

FISCAL ASPECTS OF CONSOLIDATING PRINCETON BOROUGH AND PRINCETON TOWNSHIP

*A Report to the Joint Municipal Consolidation Study
Commission of Princeton Borough and Princeton Township*

*Pursuant to N.J.S.A. 40:43-66.35 et seq. and
N.J.S.A. 40A:65-25 et seq.*

June 2011

Prepared by:

State of New Jersey

Chris Christie, Governor
Kim Guadagno, Lt. Governor

Department of Community Affairs

Lori Grifa, Commissioner

Division of Local Government Services

Thomas H. Neff, Director



Table of Contents

Introduction	1
Summary of Findings.....	2
Merging Municipalities Technical Issues.....	3
Overview of the Princetons Today	6
Property Tax Levies in the Princetons (<i>table</i>).....	6
Princeton Borough Current Budget and Taxes	8
2011 Princeton Borough Budget and Taxes (<i>table</i>).....	8
Princeton Township Current Budget and Taxes	9
2011 Princeton Township Budget and Taxes (<i>table</i>).....	9
Municipal Impact of Consolidation	10
Recalculating the Tax Levies (<i>table</i>).....	10
The Effect on the Average Taxpayer (<i>table</i>)	11
Calculations of CGR Estimated Savings (<i>table</i>).....	12
The Impact of Savings 1 yr. and 3 yr. (<i>table</i>)	12
Consideration of Special Circumstances.....	13
Municipal Debt.....	13
Open Space	14
Solid Waste.....	14
Municipal Utilities and the Joint Sewer Operating Committee.....	15
Regional Library.....	16
The Impact of Consolidation on Other Governments.....	17
School System (tables).....	17
County Government and Open Space (tables)	18
Net Effect Upon Taxpayers	19
Tax Rate Changes by Taxing District at 2011 Spending Levels (<i>table</i>).....	21
Average Residential Tax Changes at 2011 Spending Levels (<i>table</i>).....	21
Changes in Taxation at Consolidated and Reduced Spending Levels (tables).....	22
Who Benefits from Consolidation?	23
Appendix.....	24

Fiscal Aspects of Consolidating Princeton Borough and Princeton Township

INTRODUCTION

The Department of Community Affairs (DCA/Department) submits this report to the Joint Municipal Consolidation/ Shared Services Study Commission (Commission) of Princeton Borough (Borough) and Princeton Township (Township) to help it understand the financial issues involved in the consolidation process.

This report complements and supplements the report prepared by the consultant to the Commission, the Center for Governmental Research (CGR). The Commission, with financial support from the Department, hired CGR to assist the Commission in evaluating, understanding and projecting services needs and costs. The Department was pleased to work with CGR in the preparation of their report and provided CGR extensive data and analysis of fiscal related issues.

The CGR report was prepared in cooperation and in consultation with DCA. The Department supported and endorses the presentation of its fiscal data as an objective study of the fiscal aspects of the proposed consolidation where it examines current budgets, taxes, and debt service in the two municipalities. The DCA and CGR reports should be reviewed together, as they provide a snapshot of each community's existing financial and operational picture and how these two communities would be merged, should the two governments become one.

The CGR report is more than a fiscal impact study. It is detailed and thorough, considering fiscal and operational activities, and involved the thorough engagement of Commission members in developing its recommendations. The DCA report does not duplicate that effort. The CGR report stands as a collaborative effort under the direction of, and with input from the Commissioners, and executed by CGR staff and DCA advisors.

This report was prepared by DCA's Division of Local Government Services, specifically the DCA representative to the Commission, Eugene McCarthy and Division Deputy Director Marc Pfeiffer. The staff thanks the members of the Commission for their high level of dedication and the intensity of their commitment to this effort. The efforts of CGR staff are highly commended for their attention to detail, commitment to excellence, and their rapport with the Commission and municipal officials involved in the study.

SUMMARY OF FINDINGS

The task of the Commission is to study the potential merger of two municipal governments into one stronger, larger unit that can operate more effectively and efficiently than two can separately. The consolidation process would not involve the school or county government operations but would affect property tax levies. Consolidation, if approved, would affect the 25% of property taxes paid in the two municipalities for municipal government services.

Taking into account the Commission's proposed changes and savings in municipal operations, the impact on the distribution of school, county and open space taxes, and including Township solid waste collection as part of the municipal budget, if consolidation was fully implemented, the average residential taxpayer in the Borough would save \$591 and same in the Township would save \$415.

MERGING MUNICIPALITIES: TECHNICAL ISSUES

Assumptions of this Report

When it comes to consolidating municipality government, projecting the future is challenging. Projections will always be imperfect, as full knowledge of future costs, impact of the overall economy on inflation, changes in property values, and the value of new construction, among other variables, cannot be predicted with certainty. Thus, studies of financial impact have to make assumptions.

For this study, DCA takes the approach of looking at the fiscal impact and property taxes from two approaches: 1) what they are today, and, 2) what they would be today if the municipalities were already consolidated. Thus, 2011 budget, debt, and property values were used for tax calculations. To project the impact of consolidation, DCA used the projections of savings developed by the Commission and 2011 property values for taxation purposes to reflect what taxes would be if consolidation was in place today.

It cannot be predicted with certainty what property values will be in 2013, or the cost of utilities, labor contracts, pension costs, health benefit costs, etc. Firm predictions of what separate Borough and Township costs would be in 2013 without consolidation could be based on any number of assumptions. Such assumptions are not made; instead this report reflects what things would be like if a consolidation were in place today, at least as far as is known from the Commission's studies and existing data. There will always be uncertainty, either with or without consolidation. DCA concludes that the approach taken here is realistic and sound for the purposes it serves.

To inform the calculations in this report, in depth reviews of the Borough and Township financial condition were completed, and calculations driven from that effort. The raw data supporting the tables in this report are found in the various appendices. The data serves as a common baseline and has been used by the Commission in its report and data presentations of Commissioners.

Several definitions will assist readers of this report:

- 1) Tax "point" or "penny" refers to \$.01 (one cent) of the tax rate. It represents the amount of money that would be raised by an increase of one cent times every \$100 of assessed (taxable) value on a parcel of land.
- 2) "Average residential value" is a benchmark for calculating property taxes. DCA calculates this as an arithmetic average of the assessed value of all residential (including the few parcels classified as "farm homestead") parcels in each municipality, divided by the number of those parcels. It serves as a standard reference from which changes in property taxes can be measured on the "average taxpayer".
- 3) "Net valuation taxable" is the aggregate value of taxable real estate in each community, or, in context, the combined value of both municipalities. It is the aggregate of the assessed value of real estate (land and improvements) and personal property owned by public

utilities. When shown as a consolidated amount, it reflects a calculation of market (or equalized) value as if the municipalities were already merged in 2011.

Property Values and Taxes

When comparing any two governments, not only do they not have the same budget, tax rate or debt service, but their ratio of assessed property value to market value normally differs. The Township and Borough are not exceptions to this rule. When municipal governments are combined, State law (N.J.S.A. 40A:65-28) provides procedures to ensure that property values be assessed and taxed uniformly, a constitutional requirement.

The law provides two mechanisms to achieve uniform assessment; revaluation or equalization. Revaluation is the in-depth process where an estimated market value is placed on each parcel through a process that includes individual parcel inspection. The Princetons jointly implemented a revaluation in 2010, and it is widely known that the implementation was not without some controversy. Equalization, by contrast, is the application of a ratio calculated by the county board of taxation that is applied to the total aggregate assessed value of all taxable parcels in each municipality (taxing district), thereby adjusting the assessed value to reflect market value.

Regardless of how it is performed, the adjustment of values can cause the relative shares of the municipal, county and school portion of property taxes in each taxing district to increase or decrease, causing property taxes to increase or decrease on each parcel. In practice, this effect is an important consideration to the public when considering the merits of consolidation. The State's experience with this process is that it varies in each pair of municipalities considering consolidation.

In the case of the Princetons, the 2010 revaluation provides a variation on the theme. Research on this issue by the Commission led to collaboration among the Commission, the DCA, the State Division of Taxation and the Mercer County Board of Taxation to develop a pathway that provides the least disruption to the property value adjustment process. This involves two additional tools overseen by the Division of Taxation and county tax boards that underlie the value setting process; compliance plans and reassessments. Compliance plans are annual activities developed by the municipal assessor and approved by the county board of taxation intended to keep or move parcel values closer to market value, most often affecting different parts of a municipality each year.

A reassessment often follows a revaluation. Under a reassessment all properties are reviewed administratively, and the assessed value of more than 50 percent of all parcels is changed. It is intended to set assessments closer to market value without the expense and in-depth process of a revaluation. Reassessments conducted within 4 years of a revaluation cost much less than a revaluation because interior inspections were completed during the recent revaluation.

When performed in this manner, a reassessment has the same effect of, and is equivalent to a revaluation¹.

For the Princetons, addressing the merging of property valuations of the two municipalities with the least disruption if consolidation is approved requires several steps:

- 1) The joint Municipal Assessor continues the already-underway compliance plan that stemmed from the 2010 revaluation. This process is already bringing the assessment ratios of both communities closer together (currently calculated by the Mercer County Tax Administrator in the 2011 Table of Equalization at 89.95% in the Borough and 95.33% in the Township). Based on 2011 real estate sales, a preliminary estimate by the Division of Taxation estimates that for 2011, the gap may close to about two percent.
- 2) In 2012, the Municipal Assessor conducts a reassessment in both municipalities. Because it is being conducted within four years of when all properties were inspected under a revaluation, the reassessment can be conducted without individual parcel inspections and at little cost.
- 3) Implement the reassessment to take effect in 2013 (the consolidation year).

The alternative is to equalize properties using county ratios in 2013. This would require the municipal assessor and the county tax board to maintain separate ratios for each of the former individual taxing districts until a revaluation is conducted. When taxes are calculated in each subsequent year, a separate municipal and school tax rate would be calculated and applied to parcels in each of the former taxing districts.

This equalization process replicates the process used to apportion the county tax levy to the individual municipalities. It has the disadvantage of maintaining a general tax rate for the municipality as a whole, and separate tax rates for the two former municipalities. Using this alternative, the “dual tax rate” process would be maintained until the consolidated municipality conducts its first revaluation.

Property Tax Relief

The Local Option Municipal Consolidation Law authorizes a continuing tax credit to all residential taxpayers whose property tax bill increases as a result of consolidation [N.J.S.A. 40A:65-28(b)]. The Commission has projected that by changing how some services are delivered and phasing in elements of consolidation, a reduction in average taxes in both communities can be achieved. This negates the need for property tax relief. As a result the property tax credit program is not an issue that was considered by the Commission or taken into account in this report.

¹ The State Division of Taxation oversees this process through rules found at N.J.A.C. 18:12A-1.14 et seq.

OVERVIEW OF THE PRINCETONS TODAY

Consolidation, as considered by State law and the Commission, is the merging of two municipal governments to form one stronger, larger government that will be able to operate more effectively and efficiently. The proposed consolidation covers just the municipal government. It does not cover the already consolidated Princeton School District K-12 school system or county services. Both municipalities already share fourteen services, and have considered consolidating four times in the past 56 years.

Property owners in New Jersey pay taxes to support the municipal, school and county governments. Combined, the Borough and Township school district levies make up 48.4% of taxes paid. The county tax levy, including the county open space levy (1.1%), is 27.2% of the total. Therefore, 75.6% of all property taxes paid by residents of the two municipalities are for school and county services. A consolidation will only change service delivery at the municipal government level, and affect only 25% of the property tax dollar².

PROPERTY TAX LEVIES IN THE PRINCETONS

2011 Tax Levies	Princeton Borough	Princeton Township	Combined	% of Total	Consolidated	% of Total
County Tax Levy ¹	11,861,349	23,391,317	35,252,666	26.0%	35,341,917	26.1%
County Open Space Tax Levy ²	488,344	963,053	1,451,397	1.1%	1,455,772	1.1%
School Tax Regional Levy	21,970,882	43,717,297	65,688,179	48.5%	65,688,179	48.4%
Local Municipal Tax Levy	9,457,716	20,070,600	29,528,316	21.8%	29,528,316	21.8%
Municipal Open Space Levy ³	219,665	923,560	1,143,225	0.8%	1,158,477	0.8%
Regional Library Levy ⁴	822,602	1,646,467	2,469,069	1.8%	2,469,069	1.8%
Total Tax Levy	44,820,558	90,712,293	135,532,851	100.0%	135,641,730	100.0%

¹ County Tax Levy Increases \$89,251 as a result of apportionment

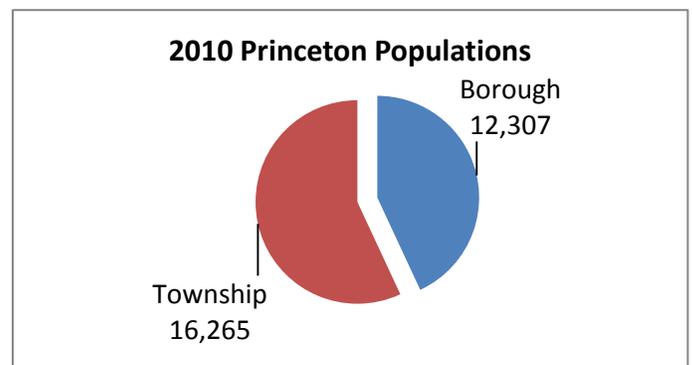
² County Open Space Levy increases by \$4,375 as a result of apportionment

³ Estimated from current Open Space tax rates of \$.01 for Borough and \$.02 for Township and \$.017 for a consolidated municipality

⁴ Beginning in 2011 the minimum library tax levy was separated from the municipal tax levy and made its own tax levy

According to the 2010 US Census, Princeton Borough has a population of 12,307 and Princeton Township's population is 16,265. The Borough's population is 43% of the combined Princeton community population. Princeton Township represents 57% of the combined community's population.

The number of residential properties in the Borough, 2,091, is only 30% of the total in the community (reflecting the population impact of University housing) and the Township has 4,920 residential parcels, representing 70% of the combined total.



² Including the minimum statutory appropriation for the regional library, a calculation that will not change.

The Borough's physical size is 10% of the combined municipality; 1.85 sq. mi. for the Borough compared to 18.23 sq. mi. for the combined municipality. Although Princeton University's presence impacts both the Borough and the Township, the Borough bears a larger share of tax exempt property and houses a greater share of students than the Township. There are benefits and costs to sustaining a world-class university within the community and the Borough became creative in recent years to sustain a high level of service while maintaining a low tax rate to its taxpayers. This has included negotiating increased amount of voluntary payments made by Princeton University.

While the Township's tax rate is only slightly more than the Borough's tax rate, the Township generates twice as much revenue as the Borough, because its tax base (Net Value Taxable) is more than twice as much as the Borough's tax base. A tax point in the Borough is \$219,650; if the Borough needs to purchase a new piece of equipment costing \$225,000, a little more than a tax point will be added to every taxpayer's bill to pay for it. If the Township wants that same piece of equipment, the cost in tax points is five tenths of a point (\$461,780 for the Township), or less than one half of what the Borough taxpayer pays to have that same piece of equipment added to the fleet.

