOVERNMENT:</u>						
General Administration						
Salaries and Wages	\$ 384,875.00	\$ 384,875.00	\$ 363,645.10		\$ 21,229.90	
Other Expenses	1,797,912.00	1,280,912.00	759,977.71	\$ 198,650.26	322,284.03	
Information Technology						
Salaries and Wages	279,108.00	229,108.00	222,803.54		6,304.46	
Other Expenses	886,500.00	1,011,500.00	816,199.10	180,439.14	14,861.76	
Human Resources (Personnel)						
Other Expenses	252,100.00	252,100.00	198,050.94	6,150.15	47,898.91	
Mayor and Council						
Salaries and Wages	87,847.00	87,847.00	87,841.00		6.00	
Other Expenses	22,150.00	22,150.00	19,704.89		2,445.11	
Municipal Clerk						
Salaries and Wages	331,658.00	331,658.00	287,197.91		44,460.09	
Other Expenses	33,700.00	33,700.00	20,913.82	8,404.45	4,381.73	
Elections						
Salaries and Wages	6,500.00	6,500.00	6,297.92		202.08	
Other Expenses	45,150.00	45,150.00	28,388.39		16,761.61	
Financial Administration (Treasury)						
Salaries and Wages	732,983.00	732,983.00	609,131.20		123,851.80	
Other Expenses	29,500.00	29,500.00	22,954.25	984.36	5,561.39	
Audit Services	66,300.00	66,300.00		66,300.00		
Revenue Administration (Tax Collection)						
Salaries and Wages	244,864.00	244,864.00	216,286.54		28,577.46	
Other Expenses	15,500.00	15,500.00	6,182.36	1,163.51	8,154.13	
Tax Assessment Administration						
Salaries and Wages	215,006.00	215,006.00	215,005.96		0.04	
Other Expenses	139,000.00	139,000.00	63,635.59	33,472.11	41,892.30	
Legal Services						
Other Expenses	875,000.00	1,175,000.00	936,130.01	193,777.56	45,092.43	
Defense of Tax Appeals	125,000.00	125,000.00	97,175.23	25,489.77	2,335.00	
Call Center						
Salaries and Wages	89,299.00	89,299.00	89,298.04		0.96	
Other Expenses	5,000.00	5,000.00			5,000.00	

PRINCETON
MERCER COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELED
				ENCUMBERED	RESERVED	
<u>Operations Within "CAPS" (Cont'd.)</u>						
<u>GENERAL GOVERNMENT:</u>						
Engineering Services						
Salaries and Wages	\$ 1,205,459.00	\$ 1,150,459.00	\$ 979,386.37		\$ 171,072.63	
Other Expenses	43,000.00	98,000.00	41,651.22	\$ 51,607.94	4,740.84	
Historical Site Office						
Salaries and Wages	3,000.00	3,000.00			3,000.00	
Other Expenses	46,820.00	46,820.00	11,137.52	671.29	35,011.19	
<u>LAND USE ADMINISTRATION:</u>						
Planning Board						
Salaries and Wages	570,742.00	570,742.00	397,204.61		173,537.39	
Other Expenses	252,010.00	252,010.00	89,125.98	124,531.78	38,352.24	
Zoning Board of Adjustment						
Salaries and Wages	327,583.00	327,583.00	276,319.93		51,263.07	
Other Expenses	25,500.00	25,500.00	6,028.44	94.28	19,377.28	
<u>PUBLIC SAFETY FUNCTIONS:</u>						
Police						
Salaries and Wages	7,775,186.00	7,615,186.00	7,180,907.44		434,278.56	
Other Expenses	500,400.00	660,400.00	160,870.13	450,026.28	49,503.59	
Police Dispatch/911						
Salaries and Wages	785,965.00	785,965.00	716,515.49		69,449.51	
Other Expenses	12,000.00	12,000.00		7,000.00	5,000.00	
Office of Emergency Management						
Salaries and Wages	124,764.00	124,764.00	124,764.00			
Other Expenses	21,500.00	21,500.00	14,400.99	3,115.05	3,983.96	
Fire Department						
Salaries and Wages	1,089,722.00	1,089,722.00	957,991.95		131,730.05	
Other Expenses - Including						
LOSAP Alternative	321,100.00	321,100.00	234,848.85	38,155.70	48,095.45	
Other Expenses - Fire Facilities	130,500.00	130,500.00	107,307.13	17,524.27	5,668.60	
Fire Prevention						
Salaries and Wages	502,227.00	502,227.00	447,641.17		54,585.83	
Other Expenses	30,000.00	30,000.00	11,740.23	6,421.50	11,838.27	
Fire Hydrant Service	675,000.00	675,000.00	565,657.77	62,570.97	46,771.26	
Municipal Prosecutor's Office						
Other Expenses	78,000.00	78,000.00	75,000.00	3,000.00		

PRINCETON
MERCER COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELED
				ENCUMBERED	RESERVED	
<u>Operations Within "CAPS" (Cont'd.)</u>						
<u>PUBLIC WORKS FUNCTIONS:</u>						
Streets and Roads Maintenance						
Salaries and Wages	\$ 1,720,203.00	\$ 1,720,203.00	\$ 1,550,473.53		\$ 169,729.47	
Other Expenses	539,250.00	614,250.00	551,970.63	\$ 31,069.00	31,210.37	
Sustainable Princeton	109,000.00	109,000.00	99,916.63	9,083.37		
Buildings and Grounds						
Salaries and Wages	842,731.00	842,731.00	801,338.55		41,392.45	
Other Expenses	300,000.00	350,000.00	328,415.85	20,203.67	1,380.48	
Vehicle Maintenance (Including Police Vehicles)						
Salaries and Wages	419,625.00	419,625.00	342,540.16		77,084.84	
Other Expenses	310,000.00	335,000.00	320,527.88	14,455.97	16.15	
Community Service Act (Condominium Community Costs)						
Other Expenses	250,000.00	250,000.00	7,550.85		242,449.15	
<u>HEALTH & HUMAN SERVICES FUNCTIONS:</u>						
Regional Health Commission-Proportionate Share						
Salaries and Wages	632,375.00	632,375.00	590,857.38		41,517.62	
Other Expenses	97,000.00	78,000.00	60,962.56	16,263.50	773.94	
Flu Program		19,000.00	5,399.26	2,736.34	10,864.40	
Contribution to Senior Resource Center						
Salaries and Wages	10,000.00	10,000.00	10,000.00			
Other Expenses	300,565.00	300,565.00	206,920.20	61,827.25	31,817.55	
<u>HEALTH & HUMAN SERVICES FUNCTIONS:</u>						
Environmental Commission						
Salaries and Wages	3,600.00	3,600.00	1,159.32		2,440.68	
Other Expenses	3,350.00	3,350.00	1,523.09	308.00	1,518.91	
Animal Control						
Salaries and Wages	102,148.00	102,148.00	84,892.36		17,255.64	
Other Expenses	8,600.00	3,600.00	3,083.72	280.85	235.43	
Save Boarding		5,000.00	4,575.00		425.00	
Deer Management Program						
Salaries and Wages	35,000.00	35,000.00	33,409.10		1,590.90	
Other Expenses	223,000.00	223,000.00	123,017.90	46,004.60	53,977.50	
Human Services Commission						
Salaries and Wages	595,534.00	605,534.00	594,887.86		10,646.14	
Other Expenses	137,200.00	162,200.00	137,587.32	10,667.50	13,945.18	

PRINCETON
MERCER COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025 BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELED
				ENCUMBERED	RESERVED	
<u>Operations Within "CAPS" (Cont'd.)</u>						
<u>PARKS & RECREATION FUNCTIONS:</u>						
Joint Recreation Board						
Salaries and Wages	\$ 973,211.00	\$ 973,211.00	\$ 878,015.19		\$ 95,195.81	
Other Expenses	50,500.00	50,500.00	44,176.05	\$ 2,475.34	3,848.61	
Maintenance of Parks and Playgrounds						
Other Expenses	249,000.00	249,000.00	225,208.18	3,521.13	20,270.69	
Celebration of Public Events	3,500.00	3,500.00	1,818.62		1,681.38	
<u>UTILITY EXPENSES & BULK PURCHASES:</u>						
Electricity	300,000.00	300,000.00	246,787.68		53,212.32	
Telephone (excluding equipment)	285,000.00	285,000.00	255,829.32	26,711.90	2,458.78	
Water	25,000.00	27,000.00	24,090.83		2,909.17	
Gas (natural or propane)	100,000.00	100,000.00	94,883.63		5,116.37	
Fuel Oil	350,000.00	350,000.00	233,613.61	277.44	116,108.95	
Street Lighting	335,000.00	335,000.00	310,013.85		24,986.15	
Sewer System						
Salaries and Wages	1,152,526.00	1,152,526.00	864,801.35		287,724.65	
Other Expenses	300,000.00	340,000.00	282,337.13	29,841.01	27,821.86	
<u>UNCLASSIFIED:</u>						
Garbage and Trash Removal						
Other Expenses	2,785,000.00	2,785,000.00	2,711,586.50	20,844.12	52,569.38	
Municipal Court						
Salaries and Wages	503,608.00	503,608.00	482,666.96		20,941.04	
Other Expenses	26,800.00	26,800.00	17,315.23	5,694.38	3,790.39	
Public Defender						
Other Expenses	58,650.00	58,650.00	43,987.50	14,662.50		
Rental Housing						
Salaries and Wages	146,947.00	146,947.00	144,174.45		2,772.55	
Contribution to First Aid & Rescue Squad	125,000.00	125,000.00	125,000.00			
Accumulated Leave Compensation	300,000.00	300,000.00	21,724.64		278,275.36	
Liability Insurance	901,524.00	901,524.00	846,574.00	72.00	54,878.00	
Workers Compensation Insurance	324,293.00	324,293.00	324,293.00			
Group Insurance	7,167,304.00	7,092,304.00	5,951,642.92	10,637.33	1,130,023.75	
Health Benefit Waiver	140,002.00	140,002.00	124,672.41		15,329.59	

PRINCETON
MERCER COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>2025 BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>EXPENDED</u>		<u>UNEXPENDED BALANCE CANCELED</u>
				<u>ENCUMBERED</u>	<u>RESERVED</u>	
<u>Operations Within "CAPS" (Cont'd.)</u>						
<u>UNCLASSIFIED:</u>						
Transportation of Local Pupils by Board of Education (NJSA18A:39-1.2)						
Other Expenses	\$ 200,000.00	\$ 200,000.00	\$ 168,000.00		\$ 32,000.00	
Salary & Wage Adjustment	250,000.00	240,000.00			240,000.00	
Total Operations Within "CAPS"	<u>44,877,476.00</u>	<u>44,877,476.00</u>	<u>37,749,540.92</u>	<u>\$ 1,807,187.57</u>	<u>5,320,747.51</u>	<u>-</u>
<u>DETAIL:</u>						
Salaries and Wages	22,144,296.00	21,639,296.00	19,557,454.38		2,081,841.62	
Other Expenses (Including Contingent)	22,733,180.00	23,238,180.00	18,192,086.54	1,807,187.57	3,238,905.89	
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"						
<u>STATUTORY EXPENDITURES:</u>						
Contribution to:						
Public Employees' Retirement System	1,940,000.00	1,940,000.00	1,927,387.75		12,612.25	
Social Security System (O.A.S.I.)	1,185,000.00	1,185,000.00	957,753.07		227,246.93	
Defined Contribution Retirement Program	40,000.00	40,000.00	29,123.32		10,876.68	
Police and Firemen's Retirement System of NJ	2,438,000.00	2,438,000.00	2,408,959.00		29,041.00	
Total Deferred Charges and Statutory Expend. Municipal Within "CAPS"	<u>5,603,000.00</u>	<u>5,603,000.00</u>	<u>5,323,223.14</u>	<u>-</u>	<u>279,776.86</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>50,480,476.00</u>	<u>50,480,476.00</u>	<u>43,072,764.06</u>	<u>1,807,187.57</u>	<u>5,600,524.37</u>	<u>-</u>
<u>Appropriations Excluded from "CAPS"</u>						
Affordable Housing Agency						
Contribution-Other Expenses	100,000.00	100,000.00	100,000.00			
Maintenance of Joint Public Library	4,975,094.00	4,975,094.00	4,975,094.00			
<u>INTERLOCAL SERVICE AGREEMENTS:</u>						
Stonybrook Regional Sewerage Authority						
Other Expenses	5,178,000.00	5,178,000.00	5,052,924.00		125,076.00	
Industrial User Fee	34,000.00	34,000.00	15,363.21		18,636.79	

PRINCETON
MERCER COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025 <u>BUDGET</u>	BUDGET AFTER <u>MODIFICATION</u>	PAID OR <u>CHARGED</u>	<u>EXPENDED</u>		UNEXPENDED BALANCE <u>CANCELED</u>
				<u>ENCUMBERED</u>	<u>RESERVED</u>	
<u>Operations Excluded from "CAPS"</u>						
PUBLIC AND PRIVATE PROGRAMS						
<u>OFFSET BY REVENUES:</u>						
Bonner Foundation	\$ 21,500.00	\$ 21,500.00	\$ 21,500.00			
Bonner Foundation-Unappropriated	1,823.56	1,823.56	1,823.56			
Princeton University Fire Equipment	20,000.00	20,000.00	20,000.00			
Princeton University Prospect St. Lighting	7,654.00	7,654.00	7,654.00			
Body Armor	4,057.46	4,057.46	4,057.46			
Recycling Tonnage Grant		36,854.44	36,854.44			
Clean Communities		78,839.80	78,839.80			
Community Development Block Grant		185,428.00	185,428.00			
National Opioid Settlement	4,711.61	26,500.49	26,500.49			
NJ DEP Community Based Deer Management		11,750.00	11,750.00			
NJ DOH Strengthening Local Public Health		42,534.00	42,534.00			
NJ DOH Outbreak Preparedness		22,254.00	22,254.00			
NJ DCA DLGS Water-Sewer Stormwater Improvements		810,000.00	810,000.00			
NJ Association of County & City Health Officials		24,951.00	24,951.00			
NJS Food Insecurity Issues Grant		60,000.00	60,000.00			
NJS Body Worn Cameras		108,014.00	108,014.00			
Sustainable Jersey	5,000.00	15,000.00	15,000.00			
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Operations - Excluded from "CAPS"	10,351,840.63	11,764,254.75	11,620,541.96	-	\$ 143,712.79	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
DETAIL:						
Other Expenses	10,351,840.63	11,764,254.75	11,620,541.96	-	143,712.79	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>Capital Improvements - Excluded from "CAPS"</u>						
Capital Improvement Fund	750,000.00	750,000.00	750,000.00			
Total Capital Improvements - Excluded from "CAPS"	750,000.00	750,000.00	750,000.00	-	-	-
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PRINCETON
MERCER COUNTY, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>2025 BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>EXPENDED</u>		<u>UNEXPENDED BALANCE CANCELED</u>
				<u>ENCUMBERED</u>	<u>RESERVED</u>	
<u>Municipal Debt Service - Excluded from "CAPS"</u>						
Payment of Bond Principal	\$ 9,200,000.00	\$ 9,200,000.00	\$ 9,200,000.00			
Interest on Bonds	2,400,000.00	2,400,000.00	2,377,545.25			\$ 22,454.75
NJ Environmental Infrastructure Loan	1,110,000.00	1,110,000.00	537,648.37			572,351.63
Total Municipal Debt Service - Excluded from "CAPS"	12,710,000.00	12,710,000.00	12,115,193.62	-	-	594,806.38
<u>Deferred Charges - Municipal - Excluded from "CAPS"</u>						
Deferred Charges to Future Taxation	500,000.00	500,000.00	500,000.00			
Total Deferred Charges - Municipal - Excluded from "CAPS"	500,000.00	500,000.00	500,000.00	-	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	24,311,840.63	25,724,254.75	24,985,735.58	-	\$ 143,712.79	594,806.38
Subtotal General Appropriations	74,792,316.63	76,204,730.75	68,058,499.64	\$ 1,807,187.57	5,744,237.16	594,806.38
Reserve for Uncollected Taxes	3,190,100.47	3,190,100.47	3,190,100.47			
Total General Appropriations	\$ 77,982,417.10	\$ 79,394,831.22	\$ 71,248,600.11	\$ 1,807,187.57	\$ 5,744,237.16	\$ 594,806.38
	<u>REF</u>	A-2	Below	Below	A, A-14	A
Adopted Budget	A-2		\$ 77,982,417.10			
Approp. by N.J.S.A. 40A:4-87	A-2		1,412,414.12			
Above			<u>\$ 79,394,831.22</u>			
Disbursed	A-4			\$ 66,581,338.89		
State and Federal Grants Approp.	A-25			1,477,160.75		
Reserve for Uncollected Taxes	A-2			<u>3,190,100.47</u>		
Above				<u>\$ 71,248,600.11</u>		

TRUST FUND

PRINCETON
MERCER COUNTY, NEW JERSEY

TRUST FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2025 AND 2024

<u>ASSETS</u>	<u>REF</u>	<u>2025</u>	<u>2024</u>	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REF</u>	<u>2025</u>	<u>2024</u>
Assessment Fund:				Assessment Fund:			
Cash and Equivalents	B-5	\$ 869,675.66	\$ 1,040,953.32	Res. For Prospective Assessments	Reserve	\$ 848,527.10	\$ 848,527.10
Assessments Receivable	B-7	84,715.92	113,438.26	Res. for Assessments and Liens	B-13	84,715.92	113,438.26
Prospective Assessments Funded	B-8	<u>848,527.10</u>	<u>848,527.10</u>	Fund Balance	B-1	<u>869,675.66</u>	<u>1,040,953.32</u>
Total Assessment Fund		<u>1,802,918.68</u>	<u>2,002,918.68</u>	Total Assessment Fund		<u>1,802,918.68</u>	<u>2,002,918.68</u>
Animal Control Fund:				Animal Control Fund:			
Cash and Equivalents	B-5	<u>30,268.00</u>	<u>30,944.80</u>	Fund Balance	B-2	<u>30,268.00</u>	<u>30,944.80</u>
Total Animal Control Fund		<u>30,268.00</u>	<u>30,944.80</u>	Total Animal Control Fund		<u>30,268.00</u>	<u>30,944.80</u>
Open Space Trust Fund:				Open Space Trust Fund:			
Cash and Equivalents	B-5	<u>1,301,917.78</u>	<u>1,522,295.52</u>	Reserve for Open Space	B-15	<u>1,301,917.78</u>	<u>1,522,295.52</u>
Total Open Space Trust Fund		<u>1,301,917.78</u>	<u>1,522,295.52</u>	Total Open Space Trust Fund		<u>1,301,917.78</u>	<u>1,522,295.52</u>
Unemployment Fund:				Unemployment Fund:			
Cash and Equivalents	B-5	<u>854,510.32</u>	<u>824,744.00</u>	Reserve for Unemployment Claims	B-16	<u>854,510.32</u>	<u>824,744.00</u>
Total Unemployment Fund		<u>854,510.32</u>	<u>824,744.00</u>	Total Unemployment Fund		<u>854,510.32</u>	<u>824,744.00</u>
Escrow Trust Fund:				Escrow Trust Fund:			
Cash and Equivalents	B-5	<u>3,978,353.14</u>	<u>3,957,585.88</u>	Due to Current Fund	B-10	1,028.54	1,403.05
				Reserve for Encumbrances	B-18	32,186.45	59,109.51
				Various Escrow Reserves	B-18	<u>3,945,138.15</u>	<u>3,897,073.32</u>
Total Escrow Trust Fund		<u>3,978,353.14</u>	<u>3,957,585.88</u>	Total Escrow Trust Fund		<u>3,978,353.14</u>	<u>3,957,585.88</u>

See Accompanying Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

TRUST FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2025 AND 2024

<u>ASSETS</u>	<u>REF</u>	<u>2025</u>	<u>2024</u>	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REF</u>	<u>2025</u>	<u>2024</u>
Payroll Fund:				Payroll Fund:			
Cash and Equivalents	B-5	\$ 301,270.04	\$ 308,733.50	Payroll Deductions Payable	B-12	\$ 301,270.04	\$ 308,733.50
Total Payroll Fund		<u>301,270.04</u>	<u>308,733.50</u>	Total Payroll Fund		<u>301,270.04</u>	<u>308,733.50</u>
Other Trust Funds:				Other Trust Funds:			
Cash and Equivalents	B-5	<u>17,375,707.73</u>	<u>17,212,693.19</u>	Various Reserves and Deposits	B-17	17,361,598.76	17,206,093.19
Total Other Trust Funds		<u>17,375,707.73</u>	<u>17,212,693.19</u>	Reserve for Encumbrances	B-17	<u>14,108.97</u>	<u>6,600.00</u>
				Total Other Trust Funds		<u>17,375,707.73</u>	<u>17,212,693.19</u>
Flexible Spending Trust				Flexible Spending Trust			
Cash and Equivalents	B-5	<u>2,905.79</u>	<u>9,265.43</u>	Reserve for Flexible Spending	B-14	<u>2,905.79</u>	<u>9,265.43</u>
Total Flexible Spending Account		<u>2,905.79</u>	<u>9,265.43</u>	Total Flexible Spending Account		<u>2,905.79</u>	<u>9,265.43</u>
Landfill Closure Fund				Landfill Closure Fund			
Cash and Equivalents	B-5	<u>24,623.51</u>	<u>24,145.72</u>	Reserve for Landfill Closure	B-3	<u>24,623.51</u>	<u>24,145.72</u>
Total Landfill Account		<u>24,623.51</u>	<u>24,145.72</u>	Total Landfill Account		<u>24,623.51</u>	<u>24,145.72</u>
Law Enforcement Trust Fund				Law Enforcement Trust Fund			
Cash and Equivalents	B-5	<u>2,818.58</u>	<u>2,260.78</u>	Reserve for Law Enforcement Trust	B-4	<u>2,818.58</u>	<u>2,260.78</u>
Total Law Enforcement Account		<u>2,818.58</u>	<u>2,260.78</u>	Total Law Enforcement Account		<u>2,818.58</u>	<u>2,260.78</u>
Grand Total All Trust Funds		<u>\$ 25,675,293.57</u>	<u>\$ 25,895,587.50</u>	Grand Total All Trust Funds		<u>\$ 25,675,293.57</u>	<u>\$ 25,895,587.50</u>

See Accompanying Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

ASSESSMENT FUND
 COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN
 FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

<u>REVENUE AND OTHER INCOME</u>	<u>REF</u>	<u>2025</u>	<u>2024</u>
Collection of Unpledged Assessments	B-13	\$ 28,722.34	\$ 186,239.56
		<u>28,722.34</u>	<u>186,239.56</u>
<u>EXPENDITURES AND OTHER CHARGES</u>			
Budget Appropriation to Current Fund	B-6	200,000.00	200,000.00
		<u>200,000.00</u>	<u>200,000.00</u>
Statutory (Deficit) to Fund Balance		(171,277.66)	(13,760.44)
<u>FUND BALANCE</u>			
Balance - January 1	B	1,040,953.32	1,054,713.76
Balance - December 31	B	<u>\$ 869,675.66</u>	<u>\$ 1,040,953.32</u>

See Accompanying Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

ANIMAL CONTROL FUND
 COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN
 FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

<u>REVENUE AND OTHER INCOME</u>	<u>REF</u>	<u>2025</u>	<u>2024</u>
License Fees	B-5	\$ 13,761.60	\$ 14,833.20
Late Fees	B-5	118.00	129.00
Boarding & Miscellaneous Fees	B-5	<u>16,005.50</u>	<u>23,914.50</u>
		<u>29,885.10</u>	<u>38,876.70</u>
 <u>EXPENDITURES AND OTHER CHARGES</u>			
Animal Control Expenditures:			
Paid or Charged	B-5	5,365.00	12,000.00
Other Charges:			
Statutory Excess Fund Balance			
Transferred to Current Fund	B-9	<u>25,196.90</u>	<u>27,497.10</u>
		<u>30,561.90</u>	<u>39,497.10</u>
Statutory (Deficit) to Fund Balance		(676.80)	(620.40)
 <u>FUND BALANCE</u>			
Balance - January 1	B	<u>30,944.80</u>	<u>31,565.20</u>
Balance - December 31	B	<u>\$ 30,268.00</u>	<u>\$ 30,944.80</u>
 License Fees Collected:			
2022			\$ 15,510.00
2023		\$ 15,434.80	15,434.80
2024		<u>14,833.20</u>	
		<u>\$ 30,268.00</u>	<u>\$ 30,944.80</u>

Note: R.S. 4:19-15.11

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

See Accompanying Notes to Financial Statements

GENERAL CAPITAL FUND

PRINCETON
MERCER COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
 COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2025 AND 2024

<u>Assets</u>	<u>REF</u>	<u>2025</u>	<u>2024</u>
Cash and Equivalents - Treasurer	C-3	\$ 13,717,856.79	\$ 23,394,045.70
Public and Private Funding Receivable	C-6	8,311,412.34	11,888,921.57
Deferred Charges to Future Taxation:			
Funded	C-5	75,734,828.14	84,910,778.08
Unfunded	C-4	<u>127,834,660.35</u>	<u>121,073,317.50</u>
Total Assets		<u>\$ 225,598,757.62</u>	<u>\$ 241,267,062.85</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-9	\$ 68,815,000.00	\$ 78,320,000.00
Infrastructure Loan Payable	C-10	608,916.90	935,545.70
I-Bank Loan Payable	C-11	1,283,392.28	1,428,816.31
Reserve for Encumbrances	C-16	18,446,323.17	15,358,137.30
Bond Anticipation Notes Payable	C-17	52,500,000.00	9,100,000.00
Interim Financing Payable	C-18	5,027,518.96	4,226,416.07
Improvement Authorizations:			
Funded	C-8	5,132,713.40	9,700,746.61
Unfunded	C-8	60,945,059.96	108,033,109.10
Reserve For:			
Capital Improvement Fund	C-12	402,859.39	313,008.39
Future Debt Service Costs	C-13	1,620,722.06	1,032,908.81
Roads	C-14	669,769.44	545,180.00
Other Reserves	C-15	5,236,326.06	4,630,276.06
Grants Receivable	Reserve	250,000.00	250,000.00
Other Receivables	Reserve	4,520,833.00	7,272,500.00
Fund Balance	C-1	<u>139,323.00</u>	<u>120,418.50</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 225,598,757.62</u>	<u>\$ 241,267,062.85</u>

At December 31, 2025 and 2024, there were Bonds and Notes Authorized but not Issued in the amounts of \$75,334,660.35 and \$111,973,317.50, respectively. (See Exhibit C-19)

See Accompanying Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
 COMPARATIVE STATEMENTS OF
 FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

<u>REVENUE AND OTHER INCOME</u>	<u>REF</u>	<u>2025</u>	<u>2024</u>
Cancellation of Improvement Authorizations	C-8	<u>\$ 18,904.50</u>	<u>\$ 78,722.22</u>
Statutory Excess to Fund Balance		18,904.50	78,722.22
 <u>FUND BALANCE</u>			
Balance - January 1	C	<u>120,418.50</u>	<u>41,696.28</u>
Balance - December 31	C	<u>\$ 139,323.00</u>	<u>\$ 120,418.50</u>

See Accompanying Notes to Financial Statements

AFFORDABLE HOUSING UTILITY FUND

PRINCETON
MERCER COUNTY, NEW JERSEY

AFFORDABLE HOUSING UTILITY FUND
 COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2025 AND 2024

<u>ASSETS</u>	<u>REF</u>	<u>2025</u>	<u>2024</u>	<u>LIABILITIES, RESERVES AND FUND BALANCES</u>	<u>REF</u>	<u>2025</u>	<u>2024</u>
Operating Fund:				Operating Fund:			
Cash and Equivalents - Treasurer	D-5	<u>\$ 4,017,813.44</u>	<u>\$ 2,694,466.93</u>	Reserves:			
				Program Reserves	D-8	<u>\$ 3,613,966.92</u>	<u>\$ 2,438,397.92</u>
		<u>4,017,813.44</u>	<u>2,694,466.93</u>			<u>3,613,966.92</u>	<u>2,438,397.92</u>
Receivable With Full Reserve:				Reserve for Receivables	Reserve	514,754.67	455,269.35
Program Accounts Receivable	D-7	<u>514,754.67</u>	<u>455,269.35</u>	Fund Balance	D-1	<u>403,846.52</u>	<u>256,069.01</u>
Total Operating Fund		<u>4,532,568.11</u>	<u>3,149,736.28</u>	Total Operating Fund		<u>4,532,568.11</u>	<u>3,149,736.28</u>
Capital Fund:				Capital Fund:			
Cash	D-5	<u>118,969.04</u>	<u>118,969.04</u>	Improvement Authorizations:			
				Funded	D-9	67,702.05	67,702.05
				Fund Balance	D-2	<u>51,266.99</u>	<u>51,266.99</u>
Total Capital Fund		<u>118,969.04</u>	<u>118,969.04</u>	Total Capital Fund		<u>118,969.04</u>	<u>118,969.04</u>
		<u>\$ 4,651,537.15</u>	<u>\$ 3,268,705.32</u>			<u>\$ 4,651,537.15</u>	<u>\$ 3,268,705.32</u>

There were no Bonds and Notes Authorized but not Issued at December 31, 2025 and 2024.