PRINCETON BOROUGH 2011 BUDGET AND TAXES

The Borough’s 2011 adopted budget (excluding the self-liquidating parking utility) is \$25,991,953. Of this amount \$10,280,318 was raised by property taxes, and deducting the required minimum library appropriation of \$822,602, the net Borough property tax levy is \$9,457,716. The net taxable value in the Borough in 2011 is \$2,196,649,214. Therefore, to collect the municipal \$9,457,716 tax levy, the municipal tax rate will be set at \$0.431³ per \$100 of assessed value.

The average residential property owner, who owns a home valued at \$747,665, will pay \$3,222 in property tax to support the Borough government. The value of one penny (tax point) of the tax rate is \$219,665. This means that for every \$219,665 added to the levy, the tax rate increases by one penny for every \$100 of assessed value. The tax collection rate in Princeton Borough in 2009 was 99.03%.

2011 PRINCETON BOROUGH BUDGET AND TAXES

Budget	\$25,991,953
Amount raised by taxes	\$9,457,716
Municipal tax rate	\$0.431
Net value taxable	\$2,196,649,214
Average residential property value	\$747,665
Municipal taxes on average residential property	\$3,222
Tax collection rate	99.03%
Tax point	\$219,665

³ All tax rates in this report are rounded up to the next higher tenth of a penny.

PRINCETON TOWNSHIP 2011 BUDGET AND TAXES

The Township’s 2011 adopted municipal budget is \$36,633,271. The amount raised by taxation to support the 2011 budget is \$21,707,067, deducting the required minimum library appropriation of \$1,656,467 is a net Township property tax levy of \$20,070,600. The net taxable value in the Township is \$4,617,801,381, so that the municipal tax rate was set at \$0.435 per \$100 of assessed value.

The average residential property owner, who owned a home valued at \$826,636, will pay \$3,596 in property tax to support the municipal government. A tax point in Princeton Township was \$461,780. This means that for every \$461,780 added to the levy, the tax rate increases by one penny for every \$100 of assessed value. This tax point value differs quite a bit from the Borough's tax point value (\$219,665) and the impact of this will be examined later in this report. Similar to the Borough’s tax collection rate, the Township’s tax collection rate was 99.02%.

2011 PRINCETON TOWNSHIP BUDGET AND TAXES

Budget	\$36,633,271
Amount raised by taxes	\$20,070,600
Municipal tax rate	\$0.435
Net value taxable	\$4,617,801,381
Average residential property value	\$826,636
Municipal taxes on average residential property	\$3,596
Tax collection rate	99.02%
Tax point	\$461,780

MUNICIPAL IMPACT OF CONSOLIDATION

Calculating the Impact of Property Values and Tax Levies

To support their 2011 municipal budgets, the two municipal governments will raise a combined \$29,528,316 through property taxation. The actual municipal tax levies are \$9,457,716 for the Borough and \$20,070,600 for the Township. The levies are applied against existing Net Valuation Taxable of \$2,196,649,214 in the Borough and \$4,617,801,381 in the Township. As noted earlier, this report uses the current property values to reflect market value, as it expected that maintenance and the proposed reassessment will more or less maintain average values.

Impact of Consolidating 2011 Tax Levies

The table below shows the impact of combining the 2011 Borough and Township tax levies and valuations under a hypothetical consolidation. Combining the individual municipal values has a makes minor changes to the individual tax levy and savings calculations due to the equalization of taxable value of telecommunication utilities⁴.

The Borough's Net Valuation Taxable changes to \$2,196,875,000 and property owners are responsible for \$9,519,310 in municipal tax levy. Similarly, the Township's Net Valuation Taxable changes to \$4,617,696,490 and Township property owners would be taxed \$20,009,006 for municipal purposes. The result of this is a shift of \$61,594 in municipal tax levy from the Township to the Borough.

Initial Recalculated Tax Levies at 2011 Tax Levels*

	Net Value Taxable	Ratio	Combined Value	Percent	2011 Tax Levy	Share of Combined Levy	Consolidated Rate
Borough	2,196,649,214	89.95	2,196,875,000	32.2%	9,457,716	9,519,310	0.434
Township	4,617,801,381	95.33	4,617,696,490	67.8%	20,070,600	20,009,006	0.434
Combined	6,814,450,595	93.25	6,814,571,490		29,528,316	29,528,316	

*This table reflects the impact of utility value equalization noted above.

Under this initial calculation, in 2011, a Borough property owner, who owns a home valued at the average \$747,665 paid \$3,222 to support the municipal tax levy. If the municipalities were consolidated, this owner would pay \$3,245 under the combined 2011 levy, \$23 more than they would as separate municipalities. The average Township taxpayer, who owns a home worth \$826,636 would pay \$3,588, or \$8 less than the current \$3,596 when the levies combine.

⁴ State law requires that property owned by regulated public utilities (i.e., Verizon) be assessed at common levels requiring utility owned property to be equalized.

The impact of this calculation on the average residential property is as follows:

Effect on the Average Taxpayer

	2011 Average Property Value	2011 Tax Rate	Consolidated Tax Rate	Taxes on Average Residential Property		Change
				2011 Taxes	2011 If Consolidated	
Princeton Borough	747,665	0.431	0.434	3,222	3,245	23
Princeton Township	826,636	0.435	0.434	3,596	3,588	(8)

Impact of Consolidated Taxes with Budget Savings

The Commission has estimated that \$3,161,000 in savings can result from consolidation, through economies of scale and staff changes. Using the Commission’s assumptions, the savings would be phased in, starting in the first year, with full implementation anticipated by the third year of a consolidated government. The savings accrue directly by reducing the budget, resulting in a reduction to the municipal property tax levy to fund the consolidated government. At full implementation, the savings calculated by the Commission and its consultant are:

- Administrator - \$206,000 through reduction of personnel
- Governing Body - \$61,000 through reduction of personnel and salary adjustments
- Municipal Clerk - \$199,000 through reduction of personnel
- Finance/Tax Collection - \$217,000 through reduction of personnel
- Municipal Court - \$79,000 through reduction of personnel
- Tax Assessment - \$17,000 through reduction of personnel
- Police - \$2,100,000 in savings through combining the police forces and reducing its size from 60 uniformed personnel to 51 through attrition over three years
- Public Works - \$282,000 (not including an additional \$160,000 reduction in user fees for sewer service)

The municipal property tax savings of \$3,161,000, when fully implemented will result in a further ongoing tax reduction of \$344 for the average residential taxpayer in the Borough, and \$380 for the average residential taxpayer in the Township.⁵ If the savings are reduced to the projected \$250,000 police savings in the first year for a net tax savings estimate of \$1,311,000, the projected incremental tax savings are still \$142 for the average residential taxpayer in the Borough and \$157 for the average residential taxpayer in the Township.

⁵ This reflects just the savings from consolidation mentioned in the CGR report. Solid Waste is covered later in this report

Calculation of Savings based on CGR Estimates (1st and 3rd Years)

	Share of Combined Municipal Savings Borough	Share of Combined Municipal Savings Township	Total Savings
Combined 1st Year Savings	422,639	888,361	1,311,000
Combined 3rd Year Projected Savings	1,019,040	2,141,960	3,161,000

The Effect of First and Third Year Savings for the Average Taxpayer

	Savings on Average Residential property Borough	Savings on Average Residential property Township
Combined 1st Year Savings	(142)	(157)
Combined 3rd Year Projected Savings	(344)	(380)

CONSIDERATION OF SPECIAL CIRCUMSTANCES

Current Municipal Debt

Each year, as a part of the budget process, municipalities are required to prepare an Annual Debt Statement (Statement) documenting the total accumulated debt within the municipality. It lists the notes, bonds and loans payable by the schools, the self-liquidating utilities (those that have dedicated revenues pledged to offset the debt), and the municipal government. The Statement then takes the gross (total) debt and deducts the amount for which the municipal government is not responsible (school and self-liquidating).

This “net” authorized debt, backed by the full faith and credit debt (pledged against the property taxing power of the municipal government), is detailed in the 2010 Debt Statement Comparison table (Appendix I). The “debt ratio” presents net debt as a percentage of the average of the most recent three years equalized property value (the 2010 report uses 2008, 2009 and 2010 figures).

General Obligation Debt Service

The Commission had two alternatives to consider regarding payment of existing debt service in event of consolidation:

1. Establish separate taxing districts (tied to the current municipal boundaries) for the existing debt, so the two taxpayer groups would independently pay down the debt accumulated before consolidation (new debt would be borne by the full community).
2. Consolidate the existing debt by shifting the debt from the two municipalities to the new government.

Instead of only looking at the baseline year of 2011 debt service, the Commission wanted a more complete and in depth picture of existing debt service over a longer period of time. The Commission asked both the consultant and DCA to examine debt service for the years 2011 through 2015. The Commission report projects the impact of segregating and combining debt service. More extensive treatment of the data can be found in the Commission report as well as in the Appendices of this Report.

The bond ratings of both municipalities are very strong. Princeton Township has a bond rating of Aaa. Princeton Borough has a bond rating of Aa. The municipalities are comfortably below the 3% debt limit authorized by statute for net authorized municipal debt. It is impossible to determine what level the bond rating will be in the future if Princeton votes for consolidation.

The outcome of the study was a conclusion that over the five year period from 2011 through 2015 the average household would pay no more than \$150 due to debt service consolidation. As a result, the Commission decided that debt service should be consolidated and shared among all taxpayers of a consolidated community.

Open Space Tax

Very little of the debt in each municipality is due to the acquisition of property to protect open space. Both communities look at the protection of open space as a priority and the Borough has elected to establish a \$0.010 open space tax to fund open space acquisition. The Township has a \$0.020 tax for funding open space. Since both governments have an open space tax fund and the burden on the taxpayers of both communities for that portion of tax is different, a consolidated municipality would either need to decide the open space tax by referendum or set up service districts for differing tax rates. There are several options that the Commission considered in evaluating the open space question:

1. Move to the Borough’s rate and set the Open Space Tax at a \$0.010 tax rate.
2. Move to the Township’s rate and set the Open Space Tax at a \$0.020 tax rate.
3. Keep the levy levels the same by establishing service districts that conform to existing boundaries.
4. Eliminate the Open Space tax levy.
5. Establish a new unified rate based upon a targeted levy amount. If the consolidated municipality desired to maintain existing levy levels. This would cause an increase of \$52 in the Borough and a reduction of \$24 in the Township.

The Commission recommended Option 5; a blended rate to produce approximately the same amount of total revenue currently produced by the municipalities. The table below reflects tax impact of the Commission’s recommendation:

Impact of Open Space Tax Adjustment

	Existing Rate	Proposed Rate	Current Open Space	Proposed Open Space	Change
Borough	0.01	0.017	75	127	52
Township	0.02	0.017	165	141	(24)

The voters will have final approval of this recommendation: a separate referendum would be held in 2012 as part of the election of the new governing body and the outcome could be modified in the future by a subsequent referendum.

Solid Waste Collection

The collection of solid waste in the Borough is managed through a contract with a private waste hauling company, the cost of which is borne by the Borough’s operating budget (funded through property taxes). The budgeted cost of providing this service in 2011 is \$468,528. This covers the collection and disposal of solid waste for all Borough residential properties.

The Township does not currently provide this service and individual residential property owners have to contract for their own solid waste collection which was estimated to cost \$400 annually.

Therefore, when comparing the budget and tax rate of the two municipalities the Borough's solid waste collection requires special attention. The Commission's report covers this service, options, and costs in detail. As part of its analysis, the Commission obtained a cost estimate to extend curbside residential solid waste service to Township properties. The additional cost estimate to extend this service was \$1,180,000.

When it was compared to budgeting solid waste in the Borough vs. extending it throughout the consolidated municipality, the incremental cost to extend service was only \$15 more than breaking out the cost and setting up a service district for solid waste. If the Borough were to have a solid waste district on its own and the Township were to continue having private collection., the Township's tax burden would fall and the Borough would have a separate line item just for solid waste (Appendix T).

The additional tax impact of extending this service to Township residents is estimated to be \$127 for the average residential taxpayer in the Borough and \$141 for the average residential taxpayer in the Township.

Given the overall impact of solid waste when considering the full impact of consolidation, the Commission recommended extending solid waste service to all residential property in the combined municipality. If approved, specifications and bidding for a new contract can take place during 2012 for the collection and disposal of solid waste for the consolidated community beginning in 2013.

Municipal Utilities and the Joint Sewer Operating Committee

The Borough has two self-supporting utilities - a dormant Housing Utility, that does not currently have any debt service and a Parking Utility that provides parking services to residents and visitors to downtown Princeton Borough. The Township has a Housing Utility that is making its last debt service payment for Affordable Housing in 2011.

The Borough Parking Utility currently provides for its debt service and subsidizes the borough's extensive services toward downtown beautification. The Parking Utility can continue to provide for these services under a consolidated Princeton.

Both municipalities bill users for sewer expenses based upon water usage as if it were a utility. They both provide for sewage transportation and participate with Stony Brook Regional Sewerage Authority for sewage treatment.

There are separate rate schedules for the two municipalities in order to cover all costs associated with sewage. The options for the consolidated municipality are to have service

districts for the existing municipalities and maintain existing rate schedules or create a rate schedule for the combined municipality. When this report was prepared, the Commission had not finalized a recommendation on a rate structure under consolidation. As long as it remains as a fee, this will not impact property taxes.

Regional Library

The Princeton Public Library operates under the State’s regional library law. As a result of consolidation, the library would have to transition either to a local library or an association library. The local library option has the same minimum funding requirements as the current regional library does. Both municipalities currently fund the library at a level well above the minimum statutory requirement. The Commission has recommended that the library transition to a local library from its regional status.

Presentation of library tax also changes, not because of consolidation, but due to a change in State law. Starting in 2011, the minimum library funding will appear as a separate line item on property tax bills and not part of the municipal purposes tax levy. This has the effect of reducing the municipal tax levy and property tax rate.

Consolidation will minimally affect the library-related property taxes paid by residents in both communities. The average taxpayer in the Borough will have their taxes reduced by \$7 and the average taxpayer in the Township will notice an increase of \$8 on their tax bill.

Calculation of Library Tax Rates under Consolidation

	Net Value Taxable	Combined Net Value Taxable	2011 Library Tax Levy	Share of Combined Library Levy	Existing Municipal Rate	Consolidated Rate
Borough	2,196,649,214	2,196,875,000	822,602	795,976	0.038	0.037
Township	4,617,801,381	4,617,696,490	1,646,467	1,673,093	0.036	0.037
Combined	6,814,450,595	6,814,571,490				

The Effect of Library Tax Change on the Average Taxpayer

	Average Property Value	Tax Rate	Consolidated Rate	Taxes on Average Residential property	Merged taxes on average residential property	Change
Princeton Borough	747,665	0.038	0.037	284	277	(7)
Princeton Township	826,636	0.036	0.037	298	306	8

THE IMPACT OF CONSOLIDATION ON OTHER GOVERNMENTS

School System

Although the school budget and its tax levy would not change, the Princeton Regional Board of Education would be affected in two ways if the municipalities consolidate; the apportionment of the school tax levy and election of board members.

First, the property tax apportionment formula used by the regional district changes to the formula used by a local school district. This means changing from using the state equalization ratio to the new total assessed property value. The school district's current 48.4% of the total property tax levy may change if the reduced cost of municipal services lowers the municipal portion of the total property tax levy.

Applying the same methodology used to calculate consolidated property taxes described above, DCA calculated the 2011 School District Tax Rate both in its current status as a regional district and as its potential status as a local (consolidated) district. The tables below illustrate what happens to tax rates under both approaches.

Calculation of School Tax Rates under Both Scenarios

	Net Value Taxable	Combined Net Value Taxable	2011 School Tax Levy	Share of Combined School Levy	Existing School Rate	Consolidated Rate
Borough	2,196,649,214	2,196,875,000	21,970,881	21,176,492	1.001	0.964
Township	4,617,801,381	4,617,696,490	43,717,297	44,152,686	0.947	0.964
Combined	6,814,450,595	6,814,571,490	65,688,178	65,688,178		

The Effect of School Tax Change on the Average Taxpayer

	Average Property Value	Tax Rate	Consolidated Rate	Taxes on Average Residential property	Merged taxes on average residential property	Change
Princeton Borough	747,665	1.001	0.964	7,484	7,207	(277)
Princeton Township	826,636	0.947	0.964	7,828	7,969	141

Consolidation results in a shift in school tax burden between the municipalities. Township residents would pay \$141 more and Borough taxpayers \$277 less. This report concludes that taking these changes in school taxes with the proposed savings and municipal spending changes in the municipal tax levy, property tax savings accrue in both communities.

Secondly, the election of members of the Board of Education changes from each municipality selecting its proportion of school board members to all members elected at large. The regional district currently has nine voting members, five elected at large from the Township and four elected from the Borough. Cranbury Township’s current one non-voting member would be unaffected by consolidation.

County Government

Mercer County government and the County Open Space Tax are supported by county equalized property values and may change marginally if the Borough and Township consolidate. About 27% of the combined property tax burden is based upon county taxes or the county open space taxes. While consolidation may have a marginal change, the impact of property values throughout the rest of the county will have a greater impact on both county taxes than will consolidation; a factor completely independent of consolidation.

Using the same criteria of a unified municipality, DCA calculated the 2011 County Tax Rate and County Open Space rate both as separate municipalities and as a combined municipality. The tables below illustrate what happens to the individual community’s county tax rates under both approaches. If consolidated, Princeton’s overall share of taxes increases by \$89,251. These numbers are based on the 2011 Mercer County property tax levy of \$221,653,479.

Calculation of County Tax Rates under Both Scenarios

	Net Value Taxable	Combined Net Value Taxable	2011 County Tax Levy	Share of Combined County Levy	Existing County Rate	Consolidated County Rate
Borough	2,196,649,214	2,196,875,000	11,861,349	11,392,523	0.540	0.519
Township	4,617,801,381	4,617,696,490	23,391,317	23,948,424	0.507	0.519
Combined	6,814,450,595	6,814,571,490	35,252,666	35,341,917		

The Effect of County Tax Change on the Average Taxpayer

	Average Property Value	Tax Rate	Consolidated Rate	Taxes on Average Residential property	Merged taxes on average residential property	Change
Princeton Borough	747,665	0.540	0.519	4,037	3,880	(157)
Princeton Township	826,636	0.507	0.519	4,191	4,290	99

Calculation of County Open Space Tax Rates under Both Scenarios

	Net Value Taxable	Combined Net Value Taxable	2011 County Open Space Tax Levy	Share of Combined County Open Space Levy	Existing County Rate	Consolidated County Rate
Borough	2,196,649,214	2,196,875,000	488,344	469,310	0.023	0.022
Township	4,617,801,381	4,617,696,490	963,053	986,462	0.021	0.022
Combined	6,814,450,595	6,814,571,490				

The Effect of County Open Space Tax Change on the Average Taxpayer

	Average Property Value	Tax Rate	Consolidated Rate	Taxes on Average Residential property	Merged taxes on average residential property	Change
Princeton Borough	747,665	0.023	0.022	172	164	(8)
Princeton Township	826,636	0.021	0.022	174	182	8

Consolidating results in a slight shift of the county tax and county open space tax burden for the average residential taxpayer. The average Borough homeowner’s share of county taxes is reduced by \$157 and by \$8 for county open space tax for the average residence. The average Township homeowner’s share is increased by \$99 for county tax and \$8 for county open space tax. Regardless of these changes, county taxes would be more acutely affected by the relative value of Princeton’s value to other municipalities in the County when they are equalized for County tax apportionment.

THE NET EFFECT UPON TAXPAYERS

As discussed above, while consolidation provides intrinsic benefits that cannot be quantified, an important question to citizens is “How will these merged tax rates and modifications affect the average taxpayer?” The five tables below show:

1. The differences between the existing tax and consolidated tax rates for municipal, school and county services.
2. The effect upon an average residence in the Borough and the Township. It provides a summary of all existing 2011 spending levels and the tax treatment of them as a result of consolidation **without the application of savings or changes in service levels**.
3. The municipal tax impact change of the proposed changes and savings.
4. The net effects of average residential **municipal taxes** when the consolidated solid waste as well as anticipated 1st year and total consolidation savings are incorporated.
5. The net effects of average residential **total taxes** when the consolidated solid waste as well as anticipated 1st year and total consolidation savings are incorporated.

1. Tax Rate Changes by Taxing District at 2011 Spending Levels

TAX RATES					
Purpose	2011 Borough Tax Rate Actual	2011 Township Tax Rate Actual	2011 Combined Tax Rate	Borough Difference	Township Difference
Municipal Tax Rate	0.431	0.435	0.434	0.003	(0.001)
School: Princeton Regional	1.001	0.947	0.964	(0.037)	0.017
Municipal Open Space Tax Rate	0.010	0.020	0.017	0.007	(0.003)
Regional Library Tax	0.038	0.036	0.037	(0.001)	0.001
County Tax Rate	0.540	0.507	0.519	(0.021)	0.012
County Open Space Rate	0.023	0.021	0.022	(0.001)	0.001
TOTAL TAX RATE	1.612	1.531	1.559	(0.053)	0.028

2. Average Residential Tax Changes by Taxing District at 2011 Spending Levels

AVERAGE RESIDENTIAL TAXES BY TAXING DISTRICT						
Purpose	Current Borough	Current Township	Consolidated Borough	Consolidated Township	Change in Borough	Change in Township
Avg Residential Property Value	747,665	826,636	747,665	826,636	----	----
Municipal Tax	3,222	3,596	3,245	3,588	23	(8)
School: Princeton Regional	7,484	7,828	7,207	7,969	(277)	141
Municipal Open Space Tax	75	165	127	141	52	(24)
Regional Library Tax	284	298	277	306	(7)	8
County Tax	4,037	4,191	3,880	4,290	(157)	99
County Open Space	172	174	164	182	(8)	8
TOTAL TAX RATE	\$15,274	\$16,252	\$14,900	\$ 16,446	\$ (374)	\$ 224

3. Changes in Taxation at Consolidated and Reduced Spending Levels on Average Residential Properties

Adjustment Item	Consolidated Borough	Consolidated Township	Change in Borough	Change in Township
Initial Tax Rate	\$15,274	\$16,252		
Consolidated Tax Rate	\$14,900	\$ 16,446	\$ (374)	\$ 224
Additional Solid Waste Costs (\$1,180,000)*			127	141
1 st Year CGR Recommendation Savings (-\$1,311,000)			(142)	(157)
1 st Year Recommendation Savings and Solid Waste (\$131,000)	14,859	16,459	(15)	(16)
3 rd Year Savings (-\$3,161,000)			(344)	(380)
3 rd Year Savings and Solid Waste (\$1,981,000)	14,683	16,237	(217)	(231)
Net of Consolidation Solid Waste and Savings	14,683	16,237	(591)	(15)

* There is an estimated \$400 current annual cost of solid waste pickup for the township that is not included in this analysis

4. Average Municipal Taxes with Proposed Savings

	2011 Tax Levies		Aggregate Change from Existing Tax	
	Borough	Township	Borough	Township
Existing Tax Structure	3,222	3,596	---	---
Combined Tax Structure	3,245	3,588	23	(8)
Adding Solid Waste for the Consolidated Municipality*	3,372	3,729	150	133
Reducing by 1st Year Savings and Consolidating Solid Waste	3,230	3,572	8	(16)
Reducing by 3 rd Year Savings and Consolidating Solid Waste	3,028	3,349	(194)	(247)

* There is an estimated \$400 current annual cost of solid waste pickup for the township that is not included in this analysis

5. Average Total Taxes with Proposed Savings

	2011 Tax Levies		Aggregate Change from Existing Tax	
	Borough	Township	Borough	Township
Existing Tax Structure	15,274	16,252	---	---
Combined Tax Structure	14,900	16,445	(374)	223
Adding Solid Waste for the Consolidated Municipality*	15,028	16,616	(246)	364
Reducing by 1st Year Savings and Consolidating Solid Waste	14,886	16,459	(388)	207
Reducing by 3 rd Year Savings and Consolidating Solid Waste	14,683	16,237	(591)	(15)

* There is an estimated \$400 current annual cost of solid waste pickup for the township that is not included in this analysis

Initial Impact of Consolidation: Analysis of the data shows that without the projection of any direct savings from consolidation, and without any changes in services, the average Borough residential taxpayer, with an average property value of \$747,665, would see a municipal property tax increase of \$23 and the average Township residential taxpayer, with an average property value of \$826,636, would see a municipal property tax reduction of \$8.

It is important to note that this is a baseline calculation; it is a starting point that does **not** take into account any of the efficiency savings identified in CGR’s options report or the final recommendations endorsed by the Commission. As the following paragraphs note, when the efficiency savings and other recommendations are taken into account, **the average property owner in both the Borough and Township would realize savings.** The Commission also studied

debt service, municipal utility activities, and the Princeton Public Library. The outcome of these analyses shows that consolidation will have little-to-no impact on property taxes.

3 Year Impact: The Commission concluded that after a three-year phase in, a consolidated municipal budget could be reduced a minimum of \$3,161,000 a year (in current dollars) through efficiencies. If a consolidated municipal governing body implemented those recommendations, the average residential savings would amount to \$344 in the Borough and \$380 in the Township.

Impact of Solid Waste Collection: The Commission also recommended that solid waste collection and disposal services in both communities be harmonized by extending payment for solid waste collection in the Township through the municipal budget. The additional tax burden is \$127 for the Borough and \$141 for the Township. This change would reduce the municipal tax savings to the average homeowner in the Borough to \$194 and \$247 in the Township after consolidation, the recommendations for efficiency and the implementation of municipal-wide solid waste are all considered.

Impact on School Taxes: If consolidation takes place, there is an impact on the apportionment of property taxes levied by the Princeton Regional Board of Education and Mercer County. Under a consolidated municipality, assessed values will be used to apportion the tax burden, as opposed to the current apportionment using state equalized property values. With the change to assessed value, the school tax burden shifts: Borough taxpayers will pay \$277 less for school purposes and Township residents will pay \$141 more.

Impact on County Taxes: A consolidation also changes the county tax and county open space tax burden. The impact of the combined county taxes on the average residential property in the Borough is a reduction of \$165. The Township taxpayer's share is increased by \$107.

Impact on Municipal Open Space Taxes: There is a similar shift in municipal open space taxes. There is an increase of \$52 for Borough taxpayers and a reduction of \$24 for Township taxpayers. This is caused by a decision by the commission to recommend to the voters an open space tax rate that has the same levy as the municipalities now raise.

Impact of all Elements Together: Taking into account the Commission's proposed changes and savings in municipal operations and the impact on the distribution of school, county and open space taxes, if consolidation was fully implemented, the average residential taxpayer in the Borough would save \$591 and the Township would save \$15. In addition, the Township resident would no longer pay for solid waste pickup as a separate charge and these savings are not included in the analysis.

The CGR report estimates that the average solid waste collection fee paid by a Township resident is \$400. Under consolidation, this current out-of-pocket cost would be shifted to the property tax bill. Taking this into account, the net savings between taxes and not paying a separate bill for solid waste collection would save a Township residential taxpayer approximately \$415 per year.

WHO BENEFITS FROM CONSOLIDATION?

The potential economies of scale and any resulting efficiency savings help both communities. The combined community will be larger, and the larger tax base and economies of scale will provide a positive effect on future costs for both taxpayer groups.

It is also important to understand the potential of "thinking as one"⁶. Thinking and acting as one larger community with one government presents new choices, choices not available for consideration in the two municipalities as separate entities. From a policy perspective, integrated planning and zoning will benefit the community; the integration of advisory planning districts, as permitted under the Local Optional Municipal Consolidation Law and recommended by the Commission, will facilitate grass roots input to decision making. The scale and larger population of the consolidated municipality will likely increase influence in county and regional decision-making.

There will be an opportunity to reevaluate service delivery systems, facility and equipment needs, infrastructure planning, and policy choices. Even the services currently shared will be more efficient when delivered by one government. Unified decision-making under one governing body and one administration will create a more effective and efficient direction for the entire Princeton community that will eliminate duplication and provide further opportunities to reduce operating costs.

It is also quite possible that, once a consolidation is decided upon, currently unseen opportunities and challenges may present themselves as officials start "thinking as one."

In the end, the consideration of consolidation requires the voters to express confidence and a bit of good faith in their elected and appointed representatives to hold them accountable. The benefits of consolidation will not accrue unless the new governing body, supported by the public, implements them.

The Commission and the people of Princeton Borough and Princeton Township have an opportunity to carefully examine all the facts and consider the long-range benefits and liabilities of becoming one larger community. The financial analysis is one part of the evaluation. Review of the CGR report and the Commission report are necessary for a complete understanding of the issue.

Services, community programs, social groups, and other factors play a role in determining if one government can better meet the needs of the combined population. The rewards found in the economies of scale and efficiency savings, and the possibility of forming one unified, stronger government that can operate more effectively and efficiently, must not be ignored.

⁶ A term used by the 1995 Consolidation Princeton Study Commission and still appropriate today.

Appendix

The Department used a wide range of financial data held by the two municipalities in preparing this report. The data was converted to a series of worksheets from which the tables and data in the report were prepared. This information is included in the Appendix (though not all tables are referenced in the text) to provide readers additional information that was used to prepare this report.