See Accompanying Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

AFFORDABLE HOUSING UTILITY OPERATING FUND
COMPARATIVE STATEMENTS OF OPERATIONS AND
CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

<u>REVENUE AND OTHER INCOME</u>	<u>REF</u>	<u>2025</u>	<u>2024</u>
Miscellaneous Revenues Anticipated	D-3	\$ 585,009.00	\$ 580,000.00
Non-Budget Revenue	D-5	44,995.29	27,654.85
Other Credits to Income:			
Canceled Program Reserve	D-8	<u>900.00</u>	<u> </u>
Total Revenues		<u>630,904.29</u>	<u>607,654.85</u>
 <u>EXPENDITURES</u>			
Budget Expenditures:			
Salaries and Wages	D-4	72,071.62	120,711.83
Other Expenses	D-4	<u>411,055.16</u>	<u>230,874.01</u>
Total Expenditures		<u>483,126.78</u>	<u>351,585.84</u>
Excess in Revenues/ Statutory Excess to Fund Balance		147,777.51	256,069.01
 <u>FUND BALANCE</u>			
Balance - January 1	D	<u>256,069.01</u>	<u>1,224,338.43</u>
		403,846.52	1,480,407.44
Decreased by:			
Municipal Contribution		<u> </u>	<u>1,224,338.43</u>
Balance - December 31	D	<u>\$ 403,846.52</u>	<u>\$ 256,069.01</u>

See Accompanying Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

AFFORDABLE HOUSING UTILITY CAPITAL FUND
 COMPARATIVE STATEMENTS OF
 FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>REF.</u>	<u>2025</u>	<u>2024</u>
<u>FUND BALANCE</u>			
Balance - January 1	D	<u>\$ 51,266.99</u>	<u>\$ 51,266.99</u>
Balance - December 31	D	<u><u>\$ 51,266.99</u></u>	<u><u>\$ 51,266.99</u></u>

See Accompanying Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

AFFORDABLE HOUSING UTILITY OPERATING FUND
 STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>2025</u> <u>BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR</u> <u>(DEFICIT)</u>
Affordable Housing Fees	\$ 153,500.00	\$ 153,500.00	
Municipal Contribution	100,000.00	100,000.00	
Affordable Housing Reserve Sec 10B:340	<u>331,509.00</u>	<u>331,509.00</u>	
	<u>\$ 585,009.00</u>	<u>\$ 585,009.00</u>	<u>\$ -</u>
<u>REF.</u>	D-4	D-1	
Affordable Housing Fees	D-5	\$ 153,500.00	
Municipal Contribution	D-5	100,000.00	
Affordable Housing Reserve Sec 10B:340	D-5	<u>331,509.00</u>	
		<u>\$ 585,009.00</u>	

See Accompanying Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

AFFORDABLE HOUSING UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>2025</u> <u>BUDGET</u>	<u>BUDGET AFTER</u> <u>MODIFICATION</u>	<u>EXPENDED</u> <u>PAID OR</u> <u>CHARGED</u>	<u>CANCELED</u>
Operating:				
Salaries and Wages	\$ 125,619.00	\$ 125,619.00	\$ 72,071.62	\$ 53,547.38
Other Expenses	<u>459,390.00</u>	<u>459,390.00</u>	<u>411,055.16</u>	<u>48,334.84</u>
	<u>\$ 585,009.00</u>	<u>\$ 585,009.00</u>	<u>\$ 483,126.78</u>	<u>\$ 101,882.22</u>
	<u>REF.</u>	D-3		
Cash Disbursed			\$ 469,325.10	
Reserve for Affordability Assistance	D-5		<u>13,801.68</u>	
			<u>\$ 483,126.78</u>	

See Accompanying Notes to Financial Statements

PARKING UTILITY FUND

PRINCETON
MERCER COUNTY, NEW JERSEY

PARKING UTILITY FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2025 AND 2024

<u>Assets:</u>	<u>REF</u>	<u>2025</u>	<u>2024</u>	<u>Liabilities and Fund Balance</u>	<u>REF</u>	<u>2025</u>	<u>2024</u>
Operating Fund:				Operating Fund:			
Cash and Equivalents - Treasurer	E-6	\$ 4,375,463.92	\$ 4,255,260.51	Reserve for Encumbrances	E-8	\$ 97,161.48	\$ 70,617.54
				Appropriation Reserves	E-4, E-7	289,489.84	565,235.78
				Accounts Payable			4,873.39
				Accrued Interest on Bonds	E-10	15,075.00	21,375.00
				Reserve for Security Deposits	E-16	4,166.66	4,166.66
				Fund Balance	E-1	<u>3,969,570.94</u>	<u>3,588,992.14</u>
 Total Operating Fund		 <u>4,375,463.92</u>	 <u>4,255,260.51</u>	 Total Operating Fund		 <u>4,375,463.92</u>	 <u>4,255,260.51</u>
Capital Fund:				Capital Fund:			
Cash and Equivalents - Treasurer	E-6	947,922.76	267,559.52	Serial Bonds Payable	E-17	2,400,000.00	3,240,000.00
Fixed Capital	E-12	16,641,892.87	16,116,341.87	Improvement Authorizations:			
Fixed Capital Authorized & Uncompleted	E-13	<u>1,301,083.72</u>	<u>1,580,634.72</u>	Funded	E-11	824,408.59	
				Unfunded	E-11	232,273.63	881,279.41
				Reserve for Encumbrances	E-8	67,056.56	66,096.13
				Reserve for:			
				Amortization	E-14	15,006,619.24	13,416,619.24
				Deferred Amortization	E-15	304,083.72	304,083.72
				Fund Balance	E-2	<u>56,457.61</u>	<u>56,457.61</u>
 Total Capital Fund		 <u>18,890,899.35</u>	 <u>17,964,536.11</u>	 Total Capital Fund		 <u>18,890,899.35</u>	 <u>17,964,536.11</u>
		 <u>\$ 23,266,363.27</u>	 <u>\$ 22,219,796.62</u>			 <u>\$ 23,266,363.27</u>	 <u>\$ 22,219,796.62</u>

There were Bonds and Notes Authorized but not Issued at December 31, 2025 and 2024 in the amount of \$232,273.63 and \$736,273.63, respectively (See Exhibit E-18).

See Accompanying Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

PARKING UTILITY OPERATING FUND
 COMPARATIVE STATEMENTS OF OPERATIONS AND
 CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

<u>REVENUE AND OTHER INCOME</u>	<u>REF</u>	<u>2025</u>	<u>2024</u>
Operating Fund Balance	E-3	\$ 975,000.00	\$ 958,000.00
Miscellaneous Revenues Anticipated	E-3	5,959,018.41	5,763,120.20
Miscellaneous Revenues Not Anticipated	E-6	1,754.00	2,256.01
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	E-7	576,633.00	319,721.51
Cancellation of Accounts Payable	E-9	4,873.39	
		<u>7,517,278.80</u>	<u>7,043,097.72</u>
Total Revenues			
		<u>7,517,278.80</u>	<u>7,043,097.72</u>
 <u>EXPENDITURES</u>			
Budget Expenditures:			
Salaries and Wages	E-4	848,000.00	817,650.00
Other Expenses	E-4	1,873,000.00	1,801,050.00
Debt Service	E-4	890,700.00	932,812.50
Deferred Charges	E-4	750,000.00	750,000.00
Surplus - General Budget	E-4	1,800,000.00	1,800,000.00
		<u>6,161,700.00</u>	<u>6,101,512.50</u>
Total Expenditures			
		<u>6,161,700.00</u>	<u>6,101,512.50</u>
Excess in Revenues/Statutory Excess to Fund Balance		1,355,578.80	941,585.22
 <u>FUND BALANCE</u>			
Balance - January 1	E	<u>3,588,992.14</u>	<u>3,605,406.92</u>
		4,944,570.94	4,546,992.14
Decreased by:			
Utilized as Anticipated Revenue	E-3	<u>975,000.00</u>	<u>958,000.00</u>
Balance -December 31	E	<u>\$ 3,969,570.94</u>	<u>\$ 3,588,992.14</u>

See Accompanying Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

PARKING UTILITY CAPITAL FUND
 COMPARATIVE STATEMENTS OF
 FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>REF.</u>	<u>2025</u>	<u>2024</u>
Balance - December 31, 2025 and 2024	E	<u>\$ 56,457.61</u>	<u>\$ 56,457.61</u>

See Accompanying Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

PARKING UTILITY OPERATING FUND
 STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF</u>	2025 <u>BUDGET</u>	<u>REALIZED</u>	<u>EXCESS</u>
Fund Balance Utilized	E-1	\$ 975,000.00	\$ 975,000.00	
Parking Fees	E-6	5,093,000.00	5,805,842.88	\$ 712,842.88
Interest	E-6	<u>100,000.00</u>	<u>153,175.53</u>	<u>53,175.53</u>
		<u>\$ 6,168,000.00</u>	<u>\$ 6,934,018.41</u>	<u>\$ 766,018.41</u>
	<u>REF.</u>	E-4	E-1	

See Accompanying Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

PARKING UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	BUDGET	EXPENDED		RESERVED	UNEXPENDED BALANCE CANCELED
	<u>BUDGET</u>	<u>AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>ENCUMBERED</u>		
Operating:						
Salaries and Wages	\$ 878,000.00	\$ 848,000.00	\$ 672,862.95		\$ 175,137.05	
Other Expenses	1,843,000.00	1,873,000.00	1,661,485.73	\$ 97,161.48	114,352.79	
Debt Service:						
Payment of Bond Principal	840,000.00	840,000.00	840,000.00			
Interest on Bonds	57,000.00	57,000.00	50,700.00			\$ 6,300.00
Deferred Charges:						
Various Ordinances	750,000.00	750,000.00	750,000.00			
Surplus - General Budget	<u>1,800,000.00</u>	<u>1,800,000.00</u>	<u>1,800,000.00</u>			
	<u>\$ 6,168,000.00</u>	<u>\$ 6,168,000.00</u>	<u>\$ 5,775,048.68</u>	<u>\$ 97,161.48</u>	<u>\$ 289,489.84</u>	<u>\$ 6,300.00</u>
	<u>REF.</u>	<u>E-3</u>	<u>E-3</u>	<u>E, E-8</u>	<u>E</u>	
Disbursed	E-6		\$ 5,724,348.68			
Accrued Interest on Bonds	E-10		<u>50,700.00</u>			
			<u>\$ 5,775,048.68</u>			

See Accompanying Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

GOVERNMENTAL FIXED ASSETS
 COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2025 AND 2024

	<u>DEC. 31, 2025</u>	<u>DEC. 31, 2024</u>
Governmental Fixed Assets:		
Land/Buildings	\$ 179,241,200.00	\$ 179,241,200.00
Equipment	10,000,219.00	9,945,238.00
Vehicles	<u>21,274,199.00</u>	<u>17,260,980.00</u>
Total Governmental Fixed Assets	<u>\$ 210,515,618.00</u>	<u>\$ 206,447,418.00</u>
Investment in Governmental Fixed Assets	<u>\$ 210,515,618.00</u>	<u>\$ 206,447,418.00</u>

See Accompanying Notes to Financial Statements

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 1: FORM OF GOVERNMENT

On January 1, 2013, the Township of Princeton and the Borough of Princeton consolidated to become one municipality, Princeton. Princeton operates under the legislative authority of N.J.S.A. 40A:60-1 et seq., which provides for the election of a mayor to serve a term of four years, and a council of six members serving three-year terms. The mayor is the head of the executive branch of municipal government and the council is the legislative body. Princeton has adopted an administrative code, which provides in part for the delegation of a portion of executive responsibilities to an administrator and for the organization of the council into standing committees to oversee various municipal activities.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

B. Description of Funds

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

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

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

Assessment Trust Fund	Construction Code Fees
Animal Control Trust Fund	Municipal Public Defender Fees
Unemployment Compensation	Disposal of Forfeited Property
Insurance Trust Fund	Dedicated Donations (Parks, Public Safety,
Developer's Escrow Fund	Shade Trees, etc.)
Open Space Trust Fund	Uniform Fire Safety Act Penalties
Payroll & Payroll Agency Fund	Electronic Receipts Fees
Police Off-Duty Pay	Storm Recovery Trust Fund
Mountain Lakes Nature Preserve	Accumulated Absences Fund
Donations	Parking Adjudication Act

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

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

B. Description of Funds (Cont'd)

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

Affordable Housing Utility Fund - resources and expenditures relating to the maintenance and expansion of affordable housing units within the municipality, including state, federal and private grants in aid of construction/acquisition of such units, and the status of bonds and notes authorized for said purposes.

Parking Utility Fund – revenues and expenditures for the operations of the municipally-owned parking utility and 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.

Governmental Fixed Assets – The Governmental Fixed Assets is used to account for fixed assets used in municipal operations, for control purposes. Infrastructure assets such as roads, sidewalks, wastewater collection and transmission systems, etc. are not capitalized. General fixed assets acquired prior to 1985 are valued at historical cost or estimated historical cost if actual historical cost was not available. Assets acquired or constructed subsequent to 1985 are valued at historical cost. Contributed capital is valued at the estimated fair market value of the asset at the date of the contribution. No depreciation is recorded on general fixed assets.

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

C. Basis of Accounting and Measurement Focus

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

Revenues – Revenues are recorded as received in cash except for statutory reimbursements and grant funds that are due from other governmental units. State and Federal grants, entitlements and

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

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

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

shared revenues received for operating purposes are realized as revenues when anticipated in the budget. Receivables for property taxes and affordable housing charges and parking fees are recorded with offsetting reserves within the Current Fund, Affordable Housing Utility Fund, and Parking Utility Fund respectively.

Other amounts that are due to Princeton, which are susceptible to accrual are recorded as receivables with offsetting reserves. These reserves are liquidated and revenues are recorded as realized upon receipt of cash. GAAP requires the recognition of revenues for general operations in the accounting period in which they become available and measurable.

Expenditures - For purposes of financial reporting, expenditures are recorded as "paid or charged" or "appropriation reserves". Paid or charged refers to Princeton's "budgetary" basis of accounting. Generally, these expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Reserves for un-liquidated encumbrances at the close of the year are reported as a cash liability. Encumbrances do not constitute expenditures under GAAP. Appropriation reserves refer to unexpended appropriation balances at the close of the year. Appropriation reserves are automatically created and recorded as a cash liability, except for amounts which may be canceled by the governing body. Appropriation reserves are available until lapsed at the close of the succeeding year to meet specific claims, commitments or contracts incurred and not recorded in the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Generally, unexpended balances of budget appropriations are not recorded as expenditures under GAAP. Expenditures for the costs of pensions and post-employment benefits other than pensions (other post-employment benefits or "OPEB") are recorded in the accounting period in which the payments are made. GAAP requires recognition in the "entity-wide" financial statements of the actuarially determined estimated pension and OPEB costs during the employment period of each employee, during which any OPEB benefit is earned. See Note 10 for pension disclosures required by GASB 68. See Note 11 for OPEB disclosures required by GASB 75.

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

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

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

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

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

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

Compensated Absences – The Municipality follows the policies and procedures promulgated by New Jersey Administrative Code 5:30-15. Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to N.J.S.A. 40A:4-39 for the future payment of compensated absences. GAAP requires that liabilities for compensated absences be recorded for leave that has not been used when the leave is attributable to services already rendered and the leave is more likely than not to be used for time off or otherwise paid in cash. Compensated absences liabilities are not recorded on the balance sheet. Note 12 provides additional disclosures relating to accrued and unrecorded compensated absence liabilities and current reserve funding status.

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

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

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

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

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

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

Governmental Fixed Assets – Property and equipment purchased by the Current and the General Capital Funds are recorded within the respective funds as expenditures at the time of purchase and are not capitalized. Contributions in aid of construction are not capitalized within the various funds of the municipality. Depreciation on general fixed assets is not recorded as an operating expense within the funds or in the combined financial statements. GAAP does not require recognition of depreciation of these assets as an operating expense of the funds, but does require the recognition of depreciation of governmental fixed assets as a governmental operating expense in the entity-wide financial statements. New Jersey Administrative Code 5:30-5.6 established a mandate for fixed asset accounting by municipalities, effective December 31, 1985. All non-infrastructure fixed assets acquired by Princeton are recorded at cost, if available or by other acceptable methods when historical cost data was not available.

Utility Fixed Assets - Property and equipment purchased by the Parking Utility Fund and Affordable Housing Utility Fund are recorded as expenditures and are also capitalized within the utility capital fund at cost with an offsetting reserve for amortization and are adjusted for disposition and abandonment. The amounts shown as utility fixed capital 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. GAAP does not require the establishment of a reserve for amortization for utility fixed assets but does require the recognition of depreciation of these assets as an operating expense of the utility. The provisions of New Jersey Administrative Code 5:30-5.6 also established a mandate for utility fund fixed asset accounting by municipalities. All non-infrastructure utility fixed assets acquired or constructed with utility financial resources are recorded at cost, if available or by other acceptable methods when historical cost data was not available.

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

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

Net Pension Liability and Pension Related Deferred Outflows of Resources and Deferred Inflows of Resources and Pension Expense - the requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68* require governmental entities to record their distributive shares of net pension liability, deferred outflows of resources, deferred inflows of resources and total pension related expense. Accounting principles applicable to municipalities, which have been prescribed by the Division, do not require the recording of these liabilities, deferrals and expenses, but do require the disclosure of these amounts. The audited financial information related to pensions is released annually by the State's Division of Pensions and Benefits and is required to be included as note disclosures in the financial statements. Pursuant to N.J.A.C. 5:30-6.1(c)2, counties and municipalities may use the most recent available audited GASB Statement No. 68 financial information published by the New Jersey Department of the Treasury, Division of Pensions and Benefits.

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

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

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

The 2024 Public Employees' Retirement System Report and the 2024 Police and Firemen's Retirement System Report information was disclosed. Refer to Note 10 for these disclosures.

Other Post-Employment Benefits Other Than Pensions - The requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)* that is provided by other entities require governmental entities to record in their financial statements a share of the other governments net OPEB liability, deferred outflows of resources, deferred inflows of resources and total OPEB expense. Accounting principles applicable to municipalities, which have been prescribed by the Division, do not require the recording of these liabilities, deferrals and expenses, but do require the disclosure of the amounts. Since Princeton does not follow generally accepted accounting principles, the GASB did not result in a change in Princeton's assets, liabilities and contribution requirements. However, it did result in additional note disclosures as required by the GASBs. Princeton maintains a sole-employer OPEB Plan. However, Princeton also participates in the State of New Jersey multiple-employer plan. As it relates to the State of New Jersey multiple-employer plan, the audited financial information related to OPEBs is released annually by the State's Division of Pensions and Benefits and is required to be included as note disclosures in the financial statements. Pursuant to N.J.A.C. 5:30-6.1(c)2, counties and municipalities may use the most recent available audited GASB Statement No. 75 financial information published by the New Jersey Department of the Treasury, Division of Pensions and Benefits. As of the date of audit, the 2024 Report was the most recent report available and therefore information for that year was disclosed accordingly. Refer to Note 11 for these disclosures.

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

Recently Issued and Adopted Accounting Principles

GASB issued Statement No. 102, "*Certain Risk Disclosures*" in December 2023. This Statement defines a *concentration* as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A *constraint* is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Management has determined that there is no impact from this Statement on the financial statements.

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

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

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

Recently Issued and Adopted Accounting Principles (Cont'd)

GASB issued Statement No. 103, “*Financial Reporting Model Improvements*” in April 2024. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. The requirements of this Statement are effective for periods beginning after June 15, 2025, and all reporting periods thereafter. Management has not yet determined the impact of this Statement on the financial statements.

GASB issued Statement No. 104, “*Disclosures of Certain Capital Assets*” in September 2024. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets including lease assets, intangible right-to-use assets, subscription assets, other intangible assets and assets held for sale. The requirements of this Statement are effective for periods beginning after June 15, 2025, and all reporting periods thereafter. Management has not yet determined the impact of this Statement on the financial statements.

GASB issued Statement No. 105, “*Subsequent Events*” in December 2025. The objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter. Management has not yet determined the impact of this Statement on the financial statements.

Leases

Princeton as a Lessor

Princeton is a lessor for the rental of land and real property with PCH Development Corporation, Inc., Palmer Square Limited Partnership, AT&T, Verizon, and Axardham, Inc. The Municipality discloses lease revenue with an initial, collective value of \$10,000 or more. See Note 17 for a detail of revenue expected to be collected through the terms of the lease agreements.

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION

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

A. Summary of Municipal Debt for Capital Projects

	2025	2024
<u>Issued:</u>		
General:		
Bonds and Notes	\$ 121,315,000.00	\$ 87,420,000.00
Infrastructure Loans	6,919,828.14	6,590,778.08
Parking Utility Fund:		
Bonds and Notes	2,400,000.00	3,240,000.00
Total Issued	130,634,828.14	97,250,778.08
 <u>Authorized But Not Issued:</u>		
General:		
Bonds and Notes	75,334,660.35	111,973,317.50
Parking Utility:		
Bonds and Notes	232,273.63	736,273.63
Total Authorized But Not Issued	75,566,933.98	112,709,591.13
Total Bonds and Notes Issued and Authorized but not Issued	\$ 206,201,762.12	\$ 209,960,369.21

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

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

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

Summarized below are Princeton's individual bond and loan issues which were outstanding at December 31, 2025 and 2024:

<u>General Debt:</u>	<u>2025</u>	<u>2024</u>
\$19,195,000, General Improvement Refunding Bonds Series 2013, due in a final installment of \$1,760,000 through January 2026, interest at 3.00%.	\$ 1,760,000.00	\$ 3,470,000.00
\$9,950,000, General Improvement Bonds Series 2014, due in a final installment of \$1,000,000 through September 2026, interest at 3.00%.	1,000,000.00	2,000,000.00
\$12,305,000 General Improvement Refunding Bonds Series 2016, due in a final installment of \$995,000 through January 2026, interest at 3.00%	995,000.00	2,000,000.00
\$24,200,000 General Improvement Bonds Series 2017, due in annual installments of \$1,000,000 to \$2,000,000 through September 2032, interest at 2.00% to 3.00% .	12,500,000.00	14,250,000.00
\$23,230,000 General Improvement Bonds Series 2020, due in annual installments of \$1,865,000 to \$2,130,000 through December 2032, interest at 2.00%.	14,455,000.00	16,270,000.00
\$3,815,000 General Improvement Refunding Bonds Series 2021, due in a final installment of \$610,000 through August 2026, interest at 2.00%.	610,000.00	1,230,000.00
\$31,200,000 General Improvement Bonds Series 2024A&B, due in annual installments of \$155,000 to \$2,605,000 through December 2044, interest at 1.00% to 4.00%.	29,870,000.00	31,200,000.00
\$7,900,000 General Improvement Bonds Series 2024C, due in annual installments of \$275,000 to \$545,000 through December 2044, interest at 4.50% to 5.25%.	7,625,000.00	7,900,000.00

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

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

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

	<u>2025</u>	<u>2024</u>
<u>Program Loans:</u>		
\$1,810,000, Infrastructure Water Loan, due in annual installments of \$132,396 through Aug. 1, 2026, interest at 4.25%	\$ 132,395.90	\$ 255,618.04
\$1,740,000, Infrastructure Water Loan, due in annual installments of \$66,000 through Aug. 1, 2027, interest at 4.25% to 4.50%	132,000.00	192,000.00
\$1,400,000, Infrastructure Water Loan, due in annual installments of \$34,000 to \$38,000 through Aug. 1, 2029, interest at 3.50% to 4.00%	142,000.00	187,000.00
\$1,273,893, Infrastructure Water Loan - Principal Only, due in a final installment of \$31,407 through Aug. 1, 2025		31,406.66
\$1,170,000, Infrastructure Water Loan - annual installments of \$61,023 to \$71,088 through Aug. 1, 2028, interest from 3.00% to 5.00%	202,521.00	269,521.00
\$5,027,519, Infrastructure Bank Loan (Interim Financing)	5,027,518.96	4,226,416.07
\$615,000, Infrastructure Bank Loan - annual installments of \$55,000 to \$85,000 through Aug. 1, 2033, interest 5.00%	560,000.00	615,000.00
\$874,099, Infrastructure Bank Loan - Principal Only, due in installments of \$30,141 to \$60,283 through Aug. 1, 2033	<u>723,392.28</u>	<u>813,816.31</u>
Total General Debt	<u>75,734,828.14</u>	<u>84,910,778.08</u>

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

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

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

	<u>2025</u>	<u>2024</u>
<u>Parking Utility Debt</u>		
\$5,805,000, Parking Utility Refunding Bonds Series 2021, due in annual installments of \$780,000 to \$815,000 through August 15, 2028, interest at 1.00% to 2.00%	\$ 2,400,000.00	\$ 3,240,000.00
Total Parking Utility Debt	<u>2,400,000.00</u>	<u>3,240,000.00</u>
Total Debt Issued and Outstanding	<u>\$ 78,134,828.14</u>	<u>\$ 88,150,778.08</u>

B. Summary of Statutory Debt Condition – Annual Debt Statement

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

<u>2025</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 134,095,000.00	\$ 134,095,000.00	
Parking Utility Debt	2,632,273.63	2,632,273.63	
General Debt	<u>203,569,488.49</u>	<u>1,594,055.06</u>	<u>\$ 201,975,433.43</u>
	<u>\$ 340,296,762.12</u>	<u>\$ 138,321,328.69</u>	<u>\$ 201,975,433.43</u>

Net Debt \$201,975,433.43 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended \$10,757,997,802.67 = 1.88%

<u>2024</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 48,423,000.00	\$ 48,423,000.00	
Parking Utility Debt	3,976,273.63	3,976,273.63	
General Debt	<u>205,984,095.58</u>	<u>1,032,908.81</u>	<u>\$ 204,951,186.77</u>
	<u>\$ 258,383,369.21</u>	<u>\$ 53,432,182.44</u>	<u>\$ 204,951,186.77</u>

Net Debt \$204,951,186.77 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended \$10,051,936,594.67 = 2.04%

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

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

B. Summary of Statutory Debt Condition – Annual Debt Statement (Cont'd)

Princeton's Borrowing Power Under N.J.S.A. 40A:2-6 as amended, at December 31, was as follows:

	<u>2025</u>	<u>2024</u>
3 1/2% of Equalized Valuation Basis Municipal	\$ 376,529,923.09	\$ 351,817,780.81
Net Debt	<u>201,975,433.43</u>	<u>204,951,186.77</u>
Remaining Borrowing Power	<u>\$ 174,554,489.66</u>	<u>\$ 146,866,594.04</u>

Calculation of "Self-Liquidating Purpose"
Parking Utility per N.J.S.A. 40A:2-45

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

	<u>2025</u>	<u>2024</u>
Cash Receipts from Fees, Rents or Other Charges for Year	\$ 6,935,772.41	\$ 6,723,376.21
Deductions:		
Operating and Maintenance Cost	2,721,000.00	2,618,700.00
Debt Service	<u>890,700.00</u>	<u>932,812.50</u>
Total Deductions	<u>3,611,700.00</u>	<u>3,551,512.50</u>
Excess in Revenues	<u>\$ 3,324,072.41</u>	<u>\$ 3,171,863.71</u>

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

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

B. Summary of Statutory Debt Condition – Annual Debt Statement (Cont'd)

Deductions of Self-Liquidating Utility Debt for
Statutory Net Debt – Parking Utility per N.J.S.A. 40A:2-45

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

	<u>2025</u>	<u>2024</u>
Excess in Revenues - Cash Basis (E-1)	\$ 1,355,578.80	\$ 941,585.22
Add: Deferred Charges	750,000.00	750,000.00
Surplus Transfer to General Budget	1,800,000.00	1,800,000.00
	3,905,578.80	3,491,585.22
Less: Other Credits to Income	581,506.39	319,721.51
	581,506.39	319,721.51
Excess in Revenues	\$ 3,324,072.41	\$ 3,171,863.71

As there is an excess in revenues, all such utility debt is deductible.

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MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

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

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

Year	<u>GENERAL</u>		<u>PARKING UTILITY</u>		<u>TOTAL</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2026	\$ 9,685,000.00	\$ 2,213,102.00	\$ 815,000.00	\$ 40,200.00	\$ 10,500,000.00	\$ 2,253,302.00
2027	6,275,000.00	1,945,314.50	805,000.00	23,900.00	7,080,000.00	1,969,214.50
2028	6,360,000.00	1,773,414.50	780,000.00	7,800.00	7,140,000.00	1,781,214.50
2029	6,450,000.00	1,597,989.50			6,450,000.00	1,597,989.50
2030	6,565,000.00	1,418,839.50			6,565,000.00	1,418,839.50
	<u>35,335,000.00</u>	<u>8,948,660.00</u>	<u>2,400,000.00</u>	<u>71,900.00</u>	<u>37,735,000.00</u>	<u>9,020,560.00</u>
2031	6,350,000.00	1,214,902.00			6,350,000.00	1,214,902.00
2032	5,545,000.00	1,016,439.50			5,545,000.00	1,016,439.50
2033	2,725,000.00	844,189.50			2,725,000.00	844,189.50
2034	2,810,000.00	730,752.00			2,810,000.00	730,752.00
2035	2,905,000.00	614,652.00			2,905,000.00	614,652.00
	<u>20,335,000.00</u>	<u>4,420,935.00</u>			<u>20,335,000.00</u>	<u>4,420,935.00</u>
2036	2,970,000.00	496,502.00			2,970,000.00	496,502.00
2037	3,020,000.00	375,652.00			3,020,000.00	375,652.00
2038	3,050,000.00	252,702.00			3,050,000.00	252,702.00
2039	625,000.00	154,527.00			625,000.00	154,527.00
2040	655,000.00	131,827.00			655,000.00	131,827.00
	<u>10,320,000.00</u>	<u>1,411,210.00</u>			<u>10,320,000.00</u>	<u>1,411,210.00</u>
2041	675,000.00	107,952.00			675,000.00	107,952.00
2042	700,000.00	82,250.00			700,000.00	82,250.00
2043	720,000.00	55,375.00			720,000.00	55,375.00
2044	730,000.00	27,737.50			730,000.00	27,737.50
	<u>2,825,000.00</u>	<u>273,314.50</u>			<u>2,825,000.00</u>	<u>273,314.50</u>
TOTAL	<u>\$ 68,815,000.00</u>	<u>\$ 15,054,119.50</u>	<u>\$ 2,400,000.00</u>	<u>\$ 71,900.00</u>	<u>\$ 71,215,000.00</u>	<u>\$ 15,126,019.50</u>

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

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

D. Loan Agreements

Department of Environmental Protection - Environmental Infrastructure Loans

Princeton, 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 \$1,810,000 to be repaid over a twenty-year period at interest rates ranging from 4.00% to 5.00%, and a Fund Loan Agreement of \$1,778,284 to be repaid over a twenty-year period at no interest. During 2016, \$168,189.19 of the prior Trust Loan balance was deobligated/defeased. During 2022, \$7,056.29 of the prior Trust Loan balance was deobligated/defeased. Principal of \$123,222.14 was paid in 2025, leaving a balance of \$132,395.90 at December 31, 2025.