Table of Contents

Appendix	Title
A	Merged Municipal Tax Rates and Property Values
B	Merged Municipal Tax Rate Calculation - 2011 Values
C	Merged Municipal Tax Rate Calculation- Library
D	Princeton Regional School Cost Allocation
E	County Tax Allocation
F	Equalized Assessed Value and Combined Tax Levies
G	Consolidation Summary
H	Princeton by the Numbers
I	Annual Debt Statement 2010 (Princeton Borough & Township)
J	Municipal Levy Reduction and Tax Impact
K	Princeton Borough Debt Service
L	Princeton Township Debt Service
M	Shared Services
N	Five Year Debt Service
O	Princeton Borough Debt Purpose
P	Princeton Township Debt Purpose
Q	State and County Equalized Valuation History
R	Open Space Reconciliation
S	Solid Waste Cost Calculations
T	Merged Municipal Tax Rate Calculation- Solid Waste Savings

Appendix A (page 1 of 2)

Twelve Year History of Tax Levies and Property Values

1999-2011

Borough of Princeton

Year	County Levy	County Open Space Levy	Regional School Levy	Municipal Purposes Tax Levy	Municipal Open Space Levy	Library Levy	General Tax Levy	Ratio	Net Valuation Taxable	Equalized Valuation	Average Residential Value
CY 2011	\$11,861,348.67	\$488,344.27	\$21,970,881.83	9,457,716.20	219,664.92	822,602	\$44,820,558.02	89.95%	2,196,649,214	2,452,366,222	747,665
CY 2010	12,604,236.64	518,370.36	21,234,550.02	10,398,805.85	221,323.42		44,977,286.29	85.86	2,220,526,988	2,596,275,756	753,126
CY 2009	11,536,056.60	767,886.16	20,506,165.10	10,398,805.85	100,959.28		43,309,872.99	39.53	1,009,592,800	2,560,967,009	351,761
CY 2008	10,942,859.25	751,111.93	19,726,774.57	10,370,547.36	100,671.83		41,891,964.94	40.30	1,006,718,313	2,504,932,529	349,953
CY 2007	9,893,383.06	678,451.37	18,708,413.54	9,795,786.05	99,950.67		39,175,984.69	44.33	999,506,688	2,261,516,505	348,413
CY 2006	9,472,292.56	590,180.45	17,385,689.11	9,445,471.63	100,265.65		36,993,899.40	51.13	1,002,656,507	1,967,346,972	347,207
CY 2005	9,807,999.76	550,934.84	16,875,494.48	8,908,832.45	100,099.24		36,243,360.77	54.69	1,000,992,410	1,836,800,462	348,990
CY 2004	9,177,162.12	336,077.30	15,426,086.80	8,341,403.01	101,811.95		33,382,541.18	59.68	999,000,350	1,680,328,474	347,138
CY 2003	8,477,468.96	298,129.94	14,660,858.19	7,263,062.50	101,516.33		30,801,035.92	67.95	1,008,758,681	1,491,296,715	345,060
CY 2002	7,880,459.76	268,445.31	13,178,648.88	6,796,398.88	101,167.77		28,225,120.60	75.36	1,006,628,412	1,342,635,978	345,214
CY 2001	6,426,129.17	230,909.11	12,230,602.90	6,443,215.25	100,675.24		25,431,531.67	87.80	1,006,752,399	1,154,604,551	345,242
CY 2000	5,777,233.76	220,183.69	11,555,743.35	6,186,000.18	-		23,739,160.98	91.34	997,777,806	1,100,438,462	341,018
CY 1999	5,260,765.50	200,353.56	10,572,879.76	5,955,362.29	-		21,989,361.11	99.88	992,591,503	1,002,364,943	339,319

Township of Princeton

CY 2011	\$23,949,392.54	\$986,501.84	\$43,717,296.62	20,070,599.74	923,560.28	1,646,467	\$91,293,818.04	95.33%	4,617,801,381	4,851,754,375	826,636
CY 2010	24,809,408.43	1,020,280.53	42,256,437.47	22,144,756.21	940,000.00		91,170,882.64	92.28	4,709,037,436	5,110,694,840	837,349
CY 2009	23,099,992.27	1,537,658.29	41,556,916.89	21,787,385.96	487,725.00		88,469,678.41	47.63	2,438,623,271	5,126,162,940	434,108
CY 2008	22,373,508.87	1,535,729.65	41,211,018.93	20,896,422.80	485,230.00		86,501,910.25	47.45	2,426,146,656	5,119,535,943	431,207
CY 2007	21,168,144.95	1,451,635.42	41,199,630.96	19,399,578.05	482,123.00		83,701,112.38	49.88	2,410,599,981	4,839,194,544	427,900
CY 2006	21,648,546.10	1,348,843.57	38,848,785.90	17,662,522.95	479,400.00		79,988,098.52	53.42	2,398,732,212	4,496,411,053	424,056
CY 2005	21,581,663.80	1,212,255.08	36,488,533.03	16,196,613.00	475,550.00		75,954,614.91	58.97	2,379,755,105	4,041,625,363	420,333
CY 2004	19,861,500.68	727,356.85	33,365,484.69	14,485,402.26	469,666.00		68,909,410.48	64.81	2,351,050,872	3,633,570,630	417,364
CY 2003	18,745,730.36	659,363.77	31,826,326.31	13,325,618.78	467,289.00		65,024,328.22	71.09	2,336,446,160	3,292,596,254	412,254
CY 2002	17,243,293.01	587,390.58	28,858,799.61	11,873,047.24	462,000.00		59,024,530.44	78.63	2,305,362,394	2,938,037,378	410,603
CY 2001	14,329,743.43	514,907.50	26,565,939.10	11,049,360.70	446,684.00		52,906,634.73	87.81	2,255,072,852	2,574,647,284	408,432
CY 2000	12,351,116.54	470,798.07	24,598,572.66	10,388,845.00	223,342.33		48,032,674.60	95.06	2,233,423,346	2,356,356,383	406,546
CY 1999	11,575,239.37	441,211.44	22,691,627.24	9,688,337.09	217,649.70		44,614,064.84	98.83	2,176,497,035	2,209,209,375	400,860

Appendix A (page 2 of 2)

Twelve Year History of Calculated Tax Rates and Property Values

1999-2011

Borough of Princeton

Year	County Rate	County Open Space Rate	Regional School Rate	Municipal Purposes Tax Rate	Municipal Open Space Rate	Library Rate	General Tax Rate	County Ratio	Net Valuation Taxable	Equalized Valuation	Average Residential Value	
CY 2011	0.540	0.023	1.001	0.431	0.010	0.038	2.005	89.95%	2,196,649,214	2,452,366,222	747,665	99%
CY 2010	0.568	0.024	0.957	0.469	0.010		2.028	85.86	2,220,526,988	2,596,275,756	753,126	214%
CY 2009	1.143	0.077	2.032	1.031	0.010		4.293	39.53	1,009,592,800	2,560,967,009	351,761	101%
CY 2008	1.087	0.075	1.960	1.031	0.010		4.163	40.30	1,006,718,313	2,504,932,529	349,953	100%
CY 2007	0.990	0.068	1.872	0.981	0.011		3.922	44.33	999,506,688	2,261,516,505	348,413	100%
CY 2006	0.945	0.059	1.734	0.943	0.010		3.691	51.13	1,002,656,507	1,967,346,972	347,207	99%
CY 2005	0.980	0.056	1.686	0.891	0.010		3.623	54.69	1,000,992,410	1,836,800,462	348,990	101%
CY 2004	0.919	0.034	1.545	0.835	0.011		3.344	59.68	999,000,350	1,680,328,474	347,138	101%
CY 2003	0.841	0.030	1.454	0.720	0.011		3.056	67.95	1,008,758,681	1,491,296,715	345,060	100%
CY 2002	0.783	0.027	1.310	0.676	0.011		2.807	75.36	1,006,628,412	1,342,635,978	345,214	100%
CY 2001	0.639	0.023	1.215	0.640	0.011		2.528	87.80	1,006,752,399	1,154,604,551	345,242	101%
CY 2000	0.580	0.023	1.159	0.620	-		2.382	91.34	997,777,806	1,100,438,462	341,018	101%
CY 1999	0.531	0.021	1.066	0.600	-		2.218	99.88	992,591,503	1,002,364,943	339,319	

Township of Princeton

CY 2011	0.519	0.022	0.947	0.435	0.021	0.036	1.944	95.33%	4,617,801,381	4,851,754,375	826,636	99%
CY 2010	0.527	0.022	0.898	0.471	0.020		1.938	92.28	4,709,037,436	5,110,694,840	837,349	193%
CY 2009	0.948	0.064	1.705	0.894	0.021		3.632	47.63	2,438,623,271	5,126,162,940	434,108	101%
CY 2008	0.923	0.064	1.699	0.862	0.021		3.569	47.45	2,426,146,656	5,119,535,943	431,207	101%
CY 2007	0.879	0.061	1.710	0.805	0.021		3.476	49.88	2,410,599,981	4,839,194,544	427,900	101%
CY 2006	0.903	0.057	1.620	0.737	0.020		3.337	53.42	2,398,732,212	4,496,411,053	424,056	101%
CY 2005	0.907	0.051	1.534	0.681	0.020		3.193	58.97	2,379,755,105	4,041,625,363	420,333	101%
CY 2004	0.845	0.031	1.420	0.617	0.020		2.933	64.81	2,351,050,872	3,633,570,630	417,364	101%
CY 2003	0.803	0.029	1.363	0.571	0.020		2.786	71.09	2,336,446,160	3,292,596,254	412,254	100%
CY 2002	0.748	0.026	1.252	0.516	0.021		2.563	78.63	2,305,362,394	2,938,037,378	410,603	101%
CY 2001	0.636	0.023	1.179	0.490	0.020		2.348	87.81	2,255,072,852	2,574,647,284	408,432	100%
CY 2000	0.554	0.022	1.102	0.466	0.010		2.154	95.06	2,233,423,346	2,356,356,383	406,546	101%
CY 1999	0.532	0.021	1.043	0.446	0.010		2.052	98.83	2,176,497,035	2,209,209,375	400,860	

Appendix B

Merged Municipal Tax Rate Calculation - 2011 Levies Existing Values

Merged Tax Rate Calculation

	A	B	C	D	E	F	G
	Local 2011 Net Value Taxable	2011 Tax Levy	Individual Tax Rate (B/A*100)	Share of Combined Net Value Taxable	Share of Combined County Net Value (D/TotalD)	Share of Equalized Tax Levy	Consolidated Tax Rate (E/A*100)
Princeton Borough	2,196,649,214	9,457,716	0.431	2,196,875,000	32.24%	9,519,310	0.434
Princeton Township	4,617,801,381	20,070,600	0.435	4,617,696,490	67.76%	20,009,006	0.434
Combined Levy	6,814,450,595	29,528,316	0.434	6,814,571,490		29,528,316	0.434

Average Residential Property Tax Calculation

	H	I	J	K	L	M
	Local 2011 Residential Taxable	Residential Parcels	Average Local Residential Value (G/H)	Current Average Residential Taxes (I*D/100)	Average Residential Merged Taxes (I*F/100)	Changes in Taxes
Princeton Borough	1,563,366,485	2,091	747,665	3,222	\$ 3,245	23
Princeton Township	4,067,047,699	4,920	826,636	3,596	\$ 3,588	(8)
Combined	5,630,414,184	7,011	803,083	0.434	\$ 3,485	

Appendix C

Merged Municipal Tax Rate Calculation - 2011 Library Levy Existing Values**Merged Tax Rate Calculation**

	A	B	C	D	E	F	G
	Local 2011 Net Value Taxable	2011 Tax Levy	Individual Tax Rate (C/A*100)	Share of Combined Net Value Taxable	Share of Combined County Net Value (D/TotalD)	Share of Equalized Tax Levy	Merged Tax Rate (E/A*100)
Princeton Borough	2,196,649,214	822,602	0.038	2,196,875,000	32.24%	795,976	0.037
Princeton Township	4,617,801,381	1,646,467	0.036	4,617,696,490	67.76%	1,673,093	0.037
Combined Levy	6,814,450,595	2,469,069	0.037	6,814,571,490		2,469,069	0.037

Average Residential Property Tax Calculation

	H	I	J	K	L	M
	Local 2011 Residential Taxable	Residential Parcels	Average Local Residential Value (G/H)	Current Average Residential Taxes (I*D/100)	Average Residential Merged Taxes (I*F/100)	Changes in Taxes
Princeton Borough	1,563,366,485	2,091	747,665	284	\$ 277	(7)
Princeton Township	4,067,047,699	4,920	826,636	298	\$ 306	8
Combined	5,630,414,184	7,011	803,083	0.037	\$ 297	

Appendix D School District Reconciliation

2011 PRINCETON REGIONAL SCHOOL COST ALLOCATION (EQUALIZED PRE CONSOLIDATION)

(Taxes calculated on Basis of a Tax Year using County Formulas based upon School Levy Requirements)

	A	B *	C	D	E (C+D)	F	G (E +1/2 F)	H (G/A*100)	I	J (I*H/100)
	Net (Assessed) Value Taxable	Percentage Share	General Fund Levy *	Debt Service Levy *	Total School Year Levy	Remainder from Last School Year *	Total 2011 Tax Levy	Rate	Avg Home Value	Avg Tax Before Consolidation
Princeton Borough	\$2,196,649,214	33.316%	\$20,719,499	\$1,493,010	\$22,212,509	\$10,864,627	\$21,970,882	1.001	747,665	7,484
Princeton Township	\$4,617,801,381	66.684%	\$41,470,803	\$2,988,312	\$44,459,115	\$21,487,739	\$43,717,297	0.947	826,636	7,828
Princeton Regional Total	\$6,814,450,595	100.00%	\$62,190,302	\$4,481,322	\$66,671,624	\$32,352,366	\$65,688,179	0.964	803,083	7,742

*- Per Apportionment Calculation from NJ DOE Form A4F (2011-2012 School Year)

2011 PRINCETON DISTRICT SCHOOL COST ALLOCATION IF CONSOLIDATED (NOT EQUALIZED)

	K	L (K/ Total K)	M (Total M*L)	N (Total N*L)	O(M+N)	P (Total P*L)	Q (P+1/2 O)	R (Q/K*100)	S	T (S*R/100)	U (T-J)
	Net (Assessed) Value Taxable	Percentage Share	General Fund Levy	Debt Service Levy	Total School Year Levy	Remainder from Last School Year	Total 2011 Tax Levy	Rate	Avg Home Value	Avg Tax After Consolidation	Difference
Princeton Borough	\$2,196,875,000	32.238%	\$20,048,850	\$1,444,684	\$21,493,534	\$10,429,725	\$21,176,492	0.964	747,665	7,207	(277)
Princeton Township	\$4,617,696,490	67.762%	\$42,141,452	\$3,036,638	\$45,178,090	\$21,922,641	\$44,511,686	0.964	826,636	7,969	141
	\$6,814,571,490	100.00%	\$62,190,302	\$4,481,322	\$66,671,624	\$32,352,366	65,688,179	0.964	803,083		

Appendix E County Tax Reconciliation

2011 COUNTY ALLOCATION (EQUALIZED PRE CONSOLIDATION)

	A	B	C (B/A*100)	D	E (C*D/100)
	Net (Assessed) Value Taxable	Total Levy*	Rate	Avg Home Value	Avg Tax Before Consolidation
Princeton Borough	\$2,196,649,214	\$11,861,349	0.540	747,665	4,037
Princeton Township	\$4,617,801,381	\$23,391,317	0.507	826,636	4,191
Princeton Regional Total	\$6,814,450,595	\$35,252,666	0.518	803,083	4,160