Debt service on the outstanding balance of the 2006 NJ Environmental Infrastructure Trust Loan at December 31, 2025 is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2026	<u>\$ 132,395.90</u>	<u>\$ 5,295.84</u>
Totals	<u>\$ 132,395.90</u>	<u>\$ 5,295.84</u>

In addition, Princeton, during 2007, entered into a 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 \$1,740,000 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 in the amount of \$1,696,442 to be repaid over a twenty-year period. The proceeds of this loan are to refurbish the sewer system. During 2016, \$596,000 of the prior Trust Loan balance was deobligated/defeased. \$60,000 of principal was paid during 2025, resulting in a year-end balance of \$132,000.

Debt service on the outstanding balance of the 2007 NJ Environmental Infrastructure Trust Loan at December 31, 2025 is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2026	<u>\$ 66,000.00</u>	<u>\$ 6,600.00</u>
2027	<u>66,000.00</u>	<u>3,300.00</u>
Totals	<u>\$ 132,000.00</u>	<u>\$ 9,900.00</u>

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

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

D. Loan Agreements (cont'd)

Department of Environmental Protection - Environmental Infrastructure Loans (cont'd)

Princeton entered into a loan agreement in 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 \$1,400,000 to be repaid over a twenty-year period at interest rates ranging from 3.00% to 5.50%, and a zero interest Fund Loan Agreement of \$4,293,898 to be repaid over a twenty-year period. During 2016, \$750,000 of the prior Trust Loan balance was deobligated/defeased. During 2018, an additional \$112,000 of Trust Loan Principal was defeased.

Debt service on the outstanding balance of the 2010 NJ Environmental Infrastructure Trust Loan at December 31, 2025 is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 34,000.00	\$ 5,680.00
2027	35,000.00	4,320.00
2028	35,000.00	2,920.00
2029	<u>38,000.00</u>	<u>1,520.00</u>
Totals	<u>\$ 142,000.00</u>	<u>\$ 14,440.00</u>

Princeton entered into a loan agreement in 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 \$1,170,000 to be repaid over a twenty-year period at interest rates ranging from 3.00% to 5.50%, and a zero interest Fund Loan Agreement of \$1,273,893 to be repaid over a twenty-year period. During 2016, \$366,165 of the prior Trust Loan balance was deobligated/defeased. During 2022, \$20,160 of the prior Trust Loan balance was deobligated/defeased. \$62,842 of Trust Loan principal was paid in 2024, resulting in a year-end balance of \$269,521. In addition, during 2016, \$528,137 of the Fund Loan balance was deobligated/defeased. During 2025, the last principal payment of \$31,406.66 was made for the zero interest Fund Loan.

Debt service on the outstanding balance of the 2012 NJ Environmental Infrastructure Trust Loan at December 31, 2025 is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 71,088.00	\$ 6,786.52
2027	70,410.00	3,943.00
2028	<u>61,023.00</u>	<u>1,830.70</u>
Totals	<u>\$ 202,521.00</u>	<u>\$ 12,560.22</u>

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

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

D. Loan Agreements (cont'd)

Department of Environmental Protection Environmental Infrastructure Loans (cont'd)

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

Princeton entered into a loan agreement in December 2023 with the State of New Jersey, Department of Environmental Protection, pursuant to the New Jersey Infrastructure Bank Loan Series 2023A-W1 and Series 2023C-W1. The loan consists of two loans, a I-Bank Loan of \$615,000 to be repaid over a ten-year period at interest rate of 5.00%, and a zero interest Fund Loan of \$874,099 to be repaid over a ten-year period.

Debt service on the outstanding balance of the I-Bank Loan at December 31, 2025 is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 55,000.00	\$ 28,000.00
2027	60,000.00	25,250.00
2028	65,000.00	22,250.00
2029	70,000.00	19,000.00
2030	70,000.00	15,500.00
2031-2033	<u>240,000.00</u>	<u>24,500.00</u>
Totals	<u>\$ 560,000.00</u>	<u>\$ 134,500.00</u>

Debt service on the outstanding balance of the Fund Loan at December 31, 2025 is as follows:

<u>Year</u>	<u>Principal</u>
2026	\$ 90,424.03
2027	90,424.03
2028	90,424.03
2029	90,424.03
2030	90,424.03
2031-2033	<u>271,272.13</u>
Totals	<u>\$ 723,392.28</u>

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

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

E. Changes in Long-Term and Short-Term Municipal Debt

Princeton's long-term capital debt activity for 2025 and 2024 is as follows:

	Balance <u>Dec. 31, 2024</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>Dec. 31, 2025</u>
Serial Bonds:				
General Capital Fund	\$ 78,320,000.00		\$ 9,505,000.00	\$ 68,815,000.00
Parking Utility Fund	3,240,000.00		840,000.00	2,400,000.00
Loan Payables:				
General Capital - NJEIT	935,545.70		326,628.80	608,916.90
General Capital - Interim Financing	4,226,416.07	\$ 801,102.89		5,027,518.96
General Capital - NJIB	1,428,816.31		145,424.03	1,283,392.28
Total	<u>\$ 88,150,778.08</u>	<u>\$ 801,102.89</u>	<u>\$ 10,817,052.83</u>	<u>\$ 78,134,828.14</u>

	Balance <u>Dec. 31, 2023</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>Dec. 31, 2024</u>
Serial Bonds:				
General Capital Fund	\$ 47,570,000.00	\$ 39,100,000.00	\$ 8,350,000.00	\$ 78,320,000.00
Parking Utility Fund	4,105,000.00		865,000.00	3,240,000.00
Loan Payables:				
General Capital - NJEIT	1,295,044.48		359,498.78	935,545.70
General Capital - Interim Financing		4,226,416.07		4,226,416.07
General Capital - NJIB	1,489,099.00		60,282.69	1,428,816.31
Total	<u>\$ 54,459,143.48</u>	<u>\$ 43,326,416.07</u>	<u>\$ 9,634,781.47</u>	<u>\$ 88,150,778.08</u>

F. Bond Anticipation Notes

As of December 31, 2025, Princeton had Bond Anticipation Notes outstanding of \$52,500,000 maturing on February 19, 2026 and December 17, 2026 at interest rates of 4.00% and 3.75%, respectively.

As of December 31, 2024, Princeton had Bond Anticipation Notes outstanding of \$9,100,000 maturing on December 22, 2025 at interest rates ranging from 3.50% to 5.40%.

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 4: FUND BALANCES APPROPRIATED

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

	<u>Balance</u> <u>Dec. 31, 2025</u>	<u>Utilized in</u> <u>2026 Budget</u>
Current Fund	\$ 29,949,382.52	\$ 12,825,000.00
Affordable Housing		
Operating Fund	403,846.52	
Parking Operating Fund	3,969,570.94	975,000.00

Note 5: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2025 and 2024, Princeton reported no deferred charges on the balance sheets of the various funds.

Note 6: GENERAL FIXED ASSETS

Changes in the carrying values of Princeton's general fixed assets for the year ended December 31, 2025 and 2024 were as follows:

	<u>Balance</u> <u>Dec. 31, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>Dec. 31, 2025</u>
Land/Buildings	\$ 179,241,200.00			\$179,241,200.00
Equipment	9,945,238.00	\$ 79,775.00	\$ 24,794.00	10,000,219.00
Vehicles	<u>17,260,980.00</u>	<u>5,085,773.00</u>	<u>1,072,554.00</u>	<u>21,274,199.00</u>
	<u>\$ 206,447,418.00</u>	<u>\$5,165,548.00</u>	<u>\$ 1,097,348.00</u>	<u>\$210,515,618.00</u>
	<u>Balance</u> <u>Dec. 31, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>Dec. 31, 2024</u>
Land/Buildings	\$ 179,241,200.00			\$179,241,200.00
Equipment	10,328,463.00	\$ 943,459.00	\$ 1,326,684.00	9,945,238.00
Vehicles	<u>18,925,925.00</u>	<u>136,485.00</u>	<u>1,801,430.00</u>	<u>17,260,980.00</u>
	<u>\$ 208,495,588.00</u>	<u>\$1,079,944.00</u>	<u>\$ 3,128,114.00</u>	<u>\$206,447,418.00</u>

The General Fixed Asset Account Group is used to account for fixed assets used in municipal operations for control purposes. Infrastructure assets such as roads, sidewalks, wastewater collection and transmission systems, etc. are not capitalized. General fixed assets acquired prior to 1985 are valued at historical cost or estimated historical cost if actual historical cost was not available. Assets acquired or constructed subsequent to 1985 are valued at historical cost. Contributed capital is valued at the estimated fair market value of the asset at the date of the contribution. No depreciation is recorded on general fixed assets.

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 7: UTILITY FIXED ASSETS

The carrying values of Princeton's Parking Utility fixed assets for the year ended December 31, 2025 and 2024 were as follows:

	<u>Balance</u> <u>Dec. 31, 2025</u>	<u>Balance</u> <u>Dec. 31, 2024</u>
Land/Buildings	\$ 15,545,626.67	\$ 15,020,075.67
Equipment	132,479.69	132,479.69
Vehicles	963,786.51	963,786.51
	<u>\$ 16,641,892.87</u>	<u>\$ 16,116,341.87</u>

Parking Utility assets acquired or constructed are valued at cost. The amounts shown as utility fixed capital do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. No depreciation is recorded on general fixed assets.

Note 8: DEPOSITS AND INVESTMENTS

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

Deposits

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

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured.

All public depositories must pledge collateral, having a market value at least equal to five (5) percent of the average daily balance of collected public funds; or if the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent, to secure the deposits of governmental units.

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 8: DEPOSITS AND INVESTMENTS (CONT'D)

Deposits (Cont'd)

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units. The State of New Jersey Cash Management Fund is authorized by statute and regulation of the State Investment Council to invest in fixed income and debt securities, which mature within one year.

At December 31, 2025 and 2024, the cash and cash equivalents and investments of Princeton on deposit and on-hand consisted of the following:

	<u>2025</u>	<u>2024</u>
Cash (Demand Accounts)	\$ 62,776,964.61	\$ 67,043,164.88
Change Fund (On Hand)	1,515.00	1,515.00
NJ Cash Management Fund	<u>30,555,181.60</u>	<u>28,998,151.38</u>
	<u>\$ 93,333,661.21</u>	<u>\$ 96,042,831.26</u>

Based upon GASB criteria, Princeton considers change funds, cash in banks, investments in short-term certificates of deposit and State of New Jersey Cash Management Fund as cash and cash equivalents. At December 31, 2025, the carrying amount of Princeton's deposits was \$62,776,964.61 and the book balance was \$61,299,362.15. Of the bank balance, \$685,918.34 was covered by Federal depository insurance and \$61,778,957.83 was covered under the provisions of NJGUDPA. At December 31, 2024, the carrying amount of Princeton's deposits was \$67,043,164.88 and the book balance was \$66,474,547.01. Of the bank balance, \$618,040.27 was covered by Federal depository insurance and \$65,934,425.93 was covered under the provisions of NJGUDPA.

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

- (a) Custodial Credit Risk – Princeton's deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are: uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-governments name. The deposit risk is that, in the event of the failure of a depository financial institution, Princeton will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. Princeton's investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of Princeton and are held by either: the counterparty or the counterparty's trust department or agent but not in Princeton's name.

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 8: DEPOSITS AND INVESTMENTS (CONT'D)

Deposits (Cont'd)

The investment risk is that, in the event of the failure of the counterparty to a transaction, Princeton will not be able to recover the value of the investment or collateral securities that are in possession of an outside party.

- (b) Concentration of Credit Risk – This is the risk associated with the amount of investments that Princeton has with any one issuer that exceeds 5 percent or more of its total investments. Investment issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.
- (c) Credit Risk – GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In general, Princeton does not have an investment policy regarding Credit Risk except to the extent outlined under Princeton's investment policy. The New Jersey Cash Management Fund is not rated.
- (d) Interest Rate Risk - This is the risk that changes in interest rates will adversely affect the fair value of an investment. Princeton does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate fluctuations.

As of December 31, 2025 and 2024, based upon the insured balances provided by the FDIC and NJGUDPA coverage, no amounts of Princeton's bank balance were considered exposed to custodial credit risk, except for amounts not covered by GUDPA in the amounts of \$312,088.44 and \$490,698.68, respectively.

Investments

New Jersey statutes establish the following securities as eligible for the investment of Princeton's funds:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States;
2. Government money market mutual funds;
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided such obligation bear a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of Princeton or bonds or other obligations of school districts of which Princeton is a part and within which the school district is located;

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 8: DEPOSITS AND INVESTMENTS (CONT'D)

Investments (Cont'd)

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

Princeton is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments nor is it exposed to foreign currency risks for its deposits and investments.

New Jersey Cash Management Fund – All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to ensure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. As of December 31, 2025 and 2024, the Municipality had \$30,555,181.60 and \$28,998,151.38 on deposit with the New Jersey Cash Management Fund, respectively.

Note 9: ASSESSMENT AND COLLECTION OF PROPERTY TAXES

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

Tax bills are prepared and mailed by the Collector of Taxes of Princeton annually and set forth the final tax for the tax year. The bills contain a credit for preliminary amounts billed previously with the

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 9: ASSESSMENT AND COLLECTION OF PROPERTY TAXES (CONT'D)

balance payable in equal installments on August 1st and November 1st of the tax year. In addition, the property owner receives a preliminary bill for the succeeding year based on one half of the prior year's tax. The preliminary payments are due and payable on February 1st and May 1st. The New Jersey statutes allow a grace period of 10 days for each payment period and Princeton granted this option to taxpayers.

Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% to 18% of the amount delinquent, and if a delinquency (including interest) is in excess of \$10,000.00 and remains in arrears after December 31, an additional flat penalty of 6% may be charged against the delinquency. If taxes are delinquent on or after April 1st of the succeeding year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1st of the current tax year even though the amount due is not known.

Note 10: PENSION PLANS

Substantially all of Princeton's non-seasonal employees participate in one of the following contributory public employee retirement systems which have been established by State statute: the defined benefit plan entitled Public Employees' Retirement System (PERS), the defined benefit plan entitled Police and Firemen's Retirement System (PFRS), or the defined contribution plan entitled Defined Contribution Retirement Plan (DCRP). These systems are sponsored and administered by the New Jersey Division of Pensions and Benefits. The PERS and PFRS are considered cost sharing multiple-employer plans.

Description of Plans – The State of New Jersey, Division of Pension and Benefits (the Division) was created and exists pursuant to N.J.S.A. 52:18A to oversee and administer the pension trust and other postemployment benefit plans sponsored by the State of New Jersey (the State). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the plans terminate. Each defined benefit pension plan's designated purpose is to provide retirement, death and disability benefits to its members. The authority to amend the provision of plan rests with new legislation passed by the State of New Jersey.

Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for the Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS), once a Target Funded Ratio (TFR) is met, that will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation or final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committee will also have the authority to reactivate the cost of living adjustment (COLA) on pensions.

However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30 year projection period. The Division issues a publicly available financial report that includes the financial statements and required

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 10: PENSION PLANS (CONT'D)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS) (CONT'D)

supplementary information for each of the plans. This report may be accessed via the Division of Pensions and Benefits website, at www.state.nj.us/treasury/pensions, or may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

The PERS is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PERS Plan are as follows:

Plan Membership and Contributing Employers - Substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency are enrolled in PERS, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or other jurisdiction's pension fund. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2024:

Inactive plan members or beneficiaries currently receiving benefits	193,915
Inactive plan members entitled to but not yet receiving benefits	646
Active plan members	<u>244,324</u>
Total	<u>438,885</u>

Contributing Employers – 1,668

Significant Legislation - For State of New Jersey contributions to PERS, Chapter 1, P.L. 2010, effective May 1, 2010, required the State to resume making actuarially recommended contributions to the pension plan on a phased-in basis over a seven-year period beginning in the fiscal year ended June 30, 2012.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PERS.

For the year ended December 31, 2025, Princeton's total payroll for all employees was \$22,666,035. Total PERS covered payroll was \$11,829,537. Covered payroll refers to pensionable compensation, rather than total compensation, paid by Princeton to active employees covered by the Plan.

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

Employers' contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits.

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 10: PENSION PLANS (CONT'D)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CONT'D)

Princeton contributions are due and payable on April 1st in the second fiscal period subsequent to plan year for which the contributions requirements were calculated.

In accordance with Chapter 98, P.L. 2017, PERS receives 21.02% of the proceeds of the Lottery Enterprise for a period of 30 years. Revenues received from lottery proceeds are assumed to be contributed to the System on a monthly basis.

Princeton's payments to PERS for the year ended December 31, 2025 consisted of the following:

Total Regular Billing	<u>\$1,933,888</u>
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Princeton recognizes liabilities to PERS and records expenditures for same in the fiscal period that bills become due.

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007.
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefit of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, to tier 3 and 4 members before age 62 and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age of his/her respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – The regulatory basis of accounting which is the basis for the preparation of Princeton's basic financial statements does not require or permit the inclusion of entity-wide, full accrual basis financial statements. Accordingly, Princeton does not recognize pension liabilities for any current or prior period until the fiscal period in which such payments will become due and payable.

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 10: PENSION PLANS (CONT'D)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CONT'D)

At June 30, 2024, the PERS reported a net pension liability of \$13,702,423,985 for its Non-State Employer Member Group. The proportionate share of the State of New Jersey's net pension liability for the Non-State Employer Member Group that is attributable to Princeton was \$19,311,441 or 0.1421208133%, which represents a decrease of 0.0060698043% from the prior measurement date.

The following presents a summary of the proportionate share of the State of New Jersey's changes in the collective deferred outflows of resources and deferred inflows of resources attributable to Princeton for the year ended June 30, 2024, if GASB Statement No.68 were recognized:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 386,844	\$ 51,412
Changes of assumptions	23,991	219,720
Net difference between projected and actual investment earnings on pension plan investments		895,419
Changes in proportion	1,656,477	1,242,462
Contributions subsequent to the measurement date	<u>1,933,888</u>	
	<u>\$ 4,001,200</u>	<u>\$ 2,409,013</u>

The \$1,933,888 of deferred outflows of resources resulting from Princeton's contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ending December 31, 2025. Other amounts reported as deferred outflows or resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows, if GASB Statement No.68 were recognized:

<u>Year ended December 31,</u>	<u>Amount</u>
2025	\$ (634,018)
2026	1,014,322
2027	(368,738)
2028	(346,512)
2029	<u>(6,755)</u>
Total	<u>\$ (341,701)</u>

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 10: PENSION PLANS (CONT'D)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CONT'D)

Actuarial Assumptions- The total collective pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions:

Inflation Rate - Prices	2.75%
Inflation Rate - Wages	3.25%
Salary Increases	2.75-6.55% Based on years of service
Investment rate of return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and a 101.4% adjustment for females, with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on Pub-2010 General Below-Median Income Healthy Retiree mortality table with an 91.4% adjustment for males and a 99.7% adjustment for females, with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with an 127.7% adjustment for males and a 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Return on Investments - In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 10: PENSION PLANS (CONT'D)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CONT'D)

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	<u>3.00%</u>	7.10%
	<u>100.00%</u>	

Discount Rate – The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of Net Pension Liability – the following presents the net pension liability of Princeton as of June 30, 2024 using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>At 1% Decrease (6.00%)</u>	<u>At Current Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
PERS	\$25,660,157	\$19,311,441	\$13,908,718

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 10: PENSION PLANS (CONT'D)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CONT'D)

Additional Information

Collective balances at June 30, 2024 are as follows:

Collective deferred outflows of resources-Local Group	\$ 1,079,580,780
Collective deferred inflows of resources-Local Group	1,611,322,898
Collective net pension liability (NPL)-Local Group	13,702,423,985

Princeton's proportionate share of Local Group NPL 0.1421208133%

Collective pension expense for the Local Group for the measurement period June 30, 2024 was \$372,160,096. The expected remaining service lives of all plan members is 5.08, 5.08, 5.04, 5.13, and 5.16 years for the 2024, 2023, 2022, 2021, and 2020 amounts, respectively.

State Contribution Payable Dates - Chapter 83, P.L. 2016 requires the State to make pension contributions on a quarterly basis: at least 25% by September 30, at least 50% by December 31, at least 75% by March 31, and at least 100% by June 30. As such, contributions are assumed to be made on a quarterly basis with the first contribution 15 months after the associated valuation date. Local employer's contributions are expected to be paid on April 1st, 21 months after the associated valuation date.

Receivable Contributions - The Fiduciary Net Position (FNP), includes Local employers' contributions receivable as reported in the financial statements provided by the Division of Pensions and Benefits. In determining the discount rate, the FNP at the beginning of each year does not reflect receivable contributions as those amounts are not available at the beginning of the year to pay benefits. The receivable contributions for the year ended June 30, 2024 are \$1,393,655,054.

Special Funding Situation – A special funding situation exists for certain Local employers of the Public Employees' Retirement System. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers under Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001.

Unaudited data provided by the PERS indicates that the total nonemployer contributions made to the PERS by the State for the year ended June 30, 2024 was \$61,435,556. The portion of that contribution allocated to Princeton was \$62,260 or 0.1427774212%. The State special funding situation pension expense of \$43,606,492 was actuarially determined at June 30, 2024 and represents the required contribution due from the State for the year. Princeton's allocated shares of the special funding situation pension expense and related revenue for the year ended June 30, 2024 was \$62,260.

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 10: PENSION PLANS (CONT'D)

B. POLICE AND FIREMEN'S RETIREMENT SYSTEM

The PFRS is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PFRS Plan are as follows:

Plan Membership and Contributing Employers- Substantially all full-time county and municipal police and firemen and state firemen or officer employees with police powers appointed after June 30, 1944 are enrolled in PFRS Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2024:

Inactive plan members or beneficiaries currently receiving benefits	50,109
Inactive plan members entitled to but not yet receiving benefits	66
Active plan members	<u>41,451</u>
Total	<u>91,626</u>

Contributing Employers – 574

Significant Legislation – For State of New Jersey contributions to PFRS, Chapter 1, P.L. 2010, effective May 21, 2010, required the State to resume making actuarially recommended contributions to the pension plan on a phased-in basis over a seven-year period beginning in the fiscal year ended June 30, 2012.

In accordance with Chapter 98, P.L. 2017, PFRS receives 1.2% of the proceeds of the Lottery Enterprise for a period of 30 years. Revenues received from the lottery proceeds are assumed to be contributed to the System on a monthly basis.

Consistent with Chapter 83, P.L. 2016, it is assumed that the State will make pension contributions in equal amounts at the end of each quarter. It is assumed the Local employers' contributions are expected to be received on April 1st, 21 months after the associated valuation date.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PFRS.

For the year ended December 31, 2025, Princeton's total payroll for all employees was \$22,666,035. Total PFRS covered payroll was \$6,786,127. Covered payroll refers to pensionable compensation, rather than total compensation, paid by Princeton to active employees covered by the Plan.

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. For fiscal year 2024, the State contributed an amount more than the actuarially determined amount.

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 10: PENSION PLANS (CONT'D)

B. POLICE AND FIREMEN'S RETIREMENT SYSTEM (CONT'D)

Princeton's payments to PFRS for the years ended December 31, 2025 consisted of the following:

Total Regular Billing	<u>\$2,408,959</u>
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Princeton recognizes liabilities to PFRS and records expenditures for same in the fiscal period that bills become due.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service.

The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – The regulatory basis of accounting which is basis for the preparation of Princeton's basic financial statements does not require or permit the inclusion of entity-wide, full accrual basis financial statements. Accordingly, Princeton does not recognize pension liabilities for any current or prior period until the fiscal period in which such payments will become due and payable.

At June 30, 2024, the PFRS reported a net pension liability of \$12,362,466,447 for its Non-State, Non-Special Funding Situation Employer Member Group. Princeton's proportionate share of the net pension liability for the Non-State Non-Special Funding Situation Employer Member Group was \$17,984,128, or 0.17415344%, a proportional decrease of 0.0108058400% from the prior measurement date.

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 10: PENSION PLANS (CONT'D)

B. POLICE AND FIREMEN'S RETIREMENT SYSTEM (CONT'D)

Collective Deferred Outflows of Resources and Deferred Inflows of Resources – At June 30, 2024 Princeton's deferred outflows of resources and deferred inflows of resources related to PFRS pensions from the following sources, if GASB Statement No.68 were recognized:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,132,986	\$ 615,676
Changes of assumptions	28,429	528,164
Net difference between projected and actual investment earnings on pension plan investments		140,758
Changes in proportion	338,271	1,396,114
Contributions subsequent to the measurement date	<u>2,408,959</u>	
	<u>\$ 3,908,645</u>	<u>\$ 2,680,712</u>

The \$2,408,959 of deferred outflows of resources resulting from Princeton's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in Princeton's fiscal year ending year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows, if GASB Statement No. 68 were recognized:

<u>Year ended December 31,</u>	<u>Amount</u>
2025	\$ (1,080,375)
2026	895,026
2027	(546,938)
2028	(76,808)
2029	(363,117)
Thereafter	<u>(8,814)</u>
Total	<u>\$ (1,181,026)</u>

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 10: PENSION PLANS (CONT'D)

B. POLICE AND FIREMEN'S RETIREMENT SYSTEM (CONT'D)

Actuarial Assumptions- The collective total pension liability at the June 30, 2024 measurement date was determined by the actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all future years	3.25-16.25%
	Based on years of service
Thereafter	Not Applicable
Investment rate of return	7.00%

Employee mortality rates were based on the Pub-2010 Safety Employee amount-weighted mortality table (sex-specific) projected generationally from 2010 with Scale MP-2021 mortality projection. For healthy annuitants, mortality rates were based on the Pub-2010 Safety Retiree Below Median amount-weighted mortality table (sex-specific), projected generationally from 2010 with Scale MP-2021 mortality projection. Disability rates were 144% of the Pub-2010 Safety Disabled Retiree amount-weighted mortality table for males and 100% of the Pub-2010 Safety Disabled Retiree amount-weighted mortality table for females, projected generationally from 2010 with Scale MP-2021 mortality projection.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the PFRS Board of Trustees, and the Directors of the Division of Investment and Division of Pensions, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 10: PENSION PLANS (CONT'D)

B. POLICE AND FIREMEN'S RETIREMENT SYSTEM (CONT'D)

Best estimates of arithmetic real rates of return for each major asset class included in the PFRS' target asset allocation as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
U.S. Large Cap Equity	24.00%	6.90%
U.S. Small/Mid Cap Equity	4.00%	7.40%
Non-U.S. Developed Large-Cap Equity	9.50%	6.70%
Non-U.S. Developed Small Cap Equity	2.00%	7.50%
Emerging Markets Large-Cap Equity	6.00%	9.60%
Emerging Markets Small-Cap Equity	1.50%	9.60%
U.S. Treasury Bond	7.00%	4.10%
U.S. Corporate Bond	5.00%	5.90%
U.S. Mortgage-Backed Securities	5.00%	4.40%
Global Multisector Fixed Income	6.00%	6.50%
Cash	2.00%	3.40%
Real Estate Core	3.00%	5.10%
Real Estate Non-Core	4.00%	6.50%
Infrastructure	3.00%	7.00%
Private Debt/Credit	8.00%	9.10%
Private Equity	<u>10.00%</u>	10.10%
	<u>100.00%</u>	

Discount Rate – The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the employers in the State Group and 100% of actuarially determined contributions for the employers in the Local Group. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 10: PENSION PLANS (CONT'D)

B. POLICE AND FIREMEN'S RETIREMENT SYSTEM (CONT'D)

Sensitivity of Net Pension Liability – The following presents the net pension liability of Princeton as of June 30, 2024, calculated using the discount rate as disclosed above as well as what the net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	At 1% decrease (<u>6.00%</u>)	At current discount rate (<u>7.00%</u>)	At 1% increase (<u>8.00%</u>)
PFRS	\$25,695,318	\$17,984,128	\$11,562,397

Additional Information - Collective balances at June 30, 2024 are as follows:

Collective deferred outflows of resources-Local Group	\$ 1,350,388,724
Collective deferred inflows of resources-Local Group	1,421,121,200
Collective net pension liability (NPL)-Local Group	12,362,466,447

Princeton's proportionate share of Local Group NPL	0.17415344%
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Collective pension expense for the Local Group for the measurement period ended June 30, 2024 was \$775,608,387. The average of the expected remaining service lives of all plan members, which is 6.09, 6.16, 6.22, 6.17, and 5.90 years for the 2024, 2023, 2022, 2021, and 2020 amounts, respectively.

State Contribution Payable Dates

Chapter 83, P.L. 2016 requires the State to make pension contributions on a quarterly basis: at least 25% by September 30, at least 50% by December 31, at least 75% by March 31, and at least 100% by June 30. As such, contributions are assumed to be made on a quarterly basis.

Local employer's contributions are expected to be paid on April 1st, 21 months after the associated valuation date.

Special Funding Situation – Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The amount contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation and the State is treated as a nonemployer entity. The nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with Princeton as of June 30, 2024 for police and fire is 0.17415344%. The nonemployer contributing entities' contribution for the year ended June 30, 2024 was \$407,885. The State's proportionate share of net pension liability attributable to Princeton as of June 30, 2024 was \$3,545,532.

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 10: PENSION PLANS (CONT'D)

B. DEFINED CONTRIBUTION RETIREMENT PLAN

The Defined Contribution Retirement Plan (DCRP) is a multiple employer defined contribution plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the DCRP are as follows:

Plan Membership and Contributing Employers- Enrollment in the DCRP is required for state or local officials, elected or appointed on or after July 1, 2007; employees enrolled in PFRS or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PFRS or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000 annually; and employees otherwise eligible to enroll in PFRS or PERS after May 21, 2010, who do not work the minimum number of hours per week required for tier 4 or tier 5 enrollment, but who earn salary of at least \$5,000 annually.

Contribution Requirement and Benefit Provisions - State and local government employers contribute 3% of the employees' base salary. Active members contribute 5.5% of base salary.

Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable.

A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Total DCRP covered payroll for 2025 was \$719,098. Covered payroll refers to all compensation paid by Princeton to active employees covered by the Plan. Employee contributions to the DCRP for the year ended December 31, 2025 were \$39,550 and employer contributions were \$21,573.

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 11: OTHER POSTEMPLOYMENT BENEFITS

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Annual Comprehensive Financial Report (ACFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees.

Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 11: OTHER POSTEMPLOYMENT BENEFITS (CONT'D)

The following information has been obtained from the Plan audit at June 30, 2024 and is the latest available information as of the date of this report.

A. Cost-Sharing, Multiple Employer, Defined Benefit Plan

For the portion of Plan benefits and expense for which Princeton is responsible, the Plan is considered to be a "Non-special Funding Situation" as defined in GASB Statement No. 75.

Plan Membership and Contributing Employers:

Plan membership and contributing employers/nonemployers consisted of the following at June 30, 2024:

Inactive plan members or beneficiaries currently receiving benefits	50,858
Active plan members	<u>90,965</u>
 Total	 <u>141,823</u>
 Contributing employers	 555
Contributing nonemployers	1

Components of Plan OPEB Liability:

The State of New Jersey's Total OPEB Liability and Net OPEB Liability for the Plan at June 30, 2024 was as follows:

	<u>2024</u>
Total OPEB Liability	\$17,748,257,548
Plan Fiduciary Net Position (deficit)	<u>(157,187,957)</u>
 Net OPEB Liability	 <u>\$17,905,445,505</u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 0.89%

The Net OPEB Liability at June 30, 2024 can be further broken down into its special funding and non-special funding components as follows:

	<u>2024</u>
Special Funding Situation	\$ 4,876,644,957
Non-special Funding Situation	<u>13,028,800,548</u>
 Total Net OPEB Liability	 <u>\$17,905,445,505</u>

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 11: OTHER POSTEMPLOYMENT BENEFITS (CONT'D)

A. Cost-Sharing, Multiple Employer, Defined Benefit Plan (Cont'd)

Princeton's Proportionate Shares of Nonspecial Funding Situation Net OPEB Liability:

	<u>2024</u>
Nonspecial Funding Situation:	
Plan Net OPEB Liability	\$13,028,800,548
Princeton Allocations:	
Net OPEB Liability	\$57,659,474
Allocation Percentage	0.322022%
Princeton Plan Participants	306

Actuarial Assumptions:

The total OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of June 30, 2023, which was rolled forward to June 30, 2024. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Salary increases*:

Public Employees' Retirement System (PERS)	
Rate for all future years	2.75% to 6.55%
Police and Firemen's Retirement System (PFRS)	
Rate for all future years	3.25% to 16.25%

* Salary increases are based on years of service within the respective plan.

Pre-retirement Healthy Mortality:

Pre-retirement mortality rates for PERS were based on the PUB-2010 General classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Preretirement mortality rates for PFRS were based on the PUB-2010 Safety classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Post-retirement Healthy Mortality:

Post-retirement mortality rates for Chapter 330 retirees were based on the PUB-2010 Safety classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Post-retirement mortality rates for other retirees is based on the PUB-2010 General classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 11: OTHER POSTEMPLOYMENT BENEFITS (CONT'D)

A. Cost-Sharing, Multiple Employer, Defined Benefit Plan (Cont'd)

Disabled Retiree Mortality:

Disabled retiree mortality rates for PERS future disabled retirees were based on the PUB-2010 General classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disabled retiree mortality rates for PFRS future disabled retirees were based on the PUB-2010 Safety classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Disabled retiree mortality rates for Chapter 330 current retirees were based on the PUB-2010 Safety classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disabled retiree mortality rates for other current retirees were based on the PUB-2010 General classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Actuarial assumptions used in the July 1, 2023 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

100% of active members are considered to participate in the Plan upon retirement.

Health Care Trend Assumptions:

For pre-Medicare medical benefits, the trend rate is initially 7.5% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 22.62% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO, the trend is increasing to 23.58% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.75% and decreases to a 4.50% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate:

The discount rate for June 30, 2024 was 3.93%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 11: OTHER POSTEMPLOYMENT BENEFITS (CONT'D)

A. Cost-Sharing, Multiple Employer, Defined Benefit Plan (Cont'd)

Sensitivity of the State's Net OPEB Liability to Changes in the Discount Rate:

The following presents Princeton's share of the net OPEB liability as of June 30, 2024, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>At Discount Rate</u>	<u>1% Increase</u>
Princeton's proportionate share of the net OPEB Liability	\$67,167,073	\$57,659,474	\$50,044,732

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates:

The following presents the net OPEB liability as of June 30, 2024, calculated using the healthcare trend rates as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Princeton's proportionate share of the net OPEB Liability	\$48,768,146	\$57,659,474	\$69,091,223

Deferred Outflows of Resources and Deferred Inflows of Resources:

At June 30, 2024, Princeton's allocated deferred outflows of resources and deferred inflows of resources related to its Nonspecial Funding participation in the OPEB Plan were as follows, if GASB Statement No.75 was recognized:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 2,920,045	\$ 9,769,498
Changes of assumptions	9,639,572	9,571,108
Difference between projected and actual investment earnings on plan assets		26,101
Changes in proportion	<u>17,909,879</u>	<u>2,762,429</u>
Princeton's Share (Nonspecial Funding Situation)	<u>\$ 30,469,496</u>	<u>\$ 22,129,136</u>

OPEB Expense:

For the year ended December 31, 2025, Princeton would have recognized an actuarially calculated OPEB expense of \$1,825,774, if GASB Statement No. 75 was recognized. The Municipality recorded approximately \$2,082,000 of OPEB expenditure in its financial statements for the year.

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 11: OTHER POSTEMPLOYMENT BENEFITS (CONT'D)

B. Special Funding Situation

The State of New Jersey provides medical and prescription drug coverage to eligible local police officers and firefighters who retire from an employer who does not provide postretirement medical coverage. Information relating to this State provided coverage is as follows:

Plan Description and Benefits Provided:

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division of Pensions in order for their employees to qualify for State-paid retiree health benefits under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Special Funding Situation:

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in GAAP basis financial statements of the local participating employers related to this legislation.

Princeton's Proportionate Shares of Special Funding Situation Net OPEB Liability:

At June 30, 2024, Princeton's proportionate share of the Special Funding Situation Net OPEB Liability was \$1,660,839 or 0.034057%. The State's Special Funding Situation OPEB Expense allocated to the municipality was (\$160,907) for the year ended June 30, 2024. The number of municipal employees (active and inactive/retired) upon which the allocations were based for the year ended June 30, 2024 was 7.

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 11: OTHER POSTEMPLOYMENT BENEFITS (CONT'D)

C. Self-Administered, Single Employer Defined Benefit Plan

Plan Description and Eligibility:

Princeton provides health benefit cost reimbursements for certain retirees and their dependents through a single-employer defined benefit plan that is administered by the municipality. The Plan was created, effective January 1, 2013, to provide post-employment health benefit cost reimbursements to the retirees of the former Township who were eligible for such benefits at the Plan inception date but who were not eligible for inclusion in the NJ State Health Benefits Plan at that time. Plan membership was limited to those employees who qualified and opted for coverage as of January 1, 2013. No Plan assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided:

The Plan is a medical reimbursement plan. Maximum annual reimbursements are based upon coverage type and Medicare eligibility as follows:

	<u>Under Age 65</u>	<u>Age 65 And Over</u>
Single	\$ 8,950	\$ 6,250
Two Adults	19,650	12,500
Parent/Child	14,700	
Family	20,850	

The above amounts are fixed dollar amounts and are not subject to any indexing. However, in the future, if regular increase (constituting a "pattern") in the maximum are made, an additional indexing assumption may need to be applied.

Funding Policy:

Princeton's funding policy is to "contribute" (provide reimbursements up to the applicable maximum) for all retired participants on a pay-as-you-go basis.

Employees Covered by Benefit Terms:

At December 31, 2025, the number of inactive employees and their dependents currently receiving benefits was 26. As previously noted, the plan is closed and no new enrollments are permitted.

Total OPEB Liability:

The total OPEB liability of the municipality's self-administered OPEB Plan was \$1,544,796 at December 31, 2025 and was determined by an actuarial valuation as January 1, 2025 that was rolled forward to that date.

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 11: OTHER POSTEMPLOYMENT BENEFITS (CONT'D)

C. Self-Administered, Single Employer Defined Benefit Plan (Cont'd.)

Actuarial Assumptions and Other Inputs:

The total OPEB liability in the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

- | | |
|--------------------------------|--|
| 1. Salary Scale: | 3.00% per annum (EAN) |
| 2. Mortality: | PUB-2010 mortality table with MP-2021 projection |
| 3. Healthcare Cost Trend Rate: | N/A to maximum reimbursement levels |
| 4. Inflation Rate: | 3.00% per annum |
| 5. Discount Rate: | 4.43% per annum |

The Discount Rate was based upon the S&P Municipal Bond 20-year High Grade Rate Index as of December 31, 2025.

	2025
<i>Changes in Total OPEB Liability</i>	
Balance - Beginning of Year	\$ 1,700,491
Changes for Year:	
Interest	68,318
Difference between Actual and Expected Experience	
Changes in Assumptions	(15,446)
Benefit Payments	(208,567)
Net Change in Total OPEB Liability	(155,695)
Balance - End of Year	\$ 1,544,796

Sensitivity of Total OPEB Liability to Changes in the Discount Rate:

The following presents the Total OPEB Liability for the Plan, as well as what the Plan's Total OPEB Liability would be if it were calculated using discount rates that are 1% lower or 1% higher than the current discount rate:

	At 1% decrease <u>(3.43%)</u>	At current discount rate <u>(4.43%)</u>	At 1% increase <u>(5.43%)</u>
Total OPEB Liability	<u>\$1,661,679</u>	<u>\$1,544,796</u>	<u>\$1,442,947</u>

Sensitivity of Total OPEB Liability to Changes in the Healthcare Cost Trend Rates:

Based upon the actuarial assumptions and the fact that maximum reimbursement amounts are fixed and not subject to adjustment based upon cost trends for covered expenses, the Total OPEB Cost of \$1,544,796 is not sensitive to changes in these cost trend rates.

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 11: OTHER POSTEMPLOYMENT BENEFITS (CONT'D)

C. Self-Administered, Single Employer Defined Benefit Plan (Cont'd.)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources:

For the year ended December 31, 2025, Princeton would have recognized an actuarially calculated OPEB expense of \$52,872, if GASB Statement No.75 was recognized. The Municipality recorded \$208,567 of OPEB expenditures in its financial statements for the year, equal to the amounts disbursed as plan reimbursements/benefits.

Note 12: ACCRUED SICK AND VACATION BENEFITS

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

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

Terminal Leave pay and Sick pay payments will no longer be in effect for retirements after January 1, 2015.

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

The total balance of unused vacation and terminal leave time benefits at December 31, 2025 was \$688,654.40. This represents an increase in the amount of unused vacation and terminal leave time benefits from 2024 to 2025 in the amount of \$108,161,61. Under the regulatory basis of accounting which Princeton follows, expenditures and liabilities are not recorded as paid time off is earned. Instead, it is recognized as it is paid. However, at December 31, 2025, Princeton had funded \$1,239,219.54 of the estimated value of paid time off via transfers to a dedicated Trust Fund.

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 13: RISK MANAGEMENT

Princeton, together with other governmental units, is a member of the Mid Jersey Joint Insurance Fund (the Fund). The Fund, which is organized and operated pursuant to the regulatory authority of the Department of Insurance and Community Affairs, State of New Jersey, provides for a pooling of risks, subject to established limits and deductibles. Payments to the Fund are calculated by the Fund’s governing board based upon actuarial and budgetary requirements. Each participant in the Fund is jointly and severally obligated for any deficiency in the amount available to pay all claims. The Joint Insurance Fund insures against property damage, general liability, auto liability, equipment liability, public official liability, law enforcement liability and workers’ compensation. While additional assessments or premiums can be levied by the Fund to assure payment of the Fund’s obligations, no such additional premiums have been necessary as of December 31, 2025. The Fund will be self-sustaining through member premiums, reported as an expenditure in Princeton’s financial statements. The Fund contracts for excess liability insurance for property damage, general liability, auto liability, equipment liability, public official liability, law enforcement liability and worker’s compensation. Princeton continues to carry commercial insurance for other risks of loss, principally employee health insurance.

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

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

<u>Year</u>	<u>Beginning Balance</u>	<u>Employee Contribution</u>	<u>Budget Contribution</u>	<u>Interest Earnings</u>	<u>Benefits Reimbursed</u>	<u>Ending Balance</u>
2025	\$ 824,744.00	\$ 33,336.96		\$ 16,940.50	\$ 20,511.14	\$ 854,510.32
2024	775,194.31	31,061.76	\$ 20,294.82	16,348.26	18,155.15	824,744.00
2023	716,973.29	30,778.41	19,572.71	13,038.43	5,168.53	775,194.31

Note 14: DEFERRED COMPENSATION

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

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 14: DEFERRED COMPENSATION (CONT'D)

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

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

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

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

Note 15: INTERFUNDS

The following interfund balances remained on the balance sheets at December 31, 2025 and 2024:

	<u>2025</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Current Fund		\$ 1,028.54	
Escrow Trust Fund			\$ 1,028.54
Total		\$ 1,028.54	\$ 1,028.54
	<u>2024</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Current Fund		\$ 1,403.05	
Escrow Trust Fund			\$ 1,403.05
Total		\$ 1,403.05	\$ 1,403.05

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

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 16: LONG TERM TAX EXEMPTIONS

Princeton provides for long-term tax exemptions, as authorized and permitted by New Jersey State Statutes. N.J.S.A. 40A:20-1 et seq. sets forth the criteria and mechanism by which property taxes can and are abated. Tax exemption agreements require the approval of Princeton Council. The exemptions provided by Princeton are for affordable housing projects. Taxes abated include municipal, local school and county taxes. Princeton's PILOT billings in 2025 and 2024 were \$1,252,753.46 and \$991,618.32, respectively. Taxes that would otherwise would have been due on these long-term tax exemptions amounted to \$2,873,927.15 for 2025 and \$2,800,317.60 for 2024, based upon the assessed valuations of the long-term tax exemptions properties.

Note 17: LEASE REVENUE

During 1983, Princeton entered into a 50-year lease agreement with Palmer Square Limited Partnership where Palmer Square Limited Partnership leases real property for the parking garage with the option for a 25-year extension. The parking garage facility is expected to be available on a regular basis for public use and used in compliance with N.J.S.A. 40:12-14 and 15. Annual rent will equal 6% per cent of the fair market value of the leased premises and the fair market value shall be redetermined 12 months prior to each subsequent five-year period. Princeton Tax Assessor shall advise in writing of the assessor's opinion. As of December 31, 2025, Princeton was collecting fixed rent payments from the lessee in the amount of \$141,630. The fair market value of the leased premises is currently under review by Princeton to reconcile a difference in prior year rent payments and to redetermine the future rent payments.

During 2018, Princeton entered into a 5-year lease agreement with PCH Development Corporation, Inc. for the lease of a portion of Monument Hall. During 2023, Princeton authorized the extension of the lease for a two-year term commencing January 1, 2024 and ending December 31, 2025. Collectively from the lease agreement, the lessee paid Princeton \$8,600 for the year ended December 31, 2025.

During 2021, Princeton entered into a 4-year and 6-month lease renewal agreement with Hinkson's The Office Store, Inc. for lease of a retail space at the Spring Street Garage with the option of renewal term of 5 years. During 2023, Hinkson's The Office Store, Inc. entered into an asset purchase agreement whereby the assets of Hinkson's The Office Store, Inc. will be sold to Axardham, Inc. on April 1, 2023. Princeton authorized consent to an assignment of the current lease to the Axardham, Inc. Collectively from the lease agreement, the lessee paid Princeton \$30,250 for the year ended December 31, 2025.

During 2014 and 2020, Princeton entered into lease agreements with AT&T and Verizon, respectively, for use of space on an adjacent property to the Municipal Building for the installation, operation, and maintenance of telecommunications antennas and associated equipment for a term of 10 years with the option of two renewal terms of 5 years. The annual base rent will be increased annually in the amount of 3% of the previous year's annual base rent. Upon renewal, the base rent will be increased annually by the amount of 5% of the previous year's annual base rent. For the year ended December 31, 2025, AT&T paid Princeton \$41,232.62. For the year ended December 31, 2025, Verizon paid Princeton \$40,284.60.

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 17: LEASE REVENUE (CONT'D)

The future minimum lease payments to be received by Princeton are as follows:

<u>Year</u>	<u>Palmer Square LP</u>	<u>AT&T</u>	<u>Verizon</u>	<u>Total</u>
2026	\$ 141,630.00	\$ 42,641.61	\$ 41,448.84	\$ 225,720.45
2027	141,630.00	44,773.65	42,692.32	229,095.97
2028	141,630.00	47,012.28	43,973.04	232,615.32
2029	141,630.00	49,362.84	45,292.20	236,285.04
2030	141,630.00	12,489.39	30,792.72	184,912.11
2031-2033	<u>342,272.50</u>	<u> </u>	<u> </u>	<u>342,272.50</u>
TOTAL	<u>\$ 1,050,422.50</u>	<u>\$ 196,279.77</u>	<u>\$ 204,199.12</u>	<u>\$ 1,450,901.39</u>

Note 18: COMMITMENTS AND CONTINGENCIES

Princeton participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2025, Princeton does not believe that any material liabilities will result from such audits, if conducted.

In the normal course of business, Princeton is involved in a variety of legal proceedings. These include insured claims which are administered and defended by the Mid-Jersey Joint Insurance Fund, and tax appeals filed with the County of Mercer or the Tax Court of New Jersey which seek to lower the real property assessments upon which property taxes are levied. As of the report date, Princeton was involved in certain legal proceedings, the resolution and impact on the financial statements of which, individually or in the aggregate, in the opinion of management as advised by legal counsel, may be significant to the accompanying financial statements.

Princeton is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2025 and 2024, Princeton has not estimated its estimated arbitrage earnings due to the IRS, if any.

Note 19: SUBSEQUENT EVENTS

Princeton has evaluated subsequent events occurring after December 31, 2025 through the date the financial statements were available to be issued. Based on this evaluation, the Municipality has determined that there were no subsequent events that have occurred which requires disclosure in the financial statements.

**PRINCETON
MERCER COUNTY, NEW JERSEY**

**PART II
SUPPLEMENTARY SCHEDULES
YEAR ENDED DECEMBER 31, 2025**

PRINCETON
MERCER COUNTY, NEW JERSEY

CURRENT FUND
SCHEDULE OF CURRENT FUND CASH AND EQUIVALENTS - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2025

	REF.	CURRENT FUND	STATE AND FEDERAL GRANT FUND
Balance - December 31, 2024	A	\$ 37,527,201.21	\$ 2,281,573.34
Increased by Receipts:			
Taxes Receivable	A-5	\$ 197,065,926.10	
State of NJ Sr. Citizen's & Vet. Deductions	A-6	39,750.00	
Sewer Rentals	A-8	9,123,169.13	
Revenue Accounts Receivable	A-9	18,888,299.22	
Interfund Accounts	A-12	2,272,660.46	
Other Reserves	A-18	168,229.00	
Prepaid Taxes & Sewer Rentals	A-19	1,953,586.36	
Miscellaneous Accounts Payable	A-20	113,971.27	
Premiums of Tax Sale	A-21	497,500.00	
Tax Overpayments	A-22	309,304.47	
Sewer Overpayments	A-22	16,892.59	
Due to NJ - Various Fees	A-23	171,357.00	
Due to County - PILOT	A-23	82,496.74	
Other Debits	A-4	569.41	
State and Federal Grants Receivable	A-24		\$ 1,051,503.69
State and Federal Grants Unappropriated	A-26		17,978.69
		<u>230,703,711.75</u>	<u>1,069,482.38</u>
		268,230,912.96	3,351,055.72
Decreased by Disbursements:			
Budget Appropriations	A-3	66,581,338.89	
Interfund Accounts Advanced	A-12	1,221,535.00	
Appropriation Reserves	A-13	2,436,052.79	
Accounts Payable	A-15	149,606.28	
School and County Taxes	A-16	153,942,856.94	
Special Improvement District	A-17	426,842.50	
Miscellaneous Accounts Payable	A-20	111,698.38	
Premiums of Tax Sale	A-21	586,400.00	
Tax Overpayments	A-22	309,304.47	
Sewer Overpayments	A-22	9,442.48	
Due to NJ - Various Fees	A-23	181,773.00	
Due to County - PILOT	A-23	121,345.02	
Interfund Accounts	A-24		272,660.46
State and Federal Grants Appropriated	A-25		1,296,645.22
		<u>226,078,195.75</u>	<u>1,569,305.68</u>
Balance - December 31, 2025	A	<u>\$ 42,152,717.21</u>	<u>\$ 1,781,750.04</u>

PRINCETON
MERCER COUNTY, NEW JERSEY

CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND
ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2025

YEAR	BALANCE	2025	COLLECTIONS BY CASH		SR. CITIZENS	TRANSFER	REMITTED	BALANCE
	DEC. 31, 2024	LEVY	2024	2025	AND VETERANS DEDUCTION REIMBURSEMENT	TO TAX TITLE LIEN	AND CANCELED	DEC. 31, 2025
2024	\$ 1,593,581.58	\$ 466,330.43		\$ 2,059,912.01				
2025		198,227,409.55	\$ 1,643,401.62	195,006,014.09	\$ 39,750.00	\$ 12,872.45	\$ 71,047.00	\$ 1,454,324.39
	<u>\$ 1,593,581.58</u>	<u>\$ 198,693,739.98</u>	<u>\$ 1,643,401.62</u>	<u>\$ 197,065,926.10</u>	<u>\$ 39,750.00</u>	<u>\$ 12,872.45</u>	<u>\$ 71,047.00</u>	<u>\$ 1,454,324.39</u>
REF.	A	Reserve	A-2, A-19	A-2, A-4	A-2, A-6	A-7	Reserve	A

Analysis of Property Tax Levy:

REF.

Tax Yield:

General Purpose	\$ 196,308,005.35
Special District Taxes	446,322.00
Omitted/Added Taxes (N.J.S.A. 54:4-63.1 et seq.)	<u>1,473,082.20</u>

\$ 198,227,409.55

Tax Levy:

District School Tax (Abstract)	A-1, A-2, A-16	\$ 94,470,953.00
County Taxes (Abstract)	A-1, A-2, A-16	59,183,378.88
County Added and Omitted Taxes	A-1, A-2, A-16	298,006.76
Local Tax for Municipal Purposes	A-2	37,853,634.96
Local Library Tax	A-2	3,578,503.51
Local Open Space Tax	A-1, A-2, A-12	1,221,535.00
Special Improvement District Tax	A-2, A-17	446,322.00
Add: Additional Tax for Mun. Purposes		<u>1,175,075.44</u>

\$ 198,227,409.55

PRINCETON
MERCER COUNTY, NEW JERSEY

CURRENT FUND
 SCHEDULE OF DUE FROM STATE OF NEW JERSEY
 SENIOR CITIZENS AND VETERANS DEDUCTIONS
 PER CHAPTER 73, P.L. 1976
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF</u>	
Balance - December 31, 2024		
Due from State of New Jersey	A	\$ 1,085.61
Increased by:		
Deductions Allowed Per Tax Billings	A-6	<u>39,750.00</u>
		40,835.61
Decreased by:		
Payment Received from State of NJ	A-4	<u>39,750.00</u>
Balance - December 31, 2025		
Due from State of New Jersey	A	<u><u>\$ 1,085.61</u></u>
Analysis of Senior Cit., Vets. and Disability <u>Deductions Allowed by Collector:</u>		
Deductions Allowed Per Tax Billings	A-6	<u>\$ 39,750.00</u>
Realized as Revenue - 2025	A-2, A-5	<u><u>\$ 39,750.00</u></u>

PRINCETON
MERCER COUNTY, NEW JERSEY

CURRENT FUND
 SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF.</u>	
Balance - December 31, 2024	A	\$ 206,533.60
Increased by:		
Transfer from Taxes Receivable	A-5	<u>12,872.45</u>
Balance - December 31, 2025	A	<u>\$ 219,406.05</u>

CURRENT FUND
 SCHEDULE OF SEWER CHARGES RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF.</u>	
Balance - December 31, 2024	A	\$ 103,115.22
Increased by:		
2025 Billings (Net)	Reserve	<u>9,219,344.03</u>
		9,322,459.25
Decreased by:		
2025 Collections	A-2, A-4	\$ 9,123,169.13
Prepaid Sewer Rents	A-2, A-19	86,768.13
Cancellations	A-1	<u>194.90</u>
		<u>9,210,132.16</u>
Balance - December 31, 2025	A	<u>\$ 112,327.09</u>

PRINCETON
MERCER COUNTY, NEW JERSEY

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF.</u>	ACCRUED IN <u>2025</u>	<u>COLLECTED</u>
Licenses:			
Alcoholic Beverages	A-2	\$ 64,022.80	\$ 64,022.80
Other	A-2	98,172.00	98,172.00
Fees and Permits	A-2	505,887.21	505,887.21
Municipal Court - Fines and Costs	A-2	912,829.49	912,829.49
Interest and Costs on Taxes	A-2	563,081.62	563,081.62
Interest on Investments and Deposits	A-2	2,470,384.51	2,470,384.51
PILOT- Institute for Advanced Study	A-2	250,000.00	250,000.00
PILOT-Tenacre Foundation	A-2	500,000.00	500,000.00
PILOT- Princeton Community Village	A-2	306,724.25	306,724.25
PILOT-Avalon Bay	A-2	1,231,655.05	1,231,655.05
Princeton University Fair Share	A-2	5,608,000.00	5,608,000.00
Life Hazard Use Fees	A-2	123,748.38	123,748.38
Fire and Housing Inspection Fees	A-2	261,367.00	261,367.00
UCC Administrative Fee	A-2	215,512.86	215,512.86
Theological Seminary	A-2	217,572.00	217,572.00
Open Space Pilot Aid	A-2	5,979.00	5,979.00
PILOT - Elm Court	A-2	121,458.00	121,458.00
Chamber St. Land Lease	A-2	141,630.00	141,630.00
Cable Television Franchise Fees	A-2	250,000.00	250,000.00
Stony Brook Industrial User Fees	A-2	23,688.22	23,688.22
Hotel/Motel Tax	A-2	722,061.19	722,061.19
Premium on Bonds	A-2	200,000.00	200,000.00
Reserve for Debt Service	A-2	100,000.00	100,000.00
State and Federal Grants and Aid:			
Energy Receipts Tax	A-2	<u>2,481,664.65</u>	<u>2,481,664.65</u>
Total Anticipated Miscellaneous Revenues		<u>17,375,438.23</u>	<u>17,375,438.23</u>
Miscellaneous Revenues Not Anticipated	A-2	<u>1,512,860.99</u>	<u>1,512,860.99</u>
		<u>\$ 18,888,299.22</u>	<u>\$ 18,888,299.22</u>
	<u>REF.</u>	Reserve	A-4

PRINCETON
MERCER COUNTY, NEW JERSEY

CURRENT FUND
 SCHEDULE OF DELINQUENT INTEREST AND PENALTY
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF.</u>	
Balance - December 31, 2024	A	\$ 77,031.25
Increased by:		
Delinquent Penalties	Reserve	<u>67,495.51</u>
		144,526.76
Decreased by:		
Collection	Reserve	<u>77,031.25</u>
Balance - December 31, 2025	A	<u><u>\$ 67,495.51</u></u>

CURRENT FUND
 SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
 (AT ASSESSED VALUE)
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF.</u>	
Balance - December 31, 2025 and 2024	A	<u><u>\$ 634,400.00</u></u>

PRINCETON
MERCER COUNTY, NEW JERSEY

CURRENT FUND
 SCHEDULE OF INTERFUND ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>BALANCE</u> <u>DEC. 31, 2024</u>	<u>INCREASE</u>	<u>DECREASE</u>	<u>BALANCE</u> <u>DEC. 31, 2025</u>
Federal and State Grant Fund		\$ 272,660.46	\$ 272,660.46	
Other Trust Fund	\$ 1,403.05	16,085.98	16,460.49	\$ 1,028.54
Assessment Trust Fund		200,000.00	200,000.00	
Open Space Trust Fund		1,221,535.00	1,221,535.00	
General Capital Fund		982,874.51	982,874.51	
Parking Utility Fund		1,800,000.00	1,800,000.00	
	<u>\$ 1,403.05</u>	<u>\$ 4,493,155.95</u>	<u>\$ 4,493,530.46</u>	<u>\$ 1,028.54</u>
<u>Ref.</u>	A, A-1			A, A-1
Cash Receipts	A-4		\$ 2,272,660.46	
Cash Disbursements	A-4	\$ 1,221,535.00		
Local Open Space Tax	A-1,A-5,A-16		1,221,535.00	
Budget Revenues	A-2	2,000,000.00		
Canceled Grants (Net)	A-1,A-24	272,660.46		
Interest Due to Current	Reserve	998,960.49	999,335.00	
		<u>\$ 4,493,155.95</u>	<u>\$ 4,493,530.46</u>	

PRINCETON
MERCER COUNTY, NEW JERSEY

CURRENT FUND
SCHEDULE OF 2024 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2025