2011 COUNTY ALLOCATION IF CONSOLIDATED (NOT EQUALIZED)

	F	G (F/Total F)	H (G/F*100)	I (H/F*100)	J	K (J*I/100)	L (K-E)
	Net (Assessed) Value Taxable	Ratio of Net Value Taxable	Total Levy*	Rate	Avg Home Value	Avg Tax After Consolidation	(Savings)/ Addl. Cost
Princeton Borough	\$2,196,875,000	0.322	\$11,393,493	0.519	747,665	3,880	(157)
Princeton Township	\$4,617,696,490	0.678	\$23,948,424	0.519	826,636	4,290	99
	\$6,814,571,490		\$35,341,917	0.519	803,083	4,168	8

* Raised By Taxation based upon estimated levy share of \$221,653,479 on rounded rates as calculated by Mercer County's Tax Administrator

2011 COUNTY OPEN SPACE ALLOCATION (EQUALIZED PRE CONSOLIDATION)

	A	B	C (B/A*100)	D	E (C*D/100)
	Net (Assessed) Value Taxable	Total Levy**	Rate	Avg Home Value	Avg Tax Before Consolidation
Princeton Borough	\$2,196,649,214	\$488,344	0.023	747,665	172
Princeton Township	\$4,617,801,381	\$963,053	0.021	826,636	174
Princeton Regional Total	\$6,814,450,595	\$1,451,397	0.022	803,083	-

2011 COUNTY OPEN SPACE ALLOCATION IF CONSOLIDATED (NOT EQUALIZED)

	F	G (F/Total F)	H (G/F*100)	I (H/F*100)	J	K (J*I/100)	L (K-E)
	Net (Assessed) Value Taxable	Total Levy**/**	Rate	Avg Home Value	Avg Tax After Consolidation	(Savings)/ Addl. Cost	
Princeton Borough	\$2,196,875,000	0.322	\$469,310	0.022	747,665	164	(8)
Princeton Township	\$4,617,696,490	0.678	\$986,462	0.022	826,636	182	8
	\$6,814,571,490		\$1,455,772	0.022	803,083	177	177

** Based on Total Open Space Levy for the County of \$9,122,702.29

** Raised By Taxation based upon estimated levy of \$1,455,772.46 on rounded rates as calculated by Mercer County's Tax Administrator

Appendix F

Equalized Assessed Value and Combined Tax Levies 2011

	Princeton Borough	Princeton Township	Combined
Net Valuation Taxable	2,196,649,214	4,617,801,381	
Net Valuation Taxable (Consolidated)	2,196,875,000	4,617,696,490	6,814,571,490
County Equalization Ratio	89.95%	95.33%	93.25%
County Equalized Valuation	2,452,366,222	4,851,754,375	7,325,997,979
County Equalization Ratio (Consolidated)	93.25%	93.25%	93.25%
County Equalized Valuation (Consolidated)	2,366,412,073	4,959,585,856	7,325,997,979

2011 Tax Levies	Princeton Borough	Princeton Township	Combined	%	Consolidated	%
County Tax Levy *	11,861,348.67	23,391,316.94	35,252,665.61	26.0%	35,341,916.81	26.1%
County Open Space Tax Levy **	488,344.27	963,052.71	1,451,396.98	1.1%	1,455,772.46	1.1%
School Tax Regional Levy	\$21,970,881.83	\$43,717,296.62	65,688,178.45	48.5%	65,688,178.45	48.4%
Local Municipal Tax Levy	9,457,716.20	20,070,599.74	29,528,315.94	21.8%	29,528,315.94	21.8%
Municipal Open Space Levy***	219,664.92	923,560.28	1,143,225.20	0.8%	1,158,477.15	0.9%
Regional Library Levy****	822,602.13	1,646,467.02	2,469,069.15	1.8%	2,469,069.15	1.8%
Total Tax Levy	44,820,558.02	90,712,293.31	135,532,851.33	100.0%	135,641,729.96	100.0%

* -County Tax Levy Increases as a result of Apportionment Change by \$89,251.20

** -County Open Space Levy Increases as a result of Apportionment Change by \$4,375.48

***-Estimated off of Open Space Rates of .01 for Borough and .02 for Township and a consolidated rate of \$0.017

****- Beginning in 2011 the Minimum Library Tax apportionment was removed from the Municipal Tax Levy so that municipalities would not be subjected to variation because of equalized assessed valuation fluctuations.

2011 Tax Levies	Princeton Borough	Princeton Township		Consolidated	
1st Yr Consolidation Implementation Savings	(422,638.92)	(888,361.08)		(1,311,000.00)	
Consolidation Implementation Savings	(1,019,040.14)	(2,141,959.86)		(3,161,000.00)	
Solid Waste Cost Increase	380,407.26	799,592.74		1,180,000.00	
Net Effect of Consolidation	(638,632.87)	(1,342,367.13)		(1,981,000.00)	
Net Tax Levy After Implementation	44,181,925.15	89,369,926.18		133,660,729.96	
Net Effect of 1 Yr Consolidation	(42,231.65)	(88,768.35)		(131,000.00)	
Net Tax Levy After 1 Yr Implementation	44,778,326.37	(88,768.35)		(131,000.00)	

Appendix G

2011 Anticipated Current and Projected Consolidated Rates and Taxes

TAX RATES	Borough	Township	Combined	Borough	Township
Purpose	Tax Rate Actual	Tax Rate Actual	Tax Rate	Difference	Difference
Municipal Tax Rate	0.431	0.435	0.434	0.003	-0.001
School: Princeton Regional	1.001	0.947	0.964	-0.037	0.017
Municipal Open Space Tax Rate	0.010	0.020	0.017	0.007	-0.003
Regional Library Tax	0.038	0.036	0.037	-0.001	0.001
County Tax Rate	0.540	0.507	0.519	-0.021	0.012
County Open Space Rate	0.023	0.021	0.022	-0.001	0.001
TOTAL TAX RATE	1.612	1.531	1.559	-0.053	0.028

AVERAGE RESIDENTIAL TAXES	Current	Current	Consolidated	Consolidated	Change in	Change in
Purpose	Borough	Township	Borough	Township	Borough	Township
Avg Residential Property Value	747,665	826,636	747,665	826,636	----	----
Municipal Tax	3,222	3,596	3,245	3,588	23	(8)
School: Princeton Regional	7,484	7,828	7,207	7,969	(277)	141
Municipal Open Space Tax	75	165	127	141	52	(24)
Regional Library Tax	284	298	277	306	(7)	8
County Tax	4,037	4,191	3,880	4,290	(157)	99
County Open Space	172	174	164	182	(8)	8

TOTAL TAX RATE	\$ 15,274	\$ 16,252	\$ 14,900	\$ 16,476	\$ (374)	\$ 224
-----------------------	------------------	------------------	------------------	------------------	-----------------	---------------

Additional Solid Waste Costs					127	141
Savings from 1st Year Recommendation Savings					(142)	(157)
Net Effects of 1st Year Recommendation Savings and Solid Waste					(15)	(16)
Total Effects of Consolidation, 1st Yr. Recommendations & Solid Waste	\$ 14,885	\$ 16,460			(389)	208
Savings from Total Recommendation Savings					(344)	(380)
Net Effects of Total Recommendation Savings & Solid Waste					(217)	(239)
Total Effects of Consolidation, Recommendation Savings & Solid Waste	\$ 14,683	\$ 16,236			(591)	(15)

Appendix H

Princeton by the Numbers

	Borough	Township	Difference Twp. - Boro	% Difference Boro/Twp.	Combined	Percent Township	Percent Borough
Population	12,307	16,265	3,958	75.7%	28,572	56.9%	43.1%
Square Miles	1.85	16.38	14.53	11.3%	18.23	89.9%	10.1%
2010 Budget	\$24,716,959	\$35,945,211	\$11,228,252	68.8%	\$60,662,170	59.3%	40.7%
2010 Tax Levy	\$10,398,806	\$22,144,756	\$11,745,950	47.0%	\$32,543,562	68.0%	32.0%
2010 Property Tax Rate	0.469	0.471	0.002	99.6%	0.423		*
2010 Avg Residential Municipal Property Tax	\$3,532	\$3,944	\$412	89.6%	\$7,476	52.8%	47.2%
2010 Tax Point	\$222,053	\$470,904	\$248,851	47.2%	\$692,956	68.0%	32.0%
Debt as of 12/31/09 Gross Debt Authorized	\$43,088,941	\$117,579,927	\$74,490,986	36.6%	\$160,668,869	73.2%	26.8%
Debt as of 12/31/09 Gross Debt Issued	\$38,007,404	\$62,281,846	\$24,274,443	61.0%	\$100,289,250	62.1%	37.9%
Debt as of 12/31/09 Net Debt Issued	\$14,825,820	\$48,038,927	\$33,213,107	30.9%	\$62,864,747	76.4%	23.6%
Auth. Debt vs. 3 yr Prop. Value	1.70%	1.71%	0.01%	99.4%		No change	Surcharge **
Issued Debt vs. 3 yr Prop. Value	1.51%	1.23%	-0.28%	122.8%			
Net Issued Debt vs. 3 yr Prop. Value	0.59%	0.95%	0.36%	62.1%			
Residential Property Units	2,089	4,924	2,835	42.4%	7,013	70.2%	29.8%
Equalized Property Values	\$2,596,275,756	\$5,110,694,840	\$2,514,419,084	50.8%	7,706,970,596	66.3%	33.7%
2011 Budget	\$25,991,953	\$36,633,271	\$10,641,318	71.0%	62,625,224	58.5%	41.5%
2011 Tax Levy	9,457,716	20,070,600	\$10,612,884	47.1%	29,528,316	68.0%	32.0%
2011 Property Tax Rate	0.431	0.435	0.004	99.1%	0.0434		
2011 Avg Residential Property Value	747,665	826,636	\$78,971	90.4%			
2011 Avg Residential Municipal Property Tax	\$3,222	\$3,596	\$374	89.6%			
2011 Tax Point	219,665	461,780	\$242,115	47.6%	\$681,445	67.8%	32.2%
Debt as of 12/31/10 Gross Debt Authorized	43,726,262	96,329,245	\$52,602,983	45.4%	\$140,055,506	68.8%	31.2%
Debt as of 12/31/10 Gross Debt Issued	48,488,493	69,425,758	\$20,937,265	69.8%	\$117,914,251	58.9%	41.1%
Debt as of 12/31/10 Net Debt Issued	26,275,988	51,760,957	\$25,484,969	50.8%	\$78,036,946	66.3%	33.7%
Auth. Debt vs. 3 yr Prop. Value	1.73%	1.91%	0.18%	90.6%	60.95%	No change	Surcharge
Issued Debt vs. 3 yr Prop. Value	1.92%	1.38%	-0.54%	139.4%			
Net Issued Debt vs. 3 yr Prop. Value	1.04%	1.03%	-0.01%	101.3%			
Residential Property Units	2,091	4,920	2,829	42.5%	7,011	70.2%	29.8%
Equalized Property Values	2,452,366,222	4,851,754,375	\$2,399,388,153	50.5%	7,304,120,597	66.4%	33.6%

* Property Tax Rate percentages in last 2 columns represent difference from combined rate not, from each other.

Appendix I

Annual Debt Statement 2010

Princeton Borough

	Gross Debt	Deductions	Net Debt
Total Bonds and Notes for School Purposes	14,307,678.83	14,307,678.83	-
Total Self Liquidating Bonds and Notes	24,752,026.00	24,752,026.00	-
Total Other Bonds and Notes	43,726,261.56		43,726,261.56
Total Net Debt December 31, 2009	82,785,966.39	39,059,704.83	43,726,261.56

3 Year Average Equalized Valuation	2,520,605,360.00
Debt Ratio	1.73%

Annual Debt Statement 2010

Princeton Township

	Gross Debt	Deductions	Net Debt
Total Bonds and Notes for School Purposes	28,610,880.04	28,610,880.04	-
Total Self Liquidating Bonds and Notes	380,000.00	380,000.00	-
Total Other Bonds and Notes	101,584,184.67	5,254,939.87	96,329,244.80
Total Net Debt December 31, 2009	130,575,064.71	34,245,819.91	96,329,244.80

3 Year Average Equalized Valuation	5,031,124,182.00
Debt Ratio	1.91%

Appendix J

Levy Reduction Options - 2011

	Princeton Borough	Princeton Twp	Combined
Net Value Taxable	2,196,649,214	4,617,801,381	
Eq Net Value Taxable	2,196,875,000	4,617,696,490	6,814,571,490
Avg Home Value	747,665	826,636	
Eq Ratio	89.95%	95.33%	93.25%
Eq Avg Home Value	747,665	826,636	
Share of Equalized Value	32.24%	67.76%	100.00%
Tax Rate As Is	0.431	0.435	
Tax Levy As Is -*	9,457,716	20,070,600	29,528,316
Average Residential Taxes	3,222	3,596	

1981000

	Princeton Borough	Princeton Township	Combined	Savings from existing levy	Equalized Tax Rate	Boro Tax on Avg. Home	Twp. Tax on Avg. Home	Change in Boro Avg. Tax	Change in Twp. Avg. Tax
Tax Combined	9,457,716.20	20,070,599.74	29,528,315.94		0.434	3,244.86	3,587.60	22.86	(8.40)
99% Levy			29,233,032.78	295,283.16	0.429	3,207.48	3,546.27	(14.52)	(49.73)
98% Levy			28,937,749.62	590,566.32	0.425	3,177.57	3,513.20	(44.43)	(82.80)
97% Levy			28,642,466.46	885,849.48	0.421	3,147.67	3,480.14	(74.33)	(115.86)
96% Levy			28,347,183.30	1,181,132.64	0.416	3,110.28	3,438.81	(111.72)	(157.19)
95% Levy			28,051,900.14	1,476,415.80	0.412	3,080.38	3,405.74	(141.62)	(190.26)
94% Levy			27,756,616.98	1,771,698.96	0.408	3,050.47	3,372.67	(171.53)	(223.33)
93% Levy			27,461,333.82	2,066,982.12	0.403	3,013.09	3,331.34	(208.91)	(264.66)
92% Levy			27,166,050.66	2,362,265.28	0.399	2,983.18	3,298.28	(238.82)	(297.72)
91% Levy			26,870,767.51	2,657,548.43	0.395	2,953.27	3,265.21	(268.73)	(330.79)
90% Levy			26,575,484.35	2,952,831.59	0.390	2,915.89	3,223.88	(306.11)	(372.12)
89% Levy			26,280,201.19	3,248,114.75	0.386	2,885.98	3,190.81	(336.02)	(405.19)
87% Levy			25,689,634.87	3,838,681.07	0.377	2,818.70	3,116.42	(403.30)	(479.58)
85% Levy			25,099,068.55	4,429,247.39	0.369	2,758.88	3,050.29	(463.12)	(545.71)
80% Levy			23,622,652.75	5,905,663.19	0.347	2,594.40	2,868.43	(627.60)	(727.57)

*Note Minimum Library Levy of .0003333 of equalized value is subtracted from both the borough's (\$822,602) and the township's (\$1,646,467) tax levies as a result in a change in the law for 2011.