	BALANCE - DEC. 31, 2024		BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
	RESERVED	ENCUMBERED			
Operations Within "CAPS"					
Salaries and Wages:					
General Administration	\$ 14,998.23		\$ 14,998.23		\$ 14,998.23
Information Technology	29,467.73		29,467.73		29,467.73
Municipal Clerk	13,033.02		13,033.02		13,033.02
Elections	1,208.84		1,208.84		1,208.84
Financial Administration	86,132.14		86,132.14		86,132.14
Revenue Administration (Tax Collection)	25,576.07		25,576.07		25,576.07
Tax Assessment Administration	0.88		0.88		0.88
Call Center	320.53		320.53		320.53
Engineering Services	237,702.23		237,702.23		237,702.23
Historical Site Office	2,684.32		2,684.32		2,684.32
Planning Board	37,340.20		37,340.20		37,340.20
Zoning Board of Adjustment	1,142.49		1,142.49		1,142.49
Police	563,766.09		563,766.09		563,766.09
Police Dispatch/911	41,253.22		41,253.22		41,253.22
Office of Emergency Management	17,647.61		17,647.61		17,647.61
Fire Department	132,572.65		132,572.65		132,572.65
Fire Prevention	59,998.98		59,998.98		59,998.98
Streets and Roads Maintenance	143,307.88		143,307.88	\$ 8,460.47	134,847.41
Buildings and Grounds	44,032.53		44,032.53		44,032.53
Vehicle Maintenance	84,619.15		84,619.15		84,619.15
Health Commission	70,530.20		70,530.20		70,530.20
Environmental Commission	2,803.05		2,803.05		2,803.05
Animal Control	16,233.42		16,233.42		16,233.42
Deer Management Program	8,649.18		8,649.18		8,649.18
Human Services Commission	52,154.09		52,154.09	8,889.97	43,264.12
Recreation Board	69,834.16		69,834.16		69,834.16
Sewer System	53,575.76		53,575.76		53,575.76
Municipal Court	6,456.38		6,456.38		6,456.38
Rental Housing	80,952.74		80,952.74		80,952.74
Accumulated Leave Compensation	300,000.00		300,000.00	300,000.00	
Salary & Wage Adjustment	100,000.00		100,000.00		100,000.00
Other Expenses:					
General Administration	868,277.48	\$ 109,840.56	713,918.04	60,618.25	653,299.79
Information Technology	15,261.35	119,790.71	135,052.06	109,731.55	25,320.51
Human Resources (Personnel)	60,793.11	13,202.50	73,995.61	11,470.56	62,525.05
Mayor and Council	10,507.36	816.75	11,324.11	127.79	11,196.32
Municipal Clerk	12,496.41	3,361.56	15,857.97	9,749.74	6,108.23
Elections	18,190.71		18,190.71		18,190.71
Financial Administration	10,066.79	1,239.76	11,306.55	2,659.98	8,646.57
Audit		65,000.00	65,000.00	65,000.00	
Revenue Administration (Tax Collection)	5,986.89	3,030.21	9,017.10	596.49	8,420.61
Tax Assessment Administration	44,247.36	30,992.36	75,239.72	2,000.00	73,239.72
Legal Services & Costs	286,376.17	49,489.18	335,865.35	201,877.55	133,987.80
Defense of Tax Appeals	6,250.00	53,940.86	60,190.86	2,737.00	57,453.86
Call Center	8,150.00		8,150.00		8,150.00
Engineering Services and Costs	8,599.15	1,820.19	10,419.34	83.07	10,336.27
Historic Sites Commission	4,527.94	64,012.12	68,540.06	45,096.99	23,443.07
Planning Board	43,582.32	68,076.19	111,658.51	57,247.52	54,410.99
Zoning Board	18,418.33	114.31	18,532.64	799.39	17,733.25
Police Department	139,140.26	308,345.09	447,485.35	348,976.07	98,509.28
Police Dispatch/911	10,000.00		10,000.00		10,000.00
Emergency Management	589.01	6,172.64	6,761.65	1,962.79	4,798.86
Fire Department	48,876.39	43,415.59	92,291.98	30,533.51	61,758.47
Fire Facilities	4,020.67	7,813.86	11,834.53	2,022.84	9,811.69
Fire Prevention	1,724.60	6,225.23	7,949.83	3,890.57	4,059.26
Fire Hydrant Service	101,113.45		101,113.45	50,161.98	50,951.47
Municipal Prosecutor			4,200.00	4,200.00	
Streets & Road Maintenance	120,891.07	92,768.20	213,659.27	187,933.91	25,725.36
Sustainable Princeton		8,750.00	8,750.00	8,750.00	
Public Buildings and Grounds	44,609.43	46,282.74	90,892.17	28,549.23	62,342.94
Vehicle Maintenance	16,250.57	12,586.17	28,836.74	5,415.18	23,421.56

PRINCETON
MERCER COUNTY, NEW JERSEY

CURRENT FUND
SCHEDULE OF 2024 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2025

	BALANCE - DEC. 31, 2024		BALANCE AFTER	PAID OR	BALANCE
	RESERVED	ENCUMBERED	MODIFICATION	CHARGED	LAPSED
Other Expenses:					
Condominium Services Act	\$ 250,000.00		\$ 250,000.00	\$ 250,000.00	
Board of Health	4,929.35	\$ 23,660.03	28,589.38	3,929.19	\$ 24,660.19
Flu Program	14,276.62	875.00	15,151.62	5,000.00	10,151.62
Senior Resource Center	29,126.50	55,207.00	84,333.50	51,191.25	33,142.25
Joint Environmental Commission	2,645.00	100.00	2,745.00		2,745.00
Animal Control	1,050.00	1,902.28	2,952.28		2,952.28
Save Boarding		80.00	80.00	80.00	
Deer Management Program	28,500.00	93,694.85	122,194.85	3,705.00	118,489.85
Human Services Commission	13,209.91	8,107.00	21,316.91	2,067.23	19,249.68
Recreation Board	5,074.85	3,644.01	8,718.86	3,469.22	5,249.64
Maintenance of Parks and Playgrounds	11,331.73	6,149.58	17,481.31	7,328.11	10,153.20
Celebration of Public Events	6,550.00		6,550.00		6,550.00
Electricity	44,094.82		44,094.82	19,559.31	24,535.51
Telephone	156,937.07	1,163.64	158,100.71	10,561.27	147,539.44
Water	4,365.52		4,365.52	2,136.08	2,229.44
Gas (natural or propane)	14,853.40		14,853.40	6,108.19	8,745.21
Fuel Oil	84,346.36	2,670.97	87,017.33	26,733.43	60,283.90
Street Lighting	9,278.09		9,278.09	9,278.02	0.07
Sewer System	22,825.07	82,123.70	104,948.77	15,362.82	89,585.95
Garbage and Trash Removal	113,131.99	134,496.66	247,628.65	184,468.91	63,159.74
Municipal Court	63.05	1,506.41	1,569.46		1,569.46
Public Defender		14,662.50	14,662.50	14,662.50	
Liability Insurance	52,746.25		52,746.25	197.10	52,549.15
Workers Compensation Insurance	44.00		44.00		44.00
Group Insurance	790,977.95	1,181.00	792,158.95	41,761.21	750,397.74
Health Benefits Waiver	16,647.73		16,647.73		16,647.73
Transportation of Local Pupils by Board of Education	32,000.00		32,000.00		32,000.00
Public Employees Retirement System	59,390.00		59,390.00		59,390.00
Defined Contribution Retirement Program	11,463.41		11,463.41		11,463.41
Police & Firemen's Retirement System	12,820.00		12,820.00		12,820.00
Social Security System	228,342.35		228,342.35		228,342.35
Total Operations Within "CAPS"	6,227,961.61	1,548,311.41	7,516,273.02	2,217,141.24	5,299,131.78
Operations Excluded from "CAPS"					
Other Expenses:					
Stonybrook Regional Sewerage Authority:					
Other Expenses	14,103.72		274,103.72	273,247.00	856.72
Matching Funds for Grants	10,000.00		10,000.00		10,000.00
Total Operations Excluded from "CAPS"	24,103.72	-	284,103.72	273,247.00	10,856.72
Total Appropriation Reserves	\$ 6,252,065.33	\$ 1,548,311.41	\$ 7,800,376.74	\$ 2,490,388.24	\$ 5,309,988.50
REF.	A	A-14			A-1
Disbursed	A-4			\$ 2,436,052.79	
Transferred to Other Reserve	A-18			8,889.97	
Accounts Payable	A-15			45,445.48	
				<u>\$ 2,490,388.24</u>	

PRINCETON
MERCER COUNTY, NEW JERSEY

CURRENT FUND
 SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF.</u>	<u>CURRENT FUND</u>	<u>STATE AND FEDERAL GRANT FUND</u>
Balance - December 31, 2024	A	\$ 1,648,161.37	\$ 738,998.16
Increased by:			
Charges to:			
2025 Budget Appropriations	A-3	1,807,187.57	
Grant Appropriation Reserves	A-25	<u> </u>	<u>383,097.39</u>
Subtotal		<u>3,455,348.94</u>	<u>1,122,095.55</u>
Decreased by:			
Transferred to Approp. Reserves	A-13, A-25	1,548,311.41	738,998.16
Transferred to Accounts Payable	A-15	<u>99,849.96</u>	<u> </u>
Subtotal		<u>1,648,161.37</u>	<u>738,998.16</u>
Balance - December 31, 2025	A	<u>\$ 1,807,187.57</u>	<u>\$ 383,097.39</u>

PRINCETON
MERCER COUNTY, NEW JERSEY

CURRENT FUND
 SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF.</u>		
Balance - December 31, 2024	A		\$ 144,492.85
Increased by:			
Transfer from Appropriation Reserve	A-13	\$ 45,445.48	
Transfer from Reserve for Encumbrances	A-14	<u>99,849.96</u>	
			<u>145,295.44</u>
			289,788.29
Decreased by:			
Canceled to Operations	A-1	18,704.75	
Cash Disbursed	A-4	<u>149,606.28</u>	
			<u>168,311.03</u>
Balance - December 31, 2025	A		<u><u>\$ 121,477.26</u></u>

PRINCETON
MERCER COUNTY, NEW JERSEY

CURRENT FUND
SCHEDULE OF TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2025

	BALANCE DECEMBER 31, <u>2024</u>	TAXES <u>LEVIED</u>	TAXES <u>DISBURSED</u>	<u>ADJUSTMENTS</u>	BALANCE DECEMBER 31, <u>2025</u>
County - General		\$ 55,933,420.91	\$ 55,933,420.90	\$ 0.01	
County - Open Space		3,249,957.97	3,249,957.98	(0.01)	
County - Added & Omitted	\$ 288,525.06	298,006.76	288,525.06		\$ 298,006.76
Local School District Taxes		94,470,953.00	94,470,953.00		
Local Open Space		<u>1,221,535.00</u>	<u>1,221,535.00</u>		
Total	<u>\$ 288,525.06</u>	<u>\$ 155,173,873.64</u>	<u>\$ 155,164,391.94</u>	<u>\$ -</u>	<u>\$ 298,006.76</u>
	<u>REF.</u>	A	A-1, A-2, A-5	Below	A
Disbursed	A-4		\$ 153,942,856.94		
Interfund Loan	A-12		<u>1,221,535.00</u>		
			<u>\$ 155,164,391.94</u>		

PRINCETON
MERCER COUNTY, NEW JERSEY

CURRENT FUND
 SCHEDULE OF SPECIAL IMPROVEMENT DISTRICT TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF.</u>	
Balance - December 31, 2024	A	\$ 203,681.50
Increased by:		
Special Improvement District Taxes	A-1, A-5	<u>446,322.00</u>
		650,003.50
Decreased by:		
Cash Disbursed	A-4	<u>426,842.50</u>
Balance - December 31, 2025	A	<u><u>\$ 223,161.00</u></u>

PRINCETON
MERCER COUNTY, NEW JERSEY

CURRENT FUND
SCHEDULE OF OTHER RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2025

		<u>BALANCE</u> DEC. 31, 2024	<u>INCREASES</u>	<u>BALANCE</u> DEC. 31, 2025
Reserve for:				
Asset Sales Proceeds		\$ 1,063,017.24	\$ 143,229.00	\$ 1,206,246.24
Summer Employment - Human Services		101,285.54	8,889.97	110,175.51
Herrontown Woods Arboretum		26,150.00		26,150.00
Herring/Seminary			25,000.00	25,000.00
		<u>\$ 1,190,452.78</u>	<u>\$ 177,118.97</u>	<u>\$ 1,367,571.75</u>
	<u>REF.</u>	A		A
Cash Received	A-4		\$ 168,229.00	
Transferred from Approp. Reserve	A-13		<u>8,889.97</u>	
			<u>\$ 177,118.97</u>	

CURRENT FUND
SCHEDULE OF PREPAID TAXES AND SEWER RENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF.</u>	<u>TOTAL</u>	<u>TAXES</u>	<u>SEWER RENTS</u>
Balance - December 31, 2024	A	\$ 1,730,169.75	\$ 1,643,401.62	\$ 86,768.13
Increased by:				
2026 Prepayments Received	A-4	<u>1,953,586.36</u>	<u>1,852,240.07</u>	<u>101,346.29</u>
		3,683,756.11	3,495,641.69	188,114.42
Decreased by:				
2025 Prepayments Applied	A-5, A-8	<u>1,730,169.75</u>	<u>1,643,401.62</u>	<u>86,768.13</u>
Balance - December 31, 2025	A	<u>\$ 1,953,586.36</u>	<u>\$ 1,852,240.07</u>	<u>\$ 101,346.29</u>

PRINCETON
MERCER COUNTY, NEW JERSEY

CURRENT FUND
 SCHEDULE OF MISCELLANEOUS ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF</u>	
Balance- December 31, 2024	A	\$ -
Increased by:		
Cash Receipts	A-4	<u>113,971.27</u>
		113,971.27
Decreased by:		
Cash Disbursed	A-4	<u>111,698.38</u>
Balance - December 31, 2025	A	<u><u>\$ 2,272.89</u></u>

ANALYSIS OF BALANCE:

Third Party Lien Redemptions	<u><u>\$ 2,272.89</u></u>
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CURRENT FUND
 SCHEDULE OF PREMIUMS ON TAX SALE CERTIFICATES
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF</u>	
Balance- December 31, 2024	A	\$ 731,000.00
Increased by:		
Cash Receipts	A-4	<u>497,500.00</u>
		1,228,500.00
Decreased by:		
Tax Sale Premium Returned	A-4	<u>586,400.00</u>
Balance- December 31, 2025	A	<u><u>\$ 642,100.00</u></u>

PRINCETON
MERCER COUNTY, NEW JERSEY

CURRENT FUND
SCHEDULE OF TAX AND SEWER OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF.</u>	<u>TOTAL</u>	<u>TAXES</u>	<u>SEWER RENTS</u>
Balance - December 31, 2024	A	\$ 3,875.44	\$ -	\$ 3,875.44
Increased by:				
Cash Receipts	A-4	326,197.06	309,304.47	16,892.59
		<u>330,072.50</u>	<u>309,304.47</u>	<u>20,768.03</u>
Decreased by:				
Refunds	A-4	318,746.95	309,304.47	9,442.48
Balance - December 31, 2025	A	<u>\$ 11,325.55</u>	<u>\$ -</u>	<u>\$ 11,325.55</u>

CURRENT FUND
SCHEDULE OF DUE TO OTHER GOVERNMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>BALANCE DEC. 31, 2024</u>	<u>COLLECTED</u>	<u>DISBURSED</u>	<u>BALANCE DEC. 31, 2025</u>
<u>Due to State of New Jersey - Various Fees</u>				
Marriage License/Burial Fees	\$ 1,775.00	\$ 3,340.00	\$ 4,625.00	\$ 490.00
Uniform Construction Code Fees	42,470.00	160,017.00	169,928.00	32,559.00
Lead Safe Certificates	1,180.00	8,000.00	7,220.00	1,960.00
	<u>\$ 45,425.00</u>	<u>\$ 171,357.00</u>	<u>\$ 181,773.00</u>	<u>\$ 35,009.00</u>
<u>REF.</u>	A	A-4	A-4	A
	<u>BALANCE DEC. 31, 2024</u>	<u>COLLECTED</u>	<u>DISBURSED</u>	<u>BALANCE DEC. 31, 2025</u>
<u>Due to County of Mercer - PILOT</u>				
Avalon Bay	\$ 38,873.00	\$ 82,496.74	\$ 121,345.02	\$ 24.72
Total	<u>\$ 38,873.00</u>	<u>\$ 82,496.74</u>	<u>\$ 121,345.02</u>	<u>\$ 24.72</u>
<u>REF.</u>	A	A-4	A-4	A-1
	A	A-4	A-4	A

PRINCETON
MERCER COUNTY, NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2025

Grant	BALANCE DEC. 31, 2024	2025 BUDGET REVENUE	RECEIPTS	TRANS. FROM UNAPPROP. GRANTS	CANCELED	BALANCE DEC. 31, 2025
ARP Firefighter Grant	\$ 20,000.00					\$ 20,000.00
Body Armor Replacement		\$ 4,057.46		\$ 4,057.46		
Body Worn Cameras		108,014.00	\$ 108,014.00			
Bonner Foundation		21,500.00	21,500.00			
Bonner Foundation - Unappropriated		1,823.56		1,823.56		
Clean Communities		78,839.80	78,839.80			
Community Development Block Grant FY 2022	122,136.33		122,136.33			
Community Development Block Grant FY 2023	197,180.00		126,364.38			70,815.62
Community Development Block Grant FY 2024	189,055.00					189,055.00
Community Development Block Grant FY 2025		185,428.00				185,428.00
Mercer County Bilingual Clinical Grant	65,000.00				\$ 65,000.00	
Mercer County Community Investment Initiative	126,000.00		31,250.00			94,750.00
National Opioid Settlements		26,500.49	21,788.88	4,711.61		
NJ Association of County & City Health Officials	131,211.74	24,951.00	156,162.62		0.12	
NJ DCA DLGS First Responder Radios	55,500.00		55,348.40		151.60	
NJ DCA DLGS Water-Sewer Stormwater Improvements		810,000.00				810,000.00
NJ DCA Local Recreational Improvements	65,000.00		65,000.00			
NJ DEP Community Based Deer Management		11,750.00				11,750.00
NJ DOH Strengthening Local Public Health	26,537.00	42,534.00	44,535.00			24,536.00
NJ DOH Outbreak Preparedness	31,809.00	22,254.00	27,660.00		2,347.00	24,056.00
NJ DOH Vaccination Supplemental Funding	569.00				569.00	
NJS Food Insecurity Issues Grant		60,000.00				60,000.00
Princeton University - Fire Equipment		20,000.00				20,000.00
Princeton University - Prospect Avenue Street Lighting		7,654.00				7,654.00
Recycling Tonnage Grant		36,854.44	36,854.44			
Storm Water Assistance	10,000.00					10,000.00
Sustainable Jersey		15,000.00	10,000.00			5,000.00
US Dept. of Agriculture - Food Waste Drop Off Program	245,590.00		146,049.84			99,540.16
	<u>\$ 1,285,588.07</u>	<u>\$ 1,477,160.75</u>	<u>\$ 1,051,503.69</u>	<u>\$ 10,592.63</u>	<u>\$ 68,067.72</u>	<u>\$ 1,632,584.78</u>
	REF. A		A-4	A-26		A
Adopted Budget	A-2, A-25	\$ 64,746.63				
NJSA 40A:4-87 Amendments	A-2, A-25	1,412,414.12				
		<u>\$ 1,477,160.75</u>				
				REF.		
			Grant Appropriations	A-25	\$ 340,728.18	
			Due to Current Fund	A-4, A-12	(272,660.46)	
					<u>\$ 68,067.72</u>	

PRINCETON
MERCER COUNTY, NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2025

GRANT	BALANCE DEC. 31, 2024	ENCUMBERED DEC. 31, 2024	2025 BUDGET	EXPENDED	ENCUMBERED DEC. 31, 2025	CANCELED	BALANCE DEC. 31, 2025
Alcohol Education Rehab	\$ 11,200.82						\$ 11,200.82
ARP Firefighter Grant	12,112.00						12,112.00
Body Armor Replacement Fund			\$ 4,057.46	\$ 3,296.60			760.86
Body Worn Cameras			108,014.00	108,014.00			
Bonner Foundation	242,946.19		23,323.56	9,912.30			256,357.45
Clean Community Grant	198,163.30	\$ 123,409.08	78,839.80	118,599.87	\$ 26,749.89		255,062.42
Click It or Ticket Grant	4,158.86						4,158.86
Community Development Block Grant FY 2020	17,408.00	19,050.45		405.00	36,041.45		12.00
Community Development Block Grant FY 2021		73,023.09		68,046.87			4,976.22
Community Development Block Grant FY 2022		48,774.14		48,774.14			
Community Development Block Grant FY 2023	86,320.72	28,564.48		85,098.75	15,927.92		13,858.53
Community Development Block Grant FY 2024	189,055.00				184,867.13		4,187.87
Community Development Block Grant FY 2025			185,428.00				185,428.00
Comprehensive Tobacco Control	165.00						165.00
Cops In Shops	2,264.56						2,264.56
Drive Sober or Get Pulled Over	7,000.00						7,000.00
Drunk Driving Enforcement	5,769.20						5,769.20
Drunk Driving Enforcement	7,999.93			3,475.68			4,524.25
FBI Dept. of Justice Asset Forfeiture	639.26						639.26
Food Waste Recycling	14,982.95	4,818.00		3,250.00	3,045.45		13,505.50
Green Communities Grant	3,000.00						3,000.00
Hepatitis B Inoculation Fund	4,346.00						4,346.00
Mercer County Community Investment Initiative	76,000.00	50,000.00		18,750.00	37,500.00		69,750.00
Montgomery Township Strength. Local Public Health	4,400.00					\$ 4,400.00	
National Opioid Settlement	59,715.24	2,312.00	26,500.49	24,338.94	4,015.00		60,173.79
NJ Association of City & County Health Officials	130,197.17					130,197.17	
NJ Association of City & County Health Officials 23/24	75,319.99					75,319.99	
NJ Association of City & County Health Officials 24/25	115,399.02			63,764.48			51,634.54
NJ Association of City & County Health Officials 25/26			24,951.00	24,951.00			
NJ Association of City & County Health Officials - Strike	2,500.00					2,500.00	
NJ DCA DLGS First Responder Radios	151.60	221,848.40		221,848.40		151.60	
NJ DCA DLGS Water-Sewer Stormwater Improvements			810,000.00				810,000.00
NJ DCA Local Recreational Improvements	65,000.00			65,000.00			
NJ DEP Community Based Deer Management			11,750.00				11,750.00
NJ DEP Trails Grant	24,700.00						24,700.00
NJ DOH Covid-19 Supplemental Vaccinations	2,932.14					2,932.14	
NJ DOH Covid Generalist	5,954.46					5,954.46	
NJ DOH Infectious Disease Generalist	21,056.18					21,056.18	

PRINCETON
MERCER COUNTY, NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2025

GRANT	BALANCE DEC. 31, 2024	ENCUMBERED DEC. 31, 2024	2025 BUDGET	EXPENDED	ENCUMBERED DEC. 31, 2025	CANCELED	BALANCE DEC. 31, 2025
NJ DOH Local Health Outreach Coordinator	\$ 36,929.72					\$ 36,929.72	
NJ DOH Outbreak Preparedness 22/23	7,186.78					7,186.78	
NJ DOH Outbreak Preparedness 23/24	5,133.08					5,133.08	
NJ DOH Outbreak Preparedness 24/25	14,731.05			\$ 14,731.05			
NJ DOH Outbreak Preparedness 25/26			\$ 22,254.00	11,128.00			\$ 11,126.00
NJ DOH Public Health Infrastructure			42,534.00	21,021.00			21,513.00
NJ DOH Strengthening Local Health	2,000.00					2,000.00	
NJ DOH Strengthening Local Public Health Operations	336.60					336.60	
NJ DOH Strengthening Local Public Health 24/25	22,600.98			22,600.98			
NJ DOH Vaccination Supplemental Funding	41,995.51	\$ 29.46				42,024.97	
NJ DOH Vulnerable Populations Outreach	4,605.49					4,605.49	
NJ Urban & Community Forestry Program		800.00			\$ 800.00		
NJS Food Insecurity Issues Grant			60,000.00	4,371.60	16,867.02		38,761.38
Over the Limit Under Arrest	1,203.85						1,203.85
Princeton Area Community Foundation	14,516.56	157,212.17		124,542.80	47,185.93		
Princeton Public Schools	13,875.00						13,875.00
Princeton University Health Donation	74.31						74.31
Princeton University Fire Director	39,807.62			20,248.95			19,558.67
Princeton University Fire Equipment	119,270.67		20,000.00				139,270.67
Princeton University Prospect Ave. Street Lighting	72,215.29		7,654.00	27,446.18			52,423.11
Recycling Tonnage Grant	746,767.21	9,156.89	36,854.44	37,506.79	10,097.60		745,174.15
Sustainable Jersey	2,774.00		15,000.00				17,774.00
Storm Water Assistance	25,000.00						25,000.00
TCNJ Sustainable Communities	8,484.59						8,484.59
Tobacco Age of Sale	1,614.72						1,614.72
US Dept. of Agriculture - Food Waste Drop Off Program	245,590.00			145,521.84			100,068.16
	<u>\$ 2,817,570.62</u>	<u>\$ 738,998.16</u>	<u>\$ 1,477,160.75</u>	<u>\$ 1,296,645.22</u>	<u>\$ 383,097.39</u>	<u>\$ 340,728.18</u>	<u>\$ 3,013,258.74</u>
REF	A	A-14	A-3, A-24	A-4	A-14	A-24	A

PRINCETON
MERCER COUNTY, NEW JERSEY

FEDERAL AND STATE GRANT FUND
 SCHEDULE OF STATE AND FEDERAL GRANTS UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2025

<u>Grant</u>	<u>BALANCE DEC. 31, 2024</u>	<u>RECEIPTS</u>	<u>TRANSFERRED TO GRANTS RECEIVABLE</u>	<u>BALANCE DEC. 31, 2025</u>
Bonner Foundation	\$ 1,823.56	\$ 17,839.04	\$ 1,823.56	\$ 17,839.04
Body Armor Replacement	4,057.46		4,057.46	
Opioid Proceeds	4,711.61	139.65	4,711.61	139.65
	<u>\$ 10,592.63</u>	<u>\$ 17,978.69</u>	<u>\$ 10,592.63</u>	<u>\$ 17,978.69</u>
<u>REF</u>	A	A-4	A-24	A

PRINCETON
MERCER COUNTY, NEW JERSEY

LANDFILL CLOSURE FUND
 SCHEDULE OF RESERVE FOR EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF</u>	
Balance - December 31, 2024	B	\$ 24,145.72
Increased by:		
Interest on Investments	B-5	477.79
Balance - December 31, 2025	B	\$ 24,623.51

LAW ENFORCEMENT TRUST
 SCHEDULE OF RESERVE FOR EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF</u>	
Balance - December 31, 2024	B	\$ 2,260.78
Increased by:		
Forfeitures	B-5	\$ 510.75
Interest on Investments	B-5	47.05
		557.80
Balance - December 31, 2025	B	\$ 2,818.58

PRINCETON
MERCER COUNTY, NEW JERSEY

TRUST FUNDS
SCHEDULE OF CASH AND EQUIVALENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

	REF.	ASSESSMENT FUND	ANIMAL CONTROL FUND	OPEN SPACE FUND
Balance - December 31, 2024	B	\$ 1,040,953.32	\$ 30,944.80	\$ 1,522,295.52
Increased by Receipts:				
Assessments Receivable	B-7	\$ 28,722.34		
Animal Licenses	B-2		\$ 13,761.60	
License Late Fees	B-2		118.00	
Boarding/Misc. Fees	B-2		16,005.50	
State Fees	Contra		1,106.40	
Open Space Tax Levy	B-15			\$ 1,221,535.00
Added Open Space Tax	B-15			6,149.61
Transfer from Capital Fund	B-15			144,550.00
Interest on Investments	B-15			20,107.13
		<u>28,722.34</u>	<u>30,991.50</u>	<u>1,392,341.74</u>
		1,069,675.66	61,936.30	2,914,637.26
Decreased by Disbursements:				
Animal Control Expenditures	B-2		5,365.00	
State Fees	Contra		1,106.40	
Open Space Expenditures	B-15			1,612,719.48
Interfund Loan	B-9, B-11	<u>200,000.00</u>	<u>25,196.90</u>	
		<u>200,000.00</u>	<u>31,668.30</u>	<u>1,612,719.48</u>
Balance - December 31, 2025	B	<u>\$ 869,675.66</u>	<u>\$ 30,268.00</u>	<u>\$ 1,301,917.78</u>

PRINCETON
MERCER COUNTY, NEW JERSEY

TRUST FUNDS
SCHEDULE OF CASH AND EQUIVALENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

	REF.	UNEMPLOYMENT FUND	ESCROW FUND	PAYROLL FUND
Balance - December 31, 2024	B	\$ 824,744.00	\$ 3,957,585.88	\$ 308,733.50
Increased by Receipts:				
Employee Deductions	B-16	\$ 33,336.96		
Escrow Fees Received	B-18		\$ 889,909.81	
Employee Deductions	B-12			\$ 8,363,131.73
Employer Contributions	B-12			1,144,490.26
Interfund Loans	B-10		16,085.98	
Interest on Investments	B-16	<u>16,940.50</u>		
		<u>50,277.46</u>	<u>905,995.79</u>	<u>9,507,621.99</u>
		875,021.46	4,863,581.67	9,816,355.49
Decreased by Disbursements:				
Unemployment Claims	B-16	20,511.14		
Escrow Expenditures	B-18		868,768.04	
Payroll Taxes and Other Deductions	B-12			9,515,085.45
Interfund Loans	B-10		<u>16,460.49</u>	
		<u>20,511.14</u>	<u>885,228.53</u>	<u>9,515,085.45</u>
Balance - December 31, 2025	B	<u>\$ 854,510.32</u>	<u>\$ 3,978,353.14</u>	<u>\$ 301,270.04</u>

PRINCETON
MERCER COUNTY, NEW JERSEY

TRUST FUNDS
SCHEDULE OF CASH AND EQUIVALENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

	REF.	OTHER TRUST	FLEXIBLE SPENDING	LANDFILL CLOSURE	LAW ENFORCEMENT
Balance - December 31, 2024	B	\$ 17,212,693.19	\$ 9,265.43	\$ 24,145.72	\$ 2,260.78
Increased by Receipts:					
Reserves and Deposits	B-17	\$ 4,008,396.46			
Payroll Deductions	B-14		\$ 41,670.12		
Forfeitures	B-4				\$ 510.75
Interest on Investments	B-3, B-4			\$ 477.79	47.05
		<u>4,008,396.46</u>	<u>41,670.12</u>	<u>477.79</u>	<u>557.80</u>
		21,221,089.65	50,935.55	24,623.51	2,818.58
Decreased by Disbursements:					
Reserves and Deposits	B-17	3,845,381.92			
Flexible Spending	B-14		48,029.76		
		<u>3,845,381.92</u>	<u>48,029.76</u>	<u>-</u>	<u>-</u>
Balance - December 31, 2025	B	<u>\$ 17,375,707.73</u>	<u>\$ 2,905.79</u>	<u>\$ 24,623.51</u>	<u>\$ 2,818.58</u>