Princeton Borough Bonds				2010 DEBT SERVICE				2011 DEBT SERVICE			2012 DEBT SERVICE			2013 DEBT SERVICE			2014 DEBT SERVICE			2015 DEBT SERVICE		
Bonds	TITLE	Payment Method	% to Dedicated Funds	2009 BALANCE	2010 Principal	2010 Interest	12/31/2010 Balance	2011 Principal	2011 Interest	12/31/2011	2012 Principal	2012 Interest	12/31/2012	2013 Principal	2013 Interest	12/31/2013	2014 Principal	2014 Interest	12/31/2014	2015 Principal	2015 Interest	12/31/2015
GENERAL CAPITAL (CURRENT BUDGET)								2011 DEBT SERVICE			2012 DEBT SERVICE			2013 DEBT SERVICE			2014 DEBT SERVICE			2015 DEBT SERVICE		
	Series 2003A	General Tax		\$3,458,000.00	\$380,000.00	\$148,325.00	\$3,078,000.00	\$380,000.00	\$132,175.00	\$2,698,000.00	\$380,000.00	\$116,025.00	\$2,318,000.00	\$380,000.00	\$99,875.00	\$1,938,000.00	\$380,000.00	\$83,725.00	\$1,558,000.00	\$380,000.00	\$67,525.00	\$1,178,000.00
	Series 2003B	General Tax		\$5,079,000.00	\$570,000.00	\$217,725.00	\$4,509,000.00	570,000.00	193,500.00	\$3,939,000.00	\$570,000.00	\$169,275.00	\$3,369,000.00	\$570,000.00	\$145,050.00	\$2,799,000.00	\$570,000.00	\$120,825.00	\$2,229,000.00	\$570,000.00	\$96,600.00	\$1,659,000.00
	Series 2007	General Tax	50%	\$8,748,820.00	\$640,686.00	\$349,953.00	\$8,108,134.00	640,686.00	311,512.00	\$7,467,448.00	\$739,254.00	\$298,697.00	\$6,728,194.00	\$788,537.00	\$253,357.00	\$5,939,657.00	\$936,388.00	\$218,859.00	\$5,003,269.00	\$936,388.00	\$181,403.00	\$4,066,881.00
	Series 2010	General Tax		\$0.00	\$0.00	\$0.00	\$12,589,000.00	600,000.00	512,473.00	\$11,989,000.00	\$600,000.00	\$429,765.00	\$11,389,000.00	\$600,000.00	\$411,765.00	\$10,789,000.00	\$530,000.00	\$394,815.00	\$10,259,000.00	\$530,000.00	\$378,915.00	\$9,729,000.00
	TOTAL			\$17,285,820.00	\$1,590,686.00	\$716,003.00	\$28,284,134.00	\$2,190,686.00	\$1,149,660.00	\$26,093,448.00	\$2,289,254.00	\$1,013,762.00	\$23,804,194.00	\$2,338,537.00	\$910,047.00	\$21,465,657.00	\$2,416,388.00	\$818,224.00	\$19,049,269.00	\$2,416,388.00	\$724,443.00	\$16,632,881.00
Princeton Borough NJEIT																						
	Series 2006 Fund	Sewer Fees	73%	\$776,063.00	\$46,469.00	\$0.00	\$729,594.00	\$45,569.00	\$0.00	\$684,025.00	\$44,443.00	\$0.00	\$639,582.00	\$46,534.00	\$0.00	\$593,048.00	\$45,247.00	\$0.00	\$547,801.00	\$47,177.00	\$0.00	\$500,624.00
	Series 2006A Trust	Sewer Fees	73%	\$840,000.00	\$35,000.00	\$37,225.00	\$805,000.00	\$35,000.00	\$35,825.00	\$770,000.00	\$35,000.00	\$34,075.00	\$735,000.00	\$40,000.00	\$32,325.00	\$695,000.00	\$40,000.00	\$30,325.00	\$655,000.00	\$40,000.00	\$28,325.00	\$615,000.00
	Series 2007 Fund	Sewer Fees	100%	\$784,501.00	\$42,674.00	\$0.00	\$741,827.00	\$44,882.00	\$0.00	\$696,945.00	\$43,778.00	\$0.00	\$653,167.00	\$43,027.00	\$0.00	\$610,140.00	\$42,255.00	\$0.00	\$567,885.00	\$44,614.00	\$0.00	\$523,271.00
	Series 2007A Trust	Sewer Fees	100%	\$840,000.00	\$30,000.00	\$37,650.00	\$810,000.00	\$35,000.00	\$36,150.00	\$775,000.00	\$35,000.00	\$34,400.00	\$740,000.00	\$35,000.00	\$33,210.00	\$705,000.00	\$35,000.00	\$31,985.00	\$670,000.00	\$40,000.00	\$30,725.00	\$630,000.00
	Series 2008 Fund	Sewer Fees	81%	\$1,007,597.00	\$53,929.00	\$0.00	\$953,668.00	\$52,857.00	\$0.00	\$900,811.00	\$51,786.00	\$0.00	\$849,025.00	\$53,776.00	\$0.00	\$795,249.00	\$52,551.00	\$0.00	\$742,698.00	\$54,388.00	\$0.00	\$688,310.00
	Series 2008A Trust	Sewer Fees	81%	\$1,035,000.00	\$35,000.00	\$53,075.00	\$1,000,000.00	\$35,000.00	\$51,325.00	\$965,000.00	\$35,000.00	\$49,575.00	\$930,000.00	\$40,000.00	\$47,825.00	\$890,000.00	\$40,000.00	\$45,825.00	\$850,000.00	\$45,000.00	\$43,825.00	\$805,000.00
	Series 2010 Fund	Sewer Fees	66%	\$1,991,581.00	\$67,511.00	\$0.00	\$1,924,070.00	\$101,267.00	\$0.00	\$1,822,803.00	\$101,267.00	\$0.00	\$1,721,536.00	\$101,267.00	\$0.00	\$1,620,269.00	\$101,267.00	\$0.00	\$1,519,002.00	\$101,267.00	\$0.00	\$1,417,735.00
	Series 2010A Trust	Sewer Fees	66%	\$650,000.00	\$0.00	\$13,146.00	\$650,000.00	\$20,000.00	\$27,675.00	\$630,000.00	\$25,000.00	\$26,875.00	\$605,000.00	\$25,000.00	\$25,625.00	\$580,000.00	\$25,000.00	\$24,375.00	\$555,000.00	\$25,000.00	\$23,125.00	\$530,000.00
	TOTAL			\$7,924,742.00	\$310,583.00	\$141,096.00	\$7,614,159.00	\$369,575.00	\$150,975.00	\$7,244,584.00	\$371,274.00	\$144,925.00	\$6,873,310.00	\$384,604.00	\$138,985.00	\$6,488,706.00	\$381,320.00	\$132,510.00	\$6,107,386.00	\$397,446.00	\$126,000.00	\$5,709,940.00
Parking Utility																						
	Series 2003 -Parking Debt	Parking Utility	100%	\$12,605,000.00	\$400,000.00	\$568,718.00	\$12,205,000.00	\$425,000.00	\$558,706.00	\$11,780,000.00	\$425,000.00	\$540,644.00	\$11,355,000.00	\$475,000.00	\$521,519.00	\$10,880,000.00	\$500,000.00	\$501,331.00	\$10,380,000.00	\$500,000.00	\$480,081.00	\$9,880,000.00
	Green Trust Institute Paid to the Twp	Borough Share*		\$64,661.87	\$9,327.60	\$1,253.11	\$55,334.27	\$9,327.60	\$1,090.80	\$46,006.67	\$9,327.60	\$925.25	\$36,679.07	\$9,327.60	\$756.36	\$27,351.47	\$9,327.60	\$584.08	\$18,023.87	\$9,327.60	\$408.33	\$8,696.27
	Series 2007 -Assessment Debt			\$127,180.00	\$9,314.00	\$5,087.00	\$117,866.00	\$9,314.00	\$4,528.00	\$108,552.00	\$10,746.00	\$4,127.00	\$97,806.00	\$11,463.00	\$3,683.00	\$86,343.00	\$13,612.00	\$3,182.00	\$72,731.00	\$13,612.00	\$2,637.00	\$59,119.00
	Series 2010 -Assessment Debt			\$0.00	\$0.00	\$0.00	\$212,000.00	\$27,000.00	\$8,226.00	\$185,000.00	\$25,000.00	\$6,375.00	\$160,000.00	\$20,000.00	\$5,700.00	\$140,000.00	\$20,000.00	\$5,100.00	\$120,000.00	\$20,000.00	\$4,500.00	\$100,000.00
	TOTAL BONDS			\$12,796,841.87	\$418,641.60	\$575,058.11	\$12,590,200.27	\$470,641.60	\$572,550.80	\$12,119,558.67	\$470,073.60	\$552,071.25	\$11,649,485.07	\$515,790.60	\$531,658.36	\$11,133,694.47	\$542,939.60	\$510,197.08	\$10,590,754.87	\$542,939.60	\$487,626.33	\$10,047,815.27
	TOTAL DEBT			\$38,007,403.87	\$2,319,910.60	\$1,432,157.11	\$48,488,493.27	\$3,030,902.60	\$1,873,185.80	\$45,457,590.67	\$3,130,601.60	\$1,710,758.25	\$42,326,989.07	\$3,238,931.60	\$1,580,690.36	\$39,088,057.47	\$3,340,647.60	\$1,460,931.08	\$35,747,409.87	\$3,356,773.60	\$1,338,069.33	\$32,390,636.27
	Debt Service Attributable to Parking Utility			\$12,605,000.00	\$400,000.00	\$568,718.00	\$12,205,000.00	\$425,000.00	\$558,706.00	\$11,780,000.00	\$425,000.00	\$540,644.00	\$11,355,000.00	\$475,000.00	\$521,519.00	\$10,880,000.00	\$500,000.00	\$501,331.00	\$10,380,000.00	\$500,000.00	\$480,081.00	\$9,880,000.00
	Debt Service Attributable to Sewer Fees			\$10,576,584.02	\$569,079.12	\$291,467.86	\$10,007,504.90	\$610,240.76	\$277,897.00	\$9,397,264.14	\$660,031.27	\$266,516.50	\$8,737,232.87	\$694,760.10	\$239,136.50	\$8,042,472.77	\$765,981.84	\$216,757.50	\$7,276,490.93	\$780,287.71	\$192,864.50	\$6,496,203.22
	Debt Service Attributable to Sidewalk Assessment			\$127,180.00	\$9,314.00	\$5,087.00	\$329,866.00	\$36,314.00	\$12,754.00	\$293,552.00	\$35,746.00	\$10,502.00	\$257,806.00	\$31,463.00	\$9,383.00	\$226,343.00	\$33,612.00	\$8,282.00	\$192,731.00	\$33,612.00	\$7,137.00	\$159,119.00
	Debt Service Attributable to Tax Levy			\$14,825,819.85	\$1,350,831.48	\$571,971.25	\$26,275,988.37	\$1,995,661.84	\$1,036,582.80	\$24,280,326.53	\$2,045,570.33	\$903,597.75	\$22,234,756.20	\$2,069,171.50	\$820,034.86	\$20,165,584.70	\$2,074,665.76	\$742,842.58	\$18,090,918.94	\$2,076,485.89	\$665,123.83	\$16,014,433.05

*-The Borough currently pays a portion of the Township's 20 year Green Trust Loan by reimbursing the Township for the 2.6667% portion of the original \$5.625 million debt

Princeton Twp Bonds				2010 DEBT SERVICE			2011 DEBT SERVICE			2012 DEBT SERVICE			2013 DEBT SERVICE			2014 DEBT SERVICE			2015 DEBT SERVICE			
Bonds	TITLE	Payment Method	% to Dedicated Funds	12/31/2009	2010 Principal	2010 Interest	12/31/2010	2011 Principal	2011 Interest	12/31/2011	2012 Principal	2012 Interest	12/31/2012	2013 Principal	2013 Interest	12/31/2013	2014 Principal	2014 Interest	12/31/2014	2015 Principal	2015 Interest	12/31/2015
GENERAL CAPITAL (CURRENT BUDGET)							2011 DEBT SERVICE			2012 DEBT SERVICE			2013 DEBT SERVICE			2014 DEBT SERVICE			2015 DEBT SERVICE			
	General Bond 2002 *	Refinance		\$7,085,000.00	\$6,460,000.00	\$0.00	\$0.00															
	General Bond 2002 *	General Tax			\$625,000.00	\$133,012.51																
	General Bond 2004 **	General Tax		\$7,000,000.00	\$550,000.00	\$289,781.25	\$6,450,000.00	\$600,000.00	\$37,125.00	\$5,850,000.00	\$600,000.00	\$12,375.00	\$5,250,000.00	\$600,000.00	\$216,562.50	\$4,650,000.00	\$750,000.00	\$188,437.50	\$3,900,000.00	\$750,000.00	\$156,750.00	\$3,150,000.00
	General Bond 2006	General Tax	19.3%	\$22,350,000.00	\$580,000.00	\$982,796.26	\$21,770,000.00	\$1,185,000.00	\$945,290.01	\$20,585,000.00	\$1,190,000.00	\$894,821.26	\$19,395,000.00	\$1,200,000.00	\$843,283.76	\$18,195,000.00	\$1,100,000.00	\$792,971.26	\$17,095,000.00	\$1,100,000.00	\$744,846.26	\$15,995,000.00
	General Bond 2008	General Tax	11.2%	\$8,000,000.00	300,000.00	302,450.00	\$7,700,000.00	350,000.00	294,325.00	\$7,350,000.00	450,000.00	284,325.00	\$6,900,000.00	475,000.00	270,387.50	\$6,425,000.00	475,000.00	253,762.50	\$5,950,000.00	550,000.00	235,825.00	\$5,400,000.00
	Refunding Bond 2009	General Tax	23.9%	\$7,490,000.00	1,495,000.00	299,600.00	\$5,995,000.00	575,000.00	239,800.00	\$5,420,000.00	625,000.00	216,800.00	\$4,795,000.00	625,000.00	191,800.00	\$4,170,000.00	670,000.00	166,800.00	\$3,500,000.00	670,000.00	140,000.00	\$2,830,000.00
	Refunding Bond 2010	General Tax	29.7%		0.00	90,491.11	\$6,185,000.00	785,000.00	189,400.00	\$5,400,000.00	810,000.00	173,700.00	\$4,590,000.00	865,000.00	157,500.00	\$3,725,000.00	880,000.00	140,200.00	\$2,845,000.00	945,000.00	113,800.00	\$1,900,000.00
	Refunding Bond 2010B	General Tax	26.9%		0.00	0.00	\$5,230,000.00	30,000.00	168,418.33	\$5,200,000.00	15,000.00	178,950.00	\$5,185,000.00	615,000.00	169,575.00	\$4,570,000.00	755,000.00	149,025.00	\$3,815,000.00	750,000.00	126,450.00	\$3,065,000.00
	Bond Anticipation Notes - 2010 *	Refinance						\$6,600,000.00														
	Bond Anticipation Notes - 2010 *	General Tax	20.1%				\$6,600,000.00	\$0.00	\$18,150.00	\$0.00												
	General Bond 2011	General Tax	20.1%					325,000.00	92,802.08	\$6,275,000.00	450,000.00	211,500.00	\$5,825,000.00	450,000.00	198,000.00	\$5,375,000.00	450,000.00	184,500.00	\$4,925,000.00	475,000.00	171,000.00	\$4,450,000.00
TOTAL NOTES				\$51,925,000.00	\$10,010,000.00	\$2,098,131.13	\$59,930,000.00	\$10,450,000.00	\$1,985,310.42	\$56,080,000.00	\$4,140,000.00	\$1,972,471.26	\$51,940,000.00	\$4,830,000.00	\$2,047,108.76	\$47,110,000.00	\$5,080,000.00	\$1,875,696.26	\$42,030,000.00	\$5,240,000.00	\$1,688,671.26	\$36,790,000.00
Other Loans																						
	NJEIT (2006) - Fund (no interest)	Sewer Fee	73%	\$776,063.14	\$46,469.44		\$729,593.70	\$45,568.68		\$684,025.02	\$44,442.74		\$639,582.28	\$46,533.78		\$593,048.50	\$45,246.98		\$547,801.52	\$47,177.17		\$500,624.35
	NJEIT (2006) - Trust	Sewer Fee	73%	\$840,000.00	\$35,000.00	\$37,225.00	\$805,000.00	\$35,000.00	\$35,825.00	\$770,000.00	\$35,000.00	\$34,075.00	\$735,000.00	\$40,000.00	\$32,325.00	\$695,000.00	\$40,000.00	\$30,325.00	\$655,000.00	\$45,000.00	\$28,325.00	\$610,000.00
	NJEIT (2007) - Fund (no interest)	Sewer Fee	100%	\$784,500.73	\$42,674.13		\$741,826.60	\$44,881.95		\$696,944.65	\$43,778.04		\$653,166.61	\$43,027.38		\$610,139.28	\$42,254.64		\$567,884.64	\$44,613.86		\$523,270.78
	NJEIT (2007) - Trust	Sewer Fee	100%	\$840,000.00	\$30,000.00	\$37,850.00	\$810,000.00	\$35,000.00	\$36,150.00	\$775,000.00	\$35,000.00	\$34,400.00	\$740,000.00	\$35,000.00	\$33,210.00	\$705,000.00	\$35,000.00	\$31,985.00	\$670,000.00	\$40,000.00	\$30,725.00	\$630,000.00
	NJEIT (2008) - Fund (no interest)	Sewer Fee	81%	\$1,007,596.55	\$53,928.90		\$953,667.65	\$52,857.36		\$900,810.29	\$51,785.83		\$849,024.46	\$53,775.83		\$795,248.63	\$52,551.21		\$742,697.42	\$54,388.13		\$688,309.29
	NJEIT (2008) - Trust	Sewer Fee	81%	\$1,035,000.00	\$35,000.00	\$53,075.00	\$1,000,000.00	\$35,000.00	\$51,325.00	\$965,000.00	\$35,000.00	\$49,575.00	\$930,000.00	\$40,000.00	\$47,825.00	\$890,000.00	\$40,000.00	\$45,825.00	\$850,000.00	\$45,000.00	\$43,825.00	\$805,000.00
	NJEIT (2010) - Fund (no interest)	Sewer Fee	66%	\$2,302,317.00	\$78,044.64		\$2,224,272.36	\$117,066.96		\$2,107,205.40	\$117,066.96		\$1,990,138.44	\$117,066.96		\$1,873,071.48	\$117,066.96		\$1,756,004.52	\$117,066.96		\$1,638,937.56
	NJEIT (2010) - Trust	Sewer Fee	66%	\$750,000.00		\$15,152.20	\$750,000.00	\$25,000.00	\$31,900.00	\$725,000.00	\$25,000.00	\$30,900.00	\$700,000.00	\$30,000.00	\$29,650.00	\$670,000.00	\$30,000.00	\$28,150.00	\$640,000.00	\$30,000.00	\$26,650.00	\$610,000.00
	Green Trust Loan POE	Open Space		\$255,137.23	\$34,308.65	\$4,932.05	\$220,828.58	\$34,998.26	\$4,242.46	\$185,830.32	\$35,701.72	\$3,538.98	\$150,128.60	\$36,419.33	\$2,821.39	\$113,709.27	\$37,151.35	\$2,089.35	\$76,557.92	\$37,898.09	\$1,342.61	\$38,659.83
	Green Trust Loan Weller	Open Space		\$390,033.98	\$39,968.31	\$7,601.83	\$350,065.67	\$40,771.67	\$6,798.46	\$309,294.00	\$41,591.18	\$5,978.96	\$267,702.82	\$42,427.16	\$5,142.98	\$225,275.66	\$43,279.96	\$4,290.19	\$181,995.70	\$44,149.88	\$3,420.27	\$137,845.82
	Green Trust Loan Institute - ***	Open Space		\$606,197.84	\$75,694.38	\$11,747.23	\$530,503.46	\$77,215.81	\$10,225.80	\$453,287.65	\$78,767.88	\$8,673.73	\$374,519.77	\$80,351.10	\$7,090.52	\$294,168.67	\$81,966.14	\$5,475.45	\$212,202.53	\$83,613.67	\$3,827.95	\$128,588.86
TOTAL				\$9,586,846.47	\$471,088.45	\$167,583.31	\$9,115,758.02	\$543,360.69	\$176,466.72	\$8,572,397.33	\$543,134.35	\$167,141.67	\$8,029,262.98	\$564,601.54	\$158,064.89	\$7,464,661.49	\$564,517.24	\$148,139.99	\$6,900,144.25	\$588,907.76	\$138,115.83	\$6,311,236.49
Affordable Housing																						
	Refunding Bond 2004 (Griggs Farm)	Housing Utility	100%	\$770,000.00	\$390,000.00	\$26,462.50	\$380,000.00	\$380,000.00	\$13,300.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL BONDS				\$770,000.00	\$390,000.00	\$26,462.50	\$380,000.00	\$380,000.00	\$13,300.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL DEBT				\$62,281,846.47	\$10,871,088.45	\$2,292,176.94	\$69,425,758.02	\$11,373,360.69	\$2,175,077.14	\$64,652,397.33	\$4,683,134.35	\$2,139,612.93	\$59,969,262.98	\$5,394,601.54	\$2,205,173.65	\$54,574,661.44	\$5,644,517.24	\$2,023,836.25	\$48,930,144.20	\$5,828,907.76	\$1,826,787.09	\$43,101,236.44
Debt Service Attributable to Refinancing				\$0.00	\$6,460,000.00	\$0.00	\$0.00	\$6,600,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Debt Service Attributable to Tax Levy or Fees				\$62,281,846.47	\$4,411,088.45	\$2,292,176.94	\$69,425,758.02	\$4,773,360.69	\$2,175,077.14	\$64,652,397.33	\$4,683,134.35	\$2,139,612.93	\$59,969,262.98	\$5,394,601.54	\$2,205,173.65	\$54,574,661.44	\$5,644,517.24	\$2,023,836.25	\$48,930,144.20	\$5,828,907.76	\$1,826,787.09	\$43,101,236.44
Debt Service Attributable to Sewer Fees				\$13,472,919.25	\$758,533.69	\$440,049.79	\$17,284,800.56	\$1,015,495.74	\$521,504.77	\$16,269,304.81	\$1,065,331.96	\$518,422.55	\$15,203,972.86	\$1,261,184.66	\$486,183.04	\$13,942,788.25	\$1,292,050.61	\$449,961.18	\$12,650,737.64	\$1,341,391.77	\$410,301.88	\$11,309,345.87
Debt Service Attributable to Housing Utility				\$770,000.00	\$390,000.00	\$26,462.50	\$380,000.00	\$380,000.00	\$13,300.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Debt Service Attributable to General Tax Levy				\$48,038,927.22	\$3,262,554.75	\$1,825,664.65	\$51,760,957.46	\$3,377,864.95	\$1,640,272.37	\$48,383,092.52	\$3,617,802.39	\$1,621,190.38	\$44,765,290.12	\$4,133,416.88	\$1,718,990.61	\$40,631,873.19	\$4,352,466.63	\$1,573,875.07	\$36,279,406.56	\$4,487,515.99	\$1,416,485.21	\$31,791,890.57

* GOB 2002 was refunded with Refunding Bond 2010 and paid off in 2010

** GOB 2004 was refunded with Refunding Bond 2010B to be paid off in 2012

***The Township currently pays a portion of the 20 year Green Trust Loan by contributing a 24.9991% portion of the original \$5.625 million debt

Appendix M Shared Service Reconciliation
2011

Shared Service	Salary	OE	Total	Boro %	Twp %	Boro Share	Twp Share	Eq Val Boro	Eq Val Twp	Revised Boro Share	Revised Twp Share	Boro Difference	Twp Difference
Animal Control	57,136	36,000	93,136	34%	66%	31,666	61,470	0.3369	0.6631	31,378	61,758	-289	289
Corner House	113,122	138,045	251,167	50%	50%	125,584	125,584	0.3369	0.6631	84,618	166,549	-40,965	40,965
Environmental Commission	3,600	3,000	6,600	33%	67%	2,178	4,422	0.3369	0.6631	2,224	4,376	46	-46
Fire	20,285	219,532	239,817	42%	58%	100,723	139,094	0.3369	0.6631	80,794	159,023	-19,929	19,929
Fire Facilities	0	120,800	120,800	42%	58%	50,736	70,064	0.3369	0.6631	40,698	80,102	-10,038	10,038
First Aid	0	0	0	34%	66%	0	0	0.3369	0.6631	0	0	0	0
Flu		11,000	11,000	34%	66%	3,740	7,260	0.3369	0.6631	3,706	7,294	-34	34
Health	284,579	152,688	437,267	34%	66%	148,671	288,596	0.3369	0.6631	147,315	289,952	-1,356	1,356
Human Services	89,757	50,703	140,460	50%	50%	70,230	70,230	0.3369	0.6631	47,321	93,139	-22,909	22,909
Library	3,444,048	332,985	3,777,033	33%	67%	1,246,421	2,530,612	0.3369	0.6631	1,272,482	2,504,551	26,062	-26,062
Planning Board	213,272	128,328	341,600	33%	67%	112,728	228,872	0.3369	0.6631	115,085	226,515	2,357	-2,357
Recreation	686,425	535,065	1,221,490	34%	66%	415,307	806,183	0.3369	0.6631	411,520	809,970	-3,787	3,787
Solid Waste	66,610	189,282	255,892	58%	42%	148,417	107,475	0.3369	0.6631	86,210	169,682	-62,207	62,207
Senior Resource Center	107,233	87,090	194,323	50%	50%	97,162	97,162	0.3369	0.6631	65,467	128,856	-31,694	31,694
Totals			7,090,585			2,553,562	4,537,023			2,388,818	4,701,767	-164,744	164,744
Sewers (Based on user fees)	776,683	522,411	1,277,893	42%	58%	536,715	741,178						

Appendix N -5 Year Debt Service

Borough		Average Residential Value		747,665	
		Eq Net Value Taxable		2,196,875,000	
	Principal	Interest	Total	Rate	Tax
2010	1,350,831.48	571,971.25	1,922,802.73	0.088	658
2011	1,995,661.84	1,036,582.80	3,032,244.64	0.139	1,039
2012	2,045,570.33	903,597.75	2,949,168.08	0.135	1,009
2013	2,069,171.50	820,034.86	2,889,206.36	0.132	987
2014	2,074,665.76	742,842.58	2,817,508.34	0.129	964
2015	2,076,485.89	665,123.83	2,741,609.72	0.125	935
Total					4,934

Township		Average Residential Value		826,636	
		Eq Net Value Taxable		4,617,696,490	
	Principal	Interest	Total	Rate	Tax
2010	3,262,554.75	1,825,664.65	5,088,219.40	0.111	918
2011	3,377,864.95	1,640,272.37	5,018,137.32	0.109	901
2012	3,617,802.39	1,621,190.38	5,238,992.77	0.114	942
2013	4,133,416.88	1,718,990.61	5,852,407.49	0.127	1,050
2014	4,352,466.63	1,573,875.07	5,926,341.70	0.129	1,066
2015	4,487,515.99	1,416,485.21	5,904,001.20	0.128	1,058
Total					5,017

					Borough	Township
Combined		Equalized Residential Value			747,665	826,636
		Eq Net Value Taxable			6,814,571,490	
	Principal	Interest	Total	Rate	Borough	Township
2010	4,613,386.23	2,397,635.90	7,011,022.13	0.103	770	851
2011	5,373,526.79	2,676,855.17	8,050,381.96	0.119	890	984
2012	5,663,372.72	2,524,788.13	8,188,160.85	0.121	905	1,000
2013	6,202,588.38	2,539,025.47	8,741,613.85	0.129	964	1,066
2014	6,427,132.39	2,316,717.65	8,743,850.04	0.129	964	1,066
2015	6,564,001.88	2,081,609.04	8,645,610.92	0.127	950	1,050
					4,673	5,166

	Princeton Borough Projected Debt Balances 12/31/xxxx		3 Yr Avg Eq Value 2010	2,520,605,360	Princeton Township Projected Debt Balances 12/31/xxxx		3 Yr Avg Eq Value 2010	5,031,124,182
	Gross Issued Debt Balance	Net Issued Debt Balance	Adjusted Gross Debt Issued Ratio		Adjusted Net Debt Issued Ratio	Gross Issued Debt Balance	Net Issued Debt Balance	
2009	38,007,403.87	14,825,819.85	1.51%	0.59%	62,281,846.47	48,038,927.22	1.24%	0.95%
2010	48,488,493.27	26,275,988.37	1.92%	1.04%	69,425,758.02	51,760,957.46	1.38%	1.03%
2011	45,457,590.67	24,280,326.53	1.80%	0.96%	64,652,397.33	48,383,092.52	1.29%	0.96%
2012	42,326,989.07	22,234,756.20	1.68%	0.88%	59,969,262.98	44,765,290.12	1.19%	0.89%
2013	39,088,057.47	20,165,584.70	1.55%	0.80%	54,574,661.44	40,631,873.19	1.08%	0.81%
2014	35,747,409.87	18,090,918.94	1.42%	0.72%	48,930,144.20	36,279,406.56	0.97%	0.72%
2015	32,390,636.27	16,014,433.05	1.29%	0.64%	43,101,236.44	31,791,890.57	0.86%	0.63%