PRINCETON
MERCER COUNTY, NEW JERSEY

ASSESSMENT FUND
 ANALYSIS OF ASSESSMENT CASH AND EQUIVALENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

	BALANCE DECEMBER 31, 2024	RECEIPTS MISCELLANEOUS	DISBURSEMENTS BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2025
Trust Surplus	\$ 1,040,953.32	\$ 28,722.34	\$ 200,000.00	\$ 869,675.66
	<u>\$ 1,040,953.32</u>	<u>\$ 28,722.34</u>	<u>\$ 200,000.00</u>	<u>\$ 869,675.66</u>
<u>REF.</u>	B	B-1, B-7	B-1	B

PRINCETON
MERCER COUNTY, NEW JERSEY

ASSESSMENT FUND
 SCHEDULE OF ASSESSMENTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2025

<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTIONS</u>	<u>DATE OF CONFIRMATION</u>	<u>BALANCE DEC. 31, 2024</u>	<u>COLLECTIONS</u>	<u>BALANCE DEC. 31, 2025</u>	<u>BALANCE PLEDGED TO RESERVE</u>
04-05	Arreton Road Sewer & Water Main Ext.	12/01/08	\$ 5,083.28	\$ 1,819.20	\$ 3,264.08	\$ 3,264.08
03-10	Princeton/Kingston Road Sewer	12/01/08	6,546.78	2,488.09	4,058.69	4,058.69
04-04	Sewer Laterals Harris	N/A	98.75	98.75		
06-37	Laurel & Ewing Sewers	09/13/16	1,404.97	1,404.97		
13-24	Sewers Moore/Willow	06/27/16	2,780.93	1,398.39	1,382.54	1,382.54
10-02	Hillside Sewers	06/27/16	804.68	804.68		
10-07	Sewers-Ewing, Valley, Harrison	06/27/16	285.16	285.16		
16-24	Pardoe Rd. Curbing	N/A	303.84	152.00	151.84	151.84
16-28	Snowden, Van Dyke, Windy	08/09/21	69,360.88	14,125.19	55,235.69	55,235.69
18-04	Linden Ln & Spruce St	10/28/24	3,394.65	2,252.46	1,142.19	1,142.19
19-22	Lower Heatherstone Curb	10/25/21	23,374.34	3,893.45	19,480.89	19,480.89
Total			<u>\$ 113,438.26</u>	<u>\$ 28,722.34</u>	<u>\$ 84,715.92</u>	<u>\$ 84,715.92</u>
	<u>REF.</u>		B	B-5, B-13	B	B, B-13

PRINCETON
MERCER COUNTY, NEW JERSEY

ASSESSMENT FUND
 SCHEDULE OF PROSPECTIVE ASSESSMENTS FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2025

<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTIONS</u>	<u>BALANCE DEC. 31, 2024</u>	<u>BALANCE DEC. 31, 2025</u>
15-35	Valley/Jeff/Ewing/N. Harrison St.	\$ 127,800.00	\$ 127,800.00
16-28	Sewer Main & Laterals-Local	692,750.00	692,750.00
18-04	Sewer Improvements	23,550.00	23,550.00
19-22	Hale/Worths Mill Heatherstone Roads	4,427.10	4,427.10
		<u>\$ 848,527.10</u>	<u>\$ 848,527.10</u>
	<u>REF.</u>	B	B

PRINCETON
MERCER COUNTY, NEW JERSEY

ANIMAL CONTROL FUND
SCHEDULE OF DUE FROM CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF</u>	
Balance - December 31, 2024	B	\$ -
Increased by:		
Cash Disbursed	B-5	<u>25,196.90</u>
		25,196.90
Decreased by:		
Statutory Excess - Due to Current Fund	B-2	<u>25,196.90</u>
Balance - December 31, 2025	B	<u><u>\$ -</u></u>

TRUST ESCROW FUND
SCHEDULE OF DUE TO CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF</u>	
Balance - December 31, 2024	B	\$ 1,403.05
Increased by:		
Interest Earned	B-5	<u>16,085.98</u>
		17,489.03
Decreased by:		
Cash Disbursed	B-5	<u>16,460.49</u>
Balance - December 31, 2025	B	<u><u>\$ 1,028.54</u></u>

ASSESSMENT FUND
SCHEDULE OF DUE TO CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF</u>	
Balance - December 31, 2024		\$ -
Increased by:		
Budget Appropriation	B-1	<u>200,000.00</u>
		200,000.00
Decreased by:		
Cash Disbursed	B-5	<u>200,000.00</u>
Balance - December 31, 2025	B	<u><u>\$ -</u></u>

PRINCETON
MERCER COUNTY, NEW JERSEY

PAYROLL FUND
 SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF</u>		
Balance - December 31, 2024	B		\$ 308,733.50
Increased by:			
Employee Deductions	B-5	\$ 8,363,131.73	
Employer Contributions	B-5	<u>1,144,490.26</u>	
			<u>9,507,621.99</u>
			9,816,355.49
Decreased by:			
Deductions and Taxes Paid	B-5		<u>9,515,085.45</u>
Balance - December 31, 2025	B		<u><u>\$ 301,270.04</u></u>

PRINCETON
MERCER COUNTY, NEW JERSEY

ASSESSMENT FUND
 SCHEDULE OF RESERVE FOR ASSESSMENTS AND LIENS
FOR THE YEAR ENDED DECEMBER 31, 2025

<u>ORD. NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE</u> <u>DEC. 31, 2024</u>	<u>COLLECTION</u>	<u>BALANCE</u> <u>DEC. 31, 2025</u>
Assessments Receivable:				
04-05	Arreton Road Sewer & Water Main	\$ 5,083.28	\$ 1,819.20	\$ 3,264.08
03-10	Princeton/Kingston Road Sewer	6,546.78	2,488.09	4,058.69
04-04	Sewer Laterals Harris	98.75	98.75	
06-37	Laurel & Ewing Sewers	1,404.97	1,404.97	
13-24	Sewers Moore/Willow	2,780.93	1,398.39	1,382.54
10-02	Hillside Sewers	804.68	804.68	
10-07	Sewers-Ewing, Valley, Harrison	285.16	285.16	
16-24	Pardoe Rd. Curbing	303.84	152.00	151.84
16-28	Snowden, Van Dyke, Windy	69,360.88	14,125.19	55,235.69
18-04	Linden Ln & Spruce St	3,394.65	2,252.46	1,142.19
19-22	Lower Heatherstone Curb	23,374.34	3,893.45	19,480.89
		<u>\$ 113,438.26</u>	<u>\$ 28,722.34</u>	<u>\$ 84,715.92</u>
<u>REF.</u>		B	B-1, B-5, B-7	B

PRINCETON
MERCER COUNTY, NEW JERSEY

FLEXIBLE SPENDING FUND
 SCHEDULE OF RESERVE FOR FLEXIBLE SPENDING
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF</u>	
Balance - December 31, 2024	B	\$ 9,265.43
Increased by:		
Employee Deductions	B-5	<u>41,670.12</u>
		50,935.55
Decreased by:		
Plan Disbursements	B-5	<u>48,029.76</u>
Balance - December 31, 2025	B	<u><u>\$ 2,905.79</u></u>

PRINCETON
MERCER COUNTY, NEW JERSEY

OPEN SPACE TRUST FUND
 SCHEDULE OF RESERVE FOR OPEN SPACE
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF</u>	
Balance - December 31, 2024	B	\$ 1,522,295.52
Increased by:		
Amount Raised by Taxation	B-5	\$ 1,221,535.00
Added and Omitted Tax	B-5	6,149.61
Transfer from Capital Fund	B-5	144,550.00
Interest Earned	B-5	<u>20,107.13</u>
		<u>1,392,341.74</u>
		2,914,637.26
Decreased by:		
Expenditures	B-5	<u>1,612,719.48</u>
Balance - December 31, 2025	B	<u><u>\$ 1,301,917.78</u></u>

UNEMPLOYMENT TRUST FUND
 SCHEDULE OF RESERVE FOR UNEMPLOYMENT CLAIMS
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF</u>	
Balance - December 31, 2024	B	\$ 824,744.00
Increased by:		
Employee Deductions	B-5	\$ 33,336.96
Interest Earned	B-5	<u>16,940.50</u>
		<u>50,277.46</u>
		875,021.46
Decreased by:		
Unemployment Claims	B-5	<u>20,511.14</u>
Balance - December 31, 2025	B	<u><u>\$ 854,510.32</u></u>

PRINCETON
MERCER COUNTY, NEW JERSEY

OTHER TRUST FUND
SCHEDULE OF OTHER RESERVES AND SPECIAL DEPOSITS
YEAR ENDED DECEMBER 31, 2025

	BALANCE <u>DEC. 31, 2024</u>	ENCUMBERED <u>DEC. 31, 2024</u>	INCREASES	DECREASES	ENCUMBERED <u>DEC. 31, 2025</u>	BALANCE <u>DEC. 31, 2025</u>
Police Welfare Fund	\$ 15,881.53		\$ 9,527.00	\$ 500.00		\$ 24,908.53
Accumulated Sick Leave	939,219.54		300,000.00			1,239,219.54
Fire Prevention	100.31					100.31
Electrical Permit	11,533.30					11,533.30
Plumbing Permit	18,133.70					18,133.70
Off Duty Police	317,676.48		677,563.38	736,495.14		258,744.72
POAA	51,220.29		13,970.00			65,190.29
Construction Official	7,690,343.50		1,397,310.87	2,011,453.30		7,076,201.07
Fire Prevention Penalty Fees	1,028.36					1,028.36
Fire Prevention Penalty-Dedicated	499.51					499.51
Police Fitness Foundation	736.46					736.46
Snow Removal	706,191.82		98,000.00			804,191.82
Miscellaneous Deposits	363,310.18		307,500.00	33,003.44		637,806.74
Cable TV	587,155.40		237,461.44	256,032.76		568,584.08
Shade Tree Trust	87,638.39		8,275.00	6,631.25		89,282.14
Fire Code Penalties	16,472.77		4,000.00			20,472.77
Off Tract Contributions	42,276.00					42,276.00
Adopt a Park Program	205.00					205.00
Bench Donations	5,695.00		1,600.00			7,295.00
Latin American Task Force	1,446.29					1,446.29
Public Defender	28,287.13		2,697.01			30,984.14
Restitution/Graffiti Trust	4,573.25					4,573.25
Fire Equipment Donations	9,002.03	\$ 6,600.00	7,051.00	12,750.00		9,903.03
Human Services Spec. Asst.	115,447.46		14,100.00	13,516.03	\$ 14,108.97	101,922.46
Reserve for Solar Panels	48,588.29					48,588.29
Builder Escrow	1,000.00					1,000.00
Sewer Trust	6,142,431.20		929,340.76	775,000.00		6,296,771.96
	<u>\$ 17,206,093.19</u>	<u>\$ 6,600.00</u>	<u>\$ 4,008,396.46</u>	<u>\$ 3,845,381.92</u>	<u>\$ 14,108.97</u>	<u>\$ 17,361,598.76</u>
<u>REF</u>	B	B	B-5	B-5	B	B

ESCROW TRUST FUND
SCHEDULE OF DEPOSITS
YEAR ENDED DECEMBER 31, 2025

	BALANCE <u>DEC. 31, 2024</u>	ENCUMBERED <u>DEC. 31, 2024</u>	INCREASES	DECREASES	ENCUMBERED <u>DEC. 31, 2025</u>	BALANCE <u>DEC. 31, 2025</u>
Professional Fees	\$ 511,780.85	\$ 46,767.97	\$ 354,638.19	\$ 321,373.66	\$ 25,603.45	\$ 566,209.90
Certificates of Occupancy	64,129.65		8,500.00	8,448.00		64,181.65
Performance Bonds	1,858,113.35		443,579.29	423,677.51		1,878,015.13
Inspection Fees	1,463,049.47	12,341.54	83,192.33	115,268.87	6,583.00	1,436,731.47
	<u>\$ 3,897,073.32</u>	<u>\$ 59,109.51</u>	<u>\$ 889,909.81</u>	<u>\$ 868,768.04</u>	<u>\$ 32,186.45</u>	<u>\$ 3,945,138.15</u>
<u>REF</u>	B	B	B-5	B-5	B	B

PRINCETON
MERCER COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

	BALANCE DECEMBER 31, 2024	BALANCE DECEMBER 31, 2025
Fund Balance	\$ 120,418.50	\$ 139,323.00
Capital Improvement Fund	313,008.39	402,859.39
Reserves for:		
Encumbrances	15,358,137.30	18,446,323.17
Debt Service	1,032,908.81	1,620,722.06
Roads	275,180.00	399,769.44
Roads - Transco Pipeline	270,000.00	270,000.00
Transportation Contribution	19,940.00	19,940.00
Community Benefit/Grover Park	600,000.00	1,200,000.00
Mountain Lakes	10,336.06	10,336.06
Sewer Trunk Line B	4,000,000.00	4,000,000.00
Recreation - Princeton Tennis Program		6,050.00
Public & Private Funding Receivable	(4,366,421.57)	(3,540,579.34)

ORD.

NO. IMPROVEMENT AUTHORIZATIONS

<u>General Improvements</u>		
13-29	Acquisition of Property	144,550.00
16-20	Various Capital Improvements	1,052,277.30
16-22	Sewer System & Road Improvements	9,011.25
16-23	Various Sewer Improvements	37,341.76
17-31	Sewer Improvements	32,852.44
17-32	Sewer Improvements	(3,884.50)
17-37	Various Capital Improvements	730,790.32
17-38	Various Capital Improvements	4,893.25
18-07	Various Capital Improvements	600,289.34
18-08	Sewer Improvements	7,751.17
18-10	Sewer and Road Reconstruction	(4,091.41)
19-18	Library Improvements	100.00
19-19	Various Sewer Improvements	108,147.11
19-20	Sanitary Sewer & Road Improvements	(1,492.74)
19-21	Various Capital Improvements	(58,171.59)
20-23	Various Sewer Improvements	101,565.72
20-32	Various Sewer Improvements	60,033.07
21-19	Various Sewer Improvements	28,881.96
21-21	Various Capital Improvements	(156,336.04)
21-22	Various Library Improvements	(70,900.00)
21-30	Implementation of an Affordable Ho. Project	(22,413.09)
21-33	Acquisition of Open Space	25,046.36
22-17	Sewer Improvements	52,751.80
22-18	Various Sewer & Road Improvements	(1,290,882.40)
22-19	Various Capital Improvements	(999,128.36)
22-21	Library Improvements	1,487.00
22-28	Various Capital Improvements	25,121.80
23-16	Various Sewer Improvements	2,806,508.62
23-17	Various Sewer Improvements	310,865.06
23-19	Various Capital Improvements	518,245.17
23-20	Open Space Improvements	310,620.10
23-21	Various Capital Improvements	2,119,621.85
24-14	Various Capital Improvements	(517,100.93)
24-16	Open Space Improvements	(38,550.00)
24-17	Sewer Improvements	(600.00)
24-18	Sewer Improvements	120,400.00
24-19	Acquisition of Open Space	17,947.66
24-33	Replacement of Municipal Building HVAC	(794,605.00)
24-34	Acquisition of Property	491,594.16
25-06	Open Space Improvements	(79,742.67)
25-07	Various Capital Improvements	(454,725.22)
		<u>\$ 23,394,045.70</u>
		<u>\$ 13,717,856.79</u>

REF

C

C

PRINCETON
MERCER COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
 SCHEDULE OF GENERAL CAPITAL FUND CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF</u>	
Balance - December 31, 2024	C	\$ 23,394,045.70
Increased by Cash Receipts:		
Deferred Charges - Unfunded	C-4	\$ 1,932,910.75
Public and Private Funding	C-6	1,644,098.23
Interfund Loans	C-7	982,874.51
Capital Improvement Fund	C-12	788,750.00
Reserve for Debt Service	C-13	3,487,813.25
Reserve for Roads	C-14	489,817.00
Reserve for Other Reserves	C-15	606,050.00
Bond Anticipation Notes	C-17	52,500,000.00
Interim Financing	C-18	801,102.89
Budget Appropriation	C-19	<u>500,000.00</u>
		<u>63,733,416.63</u>
		87,127,462.33
Decreased by Disbursements:		
Interfund Loans	C-7	982,874.51
Improvement Authorizations	C-8	47,658,566.96
Sewer Trust Fund IA Canceled	C-8	9,989.21
Open Space Fund IA Canceled	C-8	144,550.00
Reserve for Debt Service	C-13	300,000.00
Reserve for Roads	C-14	335,547.56
Reserve for Encumbrances	C-16	14,878,077.30
Bond Anticipation Notes	C-17	<u>9,100,000.00</u>
		<u>73,409,605.54</u>
Balance - December 31, 2025	C	<u><u>\$ 13,717,856.79</u></u>

PRINCETON
MERCER COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO
FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2025

ORD. NO.	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2024	2025 AUTHORIZATION	IMPROVEMENT AUTHORIZATION CANCELED	OTHER FUNDING	BALANCE DECEMBER 31, 2025	ANALYSIS OF BALANCE DECEMBER 31, 2025		
							EXPENDED	BOND ANTICIPATION NOTES	UNEXPENDED BALANCE OF IMPROV. AUTH.
	<u>General Improvements</u>								
16-20	Various Capital Improvements	\$ 1,024,623.07		\$ 167,682.51		\$ 856,940.56			\$ 856,940.56
17-32	Sewer Improvements	15,000.00		8,285.50	\$ 6,714.50				
17-37	Various Capital Improvements	289,837.65		55,599.88		234,237.77			234,237.77
17-38	Various Library Improvements	5,000.00			5,000.00				
18-07	Various Capital Improvements	2,915,640.78		2,844.53		2,912,796.25			2,912,796.25
18-10	Sewer and Road Reconstruction	14,901.00		8,225.59	6,675.41				
19-18	Library Improvements	50.00			50.00				
19-20	Sanitary Sewer & Road Improvements	15,000.00		8,353.00	6,647.00				
19-21	Various Capital Improvements	985,307.40		387,978.47	51,725.00	545,603.93	\$ 63,400.29		482,203.64
20-23	Various Capital Improvements	839,999.89				839,999.89	3,129.83		836,870.06
20-32	Various Capital Improvements	150,721.16				150,721.16	60,966.93		89,754.23
21-21	Various Capital Improvements	3,408,852.09		1,925.84	743,348.84	2,663,577.41	1,710,313.36		953,264.05
21-22	Various Library Improvements	84,300.00		3,400.00	80,900.00				
21-30	Implementation of an Affordable Ho. Project	100,000.00			45,000.00	55,000.00	1,676.09		53,323.91
22-18	Various Sewer & Road Improvements	4,200,000.00				4,200,000.00	2,079,631.62		2,120,368.38
22-19	Various Capital Improvements	5,032,501.33		808.09	1,551,102.89	3,480,590.35	1,237,723.70		2,242,866.65
22-21	Library Improvements	600.00			600.00				
22-28	Various Capital Improvements	800,000.00				800,000.00	756,917.95		43,082.05
23-17	Various Sewer Improvements	2,400,000.00				2,400,000.00	2,397,415.00		2,585.00
23-19	Various Capital Improvements	5,833,583.93				5,833,583.93			5,833,583.93
23-20	Open Space Improvements	1,425,000.00		23,016.10		1,401,983.90	1,380,183.90		21,800.00
23-21	Various Capital Improvements	4,466,737.00		13,210.39		4,453,526.61	61,076.48		4,392,450.13
24-14	Various Capital Improvements	13,262,662.20		298.56		13,262,363.64	2,199,218.68		11,063,144.96
24-16	Open Space Improvements	513,000.00				513,000.00	123,180.43		389,819.57
24-17	Sewer Improvements	13,550,000.00				13,550,000.00	5,195,181.88		8,354,818.12
24-19	Acquisition of Open Space	9,100,000.00			2,600,000.00	6,500,000.00		\$ 6,500,000.00	
24-33	Replacement of Municipal Building HVAC	1,140,000.00				1,140,000.00	794,605.00		345,395.00
24-34	Acquisition of Property	49,500,000.00				49,500,000.00		46,000,000.00	3,500,000.00
25-06	Open Space Improvements		\$ 584,250.00			584,250.00	79,742.67		504,507.33
25-07	Various Capital Improvements		12,694,770.00	2,035.05	736,250.00	11,956,484.95	454,725.22		11,501,759.73
		<u>\$ 121,073,317.50</u>	<u>\$ 13,279,020.00</u>	<u>\$ 683,663.51</u>	<u>\$ 5,834,013.64</u>	<u>\$ 127,834,660.35</u>	<u>\$ 18,599,089.03</u>	<u>\$ 52,500,000.00</u>	<u>\$ 56,735,571.32</u>
<u>Ref.</u>	C		C-8, C-19	C-8, C-19		C		C-17	
				<u>Ref.</u>				<u>Ref.</u>	
	Budget Appropriation			C-19	\$ 500,000.00	Unfunded Improvement Authorization		C-8	\$ 60,945,059.96
	Other			C-3	1,932,910.75	Less: Unexpended Proceeds of BANS			
	NJTIB Payments			C-18	801,102.89	Ord. 24-19		C-2	(24,690.50)
	Reserve for BANS Payment			C-13	2,600,000.00	Ord. 24-34		C-2	(4,184,798.14)
					<u>\$ 5,834,013.64</u>				<u>\$ 56,735,571.32</u>

PRINCETON
MERCER COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF</u>	
Balance December 31, 2024	C	\$ 84,910,778.08
Increased by:		
Interim Financing	C-18	801,102.89
		85,711,880.97
Decreased by:		
Debt Principal Paid by Budget:		
Serial Bonds	C-9	\$ 9,505,000.00
Infrastructure Loans	C-10	326,628.80
NJIB Loans	C-11	145,424.03
		9,977,052.83
Balance December 31, 2025	C	\$ 75,734,828.14
<u>Detail of Balance at December 31, 2025:</u>		
Bonds Payable		\$ 68,815,000.00
Infrastructure Trust		608,916.90
I-Bank		1,283,392.28
Interim Financing		5,027,518.96
		\$ 75,734,828.14

PRINCETON
MERCER COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF PUBLIC AND PRIVATE FUNDING RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF</u>			
Balance December 31, 2024	C		\$	11,888,921.57
Increased by:				
NJDOT Grant	C-8			818,256.00
				12,707,177.57
Decreased by:				
Cash Receipts	C-3	\$		1,644,098.23
Reserve for Future Debt Service Costs	C-13			2,751,667.00
				4,395,765.23
Balance December 31, 2025	C		\$	8,311,412.34
<u>Detail of Balance at December 31, 2025:</u>				
Ord. 16-02 Mercer County SPC Facility Upgrade			\$	250,000.00
Ord. 16-02 Suzanne Patterson Ctr.				500,000.00
Ord. 16-02 Princeton U.-Cold Storage Facility				250,000.00
Ord. 20-23 Witherspoon Street				152,500.00
Ord. 22-19 Various Capital Improvements				577,618.34
Ord. 23-19 Various Capital Improvements				162,500.00
Ord. 23-20 Open Space Improvements				552,000.00
Ord. 23-21 Various Capital Improvements				527,705.00
Ord. 24-19 Acquisition of Open Space				4,520,833.00
Ord. 25-07 Various Capital Improvements				818,256.00
			\$	8,311,412.34

PRINCETON
MERCER COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
 SCHEDULE OF INTERFUND LOANS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF</u>	<u>CURRENT FUND</u>
Balance - December 31, 2024	C	\$ -
Increased by:		
Interest Received	C-3	<u>982,874.51</u>
		982,874.51
Decreased by:		
Interfund Cash Disbursed	C-3	<u>982,874.51</u>
Balance - December 31, 2025	C	<u><u>\$ -</u></u>

PRINCETON
MERCER COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2025

ORD. NO.	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE - DECEMBER 31, 2024		ENCUMBERED 2024	2025 AUTHORIZATIONS	PAID OR CHARGED	ENCUMBERED 2025	AUTHORIZATIONS CANCELED	BALANCE - DECEMBER 31, 2025	
		DATE	AMOUNT	FUNDED	UNFUNDED						FUNDED	UNFUNDED
General Improvements:												
13-29	Acquisition of Property	11/12/13	\$ 125,000.00	\$ 144,550.00						\$ 144,550.00		
15-07	Var. Capital Imp.(DOT 283,507)	04/27/15	9,175,865.00			\$ 9,679.84		\$ 6,115.29	\$ 3,564.55			
16-20	Various Capital Improvements	04/25/16	10,904,286.00	1,052,277.30	\$ 1,024,623.07	496.75		24,173.25	469,901.00	167,682.51	\$ 558,699.80	\$ 856,940.56
16-22	Sewer System & Road Improvements	04/25/16	1,515,000.00			9,011.25		622.50				
16-23	Various Sewer Improvements	04/25/16	690,000.00	37,341.76				12,935.26	1,000.00	4,798.98	18,607.52	
17-31	Sewer Improvements	06/12/17	982,000.00	32,852.44		25,156.56		29,475.30		4,646.20	23,887.50	
17-32	Sewer Improvements	06/12/17	1,515,000.00			11,115.50		2,830.00		8,285.50		
17-37	Various Capital Improvements	06/26/17	6,562,590.00	730,790.32		289,837.65		44,192.97		55,599.88	686,597.35	234,237.77
17-38	Various Library Improvements	07/10/17	275,000.00	4,893.25		5,000.00				9,893.25		
18-07	Various Capital Improvements	04/09/18	9,307,670.00	600,289.34		2,915,640.78		9,904.20	40,293.29	4,314.11	2,844.53	2,912,796.25
18-08	Sewer Improvements	04/09/18	286,000.00	7,751.17				3,980.00		577.66	3,402.34	7,751.17
18-10	Sewer and Road Reconstruction	04/09/18	1,500,000.00			10,809.59		2,584.00			8,225.59	
19-18	Library Improvements	05/06/19	300,000.00	100.00		50.00		150.00				
19-19	Various Sewer Improvements	05/06/19	790,000.00	108,147.11				6,731.00	28,478.50			72,937.61
19-20	Sanitary Sewer & Road Improvements	05/06/19	1,515,000.00			13,507.26		157,098.16	268,915.49	8,353.00	84,785.00	
19-21	Various Capital Improvements	05/06/19	7,433,000.00			927,135.81		346,020.08		387,978.47		482,203.64
20-23	Various Capital Improvements	07/27/20	6,600,000.00	101,565.72		839,999.89		142,921.14		125,682.69		836,870.06
20-32	Various Capital Improvements	12/17/20	1,720,000.00	60,033.07		150,721.16		40,000.00		120,480.00		89,754.23
21-19	Various Sewer Improvements	07/12/21	1,680,000.00	28,881.96				801,081.96		4,119.57	56.00	27,952.25
21-21	Various Capital Improvements	07/12/21	7,178,500.00			3,252,516.05		497,834.76	991,025.45	1,804,135.47	1,925.84	953,264.05
21-22	Various Library Improvements	07/12/21	194,000.00			13,400.00				3,400.00		
21-30	Implementation of an Affordable Ho. Project	10/11/21	8,000,000.00			77,586.91						53,323.91
21-33	Acquisition of Open Space	11/08/21	8,900,000.00	25,046.36				4,404.00				20,642.36
22-17	Sewer Improvements	06/27/22	960,000.00	52,751.80				6,709.25			150.00	40,550.00
22-18	Various Sewer & Road Improvements	06/27/22	5,100,000.00			2,909,117.60		1,037,835.41	1,446,265.30			2,120,368.38
22-19	Various Capital Improvements	06/27/22	15,095,218.00			4,033,372.97		2,326,527.77	1,337,435.69	808.09		2,242,866.65
22-21	Library Improvements	07/25/22	388,000.00	1,487.00		600.00		694.00			1,393.00	
22-28	Various Capital Improvements	08/22/22	3,500,000.00	25,121.80		800,000.00		782,039.75				43,082.05
23-16	Various Sewer Improvements	06/12/23	3,515,000.00	2,806,508.62				184,660.88	19,671.41	338.03	2,675,035.77	
23-17	Various Sewer Improvements	06/12/23	3,000,000.00	310,865.06		2,400,000.00		167,157.32	2,026,671.02			2,585.00
23-19	Various Capital Improvements	06/12/23	10,710,000.00	518,245.17		5,833,583.93		1,224,468.43	572,475.29		284,277.93	5,833,583.93
23-20	Open Space Improvements	06/12/23	2,052,000.00	310,620.10		1,425,000.00		66,845.40	85,360.09	23,016.10		21,800.00
23-21	Various Capital Improvements	06/12/23	15,155,500.00	2,119,621.85		4,466,737.00		5,407,302.90	1,550,111.14	13,210.39		4,392,450.13
24-14	Various Capital Improvements	04/08/24	16,117,500.00			12,745,561.27		992,119.22	1,510,185.61	1,164,051.36	298.56	11,063,144.96
24-16	Open Space Improvements	04/08/24	540,000.00			474,450.00		21,850.00	55,612.42	50,868.01		389,819.57
24-17	Sewer Improvements	04/08/24	13,550,000.00			13,549,400.00			5,148,997.00			8,354,818.12
24-18	Sewer Improvements	04/08/24	121,000.00	120,400.00				56,390.00			64,010.00	
24-19	Acquisition of Open Space	04/08/24	9,100,000.00			17,947.66		(6,742.84)				24,690.50
24-33	Replacement of Municipal Building HVAC	09/09/24	1,200,000.00			345,395.00	854,005.00		2,476.50			345,395.00
24-34	Acquisition of Property	10/14/24	50,000,000.00	491,594.16		49,500,000.00			42,207,150.58	99,645.44		7,684,798.14
25-06	Open Space Improvements	03/28/25	615,000.00					\$ 615,000.00	97,747.24	12,745.43		504,507.33
25-07	Various Capital Improvements	03/28/25	14,181,175.00					14,181,175.00	1,900,035.00	777,345.22	2,035.05	11,501,759.73
				\$ 9,700,746.61	\$ 108,033,109.10	\$ 14,878,077.30	\$ 14,796,175.00	\$ 62,536,644.26	\$ 17,936,583.17	\$ 857,107.22	\$ 5,132,713.40	\$ 60,945,059.96
		REF	C	C	C-16				C-16		C	C
Deferred Charges Unfunded		C-4					\$ 13,279,020.00					
Capital Improvement Fund		C-12					698,899.00					
Funding Receivable		C-4, C-6					818,256.00					
							<u>\$ 14,796,175.00</u>					
Cash Disbursed		C-3						\$ 47,658,566.96				
Encumbrances Reserve		C-16						<u>14,878,077.30</u>				
								<u>\$ 62,536,644.26</u>				
Deferred Charges to Future Taxation-Unfunded		C-4							\$ 683,663.51			
Due to Sewer Trust Fund		C-3							9,989.21			
Open Space Fund		C-3							144,550.00			
Fund Balance		C-1							<u>18,904.50</u>			
									<u>\$ 857,107.22</u>			