Appendix O Debt Purpose Borough

Bond Series	Original Note Amount	12/31/2010 Balance	User Fee Funding Source	User Fee Funding %	Projects	
Borough Series 2003A	\$ 5,553,000.00	\$ 3,078,000.00			Fire \$578,710, Library \$1,005,518, Recreation \$467,769 Senior Center \$112,444, Admin \$221,890, Roads \$921,000, Sidewalk \$239,960 PW Vehicles \$524,925, Police \$163,800, Parking Yards \$104,000, Engineering \$197,770, PW Bldg Repairs \$85,930, Storage Bldg SOC River Rd \$24,460, Parks \$210,460, Parking Garage \$92,055, Open Space \$563,000, Corner House \$6,726, Planning \$3,034 & Solid Waste \$29,549	
Borough Series 2003B	\$ 8,214,000.00	\$ 4,509,000.00			Admin \$115,214, Parking \$34,250, PW Equip \$525,777, Solid Waste \$254,102, Parks \$290,316, Health \$2,445, Planning Board \$626, Library \$1,202,565, Police \$171,325, Roads \$4,548,996, Senior Center \$487,733, Recreation \$314,797, Parking Yards \$23,826, Fire \$77,000, Sewer \$24,000, Fire Inspector \$44,033, Environmental Commission \$125, Engineering \$96,870 Sidewalks \$1,074,059, Water, Sewer & Sidewalks \$117,000, Water & Sewer \$24,000, Sewer \$3,480,793, Roads \$1,878,679, Senior Center \$1,140, Fire \$219,600, Recreation \$288,467, Administration \$189,386, PW Equipment \$497,090, Police \$186,825, Parks \$51,300, Roads & Sewer \$1,655,000, Library \$145,260 & Engineering \$24,460	
Borough Series 2007	\$ 9,833,059.00	\$ 8,108,134.00	Sewer	50.0%		50%
Borough Series 2010	\$ 12,589,000.00	\$ 12,589,000.00			Sidewalks \$3,116,351, Senior Center \$172,174, Library \$95,690, Fire \$996,114, Recreation \$294,339, health \$97,032, Building Repairs \$128,273, Sidewalks \$292,350, Fire Inspector \$116,192, Administration \$476,640, PW Building Repairs \$444,066, Parking Yards \$72,737, PW Equipment \$441,335, Engineering \$212,331, Roads \$4,619,565, Police \$378,111 & Parks \$635,700 Equipment \$255,500, Roads \$480,974, Sewer \$1,057,668 (Includes Both Fund & Trust)	
Borough Series 2006 Fund	\$ 889,142.00	\$ 729,594.00	Sewer	73.0%		73%
Borough Series 2006A Trust	\$ 905,000.00	\$ 805,000.00	Sewer	73.0%		
Borough Series 2007 Fund	\$ 848,221.00	\$ 741,827.00	Sewer	100.0%	Sewer (Includes Both Fund & Trust)	100%
Borough Series 2007A Trust	\$ 870,000.00	\$ 810,000.00	Sewer	100.0%		
Borough Series 2008 Fund	\$ 1,034,227.00	\$ 953,668.00	Sewer	81.0%	Roads \$393,550, Sewer \$1,675,677 (Includes Both Fund & Trust)	81%
Borough Series 2008A Trust	\$ 1,035,000.00	\$ 1,000,000.00	Sewer	81.0%		
Borough Series 2010 Fund	\$ 1,991,581.00	\$ 1,924,070.00	Sewer	66.0%	Equipment \$220,000, Roads \$888,508, Sewer \$1,533,073 (Includes Both Fund & Trust)	66%
Borough Series 2010A Trust	\$ 650,000.00	\$ 650,000.00	Sewer	66.0%		
Borough Series 2003 -Parking Debt	\$ 13,700,000.00	\$ 12,205,000.00	Parking Utility	100.0%	Redevelopment Project	
Borough Series 2007 -Assessment Debt	\$ 142,941.00	\$ 117,866.00	Sidewalk Assessment	50.0%	Sidewalk	
Borough Series 2010 -Assessment Debt	\$ 212,000.00	\$ 212,000.00	Sidewalk Assessment	50.0%	Sidewalk	
		48,433,159.00				
		36,228,159.00				

Appendix P

Debt Purpose Township

Bond Series	Original Note Amount	12/31/2010 Balan	User Fee Funding Sourc	User Fee %	Projects
Township General Bond 2002	\$ 10,685,000.00	\$ -	Refunding Bond 2010		100.0%
Township General Bond 2004	\$ 9,250,000.00	\$ 6,450,000.00	Refunding Bond 2010 E		100.0%
Township General Bond 2006	\$ 23,775,000.00	\$ 21,770,000.00	Sewer Fee		19.3% Open Space 18.9%
Township General Bond 2008	\$ 8,000,000.00	\$ 7,700,000.00	Sewer Fee		11.2%
Township Refunding Bond 2009	\$ 8,500,000.00	\$ 5,995,000.00	Sewer Fee		23.9% Open Space 4.4%
Township Refunding Bond 2010	\$ 6,185,000.00	\$ 6,185,000.00	Sewer Fee		29.7%
Township Refunding Bond 2010B	\$ 5,230,000.00	\$ 5,230,000.00	Sewer Fee		26.9%
Township NJEIT (2006) - Fund (no interest)	\$ 889,142.00	\$ 729,593.70	Sewer Fee		73.0%
Township NJEIT (2006) - Trust	\$ 905,000.00	\$ 805,000.00	Sewer Fee		73.0%
Township NJEIT (2007) - Fund (no interest)	\$ 848,221.00	\$ 741,826.60	Sewer Fee		100.0%
Township NJEIT (2007) - Trust	\$ 870,000.00	\$ 810,000.00	Sewer Fee		100.0%
Township NJEIT (2008) - Fund (no interest)	\$ 1,034,227.00	\$ 953,667.65	Sewer Fee		81.0%
Township NJEIT (2008) - Trust	\$ 1,035,000.00	\$ 1,000,000.00	Sewer Fee		81.0%
Township NJEIT (2010) - Fund (no interest)	\$ 2,302,317.00	\$ 2,224,272.36	Sewer Fee		66.0%
Township NJEIT (2010) - Trust	\$ 750,000.00	\$ 750,000.00	Sewer Fee		66.0%
Township Green Trust Loan POE	\$ 631,050.00	\$ 220,828.58	Open Space Tax		100.0%
Township Green Trust Loan Weller	\$ 1,125,000.00	\$ 350,065.67	Open Space Tax		100.0%
Township Green Trust Loan Institute	\$ 1,406,200.00	\$ 530,503.46	Open Space Tax		100.0%
Township Bond Anticipation Notes - 2010 *	\$ 6,600,000.00	\$ 6,600,000.00	Sewer Fee		20.1%
Township Refunding Bond 2004 (Griggs Farm)	\$ 2,990,000.00	\$ 380,000.00	Housing Utility		100.0%

Appendix Q Equalization Rate Comparison

	County Eq Ratios		State Eq Rates		County Eq Value	
	Princeton Boro	Princeton Township	Princeton Boro	Princeton Township	Princeton Boro	Princeton Township
2011	89.95	95.33	Not Available Yet	Not Available Yet	2,452,366,222	4,851,754,375
2010	85.86	92.28	89.95	95.33	2,596,275,756	5,110,694,840
2009	39.53	47.63	39.30	48.06	2,560,967,009	5,126,162,940
2008	40.30	47.45	39.53	47.63	2,504,932,529	5,119,535,943
2007	44.33	49.88	40.30	47.45	2,261,516,505	4,839,194,544
2006	51.13	53.42	44.33	49.88	1,967,346,972	4,496,411,053
2005	54.69	58.97	51.13	53.42	1,836,800,462	4,041,625,363
2004	59.68	64.81	54.69	58.97	1,680,328,474	3,633,570,630
2003	67.95	71.09	59.68	64.81	1,491,296,715	3,292,596,254
2002	75.36	78.63	67.95	71.09	1,342,635,978	2,938,037,378
2001	87.80	87.81	75.36	78.63	1,154,604,551	2,574,647,284
2000	91.34	95.06	87.80	87.81	1,100,438,462	2,356,356,383
1999	99.88	98.83	91.34	95.06	1,002,364,943	2,209,209,375
1998	94.20	101.91	99.88	98.83		

Appendix R Open Space

	NVT 2011	Avg Res. Prop Value 2011
Borough	2,196,649,214	747,665
Township	4,617,801,381	826,636
	6,814,571,490	

Open Space from Existing Rate to Borough Rate

	Existing Rate	Proposed Rate	Current Open Space	Proposed Open Space	Change
Borough	0.01	0.01	74.77	74.77	-
Township	0.02	0.01	165.33	82.66	(82.66)

Open Space from Existing Rate to Township Rate

	Existing Rate	Proposed Rate	Current Open Space	Proposed Open Space	Change
Borough	0.01	0.02	74.77	149.53	74.77
Township	0.02	0.02	165.33	165.33	-

Open Space remaining at Existing Rates

	Existing Rate	Proposed Rate	Current Open Space	Proposed Open Space	Change
Borough	0.01	0.01	74.77	74.77	-
Township	0.02	0.02	165.33	165.33	-

Open Space from Existing Rate to Rate of .015

	Existing Rate	Proposed Rate	Current Open Space	Proposed Open Space	Change
Borough	0.01	0.017	74.77	127.10	52.34
Township	0.02	0.017	165.33	140.53	(24.80)

Open Space from Existing Rate to Zero

	Existing Rate	Proposed Rate	Current Open Space	Proposed Open Space	Change
Borough	0.01	0	74.77	-	(74.77)
Township	0.02	0	165.33	-	(165.33)

**Appendix S
Solid Waste Reconciliation**

Current State	Borough	Township	Combined
Property Tax Levy	9,457,716	20,070,600	29,528,316
Taxable Assessed Value	2,196,649,214	4,617,801,381	6,814,450,595
Tax Rate	0.431	0.435	Roundup
Average Property Value	747,665	826,636	
Average Tax Bill	3,222	3,596	

Remove Borough Solid Waste Costs	(468,528)
Revised Borough Tax Levy	8,989,188
Revised Borough Tax Rate	0.409
Revised Borough Tax Bill	3,058
Net Reduction Attributable to Solid Waste	(164)

Combine Levies	Borough	Township	Combined
Revised Levy	8,989,188	20,070,600	29,059,788
Combined Taxable Assessed Value	2,196,875,000	4,617,696,490	6,814,571,490
Revised Tax Rate	0.427	0.427	0.427
Revised Tax Bill	3,193	3,530	
Net Reduction Attributable to Solid Waste	(29)	(66)	

Add'l Cost to Borough for a Service District
468,568
2,196,875,000
0.022
3,357
164

Apply Incremental Cost of Solid Waste Collection			1,180,000
Revised Costs stated as a Levy	380,407	799,593	
Revised Combined Tax Levy	9,899,717	20,808,599	30,708,316
Revised Combined Tax Rate Increase	0.017	0.017	Round
Revised Incremental Tax Bill Increase	127	141	Round
Revised Combined Tax Rate	0.451	0.451	Round
Revised Combined Tax Bill	3,372	3,728	
Net Change to Average Homeowner	150	132	

Apply Cost of Townwide Solid Waste Collection			1,648,528
Revised Costs stated as a Levy	531,451	1,117,077	
Revised Combined Tax Levy	9,899,717	20,808,599	30,708,316
Revised Combined Tax Rate Increase	0.024	0.024	Round
Revised Combined Tax Bill Increase	179	198	
Revised Combined Tax Rate	0.451	0.451	Round
Revised Combined Tax Bill	3,372	3,728	
Net Change to Average Homeowner	150	132	

Subtract Savings from Consolidation			(3,161,000)
Revised Savings stated as a Levy	(1,019,040)	(2,141,960)	
Revised Combined Tax Levy	8,880,677	18,666,639	27,547,316
Revised Combined Tax Rate Decrease	-0.046	-0.046	Round
Revised Incremental Savings	(344)	(380)	
Revised Rate	0.405	0.405	Roundup
Revised Combined Tax Bill	3,028	3,348	
Net Change to Average Homeowner	(194)	(248)	

Apply 1st Year Savings from Consolidation			(1,311,000)
Revised Savings stated as a Levy	(422,639)	(888,361)	
Revised Combined Tax Levy	9,477,078	19,920,238	29,397,316
Revised Combined Tax Rate	-0.019	-0.019	Round
Revised Incremental Savings	(142)	(157)	
Revised Rate	0.432	0.432	Roundup
Revised Combined Tax Bill	3,230	3,571	
Net Change to Average Homeowner	8	(25)	

	2011 Municipal Tax Levies		Aggregate Savings	
	Borough	Township	Borough	Township
Existing Tax Structure	3,222	3,596		
Combined Tax Structure	3,245	3,588	23	(8)
Savings for 1st Year	3,103	3,431	(119)	(165)
Total Savings	2,901	3,208	(321)	(388)
Solid Waste for the Consolidated Municipality	3,372	3,729	150	133
Savings for 1st Year and Consolidated Solid Waste	3,230	3,572	8	(24)
Total Savings and Consolidated Solid Waste	3,028	3,348	(194)	(248)

	2011 Tax Levies		Aggregate Savings	
	Borough	Township	Borough	Township
Existing Tax Structure	15,274	16,252		
Combined Tax Structure	14,899	16,476	(375)	224
Savings for 1st Year	14,757	16,319	(517)	67
Total Savings	14,555	16,096	(719)	(156)
Solid Waste for the Consolidated Municipality	15,026	16,617	(248)	365
Savings for 1st Year and Consolidated Solid Waste	14,884	16,460	(390)	208
Total Savings and Consolidated Solid Waste	14,682	16,237	(592)	(15)

Appendix T Additional SW Costs

Merged Municipal Tax Rate Calculation - 2011 Levies Existing Values

Merged Tax Rate Calculation

	A	B	C	D	E	F	G
	Local 2011 Net Value Taxable	2011 Tax Levy	Individual Tax Rate (C/A*100)	Share of Combined Net Value Taxable	Share of Combined County Net Value (D/TotalD)	Share of Equalized Tax Levy + SW Cost \$1,648,528 - 3,161,000 Savings	Merged Tax Rate (E/A*100)
Princeton Borough	2,196,649,214	9,457,716	0.431	2,196,875,000	32.24%	8,880,677	0.405
Princeton Township	4,617,801,381	20,070,600	0.435	4,617,696,490	67.76%	18,666,639	0.405
Combined Levy	6,814,450,595	29,528,316	0.434	6,814,571,490		27,547,316	0.405

Average Residential Property Tax Calculation

	H	I	J	K	L	M
	Local 2011 Residential Taxable	Residential Parcels	Average Local Residential Value (G/H)	Current Average Residential Taxes (I*D/100)	Average Residential Merged Taxes (I*F/100)	Changes in Taxes
Princeton Borough	1,563,366,485	2,091	747,665	3,222	\$ 3,028	(194)
Princeton Township	4,067,047,699	4,920	826,636	3,596	\$ 3,348	(248)
Combined	5,630,414,184	7,011	803,083	0.405	\$ 3,252	