PRINCETON
MERCER COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2025

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING - DEC. 31, 2025		INTEREST RATE	BALANCE DECEMBER 31, 2024	DECREASED	BALANCE DECEMBER 31, 2025
			DATE	AMOUNT				
Refunding Bonds Series 2013	11/14/13	\$ 19,195,000.00	01/01/26	\$ 1,760,000.00	3.000%	\$ 3,470,000.00	\$ 1,710,000.00	\$ 1,760,000.00
General Improvement Bonds	09/15/14	9,950,000.00	09/15/26	1,000,000.00	3.000%	2,000,000.00	1,000,000.00	1,000,000.00
Refunding Bonds, Series 2016	11/30/16	12,305,000.00	01/01/26	995,000.00	3.000%	2,000,000.00	1,005,000.00	995,000.00
General Improvement Bonds	09/15/17	24,200,000.00	09/15/26	1,800,000.00	2.000%	14,250,000.00	1,750,000.00	12,500,000.00
			09/15/27	2,000,000.00	2.000%			
			09/15/28	2,000,000.00	2.000%			
			09/15/29	2,000,000.00	2.000%			
			09/15/30	2,000,000.00	3.000%			
			09/15/31	1,700,000.00	3.000%			
			09/15/32	1,000,000.00	2.500%			
General Improvement Bonds	12/15/20	23,230,000.00	12/15/26	1,865,000.00	2.000%	16,270,000.00	1,815,000.00	14,455,000.00
			12/15/27	2,130,000.00	2.000%			
			12/15/28	2,130,000.00	2.000%			
			12/15/29	2,130,000.00	2.000%			
			12/15/30	2,130,000.00	2.000%			
			12/15/31	2,130,000.00	2.000%			
			12/15/32	1,940,000.00	2.000%			
Refunding Bonds, Series 2021	05/19/21	3,815,000.00	08/15/26	610,000.00	2.000%	1,230,000.00	620,000.00	610,000.00

PRINCETON
MERCER COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2025

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS			INTEREST RATE	BALANCE DECEMBER 31, 2024	DECREASED	BALANCE DECEMBER 31, 2025
			DATE	AMOUNT					
General Improvement Bonds, Series 2024A&B	12/11/24	\$ 31,200,000.00	12/01/26	\$ 1,380,000.00	4.000%	\$ 31,200,000.00	\$ 1,330,000.00	\$ 29,870,000.00	
			12/01/27	1,865,000.00	4.000%				
			12/01/28	1,940,000.00	4.000%				
			12/01/29	2,020,000.00	4.000%				
			12/01/30	2,120,000.00	4.000%				
			12/01/31	2,195,000.00	4.000%				
			12/01/32	2,265,000.00	4.000%				
			12/01/33	2,370,000.00	4.000%				
			12/01/34	2,440,000.00	4.000%				
			12/01/35	2,515,000.00	4.000%				
			12/01/36	2,560,000.00	4.000%				
			12/01/37	2,590,000.00	4.000%				
			12/01/38	2,605,000.00	3.000%				
			12/01/39	155,000.00	1.000%				
			12/01/40	160,000.00	1.000%				
			12/01/41	160,000.00	1.000%				
			12/01/42	170,000.00	1.000%				
			12/01/43	175,000.00	1.000%				
			12/01/44	185,000.00	1.000%				
General Improvement Bonds, Series 2024C	12/11/24	7,900,000.00	12/01/26	275,000.00	5.250%	7,900,000.00	275,000.00	7,625,000.00	
			12/01/27	280,000.00	5.250%				
			12/01/28	290,000.00	5.250%				
			12/01/29	300,000.00	5.250%				
			12/01/30	315,000.00	5.250%				
			12/01/31	325,000.00	5.250%				
			12/01/32	340,000.00	5.250%				
			12/01/33	355,000.00	5.250%				
			12/01/34	370,000.00	5.000%				
			12/01/35	390,000.00	4.500%				
			12/01/36	410,000.00	4.500%				
			12/01/37	430,000.00	4.500%				
			12/01/38	445,000.00	4.500%				
			12/01/39	470,000.00	4.500%				
			12/01/40	495,000.00	4.500%				
			12/01/41	515,000.00	4.680%				
			12/01/42	530,000.00	4.750%				
			12/01/43	545,000.00	4.750%				
			12/01/44	545,000.00	4.750%				
						<u>7,900,000.00</u>	<u>275,000.00</u>	<u>7,625,000.00</u>	
						<u>\$ 78,320,000.00</u>	<u>\$ 9,505,000.00</u>	<u>\$ 68,815,000.00</u>	
REF						C	C-5	C	

PRINCETON
MERCER COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
 SCHEDULE OF LOANS PAYABLE
 NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOANS
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF</u>	
Balance - December 31, 2024	C	\$ 935,545.70
Decreased by:		
Payments	C-5	<u>326,628.80</u>
Balance - December 31, 2025	C	<u><u>\$ 608,916.90</u></u>

Loan Principal Repayment Schedule:

<u>Year</u>	<u>Principal</u>
2026	\$ 303,483.90
2027	171,410.00
2028	96,023.00
2029	<u>38,000.00</u>
	<u><u>\$ 608,916.90</u></u>

PRINCETON
MERCER COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
 SCHEDULE OF LOANS PAYABLE
 NEW JERSEY INFRASTRUCTURE BANK LOANS
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF</u>	
Balance - December 31, 2024	C	\$ 1,428,816.31
Decreased by:		
Payments	C-5	<u>145,424.03</u>
Balance - December 31, 2025	C	<u>\$ 1,283,392.28</u>

PRINCETON
MERCER COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
 SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF</u>		
Balance - December 31, 2024	C		\$ 313,008.39
Increased by:			
Cash Receipts	C-3	\$ 38,750.00	
Budget Appropriation	C-3	<u>750,000.00</u>	
			<u>788,750.00</u>
			1,101,758.39
Decreased by:			
Approp. to Finance Improvement Authorizations	C-8		<u>698,899.00</u>
Balance - December 31, 2025	C		<u><u>\$ 402,859.39</u></u>

PRINCETON
MERCER COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR FUTURE DEBT SERVICE COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF</u>	
Balance - December 31, 2024	C	\$ 1,032,908.81
Increased by:		
Cash Receipts	C-3	\$ 736,146.25
Public and Private Funding	C-3, C-6	<u>2,751,667.00</u>
		<u>3,487,813.25</u>
		4,520,722.06
Decreased by:		
Approp. as General Budget Revenue	C-3	300,000.00
Payment on BANs	C-4	<u>2,600,000.00</u>
		<u>2,900,000.00</u>
Balance - December 31, 2025	C	<u><u>\$ 1,620,722.06</u></u>
<u>Detail of Balance at December 31, 2025:</u>		
Debt Service		\$ 125,000.00
Community Pool Debt Service		602,165.16
Premium on Bonds - 2021		866,889.90
BANs Payment		<u>26,667.00</u>
		<u><u>\$ 1,620,722.06</u></u>

PRINCETON
MERCER COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
 SCHEDULE OF RESERVE FOR ROADS
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF</u>	
Balance - December 31, 2024	C	\$ 545,180.00
Increased by:		
Cash Receipts	C-3	<u>489,817.00</u>
		1,034,997.00
Decreased by:		
Cash Disbursements	C-3	\$ 335,547.56
Reserve for Encumbrances	C-16	<u>29,680.00</u>
		<u>365,227.56</u>
Balance - December 31, 2025	C	<u><u>\$ 669,769.44</u></u>
<u>Detail of Balance at December 31, 2025:</u>		
White Oak Cul de Sac		\$ 30,000.00
Poor Farm Road		15,000.00
Other Roads		50,000.00
Transco Pipeline		270,000.00
Princeton Ridge		150,500.00
Terhune Road		<u>154,269.44</u>
		<u><u>\$ 669,769.44</u></u>

PRINCETON
MERCER COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
 SCHEDULE OF RESERVE FOR OTHER RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF</u>	
Balance - December 31, 2024	C	\$ 4,630,276.06
Increased by:		
Cash Receipts	C-3	<u>606,050.00</u>
Balance - December 31, 2025	C	<u>\$ 5,236,326.06</u>
<u>Detail of Balance at December 31, 2025:</u>		
Mountain Lakes		\$ 10,336.06
Transportation Contribution - Avalonbay		19,940.00
Community Benefit/Grover Park - Avalonbay		1,200,000.00
Sewer Trunk Line B - Princeton University		4,000,000.00
Recreation - Princeton Tennis Program		<u>6,050.00</u>
		<u>\$ 5,236,326.06</u>

PRINCETON
MERCER COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
 SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF</u>	
Balance - December 31, 2024	C	\$ 15,358,137.30
Increased by:		
Improvement Authorizations	C-8	\$ 17,936,583.17
Reserve for Roads	C-14	<u>29,680.00</u>
		<u>17,966,263.17</u>
		33,324,400.47
Decreased by:		
Cash Disbursements	C-3	<u>14,878,077.30</u>
Balance - December 31, 2025	C	<u><u>\$ 18,446,323.17</u></u>

PRINCETON
MERCER COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2025

ORD. NO.	IMPROVEMENT DESCRIPTION	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DEC. 31, 2024	BANS ISSUED	DECREASED	BALANCE DEC. 31, 2025
<u>General Improvements</u>								
24-19	Acquisition of Open Space	12/23/24	12/22/25	3.50%	\$ 9,100,000.00		\$ 9,100,000.00	
24-19	Acquisition of Open Space	12/18/25	12/17/26	3.75%		\$ 6,500,000.00		\$ 6,500,000.00
24-34	Acquisition of Property	02/20/25	02/19/26	4.00%		46,000,000.00		46,000,000.00
					<u>\$ 9,100,000.00</u>	<u>\$ 52,500,000.00</u>	<u>\$ 9,100,000.00</u>	<u>\$52,500,000.00</u>
				<u>REF.</u>	C	C-3, Below	C-3, Below	C
				BANs Sale		\$ 52,500,000.00	\$ 6,500,000.00	
				Reserve for Future Debt Service			2,600,000.00	
						<u>\$ 52,500,000.00</u>	<u>\$ 9,100,000.00</u>	

PRINCETON
MERCER COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
 SCHEDULE OF INTERIM FINANCING PAYABLE
 NEW JERSEY TRANSPORTATION INFRASTRUCTURE BANK LOANS
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF</u>	
Balance - December 31, 2024	C	\$ 4,226,416.07
Increased by:		
Advances	C-3, C-4, C-5	<u>801,102.89</u>
Balance - December 31, 2025	C	<u>\$ 5,027,518.96</u>

PRINCETON
MERCER COUNTY, NEW JERSEY

GENERAL CAPITAL FUND
 SCHEDULE OF BONDS AND NOTES
 AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2025

ORD. NO.	IMPROVEMENT DESCRIPTION	BALANCE DEC. 31, 2024	AUTHORIZED 2025	BANS ISSUED	OTHER FUNDING	AUTHORIZATIONS CANCELED	BALANCE DEC. 31, 2025
	<u>General Improvements</u>						
16-20	Various Capital Improvements	\$ 1,024,623.07				\$ 167,682.51	\$ 856,940.56
17-32	Sewer Improvements	15,000.00			\$ 6,714.50	8,285.50	
17-37	Various Capital Improvements	289,837.65				55,599.88	234,237.77
17-38	Various Library Improvements	5,000.00			5,000.00		
18-07	Various Capital Improvements	2,915,640.78				2,844.53	2,912,796.25
18-10	Sewer and Road Reconstruction	14,901.00			6,675.41	8,225.59	
19-18	Library Improvements	50.00			50.00		
19-20	Sanitary Sewer and Road Improvements	15,000.00			6,647.00	8,353.00	
19-21	Various Capital Improvements	985,307.40			51,725.00	387,978.47	545,603.93
20-23	Various Capital Improvements	839,999.89					839,999.89
20-32	Various Capital Improvements	150,721.16					150,721.16
21-21	Various Capital Improvements	3,408,852.09			743,348.84	1,925.84	2,663,577.41
21-22	Various Library Improvements	84,300.00			80,900.00	3,400.00	
21-30	Implementation of an Affordable Ho. Project	100,000.00			45,000.00		55,000.00
22-18	Various Sewer & Road Improvements	4,200,000.00					4,200,000.00
22-19	Various Capital Improvements	5,032,501.33			1,551,102.89	808.09	3,480,590.35
22-21	Library Improvements	600.00			600.00		
22-28	Various Capital Improvements	800,000.00					800,000.00
23-17	Various Sewer Improvements	2,400,000.00					2,400,000.00
23-19	Various Capital Improvements	5,833,583.93					5,833,583.93
23-20	Open Space Improvements	1,425,000.00				23,016.10	1,401,983.90
23-21	Various Capital Improvements	4,466,737.00				13,210.39	4,453,526.61
24-14	Various Capital Improvements	13,262,662.20				298.56	13,262,363.64
24-16	Open Space Improvements	513,000.00					513,000.00
24-17	NJ I-Bank Sewer Improvements	13,550,000.00					13,550,000.00
24-33	Replacement of Municipal Building HVAC	1,140,000.00					1,140,000.00
24-34	Acquisition of Property	49,500,000.00		\$ 46,000,000.00			3,500,000.00
25-06	Open Space Improvements		\$ 584,250.00				584,250.00
25-07	Various Capital Improvements		12,694,770.00		736,250.00	2,035.05	11,956,484.95
		<u>\$ 111,973,317.50</u>	<u>\$ 13,279,020.00</u>	<u>\$ 46,000,000.00</u>	<u>\$ 3,234,013.64</u>	<u>\$ 683,663.51</u>	<u>\$ 75,334,660.35</u>

REF. C C-4, C-8 C-17 C-4 C

	REF.	
Budget Appropriation	C-3, C-4	\$ 500,000.00
Other	C-4	1,932,910.75
NJIB Payments	C-3	801,102.89
		<u>\$ 3,234,013.64</u>

PRINCETON
MERCER COUNTY, NEW JERSEY

AFFORDABLE HOUSING UTILITY FUND
 STATEMENT OF CASH AND EQUIVALENTS - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF</u>	<u>OPERATING FUND</u>	<u>CAPITAL FUND</u>
Balance - December 31, 2024	D	\$ 2,694,466.93	\$ 118,969.04
Increased by Receipts:			
Affordable Housing Fees	D-3	\$ 153,500.00	
Municipal Contribution	D-3	100,000.00	
Affordable Housing Reserve	D-3	331,509.00	
Misc. Rev. Not Anticipated	D-1	44,995.29	
Accounts Receivable	D-7	10,004.68	
Program Reserves	D-8	<u>1,708,340.56</u>	
		<u>2,348,349.53</u>	<u>-</u>
		5,042,816.46	118,969.04
Decreased by Disbursements:			
Budget Expenditures	D-4	469,325.10	
Program Reserves	D-8	<u>555,677.92</u>	
		<u>1,025,003.02</u>	<u>-</u>
Balance - December 31, 2025	D	<u><u>\$ 4,017,813.44</u></u>	<u><u>\$ 118,969.04</u></u>

PRINCETON
MERCER COUNTY, NEW JERSEY

AFFORDABLE HOUSING UTILITY FUND
ANALYSIS OF CAPITAL CASH AND INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

			BALANCE	BALANCE
		<u>REF</u>	<u>DEC. 31, 2025</u>	<u>DEC. 31, 2024</u>
Fund Balance		D	\$ 51,266.99	\$ 51,266.99
ORD.				
<u>NO.</u>	<u>IMPROVEMENT AUTHORIZATIONS</u>			
	<u>General Improvements</u>			
89-37	Various Capital Improvements	D	<u>67,702.05</u>	<u>67,702.05</u>
		D	<u>\$ 118,969.04</u>	<u>\$ 118,969.04</u>

PRINCETON
MERCER COUNTY, NEW JERSEY

AFFORDABLE HOUSING UTILITY OPERATING FUND
SCHEDULE OF PROGRAM ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF.</u>	<u>Total</u>	<u>234 Brickhouse</u>	<u>Down Payment Assistance Program</u>	<u>Rehabilitation Mortgage Loan</u>
Balance - December 31, 2024	D	\$ 455,269.35	\$ 5,105.63	\$ 260,882.09	\$ 189,281.63
Increased by:					
Homeowner Loans	Reserve	<u>69,490.00</u>		<u>69,490.00</u>	
		524,759.35	5,105.63	330,372.09	189,281.63
Decreased by:					
Cash Receipts	D-5, D-8	<u>10,004.68</u>		<u>10,004.68</u>	
Balance - December 31, 2025	D	<u>\$ 514,754.67</u>	<u>\$ 5,105.63</u>	<u>\$ 320,367.41</u>	<u>\$ 189,281.63</u>

PRINCETON
MERCER COUNTY, NEW JERSEY

AFFORDABLE HOUSING OPERATING FUND
SCHEDULE OF PROGRAM RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>BALANCE</u> <u>DEC. 31, 2024</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>BALANCE</u> <u>DEC. 31, 2025</u>
Reserve for Affordable Housing Rehabilitation Program	\$ 657,421.91	\$ 41,664.33	\$ 18,763.92	\$ 680,322.32
Reserve for Unit Repurchases	417,764.28		36,090.00	381,674.28
Affordability Assistance	189,458.33	159,407.91		348,866.24
Section 10B:340 Housing	239,546.47	13,801.68		253,348.15
	<u>934,206.93</u>	<u>1,517,273.00</u>	<u>501,724.00</u>	<u>1,949,755.93</u>
	<u>\$ 2,438,397.92</u>	<u>\$ 1,732,146.92</u>	<u>\$ 556,577.92</u>	<u>\$ 3,613,966.92</u>
<u>REF</u>	D			D
Cash Receipts	D-5	\$ 1,708,340.56		
Charges to Budget Appropriations	D-4	13,801.68		
Accounts Receivable Collected	D-7	<u>10,004.68</u>		
		<u>\$ 1,732,146.92</u>		
Canceled to Fund Balance	D-1		\$ 900.00	
Cash Disbursed	D-5		<u>555,677.92</u>	
			<u>\$ 556,577.92</u>	

PRINCETON
MERCER COUNTY, NEW JERSEY

AFFORDABLE HOUSING UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2025

ORD. NO.	IMPROVEMENT DESCRIPTION	<u>ORDINANCE</u>		<u>BALANCE- DEC. 31, 2024 FUNDED</u>	<u>BALANCE- DEC. 31, 2025 FUNDED</u>
		<u>DATE</u>	<u>AMOUNT</u>		
	<u>General Improvements:</u>				
89-37	Financing of Affordable Housing Program	10/4/1989	<u>\$ 5,891,938.00</u>	<u>\$ 67,702.05</u>	<u>\$ 67,702.05</u>
			<u>\$ 5,891,938.00</u>	<u>\$ 67,702.05</u>	<u>\$ 67,702.05</u>
		<u>REF.</u>		D	D

PRINCETON
MERCER COUNTY, NEW JERSEY

PARKING UTILITY CAPITAL FUND
 ANALYSIS OF PARKING UTILITY CAPITAL CASH AND INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>BALANCE</u> <u>DEC. 31, 2025</u>	<u>BALANCE</u> <u>DEC. 31, 2024</u>
Fund Balance	\$ 56,457.61	\$ 56,457.61
Reserve for Encumbrances	67,056.56	66,096.13
ORD.		
<u>NO.</u>	<u>IMPROVEMENT AUTHORIZATIONS</u>	
16-21	Facility Repairs, Van Acquisition	19,860.00
21-24	Various Capital Improvements	61,740.48
23-18	Various Capital Improvements	302,391.84
24-15	Various Capital Improvements	427,289.90
25-05	Various Capital Improvements	13,126.37
	<u>\$ 947,922.76</u>	<u>\$ 267,559.52</u>
	<u>REF.</u>	<u>E</u>

() Denotes Deficit

PRINCETON
MERCER COUNTY, NEW JERSEY

PARKING UTILITY FUND
SCHEDULE OF PARKING UTILITY CASH AND EQUIVALENTS - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF</u>	<u>OPERATING FUND</u>	<u>CAPITAL FUND</u>
Balance - December 31, 2024	E	\$ 4,255,260.51	\$ 267,559.52
Increased by:			
Misc. Revenue Not Anticipated	E-1	\$ 1,754.00	
Misc. Revenue Anticipated:			
Parking Fees	E-3	5,805,842.88	
Interest	E-3	153,175.53	
Funding by Budget Appropriation	E-18		<u>\$ 750,000.00</u>
		<u>5,960,772.41</u>	<u>750,000.00</u>
		10,216,032.92	1,017,559.52
Decreased by:			
Budget Appropriations	E-4	5,724,348.68	
Appropriation Reserves	E-7	59,220.32	
Accrued Interest	E-10	57,000.00	
Improvement Authorizations	E-11		<u>69,636.76</u>
		<u>5,840,569.00</u>	<u>69,636.76</u>
Balance - December 31, 2025	E	<u>\$ 4,375,463.92</u>	<u>\$ 947,922.76</u>

PRINCETON
MERCER COUNTY, NEW JERSEY

PARKING UTILITY OPERATING FUND
SCHEDULE OF 2024 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>BALANCE - DEC. 31, 2024</u>		<u>BALANCE AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
	<u>RESERVED</u>	<u>ENCUMBERED</u>			
Operating:					
Salaries and Wages	\$ 234,393.14		\$ 234,393.14		\$ 234,393.14
Other Expenses	330,842.64	\$ 70,617.54	401,460.18	\$ 59,220.32	342,239.86
	<u>\$ 565,235.78</u>	<u>\$ 70,617.54</u>	<u>\$ 635,853.32</u>	<u>\$ 59,220.32</u>	<u>\$ 576,633.00</u>
<u>REF.</u>	E	E-8		E-6	E-1

PRINCETON
MERCER COUNTY, NEW JERSEY

PARKING UTILITY FUND
SCHEDULE OF ENCUMBRANCES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF.</u>	<u>OPERATING FUND</u>	<u>CAPITAL FUND</u>
Balance - December 31, 2024	E	\$ 70,617.54	\$ 66,096.13
Increased by:			
Charges to 2025 Budget Appropriations	E-4	97,161.48	
Charges to Improvement Authorization	E-11		67,056.56
		<u>167,779.02</u>	<u>133,152.69</u>
Decreased by:			
Transferred to Appropriation Reserves	E-7	70,617.54	
Transferred to Improvement Authorization	E-11		66,096.13
Balance - December 31, 2025	E	<u>\$ 97,161.48</u>	<u>\$ 67,056.56</u>

PARKING UTILITY OPERATING FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF.</u>	
Balance - December 31, 2024	E	\$ 4,873.39
Decreased by:		
Canceled to Fund Balance	E-1	<u>4,873.39</u>
Balance - December 31, 2025	E	<u>\$ -</u>

PRINCETON
MERCER COUNTY, NEW JERSEY

PARKING UTILITY OPERATING FUND
 SCHEDULE OF ACCRUED INTEREST ON SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF.</u>	
Balance - December 31, 2024	E	\$ 21,375.00
Increased by:		
2025 Budget Charges	E-4	<u>50,700.00</u>
		72,075.00
Decreased by:		
Interest Paid	E-6	<u>57,000.00</u>
Balance - December 31, 2025	E	<u><u>\$ 15,075.00</u></u>

Analysis of Balance

	<u>Principal Balance Dec. 31, 2025</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
	<u>Bonds</u>					
\$	815,000.00	2.000%	08/15/25	12/31/25	4.5 Mos.	\$ 6,112.50
	805,000.00	2.000%	08/15/25	12/31/25	4.5 Mos.	6,037.50
	<u>780,000.00</u>	1.000%	08/15/25	12/31/25	4.5 Mos.	<u>2,925.00</u>
	<u><u>\$ 2,400,000.00</u></u>					<u><u>\$ 15,075.00</u></u>

PRINCETON
MERCER COUNTY, NEW JERSEY

PARKING UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2025

ORD. NO.	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE - DEC. 31, 2024		ENCUMBERED DEC. 31, 2024	2025 AUTHORIZATION	PAID OR CHARGED	ENCUMBERED DEC. 31, 2025	BALANCE - DEC. 31, 2025		
		DATE	AMOUNT	FUNDED	UNFUNDED					FUNDED	UNFUNDED	
<u>General Improvements:</u>												
15-08	Various Improvements	04/27/15	\$ 495,000.00			\$ 4,820.76			\$ 4,820.76			
16-21	Facility Repairs, Van Acquisition	04/15/16	203,000.00		\$ 19,860.00					\$ 19,860.00		
21-24	Various Capital Improvements	07/26/21	630,000.00		80,383.99	28,385.09		\$ 41,528.60	5,500.00	61,740.48		
23-18	Various Capital Improvements	06/12/23	360,000.00		302,391.52	32,890.28		27,508.16	5,381.80	302,391.84		
24-15	Various Capital Improvements	04/08/24	511,000.00		478,643.90				51,354.00	427,289.90		
25-05	Various Capital Improvements	03/24/25	246,000.00				\$ 246,000.00	600.00		13,126.37	\$ 232,273.63	
				<u>\$ -</u>		<u>\$ 881,279.41</u>	<u>\$ 66,096.13</u>	<u>\$ 246,000.00</u>	<u>\$ 69,636.76</u>	<u>\$ 67,056.56</u>	<u>\$ 824,408.59</u>	<u>\$ 232,273.63</u>
<u>REF.</u>			E	E		E-8	E-13, E-18	E-6	E-8	E	E	

PRINCETON
MERCER COUNTY, NEW JERSEY

PARKING UTILITY CAPITAL FUND
 SCHEDULE OF FIXED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF.</u>	
Balance - December 31, 2024	E	\$ 16,116,341.87
Increased by:		
Transfer from Fixed Capital Authorized and Uncompleted	E-13	<u>525,551.00</u>
Balance - December 31, 2025	E	<u><u>\$ 16,641,892.87</u></u>

PRINCETON
MERCER COUNTY, NEW JERSEY
 PARKING UTILITY CAPITAL FUND
 SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
FOR THE YEAR ENDED DECEMBER 31, 2025

ORD. <u>NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>ORDINANCE</u>		<u>BALANCE</u>	<u>2025</u>	<u>COMPLETED</u>	<u>BALANCE</u>
		<u>DATE</u>	<u>AMOUNT</u>	<u>DEC. 31, 2024</u>	<u>AUTHORIZATION</u>		<u>DEC. 31, 2025</u>
<u>General Improvements:</u>							
15-08	Various Improvements	04/27/15	\$ 495,000.00	\$ 168,219.07			\$ 168,219.07
16-21	Facility Repairs, Van Acquisition	04/15/16	203,000.00	135,864.65			135,864.65
18-09	Various Capital Improvements	04/09/18	1,583,000.00	525,551.00		\$ 525,551.00	
21-24	Various Capital Improvements	07/26/21	630,000.00	14,726.37			14,726.37
23-18	Various Capital Improvements	06/12/23	360,000.00	225,273.63			225,273.63
24-15	Various Capital Improvements	04/08/24	511,000.00	511,000.00			511,000.00
25-05	Various Capital Improvements	03/24/25	246,000.00		\$ 246,000.00		246,000.00
				<u>\$ 1,580,634.72</u>	<u>\$ 246,000.00</u>	<u>\$ 525,551.00</u>	<u>\$ 1,301,083.72</u>
		<u>REF.</u>		E	E-11	E-12	E

PRINCETON
MERCER COUNTY, NEW JERSEY

PARKING UTILITY CAPITAL FUND
 SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>REF.</u>	
Balance - December 31, 2024	E	\$ 13,416,619.24
Increased by:		
Payment of Bonds	E-17	\$ 840,000.00
Budget Appropriations	E-18	<u>750,000.00</u>
		<u>1,590,000.00</u>
Balance - December 31, 2025	E	<u>\$ 15,006,619.24</u>

PRINCETON
MERCER COUNTY, NEW JERSEY

PARKING UTILITY CAPITAL FUND
 SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2025

ORD. NO.	<u>IMPROVEMENT DESCRIPTION</u>	<u>ORDINANCE</u>		<u>BALANCE</u> DEC. 31, 2024	<u>BALANCE</u> DEC. 31, 2025
		<u>DATE</u>	<u>AMOUNT</u>		
<u>General Improvements:</u>					
15-08	Various Improvements	04/27/15	\$ 495,000.00	\$ 168,219.07	\$ 168,219.07
16-21	Facility Repairs, Van Acquisition	04/15/16	203,000.00	<u>135,864.65</u>	<u>135,864.65</u>
				<u>\$ 304,083.72</u>	<u>\$ 304,083.72</u>
			<u>REF.</u>	E	E

PRINCETON
MERCER COUNTY, NEW JERSEY

PARKING UTILITY OPERATING FUND
SCHEDULE OF RESERVE FOR SECURITY DEPOSITS
FOR THE YEAR ENDED DECEMBER 31, 2025

REF.

Balance - December 31, 2025 and 2024	E	<u>\$ 4,166.66</u>
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PRINCETON
MERCER COUNTY, NEW JERSEY

PARKING UTILITY CAPITAL FUND
 SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2025

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING - DEC. 31, 2025</u>		<u>INTEREST RATE</u>	<u>BALANCE DEC. 31, 2024</u>	<u>DECREASED</u>	<u>BALANCE DEC. 31, 2025</u>
			<u>DATE</u>	<u>AMOUNT</u>				
Parking Utility Refunding Bonds	05/19/21	\$ 5,805,000.00	8/15/2026	\$ 815,000.00	2.00%			
			8/15/2027	805,000.00	2.00%			
			8/15/2028	780,000.00	1.00%	<u>\$ 3,240,000.00</u>	<u>\$ 840,000.00</u>	<u>\$ 2,400,000.00</u>
						<u>\$ 3,240,000.00</u>	<u>\$ 840,000.00</u>	<u>\$ 2,400,000.00</u>
					<u>REF.</u>	E	E-14	E

PRINCETON
MERCER COUNTY, NEW JERSEY

PARKING UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES
AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2025

<u>ORD.</u> <u>NO.</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE</u> <u>DEC. 31, 2024</u>	<u>2025</u> <u>AUTHORIZED</u>	<u>OTHER</u> <u>FUNDING</u>	<u>BALANCE</u> <u>DEC. 31, 2025</u>
<u>General Improvements</u>					
23-18	Various Capital Improvements	\$ 225,273.63		\$ 225,273.63	
24-15	Various Capital Improvements	511,000.00		511,000.00	
25-05	Various Capital Improvements		\$ 246,000.00	13,726.37	\$ 232,273.63
		<u>\$ 736,273.63</u>	<u>\$ 246,000.00</u>	<u>\$ 750,000.00</u>	<u>\$ 232,273.63</u>
<u>REF.</u>		E	E-11	E-6	E

**PRINCETON
MERCER COUNTY, NEW JERSEY**

PART III

**SINGLE AUDIT SECTION
YEAR ENDED DECEMBER 31, 2025**



**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 AUDITORS' REPORT

**Honorable Mayor and Members
of the Princeton Council
Municipality of Princeton
Princeton, New Jersey**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), the regulatory basis financial statements of the Municipality of Princeton, County of Mercer, New Jersey (the "Municipality") as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements, and have issued our report thereon dated July 2, 2026 in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the financial reporting provisions of the Division.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Municipality's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances 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 Municipality's internal control. Accordingly, we do not express an opinion on the effectiveness of the Municipality's internal control.

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 Municipality'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 than a material weakness, yet important enough to merit attention by those charged with governance.

PKF O'CONNOR DAVIES, LLP
20 Commerce Drive, Suite 301, Cranford, NJ 07016 | Tel: 908.272.6200 | Fax: 908.272.2416 | www.pkfod.com

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**Honorable Mayor and Members
of the Princeton Council
Municipality of Princeton**

Page 2

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Municipality's financial statements are free from 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and the requirements of the Division.

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 Municipality'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 Municipality's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP

Cranford, New Jersey
July 2, 2026

David J. Gannon

David J. Gannon, CPA
Registered Municipal Accountant, No. 520



**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
AS REQUIRED BY NEW JERSEY OMB CIRCULAR 25-12**

INDEPENDENT AUDITORS' REPORT

**Honorable Mayor and Members
of the Princeton Council
Municipality of Princeton
Princeton, New Jersey**

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Municipality of Princeton, County of Mercer, New Jersey (the "Municipality") compliance with the types of compliance requirements identified as subject to audit in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Municipality's major state programs for the year ended December 31, 2025. The Municipality's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Municipality complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2025.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); the audit requirements of New Jersey OMB Circular 25-12 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards and New Jersey OMB Circular 25-12 are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report. We are required to be independent of the Municipality and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the Municipality's compliance with the compliance requirements referred to above.

PKF O'CONNOR DAVIES, LLP
20 Commerce Drive, Suite 301, Cranford, NJ 07016 | Tel: 908.272.6200 | Fax: 908.272.2416 | www.pkfod.com

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**Honorable Mayor and Members
of the Princeton Council
Municipality of Princeton**

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Municipality's state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Municipality's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and New Jersey OMB Circular 25-12 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error; as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Municipality's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and New Jersey OMB Circular 25-12, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Municipality's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Municipality's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with New Jersey OMB Circular 25-12, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Honorable Mayor and Members
of the Princeton Council
Municipality of Princeton**

Page 3

Report on 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 state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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 state 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 state 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.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 New Jersey OMB Circular 25-12. Accordingly, this report is not suitable for any other purpose.

PKF O'Connor Davies, LLP

Cranford, New Jersey
July 2, 2026

David J. Gannon

David J. Gannon, CPA
Registered Municipal Accountant, No. 520

PRINCETON
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2025

State Funding Department and Description	Grant/Project Number	Grant Period	Award Amount	Expenditures	Memo Cumulative Expenditures
<u>Department of Transportation</u>					
Transportation Trust Fund:					
Municipal Aid Program (Alexander, Dickinson & University Pl)	480-078-6320-APE	2023	\$ 724,820.00	\$ 724,820.00	\$ 724,820.00
Municipal Aid Program (Mount Lucas Road)	480-078-6320-APR	2024	526,581.00	415,512.76	415,512.76
Safe Streets to Transit Program (Terhune Road)	100-078-6200-CQQ	2023	636,000.00	590,200.27	636,000.00
Bikeway Program (Cherry Hill Road)	100-078-6200-CQQ	2023	750,000.00	646,373.41	646,373.41
Subtotal				<u>2,376,906.44</u>	<u>2,422,706.17</u>
NJ Transportation Infrastructure Bank Financing Program: Witherspoon Street Improvement	TB1110-001	2024	5,149,010.25	600,827.17	3,770,639.22
Total Department of Transportation				<u>2,977,733.61</u>	<u>6,193,345.39</u>
<u>Department of Environmental Protection</u>					
Clean Community Program	765-042-4900-004	2020	58,083.19	33,248.12	58,083.19
Clean Community Program	765-042-4900-004	2021	61,806.88	61,806.88	61,806.88
Clean Community Program	765-042-4900-004	2022	62,396.94	23,544.87	23,544.87
Subtotal				<u>118,599.87</u>	<u>143,434.94</u>
Recycling Tonnage Grant	100-042-4910-224	Prior	289,753.11	37,506.79	235,669.23
Food Waste Recycling Grant	N/A	Prior	20,000.00	3,250.00	3,250.00
NJ Infrastructure Bank Financing Program: Witherspoon Street Improvement	TB1110-001	2024	1,716,336.75	200,275.72	1,256,879.74
Total Department of Environmental Protection				<u>359,632.38</u>	<u>1,639,233.91</u>
<u>Department of Law and Public Safety</u>					
Body Amor Replacement Program	718-066-1020-001	2025	4,057.46	3,296.60	3,296.60
Drunk Driving Enforcement Fund	100-066-6400-078	2021	14,924.70	3,475.68	10,404.38
Body Worn Camera Grant	100-066-1020-495	2021	108,014.00	108,014.00	108,014.00
Total Department of Law and Public Safety				<u>114,786.28</u>	<u>121,714.98</u>
<u>Department of Health and Human Services</u>					
Strengthening Local Public Health Outbreak Preparedness	100-046-4230-540	2024	29,462.00	14,731.05	29,462.00
Public Health Infectious Disease Control	100-046-4230-540	2025	22,254.00	11,128.00	11,128.00
Total Department of Health and Human Services				<u>25,859.05</u>	<u>40,590.00</u>
<u>Department of Community Affairs</u>					
First Responder Radios	09076-0154-00	2024	220,000.00	221,848.40	221,848.40
Local Recreational Improvements	04960-0961-00	2024	65,000.00	65,000.00	65,000.00
Food Insecurity Issues Grant	N/A	2025	60,000.00	4,371.60	4,371.60
Total Department of Community Affairs				<u>291,220.00</u>	<u>291,220.00</u>
Total State Financial Assistance				<u>\$ 3,769,231.32</u>	<u>\$ 8,286,104.28</u>

See Notes to Schedules of Expenditures of State Financial Assistance

PRINCETON
MERCER COUNTY, NEW JERSEY

NOTES TO SCHEDULE OF EXPENDITURES OF
STATE FINANCIAL ASSISTANCE
DECEMBER 31, 2025

1. GENERAL

The accompanying schedule of expenditures of state financial assistance presents the activity of all state financial assistance programs of the Municipality of Princeton ("Municipality"). The Municipality is defined in Note 1 to the Municipality's financial statements. To the extent identified, the state financial assistance received directly from state agencies, as well as the state financial assistance that passed through other governmental agencies are included on the schedule of expenditures of state financial assistance.

2. BASIS OF ACCOUNTING

The accompanying schedules are presented using the regulatory basis of accounting as prescribed or permitted for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. This basis of accounting is described in Note 2 to the Municipality's financial statements.

3. RELATIONSHIP TO BASIC REGULATORY BASIS FINANCIAL STATEMENTS

Unless specifically noted, the amounts reported in the accompanying schedules agree with the amounts reported in the Municipality's financial statements.

4. RELATIONSHIP TO STATE FINANCIAL REPORTS

Unless specifically required, the amounts reported in the accompanying schedule agree with the amounts reported in the related state financial reports, where required.

5. INDIRECT COST RATE

The Municipality has elected not to use the fifteen percent de minimis indirect cost rate as allowed by New Jersey OMB Circular 25-12.

PRINCETON
MERCER COUNTY, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2025

Financial Statement Section

Type of auditors' report issued: Unmodified – Regulatory Basis

Internal Control over financial reporting:

Material weakness(es) identified?	_____	Yes	_____ X _____	No
Significant deficiency(ies) identified?	_____	Yes	_____ X _____	None Reported
Noncompliance material to the financial statements noted?	_____	Yes	_____ X _____	No

State Financial Assistance

Dollar threshold used to distinguish between type A and B programs: \$1,000,000.00

Auditee qualified as low-risk auditee? X Yes _____ No

Internal Control over major programs:

Material weakness(es) identified?	_____	Yes	_____ X _____	No
Significant deficiency(ies) identified?	_____	Yes	_____ X _____	None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with New Jersey OMB Circular 25-12? _____ Yes X No

Identification of State major programs:

<u>GMIS/Program Number(s)</u>	<u>Name of State Program or Cluster</u>
480-078-6320 / 100-078-6200	N.J. Department of Transportation: Transportation Trust Fund

PRINCETON
MERCER COUNTY, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2025

Part II – Schedule of Financial Statement Findings

No financial statement findings noted that are required to be reported under *Government Auditing Standards*.

PRINCETON
MERCER COUNTY, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2025

Part III – Schedule of State Financial Assistance Findings and Questioned Costs

No instances of non-compliance were noted during our audit.

**PRINCETON
MERCER COUNTY, NEW JERSEY**

PART IV

**SUPPLEMENTARY DATA
YEAR ENDED DECEMBER 31, 2025**

PRINCETON
MERCER COUNTY, NEW JERSEY

COMBINED BALANCE SHEET - ALL FUNDS
DECEMBER 31, 2025

	CURRENT FUND	TRUST FUNDS	GENERAL CAPITAL FUND	AFFORDABLE HOUSING UTILITY FUNDS	PARKING UTILITY FUNDS	GOVERNMENTAL FIXED ASSETS	MEMORANDUM ONLY TOTALS	
							DEC. 31, 2025	DEC. 31, 2024
ASSETS								
Cash and Equivalents	\$ 43,935,982.25	\$ 24,742,050.55	\$ 13,717,856.79	\$ 4,136,782.48	\$ 5,323,386.68		\$ 91,856,058.75	\$ 95,474,213.39
Public and Private Funding Receivable	1,632,584.78		8,311,412.34				9,943,997.12	13,174,509.64
Receivables and Other Assets:								
Delinquent Property Taxes	1,454,324.39						1,454,324.39	1,593,581.58
Assessments Receivable		84,715.92					84,715.92	113,438.26
Tax Title and Assessment Liens Rec.	219,406.05						219,406.05	206,533.60
Other Accounts Receivable	179,822.60			514,754.67			694,577.27	635,415.82
Interfunds Receivable	1,028.54						1,028.54	1,403.05
Property Acquired for Taxes	634,400.00						634,400.00	634,400.00
Due from State of NJ Sr. Citiz/Vet.	1,085.61						1,085.61	1,085.61
Prospective Assessments Funded		848,527.10					848,527.10	848,527.10
Fixed Capital						16,641,892.87	16,641,892.87	16,116,341.87
Fixed Capital Authorized and Uncompleted						1,301,083.72	1,301,083.72	1,580,634.72
Deferred Charge to Future Taxation:								
Funded			75,734,828.14				75,734,828.14	84,910,778.08
Unfunded			127,834,660.35				127,834,660.35	121,073,317.50
Governmental Fixed Assets						\$ 210,515,618.00	210,515,618.00	206,447,418.00
	<u>\$ 48,058,634.22</u>	<u>\$ 25,675,293.57</u>	<u>\$ 225,598,757.62</u>	<u>\$ 4,651,537.15</u>	<u>\$ 23,266,363.27</u>	<u>\$ 210,515,618.00</u>	<u>\$ 537,766,203.83</u>	<u>\$ 542,811,598.22</u>
LIABILITIES, RESERVES AND FUND BALANCE								
Tax and Utility Overpayments	\$ 11,325.55						\$ 11,325.55	\$ 3,875.44
Appropriation Reserves	5,744,237.16				\$ 289,489.84		6,033,727.00	6,817,301.11
Prepaid Taxes and Utility Charges	1,953,586.36						1,953,586.36	1,730,169.75
Federal and State Grants:								
Appropriated Reserves	3,013,258.74						3,013,258.74	2,817,570.62
Unappropriated Reserves	17,978.69						17,978.69	10,592.63
Encumbrances	383,097.39						383,097.39	738,998.16
Due County for Added Taxes	298,006.76						298,006.76	288,525.06
Due County for PILOT								38,873.00
Due to State of New Jersey	35,009.00						35,009.00	45,425.00
Reserve for Future Debt Service			\$ 1,620,722.06				1,620,722.06	1,043,244.87
Premium on Tax Sale Certificates	642,100.00						642,100.00	731,000.00
Capital Improvement Fund			402,859.39				402,859.39	313,008.39
Specified Reserves	1,367,571.75	\$ 23,578,228.81	10,676,928.50	\$ 3,613,966.92	19,241.66		39,255,937.64	40,250,062.08
Improvement Authorizations			66,077,773.36	67,702.05	1,056,682.22		67,202,157.63	118,682,837.17
Reserve for Encumbrances	1,807,187.57	46,295.42	18,446,323.17		164,218.04		20,464,024.20	17,208,721.85
Prospective Assessments Funded		848,527.10					848,527.10	848,527.10
Interfunds Payable		1,028.54					1,028.54	1,403.05
Serial Bonds Payable			68,815,000.00		2,400,000.00		71,215,000.00	81,560,000.00
Bond Anticipation Notes			52,500,000.00				52,500,000.00	9,100,000.00
Infrastructure Loans			608,916.90				608,916.90	935,545.70
Reserve for Receivables	2,488,981.58			514,754.67			3,003,736.25	3,071,334.05
Reserve for Amortization					15,310,702.96		15,310,702.96	13,720,702.96
Other Payables	346,911.15	301,270.04	6,310,911.24				6,959,092.43	6,008,280.12
Investment in Fixed Assets						\$ 210,515,618.00	210,515,618.00	206,447,418.00
Fund Balance	29,949,382.52	899,943.66	139,323.00	455,113.51	4,026,028.55		35,469,791.24	30,398,182.11
	<u>\$ 48,058,634.22</u>	<u>\$ 25,675,293.57</u>	<u>\$ 225,598,757.62</u>	<u>\$ 4,651,537.15</u>	<u>\$ 23,266,363.27</u>	<u>\$ 210,515,618.00</u>	<u>\$ 537,766,203.83</u>	<u>\$ 542,811,598.22</u>

COMPARATIVE STATEMENTS OF OPERATIONS AND
CHANGES IN FUND BALANCE - CURRENT FUND

Revenue and Other <u>Income Realized</u>	Year 2025		Year 2024	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Fund Balance Utilized	\$ 11,750,000.00	4.74	\$ 10,750,000.00	4.55
Miscellaneous - From Other Than Local Property Tax Levies	31,575,397.23	12.75	28,255,341.28	11.95
Collection of Delinquent Taxes and Tax Title Liens	2,059,912.01	0.84	1,570,011.73	0.66
Collection of Current Tax Levy	196,689,165.71	79.41	190,036,157.90	80.37
Other Credits to Income	5,602,976.38	2.26	5,849,941.58	2.47
Total Income	247,677,451.33	100.00	236,461,452.49	100.00
 <u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	75,609,924.37	32.70	71,602,341.97	32.20
County Taxes	59,481,385.64	25.72	58,970,023.81	26.51
Local School Taxes	94,470,953.00	40.86	90,175,525.00	40.54
Municipal Open Space Taxes	1,221,535.00	0.53	1,214,081.00	0.55
Special Improvement District Taxes	446,322.00	0.19	407,363.00	0.17
Other Expenditures	1,028.54	0.00	67,443.22	0.03
Total Expenditures	231,231,148.55	100.00	222,436,778.00	100.00
Statutory Excess to Fund Balance	16,446,302.78		14,024,674.49	
Fund Balance - January 1	25,253,079.74		21,978,405.25	
	41,699,382.52		36,003,079.74	
Less:				
Utilization as Anticipated Revenue	11,750,000.00		10,750,000.00	
Fund Balance - December 31	\$ 29,949,382.52		\$ 25,253,079.74	

COMPARATIVE STATEMENTS OF OPERATIONS AND
CHANGES IN FUND BALANCE - AFFORDABLE HOUSING UTILITY OPERATING FUND

Revenue and Other Income Realized	Year 2025		Year 2024	
	Amount	%	Amount	%
Miscellaneous Revenues Anticipated	\$ 585,009.00	92.73	\$ 580,000.00	95.45
Other Credits to Income	45,895.29	7.27	27,654.85	4.55
Total Income	630,904.29	100.00	607,654.85	100.00
<u>Expenditures</u>				
Budget Expenditures:				
Operating	483,126.78	100.00	351,585.84	100.00
Total Expenditures	483,126.78	100.00	351,585.84	100.00
Statutory Excess to Fund Balance	147,777.51		256,069.01	
Fund Balance - January 1	256,069.01		1,224,338.43	
	403,846.52		1,480,407.44	
Decreased by:				
Municipal Contribution			1,224,338.43	
Fund Balance - December 31	\$ 403,846.52		\$ 256,069.01	

COMPARATIVE STATEMENTS OF OPERATIONS AND
CHANGES IN FUND BALANCE - PARKING UTILITY OPERATING FUND

Revenue and Other <u>Income Realized</u>	Year 2025		Year 2024	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Fund Balance Utilized	\$ 975,000.00	12.97	\$ 958,000.00	13.60
Miscellaneous Revenues Anticipated	5,959,018.41	79.28	5,763,120.20	81.82
Other Credits to Income	<u>583,260.39</u>	<u>7.75</u>	<u>321,977.52</u>	<u>4.58</u>
Total Income	<u>7,517,278.80</u>	<u>100.00</u>	<u>7,043,097.72</u>	<u>100.00</u>
<u>Expenditures</u>				
Budget Expenditures:				
Operating	2,721,000.00	44.16	2,618,700.00	42.92
Debt Service	890,700.00	14.46	932,812.50	15.29
Deferred Charges	750,000.00	12.17	750,000.00	12.29
Surplus - General Budget	<u>1,800,000.00</u>	<u>29.21</u>	<u>1,800,000.00</u>	<u>29.50</u>
Total Expenditures	<u>6,161,700.00</u>	<u>100.00</u>	<u>6,101,512.50</u>	<u>100.00</u>
Statutory Excess to Fund Balance	1,355,578.80		941,585.22	
Fund Balance - January 1	<u>3,588,992.14</u>		<u>3,605,406.92</u>	
	4,944,570.94		4,546,992.14	
Less:				
Utilization as Anticipated Revenue	<u>975,000.00</u>		<u>958,000.00</u>	
Fund Balance - December 31	<u>\$ 3,969,570.94</u>		<u>\$ 3,588,992.14</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<u>Tax Rate:</u>	<u>\$2.733</u>	<u>\$2.663</u>	<u>\$2.514</u>	<u>\$2.432</u>	<u>\$2.439</u>
<u>Apportionment of Tax Rate:</u>					
Municipal (1)	\$0.594	\$0.578	\$0.553	\$0.524	\$0.511
County (2)	\$0.824	\$0.822	\$0.725	\$0.710	\$0.728
Local School	\$1.315	\$1.263	\$1.236	\$1.198	\$1.200

(1) Includes Municipal Open Space and Library Tax Rates

(2) Includes County Open Space Tax Rate

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<u>Assessed Valuation:</u>	<u>\$ 7,185,501,008</u>	<u>\$ 7,141,653,414</u>	<u>\$ 7,120,124,709</u>	<u>\$ 7,238,721,255</u>	<u>\$ 7,210,186,149</u>

Note: Under the provisions of Chapter 73, L. 1976 (R.S. 54:4-46.1), the Mercer County Board of Taxation estimated the amount of approved Veterans' and Senior Citizens' tax deductions, etc. to be \$40,000 for the year 2025.

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>Year</u>	<u>Tax Levy</u>	<u>CURRENTLY</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2025	\$ 198,227,410	\$ 196,689,166	99.22%
2024	191,960,031	190,036,158	99.00%
2023	180,765,399	178,816,988	98.92%
2022	176,850,163	175,206,188	99.07%
2021	176,285,128	175,320,889	99.45%

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 five years.

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2025	\$ 219,406	\$ 1,454,324	\$ 1,673,730	0.84%
2024	206,534	1,593,582	1,800,116	0.94%
2023	421,756	1,580,436	2,002,192	1.11%
2022	207,627	1,564,707	1,772,334	1.00%
2021	165,746	953,393	1,119,139	0.63%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2025	\$ 634,400
2024	634,400
2023	634,400
2022	634,400
2021	634,400

COMPARATIVE SCHEDULE OF FUND BALANCE

	<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
Current Fund	2025	\$ 29,949,383	\$ 12,750,000
	2024	25,253,080	11,750,000
	2023	21,978,405	10,750,000
	2022	18,495,189	8,750,000
	2021	16,850,289	9,075,578
Affordable Housing Utility Operating Fund	2025	403,847	
	2024	256,069	
	2023	1,224,338	
	2022	1,282,544	
	2021	1,088,484	
Parking Utility Operating Fund	2025	3,969,571	975,000
	2024	3,588,992	975,000
	2023	3,605,407	958,000
	2022	3,535,137	786,248
	2021	2,870,939	905,805

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office as at December 31, 2025:

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>
Mark Freda	Mayor	
Mia Sacks	Council President	
David Cohen	Council Member	
Leticia Fraga	Council Member	
Leighton Newlin	Council Member	
Brian McDonald	Council Member	
Michelle Pirone Lambros	Council Member	
Bernard Hvozdovic Jr.	Municipal Administrator	
Dawn Mount	Municipal Clerk	
Neal Snyder	Tax Assessor	
Sandra Webb	Chief Financial Officer	\$ 1,000,000
Tammie Tisdale	Tax Collector, Tax Search Officer	1,000,000
Deanna Stockton	Engineer	
John McCarthy	Municipal Judge	1,000,000
Susan Shapiro	Court Administrator	1,000,000
Catharine Murphy	Deputy Court Administrator	1,000,000

Statutory Bonds listed above issued by MEL JIF and Mid Jersey Municipal JIF.
The Tax Collector bond meets the minimum coverage level promulgated by the
Division of Local Government Services.

**PRINCETON
MERCER COUNTY, NEW JERSEY**

PART V

GENERAL COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2025

PRINCETON
COUNTY OF MERCER, NEW JERSEY
FOR YEAR ENDED DECEMBER 31, 2025

GENERAL COMMENTS

An audit of the financial accounts and transactions of Princeton, County of Mercer, New Jersey, for the year ended December 31, 2025, has been completed. The General Comments are herewith set forth:

Scope of Audit

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

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

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

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

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Municipal Counsel's opinion should be sought before a commitment is made.

The bidding threshold for the period under audit was \$44,000.00 and increased to \$53,000.00, effective July 1, 2025, in accordance with the provisions of N.J.S.A. 40A:11-3c as the Municipality has appointed a Qualified Purchasing Agent.

Purchases, Contracts or Agreements Not Required to be Advertised Per N.J.S.A. 40A:11-6.1

N.J.S.A. 40A:11-6.1 states, "Except contracts which require the performance of professional services, all contracts or agreements which do not require public advertising for bids and the estimated cost or price exceeds fifteen percent of the bid threshold or \$6,600.00 (\$7,950.00, effective July 1, 2025), at least two quotations as to the cost or price, whenever practicable, shall be solicited by the contracting agent, and the contract or agreement shall be made with and awarded to the lowest responsible bidder."

Business Registration Act

Our audit included testing of vendor registration certificates, required pursuant to the Business Registration Act (P.L. 2004, c.57). This statute requires that prior to making payment to any vendor, evidence of vendor registration with the New Jersey Department of Treasury, is provided. Our tests disclosed no matters of noncompliance, particularly relating to vendors for whom a “fair and open” process was not required prior to the issuance of purchase orders. Noncompliance with this provision of law when “fair and open” contracting is required may expose Princeton to legal challenges from unsuccessful bidders, as the failure to provide a business registration certificate is considered to be an uncorrectable, fatal flaw in a bid submission. As part of management’s efforts to document Princeton’s compliance with the provisions of this legislation, vendors were required to submit their certificates prior to the processing of any additional bill payments, and audit tests of the vendor files indicated that certificates had been obtained for all vendors tested.

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body adopted a resolution pursuant to the provisions of R.S. 54:4-67, fixing the rate of 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 an additional penalty of 6% on any delinquency.

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

Investment of Funds

The chief financial officer had most of the funds of Princeton invested in the interest-bearing investments or accounts from January 1, 2025 to December 31, 2025. Earnings from the investments are shown as revenue in the various accounts of as of December 31, 2025. The investment program instituted by the financial officer was complete with minimal balances remaining on non-interest bearing demand accounts. This policy complied with N.J.S.A. 40A:5-14 in all respects.

Payment of Claims

Claims were examined on a test basis for the year under review and they were found to be in generally good order, with no exceptions noted.

Purchase Order and Encumbrance System

Princeton utilizes a purchase order system for its expenditures in connection with its budgetary accounting system during the year under review. The accounting is processed on a data processing system for budgetary control. Transactions are approved based on availability of funds. Purchase orders were available for all cash disbursement transactions selected by us for testing. Tests of the system disclosed that compliance was in generally good order during the year.

Test of Salaries

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

Municipal Court

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

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

Other Officials Collecting Fees

Our reviews of the records maintained for other officials collecting fees, which were designed to determine that minimum levels of internal controls and accountability were met, that cash receipts were deposited or turned over to the Treasurer's account within a 48-hour period as required by N.J.S.A. 40A:5-15, that amounts charged were in accordance with the provision of Princeton's Code and that monthly financial reports are being submitted to the Finance Department in a timely manner.

Administration and Accounting for State & Federal Grants

Princeton operated various programs during 2025, which were funded in whole or in part by State or Federal grant assistance. These programs often vary as to the application and approval process; matching funds requirements, grant periods, required approvals for modification of budgets and the timing and frequency of financial reporting. A separate grant fund was maintained to allow for the separate recording of grant activity.

The examination of these grant programs indicated that Princeton had expended grant funds during 2025 for the purpose authorized and monitoring procedures appeared adequate to assure that grant objectives were met.

The management performs a periodic review of Princeton's grant balances to determine if accounts receivable have been earned and are collectible, and to identify any grant appropriation balances that are no longer operative or for which eligible costs have been incurred in prior periods. The appropriate cancellations are made, when necessary, to either the grant receivable or grant appropriation for amounts that were no longer collectible or able to be spent.

Condition of Records – Finance Office

The records of the Finance Office were maintained in good order during 2025. Continued improvement was noted in the elimination of unnecessary accounts established during the consolidation process. During the year, a fixed asset management firm was engaged to develop the requisite record of general fixed assets and that service included a tracking of asset acquisitions and retirements for the year.

At December 31, 2025, Princeton was in full compliance with all regulatory provisions relating to the maintenance of fixed asset records. It now becomes essential that the necessary effort is maintained to keep that record current going forward.

Condition of Records - Tax Office

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

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

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

N.J.A.C. 5:30 – 5.2 - Encumbrance Accounting: This directive requires the development and implementation of accounting systems which can reflect the commitment of funds at the point of commitment. Princeton is in compliance with this directive.

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

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

Compliance with Local Finance Notices

Local Finance Notice (LFN) No. 92-15 requires that Princeton prepare and file a corrective action plan in accordance with the approved schedule. No corrective action plan was required for 2024.

In accordance with Local Finance Notice No. 2017-15, Uniform Construction Code, expenditure records were tested for compliance with N.J.A.C. 5:23.17(c)2, and no exceptions were noted.

Cybersecurity

As part of its overall risk management, the Municipality reviews security measures in place relating to its Information Technology (IT), including the use of specialized assessments. With the ever increasing challenges relating to cybersecurity, each organization determines what particular assessment or combination of assessments best fits its information security strategy. We suggest management continue to assess risks related to cybersecurity along with utilization of specialized assessments, which would also include a periodic reporting mechanism to those charged with governance.

RECOMMENDATIONS

None

CORRECTIVE ACTIONS FOR PRIOR YEAR RECOMMENDATIONS

Not Applicable

* * * * *

ACKNOWLEDGMENT

Should any questions arise as to our comments, please do not hesitate to contact us.

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

PKF O'Connor Davies, LLP

Cranford, New Jersey
July 2, 2026

David J. Gannon

David J. Gannon, CPA
Registered Municipal Accountant, No. 520